

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 law or regulation.)

At surface

560' FNL & 660' FWL  
At proposed prod. zone

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

9 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) 560'

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

1320'

16. NO. OF ACRES IN LEASE

1919.88

19. PROPOSED DEPTH

4000'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3918' GL

22. APPROX. DATE WORK WILL START\*

12/13/88

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#	570'	300 sx. Class "C" <b>CIRCULATE</b>
7 7/8"	5 1/2"	15.5# <b>CIRCULATE</b>	4000'	300 sx. Class "C" + 1000 sx. Lite

Mud Program:

0 - 570' Drill with fresh water.  
570 - 4000' Drill with saturated brine.

BOP Program:

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

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 11/11/88

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Orig. Signed by Richard L. Alonzo

AREA MANAGER

CARLSBAD RESOURCE AREA

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

11-28-88

\*See Instructions On Reverse Side

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

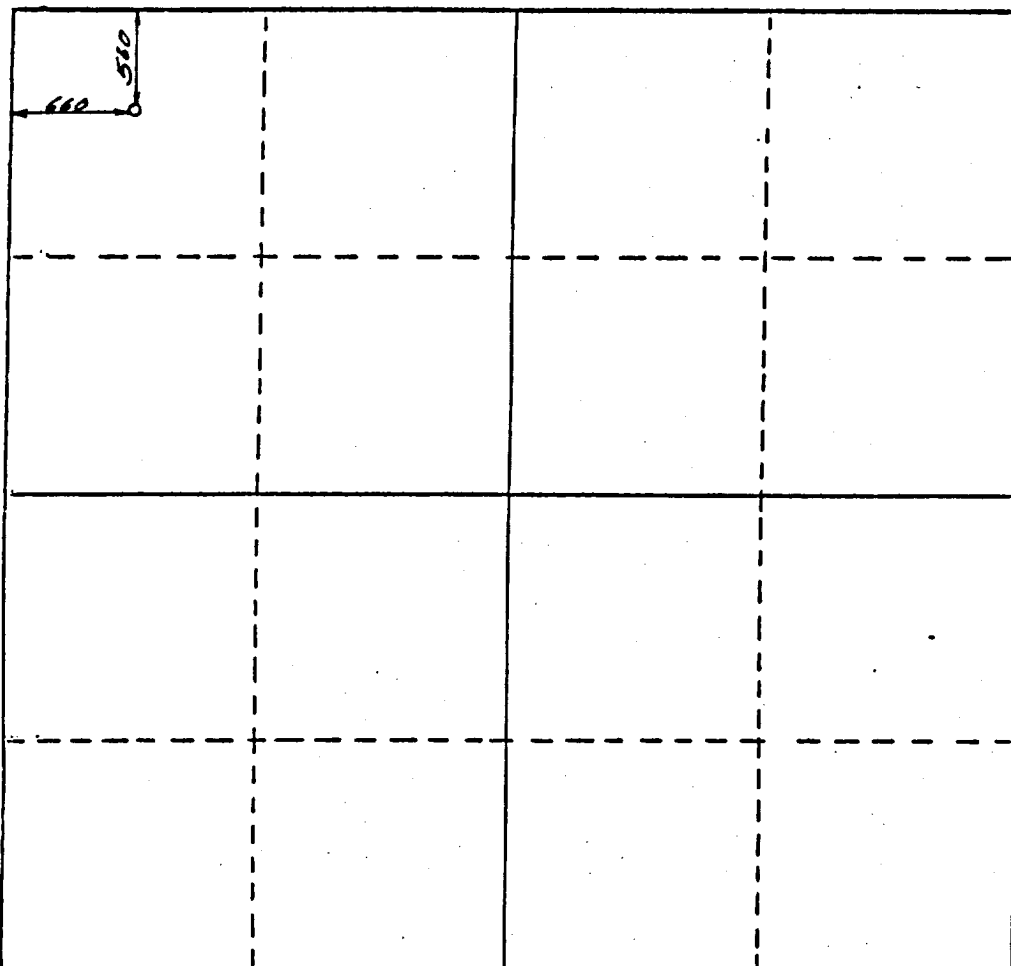
Operator <b>Hondo Oil &amp; Gas</b>			Lease <b>H. E. West "B"</b>		Well No. <b>40</b>
Unit Letter <b>D</b>	Section <b>10</b>	Township <b>17 South</b>	Range <b>31 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>560</b> feet from the <b>North</b> line and <b>660</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3918</b>	Producing Formation <b>Grayburg</b>		Pool <b>Grayburg Jackson GR-QG-SA</b>		Dedicated Acreage <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 & Gas Company**

Date  
**11/11/88**

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.

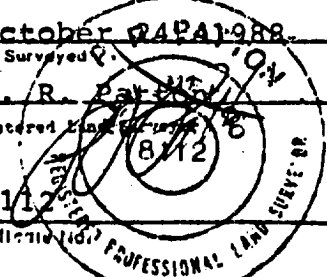
October 24, 1988  
Date Surveyed

P. R. Payne

Registered Professional Engineer

8112

Certification No.



0 310 620 930 1240 1550 1860 2170 2480 2790 3100 3410 3720 4030 4340 4650 4960 5270 5580 5890 6200 6510 6820 7130 7440 7750 8060 8370 8680 8990 9300 9610 9920 10230 10540 10850 11160 11470 11780 12090 12400 12710 13020 13330 13640 13950 14260 14570 14880 15190 15500 15810 16120 16430 16740 17050 17360 17670 17980 18290 18600 18910 19220 19530 19840 20150 20460 20770 21080 21390 21700 22010 22320 22630 22940 23250 23560 23870 24180 24490 24800 25110 25420 25730 26040 26350 26660 26970 27280 27590 27900 28210 28520 28830 29140 29450 29760 30070 30380 30690 31000 31310 31620 31930 32240 32550 32860 33170 33480 33790 34100 34410 34720 35030 35340 35650 35960 36270 36580 36890 37200 37510 37820 38130 38440 38750 39060 39370 39680 39990 40300 40610 40920 41230 41540 41850 42160 42470 42780 43090 43400 43710 44020 44330 44640 44950 45260 45570 45880 46190 46500 46810 47120 47430 47740 48050 48360 48670 48980 49290 49600 49910 50220 50530 50840 51150 51460 51770 52080 52390 52700 53010 53320 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# BLOWOUT PREVENTER

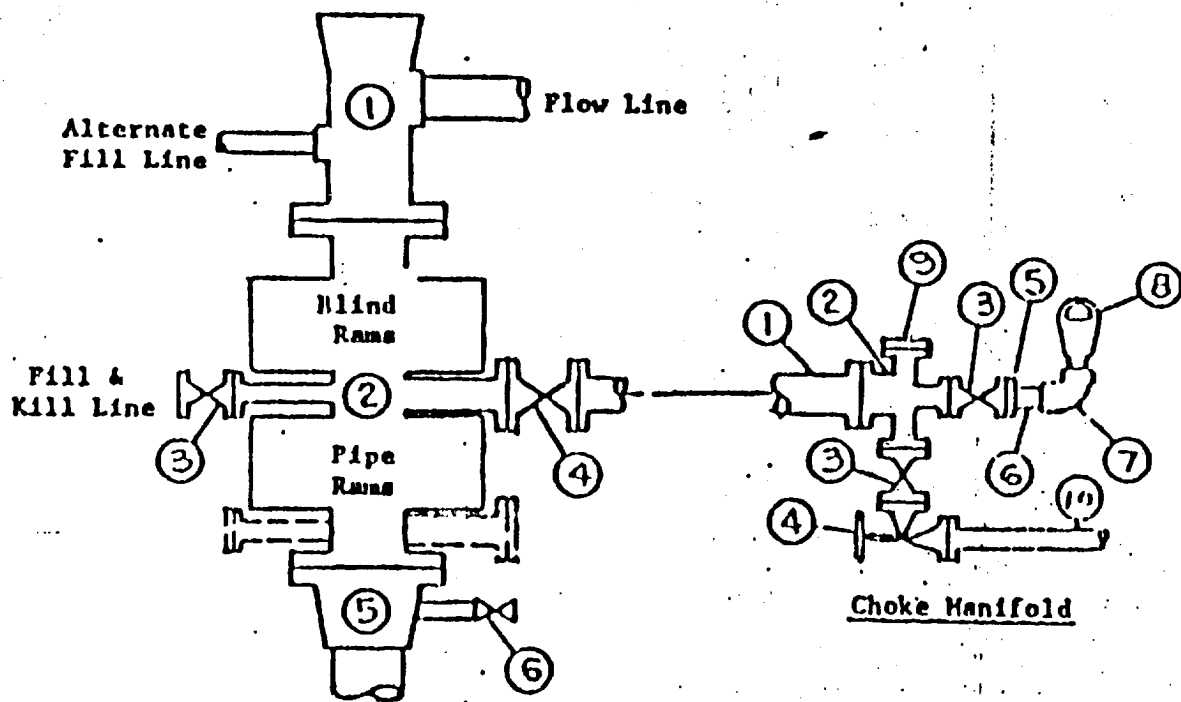


EXHIBIT "E"  
Hondo Oil & Gas Company  
H. E. West "B" #40  
BOP Diagram

## APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY  
H. E. WEST "B", Well No. 40  
560' FNL & 660' FWL, 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	570'	Grayburg	3190'
Top of Salt	750'	Premier Sand	3370'
Base of Salt	1710'	San Andres	3530'
Yates	1860'	Lovington Sand	3650'
Seven Rivers	2170'	T.D.	4000'
Queen	2780'		
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 3190' 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. - 1710'  
DLL RXO NGT. T.D. - 1710'  
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: 12/13/88  
Anticipated completion of drilling operations: approximately 20 days

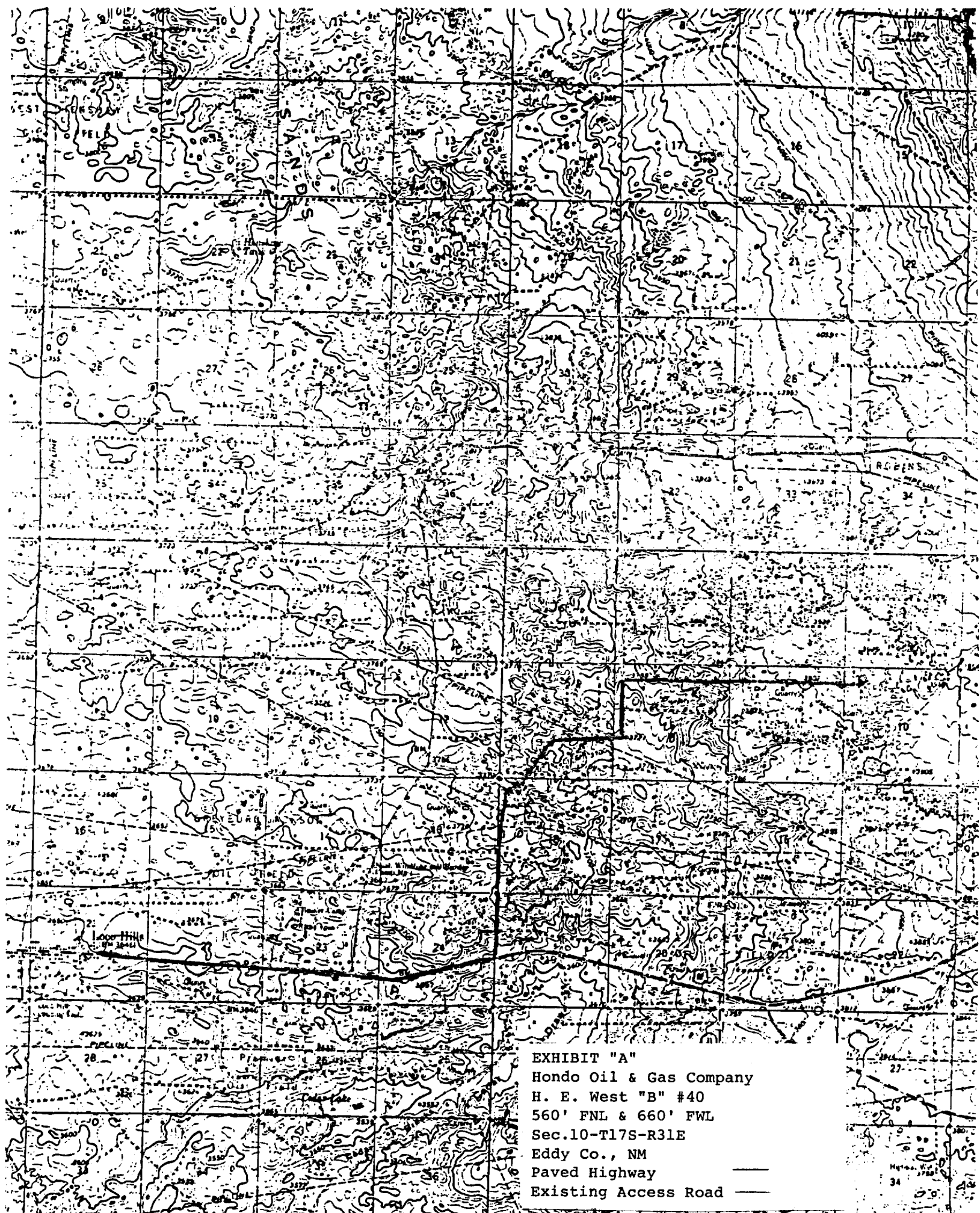


EXHIBIT "A"  
Hondo Oil & Gas Company  
H. E. West "B" #40  
560' FNL & 660' FWL  
Sec.10-T17S-R31E  
Eddy Co., NM  
Paved Highway  
Existing Access Road

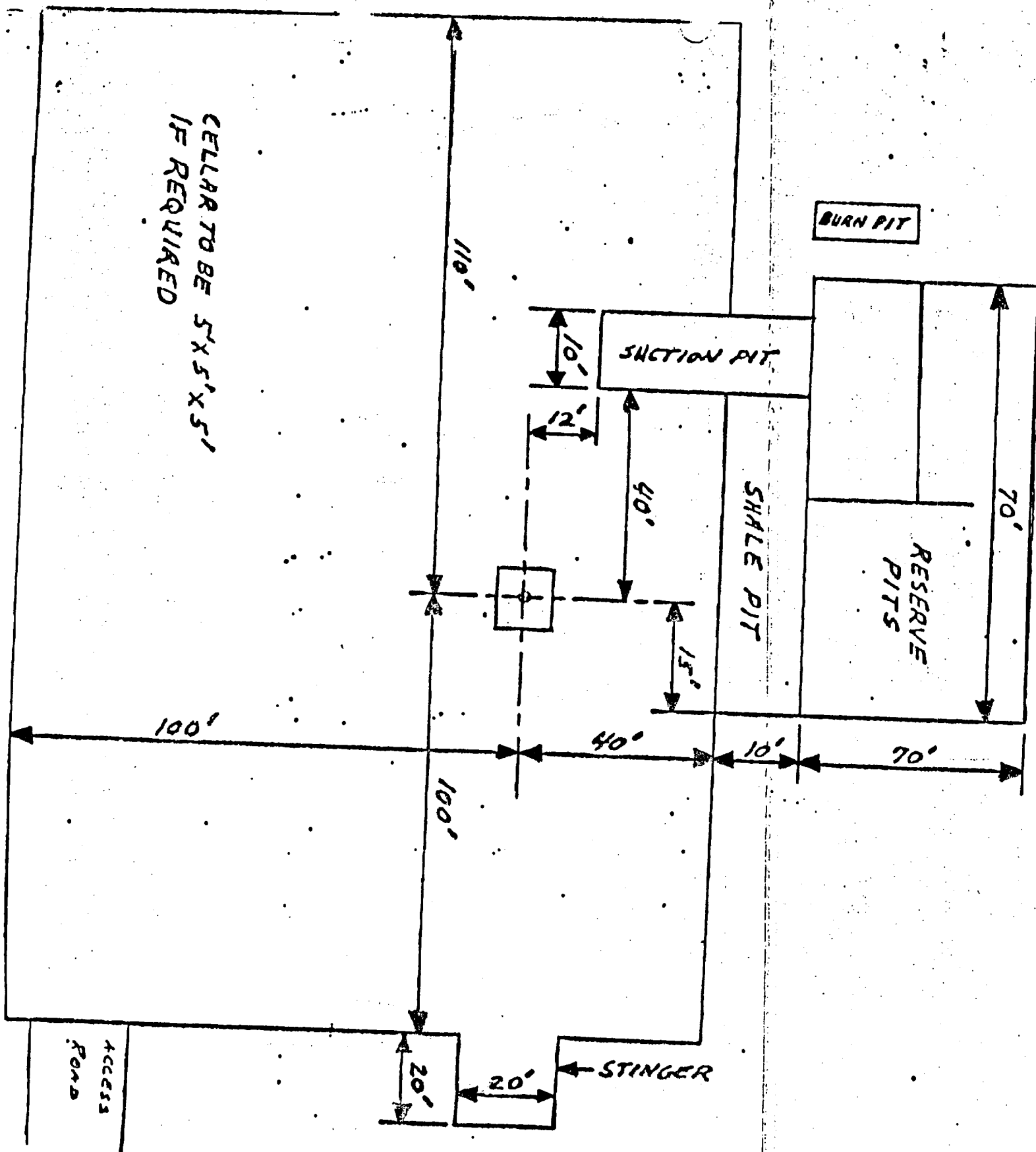


EXHIBIT "D"  
 Hondo Oil & Gas Company  
 H. E. West "B" #40  
 Rig Layout