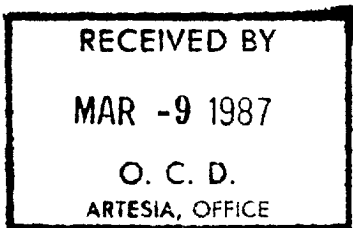


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT



OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

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

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DISTRIBUTION	
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TRANSPORTER	OIL ✓
	GAS ✓
OPERATOR	✓
PROMOTION OFFICE	

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)
<input type="checkbox"/> Recompletion	<input type="checkbox"/> Oil	Change in Operator name
<input checked="" type="checkbox"/> Change in Ownership	<input type="checkbox"/> Casinghead Gas	Effective March 1, 1987
	<input type="checkbox"/> Dry Gas	
	<input type="checkbox"/> Condensate	

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

Lease Name East Shugart Unit	Well No. 20	Pool Name, including Formation Shugart Yates, 7R, Q, GB.	Kind of Lease State, Federal or Fee Federal	Lease No. *
Location Unit Letter L : 1980 Feet From The South Line and 660 Feet From The West Line of Section 35 Township 18S Range 31E, NMPM, Eddy 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 Casinghead Gas <input 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 L, Sec. 35, Twp. 18S, Rge. 31E	Is gas actually connected? Yes, when 11-2-59

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.

Paula Henry
(Signature)

PROD SEC

(Title)

2/27/87

(Date)

OIL CONSERVATION DIVISION

APPROVED MAR 16 1987

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.