

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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   
 2. NAME OF OPERATOR  
 Hondo Oil & Gas Company ✓  
 3. ADDRESS OF OPERATOR  
 P. O. Box 2208, Roswell, NM 88202  
 4. LOCATION OF WELL (Report location clearly and in accordance with any State Requirements.)  
 At surface  
 660' FNL & 1980' FEL  
 At proposed prod. zone  
 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 8 miles northeast of Loco Hills, NM  
 10. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'  
 18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320'  
 16. NO. OF ACRES IN LEASE 1919.88  
 17. NO. OF ACRES ASSIGNED TO THIS WELL 40  
 19. PROPOSED DEPTH (PB) 4000'  
 20. ROTARY OR CABLE TOOLS Rotary  
 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3950' DF  
 22. APPROX. DATE WORK WILL START\* 9/10/89

5. LEASE DESIGNATION AND SERIAL NO.  
 LC-029426-B  
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 7. UNIT AGREEMENT NAME  
 8. FARM OR LEASE NAME  
 H.E. West "B"  
 9. WELL NO.  
 1  
 10. FIELD AND POOL, OR WILDCAT  
 Grayburg Jackson  
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Sec. 10-T17S-R31E  
 12. COUNTY OR PARISH  
 Eddy  
 13. STATE  
 NM

RECEIVED  
 SEP 15 '89  
 ARTESIA, OFFICE  
 Lt. B

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
	8 5/8"		810'	400 sx.
	4 1/2"		1800-5515'	850 sx.

We plan to drill and clean out this well to 4000'. Fresh water will be used to drill it out. Also, we will run 4 1/2" casing to 1800' (depth where 4 1/2" csg. was cut and pulled when plugged) and cement to surface.

NOTE: The name of this well is to be changed to the H. E. West "B" #1.

Formerly:  
 Viking Energy Corp.  
 APSCO Perm. No. 1  
 ODP-5515 PVA 12-14-78

Post ID-1  
 9-22-89  
 Re-entry

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 Ron Burton TITLE Petroleum Engineer DATE 8/11/89

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
 APPROVED BY \_\_\_\_\_ TITLE CARLSBAD RESOURCE DATE 9-14-89  
 CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

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

Operator <b>VIKING ENERGY CORP.</b>		Lease <b>ARCO - FEDERAL</b>			Well No. <b>1</b>
Unit Letter <b>"B"</b>	Section <b>10</b>	Township <b>-17-S</b>	Range <b>-31-E</b>	County <b>EDDY</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>1980</b> feet from the <b>EAST</b> line					
Ground Level Elev. <b>3940</b>	Producing Formation <b>GRAYBURG</b>		Pool <b>GRAYBURG - JACKSON</b>		Dedicated Acreage: <b>40</b> 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?

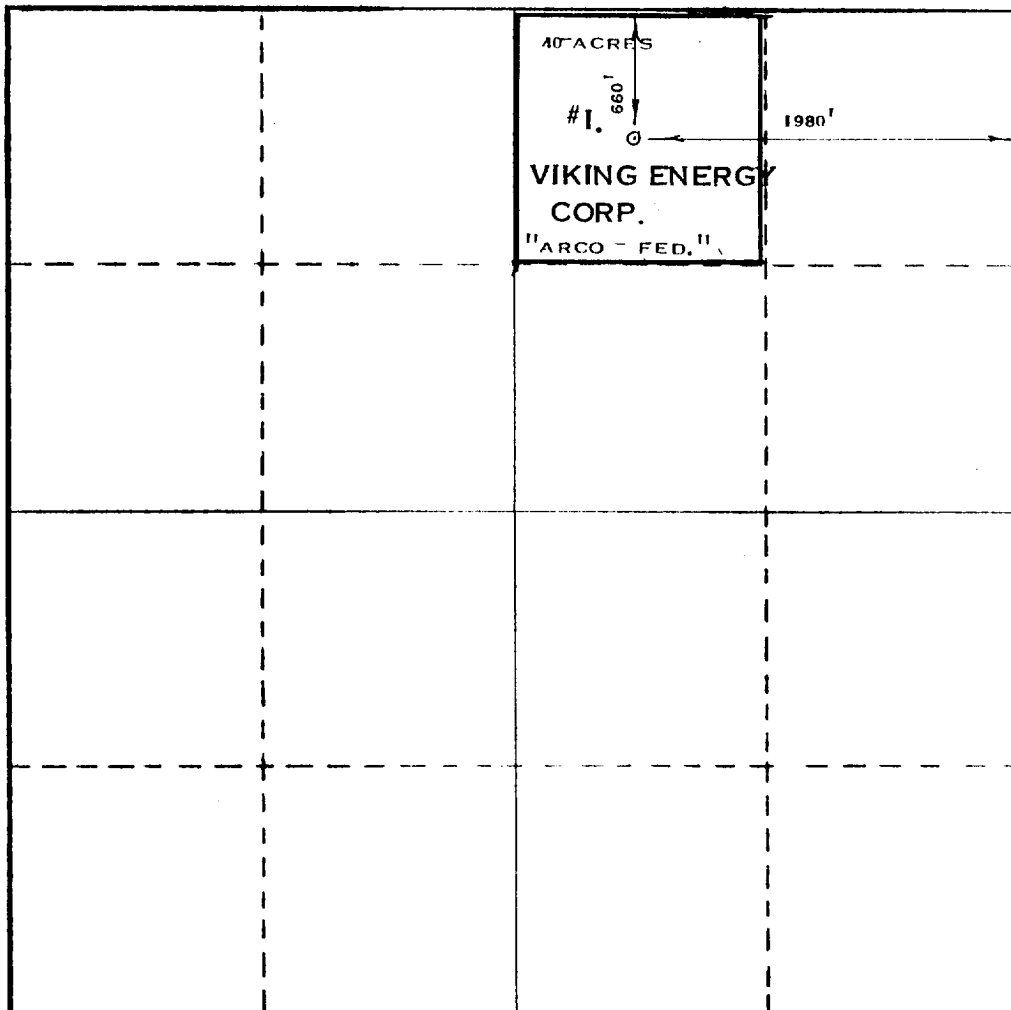
Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

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 Commission.

**RECEIVED**  
AUG 7 1978

U.S. GEOLOGICAL SURVEY  
ARTESIA, NEW MEXICO



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

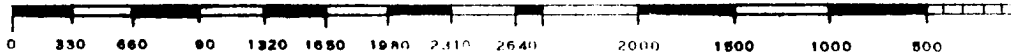
*Roy A. Valla*  
Roy A. Valla

Name: \_\_\_\_\_  
Vice President  
Company: **Viking Energy Corp.**  
Date: **August 4, 1978**

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: **AUGUST 2, 1978**  
Registered Professional Engineer and Land Surveyor  
*Max A. Schumann, Jr.*  
MAX A. SCHUMANN, JR.

Certificate No. **1510**



APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY  
H. E. WEST "B", Well No. 1  
660' FNL & 1980' FEL, Sec.10-T17S-R31E  
Eddy County, New Mexico  
Lease No.: LC-029426-B  
(Re-entry)

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Hondo Oil & Gas Company submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Rustler Anhydrite	590'	Grayburg	3240'
Top of Salt	765'	Premier Sand	3410'
Base of Salt	1750'	San Andres	3580'
Yates	1910'	Lovington Sand	3710'
Seven Rivers	2215'	S.A. "M"	3780'
Queen	2830'	P8TD	4000'

3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Random fresh water from surface to 300' +/-, and water flow from injection wells possible at around 2800'.

Oil: Grayburg at approximately 3240' or below.

Gas: None anticipated.

4. Proposed Casing Program: See Form 9-331C.
5. Proposed Control Equipment: See Exhibit "D".
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Blowout preventer, gas detector, kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging and Coring Program:  
Drill Stem Tests: None planned.  
Logging: LDT/CNL T.D. - 3200'  
Coring: None planned.
9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, the proposed mud program will be modified to increase the mud weight.
10. Anticipated starting date: 9/10/89  
Anticipated completion of drilling operations: approximately 20 days

## MULTI-POINT SURFACE USE AND OPERATIONS PLAN

HONDO OIL & GAS COMPANY  
H. E. WEST "B", Well No. 1  
660' FNL & 1980' FEL, Sec.10-T17S-R31E  
Eddy County, New Mexico  
Lease No.: LC-029426-B  
(Re-entry)

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities, and the operations plan to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operations.

### 1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a BLM Quad map showing the location of the proposed well and access road as staked, in relation to existing roads and U.S. Highway 82. The well is approximately 10 miles northeast of Loco Hills, New Mexico, with half the distance paved.
- B. Directions: Travel east of Loco Hills, New Mexico on U.S. Highway 82 for 3.5 miles to the paved county road No. 221. Turn north on Skelly Rd. (County #221) for approximately 1.3 miles, then turn northeast onto the gravel road at the fork for .7 mile. Then turn east for .6 mile. Then turn north for .5 mile. Then turn east for 2 mile. Then turn north for .3 mile. Then turn east for .6 mile. Then turn south for .3 mile and go to location. (See Exhibit "B".)

### 2. PLANNED ACCESS ROAD:

- A. Length and Width: None required. Existing access road will be repaired and will enter location on the northeast corner of the proposed location.
- B. Construction: The existing road will be graded and topped with compacted caliche as needed.
- C. Turnouts: None required.
- D. Culverts: None required.
- E. Cuts and Fills: None required except to clear and repair existing roads.
- F. Gates, Cattleguards: None required.

### 3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a two miles radius are shown on Exhibit "C".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are production facilities on the lease at this time. See Exhibit "C".
- B. If the oil well proves to be commercial, the necessary production facilities will be installed on the drilling pad and flow lines will be installed along the existing access roads to the storage tanks.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with fresh water which will be obtained from commercial sources. The water will be transported over existing access roads.

6. SOURCES OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the wellsite pad and repairing the existing access road will be obtained from a Federal pit in the SE4SE4 of Section 5-T17S-R31E. The pit has been staked and cleared by the archaeologist. The topsoil from the location will be stockpiled near the location for future rehabilitation use. No surface materials will be disturbed except those necessary for actual grading and leveling of the drill site and access road.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reverse pits.
- B. Drilling fluids will be allowed to evaporate in the reverse pits until the pits are dry.
- C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted to the BLM for approval.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
- H. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

A. None required.

9. WELLSITE LAYOUT:

A. The pad and pit area have been staked and flagged.

B. Mat Size: 50' x 100' plus reserve pits.

C. Cut & Fill: None.

D. The surface will be retopped with compacted caliche and the reserve pit will be plastic lined.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled.

C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION:

A. Topography: The wellsite is located in the 3' to 5' sand dune and deflation basins of the Mescalero Sands, with a westerly slope from an elevation of 3919 feet.

B. Soil: The topsoil at the wellsite is a sandy loam, with some active dunes of blow sand.

C. Flora and Fauna: The vegetative cover is primarily shinnery oak-brush with some sand sage, mesquite, miscellaneous weeds and wildflowers and very little grass, mainly sand dropseed. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.

D. Pond and Streams: None in the area.

E. Residences and Other Structures: None in this area.

- F. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed wellsite and existing access road is on Federal surface and minerals.
- H. Well Location Plat: Already on file.

12. OPERATOR'S REPRESENTATIVE:

- A. The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

Bruce Stubbs  
Hondo Oil & Gas Company  
P.O. Box 2208  
Roswell, NM 88202  
Office phone: 505/625-8786  
Home phone: 505/623-6466

13. CERTIFICATION:

I hereby certify that I have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to be the best of my knowledge true and correct; and, that the work associated with the operations proposed herein will be performed by Hondo Oil & Gas Company and its contractors and subcontractors in conformity with this plan and their terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

  
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Hondo Oil & Gas Company

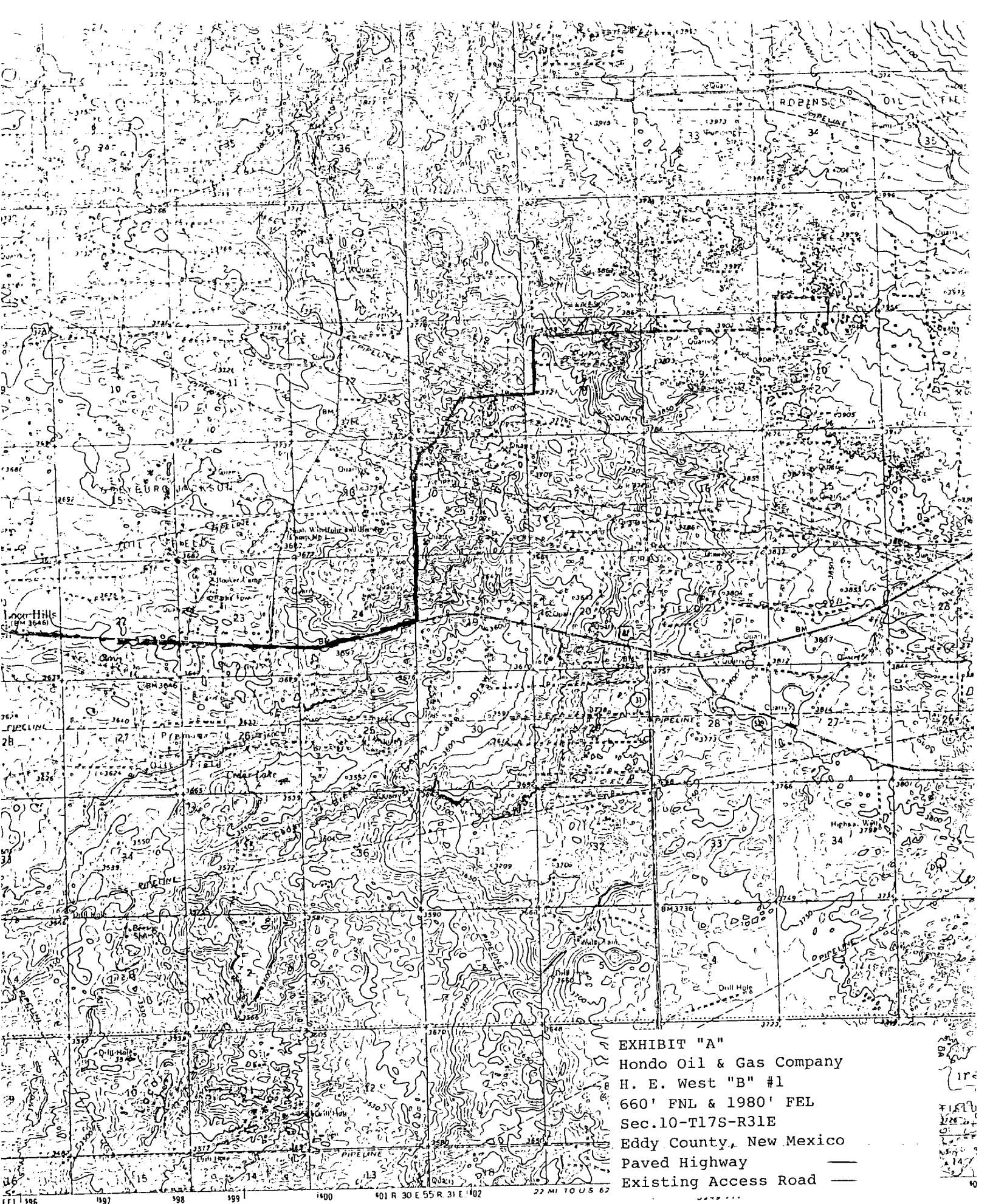
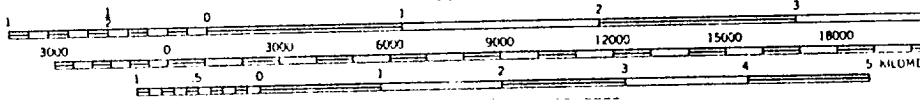


EXHIBIT "A"  
 Hondo Oil & Gas Company  
 H. E. West "B" #1  
 660' FNL & 1980' FEL  
 Sec.10-T17S-R31E  
 Eddy County, New Mexico  
 Paved Highway   
 Existing Access Road

SCALE 1:62500



provided by the Geological Survey

data from aerial photographs  
 available surveys 1963



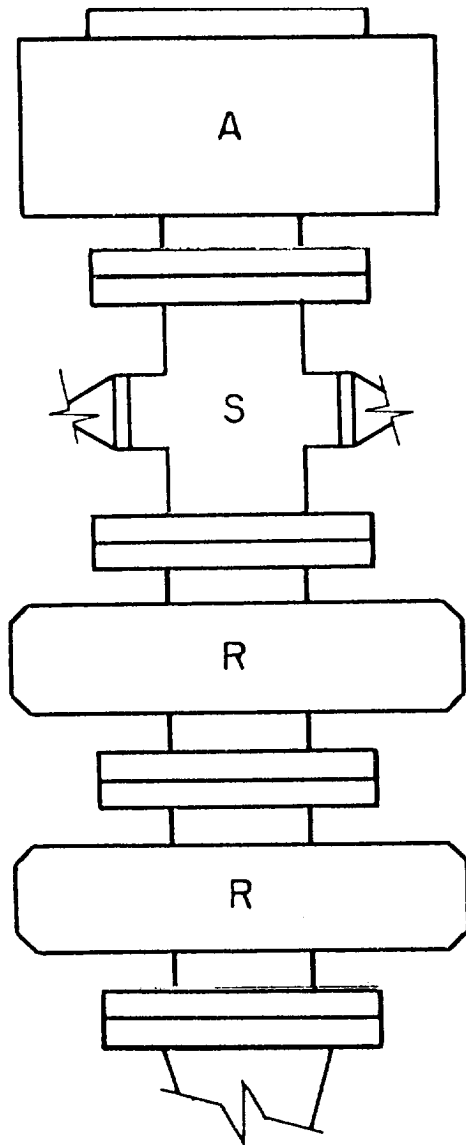


EXHIBIT "B"  
Hondo Oil & Gas Company  
H. E. West "B" #1  
660' FNL & 1980' FEL  
Sec.10-T17S-R31E  
Eddy County, New Mexico  
Paved Highway  
Existing Access Road  
Proposed Road

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IT 5

EXHIBIT "C"  
Hondo Oil & Gas Company  
H. E. West "B" #1  
Existing Wells



A - Stripping Rubber  
R - Blind and Pipe  
Rams

EXHIBIT "D"  
Hondo Oil & Gas Company  
H. E. West "B" #1  
BOP Diagram