

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRI
(Other instructions on
reverse side)

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

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

Shahara Oil, LLC

3. ADDRESS AND TELEPHONE NO.

207 W. McKay
Carlsbad, NM 88220

Phone: 505-885-5433
Fax: 505-885-4989

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

At surface:

1310' FNL & 15' FWL, Unit D

At proposed prod. zone

Same

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

1.5 miles southeast of Loco Hills, NM

15. DISTANCE FROM PROPOSED *

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

1310'

(Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE

1080

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

1000'

19. PROPOSED DEPTH

3500'

20. ROTARY OR CABLE TOOLS

Rotary

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24# K-55	500'	300 sx - circulate
7 7/8"	5 1/2"	17# J-55	3500'	600 sx -
ROSWELL CONTROLLED WATER BASIN				100' above 8 5/8" csg shoe

The operator proposes to drill to a depth sufficient to test the Queen and Grayburg for oil.

Specific programs are outlined in the following attachments:

SURFACE USE AND OPERATING PLAN

EXHIBIT A - ROAD MAP

EXHIBIT B - EXISTING WELL MAP

EXHIBIT C - LOCATION AND ACREAGE DEDICATION PLAT

EXHIBIT C-1 - TOPO MAP

EXHIBIT D - DRILLING AND RIG LAYOUT

EXHIBIT E - 3M BOP EQUIPMENT

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Post IP-1
7-12-98
API & Loc

Subject to
Like Approval
by State

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

Perry L. Hughes

TITLE

President

DATE

6/12/98

(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

APPROVED BY (ORIG. SGD.) ARMANDO A. LOPEZ

Assistant Field Office Manager,
Lands and Minerals

DATE

JUL 13 1998

*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.

[illegible]

1978 JUN 15 A 10:00

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DISTRICT I
P.O. Box 1940, 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 DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2098, SANTA FE, N.M. 87504-2098

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 28509	Pool Name Grayburg Jackson 7Rivers-QN-GB-SA
Property Code 17364	Property Name GRAYBURG JACKSON W.F.U. TRACT AD	Well Number 14
OGRID No. 143119	Operator Name SHAHARA OIL, LLC	Elevation 3626'

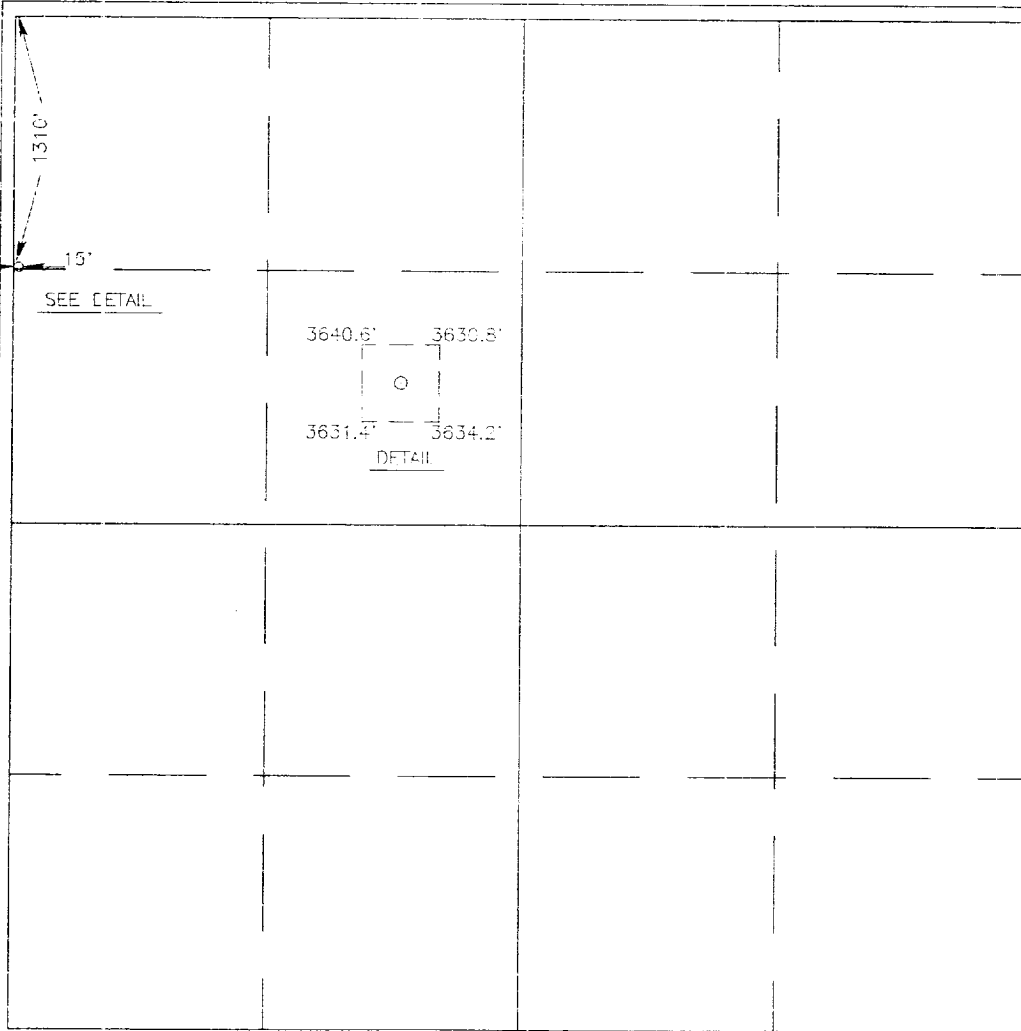
Surface Location

UL or lot No. D	Section 27	Township 17 S	Range 30 E	Lot Idn	Feet from the 1310	North/South line NORTH	Feet from the 15	East/West line WEST	County EDDY
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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 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



OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	
Penny L. Hughes	
Printed Name	
PRESIDENT	
Title	
3/31/98	
Date	
SURVEYOR CERTIFICATION	
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.	
MARCH 26, 1998	
Date Surveyed	
CDG	
Signature & Seal of Professional Surveyor	
3-30-98	
98-11-0494	
Certificate No.	RONALD J. EDSON 3239 GARY EDSON 12641

Exhibit "E"

BOP Equipment

Shahara Oil, LLC

Grayburg Jackson WFU Tract AD No. 14

1310' FNL & 15' FWL, Unit D

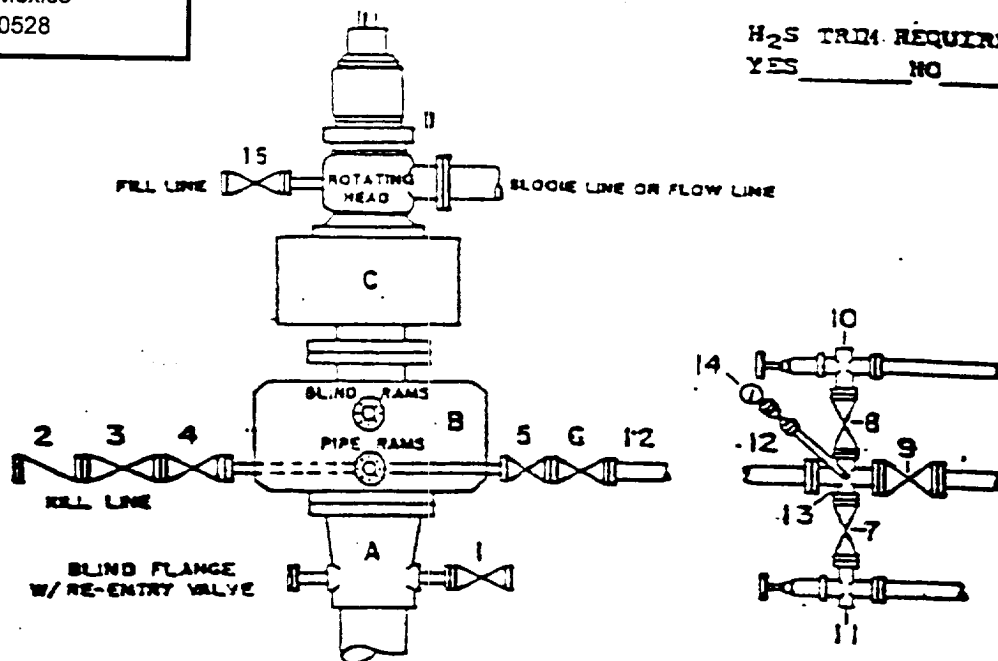
Section 27, T17S, R30E

Eddy County, New Mexico

Lease No. NM-060528

DRILLING CONTROL CONDITION III-B 3000 PSI WP

H₂S TRIM REQUIRED
YES _____ NO _____



DRILLING CONTROL

MATERIAL LIST - CONDITION III - B

- | | |
|------------|---|
| A | Wellhead |
| B | 3000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines (where sub-structure height is adequate, 2 - 3000# W.P. single ram preventers may be utilized with 3000# W.P. drilling spool with 1" minimum flanged outlet for kill line and 1" minimum flanged outlet for choke line. The drilling spool is to be installed below the single ram type preventers). |
| C | 3000# W.P. Annular Preventer with 1" steel, 3000# W.P. control lines. |
| D | Rotating Head with fill up outlet and extended Blow line. |
| 1,2,4,7,8, | 1" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 2 | 1" minimum 3000# W.P. back pressure valve. |
| 5,6,9 | 1" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 12 | 1" minimum Schedule 80, Grade 2, seamless line pipe. |
| 13 | 1" minimum x 1" minimum 3000# W.P. flanged cross. |
| 10,11 | 1" minimum 3000# W.P. adjustable choke bodies. |
| 14 | Cameron Mud Gauge or equivalent (location optional in Choke line). |
| 15 | 1" minimum 3000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve. |

SCALE:	DATE	EST. NO.	APP. NO.
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT E