

OIL CONSERVATION DIVISION

NEW MEXICO

P. O. BOX 2088

Form C-102
Revised 10-1-78

OIL CONSERVATION DIVISION

SANTA FE, NEW MEXICO 87501

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

Operator BANNON ENERGY INC.		Lease MESA 25		Well No. 5
Unit Letter P	Section 25	Township T24N	Range 7W	County RIO ARriba
Actual Footage Location of Well: 660 feet from the SOUTH line and 330 feet from the EAST line				
Ground Level Elev. 6752	Producing Formation Gallup	Pool Escrito	Dedicated Acreage: 80 Acres	

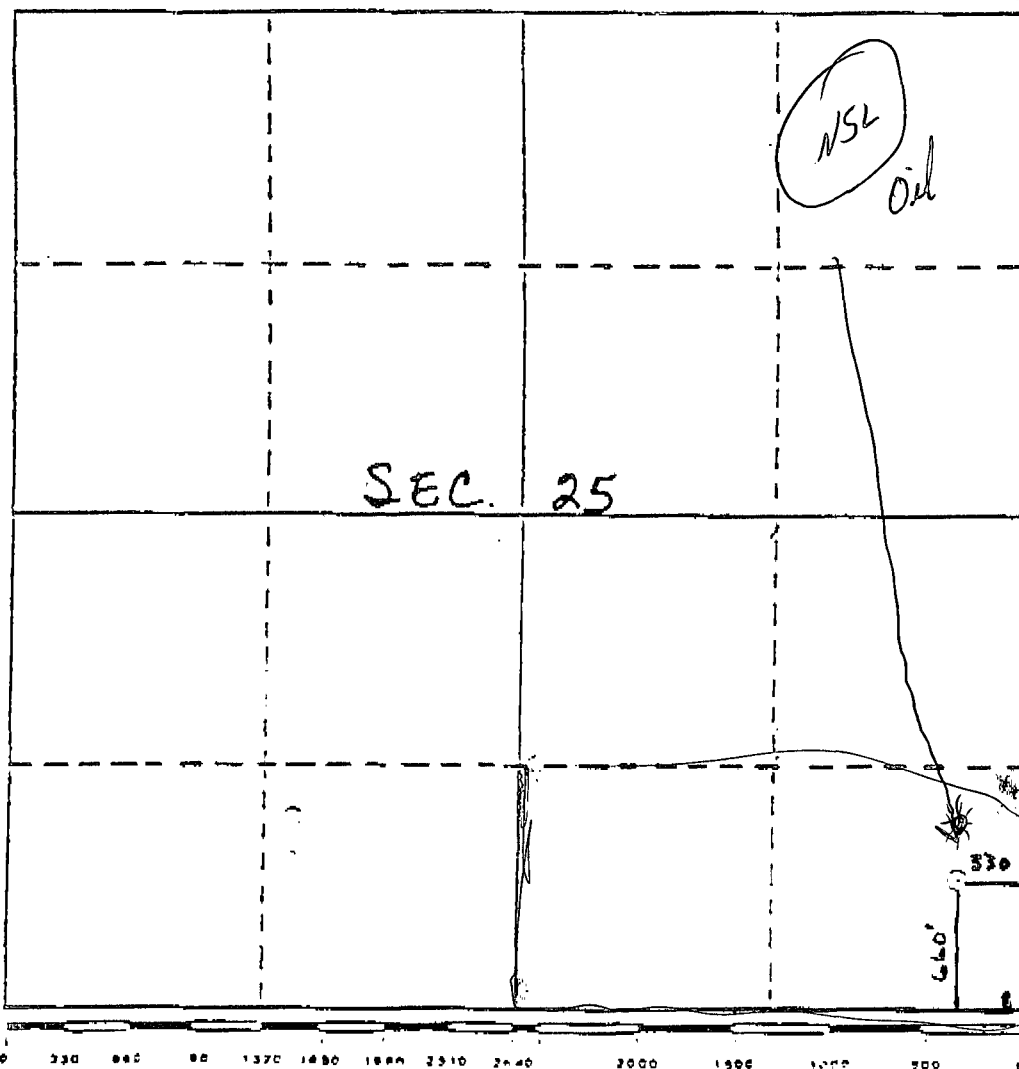
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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 _____

NSL-2701

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this plat 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 W. Fajman
Name

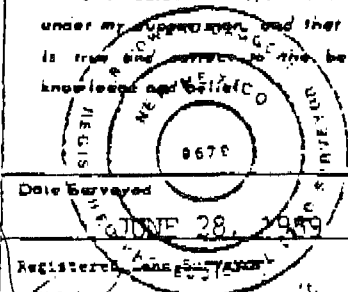
Operating Agent

Position
Bannon Energy, Inc.

Company
July 26, 1989

Date

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

Registered Land Surveyor

HOWARD S. DAGGETT
Professional Seal

Certificate No.

9670

Reading

BANNON ENERGY INCORPORATED

3934 F.M. 1960 West, Suite 240
Houston, Texas 77068
(713) 537-9000
FAX (713) 537-8624

September 18, 1989

Frank Chavez
New Mexico Oil Conservation Division
1000 Rio Brazos, New Mexico 87410

Re: Rededication of Acreage
S1/2 Section 25 T24N, R7W
Rio Arriba County, New Mexico

Dear Mr. Chavez

Enclosed please find copies of C102's for two existing wells (Mesa 25-2 and Mesa 25-3R) and two proposed wells (Mesa 25-4 and Mesa 25-5).

We request 80 acre dedication for each of the four (4) wells as shown on the plats. Please approve at your earliest convenience in order to expedite our APD process on the proposed wells.

Should you have any questions or need further information, please call Brad Salzman at (505) 326-0550.

Sincerely

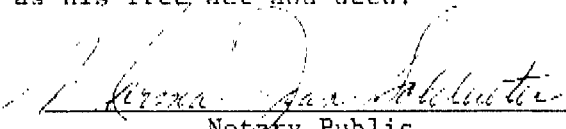
Brad Salzman

Brad Salzman
Agent, Bannon Energy, Inc.

BS/ck

STATE OF NEW MEXICO)
) ss.
COUNTY OF SAN JUAN)

On this 18th. day of September, 1989, before me personally
appeared B. W. SALZMAN, to me known to be the person described
in and who executed the foregoing instrument, and acknowledged
that he executed the same as his free act and deed.

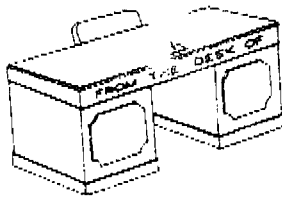


Notary Public

My Commission Expires:

November 6, 1989

My Comm. Expires 11-6-89



BRAD W. SALZMAN

FRANK,

THIS IS THE ORIGINAL ACKERSC
DEDICATION ROT THAT WAS IN
OUR WELL FILE WHEN BANNON
PURCHASED THE WELL.

I'm NOT SURE IF IT'S NEEDED OR
NOT, BUT I SENT YOU A COPY
ANYWAY

THANKS,

BRAD

BANNON ENERGY INCORPORATED

OIL CONSERVATION DIVISION
RECEIVED

3934 F.M. 1960 West, Suite 240
Houston, Texas 77068
(713) 537-9000
FAX (713) 537-8624

'90 FEB 28 AM 8 57

RETURN RECEIPT REQUESTED
P 117 123 792

February 26, 1990

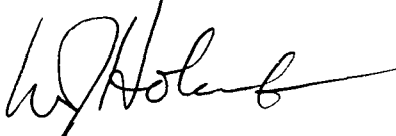
J.A. Cole Production
P.O. Box 191
Farmington, NM 87499

Re: Non-Standard Location - Mesa 25-5
Section 25 T24N-R7W
Unit P-790' FSL x 330' FEL
Escrito Associated Gallup Pool
Rio Arriba County, New Mexico

This letter is to notify you of Bannon Energy, Inc.'s request for approval of non-standard location to drill the above referenced well as stated above. The well was restaked at this location due to topographic restrictions and BCO's request.

Should you have any questions regarding this matter, please call Jeff Holcomb at (505) 326-0550. Thank you for your consideration in this matter.

Sincerely,



W. J. Holcomb
Agent, Bannon Energy

WJH:ck

xc: BCO
Michael Stogner - Santa Fe
Oil Conservation - Aztec

BANNON ENERGY INCORPORATED

3934 F.M. 1960 West, Suite 240
Houston, Texas 77068
(713) 537-9000
FAX (713) 537-8624

RETURN RECEIPT REQUESTED
P 117 123 794

February 26, 1990

T. H. McElvain Oil & Gas Properties
P.O. Box 2148
Santa Fe, New Mexico 87504-2148

Re: Non-Standard Location - Mesa 25-5
Section 25 T24N-R7W
Unit P-790' FSL x 330' FEL
Escrito Associated Gallup Pool
Rio Arriba County, New Mexico

This letter is to notify you of Bannon Energy, Inc.'s request for approval of non-standard location to drill the above referenced well as stated above. The well was restaked at this location due to topographic restrictions and BCO's request.

Should you have any questions regarding this matter, please call Jeff Holcomb at (505) 326-0550. Thank you for your consideration in this matter.

Sincerely,



W. J. Holcomb
Agent, Bannon Energy

WJH:ck

xc: BCO
Michael Stogner - Santa Fe
Oil Conservation - Aztec

BANNON ENERGY INCORPORATED

3934 F.M. 1960 West, Suite 240
Houston, Texas 77068
(713) 537-9000
FAX (713) 537-8624

RETURN RECEIPT REQUESTED
P 117 123 793

February 26, 1990

Dugan Production
P.O. Box 5820
Farmington, New Mexico 87499

Re: Non-Standard Location - Mesa 25-5
Section 25 T24N-R7W
Unit P-790' FSL x 330' FEL
Escrito Associated Gallup Pool
Rio Arriba County, New Mexico

This letter is to notify you of Bannon Energy, Inc.'s request for approval of non-standard location to drill the above referenced well as stated above. The well was restaked at this location due to topographic restrictions and BCO's request.

Should you have any questions regarding this matter, please call Jeff Holcomb at (505) 326-0550. Thank you for your consideration in this matter.

Sincerely,



W. J. Holcomb
Agent, Bannon Energy

WJH:ck

xc: BCO
Michael Stogner - Santa Fe
Oil Conservation - Aztec



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

February 16, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Bannon Energy Incorporated
c/o Holcomb Oil and Gas
P.O. Box 2058
Farmington, NM 87499

Attention: W.J. Holcomb
Operating Agent

RE: Unorthodox location; Mesa 25-5, 790' FSL - 330'
FEL, P-25-T24N-R7W, Escrito Gallup Associated
Pool, Rio Arriba County, New Mexico.

Dear Mr. Holcomb:

Your application of for the subject well dated February 6, 1990 appears to be for an amendment to Division Administrative Order NSP-1586(L) dated November 6, 1989, which in part authorized an unorthodox location for said Mesa 25 Well No. 5 to be drilled 660 feet from the South line and 330 feet from the East line (Unit P) of said Section 25. This application does not adequately show why this location needs to be moved. Please provide us with a more detailed plat showing the "topographical restrictions" restricting you from the 660-330 location. Also submit copies of any and all correspondence between you and the U.S. Bureau of Land Management concerning this location.

It also appears that all offset operator were not notified, the previous order showed that R.W. Warner, Dugan Production Corporation, T.H. McElvair, BCO Inc. and Cole Production were contacted; however, in this instance only BCO was contacted. Why? Please provide a plat to support your answer.

I appreciate your cooperation in this matter, and should you have any questions please contact me. Also, please refer to Memorandum No. 3-89 for future reference. Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Aztec
Robert G. Stovall - Santa Fe
William F. Carr - Santa Fe
William J. LeMay - OCD Director
Bannon Energy Incorporated - Houston
US Bureau of Land Management - Farmington

11/13/89



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

No. 3-89

MEMORANDUM

TO: ALL OIL AND GAS OPERATORS
FROM: WILLIAM J. LEMAY, DIRECTOR *WJL*
SUBJECT: UNORTHODOX WELL LOCATIONS
DATE: MARCH 24, 1989

Previously, it has been the practice of the Division to approve applications for unorthodox well locations without penalty if they were not opposed by any off-setting operator. However, due to the increased applications for unorthodox locations based predominantly on "closeology", this Division policy may no longer be appropriate. In the future, applications for unorthodox locations, whether for administrative approval or through the hearing process, will have to be supported by substantial evidence.

The Division will be reviewing future applications in an effort to develop guidelines for approving or denying such applications. Generally, if the application is based upon surface conditions, i.e., topography, archaeological considerations, etc., it will have to be clearly shown what obstructions prevent the drilling of the well at a legal location and the unorthodox location will have to be as close as practicable to the orthodox location. If unorthodox location is being requested for geological reasons, the applicant should be prepared to present evidence showing the geological factors that dictate the necessity for drilling an unorthodox location.

As always, the Division welcomes industry input into the process.

dr/

BANNON ENERGY INCORPORATED

3934 F.M. 1960 West, Suite 240
Houston, Texas 77068
(713) 537-9000
FAX (713) 537-8624

OIL CONSERVATION DIVISION
RECEIVED

'90 FEB 12 AM 9 07

February 6, 1990

Oil Conservation Division
ATTN: Michael Stogner
P.O. Box 2088
Santa Fe, New Mexico 87504

Re: Non-Standard Location - Mesa 25-5
Section 25 T24N-R7W
Unit P-790' FSL x 330' FEL
Escrito Associated Gallup Pool
Rio Arriba County, New Mexico

Dear Mr. Stogner

This letter is presented to request a non-standard location for the above referenced well. The well was staked at this location due to topographic restrictions.

Enclosed are copies of certified letters to offset operators, a C-102 and a topo map of the area.

Should you have any questions regarding this matter, please call William Holcomb at (505) 326-0550. Thank you for your consideration in this matter.

Sincerely,



W. J. Holcomb
Agent, Bannon Energy

WJH/ck

Enclosures

xc: Ernie Busch, Aztec OCD

BANNON ENERGY INCORPORATED

3934 F.M. 1960 West, Suite 240
Houston, Texas 77068
(713) 537-9000
FAX (713) 537-8624

RETURN RECEIPT REQUESTED
P 117 123 791

February 6, 1990

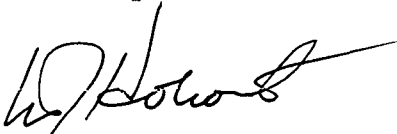
B.C.O., Inc.
135 Grant
Santa Fe, New Mexico 87501

Re: Non-Standard Location - Mesa 25-5
Section 25 T24N-R7W
Unit P-790' FSL x 330' FEL
Escrito Associated Gallup Pool
Rio Arriba County, New Mexico

This letter is to notify you of Bannon Energy, Inc.'s request for approval of non-standard location to drill the above referenced well as stated above. The well was staked at this location due to topographic restrictions.

Should you have any questions regarding this matter, please call William Holcomb at (505) 326-0550. Thank you for your consideration in this matter.

Sincerely



W. J. Holcomb
Agent, Bannon Energy

WJH:ck

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

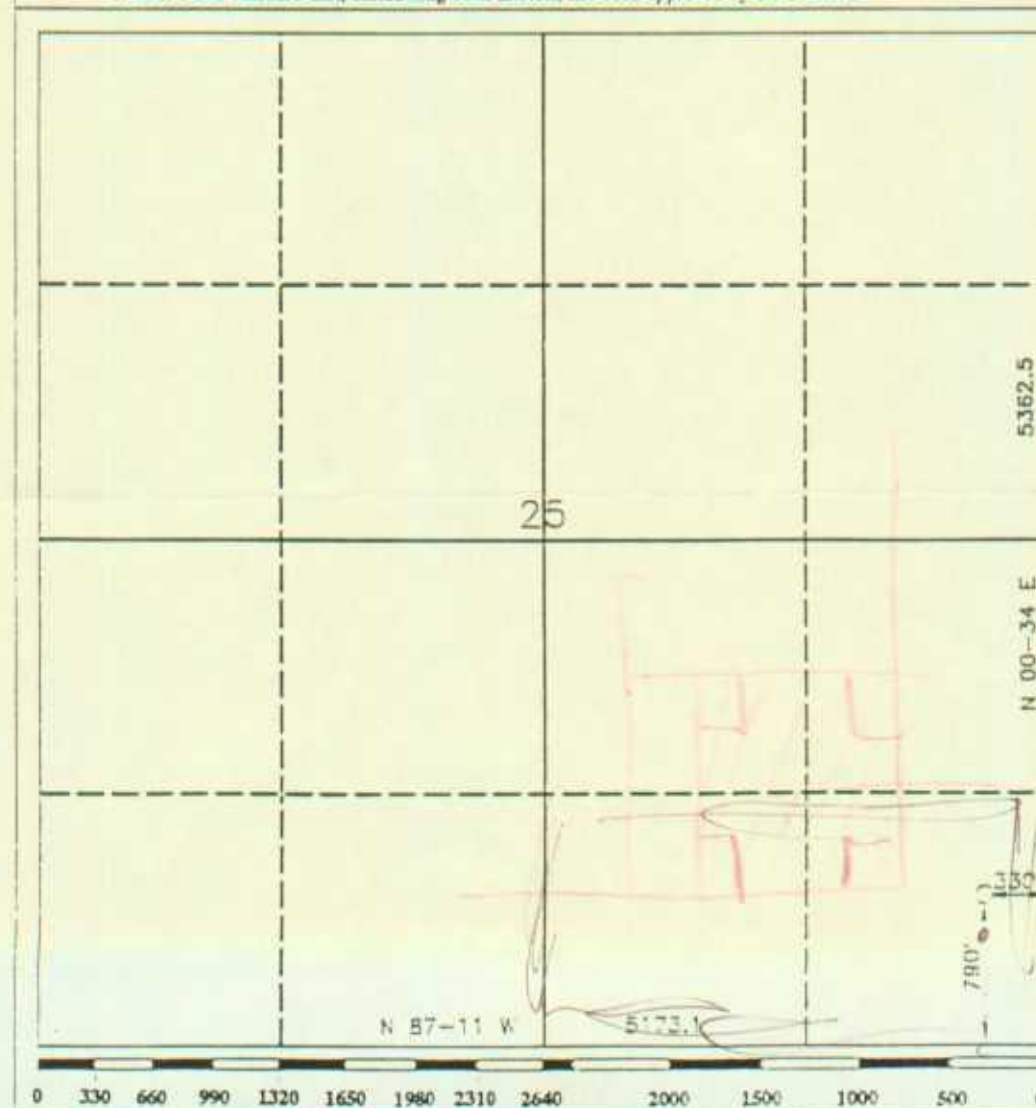
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator BANNON ENERGY INC.			Lease BANNON MESA		Well No. 25-5
Unit Letter P	Section 25	Township T.24 N.	Range R.7 W.	County RIO ARRIBA	
Actual Footage Location of Well: 790 feet from the SOUTH line and 330 feet from the EAST line.					
Ground level Elev. 6742.80	Producing Formation Gallup		Pool Escrito	Dedicated Acreage: 80 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 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 **Agent**
Company **Bannon Energy, Inc.**
Date **11-30-89**

SURVEYOR CERTIFICATION

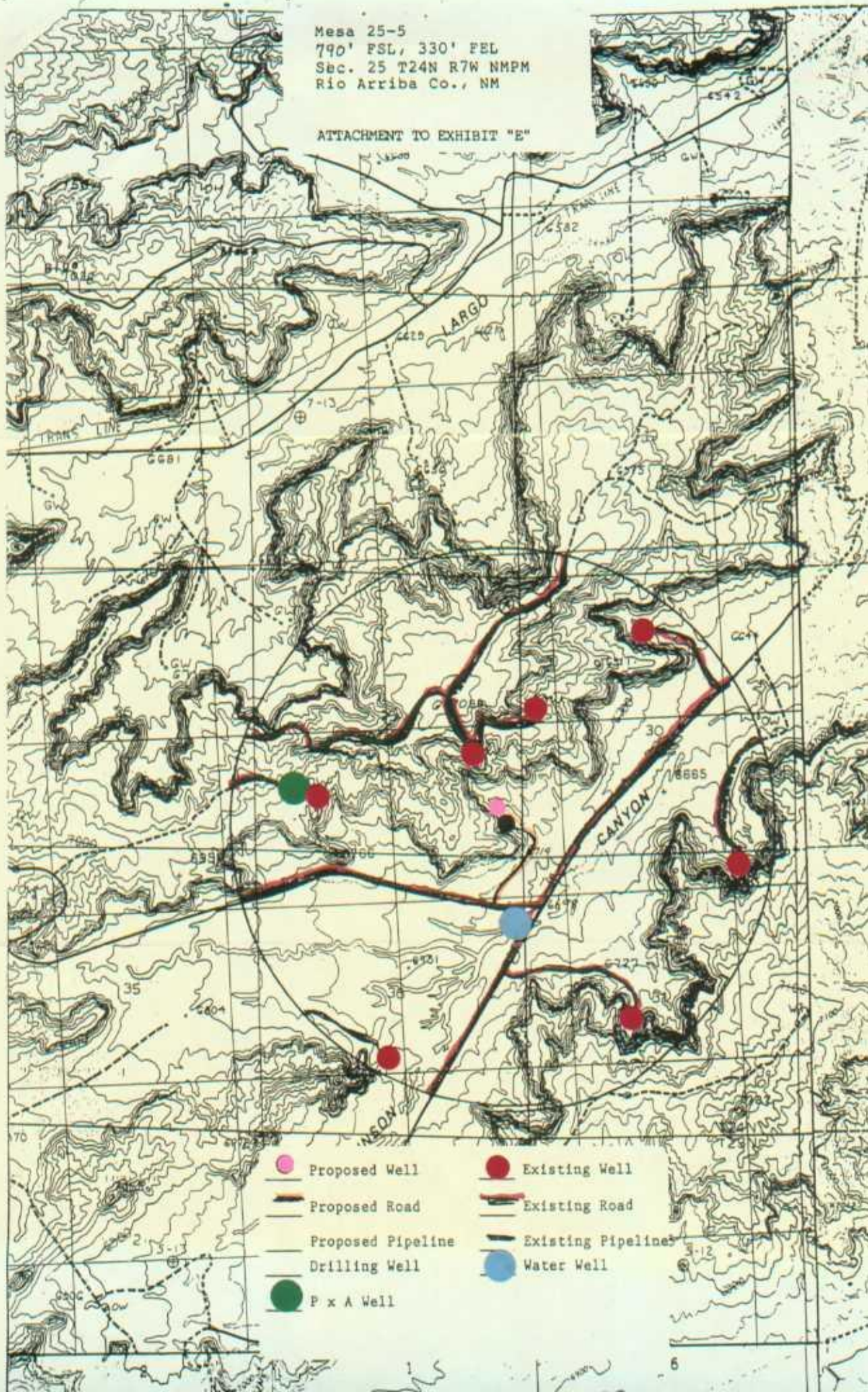
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.




Date Surveyed **Nov. 28, 1989**
Signature & Seal of Professional Surveyor
R. HOWARD DAGGETT

Certificate No. **9675**

Mesa 25-5
 790' PSL, 330' FEL
 Sec. 25 T24N R7W NMPM
 Rio Arriba Co., NM

ATTACHMENT TO EXHIBIT "E"



- | | |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
|  Proposed Well |  Existing Well |
|  Proposed Road |  Existing Road |
|  Proposed Pipeline |  Existing Pipeline |
|  Drilling Well |  Water Well |
|  P x A Well | |