

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-031-20599

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Tesoro Petroleum Corp.

3. ADDRESS OF OPERATOR

2000 1st of Denver Plaza, 633 17th Street, Denver, CO 80202

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

At surface
750' FWL & 1340' FSL

At proposed prod. zone

same

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

7 miles SE of White Horse, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

750'

16. NO. OF ACRES IN LEASE

511.94

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.

350'

19. PROPOSED DEPTH

1650'

20. ROTARY OR CABLE TOOLS

Rotary

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

6905' GR

22. APPROX. DATE WORK WILL START*

2/15/80

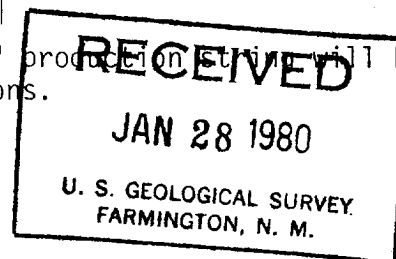
23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8"	24#	90'	40 sx - to surface
7 7/8	5 1/2"	14#	1650'	125 sx

This is to be a Lower Hospah Sand development well. A 5 1/2" production string will be run and cemented and the well completed through perforations.

(See attached 10-Point Plan for additional information.)



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present production zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured depths. Give blowout preventer program, if any.

24.

SIGNED

Kory J. Kallenbach

TITLE

District Engineer

(This space for Federal or State office use)

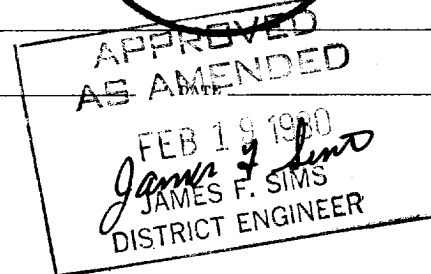
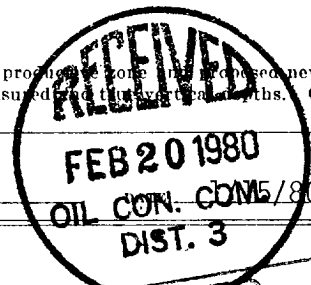
PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

uk 3-80

All distances must be from the outer boundaries of the Section

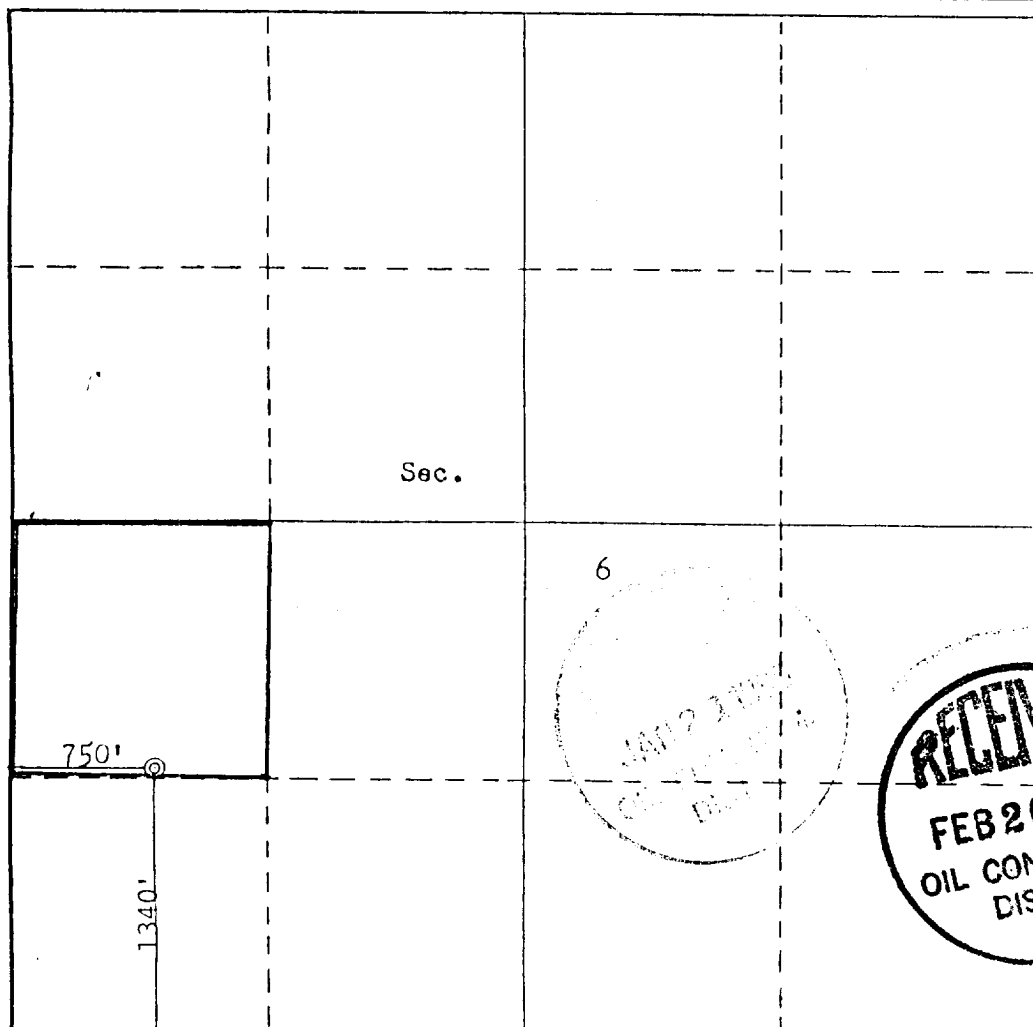
Operator TESORO PETROLEUM CORPORATION			Lease HANSON		Well No. 35
Unit Letter L	Section 6	Township 17N	Range 8W	County McKinley	
Actual Footage Location of Well: 1340 feet from the South line and 750 feet from the West line					
Ground Level Elev. 6905	Producing Formation Lower Hospah Sand		Pool South Hospah Lower Sand	Dedicated Acreage: <input checked="" type="checkbox"/> 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

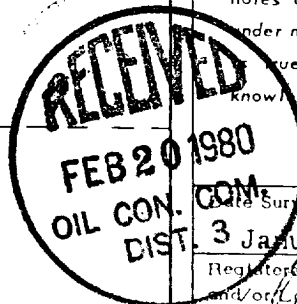


CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name Kay J. Kaltmeyer
Position District Engineer
Company Tesoro Petroleum Corp.
Date January 24, 1980

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 are true and correct to the best of my knowledge and belief.



Date Surveyed January 24, 1980
Registered Professional Engineer and/or Land Surveyor Fred B. Kerr Jr.
Certification No. 3950

TEN POINT PLAN

Hanson Federal #35
NW/SW Sec 6-17N-8W
McKinley County, NM

1. Surface formation - Testing.
2. Estimated Tops of important geologic markers:

<u>Formation</u>	<u>Depth</u>
Pt. Lookout	286'
Mancos Shale	494'
Hosta	818'
U. Hospah	1510'
L. Hospah	1557'
TD	1650'

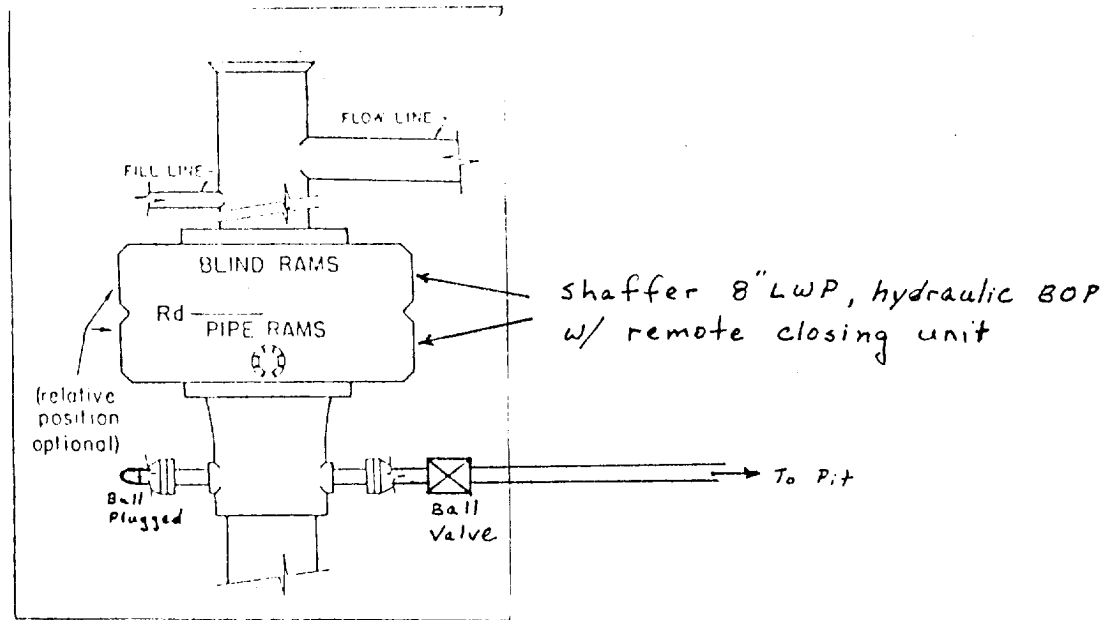
3. The Upper and Lower Hospah Sands are expected oil bearing zones. Fresh water is also expected from these zones.
4. The proposed casing program:

8 5/8", 24#, K-55, ST&C, New csg. - Set @ 90'
5 1/2", 14#, K-55, ST&C, New csg. - Set @ 1650'
5. The blowout preventer specifications and schematic are attached as a separate exhibit. The pipe and blind cams will be tested to 500 psi using the rigs mud pump prior to drilling out under surface casing. Drilling time to TD is approximately 12 hours.
6. Fresh water and gel will be used to drill from surface to TD. CMC or equivalent chemical will be added to lower water loss to 6-8 cc's from 1000' to TD. Mud weight will be 8.5 - 8.8 ppg and viscosity will be 36-40 sec/qt.
7. Drill string will have an upper and lower kelly cock, and a floor valve will be available to stab into drill pipe when kelly is not in string. No bit floats or mud monitoring equipment will be used.
8. No DST's or cores will be taken. The logging program will be as follows:

Dual Induction Laterlog 90' - TD
A 5½" casing string will be set and cemented at TD. The well will be perforated at approximately 1557' - 1567' with a 2 JSPF. Well will be produced using a beam pump.
No stimulation will be necessary.
9. No abnormal pressures, temperatures, hydrogen sulfide gas, extreme loss of circulation or other such hazards will be encountered.

Ten Point Plan (Continued)
Hanson Federal #35
McKinley County, NM

10. Anticipated starting date is February 15, 1980. Drilling operations should last 2½ days from spud to rig release.



Tesoro Petroleum Corp.

2000 PSI W.P.

BOP Schematic

SW/4 Sec 6-17N-8W
McKinley County, NM

NTL-6

Multipoint Requirements to Accompany APD

1. Existing Roads

- A. See surveyors plat and Plat #1.
- B. From White Horse, NM, go southeast 7 miles on county road to the Hospah field.
- C. Access road - See Plat #1.
- D. N/A
- E. The existing road within a 1-mile radius is flat bladed dirt road.
- F. Existing roads will be maintained as is.

2. Planned Access Roads

- 1 - 8. Only existing roads will be used. No new roads will be constructed.

3. Location of Existing Wells

- 1. No water wells exist within a 1 mile radius.
- 2. See Plat #2 for abandoned wells within a 1 mile radius.
- 3. No temporarily abandoned wells exist within a 1 mile radius.
- 4. No disposal wells exist within a 1 mile radius.
- 5. No drilling wells exist within a 1 mile radius.
- 6. See Plat #2 for producing wells within a 1 mile radius.
- 7. No shut-in wells exist within a 1 mile radius.
- 8. See Plat #2 for injection wells within a 1 mile radius.
- 9. No monitoring or observation wells exist within a 1 mile radius.

4. Location of Existing and/or Proposed Facilities

- A. See Plat #2.
- B. Only new facility will be a flow line laid from the Hanson tank battery to the well (see Plat #2).
- C. After completion of the well, the reserve pit will be allowed to dry. The pit will then be back filled to as near the same topography as before being disturbed. All of the site which is not utilized in normal production operations will be leveled and topsoil redistributed over that area. Seeding of that area will be in accordance with BLM requirements and at a time of year when establishment is most likely to be successful.

NTL-6 (continued)
Hanson Federal #35
McKinley County, NM

5. Location and Type of Water Supply

- A. Water source will be Lower Hospah water production.
- B. Water will be trucked from the Hanson tank battery to location.
- C. No water well will be drilled.

6. Source of Construction Materials

- A. No construction materials needed.
- B. N/A
- C. N/A
- D. Rig access road is on federal land when crossing Hanson Federal lease (see Plat #2).

7. Methods for Handling Waste Disposal

- 1. Drill cuttings are to be contained in an earthen reserve pit.
- 2. Drilling fluids are to be contained in an earthen reserve pit.
- 3. No fluids will be produced until flow line with tank battery is hooked up.
- 4. Field facilities will be used.
- 5. Garbage barrels will be used for trash.
- 6. All trash will be hauled away at completion of operations.

8. Ancillary Facilities

There are no airstrips or camps planned.

9. Wellsite Layout

- 1. See Plat #4 for cross section of drill pad.
- 2. See Plat #3 for location of mud tanks, reserve pit, pipe racks, living facilities, and soil materials stockpile.
- 3. See Plat #3 for rig orientation, parking areas and access road.
- 4. Pits will not be lined.

10. Plans for Restoration of Surface

- 1. The reserve pit will be allowed to dry. Pits will be backfilled, leveled, recontoured and reseeded as required by the BLM.
- 2. Revegetation and rehabilitation, including access road, will be done as required by the BLM.
- 3. During drilling operations, the reserve pit will be fenced on three sides. Prior to rig release, the reserve pit will be fenced on all four sides and so maintained until cleanup.
- 4. If oil is on the pit, it will be removed immediately upon completion of the well, or overhead flagging will be installed.

NTL-6 (continued)
Hanson Federal #35
McKinley County, NM

5. Rehabilitation operations will commence when the reserve pit has dried up. Rehabilitation operations should be completed by October, 1980.

11. Other Information

1. The location is situated in a relatively flat area. The soil is silty to bentonitic. The vegetation consists mainly of native grass and sage brush.
2. Type of surface use activity: Grazing
Surface ownership of all lands involved: Private
3. There is no water in the immediate area of the wellsite.
There are no dwellings, archeological, historical or cultural sites in the immediate area of the wellsite.
A cultural resource inventory will be made of the area.

12. Lessee's or Operator's Representative

Dave Collis
Tesoro Petroleum Corp.
P.O. Box 2369
Farmington, N.M. 87401

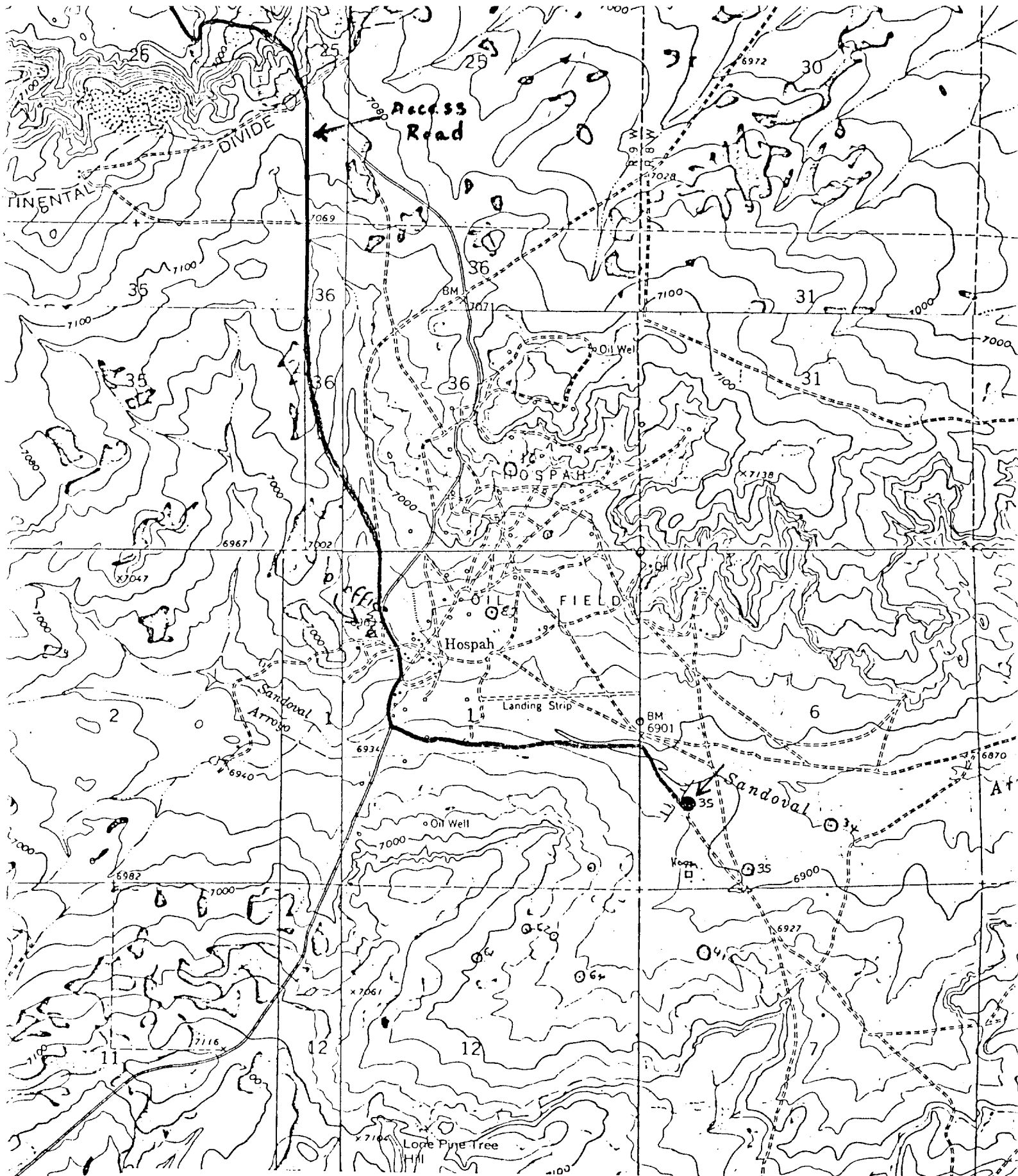
Mobile Phone: (505) 325-0519
Home Phone: (505) 327-9960

13. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are to my knowledge true and correct; and that the work associated with the operation proposed herein will be performed by Tesoro Petroleum Corp. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.










1/16/80
Date

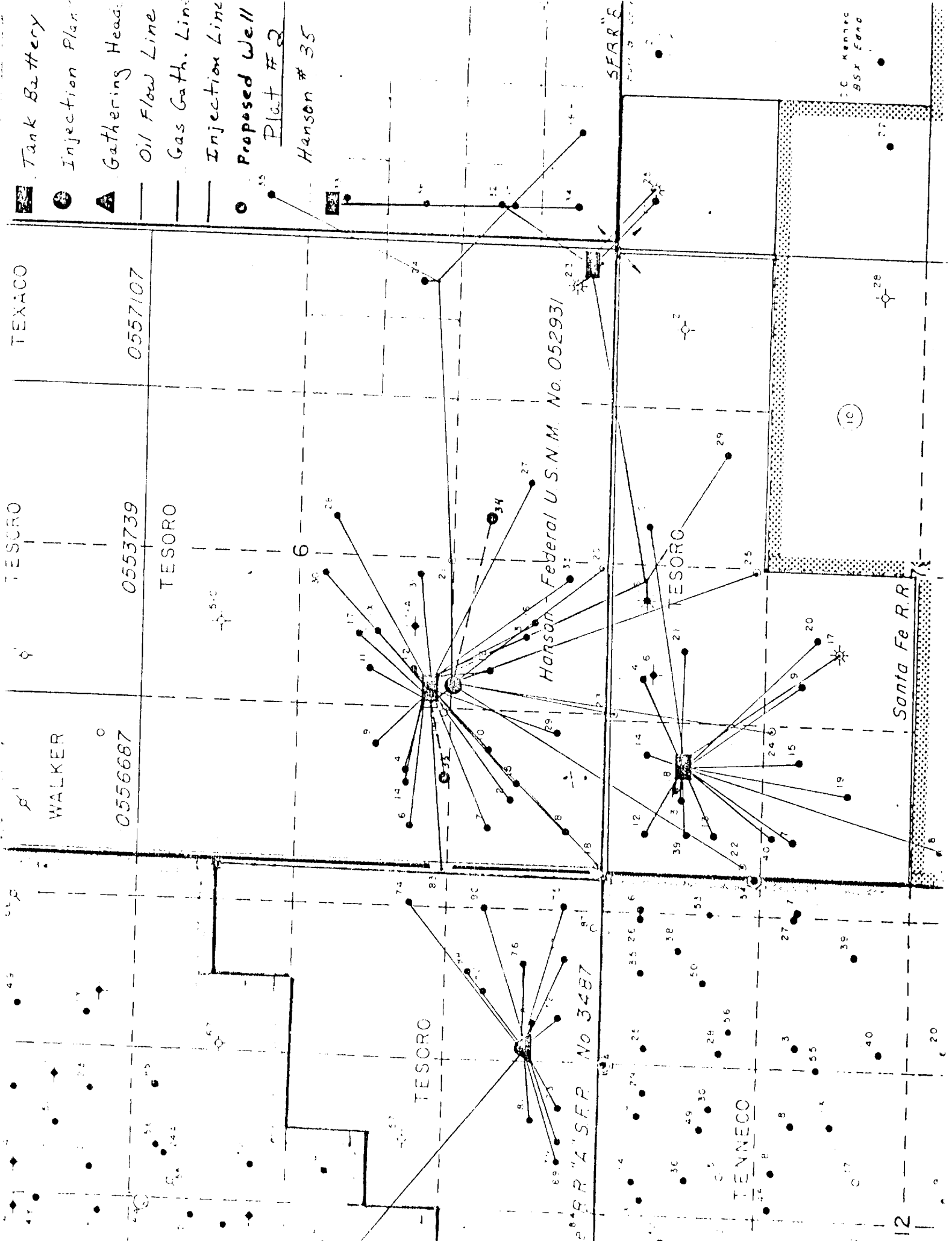
Kary A. Kaltenbacher
Kary A. Kaltenbacher
District Engineer

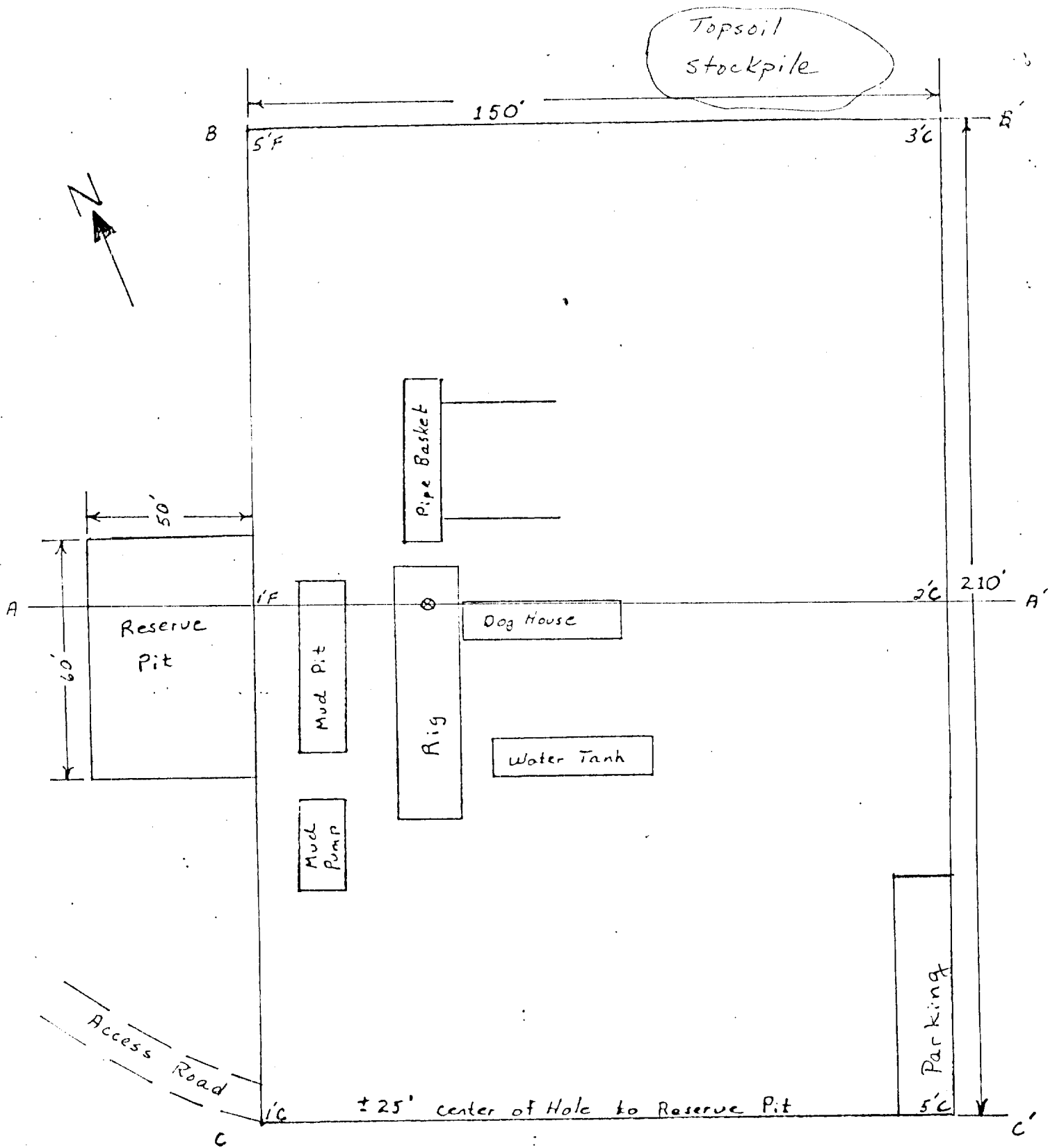


Vicinity Map for
TESORO PETROLEUM CORP. #35 HANSON
1335' FSL 750' FWL Sec 6-T17N-R8W
McKINLEY COUNTY, NEW MEXICO

Plate # 1
(ALTERNATE #1)

-  Tank Battery
-  Injection Plan
-  Gathering Head
-  Oil Flow Line
-  Gas Gath. Line
-  Injection Line
-  Proposed Well
-  Plot #2
-  Hanson #35





Plat # 3

Hanson # 35

Reference Points and Elevations
for
TESORO PETROLEUM CORP. #35 HANSON (Alternate #1)
1335' FSL 750' FWL Sec 6-T17N-R8W
McKINLEY COUNTY, NEW MEXICO

Scale 1"=50'

N
+ 6896
150'

W + 150'
6900

⊙
6905 gr.

150' + E
6909

N
↑

150'
+ 6912
S

Plat # 3A

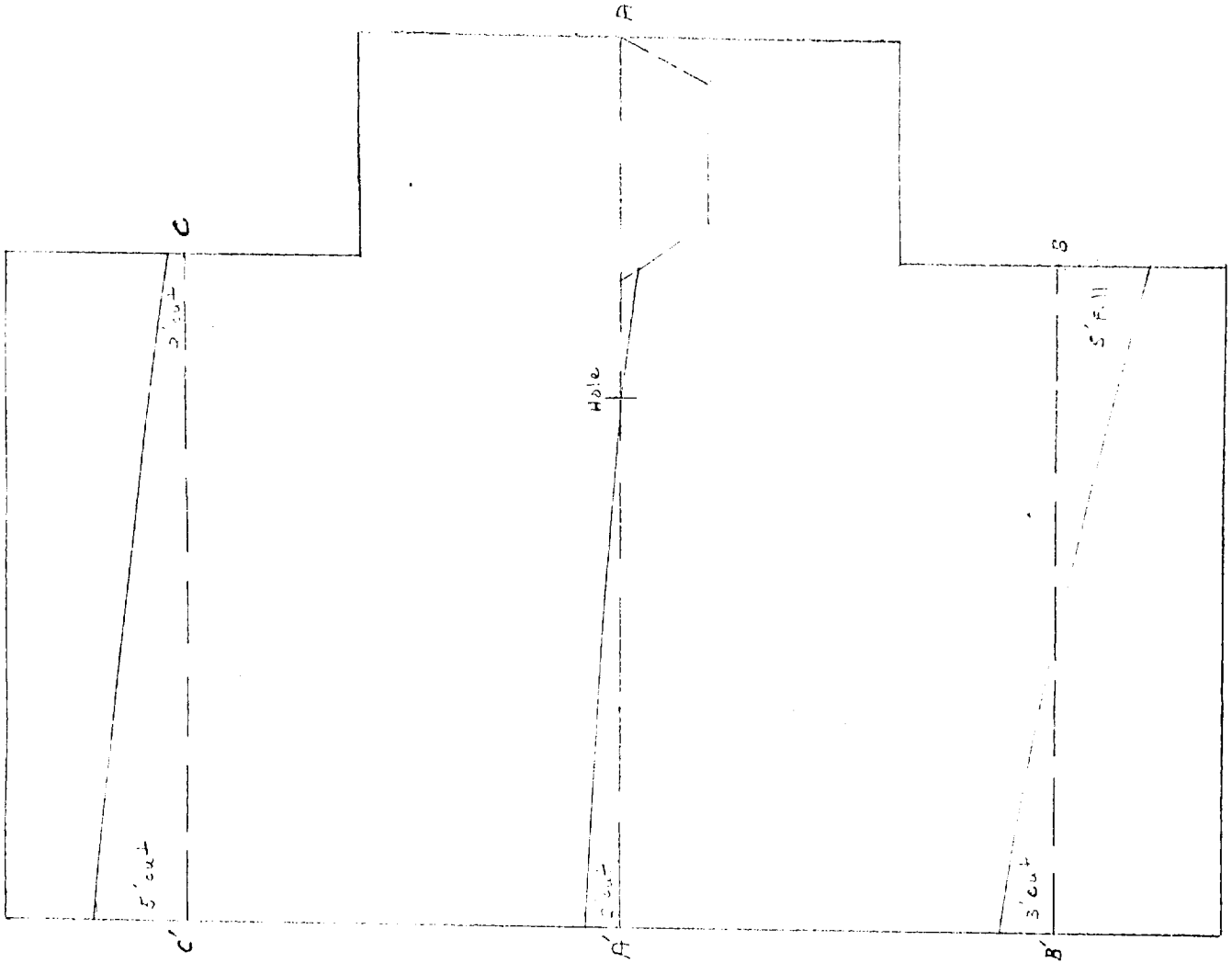


Plate # 4

Horizontal Scale : 1" = 40'

Vertical Scale : 1" = 10'

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*

(See other in-
structions on
reverse side)Form approved.
Budget Bureau No. 42-R355.6.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL:		OIL WELL <input checked="" type="checkbox"/>	GAS WELL <input type="checkbox"/>	DRY <input type="checkbox"/>	Other _____		
b. TYPE OF COMPLETION:		NEW WELL <input checked="" type="checkbox"/>	WORK OVER <input type="checkbox"/>	DEEP-EN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>	DIFF. RESVR. <input type="checkbox"/>	Other _____
2. NAME OF OPERATOR Tesoro Petroleum Corp.						5. LEASE DESIGNATION AND SERIAL NO. NM - 052931	
3. ADDRESS OF OPERATOR 2000 1st of Denver Plaza, 633 17th St., Denver, CO 80202						6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 750' FWL and 1340' FSL At top prod. interval reported below same At total depth same						7. UNIT AGREEMENT NAME	
14. PERMIT NO. _____ DATE ISSUED _____ FARMINGTON, N.M.						8. FARM OR LEASE NAME Hanson Federal	
15. DATE SPUDDED 2/20/80						9. WELL NO. 35	
16. DATE T.D. REACHED 2/22/80						10. FIELD AND POOL, OR WILDCAT Hospah - Lower Sand	
17. DATE COMPL. (Ready to prod.) 3/22/80						11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec. 6-17N-8W	
18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 6905' GR 6915' KB						12. COUNTY OR PARISH McKinley	
19. ELEV. CASINGHEAD 6905'						13. STATE NM	
20. TOTAL DEPTH, MD & TVD 1648'						21. PLUG, BACK T.D., MD & TVD 1634'	
22. IF MULTIPLE COMPL., HOW MANY* --						23. INTERVALS DRILLED BY 0' - TD	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)* 1555' - 1575', Lower Hospah						25. WAS DIRECTIONAL SURVEY MADE No	
26. TYPE ELECTRIC AND OTHER LOGS RUN DILL, CBL						27. WAS WELL CORED No	

CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	23	94	12 1/4	80 sx Class B + 4% CaCl ₂	--
5 1/2	14	1644	7 7/8	120 sx Class B + 10% salt	--

LINER RECORD					TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A					2 7/8	1540'	No

31. PERFORATION RECORDED (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
1555' - 1575' w/2JSPF (40 holes)		DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
		N/A	

33.* PRODUCTION							
DATE FIRST PRODUCTION 3/22/80		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Beam Pump, 2 1/2" X 2 1/4" bore pump					
DATE OF TEST 3/24/80	HOURS TESTED 16	CHOKE SIZE --	PROD'N. FOR TEST PERIOD --	OIL—BBL. 22.2	GAS—MCF. 0	GAS-OIL RATIO 0	
FLOW. TUBING PRESS. --	CASING PRESSURE --	CALCULATED 24-HOUR RATE --	OIL—BBL. 33.3	GAS—MCF. 0	WATER—BBL. --	OIL GRAVITY (API COR.) --	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) None						TEST WITNESSED BY David Collins	
35. LIST OF ATTACHMENTS --							
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records							

SIGNED Kenny J. Kutterbach TITLE District EngineerDATE 3/27/80

*(See Instructions and Spaces for Additional Data on Reverse Side)

NM000

FARMINGTON DISTRICT
BY M. L. Kuchera

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. **Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool. **Item 33:** Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES			38. GEOLOGIC MARKERS			
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Upper Hospah	1508'	1555'	oil sand	Point Lookout	260'	260'
Lower Hospah	1555'	1648' (TD)	oil sand	Mancos Sh.	485'	485'
				Hosta	802'	802'
				Gallup	1314'	1314'
				Upper Hospah	1508'	1508'
				Lower Hospah	1555'	1555'

