

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. NM-03560
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input 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 99F
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. 30-039-26897
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWSE 1590FSL 2420FEL At proposed prod. zone		10. Field and Pool, or Exploratory BLANCO MESAVERDE Basin Dakota
14. Distance in miles and direction from nearest town or post office*		11. Sec., T., R., M., or Blk. and Survey or Area J Sec 29 T27N 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 RECEIVED OIL CON. DIV DIST. 3	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 7502 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6649 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well 320.00 E/2 NW S/2 Dakota
23. Estimated duration		20. BLM/BIA Bond No. on file

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 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 12/28/2001
Title AUTHORIZED SIGNATURE		
Approved by (Signature) /s/ Jim Lovato	Name (Printed/Typed)	Date 2/19/02
Title Acting AFM Minerals	Office BLM- FFO	

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 #9887 verified by the BLM Well Information System
For CONOCO INC., will be sent to the FarmingtonThis action is subject to technical and
procedural review pursuant to 43 CFR 3185.3
and appeal pursuant to 43 CFR 3185.4.DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
GENERAL REQUIREMENTS

** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT **

NMAOCD

/m

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

District II
PO Drawer DD, 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 30039-26897		*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA
*Property Code 016608	*Property Name SAN JUAN 28-7 UNIT		*Well Number 99F
*GRID No. 005073	*Operator Name CONOCO, INC.		*Elevation 6649'

¹⁰ Surface Location

UL or lot no. J	Section 29	Township 27N	Range 7W	Lot Idn	Feet from the 1590	North/South line SCUT-	Feet from the 2420	East/West line EAST	County RIO ARriba
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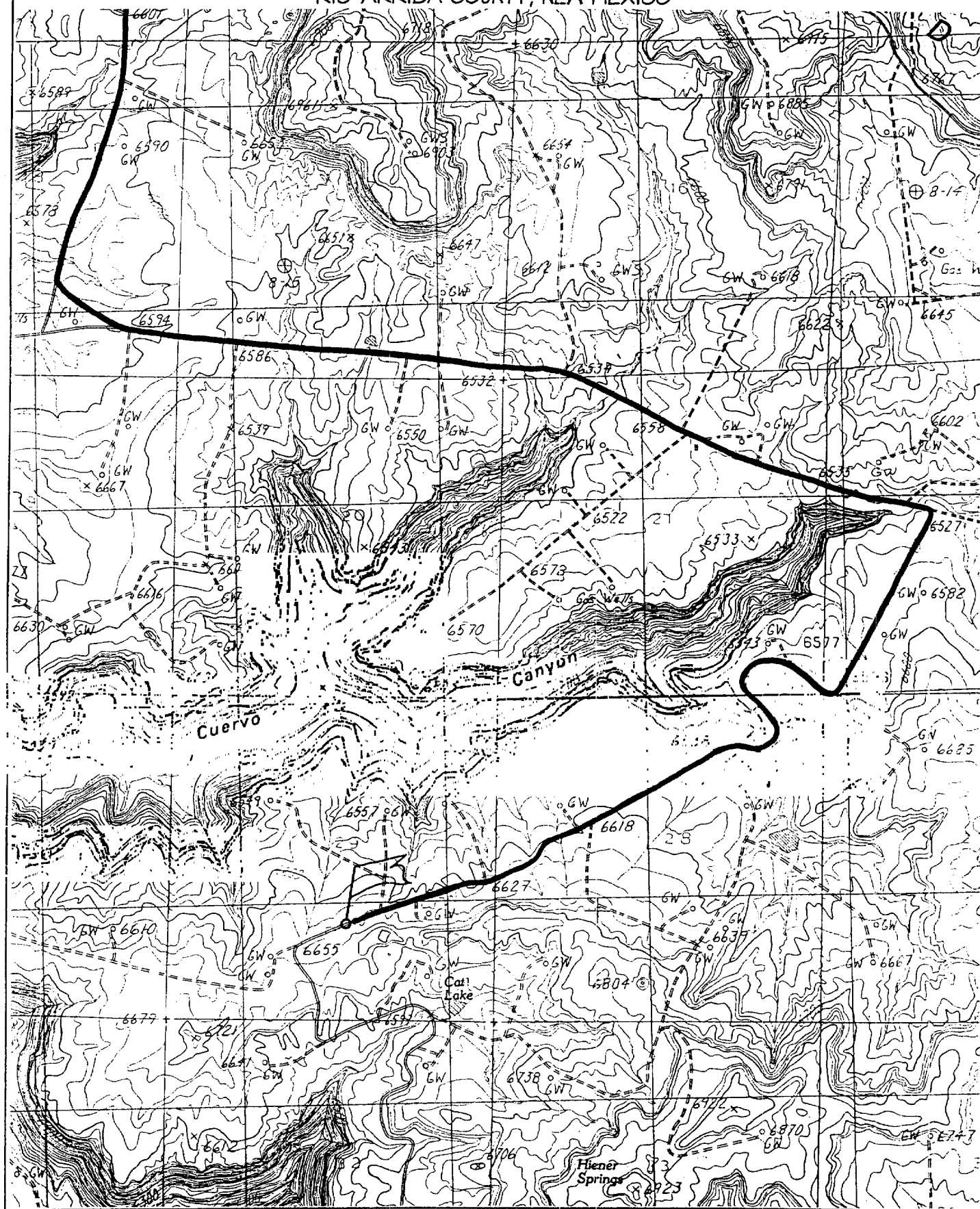
¹¹ Bottom Hole Location If Different From Surface

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 E/MV 320.0 Acres - S/200K					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

¹⁶ <p>5270.10'</p> <p>29</p> <p>← dakota →</p> <p>NM-03560</p> <p>2420'</p> <p>1590'</p> <p>5262.18'</p>	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Vicki Westby</i> Signature Vicki R. Westby Printed Name Sr. Title Analyst Title <i>December 7, 2001</i> Date
	¹⁸ 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 supervision, and that the same is true and correct to the best of my belief. Survey Date: NOVEMBER 12, 2001 Signature and Seal of Professional Surveyor <i>JASON C. EDWARDS</i> Certificate Number 15269

1590' FSL & 2420' FEL, SECTION 29, T27N, R7W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO

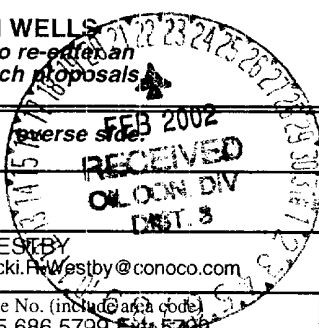


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
*Do not use this form for proposals to drill or to re-enter an
abandoned well. Use form 3160-3 (APD) for such proposals.*

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

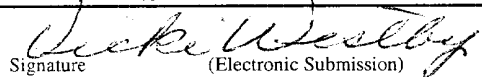
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other			5. Lease Serial No. NM-03560
2. Name of Operator CONOCO INC.			6. If Indian, Allottee or Tribe Name
3a. Address 10 DESTA DR., ROOM 608W MIDLAND, TX 79705			7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 915.686.5799 Ext. 5799			8. Well Name and No. SAN JUAN 28-7 UNIT 99F
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 29 T27N R7W NWSE 1590FSL 2420FEL		9. API Well No.	10. Field and Pool, or Exploratory BLANCO MESAVERDE/BASIN DAKOTA
		11. County or Parish, and State RIO ARRIBA COUNTY, NM	

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A PD
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Conoco Inc. now proposes to complete this vertical wellbore in the Blanco Mesaverde/Basin Dakota formations. This well will be downhole commingled pursuant to the terms and conditions in Order R-11363.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #10329 verified by the BLM Well Information System For CONOCO INC., will be sent to the Farmington	
Name (Printed/Typed) VICKI WESTBY	Title AUTHORIZED SIGNATURE
 Signature (Electronic Submission)	Date 02/08/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title PE	Date 2/19/02
Conditions of approval, if any, are attached. Approval of this notice 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.	Office PFO	

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.

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NMOCD

PROJECT PROPOSAL - New Drill / Sidetrack



Well : SAN JUAN 28-7 99F	Lease : SAN JUAN 28-7	AFE # : 3473 (MV)	AFE \$: 184000
Field Name : EAST 28-7	Rig : Key 43	State : NM	County : Rio Arriba
Geoscientist : Glaser, Terry J		Phone : (281) 293 - 6538	Prod. Engineer : Moody, Craig E.
Res. Engineer : Valvatne, Christine K.		Phone : (281) 293 - 6559	Proj. Field Lead : Bergman, Pat W.
Phone : (281) 293 - 6517		Phone : (281) 293 - 6517	

Primary Objective (Zones) :

Pool	Pool Name
RON	BLANCO MESAVERDE (PRORATED GAS)

"Air Drilled"

Surface Location :

Latitude : 36.540994 Longitude : -107.5972 X : Y : Section : 29 Survey : 27N Abstract : 7W

Footage X : 2420 FEL Footage Y : 1590 FSL Elevation: 6649 (FT)

Bottom Hole Location :

Latitude : Longitude : X : Y : Section : Survey : Abstract :

Location Type : Year Round Start Date (Est.) : Completion Date : Date In Operation :

Formation Data : Assume KB = 6662 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion	BHP (PSIG)	BHT	Remarks
Surface Casing	285	6377				Severe lost circulation is possible. 9 5/8", 36 ppf, J-55, STC casing. Circulate cement to surface.
OJAM	2205	4457				Possible water flows"
KRLD	2312	4350				
FRLD	2755	3907				Possible gas
PCCF	2907	3755				
LEWS	3305	3357				
Intermediate Casing	3405	3257				7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	3837	2825				
CLFH	4602	2060		1300		Gas; possibly wet
MENF	4642	2020				Gas
PTLK	5237	1425				Gas
MNCS	5537	1125				
GLLP	6362	300				
GRHN	7142	-480				Gas possible, highly fractured
TWLS	7252	-590				Gas
CBBO	7362	-700				Gas

PROJECT PROPOSAL - New Drill / Sidetrack



Total Depth	7502	-840		3000	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.
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Logging Program :

Intermediate Logs :

☐ Log only if show ☐ GR / ILD ☐ Triple Combo

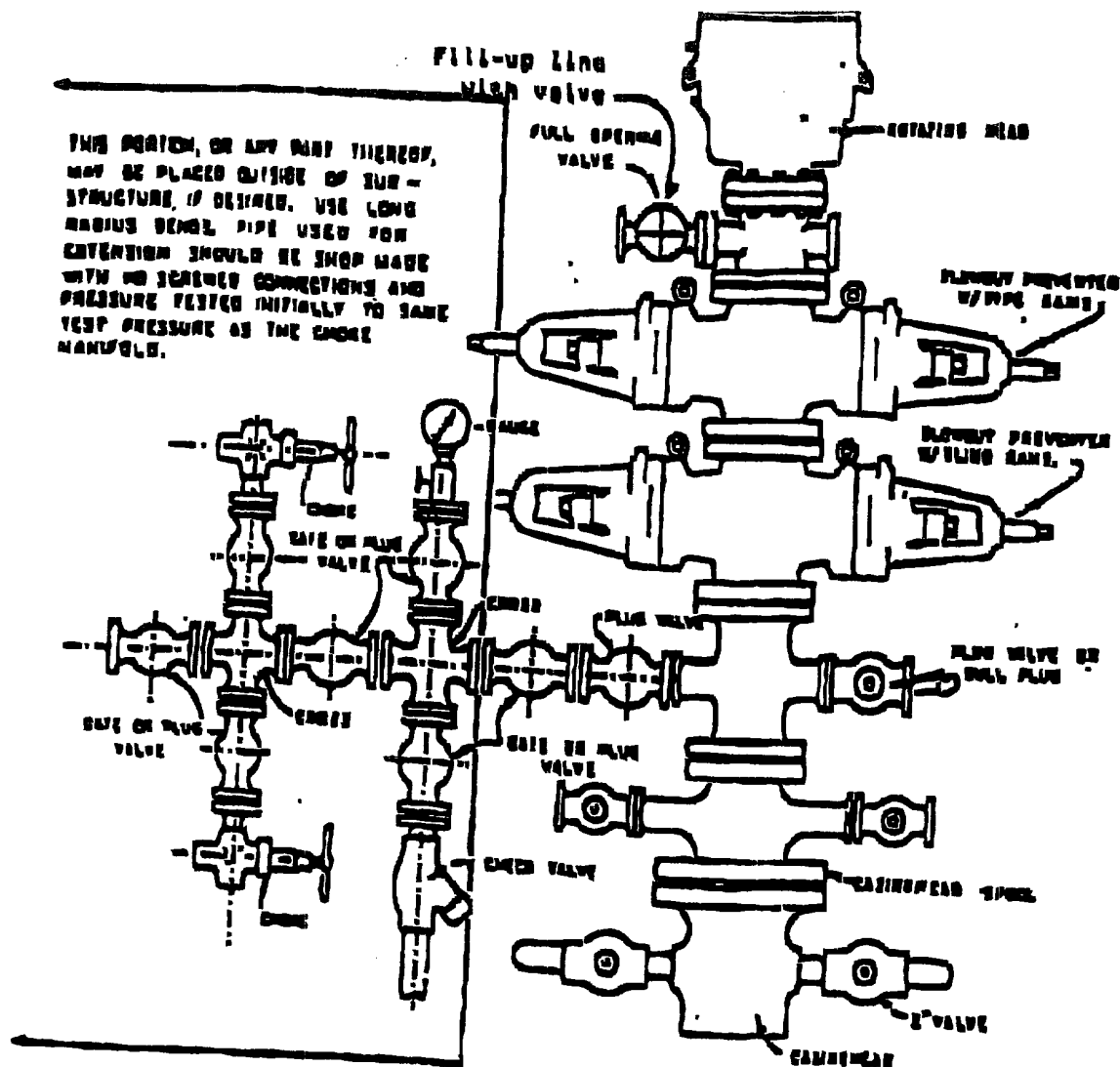
TD Logs :

☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☒ TDT

Additional Information :

Logging company to provide a sketch with all lengths, OD's & ID's of all tools prior to running in the hole.
Cased hole TDT with GR to surface.

Comments :



BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basing supply 3000 psi equipment, but cannot provide annular preventers 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 according to Onshore Order No. 2 even though the equipment will test to 3000 psi. The 2000 psi system allows deletion of the annular preventer and fulfills your requirements (note diagram No. 1). In addition, the following equipment will comprise the 3000 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 preventer.
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 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	Loraco 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.