

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

660' FSL & 1980' FWL
At proposed prod. zone

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

9.2 miles northwest of Loco Hills, NM

15. DISTANCE FROM PROPOSED*

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

660'

16. NO. OF ACRES IN LEASE

1919.88

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

1220'

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.)

3848' GR

22. APPROX. DATE WORK WILL START*

4/30/89

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# CIRCULARE	470'	300 sx. Class C
7 7/8"	5 1/2"	17# CIRCULARE	4000'	300 sx. Class C + 1000 sx. Lite

Mud Program:

0 - 470' Drill with fresh water.
470 - 4000' Drill with saturated brine.

BOP Diagram:

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 ID-1
NR 2 APR
4-12-89

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

3/22/89

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

AREA MANAGER
CARLSBAD RESOURCE AREA

APPROVED BY

Just Adam

TITLE

DATE

4-10-89

CONDITIONS OF APPROVAL (If any)

GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

*See Instructions On Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

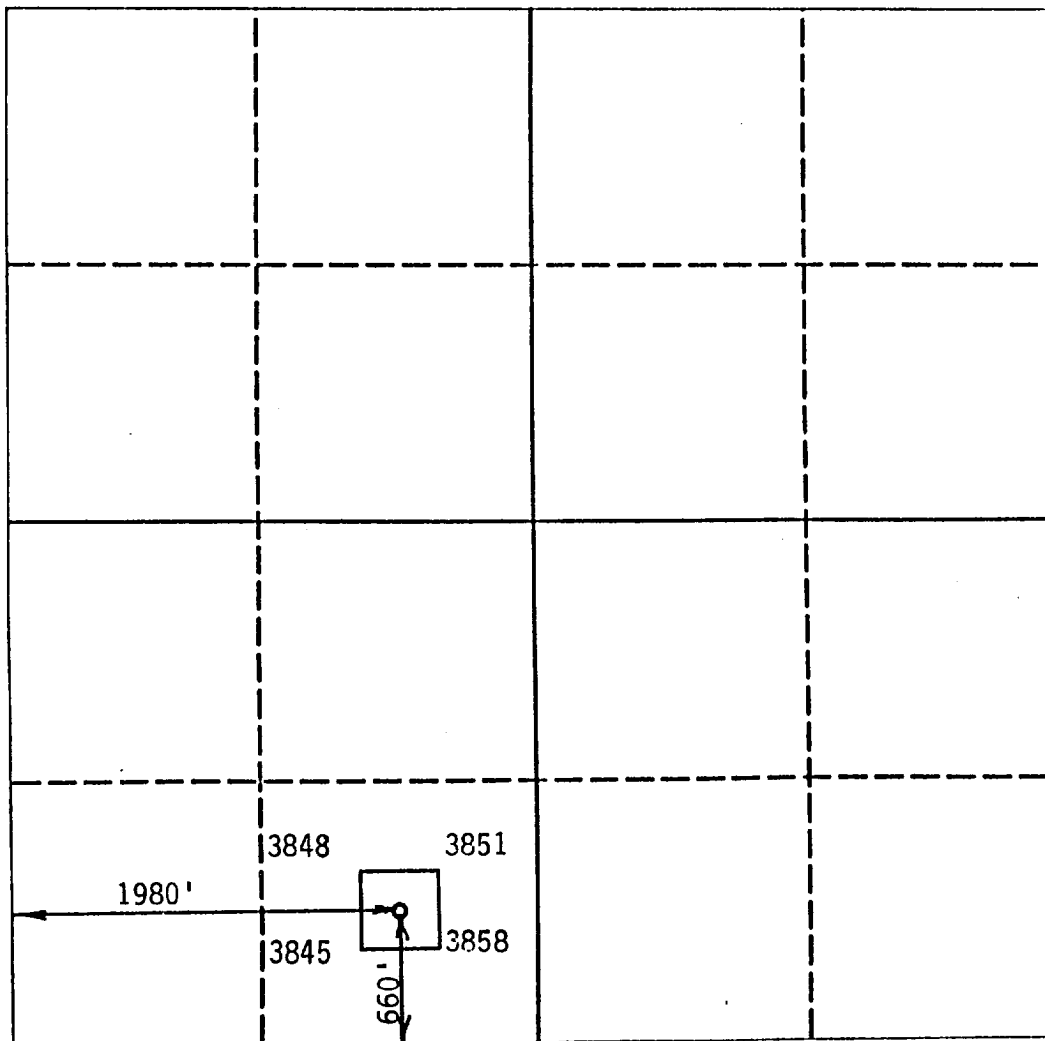
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Hondo Oil & Gas Company			Lease H. E. West "B"		Well No. 45
Unit Letter N	Section 9	Township 17 South	Range 31 East	County NMPM	Eddy
Actual Footage Location of Well: 660 feet from the South line and 1980 feet from the West line					
Ground level Elev. 3848	Producing Formation Grayburg	Pool Grayburg Jackson		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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

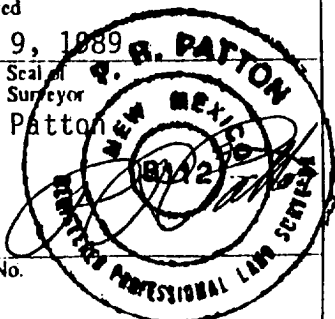
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Ron Brown
Printed Name
Ron Brown
Position
Engineer
Company
Hondo Oil & Gas Company
Date
3/22/89

SURVEYOR CERTIFICATION

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.

Date Surveyed
March 9, 1989
Signature & Seal of
Professional Surveyor
P. R. Patton
8112
Certificate No.



BLOWOUT PREVENTER

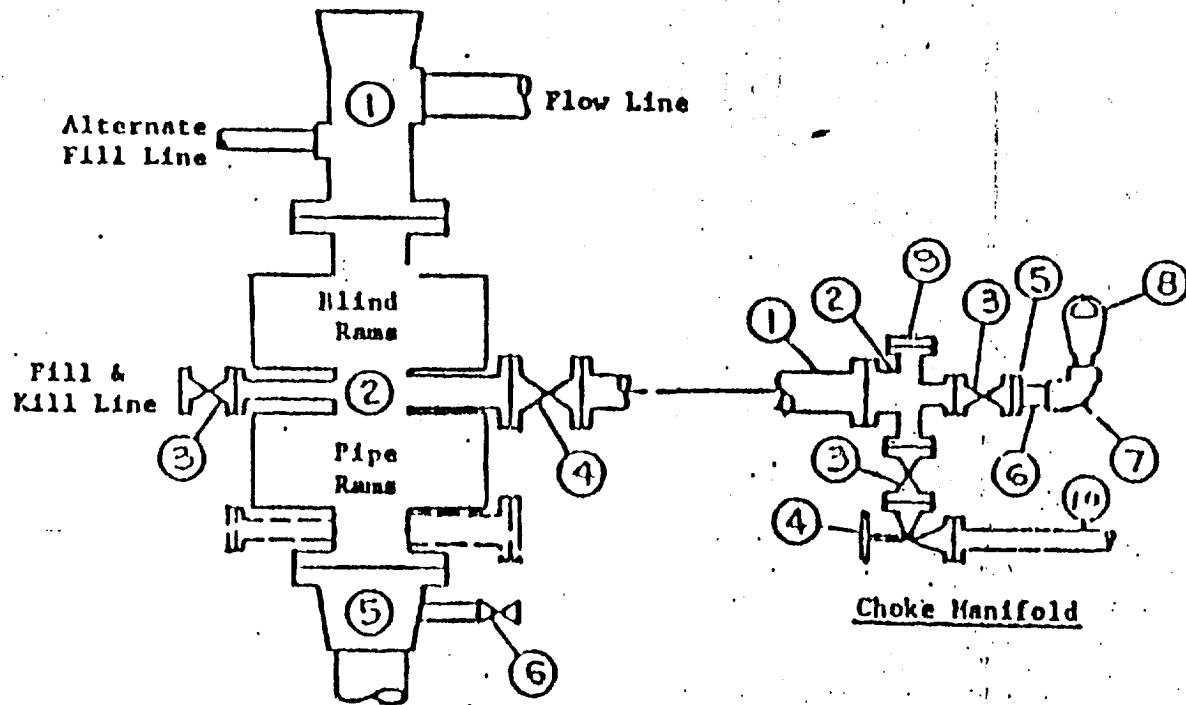


EXHIBIT "E"
Hondo Oil & Gas Company
H. E. West "B" #45
BOP Diagram

APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY
H. E. WEST "B", Well No. 45
660' FSL & 1980' FWL, 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	460'	Grayburg	3119'
Top of Salt	649'	Premier Sand	3279'
Base of Salt	1614'	San Andres	3409'
Yates	1770'	Lovington Sand	3520'
Seven Rivers	2080'	Lower SA "M"	3599'
Queen	2699'	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 3119' 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. - 1614'
DLL RXO NGT. T.D. - 1614'
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: 4/30/89
Anticipated completion of drilling operations: approximately 20 days

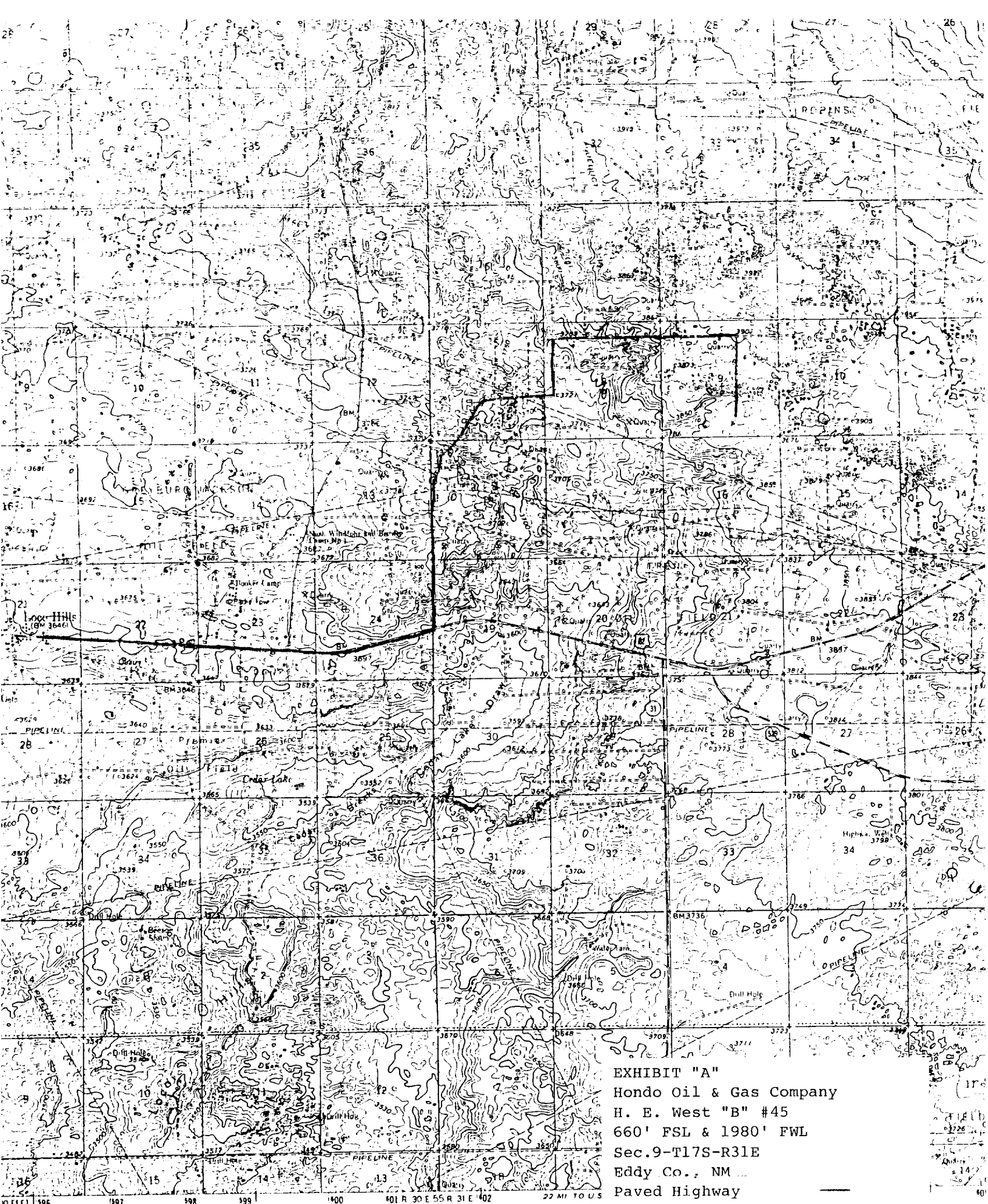
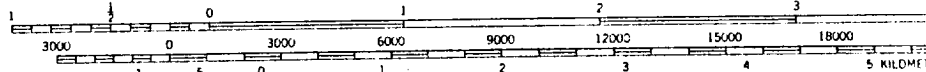


EXHIBIT "A"
 Hondo Oil & Gas Company
 H. E. West "B" #45
 660' FSL & 1980' FWL
 Sec. 9-T17S-R31E
 Eddy Co., NM
 Paved Highway
 Existing Access Road

Published by the Geological Survey

Methods from aerial photographs



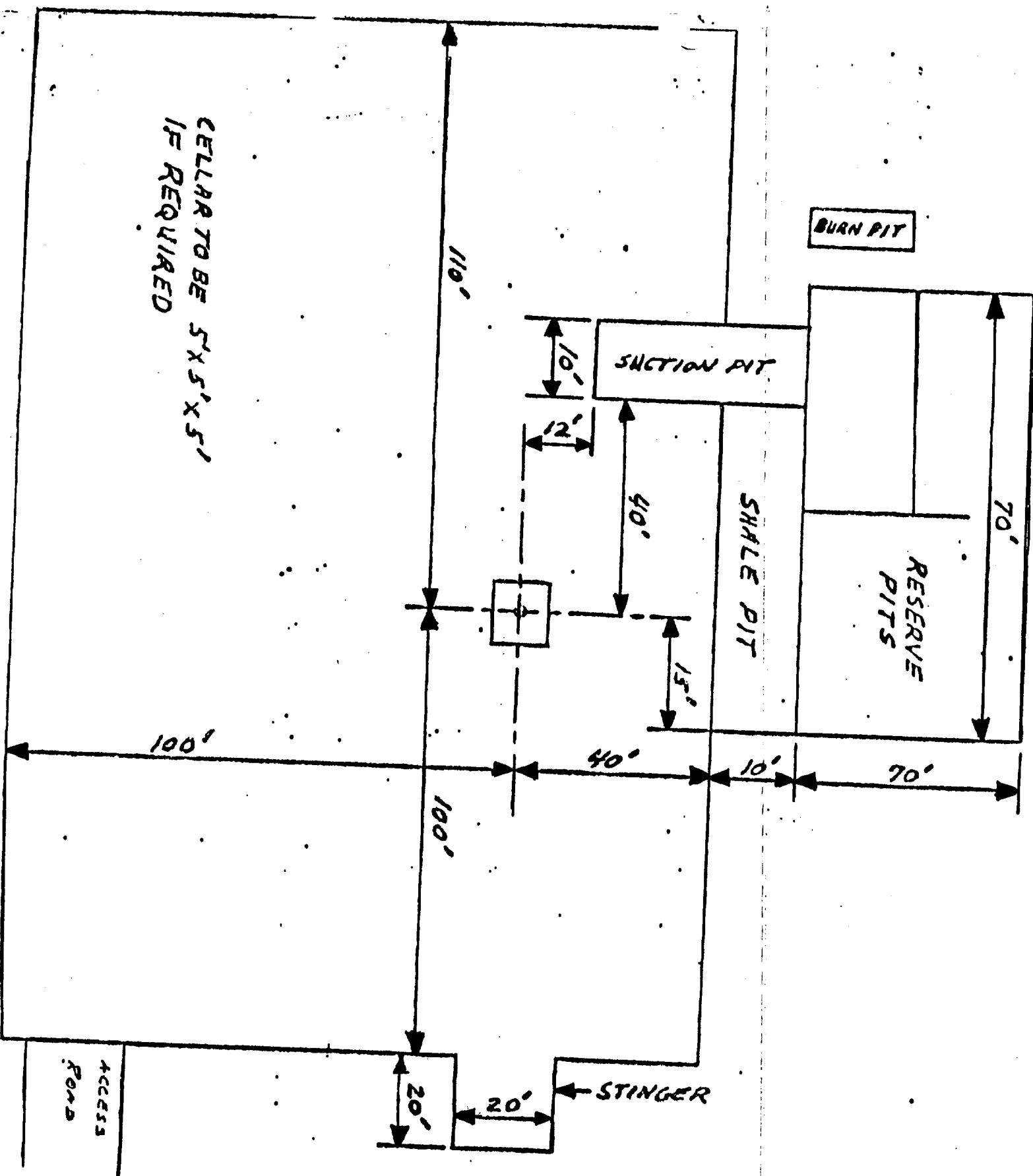


EXHIBIT "D"
 Hondo Oil & Gas Company
 H. E. West "B" #45
 Rig Layout