

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 <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5 LEASE DESIGNATION AND SERIAL NO NM 0546 NM 028226	
b TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6 IF INDIAN, ALLOTTEE OR TRIBE NAME	
2 NAME OF OPERATOR Conoco Inc.		7 UNIT AGREEMENT NAME Bell Federal 11	
3 ADDRESS AND TELEPHONE NO 10 Desta Drive, Suite 649W, Midland, TX 79705; 915/686-5515		8 FARM OR LEASE NAME WELL NO 1	
4 LOCATION OF WELL (Report location clearly and in accordance with any State requirements*) At surface 995' FNL & 840' FEL At proposed prod. Zone 995' FNL & 840' FEL		9 API WELL NO 30-045-30332	
10 FIELD AND POOL OR WILDCAT Basin Fruitland Coal -		11 SEC. T. R. M. OR BLK AND SURVEY OR AREA Sec. 11, T30N, R13W	
12 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 5859' GR -		13 COUNTY OR PARISH San Juan -	
14 DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drilg. Unit line, if any)		15 NO OF ACRES IN LEASE 2170	
16 DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT		17 NO OF ACRES ASSIGNED TO THIS WELL N/320	
18 ELEVATIONS (Show whether DF, RT, GR, etc.) 5859' GR -		19 ROTARY OR CABLE TOOLS Rotary	
20 APPROX DATE WORK WILL START* 9/15/00		21	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8 3/4"	J-55; 7"	20#	250'	70 sxs, circ.
6 1/4"	J-55; 4 1/2"	10.5#	2170' -	240 sxs, circ. to surface

It is proposed to drill a vertical wellbore in the Basin Fruitland Coal Pool. An NOS was filed 4/26/00. 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 including temporary pipeline tie specifications.
6. Production Facility Layout.

APD/ROW

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

This application includes ROW's for the well pad, and pipeline. The pipe-wall thickness is .156 and the pipe-wall strength is 42,000# yield.

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.

SIGNED John Johnson TITLE Sr. Property Analyst DATE 8/4/00
(This space for Federal or State office Use)

PERMIT NO. _____ APPROVAL DATE _____
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 thereon

CONDITIONS OF APPROVAL, IF ANY

APPROVED BY Jim Lovato TITLE _____ DATE NOV - 9

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

NM00L

District I
PO Box 198C, 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 30-045-30332		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL	
*Property Code 26925		*Property Name BELL FEDERAL 11		*Well Number 1
*UGRID No. 005073		*Operator Name CONOCO, INC.		*Elevation 5859'

¹⁰ Surface Location

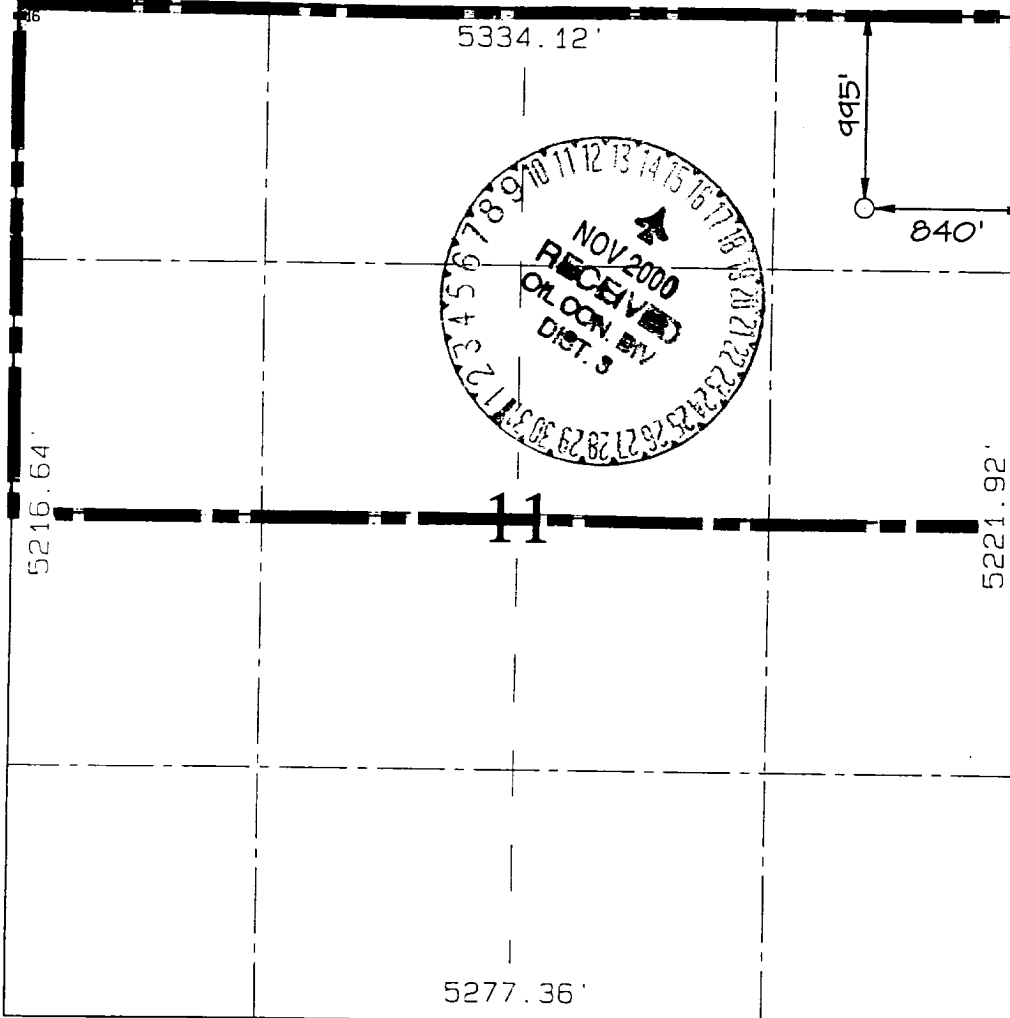
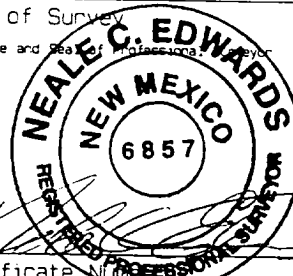
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	11	30N	13W		995	NORTH	840	EAST	SAN JUAN

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

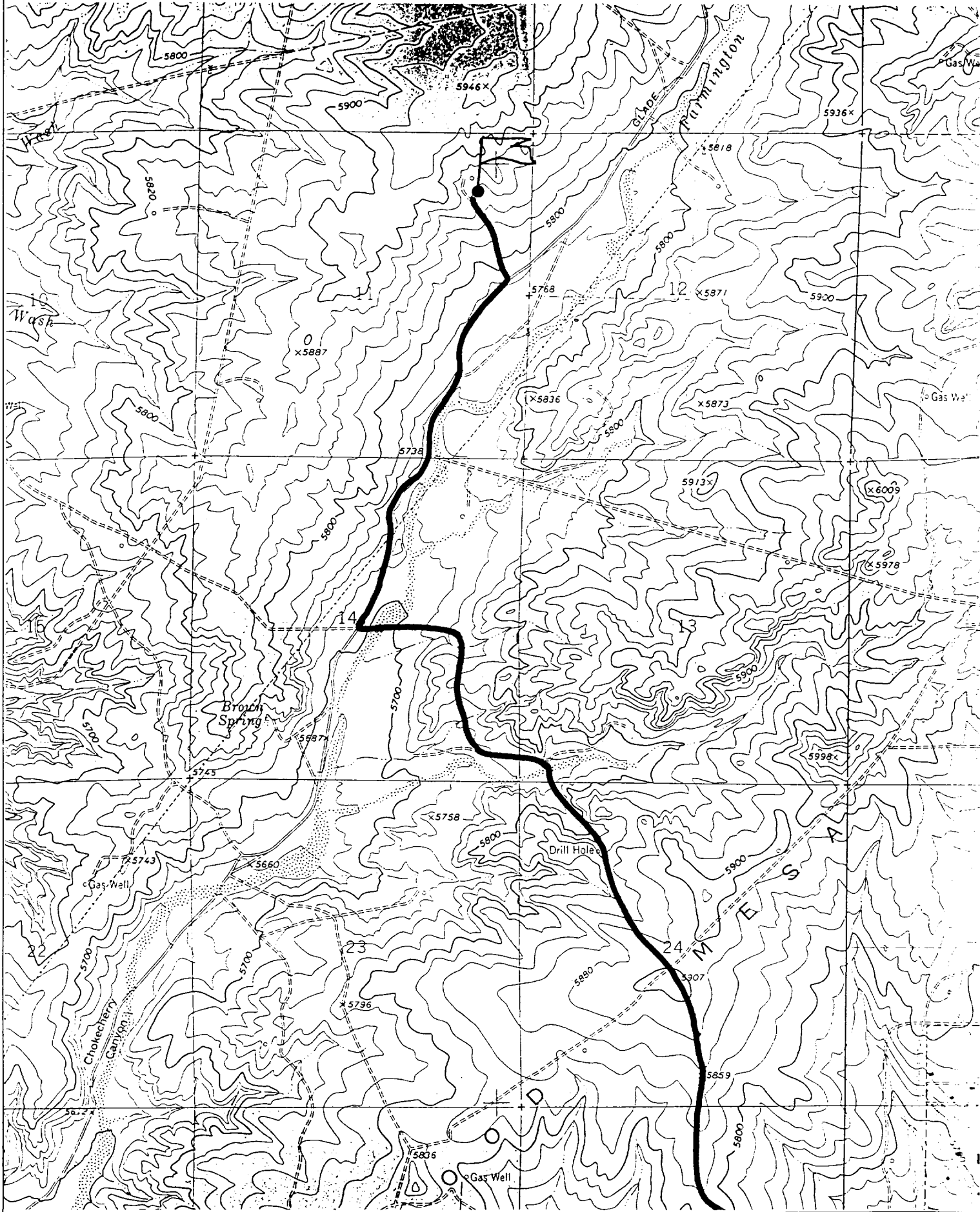
¹² Dedicated Acres 320 ac.	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>JoAnn Johnson</i> Signature JoAnn Johnson Printed Name Sr. Property Analyst Title Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>APRIL 28, 2000 Date of Survey Signature and Seal of Professional Surveyor  Certificate Number 6857</p>

CONOCO, INC. BELL FEDERAL II #1

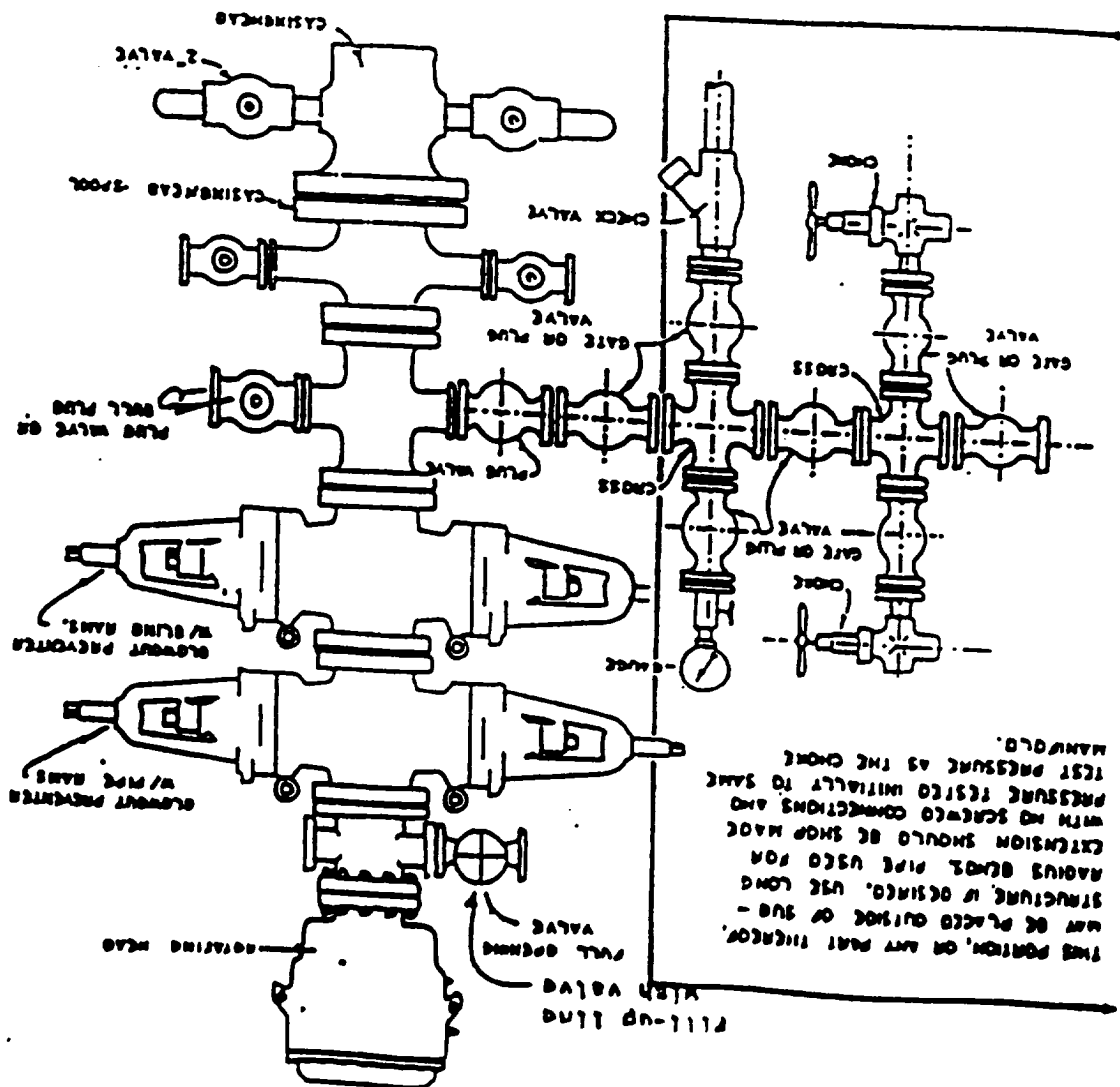
995' FNL & 840' FEL, SECTION II, T30N, R13W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



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.

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 equipment according to Onshore Order No. 2 even though 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:

BLOWOUT PREVENTER HOOKUP



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	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 <i>always</i> 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.