FORM APPROVED **UNITED STATES** OMB NO. 1004-0136 **DEPARTMENT OF THE INTERIOR** Expires February 28, 1995 5. LEASE DESIGNATION AND SERIAL NO **BUREAU OF LAND MANAGEMENT** SF 078496 APPLICATION FOR PERMIT TO DRILL OR DEEPEN 6. IF INDIAN, ALLOTTEE OR TRIBE NAME 2001 MAR - 7 PM 7. UNIT AGREEMENT NAME DRILL X DEEPEN San Juan 28-7 GAS WELL MULTIPLE ZONE OIL WELL SINGLE ZONE 8. FARM OR LEASE NAME WELL NO. 2. NAME OF OPERATOR #131E 9 API WELL NO Conoco Inc. 30 -0 39 - 266 9 6 3 ADDRESS AND TELEPHONE NO 10 Desta Drive, Suite 649W, Midland, TX 79705 10. FIELD AND POOL, OR 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*) Blanco Mesaverde/ Basin Dakota 2305' FSL & 2485' FWL 1). SEC., T., R., M., OR BLK ed prod. Zone AND SURVEY OR AREA Sec. 34, T28N, R7W 2305' FSL & 2485' FWL OR COPIL DAY 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 12. COUNTY OR PARISH 13 STATE Rio Arriba NM 6. NO. OF ACRES INCEASE 15/ DISTANCE FROM PROPOSED NO. OF ACRES ASSIGNED TO THIS WELL LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 318.40 (Also to nearest drig. Unit line, if any) 18. DISTANCE FROM PROPOSED LOCATION* 9. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS TO NEAREST WELL, DRILLING, COMPLETED, 7290' Rotary OR APPLIED FOR, ON THIS LEASE, FT. 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22.APPROX. DATE WORK WILL START* 6182'-03/17/01 PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 12 1/2" J-55; 9 5/8" 36# 285 141 sxs. circ. -8 3/4" J-55; 7" 20# 3290' 526 sxs, circ. -6 1/4" J-55, 4 1/2" 10.5# 7290' --TOC @ 3190', 323 sxs, circ. It is proposed to drill a vertical wellbore to the Mesaverde/Dakota Pools. A DHC application will be filed with the BLM and NMOCD. An NOS was filed 01/17/01. 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. This cotion is earliest to recommend and 4. Blowout Preventer Hookup. procedural review pursuant to 48 CFR 3165.3 5. Surface Use Plan and appeal pursuant to 43 CFR 3165.4. 6. Production Facility Layout. on The same KITACHED "GLACIDE REQUIREMENTS" This application includes ROW's for the well pad, access road, cathodic protection, and pipeline. 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. TITLE Analyst DATE 02/16/01 (This space for Federal or State office Use) 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 theron. CONDITIONS OF APPROVAL, IF ANY: APT 2.0 /al Joel Faileffarra APPROVED BY DATE

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crive 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.



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

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

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

State of New Mexico Energy, Minerals & Natural Resources Department

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

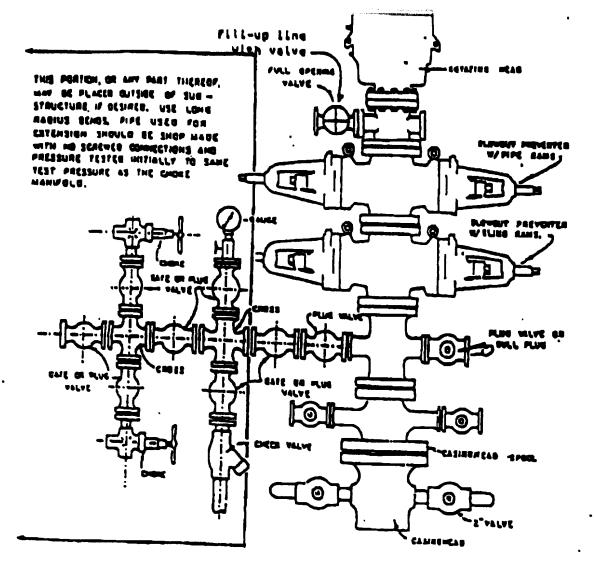
OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

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*Property	³Property Na					i				⁶ Well Number			
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'OGRID No.		*Operator Name									"Elevation		
005073		CONOCO, INC.									6182 · 🗕		
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NOVEMBER 6, 5000 Date of Sur NOTESSION N Certificate 6857

CONOCO, INC. SAN JUAN 28-7 UNIT #ISIE 2305' FSL & 2485' FWL, SECTION 34, T28N, R7W, N.M.P.M. RIO ARRIBA COUNTY, NEW MEXICO Ancinada ii 6098 Cre



BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basing supply 3000 psi equipment, but cannot provide annular preventors because of substructure 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. deletion of the annular preventor and fulfills your requirements (note diagram No. 1). In addition, the following equipment will comprise the 2000 psi system:

- 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.
- 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.