Robert L. Bayless - Hazel Bolack 1-10 Area Offset Mesa Verde Wells/Ownership

Amecu Stores BI	Amaco Storey ** BIA	Amoco Fed Gas Can				
	Amuco Slorty * B4					
Meridian Hampton	Bayless Hazel Bolock  + 1-10 (PC Well)	Meridian Merits AF A13	Monden Morris			
Meridian Hearthn #3A		Canaco Brainytan				
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## ROBERT L. BAYLESS

P. O. BOX 168 FARMINGTON, NM 87499 Case 11571 July 25, 1996 Exhibit #2

FAX NO. (505) 326-6911 OFFICE NO.

## CERTIFIED MAIL

July 2, 1996

Meridian Oil Inc. P.O. Box 4289 Farmington, NM 87499 ATTN: Land Department

RE: APPLICATION FOR NON-STANDARD GAS SPACING AND PRORATION UNIT ROBERT L. BAYLESS
SE/4 AND E/2SW/4 OF SECTION 10
TOWNSHIP 30 NORTH, RANGE 11 WEST, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

## Gentlemen:

The purpose of this letter is to advise you that Robert L. Bayless has filed an application with the New Mexico Oil Conservation Division seeking the issuance of an Order establishing a nonstandard 240.00 acre gas spacing and proration unit for Blanco Mesa Verde Gas Pool production comprising the SE/4 and E/2SW/4 of Section 10, Township 30 North, Range 11 West, N.M.P.M., San Juan Said unit will be dedicated to Bayless's County, New Mexico. existing Hazel Bolack No. 1-10 Well located 1000' FSL and 1650' FEL of said Section 10. This well is currently completed in the Pictured Cliffs formation. Bayless will plug off the Pictured Cliffs formation and deepen the well to the Mesa Verde formation. Bayless has requested that the application be placed on the July 25, 1996 Examiner Hearing Docket.

As the operator of an adjoining proration unit, you are entitled to appear before the New Mexico Oil Conservation Division on July 25, 1996 for the purpose of presenting evidence in support of, or in opposition to, the application.

Please feel free to contact us should you have any questions regarding this matter.

Sincerely,

ROBERT L BAY

RLB/pc

# Para 204 813

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SENDER:  Complete items 1 and/or 2 for additional services.		I also wish to receive the				
<ul> <li>Complete items 3, 4a, and 4b.</li> <li>Print your name and address on the reverse of this form so that we card to you.</li> </ul>	following services (for an extra fee):					
<ul> <li>Print your name and address on the reverse of this form so that we card to you.</li> <li>Attach this form to the front of the mailpiece, or on the back if spapermit.</li> </ul>	1. Addressee's Address					
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Case 11571 July 25, 1996 Exhibit #3

Cose 11571 July 25, 1996 Exhibit #4

## ROBERT L. BAYLESS AUTHORIZATION FOR EXPENDITURE DEEPEN EXISTING WELL

LEASE NAME:	Hazel Bolack	WELL NUMBER:	1-10	LOCATION:	NW/4 Sec. 15-T28N-R11W
FIELD:	Blanco Mesa Verde	COUNTY:	San Juan	STATE:	New Mexico
TYPE WELL:	Gas Well	TOTAL DEPTH:	5000	DATE:	12/19/1995
OPERATOR:	Robert L Bayless	PREPARED BY:	pmb	FILE:	c:\excel\afe\hbolack.xls

PRINTENDINA PRINTENDING										
STAIL   PEMITTING	DRILLING INTANCIRLES	ç.							COMPLETED	DRY HOLE
STATE   STAT	DICELING INTANGIBLE.	<b>3.</b>								
SCORPETION INTAMCRES    FIGURACE   FIGURAC	5104	PERMITTING	(STAKING, DAMAGES, ARCHAEOLOG	Y,PA	PERWOR	.K)			- \$500	\$500
S700   DAYWORK   10 DAYS   2 1,800   7 DAY   \$18,000	5106	DIRTWORK	(LOCATION, PITS, ROADS)						- \$500	\$500
S422   CLEMENTING   Squeeze Open Hole   1,500   1,500   1,500   5720   CLEMENTING   PRODUCTION:	5208	DRILLING	FOOTAGE:		FEET	<b>@</b>		/ FOOT	- \$0	\$0
\$4.00	5208	DRILLING	DAYWORK:	10	DAYS	æ	\$1,800	/ DAY	- \$18,000	\$18,000
\$1,500   \$	5423	CEMENTING	Squeeze Open Hole						- \$1,500	\$1,500
S120	5427	CEMENTING	PLUGGING.						- XXXXXXXXXXXXXXXXXX	\$4,000
S209   DRILL BITS	5732	LOGGING	PRODUCTION:						- \$3,500	\$3,500
S219   WATER SAWATER PAULING   1500	5320	MUD AND MATERIALS							- \$0	\$0
S	5209	DRILL BITS							- \$0	\$0
STATE   MELI TESTING									- \$500	\$500
Selic   SUPERVISION										
S128   TRUCKING										
\$211 MISC LARGE			(ENG,GEO,LEGAL)	5	DAYS	æ	\$400	/ DAY		
\$936 MISC. INTANCIBLES \$629 ADMINISTRATIVE OVERHEAD \$6 DAYS										
SSII   CONTINCENCY   S										
TOTAL DRILLING INTANCIBLES:				_				,		
### COMPLETION INTANCIBLES:  ### COMPLETION INTANCIBLES:  ### COMPLETION UNITAL COMPLETION UNITAL COMPLETION OF PRODUCTION.  ### COMPLETION.  ### COMPLETION OF PRODUCTION.  ### COMPLETION.									·	
COMPLETION INTANGIBLES:  6311 CASING CREW 6108 COMPLETION UNIT 5 DAYS \$ \$1,800 / DAY - \$9,000 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	5629	ADMINISTRATIVE OVERHEAD		6	DAYS	@	\$300	/ DAY	- \$1,800	\$1,800
COMPLETION INTANGIBLES:  6311 CASING CREW 6108 COMPLETION UNIT 5 DAYS \$ \$1,800 / DAY - \$9,000 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			TOTAL DRILLING INTANG	~10H	EC-				\$24 E12	£20 012
CASING CREW   STARON   STARO			TOTAL DAILLING INTAN	JIDLI	E3.				- \$34,613	\$38,813
6108   COMPLETION UNIT	COMPLETION INTANGE	BLES:								
6108   COMPLETION UNIT	6311	CASING CREW							- \$1,000	XXXXXXXXXXXXXXXXX
6327   CEMENTING	6108	COMPLETION UNIT		5	DAYS	€	\$1,800	/ DAY		
G432   WIRELINE	6327	CEMENTING	PRODUCTION:				- /	,		
STIMULATION	6432	WIRELINE	(PERFORATING AND LOGGING)							
6119 WATER (PURCHASE AND HAULING): \$2,000 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	6439	STIMULATION	(ACIDIZING AND FRACTURING)							
G119	6812	SUPERVISION	(ENG,GEO)	5	DAYS	e	\$400	/ DAY	\$2,000	XXXXXXXXXXXXXXXXX
6728 TRUCKING 6210 RENTALS 6111 MISC. LABOR (WELL HOOKUP) \$1,000 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	6119	WATER	(PURCHASE AND HAULING):							
6210 RENTALS 6611 MISC. LABOR (WELL HOOKUP) 675 MISC. INTANGIBLES 676 MISC. INTANGIBLES 677 CONTINGENCY 678 ADMINISTRATIVE OVERHEAD 678 ADMINISTRATIVE OVERHEAD 679 ADMINISTRATIVE OVERHEAD 670 ADMINI	6506	DIRTWORK							- \$1,000	XXXXXXXXXXXXXXXX
6611 MISC. LABOR (WELL HOOKUP) 6636 MISC. INTANGIBLES 670 MISC. INTANGIBLES 671 CONTINGENCY 672 ADMINISTRATIVE OVERHEAD 673 CONTINGENCY 673 CONTINGENCY 674 ADMINISTRATIVE OVERHEAD 675 TOTAL INTANGIBLES:  677 TOTAL INTANGIBLES:  678 TOTAL INTANGIBLES:  679 TOTAL INTANGIBLES:  670 TOTAL INTANGIB	6728	TRUCKING							- \$2,500	XXXXXXXXXXXXXXXX
MISC. INTANGIBLES	6210	RENTALS							- \$1,000	XXXXXXXXXXXXXXXXX
6831 CONTINGENCY	6511	MISC, LABOR	(WELL HOOKUP)						- \$3,000	XXXXXXXXXXXXXXXXXX
TOTAL COMPLETION INTANGIBLES:	6636	MISC. INTANGIBLES							- \$2,000	XXXXXXXXXXXXXXXXX
TOTAL COMPLETION INTANGIBLES: - \$65,550   \$0   \$0   \$0   \$0   \$0   \$0   \$0	6831	CONTINGENCY		5	%				- \$3,050	XXXXXXXXXXXXXXXX
TOTAL INTANGIBLES:	6829	ADMINISTRATIVE OVERHEAD		5	DAYS	@	\$300	/ DAY	\$1,500	XXXXXXXXXXXXXXXX
DRILLING AND COMPLETION TANGIBLES:  5423 SURFACE CASING			TOTAL COMPLETION INT	ANG	IBLES:				- \$65,550	\$0
5423         SURFACE CASING         0         FEET         TYP 8 5/8" 24 #/FT         @         / FOOT -         \$0         XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			TOTAL INTANGIBLES:						\$100,163	<b>\$38,8</b> 13
6323   LONGSTRING CASING   5,000   FEET   TYP 3 1/2* 9.3#/FT   # \$5.75   FOOT - \$28,750   XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	DRILLING AND COMPL	ETION TANGIBLES:								
6323   LONGSTRING CASING   5,000   FEET   TYP 3 1/2* 9.3#/FT   # \$5.75   FOOT - \$28,750   XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	5477	SURFACE CASING	O FEET TYPES/P*24*/	FT	,	<b>.</b>		/ FOOT	, tn	*************
6337   TUBING						_	<b>(5</b> 75			
6647 LINEPIPE 200 FEET TYP 2 INCH \$ \$1.00 / FOOT - \$2.00 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX						-	-	•	,	
6647   VALVES, PIPING, AND FITTINGS			· · ·	• •		 60				
6325 WELLHEAD EQUIPMENT (WELLHEADS, VALVES, FITTINGS, ETC.) - \$2,500 \$750 6646 PIPELINE 0 FEET TYP 2 INCH @ / FOOT - \$0 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			zoo veer iii z men		•	-	\$1.00	, 1001		
6646   PIPELINE   O FEET TYP 2 INCH   @   / FOOT -   \$0			(WELLHEADS VALVES FITTINGS FTC	١					·	
METER INSTALLATION FEE				-/		æ		/ FOOT		
SEPERATOR   SEPE						-		, , , , , ,		
SEPERATOR										
6642   DEHYDRATOR										
FRODUCTION TANK										
6636         MISC. EQUIPMENT CONTINGENCY         (FENCES,CULVERTS,ETC.)         -         \$500         XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX									•	
CONTINGENCY         5 %         -         \$2,735         XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			(FENCES, CULVERTS, ETC.)						•	
TOTAL TANGIBLES:  xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	- 3			5	%					
TOTAL TANGIBLES: - \$57,435 \$750				-					4.,,,,,,	
TOTAL WELL COST: - \$157,598 \$39,563			TOTAL TANGIBLES:						<b>\$57,435</b>	
			TOTAL WELL COST:						- \$157,598	\$39,563