SUBMIT IN TRIPLICATE* (Other instructions on

reverse side)

Form approved. Budget Bureau No. 42-R1425.

UNITED STATES DEPARTMENT OF THE INTERIOR

5. LEASE DESIGNATION AND SERIAL NO. GEOLOGICAL SURVEY Fed. NM-052931 6. IF INDIAN, ALLOTTEE OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK 1a. TYPE OF WORK 7. UNIT AGREEMENT NAME DEEPEN [DRILL | PLUG BACK 🖾 b. TYPE OF WELL MULTIPLE WELL WELL X S. FARM OR LEASE NAME OTHER 2. NAME OF OPERATOR Hanson Federal Tesoro Petroleum Corporation 9. WELL NO. 3. ADDRESS OF OPERATOR 38 o / UU TESOTO Drive, San Antonio, Texas 7286.

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

At surface 10. FIELD AND POOL, OR WILDCAT South Hospah Field 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 340' FSL & 1655' FEL OUT 28 1985 At proposed prod. zone Sec.6-T17N-R8W Same 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE WEAL OF LAND MANAGEMENT 12. COUNTY OR PARISH 13, STATE **FARMINGTON RESOURCE AREA** Post Office 7 miles North of site McKinley 15. DISTANCE FROM PROPOSED* 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED 340' North of SFRR LOCATION TO NEARRST 340' No. PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) TO THIS WELL Lease 511,94+ 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, 475 SE OF OR APPLIED FOR, ON THIS LEASE, FT. 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 2500' Hanson #27 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START* 6889' GL November 1, 1985 $\overline{23}$. 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" 113 23 75 sk Class "B" $5 \ \overline{1/2}$ " 7 7/8" 15.5 2702' 250 sks Class "B" TOC-1300'

Tesoro proposes to temporary abandon the Dakota sand in this well due to uneconomical production. Future plans are being developed for the Dakota sand this is the reason for temporary abandonment. Tesoro plans to set a bridge plug at + 2620 whis is 50' above the Dakota perforations. We then plan to perforate the Lower Hospah sand from 1590'-1605'. We will test and complete as a Lower Hospah Sand producer.



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone Diproposed 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.

24.

Gavino Perez, Jr.

Area Production Manager:

APPROVAL DATE

OCT 3 9 1985

FADMINIST OF APPROVAL, IF ANY:

FADMINIST OF PSOURCE AREA