SUBMIT IN TRIPLICATE*

Form approved. Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR

(Other instructions on reverse side) 31-145-24823 5 LEASE DESIGNATION AND SERIAL NO.

	DEPARTMENT	Of THE B	411-11	1011		1	J. LEASE DESIGNAL		AILD NO.	
	GEOLOG	ICAL SURVE	ΞY				14-20-603-	-5024		
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK							6. IF INDIAN, ALLOTTEE OR TRIBE NAME			
							Navajo		١	
DRILL XX DEEPEN] PLUG BACK 🗌			7. UNIT AGREEMENT NAME			
b. TYPE OF WELL				NOTE ET	MULTIPLE			N. V.		
OIL XX GA	SLL OTHER	·	20	NGLE XX	ZONE		8. FARM OR LEASE	-		
2. NAME OF OPERATOR				RECE	11/	, न	Navajo G-			
J. Gregory Merrion & Robert L. Bayless					¥ 2		3 2 2 2 2 2 2			
3. ADDRESS OF OPERATOR		07/01		Jiii)		<u> </u>	10. FIELD AND POO		CAT	
P. O. Box 1541	, Farmington, N	M 8/401	h any S		ts.*)		Undes. Ga			
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330' FNL & 2305 FWL				FARMINGTO	N, H. L.	بل الم	AND SURVEY O			
At proposed prod. zone						الله الله	Sec. 31,		-	
14. DISTANCE IN MILES A	ND DIRECTION FROM NEAR	EST TOWN OR POS	T OFFICE	E.		:	12. COUNTY OR PAI	1		
						,	San Juan		Mexico	
15. DISTANCE FROM PROPU				16. NO. OF ACRES IN LEASE			17. NO. OF ACRES ASSIGNED. TO THIS WELL			
LOCATION TO NEAREST PROPERTY OR LEASE L (Also to nearest drig	10 P Pr		2558.76			40 %				
A PARTINCE PROM PROP	OSED LOCATION®		19. rs	19. PROPOSED DEPTH			20. ROTARY OR CABLE TOOLS			
TO NEAREST WELL, DI OR APPLIED FOR, ON THI	S LEASE, FT.		<u> </u>	650'		Rotary 22. APPHOX. DATE WORK WILL START*				
21. ELEVATIONS (Show who	ther DF, RT, GR, etc.)						- No. 10 mg			
5196 GL					 -		1 June 2	20, 198	<u> </u>	
23.	P	ROPOSED CASI	NG ANI	D CEMENTING	PROGRAI	M				
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6-3/4"			· · · · · ·	650'	650'		sacks circula	ated to	surfac	
sacks Class limited ser circulated loss contro run Inducti IN ABOVE SPACE DESCRIB- zone. If proposal is to preventer program, if an	E PROPOSED PROGRAM: If drill or deepen directions	l drill 6- g and ceme rculating o abnormal logs. Blo ESTIM ace Format	3/4" nt windeding presswout AATED ion:	hole to 6 ith 100 sa im will be ssures or preventer TOPS Upper Ma Gallup	cks Cl cks Cl clear temper shcem	d run ass H water atures atic i	650' of 5-1, cement with a natural mis are anticipis attached.	/2", 14 2% D-7 ud and pated.	##, 79, water Will	
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APPROVED BY CONDITIONS OF APPRO	DISTRICT ENGINE	Merf .	TTLE C				DATE			
,	ed 3m	*See Inst	ruction	s On Reverse	Side					

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

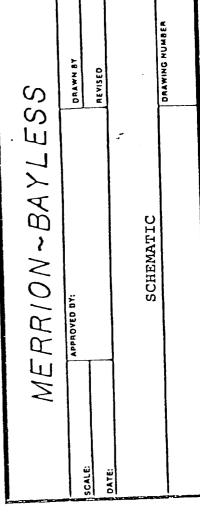
P. O. BOX 2088 SANTA FE, NEW MEXICO 87501 All distances must be from the cuter froundaries of the Section

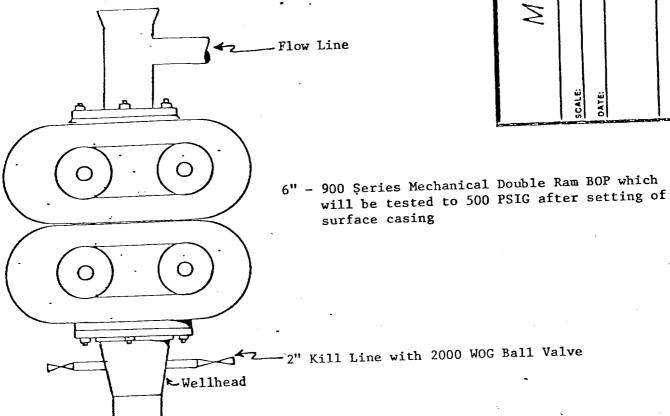
Form C-107 Revised 10-1-78

NAVAJO (C) Section S			VII DISTANCES MOST 146 11		7 170 05 171 171 171					
County C	Operat or			Lease				Well No.		
Actual Protogo Location at Well 330	MERRION & BAYLESS			NAVAJO "G"						
Actual Postoga Lecttion of Wall 330	Unit Letter	Section	Township	Rang		County				
Actual Fostings Lection of Well 330	c ·	31	29N	1 :	17W	San 3	Juan			
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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 of different ownership 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. 2305! CERTIFICATION 1 hereby certify that the information contained how because of my howeledge and belts. Name of the plat was platted from field makes of actual surveys made by me or works my supervision, and that the same is from an this plat was platted from field makes of actual surveys made by me or works my supervision, and that the same is from and current in the least of my keyel-tage and belts. Dote Surveys and belts. Dote Surveys and belts. Proceedings and belts. Dote Surveys and the feet of my keyel-tage and current in the least of my keyel-tage and belts. Dote Surveys and the feet of my keyel-tage and current in the least of my keyel-tage and belts. Dote Surveys and the feet of my keyel-tage and current in the least of my keyel-tage and belts. Proceedings and belts. Proceedings and belts. Dote Surveys and the feet of my keyel-tage and current in the least of my keyel-tage and belts. Proceedings and belts. Proceedings and the feet of my keyel-tage and the feet of my keyel-tage and belts. Dote Surveys and the feet of my keyel-tage and the feet of my keyel-tage and belts.										
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Navajo G #3
330' FNL & 2310' FWL
Sec. 31, T29N, R17W
San Juan County, New Mexico





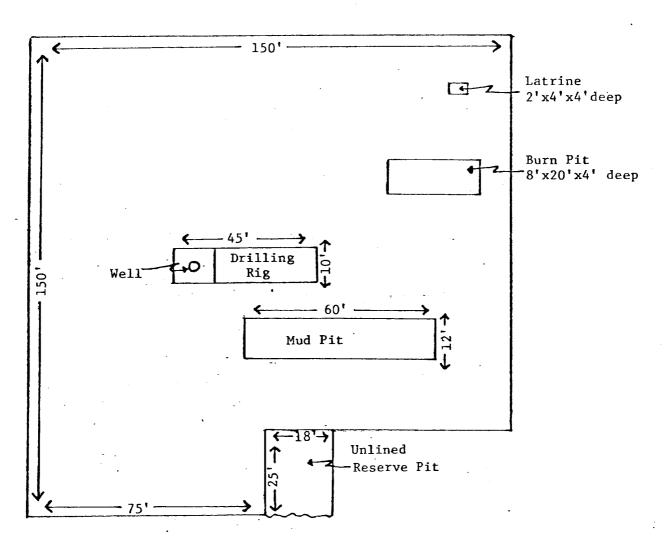
Surface Casing

LOCATION AND EQUIPMENT LAYOUT

Shallow Wells

NAVAJO G #3
330' FNL & 2310' FWL
Sec. 31, T29N, R17W
San Juan County, New Mexico





No location leveling work done; drive-in truck rig used.

Scale: 1" = 30'

MERRION & BAYLESS

SURFACE USE AND OPERATIONS PLAN

Navajo G #3
330' FNL & 2310' FWL
Sec. 31, T29N, R17W
San Juan County, New Mexico

- 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: Wellheads.
 - B. No new facilities are contemplated.
 - C. Disturbed areas will be reseeded per but 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 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 specifications.
 - 8. No ancillary facilities.
 - 9. Wellsite layout attached.
 - 10. Restoration of drillsite -- pits will be filled and leveled and reseeded per specifications.
 - 11. Other information: The lease is on Navajo Tribal 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 will be furnished.
 - 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.

5-30-80

DATE:

ROBERT L. BAYLESS

Co-Owner

Merrion & Bayless

