

30.045.13283

Robert L. Bayless, Producer LLC

P. O. Box 168
Farmington, New Mexico 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

October 29, 2008

Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

RCVD OCT 30 '08

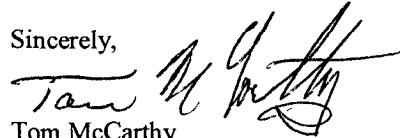
OIL CONS. DIV.

DIST. 3

RE: Bolack No. 1
SE/4, Section 1, T25N, R8W, San Juan County, NM

A sundry notice for the subject well is attached, along with a letter from NMOCD stating that this well is on the inactive well list. Note on the sundry that this well was returned to production on October 28, 2008. Given that event, we ask that it be removed from the inactive well list.

Sincerely,



Tom McCarthy
Petroleum Engineer

CP To TM.
Well will fall off After Production Reported & Processed
in Santa Fe

11-13-08
CP



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

RECEIVED

JUL 07 2008

ON THIS DATE

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

July 1, 2008

Rule 40 of the Oil Conservation Division requires that the OCD notify any operator who operates a well that has shown no production or injection for the past twelve months. You may have received notification in the past of the wells that met that criteria at that time. Through this letter you are being advised that one or more wells operated by your company have become inactive since the last notification on December 4, 2007.

You may see a complete list of the inactive wells operated by your organization wells by going to www.emnrd.state.nm.us/ocd, then OCD Online, then E-Permitting, then Inactive Well List. Enter three or more characters of your organization's name and select the right company from the pull-down list. Then click Get Report. The default report shows you all wells that have been inactive for 15 or more months; please change this to 12 months to see which wells have not produced in 12 months. If you do not change the options at the bottom of the screen, the list you pull will exclude wells in Approved Temporary Abandonment status and wells covered by an Agreed Compliance Order for inactive wells. The list also excludes wells that have been plugged but for which the site has not yet been released.

Please review the Oil Conservation Division's 2005 enforcement rules on the web to learn what impact this list of wells may have on your organization. These are available at www.emnrd.state.nm.us/ocd, Rules, Newly Adopted Enforcement Rules.

You may keep yourself informed of upcoming inactive wells by going to the report as described above but change the box showing the number of months that the wells have been inactive to 8 months or anything else to see which wells may cause inactivity issues in the future.

If you believe any of these wells should have been reported with production or injection volumes on your C-115, please amend and re-file those C-115s immediately. If you have any other questions about why these wells are appearing as inactive, **please contact the OCD District Supervisor for the district in which the well in question is located.** If you do not have access to the internet and need a copy of your inactive well list, please request a copy from Kimberly Romero at 505/476-3453.

We have received some questions about the Status indicators of P and D. P means that the most active zone for this well at this time is a plugged zone. It does not mean that the well itself has been plugged or "plugged-not-released." This well would not be on the Inactive Well List if OCD had recorded the wellbore as plugged or "plugged-not-released"; if you believe that the well is plugged, please contact the OCD district. The D means that the most active zone for the well is recorded as a dry hole. If your records show otherwise, please contact the district.

Sincerely,

Jane Prouty

Bureau Chief, Automation and Records Bureau

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OIL CONS. DIV.

DIST. 3

Inactive Well List

Total Well Count: 96 Inactive Well Count: 2 Since: 4/23/2007

Printed On: Wednesday, July 16 2008

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
3	30-039-25339	BLUE MESA #001	I-11-24N-07W	I	150182	ROBERT L BAYLESS PRODUCER LLC	F	G	01/2007	BALLARD PC		
3	30-045-13283	BOLACK #001	20-1-25N-08W	P	150182	ROBERT L BAYLESS PRODUCER LLC	F	G	03/2007			

WHERE Ogrid:150182, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells
Under ACOI, Excludes Wells in Approved TA Period

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OIL CONS. DIV.

DIST. 3

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
*Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.*

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF080375B
2. Name of Operator Robert L. Bayless, Producer LLC		6. If Indian, Allottee or Tribe Name
3a. Address PO Box 168, Farmington, NM 87499	3b. Phone No. (include area code) (505) 326-2659	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 800' FSL & 500' FEL SEC. 1, T25N, R8W		8. Well Name and No. Bolack #1
		9. API Well No. 30-045-13283
		10. Field and Pool, or Exploratory Area Ballard Pictured Cliffs
		11. County or Parish, State San Juan County, NM

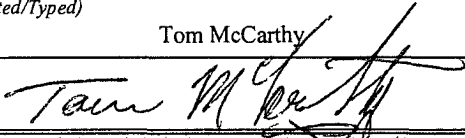
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, A Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Reference Steve Mason's letter of September 12, 2008, and our sundry of September 15th. This well was returned to production on 10/19/2008.

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DIST. 3

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tom McCarthy		Title Petroleum Engineer
Signature 		Date 10/29/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operation thereon.	Office	