

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
 DRILL  DEEPEN  PLUG BACK   
 b. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER Re-Entry SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
 Hondo Oil & Gas Company

3. ADDRESS OF OPERATOR  
 P. O. Box 2208, Roswell, NM 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
 At surface  
 1980' FSL & 660' FEL  
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 9 miles northeast of Loco Hills, NM

10. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'  
 18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320'

16. NO. OF ACRES IN LEASE 639.56  
 19. PROPOSED DEPTH 3964'

17. NO. OF ACRES ASSIGNED TO THIS WELL 40  
 20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 3931' GR

22. APPROX. DATE WORK WILL START\*  
 5/31/89

23. EXISTING PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
	8 5/8"		719'	100 sx.
	7"	20#	3198'	200 sx.

We propose to drill and clean out this well to the present TD of 3868' and then to deepen it to a new TD of 3964'. 5" casing will be set from approximately 3000-3964'.

APPROVAL SUBJECT TO  
 FEDERAL REQUIREMENTS AND  
 FEDERAL REGULATIONS  
 INCURRED

FORMER: ARCO OIL & GAS CO. TD 3868'  
 P&A 4/26/82

RECEIVED  
 POST ID-1  
 NK 6-16-89

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Ron Bowen TITLE Petroleum Engineer DATE 5/1/89

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY Dir. Stanley Richard L. Marcus TITLE CONSERVATION RESOURCE AREA DATE 6-5-89

\*See Instructions On Reverse Side

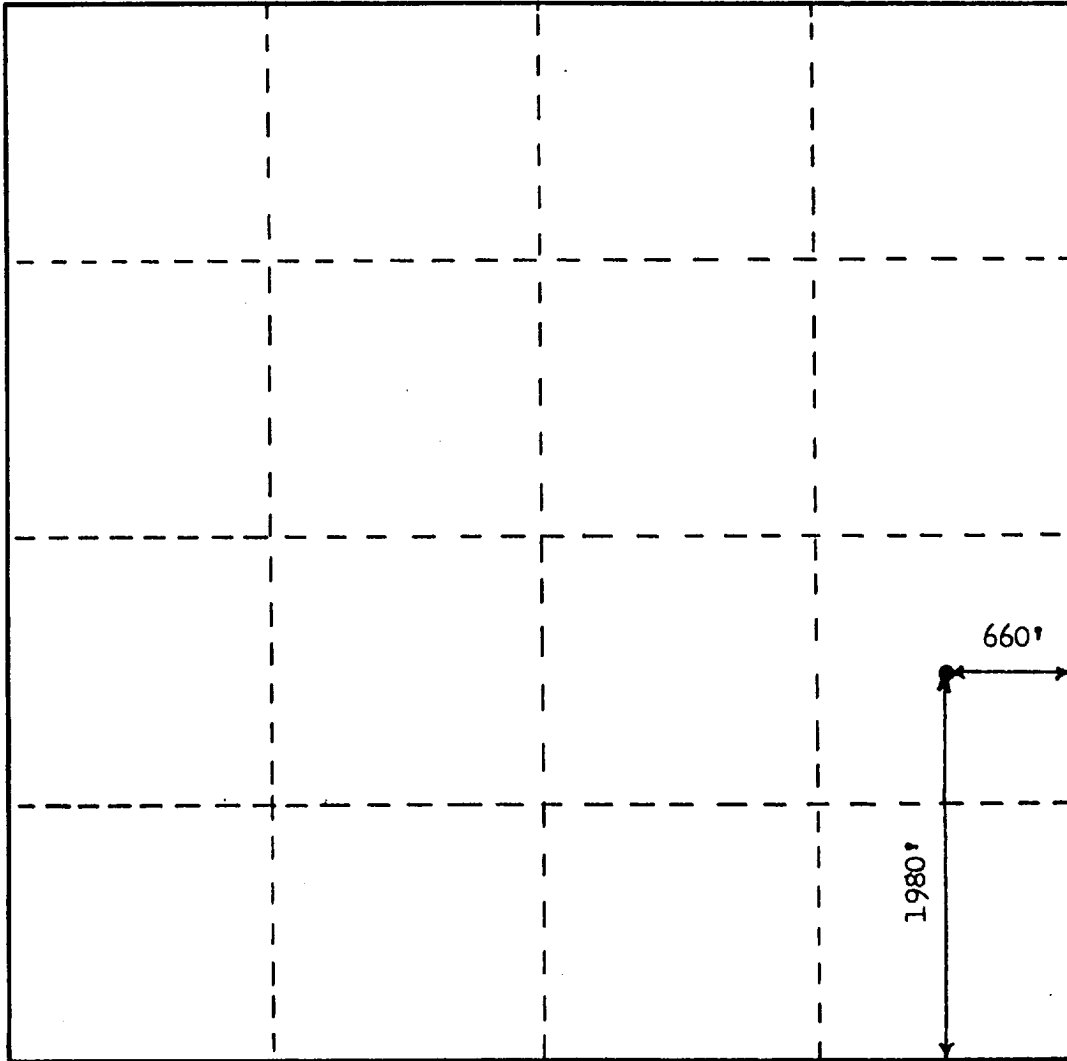
(Copy)

# WELL LOCATION SURVEY PLAT.

COMPANY Hondo Oil & Gas Company

LEASE H. E. West "A"

WELL NO. 9

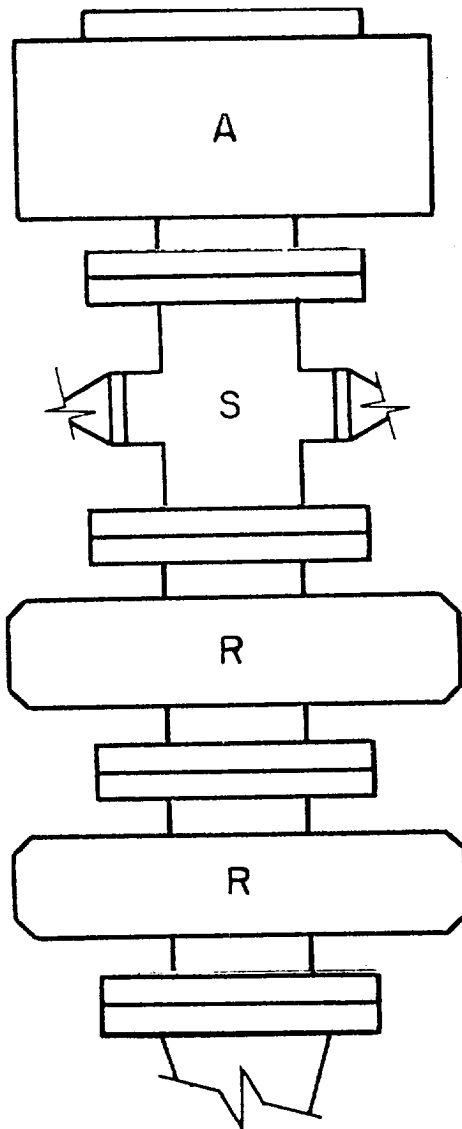


SEC. 4 TWP. 17 S. RGE. 31 E. N.M.P.M.

I CERTIFY THAT THIS SURVEY WAS MADE UNDER MY DIRECTION, AND THAT THE PLAT IS CORRECT TO THE BEST OF MY KNOWLEDGE.

*Glen Staley*

NEW MEXICO LICENSE NO. 423



A - Stripping Rubber

R - Blind and Pipe  
Rams

EXHIBIT D  
Hondo Oil & Gas Company  
H. E. West "A" #9  
BOP Diagram

APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY  
H. E. WEST "A", Well No. 9  
1980' FSL & 660' FEL, Sec.4-T17S-R31E  
Eddy County, New Mexico  
Lease No.: LC-029426-A  
(Re-Entry)

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Hondo Oil & Gas Company submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Rustler Anhydrite	513'	Grayburg	3134'
Top of Salt	688'	Premier	3311'
Base of Salt	1651'	San Andres	3468'
Yates	1803'	Lovington Sand	3580'
Seven Rivers	2109'	T.D.	3964'
Queen	2724'		
3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Random fresh water from surface to 300' +/-, and water flow from injection wells possible at around 2800'.

Oil: Grayburg at approximately 3134' or below.

Gas: None anticipated.
4. Proposed Casing Program: See Form 9-331C.
5. Proposed Control Equipment: See Form 9-331C and Exhibit "D".
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Blowout preventer, gas detector, kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging and Coring Program:

Drill Stem Tests: None planned.

Logging: LDT/CNL T.D. - 3200'

Coring: None planned.
9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, the proposed mud program will be modified to increase the mud weight.
10. Anticipated starting date: 5/31/89  
Anticipated completion of drilling operations: approximately 20 days

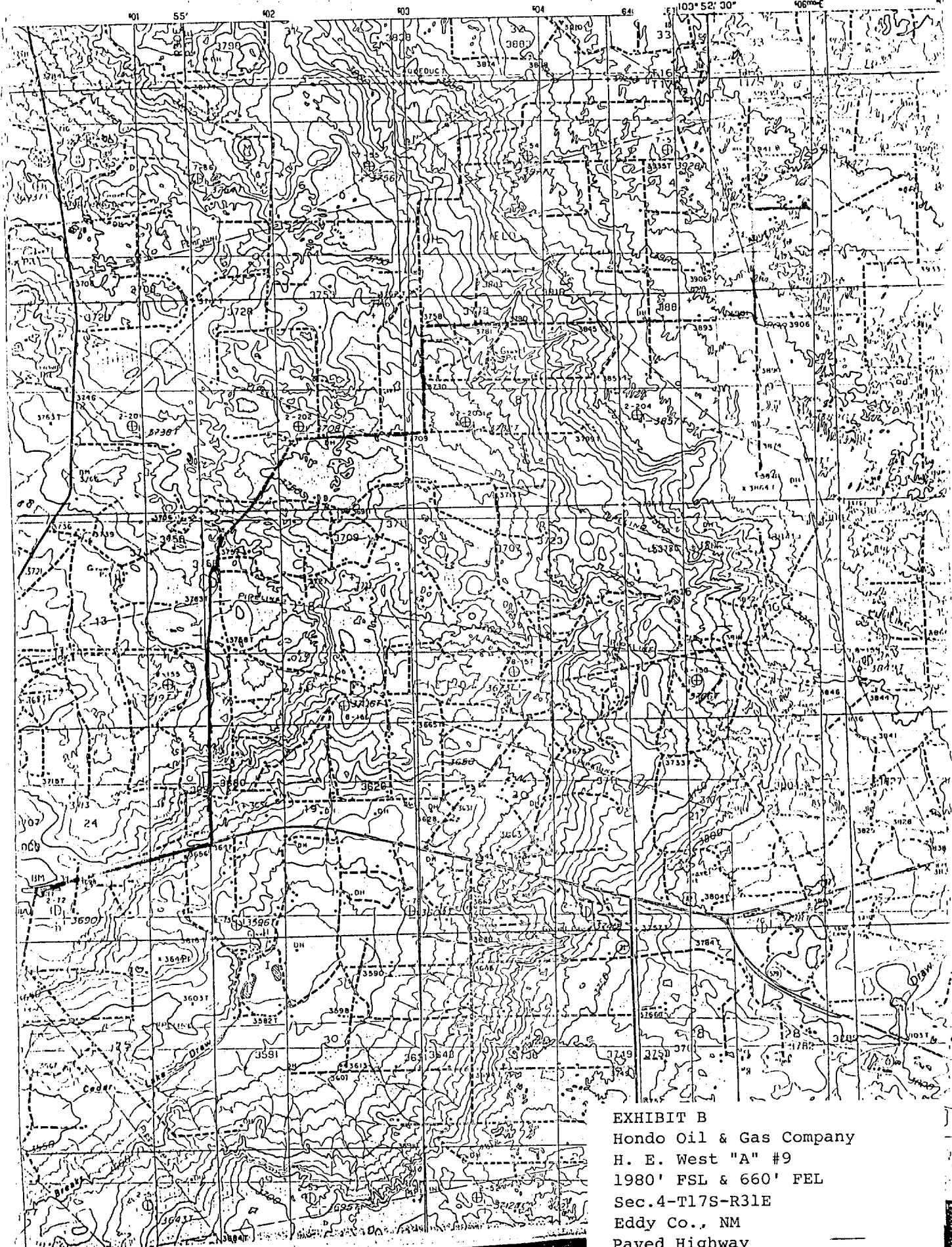


EXHIBIT B  
Hondo Oil & Gas Company  
H. E. West "A" #9  
1980' FSL & 660' FEL  
Sec. 4-T17S-R31E  
Eddy Co., NM  
Paved Highway ———  
Existing Access Road - - -  
Proposed Road ———

C/S '82

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

RECEIVED

SUNDRY NOTICES AND REPORTS

APR 10 1983

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

O. C. D.

1. oil well  gas well  other  WIW  ARTESIA, OFFICE

2. NAME OF OPERATOR ARCO Oil and Gas Company  
Division of Atlantic Richfield Company

3. ADDRESS OF OPERATOR  
P. O. Box 1710, Hobbs, N M 88241-1710

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)  
AT SURFACE: 1980' FSL & 660' FEL  
AT TOP PROD. INTERVAL:  
AT TOTAL DEPTH: as above

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:  
TEST WATER SHUT-OFF   
FRACTURE TREAT   
SHOOT OR ACIDIZE   
REPAIR WELL   
PULL OR ALTER CASING   
MULTIPLE COMPLETE   
CHANGE ZONES   
ABANDON\*   
(other)

SUBSEQUENT REPORT OF:

RECEIVED  
APR 30 1982  
OIL & GAS  
U.S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

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.)\*

- RU 4/21/82, installed BOP. POH w/injection assy.
- Set cmt retr @ 3012'. Squeezed OH 3188-3868' w/150 sx Cl C cmt cont'g 2% CaCl2. MP 1800#.
- Perf'd 7" csg @ 1890' w/2 JS. Set pkr @ 1860'. Established inj rate 2 BPM @ 2300#. POH w/pkr.
- Set cmt retr @ 1860'. Squeezed perfs @ 1890' w/120 sx Cl C cmt cont'g 2% CaCl2. Spotted 10 sx cmt on top of retr.
- Perf'd 7" csg @ 690' w/2 JS. Set pkr @ 680'. Established circ to surf thru perfs w/3 bbls wtr. POH w/pkr.
- Set cmt retr @ 622'. Pmpd 75 sx Cl C cmt cont'g 2% CaCl2, circ cmt to surf. POO cmt retr, circ cmt inside 7" csg to surf w/120 sx Cl C cmt. Cut off wellhead below GL. Installed regulation dry hole marker, cleaned & levelled location. Well P&A eff 4/26/82. Final Report.

Subsurface Safety Valve: Manu. and Type \_\_\_\_\_ Set @ \_\_\_\_\_ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED Jaroslav Schmidt TITLE Dist Drlg Supt. DATE 4/29/82

APPROVED (This space for Federal or State office use)  
APPROVED BY PETER V. CHESTER TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:  
**APR 8 1983**

Posted  
P E H  
5-7-82