1a. TYPE OF WORK

h. TYPE OF WELL

2. NAME OF OPERATOR

3. ADDRESS OF OPERATOR

At proposed prod. zone

15. DISTANCE FROM PROPOSED

SIZE OF HOLE

7-7/8"

11"

7156' GL 23.

WELL X

DRILL X

WELL [

P.O. Box 507, Farmington, NM

same

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

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

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

SUBMIT IN TRIPI

PLUG BACK

MULTIPLE ZONE

(Other instruction reverse side)

UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

DEEPEN [

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BA

OTHER

790 FNL & 790 FWL

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

J. Gregory Merrion & Robert L. Bayless

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

SIZE OF CASING

8-5/8"

4-1/2"

PLICATE	
lons on	Budget Bureau No. 42-R1425.
e)	36-643-20497
1	5. LEASE DESIGNATION AND SERIAL NO.
	Contract 360
4CK	6. IF INDIAN, ALLOTTEE OR TRIBE NAME
1011	Jicarilla
кП	7. UNIT AGREEMENT NAME
`	
	S. FARM OR LEASE NAME
	Bonanza
	9. WELL NO.
2	ិ 3 ្ន និង ខ្លុំខ្លុំ
5.	10. FIELD AND POOL, OR WILDCAR
	Chacon Dakota Associated
	11. SEC., T., B., M., OR BLK.
	AND SURVEY OR AREA
	Sec. 1, T22N, R3W
	12. COUNTY OR PARISH 13. STATE
	Sandoval NM.
	F ACRES ASSIGNED
	160
20. котан	RY OR CABLE TOOLS
	Rotary
	22. APPROX. DATE WORK WILL START*
<u>.</u>	August 15, 1980
	1 August 15, 1900
AT .	
	QUANTITY OF CEMENT
150 sa	icks -
600 sa	ecks

Will drill 11" hole to 200 ft. and set 200 ft. of 8-5/8", 20#/ft., J-55 used casing 150 sacks Class H cement. Will drill 7-7/8" hole to 7300 ft. and run open hole logs. If appears productive will run 7300 ft. of 4-1/2", 10.5#/ft. J-55 used casing, set stage collars at 4850' and 2800', and cement as follows: 1st stage: 150 sacks Class H with .6% fluid loss additive; 2nd stage: 175 sacks Class H with 2% D-79 extender (420 cu. ft.) followed by 50 sacks Class H; 3rd stage: same as 2nd stage. Will perforate and stimulate as required. Minimum specifications for pressure control equipment which is to be used - 10", 900 series double ram blowout preventer; schematic attached. The gas from this formation is dedicated.

16. NO. OF ACRES IN LEASE

7300

19. PROPOSED DEPTH

PROPOSED CASING AND CEMENTING PROGRAM

WEIGHT PER FOOT

20#

10.5#

±1280 **254**/

SETTING DEPTH

200'

7300'

ESTIMATED TOPS Tertiary - Surface Gallup - 5875' Kirtland - 2450' Mancos - 6075' Pictured Cliffs - 2700' Graneros - 6800' Mesa Verde - 4180' Dakota - 7050! IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present producti ctive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and wout preventer program, if any. 24. Operator 1980 (This space for Federal or State office use) APPROVAL DATE PERMIT NO. Total ourselver 18 mily DATE TITLE

*See Instructions On Reverse Side

OIL CONSERVATION DIVISION .

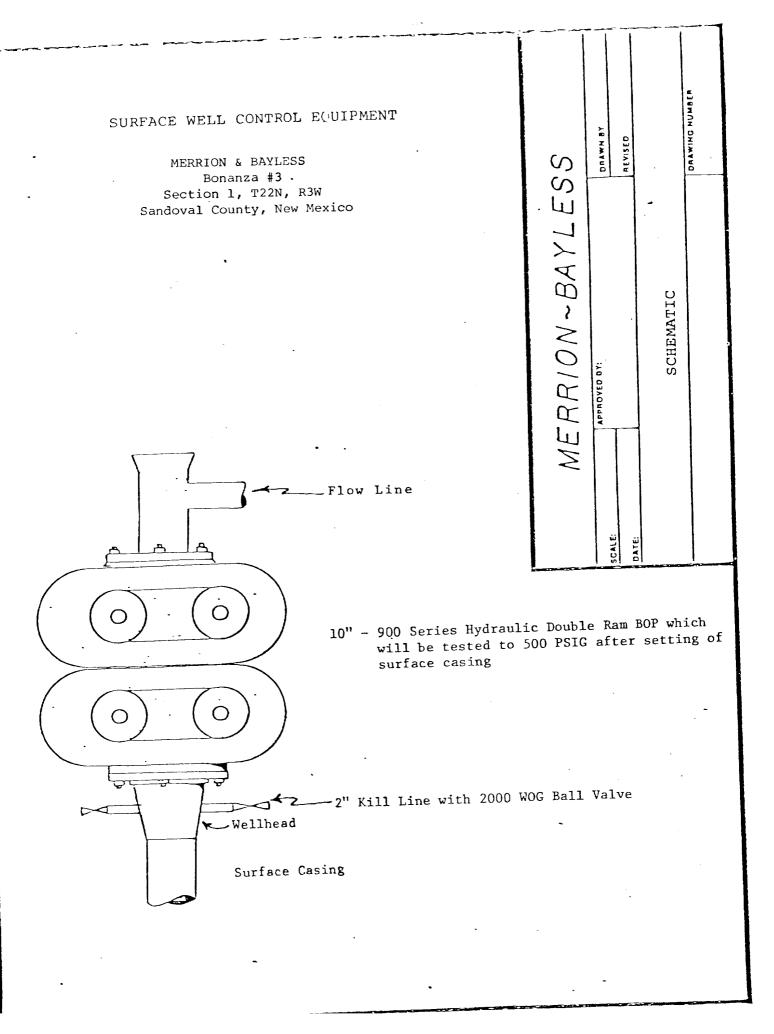
BTATE OF NEW MEXICO NEHGY NO MINERALS DEPARTMENT

P. O. DOX 2088 SANTA FE, NEW MEXICO 87501

Form C-107 Revised 10-1-7

All distances must be from the cuter houndaries of the Section.

Sec. Sec. S			VII girtencia mnat in tre			
Sec.	, ·	*** 700		Leane		Well No.
Actual Poctory Levelum of Wills 700 1-10 Income the North 100 Income t	J		Township		County	
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SURFACE USE AND OPERATIONS PLAN

MERRION & BAYLESS Bonanza #3 Section 1, T22N, R3W Sandoval County, New Mexico

1 & 2. A topographical map is attached showing location of drillsite and access roads to location; approximately 1000 ft. of new road is anticipated and is color coded accordingly on the map. A drive in truck mounted drilling rig will be used and will be driven in to the location with our road work. Our planned access road will be twelve feet in width, and will follow the existing terrain. No turnouts, culverts or cuts and fills are anticipated on the proposed access. In addition, natural drainage and surfacing material will be used.

3.	Wel	ls within one mile radius are shown on the topo map.				
4.	Α.	Existing facilities located within a one mile radius of the proposed location owned or controlled by the Operator and shown on the attached map:				
		tank battery and wellheads.				
	В.	Anticipated new facilities shown on the attached map:				
		wellhead, tank battery.				
	c.	Rehabilitation plans for the disturbed areas no longer needed for operations and maintenance:				
		will follow specifications set forth by the Jicarilla tribe.				
5.	Α.	Location & type of water supply: NE/4 Section 15, T23N, R3W; water well.				
	В.	Water located on $\frac{1}{\sqrt{x}}$ Federal, $\frac{1}{\sqrt{x}}$ Indian, or $\frac{1}{\sqrt{x}}$ private surface.				
	С.	Method of transporting water: water truck.				
	D.	Water will be hauled on proposed access route noted in item 1 & 2.				
6.	Sou.	ce of construction materials:none required.				
7.	and eve	nods of Disposal of water materials: Cuttings resulting from drilling, garbage, sewage will be buried in drilling pit; salts and chemicals are not anticipated; atual disposal of drilling fluids and any produced oil or water recovered during ting operations will be in drilling pit and buried.				

- 8. No ancillary facilities are anticipated.
- 9. Wellsite layout is attached.
- 10. Plans for restoration of the surface:

Will be seeded according to agreement with surface owner as soon as feasible upon completion of drilling operations.

- 11. Other Information:
 - A. Surface ownership at well location and access route: Jicarilla Apache Tribe.
 - B. General description: rolling topography, sandy/shaley soil with sagebrush and grass;
 - C. General surface use activities: grazing use and wildlife habitat;
 - D. Environmental statement will be furnished by archeologist upon completion of surface inspections.

Surface Use & Operations Plan Merrion & Bayless Page 2

12. Operator representative:

Robert L. Bayless Co-Owner Merrion & Bayless P.O. Box 1541 Farmington, NM 87401

(505) 325-5093

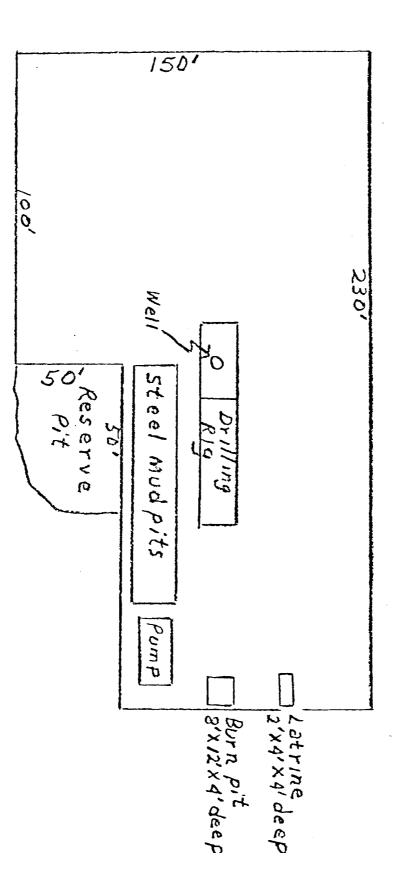
13. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Merrion & Bayless and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

July 24, 1980

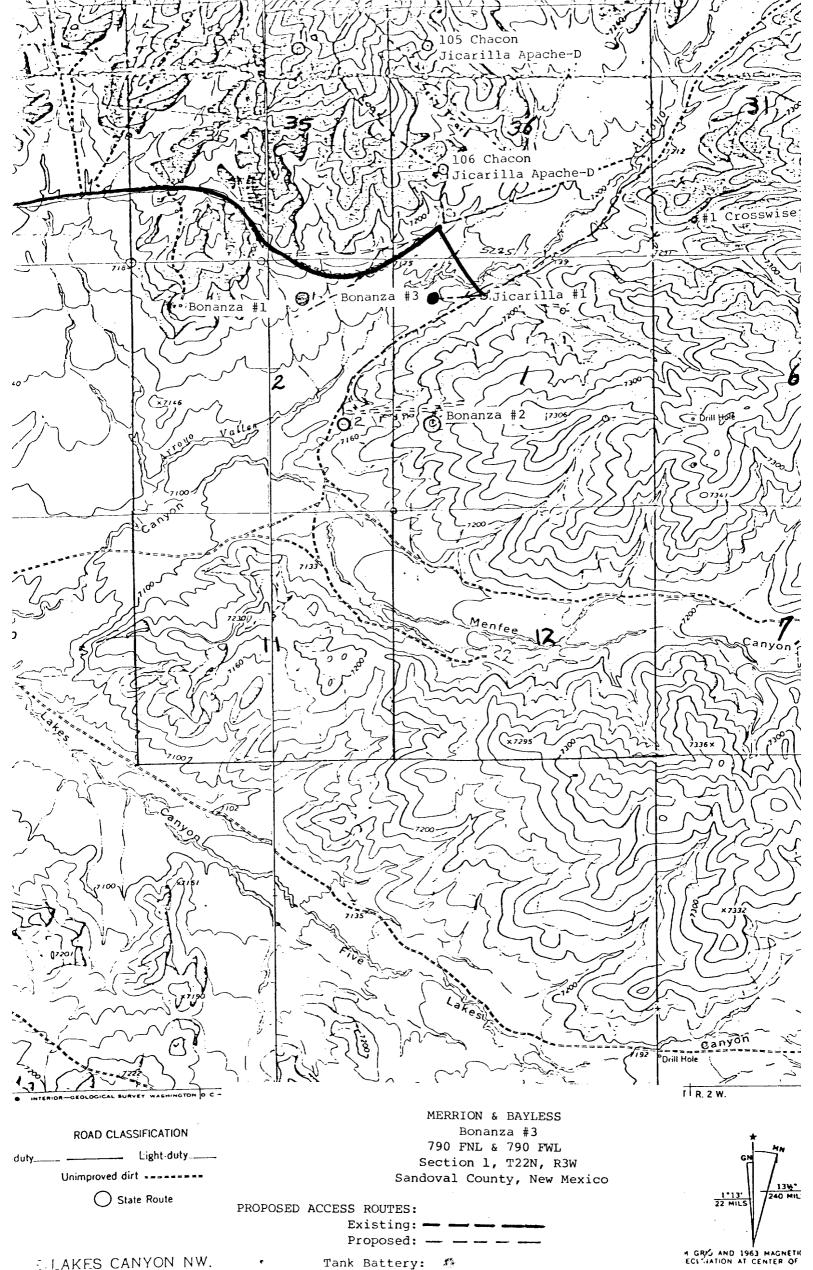
DATE

ROBERT L. BAYMESS



Bonanza #3
Section 1, T22N, R3W
Sandoval County, New Mexico

MERRION & BAYLESS



ELAKES CANYON NW. 11.207 5 MICHOLEZZ 5