

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

Bannon Energy, Inc.

3. ADDRESS OF OPERATOR

P.O. Box 2058, Farmington NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

1745' FSL, 2150' FWL

At proposed prod. zone

same

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

4 1/2 miles from Counselors Trading Post (NW)

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drig. unit line, if any)

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

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

6881' GR

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12 1/4"	8 5/8"	24.0 lb.J-55	300'
7 7/8"	4 1/2"	10.5 lb.K-55	5800'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START\*

September 20, 1989

This action is subject to technical and  
procedural review pursuant to 43 CFR 3160.3  
and appears to comply with 43 CFR 3160.4.

Cement to Surface

800 sx - volumes to be

calculated subsequent to  
logging.

AUG 23 1989

OIL CON. DIV.

Well to be drilled to penetrate the Gallup Formation. All producing  
intervals in the Gallup will be stimulated as necessary.

EXHIBITS:

"A" Location and Elevation Plat

"B" Ten point compliance program

"C" Blowout preventor diagram

"D" Multi-point requirements of APD

The gas from this lease is committed.

"E" Site specific checklist  
for roads

"F" Drill rig layout

"G" Completion program layout

"H" Location Profile

"I" Proposed Pipeline

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

TITLE Agent for Bannon Energy Inc. 7/24/89

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency, the

All distances must be from the outer boundaries of the Section.

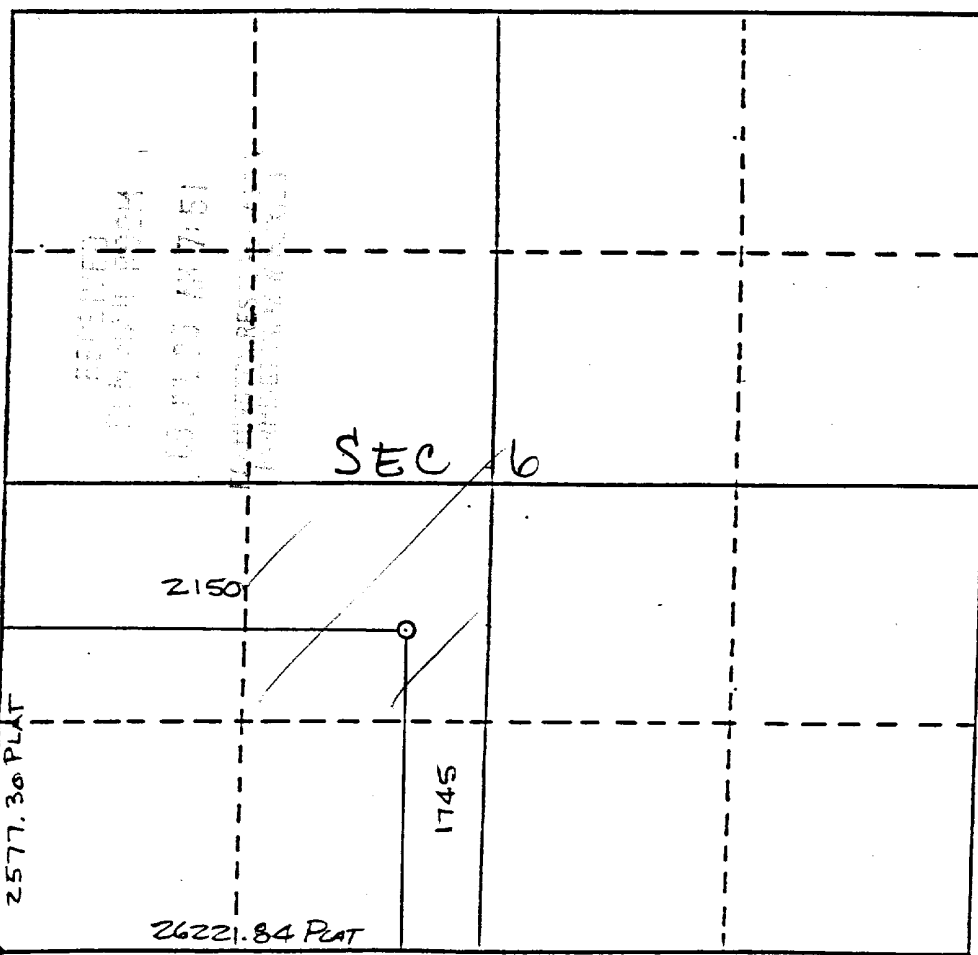
Operator Bannon Energy, Inc.			Lease Grace Federal		Well No. 1R
Unit Letter K	Section Sec. 6	Township T-23-N	Range R-6-W	County Rio Arriba County	
Actual Footage Location of Well: 1745 feet from the South line and 2150 feet from the West line					
Ground Level Elev. 6881 ft.	Producing Formation Gallup	Pool Lybrook	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 interests 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, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

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

Name  
Operating Agent  
Position  
Bannon Energy, Inc.  
Company  
July 21, 1989  
Date

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.

Date Surveyed  
May 19, 1989  
Registered Land Surveyor  
R. Howard Daggett  
Certificate No. NM #9679  
Land Surveyor

Attachment to Exhibit "E"

