

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER		5. Lease Serial No. NOG-0651-1133 ✓
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone		6. If Indian, Allottee or Tribe Name NAVAJO
2. Name of Operator CONOCO INC. Contact: VICKI WESTBY E-Mail: Vicki.R.Westby@conoco.com		7. If Unit or CA Agreement, Name and No.
3a. Address 10 DESTA DR., ROOM 608W MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 915.686.5799 Ext: 5799	8. Lease Name and Well No. NAVAJO "C" 2M 18108
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWNW 1330FNL 975FWL At proposed prod. zone		9. API Well No. 30-045-30882
14. Distance in miles and direction from nearest town or post office*		10. Field and Pool, or Exploratory OTERA CHACRA/BASIN DAKOTA
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	11. Sec., T., R., M., or Blk. and Survey or Area E Sec 31 T27N R8W Mer NMP
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 6666 MD	12. County or Parish SAN JUAN
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6066 GL	22. Approximate date work will start	13. State NM
		17. Spacing Unit dedicated to this well 322.40 ✓ 1/2-2 1/2 Juk 1606 CHUR
		20. BLM/BIA Bond No. on file
		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:

- | | |
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| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) VICKI WESTBY	Date 10/18/2001
Title AUTHORIZED SIGNATURE		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date 12/11/01
Title AFM	Office FFO	

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 #8072 verified by the BLM Well Information System
For CONOCO INC., sent to the Farmington
Committed to AFMSS for processing by Maurice Johnson on 10/18/2001 ()

This action is subject to the BLM procedural review pursuant to 43 CFR 3105.3 and appeal pursuant to 43 CFR 3105.4

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DEC 2001
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OIL CON DIV
DIST. 3

District I
PO Box 1980, Hobbs, NM 88241-1980District II
PO Drawer DD, Artesia, NM 88211-0719District III
1000 Rio Brazos Rd., Aztec, NM 87410District IV
PO Box 2088, Santa Fe, NM 87504-2088State of New Mexico
Energy, Minerals & Natural Resources DepartmentOIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088FORM C-102
Revised February 21, 1994
Instructions on Back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-30882		*Pool Code 71599	*Pool Name Huevo Chacra / BASIN DAKOTA
*Property Code 18108	*Property Name NAVAJO "C"		*Well Number 2M
*OGUID No. 005073	*Operator Name CONOCO, INC.		*Elevation 5055'

10 Surface Location

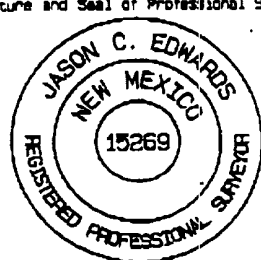
U. or 1st No.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
E	31	27N	8W		1330	NORTH	975	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

U. or 1st No.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
160.6 Chacra 322.4 Acres (W/2)					Joint or Infill		Consolidation Code		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

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1288.32'	1287.66'	2575.32'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Vicki R. Westby</i> Signature Vicki R. Westby Printed Name Sr. Title Analyst Title <i>August 21, 2001</i> 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: JULY 27, 2001 Signature and Seal of Professional Surveyor  <i>JASON C. EDWARDS</i> Certificate Number 15269
2603.70'	LOT 1	1330'	
975'	LOT 2		
1-149-Indian 8469			
2873.64'	LOT 3	31	
LOT 4			
1321.98'	1283.70'	2567.40'	

CONOCO, INC. NAVAJO "C" #2M

1330' FNL & 975' FNL, SECTION 31, T27N, R8W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



PROJECT PROPOSAL - New Drill / Sidetrack



Well : NAVAJO INDIAN C 2M	Lease : NAVAJO C	AFE # : 3348 (MV)	AFE \$:
Field Name : EAST NON 28-7	Rig : Key 49	State : NM	County : San Juan
Geoscientist : Glaser, Terry J	Phone : (281) 293 - 6538	Prod. Engineer : Moody, Craig E.	Phone : (281) 293 - 6559
Res. Engineer : Shannon, Marc	Phone : (281) 293 - 6564	Proj. Field Lead :	Phone :

Primary Objective (Zones)

Pool	Pool Name
EFM	OTERO CHACRA (GAS)
FRR	BASIN DAKOTA (PRORATED GAS)

"Bud Drill"

Surface Location

Latitude : 36.535031	Longitude : -107.7273	X :	Y :	Section : 31	Survey : 27N	Abstract : 8W
Footage X : 975 FWL	Footage Y : 1330 FNL	Elevation :	6066 (FT)			

Bottom Hole Location

Latitude :	Longitude :	X :	Y :	Section :	Survey :	Abstract :
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Location Type : Year Round	Start Date (Est.) :	Completion Date :	Date in Operation :
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Formation Data : Assume KB = 6079 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	500	5579	☒			Severe lost circulation is possible. 9 5/8" 36 ppf. J-55. STC casing. Circulate cement to surface.
OJAM	1151	4928	☒			Possible water flows
KRLD	1297	4782	☒			
FRLD	1625	4454	☒			Possible gas
PCCF	1992	4087	☒			
LEWS	2392	3687	☒			
CHRA	2895	3184	☒	1100		
CLFH	3614	2465	☒	1300		Gas; possibly wet
MENF	3679	2400	☒			Gas
PTLK	4275	1804	☒			Gas
GLLP	4329	1750	☒			
GRHN	6239	-160	☒			Gas possible, highly fractured
GRRS	6284	-205	☒			
TWLS	6329	-250	☒			Gas
PAGU	6398	-319	☒			Gas
CBBO	6488	-409	☒			Gas

PROJECT PROPOSAL - NEW DTH / SIDEWALL



Total Depth	6666	-587	☒	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.
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Logging Program

Intermediate Logs :

☐ Log only if show ☐ GR / ILD ☐ Triple Combo

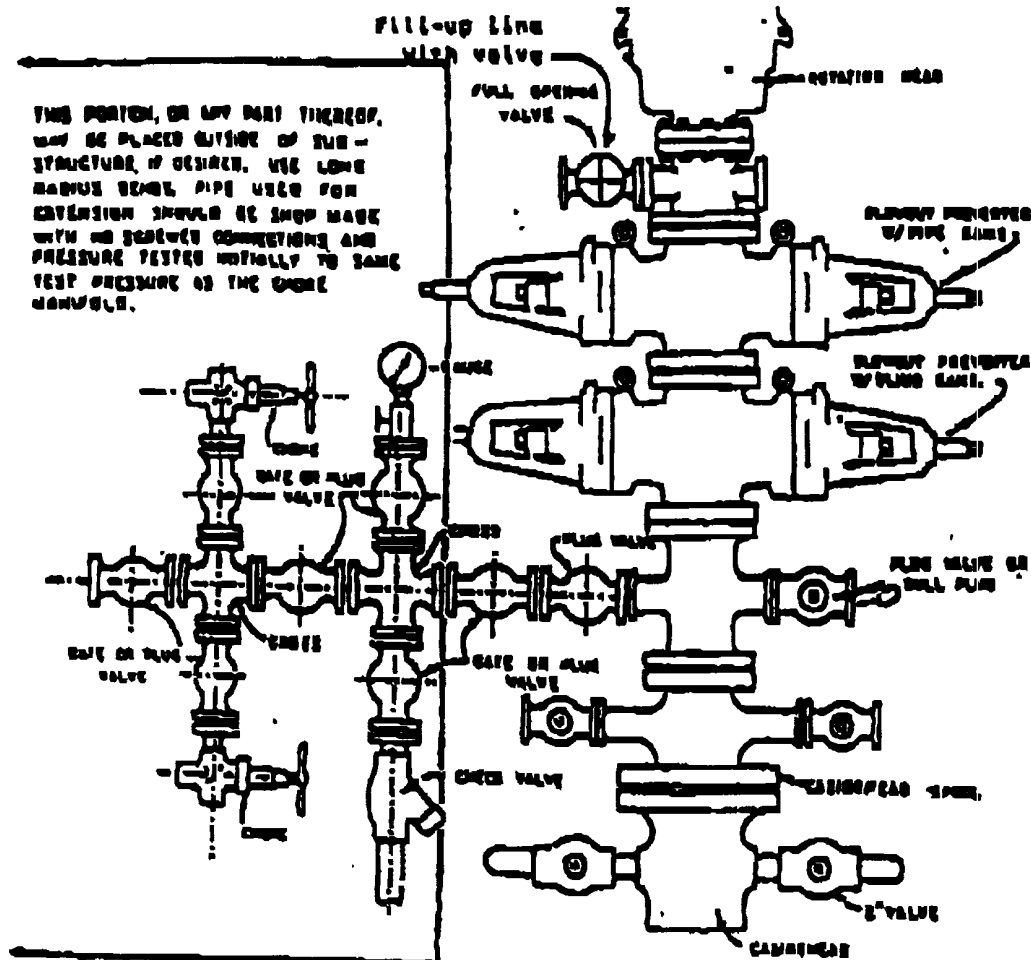
TD Logs :

☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☒ TDT

Additional Information :

Logging company to provide a sketch with all lengths, OD's & ID's of all tools prior to running in the hole.
Cased hole TDT with GR to surface.

Comments :



BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basin 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 3000 psi equipment according to Onshore Order No. 2 even though the equipment will test to 3000 psi. The 3000 psi system allows deletion of the annular preventor and fulfills your requirements (note diagram No. 1). In addition, the following equipment will comprise the 3000 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

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 Calcinad Petroleum Coke Breeze	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 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 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.