

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

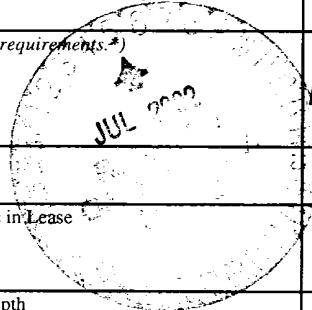
APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED

2002 MAY - 0

5. Lease Serial No. SF-078497-A	
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA Agreement, Name and No.	
8. Lease Name and Well No. SAN JUAN 28-7 199G	
9. API Well No. 30039 27004	
10. Field and Pool, or Exploratory BASIN DAKOTA	
11. Sec., T., R., M., or Blk. and Survey or Area Sec 18 T28N R7W Mer NMP	
12. County or Parish RIO ARRIBA	13. State NM
17. Spacing Unit dedicated to this well 345.30 NGP - R 2448	
20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6886 GL	23. Estimated duration

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone	
2. Name of Operator CONOCO INC. Contact: VICKI WESTBY E-Mail: Vicki.R.Westby@conoco.com	
3a. Address 10 DESTA DR., ROOM 608W MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 915.686.5799 Ext: 5799
4. Location of Well (Report location clearly and in accordance with any State requirements*) At surface NESW 2430FSL 2240FWL At proposed prod. zone	
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 drig. unit line, if any)	16. No. of Acres in Lease
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 8024 MD
22. Approximate date work will start	23. Estimated duration



24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission) <i>Vicki Westby</i>	Name (Printed/Typed) VICKI WESTBY	Date 05/06/2002
Title AUTHORIZED SIGNATURE		
Approved by (Signature) <i>/s/ David J. Mankiewicz</i>	Name (Printed/Typed)	Date JUL - 3
Title Office		

Application approval does not warrant or certify 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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

Additional Operator Remarks (see next page)

Electronic Submission #10185 verified by the BLM Well Information System
For CONOCO INC., will be sent to the Farmington

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
GENERAL REQUIREMENTS

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

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

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

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

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

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-27004		² Pool Code 71599	³ Pool Name BASIN DAKOTA
⁴ Property Code 016608	⁵ Property Name SAN JUAN 28-7 UNIT		⁶ Well Number 199G
⁷ GRID No. 005073	⁸ Operator Name CONOCO, INC.		⁹ Elevation 6886'

¹⁰ Surface Location

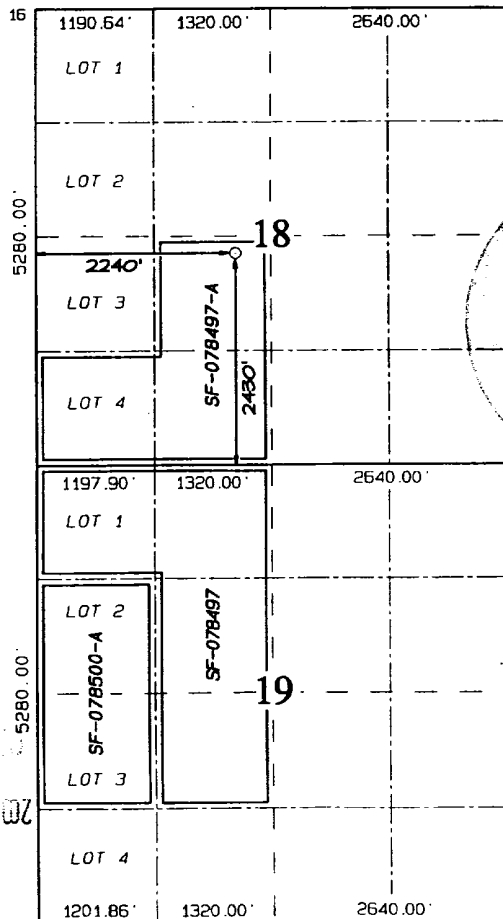
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	18	28N	7W		2430	SOUTH	2240	WEST	RIO ARriba

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 345.30 Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. <i>R-2948 NonStandard Dakota</i>
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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 *Only*



¹⁷ OPERATOR CERTIFICATION

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

Vicki Westby
Signature
Vicki R. Westby
Printed Name
Sr. Title Analyst
Title
Date *May 16, 2002*

¹⁸ SURVEYOR CERTIFICATION

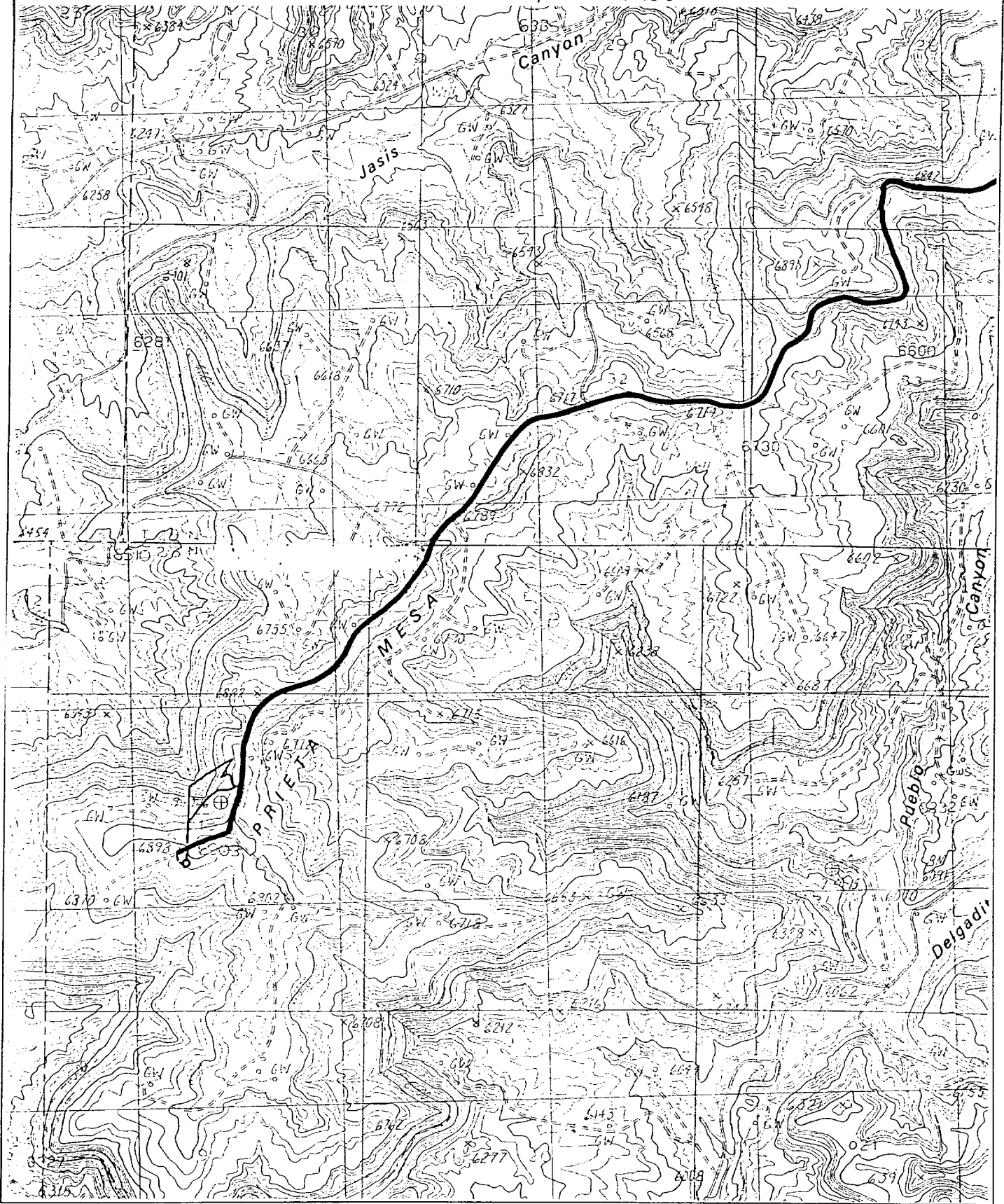
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Revised: MAY 16, 2002
Date of Survey: MARCH 8, 2002
Signature and Seal of Professional Surveyor

JASON C. EDWARDS
Certificate Number 15269

RECEIVED
JUL 17 2002

CONOCO, INC. SAN JUAN 28-7 UNIT #1996
2430' FSL & 2240' FWL, SECTION 18, T28N, R7W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO



DRILLING PROGRAM - SAN JUAN 28-7 199G



San Juan Business Unit

Well: SAN JUAN 28-7 199G Area: EAST AFE #s: AFE \$: 6331955.5

Field Name: EAST 28-7 Rig: Key 49 State: NM County: Rio Arriba API #:

Location: Surface
 Lat.: 36.660630 Long: -107.615141 Footage X: 2240 FWL Footage Y: 2430 FSL Sec.: 18 Survey: 28N Abstract: 7W

ERA (Emergency Response Area):
 Lat: Long: *"Air Drilled"*

Formation Data : Ground Level = 6886 FT Assume KB = 6899 FT

Formation Call && Casing Points	Depth (TVD in Ft)	BHP (PSIG)	BHT	Remarks
Surface Casing	236			Severe lost circulation is possible. 9 5/8", 36 ppf, J-55, STC casing. Circulate cement to surface.
OJAM	2499			Possible water flows
KRLD	2599			
FRLD	3259			Possible gas
PCCF	3509			
LEWS	3709			
Intermediate Casing	3809			7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4444			
CLFH	5019	1300		Gas; possibly wet
MENF	5269			Gas
PTLK	5699			Gas
MNCS	5999			
GLLP	6974			
GRHN	7674			Gas possible, highly fractured
TWLS	7769			Gas
CBBO	7919			Gas
Total Depth	8024	3000		4 1/2", 10.5 ppf, J-55, STC casing. Circulate cement a minimum of 100' inside the previous casing string. No open hole logs. Cased hole TDT with GR to surface.

Logging Program :

Intermediate Logs: Log only if show GR / ILD Triple Combo Other

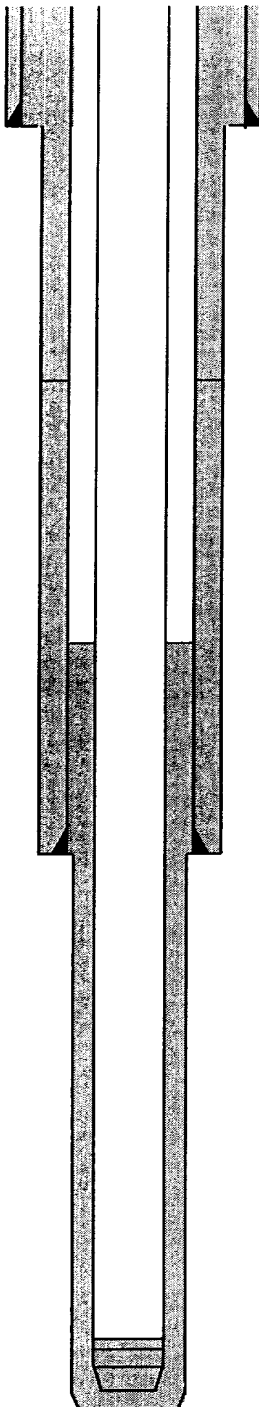
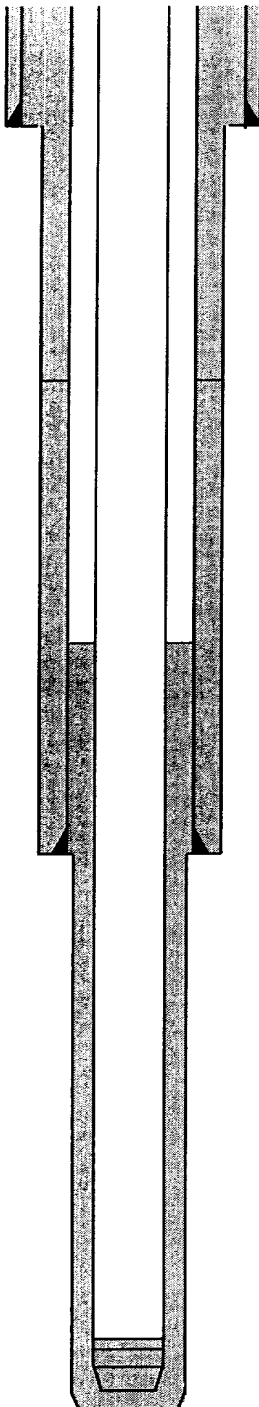
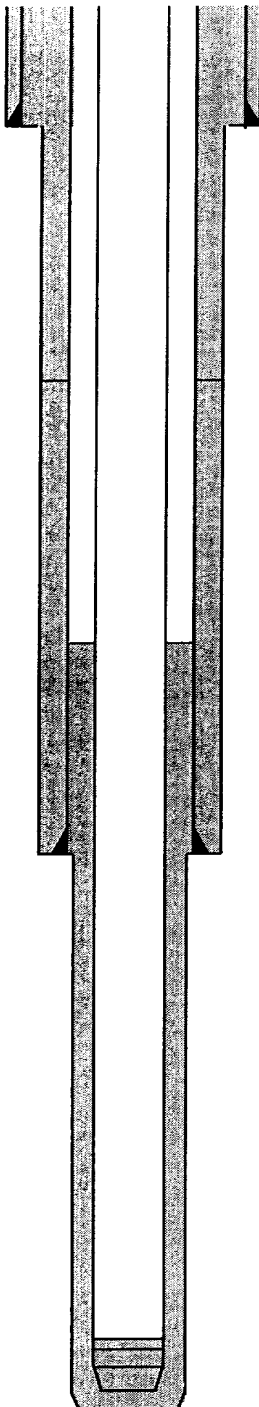
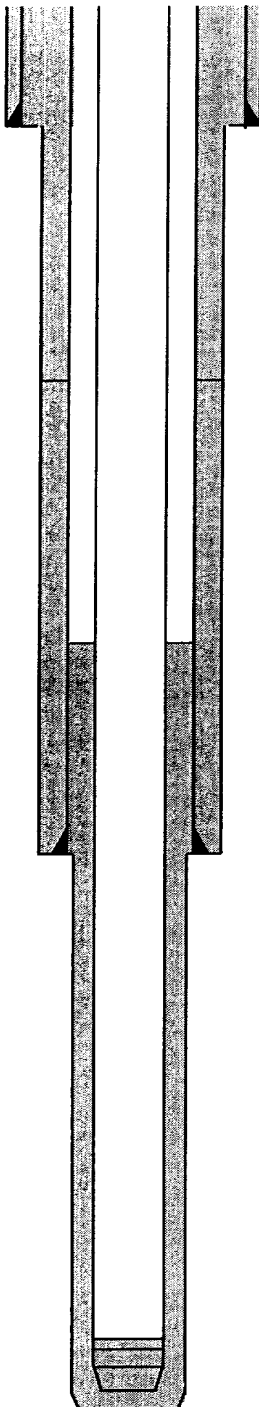
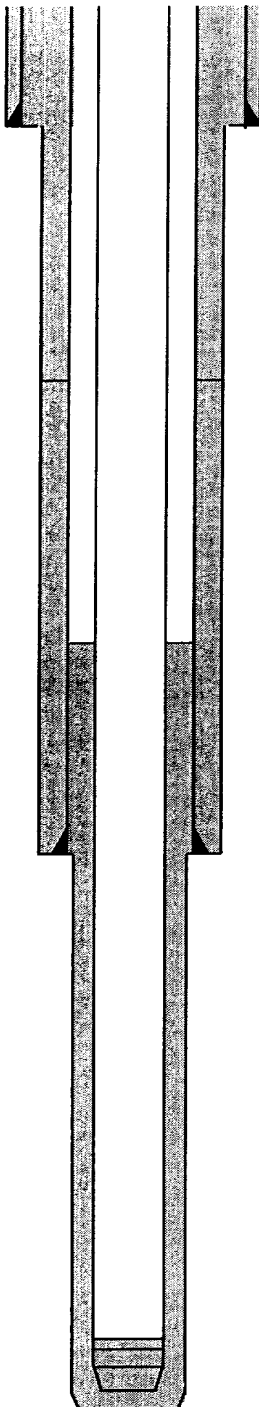
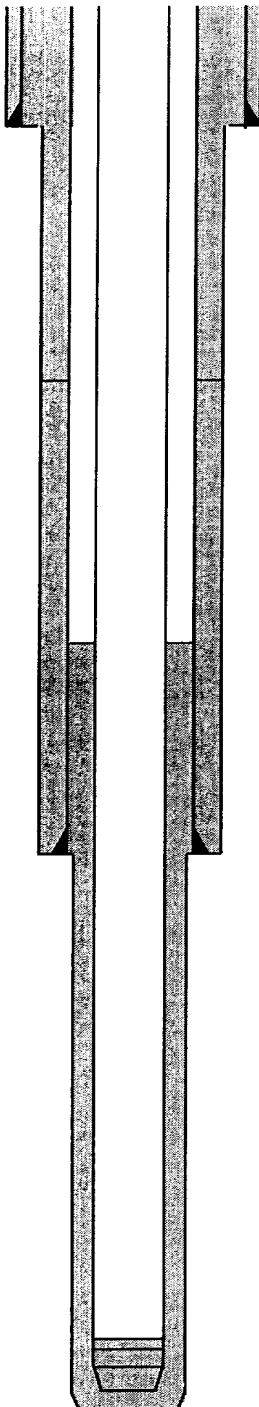
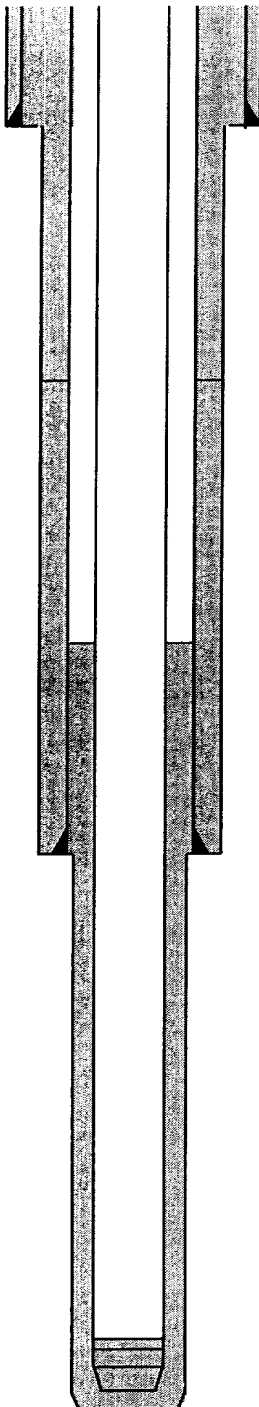
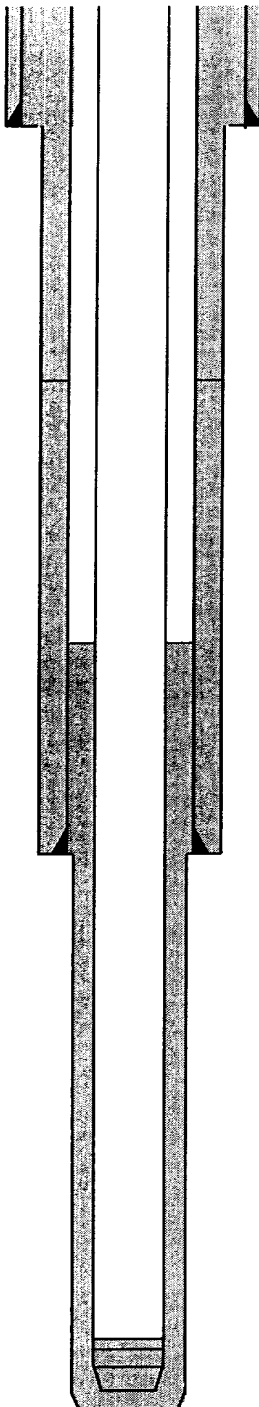
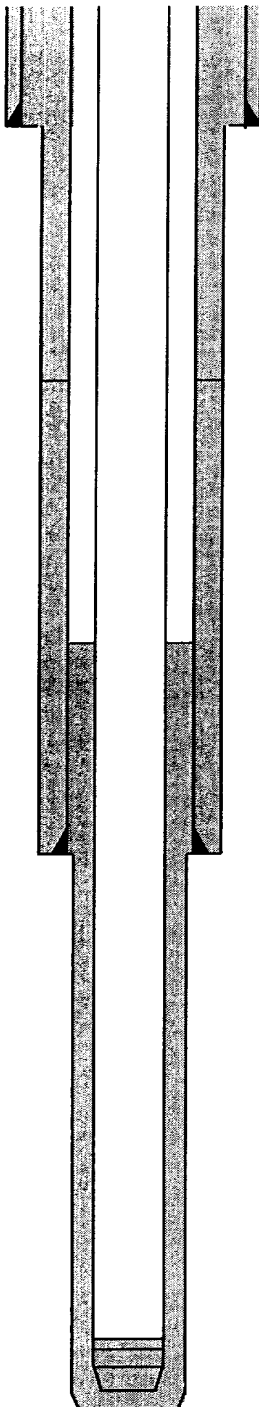
TD Logs: Triple Combo Dipmeter RFT Sonic VSP TDT Other

Additional Information:

Comments

Cementing Summary

San Juan 28-7 199G (v1.0)

		OH						
		Depth	Excess					
	9-5/8" Sfc Casing	0		Class 'H' Cement	134.6 sx	Slurry Volume	142.6 cu ft	
				Flocele (if req'd)	0.25 lb/sk		25.4 bbl	
				CaCl2	2.0% bwoc-db	Slurry Density	16.5 ppg	
				Defoamer (if req'd)	0.05 gal/bbl	Slurry Yield	1.06 cu ft/sk	
						Mix Fluid	4.22 gal/sk	
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	7" Lead Cement	150%		Blend	419.88 sx	Slurry Volume	1188.3 cu ft	
				Class 'H' Cement	84 lb/sk		211.6 bbl	
				San Juan Poz	lb/sk	Slurry Density	11.4 ppg	
				Econolite	3.0% bwob	Slurry Yield	2.83 cu ft/sk	
				CaCl2	bwob	Mix Fluid	17.29 gal/sk	
	7" Top of Tail	3,273		CFR-3	bwob			
				HR-5	bwob			
				Silicalite-blended	10 lb/sk			
				Flocele	0.5 lb/sk			
				Defoamer (if req'd)	0.05 gal/bbl			
	7" Tail Cement	150%		Blend	173.96 sx	Slurry Volume	207.0 cu ft	
				Class 'H' Cement	100% bwob		36.9 bbl	
				San Juan Poz	lb/sk	Slurry Density	15.6 ppg	
				Econolite	bwob	Slurry Yield	1.19 cu ft/sk	
				CaCl2	1.00% bwob	Mix Fluid	5.2 gal/sk	
	4.5" TOC	2,773		CFR-3	bwob			
				HR-5	bwob			
				Silicalite-blended	bwob			
				Flocele	0.25 lb/sk			
				Gilsonite	lb/sk			
			Defoamer (if req'd)	0.05 gal/bbl				
<hr/>								
	7" Casing Intermediate	3,773	150%					
	<hr/>							
		4.5" Cement	50%		Blend	450.89 sx	Slurry Volume	766.5 cu ft
					Class 'H' Cement	47 lb/sk		136.5 bbl
					San Juan Poz	24 lb/sk	Slurry Density	12.8 ppg
				Bentonite	3.00% bwob	Slurry Yield	1.70 cu ft/sk	
				Halad-344	0.40% bwoc	Mix Fluid	8.26 gal/sk	
				CFR-3	0.20% bwoc			
				HR-5	0.10% bwoc			
				Silicalite-blended	20 lb/sk			
				Flocele	0.25 lb/sk			
				Defoamer (if req'd)	0.05 gal/bbl			
	4-1/2" Casing Production	7,988	50%					

Note: Conoco to verify casing depths.

Cathodic Protection System Description

Anode Bed Type	Deep Well	
Hole Size	8"	
Hole Depth	200' - 500'	As required to place anodes below moisture and in low resistance strata.
Surface Casing	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.
Vent Pipe	1" Diam. PVC	Vent pipe will extend from bottom of hole, through top of casing cap, and sealed with a 1" perforated PVC cap.
Type Of Anodes	Cast Iron Or Graphite	
Number Of Anodes	8 - 20	Sufficient quantity to achieve a total anode bed resistance of < 1 ohm and a design life \geq 20 years.
Anode Bed Backfill	Lorasco SW Calcined Petroleum Coke Braeze	Installed from bottom of hole to 10' above top anode.
Anode Junction Box	8 - 20 Circuit Fiberglass Or Metal	Sealed to prevent insect & rodent intrusion.
Current Splitter Box	2 - 5 Circuit Metal	Sealed to prevent insect & rodent intrusion.
DC / AC Cable	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 arroyos and streams. EXCEPTION: If trenching is in extremely hard substratum, depth will be 8 - 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 always installed under foreign pipeline in conduit).
Power Source	1) Rectifier 2) Solar Power Unit 3) Thermoelectric Generator	Choice of power source depending on availability of AC & other economic factors.
External Painting	Color to be selected according to BLM specifications.	Paint applied to any surface equipment associated with the CP system which can reasonably be painted.