

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) <u>30-045-27641</u>	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. <u>LG-1034-2</u>	
7. Lease Name or Unit Agreement Name  STATE 36	
8. Well No. 8	
9. Pool name or Wildcat Lybrook Gallup	
10. Proposed Depth 5800'	
11. Formation Gallup	
12. Rotary or C.T. Rotary	
13. Elevations (Show whether DF, RT, GR, etc.) 6888'	
14. Kind & Status Plug. Bond	
15. Drilling Contractor	
16. Approx. Date Work will start 4-15-90	
17. PROPOSED CASING AND CEMENT PROGRAM	
SIZE OF HOLE	SIZE OF CASING
12 1/2"	8 5/8"
7 7/8"	4 1/2"
WEIGHT PER FOOT	SETTING DEPTH
24.0 lb. J-55	300'
11.6 lb. K-55	5800'
SACKS OF CEMENT	EST. TOP
Cement to surface	
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 7-12-90  
UNLESS DRILLING IS COMMENCED.  
SPUD NOTICE MUST BE SUBMITTED  
WITHIN 10 DAYS.

RECEIVED

MAR 09 1990

OIL CON. DIV. 1  
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 Ernie Burch TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE MAR 12 1990

CONDITIONS OF APPROVAL, IF ANY:

Hold C-104 FOR NSL

RECEIVED  
OIL CON. DIV.  
FEB 3 1950

APPROVAL MUST BE OBTAINED  
BEFORE WORK IS COMMENCED.  
THIS NOTICE MUST BE PROMPTLY  
WITHIN 10 DAYS

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

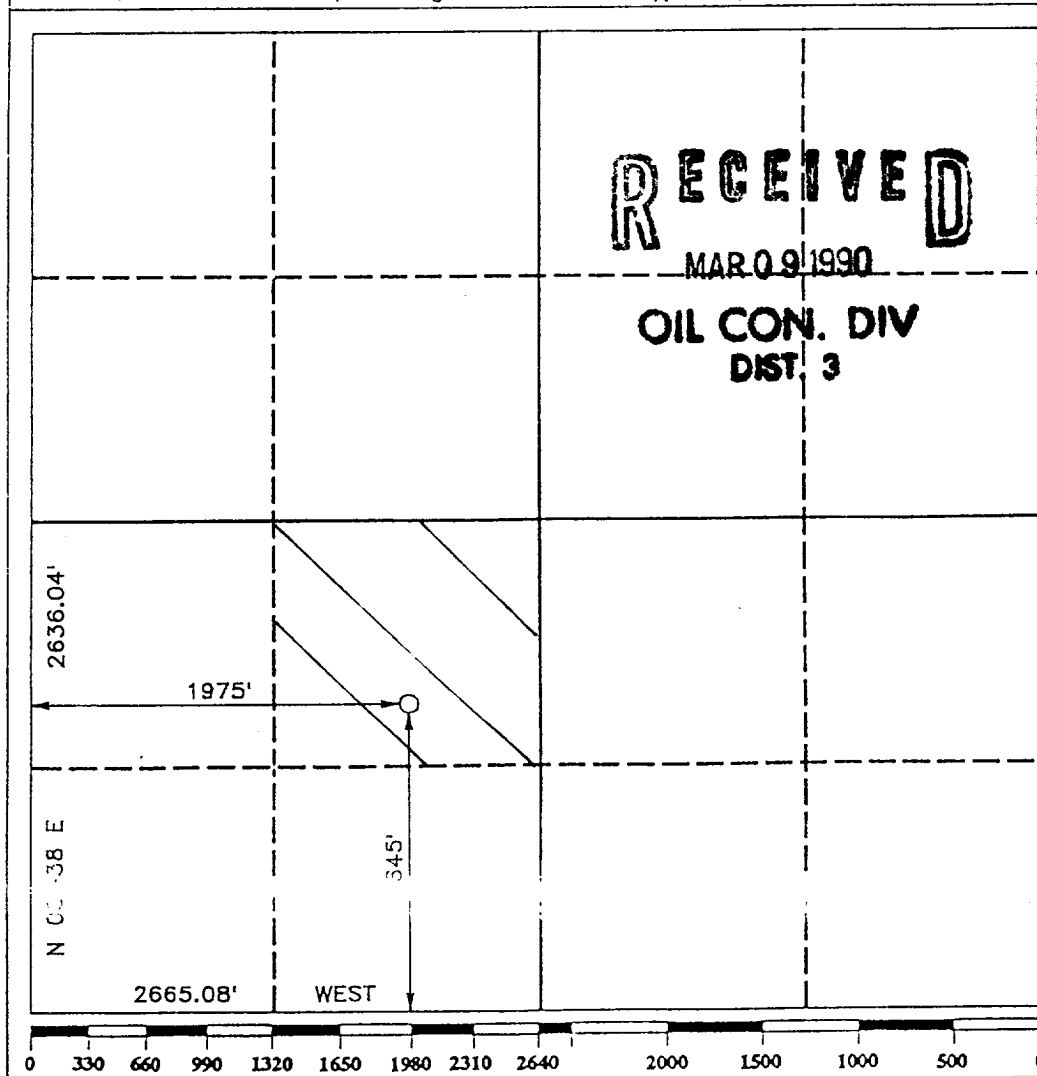
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

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>-8</b>
Unit Letter <b>K</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>1645</b> feet from the <b>SOUTH</b> line and <b>1975</b> feet from the <b>WEST</b> line					
Ground level Elev. <b>6888</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 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.



**RECEIVED**  
**MAR 09 1990**  
**OIL CON. DIV**  
**DIST. 3**

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 & Seal of MEXICO  
Professional Surveyor  
**R. HOWARD DAGGETT**  
Certificate No. **9678**  
Registered Professional  
Land Surveyor

SECRET  
NO FORN DISSEM  
OIL CONT DIA  
Dist 3

State 36-8  
1645' FSL x 1975' FWL  
Sec. 36 T24N R8W  
San Juan Co., NM

Legend:

- Proposed Well
- Existing Well
- Proposed Road
- Existing Road
- Proposed Pipeline
- Existing Pipeline
- Drilling Well
- Water Well

P & A Well

Blanco

Wash

SAND

T24N

T23N

SAN JUAN CO

RIO ARriba

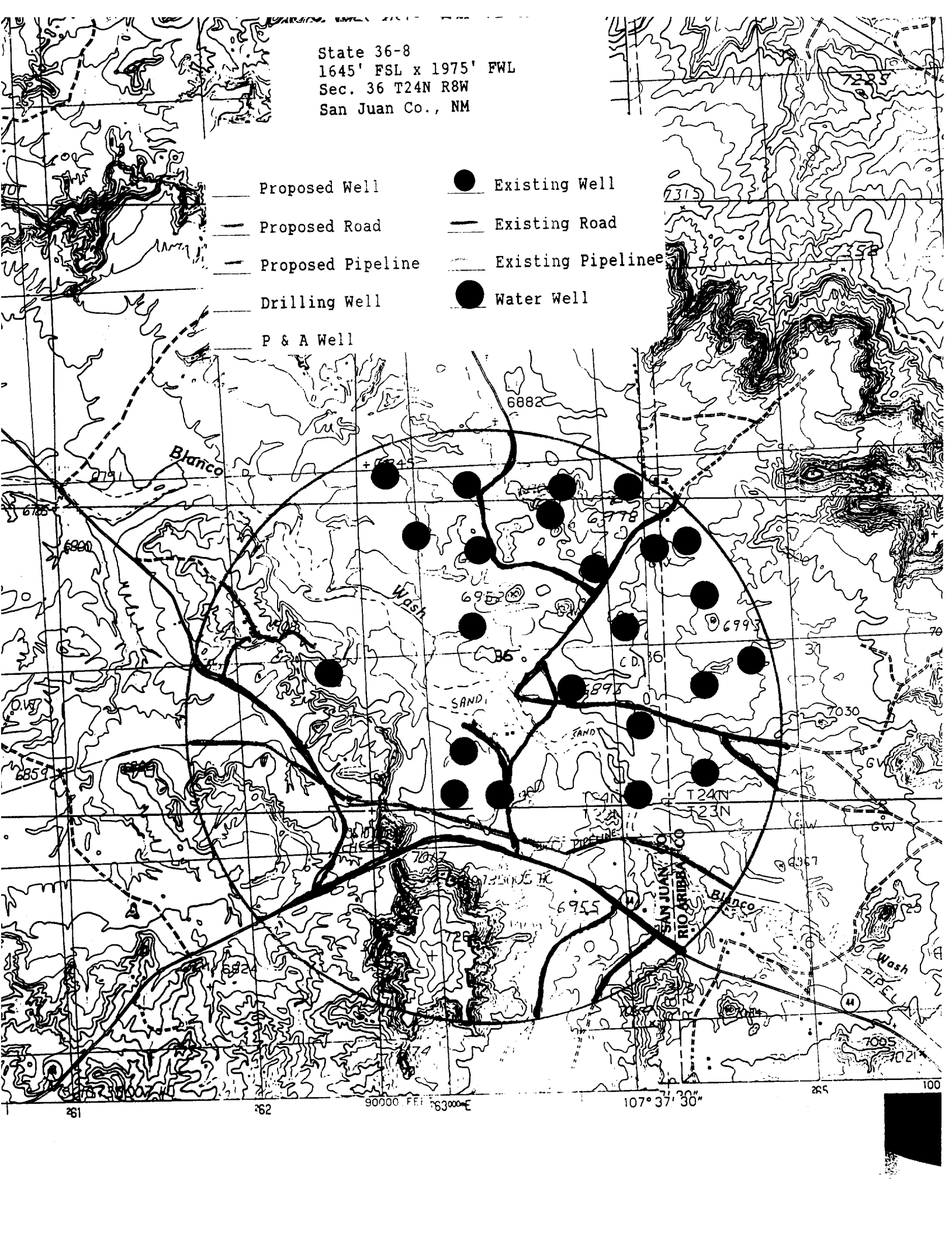
Wash PIPELINE

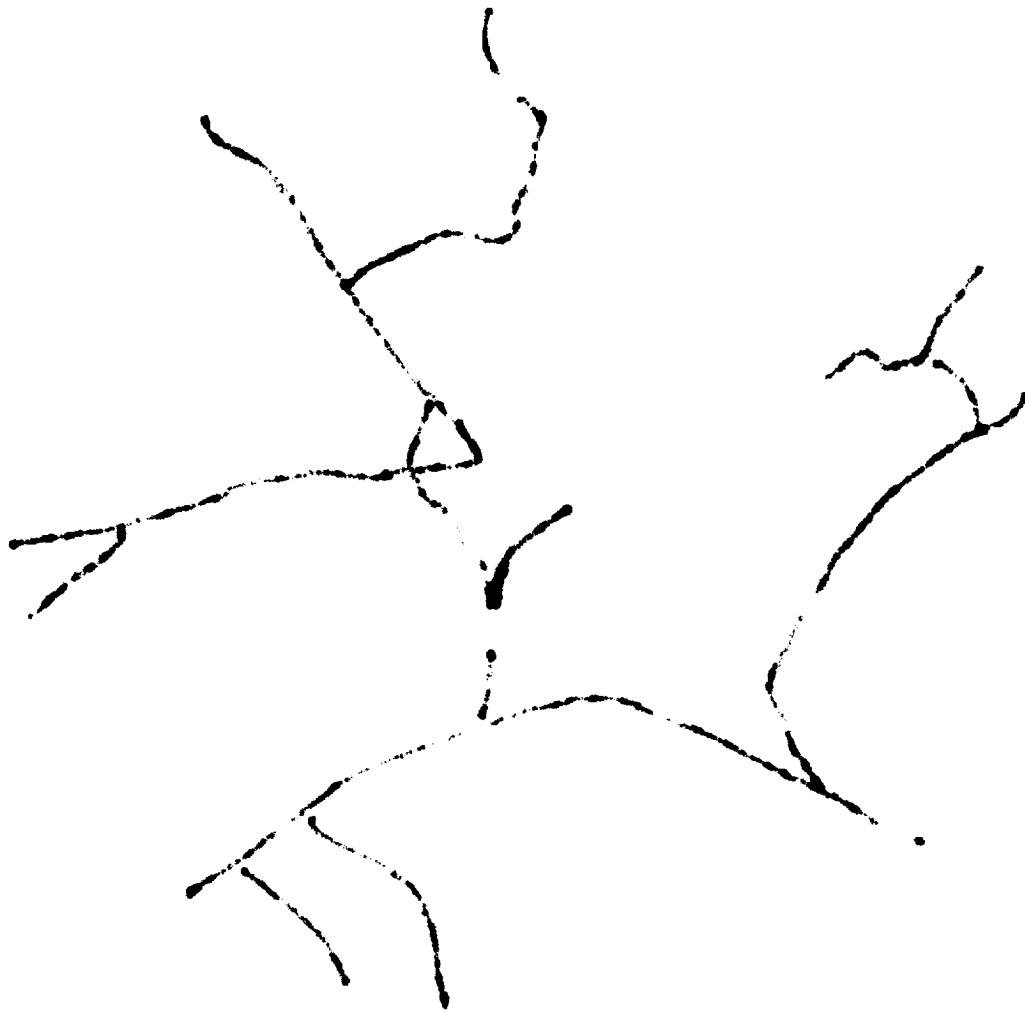
107° 37' 30"

36° 10' 00"

P & A Well

Water Well

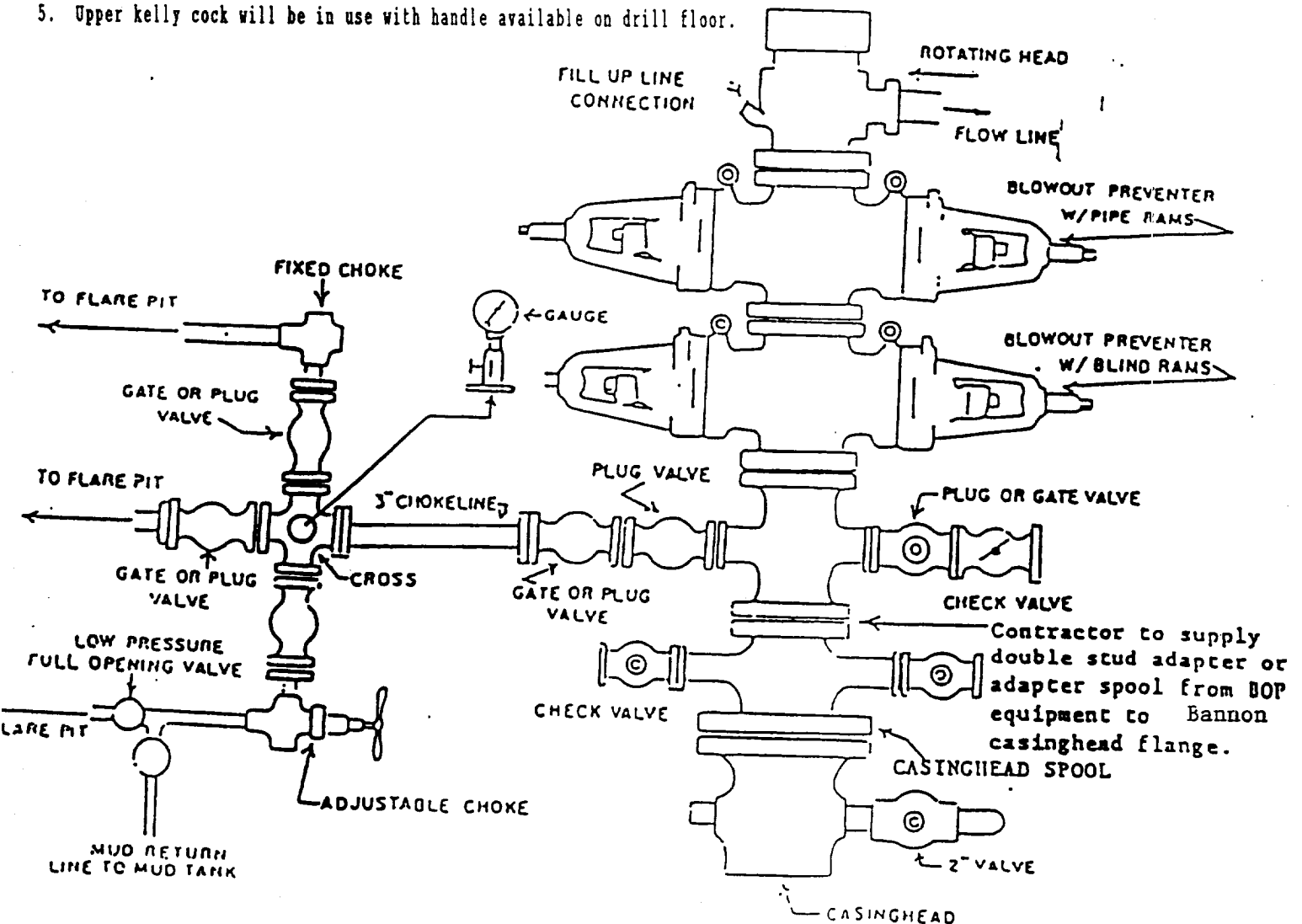




FARMINGTON DISTRICT BLOWOUT PREVENTER REQUIREMENTS

**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.