

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. Contract 360
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla
2. NAME OF OPERATOR J. Gregory Merrion & Robert L. Bayless		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR P.O. Box 507, Farmington, NM 87401		8. FARM OR LEASE NAME Bonanza
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 790 FNL & 790 FWL At proposed prod. zone same		9. WELL NO. 3
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*		10. FIELD AND POOL, OR WILDCAT Chacon Dakota Associated
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		11. SEC. T., R., M., OR BLK. AND SURVEY OR AREA Sec. 1, T22N, R3W
16. NO. OF ACRES IN LEASE ±1280 2541		12. COUNTY OR PARISH Sandoval
17. NO. OF ACRES ASSIGNED TO THIS WELL 160		13. STATE NM.
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		20. ROTARY OR CABLE TOOLS Rotary
19. PROPOSED DEPTH 7300'		22. APPROX. DATE WORK WILL START* August 15, 1980
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7156' GL		

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8"	20#	200'	150 sacks
7-7/8"	4-1/2"	10.5#	7300'	600 sacks

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.

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 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, blowout preventer program, if any.

24. SIGNED Robert L. Bayless TITLE Operator DATE July 24, 1980
(This space for Federal or State office use)
PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY Robert L. Bayless TITLE _____ DATE _____
CONDITIONAL, IF ANY: ok 3m

*See Instructions On Reverse Side

All distances must be from the outer boundaries of the Section.

Operator MERRION & BAYLESS		Lease BONANZA		Well No. 3	
Unit Letter D	Section 1	Township 22N	Range 3W	County Sandoval	
Actual Footage Location of Wells:					
790 feet from the North		line and 790 feet from the West		line	
Ground Level Elev: 7156	Producing Formation Dakota	Pool Chacon Dakota Associated <i>Co. 4</i>		Dedicated Acres: 160 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 interests 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 interests, has been approved by the Commission.

790'

790'

790'

Sec. 1

36

CERTIFICATION

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

Name Robert L. Bayless

Position
Co-Owner

Company
Merrion & Bayless

Date
July 24, 1980

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

July 23, 1988
Registered Professional Engineer
and Land Surveyor

Fred B. Kern Jr

Certificate No. 3950
NEW MEXICO
FRED R. ...

Scale: 1"=1000'

SURFACE WELL CONTROL EQUIPMENT

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

MERRION~BAYLESS

DRAWN BY

REVISED

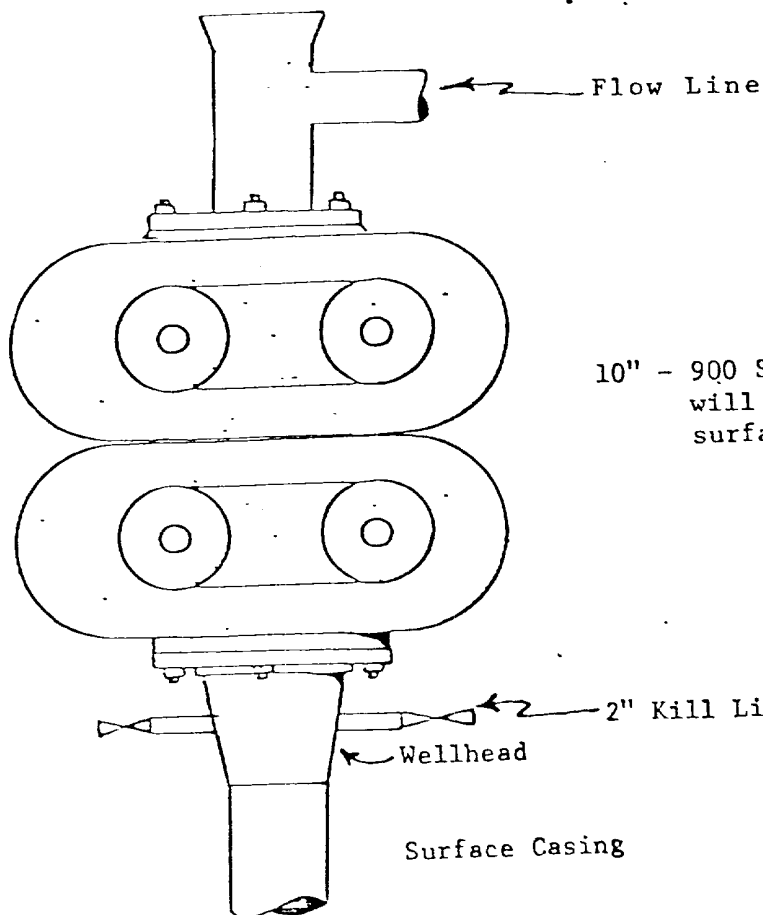
APPROVED BY:

SCALE:

DATE:

SCHEMATIC

DRAWING NUMBER



10" - 900 Series Hydraulic Double Ram BOP which
will be tested to 500 PSIG after setting of
surface casing

2" Kill Line with 2000 WOG Ball Valve

Surface Casing

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. Wells within one mile radius are shown on the topo map.
4. A. 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.
- B. 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. A. Location & type of water supply: NE/4 Section 15, T23N, R3W; water well.
- B. Water located on / Federal, / State, /X/ Indian, or / private surface.
- C. Method of transporting water: water truck.
- D. Water will be hauled on proposed access route noted in item 1 & 2.
6. Source of construction materials: none required.
7. Methods of Disposal of water materials: Cuttings resulting from drilling, garbage, and sewage will be buried in drilling pit; salts and chemicals are not anticipated; eventual disposal of drilling fluids and any produced oil or water recovered during testing 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.

12. Operator representative:

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

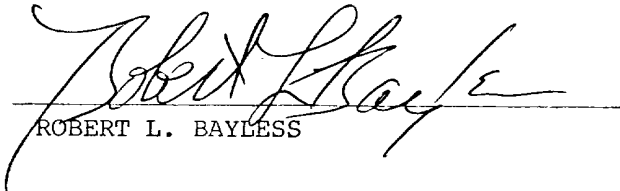
(505) 325-5093

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. BAYLESS

LOCATION AND EQUIPMENT LAY-OUT

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

