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NEW MEXICO OIL CONSERVATION COMMISSION

30-037-22168
Form 7-101
Revised 12-65

| | |
|--------------------------------|---|
| 7A. Estimate Type of Lease | |
| STATE <input type="checkbox"/> | FEE <input checked="" type="checkbox"/> |
| 8. State Oil & Gas Lease No. | |

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | | |
|---|--|--|--|
| 1a. Type of Work | | 7. Unit Agreement Name | |
| b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> | | 8. Farm or Lease Name East Lindrith | |
| 2. Name of Operator J. Gregory Merrion & Robert L. Bayless | | 9. Well No. 2 | |
| 3. Address of Operator P.O. Box 1541, Farmington, NM 87401 | | 10. Field and Pool, or Wellbore Blanco P.C. South | |
| 4. Location of Well UNIT LETTER <u>B</u> LOCATED <u>1140</u> FEET FROM THE <u>North</u> LINE AND <u>1600</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>27</u> TWP. <u>24N</u> RGE. <u>2W</u> NMPM | | 11. County Rio Arriba | |
| 12. Proposed Depth 3400' | | 13A. Formation Pic. Cliffs | |
| 12. Proposed Depth 3400' | | 13B. Rotary or C.T. Rotary | |
| 21. Elevations (Show whether DF, RT, etc.) 7277 ft. GL | | 21A. Kind & Status Plug. Bond Statewide | |
| 21B. Drilling Contractor Lee Wilson | | 22. Approx. Date Work will start October 30, 1979 | |

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|----------------|-----------------|---------------|-----------------|----------|
| 9-3/4" | 7" | 23 lb. | 80 ft. | 30 | |
| 5" | 3-1/2" | 9.3 lb. | 3400 ft. | 150 | |

Will drill 9-3/4" hole to 80 ft. and set 80 ft. of 7", 23 lb. casing with 30 sacks cement. Will drill 5" hole to 3400 ft. and run logs. If appears productive will run 3400 ft. of 3-1/2", 9.3 lb., K-55 casing and cement with 150 sacks Class "H" cement. Will perforate and stimulate as required. No abnormal pressures or temperatures are anticipated. Circulating medium will be clear water, bentonite and water loss control additives. Blowout preventer schematic drawing attached. The gas from this formation is not dedicated.

| ESTIMATED TOPS | | |
|----------------|-------|-------------------------|
| FORMATION | DEPTH | CONTENT |
| Ojo Alamo | 2195' | |
| Farmington | 2945' | |
| Fruitland | 3062' | |
| Pic. Cliffs | 3140' | 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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Dr. J. Merrion Title Co-Owner Date September 19, 1979

(This space for State Use)

APPROVED BY Frank J. Long TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE SEP 21 1979

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form O-102
Revised 10-1-78

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

All distances must be from the corner boundaries of the Section

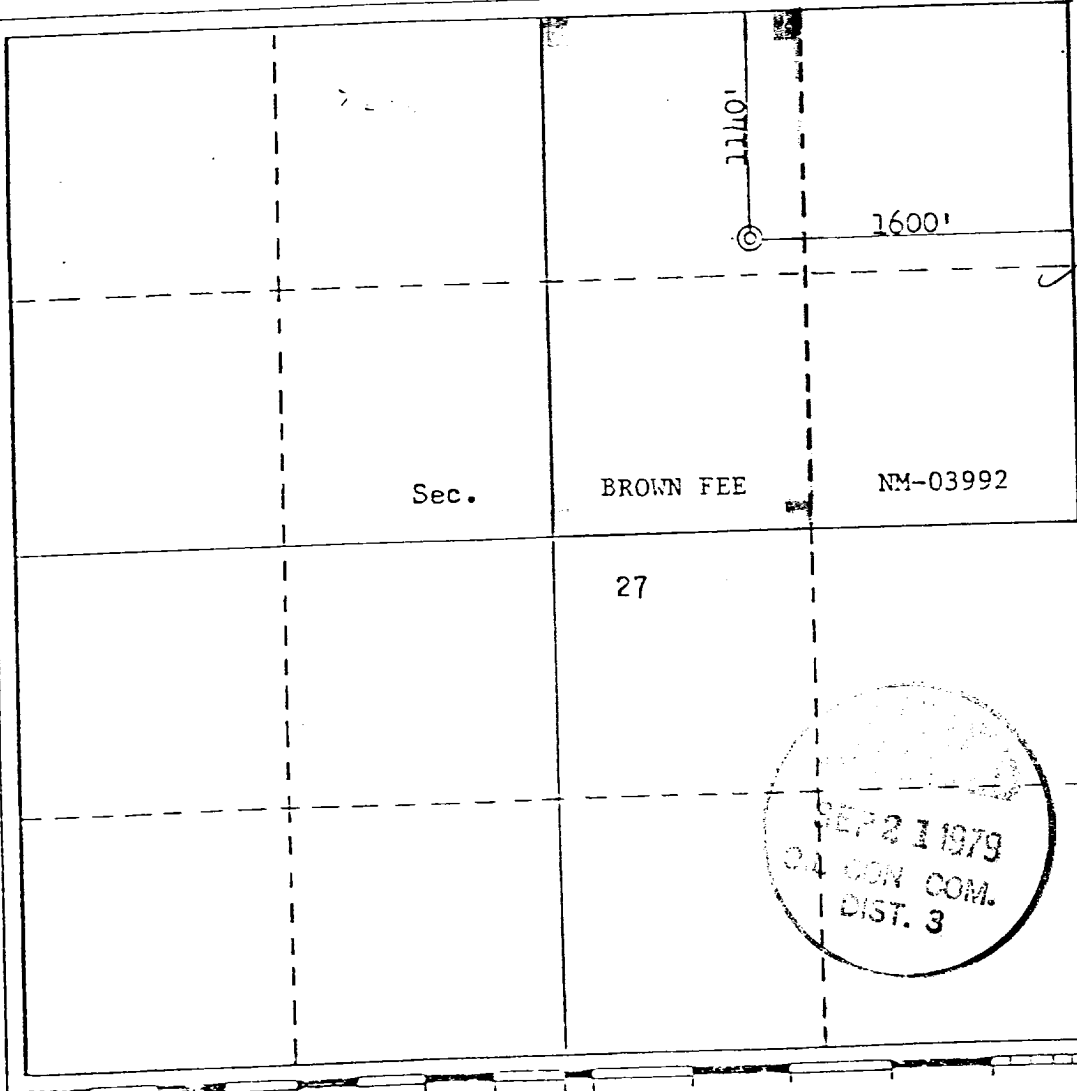
| | | | | |
|--|---|-------------------------------|-----------------------------|--|
| Operator MERRION & BAYLESS | | Lease EAST LINDRITH | | Well No. 2 |
| Unit Letter B | Section 27 | Township 24N | Range 2W | County Rio Arriba |
| Actual Footage Location of Well: | | | | |
| 1140 | feet from the | North | line and | 1600 |
| | | | | feet from the |
| | | | | East |
| | | | | line |
| Ground Level Elev. 7277 | Producing Formation Pictured Cliffs | | Pool South Blanco | Dedicated Acreage: 160 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.) Communitized

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.

Name
Steven S. Dunn

Position
Engineer

Company
Merrion & Bayless

Date
September 13, 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

November 15, 1978

Registered Professional Engineer
and/or Land Surveyor

Fred B. Merrion

Certificate No.

3950