C. HARRADEN/ April 4, 2001 CONOCO INC/ Maddox D Federal # 2 APD

STIPULATION/CONDITION OF APPROVAL

In order to protect the integrity of the Ojo Alamo aquifer, minimum surface csg. depth of 420' is stipulated as a condition of approval for this APD.

UNITED STATES

FORM APPROVED OMB NO. 1004-0136 Expires February 28, 1995

DE	5. LEASE D	5. LEASE DESIGNATION AND SERIAL NO.						
A A DDI ICATI	- NM-054	NM-0546						
APPLICATI	ON FOR PERIVIT	TO DRILL OR DEEP	- EIA	6. IF INDIA	N, ALLOTTEE OF	R TRIBE NAME		
_	DEE	DEN [
ORILL D	7. UNIT AG	7. UNIT AGREEMENT NAME						
b. TYPE OF WELL	7	SINGLE ZONE MULTI	IPLE ZONE	٦ 📖	28098			
OIL WELL GAS WELL	-	8. FARM OR LEASE NAME WELL NO.						
2 NAME OF OPERATOR	Maddo	Maddox D Federal #2 9. API WELL NO.						
/ Cond	9. API WEL	LNU.	-30600					
3. ADDRESS AND TELEPHONE NO.	esta Drive Suite 649W M	Midland, TX 79705; 915/68	86-5565		ND POOL, OR W			
	n clearly and in accordance with any State							
At surface 1260' FNL & 1		100 mm	, A.,	Basin F	Basin Fruitland Coal			
At proposed prod. Zone	J. SEC., T.,	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA						
1260' FNL & 1	Sec. 23,	Sec. 23, T30N, R13W						
14. DISTANCE IN MILES AND DIRECT	TON FROM NEAREST TOWN OR POS	T OFFICE*		12. COUNT	Y OR PARISH	13. STATE		
				San Jua		NM		
15/ DISTANCE FROM PROPOSED* LOCATION TO NEAREST	16.	NO. OF ACRES IN LEASE	1	7. NO. OF ACRES A TO THIS WELL	SSIGNED	3		
PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any)					E/320			
18. DISTANCE FROM PROPOSED LOC TO NEAREST WELL, DRILLING, CO		PROPOSED DEPTH 2000'	2	0. ROTARY OR CAI	Rotary	:30 		
OR APPLIED FOR, ON THIS LEASE 21. ELEVATIONS (Show whether DF,		2000 4, 2, 2		22.APPROX.	22.APPROX. DATE WORK WILL START*			
	5733' ,	<u>/</u>			5/1/01			
	PROPOSED	CASING AND CEMENT	ING PROC	GRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT		G DEPTH		TITY OF CEMENT		
8 3/4"	J-55; 7"	20#		85' 000' —	67 sxs, circ 179 sxs, toc @ 185'			
6 1/4"	J-55; 4 1/2"	10.5#		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1/9 535, WC @ 103			
It is proposed to drill a v	rertical wellbore to be con according to the following	npleted in the Basin Fruitlag additional attachments:	and Coal po	ool. An NOS	was filed 2	/6/01. The well will		
 Proposed Well Plan (Cementing Plan. Blowout Preventer H Surface Use Plan. Production Facility L 	ookup. precedural revi and appost pur ayout.	ew pursuant to 43 CFA 3 suant to 43 CFA 3165.4.				s mail seed		
		cathodic protection system		1701.470	r verfauren	12.151.0		
IN ABOVE SPACE DESCRIBITION Proposal is to drill or deepen dir	E PROPOSED PROGRAM: If p ectionally, give pertinent data o	proposal is to deepen give data on n subsurface locations and measu	present produ red and true v	ertical depths. G	ive blowout p	reventer program, if any.		
SIGNED Make 1	Man han I	TITLE Sr. Right-of-Way Agent			E 3/14/01			
(This space for Federal o		ADD	ROVAL DAT	- 5 -	/23/01	7		
PERMIT NO	rant or certify that the applicant holds	legal or equitable title to those rights in the	ne subject lease	which would entitle	the applicant to c	onduct operations theron.		
CONDITIONS OF APPROVAL, IF	ANY:							
APPROVED BY	Lee Otteni	TITLE			DATE			

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crive 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.



V

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

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

District III
1000 Rio Brazos Ro. Aztec.PM 87430

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

'API Number

045-30600

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

³Pool Name

BASIN FRUITLAND COAL

AMENDED REPORT

•Well Number

2 *Elevation

WELL LOCATION AND ACREAGE DEDICATION PLAT

*Property Name

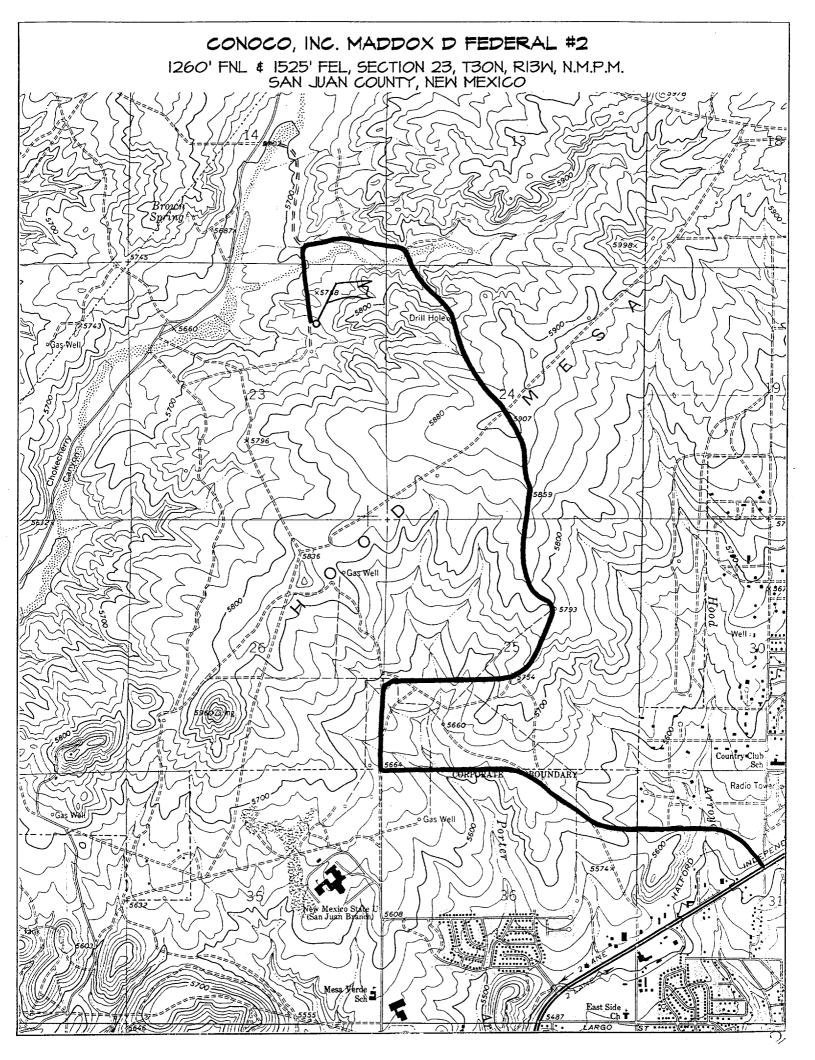
MADDOX D FEDERAL

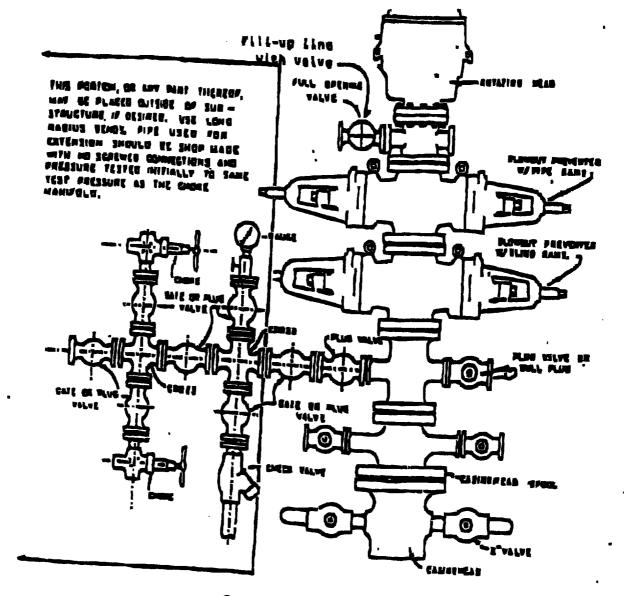
Operator Name

²Pool Code

71629

0050		*Operator Name CONOCO, INC.								*Elevation 5733:	
		¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Fe	et from the	East/We	est line	County
В	23	30N	13W		1260	NORTH		1525	ΕA	ST	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		et from the	,	st line	County
12 Dedicated Acres 320.0 Acres (E/2) 13 Joint or Infill 14 Consolidation Code 15 Order No.											
`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											
15			52	83.96	1260'		:				FICATION or contained herein is knowledge and belief
. 36 .	·	NM-C				1525' 	Signature Kim Southall Printed Name Property Analyst Title 2/5/0/ Date				the U
5310.		5247.66					2650.56'	18 SURVE	FICATION on shown on this plat in surveys made by me same is true and		





BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basing supply 1000 pai equipment, but cannot provide annular preventors because of substructure limitations. Maximum anticipated surface pressures for this well will not exceed the working pressure of the proposed BOP aystam. Please see the attached Bop diagram details 2000 pai equipment according to Onshore Order No. 2 even though the deletion of the army a manufacture of the army and allows deletion of the army as a manufacture of deletion of the annular preventor and fulfills your requirements (note diagram No. 1). In addition, the following equipment will comprise the 2000 psi system:

- Two rams with one blind and one pipe ram. 2.
- Mill line (2 inch maximum). 3,
- One kill line valve. One choke line valve. 4.
- 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.