

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.		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 UNIT 258F
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. 30 039 27260
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SWSW 645FSL 220FWL At proposed prod. zone		10. Field and Pool, or Exploratory BLANCO MESAVERDE/BASIN DAKOT.
14. Distance in miles and direction from nearest town or post office*		11. Sec., T., R., M., or Blk. and Survey or Area Sec 23 T28N R7W Mer NMP
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	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 7793 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6600 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well 320.00 W/L
20. BLM/BIA Bond No. on file		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:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. 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 12/16/2002
Title AUTHORIZED SIGNATURE		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date 12/21/04
Title Acting Field Manager - Minerals	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 #16928 verified by the BLM Well Information System
For CONOCO INC., sent to the FarmingtonDRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".This action is subject to technical and
procedural review pursuant to 43 CFR 3165.8
and appeal pursuant to 43 CFR 3165.4

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

NMOCD

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

District II
PO Drawer 00, 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 30-039-27260		*Pool Code 72319 \ 71599	*Pool Name BLANCO MESAVERDE \ BASIN DAKOTA
*Property Code 016608 31739	*Property Name SAN JUAN 28-7 UNIT		*Well Number 258F
*GRID No. 005073	*Operator Name CONOCO, INC.		*Elevation 6600'

¹⁰ Surface Location

UL or lot no. M	Section 23	Township 28N	Range 7W	Lot Idn	Feet from the	North/South line SOUTH	Feet from the	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

<div><p>16</p><p>SF-079290</p><p>5289.24</p><p>5280.00</p><p>23</p><p>5276.04</p><p>220'</p><p>645'</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></p><p>Signature Vicki R. Westby</p><p>Printed Name Sr. Title Analyst</p><p>Title <i>October 14, 2002</i></p><p>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: AUGUST 21, 2002</p><p>Signature and Seal of Professional Surveyor</p><div><p><i>JASON C. EDWARDS</i></p><p>Certificate Number 15269</p></div></div>

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 28-7 258F

(Not
Assigned)

ConocoPhillips
San Juan business
Unit

Lease :	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)

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

"Air Drilled"

Location : Surface	Latitude : 36.64	Longitude : -107.55	X :	Y :	Section : 23	Straight Hole
Footage X : 220 FWL	Footage Y : 645 FSL	Elevation: 6600	(FT)	Survey : 28N	Abstract: 7W	

Location Type : Year Round	Start Date (Est.)	Completion Date :	Date In Operation :
Formation Data Assume KB 6613	Units = FT		

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	200	6413	<input type="checkbox"/>			Possible lost circulation. 12 1/4" Hole. 9 5/8", 36 ppf, J-55, STC casing. Circulate cement to surface. Test casing to 500 psi.
NCMT	1083	5530	<input type="checkbox"/>			
OJAM	2438	4175	<input type="checkbox"/>			Possible water flows
KRLD	2588	4025	<input type="checkbox"/>			
FRLD	3033	3580	<input type="checkbox"/>			Possible gas
PCCF	3283	3330	<input type="checkbox"/>			
LEWS	3483	3130	<input type="checkbox"/>			
Intermediate Casing	3583	3030	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface. Will test to 1500 psi.
CHRA	4223	2390	<input type="checkbox"/>			
CLFH	4913	1700	<input type="checkbox"/>	1300		Gas; possibly wet
MENF	5073	1540	<input type="checkbox"/>			Gas
PTLK	5488	1125	<input type="checkbox"/>			Gas
MNCS	5738	875	<input type="checkbox"/>			
GRHN	7443	-830	<input type="checkbox"/>			Gas possible, highly fractured
TWLS	7533	-920	<input type="checkbox"/>			Gas
CBBO	7653	-1040	<input type="checkbox"/>			Gas
Total Depth	7793	-1180	<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



Well: San Juan 28-7 258F
County: San Juan
Area: West
Rig: Key Rig 49

Company: Conoco, Inc.
Engineer: Brian Tveit
Date: 13-Dec-02

Surface Casing:

	83	sx	Type III Cement + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 3% bwoc Bentonite + 80.7% Fresh Water
Slurry Weight:	13.5	ppg	
Slurry Yield	1.73	cf/sk	
Amount of Mix Water	9.1	gps	
Pump Time	4:00		
Compressives			
8 hrs @ 80 F	800	psi	
24 hrs @ 80 F	1360	psi	
48 hrs @ 80 F	2500	psi	

Intermediate Casing:

Slurry 1	568	sx	Premium Lite FM + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 8% bwoc Bentonite + 116.2% Fresh Water		
Slurry 2	89	sx	Type III Cement + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 60.6% Fresh Water		
Slurry 1			Slurry 2		
Slurry Weight:	12.1	ppg	Slurry Weight:	14.5	ppg
Slurry Yield	2.1	cf/sk	Slurry Yield	1.41	cf/sk
Amount of Mix Water	11.68	gps	Amount of Mix Water	6.84	gps
Pump Time	3:00		Pump Time	2:00	
Compressives			Compressives		
8 hrs @ 80 F		psi	8 hrs @ 80 F	800	psi
24 hrs @ 80 F	250	psi	24 hrs @ 80 F	2150	psi
48 hrs @ 80 F	525	psi	48 hrs @ 80 F	3625	psi

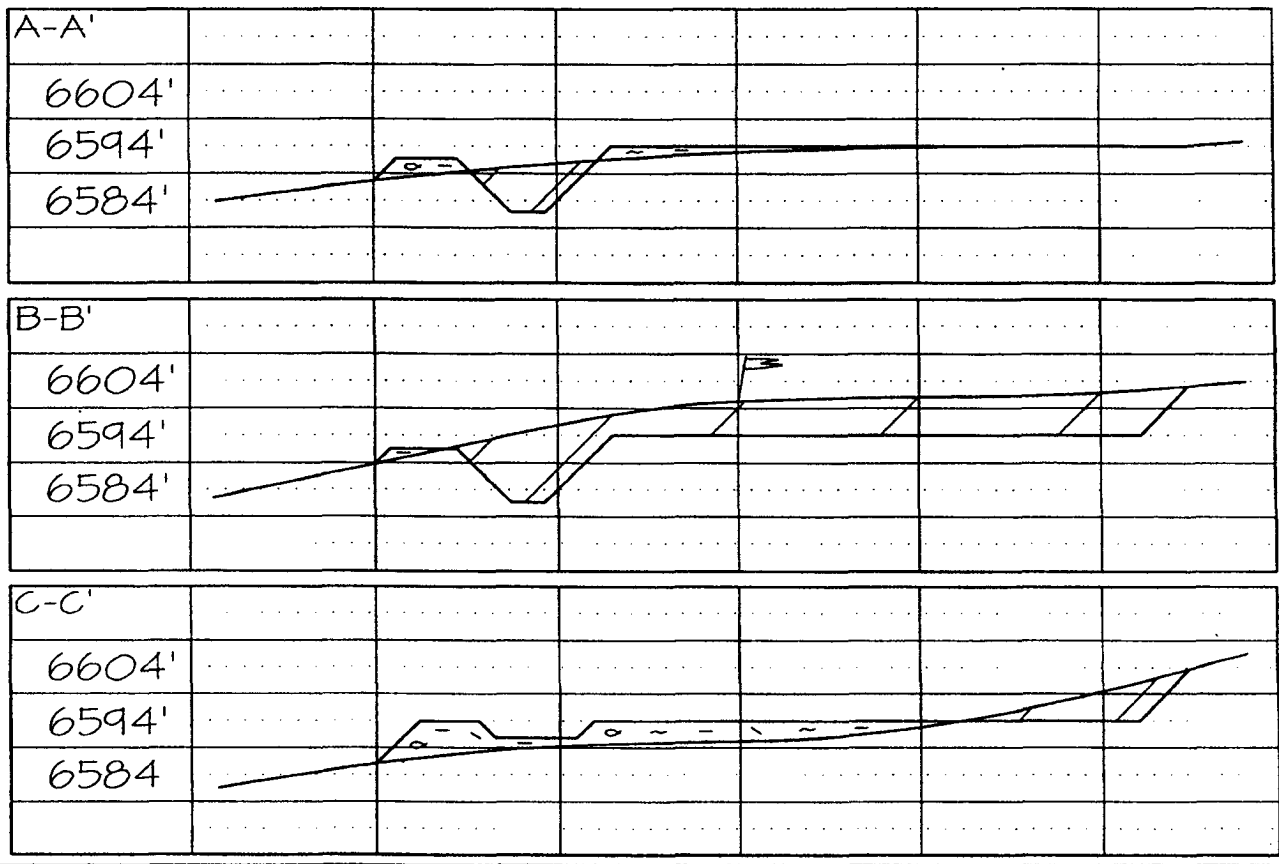
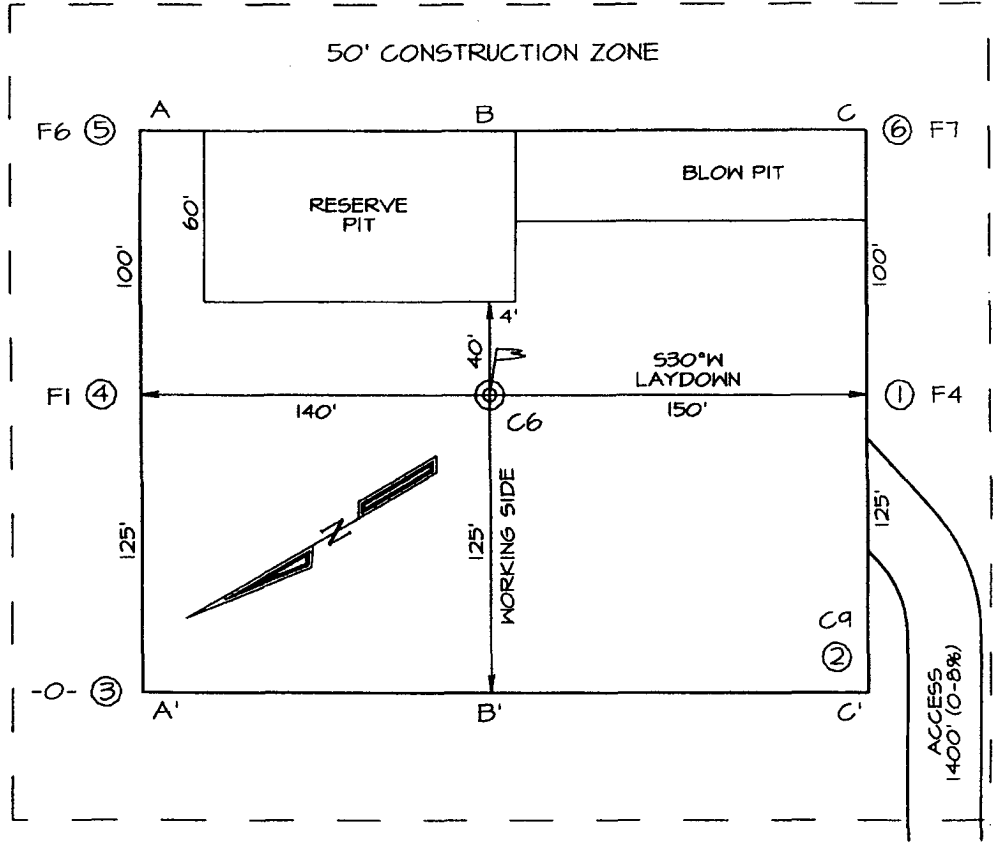
Production Casing:

	300	sx	Premium Lite High Strength FM + 3 lbs/sack CSE + 0.3% bwoc R-3 + 0.25 lbs/sack Cello Flake + 0.45% bwoc CD-32 + 0.65% bwoc FL-52 + 105.7% Fresh Water
Slurry Weight:	12.5	ppg	
Slurry Yield	2.02	cf/sk	
Amount of Mix Water	10.63	gps	
Pump Time	3:00		
Compressives			
8 hrs @ 140 F		psi	
24 hrs @ 140 F	1600	psi	
48 hrs @ 140 F	2000	psi	

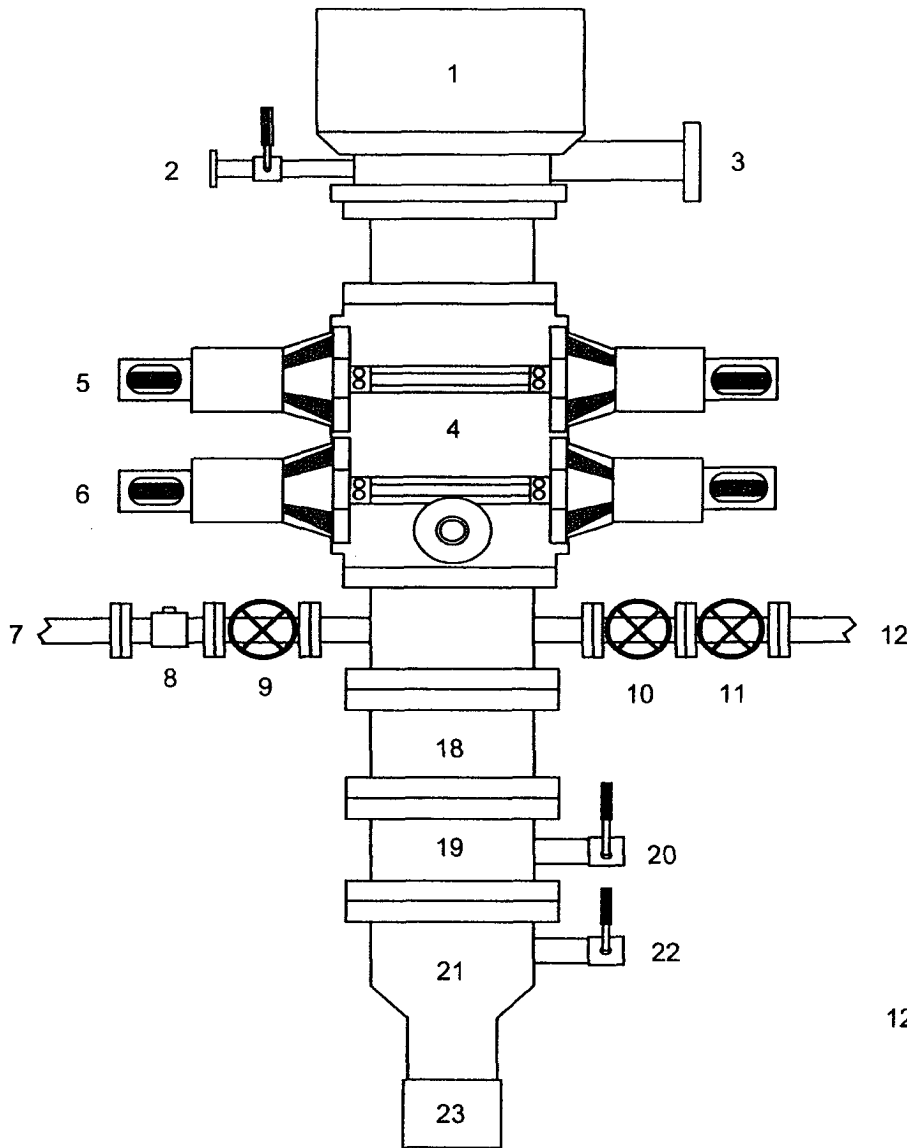
CONOCO, INC. SAN JUAN 28-7 UNIT #258F
645' FSL, 220' FWL, SECTION 23, T28N, R7W, NMPM
RIO ARriba COUNTY, NEW MEXICO GROUND ELEVATION: 6600'

LATITUDE: 36°38'28.70"
LONGITUDE: 107°33'01.93"
 DATUM: NAD1927

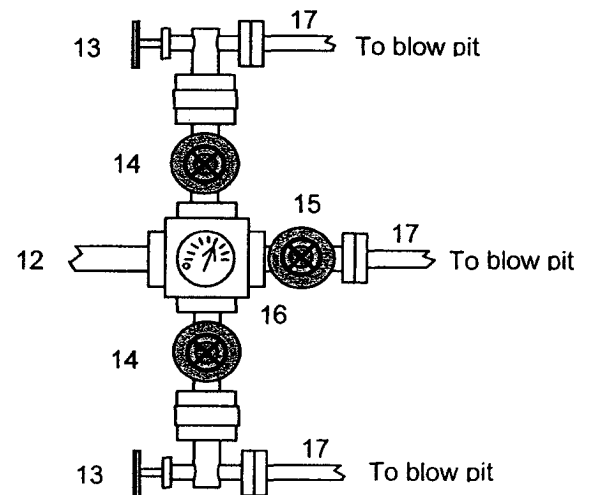
PLAT NOTE:
 SURFACE OWNER
 Bureau of Land
 Management



BLOWOUT PREVENTER HOOKUP



1. Rotating Head
2. Fill-up Line & valve
3. Flowline
4. Blowout Preventer (3000 psi)
5. Pipe Rams
6. Blind Rams
7. Kill Line
8. Kill Line Check Valve
9. Kill Line Valve
10. Inner Choke Line Valve (3")
11. Outer Choke Line Valve (3")
12. Choke Line (3")
13. Variable Choke
14. Choke Line Valve (2")
15. Panic Line Valve (3")
16. Choke Manifold Pressure Gauge
17. Choke Line (2")
18. Spacer Spool
19. Casing Spool "B" Section
20. Casing Spool "B" Section 2" Valve
21. Casing Head "A" Section
22. Casing Head "A" Section 2" Valve
23. 9 5/8" Casing Collar



Drilling contractors used in the San Juan Basin 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. The above diagram of the BOP system 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.

In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

1. Upper Kelly cock Valve with handle
2. Stab-in TIW valve for all drillstrings in use

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	Loreaco 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.