

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 ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Conoco Inc.

3. ADDRESS AND TELEPHONE NO.

10 Desta Drive, Suite 649W, Midland, TX 79705; 915/686-5565

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)

At surface

1700' FSL & 700' FEL

At proposed prod. Zone

1700' FSL & 700' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. Unit line, if any)

6. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320.0 E/2

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

9. PROPOSED DEPTH

6850' -

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6376'

22. APPROX. DATE WORK WILL START*

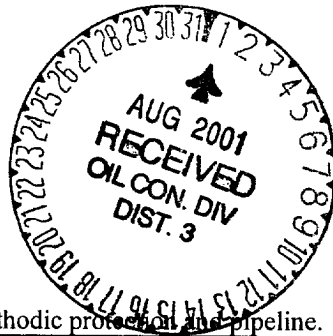
07/25/01

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#	498'	312 sxs, circ. —
6-1/4"	J-55, 4 1/2"	10.5#	6850' —	1,667 sxs, TOC @ 398' —

It is proposed to drill a vertical wellbore in the Basin Dakota Pool. An NOS was filed 03/30/01. The well will be drilled and equipped according to the following attachments.

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



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
MIDLAND OFFICE

APD/ROW

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.

SIGNED

Kimberly Southall

TITLE Associate Property Assistant

DATE 05/18/01

(This space for Federal or State office Use)

PERMIT NO.

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 thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

/s/ Lee Otten

TITLE

FM

DATE

7-27-01

*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

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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

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

88 MAY 21 PM 12:58

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-30671	*Pool Code 71599	*Pool Name BASIN DAKOTA
*Property Code 18109	*Property Name NEWSOM	*Well Number 20E
*OGRIID No. 005073	*Operator Name CONOCO, INC.	*Elevation 6376'

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
I	19	26N	8W		1700	SOUTH	700	EAST	SAN JUAN

¹¹Bottom 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 (E/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

The survey plat depicts four lots arranged around a central well location. Lot 1 (top-left) contains a circular seal from the Oil Company District No. 3, dated August 2001, with a star indicating the well location. Lot 2 (top-right) is labeled SF-078433. Lot 3 (bottom-left) is labeled NM-04226. Lot 4 (bottom-right) shows a well location marked with a circle and crosshair, with dimensions of 700' horizontally and 1700' vertically from the bottom boundary. The plat includes bearings and distances for all boundaries: North (1294.26', 1300.86', 2601.06'), East (5198.82'), South (2628.12'), and West (5256.90'). A large number '19' is centered between the top and bottom sections.

Operator Certification

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Kim Southall*
Printed Name: Kim Southall
Title: Property Analyst
Date: May 1, 2001

Surveyor Certification

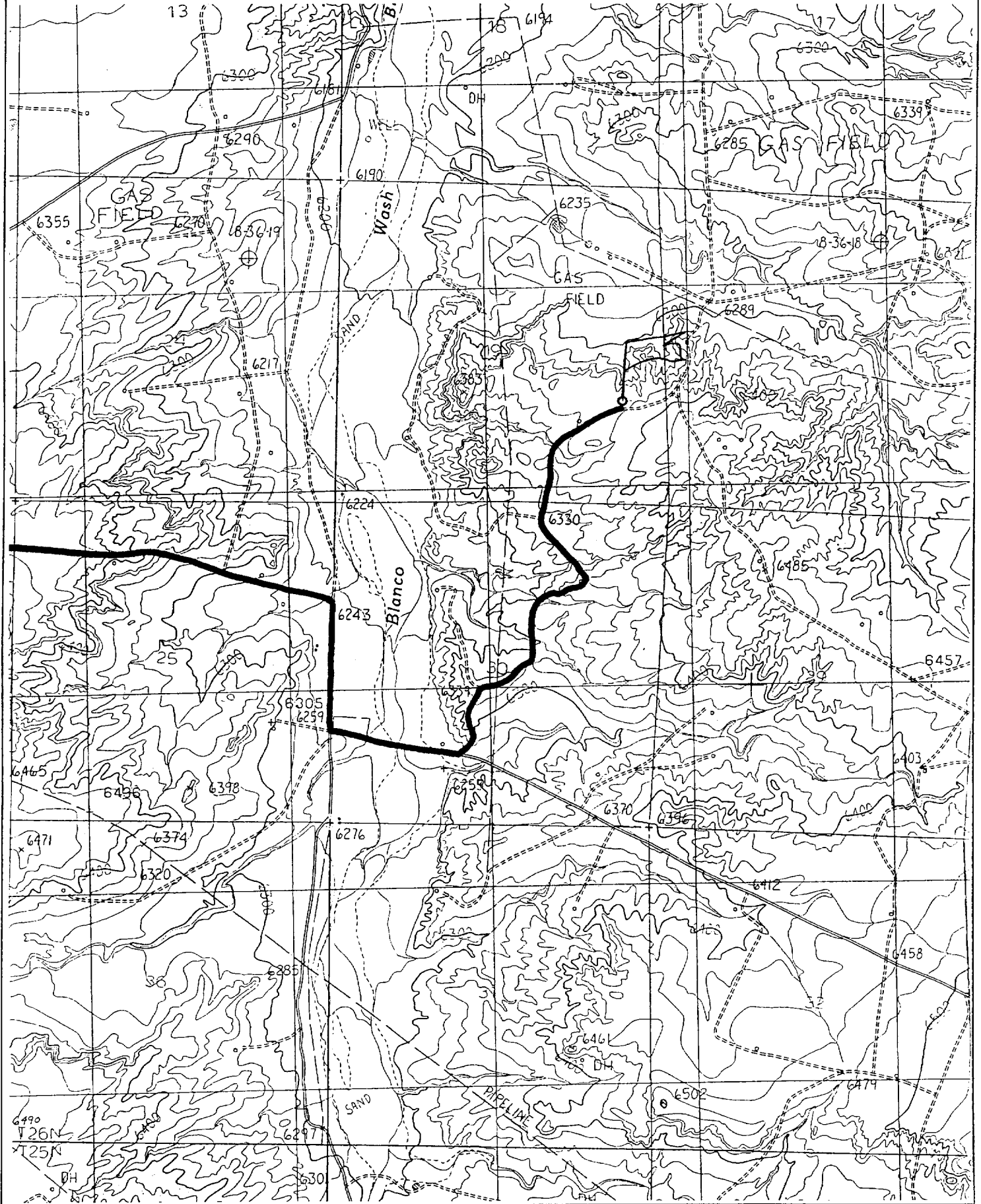
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: APRIL 17, 2001

Signature and Seal of Professional Surveyor: *Neale G. Edwards*
Seal: NEALE G. EDWARDS, NEW MEXICO, 6857
Certificate Number: 6857

CONOCO, INC. NEWSOM #20E

1700' FSL & 700' FEL, SECTION 19, T26N, R8W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



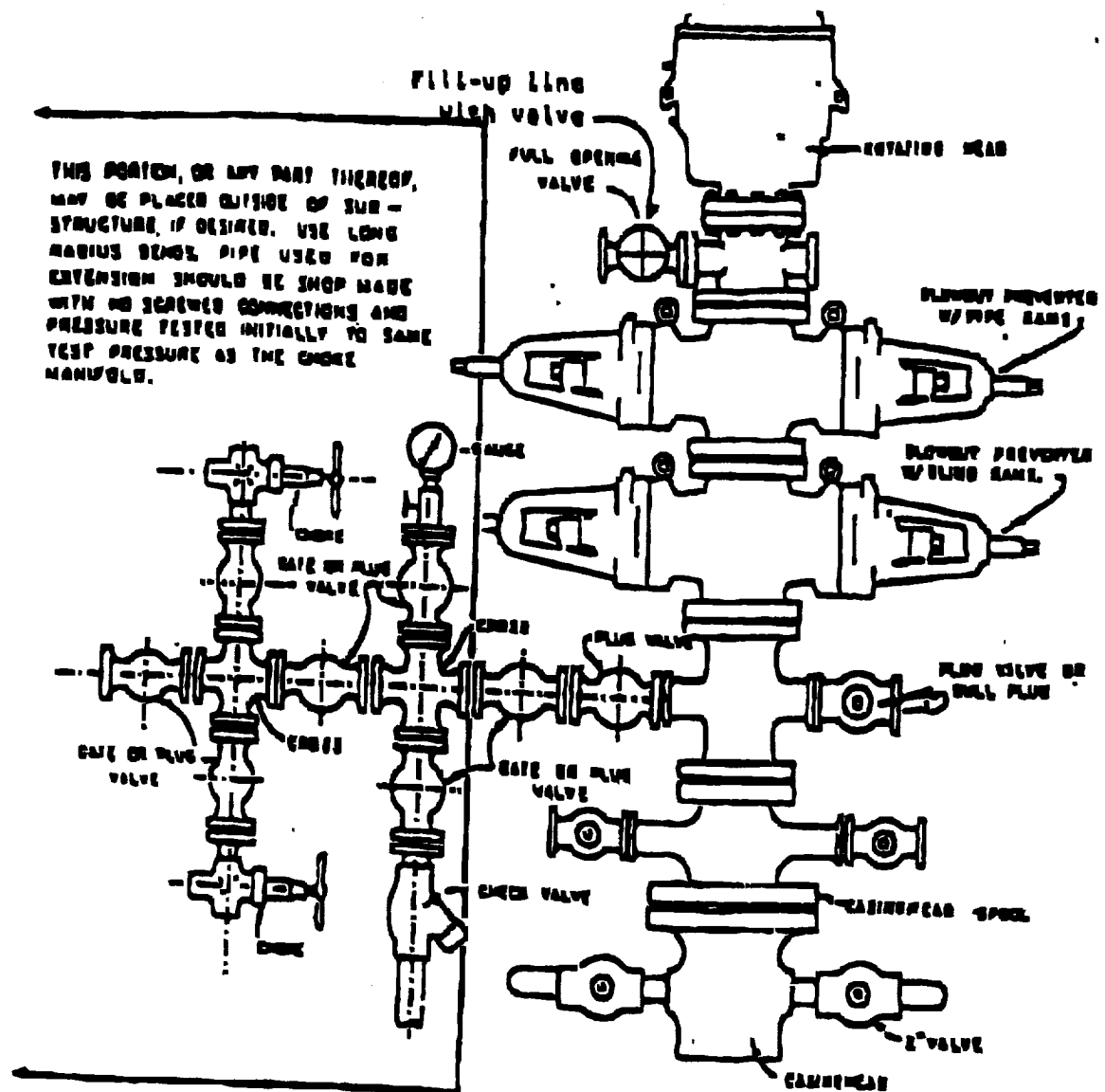


Cementing Summary

Newsom 20E

	OH					
	Depth	Excess				
9-5/8" Sfc. Casing	0		Class 'H' Cement	312 sx	Slurry Volume	330.6 cu ft
			Flocele (if req'd)	0.25 lb/sk		58.9 bbl
			CaCl ₂	2.00% bwoc-db	Slurry Density	16.4 ppg
			Defoamer (if req'd)	0.05 gal/bbl	Slurry Yield	1.06 cu ft/sk
					Mix Fluid	4.3 gal/sk
9-5/8" shoe	500 498	100%				
Stage #2 Lead Cement	75%		Cement Blend	664 sx	Slurry Volume	1878.5 cu ft
			Class 'H' Cement	47 lb/sk		334.6 bbl
			San Juan Poz	24 lb/sk	Slurry Density	11.4 ppg
			Bentonite	3.00% bwob	Slurry Yield	2.83 cu ft/sk
			Halad-344	0.40% bwob	Mix Fluid	17.29 gal/sk
			CFR-3	0.20% bwob		
			HR-5	bwob		
			Silicalite-blended	20 lb/sk		
			Flocele	0.25 lb/sk		
			Defoamer (if req'd)	0.05 gal/bbl		
Stage #2 Tail Cement	3,495	60%	Cement Blend	348.33 sx	Slurry Volume	592.16 cu ft
			Class 'H' Cement	84 lb/sk		105.47 bbl
			San Juan Poz	lb/sk	Slurry Density	12.8 ppg
			Econolite	3.00% bwob	Slurry Yield	1.7 cu ft/sk
			Halad-344	bwob	Mix Fluid	8.26 gal/sk
			CFR-3	bwob		
			HR-5	bwob		
			Silicalite-blended	10 lb/sk		
			Flocele	0.5 lb/sk		
			Defoamer (if req'd)	0.05 gal/bbl		
DV Tool #1	4,700					
Stage #1 Cement	60%		Cement Blend	655 sx	Slurry Volume	1,113.2 cu ft
			Class 'H' Cement	47 lb/sk		198.3 bbl
			San Juan Poz	24 lb/sk	Slurry Density	12.8 ppg
			Bentonite	3.00% bwob	Slurry Yield	1.70 cu ft/sk
			Halad-344	0.40% bwob	Mix Fluid	8.26 gal/sk
			CFR-3	0.20% bwob		
			HR-5	0.10% bwob		
			Silicalite-blended	20 lb/sk		
			Flocele	0.25 lb/sk		
			Defoamer (if req'd)	0.05 gal/bbl		
4-1/2" Csg S Stage #1	6,850	60%				

Note: 2-stage job and DV depth to be confirmed by Conoco



BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basing supply 1000 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 the 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	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.