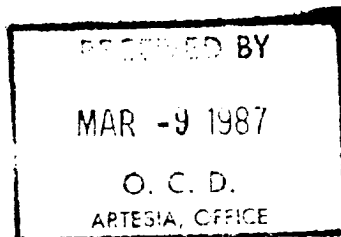


STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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| TRANSPORTER            | OIL |
|                        | GAS |
| OPERATOR               | ✓   |
| PROBATION OFFICE       |     |



OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-104  
Revised 10-01-78  
Format 06-01-83  
Page 1

REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

W I W

I.

Operator  
Hondo Oil & Gas Company ✓

Address  
P. O. Box 2208; Roswell, New Mexico 88201

Reason(s) for filing (Check proper box)

|                                                         |                                         |                         |
|---------------------------------------------------------|-----------------------------------------|-------------------------|
| <input type="checkbox"/> New Well                       | Change in Transporter of:               | Other (Please explain)  |
| <input type="checkbox"/> Recompletion                   | <input type="checkbox"/> Oil            | Change in Operator name |
| <input checked="" type="checkbox"/> Change in Ownership | <input type="checkbox"/> Casinghead Gas | Effective March 1, 1987 |
|                                                         | <input type="checkbox"/> Dry Gas        |                         |
|                                                         | <input type="checkbox"/> Condensate     |                         |

If change of ownership give name and address of previous owner: ARCO Oil and Gas Company - Division of Atlantic Richfield Company  
P. O. Box 1610, Midland, Texas 79702

II. DESCRIPTION OF WELL AND LEASE

|                                                                                                                                                                                                               |                |                                                                |                                                |           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------------------------|------------------------------------------------|-----------|
| Lessee Name<br>J. L. Keel "B"                                                                                                                                                                                 | Well No.<br>22 | Pool Name, including Formation<br>Grayburg Jackson-7R.Q.G.S.A. | Kind of Lease<br>State, Federal or Fee Federal | Lease No. |
| Location<br>Unit Letter <u>L</u> : <u>1980</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>West</u><br>Line of Section <u>5</u> Township <u>17S</u> Range <u>31E</u> N.M.P.M. Eddy County |                |                                                                |                                                |           |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

|                                                                                                               |                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>         | Address (Give address to which approved copy of this form is to be sent)                                                |
| NONE                                                                                                          |                                                                                                                         |
| Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent)                                                |
| NONE                                                                                                          |                                                                                                                         |
| If well produces oil or liquids, give location of tanks.                                                      | Unit <u>Sec.</u> <u>Trp.</u> <u>Rge.</u> Is gas actually connected? <u>Post ID-3</u><br><u>3-20-87</u><br><u>chy op</u> |

If this production is commingled with that from any other lease or pool, give commingling order number  
NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

Joyce R. Newsum  
(Signature)  
PROD SEC  
(Title)  
02/28  
(Date)

OIL CONSERVATION DIVISION  
APPROVED MAR 16 1987  
BY Original Signed By  
Les A. Clements  
TITLE Secretary-District II

This form is to be filed in compliance with RULE 1104.  
If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.  
All sections of this form must be filled out completely for allowable on new and recompleted wells.  
Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter or other such change of condition.  
Separate Forms C-104 must be filed for each pool in multiply completed wells.