

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other Instructions on reverse side)

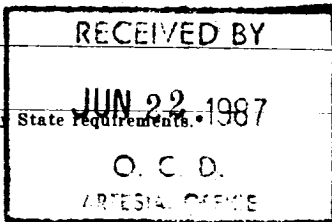
Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

215F

SUNDRY NOTICES AND REPORTS ON WELLS 88210

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR Hondo Oil & Gas Company		8. FARM OR LEASE NAME J. L. Keel "B"	
3. ADDRESS OF OPERATOR P. O. Box 2208, Roswell, NM 88201		9. WELL NO. 36	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1980' FNL & 1980' FWL		10. FIELD AND POOL, OR WILDCAT Grayburg Jackson-	
14. PERMIT NO.		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 5-T17S-R31E	
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 3838' G.L.		12. COUNTY OR PARISH Eddy	
		13. STATE NM	



16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	(Other) <input type="checkbox"/>	
(Other) <input type="checkbox"/>		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

Hondo Oil & Gas Company hereby amends its Permit to Drill on the J. L. Keel "B" #36 which was approved 6/8/87. Amended plan is as follows:

Drilling Contractor will be Artesia Fishing Tools Rig #2 (Layout attached).

Hole Size	Csg. Size	Weight	Depth	Cement
12 1/4"	8-5/8"	24#	550'	600 sx Class "C" Circulate
7-7/8"	5 1/2"	15.5#	3900'	1st stage: 300 sx "lite" & "C" 2nd stage: 400 sx "lite" & "C" through DV tool at 2800' circulate

The mud program will be altered from 550' to 3900'. Well to be drilled with saturated brine approximately 10#/gal with 10-15 cc W.L. from 2900'-3900'. BOP will be installed on 8-5/8" casing (10" series 900 Type E 3000# WP) and tested daily. Original program was changed after talking to operators and contractors familiar with this area. Surface casing will be set through the red beds in the anhydrite. The production casing will be cemented back to surface to isolate the salt section. Severe water flows are not anticipated due to the sparse development in the N/2 of this lease. This program will allow Hondo to drill a more cost-effective well, greatly improving the economics of this project. Informed Shannon Shaw verbally this date.

18. I hereby certify that the foregoing is true and correct

SIGNED William J. Fulton TITLE Petroleum Engineer DATE June 10, 1987

(This space for Federal or State office use)

APPROVED BY Robert J. M. [Signature] TITLE Assistant Director DATE 6/10/87

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

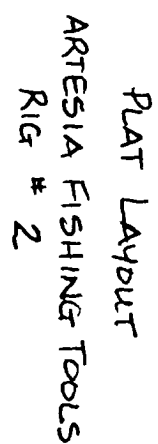
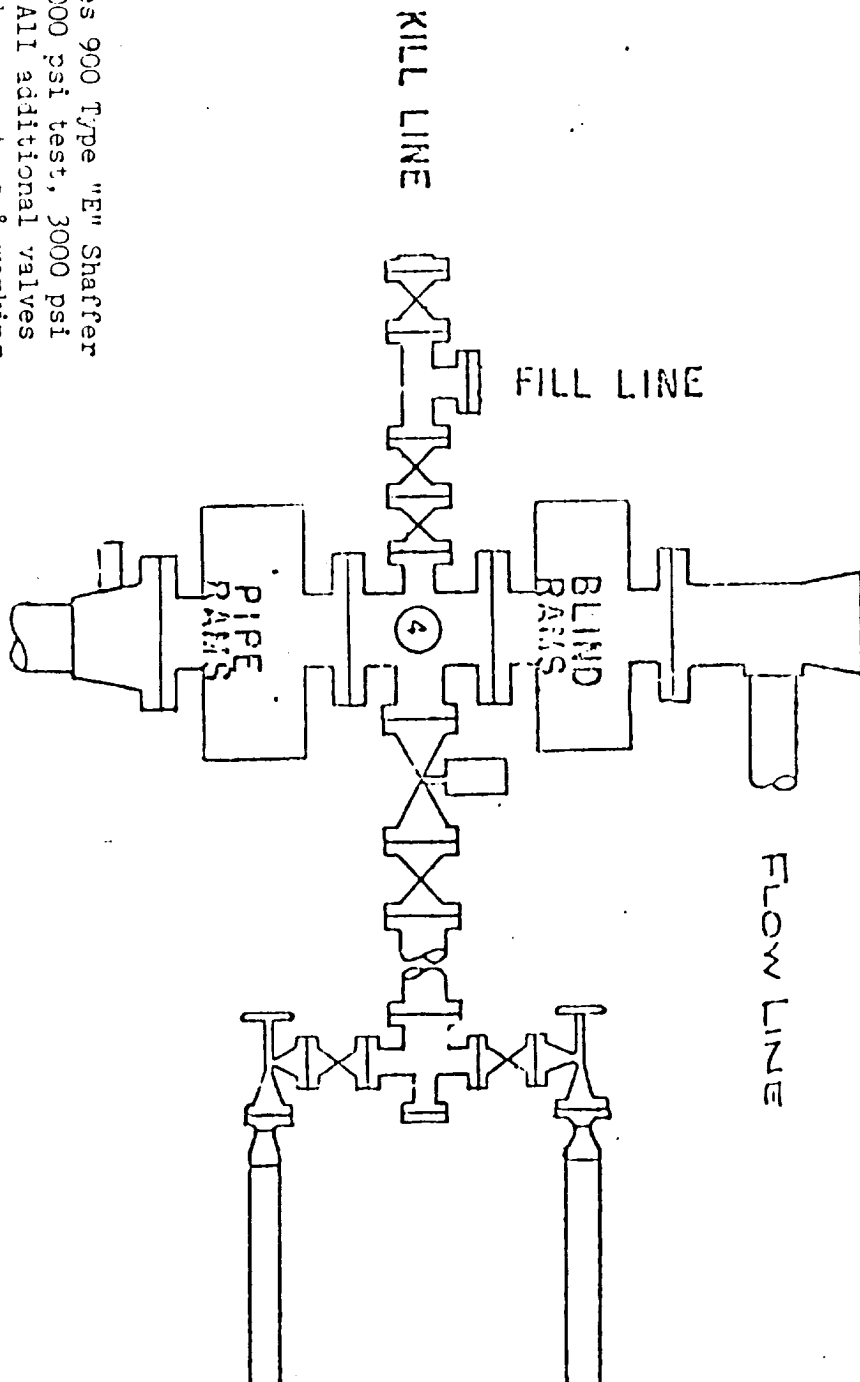


EXHIBIT "D"
HONDO OIL & GAS COMPANY
J.L. KEEL "B" WELL NO. 36
RIG LAYOUT

ACCESS
ROAD

BLOWOUT PREVENTER SPECIFICATION

ARTESIA FISHING TOOLS RIG #2



BOP's are 10" Series 900 Type "E" Shaffer Double Hydraulic 6000 psi test, 3000 psi working pressure. All additional valves & connections are the same test & working pressures.