

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-078972
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	3b. Phone No. (include area code) Ph: 915.686.5799 Ext: 5799	8. Lease Name and Well No. SAN JUAN 28-7 UNIT 124F
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface SESW 660FSL 2325FWL At proposed prod. zone		9. API Well No. 30 039 27068
14. Distance in miles and direction from nearest town or post office*		10. Field and Pool, or Exploratory BLANCO MESAVERDE/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 Sec 11 T27N R7W Mer NMP
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 7657 MD	12. County or Parish RIO ARRIBA
21. Elevations (Show whether DF, KB, RT, GL, etc. 6559 GL	22. Approximate date work will start	13. State NM
20. BLM/BIA Bond No. on file		17. Spacing Unit dedicated to this well 320.00 W2
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)	Name (Printed/Typed) VICKI WESTBY	Date 09/11/2002
Title AUTHORIZED SIGNATURE		
Approved by (Signature) WAYNE TOWNSEND	Name (Printed/Typed) WAYNE TOWNSEND	Date 3/9/04
Title Acting 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 #14160 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".

This action is subject to technical and  
procedural review pursuant to 43 CFR 3165.2  
and appeal pursuant to 43 CFR 3165.4

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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 <b>30-039-27068</b>		*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA
*Property Code <del>016608</del>	*Property Name <b>31739</b> SAN JUAN 28-7 UNIT		*Well Number 124F
*OGRID No. 005073	*Operator Name CONOCO, INC.		*Elevation 6559'

<sup>10</sup> Surface Location

UL or lot no. N	Section 11	Township 27N	Range 7W	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 2325	East/West line WEST	County RIO ARriba
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<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 320.0 Acres - (W/2)					<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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><sup>16</sup></p><p>5264.82'</p><p>SF-078972</p><p>5217.96'</p><p>11</p><p>2325'</p><p>660'</p><p>5295.84'</p><p>5107.08'</p></div>	<div><p>MAR 2004 RECEIVED OIL CON. DIV. DIST. 3</p></div>	<p><sup>17</sup> 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>August 19, 2002</i> Date</p>
		<p><sup>18</sup> 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>Date of Survey: JULY 23, 2002</p> <p>Signature and Seal of Professional Surveyor</p> <div><p>JASON C. EDWARDS NEW MEXICO 15269 REGISTERED PROFESSIONAL SURVEYOR</p></div> <p><i>JASON C. EDWARDS</i> Certificate Number 15269</p>

# PROJECT PROPOSAL - New Drill / Sidetrack



SAN JUAN 28-7 124F

(Not Assigned)

San Juan Business Unit

Lease : AFE # : AFE \$ :

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

Geoscientist : Phone Prod. Engineer Phone :

Res. Engineer : Phone Proj. Field Lead Phone :

## Primary Objective (Zones) :

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

"Air Drilled"

## Location : Surface Straight Hole

Latitude : 36.58 Longitude : -107.54 X : Y : Section : 11 Abstract: 7W

Footage X : 2325 FWL Footage Y : 660 FSL Elevation: 6559 (FT) Survey : 27N

Tolerance

Location Type : Year Round Start Date (Est.) Completion Date : Date In Operation :

Formation Data Assume KB 6572 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	200	6372	<input type="checkbox"/>			Severe lost circulation is possible. 12 1/4" Hole. 9 5/8", 36 ppf, J-55, STC casing. Will test to 500 psi. Circulate cement to surface.
OJAM	2312	4260	<input type="checkbox"/>			Possible water flows
KRLD	2462	4110	<input type="checkbox"/>			
FRLD	2882	3690	<input type="checkbox"/>			Possible gas
PCCF	3132	3440	<input type="checkbox"/>			
LEWS	3332	3240	<input type="checkbox"/>			
Intermediate Casing	3432	3140	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface. Will test to 1500 psi.
CHRA	4082	2490	<input type="checkbox"/>			
CLFH	4812	1760	<input type="checkbox"/>	1300		Gas; possibly wet
MENF	4912	1660	<input type="checkbox"/>			Gas
PTLK	5372	1200	<input type="checkbox"/>			Gas
MNCS	5672	900	<input type="checkbox"/>			
GLLP	6602	-30	<input type="checkbox"/>			
GRHN	7307	-735	<input type="checkbox"/>			Gas
TWLS	7382	-810	<input type="checkbox"/>			Gas
CBBO	7532	-960	<input type="checkbox"/>			Gas
Total Depth	7657	-1085	<input type="checkbox"/>	3000		6 1/4" Hole. 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.

## Reference Wells:

Intermediate: Well Name Comments

Production: Well Name Comments



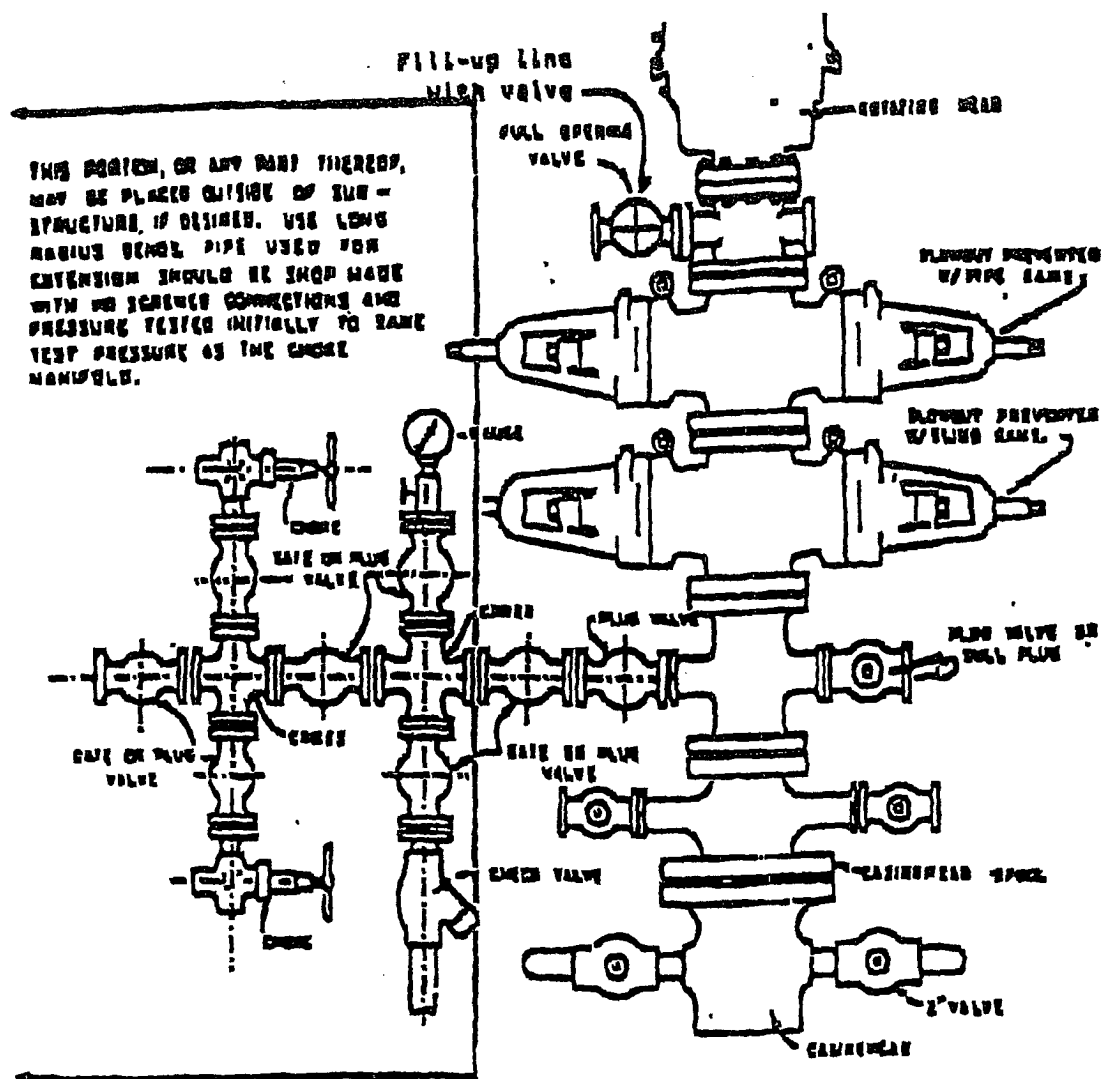
Cementing Summary

San Juan 28-7 124F (v1.0)

	Depth	OH					
		Depth	Excess				
9-5/8" Sfc Casing	0			50:50 Poz Standard	106.4 sx	Slurry Volume	142.6 cu ft
				Cement	47 lb/sk		25.4 bbl
				San Juan Poz	34 lb/sk	Slurry Density	13.5 ppg
				Gel (Bentonite)	2.0% bwoc-db	Slurry Yield	1.34 cu ft/sk
				Gilsonite	5.0 lb/sk	Mix Fluid	5.35 gal/sk
				CaCl <sub>2</sub>	3.0% bwoc-db		
				Flocele	0.25 bwoc-db		
				Defoamer (if req'd)	0.05 gal/bbl		
9-5/8" shoe	200	100%					
7" Lead Cement	150%			Standard Cement	365.56 sx	Slurry Volume	1060.1 cu ft
				Standard Cement	94 lb/sk		188.8 bbl
				San Juan Poz	lb/sk	Slurry Density	11.4 ppg
				Econolite	3.0% bwoc	Slurry Yield	2.9 cu ft/sk
				CaCl <sub>2</sub>	bwoc	Mix Fluid	16.78 gal/sk
				Bentonite-Gel	bwoc		
				Flocele	0.5 lb/sk		
				Gilsonite	10.0 lb/sk		
7" Top of Tail	2,932			Defoamer (if req'd)	0.05 gal/bbl		
7" Tail Cement	150%			50:50 Poz Standard	155.65 sx	Slurry Volume	207.0 cu ft
				Standard Cement	47.0 bwob		36.9 bbl
				San Juan Poz	34.0 lb/sk	Slurry Density	13.5 ppg
				Econolite	bwob	Slurry Yield	1.33 cu ft/sk
				CaCl <sub>2</sub>	2.00% bwob	Mix Fluid	5.32 gal/sk
				Bentonite-Gel	2.00% bwob		
				Flocele	0.25 lb/sk		
				Gilsonite	5.0 lb/sk		
4.5" TOC	2,432			Defoamer (if req'd)	0.05 gal/bbl		
7" Casing Intermediate	3,432	150%					
4.5" Cement	50%			Blend	526.06 sx	Slurry Volume	768.0 cu ft
				Standard Cement	47 lb/sk		136.8 bbl
				San Juan Poz	37 lb/sk	Slurry Density	13.0 ppg
				Bentonite	3.00% bwob	Slurry Yield	1.46 cu ft/sk
				CFR-3	0.20% bwoc	Mix Fluid	6.42 gal/sk
				Halad-9	0.80% 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	7,657	50%					

Conoco to verify casing depths.

Note:



### 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.

# Cathodic Protection System Description

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