

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

API NO. (assigned by OCD on New Wells)

30-039-24574

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

E-1207-1

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐

b. Type of Well:

OIL WELL ☒ GAS WELL ☐ OTHER ☐  
SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. Name of Operator

Bannon Energy, Inc. c/o Holcomb Oil & Gas, Inc.

3. Address of Operator

P.O. Box 2058, Farmington, NM 87499

7. Lease Name or Unit Agreement Name

STATE 2

8. Well No.

3

9. Pool name or Wildcat

Counselors Gallup Dakota

4. Well Location

Unit Letter L : 1824 Feet From The South Line and 777 Feet From The West Line

Section 2 Township 23N Range 6W NMPM Rio Arriba County

10. Proposed Depth

5900'

11. Formation

Gallup

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

6713

14. Kind & Status Plug Bond

15. Drilling Contractor

16. Approx. Date Work will start

12-15-89

17. PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT          | EST. TOP |
|--------------|----------------|-----------------|---------------|--------------------------|----------|
| 12 1/2"      | 8 5/8"         | 24.0 lb. J-55   | 300'          | Cement to surface        |          |
| 7 7/8"       | 4 1/2"         | 10.5 lb. K-55   | 5900'         | 800 sx-volume to be      |          |
|              |                |                 |               | calculated subsequent to |          |
|              |                |                 |               | logging.                 |          |

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

EXHIBITS:

"A" Topo map

APPROVAL EXPIRES 5-16-90  
UNLESS DRILLING IS COMMENCED.  
SPUD NOTICE MUST BE SUBMITTED  
WITHIN 10 DAYS.

RECEIVED  
NOV 15 1989  
OIL CON. DIV.  
DIST. 3

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE W. J. Holcomb TITLE Agent, Bannon Energy, Inc. DATE 11-14-89

TYPE OR PRINT NAME W. J. Holcomb

TELEPHONE NO.

(This space for State Use)

APPROVED BY Ernie Borch TITLE DEPUTY STATE GAS INSPECTOR DIST #3

DATE

NOV 16 1989

CONDITIONS OF APPROVAL, IF ANY:

BOP TO BE USED

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

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

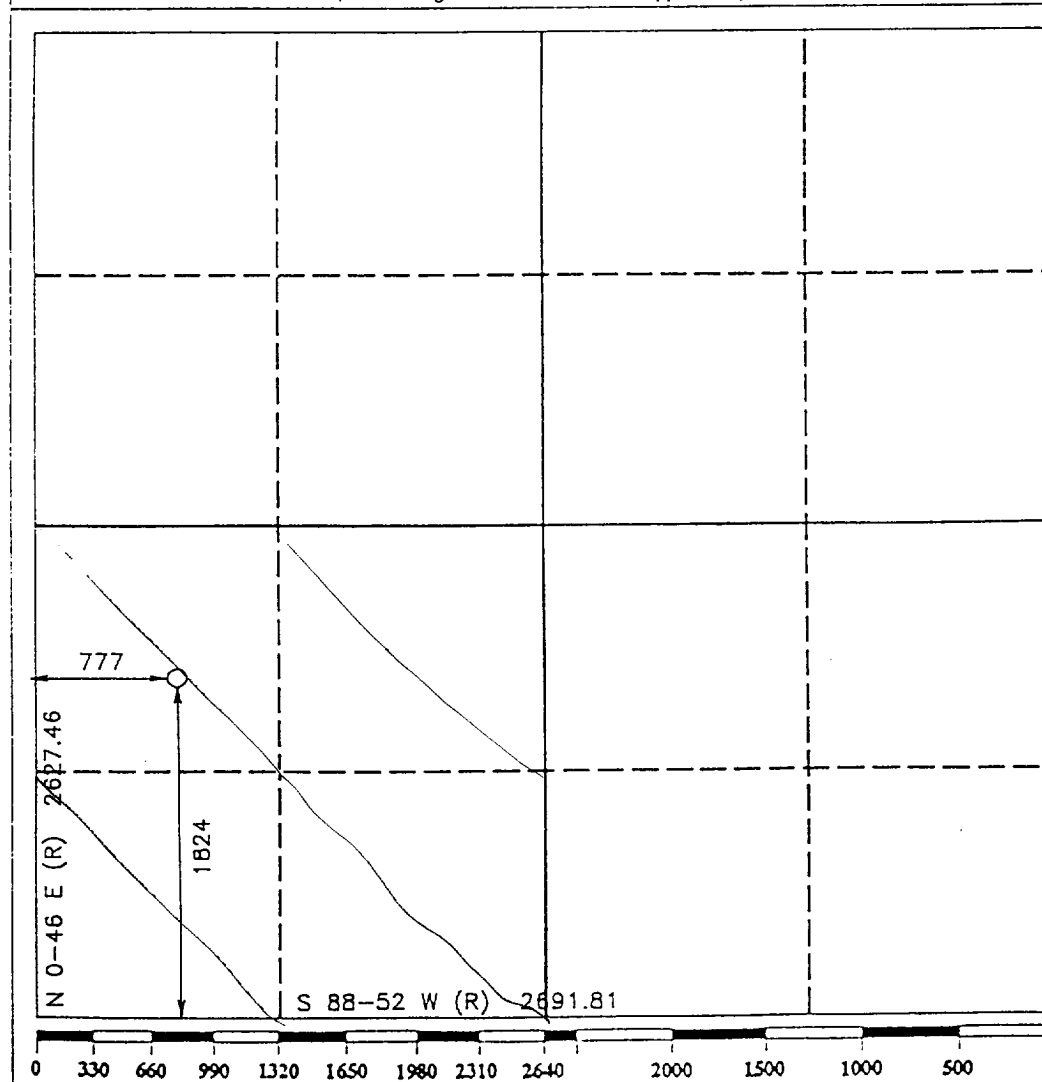
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

|   |                                      |                                  |  |                             |
|---|--------------------------------------|----------------------------------|--|-----------------------------|
| Operator<br><b>BANNON ENERGY, INC.</b>  |                                      | Lease<br><b>STATE 2</b>          |  | Well No.<br><b>3</b>        |
| Unit Letter<br><b>L</b>   | Section<br><b>2</b>                  | Township<br><b>T.23 N.</b>       | Range<br><b>R.6 W.</b>                 | County<br><b>RIO ARriba</b> |
| Actual Footage Location of Well:<br><b>1824</b> feet from the <b>SOUTH</b> line and <b>777</b> feet from the <b>WEST</b> line |                                      |                                  |  |                             |
| Ground level Elev.<br><b>6713.0</b>   | Producing Formation<br><b>Gallup</b> | Pool<br><b>Counselors Dakota</b> | Dedicated Acreage:<br><b>160</b> Acres |                             |

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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, forced-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  
*W. J. Holcomb*  
Printed Name  
**W. J. Holcomb**  
Position  
**Operating Agent**  
Company  
**Bannon Energy, Inc.**  
Date  
**11-14-89**

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  
**NOV 11 1989**  
Signature & Seal of Professional Surveyor  
**R. HOWARD DADGETT**  
Certificate No.  
**9678**  
Registered Professional  
Land Surveyor

State 2-3  
1824' FSL x 777' FWL  
Sec. 2 T23N R6W  
Rio Arriba Co., NM

CANYON

PICARILLA INDIAN RESERVATION


Legend:

- Proposed Well
- Proposed Road
- Proposed Pipeline
- Drilling Well
- P & A Well
- Existing Well
- Existing Road
- Existing Pipeline
- Water Well

● Existing Well

— Existing Road

### Existing Pipeline:

 Water Well