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; 915/686-5515

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)
At surface
1755' FNL & 660' FWL
At proposed prod. Zone
1755' FNL & 660' FWL

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

5. LEASE DESIGNATION AND SERIAL NO.
SF 078500A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
San Juan 28-7 Unit

8. FARM OR LEASE NAME WELL NO.
#199M

9. API WELL NO.
30-039-26718

10. FIELD AND POOL, OR WILDCAT
Blanco Mesaverde / Basin Dakota

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 19, T28N, R7W

12. COUNTY OR PARISH
Rio Arriba

13. STATE
NM

DEC 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
305.44 MV W/2
Dakota 345.30 R 2948 Secs 18&19

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

19. PROPOSED DEPTH
7850'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6746'

22. APPROX. DATE WORK WILL START*
05/18/01

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12.25"	J-55; 9-5/8"	36#	256'	128 sxs, circ..
8.75"	J-55; 7"	20#	3591'	575 sxs, circ.
6.25"	J-55, 4 1/2"	10.5#	7850'	354 sxs, TOC @ 3491'

It is proposed to drill a vertical wellbore to be downhole commingled in the Blanco Mesaverde and Basin Dakota Pools. DHC application will be filed with the BLM and NMOCD. An NOS was filed 08/09/99. 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..

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

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

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 Kristina Mathews TITLE Analyst DATE 3/16/2001

(This space for Federal or State office Use)

PERMIT NO. _____ APPROVAL DATE 12/5/01

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 theron.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /s/ Monteview TITLE AFM DATE 12/5/01

*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

2001 DEC 19 PM 4:21

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] API Number	[2] Pool Code	[3] Pool Name
30 039-26718	72319 / 71599	BLANCO MESAVERDE / BASIN DAKOTA

[4] Property Code	[5] Property Name	[6] Well Number
016608	SAN JUAN 28-7 UNIT	199M

[7] OGRID No.	[8] Operator Name	[9] Elevation
005073	CONOCO, INC.	6746'

[10] Surface Location

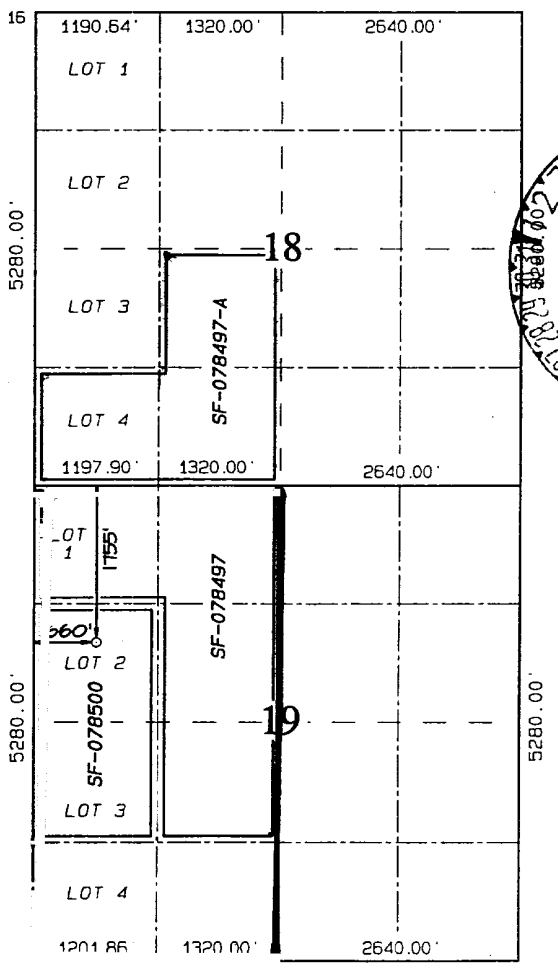
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	19	28N	7W		1755	NORTH	660	WEST	RIO ARRIBA

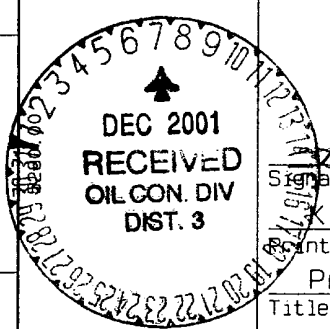
[11] Bottom Hole Location If Different From Surface

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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
MV - 305.44 DK 345.30 Acres			Dakota R2948 unit 7

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

Signature: Kim Southall

Printed Name: Kim Southall

Title: Property Analyst

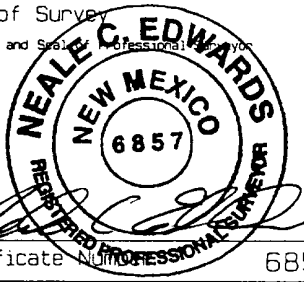
Date: 1/29/01

[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: DECEMBER 18, 2000

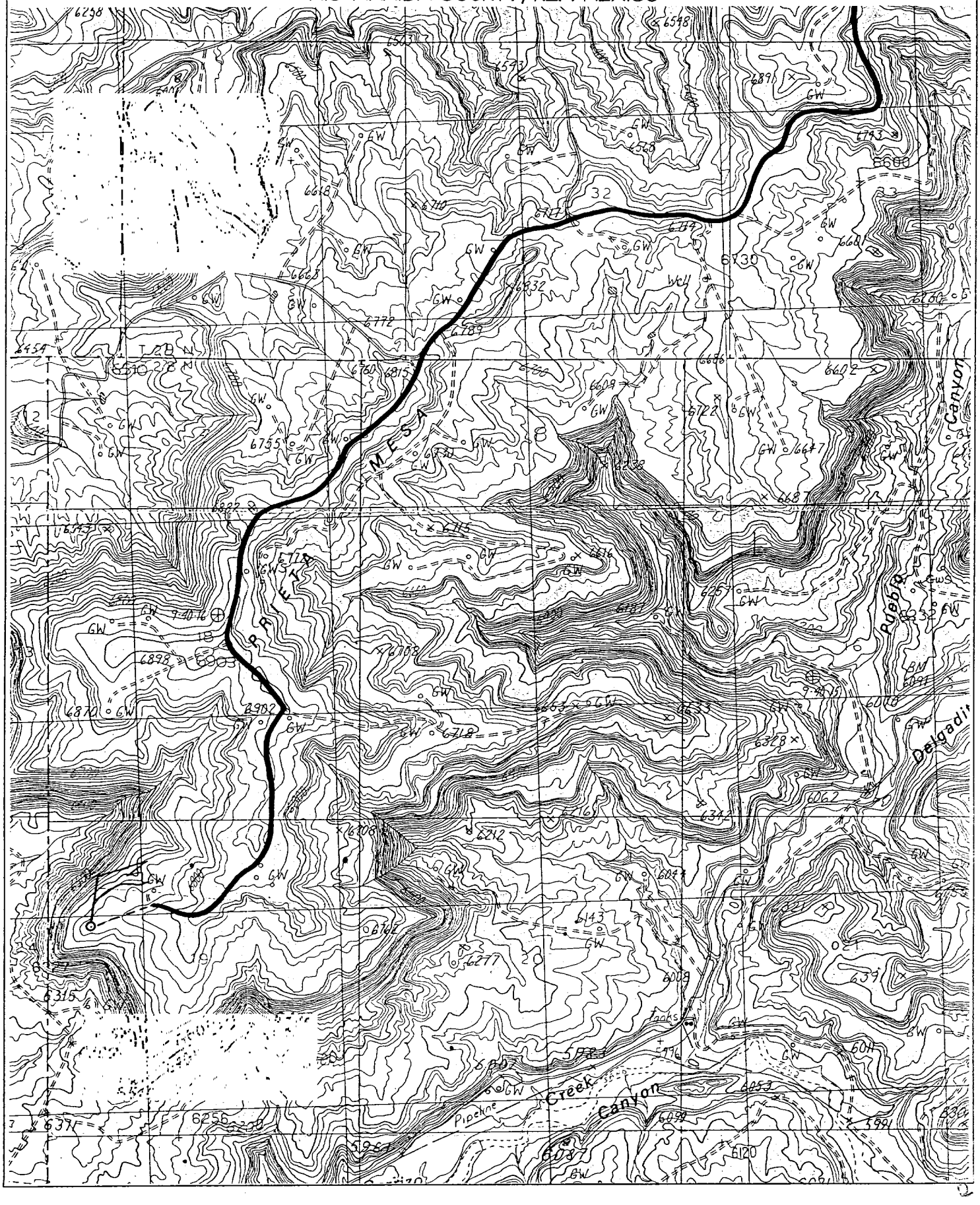
Signature and Seal of Professional Surveyor



Certificate Number: 6857

CONOCO, INC. SAN JUAN 28-7 UNIT #199M

1755' FNL & 660' FWL, SECTION 19, T28N, R7W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO



PROJECT PROPOSAL - New Drill / Sidetrack

Well : SAN JUAN 28-7 199M	Lease : SAN JUAN 28-7	AFE # : 2998 (MV)			AFE $:
Field Name : EAST 28-7	Rig : Key 43	State : NM	County : SanJuan		API # :
Geoscientist : Glaser, Terry J	Phone : (281) 293 - 6538		Prod. Engineer : Moody, Craig E.		Phone : (281) 293 - 6559
Res. Engineer : Shannon, Marc	Phone : (281) 293 - 6564		Proj. Field Lead :		Phone :

Primary Objective (Zones) :

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

"Air Drill"

Surface Location :

Latitude :	Longtitude :	X :	Y :	Section : 19	Survey : 28N	Abstract : 7W

Bottom Hole Location :

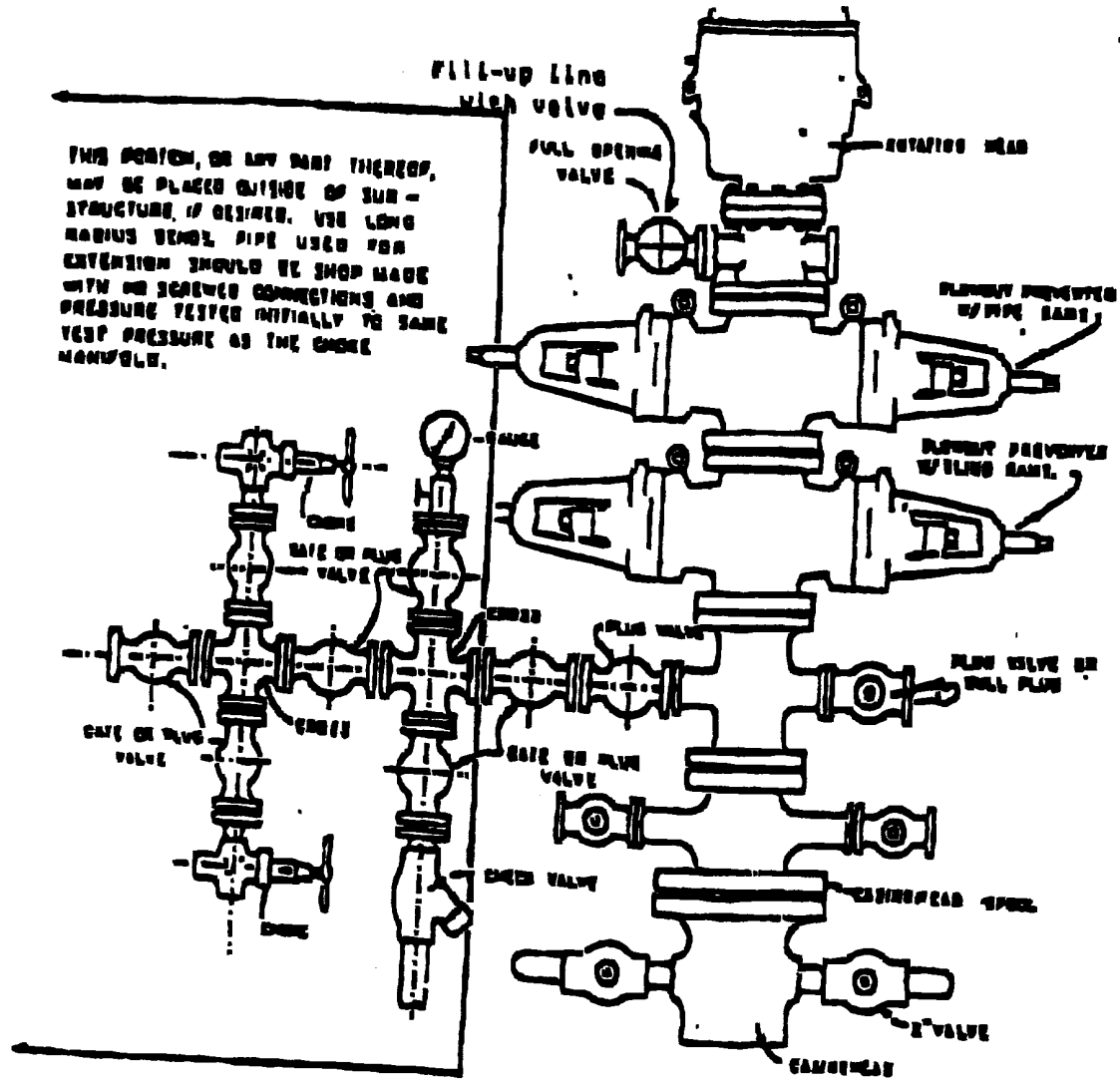
Latitude :	Longtitude :	X :	Y :	Section :	Survey :	Abstract :

Location Type : Year Round	Start Date (Est.) :	Completion Date :	Date In Operation :

Formation Data : Assume KB = 6759 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing Hole dia. 12.25"	256	6503	☐			Severe lost circulation is possible. 9 5/8", 36 ppf, J-55, STC casing. Circulate cement to surface.
OJAM	2094	4665	☐			Possible water flows"
KRLD	2194	4565	☐			
PCCF	3094	3665	☐			
LEWS	3494	3265	☐			
Intermediate Casing Hole dia. 8.75"	3591	3168	☐			7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4273	2486	☐			
CLFH	4973	1786	☐			Gas; possibly wet
MENF	5099	1660	☐			Gas
PTLK	5501	1258	☐			Gas
MNCS	6170	589	☐			
GLLP	6867	-108	☐			
GRHN	7488	-729	☐			Gas possible, highly fractured
TWLS	7563	-804	☐	2700		Gas
PAGU	7697	-938	☐			Gas
Total Depth Hole dia. 6.25"	7850	-1062	☐			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.

Logging Program :



THIS SECTION, OR ANY PART THEREOF, MAY BE PLACED OUTSIDE OF SUB-STRUCTURE, IF DESIRED. USE LONG RADIUS STEEL PIPE USED FOR EXTENSION SHOULD BE SHOP MADE WITH NO SCREWED CONNECTIONS AND PRESSURE TESTED INITIALLY TO SAME TEST PRESSURE AS THE CHOKE MANIFOLD.

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 delation of the annular preventer and fulfills your requirements (note diagram No. 1). In addition, the following equipment will comprise the 3000 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 preventer.
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.