SUBMIT IN TRIPLICATE. (Other instructions on reverse side)

0-043-208500

Form approved.

Budget Bureau No. 1004-0136 Expires August 31, 1985

UNITED STATES DEPARTMENT OF THE INTERIOR

5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT PM 2. d. SF 078360

APPLICATION FOR PERMIT TO D	RILL DEEPEN OR PLUG	BACK	6. IF INDIAN, ALLOTTE	OR TRIBE NAME	
IL. TIPE OF WORK					
DRILL 🖾 D	EEPEN 🗆 PLUG BA	.ck 🗆	7. UNIT AGREEMENT >	AME	
OIL XX GAS OTHER	SINGLE X MULTI		S. FARM OR LEASE MA	V-	
Bannon Energy, Inc. c/o Holc			Federal 24	- - 	
3. ADDRESS OF OPERATOR	9. WELL NO.				
P.O. Box 2058, Farmington, N.	M 87499]3		
4. LOCATION OF WELL (Report legales along	10. FIELD AND POOL, OR WILDCAT				
2823 4443	4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.") At surface 2025 493				
Unit A 70' FNL x 762' FEL	11. SEC., T., E., M., OR BLK.				
At proposed prod. zone			14		
14. DISTANCE IN MILES AND DIRECTION FROM VELLER			1 Sec. 24 T231	N R7W	
1.5-3.5 miles SE of Lybrook	14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*			13. STATE	
19. DISTANCE FROM PROPOSED.			Sandoval	NM ·	
LOCATION TO NEAREST	16. NO. OF ACRES IN LEASE	17. NO.	OF ACRES ASSIGNED		
(Also to searest drig, unit line, if any)	2560		40	•	
S. DISTANCE FROM PROPOSED LOCATION* TO MEAREST WELL DRILLING, COMPLETED, 19. PROPOSED DEPTH 20.			OTART OR CARLE TOOLS		
GE APPLIED FOR, ON THE LEASE, FT.	Ro	otary			
2) statement-(Show whether DF, ET, GR, etc.)		·	22.AFPROX.ADATE #4	ME WILL START	
6977 / 70 20* GR			April 1, 199	10	
s stien is subject to technical and PROPOS	ED CASING AND GENERAL DESCRIPTION			0	

PROPOSED CASING AND CEMENTING PROGRAM HINGO COMPLETED precedutal review pursuant to 43 CFR 3185 3 and appealspuorumentato 43 CFR \$1067.45 ABING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 125" 24.0 lb. J-55 300' Cement to surface 43 11.6 Lb. K-55 58001 800 sx-volume 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

Ten Point Compliance Program

"C" Blowout Preventor Diagram

"D" Multi-point requirments of APD

Site specific checklist for roads (Attachment to "E" - Topo map)

Drill Rig Layout

"G" Completion Program Layout

Location Profile

The gas from this lease is committed.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed is to deepen or plug back, give data on present productive some 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

SIGNED A HOLCOMD	Agent, Bannon Energy	A क्रीकिर शिक्त
(This space for Federal or State office use)		AS ASSESSED
APPROVED BY	APPROVAL DATE	1990
CONDITIONS OF APPROVAL IF ANY:	NMOCD	AJIA MANAOFR

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 II P.O. Drawer DD, Artesia, NM 88210

<u>DISTRICT I</u> P.O. Box 1980, Hobbs, NM 88240

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	ANIAION! T	NIEDON INO		Lease	FEDER/	A1 7	LI	Well No.
BANNON ENERGY, INC.				FUEK/	1L C		, ,	
Unit Letter	Section 24	Township T.23	N.	Range	R.7 W.	NMPN	I DIO A	RRIBA COUNTY
Actual Footage Loc 2025	stion of Well:	NORTH	line and		483	feet from	n the EAS	T line
Ground level Elev.	Prod	tucing Formation	HID COG	Pool				Dedicated Acreage:
6977	,	llup			k Gallup			40 Acres
		cated to the subject well						1
		dedicated to the well, o						
	e than one lease o ition, force-poolini	f different ownership is	dedicated to the	well, have the	interest of all owners	been cons	oudated by comm	numuzauon,
	Yes	No If ans	wer is "yes" typ					
	r is "no" list the ov if neccessary.	whers and tract descripti	ons which have	actually been o	consolidated. (Use rev	erse sage c	х	
No allow	able will be assign	ned to the well until all				, unitizatio	on, forced-pooling	g, or otherwise)
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						8	Signature //	
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				ARCH. RRAIN	! / /		Company	
					/ / 6-	1831		Energy
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