

FLOYD OIL COMPANY

April 8, 1998

Mr. Ben Stone
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Application for Permit to Convert to Salt Water
Injector Well - New Mexico Federal 5-E Well
located 1,000' FSL and 1,115' FEL of Section
7-30N-12W San Juan County, New Mexico

Gentlemen:

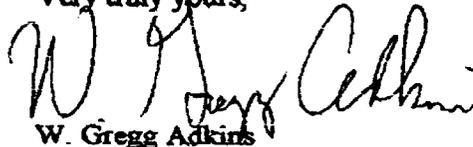
The purpose of this letter is for Floyd Operating Company, as Operator, to request that you grant approval of Robert L. Bayless's Application For Permit to allow him to attempt to convert the subject NM Federal 5-E Well from a plugged and abandoned well to a salt water disposal well.

Floyd Operating Company has agreed to convey said well to Robert L. Bayless contingent on their attempting to convert it to a salt water disposal well in the Mesa Verde formation. In accordance with the Permit previously filed by Bayless, Bayless agrees to attempt this conversion in a timely manner and in accordance with all rules, regulations and statutes of the Oil Conservation Commission and any other applicable governing bodies. Bayless further agrees to assume all responsibilities and obligations for said well and to hold Floyd Operating Company harmless and indemnify them from any future liability attributable thereto.

As a result of the above-described well conversion and in order to protect the Mesa Verde Formation in the offsetting New Mexico Federal 3-N Well, Floyd Operating Company intends to shut-in production from the Dakota Formation, rework the well to cement and seal off the Mesa Verde Formation and then restore said well to production. The 3-N Well is located 1,190' FNL and 1,190' FEL of Section 18-30N-12W San Juan County, New Mexico. Said 3-N Well is approximately 2,200' due south of the 5-E Well. (See attached plat)

If you have any questions concerning the intended course of action described above, please give me a call. Your earliest attention to this matter would be greatly appreciated.

Very truly yours,


W. Gregg Adkins

WGA:fw

cc: Greg Fox

TWO SHELL PLAZA • 777 WALKER, SUITE 2400 • HOUSTON, TEXAS 77002 • (713) 222-6275 • FAX (713) 222-6418

ST. MARY'S PLACE • 879-B WASHINGTON STREET • RALEIGH, NORTH CAROLINA 27605 • (919) 832-7560 FAX (919) 832-7678

CHECKLIST for ADMINISTRATIVE INJECTION APPLICATIONS

Operator: ROBERT L. RAYLESS Well: SWD No. 3 (NM Fed No. 5E)

Contact: TOM MCCARTHY Title: PE Phone: 505-326-2659

DATE IN 12-9 RELEASE DATE 12-24-97 DATE OUT 3-11-98

Proposed Injection Application is for: WATERFLOOD Expansion Initial

Original Order: R- Secondary Recovery Pressure Maintenance

SENSITIVE AREAS

SALT WATER DISPOSAL Commercial Well

WIPP Capitan Reef

Data is complete for proposed well(s)? YES Additional Data Req'd _____

AREA of REVIEW WELLS

4 Total # of AOR

0 # of Plugged Wells

YES Tabulation Complete

Schematics of P & A's

NO Cement Tops Adequate

YES AOR Repair Required FRON' 3 "A" 818

INJECTION FORMATION

Injection Formation(s) POINT LOOKOUT Compatible Analysis YES

Source of Water or Injectate DK + PC

PROOF of NOTICE

Copy of Legal Notice

Information Printed Correctly

Correct Operators

Copies of Certified Mail Receipts

NO Objection Received

Set to Hearing _____ Date

NOTES: _____

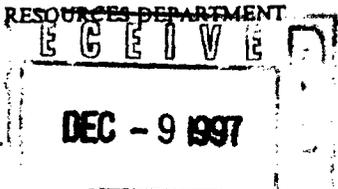
APPLICATION QUALIFIES FOR ADMINISTRATIVE APPROVAL? YES

COMMUNICATION WITH CONTACT PERSON:

1st Contact: Telephoned Letter _____ Date _____ Nature of Discussion _____

2nd Contact: Telephoned Letter _____ Date _____ Nature of Discussion _____

3rd Contact: Telephoned Letter _____ Date _____ Nature of Discussion _____



APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery _____ Pressure Maintenance _____ Disposal _____ Storage _____
Application submitted for administrative approval? Yes No

II. OPERATOR: ROBERT L. BAYLESS

ADDRESS: PO BOX 168 FARMINGTON, NM 87499

CONTACT PARTY: TOM MCCARTHY PHONE: (505)326-2659

III. WELL DATA: Complete the data required on the reverse side of this form for each well processed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project: Yes No
If yes, give the Division order number authorizing the project _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

* X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted.)

* XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: TOM MCCARTHY TITLE: PETROLEUM ENGINEER

SIGNATURE: [Signature] DATE: 10/10/97

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstance of the earlier submittal. _____

ROBERT L. BAYLESS

P. O. BOX 168
FARMINGTON, NM 87499

FAX NO
(505) 326-6911

OFFICE NO
(505) 326-2659

December 8, 1997

Oil Conservation Division
2040 Pacheco St
Santa Fe, NM 87505

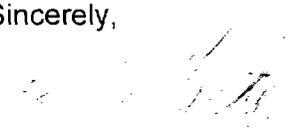
RE: Application for Authorization to Inject
SWD No. 3
SE SE, Section 7, T30N, R12W
San Juan County, NM

Gentlemen,

Attached is a new Application for Authorization to Inject. Bayless intends to reenter the New Mexico Federal No. 5E, drill out cement plugs, and complete the well for produced water disposal in the Point Lookout formation. The well will be renamed the SWD No. 3. The produced water to be injected will be from the Pictured Cliffs and/or Fruitland Coal formations, from wells on this and offsetting leases operated by Bayless.

If you have questions regarding this application please contact Tom McCarthy at Robert L. Bayless, PO Box 168, Farmington, NM 87499, or call (505)326-2659 during business hours.

Sincerely,


Tom McCarthy
Petroleum Engineer

TM/pc

Encl.

Part III. Well Data.

A.1. SWD No. 3. Formerly Sun Oil Company operated New Mexico Federal N No. 5E. Located 940' FSL and 1115' FEL, Section 7, T30N, R12W, San Juan County, New Mexico.

A.2. 8 5/8" casing set at 400' with 275 sacks cement. 4 1/2" 9.5# K-55 casing set at 6872' with a DV tool at 4010'. Cemented 1st stage with 725 sx. Howco Light followed by 100 sx. Class A. Cement circulated to the stage tool per the cement bond log. Cemented 2nd stage with 1450 sx. 50:50 poz. Top of cement at 800' based on temperature survey. Ran 800' of 1" tubing down annulus and cemented with 175 sx. 50:50 poz. Cement to surface. There is 600' of 1" tubing left in 8 5/8 - 4 1/2" annulus.

A.3. Tested used 2 3/8" J-55 EUE 4.7 PPF tubing will be set at 4410'. The tubing will not be lined.

A.4. Arrowset packer set at 4410'.

B.1. The injection formation will be the Point Lookout.

B.2. The injection formation will be perforated.

B.3. The subject well was originally drilled by Sun Oil Company in 1980 to test the Dakota and Mesa Verde. It was unsuccessful and was plugged and abandoned. Bayless will reenter the well, and complete it as a water disposal well.

B.4. There are no other perforated intervals in the well.

B.5. The next deeper producing zone in the area is the Gallup at 5950'. The next shallower producing zone in the area is the Pictured Cliffs at 2094'.

Part III. Well Data

Wellbore Diagram - Proposed Configuration

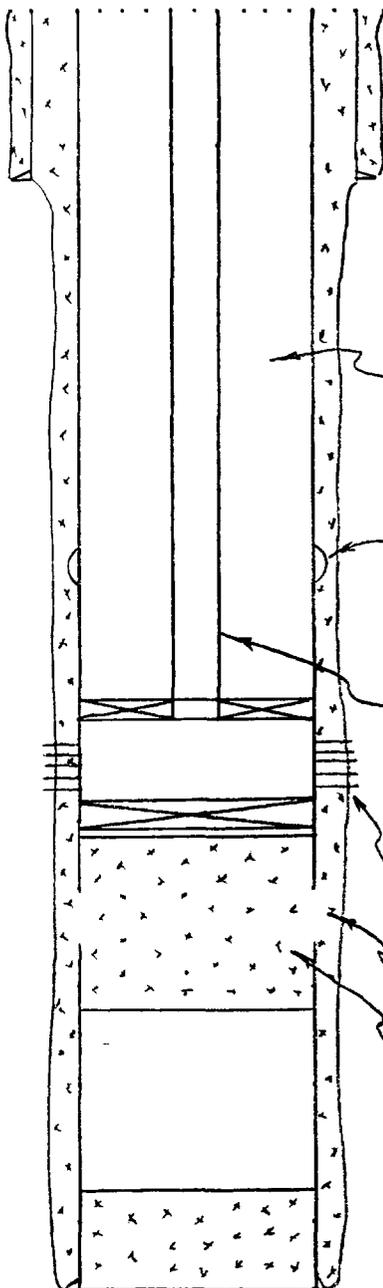
SWD No. 3

(Formerly the New Mexico Federal N No. 5E)

SE SE, Section 7, T30N, R12W

840' FSL & 1115' FEL

San Juan County, New Mexico



Ground Elevation: 5915'

KB Elevation: 5931'

**8 5/8" 24# Casing set at 400' in a 12 1/4" hole.
Cemented with 275 sx.**

Packer fluid.

DV tool at 4010'. Opened Stage tool. No Cement in returns. Cement with 1450 sx 50:50 poz. Top of cement at 800' per temperature survey. Run 800' 1" tubing in annulus. Cement with 175 sx 50:50 poz. Cemented to surface.

Tested used 2 3/8" J-55 4.7 PPF tubing to 4410'.

4 1/2" by 2 3/8" Arrowset 1-X retrievable neutral set production packer with 2 3/8" by 1.81" stainless steel F nipple and Type T-2 On-Off tool.

**Perfs at 4460 - 4478'; 37 holes.
CIBP at 4487'.**

Casing milled out from 4502-30'. Milled area squeezed with 545 sx Class B, 2% CaCl₂. Drilled out.

Cement plug (Class B, 2% CaCl₂), from 4488-4656'.

4 1/2" 9.5# K-55 STC casing set at 6872' in a 7 7/8" hole.

Cemented 1st stage w/ 725 sx Howco lite followed by 100 sx Class A. Cement to stage tool per Cement Bond log.

Plug Back Depth: 6741'

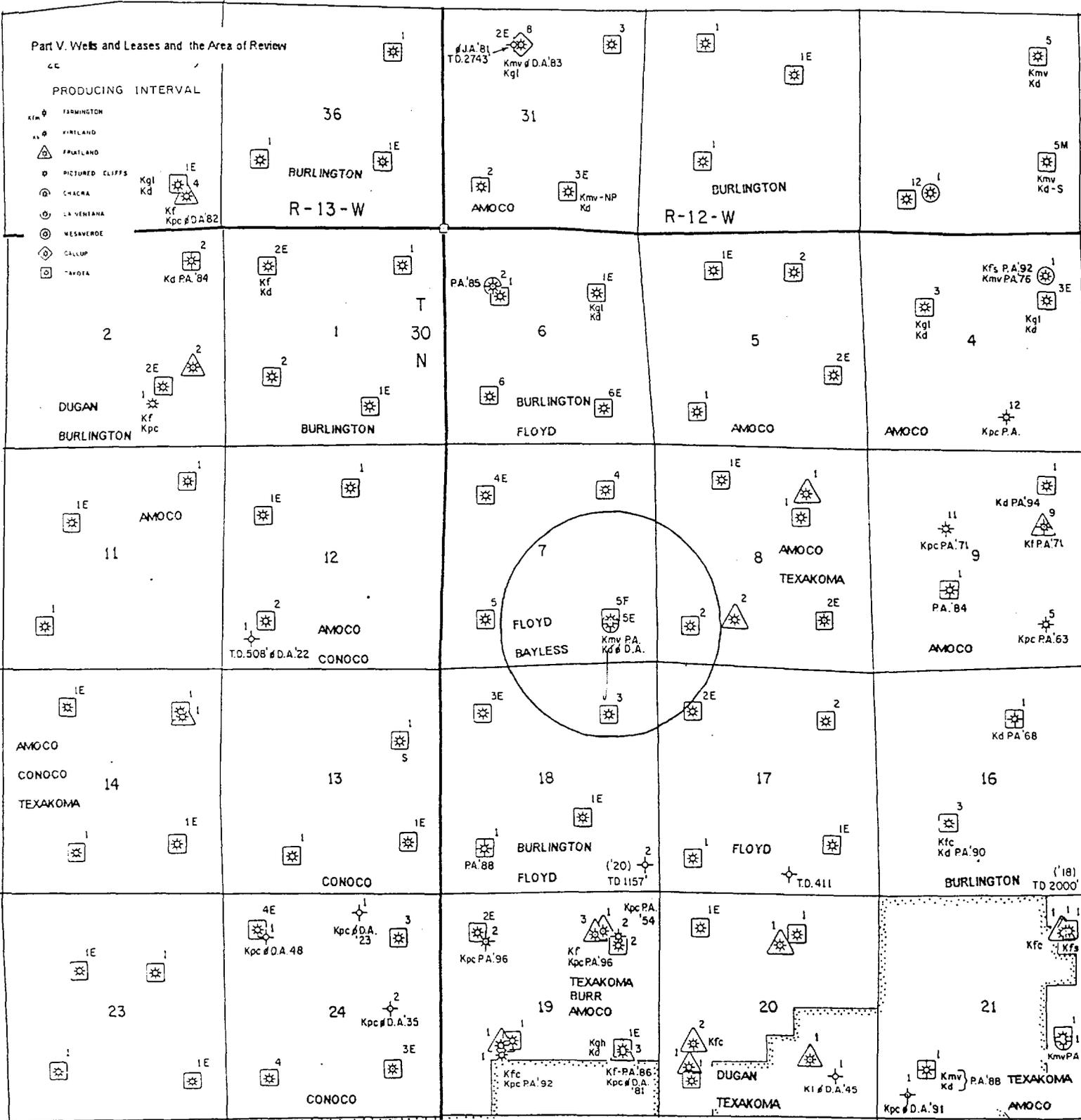
Total Depth: 6873'

Part V. Wells and Leases and the Area of Review

CC

PRODUCING INTERVAL

- ☐ FARMINGTON
- ⊙ FRIELAND
- △ FRIELAND
- ⊙ PICTURED CLIFFS
- ⊙ CHACRA
- ⊙ LA VENTANA
- ⊙ MESAVEROE
- ⊙ CALLUP
- ⊙ TAVOTA



Part V. Wells and Leases within Two Miles of the Proposed Injector
Page 1

<u>FIELD</u>	<u>RESERVOIR</u>	<u>LOCATION</u>	<u>OPERATOR</u>	<u>WELL/LEASE NAME</u>	<u>WELL #</u>	<u>STATUS</u>
BASIN (DAKOTA) DK	DAKOTA	4F 30N	AMOCO	L C KELLY	3	ACT
FLORA VISTA (GALLU	GALLUP	4F 30N	AMOCO	L C KELLY	3	ACT
BASIN (DAKOTA) DK	DAKOTA	5B 30N	AMOCO	L C KELLY	2	ACT
BASIN (DAKOTA) DK	DAKOTA	5C 30N	AMOCO	L C KELLY	1E	ACT
BASIN (DAKOTA) DK	DAKOTA	5I 30N	AMOCO	L C KELLY	2E	ACT
BASIN (DAKOTA) DK	DAKOTA	5M 30N	AMOCO	L C KELLY	1	ACT
BASIN (DAKOTA) DK	DAKOTA	6F 30N	BURLINGTON	HOLDER A	1	ACT
BASIN (DAKOTA) DK	DAKOTA	6H 30N	SOUTHLAND	HOLDER A	1E	INA
FLORA VISTA (GALLU	GALLUP	6H 30N	BURLINGTON	HOLDER A	1E	ACT
BASIN (DAKOTA) DK	DAKOTA	6M 30N	FLOYD	NEW MEXICO FEDERAL	6	ACT
BASIN (DAKOTA) DK	DAKOTA	6P 30N	FLOYD	NEW MEXICO FEDERAL	6E	ACT
BASIN (DAKOTA) DK	DAKOTA	7A 30N	FLOYD	NEW MEXICO FEDERAL	4	ACT
BASIN (DAKOTA) DK	DAKOTA	7D 30N	FLOYD	NEW MEXICO FEDERAL	4E	ACT
BASIN (DAKOTA) DK	DAKOTA	7M 30N	FLOYD	NEW MEXICO FEDERAL	5	ACT
BASIN (DAKOTA) DK	DAKOTA	7P 30N	FLOYD	NEW MEXICO FEDERAL	5F	ACT
BASIN (DAKOTA) DK	DAKOTA	8P 30N	AMOCO	JOHN SCHUMACHER	2E	ACT
BASIN (FRUITLAND C	FRUITLAND COAL	8B 30N	TEXAKOMA	FEDERAL 8 FC	1	ACT
BASIN (DAKOTA) DK	DAKOTA	8C 30N	AMOCO	JOHN SCHUMACHER	1E	ACT
BASIN (DAKOTA) DK	DAKOTA	8G 30N	AMOCO	JOHN SCHUMACHER	1	ACT
BASIN (DAKOTA) DK	DAKOTA	8M 30N	AMOCO	JOHN SCHUMACHER	2	ACT
BASIN (FRUITLAND C	FRUITLAND COAL	8N 30N	TEXAKOMA	FEDERAL 8 FC	2	ACT
BASIN (DAKOTA) DK	DAKOTA	9A 30N	AMOCO	MCKENZIE A	1	INA
SAN JUAN (PICTURED	PICTURED CLIFF	9F 30N	NORTHWEST	BLANCO 30 12 D	11	P&A
FLORA VISTA (FRUIT	FRUITLAND	9H 30N	NORTHWEST	BLANCO 30 12 C	9	P&A
BASIN (DAKOTA) DK	DAKOTA	9K 30N	TENNECO	MCKENZIE B	1	P&A
SAN JUAN (PICTURED	PICTURED CLIFF	9P 30N	NORTHWEST	BLANCO 30 12	5	P&A
BASIN (DAKOTA) DK	DAKOTA	16B 30N	ARCO	STATE C GAS COM	1	P&A
BASIN (DAKOTA) DK	DAKOTA	16K 30N	BURLINGTON	GONZALES COM	3	INA
BASIN (DAKOTA) DK	DAKOTA	17A 30N	FLOYD	NEW MEXICO FEDERAL	2	ACT

Part V. Wells and Leases within Two Miles of the Proposed Injector
Page 2

<u>FIELD</u>	<u>RESERVOIR</u>	<u>LOCALION</u>	<u>OPERATOR</u>	<u>WELL/LEASE NAME</u>	<u>WELL #</u>	<u>STATUS</u>
BASIN (DAKOTA) DK	DAKOTA	17D 30N	FLOYD	NEW MEXICO FEDERAL	2E	ACT
BASIN (DAKOTA) DK	DAKOTA	17M 30N	FLOYD	NEW MEXICO FEDERAL	1	ACT
BASIN (DAKOTA) DK	DAKOTA	17P 30N	FLOYD	NEW MEXICO FEDERAL	1E	ACT
BASIN (DAKOTA) DK	DAKOTA	18A 30N	FLOYD	NEW MEXICO FEDERAL	3	ACT
BASIN (DAKOTA) DK	DAKOTA	18D 30N	FLOYD	NEW MEXICO FEDERAL	3E	ACT
BASIN (DAKOTA) DK	DAKOTA	18J 30N	BURLINGTON	FEDERAL	1E	ACT
BASIN (DAKOTA) DK	DAKOTA	18M 30N	BURLINGTON	FEDERAL	1	P&A
BASIN (FRUITLAND C	FRUITLAND COAL	19K 30N	TEXAKOMA	TEXAKOMA FOOTHILLS	1	ACT
BASIN (DAKOTA) DK	DAKOTA	19A 30N	AMOCO	PAN AMERICAN FEDERA	2	ACT
BASIN (FRUITLAND C	FRUITLAND COAL	19B 30N	TEXAKOMA	FOOTHILLS C	1	ACT
FOOTHILLS (FRUITLA	FRUITLAND	19B 30N	TEXAKOMA	FOOTHILLS	3	INA
BASIN (DAKOTA) DK	DAKOTA	19D 30N	AMOCO	PAN AMERICAN FEDERA	2E	ACT
FULCHER KUTZ (PICT	PICTURED CLIFF	19D 30N	TEXAKOMA	FOOTHILLS	2	INA
FLORA VISTA (FRUIT	FRUITLAND	19I 30N	AMOCO	PAN AMERICAN FEDERA	3	P&A
BASIN (DAKOTA) DK	DAKOTA	19I 30N	AMOCO	PAN AMERICAN FEDERA	1E	ACT
FULCHER KUTZ (PICT	PICTURED CLIFF	19K 30N	BURR JOEL	FOOTHILLS	1	INA
BASIN (DAKOTA) DK	DAKOTA	19K 30N	AMOCO	PAN AMERICAN FEDERA	1	ACT
FOOTHILLS (FRUITLA	FRUITLAND	19K 30N	TEXAKOMA	FOOTHILLS	1	ACT
BASIN (DAKOTA) DK	DAKOTA	20B 30N	DUGAN	MCKENZIE	1	ACT
BASIN (FRUITLAND C	FRUITLAND COAL	20B 30N	TEXAKOMA	SAN JUAN FEDERAL	1	ACT
BASIN (DAKOTA) DK	DAKOTA	20D 30N	DUGAN	MCKENZIE	1E	ACT
FOOTHILLS (FRUITLA	FRUITLAND	20J 30N	TEXAKOMA	FOOTHILLS B	1	ACT
BASIN (FRUITLAND C	FRUITLAND COAL	20L 30N	TEXAKOMA	SAN JUAN FEDERAL	2	ACT
BASIN (DAKOTA) DK	DAKOTA	20M 30N	DUGAN	RICE	1	ACT
FOOTHILLS (FRUITLA	FRUITLAND	20M 30N	TEXAKOMA	FOOTHILLS A	1	ACT
BASIN (FRUITLAND C	FRUITLAND COAL	21A 30N	TEXAKOMA	TEXAKOMA-AMOCO A	1	ACT
BASIN (DAKOTA) DK	DAKOTA	21A 30N	AMOCO	DANBURG GAS COM B	1E	ACT
FLORA VISTA (FRUIT	FRUITLAND	21A 30N	TEXAKOMA	AMOCO	1	ACT
FLORA VISTA (MESAV	MESAVERDE	21I 30N	MAGNOLIA	DANBURG GAS UNIT	1	P&A
BASIN (DAKOTA) DK	DAKOTA	21I 30N	AMOCO	DANBURG GAS COM B	1	ACT
BASIN (DAKOTA) DK	DAKOTA	21M 30N	MOBIL	STEPHENS	1	P&A
FLORA VISTA (MESAV	MESAVERDE	21M 30N	MOBIL	STEPHENS	1	P&A

Part V. Wells and Leases within Two Miles of the Proposed Injector
Page 3

<u>FIELD</u>	<u>RESERVOIR</u>	<u>LOCALITY</u>	<u>OPERATOR</u>	<u>WELL/LEASE NAME</u>	<u>WELL #</u>	<u>STATUS</u>
BASIN (DAKOTA) DK	DAKOTA	1A 30N	BURLINGTON	REID A	1	ACT
BASIN (DAKOTA) DK	DAKOTA	1D 30N	BURLINGTON	REID A	2E	ACT
BASIN (FRUITLAND C	FRUITLAND COAL	1D 30N	BURLINGTON	REID A	2E	ACT
BASIN (DAKOTA) DK	DAKOTA	1L 30N	BURLINGTON	REID A	2	ACT
BASIN (DAKOTA) DK	DAKOTA	1O 30N	BURLINGTON	REID A	1E	ACT
WILDCAT (CHOKE CHE	CHOKE CHE RR F	2I 30N	DUGAN	SEVEN OF DIAMONDS	2	ACT
SAN JUAN (FRUITLAN	FRUITLAND	2I 30N	DUGAN	SEVEN OF DIAMONDS	2	INA
BASIN (DAKOTA) DK	DAKOTA	2J 30N	BURLINGTON	MONCRIEF COM A	2E	ACT
SAN JUAN (PICTURED	PICTURED CLIFF	2O 30N	DUGAN	SEVEN OF DIAMONDS	1	INA
BASIN (DAKOTA) DK	DAKOTA	11A 30N	AMOCO	BELL FEDERAL GAS CO	1	ACT
BASIN (DAKOTA) DK	DAKOTA	12B 30N	AMOCO	BELL FEDERAL GAS CO	1	ACT
BASIN (DAKOTA) DK	DAKOTA	12E 30N	AMOCO	BELL FEDERAL GAS CO	1E	ACT
BASIN (DAKOTA) DK	DAKOTA	12M 30N	CONOCO	MADDOX WN FEDERAL	2	ACT
BASIN (DAKOTA) DK	DAKOTA	13H 30N	CONOCO	MADDOX WN FEDERAL	1	ACT
BASIN (DAKOTA) DK	DAKOTA	13N 30N	CONOCO	MADDOX B FEDERAL CO	1	ACT
BASIN (DAKOTA) DK	DAKOTA	13P 30N	CONOCO	MADDOX WN FEDERAL	1E	INA
BASIN (DAKOTA) DK	DAKOTA	14A 30N	AMOCO	TAFT GAS COM	1	ACT
BASIN (FRUITLAND C	FRUITLAND COAL	14A 30N	TEXAKOMA	FOOTHILLS C	1	INA
BASIN (DAKOTA) DK	DAKOTA	14P 30N	CONOCO	MADDOX C WN FEDERAL	1E	ACT
BASIN	(DAKOTA)	24A 30N	CONOCO	MADDOX WN FEDERAL	3	ACT
BASIN	(DAKOTA)	24D 30N	CONOCO	MADDOX WN FEDERAL	4E	ACT
BASIN	(DAKOTA)	24P 30N	CONOCO	MADDOX WN FEDERAL	3E	ACT
BASIN (DAKOTA) DK	DAKOTA	31M 31N	BURLINGTON	TALIAFERRO	2	ACT
BASIN (DAKOTA) DK	DAKOTA	31O 31N	BURLINGTON	TALIAFERRO	3E	ACT
BASIN (DAKOTA) DK	DAKOTA	32K 31N	AMOCO	STATE GAS COM BD	1	ACT
BASIN (DAKOTA) DK	DAKOTA	36J 31N	BURLINGTON	FARMINGTON COM B	1E	ACT

Part VI.

Tabulation of Data on Wells of Record in Area of Review*
All Wells Located in San Juan County, New Mexico

Well Name: New Mexico Federal N No. 5F
Operator: Floyd Operating Company
Spot: 1000' fsl & 1115' fwl
Sec.-T-R: 7-30N-12W
Type: Dakota gas well.
Spud Date: 4/23/82
Completion Date: 7/27/82
Total Depth: 6900'
Surface Casing: 8 5/8" 24# K-55
Set at: 351' in a 12 1/4" hole.
Cement: 275 sx. Class B 2% CaCl₂. Cement circulated.
Production Casing: 4 1/2" 10.5# K-55 with DV tool at 4188'.
Set at: 6900' in a 7 7/8" hole.
Cement: 1st stage: 425 sx 65:35 poz, 6% gel, 10# gilsonite/sx. Tail with
160 sx Class B. 2nd stage: 1300 sx. 50:50 poz, .2% gel, 10# gilsonite/sx.
Top of cement at 1700' per temperature survey.
Perforations: 6592-6682' overall. Fraced with 89,000 gal. foam and 165,000# 20-40 sand.
Potential: 2456 MCFD

Well Name: John Schumacher No. 2
Operator: Amoco
Spot: 890' fsl & 790' fwl
Sec.-T-R: 8 - 30N - 12W
Type: Dakota gas well.
Spud Date: 1/17/64
Completion Date: 2/15/64
Total Depth: 6735'
Surface Casing: 8 5/8" 24#
Set at: 350'
Cement: 250 sx cement with 2% CaCl₂. Cement circulated.
Production Casing: 4 1/2" 10.5# with a DV tool at 4810'.
Set at: 6734' in a 7 7/8" hole.
Cement: 1st stage: 400 sx with 6% gel. Tail in with 100 sx neat.
2nd stage: 800 sx with 6% gel.
Perforations: 6584-6604, 6610-6620', 4 spf. Fraced with 48,200 gallons and 40,000# sand.
Potential: 1500 MCFD.

Part VII. Proposed Operations Data.

1. The proposed average daily injection rate is 300 BWPD. The proposed maximum daily injection rate is 500 BWPD. These rates may be adjusted based on well tests.
2. The injection system will be closed.
3. The proposed average injection pressure will be 1600 psi. The proposed maximum injection pressure will be 2500 psi. These pressures may be adjusted based on well tests.
4. The source of the water will be various Pictured Cliffs and/or Fruitland Coal wells to be drilled on this and adjacent properties by the operator. A typical water analysis is attached. Pictured Cliffs and Fruitland Coal waters are disposed of into other Mesa Verde disposal wells in the area with no apparent compatibility problems. Compatibility of the water to be injected will be tested upon completion of the well.
5. Bayless does not have a water analysis for the injection zone at this time. However, the following water analysis has a resistivity comparable to known Point Lookout water resistivities in the area. As a result, it is representative of Point Lookout waters. If possible, a sample of Point Lookout water will be collect during completion.

Ph:	7.46	
Specific Gravity:	1.025	
Resistivity:	.22	Ohm-m

<u>Constituent</u>	<u>PPM</u>
FE	0
CA	385
MG	39
K	460
CL	14535
SO4	0
HCO3	1122

Total Dissolved Solids:	25603
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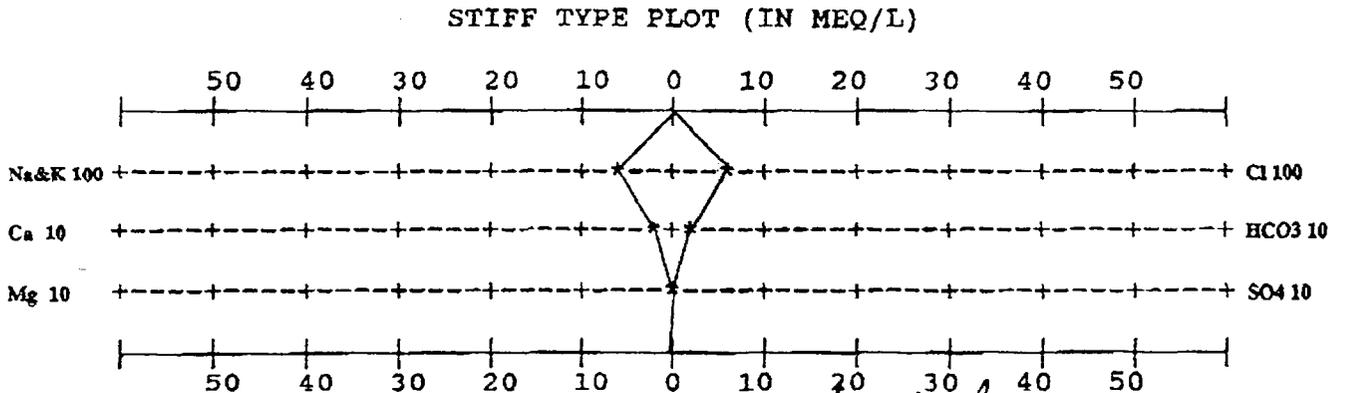
BJ SERVICES COMPANY
WATER ANALYSIS #FW01W111
FARMINGTON LAB

GENERAL INFORMATION		
OPERATOR: R.L. BAYLESS	DEPTH:	DATE SAMPLED: 01/31/97
WELL: GOLDEN BEAR #1		DATE RECEIVED: 01/31/97
FIELD:		COUNTY: SAN JUAN STATE: NM
SUBMITTED BY: TOM MCCARTHY		FORMATION: PICTURED CLIFFS
WORKED BY : D. SHEPHERD		
PHONE NUMBER: 326-6911 FAX		

SAMPLE DESCRIPTION
SAMPLE FOR ANALYSIS

PHYSICAL AND CHEMICAL DETERMINATIONS			
SPECIFIC GRAVITY:	1.027	@ 74°F	PH: 7.46
RESISTIVITY (MEASURED):	0.160	ohms @ 78°F	
IRON (FE++) :	0 ppm	SULFATE:	2 ppm
CALCIUM:	468 ppm	TOTAL HARDNESS	1,364 ppm
MAGNESIUM:	47 ppm	BICARBONATE:	832 ppm
CHLORIDE:	22,439 ppm	SODIUM CHLORIDE (Calc)	36,912 ppm
SODIUM+POTASS:	14,236 ppm	TOT. DISSOLVED SOLIDS:	38,872 ppm
H2S: NO TRACE		POTASSIUM PPM:	80

REMARKS
WATER IS CLEAR



ANALYST D. Shepherd
 D. SHEPHERD

Part VIII. Geological Data on the Injection Zone and Aquifers.

The injection zone is the Point Lookout sandstone of the Mesa Verde group. The perforated interval will be 21 feet thick, from 4460 to 4481 feet. The overall thickness of the Point Lookout sandstone is 54 feet, from 4442 to 4496 feet. The porosity of the sandstone is 12%, with a water saturation of 74%. The permeability of the Point Lookout is approximately 2 millidarcies.

No sources of drinking water are known to exist below the Point Lookout, the injection zone. Water wells in Section 18, south of the proposed injection well, appear to be producing from the Ojo Alamo sandstone or sandstones in the Nacimiento formation. The base of the Ojo Alamo sandstone is at 610 feet in the proposed injection well. The Nacimiento formation overlies the Ojo Alamo.

Part IX. Proposed Stimulation Program.

If necessary, the injection zone will be stimulated with 1,500 gallons 15% HCl acid, followed by a fracture treatment consisting of 50,000 gallons Nitrogen foam and 80,000 pounds 20-40 sand.

Part X. Logging and Test Data.

Open hole logs for the proposed well were submitted to the Division by Sun Gas Company in 1980. Tests run by Bayless to ascertain injectivity will be submitted when run.

Part XI. Chemical Analysis of Nearby Fresh Water Wells

A chemical analysis of nearby fresh water wells is attached.

Part XII. Affirmative Statement.

Bayless has examined available geologic and engineering data in the area of the proposed injection well and can find no evidence of open faults or any other hydrologic connection between the injection zone and any underground source of drinking water.

OFF: (505) 325-5667



LAB: (505) 325-1556

API WATER ANALYSIS

Attn: *Tom McCarthy*
 Company: *Robert L. Bayless Oil*
 Address: *P.O. Box 168*
 City, State: *Farmington, NM 87499*

Date: *9-Oct-97*
 COC No.: *6504*
 Sample ID: *16460*
 Job No.: *2-1000*

Project Name: **Mike Dawson Water Well**
 Project Location: **41 CR 3810 Farmington NM**
 Sampled by: TM Date: 1-Oct-97 Time: NR
 Analyzed by: HR Date: 7-Oct-97

API RP-45 Laboratory Analysis

Parameter	Result	Unit of Measure	Result	Unit of Measure
<i>Cations</i>				
Sodium Na	91	mg/L	3.96	me/L
Calcium Ca	455	mg/L	22.71	me/L
Magnesium Mg	43.6	mg/L	3.59	me/L
Potassium K	5.4	mg/L	0.14	me/L
<i>Anions</i>				
Chloride Cl	16	mg/L	0.46	me/L
Sulfate SO4	1477	mg/L	30.75	me/L
Carbonate CO3	<1	mg/L	<0.01	me/L
Bicarbonate HCO3	239	mg/L	3.92	me/L
Hydroxide OH	<1	mg/L	<0.01	me/L
Sulfide S2	NA	mg/L	NA	me/L
Iron Fe	<0.05	mg/L	<0.01	me/L
Total Dissolved Solids Calculated, Sum of Cation/Anion	2327	mg/L	<i>Cation-Anion Balance</i> 4.74 Difference Cation-Anion, me/L 65.52 Total Cation-Anion, me/L 7.2 % Difference Cation-Anion	
pH	7.00		<i>Comments</i> NA: Not Analyzed	
Resistivity	4,1494	ohm-m		
Specific Gravity	1.0024			
Total Hardness as CaCO3	1316	mg/L		

Approved by: *[Signature]*
 Date: *10/9/97*

P.O. BOX 2606 • FARMINGTON, NM 87499

- TECHNOLOGY BLENDING INDUSTRY WITH THE ENVIRONMENT -

**ANALYTICAL REPORT**

Attn: *Tom McCarthy*
 Company: *Robert L. Bayless Oil*
 Address: *P.O. Box 168*
 City, State: *Farmington, NM 87499*

Date: *9-Oct-97*
 COC No.: *6504*
 Sample ID: *16378*
 Job No.: *2-1000*

Project Name: ***Elma Roget Water Well***
 Project Location: ***340 CR 3800 Farmington, NM***
 Sampled by: TM Date: *26-Sep-97* Time: *8:40*
 Analyzed by: HR Date: *7-Oct-97*

API RP-45 Laboratory Analysis

<i>Parameter</i>	<i>Result</i>	<i>Unit of Measure</i>	<i>Result</i>	<i>Unit of Measure</i>
<i>Cations</i>				
<i>Sodium Na</i>	<i>147</i>	<i>mg/L</i>	<i>6.39</i>	<i>me/L</i>
<i>Calcium Ca</i>	<i>483</i>	<i>mg/L</i>	<i>24.10</i>	<i>me/L</i>
<i>Magnesium Mg</i>	<i>49.2</i>	<i>mg/L</i>	<i>4.05</i>	<i>me/L</i>
<i>Potassium K</i>	<i>5.8</i>	<i>mg/L</i>	<i>0.15</i>	<i>me/L</i>
<i>Anions</i>				
<i>Chloride Cl</i>	<i>25</i>	<i>mg/L</i>	<i>0.70</i>	<i>me/L</i>
<i>Sulfate SO4</i>	<i>1722</i>	<i>mg/L</i>	<i>35.85</i>	<i>me/L</i>
<i>Carbonate CO3</i>	<i>< 1</i>	<i>mg/L</i>	<i>< 0.01</i>	<i>me/L</i>
<i>Bicarbonate HCO3</i>	<i>217</i>	<i>mg/L</i>	<i>3.56</i>	<i>me/L</i>
<i>Hydroxide OH</i>	<i>< 1</i>	<i>mg/L</i>	<i>< 0.01</i>	<i>me/L</i>
<i>Sulfide S2</i>	<i>NA</i>	<i>mg/L</i>	<i>NA</i>	<i>me/L</i>
<i>Iron Fe</i>	<i>< 0.05</i>	<i>mg/L</i>	<i>< 0.01</i>	<i>me/L</i>
<i>Total Dissolved Solids</i>			<i>Cation-Anion Balance</i>	
<i>Calculated, Sum of Cation/Anion</i>	<i>2649</i>	<i>mg/L</i>	<i>5.41 Difference Cation-Anion, me/L</i>	
			<i>74.80 Total Cation-Anion, me/L</i>	
			<i>7.2 % Difference Cation-Anion</i>	
<i>pH</i>	<i>6.97</i>		<i>Comments</i>	
<i>Resistivity</i>	<i>3.5714</i>	<i>ohm-m</i>	<i>NA: Not Analyzed</i>	
<i>Specific Gravity</i>	<i>1.0030</i>			
<i>Total Hardness as CaCO3</i>	<i>1409</i>	<i>mg/L</i>		

Approved by: *[Signature]*
 Date: *10/19/97*

Part XIII. Proof of Notice

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

FLOYD OIL COMPANY
711 LOUISIANA, SUITE 1740
HOUSTON TX 77002

4a. Article Number

Z 382 113 874

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

NOV 28 1997

5. Received By: (Print Name)

Thomas Sheelan

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X Thomas Sheelan

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

BUREAU OF LAND MANAGEMENT
1235 LA PLATA HWY
FARMINGTON, NM 87401

4a. Article Number

Z 382 113 876

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

11-26-97

5. Received By: (Print Name)

George

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X George

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

TEXAKOMA OIL & GAS CORP
5400 LBJ FREEWAY, SUITE 500
DALLAS, TX 75240-6236

4a. Article Number

Z 382 112 071

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

12-1-97

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X Donna Bradshaw

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

BURLINGTON RESOURCES INC.
3535 E 30th STREET
FARMINGTON, NM 87402

4a. Article Number
Z 382 113 875

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

7. Date of Delivery
12-1-97

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X SHAAG *Shaag*

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

AMOCO PRODUCTION COMPANY
200 AMOCO CT
FARMINGTON, NM 87401

4a. Article Number
Z 382 113 873

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

7. Date of Delivery
11-28-97

5. Received By: (Print Name)
Darlene Wilson

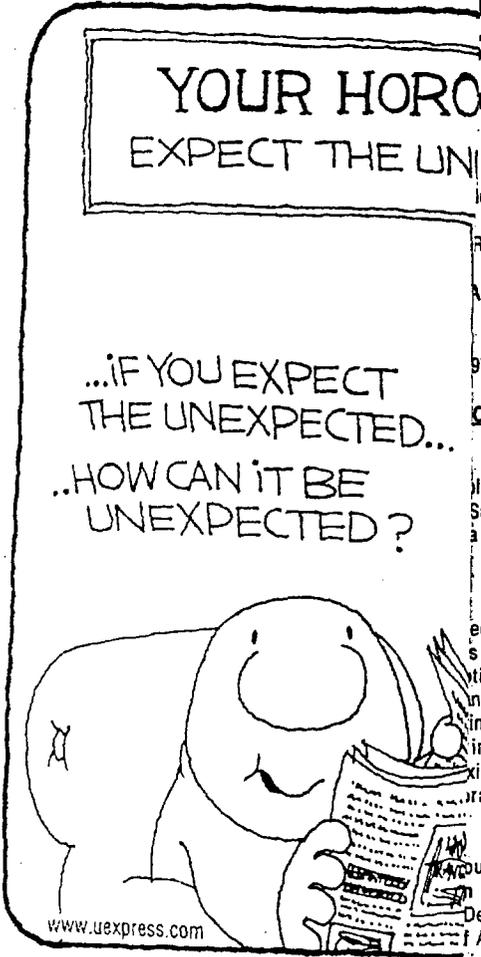
8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X *Darlene Wilson*

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

ZIGGY



Legals

**LEGAL NOTICE
INTENT TO DISPOSE OF
PRODUCED WATER IN THE
SUBSURFACE**

Robert L. Bayless is requesting approval to reenter the New Mexico Federal N No. 5E and complete it as a water disposal well. The well will be renamed the SWD No. 3. The well is located 940' FSL and 1115' FEL, (SE SE), Section 7, T30N, R12W, San Juan County, New Mexico. The proposed injection zone is in the Mesa Verde Group in the Point Lookout formation at 4460 to 4481'. The proposed average injection rate is 300 BWPD and the proposed maximum injection rate is 500 BWPD. The proposed maximum anticipated injection pressure is 2500 psi. Any questions regarding this notice should be addressed to Tom McCarthy with Robert L. Bayless at PO Box 168, Farmington, NM 87499, or can be discussed by calling (505) 326-2659 during business hours. Interested parties must file objections or a request for hearing with the Oil Conservation Division, PO Box 2088, Santa Fe, NM 87504-2088 within 15 day.

Legal No. 38798 published in The Daily Times, Farmington, New Mexico, on Monday, December 1, 1997.

Legals

NOTICE OF PUBLIC SALE

TO WHOM IT MAY CONCERN:

Notice is hereby given that on December 2, 1997 at 2:00 p.m. a public sale will be held at Century Equipment Company, Inc., (CENTURY*) 1097 HWY. 3, Durango, Colorado 81301 to sell, as is, for cash, the following collateral, to wit:

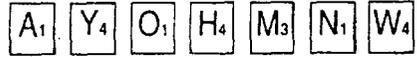
One (1) CASE 590 Tractor Loader Backhoe with cab, 4x4, Extendahoe and 4 in 1 Loader Bucket. Serial Number: JJG0206924

Said collateral being held to secure an obligation arising under a retail installment security agreement (conditional sales contract) held by "Century" as secured party. Said public sale is to be conducted according to the laws of the State of Colorado. "Century"

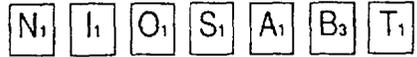
SCRABBLE GRAMS



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Triple Word Score



2nd Letter Triple



4th Letter Double

PAR SCORE 125-135

by JUDD

FOUR RACK TIME LIMIT: 2

DIRECTIONS: Make a 2 to 7 letter word from the letters in points of each word, using scoring directions at right. 7-letter point bonus. "Blanks" used as any letter have no point value. All are in The Official Scrabble Players Dictionary (Merriam-Webster Official Scrabble Words (Chambers)). **JUDD'S SOLUTION T** 12-1-97 © 1997, United Featu

SOLUTION: See bottom of page



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808 House Furn.

AZTEC, NICE, lg. 3 BR, 2 BA, 2-car gar., FP, lg. fen. yd. w/ patio, across from Aztec high, \$800 + dep. 334-6487

* IN FARMINGTON, * 5 BR, 3 BA, fenced backyard, some pets considered, no smokers. \$800 mo. + utilities and \$500 dep. Call 334-2501 daytime, or 333-2478 evenings. * * *

809 MH Furn.

1 & 2 BR, trailers, \$88 week & up. Discount for mo., utilities pd., no dogs. 326-1617

810 MH Ply. Furn.

2 14x80s, 3 BR, 2 BA, \$475. 2 BR, 2 BA, \$450. 14x70, 2 BR, 1 BA, \$400. You pay lights & gas, \$250 CD. Must have ref. No pets. HUD accepted. 632-3006

811 MH Unfurn.

12x72 2 BR, \$340 mo., + util., + dep. Rent to own optional. 1201 Randolph #12. 326-3132

2 & 3 BR MHs in Bloomfield. 632-2488, 334-6353 or 334-6050. Call Mon. - Sat.

812 MHS

AT MONTEREY Ms is as Manor, 14 & 16-wide available, individual, fences. Children welcd dogs. 325-4714

1/2-ACRE MOBILE HO101 for rent. 325-7495

8 TRAILER SPACES and acre in Bloomfield area 7642 or 327-4471

GENEROUS-SIZED THE spaces. Rec. center COURT ground, landscaped pal Mesa Residential Coml 327-2755

IN FARMINGTON. No New lots and utilities. newer. 325-7723

MOBILE HOME lot. 32 or 326-3841

NICE QUIET park, fenced lawn, shade trees, storage shed. 632-3006

813 Comm. Property

4000 SQ. FT. FOR LEA E. Main, new building

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38
28

ROBERT L. BAYLESS

P. O. BOX 168
FARMINGTON, NM 87499FAX NO
15051 326-6911OFFICE NO
15051 326-2659

April 6, 1998
Mr. Ben Stone
Oil Conservation Division
2040 Pacheco St.
Santa Fe, NM 87505

RE: Application for Authorization to Inject
SWD No. 3
SE SE Sec. 7, T30N, R12W
San Juan County, NM

Dear Mr. Stone,

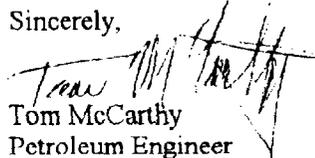
Bayless sent the referenced application to inject to the Division on December 8, 1997. Since that time the application has been pending due to a possible cement coverage issue in a well within the area of influence. This well is the New Mexico Federal N No. 3, operated by Floyd Oil Company. Floyd Oil Company has agreed to repair this well as described in the attached letter, after Bayless demonstrates that the SWD No. 3 is a viable injector.

We request that the Division approve the SWD No. 3 injection permit, stipulating that Bayless complete a viable injection well, and that Floyd cover the Point Lookout zone with cement in their New Mexico Federal N No. 3 before actual injection operations begin.

We also request that the Division allow Bayless to change Part VII.4. of the permit to read as follows; " The source of the water will be various Pictured Cliffs, Fruitland Coal, and Dakota wells completed on this and nearby properties. Typical water analysis data is attached. Pictured Cliffs, Fruitland Coal, and Dakota water is disposed of into other Mesa Verde disposal wells in the area with no apparent compatibility problems. Compatibility of the water to be injected will be tested upon completion of the well." Enclosed is a Dakota well water analysis that should be attached to the permit application.

Your prompt approval of this permit as amended will be appreciated. We would like to begin our field operations as soon as possible. If possible, please fax me an approval.

Sincerely,



Tom McCarthy
Petroleum Engineer

Encl.

Laboratory Water Analysis for Dakota Formation Produced Water

Pioneer Federal No. 1
Sec. 29, T30N, R12W
San Juan County, NM

Ellsworth No. 1
Sec. 29, T30N, R12W
San Juan County, NM

Samples from Water Tank

HALLIBURTON COMPANY
FARMINGTON DISTRICT

DEC 22 1986

LABORATORY WATER ANALYSIS No. _____

To Mesa Limited Partnership

Date 11/19/86

PRODUCTION REC'D

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. _____

Well No. _____ Depth _____ Formation _____

County _____ Field _____ Source _____

	<u>Nyecom 1E-Dakota</u>	<u>Farmington Com 1</u>	<u>Ellsworth 1</u>
Resistivity	89.5 @ 60.6°	115 @ 62.7°	74.6 @ 61°
Specific Gravity			
pH	5.42	5.04	5.8
Calcium (Ca)	50 mg/l	0 mg/l	0 mg/l *MPL
Magnesium (Mg)	0 mg/l	0 mg/l	0 mg/l
Chlorides (Cl)	68 mg/l	38 mg/l	38 mg/l
Sulfates (SO ₄)	0 mg/l	2 mg/l	0 mg/l
Bicarbonates (HCO ₃)	106 mg/l	106 mg/l	70 mg/l
Soluble Iron (Fe)	not present	not present	not present
	TDS less Na = 224	TDS less Na = 146	TDS less Na = 108
		<u>water tank</u>	<u>water tank</u>

Remarks: _____ *Milligrams per liter

Respectfully submitted,

Analyst: Warren Miller
cc:

HALLIBURTON COMPANY

By _____

NOTICE

This report is limited to the described sample tested. Any user of this report agrees that Halliburton shall not be liable for any loss or damage, whether it be to act or omission, resulting from such report or its use.

cc: 1/30/87: Marketing, Regulatory, Mill file

HALLIBURTON COMPANY
FARMINGTON DISTRICT
LABORATORY WATER ANALYSIS

No. _____

DEC 22 1986

To Mesa Limited Partnership

Date 11/19/86

PRODUCTION RECORD

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. _____

Well No. _____ Depth _____ Formation _____

County _____ Field _____ Source _____

	Johnston 1	Pioneer Fed 1	Standard 1
Resistivity	2.60 @ 61°	5.31 @ 67.4°	152.6 @ 75.2°
Specific Gravity			
pH	4.91	7.06	5.2
Calcium (Ca)	350 mg/l	0 mg/l	0 mg/l *MPL
Magnesium (Mg)	0 mg/l	0 mg/l	0 mg/l
Chlorides (Cl)	1137 mg/l	606 mg/l	64 mg/l
Sulfates (SO ₄)	2 mg/l	0 mg/l	2 mg/l
Bicarbonates (HCO ₃)	0 mg/l	634 mg/l	70 mg/l
Soluble Iron (Fe)	heavy presence	not present	not present
	TDS less Na = 1,489	TDS less Na = 1,240	TDS less Na = 136

Remarks:

*Milligrams per liter

Respectfully submitted,

Analyst: Warren Miller
CC:

HALLIBURTON COMPANY

By _____

NOTICE

This report is limited to the described sample tested. Any user of this report agrees that Halliburton shall not be liable for any loss or damage, whether it be to act or omission, resulting from such report or its use.

copy: Marketing, Regulatory, Mill file
10/25

FLOYD OIL COMPANY

April 8, 1998

Mr. Ben Stone
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Application for Permit to Convert to Salt Water
Injector Well - New Mexico Federal 5-E Well
located 1,000' FSL and 1,115' FEL of Section
7-30N-12W San Juan County, New Mexico

Gentlemen:

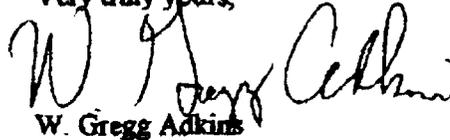
The purpose of this letter is for Floyd Operating Company, as Operator, to request that you grant approval of Robert L. Bayless's Application For Permit to allow him to attempt to convert the subject NM Federal 5-E Well from a plugged and abandoned well to a salt water disposal well.

Floyd Operating Company has agreed to convey said well to Robert L. Bayless contingent on their attempting to convert it to a salt water disposal well in the Mesa Verde formation. In accordance with the Permit previously filed by Bayless, Bayless agrees to attempt this conversion in a timely manner and in accordance with all rules, regulations and statutes of the Oil Conservation Commission and any other applicable governing bodies. Bayless further agrees to assume all responsibilities and obligations for said well and to hold Floyd Operating Company harmless and indemnify them from any future liability attributable thereto.

As a result of the above-described well conversion and in order to protect the Mesa Verde Formation in the offsetting New Mexico Federal 3-N Well, Floyd Operating Company intends to shut-in production from the Dakota Formation, rework the well to cement and seal off the Mesa Verde Formation and then restore said well to production. The 3-N Well is located 1,190' FNL and 1,190' FEL of Section 18-30N-12W San Juan County, New Mexico. Said 3-N Well is approximately 2,200' due south of the 5-E Well. (See attached plat)

If you have any questions concerning the intended course of action described above, please give me a call. Your earliest attention to this matter would be greatly appreciated.

Very truly yours,


W. Gregg Adkins

WGA:fw

cc: Greg Fox