

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate

N. M. DIVISION OF LAND
OTHER INSTRUCTIONS
reverse side

FORM APPROVED
MB NO. 1004-0136
Expires: February 28, 1995

44

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.

161859

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

990 ft FNL & 990 ft FWL of Section 19

At proposed prod. zone

Same

Unit D

Lot 1

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 ON LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

990 ft

16. NO. OF ACRES IN LEASE

160 Acres more or less

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, RT, GR, etc.)

3627 ft, Ground Level

22. APPROX. DATE WORK WILL START

01 February 2000

23. PROPOSED CASING AND CEMENTING PROGRAM 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	70 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 perforation.

Exhibits Attached:

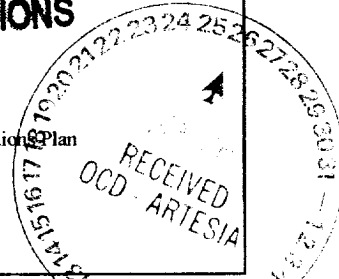
- A. Location and elevation plat.
B. Location Verification Map.
C. Vicinity map.

- 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.

24. SIGNED Sam Williams TITLE Senior Drilling Engineer DATE 12-16-99

(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:

APPROVED BY /S/LARRY D. BRAY TITLE _____ DATE _____
Assistant Field Office Manager
Lands and Minerals

*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.

* Oper. to send in Sundry Notice-Run DV Tool @ 4300'. Cement
To 2500' above intermediate casing at 2800'. (OCD)

RECEIVED
FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE

DEC 20 1999

RECEIVED

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

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 100, Artesia, NM 88211-0710

Exhibit "A"

DISTRICT III
1700 Rio Brazos Ed., Artesia, 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 FEDERAL	Well Number 10
GRID 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
D	19	18 S	31 E		990	NORTH	990	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 40	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>SEE DETAIL</p> <p>DETAIL</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify 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 12-16-99 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>DECEMBER 3, 1999</p> <p>Date Surveyed LMP Signature & Seal of Professional Surveyor RONALD J. EDSON 99-11-1095 Certificate No. RONALD J. EDSON 3239 GARY KUSON 12841 MARCUS MEDONALD 12185</p>
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Exhibit "F"
KCS Medallion Resources, Inc.
 Typical BOP Equipment Arrangement

All BOP Equipment to be 3000 psig Working Pressure or Greater

