

-District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87503

RECEIVED

JUL 30 2010

HOBBSOCD

State of New Mexico

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-101
June 16, 2008

Submit to appropriate District Office

☐ AMENDED REPORT

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

Record Clean Up

¹ Operator Name and Address SandRidge E&P LLC 123 Robert S Kerr Avenue OKC OK 73102-6406		² OGRID Number 270265
		³ API Number 30 -- 025-33033

³ Property Code 306915	⁵ Property Name Maljamar Grayburg Unit	⁶ Well No. 86
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⁹ Proposed Pool 1 Wildcat Yates / Seven Rivers / QUEEN	¹⁰ Proposed Pool 2
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⁷ Surface Location									
UL or lot no. F	Section 4	Township 17S	Range 32E	Lot Idn	Feet from the 2537	North/South line N	Feet from the 2603	East/West line W	County Lea

⁸ Proposed 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

Additional Well Information

¹¹ Work Type Code A	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code Fee	¹⁵ Ground Level Elevation 4093
¹⁶ Multiple	¹⁷ Proposed Depth 5120	¹⁸ Formation Yates / Seven Rivers / Queen	¹⁹ Contractor	²⁰ Spud Date

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
ON FILE					
NO CHANGE					
Permit Expires 2 Years from Approval Date Unless Legally Underway					

²² Describe the proposed program. If this application is for a well to be drilled in a new productive zone on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Well was originally completed in the Maljamar; Grayburg-San Andres. It is proposed to add the Yates, Seven Rivers, and Queen formations and downhole commingle as per the attached procedure.

Yates, Seven Rivers, Queen not part of
Caprock Maljamar Unit. Operator will have to
rename property to produce from these zones.

Oil Conservation Division

Conditions of approval: Approval for drilling/workover
ONLY--- CANNOT produce Downhole Commingled until
DHC is approved in Santa Fe.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: Terri Stathem		Approved by:	
Printed name: Terri Stathem		Title: PETROLEUM ENGINEER	
Title: Regulatory Manager		Approval Date: DEC 01 2010	Expiration Date:
E-mail Address: tstathem@sdrge.com		7/27/10 405-429-5500	

OCD CONDITION OF APPROVAL for Drilling:
Intent to drill ONLY --- CANNOT produce until the Non-Standard
Location has been approved by OCD Santa Fe office.

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JUL 30 2010
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33033		² Pool Code 97826	³ Pool Name WC; YATES, TRURS, QUEEN
⁴ Property Code 011844	⁵ Property Name Maljamar Grayburg Unit		⁶ Well Number 86
⁷ OGRID No. 270265	⁸ Operator Name Sandridge Exploration and Production, LLC		⁹ Elevation 4093

¹⁰ Surface Location

UL or lot no. F	Section 4	Township 17S	Range 32E	Lot Idn	Feet from the 2537	North/South line North	Feet from the 2603	East/West line West	County Lea
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¹¹ 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
¹² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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.

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>Donald W. Tally, Jr.</u> Date: <u>7/23/10</u> Printed Name: <u>Donald W. Tally, Jr.</u> E-mail Address: <u>dtally@sdrge.com</u>
	¹⁸ 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. 4/25/1995 Date of Survey: _____ Signature and Seal of Professional Surveyor: _____ P. R. Patton - 8112 Certificate Number: _____



SandRidge Tertiary, LLC

6 Desta Drive, Suite 6300 • Midland, TX 79705 • Phone 432.687.4242 • Fax 432.687.4244 • sandridgenenergy.com

Maljamar Grayburg Unit # 86 API # 30-025-33033

Clean out and Acidize Current Perforations and Add Seven Rivers Procedure

Procedure:

MIRU service unit. Pulled and replaced pump. Well still would not pump. ND Wellhead and NU BOP. Pulled tubing. Found perforated sub covered with scale.

- 1) PU Bit and RIH to top of fill.
- 2) MIRU Reverse Unit and proceed
- 3) PU 4 3/4" bit on 6 – 3 1/4" drill collars on tubing.
- 4) RIH to top of fill.
- 5) Break circulation and drill / circulate hole clean to 4280'.
- 6) At +/- 4280, circulate until water cleans up.
- 7) If necessary, spot Scale Converter across Interval 3885-4034 before proceeding.
- 8) Pull tubing and laydown tools.
- 9) RDMO Reverse Unit.
- 10) Pick up Treating Packer and RBP on tubing.
- 11) Hydro Test tubing in hole.
- 12) Run in and set RBP below 4100'.
- 13) Pull up and set packer @ 3800'.
- 14) If Scale Converter spotted in Step #7, swab back converter before proceeding.
- 15) Rig up Acid Company with 3000 gallons 15% NEFE Anti-Sludge Hydrochloric Acid containing H₂S scavenger for 5000 ppm H₂S and 1% by volume Mi-Cellar (Mutual) Solvent. Have 2000# Graded Rock Salt and Transport with 10# Brine for diversion.
- 16) Acidize Grayburg perfs 3885-4034 with 3000 gallons in 4 stages.
- 17) Flow back until well dies.
- 18) Swab back any remaining load.

- 19) Run in and retrieve RBP washing salt if necessary.
- 20) Pull up and set RBP @ 3800'.
- 21) Pull tubing and packer.
- 22) Perforate and acidize Queen & Seven Rivers per procedure to be supplied later.
- 23) Flow and swab back any acid load.

NOTE: May put Queen & Seven Rivers Section on production following stimulation before pulling RBP set over the Grayburg Perfs 3885-4034.

- 24) Release packer and retrieve BP.
- 25) Pull tubing and tools.
- 26) Pull tubing and pick up pumping BHA.
- 27) RIH with pumping BHA
- 28) Run pump and rods.
- 29) Hang well on and test.
- 30) As soon as well stabilizes, perform scale squeeze and monitor.

Lower Yates / Seven Rivers / Queen Perforations

Queen