

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address SDX RESOURCES INC PO BOX 5061 MIDLAND , TX 79704		2. OGRID Number 20451
		3. API Number 30-015-36252
4. Property Code 26503	5. Property Name STALEY STATE	6. Well No. 004

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	30	17S	28E	N	990	S	1980	W	EDDY

8. Pool Information

RED LAKE;GLORIETA-YESO	51120
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3625
14. Multiple N	15. Proposed Depth 5000	16. Formation Yeso Formation	17. Contractor	18. Spud Date 4/1/2008
Depth to Ground water 1000		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000

Pit: Liner: Synthetic ☒ 12 _____ mils thick Clay ☐ Pit Volume: 8000 _____ bbls Drilling Method:
 Closed Loop System ☐ Fresh Water ☒ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	400	325	
Prod	7.875	5.5	14	5000	600	

Casing/Cement Program: Additional Comments

Plan to drill a 12-1/4" hole to appx 400' & set 8-5/8" surf csg to 400'. Circ Class C cmt. Drill 7-7/8" hole to TD (5000'). Run OH logs. Run 5-1/2" csg 7 circ cmt. Perf the GL/YE zone & stimulate as necessary for optimum production.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Bonnie Atwater	Approved By: Tim Gum	
Title: Manager	Title: District Supervisor	
Email Address: batwater@sdxresources.com	Approved Date: 4/7/2008	Expiration Date: 4/7/2010
Date: 3/19/2008	Phone: 432-685-1761	Conditions of Approval Attached

District I
1625 N. French Dr. Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, N M 87505

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 51300	Red Lake, QN-GB-SA	Pool Name
Property Code 26503	Staley State	Property Name	Well Number 4
OGRID No. 020451	Operation Name SDX RESOURCES, INC.	Elevation 3625	

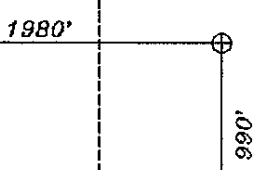
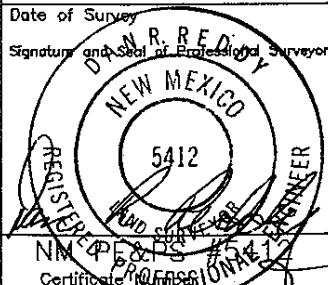
Surface Location

UL or Lot No. N	Section 30	Township 17-S	Range 28-E	Lot Idn.	Feet from the 990	North/South line SOUTH	Feet from the 1980	East/West line WEST	County EDDY
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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 INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.		
	Signature <i>Bonnie Atwater</i>		
	Printed Name Bonnie Atwater		
	Title Regulatory Tech		
Date 4/21/05			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 KNOWLEDGE AND BELIEF.
JULY 21, 2000			
Date of Survey			
Signature and Seal of Professional Surveyor			
			

Permit Comments

Operator: SDX RESOURCES INC , 20451

Well: STALEY STATE #004

API: 30-015-36252

Created By	Comment	Comment Date
BATWATER	This APD was originally approved 5-24-05.	3/3/2008
BATWATER	Original plat on file.	3/3/2008
BATWATER	Anticipated H2S levels are not expected to be high enough to require an H2S Contingency Plan.	3/3/2008

Permit Conditions of Approval

Operator: SDX RESOURCES INC , 20451

Well: STALEY STATE #004

API: 30-015-36252

OCD Reviewer	Condition
kmwilson	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines