


 UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

I-26

APPLICATION FOR PERMIT TO DRILL OR REENTER

690

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC031696B
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator CONOCOPHILLIPS		7. If Unit or CA Agreement, Name and No.
Contact: REESA HOLLAND E-Mail: Reesa.R.Holland@conocophillips.com		8. Lease Name and Well No. MEYER B-31 7
3a. Address 4001 PENBROOK ODESSA, TX 79762	3b. Phone No. (include area code) Ph: 432.368.1373 Fx: 432.368.1412	9. API Well No. 30-025-36343
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWNW 1410FNL 660FWL At proposed prod. zone SWNW Lot E 1410FNL 660FWL		10. Field and Pool, or Exploratory N HARDY; STRAWIN
14. Distance in miles and direction from nearest town or post office*		11. Sec., T., R., M., or Bk. and Survey or Area Sec 31 T20S R38E Mer NMP SME: FEE
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in Lease	12. County or Parish LEA
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 7950 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3498 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well
24. Attachments		20. BLM BIA Bond No. on file
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:		23. Estimated duration

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) REESA HOLLAND	Date 06/13/2003
--	---------------------------------------	--------------------

 Title
 AUTHORIZED REPRESENTATIVE

Approved by (Signature) /S/ JOE G. LARA	Name (Printed/Typed) /S/ JOE G. LARA	Date JUL 2 2 2003
--	---	----------------------

Office CARLSBAD FIELD OFFICE

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.

APPROVAL FOR 1 YEAR

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)

 APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS AND
 SPECIAL STIPULATIONS
 ATTACHED

 Electronic Submission #23195 verified by the BLM Well Information System
 For CONOCOPHILLIPS, sent to the Hobbs
 AFMSS for processing by Armando Lopez on 06/18/2003 (03AL0108AE)

KZ

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED

 OPER. OGRID NO. 21781
 PROPERTY NO. 31874
 POOL CODE 96893
 EFF. DATE 7-23-03
 API NO. 30-025-3634

• **Additional Operator Remarks:**

RE-SUBMITTAL FROM ORIGINAL APD FILED 5/29/02.

Revisions to Operator-Submitted EC Data for APD #23195

Operator Submitted

Lease: LC 031696B
Agreement:
Operator: CONOCOPHILLIPS
4001 PENBROOK
ODESSA, TX 79762
Ph: 432.368.1373
Fx: 432.368.1412

Admin Contact: REESA HOLLAND
AUTHORIZED REPRESENTATIVE
4001 PENBROOK
ODESSA, TX 79762
Ph: 432.368.1373
Fx: 432.368.1412
E-Mail: Reesa.R.Holland@conocophillips.com

Tech Contact:

Well Name: MEYER B-31
Number: 7
Location:
State: NM
County: LEA
S/T/R: Sec 31 T20S R38E Mer NMP
Surf Loc: SWNW 1410FNL 660FWL
Field/Pool: NORTH HARDY STRAWN

Bond:

BLM Revised (AFMSS)

NMLC031696B

CONOCOPHILLIPS
4001 PENBROOK
ODESSA, TX 79762
Ph: 432.368.1373

REESA HOLLAND
AUTHORIZED REPRESENTATIVE
4001 PENBROOK
ODESSA, TX 79762
Ph: 432.368.1373
Fx: 432.368.1412
E-Mail: Reesa.R.Holland@conocophillips.com

MEYER B-31
7
NM
LEA
Sec 31 T20S R38E Mer NMP
SWNW 1410FNL 660FWL
N HARDY

BLM - CARLSBAD

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

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
CONOCO INC. Contact: Kim Southall
kim.j.southall12@conoco.com

3a. Address
10 DESTA DR., ROOM 607W
MIDLAND, TX 79705

3b. Phone No. (include area code)
915/686-5565

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 1410' FNL, 660' FWL

At proposed prod. zone

Las County Controlled Water Basin

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 drig. unit line, if any)

16. No. of Acres in Lease

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.

19. Proposed Depth

7950'

21. Elevations (Show whether DF, KB, RT, GL, etc.)
3498'

22. Approximate date work will start

23. Estimated duration

24. Attachments

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.

25. Signature *Kim Southall* Name (Printed/Typed)
(Electronic Submission) Kim Southall

Title
AUTHORIZED SIGNATURE

Approved by (Signature)

Name (Printed/Typed)

Date

Joe G. Lara
Title FIELD MANAGER

Joe G. Lara
Office CARLSBAD FIELD OFFICE

5/29/02

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.

APPROVAL FOR 1 YEAR

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)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT **

Additional Operator Remarks:

Conoco proposes to drill a vertical well bore to the North Hardy Strawn pool. This well will be drilled and equipped in accordance to the attachments submitted herewith.

Thank you.

ISTRICT I
125 N. French Dr., Hobbs, NM 88240
ISTRICT II
11 South First, Artesia, NM 88210

ISTRICT III
300 Rio Brazos Rd., Aztec, NM 87410

ISTRICT IV
340 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36343	Pool Code 46893	Pool Name North Hardy Strawn
Property Code 31874	Property Name MEYER B-31	Well Number 7
OGRID No. 217817	Operator Name CONOCO INC.	Elevation 3498'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 2	31	20 S	38 E		1410	NORTH	660	WEST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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>LOT 1 40.18 AC.</p> <p>1410'</p> <p>3498.5'</p> <p>3502.3'</p> <p>660'</p> <p>3498.1'</p> <p>3501.8'</p> <p>LAT - N32°31'58.6"</p> <p>LONG - W103°11'39.3"</p> <p>LOT - 40.12 AC.</p> <p>LOT 3 - 40.08 AC.</p> <p>LOT 4 - 40.02 AC.</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Kimberly Southall</i> Signature</p> <p><i>Kimberly Southall</i> Printed Name</p> <p><i>Associate Assistant</i> Title</p> <p>4-17-02 Date</p> <p>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>APR 12, 2002 Date Surveyed</p> <p>JONES Signature & Seal of Professional Surveyor</p> <p>7977 W.O. No.</p> <p>2458 Certificate No.</p> <p>Jones 7977 Professional Surveyor</p> <p>BASIN SURVEYS</p>
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PROPOSED WELL PLAN OUTLINE

WELL NAME
LOCATION

Meyer B-31 #7
1410' FNL & 660' FWL, Sec 31, T20S & R38E

Ground Level : 3,503' (est)
Kelly Bushing: 11' AGL (est)

Depth MD	FORMATION TOPS	DRILLING PROBLEMS	TYPE OF FORMATION EVALUATION	HOLE SIZE	CASING PROGRAM	FRAC GRAD	FORM. PRES. GRAD.	Mud Weight & Type	Days
0		Possible Hole Enlargement & Sloughing		12-1/4"			Less than 8.3	8.4 - 9.5 Fresh	
1000									
	Rustler @ 1327' Top Salt @ 1,427'				8-5/8", 24#, J-55 ST&C @ 1,400'				3
		Washouts in Salt Section		7-7/8"	Circulate Cement			10 Brine	
2000							Less than 8.4		
	Tansill @ 2645' Yates 2752'		H2S Monitor on at 2700'						
3000	7 Rivers 2,959'								
	Queen 3,560'								
4000	San Andres 4050'	Lost Returns in San Andres							7
5000									
	Glorietta 5295'	Possible differential sticking thru Glorietta & Paddock							
	Blinberry Mkr 5640'								
6000									
	Tubb 6360'								
7000	Abo 6955'								
	Strawn 7590'								
8000	Base Strawn 7880' TD @ 8000'	STOP DRILLING WHEN WOODFORD SHALE IS CUT Severe losses in Devonian	PEX-NGT-HALS Pull GR-CNL-Cal to Surf		5-1/2", 17.0#, J55 LT&C #10'-8,000' Circulate Cement			10 ppq Starch Gel	20

Note: The Devonian formation is associated with severe lost circulation problems. This well will be TD'd very close to the top of the Devonian. The mud loggers will pick the Woodford shale which is 40' thick and sits on top of the Devonian. Stop drilling once the Woodford is entered.

DATE 11-Jun-03

Richard Fumer Geophysical Advisor

APPROVED

Rav Matthews, Drilling Engineer

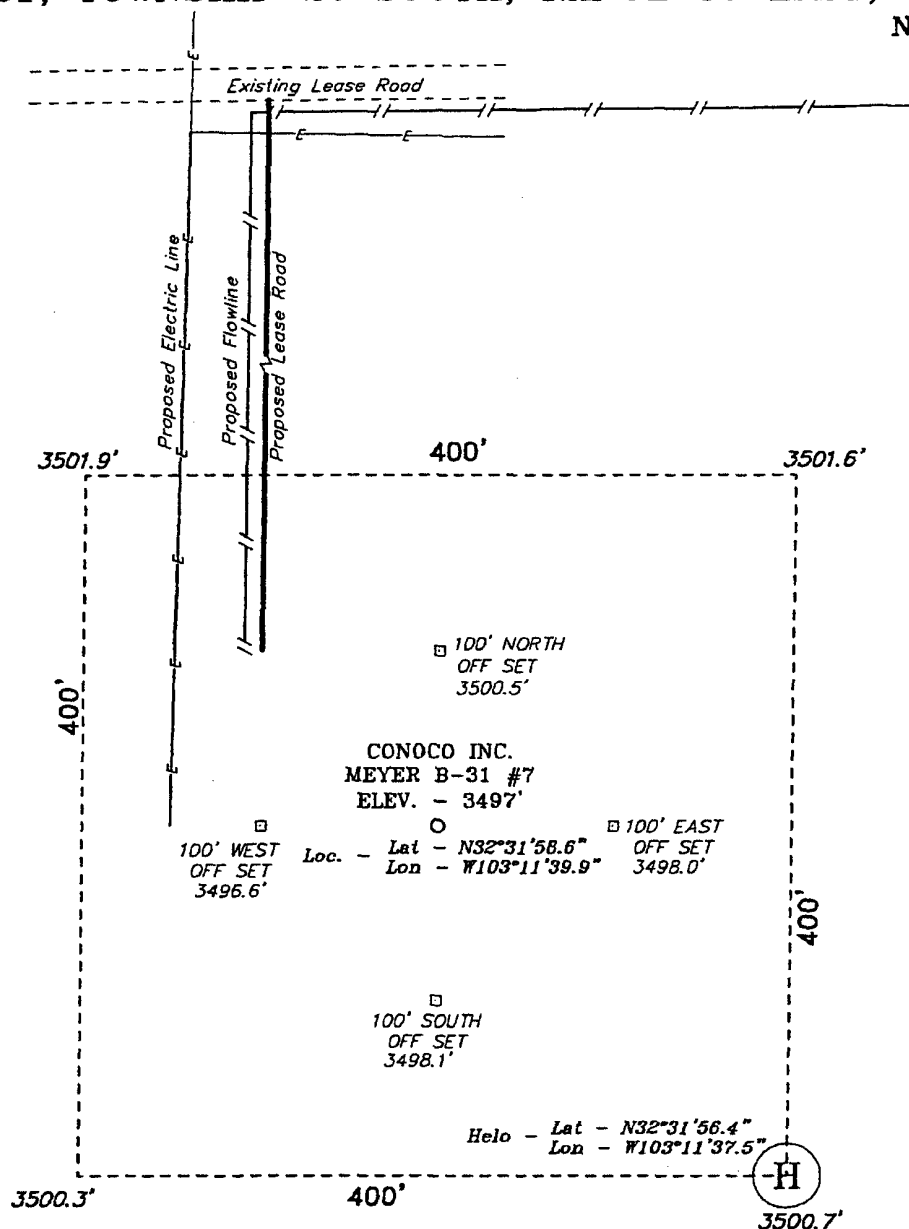
Rob Lowe, Reservoir Engineer

Meyer B31 #7
PROPOSED CASING & CEMENT PLAN

Surface casing size:	8-5/8", 24#, J-55, ST&C	Casing OD:	8.625 in
Surface casing depth:	1,400 ft	Casing ID:	8.097 in
Hole size:	12.25 in	Shoe jt length:	40 ft
Static temperature:	89 deg F	Lead Excess:	101 %
Circulating temperature:	85 deg F	Tail Excess:	106 %
Lead:	450 sx	Cl C + 0.25 pps Cello Flake + 0.005 gps FP-6L + 2% Sodium Metasilicate	
Tail:	200 sx	Cl C + 2% CaCl + 0.005 gps FP-6L	
Properties		Lead	Tail
Slurry Weight (ppg)		12.4	14.8
Slurry Yield (cfps)		2.15	1.34
Mix Water (gps)		12.33	6.35
Pump time - 70 BC (HH:MM)		6:25	2:20
Free Water (mls) @ 80 deg F @ 90 deg angle		0	0
Fluid Loss (cc/30 min) @ 1000 psi and 80 deg F		854	900
Compressive Strength (psi)			
12 hrs @	89 deg F	124	1200
24 hrs @	89 deg F	250	2500

Production casing size:	5-1/2", 17#, J55, LT&C	Casing OD:	5.500 in
Production casing depth:	7,900 ft	Casing ID:	4.892 in
Hole size:	7.875 in	Shoe jt length:	80 ft
Static temperature:	129 deg F	Lead Excess:	51 %
Circulating temperature:	122 deg F	Tail Excess:	51 %
Lead:	600 sx	50:50 Poz:Cl C + 5% bwow NaCl + 0.25 pps Cello Flake + 0.005 gps FP-6L + 10% Bentonite	
Tail:	400 sx	15:61:11 Poz:Cl C:CSE + 5% bwow NaCl + 1% FL-62 + 0.005 gps FP-6L	
Properties		Lead	Tail
Slurry Weight (ppg)		11.85	13.6
Slurry Yield (cfps)		2.41	1.49
Mix Water (gps)		13.79	7.31
Pump time - 70 BC (HH:MM)		2:58	2:31
Free Water (mls) @ 80 deg F @ 90 deg angle		1	0
Fluid Loss (cc/30 min) @ 1000 psi and 80 deg F		792	62
Compressive Strength (psi)			
12 hrs @	124 deg F	50	1013
24 hrs @	124 deg F	175	1875

SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



100 0 100 200 FEET

SCALE: 1" = 100'

DIRECTIONS TO WELL LOCATION:

FROM EUNICE, NORTH ON STATE HWY 207 FOR APPROX. 6.0 MILES TO STATE HWY 18; THENCE NORTH ON HWY 18 FOR APPROX. 1.5 MILE TO THE BICENTENNIAL CATTLE GUARD; THENCE WEST ON LEASE ROAD FOR APPROX. 4.0 MILES; THENCE SOUTH FOR 1.25 MILE; THENCE WEST FOR APPROX. 0.5 MILE; THENCE NORTH FOR APPROX. 0.4 MILE; THENCE EAST FOR APPROX. 0.25 MILE TO A PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

N.O. Number: 2456

Drawn By: K. GOAD

Date: 04-15-2002

Disk: KJG CD#6 - 2456A.DWG

Conoco Inc.

REF: MEYER B-31 No. 7 / Well Pod Topo

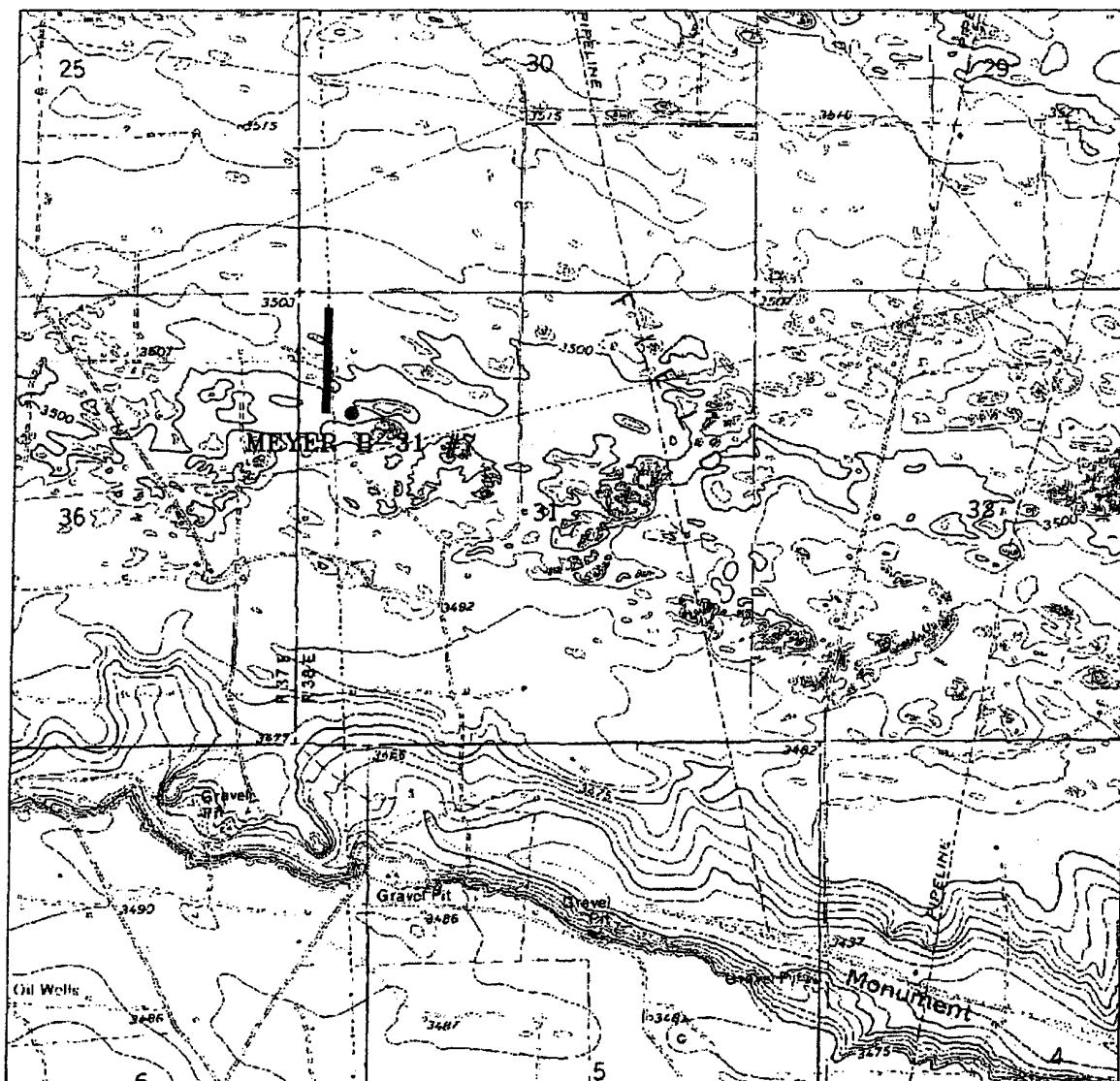
THE MEYER B-31 No. 7 LOCATED 1410' FROM THE
NORTH LINE AND 510' FROM THE WEST LINE OF

SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST,

N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 04-12-2002

Sheet 1 of 1 Sheets



PROPOSED ELECTRIC LINE TO THE MEYER B-31 #7
 Located at 1410' FNL and 610' FWL *CD 10-2-02*
 Section 31, Township 20 South, Range 38 East,
 N.M.P.M., Lea County, New Mexico.

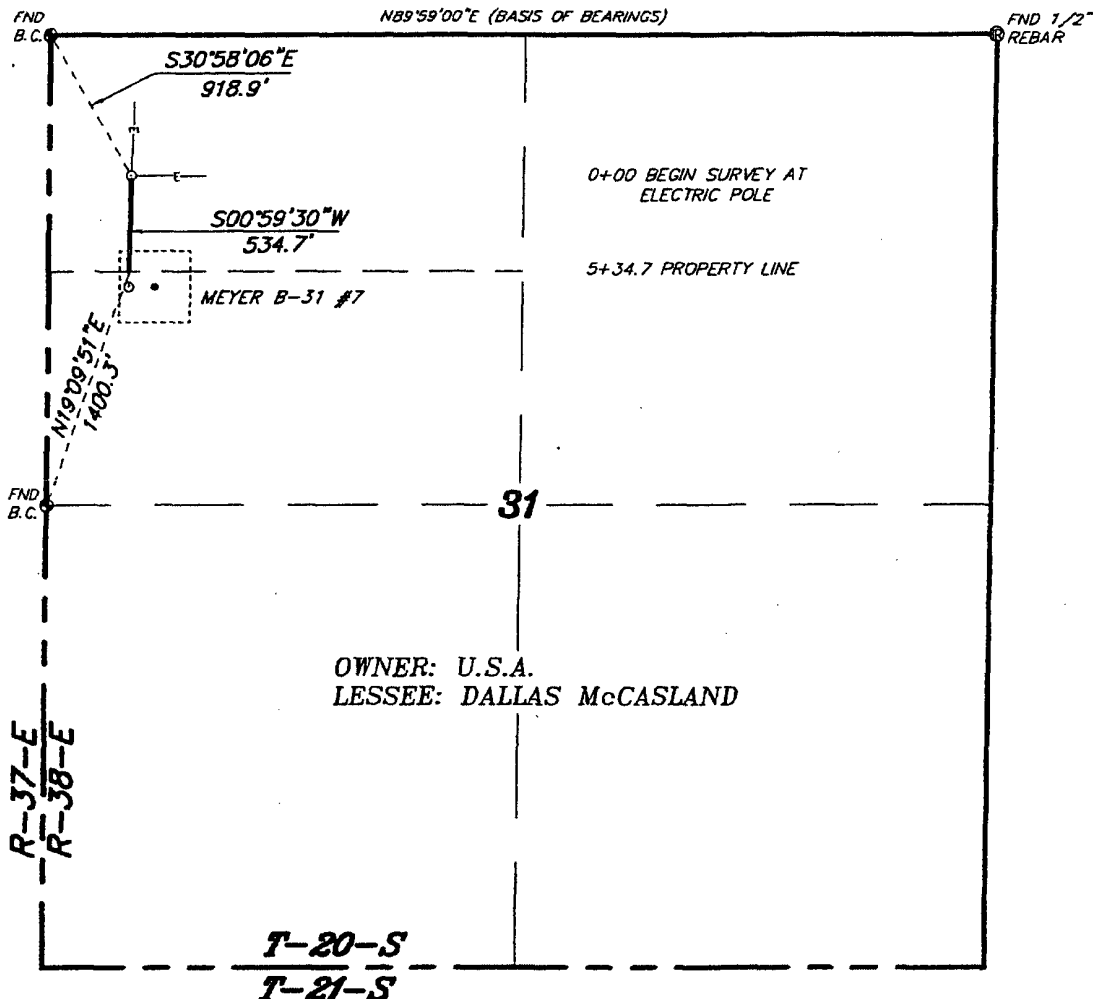
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 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basin-surveys.com

W.O. Number: 2456BB - KJG CD#5
 Survey Date: 04-12-2002
 Scale: 1" = 2000'
 Date: 04-15-2002

CONOCO INC.

SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



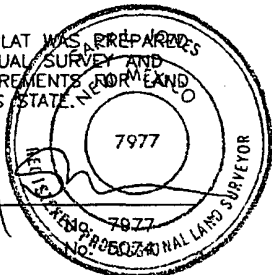
LEGAL DESCRIPTION

A STRIP OF LAND 50.0 FEET WIDE, LOCATED IN SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 25.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

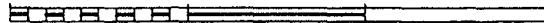
534.7 FEET = 0.10 MILES = 32.41 RODS = 0.61 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S.
TEXAS P.L.S.



1000 0 1000 2000 FEET



CONOCO INC.

REF: PROP. ELECTRIC LINE TO THE MEYER B-31 #7

AN ELECTRIC LINE CROSSING USA LAND IN
SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

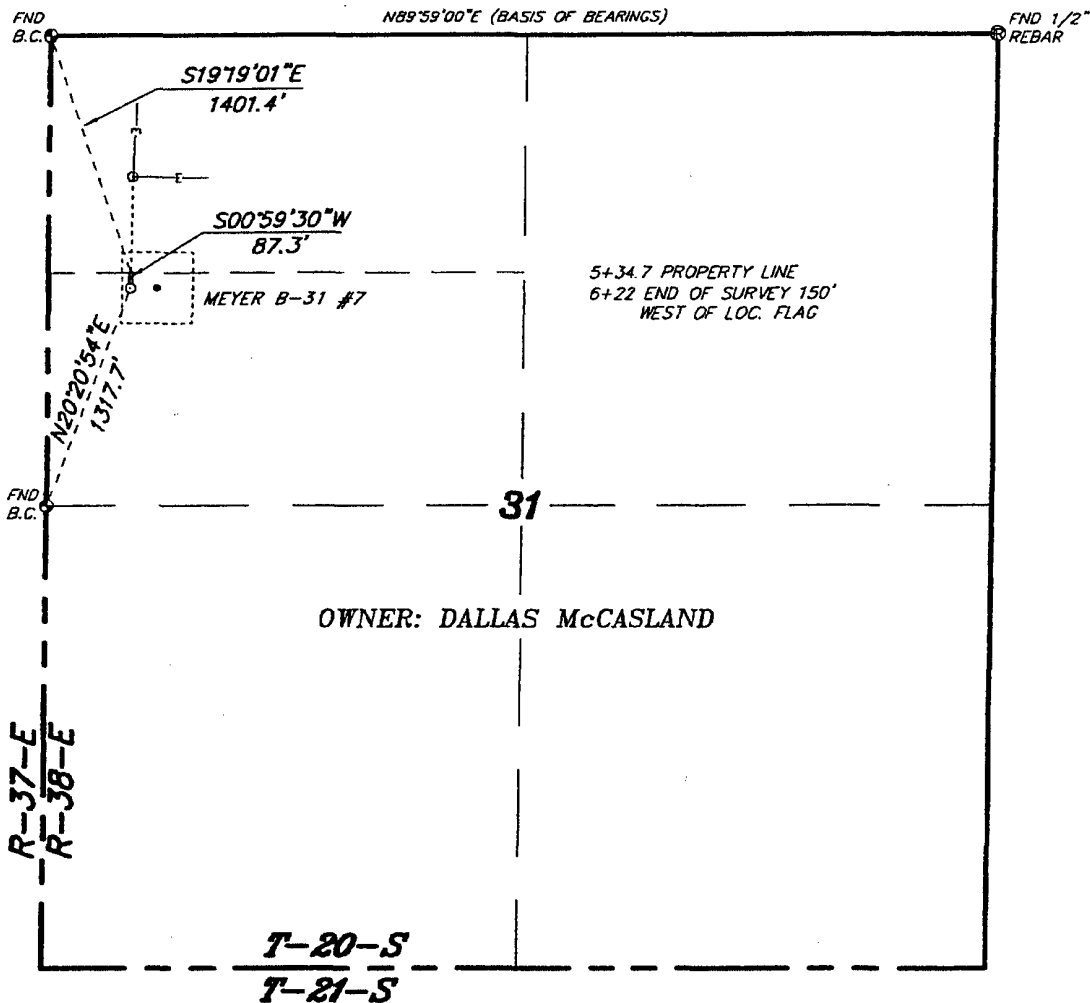
LASTIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

O. Number: 2456

Drawn By: K. GOAD

May 04 15 2000 Date: KIC #5 CON2456R.DWC Survey Date: 04-12-2000 Sheet 1 of 2 Sheets

SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT ON THE NORTH PROPERTY LINE WHICH LIES S.19°19'01"E., 1401.4 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 31; THENCE S.00°59'30"W., 87.3 FEET TO THE END OF THIS LINE WHICH LIES N.20°20'54"E., 1317.7 FEET FROM THE WEST QUARTER CORNER OF SAID SECTION 31. SAID STRIP OF LAND BEING 87.3 FEET OR 5.29 RODS IN LENGTH.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S. TEXAS P.L.S.
No. 7977
REGISTERED PROFESSIONAL LAND SURVEYOR

ASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

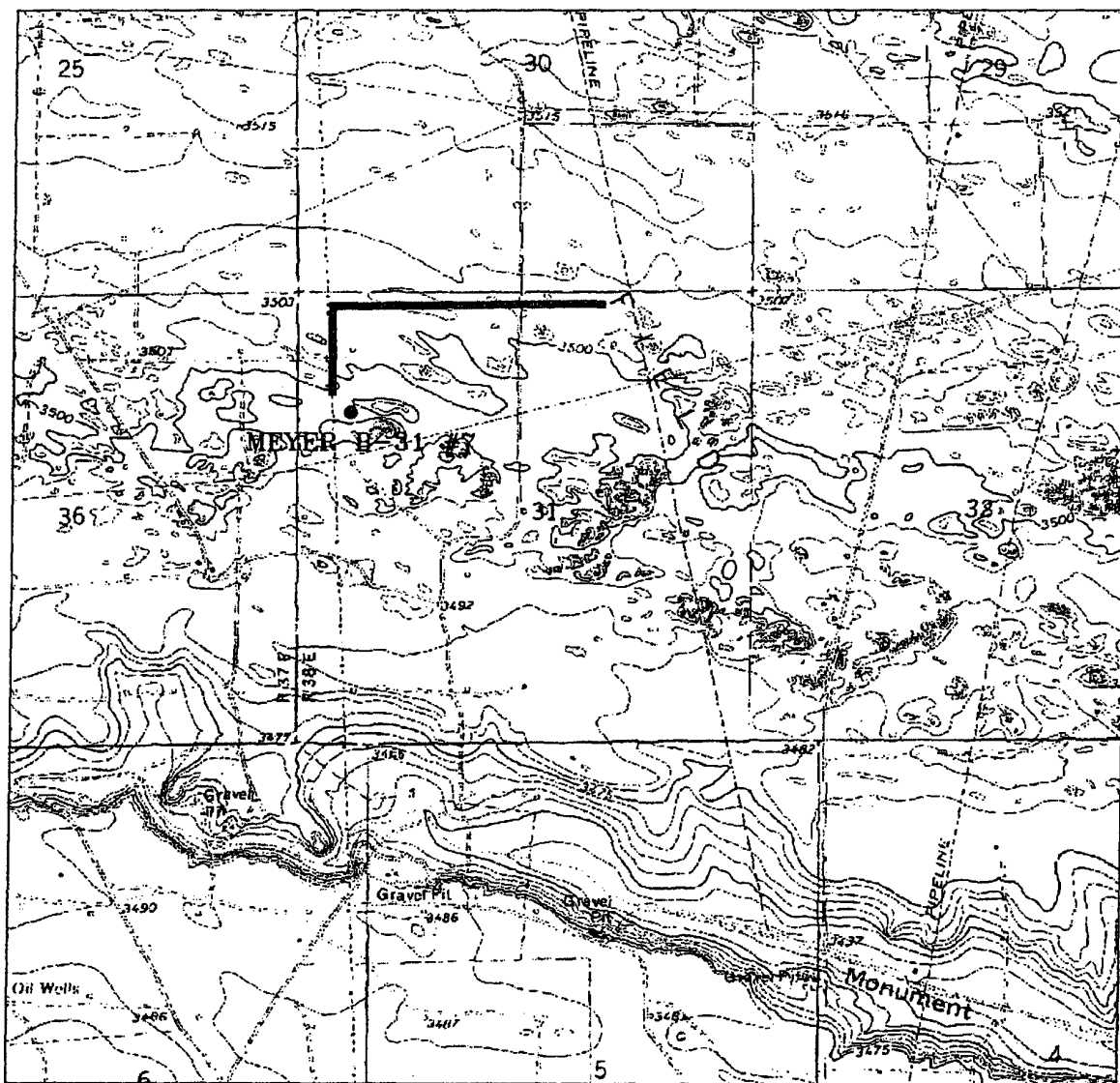
O. Number: 2456 Drawn By: K. GOAD

Sheet 2 of 2 Sheets

CONOCO INC.

REF: PROP. ELECTRIC LINE TO THE MEYER B-31 #7

AN ELECTRIC LINE CROSSING FEE LAND IN
SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.



PROPOSED FLOWLINE TO THE MEYER B-31 #7
 Located at 1410' FNL and 610' FWL *CD#5*
 Section 31, Township 20 South, Range 38 East,
 N.M.P.M., Lea County, New Mexico.

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P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7318 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 2458DD - KJS CD#5

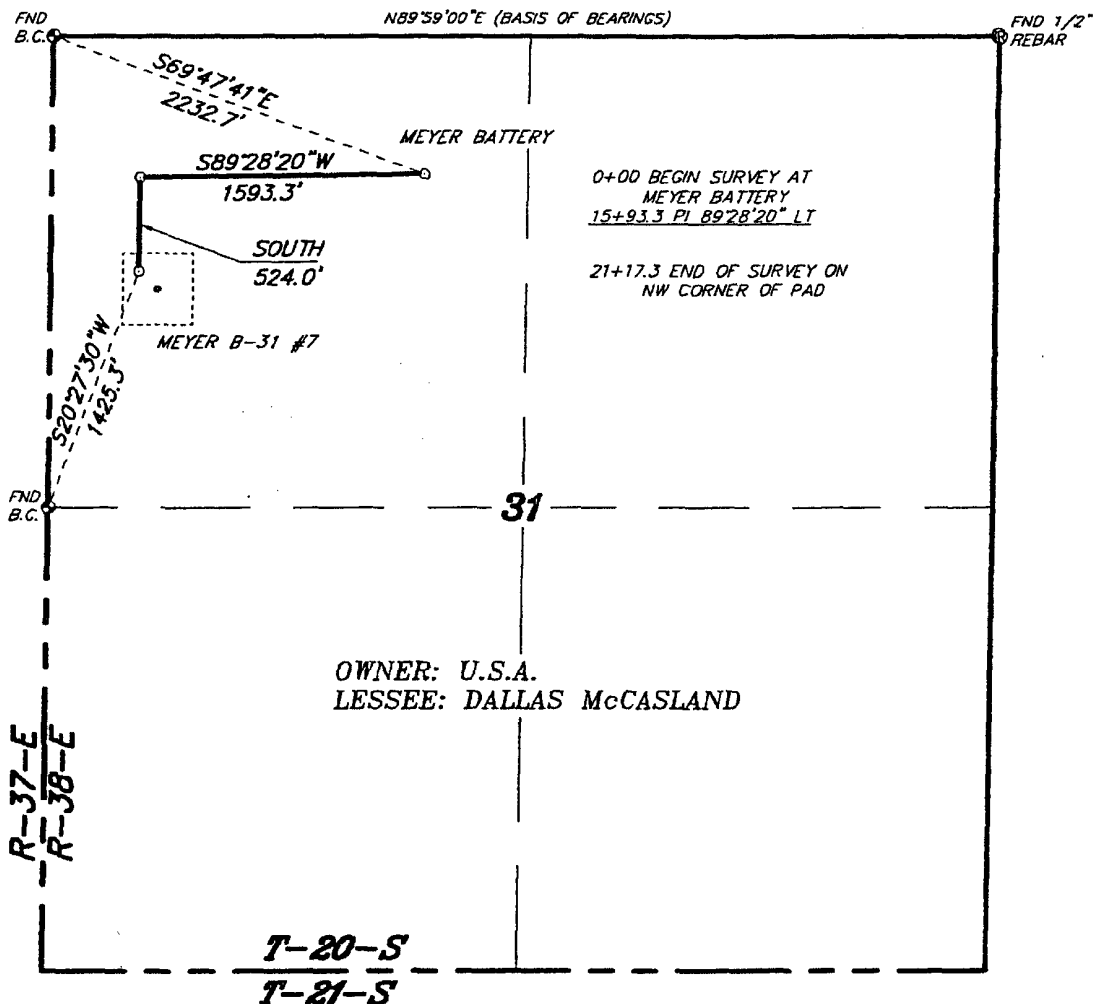
Survey Date: 04-12-2002

Scale: 1" = 2000'

Date: 04-15-2002

CONOCO INC.

SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



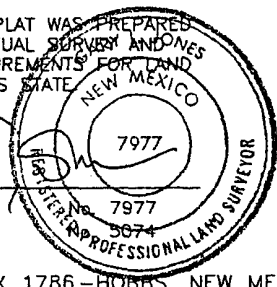
LEGAL DESCRIPTION

A STRIP OF LAND 50.0 FEET WIDE, LOCATED IN SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 25.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

2117.3 FEET = 0.40 MILES = 128.32 RODS = 2.43 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES
N.M. P.S.
TEXAS P.L.S.



ASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

Plot Number: 2456 Drawn By: K. GOAD

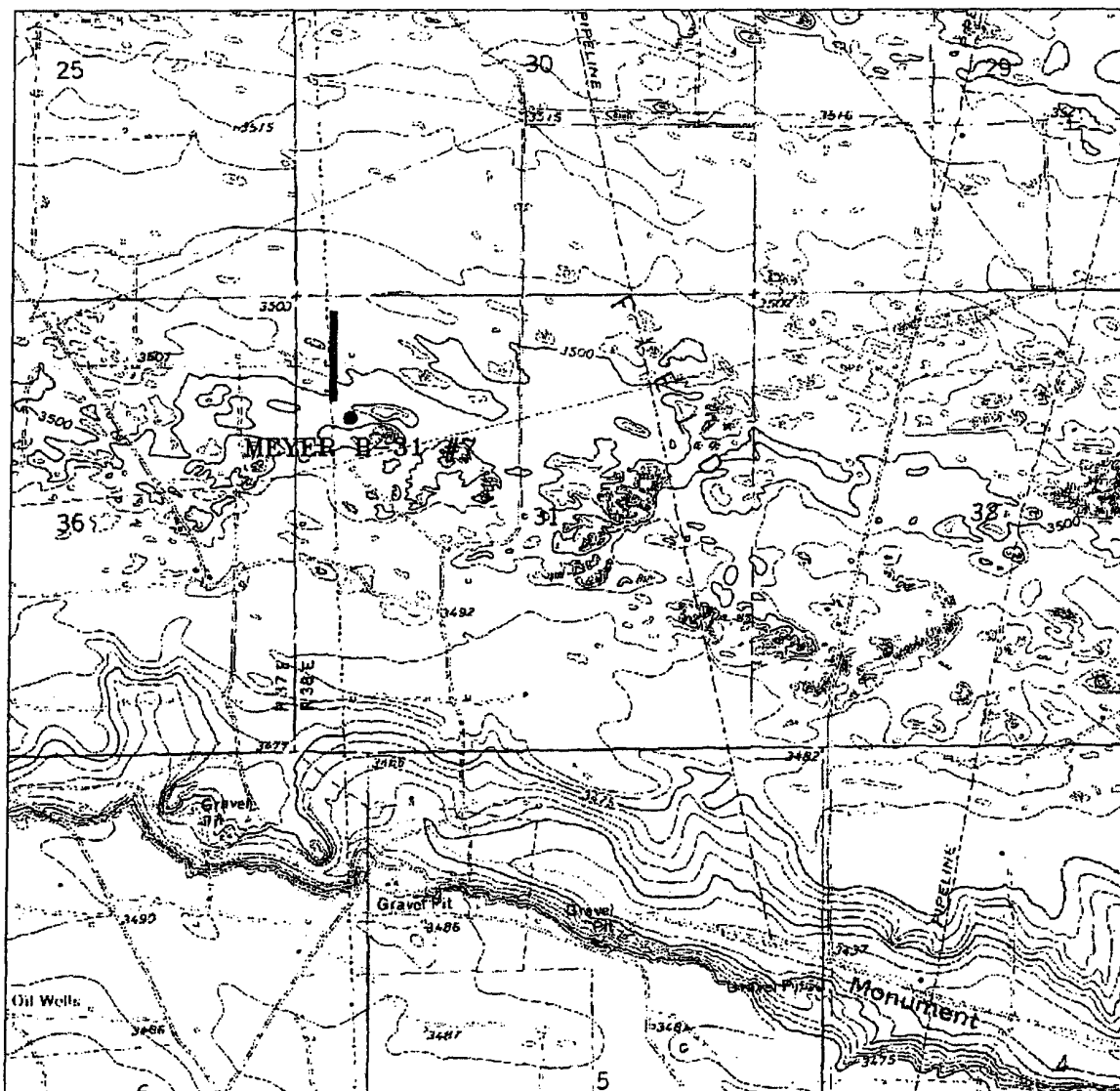
Plot: 04-15-2002 Disk: K.I.C. #5 - CON2456D.DWG Survey Date: 04-12-2002 Sheet 1 of 1 Sheets

1000 0 1000 2000 FEET

CONOCO INC.

REF: PROP. FLOWLINE TO THE MEYER B-31 #7

A PIPELINE CROSSING USA LAND IN
SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.



PROPOSED LEASE ROAD TO THE MEYER B-31 #7
 Located at 1410' FNL and 610' FWL *PH 100 LPL*
 Section 31, Township 20 South, Range 38 East,
 N.M.P.M., Lea County, New Mexico.

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P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 2456CC - KJC CD#5

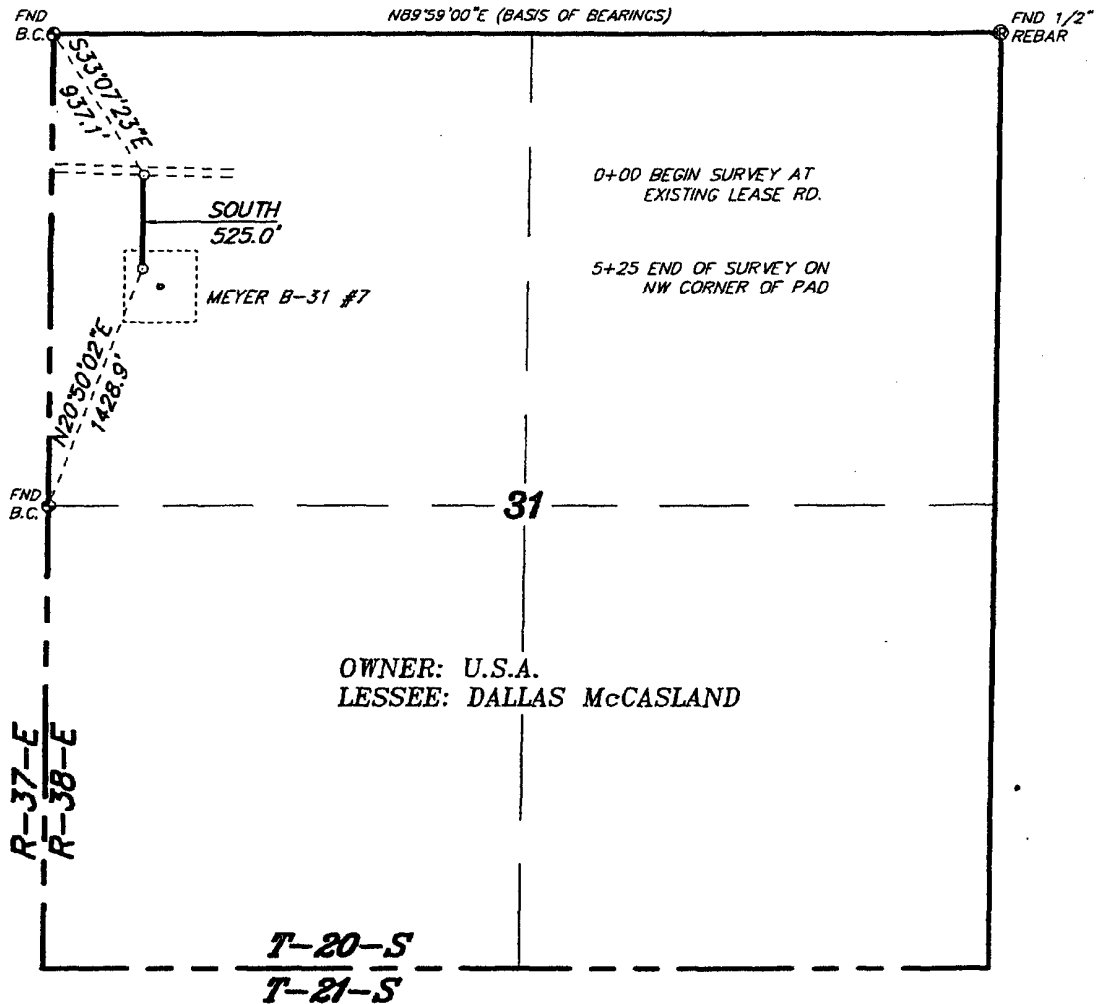
Survey Date: 04-12-2002

Scale: 1" = 2000'

Date: 04-15-2002

CONOCO INC.

SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 50.0 FEET WIDE, LOCATED IN SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 25.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

525.0 FEET = 0.10 MILES = 31.82 RODS = 0.60 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE OF NEW MEXICO.

1000 0 1000 2000 FEET

CONOCO INC.

REF: PROP. LEASE ROAD TO THE MEYER B-31 #7

A LEASE ROAD CROSSING USA LAND IN
SECTION 31, TOWNSHIP 20 SOUTH, RANGE 38 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

GARY L. JONES N.M. P.S.
TEXAS P.L.S.



BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

I.D. Number: 2456 Drawn By: K. GOAD

File: 04-15-2002 Disk: KJG #5 - CON2456C.DWG Survey Date: 04-12-2002 Sheet 1 of 1 Sheets

SURFACE USE PLAN
Conoco Inc.

Meyer B-31 #7

The following is required information concerning the possible effect, which the drilling of this well may have on the environment, existing road sites, and surrounding acreage. A copy will be posted on the derrick floor so all contractors and sub-contractors will be aware of all items on this plan.

1. Existing Roads

- A. The proposed well site is 1410' FNL & 660' FWL, Sec. 31, T20S, R38E, Lea County, New Mexico. This is a North Hardy Strawn Pool well.
- B. Directions to the location are as follows:
See attached Well Pad Topo
- C. No improvement or maintenance is anticipated for the existing roads.

2. Planned Access Roads

- A. 525.0' of new access road will be required.
- B. Turnouts as specified by surface management agency.
- C. Culverts as specified by surface management agency.
- D. Gates, cattleguards, or fences as specified by surface management agency.

3. Topographic Map and Well Location

A 7.5" quadrangle topo map was filed with the NOS.

4. Additional Rights-of-Way

Electric line, flowline and proposed lease road as shown on attached plats.

5. Water Supply

Fresh and brine water will be obtained from commercial sources and will be trucked to location by the same directions for reaching the drilling site.

6. Source of Construction Materials

Construction materials will be obtained from commercial sources.

7. Methods of Handling Waste Disposal

- A. The drill cuttings, fluids and completion fluids will be placed in the reserve pit. The reserve pit will be fenced on three sides away from the pad during drilling and the fourth side fenced as soon as the rig moves out. The reserve pit will be allowed to dry, and materials remaining in the reserve pit buried. The reserve pit will be backfilled, leveled and contoured so as to prevent any materials being carried into the watershed. Upon completion, the pad will be leveled, contoured, and reseeded with the appropriate seed mixture as specified by the surface managing agency.
- B. All garbage and trash will be hauled away to designated landfill by Conoco.
- C. Chemical toilets will be provided and maintained during drilling operations.

8. Ancillary Facilities

No ancillary facilities are planned.

9. Wellsite Layout

See attached Wellsite Layout. The V-door faces East. The reserve pit will be lined with plastic and the pad and pits are staked. All unguarded pits containing liquids will be fenced and any unguarded pit containing liquids will be fenced.

10. Plans for Restoration of Surface

Reserve pits will be rehabilitated once drilling fluids have been allowed to evaporate to the point the pits are dry enough for backfilling and leveling. In the event drilling fluids will not evaporate in a reasonable time period, the fluids will be removed and transported by tank truck to a state approved disposal facility. Backfilling and leveling of the location will be completed within a time period of one year upon cessation of drilling operations.

11. Surface Ownership

The well site surface ownership is: Dallas McCasland
Po Box 206
Eunice, NM 88231

12. Archeological Clearance

An archeological survey is being conducted and will be provided upon completion.

13. Operator's Representative and Certification

The person who can be contacted concerning compliance of this Surface Use Plan is:

Ronald Crouch
Right of Way Agent
Conoco Inc.
10 Desta Drive Suite 651W
Midland, Texas 79705
(915) 686-5587

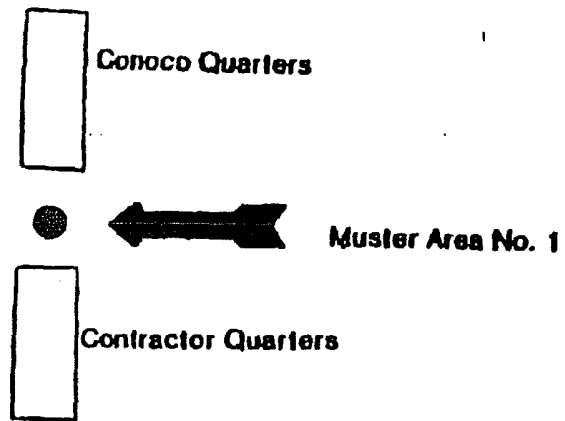
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drilling site; that I am familiar with the conditions which currently exist; that the statements made in this plan, are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Conoco Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Ronald Crouch
Ronald Crouch
Right of Way Agent *RCS*

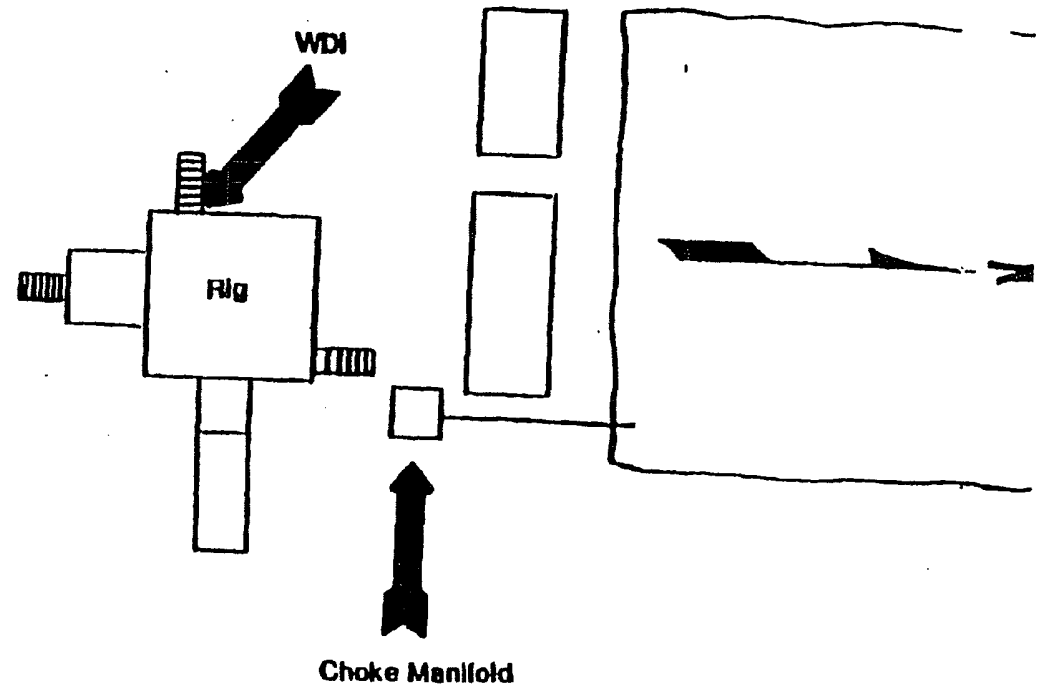
4-16-02
Date

WDI

WELLSITE LAYOUT



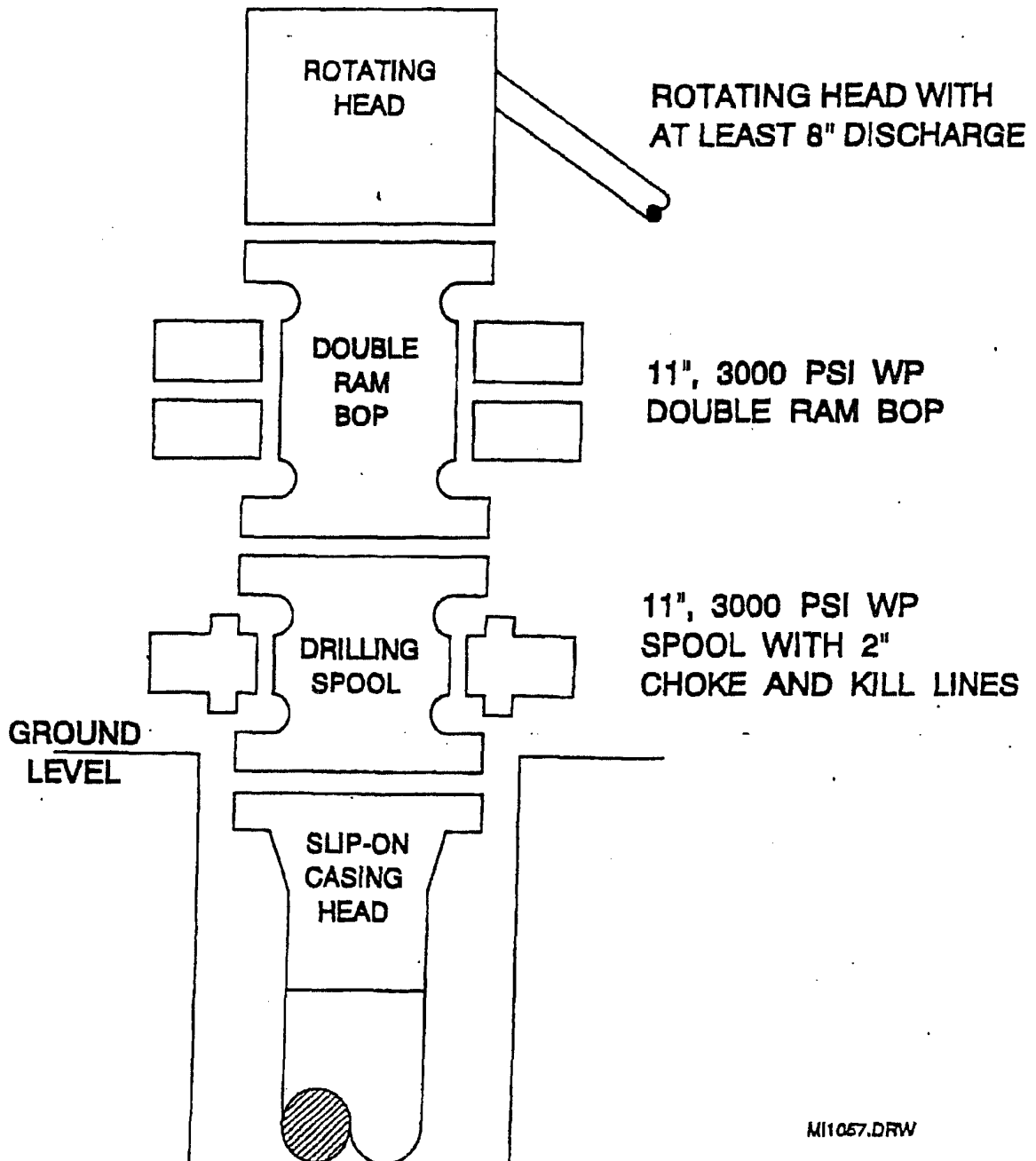
Terrain is flat, and covered with native grass
Two of the three WDI (wind direction indicator) locations will be utilized
(Prevailing winds are SW)



Mustering Area No. 2
WDI



BOP SPECIFICATIONS



TRAILER - MOUNTED RIG LAYOUT

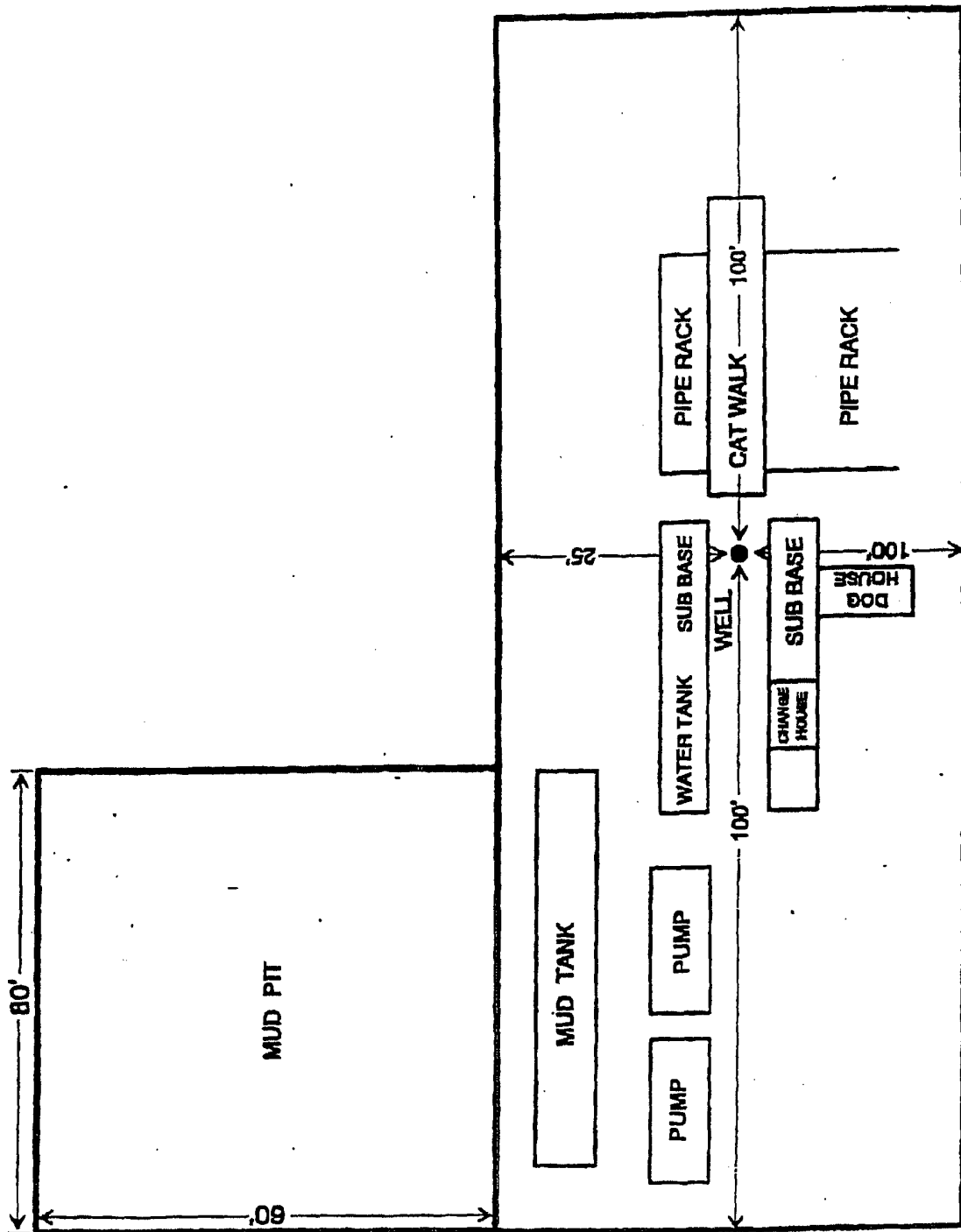
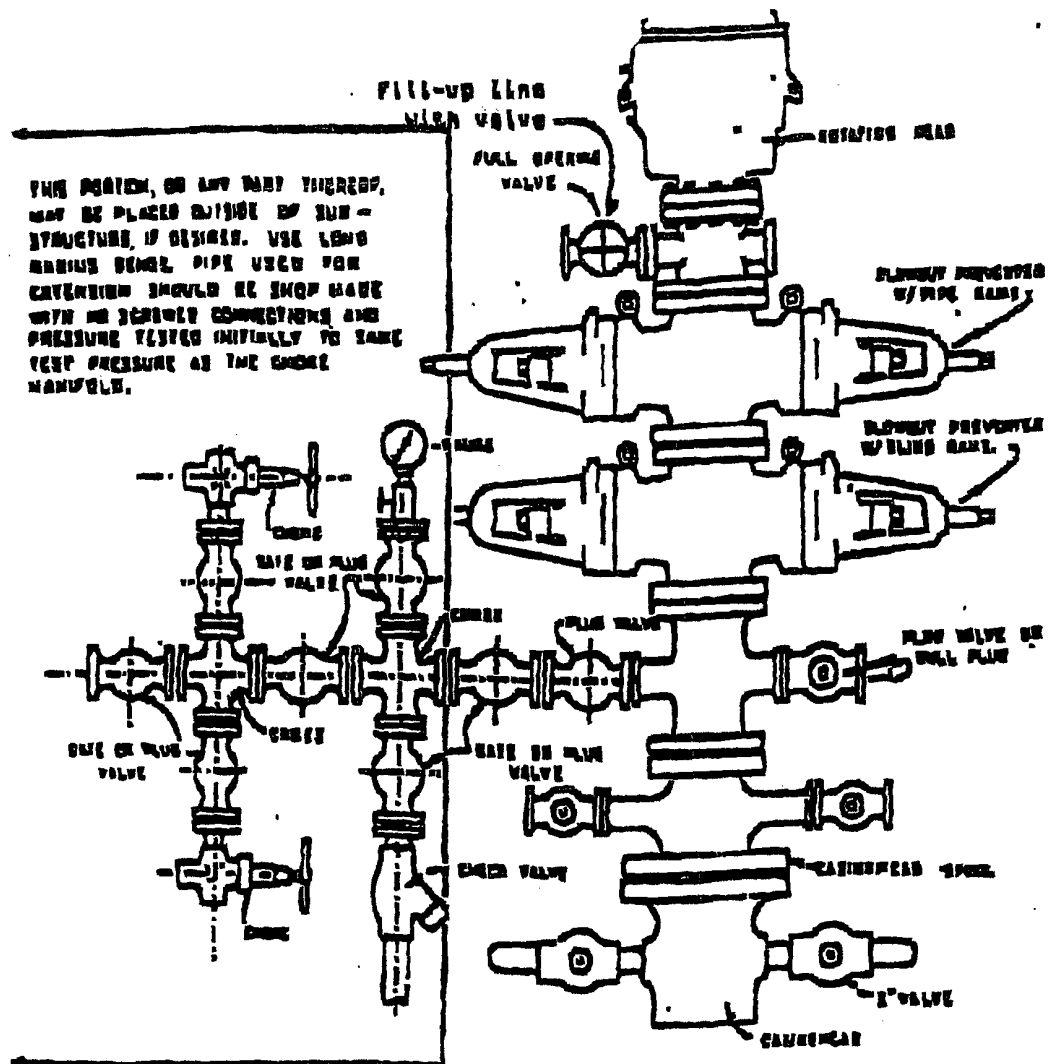


EXHIBIT D

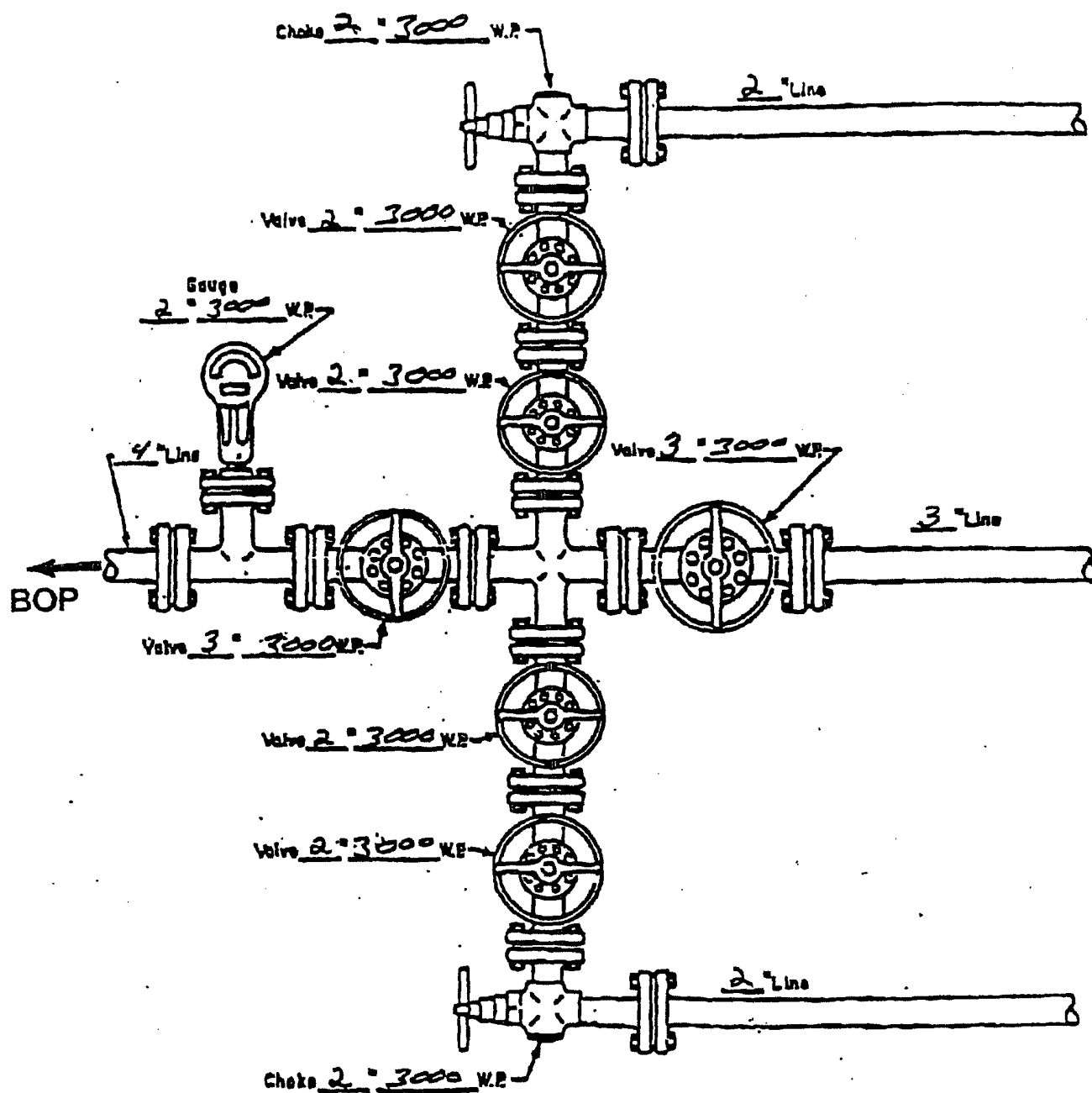


BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basin 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 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.

CHOKE MANIFOLD DI'GRAM



MANIFOLD
3000 W.P.

☒ Manual
☐ Hydraulic

H2S DRILLING OPERATIONS PLAN

Conoco, Inc. will comply with Onshore Order No. 2 for working in an H2S environment or a potential H2S environment.

I. Hydrogen Sulfide Training

All contractors and subcontractors employed by Conoco will receive or have received training from a qualified instructor within the last twelve months in the following areas prior to commencing drilling operations on this well.

1. The hazards and characteristics of hydrogen sulfide (H2S)
2. Safety precautions.
3. Operations of safety equipment and life support systems.

In addition, contractor supervisory personnel will be trained or prepared in the following areas:

1. The effect of H2S on metal components in the system, especially where high tensile strength tubulars are to be used.
2. Corrective action and shutdown procedures when drilling or reworking a well, blowout prevention and well control procedures, if the nature of work performed involves these items.
3. The contents and requirements of the contingency plan when such plan is required.

All personnel will be required to carry documentation of the above training on their person.

II. H2S EQUIPMENT AND SYSTEMS

1. Safety Equipment

The following minimum safety equipment will be on location:

- A. Wind direction indicators placed near rig floor/mud return lines and at points along the perimeter of the location to allow visibility of at least one indicator from any point on location.
- B. Automatic H2S detection alarm equipment (both audio and visual).
- C. Clearly visible warning signs. Signs will use the words "POISON GAS" and "CAUTION" with a strong color contrast.
- D. Protective breathing equipment will be located in the doghouse and at briefing areas on location.

2. Well Control Systems

A. Blowout Prevention Equipment

Equipment includes but is not limited to:

1. Pipe rams to accommodate all pipe sizes
2. Blind rams
3. Choke manifold
4. Closing Unit
5. Flare line and means of ignition

B. Communication

The rig contractor will be required to have two-way communication capability. Conoco will have either land-line, satellite phone, microwave phone, or mobile (cellular) telephone capabilities.

C. Mud Program

The mud program has been designed to minimize the volume of H₂S circulated to surface. Proper mud weight, safe drilling practices, and the use of H₂S scavengers when appropriate will minimize hazards when penetrating H₂S bearing zones.

D. Drill Stem Tests

Any planned drill stem test will be cancelled if H₂S is detected prior to such test. In the event that H₂S is detected during testing, the test will be terminated immediately.



Ronald G. Crouch
Right of Way Agent
Right of Way and Claims

Conoco Inc.
10 Desta Drive, Suite 651W
Midland, Texas 79705-4500
(915) 686-5587

April 17, 2002

Department of the Interior
Bureau of Land Management
620 East Greene
Carlsbad, New Mexico 88220

Re: Settlement letter for appurtenances
Meyer B-31 #7
Section 31, T20S, R38E
Lea County, New Mexico

Dear Mr. Peterson:

Conoco Inc. has reached a damage settlement agreement with the surface owner, being Robert McCasland before construction begins of the above referenced location and appurtenances.

Please call me at 915-686-5587 if you have any questions concerns.

Sincerely yours,

A handwritten signature in cursive script that reads "Ronald G. Crouch".

Ronald G. Crouch
Right of Way Agent

Handwritten initials "KJS" in a cursive script.

DISC: Conoco Inc, Hardy 36 State #26-B, 36-20-37, Strawn, top perf 7574'
4/11/98

R-11221 Special Pool
160 ac. No closer
than 600' to outer
boundary
Pool Code 96893 nor 330
to 4/4

COUNTY LEA POOL North South Hardy Strawn

TOWNSHIP 20s RANGE 37e NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

6/1/99 R-11183 Created Sec. 36: NE/4

DR: 7-8

7/1/99 R-11204 Change Name to North Hardy Strawn

1/1/01 R-11533 Ext. Sec. 25: NE/4 & S/2

8/1/01 R-11633 Ext. Sec. 36: SE/4

9/1/02 R-11818 Ext. Sec. 36: NW/4