

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

2173' FSL, 495' FEL

At proposed prod. zone
same

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

2 1/2 miles NNW from Counselors Trading Post

15. DISTANCE FROM PROPOSED*

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

16. NO. OF ACRES IN LEASE

2462

17. NO. OF ACRES ASSIGNED

TO THIS WELL

160

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

5800'

20. ROTARY OR CABLE TOOLS

Rotary

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

6864' GR

22. APPROX. DATE WORK WILL START*

October 10, 1989

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0 lb.J-55	300'	Cement to Surface
7 7/8"	4 1/2"	10.5 lb.K-55	5800'	800 sq. yds. - volumes to be calculated subsequent to logging.

RECEIVED

OCT 16 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

B. R. Salzman

TITLE Agent for Bannon Energy Inc. 7-27-89

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

DATE

OCT 12 1989

*See Instructions On Reverse Side

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 37501

Form C-102
Revised 10-1-78STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENT

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

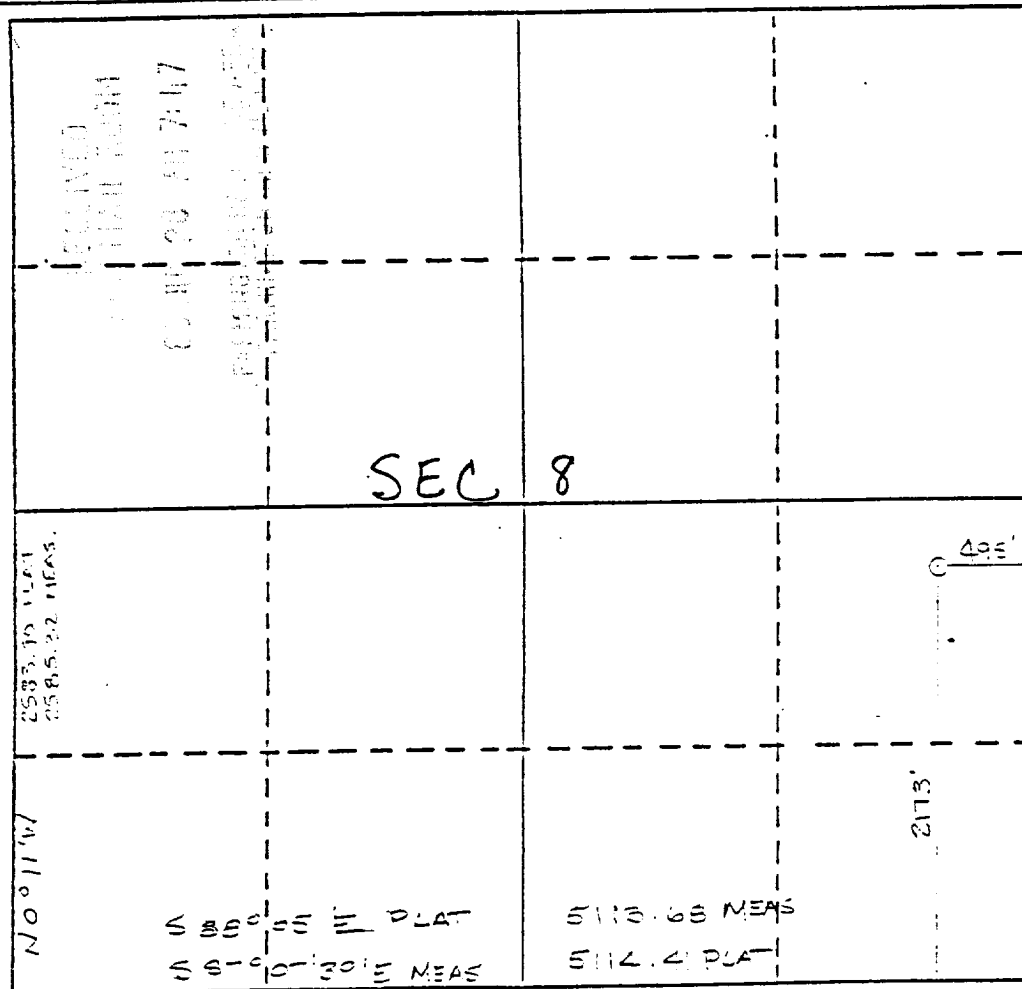
Bannon Energy, Inc.		Lease Federal		Well No. 8-1	
Section I	Sec. 8	Township T-23-N	Range R-6-W	County Rio Arriba County	
Adjacent Section Location of Well: 2173 feet from the South line and 495 feet from the East line					
Ground Level Elev. 6864	Producing Formation Gallup		Pool Counselor Gallup-Dakota		Dedicated Acreage: 160 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.

B. R. Seelman

Name

Operating Agent

Position

Bannon Enrgy, 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.

Date Surveyed

May 22, 1989

Registered Land Surveyor

R. Howard Taggett
R. Howard Taggett

Certification by Registered Professional

NM #9679 and Surveyor