

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(Other instructions on reverse side)

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

Division

811 S. 1st ST.

NM0354232

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 Ave., Suite 700, Tulsa, OK 74136-5489. (918) 491-4114

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

860 ft FSL & 1204 ft FEL

At proposed prod. zone

Same

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

Approximately 2 miles east of Carlsbad, New Mexico

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

860 ft

16. NO. OF ACRES IN LEASE

1840

17. NO. OF ACRES ASSIGNED TO THIS WELL

320

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

no wells

19. PROPOSED DEPTH

11,600 ft

20. ROTARY OR CABLE TOOLS

Rotary

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

3178 GR

22. APPROX. DATE WORK WILL START*

15 October 1999

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26 in	Sch 10 20 in	52.73 lbs	40 to 80 ft	Ready-Mix to surface
17 1/2 in	H40 13 3/8 in	48 lbs	400 ft	355 sacks w/additives
11 in	J55 8 5/8 in	32 lbs	3200 ft	875 sacks w/additives
7 7/8 in	N80 & S95 4 1/2 in	11.60 lbs	11,600 ft	255 Sacks 15:61:11 Poz w/additives

WITNESS

Procedure:

1. Drill 26 in hole and set 20 in conductor w/hat hole digger if necessary. Cement to surface.
2. Drill 17 1/2 in hole to 400 ft and set 13 3/8 in casing. Cement to surface.
3. Drill 11 in hole to 3200 ft and set 8 5/8 in casing. Cement to surface.
4. Install Hydrill and BOP Stack. Test to 2750 psig.
5. Drill casing to within 20 ft of shoe. Test casing to 1500 psig.
6. Drill 7 7/8 in hole through the Morrow formation to TD. DST as necessary.
7. Run electric logs.
8. If warranted, run and cement 4 1/2 in casing. Cement to 500 ft above top zone of interest.
9. Test 4 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 Ops. Plan |
| B. Road and location pad survey. | E. Drilling Plan. | H. Archaeological Survey | |
| C. Vicinity map. | F. Blow Out Preventer Diagram | I. Map of Existing Wells in Area | |

NS L-

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Rest JD-1
11-26-99
HFE + L.C.

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.

21.

SIGNED

Don Williams

TITLE

Drilling Engineer

DATE

9-10-99

(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

Earle Smith

TITLE

DATE

NOV 18 1999

*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.

RECEIVED

SEP 13 89

BUM
RECEIVED