SUBMIT IN TRIPLICATE.

(Other Instructions on reverse side)

Form approved. Budget Bureau No. 42-R1425.

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DEPA	RTMENT	OF	THE	INTER	IOR

30-095-2362 5. LEASE DESIGNATION AND SERIAL NO. NM-25449 **GEOLOGICAL SURVEY** 6. IF INDIAN, ALLOTTEE OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK 1a. TYPE OF WORK 7. UNIT AGREEMENT NAME DEEPEN [PLUG BACK DRILL 🛛 b. TIPE OF WELL MULTIPLE SINGLE ZONE S. FARM OR LEASE NAME MELL X WELL \square Hunter Wash 2. NAME OF OPERATOR 9. WELL NO. Hixon Development Company 3. ADDRESS OF OPERATOR 10. FIELD AND POOL, OR WILDCAT **P.O.** Box 2810, Farmington, NM 87401 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) Bisti Lower Gallup <<↑ 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 860' FNL, At proposed prod. zone 330' FWL, Section 22-T25N-R12W Section 22-T25N-R12W 12. COUNTY OR PARISH | 13. STATE 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE NM San Juan 26 miles from Farmington 15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any) 17. NO. OF ACRES ASSIGNED TO THIS WELL 16. NO. OF ACRES IN LEASE 440 18. DISTANCE FROM PROPOSED LOCATION®
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 20. ROTARY OR CABLE TOOLS 19. PROPOSED DEPTH 4901' 22. APPROX. DATE WORK WILL START* 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 1-15-79 6268' GL 23. PROPOSED CASING AND CEMENTING PROGRAM SETTING DEPTE QUANTITY OF CEMENT WEIGHT PER FOOT SIZE OF HOLE SIZE OF CASING 200' 12-1/4" 8-5/8" 24# 200 sacks 7-7/8" 9.5# 4901 4-1/2300 sacks

It is proposed to drill a Bisti Lower Gallup pool step-out well. The well will offset the Central Bisti Lower Gallup Unit and the Carson Lower Gallup Unit, and will serve the purpose of delineating the reservoir. It will be evaluated on the basis of open hole logs, perforated, fraced and put on pump into separate oil treating and storage facilities.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive some and proposed ng productive Give blowout sone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and reme vertical depths preventer program, if any. ushelstill October 31, 1978 Petroleum Engineer DATE (This space for Federal or State office use) PERMIT NO. .. DATE APPROVED BY CONDITIONS OF APPROVAL, IF ANY: ok Frank 2

*See Instructions On Reverse Side

All distances must be from the outer boundaries of the Section

		All distances must be	from the out	er oomidaries or i	me section.					
Operator Hixon Devel	Hunter Wash (NM-2544			9)	Well No. Hunter Wash #2					
Unit Letter D	Section 22	Township 25 North	Romg	12 West	County	San Juan				
		25 1101 111		12 West		all Juali				
Actual Footage Location of Well: 860 feet from the North line and 330 feet from the West line										
Ground Level Elev.	Producing Form		Pool				Dedicated Acreage:			
6268	Lower Ga	llup	Bis	sti Lower G	allup (ext	40 - 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?										
Yes X 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.) one owner lease										
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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860'	ŧ			İ						
800.	Lease #NM-2	5449		1		ł	certify that the information con-			
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							ch L. Kuchera			
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	i					Hixon Date	Development Co.			
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	1			 		<u></u>	27, 1978 Professional Engineer			
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				i !		Edan	L. Risenhower			
			—			Certificate I	No. 5979			
0 220 440	00 1330 1650 100	3310 3640 300		1000 -		I Edgar L	. Risenhoover, L.S.			

Application for Permit to Drill Hixon Development Company Hunter Wash Well No. 2 Bisti Lower Gallup Field NW 1/4 of NW 1/4, Section 22-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 adjacent to an existing 25 year old oil field. The field has an extensive lease road system that is tied to State Highway 371 south of Farmington.
- 2. Planned Access Roads An existing lease road will be extended by 800' to provide access to the subject well per the attached topographic map. The proposed road will run south-southeast and consist of compacted sand with a maximum 1% grade. It will be about 25' wide.
- 3. Location of Existing Wells Refer to the attached map.
- 4. Location of Tank Batteries, Production Facilities, and etc. The proposed well is located in the vicinity of an extensive oil and gas flowline and water injection system. A 2" flowline for the proposed well would run west to a flowline manifold at CBU Well No. 51 or to a new tank battery located in Section 16-T25N-R12W.
- 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 Materials necessary for the construction of the access road and drilling pad will be obtained from the wells location.
- 7. <u>Methods of Handling Waste Disposal</u> 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 attached plat.
- 10. Plans for Restoration of the Surface Area in the vicinity of the 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 the USGS.
- 12. See Attached -

Application for Permit to Drill Hixon Development Company Hunter Wash Well No. 2 Bisti Lower Gallup Field NW of NW 1/4, Section 22-T25N-R12W San Juan County, New Mexico Page 2

13. Leasee's or Operator's Representative -

Aldrich L. Kuchera

Telephone 325-6984 Office

325-3448 Home

325-1873 Unit #675 Car Telephone

Application for Permit to Drill Hixon Development Company Hunter Wash Well No. 2 Bisti Lower Gallup Field NW 1/4 of NW 1/4, Section 22-T25N-R12W San Juan County, New Mexico

Other NTL-6 pertinent data is as follows:

1. Estimated Log Tops:

Animas Surface Ojo Alamo 52' Pictured Cliffs 11111' Lewis 1266' Point Lookout 3516' Mancos 3726' Gallup 4626' Lower Gallup 4701'

2. Estimated depths of water oil and gas:

Fresh water 52'-102'
Gas 1111'-1131'
Oil and Gas 4626'-TD

- 3. Weight and type of mud to be used 9.0#-9.3#/gallon mud from below surface with low fluid loss additives used across permeable zones.
- 4. Open hole logs to be used:

Induction Electric
Compensated Neutron - Density

- 5. Pressure control equipment will be a 10' Shaffer 3000 WP hydraulic BOP stack per the attached inventory sheet. Surface casing will be tested to 750 psi for 30 minutes prior drilling out cement. Production casing will be tested to 1000 psi for 30 minutes prior perforating.
- 6. On the basis of offset drilling data we do not foresee any drilling hazards such as high pressure gas zones, high temperatures, sour gas or other abnormal deviations.
- 7. Surface 8-5/8" 24# J-55 ST&C and production 4-1/2" 9.5# J-55 ST&C casing will be new and tested at the factory. Regular Class B cement will be used for the surface casing. Production casing will be cemented with Class B cement with 10# gilsonite per sack and 2% CaCl.
- 8. Duration of drilling activity from spud date to completion is expected to be about 15 days.
- 9. In the event that the well is a dry hole it will be plugged with prior USGS approval and the drilling site restored to its natural state.

HIXON DEVELOPMENT COMPANY

P.O. BOX 2810
FARMINGTON, NEW MEXICO 87401
October 31, 1978

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 which presently exist; that the statements made 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 Hixon Development Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

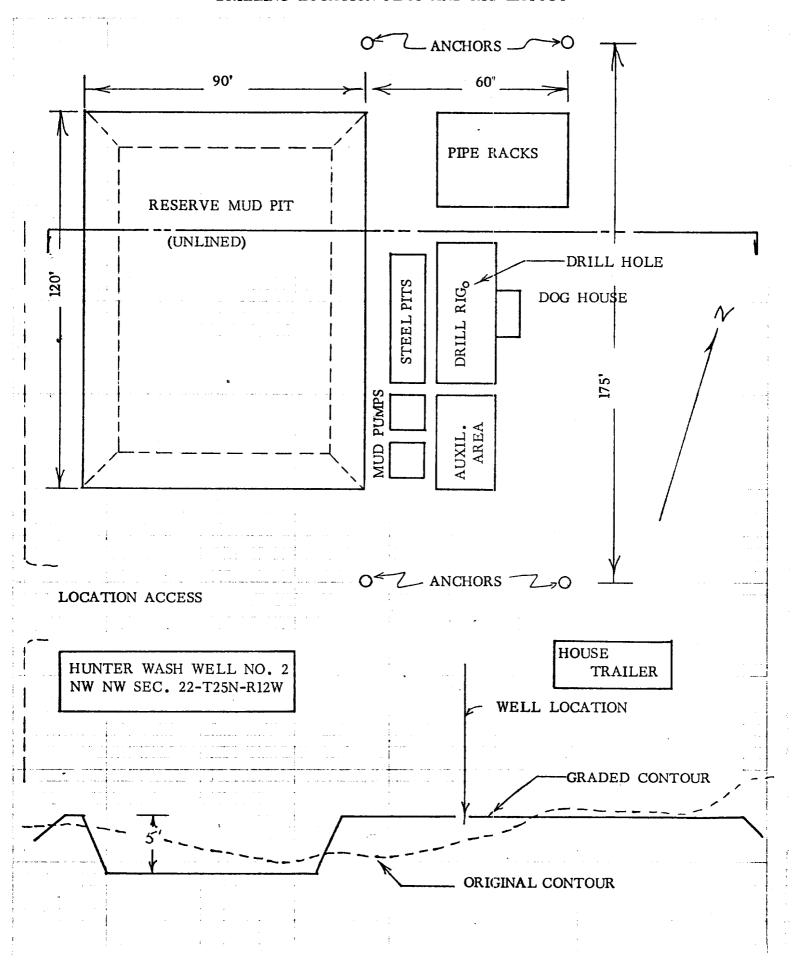
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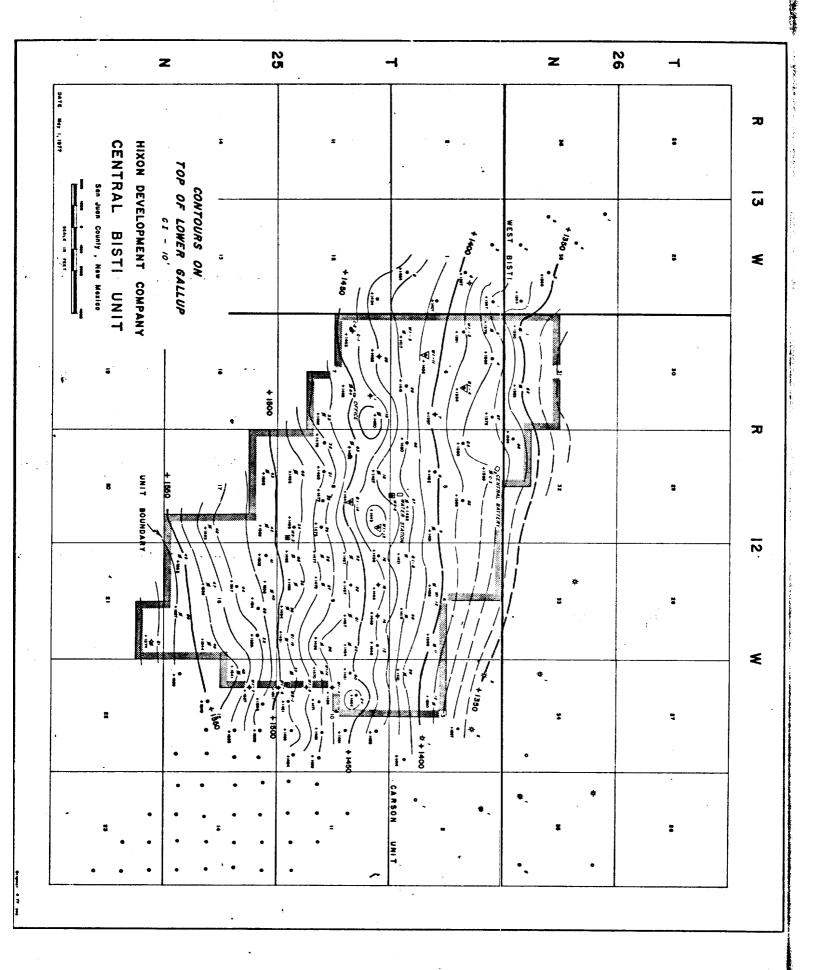
Aldrich L. Kuchera Production Manager Petroleum Engineer

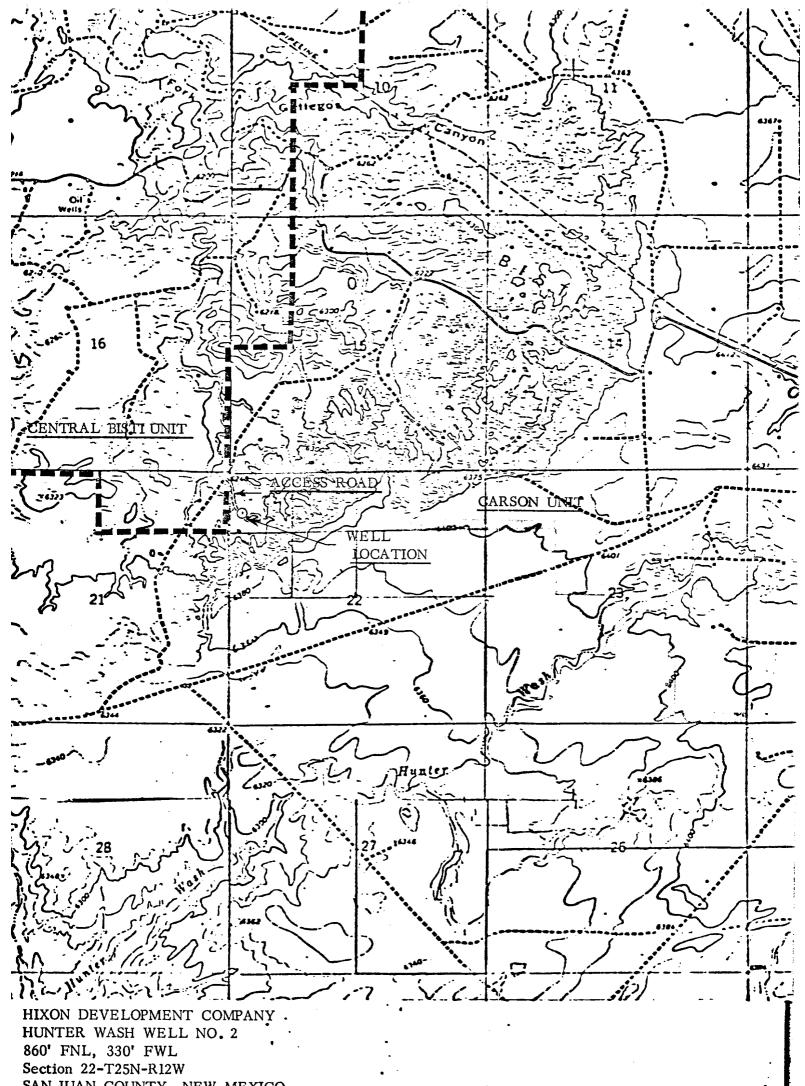
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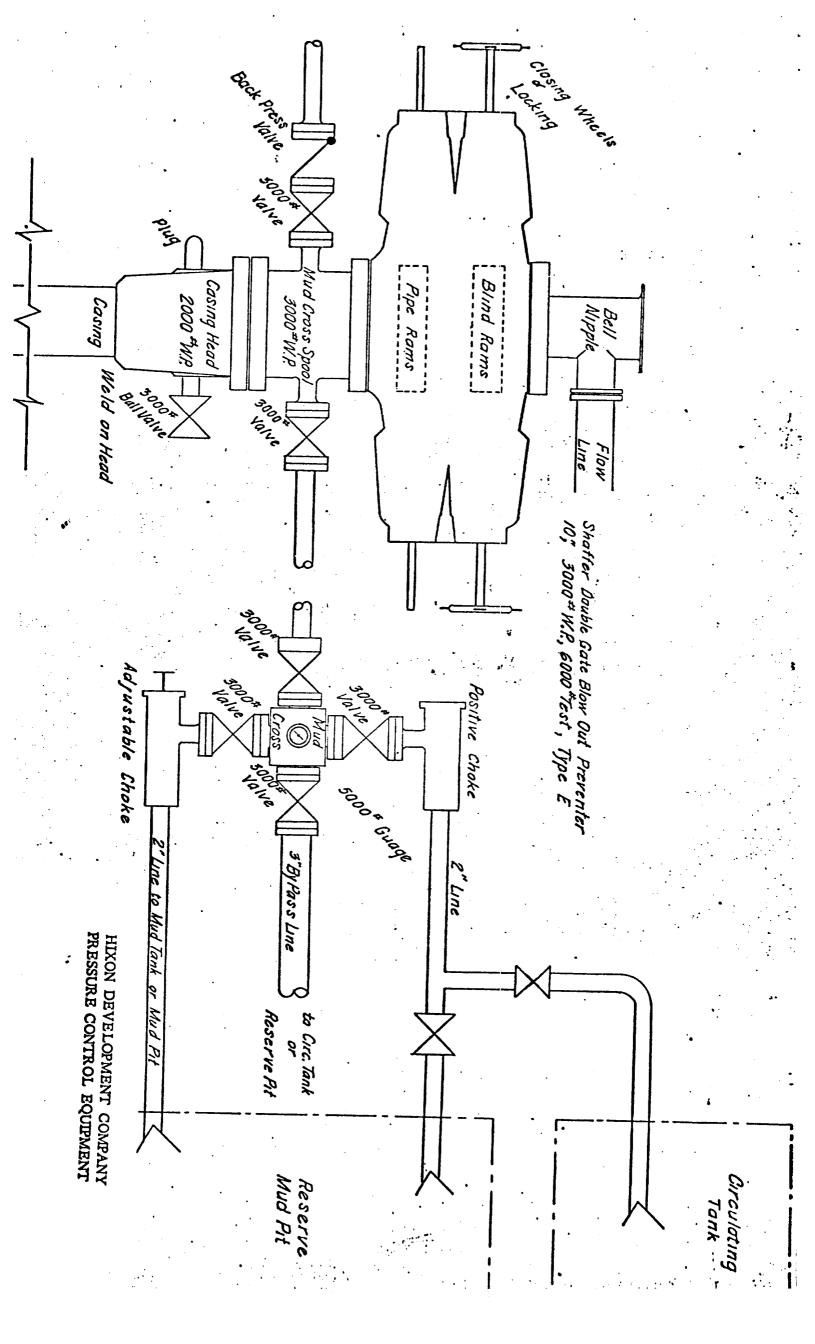
HIXON DEVELOPMENT COMPANY DRILLING LOCATION PLAT AND RIG LAYOUT







SAN JUAN COUNTY, NEW MEXICO



N MEXICO OIL CONSERVATION COMMISS. WELL LOCATION AND ACREAGE DEDICATION PLAT

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Form C-102 Supersedes C-128 Effective 1-1-65

All distances must be from the outer boundaries of the Section Operator Well No. Wach #2 Hixon Development Company NM-25449 Hunter Wash Unit Letter Section Township D 22 25 North 12 West San Juan Actual Footage Location of Well: North West feet from the line and Producing Formation Ground Level Elev. Pool Dedicated Acreage: Lower Gallup Bisti Lower Gallup 80 6268 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? Yes X 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) one owner lease 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 8601 I hereby certify that the information con-Lease #NM-25449 tained herein is true and complete to the Aldrich L. Kuchera Position Petroleum Engineer Hixon Development Co. October 31, 1978 RISE TO 22 Sec. ledgegnddychthausine general ONET ONET CALLUNIA Date Surveyed October 27, 1978 Registered Professional Engineer and/or Land Surveyor