SUBMIT IN TRIPLICATE*

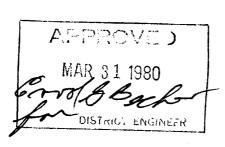
Form approved. Budget Bureau No. 42-R1425.

(Other instructions on reverse side)

UNITED STATES

	DEPARTMEN	LED STATES		D	reverse sic	le)		-24266		
	5. LEASE DESIGNATION AND SERIAL NO.									
	GEOLO	GICAL SURVE	ΞΥ 				NM 25448			
APPLICATIO	N FOR PERMIT	TO DRILL, D	DEEPEN,	OR F	PLUG B	ACK	6. IF INDIAN, ALLOT	TTEE OR TRIBE NAME		
1a. TYPE OF WORK			_				7 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5			
	ILL 🛛	DEEPEN [PL	UG BAC	Κ∐	7. UNIT AGREEMEN	T NAME		
b. Type of well	AS CT		SINGLE	\Box	MULTIPL	BC1	8. FARM OR LEASE			
WELL V	VELL X OTHER		ZONE		ZONE			NAME		
	. 7						Federal 20			
Hixon Devi	elopment Company	/					9. WELL NO.			
3. ADDRESS OF OPERATOR							1 1			
P.O. Box 7	2810, Farmington	ı, New Mexid	co 8740	01			10. FIELD AND POOL, OR WILDCAT			
4. LOCATION OF WELL (F At surface	teport location clearly and	in accordance wit	h any State	requirem	ents.*)		<u>Chacra - Wildcat</u>			
790' FEL.	790' FNL, Sect	ion 20. T25N	J R12W				11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA			
At proposed prod. zor	ne interpretation	20, 125	19 111211							
							Section 20-25N-12W			
	AND DIRECTION FROM NEA		OFFICE*				12. COUNTY OR PARISH 13. STATE			
24 miles	south of Farmir	igton					San Juan	NM		
15. DISTANCE FROM PROP- LOCATION TO NEARES:		16. NO. OF ACRES IN LEASE 17. NO.			17. NO. C	F ACRES ASSIGNED				
PROPERTY OR LEASE ! (Also to nearest dr)		646				160 acres				
18. DISTANCE FROM PROI	POSED LOCATION*		19. PROPOS	ED DEPTH		20. ROTA	. ROTARY OR CABLE TOOLS			
TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.							_Rotarv			
21. ELEVATIONS (Show wh	ether DF, RT, GR, etc.)						22. APPROX. DATE	WORK WILL START*		
GLE - 6281'							March 15, 1980			
23.	F	ROPOSED CASIN	G AND CE	MENTIN(3 PROGRAM	ſ				
SIZE OF HOLE	от	SETTING I	EPTH	QUANTITY OF CEMENT						
8-3/4"	7"	23#		90'		100 sacks CIRCULATE				
5"	2-7/8"	6.5#	18	50'			200 sacks	,		
			1							

It is planned to drill a slimhole shallow gas Chacra test per the attached. Gas from this well has not been dedicated.





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 pre

preventer program, it any.	
SIGNED WHITE LEWIS Petroleum Engineer	DATE 1-30-80
(This space for Federal or State office use)	
PERMIT NO APPROVAL DATE	
APPROVED BY TITLE CONDITIONS OF APPROVAL, IF ANY:	DATE

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

*See Instructions On Reverse Side



APPLICATION FOR PERMIT TO DRILL Hixon Development Company Federal 20 Well No. 1 790' FNL, 790' FEL, Section 20, T25N, R12W San Juan County, New Mexico

NTL-6 13 Point Requirement Outline is as follows:

- 1. Existing Roads Refer to the attached topographic map. 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 20 No. 1 location are maintained by company construction vehicles.
- Planned Access Roads Refer to the attached maps.
- 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 20 No. 1 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 materials incurred while drilling will be buried in the mud pits, i.e. 5' deep. Cuttings, drilling 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.

Application for Permit to Drill Page 2

- 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 501 Airport Drive Suite 101 Farmington, New Mexico 87401

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

13. Certification - See Attached.

APPLICATION FOR PERMIT TO DRILL Hixon Development Company Federal 20 Well No. 1 790' FNL, 790' FEL, Section 20, T25N, R12W San Juan County, New Mexico

Other NTL-6 Pertinent Data is as follows:

Estimated Log Tops -

Ojo Alamo Surface
Farmington Sand 253'
Fruitland Coal 1093'
Pictured Cliffs 1133'
Lewis 1263'
Chacra Sand 1458'

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 - 253', - TD. Gas sands and 16,800 ppm NaCl water are dispersed from about 253' to TD.

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/qt viscosity.

<u>Production Hole</u> - 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 #/gallon 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

 $\underline{\text{Note:}}$ 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. <u>Cased Hole Logs</u> Gamma Ray CCL and Cement Bond Log.
- 6. <u>Casing Program</u> Surface casing will be 90' 7" 23# J-55, ird, ST&C, Range 3, ST&C, Smls, New Casing.
 - Production Casing will be 1850' 2-7/8" 6.5# J-55, 8rd, EUE, Range 1, Smls, New Casing.
- 7. Cementing Program 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 #/gallon 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 strenght 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 15 days from spud date to completion.
- 10. <u>Pressure Control Equipment</u> Will be either of the two attached BOP schematics.
- 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 latched in both surface and production casing will be factory tested to API specification 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

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.

Dearish L (Cire	Mul January 30, 1980	-
Aldrich L. Kuchera Vice President	Date	
Subscribed, Sworn to and Ack	knowledged before me this <u>30th</u> day of	
January , 1	1980.	
My Commission Expires: 7-25	Notary Public - Cindy Duncan	_

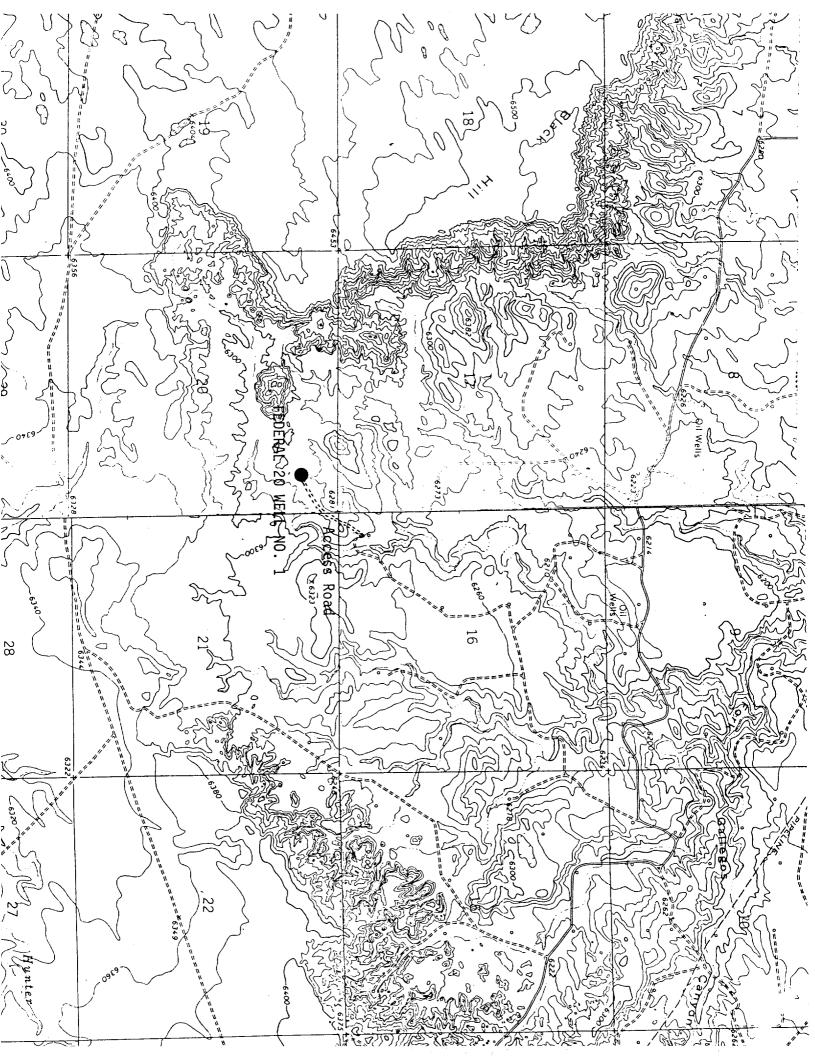


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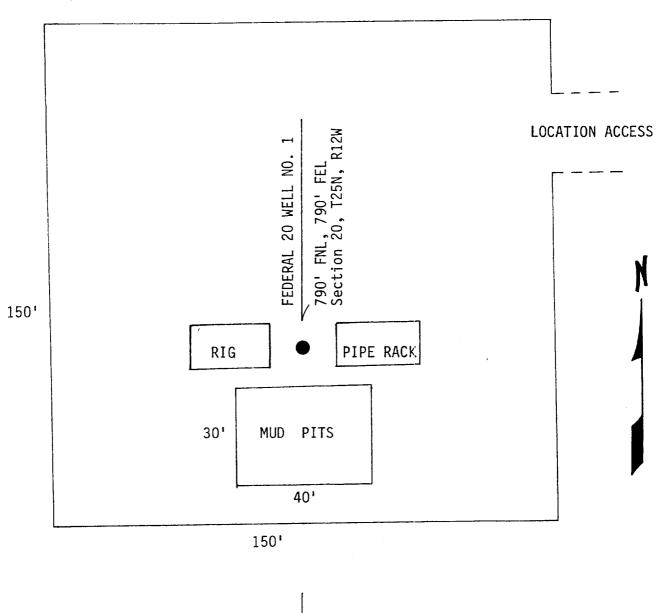
NOTARY PUBLIC - NEW MEXICO Notary Bond Filed with Secretary of State My Commission Expires: 2-25-83

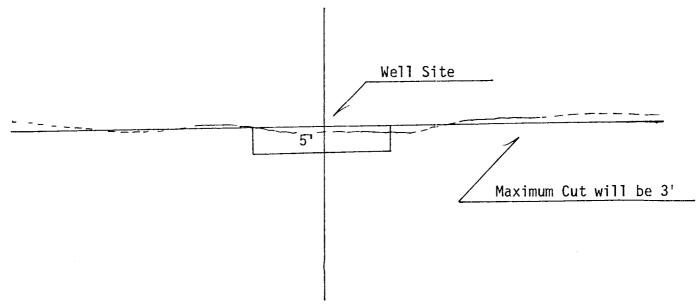
FEDERAL 20 WELL NO. 1

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								CENTRAL BIST	
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HIXON DEVELOPMENT COMPANY DRILLING LOCATION PLAT FEDERAL 20 WELL NO. 1

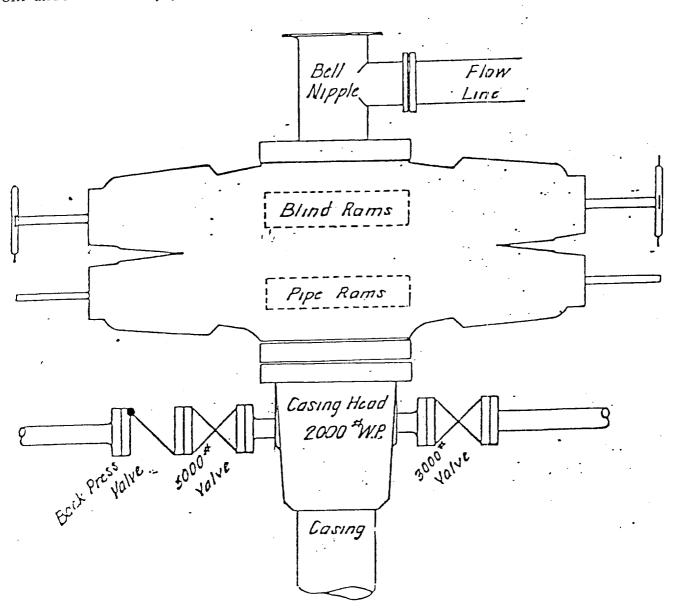




SCHEMATIC DIAGRAM

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

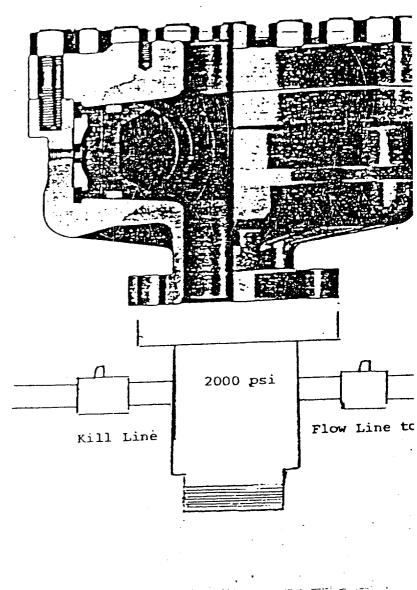
pressure test to 1000 psi after drilling out

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		1
		D	MENSIONS (II	·.)		End	R/RX	Side
Neminal	Test Pressure	Outside '	Thru Bore	Overall Height	Weight (ib.)	fianges (1)	Ring Greeves	Outlet
Size	(psi) 3000	Diameter 27	71%1	19%	1360 1950	Nom. 6 Nom. 6	45 45	Nune 2" L.P.
• • •	6000	22%	71%・	2134	1930	1	l	