

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPL
(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 0467934	
b. TYPE OF WELL Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME 17364	
2. NAME OF OPERATOR 143119 Shahara Oil, LLC		7. UNIT AGREEMENT NAME Grayburg Jackson WFLU	
3. ADDRESS AND TELEPHONE NO. 207 W McKay, Carlsbad, NM 88220 505-885-5433 Fax: 505-885-4989		8. FARM OR LEASE NAME, WELL NO. Tract MB No. 14	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 330' FSL & 2310' FNL, Unit N At proposed prod. zone Same		9. API WELL NO. 30-015-30023	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE * 2.5 miles southwest of Loco Hills, NM		10. FIELD AND POOL, OR WILDCAT Grayburg Jackson, 7R-QN-GB-SA	
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1650'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 27, T17S, R30E	
16. NO. OF ACRES IN LEASE 1000		12. COUNTY OR PARISH Eddy County	
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. 856'		19. PROPOSED DEPTH 3700'	
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START January 15, 1997	
22. ELEVATIONS (Show whether DF, RT, GR, etc.) 3596' GR			
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12 1/4"	8 5/8"	24# K-55	500'
7 7/8"	5 1/2"	17# J-55	4000' 3700'
QUANTITY OF CEMENT		WITNESS	
250 sx - circulate			
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:

APPROVAL SUBJECT TO DRILLING PROGRAM
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS AND
ATTACHED
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 Melanie Fisher 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 FORK S. MINERALS TITLE Agent DATE 1-20-98

*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.

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

☐ AMENDED REPORT

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 14
OGRD No. 143119	Operator Name SHAHARA OIL, LLC	Elevation 3596

Surface Location

UL or lot No. N	Section 27	Township 17 S	Range 30 E	Lot Idn	Feet from the 330	North/South line SOUTH	Feet from the 2310	East/West line WEST	County EDDY
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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

				OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature: <u>Perry L. Hughes</u> Printed Name: <u>Perry L. Hughes</u> Title: <u>PRESIDENT</u> Date: <u>12/5/97</u>	
				SURVEYOR CERTIFICATION <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> Date Surveyed: <u>DECEMBER 2, 1997</u> Signature: <u>[Signature]</u> Professional Surveyor: <u>[Signature]</u> Date: <u>12-04-97</u> B.O. Num. <u>97-11947</u>	
				JLP	
				Certified No. <u>JOHN EIDSON</u> 676 EIDSON, 3239 EIDSON, 12641	

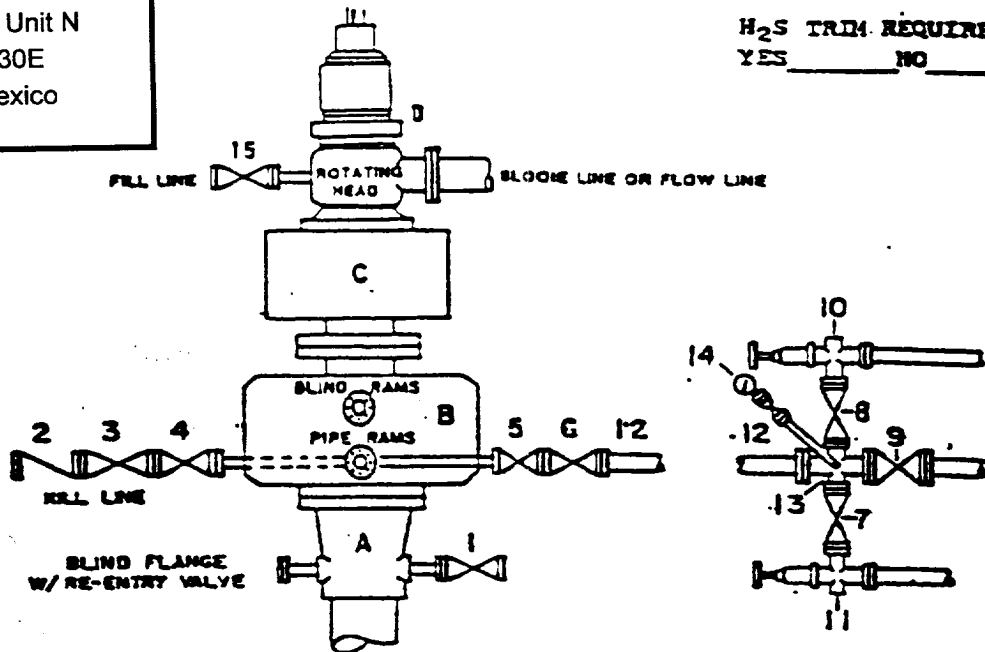
Exhibit "E"
BOP Diagram

Shahara Oil, LLC

Grayburg Jackson WFU Tract MB #14
330' FSL & 2310' FWL, Unit N
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 1" minimum flanged outlet for kill line and 1" 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 Bleed line. |
| 1,3,4,
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. |
| 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.	REV. NO.
DRAWN BY:			
CHECKED BY:			
APPROVED BY:			

EXHIBIT E