



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1800 RIO GRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178 Fax (505) 334-6170

GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

February 11, 1997

Mr Price Bayless
PO Box 168
Farmington NM 87499

Re: Movement of Drilling Fluids

Dear Mr. Bayless:

*30-045-29372
K-2-29-13*

Your request for approval to move drilling fluids from the Golden Bear #2 and the Golden Bear #3 to your property in the NW/4 of Section 5-T29N-R13W for the beneficial purpose of sealing a pond is hereby approved with the following conditions:

- 1) The fluids will not be allowed to pool or pond or to run into any water course or to contaminate surface or subsurface water.
- 2) The fluids will be applied in a manner that will allow them to be used for the intended purpose.

This approval does not relieve you of any responsibility should contamination occur.

Sincerely,

Frank T. Chavez
District Supervisor

FTC\sh

cc: well files

Bayless, W.D.

ROBERT L. BAYLESS

P O BOX 168
FARMINGTON, NM 87499

FAX NO
(505) 326-6911

OFFICE NO
(505) 326-2659

February 6, 1997

Mr. Frank Chavez
NMOCD-Aztec
1000 Rio Brazos Road
Aztec, NM 87410

RECEIVED
FEB 10 1997

OIL CON. DIV.
DIST. 3

RE: Movement of Drilling Fluids

Dear Frank,

As we discussed by telephone yesterday afternoon, please consider this letter as a request for the movement of used drilling fluid from the Golden Bear #3 location to our land located in the NW/4 of Section 5-T29N-R13W. The Bayless family owns the property and has mined the gravel from it. We left a low spot in the northeast corner of the gravel pit to become a pond. Years ago, we tried to build a pond and could not keep water in it, so we decided to spread bentonite in this area to help seal the pond. The drilling fluid we moved consists of fresh water, bentonite and a small amount of drill cuttings. We hereby certify that there are no hazardous materials in the fluid and request permission to move the drilling fluid to that sight. We have previously moved approximately 160 barrels from the Golden Bear #2 well site and 160 barrels from the Golden Bear #3 well site.

I apologize for not requesting this permission in advance, but as we were using the fluid for a specific purpose on our own property, I was not aware of the necessity of a permit. If you have any further questions, please call me at 326-2659. Again, sorry for the mistake and thanks for your help.

Sincerely,



Price M. Bayless