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

5. LEASE DESIGNATION AND SERIAL NO.: SF-078500-A

1a. TYPE OF WORK: DRILL ☒ DEEPEN ☐

2000 DEC 11 PM 1:48
070 FARMINGTON NM

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME: San Juan 28-7

b. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ OTHER — SINGLE ZONE ☐ MULTIPLE ZONE ☒

8. FARM OR LEASE NAME WELL NO.: #249F

2. NAME OF OPERATOR: Conoco Inc. 5073

9. API WELL NO.: 30-039-26605

3. ADDRESS AND TELEPHONE NO.: 10 Desta Drive, Suite 649W, Midland, TX 79705; 915/686-5565

10. FIELD AND POOL, OR WILDCAT: Blano Meseverde/Basin Dakota

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)
At surface: 10' FNL & 920' FEL
At proposed prod. Zone: 10' FNL & 920' FEL

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 30, T28N, R7W

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

12. COUNTY OR PARISH: Rio Arriba — 13. STATE: NM

FEB 2001 RECEIVED OIL CON. DIV. DIST. 3

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
		320 E/2
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
	7240'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6229'

22. APPROX. DATE WORK WILL START*: 1/07/00

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#	3544'	565 sxs, circ.
6 1/4"	J-55, 4 1/2"	10.5#	7240'	TOC @ 3444', 299 sxs, circ.

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

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

It is proposed to drill a vertical wellbore in the Blano Meseverde/Basin Dakota Pools. DHC application will be filed with the BLM and NMOCD. An NOS was filed 05/26/00. 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.
4. Blowout Preventer Hookup.
5. Surface Use Plan
6. Production Facility Layout.

APD/ROW

This application includes ROW's for the well pad, access road, 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.

25.

SIGNED Kimberly Sturtevant TITLE Analyst DATE 12/04/00

(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:

/s/ Jim Lovato

APPROVED BY _____ TITLE _____ 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.

NMOCD

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹API Number	²Pool Code	³Pool Name
30-039-26605	72319 / 71599	Blanco Mesaverde / BASIN DAKOTA

⁴Property Code	⁵Property Name	⁶Well Number
016608	SAN JUAN 28-7 UNIT	249F

⁷OGRID No.	⁸Operator Name	⁹Elevation
005073	CONOCO, INC.	6229'

¹⁰ Surface Location

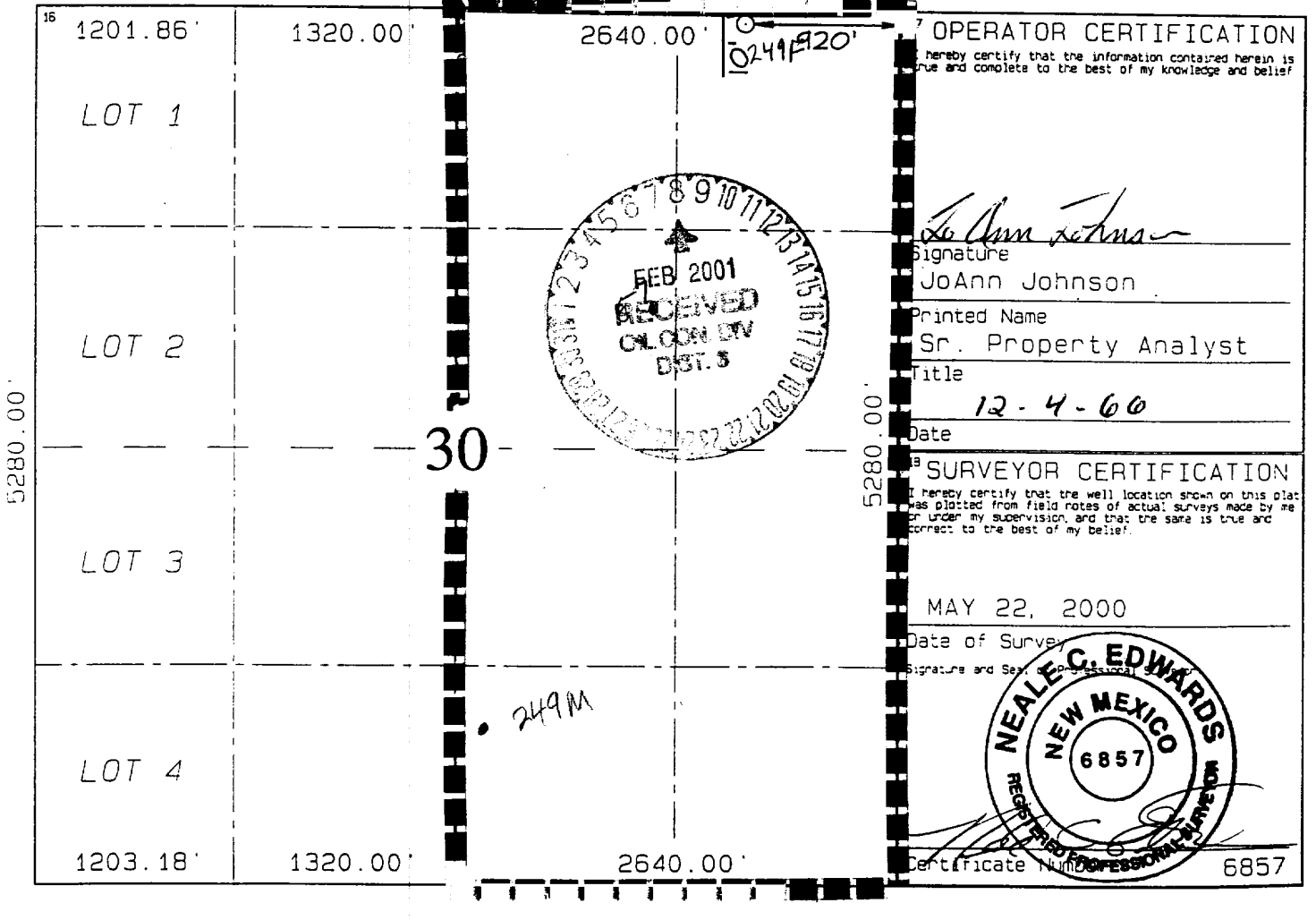
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	30	28N	7W		10	North	920	East	RIO ARRIBA

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	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320 E/2	I		NSL Order #3952-A

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



17 OPERATOR CERTIFICATION

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

JoAnn Johnson
Signature

JoAnn Johnson
Printed Name

Sr. Property Analyst
Title

12-4-00
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.

MAY 22, 2000
Date of Survey

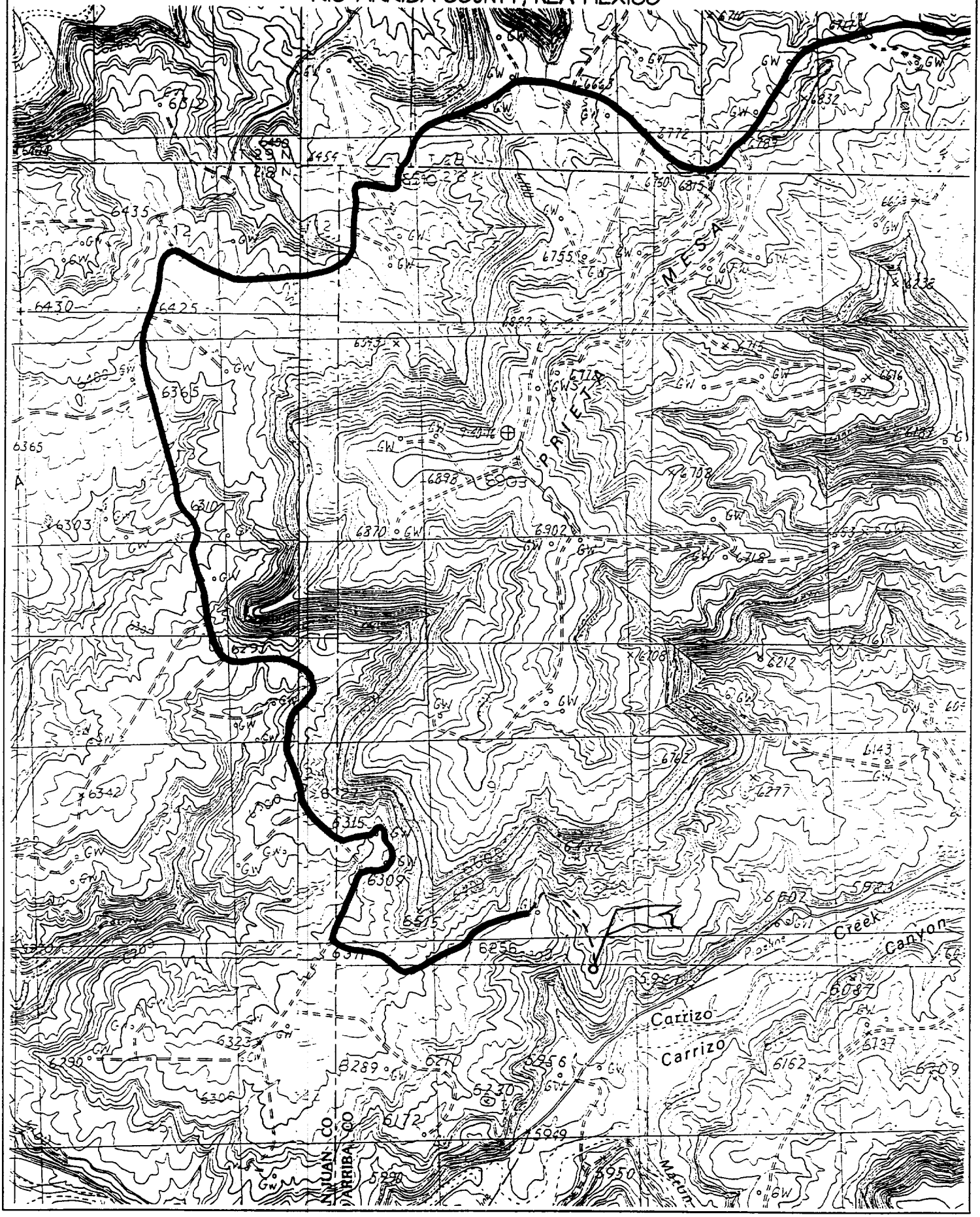
Signature and Seal of Professional Surveyor

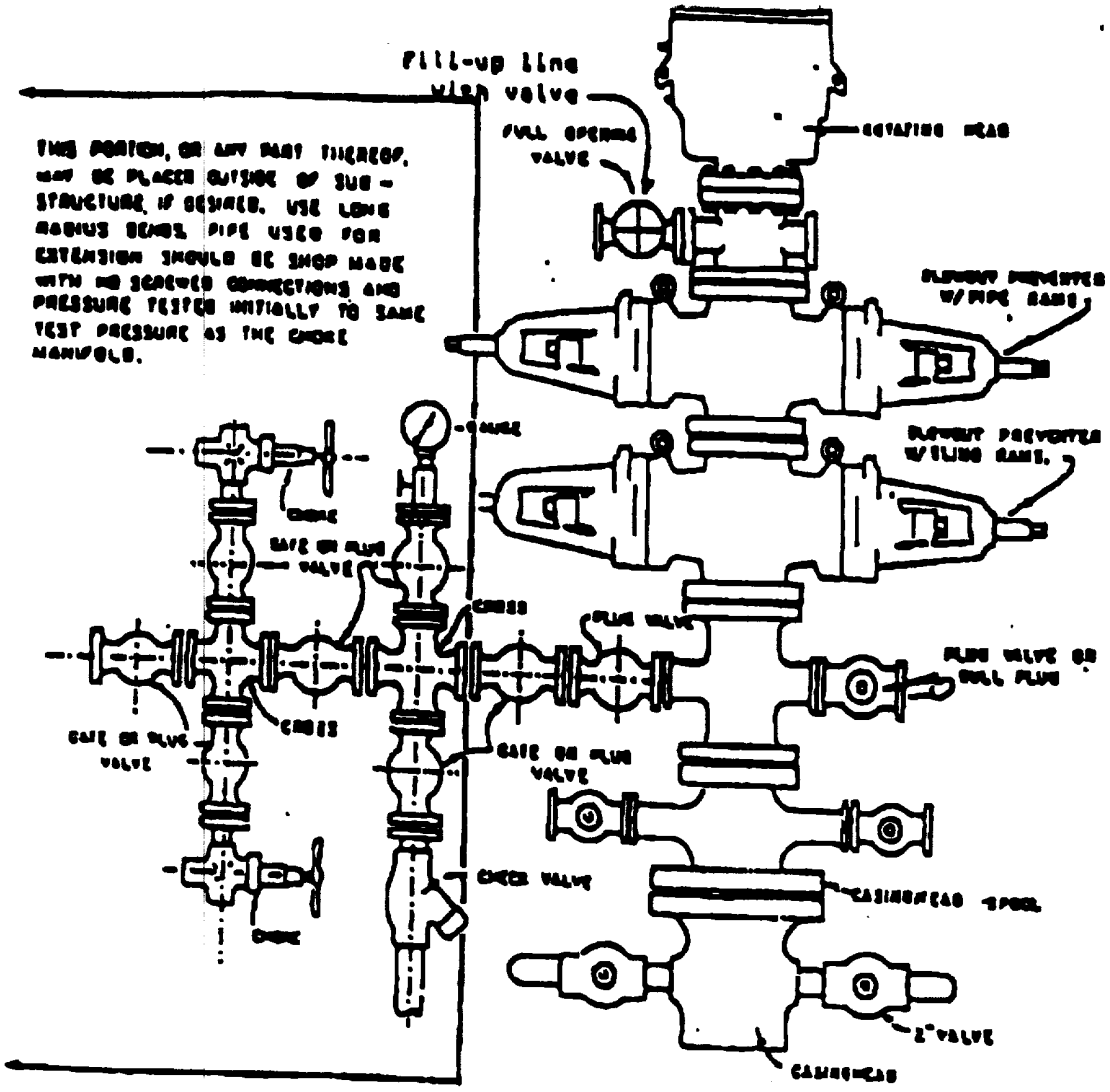
NEALE C. EDWARDS
NEW MEXICO
6857
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number 6857

CONOCO, INC. SAN JUAN 28-7 UNIT #249F

10' FNL & 920' FEL, SECTION 30, T28N, R7W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO





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., ≥ 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 ≥ 20 years.
Anode Bed Backfill	Loresco 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 arroyo's and streams. EXCEPTION: If trenching is in extremely hard substratum, depth will be 6 - 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.

CP System will be a stand alone system located on wellpad.