

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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 Merrion and Robert L. Bayless

3. ADDRESS OF OPERATOR

P.O. Box 1541, Farmington, NM 87401

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

At surface

1060 FNL and 1840 FWL

At proposed prod. zone

same

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

7.5 miles NE of Counselors, N.M.

16. DISTANCE FROM PROPOSED*

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

1060'

17. NO. OF ACRES IN LEASE

1520

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2650'

19. PROPOSED DEPTH

6900'

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

6483' GL

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 lb./ft.	150'	100 sacks
7-7/8"	4-1/2"	10.5 lb./ft.	6900'	500 sacks

Will drill 12-1/4" hole to 150 ft. and set 150 ft. of 8-5/8", 24 lb./ft. casing with 100 sacks cement. Will drill 7-7/8" hole to 6900 ft. and run open hole logs. If appears productive will run 6900 ft. of 4-1/2", 10.5 lb./ft. casing and cement with 500 sacks. Will set stage collar at approximately 4400 ft. and bring cement up across Pictured Cliffs formation. Will perforate and stimulate as required. Minimum specifications for pressure control equipment which is to be used - 10", 900 series double ram blowout preventer. The gas from this formation is dedicated.

ESTIMATED TOPS

FORMATION	DEPTH	CONTENT
Pictured Cliffs	2067'	Gas
Cliff House	3563'	Water
Mancos	4396'	Oil
Graneros	6300'	Gas
Morrison	6681'	Water

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.

Original Signed By

ROBERT L. BAYLESS

TITLE

Co-Owner

DATE

July 10, 1979

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

ok Frank

*See Instructions On Reverse Side

30-039-22118

5. LEASE DESIGNATION AND SERIAL NO.

SF 079086

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Canada Mesa

9. WELL NO.

1-E

10. FIELD AND POOL, OR WILDCAT

Basin Dakota

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

AND SURVEY OR AREA
Sec. 24, T24N, R6W

12. COUNTY OR PARISH

Rio Arriba

13. STATE

N.M.

17. NO. OF ACRES ASSIGNED

TO THIS WELL

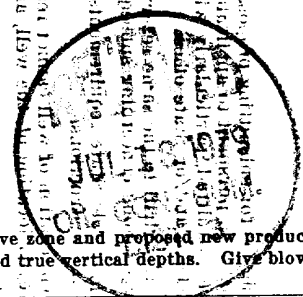
320

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

When Rotary Rig Available

U. S. GEOLOGICAL SURVEY
DENVER, COLO.

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

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

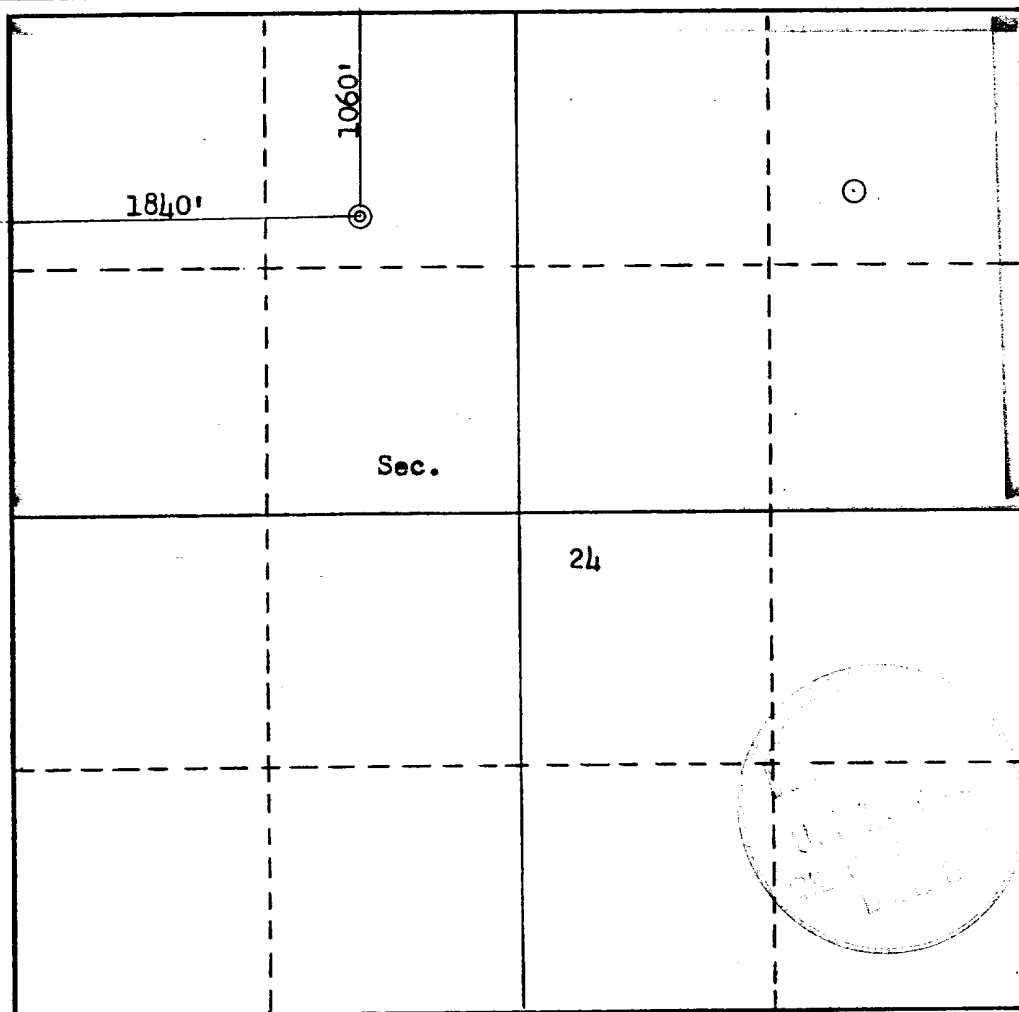
Operator MERRION & BAYLESS			Lease CANADA MESA		Well No. 1-E
Unit Letter C	Section 24	Township 24N	Range 6W	County Rio Arriba	
Actual Footage Location of Well: 1060 feet from the North line and 1840 feet from the West line					
Ground Level Elev. 6483	Producing Formation Dakota		Pool Basin Dakota	Dedicated Acreage: 320 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.



CERTIFICATION

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

Original Signed By
ROBERT L. BAYLESS

Name

Robert L. Bayless

Position

Co-Owner

Company

Merrion & Bayless

Date

July 10, 1979

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

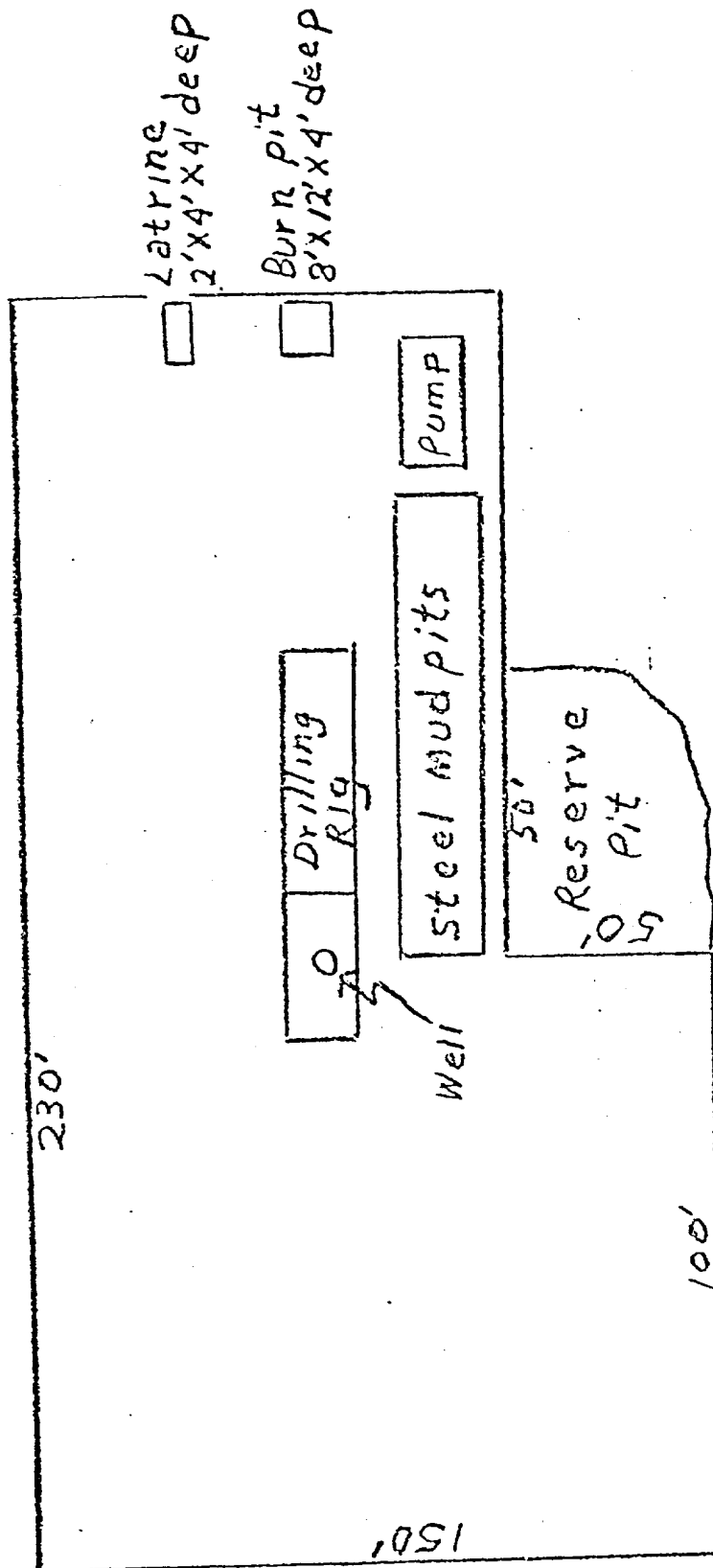
July 7, 1979Registered Professional Engineer
and/or Land Surveyor**Fred B. Kopp, Jr.**

Certificate No.

3950

LOCATION AND EQUIPMENT LAY-OUT

Merrion & Bayless
Canada Mesa #1-E
1060 FNL & 1840 FWL
Rio Arriba County, New Mexico



SURFACE USE OPERATIONS PLAN

MERRION & BAYLESS
Canada Mesa # 1-E
Section 24, T24N, R6W

- 1 & 2. A topographical map is attached showing location of drillsite and access roads to location; new roads are color coded on the location map. The terrain is relatively flat and no improvements are planned on existing roads. 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 topographical map.
4. A. Existing facilities owned or controlled by the Operator and shown on the attached map are as follows: Wellheads.
B. No new facilities are contemplated.
C. Disturbed areas will be reseeded per BLM specifications.
5. Water will be hauled from Largo Canyon water hole.
Truck will haul water on proposed access route shown.
6. No construction materials will be used.
7. Methods of disposal of waste materials:
 - A. Cuttings will be buried in drilling pit.
 - B. Drilling fluids will be buried in drilling pit.
 - C. No produced fluids are anticipated.
 - D. Sewage will be buried.
 - E. Garbage and other waste material will be buried.
 - F. Operator will clean up, fill, and level pits and reseed location per BLM specifications.
8. No ancillary facilities.
9. Wellsite layout attached.
10. Restoration of drillsite -- pits will be filled and leveled and reseeded per BLM specifications immediately after completion.
11. Other information: The drillsite is fairly level, grass and brush covered semi-arid land. There is no other surface use or facilities existent. An archeological survey statement will be furnished.
12. Operator representative: Robert L. Bayless (505) 325-5093
P.O. Box 1541
Farmington, NM 87401
13. Certification:

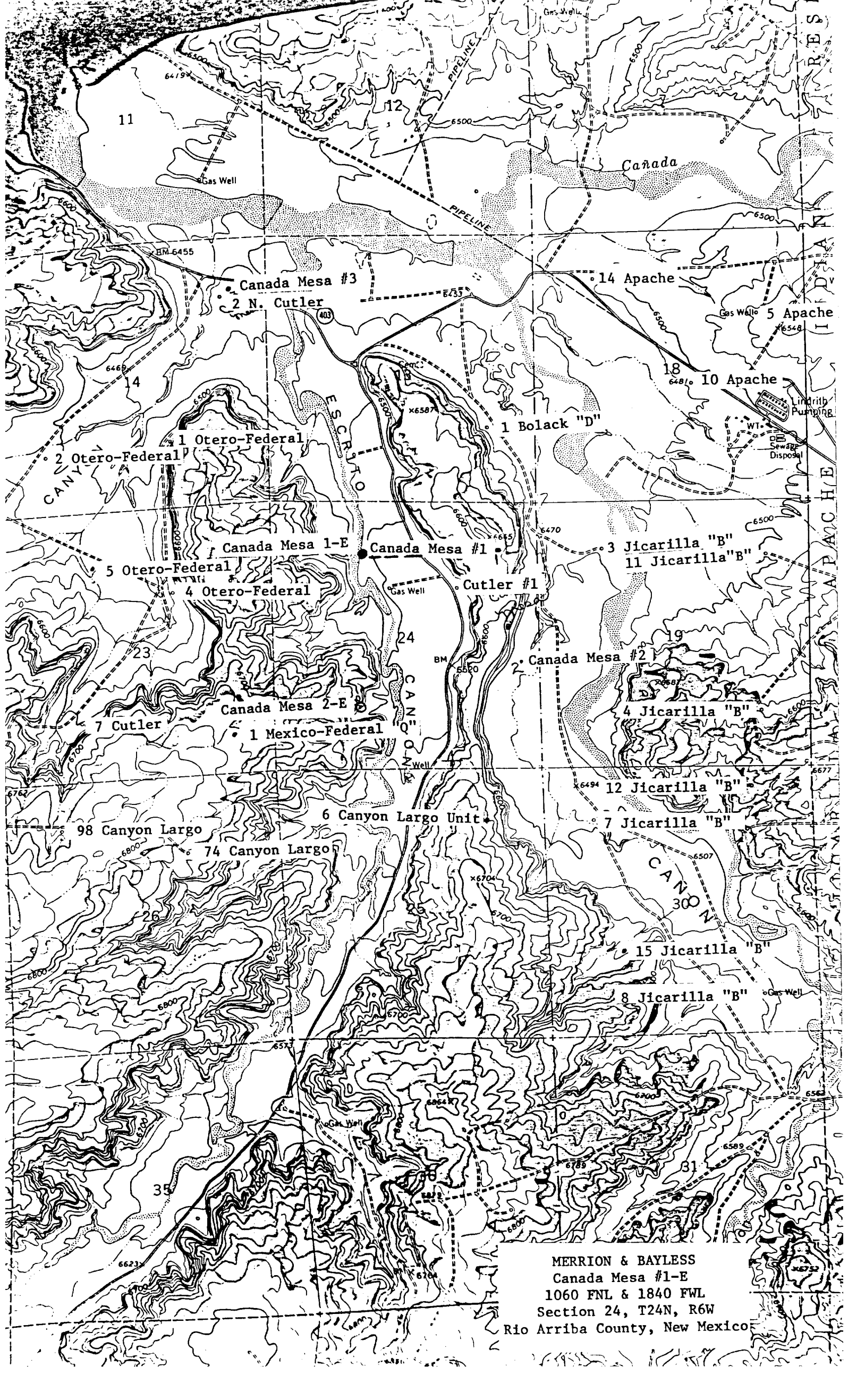
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated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

7-10-79

DATE

Original Signed By
ROBERT L. BAYLESS

ROBERT L. BAYLESS
Co-Owner
Merrion & Bayless



MERRION & BAYLESS
Canada Mesa #1-E
1060 FNL & 1840 FWL
Section 24, T24N, R6W
Rio Arriba County, New Mexico