

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

SDX Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

PO Box 5061, Midland, TX 79704 915/685-1761

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 990' FSL 990' FEL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

9 miles SE of Loco Hills, NM

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT
(Also to nearest drg. unit line, if any)

990'
330'

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

933'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3599' GR

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

19. PROPOSED DEPTH

4000'

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

06/01/98

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" J-55	24#	500'	400 sx Class C
7-7/8"	5-1/2" J-55 or	9.5# - 17#	4000'	350 sx 50/50 POZ C
	4-1/2" J-55			400 sx 35/65 POZ C

Plan to drill a 12-1/4" hole to appx 500'. Set 8-5/8" surface csg & circ C cmt to surface. Drill 7-7/8" hole to TD. Run open hole logs (LDT-CNL-GR & DLL). Run 4-1/2" or 5-1/2" csg & circ cmt to surface. Will perf & stimulate as necessary for optimum production.

Specific programs as per Onshore Oil & Gas Order #1 are outlined in the following attachments:

Drilling Program

Surface Use & Operating Plan

H2S Plan

Exhibits 1: BOP

2: Plat

3: Planned ROW's (access roads & flowlines & high lines)

4: One Mile Radius Map

5: Drilling Rig Layout

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Bonnie Otwater

TITLE Regulatory Tech.

DATE 04/07/98

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

FORG. AGO. ARMANDO A. LOPEZ

TITLE

Agua

ADM MINERALS

DATE

MAY 10 1998

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT II
P.O. Brawer ED, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artec. NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		56439	Shugart (Y,SR,Q,G)
Property Code	Property Name		Well Number
019242	SHUGART "C" FED.		7
OGRID No.	Operator Name		Elevation
020451	SDX RESOURCES INC.		3599

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	30	18 S	31 E		990	SOUTH	990	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code		Order No.					

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

LOT 1			
35.30 ACRES LOT 2			
35.38 ACRES LOT 3			
35.46 ACRES LOT 4			
35.54 ACRES			

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Bonnie Atwater

Signature _____

Bonnie Atwater

Printed Name _____

Regulatory Tech.

Title _____

April 7, 1998

Date _____

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

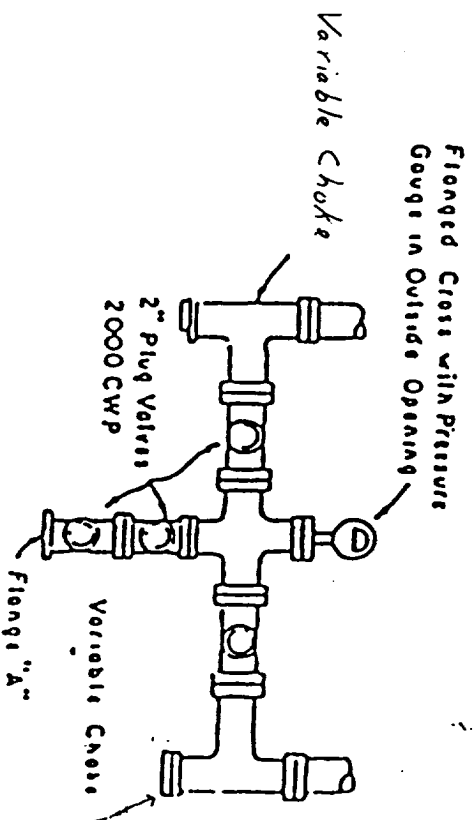
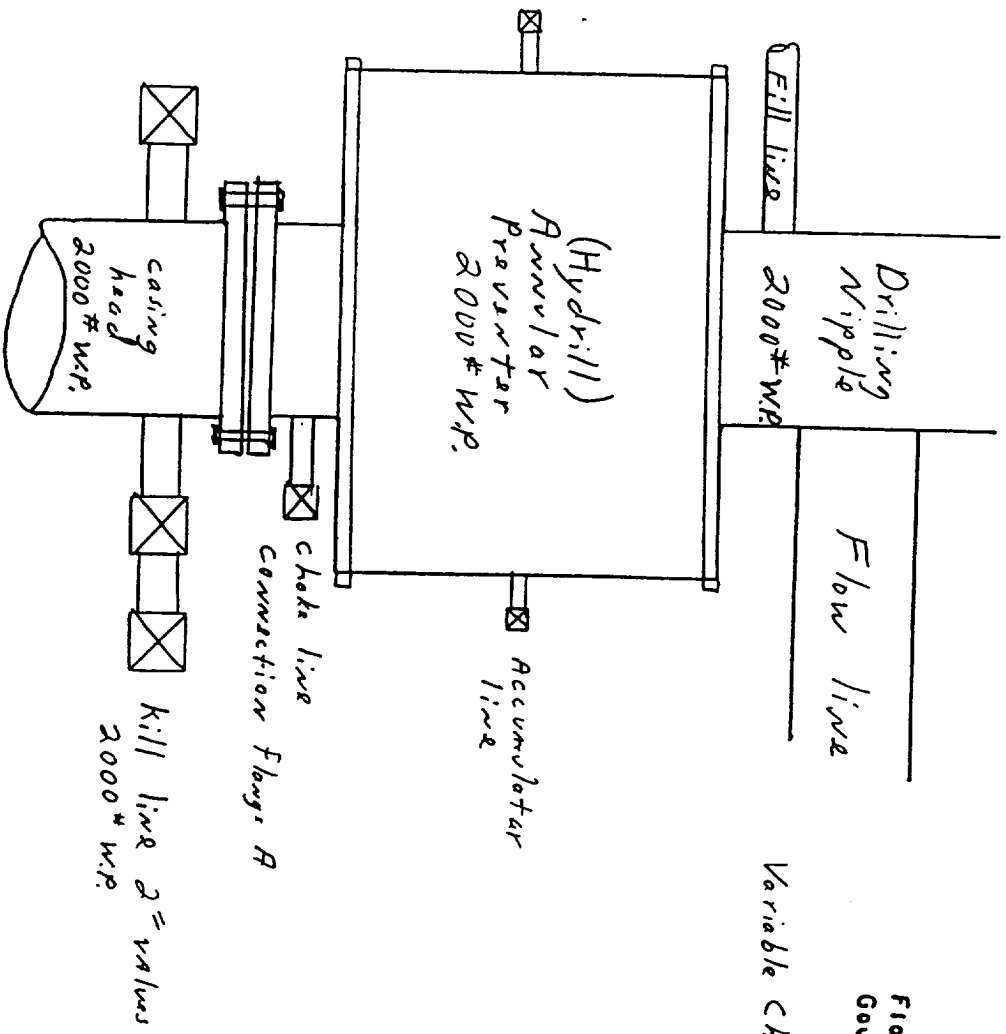
MARCH 31, 1998

Date Surveyed _____ DMCC

Signature _____

Professional Surveyor

Certification No. JOHN W. EDISON 676
RONALD L. EDISON 3239
REGISTERED PROFESSIONAL SURVEYOR 12641



PLAN VIEW-CHOKE MANIFOLD

Exhibit #1