

BANNON ENERGY INCORPORATED

3934 F.M. 1960 West, Suite 240
Houston, Texas 77068
(713) 537-9000
FAX (713) 537-8624

September 28, 1989

RECEIVED

OCT - 2 1989

OIL CONSERVATION DIV.
SANTA FE

Mr. Mike Stogner
Energy and Minerals Dept.
Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

Re: ~~Approval of Unorthodox Location - Lybrook 19-2R~~
Devils Fork Gallup Pool
Unit K, Sec. 19, T24N-R6W NMPM
2122' FSL x 1707' FWL
Rio Arriba County, New Mexico

Dear Mr. Stogner

Please accept this letter as request for approval of unorthodox location for the above referenced well. We request your approval of a location exception based upon the following:

The location was restaked in order to be redrilled far enough away from the Lybrook 19-2 (1880' FSL and 1650' FWL) which was plugged and abandoned on August 24, 1989 due to a casing leak. The location was moved at the request of the Bureau of Land Management.

ATTACHMENT NO. 1 is a map of offset leases within a one mile radius of the proposed location. The offset operators have been notified of this unorthodox location request and copies of the requested Registered Receipts are shown as ATTACHMENT NO. 2.

Should you have any questions regarding this matter, please call Brad Salzman at (505) 326-0550. Thank you for your consideration in this matter.

Sincerely

W. J. Holcomb ck

W. J. Holcomb
Operating Agent,
Bannon Energy, Inc.

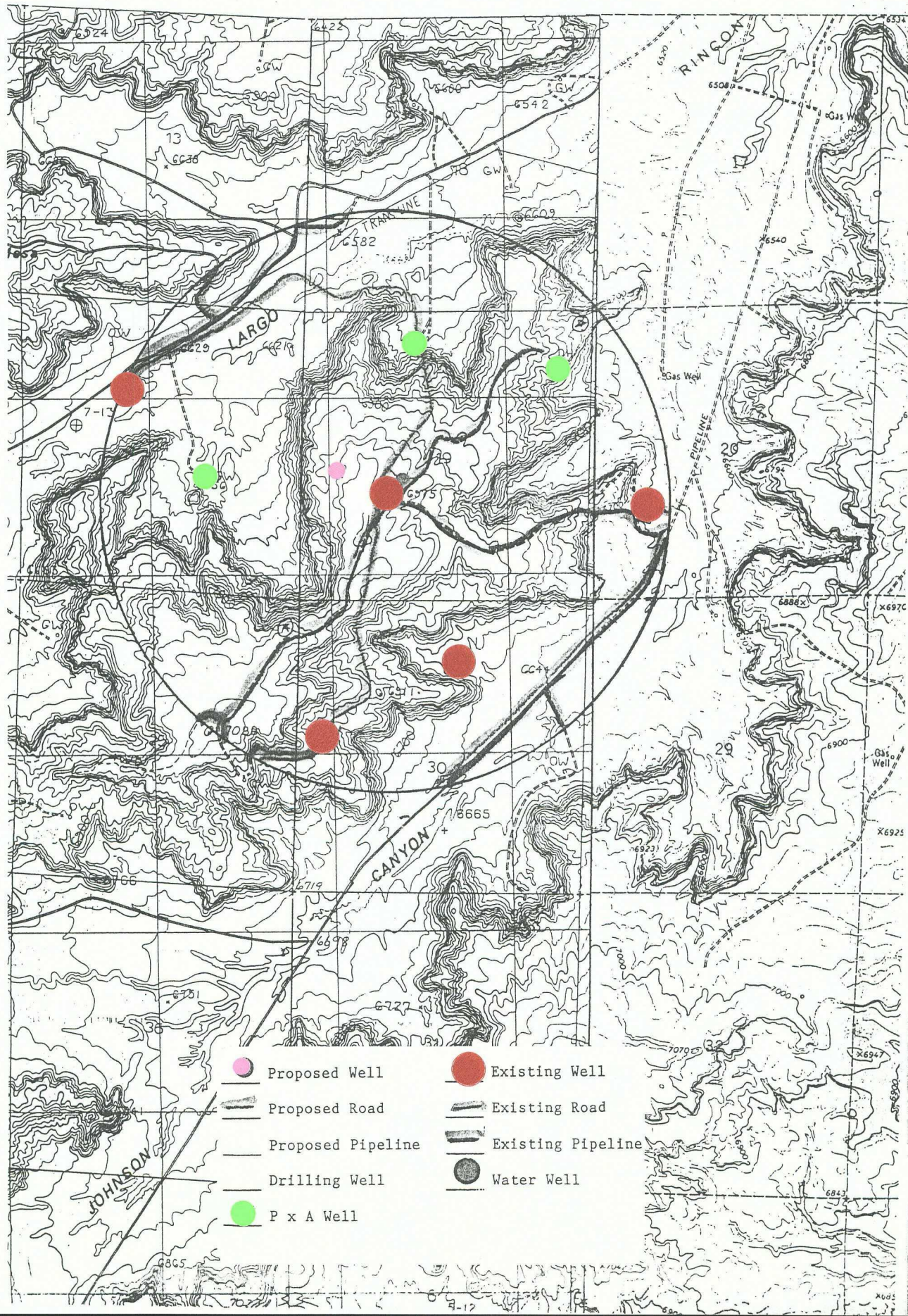
WKH:ck

Attachments

cc: Ernie Busch
NMOCD - Aztec, New Mexico

Lybrook 19-2R
2122' FSL x 1707' FWL
Sec. 19 T24N R6W NMPM
Rio Arriba Co., NM

ATTACHMENT TO EXHIBIT "E"



BANNON ENERGY INCORPORATED

3934 F.M. 1960 West, Suite 240
Houston, Texas 77068
(713) 537-9000
FAX (713) 537-8624

September 28, 1989

J. A. Cole Production
P.O. Box 191
Farmington, New Mexico 87499

Re: Approval of Unorthodox Location - Lybrook 19-2R
Devils Fork Gallup Pool
Unit K, Sec. 19, T24N-R6W NMPM
2122' FSL x 1707' FWL
Rio Arriba County, New Mexico

This letter is to notify you of Bannon Energy, Inc.'s application for permit to drill the Lybrook 19-2R at an unorthodox location as stated above. The location was restaked in order to be far enough away from the Lybrook 19-2 well which was plugged and abandoned on August 24, 1989 due to a casing leak. The change was requested by the Bureau of Land Management.

Should you have any questions regarding this matter, please call Brad Salzman at (505) 326-0550. Thank you for your consideration in this matter.

Sincerely

W. J. Holcomb ck

W. J. Holcomb
Operating Agent,
Bannon Energy, Inc.

WKH:ck

RETURN RECEIPT REQUESTED
P-117-123-982

BANNON ENERGY INCORPORATED

3934 F.M. 1960 West, Suite 240
Houston, Texas 77068
(713) 537-9000
FAX (713) 537-8624

September 28, 1989

Flag-Redfern Oil Co.
1200 Wall Towers W.
Box 11050
Midland, Texas 79702

Re: Approval of Unorthodox Location - Lybrook 19-2R
Devils Fork Gallup Pool
Unit K, Sec. 19, T24N-R6W NMPM
2122' FSL x 1707' FWL
Rio Arriba County, New Mexico

This letter is to notify you of Bannon Energy, Inc.'s application for permit to drill the Lybrook 19-2R at an unorthodox location as stated above. The location was restaked in order to be far enough away from the Lybrook 19-2 well which was plugged and abandoned on August 24, 1989 due to a casing leak. The change was requested by the Bureau of Land Management.

Should you have any questions regarding this matter, please call Brad Salzman at (505) 326-0550. Thank you for your consideration in this matter.

Sincerely

W. J. Holcomb

W. J. Holcomb
Operating Agent,
Bannon Energy, Inc.

WKH:ck

RETURN RECEIPT REQUESTED
P-117-123-983



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

Date: 9-20-89

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

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SEP 25 1989

OIL CONSERVATION DIV.
SANTA FE

Re: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 9-18-89
for the BANNER ENERGY INC. LYBROOK 19-2R
Operator Lease & Well No.

K-19-2R-662 and my recommendations are as follows:
Unit, S-T-R

Approved

Yours truly,

E. B. Buel