

To supplement USGS Form 9-331C " Application for Permit to Drill, Deepen or Plugback", the following additional information is submitted to comply with USGS Order NTL-6.

Operator: Hondo Oil & Gas Company

Lease & Well No: Federal 11 #1

Location: Unit Letter "F" 1650' FNL & 2110' FWL

Section 11-18S-28E

Eddy County, New Mexico

Lease, New Mexico LC-028772-b & NM-54184

Development well _____ Exploratory well X

1. See Well Location and Acreage Dedication Plat Form C-102.
2. See Form 9-331C for elevation above sea level of unprepared location.
3. The geologic name of the surface formation is: Typic Paleorthid subgroup and its intergrades.
4. The type of drilling tools and associated equipment to be utilized will be: Rotary
5. The proposed drilling depth will be 10,900'.
6. The estimated tops of important geologic markers are:

Anhydrite	400'	Canyon	9250'	Miss.	10,780'
Top Salt	500'	Strawn	9500'		
San Andres	2610'	Atoka	10,030'		
Wolfcamp	7850'	Morrow	10,175'		
7. The estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are:

Surface Water	120'
Brackish Water	340'
San Andres	2610'
Atoka	10,030'
Morrow	10,175'
8. The proposed casing program including the size, grade and weight-per-foot of each string has been indicated on Form 9-331C. All strings of casing will be: New X Used _____.
9. See Form 9-331C for amount of cement.

13-3/8" OD casing will be cemented 250 sx light cmt cont'g 1/4#/sk flocele & 2% CaCl₂ followed by approx 200 sx Cl C cmt cont'g 2% CaCl₂.

8-5/8" OD casing will be cemented w/approx 1325 sx light weight cont'g 1/4#/sk flocele followed by 150 sx Cl H Neat cmt.

5 1/2" OD casing will be cemented 1st stage w/Cl H cont'g fluid loss additive. 2nd stage will be cmt'd w/Cl H cont'g fluid loss additive followed by light weight slurry mix followed by Cl H cmt cont'g 2% CaCl₂.