

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5A. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
B10894-11

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work				7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> 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"/>				8. Farm or Lease Name Jake Johnson	
2. Name of Operator Hixon Development Company				9. Well No. 1	
3. Address of Operator P.O. Box 2810, Farmington, N.M. 87499				10. Field and Pool, or Wildcat Bisti Lower Gallup	
4. Location of Well UNIT LETTER <u>L</u> LOCATED <u>1650</u> FEET FROM THE <u>South</u> LINE AND <u>990</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>32</u> TWP. <u>25N</u> RGE. <u>11W</u> NMPM				12. County San Juan	
19. Proposed Depth 4970'				19A. Formation Gallup	
20. Rotary or C.T. Rotary					
21. Elevations (Show whether DE, RT, etc.) 6442' GLE		21A. Kind & Status Plug. Bond		21B. Drilling Contractor Unknown	
				22. Approx. Date Work will start January 15, 1989	

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#	320'	250 sks.	surface
7-7/8"	5-1/2"	15.5#	4970'	600 sks.	surface

It is proposed to drill the subject Bisti Lower Gallup oil well. It will be evaluated on the basis of open hole logs. Storage facilities will be located on the site. A BOP will be used during drilling operations.

APPROVAL EXPIRES 6-7-88
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

RECEIVED
DECO 61988
OIL CON. DIV
DIST. 3

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Charles E. Harraden Title Geologist Date 12-5-88
Charles E. Harraden
(This space for State Use)

APPROVED BY Emilio Busch TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE DEC 07 1988
CONDITIONS OF APPROVAL, IF ANY:

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

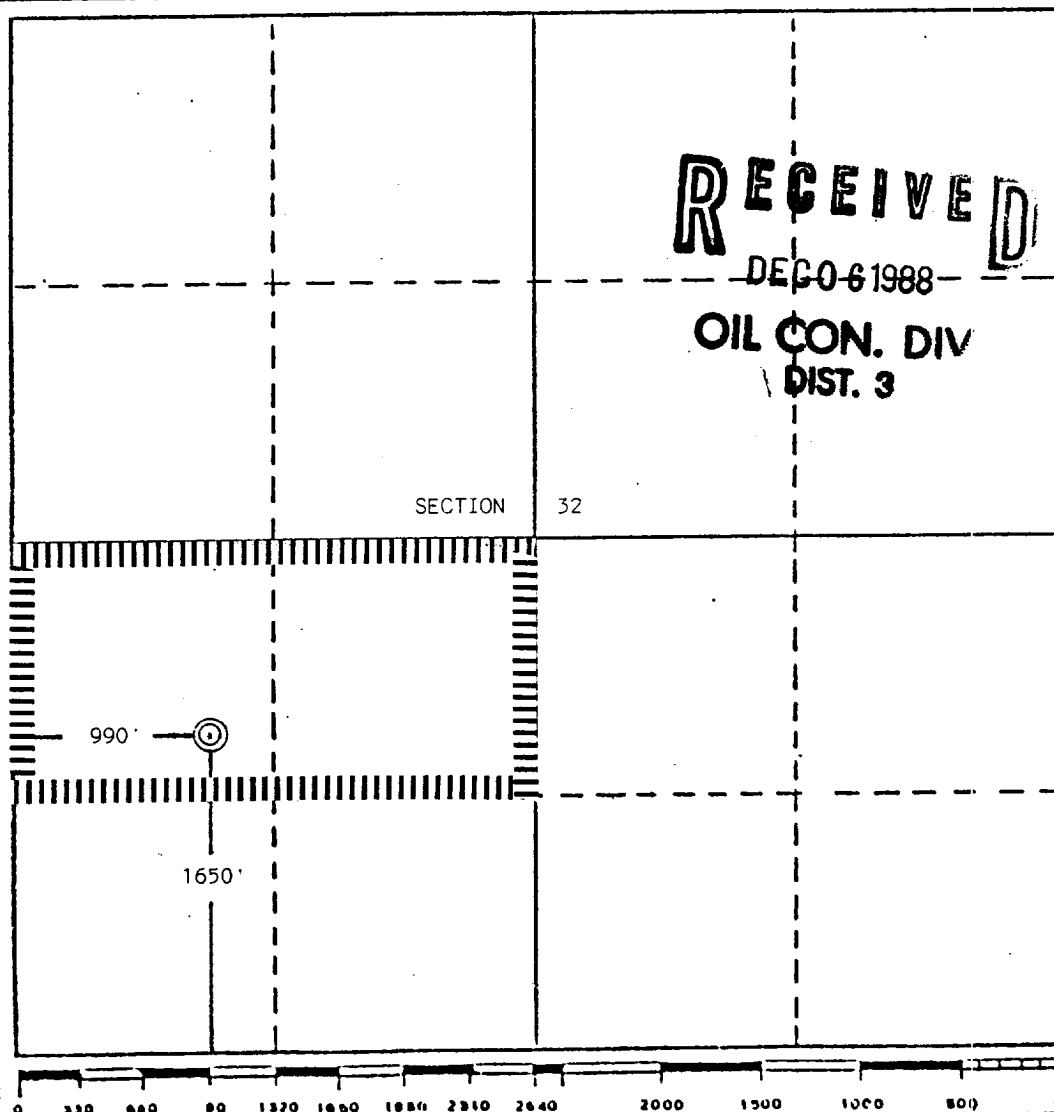
Operator Hixon Development Company		Lease Jake Johnson		Well No.	
Unit Letter L	Section 32	Township 25 North	Range 11 West	County San Juan	
Actual Footage Location of Well: 1650 feet from the South line and 990 feet from the West line					
Ground Level Elev. 6442	Producing Formation Gallup	Pool Bisti Lower Gallup EXT		Dedicated Acreage: 80 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 _____

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 Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

John C. Corbett

Name
John C. Corbett

Position
Vice President - Exploration

Company
Hixon Development Company

Date
Dec. 5, 1988

EDGAR L. RISENHOVER
REGISTERED LAND SURVEYOR
5979
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 and belief.

Date Surveyed
November 23, 1988

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover

Certificate No. 5979
Edgar L. Risenhoover, L.S.