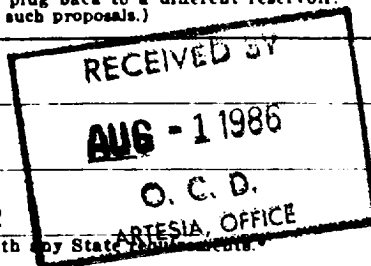


DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		3. LEASE DESIGNATION AND SERIAL NO. LC-029389-B	
2. NAME OF OPERATOR Hondo Oil and Gas Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR P. O. Box 1610 Midland, Texas 79702		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State laws. See also space 17 below.) At surface 810' FSL & 1980' FEL (Unit Letter 0)		8. FARM OR LEASE NAME Wilmar Federal	
14. PERMIT NO. 30-015-25619		9. WELL NO. 3	
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 3716.5 GR		10. FIELD AND POOL OR WILDCAT N. Shugart Tomano (Bone Springs)	
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 31 4-18S-13E	
		12. COUNTY OR PARISH Eddy	
		13. STATE NM	



16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Intermediate casing</u> <input checked="" type="checkbox"/>	
(Other) <input type="checkbox"/>		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

TD'd 11" hole @ 2180 3:00 p.m. 7-11-86. Set 8-5.8", 24#, K-55 @ 2180'.
Cmt'd w/850 sx LW followed by 200 sx "C". Circ cmt to surface.
WOC. test csg to 1000#. OK. Began drilling ahead.



18. I hereby certify that the foregoing is true and correct
SIGNED Kenn W. Gosnell TITLE Engr. Tech. Spec. DATE 7-23-86
(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

ACCEPTED FOR RECORD

*See Instructions on Reverse Side

JUL 29 1986