

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

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)
30-239-24771
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-6833
7. Lease Name or Unit Agreement Name STATE 32
8. Well No. 2
9. Pool name or Wildcat Lybrook <i>Gallup-EXT</i>

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"/>					
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"/>					
2. Name of Operator Bannon Energy, Inc. c/o Holcomb Oil & Gas, Inc.					
3. Address of Operator P.O. Box 2058, Farmington, NM 87499					
4. Well Location Unit Letter <u>P</u> : <u>340</u> Feet From The <u>south</u> Line and <u>847</u> Feet From The <u>east</u> Line Section <u>32</u> Township <u>24N</u> Range <u>7W</u> NMPM Rio Arriba County					
10. Proposed Depth 5800'		11. Formation Gallup		12. Rotary or C.T. Rotary	
13. Elevations (Show whether DF, RT, GR, etc.) 7456' GL		14. Kind & Status Plug. Bond		15. Drilling Contractor	
16. Approx. Date Work will start June 30, 1990					
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
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 & 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" Topo map
"B" BOP

APPROVAL EXPIRES 11-24-90
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

RECEIVED
MAY 23 1990
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 5-25-90

TYPE OR PRINT NAME W. J. Holcomb

TELEPHONE NO. 505-326-0550

(This space for State Use)

APPROVED BY [Signature] DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE MAY 24 1990

CONDITIONS OF APPROVAL, IF ANY:

[illegible]

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 STATE 32		Well No. 2	
Unit Letter P	Section 32	Township T.24 N.	Range R.7 W.	County RIO ARriba COUNTY	
Actual Forage Location of Well: 340 feet from the SOUTH line and 847 feet from the EAST line					
Ground level Elev. 7456	Producing Formation Gallup		Pool Lybrook - EXT	Dedicated Acreage: 40 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 communization, 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

RECEIVED

MAY 23 1990

OIL CON. DIV.
DIST. 3

SEC. 32

5125.56'

N 87-36 W

340'

847'

N 01-07 W

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

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

W. J. HOLCOMB

Position

AGENT

Company

BANNON ENERGY, INC.

Date

5-25-90

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

MAY 25 1990

Signature of Seal of Professional Surveyor

R. HOWARD DAGGETT

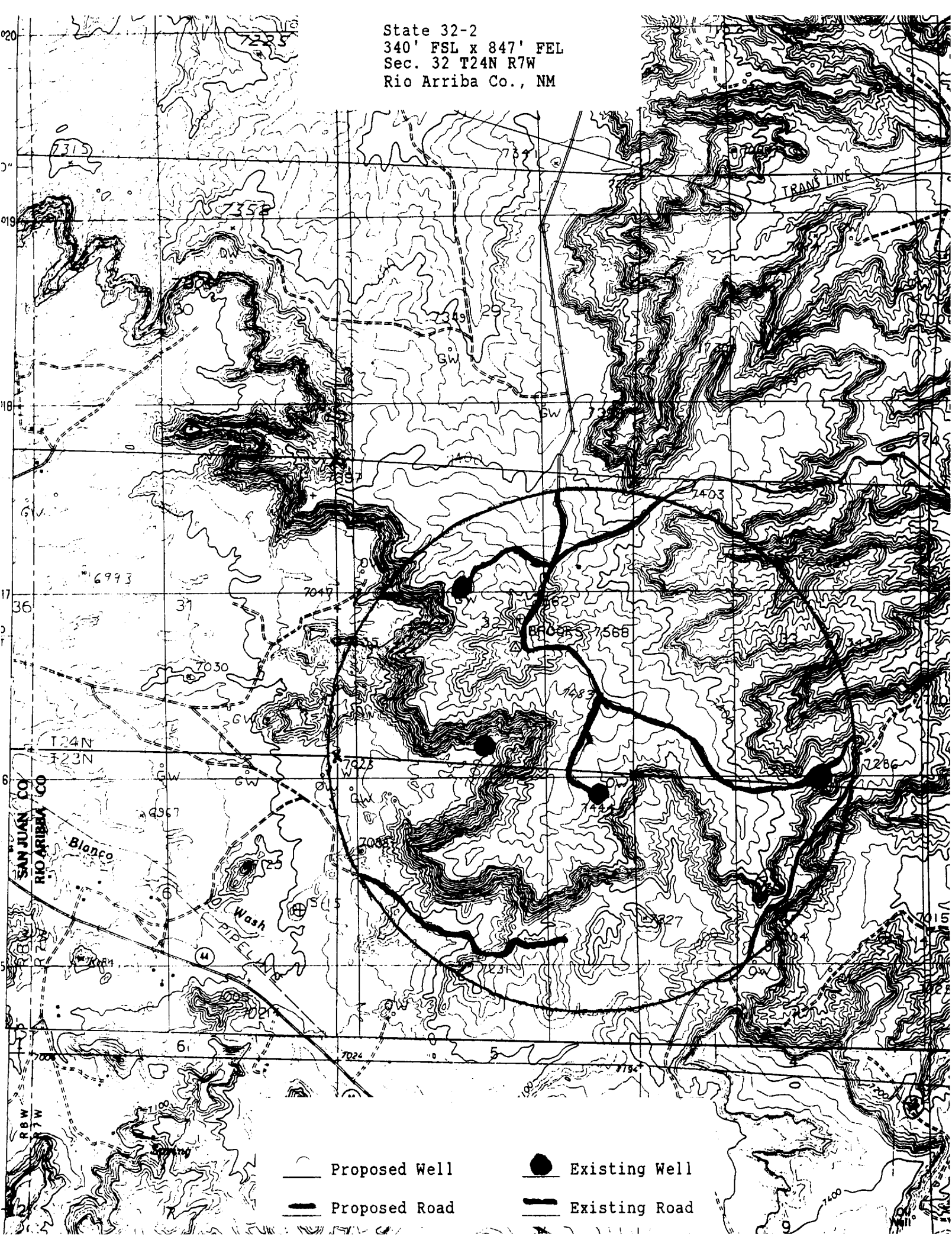
Certificate No.

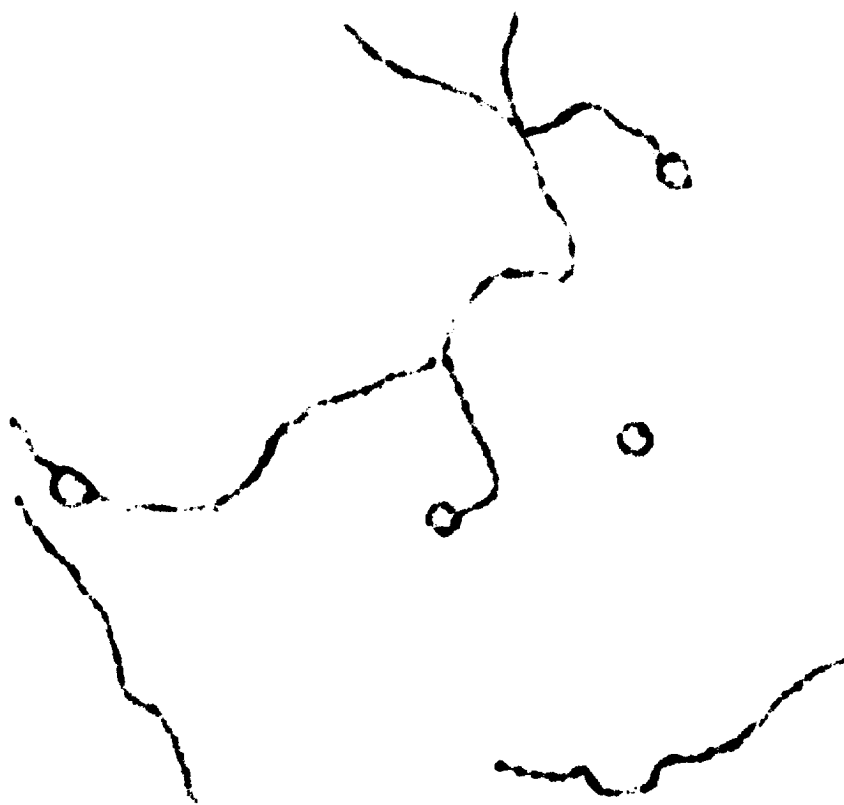
9879

Registered Professional

Land Surveyor

State 32-2
340' FSL x 847' FEL
Sec. 32 T24N R7W
Rio Arriba Co., NM

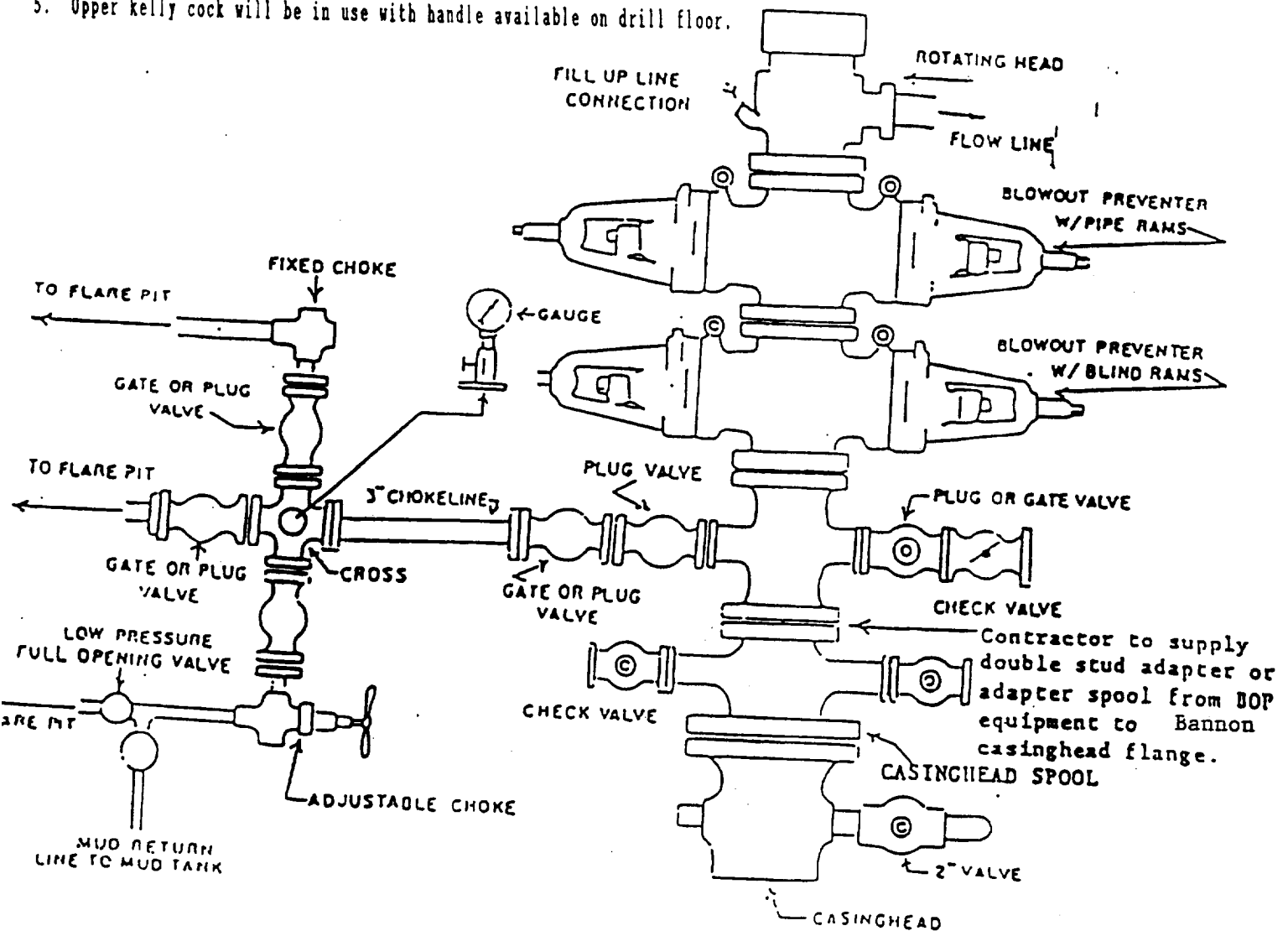




FARMINGTON DISTRICT BLOWOUT PREVENTER REQUIREMENTS

EXHIBIT "B"

1. Blowout Preventers and Master Valve to be fluid operated, and all fittings must be in good condition. Handwheels must be installed prior to drilling out.
2. Equipment through which bit must pass shall be as large as the inside diameter of the casing that is being drilled through.
3. All fittings to be flanged, (except for flare line).
4. Full opening safety valve and inside BOP valve must be available on rig floor at all times with proper connection or sub for drill pipe and drill collars.
5. Upper kelly cock will be in use with handle available on drill floor.



BLOWOUT PREVENTER HOOKUP

API Series # 2000

operation of BOP by closing both pipe and blind rams will be tested each trip or, on long
 it runs, pipe rams will be closed once each 24 hours.