

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 & 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

790 FSL & 990 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)

16. NO. OF ACRES IN LEASE

2559±

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

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

19. PROPOSED DEPTH

5665'

20. ROTARY OR CABLE TOOLS

Rotary

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

6470' GL

22. APPROX. DATE WORK WILL START*

Aug. 15, 1980

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# | 200' | 150 sacks |
| 7-7/8" | 4-1/2" | 10.5# | 5665' | 500 sacks |

Will drill 12-1/4" hole to 200 ft. and set 200 ft. of 8-5/8", K-55, 24#, used casing with 150 sacks Class B cement w/3% CACL₂. Will run open hole logs and if appears productive will run 5665' of 4-1/2", K-55, 10.5#, used casing and cement with 500 sacks Class H cement, 50-50 pozmix w/2% gel. Circulating medium will be clear water and clay. Will set stage collar at approximately 4250 ft. and bring cement up across Ojo Alamo formation. Will perforate and stimulate as required. Minimum specifications for pressure control equipment which is to be used is 10,000 series double ram BOP.

ESTIMATED TOPS

San Jose -----Surface
Ojo Alamo-----1410'
Kirtland-----1705'
Fruitland-----1840'
Pic. Cliffs---2090'

Cliff House-----3515'
Point Lookout---4255'
Gallup-----5315'

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
GENERAL REQUIREMENTS

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give estimated 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

DATE

June 26, 1980

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

*See Instructions On Reverse Side

30-039-22451

5. LEASE DESIGNATION AND SERIAL NO.

SF-078874

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Canyon Largo Unit

9. WELL NO.

301

10. FIELD AND POOL, OR WILDCAT

Devils Fork Gallup

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

Sec. 4, T24N, R6W

12. COUNTY OR PARISH

Rio Arriba

13. STATE

NM

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

Aug. 15, 1980

RECEIVED
JUL 30 1980
OIL CON. COM.
DIST. 3

APPROVED
AS AMENDED

JUL 28 1980
JAMES F. SIMS
DISTRICT ENGINEER

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

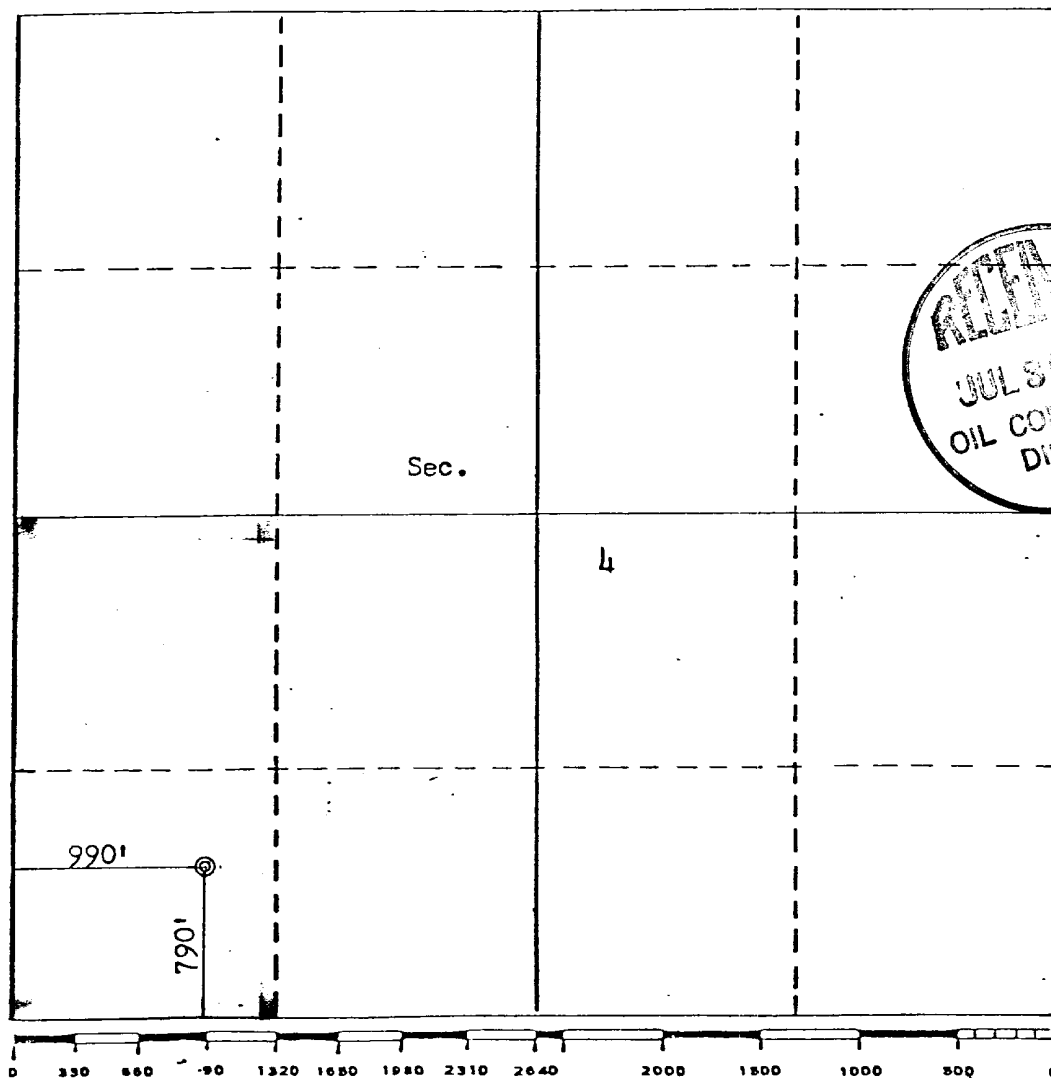
| | | | | |
|--|--------------------------------------|-----------------------------------|---------------------------------------|-----------------------------|
| Operator MERRION & BAYLESS | | Lease CANYON LARGO UNIT | | Well No. 301 |
| Unit Letter M | Section 4 | Township 24N | Range 6W | County Rio Arriba |
| Actual Footage Location of Well: 790 feet from the South line and 990 feet from the West line | | | | |
| Ground Level Elev. 6470 | Producing Formation Gallup | Pool Devils Fork | Dedicated Acreage: 80 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.

Gregory Merrion

Name
J. Gregory Merrion

Position

Co-Owner

Company

Merrion & Bayless

Date

June 26, 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

June 12, 1980

Registered Professional Engineer
and/or Land Surveyor

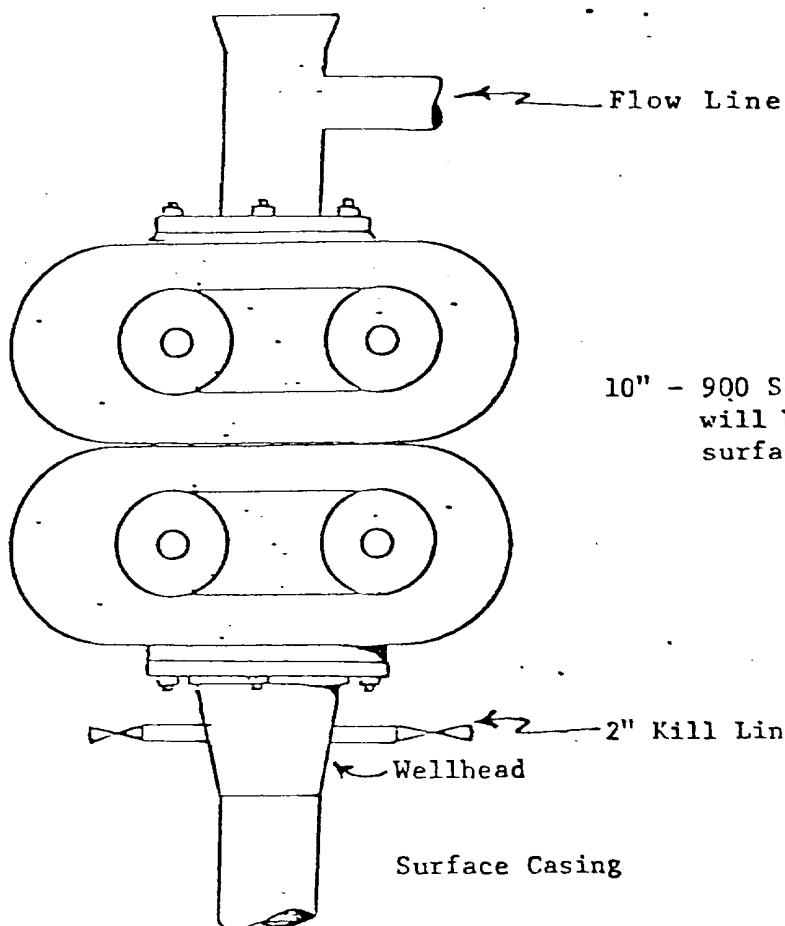
Fred B. Kerr Jr.
Fred B. Kerr Jr.

Certification No. MEXICO

3950 B. KERR, JR.

SURFACE WELL CONTROL EQUIPMENT -

MERRION & BAYLESS
Canyon Largo Unit #301
790 FSL & 990 FWL
Section 4, 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

| | |
|--------------|----------|
| APPROVED BY: | DRAWN BY |
| SCALE: | REVISED |
| DATE: | |

SCHEMATIC

DRAWING NUMBER

SURFACE USE AND OPERATIONS PLAN

MERRION & BAYLESS

- 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:
- Wellheads and pumping units.
- B. Anticipated new facilities shown on the attached map:
- Wellhead and pumping unit.
- C. Rehabilitation plans for the disturbed areas no longer needed for operations and maintenance:
- according to surface owner's signed agreement (will be furnished as soon as obtained
5. A. Location & type of water supply: Private owner's water hole in SW/4 of Sec. 11, 24N, 6W.
- B. Water located on /- / Federal, / / State, / / Indian, or /X/ 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: Homer C. Berry, private owner-ship.
- 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

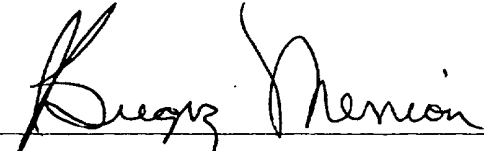
(505) 325-5093

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.

June 26, 1980

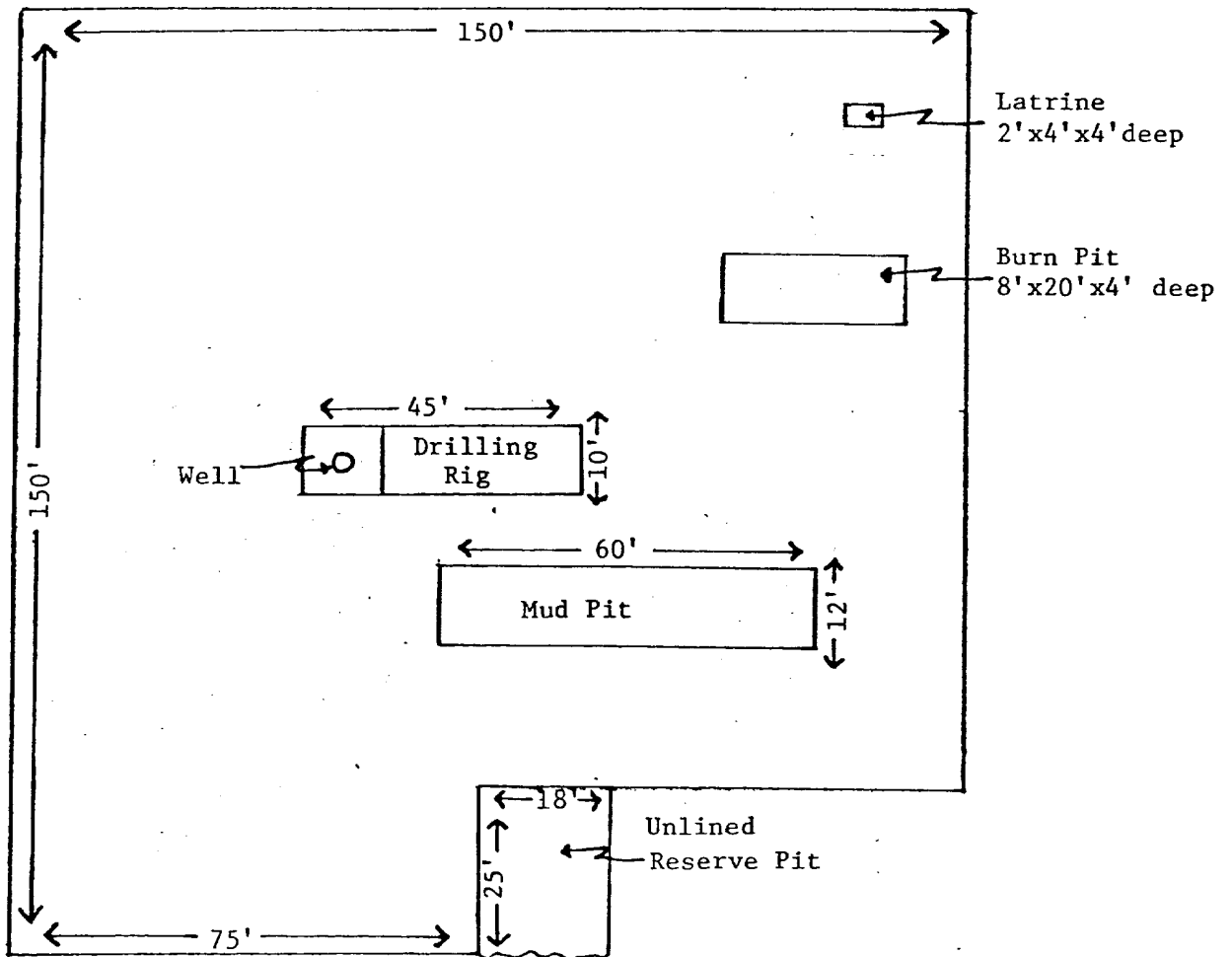
DATE


J. GREGORY MERRION, Co-Owner
MERRION & BAYLESS

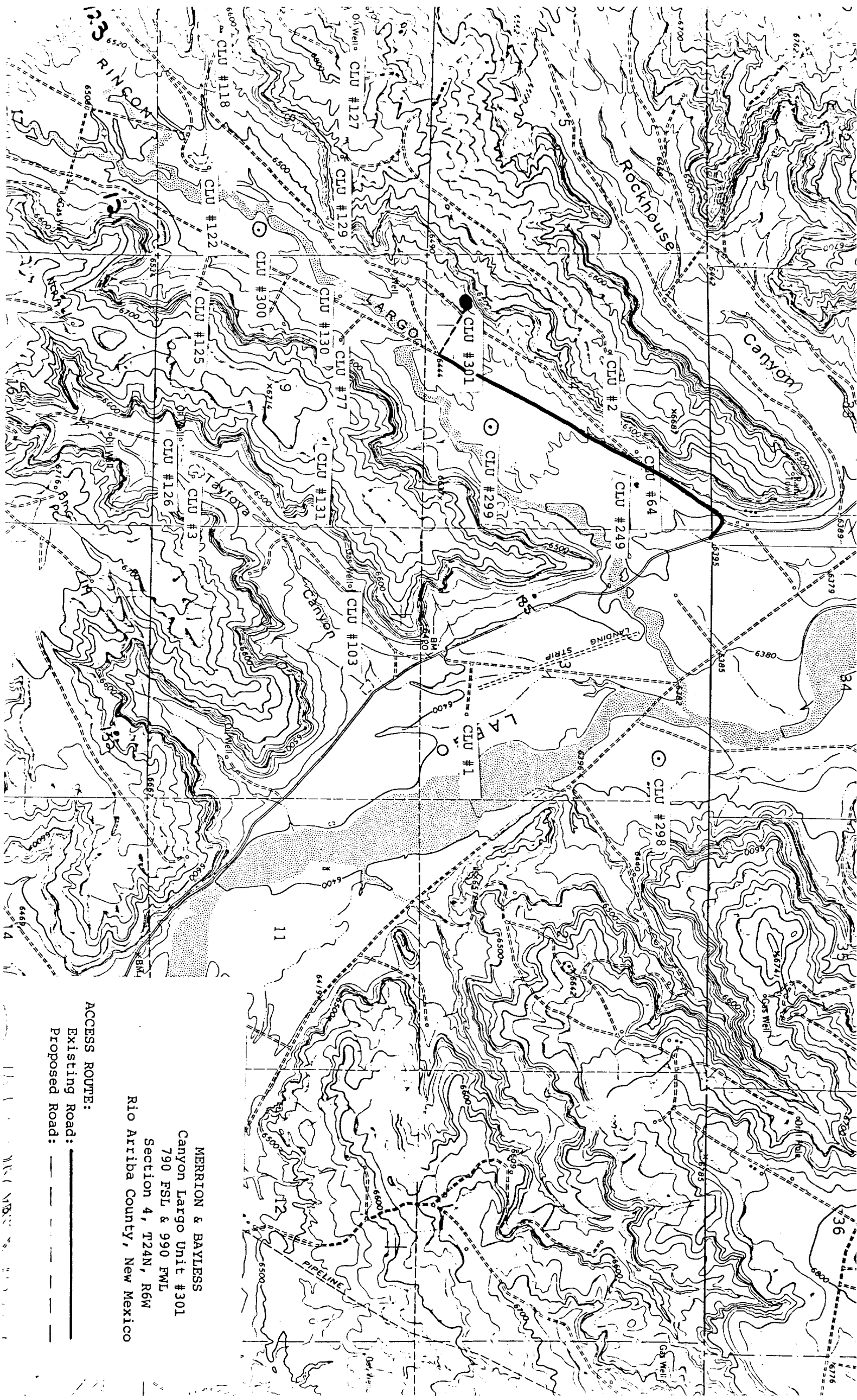
LOCATION AND EQUIPMENT LAYOUT

Shallow Wells

Canyon Largo Unit #301
790 FSL & 990 FWL
Section 4, T24N, R6W
Rio Arriba County, New Mexico



Scale: 1" = 30'



ACCESS ROUTE:

Existing Road: ————
Proposed Road: - - - - -

MERRION & BAYLESS
Canyon Largo Unit #301
790 FSL & 990 FWL
Section 4, T24N, R6W
Rio Arriba County, New Mexico