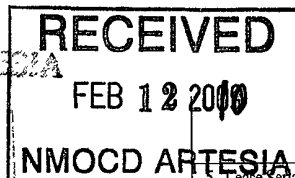


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1 Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

2 Name of Operator  
SandRidge Exploration and Production, LLC

3a Address  
123 Robert S. Kerr Ave, Oklahoma City, OK 73102

3b. Phone No (include area code)  
405-429-5682

4. Location of Well (Footage, Sec, T., R., M., or Survey Description)  
1310' FNL & 560' FWL, UL: D, Sec. 21, 17S, 31E

No. NMNM-98122

6 If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
NMNM071030X

8 Well Name and No.  
Skelly Unit #502

9. API Well No.  
30015 37006

10. Field and Pool, or Exploratory Area  
Grayburg, Jackson-SR-Q-G-SA

11. County or Parish, State  
Eddy, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other TD Change
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SandRidge Exploration and Production, LLC respectfully request approval of the change of plans for the above well:

1. Total Depth of Well: Original TD: 4600' New TD: 3900'
2. Drilling Program - Estimated Formation Tops: Please see attached
3. Casing Program - Please see attached. Original Setting Depth: 4600' Grade N-80; New Setting Depth 3900' Grade J-55
4. Company contacts - Please see attached
5. Rig Information - Changed to Lariat 17 Rig
6. Company Contact Info - due to Operator Change effective 1/1/10
7. Closed Loop System - Qmax System

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Signature:

Title Regulatory Manager

Date 01/28/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice 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.

Title

Office

Date

APPROVED

FEB 10 2010

/s/ Chris Walls

BUREAU OF LAND MANAGEMENT

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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

(Instructions on page 2)

D. D.



Sandridge Tertiary, LLC  
Skelly Unit, Eddy Co., New Mexico  
Rene Ulmschneider - Geologist

GEOLOGICAL PROGNOSIS  
January 26, 2010

**WELL NAME:** Skelly Unit #502  
**API#:** 3001537006  
**SURFACE LOCATION:** SW NW NW (1310 FNL & 560 FWL)  
Section 21, T-17S, R-31E  
Eddy. Co., New Mexico  
**ELEVATIONS:** 3728' GL (John West Surveying Co.), 3741' KB (13' KB on Lariat  
Rig #17)

**ANTICIPATED CASING:** 8 5/8" @ 290; 5 1/2" @ TD

<b>FORMATION TOPS:</b>	<b>SUBSEA</b>	<b>MD (DRILL DEPTH)</b>
Rustler Anhydrite/Base of Red Beds	+3460'	281'
Salado	+3225'	516'
Tansill/Base of Salt	+2358'	1383'
Yates	+2226'	1515'
Seven Rivers*	+1902'	1839'
Queen*	+1302'	2439'
Grayburg*	+953'	2788'
San Andres*	+592'	3149'
Lovington SS	+458'	3283'
Lower Jackson (SA Pay)*	+219'	3522'
Total Depth (TD in San Andres):	-159'	3900'
(*potential pay zones)		

**COMMENTS:** This is a 10 acre infill well. Production is found here in multiple thin pay zones in the Seven Rivers, Queen, Grayburg-Upper San Andres and the "Lower Jackson" San Andres pay zone. The TD of 3900' is proposed to test all of "Lower Jackson" San Andres pay zone.

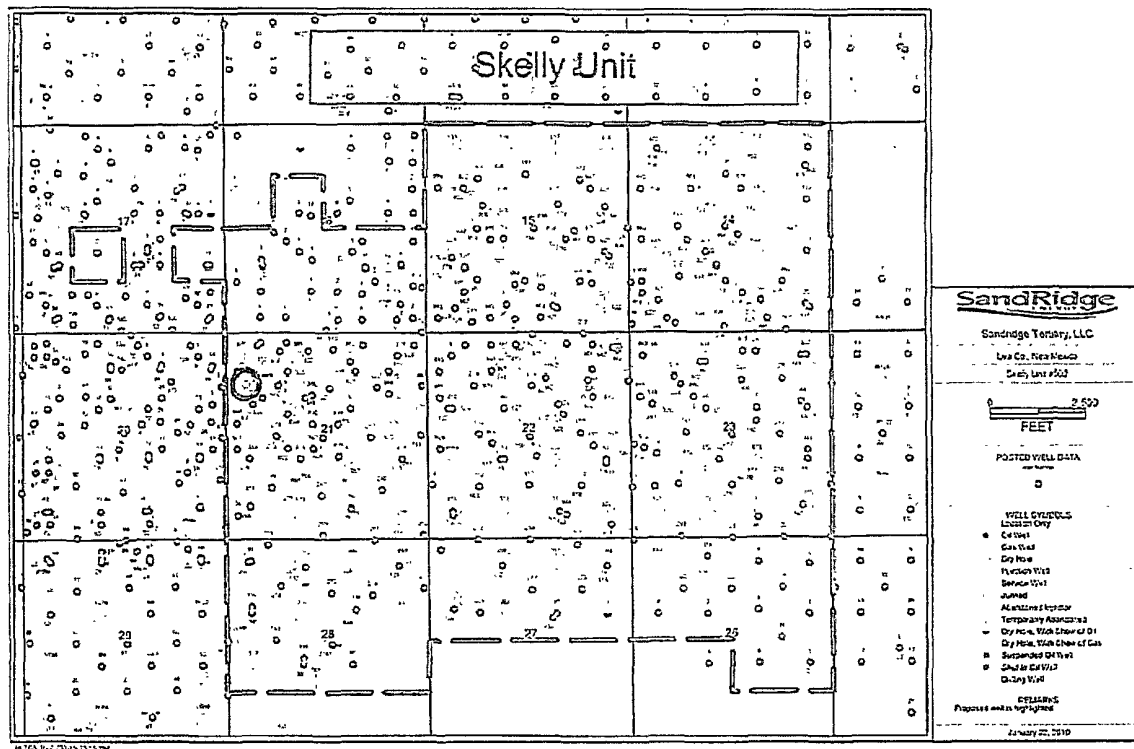
**OPEN-HOLE LOGS:** Dual Laterolog/MSFL, Neutron-Density/PE/Spectralog,  
Sonic; TD to casing  
GR-Neutron; Through casing to 200'

**COMPANY CONTACTS:**

Rene Ulmschneider, Geologist  
 Office: 432-687-4242, ext. 211  
 Fax: 432-687-4244  
 Home: 432-685-0021  
[rulmschneider@sdrge.com](mailto:rulmschneider@sdrge.com)

George Davis, Geology Mgr.  
 Office: 405-429-5712  
 Fax: 405-429-5964  
 Home: 405-525-6745  
 Cell: 405-471-2144  
[gdavis@sdrge.com](mailto:gdavis@sdrge.com)

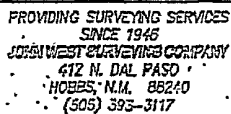
Matt Nelson, Drilling Engineer  
 Office: 405-429-6030  
 Cell: 405-651-2833  
[mnelson@sdrge.com](mailto:mnelson@sdrge.com)



## NEW MEXICO



FROM THE INTERSECTION OF U.S. HIGHWAY #82 AND  
COUNTY ROAD 223 (SWEET GUM ROAD), GO NORTH ON  
SWEET GUM RD. APPROX. 0.9 MILES, TURN LEFT AND  
GO WEST APPROX. 0.3 MILES; TURN LEFT AND GO  
SOUTH APPROX. 355 FEET. THIS LOCATION IS WEST  
APPROX. 65 FEET.



• SKELLY UNIT #502 WELL •  
LOCATED 1310 FEET FROM THE NORTH LINE •  
AND 560 FEET FROM THE WEST LINE OF SECTION 21,  
TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO

Survey Date: 6/12/08	Sheet 1 of 1 Sheets		
W.O. Number: 08.11.0936	Dr By: DSS	Rev 1:N/A	
Date: 6/18/08	08110936	Scale: 1"=100'	

# SANDRIDGE ENERGY

## PRODUCTION CASING DESIGN

WELL NAME & NUMBER: SKELLY UNIT 503 BY: MATT NELSON DATE: 1/26/2010  
 LOCATION: EDDY COUNTY, NM HOLE SIZE: 7.875 in.  
 MAXIMUM MUD WEIGHT: 10.0 PPG BOUANCY FACTOR: 0.847 LAST CASING SIZE: 8.625 in. DRIFT 7.972 in.  
 DEPTH: 3900 ft MD 3900 ft TVD  
 CALCULATED TOP OF CEMENT: 0 ft

SECTION OF STRING		DESCRIPTION OF CASING			JOINT TYPE	WEIGHT (M LBS)			COLLAPSE			TENSION		BURST	
DEPTH OF BOTTOM	LENGTH OF SECTION	OD	WEIGHT PER FOOT	GRADE	THREADED CONNECTION	OF SECTION	FOR COLLAPSE CORRECTION	FOR TENSION DESIGN	RATED COLLAPSE PSI	CORRECT FOR TENSION	COLL SF	MINIMUM YIELD	TENS SF	BURST PRESSURE	BURST SF
3900'	3900'	5.5"	17#	J-55	LTC	66	66	66	4910		2.05	247	3.72	5320	1.11

TOTAL 3900 FT, PLUS 1% THREAD LOSS AND 120 FT EXTRA TOTAL FOOTAGE TO BE INSPECTED 4059 FT

DESCRIPTION OF CASING			JOINT TYPE	DIMENSIONS				MAKE UP TORQUE (FT/LBS)		
OD	WEIGHT PER FOOT	GRADE	THREADED CONNECTION	ID	DRIFT	WALL THICKNESS	CPLG OD	OPTIMUM	MIN	MAX
5.5"	17#	J-55	LTC	4.892 in	4.767 in	0.304	6.05	2470	1850	3090

## Casing & Cement

Hole Size	OD	Weight(lb/ft)	Grade	Age	Conn	Set Depth
17.5"	14"	36.71#	B-250	New	NA	40'
12.25"	8.625"	8 jts of 24# 3 jts of 32#	J-55	New	STC	450'
7.875"	5.5"	17#	J-55	New	LTC	3900'

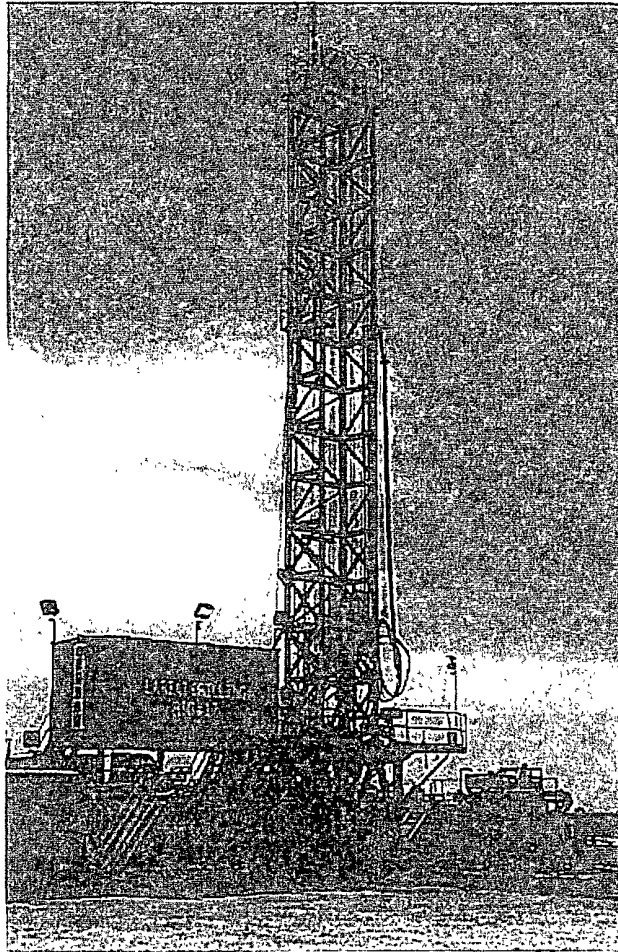
- Surface casing string will be cemented to surface with 150% excess. Cement with 150 sks Lead 65/35/6 class C cement w/ 2% CaCl<sub>2</sub> + 1/8#/sk Celloflake + 0.004 gps CF-41L (defoamer) mixed @ 12.8 ppg, 1.83 yield, 9.76 mix water and ~3hr TT. Followed by 150 sks Tail Class C cement w/ 2%CaCl<sub>2</sub> +0.0004 gps CF-41L mixed @ 14.8 ppg, 1.34 yield, and 6.32 gal/sk mix water.
- Production casing string will be cemented to surface with 100% excess for Lead slurry of 350sks of 65/35/6 class C w/ 5%salt + 5# Kolseal (lcm) + .004 gps CF-41L, mixed @ 12.4 ppg, 2.1 yield, and 11.14 mix water and 4:30hr TT. Followed by 340 sks Tail 50/50/2 class C cement (50% excess) w/ 2/10% C-12, 10%salt + 2% gypsum, 3#sk Kolseal + .004 gps CF-41L, mixed at 14.4 ppg, 1.31 yield, and 2:30 hr TT. **Actual volumes and properties could be adjusted according to hole conditions, and openhole caliper log.**
- Production Tubing will be a string of 2-7/8" 6.5# J-55 tubing

**SandRidge Energy.....405-429-5500**

### **Contacts:**

Name	Title	Office Phone	Mobile Phone	email
Matt Nelson	Drilling Engineer	405-429-6030	405-651-2833	mnelson@sdrge.com
Nick Newland	Drilling Manager	405-429-5655	405-761-3414	nnewland@sdrge.com
Jerry Shrum	Sr. Drilling Supt. Consultant	432-894-3269 m	936-494-9410	jshrum1@sdrge.com
Floyd Shrum	Drilling Supt. Consultant	432-661-3513 m	432-631-3850	fshrum@sdrge.com
John Shrum	Drilling Supt. Consultant	432-813-4504 m	432-209-0736	jshrum@sdrge.com

# Lariat Rig 17



**APPROXIMATE AGE:**  
Built 2005

**POWERED DRAW WORKS:**

Rt 400 Single Drum Drawworks Lebus Grooved for 1 1/8" Line 42" x 10" Brakes with 424-400,000# Tension Torque Brake.

Powered by 630 HP Series 60 Detroit Engine with an Allison 6061 Transmission to 500 HP Right Angle Gear Box.

**MAST & SUBSTRUCTURE:**

International Derrick Service 67' 500,000 GNC Mast Mounted on a 3 Axle Carrier with Boatskid 12' Substructure with Pipe Handling Boom Arm.

**POWERED PUMPS:**

- (1) RSF-1000 Powered by Detroit Series 2000 Diesel Engine.
- (1) EMSCO DB-550 Powered by Caterpillar 3406 Diesel Engine.

**TOP HEAD DRIVE AND POWER UNIT:**

Top Drive system XK250-24K Powered by Detroit Series 60 / 350 HP @ 1200 RPM with Sunstrawn Hydraulic Pump. Maximum Circulating Pressure 5000 PSI with Torque Capacity of 24,000 Ft. lbs. Max. RPM 150.

**CROWN AND TRAVELING CARRIER FOR TOP HEAD DRIVE:**

Crown is Designed for 8 Line String Up. Consisting of (8) 20" x 1 1/8" Sheaves. Banjo Sheaves are 1 1/8" X 250 Ton.

**WELL CONTROL EQUIPMENT:**

Koomey 8 Bottle 5 Station Accumulator.  
5000 # Choke Manifold.  
11" x 3000 # Double Shaffer B.O.P.

**GENERATOR HOUSE:**

10' x 48' Skid Mounted House.  
(2) 380 KW Marathon Generators Powered by (2) Detroit Series 60 550 HP Diesel Engines.  
Sullivan Palettek Rotary Screw Compressor.

**MUD SYSTEM:**

(2) 10' W x 5' H x 40' L with 10' Porch on Each End 400 BBL Each with (4) 5" x 6" Centrifugal Pumps with 50 HP, Electric motors, Linear Shale Shaker. (2) Cone Desander (12) Cone Desilter and Mud Hopper.

**TOOLPUSHER'S HOUSE:**

8' W x 40' L Idle Time Trailer.

**TOP DOGHOUSE:**

8' W x 20' L with 4' Porch.

**BOTTOM DOG HOUSE:**

25' L x 8' W with 5 Station Accumulator Mounted on Front.

**WATER TANK:**

8' W x 8' H x 40' L with Lubster Mounted on One End with (2) 2" X 3" Centrifugal Pumps with 20 HP Electric Motors.  
Water Tank 500 BBL Cap.

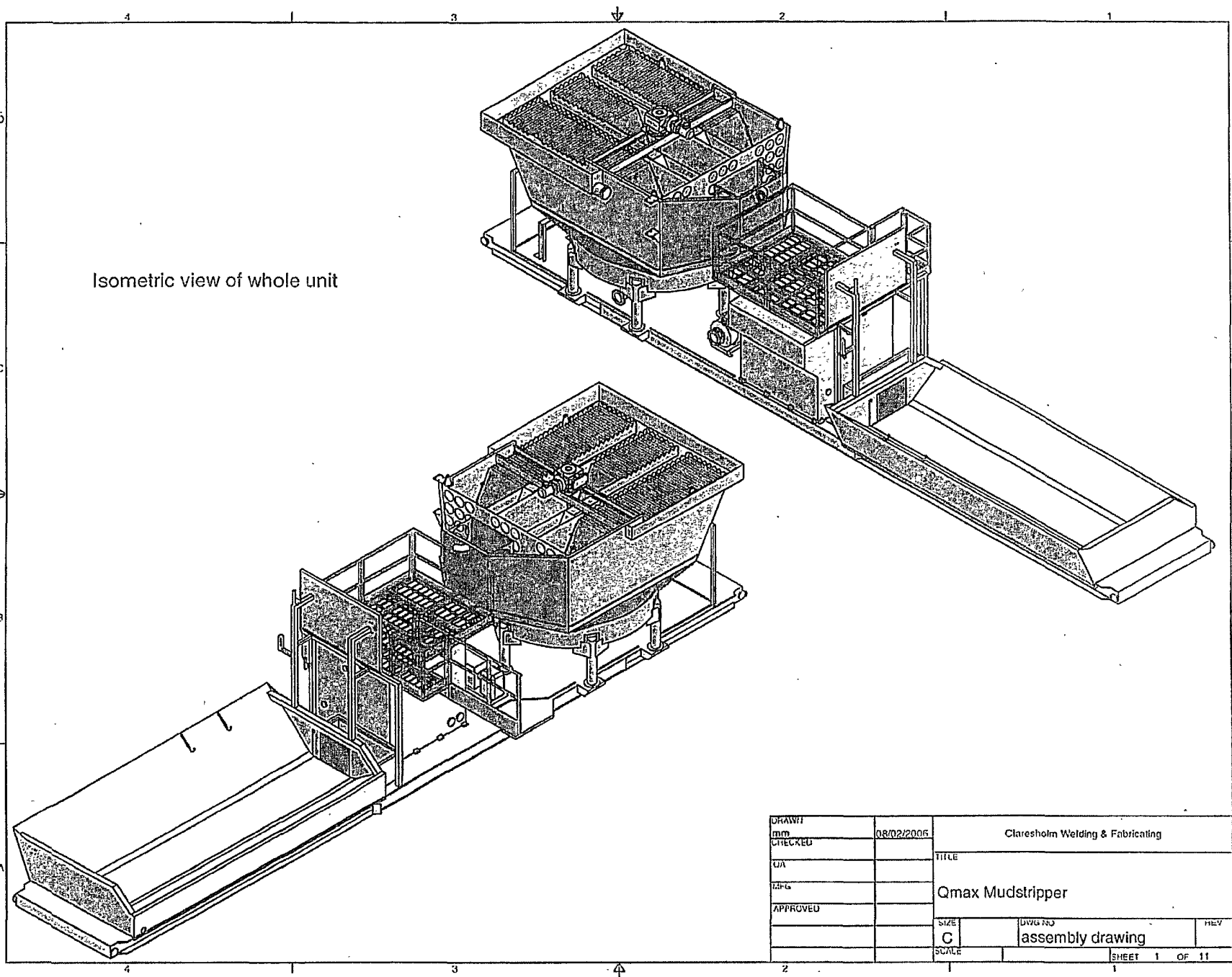
**HANDLING TOOLS AND AUXILLARY EQUIPMENT:**

OWI 1000 Hydraulic Wireline Machine.  
U.S. Oil Tools.  
Air Slips.  
(2) Braden Hydraulic 3/8" Line Winches.  
(1) 450 Gallon Day Tank on Unit.  
(1) 450 Gallon Hydraulic Tank.  
(3) Suitcases (1) 32' x 3' x 1" - (1) 40' x 3' x 1" - (1) 34' x 3' x 2".  
(1) Diesel Tank Skid Mounted 38' L x 7' (Tank is 6' x 6' x 14').  
(1) Junk Box 5' x 8" x 20'.  
(1) Auto-Drill Automatic Driller.  
Type "D" Weight indicator with E-80 Sensor.  
Deadline Anchor Hercules Type HA 118T.  
Crown Protection System.  
(1) Pre-Mix Pit 7' W x 7' H x 28' L with 5" x 6" Mixing Pump 100 HP Electric Motor.  
(1) 500 BBL Storage Tank.

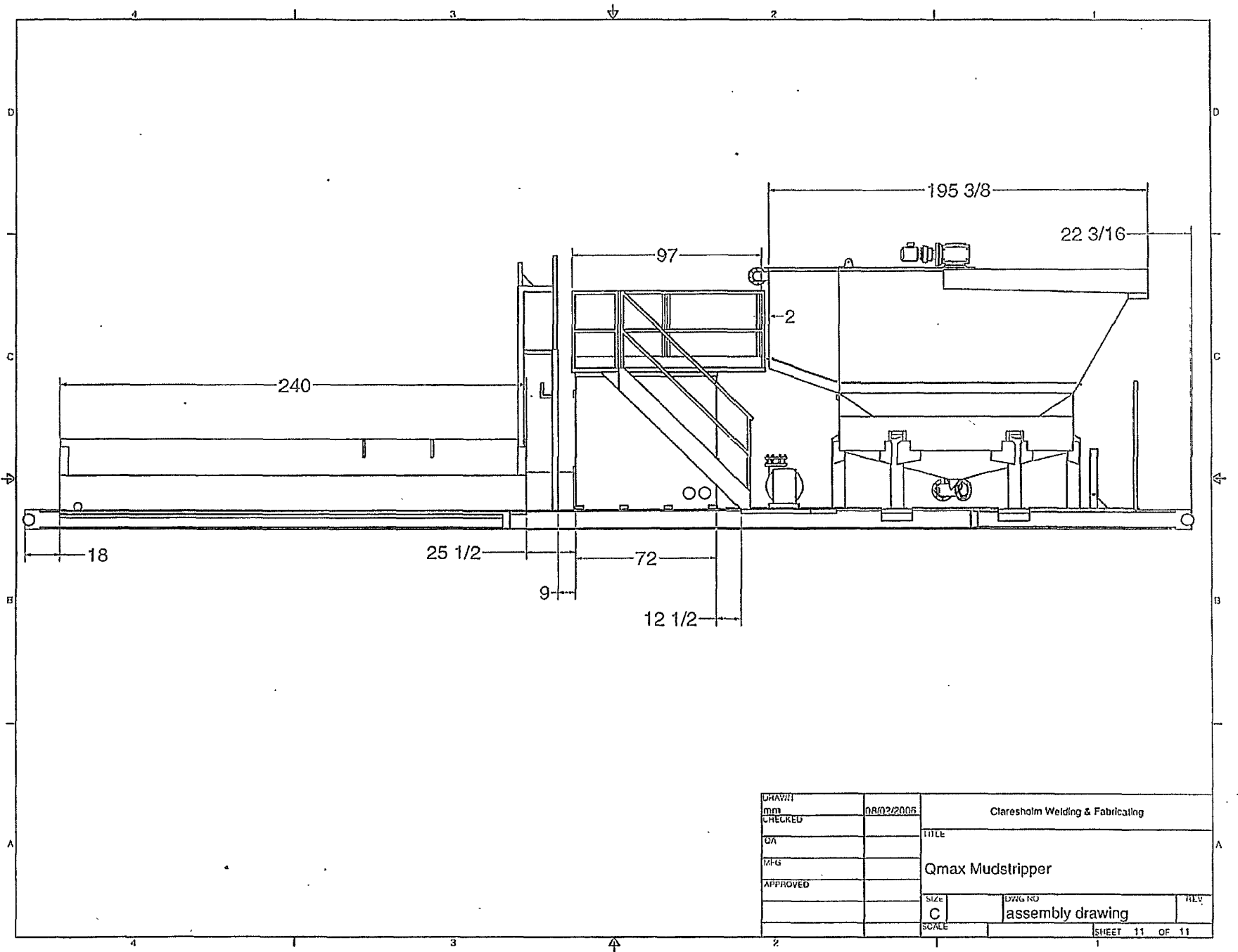
December 2005

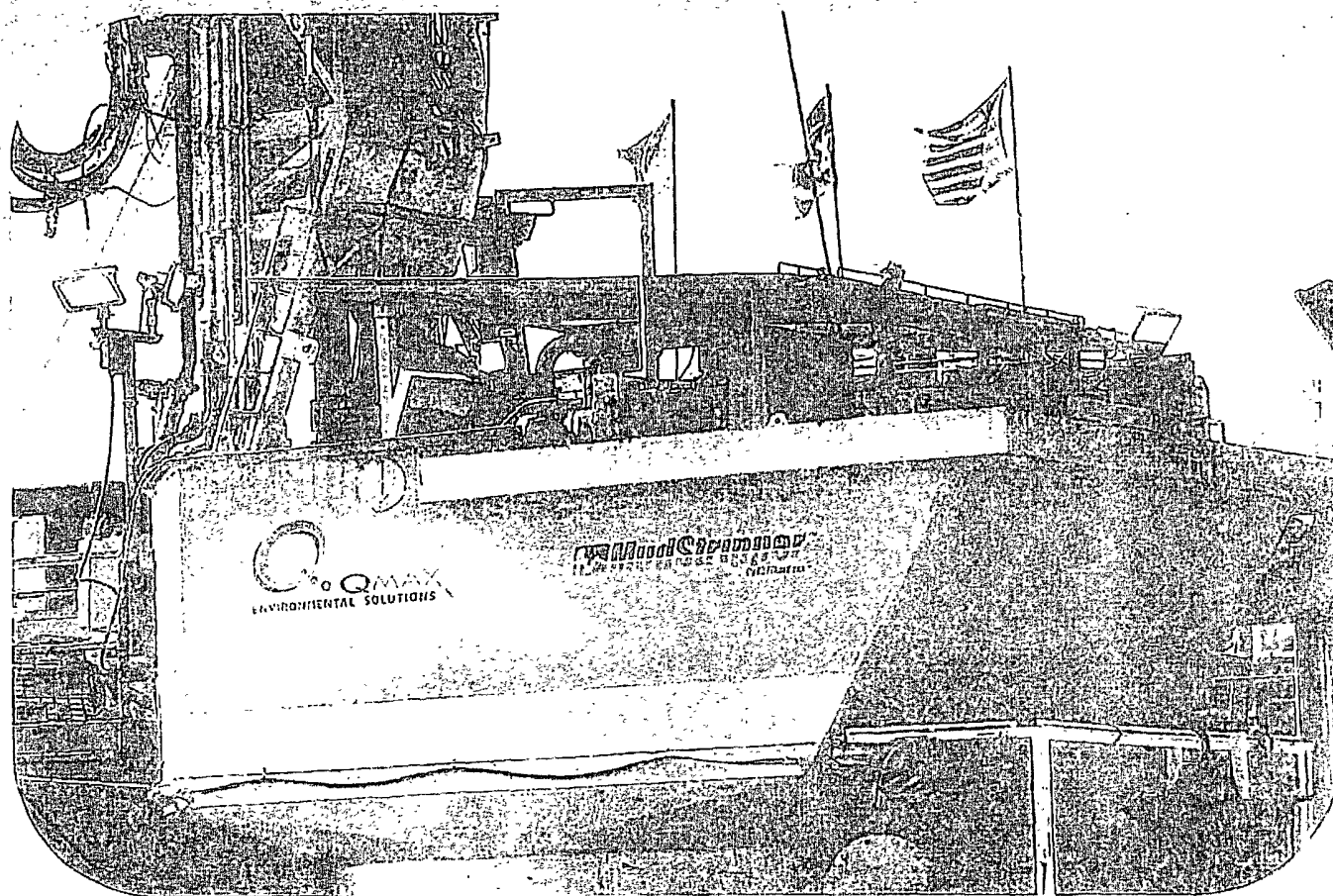


Isometric view of whole unit



DRAWN	mm	08/02/2006	Clareholm Welding & Fabricating	
CHECKED			TITLE	
Q/A			Qmax Mudstripper	
APPROVED			SIZE	DWG NO
			C	assembly drawing
			SCALE	SHEET 1 OF 11

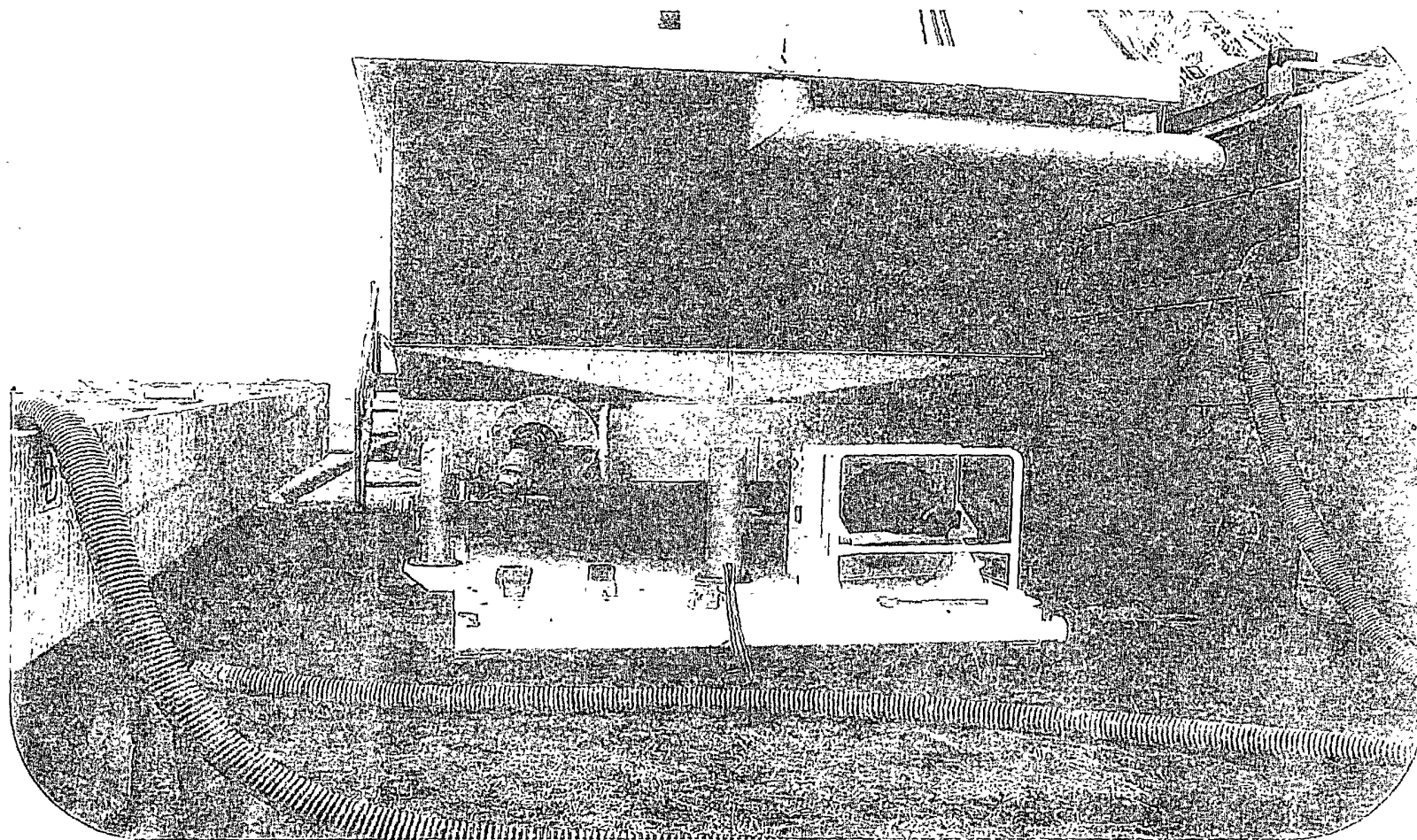




"We Commit, We Deliver, No Excuses"



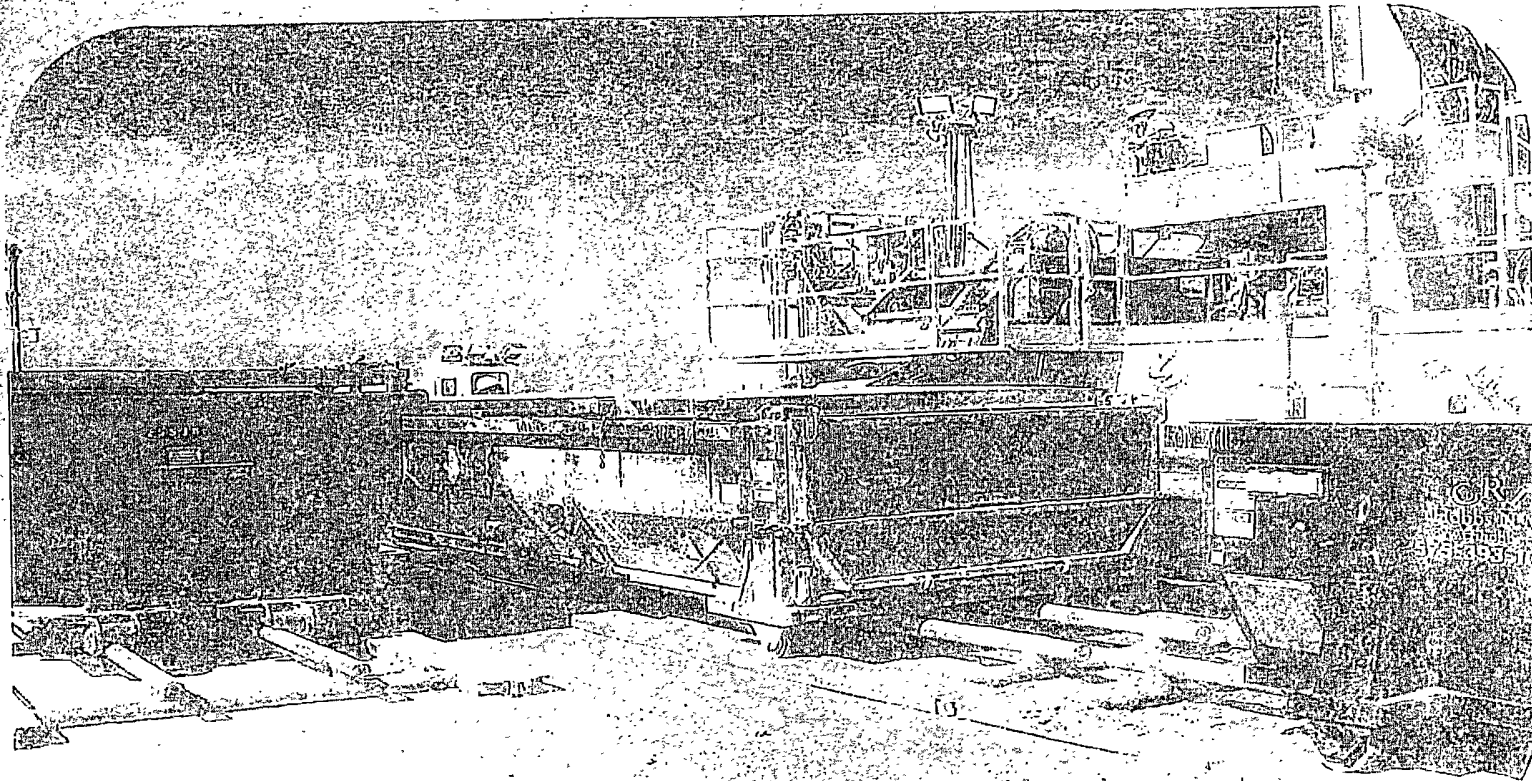
## Back end with discharge line



"We Commit, We Deliver, No Excuses"



## Roll off Bins New Mexico



"We Commit, We Deliver, No Excuses"

## CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	<b>Sandridge Exploration and Production</b>
<b>LEASE NO.:</b>	<b>NMNM-98122</b>
<b>WELL NAME &amp; NO.:</b>	<b>Skelly Unit 502</b>
<b>SURFACE HOLE FOOTAGE:</b>	<b>1310' FNL &amp; 560' FWL</b>
<b>LOCATION:</b>	<b>Section 21, T. 17 S., R 31 E., NMPM</b>
<b>COUNTY:</b>	<b>Eddy County, New Mexico</b>

### A. CASING

1. The **8-5/8 inch** surface casing shall be set at **approximately 450 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt)** and cemented to the surface.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
  - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **5-1/2 inch** production casing is:  
☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.
3. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

CRW 020910