

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(Other instr
reverse)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK

DRILL ☒

DEEPEN ☐

2. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE ZONE ☒

MULTIPLE ZONE ☐

3. NAME OF OPERATOR

Conoco Inc.

4. ADDRESS AND TELEPHONE NO

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

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

At surface

660' FSL & 860' FEL

At proposed prod. zone

660' FSL & 860' FEL

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

5. LEASE DESIGNATION AND SERIAL NO

LC 0634589

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME WELL NO

Warren Unit #146

9. API WELL NO 3566 GR 25-146

10. FIELD AND POOL, OR WILDCAT

Warren Drinkard East

11. SEC. T, R, M, OR BLK. AND SURVEY OR AREA

Sec. 26, T20-S, R38-E

12. COUNTY OR PARISH

Lea

13. STATE

NM

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

7250'

20. ROTARY OR CABLE TOOLS

Rotary

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

3566' GR

22. APPROX. DATE WORK WILL START*

3/31/98

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	M-50, 8-5/8"	23#	1500'	3600 sxs, circ.
7-7/8"	K-55, 5-1/2"	17#	7250'	1355 sxs, circ.

It is proposed to drill a vertical wellbore as a Drinkard producer. NOS was filed 2/23/98. The well will be drilled and equipped according to the following additional attachments:

1. Well Location & Acreage Dedication Plat (C-102) along with other associated maps and plats.
2. Proposed Well Plan Outline
3. Cementing Plan.
4. Surface Use Plan.
5. Trailer Mounted Rig Layout Drawing.
6. BOP & Choke Manifold Specifications.
7. H2S Drilling Operations Plan.
8. Surface owner communications.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

This application includes ROW's for the well pad, electric line, access road and flowline.

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

Jo Ann Johnson

TITLE

Jo Ann Johnson

Property Analyst

DATE

3-13-98

(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

TITLE

Acting

DATE

3-13-98

*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.

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 203122-543855	'Pool Code 63120	'Pool Name Warren Drinkard East
'Property Code 003122	'Property Name WARREN UNIT	'Well Number 146
'OGRID No. 005073	'Operator Name CONOCO INC.	'Elevation 3566'

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
P	26	20-S	38-E		660'	SOUTH	860	EAST	LEA

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
'Dedicated Acres 40		'Joint or Infill		'Consolidation Code		'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

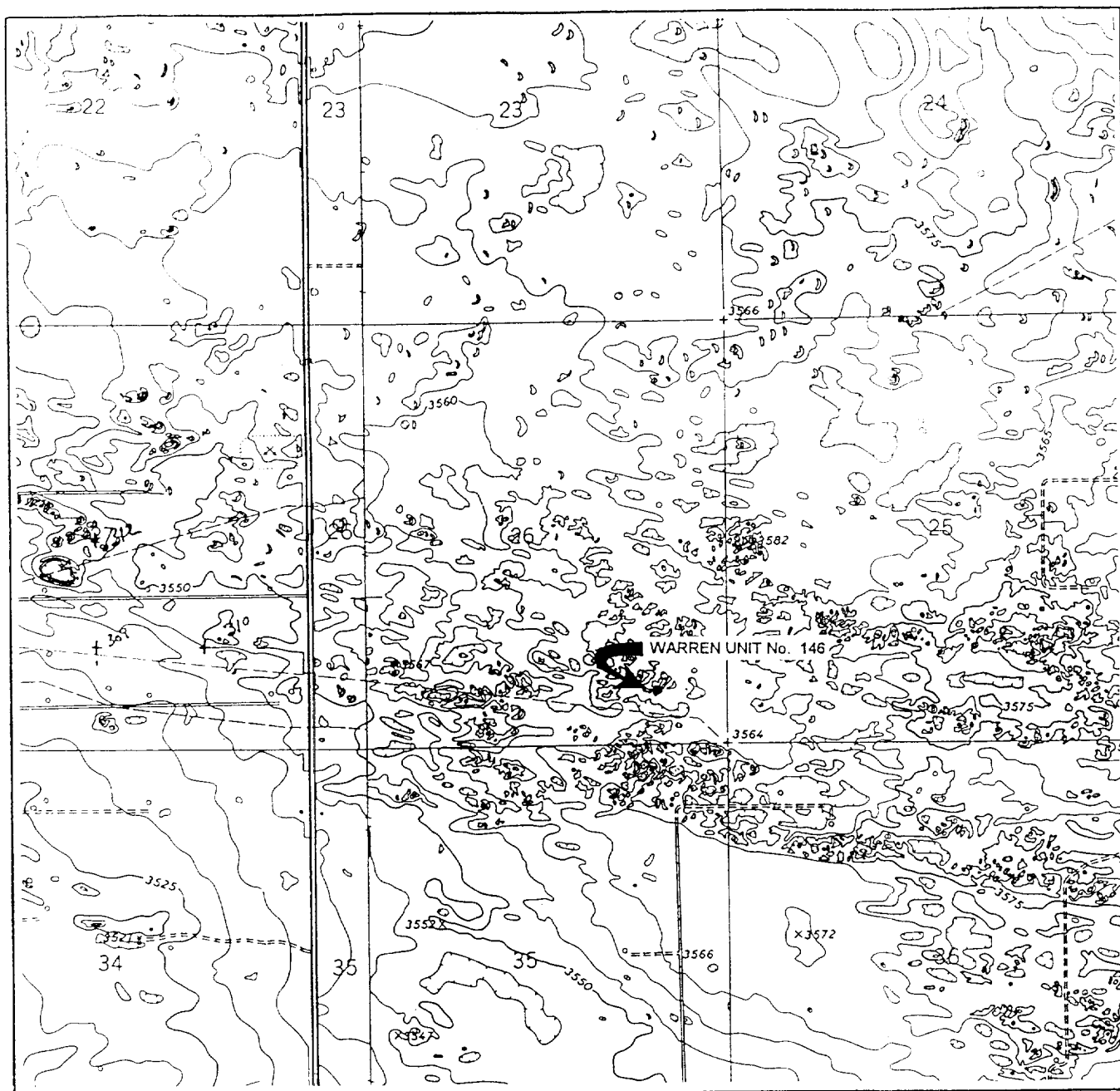
16					<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Jo Ann Johnson</i></p> <p>Signature Jo Ann Johnson</p> <p>Printed Name Property Analyst</p> <p>Title 2/23/98</p> <p>Date</p>
					<p>¹⁸ 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 best of my belief.</p> <p>FEBRUARY 5, 1998</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number 8278</p> <p>EARL FOOTER NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 8278</p>

LAT. = 32°32'18"
LONG. = 103°06'48"

860'

660'

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

WTC 45166

CONTOUR INTERVAL 5'

SEC. 26 TWP. 20-S RGE. 38-E

SURVEY N.M.P.M

COUNTY LEA STATE NM

DESCRIPTION 660' FSL & 860' FEL

ELEVATION 3566'

OPERATOR CONOCO INC.

LEASE WARREN UNIT NO. 146

USGS TOPO MAP HOBBS SW, NEW MEXICO - HOBBS SE
TEXAS-NEW MEXICO

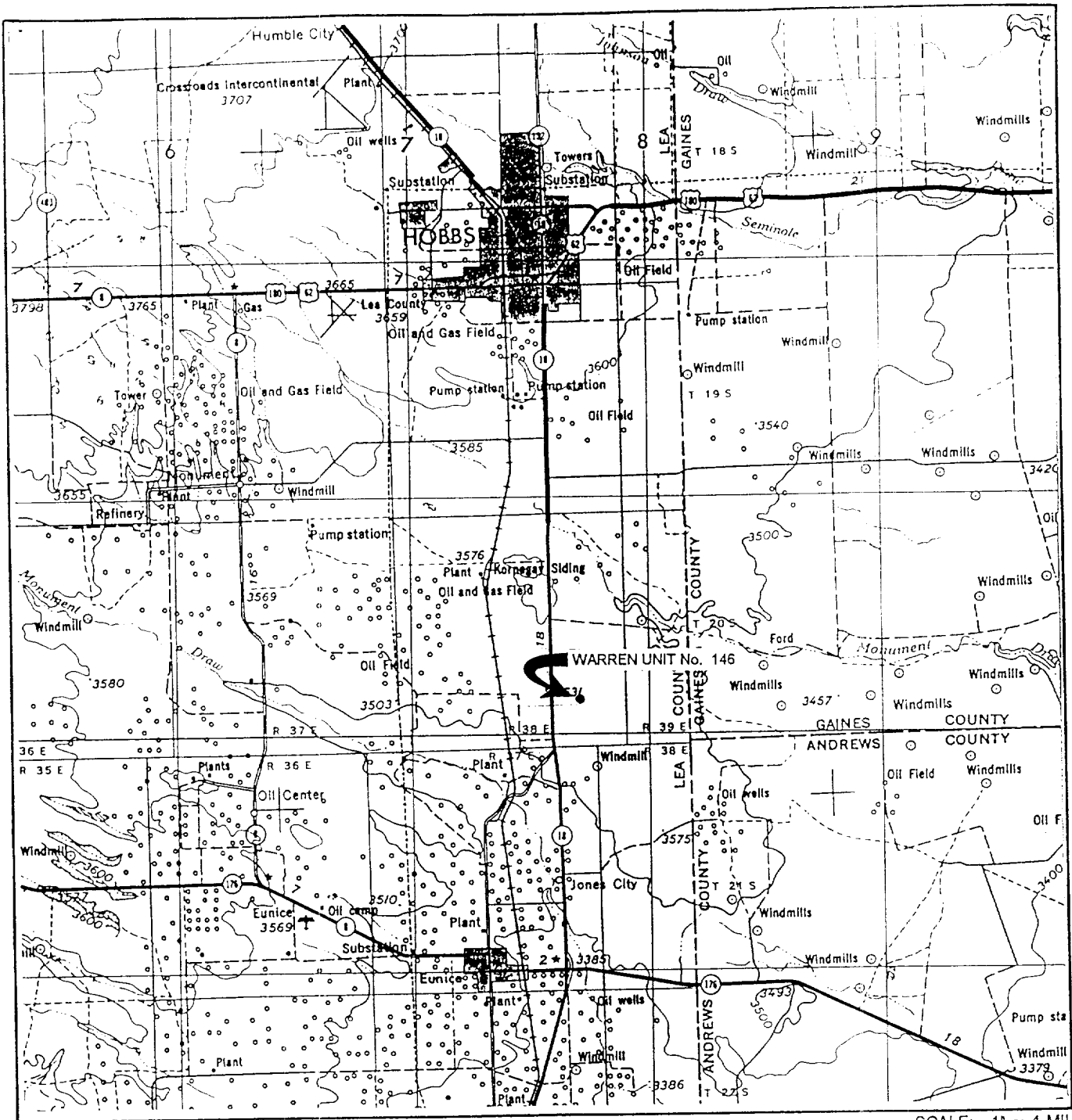
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

915-685-3800

VICINITY MAP



SCALE: 1" = 4 MILES

WTC 45166

SEC. 26 TWP. 20-S RGE. 38-E

SURVEY N.M.P.M

COUNTY LEA STATE NM

DESCRIPTION 660' FSL & 860' FEL

ELEVATION 3566'

OPERATOR CONOCO INC.

LEASE WARREN UNIT NO. 146

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

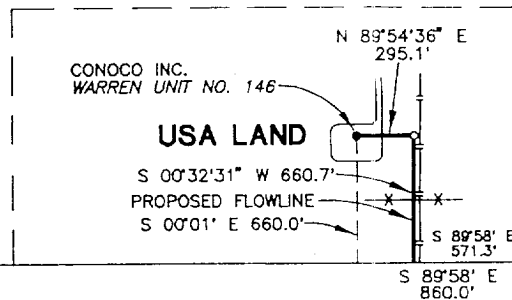
MIDLAND, TEXAS

915-685-3800

SECTION 26, T-20-S, R-38-E, N.M.P.M.
LEA COUNTY, NEW MEXICO

26
PATENTED
LAND

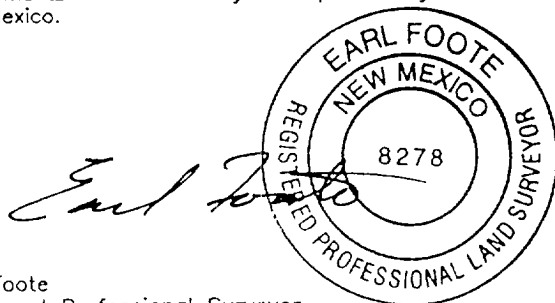
0+00 - WARREN UNIT NO. 146
2+95.1 - P.I. DEFL. RT. 90°37'56"
9+55.8 - SECTION LINE



CENTERLINE DESCRIPTION OF A PROPOSED FLOWLINE:

BEGINNING at Conoco Inc. WARREN UNIT Well No. 146, from which point the southeast corner of Section 26, T-20-S, R-38-E, N.M.P.M., Lea County, New Mexico bears S 00° 01' E, 660.0 feet and S 89° 58' E, 860.0 feet;
THENCE N 89° 54' 36\" E, 295.1 feet to a bend;
THENCE S 00° 32' 31\" W, 660.7 feet to a point in the South line of Section 26, for the end of this line, from which point the southeast corner of Section 26, bears S 89° 58' E, 571.3 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.



Earl Foote
Registered Professional Surveyor
New Mexico Certificate No. 8278

PROPOSED FLOWLINE TO SERVE
WARREN UNIT WELL No. 146

CONOCO INC.

955.8 feet of proposed flowline in
Section 26, T-20-S, R-38-E, N.M.P.M.,
Lea County, New Mexico

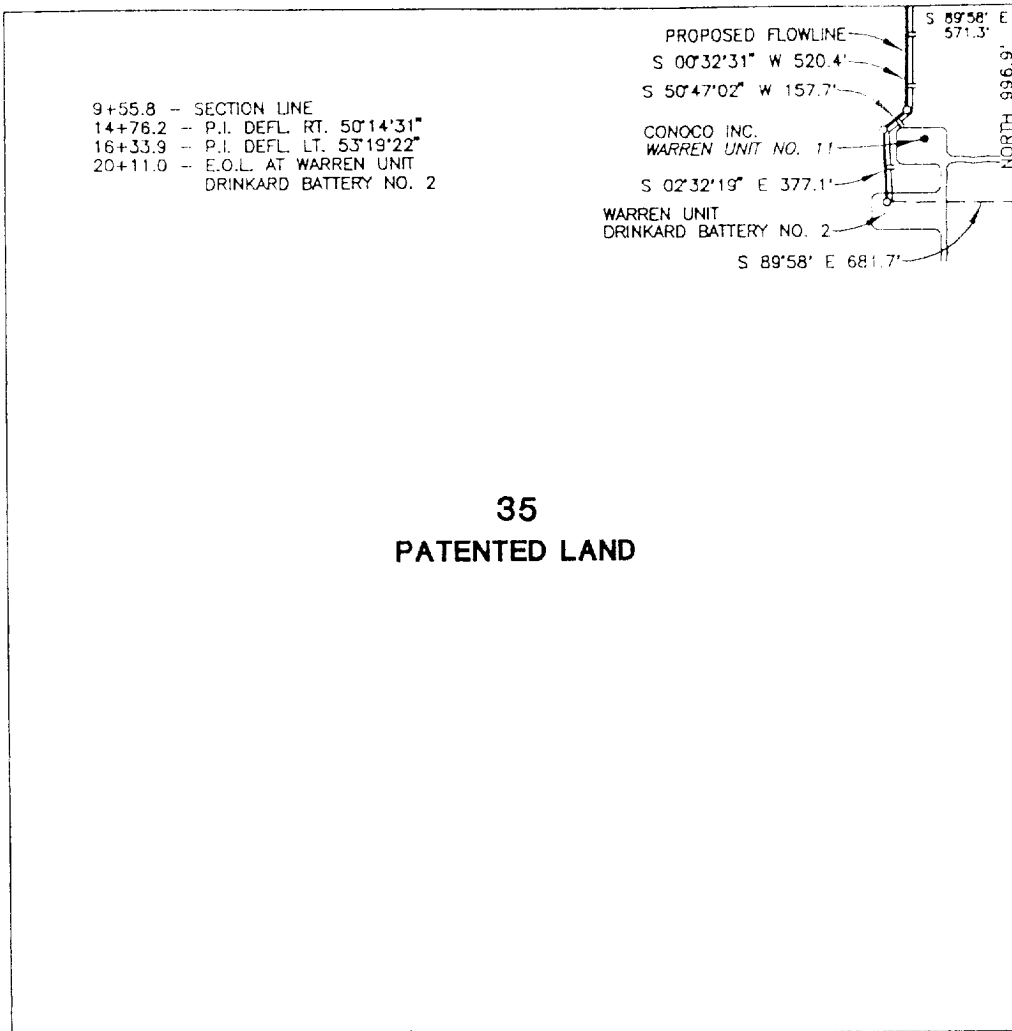
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 2-5-98	Date: 2-23-98	Scale: 1" = 1000'
WTC No. 45166	Drawn By: R.S.	Sheet 1 of 2

SECTION 35, T. 20 SOUTH, RANGE 38 E. 38, N.M.P.M.
LEA COUNTY, NEW MEXICO

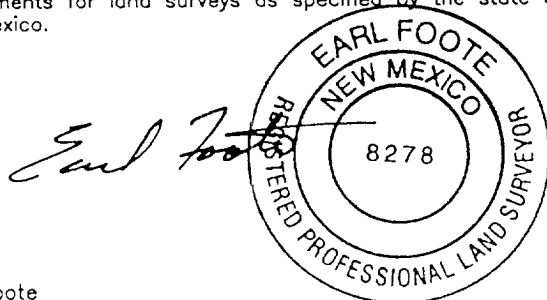


CENTERLINE DESCRIPTION OF A PROPOSED FLOWLINE:

BEGINNING at a point in the North line of Section 35, T-20-S, R-38-E, N.M.P.M., Lea County, New Mexico, from which point the northeast corner of Section 35 bears S 89° 58' E, 571.3 feet;

THENCE with the centerline of proposed flowline as follows: S 00° 32' 31" W, 520.4; S 50° 47' 02" W, 157.7 feet and S 02° 32' 19" E, 377.1 feet to a point in WARREN UNIT DRINKARD BATTERY No. 2, for the end of this line, from which point the northeast corner of Section 35, bears S 89° 58' E, 681.7 feet and North 996.9 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.



Earl Foote
Registered Professional Surveyor
New Mexico Certificate No. 8278

PROPOSED FLOWLINE TO SERVE
WARREN UNIT WELL No. 146

CONOCO INC.

1055.2 feet of proposed flowline in
Section 35, T-20-S, R-38-E, N.M.P.M.,
Lea County, New Mexico

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

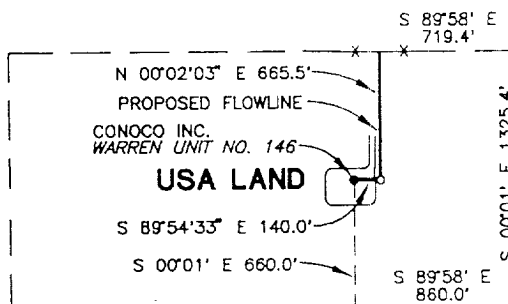
MIDLAND, TEXAS

Survey Date: 2-5-98	Date: 2-23-98	Scale: 1" = 1000'
WTC No. 45166	Drawn By: R.S.	Sheet 2 of 2

SECTION 26, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO

26
PATENTED
LAND

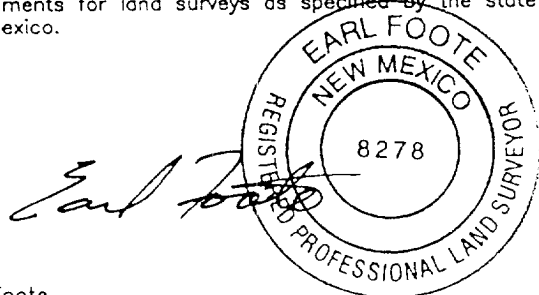
8+05.5 - FENCE AND PROPERTY LINE
1+40.0 - P.I. DEFL. LT. 90°03'23"
0+00 - WARREN UNIT NO. 146



CENTERLINE DESCRIPTION OF A PROPOSED FLOWLINE:

BEGINNING at Conoco Inc. WARREN UNIT Well No. 146, from which point the southeast corner of Section 26, T-20-S, R-38-E, N.M.P.M., Lea County, New Mexico bears S 00° 01' E, 660.0 feet and S 89° 58' E, 860.0 feet;
THENCE S 89° 54' 33" E, 140.0 feet to a bend;
THENCE N 00° 02' 03" E, 666.5 feet to a point in the North line of the S/2 of the SE/4 of Section 26, for the end of this line, from which point the southeast corner of Section 26, bears S 89° 58' E, 719.4 feet and S 00° 01' E, 1325.4 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.



Earl Foote
Registered Professional Surveyor
New Mexico Certificate No. 8278

PROPOSED FLOWLINE TO SERVE
WARREN UNIT WELL No. 146

CONOCO INC.

805.5 feet of proposed flowline in
Section 26, T-20-S, R-38-E, N.M.P.M.,
Lea County, New Mexico

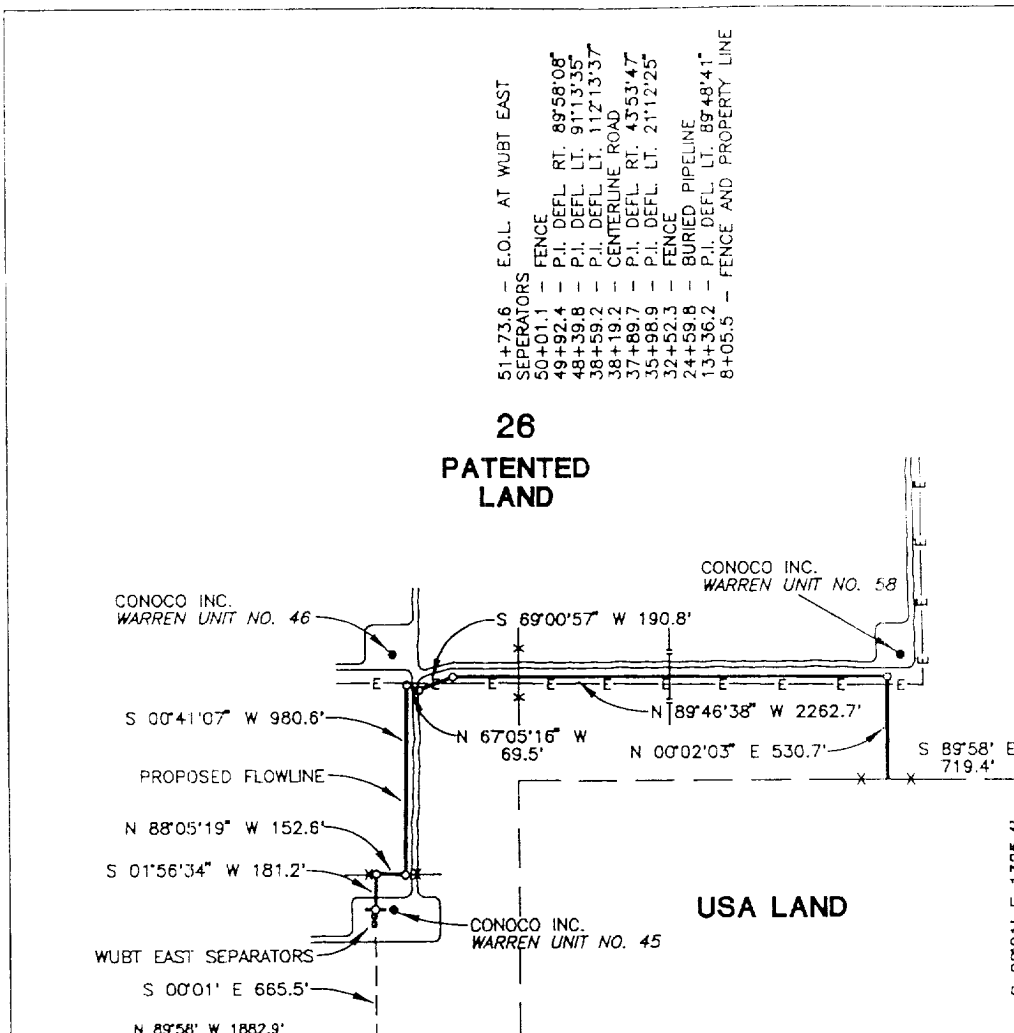
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 2-5-98	Date: 2-23-98	Scale: 1" = 1000'
WTC No. 45166	Drawn By: R.S.	Sheet 1 of 2

SECTION 26, T. 20N SHIP 20 SOUTH, RANGE 38 E. ST, N.M.P.M.
LEA COUNTY, NEW MEXICO



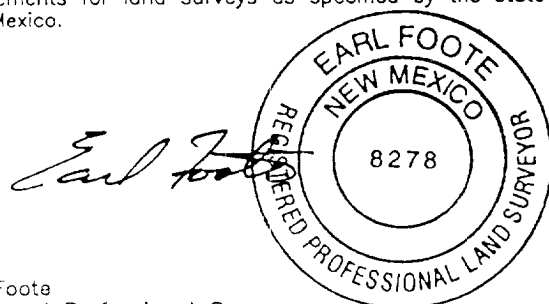
CENTERLINE DESCRIPTION OF A PROPOSED FLOWLINE:

BEGINNING at a point in the North line of the S/2 of the SE/4 of Section 26, T-20-S, R-38-E, N.M.P.M., Lea County, New Mexico, from which point the southeast corner of Section 26 bears S 89° 58' E, 719.4 feet and S 00° 01' E, 1325.4 feet;

THENCE with the centerline of proposed flowline as follows: N 00° 02' 03" E, 530.7 feet; N 89° 46' 38" W, 2262.7 feet; S 69° 00' 57" W, 190.8 feet; N 67° 05' 16" W, 69.5 feet; S 00° 41' 07" W, 980.6 feet; N 88° 05' 19" W, 152.6 feet and S 01° 56' 34" W, 181.2 to WUBT EAST SEPARATORS for the end of this line, from which point the southwest corner of Section 26 bears S 00° 01' E, 665.5 feet and N 89° 58' W, 1882.9 feet.

PROPOSED FLOWLINE TO SERVE
WARREN UNIT WELL No. 146

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.

4368.1 feet of proposed flowline in
Section 26, T-20-S, R-38-E, N.M.P.M.,
Lea County, New Mexico

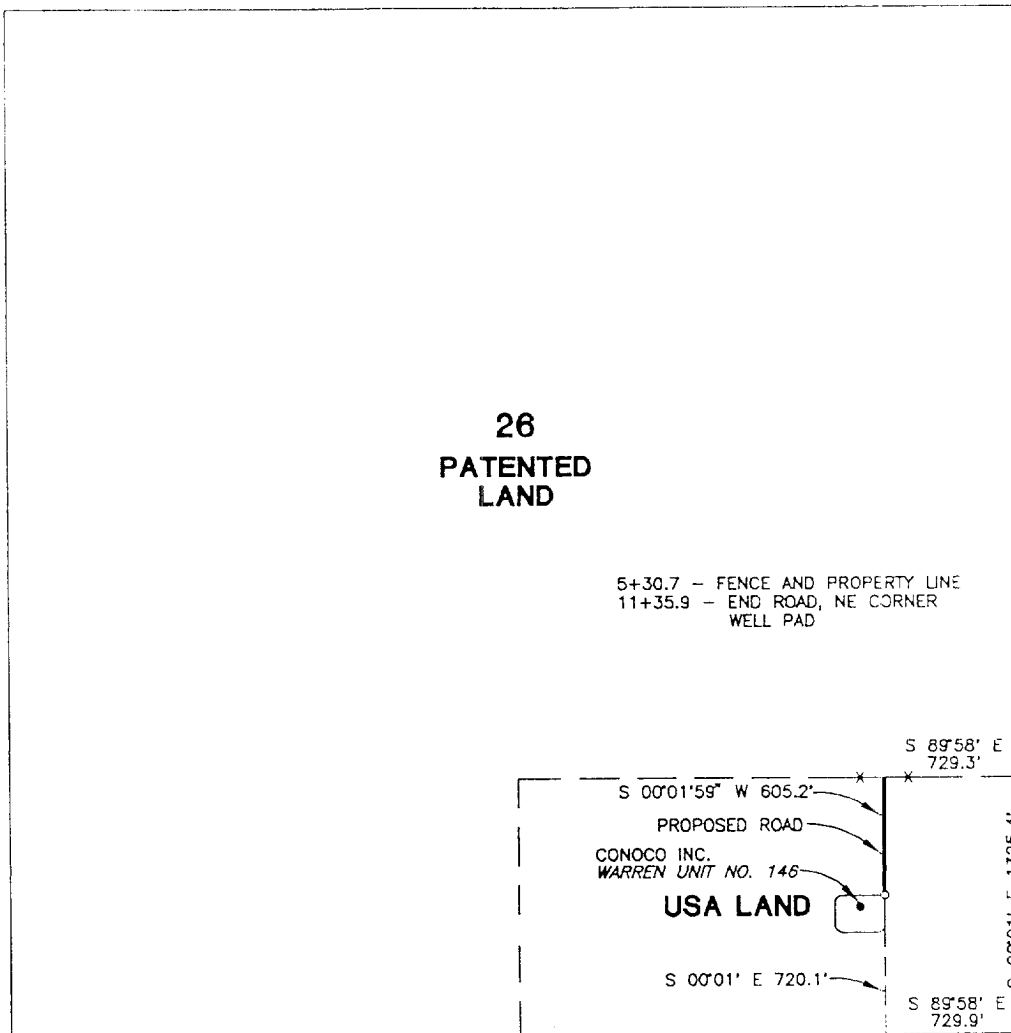
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 2-5-98	Date: 2-23-98	Scale: 1" = 1000'
WTC No. 45166	Drawn By: R.S.	Sheet 2 of 2

SECTION 26, T. 20 SOUTH, RANGE 38 E. 1ST, N.M.P.M.
LEA COUNTY, NEW MEXICO



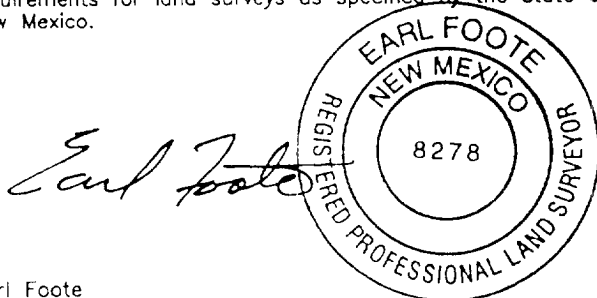
CENTERLINE DESCRIPTION OF A PROPOSED ROAD:

BEGINNING at a point in the North line of the S/2 of the SE/4 of Section 26, T-20-S, R-38-E, N.M.P.M., Lea County, New Mexico, from which point the southeast corner of Section 26 bears S 89° 58' E, 729.3 feet and S 00° 01' E, 1325.4 feet;

THENCE S 00° 01' 59" W, with the centerline of proposed road, 605.2 feet to the northeast corner of well pad for Conoco Inc. WARREN UNIT WELL No. 146, for the end of this road, from which point the southeast corner of Section 26, bears S 00° 01' E, 720.1 feet and S 89° 58' E, 729.9 feet.

PROPOSED ROAD TO SERVE
WARREN UNIT WELL No. 146

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.

605.2 feet of proposed road in
Section 26, T-20-S, R-38-E, N.M.P.M.,
Lea County, New Mexico

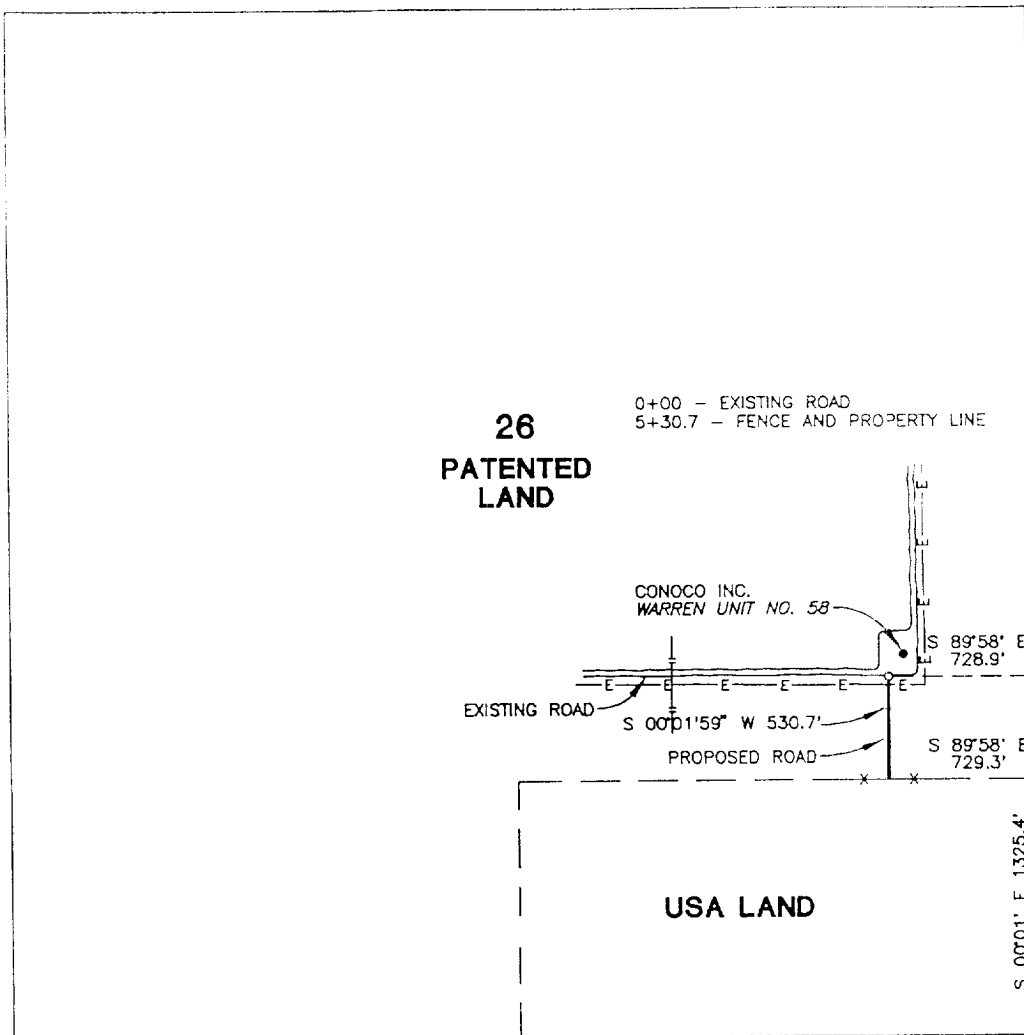
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 2-5-98	Date: 2-23-98	Scale: 1" = 1000'
WTC No. 45166	Drawn By: R.S.	Sheet 2 of 2

SECTION 26, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO



CENTERLINE DESCRIPTION OF A PROPOSED ROAD:

BEGINNING at a point in an existing road, from which point the southeast corner of Section 26, T-20-S, R-38-E, N.M.P.M., Lea County, New Mexico, bears S 89° 58' E, 728.9 feet and S 00° 01' E, 1856.1 feet;
THENCE S 00° 01' 59" W, 530.7 feet to a point in the North line of the S/2 of the SE/4 of Section 26, for the end of this road, from which point the southeast corner of Section 26, bears S 89° 58' E, 729.3 feet and S 00° 01' E, 1325.4 feet.

PROPOSED ROAD TO SERVE
WARREN UNIT WELL No. 146

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.

CONOCO INC.

530.7 feet of proposed road in
Section 26, T-20-S, R-38-E, N.M.P.M.,
Lea County, New Mexico

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Earl Foote
Registered Professional Surveyor
New Mexico Certificate No. 8278

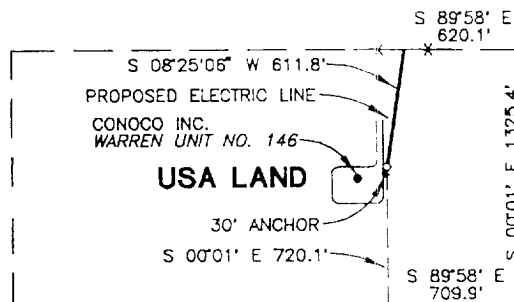


Survey Date: 2-5-98	Date: 2-23-98	Scale: 1" = 1000'
WTC No. 45166	Drawn By: R.S.	Sheet 1 of 2

SECTION 26, T. 20 SOUTH, RANGE 38 E. 38, N.M.P.M.
LEA COUNTY, NEW MEXICO

26
PATENTED
LAND

5+31.9 - FENCE AND PROPERTY LINE
11+43.7 - END LINE

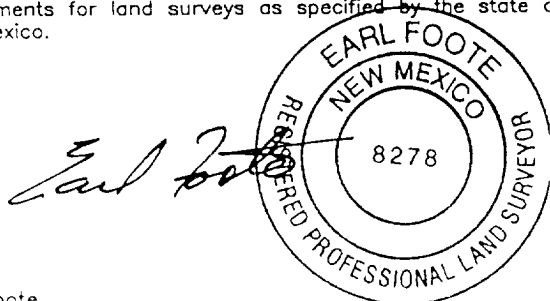


CENTERLINE DESCRIPTION OF A PROPOSED ELECTRIC LINE:

BEGINNING at a point in the North line of the S/2 of the SE/4 of Section 26, T-20-S, R-38-E, N.M.P.M., Lea County, New Mexico, from which point the southeast corner of Section 26 bears S 89° 58' E, 620.1 feet and S 00° 01' E, 1325.4 feet;

THENCE S 08° 25' 06" W, 611.8 feet to a point for the end of this line, from which point an anchor easement bears S 08° 25' 06" W, 30.0 feet and the southeast corner of Section 26 bears S 00° 01' E, 720.1 feet and S 89° 58' E, 709.9 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.



Earl Foote
Registered Professional Surveyor
New Mexico Certificate No. 8278

PROPOSED ELECTRIC LINE TO SERVE
WARREN UNIT WELL No. 146

CONOCO INC.

611.8 feet of proposed electric line in
Section 26, T-20-S, R-38-E, N.M.P.M.,
Lea County, New Mexico

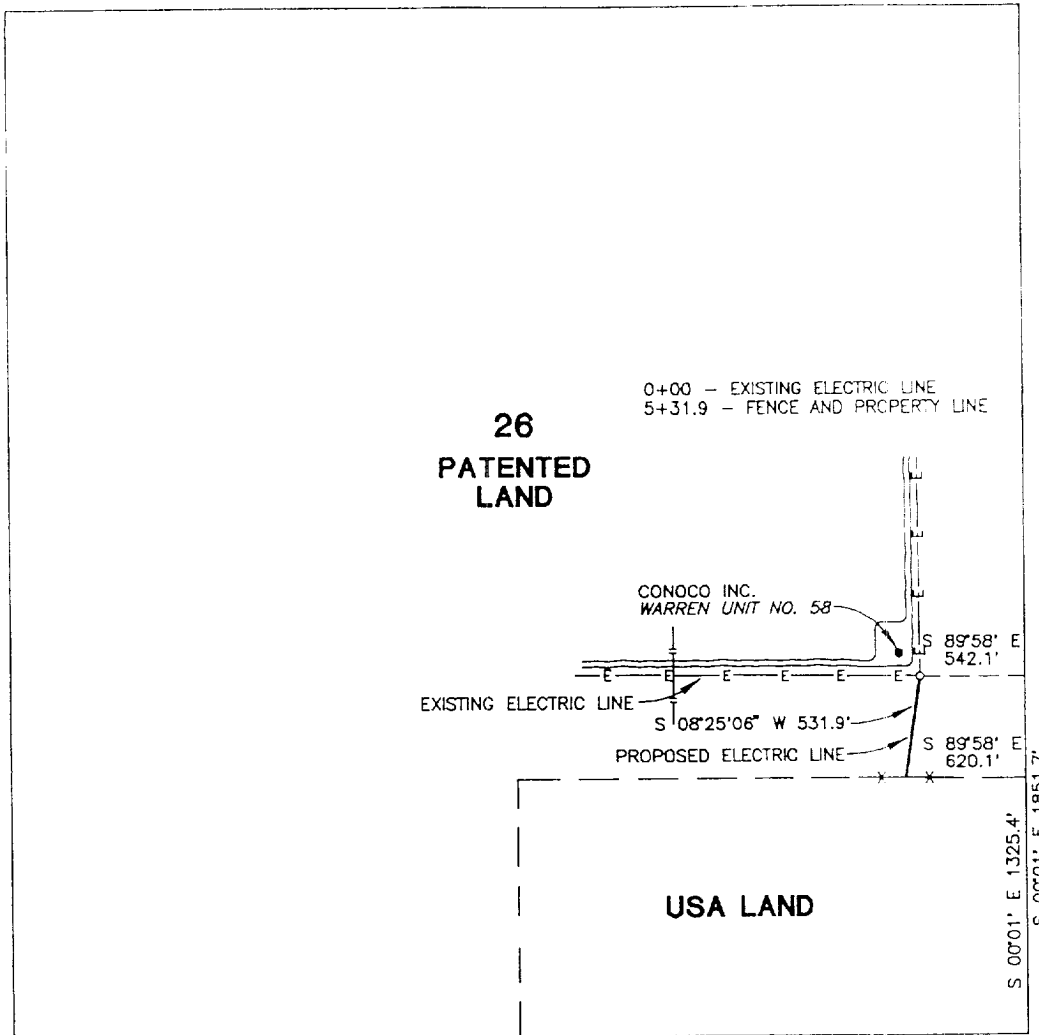
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 2-5-98	Date: 2-23-98	Scale: 1" = 1000'
WTC No. 45166	Drawn By: R.S.	Sheet 2 of 2

SECTION 26, TOWNSHIP 20 SOUTH, RANGE 38 E. 31ST, N.M.P.M.
LEA COUNTY, NEW MEXICO



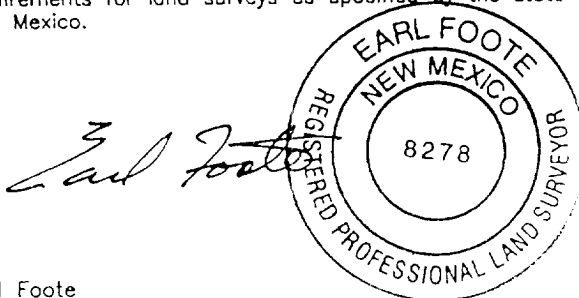
CENTERLINE DESCRIPTION OF A PROPOSED ELECTRIC LINE:

BEGINNING at a point in an existing electric line, from which point the southeast corner of Section 26, T-20-S, R-38-E, N.M.P.M., Lea County, New Mexico bears S 89° 58' E, 542.1 feet and S 00° 01' E, 1851.7 feet;

THENCE S 08° 25' 06" W, 531.9 feet to a point in the North line of the S/2 of the SE/4 of Section 26, for the end of this line, from which point the southeast corner of Section 26 bears S 89° 58' E, 620.1 feet and S 00° 01' E, 1325.4 feet.

PROPOSED ELECTRIC LINE TO SERVE
WARREN UNIT WELL No. 146

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.

531.9 feet of proposed electric line in
Section 26, T-20-S, R-38-E, N.M.P.M.,
Lea County, New Mexico

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 2-5-98

Date: 2-23-98

Scale: 1" = 1000'

WTC No. 45166

Drawn By: R.S.

Sheet 1 of 2

BELOW GROUND LEVEL

[illegible]

11-Feb-98

Well Name : Warren Unit #146

Location : 660' FSL & 860' FEL Sec 26, T-20S, R-38E, Lea County, New Mexico

Casing Program :

Surface 8 5/8" casing in 12 1/4" Hole at 1500 ft.
Production 5 1/2" casing in 7 7/8" Hole at 7250 ft.

Cementing Program :

Surface

Lead 400 sacks Class C
Additives 35:65:6 (Poz:Cem:Gel) + 2% CACL2
+ 0.25 pps Cello-Flake
Mixed at 12.7 ppg Yield 1.87 cuft/sk

Tail 200 sacks Class C
Additives 2% A-7P
Mixed at 14.8 ppg Yield 1.34 cuft/sk

Production

Lead 1005 sacks Class C
Additives 16% Gel + 0.4% CD-32 + 0.2% SMS
Mixed at 12 ppg Yield 2.68 cuft/sk

Tail 350 sacks Class C
Additives 1.1% FL-62 + 1% BA-58 + 3% Salt + 0.3% CD-32
+ 0.2% SMS
Mixed at 14.8 ppg Yield 1.37 cuft/sk
Free Water 0 % Fluid Loss 45 cc/30 min.

SURFACE USE PLAN
Conoco Inc.

Warren Unit 146

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 660' FSL & 860' FEL, Sec. 26, T20S, R38E, Lea County, New Mexico.

B. Directions to the location are as follows:

South of Hobbs on Hwy. 18 to ½ mile south of Mile Marker #39; turn east and travel ½ mile; turn north and travel ½ mile; turn east and travel ¾ mile; then turn south for ¼ mile to location.

C. No improvement or maintenance is anticipated for the existing roads.

2. Planned Access Roads

A. 1135.9' of new access road will be required.

B. Turnouts as required by surface managing agency.

C. Culverts as required by surface managing agency.

D. Gates, cattleguards, or fences as required by surface managing 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, access road and flowline as shown on attached plats.

5. Water Supply

Fresh and brine water will be obtained from Goldstar's Water Station located 1 mile north of Eunice, NM, on Loop 18 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 the SE/4 SE/4, Sec. 15, T20S, R38E, Lea County, NM.

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 surface ownership is USA, Robert A. McCasland and Dallas McCasland, G.P. Sims, et ux. and Will Terry Trust, et al.

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:

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

MM

Mike L. Mankin
Right-of-Way Agent

3-13-98

Date



WDI



H2S Safety Contractor



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

Conoco Quarters



Muster Area No. 1



Contractor Quarters



Rig

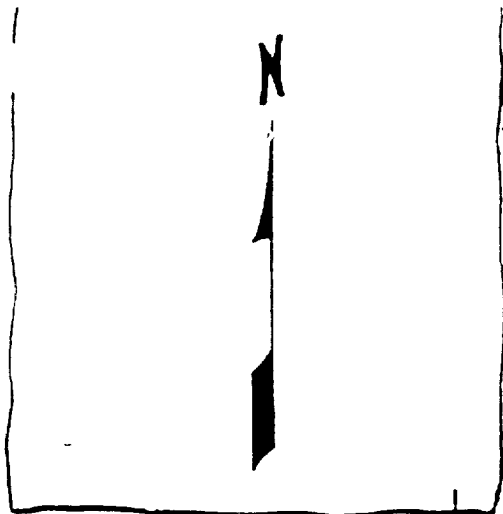


Choke Manifold



Muster Area No. 2

WDI



TRAILER - MOUNTED RIG LAYOUT

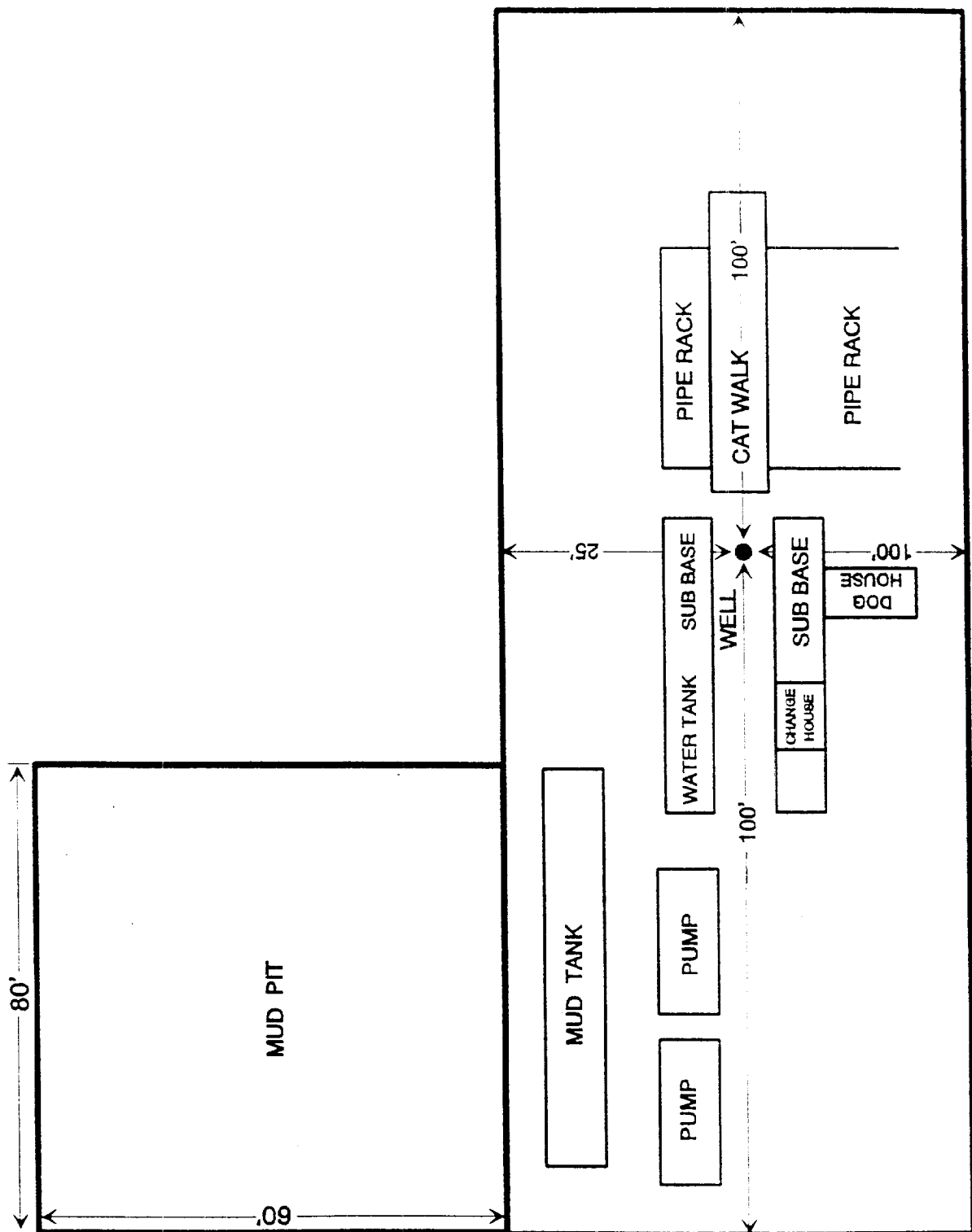
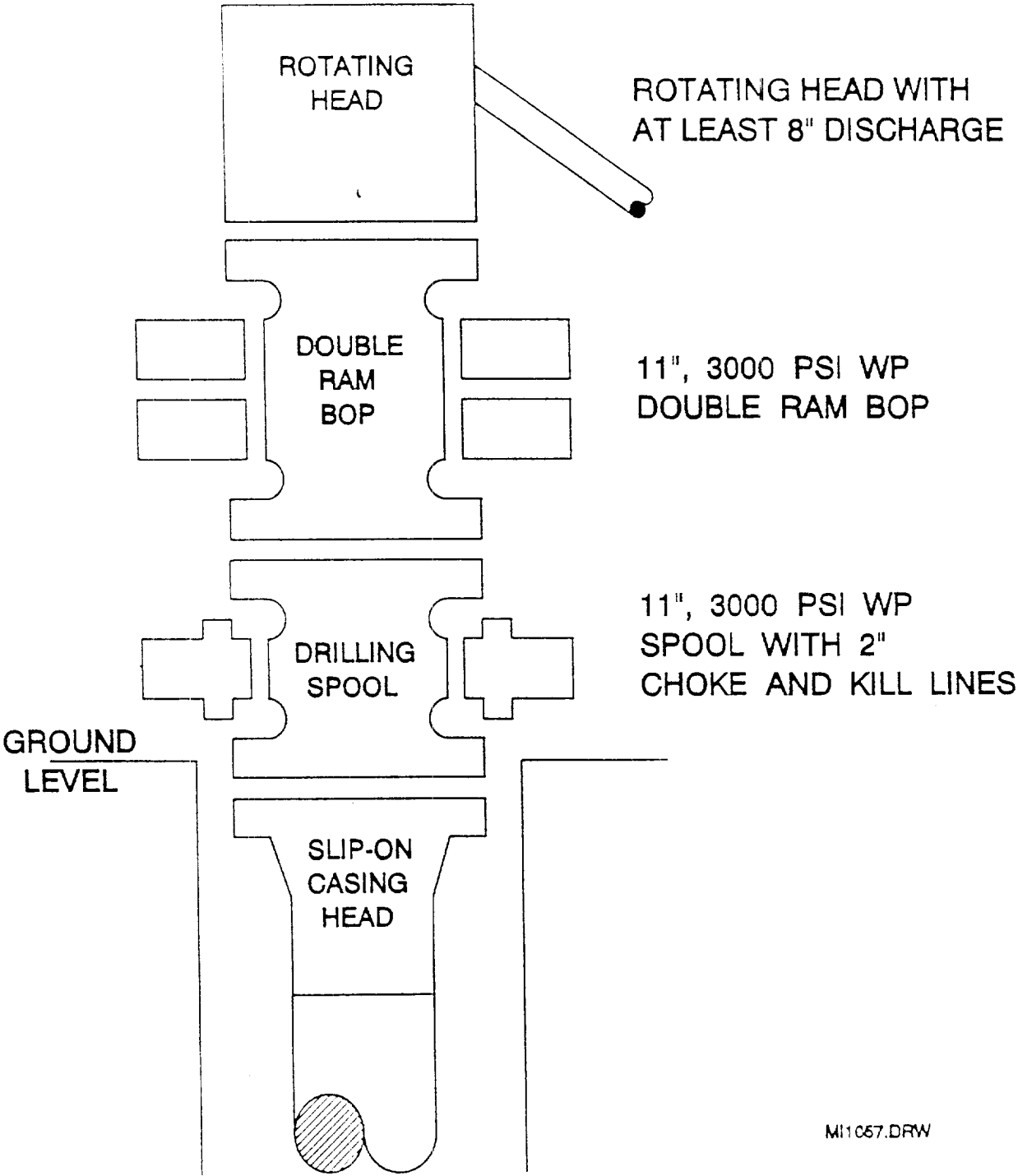
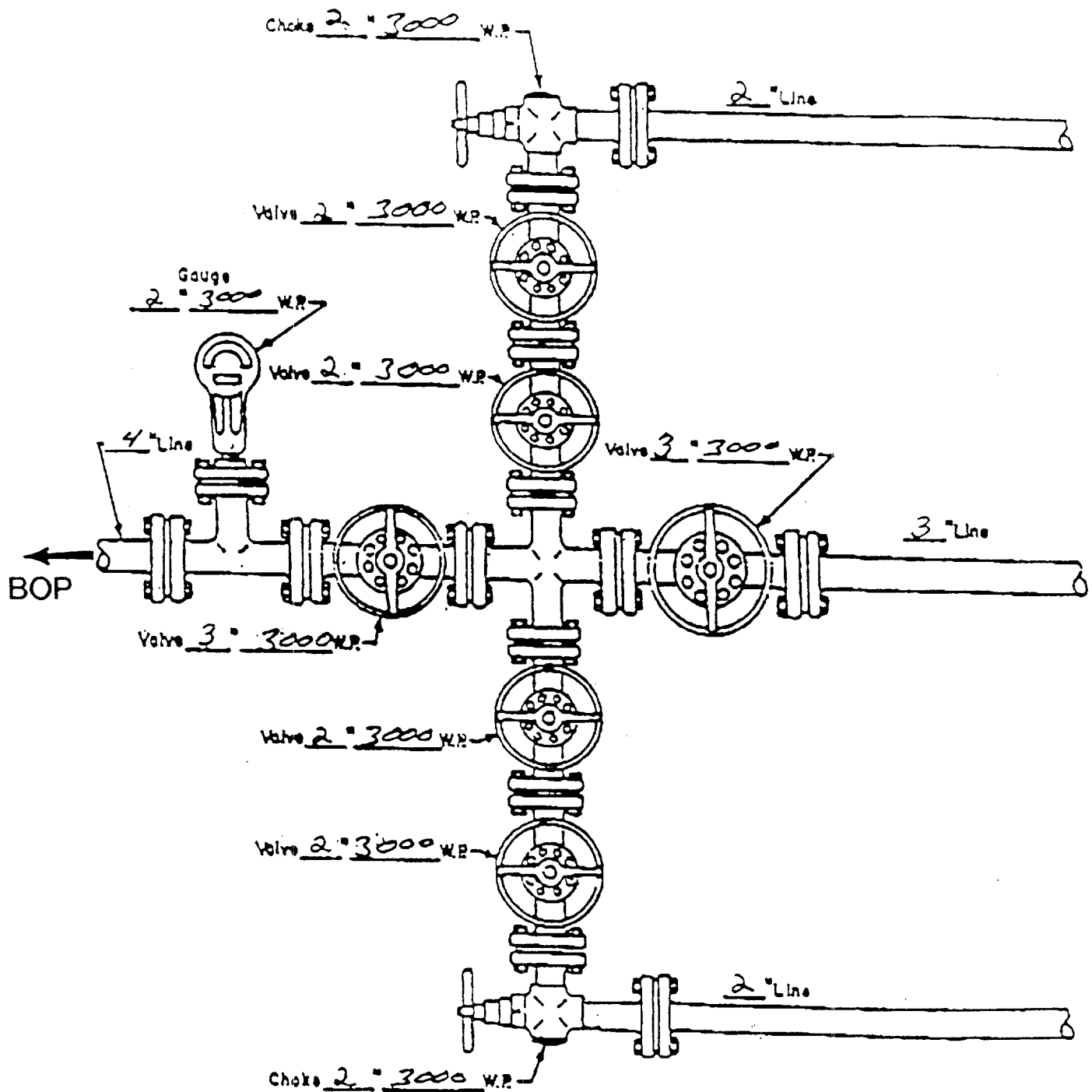


EXHIBIT D

BOP SPECIFICATIONS



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



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

February 19, 1998

Bureau of Land Management
620 E. Greene
Carlsbad, New Mexico 88221

Attn: Mr. Barry Hunt, Surface Protection Specialist

Re: Settlement for Well Location and Appurtenances
WARREN UNIT Well # 146
Section 26, T20S, R38E
Lea County, New Mexico

Dear Mr. Hunt:

By this letter Conoco Inc. has made settlement , with surface owner, for the construction of the above referenced location and appurtenances..

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike L. Mankin".

Mike L. Mankin

A large, solid black rectangular redaction mark covering several lines of text at the bottom of the page.