SUBMIT IN TRIPLICATE*

(Other instructions on reverse side)

Form approved. Budget Bureau No. 42-R1425.

UNITED STATES							30-073-22309
DEPARTMENT OF THE INTERIOR							5. LEASE DESIGNATION AND SERIAL NO. NM23472
GEOLOGICAL SURVEY							NM22046
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK							G. 1F INDIAN, ALLOTTED OR TRIBE NAME
DRILL X DEEPEN PLUG BACK							7. UNIT AGREEMENT NAME
b. TYPE OF WELL OIL GA	S OTHER		BII Zo	NGLE X	MULTIPL ZONE	<u> </u>	8. FARM OR LEASE NAME
2. NAME OF OPERATOR							Chaco
J. Gregory Merrion and Robert L. Bayless							B. WELL NO.
3. ADDRESS OF OPERATOR							1
P.O. Box 1541, Farmington, New Mexico 87401							10. FIELD AND POOL, OR WILDCAT
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)						Wildcat- Fictured Cliff	
At surface 1826 FNL and 1826 NWL							11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
At proposed prod. zone							Soc 18 T26N P12W
Same 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*						Sec. 18, T26N, R12W	
14. DISTANCE IN MILES	IND DIRECTION FROM NEAR	EST TOWN OF FOR	1 03210.	•			San Juan N.M.
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)				20. 10. 10.		тот	of acres assigned his well 156.43
18. DISTANCE FROM PROPOSED LOCATION. 19. PROPOSED D						20. ROT	ARY OR CABLE TOOLS
TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.				1400	Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5989 GL						January 15, 1977	
23.	F	ROPOSED CASI	NG ANI	O CEMENTING	PROGRA	\М 	
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER F	00Т	OT SETTING DEPTH			QUANTITY OF CEMENT
7-7/8	5-1/2	15.5		30			10 Sax
4-3/4	2-7/8	6.4		1350			100 Sax

Will drill 7-7/8" hole to 30 ft. and set 30 ft. of 5-1/2", 15.5 lb. casing with 10 sax cement. Will drill 4-3/4" hole to 1350 ft. and run logs. If appears productive, will run 1350 ft. of 2-7/8", 6.4 lb., J-55 casing and cement with 100 sax. Will perforate and stimulate as required.

DEC 29 1976

If proposal is to deepen or plug back, give data on present productive zone-and proposed new productive sone. 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. 12-15-76 Co-Owner (This space for Federal or State office use) APPROVAL DATE DATE . TITLE APPROVED BY CONDITIONS OF APPROVAL, IF ANY :

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section Well No. Lease Operator Chaco Merrion & Bayless County Township Unit Letter Section San Juan 12 West 26 North Actual Footage Location of Well: 1826 feet from the North feet from the 1826 Dedicated Acreage: Ground Level Elev. Producing Formation 56,43 Pictured Cliffs Wildcat 5989 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 consili dated by communitization, unitization, force-pooling. etc? Communitization If answer is "yes," type of consolidation X Yes 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 826 best of my knowledge and belief. Co-Owner Compan Merrion & Bayless December 15, 1976 76.43 acted psurveys made by me or December 12, 1976 Registered Professio a Engineer and/or Land Survey

1000

1500

330

500

3602

E.V. Echohawk LS

Certificate No.

NTL-6 REQUIREMENTS

CHACO #1 Section 18, T26N, R12W San Juan County, New Mexico

- 1 & 2. A topographical map is attached showing location of drill site and access roads to location. The terrain is relatively flat and no new roads will be built. A drive-in truck-mounted drilling rig will be used and will be driven in to the location with our road work.
 - 3. Wells within one mile radius are shown on the topographical map.
 - 4. There are no existing or proposed facilities.
 - 5. Water will be hauled from the San Juan River by truck.
 - 6. No construction materials will be used.
 - 7. Drill cuttings will be placed in a pit and covered when dry and location will be cleaned after work on well is completed.
 - 8. No ancillary facilities.
 - 9. Well site layout attached.
 - 10. Restoration of drillsite -- pits will be filled and leveled and area reseeded to BLM specifications.
 - 11. Other information: the drillsite is fairly level, arid land with very little vegetation. There is no other surface use or facilities existent. An archeological survey statement will be furnished.
 - 12. Operator representative:

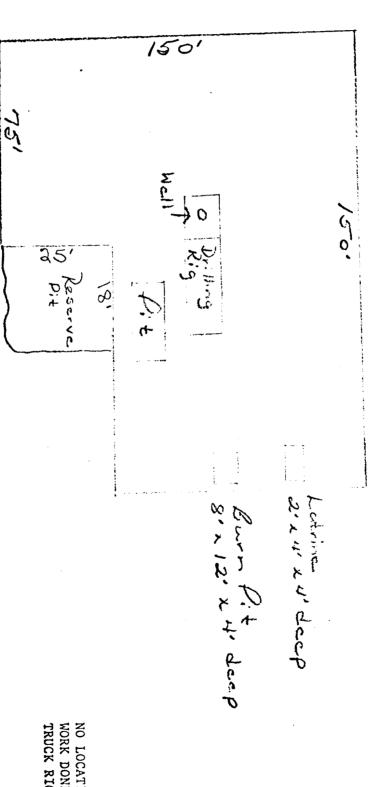
Robert L. Bayless
P.O. Box 1541
Farmington, New Mexico 87401
Office Phone: 325-5093
Res. Phone: 325-8985

13. Certification:

I hereby certify that I, or persons under by 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 & BAYLESS and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

12-27-76

Name and Title



NORI

NO LOCATION LEVELING WORK DONE - DRIVE-IN TRUCK RIG USED.

