

A. R. KENDRICK

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November 2, 1990

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Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87504-2088

Re: Application for Non-Standard Location
Bannon Energy, Inc.
Mesa 25 #2R, 2416' FSL 287' FEL
I-25-T24N-R7W
Escrito Gallup Oil Pool
Rio Arriba County

Case 10233

Gentlemen:

We, on behalf of Bannon Energy, Inc., hereby make application for approval of the location of a well to be located 2416' FSL 287' FEL of Section 25, Township 24 North, Range 7 West, Escrito Gallup Oil Pool, Rio Arriba County, New Mexico.

The reason for this application is due to topography and to the finding of archaeological and cultural material in the standard location window area.

An attempt was made to locate the well at a standard location, but the archaeological findings caused the location to be moved to the present location.

The attached exhibits show the situation at the location and surrounding area.

There are no offset operators or owners.

It is my belief that the information contained in this application is true and correct according to the information supplied to me.

If further information is needed, please contact me.

Yours very truly,

A. R. Kendrick
A. R. Kendrick

Enclosures

xc: As shown on attached list

APPLICATION FOR NON-STANDARD LOCATION

Bannon Energy, Inc.
MESA 25 #2R
2416' FSL 287' FEL
Sec. 25-T24N-R7W
Escrito Gallup Pool
Rio Arriba County, New Mexico

The following exhibits are enclosed:

EXHIBIT A Form C-102, Well Location and Acreage Dedication Plat: shows the location of the well with respect to the section lines, the dedicated acreage, and the proration unit.

EXHIBIT B Enlarged copy of Topographic Map: shows the location to be placed on a bench part way up a mesa. An archaeological site was found on the bench northeast of the proposed location.

EXHIBIT C Owners, Well & Windows Plat:

- Shows the ownership of offset wells.
- Shows the locations of the Mesa 25 #2R and other wells within the area.
- Shows the "windows" for standard locations as provided in the pool rules.

EXHIBIT D Copy of Application for Permit to Drill.

EXHIBIT E Pool Plat

EXHIBIT F Names and Addresses of Offset Owners and Interested Parties.

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 MESA 25		Well No. 2 R
Unit Letter I	Section 25	Township T.24 N.	Range R.7 W.	County NMPM RIO ARriba COUNTY	
Actual Footage Location of Well: 2416 feet from the SOUTH line and 287 feet from the EAST line					
Ground level Elev. 7066	Producing Formation GALLUP		Pool ESCRITO/ GALLUP		Dedicated Acreage: 80 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 well be assigned to the well until all interests have been consolidated (by communitization, unitization, force-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

Printed Name

Position

Company

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

SEPTEMBER 22, 1990

Signature of Registered Professional Surveyor

R. HOWARD BAGGETT

Certification No. 9679

Registered Professional Surveyor

EXHIBIT A

EXHIBIT B

WINDOWS AND OFFSET OPERATORS

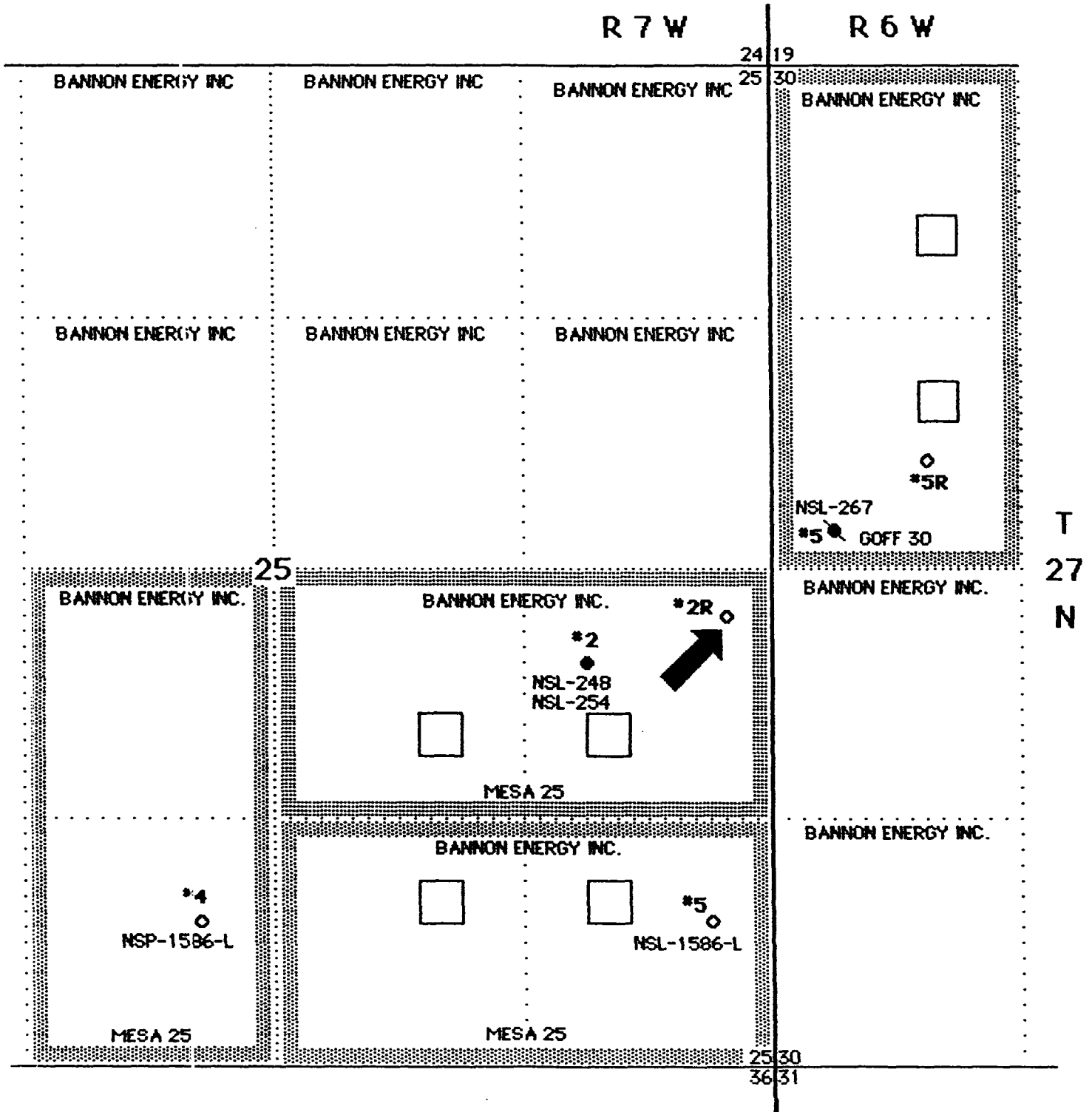


EXHIBIT C

Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐ PLUG BACK ☐				5. LEASE DESIGNATION AND SERIAL NO. SF078532	
b. TYPE OF WELL OIL ☐ GAS ☐ SINGLE ☐ MULTIPLE ☐ WELL ☒ WELL ☐ OTHER ☐ ZONE ☐ ZONE ☐				6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. Name of Operator Bannon Energy, Inc., c/o Daggett & Chenault, Inc.				7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 3539 E. 30th, Ste. 17B, Farmington, NM 87401				8. FARM OR LEASE NAME Mesa 25	
4. LOCATION OF WELL (Report location clearly and in accordance with any State Requirements.)* At surface Unit 1 2416 FSL, 267 FEL, Sec. 25, T24N-R7W At proposed prod. zone Same				9. WELL NO. 2-R	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 4 miles NE of Escrito Trading Post				10. FIELD AND POOL, OR WILDCAT Escrito/Gallup	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE FT. (Also to nearest drlg. unit line, if any) 266'		16. NO. OF ACRES IN LEASE 1080		11. SEC., T., R., M., OR BLK. NE-SE Sec. 25 T24N-R7W	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1,600'		19. PROPOSED DEPTH 5800		12. COUNTY OR PARISH Rio Arriba	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7066 GR				13. STATE NM	
20. ROTARY OR CABLE TOOLS Rotary					
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	QUANTITY OF CEMENT	
12-1/4"	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 and 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 and Elevation Plat | "F" Drill Rig Layout |
| "B" Ten Point Drilling Program | "G" Completion Program Layout |
| "C" Blowout Preventer Diagram | "H" Location Profile |
| "D" Multi-Point Requirements of APD | |
| "E" Site Specific Checklist for Roads
(Attachment to "E" - Topo Map) | 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 productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Blowout preventer program, if any.

24.

SIGNED	TITLE	DATE
(This space for Federal or State office use)		
PERMIT NO.	APPROVAL DATE	
APPROVED BY	TITLE	DATE
CONDITIONS OF APPROVAL, IF ANY:		

POOL PLAT

TOWNSHIP 24 NORTH

R 7 W | R 6 W

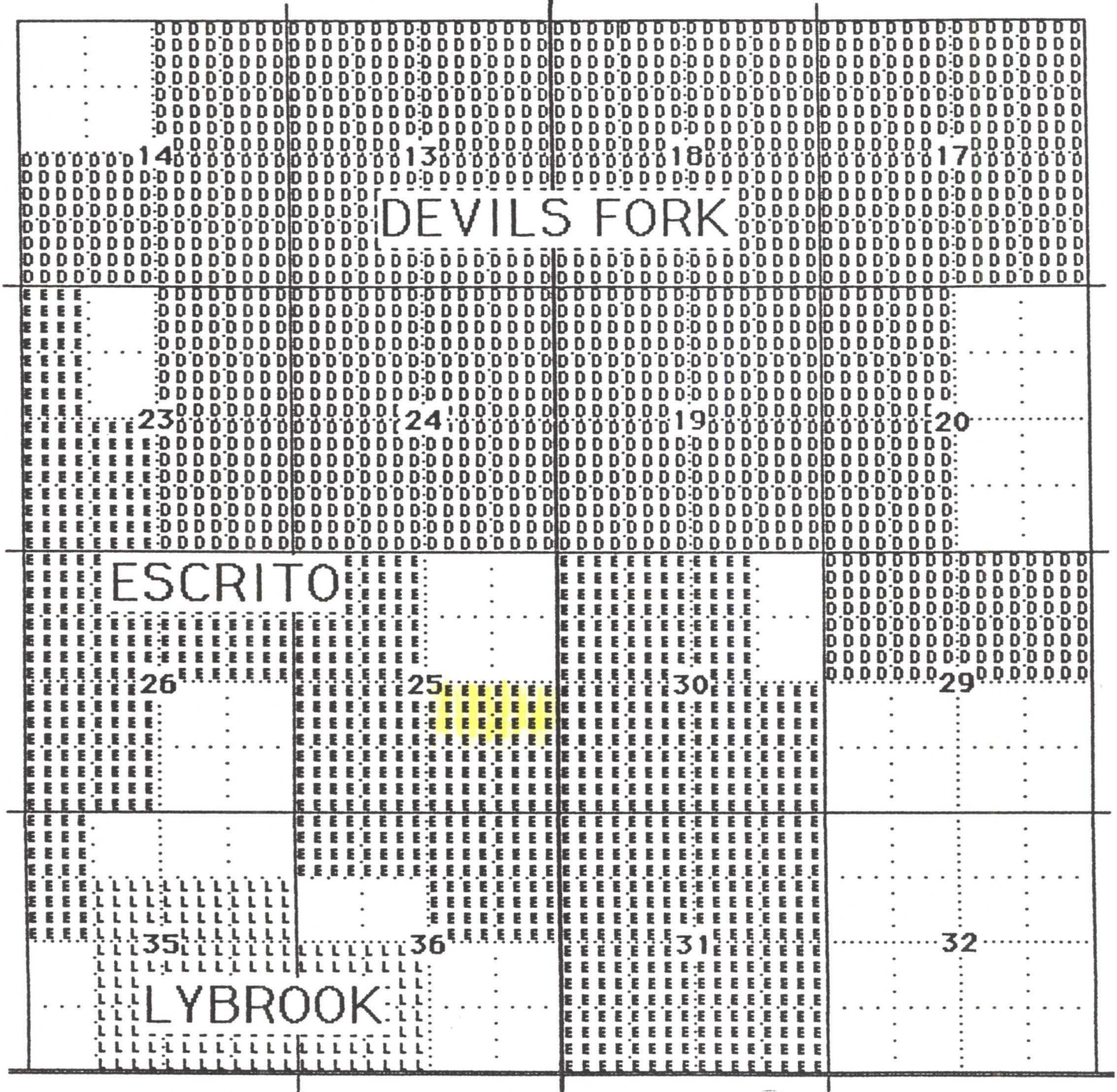


EXHIBIT E

NAMES AND ADDRESSES OF OFFSET OPERATORS AND OTHER INTERESTED PARTIES

BANNON ENERGY, INC.

Mesa 25 #2R

2416' FSL 287' FEL

Sec. 25-T24N-R7W

Escrito Gallup Associated Pool

Rio Arriba County, New Mexico

THERE ARE NO OFFSET OPERATORS

Bureau of Land Management

1235 La Plata Highway

Farmington, New Mexico 87401

Oil Conservation Division

1000 Rio Brazos Road

Aztec, New Mexico 87410

• Notified by Certified Mail

EXHIBIT F