OCD-ARTESIA

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Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B 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.

5 Lease Serial No
NMNM-98122

6 If Indian, Allottee or Tribe Name

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

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Skelly Unit #503

2. Name of Operator **SandRidge Exploration and Production, LLC**

9. API Well No.
30015 37008

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

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

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

4 Location of Well *(Footage, Sec , T, R , M, or Survey Description)*
1310' FNL & 1980' FWL, UL: C, Sec. 21, 17S, 31E

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			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☑ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other **TD Change**
	☑ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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)*

Title **Regulatory Manager**

Signature

Date **01/28/2010**

APPROVED
FEB 10 2010
/s/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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.

Office

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)

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

GEOLOGICAL PROGNOSIS
January 26, 2010

WELL NAME: Skelly Unit #503

API#: 3001537008

SURFACE LOCATION: N2 NE NW (1310 FNL & 1980 FWL)
Section 21, T-17S, R-31E
Eddy. Co., New Mexico

ELEVATIONS: 3752'GL (John West Surveying Co.), 3765'KB (13' KB on Lariat Rig #17)

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

FORMATION TOPS:	SUBSEA	MD (DRILL DEPTH)
Rustler Anhydrite/Base of Red Beds	+3470'	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.

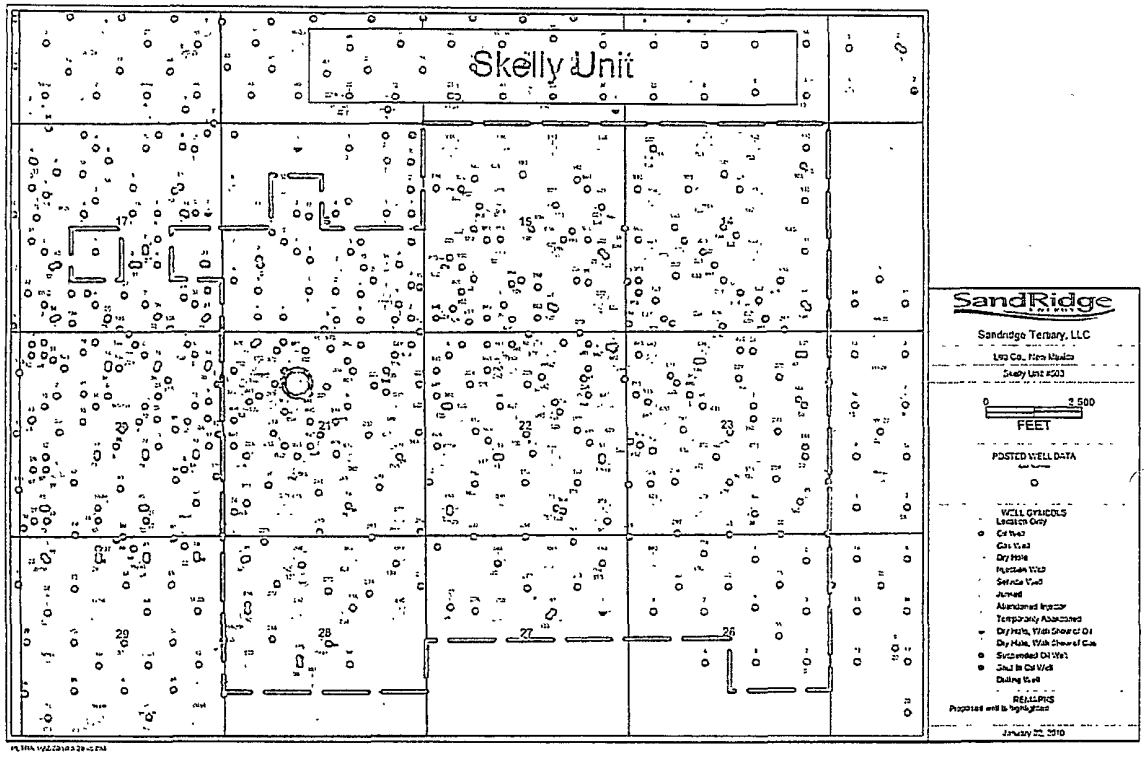
OPEN-HOLE LOGS: Dual Laterolog/MSFL, Neutron-Density/PE/Spectralog, Sonic; TD to casing
GR-Neutron; Through casing to 200'

COMPANY CONTACTS:

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

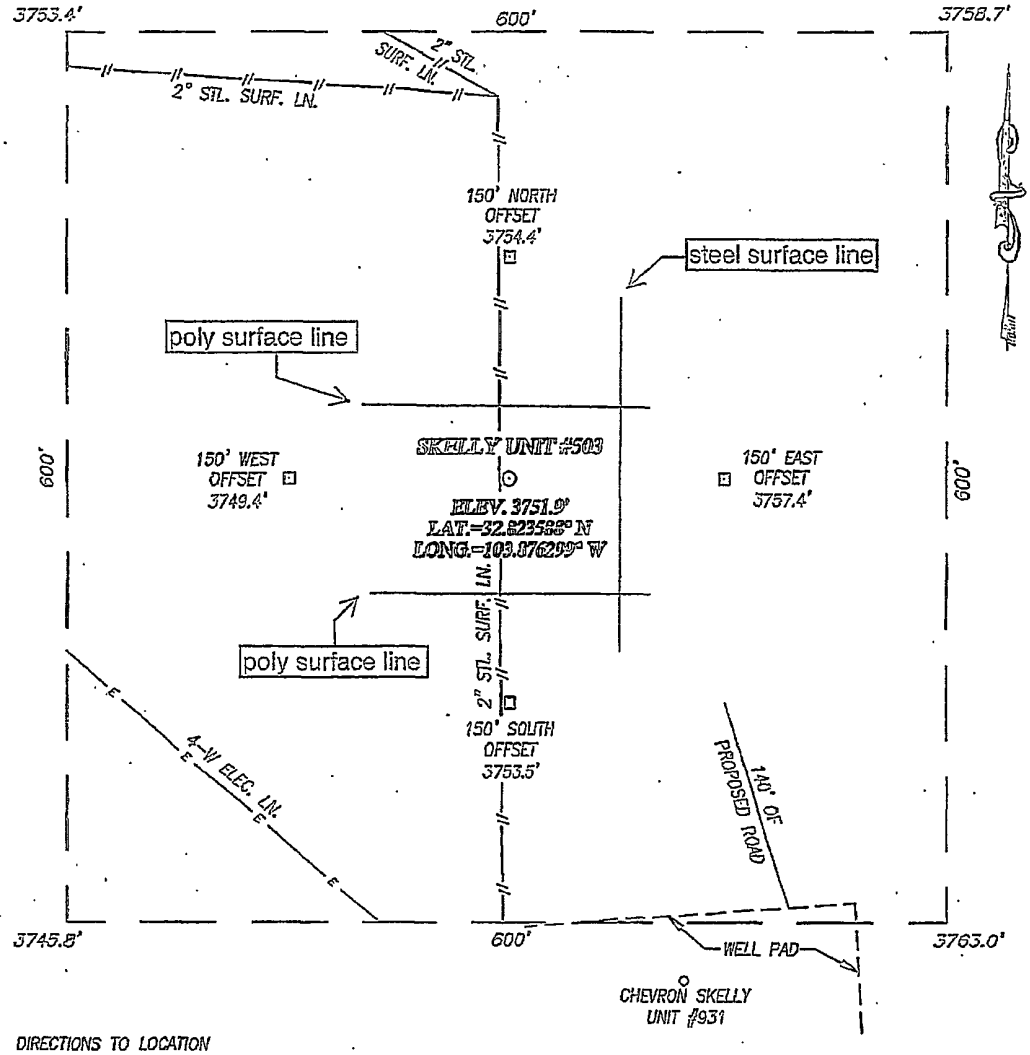
George Davis, Geology Mgr.
Office: 405-429-5712
Fax: 405-429-5964
Home: 405-525-6745
Cell: 405-471-2144
gdavis@sdrge.com

Matt Nelson, Drilling Engineer
Office: 405-429-6030
Cell: 405-651-2833
mnelson@sdrge.com



SECTION 21, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.

EDDY COUNTY NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HIGHWAY #82 AND COUNTY ROAD 223 (SWEET GUM ROAD), GO NORTH ON SWEET GUM RD. APPROX. 0.6 MILES. TURN LEFT AND GO WEST APPROX. 0.1 MILES TO THE CHEVRON SKELLY UNIT #931. FOLLOW PROPOSED ROAD SURVEY FROM THE NORTH LINE OF UNIT #931 PAD NORTHWEST APPROX. 140 FEET. THIS LOCATION IS NORTHWEST APPROX. 212 FEET.

100 0 100 200 Feet

Scale: 1"=100'

PROVIDING SURVEYING SERVICES SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

FOREST OIL CORPORATION

SKELLY UNIT #503 WELL
LOCATED 1310 FEET FROM THE NORTH LINE
AND 1980 FEET FROM THE WEST LINE OF SECTION 21,
TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 6/13/08	Sheet 1 of 1 Sheets		
W.O. Number: 08.11.0937	Dr By: DSS	Rev 1:N/A	
Date: 6/18/08		08110937	Scale: 1"=100'

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% CaCl2 + 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%CaCl2 +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

SANDRIDGE ENERGY

PRODUCTION CASING DESIGN

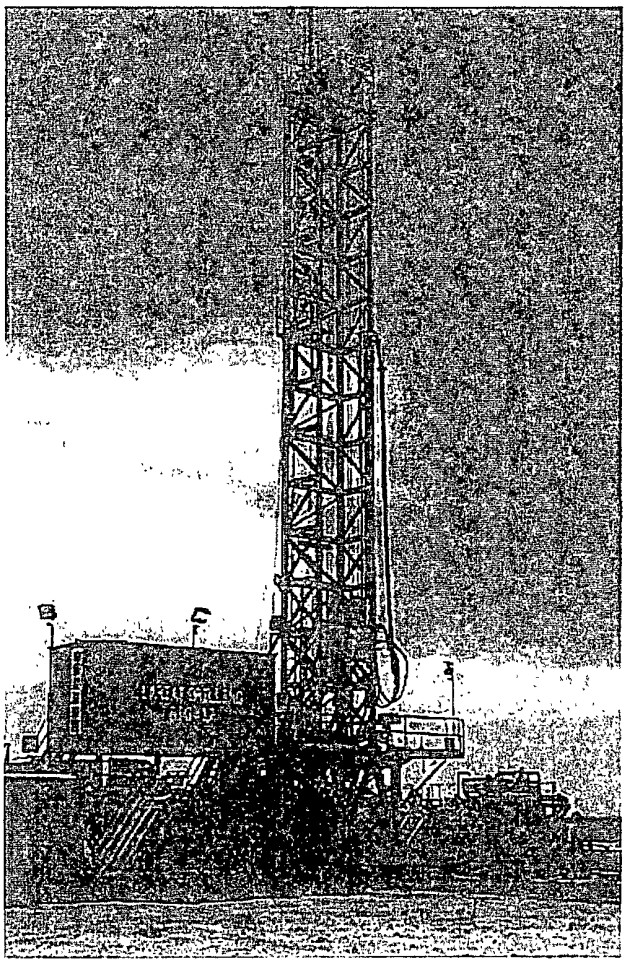
WELL NAME & NUMBER: SKELLY UNIT 503 BY: MATT NELSON DATE: 1/26/2010
LOCATION: EDDY COUNTY, NM HOLE SIZE: 7 875 in.
MAXIMUM MUD WEIGHT: 10 0 PPG BOUANCY FACTOR: 0 847 LAST CASING SIZE: 8.625 in. DRIFT 7 972 in.
DEPTH: 3900 ft MD 3900 ft TVD
CALCULATED TOP OF CEMENT. 0 ft

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 4059FT

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

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 Paletek 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.

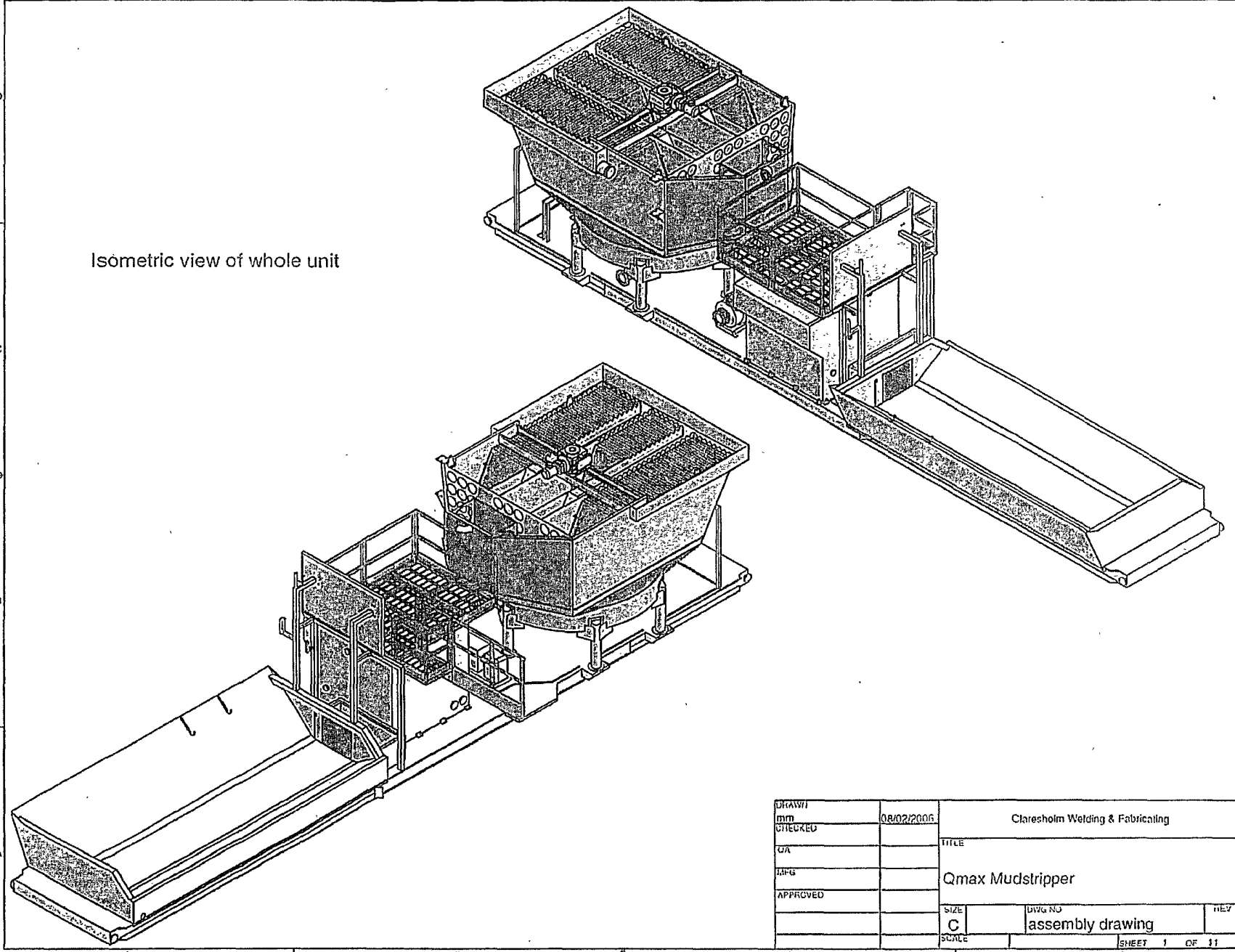
TOP DOGHOUSE:
8' W x 20' L with 4' Porch.

BOTTOM DOG HOUSE:
25' L x 8' W with 5 Station Accumulator Mounted on Front.

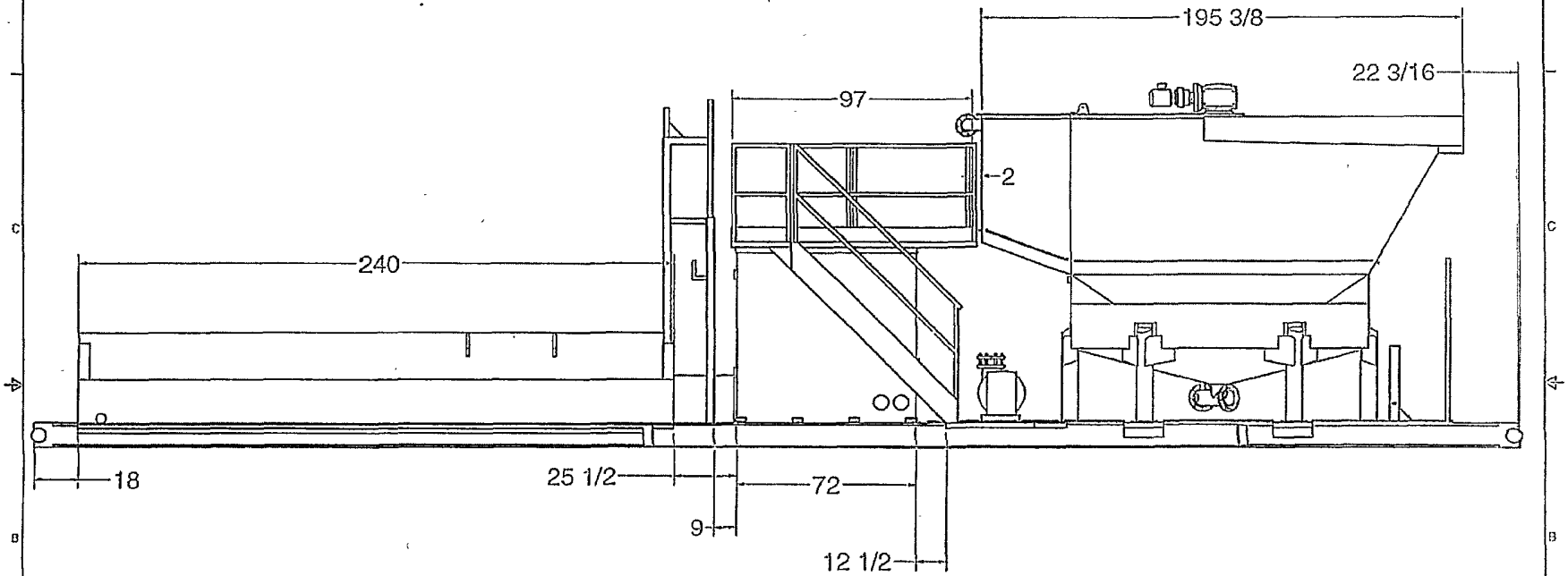
WATER TANK:
8' W x 8' H x 40' L with Lubster Mounted on One End with (2) 2" X 3" Centrifugal Pumps with 20 HP Electric Motors. Water Tank 500 BBL Cap.

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 Sensator.
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.

Isometric view of whole unit



DRAWN mm	08/02/2006	Claresholm Welding & Fabricating
CHECKED		
QA		TITLE
MFG		Qmax Mudstripper
APPROVED		
		SIZE C / DWG NO assembly drawing / REV
		SCALE / SHEET 1 OF 11



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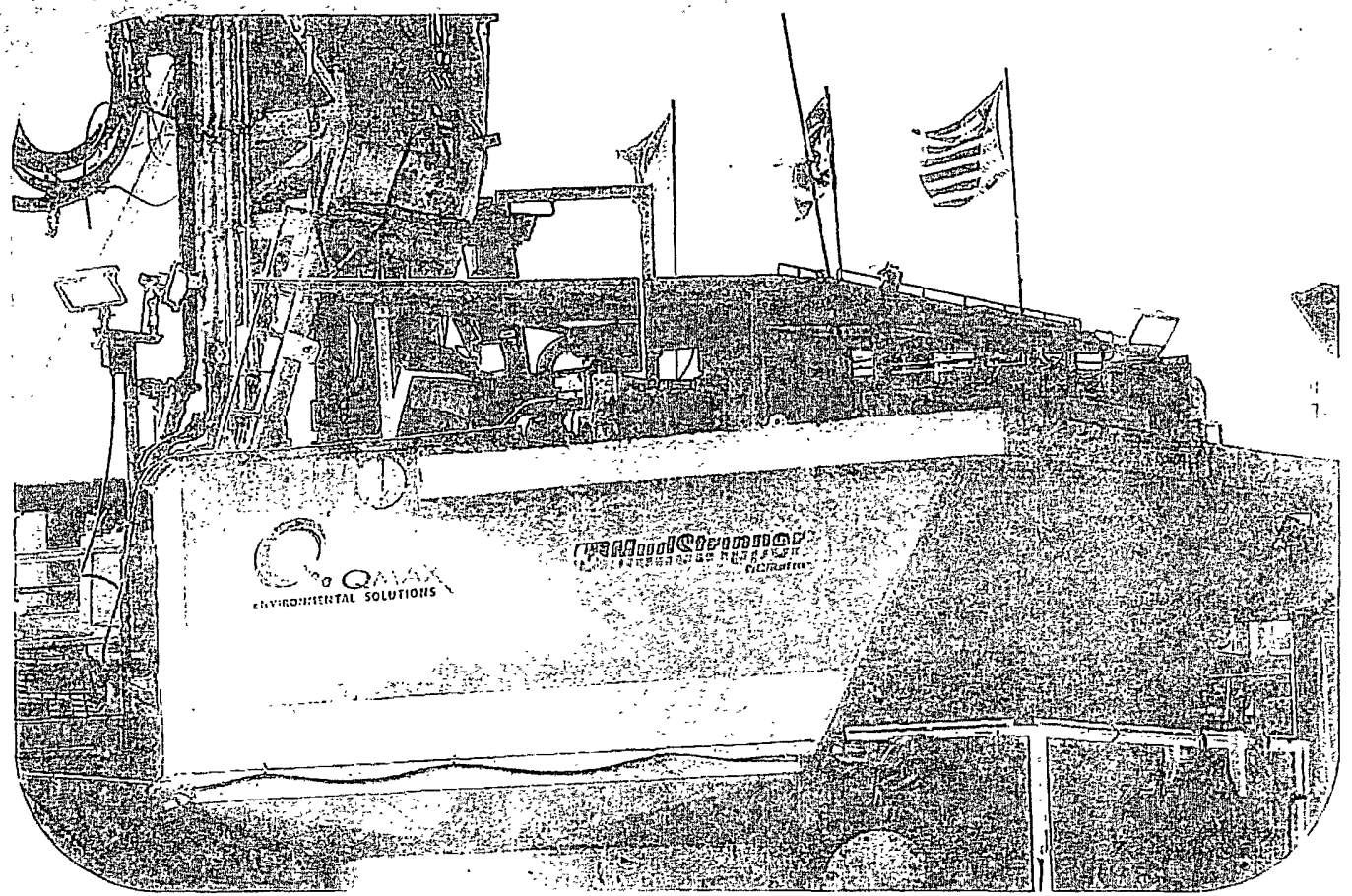
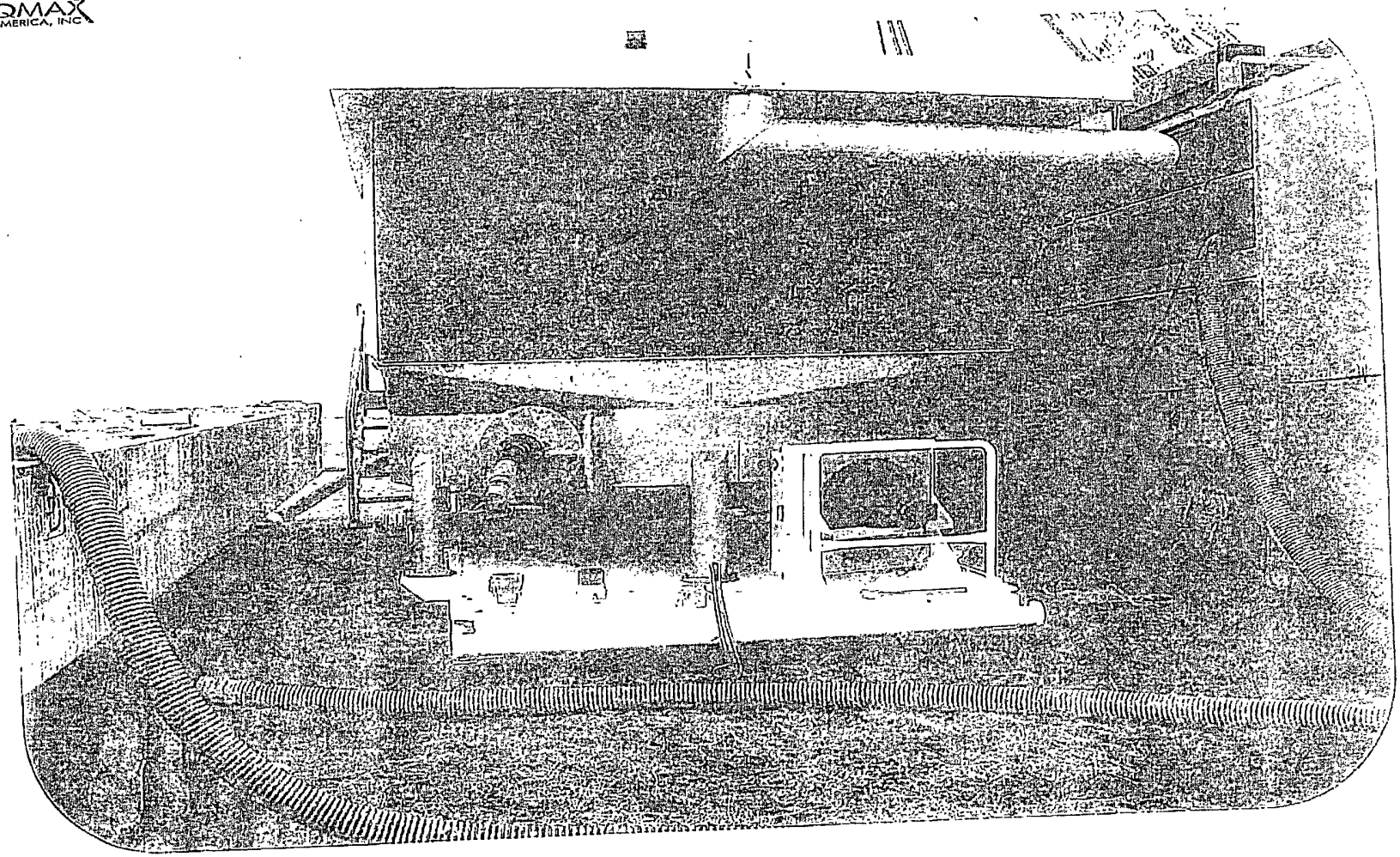
QMAX
AMERICA, INC



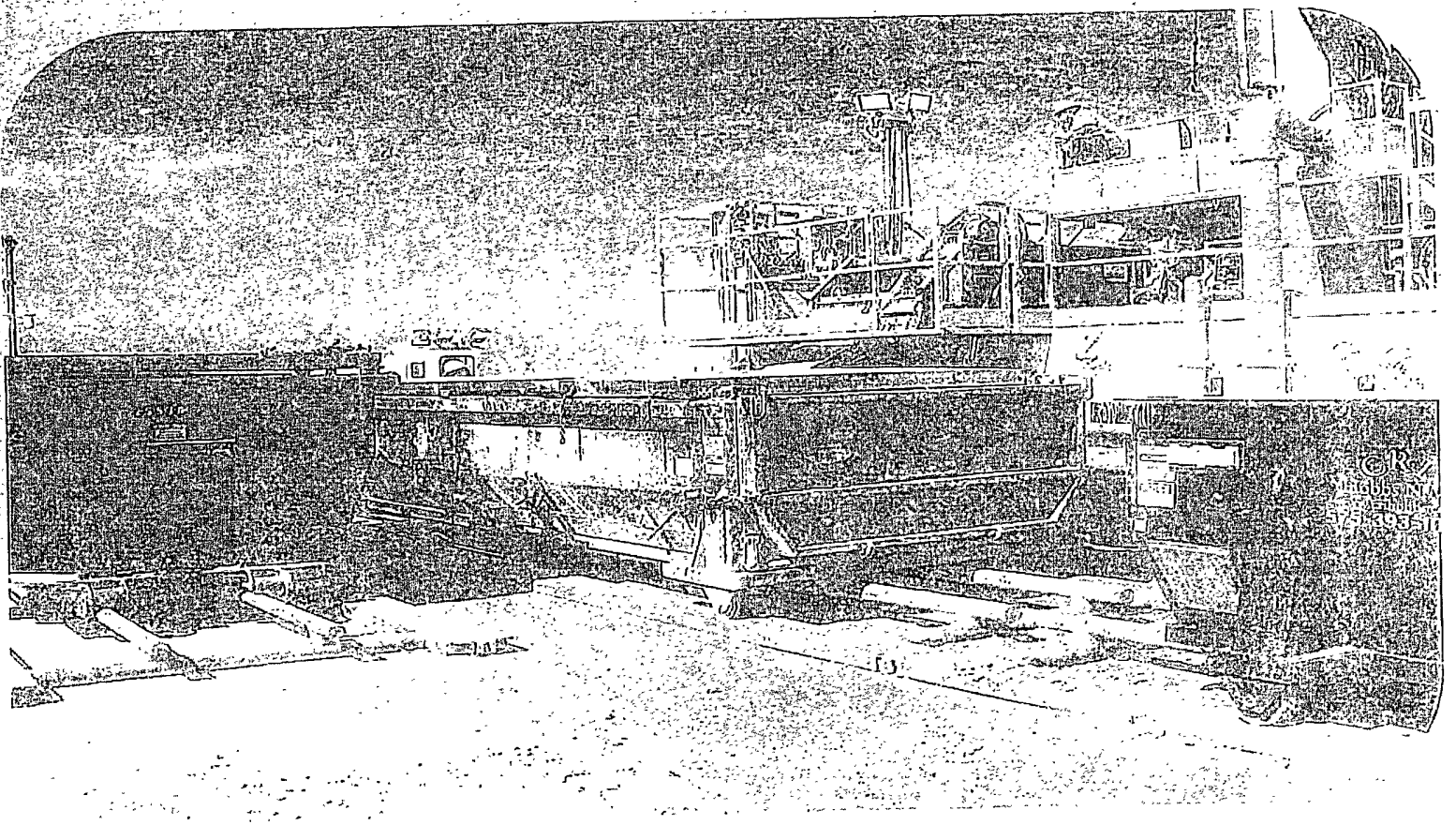
"We Commit, We Deliver, No Excuses"

QMAX
AMERICA, INC.

Back end with discharge line



Roll off Bins New Mexico



"We Commit, We Deliver, No Excuses"

CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**Sandridge Exploration and Production**
LEASE NO.:	**NMNM-98122**
WELL NAME & NO.:	**Skelly Unit 503**
SURFACE HOLE FOOTAGE:	**1310' FNL & 1980' FWL**
LOCATION:	**Section 21, T. 17 S., R 31 E., NMPM**
COUNTY:	**Eddy County, New Mexico**

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