

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF-079290-A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator CONOCO INC.		7. If Unit or CA Agreement, Name and No.
Contact: VICKI WESTBY E-Mail: Vicki.R.Westby@conoco.com		8. Lease Name and Well No. SAN JUAN 28-7 186F
3a. Address 10 DESTA DR., ROOM 608W MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 915.686.5799 Ext: 5799	9. API Well No. 30 039 26980
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESW 220FSL 2300FWL At proposed prod. zone		10. Field and Pool, or Exploratory BLANCO MESAVERDE/BASIN DAKOTA
11. Sec., T., R., M., or Blk. and Survey or Area N/ Sec 13 T28N R7W Mer NMP		12. County or Parish RIO ARriba
14. Distance in miles and direction from nearest town or post office*		13. State NM
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. Spacing Unit dedicated to this well 320.00 w/2
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 7867 MD	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6624 GL	22. Approximate date work will start	23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|--|--|
| 1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer. |
|--|--|

25. Signature (Electronic Submission) <i>Vicki Westby</i>	Name (Printed/Typed) VICKI WESTBY	Date 04/05/2002
Title AUTHORIZED SIGNATURE		
Approved by (Signature) <i>C.B.</i>	Name (Printed/Typed)	Date 9-3-02
Title	Office	

Application approval does not warrant or certify 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, 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 #10185 verified by the BLM Well Information System
For CONOCO INC., will be sent to the FarmingtonALL 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

** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT **

NMOOD

1/2

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

*API Number 30-039-26980		*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA
*Property Code 016608	*Property Name SAN JUAN 28-7 UNIT		*Well Number 186F
*GRID No. 005073	*Operator Name CONOCO, INC.		*Elevation 6624'

¹⁰ Surface Location

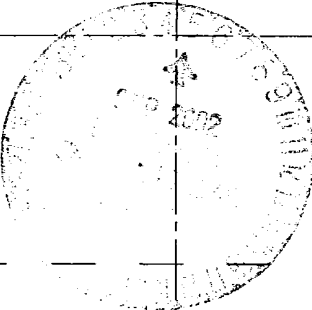

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	13	28N	7W		220	SOUTH	2300	WEST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

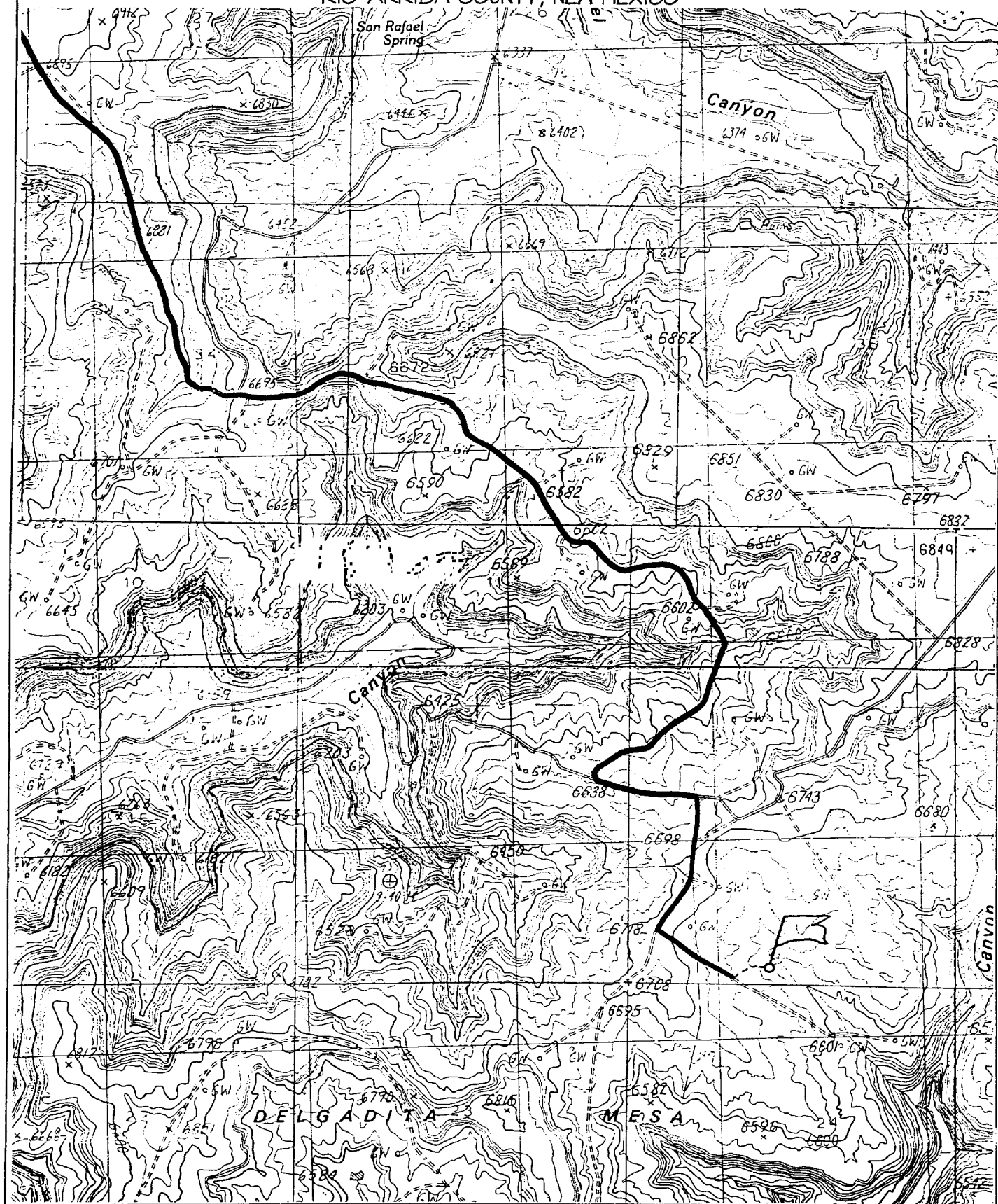
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320.0 Acres - (W/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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 5280.00' 5281.32' Bm Bm Bd Bm Bp 2300' 220' 5276.04'	13 SF-079290-A		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Vicki R. Westby</i> Signature Vicki R. Westby Printed Name Sr. Title Analyst Title <i>March 25, 2002</i> 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. Survey Date: DECEMBER 2, 2001 Signature and Seal of Professional Surveyor  <i>JASON C. EDWARDS</i> Certificate Number 15269

CONOCO, INC. SAN JUAN 28-7 UNIT #186F
220' FSL & 2300' FWL, SECTION 13, T28N, R7W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF079290A
2. Name of Operator CONOCO INC		6. If Indian, Allottee or Tribe Name
3a. Address PO BOX 2197, DU 3084 HOUSTON, TX 77252-2197		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 915.686.5799 Ext: 5799		8. Well Name and No. SAN JUAN 28-7 UNIT 186F
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T28N R7W SESW 220FSL 2300FWL		9. API Well No. 30-039-26980-00-X1
		10. Field and Pool, or Exploratory BASIN DAKOTA BLANCO MESAVERDE
		11. County or Parish, and State RIO ARriba COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original PD
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Conoco Inc. proposes to make changes to the surface casing on the above mentioned well. The wellbore changes proposed are as follows:

Raise Permitted Surface Casing Depth to 200'as per NMOCD Minimum Required Depth for wells in San Juan Basin, NM with intermediate casing set from 3001'-5000'.

For Surface Cement change to 13.5 ppg Type III Cement + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 3% bwoc Bentonite + 80.7% Fresh Water.

Test Surface Casing to 500 psig.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #12930 verified by the BLM Well Information System For CONOCO INC, sent to the Farmington Committed to AFMSS for processing by Adrienne Garcia on 07/22/2002 (02AXG0379SE)	
Name (Printed/Typed) VICKI WESTBY	Title AUTHORIZED SIGNATURE
Signature (Electronic Submission)	Date 07/19/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By /s/ Charlie Beecham	Title	Date SEP - 4 2002
Conditions of approval, if any, are attached. Approval of this notice 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.	Office	

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.

**** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ****

NMOCD

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PROJECT PROPOSAL - New Drill / Sidetrack



Well : SAN JUAN 28-7 186F		Lease : SAN JUAN 28-7		AFE # :		AFE \$:	
Field Name : EAST 28-7		Rig : Key 49		State : NM		County : RIO ARRIBA	
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 Drilled"

Surface Location

Latitude : 36.654594 Longitude : -107.5254 X : Y : Section : 13 Survey : 28N Abstract : 7W

Footage X : 2300 FWL Footage Y : 220 FSL Elevation: 6624 (FT)

Bottom Hole Location

Latitude : Longitude : X : Y : Section : Survey : Abstract :


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

Formation Data : Assume KB = 6637 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion	BHP (PSIG)	BHT	Remarks
Surface Casing	257	6380				Severe lost circulation is possible. 9 5/8", 36 ppf, J-55, STC casing. Circulate cement to surface.
OJAM	2537	4100				Possible water flows
KRLD	2637	4000				
FRLD	3087	3550				Possible gas
PCCF	3362	3275				
LEWS	3562	3075				7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
Intermediate Casing	3662	2975				7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4322	2315				
CLFH	5047	1590		1300		Gas; possibly wet
MENF	5217	1420				Gas
PTLK	5562	1075				Gas
MNCS	5862	775				
GLLP	6817	-180				
GRHN	7517	-880				Gas possible, highly fractured
TWLS	7617	-980				Gas
CBBO	7737	-1100				Gas

PROJECT PROPOSAL - New Drill / Sidetrack



Total Depth	7867	-1230		3000		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.
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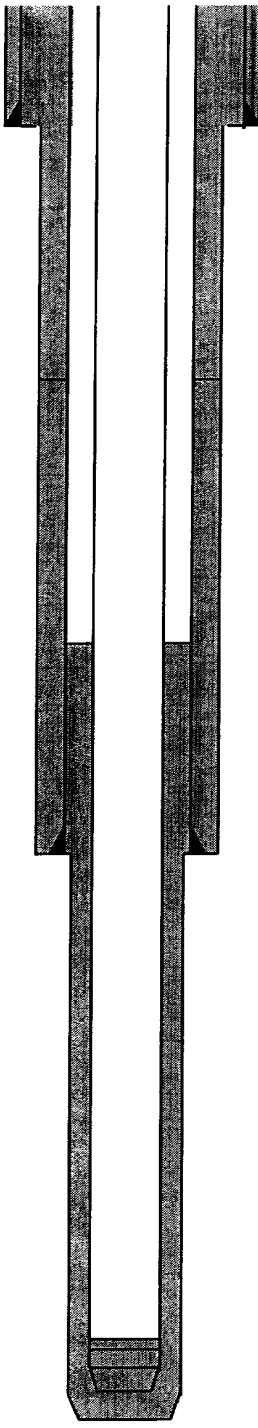
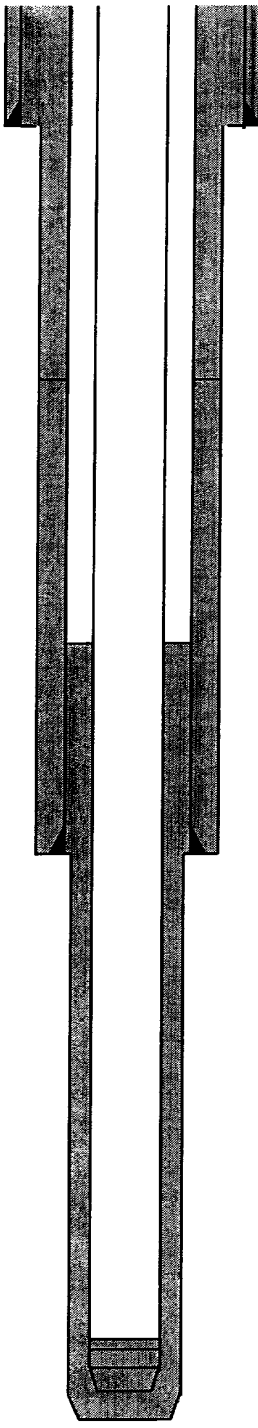
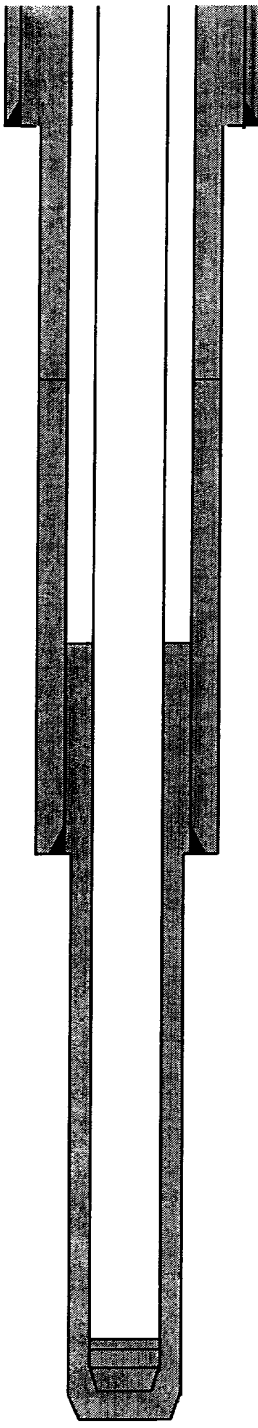
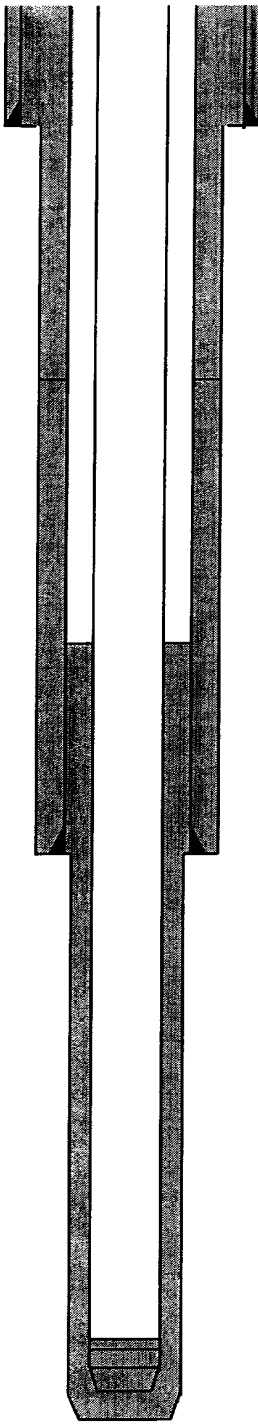
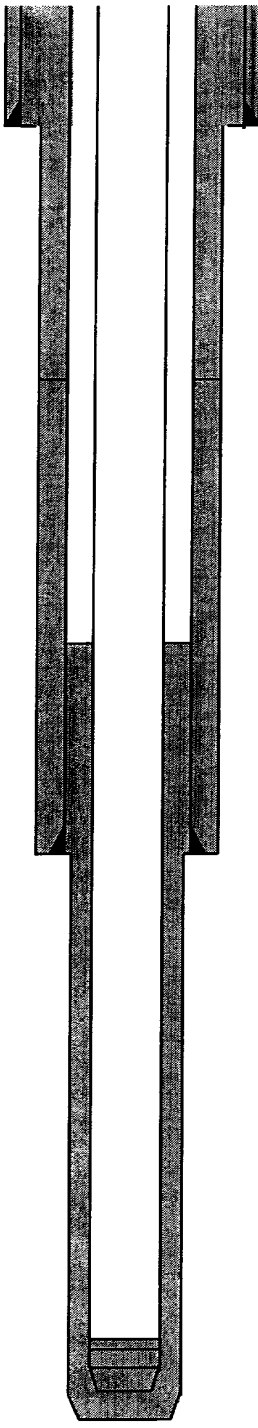
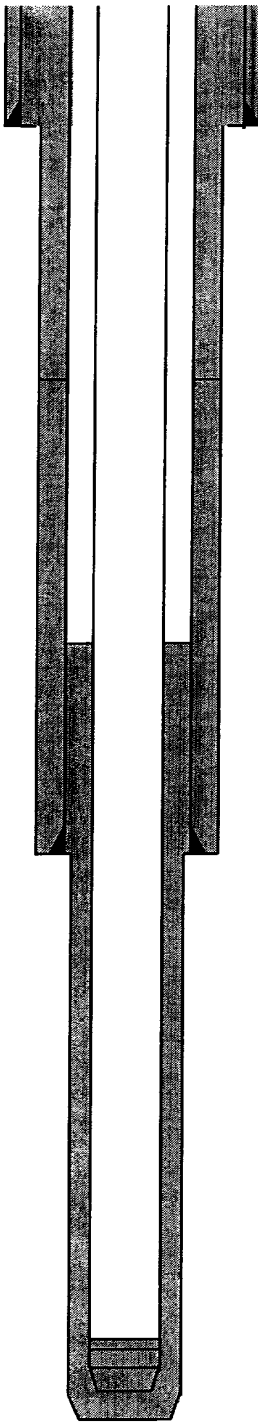
Logging Program

Intermediate Logs :	<input type="checkbox"/> Log only if show	<input type="checkbox"/> GR / ILD	<input type="checkbox"/> Triple Combo			
TD Logs :	<input type="checkbox"/> Triple Combo	<input type="checkbox"/> Dipmeter	<input type="checkbox"/> RFT	<input type="checkbox"/> Sonic	<input type="checkbox"/> VSP	<input checked="" type="checkbox"/> TDT
Additional Information :	Logging company to provide a sketch with all lengths, OD's & ID's of all tools prior to running in the hole. Cased hole TDT with GR to surface.					

Comments :

Cementing Summary

San Juan 28-7 186F (v1.0)

		OH					
		Depth	Excess				
	9-5/8" Sfc Casing	0		Class 'H' Cement	168.2 sx	Slurry Volume	178.3 cu ft
				Flocele (if req'd)	0.25 lb/sk		31.8 bbl
				CaCl2	2.0% bwoc-db	Slurry Density	16.5 ppg
				Defoamer (if req'd)	0.05 gal/bbl	Slurry Yield	1.06 cu ft/sk
	9-5/8" shoe	257	100%			Mix Fluid	4.22 gal/sk
<hr/>							
	7" Lead Cement	150%		Blend	400.93 sx	Slurry Volume	1134.6 cu ft
				Class 'H' Cement	84 lb/sk		202.1 bbl
				San Juan Poz	lb/sk	Slurry Density	11.4 ppg
				Econolite	3.0% bwob	Slurry Yield	2.83 cu ft/sk
				CaCl2	bwob	Mix Fluid	17.29 gal/sk
				CFR-3	bwob		
				HR-5	bwob		
	7" Top of Tail	3,162		Silicalite-blended	10 lb/sk		
				Flocele	0.5 lb/sk		
				Defoamer (if req'd)	0.05 gal/bbl		
	7" Tail Cement	150%		Blend	173.96 sx	Slurry Volume	207.0 cu ft
				Class 'H' Cement	100% bwob		36.9 bbl
				San Juan Poz	lb/sk	Slurry Density	15.6 ppg
				Econolite	bwob	Slurry Yield	1.19 cu ft/sk
				CaCl2	1.00% bwob	Mix Fluid	5.2 gal/sk
	4.5" TOC	2,662		CFR-3	bwob		
				HR-5	bwob		
				Silicalite-blended	bwob		
				Flocele	0.25 lb/sk		
				Gilsonite	lb/sk		
				Defoamer (if req'd)	0.05 gal/bbl		
	7" Casing Intermediate	3,662	150%				
	4.5" Cement	50%		Blend	449.98 sx	Slurry Volume	765.0 cu ft
				Class 'H' Cement	47 lb/sk		136.2 bbl
				San Juan Poz	24 lb/sk	Slurry Density	12.8 ppg
				Bentonite	3.00% bwob	Slurry Yield	1.70 cu ft/sk
				Halad-344	0.40% bwoc	Mix Fluid	8.26 gal/sk
				CFR-3	0.20% bwoc		
				HR-5	0.10% bwoc		
				Silicalite-blended	20 lb/sk		
				Flocele	0.25 lb/sk		
				Defoamer (if req'd)	0.05 gal/bbl		
	4-1/2" Casing Production	7,867	50%				

Note: Conoco to verify casing depths.

[illegible]

BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basing supply 1000 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 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 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., \geq 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 \geq 20 years.
Anode Bed Backfill	Loreaco 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 arroyos and streams. EXCEPTION: If trenching is in extremely hard substratum, depth will be 8 - 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.