

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

2105' FNL & 660' FEL
At proposed prod. zone

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

9.5 miles northeast of Loco Hills, NM

16. DISTANCE FROM PROPOSED*

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

660'

18. NO. OF ACRES IN LEASE

1919.88

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

1195'

19. PROPOSED DEPTH

4200'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3932' GR

22. APPROX. DATE WORK WILL START*

1/9/89

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#	610'	300 sx. Class "C" CIRCULATE
7 7/8"	5 1/2"	17#	4200'	300 sx. Class "C" + 1000 sx. Lite

Mud Program:

0 - 610' Drill with fresh water.
610 - 4200' 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.

Post ID-1
N2 & API
12-30-88

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 G. Prewitt

TITLE

Engineer

DATE

12/5/88

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY
CONDITIONS

James R. Prewitt

TITLE

DATE

12-22-88

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

*See Instructions On Reverse Side

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

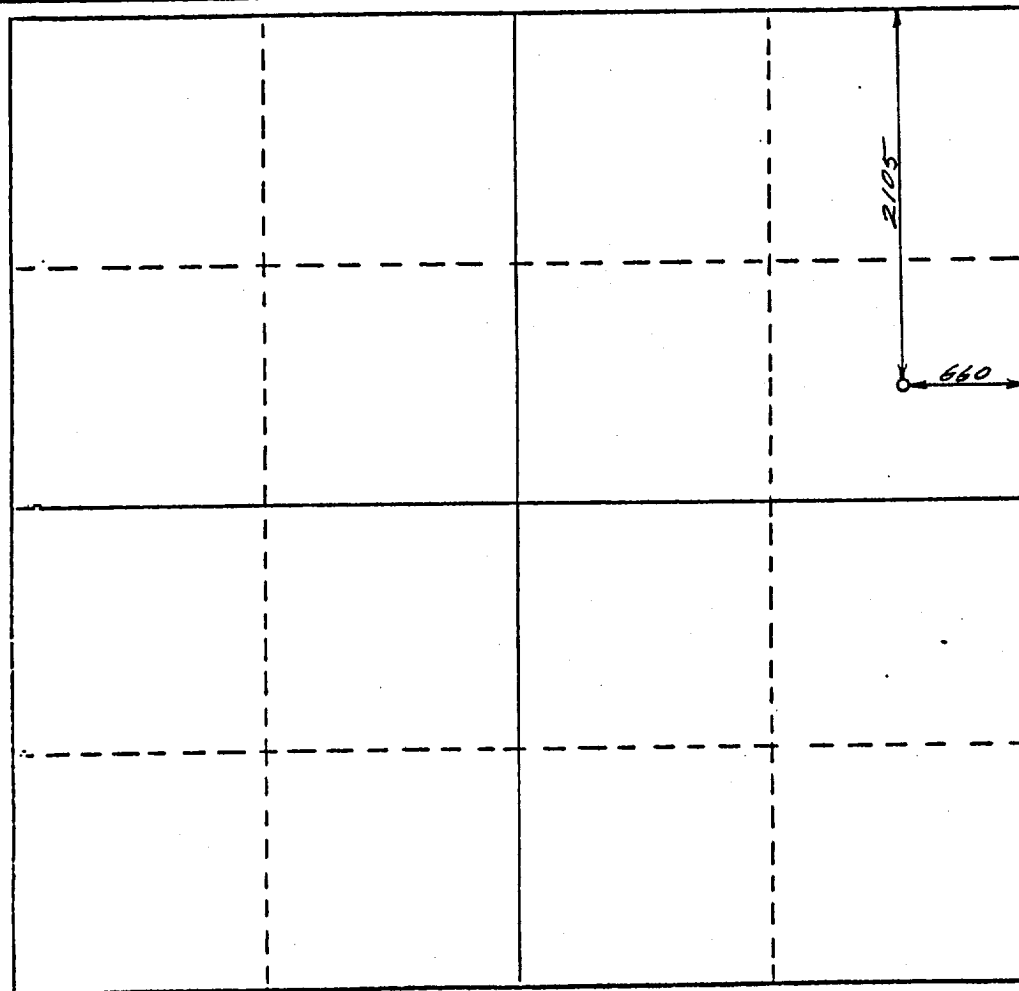
Operator Hondo Oil & Gas Company			Lease H. E. West "B"		Well No. 42
Unit Letter H	Section 10	Township 17 South	Range 31 East	County Eddy	
Actual Footage Location of Well: 2105 feet from the North line and 660 feet from the East line					
Ground Level Elev. 3932	Producing Formation Grayburg		Pool Grayburg Jackson-5R-2-G-5A		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.

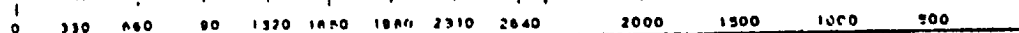
Ron Brown

Name
Ron Brown
Position
Engineer
Company
Hondo Oil & Gas Company
Date
12/5/88

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. Patton
Registered Land Surveyor
8112
Certificate No.
8112



BLOWOUT PREVENTER

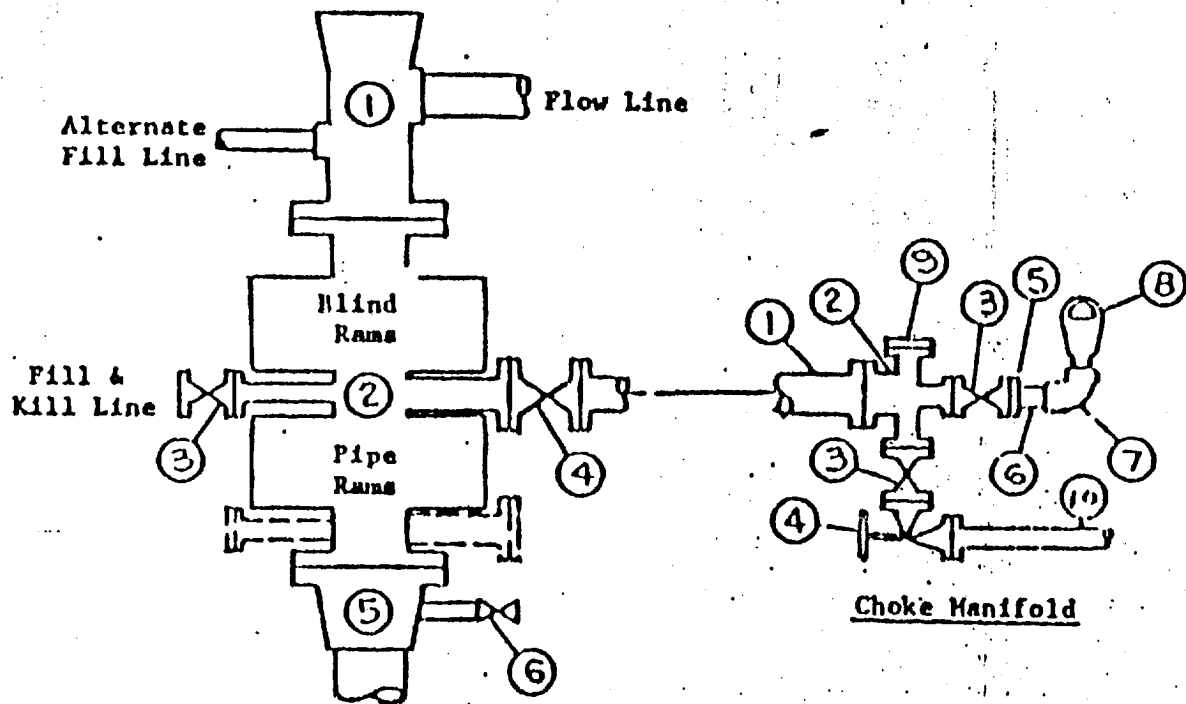


EXHIBIT "E"
Hondo Oil & Gas Company
H. E. West "B" #42
BOP Diagram

APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY
H. E. WEST "B", Well No. 42
2105' FNL & 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	610'	Grayburg	3258'
Top of Salt	780'	Premier Sand	3423'
Base of Salt	1745'	San Andres	3590'
Yates	1900'	Lovington Sand	3710'
Seven Rivers	2220'	T.D.	4200'
Queen	2835'		

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 3258' 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. - 1745'
DLL RXO NGT.	T.D. - 1745'
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: 1/9/89
Anticipated completion of drilling operations: approximately 20 days

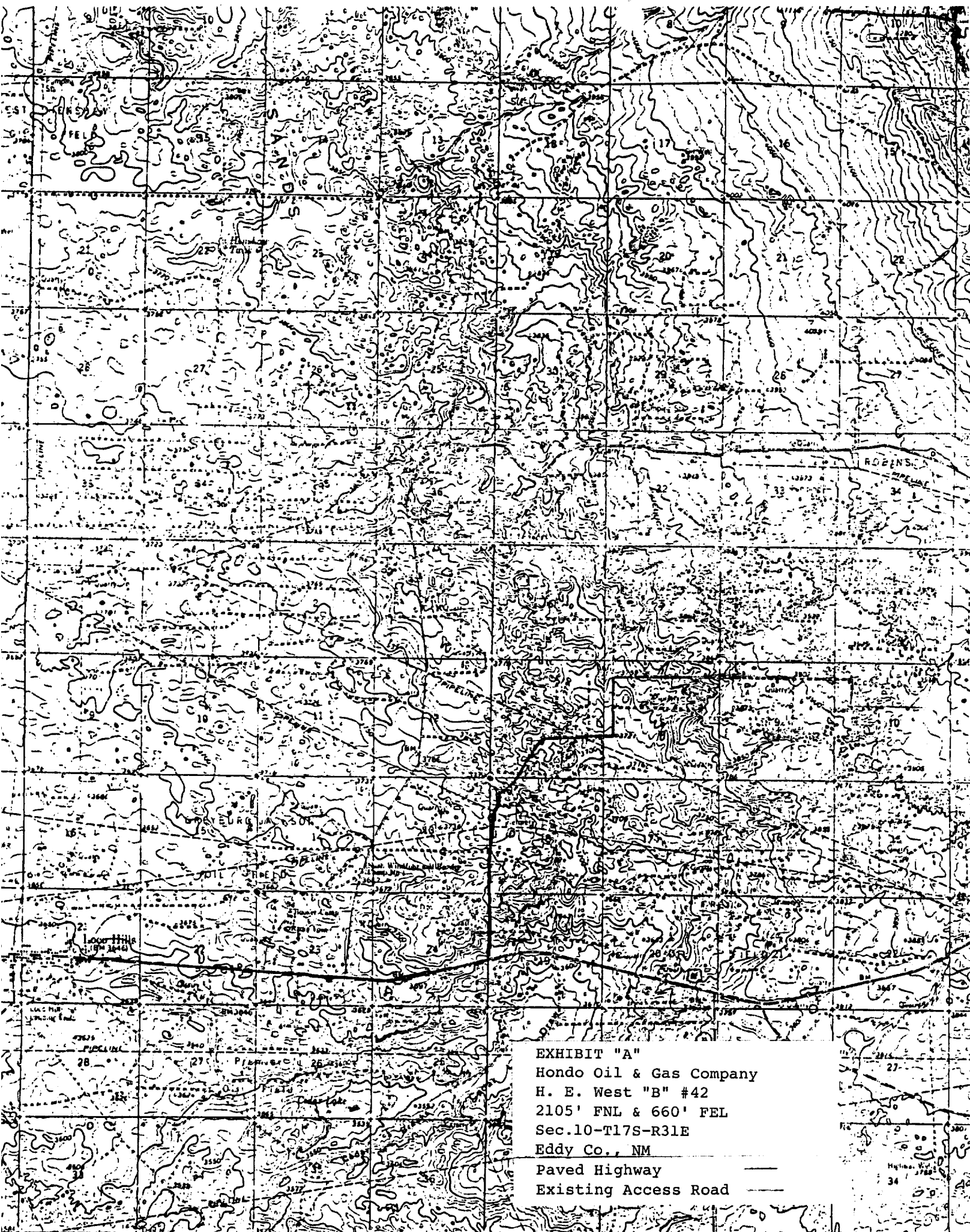


EXHIBIT "A"
Hondo Oil & Gas Company
H. E. West "B" #42
2105' FNL & 660' FEL
Sec.10-T17S-R31E
Eddy Co., NM
Paved Highway
Existing Access Road

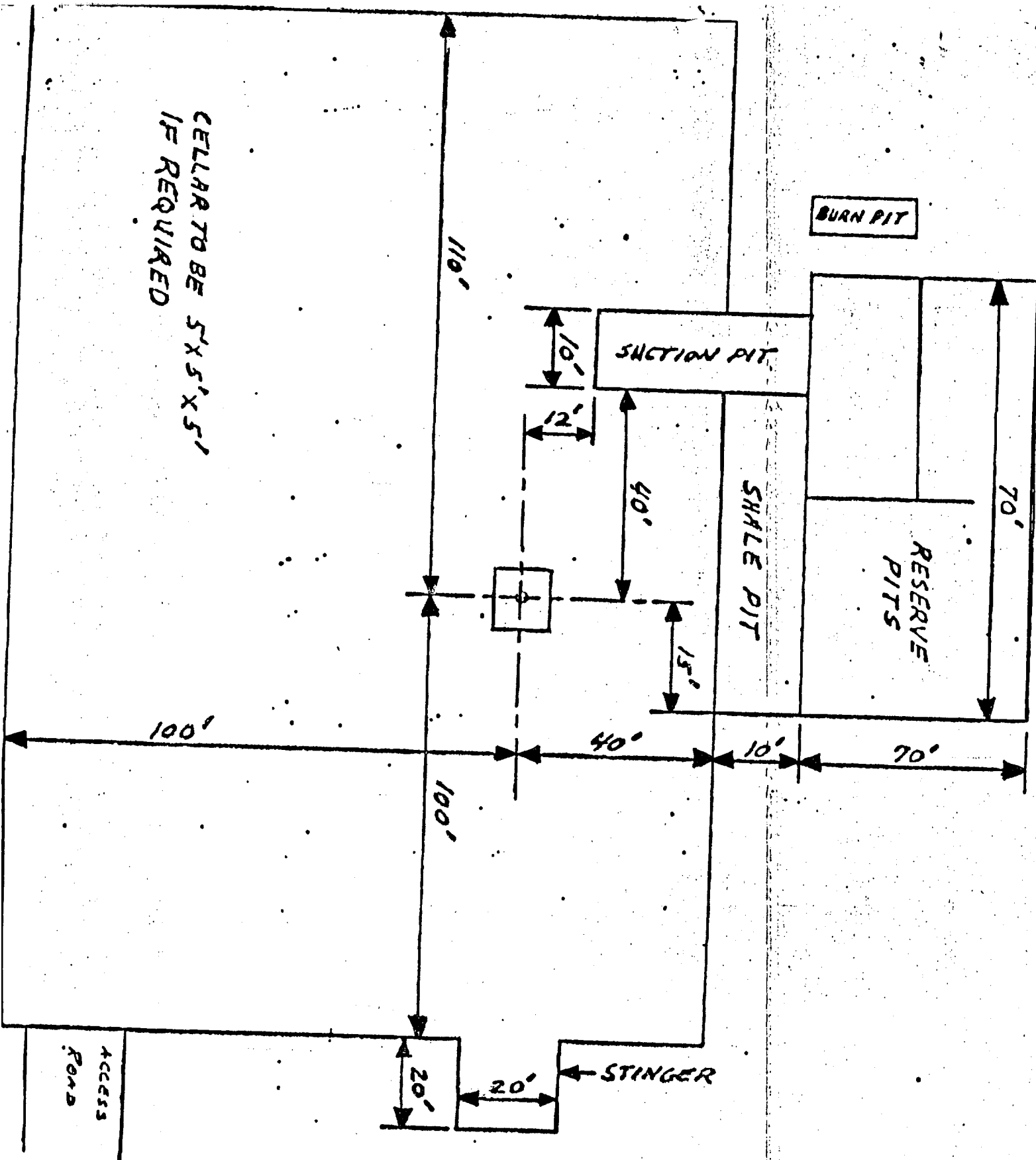


EXHIBIT "D"
Hondo Oil & Gas Company
H. E. West "B" #42
Rig Layout