

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0138
Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF 078972	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Conoco Inc.		7. UNIT AGREEMENT NAME San Juan 28-7	
3. ADDRESS AND TELEPHONE NO. 10 Desta Drive, Suite 649W, Midland, TX 79705		8. FARM OR LEASE NAME WELL NO. 274	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*) At surface 1100' FNL & 1865' FWL At proposed prod. Zone 1100' FNL & 1865' FWL		9. API WELL NO. 30-039-26471	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*		10. FIELD AND POOL, OR WILDCAT So. Blanco PC/Basin FC	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. Unit line, if any)		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 11, T27N, R7W	
6. NO. OF ACRES IN LEASE 640		12. COUNTY OR PARISH Rio Arriba	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4150' 3500'		13. STATE NM	
20. ROTARY OR CABLE TOOLS Rotary		22. APPROX. DATE WORK WILL START* 07/06/00	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6609'			

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8 3/4"	J-55; 7"	20#	250'	70 sxs, circ.
6 1/4"	J-55; 4 1/2"	10.5#	2850' 3500'	255 210 sxs, circ.

It is proposed to drill a vertical wellbore to be downhole commingled in the Blanco Pictured Cliff and Basin Fruitland Coal Pools following the acquisition of sufficient production test data for allocation purposes. A downhole commingling application will be filed with the BLM and OCD. 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.
 6. Production Facility Layout.
- This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

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

APD/ROW

This application includes ROW's for the well pad, access road, cathodic protection, and pipeline. The pipe-wall thickness is .156 and the pipe-wall strength is 42,000# yield.

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.

SIGNED J. L. Johnson TITLE Sr. Property Analyst DATE 06/06/00
(This space for Federal or State office Use) KLS

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 Adm Jim Lovins TITLE Pet. Eng DATE JUL 5 2000

*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.

HOLD C104 FOR NSL in Basin Fruitland Coal

NMOCD