

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

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

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

2130' FSL and 1650' FWL

At proposed prod. zone

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

15. DISTANCE FROM PROPOSED*

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

510'

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

16. NO. OF ACRES IN LEASE

280

19. PROPOSED DEPTH

9800'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3582.7' 3583' - KB GR: 3583.2'

22. APPROX. DATE WORK WILL START*

3/1/91

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48#	500'	525 sxs Class "C"
11"	8 5/8"	24# & 32#	4500'	1200 sx Lite + 200 sx Class "C"
7 7/8"	5 1/2"	17#	9800'	500 sx Class "H" - SEE STIPS.

* Grace Petroleum filed the staking report and the archeological report,
but Hondo Oil & Gas Company is the designated operator for the Working
Interest Unit in which this well will be located.

** Grace Petroleum filed staking report with the lease name of Smith Ranch #3-11.

MUD PROGRAM:

0 - 500' Spud mud.
500' - 4500' Brine, gel, paper
4500' - TD Cut brine, gel, starch

BOP PROGRAM: See Exhibit "E".

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

E. J. B. Thomas Jr.

TITLE

Petroleum Engineer

DATE

2/21/91

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

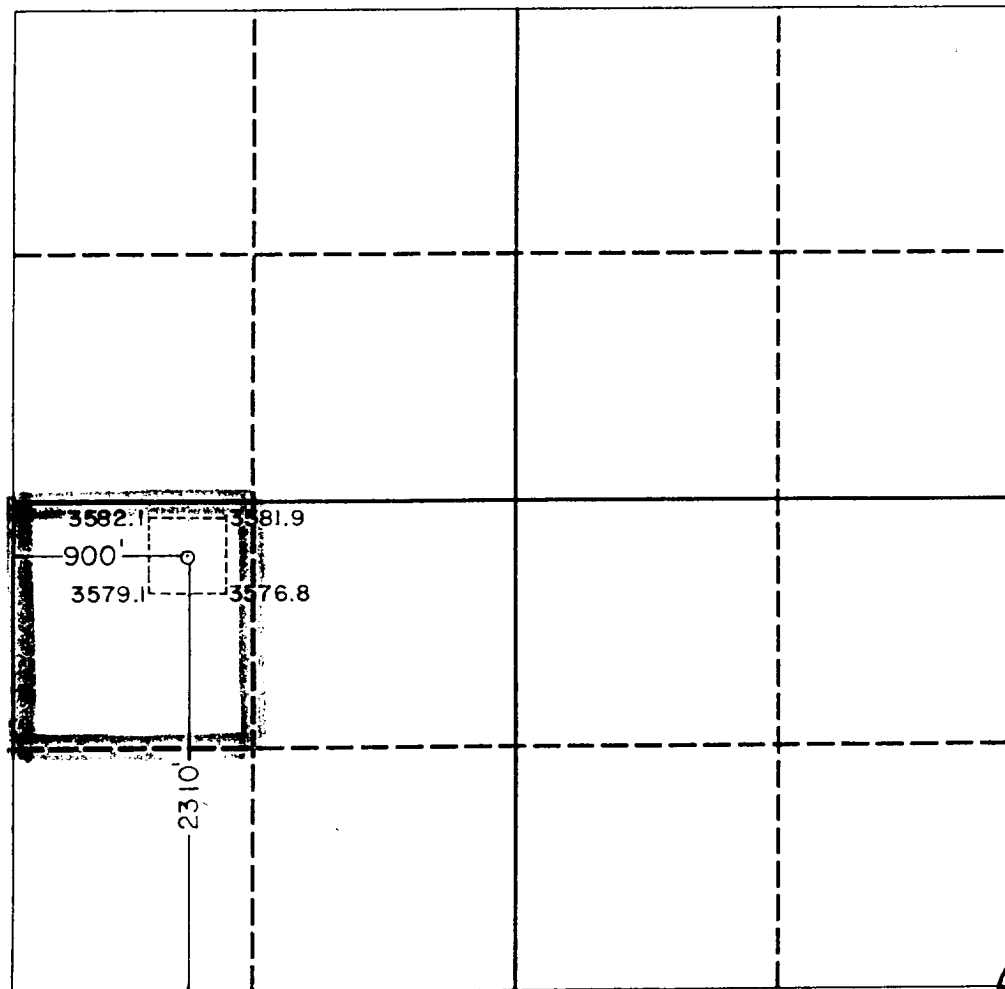
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Hondo Oil & Gas Co.			Lease Smith Ranch Federal "11"		Well No. 1
Unit Letter L	Section 11	Township 20 South	Range 33 East	County Lea	
Actual Footage Location of Well: 2310 feet from the South line and 900 feet from the West line					
Ground level Elev. 3583.2	Producing Formation Bone Springs	Pool Teas	Dedicated Acreage: 40 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
E. L. Buttross, Jr.
Printed Name
E. L. Buttross, Jr.
Position
Petroleum Engineer
Company
Hondo Oil & Gas Co.,
Date
05/02/91

SURVEYOR CERTIFICATION

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
April 26, 1991
Signature & Seal of Professional Surveyor
John W. West
Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY

Smith Ranch Federal "11" #1

~~2130'~~ FSL and ~~1650'~~ ^{900'} FWL, Sec.11-T20S-R33E

2310 Lea County, New Mexico

Lease No.: NM-13280

(Development Well)

In conjunction with Form 3160-3, 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 with surficial deposits.
2. The estimated tops of geologic markers are as follows:

Rustler	1350'	Bone Springs	8288'
Base of Salt	3140'	Top of Bone Springs	
(Tansill)		Sand	9395'
Yates	3352'	TD	9700'
Delaware	5082'		
Delaware Marker Sand	5300'		

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

Water: Random fresh water sands from surface to 300' .

Oil: Bone Spring Sand at 9395'.

Gas: None expected.

4. Proposed Casing Program: See Form 3160-3.
5. Proposed Control Equipment: See Form 3160-3.
6. Mud Program: See Form 3160-3.
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: Will only DST Carbonates in Sand Units

Logging:	(Log Type)	(Depth Logged)
	GR/CNL	Surf. - T.D.
	LDT	4500' - T.D.
	GR/DLL-MSFL	4500' - T.D.

Coring: None planned.