

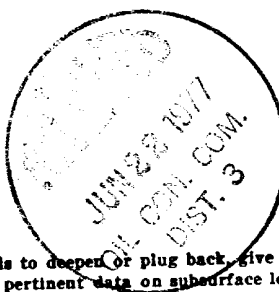
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF 080238A
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Merrion & Bayless		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR P.O. Box 1541, Farmington, New Mexico 87401		8. FARM OR LEASE NAME Chaco
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 790 FSL and 1850 FWL At proposed prod. zone same		9. WELL NO. 8
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*		10. FIELD AND POOL, OR WILDCAT Wildcat
16. NO. OF ACRES IN LEASE		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 6, T26N, R12W
17. NO. OF ACRES ASSIGNED TO THIS WELL 100		12. COUNTY OR PARISH San Juan
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		13. STATE N.M.
19. PROPOSED DEPTH 1300 ft.		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5970 ft. G.L.		22. APPROX. DATE WORK WILL START* As soon as possible

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
7-7/8"	5-1/2"	15.5#	41'	6 sax
4-3/4"	2-7/8"	6.4#	1279'	125 sax

We propose to spot and squeeze 25 sax, plug across Picture Cliff perforations. Estimated plug top at 800 ft. inside casing. Will perforate two holes at 495 ft. and circulate 60 sax cement to surface followed by wiper plug to 485 ft. PBTD. Will then perforate Farmington and stimulate as required.



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JUN 21 1977

U. S. GEOLOGICAL SURVEY

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. SIGNED Steven A. Salama TITLE Engineer DATE June 20, 1977
(This space for Federal or State office use)

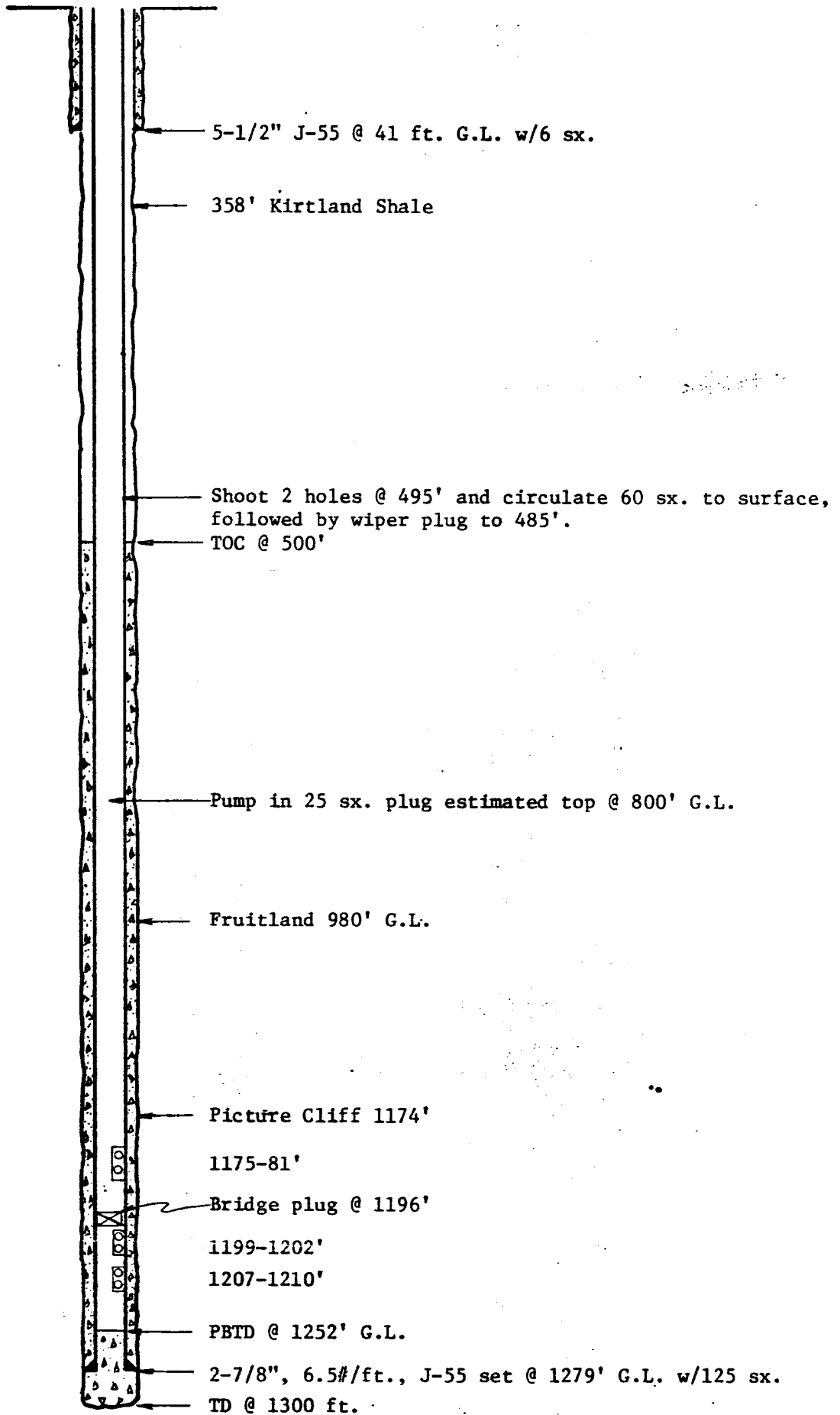
PERMIT NO. _____ APPROVAL DATE _____

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

*See Instructions On Reverse Side

CHACO #8

790 FSL, 1850 FWL
Section 6, T26N, R12W
Elevation - 5970



MERRION-BAYLESS

Plug-Back Proposal

Chaco #8

DATE: 6-20-77
BY: S. Dunn
REVISION: 1

CH-1-77