

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. c/o Holcomb Oil & Gas

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 Unit I 1766 FSL x 818' FEL
At proposed prod. zone

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

1.6 miles SE of Lybrook

15. DISTANCE FROM PROPOSED

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

16. NO. OF ACRES IN LEASE

2560

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

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.)

7025' GR

22. APPROX. DATE WORK WILL START

4-15-90

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" | 11.6 Lb. K-55 | 5800' |

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"
Cement to surface
800 sx-volume to be calculated
subsequent to logging & circulated
to surface.

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

EXHIBITS:

- "A" Location & Elevation Plat
- "B" Ten Point Compliance Program
- "C" Blowout Preventor Diagram
- "D" Multi-point requirements of APD
- "E" Site specific checklist for roads
(Attachment to "E" - Topo map)

- "F" Drill Rig Layout
- "G" Completion Program Layout
- "H" Location Profile

The gas from this lease is
committed.

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. W. J. Holcomb

SIGNED

TITLE

Agent, Bannon Energy

APPROVED DATE 4-9-90

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

NMOCD

APPROVED
MAY 22 1990
FARMINGTON, NM
MANAGER

RECEIVED
JUN 10 1964
U.S. AIR FORCE
OFFICE OF THE
JUDGE ADVOCATE
GENERAL

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

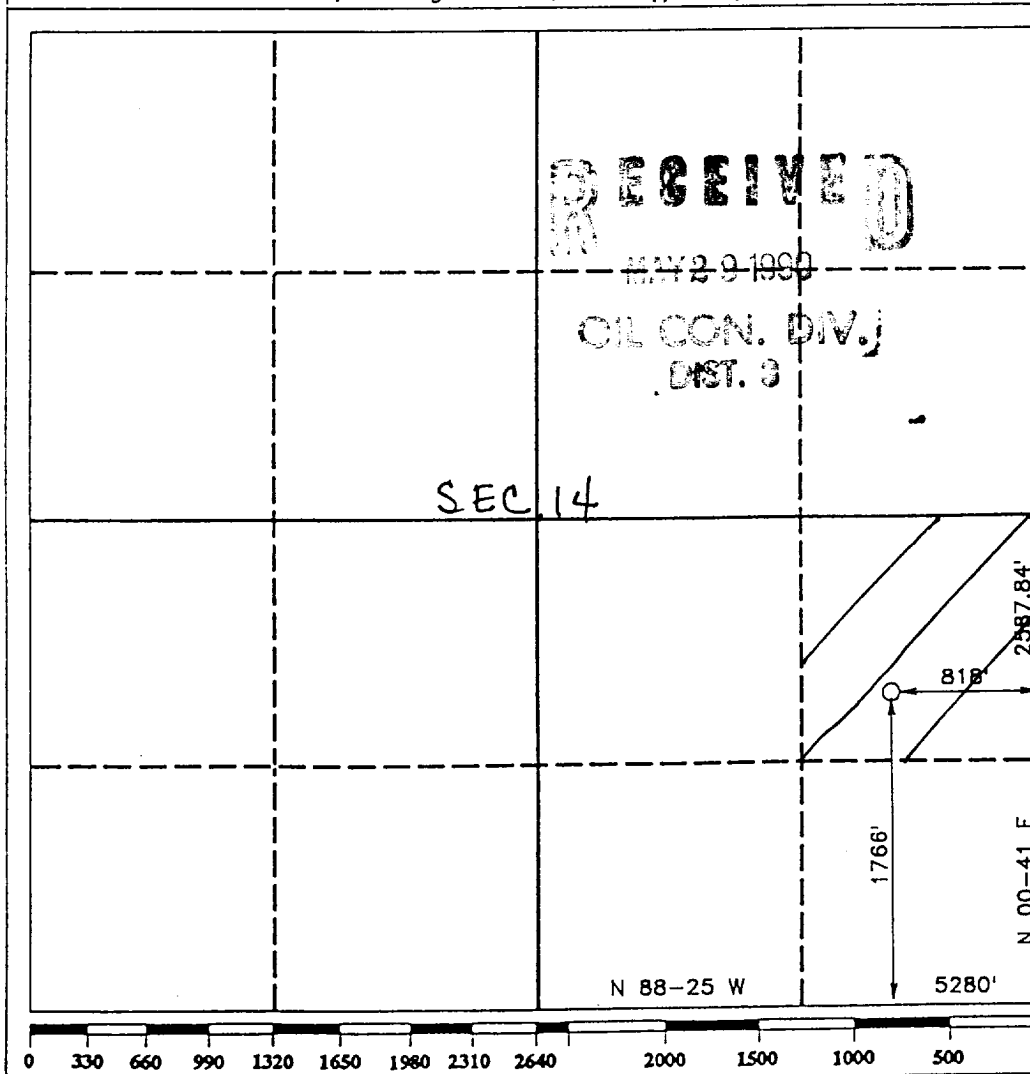
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| | | | | | |
|---|--------------------------------------|----------------------------|-------------------------------|------------------------------------|---------------------------------------|
| Operator BANNON ENERGY, INC. | | | Lease FEDERAL 14 | | Well No. 3 |
| Unit Letter I | Section 14 | Township T.23 N. | Range R.7 W. | County RIO ARriba COUNTY | |
| Actual Footage Location of Well: 1766 feet from the SOUTH line and 818 feet from the EAST line | | | | | |
| Ground level Elev. 7025 | Producing Formation Gallup | | Pool Lybrook Gallup | | Dedicated Acreage: 40 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 **Agent**
Company **Bannon Energy, Inc.**
Date **3-9-90**

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 **JANUARY 12, 1990**
Signature & Seal of Professional Surveyor **R. HOWARD DAGGE**
Certificate No. **9679**
Registered Professional Land Surveyor