

Application for Permit to Drill  
Hixon Development Company  
Phillips Federal No. 2  
1700' FNL, 1030' FEL  
NE/4 Section 9-T25N-R12W  
San Juan County, New Mexico

Recap of NTL-6 13-Point Outline is as follows:

1. Existing Roads - Refer to attached topographic map. The proposed well site is located inside an existing 25 year old oil field. The field has an extensive lease road system tied to State Highway 371 south of Farmington.
2. Planned Access Roads - Construction of an access road will not be necessary. Per the attached map, an access road already exists to this well site.
3. Location of Existing Wells - Refer to attached map.
4. Location of Tank Batteries, Production Facilities, etc. - The proposed well is located within an extensive oil and gas flowline and water injection system.
5. Location and Type of Water Supply - Will not be necessary. Any water used for workover purposes will be hauled in from a source well in Section 5, or from Farmington.
6. Source of Construction Materials - None will be used.
7. Methods for Handling Waste Disposal - Any waste material incurred while drilling will be buried in the mud pits.
8. Ancillary Facilities - Will use existing Central Bisti Unit facilities.
9. Well Site Layout - Refer to plat attached.
10. Plans for Restoration of Surface - Area in the vicinity of well site is primarily sand. Very little of the well site area will be disturbed.
11. Other Information - Refer to Archaeological Report to be submitted to USGS.
12. Leasee's or Operator's Representative -  

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13. See Attached