

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a TYPE OF WORK

DRILL ☒

DEEPEN ☐

b TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2 NAME OF OPERATOR

Conoco Inc.

3 ADDRESS AND TELEPHONE NO

10 Desta Drive, Suite 649W, Midland, TX 79705; 915/686-5515

4 LOCATION OF WELL (Report location clearly and in accordance

1760' FSL & 2310' FEL

At proposed prod. Zone

1760' FSL & 2310' FEL

14 DISTANCE IN MILES AND DIRECTION FROM NEAREST TO

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

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

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

3515'

6. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

160

9. PROPOSED DEPTH

8050'

20. ROTARY OR CABLE TOOLS

Rotary

22 APPROX. DATE WORK WILL START\*

12/09/00

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#	7875'	965 sxs, circ.

It is proposed to drill a vertical wellbore in the North Hardy Strawn Pool. An NOS was filed 10/18/00 and a nonstandard location application has been applied for with the NMOCD.

The well will be drilled and equipped according to the following additional attachments:

1. Well Location & Acreage Dedication Plat (C-102).
2. Proposed Well Plan Outline.
3. Cementing Plan.
4. Blowout Preventer Hookup.
5. Surface Use Plan.
6. Trailer Mounted Rig Layout Drawing.
7. BOP & Choke Manifold Specifications.
8. Surface owner communications.
9. H2S Drilling Operations Plan.

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS

This application includes ROW's for the well pad, powerline, 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.

SIGNED

*Kimberly Southall*

TITLE: Analyst

DATE 11/09/00

(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

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.

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Artesia, 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 <b>30-025-35383</b>		Pool Code <b>96893</b>	Pool Name <b>North Hardy STRAWN</b>
Property Code <b>003076 13492</b>	Property Name <b>SEMU</b>		Well Number <b>154</b>
OGRID No. <b>005073</b>	Operator Name <b>CONOCO INC.</b>		Elevation <b>3515'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	30	20 S	38 E		1760	SOUTH	2310	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 <b>160</b>	Joint or Infill	Consolidation Code	Order No. <b>Nonstandard location Order applied for</b>						

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

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  <b>Kay Maddox</b> Signature <b>KAY MADDOX</b> Printed Name <b>Regulatory Agent</b> Title <b>October 31, 2000</b> Date
	<b>SURVEYOR CERTIFICATION</b>  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.  <b>October 18, 2000</b> Date Surveyed <b>L. JONES</b> Signature Professional Surveyor <b>7977</b> W.O. No. <b>05804</b> Certificate No. <b>0000000000</b> Jones <b>7977</b> <b>BASIN SURVEYS</b>

# PROPOSED W PLAN OUTLINE

WELL NAME  
LOCATION

SEMU #154  
1,760' FSL & 2,310' FEL, Sec 30, T20S, R38E, Lee County, NM

Ground Level : 3,530'  
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 - 9.5 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 @ 2,550'								
	Yates 2,640'								
	7 Rivers 2,880'								
3000									
	Queen 3,450'								
	Penrose 3,590'								
	Grayburg 3,755'								
4000	San Andres 3,975'								
		Mud loss in San Andres is likely. Possible loss of returns.							
5000									
	Glorietta 5,255'	Possible differential sticking thru Glorietta Possible lost returns.							7
	Blinberry 5,800'								
6000									
	Tubb 6,320'								
	Drinkard 6,645'								10
7000	Abo 6,920'							10 ppg Starch Gel	
			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						
	Strawn @ 7,570'		Second Log Run: 30 rotary sidewall cores		5-1/2", 17#, J-55 LT&C set @ 7,875'				
	TD @ 7,875'	Offset data from: SEM U #150	Possible Third Run: FMI imaging log		Circulate cement either single or 2 stage				17
8000	Devonian @ 7,900'								

DATE

31-Oct-00

Joe Huck, Geologist

APPROVED

David Delao, Drilling Engineer

Joe Miller, Reservoir Engineer



Proposal No: 180254991A

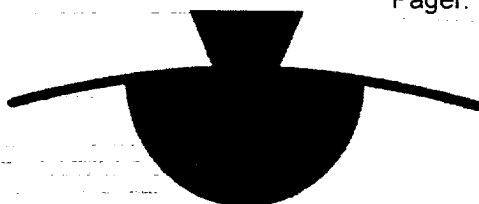
**Conoco  
SEMU #154**

Lea County, New Mexico  
October 18, 2000

### **Well Recommendation**

**Prepared for:**  
Mr. David Delao  
Drilling Engineer

**Prepared by:**  
Rocky Chambers  
Region Engineer  
Midland, Texas  
Bus Phone: 915/683-2781  
Mobile: 915/557-1239  
Pager: 915/498-1605



# POWER VISION™

**Service Point:**  
Hobbs  
Bus Phone: (505) 392-5556  
Fax: (505) 392-7307

**Service Representatives:**  
Wayne Davis  
Account Manager  
Bus Phone: (915) 683-2781  
Fax: (915) 683-1443

Operator Name: Conoco  
 Well Name: SEMU #154  
 Job Description: 8 5/8" Surface  
 Date: October 18, 2000



Proposal No: 180254991A

## WELL DATA

### ANNULAR GEOMETRY

ANNULAR I.D. (in)	DEPTH(ft)	
	MEASURED	TRUE VERTICAL
12.250 HOLE	1,500	1,500

### SUSPENDED PIPES

DIAMETER (in)		WEIGHT (lbs/ft)	DEPTH(ft)	
O.D.	I.D.		MEASURED	TRUE VERTICAL
8.625	8.097	24	1,500	1,500

Float Collar set @ 1,460 ft  
 Mud Density 8.40 ppg  
 Est. Static Temp. 89 ° F  
 Est. Circ. Temp. 85 ° F

### VOLUME CALCULATIONS

1,200 ft	x	0.4127 cf/ft	with	101 % excess	=	997.5 cf
300 ft	x	0.4127 cf/ft	with	106 % excess	=	254.6 cf
40 ft	x	0.3576 cf/ft	with	0 % excess	=	14.3 cf (inside pipe)
<b>TOTAL SLURRY VOLUME</b>					=	1266.4 cf
					=	226 bbls

**Operator Name:** Conoco  
**Well Name:** SEMU #154  
**Job Description:** 8 5/8" Surface  
**Date:** October 18, 2000



Proposal No: 180254991A

## FLUID SPECIFICATIONS

<u>FLUID</u>	<u>VOLUME CU-FT</u>	<u>VOLUME FACTOR</u>	<u>AMOUNT AND TYPE OF CEMENT</u>
Lead Slurry	997	/ 2.15	= 465 sacks Class C Cement + 0.25 lbs/sack Cello Flake + 0.005 gps FP-6L + 2% bwoc Sodium Metasilicate + 109.4% Fresh Water
Tail Slurry	269	/ 1.34	= 200 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.005 gps FP-6L + 56.3% Fresh Water
Displacement			93.0 bbls Water @ 8.4 ppg

## **CEMENT PROPERTIES**

	<b>SLURRY NO. 1</b>	<b>SLURRY NO. 2</b>
Slurry Weight (ppg)	12.40	14.80
Slurry Yield (cf/sack)	2.15	1.34
Amount of Mix Water (gps)	12.33	6.35
Amount of Mix Fluid (gps)	12.33	6.35
Estimated Pumping Time - 70 BC (HH:MM)	6:25	2:20
Free Water (mls) @ 80 ° F @ 90 ° angle	0.0	0.0

## **COMPRESSIVE STRENGTH**

12 hrs @ 89 ° F (psi)	124	1200
24 hrs @ 89 ° F (psi)	250	2000

Operator Name: Conoco  
 Well Name: SEMU #154  
 Job Description: 5-1/2" Long String  
 Date: October 18, 2000



Proposal No: 180254991A

## WELL DATA

### ANNULAR GEOMETRY

ANNULAR I.D. (in)	DEPTH(ft)	
	MEASURED	TRUE VERTICAL
8.097 CASING	1,500	1,500
7.875 HOLE	7,875	7,875

### SUSPENDED PIPES

DIAMETER (in)		WEIGHT (lbs/ft)	DEPTH(ft)	
O.D.	I.D.		MEASURED	TRUE VERTICAL
5.500	4.892	17	7,875	7,875

Float Collar set @ 7,835 ft  
 Mud Density 8.40 ppg  
 Est. Static Temp. 127 ° F  
 Est. Circ. Temp. 121 ° F

### VOLUME CALCULATIONS

1,500 ft	x	0.1926 cf/ft	with	0 % excess	=	288.9 cf
4,100 ft	x	0.1733 cf/ft	with	51 % excess	=	1071.2 cf
2,275 ft	x	0.1733 cf/ft	with	50 % excess	=	591.9 cf
40 ft	x	0.1305 cf/ft	with	0 % excess	=	5.2 cf (inside pipe)
<b>TOTAL SLURRY VOLUME</b>					=	1957.3 cf
					=	349 bbls

**Operator Name:** Conoco  
**Well Name:** SEMU #154  
**Job Description:** 5-1/2" Long String  
**Date:** October 18, 2000



Proposal No: 180254991A

## FLUID SPECIFICATIONS

Pre-flush 1,500.0 gals Mud Clean I @ 8.4 ppg

FLUID	VOLUME CU-FT		VOLUME FACTOR	AMOUNT AND TYPE OF CEMENT
Lead Slurry	1360	/	2.41	= 565 sacks (50:50) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.25 lbs/sack Cello Flake + 0.005 gps FP-6L + 10% bwoc Bentonite + 136.9% Fresh Water
Tail Slurry	597	/	1.49	= 400 sacks (15:61:11) Poz (Fly Ash):Class C Cement:CSE + 5% bwow Sodium Chloride + 1% bwoc FL-62 + 0.005 gps FP-6L + 70% Fresh Water

Displacement 182.1 bbls Water @ 8.4 ppg

## CEMENT PROPERTIES

	SLURRY NO. 1	SLURRY NO. 2
Slurry Weight (ppg)	11.85	13.60
Slurry Yield (cf/sack)	2.41	1.49
Amount of Mix Water (gps)	13.79	7.31
Amount of Mix Fluid (gps)	13.79	7.31
Estimated Pumping Time - 70 BC (HH:MM)	2:58	2:31
Free Water (mls) @ 80 ° F @ 90 ° angle	1.0	0.0
Fluid Loss (cc/30min) at 1000 psi and 80 ° F	792.0	62.0

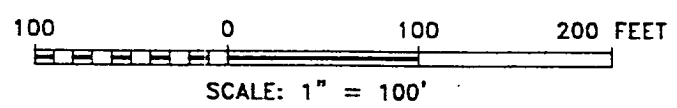
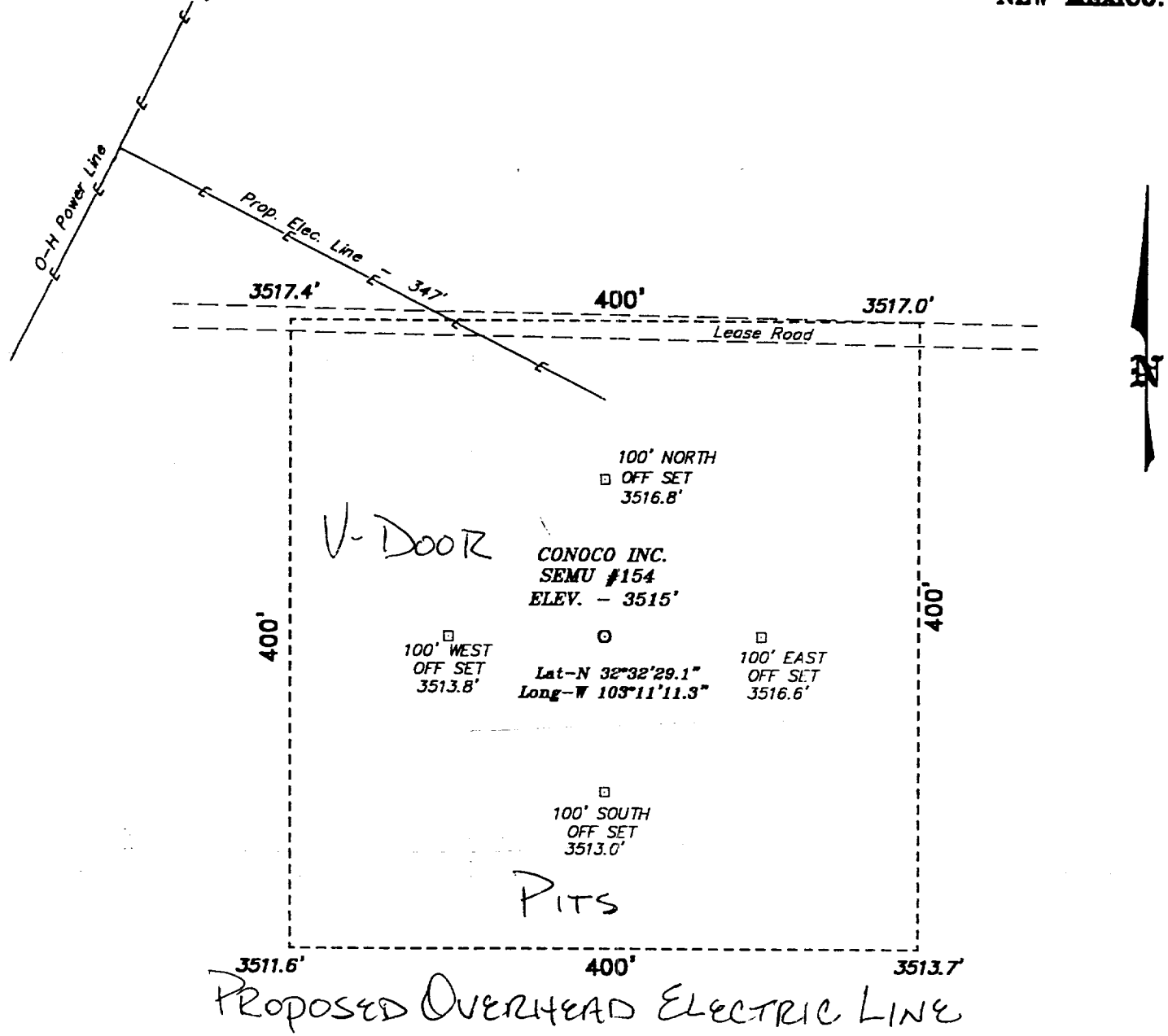
## COMPRESSIVE STRENGTH

12 hrs @ 124 ° F (psi)	50	1013
24 hrs @ 124 ° F (psi)	175	1877

## RHEOLOGIES

FLUID	TEMP	600	300	200	100	6	3
Lead Slurry	@ 80 ° F	104	101	96	81	39	31
Tail Slurry	@ 80 ° F	210	150	110	60	7	4

SECTION 30, TOWNHIP 20 SOUTH, RANGE 38 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 TO THE PROPOSED WELL PAD.

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

W.O. Number: 0580 Drawn By: **K. GOAD**

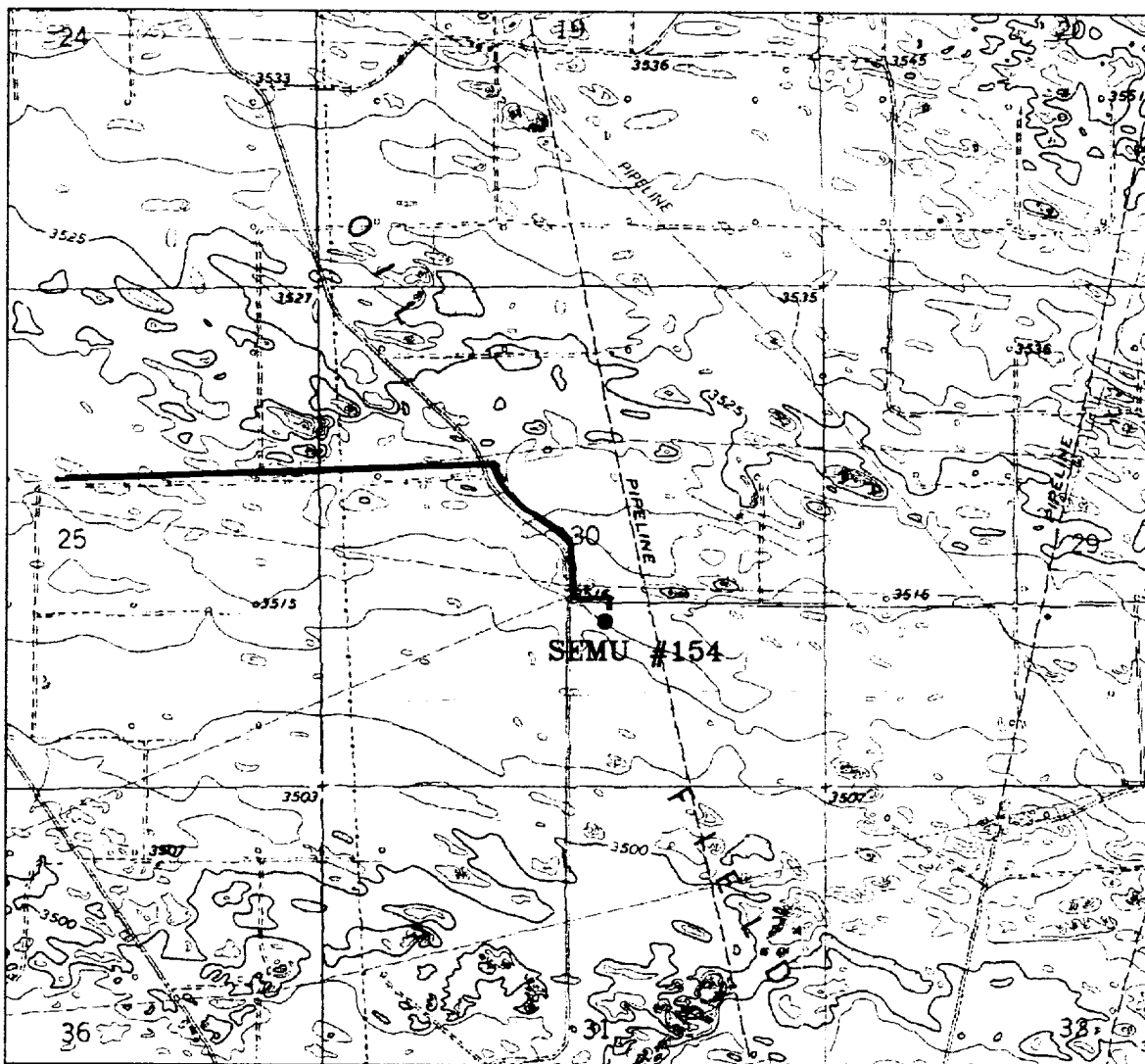
Date: 10-24-2000 Disk: KJG #122 - 0580A.DWG

**Conoco Inc.**

REF: SEMU No. 154 / Well Pad Topo

THE SEMU No. 154 LOCATED 1760' FROM THE SOUTH LINE AND 2310' FROM THE EAST LINE OF SECTION 30, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 10-18-2200 Sheet 1 of 1 Sheets



PROPOSED SURFACE FLOWLINE (1200', 4" WELDED STEEL)  
ALONG EXISTING LEASE ROAD

SEMU #154

Located at 1760' FSL and 2310' FEL  
Section 30, Township 20 South, Range 38 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

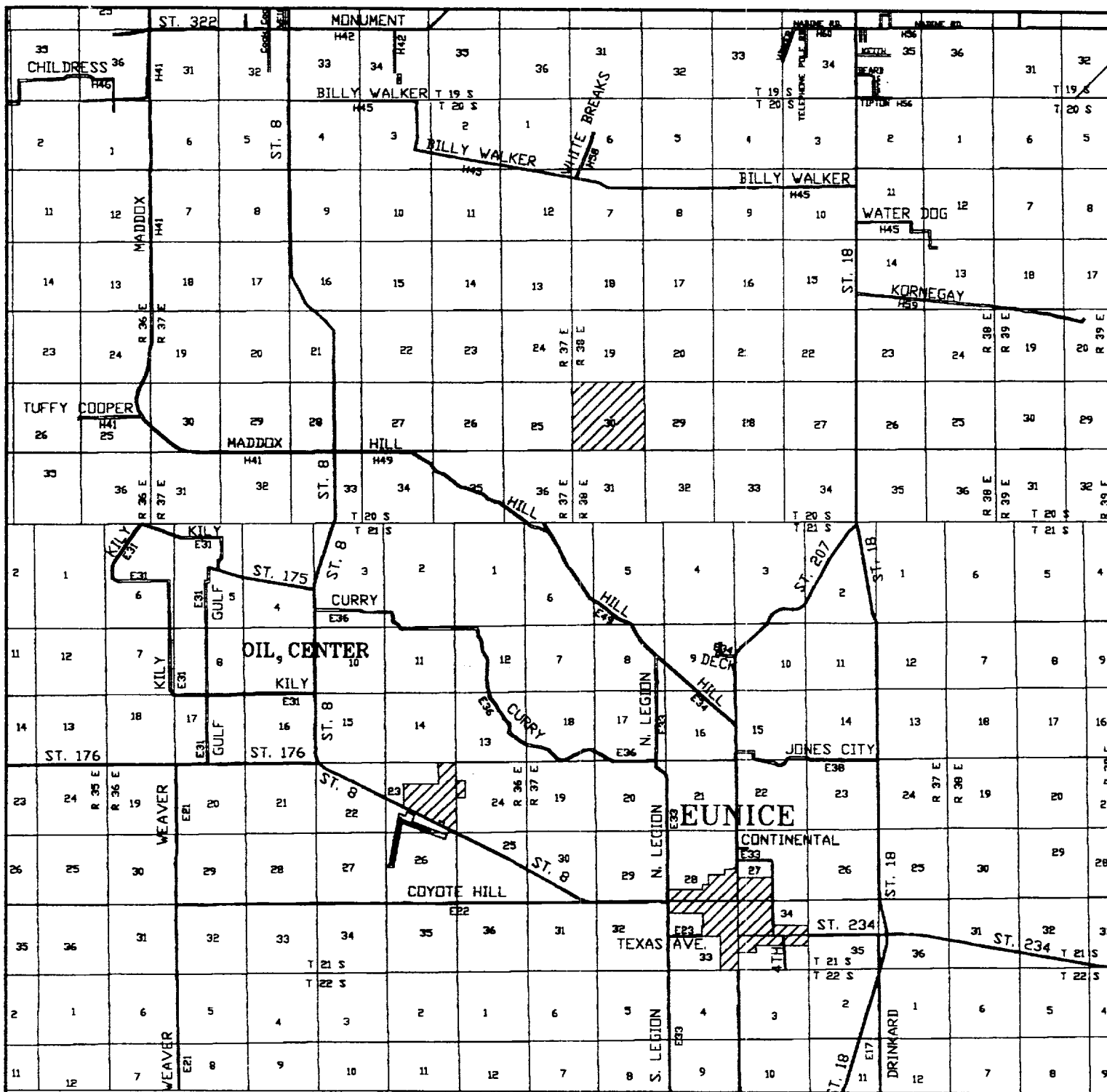
W.O. Number: 0580AA - KJG #122

Survey Date: 10-18-2000

Scale: 1" = 2000'

Date: 10-24-2000

CONOCO INC.



SEMU #154

Located at 1760' FSL and 2310' FEL

Section 30, Township 20 South, Range 38 East,  
N.M.P.M., Lea County, New Mexico.

**basin**  
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P.O. Box 1786  
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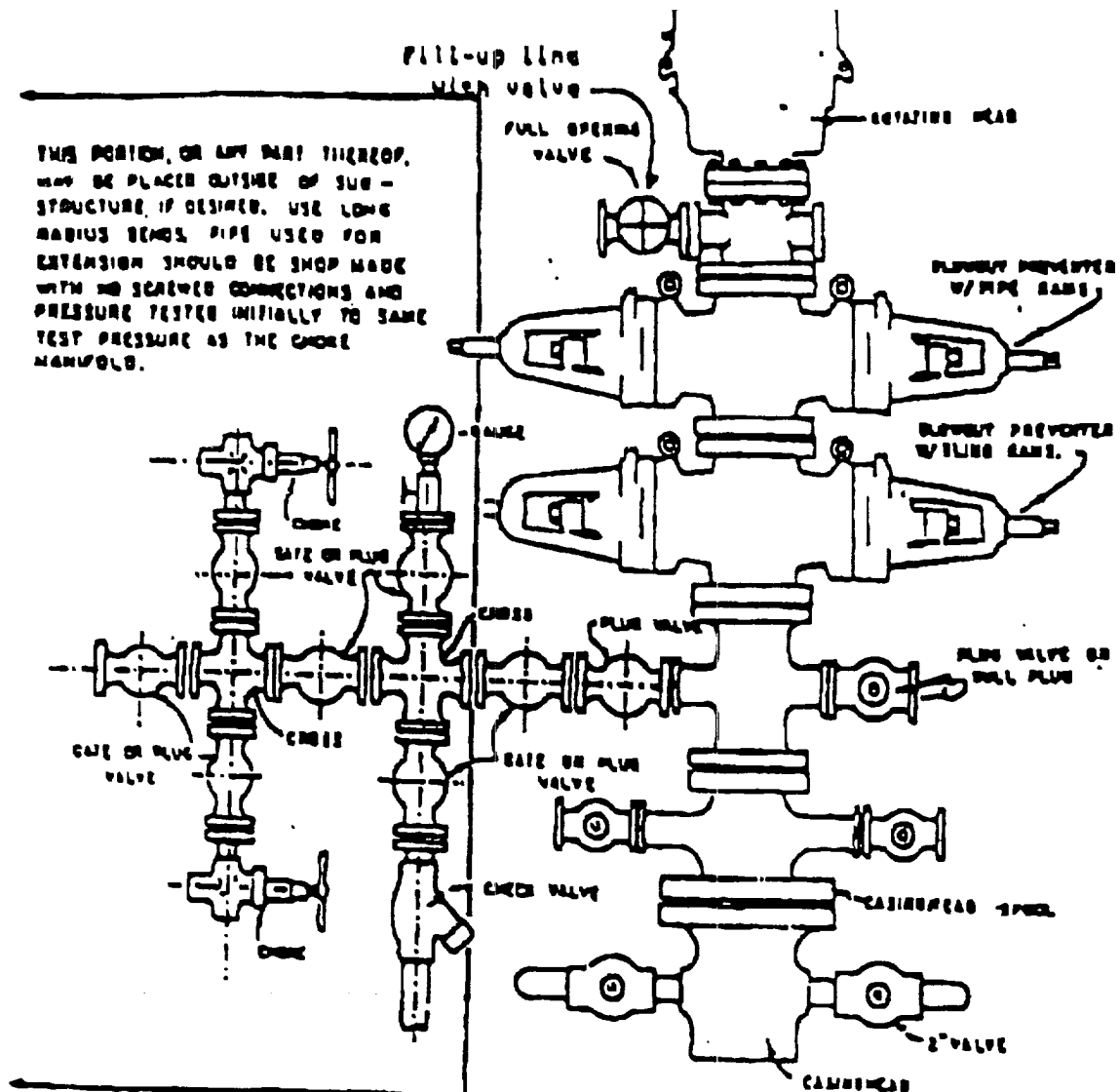
W.O. Number: 0580AA - KJG #122

Survey Date: 10-18-2000

Scale: 1" = 2 MILES

Date: 10-24-2000

CONOCO INC.



# BLOWOUT PREVENTER HOOKUP

Drilling contractors used in the San Juan Basing supply 3000 psi equipment, but cannot provide annular preventors because of sub-structure limitations. Maximum anticipated surface pressures for this well will not exceed the working pressure of the proposed BOP system. Please see the attached BOP diagram details 2000 psi equipment according to Onshore Order No. 2 even though the equipment will test to 3000 psi. The 2000 psi system allows the 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.

**SURFACE USE PLAN**  
**Conoco Inc.**

**SEMU #154**

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 1760' FSL & 2310' FEL, Sec. 30, T20S, R38E, Lea County, New Mexico. This is a North Hardy Strawn Pool well.
- B. Directions to the location are as follows:  
See attached Well Pad Topo
- C. No improvement or maintenance is anticipated for the existing roads.

2. Planned Access Roads

- A. No new access road will be required.
- B. Turnouts as specified by surface management agency.
- C. Culverts as specified by surface management agency.
- D. Gates, cattleguards, or fences as specified by surface management agency.

3. Topographic Map and Well Location

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

4. Additional Rights-of-Way

Electric line, access road 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 East. The reserve pit will be lined with plastic and the pad and pits are staked. All unguarded pits containing liquids will be fenced and any unguarded pit containing liquids will be fenced.

10. Plans for Restoration of Surface

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

11. Surface Ownership

The well site surface ownership is Dallas McCasland.

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*  
KJS

Mike L. Mankin  
Right of Way Agent

*November 3, 2000*

Date:

# TRAILER - MOUNTED RIG LAYOUT

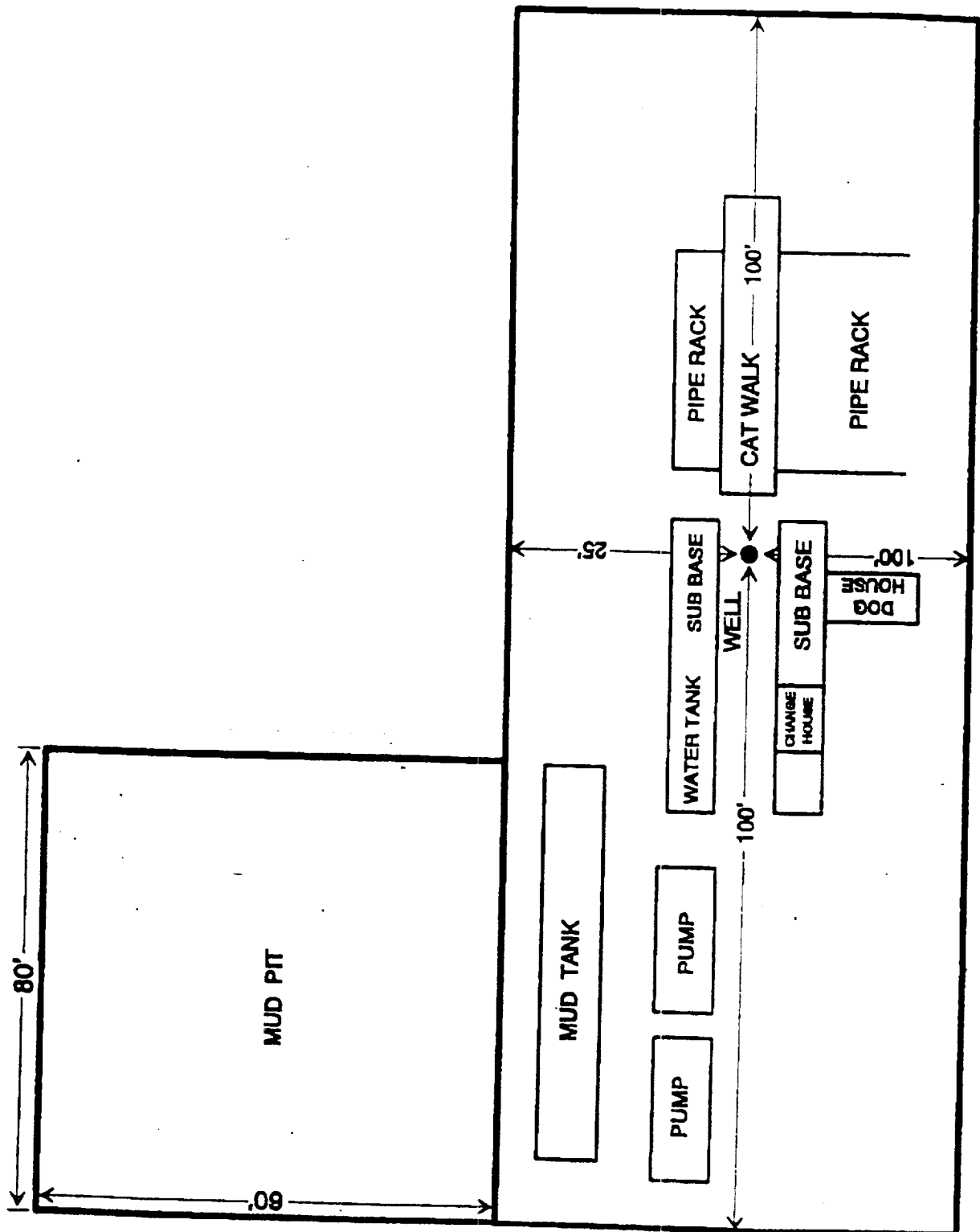
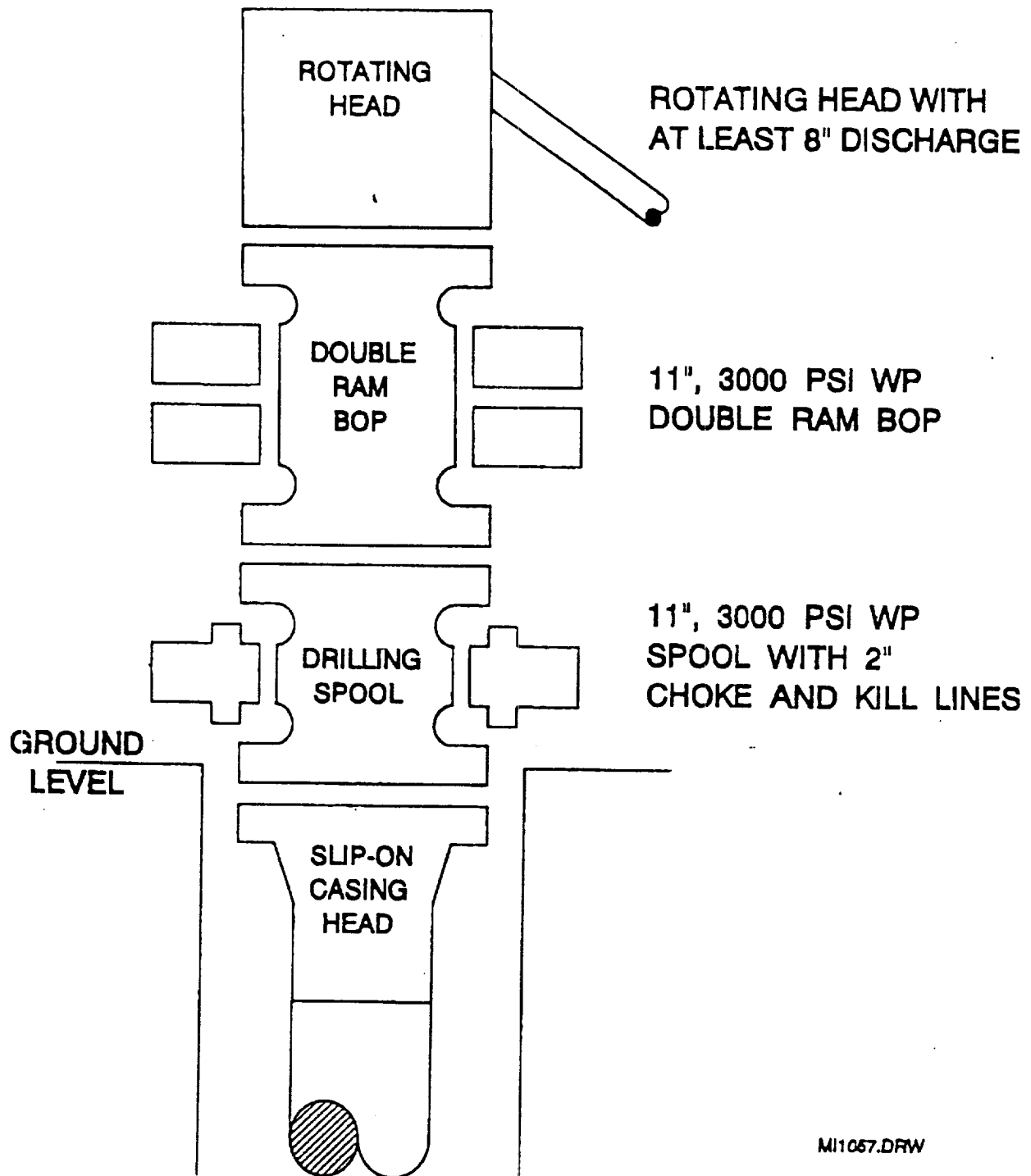


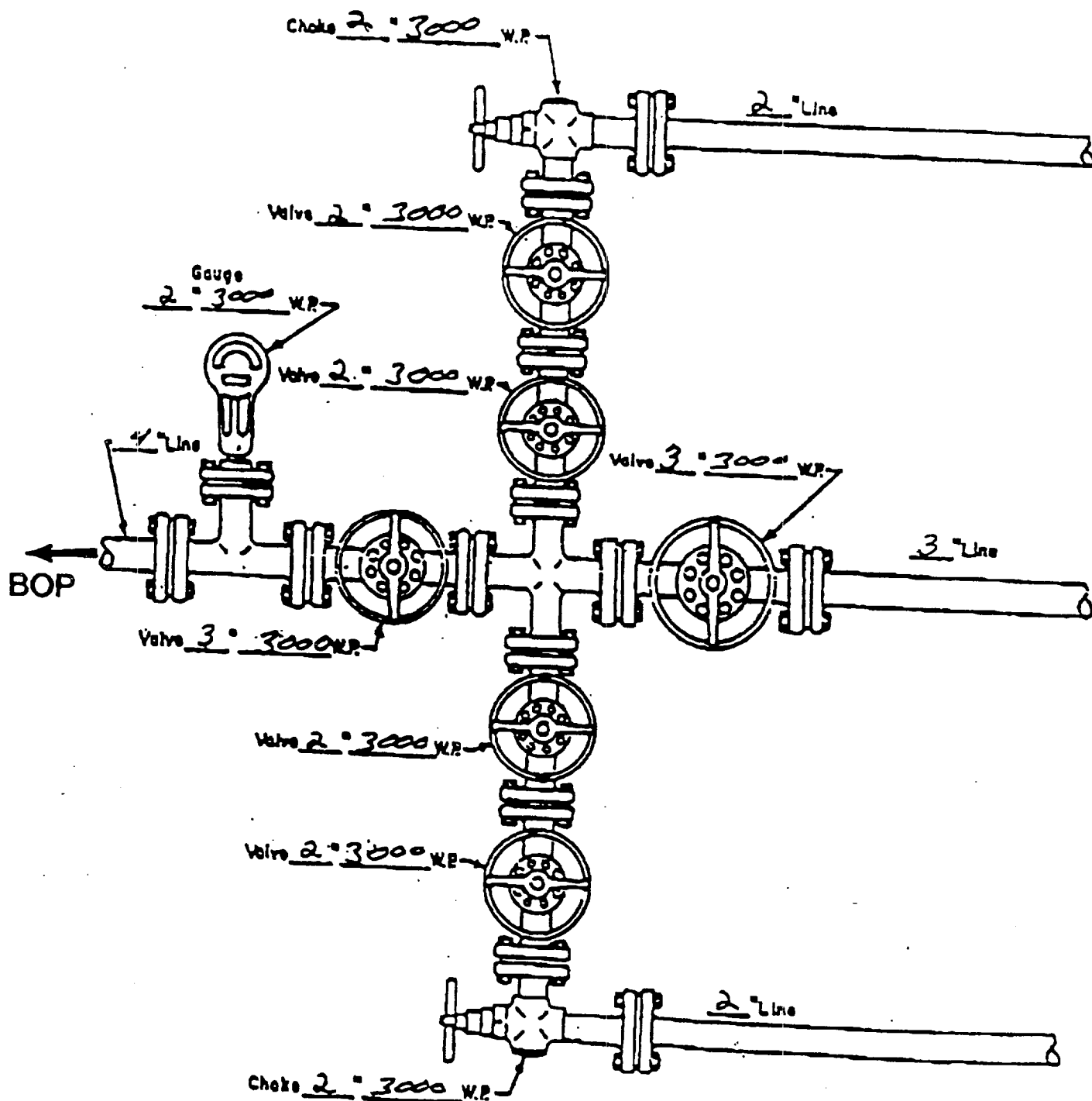
EXHIBIT D

# BOP SPECIFICATIONS



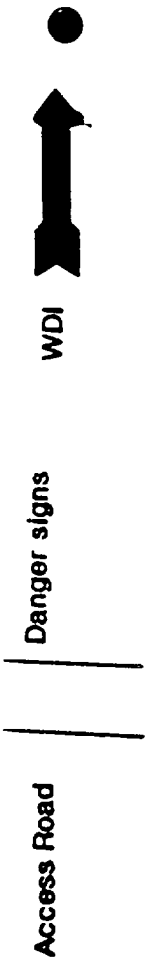
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# CHOKE MANIFOLD DIAGRAM



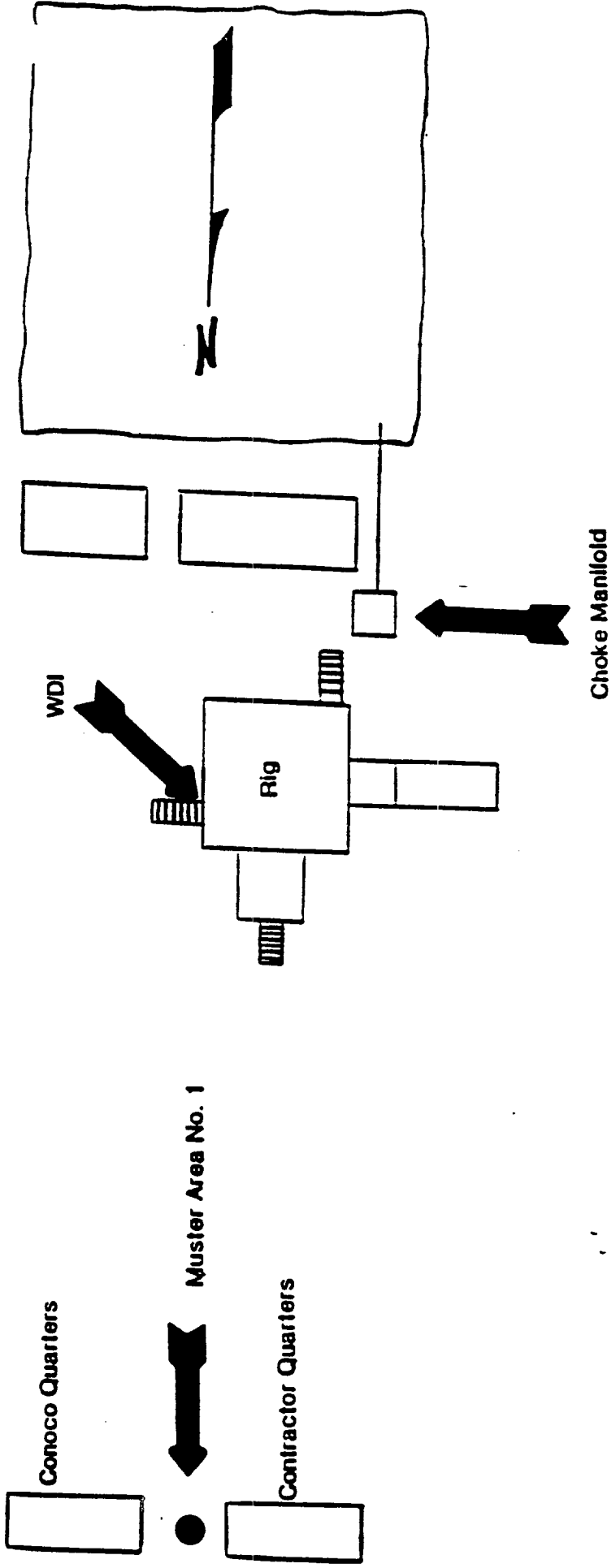
MANIFOLD  
3000 #W.P.

- ☒ Manual
- ☐ Hydraulic



 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)



Muster Area No. 2  
WDI





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

Conoco Inc.  
10 Desta Drive, Suite 605W  
Midland, Texas 79705-4500  
(915) 686-6548

November 6, 2000

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

**RE: Settlement Letter for Well Location and Appurtenances  
SEMU 154  
Section 30, T20S, R38E, NMPM  
Lea County, New Mexico**

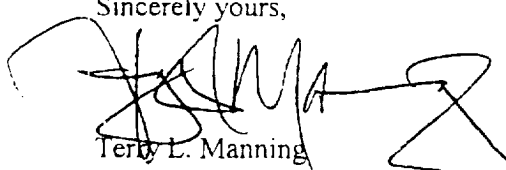
Dear Mr. Hunt;

Please find enclosed a copy of a damage settlement letter for the above referenced to the fee surface owner, Robert McCasland.

We plan on beginning construction on or about January 1, 2001 and will rely upon our nationwide bond for actual damages, if any, that might result from our operations. We will strictly adhere to the stipulations set forth in the approved APD and will continue to negotiate with Mr. McCasland in an attempt to reach a mutual agreement for damages.

If you have any questions or concerns, please contact me at 915-686-6548.

Sincerely yours,

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

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

Conoco Inc.  
10 Darts Drive, Suite 605W  
Midland, Texas 79705-4500  
(915) 686-6548

November 6, 2000

Robert McCasland  
P.O. Box 206  
Eunice, New Mexico 88231

SENT VIA CERTIFIED MAIL

RE: Damage Payments for the SEMU #154

Dear Mr. McCasland:

Conoco Inc. plans to drill the above referenced well during the first fiscal quarter of 2001. The damage payments, based on the recent history of like payments made to you by Conoco Inc., are outlined as follows:

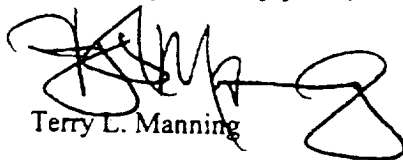
SEMU #154

1760' FSL and 2310' FEL, 30-T20S-R38E, Lea County, NM

Location = [REDACTED]  
Flowline = [REDACTED] (436.36 rods @ [REDACTED] per rod). Please note that the flowline will be adjacent and parallel to an existing lease road  
Powerline = [REDACTED] (21.03 rods @ [REDACTED] per rod)  
TOTAL = [REDACTED]

Please contact me at 915-686-6548 in order that we might further discuss these matters.

Remaining sincerely yours,

  
Terry L. Manning

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

Conoco Inc.  
10 Deste Drive, Suite 605W  
Midland, Texas 79705-4500  
(515) 886-6548

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**

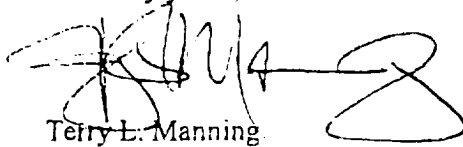
Dear Mr. Sherman;

Conoco Inc. respectfully requests a waiver of the Lesser Prairie Chicken Habit Restriction for the SEMU #154 located 1760' from the South Line and 2310' from the East Line of Section 30, Township 20 South, Range 38 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

## 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 H<sub>2</sub>S circulated to surface. Proper mud weight, safe drilling practices, and the use of H<sub>2</sub>S scavengers when appropriate will minimize hazards when penetrating H<sub>2</sub>S bearing zones.

#### D. Drill Stem Tests

Any planned drill stem test will be cancelled if H<sub>2</sub>S is detected prior to such test. In the event that H<sub>2</sub>S is detected during testing, the test will be terminated immediately.

ELF  
15/04/01  
ABOVE DATE DOES NOT  
INDICATE WHEN  
CONFIDENTIAL LOGS  
WILL BE RELEASED

