

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 requirements.)

At surface

2250' FNL, 500' FWL

At proposed prod. zone

Same

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

5 1/2 miles from Counselors Trading Post (NW)

15. DISTANCE FROM PROPOSED\*

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

16. NO. OF ACRES IN LEASE

2557 2567.37

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40 37.96

18. DISTANCE FROM PROPOSED LOCATION\*

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

19. PROPOSED DEPTH

5800'

20. ROTARY OR CABLE TOOLS

Rotary

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

6810' GR

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED

22. APPROX. DATE WORK WILL START\*

September 1, 1989

23. PROPOSED CASING AND CEMENTING PROGRAM

This action is subject to the approval of the  
procedural review pursuant to 3 CFR 3165.3  
and appeal pursuant to 3 CFR 3165.4.

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	5800'	800 sx - volumes to be calculated subsequent to logging.

AUG 30 1989

SEP 18 1989

OIL CON. DIV. OIL CONSERVATION DIV.

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.

SIGNED

*B. K. Selman*

TITLE Agent for Bannon Energy, Inc.

APPROVED

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

AUG 22 1989  
DATE  
*John Shell*  
AREA MANAGER  
FARMINGTON RESOURCE AREA

\*See Instructions On Reverse Side

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

Operator <b>Bannon Energy, Inc.</b>			Lease <b>Grace Federal 1</b>		Well No. <b>1R</b>
Unit Letter <b>E</b>	Section <b>Sec. 1</b>	Township <b>T-23-N</b>	Range <b>R-7-W</b>	County <b>Rio Arriba County</b>	
Actual Footage Location of Well: <b>2250</b> feet from the <b>North</b> line and <b>500</b> feet from the <b>West</b> line					
Ground Level Elev. <b>6810 ft.</b>	Producing Formation <b>Gallup</b>	Pool <b>Lybrook</b>		Dedicated Acreage: <b>40 37.96</b> Acres	

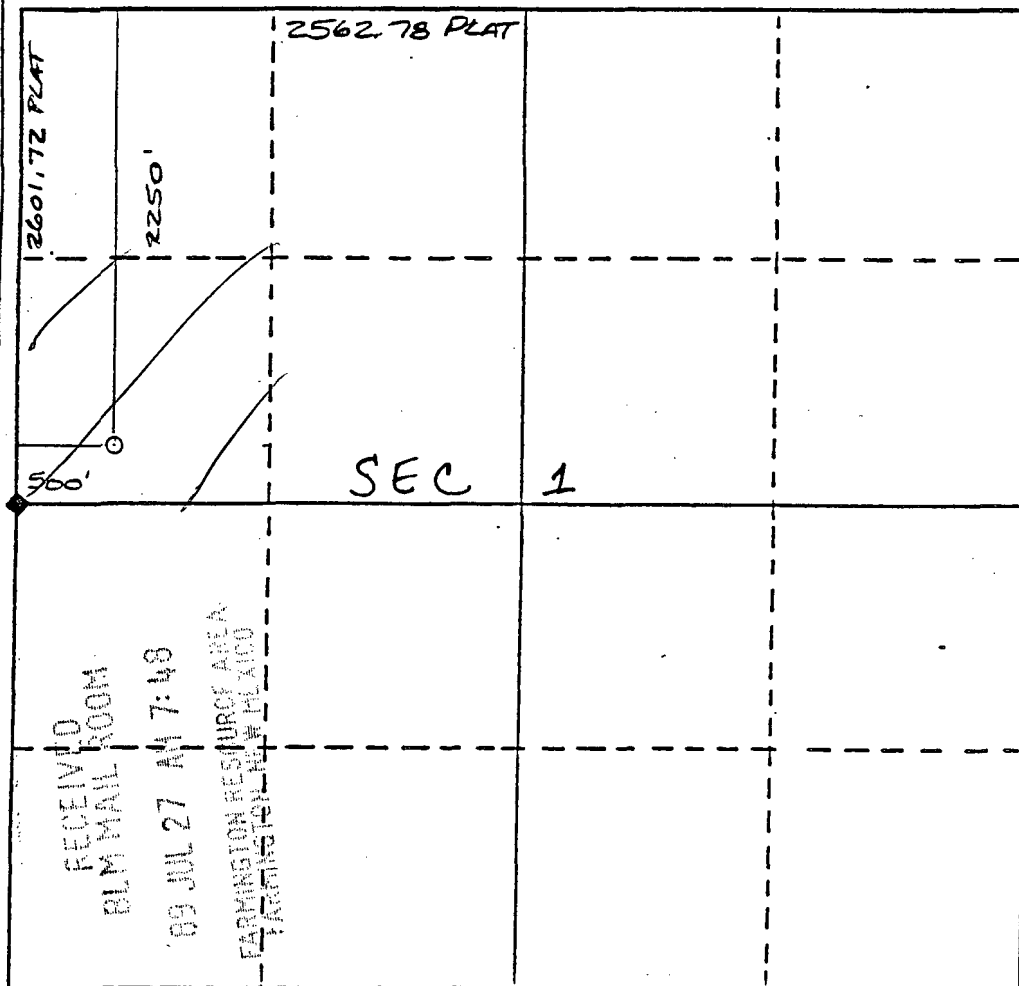
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is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

**S 87° 36' E**



**CERTIFICATION**

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

*B. J. Salzman*

Name  
Operating Agent  
Position  
**Bannon Energy, Inc.**  
Company  
**July 21, 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.

**R. HOWARD DAGGETT**  
NEW MEXICO  
May 24, 1989  
Registered Land Surveyor  
*R. Howard Daggett*

Certificate No.  
Registered Professional  
NM #9679  
Land Surveyor