

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTN. M. OIL & GAS
9. Division
ARTESIA, NM 88210-2894FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995D. LEASE DESIGNATION AND SERIAL NO.
SW/4, Sec. 19; NMNM93772

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

KCS Medallion Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

7130 South Lewis Avenue, Suite 700, Tulsa, OK 74136-5489. Phone (918)491 4114

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

At surface

660 ft FSL & 660 ft FWL of Section 19

At proposed prod. zone

Same

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

The location is about 7 miles SE of Loco Hills

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

660 ft

16. NO. OF ACRES IN LEASE

160 Acres

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40 Acres

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

1320 ft

19. PROPOSED DEPTH

8,500 ft

20. ROTARY OR CABLE TOOLS

Rotary Tools

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

3633 ft, Ground Level

22. APPROX. DATE WORK WILL START*

May 10, 1999

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	Sch 10, 20"	52.73 lbs.	40 to 80 ft	Ready-Mix to surface
17 1/2"	H40, 13 3/8"	48 lbs.	500 ft	370 sacks w/additives
11"	J55, 8 5/8"	32 lbs.	2,800 ft	620 sacks w/additives
7 7/8"	J55, 5 1/2"	15.5 & 17 lbs.	8,500 ft	245 sacks w/additives

Procedure:

1. Drill 26 in hole and set 20 in conductor w/rat hole digger if necessary. Cement to surface
2. Drill 17 1/2 in hole to 500 ft and set 13 3/8 in casing. Cement to surface.
3. Drill 11 in hole to 2800 ft and set 8 5/8 in casing. Cement to surface.
4. Install Hydrill and BOP Stack. Test to 2750 psig.
5. Drill cement in casing to within 20 ft of shoe. Test casing to 1500 psig.
6. Drill 7 7/8 in hole through the Bone Springs formation to TD. DST as necessary.
7. Run electric logs. Shoot sidewall cores if desired.
8. If warranted, run and cement 5 1/2 in casing. Cement to 500 ft above the top zone of interest.
9. Test 5 1/2 in casing to 3000 psig prior to perforation.

Exhibits Attached:

- | | | | |
|---------------------------------|-------------------------------|----------------------------------|---------------------------------|
| A. Location and elevation plat. | D. Surface Use Plan. | G. Typical Wellsite Layout | J. H2S Drilling Operations Plan |
| B. Location Verification Map. | E. Drilling Plan. | H. Archaeological Survey | |
| C. Vicinity map. | F. Blow Out Preventer Diagram | I. Map of Existing Wells in Area | |

24.

SIGNED

Larry Wheat

TITLE

Drilling Superintendent

DATE

3-30-99

(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:

Acting

Assistant Field Office Manager,
Lands and Minerals

APPROVED BY

/s/ Gary A. Stephens

TITLE

DATE

APR 30 1999

*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 II
P.O. Brewer Bld. Arden, NY 08211-0719

DISTRICT III
1000 Rio Bravo Rd., Astor, NM 87410

DISTRICT IV
P.O. BOX 2000, SANTA FE, N.M. 87504-2000

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
Property Code	Property Name	Well Number
	WEST SHUGART 19 FEDERAL	4
OGRID No.	Operator Name	Elevation
	KCS MEDALLION RESOURCES, INC.	3633

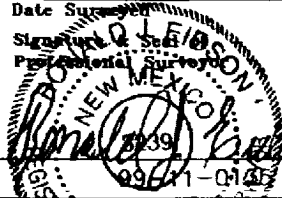
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 4	19	18 S	31 E		660	SOUTH	660	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**

LOT 1 34.89 ACRES LOT 2				OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <div style="text-align: right;"> <i>Larry Wheat</i> Signature LARRY Wheat Printed Name Dir. Supt Title 3-30-99 Date </div>
35.09 ACRES LOT 3 35.09 ACRES LOT 4 <div style="display: flex; align-items: center;"> <div style="text-align: center; margin-right: 10px;"> 3632.2' 660' 3634.6' 660' </div> <div style="text-align: center;"> 3637.3' 3627.9' </div> </div> 35.21 ACRES				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. <div style="text-align: right;"> FEBRUARY 22, 1999 Date Surveyed Signature & Seal Professional Surveyor <div style="text-align: right;">DMCC</div> </div> <div style="text-align: center; margin-top: 10px;">  </div>

KCS Medallion Resources, Inc.

All BOP Equipment to be 3000 psig Working Pressure or Greater

