

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

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

API NO. (assigned by OCD on New Wells) <i>30-039-24573</i>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-1207-1

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	7. Lease Name or Unit Agreement Name STATE 16 (160)
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	8. Well No. 3 <i>ST WJ #4</i>
2. Name of Operator Bannon Energy, Inc. c/o Holcomb Oil & Gas, Inc.	9. Pool name or Wildcat Counselors Gallup Dakota <i>EXT.</i>
3. Address of Operator P.O. Box 2058, Farmington, NM 87499	

4. Well Location
Unit Letter L : 1888 Feet From The South Line and 747 Feet From The West Line
Section 16 Township 23N Range 6W NMPM Rio Arriba County

10. Proposed Depth 5900'	11. Formation Gallup	12. Rotary or C.T. Rotary	
13. Elevations (Show whether DF, RT, GR, etc.) 6868.1 GR	14. Kind & Status Plug. Bond	15. Drilling Contractor	16. Approx. Date Work will start 12-15-89

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2"	8 5/8"	24.0 lb. J-55	300'	Cement to surface	
7 7/8"	4 1/2"	10.5 lb. K-55	5900'	800 sx-volume to be calculated subsequent to logging.	

Well to be drilled to penetrate the Gallup Formation. All producing intervals in the Gallup will be stimulated as necessary.

EXHIBITS:

"A" Topo map

APPROVAL EXPIRES 5-16-90
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

RECEIVED
NOV 15 1989
OIL CON. DIV
DIST. 3

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY?

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *W. J. Holcomb* TITLE Agent, Bannon Energy, Inc. DATE 11-14-89

TYPE OR PRINT NAME W. J. Holcomb TELEPHONE NO. _____

(This space for State Use)

APPROVED BY *[Signature]* TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE NOV 15 1989

CONDITIONS OF APPROVAL, IF ANY:
Spud to be used