Form 3160-3 (August 1999) UNITED ST. DEPARTMENT OF T		FORM APPROVED OMB No. 1004-0136 Expires November 30, 20	000
BUREAU OF LAND M	IANAGEMENT	5. Lease Serial No. SF-077106	
APPLICATION FOR PERMIT	O DRILL OR REENTER	6. If Indian, Allottee or Tribe Name	;
1a. Type of Work: DRILL REENTER		7. If Unit or CA Agreement, Name	and No.
1b. Type of Well: ☐ Oil Well ☐ Oth	er Single Zone 🔀 Multiple Zone	Lease Name and Well No. LACKEY B LS 16M	
	VICKI WESTBY E-Mail: Vicki.R.Westby@conoco.com	9. API Well No. 30-04-5-3090) 3
3a. Address 10 DESTA DR., ROOM 608W MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 915.686.5799 Ext: 5799	10. Field and Pool, or Exploratory BLANCO MESAVERDE/BA	
At surface SESE 835FSL 1200FEL At proposed prod. zone	10V 2001	11. Sec., T., R., M., or Blk. and Sur Sec 20 T28N R9W Mer NN	-
14. Distance in miles and direction from nearest town or post		County or Parish	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 Loss	77. Spacing Unit dedicated to this v	vell
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 6907 MD	20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KB, RT, GL, etc. 5914 GL	22. Approximate date work will start	23. Estimated duration	
	24. Attachments		
The following, completed in accordance with the requirements of the second seco	4. Bond to cover the operation Item 20 above).	o this form: ons unless covered by an existing bond	d on file (see

- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- 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 11/05/2001
Title AUTHORIZED SIGNATURE		
Approved by (Signature) Man lee (15)	Name (Printed/Typed)	Date ///15/5(
Title AFM	Office	
Application approval does not warrant or certify the application	nt 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.

6-6-01

Additional Operator Remarks (see next page)

Electronic Submission #8499 verified by the BLM Well Information System For CONOCO INC., sent to the Farmington Committed to AFMSS for processing by Maurice Johnson on 11/09/2001 ()

This action is subject to technical and procedural review pursuant to 43 CFR 3185.3 and appeal pursuant to 43 CFR 3165.4

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** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL **

District I PO Box 1980, Hobbs, NM 88241-1980

District II PO Drawer DO, 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

Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

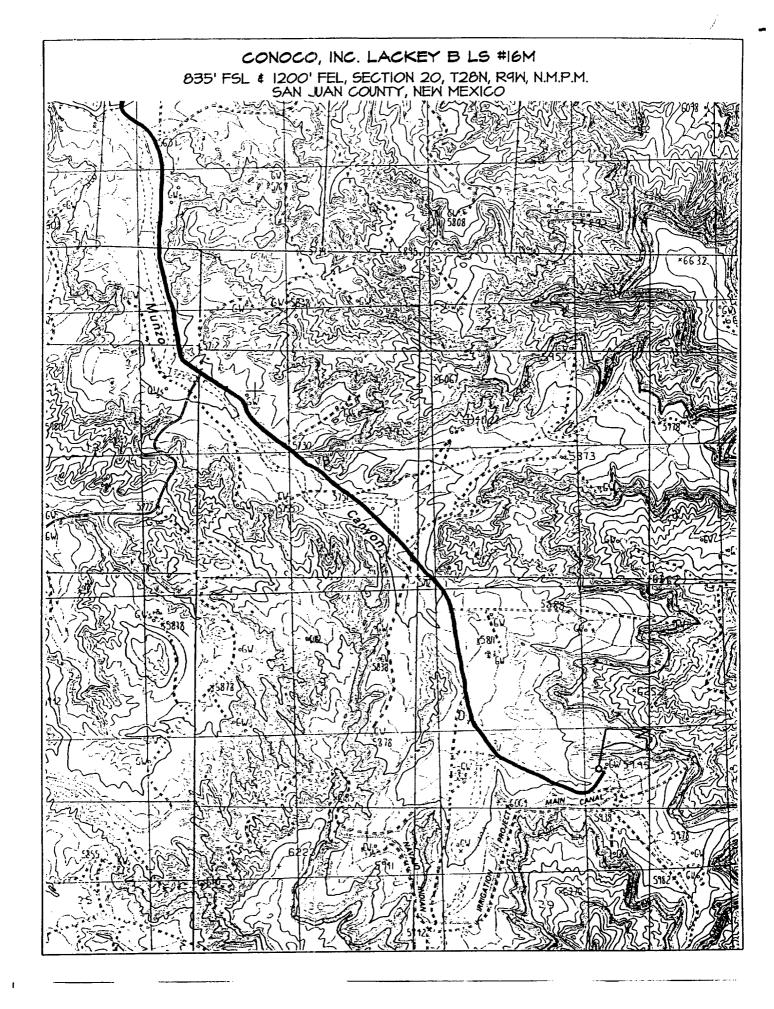
Centificate Number

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

(ADT	Number			r	*Pool Code			Pool Name			
30.011		7.0-7							RASTN	ΠΔΚΠΤΔ	
Property	Code	72319 / 71599 BLANCO MESAVERDE / BASIN DAKOTA Property Name Well Number									
クラス	90	LACKEY B LS 16M									
OGRID N	ر / <u>ا</u>	*Operatur Name *Elevation									
00507						5914					
			CONOCO, INC. 5914 5914								
UL or lat na.	Section	Township	Range	Lot Idn	Feet from the	LUCOLIUII North/South line	Feet from t	he East/N	est line	County	
Р	20	28N	9₩		835	SOUTH	1200		ST	SAN JU	JAN
			Bottom	Hole L	ocation I	l f Different	From S				
UL or lot no	Section	Touriship	Range	Lot Joh	Feet from the	North/South line	Feet from to		est line	County	
12 Occupated Acres		J	·	(a)	19 Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No				
	320	.O Acres	s - (E/	(5)							
NO ALLOW	ARLE W	TU BE	ASSTEME) TO TH	TS COMPLETI	ON UNTIL ALL	INTEREST	S HAVE RE	EN CO	NSOL TOATE	— FD
NO ALLON	AUCE N					EN APPROVED				11302 104.1	
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			52	.00.00 			I h	ereby certify	that the	information	
	<u> </u>					1	to	contained herein is true and complete to the best of my knowledge and belief			
						SF-07710)5 //	Dicke R. Westley Signature			
						1	Signa				
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		Brice	(42)			<u> </u>		ted Name			
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PROJECT PROPOSAL - New Drill / Sidetrack



AFE \$: Lease: LACKEY B LS AFE#: Well: LACKEY B LS 16M API #: Field Name: WEST Rig: Key 49 State: NM County: San Juan Campbell, Lisa M. Phone: (281) 293 - 6527 Prod. Engineer: Durkee, Marc Phone: (281) 293 - 6530 Geoscientist: Phone: (281) 293-6520 Proj. Field Lead: Phone: Res. Engineer: Boneau, Trent C. Primary Objective (Zones): Pool Pool Name BASIN DAKOTA (PRORATED GAS) FRR BLANCO MESAVERDE (PRORATED GAS) RON " Bud Drill" Spiriace Location: 28N 36.642433 Longtitude : -107.8065 X: Υ: Section: 20 Survey: Abstract : Latitude : 5914 (FT) Footage X: 1200 FEL Footage Y: 835 FSL | Elevation: Boltom Hole Location Plant TO THE PARTY. The second secon Abstract: Section: Survey: Latitude : Longtitude: Υ: Completion Date: Date In Operation: Start Date (Est.): Location Type: Year Round Units = FT Formation Data: Assume KB = 5927 BHP Remarks SS Depletion Formation Call & Depth **BHT** (Ft) (Yes/Nc) (PSIG) Casing Points (TVD in Ft) 39°s Surface Casing 500 5427 Severe lost circulation is possible. 9 5/8", 36 ppf, J-55, STC casing. Circulate cement to surface. 20.5 20.5 1095 4832 **OJAM** Possible water flows Q. 4730 1197 KRLD 2.78 1578 **FRLD** 1740 4187 Possible gas ¥ 4 3827 2100 PCCF 1600 1600 2238 3689 LEWS 48 3752 2175 CLFH Gas; possibly wet 100 MENF 3790 2137 Gas # T 1522 4405 **PTLK** Gas 38 6354 -427 GRHN Gas possible, highly fractured - 3 -498 **GRRS** 6425 83 6480 -553 **TWLS** Gas 18 -611 6538 **PAGU** Gas 7,9 6580 -653 CBBO Gas 136 6702 -775 BRRO -800 6727 MRSN

PROJECT PROPOSAL - New Drill / Sidetrack



Total Depth	6907	-980			Cement top will have 100' min overlap W/ Surface pipe
		ì	i	! }	
Logging Program:					
Intermediate Logs:	Log only if she	ow 🗌	GR/ILD	Triple Combo	
TD Logs :	Triple Combo		Dipmeter	☐ RFT ☐ Sonid	USP TOT
Additional Information :	Logging company	•		n with all lengths, OD'	s & ID's of all tools prior to running in the hole.
Comments: Will not con	plete CH part of M	V, will T) in Morrisc	on. Mud vs. air drill? 1	Needs to be discussed with drilling



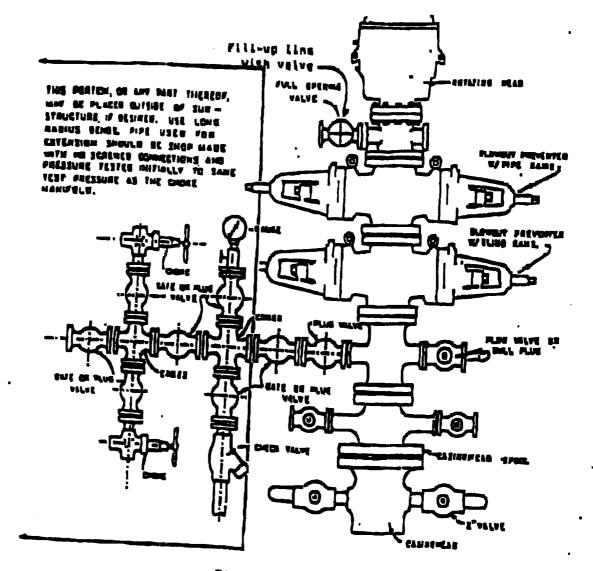
Lackey B LS 16M **Cementing Summary**

	<u>Depth</u>	OH Excess				
	0		Class 'H' Cement	312 sx	Slurry Volume	330.6 cu ft
			Flocele (if req'd)	0.25 lb/sk		58.9 bbl
è			CaCl2	2.00% bwoc-db	Slurry Density	16.5 ppg
			Defoamer (if req'd)	0.05 gal/bbl	Slurry Yield	1.06 cu ft/s
					Miss Elected	4.0 001/01

	9-5/8" Sfc. Casing 12-1/4" Hole	0		Class 'H' Cement Flocele (if req'd) CaCl2 Defoamer (if req'd)	312 sx 0.25 lb/sk 2.00% bwoc-db 0.05 gal/bbi	Slurry Volume Slurry Density Slurry Yield Mix Fluid	330.6 cu ft 58.9 bbl 16.5 ppg 1.06 cu ft/sk 4.2 gal/sk
	9-5/8" shoe	500	100%	Cement Blend Class 'H' Cement San Juan Poz Econolite CaCl2 CFR-3 HR-5 Silicalite-blended Flocele Defoamer (if req'd)	646 sx 84 lb/sk lb/sk 3.00% bwob bwob bwob bwob 10 lb/sk 0.5 lb/sk 0.05 gal/bbi	Slurry Volume Slurry Density Slurry Yield Mix Fluid	1829.1 cu ft 325.8 bbl 11.4 ppg 2.83 cu ft/sk 17.29 gal/sk
	DV Tool #2 Stage #3	3,602	75%	Cement Blend Class 'H' Cement San Juan Poz Bentonite Halad-344 CFR-3 HR-5 Silicalite-blended Flocele Defoamer (if req'd)	781 sx 47 lb/sk 24 lb/sk 3.00% bwob 0.40% bwob 0.20% bwob 0.10% bwob 20 lb/sk 0.25 lb/sk 0.05 gal/bbl	Slurry Volume Slurry Density Slurry Yield Mix Fluid	1327.8 cu ft 236.5 bbl 12.8 ppg 1.70 cu ft/sk 8.26 gal/sk
	DV Tool #1 Stage #2	6,204	60%	Cement Blend Class 'H' Cement San Juan Poz Bentonite Halad-344 CFR-3 HR-5 Silicalite-blended Flocele Defoamer (if req'd)	237 sx 47 lb/sk 24 lb/sk 3.00% bwob 0.40% bwob 0.20% bwob 0.10% bwob 20 lb/sk 0.25 lb/sk 0.05 gal/bbi	Slurry Volume Slurry Density Slurry Yield Mix Fluid	402.1 cu ft 71.6 bbl 12.8 ppg 1.70 cu ft/sk 8.26 gal/sk
	4-1/2" Csg St Stage #1 8-3/4" Hole	ישטיי	60%				

Revision Date: 11/5/2001

Note: Conoco to verify casing & hole sizes, DV depths, etc.



BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basing supply 1000 psi aquipment, but cannot provide annular preventors because of substructure 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 Jood psi. The 2000 psi system allows delation of the annular preventor and fulfills your requirements (note diagram No. 1). In addition, the following equipment will comprise the 2000 psi system:

- 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.
- 10.
- Pressure gauge on choke manifold. 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 law resistance strate.
Surface Casing .	8" Diam., 2 20' Length, Gemented 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 ancountered.
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	E - 20	Sufficient quantity to achieve a total anode bed resistance of <1 ohm and a design life ≥ 20 years.
Anode Bed Backfill	Loresco SW Calcined Petroleum Coke Breeze	installed from bottom of hole to 10' above top
Anade Junction Box	8 - 20 Circuit Fiberglass Or Metal	Sealed to prevent insect & radent 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 Polyethylens (HMWPE) Insulation. AC: #8 Stranded Copper HMWPE	18° depth in typical situation, 24° depth in roadway, & 36° depth in arroyd's 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 with 1° clearance (AC cable always installed under foreign pipeline in conduit).
Power Source	1) Rectifler 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.