

Robert L. Bayless, Producer

P.O.Box 168

Farmington, NM 87499

**FAX**Date: 2/12/96Number of pages including cover sheet: 3

To:

WINDO  
WINDO STOEHR

Phone:

Fax phone: 505 326 6911

CC:

From:

Bob Bayless

Phone: 505/326-2659

Fax phone: 505/326-6911

REMARKS:

☐ Urgent☐ For your review☐ Reply ASAP☐ Please comment

ROBERT L. BAYLESS

P O. BOX 168  
FARMINGTON, NM 87499

FAX NO  
(505) 326-6911

OFFICE NO  
(505) 326-2659

February 12, 1996

New Mexico Oil Conservation Division  
1000 Rio Brazos  
Aztec, New Mexico 87410

Attn: Michael Stogner


Re: Horn Canyon #1  
Case #11463

Dear Mike:

Enclosed please find a waiver executed by Dugan Production Company. The lease held by Petro Corp. has been subsequently sold to Meridian Oil Company who have previously waived any objection and also own 25% working interest in the referred to well.

Please advise if you need further documentation.

Yours Truly,

  
Robert L. Bayless  
Producer

enc.

**ROBERT L. BAYLESS**

P. O. BOX 168

FARMINGTON, NM 87499

FAX NO.  
1505) 326-6911OFFICE NO  
1505) 326-2659

December 20, 1995

CERTIFIED MAIL - RETURN RECEIPT REQUESTED #P565392391

Dugan Production Company  
P.O. Box 420  
Farmington, N.M. 87499RE: Proposed Downhole Commingling  
Robert L. Bayless  
Horn Canyon #1  
Unit D, Sec. 15, T28N, R11W  
San Juan County, New Mexico

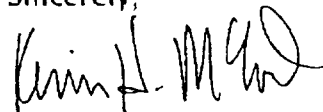
Gentlemen:

Our records indicate your company owns offset acreage to our Horn Canyon #1 well. We plan to downhole commingle the Pictured Cliffs and Fruitland Sand formations in this well and have requested the New Mexico Oil Conservation Division to administratively approve this commingling of production. A copy of this application is enclosed.

In order to obtain approval from the Oil Conservation Division Director, we must obtain waivers of objection from offset lease holders. If you have no objection to our plans, please execute the waiver portion of this letter and return one copy to us at the above address and another copy to the Division Director, Oil Conservation Division, 2040 South Pacheco, Santa Fe, NM 87505.

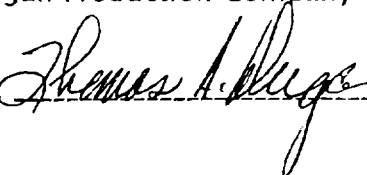
If you require additional information, please advise.

Sincerely,

Kevin H. McCord  
Petroleum Engineer

I have no objection to the above stated plans.

Dugan Production Company

By  Title: President Date: 12-28-95

[illegible]