Submit to Appropriate District Office State Lease — 6 copies Fee Lease — 5 copies

# State of New Mexico Energy, Minerals and Natural Resources Department

Form C-101 Revised 1-1-89

State Lease — 6 copies Fee Lease — 5 copies		, and interest in	cources Departurent	Revised 1-1-89			
DISTRICT I P.O. Box 1980, Hobbs, NA		API NO. (assigned by OCD on New Wells)					
DISTRICT II		30-045-27638					
P.O. Drawer DD, Artesia,	NIM 88210	5. Indicate Type of Lease  STATE TX  FEE					
DISTRICT III 1000 Rio Brazos Rd., Azta	c, NM 87410	6. State Oil & Gas Lease No.					
APPLICAT	TION FOR PERMIT	TO DRILL, DEEPEN, O	OR PLUG BACK				
L Type of Work:		7. Lease Name or Unit Agreement Name					
DRILL Type of Well:	L RE-ENTE	R DEEPEN	PLUG BACK				
WELL XX WELL	OTHER	SINCE_E 20NE	MULTIPLE ZONE	BART			
Name of Operator	7/	8. Well No.					
Address of Operator	, Inc. c/o Hol	comb Oil & Gas, I	nc.	. 1			
	, Farmington,	9. Pool name or Wildest					
Well Location				LYBROOK-Gallup-EXT			
	. 455 Feet	From The South	Line and 545	Feet From The East Line			
Section 16		ahip 24N Re-	011				
	Town	intup 441N Rai	nge 8W	NMPM San Juan County			
		10. Proposed Depth		Formation ; 12. Rotary or C.T.			
			800' G	Callup Rotary			
Elevations (Show wheth 6883   GR	er DF, KT, GR, etc.)	14. Kind & Status Plug. Bond	15. Drilling Contractor	16. Approx. Date Work will start 4-15-90			
•	PI	ROPOSED CASING AN	ND CEMENT PROGR	<del></del>			
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH				
12 ½"	8 578"	24.0 lb.J-55	300'	SACKS OF CEMENT   EST. TOP   Cement to surface			
7 7/8"	4 5"	11.6 1b. K-55	5800	800 sx-volume to be			
	<u> </u>			calculated subsequent to			
				logging & circulated to surface			
Well		lled to penet	trate the G	allup Formation. All			
produc		als in the	Gallup will				
necess	sary.						
EXH I B ]	TS:			MEREIVEM			
"A" 1	lopo map						
	owout Prevento	r Dingram i		MAR 0 9 1990			
B B1			(4 )				
	Û	PPROVAL EXPIRES 9	12-90	OIL CON. DIV.			
	SF	NLESS DRILLING IS CONTUCT NOTICE MUST BE	WMENCED,	DIST. 3			
N ABOVE CDACE PER	* * * * * * * * * * * * * * * * * * * *	LICIUS TO ILLES					
SOME GIVE BLOWOUT PREVE	-KUBE PROPOSED PROG	KAM: FPROPOSAL IS TO DEEPE	N OR PLUG BACK, GIVE DATA ON	N PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE			
hereby certify that the inform	nation shows in true and comple	te to the best of my knowledge and	belief.				
CONATURE	V. Houb	<b>7</b>		Energy, Inc. pare 3-9-90			
TYPE OR PRINT NAME W	. J. Holcomb			TELEPHONE NO. 505-326-0			
(This space for State Use)				TIME THE PARTY OF THE			
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PTROVED BY	in Bur	L DE	PUTY OR & GAS INSPE	ECTOR DIST. 43 MAR 1 2 1990			
	-	m	~	DATE			

CONDITIONS OF AFTROVAL, IF ANY:

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APPENDING OF THE STANGE OF THE

# State of New Mexico Energy, Minerals and Natural Resources Department

Form C·102 Revised 1-1-89

#### OIL CONSERVATION DIVISION

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

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

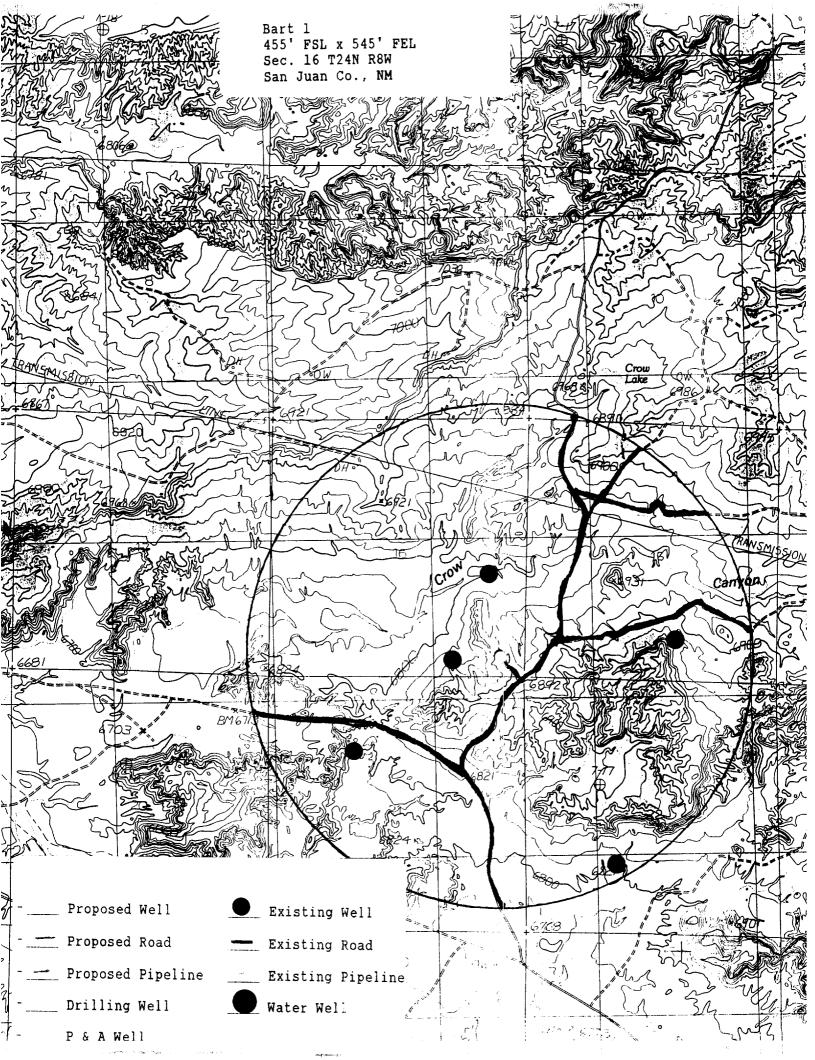
DISTRICT III 1000 Rio Brazos Rd., Azzec, NM 87410 P.O. Box 2088 Santa Fe, New Mexico 87504-2088

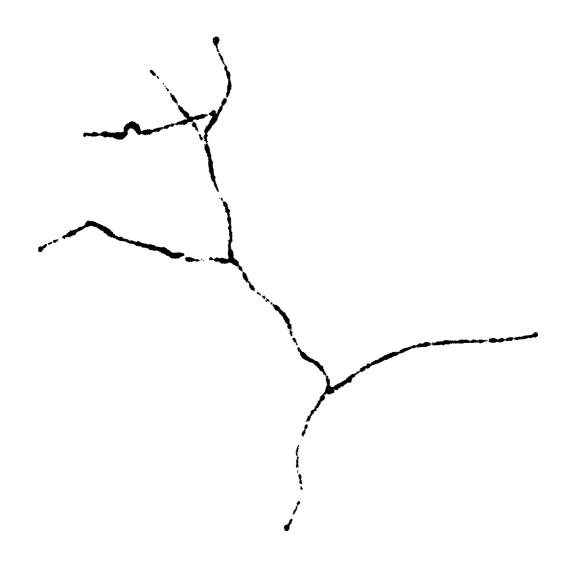
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

(Chamilia				Lease					Well No.		•		
BANNON ENERGY, INC.					EART				1				
Unit Letter   Secti		Township		Range	· · · · · · · · · · · · · · · · · · ·			County		00111			
Р	16	T.24	N.		R.8	<u>W</u>	NMPM	I SAN .	JUAN	COUN	41Y		
Actual Footage Location o				_	4 -				_				
	from the	SOUTH	line and		45		feet from	the EAST	line Dedicated				
Ground level Elev.		g Formation		Pool	1 ·	0-11	- /-	<del>y</del> -	1	_			
6883	Gal	lup				Gallup			40	A	cres		
1. Outline the a	creage dedicated	i to the subject wel	by colored per	cil or hachure	marks on	me pial belov	٧.						
2. If more than	one lease is ded	icated to the well,	outline each and	identify the ov	vnership t	nemof (both i	is to work	ing interest and	royaity).				
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization,													
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by continuous, 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 neccessary.  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-si	andard unit, eli	minating such inter	est, has been ap	proved by the I	Division.								
							<del></del>	OPERAT	OR CER	TIFICA'	ПОП		
					1			I hereby	certify th	has the i	nformation		
					1			contained here	in in true	and comp	lete to the		
					ĺ			best of my know	neage and b	reitej.			
					1			Signature /					
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				CEI	ME	1 11		Printed Name	<del>, , , , , , , , , , , , , , , , , , , </del>				
			<u> </u>		<u> </u>	<u> </u>		W. J. H	olcomb				
	_[		M	AR 0 9 19	90			Position					
	1					•		Agent					
			OIL	CON.	IDIV	•		Company	P	T			
				DIST.	ત્ર		72	Bannon	Lnergy	, inc.			
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					 			SURVE	YOR CER	RTIFICA	TION		
					1			I hereby certi	fy that the	well loca	tion shown		
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	1				i		56	actual survey. supervison, a	s made by	y me or	under m)		
	. 1				1			correct to th	e best of	my knov	vledge and		
	1				1		ŏ	belief.	,	-	-		
	i I				i		z	Date Surveyed					
	l I				<u>. L</u>			FEBRU	SRYARD S	1696	0		
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0 333 663 990	1320 1110	1000 2332 25	3.0 20	00 1500	100	5.0	0		Land Sur	veyor			

MICHAEL STORY

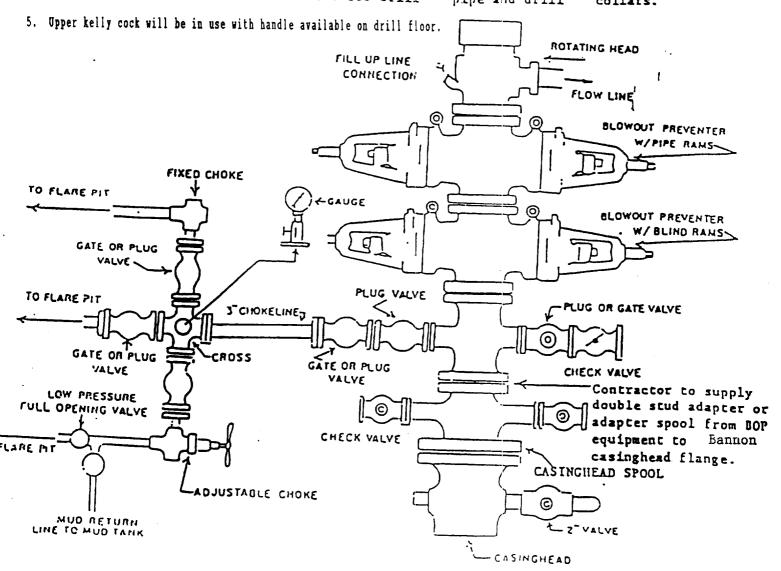




### FARILHOTOD DISTRICT BLOWOUT PREVENTER REQUIREMENTS

EXHIBIT "B"

- i. Blowout Preventers and Haster Valve to be fluid operated, and all fittings must be in good condition. Handwheels must be installed prior to drilling out.
- 2 Equipment through which bit must pass shall be as large as the inside diameter of the casing that is being drilled through.
  - J. All fittings to be flanged, (except for flare line).
  - 4. Full opening safety valve and inside BOP valve must be available on rig floor at all times with proper connection or sub for drill pipe and drill collars.



### BLOWOUT PREVENTER HOOKUP

API Series # 2000

speration of BOP by closing both pipe and billed rams will be tested each trip or, on long bit runs, pipe rams will be closed once each 24 hours.