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Appropriate District Office
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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

OIL CONSERVATION DIVISION

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

**REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS**

Operator Hondo Oil & Gas Company		Well API No. 35-025-03127
Address P. O. Box 2208, Roswell, NM 88202		
Reason(s) for Filing (Check proper box) <input checked="" type="checkbox"/> Other (Please explain) New Well <input type="checkbox"/> Change in Transporter of: gas tested for gas pipeline Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> connection Change in Operator <input type="checkbox"/> Casinghead Gas <input checked="" type="checkbox"/> Condensate <input type="checkbox"/>		

If change of operator give name
and address of previous operator

II. DESCRIPTION OF WELL AND LEASE

Lease Name Lea 403 State	Well No. 2	Pool Name, Including Formation Reeves Queen	Kind of Lease State, Federal, or Other <input checked="" type="checkbox"/> Other	Lease No. E-1582
Location Unit Letter M : 660 Feet From The South Line and 660 Feet From The West Line Section 22 Township 18S Range 35E, NMPM, Lea 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"/> Koch Oil	Address (Give address to which approved copy of this form is to be sent) P. O. Box 1558, Breckenridge, TX 76024					
Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> Warren Petroleum Co.	Address (Give address to which approved copy of this form is to be sent) P. O. Box 1689, Lovington, NM 88260					
If well produces oil or liquids, give location of tanks.	Unit C	Sec. 27	Twp. 18S	Rge. 35E	Is gas actually connected? Yes	When? 3/23/90

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

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well <input checked="" type="checkbox"/>	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded 1/17/90	Date Compl. Ready to Prod. 1/27/90		Total Depth 4600'		P.B.T.D. 4556'			
Elevations (DF, RKB, RT, GR, etc.) 3905' GR	Name of Producing Formation Queen		Top Oil/Gas Pay 4432'		Tubing Depth 4406'			
Perforations 4432-4450'					Depth Casing Shoe 4567'			
TUBING, CASING AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			
17 1/2"	13 3/8"		332'		400 sx.			
12 1/4"	9 5/8"		400-4000'		1650 sx.			
7 7/8"	4 1/2"		4567'		1280 sx.			
	2 3/8"		4406'					

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

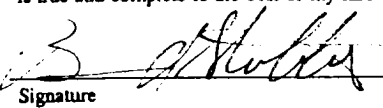
Date First New Oil Run To Tank	Date of Test 3/2/90	Producing Method (Flow, pump, gas lift, etc.) Pumping	
Length of Test 24 hrs.	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas- MCF 93

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR 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 above
is true and complete to the best of my knowledge and belief.

Signature 
Bruce Stubbs Production Superintendent
Printed Name Title
3/23/90 (505) 625-6729
Date Telephone No.

OIL CONSERVATION DIVISION

MAR 23 1990

Date Approved

By ORIGINAL SIGNED BY JERRY SEXTON

DISTRICT I SUPERVISOR

Title

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

RECEIVED

MAR 21 1990

CCD
HOBBS SERVICE