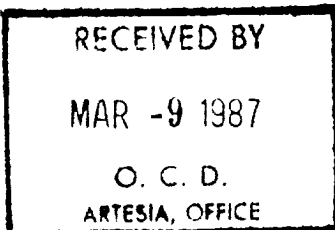


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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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

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

Lessee Name State BQ Com	Well No. 1	Pool Name, including Formation Avalon Morrow Gas	Kind of Lease State, Federal or Fee State	Lease No. K-5261
Location Unit Letter F : 1980 Feet From The North Line and 1980 Feet From The West Line of Section 9 Township 21S Range 26E NMPM, Eddy County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Koch Oil Company	P.O. Box 1558, Breckenridge, TX 76024
Name of Authorized Transporter of Gashead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
El Paso Natural Gas Company Gas Company of New Mexico	P.O. Box 1384, JAL, NM 88252 P.O. Box 26400, Albuquerque, NM 87125 Post ID-3
If well produces oil or liquids, give location of tanks.	Is gas actually connected?
Unit 9, Sec. 21S, 26E	Yes

If this production is commingled with that from any other lease or pool, give commingling order number: 3-20-87

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.

(Signature)
Vice-President
(Title)
2/27/87
(Date)

OIL CONSERVATION DIVISION

APPROVED MAR 16 1987, 19
BY Original Signed By
Les A. Clements
TITLE Supervisor District 11

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.