

11/2000 N/05 H/11/11

Form 3160-3 (August 1999)

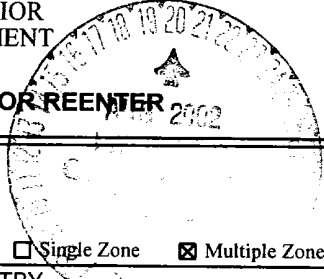
BLM

MV-PA

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER



Form fields 1-23 including: 1a. Type of Work (DRILL checked), 1b. Type of Well (Gas Well checked), 2. Name of Operator (CONOCO INC.), 3a. Address (10 DESTA DR., ROOM 608W MIDLAND, TX 79705), 3b. Phone No. (915.686.5799 Ext: 5799), 4. Location of Well (SESE 440FSL 285FEL), 10. Field and Pool (BLANCO MESAVERDE/BASIN DAKO), 11. Sec., T., R., M., or Blk. and Survey or Area (Sec 8 T28N R7W Mer NMP), 12. County or Parish (RIO ARRIBA), 13. State (NM), 17. Spacing Unit (338.02 DK 304.04 MV), 20. BLM/BIA Bond No. on file, 21. Elevations (6617 GL), 22. Approximate date work will start (JUN 21 2002), 23. Estimated duration.

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ENTERED AFMSS JUN 21 2002

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

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.

Signature fields: 25. Signature (Electronic Submission) VICKI WESTBY, Date 06/19/2002; Title AUTHORIZED SIGNATURE; Approved by (Signature) Charlie Beecham, Title ACTING, Date AUG 19.

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 #12157 verified by the BLM Well Information System For CONOCO INC., sent to the Farmington Committed to AFMSS for processing by Lucy Bee on 06/21/2002 ()

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NMOCD

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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 30-039-27039		*Pool Code 72319 \ 71599	*Pool Name BLANCO MESAVERDE \ BASIN DAKOTA
*Property Code 016608	*Property Name SAN JUAN 28-7 UNIT		*Well Number 241M
*GRID No 005073	*Operator Name CONOCO, INC.		*Elevation 6617'

10 Surface Location

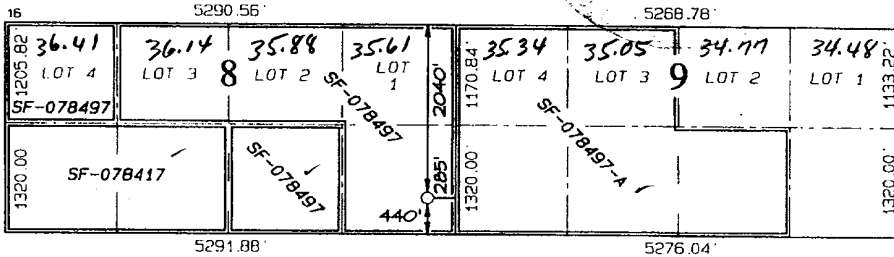
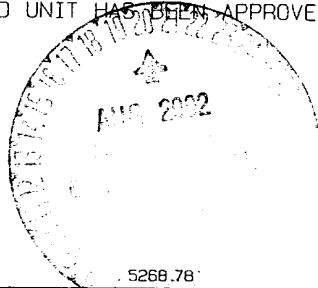
U. or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	28N	7W		440	SOUTH	285	EAST	RIO ARriba

11 Bottom Hole Location If Different From Surface

U. or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres: 304.04 Acres - MV 338.02 Acres - DK									
					13 Joint or Infill	14 Consolidation Code		15 Order No. <i>R-2948-DK only</i>	

Tract 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



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
Date: *June 7, 2002*

18 SURVEYOR CERTIFICATION

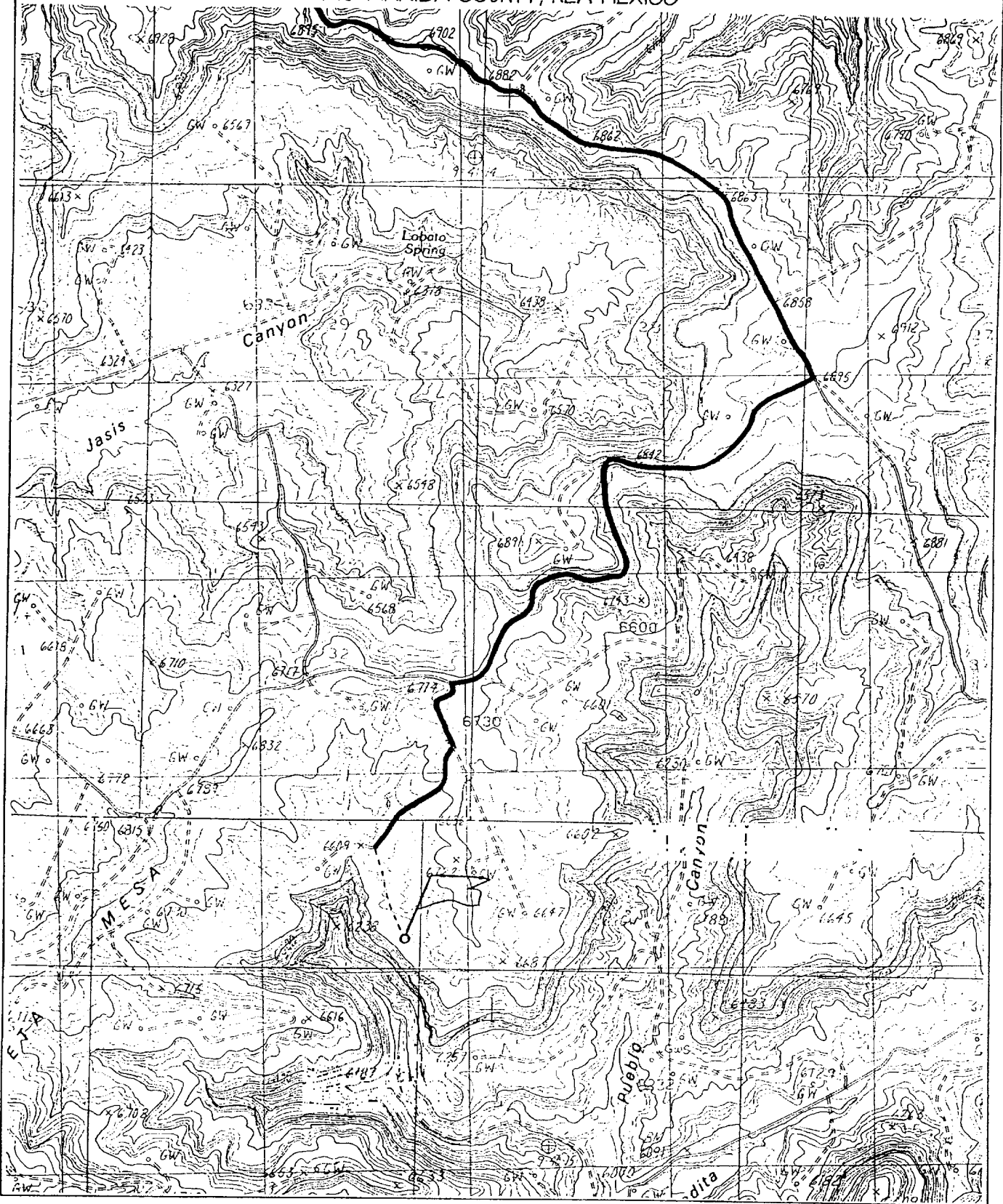
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief

Date of Survey: April 16, 2002

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
Certificate Number 15269

CONOCO, INC. SAN JUAN 28-7 UNIT #241M
440' FSL & 285' FEL, SECTION 8, T28N, R7W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO



DRILLING PROGRAM - SAN JUAN 28-7 241M



San Juan Business Unit

Well: SAN JUAN 28-7 241M | Area: EAST | AFE #s: | AFE \$:

Field: EAST 28-7 | Rig: Key 49 | State: NM | County: Rio Arriba | API:

Location: Surface

Lat. 36.669638 | Long: -107.58824 | Footage X: 285 | FEL | Footage 440 | FSL | Sec.: 8 | Survey: 28N | Abstract: 7W

ERA (Emergency Response Area):

Lat: | Long:

Formation Data | Ground Level 6617 FT | Assume KB 6630 FT | *"Air Drilled"*

Formation Call && Casing Points	Depth (TVD in Ft)	BHP (PSIG)	BHT	Remarks
Surface Casing	205			Severe lost circulation is possible. 12 1/4" Hole. 9 5/8", 36 ppf, J-55, STC casing. Will test to 500 psi. Circulate cement to surface.
OJAM	2380			Possible water flows
KRLD	2505			
FRLD	3050			Possible gas
PCCF	3300			
LEWS	3500			
Intermediate Casing	3600			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface. Will test to 1500 psi.
CHRA	4245			
CLFH	4905	1300		Gas; possibly wet
MENF	5080			Gas
PTLK	5480			Gas
MINCS	5730			
GLLP	6755			
GRHN	7450			Gas possible, highly fractured
TWLS	7535			Gas
CBBO	7655			Gas
Total Depth	7800	3000		6 1/4" Hole. 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: Log only if show GR / ILD Triple Combo Other

TD Logs: Triple Combo Dipmeter RFT Sonic VSP TDT Other

Additional Information:

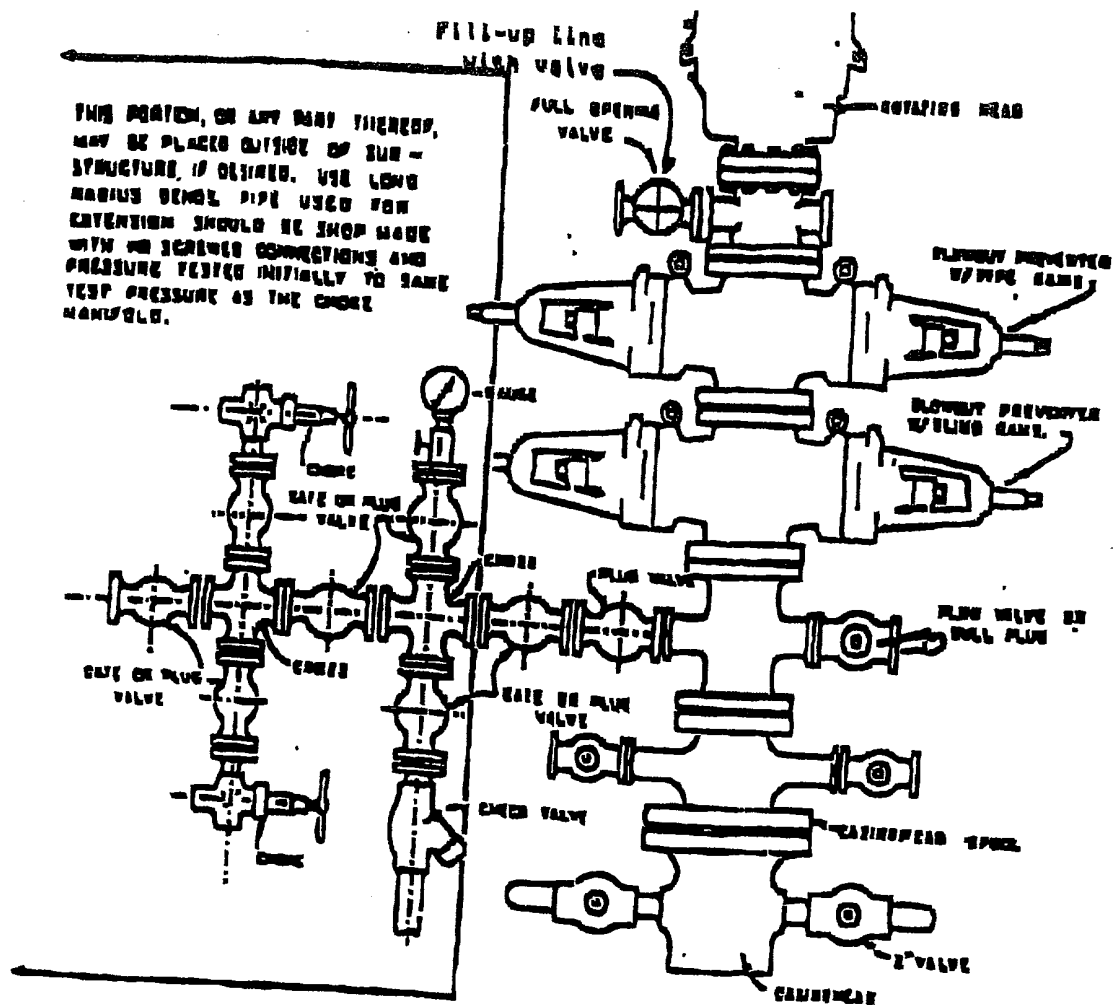
Comments:

Cementing Summary

San Juan 28-7 241M (v1.0)

		OH						
		Depth	Excess					
9-5/8" Sfc Casing	0	Class 'H' Cement	137.5	sx	Slurry Volume	145.8	cu ft	
			Flocele (if req'd)	0.25		lb/sk	26.0	bbl
			CaCl2	2.0%		bwoc-db	16.4	ppg
			Defoamer (if req'd)	0.05		gal/bbl	1.06	cu ft/sk
							4.33	gal/sk
9-5/8" shoe	205	100%						
7" Lead Cement	150%	Blend	396.54	sx	Slurry Volume	1122.2	cu ft	
			Class 'H' Cement	84		lb/sk	199.9	bbl
			San Juan Poz			lb/sk	11.4	ppg
			Econolite	3.0%		bwob	2.83	cu ft/sk
			CaCl2			bwob	17.29	gal/sk
			CFR-3			bwob		
7" Top of Tail	3,100	HR-5		bwob				
			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	15.6	ppg
			Econolite			bwob	1.19	cu ft/sk
			CaCl2	1.00%		bwob	5.2	gal/sk
			CFR-3			bwob		
4.5" TOC	2,600	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	3,600	150%						
4.5" Cement	50%	Blend	449.53	sx	Slurry Volume	764.2	cu ft	
			Class 'H' Cement	47		lb/sk	136.1	bbl
			San Juan Poz	24		lb/sk	12.8	ppg
			Bentonite	3.00%		bwob	1.70	cu ft/sk
			Halad-344	0.40%		bwoc	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	7,800	50%						

Note: Conoco to verify casing depths.



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 deletion of the annular preventor 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 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 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.