District I
PO Box 1980. Hobbs. NM 88241 1980
District II
PO Drawer DD, 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-101
Revised February 10. 1994
Instructions on back
Submit to Appropnate District Offico
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DR1LL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

' Operator Name and Address.	' OGRID No_
Conoco Inc 10 Desta Dr. Ste. 100W Midland, Tx. 79705-4500	005073
	' API Number 30 - 045-29442

' Property Code	' Property Name	' Well No.
003251	State	32M E

' Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet frorn the	North/South line	Feet from the	East/West line	County
A	36	30N	11W		1040	North	1095	East	San Juan

s Proposed 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

' Proposed Pool 1	" Proposed Pool 2
72319 Blanco Mesaverde E/320	71599 Basin Dakota E/320

" Work Type Code	" Well Type Code	" Cable/Rotary	" Lease type Code	14 Ground Level Elevation
N	MG	R	S	5965 3965
16 Multiple	**17 Proposed Depth**	**18 Formation**	**19 Contractor**	**20 Spud Date**
Yes	7271'	Mesaverde/Dakota	NA	5/1/97

21 Proposed Casiing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	9-5/8"	36#	250'	215	surface
8-3/4"	7"	23#	2673'	340	surface
6-1/4"	4-1/2"	11.6#	7271'	560	2200'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. **Describe the** blowout prevention_program, if any._Use additional sheets if necrssary.

It is proposed to drill a vertical wellbore to be downhole commingled in the Blanco Mesaverde and Basin Dakota Pools following the acquisition of sufficcient production test data for allocation purposes. A downhole commingling application will be filed. 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 program
4. BOP/Choke diagram

RECEIVED
MAR 19 1997
OIL CON. DIV.
DIST. 3

23 I hereby cenify that the information given above is true and complute to the best of my knowledge and belief.	O1L CONSERVATION DIVISION
Signature: Jerry W Hoover	Approved by: Ernie Busch 3-20-97
Printed name: Jerry W. Hoover	Title: DEPUTY OIL & GAS INSPECTOR, DIST. #3
Title: Sr. Conservation Coordinator	Approval Date: MAR 20 1997 — Expiration Date: MAR 20 1998
Date: 3/17/97 — Phone: (915) 686-6548	Conditions of Approval: Attached

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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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
30-045-29442	72319/71599	Blanco Mesaverde/Basin Dakota

⁴ Property Code	⁵ Property Name	⁶ Well Number
3251	State	32E

⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
05073	CONOCO, INC.	5965'

¹⁰ Surface Location

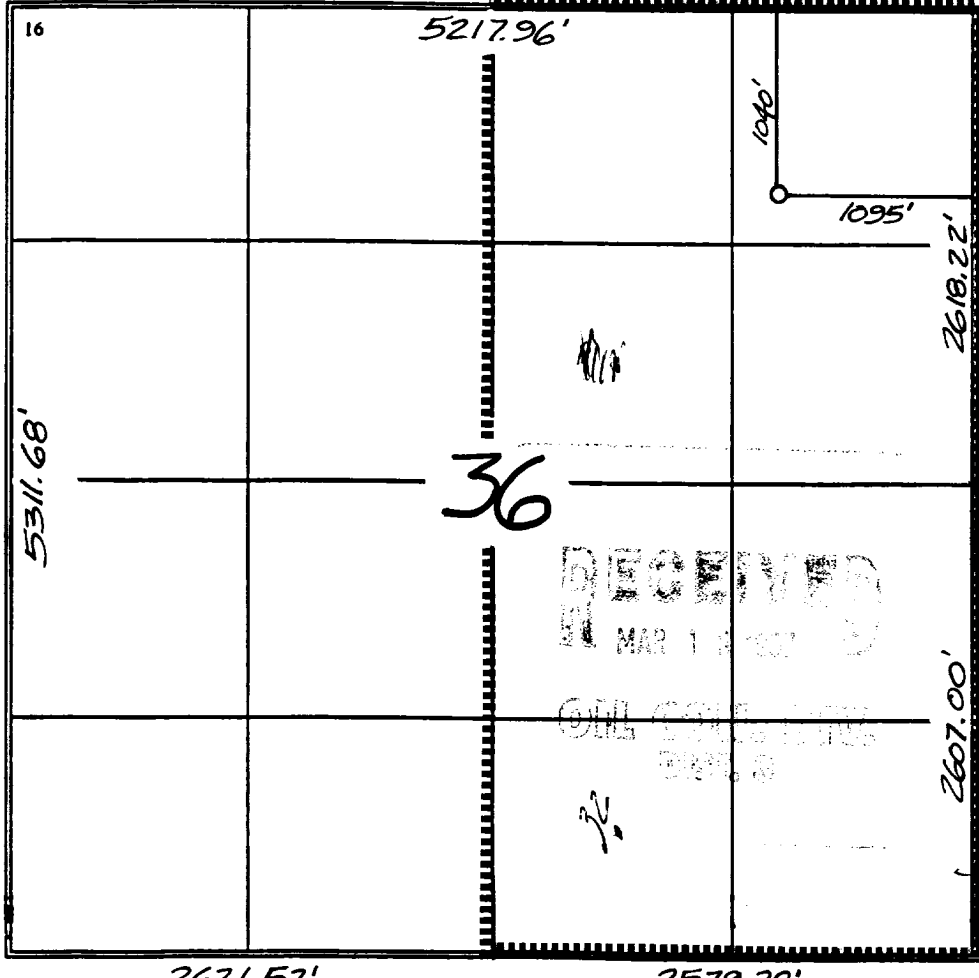
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	30-N	11-W		1040	North	1095	East	S.J.

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.
320			

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



¹⁷ OPERATOR CERTIFICATION

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

Signature

Jerry W. Hoover
Printed Name

Sr. Conservation Coordinator
Title

3/17/97
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.

1/14/97
Date of Survey

Signature and Seal of Professional Surveyor

NEAL C. EDWARDS
NEW MEXICO
6857
REGISTERED PROFESSIONAL SURVEYOR

6857
Certificate Number

RECEIVED
MAR 1 1997
OIL CON. DIV.
DIST. 3

PROPOSED WELL PLAN OUTLINE

EST. GL = +5965'
EST. KB = +5978'

WELL NAME: **State 32M**

LOCATION: **SEC 36, UNIT A, T-30N, R-11W, San Juan CO., NM**

TVD IN 1000'	MD	FORMATION TOPS & TYPE	DRILLING PROBLEMS	TYPE OF FORMATION EVALUATION	HOLE SIZE	CASING SIZE DEPTH	FRAC GRAD	FORMATION PRESSURE GRADIENT	MUD WT TYPE	DAYS
0					12-1/4"	9-5/8" 36# K-55 ST&C @ 250' CIRC CMT		NORMAL	8.4 - 8.8# SPUD MUD	1
					8-3/4"			8.4 - 9.4#	8.4 - 9.4# GEL/WATER	
1		OJAM @ 1046' KRLD @ 1179'	POSSIBLE WATER FLOW							
				MUDLOG F/ 1500'						
		FRLD @ 1822'	POSSIBLE GAS FLOW							
2										
		PCCF @ 2373'	POSSIBLE LOST RETURNS							
		LEWS @ 2562'			8-3/4"	7" 23# K-55 LTC @ 2673'(special drift) CIRC CMT		8.4 - 9.4#		5
					6-1/4"				AIR/AIR MIST	
3										
		CLFH/MV @ 3941'	PROBABLE LOST RETURNS							
4		MENF @ 4068'	IF FLUID IN HOLE							
		PTLK @ 4653'								
5		MNCS @ 5040'								
		GLLP @ 5885'								
6										
		GRHN @ 6630'								
		GRRS DKOT @ 6688'	POSSIBLE WATERFLOW							
		TWLS @ 6753'	POSSIBLE OVERPRESSURE							
		PAGU @ 6816'	IN DEEP DAKOTA							
7				CASED HOLE LOGS	6-1/4"	4-1/2" 11.6# LTC K55 and 10.5# STC K55 @ 7271' TOC 2200'		BHP = 2500 psi BHT = 175 deg F	AIR/AIR MIST	10
		T.D. @ 7271'								
8										

DATE 17 March, 1997

APPROVED Roger Williamson
DRILLING ENGINEER

08:21:39 AM
17-Mar-97

Well Name: State 32M

CEMENTING PROGRAM

Surface Casing String:

LEAD 215 sxs Class B Mixed at 15.6 ppg
Additives 2% $CaCl_2$ + .25 PPS Celloflake

TAIL _____ sxs Class _____ Mixed at _____ ppg
Additives _____

Intermediate Casing String:

1st Stage

LEAD 220 sxs Class B Mixed at 12.1 ppg
Additives 35:65:8 Poz + 2% $CaCl_2$ + .25 PPS Celloflake

TAIL 120 sxs Class B Mixed at 15.6 ppg
Additives 2% $CaCl_2$ + .25 PPS Celloflake
Percent free water 0 Water Loss < 900 cc

2nd Stage

LEAD _____ sxs Class _____ Mixed at _____ ppg
Additives _____

TAIL _____ sxs Class _____ Mixed at _____ ppg
Additives _____
Percent free water _____ Water Loss _____ cc

Production Casing String:

1st Stage

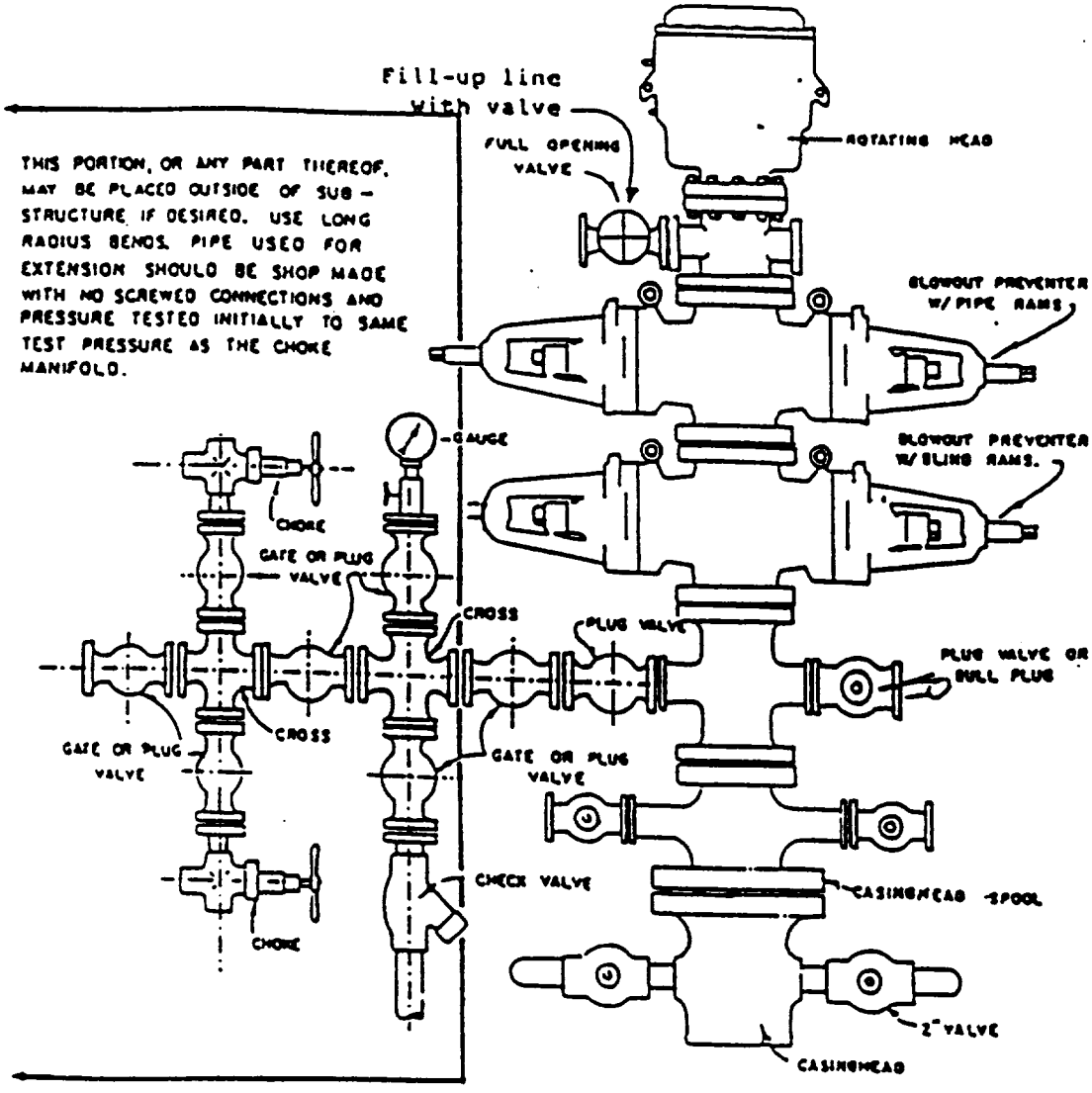
LEAD 460 sxs Class B Mixed at 13.4 ppg
Additives 50:50:2 Poz + 6.25 PPS Gilsonite + .6% CF1

TAIL 100 sxs Class H Mixed at 16.2 ppg
Additives 1.1% FL-62 + 0.2% SMS + .25 PPS Celloflake
Percent free water 0 Water Loss 50 cc

2nd Stage

LEAD _____ sxs Class _____ Mixed at _____ ppg
Additives _____

TAIL _____ sxs Class _____ Mixed at _____ ppg
Additives _____
Percent free water _____ Water Loss _____ cc



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.