

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

RECEIVED

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' FNL & 1980' FEL  
At proposed prod. zone

O. C. D.

ARTESIA, OFFICE

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

8 1/2 miles northeast of Loco Hills, NM

15. 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

1885

18. DISTANCE FROM PROPOSED LOCATION\*

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

1866'

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.)

3884' GL

22. APPROX. DATE WORK WILL START\*

9/2/88

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#             | 490' CIRCULATE  | 300 sx. Class C w/2% CC        |
| 7 7/8"       | 5 1/2"         | 15.5#           | 3900' CIRCULATE | 200 sx. Class C + 550 sx. Lite |

Mud Program:

0' - 490' Drill with fresh water.

490' - 3900' Drill with a saturated brine drilling fluid.

BOP Program:

Will install on the 8 5/8" surface casing a 10" Series Type "E" Shaffer Double Hydraulic 6000 psi test, 3000 psi wp BOP and will test daily.

POST ID#1  
NL & API  
9-16-88

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 8/22/88

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

*Orig. Signature*

TITLE

DATE

9-6-88

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.

RECEIVED

## OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088  
SANTA FE, NEW MEXICO 87501Form O-102  
Revised 10-1-73

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

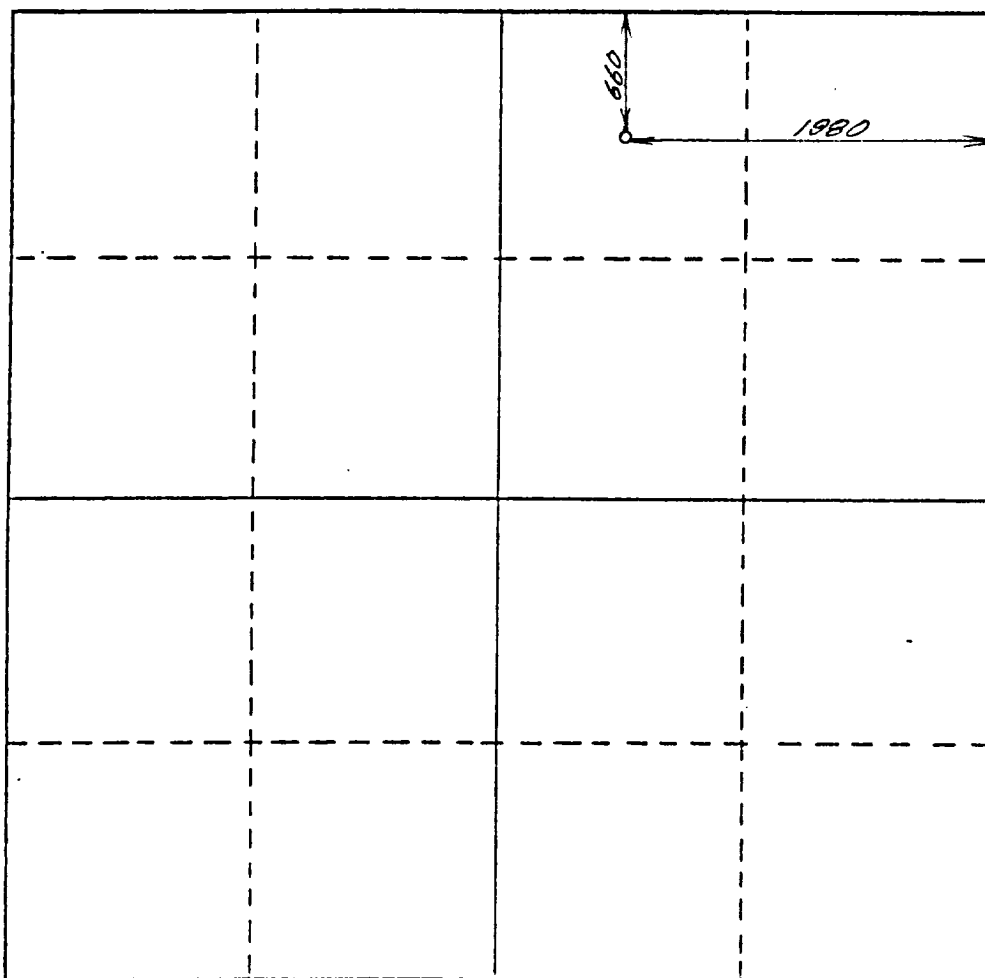
|   |  |                                 |                                       |                       |
|---|--|---------------------------------|---------------------------------------|-----------------------|
| Operator<br><b>Hondo Oil &amp; Gas Company</b>  |  | Lease<br><b>J. L. Keel "B"</b>  |                                       | Well No.<br><b>41</b> |
| Unit Letter<br><b>B</b>   | Section<br><b>5</b>                    | Township<br><b>17 South</b>     | Range<br><b>31 East</b>               | County<br><b>Eddy</b> |
| Actual Footage Location of Well:<br><b>660</b> feet from the <b>North</b> line and <b>1980</b> feet from the <b>East</b> line |  |                                 |                                       |                       |
| Ground Level Elev.<br><b>3884</b>   | Producing Formation<br><b>Grayburg</b> | Pool<br><b>Grayburg Jackson</b> | Dedicated Acreage:<br><b>40</b> Acres |                       |

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.



## 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 &amp; Gas Company

Date

8/22/88

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

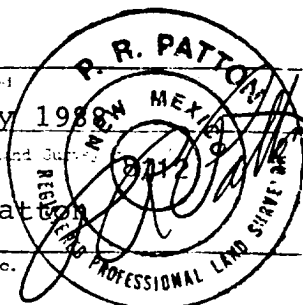
29 July 1988

Registered Land Surveyor

P.R. Patton

Certificate No.

8112



0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

# BLOWOUT PREVENTER

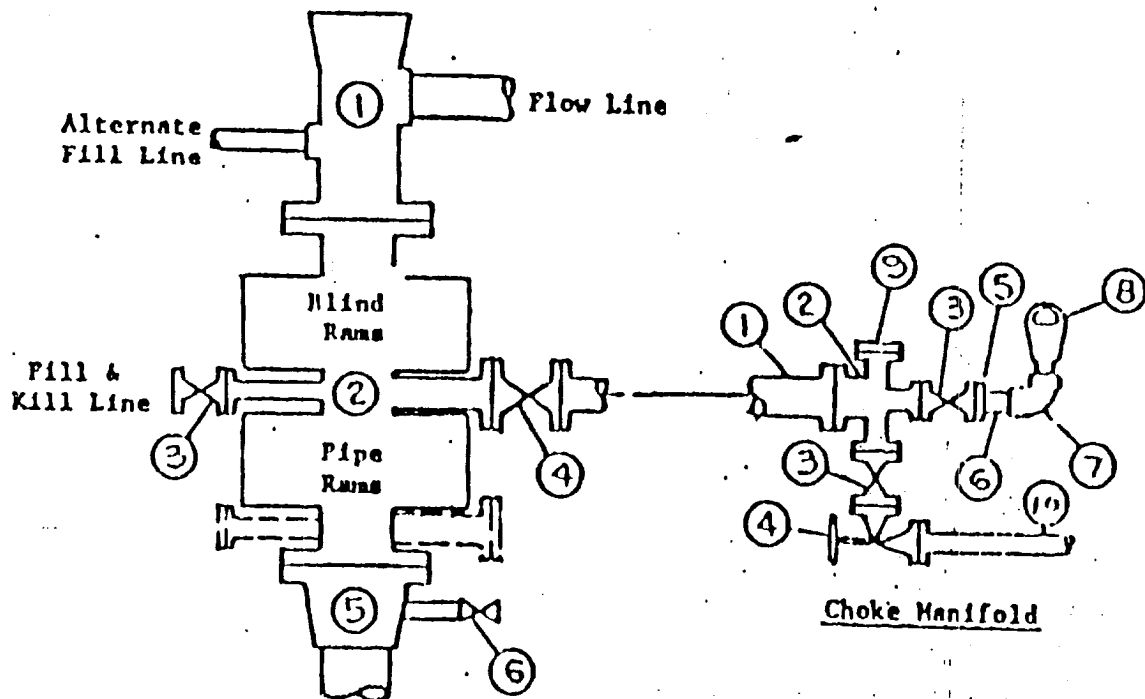


EXHIBIT "D"  
Hondo Oil & Gas Company  
J. L. Keel "B" Well No. 41  
BOP Diagram

# APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY  
J. L. KEEL "B", Well No. 41  
660' FNL & 1980' FEL, Sec.5-T17S-R31E  
Eddy County, New Mexico  
Lease No.: LC-029435-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 | 460'  | Grayburg       | 3030' |
| Top of Salt       | 640'  | Premier Sand   | 3200' |
| Base of Salt      | 1550' | San Andres     | 3330' |
| Yates             | 1690' | Lovington Sand | 3430' |
| Seven Rivers      | 1990' | Lower S.A. "M" | 3500' |
| Queen             | 2600' | 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 280' +/-, and water flow from injection wells possible at around 2325'.

Oil: Grayburg at approximately 3030' or below.

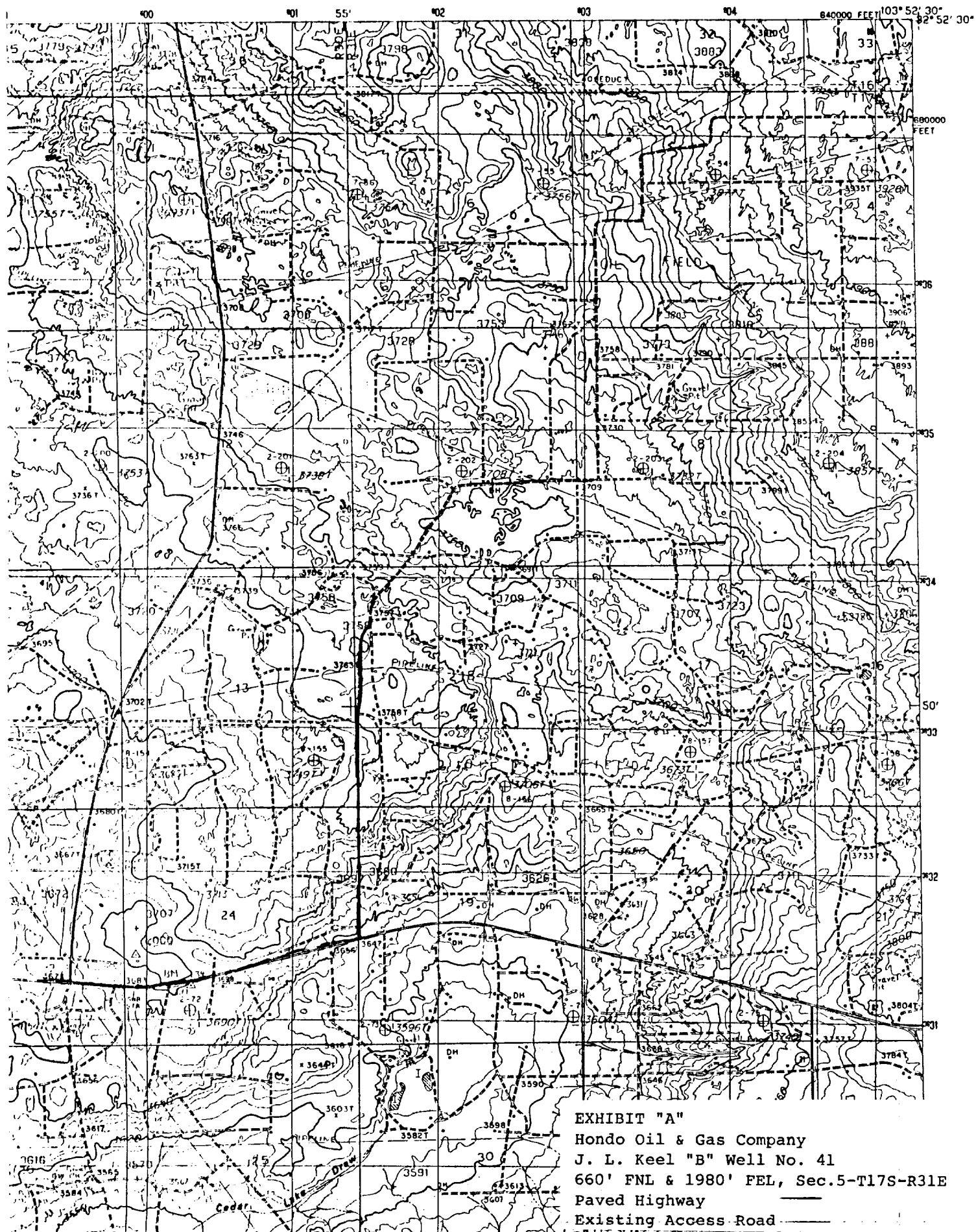
Gas: None anticipated.
4. Proposed Casing Program: See Form 9-331C.
5. Proposed Control Equipment: See Form 9-331C and Exhibit "D".
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Blowout preventer, gas detector, kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging and Coring Program:

Drill Stem Tests: None planned.

|                  |                |
|------------------|----------------|
| Logging: LDT/CNL | T.D. - 1550'   |
| DLL RXO NGT.     | T.D. - 1550'   |
| 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: 9/2/88  
Anticipated completion of drilling operations: approximately 10 days

LOCO HILLS QUADRANGLE  
NEW MEXICO-EDDY CO.  
7.5 MINUTE SERIES (TOPOGRAPHIC)



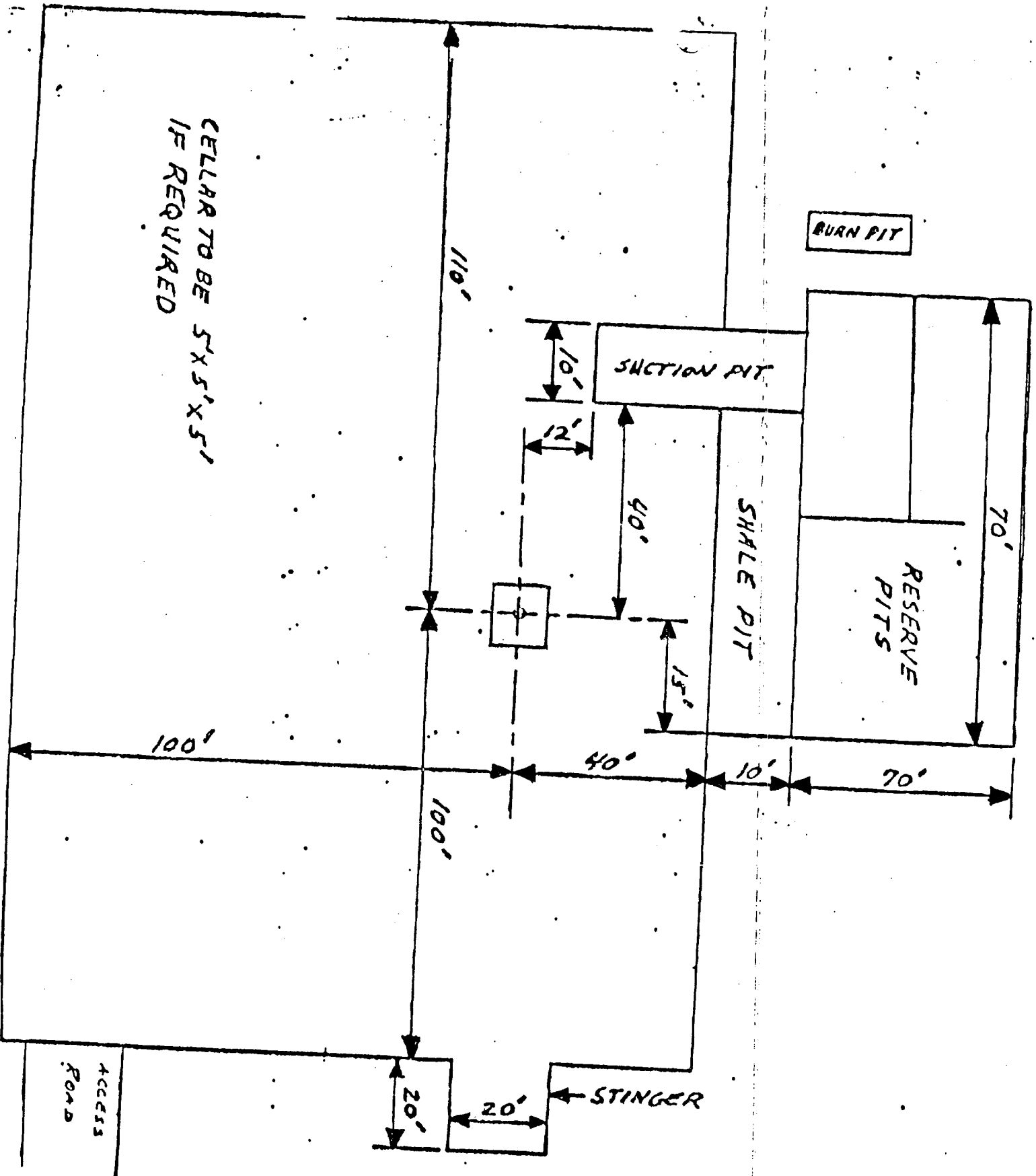


EXHIBIT "C"  
Hondo Oil & Gas Company  
J. L. Keel "B" Well No. 41  
Rig Layout