

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

30-015-26212 file
Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

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
660' FSL & 660' FEL
At proposed prod. zone

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

10 miles northeast of Loco Hills, NM

15. DISTANCE FROM PROPOSED*

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

660'

16. NO. OF ACRES IN LEASE

639.56

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

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

1320'

19. PROPOSED DEPTH

4000'

20. ROTARY OR CABLE TOOLS

Rotary

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

3919' GR

22. APPROX. DATE WORK WILL START*

11/3/89

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	500'	300 sx. Class "C"
7 7/8"	5 1/2"	15.5#	4000'	300 sx. Class "C" + 1000 sx. Lite

Mud Program:

0 - 500' Drill with fresh water.
500 - 4000' Drill with saturated brine.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

BOP Program:

Will install on the 8 5/8" surface casing a 10" Series 900 Type "E" Shaffer
Double Hydraulic BOP and will test before drilling into the Queen formation.

Post FD-1
10-20-89
New br & API

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 Brown/RB TITLE Petroleum Engineer

DATE 9/27/89

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY Tom Lane

TITLE AREA MANAGER

CARLSBAD RESOURCE AREA

DATE 10-16-89

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

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

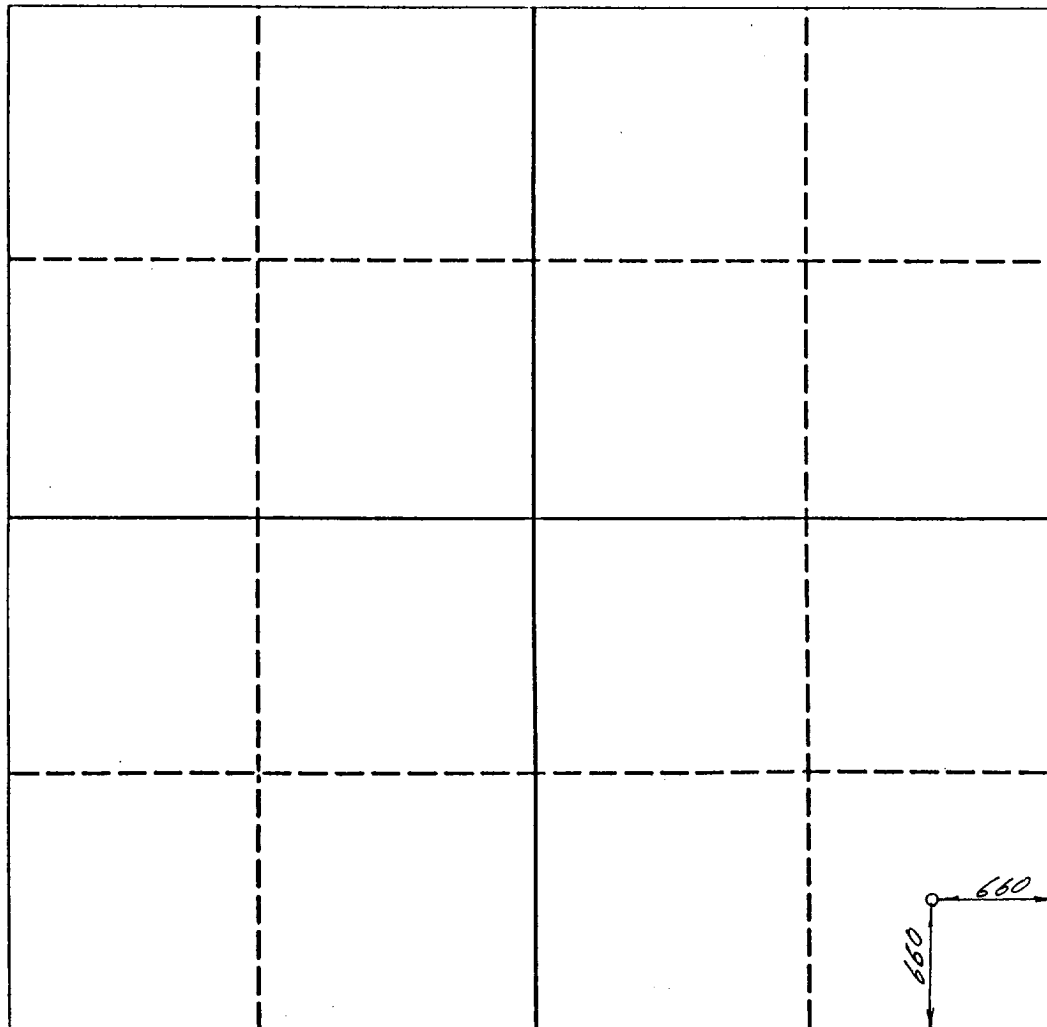
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Hondo Oil & Gas Company		Lease H.E. West "A"		Well No. 17
Unit Letter P	Section 4	Township 17 South	Range 31 East	County Eddy
Actual Footage Location of Well: 660 feet from the South line and 660 feet from the East line				
Ground level Elev. 3919	Producing Formation Grayburg	Pool Grayburg Jackson	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 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

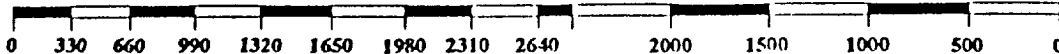
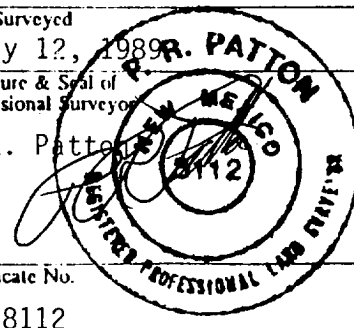
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

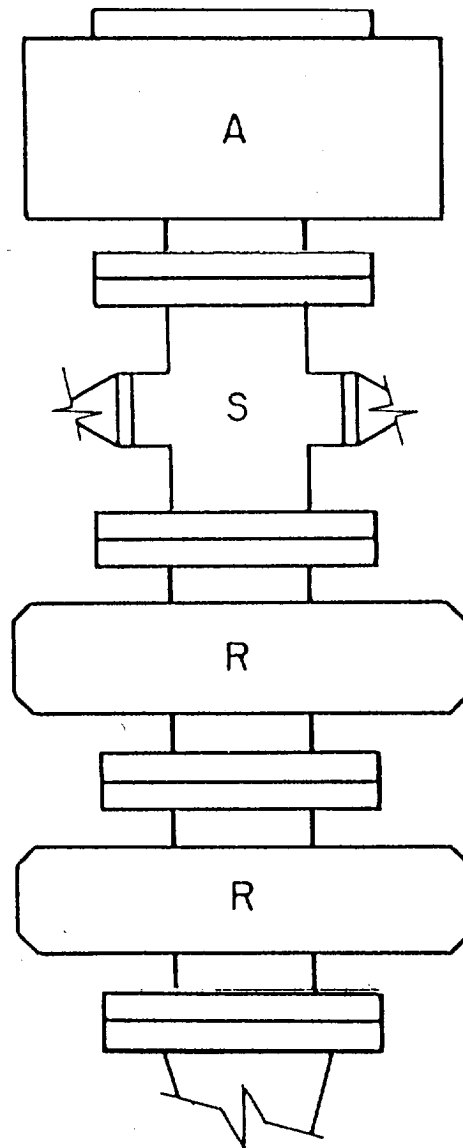
Signature
Ron Brown
Printed Name
Ron Brown
Position
Petroleum Engineer
Company
Hondo Oil & Gas Company
Date
9/27/89

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
July 12, 1989
Signature & Seal of Professional Surveyor
P.R. Patton
Certificate No.
8112





A - Stripping Rubber

R - Blind and Pipe Rams

EXHIBIT "E"
Hondo Oil & Gas Company
H. E. West "A" #17
BOP Diagram

APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY
H. E. WEST "A", Well No. 17
660' FSL & 660' FEL, Sec.4-T17S-R31E
Eddy County, New Mexico
Lease No.: LC-029426-A

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	510'	Grayburg	3150'
Top of Salt	690'	Premier Sand	3320'
Base of Salt	1670'	San Andres	3485'
Yates	1808'	Lovington Sand	3590'
Seven Rivers	2110'	Lower S.A. "M"	3680'
Queen	2730'	T. D.	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 3150' or below.

Gas: None anticipated.

4. Proposed Casing Program: See Form 9-331C.
5. Proposed Control Equipment: See Form 9-331C and Exhibit "E".
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. - 1670'
DLL RXO NGT.	T.D. - 1670'
GRN	T.D. - Surface

Coring: None planned.

APD
Hondo Oil & Gas Company
H. E. West "A", Well No. 17
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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: 11/3/89
Anticipated completion of drilling operations: approximately 20 days

MULTI JOINT SURFACE USE AND OPERATIONS PLAN

HONDO OIL & GAS COMPANY
H. E. WEST "A", Well No. 17
660' FSL & 660' FEL, Sec.4-T17S-R31E
Eddy County, New Mexico
Lease No.: LC-029426-A

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 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 1.5 miles. Then turn north for .4 mile. Then turn east for .25 mile and go to location. (See Exhibit "B".)

2. PLANNED ACCESS ROAD:

- A. Length and Width: A 1320' road 12' wide will be constructed from the H. E. West "A" #14 east to the proposed wellsite. (See Exhibit "B".)
- B. Construction: The new road will be 12' wide with a center crown, with 4 inches compacted caliche. The existing roads will be graded and topped with compacted caliche as needed.
- C. Turnouts: One turnout will be required.
- D. Culverts: None required.
- E. Cut and Fill: The area has 5 to 10 foot sand dunes and deflation basins to be levelled.
- F. Gates, Cattleguards: None required.

3. LOCATION OF EXISTING WELLS:

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

SURFACE USE AND OPERATIONS PLAN

Hondo Oil & Gas Company

H. E. West "A", Well No. 17

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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 and proposed access roads to the storage tanks.

5. LOCATION AND TYPE OF WATER SUPPLY:

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

6. SOURCES OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the proposed access road and wellsite pad 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 reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve 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. Exhibit "D" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area has been staked and flagged.
- B. Mat Size: 140' x 210' plus reserve pits.
- C. Cut & Fill: The area has 7 to 15 foot sand dunes and deflation basins to be levelled.
- D. The surface will be topped with compacted caliche and the reserve pits 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 levelled within 90 days after abandonment.

11. OTHER INFORMATION:

- A. Topography: The wellsite and access road are located in the Mescalero Pediment, north of the Querecho Plains, to the east of

the Nimenim Ridge, within an area draining generally southwest towards Cedar Lake Draw, ca. 4.25 miles SW. The area is characterized by deep aeolian topography, characterized by a large NW/SE trending dune ridge system, with dunes up to 4 metres high, and large, elongate, and often interconnected deflation basins. The western 1/2 of the access road is within undulating aeolian topography, with the occurrence of localized, low, dune rises.

- B. Soil: The topsoil at the wellsite is Kermit-Berino fine sands.
- C. Flora and Fauna: The vegetative cover is of grassland formation and scrub-grass scrub disclimax community. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: None in the area.
- E. Residences and Other Structures: There is an abandoned injection line corridor running under the proposed wellsite and along the proposed access road.
- F. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed wellsite and existing access road is on Federal surface and minerals.
- H. Archaeological survey revealed the occurrence of a BLM Category 2, prehistoric Multipile Use Locale, Type 1D, designated as ASC Site 89-128-S1. The site is west of the well pad, on either side of an extant pipeline R/W, concentrated within a dune ridge system, with artifact material occurring high up the dunes. The extant pipeline and associated two-track road are at a lower level than the artifacts high up the dune; hence the pipeline has already damaged the site; furthermore, since the pipeline is at a lower stratigraphic level than the relatively in situ cultural material, the possibility of buried material, within the extant pipeline R/W, is nil. Since ASC Site 89-129-S1 will not be endangered by an access road directly within the previously bladed area, archaeological clearance has been recommended, with the provision that all access road construction activity, and all vehicular traffic is restricted to the already disturbed pipeline corridor and two-track road immediately adjacent to the extant pipeline. (The archaeological survey was performed with the intent of constructing two access roads: one to the west of the proposed wellsite to the H. E. West "A" #14 and the other to the east of the proposed wellsite to the H. E. West "B" #16 in Section 3; however, only the portion from the H. E. West "A" #14 to the H. E. West "A" #17 will be built.) The survey was con-

ducted by Archaeological Survey Consultants, P. O. Box D,
Roswell, NM 88202, and their report has been submitted to the
appropriate government agencies.

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.



Hondo Oil & Gas Company

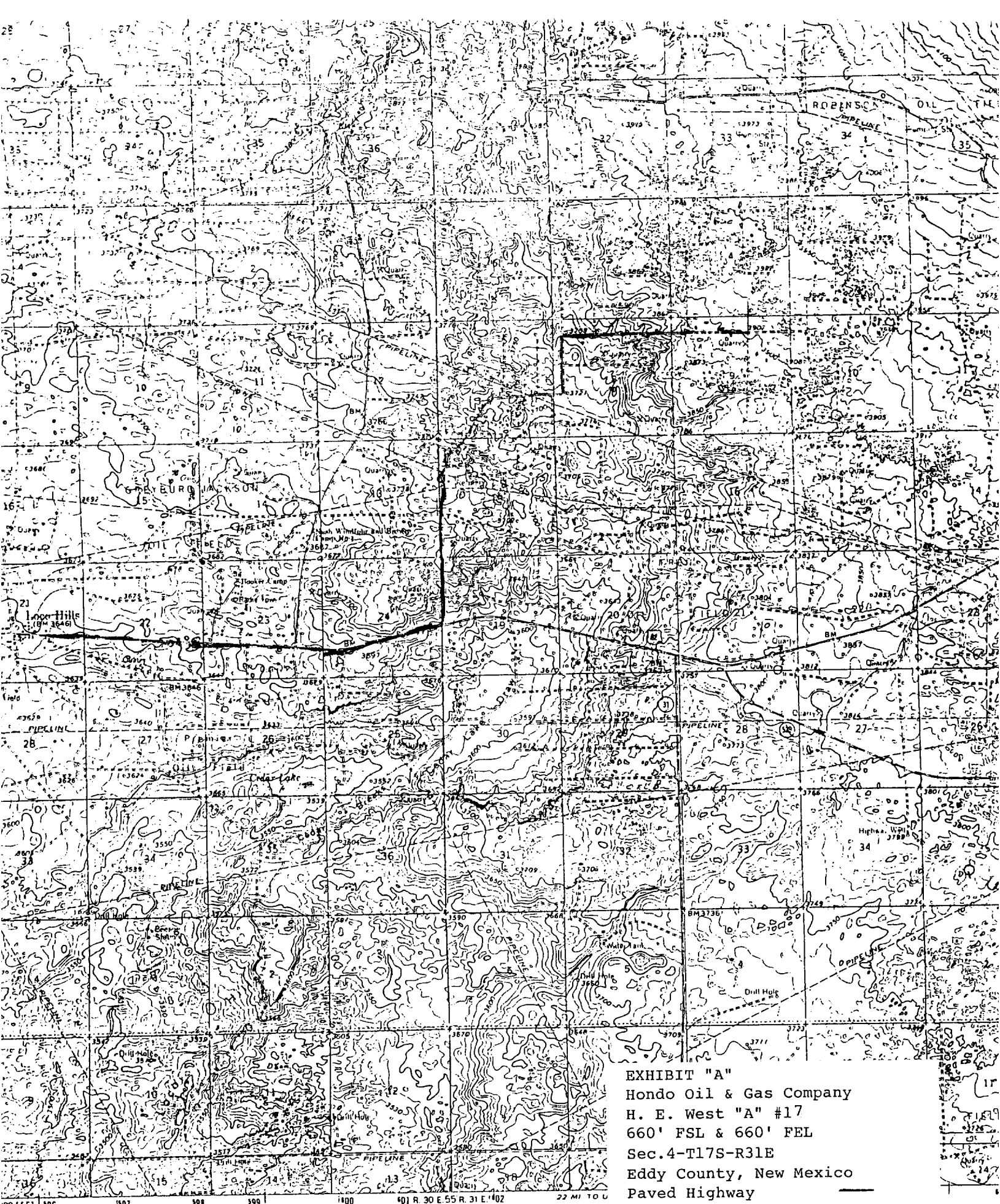
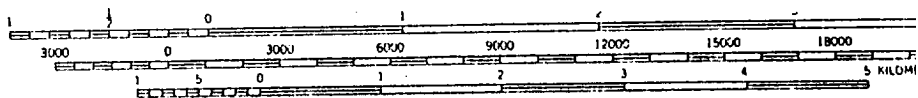
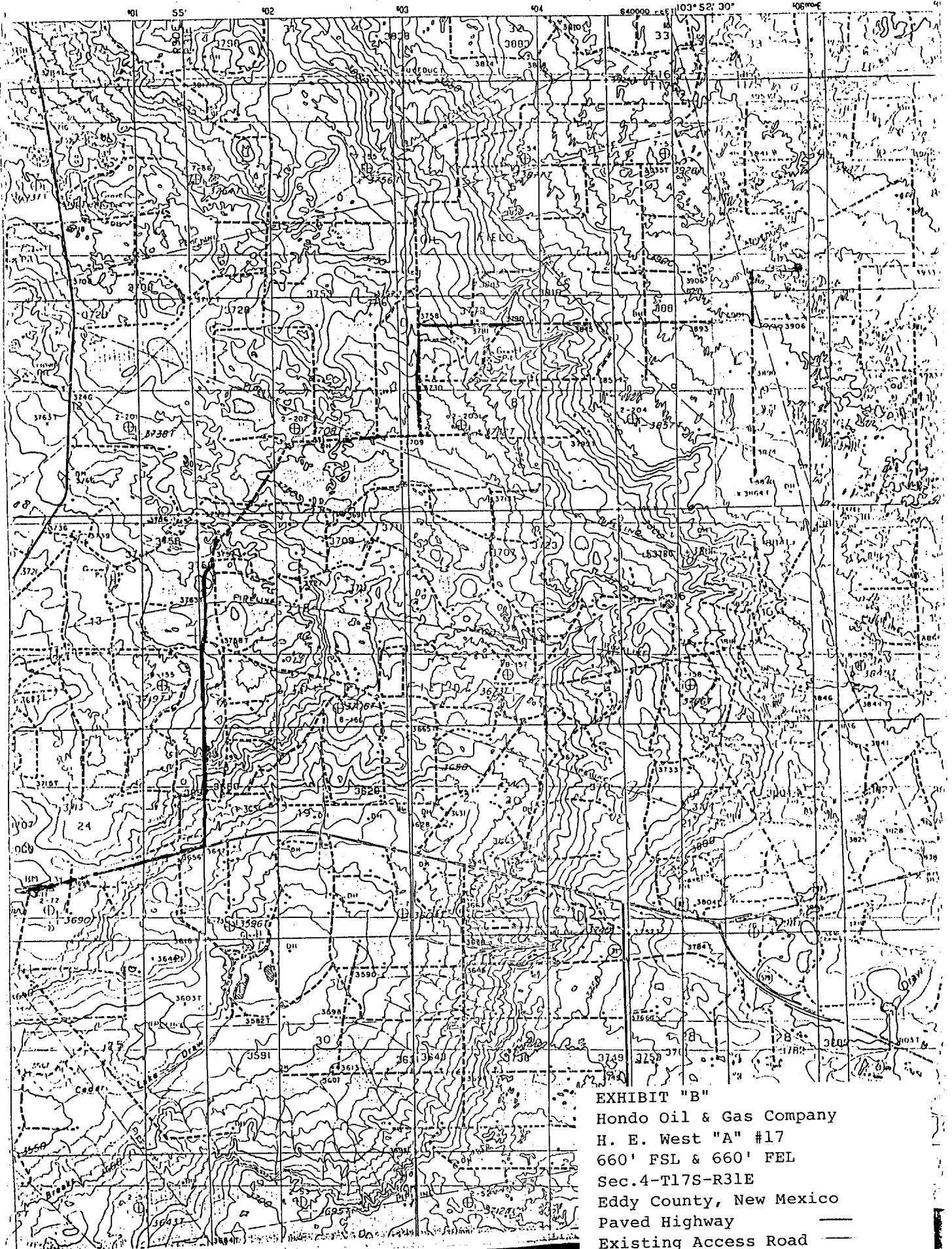


EXHIBIT "A"
Hondo Oil & Gas Company
H. E. West "A" #17
660' FSL & 660' FEL
Sec. 4-T17S-R31E
Eddy County, New Mexico
Paved Highway
Existing Access Road

published by the Geological Survey

methods from aerial photographs
notable surveys 1963





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EXHIBIT "C"
Hondo Oil & Gas Company
H. E. West "A" #17
Existing Wells

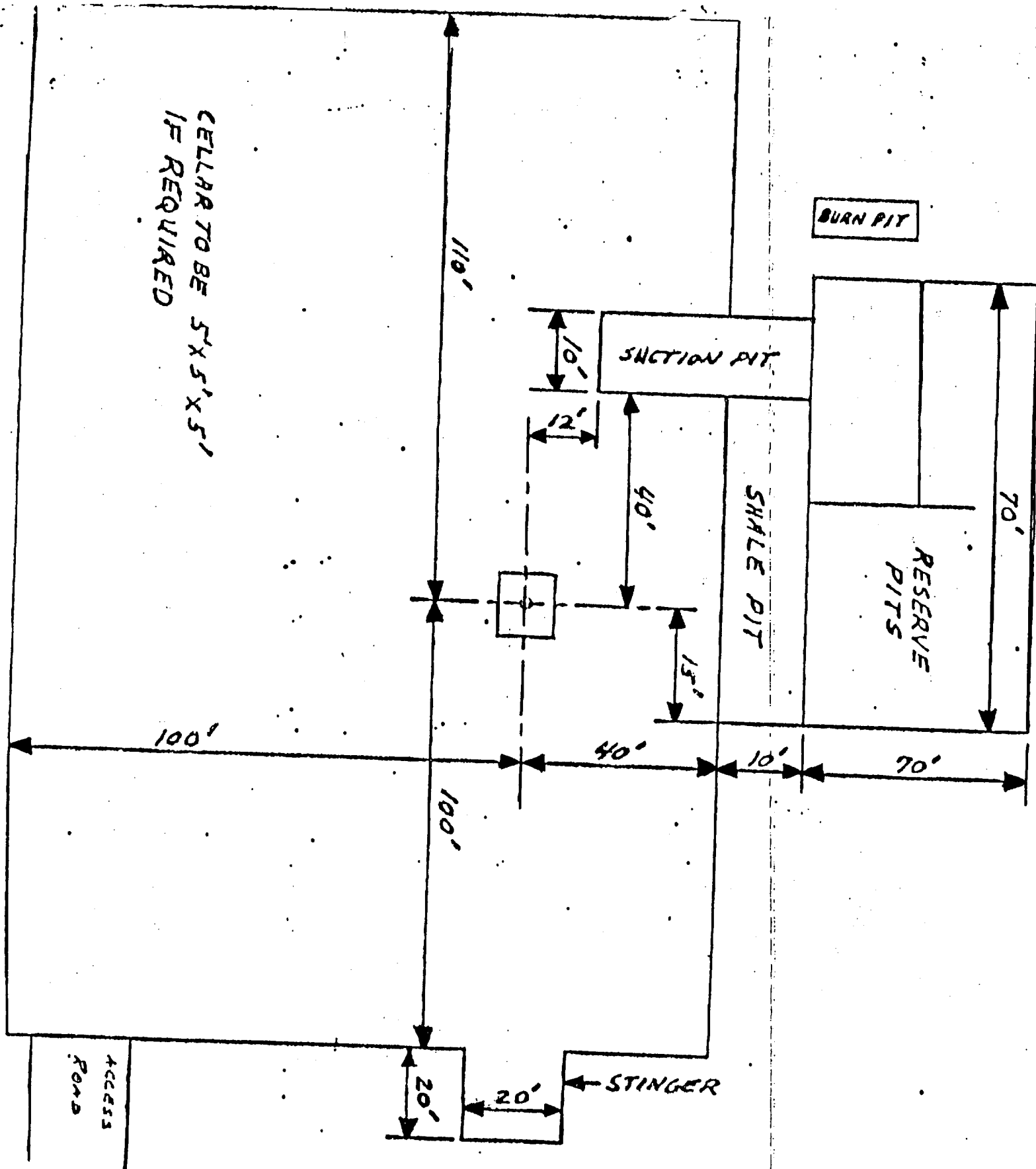


EXHIBIT "D"
Hondo Oil & Gas Company
H. E. West "A" #17
Rig Layout