

J. GREGORY MERRION
PETROLEUM ENGINEER
P. O. BOX 507
FARMINGTON, NEW MEXICO 87401

May 17, 1978

New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Hi Roll #3
Pic. Cliff Test
NE/4 Sec. 35, T27N, R13W
San Juan County, NM

Gentlemen:

Please accept this as our application for administrative approval of an unorthodox location for the above well as shown on the attached survey plat. You will note we have moved the location 100 feet north from the orthodox location to comply with the requirements of the Navajo Indian Irrigation Project.

We are sending a copy of this application to the offset acreage holders along with a request for waiver on their part if they have no objection.

Yours very truly,

MERRION & BAYLESS

By _____
J. GREGORY MERRION

JGM/eh

Enclosure: Intent to Drill
Survey Plat

cc: 2 copies - Aztec NMOCC
1 copy - each offset acreage holder

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

2. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

3. NAME OF OPERATOR
J. Gregory Merrion and Robert L. Bayless

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

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)
At surface
1350 FNL and 1850 FEL

At proposed prod. zone
Same

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
14 miles south of Farmington

7. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 1350'

8. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 2450'

9. ELEVATIONS (Show whether DF, RT, GR, etc.)
6007' GL

10. NO. OF ACRES IN LEASE
640

11. PROPOSED DEPTH
1300'

12. NO. OF ACRES ASSIGNED
TO THIS WELL 160

13. ROTARY OR CABLE TOOLS
Rotary

14. 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 |
|--------------|----------------|-----------------|---------------|--------------------|
| 7-7/8" | 5-1/2" | 15.5# | 30 ft. | 10 sacks |
| 4-3/4" | 2-7/8" | 6.4# | 1300 ft. | 100 sacks |

Will drill 7-7/8" hole to 30 ft. and set 30 ft. of 5-1/2", 15.5# casing with 10 sacks cement. Will drill 4-3/4" hole to 1300 ft. and run logs. If appears productive, will run 1300 ft. of 2-7/8", 6.4#, J-55 casing and cement with 100 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 and water loss control additives. The gas from this formation is not dedicated.

ESTIMATED TOPS:

| Formation | Depth | Content |
|---------------|------------------------|-------------|
| Ojo Alamo | Below Surface Alluvium | Water |
| Kirtland | 137 ft. | |
| Fruitland | 1030 ft. | |
| Picture Cliff | 1237 ft. | 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. Robert L. Bayless Co-Owner DATE May 3, 1978
(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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

Form C-102
Supersedes C-12
Effective 1-1-63

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

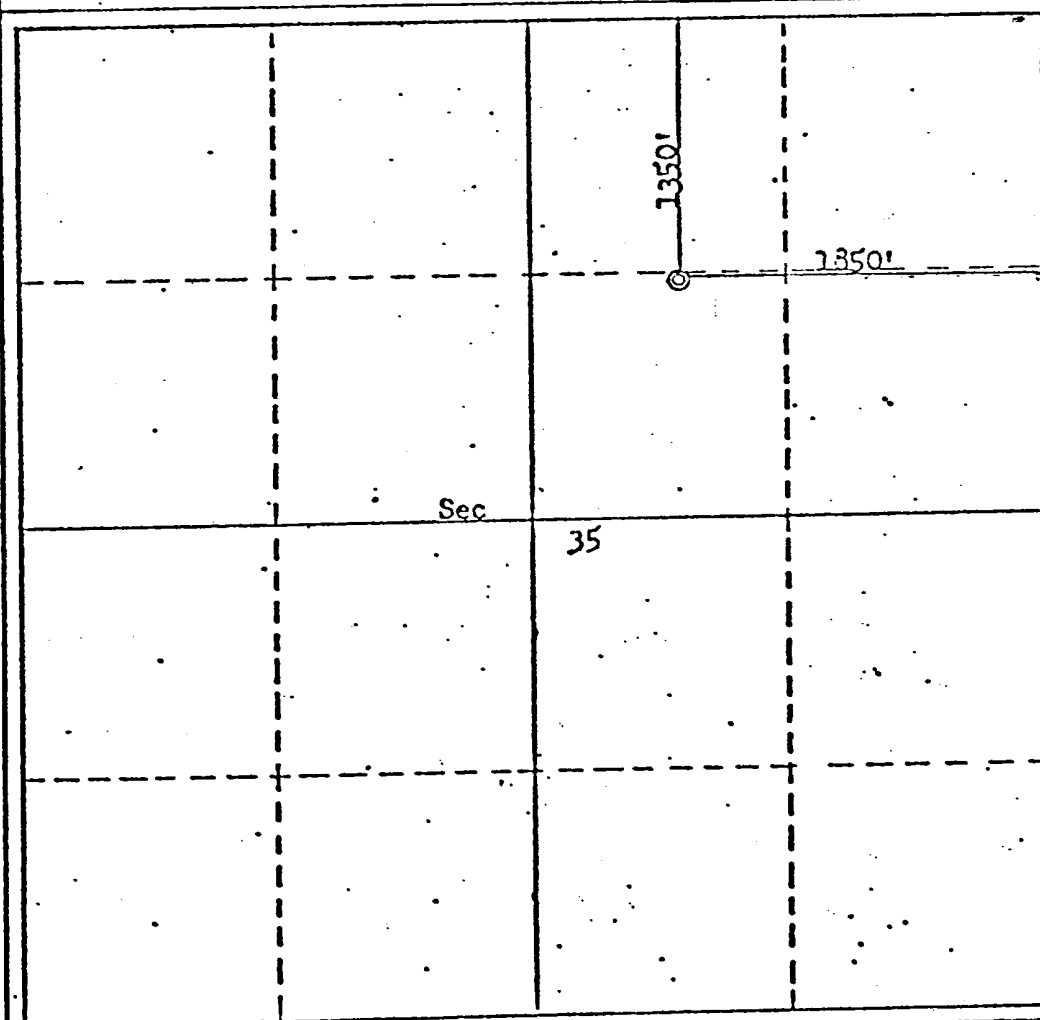
| | | | | | |
|---|---|--|--|---------------------------|----------------------|
| Operator Morrison & Bayless | | | Lease H1 Roll | | Well No. 3 |
| Unit Letter 0 | Section 35 | Township 27N | Range 13E | County San Juan | |
| Actual Footage Location of Well: | | | | | |
| 1350 feet from the North line and | | 1850 feet from the East line | | | |
| Ground Level Elev. 6007 | Producing Formation Pictured Cliffs | Pool NIPP 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.

Robert L. Bayless

Name
Robert L. Bayless

Position
Co-Owner

Company
Merrion & Bayless

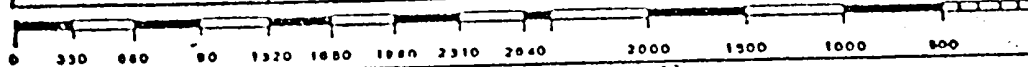
Date
April 5, 1978

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
April 3, 1978

Registered Professional Engineer and/or (and Surveyor)
Fred S. Herr Jr.
Fred S. Herr Jr.

Certificate No. **3950**



J. GREGORY MERRION
PETROLEUM ENGINEER
P. O. BOX 507
FARMINGTON, NEW MEXICO 87401

CERTIFIED MAIL

May 23, 1978

Phillips Petroleum
Security Life Bldg.
Denver, CO 80202

RE: Hi Roll #3
NE/4 Sec. 35, T27N, R13W
San Juan County, NM

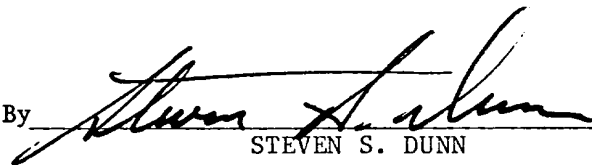
Gentlemen:

You will note from the enclosed copy of application we are requesting an unorthodox location for the above referred to well, and if you have no objection we would appreciate your signing the enclosed waiver and sending it direct to the New Mexico Oil Conservation Commission, P.O. Box 2088, Santa Fe, NM 87501.

Yours very truly,

MERRION & BAYLESS

By

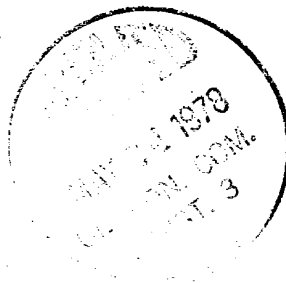


STEVEN S. DUNN
Engineer

SSD/eh

Enclosure: Waiver Form

xc: NMOCC:
Santa Fe
~~Aztec~~



J. GREGORY MERRION
PETROLEUM ENGINEER
P. O. BOX 507
FARMINGTON, NEW MEXICO 87401

CERTIFIED MAIL

May 23, 1978

Dietrich Exploration Co., Inc.
602 Midland Savings Bldg.
444 17th Street
Denver, CO 80202

RE: Hi Roll #3
NE/4 Sec. 35, T27N, R13W
San Juan County, NM

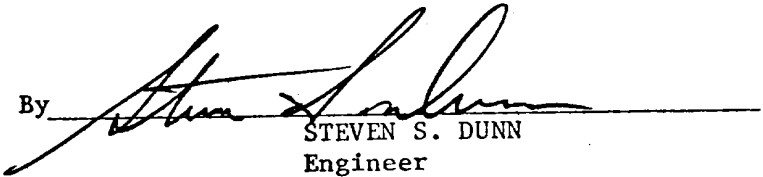
Gentlemen:

The enclosed application for unorthodox location is resubmitted to you to fulfill a New Mexico State requirement that offset owners be notified by Certified mail. This application is identical to the one already sent to your offices.

Yours very truly,

MERRION & BAYLESS

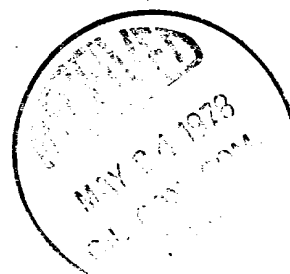
By


STEVEN S. DUNN
Engineer

SSD/eh

Enclosures

xc: NMOCC, Santa Fe
~~NMOCC, Aztec~~



J. GREGORY MERRION
PETROLEUM ENGINEER
P. O. BOX 507
FARMINGTON, NEW MEXICO 87401

CERTIFIED MAIL

May 23, 1978

Dome Petroleum Corp.
1500 Colorado State Bank Bldg.
Denver, CO 80202

RE: Hi Roll #3
NE/4 Sec. 35, T27N, R13W
San Juan County, NM

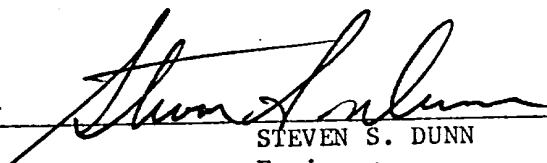
Gentlemen:

The enclosed application for unorthodox location is resubmitted to you to fulfill a New Mexico State requirement that offset owners be notified by Certified mail. This application is identical to the one already sent to your offices.

Yours very truly,

MERRION & BAYLESS

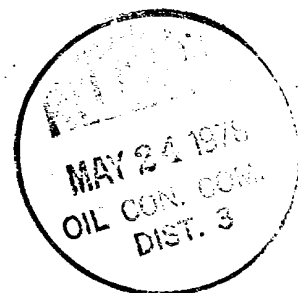
By


STEVEN S. DUNN
Engineer

SSD/eh

Enclosures

xc: NMOCC, Santa Fe
~~NMOCC~~, Aztec



J. GREGORY MERRION
PETROLEUM ENGINEER
P. O. BOX 507
FARMINGTON, NEW MEXICO 87401

CERTIFIED MAIL

May 23, 1978

Jerome P. McHugh & Assoc.
Suite 1225
600 South Cherry St.
Denver, CO 80222

RE: Hi Roll #3
NE/4 Sec. 35, T27N, R13W
San Juan County, NM

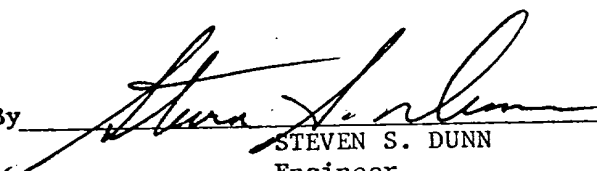
Gentlemen:

The enclosed application for unorthodox location is resubmitted to you to fulfill a New Mexico State requirement that offset owners be notified by Certified mail. This application is identical to the one already sent to your offices.

Yours very truly,

MERRION & BAYLESS

By


STEVEN S. DUNN
Engineer

SSD/eh

Enclosures

xc: NMOCC, Santa Fe
NMOCC, Aztec



MERRION & BAYLESS
P.O. Box 507
Farmington, New Mexico

Proposed - Hi Roll #3
NE/4 Sec. 35, T27N, R13W
San Juan County, N.M.

_____ hereby consents to
(Company Name)

Merrion and Bayless drilling a proposed Pictured Cliffs test gas well
at a location 1350 feet from the north line and 1850 feet from the east
line of Section 35, Township 27 North, Range 13 West, San Juan County,
New Mexico.

By _____
Title:

Date _____