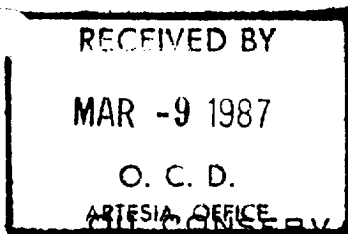


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT



P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-104
Revised 10-01-78
Format 06-01-83
Page 1

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	<input checked="" type="checkbox"/>
FILE	<input checked="" type="checkbox"/>
U.S.G.S.	<input type="checkbox"/>
LAND OFFICE	<input type="checkbox"/>
TRANSPORTER	<input checked="" type="checkbox"/>
OIL	<input checked="" type="checkbox"/>
GAS	<input checked="" type="checkbox"/>
OPERATOR	<input checked="" type="checkbox"/>
PRODUCTION OFFICE	<input type="checkbox"/>

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I. Operator
Hondo Oil & Gas Company

Address
P. O. Box 2208; Roswell, New Mexico 88201

Reason(s) for filing (Check proper box)

<input type="checkbox"/> New Well	Change in Transporter of:	Other (Please explain) Change in Operator name Effective March 1, 1987
<input type="checkbox"/> Recompletion	<input type="checkbox"/> Oil	
<input checked="" type="checkbox"/> Change in Ownership	<input type="checkbox"/> Gashead Gas	

If change of ownership give name and address of previous owner
ARCO Oil and Gas Company - Division of Atlantic Richfield Company
P. O. Box 1610, Midland, Texas 79702

II. DESCRIPTION OF WELL AND LEASE

* Unitization Number: 14-08-001-11572

Lease Name East Shugart Unit	Well No. 5	Pool Name, including Formation Shugart Yates, 7R, Q, GB.	Kind of Lease State, Federal or Fee Federal	Lease No. *
Location Unit Letter <u>D</u> ; <u>380</u> Feet From The <u>North</u> Line and <u>990</u> Feet From The <u>West</u> Line of Section <u>35</u> Township <u>18S</u> Range <u>31E</u> , NMPM, <u>Eddy</u> County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Texas-New Mexico Pipeline Company	Address (Give address to which approved copy of this form is to be sent) P.O. Box 2528, Hobbs New Mexico 88240
Name of Authorized Transporter of Gashead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> Phillips Petroleum Company	Address (Give address to which approved copy of this form is to be sent) 4001 Penbrook, Odessa, Texas 79762
If well produces oil or liquids, give location of tanks. Unit <u>L</u> Sec. <u>35</u> Twp. <u>18S</u> Rng. <u>31E</u>	Is gas actually connected? <u>Yes</u> when <u>11-2-59</u>

If this production is commingled with that from any other lease or pool, give commingling order number

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

Richard Henry
(Signature)

PROD SEC

(Title)

2/27/87

(Date)

OIL CONSERVATION DIVISION

APPROVED MAR 16 1987, 19
BY Original Signed By
Les A. Clements
TITLE Supervisor District II

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter or other such change of condition.

Separate Forms C-104 must be filed for each pool in multiply completed wells.