

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

30-039-24941

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 Daggett & Chenault, Inc.

3. ADDRESS OF OPERATOR

3539 E. 30th, Ste. 7B, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

2151' FSL, 625'FWL Sec. 14, T.23 N., R.7 W. Unit L

At proposed prod. zone

same

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

1 1/2 miles east of Escrito Trading Post

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.) This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

7122'

22. APPROX. DATE WORK WILL START*

9-15-90

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" AND
Cement to surface
800 SX-Vol. to be calculated
subsequent to logging &
circulate 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" Locatin 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. A. Chabugua*
SIGNED *W. A. Chabugua* TITLE *Vice President* DATE *August 28, 1990*

(This space is for Federal Land Office use)

PERMIT NO.

OCT 1 1990

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL (If any)

TITLE

OIL CON. DIV.

DIST. 3

NMOCD

*See Instructions On Reverse Side

EXHIBIT A

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

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

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. 7 |
| Unit Letter L | Section 14 | Township T.23 N. | Range R.7 W. | County RIO ARriba COUNTY | |
| Actual Footage Location of Well: 2151 feet from the SOUTH line and 625 feet from the WEST line | | | | | |
| Ground level Elev. 7122 | Producing Formation Gallup | | Pool 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.

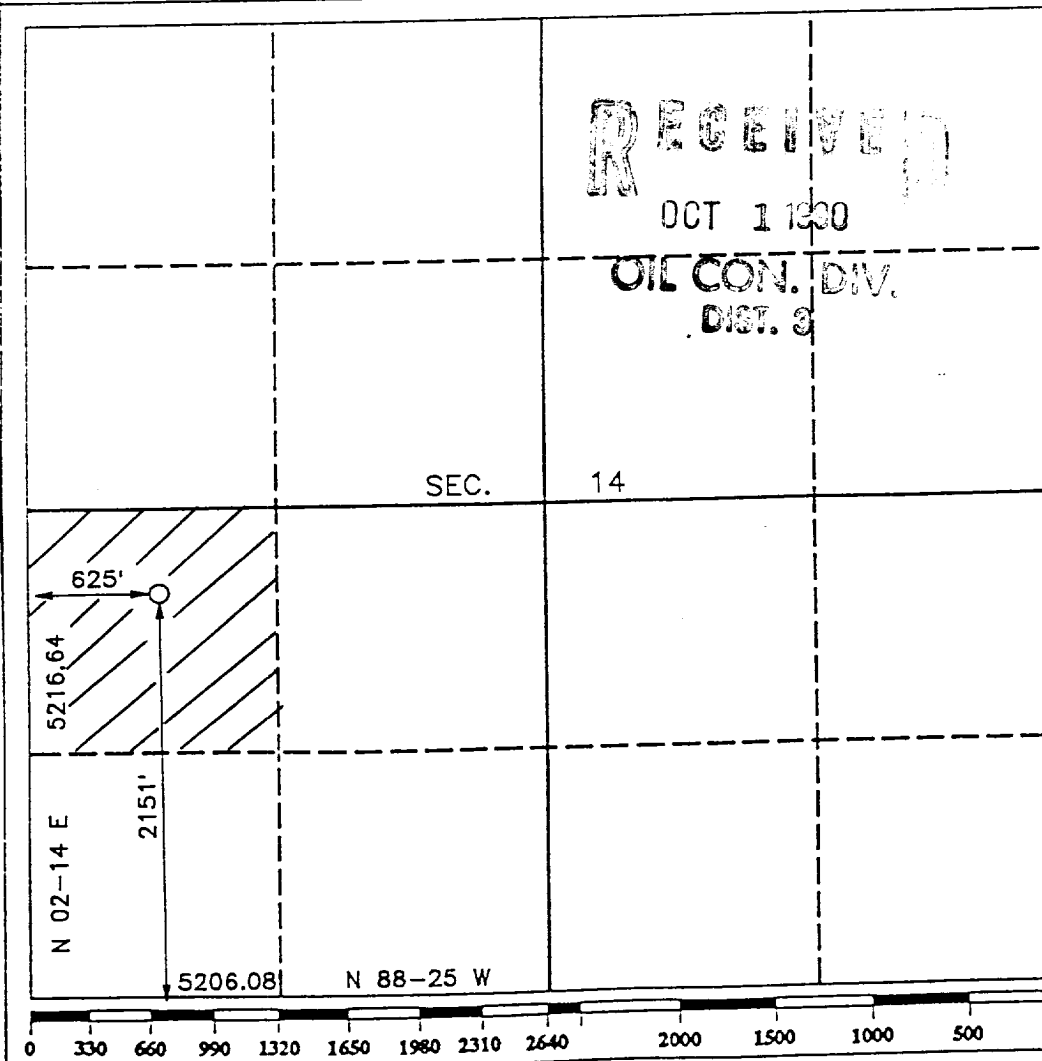
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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

B.A. Chabaud

Printed Name

Vice President

Position

Bannon Energy Incorporated

Company

August 28, 1990

Date

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

AUGUST 28, 1990

Signature & Seal of
Professional Surveyor

R. HOWARD DAGGETT

9879

Certificate No.

9879
Registered Professional
Land Surveyor