P. C. A. M. (Other instruction HOBDS, NEW Marroverse side)

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

UNITED STATES MUSSS, R	- 1
DEPARTMENT OF THE INTERIOR	
DUDEAU OF LAND MANAGEMENT	

5 LEASE DSIGNATION AND SERIAL NO
NM05576860°

APR 17 1998

DATE

						141462210	QUD
APPLI	CATION FOR PI	ERMIT TO I	DRILL	OR DEEPE	N	6 IF INDIAN, ALLOTTEE	OR TRIBE NAME
a. TYPE OF WORK	ill 🛛	DEEPEN [$\overline{}$			7 UNIT AGRREEMENT NA	AME
b. TYPE OF WELL	ILL 🔼	DEEPEN I					
WELL G	AS OTHER				ONE ONE	8. FARM OR LEASE NAME WEI	11 1 1
. NAME OF OPERATOR	Conoco Inc.						x # 135
						_ 9. API WELL NO 30 0	25-343
. Address and telephone no	Dr. Ste 430E, Midlan	d Tv 70705 /	500			159	
	L (Report location clearly a			State requirements *	•	10. FIELD AND POOL, O	
At surface		790' FSL				Weir Drin	
At arounded and an						11. SEC, T., R., M., OR E AND SURVEY OR AR Sec. 14, T20S	
At proposed prod. zor	ic	790' FSL	& 2130	FEL		500.14, 1200	, 107E
4. DISTANCE IN MILES A	ND DIRECTION FROM NEA	EST TOWN OR PO	ST OFICE	*		12 COUNTY OR PARISH	13. STATE
						Lea	NM
5. DISTANCE FROM PROPO			16 NO	OF ACRES IN LEAS		OF ACRES ASSIGNED THIS WELL	
LOCATION TO NEARES PROPERTY OR LEASE (Also to nearest dr	LINE, FT. lg. unit line, if Any)					40	
8. DISTANCE FROM PROP			19. PRC	POSED DEPTH	20. ROT.	ARY OR CABLE TOOLS	
OR APPLIED FOR, ON TH	IS LEASE, FT,			7000'		Rotary	
21. ELEVATIONS (Show Wh	ether DF, RT, GR, etc)					22. APPROX. DATE WO	
23		3547 GR				4/1/9	8
23		PROPOSED CASI	ING AND	CEMENTING PRO	GRAM AGA	900 0 4 A	
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER F	тоот	SETTING DEPTH	12 1 CON	TROLLED WATE	R BASIM
12-1/4"	M-50, 8-5/8"	23#		1250'	WITHER	515 sxs, circ.	
7-7/8"	K-55, 5-1/2"	17#		7000'	***************************************	1525 sxs, circ.	
according to the plan 1. Well Location and 2. Proposed Well Pla 3. Cementing Plan 4. Surface Use Plan 5. Trailer Mounted F 6. BOP & Choke Ma 7. H2S Drilling Opel 8. Surface owner con	Rig Layout Drawing anifold Specifications rations Plan amunications	ring additional a lat (C-102) alon	attachme g with o AF GE SF AT	ents: Other associated of the proval support to the proval support the	Maps and plate SUECT TO UIREMENT LATIONS	s.	пррец
An archeological sur The undersigned according or potion thereof, as	ndes ROW's for the well wey will be submitted a epts all applicable terms described above and as	s soon as comples, conditions, sti	eted. pulation M Bond	ns and restrictions File No. ES-0083	concerning o		
N ABOVE SPACE DESC deepen directionally, give per 24.	CRIBE PROPOSED PROGR tinent data on subsurface location	AM: If proposal is to one and measured and	d true vertic	cal depths. Give blowou	uctive zone and pr t preventer program	roposed new productive zone. I n, if any.	If proposal is to drill o
signed	ann Johnse	<u>т</u>		Ann Johnson perty Analyst		DATE	7-98
(This space for Fed	deral or State office use)						
PERMIT NO		·····		APPROVAL DATE			-
	s not warrant or certify that the ap	oplicant holds legal or	equitabie ti	tle to those righs in the s	ubject lease which	would entitle the applicant to co	induct operations the
CONDITIONS OF APPROV			-	_			

ADM, MINERALS

*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 be any matter within its jurisdiction.

(GRIG. SGD.) ARMANDO A. LOPIZ

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

2

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

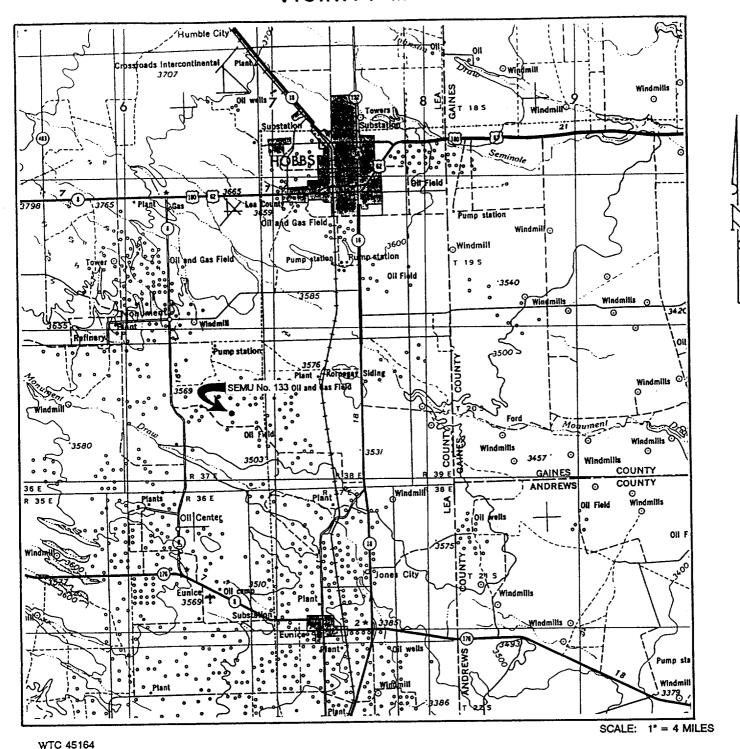
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Name 'API Number *Pool Code 63840 Weir Drinkard Well Number Property Name 133 003079 SEMU *Elevation *Operator Name OGRID No. 3547' 005073 CONOCO INC. ¹⁰Surface Location East/West line Feet from the North/South line Feet from the County UL or lot no. Section Township Range Lot Idn 2130 **EAST** LEA 790 SOUTH 14 20-S 37-E 0 Bottom Hole Location If Different From Surface Feet from the North/South line Feet from the East/West line County Lot Idn UL or lot no. Section "Order No. ¹³Joint or Infill "Consolidation Code 12 Dedicated Acres 40

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

T-				
16				¹⁷ OPERATOR CERTIFICATION
				I hereby certify that the information contained herein is
				true and complete to the best of my knowledge and belief.
				Signature Johnson
	<u>`</u>			Signature
				Jo Ann Johnson
				Printed Name
				Property Analyst
				Title
				3/17/98
				Date
			i	
				18 SURVEYOR CERTIFICATION
				I hereby certify that the well location shown on this plat
1				was plotted from field notes of actual surveys made by me
1				or under my supervision, and that the same is true and
				correct to best of my belief.
				FEBRUARY 6, 1998
		LAT.=32'34'08"		Date of Survey
		LONG.=103'13'13"		Signature and Seal of Protestate Surveyor:
				Signature and sear of tratemosts but selon.
				WESTERED BOATS
	1			5 2 78
		•	2130'	1 (E)
	2			
				1 30 KH
		062		FSSIONAL
				Certificate Number 8278
				JL 0270

VICINITY MAP



SEC. 14 TWP. 20-S RGE. 37-E SURVEY N.M.P.M COUNTY ____LEA __ STATE __NM__ DESCRIPTION 790' FSL & 2130' FEL ELEVATION 3547'

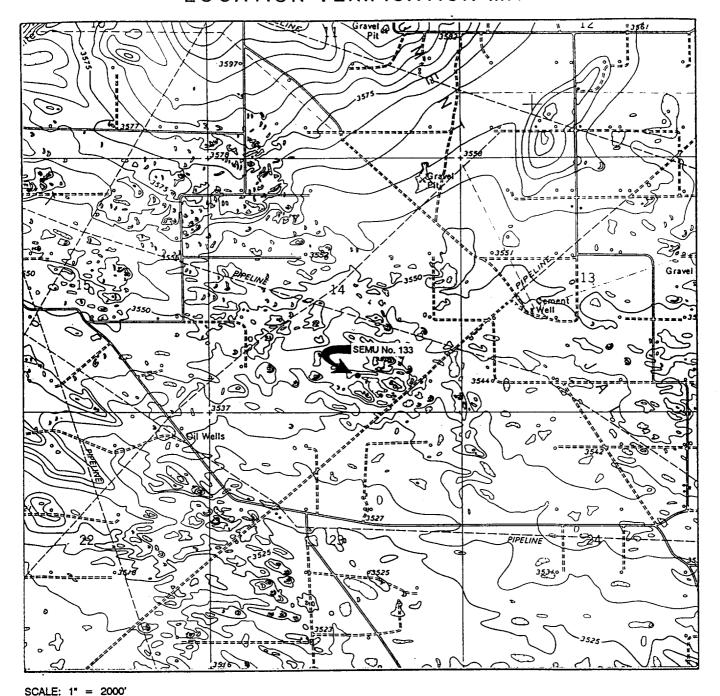
OPERATOR CONOCO INC.

LEASE SEMU NO. 133

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS MIDLAND, TEXAS 915-685-3800

LOCATION VERIFICATION MAP



WTC 45164

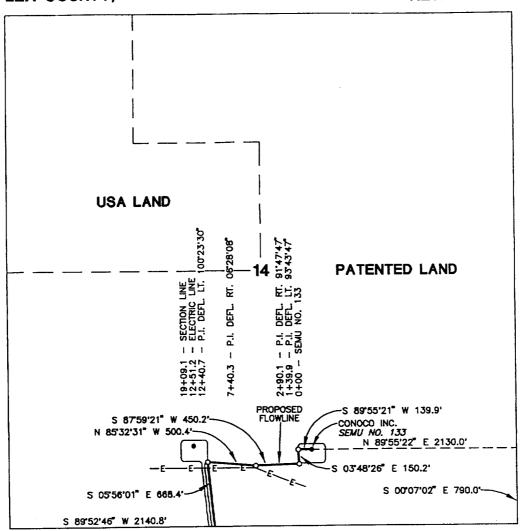
CONTOUR INTERVAL ___5'

SEC	14	TWP	20-S	RGE	37-E	_
		N.M.P.M				
		LEA				_
		790'_FS				
						_
		3547'				
		CONOC				-
LEASE	SE	MU NO. 133				_
USGS T	ОРО М	AP HOBBS	SW, NEW I	MEXICO		

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS MIDLAND, TEXAS 915-685-3800

SECTION 14, TOWNSHIP 20 SOUTH, RANGE 37 EAST,N.M.P.M. LEA COUNTY. NEW MEXICO



CENTERLINE DESCRIPTION OF A PROPOSED FLOWLINE:

BEGINNING at Conoco Inc.SEMU Well No.133, from which point the southeast corner of Section 14, T-20-S, R-37-E, N.M.P.M., Lea County, New Mexico, bears N 89° 55' 22" E, 2130.0 feet and S 00° 07' 02" E, 790.0 feet;

THENCE with the centerline of proposed flowline as follows: S 89° 55' 21" W, 139.9 feet; S 03° 48' 26" E, 150.2 feet; S 87° 59' 21" W, 450.2 feet; N 85° 32' 31" W, 500.4 feet and S 05° 56' 01" E, 668.4 feet to a point in the South line of Section 14, for the end of this line, from which point the southwest corner of Section 14 bears S 89° 52' 46" W, 2140.8 feet.

PROPOSED FLOWLINE TO SERVE SEMU WELL No. 133

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.

Mexico.

LARL FOOTH

BOOKESSIONAL LAND

PROFESSIONAL LAND

PROFESSIONA

Earl Foote Registered Professional Surveyor New Mexico Certificate No. 8278

CONOCO INC.

1909.1 feet of proposed flowline in Section 14, T-20-S, R-37-E, N.M.P.M., Lea County, New Mexico

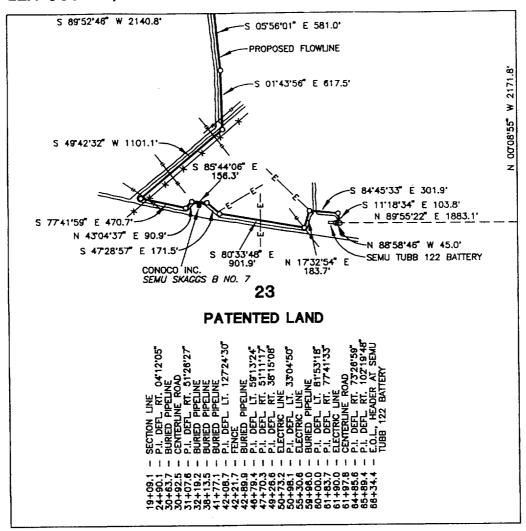
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 02-6-98	Date: 02-27-98	Scale:	1*	→ 100	ю,
WTC No. 45164	Drawn By: R.S.	Sheet	1	of	2

SECTION 23, TOWNSHIP 20 SOUTH, RANGE 37 EAST,N.M.P.M. LEA COUNTY, NEW MEXICO



CENTERLINE DESCRIPTION OF A PROPOSED FLOWLINE:

BEGINNING at point in the North line of Section 23, T-20-S, R-37-E, N.M.P.M., Lea County, New Mexico, from which point the northwest corner of Section 23 bears S 89° 52' 46" W, 2140.8 feet;

THENCE with the centerline of proposed flowline as follows: S 05° 56′ 01″ E, 581.0 feet; S 01° 43′ 56″ E, 617.5 feet; S 49° 42′ 32″ W, 1101.1 feet; S 77° 41′ 59″ E, 470.7 feet; N 43° 04′ 37″ E, 90.9 feet; S 85° 44′ 06″ E, 156.3 feet; S 47° 28′ 57″ E, 171.5 feet; S 80° 33′ 48″ E, 901.9 feet; N 17° 32′ 54″ E, 183.7 feet; S 84° 45′ 33″ E, 301.9 feet; S 11° 18′ 34″ E, 103.8 feet and N 88° 58′ 46″ W, 45.0 feet to a point in the SEMU TUBB 122 BATTERY, for the end of this line, from which point the northeast corner of Section 23 bears N 89° 55′ 22″ E, 1883.1 feet and N 00° 08′ 55″ W, 2171.8 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 8278

PROFESSIONAL

PROPOSED FLOWLINE TO SERVE SEMU WELL No. 133

CONOCO INC.

4725.3 feet of proposed flowline in Section 23, T-20-S, R-37-E, N.M.P.M., Lea County, New Mexico

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS	ENGINEERS-PLANNERS-SURVEYORS			
Survey Date: 02-6-98	Date: 02-27-98	Scale: 1" → 1000'		
WTC No. 45164	Drawn By: R.S.	Sheet 2 of 2		

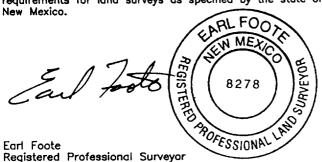
LEA COUNTY. **NEW MEXICO USA LAND** PATENTED LAND CONOCO INC. 30' ANCHOR SEMU NO. 133 N 30'43'54" E 341.3 N 89 55'22 E 2280.1' PROPOSED ELECTRIC LINE S 00'07'02" E 790.0'-EXISTING ELECTRIC LINE 30' ANCHOR S 00'07'02" E 496.8' N 89'55'22" E 2455.1'

SECTION 14, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.

CENTERLINE DESCRIPTION OF A PROPOSED ELECTRIC LINE:

BEGINNING at a point in an existing electric line, from which point the southeast corner of Section 14, T-20-S, R-37-E, N.M.P.M., Lea County, New Mexico bears S 00° 07' 02" E, 496.8 feet and N 89° 55' 22" E, 2455.1 feet; THENCE N 30° 43' 54" E, with the centerline of proposed electric line, 341.3 feet to a point for the end of this line, from which point an anchor easement bears N 30° 43' 54" E, 30.0 feet and the northwest corner of Section 14 bears N 89° 55' 22" E, 2280.1 feet and S 00° 07' 02" E, 790.0 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.



New Mexico Certificate No. 8278

PROPOSED ELECTRIC LINE TO SERVE SEMU WELL No. 133

CONOCO INC.

341.3 feet of proposed electric line in Section 14, T-20-S, R-37-E, N.M.P.M., Lea County, New Mexico

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS	MIDLAND, TEXAS			
Survey Date: 02-6-98	Date: 02-27-98	Scale: 1" = 1000'		
WTC No. 45164	Drawn By: R.S.	Sheet 1 of 1		

LEA COUNTY, **NEW MEXICO USA LAND** PATENTED LAND EXISTING ROAD, SW CORNER WELL 5+02.1 00+0 PROPOSED ROAD CONOCO INC. S 85'35'29" E 502.1'-SEMU NO. 133 88'01'35" E 439.7' EXISTING ROAD -S 00"07"02" E 649.6" S 00'07'18" E 674.8' N 89'55'22" E 2271.3' S 89'52'46" W 2070.9'

SECTION 14, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.

CENTERLINE DESCRIPTION OF A PROPOSED ROAD:

BEGINNING at a point in an existing road, from which point the southwest corner of Section 14, T-20-S, R-37-E, N.M.P.M., Lea County, New Mexico, bears S 00° 07' 18" E, 674.8 feet and S 89° 52' 46" W, 2070.9 feet; THENCE S 85° 35' 29" E, 502.1 feet to a point in the southwest corner of a well pad for Conoco Inc. SEMU WELL No. 133, for the end of this line, from which point the southeast corner of Section 14 bears S 00° 07' 02" E, 649.6 feet and N 89° 55' 22" E, 2271.3 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 the state of

TE POOK New Mexico. SURVEYOR 8278 POFESSIONAL

Earl Foote Registered Professional Surveyor New Mexico Certificate No. 8278 PROPOSED ROAD TO SERVE SEMU WELL NO. 133

CONOCO INC.

941.8 feet of proposed road in Section 14, T-20-S, R-37-E, N.M.P.M., Lea County, New Mexico

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS MIDLAND, TEXAS

Survey Date: 02-6-98 Date: 02-27-98 Scale: 1" = 1000' WTC No. 45164 Drawn By: R.S.

PROPOS WELL PLAN OUTLINE

WELL NAME

SEMU No. 133 790' FSL & 2130' FEL Sec 14 - T20S-R37E

Ground Level: Kelly Bushing:

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"			Normal	8.4 - 9.5 Fresh	
1000			,	1 1 1					
	Top Salt @ 1270'	Washouts in Salt Section			8-5/8", 23#, M-50 ST&C @ 1250' 515 sx, circ.			10	3
							Normal	Brine	
2000									
					Top 2nd Stage Tail at 2500'				
	Yates 2700' 7 Rivers 2900'			7-7/8"			>10 ppg		
	Queen 3434	Shallow gas flows in SEMU #							
	Grayburg 3700'	125 & 126 not expected at this location	H2S Monitor on at 00'		DV Tool @ 3700				
4000	San Andres 4000'	Lost Returns in San Andres	,						7
5000		High volume water flow in SEMU 126. Could not circ			Top 1st Stage				
	Glorieta 5200'	11 ppg mud to kill. Possible differential sticking thru Glorietta & Paddock			Tail at 5000'				
	Blinebry 5850'								
6000							Normal		
	Tubb 6350' Drinkard 6700'		00 001 011 0111						
7000	TO (8 7000)		GR-CAL-DLL-MLL FDC-CNL-PE-Spec. GR TD - 2600' Pull GR-Cal to Surf Casing		5-1/2", 17#, K-55 LT&C @ 7000'			10 ppg Starch Gel	17
	TD @ 7000'		Pull SG TD - 5700'		1525 sx, circ.				

DATE

27-Feb-98

APPROVED

dim Tietema, Drilling Engineer

Well Name:	SEMU #133							
Location :	790' FSL & 2	130' FEL	. Se	c 14, T-20	S, R-37	E, Lea	County, N	lew Mexico
Casing Program	<u>n</u> :							
Surface	8 5/8"	casing	in	12 1/4"	_Hole	at _	1250	_ft.
Production	5 1/2"	casing	in	7 7/8"	_Hole	at _	7000_	_ft.
Cementing Pro	qram :							
								
	Surface							
	Lead			sacks				
	Additives			z:Cem:Ge		CACL	2	
				Cello-Flak	e			
	Mixed at	12.7	<u>, </u>	_ppg		Yield_	1.87	_cuft/sk
	Tail	200)	sacks	Clas	s C		
	Additives	2% A-7	P					
	Mixed at	14.8	3	ppg				
	Production							
	1 ST Stage							
		150	3	sacks	Clas	s C		
				0.4% CD-			IS	
·		12		ppg			2.68	cuft/sk
	Tail	450	1	sacks	Clas	ss C		
				+ 1% BA			+ 03%(CD-32
	Additives	+ 0.						
	Mixed at					Yield	1.37	cuft/sk
	Free Water			_%	Fluid Lo	ss .	45	_cc/30 min.
	and a.							
	2 nd Stage	-	_			_		
	Lead			sacks		ss C	40	
				0.4% CD	-32 + 0.	2% SN		
	Mixed a	t12		_ppg		Yield	2.68	_cuft/sk
	Tai			sacks		ss C		
	Additives	1.1% F	L-62	+ 1% BA	1-58 + 5	% Sal	+ 0.3%	CD-32
				SMS				
	Mixed a	t 14.	8	ppg		Yield	1.38	cuft/sk
	Free Water	0		_%	Fluid L	oss	45	cc/30 min.

SURFACE USE PLAN Conoco Inc.

Semu No. 133

The following is required information concerning the possible affect 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 790' FSL & 2130' FEL, Sec. 14, T20S, R37E, Lea County, New Mexico.
- B. Directions to the location are as follows:

South of Hobbs on Hwy. 18 to Mile Marker #39; turn west and travel .3 mile; turn north and travel 1 ¼ mile; turn west and travel ½ mile; then turn north to location.

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

2. Planned Access Roads

- A. 941.8' 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 NE/4 NW/4, Sec. 9, T20S, R37E, 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 S & W. Cattle Company.

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 Right-of-Way Agent

Mike & Manken

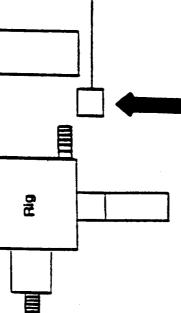
3 17-98

Date

H2S Safety Contractor

Two of the three WDI (wind direction indicator) locations will be utilized. (Prevailing winds are SW to No. Terrain is flat, and covered with native grasse

Rig Muster Area No. 1 Contractor Quarters Conoco Quarters



Choke Manifold

Muster Area No. 2



TRAILER - MOUNTED RIG LAYOUT

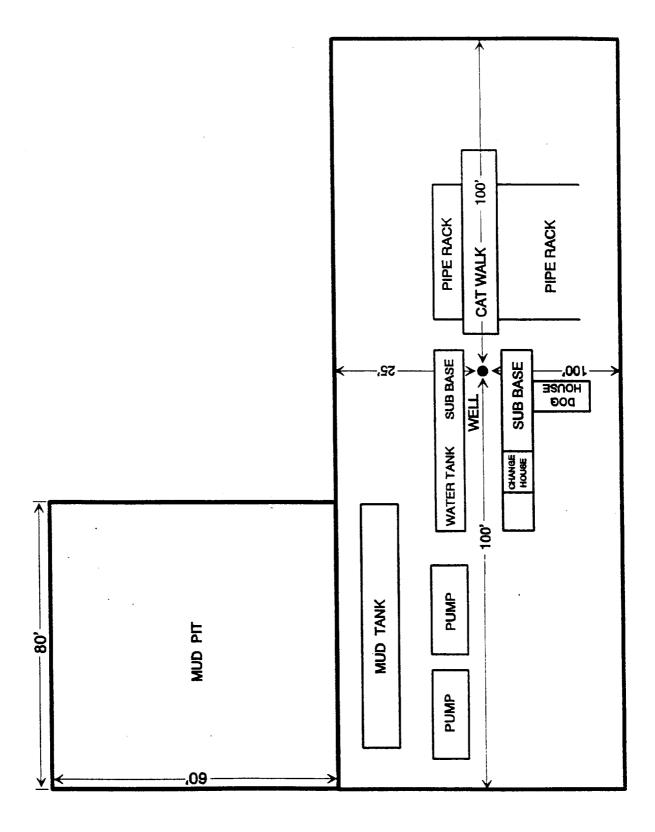
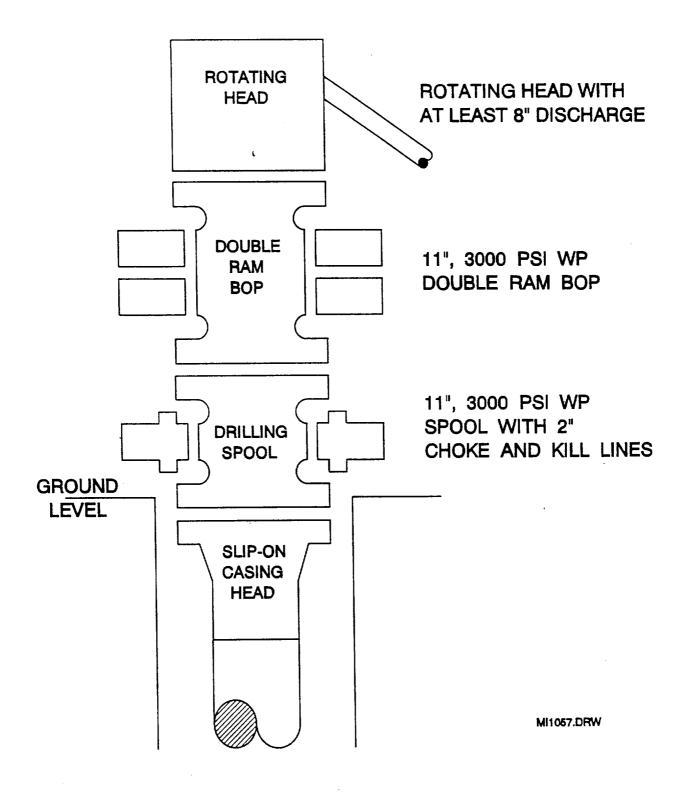
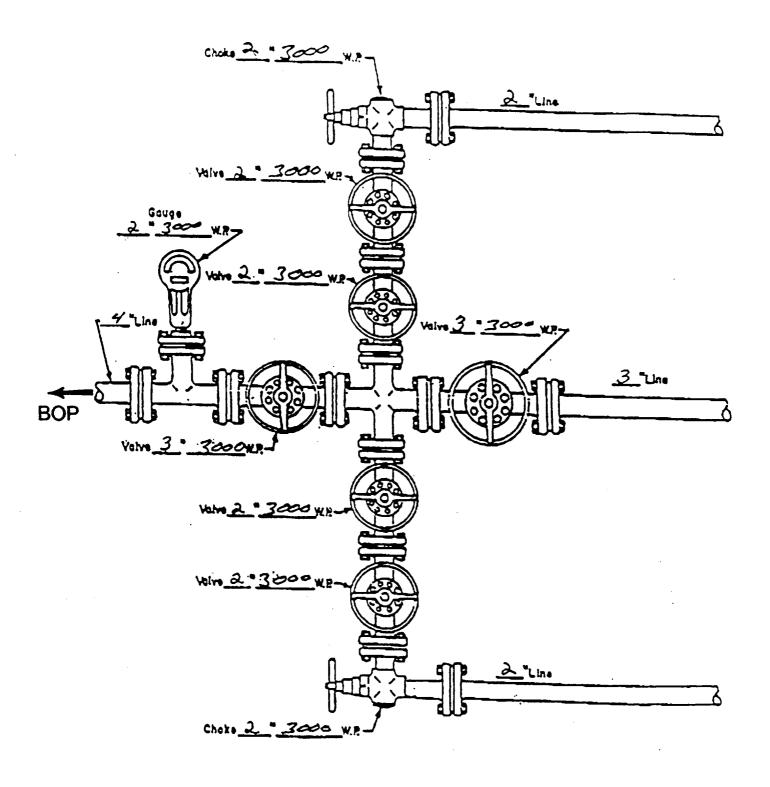


EXHIBIT D

BOP SPECIFICATIONS



CHOKE MANIFOLD DIAGRAM



MANIFOLD 3000 #WP

図 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.

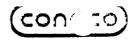
D. Drill Stem Tests

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

SEMU Well #133

Section 14, T20S, R37E 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,

Mike L. Mankin



Sh/2/2