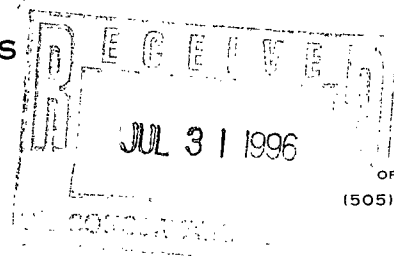


ROBERT L. BAYLESS

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.

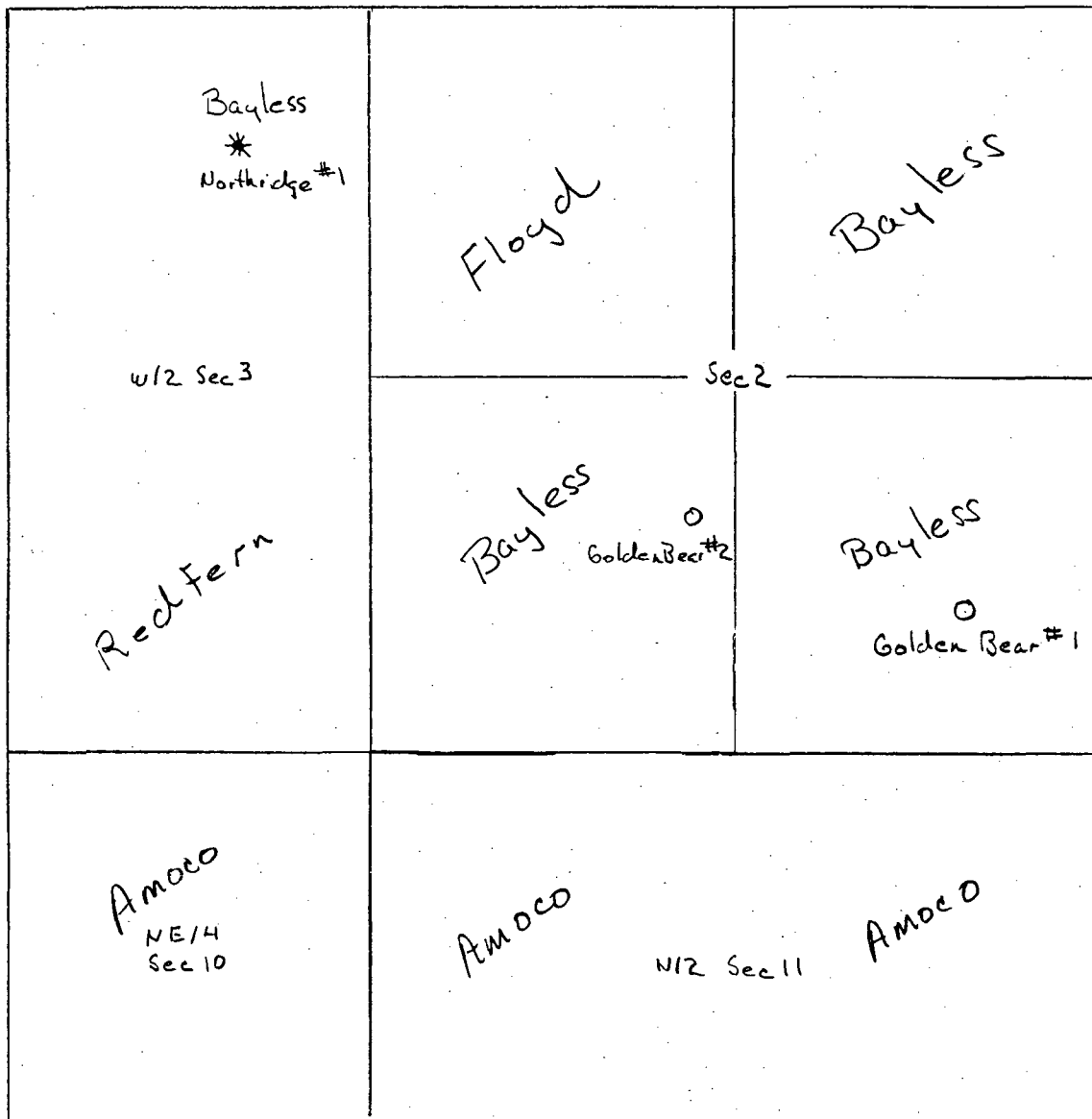
I believe this request provides all the information required by NMOCD regulations for an unorthodox location. If any other information is needed, please call. Your prompt response to this request is appreciated.

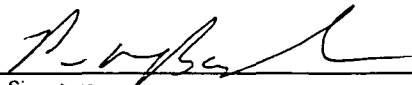

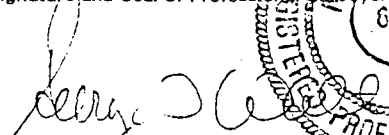
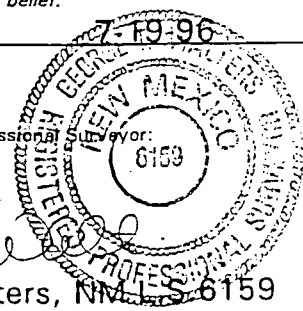
Yours Truly,

Kevin H. McCord
Petroleum Engineer

enc.

Township 29 N - Range 13 W



16				<div data-bbox="968 1036 1445 1072">17 OPERATOR CERTIFICATION</div> <div data-bbox="968 1087 1500 1138"><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></div> <div data-bbox="968 1236 1554 1513"><div data-bbox="976 1240 1390 1323"></div><div data-bbox="976 1312 1554 1338">Signature</div><div data-bbox="999 1334 1265 1364">Price M. Bayless</div><div data-bbox="976 1364 1554 1389">Printed Name</div><div data-bbox="999 1385 1133 1415">Engineer</div><div data-bbox="976 1415 1554 1440">Title</div><div data-bbox="999 1436 1116 1466">7/24/96</div><div data-bbox="976 1466 1554 1491">Date</div></div>
	<div data-bbox="295 1698 366 1727">2363</div> <div data-bbox="421 1691 469 1742"></div> <div data-bbox="366 1855 437 1887">2001</div>	<div data-bbox="498 1534 655 1570">Section 2</div>		<div data-bbox="968 1534 1445 1570">18 SURVEYOR CERTIFICATION</div> <div data-bbox="968 1585 1500 1687"><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></div> <div data-bbox="968 1723 1125 1753">Date of Survey</div> <div data-bbox="968 1789 1554 2019"><div data-bbox="976 1793 1554 1821">Signature and Seal of Professional Surveyor:</div><div data-bbox="999 1815 1390 1949"></div><div data-bbox="999 1942 1523 1985">George T. Walters, N.M.L.S. 6159</div><div data-bbox="968 1993 1148 2019">Certificate Number</div><div data-bbox="1242 1676 1546 1985"></div></div>

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

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

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

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-045-29372
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
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.)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	7. Lease Name or Unit Agreement Name GOLDEN BEAR
2. Name of Operator ROBERT L. BAYLESS	8. Well No. 2
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 <u>K</u> : <u>2001</u> Feet From The <u>NORTH</u> <u>S</u> Line and <u>2363</u> Feet From The <u>WEST</u> Line Section <u>2</u> Township <u>29N</u> Range <u>13W</u> NMPM <u>SAN JUAN</u> 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 ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☒
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

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 Price M. Bayless TITLE ENGINEER DATE 7/24/96
TYPE OR PRINT NAME PRICE M. BAYLESS TELEPHONE NO. 326-2659

(This space for State Use)

APPROVED BY Ernest Basch TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #2 DATE JUL 26 1996

CONDITIONS OF APPROVAL, IF ANY:

Held C-104 For WSL

6104 For NSL

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

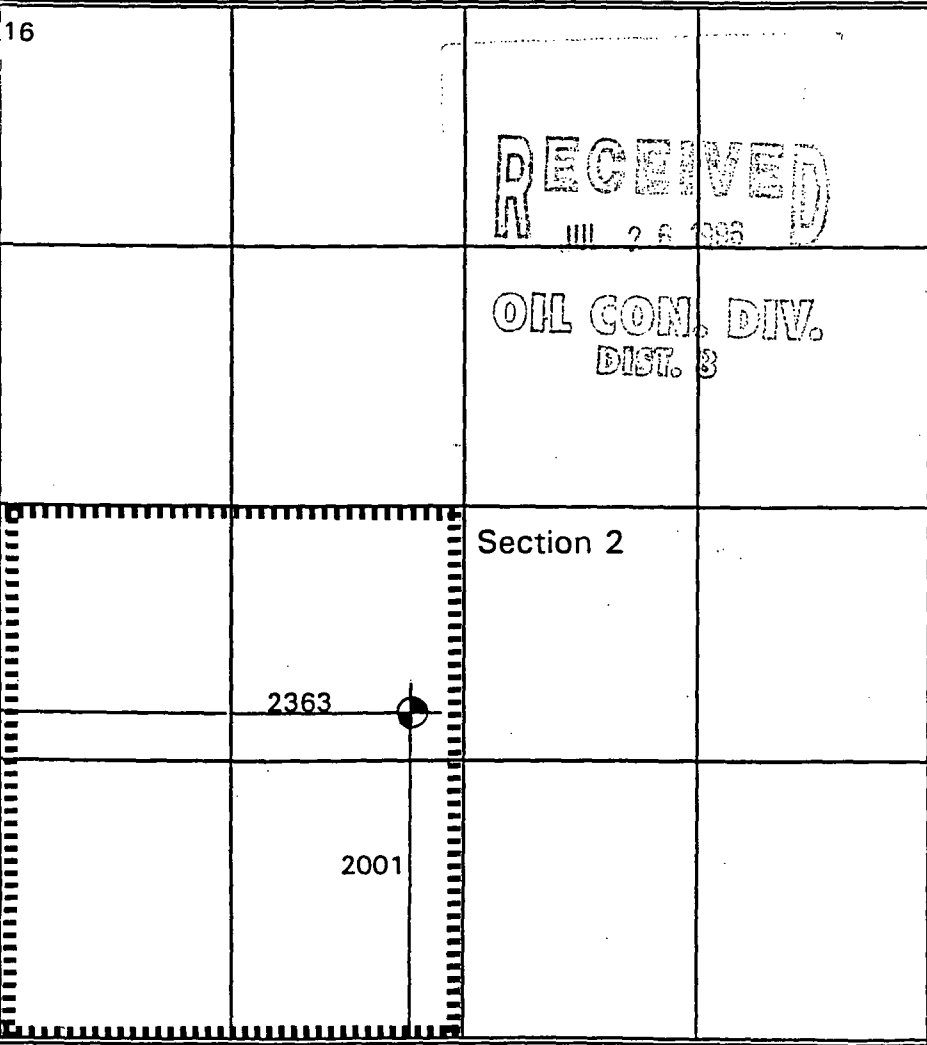
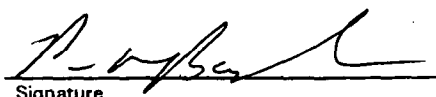
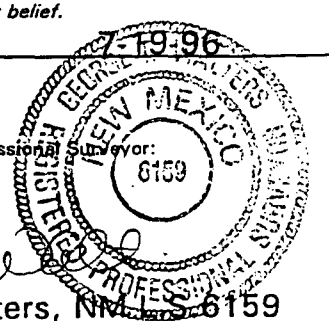
Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ 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. K	Section 2	Township 29N	Range 13W	Lot Idn	Feet from the 2001	North/South line SOUTH	Feet from the 2363	East/West line WEST	County 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

<div>16</div> <div></div>				<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <div> Signature Price M. Bayless Printed Name Engineer Title 7/24/96 Date</div>	
				<div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> <div><div>Date of Survey</div><div>Signature and Seal of Professional Surveyor:  George T. Walters, NM 6159 Certificate Number</div></div>	

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

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

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

96 MAY 1994 11:52 AM
RECEIVED
AMENDED REPORT

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.

Signature: *Price M. Bayless*
Printed name: Price M. Bayless
Title: Engineer
Date: 05/01/96
Phone: 505-326-2659

OIL CONSERVATION DIVISION

Approved by: *Ernie Burch*
Title: DEPUTY OIL & GAS INSPECTOR, DIST. #3
Approval Date: MAY - 3 1996
Expiration Date: MAY - 3 1997
Conditions of Approval: *Hold C-101 Per NSL*
Attached: ☐

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

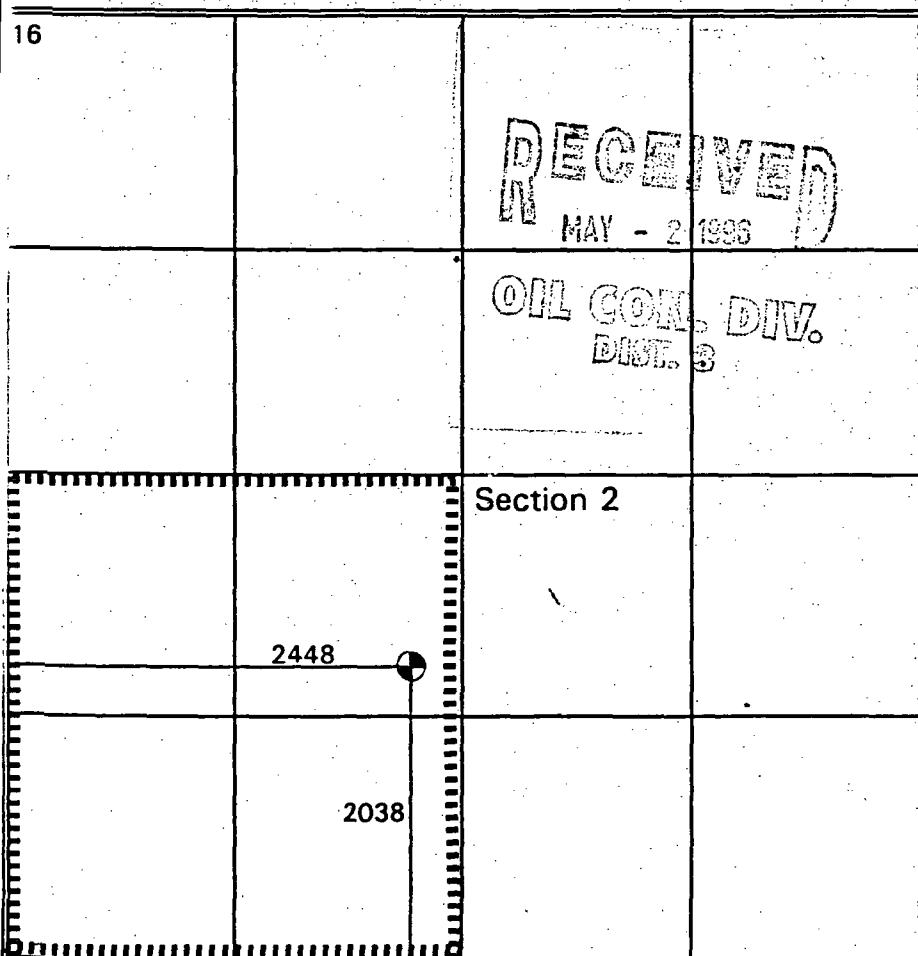
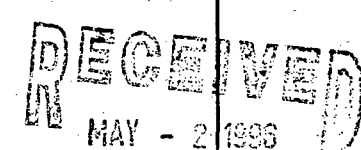
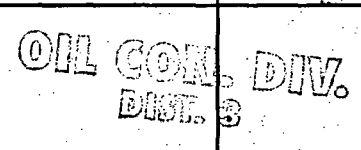
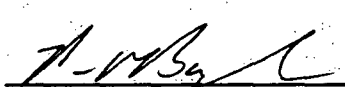
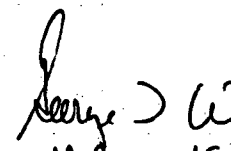
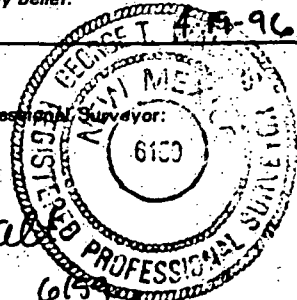
UL or lot no. K	Section 2	Township 29N	Range 13W	Lot Idn	Feet from the 2038	North/South line SOUTH	Feet from the 2448	East/West line WEST	County SAN JUAN
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¹¹Bottom Hole Location if Different From Surface

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 N	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		 	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p> Signature Price M. Bayless Printed Name Engineer Title May 1, 1996 Date</p>
			<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:  N. Mex. 15 6159</p> <p>Certificate Number</p> 

160

TOWNSHIP 29 North

RANGE 13 West

NEW MEXICO PRINCIPAL MERIDIAN

Description. All Sec 25 thru 28, All Sec 33 thru 36 (L. 566, 12.73-54)

Ext: $\frac{SE}{4}$ Sec. 20; $\frac{SW}{4}$ Sec. 21 (R-1284, 1201-58) - $\frac{SW}{4}$ Sec. 17

34 Sec. 18, 1/2 Sec. 20 (R. 1798, 11-1-60) Et. 1/2 Sec. 24 (R-6327 5-1-80)

Ext. SW/4 sec 18, N/2 sec 19 (R-6886, 1-22-82)

Ext: ^{NE} 1/4 Sec. 24 (R-7495, 4-5-84) Ext: ^{NW} 1/4 Sec. 24 (R-8180, 3-14-86)

Ext. All Sec. 13 (A-9573, 8-23-91) Ext. ~~54~~ Sec. 12 (A-10194, 9-19-94)

Ext. ^{NE} 1/4 Sec. 12 (R-10357, 5-2-95) Ext. ^W 1/2 Sec. 12, ^E 1/2 Sec. 14, ^E 1/2 Sec. 23 (R-10610 6-18-96)

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

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

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