

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

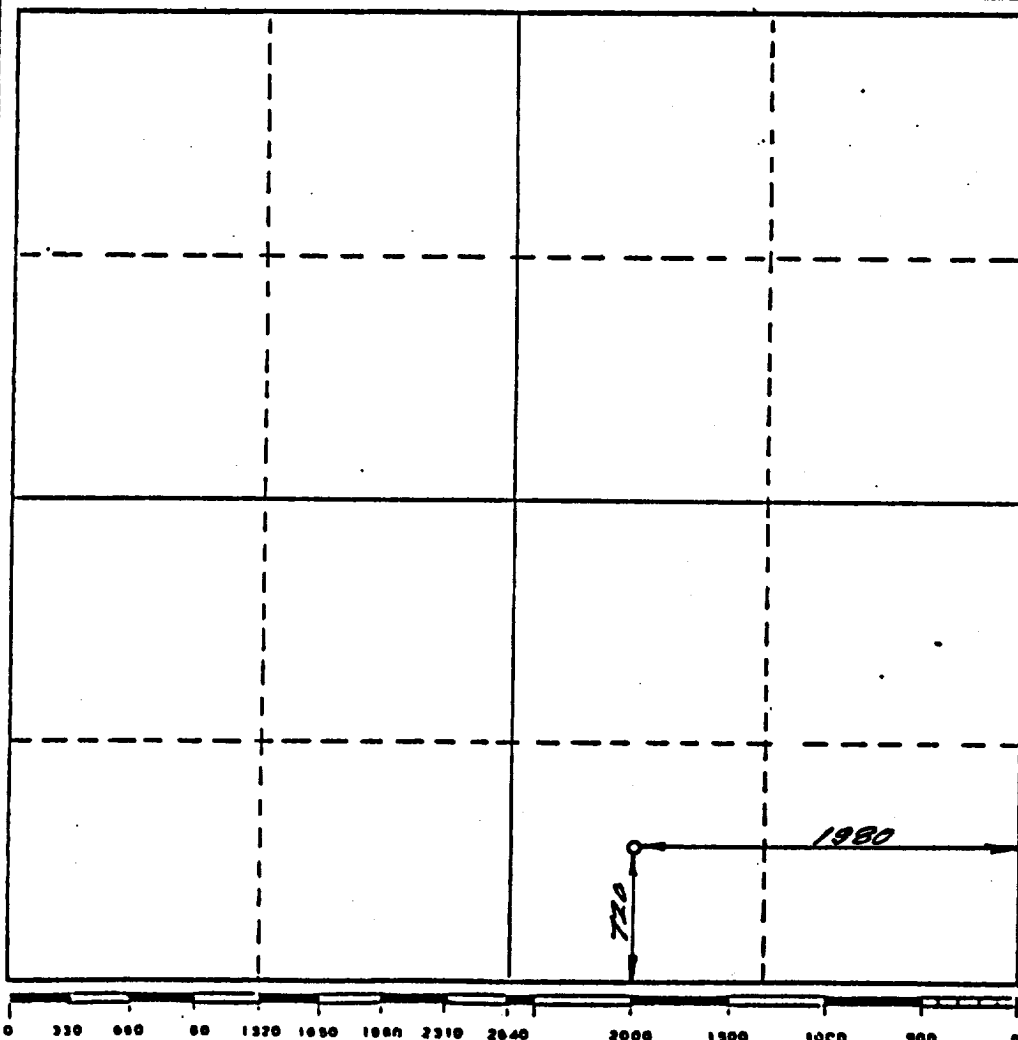
Operator Hondo Oil & Gas Company			Lease H.E. West "A"		Well No. 14
Unit Letter O	Section 4	Township 17 South	Range 31 East	County Eddy	
Actual Footage Location of Well: 720 feet from the South line and 1980 feet from the East line					
Ground Level Elev. 3914	Producing Formation Grayburg		Pool Grayburg Jackson R-Q-GSA		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 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 & Gas Company

Date

10/12/88

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.

22 September 1988

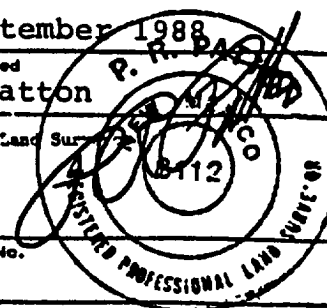
Date Surveyed

P.R. Patton

Registered Land Surveyor

8112

Certificate No.



BLOWOUT PREVENTER

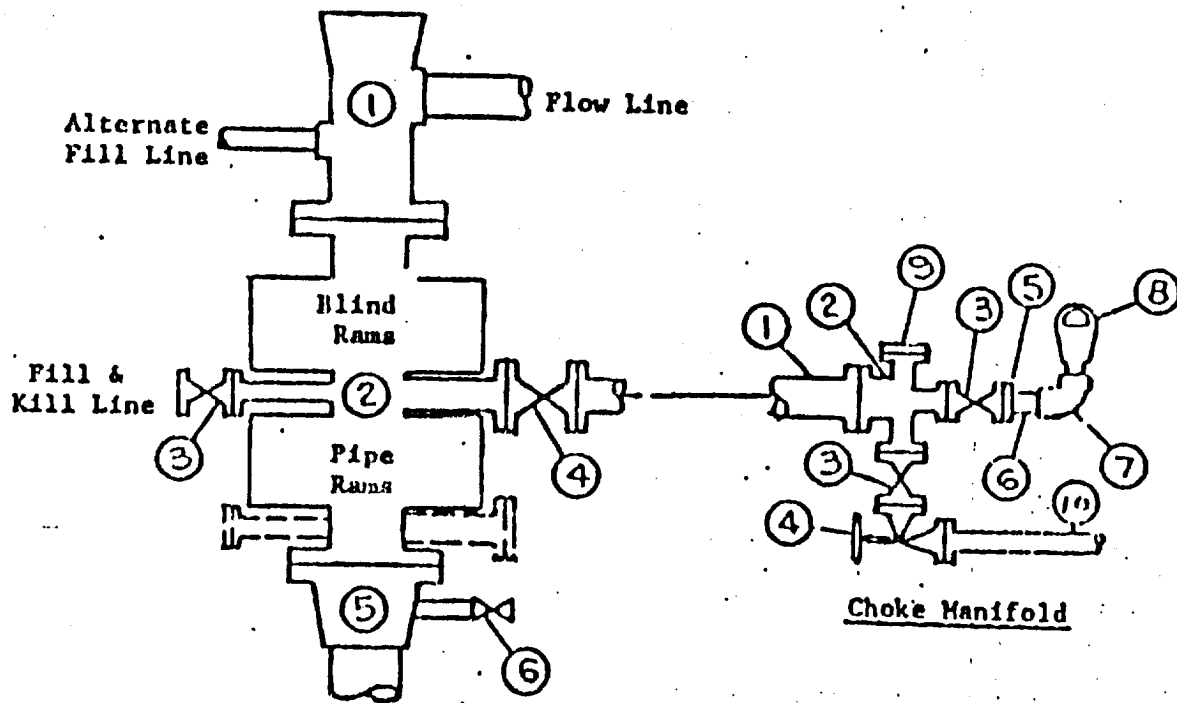


EXHIBIT "E"
Hondo Oil & Gas Company
H. E. West "A" #14
BOP Diagram

APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY
H. E. WEST "A", Well No. 14
720' FSL & 1980' FEL, Sec.4-T17S-R31E
Eddy County, New Mexico
Lease No.: LC-029426-A
(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	510'	Grayburg	3150'
Top of Salt	690'	Premier Sand	3320'
Base of Salt	1670'	San Andres	3485'
Yates	1808'	Lovington Sand	3590'
Seven Rivers	2110'	Lower S.A. "M"	3680'
Queen	2730'	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. - 1670'
DLL RXO NGT. T.D. - 1670'
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: 10/24/88
Anticipated completion of drilling operations: approximately 20 days

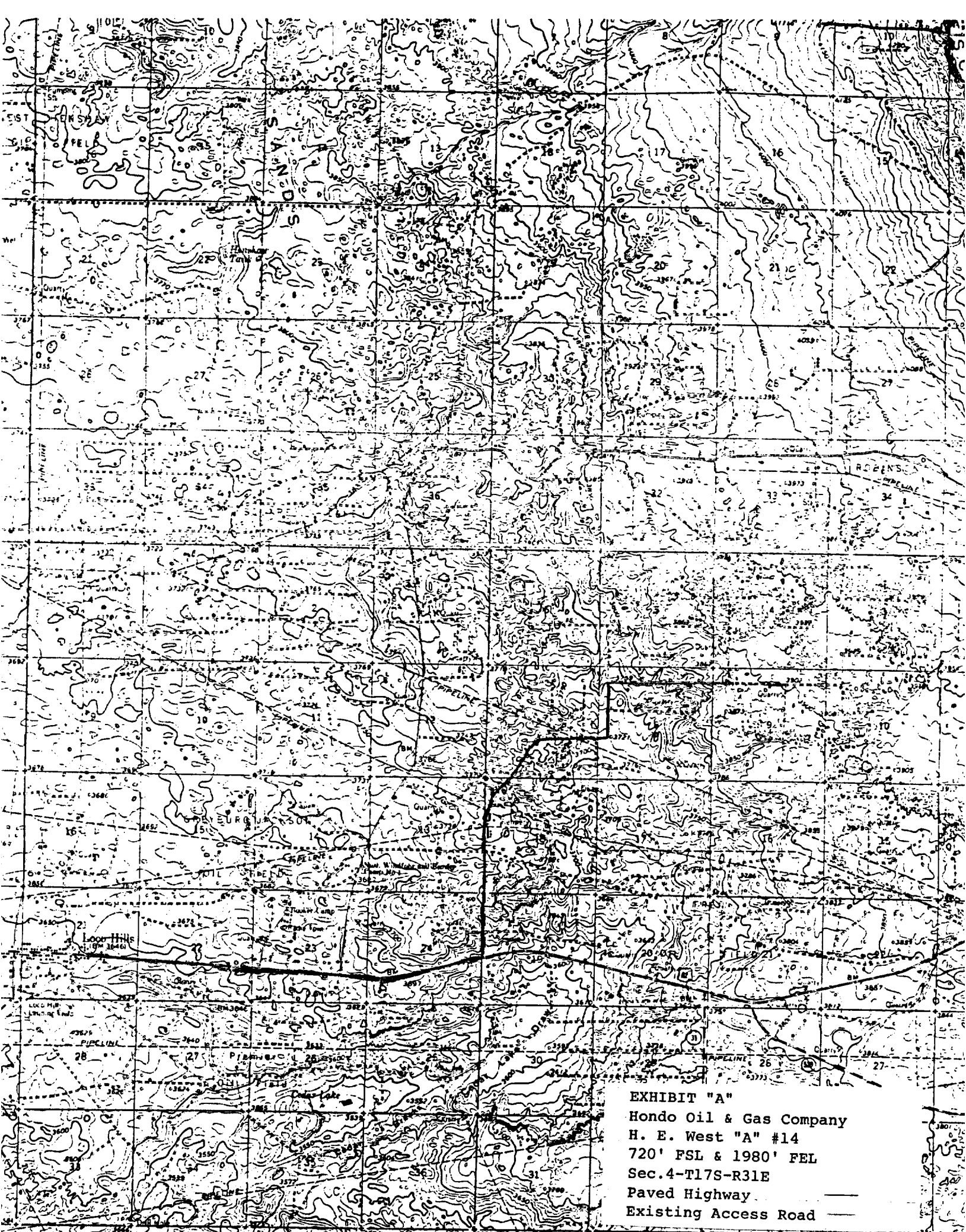


EXHIBIT "A"

Hondo Oil & Gas Company
H. E. West "A" #14
720' FSL & 1980' FEL
Sec. 4-T17S-R31E
Paved Highway ———
Existing Access Road ———

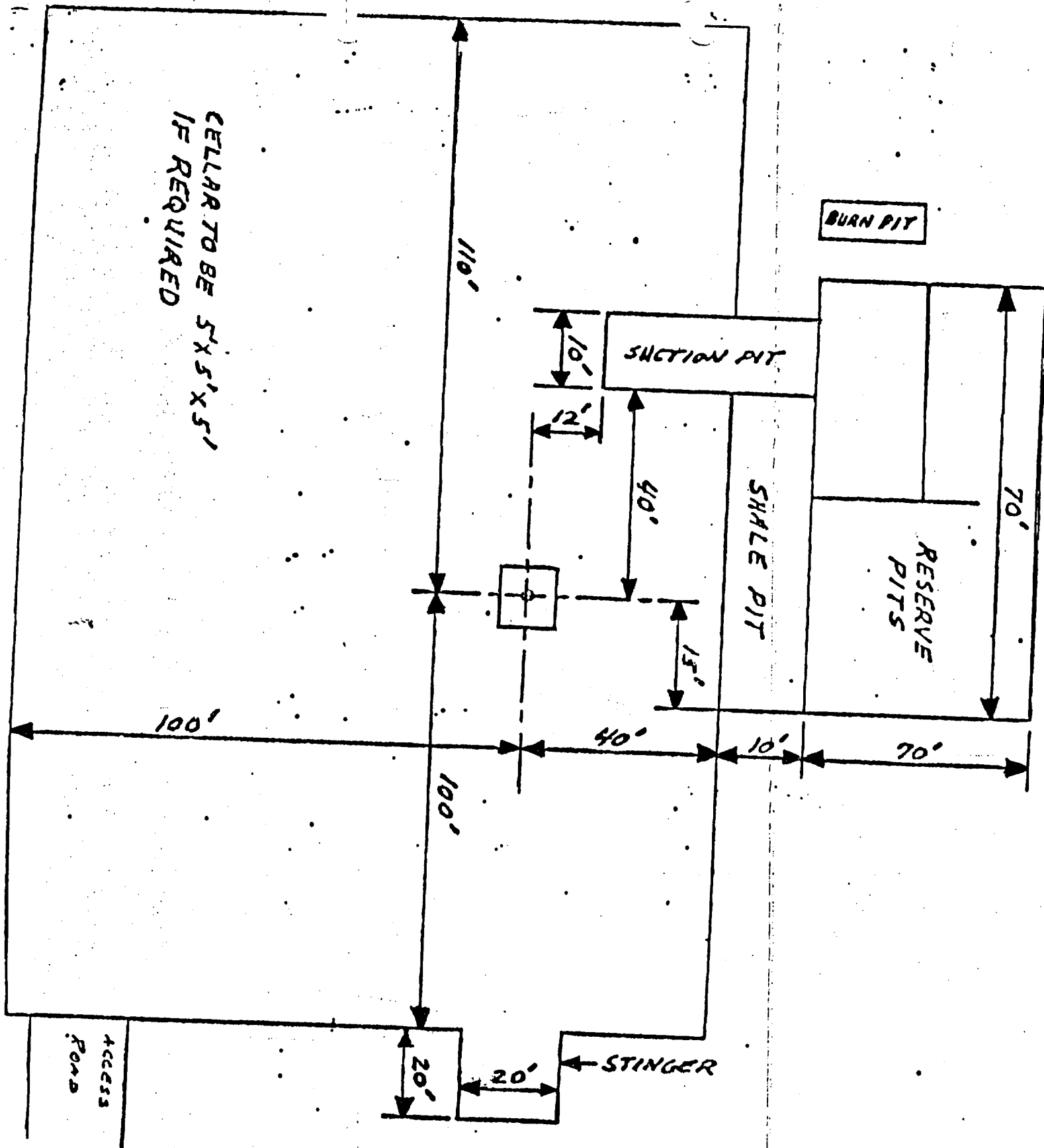


EXHIBIT "D"
 Hondo Oil & Gas Company
 H. E. West "A" #14
 Rig Layout