

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

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

Conoco Inc.

a. ADDRESS AND TELEPHONE NO

10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500

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

At surface

1730' FNL & 2165' FNL

At proposed prod. zone

1730' FNL & 2165' FNL

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

OIL CON. DIV.
DIST. 3

12. COUNTY OR PARISH

Rio Arriba

13. STATE

NM

5. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

8. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

7555'

20. ROTARY OR CABLE TOOLS

Rotary

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

6129' GR

This action is subject to final and
procedural review pursuant to 43 CFR 3165.4,
and appeal pursuant to 43 CFR 3165.4.

22. APPROX. DATE WORK WILL START*

6/1/99

23

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	K-55, 9-5/8"	36#	250'	150 sxs, circ.
8-3/4"	K-55, 7"	20#	3092'	418 sxs, circ.
6-1/4"	K-55, 4-1/2"	9.5#	7555' -	566 sxs, toc @ 2940'

It is proposed to drill a vertical wellbore to be downhole commingled in the Blanco Mesaverde and Basin Dakota Pools (DHC #2201). An NOS was filed 10/2/98. The well will be drilled and equipped according to the following additional attachments:

1. Well Location & Acreage Dedication Plat (C-102).
2. Proposed Well Plan Outline.
3. Cementing Plan.
4. Blowout Preventer Hookup.
5. Surface Use Plan including temporary pipeline tie specifications and Production Facility layout.

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

This application includes ROW's for the well pad, cathodic protection and pipeline.

APD/ROW

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

Jo Ann Johnson

TITLE

Jo Ann Johnson

Sr. Property Analyst

DATE

May 5, 1999

(This space for Federal or State office use)

PERMIT NO

APPROVAL DATE

JUL 16 1999

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

/s/ Duane W. Spencer

TITLE

Tom Lee, Petroleum Management

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.

N/L 4222

NMOC

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

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

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-26170		*Pool Code 72319 / 71599		*Pool Name BLANCO MESAVERDE / BASIN DAKOTA	
*Property Code 016608		*Property Name SAN JUAN 28-7 UNIT			*Well Number 126M
*OGRID No. 005073		*Operator Name CONOCO, INC.			*Elevation 6129'

¹⁰ Surface Location

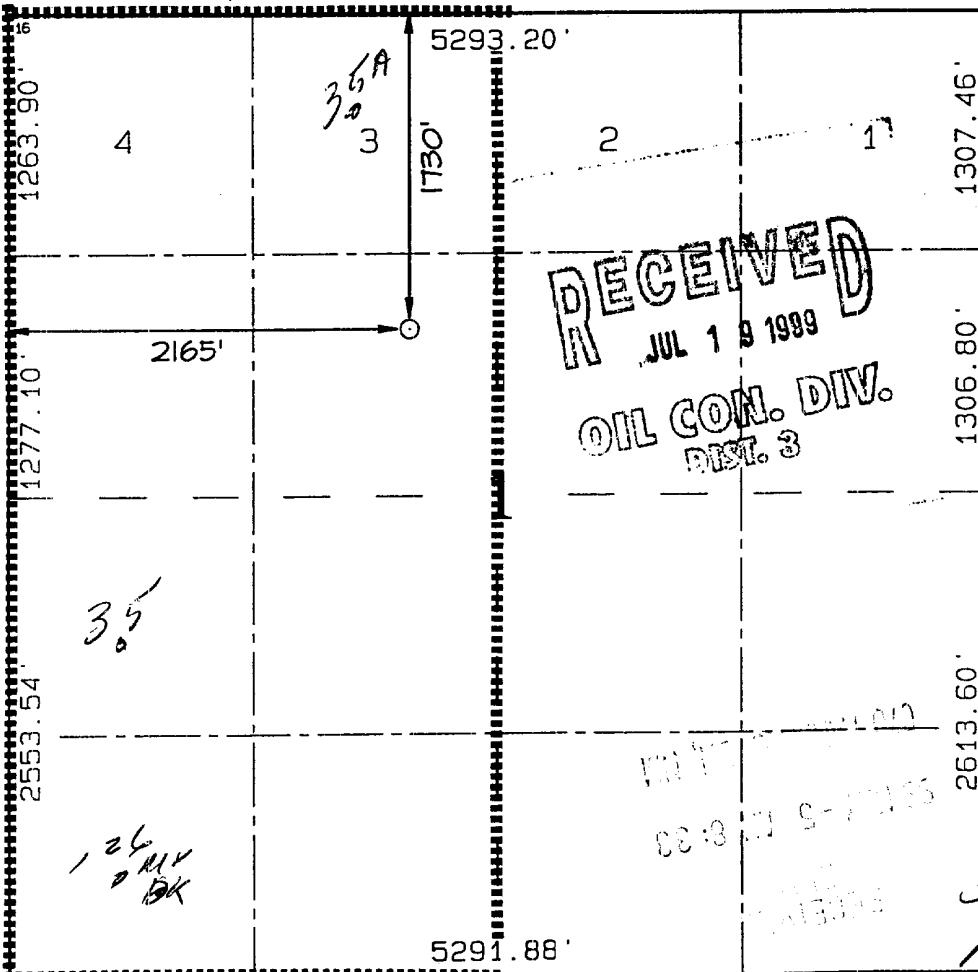
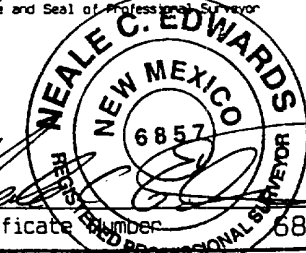
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	1	27N	7W		1730	NORTH	2165	WEST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

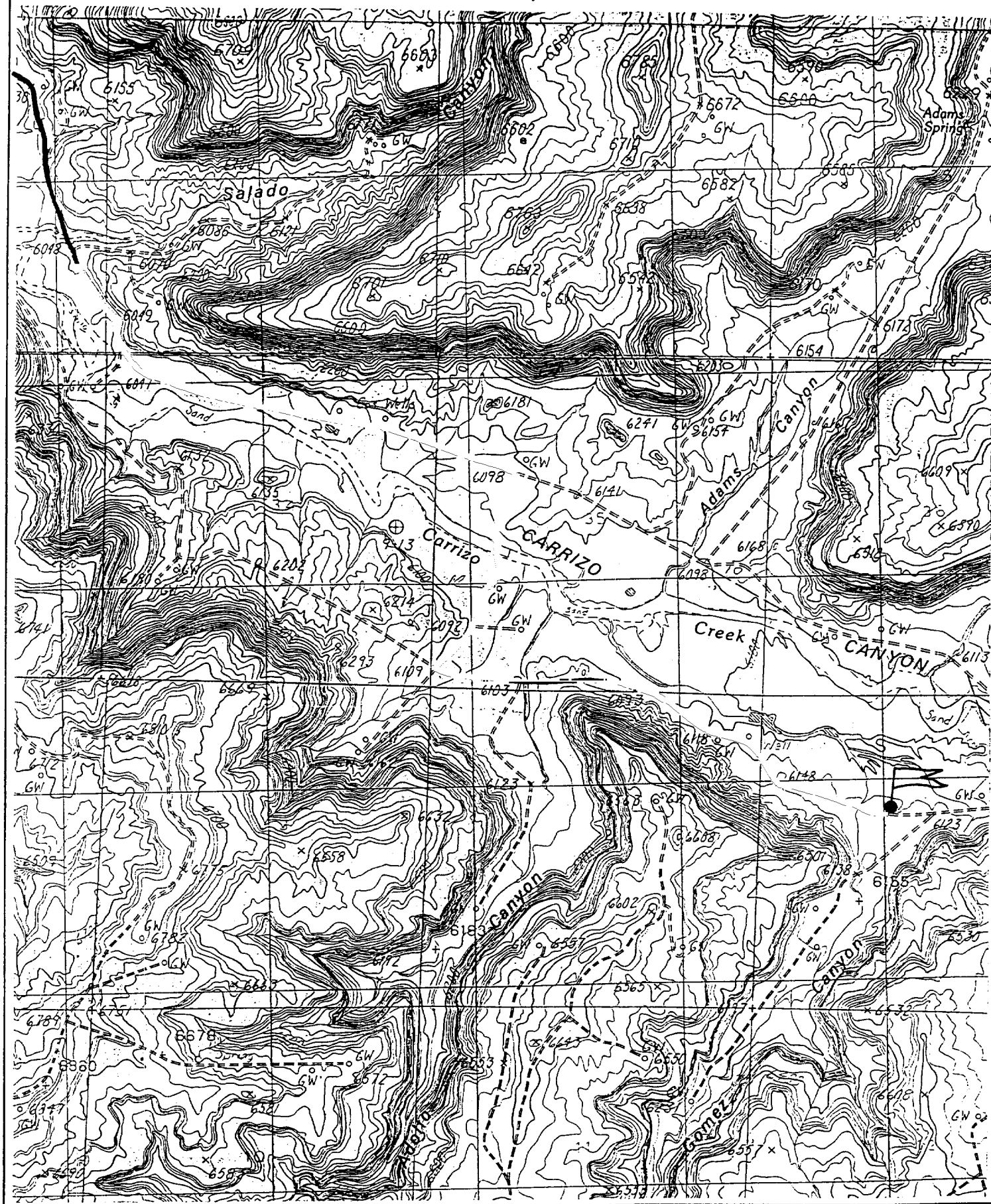
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 328 319.80 319.80					¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. NSL # 4222
---	--	--	--	--	-------------------------------	----------------------------------	--

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

		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Mike L. Mankin</i> Signature Mike L. Mankin Printed Name Right-Of-Way Agent Title 4-7-99 Date</p>	
<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>FEBRUARY 23, 1999 Date of Survey Signature and Seal of Professional Surveyor  Certificate Number 6857</p>			

CONOCO, INC. SAN JUAN 28-7 UNIT 126M
1730' FNL & 2165' FWL, SECTION 1, T27N, R7W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO



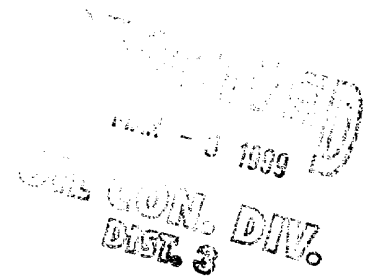


NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 2, 1999

Conoco, Inc.
10 Desta Drive – Suite 100 W
Midland, Texas 79705-4500
Attention: Kay Maddox



Administrative Order NSL-4222

Dear Ms. Maddox:

Reference is made to your application dated February 25, 1999 for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987, for a non-standard Basin-Dakota infill gas well location in an existing standard 319.80-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool comprising Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 1, Township 27 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to Conoco, Inc.'s San Juan "28-7" Unit Well No. 126 (API No. 30-039-07161), located a standard gas well location 990 feet from the South line and 1040 feet from the West line (Unit M) of Section 1.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox infill gas well location in Section 1 is hereby approved:

**San Juan "28-7" Unit Well No. 126-M
1730' FNL & 2165' FWL (Unit F).**

Further, both of the aforementioned San Juan "28-7" Unit Well Nos. 126 and 126-M and existing gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington



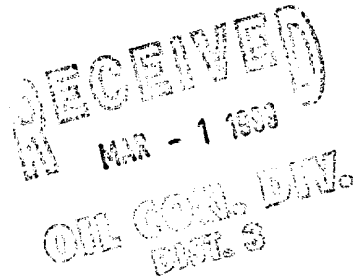
Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

February 25, 1999

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 Pacheco
Santa Fe, NM 87504

RE: Application for Non-Standard location
Basin Dakota Pool
San Juan 28-7 Unit # 126M
1730' FNL & 2165' FWL
Unit Ltr F, Section 1, T-28-N, R-7-W
Rio Arriba, NM



Dear Mr. Stogner,

Conoco, Inc plans to drill the above referenced well in 1999. The Basin Dakota pool rules state that this well must be 790' from the center section line. This well is staked 1730' FNL & 2165' FWL. This location places the well only 475' from the center half-section line thereby requiring this application for a non-standard location order. The referenced location is an open 160-acre Dakota infill drill site. In an effort to prevent waste and too effectively/efficiently develop and produce the 28-7 unit to its fullest potential, Conoco selected this location to serve two purposes. The location will serve to accommodate both a primary, 160 acre Dakota infill, and an 80 acre Mesaverde infill withdrawal point (per Order No. R-10987-A, issued out of case No. 12069). Topography, arch, and infrastructure also played a role in limiting our location selection. The ability to access both horizons in a single wellbore well reduce development costs and surface disturbance. Please note that the location is interior to the 28-7 unit, and does not encroach on any unit boundaries. An application to downhole commingle (C-107A) Blanco Mesaverde and Basin Dakota will be filed concurrently (per Order No. R-10476-B, issued out of case No. 11815).

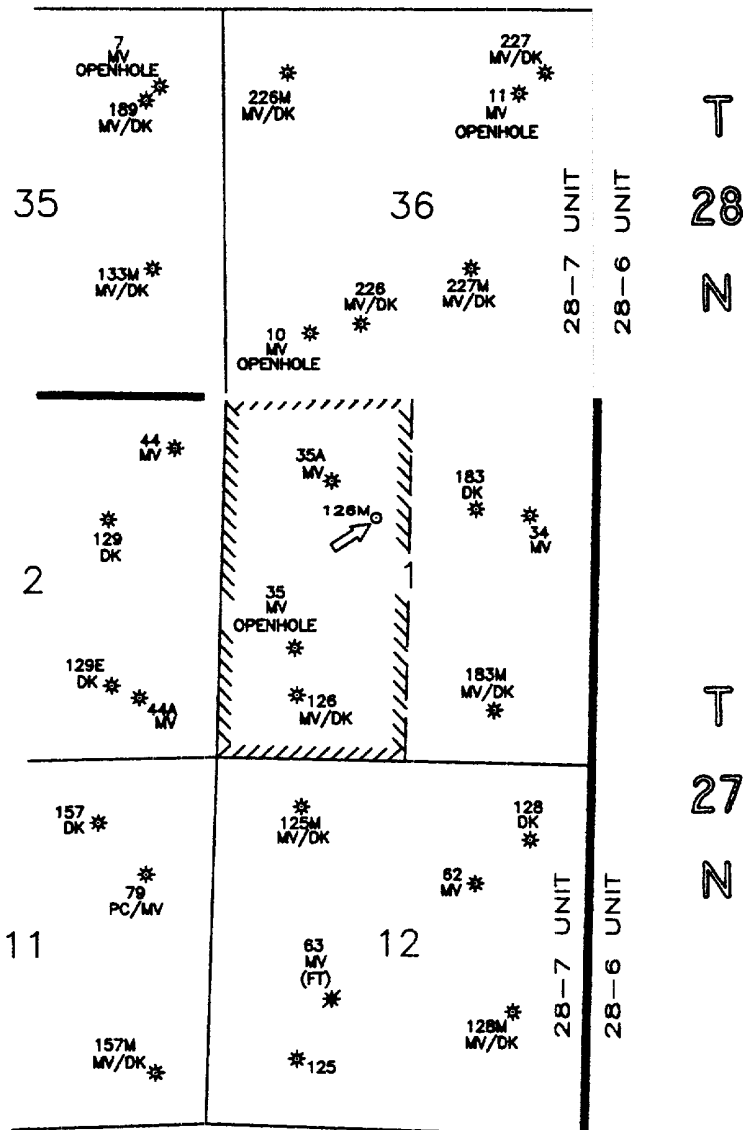
Conoco respectfully requests that a non-standard location for the Basin Dakota Pool be issued for the referenced well for the reasons cited above. If there are any further questions concerning this application, please feel free to call me at (915) 686-5798.

Sincerely,

Kay Maddox
Regulatory Agent

Cc: OCD Aztec

R 7 W



**SAN JUAN 28-7 UNIT
RIO ARriba CO., NM**

NOTES		<div>conoco</div> EPNGNA MIDLAND DIVISION		
Conoco operates all wells in the 28-7 Unit, NSL is interior to the 28-7 Unit. Map shows only Mesaverde and Dakota wells. A Basin Dakota NSL is requested in order to accommodate both a primary 160 acre Dakota infill and an '80 acre' Mesaverde infill (per order No. R-10987-A out of case 12069).	DATE: 2/25/99	CONOCO 28-7 UNIT MESAVERDE & DAKOTA PRODUCERS San Juan 28-7 Unit # 126M Basin Dakota Non-Standard Location		
	DRAWN BY: GLG			
	CHECKED BY:			
	APPROVED BY:			
	SCALE: 1" = 2640'			
	STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003			
		STATE ^{API} COUNTY WELL	DRAWING	
		30 \ 039 \	28-7_126	
		CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705		

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd. Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		2 Pool Code 72319 / 71599		3 Pool Name Blanco Mesaverde / Basin Dakota	
4 Property Code 016608		5 Property Name San Juan 28-7 Unit			6 Well Number 126M
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6137'

10 Surface Location

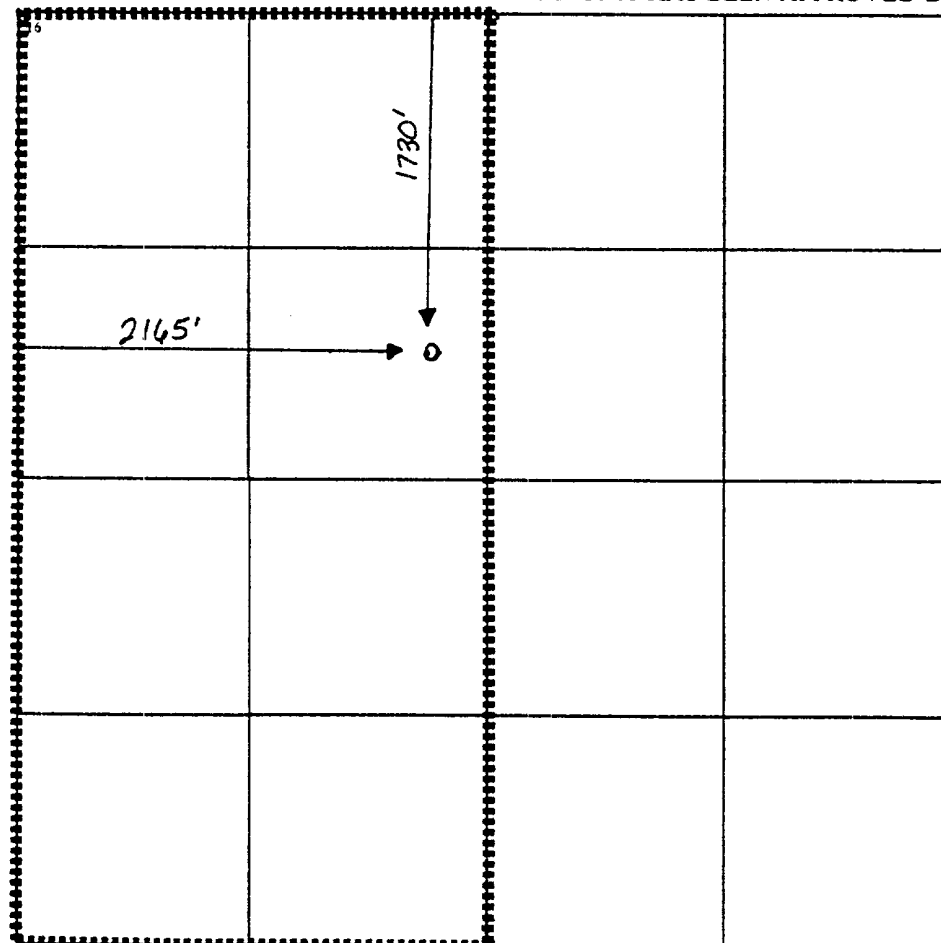
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	1	27N	7W		1730	North	2165	West	Rio Arriba

11 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

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 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



17 OPERATOR CERTIFICATION

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

Kay Maddox
Signature

Kay Maddox

Printed Name

Regulatory Agent

Title

February 25, 1999

Date

18 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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd. Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	2 Pool Code 72319 / 71599	3 Pool Name Blanco Mesaverde / Basin Dakota
4 Property Code 016608	5 Property Name San Juan 28-7 Unit	6 Well Number 126M
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500	9 Elevation 6137'

10 Surface Location

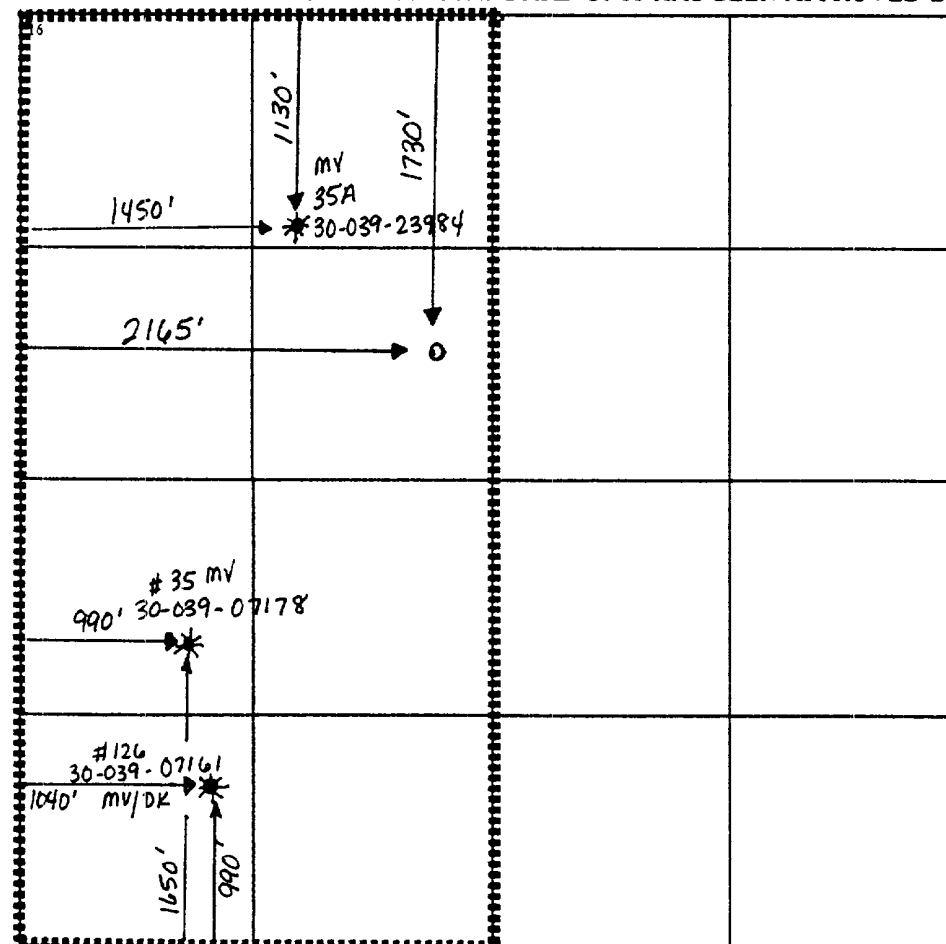
UL or lot no. F	Section I	Township 27N	Range 7W	Lot Idn	Feet from the 1730	North/South line North	Feet from the 2165	East/West line West	County Rio Arriba
--------------------	--------------	-----------------	-------------	---------	-----------------------	---------------------------	-----------------------	------------------------	----------------------

11 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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No. R - 10987 A
---------------------------	--------------------	-----------------------	-----------------------------

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



17 OPERATOR CERTIFICATION

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

Kay Maddox
Signature
Kay Maddox

Printed Name
Regulatory Agent

Title
February 25, 1999

Date

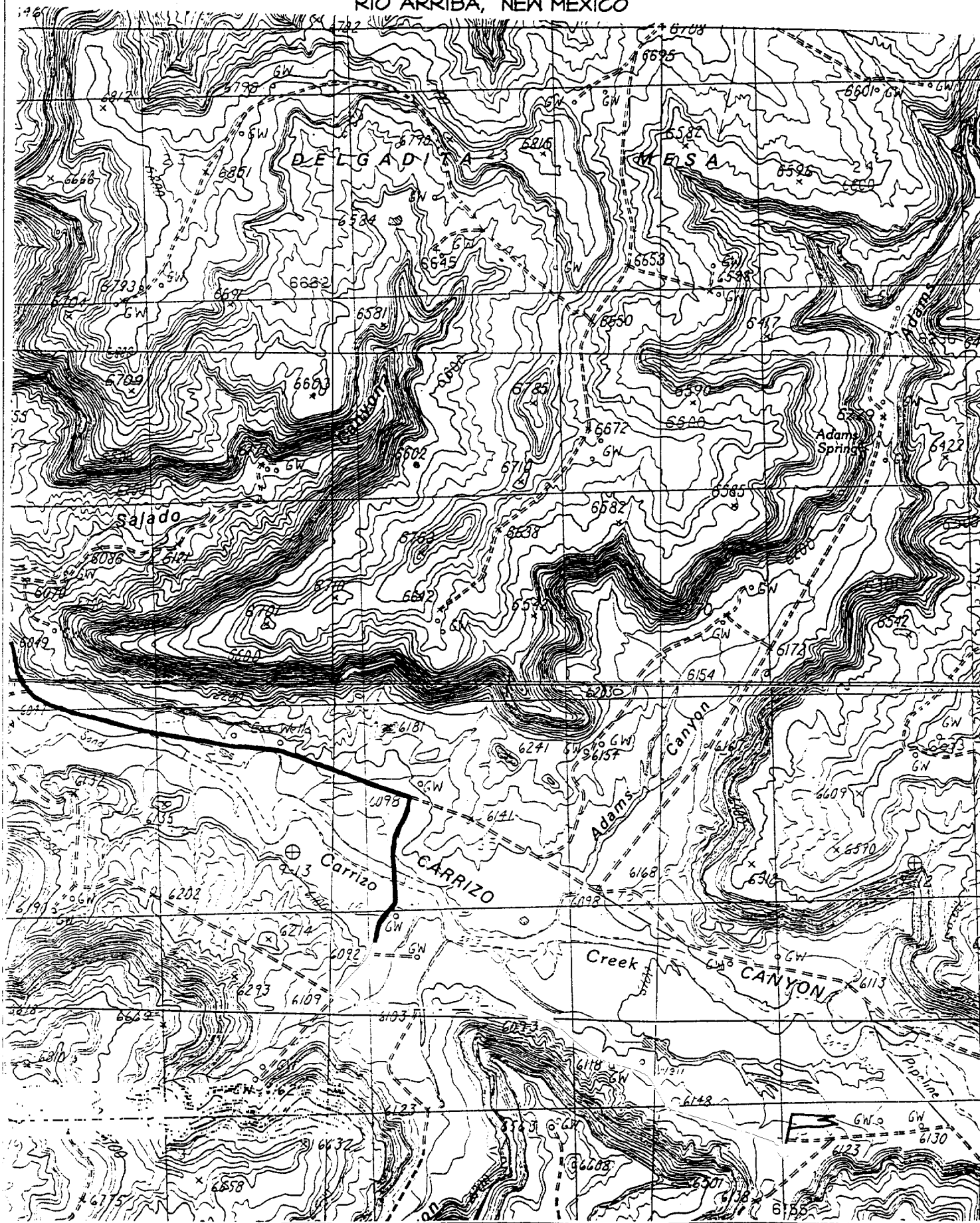
18 SURVEYOR CERTIFICATION

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.

Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number

2050' FNL & 2050' FWL, SECTION 1, T27N, R7W, N.M.P.M.
RIO ARRIBA, NEW MEXICO



February 25, 1999

San Juan 28-7 Unit Well # 126M

Conoco, Inc is the sole operator of the 28-7 Unit. This well does not encroach on any outside unit boundary lines therefore there are no offset operators to be notified.