

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

(PAGE 2) for FLORANCE 40 A

12. SURFACE FORMATION IS- SAN JOSE (Eocene)

13. FORMATION TOPS (Estimated)

Pictured Cliffs	2650	: possible oil or gas producer
Cliff House	4375	: possible oil or gas producer
Menefee	4480	: possible oil or gas producer
Point Lookout	4850	: possible oil or gas producer
Mancos Shale	4930	:

14. Mud program : see point 7 of 7 point well-control plan

15. No coring or drill stem tests will be taken

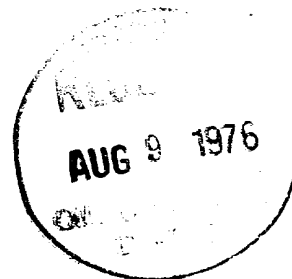
16. Logs to be taken= Density
Gamma Ray
Caliper and temperature logs
Deviation surveys will also be taken

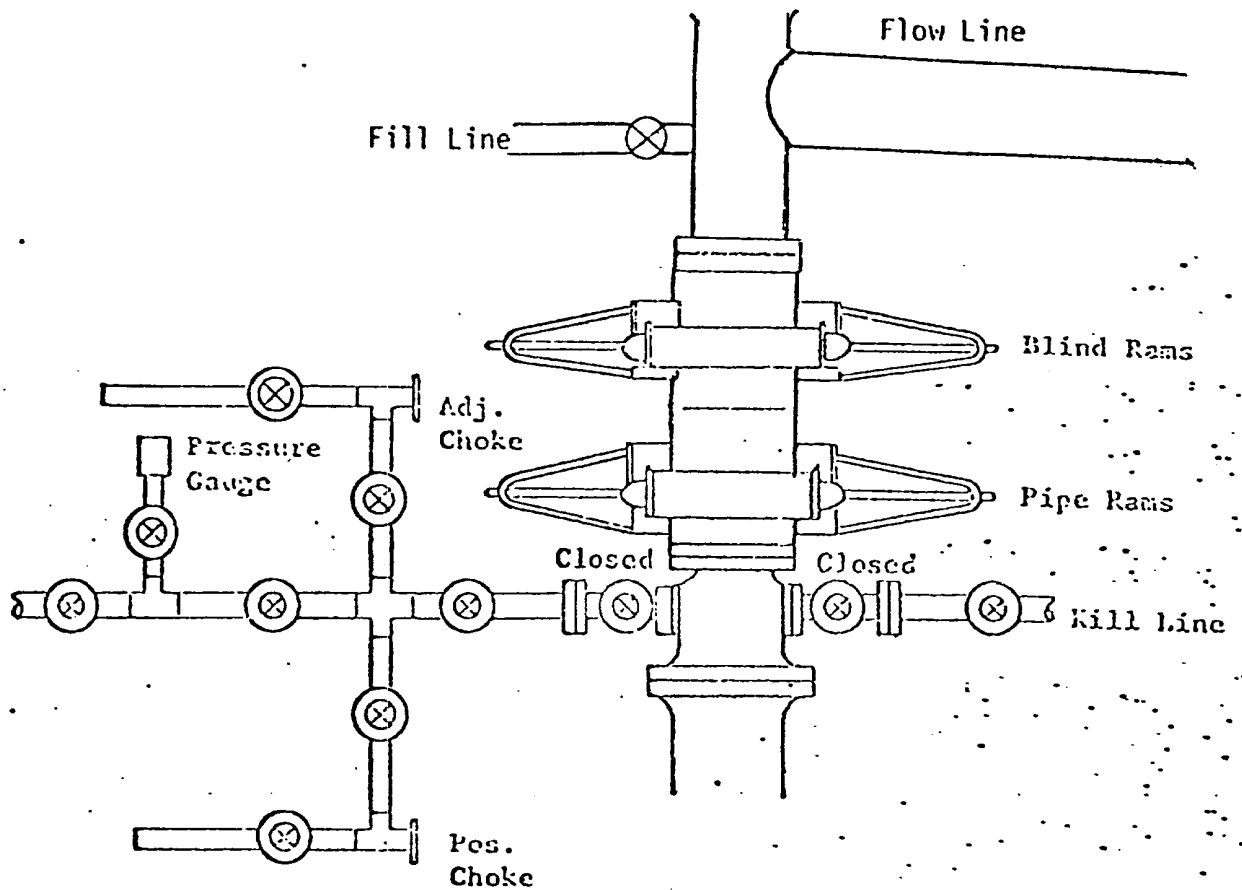


FLORANCE 40 A
7 POINT WELL CONTROL PLAN

1. Surface casing: 9 5/8", 24#, approximately 200, grade K-55, new condition.
2. Casinghead will be 10", 900 Series, 3,000 psi rating.
3. Intermediate casing - 7", 20#, K-55, will be set at \pm 2900' and cemented to surface casing.
4. Blowout preventors: Hydraulic, double ram, 10". One set of rams will be provided for 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" with variable choke.
5. Auxiliary equipment:
 - (1) Kelly cock will be in use at all times.
 - (2) Stabbing valve to fit drill pipe will be present on floor at all times.
 - (3) Mud monitoring will be visual, no abnormal pressures are anticipated in this area.
 - (4) Rotating head will be used when drilling with gas.
6. Anticipated bottom-hole pressure:

This is an area of known pressure. Maximum anticipated pressure at TD is 1200 psi. Anticipate no H₂S Gas
7. Drilling Fluids:
 - 0 - 200' Spud mud
 - 200- 2900' Gel water - low solids as needed to maintain good conditions.
 - 2900'- T.D. Compressed gas

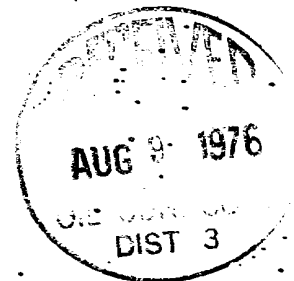




All valves 2"

All BOPs, flanges, spools, valves & lines must be series 900 or 3000 psi working press.

Choke manifold must be at ground level and extended out from under substructure.



TENNECO OIL COMPANY

REQUIRED MINIMUM BLOWOUT PREVENTOR

HOOKUP

Denver, Colorado

BLM SEEDING REQUIREMENTS
IN THE FARMINGTON RESOURCE AREA

1. SEED MIXTURE 2

2. TIME:

All seeding will take place between July 1 and September 15.

3. EQUIPMENT:

Seeding will be done with a disc-type drill with two boxes for various seed sizes. The drill rows will be eight to ten inches apart. The seed will be planted not less than one-half inch deep or more than one inch deep. The seeder will be followed with a drag, packer, or roller to insure uniform coverage of the seed, and adequate compaction. Drilling will be done on the contour where possible, not up and down the slope. Where slopes are too steep for contour drilling, a "cyclone" hand seeder or similar broadcast seeder will be used. Seed will then be covered to the depth described above by whatever means is practical.

4. SPECIES TO BE PLANTED IN POUNDS PURE-LIVE-SEED PER ACRE:

CRESTED WHEATGRASS (Agropyron desertorum) - $3\frac{1}{2}$ lbs.

FOURWING SALTBUSH (dewinged) (Atriplex canescens) - $\frac{1}{2}$ lb.

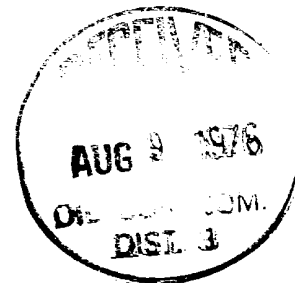
SAND DROPSEED (Sporobolus cryptandrus) - $\frac{3}{4}$ lb.

WINTERFAT (Eurotia lanata) - $\frac{1}{2}$ lb.

ALKALI SACATON (Sporobolus airoides) - $\frac{3}{4}$ lb.

BLM COLOR REQUIREMENTS
IN THE FARMINGTON RESOURCE AREA

1. All equipment shall be painted green to match the surrounding area. (The exception to this is the Florance 30 A which has to be painted gray)



SURFACE USE PLAN

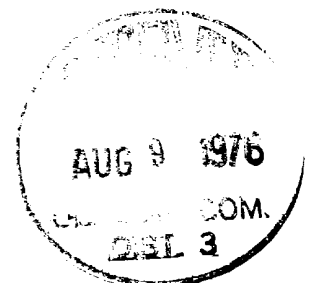
TENNECO OIL COMPANY'S

Florance 40A, 1490' FSL & 1080' FEL
of Sec. 21, T30N, R8W, Lease SF 078578,
San Juan County, New Mexico

This plan is to accompany "Application for Permit to Drill" for the above mentioned well.

The following is a discussion of pertinent information concerning possible effect which the proposed drilling of the well may have on the environment of the well and road sites and surrounding acreage. A copy will be posted on the derrick floor so that all contractors and subcontractors will be aware of all items of this plan.

1. AREAL ROAD MAP - Exhibit "A" is a portion of a USGS topographic map, San Juan County, New Mexico, showing existing black top roads. Approximately 20 miles East from Bloomfield, New Mexico on Highway 511. Turn East (right) on Gobernador Canyon Road. (1 mile NE of Archeleta, New Mexico) Take first right hand fork 1 mile to site. Proceed up Gobernador Wash on South side.
2. LOCATION OF EXISTING WELLS - Several MV, Dak., and P.C. have been drilled in a two mile radius and are shown on Exhibit "B".
3. PROPOSED WELL MAT AND IMMEDIATE AREA - Refer to Exhibit "C" for direction orientation and road access.
 - a. Mat size - 130' x 300'
 - b. Surface - Will be native soil, bladed, watered and carpeted with clay only when necessary.
 - c. Reserve pit - 150' x 150' unlined pit, joining mat to the
 - d. Cut & Fill - 3' cut on South side.
 - e. Drill Site Layout - Exhibit "C" shows position of mat, reserve pits, burn pits, trash pits, and mud pits in relation to the well bore. Rig will be erected with the V-Door to the East.
 - f. Setting & Environment -
 - (1) Terrain - Sloping to the North into Gobernador Wash. (150 yards North) See Exhibit "A", topographic map of area.
 - (2) Soil - Extremely sandy soil
 - (3) Vegetation - predominately sagebrush.
 - (4) Surface Use - Unknown, possibly used for grazing.



- (5) Other - Drill site, which is sloping to the North in semi-arid desert country, is in a low environmental risk area. The total effect of drilling and producing this and other wells in this area would be minimal.

g. Distances to:

- (1) Ponds and Streams - Gobernador wash is 150 yards North.
- (2) Water Wells - No water well or windmill could be seen within 1/2 mile.
- (3) Residences and Buildings - There are no houses or buildings within 1/2 mile.
- (4) Arroyos, Canyons, etc. - See Exhibit "A". Gobernador Wash is 150 yards North.

- h. Well Sign - Sign identifying and locating well will be maintained at drill site with the spudding of the well.

- i. Open Pits - All pits containing mud or other liquids will be fenced.

4. ROADS

- a. Existing roads - All existing roads within one mile of the location are shown on Exhibit "A" and Exhibit "D".

- b. Planned roads - Plan to construct 200' of new 14 foot wide road

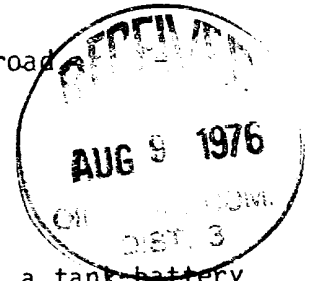
- c. Fences, Gates and Cattleguards - None

5. TANK BATTERY - This is expected to be a dry gas well, therefore, a tank battery will not be required.

6. LEASE PIPELINES

- a. Existing - Not furnished by the Operator, to be connected by Southern Union Gathering Co.
- b. Planned - If production is encountered, all lease lines are to be constructed on a well mat.

7. WASTE DISPOSAL - Well cuttings will be disposed in reserve pit. Barrel trash containers to be in accessible locations within drill site area during drilling and completion procedures. All detrimental waste will be hauled away, burned or buried with a minimum cover of 24" dirt. See Exhibit "C" for location of pits. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. No produced water is anticipated.



8. WATER SUPPLY - Supply water will be hauled from the San Juan River or nearest wash.
9. ARCHAEOLOGICAL RESOURCES - Report will be furnished by Nancy Hewitt from Salamon Ruins, Bloomfield, New Mexico.
10. RESTORATION OF SURFACE - If well is productive, pits will be backfilled and leveled as soon as practical to original condition.
11. OPERATOR'S REPRESENTATIVE - Field personnel who can be contacted concerning compliance of this Surface Use Plan are as follows:

Production & Drilling

Darrell Brown
1860 Lincoln St., Suite 1200
Denver, Colorado 80203

Office Phone: (303) 292-9920 Ext. 254
Home Phone: (303) 771-8297

12. 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 as they actually exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the proposed work performed by Tenneco Oil Company and its contractors and sub-contractors will conform to this plan.

8-4-76
Date

D. E. Brown
D. E. Brown
Div. Drilling Engineer

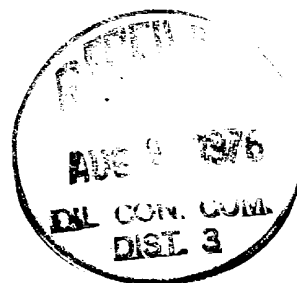


EXHIBIT " A "

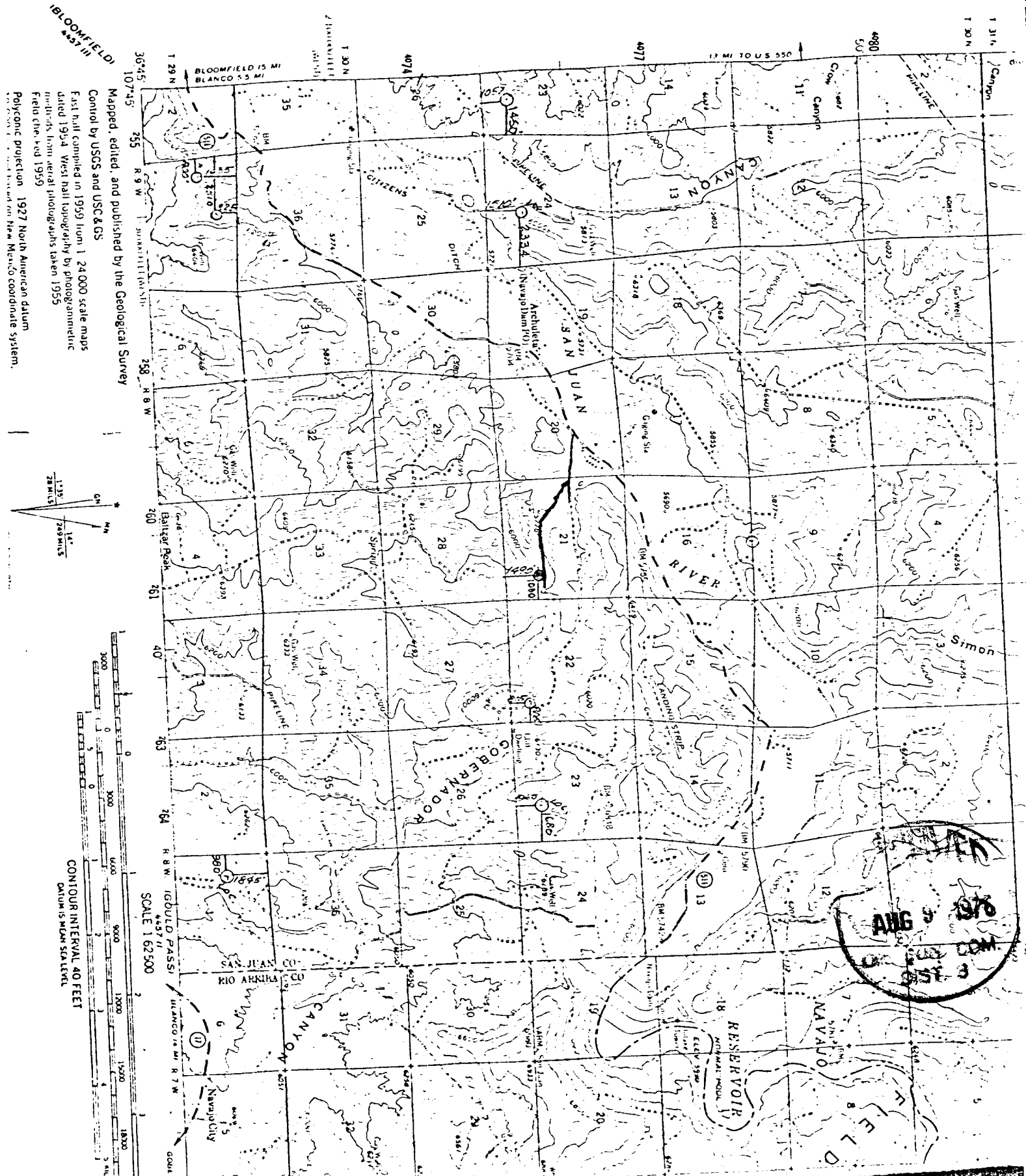
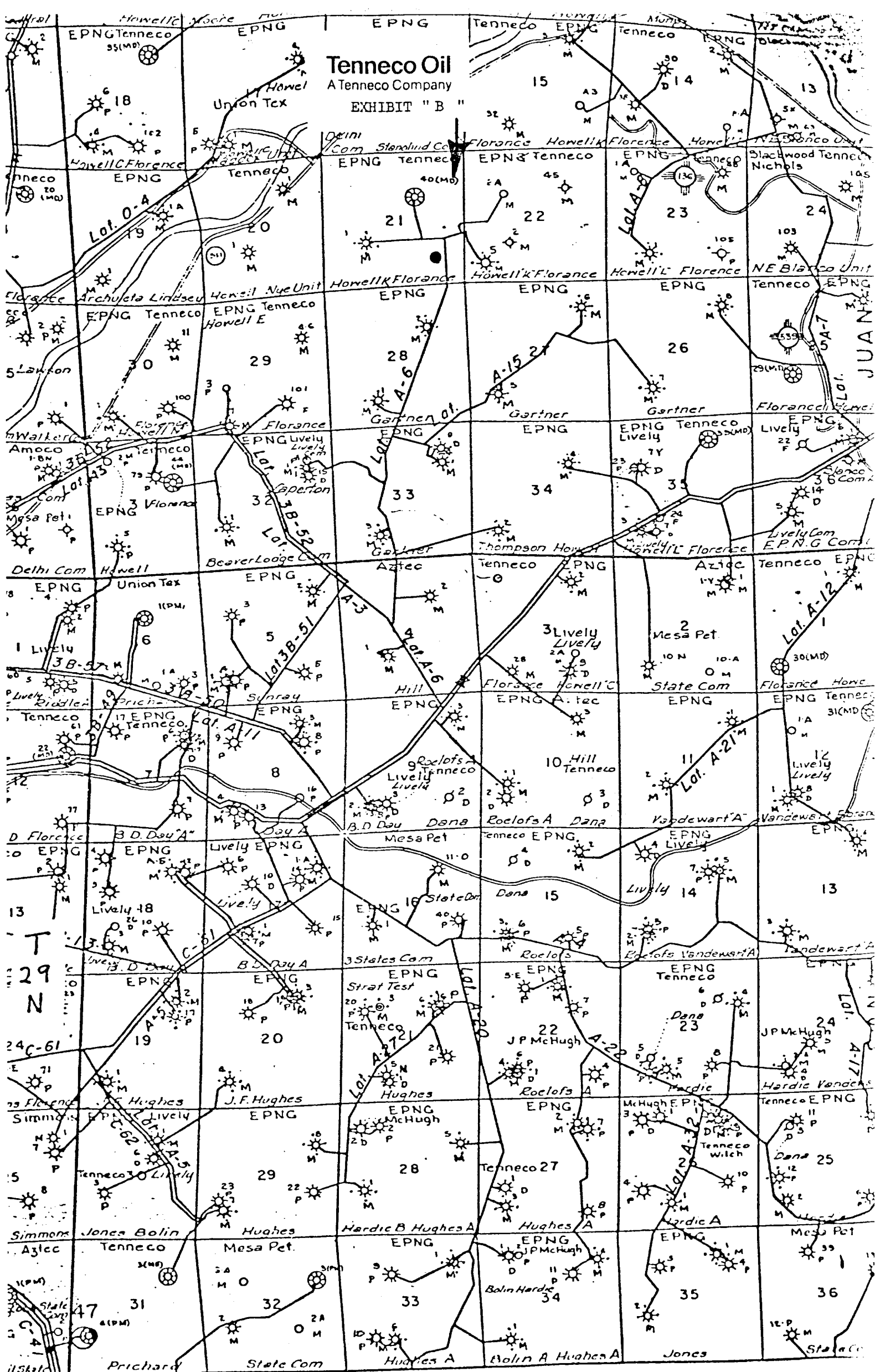


EXHIBIT " B "



Existing Road:

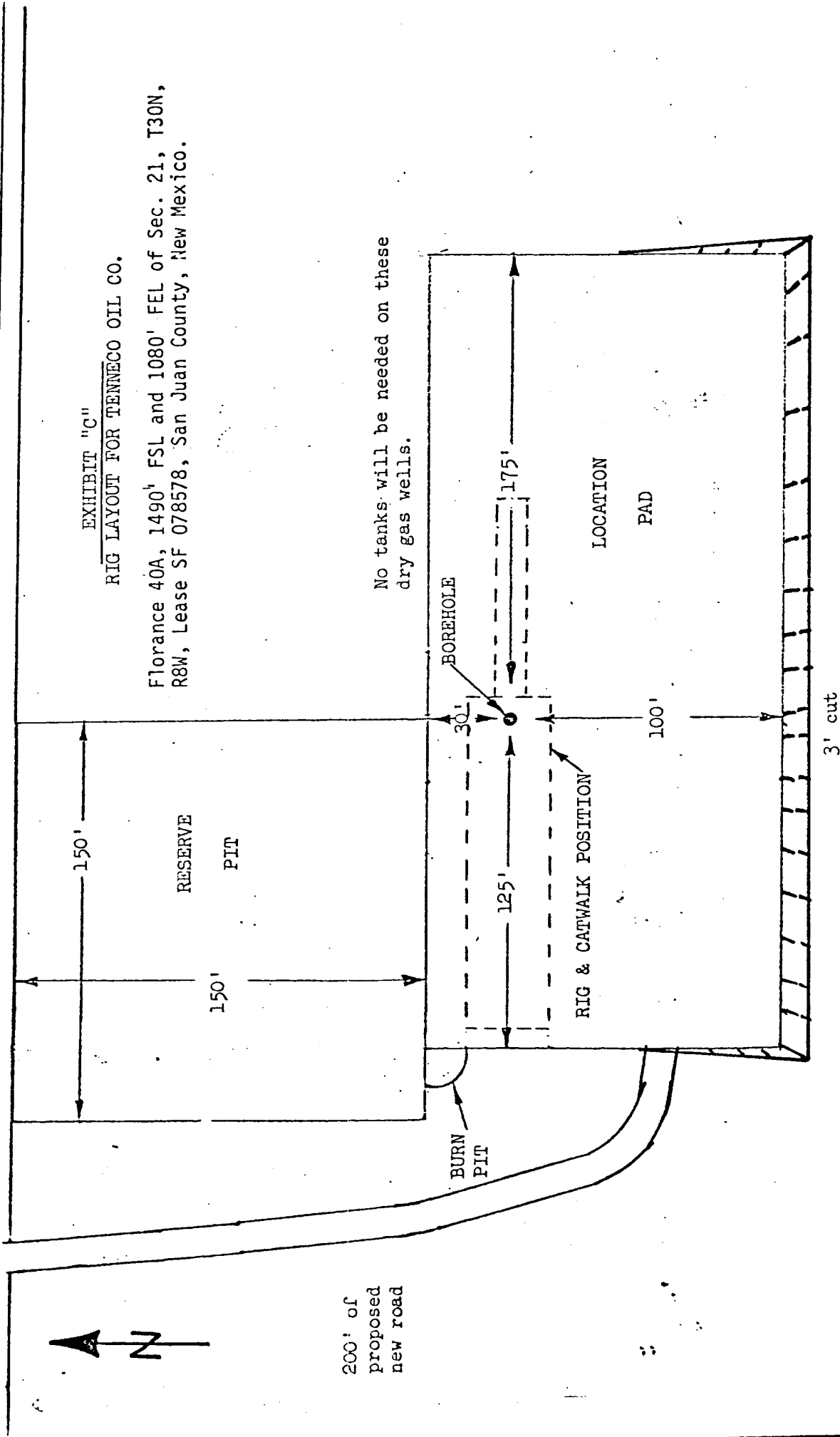


EXHIBIT "C"

RIG LAYOUT FOR TENNECO OIL CO.

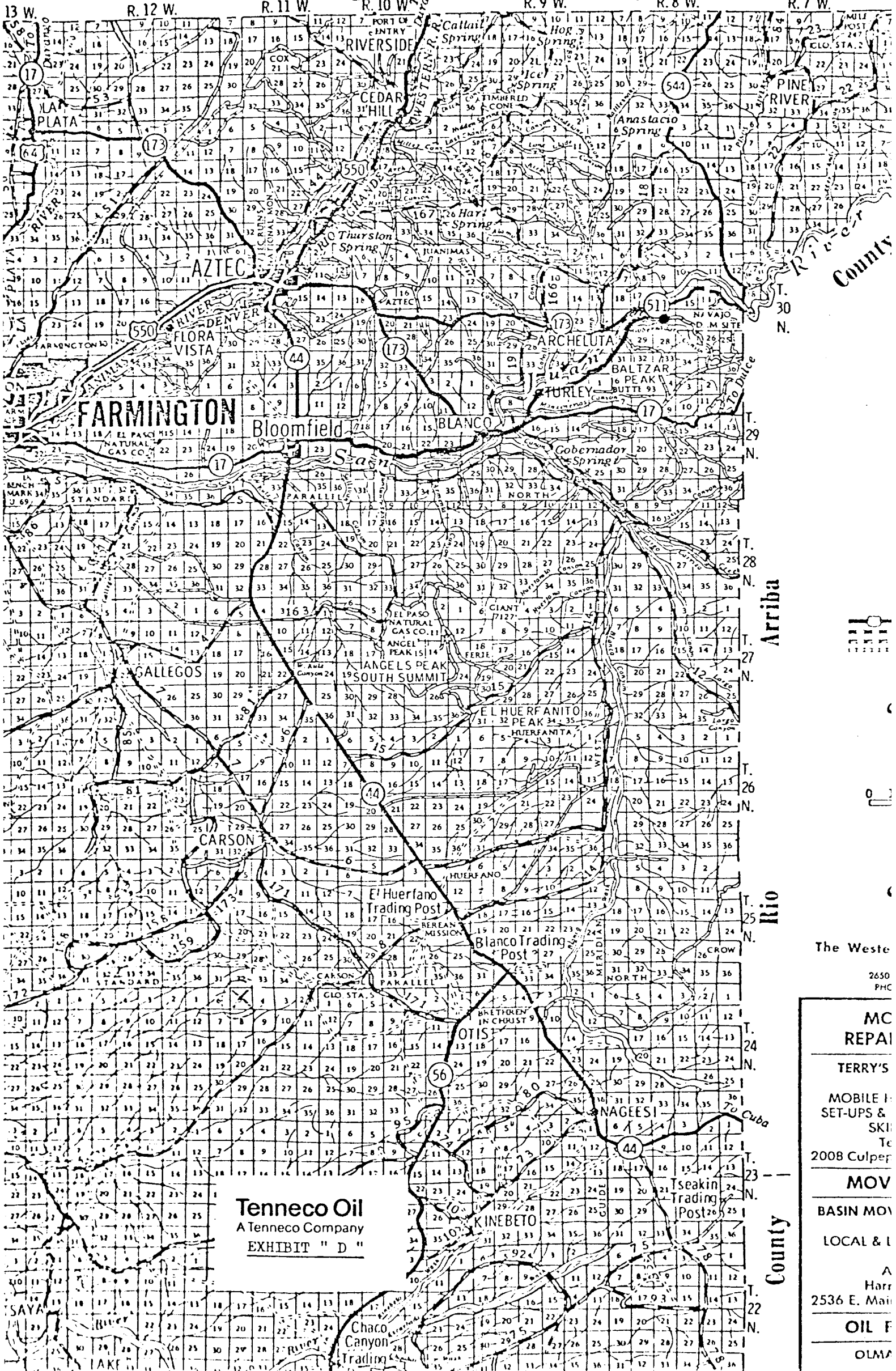
Florance 40A, 1490' FSL and 1080' FEL of Sec. 21, T30N,
R8W, Lease SF 078578, San Juan County, New Mexico.

No tanks will be needed on these
dry gas wells.

scale 1" = 50'

Plata

County



Tenneco Oil
A Tenneco Company
EXHIBIT " D "

The West

2650
PHC

**MC
REPAI**

TERRY'S

**MOBILE H
SET-UPS &
SKIL**

To
2008 Culper

MOV

BASIN MOV

LOCAL & I

A
Harr
2536 E. Main

OIL F

OLMA