

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 ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER ☐

SINGLE ZONE ☐

MULTIPLE ZONE ☒

2. NAME OF OPERATOR

Conoco Inc.

3. ADDRESS AND TELEPHONE NO

10 Desta Drive, Suite 649W, Midland, TX 79705; 915/686-5515

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

At surface

1840' FSL & 1110' FEL

At proposed prod. Zone

1840' FSL & 1110' FEL

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

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drg. Unit line, if any)

6. NO. OF ACRES IN LEASE

640

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

9. PROPOSED DEPTH

3250' 2950'

19. NO. OF ACRES ASSIGNED  
TO THIS WELL

327.70

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

6098'

22. APPROX. DATE WORK WILL START\*

4/30/00

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#	2950'	310 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. This section is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.
3. Cementing Plan.
4. Blowout Preventer Hookup.
5. Surface Use Plan including temporary pipeline tie specifications.
6. Production Facility Layout.

COPIES OF THIS APPLICATION ARE  
SUBJECT TO THE BLM WITH ATTACHED  
"REMARKS AND COMMENTS"

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

*[Signature]*

TITLE Sr. Property Analyst

DATE 06/05/00

(This space for Federal or State office Use)

PERMIT NO.

*[Signature]*

APPROVAL DATE

7-5-00

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

DATE

7-5-00

\*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.

*[Signature]*

UNOCD

HOLD C104 FOR NSL in Basin Fruitland  
HOLD C104 FOR Abundant at 287A-7

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

District II  
PO Drawer 00, 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

77.500 - 6 PM 1:00 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-26439	*Pool Code 72439-1 71629	*Pool Name SOUTH BLANCO PICTURED CLIFFS BASIN FRUITLAND COAL
*Property Code 016608	*Property Name SAN JUAN 28-7 UNIT	*Well Number 278
*OGRID No. 005073	*Operator Name CONOCO, INC.	*Elevation 6098

10 Surface Location

UL or lot no. I	Section 35	Township 28N	Range 7W	Lot Idn	Feet from the 1840	North/South line SOUTH	Feet from the 1110	East/West line EAST	County RIO ARriba
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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
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12 Dedicated Acres 327.70 E/O 167.70 PC	13 Joint or Infill	14 Consolidation Code	15 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

16	5280.00'	7 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
2640.00'	#7	Signature JoAnn Johnson	Printed Name Sr. Property Analyst
1320.00'	35	Title	Date
1372.80'	LOT 4	8 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my belief.	
	LOT 3	MAY 19, 2000	Date of Survey
	LOT 2	Signature and Seal of Professional Surveyor NEALE C. EDWARDS NEW MEXICO 6857	Certificate Number 6857
	LOT 1		
1840'	5274.06'		

<b>WELL INFO</b>	<b>Well:</b> San Juan 28-7 #278		<b>Area:</b> 28-7		<b>AFE #</b>		<b>AFE \$:</b>	
	<b>County:</b> Rio Arriba		<b>State:</b> New Mexico		<b>Rig:</b>		<b>RKB-GL:</b> 13'	
	<b>API #</b>		<b>Permit #</b>		<b>Fresh Wtr Prot:</b> Circulate cement on surface casing			
	<b>MD:</b> 2950'		<b>TVD:</b> 2950'		<b>KOP:</b> N/A		<b>G.L. Elev:</b> 6096'	
	<b>Co-ordinates:</b>	<b>WELL</b>	<b>Latitude:</b> 36°36.9'	<b>Longitude:</b> 107°32.3'	<b>ERA</b>	<b>Latitude:</b> 36°37.0'	<b>Longitude:</b> 107°32.3'	
	<b>Location:</b>		1840' FSL & 1110' FEL Sec. 35, T28N, R7W					
	<b>Directional:</b>		N/A					

**THIS WELL IS TO BE DRILLED WITH SAFETY AND PROTECTION OF THE ENVIRONMENT AS THE PRIMARY OBJECTIVES! Use of the STOP program, Job Safety Analysis and Pre-Job Safety Meetings are imperative.**

**IT IS THE DRILLING REPRESENTATIVES RESPONSIBILITY TO READ AND FOLLOW ALL STIPULATIONS FOR EACH PERMIT AND ENSURE COMPLIANCE**

**REGULATORY NOTIFICATIONS**

Notify the U.S. Bureau of Land Management:

1. Anytime a major deviation from the well plan (plug back, sidetrack, etc...) is going to occur. Leave a message with the intended plan if no one answers. If in doubt notify! Better to notify unnecessarily than not to and get a fine.
2. Immediately upon spudding
3. Complete the Notice of Spud Sundry and FAX to Trigon Engineering Inc. at (970) 385-9107, attention Debra Sittner. Call her at (970) 385-9100, ext. 25 or Verla Johnson @ ext. 20 to confirm that the fax was received. This is in addition to the phone calls to the BLM.
4. 24 hours prior to any BOP or casing pressure test.
5. 24 hours prior to any cementing operation

**PHONE NUMBERS**

BLM – Farmington: (505) 599-8907

BLM – Albuquerque: (505) 761-8700

New Mexico Oil Conservation Department: (505) 334-6178

**NOTE – Permits come from either the Farmington OR Albuquerque depending upon the area. Refer to the permit for the correct number to call.**

Review Emergency Response Plan before rigging up and be prepared to execute the plan if needed!

The objective of this well is to develop the Picture Cliff & Fruitland Coal geologic horizon.

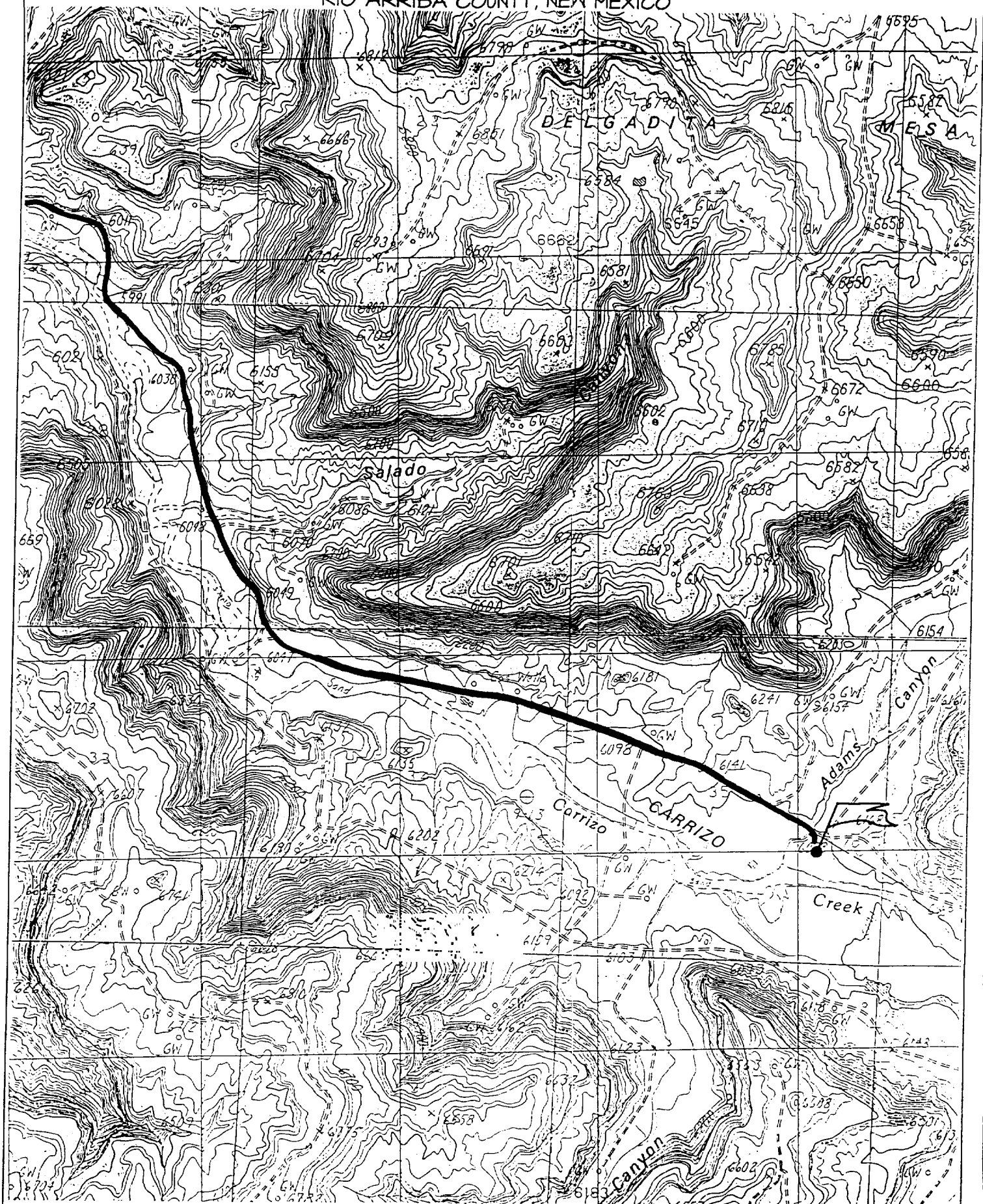
Good oilfield practices are to be used throughout the drilling of this well. This includes measuring and recording the OD, ID and length of everything that goes through the rotary table, using hole covers, etc.

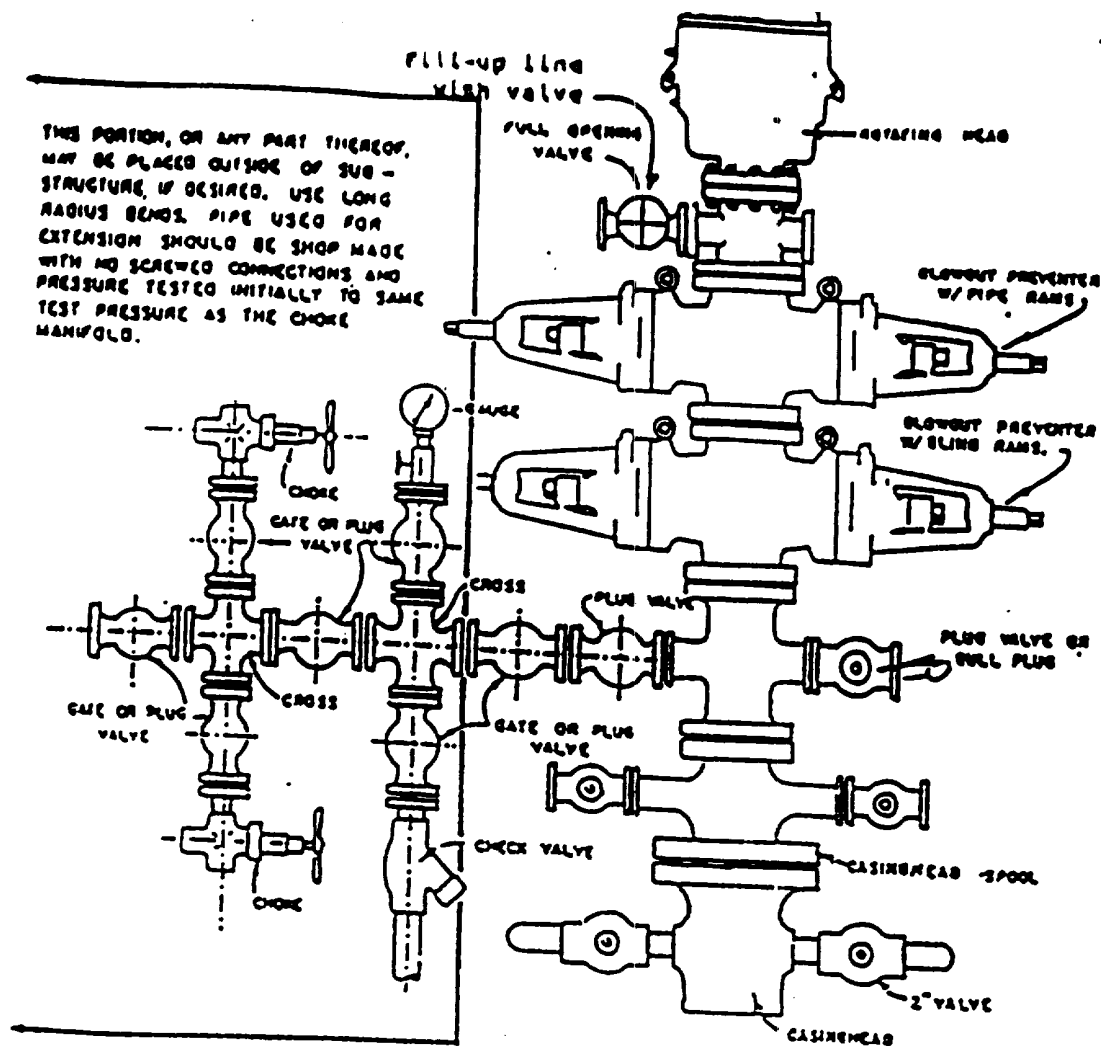
TIME	Days From Spud to...							
	Surf Csg Pt	Drig Out	Int. Csg Pt	Drig Out	TD	Log	Prod Csg Set	Rig Rel.
Days	.5	1	N/A	N/A	4	N/A	4.5	5

FORMATIONS	Zone	Depth (TVD)	MW	Zone EMW	Hole Size	Csg Size	FIT / LOT	Remarks
	Surface Casing	250	8.6 – 8.8		8 1/4"	7" 20#, J-55, STC (0' to 250')	None	Severe lost circulation is possible. 200' is the minimum surface casing depth below ground level per NMOCD.
	OJAM	1942	8.5 - 8.6		6 1/4"		N/A	Possible water flows.
	KRLD	2062						
	FRLD	2460						
	PCCF	2757				4.5" 10.5#, J-55, STC (0' to TD)		Gas
	TOTAL DEPTH	2950	8.7 - 8.9					Gas, Possible lost circulation & differential sticking
	PERMITS							Gas

LOGS	Intermediate Logs:	N/A
	TD Logs:	TDT 1000' & gamma to surface or Triple Combo 1000' & gamma to surface.
	Additional Information:	Logging company to provide a sketch with all lengths, OD's & ID's of all tools prior to running in the hole.

CONOCO, INC. SAN JUAN 28-7 UNIT #278  
1840' FSL & 1110' FEL, SECTION 35, T28N, R7W, N.M.P.M.  
RIO ARriba COUNTY, NEW MEXICO





### BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basing supply 3000 psi equipment, but cannot provide annular preventors because of sub-structure limitations. Maximum anticipated surface pressures for this well will not exceed the working pressure of the proposed BOP system. Please see the attached BOP diagram details 2000 psi equipment according to Onshore Order No. 2 even though the equipment will test to 3000 psi. The 2000 psi system allows deletion of the annular preventor and fulfills your requirements (note diagram No. 1). In addition, the following equipment will comprise the 2000 psi system:

1. Two rams with one blind and one pipe ram.
2. Kill line (2 inch maximum).
3. One kill line valve.
4. One choke line valve.
5. Two chokes (reference diagram No. 1).
6. Upper kelly cock valve with handle.
7. Safety valve and subs to fit all drill strings in use.
8. Two-inch minimum choke line.
9. Pressure gauge on choke manifold.
10. Fill-up line above the upper most preventor.
11. Rotating head.

# Cathodic Protection System Description

<b>Anode Bed Type</b>	Deep Well	
<b>Hole Size</b>	8"	
<b>Hole Depth</b>	200' - 500'	As required to place anodes below moisture and in low resistance strata.
<b>Surface Casing</b>	8" Diam., $\geq$ 20' Length, Cemented In Annular Space	When needed, casing will be installed at an adequate depth to control ground water flow. Casing will extend a minimum of 2' above grade, be surrounded by a concrete pad, and sealed with a PVC cap. Steel casing will be substituted when boulders are encountered.
<b>Vent Pipe</b>	1" Diam. PVC	Vent pipe will extend from bottom of hole, through top of casing cap, and sealed with a 1" perforated PVC cap.
<b>Type Of Anodes</b>	Cast Iron Or Graphite	
<b>Number Of Anodes</b>	8 - 20	Sufficient quantity to achieve a total anode bed resistance of $< 1$ ohm and a design life $\geq$ 20 years.
<b>Anode Bed Backfill</b>	Loresco SW Calcined Petroleum Coke Breeze	Installed from bottom of hole to 10' above top anode.
<b>Anode Junction Box</b>	8 - 20 Circuit Fiberglass Or Metal	Sealed to prevent insect & rodent intrusion.
<b>Current Splitter Box</b>	2 - 5 Circuit Metal	Sealed to prevent insect & rodent intrusion.
<b>DC / AC Cable</b>	DC: #2, #4, #6, #8 Stranded Copper (One Size Or Any Combination Of) With High Molecular Weight Polyethylene (HMWPE) Insulation.  AC: #8 Stranded Copper HMWPE	18" depth in typical situation, 24" depth in roadway, & 36" depth in arroyo's and streams. EXCEPTION: If trenching is in extremely hard substratum, depth will be 6 - 12" with cable installed in conduit.  Installed above foreign pipelines if 1' clearance is available, if not, installed under foreign pipeline with 1' clearance (AC cable <i>always</i> installed under foreign pipeline in conduit).
<b>Power Source</b>	1) Rectifier 2) Solar Power Unit 3) Thermoelectric Generator	Choice of power source depending on availability of AC & other economic factors.
<b>External Painting</b>	Color to be selected according to BLM specifications.	Paint applied to any surface equipment associated with the CP system which can reasonably be painted.