

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 23, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐

b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR
Morexco, Inc. 15262

3. ADDRESS AND TELEPHONE NO.
P.O. Box 481, Artesia, NM 88211-0481 505-746-8520

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
2210' FNL, 2310' FWL (SE/4NW/4)
At proposed prod. zone
2210' FNL, 2310' FWL (SE/4NW/4)

5. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
9 miles SW of Maljamar, New Mexico

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
none

7. UNIT AGREEMENT NAME
22227

8. FARM OR LEASE NAME, WELL NO.
Shinnery Federal

9. APT. WELL NO.
1

10. FIELD AND POOL OR RESERVOIR
Undesignated Delaware

11. SEC., T., R. M., OR BLK. AND SURVEY OR AREA
Sec. 5, T18S-R31E

12. COUNTY OR PARISH 13. STATE
Lea NM

14. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
120

15. NO. OF ACRES IN LEASE
40

16. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
4,500'

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. PROPOSED DEPTH
4,500'

19. ROTARY OR CABLE TOOLS
Rotary

20. ELEVATIONS (Show whether DF, RT, GR, etc.)
3701'

21. APPROX. DATE WORK WILL START*
December 15, 1997

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24# J-55	400'	CIRCULAR SXS
7 7/8	5 1/2	15.5# J-55	4500'	CIRCULAR SXS

CAPITAL CONTROLLED WATER BASIN

Please see Drilling Program for cement program info.

Operator proposes to drill to a depth sufficient to test the Delaware Sand for oil. If productive, 5 1/2" casing will be cemented at T.D. If non-productive, the well will be plugged and abandoned in a manner consistent with B.L.M. specifications. Specific programs as per Onshore Oil and Gas Order #1 are outlined in the Following attachments:

- Drilling Program
- Surface Use and Operating Plan
- Exhibit 1 - B.O.P. Diagram and Specifications
- Exhibit 2 - Location and Elevation Plat
- Exhibit 3 - Planned Access Roads
- Exhibit 4 - One-mile radius Map
- Exhibit 5 - Drilling Rig Layout
- H2S Drilling Operations Plan

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Posted ID 1
NLA API
12-29-97

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 prevention program, if any.

24. SIGNED [Signature] TITLE President DATE November 26, 1997

(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. SCD. TROY L. FERGUSON TITLE ADM. MINERALS DATE 12-29-97

*See Instructions On Reverse Side

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 1083, Santa Fe, NM 87504-1083

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-29976		Pool Code 96428	Pool Name N Shugart Delaware
Property Code	Property Name SHINNERY FEDERAL		Well Number 1
OGARD No.	Operator Name MOREXCO, INC.		Elevation 3701.

¹⁰ Surface Location

TL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	5	18-S	31-E		2210	NORTH	2310	WEST	EDDY

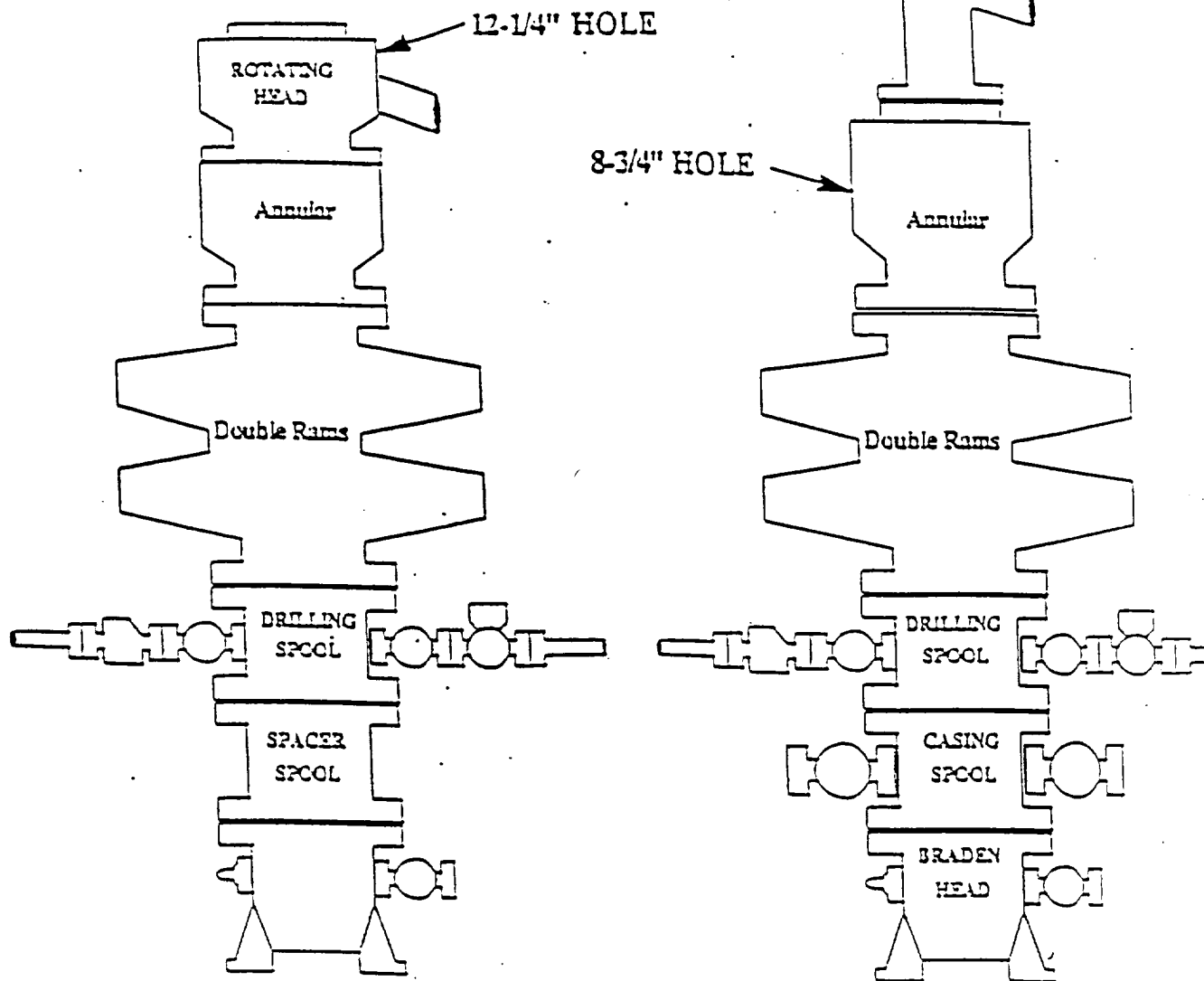
¹¹ Bottom Hole Location If Different From Surface

TL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

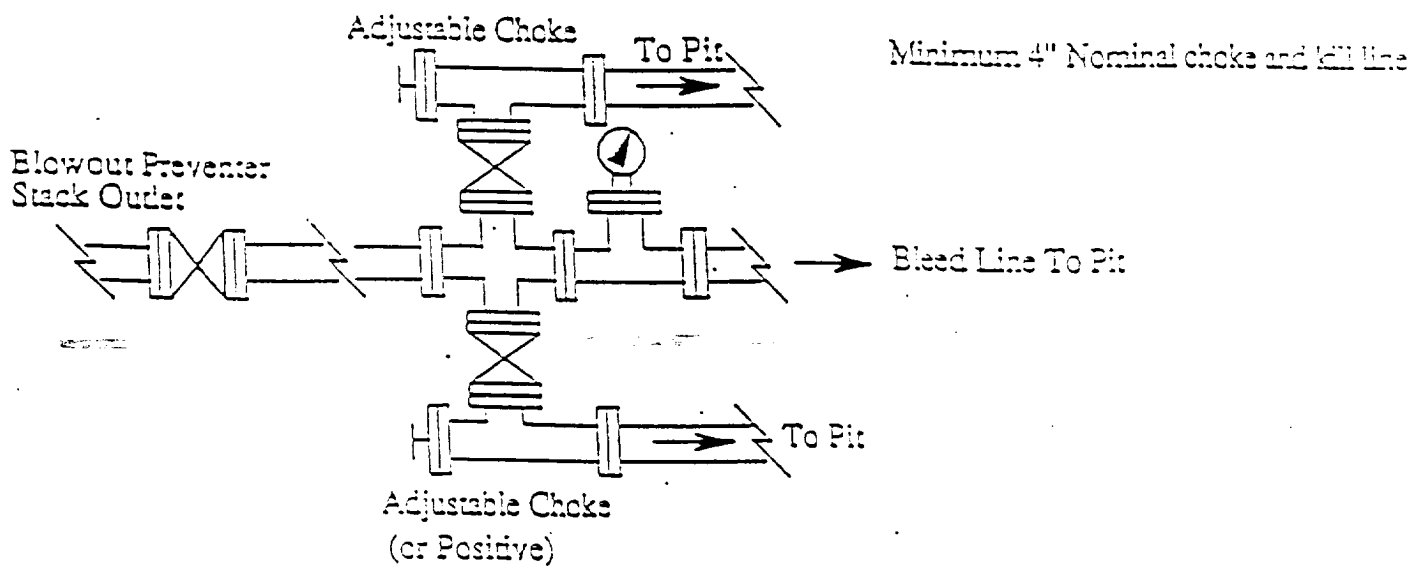
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Donald G. Becker, Jr. Printed Name President Title November 26, 1997 Date	
	¹⁸ 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. NOVEMBER 20, 1997 Date of Survey Signature and Seal of Professional Surveyor:	



Choke Manifold Requirement (3000 psi WVP)



MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

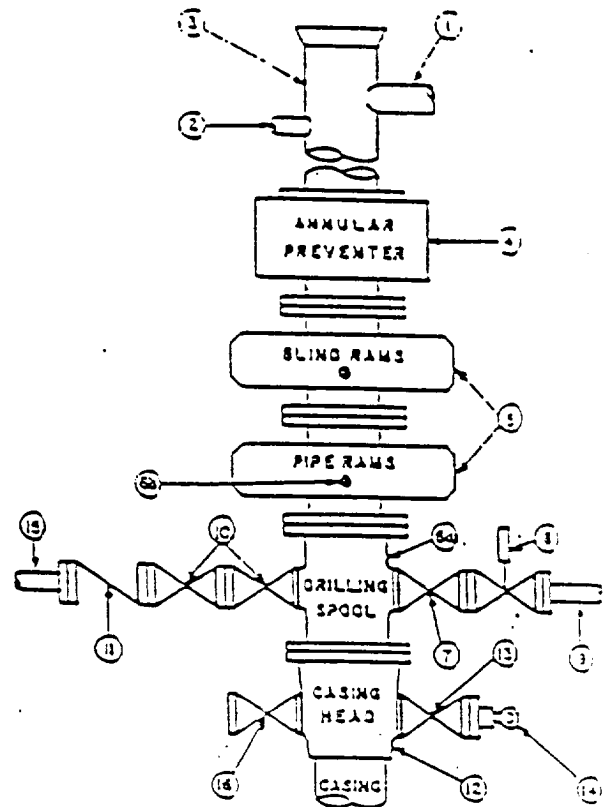
STACK REQUIREMENTS

No.	Item	Min. I.D.	Min. Nominal
1	Flowline		
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min. choke line outlets		
6b	2" min. kill line and 3" min. choke line outlets in-ram. (Alternate to 6a above.)		
7	Valve	Gate ☐ Plug ☐	3-1/8"
8	Gate valve—power operated		3-1/8"
9	Line to choke manifold		3"
10	Valves	Gate ☐ Plug ☐	2-1/16"
11	Check valve		2-1/16"
12	Casing head		
13	Valve	Gate ☐ Plug ☐	1-12/16"
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

OPTIONAL

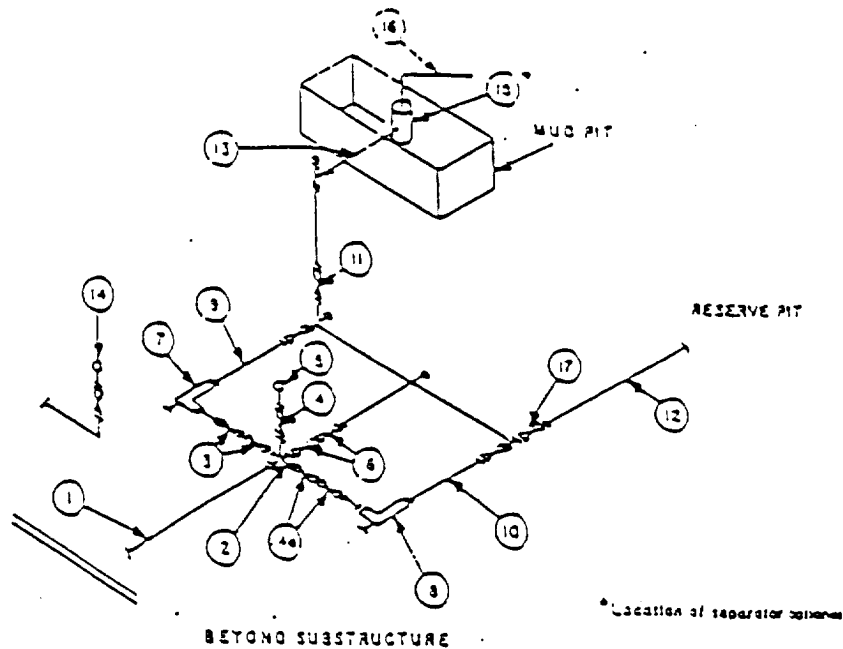
16	Flanged valve	1-12/16"
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CONFIGURATION A



MINIMUM CHOKER MANIFOLD
3,000, 5,000 and 10,000 PSI Working Pressure

3 MWP - 5 MWP - 10 MWP



MINIMUM REQUIREMENTS									
No.		3,000 MWP			5,000 MWP			10,000 MWP	
		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL
1	Line from drilling spool		3"	3,000		3"	5,000		3"
2	Cross 3"x3"x3"x3"			3,000			5,000		10,000
3	Valves(1) Gate Plug (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"	10,000
4	Valve Gate Plug (2)	1-13/16"		3,000	1-13/16"		5,000	1-13/16"	10,000
4a	Valves(1)	2-1/16"		3,000	2-1/16"		5,000	3-1/8"	10,000
5	Pressure Gauge			3,000			5,000		10,000
6	Valves Gate Plug (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"	10,000
7	Adjustable Choke(3)	2"		3,000	2"		5,000	2"	10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"	10,000
9	Line		3"	3,000		3"	5,000		3"
10	Line		2"	3,000		2"	5,000		3"
11	Valves Gate Plug (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"	10,000
12	Lines		3"	1,000		3"	1,000		3"
13	Lines		3"	1,000		3"	1,000		2,000
14	Remote reading automatic standpipe pressure gauge			3,000			5,000		10,000
15	Gas Separator		2"x5'			2"x5'			2"x5'
16	Line		4"	1,000		4"	1,000		2,000
17	Valves Gate Plug (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"	10,000

(1) Only one required in Class 2M.

(2) Gate valves only shall be used for Class 10M.

(3) Remote operated hydraulic chokes required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using bull plugged tees.