

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE
(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 ☒

Deepen ☐

b. TYPE OF WELL

Oil Well ☒

Gas Well ☐

Other ☐

Single Zone ☒

Multiple Zone ☐

2. NAME OF OPERATOR

Shahara Oil, LLC

3. ADDRESS AND TELEPHONE NO.

207 W. McKay
Carlsbad, NM 88220

Phone: 505-885-5433
Fax: 505-885-5433

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

At surface

985' FSL & 770' FWL, Lot 4

At proposed prod. zone

Same

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

3 miles southwest of Loco Hills, NM

15. DISTANCE FROM PROPOSED *
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

770'

18. DISTANCE FROM PROPOSED LOCATION *
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

801'

16. NO. OF ACRES IN LEASE

440

19. PROPOSED DEPTH

3200

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3569' GR

22. APPROX. DATE WORK WILL START *

September 1, 1997

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	3200'	600 sx -
				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:

DRILLING PROGRAM

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

EXHIBIT F - TOP OF SALT MAP

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 Perry E. Hughes TITLE E.O. DATE 8/28/97

(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.) TONY L. FERGUSON TITLE MINERALS

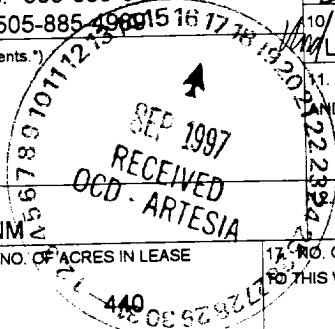
DATE

9-16-97

*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.

CLF



ROSWELL CONTROLLED WATER BASIN
WITNESS

RECEIVED
1997 SEP - 3 P 10:08
BUREAU OF LAND MGMT.
ROSWELL OFFICE

APPROVED
9-26-97
APF +
New Loc

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., Artec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 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

SEP 10 97

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-115-29838	Pool Code 39520	Pool Name Loco Hills Queen Grayburg San Andres
Property Code 17368	Property Name BEESON "F" <i>Federal</i>	Well Number 20
OGRIID No. 143119	Operator Name SHAHARA OIL, LLC	Elevation 3569

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	31	17 S	30 E		985	SOUTH	770	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.
<i>40</i>			

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

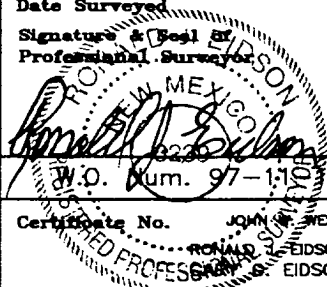
1243.4'				OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>Perry L. Hughes</i> Signature PERRY L. HUGHES Printed Name President Title 9/5/97 Date
LOT 1 37.67 AC.				
LOT 2 37.65 AC.				
LOT 3 37.63 AC.				
3570.1' 3569.1' 770' 3572.6' 3571.1' 985' LOT 4 37.61 AC. 1240.8'				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. JULY 18, 1997 Date Surveyed Signature & Seal of Professional Surveyor  W.O. Num. 97-115-189 Certificate No. JOHN F. WEST, 676 RONALD L. EIDSON, 3239 EIDSON, 12641

Exhibit "E"

BOP Equipment

Shahara Oil, LLC
Beeson "F" No. 20

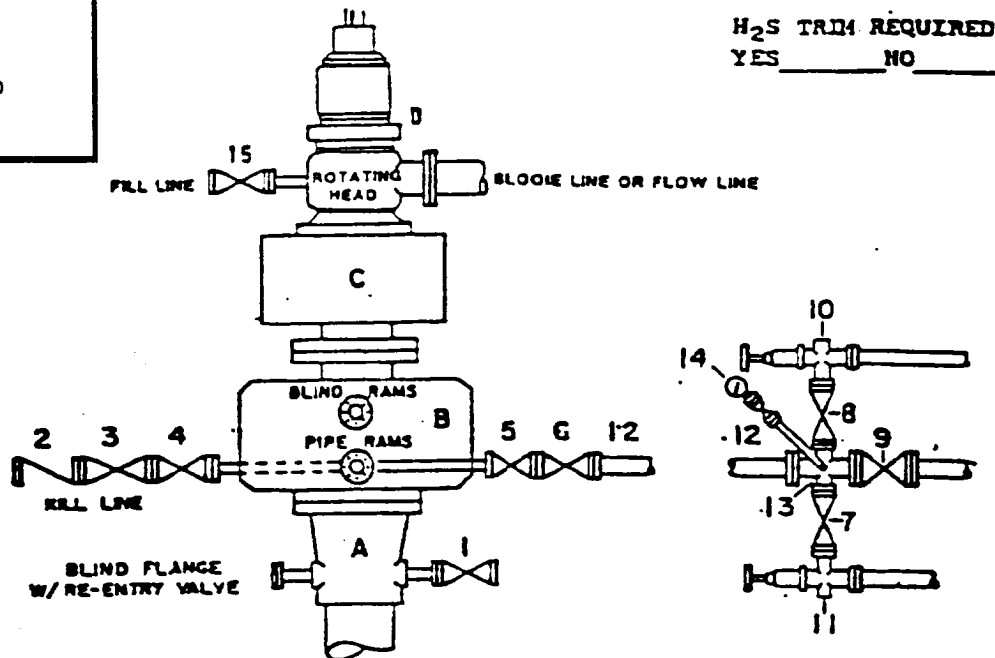
985' FSL & 770' FWL

Sec 31, T17S, R30E

Eddy County, New Mexico

Lease No. LC-060529

DRILLING CONTROL CONDITION III-B 3000 PSI WP



H₂S 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 sub-structure height is adequate, 2 - 3000# W.P. single ram preventers may be utilized with 3000# W.P. drilling spool with 2" 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 Blowie line. |
| 1,2,4,7,8, | 3" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 2 | 2" minimum 3000# W.P. back pressure valve. |
| 5,6,9 | 3" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 12 | 3" minimum Schedule 80, Grade B, 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 Lo Torc Plug valve. |

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

EXHIBIT E