

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

OCT 11 '88

O. C. D. *UKH*
ARTESIA, OFFICE

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1980' FNL & 660' FEL
At proposed prod. zone

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

9 1/2 miles northeast of Loco Hills, NM

16. NO. OF ACRES IN LEASE

1919.88

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

660'

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

1320'

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

3896' GL

23.

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#	500'	300 sx. Class "C" CIRCULATE
7 7/8"	5 1/2"	15.5#	4000' CIRCULATE	500 sx. Class "C" + 1000 sx. Lite

Mud Program:

- 0 - 500' Drill with fresh water.
- 500 - 4000' Drill with saturated brine.

BOP Program:

Will install on the 8 5/8" surface casing a 10" Series 900 Type "E" Shaffer Double Hydraulic BOP and will test before drilling into the Queen formation.

POST 10-1
NL & API
10-14-88

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 *B. J. H. H.*

TITLE *map* Production Superintendent

DATE 9/28/88

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL DATE _____

APPROVED BY _____

TITLE AREA MANAGER

CONDITIONS OF APPROVAL, IF ANY: _____

TITLE CARLETON PRODUCE AREA

DATE 10-5-88

*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.

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

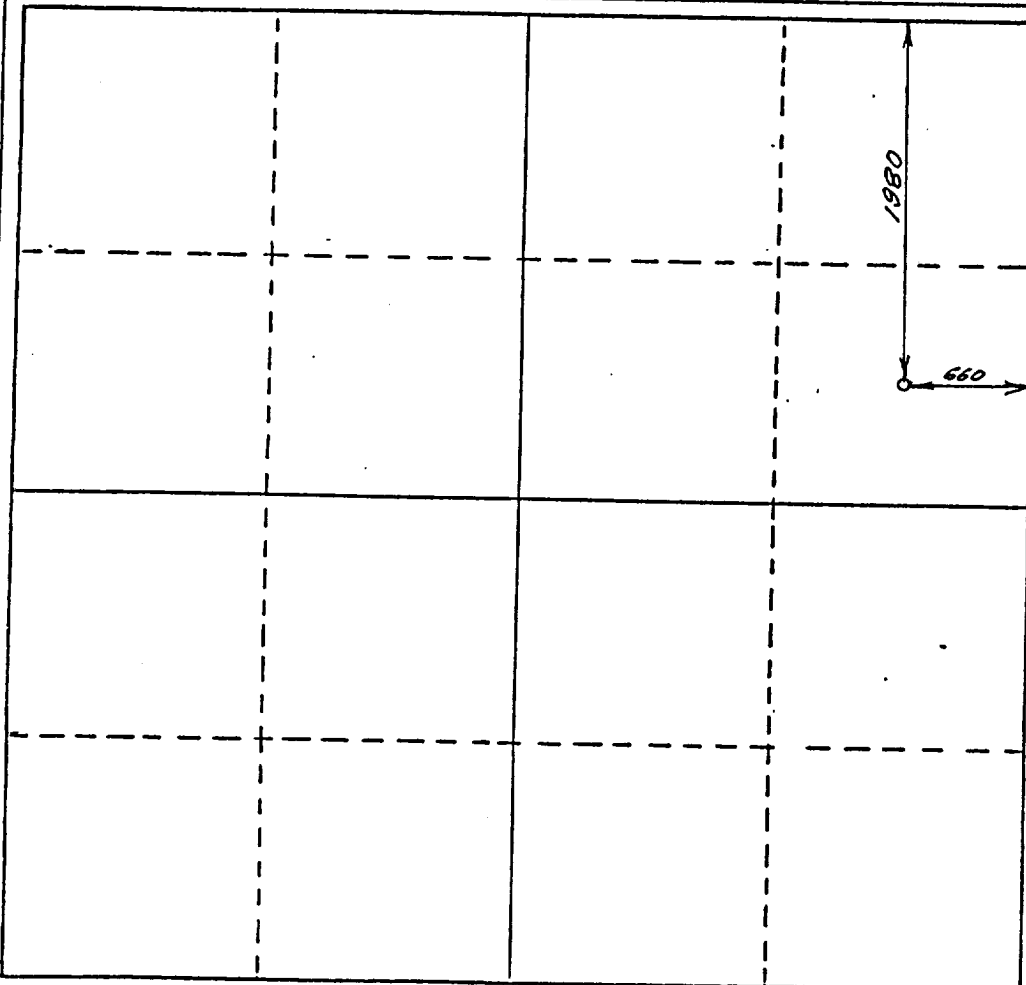
Operator Hondo Oil & Gas Company		Lease H.E. West "B"		Well No. 36
Unit Letter H	Section 9	Township 17 South	Range 31 East	County Eddy
Actual Postage Location of Well: 1980 feet from the North line and 660 feet from the East line				
Ground Level Elev. 3896	Producing Formation Grayburg	Pool Grayburg Jackson SR-QG-SA	Dedicated Acreage 40 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.

Name
Bruce Stubbs
Position
Production Superintendent
Company
Hondo Oil & Gas Company
Date
9/28/88

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.

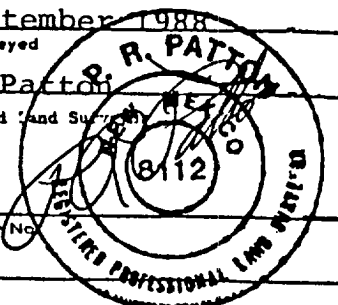
1 September 1988
Date Surveyed

P.R. Patton

Registered Land Surveyor

8112

Certificate No.



BLOWOUT PREVENTER

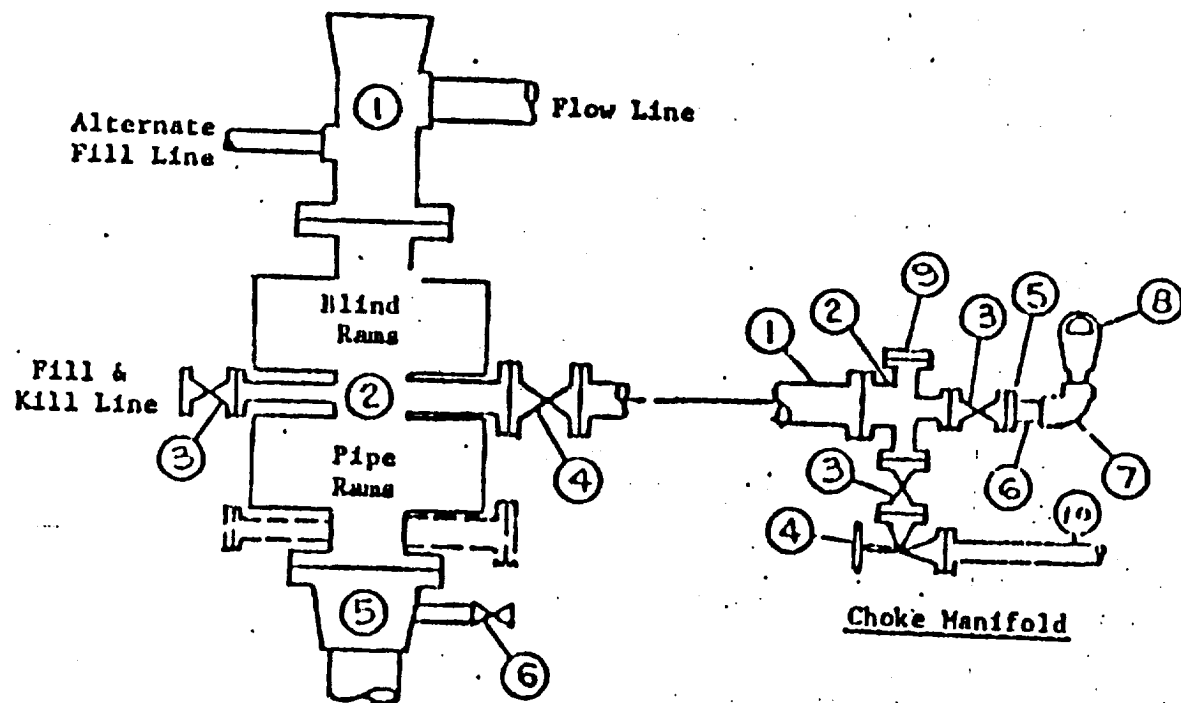


EXHIBIT "E"
Hondo Oil & Gas Company
H. E. West "B" #36
BOP Diagram

APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY
H. E. WEST "B", Well No. 36
1980' FNL & 660' FEL, Sec. 9-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	520'	Grayburg	3150'
Top of Salt	700'	Premier Sand	3330'
Base of Salt	1680'	San Andres	3490'
Yates	1818'	Lovington Sand	3600'
Seven Rivers	2120'	Lower S.A. "M"	3660'
Queen	2740'	T. D.	4000'
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'.

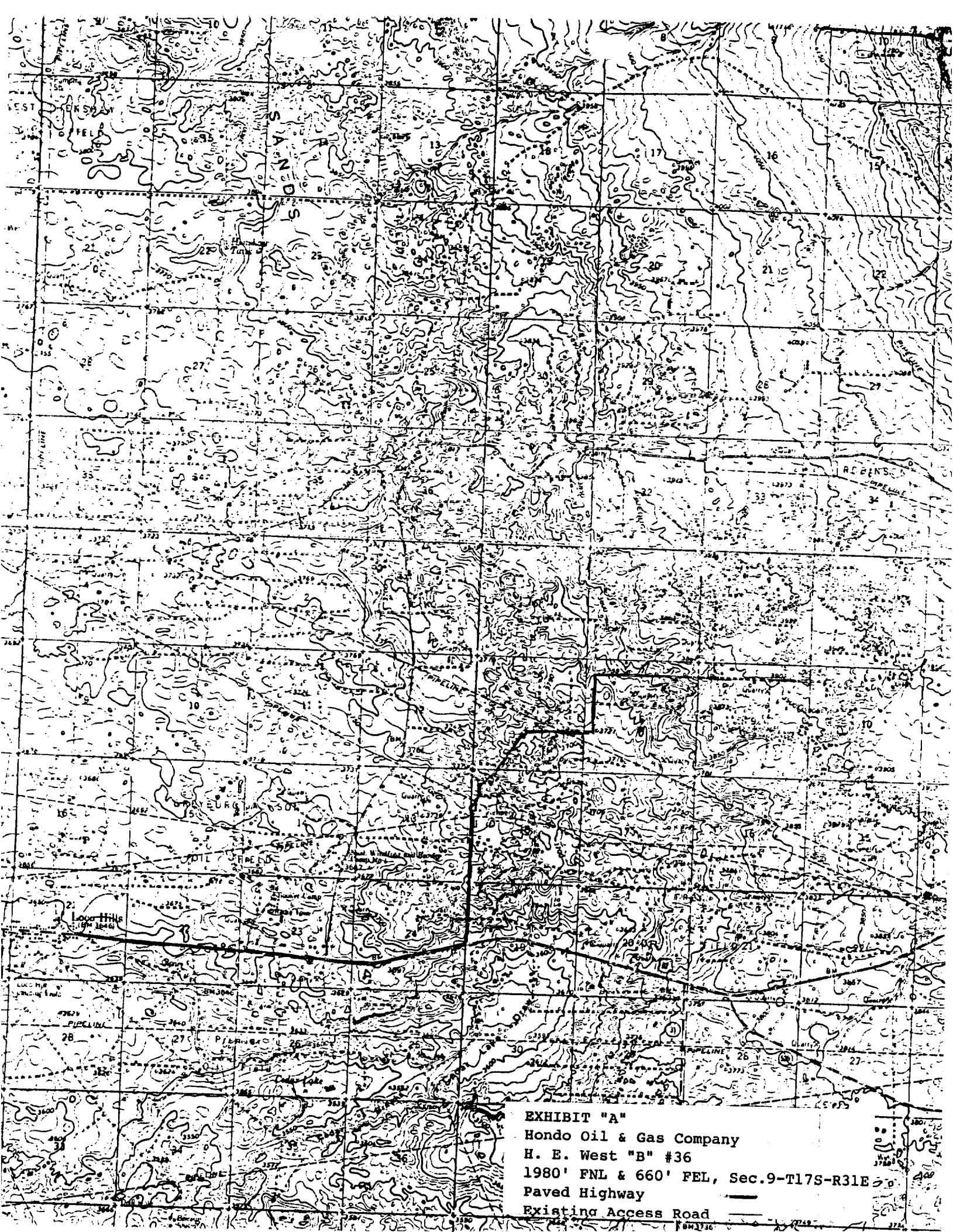
Oil: Grayburg at approximately 3150' or below.

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. - 1680'
DLL RXO NGT. T.D. - 1680'
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: 10/12/88
Anticipated completion of drilling operations: approximately 20 days



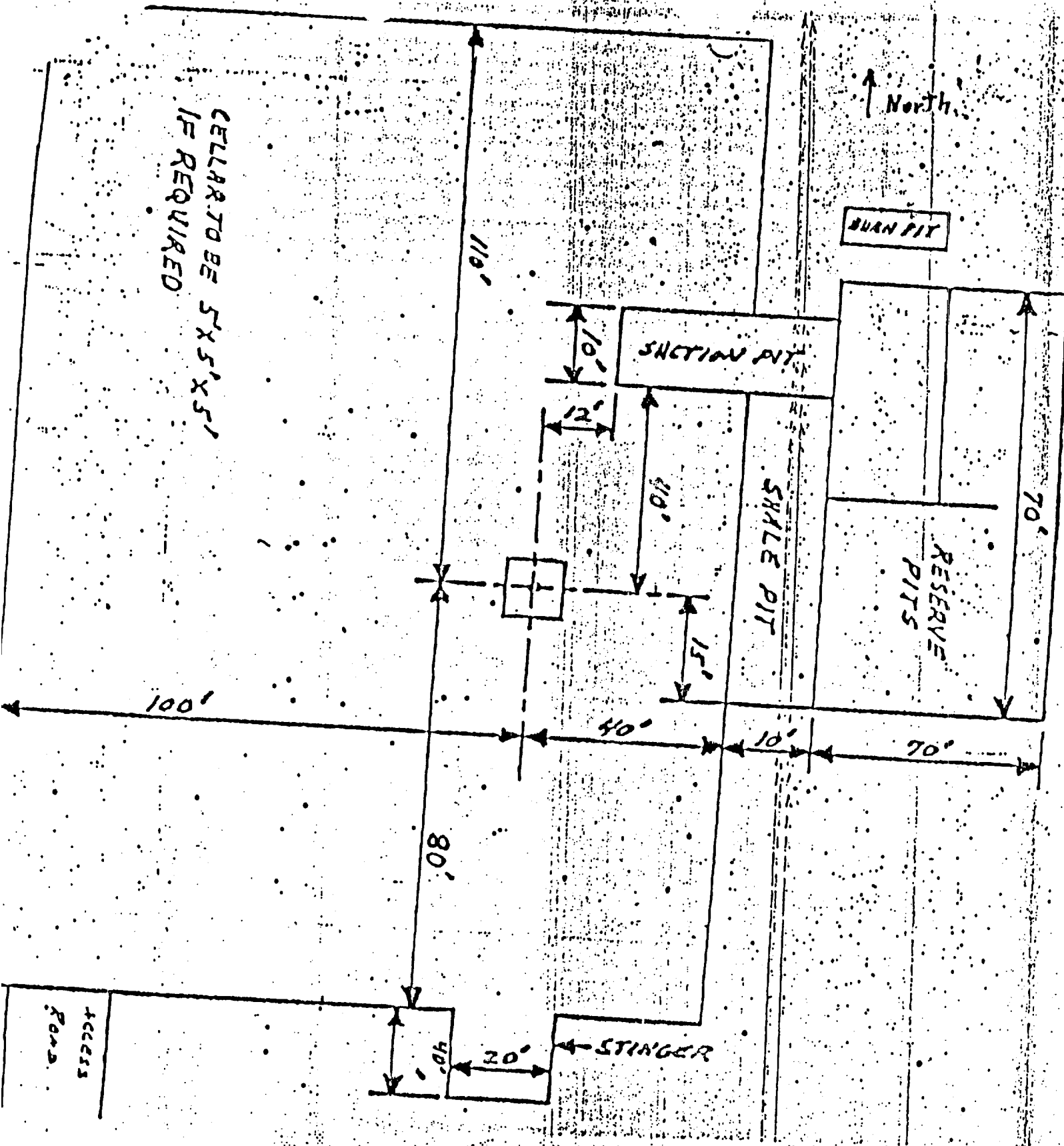


EXHIBIT "D"

Hondo Oil & Gas Company

H.E. West "B" No. 36

1980' FNL & 560' FEL, Sec. 9-T17S-R31E

Eddy Co., NM

Rig Layout