

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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 and Robert L. Payless

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
2300 FNL and 750 FEL

At proposed prod. zone

same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

11 miles north of Lindreth, NM

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

750'

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

2400'

16. NO. OF ACRES IN LEASE

364.44

19. PROPOSED DEPTH

6500'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

364.44

20. ROTARY OR CABLE TOOLS

Rotary

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

7447 GL

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
12-1/4"	8-5/8"	24#	140'	100 sacks
7-7/8"	4-1/2"	10.5#	6500'	350 sacks

Will drill 12-1/4" hole to 140 ft. and set 140 ft. of 8-5/8", 24# casing with 100 sacks cement. Will drill 7-7/8" hole to 6500 ft. and run logs. If appears productive, will run 6500 ft. of 4-1/2", 10.5#, J-55 casing and cement with 350 sacks. Will perforate and stimulate as required. Minimum specifications for pressure control equipment to be used - 8" 900 series double ram blowout preventer. The gas from this formation is not dedicated.

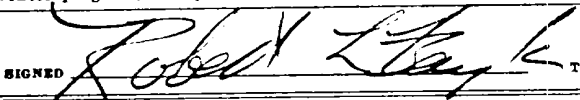
ESTIMATED TOPS:

FORMATION	DEPTH	CONTENT
Kirtland	3600'	
Fruitland	3640'	
Pictured Cliffs	3760'	Gas, Water
Cliff House	5520'	Gas, Water
Point Lookout	5870'	Gas, 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.

SIGNED



TITLE

Co-Owner

DATE 8-10-78

(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

NWU R-5777

RECEIVED

AUG 14 1978

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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

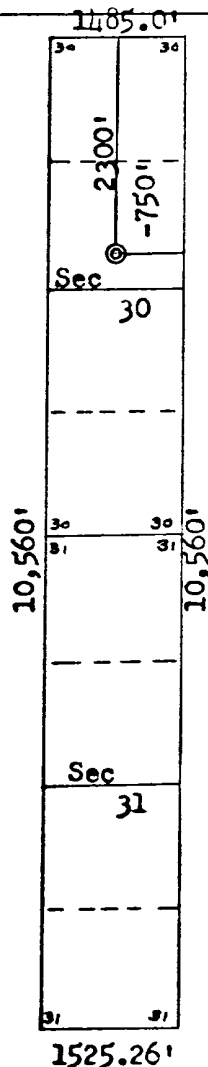
Operator MERRION & BAYLESS			Lease HILL		Well No. 1
Unit Letter H(Lot 2)	Section 30	Township 26N	Range 2W	County Rio Arriba	
Actual Footage Location of Well: 2300 feet from the North line and 750 feet from the East line					
Ground Level Elev. 7447	Producing Formation Mesa Verde	Pool Blanco Mesaverde		Dedicated Acreage: 364.44 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.



NOTE: Non-Standard Gas
Proration Unit
Approved 8-1-78
per State Order
#R-5777.

CERTIFICATION

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

Name
Robert L. Bayless

Position
Co-Owner

Company
Merrion & Bayless

Date
August 10, 1978

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
August 8, 1978

Registered Professional Engineer
and Land Surveyor

Fred B. Kerr Jr.

Certificate No.
3950

SCALE: 1"=2000'

SURFACE USE OPERATIONS PLAN

MERRION & BAYLESS
Hill #1
Section 30, T26N, R2W

- 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 well located at our North Lindreth Com. #1 located in SW/4 Sec. 20, T26N, R2W.
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: Robert L. Bayless
P.O. Box 1541
Farmington, NM 87401 (505) 325-5093
13. Certification:

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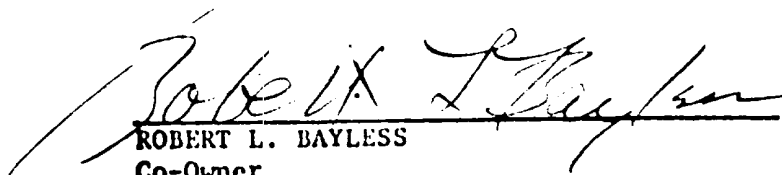
AUG 14 1978

U. S. GEOLOGICAL SURVEY
DURANGO, COLO.

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 and Bayless and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

DATE

8-11-78


ROBERT L. BAYLESS
Co-Owner
Merrion & Bayless

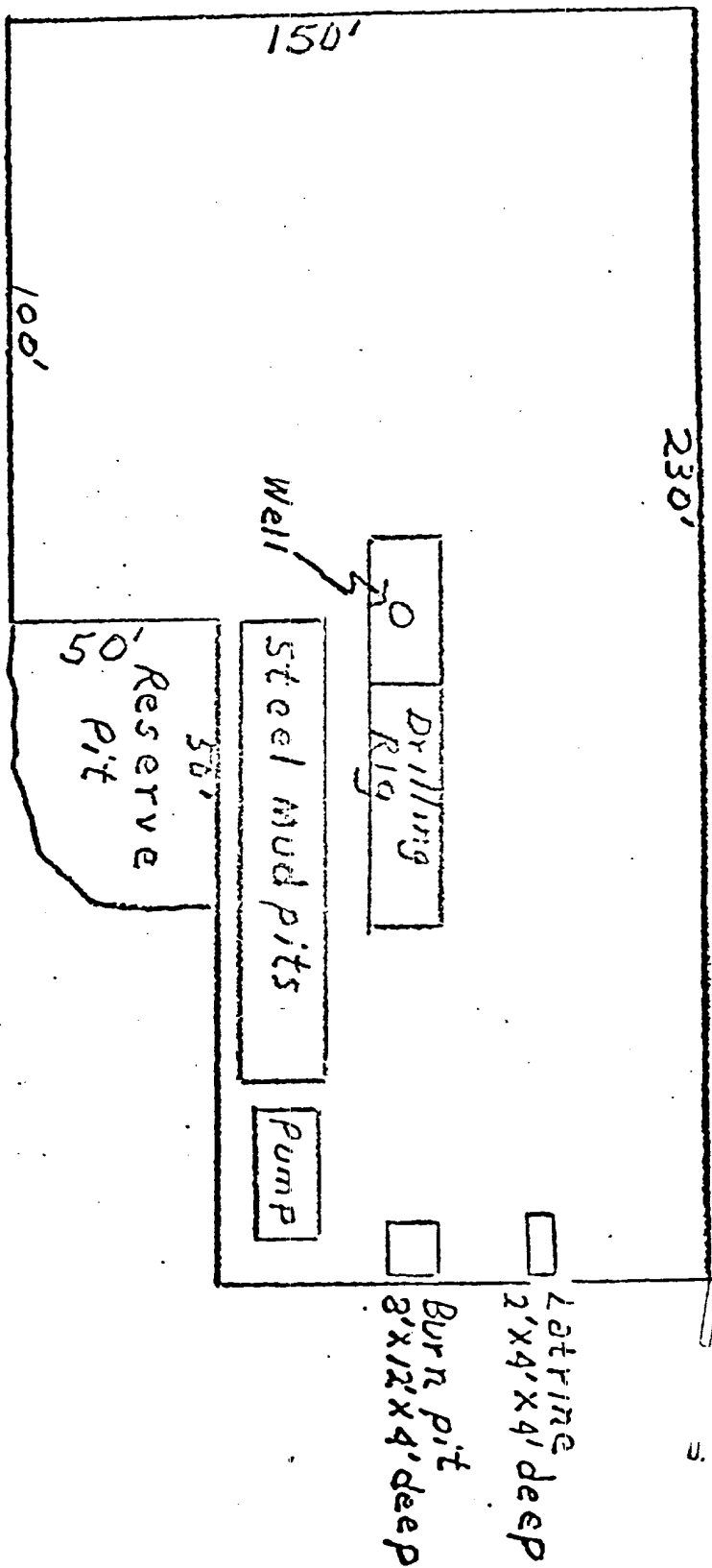
LOCATION AND EQUIPMENT LAY-OUT

MERRION & BAYLESS

Hill #1

Section 30, T26N, R2W

Rio Arriba County, New Mexico

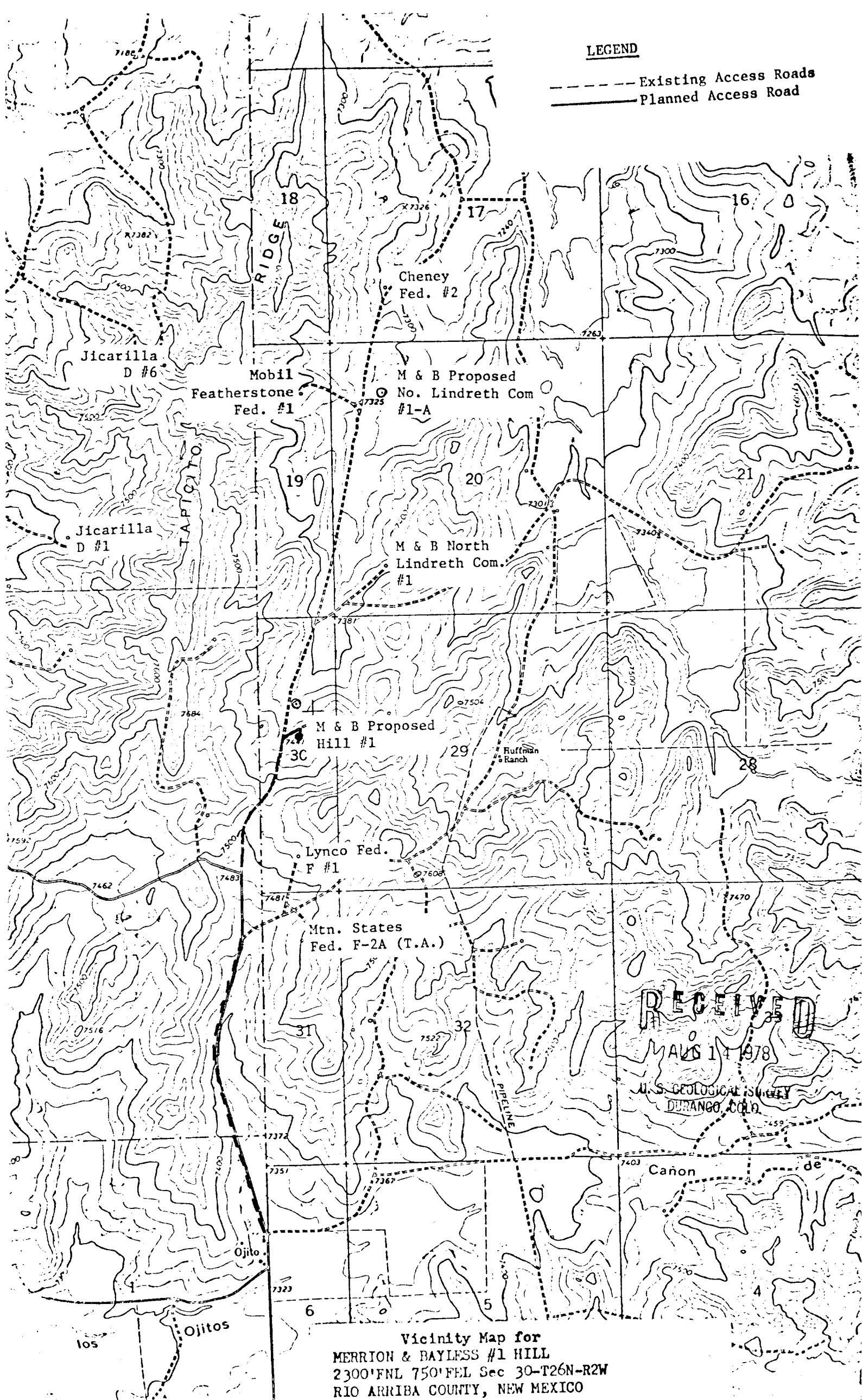


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U. S. GEOLOGICAL SURVEY
DURANGO, COLO.

----- Existing Access Roads
 _____ Planned Access Road



Vicinity Map for
MERRION & BAYLESS #1 HILL
2300'FNL 750'FEL Sec 30-T26N-R2W
RIO ARriba COUNTY, NEW MEXICO

well file

MERRION & BAYLESS

Exhibit No. 1

Application for Non-Standard Gas Proration Unit

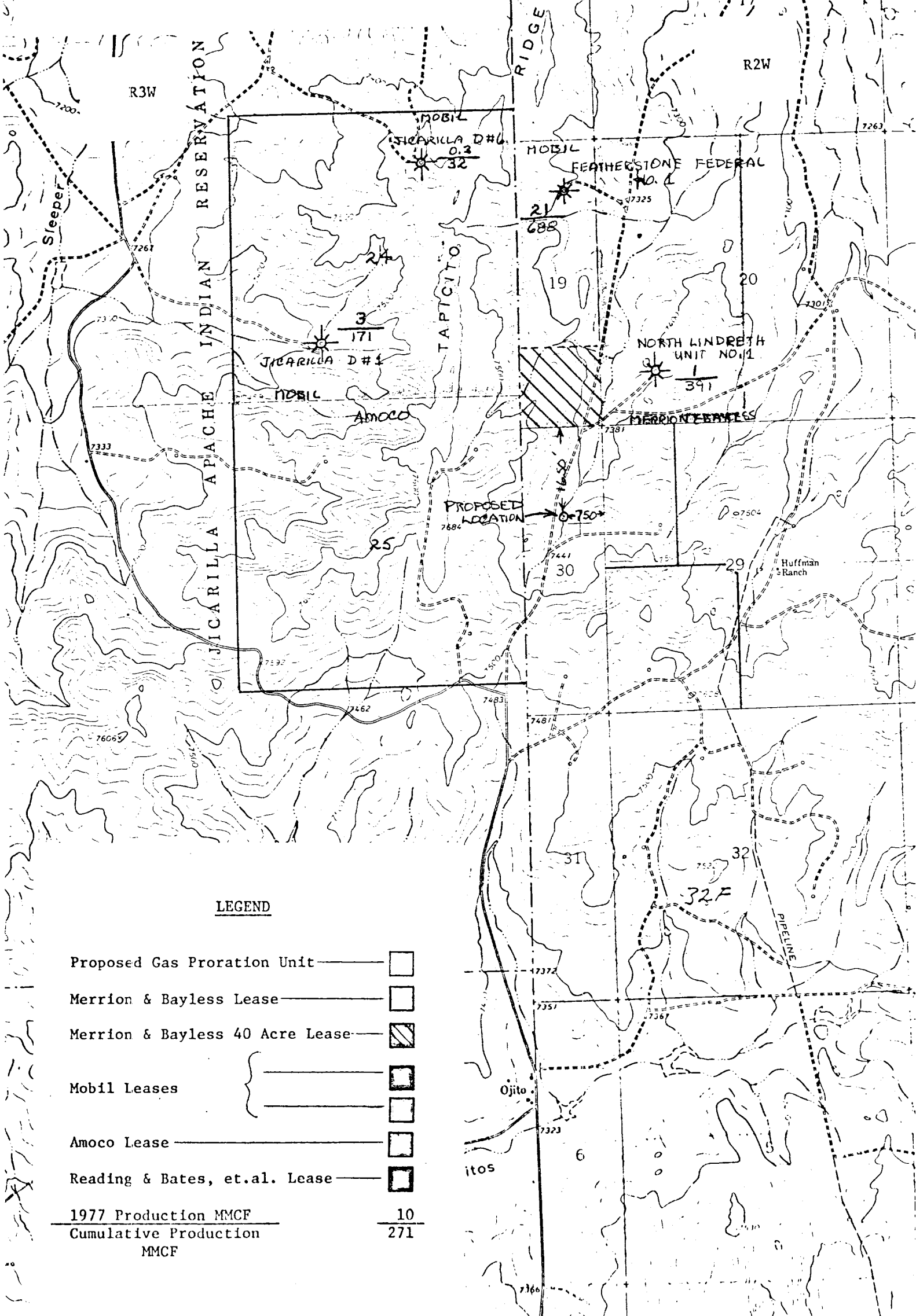
Merrion & Bayless seek approval for a non-standard gas proration unit to be dedicated to a Blanco Mesaverde Gas well to be drilled at an unorthodox location on the proration unit. The facts pertaining to this case are enumerated as follows:

- I. The non-standard gas proration unit will consist of 366.44 acres more or less and will be comprised of the following lands: (see exhibit No. 2 "Location Map")

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM
SECTION 30: Lots 1, 2, 3, and 4 (entire truncated section.)
SECTION 31: Lots 1, 2, 3, and 4 (entire truncated section.)
Rio Arriba County, New Mexico
- II. Merrion & Bayless cite as precedent for their request a similar gas proration unit established in the Blanco Mesaverde field for the Featherstone Federal No. 1 well located on Lot 1 of Section 19, T26N, R2W, and consisting of truncated sections 18 and 19 of T26N, R2W NMPM, Rio Arriba County, New Mexico.
- III. The proposed unorthodox well location would be 1650 feet from the north line and 750 feet from the east line of Section 30, T26N, R2W, NMPM, Rio Arriba County, New Mexico.
- IV. Merrion & Bayless request approval for the unorthodox location described because the proposed non-standard gas proration unit does not contain adequate width to accomodate an orthodox location by current spacing rules.

Application for Non-Standard Gas Proration Unit
Case No. 6253

Section 30, T26N, R2W
1650 FNL & 750 FEL
Rio Arriba County, New Mexico



8 25

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6253
Order No. R-5777

APPLICATION OF MERRION & BAYLESS
FOR A NON-STANDARD PRORATION UNIT
AND UNORTHODOX LOCATION, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 19, 1978,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of August, 1978, the Division
Director, having considered the testimony, the record, and
the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Merrion & Bayless, seeks
approval of a 366.44-acre non-standard gas proration unit
comprising the W/2 of Sections 30 and 31, Township 26
North, Range 2 West, NMPM, Rio Arriba County, New Mexico,
to be dedicated to a well to be drilled at an unorthodox
location 1650 feet from the North line and 750 feet from the
East line of said Section 30.

(3) That the entire non-standard proration unit may
reasonably be presumed productive of gas from the Blanco
Mesaverde Gas Pool and that the entire non-standard gas
proration unit can be efficiently and economically drained
and developed by the aforesaid well.

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blanco Mesaverde Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

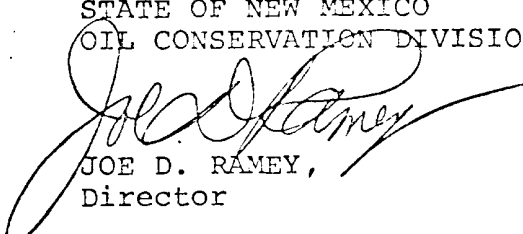
IT IS THEREFORE ORDERED:

(1) That Merrion and Bayless are hereby granted a 366.44-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool comprising the W/2 of Sections 30 and 31, Township 26 North, Range 2 West, NMPM, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the North line and 750 feet from the East line of said Section 30.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E A L

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6253
Order No. R-5777

APPLICATION OF MERRION & BAYLESS
FOR A NON-STANDARD PRORATION UNIT
AND UNORTHODOX LOCATION, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 19, 1978,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of August, 1978, the Division
Director, having considered the testimony, the record, and
the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Merrion & Bayless, seeks
approval of a 366.44-acre non-standard gas proration unit
comprising the W/2 of Sections 30 and 31, Township 26
North, Range 2 West, NMPM, Rio Arriba County, New Mexico,
to be dedicated to a well to be drilled at an unorthodox
location 1650 feet from the North line and 750 feet from the
East line of said Section 30.

(3) That the entire non-standard proration unit may
reasonably be presumed productive of gas from the Blanco
Mesaverde Gas Pool and that the entire non-standard gas
proration unit can be efficiently and economically drained
and developed by the aforesaid well.

Case No. 6253
Order No. R-5777

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blanco Mesaverde Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

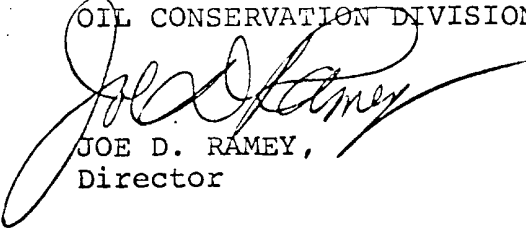
IT IS THEREFORE ORDERED:

(1) That Merrion and Bayless are hereby granted a 366.44-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool comprising the W/2 of Sections 30 and 31, Township 26 North, Range 2 West, NMPM, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the North line and 750 feet from the East line of said Section 30.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

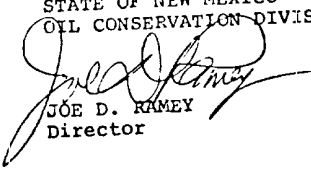

JOE D. RAMEY,
Director

S E A L

dr/

-3-
Case No. 6189
Order No. R-5703

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

S E A L

jr/

cc. 222-

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6189
Order No. R-5703

APPLICATION OF MERRION & BAYLESS
FOR DOWNHOLE COMMINGLING,
RIO ARRIEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 5, 1978,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of April, 1978, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required by
law, the Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Merrion & Bayless, proposes to drill
its North Lindrith Com Well No. 1-A at a standard location in the
NW/4 of Section 20, Township 26 North, Range 2 West, NMPM, Gavilan-
Pictured Cliffs Pool and Blanco Mesaverde Pool, Rio Arriba County,
New Mexico.

(3) That the applicant seeks authority to commingle Pictured
Cliffs and Mesaverde production within the wellbore of the above-
described well.

(4) That from the Pictured Cliffs zone, the subject well is
expected to be capable of low marginal production only.

(5) That from the Mesaverde zone, the subject well is
expected to be capable of low marginal production only.

(6) That the proposed commingling may result in the recovery
of additional hydrocarbons from each of the subject pools, thereby
preventing waste, and will not violate correlative rights.