

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

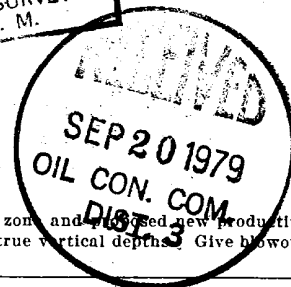
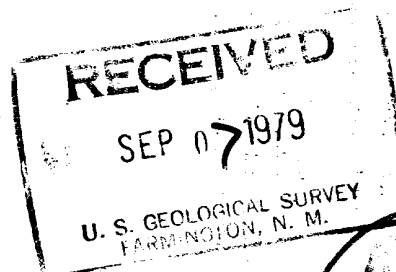
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. SF-078046	
1b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Tenneco Oil Company			7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 720 South Colorado Blvd., Denver, Colorado 80222			8. FARM OR LEASE NAME Hughes	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface C 965' FNL, 1,540' FWL At proposed prod. zone			9. WELL NO. #5	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* See Point 1B, Surface Use Plan			10. FIELD AND POOL, OR WILDCAT Basin Dakota	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 20, T29N-R8W	
16. NO. OF ACRES IN LEASE			12. COUNTY OR PARISH San Juan	
17. NO. OF ACRES ASSIGNED TO THIS WELL w/ 320			13. STATE New Mexico	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.			20. ROTARY OR CABLE TOOLS Rotary	
19. PROPOSED DEPTH 7,720'			22. APPROX. DATE WORK WILL START* February 1, 1980	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6,470' G.L.				

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 surfa
7-7/8"	4-1/2"	10.5#, 11.6#	7,720'	Sufficient to circulate to surfa

SEE ATTACHED SHEET

gas not dedicated

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 [Signature] TITLE Division Production Manager DATE September 4, 1979
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:*ok Frank*

*See Instructions On Reverse Side

NM OCC

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

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

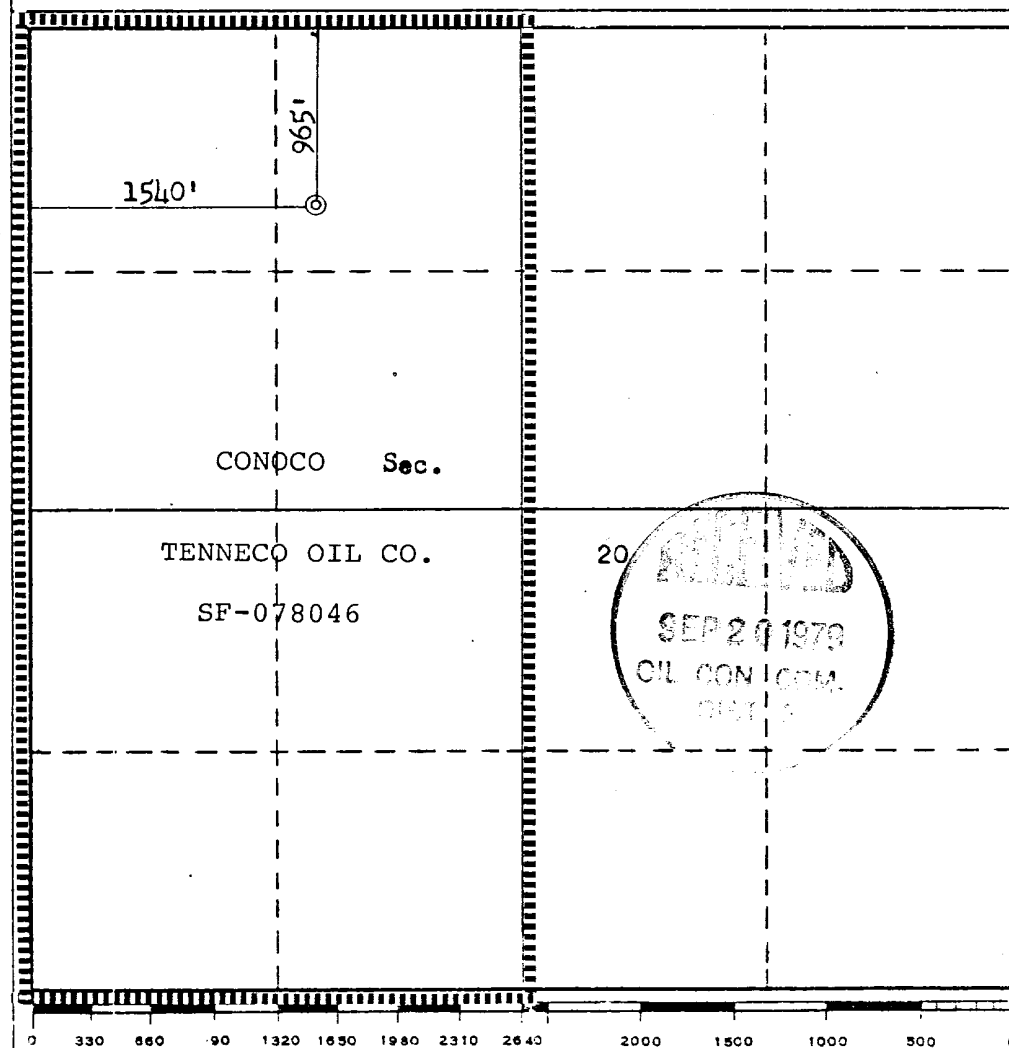
Operator TENNECO OIL COMPANY		Lease HUGHES		Well No. 5
Unit Letter C	Section 20	Township 29N	Range 8W	County San Juan
Actual Footage Location of Well: 965 feet from the North line and 1540 feet from the West line				
Ground Level Elev. 6470	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage: 320 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 Q.A. Rush
Position SD
Environmental Coordinator
Company Tenneco Oil Company
Date August 31, 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 July 16, 1979
Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr, Jr.
Certificate No. 3950

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

Ojo	1900'	Mancos	5566'
Pictured Cliffs	3050'	Gallup	6646'
Cliffhouse	4823'	Greenhorn	7380'
Menefee	4891'	Dakota A	7471'
Point Lookout	5619'	Total Depth	7720'

4. Drill a 13 3/4" hole to 300⁺. Run 9 5/8", 36#, K-55 ST&C casing to 300⁺ and circulate cement to surface using 2% CaCl₂ in cement. Drill out shoe and reduce hole to 8 3/4". Drill 8 3/4" hole to 3500⁺. Run 7", 23#, K-55 ST&C casing to 3500⁺ and circulate cement to surface. Drill out of 7" with 6 1/4" bit using gas as circulating fluid. Drill to total depth.. If productive, run 4 1/2" casing. Cement in one stage and bring cement to above Mesaverde Zone. If nonproductive, P&A as per U.S.G.S. requirements
5. Blowout Preventors:
Hydraulic double ram, 10". 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.)

0-300 ⁺	Spud mud.
300-3500 ⁺	Low solids fresh water mud. No WL control.
3500-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.
 - 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:
No cores will be taken. Samples will be taken as directed by wellsite geological engineer. GR/FDC/CNL caliper from T.D. to base of Mesaverde. GR/SP/SN induction from T.D. to surface casing.
9. No abnormal pressures or temperatures are anticipated.
10. The drilling of this well will take approximately 10 days.
11. Your office (telephone) 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.

1. Existing Roads

- A. Proposed Well Site Location: The proposed wellsite location was surveyed and staked by a registered land surveyor and is located 965' FNL and 1540' FWL, Sec. 20, T29N-R8W, San Juan County, New Mexico. (See Exhibit I acreage dedication plan)
- B. Planned Access Route: The planned access route begins in Blanco, New Mexico and proceeds east on Highway 64 approximately 7 3/4 miles. Turn southwest on dirt road and proceed for approximately 1 1/2 miles to junction in road and turn southeast for 1/4 mile into wellsite location.
- C. Access Road Labelled:

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 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 6%.
- 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 or major cuts and fills will be required.
- 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: See 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 - None
- (2) Production facilities - See Exhibit III
- (3) Oil Gathering Lines - None
- (4) Gas Gathering Lines - None
- (5) Injection Lines - None
- (6) Disposal Lines - None

- 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: _____

Facilities will be fenced as needed to protect wildlife or livestock.

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 putrescible 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. See 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 initial 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 description of the proposed wellsite location is located approximately 1 1/2 miles southeast of Manzarnares Canyon. The terrain consists of sandy soil, Juniper and pine trees on the north end.
- 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 reconnaissance has been performed for this location and clearance has been granted.

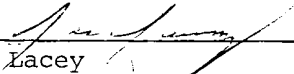
12. Operator's Field Representative

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

13. Certification

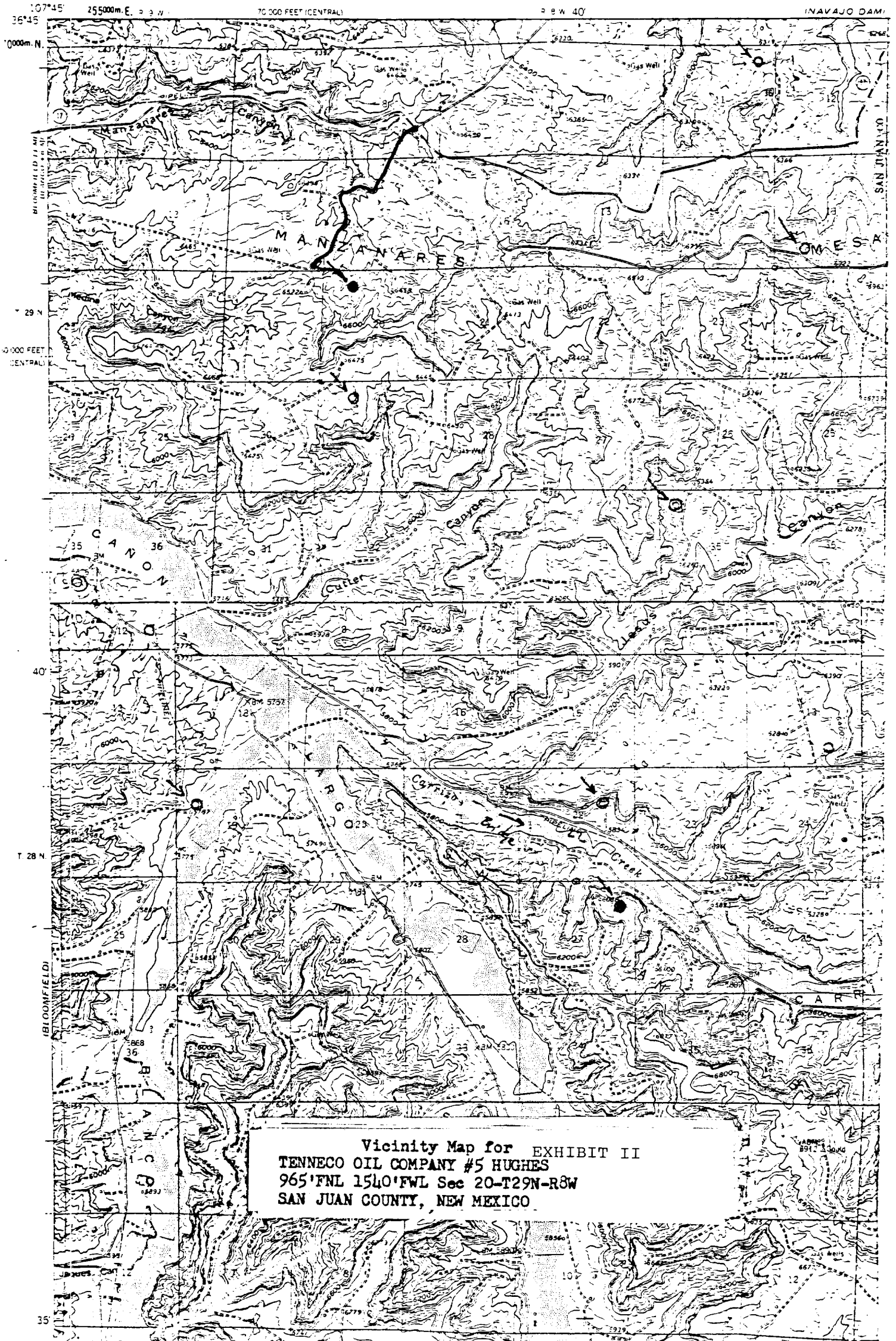
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions as they actually exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the proposed work performed by Tenneco Oil Company and its contractors and subcontractors will conform to this plan.

Date: 9-4-79



J. M. Lacey
Division Production Manager

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



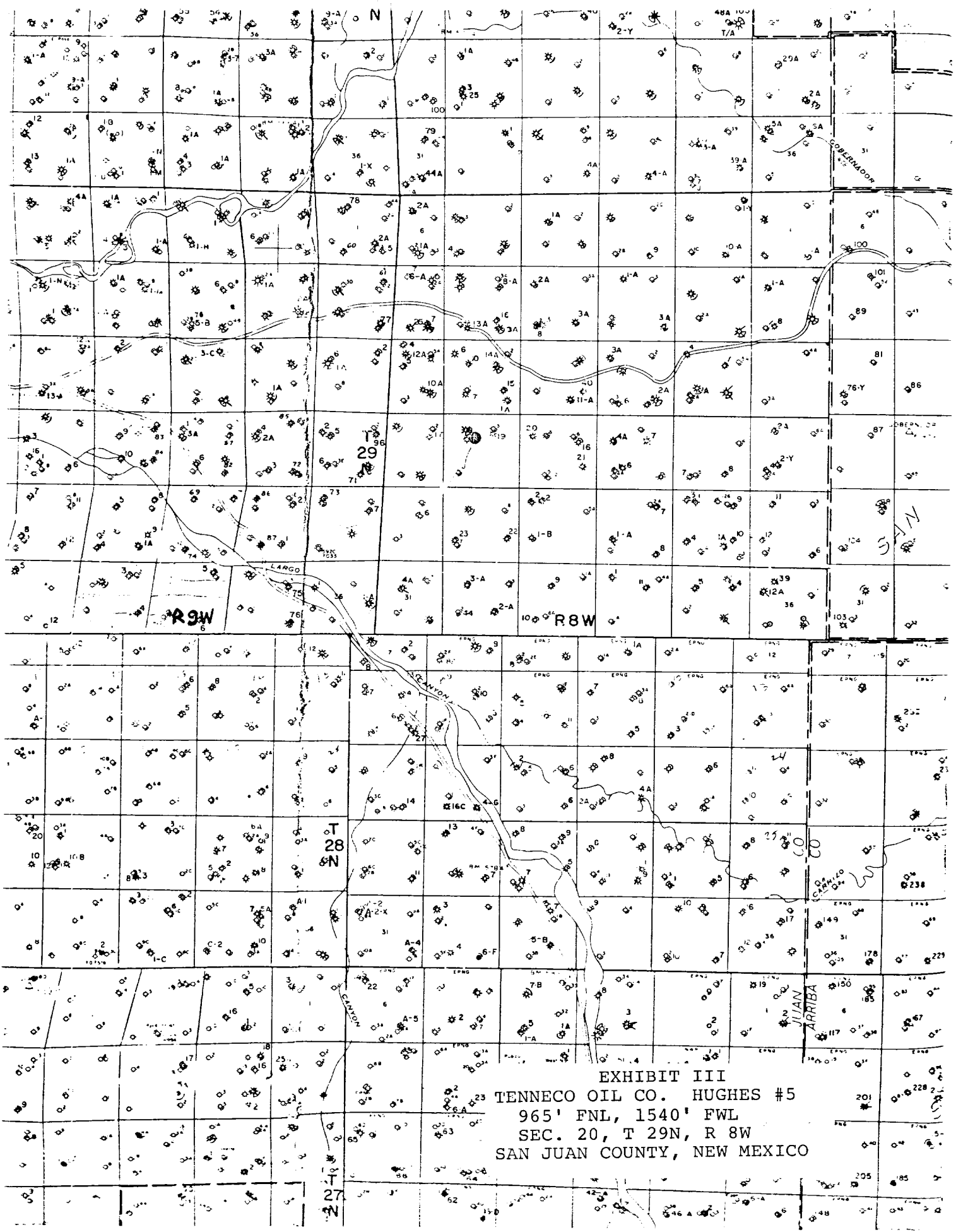


EXHIBIT III
TENNECO OIL CO. HUGHES #5
965' FNL, 1540' FWL
SEC. 20, T 29N, R 8W
SAN JUAN COUNTY, NEW MEXICO

TENNECO OIL COMPANY

CALCULATION SHEET

EXHIBIT IV

SUBJECT DRILLING WELL SITE LAYOUT HUGHES #5

LOCATION 965' FNL, 1540' FWL, SEC. 20, T 29N, R 8W

DATE: 8-79

SAN JUAN COUNTY, NEW MEXICO

