

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

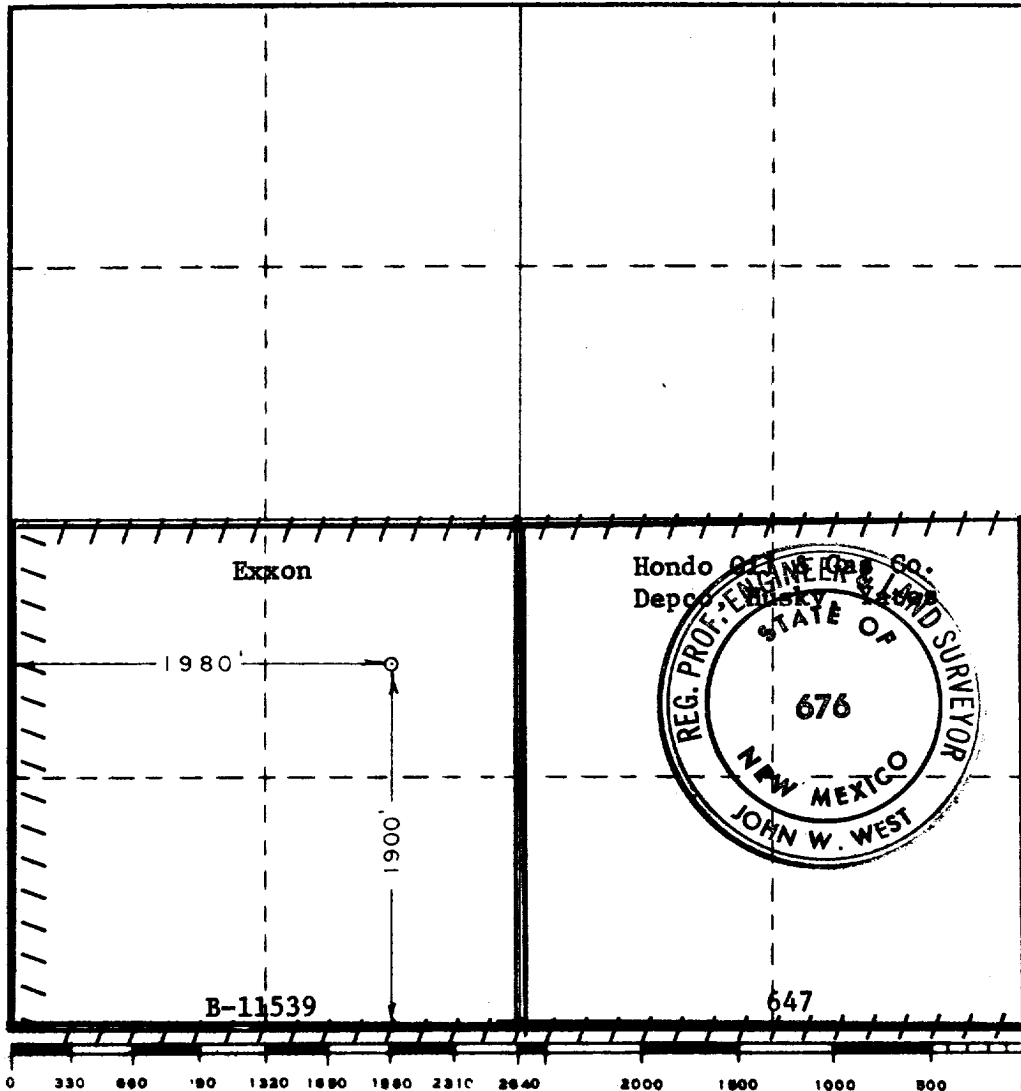
Operator Hondo Oil & Gas Company			Lease Exxon State		Well No. 1
Unit Letter K	Section 9	Township 18 South	Range 28 East	County Eddy	
Actual Footage Location of Well: 1900 feet from the South line and 1980 feet from the West line					
Ground Level Elev. 3632.4	Producing Formation Morrow Gas		Pool Wildcat		Dedicated Acreage: 320 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.) Will be communitized if producer. See Reverse side

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 Commission.



CERTIFICATION

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

Name *John W. West*
 Position **Dist. Drlg. Supt.**
 Company **Atlantic Richfield Company**
 Date **2/5/79**

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 **5/23/78**
 Registered Professional Engineer and/or Land Surveyor
John W. West
 Certificate No. **John W. West 676**
Ronald J. Eidson 3239

The subject well proposed by Hondo is to be drilled on a S/2 spacing unit of a 640-acre working interest unit covering all of Section 9, T-18-S, R-28-E. Hondo owns a 50% interest in 240 acres within Section 9 and its partners, Depco, Husky and Yates, own the other half interest. Hondo and its partners are the only drilling parties in this well as the other working interest owners (Exxon, Marathon, Cities Service and American Petrofina) are farming out, retaining a 1/8th override in the spacing unit with the option to convert to a 50% working interest after payout. Hondo and its partners will pay 100% of the cost of the first well and will have a 66.8% working interest after payout (33.4% for Hondo). We will then have 120 days after completion of the first well within which to commence a well in the N/2 of Section 9 on the same basis. Hondo and its partners will bear 100% of the costs and will have a 70.8% working interest after payout (35.4% for Hondo). The difference in interest in the two wells results from Exxon's refusal to pool throughout the section. Exxon owns 160 acres in the S/2 and will have a 25% after payout working interest. In the N/2 Exxon owns 120 acres and will have an 18.75% working interest after payout.