Form 9-331 C (May 1963)

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

Form approved. Budget Bureau No. 42-R1425.

30-045-23456

UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: USA SF-078128

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

7. UNIT AGREEMENT NAME:

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME: Pierce

2. NAME OF OPERATOR: Tenneco Oil Company

9. WELL NO.: 4

3. ADDRESS OF OPERATOR: 720 South Colorado Blvd., Denver, CO 80222

10. FIELD AND POOL, OR WILDCAT: Basin Dakota

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface 890' FSL, 910' FWL
N
At proposed prod. zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 18, T30N, R9W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: See Point 1B, Surface Use Plan

12. COUNTY OR PARISH: San Juan | 13. STATE: New Mexico

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:

17. NO. OF ACRES ASSIGNED TO THIS WELL: 304.39

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

19. PROPOSED DEPTH: 7650'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6333' G.L.

22. APPROX. DATE WORK WILL START*: June 15, 1979

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
13-3/4"	9-5/8"	36#	250'	Sufficient to circulate to surface
8-3/4"	7"	23#	3400'	Sufficient to circulate tosurface

1. The geologic name of the surface formation is Tertiary San Jose.

2&3. Estimated Formation Tops:

Pictured Cliffs	± 3050'
Lewis Shale	± 3085'
Cliffhouse	± 4686'
Point Lookout	± 5285'
Greenhorn	± 7311'
Dakota A	± 7405' possible oil/gas producer
T.D.	± 7650' possible oil/gas producer

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4. Run 9-5/8" OD, K-55 new casing to ± 250' and circulate cement to surface. Run 7" OD, K-55 new casing to ± 3400' and circulate cement to surface. Run 4- 1/2" liner from T.D. to 3250' have ± 150' overlap. Cement the liner. Casinghead will be approved API type.
5. 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. BOPs will be installed, tested and in working order before drilling below surface casing and shall be maintained ready for use until drilling operations are completed. BOPs, drills and tests will be recorded in the IADC Drilling Report. They shall be checked every 24 hours. All rig equipment will be tested to above BOE ratings.
6. Drilling Mud Program: 0' - 250' spud mud, native solids, use sufficient viscosity to clean hole and run casing. 250' - 3400' low solids, 3400' - T.D. gas.
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 in this area.
   - d. Floats at bits.
   - e. Drill string safety valve(s) to fit all pipe in the drill string will be maintained on the rig floor while drilling operations are in progress.
   - f. Rotating head will be used while drilling with gas.
8. No cores will be taken. 30' samples will be taken from surface to 3400', and also from 3400' to 6800'. 10' samples will be taken from 6800' to T.D. Well surveys will consist of SP/GR/Induction- SN/T.D. to surface. GR/FDC/CNL/Caliper from T.D. to base of Mesaverde.
9. No abnormal pressures or temperatures are anticipated. See point #5 for blowout prevention equipment.
10. The drilling of this well will take approximately 10 days. The gas is not yet contracted.

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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 D D Myers TITLE Div. Production Manager DATE March 29, 1979

(This space for Federal or State office use)

PERMIT NO. NWU R-2046 NMOCC APPROVAL DATE

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	Lease	Well No.
TENNECO OIL COMPANY	PIERCE	4

Unit Letter	Section	Township	Range	County
N	18	30N	9W	San Juan

Actual Footage Location of Well:
890 feet from the South line and 910 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
6333	Dakota	Basin	304.39 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

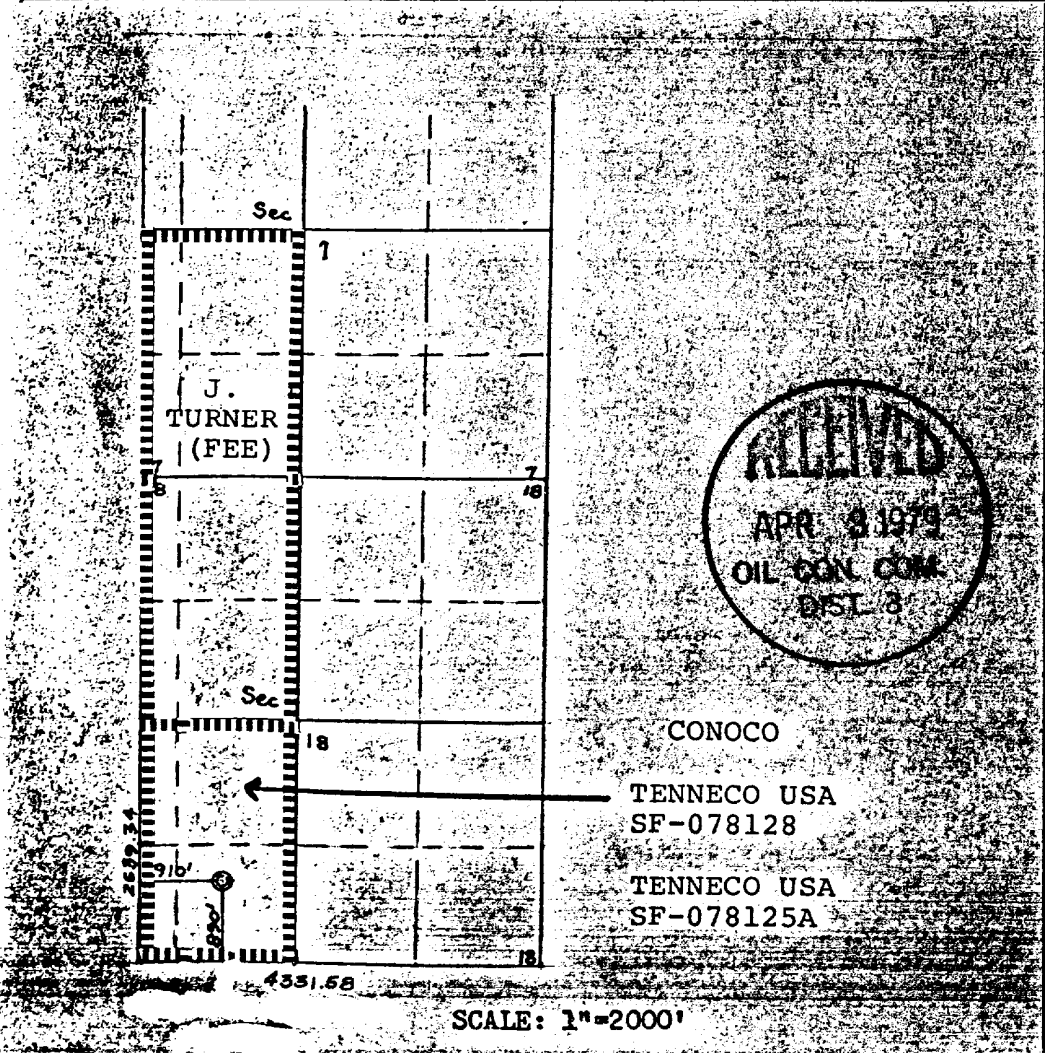
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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?

[X] Yes [ ] No If answer is "yes," type of consolidation Communitization is 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.



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OIL CON. COM.
DIST. 3

CERTIFICATION

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

Name J. A. Pierce

Position Environmental Coordinator

Company Tenneco Oil Company

Date March 27, 1979

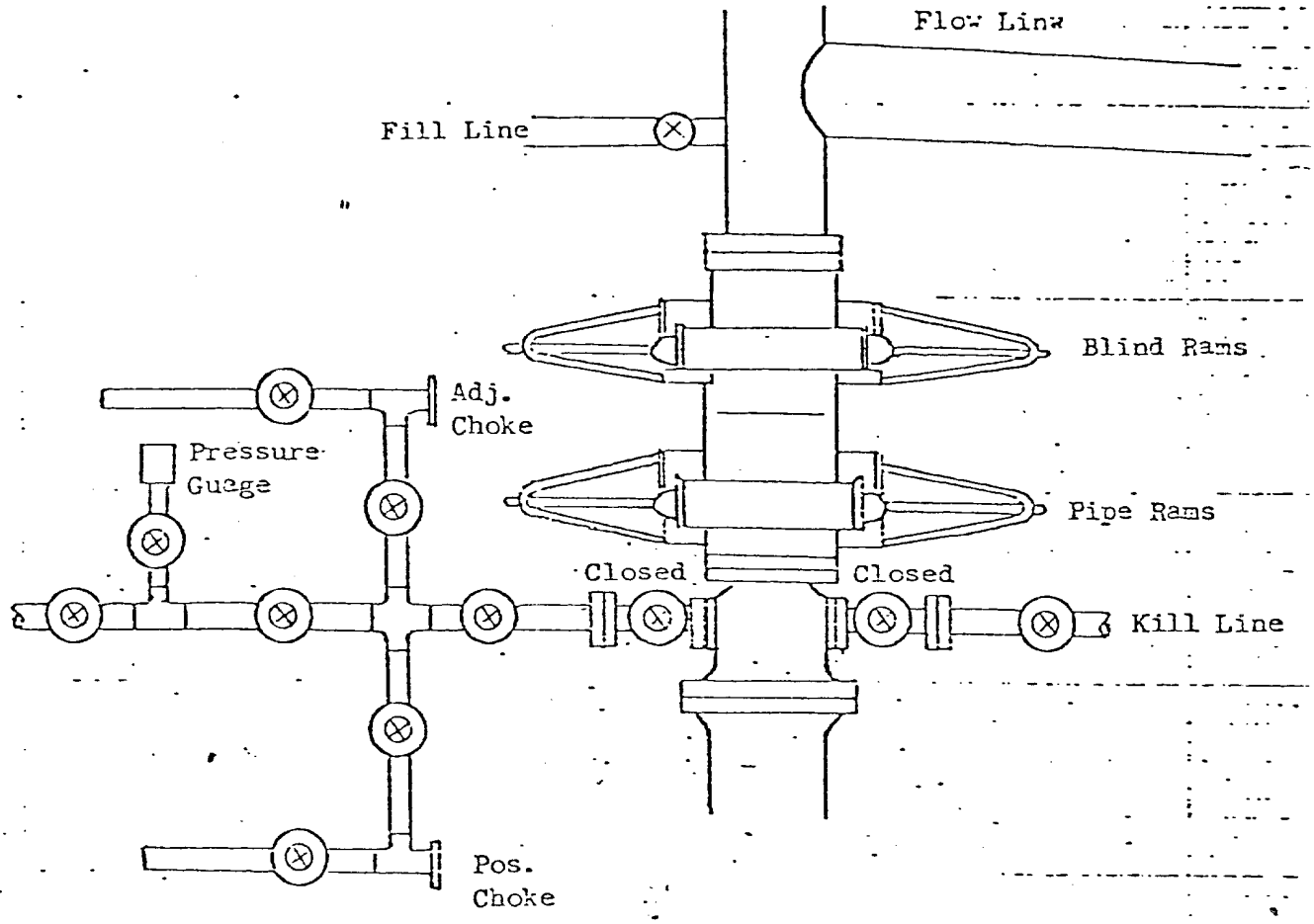
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed November 6, 1978

Registered Professional Engineer and Land Surveyor

Fred B. Kerr, Jr.

Certificate No. 3950



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

PIERCE 4

1. Existing Roads

A. Proposed Well Site Location:
The proposed well site location was surveyed and staked by a registered land surveyor and is located 890' FSL, 910' FWL, Sec. 18, T30N, R9W, San Juan County, NM. (See EXhibit I, Surveyor's Plat).

B. Planned Access Route: Begins in Blanco, NM and goes north approx. 2 mi to a fork, take the right fork and proceed one mile turning north on this road and continuing on north on this main road for approx. 3 mi at which point the road continues to west, continue on this after it turns west approx 2 mi to junction of dirt road which turns north,

C. Access Road Labelled: turn on this road go approx 1/4mi to begins new access road into the location. (See Exhibit II)
Color Code: Red - Improved Surface
Blue - New Access Road

D. Not applicable - the proposed well is a development well.

E. The proposed well is a development well. See Exhibit II for existing roads within a one mile radius.

F. Existing Road Maintenance or Improvement Plan:
The existing roads will require minimal maintenance.

2. Planned Access Roads

(All roads are existing roads.)

A. Width:
The average width of the road is twenty feet.

B. Maximum Grades:
The maximum grades will be six percent.

C. Turnouts:
There are no turnouts planned as sight distance is sufficient.

D. Drainage Design:
The road is center crowned to allow drainage. The road is flat primarily.

E. Culverts Use Major Cuts and Fills:
No culverts will be needed on the road, however, a portion of the road will have to be ripped out as it is solid rock. No other major cuts and fills will be needed.

F. Surfacing Material:
Native soil has been wetted, bladed and compacted to make the road surface, which is existing.

2. Planned Access Roads (Cont'd)

G. Gates, Cattleguards, Fence Cuts:
No gates, cattleguards or fences will be needed.

H. New Roads Centerlined Flagged:
Existing Roads.

3. Location of Existing Wells

The proposed well is a development well. Exhibit III shows existing wells within a one mile radius.

A. Water Wells: None
B. Abandoned Wells: None
C. Temporarily Abandoned Wells: None
D. Disposal Wells: None
E. Drilling Wells: Exhibit III
F. Producing Wells: See Exhibit III
G. Shut-In Wells: None
H. Injection Wells: None
I. Monitoring or Observation Wells: None.

4. Location of Existing and/or Proposed Facilities

A. Existing facilities within one mile owned or controlled by Lessee/Operator:

(1) Tank batteries - n/a
(2) Production facilities - Exhibit III
(3) Oil Gathering Lines - n/a
(4) Gas Gathering Lines - n/a
(5) Injection Lines - n/a
(6) Disposal Lines - n/a

B. New facilities in the event of production:
(1) New facilities will be within the dimensions of the drill pad.
(2) Dimensions are shown on Exhibit IV.

(3) Construction Materials/Methods:
Construction materials will be native to the site.
Facilities will consist of a well pad.

(4) Protection of Wildlife/Livestock:
Facilties will be fenced as needed.

4. Location of Existing and/or Proposed Facilities (Cont'd)

B. New facilities in the event of production: (cont'd)

(5) New facilities will consist of a wellhead, tank and production unit.

C. Rehabilitation of Disturbed Areas:
Following the completion of construction, those areas required for continued production will be graded to provide drainage and minimize erosion. Those areas unnecessary for use will be graded to blend with surrounding topography per BLM recommendations.

5. Location and Type of Water Supply

A. Location and type of water supply:
Water will be hauled from a private source.

B. Water Transportation System:
Water trucks will be used.

C. Water wells:
N/A.

6. Source of Construction Materials

A. Materials:
Construction materials will consist of soil native to the site. Any topsoil, if present, will be stripped and stockpiled as needed.

B. Land Ownership;
The planned site and access road is on federal land administered by the Bureau of Land Management.

C. Materials Foreign to the Site:
N/A.

D. Access Roads:
No additional roads will be required.

7. Methods for Handling Waste Disposal

A. Cuttings:
Cuttings will be contained in the reserve pit.

B. Drilling Fluids:
Drilling fluids will be retained in the reserve pit.

C. Produced Fluids:
Produced fluids, including produced water will be collected in the reserve pit. Any small amount of hydrocarbon that may be produced during testing will be retained in the reserve pit. Prior to clean up operations, the hydrocarbon material will be skimmed.

7. Methods for Handling Waste Disposal (Cont'd)

D. Sewage:
Sanitary facilities for sewage disposal will consist of at least one pit toilet, during the driller operations. The pit will be backfilled immediately following completion of the drilling operation.

E. Garbage:
There probably will not be much putriscible garbage to dispose of. However, it will be disposed of along with the refuse in a constructed burn pit, which will be fenced. The small amount of refuse will be burned and the pit will be covered with a minimum 36 inch cover upon completion.

F. Clean-Up of Well Site:
Upon the release of the drilling rig, the surface of the drilling pad will be prepared to accommodate a completion rig, if testing indicates potential productive zones. In either case, the "mouse hole" and "rat hole" will be covered to eliminate a potential hazard to livestock. The reserve pit will be fenced to prevent entry of livestock until the pit is backfilled. Reasonable clean up will be performed prior to final restoration of the site.

8. Ancillary Facilities

None required.

9. Well Site Layout

A. Exhibit IV.

B. Location of pits, etc. See Exhibit IV

C. Rig orientation etc. See Exhibit IV.

D. Lining of pits:
Pits will not be lined. They will be covered with a fine mesh netting, if necessary, for the protection of wildlife if fluids are found to be toxic.

10. Plans for Restoration of Surface

A. Reserve pit clean up:
The pit will be fenced prior to rig release and shall be maintained until clean up. Prior to backfilling any hydrocarbon material on the pit surface will be removed. The fluids and solids contained in the pit shall be backfilled with soil excavated from the site and with soil adjacent to the reserve pit. The restored surface of the reserve pit will be contoured as needed to minimize erosion. The reserve pit area will be seeded per BLM recommendations during the appropriate season following final restoration of the site.

10. Plans for Restoration of Surface (Cont'd)

B. Restoration Plans - Production Developed:
The reserve pit will be backfilled and restored as described under Item A. In addition, those disturbed areas not required for production will be graded to blend with the surrounding topography, and seeded, per BLM recommendations. The portion of the drill pad required for production and turning areas will be graded to minimize erosion and provide access to production facilities under inclement conditions. Following depletion and abandonment of the site, restoration procedures will be those under Item C. below.

C. Restoration Plan - No Production Developed:
The reserve pit will be restored as described above. With no production developed, the entire surface disturbed by construction of the drilling pad will be restored. The site will be contoured to blend with the surrounding topography. The site will be seeded according to BLM recommendations. If the new access road is not required for other development plans, it will be obliterated and restored and seeded per BLM recommendations.

D. Rehabilitation Time Table:
Upon completion of operations the intial clean up of the well site will be performed. Final restoration of the site will be performed as soon as possible according to procedural guidelines published by the USGS and BLM. Seeding of the disturbed areas which are no longer required will be performed during the appropriate season, following final restoration.

11. Other Information

A. Surface Description:
The surface area of the proposed well site location is a gently sloping area covered with numerous cedar trees and sagebrush.

B. Surface Use Activities:
The surface is federally owned and managed by the BLM. The predominant surface use is mineral exploration and production.

C. Proximity of Water, Dwellings and Historical Sites:

1. Water:
There are no reservoirs or streams in the immediate area.
2. Occupied Dwellings:
There are no occupied dwellings or buildings in the area.
3. Sites:
An archeological reconnissance has been performed for this location and clearance has been granted.

12. Operator's Field Representative

Donald S. Barnes
Division Drilling Engineer
Tenneco Oil Company
720 South Colorado Blvd.
Penthouse
Denver, CO 80222
(303) 758-7130 Ext. 212

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 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 subcontractos will conform to this plan.

Date: 3-29-79

D. D. Myers
Division Production Manager

Vicinity Map for EXHIBIT 1a

TENNECO OIL CO. #4 PIERCE
890'FSL 910'FWL Sec 18-T30N-R9W
SAN JUAN COUNTY, NEW MEXICO

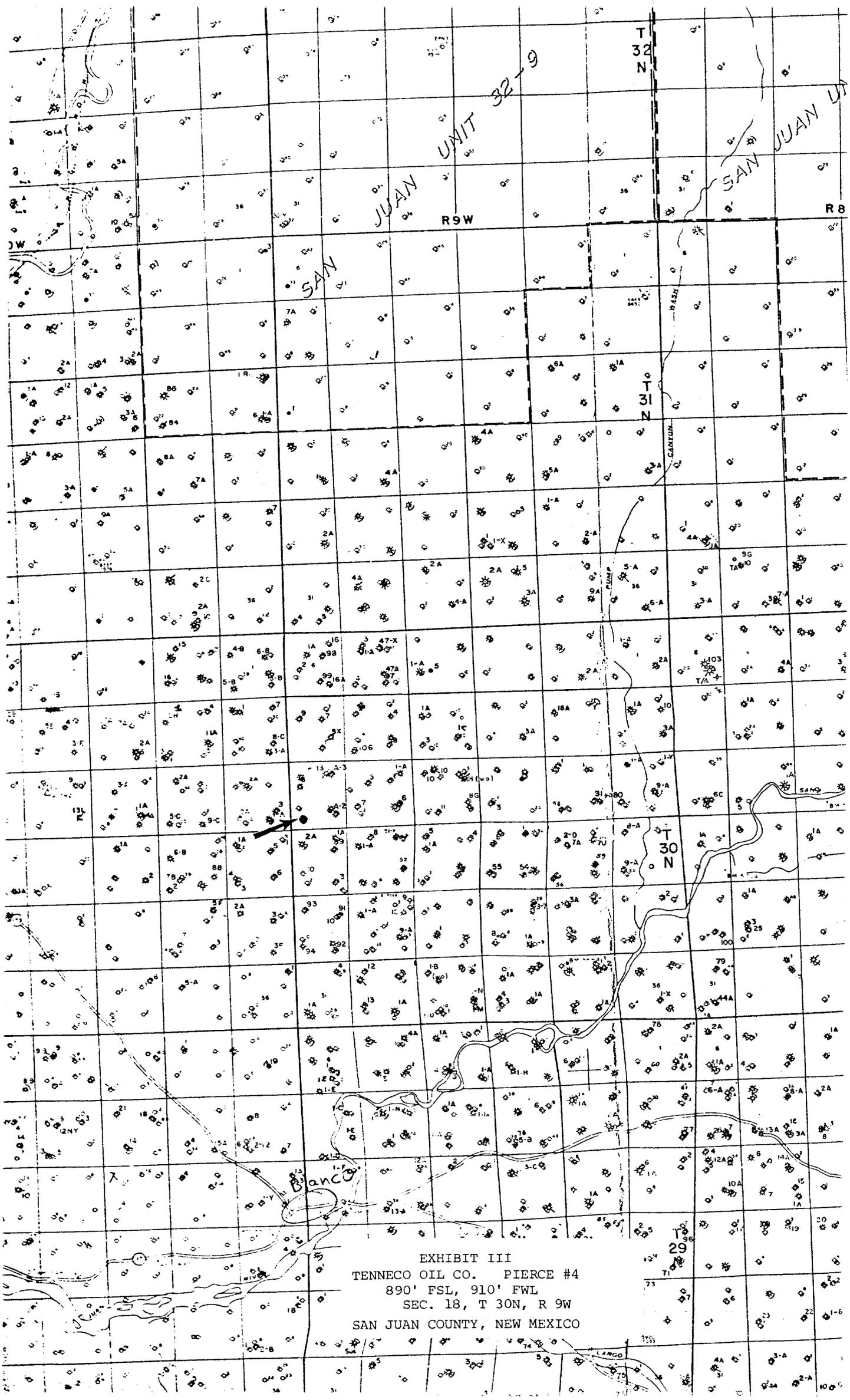


EXHIBIT III
TENNECO OIL CO. PIERCE #4
890' FSL, 910' FWL
SEC. 18, T 30N, R 9W
SAN JUAN COUNTY, NEW MEXICO

TOC 541 - 7/61

TENNECO OIL COMPANY

CALCULATION SHEET

COMPANY

EXHIBIT IV

SUBJECT DRILLING WELL SITE LAYOUT PIERCE #4

LOCATION SW/SW SEC. 18, T 30N, R 9W, SAN JUAN COUNTY, NEW MEXICO DATE 3-79