

UNIT 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; 915/686-5565

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

1980' FSL & 760' FWL

At proposed prod. Zone

1980' FSL & 760' FWL

L/3

14. 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)

6. 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
3450'

20. ROTARY OR CABLE TOOLS
Rotary

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

3515'

22. APPROX. DATE WORK WILL START*
05/20/01

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	11 3/4", WC-40	42#	1500'	700 sxs, circ.
11"	8 5/8", J-55	32#	2650'	464 sxs, circ.
7 7/8"	Open Hole to TD			

It is proposed to drill a vertical wellbore in the Eumont; Yates, 7 Rivers, Queen Pool. An NOS was filed 03/14/01
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.

Lea County Controlled Water Basin

OPER. OGRID NO. 5073

PROPERTY NO. 13492

POOL CODE 22800

EFF. DATE 5-21-01

API NO. 30-025-35559

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

This application includes ROW's for the well pad, access road, 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

TITLE: Associate Assistant

DATE 03/20/01

(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

151 Joe G. Lara

Acting

TITLE FIELD MANAGER

DATE 5-14-2001

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

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
1825 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35559	Pool Code 22800	Pool Name Eumont; Yates, 7Rurs, Queen (OIL)
Property Code 13492	Property Name SEMU	Well Number 159
OGRID No. 005073	Operator Name CONOCO INC.	Elevation 3515'

Surface Location

UL or lot No. L	Section 30	Township 20 S	Range 38 E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 760	East/West line WEST	County LEA
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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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Kay Maddox</i> Signature KAY MADDOX Printed Name <i>Regulatory Agent</i> Title 3/17/01 Date</p> <p>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 the best of my belief.</p> <p>March 12, 2001 Date Surveyed</p> <p><i>[Signature]</i> Signature & Seal of Professional Surveyor</p> <p>W.O. No. 1235</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
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PROPOSED WELL PLAN OUTLINE

WELL NAME
LOCATION

SEMU #159

760' FWL & 1,980' FSL

30, T20S, R38E

Ground Level :

3511Est

Kelly Bushing:

3522Est

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		14-3/4"		11.5	Less than 8.3	8.4 - 9.5 Fresh	
1000									
	Rustler +/-1,318 Top Salt @ 1,406'				11-3/4", 42#, WC-40 ST&C @ 1500'				
		Washouts in Salt Section		11"				10 Brine	3
2000							Less than 8.4		
	Base Salt @ 2,522' Yates 2,661'		H2S Monitor on at 2,500' Mud Loggers 2,650' to TD		8-5/8", 32#, J-55 LT&C @ 2,650'				
3000	7 Rivers 2,910'		First Log Run: GR-CAL-DLL-MLL FDC-CNL-PE : TD to 2650' Pull GR-CNL-Cal to Surf	7-7/8"	Circulate Cement			10 ppg Starch Gel	
	TD @ 3,450'		Second Log Run: 30 rotary sidewall cores		OPEN HOLE to TD				7
4000		Offset Data: SEMU #149 SEMU #134							
5000									

Note: The well will be an open hole completion from 2650' to TD at 3450'; the 8-5/8" Casing will be set at 2650'.
Note the base of the Tansill is at 2660'.

DATE

11-Apr-01

Alfred Gomez, Geologist

APPROVED

Yong Cho, Drilling Engineer

Jim Hubbard, Reservoir Engineer

SEMU #159
PROPOSED CASING & CEMENT PLAN

Surface casing size:	11-3/4", 42#, WC-40, STC	Casing OD:	11.750 in
Surface casing depth:	1,500 ft	Casing ID:	11.084 in
Hole size:	12.25 in	Shoe jt length:	40 ft
Static temperature:	89 deg F	Lead Excess:	100 %
Circulating temperature:	85 deg F	Tail Excess:	102 %
Lead:	485 sx	Cl C + 0.25 pps Cello Flake + 0.005 gps FP-6L + 2% Sodium Metasilicate	
Tail:	215 sx	Cl C + 2% CaCl + 0.005 gps FP-6L	
Properties			
Slurry Weight (ppg)		Lead	Tail
Slurry Yield (cfps)		12.4	14.8
Mix Water (gps)		2.15	1.34
Pump time - 70 BC (HH:MM)		12.33	6.35
Free Water (mls) @ 80 deg F @ 90 deg angle		6:25	2:20
Fluid Loss (cc/30 min) @ 1000 psi and 80 deg F		0	0
Compressive Strength (psi)		854	900
12 hrs @	89 deg F	124	1200
24 hrs @	89 deg F	250	2500

Surface casing size:	8-5/8", 32#, J-55, ST&C	Casing OD:	8.625 in
Surface casing depth:	2,650 ft	Casing ID:	7.921 in
Hole size:	11.00 in	Shoe jt length:	80 ft
Static temperature:	103 deg F	Lead Excess:	84 %
Circulating temperature:	97 deg F	Tail Excess:	50 %
Lead:	275 sx	Cl C + 0.25 pps Cello Flake + 0.005 gps FP-6L + 2% Sodium Metasilicate	
Tail:	190 sx	Cl C + 2% CaCl + 0.005 gps FP-6L	
Properties			
Slurry Weight (ppg)		Lead	Tail
Slurry Yield (cfps)		12.4	14.8
Mix Water (gps)		2.15	1.34
Pump time - 70 BC (HH:MM)		12.33	6.35
Free Water (mls) @ 80 deg F @ 90 deg angle		6:25	2:20
Fluid Loss (cc/30 min) @ 1000 psi and 80 deg F		0	0
Compressive Strength (psi)		854	900
12 hrs @	89 deg F	124	1200
24 hrs @	89 deg F	250	2500

SURFACE USE PLAN
Conoco Inc.

SEMU #159

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 1980' FSL & 760' FWL, Sec. 30, T20S, R38E, Lea County, New Mexico. This is a Eumont; Yates, 7 Rivers, Queen 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. 120' 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

Access Road, Electric line 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

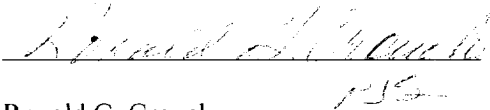
Construction materials will be obtained from commercial sources.

13. Operator's Representative and Certification

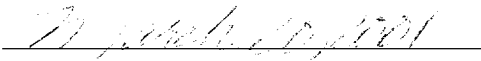
The person who can be contacted concerning compliance of this Surface Use Plan is:

Ronald G. Crouch
Right of Way Agent
Conoco Inc.
10 Desta Drive Suite 649W
Midland, Texas 79705
(915) 686-5587

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.



Ronald G. Crouch
Right of Way Agent



Date

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.

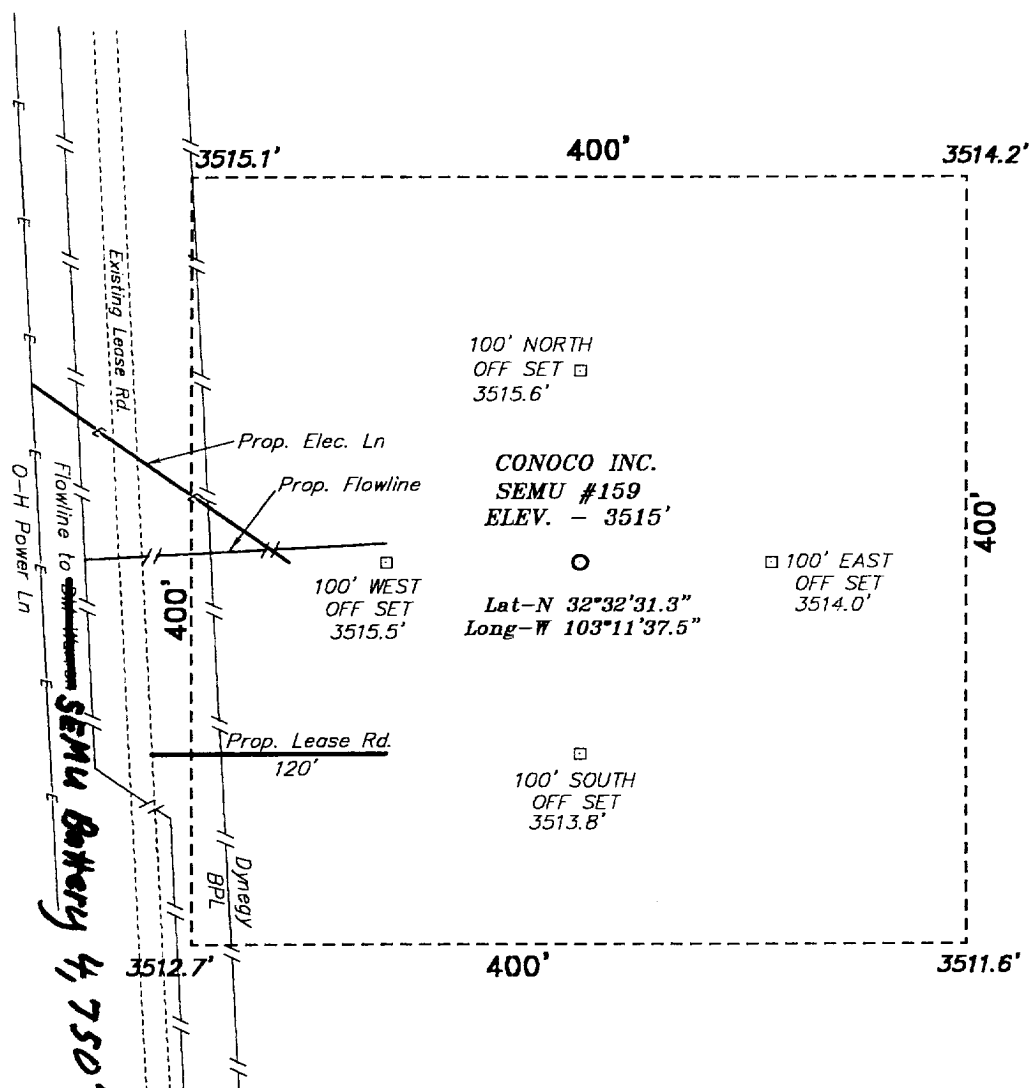
11. Surface Ownership

The well site surface ownership is: Robert McCasland

12. Archeological Clearance

An archeological survey is being conducted and will be provided upon completion.

SECTION 30, TOWNSHIP 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 STATE HWY 207, GO NORTH 1.5 MILE TO THE CENTENNIAL CATTLE GUARD; THENCE WEST 3.5 MILES; THENCE NORTH 0.3 MILE TO A LEASE ROAD; THENCE 0.25 MILE TO A LEASE ROAD; THENCE SOUTH APPROX. 0.25 MILE TO A PROPOSED LEASE ROAD.

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

W.O. Number: 1235 Drawn By: **K. GOAD**

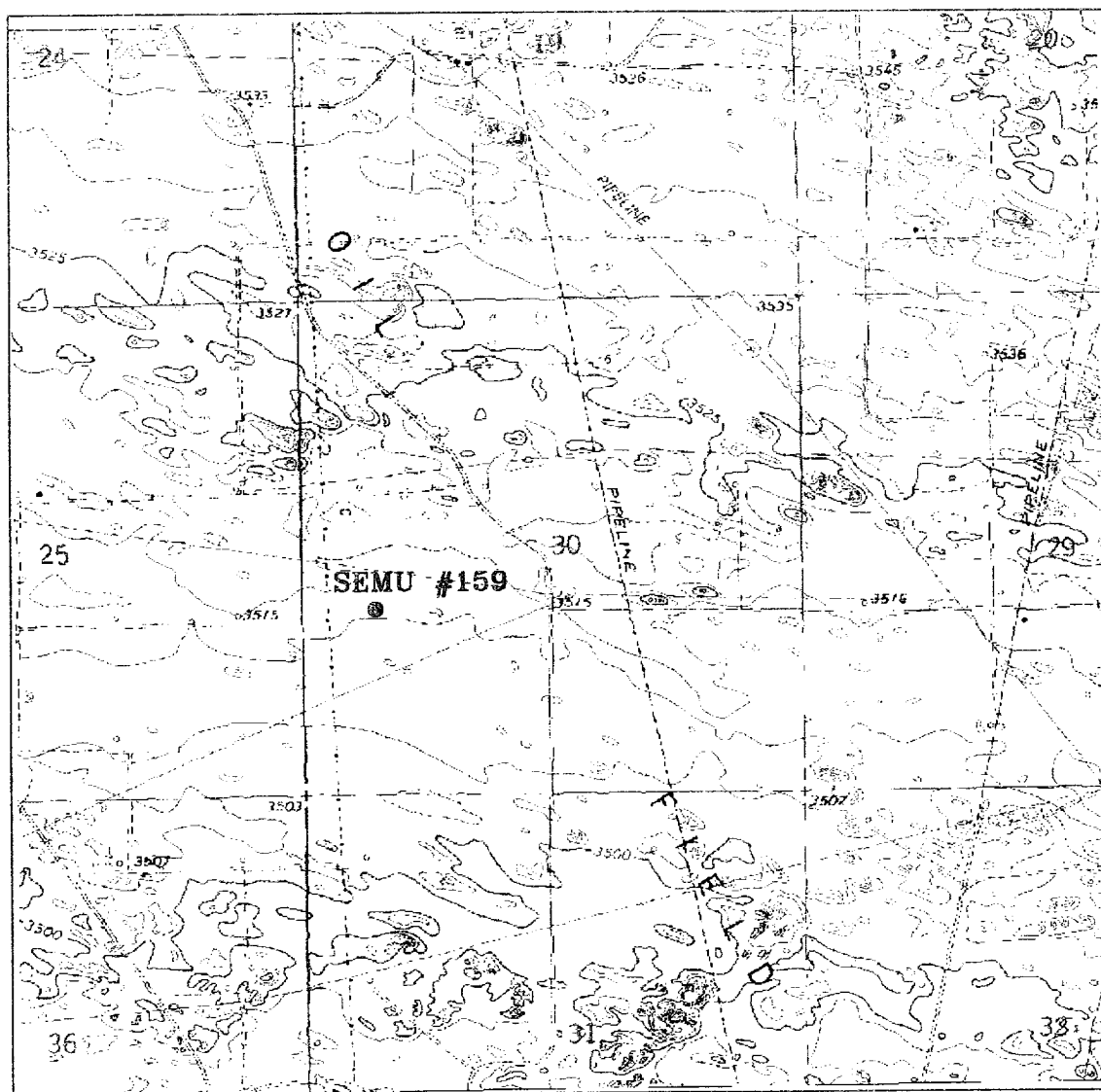
Date: 03-13-2001 Disk: KJG CD#4 - 1235A.DWG

Conoco Inc.

REF: SEMU No. 159 / Well Pad Topo

THE SEMU No. 159 LOCATED 1980' FROM THE SOUTH LINE AND 760' FROM THE WEST LINE OF SECTION 30, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 03-12-2001 Sheet 1 of 1 Sheets



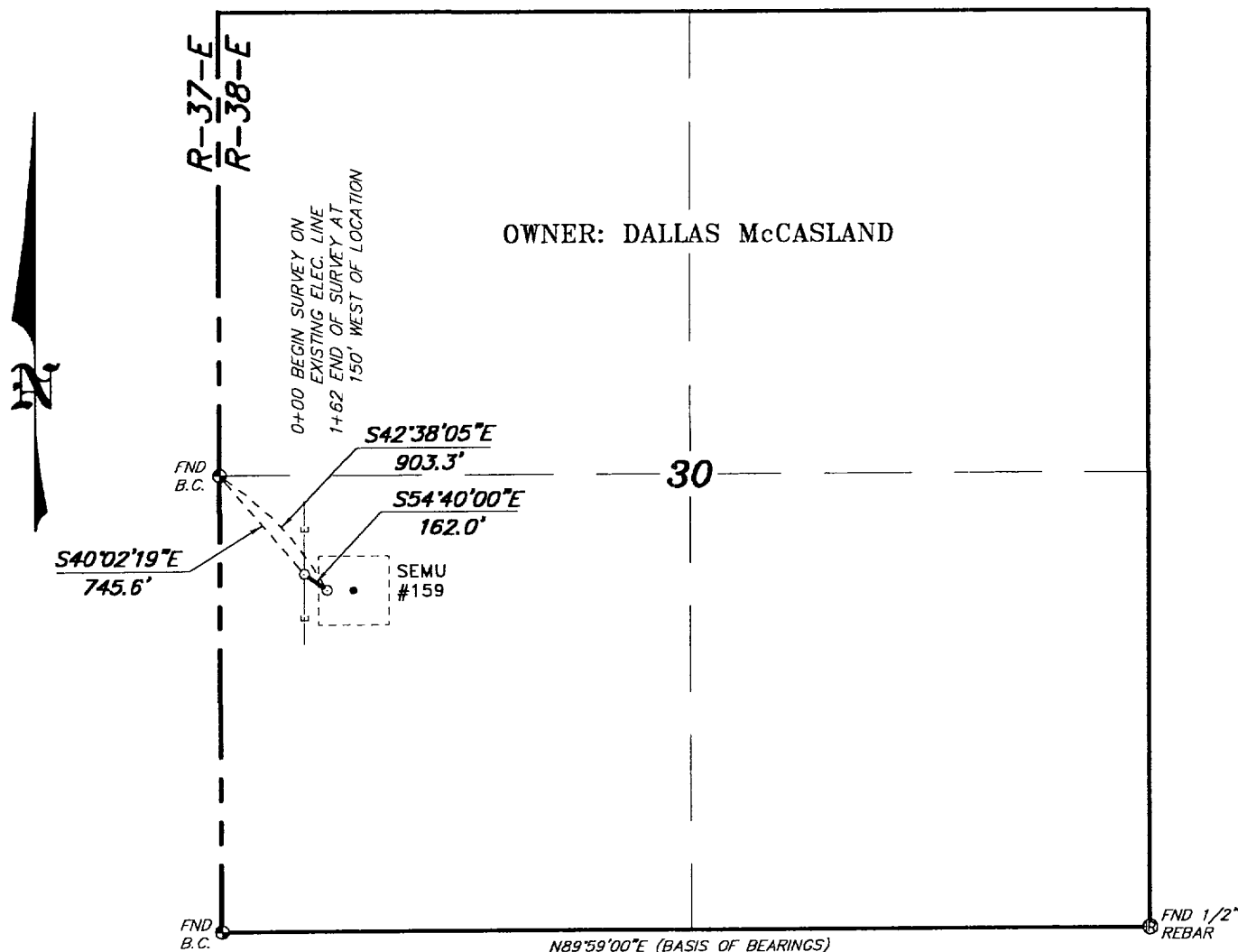
SEMU #159

located at 1980' FSL and 760' FWL
 Section 30, Township 20 South, Range 36 East,
 N.M.P.M., Lea County, New Mexico.

<p>2000' 1200'</p> <p>2125 N. West County Rd.</p> <p>14100, Lea County 88241</p> <p>(302) 762-2816 - Office</p> <p>(302) 762-2074 - Fax</p> <p>Circle 3 on map</p>	<p>W.O. Number: 12354 - 100 354</p> <p>Survey Date: 03-12-2001</p> <p>Scale: 1" = 2000'</p> <p>Date: 03-15-2001</p>
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CONOCO INC.

SECTION 30, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 30, TOWNSHIP 20 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.
BEGINNING AT A POINT WHICH LIES S.40°02'19"E., 745.6 FEET FROM THE WEST QUARTER CORNER OF SAID SECTION 30; THENCE S.54°40'00"E., 162.0 FEET TO THE END OF THIS LINE WHICH LIES S.42°38'05"E., 903.3 FEET FROM THE WEST QUARTER CORNER OF SAID SECTION 30. SAID STRIP OF LAND BEING 162.0 FEET OR 9.82 RODS IN LENGTH.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S.
TEXAS P.L.S.

No. 7977
No. 5074

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

W.O. Number: 1235

Drawn By: **K. GOAD**

Date: 03-13-2001

Disk: KJG CD#4 - CON1235C.DWG

1000 0 1000 2000 FEET

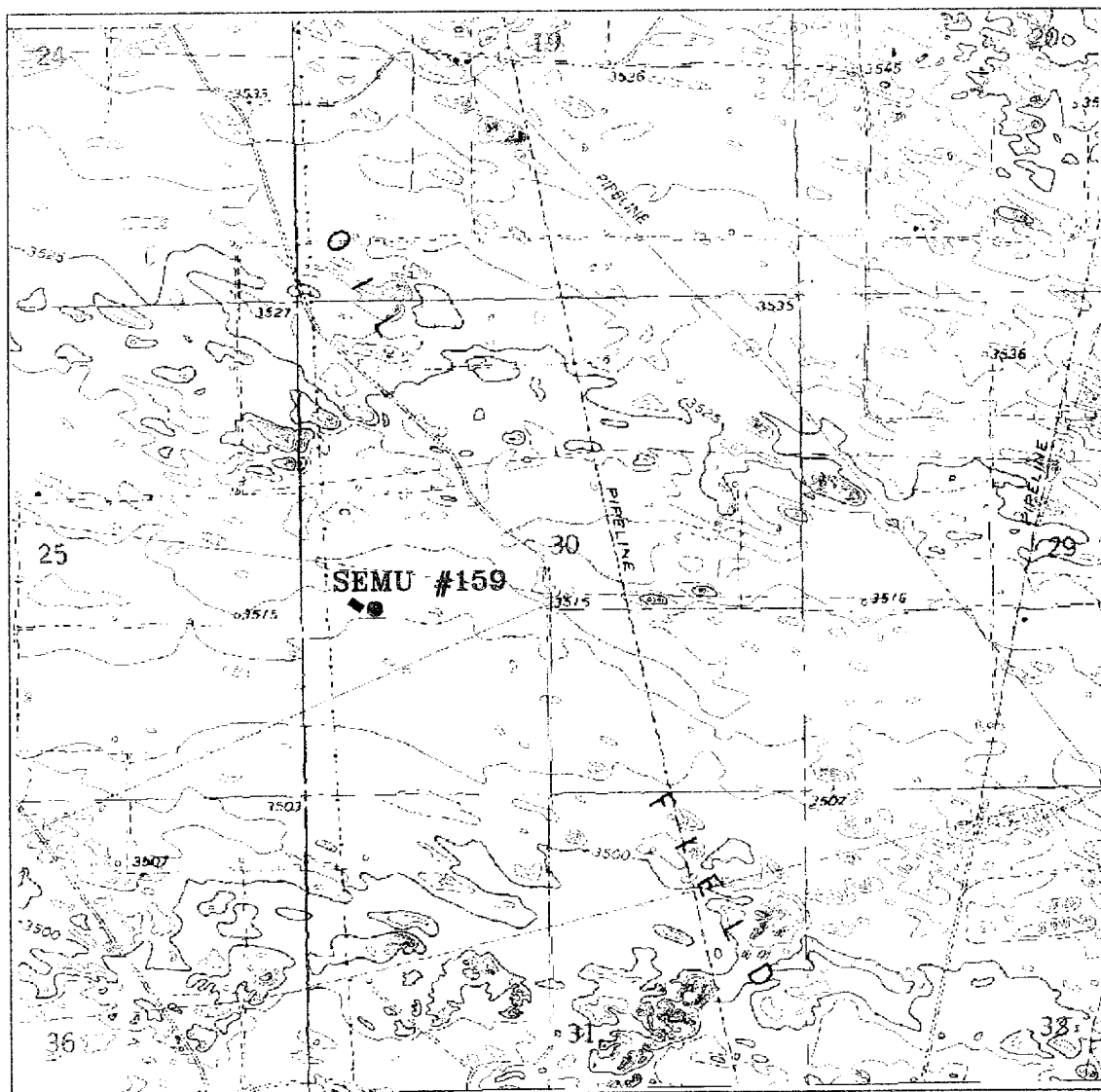
CONOCO INC.

REF: PROPOSED ELECTRIC LINE TO THE SEMU #159

AN ELECTRIC LINE CROSSING FEE LAND IN
SECTION 30, TOWNSHIP 20 SOUTH, RANGE 38 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 03-12-2001

Sheet 1 of 1 Sheets

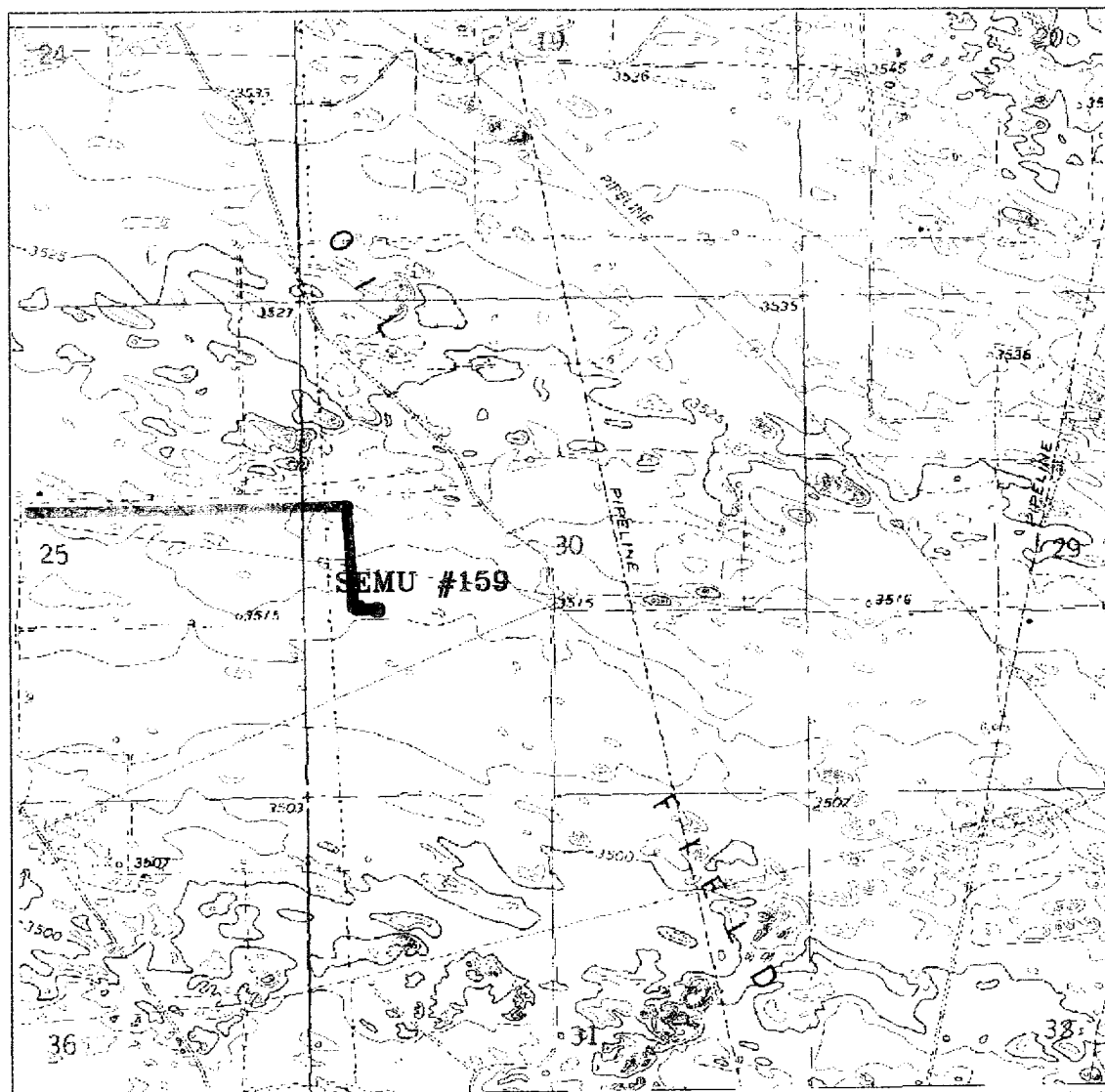


PROPOSED ELECTRIC LINE TO THE SEMU #159
 Located at 1900' FSL and 760' FWL.
 Section 30, Township 20 South, Range 28 East,
 N.M.P.M., Lea County, New Mexico.

P.O. Box 7915
 1199 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 23-7418 - Office
 (505) 232-1374 - Fax
 p. 12/26/2001

W.O. Number: 123000 - 1.3 CD/4
 Survey Date: 03-12-2001
 Scale: 1" = 2000'
 Date: 03-13-2001

CONOCO INC.



Flowline to SEMU Battery 4,750'

PROPOSED FLOWLINE TO THE SEMU #159

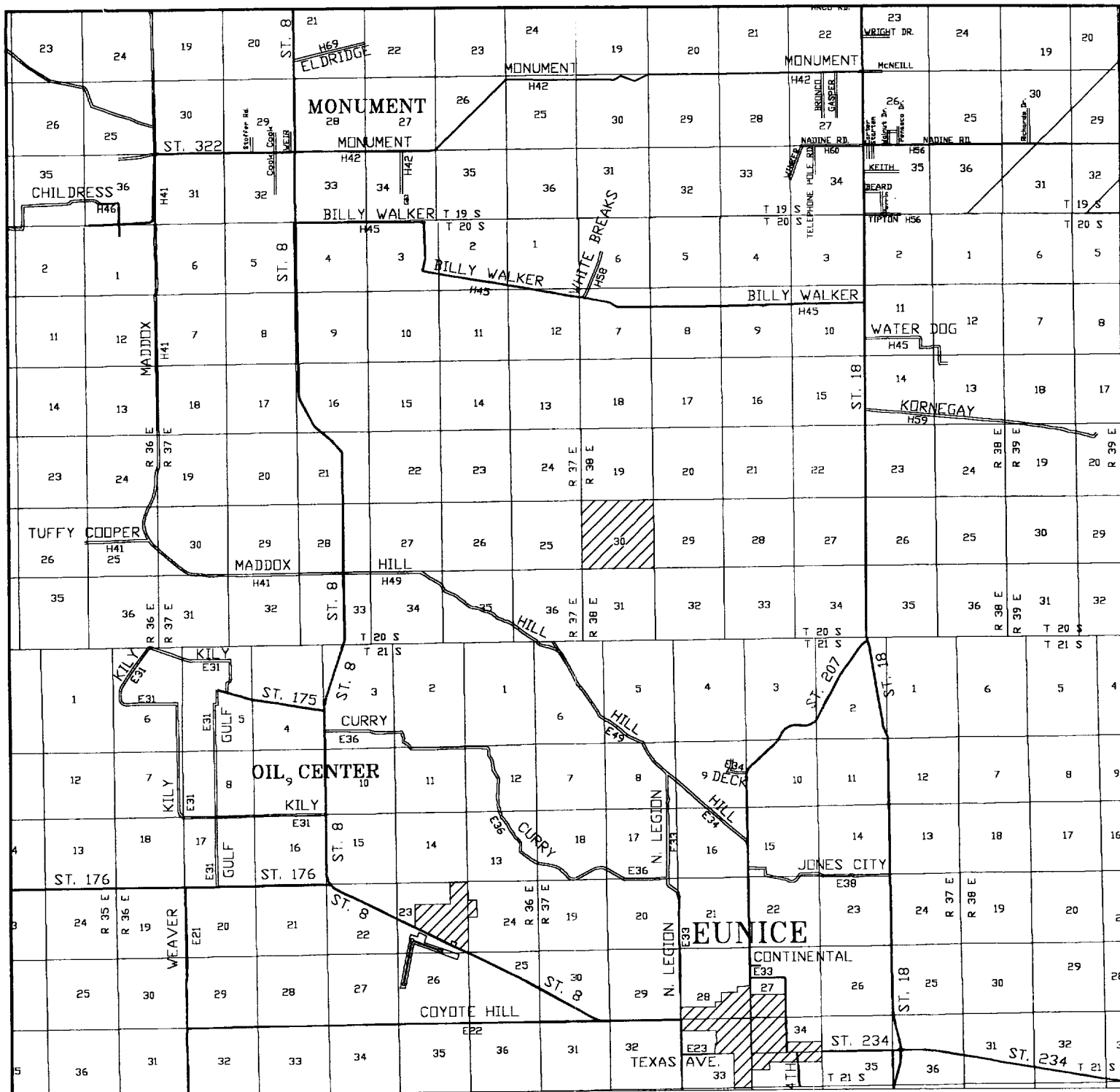
Located at 1980' FSL and 780' FWL

Section 36, Township 20 South, Range 36 East
N.M.P.M., Lea County, New Mexico.

W.O. NUMBER 123595 - AUG 08/94
SURVEYED BY J. M. GILPIN, DISTRICT ENGINEER
Survey Date: 03-12-2001
Scale: 1" = 2000'
Date: 01-15-2001

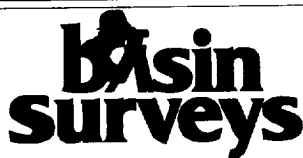
W.O. NUMBER 123595 - AUG 08/94
SURVEYED BY J. M. GILPIN, DISTRICT ENGINEER
Survey Date: 03-12-2001
Scale: 1" = 2000'
Date: 01-15-2001

CONOCO INC.



SEMU #159

Located at 1980' FSL and 760' FWL
Section 30, Township 20 South, Range 38 East,
N.M.P.M., Lea County, New Mexico.



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: 1235AA - KJG CD#4

Survey Date: 03-12-2001

Scale: 1" = 2 MILES

Date: 03-13-2001

CONOCO INC.

WELLSITE LAYOUT



WDI



H2S Safety Contractor



Conoco Quarters



Muster Area No. 1



Contractor Quarters

Terrain is flat, and covered with native gra
Two of the three WDI (wind direction indicator) locations will be ut
(Prevailing winds are SW t



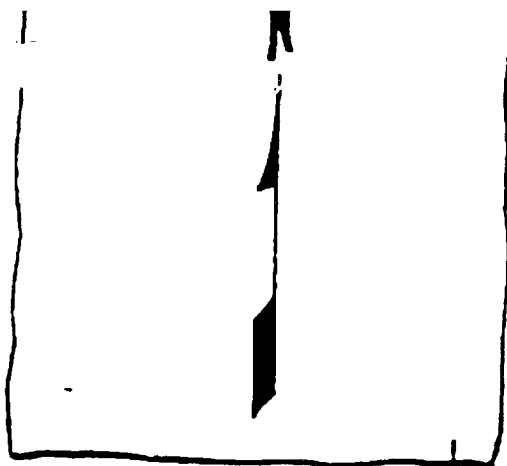
WDI



Rig



Choke Manifold

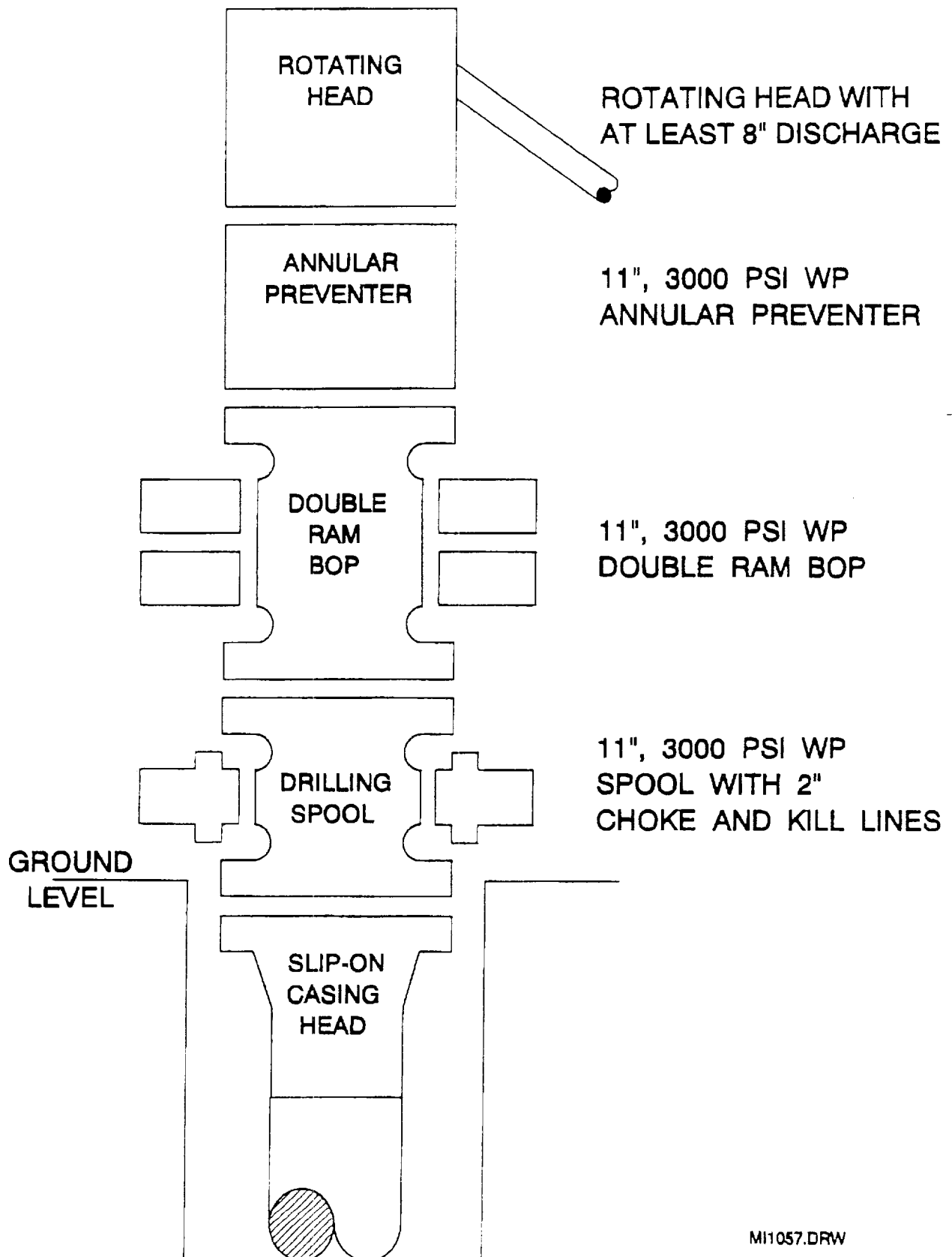


Muster Area No. 2

WDI



BOP SPECIFICATIONS



TRAILER - MOUNTED RIG LAYOUT

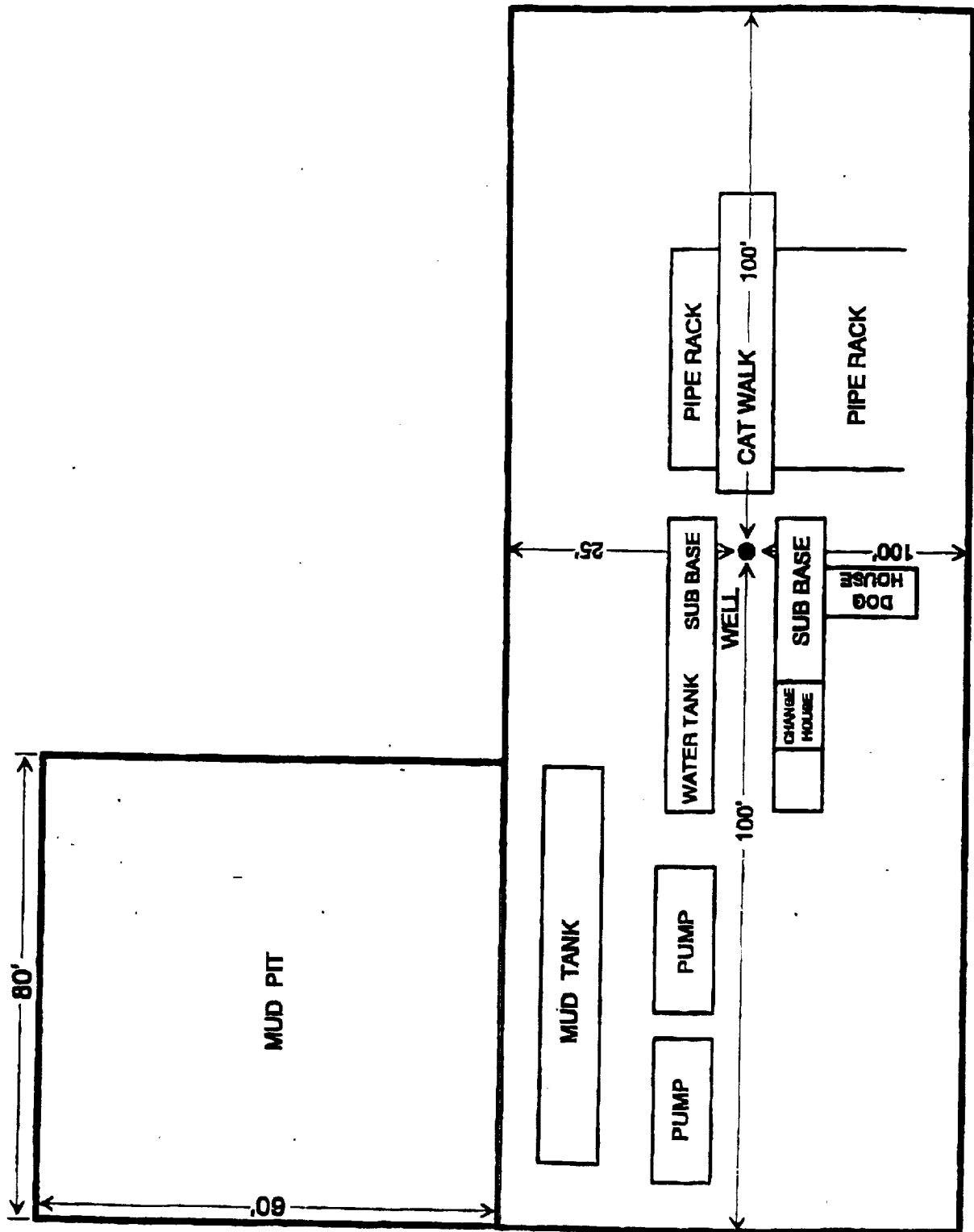
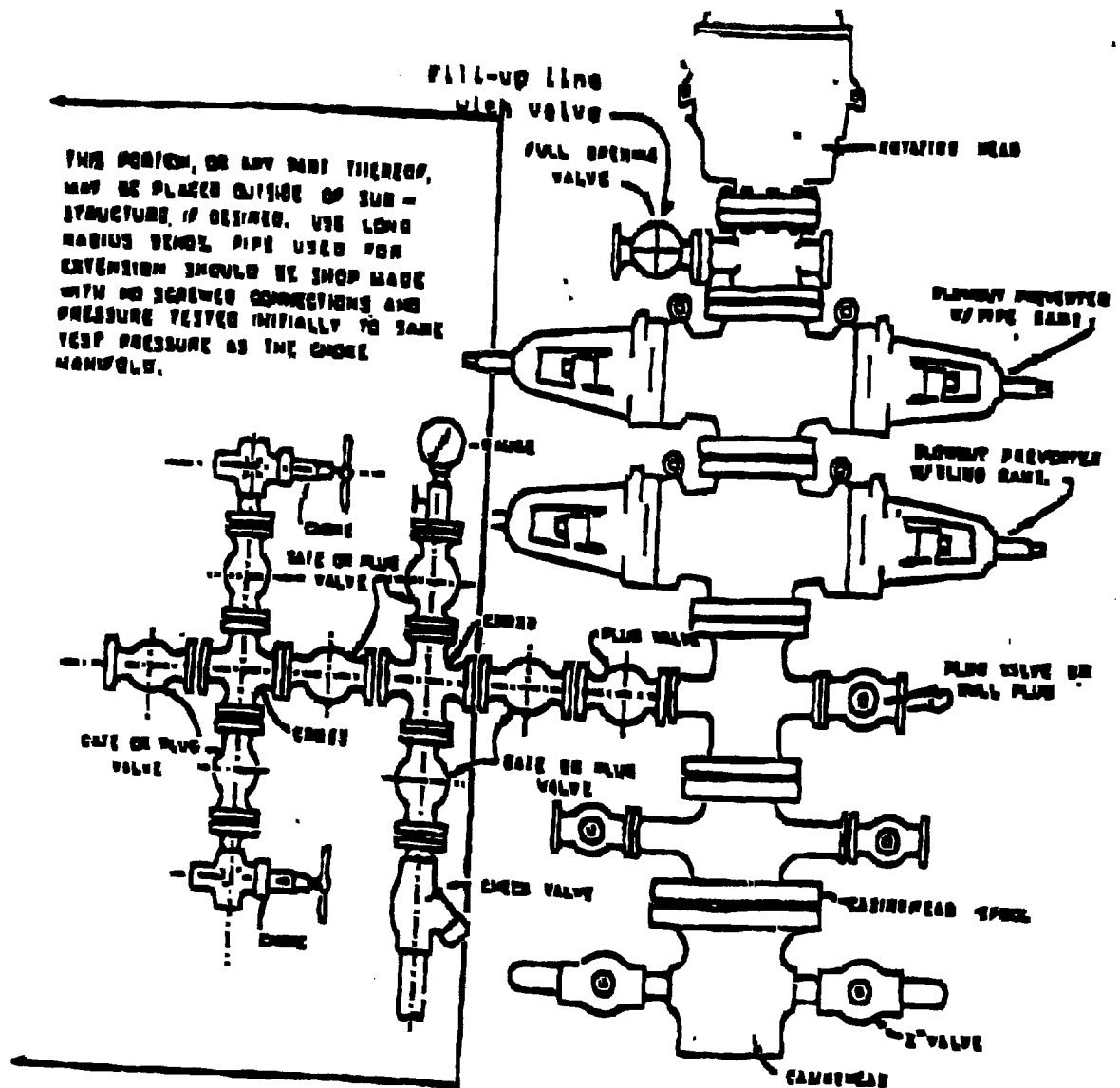


EXHIBIT D

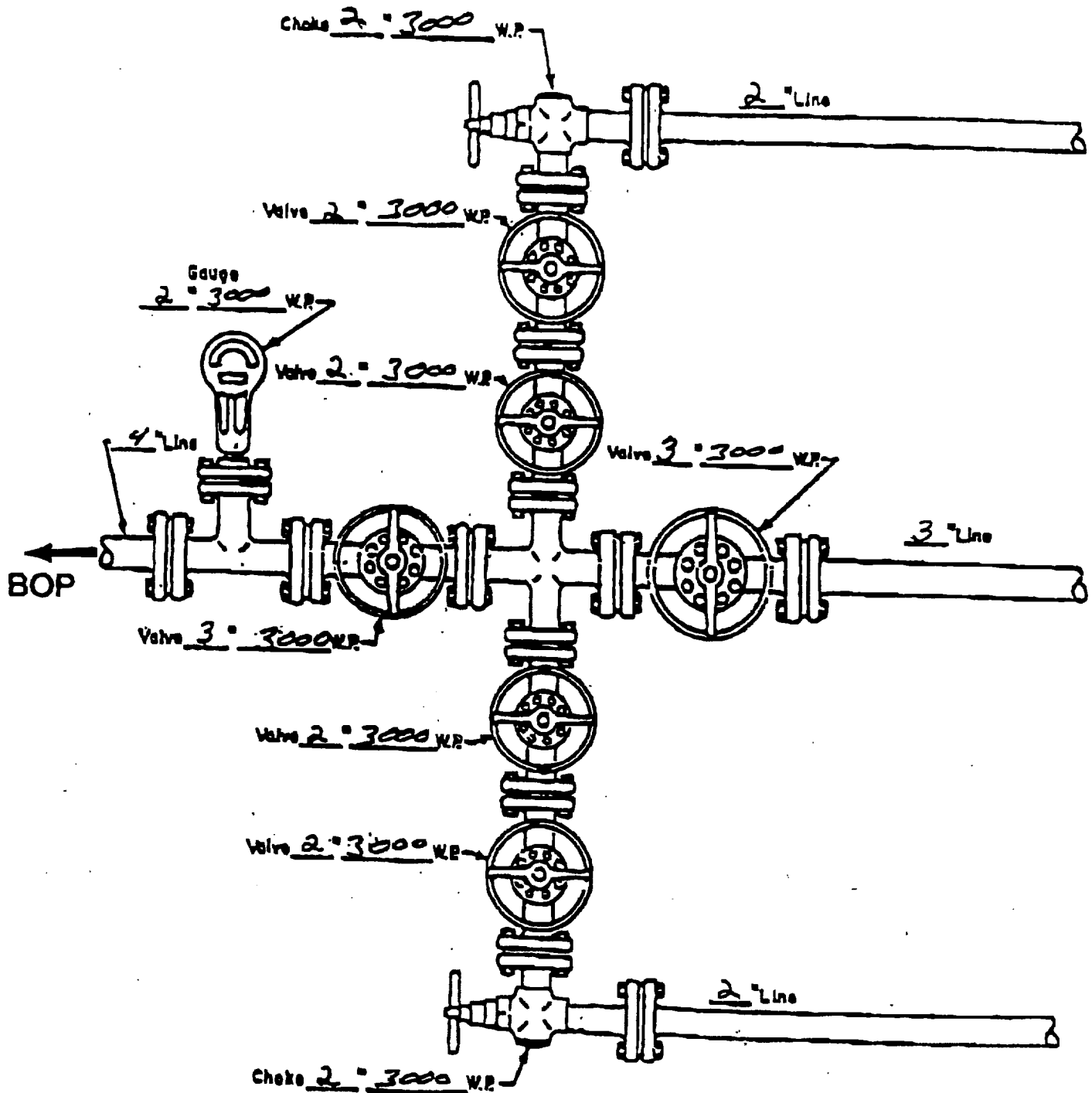


BLOWOUT PREVENTER HOOKUP

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 deletion of the annular preventer and fulfills your requirements (note diagram No. 1). In addition, the following equipment will comprise the 3000 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 preventer.
11. Rotating head.

CHOKE MANIFOLD DI^GRAM



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.



Ronald G. Crouch
Right of Way Agent
Right of Way and Claims

Conoco Inc.
10 Desta Drive, Suite 651W
Midland, Texas 79705-4500
(915) 686-5587

March 20, 2001

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 Habitat Restriction for the SEMU #159 located 1980' from the South Line and 760' from the West Line of Section 30, Township 20 South, Range 38 East, 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,

A handwritten signature in cursive script, appearing to read "Ronald G. Crouch".

Ronald G. Crouch
Right of Way Agent/Conoco Inc.



Ronald G. Crouch
Right of Way Agent
Right of Way and Claims

Conoco Inc.
10 Desta Drive, Suite 651W
Midland, Texas 79705-4500
(915) 686-5587

March 8, 2001

Department of the Interior
Bureau of Land Management
620 East Greene
Carlsbad, New Mexico 88220

Re: Settlement letter for well location and appurtenances
SEMU 159
Section 30, T20S, R38E
Lea County, New Mexico

Dear Mr. Hunt

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

Please call me at 915-686-5587 if you have any questions concerns.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Ronald G. Crouch".

Ronald G. Crouch
Right of Way Agent

