

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 applicable requirements.)
 At surface: Unit J 1669-FSL x 1660FEL
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 3 1/2 miles SE of Lybrook

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 6996' GL

16. NO. OF ACRES IN LEASE
 2560 2565.24

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.
 5800'

19. PROPOSED DEPTH
 5800'

20. ROTARY OR CABLE TOOLS
 Rotary

22. APPROX. DATE WORK WILL START*
 June 1, 1990

RECEIVED
JUN 1 1990
OIL CON. DIV.
DIST. 3

5. LEASE DESIGNATION AND SERIAL NO.
 SF 078360

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 Navajo Indian Tribe

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Federal 18

9. WELL NO.
 4

10. FIELD AND POOL OR WILDCAT
 Lybrook Gallup Ext. *COOPER'S*

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 J Sec. 18 T23N R6W

12. COUNTY OR PARISH
 Rio Arriba

13. STATE
 NM

This action is subject to technical and procedural review pursuant to 43 CFR 2185.3 and applies pursuant to 43 CFR 3160.3

PROPOSED CASING AND CEMENTING PROGRAM	DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"
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.

34. W. J. Holcomb
 SIGNED: *[Signature]* TITLE: Agent, Bannon Energy DATE: 4-26-90

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____ **APPROVED**

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY: *[Handwritten notes]* NMOCD *[Signature]* AREA MANAGER

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

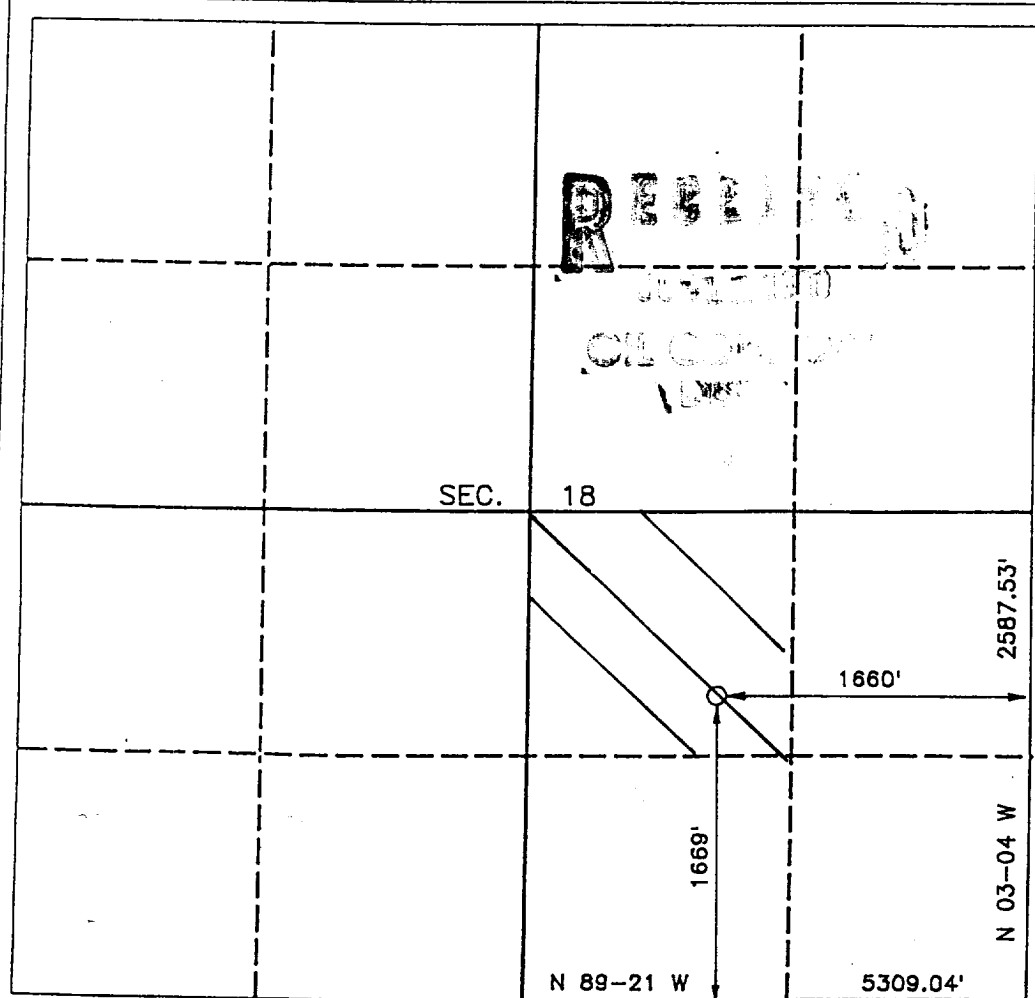
Operator BANNON ENERGY, INC.		Lease FEDERAL 18		Well No. 4
Unit Letter J	Section 18	Township T.23 N.	Range R.6 W.	County RIO ARriba COUNTY
Actual Footage Location of Well: 1669 feet from the SOUTH line and 1660 feet from the EAST line				
Ground level Elev. 6996	Producing Formation GALLUP	Pool CEMISELOKS LYBROOK GALLUP/DNA EXT	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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.



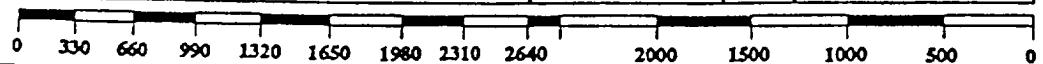
OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *W.J. Holcomb*
 Printed Name: **W.J. Holcomb**
 Position: **Agent**
 Company: **Bannon Energy**
 Date: **4-25-90**

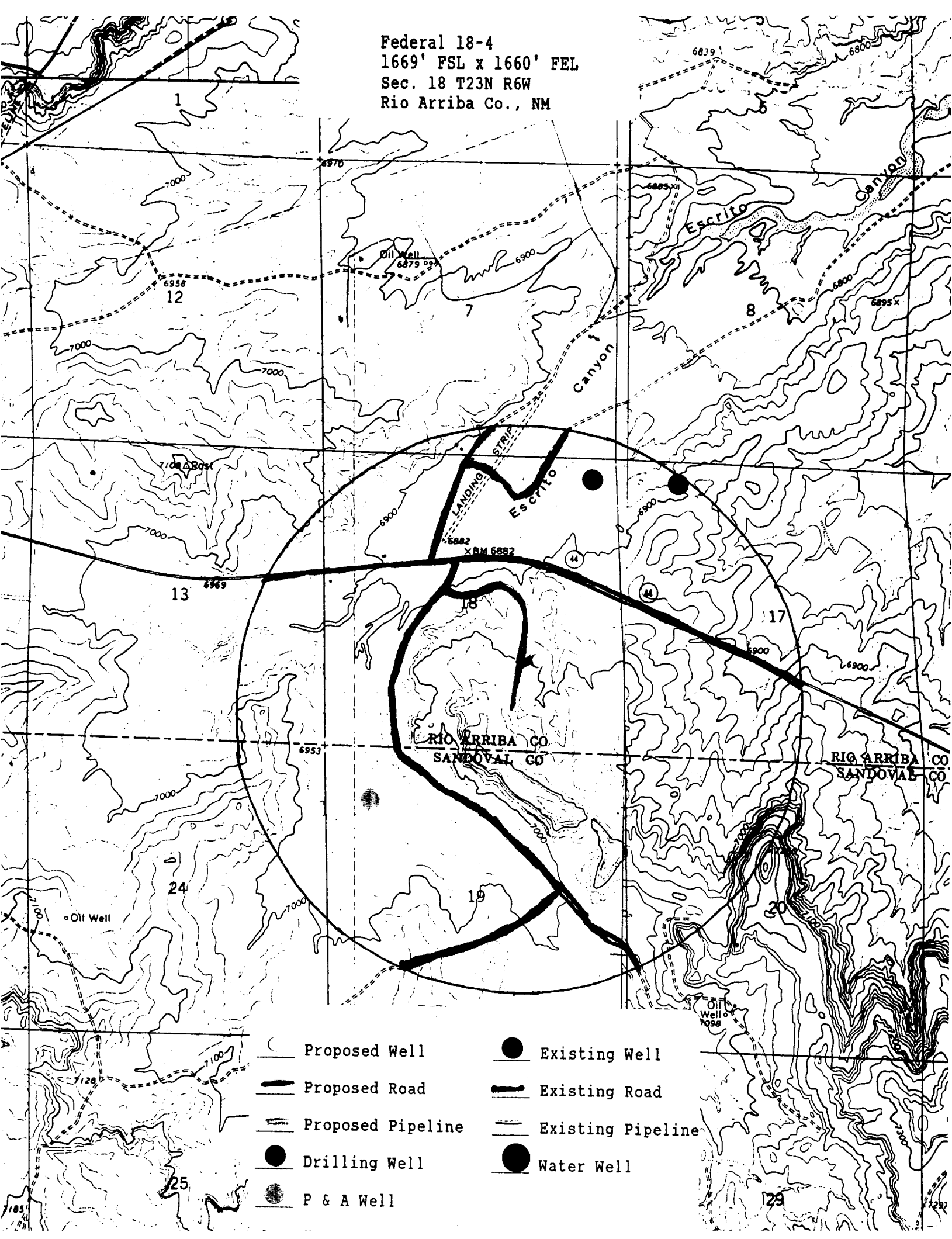
SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.










Date Surveyed: **APR 15 1990**
 Signature & Seal of Professional Surveyor:
R. HOWARD DAGGETT
R. Howard Daggett
 PROFESSIONAL SURVEYOR

Certificate No. **Reg 9679** Professional Land Surveyor



Federal 18-4
 1669' FSL x 1660' FEL
 Sec. 18 T23N R6W
 Rio Arriba Co., NM



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