| Form 3160-3 (August 1999) | UNITED ST PARTMENT OF T | FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000 | | | |
|--|--|---|---|---|--------------------------|
| BURI | EAU OF LAND N | MANAGEMENT | OCT 2001 | 5. Lease Serial No. SF-078497 | |
| APPLICATION | I FOR PERMIT 1 | TO DRILL OR RE | V V | 6. If Indian, Allottee or Trib | e Name |
| Ia. Type of Work: 🛛 DRILL 🔲 | REENTER | 6 | DIST. 3 Co | 7. If Unit or CA Agreement, | , Name and No. |
| 1b. Type of Well: ☐ Oil Well 🔯 | Gas Well Oth | ેંૃું ner ⊠ Siñag | te Zone | 8. Lease Name and Well No SAN JUAN 28-7 UNIT | |
| Name of Operator CONOCO INC. | Contact: | VICKI WESTBY E-Mail: Vicki.R.We | estby@conoco.com | 9. API Well No. 3 0039 268 | 17 |
| 3a. Address 10 DESTA DR., ROOM 608W MIDLAND, TX 79705 | | 3b. Phone No. (included Ph.: 915.686.5799 E | | 10. Field and Pool, or Explo BLANCO PICTURED | |
| 4. Location of Well (Report location of | 11. Sec., T., R., M., or Blk. and Survey or Area | | | | |
| At surface SWSE 81 | (7) Sec 19 T28N R7W Mer NMP | | | | |
| At proposed prod. zone | | | | | |
| 14. Distance in miles and direction from | nearest town or post o | office* | | 12. County or Parish RIO ARRIBA | 13. State NM |
| 15. Distance from proposed location to release line, ft. (Also to nearest drig. t | | 16. No. of Acres in L | ease | 17. Spacing Unit dedicated to 160.00 SE/H | to this well |
| 18. Distance from proposed location to r completed, applied for, on this lease | m proposed location to nearest well, drilling, applied for, on this lease, ft. 19. Proposed Depth 3213 MD | | | 20. BLM/BIA Bond No. on | file |
| 21. Elevations (Show whether DF, KB, 6240 GL | | 22. Approximate date | | 23. Estimated duration | |
| This action is subject to technic procedural review pursuant to 4 | 43 CFR 3100-8 | | acnments SUBJECT | OPERATIONS AUTHO TO COMPLIANCE WIT | RIZED ARE TH ATTACHED |
| and cappage our sues in technance w | ith the requirements of | f Onshore Oil and Gas C | Order No. 1, shall be Granie 1.0 | F'SEUNBEWENTS. | |
| Well plat certified by a registered survey A Drilling Plan. A Surface Use Plan (if the location is or SUPO shall be filed with the appropriate of the survey | n National Forest Syste | | Item 20 above). 5. Operator certification | ons unless covered by an existin | |
| 25. Signature | | Name (Printed/Typed VICKI WESTB | Y | | Date 09/24/2001 |

| 25. Signature | Name (Printed/Typed) VICKI WESTBY | Date 09/24/2001 |
|---|--|--|
| Title AUTHORIZED SIGNATURE | | |
| Approved by (Signature) | Name (Printed/Typed) | Date 0 CT 2 5 |
| Title Pet. Eng. | Office | |
| Application approval does not warrant or certify the applican | t holds legal or equitable title to those rights in the subject le | ase which would entitle the applicant to conduct |

operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

Additional Operator Remarks (see next page)

Electronic Submission #7355 verified by the BLM Well Information System For CONOCO INC., sent to the Farmington Committed to AFMSS for processing by Lucy Bee on 09/24/2001 ()

** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL **

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 Instructions on back Submit to Appropriate District Office

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

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

State Lease - 4 Copies Fee Lease - 3 Copies

District III 1000 Rio Brazos Rd., Aztec, NM B7410

District IV PO Box 2088, Santa Fe, NM 87504-2088 ___ AMENDED REPORT

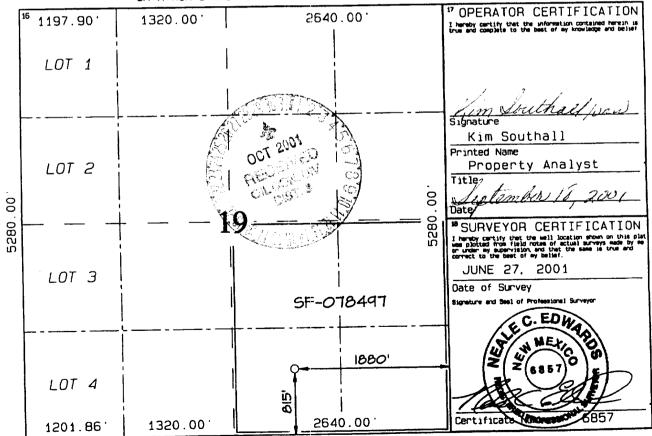
WELL LOCATION AND ACREAGE DEDICATION PLAT

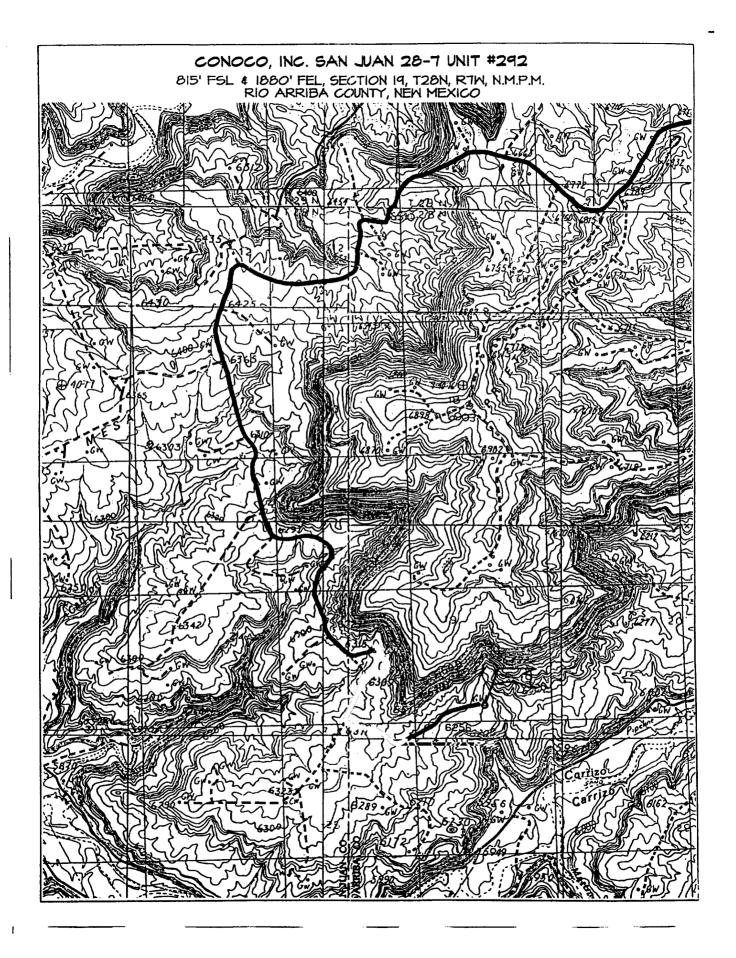
| API Number | *Pool Code | Pool Name | | | |
|--------------------------|------------|-----------------------------------|----------------------|--|--|
| 34039-2681 | 7 72439 | BLANCO PICTURED CLIF | FS, SOUTH | | |
| *Property Code 016608 | S | *Property Name SAN JUAN 28-7 UNIT | | | |
| 'OGRID No. 005073 | | 'Operator Name CONOCO, INC. | *Elevation 6240 ' | | |

10 Surface Location

East/Nest line North/South line Lot Idn Feet from the Fact from the LL or lot no. Sect ion RIO EAST 1880 SOUTH 19 **28N** 7W 815 0 ARRIBA From Surface 11 Bottom Hole Location If Different County East/Mest line North/South line Feet from the Feet from the UL or lot no. Section ¹⁴ Commolidation Code S Order No. Doint or Infill Dedicated Acres 160 Acres (SE/4)

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

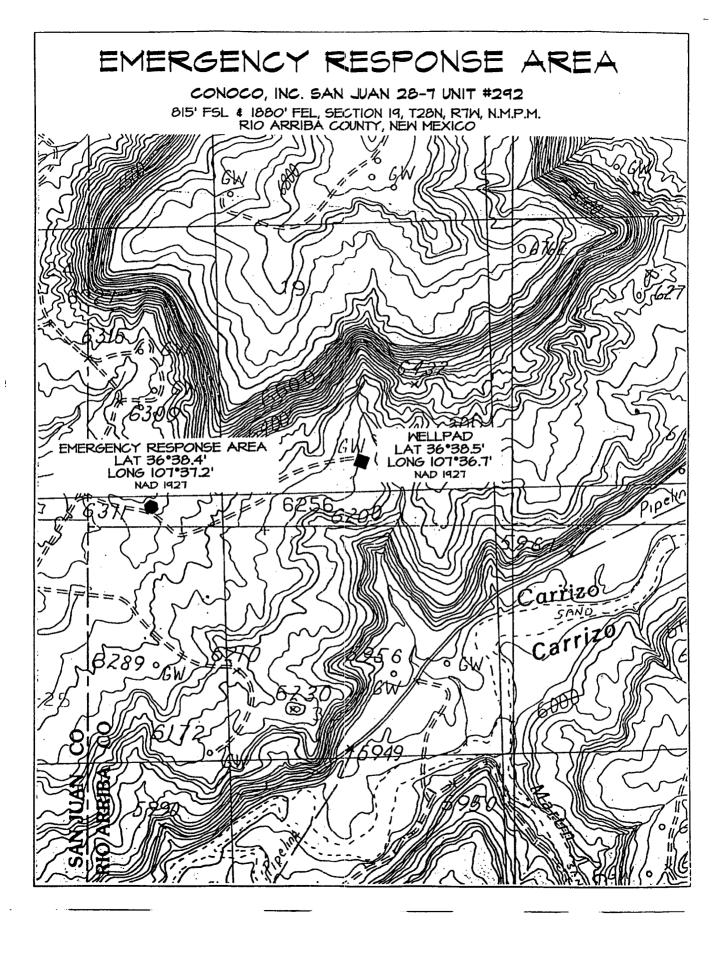


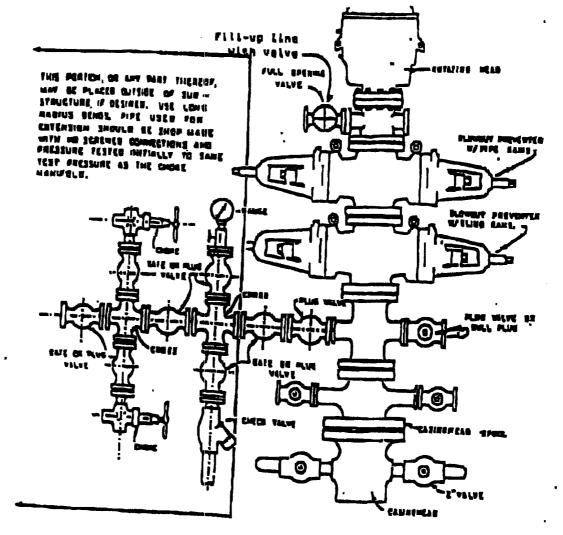


PROJECT PROPOSAL - New Drill / Sidetrack



| Well: SAN JUAN 28-7 | 7 292 Lease : | SAN JUA | N 28-7 | AF | E#: | | | | AFE \$: | |
|--------------------------------|----------------------|------------------|-----------------------|---------------|------------|----------------|---|----------------|-------------------|--------------------|
| Field Name: EAST 28- | 7 Rig: | | | State : | | County: | | į / | API#: | |
| Geoscientist: Layla | Stiles | Phone | : (281) 2 | 93-3591 | Prod. | Engineer | : Moody, Craig | E. | Phone : | (281) 293 - 6559 |
| Res. Engineer: Valvat | ne, Christine K. | Phone | : | | Proj. | Field Lead | : | | Phone : | |
| Primary Objective (Zon | es): | | | | | | | | | |
| 1 | Pool Name | | | | | | | | | 1 |
| UPT | BLANCO P.C. SOUT | TH (PROF | RATED GA | S) | | | | | | |
| | | | | | 279 | nd n | Sicc' | (| | |
| Surface Location : | | i r icati | | | *i, *£ | | 14696 | Min Sep | | |
| Latitude: 36.642101 | T | 07.6114 | x : | | Υ: | | Section: 19 | Survey: | 28N | Abstract: 7W |
| Footage X: 1880 FEL | Footage Y : | 815 FSL | Elevation | | 240 (FT) | . ' | | I | | i |
| Bottom Hole Location | 1 | | | favordky) | 4 | ylant gilling | | | Prija. | 24 10 被指挥使用 |
| Latitude : | Longtitude : | | x : | | Y: | | Section : | Survey: | | Abstract : |
| Location Type: Year F | Round Start | Date (Es | st.) : | | Comp | letion Date | : | Date In | Operation | : · · · |
| Formation Data : Assur | me KB = 6253 | Units = | FT | | | | | i , | | |
| Formation Call & Casing Points | Depth (TVD in Ft) | | Depletion (Yes/No) | BHP (PSIG) | ВНТ | | | Remarks | | |
| Surface Casing | 253 | 6000 | - E | <u></u> | | | ost circulation is p e cement to surf | | 20 ppf, J- | 55, STC casing. |
| OJAM | 1941 | 4312 | jų. | | | Possible | water flows" | | | |
| KRLD | 2078 | 4175 | a | - | | | | | | |
| FRLD | 2496 | 3757 | | | | Possible | gas | | | |
| PCCF | 2853 | 3400 | iš! | - · · | | | | | | |
| Total Depth | 3213 | 3040 | | : | | minimun | 0.5 ppf, J-55, STC n of 100' inside th s. Cased hole TD | e previous c | asing stric | |
| | i . | | | | | | • | | | |
| Logging Program : | | | | | | | | | | |
| Intermediate Logs : | Log only if sho | w ∏ c | aR/ILD | ☐ Triple | Combo | | | | CONTRACTOR STATES | |
| TD Logs : | Triple Combo | | | RET | | ☐ vsf | тот 🕅 | | | |
| Address and the Control Co | | to menda | a a alcatat | with all la- | athe OD's | . P. IDia af a | ull toole prior to | nning in the h | ale | |
| Additional Information : | Logging company | | | with all len | gais, OD'S | α IUS QÍ 8 | iii toois prior to rur | umy ni ule N | л с . | |
| | Cased hole TDT w | vith GR to | surface. | | | | | | | |
| Comments : | | | | | | | | | | |





BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basing supply 3000 psi equipment, but cannot provide annular preventors because of substructure 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 Jood pai. deletion of the annular preventor and fulfills your requirements (note diagram No. 1). In addition, the following equipment will comprise the 2000 psi system:

- 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 menifold. 10.
- Fill-up line above the upper most preventor. 11.

Cathodic Protection System Description

| Anade Bed Type | Deep Well | | | |
|----------------------|---|---|--|--|
| Hole Size | B., | | | |
| Hole Depth | 200 200. | 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° Olam, 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 | B - 20 | Sufficient quantity to achieve a total anode bed resistance of < 1 ohm and a design life ≥ 20 years. | | |
| Anode Bed Backfill | Loresco SW Calsined Petroleum Coke Breeze | installed from bottom of hole to 10' above top | | |
| Anode Junction Box | 8 - 20 Circult Fiberglass Or Metal | Sealed to provent insact & rodent intrusion. | | |
| Current Splitter Box | 2 - 5 Circuit Metal | Sealed to prevent insect & rodent intrusion. | | |
| DC / AC Cable | DC: #2, #4, #8, #8 Stranded Copper (One Size Or-Any Combination Off With High Molecular Weight Polyethylens (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 tranching is in extremely hard substratum, depth will be 5 - 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) Rectifler 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. | | |