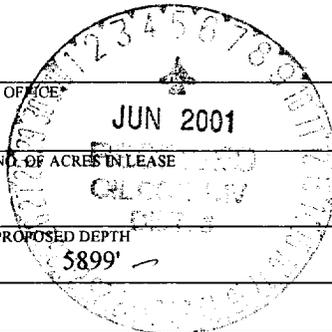


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO. SF 078118	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
7. UNIT AGREEMENT NAME Johns Federal 3207	
8. FARM OR LEASE NAME WELL NO. # 1B	
9. API WELL NO. 30-045-38658	
10. FIELD AND POOL, OR WILDCAT Blanco Mesaverde	
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA G Sec. 18, T32N, R11W	
12. COUNTY OR PARISH San Juan County	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)	17. NO. OF ACRES ASSIGNED TO THIS WELL 316.30 N/2
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6680'—	22. APPROX. DATE WORK WILL START* 06/20/01



PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/2"	K-55; 9-5/8"	36#	285'	141 sxs, circ. —
8-3/4"	K-55; 7"	20#	2713'	436 sxs, circ. —
6-1/4"	K-55, 4 1/2"	10.5#	5899'—	259 sxs, TOC @ 2613'

It is proposed to drill a vertical wellbore in the Blanco Mesaverde Pool. An NOS was filed 02/06/01. 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.
6. Production Facility Layout.

This action is subject to technical and procedural review pursuant to 43 CFR 3105.3 and appeal pursuant to 43 CFR 3105.4.

APD/ROW

BUREAU OF LAND MANAGEMENT
SPECIAL REQUIREMENTS

This application includes ROW's for the well pad, access road, cathodic protection and pipeline.

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 Kimberly Southell TITLE Associate Property Assistant DATE 04/16/01
(This space for Federal or State office Use)

PERMIT NO. _____ APPROVAL DATE 6/1/01
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 /s/ Joel Farrell TITLE _____ DATE JUN - 1 2001

*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.

K

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 00, 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 30-045-30658		*Pool Code 72319	*Pool Name BLANCO MESAVERDE
*Property Code 3207	*Property Name JOHNS FEDERAL		*Well Number 91B
*OGRID No. 005073	*Operator Name CONOCO, INC.		*Elevation 6580'

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
G	18	32N	11W		1570	NORTH	2005	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

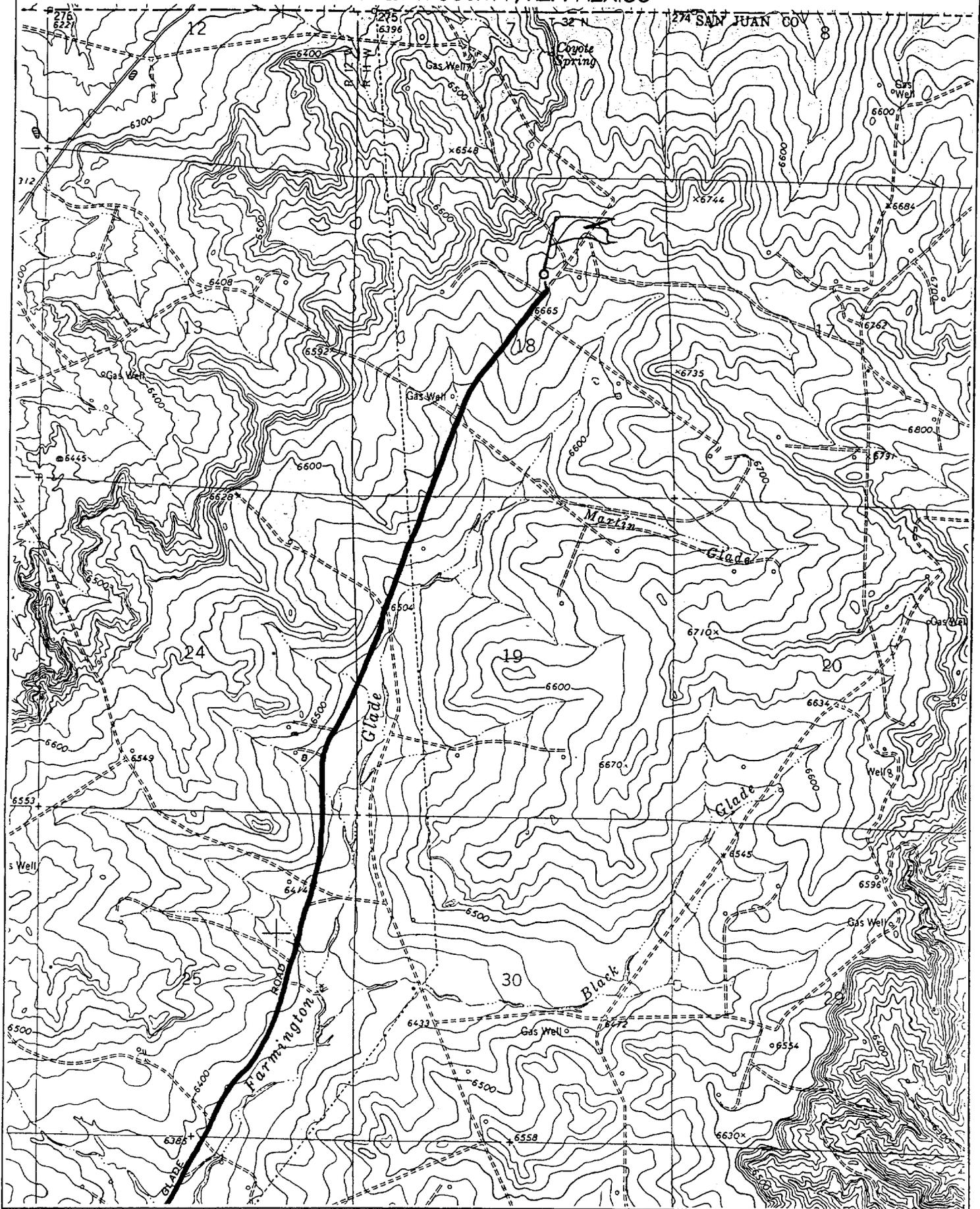
Ul. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 316.30 Acres - N/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

¹⁶	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Kim Southall</i> Signature Kim Southall Printed Name Property Analyst Title <i>January 19, 2001</i> 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. JANUARY 10, 2001 Date of Survey <i>Neale C. Edwards</i> Signature and Seal of Professional Surveyor Certificate No. 6857

CONOCO, INC. JOHNS FEDERAL #1B
1570' FNL & 2005' FEL, SECTION 18, T32N, R11W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



Directions from the Intersection of US Hwy 550 & State Hwy 574

in Aztec, New Mexico to Conoco, Inc. Johns Federal #1B

1570' FNL & 2005' FEL, Section 18, T32N, R11W, N.M.P.M., San Juan County, NM

From the intersection of US Hwy 550 & State Hwy 574 in Aztec, NM, travel North-westerly on State Hwy 574 for 7.7 miles to Glade Road;

Go right (North-easterly) on Glade Road for 4.5 miles to fork in road;

Go straight (North-easterly) for 2.0 miles to new access on left-hand side of existing roadway which continues for 50' to staked location.

