

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 ☐
FARMINGTON RESOURCE AREA
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 2250' FNL, 500' FWL

At proposed prod. zone
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
5 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.
5800'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6810' 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 37.96

20. ROTARY OR CABLE TOOLS
Rotary

22. APPROX. DATE WORK WILL START
September 1, 1989

This action is subject to technical and procedural review pursuant to 3 CFR 3165.3 and appeal pursuant to 49 CFR 3165.4.

Cement to Surface
800 sx - volumes to be calculated subsequent logging.

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.

SIGNED B. H. Salzman TITLE Agent for Bannon Energy Inc. DATE July 26 1989

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
AUG 8 1989
for AREA MANAGER
FARMINGTON RESOURCE AREA

*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 of the United States a false statement or to conceal or destroy any record or document.

NMOCD

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

Operator Bannon Energy, Inc.		Lease Grace Federal 1		Well No. 1R
Unit Letter E	Section Sec. 1	Township T-23-N	Range R-7-W	County Rio Arriba County
Actual Footage Location of Wells 2250 feet from the North line and 500 feet from the West line				
Ground Level Elev. 6810 ft.	Producing Formation Gallup	Pool Lybrook	Dedicated Acreage 48 37.96 Acres	

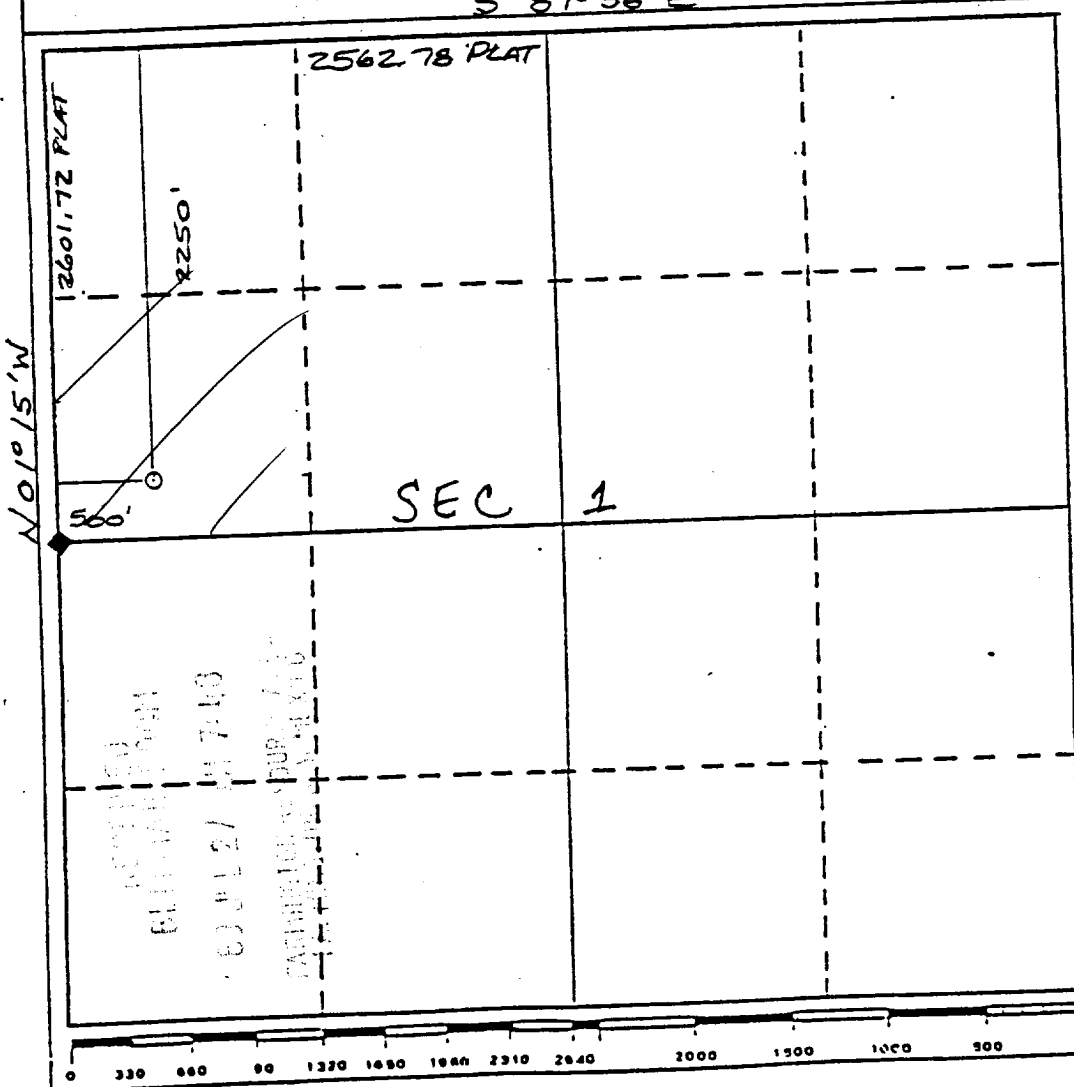
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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.

S 87° 36' E



CERTIFICATION

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

B. R. Salzman

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 and belief.

R. HOWARD DAGGETT
NEW MEXICO
Date Surveyed
May 24, 1989
Registered Land Surveyor
R. Howard Daggett
Certificate No.
NM #9678
Registered Professional
Land Surveyor