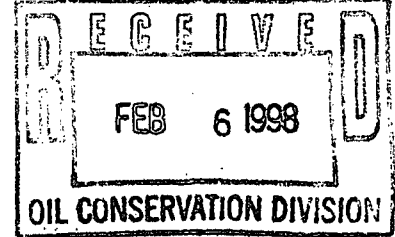


NSL 2/26/98

ROBERT L. BAYLESS

P. O. BOX 168
FARMINGTON, NM 87499



FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

February 3, 1998

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

RE: Request for Administrative Approval
For an Unorthodox Pictured Cliffs Location
Tiger No. 4
543 FSL & 685 FEL
Sec. 33, T30N, R13W
San Juan County, New Mexico

Gentlemen:

Enclosed please find a copy of the C-102 for our Tiger No. 4 Pictured Cliffs well along with a plat of the Pictured Cliffs rights in each of the offsetting proration units. Bayless operates a substantial part of the offsetting acreage including that acreage closest to the proposed location. A copy of this request and acreage plat has been faxed to each offset operator with a hard copy to follow in the mail.

Also included is a copy of the geological discussion and exhibits which pertain to this request. The geological information will not be sent to offset operators.

Bayless requests administrative approval for an unorthodox Pictured Cliffs gas well to be located 543 FSL & 685 FEL of Section 33, T30N, R13W.

Thank you in advance for your consideration of this matter. If you need further information, please contact Tucker Bayless at 505/326-2659.

Sincerely,

Price M. Bayless

Cc: Mr. C.G. Pruitt
Cross Timbers
NMOCD, Aztec District Office

**Pictured Cliffs Formation Ownership
Tiger #4 Vicinity
543 FSL & 685 FEL
Section 33-T30N-R13W**

NW ¼ Section 33	NE ¼ Section 33	NW ¼ Section 34
Bayless	Bayless	Bayless
SW ¼ Section 33	SE ¼ Section 33	SW ¼ Section 34
Cross Timbers Bayless	Bayless	Bayless
NW ¼ Section 4	NE ¼ Section 4	NW ¼ Section 3
Pruitt, et al	Bayless	Bayless

Geological Discussion

Tiger No. 4
Unorthodox Location
543 FSL and 685 FEL
Section 33, T30N, R13W
San Juan County, New Mexico

The purpose of the following discussion is to explain the geological reasons for locating the Tiger No. 4 in an unorthodox location in SESE Section 33, T30N, R13W.

The area map illustrates the location of Dakota wells (squares) and Pictured Cliffs wells (⊗) in the area surrounding the proposed location of the Tiger No. 4. Also shown are the traces of cross sections referred to below and an interval isopach of a Lewis Shale marker to the top of the Pictured Cliffs. These contour lines represent the interval in feet between a marker in the Lewis Shale and the top of the Pictured Cliffs Sandstone. The isopach indicates that this interval thins from the McCord No. 12E (SE Section 33, T30N, R13W) in every direction except the southeast. Thinning of the isopach interval is due to the upper part of the Pictured Cliffs being missing.

Cross sections A-A', B-B', and "DETAIL" illustrate in more detail the concept of the upper Pictured Cliffs being missing over much of the area immediately surrounding the proposed Tiger No. 4 location. Blackened areas in the depth tracks of the wireline logs indicate coal, the Lewis marker used for the interval isopach is labeled, and the top of the Pictured Cliffs is colored yellow.

On south-north cross section A-A', the Northridge No. 2 (NW Section 3, T29N, R13W) has approximately 27 more feet of upper Pictured Cliffs than the nearby S.D. Sunical No. 10 (SW Section 3, T29N, R13W) and 15 feet thicker than the McCord No. 2 (SW Section 34, T30N, R13W). Also shown is the completed interval (gross-1372 to 1388 feet) in the upper part of the Pictured Cliffs in the Northridge No. 2 which is not present in these offset wells.

Cross section B-B', also oriented south to north, illustrates the same concept. Only the McCord No. 12E (SE Section 33, T30N, R13W), twin to the proposed Tiger No. 4 location, has the full section of the Pictured Cliffs which has been completed in the Northridge No. 2 (NW Section 3, T29N, R13W). The three other wells on the cross section lack between 28 and 42 feet of upper Pictured Cliffs Sandstone.

A third cross section, "DETAIL", is an expanded scale of two wireline logs on cross section B-B'. This provides a close view of the lack of upper Pictured Cliffs in the McCord No. 10E (NW Section 33, T30N, R13W) and the full section in the McCord No. 12E (SE Section 33, T30N, R13W). Both the gamma ray and spontaneous potential wireline curves indicate a lack of upper Pictured Cliffs Sandstone in the McCord No. 10E.

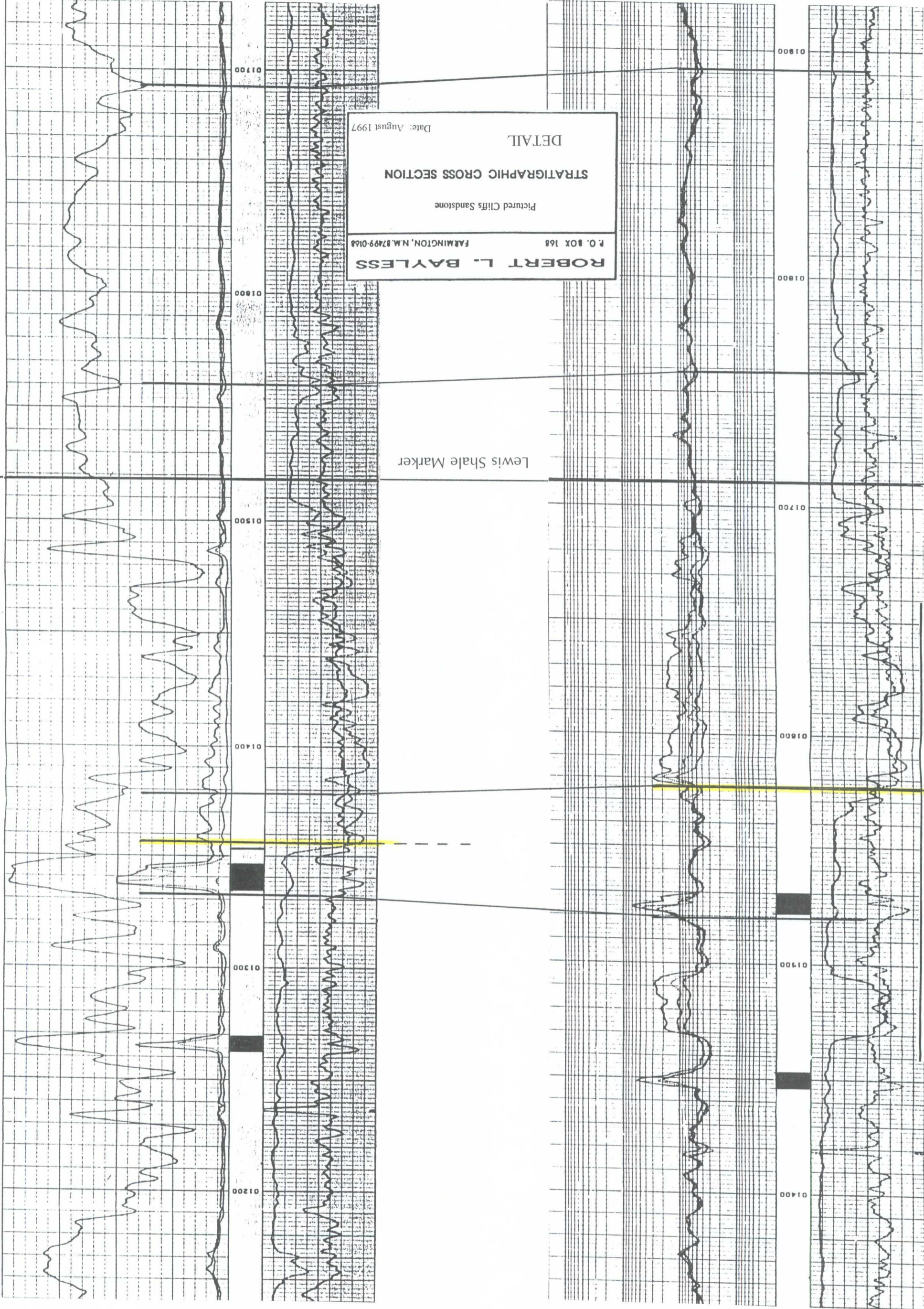
By placing the Tiger No. 4 in the proposed unorthodox location in SESE Section 33, Bayless is 1) placing the well in the middle of the reservoir and avoiding the edges thus insuring adequate drainage, 2) possibly draining reserves from SW Section 34, T30N, R13W which will probably not be drilled due to a) fully developed residential neighborhood and b) restricted areal development of the

upper Pictured Cliffs reservoir, and 3) still maintaining a distance of approximately 3200 feet from the nearest Pictured Cliffs well in NW Section 3, T30N, R13W.

NW

Union Texas Petroleum
McCord #10E
NW/4 Section 33-T30N-R13W

Union Texas Petroleum
McCord #12E
SE/4 Section 33-T30N-R13W



SE

Compass Exploration Inc.
City of Farmington #1-4
NE/4 Section 4-T29N-R13W

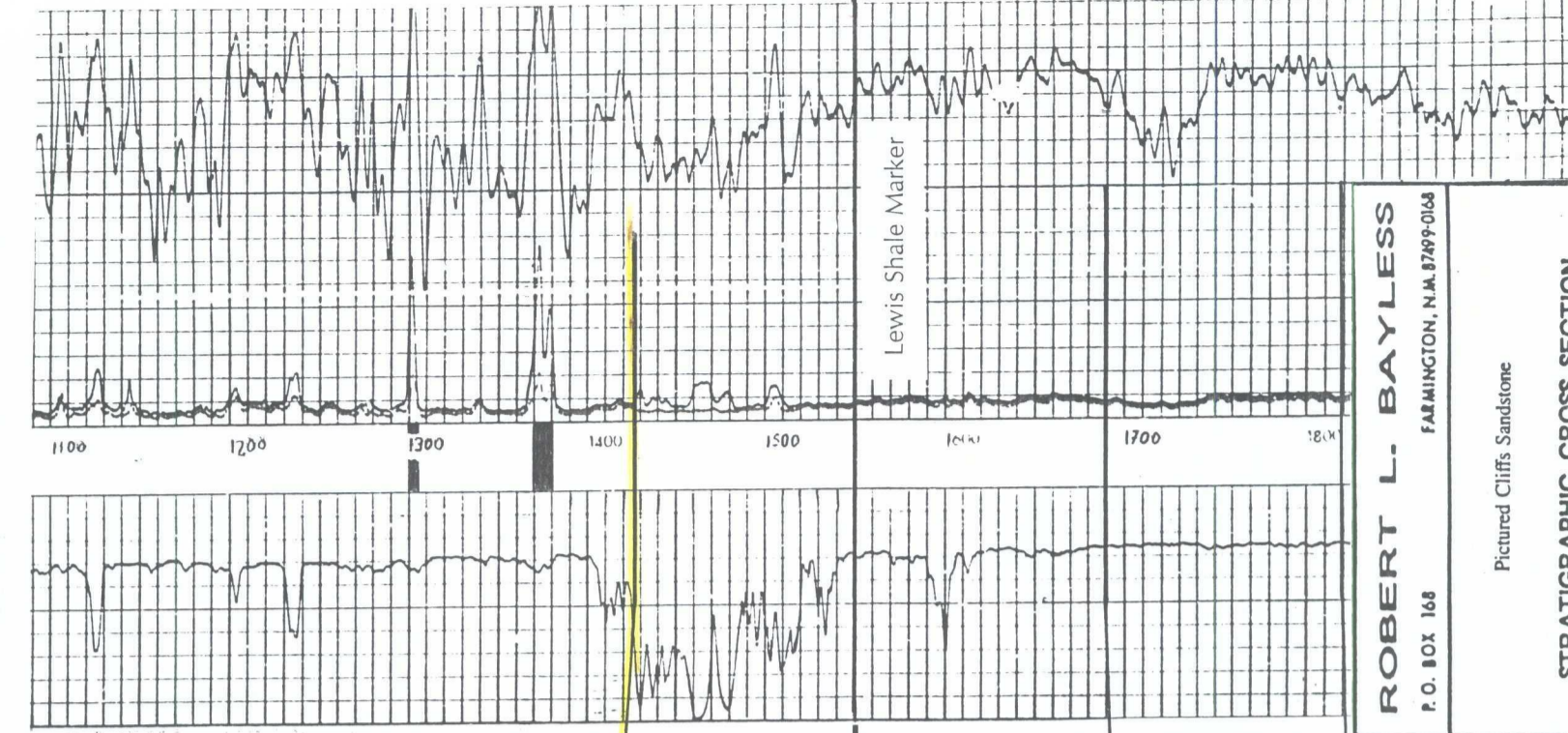
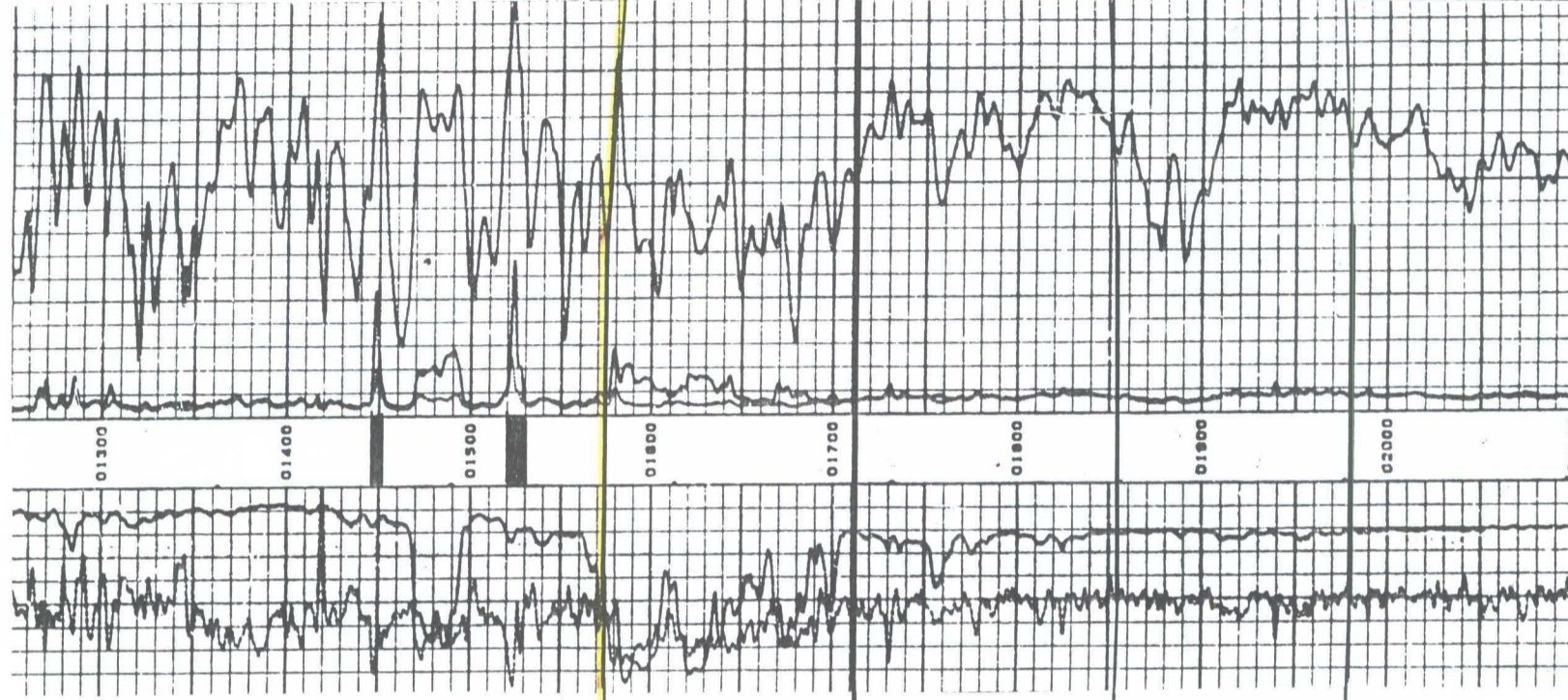
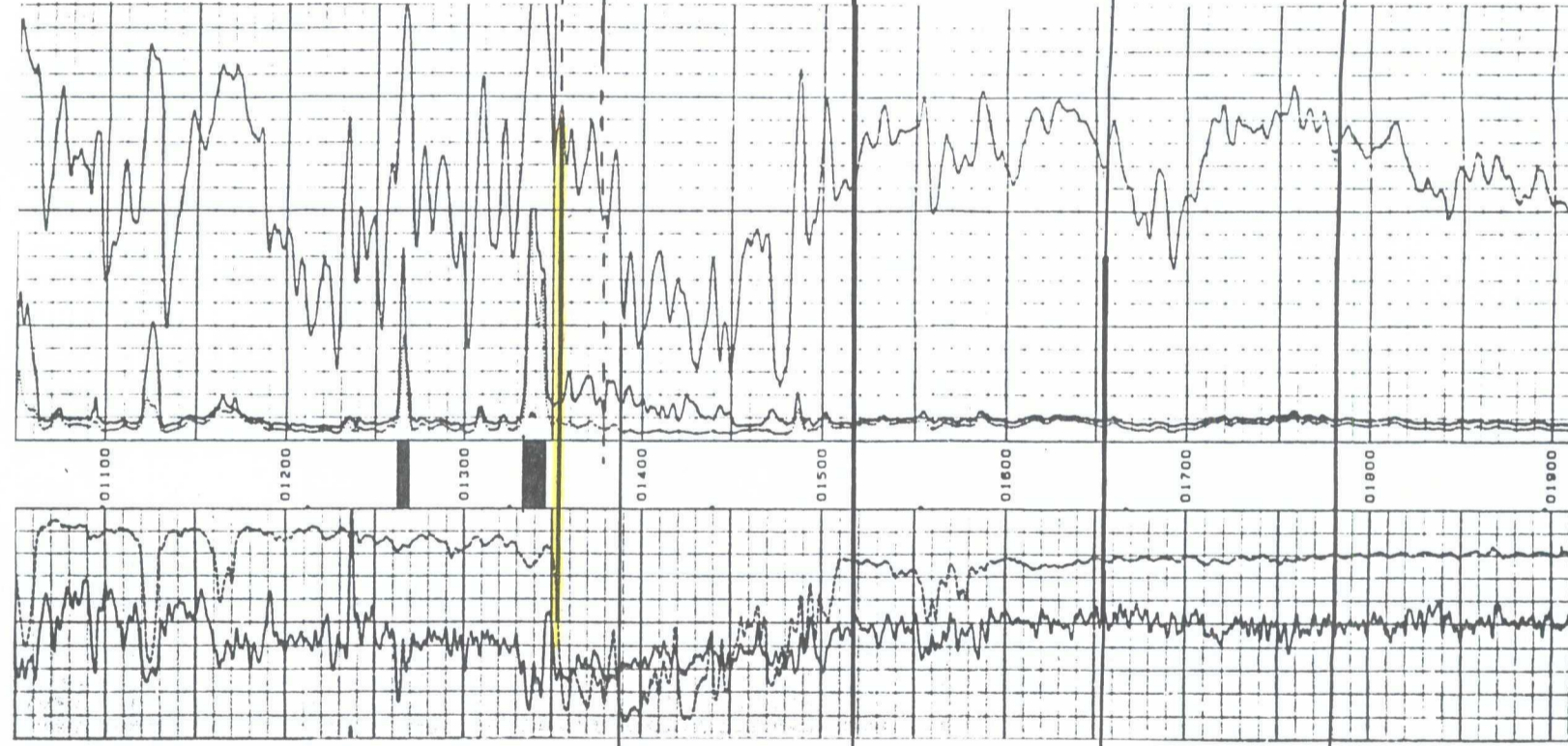
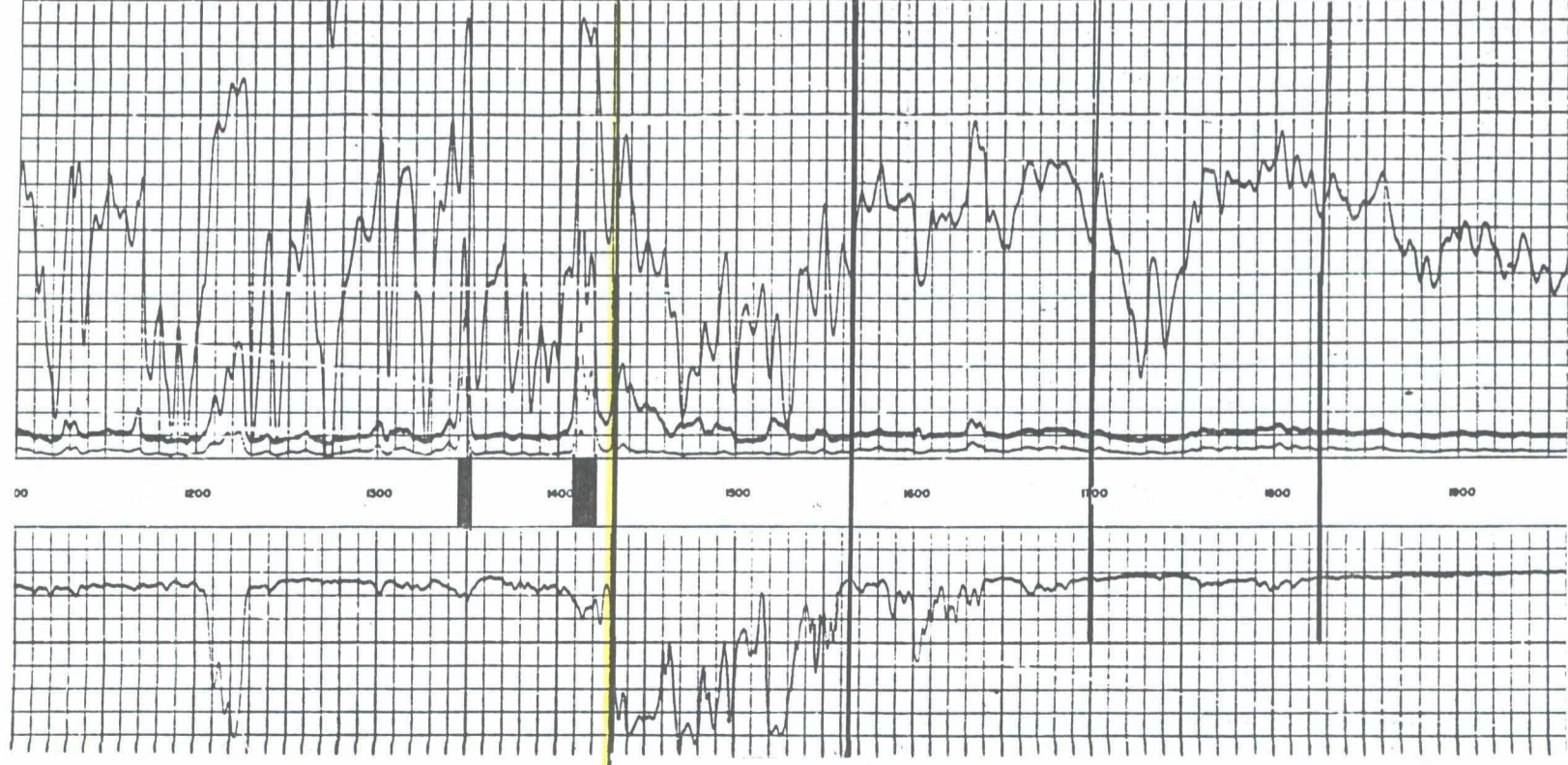
Union Texas Petroleum
McCord #12E
SE/4 Section 33-T30N-R13W

Union Texas Petroleum
McCord #10E
NW/4 Section 33-T30N-R13W

Southern Union Production Company
McCord #10
NE/4 Section 33-T30N-R13W

B

B'



ROBERT L. BAYLESS
P.O. BOX 168
FARMINGTON, N.M. 87499-0168

Pictured Cliffs Sandstone

STRATIGRAPHIC CROSS SECTION

B - B'

Date: August 1997

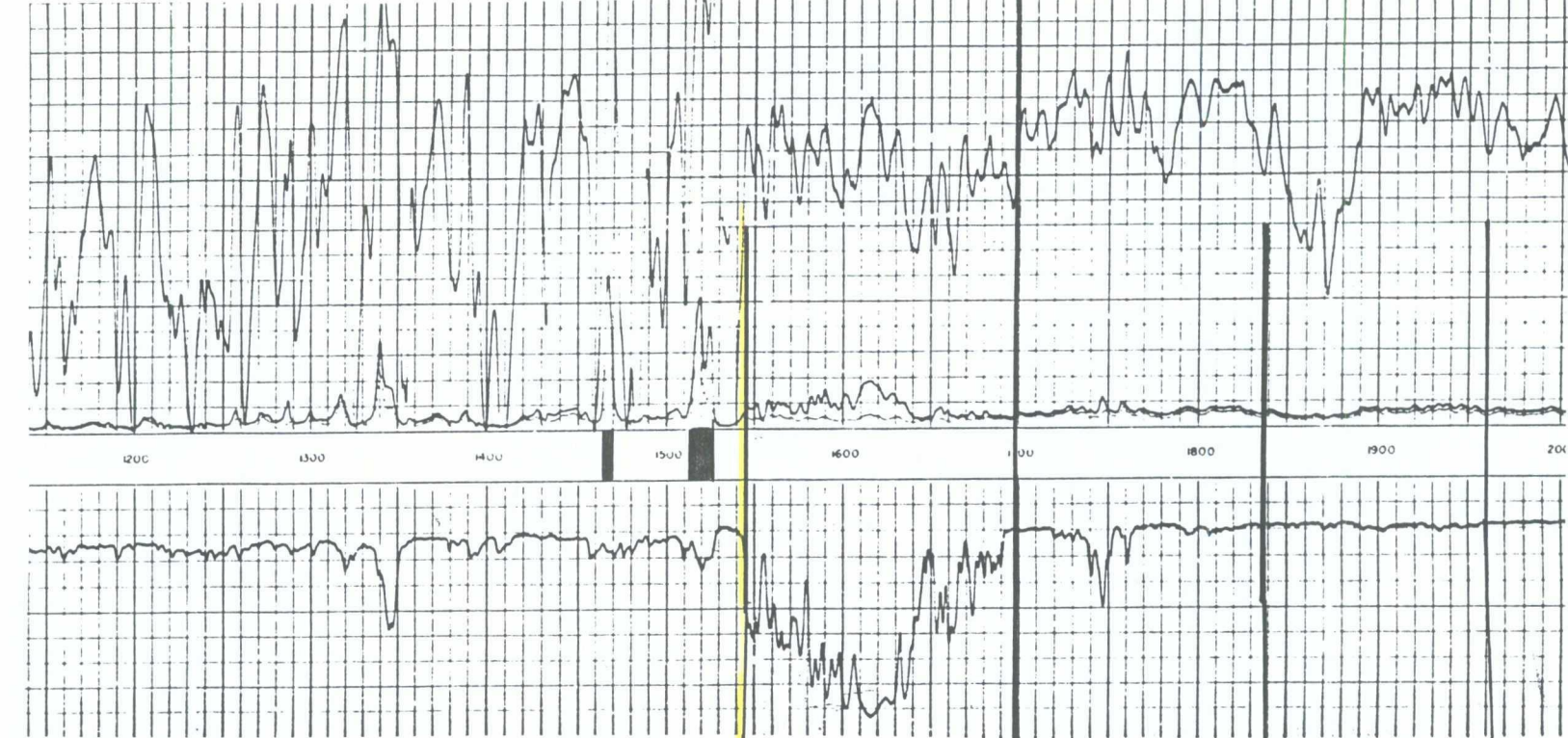
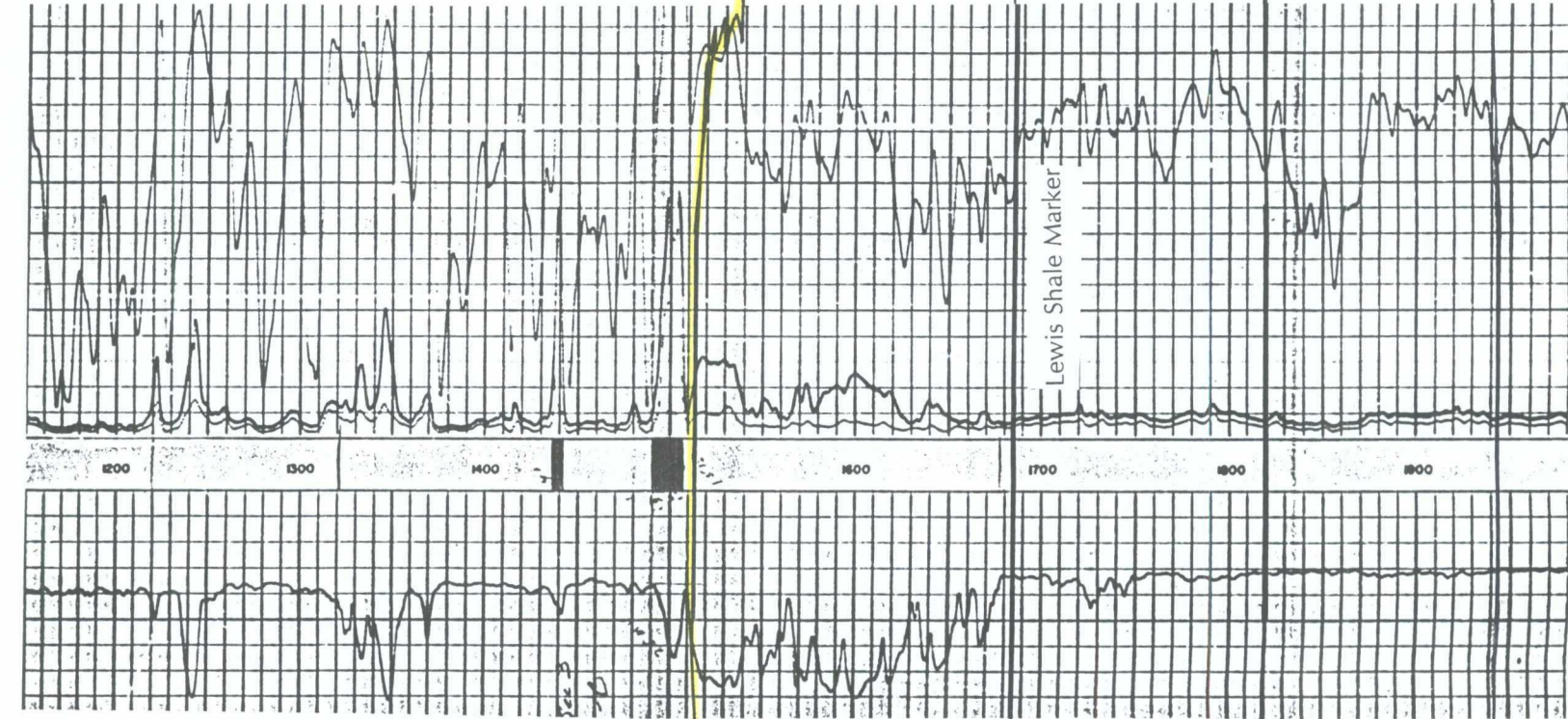
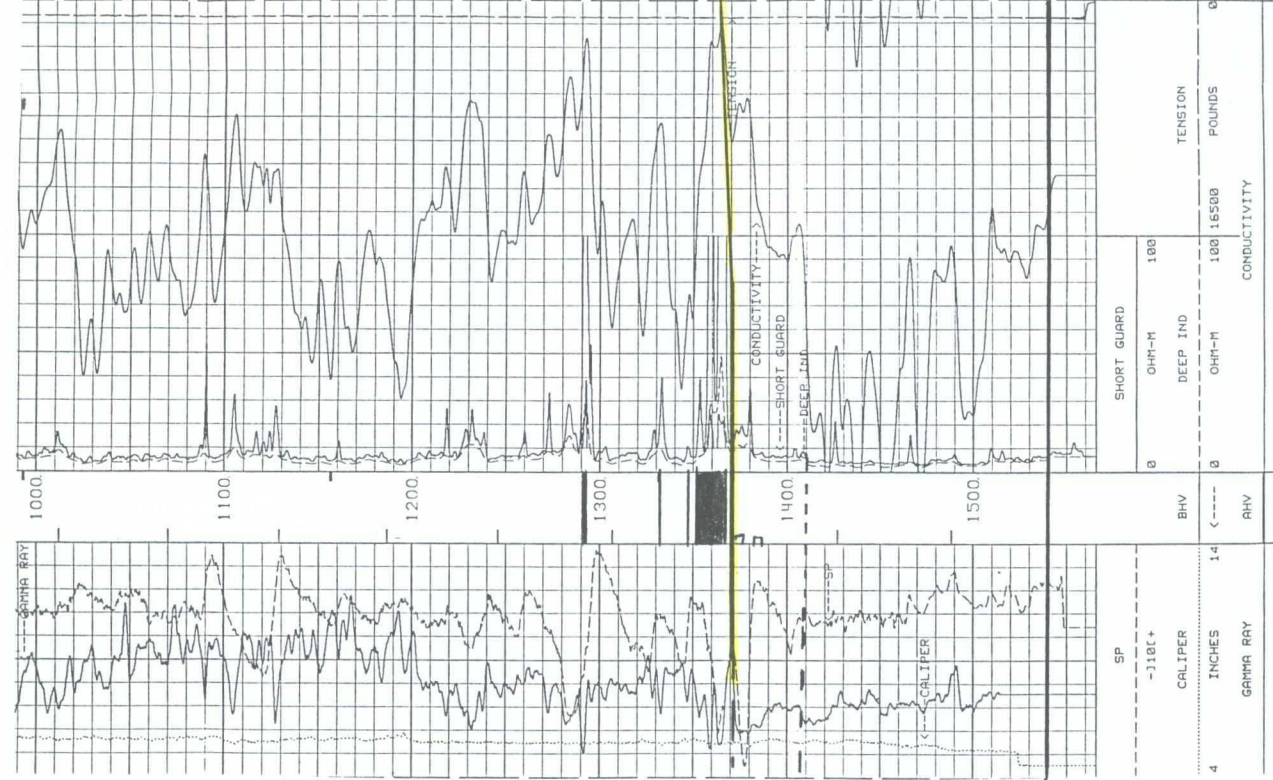
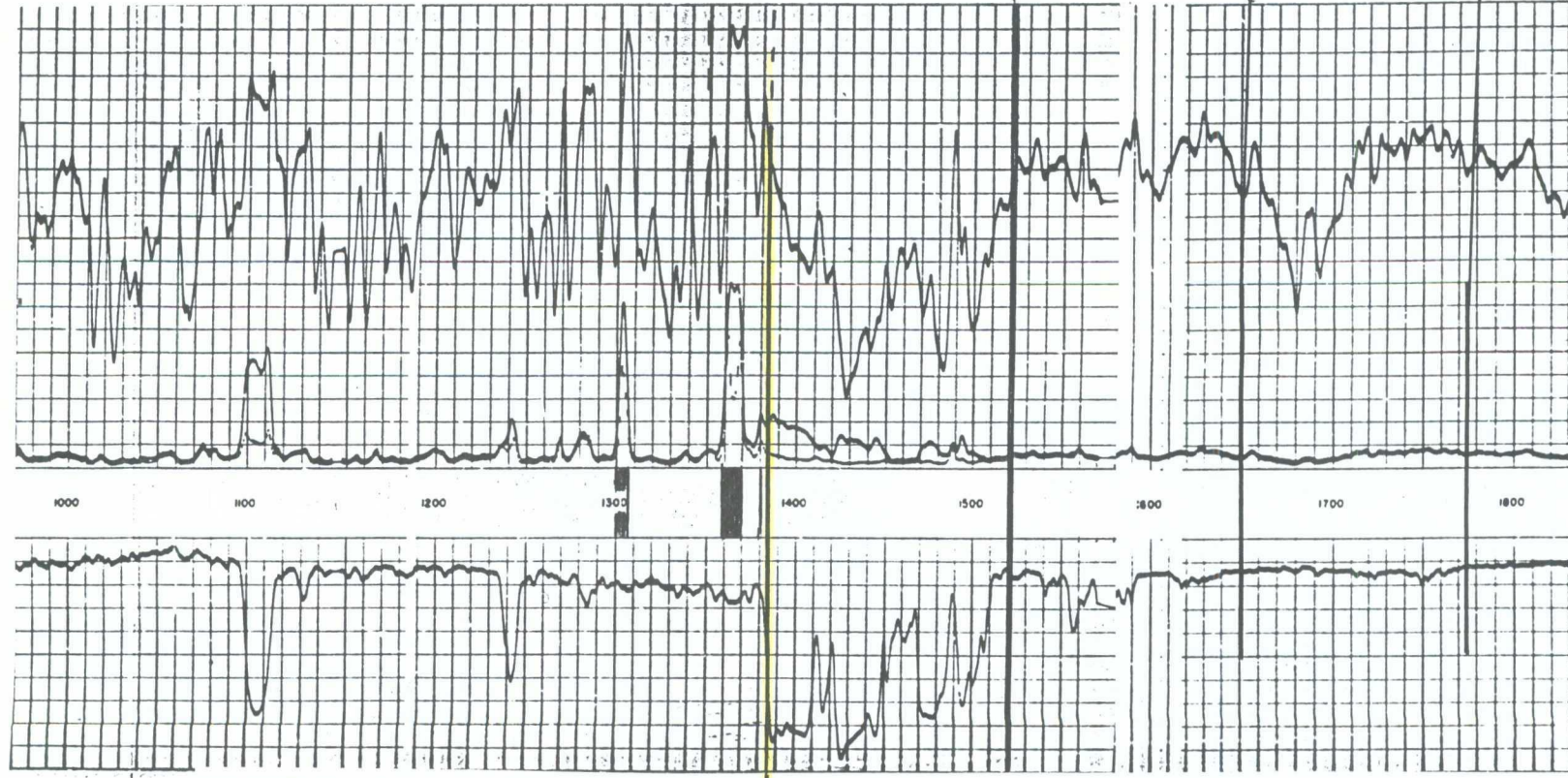
A'

E. L. Fundingsland
S.D. Sunical #10
SW/4 Section 3-T29N-R13W

Robert L. Bayless
Northridge #2
NW/4 Section 3-T29N-R13W

Sunshine Royalty Company
Unit 1-5
NE/4 Section 3-T29N-R13W

Southern Union Gas Company
McCord #2
SW/4 Section 34-T30N-R13W



FRUITLAND

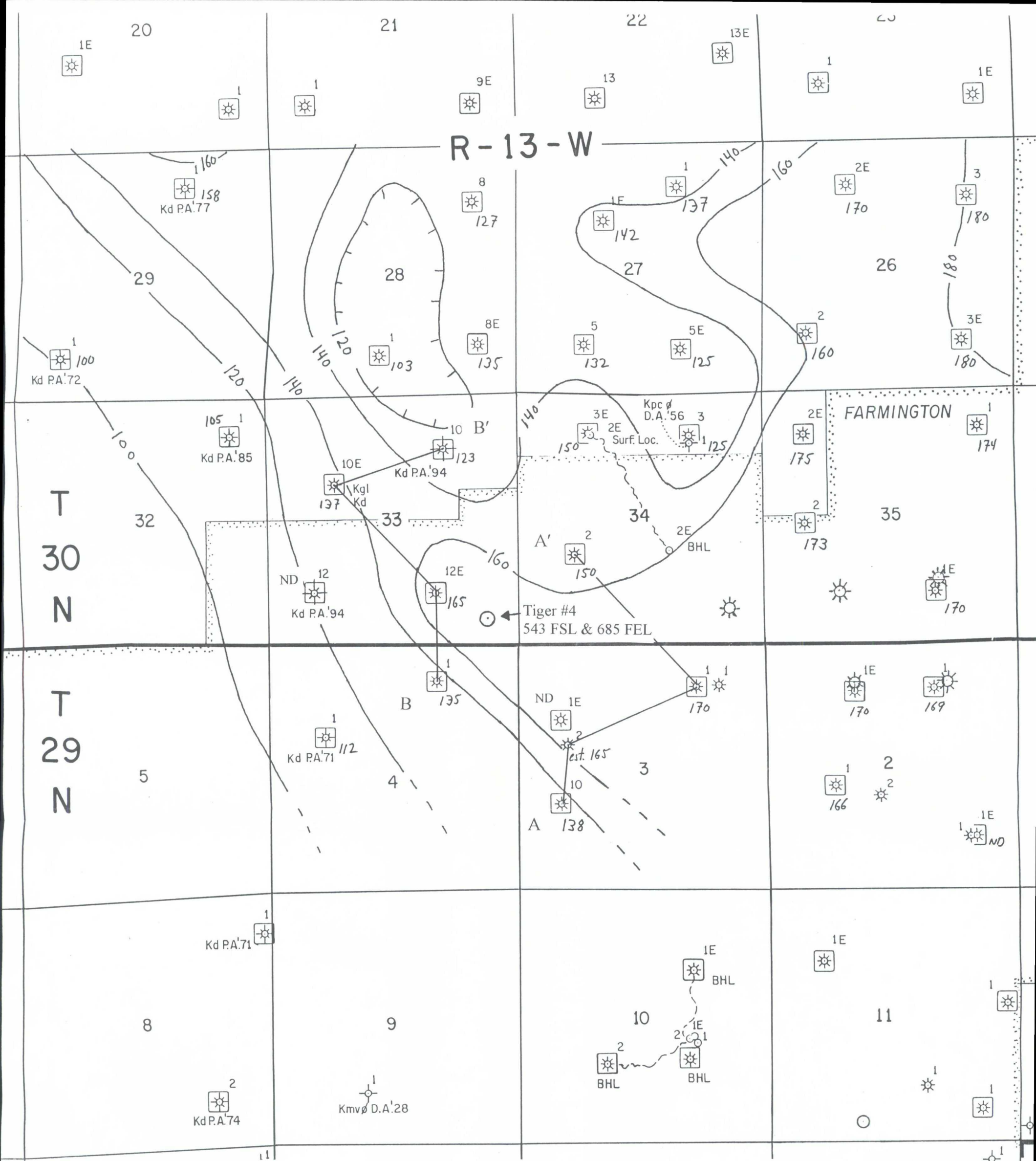
PICTURED CLIFFS

ROBERT L. BAYLESS
P.O. BOX 168
FARMINGTON, N.M. 87409-0168

Pictured Cliffs Sandstone

STRATIGRAPHIC CROSS SECTION
A - A'

Date: August 1997



LEGEND

- PICTURED CLIFFS Kpc
- DAKOTA Kd
- GAS WELL
- OIL WELL
- TEST DRY & ABANDONED
- PRODUCER NOW PLUGGED & ABANDONED

ND - No Data

ROBERT L. BAYLESS

P. O. BOX 168

FARMINGTON, N.M. 87499-0168

Interval Isopach of Lewis Marker
to Top of Pictured Cliffs
CI=20 ft

SCALE: 1" = 2000' Date: August 1997

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*

(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995RECEIVED
BLM

APPLICATION FOR PERMIT TO DRILL OR DEEPEN: 25

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		070 FARMINGTON, NM	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	
2. NAME OF OPERATOR Robert L. Bayless Prod LLC 150182			
3. ADDRESS AND TELEPHONE NO. P.O. Box 168 Farmington, NM (505) 326-2659			
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 543 FSL & 685 FEL At proposed prod. zone Same			
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*			
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		16. NO. OF ACRES IN LEASE	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		19. PROPOSED DEPTH 1725	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5652 KB 5647 GL		20. ROTARY OR CABLE TOOLS Rotary	
22. APPROX. DATE WORK WILL START* ASAP		17. NO. OF ACRES ASSIGNED TO THIS WELL 160	
12. COUNTY OR PARISH San Juan		13. STATE NM	
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA P Sec 33-T30N-R13W		10. FIELD AND POOL, OR WILDCAT 71200 EXT Fulcher Kutz-Pictured Cliff	
9. API WELL NO. 30-045-29521		8. FARM OR LEASE NAME WELL NO. Tiger #4 22189	
7. UNIT AGREEMENT NAME		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
5. LEASE DESIGNATION AND SERIAL NO. 9K 078214			

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8 3/4"	7" J55	23.0#/ft	120	30sx(35ft ³)
6 1/4"	4 1/2" J55	10.5#/ft	1725	160 sx(244ft ³)

Will Drill 8 3/4" hole to 120 ft and set 120 ft 7" 23.0#/ft J55 new casing. Will cement w/ 30sx (35 ft³) class B cement, circulated to surface will drill 6 1/4" hole to 1725 ft and set 1725 to surface. Circulating medium will be clean water, natural mud and water loss control additives. No abnormal temperatures on pressures are anticipated. Induction and density logs will be run. The gas from this well is not dedicated.

Estimated Tops

Ojo Alamo	Surface
Kirtland	200 ft
Fruitland	1240 ft 250 psi
Pictured Cliffs	1542 350 psi

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 Price M. Bayless TITLE Engineer DATE 2/26/92
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE JAN 22 1992

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /s/ Duane W. Spencer TITLE _____ DATE JAN 22 1998

HOLD C-104 FOR N52 *See Instructions On Reverse Side
Title 18 U.S.C. Section 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-29521		2 Pool Code 77200		3 Pool Name FULCHER KUTZ-PICTURED CLIFFS EXT	
4 Property Code 22189		5 Property Name TIGER			6 Well Number 4
7 OGRID No. 150182		8 Operator Name ROBERT L. BAYLESS Prod LLC			9 Elevation 5647

10 Surface Location

UL or lot no. P	Section 33	Township 30 N	Range 13 W	Lot Idn	Feet from the 543	North/South line South	Feet from the 685	East/West line East	County San Juan
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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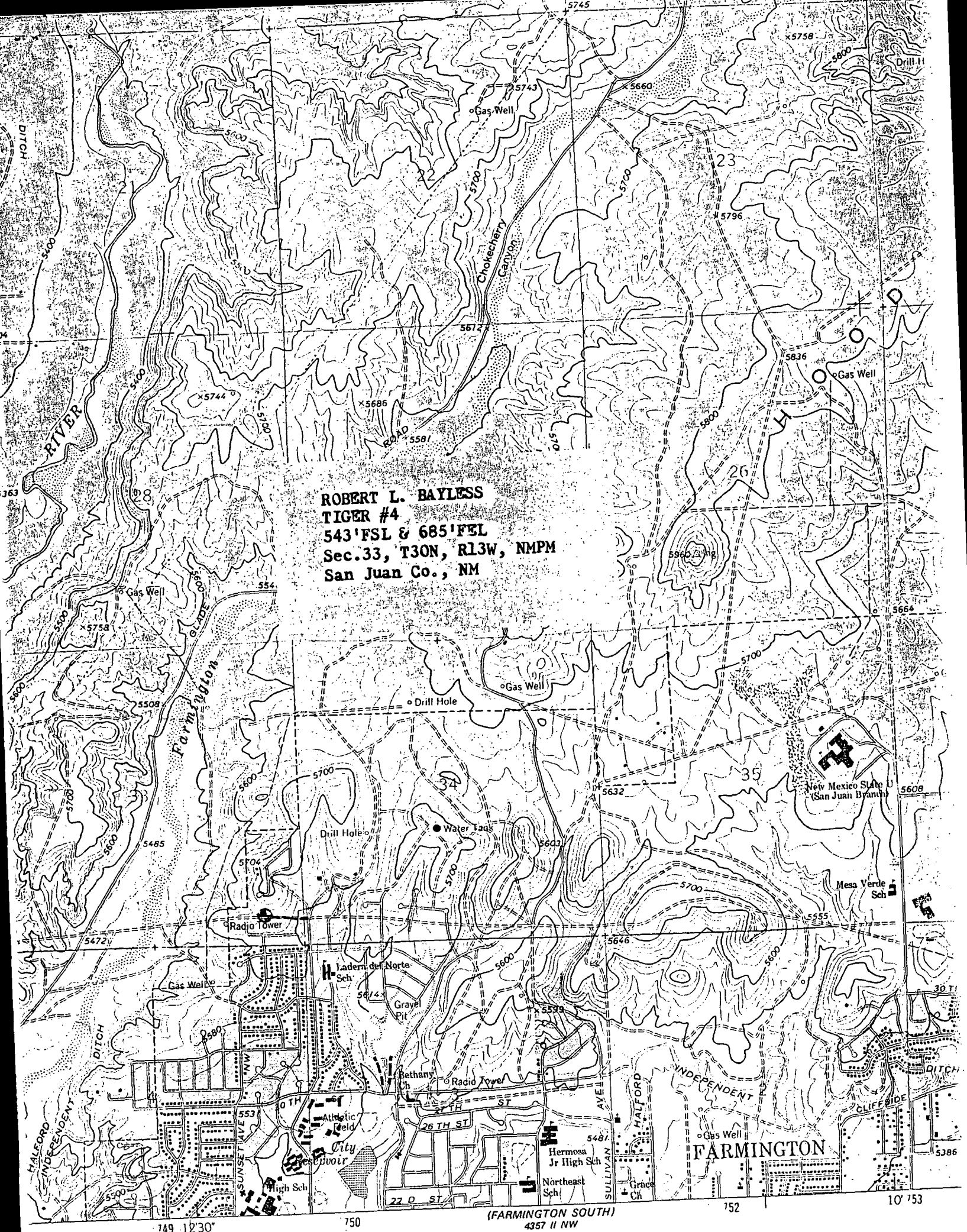
12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>[Signature]</u> Printed Name: <u>Price M. Bayless</u> Title: <u>Engineer</u> Date: <u>August 26, 1997</u>			
				18 SURVEYOR CERTIFICATION 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 belief. Date of Survey: <u>May 1997</u> Signature and Seal of Professional Surveyor: <u>[Signature]</u> Certificate Number: <u>8466</u>			
				NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR #8466 William E. Mahnke II			

FD.BC 33 543' 685' 2625.98' N88°51'17"W

ROBERT L. BAYLESS
TIGER #4
543' FSL & 685' FEL
Sec. 33, T30N, R13W, NMPM
San Juan Co., NM



(FARMINGTON SOUTH)
4357 II NW

SCALE 1:24,000

26' Δ SW 828 30N/13W

ROBERT L. BAYLESS
TIGER #4
543'FSL & 685'FEL
Sec.33, T30N, R13W, NMPM
San Juan Co., NM

00RG BWH 19



Δ FARMPORT 1987