

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

B. L. M. FORM 3160-3
P. O. BOX 1440
SANTA FE, NM 87506
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 DRILL <input checked="" type="checkbox"/> DEEPEN <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 <i>USGS ComAgmt</i> 14-08-001-3905
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704 915/685-1761		8. FARM OR LEASE NAME, WELL NO. El Paso Wells Federal #2
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FNL, 1980' FWL, Sec 4, T25S, R37E, Unit C At proposed prod. zone		9. API WELL NO. <i>30-025-34618</i>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 3-1/2 miles NE of Jal, NM		10. FIELD AND POOL, OR WILDCAT Jalmat, Tansill, Yt, 7R
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drg. unit line, if any) 660' / 660'	16. NO. OF ACRES IN LEASE 338.7	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 4, T25S, R37E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 330'	19. PROPOSED DEPTH 3200'	12. COUNTY OR PARISH Lea
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3225 GR	20. ROTARY OR CABLE TOOLS Rotary	13. STATE NM
22. APPROX. DATE WORK WILL START* 05/01/99		

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#	* 3200 600	WITNESS Class C
7-7/8"	4-1/2-5-1/2 J55	9.5-17#	3200'	400 sx Lite, 200 sx Class C

* PER CILUCK MORGAN - SDX RESOURCES - 4/20/99 *LM*

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

OPER. GRID NO. *20451*
PROPERTY NO. *23983*
MAP CODE *79240*
EFF. DATE *5-4-99*
API NO. *30-025-34618*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 Attwater TITLE Regulatory Tech. DATE 02/26/99
(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:APPROVED BY Gary A. Stephens TITLE Assistant Field Office Manager,
Lands and Minerals DATE 4.28.99

*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.

