SULMIT IN TRIPLICATES (Other instructions on reverse side)

Form approved. Budget Bureau No. 42-R1425.

DEPARTMENT OF THE INTERIOR						5. ELASE DESIGNATION AND FELIAL NO.		
	USA-SF-077092-A							
APPLICATION	I FOR PERMIT T	O DRILL, D	EEPE	N, OR PLUG B	ACK	G. IF INDIAN, ALLOTTLE OF TABLE NAME		
10 TIPE OF WORK	LL X	DEEPEN [_	PLUG BAC		7. UNIT AGREEMENT NAME		
b. TIPE OF WELL	S X OTHER		81N 201	GLE X MULTIPL	* 🗆 🕆	S. PARM OR LEASE NAME		
WELL WI	ELL X OTHER		20.			Houck		
Tenneco Oil	Company					9. WELL NO.		
3. ADDRESS OF OPERATOR	Company					1		
720 0- 0-1-	rado Blvd., Denv	er, Colora	do 80	222		10. FIELD AND POOL, OR WILDCAT		
4. LOCATION OF WELL (Re	eport location clearly and	in accordance wit	L aus St	inte requirements.	\	Basin Dakota		
At surface 790	FSL, 790 FWL	7			\	11. SEC., T., B., M., OE BLK. AND SURVEY OB AREA		
At proposed prod. zon	•	1	100	4:29	,	Sec. 1, T29N, R10W		
came	as above		- CEFICE	• 001		12. COUNTY OF PARISH 13. STATE		
	AND DIRECTION FROM NEAR			EN Th	Ì	San Juan N.M.		
Approximatel	y 2 miles NNW of	Blanco, N	16. ×o.	OF ACRES IN LEASE		DF ACRES ASSIGNED		
15. DISTANCE FROM PROPO LOCATION TO NEAREST PROPERTY OR LEASE I			- 4	1101/-	TOT	.316.80 5 /323		
(A)so to Degrest Gris	t anic mae, m may i		19. FRO	OPOSED DEPTH	20. ROTA	AUY OR CABLE TOULS		
15. DISTANCE FROM PROP TO NEAREST WELL, D	RILLING, COMPLEADE,			6950 '		Rotary		
OR AFFLIED FOR, ON THE 21. ELEVATIONS (Show who			<u> </u>	0,50	1	22. APPROX. DATE WORK WILL STALT*		
5884 GR	tuici 21, 111, 111, 111, 111,					Feb. 1981		
25,,		POPOSED CASI	NG AND	CEMENTING PROGRA	M			
					1	QUANTITY OF CEMENT		
BIZE OF HOLE	SIZE OF CASING	WEIGHT PEL F	007	±250 *	Circu	late to surface		
12 1/4"	9 5/8" new	36# 23#		±2900'		late to surface		
8 3/4"	7" new 4 1/2" new	11.6#, 10	5#	±6950,		late to liner top		
6 1/4"	4 1/2 new	11.0#, 10	, ,		•			
	<u>ن</u>			aqui, i	i	and the little		
See attached	d.				ŕ			
The gas is						DEC 31980 OIL CONT. 3		
gene. If proposal is to preventer program, if all 24. Signed (This space for Fed	ns.	Ang, give pertiner	pen or pat data (plug back, give data on pon subsurface locations a Sr. Production		st pate Sept. 29, 1980		
PERMIT NO. AS A	MENDED							
CONDITIONS OF AN	E.C. 0 2/1980 Lec l'amble 9 MES F. SIMS	7	ITLE	•		DATE		
. DISTR	ICT ENGINEER	40 .		O- Payare Sida				

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Supersedes (-12) Effective 1-1-15

•		All distances	must be from	the outer t	cundaries of t	he Section		
, eratet	L	Legan				Well In.		
TENNECO OIL COMPANY			<u></u>	HOUCK				
ge pener Cecti		Te was hip		Hange		County	·	
<u> </u>	1	29N		10	W	San J	uan	
grupi i potage Location e		43		200			West	line
		outh	line and	<u>790</u> ∞ı	inei	from the		Dedicated Auroage:
TOOL	Preducing For	1.3110n		e. Pasin D	akota			323 Acres
5834 -	Dakota					- hashuse	marks on t	he plat below.
interest and ro	ne lease is raity).	dedicated to	the well,	outline ea	ach and ide	ntify the o	wnership t	thereof (both as to working
X Yes If answer is "this form if nec	No If an no." list the cssary.)	owners and t	s," type of	consolida	ich have ac	nunitiza	tion is n consolic	in progress. dated. (Use reverse side of nmunitization, unitization, approved by the Commis-
sion.	1							CERTIFICATION
•	 			 			tained h	certify that the information cen- perein is true and complete to the my knowledge and beliff A. Mishler
	, t 1 i						Com; any Tenne	Sr. Production Analyst co Oil Company September 29, 1980
	. 1			4.5	*2 .	ÿ .		
 - -	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	<u>ស្រាយក្</u> នុ	<u> </u>	mmijj	HILLHAM	<u> </u>		
TENNECO US	 	92-A	Tenne	l co USA 	SF 077092	2-B	shown notes t	on this plat was plotted from field of actual surveys made by me or my supervision, and that the same and correct to the best of my
3 = - = -	 			- - 			knowle	dge and belief.
790' ©	1 1 1 1			. 1 1 1		-	= 1	ember 25/1978
	1) <u> </u>	. 2000	1000	1000	occ c	3950	MEX

TERRIZEC COL COMPANY ROCKY MOUNTAIN GRYSSEC PENTHOUSE, 721 SOUTH COLORED BOSLEVAND DEBULN, COLORED - 80222

DAILLING PROCESSION

DATE: September 5, 1930

LEASE: Houck

WELL NO.: 1

LOCATION: 790 FSL, 790 FWL

Sec. 1, T29N, R10W

San Juan County, NewMexico

FIELD: Dasin Dakota

ELEVATION: 5884, Est. G.L.

TOTAL DEPTH: 6950'

PROJECTED HORIZON: Dakota

Administration

DSB Well File

Field File

DATE: 9-8-80

ESTIMATED FORMATION TOPS

0jo		
Fruitland		
Pictured Cliffs	23601	Gas
Le wi s	2440'	Shale
Cliff House	4015'	Gas
M wifee		
Point Lookout	4615'	Gas
Mancos		Shale
Gallup	5870'	Gas/0il
C eenhorn	6610'	Limestone
hikota	6725'	Gas

7.D.

DRILLING, CASING AND CEMENTING PROGRAM.

- MIRURT
- 2. Drill a 124" Hole to + 250 with Gel-Mater Mud.
- 3. RU and run 9 5/8" 36% K-55 STAC casing to TD. Cement with Class B + 2% CaCl_2 in sufficient quantity to circulate cement to surface. W9C 12 hours.
- 4. Screw on 9 5/8 8rd x 11-3000 casing head, NU BOPS. Pressure test casing, lines and blinds to 1000 PSI for 30 minutes. GIH with drill pipe and test pipe rams to 1000 PSI for 30 minutes. Record all tests on IABC Report.
- Doill out using an 8-3/4" Bit and clear water. Drill to 2900'. Mud up for to reacting intd. TD.
- 6. RH and run 7" 23# K-55 ST&C casing to bottom. Cement with 50:50 Pozmix, 4: Gel; tailed with 150 sx Class B \pm 2% CaCl $_2$. Circulate cement to surface. WOC 18 hours.
- 7. Set slips and cut-off casing. GIH with $6\frac{1}{8}$ " Bit and $3\frac{1}{8}$ " drilling assembly. Pressure test to 1000 PSI for 30 minutes. Record tests on IADC Report.
- +8. RU \rightarrow Cas Drill. Drill to within 5' of shoe with water, unload hole with N₂. Drill a few feet of new formation and blow with gas until dusting.
- 9. Drill a 64 hole to TD with gas. Log open hole as directed by G.E. Department.
- 10. Run 4%" 11.6 and 10.50# K-55 ST&C 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 or excess cement, LDDP 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> 0-250 0-2900	<u>Length</u> 250 2900	Size 9 5/8 7	<u>Weight</u> 36# 23#	<u>Grade</u> K-55 K-55	Coupling SIC STC		
2700-6950	4250	4 1/2	10.5#	K-55	STC		

MUD PROGRAM

0-250 Spud mud.

250-2900 Low solid, fresh water and Mater and Benex.) Mud up prior to running casing.

2900-TD Gas.

EVALUATION

Cores and DST's: None.

Deviation Surveys:

- 1. Survey surface hole at 100' intervals. Maximum allowable deviation at 500' is $1-1/2^{\circ}$.
- 3. From surface to total depth, deviation surveys must be taken every 500' or each trip, whethever is first. This may entail running the TOTCO on wire like. Record each survey on the IADO Drilling Report Sheet. Maximum at owable change in deviation is 1° per 100'. Maximum deviation allowable is 5°.

Simples: As requested by Wellsite Seological Engineer.

Logs: 1. GR/IND FDC-GR-Cal TO to MY

ELCHOUT EQUIPMENT

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

REPURTS

Drilling reports for the past 24 hours will include depth, footage, time distribution, activity breakdown, mud properties, bit record, bottom hele assembly, daily and cumulative mud costs, plus any other pertinent information, will be called into Tenneco Sil Company, Denver, Colorado, between 7:30 a.m. and 8:00 a.m.

- 1. 303-758-7130 (Office) Don Barnes -303 -3-7287 (Office) Don Barnes' private line, Monday-Friday (before 7:45 a.m.) 303-9 --0704 (Home) Don Barnes, weekends and holidays.
- 2. John Owen (Home) 303-795-0221

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

TENNECO GIL COMPANY RECKY MOUNTAIN DIVISION CENTHOUSE, 720 SIUTH COLORADO EQULEVARD DENVER, COLORADO 80222

At LENTION: 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. Nike Lacey, Division Production Manager (Home 303-979-0509).

TENNECO OIL COMPANY - 10 POINT PLAN

The geological name of the surface formation: Tertiary San Jose 1.

Estimated Formation Tops: 2 & 3.

(See Attached Drilling Procedure)

Proposed Casing Program: 4.

(See Attached Drilling Procedure)

- Blowout Preventors: 5.
 - 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.
- Mud Program: (Sufficient quantity of mud and weight material will be available 6. on location).

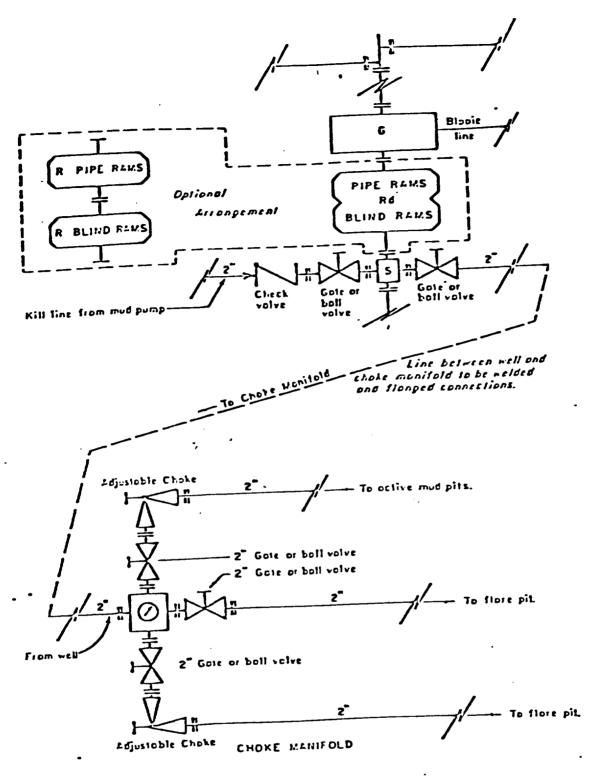
(See Attached Drilling Procedure.

- Auxiliary Equipment: 7.
 - 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.
- Coring, Logging, and Testing Program: 8.

(See Attached Drilling Procedure)

- No abnormal pressures, temperatures or potential hazards such as H2S are ex-9. pected to be encountered.
- The drilling of this well will start approximately (Feb. 1981) and 10. 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.

- Double com type preventer with two sets of coms. Rđ
- Single rom type preventer with one set of roms.
- Drilling spool with side outlet connections for choice and kill lines. **S** .
- Rotoling head 150 psi working pressure minimum

ARRANGEMENT C

TENNECO OIL COMPANY ROCKY MOUNTAIN DIVISION REQUIRED MINIMUM BLOWOUT PREVENTER AN CHOKE MANIFOLD J. MAGILL 10-26-78 EYI

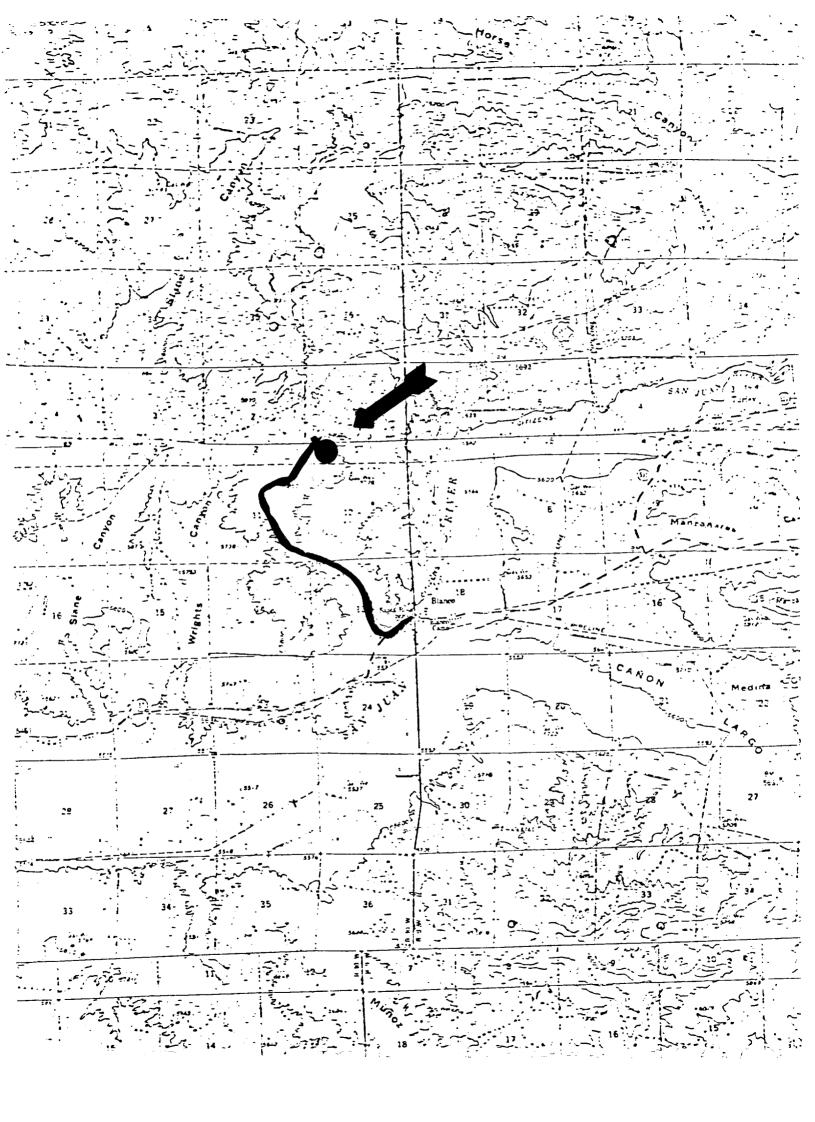
- Please refer to Map No. 1 which shows the existing roads. New roads which will be required have been marked on this map. All existing and new roads will be properly maintained during the duration of this project.
- Planned Access Roads Please refer to Map No. 1. The grade of the access roads will be 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.
 - 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 lease 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 J 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.

- B. 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 The proposed site is on a relatively flat area approximately $1\frac{1}{2}$ miles west of the San Juan River. Some large rock formations are present.
- 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 mad 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



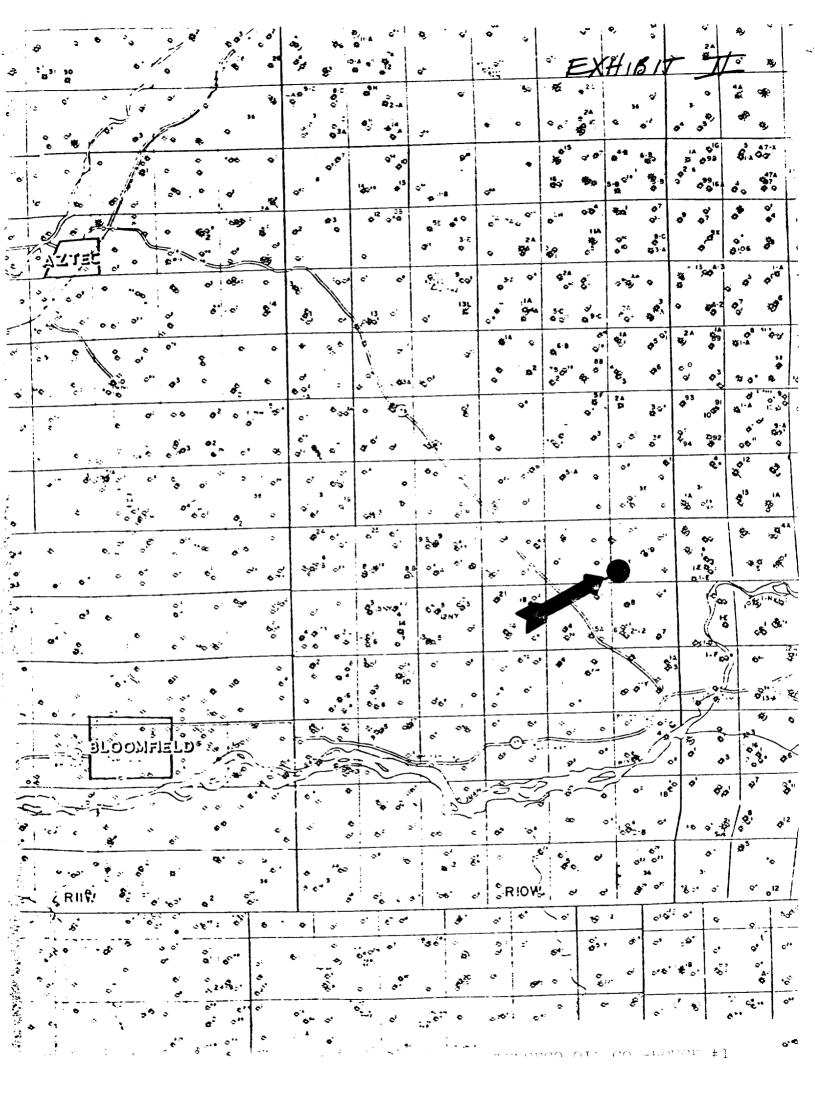


EXHIBIT III

Drilling Well Site Layout HOUCK #1
SW/SW SEC. 1, T 29N, R 10W, San Juan

100' Reserve House Drilling Rig 100' Pits 135' 1 Well Cat Pige Rucks W2/8 175**'** C 12' 8 ' 20' Parking 100' 40' Access Road