

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED

Budget Bureau No. 1004-0136

Expires August 31, 1985

30-045-28554

RECEIVED

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.

NM 12233

1a. TYPE OF WORK

DRILL DEEPEN PLUG BACK

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b. TYPE OF WELL

OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

South Blanco Federal Unit 25

9. WELL NO.

25-12

10. FIELD AND POOL, OR WILDCAT

Lybrook/Gallup

11. SEC., T., R., M., OR BLK.

Section 25, T24N-R8W

2. Name of Operator

Bannon Energy, Inc., c/o Daggett & Chenault, Inc.

3. ADDRESS OF OPERATOR

3539 E. 30th, Ste. 7B, Farmington, NM 87402

4. LOCATION OF WELL (Report location clearly and in accordance with any State Requirements.)*

At surface Unit A 581' FNL, 697' FEL, Section 25 T24N-R8W

At proposed prod. zone Same

12. COUNTY OR PARISH

San Juan

13. STATE

NM

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

Approximately 8 miles NW of Lybrook

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE FT.

(Also to nearest drlg. unit line, if any) 581'

16. NO. OF ACRES IN LEASE

1080

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.

998'

19. PROPOSED DEPTH

5800'

20. ROTARY OR CABLE TOOLS

Rotary

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

7216' GR

This action is subject to technical and procedural review pursuant to 43 CFR 3185.3 and appeal pursuant to 43 CFR 3185.4.

22. APPROX. DATE WORK WILL START*

5-1-91

23

PROPOSED CASING AND CEMENTING PROGRAM

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"	11.6 lb. K-55	5800'	800 sx-volume to be calculated subsequent to logging and 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" Location and Elevation Plat
- "B" Ten Point Drilling Program
- "C" Blowout Preventer 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 gas from this lease is committed.

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

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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. 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. Alhaband

TITLE

Vice President Operations

DATE

04/62/91

(This space for Federal or State office use)

PERMIT NO.

Approval of this action does

APPROVAL DATE

not warrant that the applicant

APPROVED BY

holds legal or equitable rights

TITLE

CONDITIONS OF APPROVAL

or title to this lease.

APPROVED AS AMENDED

JUN 07 1991
[Signature]
AREA MANAGER

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.

BE159

NMOCD

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

RECEIVED
 BLM

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

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

STATE OF NEW MEXICO
 JUN 11 PM 1:30

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

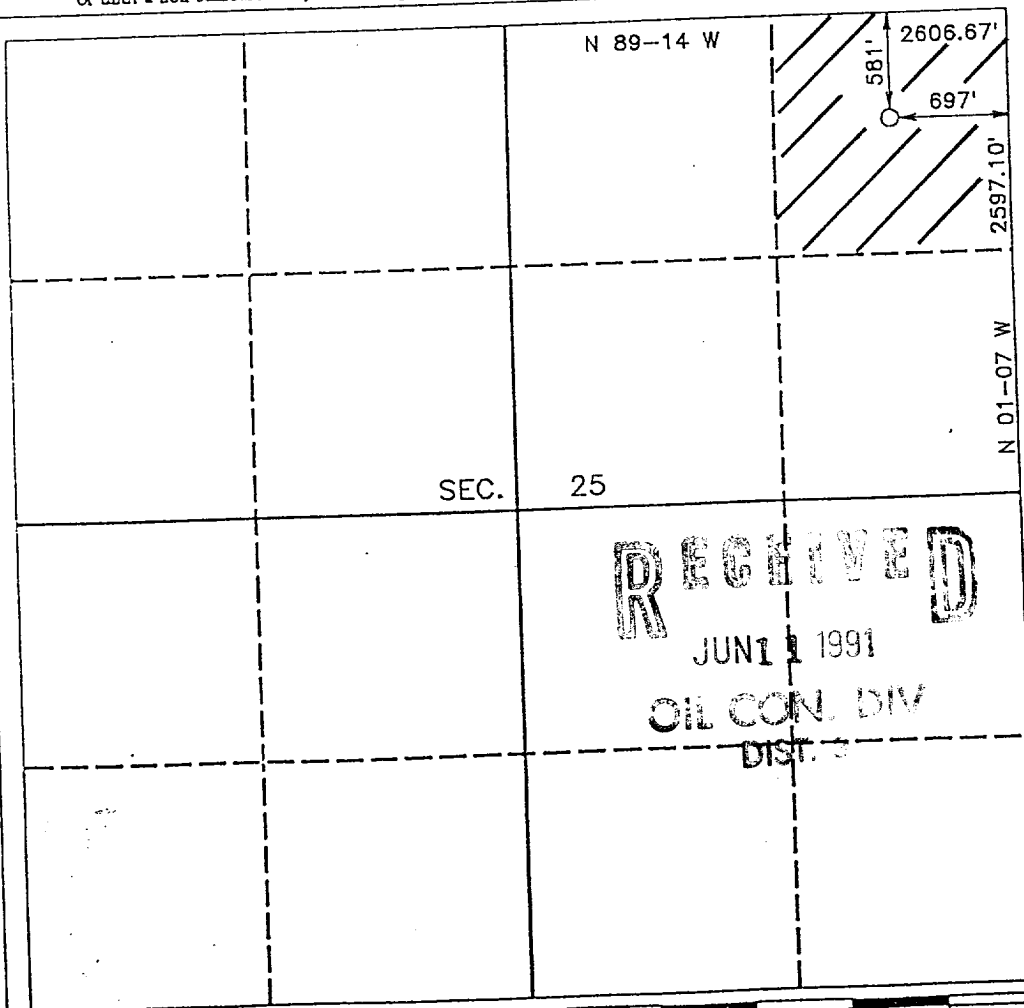
Operator BANNON ENERGY, INC.		Lease SOUTH BLANCO FED. UNIT,		Well No. 25-12
Unit Letter A	Section 25	Township T.24. N.	Range R.8 W. NMPM	County SAN JUAN COUNTY
Actual Footage Location of Well: 581 feet from the NORTH line and 697 feet from the EAST line				
Ground level Elev. 7216	Producing Formation Gallup	Pool Lybrook/Gallup		Dedicated Acreage: 40 Acres

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

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 interest, has been approved by the Division.



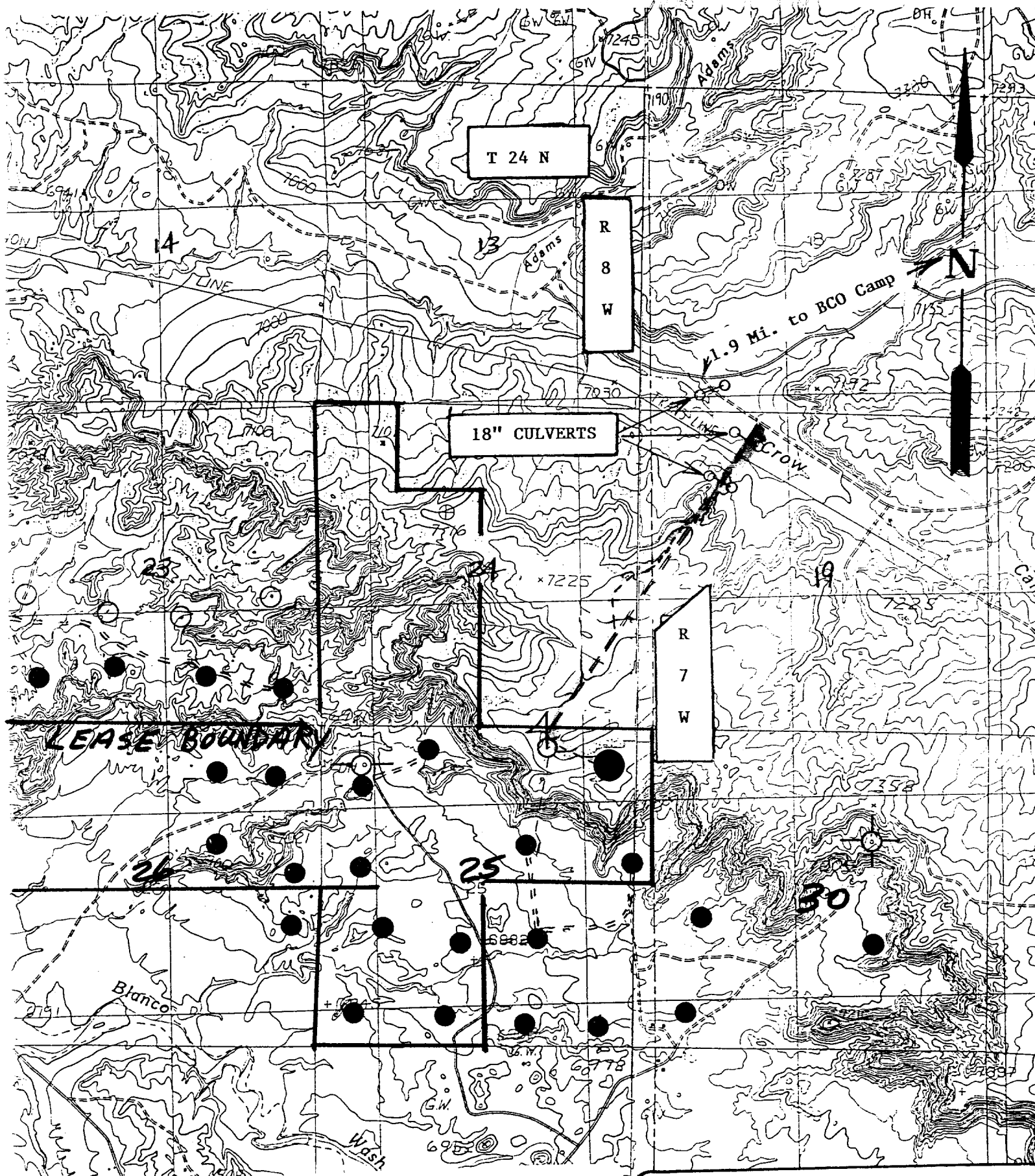
OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *R.A. Chabaud*
 Printed Name: **R.A. Chabaud**
 Position: **V.P. Operations**
 Company: **Bannon Energy, Inc.**
 Date: _____

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: **MARCH 11, 1991**
 Signature & Seal of Professional Surveyor:
HENRY P. BROADHURST, JR.
 NEW MEXICO
 REGISTERED PROFESSIONAL SURVEYOR
 11393

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 JUN 11 1991
 OIL CON. DIV
 DIST. 3



T 24 N

R
8
W

18" CULVERTS

R
7
W

1.9 Mi. to BCO Camp

LEASE BOUNDARY

Bannon Energy, Inc.
 So. Blanco Fed. Unit 25-12
 NE-NE, Section 25, T24N-R8W
 San Juan County, New Mexico

- Staked Location
- Proposed New Well
- ⊙ Producing Wells
- ⊖ Plugged or Abandoned Wells
- ⊕ Drilling Well
- ⊗ Water Wells
- ⊙ Reservoirs
- Existing Road
- Proposed New Access Road