

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

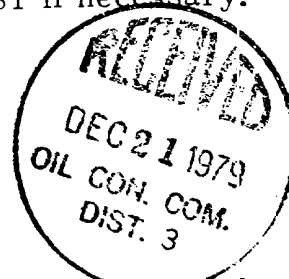
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 25451
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Hixon Development Company		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR P.O. Box 2810, Farmington, New Mexico 87401		8. FARM OR LEASE NAME South Carson Federal 26
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface A 330' FNL, 330' FEL, Section 26, T25N, R12W At proposed prod. zone		9. WELL NO. 1- 2
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 24 miles south of Farmington		10. FIELD AND POOL, OR WILDCAT Bisti Lower Gallup ex
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330'	16. NO. OF ACRES IN LEASE 480	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 26, T25N, R12W
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH 4950'	12. COUNTY OR PARISH San Juan
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6407' GLE	20. ROTARY OR CABLE TOOLS Rotary	13. STATE NM
22. APPROX. DATE WORK WILL START* 2-15-80		

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	220'	200 sacks
7-7/8"	4-1/2"	10.5#	4950'	300 sacks

It is proposed to drill a Bisti Lower Gallup Pool stepout well.
The well will offset the Carson Lower Gallup Unit and will serve
the purpose of delineating the reservoir. It will be evaluated
on the basis of a mud log unit, open hole logs and DST if necessary.



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 Adrian L. Krumm TITLE Petroleum Engineer DATE 12-10-79

(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

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-103
Supersedes C-128
Effective 1-1-65

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

Operator Hixon Development Company			Lease South Carson Federal 26		Well No. 1-1
Unit Letter A	Section 26	Township 25 North	Range 12 West	County San Juan	
Actual Footage Location of Well: 330 feet from the North line and 330 feet from the East line					
Ground Level Elev. 6407	Producing Formation Lower Gallup		Pool Bisti Lower Gallup ex 1		Dedicated Acreage: 80 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 ☐ No If answer is "yes," type of consolidation one-owner lease

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.

Aldrich L. Kuchera

Name
Aldrich L. Kuchera

Position
Petroleum Engineer

Company
Hixon Development Co.

Date
12-6-79

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.

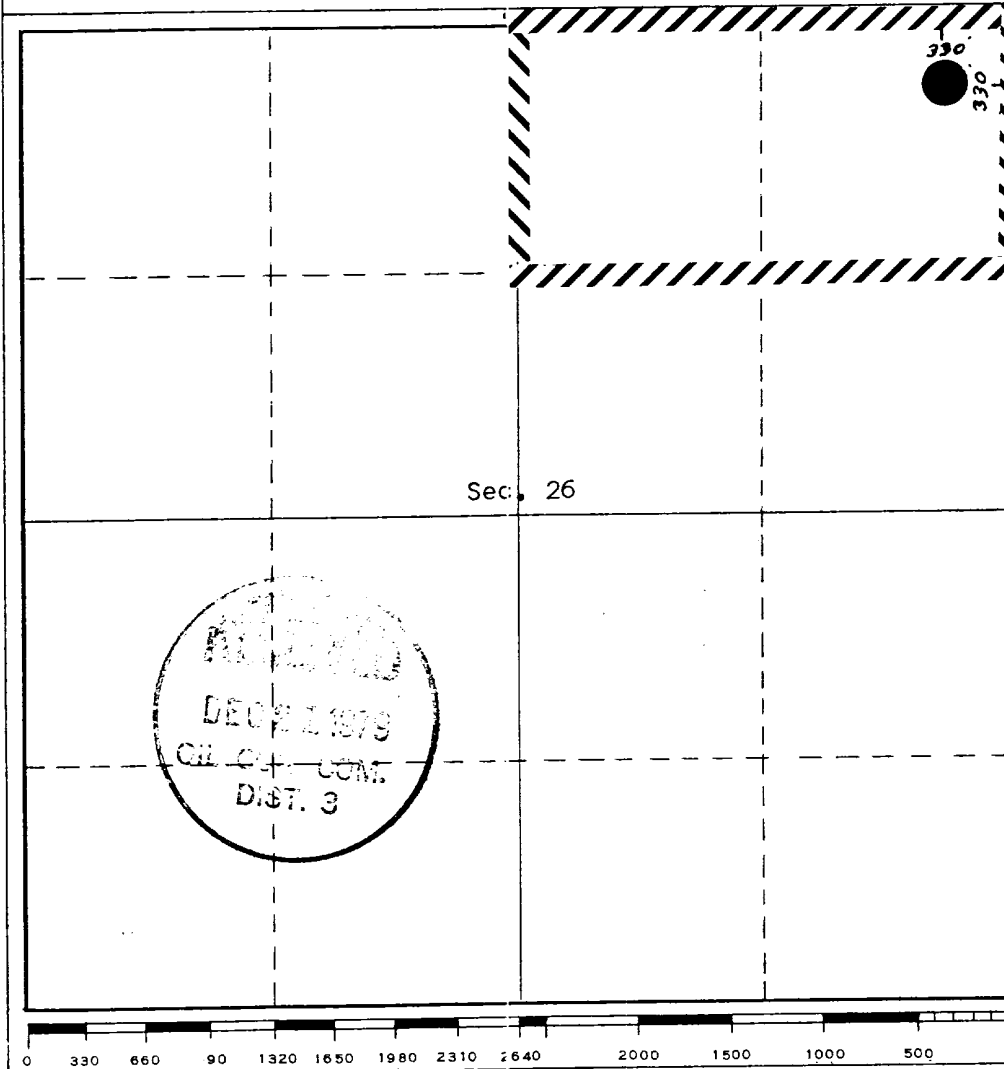
Date Surveyed
November 28, 1979

Registered Professional Engineer and/or Land Surveyor

Edgar L. Risenhoover

Certificate No. **5979**

Edgar L. Risenhoover, L.S.



APPLICATION FOR PERMIT TO DRILL
HIXON DEVELOPMENT COMPANY
SOUTH CARSON FEDERAL WELL NO. 1-26
BISTI LOWER GALLUP FIELD
330' FNL, 330' FEL, SECTION 26, T25N, R12W
SAN JUAN COUNTY, NEW MEXICO

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 well location road will be extended by 500' to provide access to the subject well per the attached topographic map. The proposed road will run east-west and will consist of compacted sand with a maximum 1% grade. It will be about 16' 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 northwest to a new tank battery located in Section 22-T25N-R12W.
5. Location and Type of Water Supply - Water used for drilling 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 location.
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.
10. 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. Certification - See Attached.

APPLICATION FOR PERMIT TO DRILL
HIXON DEVELOPMENT COMPANY
SOUTH CARSON FEDERAL WELL NO. 1-26
BISIT LOWER GALLUP FIELD
330' FNL, 330' FEL, SECTION 26, T25N, R12W
SAN JUAN COUNTY, NEW MEXICO

Other NTL-6 Pertinent Data is as follows:

1. Estimated Log Tops:

Animas	Surface
Ojo Alamo	102'
Pictured Cliffs	1161'
Lewis	1356'
Point Lookout	3566'
Mancos	3776'
Gallup	4676'
Lower Gallup	4751'

2. Estimated depths of water, oil and gas:

Fresh Water	30' - 150'
Gas	1161' - 1356'
Oil	4751' - 4950'

3. Weight and Type of Mud to be Used -

Surface - 0-220'; drill with spud mud. Spud mud will be an Aquagel/lime slurry 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

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" 10.5# J-55 ST&C casing will be new and tested at the factory. Regular Class B cement (200 sacks) will be used for the surface casing. Production casing will be cemented with 300 sacks Class B cement 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

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.

Aldrich L. Kuchera 11-30-79

Aldrich L. Kuchera
Petroleum Engineer

Date

Subscribed and Sworn to before me this 30th day of November,
1979.

7-25-83

My Commission Expires

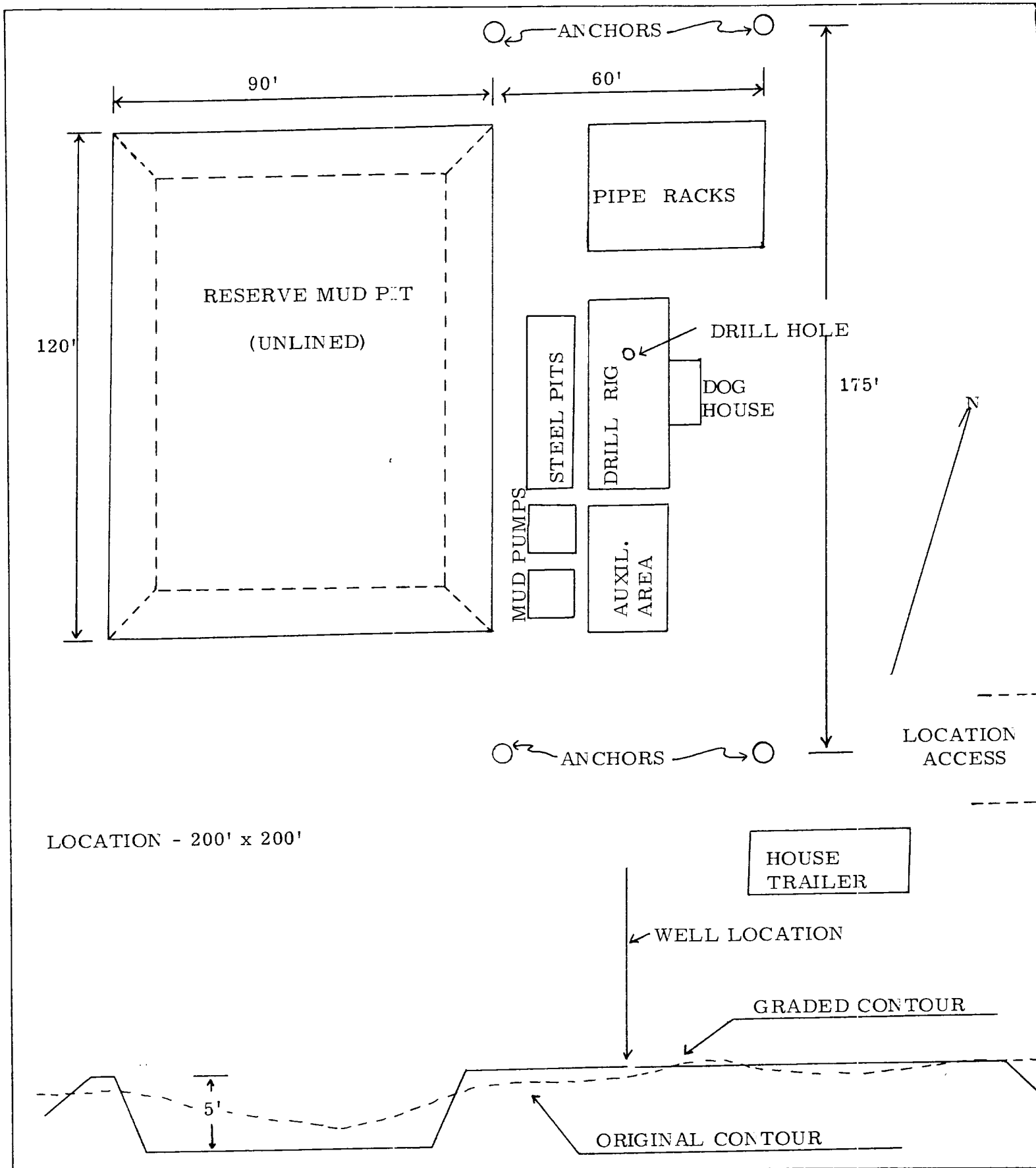
Cindy Duncan

Notary Public - Cindy Duncan

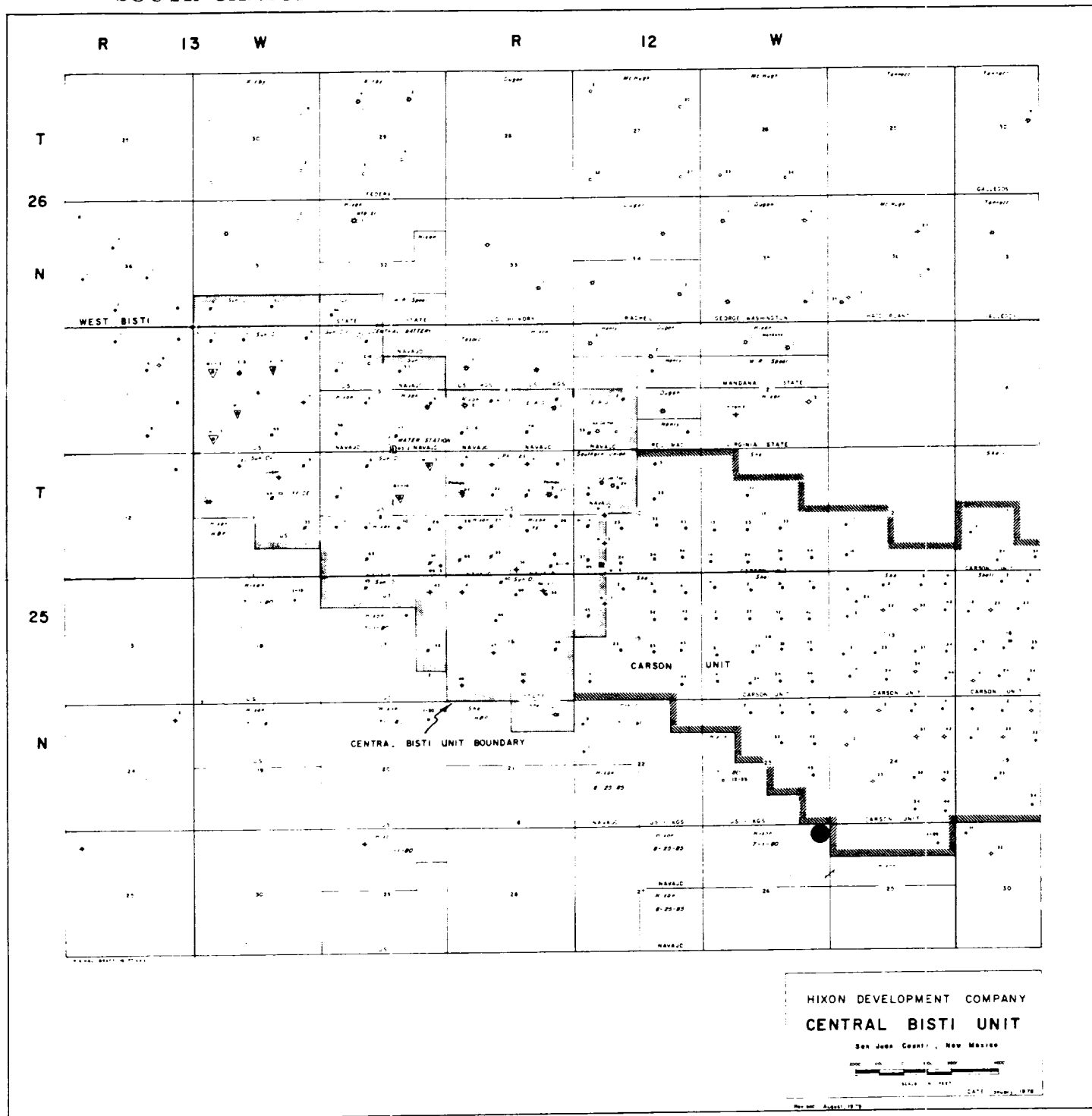


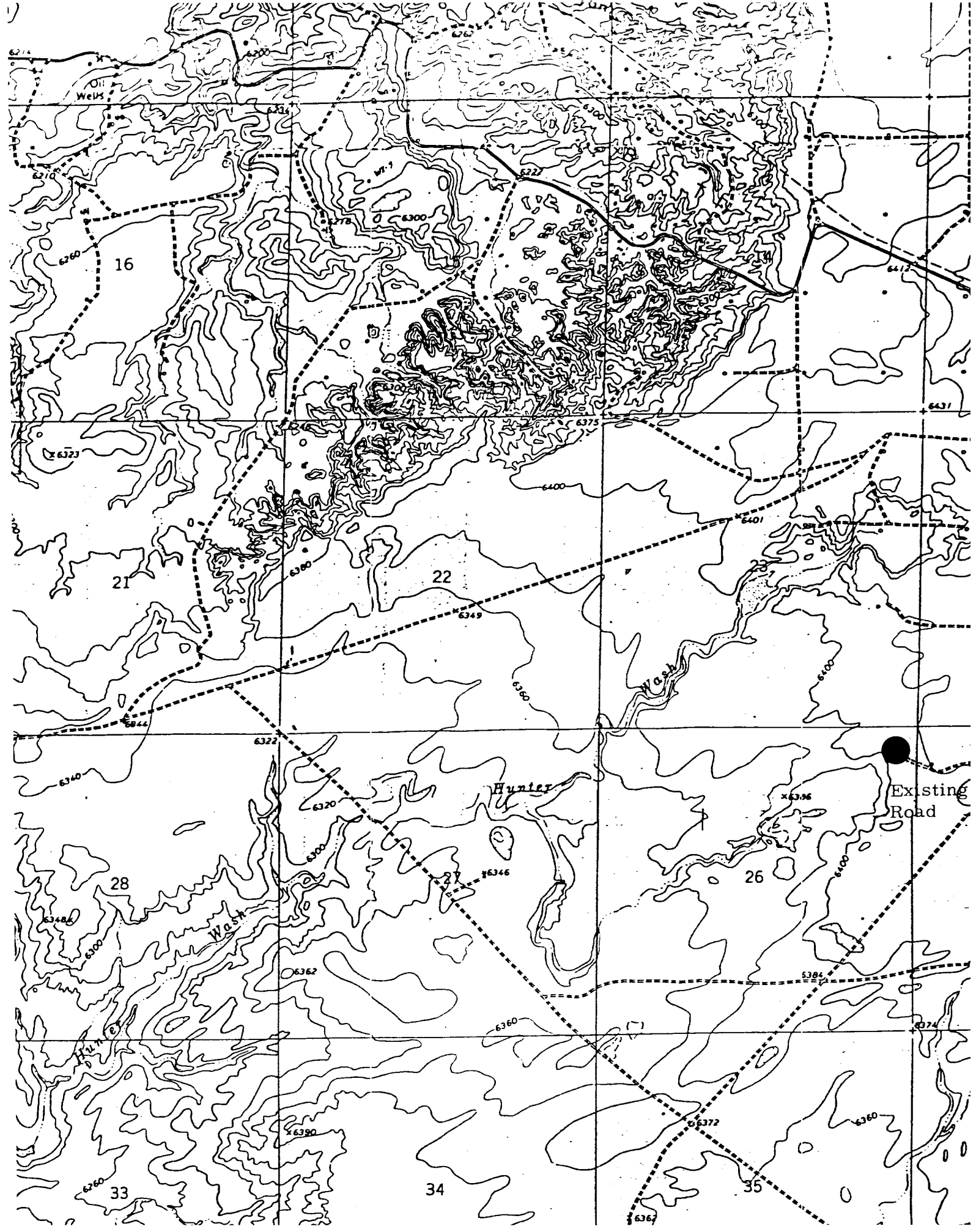
OFFICIAL SEAL
CINDY DUNCAN
NOTARY PUBLIC - NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires: 7-25-83

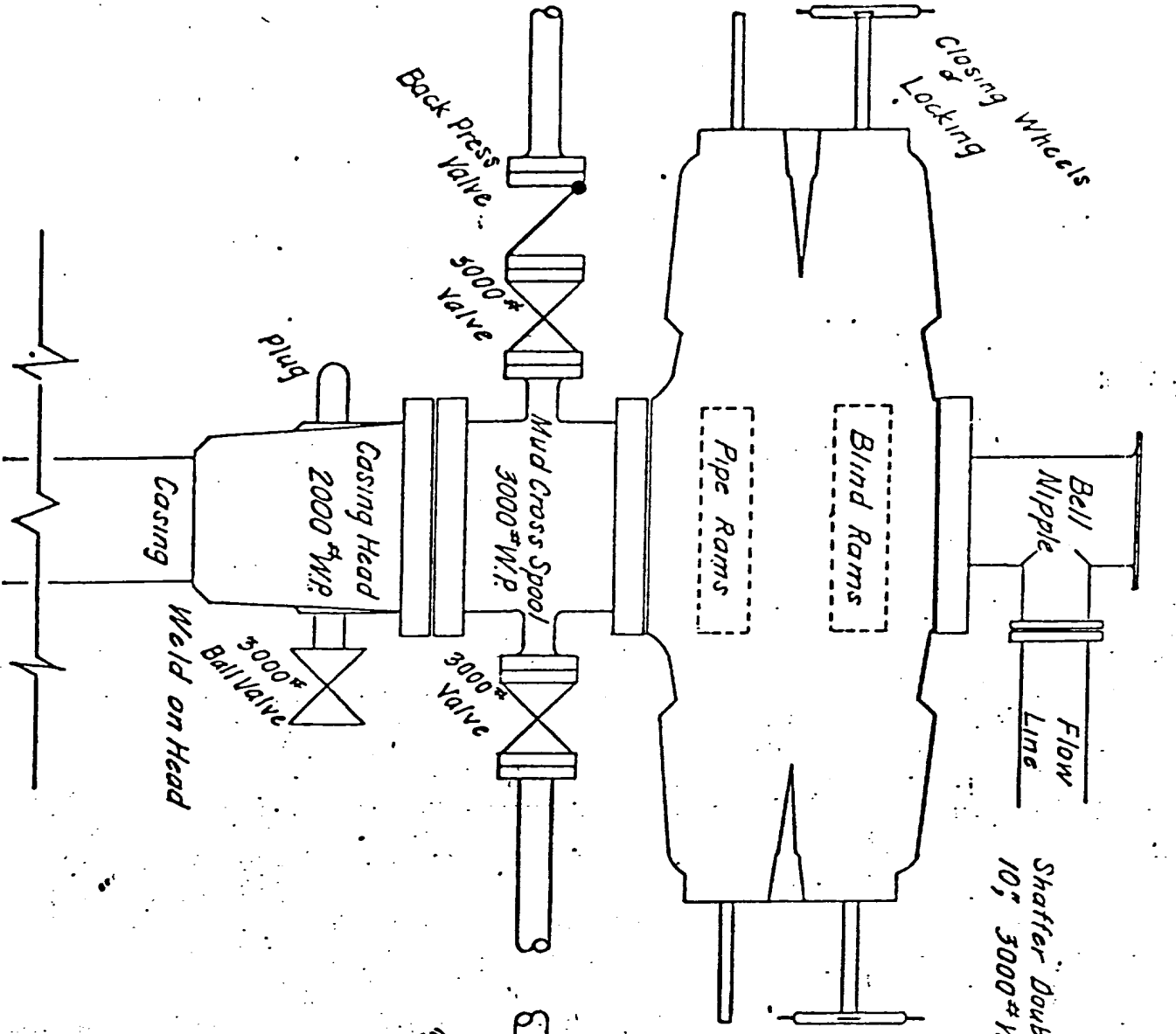
HIXON DEVELOPMENT COMPANY
DRILLING LOCATION PLAT AND RIG LAYOUT
SOUTH CARSON FEDERAL NO. 1-26



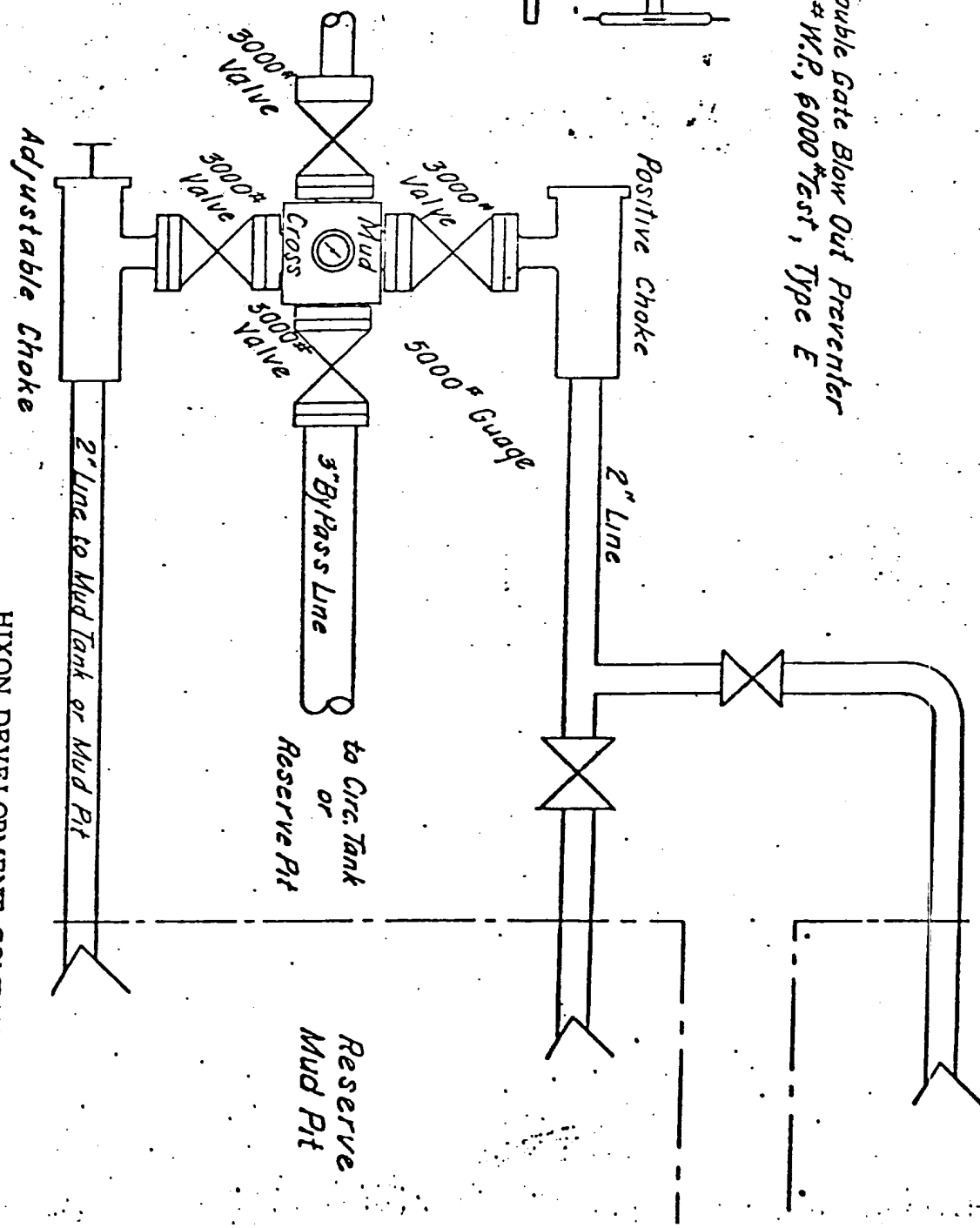
SOUTH CARSON FEDERAL WELL NO. 1-26







Shafter Double Gate Blow Out Preventer
10", 3000# W.P., 6000# Test, Type E



HIxon DEVELOPMENT COMPANY
PRESSURE CONTROL EQUIPMENT