

DISTRICT I
P.O. Box 1990, Hobbs, NM 88241-1990

DISTRICT II
P.O. Drawer 80, Artesia, NM 88211-0710

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Dept.

Exhibit "A"

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name WEST SHUGART 19 FEDERAL	Well Number 3
OGRID No.	Operator Name KCS MEDALLION RESOURCES, INC.	Elevation 3621

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	19	18 S	31 E		1980	SOUTH	1980	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 4c	Joint or Infill	Consolidation Code	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

<p>LOT 1</p> <p>34.89 ACRES</p> <p>LOT 2</p> <p>35.01 ACRES</p> <p>LOT 3</p> <p>35.09 ACRES</p> <p>LOT 4</p> <p>35.21 ACRES</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Larry Wheat</i> Signature Larry Wheat</p> <p>Printed Name Drilling Superintendent</p> <p>Title</p> <p>Date 3-30-99</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>FEBRUARY 22, 1999</p> <p>Date Surveyed Signature of Surveyor Professional Surveyor NEW MEXICO 3239 99-11-0124 02-23-99 Certificate No. RONALD L. EDSON 3239 CARL EDSON 12641 McDONALD 12185</p>
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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTN. M. Office Division
811 S. ST.
ARTESIA, NM 86210-2834

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK

DRILL ☒DEEPEN ☐

2. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
SOND ☒MULTIPLE
SOND ☐

3. NAME OF OPERATOR

KCS Medallion Resources, Inc.

4. ADDRESS AND TELEPHONE NO.

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

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

At surface

1980 ft FSL & 1980 ft FWL of Section 19

At proposed prod. zone

Same

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

The location is about 7 miles SE of Loco Hills

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

660 ft

8. NO. OF ACRES IN LEASE

160 Acres

9. NO. OF ACRES ASSIGNED
TO THIS WELL

40 Acres

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

1320 ft

11. PROPOSED DEPTH

9,950 ft

12. ROTARY OR CABLE TOOLS

Rotary Tools

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

3621 ft, Ground Level

14. APPROX. DATE WORK WILL START*

May 3, 1999

15.

PROPOSED CASING AND CEMENT

CAPITAN CONTROLLED WATER BASIN

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
11"	J55, 8 5/8"	32 lbs.	2,800 ft	620 sacks
7 7/8"	N80, 5 1/2"	17 lbs.	9,950 ft	220 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 Wolfcamp 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 top zone of interest or to 500 ft above the top of Wolfcamp, minimum.
9. Test 5 1/2 in casing to 3000 psig prior to perforation.

Exhibits Attached:

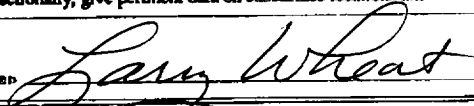
- A. Location and elevation plat. D. Surface Use Plan. G. Typical Wellsite Layout J. H2S Drilling Operations Plan
B. Location Verification Map. E. Drilling Plan. H. Archaeological Survey
C. Vicinity map. F. Blow Out Preventer Diagram I. Map of Existing Wells in Area

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



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

/s/ Gary A. Stephens

APR 30 1999

APPROVED BY

TITLE

DATE

*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.

Exhibit "F"
KCS Medallion Resources, Inc.
 Typical BOP Equipment Arrangement

All BOP Equipment to be 3000 psig Working Pressure or Greater

