Form 3160-3
(July 1989)
(formerly 9-331C)

NM OIL CONS. COMMISSION
DRAWER DD
ARTESIA, NM 88210

CONTACT RECEIVING OFFICE FOR NUMBER OF COPIES REQUIRED

(Other instructions on reverse side)

30-015-27900

BLM Roswell District
Modified Form No.
NM060-3160-2

C/SF

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: NM-0 LC 559175 (not)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

1a. TYPE OF WORK: DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ OTHER — SINGLE ZONE ☒ MULTIPLE ZONE ☐

8. FARM OR LEASE NAME: Dagger Draw 30SE Com 3006

2. NAME OF OPERATOR: Conoco, Inc. 5073 ✓

3a. Area Code & Phone No.: (915) 686-6548

9. WELL NO.: 16

3. ADDRESS OF OPERATOR: 10 Desta Dr. Ste 100W, Midland, TX 79705

10. FIELD AND POOL, OR WILDCAT: North Dagger Draw Upper Penn

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 660' FSL & 660' FEL
At proposed prod. zone: Cisco UT.P

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: 15472 Sec. 30, T-19S, R-25E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

12. COUNTY OR PARISH: Eddy — 13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
		160
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
	8100'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3526'

22. APPROX. DATE WORK WILL START*: 3/15/94

23. PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
14-3/4"	9-5/8"	36#	K-55	ST&C	1200'	1100 circ.
8-3/4"	7"	26#	K-55	LT&C	8100'	1200 circ

Post ID-1
4-9-94
Modified + APD

It is proposed to drill this well as a vertical Cisco oil producer according to the drilling plan outlined in the following attachments:

1. Well Location and Acreage Dedication Plat (C-102)
2. Attachment to Form 3160-3
3. Proposed Well Plan Outline
4. Surface Use Plan
5. EXHIBIT A: New Mexico road map
6. EXHIBITS B.1 & B.2: Well location and Lease road maps
7. EXHIBIT B.3: 7.5" Quadrangle Topo Area Map
8. EXHIBITS C.1, C.2 & C.3: Pipeline & Powerline Plats
9. EXHIBIT D: Rig Layout Plat
10. BOP and Choke Manifold Specifications
11. H2S Drilling Operations Plan

BUREAU OF LAND MANAGEMENT RECEIVED FEB 25 1994 DIST. 6 N.M. Carlshad, New Mexico

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED Jerry W. Hoover TITLE Sr. Conservation Coordinator DATE 2/23/94

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY (ORIG. SGD.) RICHARD L. MANUS TITLE AREA MANAGER DATE MAR 28 1994

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

APPROVAL DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator: CONOCO, INC.			Lease: DAGGER DRAW 30SE COM	Well No.: 16
Unit Letter: P	Section: 30	Township: 19-S	Range: 25-E NMPM	County: EDDY
Actual Footage Location of Well: 660 feet from the SOUTH line and 660 feet from the EAST line				
Ground level Elev.: 3526'	Producing Formation: Cisco		Pool: North Dagger Draw Upper Penn.	Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

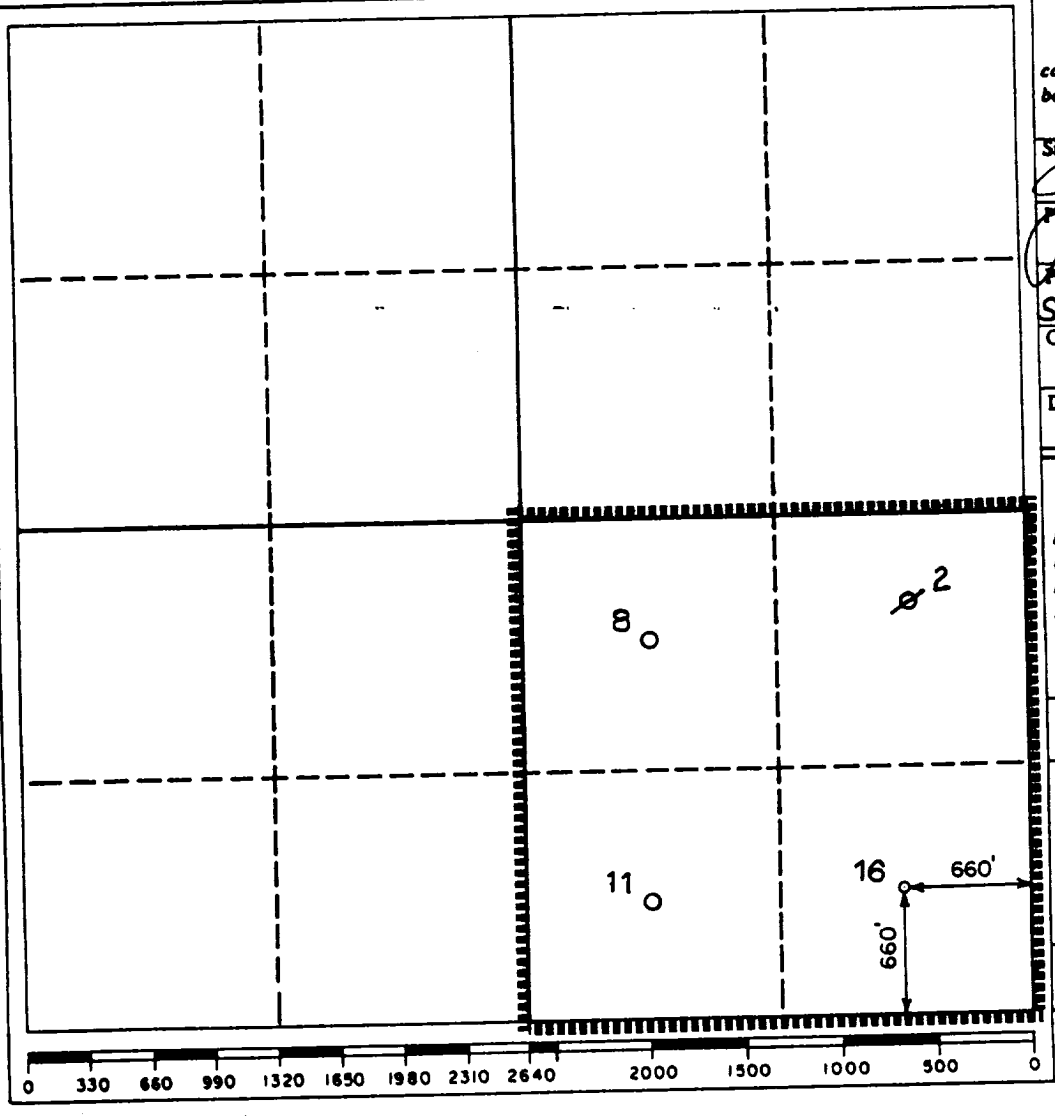
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary. _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature: Jerry W. Hoover

Printed Name: Jerry W. Hoover

Position: Sr. Conservation Coordinator

Company: Conoco Inc.

Date: 3/22/94

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 supervison, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: February 4, 1994

Signature & Seal of Professional Surveyor: NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 8278

Certificate No. 8278

ATTACHMENT TO FORM 3160-3
APPLICATION FOR PERMIT TO DRILL

Conoco Inc.

Dagger Draw 30SE Com No. 16
Sec. 30, T-19S, R-25E
Eddy County, New Mexico

1. The estimated tops of important geologic markers are shown on the attached Proposed Well Plan Outline.

2. The estimated depths at which anticipated water, oil, gas or other mineral-bearing formations to be encountered are shown on the attached Proposed Well Plan Outline.

3. A drawing of Blowout Preventer Specifications is attached. Pipe rams and blinds will be checked to the working pressure of the stack or 70% of the minimum internal yield strength of the casing whichever is less. BOP will be checked when casing string is set.

4. The proposed casing program is as follows:

0-1200':	9-5/8"	36#	K-55
0-8100':	7"	26#	K-55

5. The proposed mud program is as follows:

0-1200'	8.4# Fresh
1200'-7000':	8.8-9.2 Saturated Brine
7000'-8100':	9.2 Brine w/starch

6. The logging suite will include the following open-hole logs:
1) GR-CAL-DLL-MSFL-CNL-LDT from 8100'-1200' and 2) CBIL from 8100'-7000'. A temperature survey will be run to determine the top of cement on each casing string where cement is not circulated.

7. Special Drilling Problems:
a) Lost circulation 500'-1000.
b) H2S in the Yeso.
c) Possible deviation 4500'-5500'.

8. The anticipated starting date is 3-15-94 with a duration of approximately 18 days.

PROPOSED WELL PLAN OUTLINE

WELL NAME **DAGGER 30SE COM NO. 16**

LOCATION **660'FSL 660'FEL SECT. 30 T-19S R-25E EDDY CO.**

TVD IN 1000'	MD	FORMATION TOPS & TYPE	DRILLING PROBLEMS	TYPE OF FORMATION EVALUATION	HOLE SIZE	CASING SIZE	CASING DEPTH	FRAC GRAD	FORMATION PRESSURE GRADIENT	MUD WT	MUD TYPE	DAYS
0			LOST CIRCULATION		14-3/4"				BELOW NORMAL	8.4	FRESH	
1				MUD LOGGERS AND EQUIPMENT ON @ 1200'		9-5/8" 36# K-55	1200'					3
2		GLORIETTA 1989' YESO 2145'	H2S IN YESO	H2S EQUIPMENT ON PRIOR TO YESO FORMATION					9.0 PPG	8.8-9.2	C/BRINE	
3												
4		ABO 4198'	POSSIBLE DEVIATION 4500'-5500'		8-3/4"							
5		WOLFCAMP 5100'										
6												
7										9.2	C/BRINE STARCH	
8		CISCO 7600'										
9		TD 8100'		GR-CAL-DLL-MSFL GR-CAL-CNL-LDT CBIL		7" 26# K-55	8100'					16
10												18
11												
12												
13												
14												
15												
16												

DATE February 1994

APPROVED D.L. KEITHLY
ENGINEER

DIVISION DRILLING SUPERINTENDENT

DIVISION ENGINEERING MANAGER

DIVISION EXPLORATION MANAGER

SURFACE USE PLAN
Conoco Inc.

Dagger Draw 30SE Com No. 16

The following is required information concerning the possible effect which the drilling of this well may have on the environment, existing road sites, and surrounding acreage. A copy will be posted on the derrick floor so all contractors and sub-contractors will be aware of all items of this plan.

1. Existing Roads

   A. The proposed well site is 660' FSL & 660' FEL, Sec. 30, T-19S, R-25E, Eddy County, New Mexico.

   B. Exhibit "A" is a portion of a New Mexico road map and Exhibit "B.1" a lease road map showing existing roads and wells. Directions to the location are as follows:

      From Artesia go south on Hwy. 285. Turn west on Rock Daisy road and go 6 miles. Turn north on Cross Buck road for 1 mile. Then turn west 1/4 mile to location.

   C. No improvement or maintenance is anticipated for the existing roads.

2. Planned Access Roads

   A. No new access road will be required.
   B. No turnout will be required.
   C. No culverts, or fills will be required.
   D. No gates, cattleguards, or fences will be required.

3. Location of Existing Wells

   See Exhibit "B.2"

4. Location of Proposed Facilities if Well is Productive

   Production will be moved by flowline to the Dagger Draw Central battery at the Dagger Draw Well No. 4 location for facility treatment, storage and sales.

5. Location of Proposed Facilities if Well is Productive

   Cisco production will be moved by flowline to the Preston Federal Battery at the location of the Preston Fed. Well No. 1.

6. Water Supply

   Brine water will be trucked in. Fresh water by fasline from Foster's water well.

7. Source of Construction Materials

Caliche will come from the pit located in Unit G, Sec. 18, T-19S, R-25E.

8. Methods of Handling Waste Disposal

Waste Disposal: Well cuttings will be disposed in reserve pit. Barrel trash containers to be in accessible locations within drill site area during drilling and completion procedures. All detrimental waste will be hauled away. See Exhibit "D" for location of pits. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. Any produced water will be collected in tanks until hauled to an approved disposal system, or separate disposal applications will be submitted to survey for appropriate approval.

9. Ancillary Facilities

See Exhibit C.1, C.2, and C.3 for a flowline and electric line plats. department.

10. Wellsite Layout

See Exhibit "D". The V-door faces east. The reserve pit will be lined with plastic and the pad and pits are staked.

11. Plans for Restoration of Surface

Pits will be backfilled and leveled to original condition when they are dry. Commencement of rehabilitation operations will immediately follow removal of drilling and completion equipment from location and rehabilitation of the surface is planned to be completed within 45 days from commencement.

12. Surface Ownership

Federal.

13. Other Information

An archaeological survey will be done on Federal Land crossed by the flowline and electric line in sections 19 and 30.

14. Operator's Representative and Certification

The person who can be contacted concerning compliance of this Surface Use Plan is:

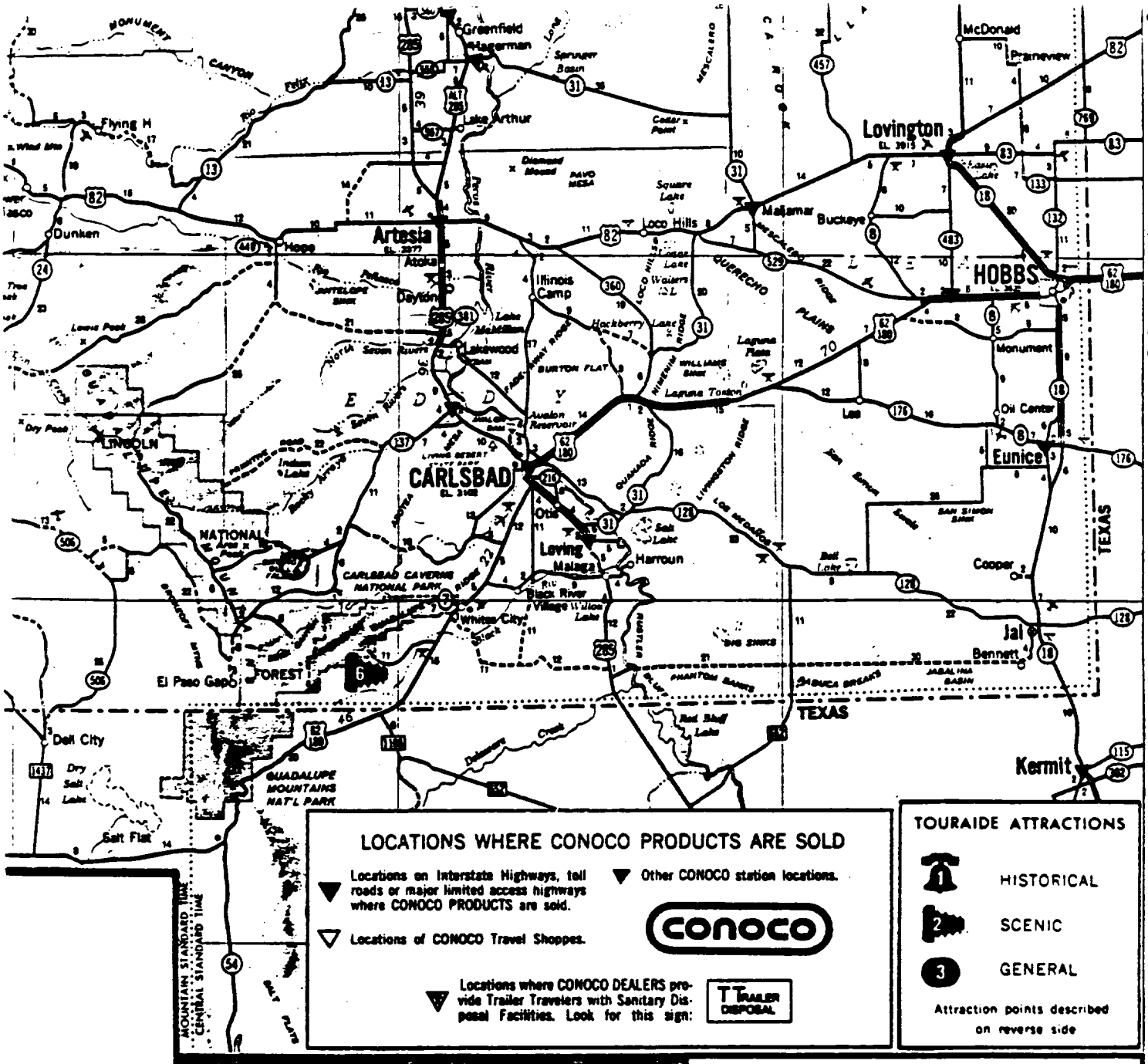
Gary L. Smith
10 Desta Drive West
Midland, Texas 79705
(915)686-5471

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drilling site; that I am familiar with the conditions which currently exist; that the statements made in this plan, are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Conoco Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Gary L. Smith,
Drilling Manager

2/24/94

Date



LOCATIONS WHERE CONOCO PRODUCTS ARE SOLD

▼ Locations on Interstate Highways, toll roads or major limited access highways where CONOCO PRODUCTS are sold.

▽ Locations of CONOCO Travel Shoppes.

▼ Other CONOCO station locations.

CONOCO

▼ Locations where CONOCO DEALERS provide Trailer Travelers with Sanitary Disposal Facilities. Look for this sign: TT TRAILER DISPOSAL

TOURAIDE ATTRACTIONS

1 HISTORICAL

2 SCENIC

3 GENERAL

Attraction points described on reverse side

How to read your map of NEW MEXICO

SCALE IN MILES AND KILOMETERS

ONE INCH 22 MILES 0 5 10 20 30

ONE INCH 35 KILOMETERS 0 5 10 20 30 40

HIGHWAY MARKERS

INTERSTATE 40 UNITED STATES 66 STATE 41 TEXAS FARM OR RANCH 306

ROAD CLASSIFICATIONS

CONTROLLED ACCESS DIVIDED HIGHWAYS (Divided / Undivided; Interchanges) — Interstate interchange numbers are indicated.

OTHER DIVIDED HIGHWAYS

PRINCIPAL THROUGH HIGHWAYS (Paved)

OTHER THROUGH HIGHWAYS (Paved / Gravel)

CONNECTING HIGHWAYS (Paved / Gravel)

LOCAL ROADS (Paved / Gravel / Dirt) — In unfamiliar areas inquire locally before using these roads.

MILEAGES

LONG DISTANCE MILEAGES SHOWN IN RED

MILEAGE BETWEEN TOWNS AND JUNCTIONS 3 4

MILEAGE BETWEEN DOTS 95

ONE MILE EQUALS 1.6 KILOMETERS

ONE KILOMETER EQUALS .6 MILES

SPECIAL FEATURES

STATE PARKS (With Campsites / Without Campsites)

RECREATION AREAS (With Campsites / Without Campsites)

PORTS OF ENTRY (Open 24 Hours / Inquire Locally)

POINTS OF INTEREST

SCHEDULED AIRLINE STOPS

MILITARY AIRPORTS

OTHER AIRPORTS

TOURIST INFORMATION

SKI AREAS

SELECTED REST AREAS

BOAT RAMPS

TIME ZONE BOUNDARY

POPULATION SYMBOLS

State Capital

Under 1,000

1,000 to 2,500

2,500 to 5,000

5,000 to 10,000

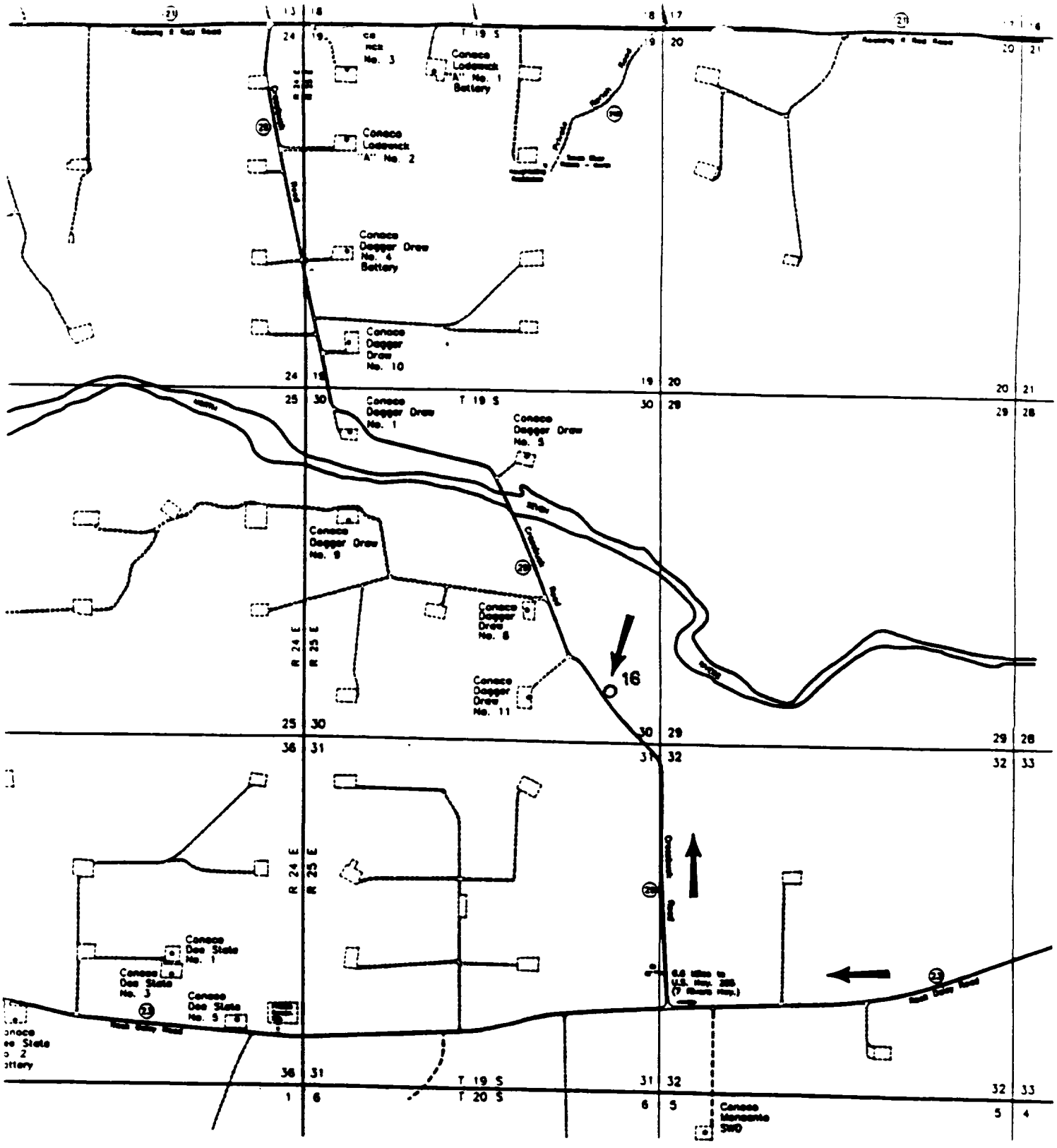
10,000 to 25,000

25,000 to 50,000

50,000 to 100,000

100,000 and over

EXHIBIT A



LEGEND

- Denotes Paved County Road
- Denotes Unpaved Lease Road
- Denotes County Road Number
- Denotes Production Well Location
- Denotes Abandond Well (P&A)

SCALE 0 500 1000 1500 2000

LOCATION

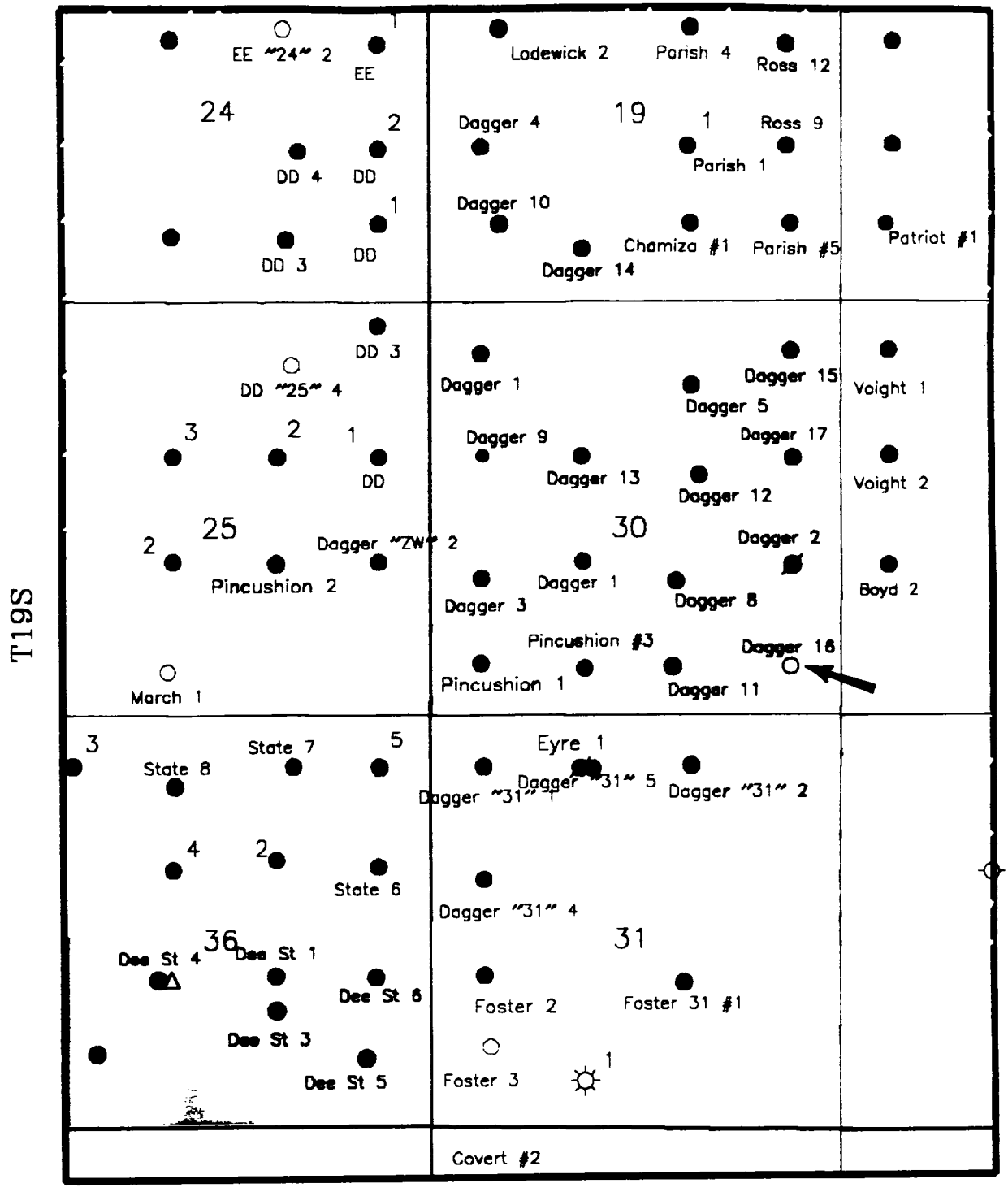
CONOCO INC.

ROAD MAP
DAGGER DRAW AREA
EDDY COUNTY, N.M.

JOHN WEST ENGINEERING

Scale: See Bar Scale	Date: 1-9-02

EXHIBIT B.1



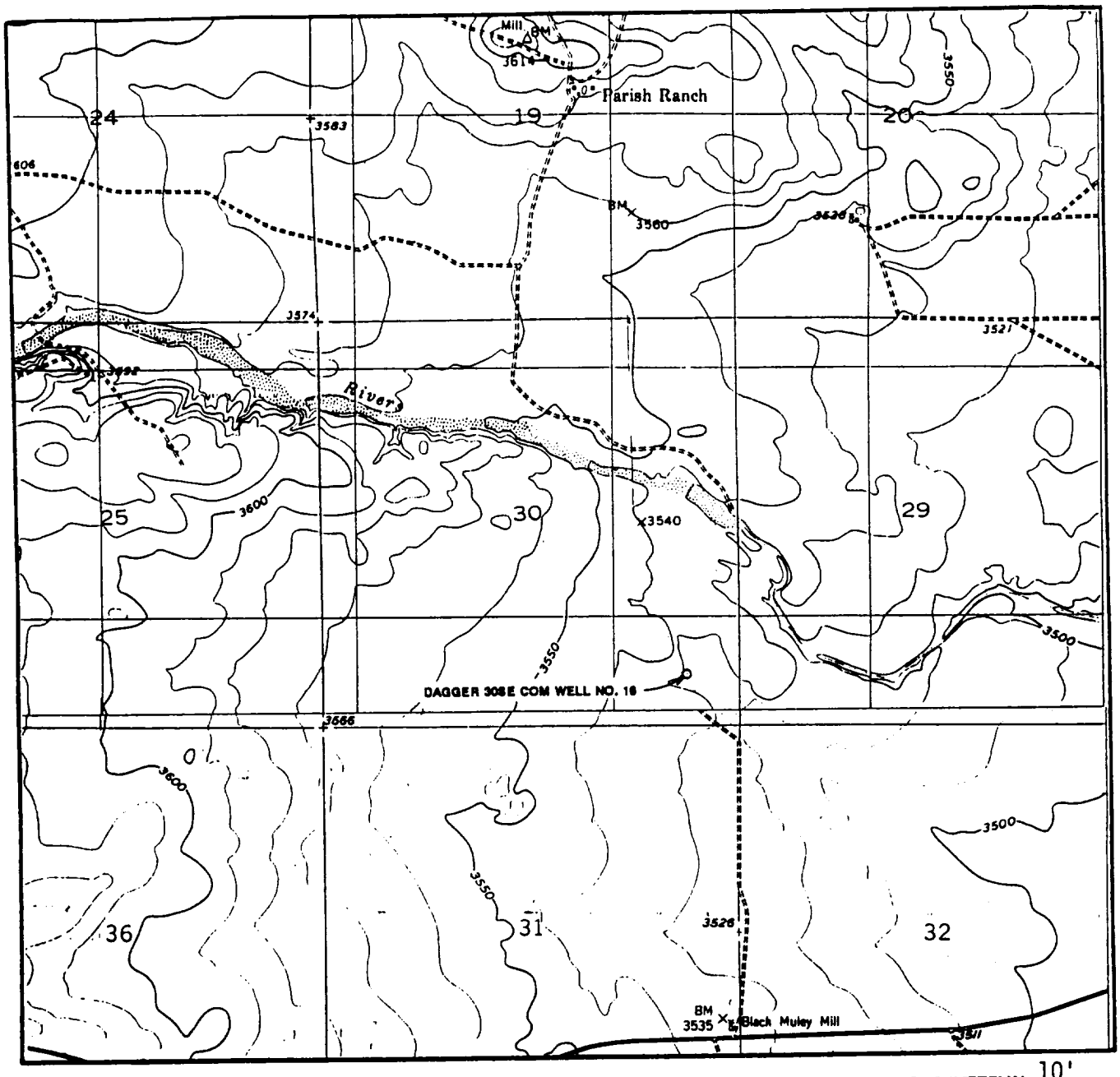
CONOCO MIDLAND DIVISION

NORTH DAGGER DRAW
BASEMAP

1" = 2000' | HOOVER

EXHIBIT B.2

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL 10'

SEC. 30 TWP. 19-S RGE. 25-E

SURVEY NMPM

COUNTY EDDY STATE NM

DESCRIPTION 660' FSL 660' FEL

ELEVATION 3526

OPERATOR CONOCO, INC.

LEASE DAGGER DRAW 30SE COM WELL NO. 16

U.S.G.S. TOPOGRAPHIC MAP

FOSTER RANCH, N. MEX. PARISH RANCH, N. MEX.

WEST TEXAS CONSULTANTS, INC.

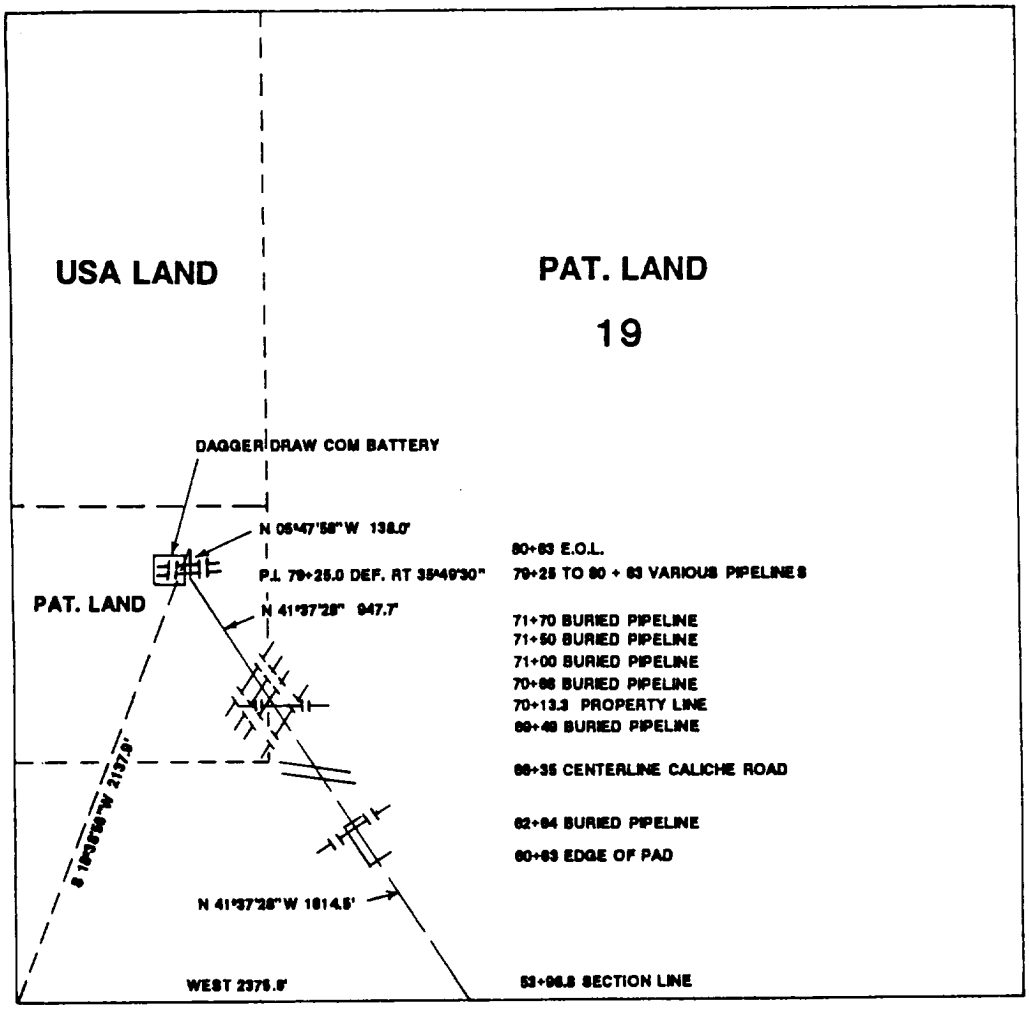
ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

915-685-3800

EXHIBIT B.3

SECTION 19, TOWNSHIP 19 SOUTH, RANGE 25 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO



CENTERLINE DESCRIPTION OF PROPOSED PIPELINE:

BEGINNING at a point in the east line of the northwest 1/4 of the southwest 1/4 of Section 19, T-19-S, R-25-E, N.M.P.M., from which point the southeast corner of the northwest 1/4 of the southwest 1/4 of Section 19 bears South 95.5 feet;

THENCE with proposed centerline as follows: N 41°37'28"W, 947.7 feet; N 05°47'58"W, 138.0 feet to point at the northeast corner of Dagger Draw Com Battery, from which point the southeast corner of said Section 19 bears S 18°38'56"W, 2137.9 feet.

I hereby certify that this plat was prepared from an actual survey made on the ground, and meets or exceeds all requirements for land surveys, as specified by the State of New Mexico.

Earl Foote

EARL FOOTE NEW MEXICO 8278 REGISTERED PROFESSIONAL LAND SURVEYOR

Earl Foote
Registered Professional Surveyor
New Mexico Certificate No. 8278

DAGGER DRAW COM, WELL #16 PIPELINE

CONOCO, INC.

Proposed Pipeline in Section 19,
T-19-S, R-25-E, N.M.P.M.
Eddy County, New Mexico

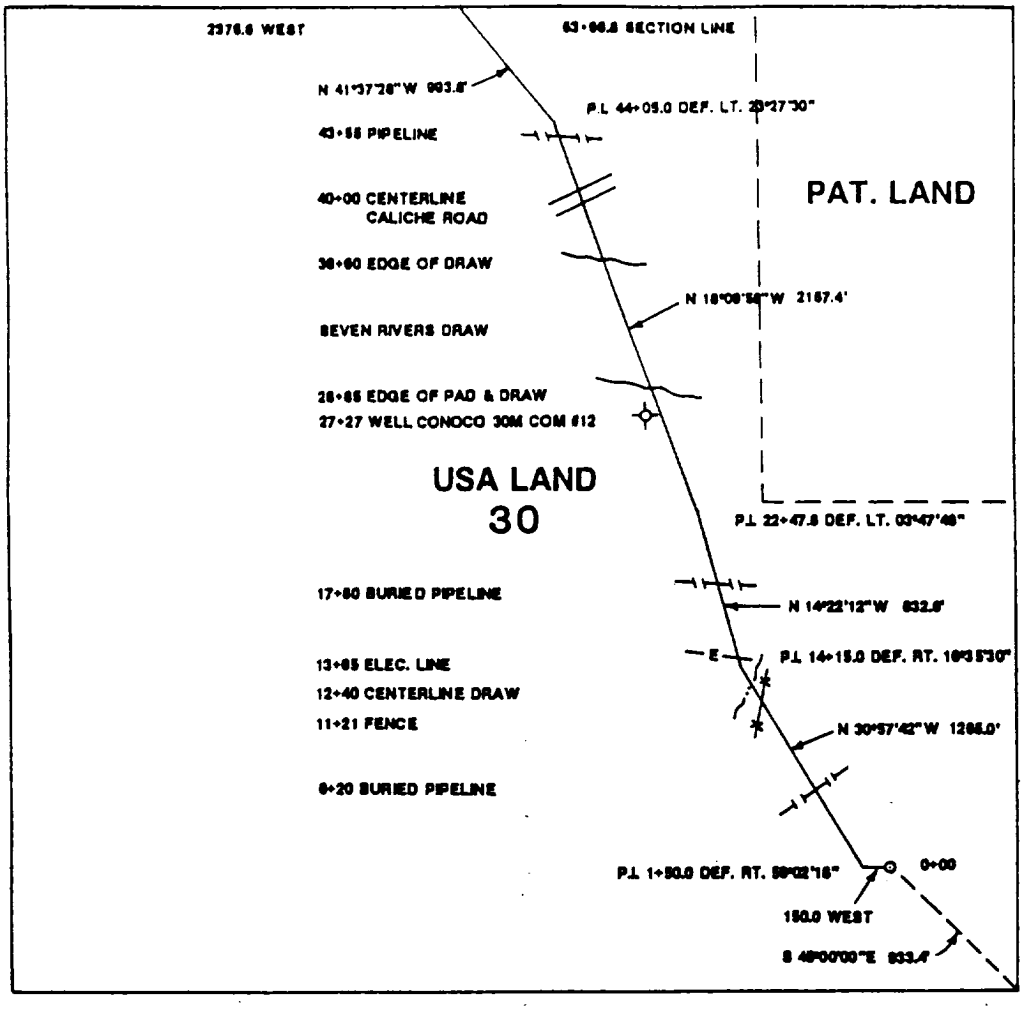
WEST TEXAS CONSULTANTS, INC.
ENGINEERS-PLANNERS-SURVEYORS MIDLAND, TEXAS

Survey Date: 2/4/94	Date: 2/14/94	Scale: 1" = 1000'
WTC No. 43631	Drawn by: R.S.	Sheet 1 of 1

EXHIBIT C.1

SECTION 30, TOWNSHIP 19 SOUTH, RANGE 25 EAST, N.M.P.M.

EDDY COUNTY, NEW MEXICO



CENTERLINE DESCRIPTION OF PROPOSED PIPELINE:

BEGINNING at Dagger Draw 30 SE Com Well #16, from which point the southeast corner of Section 30, T-20-S, R-25-E, N.M.P.M. bears S 45°00'00"E, 933.4 feet;

THENCE with proposed centerline as follows: West, 150.0 feet; N 30°57'42" W, 1265.0 feet; N 14°22'12"W, 832.6 feet; N 18°09'58"W, 2157.4 feet; N 41°37'28"W, 993.8 feet to a point in the north line of said Section 30, from which point the northwest corner of said Section 30 bears West 2375.6 feet.

I hereby certify that this plat was prepared from an actual survey made on the ground, and meets or exceeds all requirements for land surveys, as specified by the State of New Mexico.

EARL FOOTE NEW MEXICO 8278 REGISTERED PROFESSIONAL LAND SURVEYOR

Earl Foote
Registered Professional Surveyor
New Mexico Certificate No. 8278

DAGGER DRAW 30SE COM WELL #16 FLOWLINE

CONOCO, INC.

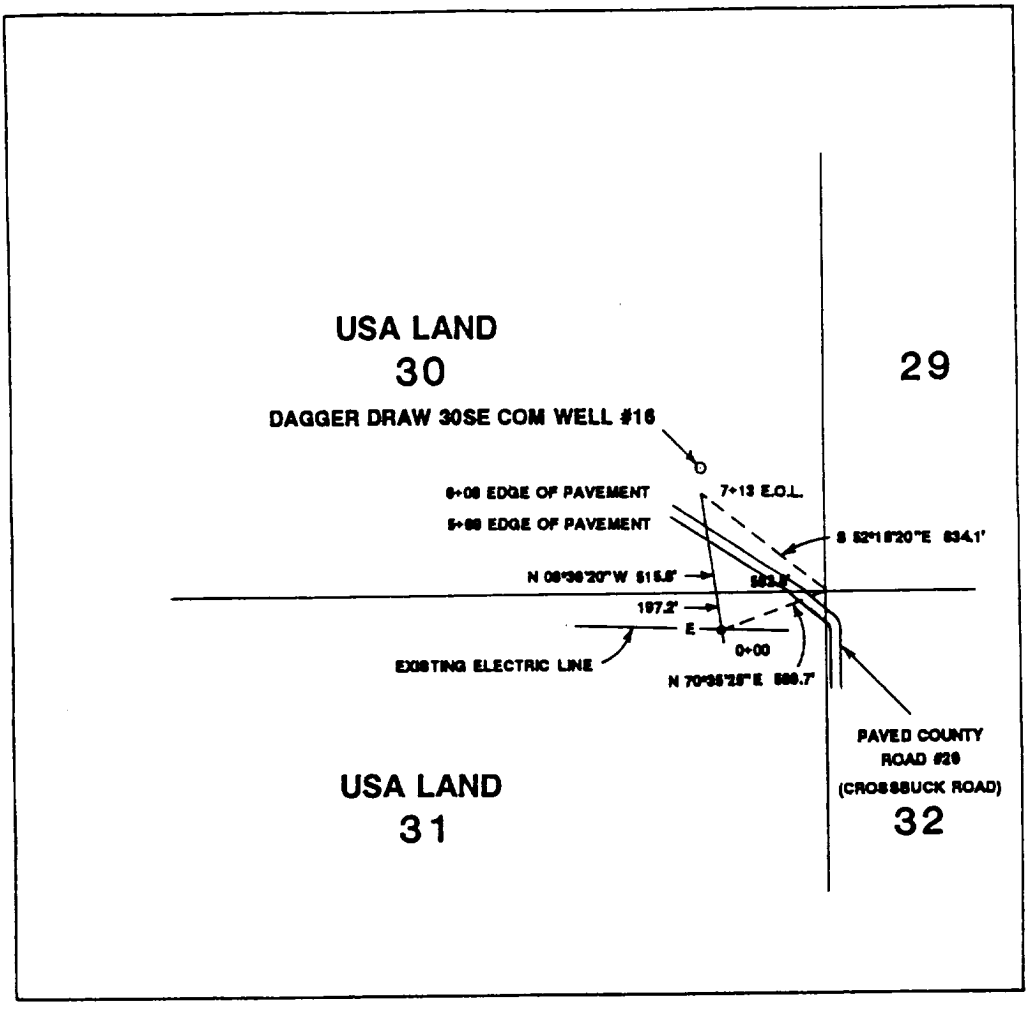
Proposed Pipeline in
Section 30, T-19-S, R-25-E,
N.M.P.M., Eddy County, New Mexico

WEST TEXAS CONSULTANTS, INC.
ENGINEERS-PLANNERS-SURVEYORS MIDLAND, TEXAS

Survey Date: 2/4/94	Date: 2/14/94	Scale: 1" = 1000'
WTC No. 43631	Drawn by: R.S.	Sheet 1 of 1

EXHIBIT C.2

SECTIONS 30 AI . 31, TOWNSHIP 19 SOUTH, RAN . 25 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO



CENTERLINE DESCRIPTION OF PROPOSED ELECTRIC LINE:

BEGINNING at a point in an existing electric line from which point the northeast corner of Section 31, T-19-S, R-25-E, N.M.P.M. bears N 70°35'25"E, 586.7 feet; from said point an anchor easement bears S 08°36'20"E, 30.0 feet;

THENCE N 08°36'20"W, with centerline at 197.2 feet cross the common line of Sections 30 and 31 continuing in all 713.0 feet for the end of this line, from which point the Southeast corner of Section 30 bears S 52°18'20"E, 834.1 feet.

I hereby certify that this plat was prepared from an actual survey made on the ground, and meets or exceeds all requirements for land surveys, as specified by the State of New Mexico.

EARL FOOTE NEW MEXICO 8278 REGISTERED PROFESSIONAL LAND SURVEYOR

Earl Foote

Earl Foote
Registered Professional Surveyor
New Mexico Certificate No. 8278

DAGGER DRAW 30SE COM WELL #16 ELECTRIC LINE

CONOCO, INC.

Proposed Electric Line in
Sections 30 and 31
T-19-S, R-25-E, N.M.P.M.
Eddy County, New Mexico

WEST TEXAS CONSULTANTS, INC.
ENGINEERS-PLANNERS-SURVEYORS MIDLAND, TEXAS

Survey Date: 2/2/94	Date: 2/14/94	Scale: 1" = 1000'
WTC No. 43631	Drawn by: R.S.	Sheet 1 of 1

EXHIBIT C.3

STANDARD RIG LAYOUT

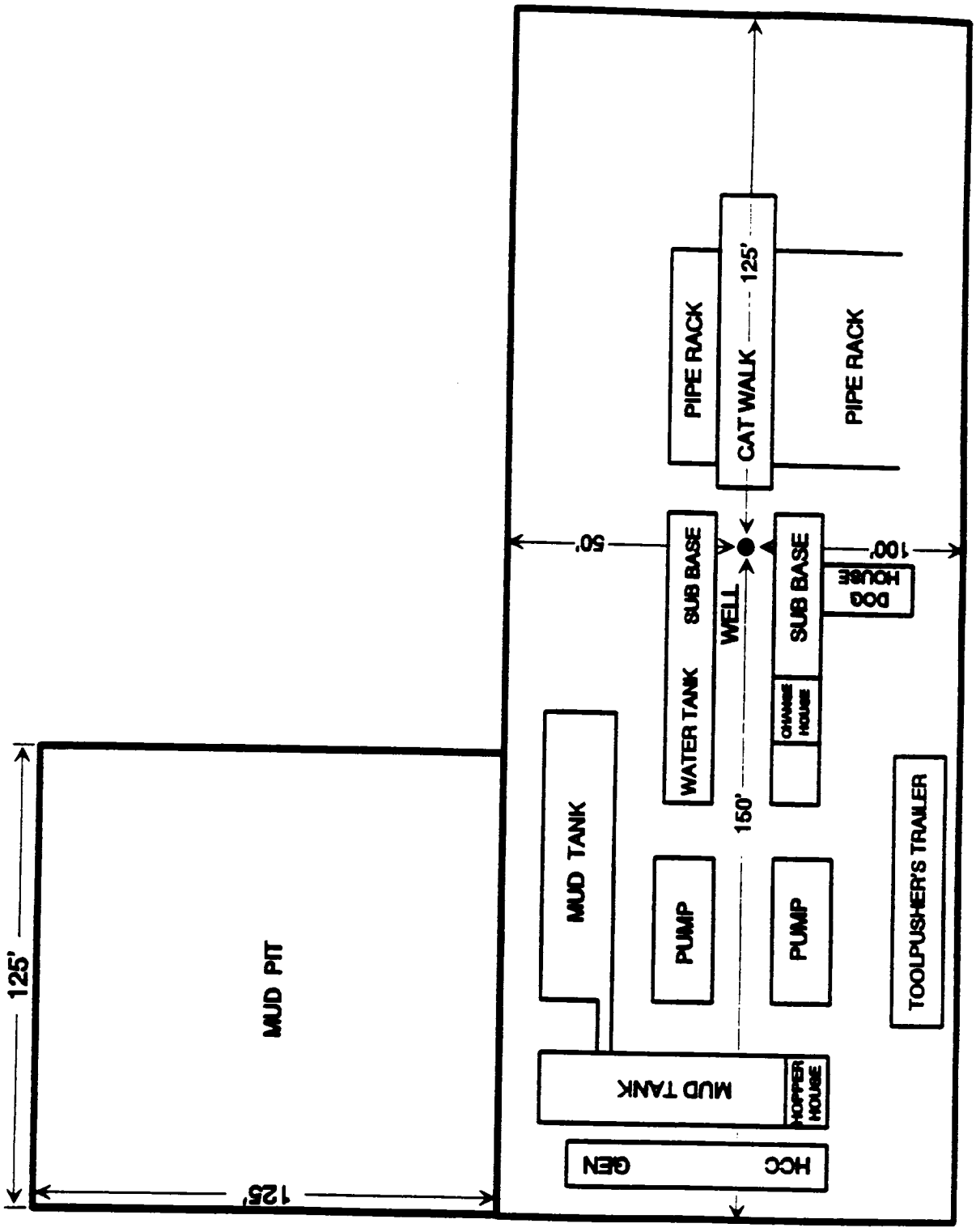
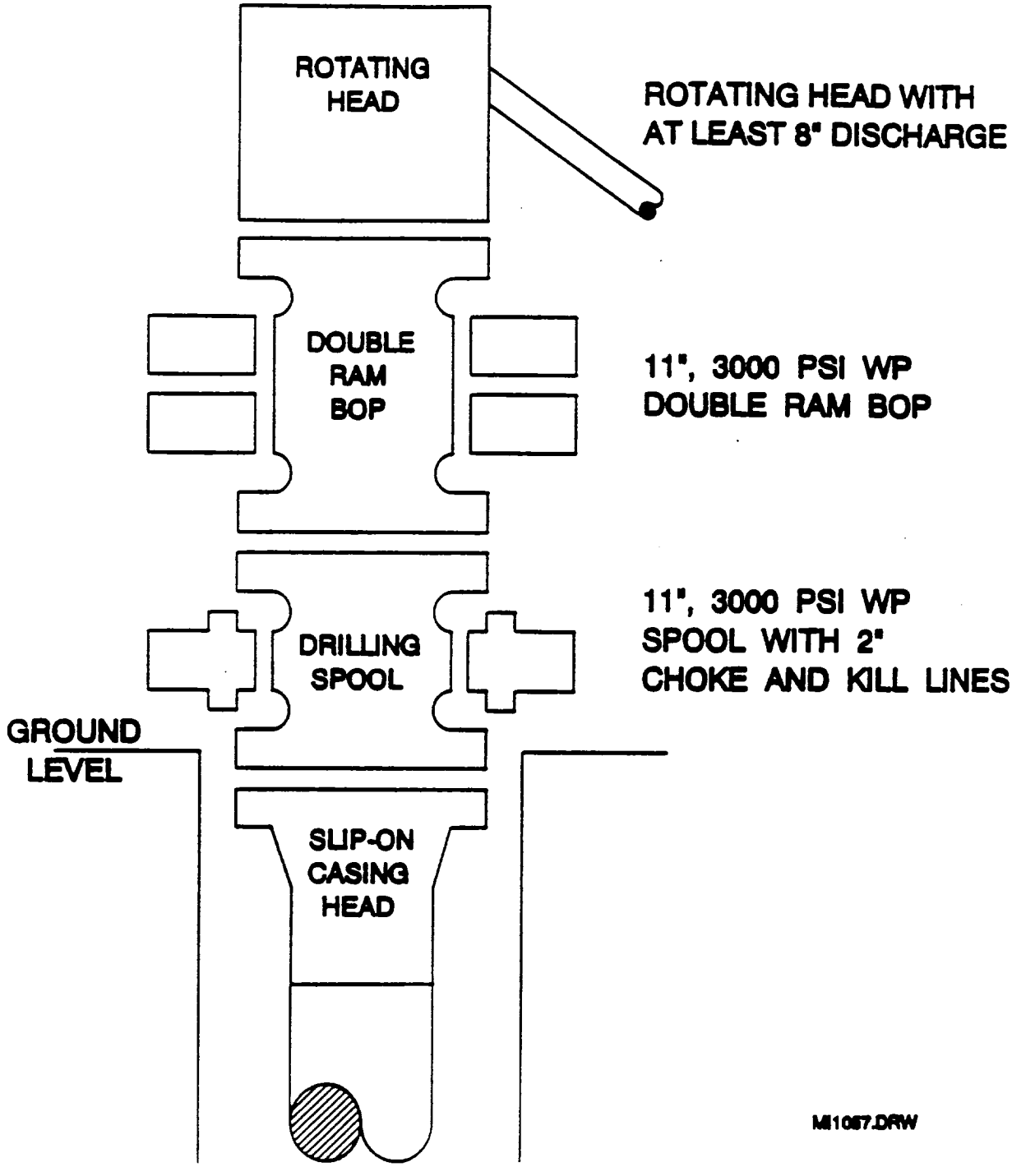
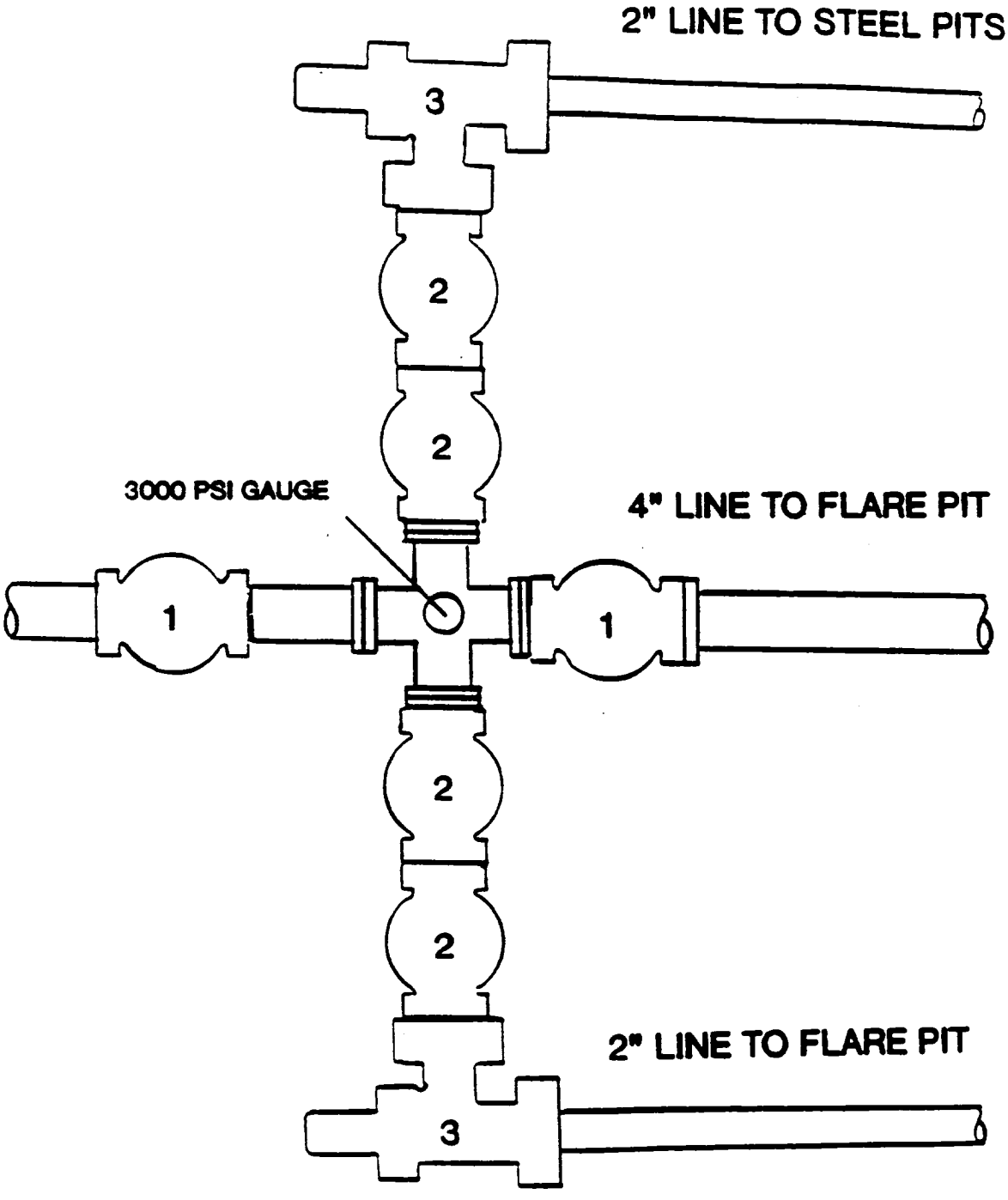


EXHIBIT D

BOP SPECIFICATIONS



CHOKE MANIFOLD DIAGRAM



1 4-1/16" GATE VALVE

2 2" GATE VALVE

3 2" CHOKE

DRILLING OPERATIONS PLAN

I. Hydrogen Sulfide Training

All contractors and subcontractors employed by Conoco will receive or have received training from a qualified instructor within the last twelve months in the following areas prior to commencing drilling operations on this well.

1. The hazards and characteristics of hydrogen sulfide (H2S)
2. Safety precautions
3. Operations of safety equipment and life support systems.

In addition, contractor supervisory personnel will be trained or prepared in the following areas:

1. The effect of H2S on metal components in the system, especially high tensile strength tubulars are to be used.
2. Corrective action and shut-down procedures when drilling or reworking a well, blowout prevention and well control procedures, if the nature of work performed involves these items.
3. The contents and requirements of the contingency plan when such plan is required.

All personnel will be required to carry documentation of the above training on their person.

II. H2S EQUIPMENT AND SYSTEMS

1. Safety Equipment

The following safety equipment will be on location:

A. Wind direction indicators as seen in attached diagram.
B. Automatic H2S detection alarm equipment (both audio and visual).
C. Clearly visible warning signs as seen on the attached diagram. Signs will use the words "POISON GAS" and "CAUTION" with a strong color contrast.
D. Protective breathing equipment will be located in the dog house and at briefing areas as seen in the attached diagram.

2. Well Control Systems

A. Blowout Prevention Equipment

Equipment includes but is not limited to:

a. pipe rams to accomodate all pipe sizes
b. blind rams
c. choke manifold
d. closing unit
e. flare line and means of ignition

B. Communication

The rig contractor will be required to have two-way communication capability. Conoco will have either land-line or mobile telephone capabilities.

C. Mud Program

The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight,safe drilling practices, and the use of H2S scavengers when appropriate will minimize hazards when penetrating H2S bearing zones.

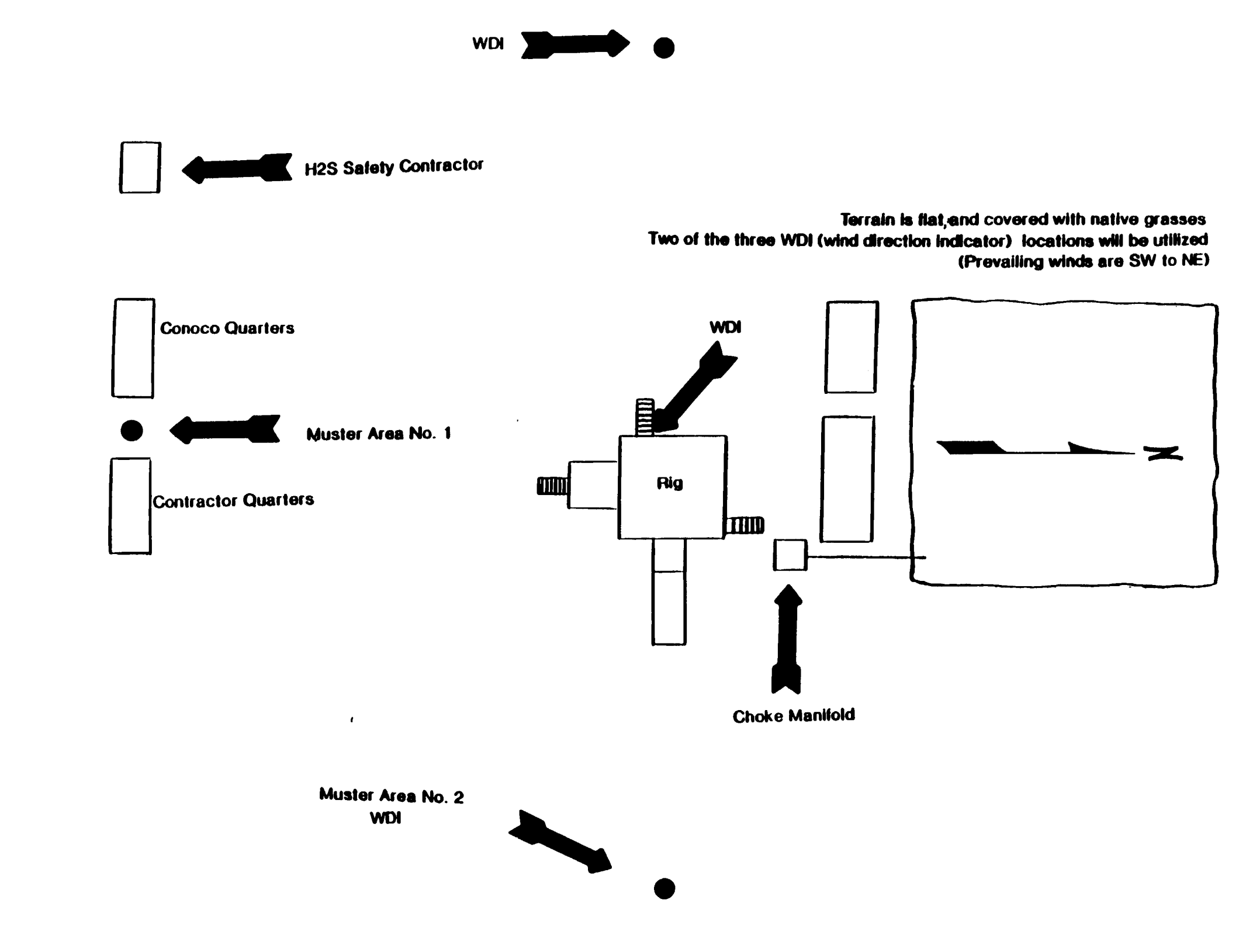
D. Drill Stem Tests

There are no drill stem tests proposed for this well.

III. WELL SITE DIAGRAM

A complete well site diagram including the following information is attached:

1. Rig orientation
2. Terrain
3. Briefing areas
4. Ingress and egress
5. Pits and flare lines
6. Caution and danger signs
7. Wind indicators and prevailing wind direction


WDI
H2S Safety Contractor
Terrain is flat,and covered with native grasses
Two of the three WDI (wind direction indicator) locations will be utilized
(Prevailing winds are SW to NE)
Conoco Quarters
Muster Area No. 1
Contractor Quarters
WDI
Rig
N
Choke Manifold
Muster Area No. 2
WDI