

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

GARREY CARRUTHERS
GOVERNOR

December 14, 1990

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

Bannon Energy, Inc.
c/o A.R. Kendrick
Box 516
Aztec, NM 87410-0516

Administrative Order NSP-1611

Dear Mr. Kendrick:

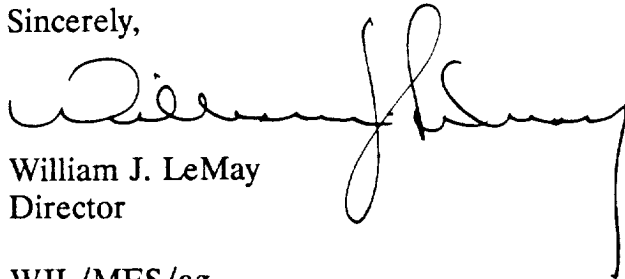
Reference is made to your application dated October 29, 1990 for a 120-acre non-standard oil proration unit consisting of the following acreage in the Devil's Fork Gallup Associated Pool:

RIO ARriba COUNTY, NEW MEXICO
TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 24: N/2 SE/4 and SE/4 SE/4

It is my understanding that this unit is to be dedicated to your Lybrook Federal 24 Well No. 5 to be drilled at a standard oil well location 1791 feet from the South line and 869 feet from the East line (Unit I) of said Section 24.

By authority granted me under the provisions of Rule 4 of the General Rules and Regulations for the Associated Oil and Oil Pools of Northwest New Mexico, the above non-standard oil proration unit is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

FRANK J. CARRUTHERS
GOVERNOR

11000 RIO HABAS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

Date: 11-24-90

Attn: Mr. Stogor

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Proposed MC _____
Proposed DHC _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen: NSP X

I have examined the application dated 10-29-90

for the Pratt Energy Inc. Lybrook Fed. 24#5
Operator Lease & Well No.

I-24-24N9W and my recommendations are as follows:
Unit, S-T-R

IT IS MY UNDERSTANDING THAT AS SOON AS
IT IS A "PAYING WELL" THE BLM WILL
LEASE OUT TO THE HIGHEST BIDDER THE
OUTSTANDING 40 ACRES. I RECOMMEND
APPROVAL

Yours truly,

Emilio Bland

A. R. KENDRICK

P.O. BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

October 29, 1990

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

RECEIVED
OCT 29 1990
OIL CON. DIV./
\ DIST. 3

Re: Application for Non-Standard Proration Unit
Bannon Energy, Inc.
Lybrook Federal 24 #5
1791' FSL 869' FEL Sec. 24-T24N-R7W
Devils Fork Gallup Associated Oil Pool
Rio Arriba County, New Mexico

Dear Mr. Stogner:

We, on behalf of Bannon Energy Inc., request approval of a 120-acre non-standard proration unit to consist of the north half of the southeast quarter and the southeast quarter of the southeast quarter (N/2 SE/4 and SE/4 SE/4) of Section 24, Township 24 North, Range 7 West, Devils Fork Gallup Associated Oil Pool.

The reason for the request is that the southwest quarter of the southeast quarter (SW/4 SE/4) of Section 24 has "high value cultural resources present"; therefore, a request for the acreage to be advertised for leasing was denied.

IF, the acreage is to be advertised for leasing in the future, there will be no fair way to:

1. Establish a lease price for the acreage; or
2. Allocate the costs of planning, permitting, drilling and risk incurred in the accomplishment of a successful well on the leased lands.

The enclosed plat shows the owners or operators of offset wells, all of which have been notified by certified mail at his mailing. Their names and addresses are shown on an attached list.

If further information is needed, please contact me.

Yours very truly,


A. R. Kendrick

attachments

ATTACHMENTS

Application for Non-Standard Proration Unit
Bannon Energy, Inc.
Lybrook Federal 24 #5
1791' FSL 869' FEL Sec. 24-T24N-R7W
Devils Fork Gallup Associated Pool

The following are attached:

1. Copy of the Application for Permit to Drill
2. Copy of Form C- 102, Well Location and Acreage Dedication Plat
3. Plat showing the offset owners and/or operators and the offset wells with proration units outlined.
4. Plat showing the Gallup formation pools in the area.
5. List of Names and addresses of the offset operators and/or owners.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

30-259-24920

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 In., 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

1791' FSL, 869' FEL Sec. 24, T24N-R7W (Unit 1)
At proposed prod. zone

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

7 1/2 miles NW of Counselors Trading Post

15. DISTANCE FROM PROPOSED*

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

869'

18. NO. OF ACRES IN LEASE

120

17. NO. OF ACRES ASSIGNED
TO THIS WELL

120 -160

19. DISTANCE FROM PROPOSED LOCATION*

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

1822'

19. PROPOSED DEPTH

5800'

20. ROTARY OR CABLE TOOLS

Rotary

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

6671 GR

This action is subject to technical and
procedural review process.

22. APPROX. DATE WORK WILL START*

October 1, 1990

23.

and appeal pursuant to 43 (PROPOSED) CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	GENERAL QUANTITY OF CEMENT
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 and 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 APD
- "E" Site specific checklist for roads
(Attachment to "E" - topo map)

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

The gass 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.

SIGNED

TITLE

DATE

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL

OIL CON. DIV.

DIST. 3

*See Instructions On Reverse Side

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.

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

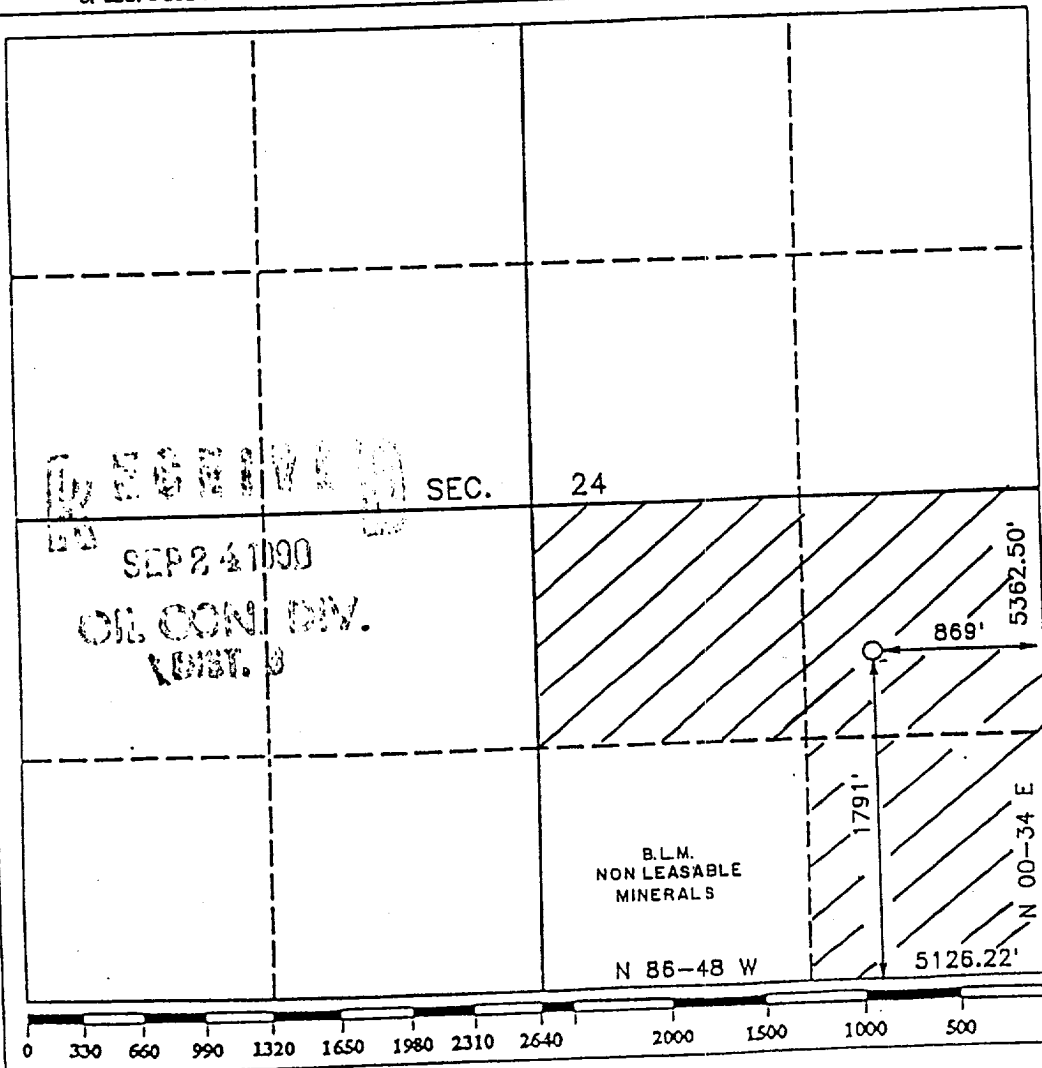
Form C-102
Revised 1-1-89

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator BANNON ENERGY, INC.		Lease LYBROOK FEDERAL 24		Well No. 5
Unit Letter I	Section 24	Township T.24 N.	Range R.7 W. NMPM	County RIO ARriba COUNTY
Actual Footage Location of Well: 1791 feet from the SOUTH line and 869 feet from the EAST line				
Ground level Elev. 6671	Producing Formation Gallup	Pool Devil's Fork Assoc.	Dedicated Acreage: 120 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 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.



OPERATOR CERTIFICATION

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

R.A. Chabaud
Signature

Printed Name
R.A. Chabaud

Position
Vice Pres. - Operation

Company
Bannon Energy Inc

Date
9-6-90

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
AUGUST 15 1990

Signature & Seal of Professional Surveyor
R. HOWARD DAGGETT

R. Howard Daggett
Signature

Certificate No.
9679

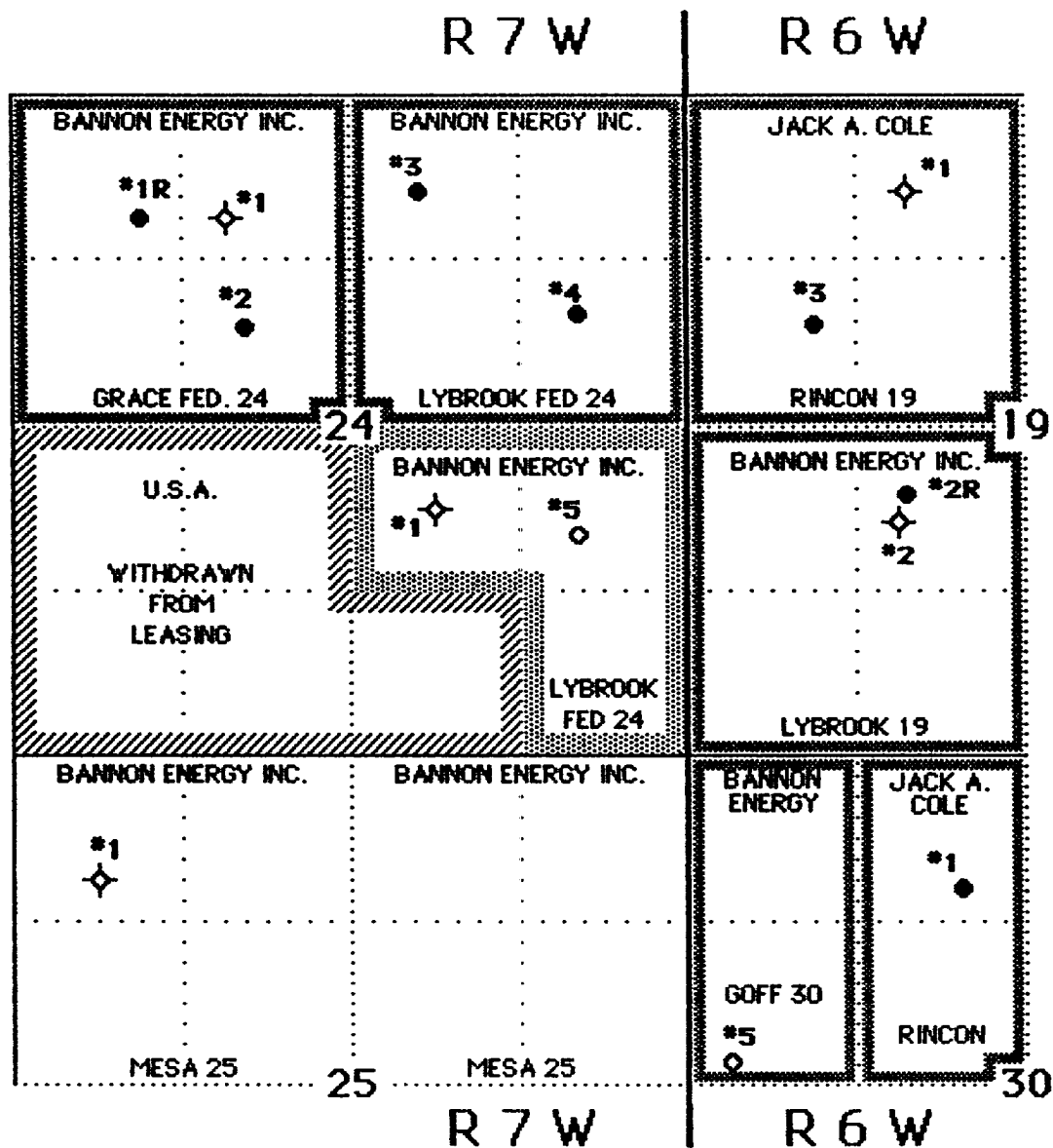
Registered Professional
Land Surveyor

Application for Non-Standard Proration Unit

Bannon Energy Inc. Lybrook Fed. 24 #5

1791' FSL 869' FWL Sec. 24-T24N-R7W

Devils Fork Gallup Assoc. Pool



NAMES AND ADDRESSES OFFSET OWNERS AND OPERATORS

Application for Non-Standard Proration Unit
Bannon Energy, Inc.
Lybrook Federal 24 #5
1791' FSL 869' FEL Sec. 24-T24N-R7W
Devils Fork Gallup Associated Pool

Jack A. Cole •
P. O. Box 191
Farmington, New Mexico 87499-0191

Bureau of Land Management •
1235 La Plata Highway
Farmington, New Mexico 87401

Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

• Notified by Certified Mail