

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ARTESIA, NEW MEXICO

5. LEASE DESIGNATION AND SERIAL NO.

E/2, Sec. 19; NM 067896

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. TYPE OF WORK

DRILL ☒DEEPEN ☐

B. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
SOND ☒MULTIPLE
SOND ☐

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)499-1325

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

At surface

660 ft FNL & 2310 ft FFL 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 drig. unit line, if any)

330 ft

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1361 ft

16. NO. OF ACRES IN LEASE

320 Acres more or less

19. PROPOSED DEPTH

8,500 ft

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40 Acres

20. ROTARY OR CABLE TOOLS

Rotary Tools

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

3627 ft, Ground Level

22. APPROX. DATE WORK WILL START*

10 January 2000

23. PROPOSED CASING AND CEMENTING CAPTAN 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.	760-500 ft	5370 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 top zone of interest.
9. Test 5 1/2 in casing to 3000 psig prior to perforating.

Exhibits Attached:

- A. Location and elevation plat.
B. Location Verification Map.
C. Vicinity map.

- D. Surface Use Plan.
E. Drilling Plan.
F. Blow Out Preventer Diagram

- G. Typical Wellsite Layout
H. Archaeological Survey
I. Map of Existing Wells in Area

- J. H2S Drilling Operations Plan

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.

23.

SIGNED

Tom Williams

TITLE

Senior Drilling Engineer

DATE

12-14-99

(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

Field Office Manager,
New Mexico

APPROVED BY

(UNITED STATES) ANTONIO A. LOPEZ

TITLE

DATE

JAN 10 2000

*See Instructions On Reverse Side

APPROVED FOR 1 YEAR

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.

*O per. To send in sundry notice - Run DU Tool @ 4300' & cement to 5500' above
intermediate casing at 27800'.
OCD

DISTRICT I
P.O. Box 1888, Hobbs, NM 88241-1888

DISTRICT II
P.O. Box 88, Artesia, NM 88211-0088

DISTRICT III
1000 El Estero Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 888, Santa Fe, N.M. 87504-0888

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 5 Copies

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

DEC 07 1999

☐ AMENDED REPORT

CELEBRATIONS

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name SHUGART WEST "19" FEDERAL	Well Number 8
OGED No.	Operator Name KCS MEDALLION RESOURCES, INC.	Elevation 3627

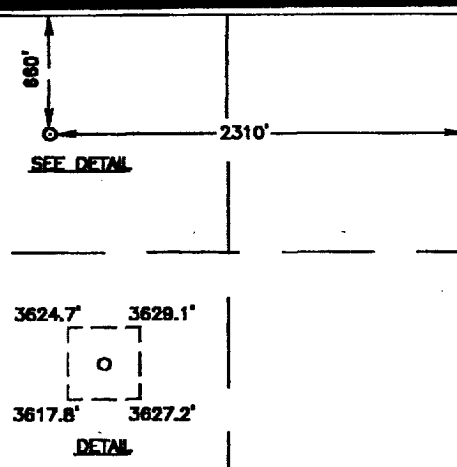
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
B	19	18 S	31 E		660	NORTH	2310	EAST	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 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><i>Tom Williams</i> Signature Tom Williams Printed Name Senior Drilling Engineer Title 12-14-99 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>NOVEMBER 24, 1999</p> <p>Date Surveyed Signed and Sealed Professional Surveyor DONALD J. EDSON 31-30-99 99-11-1024</p> <p>Certificate No. DONALD J. EDSON 2228 12041 DONALD J. EDSON 12185</p>
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