

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]
b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER [ ] SINGLE ZONE [X] MULTIPLE ZONE [ ]
2. NAME OF OPERATOR: UMC PETROLEUM CORPORATION (SCOTT WEBB) 303-573-4721
3. ADDRESS AND TELEPHONE NO.: 410 17th STREET SUITE 1400 DENVER COLORADO 80202
4. LOCATION OF WELL: 1750' FNL & 1900' FEL SEC. 28 T18S-R31E EDDY CO. NM
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 10 miles Southeast of Loco Hills New Mexico
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.: 1750'
16. NO. OF ACRES IN LEASE: 760
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.: 2100'
19. PROPOSED DEPTH: 11,850'
20. ROTARY OR CABLE TOOLS: ROTARY
21. ELEVATIONS: 3622' GR.

5. LEASE DESIGNATION AND SERIAL NO.: NM-12212, 10-0000000
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME: 22953
8. FARM OR LEASE NAME, WELL NO.: #1
SHUGART "28" FED. COM.
9. API WELL NO.: 31-115-30137
10. FIELD AND POOL, OR WILDCAT: SHUGART-MORROW
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SEC. 28 T18S-R31E
12. COUNTY OR PARISH: EDDY CO.
13. STATE: NM

Table with 5 columns: SIZE OF HOLE, GRADE SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Includes rows for 25", 17 1/2", 12 1/2", and 7 7/8" hole sizes.

- 1. Drill 25" hole through the unconsolidated zone 40" ±. Set 40+' of 20" conductor. Cement to surface with Redi-Mix cement.
2. Drill 17 1/2" hole to 800'. Run & set 800' of 13-3/8" H-40 48# ST&C casing. Cement with 400 sx Class "C" + 8% Gel + 2% CaCl + 1/4# Flocele/sx. Tailin with 200 sx Class "C" + 2% CaCl. Circulate cement to surface.
3. Drill 12 1/2" hole to 4800'. Run & set 4800' of 8-5/8" J-55 & S-80 32# ST&C casing. Cement with 1655 sx 35/65 POZ + 3% salt + 1/4# Flocele/sx. Tailin with 325 sx of Class "C" + 1% CaCl, circulate cement to surface.
4. Drill 7-7/8" hole to 11,850'. Run & set 11,850' of 5 1/2" N-80 & S-95 17# LT&C & Buttress casing. Cement in two stages, stage tool @ 9500'. Cement 1st stage with 250 sx 50-50 POZ + 10% salt + .25% dispersant + 2% Gel, tailin with 200 sx Class "H" + 10% salt + .25% dispersant. Cement 2nd stage with 365 sx 55/65 POZ class "C" tail in with 365 sx 50-50 POZ + 10% salt + .25% dispersant. Cement to top of cement 4700'.

Post IO-1 3-13-98 APE & Loc

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... If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.
24. SIGNED: [Signature] TITLE: Agent DATE: 02/05/98

(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:
APPROVED BY: [Signature] TITLE: Acting ADM. MINERAL DATE: MAR 03 1998

\*See Instructions On Reverse Side

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 DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 85300	Pool Name SHUGART-MORROW
Property Code	Property Name SHUGART "28" FEDERAL	Well Number 1
OGRID No. 23654	Operator Name UMC PETROLEUM CORPORATION	Elevation 3622

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	28	18 S	31 E		1750	NORTH	1900	EAST	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 320.0	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

**OPERATOR CERTIFICATION**

*I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.*

*Joe T. Janica*  
Signature

Joe T. Janica  
Printed Name

Agent  
Title

02/05/98  
Date

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**SURVEYOR CERTIFICATION**

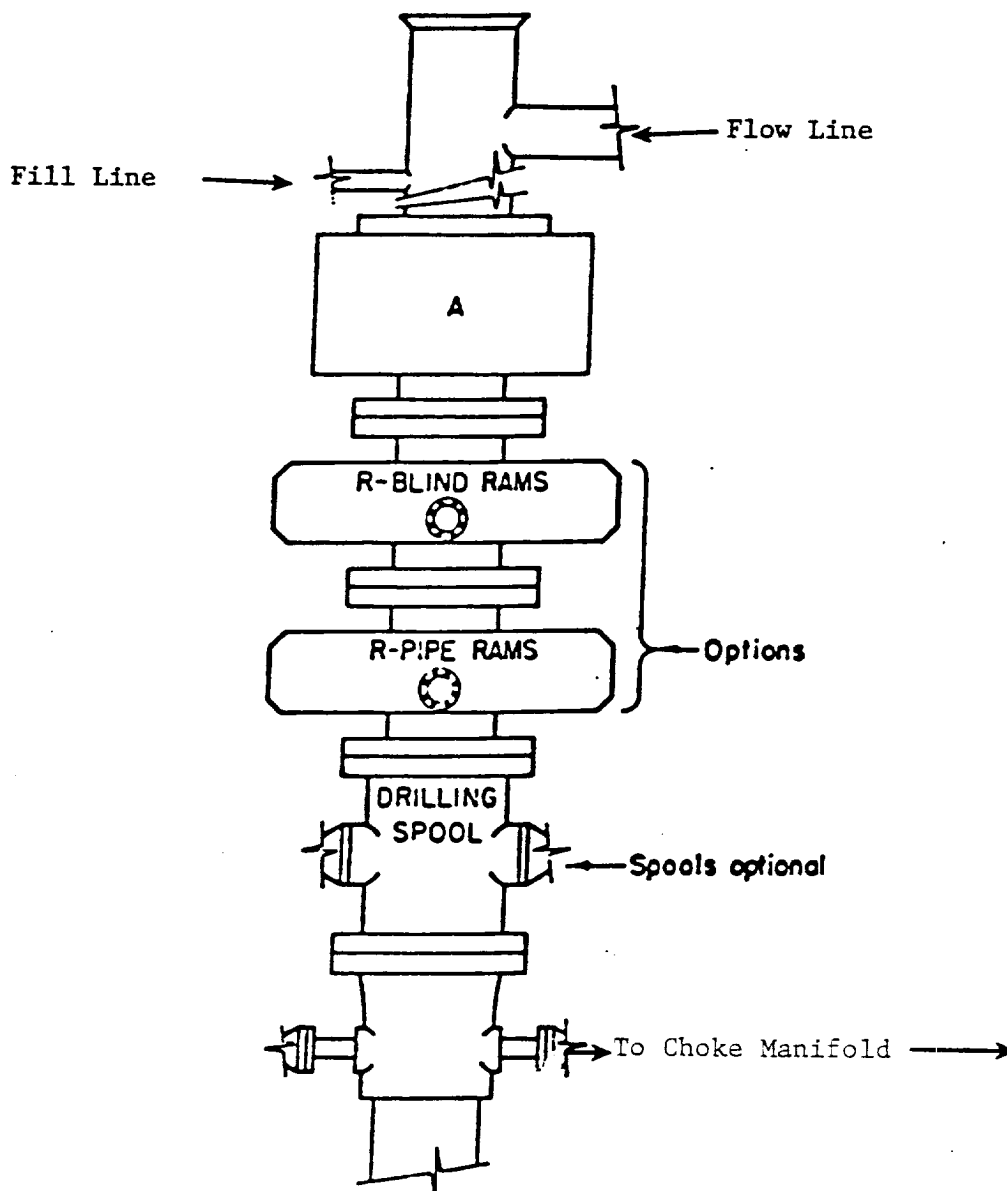
*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

JANUARY 23, 1998  
Date Surveyed

JLP

Signature & Seal of  
Professional Surveyor  
*Ronald G. Tidson*  
NEW MEXICO  
P.W.O. Num. 98-120049

Certificate No. RONALD G. TIDSON, 3239  
GARY G. TIDSON, 12641  
MORON, McDONALD, 12185



**ARRANGEMENT SRRA**

1500 Series  
 5000# Working Pressure

EXHIBIT "E"  
 B.O.P. SKETCH TO BE USED ON  
 UMC PETROLEUM CORP.  
 SHUGART "28" FEDERAL COM. # 1  
 UNIT "G" SECTION 28  
 T18S-R31E EDDY CO. NM

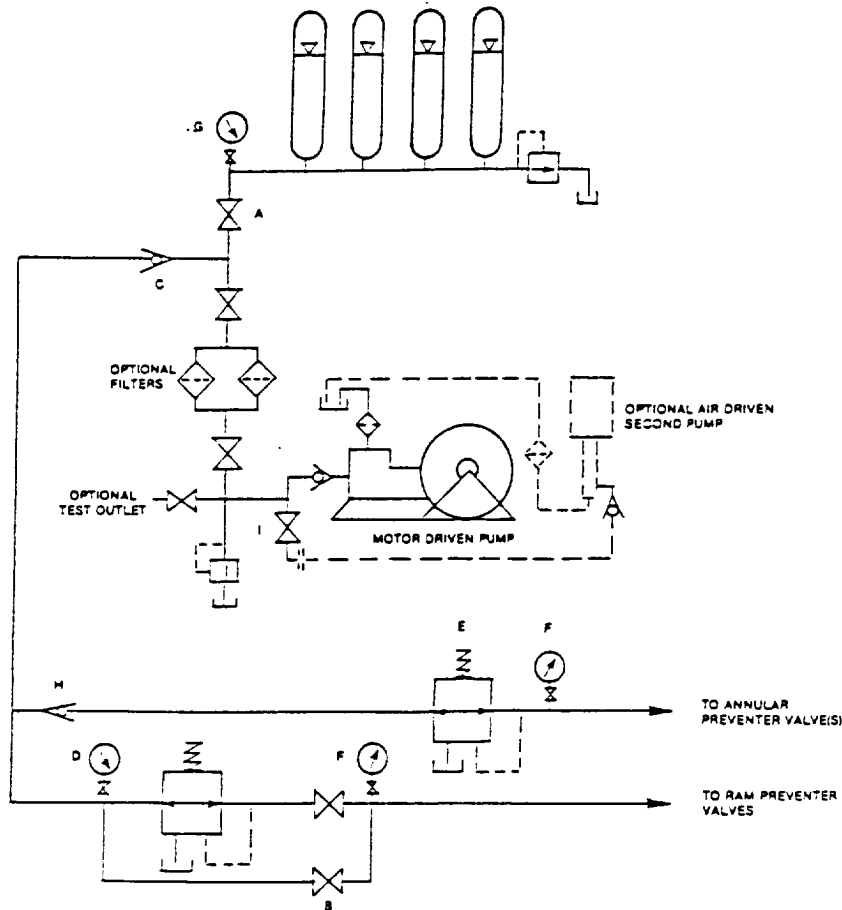


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

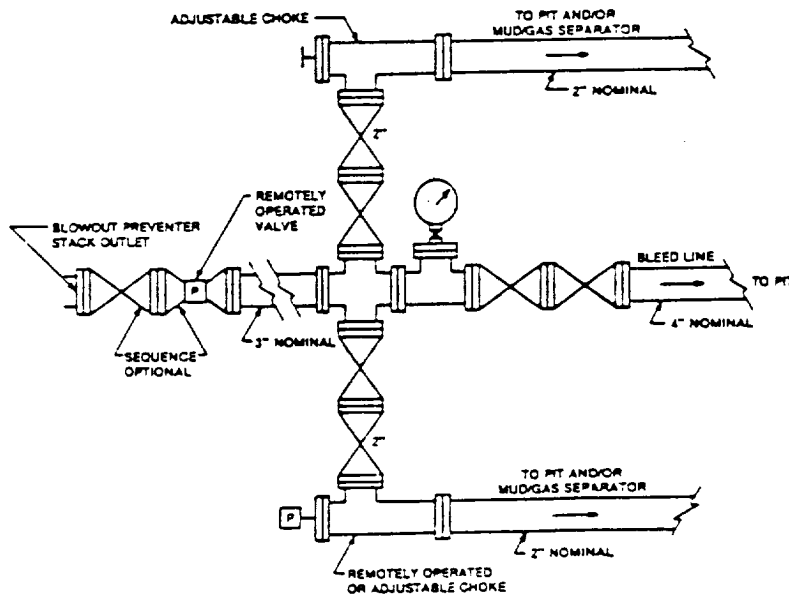


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"  
CHOKE MANIFOLD & CLOSING UNIT  
UMC PETROLEUM CORP.  
SHUGART "28" FEDERAL COM. # 1  
UNIT "G" SECTION 28  
T18S-R31E EDDY CO. NM