

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-039-22317

5. LEASE DESIGNATION AND SERIAL NO.
SF 079139 A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal A

9. WELL NO.
3-E

10. FIELD AND POOL, OR WILDCAT
Basin Dakota

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Section 35, T25N. R6W

12. COUNTY OR PARISH | 13. STATE
Rio Arriba | N.M.

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

2. NAME OF OPERATOR
J. Gregory Merrion

3. ADDRESS OF OPERATOR
P.O. Box 507, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 925' FWL & 1720' FNL
At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
12.5 Miles north of Counselors, N.M.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 925

16. NO. OF ACRES IN LEASE
1040

17. NO. OF ACRES ASSIGNED TO THIS WELL
280 *and 320 Total*

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2773

19. PROPOSED DEPTH
7000

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6619 G.L.

22. APPROX. DATE WORK WILL START*
April 15, 1980

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4	8-5/8	24 lbs	200	150 sacks
7-7/8	4-1/2	10.5 lbs	7000	500 sacks

Will drill 12-1/4" hole to 200 ft. and set 200 ft. of 8-5/8", 24 lb/ft casing with 150 sacks cement. Will drill 7-7/8" hole to 7000 ft. and run open hole logs. If appears productive will run 7000 ft. of 4-1/2", 10.5 lb/ft casing and cement with 500 sacks. Will set stage collar at approximately 4800 ft. and bring cement up across Pictured Cliffs formation. Will perforate and stimulate as required. Minimum specifications for pressure control equipment which is to be used - 10", 900 series double ram blowout preventer. The gas from this formation is dedicated.

ESTIMATED TOPS

FORMATION	DEPTHS	CONTENT
Pictured Cliff	2450'	Gas
Cliff House	3970'	Water
Mancos	4850'	Oil
Graneros	6670'	Gas
Morrison	6950'	Water



This is a Basin Dakota Infill Well drilled pursuant to NMOCC Order #R-1670V.
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 *J. Gregory Merrion* TITLE Operator DATE January 8, 1980

(This space for Federal or State office use)

APPROVED AS AMENDED APPROVAL DATE
MAR 27 1980
James F. Sims
JAMES F. SIMS
DISTRICT ENGINEER

PERMIT NO.

APPROVED BY CONDITIONS OF APPROVAL, IF ANY:

ck 3/10/80



JAN 10 1980

*See Instructions On Reverse Side

U. S. GEOLOGICAL SURVEY
DURANGO, COLO.

state

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 J. GREGORY MERRION		Lease FEDERAL "A"			Well No. 3-E
Unit Letter E	Section 35	Township 25N	Range 6W	County Rio Arriba	
Actual Footage Location of Well: 1720 feet from the North line and 925 feet from the West line					
Ground Level Elev. 6619	Producing Formation Dakota		Pool Basin Dakota	Dedicated Acreage: W 320 Acres	

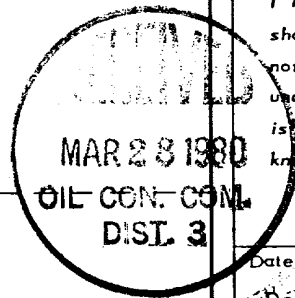
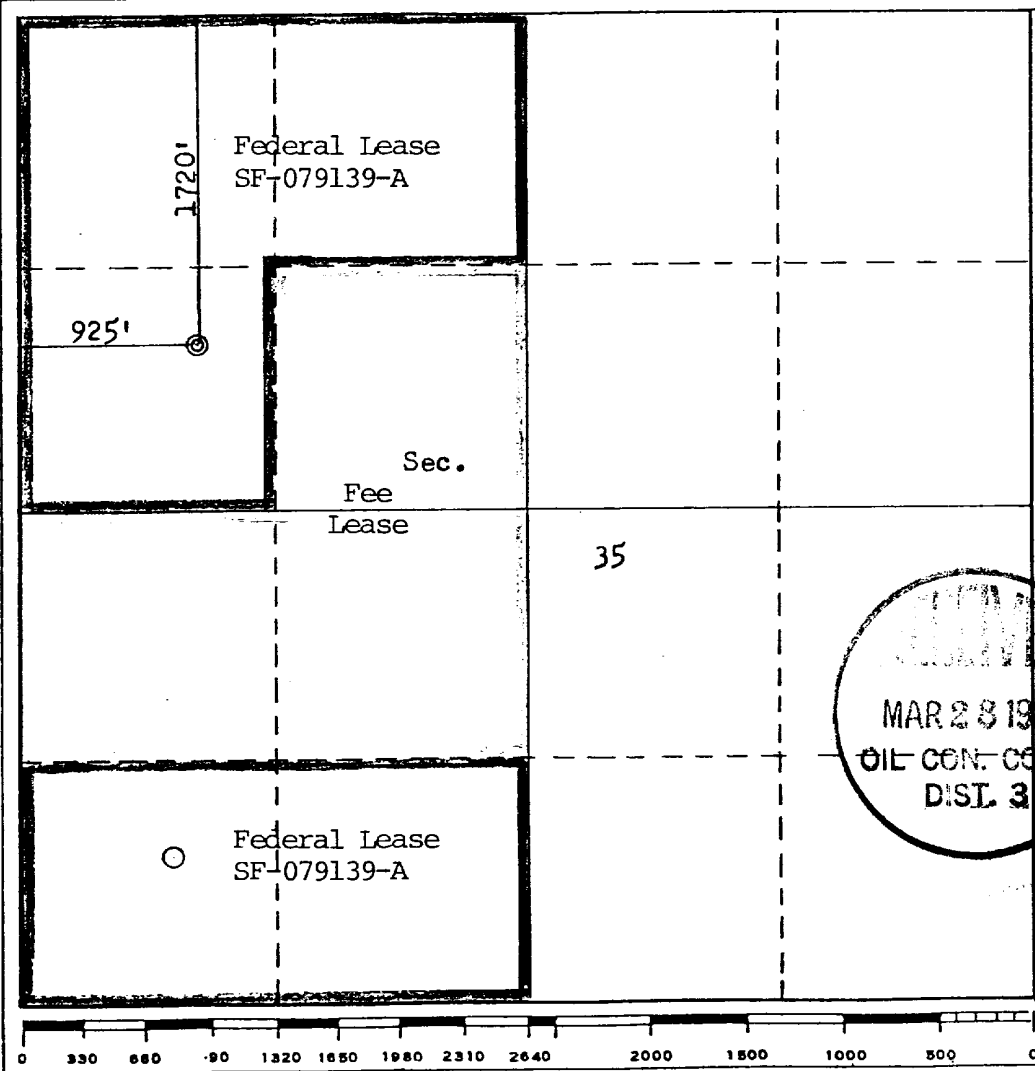
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

See Attachment
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 Communitization

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.

J. Gregory Merrion

Name J. Gregory Merrion
Position Operator
Company J. Gregory Merrion
Date January 8, 1980

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 December 11, 1979
Registered Professional Engineer and/or Land Surveyor <i>Fred B. Kerr Jr.</i>
Certificate No. 3950

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well gas well other

2. NAME OF OPERATOR
J. Gregory Merrion

3. ADDRESS OF OPERATOR
P.O. Box 507, Farmington, NM 87401

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 925' FWL & 1720' FNL
AT TOP PROD. INTERVAL: same
AT TOTAL DEPTH: same

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:	SUBSEQUENT REPORT OF:
TEST WATER SHUT-OFF <input type="checkbox"/>	<input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	<input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	<input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	<input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	<input type="checkbox"/>
MULTIPLE COMPLETE <input type="checkbox"/>	<input type="checkbox"/>
CHANGE ZONES <input type="checkbox"/>	<input type="checkbox"/>
ABANDON* <input type="checkbox"/>	<input type="checkbox"/>
(other) <u>Change Plans</u>	

5. LEASE
SF-079139-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal A

9. WELL NO.
3-E

10. FIELD OR WILDCAT NAME
Basin Dakota

11. SEC., T., R., M. OR BLK. AND SURVEY OR AREA
Section 35 T25N, R6W

12. COUNTY OR PARISH
Rio Arriba

13. STATE
N.M.

14. API NO.

15. ELEVATIONS. (SHOW DEPTH OF KDB AND WD)
6619 GL

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Will 3 stage cement 4-1/2" casing as follows:

- 1st stage from shoe - 380 sacks (480 cu. ft.) 50-50 Class H and Pozmix with 2% gel and 0.6 FLAC
- 2nd stage from 4850' - 135 sacks (318 cu. ft.) Class H cement with 2% D-79 extender and 1% CaCl₂ followed by 50 sacks Class H 1% CaCl₂
- 3rd stage from 2650' - 75 sacks (177 cu. ft.) Class H cement with 2% D-79 extender and 1% CaCl₂ followed by 50 sacks Class H (59 cu. ft.)

Subsurface Safety Valve: Manu. and Type _____ Ft.

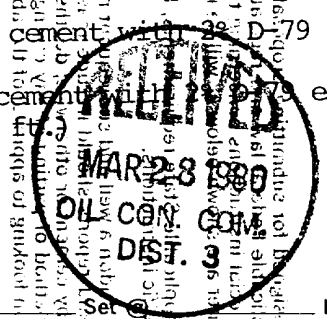
18. I hereby certify that the foregoing is true and correct

SIGNED James E. Sims TITLE Operator DATE January 25, 1980

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

APPROVED
AS AMENDED
DATE _____
James E. Sims
DISTRICT ENGINEER



RECEIVED
JAN 28 1980

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

U. S. GEOLOGICAL SURVEY
DURANGO, COLO.

J. GREGORY MERRION
Federal A 3-E
Drilling Plan

1. Location: 925' FWL & 1720' FNL, Section 35, T25N, R6W
Rio Arriba County, New Mexico
2. Elevation: 6619' GL
3. Geologic Name of Surface Formation: Tertiary (Wasatch)
4. Rotary Tools -
5. 7000'

6. & 7. Geologic Markers

	Depth	Content
Ojo Alamo	1730	Water
Pictured Cliffs	2450	Gas
Cliff House	3970	Water
Mancos	4850	Oil
Graneros	6670	Gas
Morrison	6950	Water

8. Surface casing: 8-5/8", 24#, K-55, New - @ 200'
Production casing: 4-1/2", 10.5#, K-55, New - @ 7000'
9. Surface casing @ 200' in 12-1/4" hole w/ 150 sacks cement 2% CACL₂
Production casing @ 7000' in 7-7/8" hole
 - 1st stage - 380 sacks (480 cu. ft.) 50-50 Class H and Pozmix w/
2% gel 0.6% FLAC
 - 2nd stage - @ 4850 - 135 sacks (318 cu. ft.) Class H cement w/
2% D-79 extender, 1% CACL₂ followed by 50 sacks Class
H 1% CACL₂ (59 cu. ft.)
 - 3rd stage - @ 2650 - 75 sacks (177 cu. ft.) Class H cement w/
2% D-79 extender, 1% CACL₂ followed by 50 sacks Class
H neat cement (59 cu.ft.)
10. Schematic diagram of BOP attached. To be closed daily.
11. Drilling fluid will be low solids, low water loss mud. Water loss to be maintained with CMC and starch, viscosity with bentonite.
12. Possible DST of Gallup. Logs to be run will be Induction Electric log and Density Neutron.
13. No abnormal temperatures, pressures or hazards anticipated.
14. Starting date estimated April 18, 1980.
15. No unusual circumstances.

J. GREGORY MERRION
Federal A 3-E

OWNERSHIP OF COMMUNITIZED TRACTS

Tract 1. Federal Lease SF-079139-A (200 acres)

OVERRIDING ROYALTY AND PERCENTAGES

U. S. A.	12.500000	%
E. Hunter Stone II	0.625000	%
Ben Donegan	1.000000	%
Helen Fields Harkins	2.500000	%
Texas Natural Petroleum Co.	0.380854	%
Hortense E. Davant	0.122073	%
Grace K. Davant	0.122073	%
B. W. Woolley	0.625000	%
Big Chief Drilling Co.	0.625000	%
Total	18.500000	%

NAME AND PERCENTAGE OF WORKING INTEREST OWNERS

C. J. Warren	16.660000	%
Victor Salazar	16.670000	%
Continental-Emsco Company	9.188325	%
Halliburton Company	3.311675	%
Kimbell Oil Company	54.170000	%

Tract 2. Fee Lease (120 acres)

OVERRIDING ROYALTY AND PERCENTAGES

J. Gregory Merrion	3.2500	%
Iris Balbach	1.5625	%
Lorna Harvey	1.5625	%
Marjorie O. Underwood or Genevieve Organ	0.4060	%

NAME AND PERCENTAGE OF WORKING INTEREST OWNERS

J. Gregory Merrion	35.93227	%
D. J. Merrion, Trustee	28.13600	%
William W. Merrion	28.13600	%
R. E. Merrion	7.79573	%

SURFACE WELL CONTROL EQUIPMENT

J. Gregory Merrion
Federal A 3-E
1720' FNL & 925' FWL
Section 35, T25N, R6W
Rio Arriba County, New Mexico

MERRION~BAYLESS

DRAWN BY

REVISED

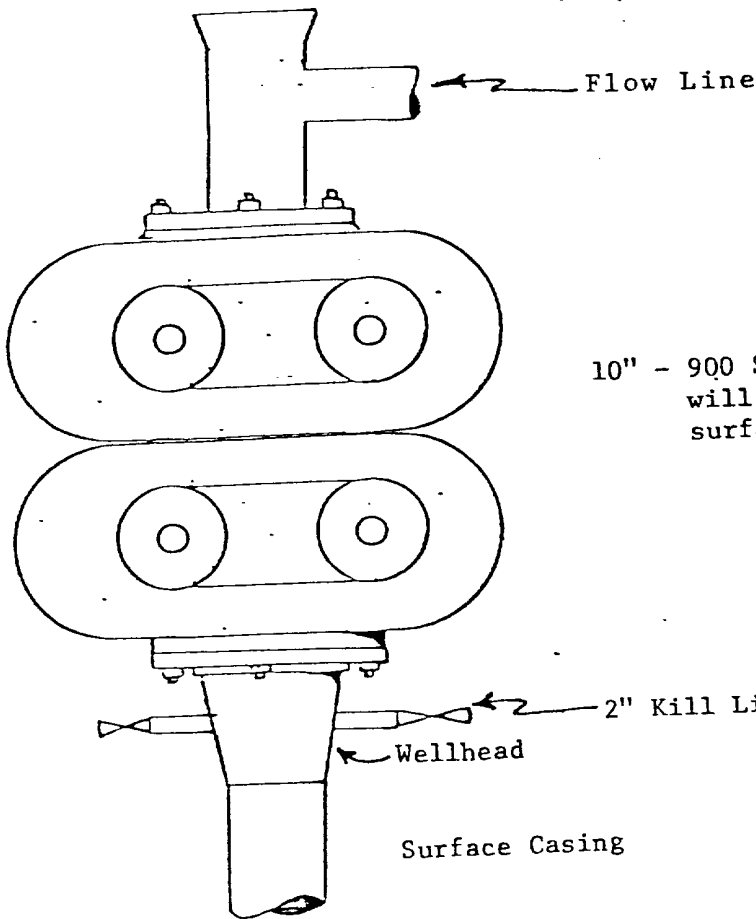
APPROVED BY:

SCALE:

DATE:

SCHEMATIC

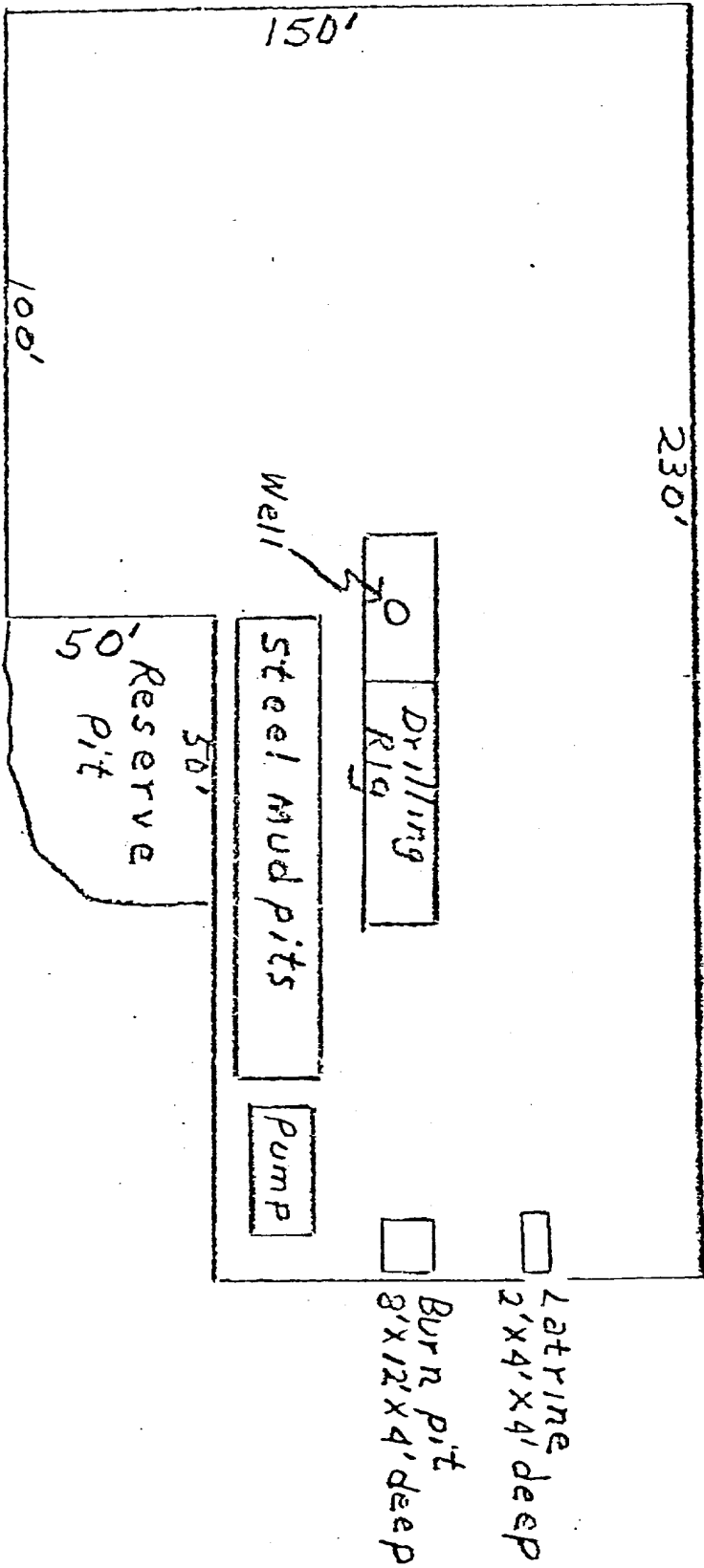
DRAWING NUMBER



10" - 900 Series Hydraulic Double Ram BOP which will be tested to 500 PSIG after setting of surface casing

LOCATION AND EQUIPMENT LAY-OUT

J. Gregory Merrion
Federal A 3-E
1720' FNL & 925' FWL
Section 35, T25N, R6W
Rio Arriba County, New Mexico



SURFACE USE OPERATIONS PLAN

J. GREGORY MERRION
Federal A 3-E
Section 35, T25N, R6W

- 1 & 2. A topographical map is attached showing location of drillsite and access roads to location; new roads are color coded on the location map. The terrain is relatively flat and no improvements are planned on existing roads. 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. Water will be hauled from Largo Canyon water holes.
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 drillsite is fairly level, grass and brush covered semi-arid land. There is no other surface use or facilities existent. An archeological survey statement will be furnished.
12. Operator representative: J. Gregory Merrion (505) 325-5093
P.O. Box 507
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 J. Gregory Merrion and his contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Jan 9 1980
Date

J. Gregory Merrion
J. Gregory Merrion
Operator



Vicinity Map for
J. Gregory Merrion #3-E FEDERA "A"
1720'FNL 925'FWL Sec 35-T25N-R6W
RIO ARRIBA COUNTY, NEW MEXICO