

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-045-24227

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Hixon Development Company

3. ADDRESS OF OPERATOR
 P.O. Box 2810, Farmington, New Mexico 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 1650' FNL, 330' FEL, Section 25, T25N, R12W
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 24 miles south of Farmington

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE
 480

17. NO. OF ACRES ASSIGNED TO THIS WELL
 5 80 ✓

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
 4982'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6435' GLE

22. APPROX. DATE WORK WILL START*
 3-15-80

5. LEASE DESIGNATION AND SERIAL NO.
 NM 25451

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 South Carson Federal 25

9. WELL NO.
 8

10. FIELD AND POOL, OR WILDCAT
 Bisti Lower Gallup ~~well~~

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Section 25, 25N, 12W

12. COUNTY OR PARISH
 San Juan

13. STATE
 NM

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 <u>CIRCULATE</u>
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 [Signature] TITLE Petroleum Engineer DATE 2-5-80

(This space for Federal or State office use)

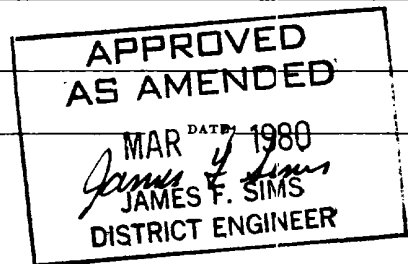
PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____
 CONDITIONS OF APPROVAL, IF ANY:

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

oh Frank

*See Instructions On Reverse Side



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Supersedes O-128
Effective 12-1-77

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

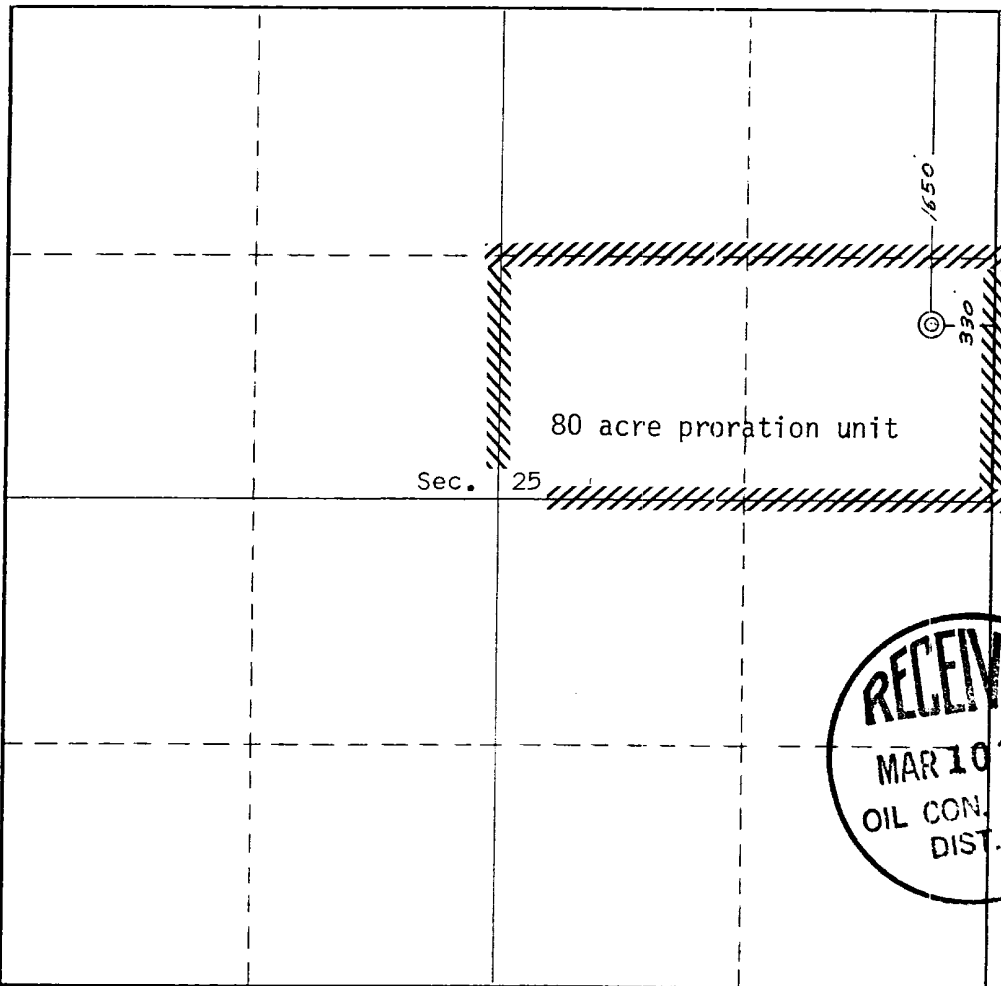
Owner Hixon Development Company		Lease South Carson Federal 25		Well No. 8
Unit Letter H	Section 25	Township 25 North	Range 12 West	County San Juan
Actual Fracture Location of Well: 1650 feet from the North line and 330 feet from the East line				
Ground Level Elev. 6435	Producing Formation Lower Gallup	Pool Bisti Lower Gallup	Dedicated Acreage: 5 80 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 ownership 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 Company
Date

February 7, 1980

I hereby certify that the location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same are and correct to the best of my knowledge and belief.

RECEIVED
MAR 10 1980
OIL CON. COM.
DIST. 3

EDGAR L. RISENHOVER
REGISTERED LAND SURVEYOR

Date Surveyed
February 7, 1980

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 25 WELL NO. 8
BISTI LOWER GALLUP FIELD
1650' FNL, 330' FEL, SECTION 25, 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. Access Roads - Refer to attached topographic map.
3. Location of Existing Wells - Refer to 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

13. Certification - See attached.

APPLICATION FOR PERMIT TO DRILL
HIXON DEVELOPMENT COMPANY
SOUTH CARSON FEDERAL 25 WELL NO. 8
BISTI LOWER GALLUP FIELD
1650' FNL, 330' FEL
SECTION 25, T25N, R12W
SAN JUAN COUNTY, NEW MEXICO

Other NTL-6 Pertinent Data is as follows:

1. Estimated Log Tops:

Animas	Surface
Ojo Alamo	183'
Pictured Cliffs	1187'
Lewis	1370'
Chacra	1509'
Cliffhouse	1948'
Point Lookout	3581'
Mancos	3815'
Gallup	4688'
Lower Gallup	4790'

2. Estimated depths of water, oil and gas:

Fresh Water -	30' - 150'
Gas	1187' - 1370'
Oil	4790' - 4982'

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/qt 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

February 5, 1980

Aldrich L. Kuchera
Petroleum Engineer

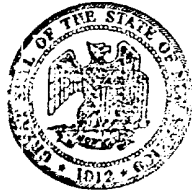
Date

Subscribed and Sworn to before me this 5th day of February 1980.

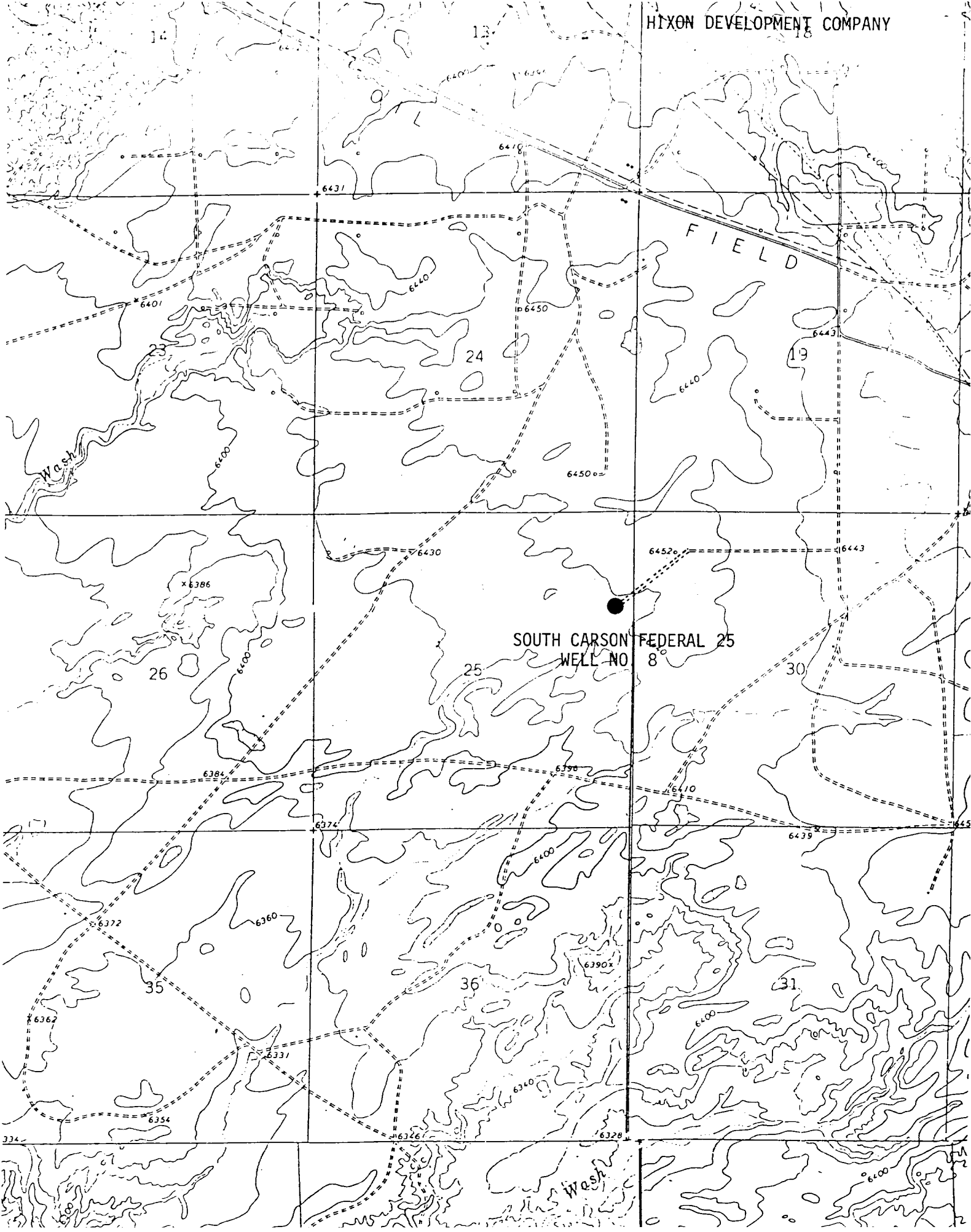
My Commission Expires: 7-25-83

Cindy Duncan

Cindy Duncan - Notary Public



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



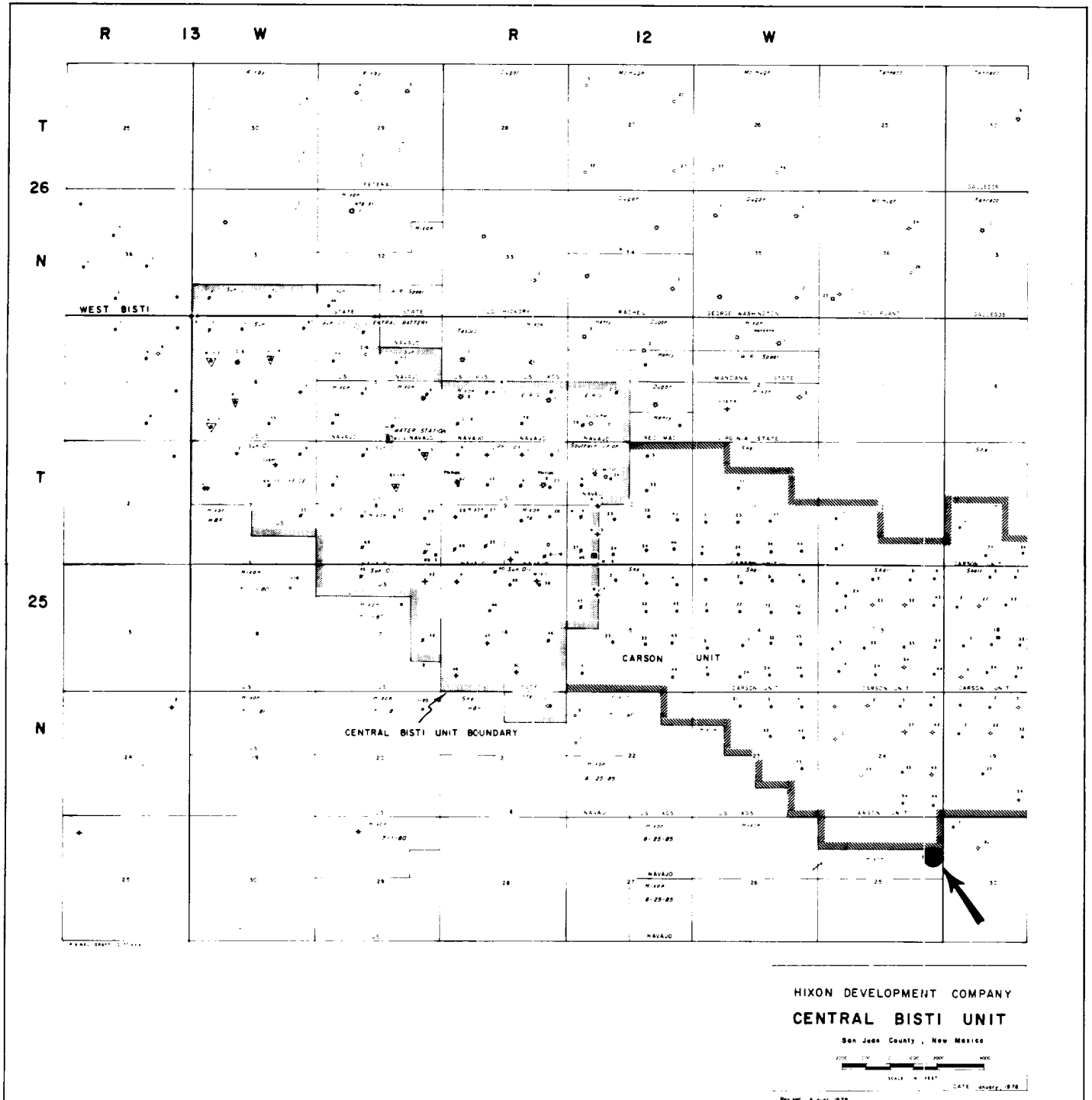
SOUTH CARSON FEDERAL 25
WELL NO 8

FIELD

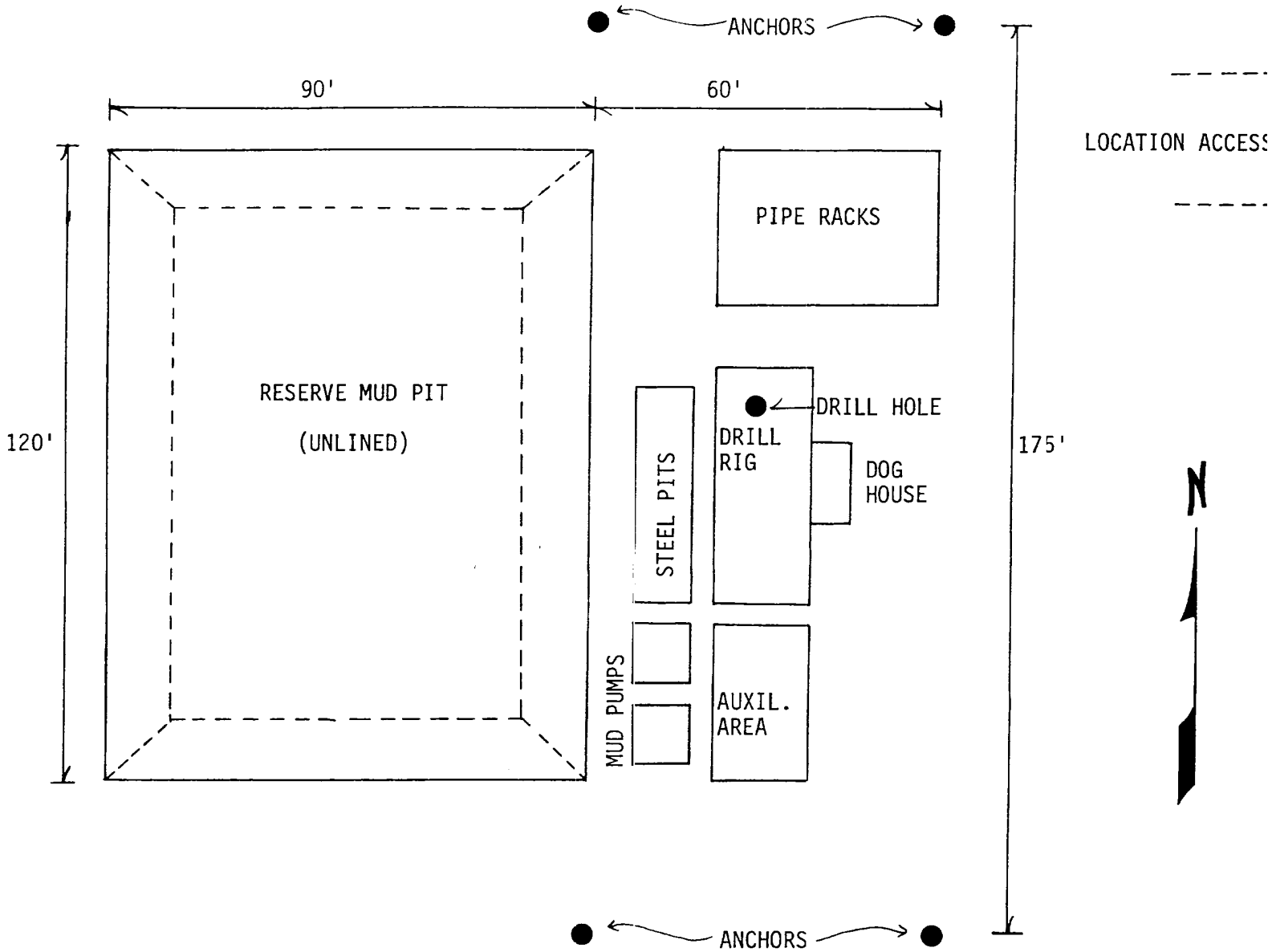
Wash

Wash

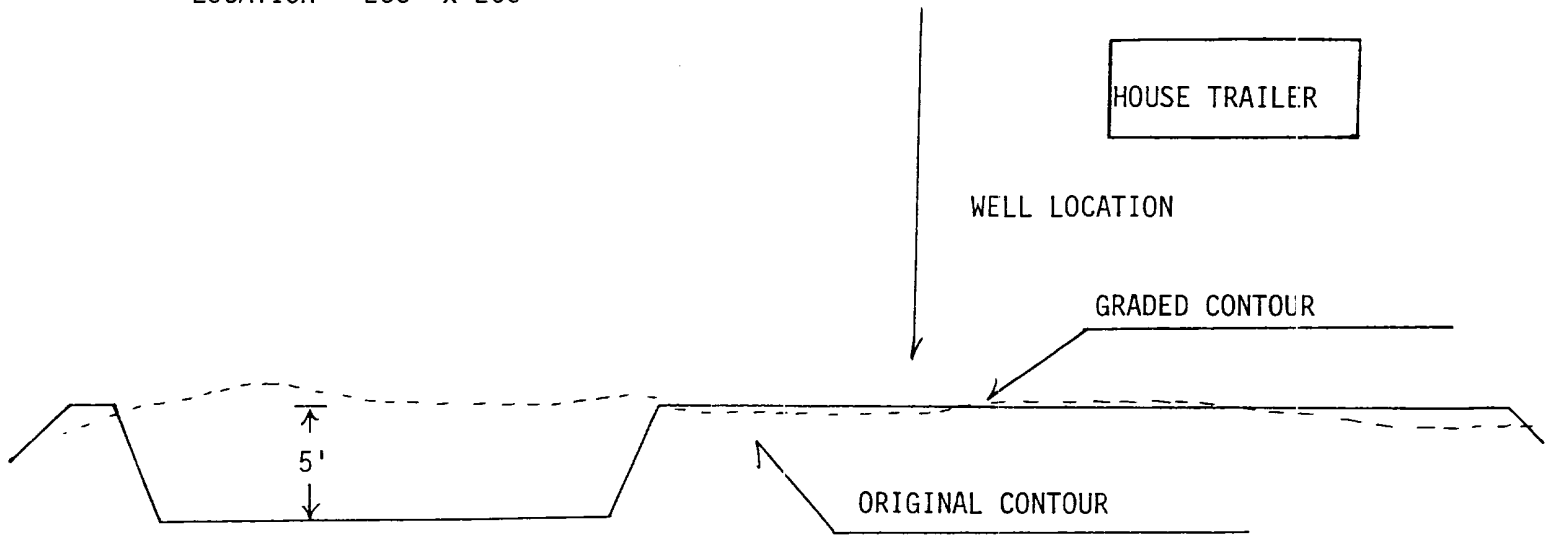
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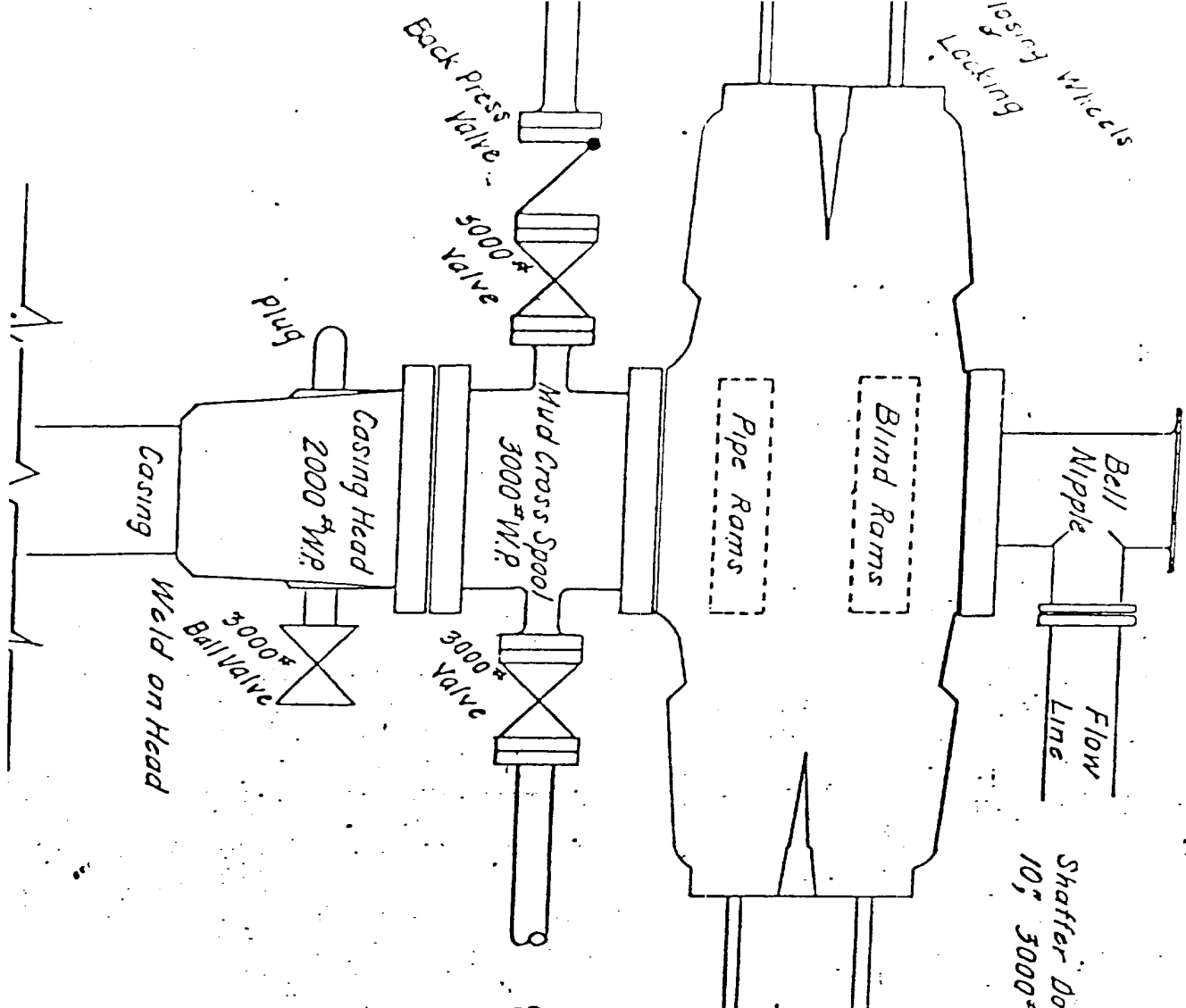


HIXON DEVELOPMENT COMPANY
DRILLING LOCATION PLAT AND RIG LAYOUT
SOUTH CARSON FEDERAL 25 WELL NO. 8

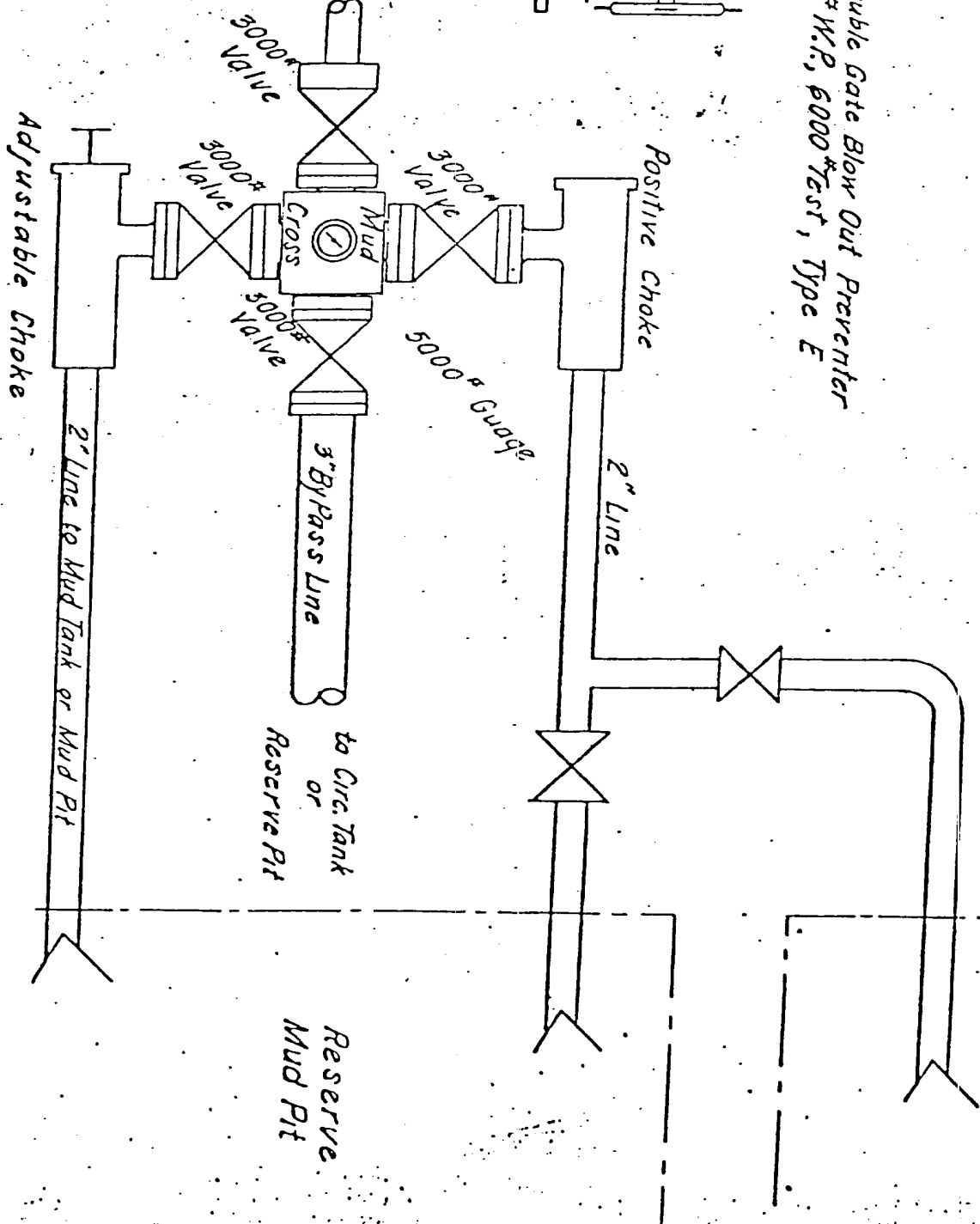


LOCATION - 200' x 200'





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



HIXON DEVELOPMENT COMPANY
 PRESSURE CONTROL EQUIPMENT