

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: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF-079294	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator CONOCO INC.		7. If Unit or CA Agreement, Name and No.	
Contact: VICKI WESTBY E-Mail: Vicki.R.Westby@conoco.com		8. Lease Name and Well No. SAN JUAN 28-7 223G	
3a. Address 10 DESTA DR., ROOM 608W MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 915.686.5799 Ext: 5799	9. API Well No. 3003926979	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWSE 2330FSL 2065FEL At proposed prod. zone		10. Field and Pool, or Exploratory BLANCO MESAVERDE/BASIN DAKOTA	
11. Sec., T., R., M., or Blk. and Survey or Area J Sec 26 T28N R7W Mer NMP		12. County or Parish RIO ARRIBA	
14. Distance in miles and direction from nearest town or post office*		13. State NM	
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 7763 MD	17. Spacing Unit dedicated to this well 320.00 EP	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 7763 MD	20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6585 GL	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 04/05/2002
Title AUTHORIZED SIGNATURE		
Approved by (Signature) <i>/s/ David J. Mankiewicz</i>	Name (Printed/Typed)	Date NOV 25 2002
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

** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT **

NMOCD

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-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 30 039-26979		*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE \ BASIN DAKOTA
*Property Code 016608	*Property Name SAN JUAN 28-7 UNIT		*Well Number 223G
*GRID No. 005073	*Operator Name CONOCO, INC.		*Elevation 6585'

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
J	26	28N	7W		2330	SOUTH	2065	EAST	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 320.0 Acres - (E/2)					¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

<div><p>¹⁶</p><p>26</p><p>5280.00'</p><p>2330'</p><p>2065'</p><p>5280.00'</p></div>	<div><p>¹⁷ OPERATOR CERTIFICATION</p><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p><p><i>Vicki Westby</i> Signature Vicki R. Westby Printed Name Sr. Title Analyst Title <i>March 25, 2002</i> Date</p></div>
	<div><p>¹⁸ SURVEYOR CERTIFICATION</p><p>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.</p><p>Survey Date: NOVEMBER 30, 2001</p><p>Signature and Seal of Professional Surveyor</p><div><p><i>JASON C. EDWARDS</i> Certificate Number 15269</p></div></div>

PROJECT PROPOSAL - New Drill / Sidetrack



Well : SAN JUAN 28-7 223G	Lease : SAN JUAN 28-7	AFE # :		AFE \$:
Field Name : EAST 28-7	Rig : Key 49	State : NM	County : RIO ARRIBA	API # :
Geoscientist : Glaser, Terry J		Phone : (281) 293 - 6538	Prod. Engineer : Moody, Craig E.	Phone : (281) 293 - 6559
Res. Engineer : Valvatne, Christine K.		Phone :	Proj. Field Lead : Bergman, Pat W.	Phone : (281) 293 - 6517

Primary Objective (Zones)

Pool	Pool Name
FRR	BASIN DAKOTA (PRORATED GAS)
RON	BLANCO MESAVERDE (PRORATED GAS)

"Air Drilled"

Surface Location :

Latitude : 36.631453	Longitude : -107.5403	X :	Y :	Section : 26	Survey : 28N	Abstract : 7W
Footage X : 2065 FEL	Footage Y : 2330 FSL	Elevation: 6585 (FT)				

Bottom Hole Location :

Latitude :	Longitude :	X :	Y :	Section :	Survey :	Abstract :
Location Type : Year Round		Start Date (Est.) :	Completion Date :	Date In Operation :		

Formation Data : Assume KB = 6598 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletio n	BHP (PSIG)	BHT	Remarks
Surface Casing	280	6318				Severe lost circulation is possible. 9 5/8", 36 ppf, J-55, STC casing. Circulate cement to surface.
OJAM	2545	4053				Possible water flows ~
KRLD	2573	4025				
FRLD	3000	3598				Possible gas
PCCF	3250	3348				
LEWS	3450	3148				
Intermediate Casing	3550	3048				7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4213	2385				
CLFH	4878	1720		1300		Gas; possibly wet
MENF	5038	1560				Gas
PTLK	5498	1100				Gas
MNCS	5748	850				
GLLP	6718	-120				
GRHN	7413	-815				Gas possible, highly fractured
TWLS	7503	-905				Gas
Total Depth	7763	-1165		3000		4 1/2", 10.5 ppf, J-55, STC casing. Circulate cement a minimum of 100' inside the previous casing string. No open

PROJECT PROPOSAL - New Drill / Sidetrack



						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

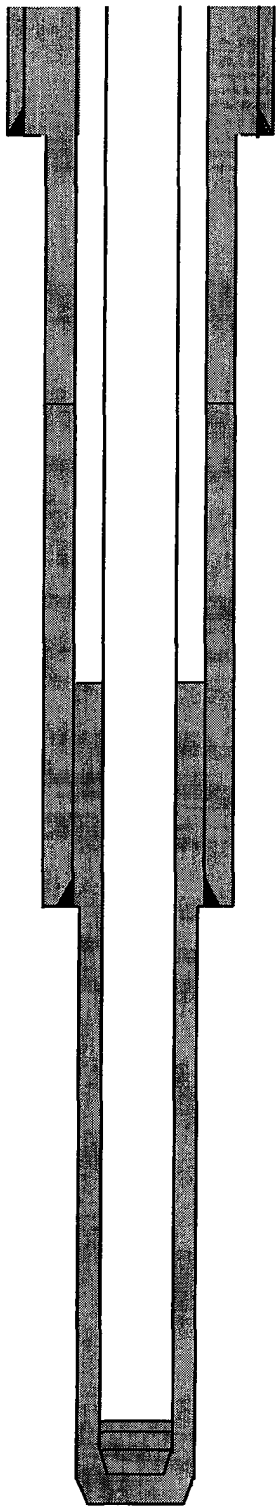
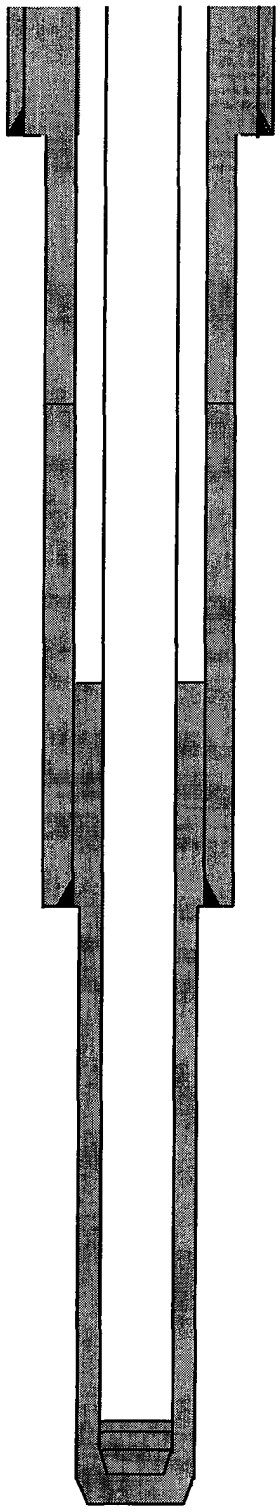
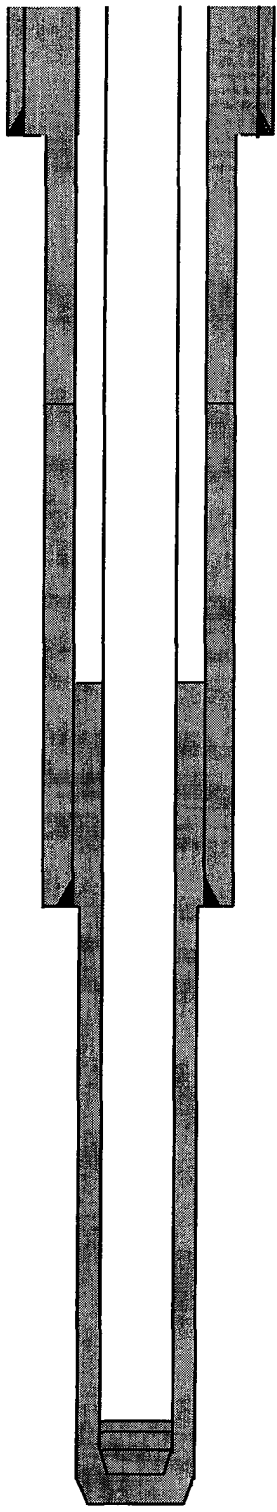
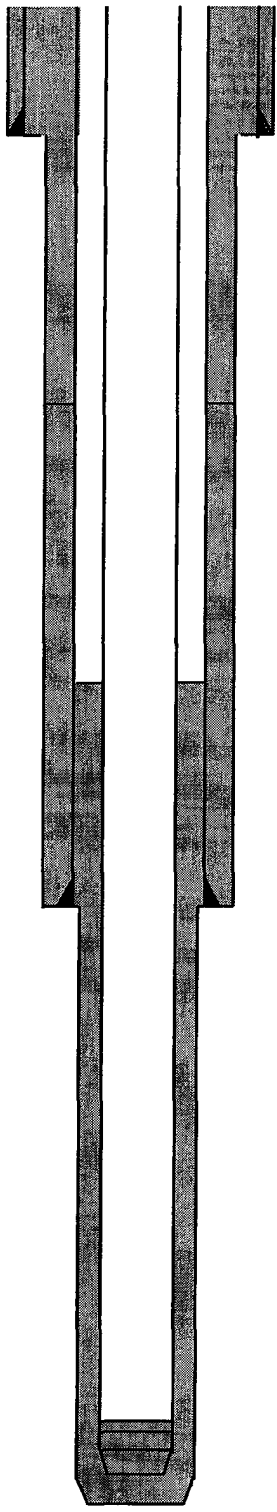
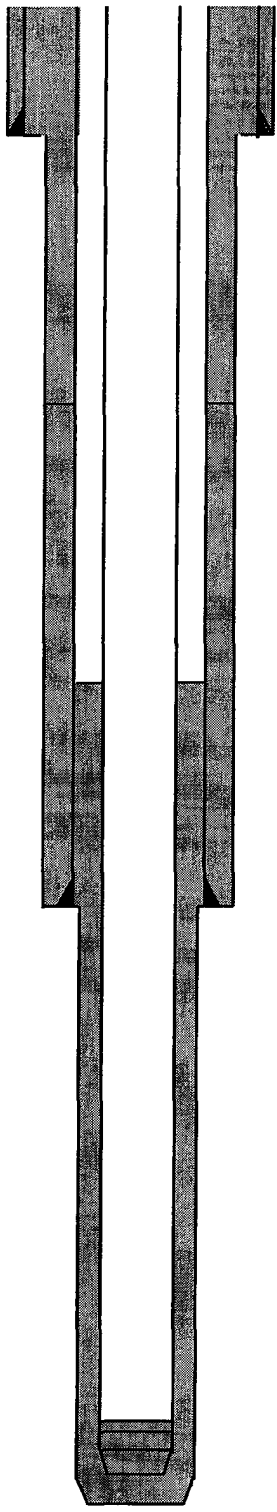
TD Logs : ☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☒ TDT

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 :

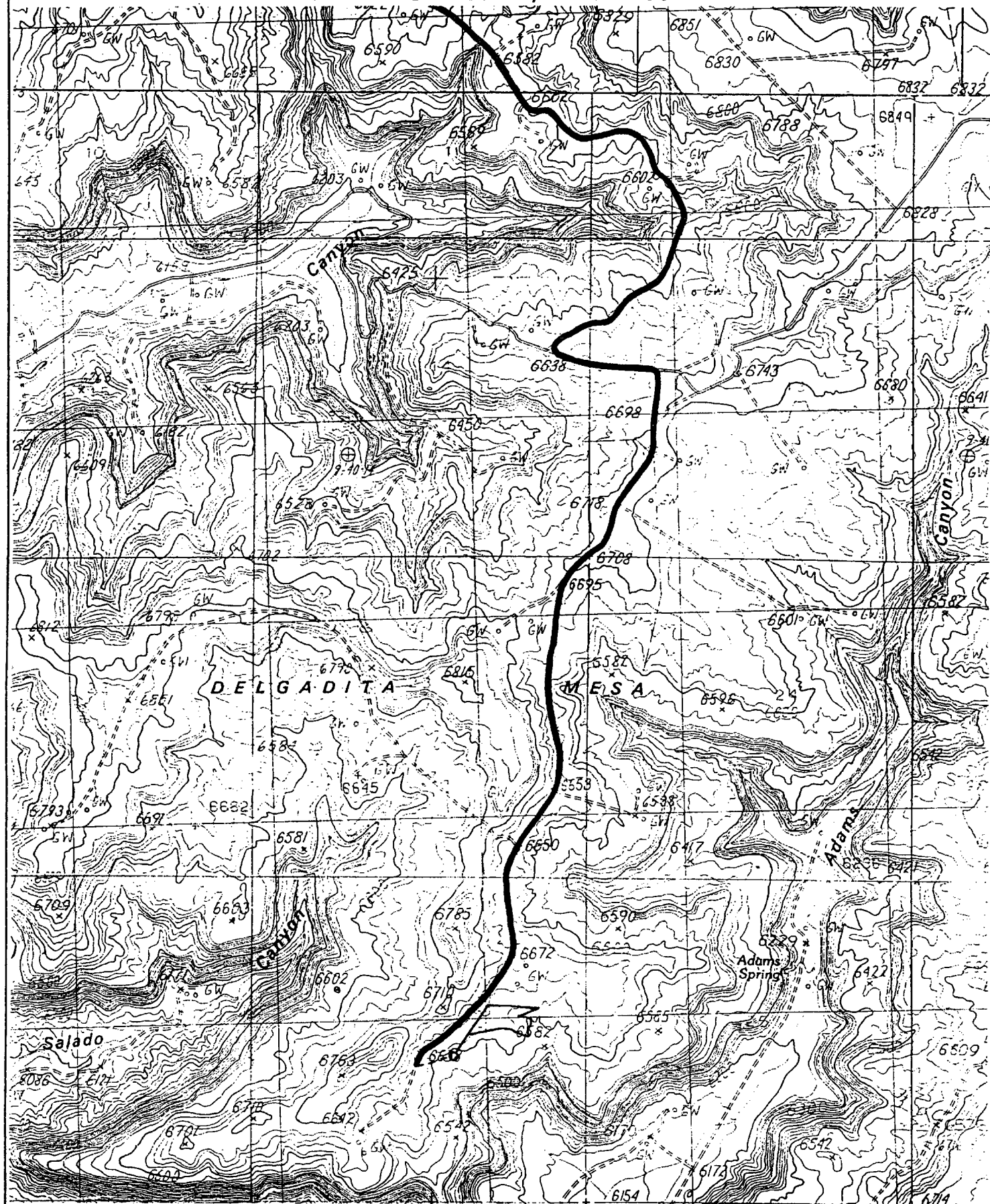
Cementing Summary

San Juan 28-7 223G (v1.0)

		OH				
		Depth	Excess			
	9-5/8" Sfc Casing	0		Class 'H' Cement	181.8 sx	Slurry Volume 192.7 cu ft
				Flocele (if req'd)	0.25 lb/sk	34.3 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
	9-5/8" shoe	280	100%			
	7" Lead Cement	150%		Blend	384.36 sx	Slurry Volume 1087.7 cu ft
				Class 'H' Cement	84 lb/sk	193.7 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
				CFR-3	bwob	
				HR-5	bwob	
	7" Top of Tail	3,050		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	2,550		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	
	7" Casing Intermediate	3,550	150%			
	4.5" Cement	50%		Blend	450.7 sx	Slurry Volume 766.2 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	7,763	50%			

Note: Conoco to verify casing depths.

2330' FSL & 2065' FEL, SECTION 26, T28N, RTW, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO



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	Loracoe SW Calcined 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 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.