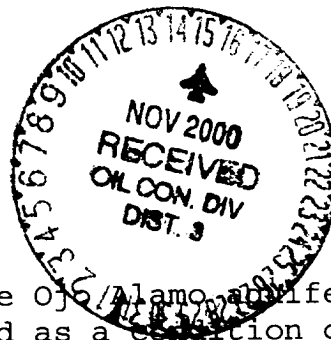


C. HARRADEN/November 7, 2000

CONOCO INC/Maddox WN Federal # 4 APD

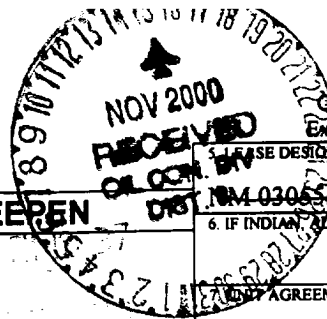
STIPULATION/CONDITION OF APPROVAL



In order to protect the integrity of the Ojo Alamo aquifer, minimum surface csg. depth of 500' is stipulated as a condition of approval for this APD.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN



FORM APPROVED  
OMB NO. 1004-0138  
Expires February 28, 1995

LEASE DESIGNATION AND SERIAL NO.

1105 FSL & 995 FWL

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐ GAS WELL ☒ OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

AGREEMENT NAME

Maddox WN Federal

8. FARM OR LEASE NAME WELL NO.

8 - see C103 - next page

9. API WELL NO.

30-045-30334

2. NAME OF OPERATOR

Conoco Inc.

3. ADDRESS AND TELEPHONE NO.

10 Desta Drive, Suite 649W, Midland, TX 79705; 915/686-5515

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements\*)

At surface

1105' FSL & 995' FWL

At proposed prod. Zone

1105' FSL & 995' FWL

This section is subject to technical and  
procedural review pursuant to 43 CFR 3100.3  
and appeal pursuant to 43 CFR 3100.4.

10. FIELD AND POOL, OR WILDCAT

Basin Fruitland Coal -

11. SEC., T., R., M., OR BLK.

AND SURVEY OR AREA

Sec. 12, T30N, R13W

12. COUNTY OR PARISH

San Juan

13. STATE

NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

15. DISTANCE FROM PROPOSED\*  
LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. Unit line, if any)

6. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

5/ 320

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

9. PROPOSED DEPTH

2144' -

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5849 - 5722\* GR -

22. APPROX. DATE WORK WILL START\*

9/15/00

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#	2144' ✓	235 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.

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE 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.

25

SIGNED

*Ann 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:

*for Jim Lovato*

APPROVED BY

TITLE

DATE

NOV - 9 2000

\*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.

NMOC

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**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.*

FORM APPROVED

OMB NO. 1004-0135

Expires: November 30, 2000

5. Lease Serial No.

NM 030555

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement Name and/or No.

8. Well Name and No.

MADDOX WN FEDERAL 4

9. API Well No.

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, and State

SAN JUAN NM

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well ☐ Oil Well ☒ Gas Well Other

2. Name of Operator  
CONOCO INC.

3a. Address P.O. BOX 2197 DU 3066  
HOUSTON, TX 77252

3b. Phone No.(include area code)  
281.293.1005

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

995FWL 1105FSL

**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"/> APDCH
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 requests to change the well number of our application to drill from Maddox WN Federal #4 to the Maddox WN Federal #8. There is already a #4 well.

Electronic Submission #1863 verified by the BLM Well Information System for CONOCO INC. Sent to the Farmington Field Office  
Committed to AFMSS for processing by Maurice Johnson on 11/06/2000

Name (Printed/Typed) **DEBORAH MARBERRY**

Title **SUBMITTING CONTACT**

Signature

Date **11/02/2000**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By **/s/ Jim Lovato**

Title

Date **NOV - 9 2000**

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

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  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

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

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-30331	*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL/
*Property Code 14119	*Property Name MADDOX WN FEDERAL	*Well Number #8
*GRID No. 005073	*Operator Name CONOCO, INC.	*Elevation 5849'

10 Surface Location


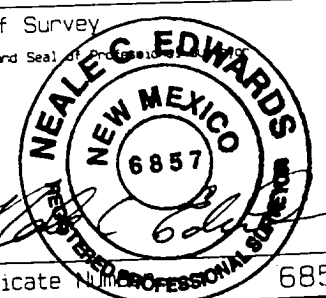
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	30N	13W		1105	SOUTH	995	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

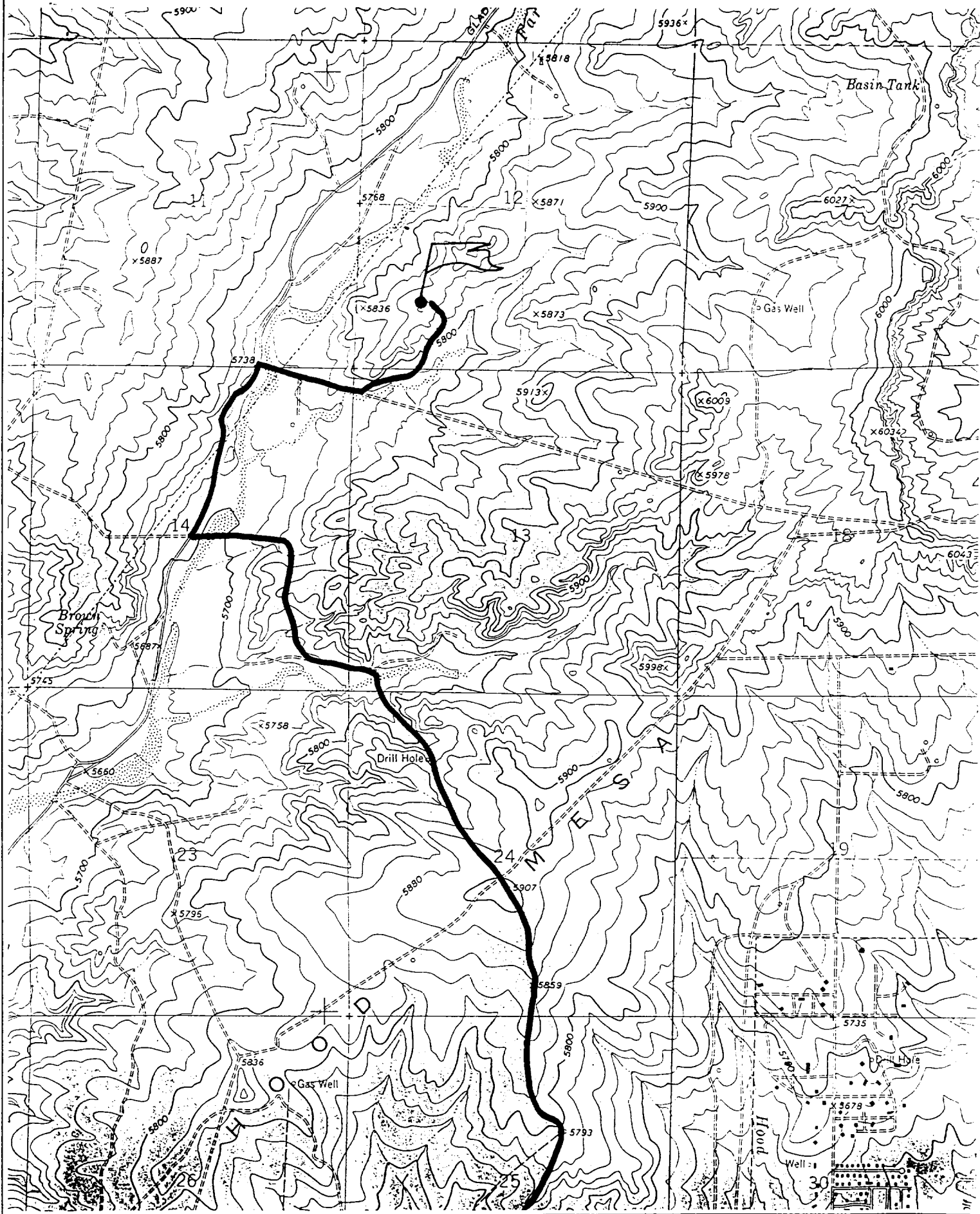
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

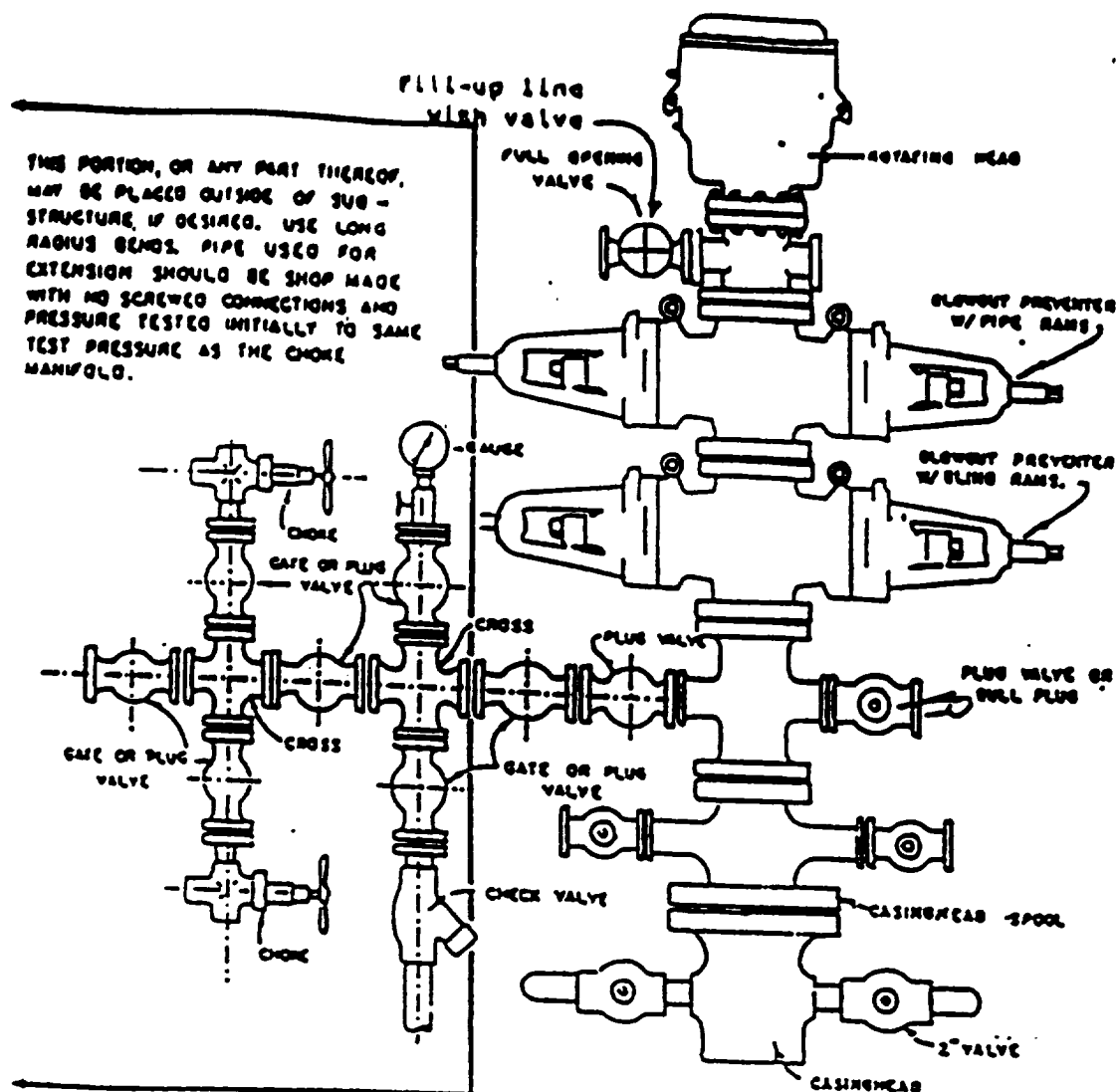
12 Dedicated Acres 320 ac.	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<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 8-4-00 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</p> <p><i>Neale G. Edwards</i> Signature and Seal of Professional Surveyor</p> <p> Certificate Number 6857</p>

CONOCO, INC. MADDUX WN FEDERAL #48  
1105' FSL & 995' FWL, SECTION 12, T30N, R13W, N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO





### 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 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

<b>Anode Bed Type</b>	Deep Well	
<b>Hole Size</b>	8"	
<b>Hole Depth</b>	200' - 500'	As required to place anodes below moisture and in low resistance strata.
<b>Surface Casing</b>	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.
<b>Vent Pipe</b>	1" Diam. PVC	Vent pipe will extend from bottom of hole, through top of casing cap, and sealed with a 1" perforated PVC cap.
<b>Type Of Anodes</b>	Cast Iron Or Graphite	
<b>Number Of Anodes</b>	8 - 20	Sufficient quantity to achieve a total anode bed resistance of $< 1$ ohm and a design life $\geq$ 20 years.
<b>Anode Bed Backfill</b>	Loresco SW Calcined Petroleum Coke Breeze	Installed from bottom of hole to 10' above top anode.
<b>Anode Junction Box</b>	8 - 20 Circuit Fiberglass Or Metal	Sealed to prevent insect & rodent intrusion.
<b>Current Splitter Box</b>	2 - 5 Circuit Metal	Sealed to prevent insect & rodent intrusion.
<b>DC / AC Cable</b>	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>a/ways</i> installed under foreign pipeline in conduit).
<b>Power Source</b>	1) Rectifier 2) Solar Power Unit 3) Thermoelectric Generator	Choice of power source depending on availability of AC & other economic factors.
<b>External Painting</b>	Color to be selected according to BLM specifications.	Paint applied to any surface equipment associated with the CP system which can reasonably be painted.