

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.	30-025-31001
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	E-1075
7. Lease Name or Unit Agreement Name	
Lea 396 State	
8. Well No.	5
9. Pool name or Wildcat	Dean Permo Penn

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" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	
2. Name of Operator	Hondo Oil & Gas Company
3. Address of Operator	P. O. Box 2208, Roswell, NM 88202
4. Well Location	Unit Letter <u>H</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>35</u> Township <u>15S</u> Range <u>36E</u> NMPM Lea County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3852.4' GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <u>Convert to SWD</u> <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

We would like to commence conversion to SWD in the Permo Penn per Administrative Order No. SWD-423 dated May 22, 1991. Our proposed date to start is 12/2/91 as follows:

1. MI RU PU. ND wellhead. NU BOP.
2. PU Sand Line Drill & knock out CIBP @ 11,430'. Push CIBP to PBTD @ 11,607'.
3. PU Guiberson UNI-VI PKR. w/ 2.25" PN & ON-OFF Tool, 2 7/8" 6.5# N-80 8RD EUE tbg. intern. coated w/ FREECOM FOC 54 (Note: slip type elevators will be required due to spec. clearance couplings; run the jts. that are externally & intern. coated on top).
4. Set pkr. @ \pm 10,320'. Release on-off tool & displace annulus w/ 2% KCL wtr. treated w/ corrosion inhibitor.
5. Re-engage on-off tool. ND BOP. Land tbg. in wellhead w/ 10,000# slackoff. Load annulus w/ treated wtr. & test pkr. to 500 psi.
6. Install gate valve on tbg. RD PU.

Diagram attached.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE E. L. Buttross Jr. TITLE Petroleum Engineer DATE 11/20/91
TYPE OR PRINT NAME E. L. Buttross, Jr. TELEPHONE NO. 625-6732

(This space for State Use)

Orig. Signed by
Paul Kautz
Geologist

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

SWD-423

B. R. N

EXHIBIT "B"

Hondo Oil & Gas Company
Application to Inject
Lea 396 State #5
Lea Co., New Mexico

PRESENT

PROPOSED

(MEASUREMENTS 17' ABOVE GL)

13 3/8" casing set at 1934'

2 7/8" 6.5# N-80 8RD EUE TBG.
INTERN. COATED W/ FREECOM
FOC 54

8 5/8" casing set at 4900'

DV TOOL @7994'

Perf. 10,420-10,432'; 10,440-10,444';
10,446-10,450'; 10,672-10,692'

CIBP at 11,430', no cement

Perf. 11,516-11,588'

5 1/2" casing set at 11,650'

PBTD: 11,607'

TD: 11,650'

GUIB. UNI VI
PKR. @ $\pm 10,320'$
W/ 2.25" PN &
ON-OFF TOOL

5 1/2" CSG. DETAIL

0 ----- 875'
875' ----- 4125'
4125' ----- 8306'
8306' ----- 10247'
10247' ----- 11650'

17# L-80 BTC
17# L-80 LTC
17# J-55 LTC
17# L-80 LTC
23# HC-80 LTC