

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

Re-entry

SINGLE
ZONE ☐

RECEIVED

☐

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

300' FSL & 990' FEL

At proposed prod. zone

SEP 15 '89

O. C. D.
ARTESIA, OFFICE

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

8 miles northeast of Loco Hills, NM

10. DISTANCE FROM PROPOSED*

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

330'

18. DISTANCE FROM PROPOSED LOCATION*

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

1200'

16. NO. OF ACRES IN LEASE

1919.88

19. PROPOSED DEPTH

3900'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3870' DF

22. APPROX. DATE WORK WILL START*

9/9/89

23.

EXISTING PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12"	9"	40#	81 - 695'	50 sx.
8"	7"	24#	980 - 3570'	100 sx.

We propose to drill and clean out this well to the present
TD of 3757' and then to deepen it to a new TD of 3900'.
We also plan to run 4 1/2" casing and set it @ 3900'.
It will be cemented to surface.

Post ID-1
9-22-89
New Loc-Re-entry

Former: Repetto Oil Co.
West "2"
OTD-3757
PFA-4-20-40

ATTACHED

RECEIVED

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

Paul Brown by LB

TITLE

Petroleum Engineer

DATE

8/10/89

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

AREA MANAGER

CARLSBAD RESOURCE AREA

APPROVED BY

TITLE

DATE

9-14-89

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

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

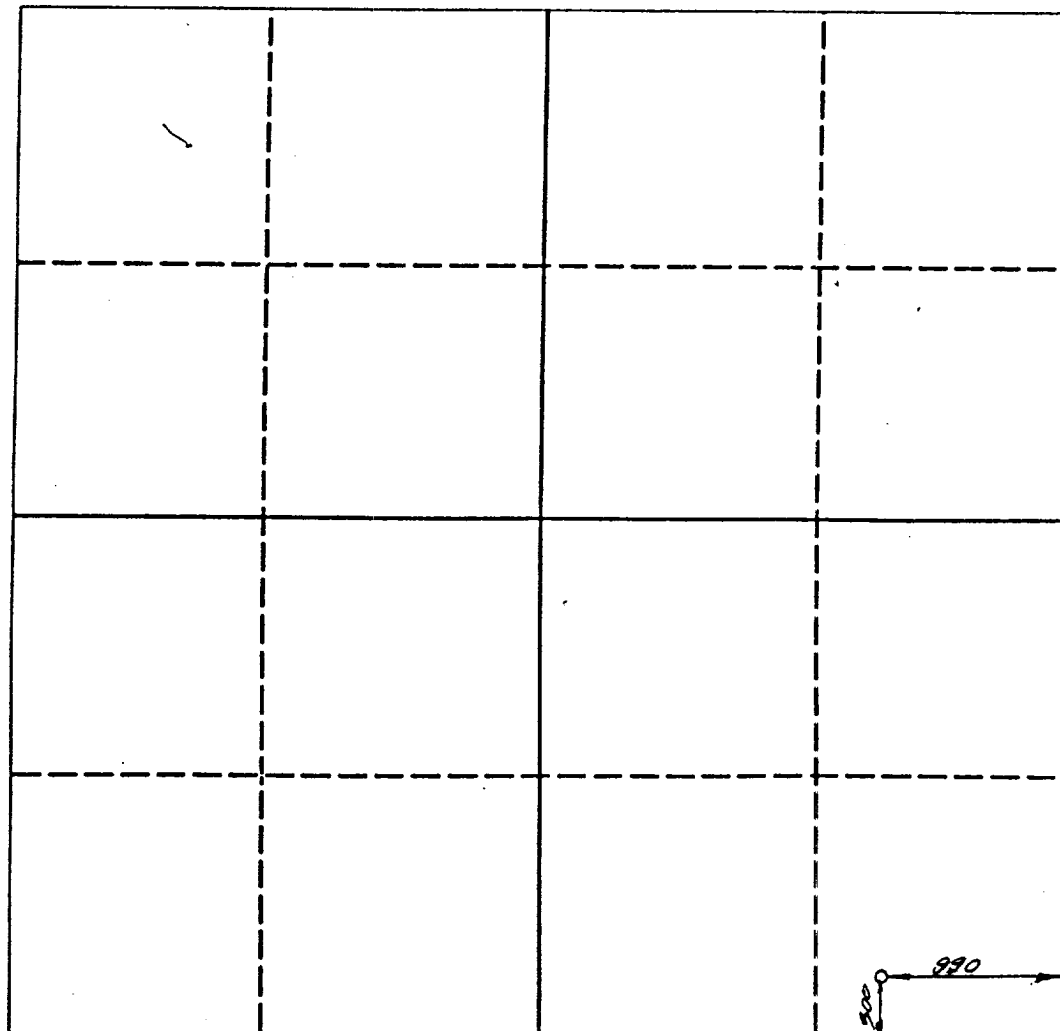
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Hondo Oil & Gas Company			Lease H.E. West "B"		Well No. 2
Unit Letter P	Section 9	Township 17 South	Range 31 East	County NMPM	Eddy
Actual Footage Location of Well: 300 feet from the South line and 990 feet from the East line					
Ground level Elev. 3873	Producing Formation Grayburg		Pool Grayburg Jackson	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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
Lisa Bohannon
Printed Name
Lisa Bohannon
Position
Engineering Technician
Company
Hondo Oil & Gas Company
Date
8/17/89

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
August 15, 1989
Signature & Seal of
Professional Surveyor
P.R. Patton
Certificate No.
8112

— APPLICATION FOR DRILLING —

HONDO OIL & GAS COMPANY
H. E. WEST "B", Well No. 2
300' FSL & 990' FEL, Sec. 9-T17S-R31E
Eddy County, New Mexico
Lease No.: LC-029426-B
(Re-Entry)

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	460'	Grayburg	3131'
Top of Salt	649'	Premier Sand	3279'
Base of Salt	1614'	San Andres	3440'
Yates	1759'	Lovington Sand	3520'
Seven Rivers	2073'	Lower SA "M"	3599'
Queen	2690'	T.D.	3900'

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 3131' or below.

Gas: None anticipated.

4. Proposed Casing Program: See Form 9-331C.
5. Proposed Control Equipment: See Exhibit "E".
6. Mud Program: Fresh water will be used to deepen this well.
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. - 3200'
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: 9/9/89
Anticipated completion of drilling operations: approximately 20 days

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

HONDO OIL & GAS COMPANY
H. E. WEST "B", Well No. 2
300' FSL & 990' FEL, Sec. 9-T17S-R31E
Eddy County, New Mexico
Lease No.: LC-029426-B
(Re-Entry)

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 9 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 1.6 miles. Then turn south for .8 mile and go to the H. E. West "B" #22X. Then go southeast for .2 mile and go to location. (See Exhibit "B".)

2. PLANNED ACCESS ROAD:

- A. Length and Width: A 1200' road 12' wide will be constructed southeast from the H. E. West "B" #22X to the H. E. West "B" #2. (See Exhibit "B".)
- B. Construction: The new road will be 12' wide with a center crown, with 4" 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. Cuts and Fills: None required.
- F. Gates, Cattleguards: None required.

3. LOCATION OF EXISTING WELLS:

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

4. LOCATION OF EXISTING 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 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 proposed and existing access roads.

6. SOURCES OF CONSTRUCTION MATERIALS:

- A. Caliche for resurfacing the 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 have been staked and flagged.

B. Mat Size: 140' x 210' plus reserve pit.

C. Cut & Fill: None.

D. The surface will be retopped with compacted caliche and the reserve pit 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 leveled within 90 days after abandonment.

11. OTHER INFORMATION:

A. Topography: The well pad and access road right-of-way are within an area draining generally southwest towards Cedar Lake, ca. 3.1 miles southwest. The access road right-of-way is on top of the Nimenim Ridge sloping gradually to the NW corner of the well pad; the terrain is relatively flat to slightly undulating, with the occurrence of coppice dunes of low height and circumference within the southern part of the access road area, with the interdunal areas showing exposure of caliche soils; the northern part of the access road right-of-way is undulating with rare aeolian deposits overlaying caliche substrata. The well pad is within a drainageway to the south of the ridge, in an area of colluvial and aeolian deposits; the area is dissected with both sheet wash and arroyo cutting occurring. Relatively large coppice dunes occur in the south part of the well pad; residual soils are exposed in the NW quadrant of the pad, adjacent to the ridge.

- B. Soil: The topsoil at the wellsite is Kermit-Berino fine sands.
- C. Flora and Fauna: The vegetative cover is primarily one of grass-land environment 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. Pond and Streams: None in the area.
- E. Residences and Other Structures: None in the area.
- F. Land Use: Cattle grazing.
- G. Surface Ownership: The wellsite and proposed access road are on Federal surface and minerals.

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 drillsite and access road; 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 false statement.


Hondo Oil & Gas Company

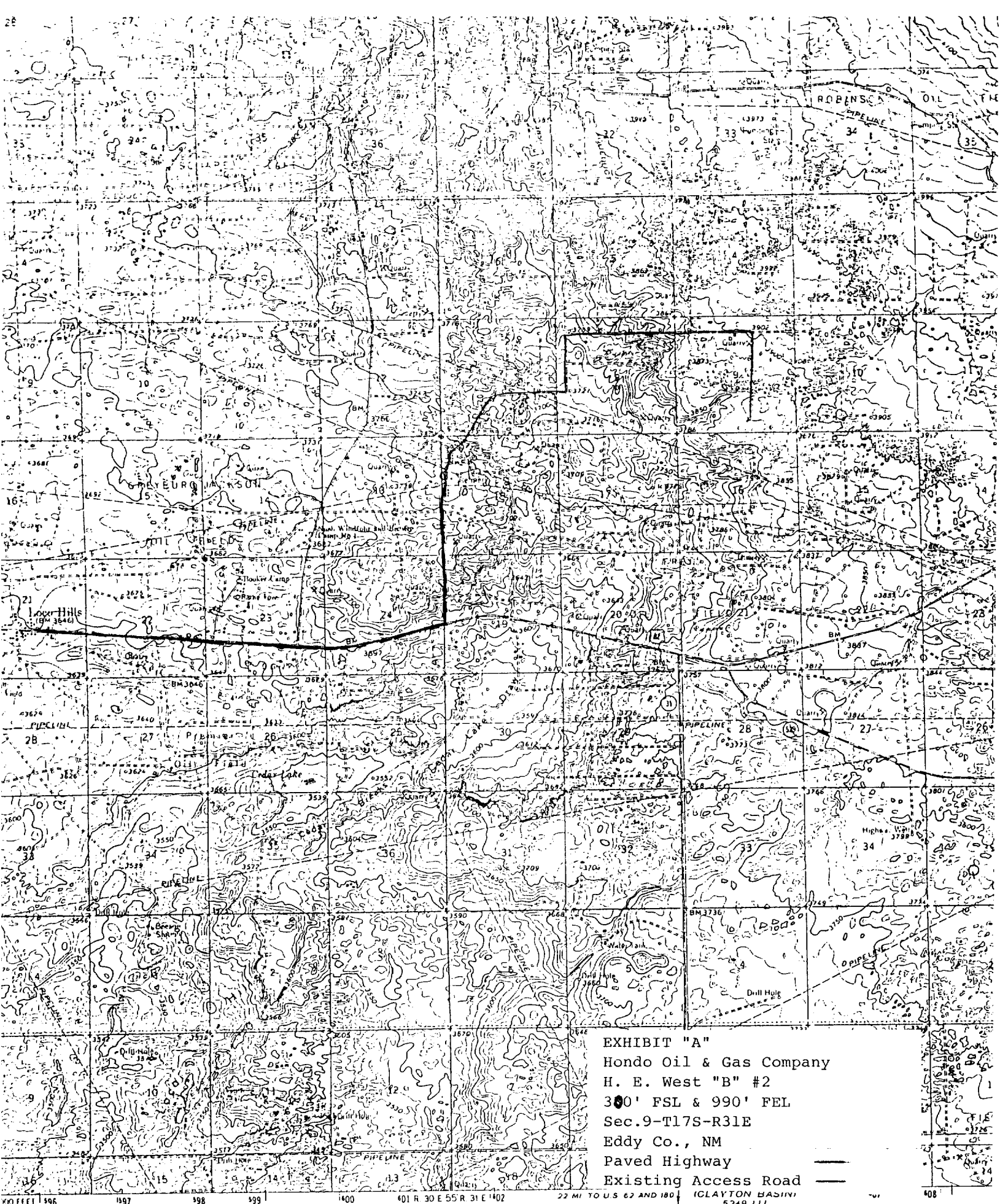


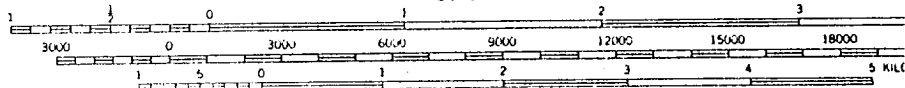
EXHIBIT "A"
Hondo Oil & Gas Company
H. E. West "B" #2
300' FSL & 990' FEL
Sec. 9-T17S-R31E
Eddy Co., NM
Paved Highway
Existing Access Road

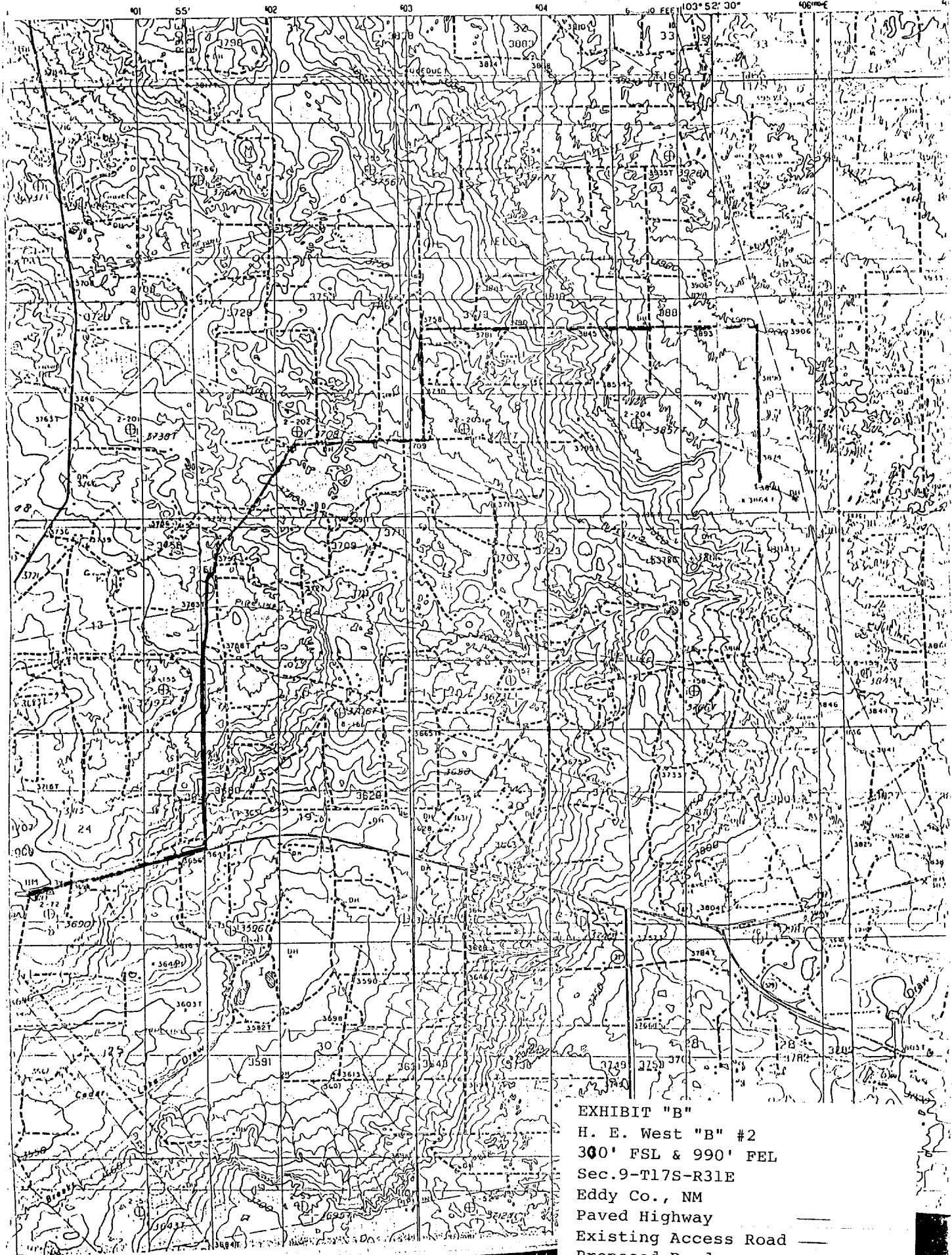
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SCALE 1:62 500

published by the Geological Survey

methods from aerial photographs
established in 1962





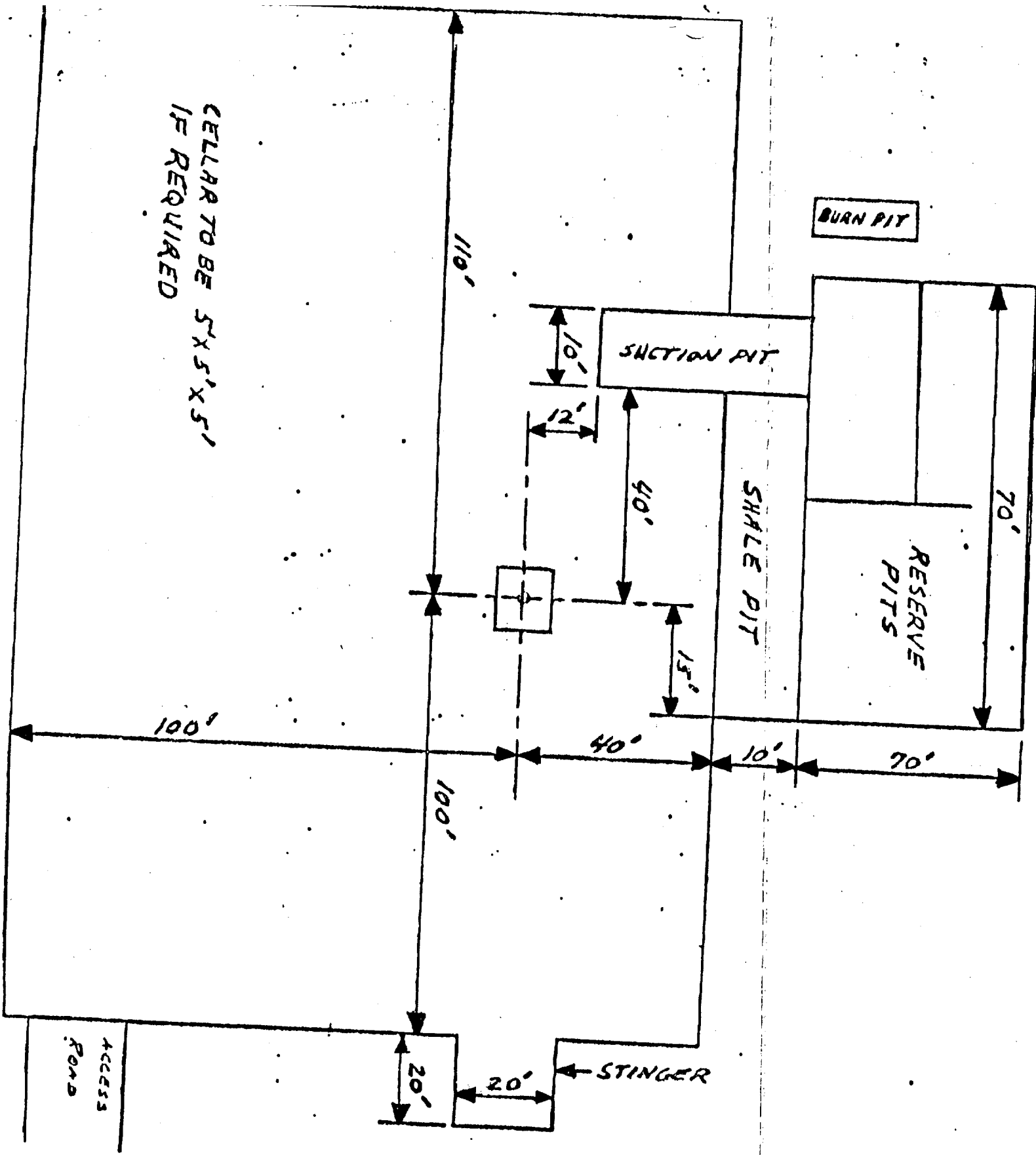
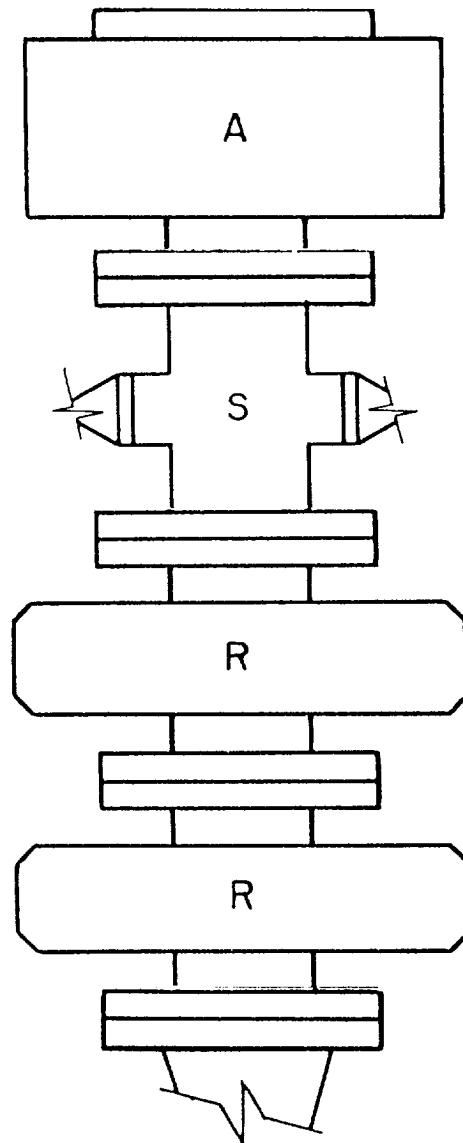


EXHIBIT "D"
Hondo Oil & Gas Company
H. E. West "B" #2
Rig Layout



A - Stripping Rubber
R - Blind and Pipe
Rams

EXHIBIT "E"
Hondo Oil & Gas Company
H. E. West "B" #2
BOP Diagram