

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY31-45-24639-1270
5. LEASE DESIGNATION AND FIELD NO.

SF-078390

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Hughes Com

9. WELL NO.

5

10. FIELD AND POOL, OR WILDCAT

Basin Dakota

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec. 10, T28N, R8W

12. COUNTY OR PARISH 13. STATE
San Juan N.M.

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

Tenneco Oil Company

3. ADDRESS OF OPERATOR

720 So. Colorado Blvd., Denver, Colorado 80222

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

1130 FSL, 2120 FEL

At proposed prod. zone

same as above

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

Approximately 10 miles ESE of Blanco, N.M.

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

1851.96

17. NO. OF ACRES ASSIGNED
TO THIS WELL

335.11

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

19. PROPOSED DEPTH

±7050'

20. ROTARY OR CABLE TOOLS

Rotary

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

5944' GR

22. APPROX. DATE WORK WILL START*

May 1981

23.

PROPOSED CASING AND CEMENTING PROGRAM

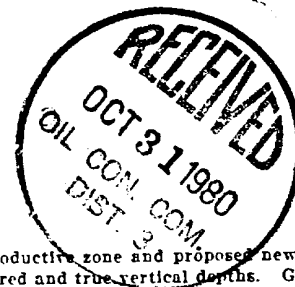
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8" new	36#	±300'	Circulate to surface
8 3/4"	7" new	23#	±3120'	Circulate to surface
6 1/4"	4 1/2" new	11.6#, 10.5#	±7050'	Circulate to liner top

See attached.

The gas is dedicated.

RECEIVED

OCT 31 1980

U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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.

24.

SIGNED

R. A. Mishler
R.A. Mishler

TITLE

Sr. Production Analyst

DATE

Sept. 30, 1980

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

Holder 104
for ~~NSL~~
NSLNW 1/4 R-1814
3/4 Sec 1 + 5/2 SE 1/4 Sec 9

2/4 Sec 3, 4 + 5/2 SW 1/4 SW 1/4 SE 1/4 Sec 10

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator TENNECO OIL COMPANY			Lease HUGHES COM		Well No. 5
Unit Letter 0	Section 10	Township 28N	Range 8W	County San Juan	
Actual Footage Location of Well: 1130 feet from the South line and 2120 feet from the East line					
Ground Level Elev: 5944	Producing Formation DAKOTA		Pool BASIN DAKOTA	Dedicated Acreage: 335.11 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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

COMMUNITIZATION (in progress)

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.

R. A. Mishler

Name

R. A. Mishler

Position

Sr. Production Analyst

Company

Tenneco Oil Company

Date

September 30, 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 is true and correct to the best of my knowledge and belief.

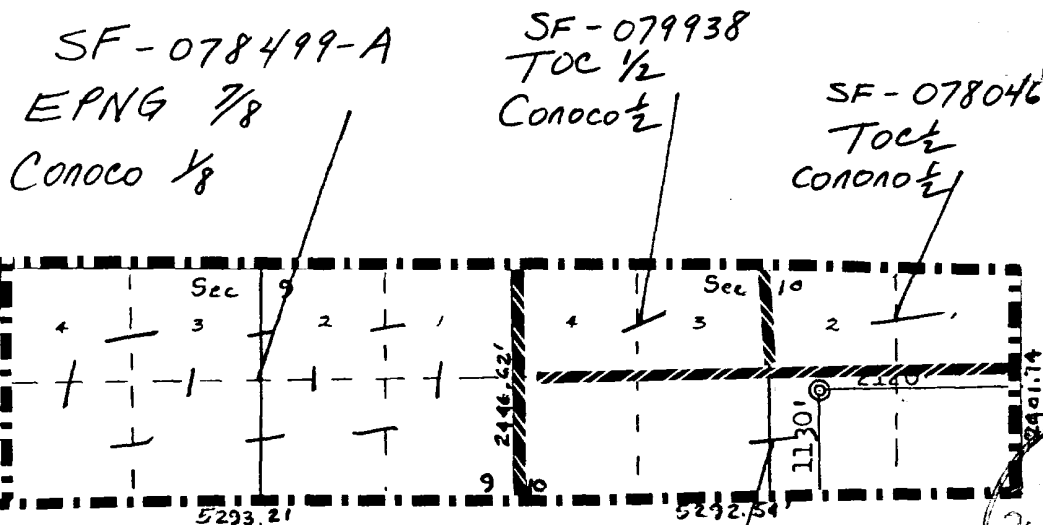
Date Surveyed

March 25, 1980

Registered Professional Engineer and Land Surveyor

Fred B. Kern Jr.

Certificate No. 3950



Dedication: Lot 1 and S/2 SE/4 Sec. 9
Lots 2,3,4 and S/2 SW/4 and SW/4 SE/4 Sec. 10

Scale: 1"=2000'

SF-078390
TOC 1/2
Conoco 1/2

THINCO OIL COMPANY
ROCKY MOUNTAIN DIVISION
PETERHOUT, 720 SOUTH COLORADO TOLEDO AVE
DENVER, COLORADO 80222

DRILLING PROCEDURE

DATE: September 5, 1980

LEASE: Hughes Com

WELL NO.: #5

LOCATION: 1130' FSL, 2120' FEL
Section 10, T28N, R8W
San Juan County, New Mexico

FIELD: Basin Dakota

ELEVATION: 5944', Est. G.L.

TOTAL DEPTH: 7050

PREDICTED HORIZON: Dakota

SUBMITTED BY:

Mark Kangas

DATE:

9-8-80

APPROVED BY:

DSM

DATE:

9-8-80

CC: Administration
DSB Well File
Field File

ESTIMATED FORMATION TOPS

Gila	1600	(Water)
Fruitland	2220	(Water)
Pictured Cliffs	2530	(Gas)
Lewis	2620	
Cliff House	4160	(Gas)
Menefee	4230	(Gas)
Point Lookout	4650	(Gas)
Mancos	5110	
Gallup	5960	
Greenhorn	6660	
Dakota	6770	(Gas)
T.D.	7050	

WELL PLAN FOR COMPLETION PROGRAM

1. HIRE RI
2. Drill a 12 1/2" Hole to ± 300' with Oil-Water Mud.
3. RI and run 9 5/8" 35# K-55 STC casing to TD. Cement with Class B + 2% CaCl_2 in sufficient quantity to circulate cement to surface. WOC 12 hours.
4. Screw on 9 5/8 End x 11-3200 casing head, RU BOPS. Pressure test casing, lines and blind to 1000 PSI for 30 minutes. GIH with drill pipe and test pipe rams to 1000 PSI for 30 minutes. Record all tests on IADC Report.
5. Drill out using an 8 3/4" Bit and clear water. Drill to 3120'. Mud up prior to reaching intd. TD.
6. RU and run 7" 23# K-55 STC casing to bottom. Cement with 50:50 Pozmix, 4% Gel; tailed with 150 sx Class B + 2% CaCl_2 . Circulate cement to surface. WOC 18 hours.
7. Set slips and cut-off casing. 3lh with 6 1/2" Bit and 3 1/2" drilling assembly. Pressure test to 1000 PSI for 30 minutes. Record tests on IADC Report.
8. RU to Gas Drill. Drill to within 5' of shoe with water, unload hole with H_2 . Drill a few feet of new formation and blow with gas until dusting.
9. Drill a 6 1/2" hole to TD with gas. Log open hole as directed by C.E. Department.
10. Run 4 1/2" 11.6 and 10.50# K-55 STC as designed as a liner. Have 150' overlap inside the 7" casing. Cement with 50:50 Pozmix, 4% Gel; tailed by 100 sx of Class B. Use a fluid loss additive in the lead slurry and circ cement to liner top.
11. Circulate out excess cement, LLDP and MORT.
12. Install tree and fence reserve pit.
13. If non-productive, P & A as required by the USGS.

Casing Program

<u>Interval</u>	<u>Length</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Coupling</u>
0-300	300'	9 5/8	35#	K-55	STC
0-3120	3120'	7	23#	K-55	STC
6930-7050	120'	4 1/2	11.6#	K-55	STC
2970-6930	3950'	4 1/2	10.5#	K-55	STC

WELL LOG

0-300 Spud mud.
300-3120 Low solid, fresh water mud. (Water and Penex.) Mud up prior to running casing.
3120-TD Gas.

EVALUATION

Cores and DST's: None.

Deviation Surveys:

1. Survey surface hole at 100' intervals. Maximum allowable deviation at 500' is 1-1/2°.
3. From surface to total depth, deviation surveys must be taken every 500' or each trip, whichever is first. This may entail running the TOTCO on wireline. Record each survey on the IADC Drilling Report Sheet. Maximum allowable change in deviation is 1° per 100'. Maximum deviation allowable is 5°.

Samples: As requested by Wellsite Geological Engineer.

Logs: 1. GR/IND FDC-GR-Cal TD to MW

BLOWOUT EQUIPMENT

11" - 3000 BOP with rotating head to comply with TOC requirements as shown in Fig. arrangement, Figure C. Preventers must be checked for operation every 24 hours with each check recorded on the IADC Drilling Report Sheet.

Drilling reports for the well in question will include depth, bottom, time distribution, battery location, well preparation, bit record, collar hole assembly, daily and cumulative costs, plus any other pertinent information, will be called into Tenneco Oil Company, Denver, Colorado, between 7:30 a.m. and 8:00 a.m.

1. 303-758-7130 (Office) Don Barnes
303-758-7237 (Office) Don Barnes private line, Monday-Friday (before 7:45 a.m.)
303-939-0704 (Home) Don Barnes, weekends and holidays.
2. John Owen (Home) 303-795-0211

The yellow sheet of the IADC Report is to be filled out completely. The original copy of the drilling time recorder, and copies of any invoices from this well, signed and received for Tenneco Oil Company, will be mailed daily to:

 TENNECO OIL COMPANY
 F. SMY MOUNTAIN DIVISION
PENTHOUSE, 720 SOUTH COLORADO BOULEVARD
DENVER, COLORADO 80222

ATTENTION: Drilling Department

IN CASE OF EMERGENCY, NOTIFY THE FOLLOWING:

1. Mr. Don Barnes, Division Drilling Engineer.
2. Mr. John W. Owen, Project Drilling Engineer.
3. Mr. Mike Lacey, Division Production Manager (Home 303-979-0509).

1. The geological name of the surface formation: San Jose
- 2 & 3. Estimated Formation Tops:

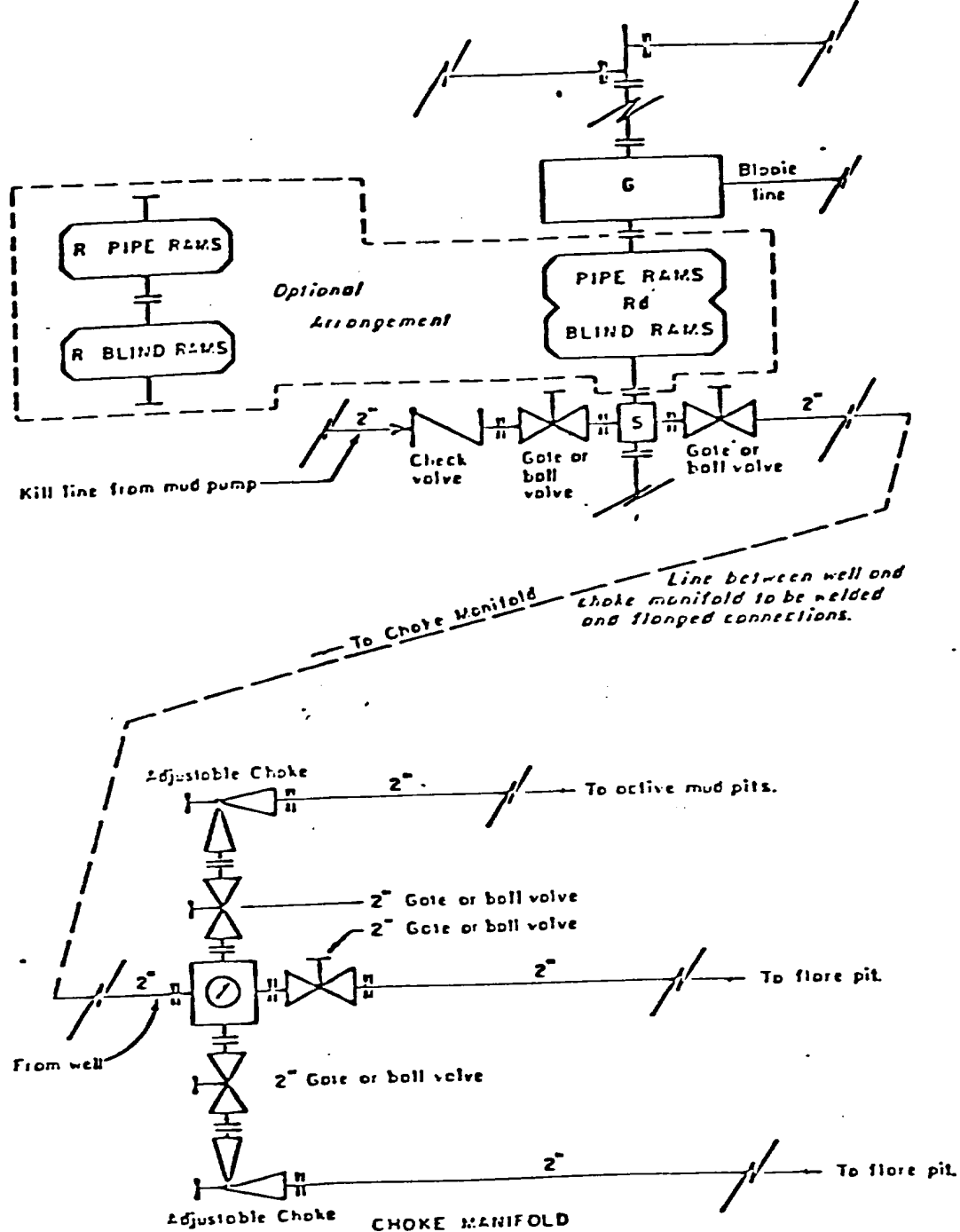
(See Attached Drilling Procedure)
4. Proposed Casing Program:

(See Attached Drilling Procedure)
5. Blowout Preventors:
Hydraulic double ram. One set of rams will be provided each size drill pipe in the hole. One set of blind rams at all times. Fill line will be 2", kill line will be 2", choke relief line will be 2". BOP's, drills and tests will be recorded in the driller's log. BOP will be tested every 24 hours and recorded in IADC Log.
6. Mud Program: (Sufficient quantity of mud and weight material will be available on location).

(See Attached Drilling Procedure.)
7. Auxiliary Equipment:
 - a. Kelly cock will be in use at all times.
 - b. Stabbing valve to fit drill pipe will be present on floor at all times.
 - c. Mud monitoring will be visual. No abnormal pressures are anticipated.
 - d. Floats at bits.
 - e. Drill string safety valve(s) to fit all pipe in drill string will be maintained on the rig floor while drilling operations are in progress.
8. Coring, Logging, and Testing Program:

(See Attached Drilling Procedure)
9. No abnormal pressures, temperatures or potential hazards such as H₂S are expected to be encountered.
10. The drilling of this well will start approximately (May 1981) and continue for 10 to 12 days.

Your office will be notified of spudding in sufficient time to witness cementing operations. Immediate notice will be given on blowouts, fires, spills, and accidents involving life threatening injuries or loss of life. Prior approval will be obtained before appreciably changing drilling program or commencing plugging operations, plug back work, casing repair work or corrective cementing operations.



All equipment to be 3,000 psi working pressure except as noted.

- Rd Double ram type preventer with two sets of rams.
- R Single ram type preventer with one set of rams.
- S Drilling spool with side outlet connections for choke and kill lines.
- G Rotating head 150 psi working pressure minimum

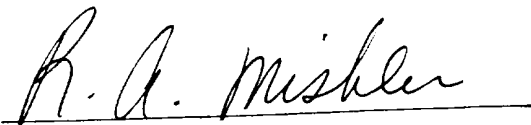
ARRANGEMENT C

TENNECO OIL COMPANY
 ROCKY MOUNTAIN DIVISION
 REQUIRED MINIMUM
 BLOWOUT PREVENTER AND
 CHOKE MANIFOLD

J. MAGILL 10-26-78 EVI

1. Existing Road - Please refer to Map No. 1 which shows the existing roads. New roads which will be required have been marked on this map. All existing and new roads will be properly maintained during the duration of this project.
2. Planned Access Roads - Please refer to Map No. 1. The grade of the access roads will be consistent with that of the local terrain. The road surface will not exceed twenty feet (20') in width. Upon completion of the project, the access road will be adequately drained to control soil erosion. Drainage facilities may include ditches, water bars, culverts or any other measure deemed necessary by trained Company personnel to insure proper drainage. Gates and/or cattleguards will be installed if necessary.
3. Location of Existing Wells - Please refer to Map No. 2.
4. Location of Tank Batteries, Production Facilities, and Production Gathering and Service Lines - Please refer to Maps No. 1 and No. 2. Map No. 2 shows the existing roads and new proposed access roads. All known production facilities are shown on these two maps.
5. Location and Type of Water Supply - Water for the proposed project will be obtained from a private source.
6. Source of Construction Materials - No additional materials will be required to build either the access road or the proposed location.
7. Methods of Handling Waste Materials - All garbage and trash materials will be put into a burn pit shown on the attached Location Plat No. 1. When clean-up operations are begun on the proposed project, the burn pit with its refuse will be buried to a depth of at least three feet (3'). A latrine, the location of which is also shown on Plat No. 1. will be provided for human waste. If large amounts of liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying any of these materials into the watershed. No earthen pit will be located on natural drainage; all earthen pits will be so constructed as to prevent leakage from occurring.

8. Ancillary Facilities - No camps or airstrips will be associated with this project.
9. Wellsite Layout - Please refer to the attached Plat No. 1.
10. Plans for Restoration of the Surface - After completion of the proposed project the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseeding operation will be performed during the time period set forth by the regulatory body. The location production equipment will be painted as designated by the responsible government agency.
11. Other Information - Canyon bottom with southeasterly drainage, alluvial surface deposit, and sandstone outcrops. Soil is sandy loam. Vegetation includes brome, galleta, Russian thistle, greasewood, juniper, sagebrush, prickly pear, pencil cholla, grama, mock orange, broadleaf yucca, narrowleaf yucca.
12. Operator's Representative - See drilling prognosis.
13. Certification - I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Tenneco Oil Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.



R. A. Mishler
Sr. Production Analyst

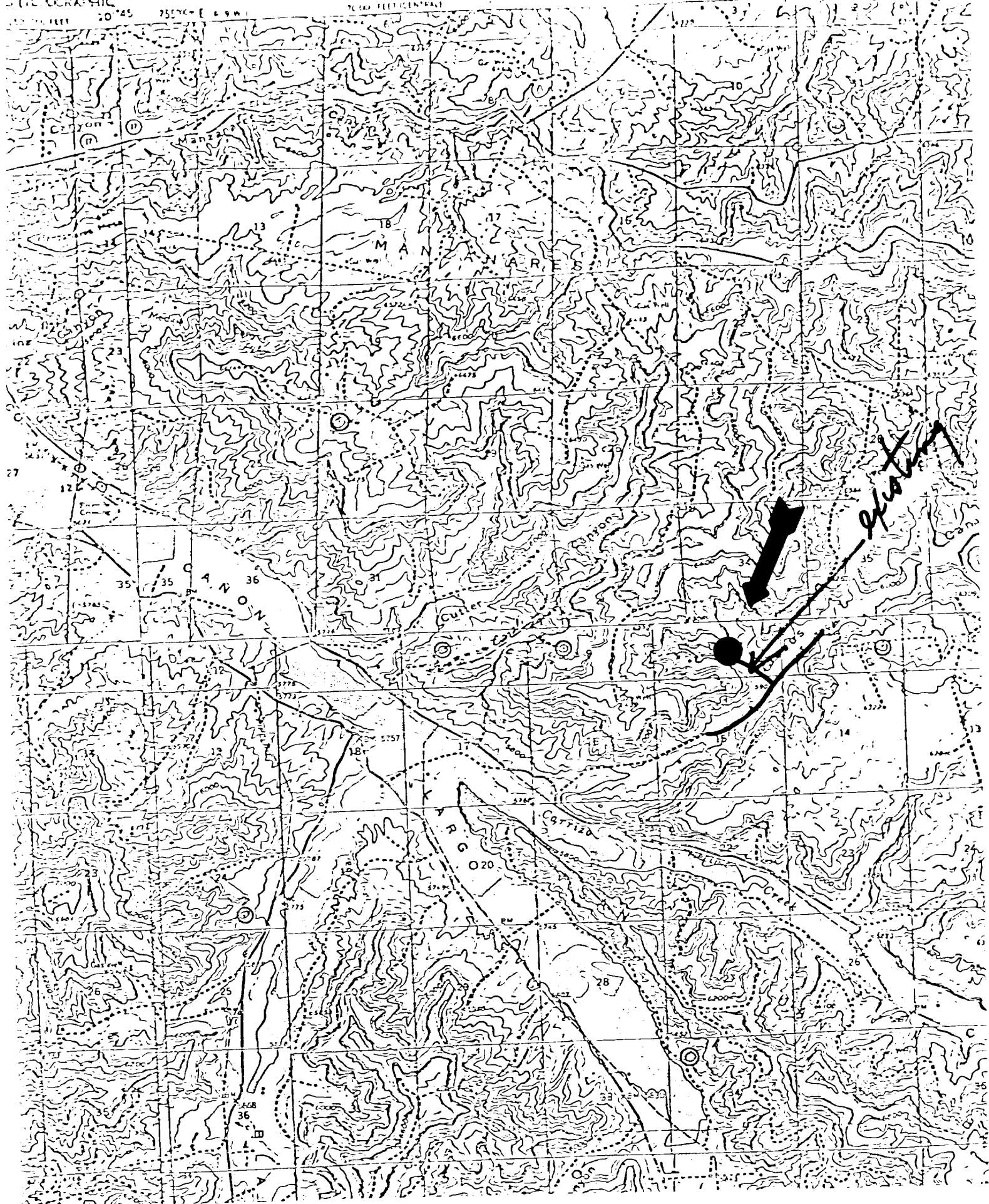
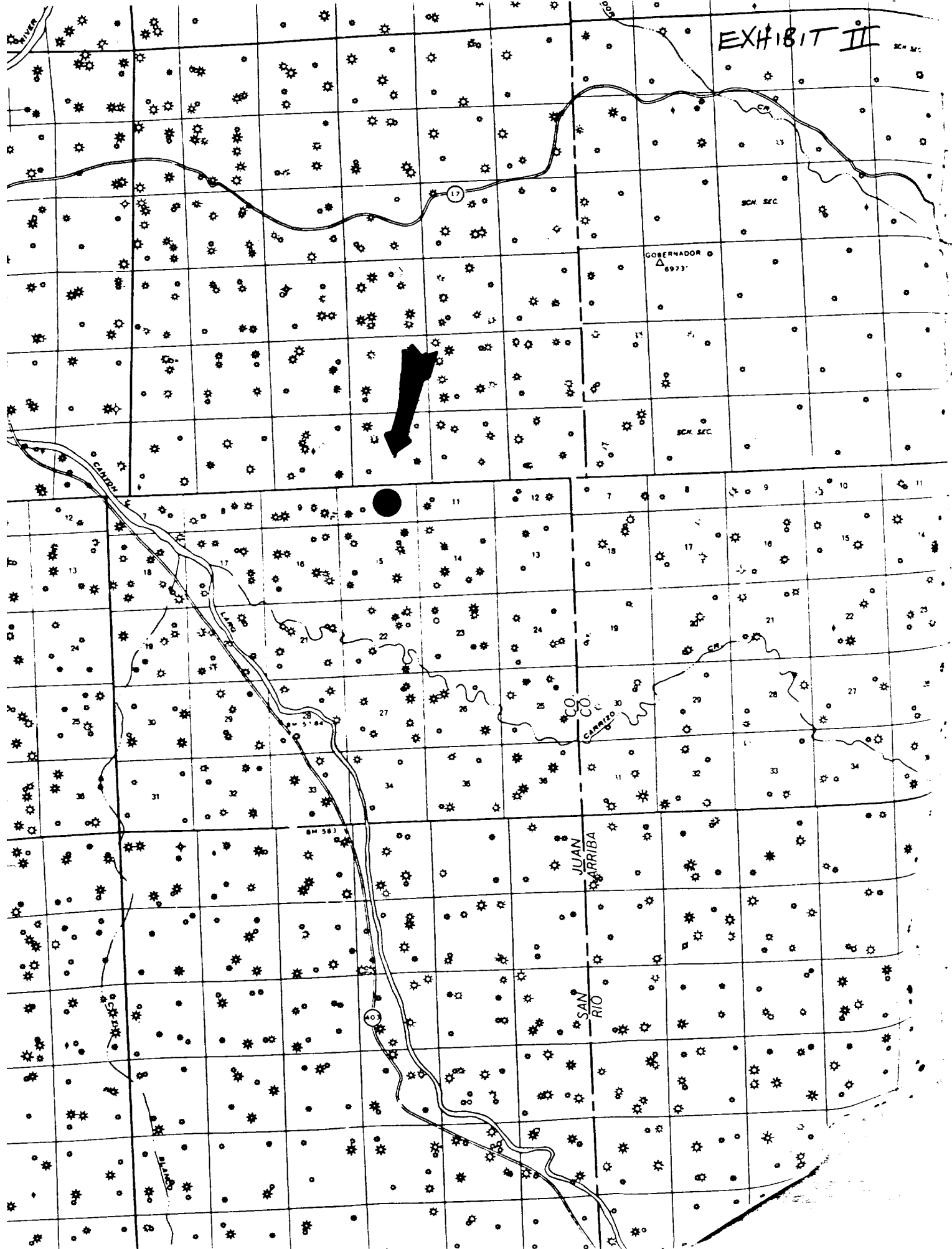


EXHIBIT II



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