

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY30-643-20498
5. LEASE DESIGNATION AND SERIAL NO.

Contract 360

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Jicarilla

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Bonanza

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Chacon Dakota Assoc.

11. SEC., T., R., M., OR BLM.
AND SURVEY OR AREA

Sec. 1, T22N, R3W

12. COUNTY OR PARISH 13. STATE

Sandoval

N.M.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

J. Gregory Merriam & Robert L. Bayless

3. ADDRESS OF OPERATOR

P.O. Box 507, Farmington, NM 87401

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

At surface

1850 FSL & 790 FWL

At proposed prod. zone
same

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

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)RECEIVED
JUL 2 1980
U.S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

16. NO. OF ACRES IN LEASE

±1280 2541

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

19. PROPOSED DEPTH

7350'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

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

7214' GL

22. APPROX. DATE WORK WILL START*

August 15, 1980

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#	7350'	600 sacks

Will drill 11" hole to 200 ft. and set 200 ft. of 8-5/8", 20#/ft., J-55 casing with 150 sacks Class H Cement. Will drill 7-7/8" hole to 7350 ft. and run open hole logs. If appears productive will run 7350 ft. of 4-1/2", 10.5#/ft. J-55 used casing, set stage collars at 4900' and 2850', 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	- 5925'
Kirtland	- 2500'	Mancos	- 6125'
Pictured Cliffs	- 2750'	Graneros	- 6850'
Mesa Verde	- 4230'	Dakota	- 7150'

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

TITLE

Operator

July 24, 1980

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY

*See Instructions On Reverse Side

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

Operator MERRION & BAYLESS		Lease BONANZA		Well No. 2
Unit Letter L	Section 1	Township 22N	Range 3W	County Sandoval

Actual Footage Location of Well:

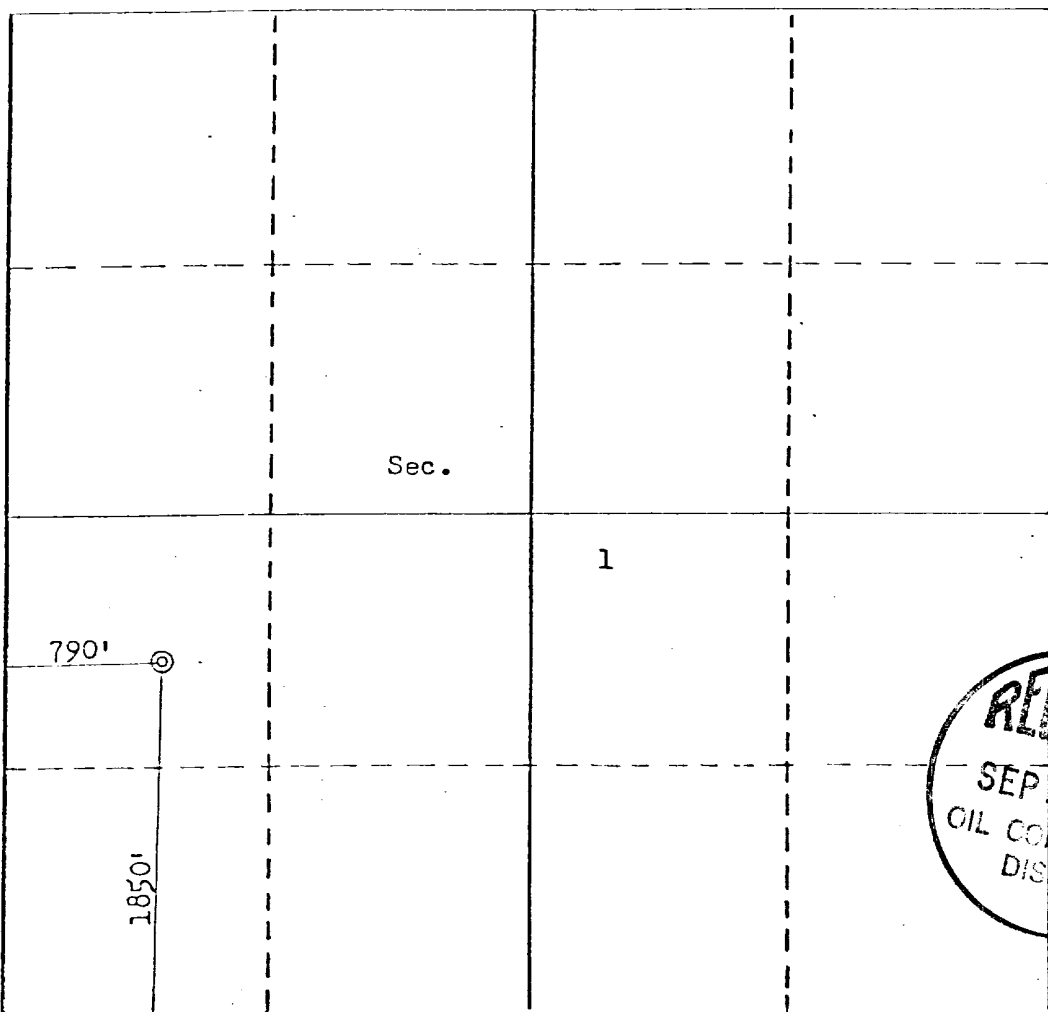
1850	feet from the South	line and	790	feet from the West	line
Ground Level Elev. 7214	Producing Formation Dakota	Pool Chacon Dakota Associated	Dedicated Acreage: 160		Acre

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.



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 23, 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 24, 1980
Registered Professional Engineer
and/or Land Surveyor
Fred B. Kerr Jr.
Certificate No. **KERR, JR. 3950**

SURFACE WELL CONTROL EQUIPMENT

MERRION & BAYLESS
Bonanza #2
Section 1, T22N, R3W
Sandoval County, New Mexico

MERRION~BAYLESS

DRAWN BY

REVISED

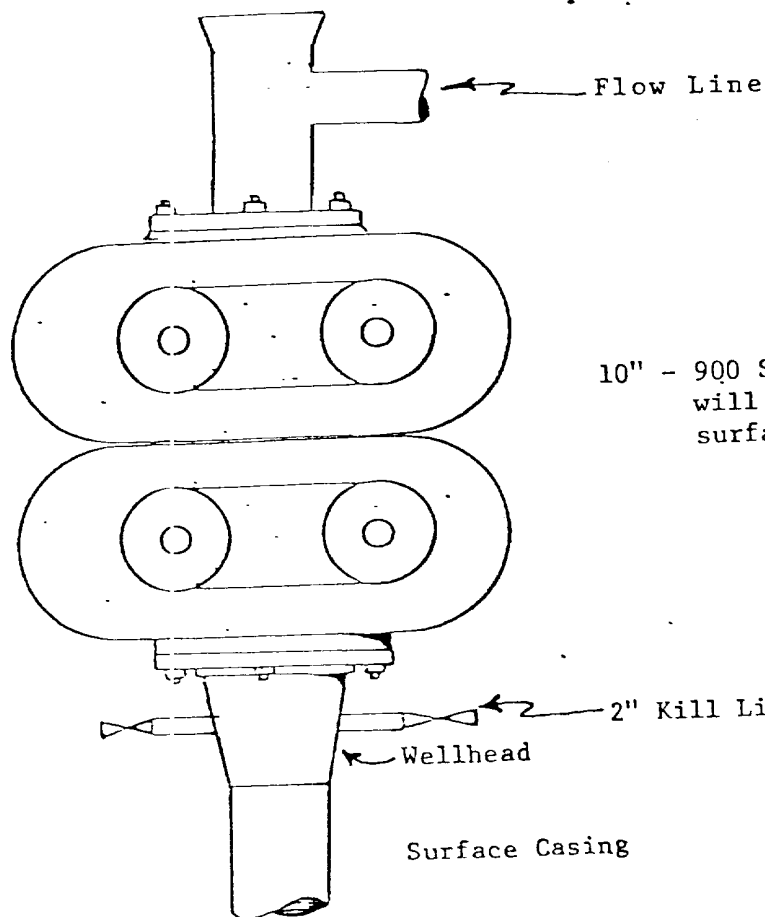
APPROVED BY:

SCALE:

DATE:

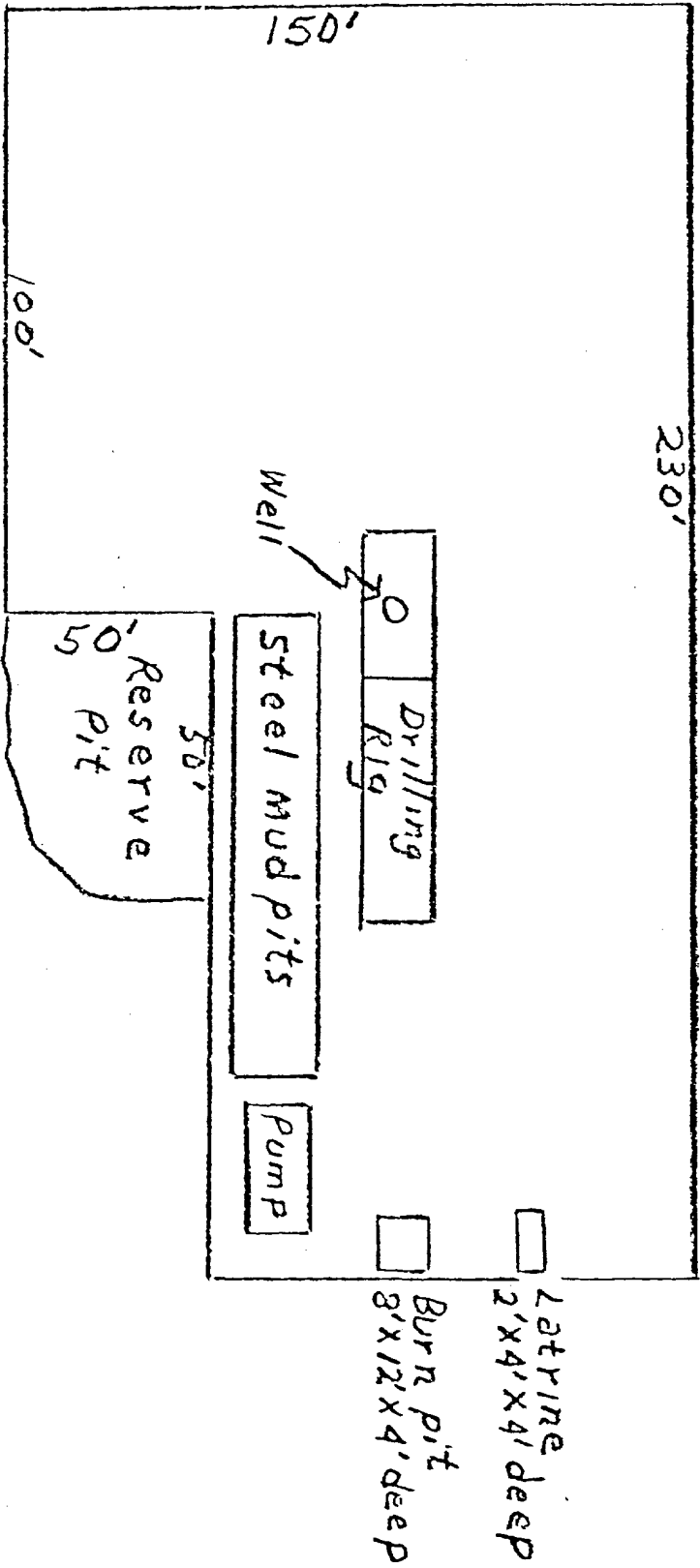
SCHEMATIC

DRAWING NUMBER



LOCATION AND EQUIPMENT LAY-OUT

MERRION & BAYLESS
Bonanza #2
Section 1, T22N, R3W
Sandoval County, New Mexico



SURFACE USE AND OPERATIONS PLAN

MERRION & BAYLESS
Bonanza #2
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 300 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 Sec. 15, T23N, R3W; water well.
- B. Water located on / / Federal, /X/ Indian, or / / private surface.
State, :
- 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:

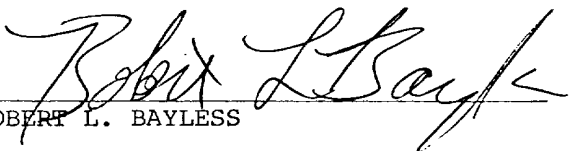
Robert L. Bayless
Co-Owner
Merrion & Bayless
P.O. Box 1541
Farmington, NM 87401

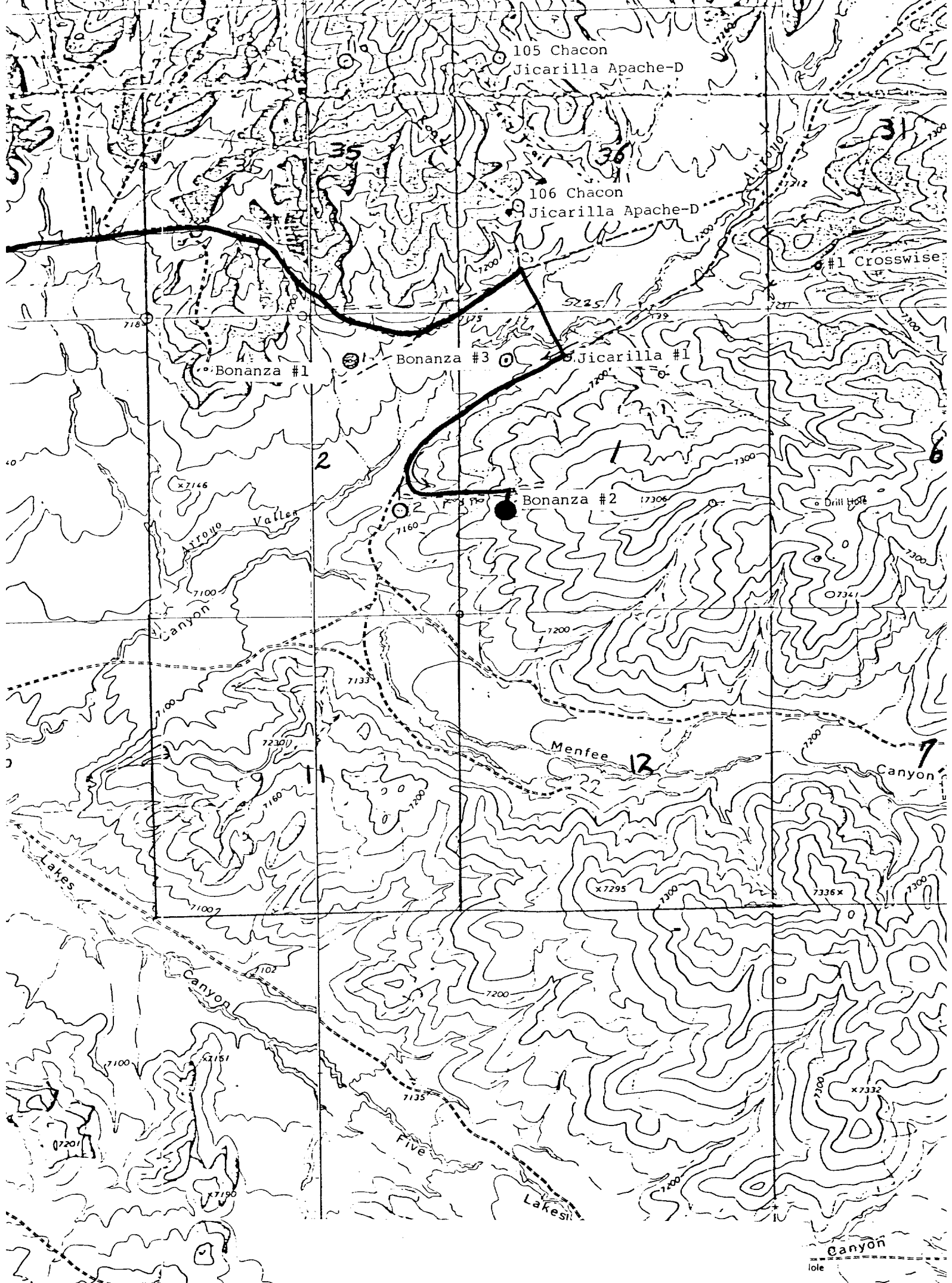
(505) 325-5093

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 23, 1980
DATE


ROBERT L. BAYLESS



MERRION & BAYLESS
Bonanza #2
1850 FSL & 790 FWL
Section 1, T22N, R3W
Sandoval County, New Mexico

ROAD CLASSIFICATION
duty ——— light-duty ———
Unimproved dirt - - - - -
○ State Route

PROPOSED ACCESS ROUTES:
Existing: ———
Proposed: - - - - -

Tank Battery:

INTERIOR-GEOLOGICAL SURVEY WASHINGTON D C - 196

R. 2 W.

1°13' 22 MILS

134° 240 MIL

4 GRV AND 1963 MAGNETIC DECLINATION AT CENTER OF

FIVE LAKES CANYON NW. N.