

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

30-015-26148
RECEIVED
5. LEASE DESIGNATION AND SERIAL NO.

LC-029435-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

J. L. Keel "B"

9. WELL NO.

46

10. FIELD AND POOL, OR WILDCAT

Grayburg Jackson SR-Q-G-JA

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec. 8-T17S-R31E

12. COUNTY OR PARISH

Eddy

13. STATE

NM

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
ZONES ☐

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 & 660' FEL
At proposed prod. zone

APR 11 '89

O. C. D.

ARTESIA, OFFICE

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

8.7 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

1885

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

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

1320'

19. PROPOSED DEPTH

4000'

20. ROTARY OR CABLE TOOLS

Rotary

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

3783' GR

22. APPROX. DATE WORK WILL START*

4/20/89

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#	330'	300 sx. Class C
7 7/8"	5 1/2"	17#	4000'	300 sx. Class C + 1000 sx. Lite

APPROVAL SUBJECT TO
GENERAL REGULATIONS AND
SPECIAL STIPULATIONS
ATTACHED

Mud Program:

0 - 330' Drill with fresh water.
330 - 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.

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

APPROVED BY

Scott Adams

TITLE

AREA MANAGER
CARLSBAD RESOURCES

DATE

4-10-89

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

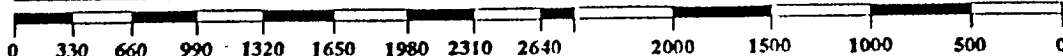
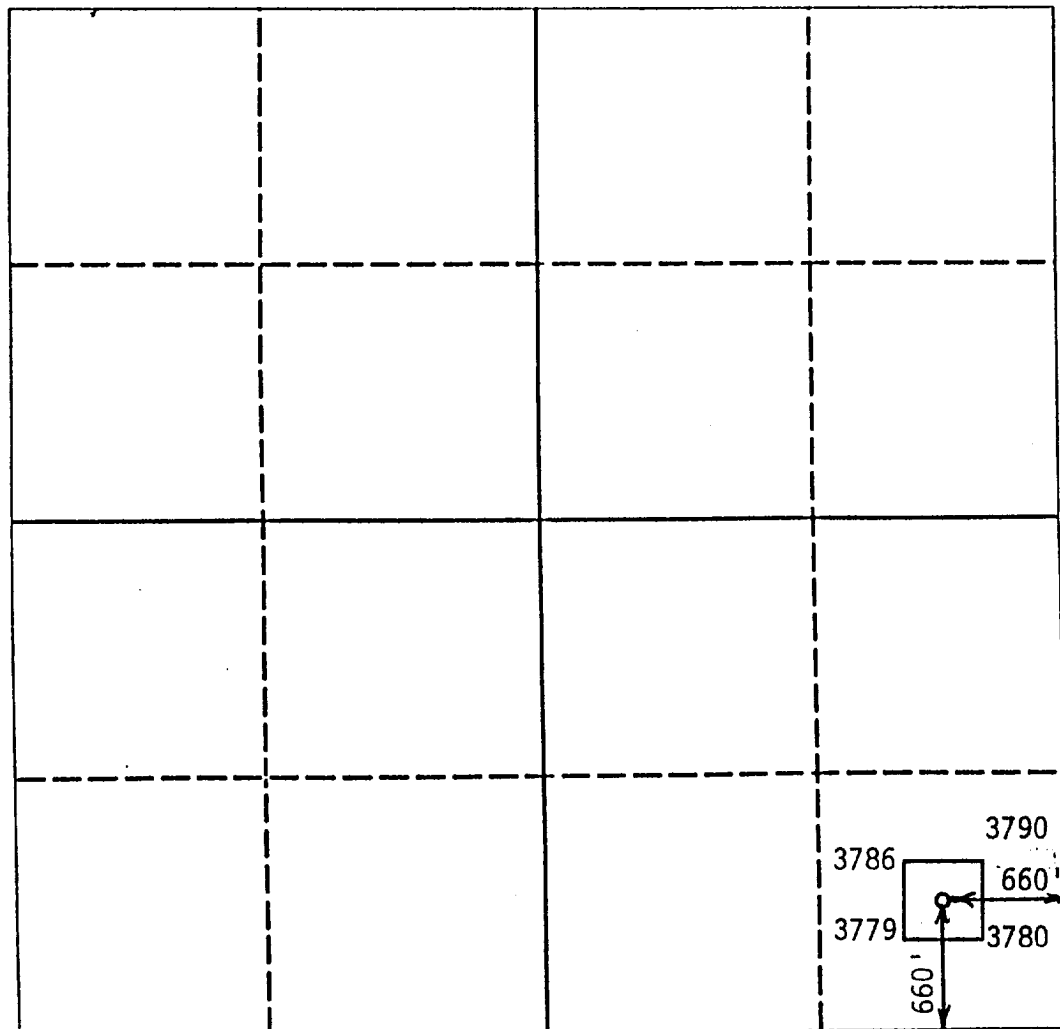
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Hondo Oil & Gas Company			Lease J. L. Keel "B"		Well No. 46
Unit Letter P	Section 8	Township 17 South	Range 31 East	County Eddy	
Actual Footage Location of Well: 660 feet from the South line and 660 feet from the East line					
Ground level Elev. 3783	Producing Formation Grayburg	Pool Grayburg Jackson SR-Q-G-JA		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
Certificate No.
8112

BLOWOUT PREVENTER

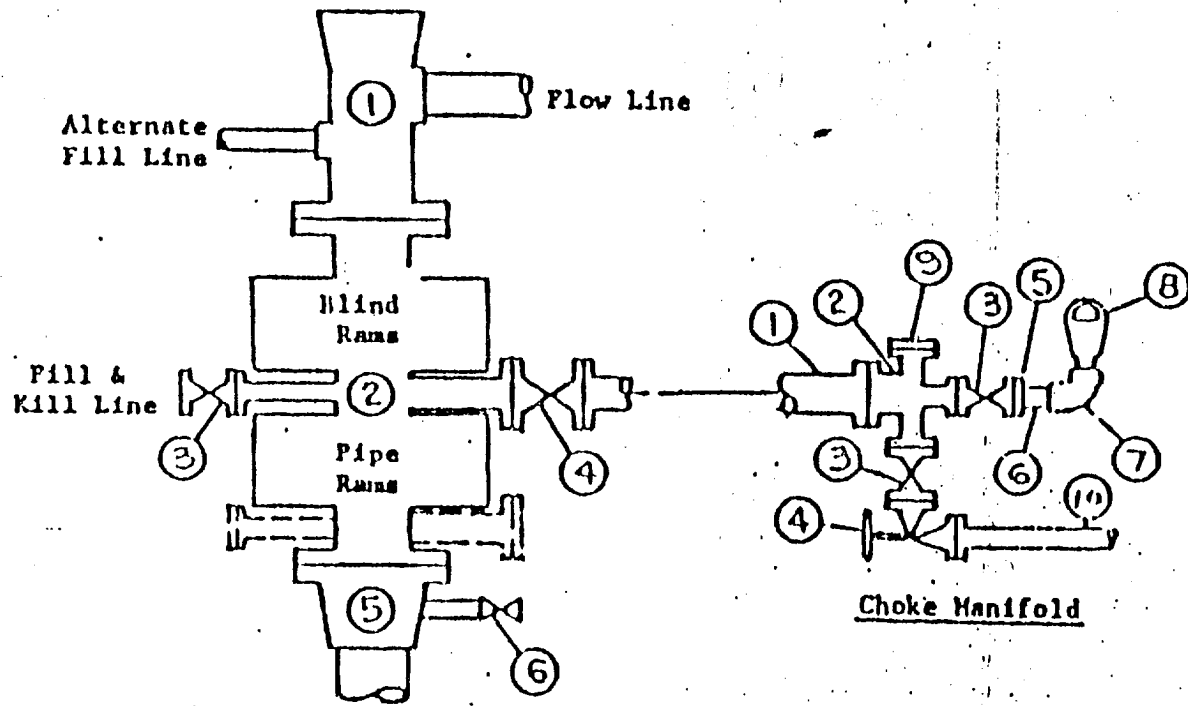


EXHIBIT "E"
Hondo Oil & Gas Company
J. L. Keel "B" #46
BOP Diagram

APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY
J. L. KEEL "B", Well No. 46
660' FSL & 660' FEL, Sec.8-T17S-R31E
Eddy County, New Mexico
Lease No.: LC-029435-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	324'	Grayburg	2973'
Top of Salt	513'	Premier Sand	3143'
Base of Salt	1478'	San Andres	3268'
Yates	1634'	Lovington Sand	3393'
Seven Rivers	1944'	Lower SA "M"	3453'
Queen	2563'	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 2973' 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. - 1478'
DLL RXO NGT. T.D. - 1478'
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: 4/20/89
Anticipated completion of drilling operations: approximately 20 days

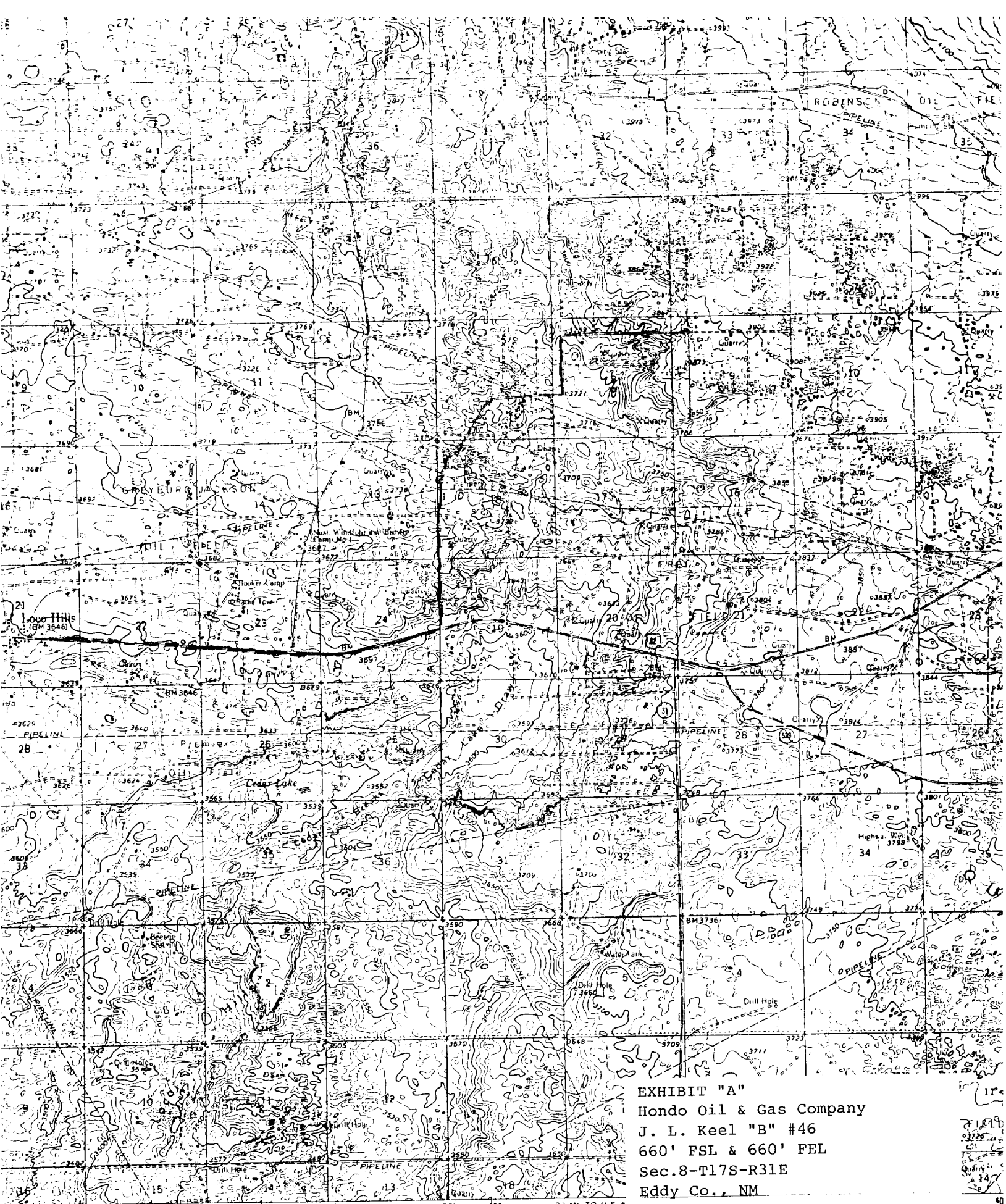
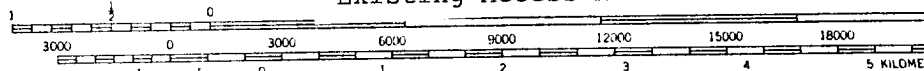


EXHIBIT "A"
Hondo Oil & Gas Company
J. L. Keel "B" #46
660' FSL & 660' FEL
Sec. 8-T17S-R31E
Eddy Co., NM
Paved Highway
Existing Access Road

Published by the Geological Survey

Methods from aerial photographs



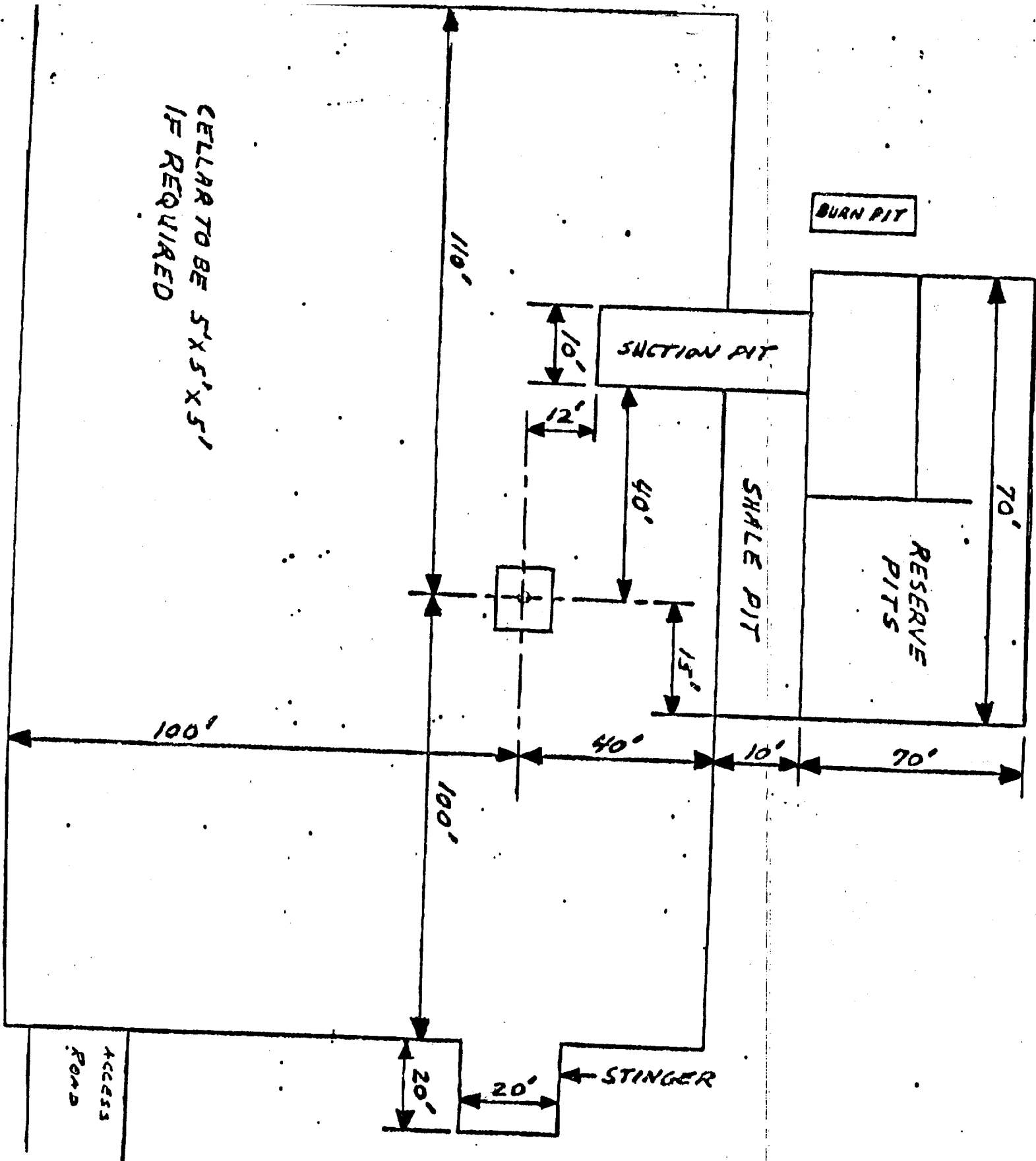


EXHIBIT "D"
Hondo Oil & Gas Company
J. L. Keel "B" #46
Rig Layout