

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
1825 FSL and 1785 FWL
At proposed prod. zone
Same

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.
2-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.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approx. 7.5 miles NE of Counselors, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
1785 ft.

16. NO. OF ACRES IN LEASE
1520

17. NO. OF ACRES ASSIGNED TO THIS WELL
320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
2500 ft.

19. PROPOSED DEPTH
6700 ft.

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6588 ft. G.L.

22. APPROX. DATE WORK WILL START*
When Rig Available

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.	150 ft.	100 sacks
7-7/8"	4-1/2"	10.5 lb.	6700 ft.	500 sacks

Will drill 12-1/4" hole to 150 ft. and set 150 ft. of 8-5/8", 24 lb. casing with 100 sacks cement. Will drill 7-7/8" hole to 6700 ft. and run open hole logs. If appears productive will run 6700 ft. of 4-1/2", 10.5 lb. casing and cement with 500 sacks. Will set stage collar at approximately 4200 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	2151'	
Cliff House	3651'	
Mancos	4491'	
Graneros	6391'	Gas

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 August 31, 1979

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

APPROVED BY TITLE SEP 5 1979

CONDITIONS OF APPROVAL, IF ANY:

ok Frank

*See Instructions On Reverse Side

State

U. S. GEOLOGICAL SURVEY
DURHAM, N.C.

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-107
Revised 10-1-78

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

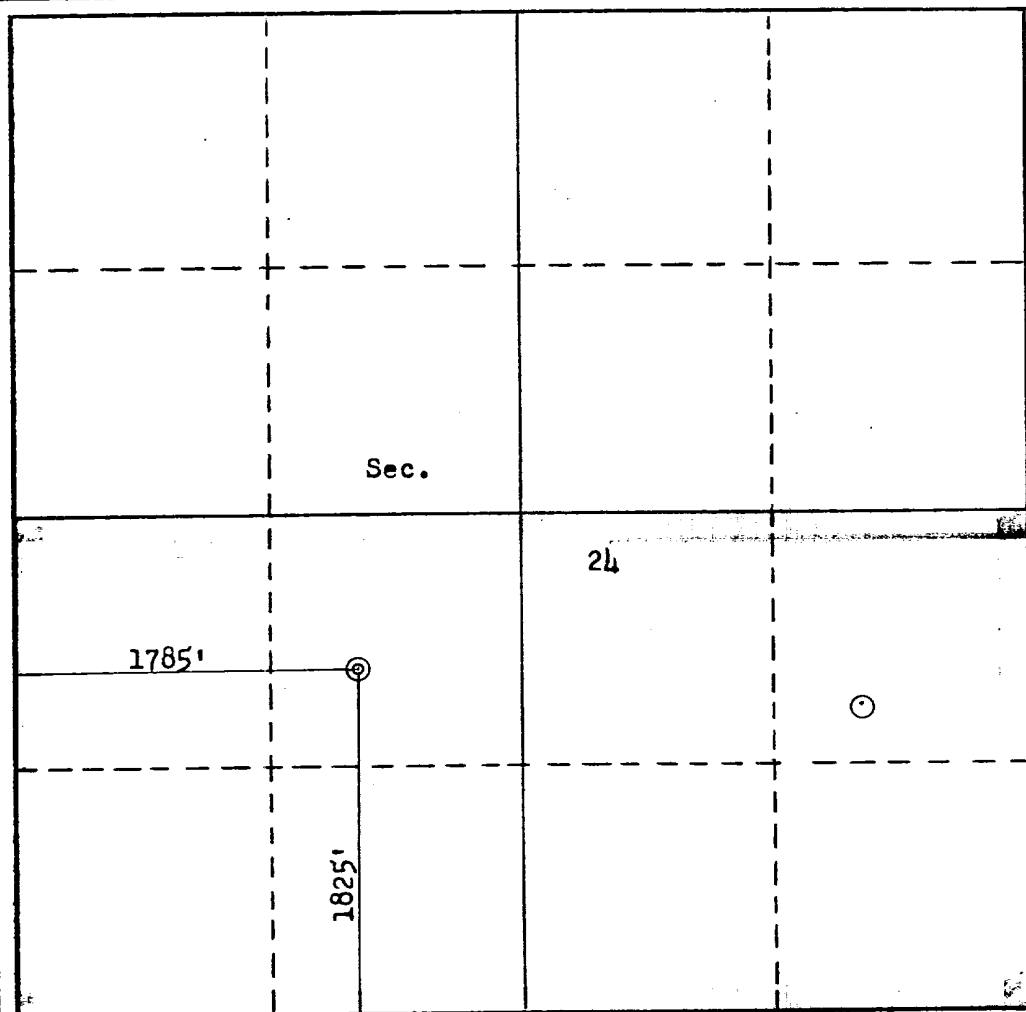
Operator MERRION & BAYLESS			Lease CANADA MESA		Well No. 2-E
Unit Letter K	Section 24	Township 24N	Range 6W	County Rio Arriba	
Actual Footage Location of Well: 1825 feet from the South line and 1785 feet from the West line					
Ground Level Elev. 6588	Producing Formation Dakota		Pool Basin Dakota		Dedicated Acreage: 320 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.



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
August 31, 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, 1979

Registered Professional Engineer
and/or Land Surveyor

Fred B. Koser, Jr.

Certificate No.

3950

SURFACE USE OPERATIONS PLAN


MERRION & BAYLESS
Canada Mesa #2-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.

8-31-79

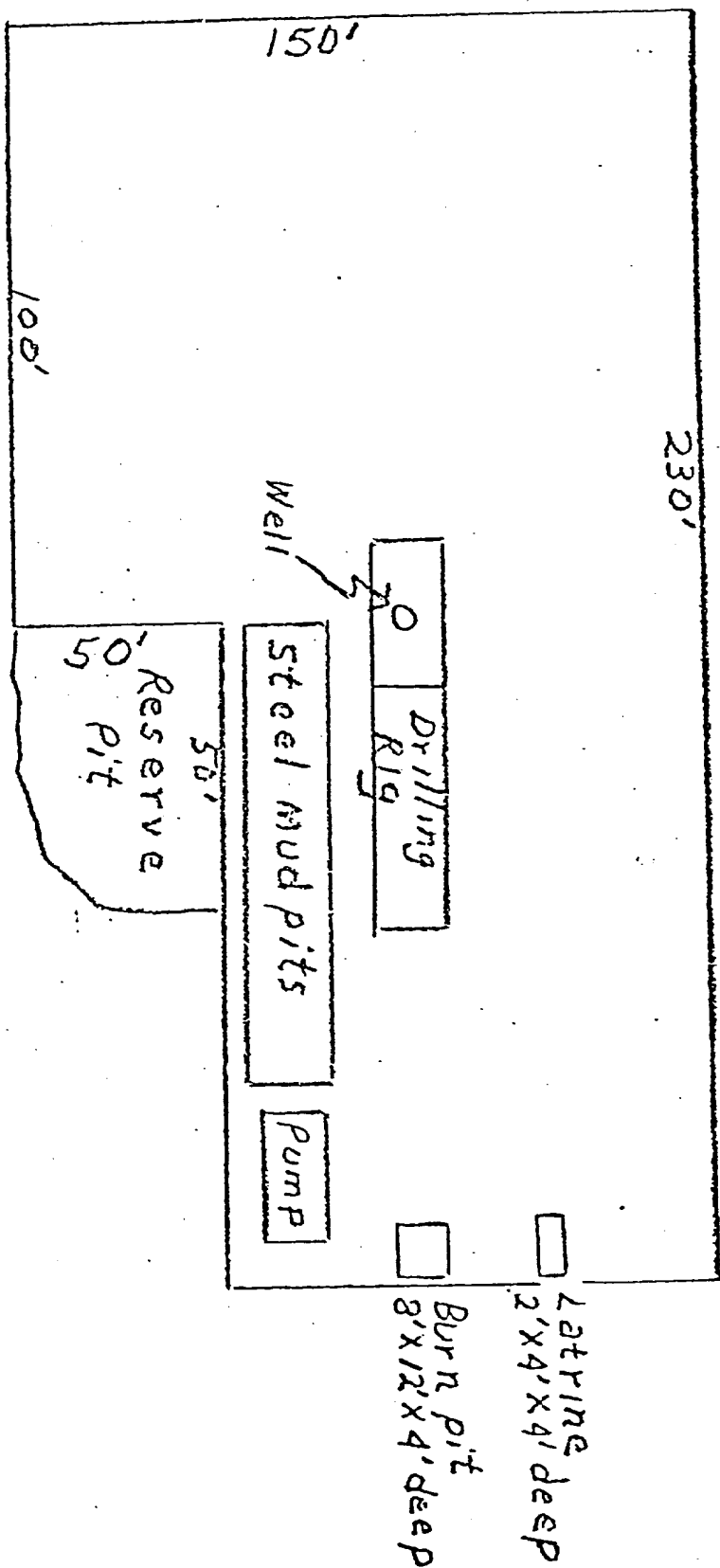
DATE

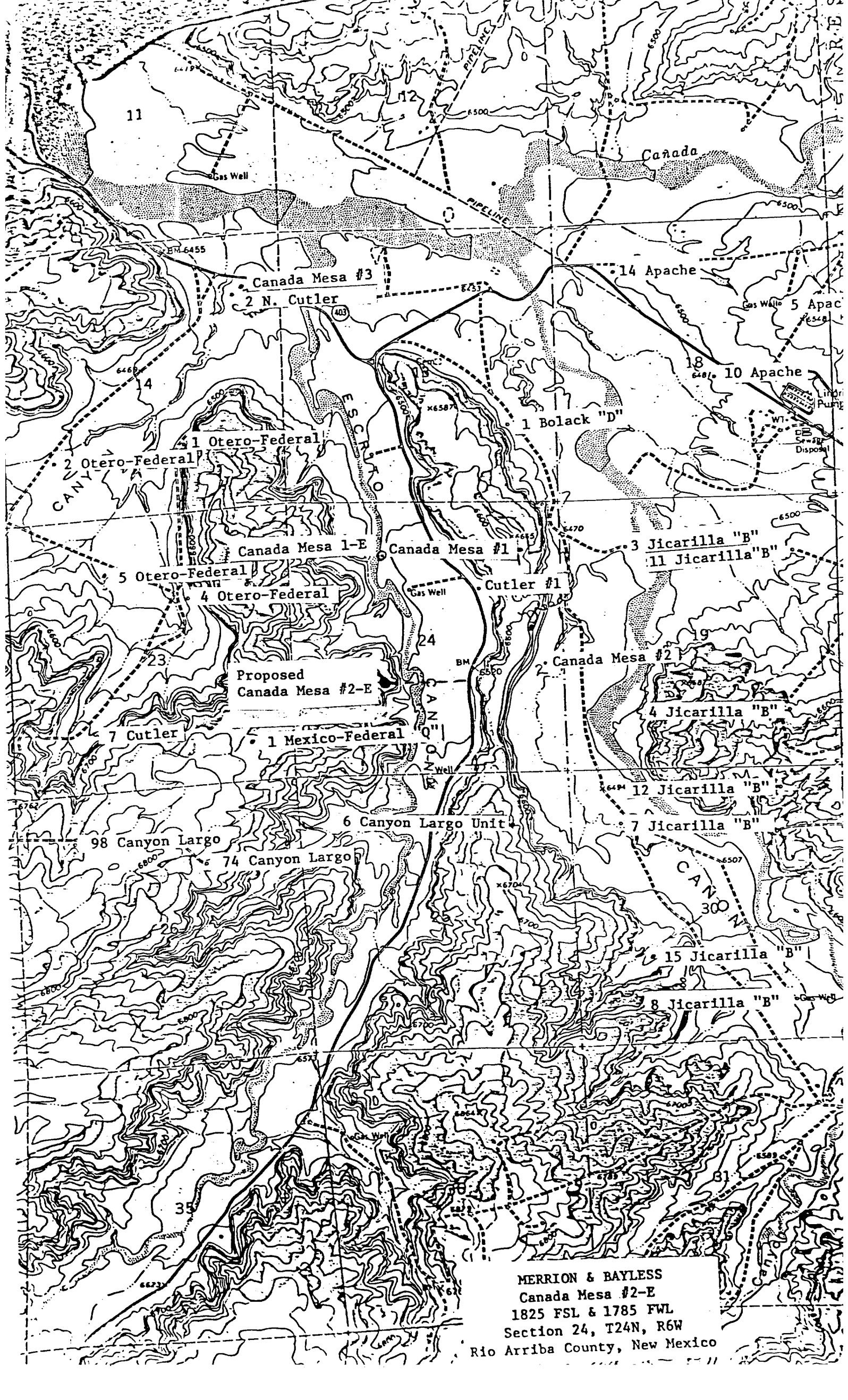


ROBERT L. BAYLESS
Co-Owner
Merrion & Bayless

LOCATION AND EQUIPMENT LAY-OUT

MERRION & BAYLESS
Canada Mesa #2-E
1825 FSL & 1785 FWL
Rio Arriba County, New Mexico





MERRION & BAYLESS
Canada Mesa #2-E
1825 FSL & 1785 FWL
Section 24, T24N, R6W
Rio Arriba County, New Mexico

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil ☐ gas ☒ well ☒ other

2. NAME OF OPERATOR

J. Gregory Merriam & Robert L. Bayless

3. ADDRESS OF OPERATOR

P.O. Box 1541, Farmington, NM 87401

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)

AT SURFACE: 1825 FSL and 1785 FWL

AT TOP PROD. INTERVAL: same

AT TOTAL DEPTH: same

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF ☐
FRACTURE TREAT ☐
SHOOT OR ACIDIZE ☐
REPAIR WELL ☐
PULL OR ALTER CASING ☐
MULTIPLE COMPLETE ☐
CHANGE ZONES ☐
ABANDON* ☐

SUBSEQUENT REPORT OF:

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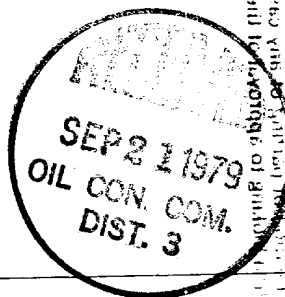
(other) Supplementing 9-331C dated 08-31-79

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Please include the attached schematic of 10" 900 series hydraulic double ram blowout preventer.

5. LEASE SF-079086	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
7. UNIT AGREEMENT NAME	
8. FARM OR LEASE NAME Canada Mesa	
9. WELL NO. 2-E	
10. FIELD OR WILDCAT NAME Basin Dakota	
11. SEC., T., R., M. OR BLK. AND SURVEY OR AREA Sec. 24, T. 24 N., R. 6 W.	
12. COUNTY OR PARISH Rio Arriba	13. STATE NM
14. API NO.	
15. ELEVATIONS (SHOW DF, KDB AND WD) 6588 ft. GL	

(NOTE: Report results of multiple completion or zone change on Form 9-330.)



Subsurface Safety Valve: Manu. and Type _____

18. I hereby certify that the foregoing is true and correct

SIGNED [Signature] TITLE Co-Owner DATE September 18, 1979
(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

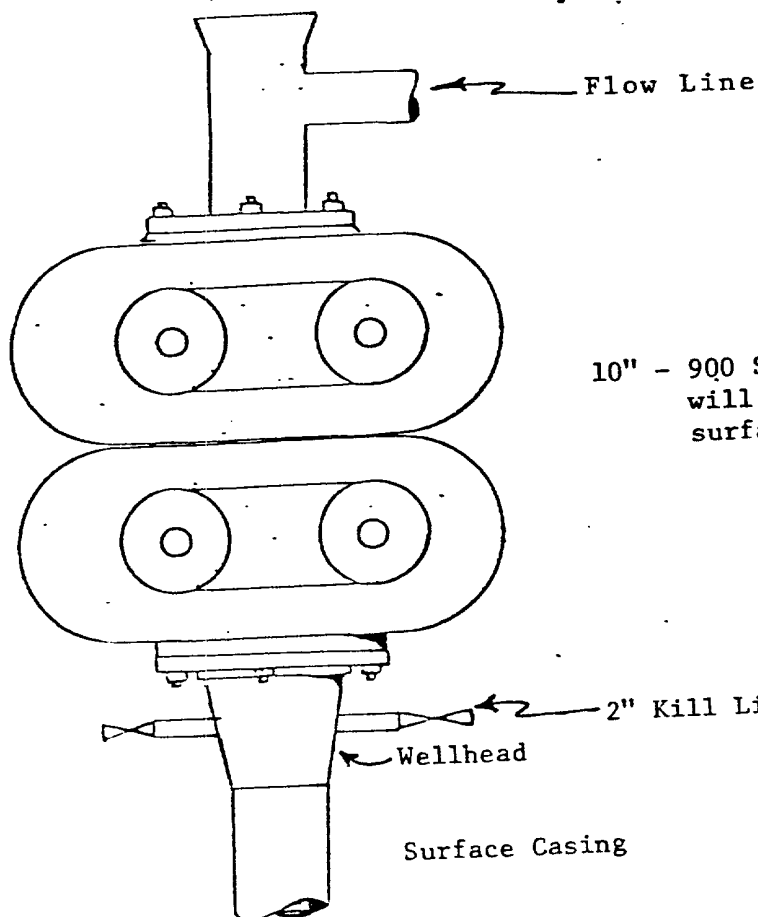
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SEP 20 1979

U. S. GEOLOGICAL SURVEY

SURFACE WELL CONTROL EQUIPMENT

MERRION & BAYLESS
Canada Mesa #2-E
Section 24, T24N, R6W
Rio Arriba County, New Mexico



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

MERRION~BAYLESS

DRAWN BY

REVISED

APPROVED BY:

SCALE:

DATE:

SCHEMATIC

DRAWING NUMBER