Form approved. Budget Bureau No. 1004-0135 UN) D STATES SUBMIT IN TRIPL (Other Instructions of THE INTERIOR verse side) Form 3160-5 (November 1983) LE. Expires August 31, 1985 5. LEASE DESIGNATION AND SERIAL NO. (Formerly 9-331) NM-10191 BUREAU OF LAND MANAGEMENT 6. IF INDIAN, ALLOTTEE OR TRIBE NAME 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.) RECEIRGO 7. UNIT AGREEMENT NAME WELL X East Shugart Unit WELL GY8 OTHER APR 1 6 1991 8. FARM OR LEASE NAME NAME OF OPERATOR Hondo Oil & Gas Company East Shugart O. C. D. 9. WELL NO. 3. ADDRESS OF OPERATOR ARTESIA, OFFICE P. O. Box 2208, Roswell, NM 88202 LOCATION OF WELL (Report location clearly and in accordance with any State requirements. 10. FIELD AND POOL, OR WILDCAT See also space 17 below.) At surface Shugart Yates, 7R-Qn-Grbg 11. SHC., T., B., M., OR BLK. AND SURVEY OR ARMA 2380' FSL & 1680' FWL Sec.34-T18S-R31E 12. COUNTY OR PARISH! 13. STATE 15. ELEVATIONS (Show whether DF, RT, GR, etc.) 14. PERMIT NO. 3619' GR Eddy Co., Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data 16. NOTICE OF INTENTION TO: REPAIRING WELL PULL OR ALTER CASING WATER SHUT-OFF TEST WATER SHUT-OFF ALTERING CASING FRACTURE TREATMENT MULTIPLE COMPLETE FRACTURE TREAT SHOOTING OR ACIDIZING XX ABANDONMENT* ABANDON* SHOOT OR ACIDIZE Temporarily abandon CHANGE PLANS REPAIR WELL (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) (Other) 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.)* Perforated 2606', 08', 10', 12', 14', 90', 91', 92', 93', 94', 95', 96', 97', 98', 2699', 2700', 01', 02', 03', 04', 05', 06', 07', 08', 2716', 17', 18', 49', 50', 51', 52', 72', 73', 74', 75', 76', 2777' (74 holes). Acidized 2690'-2777' w/ 4000 gals 15% NeFe, ISIP 1232 psi. Acidized 2606'- 2614' w/ 2000 gals 15% NeFe, ISIP 930 psi. Frac'd 2606'-2777' w/ 30,000 gals 40# Bora gel carrying 60,000# 12-20 sand, ISIP 1418 psi. Frac'd 2690'-2777' w/ 21,000 gals 30# crosslinked gel & 31,000# 12-20 sand, ISIP 1390 psi. Put to pump & test. Temporarily abandon for further evaluation. POH w/ tbg & rods put valve on wellhead. 18. I hereby certify that the foregoing is true and correct DATE 04/02/91 Petroleum Engineer SIGNED TITLE (This space for Federal or State office use) ACCEPTED FOR RECORD APPROVED BY CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

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CARLSBAD. NEW MEXICO