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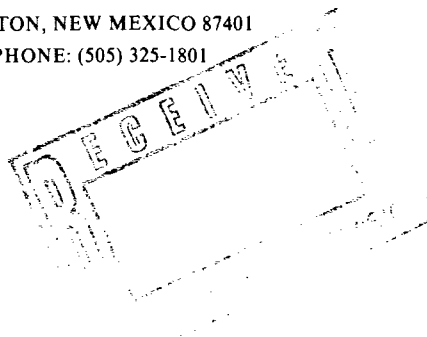
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May 9, 1995

State of New Mexico
Energy, Minerals & Natural Resources Dept.
New Mexico Oil Conservation Division
P.O. Box 6429
Santa Fe, Mexico 87505

Case 11292

Attn: William J. Lemay, Director

Re: Application for Compulsory Pooling
Robert L. Bayless
NW/4 of Section 18, Township 24 North, Range 6 West, N.M.P.M.
Rio Arriba County, New Mexico

Gentlemen:

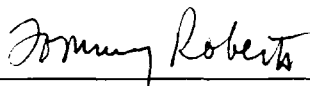
Please consider this letter the formal application of Robert L. Bayless for an Order of the New Mexico Oil Conservation Division force-pooling all mineral interests from the surface of the earth to the base of the Pictured Cliffs formation underlying the NW/4 of Section 18, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, forming a standard 160 acre gas spacing and proration unit for the Ballard Pictured Cliffs Gas Pool to be dedicated to his Blue Mesa #3 Well to be drilled and completed in the Pictured Cliffs formation at a standard gas well location in said Section 18. Bayless requests that the Order designate Bayless as the operator of the well, and that it provide for the recovery by the joining working interest owners of the costs of drilling, completing, equipping, and operating the well, together with a reasonable charge for risk involved in drilling and completing the well. In addition, Bayless requests that the Order establish a reasonable charge for the supervision of the well during the drilling and production stages.

This application was verbally submitted to your office on May 8, 1995 at which time I was advised that the application would be placed on the June 1, 1995 Docket of the New Mexico Oil Conservation Division.

State of New Mexico
Oil Conservation Division
May 9, 1995

Enclosed are two additional copies of this letter application. Please advise should you require any additional information.

Sincerely,



TOMMY ROBERTS
Attorney for Robert L. Bayless

TR:nk
Enclosures (2)

cc: Robert L. Bayless
P.O. Box 168
Farmington, NM 87499

Supervisor - District III Office
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410