

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. 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 790 FSL and 790 FEL
At proposed prod. zone
same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approx. 15 miles south of Farmington, N.M.

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 160

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. 0

19. PROPOSED DEPTH 1310'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5910' GL

22. APPROX. DATE WORK WILL START*
Upon Receipt of Approval

5. LEASE DESIGNATION AND SERIAL NO.
N00-C-14-20-7471

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo Allotted

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Pete

9. WELL NO.
1

10. FIELD AND ZONE OR WILDCAT
WAW Fruitland Pic. Cliff

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 35, T27N, R12W

12. COUNTY OR PARISH
San Juan

13. STATE
N.M.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9"	7"	20 lb./ft.	35 ft.	10 sacks circ.
6-1/4"	4-1/2"	9.5 lb./ft.	1245	150 sacks

Will drill 9" hole to 35 ft. and set 35 ft. of 7", 20 lb./ft. casing with 10 sacks cement. Will drill 6-1/4" hole to 1245 ft. and will run 1245 ft. of 4-1/2", 9.5 lb./ft. J-55 casing and cement with 150 sacks. Circulating medium will be clear water and natural mud with water loss control additives. Will drill out with air to test Fruitland zone to 1310 ft. Minimum specifications for pressure control equipment which is to be used: ~~none required~~. The gas from this formation is not dedicated.

BOP required

ESTIMATED TOPS

FORMATION	DEPTH	CONTENT
Ojo Alamo	260'	
Kirtland	370'	
Fruitland	1070'	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. SIGNED Robert L. Bayless Co-Owner
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

ok Frank nymoc

*See Instructions On Reverse Side

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

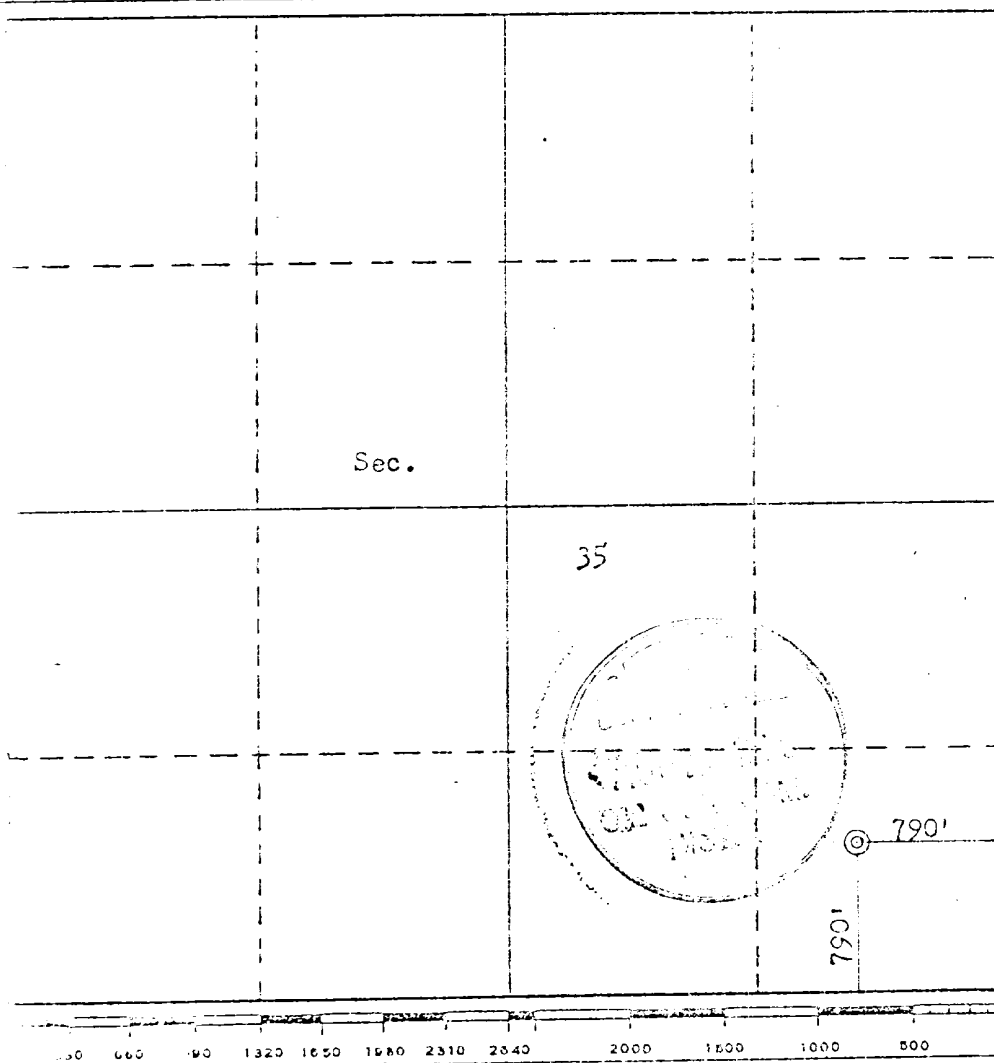
Operator MERRION & BAYLESS		Lease PETE		Well No. 1	
Unit Letter P	Section 35	Township 27N	Range 12W	County San Juan	
Actual Postage Location of Well:					
790 feet from the South line and		790 feet from the East line			
Ground Level Elev. 5910	Producing Formation Pictured Cliffs	Pool S. Gallegos NAW 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.

Robert L. Bayless
Name

Robert L. Bayless

Position

Co-Owner

Company

Merrion & Bayless

Date

July 25, 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

June 5, 1979

Registered Professional Engineer and/or Land Surveyor.

Fred S. Merrion
Certificate No. 3950

3950

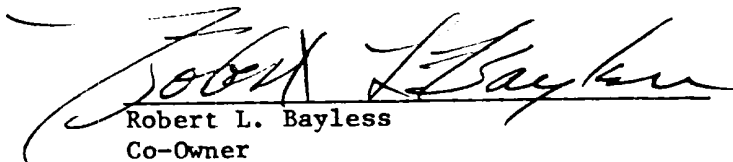
SURFACE USE AND OPERATIONS PLAN

MERRION & BAYLESS
Pete #1
Section 35, T27N, R12W

- 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. 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: none
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 material:
 - 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 Irrigation Project 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 is attached.
12. Operator representative: Robert L. Bayless
P.O. Box 1541
Farmington, NM 87401
(505) 325-5093
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 and Bayless and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

7-25-79
DATE


Robert L. Bayless
Co-Owner
Merrion & Bayless



United States Department of the Interior
NATIONAL PARK SERVICE
SOUTHWEST REGION
P.O. Box 728
Santa Fe, New Mexico 87501

IN REPLY REFER TO:
H24(SWR)PF

JUN 27 1979

Merrion and Bayless
P.O. Box 507
Farmington, New Mexico 87401

RE: Archeological Clearance for Five (5) Proposed Drill Hole Locations
in San Juan County, New Mexico File 92

Gentlemen:

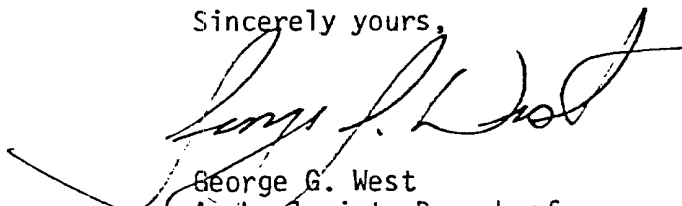
My staff has reviewed the enclosed lease descriptions for five (5) proposed well locations in Block IV of the NIIP. The Block IV project area was surveyed for cultural resources in the spring of 1978 by the Navajo Nation Cultural Resource Management Program. According to the final archeological survey report, there is no surficial evidence of either prehistoric or historic remains within the proposed well locations. Each well will be 100' x 100' in extent; well locations and access rights-of-way are indicated below and in the enclosed correspondence.

<u>Well</u>	<u>Locations</u>	<u>Project Dimensions</u>
Inez #1	790' FNL, 1850' FEL, Sec. 33, T26N, R12W	Well - 100' x 100' Access - 30' x 600'
Ruby #1	790' FNL, 1850' FWL, Sec. 34, T26N, R12W	Well - 100' x 100' Access - 30' x 2500'
Pete #1	790' FSL, 790' FEL, Sec. 35, T27N, R12W	Well - 100' x 100' Access - 30' x 500'
Da On Pah #1	1850' FNL, 790' FEL, Sec. 35, T27N, R12W	Well - 100' x 100' Access - 30' x 800'
Blackrock D - IE	935' FSL, 1830' FWL, Sec. 20, T26N, R11W	Well - 100' x 100' Access - 30' x 2600'

Archeological clearance is granted for the above specified well locations. If, however, any previously unrecorded and/or buried antiquities are encountered during drilling operations, then all earth-modifying activities in the vicinity of the cultural resources must cease. This office should be notified and an on-site inspection will be conducted to determine the significance and disposition of the buried antiquities.

If you have any additional questions concerning this clearance, you may contact Mr. Steve Hallisy, Archeologist with this office at (505) 988-6561.

Sincerely yours,



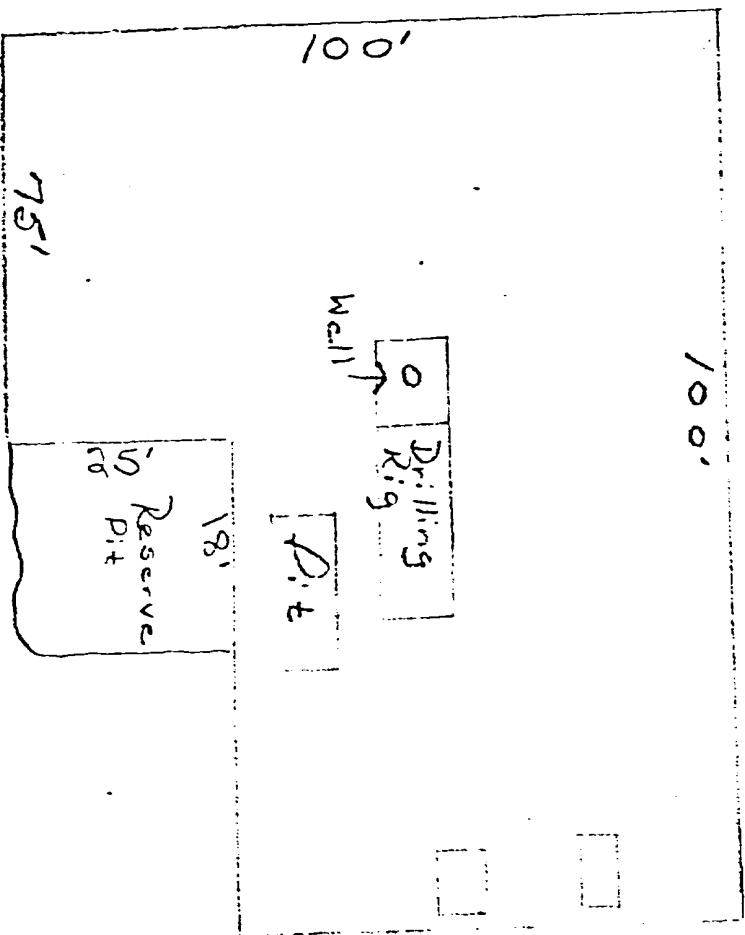
George G. West
Archeologist, Branch of
Indian Cultural Resources

Enclosures

cc:
Mr. Richard Goddard, NNCMP,
Window Rock, AZ
BIA, Navajo Area Office,
Window Rock, AZ(2)
Messrs. Bill Reynolds & Alan Simmons,
ESCA-Tech, Farmington, NM
Mr. Bill Smith, BIA, NIIP,
Farmington, NM
Mr. Tom Merlan, SHPO,
Santa Fe, NM

LOCATION AND EQUIPMENT LAY-OUT

MERRION & BAYLESS
Pete #1
790 FSL & 790 FEL
Section 35, T27N, R12W
San Juan County, New Mexico

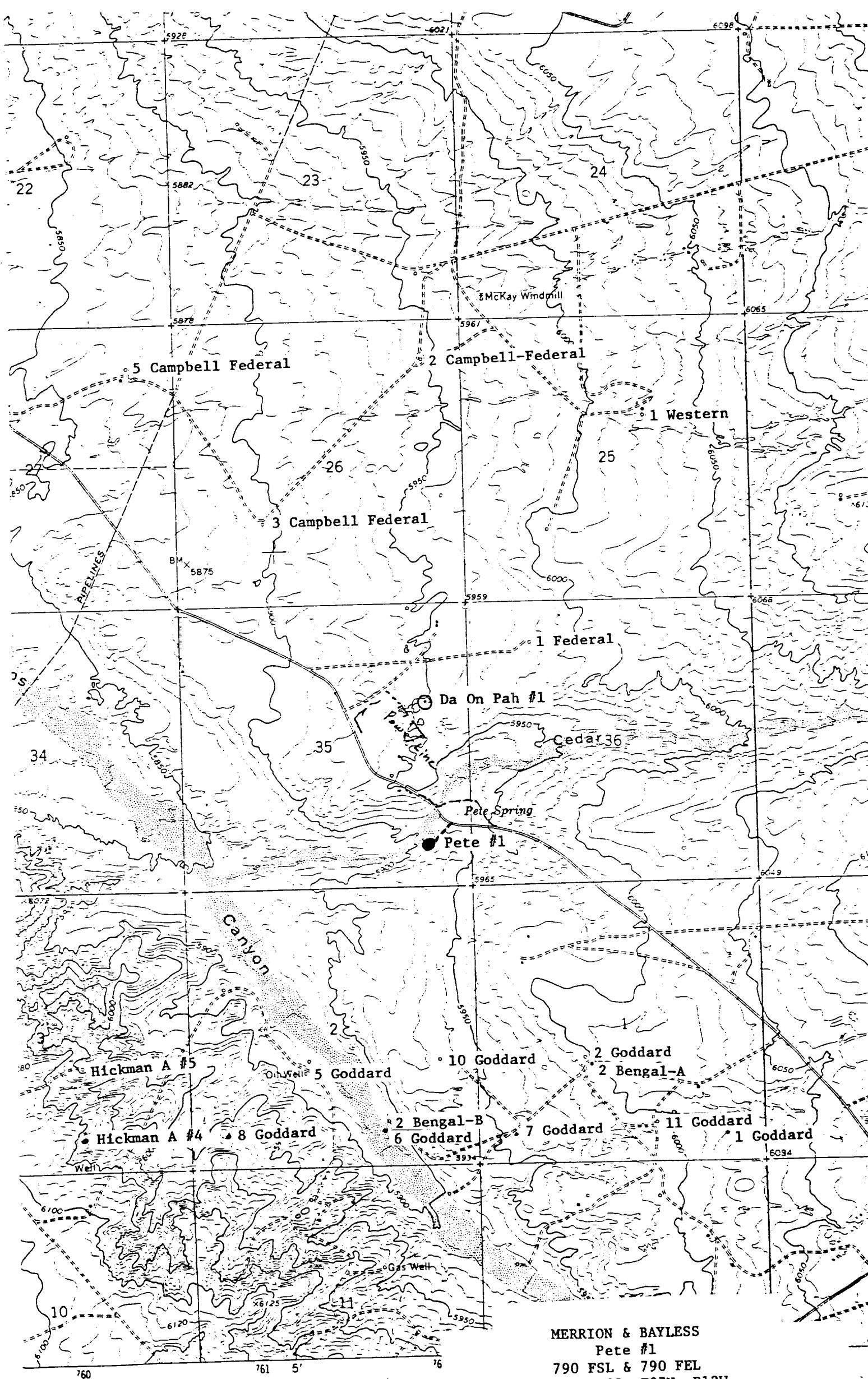


2' x 4' x 4' deep

8' x 12' x 4' deep

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

NOR



MERRION & BAYLESS
 Pete #1
 790 FSL & 790 FEL
 Section 35, T27N, R12W
 San Juan County, New Mexico