SUBMIT IN TH (Other instructions on reverse side)

ATE*

Form approved. Budget Bureau No. 42-R1425.

UNITED STATES

DEPARTMENT OF THE INTERIOR					5. LEASE DESIGNATION AND SERIAL NO.		
GEOLOGICAL SURVEY					LC-029435-B		
APPLICATION	L FOR PERMIT	TO DRILL D	EEPEN, OR PLUG	RACK	6. IF INDIAN, ALLOT	PES OR TRIBE NAME	
1a. TYPE OF WORK		DEEPEN [7. UNIT AGREEMENT	NAME	
b. TYPE OF WELL	. –		S MULT	DI W (-)			
	ELL OTHER		RECEIVED		8. FARM OR LEASE I		
2. NAME OF OPERATOR			MACENTED	WECELVED BY		'B" Federal	
3. ADDRESS OF OPERATOR	Oil & Gas Co.		Allin 11 .		9. WELL NO.		
P. O.	8201	JUN 11 1987		10. FIELD AND POOL, OR WILDCAT			
4. LOCATION OF WELL (Re	eport location clearly an	oswell, NM 8	h any State requirements.		Grayburg Ja	ckson	
1980' FNL & 1980' FWL			ARTESIA, OFFI	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA			
At proposed prod. zon		-	1				
Same					Sec. 5-T178		
14. DISTANCE IN MILES A					12. COUNTY OR PARI	8H 13. STATE	
	les northeast	of Loco Hill			Eddy	New Mexico	
15. DISTANCE FROM PROPO- LOCATION TO NEAREST	•	70001	16. No. of acres in Lease		17. NO. OF ACRES ASSIGNED TO THIS WELL		
PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any)			1885		40		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OK APPLIED FOR, ON THIS LEASE, FT. [1]		1800'	2000		TABY OR CABLE TOOLS		
21. ELEVATIONS (Show whe	ether DF, RT, GR, etc.)	······································				WORK WILL START	
3838	GL			June 10, 1987			
23.		PROPOSED CASIN	IG AND CEMENTING PROGI	RAM			
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FO	OOT SETTING BEPTH		QUANTITY OF CEMENT		
17 1/2"	13 3/8"	54.5#	550'	600 s	600 sx "C" Circulate		
12 1/4"	8_5/8"	24 #	1800'	1200 sx "HL" & "C"			
7 7/8"	5 1/2"	15.5#	3900'	800 sx "HL" & "H"			
	- 550' Drill - 1800' Drill - 3750' Salt	with native	water mud with pos mud and saturated ppg, no W/L.	s. loss	circulation	material.	
BOP Program:							

Will install on the 8 5/8" intermediate 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 some and groposed 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 LEG Eggs A Secrette	Agent for: Hondo Oil & Gas Co.	May 29, 1987
(This space for Federal or State office use)		
Orig Sgd. Linda S. C. Burnal	APPROVAL DATE	1817
APPROVED BY ASSESSMENT APPROVAL, IF ANY:	TITLE	DATE

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088 SANTA FE. NEW MEXICO 3750

Form C-102

All distances must be from the outer boundaries of the Section. Coergion Well No. 36 Hondo Oil & Gas Co. J.L. Keel Unit Letter Section Township Range County 17 South 31 East Eddy Actual Footage Location of Well: 1980 teet from the 1980 North West line and feet from the line Ground Level Elev. Producing Formation Pool Dedicated Acreage: 3838 Grayburg 40 Grayburg Jackson ACTES 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 Division. LC-029435-B CERTIFICATION Atlantic-Richfield I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. George R. Smith Position Agent for: 1980 Hondo Oil & Gas Company Date May 30, 1987 I hereby certify that the well location shown on this plat was platted from field notes of actual surveys made by me or under my supervision, and that the some is true and correct to the knowledge and belief. 27 May Date Surveyed P.R. Pat/to Registered 8112 Ceruficai 2000 1500

BLOWOUT PREVENTER SPECIFICATION

EXHIBIT "E"
HONDO OIL & GAS COMPANY
J. J. Keel "B", Well No. 36
BOP Specifications

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APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY
J. L. Keel "B", Well No. 36

1980' FNL & 1980' FWL, Sec. 5-T17S-R31E
Eddy County, New Mexico
Lease No.: LC-029435-8
(Development 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 Anhy	500'	Queen	2508 '
Top of Salt.	650'	Grayburg	2930 '
Base of Salt	1380'	San Andres	3240'
Yates	1570'	T. D.	3900 '
Seven Rivers	1875'		

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 2930' 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: CNL-LDT-GR T.D.-Int. casing GR-CAL-DLL-MSFL T.D.-Int. casing GR T.D. to 550'

Coring: None planned.

- 9. No abnormal pressures or temperatures are anticiapted. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight.
- 10. Anticipated starting date: June 10, 1987
 Anticipated completion of drilling operations: Approximately 30 days.



