

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Budget Bureau No. 1004-0136

Expires August 31, 1985

LEASE DESIGNATION AND SERIAL NO.

NM, 20304

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL

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

2. Name of Operator

Bannon Energy, Inc., c/o Daggett & Chenault, Inc.

3. ADDRESS OF OPERATOR

3539 E. 30th, Ste. 7B, Farmington, NM 87402

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

At surface

Unit I, 2121' FSL, 779' FEL, Sec. 23 T24N-R8W

At proposed prod. zone

Same

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

Approximately 8 miles NW of Lybrook

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE FT.

(Also to nearest drlg. unit line, if any)

779'

16. NO. OF ACRES IN LEASE

600

18. DISTANCE FROM PROPOSED LOCATION*

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

1522'

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

6957' GR

23

PROPOSED CASING AND CEMENTING PROGRAM

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"	11.6 lb. K-55	5800'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

5-1-91

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

Cement to Surface

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
- "B" Ten Point Drilling Program
- "C" Blowout Preventer Diagram
- "D" Multi-Point Requirements of APD
- "E" Site Specific Checklist for Roads
(Attachment to "E" - Topo Map)

- "F" Drill Rig Layout
- "G" Completion Program Layout
- "H" Location Profile

The gas from this lease is committed

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MAY 20 1991

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. 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

R. Chabaud

TITLE

Vice President Operations

DATE

04/02/91

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
AS AMENDED

MAY 09 1991

AREA MANAGER

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BE163

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102
Revised 1-1-89

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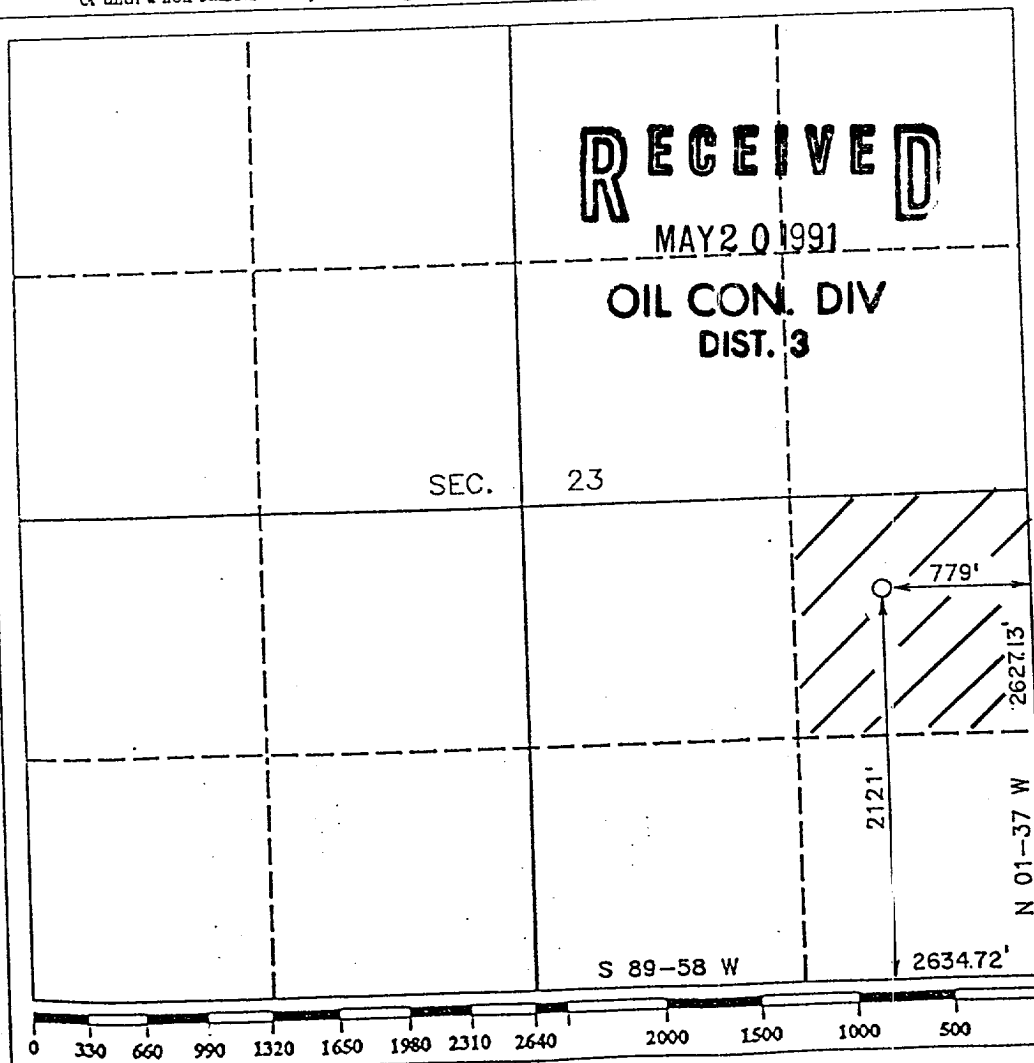
0577 RICKETSON, N.M.

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator BANNON ENERGY, INC.			Lease SOUTH BLANCO FED. UNIT		Well No. 23-8
Unit Letter 1	Section 23	Township T.24 N.	Range R.8 W.	County SAN JUAN COUNTY	
Actual Footage Location of Well: 2121 feet from the SOUTH line and 779 feet from the EAST line					
Ground level Elev. 6957	Producing Formation Gallup		Pool Lybrook/Gallup EXT		Dedicated Acreage: 40 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 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.



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DIST. 3

OPERATOR CERTIFICATION

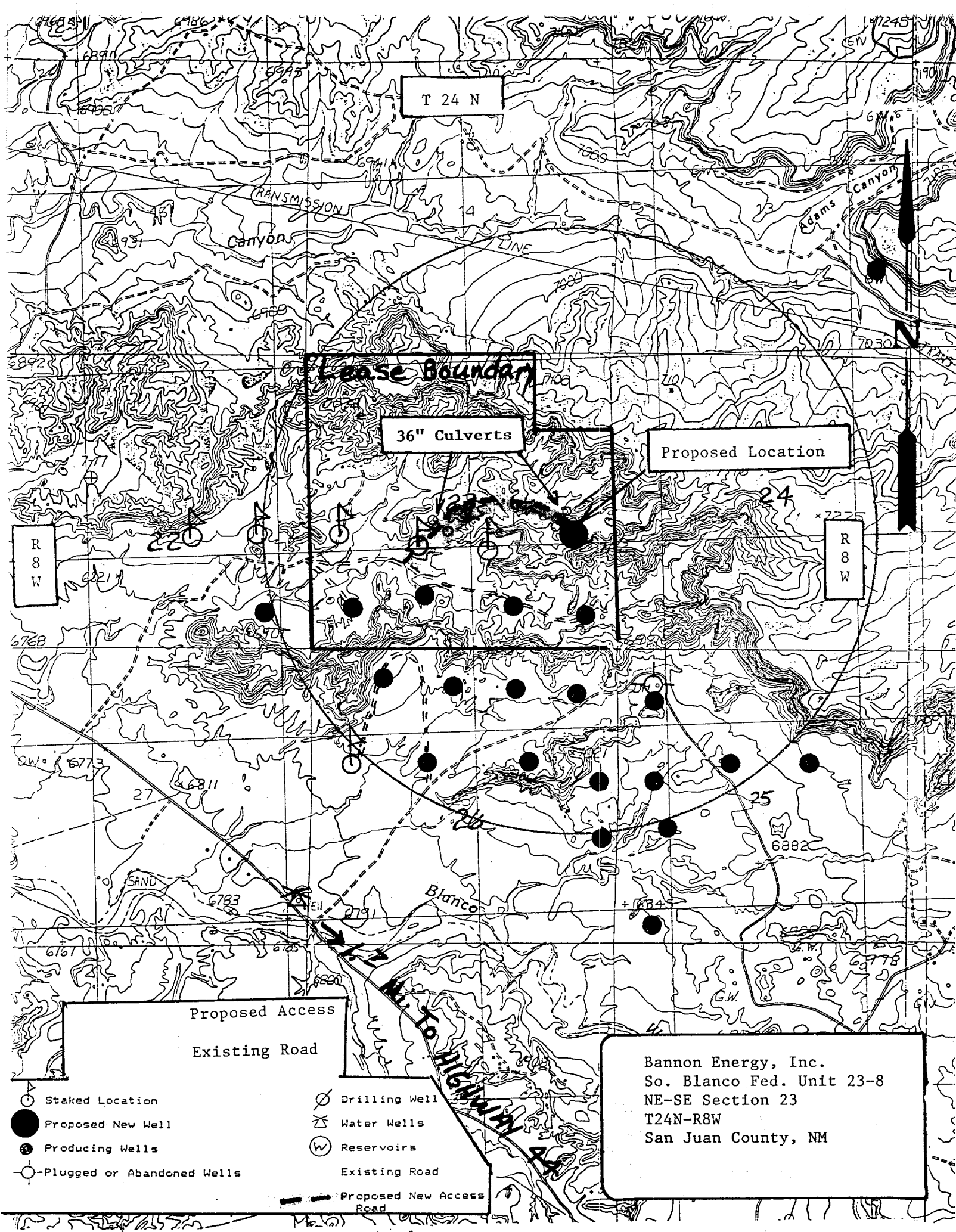
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
R. A. Chabaud
Printed Name
R. A. Chabaud
Position
V.P. Operations
Company
Bannon Energy, Inc.
Date
04/02/91

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
MARCH 7, 1991
Signature
H. B. Broadhurst, Jr.
Professional Surveyor
HENRY B. BROADHURST, JR.
Certification No.
01398
Professional Surveyor



T 24 N

TRANSMISSION
Canyon

Adams
Canyon

Lease Boundary

36" Culverts

Proposed Location

R
8
W

R
8
W

27

25

Blanco

SAND

Proposed Access

Existing Road

- Staked Location
- Proposed New Well
- ⊙ Producing Wells
- ⊖ Plugged or Abandoned Wells
- ⊗ Drilling Well
- ⊗ Water Wells
- ⊙ Reservoirs
- Existing Road
- - - Proposed New Access Road

Bannon Energy, Inc.
So. Blanco Fed. Unit 23-8
NE-SE Section 23
T24N-R8W
San Juan County, NM