

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on  
reverse side)

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. LC-055546
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR SDX Resources, Inc.		7. UNIT AGREEMENT NAME
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704 915/685-17		8. FARM OR LEASE NAME, WELL NO. Wells Federal #21
4. LOCATION OF WELL (Report location clearly and in accordance with any At surface 660' FSL, 2310' FEL, Unit O At proposed prod. zone Same		9. API WELL NO. 30-025-34614
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR P 2 miles NE of Jal		10. FIELD AND POOL, OR WILDCAT Jalmat Gas Tan-Yates-7R
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drg. unit line, if any) 660' / 330'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 5, T25S, R37E
16. NO. OF ACRES IN LEASE 838.70		12. COUNTY OR PARISH Lea
17. NO. OF ACRES ASSIGNED TO THIS WELL 200		13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 330'		19. PROPOSED DEPTH 3200'
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START* 05/01/99
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3205' GR		

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" J55	24#	1000' 450'	350 sx Class C
7-7/8"	4-1/2-5-1/2 J55	9.5-17#	3200'	400 sx Lite, 200 sx Class C

CAPITAN CONTROLLED WATER BASIN

Plan to drill 12-1/4" hole to appx 450'. Set 8-5/8" surface csg. Circ Class C cmt. Drill 7-7/8" hole to 3200'. Set 4-1/2" or 5-1/2" csg & circ cmt. Perforate Yates gas zone & stimulate as necessary for optimum production.

Specific Programs:

- Exhibit #1: BOP Diagram
- Exhibit #2: Survey Plat
- Exhibit #3: Existing & Proposed Roads Map
- Exhibit #4: Producing Well Area Map
- Exhibit #5: Drill Site Layout
- Exhibit #6: Letter of Request from Surface Owner

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

IN ABOVE SPACE DESCRIBE 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.

24. SIGNED Bonnie Atwater TITLE Regulatory Tech. DATE 03/03/99

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

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:

Acting Assistant Field Office Manager,  
Lands and Minerals

APPROVED BY Gary A. Stephens TITLE \_\_\_\_\_ DATE 4.21.99

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

