FORM APPROVED UNITED STATES OMB NO. 1004-0136 Expires February 28, 1995 **DEPARTMENT OF THE INTERIOR** 5. LEASE DESIGNATION AND SERIAL NO **BUREAU OF LAND MANAGEMENT** SF 078455 972 APPLICATION FOR PERMIT TO DRILL OR DEEPEN 6. IF INDIAN, ALLOTTEE OR TRIBE NAME la. TYPE OF WORK 2001 MAR -7 PM 1: 18 DRILL X _ DEEPEN 7. UNIT AGREEMENT NAME TYPE OF WELL San Juan 28-7 GAS WELL MULTIPLE ZONE OIL WELL SINGLE ZONE 8 FARM OR LEASE NAME WELL NO 2. NAME OF OPERATOR #181F 9 API WELL NO Conoco Inc. 30-039-26698 3. ADDRESS AND TELEPHONE NO 10 Desta Drive, Suite 649W, Midland, TX/79705; 915/686-5565 10. FIELD AND POOL, OR WILDCAT OGATION OF WELL (Report location clearly and in accordance with any State requirements* Blanco Mesaverde/ Basin Dakota 2200' FSL & 1400' FWL 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA sed prod. Zone 2200' FSL & 1400' FWL Sec. 3, T27N, R7W 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 12. COUNTY OR PARISH 13. STATE Rio Arriba NM 15/ DISTANCE FROM PROPOSED 6. NO. OF ACRES IN 17. NO. OF ACRES ASSIGNED LOCATION TO NEAREST TO THIS WELL PROPERTY OR LEASE LINE, FT. 319.99 W/2 (Also to nearest drig. Unit line, if any) 18. DISTANCE FROM PROPOSED LOCATION* 9. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS TO NEAREST WELL, DRILLING, COMPLETED 7840' Rotary OR APPLIED FOR, ON THIS LEASE, FT. 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22.APPROX. DATE WORK WILL START* 6786' ---03/17/01 PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 12 1/2" J-55; 9 5/8" 36# 285' 141 sxs, circ. — 8 3/4" J-55; 7" 20# 3822' 608 sxs, circ. _ 6 1/4" J-55, 4 1/2" 10.5# TOC @ 3722', 325 sxs, circ. 7840' ___ It is proposed to drill a vertical wellbore to the Mesaverde/Dakota Pools. A DHC application will be filed with the BLM and NMOCD. An NOS was filed 01/17/01. 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. This action is subject to technical and 4. Blowout Preventer Hookup. precedural review pursuant to 43 CFR 318 5. Surface Use Plan and appeal pursuant to 43 CFR 3165.4. 6. Production Facility Layout. "efficial folgementavist This application includes ROW's for the well pad, cathodic protection, and pipeline. 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 TITLE Analyst DATE 02/16/01 (This space for Federal or State office Use) 4/20 APPROVAL DATE 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 theron CONDITIONS OF APPROVAL, IF ANY 하면 20 Isi Joel Farrell APPROVED BY DATE

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crive 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.

N. V. His

District I PO Box 1980, Hobbs, NM 88241-1980 State of New Mexico
Energy Minerals & Natural Resources Department

Form C–102 Revised February 21, 1994 Instructions on back

District II PO Drawer DD, Artesia, NM 88211-0719 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

District III 1000 Rio Brazos Rd., Aztec, NM 87410 OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

AMENDED REPORT

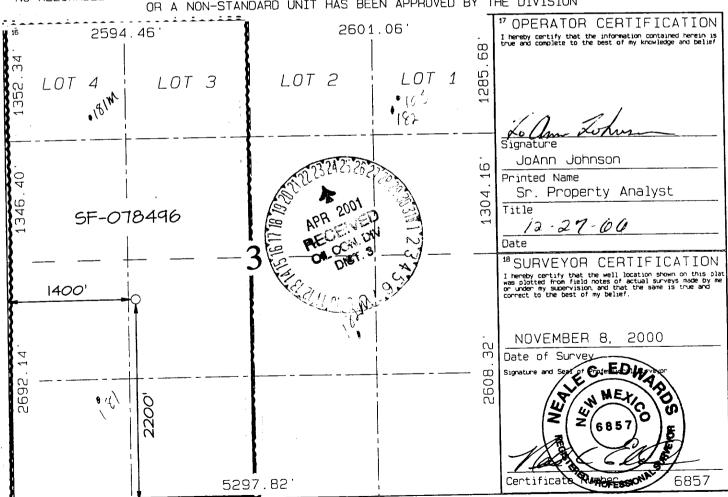
District IV PO Box 2088, Santa Fe, NM 87504-2088 2001 NAR -7 FM 1: 18

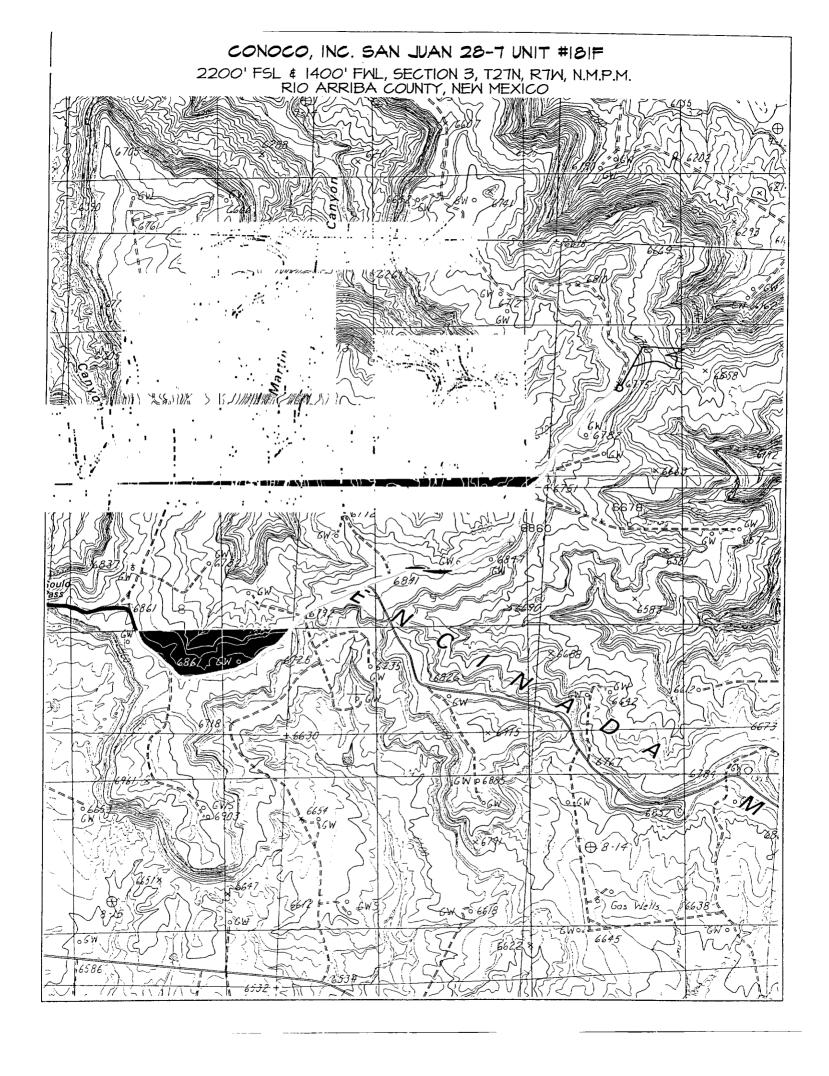
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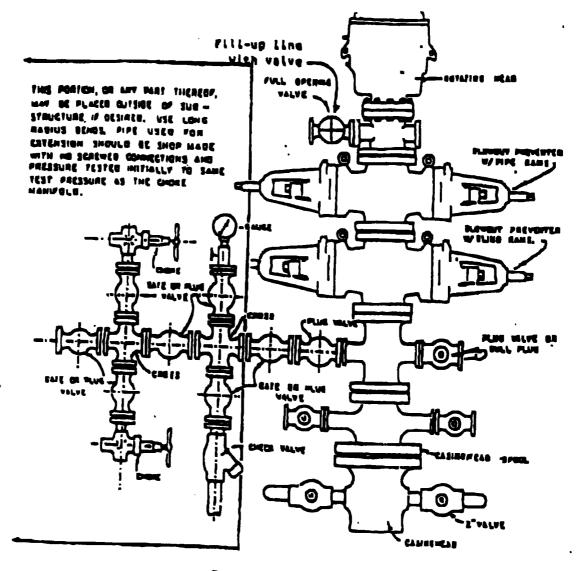
WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number		P001 C008							
31.039	-266	72319 / 71599			BLANCO MESAVERDE / BASIN DAKOTA				
*Property Code		<u> </u>			Property Name				*Well Number
		1							181F
016608		SAN JUAN 28-7 UNII							101
JOSEPH No.		*Operator Name							*Elevation
'OGRID No.		·							6786 🕳
005073		CONOCO, INC.						1	0,00 -
¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	
K	3	27N	7 W		2200	SOUTH	1400	WES	T RIO ARRIBA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township		Lot Idn	Feet from the	North/South line	Feet from the	East/West	line County
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		ŀ		ll		L.,	1.5	1	
12 Deducated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No. 6 - 11/3969									
12 Dedicated Acres 319.99 Acres (W/2) 13 Joint or Infill 14 Consolidation Code 15 Order No. 6 - 11/39/69 5/10/4-6-13-15-16									
THE THE PROPERTY OF THE PROPER									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERÉSTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION







BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basing supply 3000 pai equipment, 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 aquipment according to Onshore Order No. 2 even though the aquipment will test to 3000 psi. deletion 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. Kill line (2 inch maximum). 2.
- One kill line valve. 3.
- 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. Prassure gauge on choke manifold.
- Fill-up line above the upper most preventor. 10. 11.
- Rotating head.