

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0136  
Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5 LEASE DESIGNATION AND SERIAL NO. SF 079321A- 578496	
b TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6 IF INDIAN, ALLOTTEE OR TRIBE NAME	
2 NAME OF OPERATOR Conoco Inc.		7 UNIT AGREEMENT NAME San Juan 28-7	
3 ADDRESS AND TELEPHONE NO. 10 Desta Drive, Suite 649W, Midland, TX 79705; 915-686-5511		8 FARM OR LEASE NAME WELL NO. 279	
4 LOCATION OF WELL (Report location clearly and in accordance with any State requirements*) At surface 1175' FNL & 845' FWL At proposed prod. Zone 1175' FNL & 845' FWL		9 API WELL NO. 30-039-26449	
14 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*		10 FIELD AND POOL, OR WILDCAT Blanco PC/Basin FC	
15 DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any)		11 SEC. T. R. M. OR BLK. AND SURVEY OR AREA Sec. 3, T27N, R7W	
16 DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		12 COUNTY OR PARISH Rio Arriba	
17 ELEVATIONS (Show whether OF, RT, GR, etc.) 6801'		13 STATE NM	
6 NO. OF ACRES IN LEASE 640		17 NO. OF ACRES ASSIGNED TO THIS WELL 314.99 NW/4 154.99 NW/4	
9 PROPOSED DEPTH 3680'		20 ROTARY OR CABLE TOOLS Rotary	
22 APPROX. DATE WORK WILL START* 6/1/00			

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8 3/4"	J-55; 7"	20#	250'	70 sxs, circ.
6 1/4"	J-55; 4 1/2"	10.5#	3580'	310 sxs, circ.

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

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

It is proposed to drill a vertical wellbore to be downhole commingled in the Blanco Pictured Cliff and Basin Fruitland Coal Pools following the acquisition of sufficient production test data for allocation purposes. A downhole commingling application will be filed with the BLM and OCD. An NOS was filed 3/10/00. The well will be drilled and equipped according to the following additional attachments:

1. Well Location & Acreage Dedication Plat (C-102).
2. Proposed Well Plan Outline.
3. Cementing Plan.
4. Blowout Preventer Hookup.
5. Surface Use Plan including temporary pipeline tie specifications.
6. Production Facility Layout.

APD/ROW

This application includes ROW's for the well pad, cathodic protection, and pipeline. The pipe-wall thickness is .156 and the pipe-wall strength is 42,000# yield.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen 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.

SIGNED [Signature] TITLE Sr. Property Analyst

DATE 5/15/00

PERMIT NO. \_\_\_\_\_

APPROVAL DATE 6/30/00

Application 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.

CONDITIONS OF APPROVAL, IF ANY

APPROVED BY \_\_\_\_\_

TITLE \_\_\_\_\_

DATE 6/30/00

\*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 United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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, 1992

Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

2017 17 01 2:10 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30-039-26449</b>	*Pool Code <b>72439 / 71629</b>	*Pool Name <b>SOUTH BLANCO PICTURED CLIFFS/BASIN FRUITLAND COAL</b>
*Property Code <b>016608</b>	*Property Name <b>SAN JUAN 28-7 UNIT</b>	*Well Number <b>279</b>
*GRID No. <b>005073</b>	*Operator Name <b>CONOCO, INC.</b>	*Elevation <b>6801</b>

<sup>10</sup> Surface Location

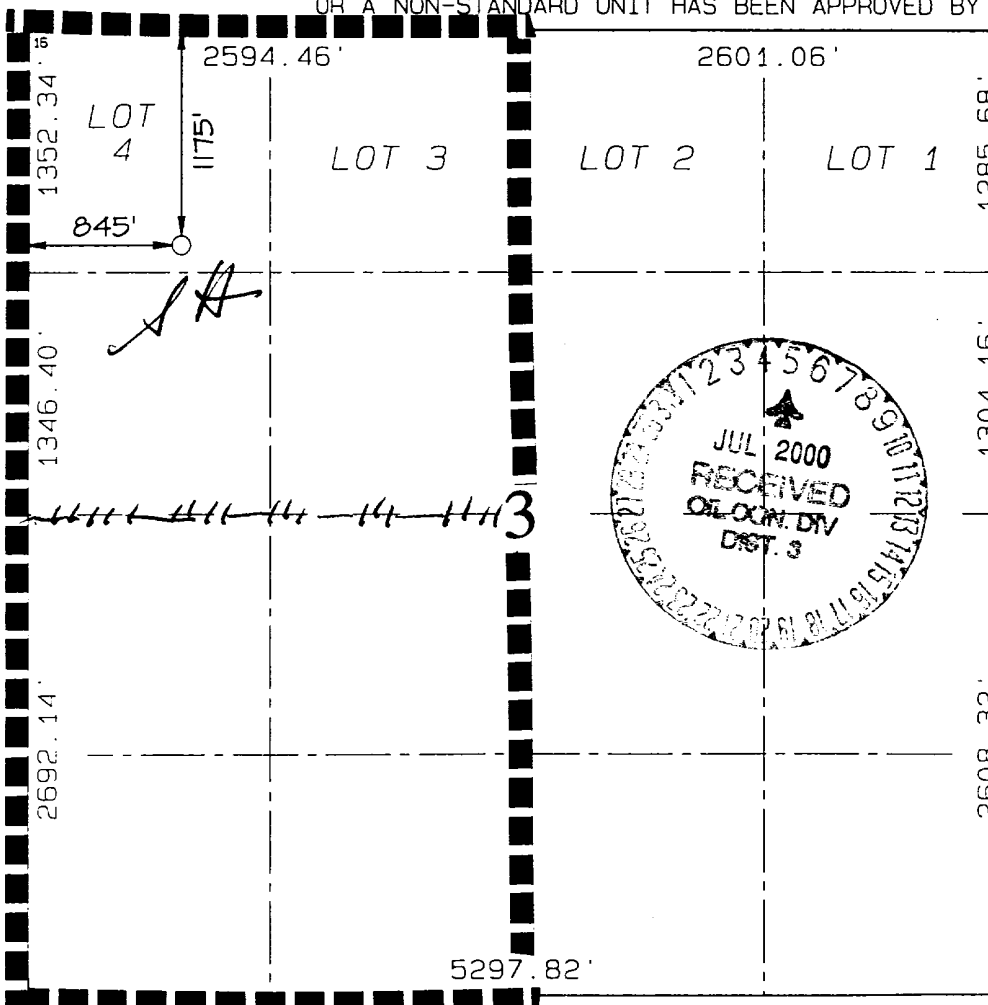
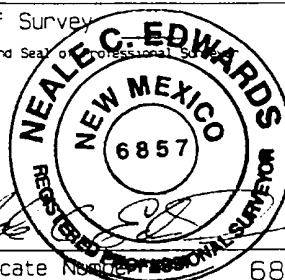
U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>3</b>	<b>27N</b>	<b>7W</b>		<b>1175</b>	<b>NORTH</b>	<b>845</b>	<b>WEST</b>	<b>RIO ARriba</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

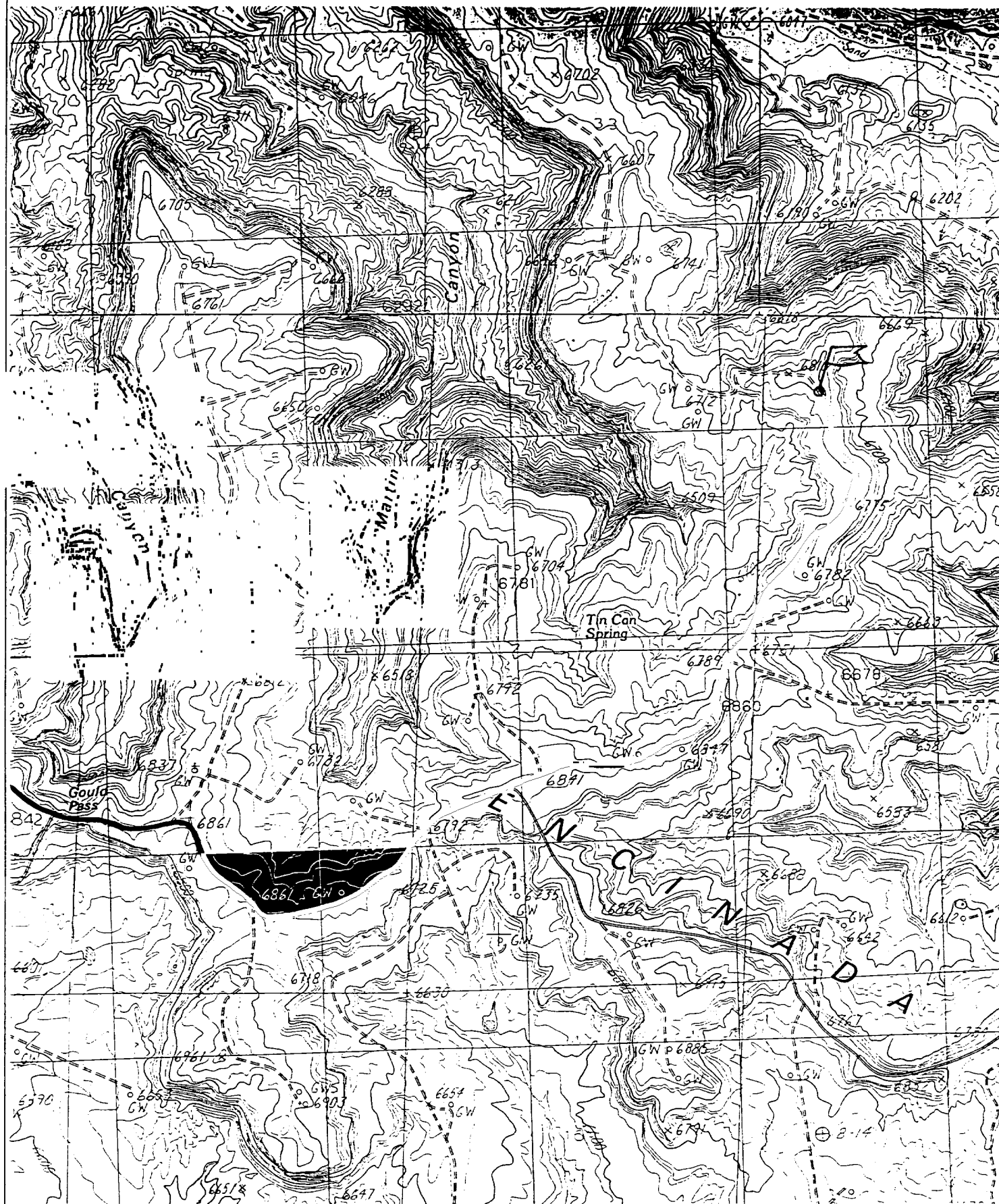
U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

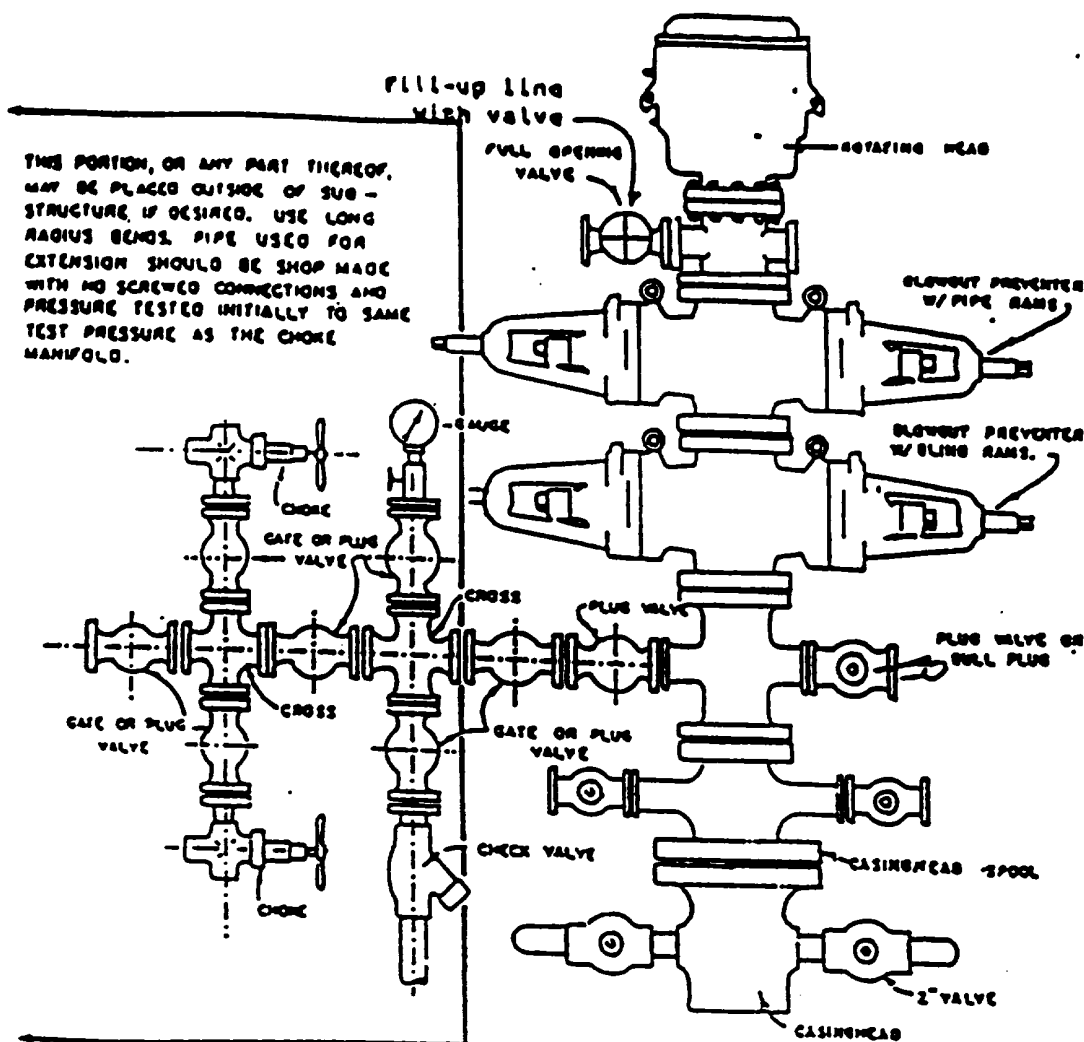
<sup>12</sup> Dedicated Acres <b>319.94 / 159.99 AM/4</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><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>Mike L. Mankin</i> Signature Mike L. Mankin Printed Name Right-Of-Way Agent Title 4-12-00 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>JANUARY 19, 2000 Date of Survey Signature and Seal of Professional Surveyor  Certificate Number 6857</p>
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CONOCO, INC. SAN JUAN 28-7 UNIT #279  
1175' FNL & 845' FNL, SECTION 3, T27N, R7W, N.M.P.M.  
RIO ARriba COUNTY, NEW MEXICO





### 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 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>	Loresco SW Calcined 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 arroyo'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 <i>always</i> 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.