

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 ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR  
Bannon Energy, Inc., c/o Daggett & Chenault, Inc.

3. ADDRESS OF OPERATOR  
3539 E. 30th, Ste. 7B, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
At surface  
1975' FSL, 1978' FEL Sec. 19, T.23 N., R.6 W. Unit J  
At proposed prod. zone  
same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
4 miles Southeast of Escrito Trading Post

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  
2560

17. NO. OF ACRES ASSIGNED  
TO THIS WELL  
40

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.)  
7015'

22. APPROX. DATE WORK WILL START\*  
9-15-90

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'

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS"  
Cement to surface  
800 SX-Vol. to be calculated  
subsequent to logging &  
circulate 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 & Elevation Plat
- "B" Ten Point Compliance Program
- "C" Blowout Preventor Diagram
- "D" Multi-point requirements of AP
- "E" Site specific checklist for roads  
(Attachment to "E" - Topo map)

RECEIVED  
SEP 14 1990  
OIL CON. DIV.  
DIST. 3

Drill Rig Layout  
Completion Program Layout  
Location Profile

The gas from this lease is committed.

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. H. Chaboud TITLE Vice President DATE August 28, 1990

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

NMOCD

\*See Instructions On Reverse Side

## EXHIBIT A

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

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

## OIL CONSERVATION DIVISION

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

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

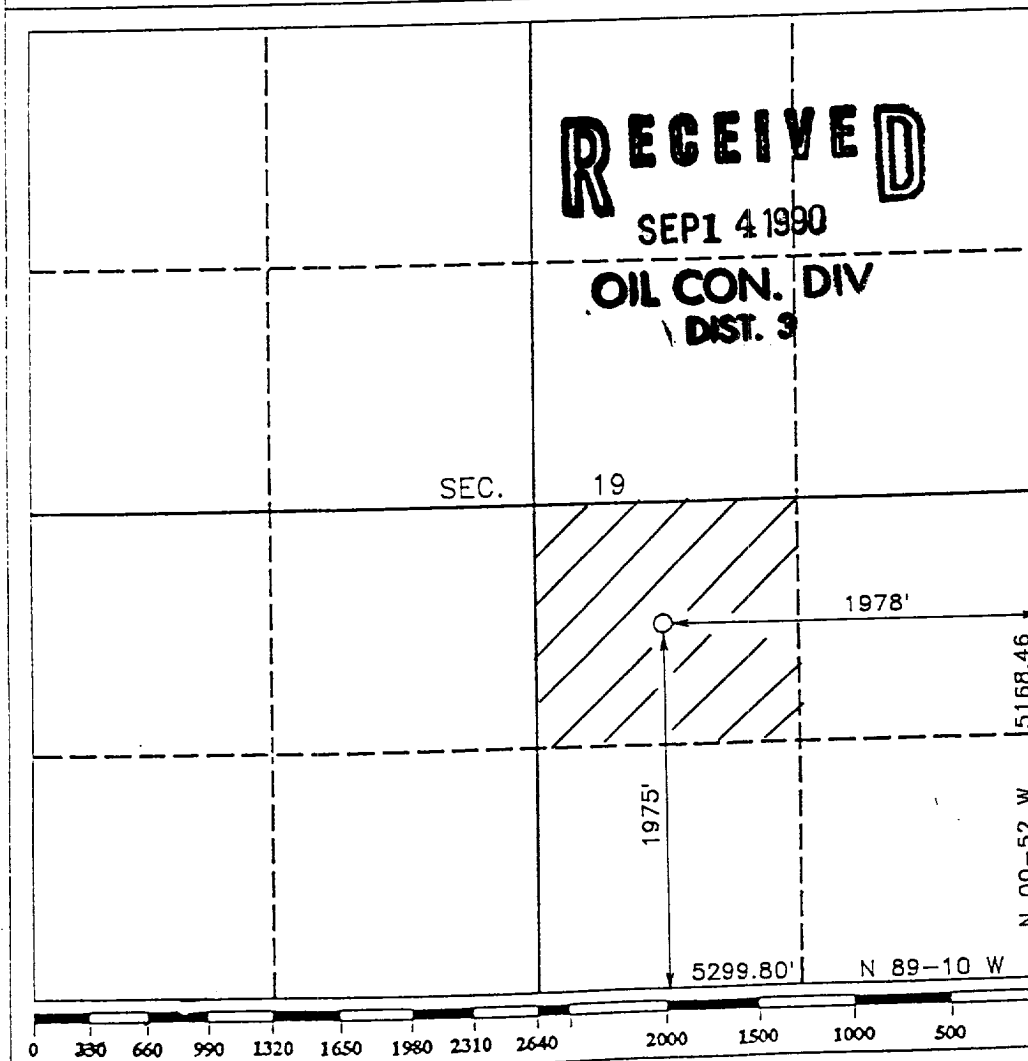
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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 <b>BANNON ENERGY, INC.</b>			Lease <b>FEDERAL 19</b>		Well No. <b>12</b>
Unit Letter <b>J</b>	Section <b>19</b>	Township <b>T.23 N.</b>	Range <b>R.6 W.</b>	County <b>SANDOVAL COUNTY</b>	
Actual Footage Location of Well: <b>1975</b> feet from the <b>SOUTH</b> line and <b>1978</b> feet from the <b>EAST</b> line					
Ground level Elev. <b>7015</b>	Producing Formation <b>Gallup</b>		Pool <b>Lybrook/Gallup</b>	Dedicated Acreage: <b>40</b> Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>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.?  <input type="checkbox"/> Yes <input type="checkbox"/> 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.</p>					



## OPERATOR CERTIFICATION

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

Signature *B.A. Chabaud*  
Printed Name **B.A. Chabaud**  
Position **Vice President**  
Company **Bannon Energy Incorporated**  
Date **August 28, 1990**

## 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 **JULY 23 1990**  
Signature & Seal of Professional Surveyor  
**R. HOWARD DAGGETT**  
Certificate No. **9679**  
Registered Professional Land Surveyor