

ROBERT L. BAYLESS, PRODUCER

P. O. BOX 168
FARMINGTON, NM 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

January 22, 2001

Ms. Lori Wrotenbery, Director
**NEW MEXICO OIL
CONSERVATION DIVISION**
2040 S. Pacheco Street
Santa Fe, NM 87505

RE: NMOCD Case No. 12557
REQUEST FOR CONTINUANCE of
Application for Compulsory Pooling
Robert L. Bayless, Operator
Hun Nop Pi # 2 Well
W/2 Sec. 19-T26N-R8W
San Juan County, NM

Dear Ms. Wrotenbery:

Due to continued medical concerns in the immediate family of Mr. Bayless, we respectfully request a continuance of NMOCD Case No. 12557. We further request that such Case be rescheduled for hearing on February 22nd, 2001.

Should you have any questions, I may be contacted at (505) 564-7806.

Yours truly,



Paul Hall, CPL/ESA
Land Manager

cc: Non-committed working interest owners

CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7099 3100 0016 6607 4212 9362

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees		
ESTATE OF VIRGINIA DeGOLYER		
Recd	MAXSON	
Street	% MARY MAXSON THOMPSON	
	555 REPUBLIC DR, SUITE 200	
City	PLANO, TX 75074	
PS Form 3849, 11-95 For Instructions		

ROBERT L. BAYLESS, PRODUCER

P. O. BOX 168
FARMINGTON, NM 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

January 9, 2001

Ms. Lori Wrotenbery, Director
**NEW MEXICO OIL
CONSERVATION DIVISION**
2040 S. Pacheco Street
Santa Fe, NM 87505

RE: NMOCD Case No. 12557
REQUEST FOR CONTINUANCE of
Application for Compulsory Pooling
Robert L. Bayless, Operator
Hun Nop Pt = 2 Well
W/2 Sec. 19-T26N-RSW
San Juan County, NM

Dear Ms. Wrotenbery:

We wish to reconfirm the continuance of NMOCD Case No. 12557. The scheduled Case is now set for hearing on January 25th, 2001.

Should you have any questions, I may be contacted at (505) 564-7806.

Yours truly,



Paul Hall, CPL/ESA
Land Manager

cc: Non-committed working interest owners

NAME	CERTIFIED2
JAMES H. ANDERSON 2713 107TH SE BEAUX ARTS, WA 98004	7099 3400 0018 4212 9904
WILLIAM R. ANDERSON 2139 ELMWOOD AVENUE WILMETTE, IL 60091	7099 3400 0018 4212 9898
ESTATE OF DOROTHY DeGOLYER ARNOLD % DOUGLAS DeGOLYER ARNOLD 638 MORENO ROAD PENN VALLEY, PA 19077	7099 3400 0018 4212 9881
BARBARA ANN McCONNELL BRUSS McCONNELL LLC 67428 OAK LEAF MONTROSE, CO 81401	7099 3400 0018 4212 9874
ELLA NORA ANDERSON DENNY 7379 SE 71ST STREET MERCER ISLAND, WA 98040	7099 3400 0018 4212 9867
MS. JANET WOOLDRIDGE DEVON ENERGY CORP. 20 N. BROADWAY AVENUE, SUITE 1500 OKLAHOMA CITY, OK 73102	7099 3400 0018 4212 9850
MS. EVA WHITEN HALL ENERGY CO., LLC 101 PARK AVENUE, SUITE 1010 OKLAHOMA CITY, OK 73102	7099 3400 0018 4212 9843
BARBARA IRENE McCONNELL TESTAMENTARY TRUST 67428 OAK LEAF MONTROSE, CO 81401	7099 3400 0018 4212 9836
ESTATE OF VIRGINIA DeGOLYER MAXSON % MARY MAXSON THOMPSON 555 REPUBLIC DR, SUITE 200 PLANO, TX 75074	7099 3400 0018 4212 9829
MARJORIE ANDERSON PELTO P. O. BOX 10701 BAINBRIDGE ISLAND, WA 98110	7099 3400 0018 4212 9812
MR. J. E. GALLEGOS GALLEGOS LAW FIRM, A PROFESSIONAL CORPORATION 460 ST. MICHAELS DRIVE, BUILDING 300 SANTA FE, NM 887505	7099 3400 0018 4212 9805
	Notification of new hearing date. Sent 1/9/01

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ESTATE OF VIRGINIA DeGOLYER
MAXSON
% MARY MAXSON THOMPSON
555 REPUBLIC DR, SUITE 200
PLANO, TX 75074

2. Article Number (Copy from service)

PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

K. Landers

C. Signature

X K. Landers

☐ Agent☐ AddresseeD. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

7099 3400 0018 4212 9829

Hun Nop Pi - Pooling Date 1/25/01

ROBERT L. BAYLESS, PRODUCER

P. O. BOX 163
FARMINGTON, NM 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

December 15, 2000

Ms. Lori Wrotenbery, Director
NEW MEXICO OIL
CONSERVATION DIVISION
2040 S. Pacheco Street
Santa Fe, NM 87505

RE: NMOCD Case No. 12557
REQUEST FOR CONTINUANCE of
Application for Compulsory Pooling
Robert L. Bayless, Operator
Hun Nop Pi # 2 Well
W/2 Sec. 19-T26N-R8W
San Juan County, NM

Dear Ms. Wrotenbery:

Due to a medical emergency in the immediate family of Mr. Bayless, we respectfully request a continuance of NMOCD Case No. 12557. We further request that such Case be rescheduled for hearing on January 25th, 2001.

Should you have any questions, I may be contacted at (505) 564-7806.

Yours truly,



Paul Hall, CPL/ESA
Land Manager

cc: Non-committed working interest owners

ROBERT L. BAYLESS, PRODUCER

P. O. BOX 168
FARMINGTON, NM 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

November 29, 2000

CERTIFIED MAIL 7000 0600 0025 2409 1369

ESTATE OF VIRGINIA DeGOLYER MAXSON
% MARY MAXSON THOMPSON
555 REPUBLIC DR, SUITE 200
PLANO, TX 75074

RE: Application for Compulsory Pooling
Robert L. Bayless, Operator
Hun Nop Pi # 2 Well
W/2 Sec. 19-T26N-R8W
San Juan County, NM

Dear Ms. Thompson:

The purpose of this letter is to provide written notice pursuant to the Rules and Regulations of the New Mexico Oil Conservation Division ("NMOCD") that Robert L. Bayless ("Bayless") has filed an application with the NMOCD requesting the issuance of an Order force pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation underlying the W/2 of Section 19, Township 26 North, Range 8 West, NMPM, San Juan County, New Mexico, forming a 320.04 acre gas spacing and proration unit for the Basin Dakota pool to be dedicated to the Hun Nop Pi # 2 Well and completed in the Basin Dakota pool. Bayless also requests that the order designate Bayless as operator of the Well, and that it provide for the recovery by the joining working interest owners of the costs of drilling, completing, equipping and operating the Well, together with a reasonable charge for risk involved in drilling and completing the Well. In addition, Bayless requests that the Order establish a reasonable charge for supervision of the Well during the drilling and production stages.

Bayless has requested the application be placed on the on the December 21st, 2000, docket of the NMOCD for hearing. You may appear at the hearing to record any protest or objection you may have with respect to the subject matter of the application. For your information, the Rules and Regulations of the NMOCD require that each participant in an NMOCD hearing file a Pre-Hearing Statement on or before the Friday next preceding the date of the hearing.

Please advise if you have any questions.

Yours truly,

Paul Hall, CPL/ESA
Land Manager

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7000 0600 0025 2409 1369

Postage \$		Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Pos	ESTATE OF VIRGINIA	
Recipient:	DeGOLYER MAXSON	
Street, Apt:	% MARY MAXSON THOMPSON	
City, State:	555 REPUBLIC DR, SUITE 200	
	PLANO, TX 75074	

PS Form 3800, February 2000

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ESTATE OF VIRGINIA
DeGOLYER MAXSON
% MARY MAXSON THOMPSON
555 REPUBLIC DR, SUITE 200
PLANO, TX 75074

2. Article Number (Copy from service label)

PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Jan Pollard B. Date of Delivery 12-4-00
C. Signature X Jan Pollard ☐ Agent ☐ Addressee
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

7000 0600 0025 2409 1369 Hun NopPi

ROBERT L. BAYLESS, PRODUCER LLC

P. O. BOX 168
FARMINGTON, NM 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

October 4, 2000

Ms. Mary Maxson Thompson
Estate of Virginia DeGolyer Maxson
555 Republic Drive
Suite 200
Plano, TX 75074

RE: Bayless' AFE
HUN NOP PI # 2 Well
San Juan County, New Mexico

Dear Ms. Thompson:

Robert L. Bayless, Producer LLC proposes to drill a Well to test the Dakota formation, estimated at a depth of 6,650 feet, at a legal location in the NW/4 of Section 19, Township 26 North, Range 8 West, San Juan County, New Mexico. The Estate owns an undivided .391138 percent working interest (1.2517 net acres) in the proposed W/2 proration unit for this Well.

We have enclosed Bayless' Authority for Expenditure covering the subject Well for your review. We expect this to be a marginal well, but feel it will reach payout with a modest opportunity for a return on our investment.

As an alternative to participating in the subject Well, Bayless proposes to purchase your leasehold interest for \$100.00 per net mineral acre assigned to Bayless. Such assignment would be; 1) limited to those depths below the base of the Pictured Cliffs formation, 2) subject to existing leasehold burdens of record, and 3) subject to approval of form by Bayless.

Bayless intends to spud this well prior to the end of this year. Therefore, we ask for your early review and response to our request for participation or support in the drilling of this Well.

We would appreciate you providing us with either information regarding the heirs of Virginia DeGolyer Maxson (i.e. full name, address, phone number and relationship) or your authority to represent the Estate. Should you have any questions, I can be contacted at (505) 564-7806.

Yours truly,

Paul Hall, CPL/ESA
Land Manager

ROBERT L. BAYLESS, PRODUCER L.L.C.

AUTHORITY FOR EXPENDITURE

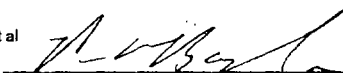
LEASE NAME:	Hun - Nop - Pi	WELL NUMBER:	2	LOCATION:	NE/4 Section 19-T26N-R8W
FIELD:	Basin Dakota	COUNTY:	San Juan	STATE:	New Mexico
TYPE WELL:	Gas	TOTAL DEPTH:	6650	DATE:	7/26/00
OPERATOR:	Robert L. Bayless	PREPARED BY:	pmb	FILE:	c:\msoffice\excel\afe\HunNopPi#2.xls

					DRY HOLE	COMPLETED
DRILLING INTANGIBLES						
3-04	PERMITTING	(STAKING,DAMAGES,ARCHAEOLOGY,PAPERWORK)	-		\$5,000	\$5,000
3-06	DIRTWORK	(LOCATION,PITS,ROADS)	-		4,000	4,000
3-08	DRILLING	FOOTAGE: 6650 FEET @	\$21.00 / FOOT -		139,650	139,650
3-08	DRILLING	DAYWORK: 2 DAYS @	\$5,800.00 / DAY -		11,600	11,600
3-26	CEMENTING	SURFACE:	-		3,000	3,000
3-65	CEMENTING	PLUGGING:	-		4,000	
3-60	LOGGING	PRODUCTION:	-		6,500	6,500
3-18	MUD AND MATERIALS		-		5,000	5,000
3-09	DRILL BITS		-		0	0
3-15	WATER & WATER HAULING		-		3,500	3,500
3-61	WELL TESTING	(DST,CORING,ETC)	-		0	0
3-63	WELL TESTING	(MUD LOGGING & WELLSITE GEOLOGIST)	-		1,000	1,000
3-53	SUPERVISION	(ENG,GEO,LEGAL) 10 DAYS @	\$400.00 / DAY -		4,000	4,000
3-27	TRUCKING		-		1,000	1,000
3-11	MISC. LABOR		-		2,500	2,500
3-67	MISC. INTANGIBLES		-		2,000	2,000
3-57	ADMINISTRATIVE OVERHEAD	10 DAYS @	\$300.00 / DAY -		3,000	3,000
	CONTINGENCY	5 %	-		9,788	9,588
TOTAL DRILLING INTANGIBLES:					\$205,638	\$201,338

DRILLING TANGIBLES						
3-22	SURFACE CASING	250 FEET TYPE: 8 5/8" 24.0 #/ft @	\$9.80 / FOOT -		\$2,450	\$2,450
4-24	WELLHEAD EQUIPMENT	(WELLHEADS,VALVES,FITTINGS,ETC.)	-		750	750
	CONTINGENCY	5 %	-		160	160
TOTAL DRILLING TANGIBLES:					\$3,360	\$3,360

COMPLETION INTANGIBLES						
4-21	CASING CREW	PRODUCTION:	-			\$2,500
4-26	CEMENTING	PRODUCTION:	-			9,500
4-08	COMPLETION UNIT	7 DAYS @	\$2,100.00 / DAY -			14,700
4-60	WIRELIN	(PERFORATING AND LOGGING)	-			8,000
4-62	STIMULATION	(ACIDIZING AND FRACTURING)	-			70,000
5-53	SUPERVISION	(ENG,GEO) 7 DAYS @	\$400.00 / DAY -			2,800
4-15	WATER	(PURCHASE AND HAULING):	-			8,000
5-06	DIRTWORK	(LOCATION CLEANUP)	-			2,500
4-27	TRUCKING		-			4,000
4-16	RENTALS		-			2,500
5-11	MISC. LABOR	(WELL HOOKUP)	-			10,000
3-67	MISC. INTANGIBLES		-			2,000
5-57	ADMINISTRATIVE OVERHEAD	7 DAYS @	\$300.00 / DAY -			2,100
	CONTINGENCY	5 %	-			6,330
TOTAL COMPLETION INTANGIBLES:					\$0	\$144,930

COMPLETION TANGIBLES						
4-22	LONGSTRING CASING	6650 FEET TYPE: 4 1/2" 11.60 #/ft @	\$6.25 / FOOT -			41,563
4-29	TUBING	6650 FEET TYPE: 2 3/8" 4.7 #/ft @	\$2.25 / FOOT -			14,963
5-40	VALVES, PIPING, AND FITTINGS		-			8,000
4-24	WELLHEAD EQUIPMENT	(WELLHEADS,VALVES,FITTINGS,ETC.)	-			2,500
5-39	PIPELINE	0 FEET TYPE: 2 INCH @	\$5.50 / FOOT -			0
5-42	METER RUN		-			0
5-33	PRODUCTION UNIT		-			10,000
5-34	DEHYDRATOR		-			10,000
5-37	PRODUCTION TANK		-			5,500
5-38	NOISE ABATEMENT		-			0
5-67	MISC. EQUIPMENT	(FENCES,CULVERTS,ETC.)	-			3,500
	CONTINGENCY	5 %	-			2,723
TOTAL COMPLETION TANGIBLES:					\$0	\$98,748
TOTAL WELL COST:					\$208,898	\$448,376

APPROVALS:		Working Interest	OWNER SHARE	
COMPANY	BY		DRY HOLE	COMPLETED
ROBERT L. BAYLESS, et al		99.609400%	\$208,082	\$446,624
Estate of		0.390600%	\$816	\$1,751
Virginia DeGolver Maxson				
			100.000000%	\$208,898 \$448,376

ROBERT L. BAYLESS, PRODUCER LLC

P. O. BOX 168
FARMINGTON, NM 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

July 25, 2000

Estate of Virginia DeGolyer Maxson
% Mary Maxson Thompson
41 Graham Lane
Lucas, TX 75002

*SSS REPUBLIC DR
SUITE 200
PLANO TX 75074*

RE: Bayless' AFE
HUN NOP PI # 2 Well
San Juan County, New Mexico

Dear Ms. Thompson:

Robert L. Bayless, Producer LLC proposes to drill a Well to test the Dakota formation, estimated at a depth of 6,650 feet, at a legal location in the NW/4 of Section 19, Township 26 North, Range 8 West, San Juan County, New Mexico. You are the owner, through the subject estate, of an undivided interest in the proposed W/2 proration unit for this Well.

We have enclosed Bayless' Authority for Expenditure covering the subject Well for your review. We expect this to be a marginal well, but feel it will reach payout with a modest opportunity for a return on our investment.

As an alternative to participating in the subject Well, Bayless proposes to purchase your leasehold interest for \$100.00 per net mineral acre assigned to Bayless. Such assignment would be; 1) limited to those depths below the base of the Pictured Cliffs formation, 2) subject to existing leasehold burdens of record, and 3) subject to approval of form by Bayless.

The rig availability in the San Juan Basin is limited, but it appears that a rig will become available in the immediate future. Therefore, we ask for your early review and response to our request for participation or support in the drilling of this Well.

We would appreciate you providing us with information regarding the heirs of Virginia DeGolyer Maxson (i.e. full name, address, phone number and relationship). Should you have any questions, I can be contacted at (505) 564-7806.

Yours truly,

Paul Hall, CPL/ESA
Land Manager

ROBERT L. BAYLESS, PRODUCER L.L.C.
AUTHORITY FOR EXPENDITURE

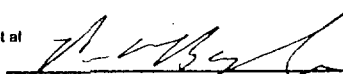
LEASE NAME:	Hun - Nop - Pi	WELL NUMBER:	2	LOCATION:	NE/4 Section 19-T26N-R8W
FIELD:	Basin Dakota	COUNTY:	San Juan	STATE:	New Mexico
TYPE WELL:	Gas	TOTAL DEPTH:	6650	DATE:	7/26/00
OPERATOR:	Robert L. Bayless	PREPARED BY:	pmb	FILE:	c:\msoffice\excel\afe\HunNopPi#2.xls

					DRY HOLE	COMPLETED
DRILLING INTANGIBLES						
3-04	PERMITTING	(STAKING,DAMAGES,ARCHAEOLOGY,PAPERWORK)	-	-	\$5,000	\$5,000
3-06	DIRTWORK	(LOCATION,PITS,ROADS)	-	-	4,000	4,000
3-08	DRILLING	FOOTAGE: 6650 FEET @	\$21.00 / FOOT -	-	139,650	139,650
3-08	DRILLING	DAYWORK: 2 DAYS @	\$5,800.00 / DAY -	-	11,600	11,600
3-26	CEMENTING	SURFACE:	-	-	3,000	3,000
3-65	CEMENTING	PLUGGING:	-	-	4,000	4,000
3-60	LOGGING	PRODUCTION:	-	-	6,500	6,500
3-18	MUD AND MATERIALS		-	-	5,000	5,000
3-09	DRILL BITS		-	-	0	0
3-15	WATER & WATER HAULING		-	-	3,500	3,500
3-61	WELL TESTING	(DST,CORING,ETC)	-	-	0	0
3-63	WELL TESTING	(MUD LOGGING & WELLSITE GEOLOGIST)	-	-	1,000	1,000
3-53	SUPERVISION	(ENG,GEO,LEGAL) 10 DAYS @	\$400.00 / DAY -	-	4,000	4,000
3-27	TRUCKING		-	-	1,000	1,000
3-11	MISC. LABOR		-	-	2,500	2,500
3-67	MISC. INTANGIBLES		-	-	2,000	2,000
3-57	ADMINISTRATIVE OVERHEAD	10 DAYS @	\$300.00 / DAY -	-	3,000	3,000
	CONTINGENCY	5 %	-	-	9,788	9,788
TOTAL DRILLING INTANGIBLES:					\$205,538	\$201,338

DRILLING TANGIBLES						
3-22	SURFACE CASING	250 FEET TYPE: 8 5/8" 24.0 #/ft @	\$9.80 / FOOT -	-	\$2,450	\$2,450
4-24	WELLHEAD EQUIPMENT	(WELLHEADS,VALVES,FITTINGS,ETC.)	-	-	750	750
	CONTINGENCY	5 %	-	-	160	160
TOTAL DRILLING TANGIBLES:					\$3,360	\$3,360

COMPLETION INTANGIBLES						
4-21	CASING CREW	PRODUCTION:	-	-		\$2,450
4-26	CEMENTING	PRODUCTION:	-	-		9,788
4-08	COMPLETION UNIT	7 DAYS @	\$2,100.00 / DAY -	-		14,700
4-60	WIRELINE	(PERFORATING AND LOGGING)	-	-		8,000
4-62	STIMULATION	(ACIDIZING AND FRACTURING)	-	-		70,000
5-53	SUPERVISION	(ENG,GEO) 7 DAYS @	\$400.00 / DAY -	-		2,800
4-15	WATER	(PURCHASE AND HAULING):	-	-		8,000
5-06	DIRTWORK	(LOCATION CLEANUP)	-	-		2,000
4-27	TRUCKING		-	-		4,000
4-16	RENTALS		-	-		2,000
5-11	MISC. LABOR	(WELL HOOKUP)	-	-		10,000
3-67	MISC. INTANGIBLES		-	-		2,000
5-57	ADMINISTRATIVE OVERHEAD	7 DAYS @	\$300.00 / DAY -	-		2,100
	CONTINGENCY	5 %	-	-		6,000
TOTAL COMPLETION INTANGIBLES:					\$0	\$144,000

COMPLETION TANGIBLES						
4-22	LONGSTRING CASING	6650 FEET TYPE: 4 1/2" 11.60 #/ft @	\$6.25 / FOOT -	-		41,562
4-28	TUBING	6650 FEET TYPE: 2 3/8" 4.7 #/ft @	\$2.25 / FOOT -	-		14,962
5-40	VALVES, PIPING, AND FITTINGS		-	-		8,000
4-24	WELLHEAD EQUIPMENT	(WELLHEADS,VALVES,FITTINGS,ETC.)	-	-		2,000
5-39	PIPELINE	0 FEET TYPE: 2 INCH @	\$5.50 / FOOT -	-		
5-42	METER RUN		-	-		
5-33	PRODUCTION UNIT		-	-		10,000
5-34	DEHYDRATOR		-	-		10,000
5-37	PRODUCTION TANK		-	-		5,000
5-38	NOISE ABATEMENT		-	-		
5-67	MISC. EQUIPMENT	(FENCES,CULVERTS,ETC.)	-	-		3,000
	CONTINGENCY	5 %	-	-		2,000
TOTAL COMPLETION TANGIBLES:					\$0	\$99,524
TOTAL WELL COST:					\$208,898	\$448,822

APPROVALS:		Working Interest		OWNER SHARE	
COMPANY	BY	DATE		DRY HOLE	COMPLE
ROBERT L. BAYLESS, et al		7-27-00	99.609400%	\$208,082	\$441,000
Estate of			0.390600%	\$816	\$
Virginia DeGolver Maxson					

7099 3220 0002 8979 2852

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
Article Sent To:	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here	
Name (P)	Estate of Virginia DeGolyer Maxson
Street, A.	% Mary Maxson Thompson
	41 Graham Lane
City, State	Lucas, TX 75002
PS Form	

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Estate of Virginia DeGolyer Maxson
% Mary Maxson Thompson
41 Graham Lane
Lucas, TX 75002

2. Article Number (Copy from service label)

PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

Received by (Please Print Clearly) B. Date of Delivery

C. Signature
x *Callie Thompson*
☐ Agent
☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7099 3220 0002 8979 2852

Hun Nop Pi #2 AFE

ROBERT L. BAYLESS, PRODUCER LLC

P. O. BOX 168
FARMINGTON, NM 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

July 13, 2000

Mr. Peter Maxson
1212 Avenue F
Austin, TX 78751-3721

RE: Bayless' AFE
HUN NOP PI #1 Well
San Juan County, New Mexico

Dear Mr. Maxson:

Robert L. Bayless, Producer LLC proposes to drill a Well to test the Dakota formation, estimated at a depth of 6,650 feet, at a legal location in the NW/4 of Section 19, Township 26 North, Range 8 West, San Juan County, New Mexico. It is our understanding that you represent an estimated 75 percent of the E. L. DeGolyer Estate that owns an undivided interest in the proposed W/2 proration unit for this Well.

We have enclosed Bayless' Authority for Expenditure covering the subject Well for your review. We expect this to be a marginal well, but feel it will reach payout with a modest opportunity for a return on our investment.

As an alternative to participating in the subject Well, Bayless proposes to purchase your leasehold interest for \$100.00 per net mineral acre assigned to Bayless. Such assignment would be; 1) limited to those depths below the base of the Pictured Cliffs formation, 2) subject to existing leasehold burdens of record, and 3) subject to approval of form by Bayless.

The rig availability in the San Juan Basin is limited, but it appears that a rig will become available in the immediate future. Therefore, we ask for your early review and response to our request for participation or support in the drilling of this Well.

Should you have any questions, I can be contacted at (505) 564-7806.

Yours truly,



Paul Hall, CPL/ESA
Land Manager

PETER FLAGG MAXSON
4212 AVENUE F
AUSTIN TX 78751

18 July 2000

Mr. Paul Hall
Robert L. Bayless, Producer LLC
P.O. Box 168
Farmington NM 87499

Dear Mr. Hall:

Thank you for your recent correspondence of July 13th regarding mineral rights in San Juan County, New Mexico.

Unfortunately, my grandfather Everett Lee DeGolyer was thoughtless enough to have four children and sixteen grandchildren, of whom one child and 13 grandchildren survive. So I represent only a small fraction of the family. It would be best if you contact my aunt and her siblings' executors directly:

Cecilia DeGolyer McGhee
c/o Ambassador George Crews McGhee
Farmer's Delight
36276 Mountville Road
Middleburg VA 22117

Virginia DeGolyer Maxson Estate
c/o Mary Maxson Thompson
41 Graham Lane
Lucas Texas 75002

Dorothy DeGolyer Arnold Estate
c/o Douglas DeGolyer Arnold
638 Moreno Road
Penn Valley PA 19077

Everett Lee DeGolyer, Jr. Estate
c/o Joseph H. Warren, Jr.
One Energy Square
4925 Greenville Ave
Dallas TX 75206

I will forward your letter to my sister Mary, who handles our late mother's mineral rights. Thank you or your consideration.

Regards,

A handwritten signature in black ink that reads "Peter Flagg Maxson". The signature is written in a cursive, slightly slanted style.

Peter Flagg Maxson

ROBERT L. BAYLESS, PRODUCER LLC
AUTHORITY FOR EXPENDITURE

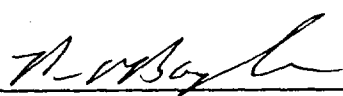
LEASE NAME:	Hun - Nop - PI	WELL NUMBER:	2	LOCATION:	NE/4 Section 19-T26N-R8W
FIELD:	Basin Dakota	COUNTY:	San Juan	STATE:	New Mexico
TYPE WELL:	Gas	TOTAL DEPTH:	6650	DATE:	7/13/00
OPERATOR:	Robert L. Bayless	PREPARED BY:	pmb	FILE:	c:\msoffice\excel\afe\HunNopPI#2.xls

				DRY HOLE	COMPLETED
DRILLING INTANGIBLES					
3-04	PERMITTING	(STAKING,DAMAGES,ARCHAEOLOGY,PAPERWORK)	-	\$5,000	\$5,000
3-06	DIRTWORK	(LOCATION,PITS,ROADS)	-	4,000	4,000
3-08	DRILLING	FOOTAGE: 6650 FEET @	\$21.00 / FOOT -	139,650	139,650
3-08	DRILLING	DAYWORK: 2 DAYS @	\$5,800.00 / DAY -	11,600	11,600
3-26	CEMENTING	SURFACE:	-	3,000	3,000
3-65	CEMENTING	PLUGGING:	-	4,000	
3-60	LOGGING	PRODUCTION:	-	6,500	6,500
3-18	MUD AND MATERIALS		-	5,000	5,000
3-09	DRILL BITS		-	0	0
3-15	WATER & WATER HAULING		-	3,500	3,500
3-61	WELL TESTING	(DST,CORING,ETC)	-	0	0
3-63	WELL TESTING	(MUD LOGGING & WELLSITE GEOLOGIST)	-	1,000	1,000
3-53	SUPERVISION	(ENG,GEO,LEGAL) 10 DAYS @	\$400.00 / DAY -	4,000	4,000
3-27	TRUCKING		-	1,000	1,000
3-11	MISC. LABOR		-	2,500	2,500
3-67	MISC. INTANGIBLES		-	2,000	2,000
3-57	ADMINISTRATIVE OVERHEAD	10 DAYS @	\$300.00 / DAY -	3,000	3,000
	CONTINGENCY	5 %	-	9,788	9,588
TOTAL DRILLING INTANGIBLES:				\$205,538	\$201,338

DRILLING TANGIBLES					
3-22	SURFACE CASING	250 FEET TYPE: 8 5/8" 24.0 #/ft @	\$9.80 / FOOT -	\$2,450	\$2,450
4-24	WELLHEAD EQUIPMENT	(WELLHEADS,VALVES,FITTINGS,ETC.)	-	750	750
	CONTINGENCY	5 %	-	160	160
TOTAL DRILLING TANGIBLES:				\$3,360	\$3,360

COMPLETION INTANGIBLES					
4-21	CASING CREW	PRODUCTION:	-		\$2,500
4-26	CEMENTING	PRODUCTION:	-		9,500
4-08	COMPLETION UNIT	7 DAYS @	\$2,100.00 / DAY -		14,700
4-60	WIRELINE	(PERFORATING AND LOGGING)	-		8,000
4-62	STIMULATION	(ACIDIZING AND FRACTURING)	-		70,000
5-53	SUPERVISION	(ENG,GEO) 7 DAYS @	\$400.00 / DAY -		2,800
4-15	WATER	(PURCHASE AND HAULING):	-		8,000
5-06	DIRTWORK	(LOCATION CLEANUP)	-		2,500
4-27	TRUCKING		-		4,000
4-18	RENTALS		-		2,500
5-11	MISC. LABOR	(WELL HOOKUP)	-		10,000
3-67	MISC. INTANGIBLES		-		2,000
5-57	ADMINISTRATIVE OVERHEAD	7 DAYS @	\$300.00 / DAY -		2,100
	CONTINGENCY	5 %	-		6,330
TOTAL COMPLETION INTANGIBLES:				\$0	\$144,930

COMPLETION TANGIBLES					
4-22	LONGSTRING CASING	6650 FEET TYPE: 4 1/2" 11.60 #/ft @	\$6.25 / FOOT -		41,563
4-29	TUBING	6650 FEET TYPE: 2 3/8" 4.7 #/ft @	\$2.25 / FOOT -		14,963
5-40	VALVES, PIPING, AND FITTINGS		-		8,000
4-24	WELLHEAD EQUIPMENT	(WELLHEADS,VALVES,FITTINGS,ETC.)	-		2,500
5-39	PIPELINE	0 FEET TYPE: 2 INCH @	\$5.50 / FOOT -		
5-42	METER RUN		-		
5-33	PRODUCTION UNIT		-		10,000
5-34	DEHYDRATOR		-		10,000
5-37	PRODUCTION TANK		-		5,500
5-38	NOISE ABATEMENT		-		
5-67	MISC. EQUIPMENT	(FENCES,CULVERTS,ETC.)	-		3,500
	CONTINGENCY	5 %	-		2,700
TOTAL COMPLETION TANGIBLES:				\$0	\$98,700
TOTAL WELL COST:				\$208,898	\$448,300

APPROVALS:		Working Interest	OWNER SHARE	
COMPANY	BY		DRY HOLE	COMPLETED
ROBERT L. BAYLESS, et al		98.82810%	\$206,449	\$443,000
E.L. DeGoyer Estate		1.17190%	\$2,448	\$5,000
Mr. Peter Maxson				

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

7099 3220 0002 8979 2746

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
Here

Name (F) Mr. Peter Maxson
 Street, 4212 Avenue F
 City, Sta Austin, TX 78751-3721

PS Form

uctions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Peter Maxson
 4212 Avenue F
 Austin, TX 78751-3721

2. Article Number (Copy from service label)

PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

Received by (Please Print Clearly)

B. Date of Delivery

7-17-00

C. Signature

X *Sabi*

- ☐ Agent
- ☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☒ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

7099 3220 0002 8979 2746

HUN NOP PI #1 AFE Land Dept