

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TR  
(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. NM-000528-0467934
b. TYPE OF WELL Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME Grayburg Jackson WFLU
2. NAME OF OPERATOR Shahara Oil, LLC		7. UNIT AGREEMENT NAME 17364
3. ADDRESS AND TELEPHONE NO. 207 W. McKay Carlsbad, NM 88220		8. FARM OR LEASE NAME, WELL NO. Tract AD No. 12
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 330' FNL & 330' FWL, Unit D At proposed prod. zone Same		9. API WELL NO. 30-015-30342
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE * 1.5 miles southeast of Loco Hills, NM		10. FIELD AND POOL, OR WILDCAT Grayburg Jackson 7 Rivers-QN-GB-SA
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 27, T17S, R30E
16. NO. OF ACRES IN LEASE 1080		12. COUNTY OR PARISH Eddy
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 660'		19. PROPOSED DEPTH 3500'
20. ROTARY OR CABLE TOOLS Rotary		

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"	24# K-55	500'	300 sx - circulate
7 7/8"	5 1/2"	17# J-55	3500'	600 sx -
ROSWELL CONTROLLED WATER BASIN				100' above 8 5/8" csg shoe

The operator proposes to drill to a depth sufficient to test the Queen and Grayburg for oil.  
Specific programs are outlined in the following attachments:

SURFACE USE AND OPERATING PLAN  
EXHIBIT A - ROAD MAP  
EXHIBIT B - EXISTING WELL MAP  
EXHIBIT C - LOCATION AND ACREAGE DEDICATION PLAT  
EXHIBIT C-1 - TOPO MAP  
EXHIBIT D - DRILLING AND RIG LAYOUT  
EXHIBIT E - 3M BOP EQUIPMENT  
H2S PLAN INCLUDED

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

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.

24. SIGNED Vernon L. Hughes TITLE President DATE 6/12/98

(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 (ORIG. SGD.) ARMANDO A. LOPEZ

Acting  
Assistant Field Office Manager,  
Lands and Minerals

DATE JUL 13 1998

\*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.

RECEIVED

RECEIVED  
JAN 15 1961  
10:01 AM

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	28509	Grayburg Jackson 7Rivers-ON-GB-SA
Property Code	Property Name	Well Number
17364	GRAYBURG JACKSON W.F.U. TRACT AD	12
OGRID No.	Operator Name	Elevation
143119	SHAHARA OIL, LLC	3622'

Surface Location

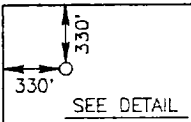
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	17 S	30 E		330	NORTH	330	WEST	EDDY

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

Dedicated Acres	Joint or Infill	Consolidation Code	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

						<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Perry L Hughes</i> Signature Perry L Hughes Printed Name President Title 3/31/98 Date</p>
						<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MARCH 26, 1998</p> <p>Date Surveyed Signature &amp; Seal of Professional Surveyor Professional Surveyor 3-30-98 Certificate No. RONALD L. EDSON 3239 12641</p>

# Exhibit "E"

BOP Equipment

Shahara Oil, LLC

Grayburg Jackson WFU Tract AD No. 12

330' FNL & 330' FWL, Unit D

Section 27, T17S, R30E

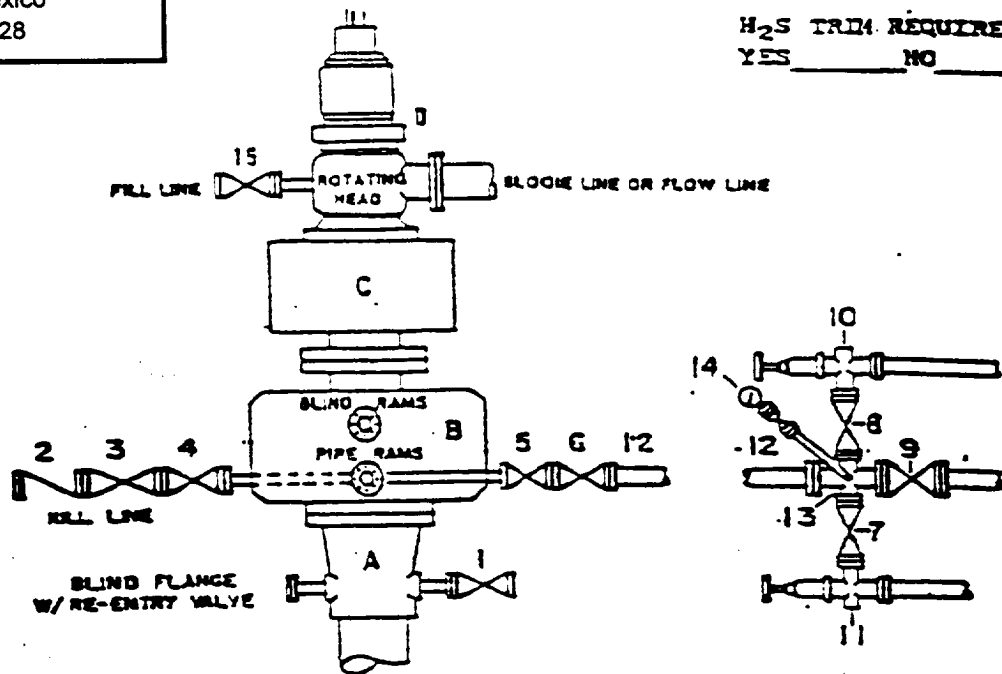
Eddy County, New Mexico

Lease No. NM-060528

## DRILLING CONTROL

CONDITION III-B 3000 PSI WP

H<sub>2</sub>S TRIM REQUIRED  
YES \_\_\_\_\_ NO \_\_\_\_\_



### DRILLING CONTROL

#### MATERIAL LIST - CONDITION III - B

- |                |  |
|----------------|--|
| A              | Wellhead   |
| B              | 3000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines (where substructure height is adequate, 2 - 3000# W.P. single ram preventers may be utilized with 3000# W.P. drilling spool with 1" minimum flanged outlet for kill line and 3" minimum flanged outlet for choke line. The drilling spool is to be installed below the single ram type preventers). |
| C              | 3000# W.P. Annular Preventer with 1" steel, 3000# W.P. control lines.  |
| D              | Rotating Head with fill up outlet and extended Blow line.  |
| 1, 2, 4, 7, 8, | 1" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Le Torr Plug valve.  |
| 2              | 2" minimum 3000# W.P. back pressure valve.   |
| 3, 6, 9        | 3" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Le Torr Plug valve.  |
| 12             | 3" minimum Schedule 80, Grade 2, seamless line pipe.   |
| 13             | 2" minimum x 3" minimum 3000# W.P. flanged cross.  |
| 10, 11         | 2" minimum 3000# W.P. adjustable choke bodies.   |
| 14             | Cameron Mud Gauge or equivalent (location optional in Choke line).   |
| 15             | 2" minimum 3000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Le Torr Plug valve.  |

SCALE:	DATE:	EST. NO.	SEC. NO.
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT E