

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
P.O. BOX 1830
HOBBS, NEW MEXICO 88240

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

JP 9/09/97

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Conoco Inc.

a. ADDRESS AND TELEPHONE NO

10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500

915-686-5794

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

At surface

1980' FNL & 2310' FWL

At proposed prod. zone

1980' FNL & 2310' FWL

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

5. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if Any)

16 NO OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

8. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

6650'

20. ROTARY OR CABLE TOOLS

Rotary

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

3410' GR

22. APPROX. DATE WORK WILL START*

10/1/97

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	K-55, 8-5/8"	23#	1200'	545 sxs, circ.
7-7/8"	L-80, 5-1/2"	17#	6650'	1265 sxs, circ.

It is proposed to drill a vertical wellbore as a Drinkard producer according to the plan submitted in the following attachments:

1. Well Location and Acreage Dedication Plat (C-102)
2. Proposed Well Plan Outline
3. Surface Use Plan
4. EXHIBIT A: Vicinity Map
5. EXHIBIT B: Location Verification Map
6. EXHIBIT C.1-C.3: Road, Flow Line and Electric Line Plats
7. EXHIBIT D: Trailer Mounted Rig Layout Drawing
8. BOP & Choke Manifold Specifications
9. H2S Drilling Operations Plan
10. Surface owner communications
11. Letter of surface owner denying access to conduct archeological survey

SUBJECT TO
LIKE APPROVAL
BY STATE

RECEIVED
1997 SEP -4 P 2:21
BUREAU OF LAND MGMT.
ROSWELL OFFICE

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described above and as covered by BLM Bond File No. ES-0085

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.

24. SIGNED Mike L. Mankin TITLE Right-of-Way Agent DATE 9/2/97

(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.

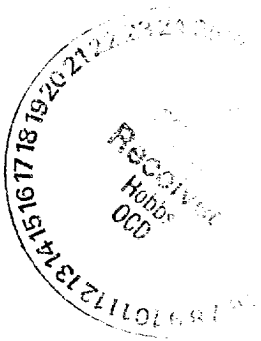
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY (ORIG. SGD) TONY L. FERGUSON TITLE ADM, MINERALS DATE 10-20-97

*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.

JP
mf



District I
PO Box 1980, 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 30-025-34171		*Pool Code 19190	*Pool Name DRINKARD
*Property Code 003039	*Property Name LOCKHART A-27		*Well Number 15
*GRID No. 005073	*Operator Name CONOCO INC.		*Elevation 3410'

¹⁰ Surface Location

UL or lot no. F	Section 27	Township 21-S	Range 37-E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 2310	East/West line WEST	County LEA
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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
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*Dedicated Acres 40	*Joint or Infill	*Consolidation Code	*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

<div>16</div> <p>1980'</p> <p>2310'</p> <p>LAT. = 32°27'05" LONG. = 103°09'07"</p>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Mike L. Mankin</i></p> <p>Signature Mike L. Mankin</p> <p>Printed Name Right of Way Agent</p> <p>Title 7-22-97</p> <p>Date</p>	
	<div>18 SURVEYOR CERTIFICATION</div> <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 best of my belief.</p> <p>JUNE 30, 1997</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>EARL FOOTE REGISTERED PROFESSIONAL LAND SURVEYOR 8278</p> <p>Certificate Number 8278</p>	



PROPOSED WELL PLAN OUTLINE

WELL NAME **LOCKHART A-27 NO. 15**
LOCATION **1,980' FNL, 2310' FWL, SEC. 27, T-21S, R-37E, LEA CO.**

EST GL = 3491'
EST KB = 3504'

TVD IN 1000'	MD	FORMATION TOPS & TYPE	DRILLING PROBLEMS	TYPE OF FORMATION EVALUATION	HOLE SIZE	CASING SIZE DEPTH	FRAC GRAD	FORMATION PRESSURE GRADIENT	MUD WEIGHT & TYPE	DAYS
0					12-1/4"				SPUD	
1		TOP OF SALT 1250'	WASHOUTS IN SALT SECTION			8-5/8" 23#, K-55 ST&C 545 SX CIRC CMT 1200'			10 PPG BRINE	3
2					7-7/8"			LESS THAN 8.3		
3		B/SALT 2350' YATES 2500' 7-RIVERS 2755' QUEEN 3330'	LOST CIRCULATION TO 5000' SEEPAGE TO SEVERE ACTIVE WATERFLOOD ZONE							
4		GRAYBURG 3690'		2-MAN MUD LOGGERS ON AT 3500'						
5		SAN ANDRES 3860'	POSSIBLE DEVIATION TO TD							7
6		GLORIETA 5030'	PARTIAL LOSSES POSSIBLE					LESS THAN 8.3		
7		BLINEBRY MKR 5500'								
8		TUBB MKR 5990' DRINKARD 6320'								
9		TD 6,650'		GR-CAL-DLL-MLL-FDC-CNL-PE		5 1/2", 17#, L-80		BHP - 2500 psi	10 PPG STARCH	15
10				TD TO 2450'. PULL GR-CAL TO SURFACE CASING		@ 6650' 1,265 SX, CIRC CMT			GEL @ TD	
11										
12										
13										

DATE JULY 28, 1997
APPROVED KEITH YANKOWSKY
DRILLING ENGINEER



Well Name : Lockhart A-27 #15

Location : 1980' FNL & 2310' FWL Sec 27, T-21S, R-37E, Lea County, New Mexico

Casing Program :

Surface 8 5/8" casing in 12 1/4" Hole at 1200 ft.

Production 5 1/2" casing in 7 7/8" Hole at 6650 ft.

Cementing Program :

Surface

Lead 345 sacks Class C Mixed at 12.7 ppg
Additives 35:65:6 (Poz:Cern:Gel) + 2% CACL2
+ 0.25 pps Cello-Flake

Tail 200 sacks Class C Mixed at 14.8 ppg
Additives 2% A-7P

Production

Lead 595 sacks Class C Mixed at 12 ppg
Additives 16% Gel + 2% Salt + 0.3% CD-32 + 0.3% SMS

Tail 670 sacks Class C Mixed at 14.8 ppg
Additives 1.1% FL-62 + 2% BA-58 + 3% Salt + 0.3% CD-32
+ 0.2% SMS

Free Water 0 % **Fluid Loss** 40 cc/30 min.

**SURFACE USE PLAN
Conoco Inc.**

Lockhart A 27 Well # 15

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 of this plan.

1. Existing Roads

- A. The proposed well site is 1980' FNL & 2310' FWL, Sec. 27, T21S, R37E, Lea County, New Mexico.
- B. Exhibit "A" is a Vicinity road and well map. Directions to the location are as follows:

Go north 1 mile out of Eunice on Loop 18. Turn right at Conoco's Lockhart A-27 lease sign and go 1 mile east to location.
- C. No improvement or maintenance is anticipated for the existing roads.

2. Planned Access Roads

- A. 172.1' of new access road will be required.
- B. No turnout will be required.
- C. No culverts will be required.
- D. No gates, cattleguards, or fences will be required.

3. Topographic Map and Well Location

A 7.5" quadrangle topo map of the area is included as Exhibit "B".

4. Additional Right-of-Ways

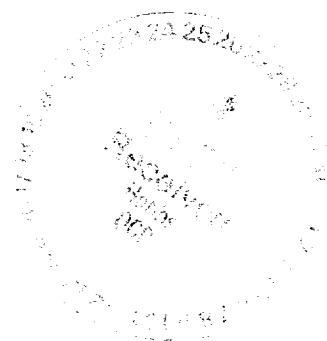
EXHIBITS C.1 - C.3 are survey plats for the road and power line right-of ways.

5. Water Supply

Fresh water will be secured from the City of Eunice and brine from McCasland's water station in Eunice. All water will be trucked and will follow the same described for reaching the drilling location.

6. Source of Construction Materials

Caliche will come from the pit located in the NW/4 NE/4, Sec. 18, T21S, R36E.



7. Methods of Handling Waste Disposal

Waste Disposal: Well cuttings will be disposed in reserve pit. Barrel trash containers to be in accessible locations within drill site area during drilling and completion procedures. All detrimental waste will be hauled away. See Exhibit "D" (rig layout) for location of pits. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. Any produced water will be collected in tanks until hauled to an approved disposal system, or separate disposal applications will be submitted to survey for appropriate approval.

8. Ancillary Facilities

None.

9. Wellsite Layout

See Exhibit "D". 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 oil and/or toxic liquids will be covered with a fine mesh netting to protect wildlife, if necessary.

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

Fee. A letter verifying negotiation of damages is attached.

12. Other Information

An archaeological survey will be conducted for these right-of-ways.

13. Operator's Representative and Certification

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

Mike L. Mankin
10 Desta Drive, Suite 430E
Midland, Texas 79705
(915) 686-5794



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.

Mike L. Mankin

Mike L. Mankin
Right-of-Way Agent

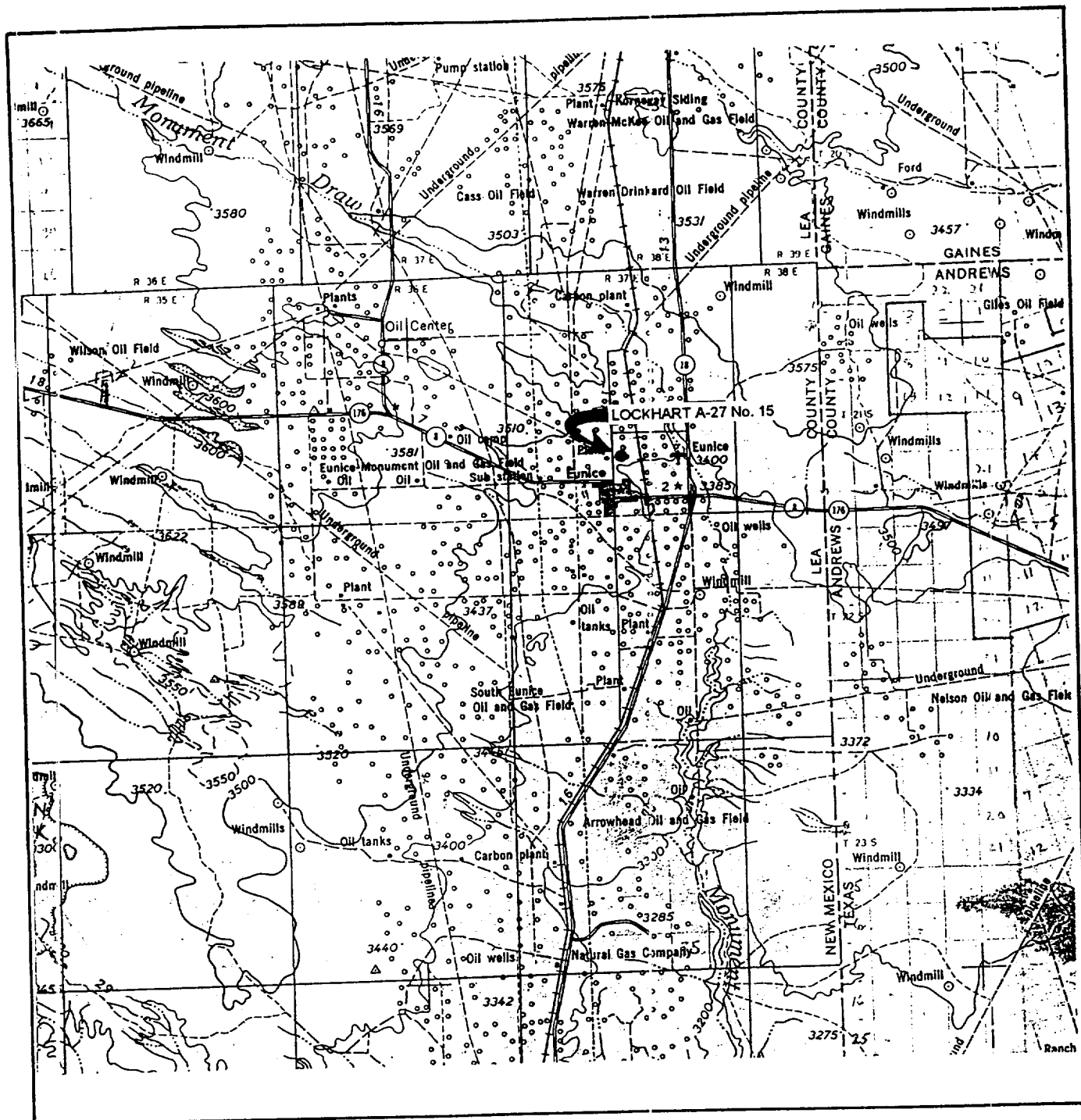
1-28-97

Date



VICINITY MAP

EXHIBIT "A"



SCALE: 1" = 4 MILES

WTC 44921

SEC. 27 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M

COUNTY LEA STATE NM

DESCRIPTION 1980' FNL & 2310' FWL

ELEVATION 3410'

OPERATOR CONOCO INC.

LEASE LOCKHART A-27 NO. 15

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

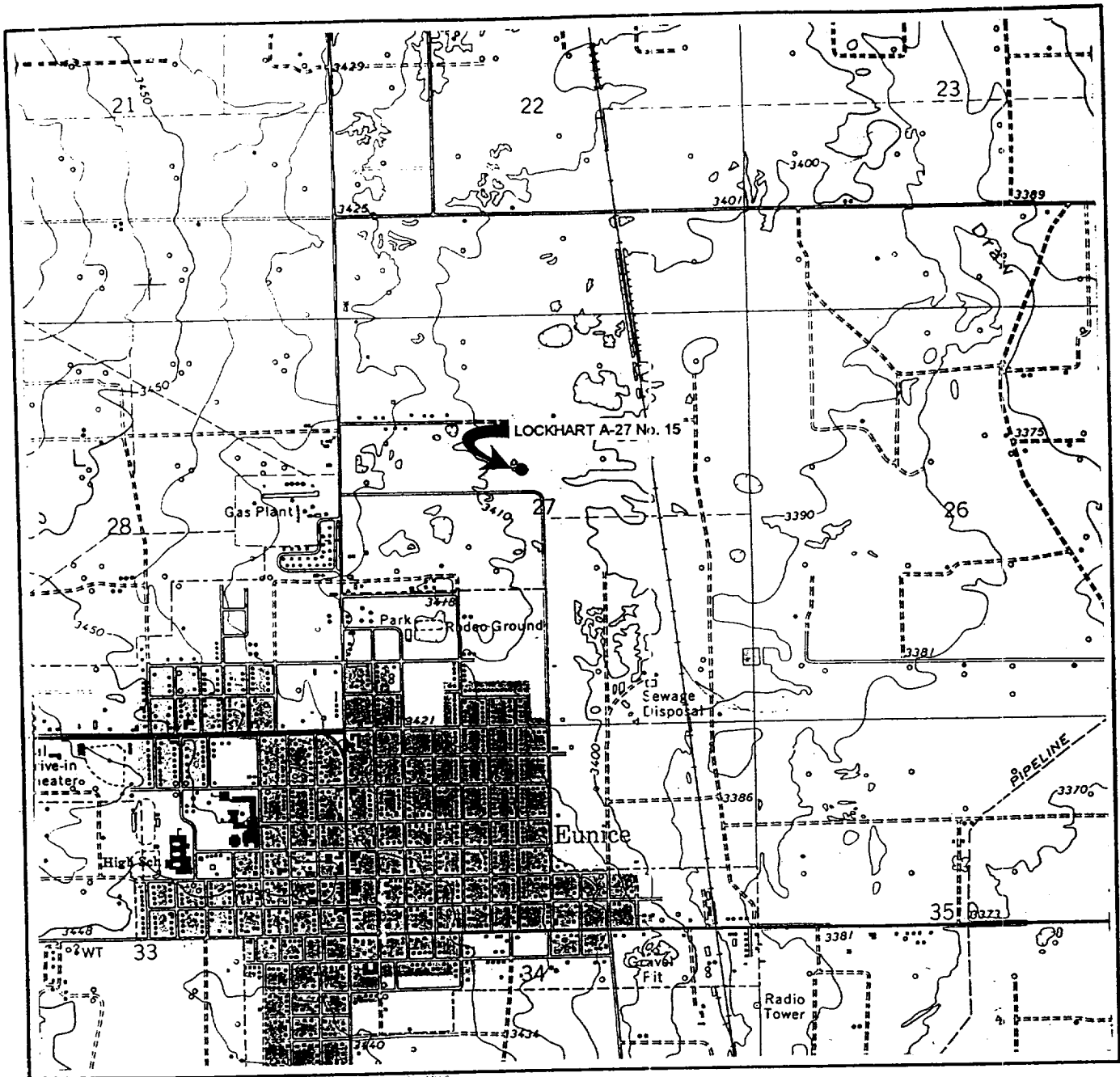
MIDLAND, TEXAS

915-685-3800



LOCATION VERIFICATION MAP

EXHIBIT "B"



SCALE: 1" = 2000'

WTC 44921

CONTOUR INTERVAL 10'

SEC. 27 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M

COUNTY LEA STATE NM

DESCRIPTION 1980' FNL & 2310' FWL

ELEVATION 3410'

OPERATOR CONOCO INC.

LEASE LOCKHART A-27 NO. 15

USGS TOPO MAP EUNICE, NEW MEXICO

WEST TEXAS CONSULTANTS, INC.

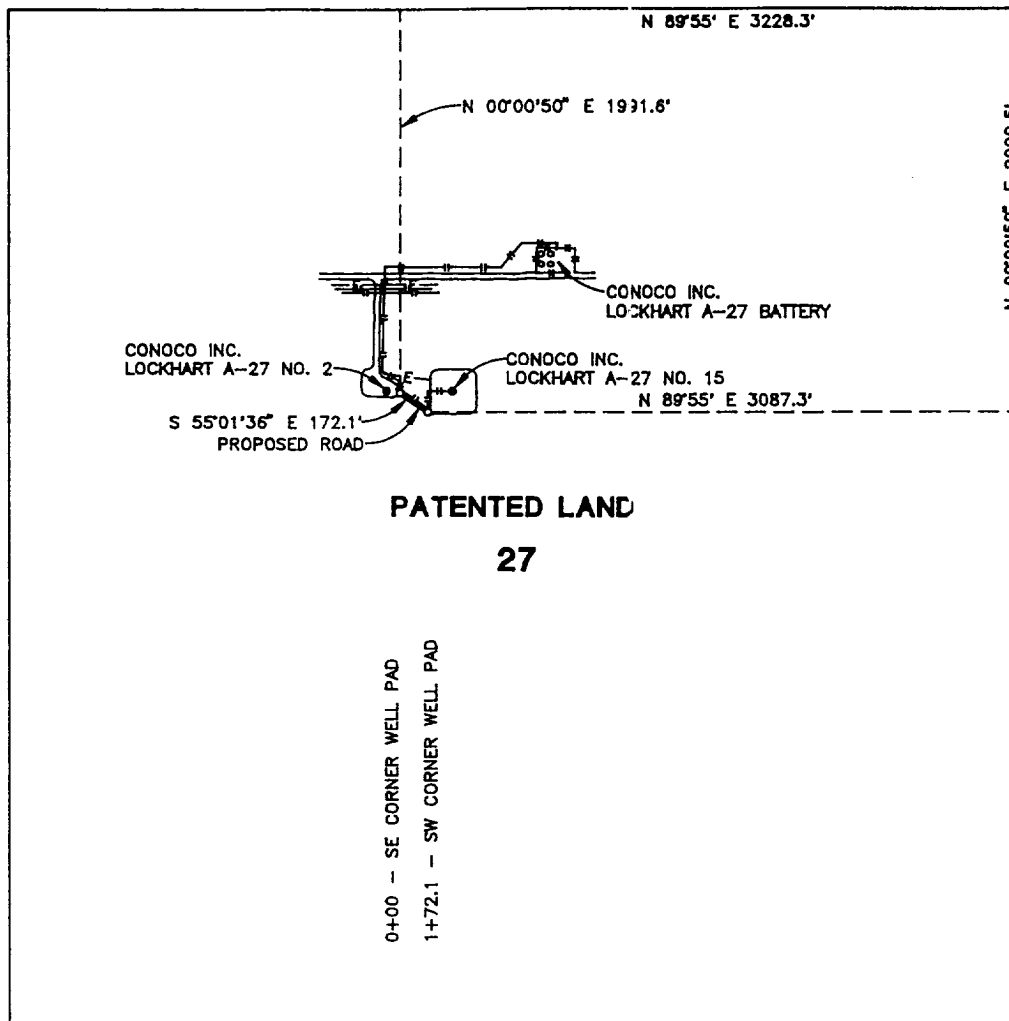
ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

915-685-3800



**SECTION 27, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO**



CENTERLINE DESCRIPTION OF A PROPOSED ROAD:

BEGINNING at the southeast corner of well pad for CONOCO INC. LOCKHART A-27 WELL NO. 2, from which point the northeast corner of Section 27, T-21-S, R-37-E, N.M.P.M., Lea County, New Mexico bears N 00° 00' 50" E, 1991.6 feet and N 89° 55' E, 3228.3 feet;

THENCE S 55° 01' 36" E, with the centerline of proposed road, 172.1 feet to the southwest corner of well pad for Conoco Inc. Lockhart A-27 Well No. 15 for the end of this road, from which point the northeast corner of Section 27 bears N 89° 55' E, 3087.3 feet and N 00° 00' 50" E, 2090.5 feet.

I hereby certify that this plat was prepared from an actual survey made on the ground and meets or exceeds all requirements for land surveys as specified by the state of New Mexico.

**PROPOSED ROAD TO SERVE
LOCKHART A-27 WELL NO. 15**

CONOCO INC.

172.1 feet of proposed road in
Section 27, T-21-S, R-37-E, N.M.P.M.,
Lea County, New Mexico

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 7-1-97

Date: 7-2-97

Scale: 1" = 1000'

WTC No. 44921

Drawn By: R.S.

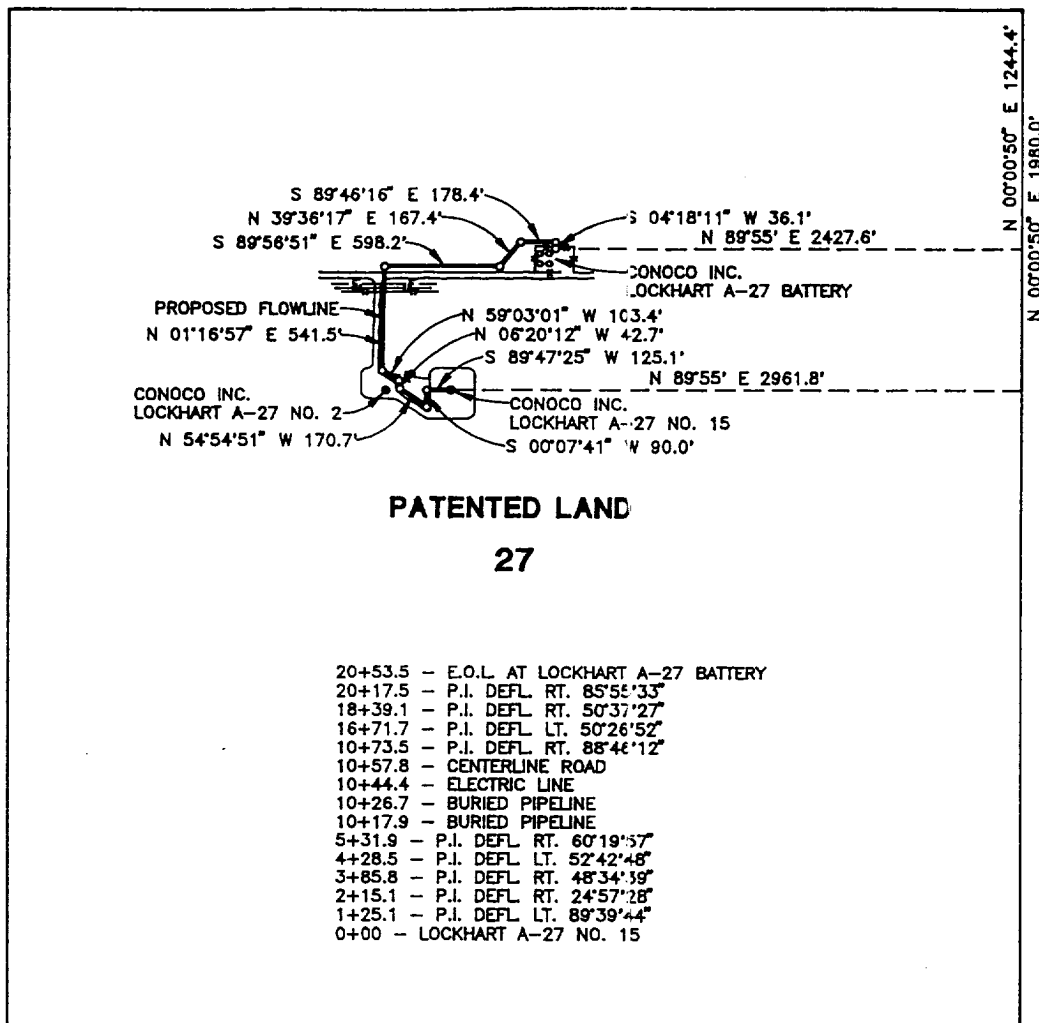
Sheet 1 of 1

Earl Foote
Registered Professional Surveyor
New Mexico Certificate No. 8278





**SECTION 27, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO**



CENTERLINE DESCRIPTION OF A PROPOSED FLOW LINE:

BEGINNING at Conoco Inc. Lockhart A-27 Well No. 15, from which point the northeast corner of Section 27, T-21-S, R-37-E, N.M.P.M., Lea County, New Mexico, bears N 89° 55' E, 2961.8 feet and N 00° 00' 50" E, 1980.0 feet;

THENCE with the centerline of proposed flow line as follows: S 89° 47' 25" W, 125.1 feet; S 00° 07' 41" W, 90.0 feet; N 54° 54' 51" W, 170.7 feet; N 06° 20' 12" W, 42.7 feet; N 59° 03' 01" W, 103.4 feet; N 01° 16' 57" E, 541.5 feet; S 89° 56' 51" E, 598.2 feet; N 39° 36' 17" E, 167.4 feet; S 89° 46' 16" E, 178.4 feet and S 04° 18' 11" W, 36.1 feet to a point in the north line of Conoco Inc. Lockhart A-27 Battery, for the end of this line, from which point the northeast corner of Section 27 bears N 89° 55' E, 2427.6 feet and N 00° 00' 50" E, 1244.4 feet.

**PROPOSED FLOW LINE TO SERVE
LOCKHART A-27 WELL NO. 15**

I hereby certify that this plat was prepared from an actual survey made on the ground and meets or exceeds all requirements for land surveys as specified by the state of New Mexico.

Earl Foote



Earl Foote
Registered Professional Surveyor
New Mexico Certificate No. 8278

CONOCO INC.

2053.5 feet of proposed flow line in
Section 27, T-21-S, R-37-E, N.M.P.M.,
Lea County, New Mexico

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 7-1-97

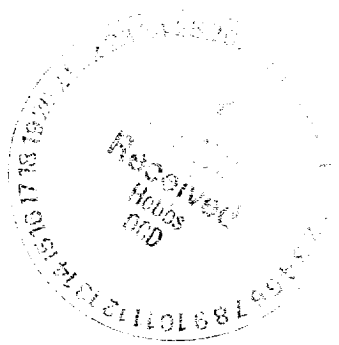
Date: 7-2-97

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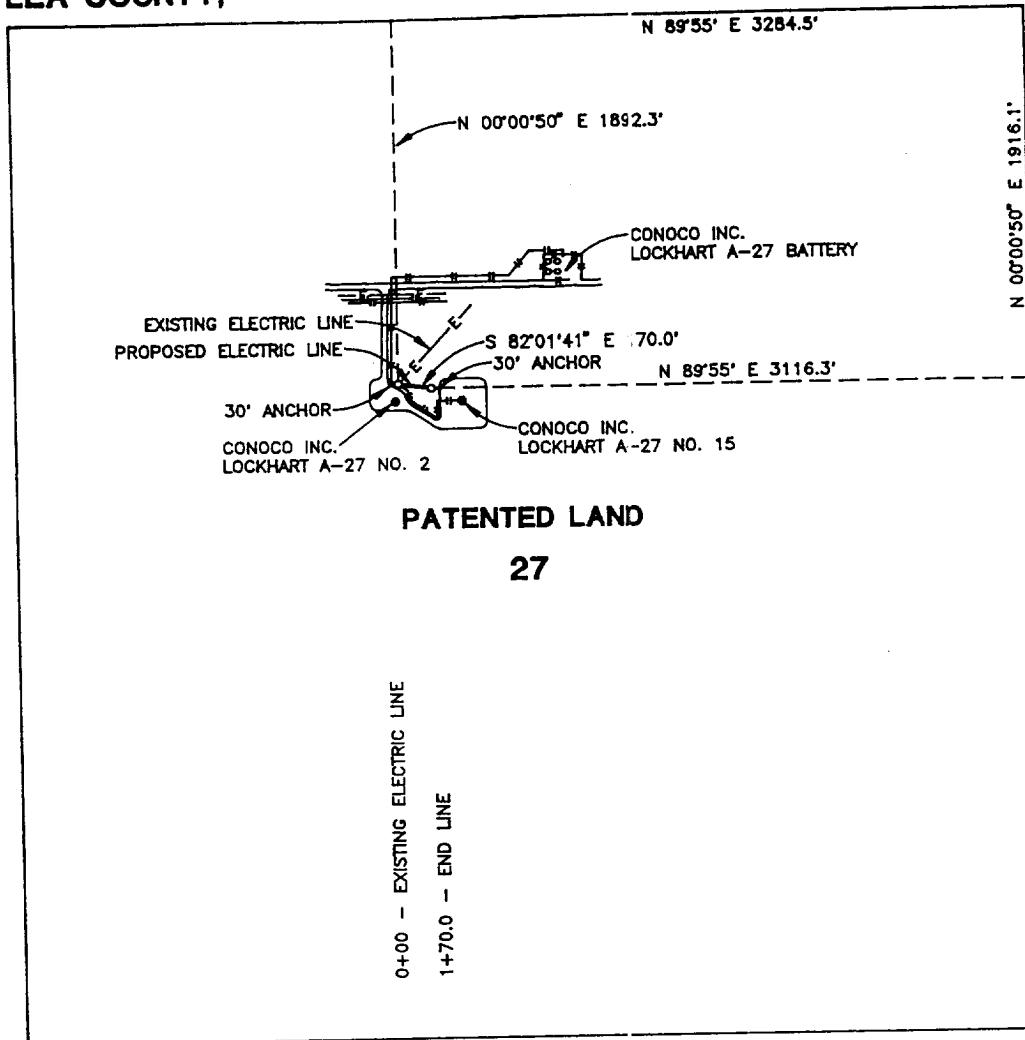
WTC No. 44921

Drawn By: R.S.

Sheet 1 of 1



SECTION 27, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO



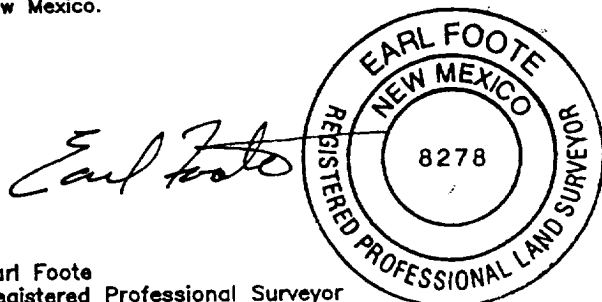
CENTERLINE DESCRIPTION OF A PROPOSED ELECTRIC LINE:

BEGINNING at a point in an existing electric line from which point the northeast corner of Section 27, T-21-S, R-37-E, N.M.P.M., Lea County, New Mexico, bears N 00° 00' 50" E, 1892.3 feet and N 89° 55' E, 3284.5 feet and an anchor easement bears N 82° 01' 41" W, 30.0 feet;

THENCE S 82° 01' 41" E, with centerline of proposed electric line 170.0 feet to the end of this line, from which point an anchor easement bears S 82° 01' 41" E, 30 feet and the northeast corner of Section 27 bears N 89° 55' E, 3116.3 feet and N 00° 00' 50" E, 1916.1 feet.

PROPOSED ELECTRIC LINE TO SERVE
LOCKHART A-27 WELL NO. 15

I hereby certify that this plat was prepared from an actual survey made on the ground and meets or exceeds all requirements for land surveys as specified by the state of New Mexico.



Earl Foote
Registered Professional Surveyor
New Mexico Certificate No. 8278

CONOCO INC.

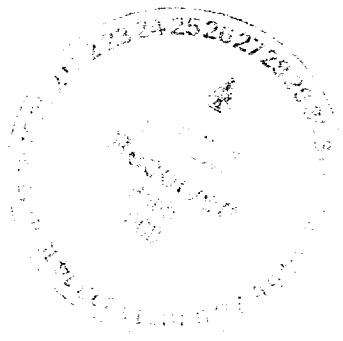
170.0 feet of proposed electric line in
Section 27, T-21-S, R-37-E, N.M.P.M.,
Lea County, New Mexico

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 7-1-97	Date: 7-2-97	Scale: 1" = 1000'
WTC No. 44921	Drawn By: R.S.	Sheet 1 of 1



TRAILER - MOUNTED RIG LAYOUT

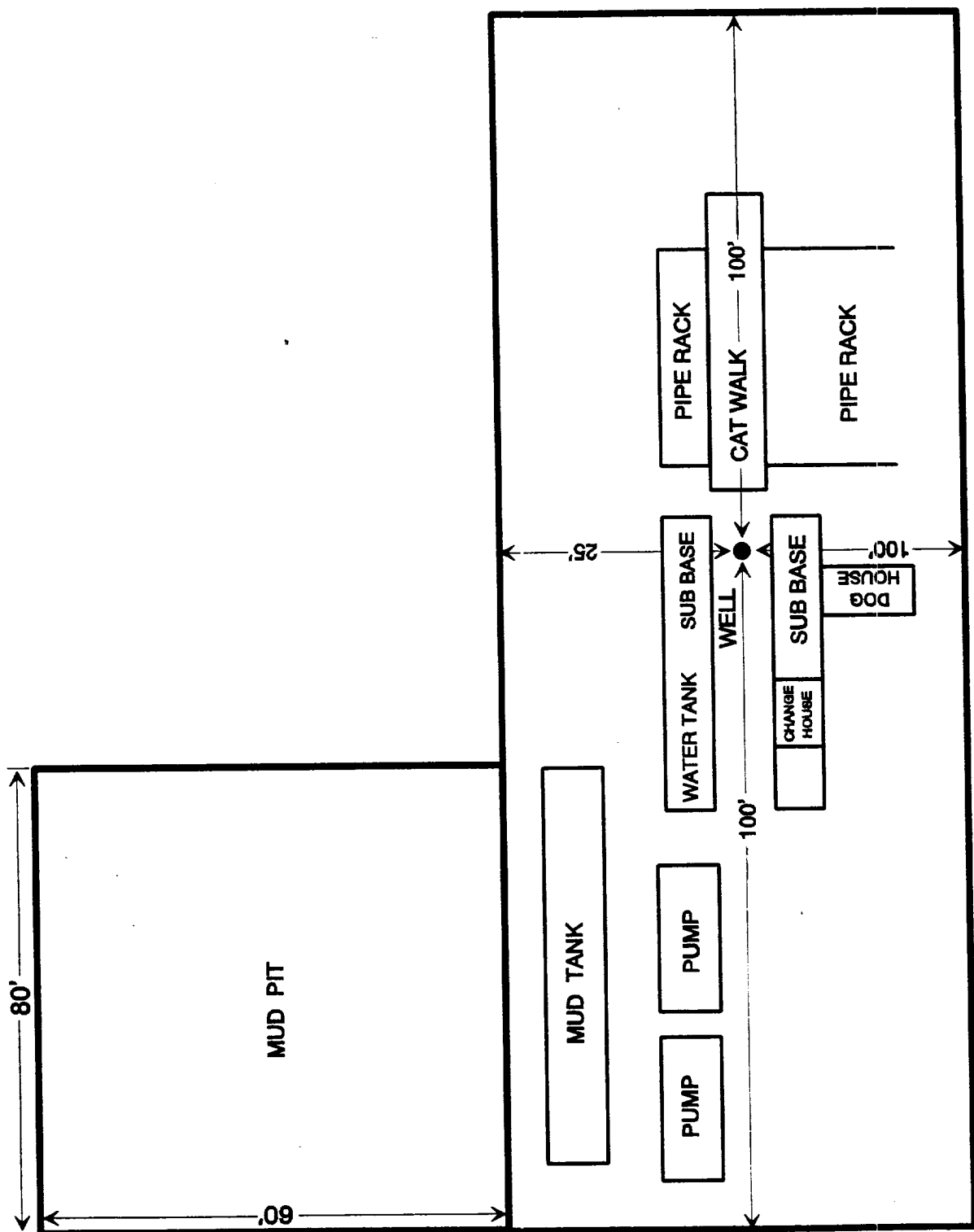
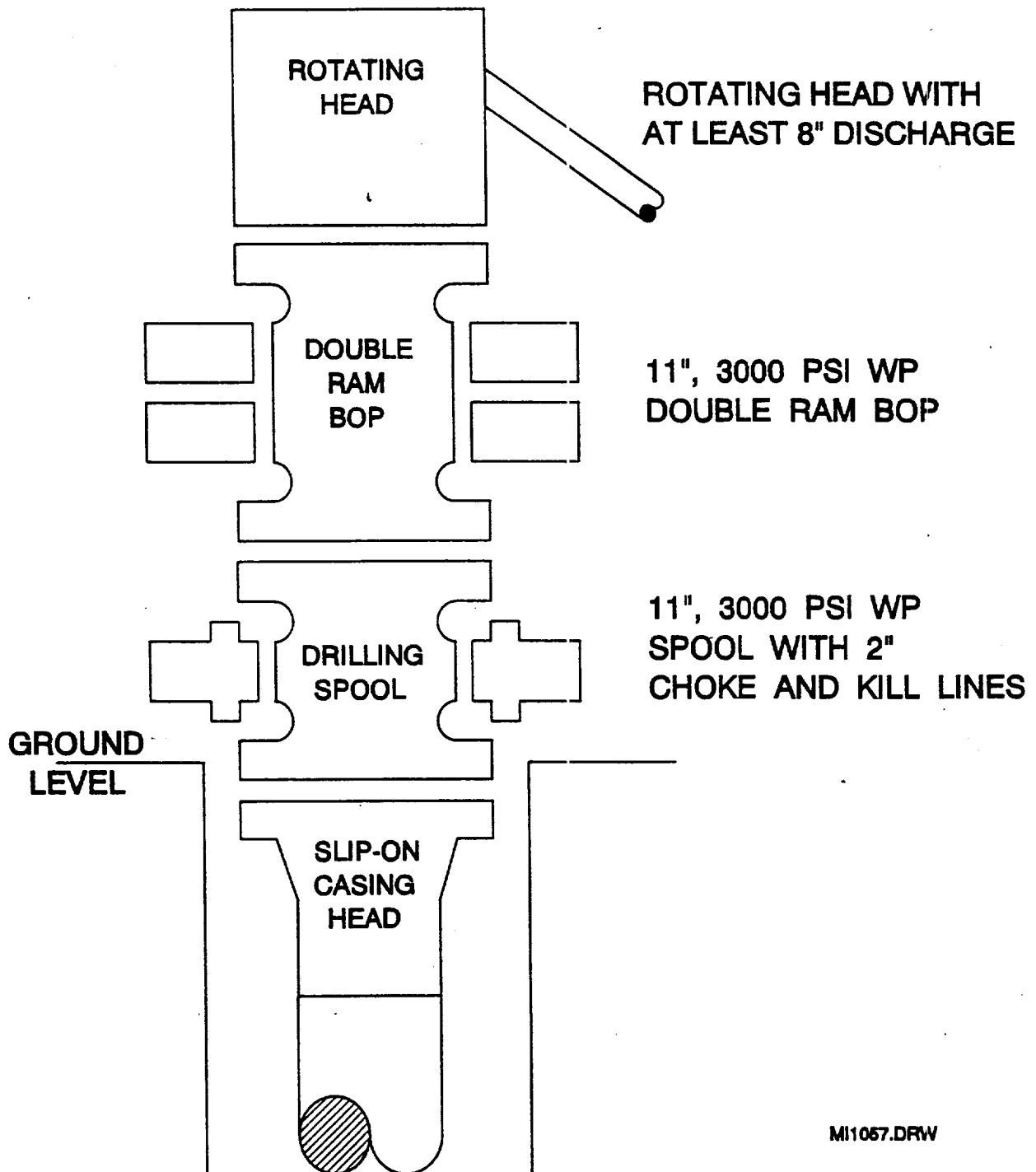


EXHIBIT D



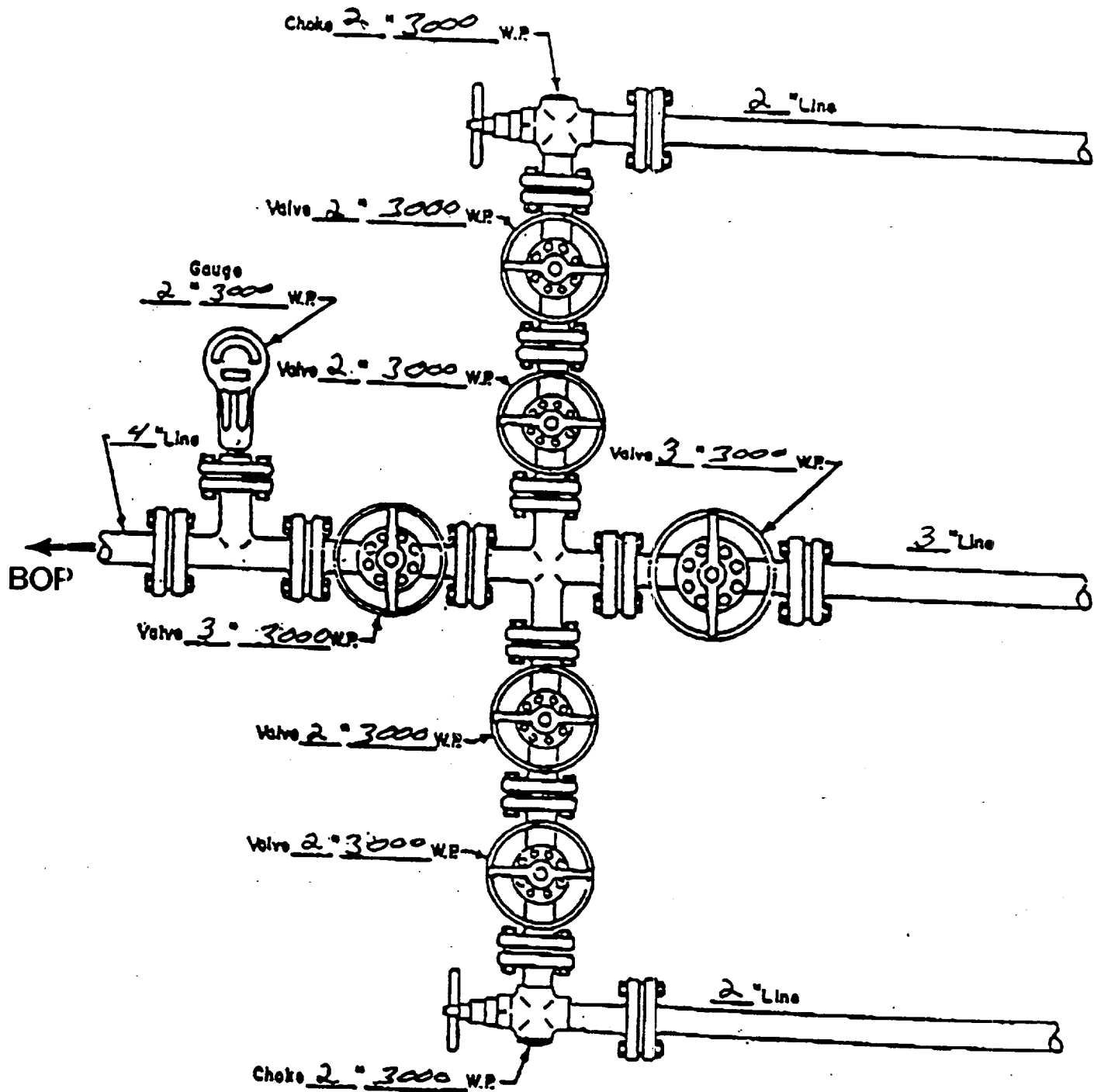
BOP SPECIFICATIONS



M11057.DRW

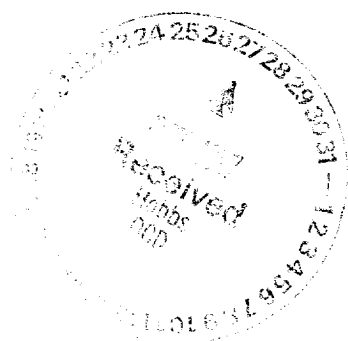


CHOKE MANIFOLD DIAGRAM



MANIFOLD
3000 #W.P.

- ☒ Manual
- ☐ Hydraulic



H2S DRILLING OPERATIONS PLAN

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 high tensile strength tubulars are to be used.
2. Corrective action and shut-down 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 safety equipment will be on location:

- A. Wind direction indicators as seen in attached diagram.
- B. Automatic H2S detection alarm equipment (both audio and visual).
- C. Clearly visible warning signs as seen on the attached diagram. Signs will use the words "POISON GAS" and "CAUTION" with a strong color contrast.
- D. Protective breathing equipment will be located in the dog house and at briefing areas as seen in the attached diagram.



2. Well Control Systems

A. Blowout Prevention Equipment

Equipment includes but is not limited to:

- a. pipe rams to accomodate all pipe sizes
- b. blind rams
- c. choke manifold
- d. closing unit
- e. 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 or mobile 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

There are no drill stem tests proposed for this well.

III. WELL SITE DIAGRAM

A complete well site diagram including the following information is attached:

- 1. Rig orientation
- 2. Terrain
- 3. Briefing areas
- 4. Ingress and egress
- 5. Pits and flare lines
- 6. Caution and danger signs
- 7. Wind indicators and prevailing wind direction





WDI



H2S Safety Contractor



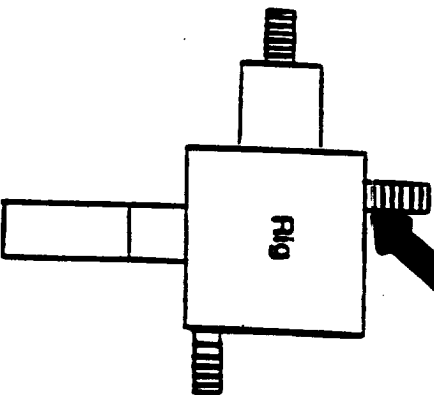
Coroco Quarters



Muster Area No. 1



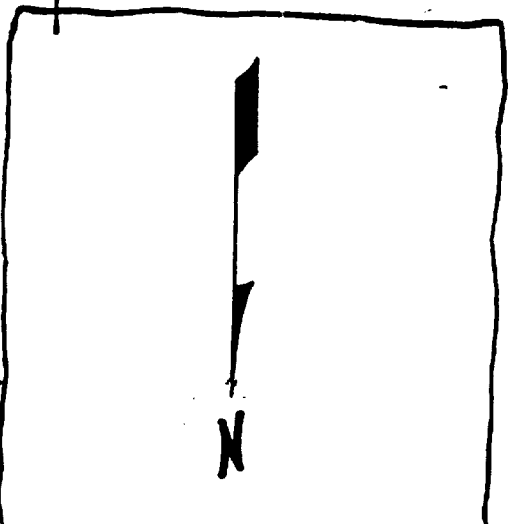
Contractor Quarters



WDI



Choke Manifold



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

Muster Area No. 2

WDI







Mike L. Mankin
Right of Way Agent
Right of Way and Claims

Conoco Inc.
10 Desta Drive, Suite 430E
Midland, Texas 79705
(915) 686-5794

August 28, 1997

Bureau of Land Management
P. O. Box 1778
620 E. Greene Street
Carlsbad, New Mexico 88221-1778

Attn: Mr. Barry Hunt, Surface Protection Specialist

Re: Settlement for Well Location and Appurtenances
Lockhart A 27 Well # 15
Section 27, T21S, R37E
Lea County, New Mexico

Dear Mr. Hunt:

By this letter Conoco Inc. has attempted to reach a settlement with surface owner for the construction of the above referenced location and appurtenances. Attached you will find correspondence with surface owner verifying attempt.

If you have any questions, please contact me at 915-686-5794.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike L. Mankin", written in a cursive style.

Mike L. Mankin

cc: File / 97271





Mike L. Mankin
Right of Way Agent
Right of Way and Claims

Conoco Inc.
10 Oesta Drive, Suite 430E
Midland, Texas 79705
(915) 686-5794

August 27, 1997

Mr. Tom Kennann
P. O. Box 202
Eunice, New Mexico 88231

Re: **Settlement for Surface Damages**
Lockhart A 27, Well #15, 1980' FNL & 2310' FWL
Section 27, T21S, R37E
Lea County, New Mexico

Dear Mr. Kennann:

During my visit with you and Ms. Kennann on July 24, 1997, I tendered you what Conoco believes to be a fair and equitable offer for damages associated with the referenced well and you both indicated that it was not acceptable. After further review with my supervisor, I am unable to increase the offer and it still stands as stated during our meeting and is outlined in the paragraph below.

I have enclosed a Receipt and Release for your execution. Please sign in front of a witness and return to me in the provided self-addressed stamped envelope. Upon receiving the executed Receipt and Release I will promptly issue you a check in the amount of \$ [REDACTED]. This payment allows \$ [REDACTED] for well pad and access road, \$ [REDACTED] for flowline located along side of lease road (125 rods @ \$ [REDACTED] per rod) and \$ [REDACTED] for powerline installation across pasture (11 rods @ \$ [REDACTED] per rod). I have included a copy of the Receipt and Release along with appropriate survey plats for your records.

If you have any questions or concerns, please contact me 915-686-5794.

Sincerely,

Mike L. Mankin

cc: File / 97271





Desert West

ARCHAEOLOGICAL SERVICES

August 28, 1997

Mr. Mike Mankin
CONOCO, INC.
10 Dosta Drive, Suite 430E
Midland, Tx 79705

Dear Mr. Mankin:

On August 26, 1997, Arita Slate, Desert West Archaeological Services was contacted by Mr. Mike Mankin, CONOCO, INC. to do an archaeological survey in Section 27, T21S, R37E, NMPM, Lea County, New Mexico. Mr. Mankin indicated that a rancher would be in the area (Mr. Tom Keenannan) and I should give him a call before going in the field.

On August 27, 1997, Arita Slate, Desert West Archaeological Services, contacted Mrs. Tom Keenannan, Eunice, New Mexico in regard to an archaeological survey to be performed in the field for CONOCO, INC. on the proposed Lockhart "A-27" Well No. 15, access road, flow line and electric line located in Section 27, T21S, R37E, NMPM, Lea County, New Mexico. At this time Mrs. Keenannan informed me that I could not do this survey as they owned the land. I said the area in question was private surface with federal minerals and the ownership with the mineral had jurisdiction. Mrs. Keenannan ask how I knew this and I replied we have Surface and Mineral Management Status Maps for areas which are in question. I told Mrs. Keenannan to contact Mr. Mike Mankin if she had any questions.

On August 28, 1997 at approximately 7:05 A.M., a person who identified himself to Danny Boone as Tom Keenannan called about a project for Conoco Inc. in Section 21, T21S, R37E. He said he wanted to set the record straight about who owned the property, he stated that the day before (Wednesday, August 27, 1997) that Arita Slate had told his wife, "not once but four times that the land was federal." I told him that I did not know that there was ever any question about who owned what, that our records all showed private surface with federal minerals. After stating two or three more times that he wanted the record straight about ownership and my stating again that we knew who owned what he said that "You do not have my permission to be on it" at which point I said that was his prerogative and he hung up.

As I (Danny Boone) was privy to Arita Slate's side of the phone conversation on August 27, 1997 with his wife I knew Arita had never claimed anything other than the minerals were federal.

The survey for CONOCO, INC. was not conducted in the field due to this matter.

Sincerely,

Arita Slate

P.O. Box 645 · Carlsbad, NM 88220 · Phone (505) 887-7646 · Fax (505) 887-2264