

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised 1-1-89

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

**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)

30-045-27639

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

LG-1034-2

7. Lease Name or Unit Agreement Name

STATE 36

8. Well No.

6

9. Pool name or Wildcat

Lybrook Gallup

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

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 Holcomb Oil & Gas, Inc.

3. Address of Operator

P.O. Box 2058, Farmington, NM 87499

4. Well Location

Unit Letter J : 2230 Feet From The South Line and 2059 Feet From The East Line

Section 36

Township 24N

Range 8W

NMPM San Juan

County

10. Proposed Depth

5800'

11. Formation

Gallup

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DP, RT, GR, etc.)

6911' GR

14. Kind & Status Plug Bond

15. Drilling Contractor

16. Approx. Date Work will start

4-15-90

**PROPOSED CASING AND CEMENT PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
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 & 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" Topo map

"B" Blowout Preventor Diagram

**APPROVAL EXPIRES 9-12-90  
UNLESS DRILLING IS COMMENCED,  
SPUD NOTICE MUST BE SUBMITTED  
WITHIN 10 DAYS**

**RECEIVED**

MAR 09 1990

**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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE W. J. Holcomb TITLE Agent, Bannon Energy, Inc. DATE 3-9-90

TYPE OR PRINT NAME W. J. Holcomb

TELEPHONE NO. 505-326-0550

(This space for State Use)

APPROVED BY Emile Busch DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE MAR 12 1990

CONDITIONS OF APPROVAL, IF ANY:



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

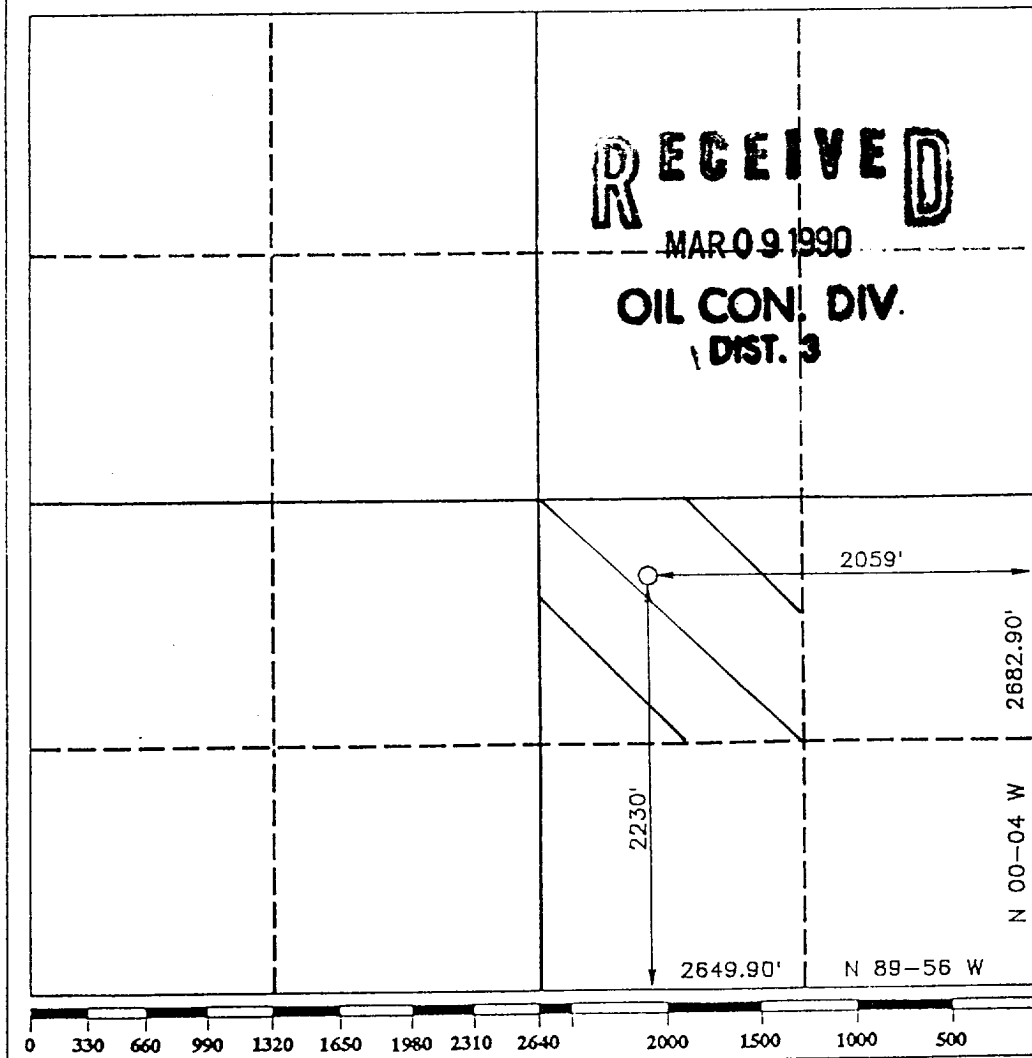
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>BANNON ENERGY, INC.</b>			Lease <b>STATE 36</b>		Well No. <b>6</b>
Unit Letter <b>J</b>	Section <b>36</b>	Township <b>T.24 N.</b>	Range <b>R.8 W.</b>	County <b>SAN JUAN COUNTY</b>	
Actual Footage Location of Well: <b>2230</b> feet from the <b>SOUTH</b> line and <b>2059</b> feet from the <b>EAST</b> line					
Ground level Elev. <b>6911</b>	Producing Formation <b>Gallup</b>		Pool <b>Lybrook Gallup</b>	Dedicated Acreage: <b>40</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or inkature 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.

Signature *W. J. Holcomb*  
Printed Name **W. J. Holcomb**  
Position **Agent**  
Company **Bannon Energy, Inc.**  
Date **3-9-90**

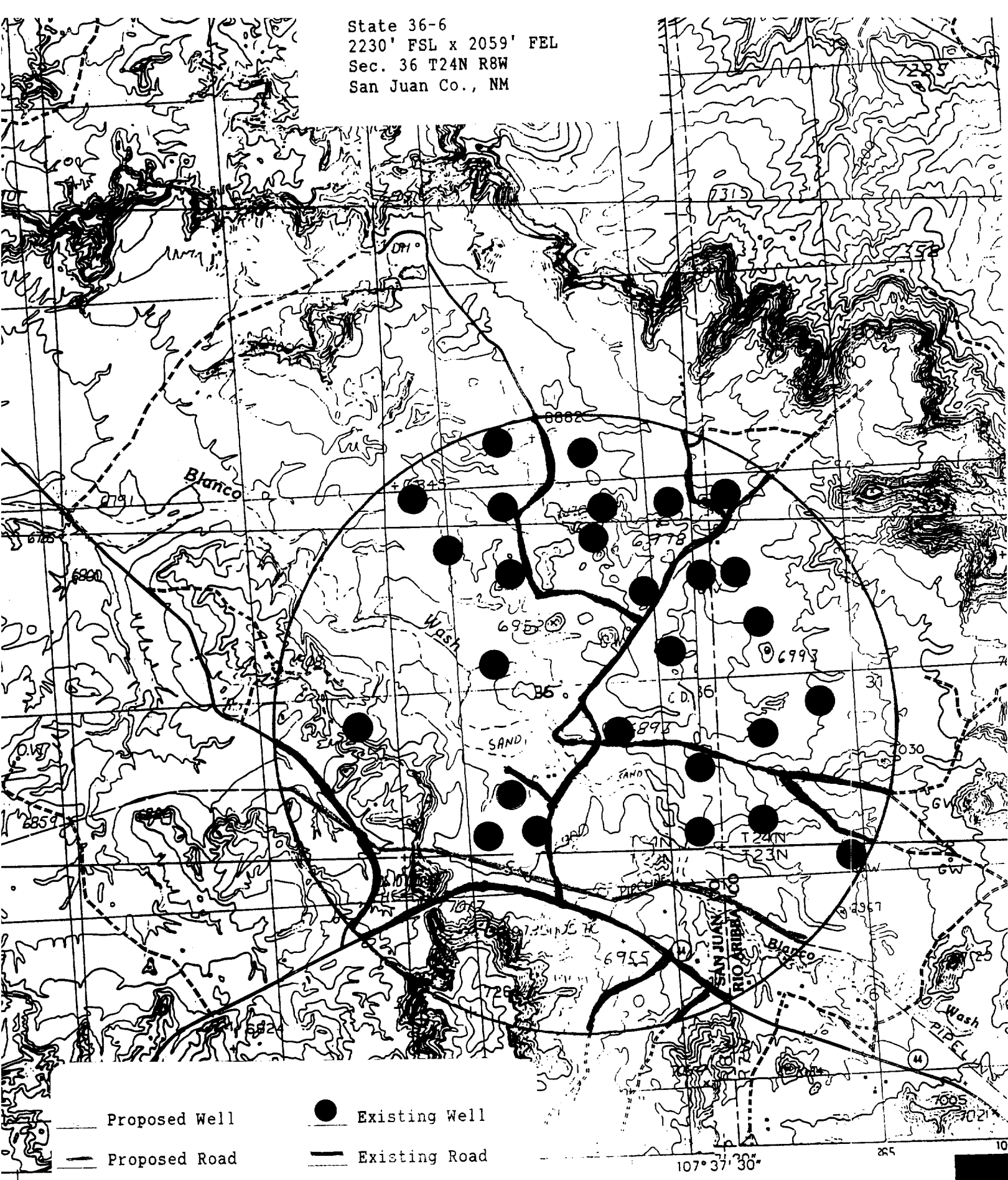
SURVEYOR CERTIFICATION

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 **FEBRUARY 24 1990**  
Signature *R. Howard Daggett*  
Professional Surveyor **R. HOWARD DAGGETT**  
Certificate No. **9679**  
Registered Professional  
Land Surveyor

637502  
OCT 10 1950  
OIL COM. DIV.  
1271

State 36-6  
 2230' FSL x 2059' FEL  
 Sec. 36 T24N R8W  
 San Juan Co., NM

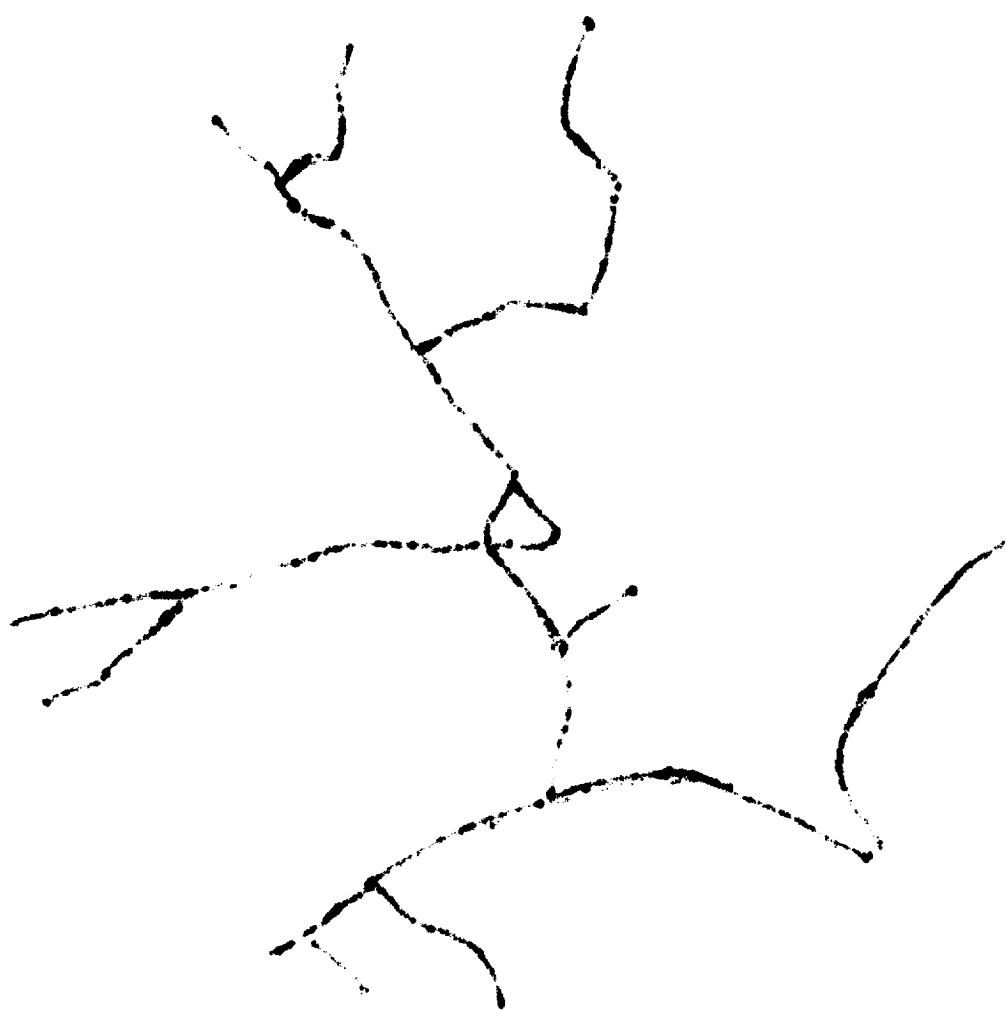


- |                     |                     |
|---------------------|---------------------|
| — Proposed Well     | ● Existing Well     |
| — Proposed Road     | — Existing Road     |
| — Proposed Pipeline | — Existing Pipeline |
| — Drilling Well     | ● Water Well        |
| — P & A Well        |                     |

107° 37' 30"

285

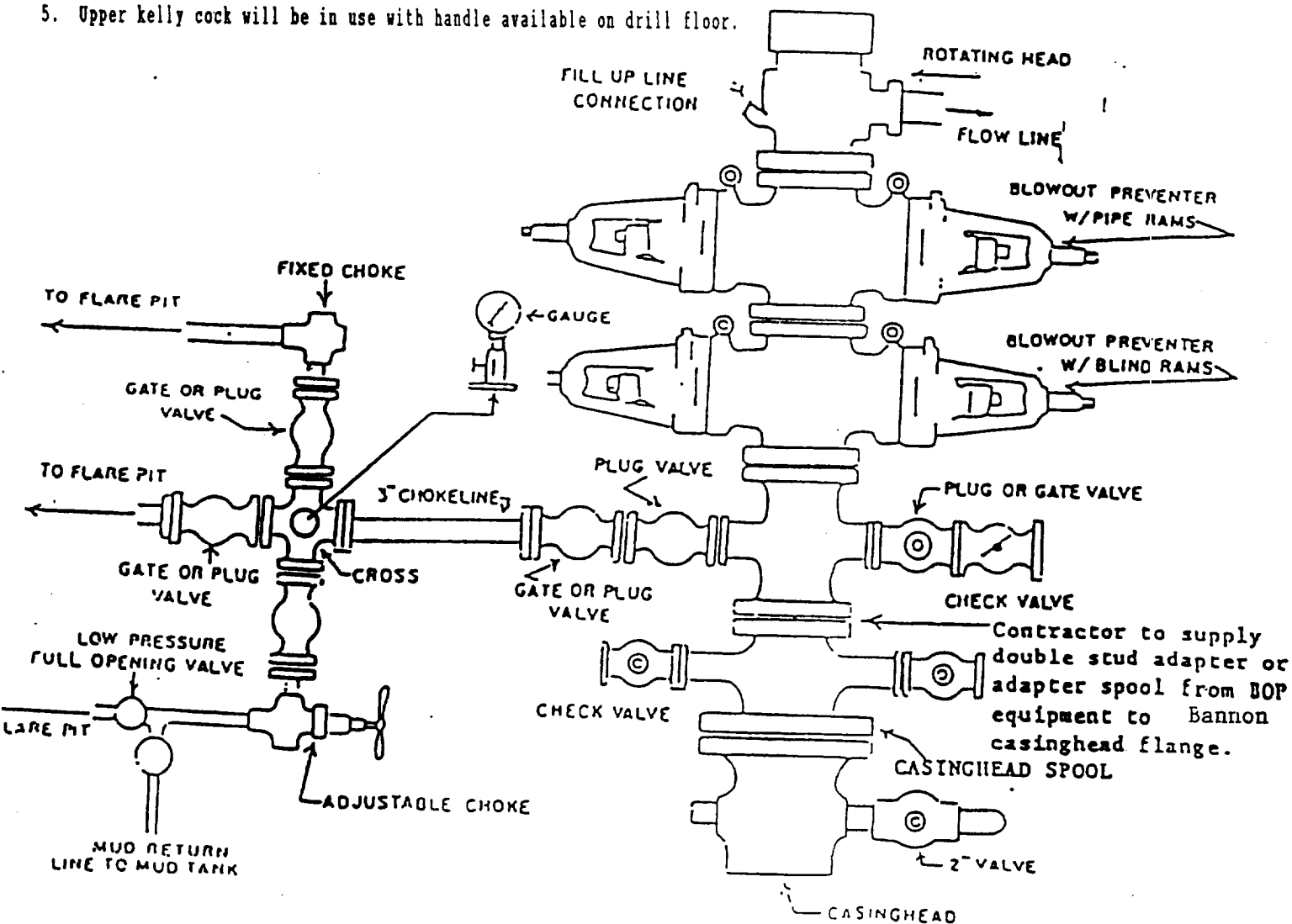
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FARMINGTON DISTRICT BLOWOUT PREVENTER REQUIREMENTS

EXHIBIT "B"

1. Blowout Preventers and Master Valve to be fluid operated, and all fittings must be in good condition. Handwheels must be installed prior to drilling out.
2. Equipment through which bit must pass shall be as large as the inside diameter of the casing that is being drilled through.
3. All fittings to be flanged, (except for flare line).
4. Full opening safety valve and inside BOP valve must be available on rig floor at all times with proper connection or sub for drill pipe and drill collars.
5. Upper kelly cock will be in use with handle available on drill floor.



BLOWOUT PREVENTER HOOKUP

API Series # 2000

Operation of BOP by closing both pipe and blind rams will be tested each trip or, on long bit runs, pipe rams will be closed once each 24 hours.