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1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

RECEIVED Form C-104  
Revised 1-1-89  
See Instructions  
at Bottom of Page

MAR 16 '89

C. C. D.  
ARTESIA, OFFICE

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

|   |              |
|---|--------------|
| Operator<br>Hondo Oil & Gas Company   | Well API No. |
| Address<br>P. O. Box 2208, Roswell, NM 88202  |              |
| Reason(s) for Filing (Check proper box)<br>New Well <input checked="" type="checkbox"/> Change in Transporter of:<br>Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/><br>Change in Operator <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |              |
| If change of operator give name and address of previous operator  |              |

II. DESCRIPTION OF WELL AND LEASE

|   |                |  |   |                          |
|---|----------------|--|---|--------------------------|
| Lease Name<br>H. E. West "B"  | Well No.<br>43 | Pool Name, Including Formation<br>Grayburg Jackson | Kind of Lease<br>State, Federal, or Foreign | Lease No.<br>LC-029426-B |
| Location<br>Unit Letter M : 660 Feet From The South Line and 760 Feet From The West Line<br>Section 9 Township 17S Range 31E, NMPM, Eddy County |                |  |   |                          |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

|   |   |           |             |             |                                   |                  |
|---|---|-----------|-------------|-------------|-----------------------------------|------------------|
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/><br>Texas-New Mexico Pipeline | Address (Give address to which approved copy of this form is to be sent)<br>P. O. Box 2528, Hobbs, NM 88240   |           |             |             |                                   |                  |
| Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/><br>Conoco            | Address (Give address to which approved copy of this form is to be sent)<br>P. O. Box 1959, Midland, TX 79702 |           |             |             |                                   |                  |
| If well produces oil or liquids, give location of tanks.  | Unit<br>D   | Sec.<br>9 | Twp.<br>17S | Rge.<br>31E | Is gas actually connected?<br>Yes | When?<br>3/10/89 |

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

|  |  |                                   |  |                                   |                                   |                                    |                                     |                                     |
|--|--|-----------------------------------|--|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Designate Type of Completion - (X)                 | Oil Well <input checked="" type="checkbox"/>       | Gas Well <input type="checkbox"/> | New Well <input checked="" type="checkbox"/> | Workover <input type="checkbox"/> | Deepen <input type="checkbox"/>   | Plug Back <input type="checkbox"/> | Same Res'v <input type="checkbox"/> | Diff Res'v <input type="checkbox"/> |
| Date Spudded<br>1/20/89                            | Date Compl. Ready to Prod.<br>3/4/89               |                                   | Total Depth<br>3831'                         |                                   | P.B.T.D.<br>3779'                 |                                    |                                     |                                     |
| Elevations (DF, RKB, RT, GR, etc.)<br>3814' GR     | Name of Producing Formation<br>Grayburg San Andres |                                   | Top Oil/Gas Pay<br>3141'                     |                                   | Tubing Depth<br>3684'             |                                    |                                     |                                     |
| Perforations<br>3141-3324', 3371-3553', 3586-3673' |  |                                   |  |                                   | Depth Casing Shoe<br>3831'        |                                    |                                     |                                     |
| TUBING, CASING AND CEMENTING RECORD                |  |                                   |  |                                   |                                   |                                    |                                     |                                     |
| HOLE SIZE<br>12 1/4"                               | CASING & TUBING SIZE<br>8 5/8"                     |                                   | DEPTH SET<br>417'                            |                                   | SACKS CEMENT<br>512 sx. Class "C" |                                    |                                     |                                     |
| 7 7/8"   | 5 1/2"   |                                   | 3831'  |                                   | 900 sx. HLC + 350 sx. Class "C"   |                                    |                                     |                                     |
|  | 2 3/8"   |                                   | 3684'  |                                   |                                   |                                    |                                     |                                     |

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

|  |                            |  |                    |
|--|----------------------------|--|--------------------|
| Date First New Oil Run To Tank<br>3/5/89 | Date of Test<br>3/5/89     | Producing Method (Flow, pump, gas lift, etc.)<br>Flowing |                    |
| Length of Test<br>24 hrs                 | Tubing Pressure<br>150 psi | Casing Pressure<br>450 psi                               | Choke Size<br>3/4" |
| Actual Prod. During Test                 | Oil - Bbls.<br>180         | Water - Bbls.<br>30                                      | Gas - MCF<br>108   |

GAS WELL

|                                  |                           |                           |                       |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test - MCF/D        | Length of Test            | Bbls. Condensate/MMCF     | Gravity of Condensate |
| Testing Method (pilot, back pr.) | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in) | Choke Size            |

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature  
Ron Brown  
Engineer  
Printed Name  
3/14/89  
Date  
505/625-8760  
Telephone No.

OIL CONSERVATION DIVISION

Date Approved  
MAR 30 1989

By  
Original Signed By  
Mike Williams

Title

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.