

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.

P. O. Box 5061, Midland, TX. 79704 915/685-1761

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

At surface 330' FNL & 330' FEL, Unit A

At proposed prod. zone Same

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

5 mi. NW from Jal, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

330'

330'

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1070'

19. PROPOSED DEPTH

4,000'

20. ROTARY OR CABLE TOOLS

Rotary

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

GL 3338'

22. APPROX. DATE WORK WILL START*

4/01/96

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#	350'	350 sxs Cl "C" CIRCULATE
7-7/8"	5-1/2", J-55	14#	4000'	350 sxs Poz, 400 sxs Lite (TIE BACK)

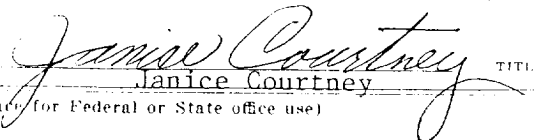
Plan to drill 12-1/4" hole to approximately 350'; set 8-5/8" surface casing. Circulate Class "C" cement. Drill 7-7/8" hole to 4000'. Run open hole logs (LDT-CNL-GR & DLL). Set 5-1/2" casing and circulate cement. Perforate the Yates/Seven Rivers and stimulate as necessary for optimum production.

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

OPER. OGRID NO. 20451 Surface Use and Operating Plan
PROPERTY NO. 18774 EXHIBIT #1 - Location & Elevation Plat.
POOL CODE 33820 EXHIBIT #2 - BOP Equipment
EFF. DATE 4/2/96 EXHIBIT #3 - Planned Access Roads
API NO. 30 025-33363 EXHIBIT #4 - One Mile Radius Map
EXHIBIT #5 - Planned Production Facilities & Access
EXHIBIT #6 - Drilling Rig Layout

IN ABOVE SPACE DESCRIBE PROPOSED 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.

SIGNED



TITLE

Regulatory Tech

DATE

2/09/96

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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 /s/ TIMOTHY J. BURKE

TITLE



Area Manager

DATE

MAR 27 1996