

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-079290
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. 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		8. Lease Name and Well No. SAN JUAN 28-7 UNIT 259F
3b. Phone No. (include area code) Ph: 915.686.5799 Ext: 5799		9. API Well No. 3003927044
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SENW 1945FNL 2255FWL At proposed prod. zone		10. Field and Pool, or Exploratory BLANCO MESAVERDE/BASIN DAKOTA
14. Distance in miles and direction from nearest town or post office		11. Sec., T., R., M., or Blk. and Survey or Area Sec 24 T28N R7W Mer NMP F
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 7875 MD	12. County or Parish RIO ARRIBA
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 7875 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6642 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well 320.00 w/2
23. Estimated duration		20. BLM/BIA Bond No. on file

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)	Name (Printed/Typed) VICKI WESTBY	Date 07/01/2002
Title AUTHORIZED SIGNATURE		
Approved by (Signature) /s/ David J. Mankiewicz	Name (Printed/Typed)	Date DEC 16
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 #12437 verified by the BLM Well Information System
For CONOCO INC., sent to the Farmington

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

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

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NMOC

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 30-039-27044		*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA
*Property Code 016608	*Property Name SAN JUAN 28-7 UNIT		*Well Number 259F
*GRID No. 005073	*Operator Name CONOCO, INC.		*Elevation 6642'

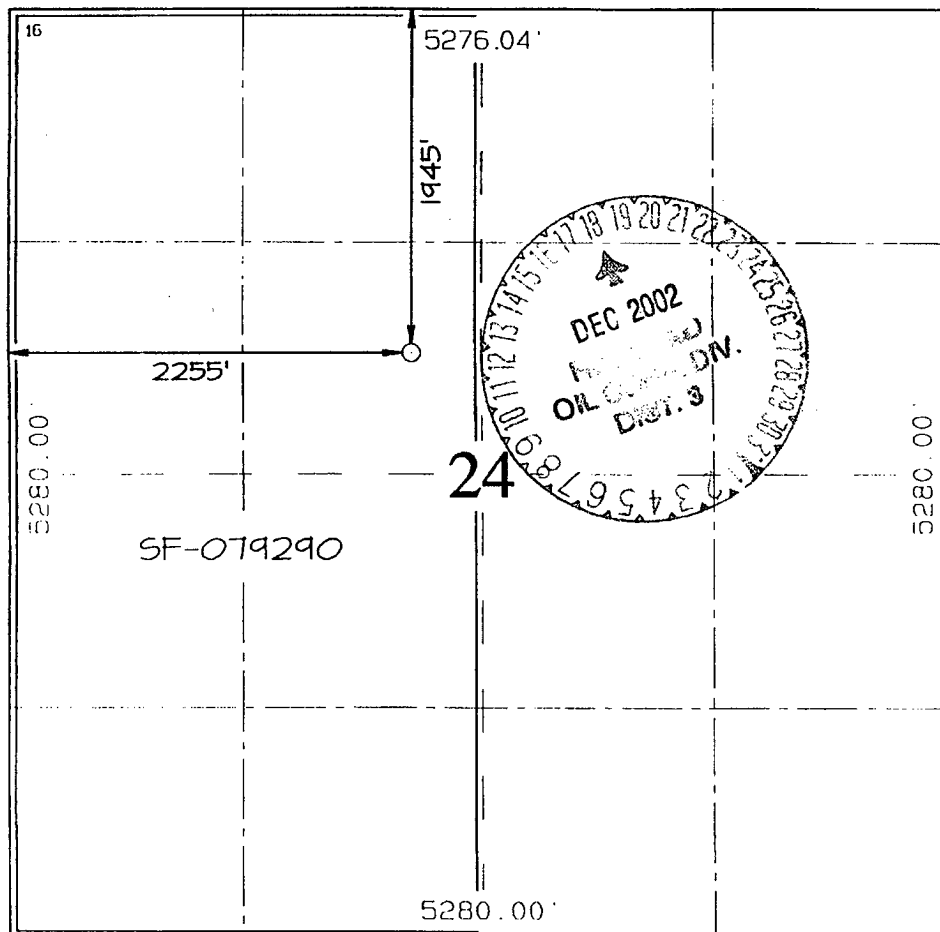

¹⁰ Surface Location

UL or lot no. F	Section 24	Township 28N	Range 7W	Lot Idn	Feet from the 1945	North/South line NORTH	Feet from the 2255	East/West line WEST	County RIO ARriba
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¹¹ Bottom Hole Location If Different From Surface

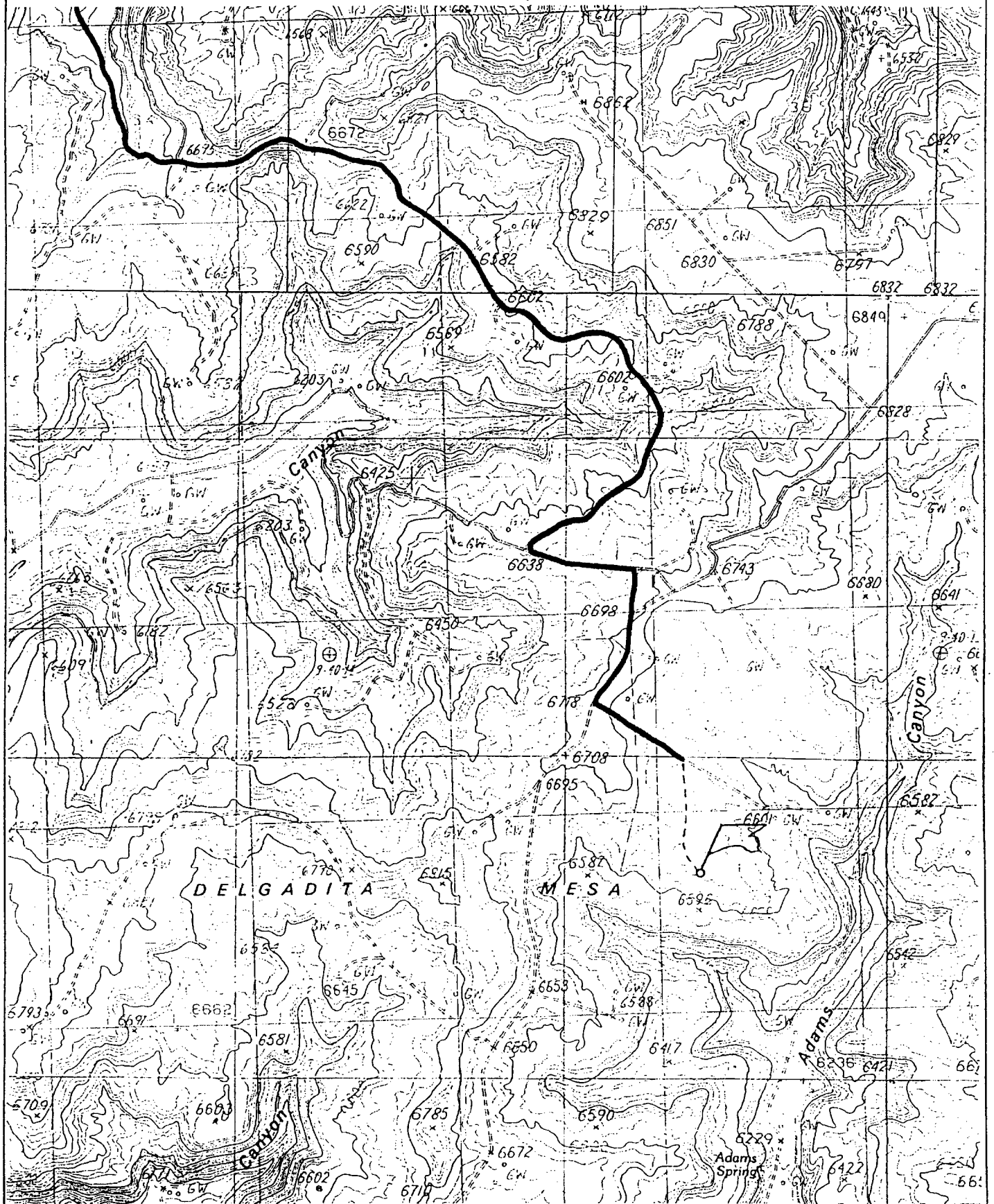
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320.0 Acres - (W/2)					¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.		

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

	<p>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 Westby</i> Signature Vicki R. Westby Printed Name Sr. Title Analyst Title <i>June 18, 2002</i> Date</p>
	<p>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: MARCH 13, 2002 Signature and Seal of Professional Surveyor  <i>JASON C. EDWARDS</i> Certificate Number 15269</p>

CONOCO, INC. SAN JUAN 28-7 UNIT #259F

1945' FNL & 2255' FNL, SECTION 24, T28N, R7W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO



DRILLING PROGRAM - SAN JUAN 28-7 259F



San Juan Business Unit

Well: SAN JUAN 28-7 259F	Area: EAST	AFE #s:	AFE \$:
Field EAST 28-7	Rig: Key 49	State: NM	County RIO ARRIBA
API			

Location: Surface

Lat. 36.648647	Long: -107.52557	Footage X: 2255	FWL	Footage 1945	FNL	Sec.: 24	Survey: 28N	Abstract: 7W
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ERA (Emergency Response Area):

Lat:	Long:
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Formation Data Ground Level 6642 FT Assume KB 6655 FT

"Air Drilled"

Formation Call & Casing Points	Depth (TVD in Ft)	BHP (PSIG)	BHT	Remarks
Surface Casing	232			Severe lost circulation is possible. 9 5/8", 36 ppf, J-55, STC casing. Circulate cement to surface.
OJAM	2505			Possible water flows
KRLD	2655			
FRLD	3120			Possible gas
PCCF	3370			
LEWS	3570			
Intermediate Casing	3670			7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4315			
CLFH	5025	1300		Gas; possibly wet
MENF	5205			Gas
PTLK	5520			Gas
MNCS	5820			
GLLP	6815			
GRHN	7525			Gas possible, highly fractured
TWLS	7615			Gas
CBBO	7740			Gas
Total Depth	7875	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:

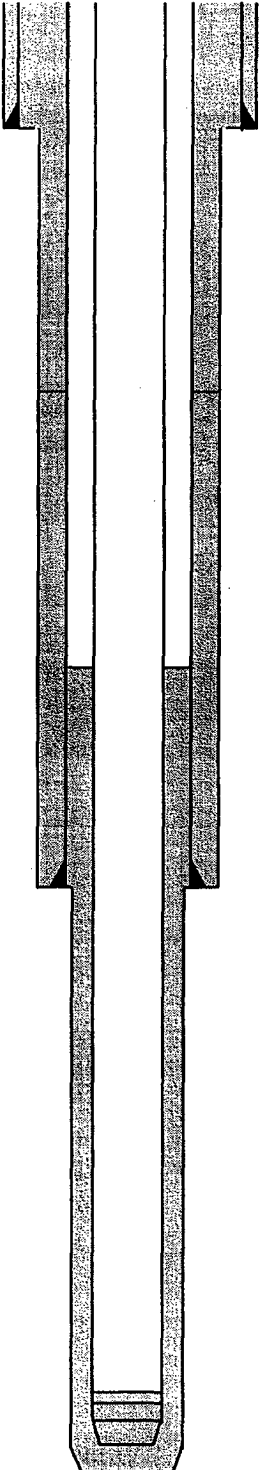
Intermediate Logs:	<input type="checkbox"/> Log only if show <input type="checkbox"/> GR / ILD <input type="checkbox"/> Triple Combo <input type="checkbox"/> Other
TD Logs:	<input type="checkbox"/> Triple Combo <input type="checkbox"/> Dipmeter <input type="checkbox"/> RFT <input type="checkbox"/> Sonic <input type="checkbox"/> VSP <input checked="" type="checkbox"/> TDT <input type="checkbox"/> Other
Additional Information:	

Comments:

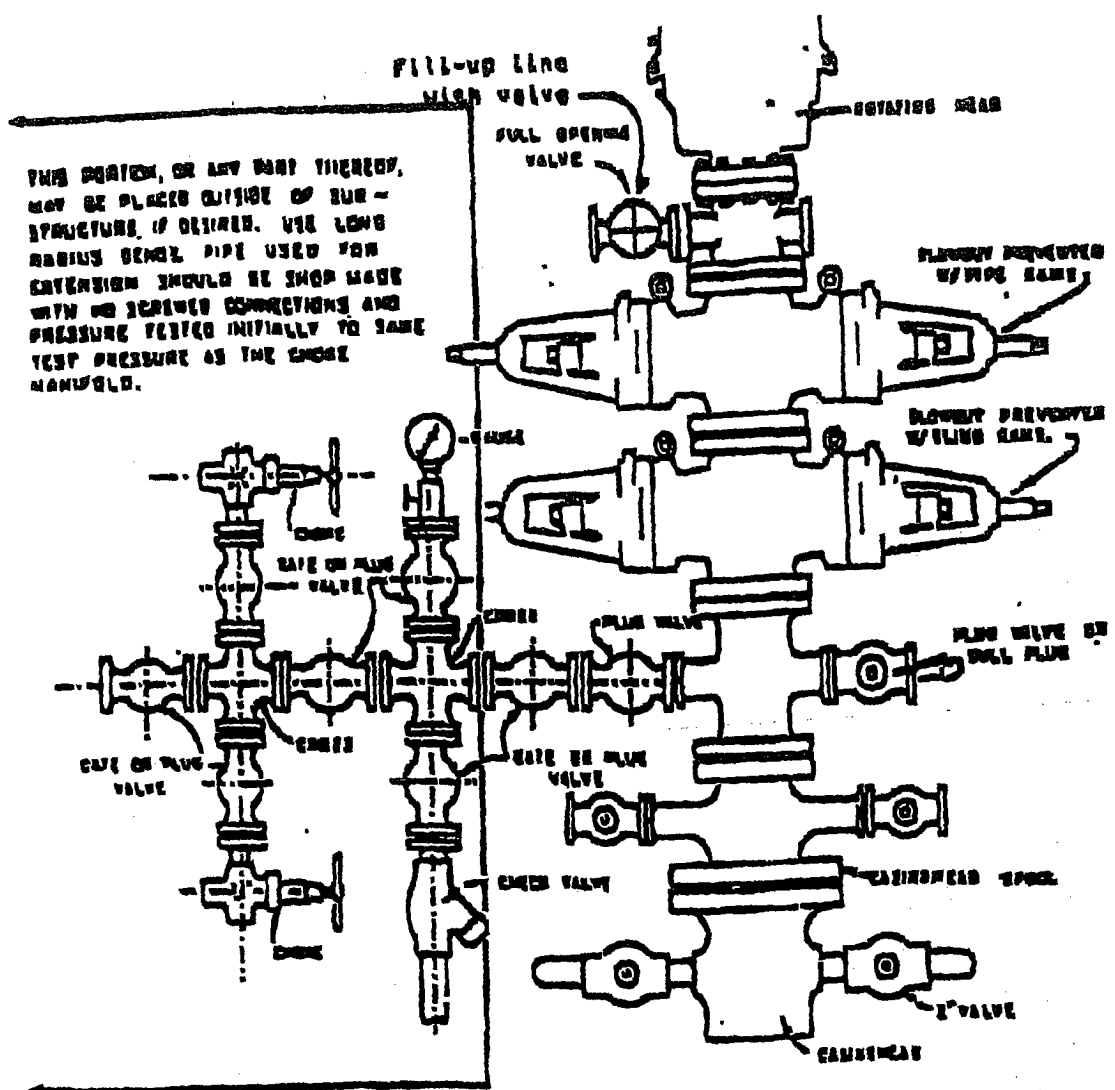
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Cementing Summary

San Juan 28-7 259F (v1.0)

		OH				
		Depth	Excess			
	9-5/8" Sfc Casing	0		Class 'H' Cement	94.0 sx	Slurry Volume 162.7 cu ft
				Flocele	0.25 lb/sk	29.0 bbl
				Gel (Bentonite)	6.0% bwoc-db	Slurry Density 13.5 ppg
				CaCl2	2.0% bwoc-db	Slurry Yield 1.73 cu ft/sk
				Defoamer (if req'd)	0.05 gal/bbl	Mix Fluid 9.10 gal/sk
	9-5/8" shoe	232	100%			
	7" Lead Cement	150%		Blend	403.84 sx	Slurry Volume 1142.9 cu ft
				Class 'H' Cement	84 lb/sk	203.6 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	3,170		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	2,670		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	3,670	150%			
	4.5" Cement	50%		Blend	520.39 sx	Slurry Volume 765.0 cu ft
				Standard Cement	47 lb/sk	136.2 bbl
				San Juan Poz	37 lb/sk	Slurry Density 13.0 ppg
				Bentonite	3.00% bwob	Slurry Yield 1.47 cu ft/sk
				Halad-344	0.30% bwoc	Mix Fluid 6.4 gal/sk
				Halad-413	0.40% bwoc	
				HR-5	0.10% bwoc	
				Gilsonite	5.0 lb/sk	
				Flocele	0.25 lb/sk	
				Defoamer (if req'd)	0.05 gal/bbl	
	4-1/2" Casing Production	7,875	50%			

Note: Conoco to verify casing depths.



BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basing supply 1000 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 1000 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.

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 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.