

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0138
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 Drive, Suite 649W, Midland, TX 79705; 915/686-5515

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

1650' FSL & 330' FEL

At proposed prod. Zone

1650' FSL & 330' FEL

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

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT
(Also to nearest drlg. Unit line, if any)

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

9. PROPOSED DEPTH
8000'

20. ROTARY OR CABLE TOOLS

Rotary

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

3514'

22. APPROX. DATE WORK WILL START*

1/30/00

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|--------------------|
| 12-1/4" | J-55; 8-5/8" | 24# | 1500' | 665 sxs, circ. |
| 7-7/8" | J-55; 5-1/2" | 17.0# | 8000' | 990 sxs, circ. |

It is proposed to drill a vertical wellbore as a Tubb producer. An NOS was filed 10/18/00. The Strawn zone estimated at 7550' to 7850' will be evaluated using standard open hole logs and possible cores. Since there is no acreage dedicated to this well for Strawn production the interval will not be completed or tested. Casing will be run and cemented through the Strawn but will not be perforated. 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

This application includes ROW for the well pad, powerline, flowline and access road.

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.

SIGNED Kimberly Sathell TITLE: Analyst

DATE 11/28/00

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

DATE

*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.

RECEIVED
NOV 23 2000
BLM
ROSMELLE

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brancos Rd., Aztec, NM 87410

DISTRICT IV
2040 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 30-025-35338 | Pool Code 96356 | Pool Name North Hardy Tubb-Drinkard |
| Property Code 013492 | Property Name SEMU | Well Number 151 |
| OGRID No. 005073 | Operator Name CONOCO INC. | Elevation 3514' |

Surface Location

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| 1 | 25 | 20 S | 37 E | | 1650 | SOUTH | 330 | EAST | 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 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

| | |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Kimberly J. Southall Printed Name Analyst Title November 28, 2000 Date |
| | SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. October 18, 2000 Date Surveyed Signature of Surveyor Professional Surveyor NEW MEXICO 7977 W.O. No. 05778 Certification No. Gary L. Jones 7977 PROFESSIONAL LAND SURVEYOR DRAFT SURVEYS |

PROPOSED WELL PLAN OUTLINE

WELL NAME
LOCATION

SEMU #151
1,080' FSL & 330' FEL, Sec 25, T20S, R37E, Lea County, NM

Ground Level : 3,540'
Kelly Bushing: 11' AGL

| Depth MD | FORMATION TOPS (from GL) | 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 - 8.5 Fresh | |
| 1000 | | | | | | | | | |
| | Top Salt @ 1,400' | | | | 8-5/8", 24#, J-55 ST&C @ 1,500' | | | | 3 |
| | | Washouts in Salt Section | | 7-7/8" | Circulate Cement | | | 10 Brine | |
| 2000 | | | | | | | Less than 8.4 | | |
| | Base Salt @ 2,522' | | | | | | | | |
| | Yates 2,660' | | | | | | | | |
| | 7 Rivers 2,910' | Possible oil production from Yates. | H2S monitor equipment on @ 2,600' | | | | | | |
| 3000 | | | | | | | | | |
| | Queen 3,484' | | | | | | | | |
| | Penrose 3,604' | | | | | | | | |
| | Grayburg 3,760' | | | | | | | | |
| 4000 | San Andres 3,992' | | | | | | | | |
| | | Mud loss in San Andres is likely. | | | | | | | |
| 5000 | | | | | | | | | 7 |
| | Glorietta 5,262' | Possible differential sticking thru Glorietta Mud loss is possible. | | | | | | | |
| | Blaine 5,825' | | | | | | | | |
| 6000 | | | | | | | | | |
| | Tubb 6,307' | | | | | | | | 10 |
| | Drinkard 6,674' | | | | | | | | |
| 7000 | Abo 6,946' | | First Log Run: GR-CAL-DLL-MLL-SGR-SONIC FDC-CNL-PE : TD to 2000' Pull GR-CNL-Cal to Surf SGR interval to be chosen | | | | | 10 ppg Starch Gel | |
| | | Recommended to starch up prior to entering Strawn. | Second Log Run: 30 rotary sidewall cores | | | | | | |
| | Strawn @ 7,544' | | | | 5-1/2", 17#, J-55 LT&C set @ 8,000' | | | | 18 |
| | | Offset data from: SEMU #134 SEMU #135 | Possible Third Run: FMI imaging log | | Circulate cement either single or 2 stage | | | | |
| 8000 | TD @ 8,000' | | | | | | | | |

DATE

10-Nov-00

Joe Huck, Geologist

APPROVED

David Delao, Drilling Engineer

Joe Miller, Reservoir Engineer

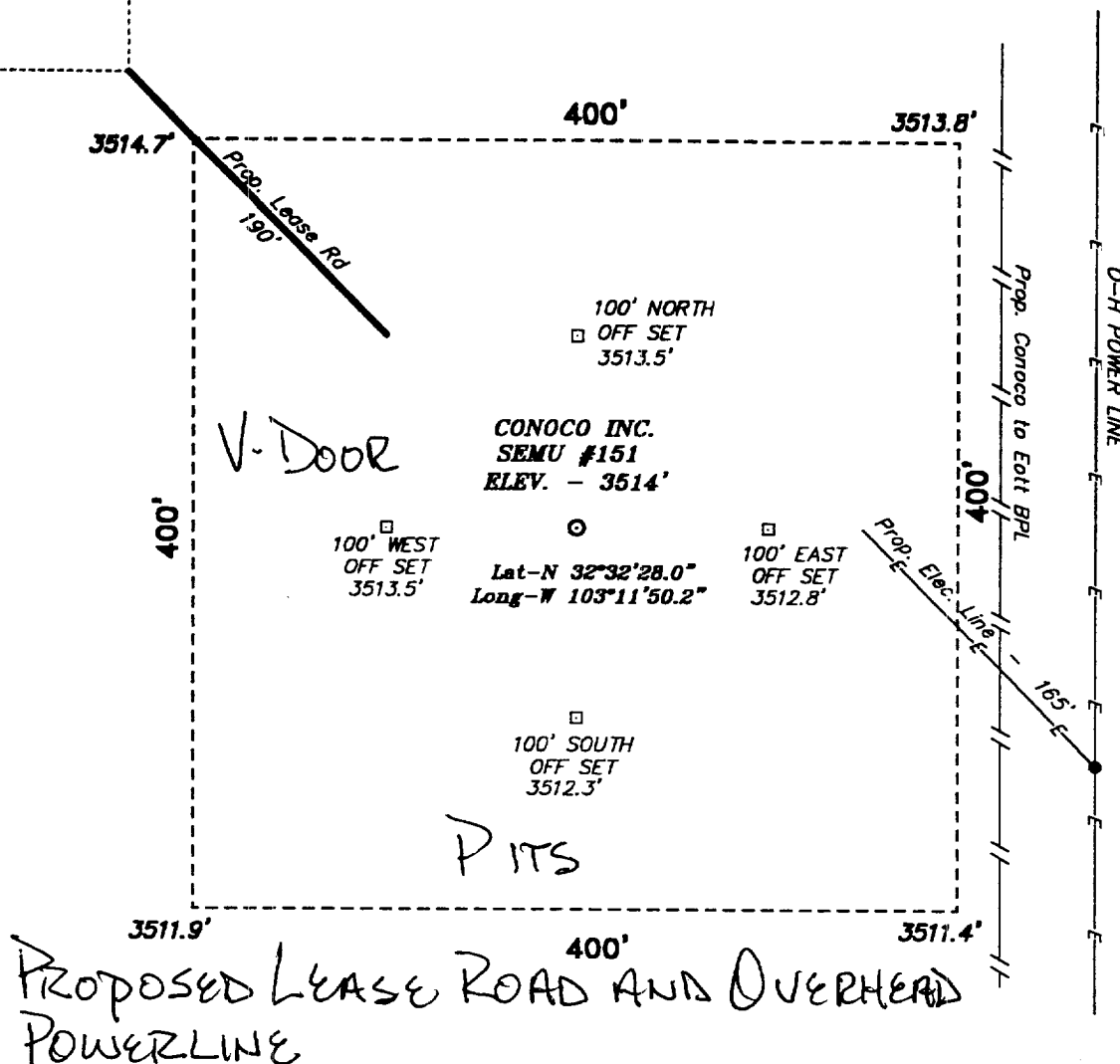
SEMU #151
PROPOSED CASING & CEMENT PLAN

| | | | |
|------------------------------------------------|-------------------------|------------------------------------------------------------------------|-------------|
| Surface casing size: | 8-5/8", 24#, J-55, ST&C | Casing OD: | 8.625 in |
| Surface casing depth: | 1,500 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: | 465 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: | 8,000 ft | Casing ID: | 4.892 in |
| Hole size: | 7.875 in | Shoe jt length: | 80 ft |
| Static temperature: | 128 deg F | Lead Excess: | 51 % |
| Circulating temperature: | 122 deg F | Tail Excess: | 51 % |
| Lead: | 565 sx | 50:50 Poz:Cl C + 5% bwow NaCl + 0.25 pps Cello Flake + 0.005 gps FP-6L + 10% Bentonite | |
| Tail: | 425 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 25, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY,
NEW MEXICO.**

D.H. MARKER ON
SEM U #56



DIRECTIONS TO WELL LOCATION:

FROM THE JUNCTION OF STATE HWY 18 AND NORTH LOOP 18, GO NORTH ON HWY 18 1.5 MILE TO THE CENTENNIAL CATTLE GUARD; THENCE WEST ON LEASE ROAD APPROX. 3.5 MILES; THENCE NORTHWEST ON LEASE ROAD APPROX. 1500 FEET; THENCE WEST ON LEASE ROAD 0.9 MILE; THENCE SOUTH ON LEASE ROAD 1300 FEET; THENCE EAST ON LEASE ROAD APPROX. 0.4 MILE TO THE SEMU #56 AND THE PROPOSED LEASE ROAD.

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

W.O. Number: 0577

Drawn By: K. GOAD

Date: 10-18-2000

Disk: KJG #122 - 0577A.DWG

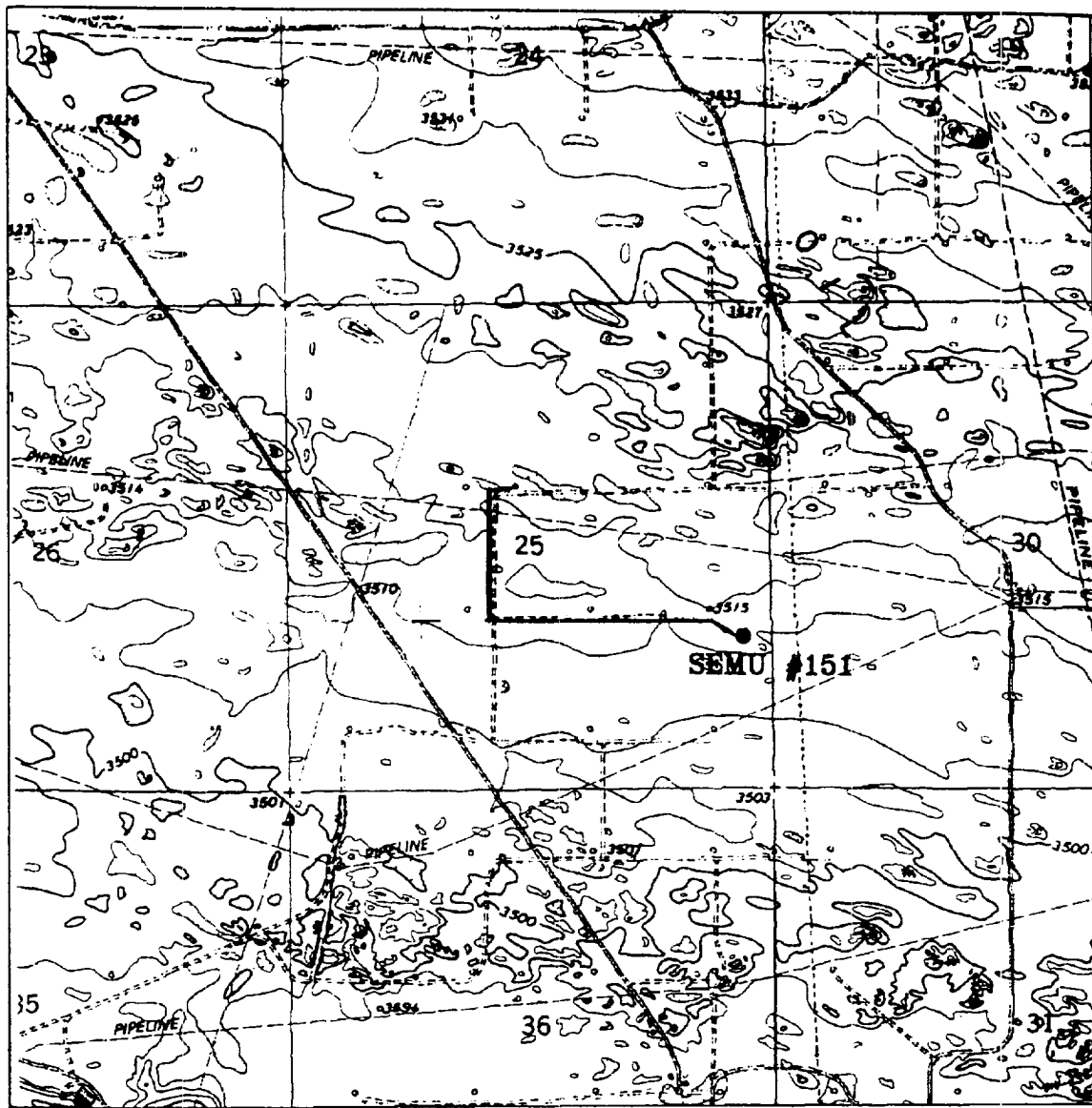
Conoco Inc.

REF: SEMU No. 151 / Well Pad Topo

THE SEMU No. 151 LOCATED 1650' FROM THE SOUTH LINE AND 330' FROM THE EAST LINE OF SECTION 25, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 10-18-2000

Sheet 1 of 1 Sheets



PROPOSED SURFACE FLOWLINE (4590') PARALLEL
TO EXISTING LEASE ROAD PIPE = 4" STEEL, WELDED

SEMU #151

Located at 1650' FSL and 330' FEL
Section 25, Township 20 South, Range 37 East,
N.M.P.M., Lea County, New Mexico.

basin
surveys

focused on excellence
in the oilfield

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: 0577AA - KJC #122

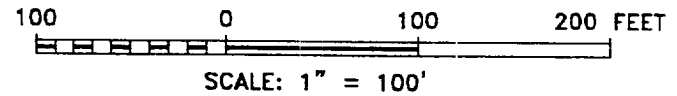
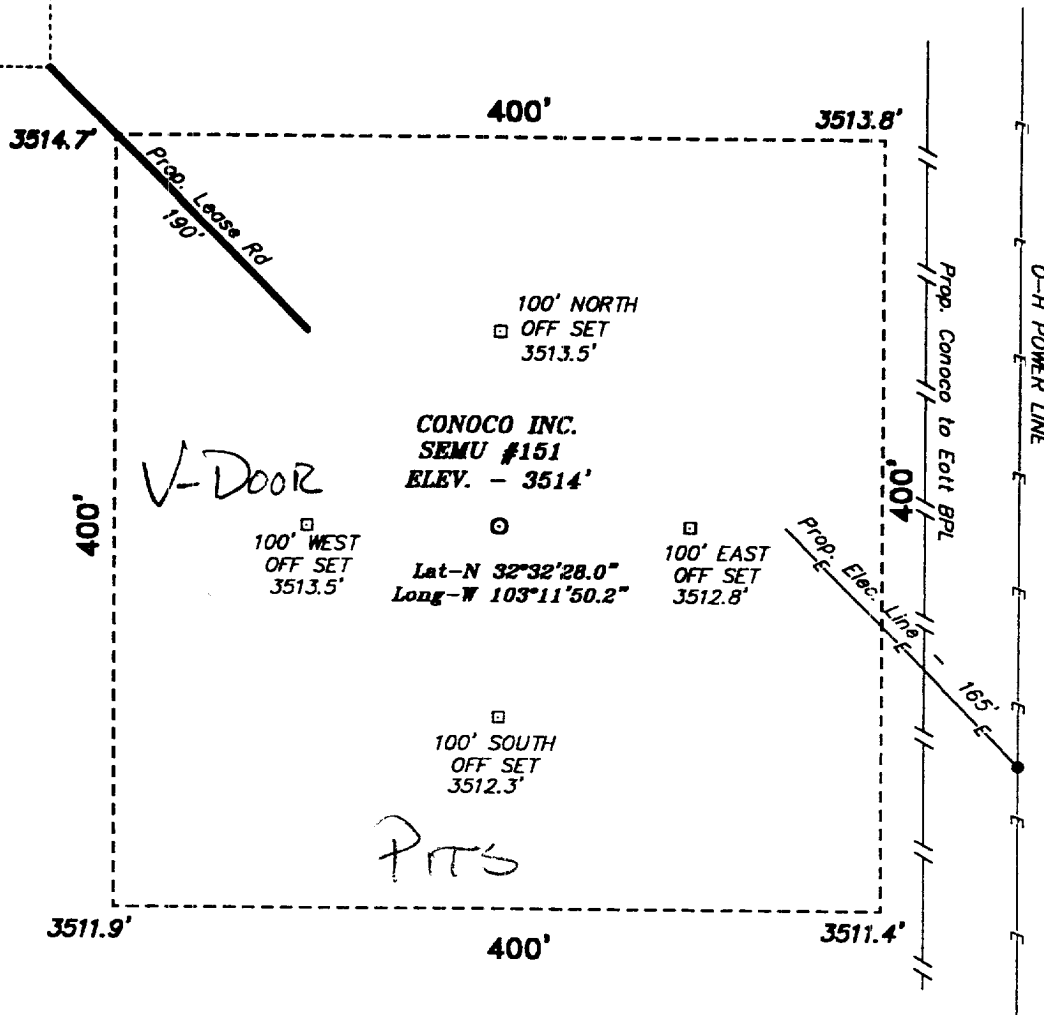
Survey Date: 10-18-2000

Scale: 1" = 2000'

Date: 10-24-2000

CONOCO INC.

**SECTION 25, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY,
NEW MEXICO.**



DIRECTIONS TO WELL LOCATION:

FROM THE JUNCTION OF STATE HWY 18 AND NORTH LOOP 18, GO NORTH ON HWY 18 1.5 MILE TO THE CENTENNIAL CATTLE GUARD; THENCE WEST ON LEASE ROAD APPROX. 3.5 MILES; THENCE NORTHWEST ON LEASE ROAD APPROX. 1500 FEET; THENCE WEST ON LEASE ROAD 0.9 MILE; THENCE SOUTH ON LEASE ROAD 1300 FEET; THENCE EAST ON LEASE ROAD APPROX. 0.4 MILE TO THE SEMU #56 AND THE PROPOSED LEASE ROAD.

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

W.O. Number: 0577 Drawn By: **K. GOAD**

Date: 10-18-2000 Disk: KJG #122 - 0577A.DWG

Conoco Inc.

REF: SEMU No. 151 / Well Pad Topo

THE SEMU No. 151 LOCATED 1650' FROM THE SOUTH LINE AND 330' FROM THE EAST LINE OF SECTION 25, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 10-18-2000 Sheet of 1 Sheets

SURFACE USE PLAN
Conoco Inc.

SEMU #151

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 1650' FSL & 330' FEL, Sec. 19, T20S, R37E, Lea County, New Mexico. This is North Hardy Tubb-Drinkard 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. 190' 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

Powerline and flowline 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 West. 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: Estate of Millard Deck
 Bank of America, Trustee
 P.O. Box 270, Midland, Texas 79702

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
Right of Way Agent
Conoco Inc.
10 Desta Drive Suite 649W
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

HLS

November 28, 2000

Date

TRAILER - MOUNTED RIG LAYOUT

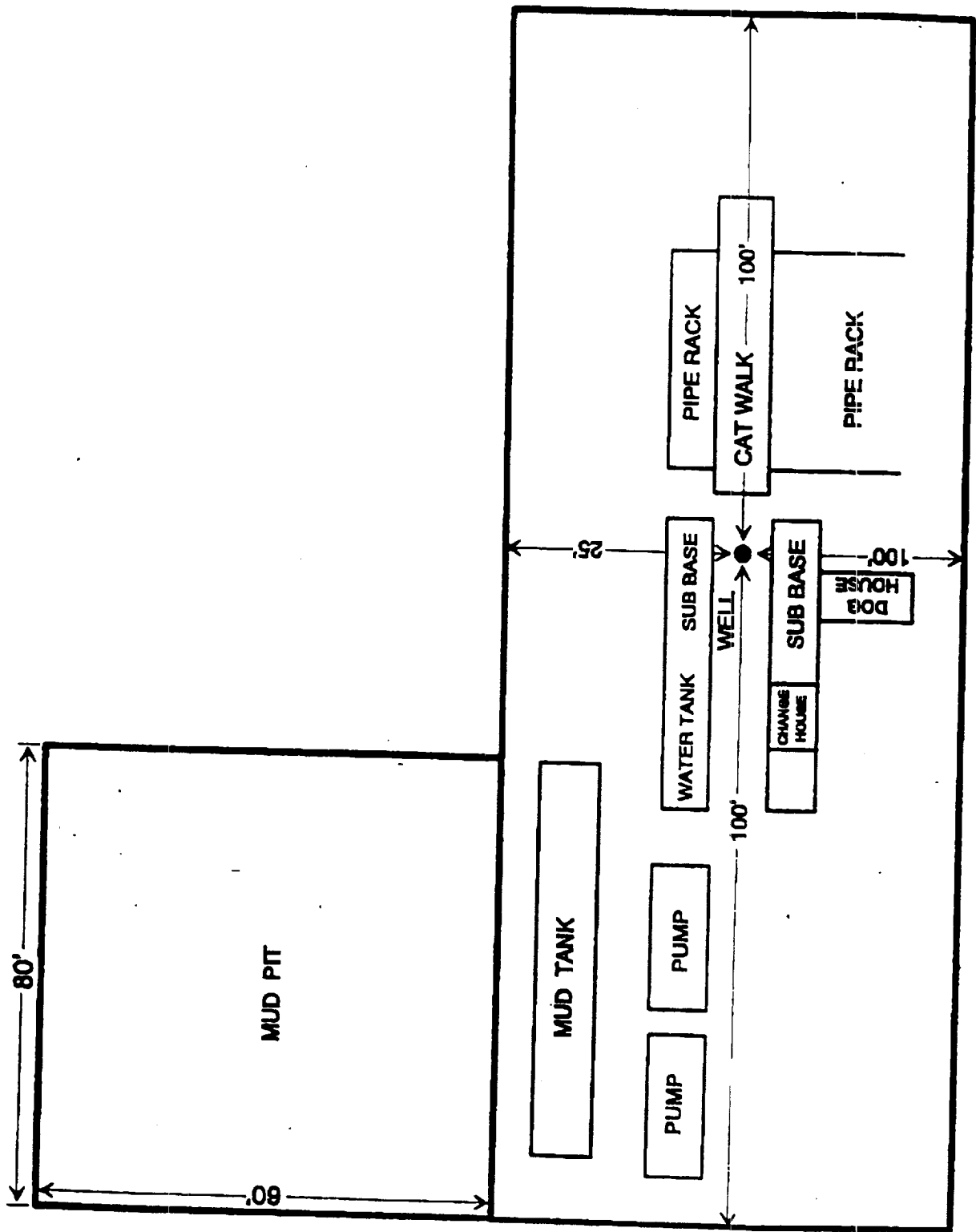


EXHIBIT D

Access Road

Danger signs

WDI



H2S Safety Contractor

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)



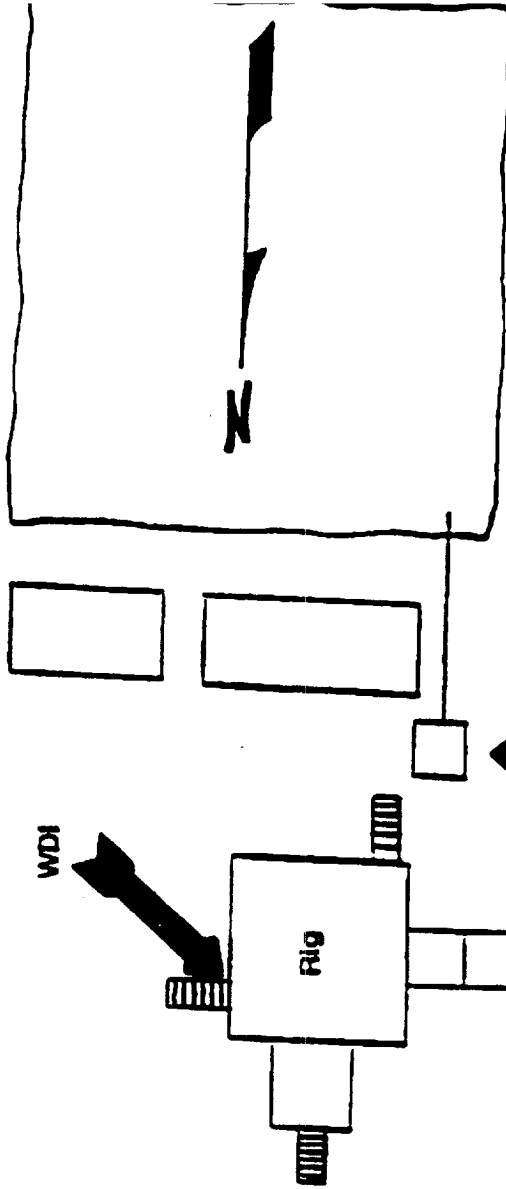
Conoco Quarters



Muster Area No. 1



Contractor Quarters



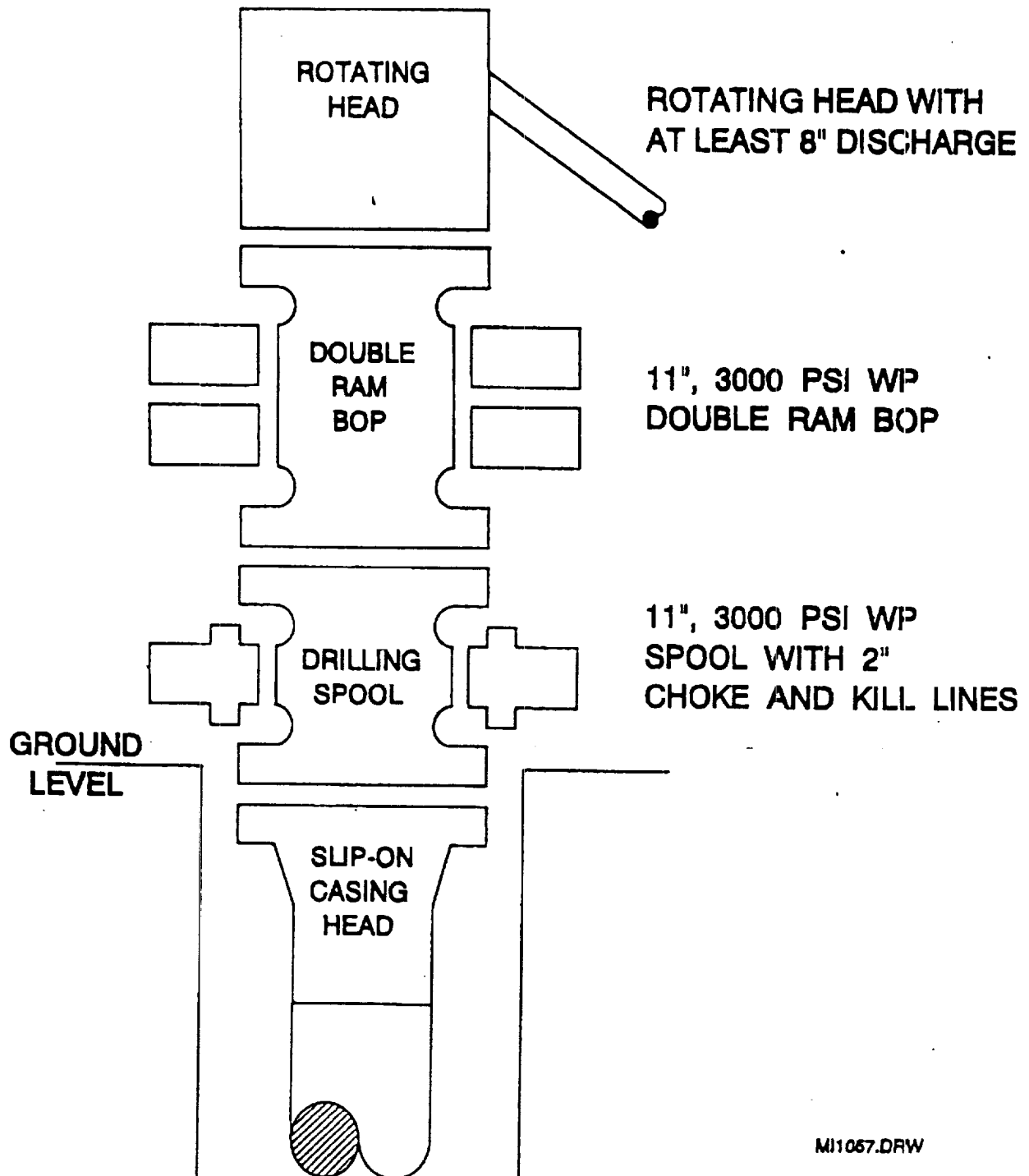
Choke Manifold

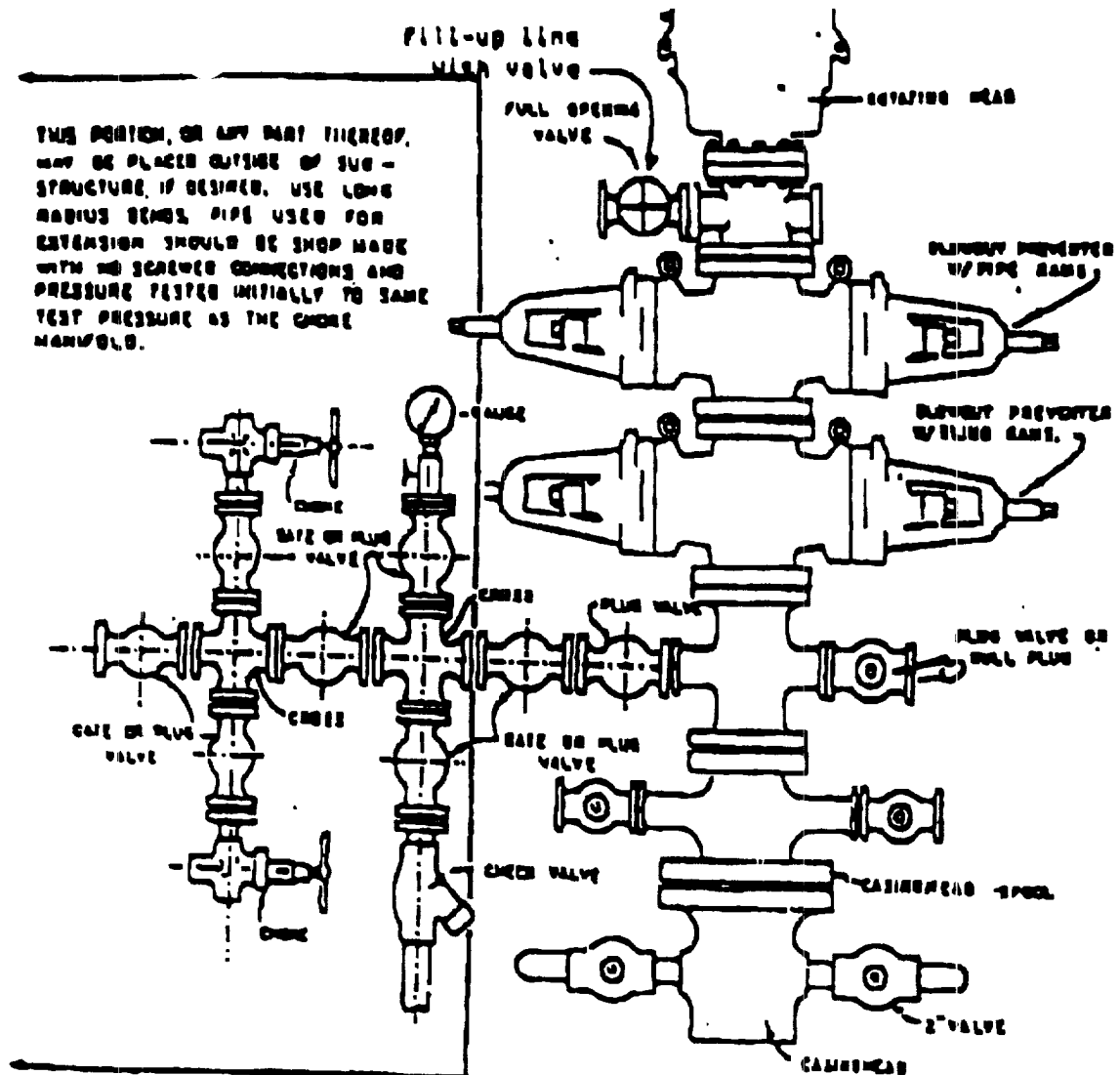
Muster Area No. 2

WDI



BOP SPECIFICATIONS



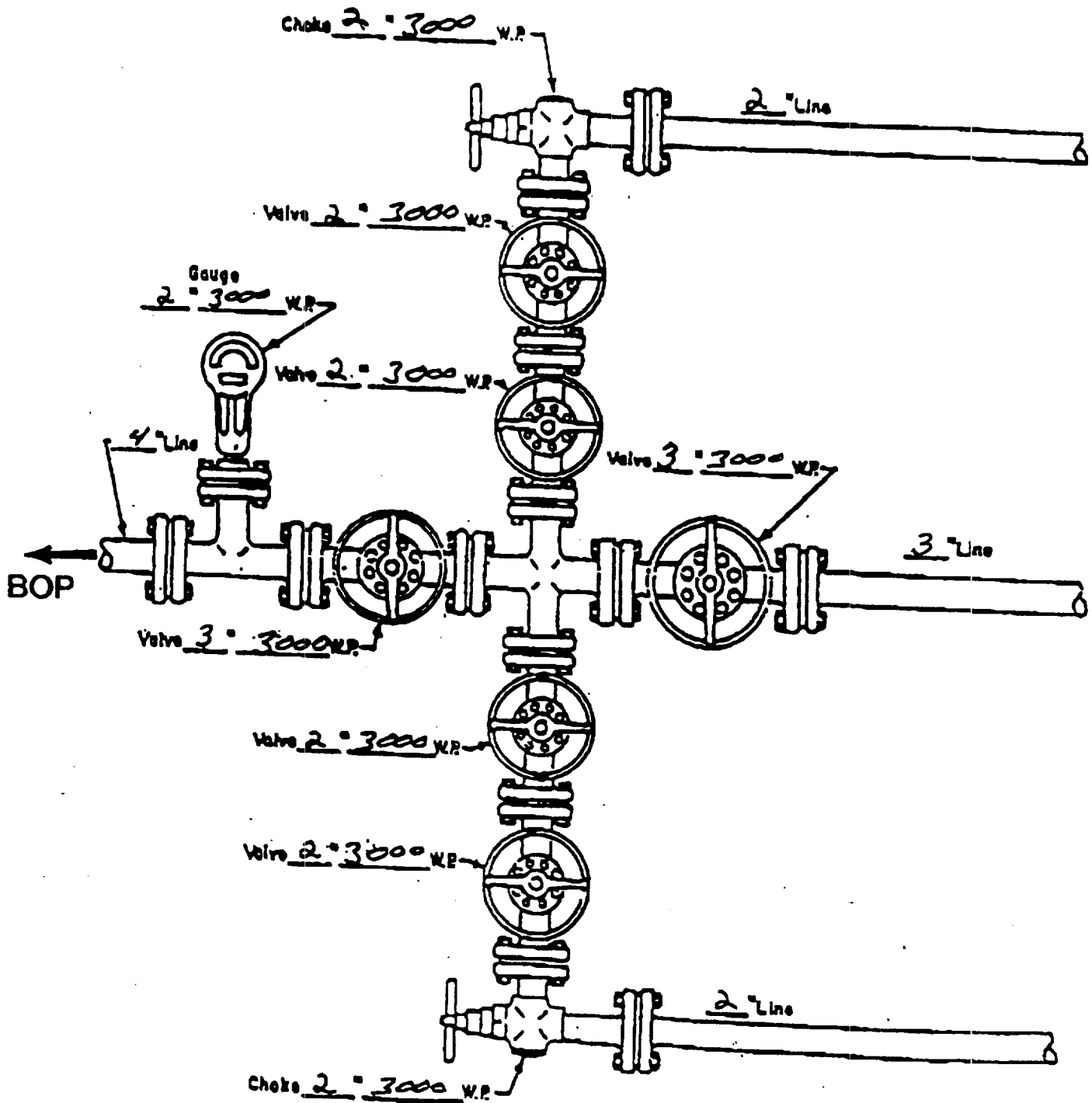


BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basing supply 1000 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 DIAGRAM



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.



Terry L. Manning
Right of Way Agent
Right of Way and Claims

Conoco Inc.
10 Deste Drive, Suite 805W
Midland, Texas 79705-4508
(915) 686-8548

October 31, 2000

Department of the Interior
Bureau of Land Management
620 E. Greene
Carlsbad, New Mexico 88220
Attn: John Sherman

RE: Request for Waiver of Lesser Prairie Chicken Habitat Restriction

Dear Mr. Sherman;

Conoco Inc. respectfully requests a waiver of the Lesser Prairie Chicken Habit Restriction for the SEMU #151 located 1650' from the South Line and 330' from the East Line of Section 25, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

A topo showing the well location is included for your convenience.

If I can be of any assistance whatsoever, contact me at the telephone number in the letterhead.

Sincerely yours,

Terry L. Manning
Right of Way Agent/Conoco Inc.

COPY



Terry L. Manning
Right of Way Agent
Right of Way and Claims

Conoco Inc.
10 Desta Drive, Suite W808
Midland, Texas 79705-4500
(915) 686-6548

November 28, 2000

*Department of the Interior
Bureau of Land Management
620 East Greene
Carlsbad, New Mexico 88220
Attn: Barry Hunt*

*Re: Settlement Letter for Well Location and Appurtenances
SEMU 151
Section 25, T20S, R37E
Lea County, New Mexico*

Dear Mr. Hunt:

Conoco Inc. will reach a damage settlement agreement with the surface owner, being Millard Deck, before construction begins of the above referenced location and appurtenances.

Please call me at 915-686-6548 if you have any questions or concerns.

Sincerely yours,

Kimberly Southall for Terry Manning

*Terry L. Manning
Right of Way Agent*

ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED

8/24/01

ELF