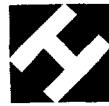


Hondo Oil & Gas Company
Box 2208
Roswell, New Mexico 88202
(505)625-8700



RECEIVED

JUL 25 1989
OIL CONSERVATION DIV.
SANTA FE

July 14, 1989

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Application for permit to convert to Water Injection
H.E. West "B" Well No. 12
1980' FNL & 1980' FEL, Section 9, T-17S, R-31E
Eddy County, New Mexico

Gentlemen:

Please find enclosed Hondo Oil & Gas Company's application for permit to convert the above captioned well into a water injection well.

Copies have been submitted to the surface owner, the offset operators and the NMOCD district office in Artesia.

If you should have any questions, please contact Ron Brown at 505/625-6735.

Sincerely,

Lisa Bohannon
Engineering Technician

LB/jw

Encl.

Hondo Oil & Gas Company
Box 2208
Roswell, New Mexico 88202
(505)625-8700



July 14, 1989

Bureau of Land Management
P.O. Box 1778
Carlsbad, NM 88220

RE: Application for permit to convert to Water Injection
H.E. West "B" Well No. 12
1980' FNL & 1980' FEL, Section 9, T-17S, R-31E
Eddy County, New Mexico

Gentlemen:

According to the Oil Conservation Division Rule 701, a copy of any injection well permit application must be sent to the offset operators and surface owner. Enclosed is a copy of our application for administrative approval to convert the above captioned well to a water injection well.

If you should have any questions, please contact Ron Brown at 505/625-6735.

Sincerely,

Lisa Bohannon
Engineering Technician

LB/jw

Encl.

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? yes no
- II. Operator: Hondo Oil & Gas Company
- Address: P.O. Box 2208, Roswell, NM 88202
- Contact party: Ron Brown Phone: (505) 625-6735
- III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? yes no
If yes, give the Division order number authorizing the project R-2268.
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- * VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- * X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)
- * XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Ron Brown Title Petroleum Engineer

Signature: Ron Brown Date: 7/14/89

- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of earlier submittal. Current copies of well logs are attached.

HONDO OIL & GAS COMPANY
APPLICATION FOR AUTHORITY TO INJECT
SUPPLEMENTAL INFORMATION
H.E. WEST "B" WELL NO. 12
EDDY COUNTY, NEW MEXICO

ITEM:

III. Well Data

A. (1) Well Name: H.E. West "B" #12
1980' FNL & 1980' FEL
Section 9, T17S, R31E
Eddy County, New Mexico

(2) Casing Data: (Also see Exhibit "B".)

Surface Casing:
9 5/8" csg. set @ 668'. Cemented with 100 sx.

Intermediate Casing:
7" csg. set @ 3158'. Cemented with 200 sx. TOC
@ 1440' (temperature survey).

Production Casing:
5" csg. set @ 3864' in a 6 1/4" hole. Cemented
with 500 sx. TOC @ surface (cmt. circ.).

(3) Injection Tubing:

2 3/8", 4.7#, 8rd EUE, plastic coated tbg, set
@ ± 3200'.

(4) Packer:

Packer set @ ± 3200'.

B. (1) Injection Formation:

The injection formation will be the Grayburg San Andres.

(2) Injection Interval:

The injection interval is to be from 3260-3628'.

HONDO OIL & GAS COMPANY
APPLICATION FOR AUTHORITY TO INJECT
H.E. WEST "B" WELL NO. 12
Page 2

(3) Original Purpose of Well:

This well was originally drilled, completed, and tested in the Grayburg San Andres as a producer from OH 3139-3744'.

(4) Added Perforated Intervals: (Also see Exhibit "B".)

Perforations from 3260-3330', 3350-3633' and 3676-3830' (CIBP set @ 3660') were added for injection purposes.

(5) Higher/Lower Oil Zones:

The top of the Seven Rivers is @ ± 2300' and there is no lower oil zone.

V. Map:

See Exhibit "A".

HONDO OIL & GAS COMPANY
APPLICATION FOR AUTHORITY TO INJECT
H.E. WEST "B" WELL NO. 12
Page 3

VI. Wells in Area of Review:

Operator: Hondo Oil & Gas Company

Well Name: H.E. West "B" #28

Location: 660' FNL & 660' FEL, (A) Section 9, T17S, R31E

Completion Date: 12/63

Surface Casing: 8 5/8" set @ 550', cemented with 240 sx.

Production Casing: 5 1/2" set @ 3850', cemented with 300 sx.

Total Depth: 3850'

Completion: Completed in the Grayburg San Andres as an injector through perforations 3289-3849'. Added new perforations from 3270-3823'.

Operator: Hondo Oil & Gas Company

Well Name: H.E. West "B" #30

Location: 1980' FSL & 1980' FWL, (K) Section 9, T17S, R31E

Completion Date: 2/66

Surface Casing: 8 5/8" set @ 551', cemented with 300 sx.

Production Casing: 4 1/2" set @ 3952', cemented with 470 sx.

Total Depth: 3952'

Completion: Completed in the Grayburg San Andres as an injector through perforations 3835-3879' (CIBP set @ 3810') and 3394-3472'. Added new perforations from 3579-3760' and 3247-3560'.

HONDO OIL & GAS COMPANY
APPLICATION FOR AUTHORITY TO INJECT
H.E. WEST "B" WELL NO. 12
Page 4

VI. Wells in Area of Review:

Operator: Hondo Oil & Gas Company

Well Name: H.E. West "B" #17

Location: 1980' FSL & 660' FEL, (I) Section 9, T17S, R31E

Completion Date: 10/58

Surface Casing: 10 3/4" set @ 747', cemented with 100 sx.

Production Casing: 5 1/2" set @ 3670', cemented with 100 sx.

Liner: 4" set from 3000-3878', cemented with 50 sx.

Total Depth: 3878'

Completion: Completed in the Grayburg San Andres as a producer from perforations 3338-3356'. Converted to injection with the addition of perforations from 3296-3624'. Converted to single WIW by setting a packer @ 3242'. Deepened, ran liner and will inject through new perforations.

Operator: Hondo Oil & Gas Company

Well Name: H.E. West "B" #22Y

Location: 660' FSL & 1990' FEL, (O) Section 9, T17S, R31E

Completion Date: 8/59

Surface Casing: 8 5/8" set @ 694', cemented with 100 sx.

Production Casing: 5 1/2" set @ 3731', cemented with 100 sx.

Total Depth: 3856'

Completion: Completed in the Grayburg San Andres as a producer from perforations 3672-78' and 3260-70'. Squeezed existing perforations and tested Lovington. P&A'd 4/82. Re-entered, deepened and converted to injection through perforations 3483-3676' and 3239-3434' and OH 3733-3853'.

HONDO OIL & GAS COMPANY
APPLICATION FOR AUTHORITY TO INJECT
H.E. WEST "B" WELL NO. 12
Page 5

VI. Wells in Area of Review:

Operator: Hondo Oil & Gas Company

Well Name: H.E. West "B" #10

Location: 1980' FNL & 660' FWL, (E) Section 9, T17S, R31E

Completion Date: 4/53

Surface Casing: 8 5/8" set @ 642', cemented with 100 sx.

Production Casing: 7" set @ 3097', cemented with 200 sx.

Liner: 4 1/2" set from 3010-3612', cemented with 150 sx.

Total Depth: 3623'

Completion: Completed OH in the Grayburg San Andres as a producer. Plugged back to 3498' and converted to injection through perforations 3161-3435'. Will perforate additional holes for injection.

Operator: Hondo Oil & Gas Company

Well Name: H.E. West "B" #39

Location: 1980' FNL & 1980' FWL, (F) Section 9, T17S, R31E

Completion Date: 1/89

Surface Casing: 8 5/8" set @ 488', cemented with 350 sx.

Production Casing: 5 1/2" set @ 3868', cemented with 1150 sx.

Total Depth: 3868'

Completion: Completed in the Grayburg San Andres as a producer from perforations 3253-3420', 3458-3623', 3654-3762' and 3700-3815'.

HONDO OIL & GAS COMPANY
APPLICATION FOR AUTHORITY TO INJECT
H.E. WEST "B" WELL NO. 12
Page 6

VI. Wells in Area of Review:

Operator: Hondo Oil & Gas Company

Well Name: H.E. West "B" #29

Location: 660' FNL & 1980' FWL, (C) Section 9, T17S, R31E

Completion Date: 1/64

Surface Casing: 8 5/8" set @ 559', cemented with 240 sx.

Production Casing: 5 1/2" set @ 3810', cemented with 300 sx.

Total Depth: 3810'

Completion: Completed in the Grayburg San Andres as a producer from perforations 3232-3804'. Plugged back with a CIBP set @ 3600' and converted to injection through existing perforations. Added new perforations from 3224-3800'.

Operator: Hondo Oil & Gas Company

Well Name: H. E. West "A" #14

Location: 720' FSL & 1980' FEL, (O) Section 9, T17S, R31E

Completion Date: 12/88

Surface Casing: 8 5/8" set @ 542', cemented with 350 sx.

Production Casing: 5 1/2" set @ 3935', cemented with 1900 sx.

Total Depth: 3935'

Completion: Completed in the Grayburg San Andres as a producer from perforations 3214-3467', 3492-3678' and 3709-3863'. Converted to injection through existing perforations.

HONDO OIL & GAS COMPANY
APPLICATION FOR AUTHORITY TO INJECT
H.E. WEST "B" WELL NO. 12
Page 7

VI. Wells in Area of Review:

Operator: Hondo Oil & Gas Company

Well Name: H.E. West "B" #13

Location: 1980' FNL & 660' FWL, (E) Section 10, T17S, R31E

Completion Date: 10/57

Surface Casing: 10 3/4" set @ 739', cemented with 100 sx.

Production Casing: 7" set @ 3525', cemented with 100 sx.

Liner: 5" set from 3094-3897', cemented with 150 sx.

Total Depth: 3900'

Completion: Completed in the Grayburg San Andres as a producer from perforations 3318-3326' and 3356-3374'. Deepened, ran liner and converted to injection through perforations 3737-3864' (CIBP @ 3720'), 3568-3696' and 3312-3519'.

Operator: Hondo Oil & Gas Company

Well Name: H.E. West "B" #36

Location: 1980' FNL & 660' FEL, (H) Section 9, T17S, R31E

Completion Date: 11/88

Surface Casing: 8 5/8" set @ 541', cemented with 400 sx.

Production Casing: 5 1/2" set @ 3883', cemented with 1300 sx.

Total Depth: 3883'

Completion: Completed in the Grayburg San Andres as a producer from perforations 3199-3234', 3267-3462' and 3494-3821'.

HONDO OIL & GAS COMPANY
APPLICATION FOR AUTHORITY TO INJECT
H.E. WEST "B" WELL NO. 12
Page 8

VII. Proposed Operations Data:

- (1) Average daily injection rate - 150 BWPD
Maximum daily injection rate - 200 BWPD
- (2) Type of system - closed
- (3) Average injection pressure - 1900 psi
Maximum injection pressure - 2200 psi
- (4) Source of injection water - water produced from the Keel West plus make-up water from the Keel West fresh water system.

VIII. Geological Data:

The proposed injection zone is in the Grayburg San Andres from 3260-3628'. The Grayburg formation consists primarily of quartz sand with cementation. The San Andres formation consists primarily of dolomite with intermingled stringers of quartz sand with dolomite cementation.

Surface formation is cretaceous and has no known source of drinking water. Also, there are no known underground sources of drinking water overlying or underlying the proposed injection zone.

IX. Stimulation Program:

Acidized 3350-3628' with 4000 gal 15% NeFe acid and frac'd with 25,000 gal 30# cross-linked gel + 40,000# 20-40 sand. Acidized 3260-3660' with 6000 gal 15% NeFe acid.

X. Well Logs:

Copies of the current well logs are attached.

HONDO OIL & GAS COMPANY
APPLICATION FOR AUTHORITY TO INJECT
H.E. WEST "B" WELL NO. 12
Page 9

XI. Chemical Analysis of Fresh Water:

There are no known producing fresh water wells within one mile of the proposed injection well.

XII. Upon examination of the available geologic and engineering data, no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water was found.

SURFACE OWNER:

Federal land.

OFFSET OPERATOR:

None within area of review.

Affidavit of Publication

No. 12842

STATE OF NEW MEXICO,

County of Eddy:

Gary D. Scott being duly sworn, says: That he is the Publisher of The Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached Legal Notice

..... was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of

the State of New Mexico for 1 consecutive weeks on the same day as follows:

First Publication July 16, 1989

Second Publication

Third Publication

Fourth Publication

and that payment therefore in the amount of \$
has been made.

Subscribed and sworn to before me this 19th day
of July 19 89.

Barbara Ann Bearns
Notary Public, Eddy County, New Mexico

My Commission expires September 23, 1991.....

Copy of Publication

18951

104211

LEGAL NOTICE

Hondo Oil & Gas Company has authority to convert the Keel West "B" Well No. 3633 dated 1980' FNC to injection Section 9, T-17N, E-20W, Eddy County, New Mexico. This water injection well, which produced from the Keel West plus make-up water from the Keel West fresh water system will be injected into the Bayburg San Andres formation from 3260-3633'. The maximum daily injection will be 200 BWPD with a maximum pressure of 2200 psi.

Interested parties may file objections or requests for hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87501, within 15 days of this notice.

Ron Brown
Petroleum Engineer
Hondo Oil & Gas Company
P.O. Box 2208
Roswell, New Mexico 88202
(505) 625-8760

Published in the Artesia Daily Press, Artesia, N.M. July 16, 1989.

Legal 12842

I.D.

103701

<input checked="" type="checkbox"/> EXPENSE	<input type="checkbox"/> CAPITAL	APPROVAL	DATE
ACCOUNT #8400-037			

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery ^{†(Extra charge)†}

3. Article Addressed to: Bureau Of Land Management P.O. Box 1778 Carlsbad, NM 88220	4. Article Number P663397597
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	
Always obtain signature of addressee or agent and DATE DELIVERED.	
8. Addressee's Address (ONLY if requested and fee paid)	
5. Signature — Addressee <input checked="" type="checkbox"/>	6. Signature — Agent <input checked="" type="checkbox"/>
7. Date of Delivery	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery ^{†(Extra charge)†}

3. Article Addressed to: NMOCD P.O. Drawer DD Artesia, NM 88210	4. Article Number P663 397 598
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	
Always obtain signature of addressee or agent and DATE DELIVERED.	
8. Addressee's Address (ONLY if requested and fee paid)	
5. Signature — Addressee <input checked="" type="checkbox"/>	6. Signature — Agent <input checked="" type="checkbox"/>
7. Date of Delivery	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.	
1. <input checked="" type="checkbox"/> Show to whom delivered, date, and addressee's address. 2. <input type="checkbox"/> Restricted Delivery ^{†(Extra charge)†}	
3. Article Addressed to: Oil Conservation Division P.O. Box 2088 Santa Fe, NM 87501	4. Article Number P663397596
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	
Always obtain signature of addressee or agent and DATE DELIVERED.	
8. Addressee's Address (ONLY if requested and fee paid)	
5. Signature — Addressee <input checked="" type="checkbox"/>	6. Signature — Agent <input checked="" type="checkbox"/>
7. Date of Delivery	

PS Form 3811, Mar. 1987

* U.S.G.P.O. 1987-178-268

DOMESTIC RETURN RECEIPT

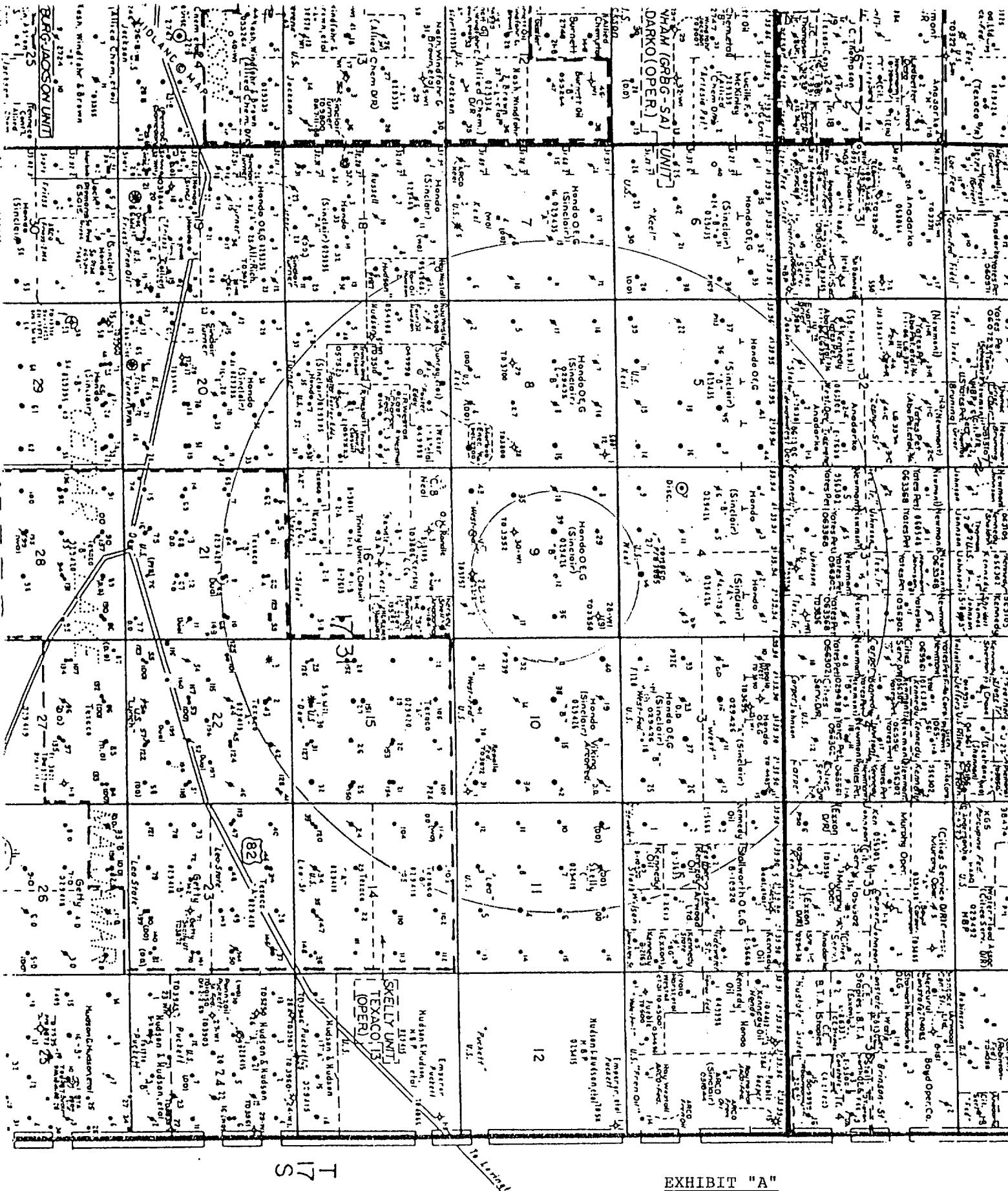


EXHIBIT "B"

Hondo Oil & Gas Company
H. E. West "B" Well No. 12
Eddy County, New Mexico

H. E. WEST "B" WELL NO. 12

