

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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-078640
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 152F
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. 30-039-26939
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWSW 2260FSL 650FWL 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 L Sec 21 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	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 7528 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6565 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well 320.00 W/2
23. Estimated duration		20. BLM/BIA Bond No. on file

~~This action is subject to technical and procedural review pursuant to 43 CFR 3105.3 and appeal pursuant to 43 CFR 3105.4.~~

24. Attachments

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

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.
2. A Drilling Plan.
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).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission) <i>Vicki Westby</i>	Name (Printed/Typed) VICKI WESTBY	Date 02/15/2002
Title AUTHORIZED SIGNATURE		
Approved by (Signature) <i>/s/ David J. Mankiewicz</i>	Name (Printed/Typed)	Date APR 15 2002
Title <i>AFM</i>	Office <i>FFO</i>	

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 #10185 verified by the BLM Well Information System
For CONOCO INC., will be sent to the Farmington

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

MAOCD

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 30-039-26939		*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA
*Property Code 016608	*Property Name SAN JUAN 28-7 UNIT		*Well Number 152F
*GRID No. 005073	*Operator Name CONOCO, INC.		*Elevation 6565'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	21	27N	7W		2260	SOUTH	650	WEST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

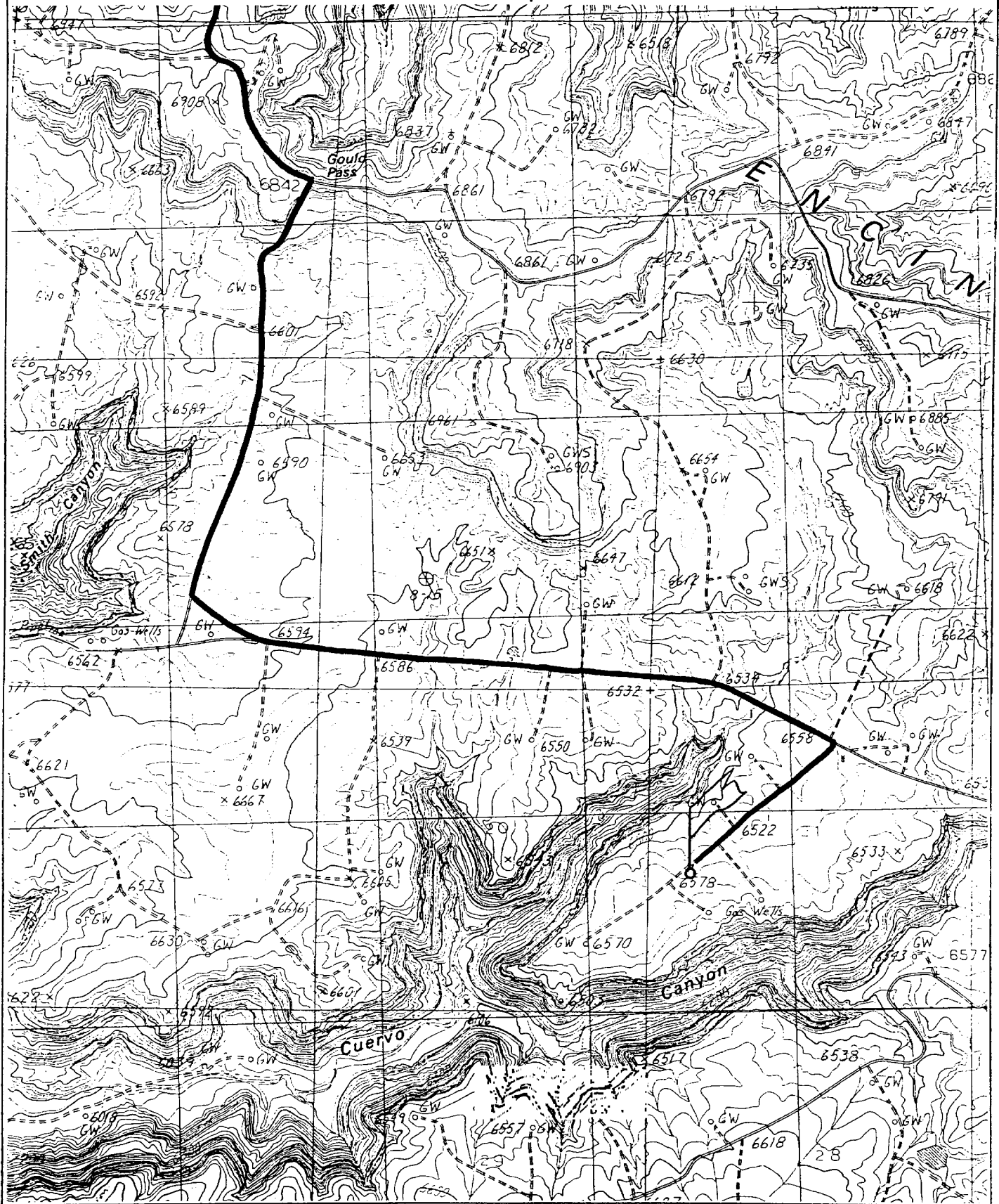
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320.0 Acres - (W/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

<div><p>¹⁶</p><p>SF-078640</p><p>21</p></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 R. Westby</i> Signature Vicki R. Westby Printed Name Sr. Title Analyst Title <i>December 7, 2001</i> Date</p>
	<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: NOVEMBER 13, 2001</p> <p>Signature and Seal of Professional Surveyor</p> <div><p>JASON C. EDWARDS Certificate Number 15269</p></div>

CONOCO, INC. SAN JUAN 28-7 UNIT #152F
2260' FSL & 650' FWL, SECTION 21, T27N, R7W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO



PROJECT PROPOSAL - New Drill / Sidetrack



Well : SAN JUAN 28-7 152F	Lease : SAN JUAN 28-7	AFE # :		AFE \$:
Field Name : EAST 28-7	Rig :	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) :

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

"Air Drilled"

Surface Location :

Latitude : 36.557381	Longitude : -107.5867	X :	Y :	Section : 21	Survey : 27N	Abstract : 7W
Footage X : 650 FWL	Footage Y : 2260 FSL	Elevation: 6565 (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 = 6578 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion	BHP (PSIG)	BHT	Remarks
Surface Casing	285	6293				Severe lost circulation is possible. 9 5/8", 36 ppf, J-55, STC casing. Circulate cement to surface.
OJAM	2153	4425				Possible water flows"
KRLD	2303	4275				
FRLD	2713	3865				Possible gas
PCCF	2963	3615				
LEWS	3363	3215				
Intermediate Casing	3463	3115				7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	3903	2675				
CLFH	4663	1915		1300		Gas; possibly wet
MENF	4678	1900				Gas
PTLK	5243	1335				Gas
MNCS	5578	1000				
GLLP	6453	125				
GRHN	7178	-600				Gas possible, highly fractured
TWLS	7268	-690				Gas
CBBO	7403	-825				Gas

PROJECT PROPOSAL - New Drill / Sidetrack



Total Depth	7528	-950	<input type="checkbox"/>	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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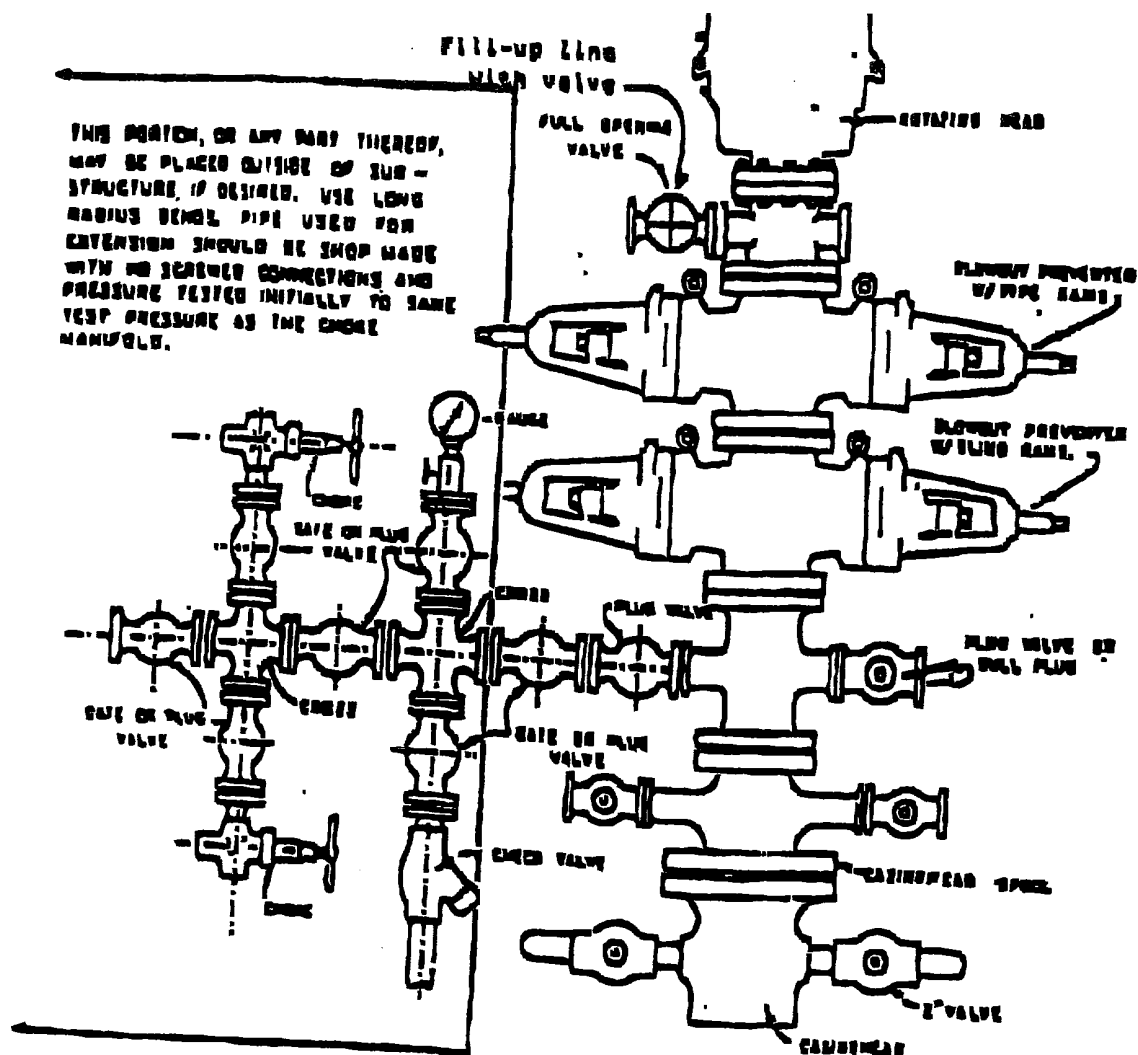
Logging Program :

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 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 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 (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

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	Loranco 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.