

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

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. *5073* (915) 686-6548

3. ADDRESS AND TELEPHONE NO.
 10 Desta Dr. Ste 100W, Midland, TX 79705

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 1605' FSL & 330' FEL
 At proposed prod. zone 1605' FSL & 330' FEL

5. LEASE DESIGNATION AND SERIAL NO.
 SF 079289A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 San Juan 28-7

8. FARM OR LEASE NAME WELL NO.
San Juan 28-721 #159M 16608

9. AP WELL NO.
 30-039-25512

10. FIELD AND POOL, OR WILDCAT
 Blanco MV/Basin Dakota
 22319 71599

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 I Sec. 22, T-28N, R-7W

12. COUNTY OR PARISH **13. STATE**
 Rio Arriba NM

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 drig. unit line, if any) **16. NO. OF ACRES IN LEASE** **17. NO. OF ACRES ASSIGNED TO THIS WELL**
 _____ _____ E/2 - 320

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. **19. PROPOSED DEPTH** **20. ROTARY OR CABLE TOOLS**
 _____ 8128' Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) **22. APPROX. DATE WORK WILL START***
 6656' **This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.** 4/1/96

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------------|-----------------|---------------|--------------------|
| 12-1/4" | 9-5/8" | 36# | 250' | 150 sxs |
| 8-3/4" | 7" | 23# | 3644' | 575 sxs |
| 6-1/4" | 4-1/2" | 11.6# | 8128' | 435 sxs |

It is proposed to drill a vertical wellbore to be downhole commingled in the Blanco Mesaverde and Basin Dakota Pools following the acquisition of sufficient production test data for allocation purposes. Downhole commingling has already been approved by the BLM and by the state (Order R-10476). The well will be drilled and equipped according to the following attachments:

1. Well Location & Acreage Dedication Plat (C-102).
2. Proposed Well Plan Outline.
3. Cementing and Mud Programs.
4. Blowout Preventer Hookup.
5. Surface Use Plan with EXHIBITS A.1, A.2, B.1, B.2, & C.
6. Pipeline specifications (EXHIBIT D).

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

This application includes ROW's for the well pad, access road, and pipeline.
 *** NOTE: Application for NSL has been filed with the OCD
 Archeological surveys have been completed for well pad, access road (LAC REPORT 9458) and for the pipeline (LAC REPORT 9548) and clearances recommended. The BLM on-site inspection has also been completed.

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.

24. SIGNED *Joseph Hoover* TITLE Sr. Conservation Coordinator DATE 1/30/96

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not constitute a warranty 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:
 APR 1 2 1996

APPROVED BY *Oil Con. Div.* TITLE _____

*See Instructions On Reverse Side

APPROVED AS AMENDED

APR 10 1996

DISTRICT MANAGER

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any false, fictitious or fraudulent statements or representations as to any matter within the jurisdiction of the United States any false, fictitious or fraudulent statements or representations as to any matter within the jurisdiction of the United States.

NMOCD

Hold C-104 For 11/96

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

| | | | | | |
|-------------------------------------|--|---------------------------------------|--|--|--|
| 1 APT Number <i>30-039-25572</i> | | 2 Pool Code 72319/71599 | | 3 Pool Name Blanco Mesaverde/Basin Dakota | |
| 4 Property Code 016608 | | 5 Property Name San Juan 28-7 Unit | | 6 Well Number 159M | |
| 7 OGRID No. 005073 | | 8 Operator Name Conoco Inc. | | 9 Elevation 6656' | |

| 10 UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| I | 22 | 28 N | 7 W | | 1605 | South | 330 | East | R.A. |

| 11 UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|------------------------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres <i>E/320</i> | 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 5286.60' 5280.00' 22 5283.96' | RECEIVED APR 12 1996 OIL CON. DIV. DIST. 3 | | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Jerry W. Hoover</i> Printed Name: Jerry W. Hoover Title: Sr. Conservation Coordinator Date: 1/30/96 |
| | 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. Date of Survey: 12-13-95 Signature and Title: <i>NEMER C. EDWARDS</i> Professional Surveyor Certificate Number: 8857 | | |
| | 330' 1605' | | |
| | 5280.00' | | |

PROPOSED WELL PLAN OUTLINE

WELL NAME: **SJ 28-7 UNIT No. 159M**
 LOCATION: **SEC 22, UNIT I, T-28N, R-7W, RIO ARRIBA CO., NM**

EST. GL = +6656'

EST. KB = +6669'

| TVD IN 1000' | MD | FORMATION TOPS & TYPE | DRILLING PROBLEMS | TYPE OF FORMATION EVALUATION | HOLE SIZE | CASING | | FRAC GRAD | FORMATION PRESSURE GRADIENT | MUD | | DAYS |
|--------------------|----|---|---|------------------------------------|--------------|--|-------|--------------|-----------------------------------|-------------------------|------|------|
| | | | | | | SIZE | DEPTH | | | WT | TYPE | |
| 0 | | | | | 12-1/4" | 9-5/8" 36# K-55 ST&C @ 250' | | | NORMAL | 8.4 - 8.8# SPUD MUD | | 1 |
| | | | NO H2S PROBLEMS HAVE BEEN ENCOUNTERED IN THIS AREA | | 8-3/4" | | | | 8.4 - 9.4# | 8.4 - 9.4# GEL/WATER | | |
| | | OJAM @ 2514' KRLD @ 2618' | POSSIBLE WATER FLOW | | | | | | | | | |
| | | FRLD @ 2962 PCCF @ 3344' LEWS @ 3414' | POSSIBLE GAS FLOW POSSIBLE LOST RETURNS | | 8-3/4" | 7" 23# K-55 LTC @ 3644 (special drft) | | | 8.4 - 9.4# | | | 5 |
| | | | | MUDLOG F/INT. CSG PT. | 6-1/4" | | | | | AIR/AIR MIST | | |
| | | CLFH/MV @ 4989' MENF @ 5133' PTLK @ 5538' | PROBABLE LOST RETURNS IF FLUID IN HOLE | | | | | | | | | |
| | | MNCS @ 6003' GLLP @ 6813' | | | | | | | | | | |
| | | GRHN @ 7519' GRRS DKOT @ 7579' | POSSIBLE WATERFLOW POSSIBLE OVERPRESSURE IN DEEP DAKOTA | CASED HOLE LOGS | 6-1/4" | 4-1/2" 11.6# K-55 LTC @ 8128' | | | BHP = 2500 psi BHT = 175 deg F | AIR/AIR MIST | | 10 |
| | | T.D. @ 8128' | | | | | | | | | | |

RECEIVED
FEB 14 1996
 BUREAU OF LAND MANAGEMENT
 FARMINGTON DISTRICT OFFICE

DATE: FEBRUARY 1996

CONOCO, INC
SAN JUAN 28-7 #159M
1605' FSL - 330' FEL
SEC. 22, T28N-R7W
RIO ARRIBA COUNTY, NM

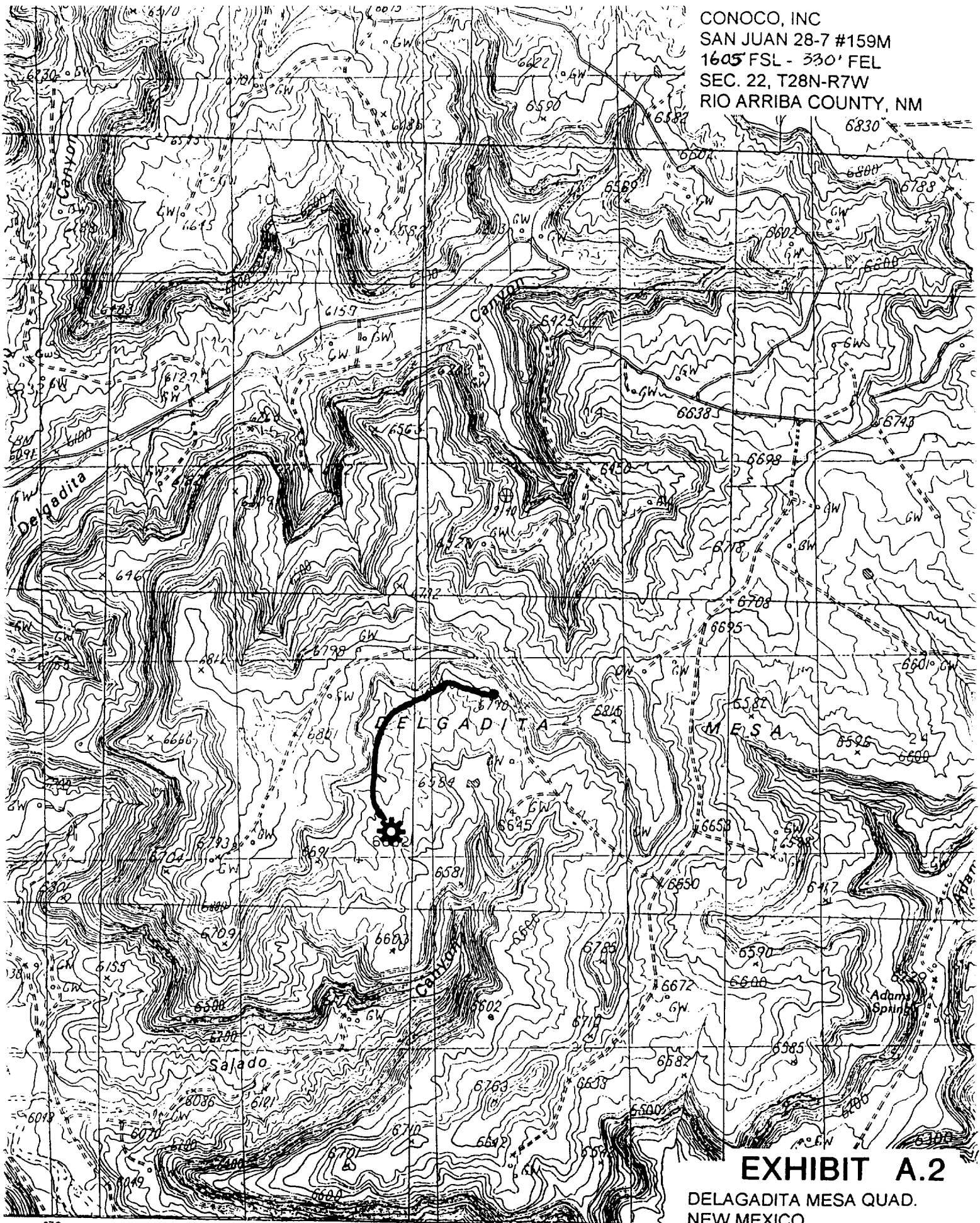


EXHIBIT A.2

DELAGADITA MESA QUAD.
NEW MEXICO
7.5 MINUTE SERIES

SCALE 1:24 000