SUBMIT IN TRIPLICATE*

Form approved. Budget Bureau No. 42-R1425.

(Other instructions on meverse side)

UNITE	ED	STATE	ES	
DEPARTMENT	OF	THE	INTERI	OR

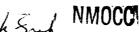
30-045-23983

DEPARTMENT OF THE INTERIOR						5. LEASE DESIGNAT	ION AND BER	ILAL NO.
GEOLOGICAL SURVEY								
APPLICATION	FOR PERMIT T	O DRILL, I	DEEP	EN, OR PLUG	BACK	6. IF INDIAN, ALLO	TTEE OR TRIB	E NAME
	L 🖺	DEEPEN		PLUG B	ACK 🗆	7. UNIT AGREEMEN	T NAME	
b. TYPE OF WELL OIL GA	8 []		8	INGLE MUL	TIPLE	S. FARM OR LEASE	NAME	
2. NAME OF OPERATOR	CLL X OTHER		Z	ONE ZONE	<u> </u>	Federal	18	
	evelopment Coi	mpany				9. WELL NO.	70	
3. ADDRESS OF OPERATOR						1-15		
P.O. Bo	x 2810, Farmi	ngton. Ne	w M	exico 87401		10. FIELD AND POOL, OR WILDCAT		
4. LOCATION OF WELL (Re	port location clearly and	in accordance wi	th any S	State requirements.*)		Chacra - V	Wildcat	
At surface	NE COOLENE	0 10	n rn	05N: D10III		11. SEC., T., R., M., AND SURVEY OF	OR BLK.	
TUUU' F E At proposed prod. zone	CL, 790' FNL,	Section 18	8, 17	25N, R12W				
Freezen Freeze ev-						Section 18	-25N-1	2W
14. DISTANCE IN MILES A	ND DIRECTION FROM NEAF	EST TOWN OR POS	T OFFIC	r.		12. COUNTY OR PAR	ISH 13. ST	ATE
24 miles	south of Farm	nington				San Juan	NI	M
15. DISTANCE FROM PROPOSED® LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any)					of acres assigned his well 160 acres			
18. DISTANCE FROM PROPO TO NEAREST WELL, DR	SED LOCATION*		19. PI	ROPOSED DEPTH	20. ROTA	BY OR CABLE TOOLS		
OR APPLIED FOR, ON THIS	LEASE, FT.			2100'		Rotary		
21. ELEVATIONS (Show whether						22. APPROX. DATE		START*
GLE - 6	531'					12-31-79	9	
23.	P	ROPOSED CASII	NG ANI	D CEMENTING PROG	RAM			
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER F	оот	SETTING DEPTH		QUANTITY OF CE	MENT	
8-3/4"	7"	23#		90'		100 sacks		
5''	2-7/8"	6.5#		2100'		200 sacks		
•	nned to drill a			0	•	er the		
							· · · · · · · · · · · · · · · · · · ·	
		_	A SERVICE AND A			es partir (Constitution of the Constitution of		
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IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deeped of plugitation, give dita 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 danths. 24.

(This space for Federal or State office use) PERMIT NO. APPROVAL DATE APPROVED BY TITLE DATE CONDITIONS OF APPROVAL, IF ANY:

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS" -



Mixon Development Company Federal Section Township Rowge County	C		Wit distances must		onter pomodelles of	the Section	n.	1	
Unit Letter A 18 25 North 12 West Ceverly A 18 25 North 12 West Ceverly The Local Letter Common L		Johnson + Compa	nv	Lease.	Federa	1	/ B	Well No.	1_47
A 25 North 12 West San Juan Actual Fosters Location of Will 790 test term the North 12 west 1000 test from the East 12 North 1500 test term the North 1500 test				Ra		,	1 27		1 432
Actival Posterior Locations of Wells 790	A	i i	1	1		1 -	Juan		
Decidence formation Decidence formation Gestinated accessing to the subject well by colored pencil or hachare marks on the plat below.		<u> </u>							
Dedicated According Formation Count Chara Char	790	feet from the	North line a	nd 10	000	t from the	East	line	
1. Outline the acreage dedicated to the subject well by colored pencil or hackure 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	Ground Level Elev.	Producing Fo	rmation	Pool				7	
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APPLICATION FOR PERMIT TO DRILL Hixon Development Company Federal Well No. 1-18 790' FNL, 1000' FEL, Section 18, T25N, R12W San Juan County, New Mexico

NTL-6 13 Point Requirement Outline is as follows:

- Existing Roads Refer to the attached topographic map.
 The well will be located along side an existing dirt road.
 The location is adjacent to the Hixon Development Company operated Central Bisti Unit oil field. Existing well location roads in the vicinity of the Federal 1-18 location are maintained by company construction vehicles.
- 2. Planned Access Roads Refer to the attached maps.
- 3. Location of Existing Wells A 1-mile radius map showing offset wells is attached.
- 4. Location of Existing and/or Proposed Facilities The proposed well location is situated inside a developed oil and gas field containing an extensive system of oil and gas gathering lines, water injection lines, disposal lines, powerlines, fuel gas lines etc.

Proposed facilities for the Federal 1-18 well will consist of a well head assembly, meter house and an EPNG pipeline riser, i.e. a standard shallow gas well hookup. All lines will be buried 5' deep. The pipeline riser, well head, meter run and meter building will all be located on the proposed well pad schematic. The facility will not pose any problems for any livestock.

Restoration of any disturbed areas no longer needed for operations after drilling will be graded, contoured and raked.

- 5. <u>Location and Type of Water Supply</u> Water for drilling will be obtained from the NIIP.
- 6. Source of Construction Materials Materials for the drilling pad will be obtained from the proposed well location, i.e. none will be hauled in.

- 7. Methods for Handling Waste Disposal Any waste material incurred while drilling will be buried in the mud pits, i.e. 5' deep. Cuttings, drilling fluid, well circulation and stimulation fluids (if any) will be contained in the mud pits. The mud pits will be allowed to dehydrate and will be filled and contoured per regulations. Well site will be properly cleaned up after rigging down rotary tools.
- 8. Ancillary Facilities Central Bisti Lower Gallup Unit existing facilities will be used.
- 9. Well Site Layout Refer to attached plat.
- Plans for Restoration of Surface The mud pits will be back filled, area leveled and contoured, raked and waste materials disposed of by burying 5' deep. Revegetation will not be carried out because seeding efforts in this area have been unsuccessful and a waste of money due to lack of moisture and blow sand conditions.
- 11. Other Information Refer to Archeological Report to be submitted.
- 12. Operator's Representative -

Aldrich L. Kuchera
Hixon Development Company
Petroleum Center Building
Suite 101
501 Airport Drive
Farmington, New Mexico 87401

Office (505) 325 - 6984 Home (505) 325 - 3448

Car (505) 325 - 1873 - Unit 675

13. <u>Certification</u> - See Attached.

HIXON DEVELOPMENT COMPANY

P. O. BOX 2810 FARMINGTON, NEW MEXICO 87401

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 which it is approved.

November 26, 1979	flesnich tereber

Date

Aldrich L. Kuchera

Vice President

Subscribed, Sworn to and Acknowledged before me this 26th

day of November , 19 79

My commission expires: 7-25-83

Notary Public

OFFICIAL SEAL'
CINDY DUNCAN

MOTTAR 1. TAID - NEW MEXICO
HUMBAY BOAR Filed with Secretary of State

My Commission Expires: ___

APPLICATION FOR PERMIT TO DRILL Hixon Development Company Federal Well No. 1-18 790' FNL, 1000' FEL, Section 18, T25N, R12W San Juan County, New Mexico

Other NTL-6 Pertinent Data is as follows:

1. Estimated Log Tops -

Ojo Alamo - 318'
Farmington Sand - 648'
Fruitland - 783'
Fruitland Coal - 1413'
Pictured Cliffs - 1438'
Lewis - 1613'
Chacra Sand - 1768'

2. Estimated Depths of Water, Oil and Gas -

Fresh Water - Water well drilling in this area show the Ojo Alamo to be dry.

Gas Sands - 648' - TD. Gas sands and 16800 ppm NaCl water are dispersed from about 648' to TD.

3. Weight and Type of Mud to be Used -

Surface - 0-90'; drill with air. Should water be encountered an Aquagel/lime slurry will be mixed to a 40-50 sec/gt viscosity.

Production Hole - A Dextrid/Cellex low solids mud or equivalent will be used. Any hardness will be treated with soda ash. Mud weight and drilled solids will be controlled. Mud properties will be as follows:

Mud Weight - 8.4 - 8.8 #/gal Viscosity - 34 - 45 sec/quart Plastic Viscosity - 4 - 8 cps Yield Value - 3 - 6 #/100 sq. ft. Fluid Loss - 8 - 12 cc's/API pH - 8.3 - 8.5 Solids Content - 5-1/2% maximum Annular Velocity - 120 FPM Note: Bottom hole pressure gradient is 3.40 #/gallon. Fracture gradient is 19.2 #/gallon. We do not anticipate any drilling problems.

- 4. Open Hole Logs Induction Electric Survey and Compensated Caliper Gamma Ray Neutron Density.
- 5. Cased Hole Logs Gamma Ray CCL and Cement Bond Log.
- 6. Casing Program Surface casing will be 90' 7" 23# J-55, 8rd, ST&C, Range 3, ST&C, Smls, New Casing.

Production Casing will be 2100' 2-7/8" 6.5# J-55, 8rd, EUE, Range 1, Smls, New Casing.

7. <u>Cementing Program</u> - Surface casing will be cemented to surface as follows: (1) break circulation with water (2) pump 100 sacks (500% excess Class B cement slurry with 2% CaCl) (3) Drop wooden cement wiper plug and displace to casing shoe (4) WOC 12 hours.

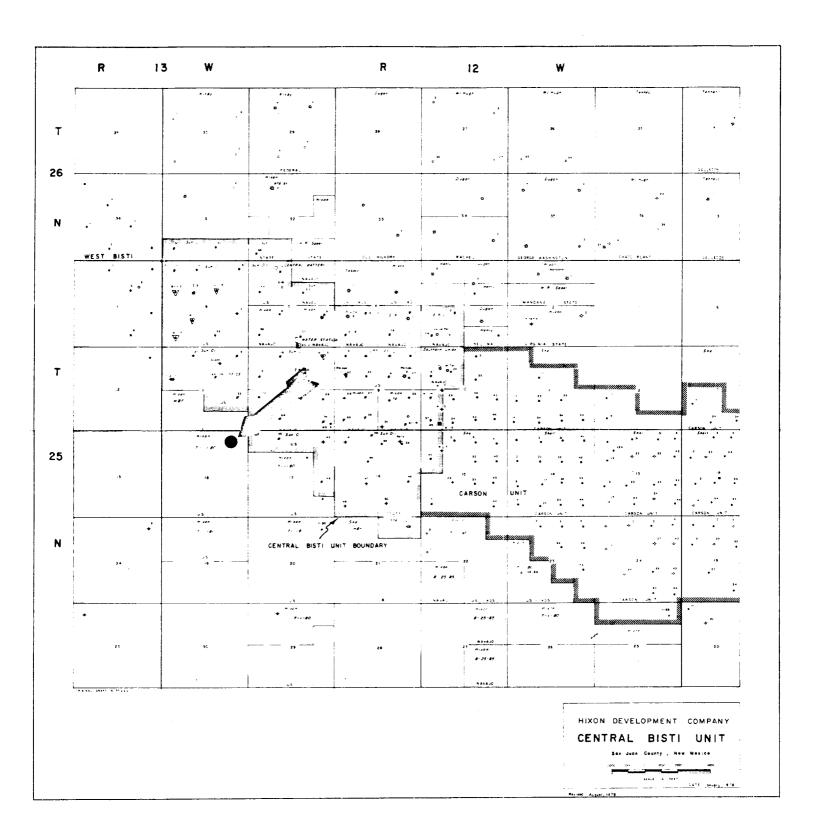
Production casing will be cemented to surface as follows: (1) Break circulation with mud (2) pump 20 bbl C-100 chemical wash (3) mix and pump 154 cubic feet (125 sacks) Litepoz 3 cement slurry weighing 13.5 #/gal and containing 2% gel, 2% CaCl, 1/4 #/sack D-29 cellophane, 10 #/sack Gilsonite (4) follow with 75 sacks Class B cement slurry with 2% CaCl (5) flush lines, drop Omega plug and displace plug with acetic acid and 2% KCl water (6) latch in plug with 2000 psi and WOC 48 hours or to a compressive strength of 1000 psi.

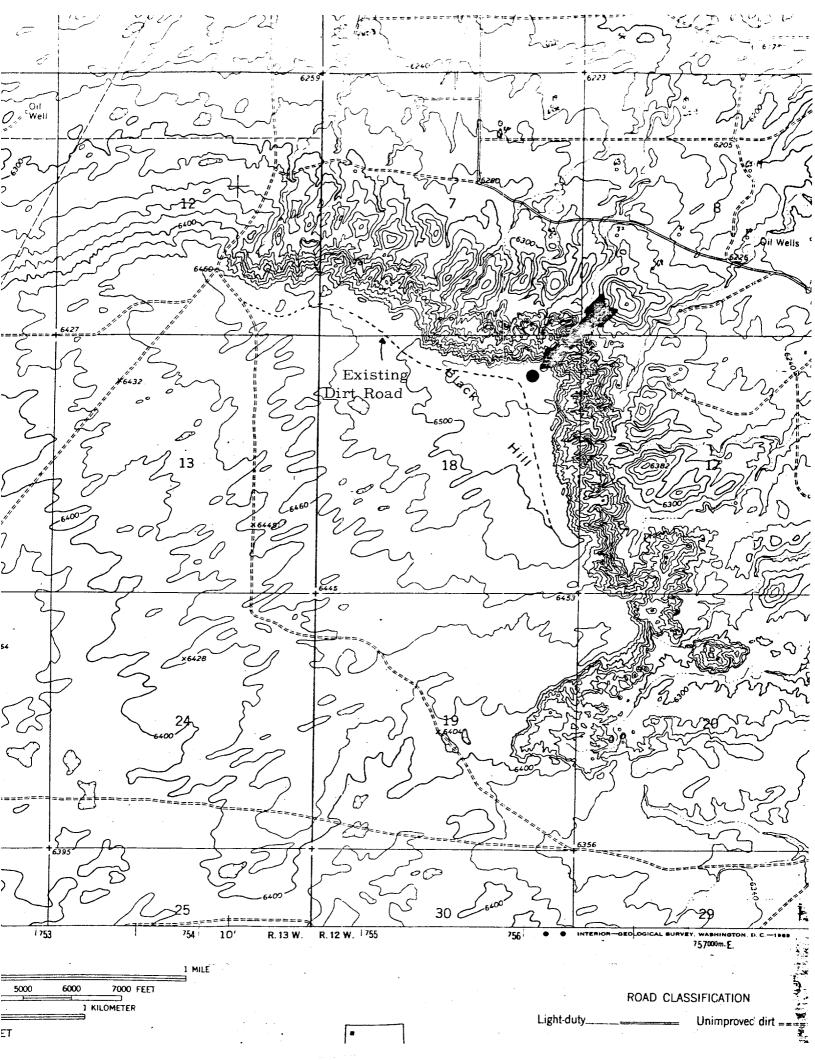
- 8. <u>Drilling Hazards</u> are minimal in this area. High pressure zones, high temperatures, sour gas or other abnormal deviations are not expected.
- 9. <u>Duration of Drilling Activity</u> will be about 15 days from spud date to completion.
- 10. Pressure Control Equipment Will be either of the two attached BOP schematics.
- 11. Casing Pressure Testing Surface casing will be tested for 30 minutes to 500 psi before drilling out shoe. Production casing will be tested to 2000 psi after Omega plug latches in

Application for Permit to Drill Page 3

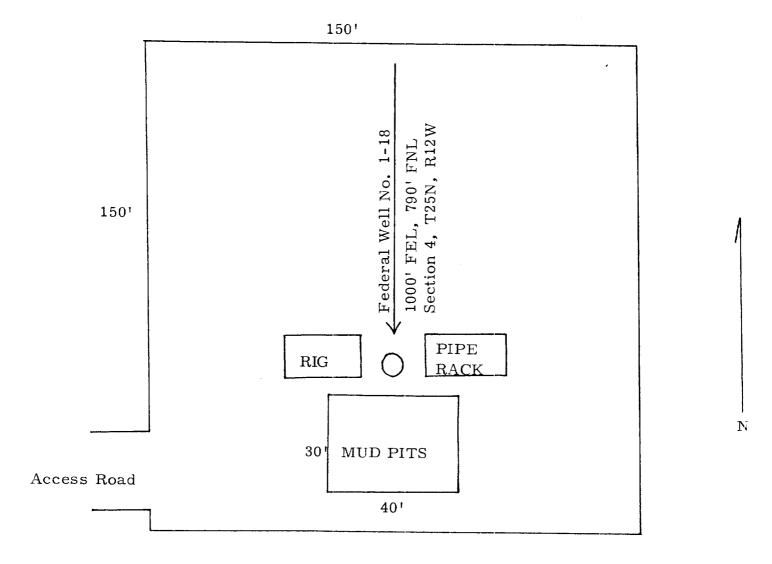
both surface and production casing will be factory tested to API specifications and will be new.

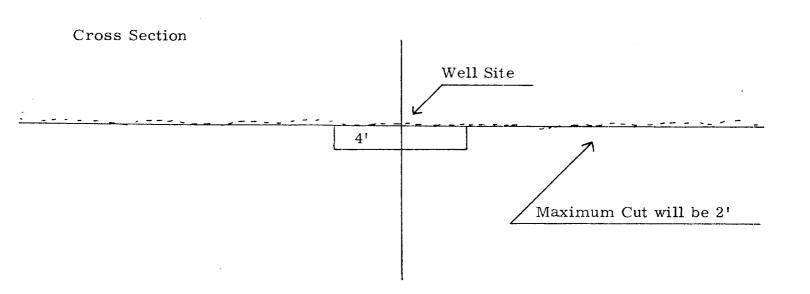
12. In the event the well is a dryhole, it will be plugged with prior USGS approval and the drill site restored in accordance with pertinent regulations.





HIXON DEVELOPMENT COMPANY DRILLING LOCATION PLAT FEDERAL WELL NO. 1-18

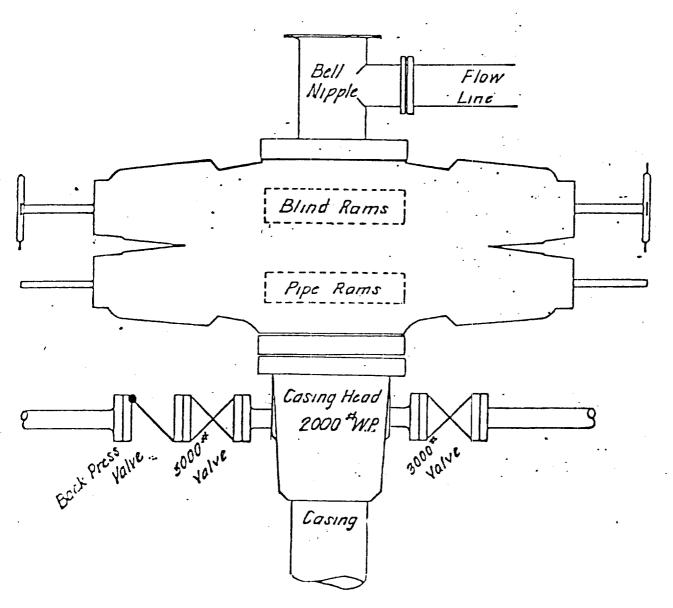




SCHEMATIC DIAGRAM

TESTING PROCEDURES

Install BOP after setting surface pipe and pressure test to 1000 psi after drilling out from under surface pipe.



Shaffer Double Gate Blow Out Preventer 3000# W.P., 6000 Test, Type E

TESTING PROCEDURES

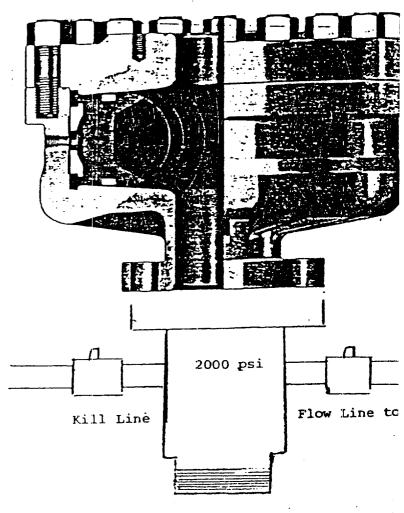
Install BOP after setting surface pipe and pressure test to 1000 psi after drilling out from under surface pipe.

The Regan Torus Blowout Preventer is used primarily on production and workover rigs for well control up to 3000 PSI working pressure

DISIGN FEATURES

- a. The Torus Preventer is designed for minimum height to facilitate its use with production and workover rigs.
- b. The rubber packer will conform to any object in the well bore. Sealing ability is not affected by minor damage to the inner bore.
- c. The packer will seal on open hole at full working pressure.
- d. The dual packer design increases the reliability f the preventer since the outer rubber is never exposed to the well bore. Under ordinary service, the outer packer is rarely replaced.

REGAN BLOWOUT PREVENTERS



TORUS BLOWOUT PREVENTER

SPECIFICATIONS

					i	i		i
		DIMENSIONS (In.)				End	R/RX	•
Nominal Size	Test Pressure (psi)	Outside '	Thru Bore	Overall Height	Weight (lb.)	Flanges (1)	Ring Greoves	Side Outlet
6 .	3000 6000	27 28%	71/Au 71/Au	19½ 21½	1360 1950	Nom. 6 Nom. 6	45 45	None Z" L.P.