

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 2001 MAR -7 PM 1:13

b. TYPE OF WELL
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Conoco Inc. 5073

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 700' FNL & 1255' FWL
At proposed prod. Zone 700' FNL & 1255' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
APR 2001

17. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest dtlg. Unit line, if any)
6. NO. OF ACRES IN LEASE
7. NO. OF ACRES ASSIGNED TO THIS WELL

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
9. PROPOSED DEPTH 7265'
20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6134'
22. APPROX. DATE WORK WILL START* 03/20/01

5. LEASE DESIGNATION AND SERIAL NO. SF 078496
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME San Juan 28-7 Unit
8. FARM OR LEASE NAME WELL NO. #189M
9. API WELL NO. 30-039-26695
10. FIELD AND POOL, OR WILDCAT Blanco Mesaverde / Basin Dakota
11. SEC. T. R. M. OR BLK AND SURVEY OR AREA Sec. 35, T28N, R7W
12. COUNTY OR PARISH Rio Arriba 13. STATE NM
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest dtlg. Unit line, if any) 324.70' (MV) & 320' (DK) N/2
16. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
19. APPROX. DATE WORK WILL START* 03/20/01

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# | 285' | 141 sxs, circ. |
| 8-3/4" | J-55; 7" | 20# | 3263' | 522 sxs, circ. |
| 6-1/4" | J-55, 4 1/2" | 10.5# | 7265' — | 324 sxs, TOC @ 3163' |

It is proposed to drill a vertical wellbore in the Blanco Mesaverde and Basin Dakota Pools. DHC application will be filed with the BLM and NMOCD.. An NOS was filed 01/17/01. 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.

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

APD/ROW
BUREAU OF LAND MANAGEMENT
DEPARTMENT OF THE INTERIOR
WASHINGTON, D.C. 20240

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.

25. SIGNED Kimberly Southall TITLE Analyst DATE 02/19/01
(This space for Federal or State office Use)

PERMIT NO. _____ APPROVAL DATE 4/25/01
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:
1st Joel Farrell
APPROVED BY _____ TITLE _____ DATE APR 25 2001

*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

X 1

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2083
Santa Fe, NM 87504-2088

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|-------------------------------------|--|--|--|---|------------------------------|
| 1 API Number 30-039-26695 | | 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 189M |
| 7 OGRID No. 005073 | | 8 Operator Name CONOCO, INC. | | | 9 Elevation 6134' |

10 Surface Location

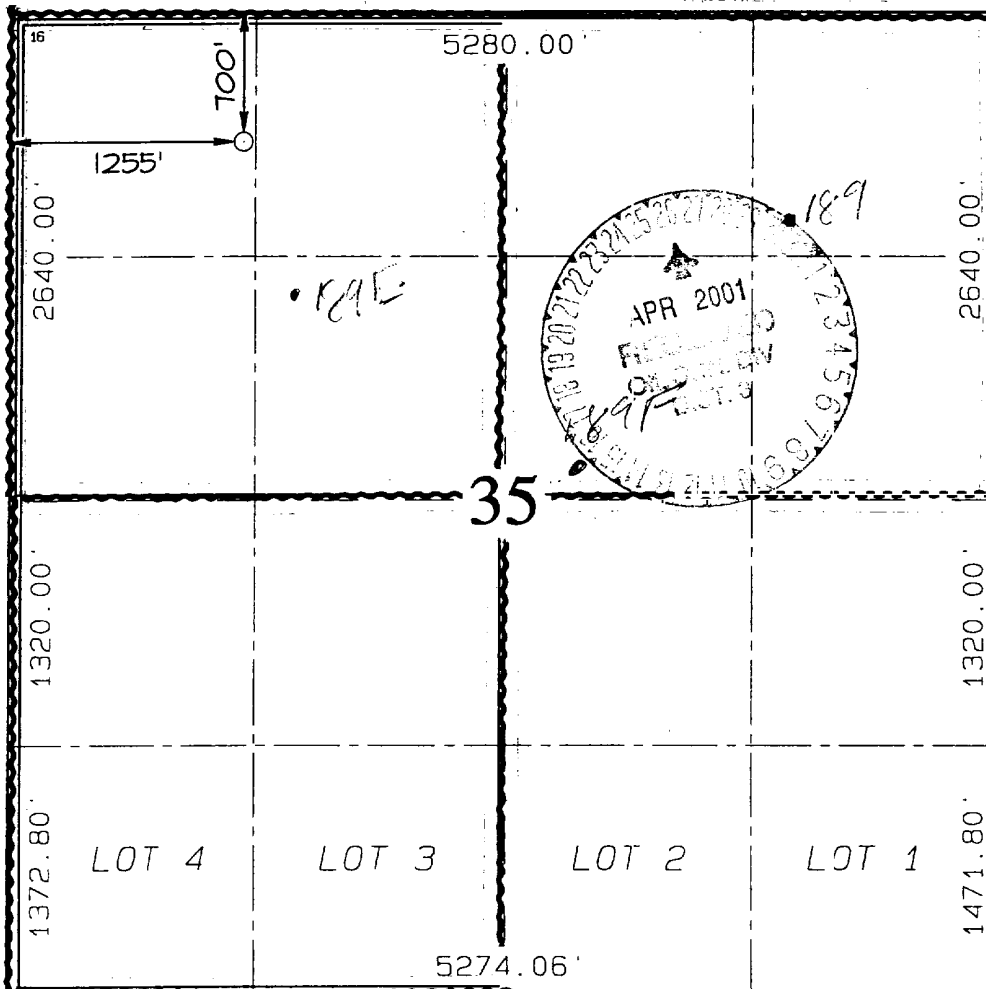
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| D | 35 | 28N | 7W | | 700 | NORTH | 1255 | 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 324.70 Acres (MV) - 320 Acres (DK) <i>stand up</i> | | 13 Joint or Infill | | 14 Consolidation Code | | 15 Order No. R-11139 A <i>Effective Date 2/12/01</i> | |
|--|--|--------------------|--|-----------------------|--|---|--|

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

12-27-00
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.

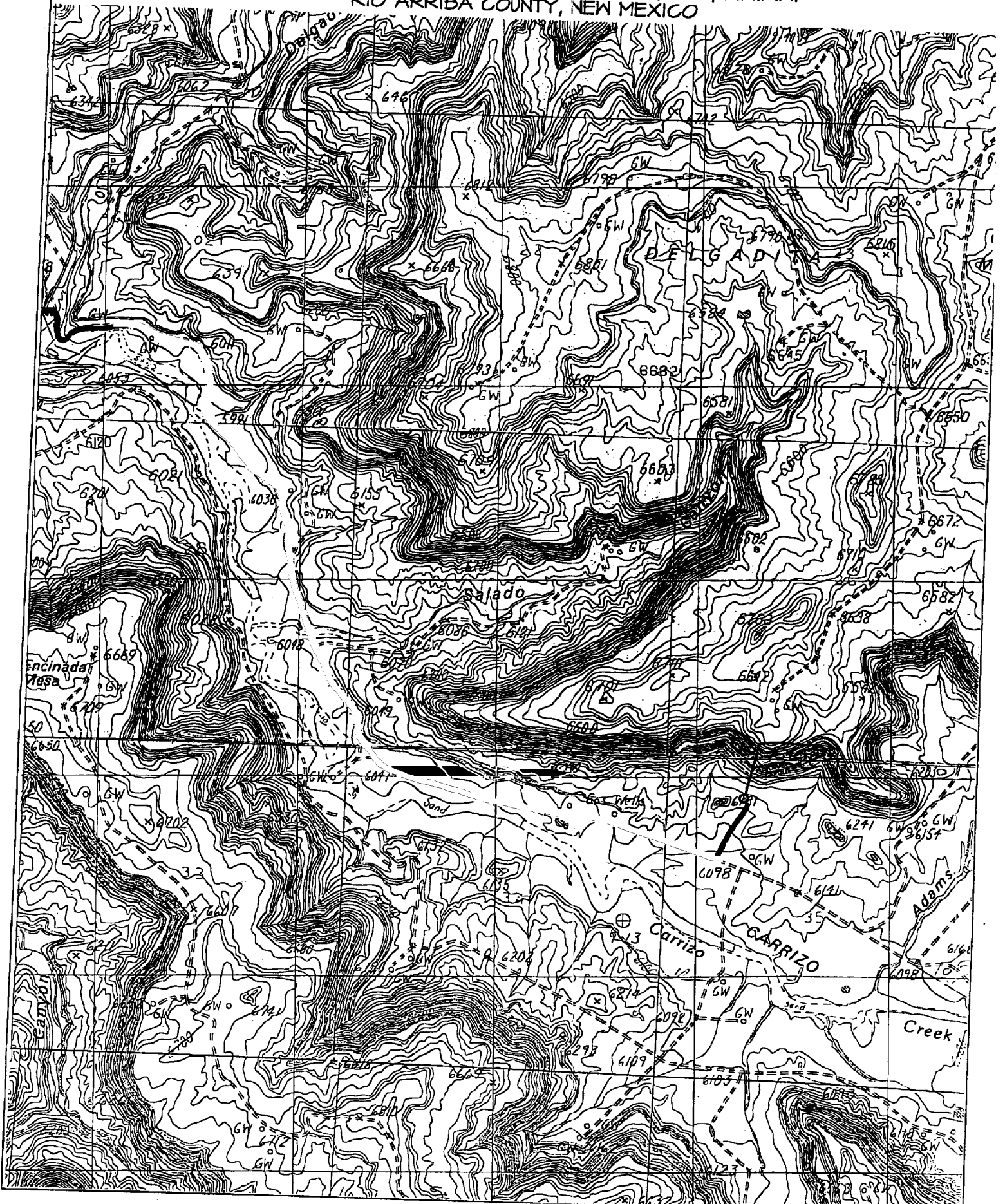
NOVEMBER 1, 2000
Date of Survey

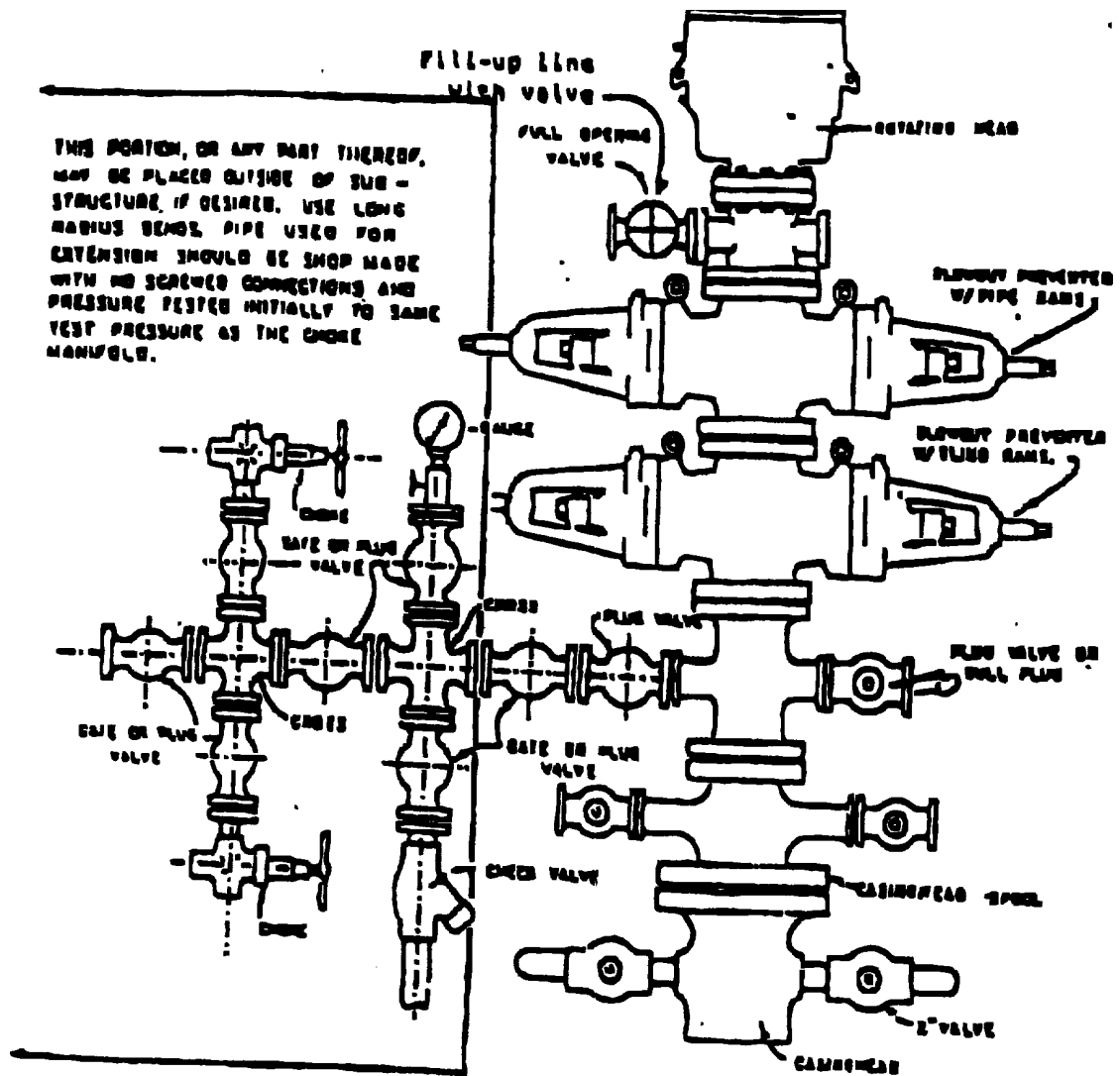
Neale G. Edwards
Signature and Seal

NEALE G. EDWARDS
NEW MEXICO
6857
REGISTERED PROFESSIONAL SURVEYOR

Certificate No. 6857

CONOCO, INC. SAN JUAN 28-7 UNIT #189M
700' FNL & 1255' FWL, SECTION 35, T28N, R7W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO





BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basin 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 delation 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.