

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒ FARMINGTON, NEW MEXICO DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☒

2. NAME OF OPERATOR

Bannon Energy, Inc.

3. ADDRESS OF OPERATOR

P. O. Box 2058, Farmington, N.M. 87499

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

960' FSL x 1160' FWL
At proposed prod. zone
Same as above

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

4 miles north of Lybrook, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. 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.)

6903' GR 6909' GL

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"	10.5 lb K-55	5700'	800 sx - volumes to be calculated subsequent to logging

This well is to be drilled as a replacement to the Mesa 25-3 (TSA 6-11-87). Well to be drilled to penetrate the Gallup formation. All productive 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 check list
roads
"F" Drill rig layout
"G" Completion program layout
"H" Location Profile

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 N. Salzman TITLE Agent for Bannon Energy, Inc. DATE 11/22/88

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
AS AMENDED

FEB 17 1989

AREA MANAGER

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088

SANTA FE, NEW MEXICO 37501

EXHIBIT "A"

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

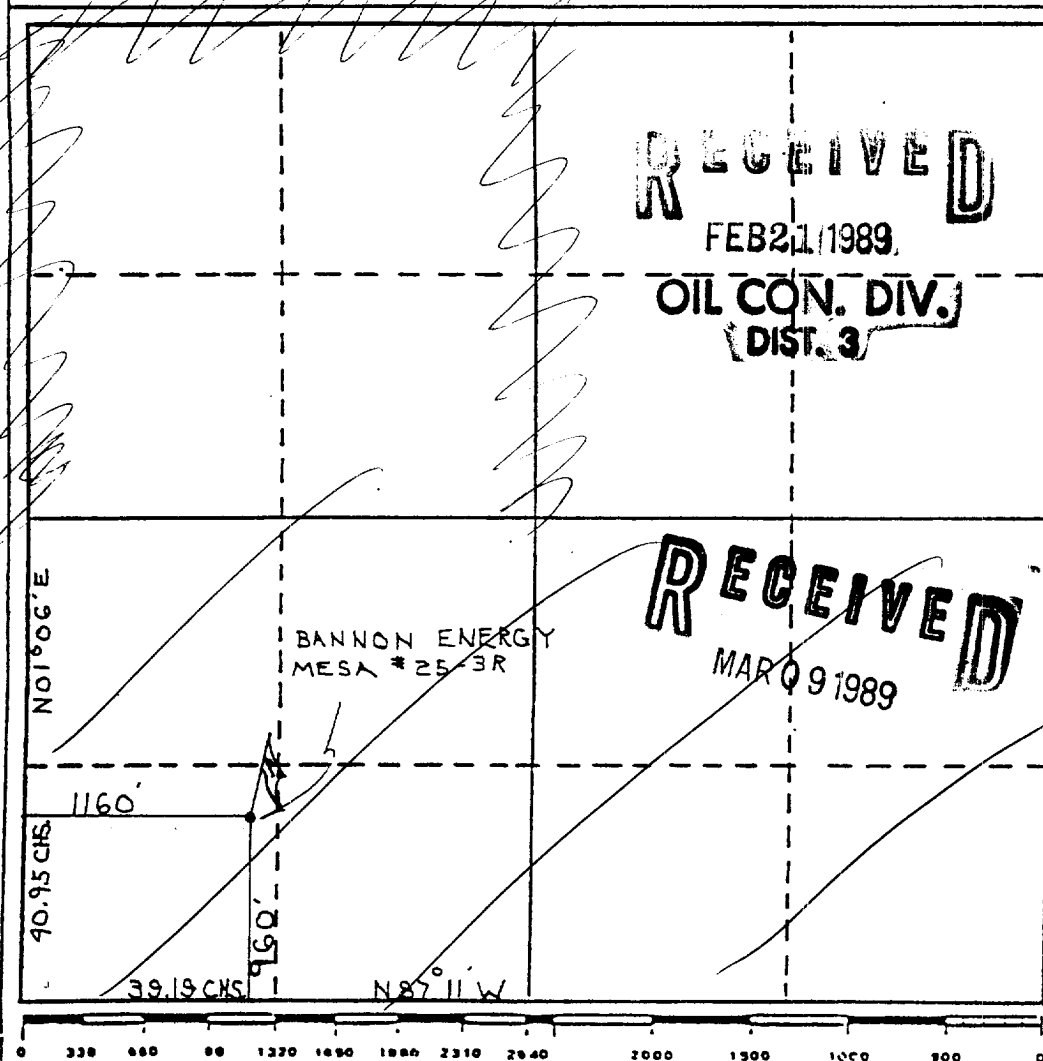
Operator Bannon Energy			Lease Mesa		Well No. #25-3R
Unit Letter M	Section 25	Township T24N	Range R7W	County Rio Arriba County	
Actual Postage Location of Well 960 feet from the South line and 1160 feet from the West line					
Ground Level Elev. 6909	Producing Formation GALLUP		Pool ESCRITO	Dedicated Acreage 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interests 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 interests, has been approved by the Division.



CERTIFICATION

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

Bradley D. Salzman
Name

 AGENT
Position

 BANNON ENERGY
Company

 November 22, 1988
Date

I hereby certify that the well location shown on this plat was determined from field notes of R. Howard Daggett 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
November 18, 1988

 Registered Land Surveyor
R. Howard Daggett

R. Howard Daggett
Certificate No.

9679

EXHIBIT "E"

