

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004--0135
Expires August 31, 1985

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—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 25857	
2. NAME OF OPERATOR Robert L. Bayless		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR P.O. Box 168, Farmington, NM 87499		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 860' FNL & 870' FEL		8. FARM OR LEASE NAME Hoover	
14. PERMIT NO.		9. WELL NO. #1	
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5652' G.L.		10. FIELD AND POOL, OR WILDCAT Fruitland/Pictured Cliffs	
		11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA Sec. 21m T30N, R14W	
		12. COUNTY OR PARISH San Juan	
		13. STATE NM	

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	

(Other) Commingle downhole Fruitland/P.C.

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

Attached is a copy of the complete well history, no decline curve available due to the newness of the well, C-102 showing dedicated acreage, map with offset lease holders

Offset lease holders have been notified by CERTIFIED MAIL, copy of letter attached.

It appears the only production on the adjoining lease is Basin Dakota production with the only Fruitland-Pictured Cliff wells being drilled in Sections 3, 11 and 14, all of which were plugged and abandoned. No Fruitland-Pictured Cliffs production was obtainable.

NMOCSD approval is required prior to commencement of commingled production

RECEIVED
APR 16 1986
OIL CON. DIV.
DIST. 3

18. I hereby certify that the foregoing is true and correct

SIGNED *Kevin H. McQuinn*

TITLE Petroleum Engineer

DATE March 18, 1986

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED

AS AMENDED

APR 15 1986

John J. Kelly
AREA MANAGER

*See Instructions on Reverse Side

NMOCSD

T30N R14W

17

Waxpro

NM 19163

Celsius The Texas
CO

B-11571-24

E-31401

16

Celsius

B-1124-47

Dugan

NM 3565

Tenneco

NM 23473

McC. Fuel

NM 28820

15

Dugan

NM 10561

LG-3186

Celsius

Celsius

Tenneco

B-11242-4

E-70-34

LG-3186

Tenneco

NM 15272

Hooker *1

21

Tenneco

NM 25857

22

Tenneco

NM 20314

Tenneco

NM 25857

20

Tenneco

NM 13613

NM 19163

Tenneco

NM 13811

29

Tenneco

NM 20313

28

Tenneco

NM 20313

27

Tenneco

Tenneco

Dugan

NM 20314

NM 13613

NM 4465

Unleased

MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special						Test Date 2/24/86			
Company Robert L. Bayless				Connection None					
Pool Undes. Fruitland Undes. Pic. Cliff				Formation P.C. and Fruitland				Unit	
Completion Date 8/5/85		Total Depth 6150		Plug Back TD 1327		Elevation 5652 GL		Farm or Lease Name Hoover	
Csg. Size 2.875	Wt. 6.5	d 2.441	Set At 1367	Perforations: From 846 To 1259			Well No. #1		
Trg. Size 1.660	Wt. 2.3	d 1.380	Set At 1227	Perforations: From To			Unit Sec. Twp. Rge. A 21 30 14		
Type Well - Single - Bradenhead - G.C. or G.O. Multiple Single - commingled Fruitland & P.C.						Packer Set At None		County San Juan	
Producing Thru annulus		Reservoir Temp. °F #		Mean Annual Temp. °F		Baro. Press. - P _a 12 psia - est.		State New Mexico	
L	H	Gg .70 (est)	% CO ₂	% N ₂	% H ₂ S	Prover	Meter Run	Taps	

FLOW DATA						TUBING DATA		CASING DATA		Duration of Flow	
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h _w	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.		Temp. °F
SI	7 days								197		
1.	2 inch X .750								9	70° F	3 hrs
2.											
3.											
4.											
5.											

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor Ft.	Gravity Factor Fg	Super. Compress. Factor, Fpv	Rate of Flow Q, Mcfd
1	12.3650		21	.9905	.9258	1.007	240
2.							
3.							
4.							
5.							

NO.	P _t	Temp. °R	T _r	Z	Gas Liquid Hydrocarbon Ratio _____ Mcf/bbl.
1					A.P.I. Gravity of Liquid Hydrocarbons _____ Deg.
2.					Specific Gravity Separator Gas _____ X X X X X X X X
3.					Specific Gravity Flowing Fluid _____ X X X X X
4.					Critical Pressure _____ P.S.I.A. _____ P.S.I.A.
5.					Critical Temperature _____ R _____ R

NO.	P _t ²	P _w ²	P _c ²	P _c ² - P _w ²	(1) $\frac{P_c^2}{P_c^2 - P_w^2} = 1.0357$	(2) $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 1.0303$
1		39	1506	42,175		
2						
3						
4						
5						

$AOF = Q \left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 247$			
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Absolute Open Flow 247 Fruitland & P.C. Mcfd @ 15.025		Angle of Slope @ _____	Slope, n .85
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Remarks: NOTE: Fruitland and P.C. are both open for this test. From previous test and this test, zone tests are as follows: Fruitland Q = 45 AOF = 25
 (TOTALS: Q = 240 AOF = 247) Pic. Cliff Q = 195 AOF = 222

Approved By Division	Conducted By: Tom Smith	Calculated By: Kevin McCord	Checked By:
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MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special				Test Date 8/12/85	
Company Robert L. Bayless			Connection None		
Pool Undes. Fruitland Undes. Pic. Cliffs			Formation Fruitland Only		Unit
Completion Date 8/5/85		Total Depth 6150	Plug back TD 1327	Elevation 5652' GL	Form or Lease Name Hoover
Csq. Size 2.875	Wt. 6.5	d 2.441	Set At 1367	Perforations: From 846 To 1259	Well No. #1
Tqg. Size None	Wt.	d	Set At	Perforations: From To	Unit Sec. Twp. Rge. A 21 30 14
Type Well - Single - Bradenhead - G.G. or G.O. Multiple Single-Commingled Fruitland & P.C.				Packer Set At NONE	County San Juan
Producing Thru casing		Reservoir Temp. °F #	Mean Annual Temp. °F	Baro. Press. - P _g 12.0 psi (est)	State New Mexico
L	H	G _g .70 (est)	% CO ₂	% N ₂	% H ₂ S
		Prover	Meter Run	Taps	

FLOW DATA							TUBING DATA		CASING DATA		Duration of Flow
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h _w	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.	Temp. °F	
SI	7 days								175		
1.	2 inch X .375								58	78°F	3 hours
2.											
3.											
4.											
5.											

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor F _t	Gravity Factor F _g	Super Compress. Factor, F _{pv}	Rate of Flow Q, Mcfd
1	3.030		70	.9831	.9258	1.010	195
2.							
3.							
4.							
5.							

NO.	P _t	Temp. °R	T _f	Z	Gas Liquid Hydrocarbon Ratio _____ Mcf/bbl.
1.					A.P.I. Gravity of Liquid Hydrocarbons _____ Deg.
2.					Specific Gravity Separator Gas _____ X X X X X X X X
3.					Specific Gravity Flowing Fluid _____ X X X X X
4.					Critical Pressure _____ P.S.I.A. _____ P.S.I.A.
5.					Critical Temperature _____ R _____ R

P _c 187	P _c ² 34,969				
NO.	P _t ²	P _w	P _w ²	P _c ² - P _w ²	
1		70	4950	30,019	(1) $\frac{P_c^2}{P_c^2 - P_w^2} = 1.1649$
2		(calculated)			(2) $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 1.1385$
3					
4					
5					

AOF = Q $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 222$

Absolute Open Flow	222	Fruitland Only Mcfd @ 15.025	Angle of Slope @	Slope, n 85
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Remarks: NOTE: P.C. was covered with sand, therefore this test is for
Fruitland ONLY

Approved By Division	Conducted By: Tom Smith	Calculated By: Kevin McCord	Checked By:
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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other In-
structions on
reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other _____
b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP EN ☐ PLUG BACK ☐ DIFF RESER ☐ Other _____

2. NAME OF OPERATOR
Robert L. Bayless

3. ADDRESS OF OPERATOR
P.O. Box 168, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any applicable resource area)
At surface 860' FNL & 870' FEL

At top prod. interval reported below
At total depth same

14. PERMIT NO. _____ DATE ISSUED _____

15. DATE SPUNDED 4-15-85 16. DATE T.D. REACHED 4-25-85 17. DATE COMPL. (Ready to prod.) 7-31-85

20. TOTAL DEPTH, MD & TVD 6150' 21. PLUG BACK T.D., MD & TVD 1327' 22. IF MULTIPLE COMPL., HOW MANY* _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
846'-862' Fruitland
1223'-1236' }
1254'-1259' } Pictured Cliffs

26. TYPE ELECTRIC AND OTHER LOGS RUN
Induction Gamma Ray, Comp. Density-Comp. Neutron

29. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#/ft	225'	12 1/4"	142 ft ³ Class B w/2% CaCl ₂	
2-7/8"	6.5#/ft	1367'	7-7/8"	227 ft ³ 50-50 pozmix 2% cel 10% salt	

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
846' - 862'	16'			DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
1223'-1236'	13'			846'-1259'	250 gallons 7 1/2% weighted acid w/ 51 ball sealers. Frac w/ 20,000 gallons 70 quality foam w/2% KCL water, 1 gal/1000 surfactant, 1/2 gal/1000 clay stabilizer, 25,000
1254'-1259'	5'				
	34'	34 holes .34" dia.			

33.* PRODUCTION 7-31-85
DATE FIRST PRODUCTION 7-31-85 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) flowing WELL STATUS (Producing or shut-in) shut-in

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
8-12-85	3 hours	3/4"			38		
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
	58			222			

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) To be sold TEST WITNESSED BY Kevin McCord

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED Kevin H. McCord TITLE Petroleum Engineer DATE 8-19-85

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Ojo Alamo	Surface	Surface	Fresh water	Ojo Alamo	Surface	
Fruitland	838'	1222'	Natural gas	Fruitland	838'	
Pictured Cliffs	1222'	1332'	Natural gas	Pictured Cliffs	1222'	
Mesa Verde Group	2720'	4025'	water	Mesa Verde Group	2720'	
Gallup	4987'	5518'	water	Greenhorn	4987'	
Greenhorn	5732'	5822'	water	Dakota	5732'	
Dakota	5822'	6107'	water		5822'	

ROBERT L. BAYLESS

PETROLEUM PLAZA BUILDING
P. O. BOX 1541
FARMINGTON, NEW MEXICO 87499
(505) 326-2659

Hoover #1
Sec. 21, T30N, R14W
860' FNL & 870' FEL
San Juan County, New Mexico

DAILY REPORT

- 4-16-85 Spud well @ 4:00 p.m. 4-15-85. Drilled 225' of 12½" surface hole. Ran 211' of 8-5/8" 24#/ft J-55 new casing. Set @ 225' RKB. Cemented surface with 142 ft³ (120 sx) Class B w/2% CaCl₂. Good circulation throughout job. Circulated cement to the surface. Plug down at 4:30 a.m. 4-15-85. WOC.
- 4-17-85 Drilling @ 2298'. Lewis Shale. Mud wt. 8.8; Visc. 30; W.L. 9.4. Deviations: ½° @ 1221'; 3/4° @ 1715'; and 3/4° @ 2237'.
- 4-18-85 Drilling @ 3670. Mud wt. 8.9; Visc. 29; W.L. 12.5.
- 4-19-85 Drilling @ 4495'. Mud 8.9; Visc. 28; W.L. 9.5. Deviation ½° @ 4109.
- 4-20-85 Drilling @ 5270'. Mud wt 8.9; Visc. 28; W.L. 9.4. Deviations: 3/4° @ 4628', 1° @ 5149'.
- 4-21-85 Wash & run to bottom. 5420' Depth. Mud wt. 8.9; Visc. 28; W.L. 8.8. Deviation: 1-3/4° @ 5420'.
- 4-22-85 Tripping in hole. 5420' Depth. Mud wt. 8.9; Visc. 30; W.L. 8.6.
- 4-23-85 Wash to bottom, Bit #5. 5547' Depth. Made 127' in 6½ hours. Mud wt. 8.9; Visc. 40, W.L. 8.8.
- 4-24-85 Drilling @ 6035'. Mud Wt. 8.9; Visc. 41; W.L. 6.8.
- 4-25-85 Waiting on orders. 6150' T.D. Made 115'. Mud wt. 9.1, Visc. 72, W.L. 8.0. 3° @ 6150'. Ran Ind. GR, CD & CN logs.

4-26-85 Plug back well as follows:

<u>DEPTH</u>	<u>FORMATION</u>	<u>SIZE PLUG</u>	<u>TYPE PLUG</u>
5920-5820	Dakota	40sx-47ft ³	Class B (40% excess)
5050-4950	Gallup	40sx-47ft ³	Class B (40% excess)
4070-3970	Mancos	40sx-47ft ³	Class B (40% excess)
2770-2670	Mesaverde	40sx-47ft ³	Class B (40% excess)

Ran 44 joints of 2-7/8" 6.5#/ft J-55 EUE used casing as follows:

<u>DESCRIPTION</u>	<u>LENGTH</u>	<u>DEPTH</u>
KB to landing point	12.00	0-12
43 jts 2-7/8" 6.5#/ft		
J-55 EUE used casing	1324.20	12-1336
1 baffle plate	0.00	1336
1 jt 2-7/8" 6.5#/ft		
J-55 EUE used casing	30.80	1336-1367

Cemented casing with 180 sx (227 ft³) 50-50 pozmix containing 2% gel and 10% salt. Good circulation throughout job. Displaced with 100 gallons of acedic acid and sugar water. Bumped plug to 1500 psi. Held Ok. Plud down @ 7:00 a.m. 4/26/85. Released rig.

7-31-85 Rig up the Western Company. Pressure test 2-7/8" casing to 2500 psi. Well lost 1900 psi in 5 minutes. Rigged up Basin Perforatos. Ran Gamma ray-CLL from PBTD of 1327' RKB to 700' RKB. Perforated the Pictured Cliffs and Fruitland intervals with 1 JSPF as follows:

846-862'	16'	
1223-1236'	13'	
1254-1259'	5'	
	<u>34'</u>	34 holes (.34" diameter)

Broke down perforations at 1200 psi. Established rate of 7.8 BPM at 800 psi, ISIP = 250 psi. Acidized down the casing with 250 gallons of 7½% weighted HCL acid containing 51 1.1 s.g. RCN ball sealers. Acid rate 5.8 BPM @ 700 psi. Saw very little ball action. Final injection rate was 5.7 BPM @ 750 psi, ISIP = 250 psi. Ran junk basket to recover ball sealers. Did not recover any ball sealers. Fracture stimulated Pictured Cliffs and Fruitland zones with 20,000 gallon of 70 quality foam containing 2% KCL water, 1 gal/1000 surfactant, ½ gal/1000 clay stabilization agent and 25,000 lbs of 10-20 mesh sand as follows:

7-31-85	5,000 gallons of 70 quality foam pad	20 BPM @ 1250 psi
(Cont.)	5,000 gallons of 1 ppg 10-20 sand	20 BPM @ 1300 psi
	10,000 gallons of 2 ppg 10-20 sand	20 BPM @ 1300-1550
	psi	
	297 gallons flush with nitrogen	20 BPM @ 1150 psi

ISIP = 1000 psi, 5 min = 850 psi, 10 min = 800 psi, 15 min = 800 psi. Average rate 20 BPM, average pressure 1300 psi, maximum pressure 1550 psi, minimum pressure 1250 psi. Average nitrogen rate 3750 SCF/min. Total nitrogen pumped 90,638 SCF. Total load to recover 172 bbls. Shut well in for 5 hours. Opened to flow through a $\frac{1}{2}$ " tapped bull-plug. Well flowing to cleanup. SDFN.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator R. L. BAYLESS			Lease HOOVER		Well No. 1
Unit Letter A	Section 21	Township 30N	Range 11W	County San Juan	
Actual Footage Location of Well: 860 feet from the North line and 870 feet from the East line					
Ground Level Elev. 5652	Producing Formation Fruitland/Pictured Cliffs		Pool	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

RECEIVED MAR 19 1986 BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA			
Sec.		21	

Scale: 1"=1000'

CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name Robert L. Bayless	
Position Operator	
Company Robert L. Bayless	
Date	
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 knowledge and belief.	
Date Surveyed March 29, 1985	
Registered Professional Engineer and Land Surveyor 	
Certificate No. 3950	

ROBERT L. BAYLESS

PETROLEUM PLAZA BUILDING
P. O. BOX 168
FARMINGTON, NEW MEXICO 87499
(505) 326-2659

March 18, 1986

Celsius Energy Company
P.O. Box 11070
Salt Lake City, UT 84147

RE: Hoover #1
P.C.Fruitland Commingling

Gentlemen:

I have recently completed the Hoover #1 well in Section 21 of T30N, R14W in San Juan County, New Mexico. We plan to commingle the Fruitland and Pictured Cliff formations downhole. In order to obtain approval from the Oil Conservation Division Director we must obtain waivers of objections from all offset lease holders. If you have no objections to our plans please execute the waiver portion of this letter and return one copy to us at the above address and an other copy to the Division Director, Oil Conservation Division, P.O. Box 2088, Santa Fe, NM 87501.

If you require additional information please advise.

Yours truly,


Robert L. Bayless

RLB/gsb

Enclosure: Offset Leaseholder Plat

I have no objection to the above stated plans.

CELSIUS ENERGY COMPANY

Date

ROBERT L. BAYLESS

PETROLEUM PLAZA BUILDING
P. O. BOX 168
FARMINGTON, NEW MEXICO 87499
(505) 326-2659

March 18, 1986

Tenneco
P.O. Box 3249
Englewood, CO 80155

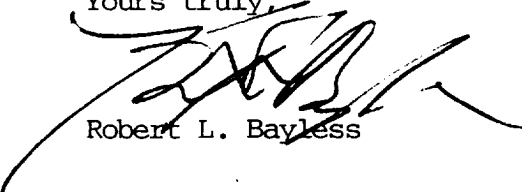
RE: Hoover #1
P.C.Fruitland Commingling

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If you require additional information please advise.

Yours truly,



Robert L. Bayless

RLB/gsb

Enclosure: Offset Leaseholder Plat

I have no objection to the above stated plans.

TENNECO OIL COMPANY

Date

ROBERT L. BAYLESS

PETROLEUM PLAZA BUILDING
P. O. BOX 168
FARMINGTON, NEW MEXICO 87499
(505) 326-2659

March 18, 1986

Dugan Production Company
P.O. Box 208
Farmington, NM 87499

RE: Hoover #1
P.C.Fruitland Commingling

Gentlemen:

I have recently completed the Hoover #1 well in Section 21 of T30N, R14W in San Juan County, New Mexico. We plan to commingle the Fruitland and Pictured Cliff formations downhole. In order to obtain approval from the Oil Conservation Division Director we must obtain waivers of objections from all offset lease holders. If you have no objections to our plans please execute the waiver portion of this letter and return one copy to us at the above address and an other copy to the Division Director, Oil Conservation Division, P.O. Box 2088, Santa Fe, NM 87501.

If you require additional information please advise.

Yours truly,



Robert L. Bayless

RLB/gsb

Enclosure: Offset Leaseholder Plat

I have no objection to the above stated plans.

DUGAN PRODUCTION COMPANY

Date