

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

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

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

660' FSL & 660' FEL

At proposed prod. zone

Same

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

10 miles east northeast of Loco Hills, NM

10. DISTANCE FROM PROPOSED*

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

660'

16. NO. OF ACRES IN LEASE

1919.88

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

4500'

20. ROTARY OR CABLE TOOLS

Rotary

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

3915' GL

22. APPROX. DATE WORK WILL START*

6/10/88

23. 3916.4' 505 PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	650'	450 sx. Class C w/2% cc CIRCULATE
7 7/8"	5 1/2"	15.5#	4500'	200 sx. Class C + 600 sx. Lite CIRCULATE

Mud Program:

0' - 650' Drill with fresh water.

650' - 4500' 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.

POST 10-1
NL&API
5-27-88

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 Ron Brown TITLE Engineer DATE 4-18-88

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY Carlene Anderson TITLE CARLENE ANDERSON DATE 5-18-88

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-85

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

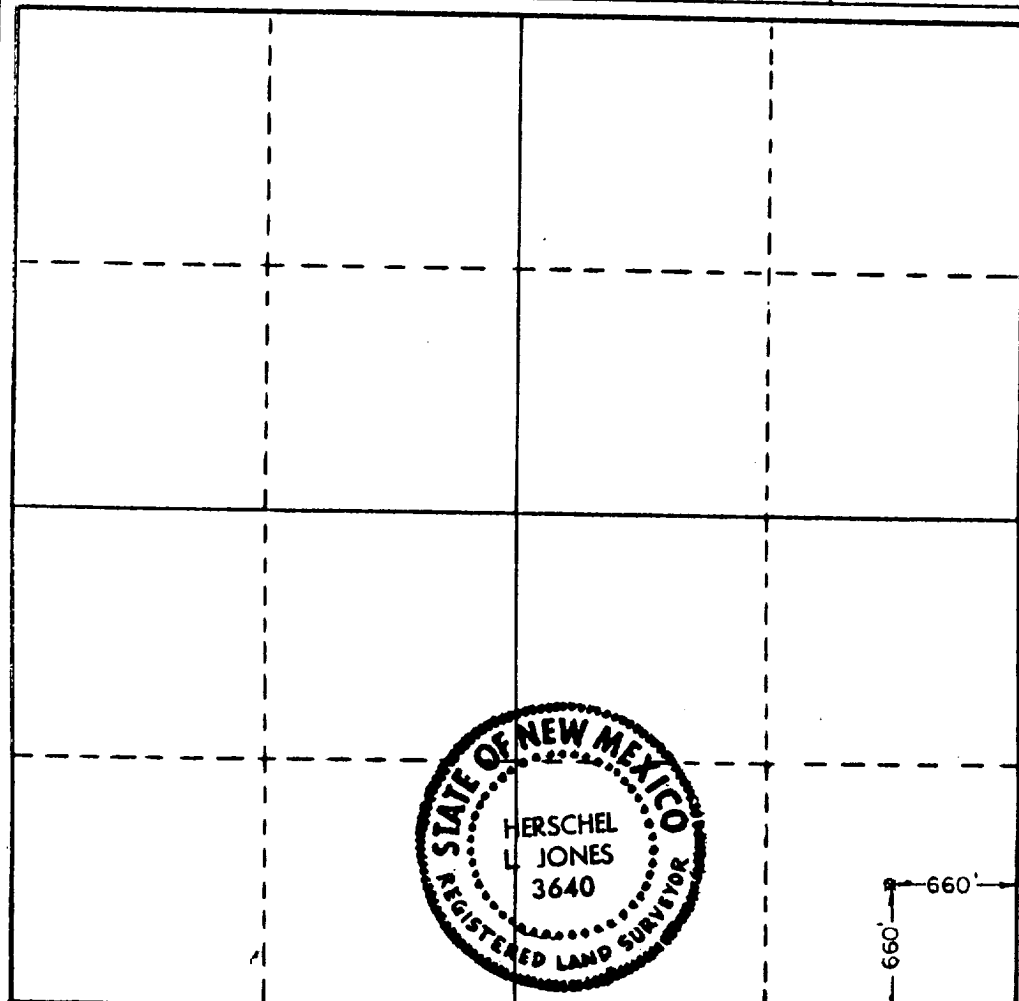
Operator HONDO OIL & GAS COMPANY			Lease H. E. West "B"		Well No. 31
Unit Letter "p"	Section 10	Township 17 South	Range 31 East	County Eddy	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 660 feet from the South line and 660 feet from the East line </div>					
Ground Level Elev. 3916.4	Producing Formation Grayburg	Pool Grayburg Jackson SL-Q-G-S-A		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 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
5/18/88

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 11, 1988

Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones
Certificate No. **3640**

0 220 440 660 880 1100 1320 1540 1760 1980 2200 2420 2640 2860 3080 3300 3520 3600

BLOWOUT PREVENTER

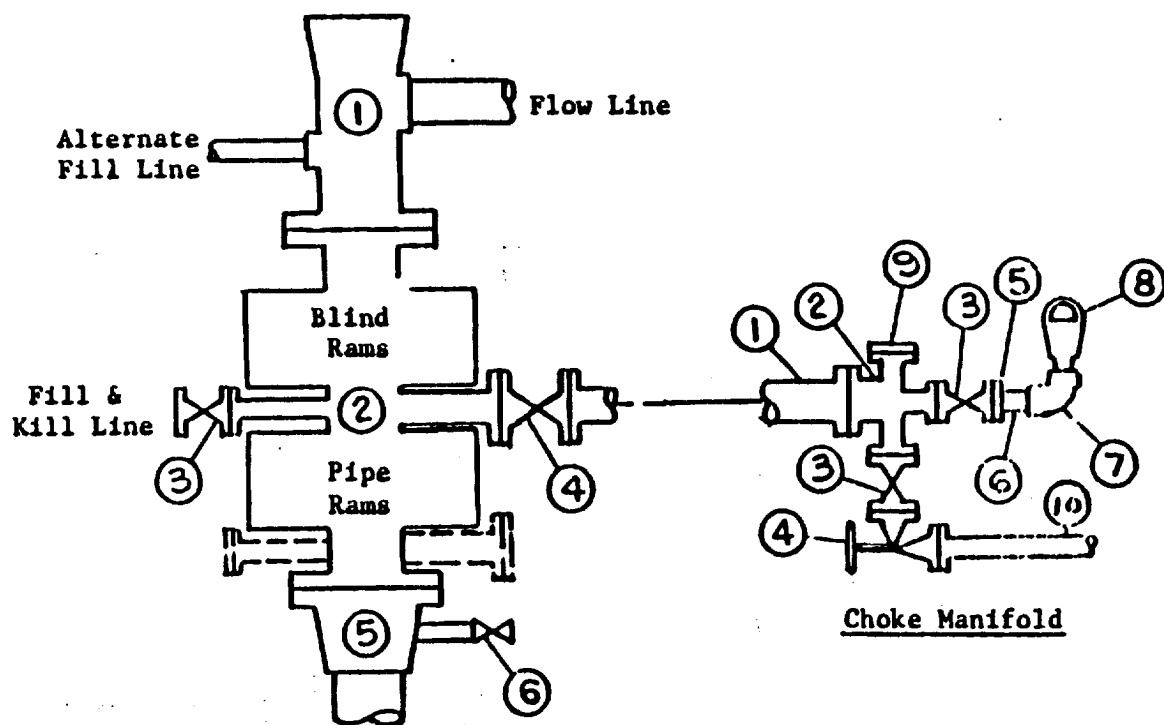


EXHIBIT "E"
Hondo Oil & Gas Company
H. E. West "B" Well No. 31
BOP Diagram

APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY
H. E. WEST "B", Well No. 31
660' FSL & 660' FEL, Sec.10-T17S-R31E
Eddy County, New Mexico
Lease No.: LC-029426-B
(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 Anhydrite	595'	Premier Sand	3400'
Top of Salt	756'	San Andres	3590'
Base of Salt	1780'	Lovington Sand	3722'
Yates	1910'	Lower S.A. "M"	3790'
Seven Rivers	2225'	Lowest S.A. Pay	4090'
Queen	2832'	T. D.	4500'
Grayburg	3248'		
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'.

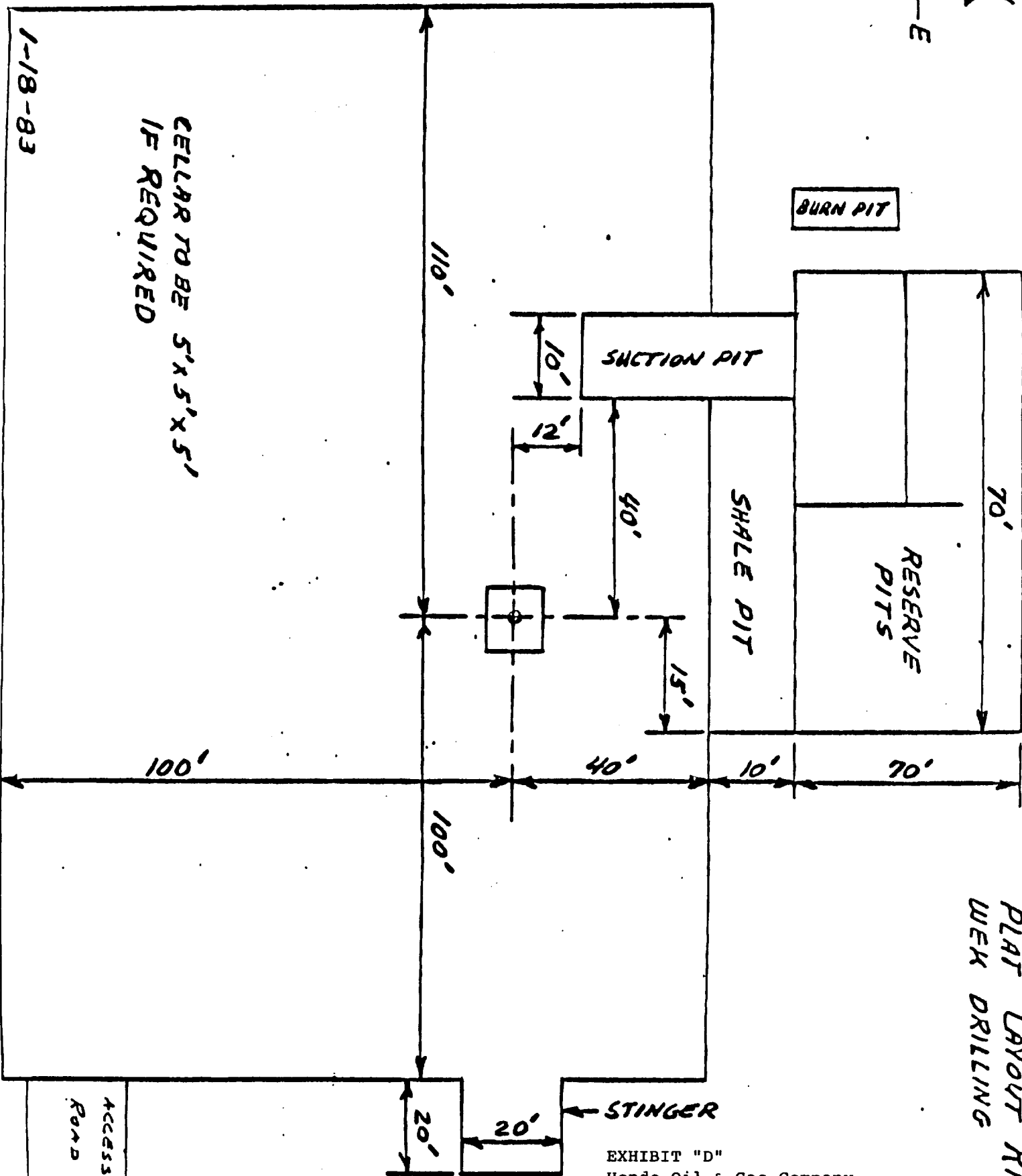
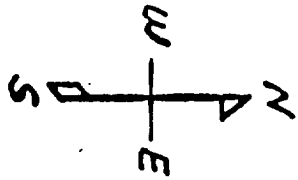
Oil: Grayburg at approximately 3248' or below.

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: LDT/CNL T.D. - 1780'
DLL RXO NGT. T.D. - 1780'
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: 6/10/88
Anticipated completion of drilling operations: approximately 20 days



PLAT LAYOUT RIG 1
WELL DRILLING

EXHIBIT "D"
Hondo Oil & Gas Company
H. E. West "B" Well No. 31
Rig Layout