

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

ARTESIA, N.M. 88210-2834

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK

DRILL ☒

DEEPEN ☐

2. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
BONE ☒

MULTIPLE
BONE ☐

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)499-1325

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

At surface

1980 ft FSL & 660 ft FWL of Section 19

At proposed prod. zone

Same

Unit L

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 dir. unit line, if any)

660 ft

8. NO. OF ACRES IN LEASE

160 Acres more or less

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.

740 ft

11. PROPOSED DEPTH

9,550 ft 9950

12. ROTARY OR CABLE TOOLS

Rotary Tools

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

3639 ft, Ground Level

14. APPROX. DATE WORK WILL START*

25 June 1999

15.

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"	N80, 5 1/2"	17 lbs.	10,400 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 at minimum.
9. Test 5 1/2 in casing to 3000 psig prior to perforating.

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. | | |
| C. Vicinity map. | F. Blow Out Preventer Diagram | I. Map of Existing Wells in Area | |



Best ID-1
7-2-99
API & Loc

16. 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.

17.

SIGNED Don Williams

TITLE

Drilling Engineer

DATE

5-25-99

(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

Larry D. Bray

TITLE

DATE

6-23-99

*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 1988, Hobbs, NM 88241-1988

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

DISTRICT II
P.O. Drawer 88, Artesia, NM 88211-0718

Exhibit "A"

DISTRICT III
1004 Elie Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. Box 2088, SANTA FE, N.M. 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name SHUGART WEST 19	Well Number 7
OGRID No.	Operator Name KCS MEDALLION RESOURCES, INC.	Elevation 3639

Surface Location

U. or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	19	18 S	31 E		1980	SOUTH	660	WEST	EDDY

Bottom Hole Location If Different From Surface

U. or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	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

	<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></p> <p>Signature Tom Williams</p> <p>Printed Name Drilling Engineer</p> <p>Title S-25-99</p> <p>Date</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>MAY 7, 1999</p> <p>Date Surveyed DMCC</p> <p>Signature </p> <p>Professional Surveyor</p> <p></p> <p>5-11-99</p> <p>19-11-039</p> <p>Certified No. RONALD J. McDONALD 3239 12641</p> <p>REGISTERED PROFESSIONAL SURVEYOR 12185</p>

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

All BOP Equipment to be 3000 psig Working Pressure or Greater

