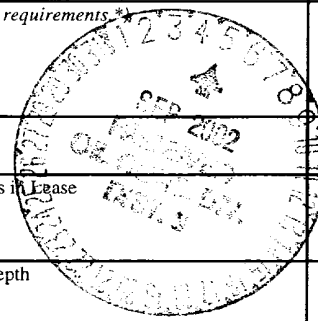


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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-079289
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. 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 233G
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. 3063927005
4. Location of Well (Report location clearly and in accordance with any State requirements*) At surface SENE 2500FNL 270FEL At proposed prod. zone		10. Field and Pool, or Exploratory BASIN DAKOTA
14. Distance in miles and direction from nearest town or post office*		11. Sec., T., R., M., or Blk. and Survey or Area Sec 14 T28N R7W Mer NMP
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	12. County or Parish RIO ARRIBA
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 7909 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6671 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well 320.00 N/2
23. Estimated duration		20. BLM/BIA Bond No. on file



24. Attachments

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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- 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 05/06/2002
Title AUTHORIZED SIGNATURE		
Approved by (Signature) <i>Wayne Townsend</i>	Name (Printed/Typed) Wayne Townsend	Date 9/9/02
Title Pet. Eng. FFO		

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 Farmington
DRILLING 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 **

W

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

District II
PO Drawer 00, 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

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

2002 JUL -8 PM 12: 40

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-27005		*Pool Code 72319 / 71599		*Pool Name / BASIN DAKOTA	
*Property Code 016608		*Property Name SAN JUAN 28-7 UNIT			*Well Number 233G
*OGRID No. 005073		*Operator Name CONOCO, INC.			*Elevation 6671'

¹⁰ Surface Location

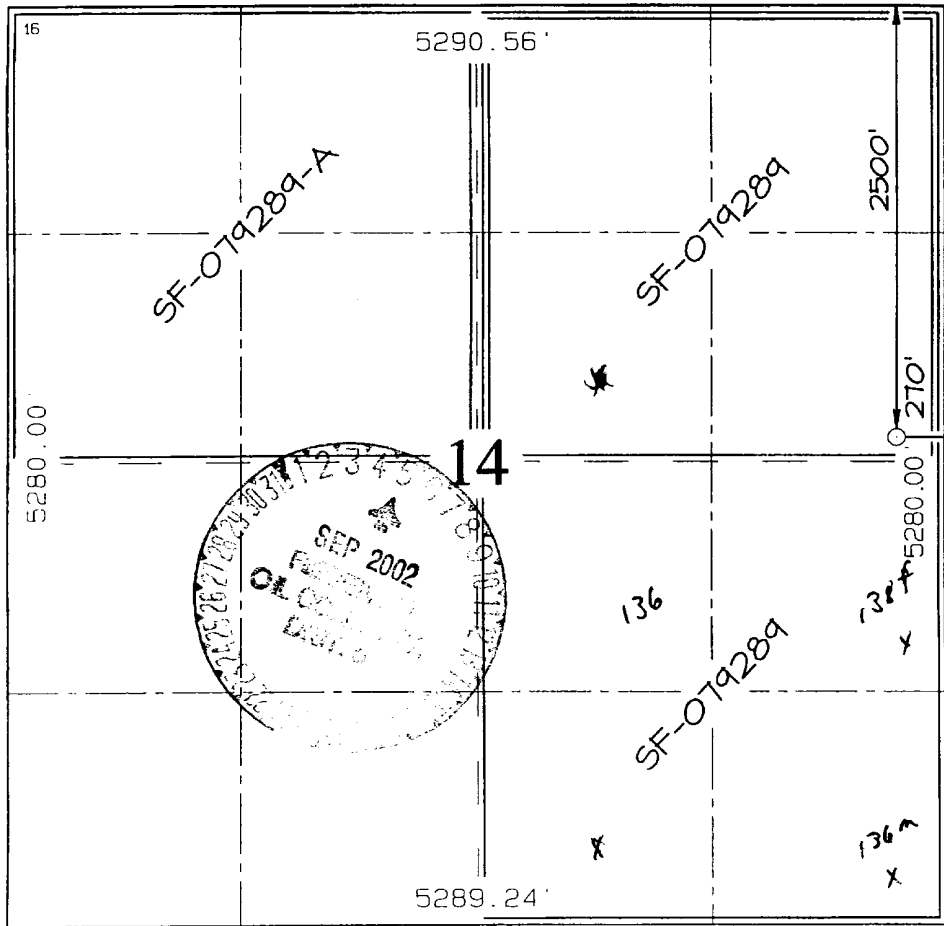
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	14	28N	7W		2500	NORTH	270	EAST	RIO ARRIBA

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	320.0 Acres (E/2) - MV 320.0 Acres (N/2) - DK	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



¹⁷ OPERATOR CERTIFICATION

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

Vicki Westby
Signature
Vicki R. Westby
Printed Name
Sr. Title Analyst
Title
April 19, 2002
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.

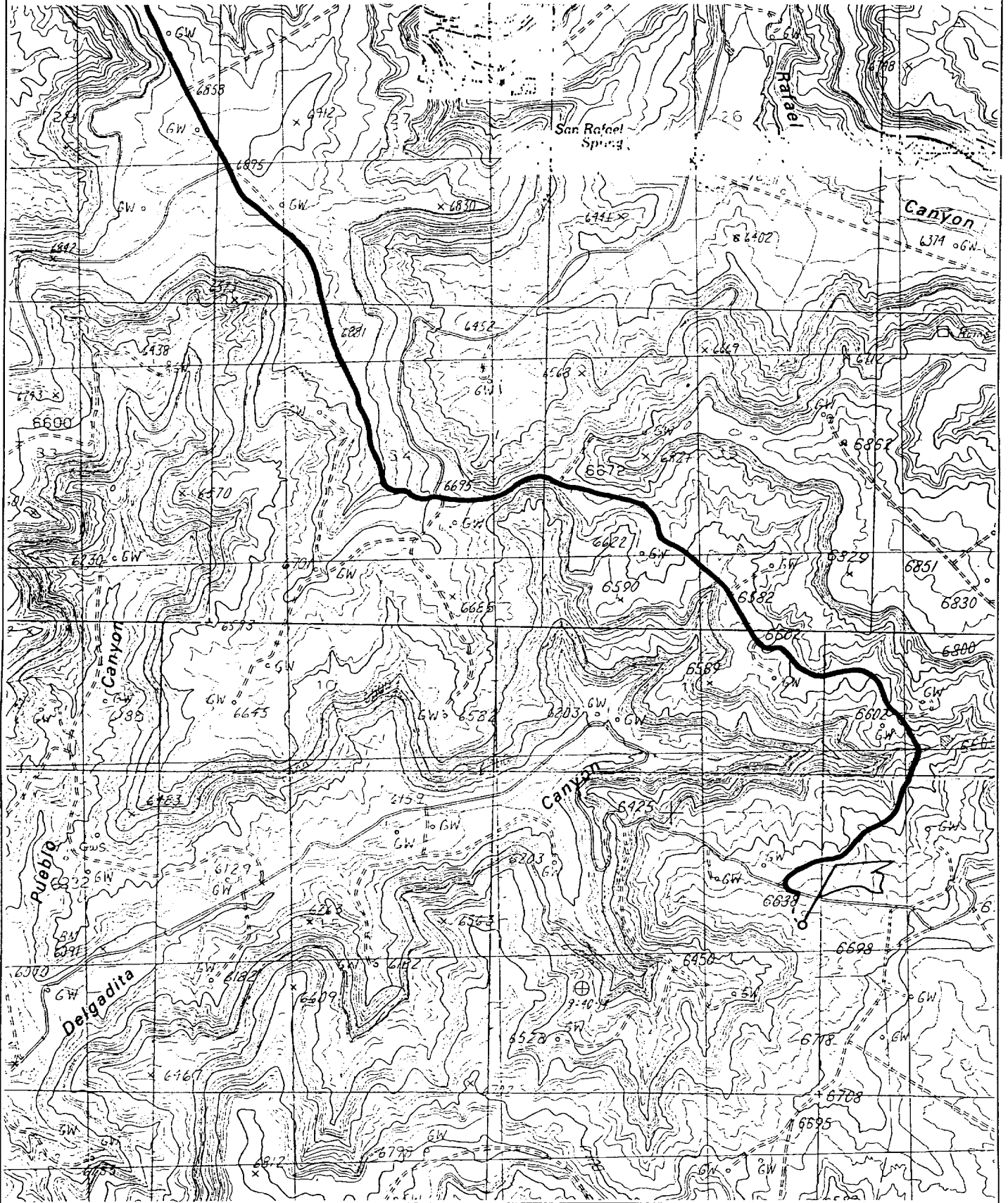
Survey Date: FEBRUARY 7, 2002

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

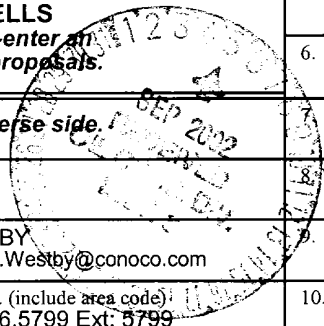
CONOCO, INC. SAN JUAN 28-7 UNIT #2336
2500' FNL & 270' FEL, SECTION 14, T28N, R7W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO



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. NMSF079289
2. Name of Operator CONOCO INC	6. If Indian, Allottee or Tribe Name
Contact: VICKI WESTBY E-Mail: Vicki.R.Westby@conoco.com	7. If Unit or CA/Agreement, Name and/or No.
3a. Address PO BOX 2197, DU 3084 HOUSTON, TX 77252-2197	8. Well Name and No. SJ 28-7 233G
3b. Phone No. (include area code) Ph: 915.686.5799 Ext: 5799	9. API Well No. 30-039-27005-00-X1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T28N R7W SENE 2500FNL 270FEL	10. Field and Pool, or Exploratory BASIN
	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 recomplete 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 recompletion 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 #12928 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 (02AXG0377SE)**

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 <i>Wayne Townsend</i>	Title <i>Ret. Eng.</i>	Date <i>9/19/02</i>
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 ** REVISED ****

NMOCD

DRILLING PROGRAM - SAN JUAN 28-7 233G



San Juan Business
Unit

Well: SAN JUAN 28-7 233G	Area: EAST	AFE #s:			AFE \$: 6331955.5
Field Name: EAST 28-7	Rig: Key 49	State: NM	County: Rio Arriba	API #:	
Location: Surface					
Lat.: 36.6616	Long: -107.534183	Footage X: 270	FEL	Footage Y: 2500	FNL
ERA (Emergency Response Area):		Sec.: 14	Survey: 28N	Abstract: 7W	
Lat:	Long:	<i>in Drilled</i>			

Formation Data : Ground Level = 6671 FT Assume KB = 6684 FT

Formation Call && Casing Points	Depth (TVD in Ft)	BHP (PSIG)	BHT	Remarks
Surface Casing	194			Severe lost circulation is possible. 9 5/8", 36 ppf, J-55, STC casing. Circulate cement to surface.
OJAM	2559			Possible water flows
KRLD	2679			
FRLD	3154			Possible gas
PCCF	3404			
LEWS	3604			
Intermediate Casing	3704			7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4374			
CLFH	5054	1300		Gas; possibly wet
MENF	5259			Gas
PTLK	5594			Gas
MNCS	5894			
GLLP	6864			
GRHN	7559			Gas possible, highly fractured
TWLS	7624			Gas
CBBO	7779			Gas
Total Depth	7909	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.

Logging Program :

Intermediate Logs:	<input type="checkbox"/> Log only if show <input type="checkbox"/> GR / ILD <input type="checkbox"/> Triple Combo <input type="checkbox"/> Other
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 <input type="checkbox"/> Other
Additional Information:	

Comments

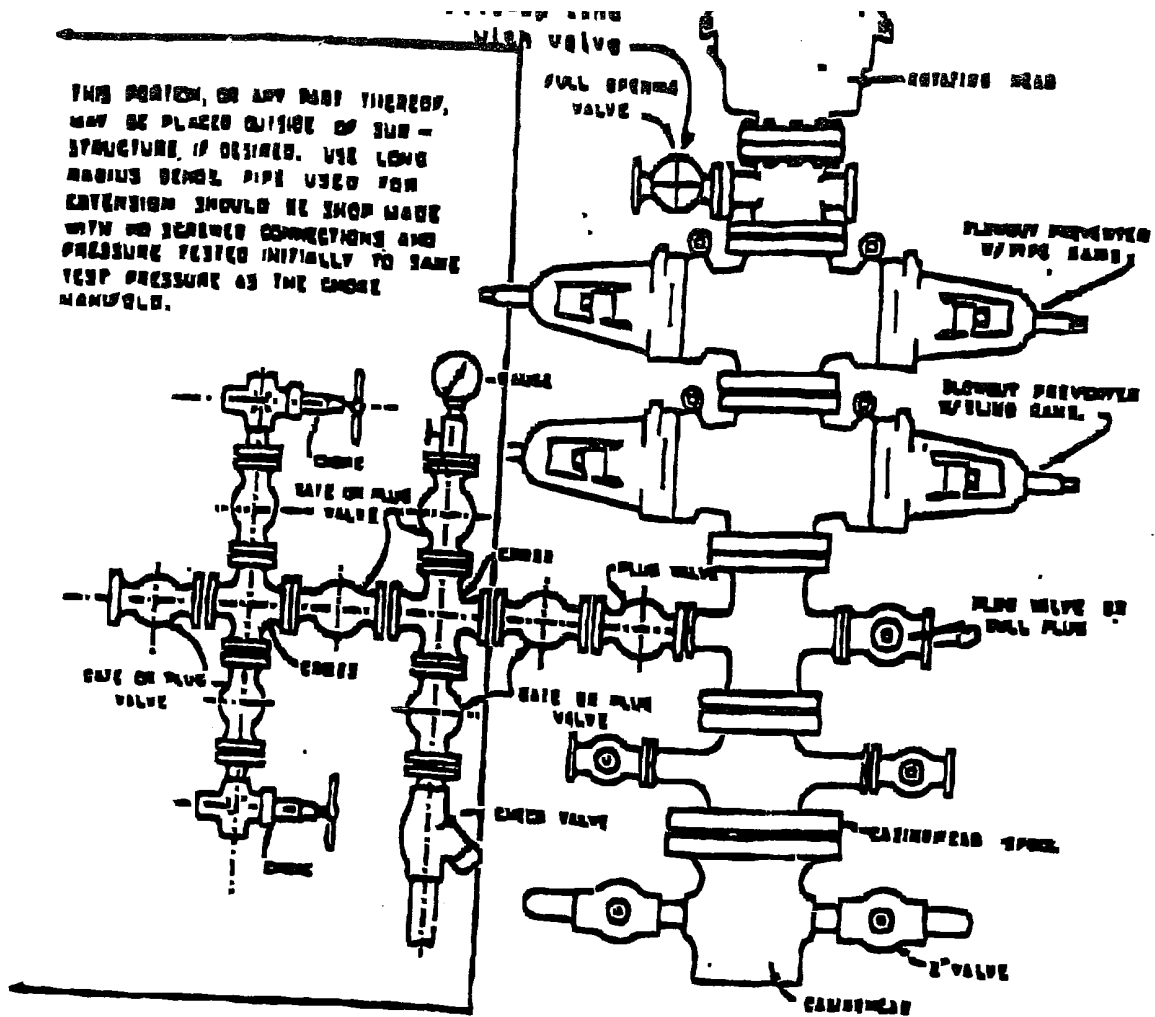
Cementing Summary

San Juan 28-7 233G (v2.0)

		OH					
		Depth	Excess				
9-5/8" Sfc Casing	0	Class 'H' Cement	134.6 sx	Slurry Volume	142.6 cu ft		
		Flocele (if req'd)	0.25 lb/sk		25.4 bbl		
		CaCl ₂	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	200	100%	Mix Fluid	4.22 gal/sk			
<hr/>							
7" Lead Cement	150%	Blend	411.52 sx	Slurry Volume	1164.6 cu ft		
		Class 'H' Cement	84 lb/sk		207.4 bbl		
		San Juan Poz	lb/sk	Slurry Density	11.4 ppg		
		Econolite	3.0% bwob	Slurry Yield	2.83 cu ft/sk		
		CaCl ₂	bwob	Mix Fluid	17.29 gal/sk		
		CFR-3	bwob				
7" Top of Tail	3,210	HR-5	bwob				
		Silicalite-blended	10 lb/sk				
		Flocele	0.5 lb/sk				
		Defoamer (if req'd)	0.05 gal/bbl				
<hr/>							
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		
		CaCl ₂	1.00% bwob	Mix Fluid	5.2 gal/sk		
		CFR-3	bwob				
4.5" TOC	2,710	HR-5	bwob				
		Silicalite-blended	bwob				
		Flocele	0.25 lb/sk				
		Gilsonite	lb/sk				
		Defoamer (if req'd)	0.05 gal/bbl				
		<hr/>					
7" Casing Intermediate	3,710	150%					
<hr/>							
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				
<hr/>							
4-1/2" Casing Production	7,915	50%					

Note: Conoco to verify casing depths.

v2.0 Change depth of surface pipe from 285 to 200'



BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basin supply 3000 psi equipment, but cannot provide annular preventers 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 the 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., \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 Braeze	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.