

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 66437		
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR Hondo Oil & Gas Company		7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR P.O. Box 2208, Roswell, NM 88202		8. FARM OR LEASE NAME Shugart Federal		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1980' FNL & 660' FEL At proposed prod. zone Same		9. WELL NO. 1		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 9 miles southeast from Loco Hills, New Mexico		10. FIELD AND POOL, OR WILDCAT Wildcat		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 6, T-19-S, R-31-E		
16. NO. OF ACRES IN LEASE 359.22		12. COUNTY OR PARISH Eddy		
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM		
18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A		19. PROPOSED DEPTH 6500'		
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START* 5/30/88		
22. ELEVATIONS (Show whether DF, RT, GR, etc.) 3544.2 GR		23. PROPOSED CASING AND CEMENTING PROGRAM [CAPITAN WTR. BASIN]		
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	700'	525 sx. Class C w/2% CC
7 7/8"	5 1/2"	15.5#	6500'	300 sx. Class H + 900 sx. Lite

Mud Program:

0' - 700' Drill with fresh water.  
700' - 6500' Drill with a saturated brine drilling fluid.

BOP Program:

Will install on the 8 5/8" surface casing a 10" Series 900 Type "E" Shaffer Double Hydraulic 6000 psi test, 3000 psi wp BOP and will test daily.

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.

SIGNED \_\_\_\_\_ TITLE Engineer DATE 4/25/88

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE 6.1.88

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 1-4-85

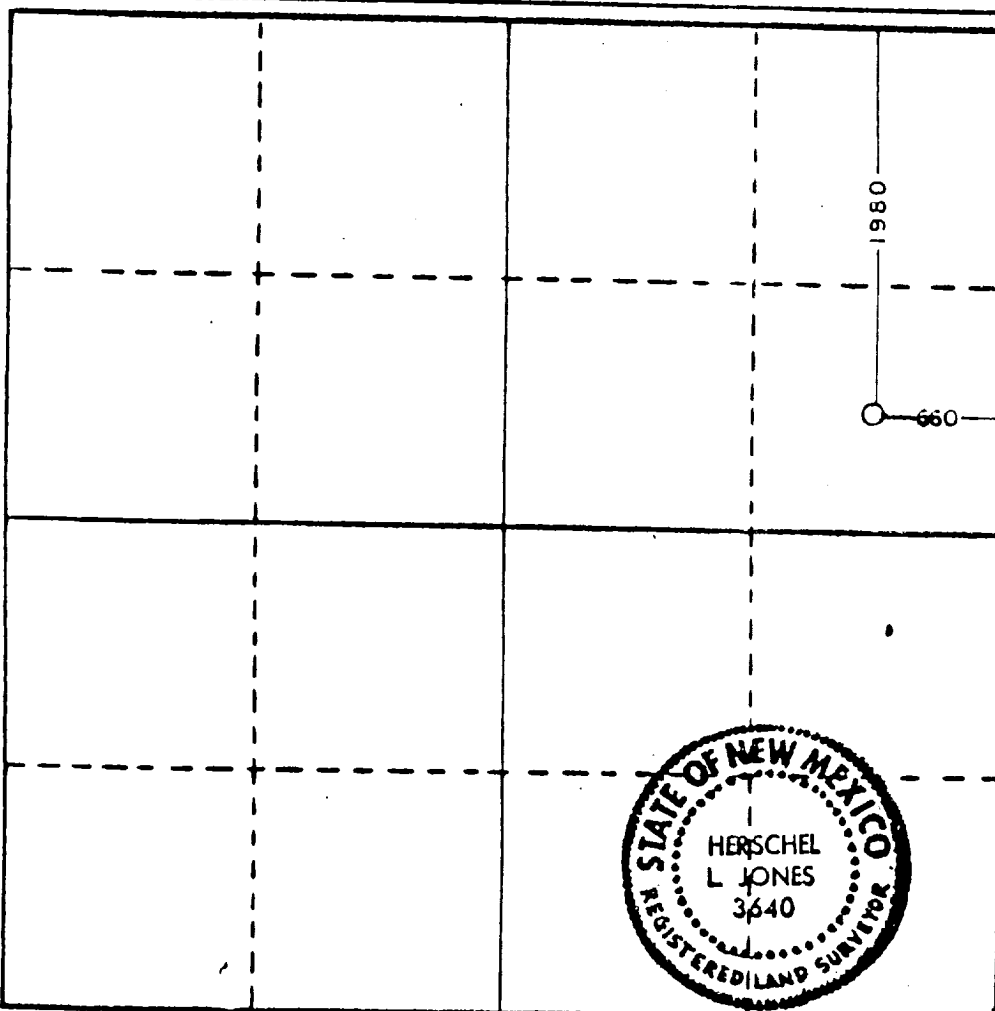
All distances must be from the outer boundaries of the Section.

Operator <b>HONDO OIL &amp; GAS COMPANY</b>			Lessee <b>SHUGART FEDERAL</b>			Well No. <b>1</b>
Unit Letter <b>"H"</b>	Section <b>6</b>	Township <b>19 South</b>	Range <b>31 East</b>	County <b>Eddy</b>		
Actual Footage Location of Well						
<b>1980</b>	feet from the	<b>North</b>	line and	<b>660</b>	feet from the	<b>East</b>
Ground Level Elev. <b>3544.2</b>	Producing Formation <b>Bone Springs</b>		Well <b>SJS</b>	Wildcat <b>Bone Springs</b>		Dedicated Acreage <b>40 Acres</b>

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 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.

*Ron Brown*

Name

Ron Brown

Position

Engineer

Company

Hondo Oil & Gas Company

Date

6/1/88

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 18, 1988

Registered Professional Engineer and/or Land Surveyor

*Herschel L. Jones*

Certificate No.

6640



# BLOWOUT PREVENTER

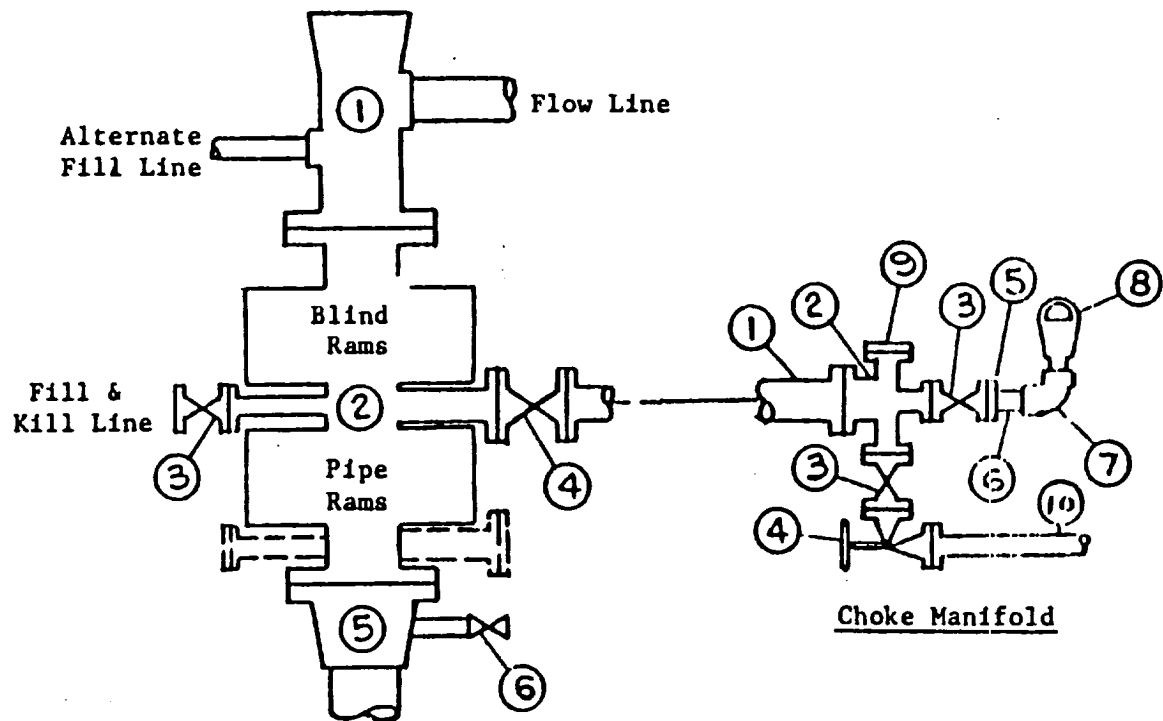


EXHIBIT "E"  
Hondo Oil & Gas Company  
Shugart Federal #1  
BOP Diagram

APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY  
SHUGART FEDERAL #1  
1980' FNL & 660' FEL, Sec.6-T19S-R31E  
Eddy County, New Mexico  
Lease No.: NM 66437  
(Wildcat Well)

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	542'	San Andres	3927'
Base of Salt	2080'	Delaware Sand	4777'
Yates	2298'	T. D.	6500'
Seven Rivers	2670'		
Queen	3193'		
Grayburg	3995'		
3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Random fresh water from surface to 450' +/-.

Oil: Grayburg at approximately 3995'. Delaware sand at approximately 4777' 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: One planned, in Delaware sand.

Logging: LDT/CNL T.D. - 2080'  
DLL MSFL NGT. T.D. - 2080'  
GRN T.D. - Surface

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: 6/1/88  
Anticipated completion of drilling operations: approximately 25 days

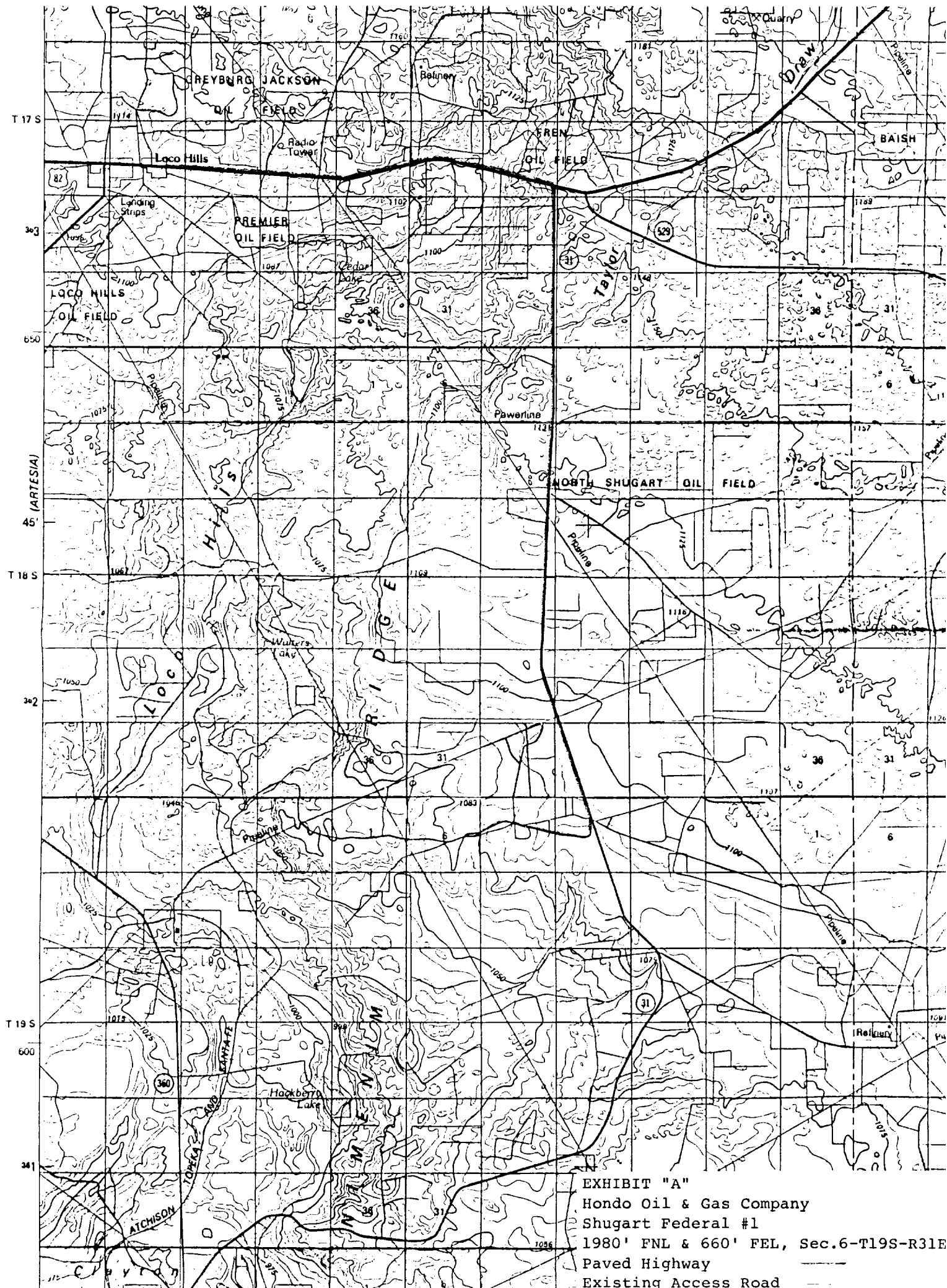


EXHIBIT "A"

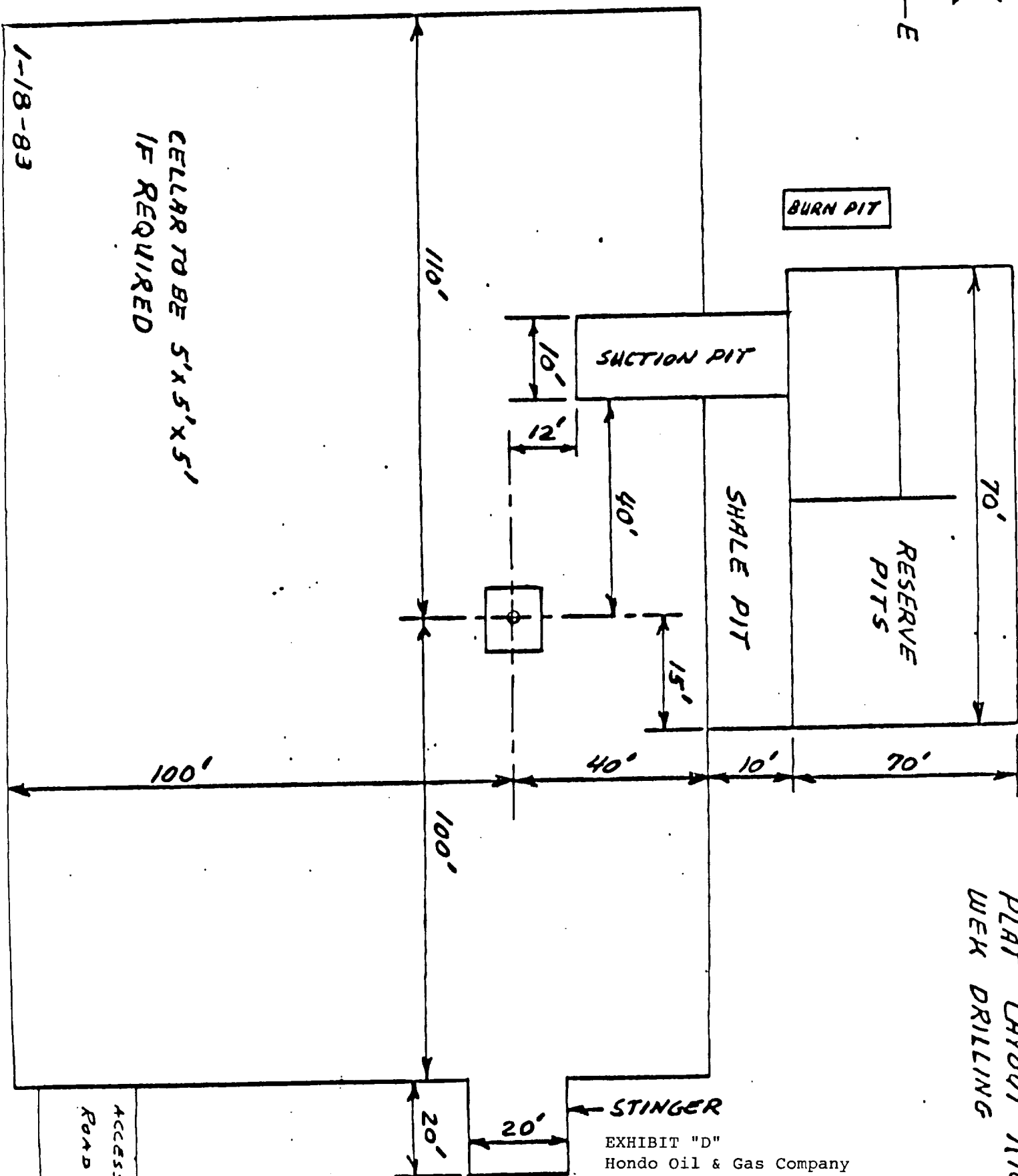
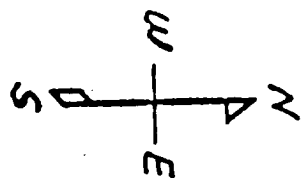
Hondo Oil & Gas Company

Shugart Federal #1

1980' FNL & 660' FEL, Sec.6-T19S-R31E

Paved Highway

Existing Access Road



PLAT LAYOUT RIG 1  
WEK DRILLING

EXHIBIT "D"  
Hondo Oil & Gas Company  
Shugart Federal #1  
Rig Layout