

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

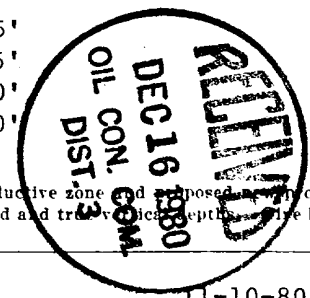
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. Contract #360
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> 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 1541, 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 FSL & 1850 FEL At proposed prod. zone same		9. WELL NO. 6
10. FIELD AND POOL, OR WILDCAT Chacon Dakota Assoc. <i>Sept</i>		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 12, T22N, R3W
12. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*		13. COUNTY OR PARISH Sandoval
14. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		15. STATE N.M.
16. NO. OF ACRES IN LEASE 2541		17. NO. OF ACRES ASSIGNED TO THIS WELL 160
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 7350'		19. PROPOSED DEPTH 7350'
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START* As soon as approved
22. ELEVATIONS (Show whether DF, RT, GR, etc.) 7247' GL		

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8"	28#	200 ft.	150 sacks
7-7/8"	4-1/2"	10.5#	7350 ft.	600 sacks circulated to cover exposed Ojo Alamo

Will drill 11" hole to 200 ft. and set 200 ft. of 8-5/8", J-55 used 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 new casing, set stage collar at 4900 ft. and cement as follows: 1st stage: 150 sacks Class H w/.6% fluid loss additive; 2nd stage: 350 sacks Class H w/2% D-79 extender followed by 100 sacks Class H. 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 - 7100'



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed 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 _____ DATE 11-10-80

(This Space for District Engineer office use)

APPROVED
AS AMENDED

APPROVAL DATE _____

DEC 15 1980
JAMES F. SIMS
DISTRICT ENGINEER

TITLE _____

DATE _____

*See Instructions On Reverse Side

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

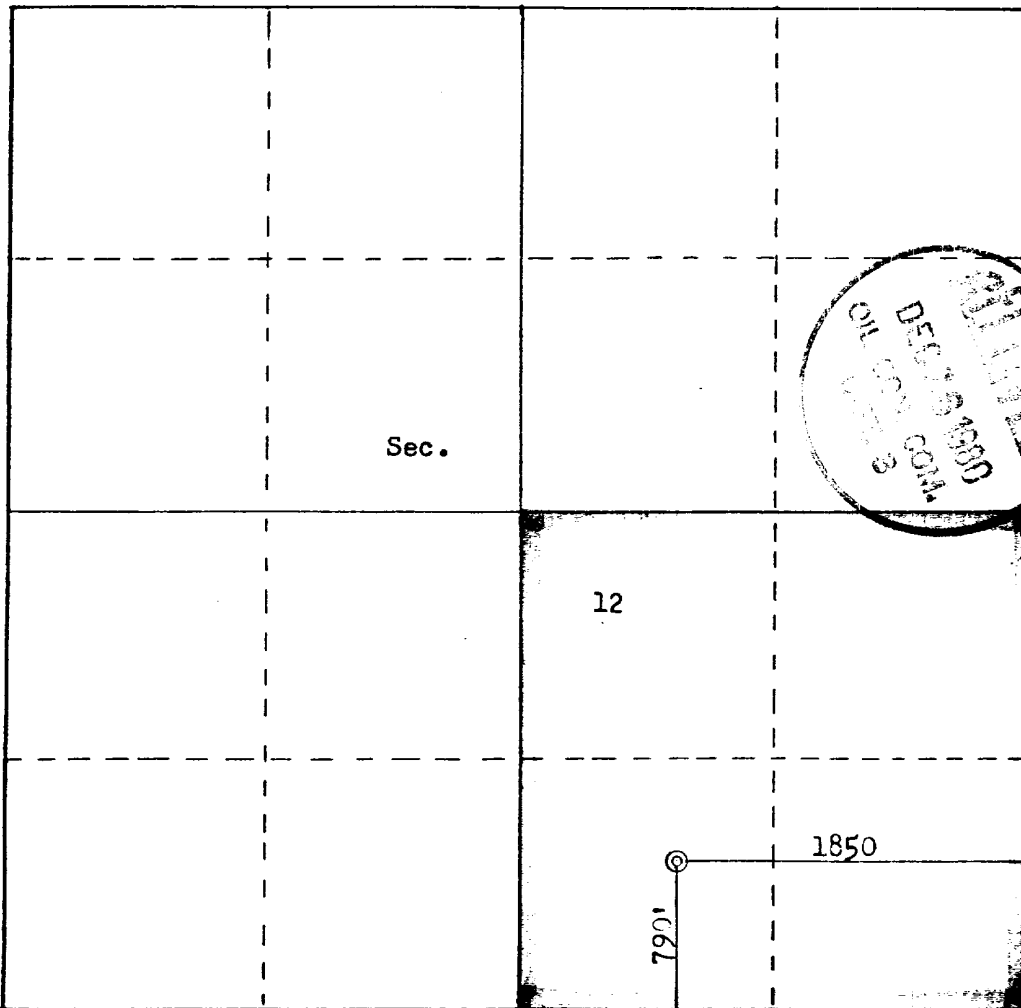
Operator MERRION & BAYLESS			Lease BONANZA		Well No. 6
Unit Letter 0	Section 12	Township 22N	Range 3W	County Sandoval	
Actual Footage Location of Well: 790 feet from the South line and 1850 feet from the East line					
Ground Level Elev: 7247	Producing Formation Dakota		Pool Chacon Dakota Associated		Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.



Scale: 1"=1000'

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	November 10, 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	November 8, 1980
Registered Professional Engineer and Land Surveyor Fred B. Kerr Jr.	
Certificate No.	3950

SURFACE WELL CONTROL EQUIPMENT

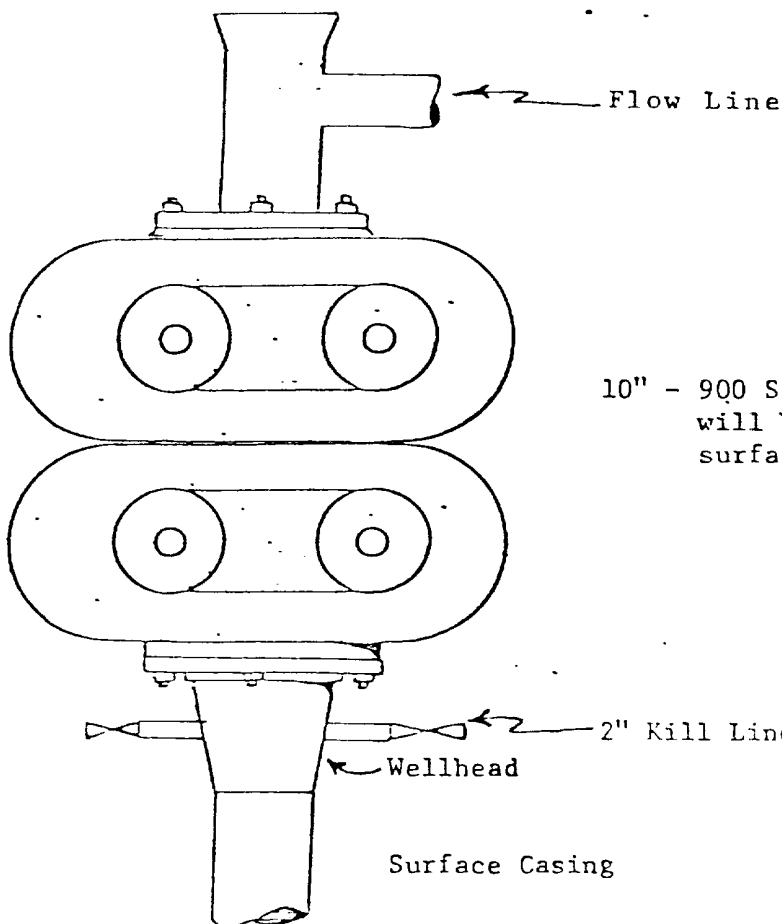
MERRION & BAYLESS
Bonanza #6
Section 12, T22N, R3W
Sandoval County, New Mexico

MERRION~BAYLESS

APPROVED BY:	DRAWN BY:
SCALE:	REVISED:
DATE:	

SCHEMATIC

DRAWING NUMBER



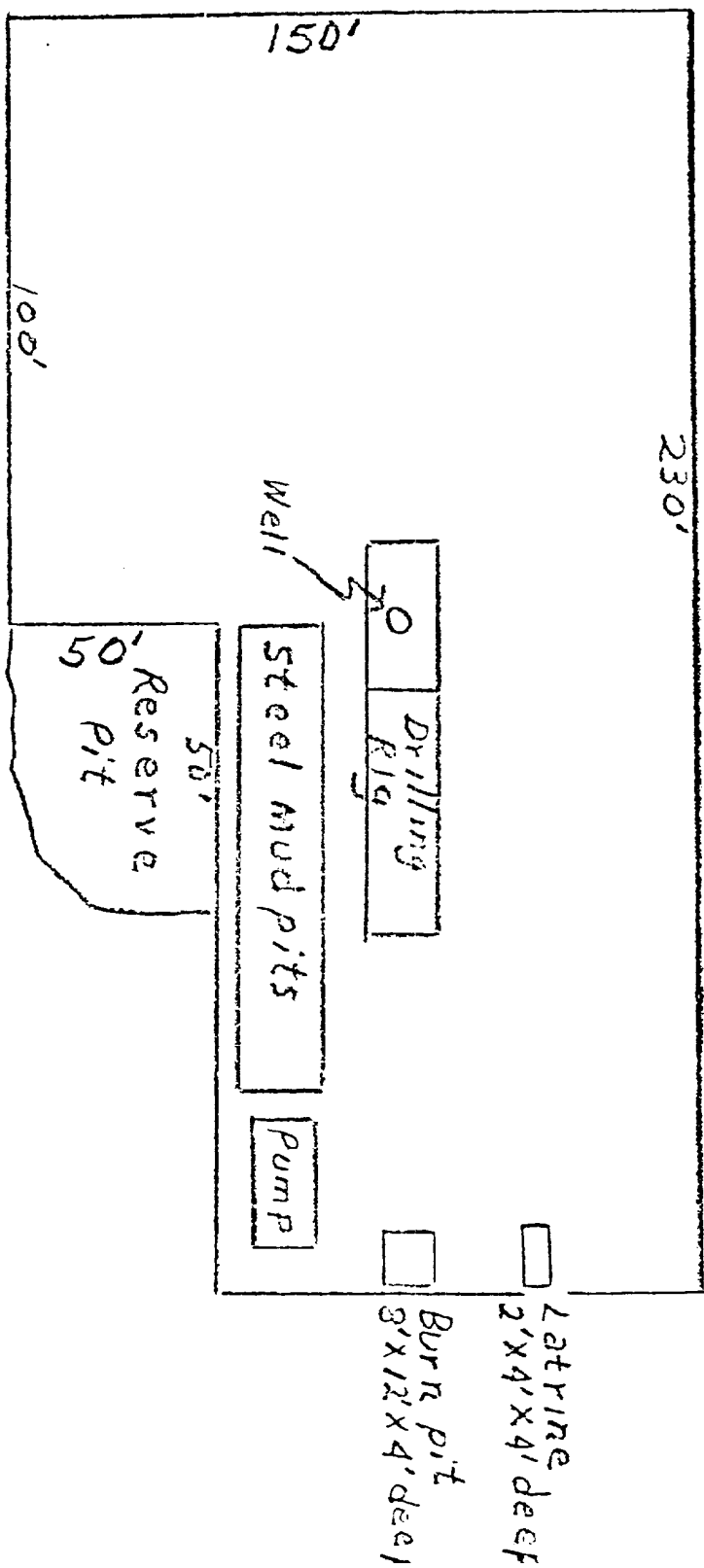
10" - 900 Series Hydraulic Double Ram BOP which will be tested to 500 PSIG after setting of surface casing

2" Kill Line with 2000 WOG Ball Valve

Surface Casing

LOCATION AND EQUIPMENT LAY-OUT

MERRION & BAYLESS
Bonanza #6
Section 12, T22N, R3W
Sandoval County, New Mexico



SURFACE USE AND OPERATIONS PLAN

MERRION & BAYLESS
Bonanza #6
Section 12, T22N, R3W
Sandoval County, New Mexico

- 1 & 2. A topographical map is attached showing location of drillsite and access roads to location; approximately 2200 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: SW/4 Sec. 13, T23N, R2W; Mobil water well.
- B. Water located on ☐ Federal, ☒ State, ☒ 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

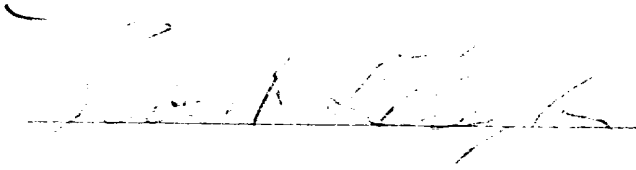
(505) 325-5093

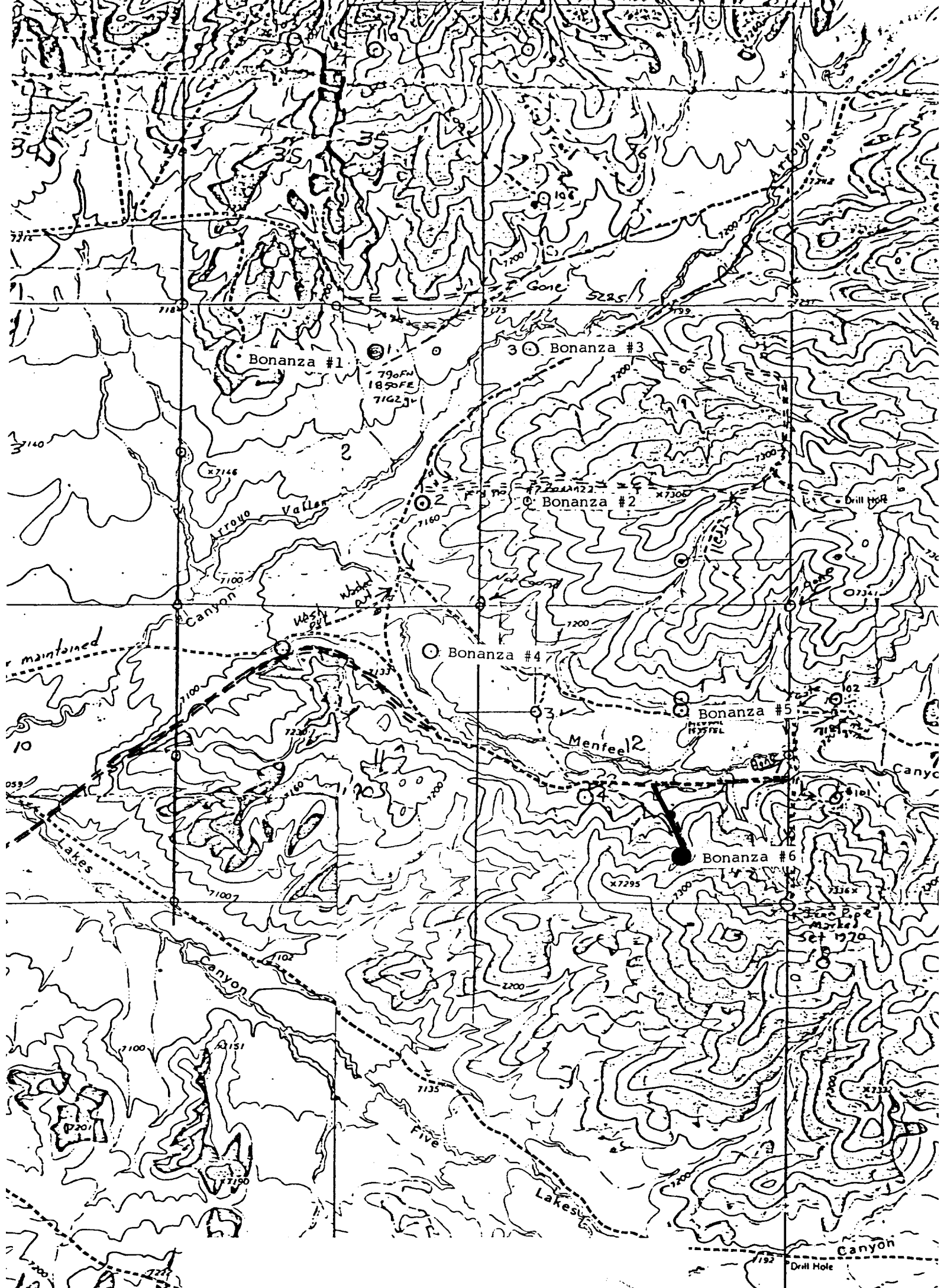
13. Certification:

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.

11-10-80

DATE

A handwritten signature, likely of Robert L. Bayless, is written over a horizontal line. The signature is in cursive and appears to read "Robert L. Bayless".



MERRION & BAYLESS

Bonanza #6

790' FSL & 1850' FEL

Section 12, T22N, R3W

Sandoval County, New Mexico

ROAD CLASSIFICATION

Primary duty _____ Lig

Unimproved dirt ..

○ State Road

Proposed Access: _____

Existing Access: _____

FIVE LAKES CANYON

RECEIVED
NOV 20 1989
U.S. GEOLOGICAL SURVEY
WASHINGTON, D.C.

Revised 11-25-80

Survey

UTM GRID AND 1963 MAGN
DECLINATION AT CENTER