UNITED STATES

UNITED STATES	5. LEASE	
DEPARTMENT OF THE INTERIOR	SF-078877	
GEOLOGICAL SURVEY	6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
OZOLOGIO/IL OOMIZI	-	
SUNDRY NOTICES AND REPORTS ON WELLS	7. UNIT AGREEMENT NAME	
(Do not use this form for proposals to drill or to deepen or plug back to a different	<u></u>	
reservoir. Use Form 9–331–C for such proposals.)	8. FARM OR LEASE NAME	
1. oil on gas	Canyon Largo Unit	
well X well other	9. WELL NO.	
2. NAME OF OPERATOR	304	
J. Gregory Merrion & Robert L. Bayless	10. FIELD OR WILDCAT NAME	
3. ADDRESS OF OPERATOR P.O. Box 1541, Farmington, NM 87401	Devils Fork Gallup	
	11. SEC., T., R., M., OR BLK. AND SURVEY OR	
4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17	AREA	
below.) AT SURFACE: 790' FNL & 1850' FWL	Sec. 11, T24N, R6W 12. COUNTY OR PARISH 13. STATE	
AT TOP PROD. INTERVAL: same	1	
AT TOTAL DEPTH: same	Rio Arriba N.M.	
16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE.	1 14. AFI NO.	
REPORT, OR OTHER DATA	15. ELEVATIONS (SHOW DF, KDB, AND WD)	
	6415' GL	
REQUEST FOR APPROVAL TO: SUBSEQUENT REPORT OF		
TEST WATER SHUT-OFF	iget - N	
FRACTURE TREAT	Maria	
SHOOT OR ACIDIZE		
PULL OR ALTER CASING T	change on Form 9-330.)	
MULTIPLE COMPLETE	Report results of multiple completion or zone change on Form 9-330.)	
CHANGE ZONES ABANDON*	<u></u>	
ABANDON* (other) Spud thru Completion		
(other) Spud thru Completion		
17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state	te all pertinent details, and give pertinent dates	
including estimated date of starting any proposed work. If well is of measured and true vertical depths for all markers and zones pertine	directionally drilled, give subsurface locations and	
measured and true vertical depths for an markers and zones pertine	nt to this work.)	
Drilling and completion operations per a	ttached daily report.	
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	10H1HM	
	/ NLULIVIN	
	/ * L	
	JUL 3 - 1921	
	JUL 3 - 1981 OIL CON. COM.	
	DIST. 3	
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_____ Set @ _____ Ft. Subsurface Safety Valve: Manu. and Type 18. I hereby certify that the foregoing is true and correct June 24, 1981 Co-Owner SIGNED (This space for Federal or State office use) _____ TITLE ____ APPROVED BY ____ DATE __ CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

JUL 1 1981

MERRION & BAYLESS CANYON LARGO UNIT #304 790 FNL & 1850 FWL Section 11, T24N, R6W Rio Arriba County, New Mexico SF-078877

DAILY REPORT

- 4-20-81 Moved in rigged up BAyless Drilling rig #5. Spudded 12-1/4" hole to 203 ft. Set 190 ft. of 8-5/8", K-55, 28# used casing @ 203 ft. with 180 sx cement 2% CACL2. Plugged down @ 3:30 a.m. 4-20-81. WOC.
- 4-21-81 Drilling @ 1723 ft. Weight 8.4, vis. 37, water loss 4.2.
- 4-22-81 Drilling @ 2904 ft. Weight 8.8, vis. 32, water loss 7.0.
- 4-23-81 Drilling @ 3570 ft. Weight 9.0, vis. 35, water loss 5.8.
- 4-24-81 Circulating @ 4230 ft. Preparing to trip. Weight 9.2, vis. 30 water loss 6.4.
- 4-25-81 Drilling @ 4655 ft. Weight 9.2, vis. 38, water loss 6.0.
- 4-26-81 Drilling @ 5210 ft. Weight 9.1, vis. 34, water loss 7.0.
- 4-27-81 Drilling @ 5690 ft. Weight 9.2, vis. 37, water loss 6.0.
- 4-28-81 TD @ 5700. Condition hole. Short trip and trip out for logs. Rig up Birdwell. Ran IES induction and 3-D velocity logs. Trip in with drill pipe. Thin back mud. Trip out laying down drill pipe. (SSD)
- 4-29-81 Ran 4-1/2" 10.5 1b/ft k-55 R-3 casing as follows:

	LENGTH	KB DEPTH
108 Jts 4-1/2" CSG.	4529.57	4509.57
Stage Tool	1.70	4511.27
27 Jts 4-1/2" CSG.	1134.92	5646.19
Float Collar	1.70	5647.89
Shoe Joint	42.20	5690.09
Shoe	1.00	5691.09

Rig up National Cementers and cemented 1st stage with 175 sx class 'H' with 2% Gel. Good circulation. PBTD @ 5646' KB. Top of cement @ 4900' (calculated). Circulated 4 hours between stages. Cemented 2nd stage with 550 sx Econofil, tail with 100 sx class 'H' 2% Gel. Good circulation throughout job. Top of cement @ 700 (temp. survey) Plug down @ 5:15 PM. WOCT. (SSD)

OIL CON. COM.

DIST. 3

- 05-05-81 Rig up Western. Pressure tested to 4000 psig. Held Okay for 10 minutes. (SSD)
- 05-26-81 Move in, rig up Bayless Rig #6. Trip in w/ bit, casing scrapper, and 2-3/8" tubing to stage tool @ 4510' K.B. Drilled out stage tool. Trip to bottom, cleaned out to 5648' K.B. Pressure tested casing to 4000 PSIG, held ok. Picked up to 5610' K.B. and shut down over night. (SSD)

MERRION & BAYLESS Canyon Largo Unit #304 Daily Report Page 2

- Spotted 250 gal. 15% HCL on bottom. Released Western. Trip out w/ tubing & bit. Rig up Go International. Ran Gamma Ray Correlation log from PBD 5648' to 5200'. Perforated select fire holes as follows: 5380, 5385, 5392, 5404, 5408, 5412, 5421, 5445, 5448, 5463, 5466, 5469, 5478, 5489, 5492, 5583, 5586, 5590, 5595, 5600 per induction log. Total 20 holes, .34". Rig up Baker straddle packers, trip in. Straddle packed perfs. SDON. (SSD)
- 5-28-81 Trip out w/ straddle packers. Rig up Western Co. Fraced Gallup w/ 1873 bbls Maxi=0 74 gelled oil w/ fluid loss control and 150,000 lbs 20/40 sand and 28,000 lbs 10/20 sand. Avg. rate 33 BPM, avg. pressure 2200 PSIG, ISDP 1550 PSIG, down to 1350 in 10 min. Shut in. (SSD)
- 5-29-81 SIP 575 PSIG flowed well back. Ran sinker bar w/ depthometer and found no fill. Ran mud anchor, perf. nipple, seating nipple w/ pump-out plug and 169 jts. 2-3/8" EUE tubing as follows:

Mud Anchor 31.60 (orange peeled)
Perf nipple 4.0
Seating nipple 1.0
169 jts tubing 5330.9
K.B. Adjustment 11.0

Landed Depth 5378.50' K.B.

Nipple up wellhead. Pumped out plug. Flowed well to frac tank while rigging down. Shut in well. (SSD)

- 5-30-81 Move off. (SSD)
- 06-15-81 Produced 1564 bbls load oil in 16 days. Now flowing at rate of 89 BOPD, TP/CP 150/220 467 bbls load oil to recover.