

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLIC.
(Other instructions on

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

Phone: 505-885-5433

Carlsbad, NM 88220

Fax: 505-885-4989

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

At surface

990' FSL & 1990' FWL, Unit N

At proposed prod. zone

Same

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

1.5 miles southwest of Loco Hills, NM

15. DISTANCE FROM PROPOSED *

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

330'

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

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

680'

OR APPLIED FOR, ON THIS LEASE, FT.

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

3587' GR

16. NO. OF ACRES IN LEASE

440

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

19. PROPOSED DEPTH

3400'

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START *

November 1, 2000

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"	15.5# J-55	3400'	600 sx -
				100' above 8 5/8" csg shoe

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

Specific programs are outlined in the following attachments:

DRILLING PROGRAM

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

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

TITLE

DATE

(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

TITLE

DATE

*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.

DRILLING PROGRAM

Shahara Oil, LLC
Beeson "F" Federal No. 32
990' FSL & 1990' FWL, Unit N
Section 29, T17S, R30E
Eddy County, New Mexico
Lease No. LC-060529

In connection with Form 3160-3, Application for Permit to Drill subject well, Shahara Oil, LLC submits the following items of pertinent information in accordance with BLM requirements:

1. Geologic Name of Surface Formation: Permian
2. Estimated Tops of Important Geologic Markers and

<u>Formation</u>	<u>Depth</u>
Top of Salt	500'
Base of Salt	1125'
Queen	2280'
Grayburg	2700'
San Andres	3125'
Total Depth	3400'

3. Estimated Depths of Fresh Water, Oil and Gas:

There is little if any fresh water in this area. Oil is expected in the Queen, Grayburg and San Andres below 2300'. No other formations are expected to give up oil, gas or fresh water in measurable quantities. Any surface fresh water sands will be protected by setting 8 5/8" casing at approximately 500' into the anhydrite just above the top of salt estimated to be between 475' and 525' and circulating cement to surface. 5 1/2" production casing will be set at TD and cemented to 100' above the 8 5/8" casing shoe.

The pore pressure gradient is normal (± 8.4 ppg) through the San Andres. No abnormal pressures are anticipated.

4. Casing and Cement Program

<u>Casing</u>		<u>Casing OD</u>	<u>Weight, Grade, Coupling, Cond.</u>
<u>Hole Size</u>	<u>From To</u>		
12 1/4"	0' 500'	8 5/8"	24# K-55 STC New
7 7/8"	0' TD	5 1/2"	15.5# J-55 LTC New

Minimum Design Factors: Collapse 1.125, Burst 1.1, Tension 1.7.

8 5/8" Surface Casing Set at 500'

Cement to surface with 300 sx of Class C with additives.