

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

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 3 1/2 miles I

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 26 miles west of Hobbs, NM

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1/4 of a mile

16. NO. OF ACRES IN LEASE

160

19. PROPOSED DEPTH

5300' 5200'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3717' (3712') GR

Sandstone/Potash

22. APPROX. DATE WORK WILL START*

08/01/91

23.

PROPOSED CASING AND CEMENTING PROGRAM

Capiton Controlled Water Loss

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	500'	300 sx Class "C" Circ. to Surface
7 7/8"	5 1/2"	15.5#	5200'	1200 sx

Mud Program:

0'-1300' Fresh water & spud mud.
1300'-5200' Brine water, paper & lime.

BOP Program: 3 M

See Exhibit "E"

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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 B. J. Stettin TITLE District Superintendent DATE 07/17/91

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE 8-16-91

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

OIL CONSERVATION DIVISION

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Hondo Oil & Gas Company			Lease Phyllis Federal		Well No. 2
Unit Letter I	Section 20	Township 19 South	Range 34 East	County Lea	
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the East line					
Ground level Elev. 3717	Producing Formation Seven Rivers Queen		Pool Pearl Queen	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

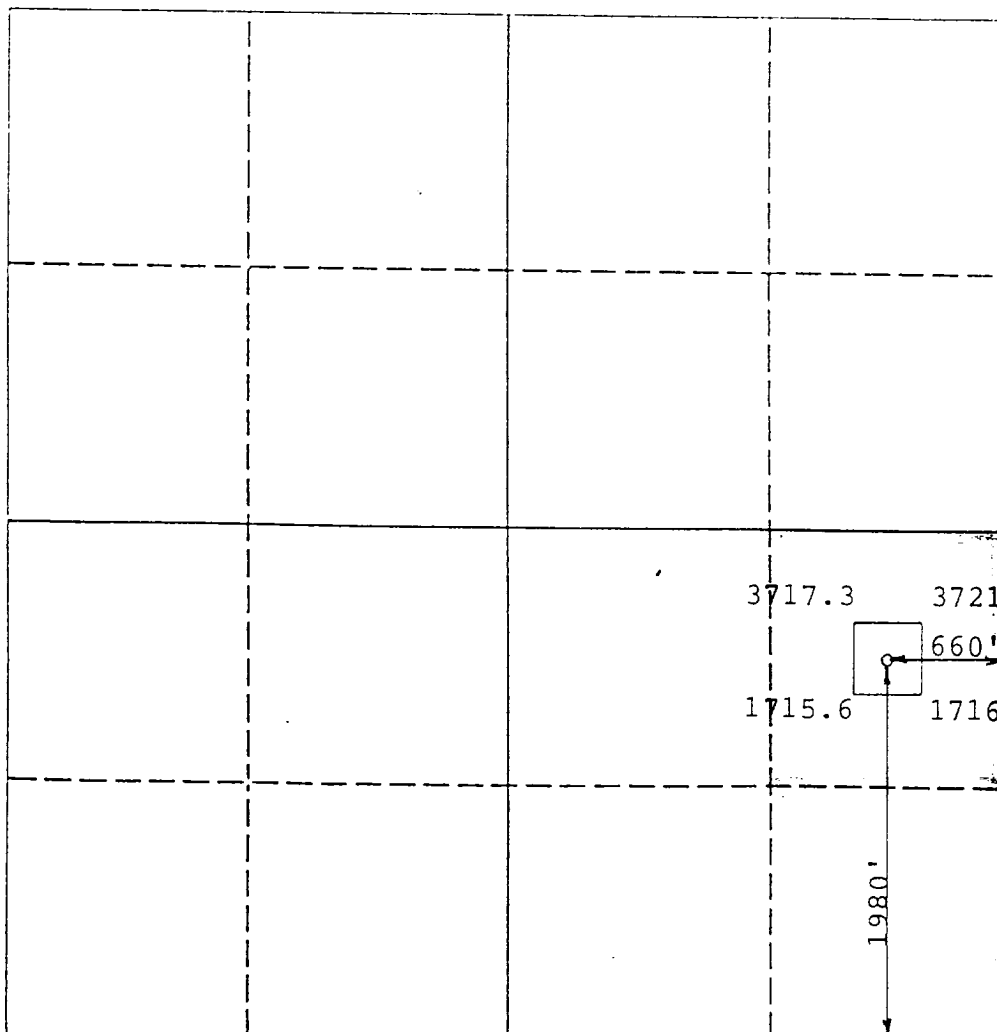
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☒ No If answer is "yes" type of consolidation:

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
B. Stubbs
Printed Name
Bruce A. Stubbs
Position
District Superintendent
Company
Hondo Oil & Gas Company
Date
July 17, 1991

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
July 30, 1991
Signature & Seal of Professional Surveyor
P.R. Patton
Certificate No.
8112

APPLICATION FOR DRILLING

HONDO OIL & GAS COMPANY
Phyllis Federal No. 2
1980' FSL & 660' FEL, Sec.20-T19S-R34E
Lea County, New Mexico
Lease No.: NM-0141013
(Development Well)

In conjunction with Form 3160-3, 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 with surficial deposits.
2. The estimated tops of geologic markers are as follows:

Anhydrite	1670'	Seven Rivers	4015'
Top/Salt	1915'	Queen	4475'
Base/Salt	3215'	Q1 Sand	4490'-4500'
Yates	3770'	Q2 Sand	4505'-4510'
Upper "B"	3775'-3790'	Q4 Sand	4620'-4630'
Lower "B"	3860'-3875'	Penrose P1 Sand	4735'
Upper "C"	3945'-3975'	P2 Sand	4780'-4790'
Lower "C"	3995'-4005'	San Andres	4900'

3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Random fresh water sands from surface to 300' .

Oil: Penrose at approximately 4735', Queen at approximately 4475' and possibly the Seven Rivers at approximately 4015'.

Gas: None expected.

4. Proposed Casing Program: See Form 3160-3.
5. Proposed Control Equipment: See Form 3160-3.
6. Mud Program: See Form 3160-3.
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:	(Log Type)	(Depth Logged)
	GR-CNL-Caliper	Surf. - T.D.
	LDT-Caliper	3100' - T.D.
	GR-DLL-MSFL-Calip.	3100' - T.D.

Coring: None planned.

BLOWOUT PREVENTER

(3 M)

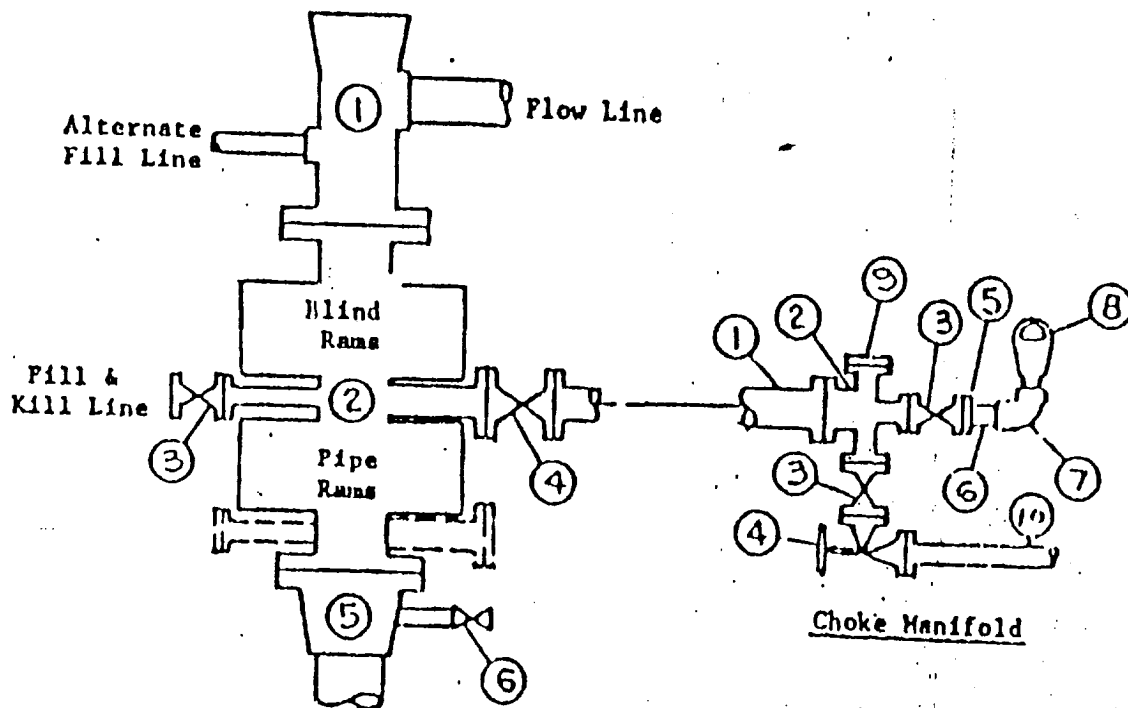


EXHIBIT "E"

Hondo Oil & Gas Company

Phyllis Federal #2

BOP Diagram