

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER

2. NAME OF OPERATOR

Bannon Energy, Inc.

3. ADDRESS OF OPERATOR

P.O. Box 2058, Farmington NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State regulations)

At surface 18.5' 8.5'  
2140' FNL, 2140' FWL

At proposed prod. zone

same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

3 miles W from Counselors Trading Post

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6971' GR 6947

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED

"GENERAL REQUIREMENTS"  
PROPOSED CASING AND CEMENTING PROGRAM

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40.80

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START\*

October 20, 1989

This action is subject to technical and  
procedural review pursuant to 43 CFR 3165.3  
and appeal pursuant to 43 CFR 3165.4.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12 1/4"	8 5/8"	24.0 lb.J-55	300'
7 7/8"	4 1/2"	10.5 lb.K-55	5800'

Cement to Surface  
800 sx - volumes 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" Location and Elevation Plat  
"B" Ten point compliance program  
"C" Blowout preventor diagram  
"D" Multi-point requirements of APD  
The gas from this lease is committed.

"E" Site specific checklist  
for roads  
"F" Drill rig layout  
"G" Completion program layout  
"H" Location Profile  
"I" Proposed Pipeline

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. 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 Bradley W. Salzman TITLE Agent for Bannon Energy Inc. DATE Aug 22, 1989

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

NMOCD

\*See Instructions On Reverse Side

APPROVED  
AS AMENDED

DATE

DEC 12 1989

AREA MANAGER

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

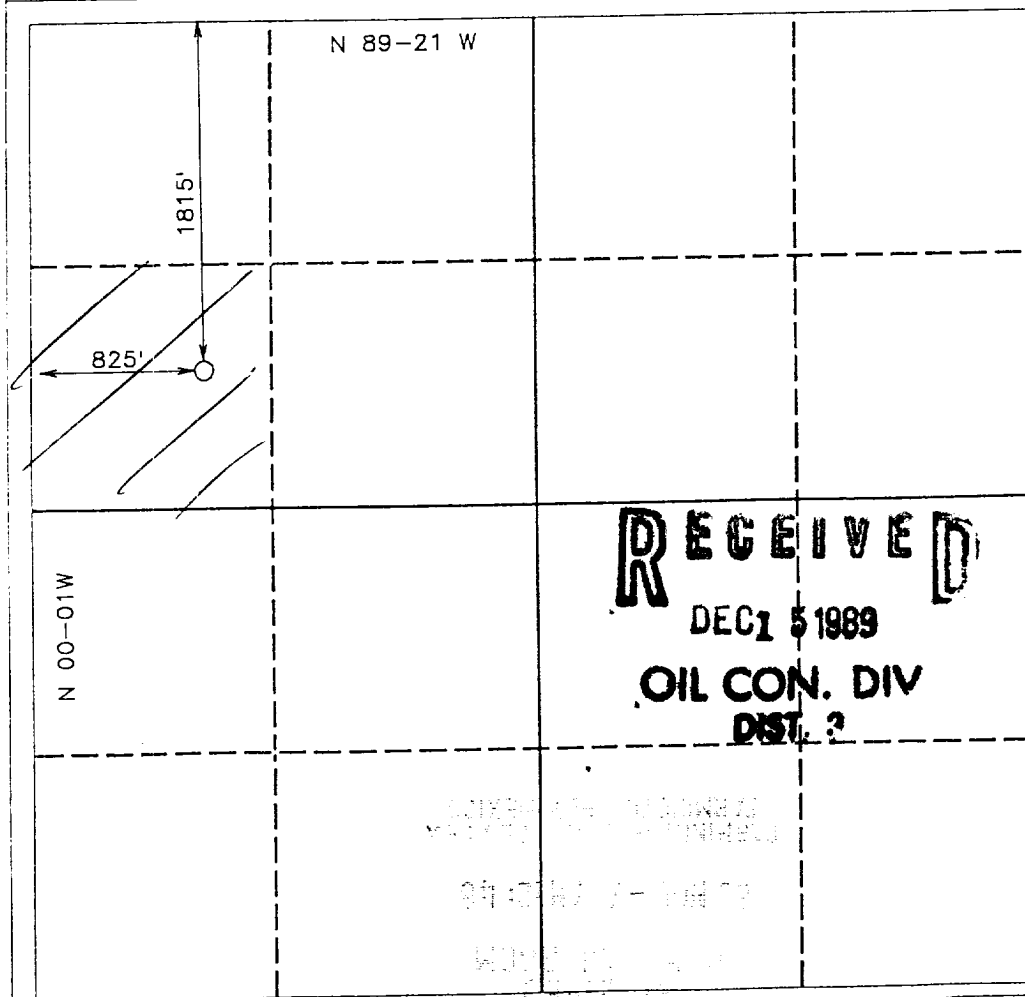
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>BANNON ENERGY INC.</b>		Lease <b>GRACE FED 19</b>		Well No. <b>FED. 19-2</b>
Unit Letter <b>E</b>	Section <b>19</b>	Township <b>T.23 N.</b>	Range <b>R.6 W.</b>	County <b>SANDOVAL</b>
Actual Footage Location of Well: <b>1815</b> feet from the <b>NORTH</b> line and <b>825</b> feet from the <b>WEST</b> line				
Ground level Elev. <b>6947.8</b>	Producing Formation <b>Gallup</b>		Pool <b>LYBROOK</b> <b>Counselors Dakota</b>	Dedicated Acreage: <b>10.4050</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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 will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-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  
*W. J. Holcomb*

Printed Name  
**W. J. Holcomb**

Position  
**Operating Agent**

Company  
**Bannon Energy, Inc.**

Date  
**11-6-89**

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  
**NOV 14 1989**

Signature & Seal of  
Professional Surveyor

**R. Howard Daggett**

Certificate No.  
**9679**

Registered Professional

Land Surveyor