

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMSF 078835A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

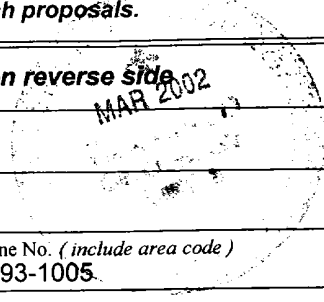
8. Well Name and No.
San Juan 28-7 Unit #244

9. API Well No.
30-039-21083

10. Field and Pool, or Exploratory Area
Blanco Mesaverde/Otero Chacra/Basir.

11. County or Parish, State
Rio Arriba

SUBMIT IN TRIPLICATE - Other instructions on reverse side



1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
CONOCO, INC.

3a. Address
P.O. BOX 2197 DU 3084HOUSTONTX77252

3b. Phone No. (include area code)
(281)293-1005

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**Unit Ltr.M Sec.7 T27N R7W
1090' FSL & 990' FWL**

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|---|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/ Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input checked="" type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>DHC</u> |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Conoco proposes to downhole trimingle this well as per the attached.

2002 MAR 15 AM 9:23
 CONOCO INC.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
DEBORAH MARBERRY

Signature
Deborah Marberry

Title
REGULATORY ANALYST

Date
02/28/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Office _____

Conditions of approval, if any, are attached. Approval of this notice 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.

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.

(Instructions on reverse)

316002

SAN JUAN 28-7 UNIT #244
Recomplete to Mesa Verde & Chacra, DHC w/Dakota
December 11, 2001

API# 300392108300

Location: NMPM -27N-7W-7-M, 1090' FSL, 990' FWL

MSO - Danny Roberts

Objective

This project is to recomplete 28-7 Unit, Well #244 to Mesa Verde and Chacra Intervals and down hole commingle with Dakota production. A frac will be performed to fracture stimulate as many of the interbedded sand and shale packages as possible to enhance production. A stabilized test will be performed prior to commingling production, tubing landed at mid perforations and resume plunger lift production. Dakota formation in this well is currently producing 20 Mcfgd. Recompletion estimated IP of 1.2 MMcfgd from Mesa Verde and Chacra with project uplift of 300 Mcfgd sustained production after 30 days.

The following are the recommended intervals:

Chacra/Lewis

| Top perf | Bottom perf | Thickness |
|----------|-------------|-----------|
| 3941 | 3956 | 15 |
| 3967 | 3984 | 16 |
| 3989 | 4003 | 14 |
| 4006 | 4016 | 9 |
| 4020 | 4028 | 7 |
| 4032 | 4038 | 6 |
| 4104 | 4154 | 50 |
| 4174 | 4182 | 8 |
| 4245 | 4251 | 6 |
| 4258 | 4264 | 6 |
| 4301 | 4305 | 4 |
| 4311 | 4322 | 11 |
| 4335 | 4341 | 6 |
| 4346 | 4355 | 9 |
| 4362 | 4372 | 10 |
| 4398 | 4405 | 7 |
| 4433 | 4445 | 13 |
| 4450 | 4462 | 12 |
| | | 210 |

Mesaverde

| Top perf | Bottom perf | Thickness |
|----------|-------------|-----------|
| 4680 | 4698 | 19 |
| 4712 | 4731 | 19 |
| 4750 | 4764 | 14 |
| 4789 | 4795 | 6 |
| 4842 | 4848 | 6 |
| 4859 | 4869 | 9 |
| 4878 | 4890 | 11 |
| 4906 | 4914 | 8 |
| 4920 | 4927 | 7 |
| 4945 | 4953 | 8 |
| 4966 | 4988 | 22 |
| 5007 | 5016 | 9 |
| 5050 | 5063 | 13 |
| 5067 | 5085 | 19 |
| 5100 | 5118 | 18 |
| 5173 | 5180 | 7 |
| 5255 | 5273 | 19 |
| 5309 | 5327 | 18 |
| 5349 | 5364 | 15 |
| 5375 | 5390 | 15 |
| 5396 | 5400 | 5 |
| 5459 | 5462 | 4 |
| 5465 | 5469 | 4 |
| 5482 | 5488 | 6 |
| | | 281 |

SAN JUAN 28-7 UNIT #244
Recomplete to Mesa Verde & Chacra, DHC w/Dakota
December 11, 2001

API# 300392108300 **Location:** NMPM -27N-7W-7-M, 1090' FSL, 990' FWL

Well Data: PBSD @ 7587', TD @ 7588' Spud Date: 5/27/75

Surface Casing: 9.625", 32.3#, 5 jts. SW grade, set @ 213'KB, cemented to surface.

Intermediate Casing size: 7"OD, 20#, K-55, 4 jts., 0' - 160'KB,
Intermediate Casing size: 7"OD, 23#, K-55, 77 jts., from 160' set @ 3248', TOC @ 2200' by TS.

Production Casing: 4.5" OD, 10.5#, K-55, 201 jts., 0' - 6478',
Production Casing: 4.5" OD, 11.0#, K-55, 28 jts., from 6478' set @ 7588', TOC @ 2850' by TS

Tubing size: 2.375" OD, 4.7#, landed @ 7488', with SN on bottom.

Dakota Perforations are @ 7328' - 7578'.

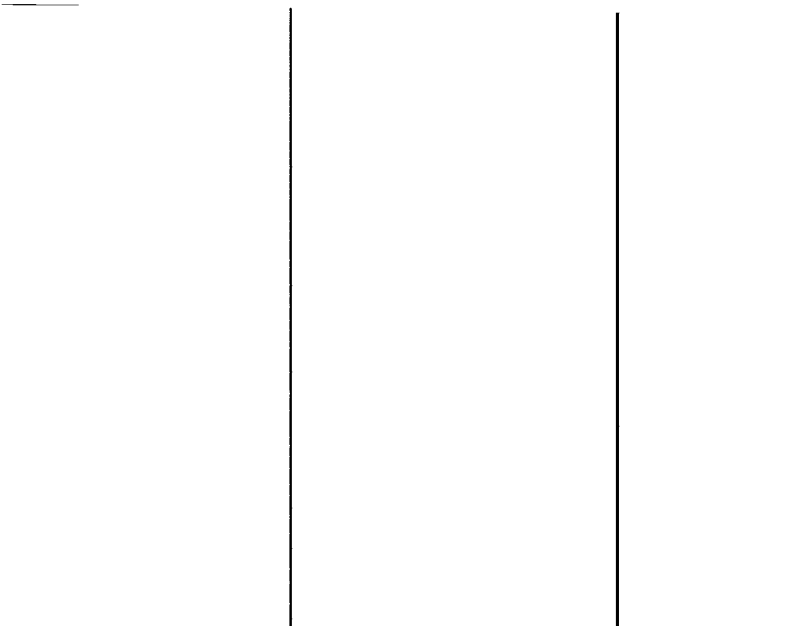
Completion details contained in Wellview files and schematics.

Procedure

- 1) Move in workover rig, hold safety meeting, note prevailing wind direction at location, designate muster point, review procedure, identify potential hazards, isolate lines and facilities, blow down lines, lock out tag out, spot equipment, rig up, WORK SAFELY!
- 2) Kill tubing with minimum amount of KCl, tag for fill and POOH 237 joints of 2.375" OD production tubing standing back.
- 3) Rig up wireline and RIH with CIBP and set at 5430', bottom of Mesa Verde @ 5488', POOH wireline.
- 4) RIH wireline perforating gun, perforate, and frac as per Lucas Bazan's procedure. Suggest using Big Bore Frac Plugs between stages.
- 5) Flow back and clean up, obtain 4 hour stabilized test.
- 6) RIH and drill out BP over MV @ 5430'. Clean out to PBSD @ 7587", unload hole and POOH stripping out, lay down drill collars and bit.
- 7) RIH production tubing and land at mid Dakota perforation depth of 7486' (original depth), with SN and mule shoe on bottom. Notify operator of commingle status and to resume plunger lift production.

San Juan East Team (drw)

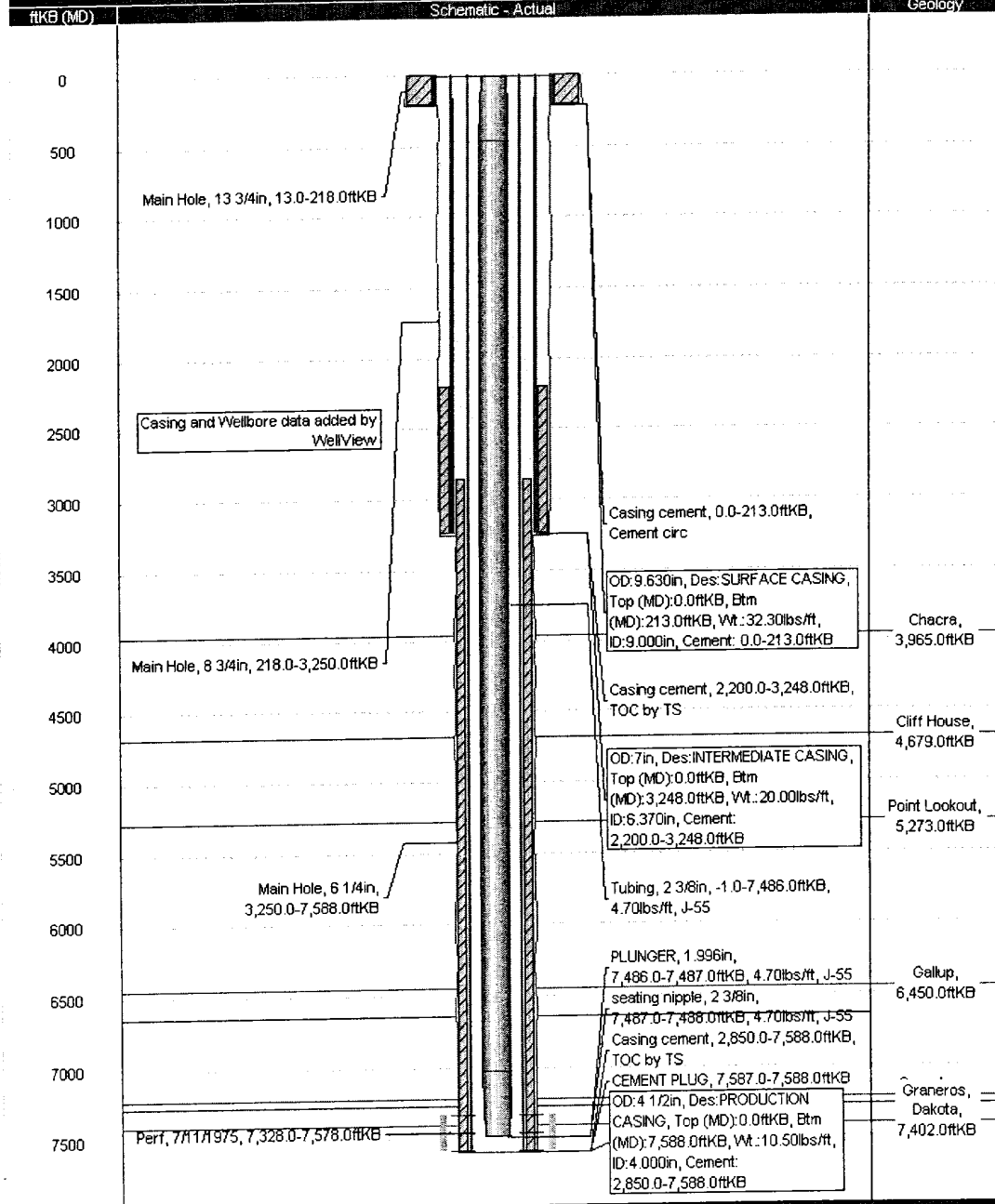
Cc: Central Records, and 3 Copies to Farmington Project Leads.



Current Schematic

| | | | | | | | | | | | |
|--------------|--------------|------------------|----------|-------------------------|------|-----------------------|-------|--------------------------------|------------|----------------|------------|
| AP# | 300392108300 | Field Name | BASIN DK | Area | EAST | Operator | | County | RIO ARRIBA | State/Province | NEW MEXICO |
| KB Elev (ft) | 6638.00 | Ground Elev (ft) | 6625.00 | Casing Flange Elev (ft) | 0.00 | KB-Grnd Distance (ft) | 13.00 | KB-Casing Flange Distance (ft) | 6638.00 | Spud Date | 5/27/1975 |

Main Hole: 11/20/1997 (KB-Grnd: 13.0ft)



1625 N French Drive, Hobbs, NM 88240
 District II
 811 South First Street, Artesia, NM 88210
 District III
 1000 Rio Brazos Road, Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

Energy, Minerals, and Natural Resources Department

Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco
 Santa Fe, New Mexico 87505

APPLICATION TYPE

Single Well
 Established Pre-Approved Pools
 EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

CONOCO, INC.

P.O. BOX 2197 DU 3084HOUSTONTX77252

Operator

Address

San Juan 28-7 Unit

244

M727N7W

Rio Arriba

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 005073 Property Code 016608 API No. 30-039-21083 Lease Type Federal State Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|---|---------------------|---------------------|---|
| Pool Name | Otero Chacra | Blanco Mesaverde | Basin Dakota |
| Pool Code | 82329 | 72319 | 71599 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 3941 - 4462 | 4680 - 5488 | 7328 - 7578 |
| Method of Production (Flowing of Artificial Lift) | expected to flow | expected to flow | flowing |
| Bottomhole Pressure <small>(Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)</small> | 540 psi (approx) | 560 psi (approx) | 880 psi (approx) |
| Oil Gravity or Gas BTU <small>(Degree API or Gas BTU)</small> | | | |
| Producing, Shut-in or New Zone | new zone | new zone | producing |
| Date and Oil/Gas/Water Rates of Last Production <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small> | Date: Rates: | Date: Rates: | Date: 03/05/2002 Rates: 40mcf (approx) |
| Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small> | Oil test Gas % % | Oil test Gas % % | Oil subtraction Gas % % |

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingling zones?
 If not, have all working royalty and overriding royalty interest owners been notified by certified mail? Yes No
 Yes No

Are all produced fluids from all commingling zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: R 10476B R 11363

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

Pre-Approved Pools

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Deborah Marberry TITLE REGULATORY ANALYST DATE 02/28/2002

TYPE OR PRINT NAME DEBORAH MARBERRY TELEPHONE NO. (281)293-1005

District I
1625 N. French Dr., Hobbs, NM 88240
District II
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1000 Rio Brazos Rd., Aztec, NM 87410
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2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|--|--|--|--|---------------------------------|
| ¹ API Number 30-039-21083 | | ² Pool Code 82329 | | ³ Pool Name Otero Chacra | |
| ⁴ Property Code 016608 | | ⁵ Property Name San Juan 28-7 Unit | | | ⁶ Well Number 244 |
| ⁷ OGRID No. 005073 | | ⁸ Operator Name CONOCO, INC. | | | ⁹ Elevation |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| M | 7 | 27N | 7W | | 1090 | south | 990 | 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 | 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

| | | | | | |
|----|--|--|--|--|--|
| 16 | | | | | <p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Deborah Marberry</i> Signature DEBORAH MARBERRY Printed Name REGULATORY ANALYST Title 02/28/2002 Date</p> |
| | | | | | <p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p> |
| | | | | | Certificate Number |

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|------------------------------|--|---------------------------------------|--|---------------------------------|----------------------|
| 1 API Number 30-039-21083 | | 2 Pool Code 72319 | | 3 Pool Name Blanco Mesaverde | |
| 4 Property Code 016608 | | 5 Property Name San Juan 28-7 Unit | | | 6 Well Number 244 |
| 7 OGRID No. 005073 | | 8 Operator Name CONOCO, INC. | | | 9 Elevation |

10 Surface Location

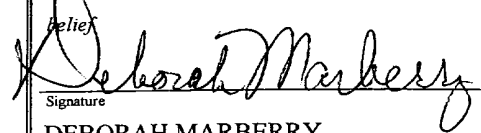
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|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| M | 7 | 27N | 7W | | 1090 | south | 990 | west | Rio Arriba |

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 | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
| | | | |

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| | | | |
|----|--|--|--|
| 16 | 17 OPERATOR CERTIFICATION | | |
| | I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. | | |
| |  Signature DEBORAH MARBERRY Printed Name REGULATORY ANALYST Title 02/28/2002 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 | | |

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WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|------------------------------|--|---------------------------------------|--|-----------------------------|----------------------|
| 1 API Number 30-039-21083 | | 2 Pool Code 71599 | | 3 Pool Name Basin Dakota | |
| 4 Property Code 016608 | | 5 Property Name San Juan 28-7 Unit | | | 6 Well Number 244 |
| 7 OGRID No. 005073 | | 8 Operator Name CONOCO, INC. | | | 9 Elevation |

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 |
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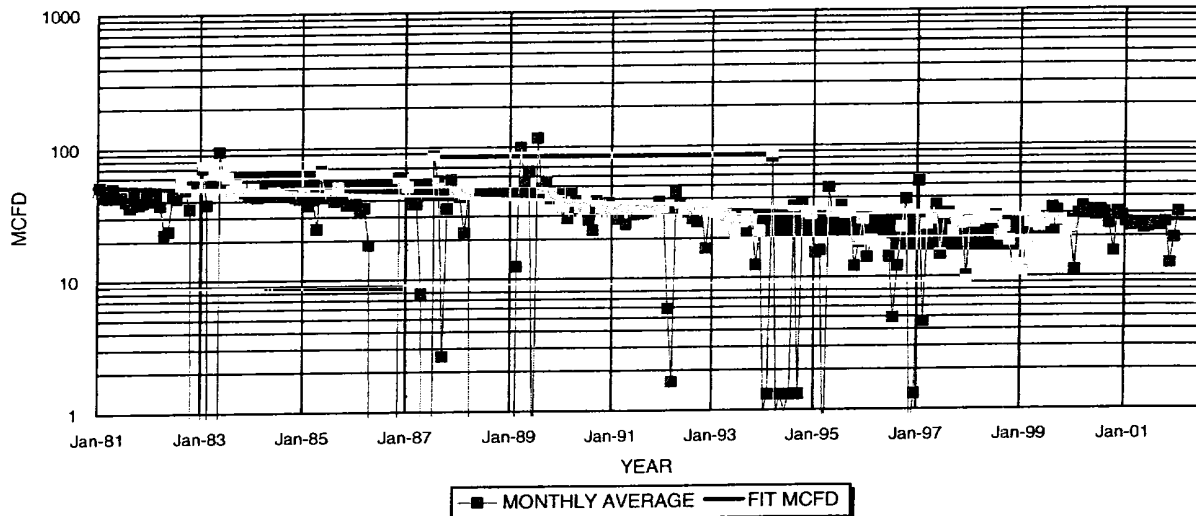
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| | | | | | | |
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| | | | | <p>18 SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p> | | |
| | | | | Certificate Number | | |
| | | | | | | |

**SJ 28-7 #244 DAKOTA PRODUCTION
SECTION 07-27N-07W, RIO ARRIBA COUNTY, NEW MEXICO**



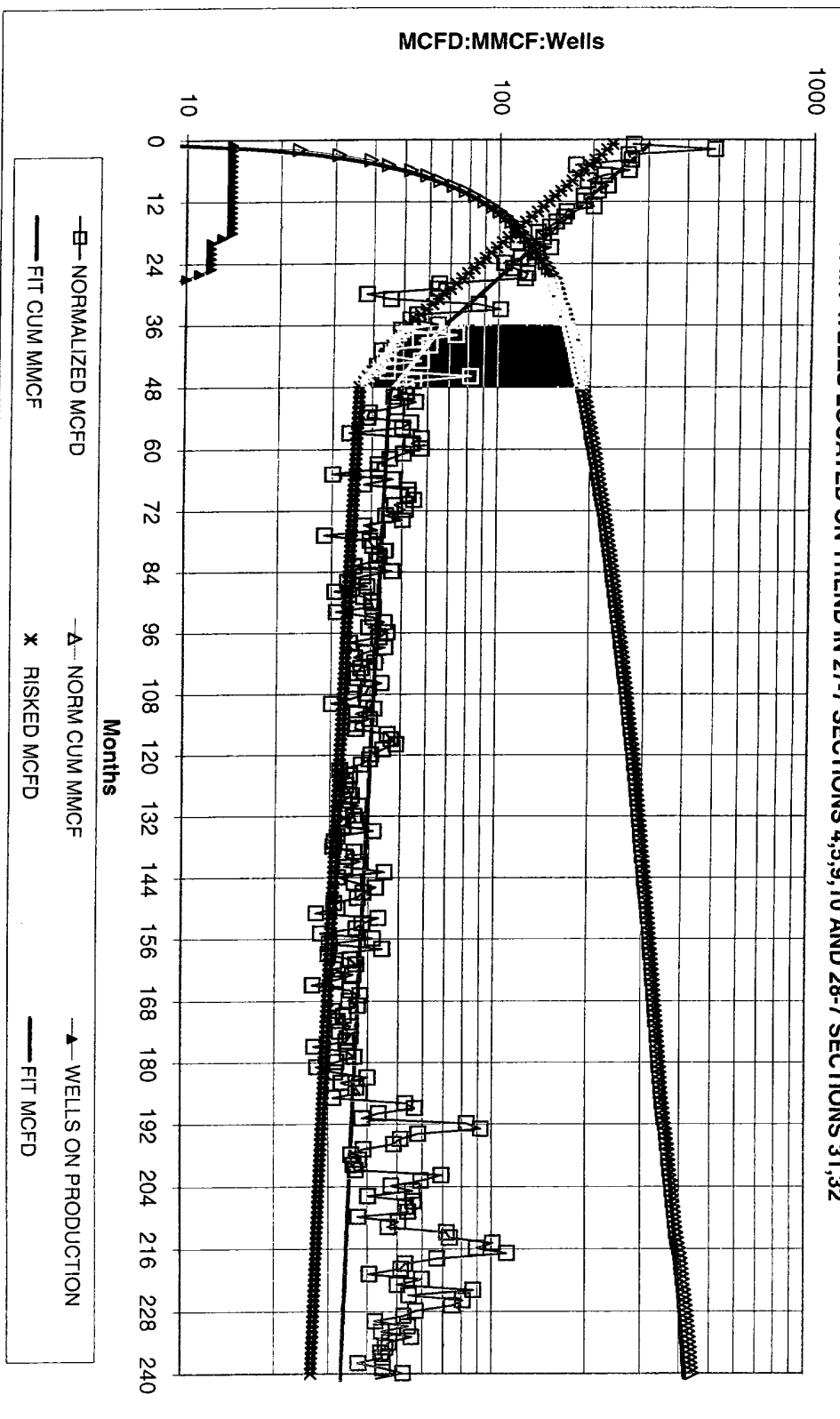
| | | | | | | |
|--------------------------|--------|------------------------|--|------------------------------|------|---------------|
| DAKOTA PRODUCTION | | 1ST PROD: 07/75 | | DAKOTA PROJECTED DATA | | |
| OIL CUM: | 3.09 | MBO | | Jan '01 Qi: | 27 | MCFD |
| GAS CUM: | 398.1 | MMCF | | DECLINE RATE: | 3.2% | (EXPONENTIAL) |
| OIL YIELD: | 7.7626 | BBL/MMCF | | API #30-039-21083 | | |

PRODUCTION FORECAST FOR SUBTRACTION METHOD COMMINGLE ALLOCATION

NOTE: Decline rate is approximately 3.2%/year. This rate is expected to continue for the duration of the well based on production trends observed during the life of this well.
Production data from PEEP.

| YEAR | MID-YEAR | MID-YEAR |
|------|-----------|-----------|
| | AVG. MCFD | AVG. BOPD |
| 2001 | 27 | 0.2 |
| 2002 | 26 | 0.2 |
| 2003 | 25 | 0.2 |
| 2004 | 24 | 0.2 |
| 2005 | 24 | 0.2 |
| 2006 | 23 | 0.2 |
| 2007 | 22 | 0.2 |
| 2008 | 21 | 0.2 |
| 2009 | 21 | 0.2 |
| 2010 | 20 | 0.2 |
| 2011 | 19 | 0.2 |
| 2012 | 19 | 0.1 |
| 2013 | 18 | 0.1 |
| 2014 | 18 | 0.1 |
| 2015 | 17 | 0.1 |
| 2016 | 16 | 0.1 |
| 2017 | 16 | 0.1 |
| 2018 | 15 | 0.1 |
| 2019 | 15 | 0.1 |
| 2020 | 14 | 0.1 |
| 2021 | 14 | 0.1 |
| 2022 | 14 | 0.1 |
| 2023 | 13 | 0.1 |
| 2024 | 13 | 0.1 |
| 2025 | 12 | 0.1 |
| 2026 | 12 | 0.1 |
| 2027 | 12 | 0.1 |
| 2028 | 11 | 0.1 |
| 2029 | 11 | 0.1 |
| 2030 | 10 | 0.1 |
| 2031 | 10 | 0.1 |

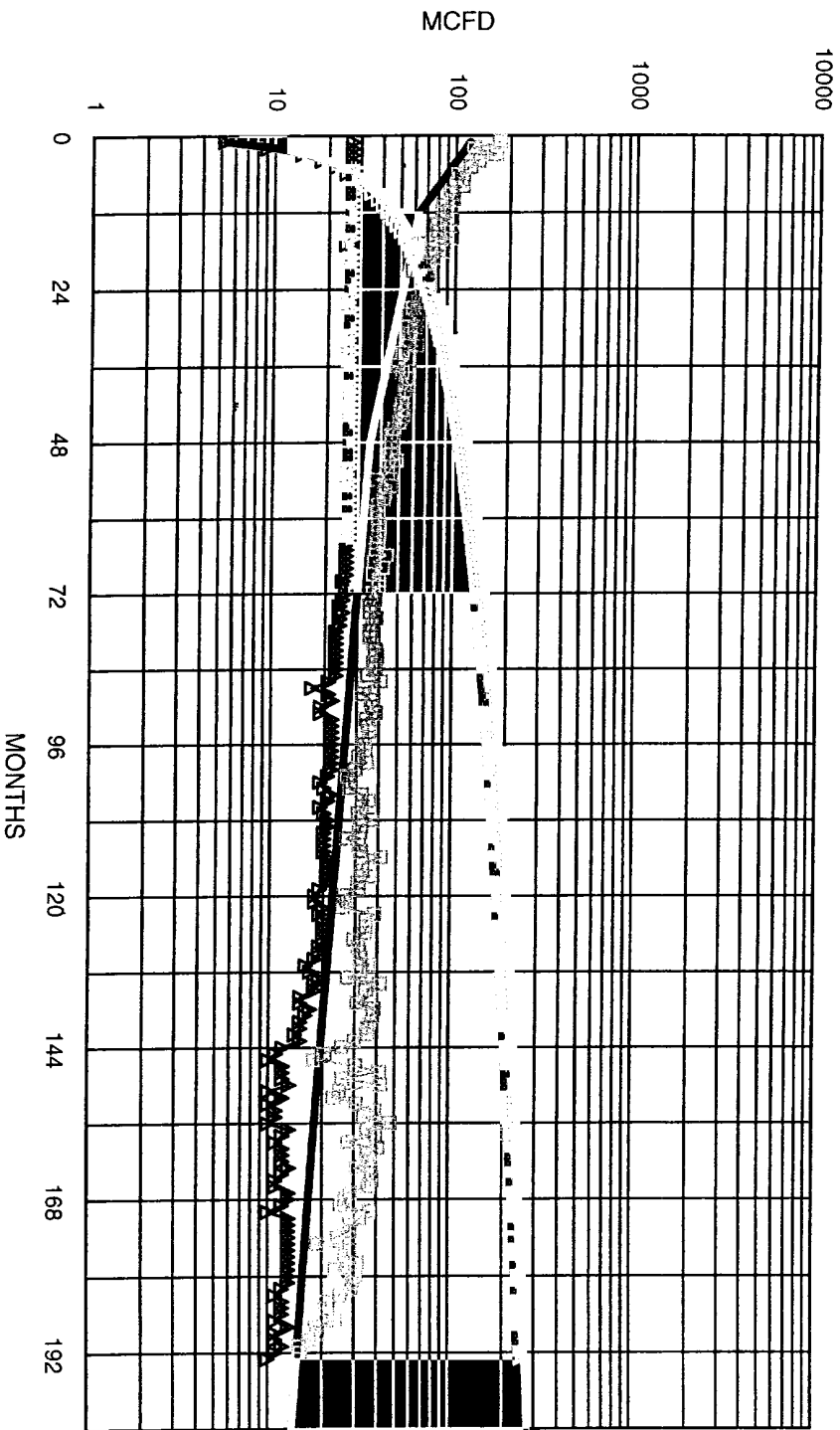
NORMALIZED MESAVERDE PRODUCTION
14 MV WELLS LOCATED ON TREND IN 27-7 SECTIONS 4,5,9,10 AND 28-7 SECTIONS 31,32



| | | | |
|---|--|--|--|
| NORMALIZED AVG: 736 MMCF EUR 415 MMCF IN 20 YRS 611 MMCF IN 40 YRS 15 MCFD E.L. 0.0060 bbl/mcft oil yield | | 300 MCFD IP 40.0% DECLINE, 1ST 36 MONTHS 30.0% DECLINE, NEXT 12 MONTHS 2.0% FINAL DECLINE | |
| RISKED AVG: 535 MMCF EUR 489 MMCF IN 40 YRS 15 MCFD E.L. 0.0060 bbl/mcft oil yield | | 20% RISK 240 MCFD IP 40.0% DECLINE, 1ST 36 MONTHS 30.0% DECLINE, NEXT 12 MONTHS 2.0% FINAL DECLINE | |

27-7 wells 81, 84, 95, 106X, 145M, 156M, 214M, 215M. 28-7 wells 68, 77, 105, 229, 243, 251.

**NORMALIZED CHACRA PRODUCTION
 PROD. SINCE 1980; 27 CH WELLS LOCATED IN 28N-7W**



—▲— NORM CUM MMCF —■— WELLS ON PRODUCTION ——— FIT CUM MMCF ——— RISKED MCFD

NORMALIZED AVG:
 321 MMCF EUR
 321 MMCF/25.4YRS
 10 MCFD E.L.
 0.000012 bbl/mcf oil yield

180 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 18% DECLINE, NEXT 36 MONTHS
 7% FINAL DECLINE

RISKED AVG: 30% RISK
 210 MMCF EUR
 210 MMCF/20.5 YRS
 10 MCFD E.L.
 0.000012 bbl/mcf oil yield

126 MCFD IP
 50% DECLINE, 1ST 12 MONTHS
 18% DECLINE, NEXT 36 MONTHS
 7% FINAL DECLINE