

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Artesia, NM 88210

SUBMIT IN DUPLICATE
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.
NM-54184
LC-028772-b

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal 11

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Empire Morrow South

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

11-18S-28E

12. COUNTY OR PARISH

Eddy

13. STATE

N.M.

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

Hondo Oil & Gas Company

3. ADDRESS OF OPERATOR

P. O. Box 1710, Hobbs, New Mexico 88240

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1980' FSL & 2205' FEL (unit letter J)

At proposed prod. zone as above

RECEIVED BY

DEC 17 1985

O. C. D.

ARTESIA, OFFICE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

U.S. hwy 82 - go 14 mi East of Artesia, N.M., turn right on St. 360, go 4 mi to location

15. DISTANCE FROM PROPOSED*

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

1980' FSL

16. NO. OF ACRES IN LEASE

1861.21

17. NO. OF ACRES ASSIGNED

TO THIS WELL
320

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

10,950'

20. ROTARY OR CABLE TOOLS

Rotary

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

3610.3'

22. APPROX. DATE WORK WILL START*

As soon as permit is approved

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	20"	Cond Pipe	30'	3 yds Redi-mix
17½"	13-3/8" OD	54.5#	450'	600 sx. Circ.
12¼"	9-5/8" OD	36#	2800'	3000 sx. Circ.
8-3/4"	5-1/2" OD	17# N-80 & K-55	10,950'	1000 sx. to approx 7000' FS(min)

Propose to drill a Morrow Gas prospect and test for commercial production.

Blowout Preventer Program attached.

Posted API
IDI-NL
12-27-85

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

W. W. McDaniel

TITLE

Dist Drlg Supv.

DATE

11/04/85

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

Mark Haden

TITLE

DATE

12-16-85

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**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

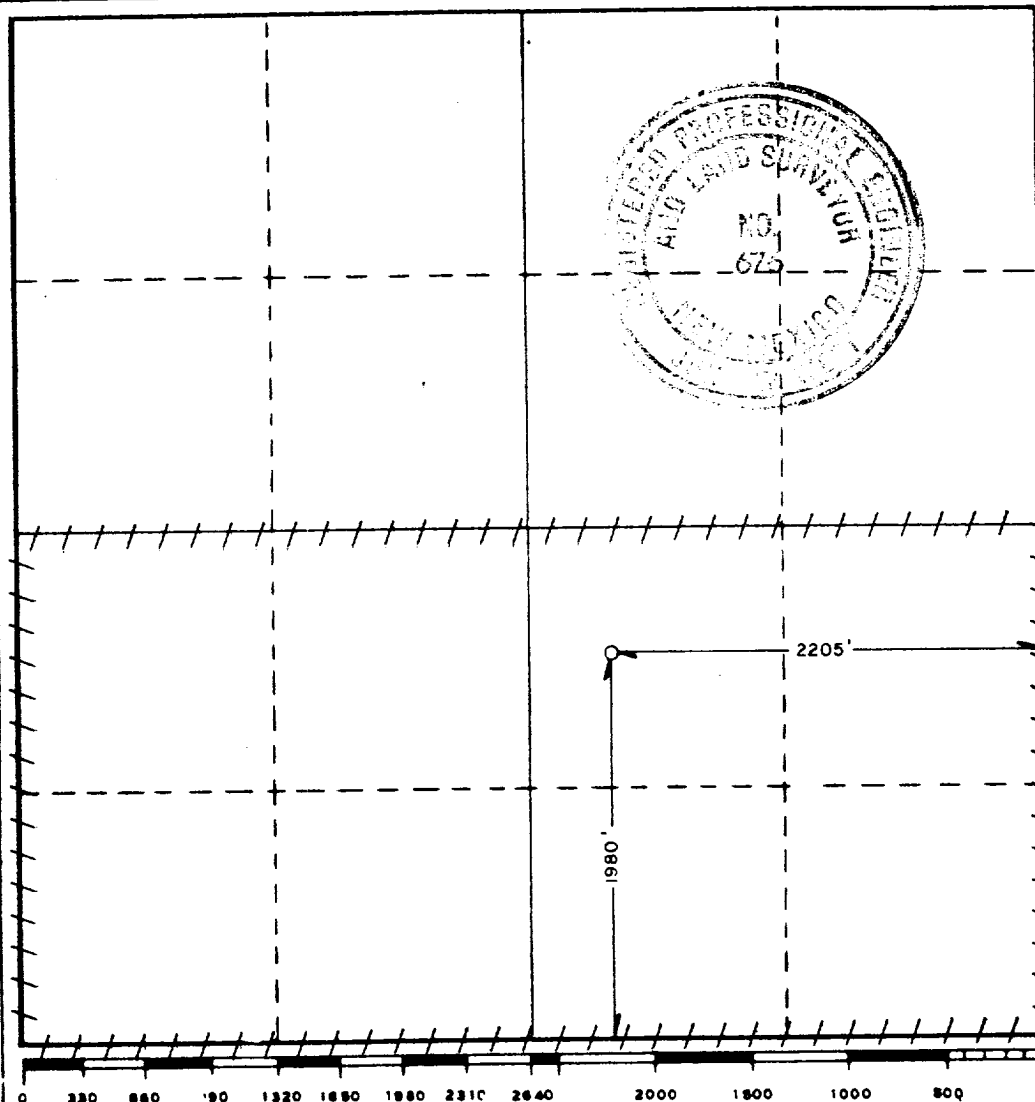
Operator HONDO OIL & GAS CO.			Lease FEDERAL "11"		Well No. 2
Unit Letter J	Section 11	Township 18 SOUTH	Range 28 EAST	County EDDY	
Actual Footage Location of Well: 1980 feet from the SOUTH line and 2205 feet from the EAST line					
Ground Level Elev. 3610.3'	Producing Formation Morrow Gas		Pool Empire South		Dedicated Acreage: 320 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.



CERTIFICATION

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

Name W. T. West

Position
District Drlg. Supv.

Company
Hondo Oil & Gas Company

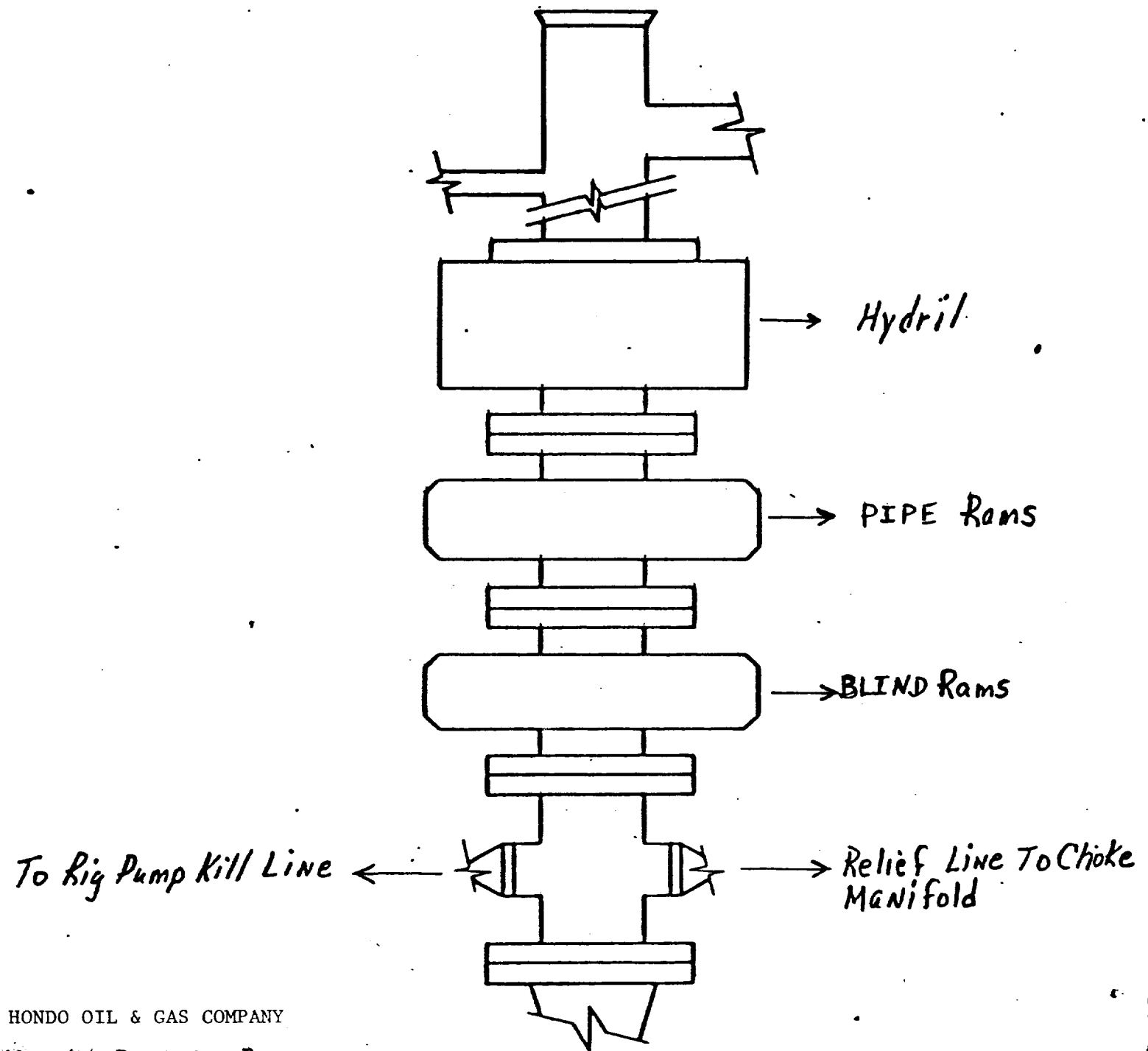
Date
10/25/85

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
OCTOBER 23, 1985

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239



HONDO OIL & GAS COMPANY

Blow Out Preventer Program

Lease Name: Federal 11

Well No: 2

Location: 1980' FSL & 2205' FEL

Sec 11-18S-28E, Eddy County.

BOP to be tested when installed on well and will be maintained in good working condition during drilling. All wellhead fittings to be of sufficient pressure to operate in a safe manner.

To supplement USGS Form 3160-3 " Application for Permit to Drill, Deepen or Plugback", the following additional information is submitted to comply with USGS Order NTL-6.

Operator: HONDO OIL & GAS COMPANY

Lease & Well No: Federal 11 #2

Location: Unit Letter J - 1980' FSL & 2205' FEL

Section 11-18S-28E

Eddy County, New Mexico

Lease, New Mexico NM-54184 & LC-028772-b

Development well X Exploratory well

1. See Well Location and Acreage Dedication Plat Form C-102.
2. See Form 3160-3 for elevation above sea level of unprepared location.
3. The geologic name of the surface formation is:
Typic Paleorthid subgroup and its intergrades
4. The type of drilling tools and associated equipment to be utilized will be: Rotary
5. The proposed drilling depth will be 10,950' .
6. The estimated tops of important geologic markers are:

San Andres	2690'	Atoka	10,160'
Wolfcamp	7800'	Morrow	10,620'
Strawn	9770'		
7. The estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are:

Surface Water	120'
Brackish Water	340'
San Andres	2610'
Atoka	10,030'
Morrow	10,175'
8. The proposed casing program including the size, grade and weight-per-foot of each string has been indicated on Form 3160-3. All strings of casing will be: New X Used .
9. See Form 3160-3 for amount of cement.

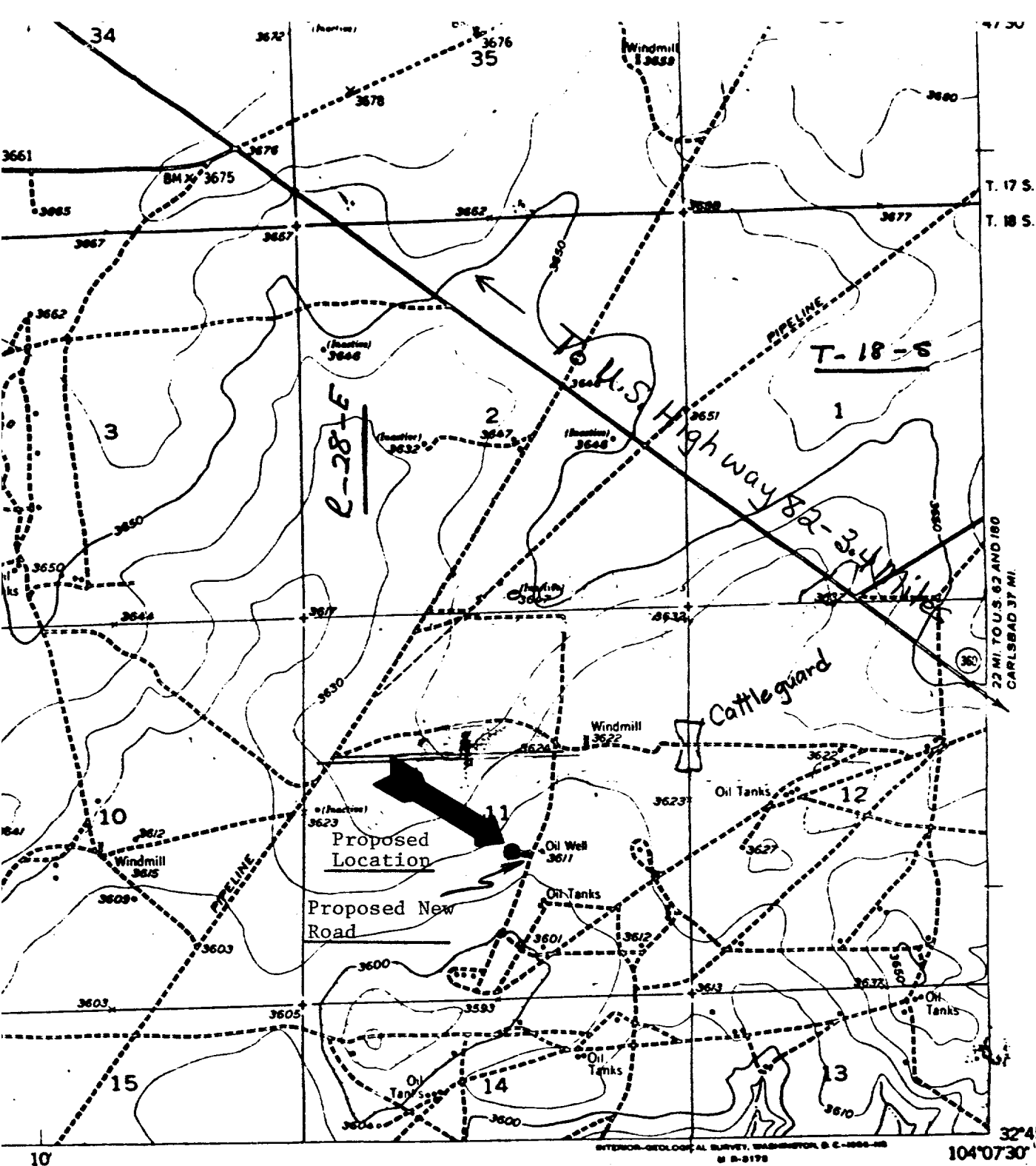


EXHIBIT "A"

HONDO OIL & GAS COMPANY

Federal 11 #2

1980' FSL & 2205' FEL (Unit Ltr J)

Section 11-18S-28E

Eddy County, New Mexico

Scale: 1" = 2011'

ROAD CLASSIFICATION

Heavy-duty ———— Light-duty ————

Medium-duty ———— Unimproved dirt ————

U. S. Route

State Route

RED LAKE, N. MEX.

N3245-W10407.5/7.5

1955

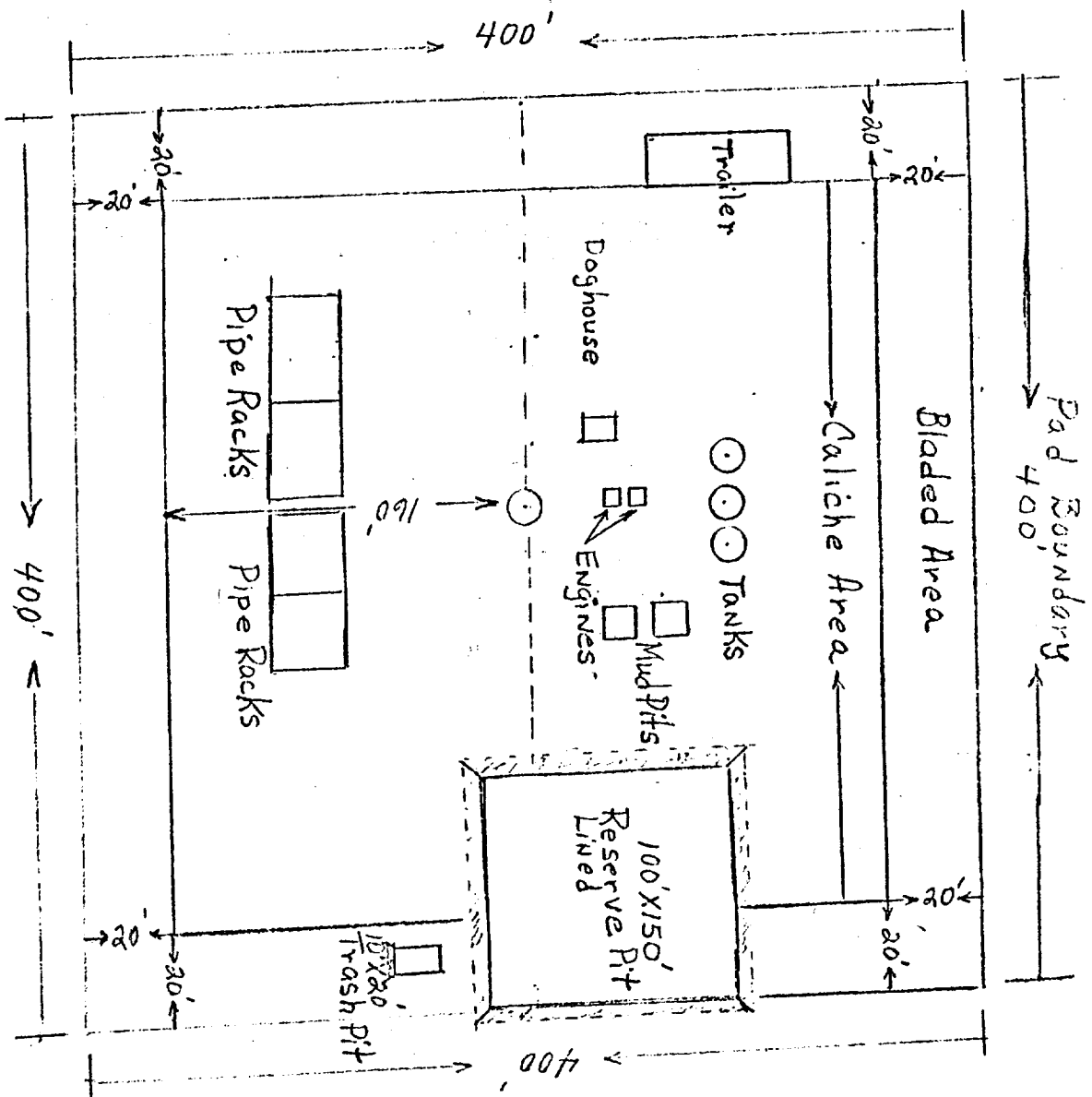


EXHIBIT "D" - Drilling Mat

HONDO OIL & GAS COMPANY
Federal "11" #2
1980' FSL & 2205' FEL (Unit Ltr J)
Section 11-18S-28E, Eddy County