

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

30-073-123899

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

5. LEASE DESIGNATION AND SERIAL NO.  
NM-12235  
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 7. UNIT AGREEMENT NAME  
 8. FARM OR LEASE NAME  
Southland  
 9. WELL NO.  
7  
 10. FIELD AND POOL, OR WILDCAT  
WAW Fruitland/Pic, Cliffs  
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec. 11, T26N, R13W  
 12. COUNTY OR PARISH  
San Juan  
 13. STATE  
N.M.

2. NAME OF OPERATOR  
J. Gregory Merrion & Robert L. Bayless

3. ADDRESS OF OPERATOR  
P.O. Box 1541, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface 990 FNL & 790 FWL  
 At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
Approximately 17 miles south of Farmington, NM

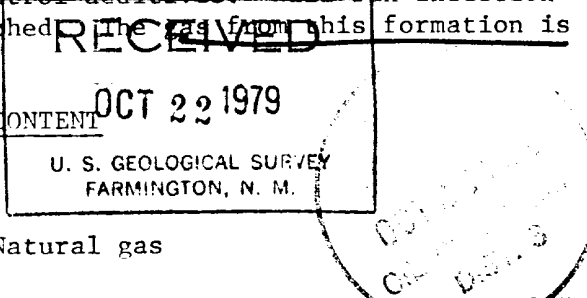
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	790'	16. NO. OF ACRES IN LEASE	1120	17. NO. OF ACRES ASSIGNED TO THIS WELL	160
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	4700'	19. PROPOSED DEPTH	1360'	20. ROTARY OR CABLE TOOLS	Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6092 ft. GL			22. APPROX. DATE WORK WILL START* Nov. 15, 1979		

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-3/4"	7"	23 lb.	90 ft.	30 sacks
5"	2-7/8"	6.4 lb.	1360 ft.	150 sacks circulated to surface

Will drill 9-3/4" hole to 90 Ft. and set 90 ft. of 7", 23 lb./ft, J-55 used casing with 30 sacks Class "H" cement. Will drill 5" hole to 1360 ft. and run 1360 ft. of 2-7/8", EUE, C-45 used casing and cement with 150 sacks Class "H" with 2% D-79 cement, circulated to surface. No abnormal pressures or temperatures are anticipated. Circulating medium will be clear water, natural mud, and water loss control additives. Will run Induction and Density logs. Blowout preventer schematic attached. The gas from this formation is not dedicated.

FORMATION	ESTIMATED TOPS DEPTH	CONTENT
Ojo Alamo	Surface	
Kirtland	85'	
Fruitland	860'	
Pic. Cliffs	1220'	Natural gas



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. Original Signed By **ROBERT L. BAYLESS** TITLE Co-Owner DATE Oct. 19, 1979

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

*Handwritten signature*

NMDCU  
\*See Instructions On Reverse Side

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-107  
Revised 10-1-78

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

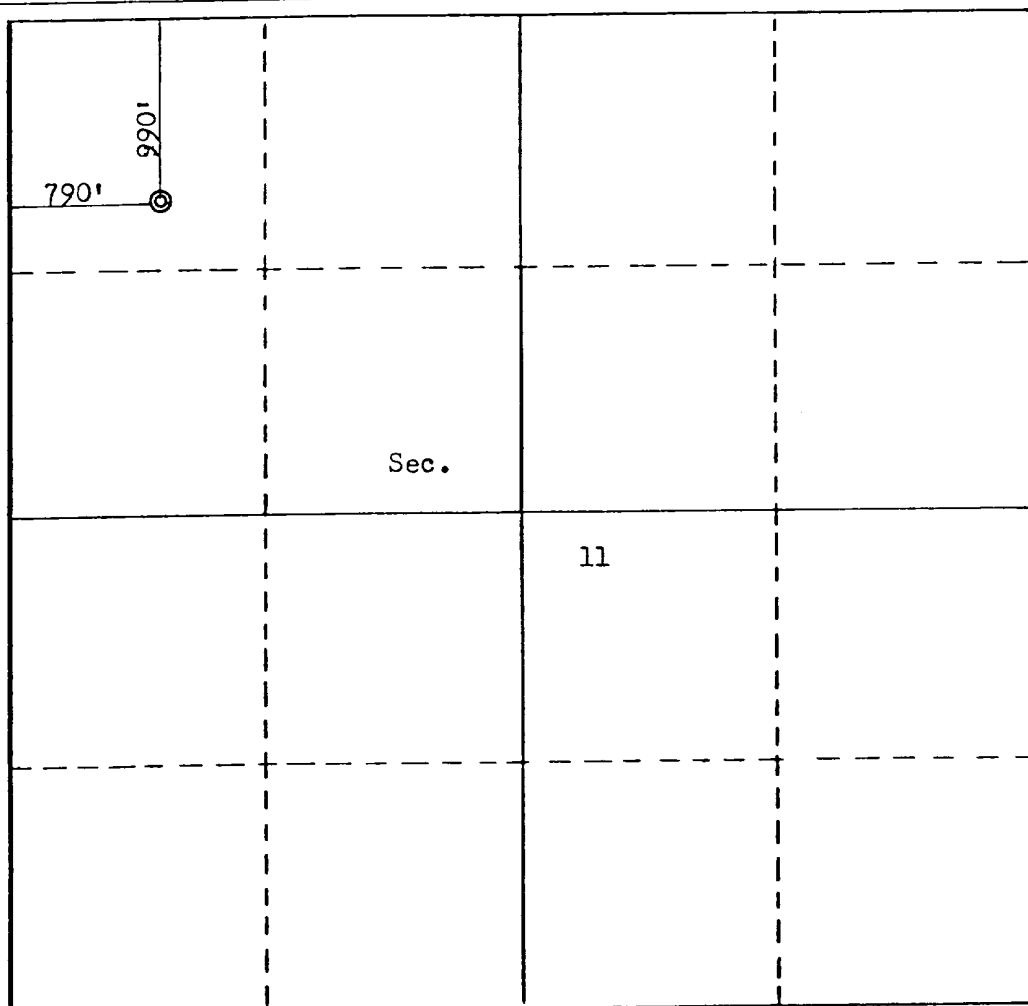
Operator MERRION & BAYLESS		Lease SOUTHLAND			Well No. 7
Unit Letter D	Section 11	Township 26N	Range 13W	County San Juan	
Actual Footage Location of Well: 990 feet from the North line and 790 feet from the West line					
Ground Level Elev. 6092	Producing Formation Pictured Cliffs	Pool WAW Fruitland/Pictured Cliffs		Dedicated Acreage: 160 Acres	

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 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

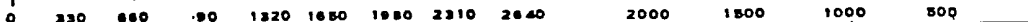
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Original Signed By  
ROBERT L. BAYLESS

Name  
Robert L. Bayless  
Position  
Co-Owner  
Company  
MERRION & BAYLESS  
Date  
October 17, 1979

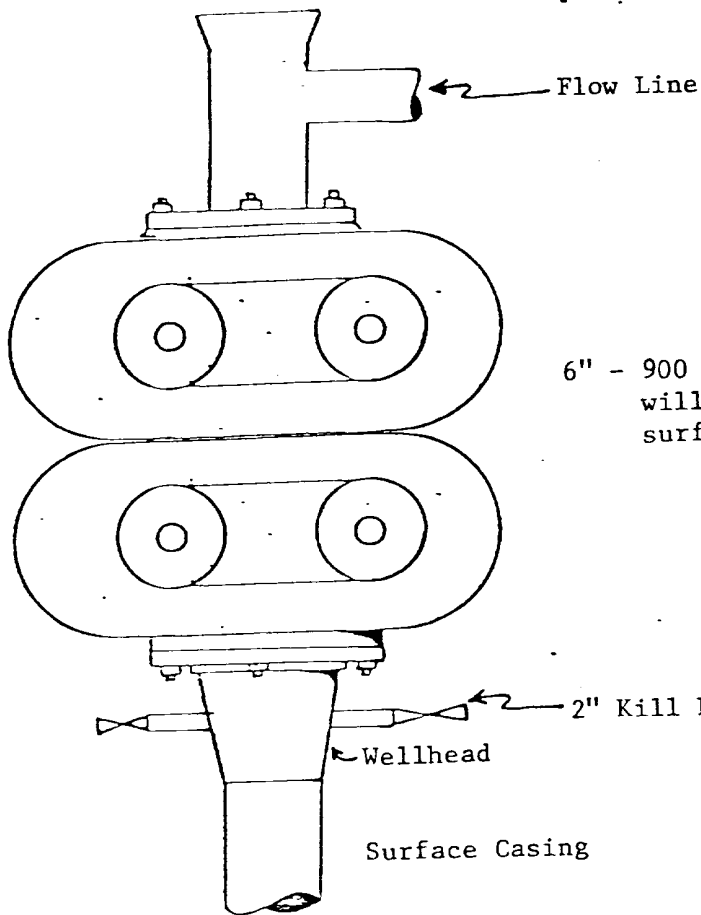
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
October 12, 1979  
Registered Professional Engineer  
and/or Land Surveyor  
Fred B. Kerr, Jr.  
Certificate No. 3950



SURFACE WELL CONTROL EQUIPMENT

MERRION & BAYLESS  
Southland #7  
Section 11, T26N, R13W  
San Juan County, New Mexico



6" - 900 Series Mechanical Double Ram BOP which will be tested to 500 PSIG after setting of surface casing

2" Kill Line with 2000 WOG Ball Valve

Surface Casing

MERRION~BAYLESS

DRAWN BY

REVISED

APPROVED BY:

SCALE:

DATE:

SCHEMATIC

DRAWING NUMBER

SURFACE USE AND OPERATIONS PLAN

MERRION & BAYLESS  
Southland #7  
Section 11, T26N, R13W

- 1 & 2. A topographical map is attached showing location of drillsite and access road to location; new roads are color coded on the location map. The terrain is relatively flat and no improvements are planned on existing roads. 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 topographical map.
4. A. Existing facilities owned or controlled by the Operator and shown on the attached map are as follows: wellheads.  
B. No new facilities are contemplated.  
C. Disturbed areas will be reseeded per BLM specifications.
5. A. Water will be hauled from the San Juan River.  
B. Truck will haul water on proposed access route shown.
6. No construction materials will be used.
7. Methods of disposal of waste materials:  
A. Cuttings will be buried in drilling pit.  
B. Drilling fluids will be buried in drilling pit.  
C. No produced fluids are anticipated.  
D. Sewage will be buried.  
E. Garbage and other waste material will be buried.  
F. Operator will clean up, fill, and level pits and reseed location per BLM specifications.
8. No ancillary facilities.
9. Wellsite layout attached.
10. Restoration of drillsite -- pits will be filled and leveled and reseeded per BLM specifications immediately after completion.
11. Other information: the lease is on Navajo Tribal surface land. 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 (505) 325-5093  
P.O. Box 1541  
Farmington, NM 87401
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 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.

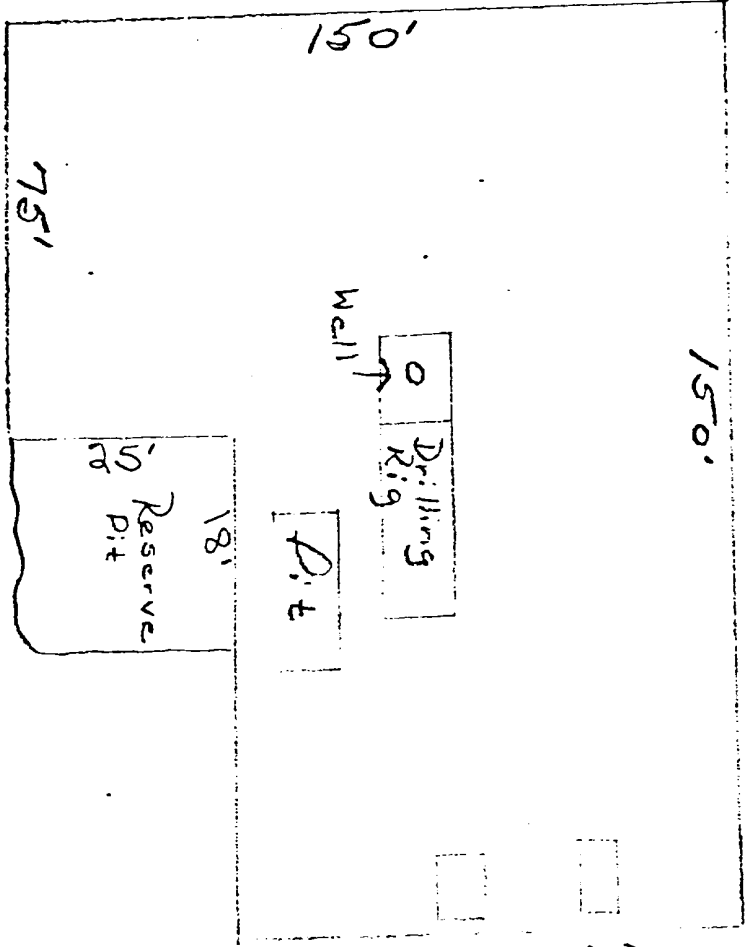
Original Signed By  
[Signature]

\_\_\_\_\_  
Date

\_\_\_\_\_  
ROBERT L. BAYLESS  
Co-Owner  
Merrion & Bayless

LOCATION AND EQUIPMENT LAY-OUT

MERRION & BAYLESS  
Southland #7  
Section 11, T26N, R13W  
San Juan County, New Mexico

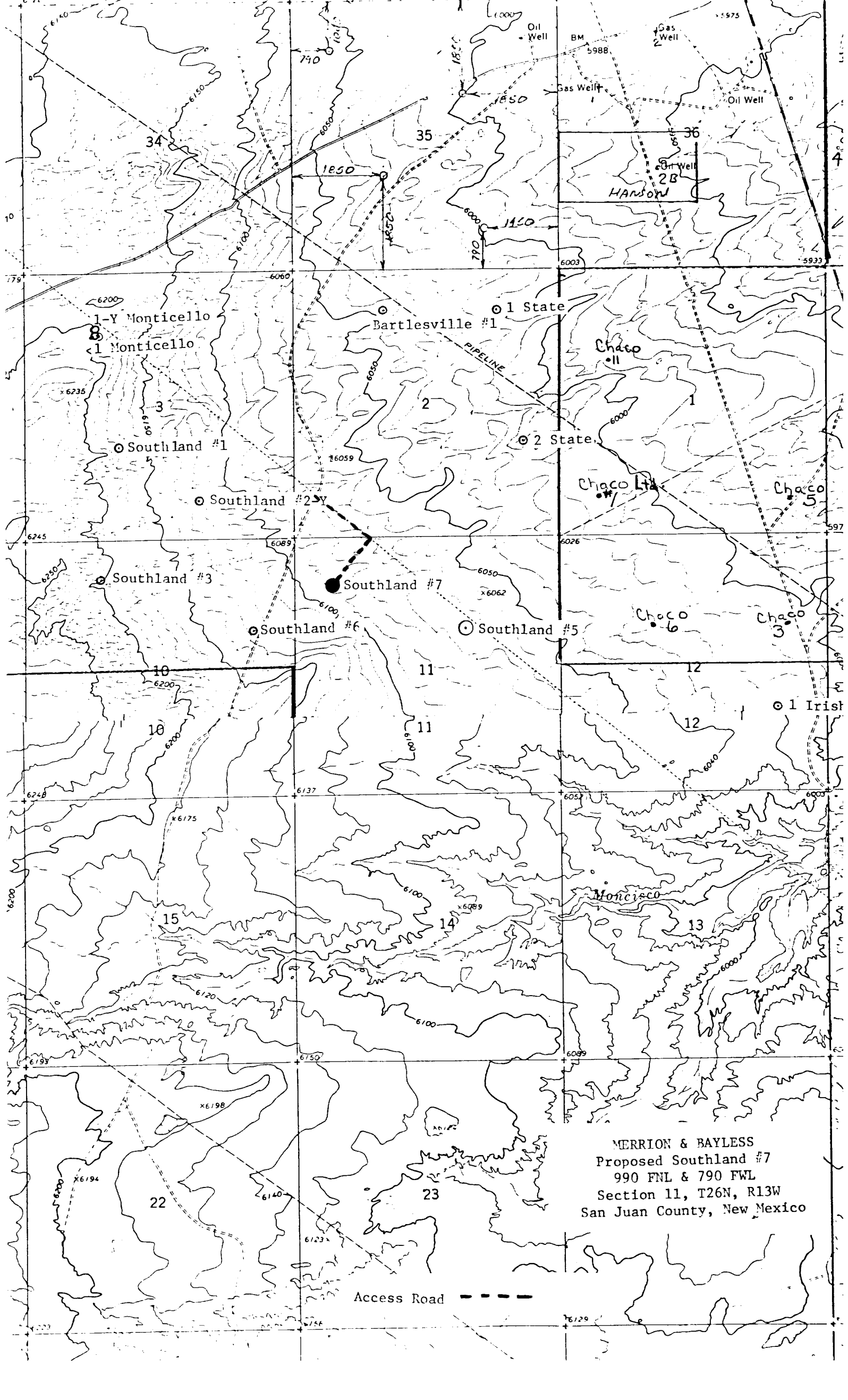


Latrine  
2' x 4' x 4' deep

Burn Pit  
8' x 12' x 4' deep

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





MERRION & BAYLESS  
 Proposed Southland #7  
 990 FNL & 790 FWL  
 Section 11, T26N, R13W  
 San Juan County, New Mexico

Access Road - - - - -

