SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

Form approved. Budget Bureau No. 42-R1425.

5. LEASE DESIGNATION AND SERIAL NO.

SF-078897-A:

UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

6. IF INDIAN, ALLOTTEE OR THIBE NAME APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK la. TYPE OF WORK 7. UNIT AGREEMENT NAME . PLUG BACK [] DEEPEN DRILL A b. TYPE OF WELL MULTIPLE Zone S. FARM OR LEASE NAME OIL _ WELL XX OTHER Western Federal 2. NAME OF OPERATOR 9. WELL NO. J. Gregory Merrion & Robert L. Bayless 8-Y 3. ADDRESS OF OPERATOR 10. FIELD AND POOL, OR WILDCAT P.O. Box 1541, Farmington, NM 87401 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface South Gallegos Fruitland 11. SEC., T., R., M., OR BLK. 790 FNL & 1850 FEL At proposed prod. zone Sec. 18, T26N, R11W 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 12. COUNTY OR PARISH | 13, STATE San Juan N.M. 20 miles south of Farmington 17. NO. OF ACKES ASSIGNED 15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, 16. NO. OF ACRES IN LEASE TO THIS WELL 790 ft. 1274.48 (Also to nearest drig, unit line, if any) 20. ROTARY OR CABLE TOOLS 19. PROPOSED DEPTH 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. Ë 530 ft. 1360 ft. Rotary 22. APPROX. DATE WORK WILL START* 21. ELEVATIONS (Show whether DF, RT, GR, etc.) As soon as possible 6096 G.L. 23. PROPOSED CASING AND CEMENTING PROGRAM QUANTITY OF CEMENT WEIGHT PER FOOT SETTING DEPTH SIZE OF HOLE SIZE OF CASING 9-3/4" 40 ft. 10 sacks 23 lb./ft. 2-7/8" 6.4 lb./ft. 1360 ft. 150 sacks Will drill 9-3/4" hole to 40 ft. and set 40 ft. of 7", 23 lb./ft. casing with 10 sacks cement. Will drill 5" hole to 1360 ft. and run open hole logs. If appears productive, will run 1360 ft. of 2-7/8", 6.4 lb./ft., J-55 casing and cement with 150 sacks. Will perforate and stimulate as required. Minimum specifications for pressure control equipment which is to be used - none required. Circulating medium will be clear water and natural mud with water loss control additives. The gas from this formation is not dedicated. ESTIMATED TOPS CONTENT **FORMATION** DEPTH Ojo Alamo 280 ft. Water Kirtland 415 ft. 1100 ft. Fruitland Natural gas, salt water Pic. Cliffs 1360 ft. Natural gas, salt water 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. Engineer June 8, 1979 DATE SIGNED . (This space for Federal or State office use) APPROVAL DATE APPROVED BY ... CONDITIONS OF APPROVAL, IF ANY: -JUN 12 1979-OIL CON. COM. NMOCL DIST. 3 *See Instructions On Reverse Side