

N. M. Oil Co.
811 S. 12th St.
ARTESA, NM 87003
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

Drill ☒

Deepen ☐

b. TYPE OF WELL

Oil Well ☒

Gas Well ☐

Other ☐

Single Zone ☒

Multiple Zone ☐

2. NAME OF OPERATOR

143119

Shahara Oil, LLC

3. ADDRESS AND TELEPHONE NO.

207 W McKay, Carlsbad, NM 88220

505-885-5433 Fax: 505-885-4889

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

At surface

330' FSL & 990' FWL, Unit M

At proposed prod. zone

Same

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

2.5 miles southwest of Loco Hills, NM

15. DISTANCE FROM PROPOSED *

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

1650'

(Also to nearest drlg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

933'

16. NO. OF ACRES IN LEASE

1000

19. PROPOSED DEPTH

3700'

17. NO. OF ACRES ASSIGNED

TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3620' GR

22. APPROX. DATE WORK WILL START*

January 15, 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'	250 sx - circulate
7 7/8"	5 1/2"	17# J-55	4000' 3700'	600 sx
				100' above 8 5/8" csg shoe

The operator proposes to drill to a depth sufficient to test the Queen and Yates
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

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 Melanie Harker TITLE Agent DATE 12/19/97

(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 (OIL & GAS) - MINERALS TITLE Agent DATE 1-28-98

*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.

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 28509	Pool Name Grayburg Jackson - TRivers - QN - GB - SA
Property Code 17364	Property Name GRAYBURG JACKSON WFU TRACT MB	Well Number 13
OGRID No. 143119	Operator Name SHAHARA OIL, LLC	Elevation 3620

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	27	17 S	30 E		330	SOUTH	990	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


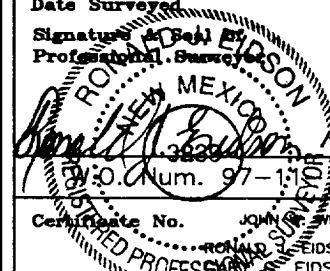
<div style="border: 1px dashed black; height: 400px; margin-bottom: 20px;"></div> <div style="display: flex; align-items: center;"> <div style="text-align: center; margin-right: 20px;">  </div> <div> <p>3624.7' — 3618.9'</p> <p>← 990' — 330' — 3611.8' — 3614.7'</p> </div> </div>	<div style="border: 1px solid black; padding: 5px;"> <p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="font-size: 1.2em; font-family: cursive;">Perry L. Hughes</p> <hr/> <p>Signature</p> <p style="font-size: 1.2em; font-family: cursive;">Perry L. Hughes</p> <hr/> <p>Printed Name</p> <p style="font-size: 1.2em; font-family: cursive;">President</p> <hr/> <p>Title</p> <p style="font-size: 1.2em; font-family: cursive;">12/15/97</p> <hr/> <p>Date</p> </div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p align="center" style="font-size: 1.1em;">DECEMBER 2, 1997</p> <p>Date Surveyed</p> <p>Signature of Surveyor</p> <p>Professional Surveyor</p> <div style="text-align: center;">  </div> <p align="right">JLP</p> </div>
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Exhibit "E" BOP Diagram

Shahara Oil, LLC

Grayburg Jackson WFU Tract MB #13

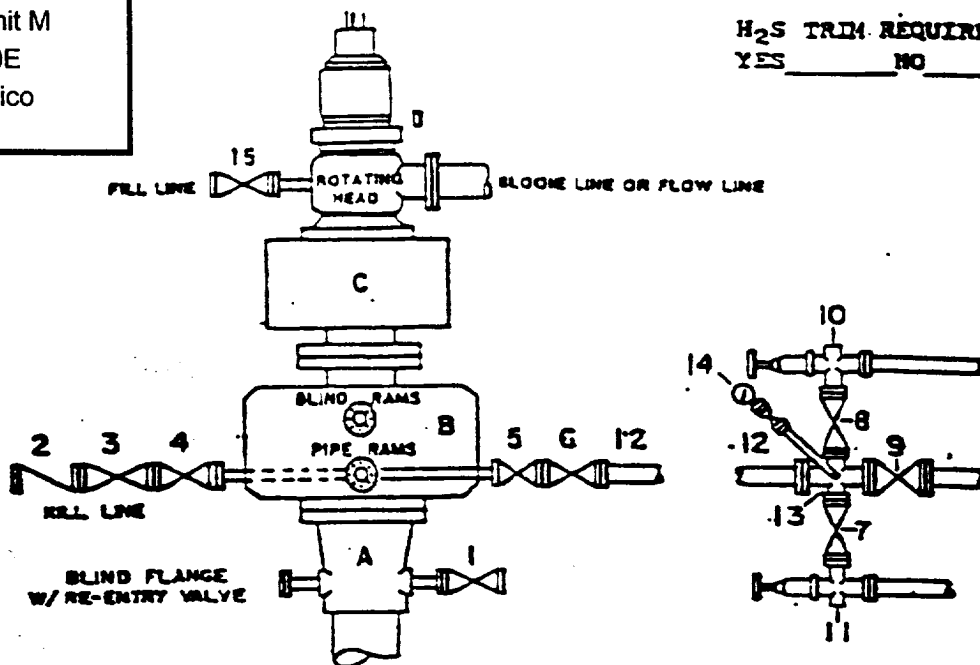
330' FSL & 990' FWL, Unit M

Section 27, T17S, R30E

Eddy County, New Mexico

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 Blosie line. |
| 1,2,4,7,8, | 2" 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. |
| 9,8,9 | 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	REV. NO.	SER. NO.
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT E