

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~~ *Degett & Cherault*

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 L 1804' FSL x 975' FEL

At proposed prod. zone

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

4 miles North of Counselors Trading Post

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.

16. NO. OF ACRES IN LEASE

2461.69

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

19. PROPOSED DEPTH

5800'

20. ROTARY OR CABLE TOOLS

Rotary

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

6848' GL

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.3

22. APPROXIMATE DATE WHEN WILL START*

June 1, 1990

23. PROPOSED CASING AND CEMENTING PROGRAM

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	8 5/8"	24.0 lb. J-55	300'	Cement to surface
7 7/8"	4 1/2"	11.6 Lb. K-55	5800'	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 *W. J. Holcomb* BUREAU

Agent, Bannon Energy

TITLE

DATE 4-16-90

(This space for use by the Bureau)

PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL

TITLE

OIL CON. DIV.

DIST: 3

NMOOD

*See Instructions On Reverse Side

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

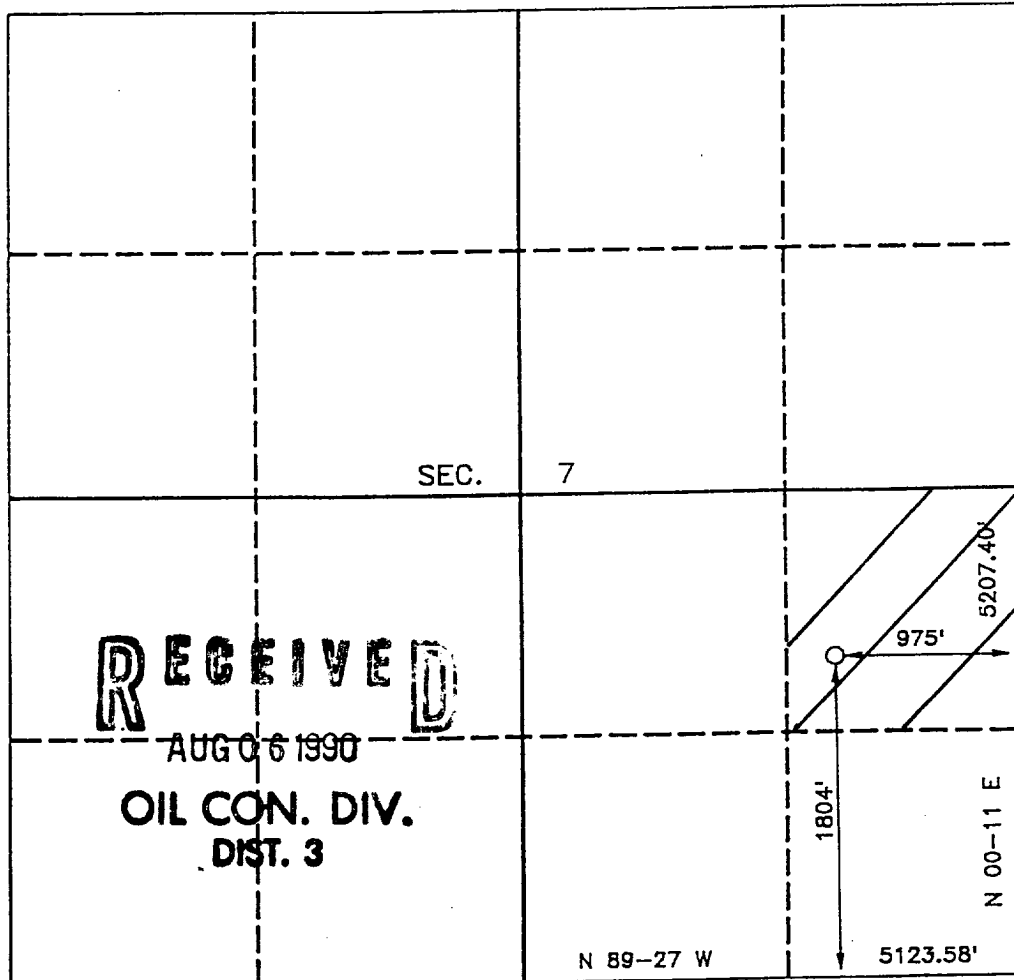
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator BANNON ENERGY, INC.		Lease MARCUS		Well No. 3R
Unit Letter L	Section 7	Township T.23 N.	Range R.6 W.	County RIO ARriba COUNTY
Actual Footage Location of Well: 1804 feet from the SOUTH line and 975 feet from the EAST line				
Ground level Elev. 6848	Producing Formation Gallup	Pool Counsellors Lybrook Gallup		Dedicated Acreage: 40 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 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

April 16, 1990

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

APRIL 16, 1990

Signature & Seal of

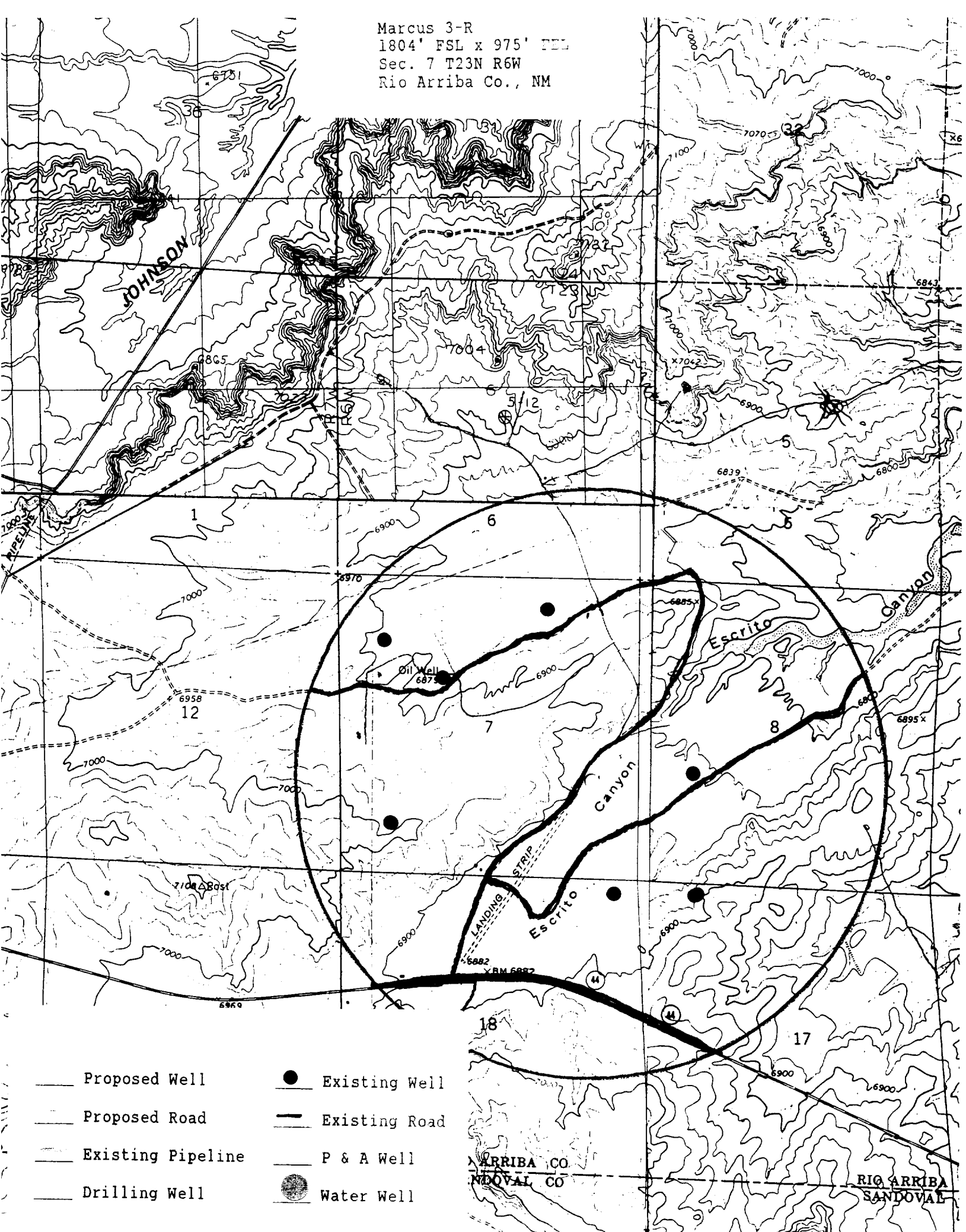
Professional Surveyor

R. HOWARD DASGE

Certificate No.

Registered Professional
Land Surveyor

Marcus 3-R
 1804' FSL x 975' FSL
 Sec. 7 T23N R6W
 Rio Arriba Co., NM



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

ARRIBA CO
 SDOVAL CO

RIO ARRIBA
 SANDOVAL