

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT(Other Insti
reverse

14. on

363

5. LEASE DESIGNATION AND SERIAL NO.

NM0354232

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME

pending

8. FARM OR LEASE NAME, WELL NO.

Esperanza No. 1

23429

9. API WELL NO.

30-015-30298

10. FIELD AND POOL, OR WILDCAT

Burton Flat, Morrow

73280

11. SEC., T., R., M., OR S.E.
AND SURVEY OR AREA

Sec 28, T 21S, R27E N. M. P. M.

12. COUNTY OR PARISH

Eddy

13. STATE

New Mexico

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

8. 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

660 ft FSL & 660 ft FEL

At proposed prod. zone

Same

Unit P

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

Approximately 2 miles east of Carlsbad, New Mexico

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

660 ft

16. NO. OF ACRES IN LEASE

1840

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

13. 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.)

3189 GR

22. APPROX. DATE WORK WILL START*

1 April 1998

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

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 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. Carlsbad Vicinity Map
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

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

NSL-3972 7/26/99

Amend APD to run 8 5/8" to
2850'.Approved Sunday Attached on back.
H2S Plan attached on back.

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

(This space for Federal or State office use)

TITLE

Drilling Superintendent

DATE

2/12/98

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 (ORIG. SGD.) ARMANDO A. LOPEZ

TITLE

ADM. MINERALS

DATE

4-20-98

*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.

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plot, or plate, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill or deepen an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the operator elects to initiate drilling operations on an oil and gas lease.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0136), Washington, D.C. 20503.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the operator elects to initiate drilling operations on an oil and gas lease.