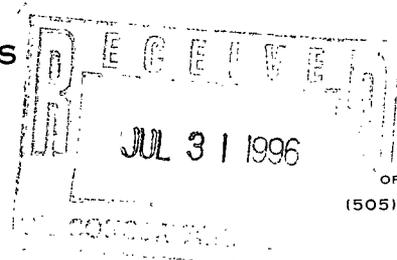


ROBERT L. BAYLESS

P. O. BOX 168
FARMINGTON, NM 87499



OFFICE NO.
(505) 326-2659

FAX NO.
(505) 326-6911

July 26, 1996

Certified Mail - Return Receipt Requested

Mr. William J. LeMay, Chairman
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Amoco Production Company #P 532651888
Floyd Oil Company #P 532651889
Redfern, Herd et. al. #P 532651890

RE: Request for Administrative Approval of
an Unorthodox Pictured Cliffs Location
Robert L. Bayless
Golden Bear #1
2001' FSL & 2363' FWL
Section 2, T29N R13W
San Juan County, New Mexico

Gentlemen:

Robert L. Bayless requests administrative approval of an unorthodox Pictured Cliffs formation gas well. We plan to drill the Golden Bear #2 in the Fulcher Kutz Pictured Cliffs Pool at 2001' FSL and 2363' FWL in Section 2 of T29N R13W. This staked location makes the well 513' too close to the north-south center line and 151' too close to the east-west centerline of Section 2. This well is located in the city limits of Farmington, NM, and has significant building development around it. This staked location is the only reasonable location we have found to drill a well in this 160 acre spacing unit. This location has been approved by the surface owner and by the Farmington City Council.

Enclosed with this request you will find a map showing the existing offsetting Pictured Cliffs wells to our proposed well as well as ownership of the Pictured Cliffs 160 acre proration units around it. Also enclosed you will find an acreage dedication plat for the Golden Bear #2 and copies of this letter which were sent to offset leaseholders. As per NMOCD regulations, by copy of this letter to offset leaseholders, Robert L. Bayless is asking offset leaseholders that they waive any objection to this Pictured Cliffs unorthodox location.

I believe this request provides all the information required by NMOCD regulations for an unorthodox location. If any other information is needed, please call. Your prompt response to this request is appreciated.

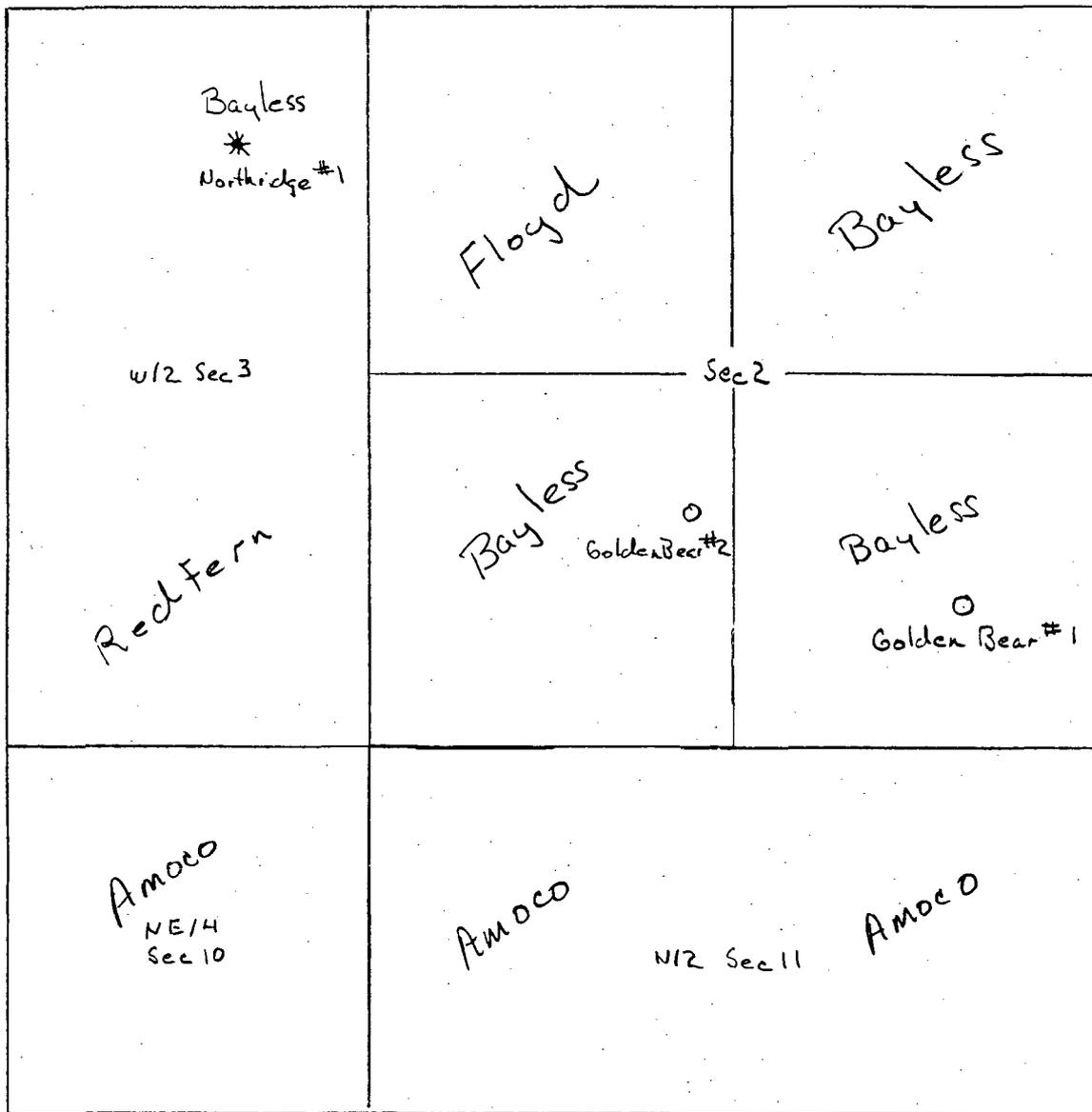
Yours Truly,

A handwritten signature in cursive script that reads "Kevin H. McCord".

Kevin H. McCord
Petroleum Engineer

enc.

Township 29 N - Range 13 W



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 10, 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 30-045-29372	² Pool Code 77200	³ Pool Name FULCHER KUTZ PICTURED CLIFFS EXT
⁴ Property Code	⁵ Property Name GOLDEN BEAR	⁶ Well Number 2
⁷ OGRID No. 019418	⁸ Operator Name ROBERT L. BAYLESS	⁹ Elevation 5471

¹⁰Surface Location

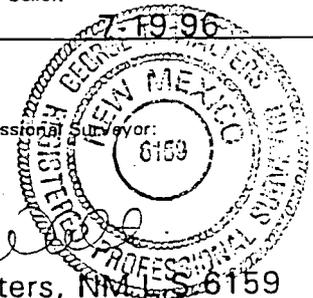
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	29N	13W		2001	SOUTH	2363	WEST	SAN JUAN

¹¹Bottom 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

¹² Dedicated Acres 160	¹³ Joint or Infill K	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	------------------------------------	----------------------------------	-------------------------

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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature Price M. Bayless Printed Name Engineer Title 7/24/96 Date
		Section 2		¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey 7-19-96 Signature and Seal of Professional Surveyor:  George T. Walters, NM 6159 Certificate Number
			2363  2001	

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION
P.O. Box 2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.
30-045-29372

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name

GOLDEN BEAR

1. Type of Well:
OIL WELL GAS WELL OTHER

8. Well No.
2

2. Name of Operator
ROBERT L. BAYLESS

3. Address of Operator
P.O. BOX 168 FARMINGTON, NM 87499

9. Pool name or Wildcat
FULCHER KUTZ PC EXTENSION

4. Well Location
Unit Letter K : 2001 Feet From The NORTH S Line and 2363 Feet From The WEST Line

Section 2 Township 29N Range 13W NMPM SAN JUAN County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

5471

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK
TEMPORARILY ABANDON
PULL OR ALTER CASING
OTHER:

PLUG AND ABANDON
CHANGE PLANS

SUBSEQUENT REPORT OF:

REMEDIAL WORK
COMMENCE DRILLING OPNS.
CASING TEST AND CEMENT JOB
OTHER:

ALTERING CASING
PLUG AND ABANDONMENT

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

BAYLESS HAS MOVED THIS WELL TO A NEW LOCATION TO ACCOMODATE CITY OF FARMINGTON AND LANDOWNERS. ATTACHED IS NEW FORM C-102.

RECEIVED
JUL 26 1996
OIL CON. DIV.
DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE ENGINEER DATE 7/24/96

TYPE OR PRINT NAME PRICE M. BAYLESS TELEPHONE NO. 326-2659

(This space for State Use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JUL 26 1996

CONDITIONS OF APPROVAL, IF ANY: Held C-104 For WSL

2-26-96

1104 For NSL

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-29372	² Pool Code 77200	³ Pool Name FULCHER KUTZ PICTURED CLIFFS EXT
---	---------------------------------	--

⁴ Property Code	⁵ Property Name GOLDEN BEAR	⁶ Well Number 2
----------------------------	--	--------------------------------------

⁷ OGRID No. 019418	⁸ Operator Name ROBERT L. BAYLESS	⁹ Elevation 5471
----------------------------------	--	---------------------------------------

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	29N	13W		2001	SOUTH	2363	WEST	SAN JUAN

¹¹Bottom 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 K	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	------------------------------------	----------------------------------	-------------------------

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

RECEIVED

OIL CON. DIV.
DIST. 3

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

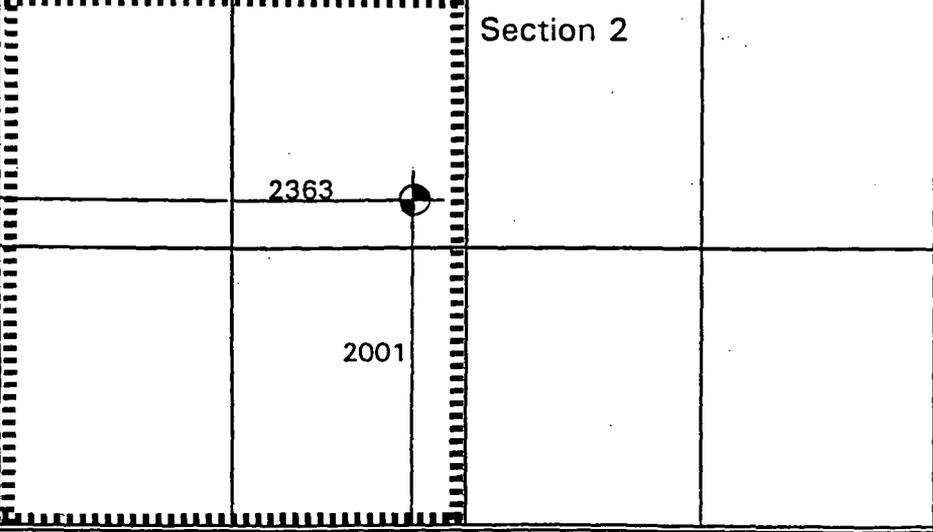


Signature
Price M. Bayless

Printed Name
Engineer

Title
7/24/96

Date

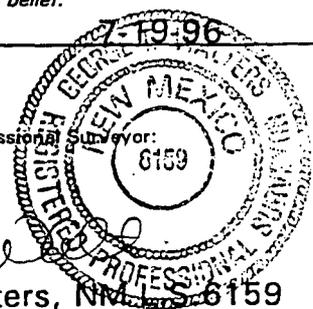


18 SURVEYOR CERTIFICATION

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

Signature and Seal of Professional Surveyor:



George T. Walters, NM 6159

Certificate Number

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesa, 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

Form C-101
Revised February 10, 1994

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

INSTRUCTIONS: Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

96 MAR 28 AM 10:52
RECEIVED
AMENDED REPORT
OIL CON. DIV.
DIST. 43

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: Robert L. Bayless PO Box 168 Farmington NM 87499		OGRID Number: 019418
Property Code: 18893		API Number: 30-045-29372
Property Name: Golden Bear		Well No.: 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	29N	13W		2038	South	2448	West	San Juan

Proposed 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
160									
Proposed Pool 1 Fulcher Kutz Pictured Cliffs EXT					Proposed Pool 2				

Work Type Code: N	Well Type Code: G	Cable/Rotary: Rotary	Lease Type Code: P	Ground Level Elevation: 5473 ft.
Multiple: no	Proposed Depth: 1560 ft.	Formation: Pictured Cliffs	Contractor: L&B Speed Drill	Spud Date: ASAP

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
8-3/4"	7"	23.0#/ft.	120'	30 sx	surface
6-1/4"	4-1/2"	10.5#/ft.	1560'	150 sx	surface

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Will drill 8-3/4" hole to 120 ft. and set 120 ft. of 7", 23.0#/ft. J-55 new casing, cemented with 30 sacks Class B cement, circulated to surface. Will drill 6-1/4" hole to 1560 ft. using clear water, natural mud, and water loss control additives. Induction & density logs will be run. Will set 1560 ft. of 4-1/2", 10.5#/ft. J-55 new casing, cemented with 150 sacks cement, circulated to surface. No abnormal temperature or pressure is anticipated.
Estimated tops: Fruitland @ 1120 ft.
Pictured Cliffs @ 1388 ft.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>P. M. Bayless</i>	Approved by: <i>Ernie Burch</i>	Title: DEPUTY OIL & GAS INSPECTOR, DIST. 43	
Printed name: Price M. Bayless	Approval Date: MAY - 3 1996	Expiration Date: MAY - 3 1997	
Title: Engineer	Conditions of Approval: Attached <input type="checkbox"/> Hold <input checked="" type="checkbox"/> Hold <i>e-102 Per NSL</i>		
Date: 05/01/96	Phone: 505-326-2659		

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

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised February 10, 1994

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

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 30-045-29372		² Pool Code 77200		³ Pool Name Fulcher Kutz Pictured Cliffs EXT	
⁴ Property Code 18893		⁵ Property Name GOLDEN BEAR			⁶ Well Number 2
⁷ OGRID No. 019418		⁸ Operator Name ROBERT L. BAYLESS			⁹ Elevation 5473

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	29N	13W		2038	SOUTH	2448	WEST	SAN JUAN

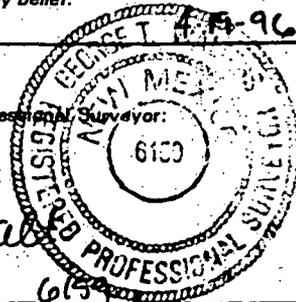
¹¹Bottom Hole Location if Different From Surface

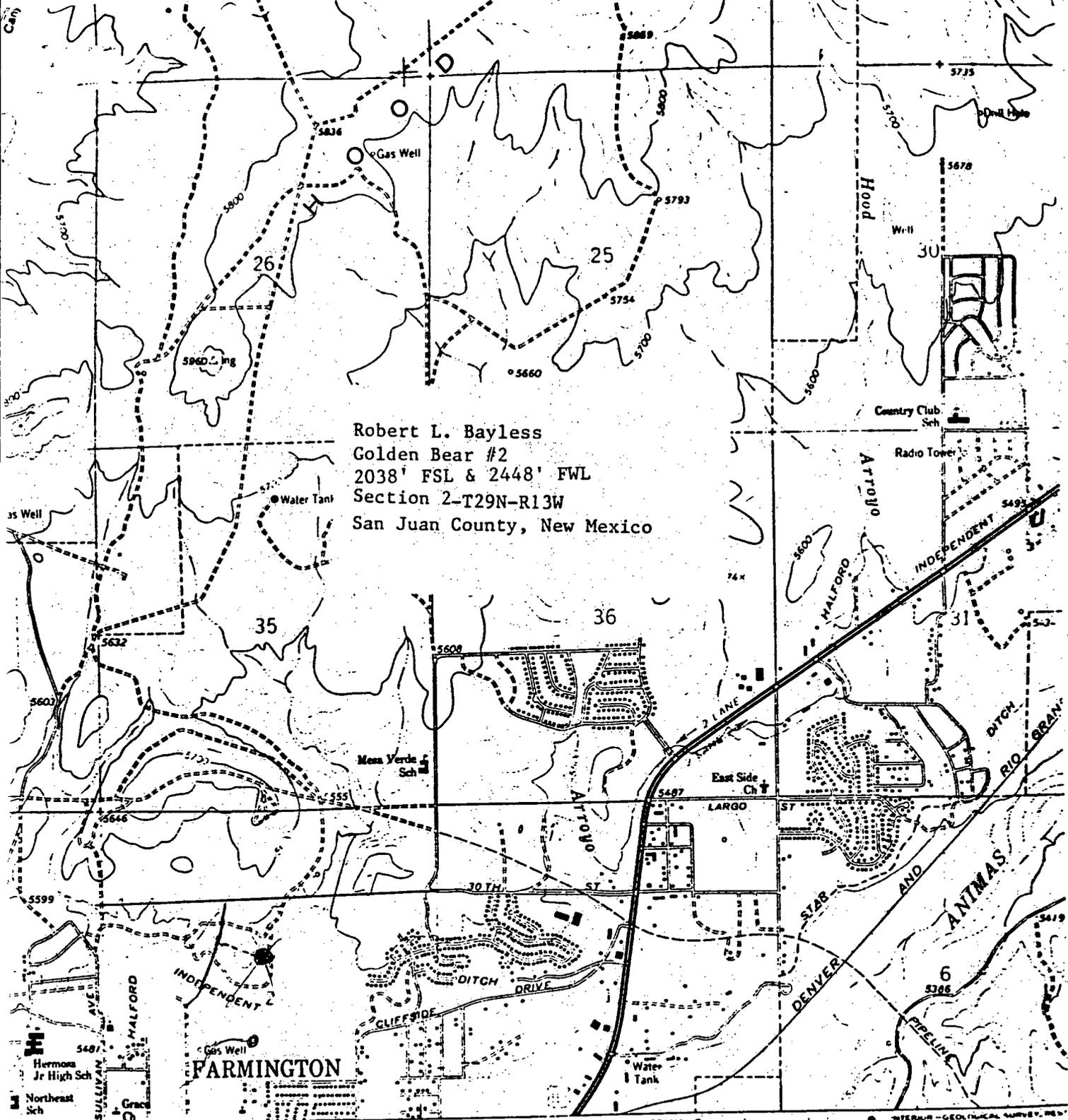
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	------------------------------------	----------------------------------	-------------------------

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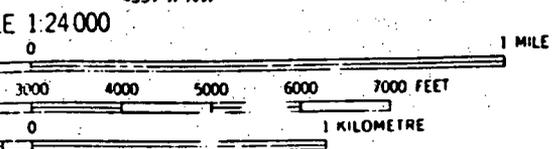
16	RECEIVED MAY - 2 1996		17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i> Price M. Bayless Engineer May 1, 1996
	OIL CON. DIV. DINT. 3		
Section 2	2448		18 SURVEYOR CERTIFICATION <i>I hereby certify that 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.</i> Date of Survey Signature and Seal of Professional Surveyor: George J. White N. Mex. 15 6159 Certificate Number
	2038		





Robert L. Bayless
 Golden Bear #2
 2038' FSL & 2448' FWL
 Section 2-T29N-R13W
 San Juan County, New Mexico

151 (FARMINGTON SOUTH) 152
 4357 11 NW



VERTICAL DATUM OF 1929



ROAD CLASSIFICATION

Heavy-duty	—————	Light-duty	—————
Medium-duty	—————	Unimproved	—————

U.S. Route

FARMINGTON NC
 N3645-W10E

NATIONAL MAP ACCURACY STANDARDS
 FEDERAL GEOLOGICAL SURVEY, RESTON, VIRGINIA 22092
 MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

CMD :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

09/06/96 10:46:28
OGOMES -EMEH

OGRID Idn : 19418 API Well No: 30 45 29372 APD Status(A/C/P): A
Opr Name, Addr: ROBERT L BAYLESS Aprvl/Cncl Date : 05-03-1996
PO BOX 168
FARMINGTON,NM 87499

Prop Idn: 18893 GOLDEN BEAR Well No: 2

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn : K	2	29N	13W				FTG 2038 F S	FTG 2448 F W
OCD U/L : K		API	County	45				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): P Ground Level Elevation : 5473

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 1560 Prpsd Frmtn : FULCHER KUTZ PC EXT

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

CMD :
OG6CLOG

ONGARD
C105-WELL COMPLETION OR RECOMP CASING LOG

09/06/96 10:46:08
OGOMES -EMEH

OGRID Identifier : 19418 ROBERT L BAYLESS
Prop Identifier : 18893 GOLDEN BEAR
API Well Identifier : 30 45 29372 Well No : 2
Surface Locn - UL : K Sec : 2 Twp : 29N Range : 13W Lot Idn :
Multiple comp (S/M/C) : N TVD Depth (Feet) : MVD Depth (Feet):
Spud Date : P/A Date :
Casing/Linear Record:

S Size Grade Weight Depth(ft) Depth(ft) Hole Size Cement ---- TOC ----
(inches) (lb/ft) Top-Liner Bot-Liner (inches) (Sacks) (feet) Code

E0004: No matching record found. Enter data to create.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 COMMENT PF10 TLOG PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

09/06/96 10:45:39
OGOMES - EMEH
PAGE NO: 2

Sec : 02 Twp : 29N Rng : 13W Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Fee owned	Fee owned A A	Fee owned	Fee owned
M 40.00	N 40.00	O 40.00	P 40.00
Fee owned	Fee owned	Fee owned	Fee owned A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12