

11-7-12 DATE IN	<i>NA</i> SUSPENSE	ENGINEER	<i>DB</i> LOGGED IN	11-7 TYPE	NSL	PDKB-1231255860 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



Robert L. Boyles
Horseshoe Gulch
19 #84

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

6705

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

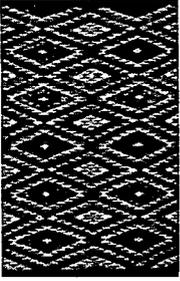
Print or Type Name

Signature

Title

Date

e-mail Address



Robert L. Bayless, Producer LLC

Post Office Box 168
368 New Mexico Highway 170
Farmington, New Mexico 87499
505-326-2659
Fax 505-326-6911

621 Seventeenth Street, Suite 2300
Denver, Colorado 80293
303-296-9900
Fax 303-296-0753

November 5, 2012

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Attn: Mr. David Brooks

Re: Request for Unorthodox Location for Horseshoe Gallup 19-8H

Dear Mr. Brooks,

Robert L. Bayless, Producer LLC, is requesting an unorthodox location for the Horseshoe Gallup 19-8H, API#: 30-045-35376, Lease #:NMNM086497 per Rule 19.15.15.13. This well's bottom hole location of the first (heal) completion interval is 1,530' FNL and 932' FEL and Toe is 1,653 FNL & 963' FWL. The well is horizontal and designated to the S/2 N/2 as a Horseshoe Gallup Oil well and encroaches on the 330' required offset to the North. The ownership and lease is the same for the well and encroached upon spacing units. Attached is the C-102 as drilled Plat with the dedicated acreage. Please let me know if you have any question.

Sincerely,

John D Thomas

Operations Engineer

Robert L. Bayless, Producer LLC

Office: 505-564-7806

Cell: 505-320-5234

jthomas@rlbayless.com

RECEIVED OGD
2012 NOV -7 A 11: 05

Actual

District I

1625 N. French Dr. Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720

District III

1000 Rio Binzas Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-35376	² Pool Code 32870	³ Pool Name HORSESHOE GALLUP
⁴ Property Code	⁵ Property Name HORSESHOE GALLUP 19	
⁷ OGRID No. 150182	⁸ Operator Name ROBERT L. BAYLESS, PRODUCER LLC	⁶ Well Number 8H
		⁹ Elevation 5379

¹⁰ Surface Location

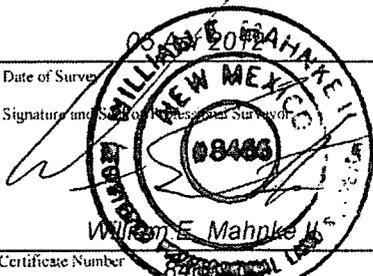
UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South Line	Feet from the	East/West Line	County
H	19	30 N	15 W		1500	North	555	East	San Juan

¹¹ 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
2	19	30 N	15 W		1720	North	400	West	San Juan

¹² Dedicated Acres	¹³ Joint or Infill	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.

¹⁶ (20.07) N 89°40' W Lot 1 79.94 Ch. Bottom Hole 1720' FNL & 400' FWL (653 FNL Lot #2 963 FWL Sec.	(19.87) 39.94 Ch. N 89°43'52" W, 4323.8' Bottom Pilot Hole 1720' FNL & 557' FEL 1518' FNL 901' FEL	N 89°48' W 39.70 Ch. 1500' Lat. 36.80275° N Long. 108.45122° W	39.81 Ch. 555' South, 220° N 0°37' W	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
				Signature  Date 10/5/12
N 0°09' E Lot 3 Lot 4 (20.44) N 89°56' W (19.91)	39.88 Ch. North	39.81 80.16 Ch.	¹⁸ SURVEYOR CERTIFICATION 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.	Date of Survey Signature and Seal of Professional Surveyor  Certificate Number

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, November 07, 2012 3:50 PM
To: 'jthomas@rlbayless.com'
Subject: Horseshoe Gallup 19 #8H; NSL Application

Dear Mr. Thomas

I need a couple of things clarified.

First, your letter says the first completion is at 1530 FNL & 932 FEL, but the attached C-102 shows a marked position, not identified, at 1518 FNL & 901 FEL. The location we need to know is the beginning of the "completed interval" which is the first perf in a cased hole completion, or the casing shoe in an open hole completion. Which of the identified locations describes the beginning of the completed interval as so understood?

Second, we need to know which specific spacing units have identical ownership with the well's project area. In order to dispense with notice, we would need that there be identical ownership as to the entire N/2 N/2, because we cannot tell from the diagram how much of the lateral will be within 330 feet of the northern boundary of the N/2 S/2.

Thanks in advance for your attention.

Sincerely

David K. Brooks

Brooks, David K., EMNRD

From: John Thomas <jthomas@rlbayless.com>
Sent: Thursday, November 08, 2012 9:47 AM
To: Brooks, David K., EMNRD
Subject: RE: Horseshoe Gallup 19 #8H; NSL Application
Attachments: HG 19-8H Description.pdf

Mr. Brooks,

I apologize for any confusion. The "completed" interval begins at 1518 & 901 as shown on the C-102. Please see the attached Plat for a better description of the well "project area" and offset Spacing units, spacing units that the lateral encroached on. A Com agreement has been approved by all parties and sent to the BLM for the 2 leases in the project area. Again, Please let me know if you have any questions. Thank you.

JT

John D Thomas - Operations Engineer
Robert L Bayless, Producer LLC
Office: 505-564-7806 (Direct)
Cell: 505-320-5234
jthomas@rlbayless.com

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Wednesday, November 07, 2012 3:50 PM
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Sincerely

David K. Brooks

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4 Property Code	5 Property Name HORSESHOE GALLUP 19		6 Well Number 8H
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10 Surface Location

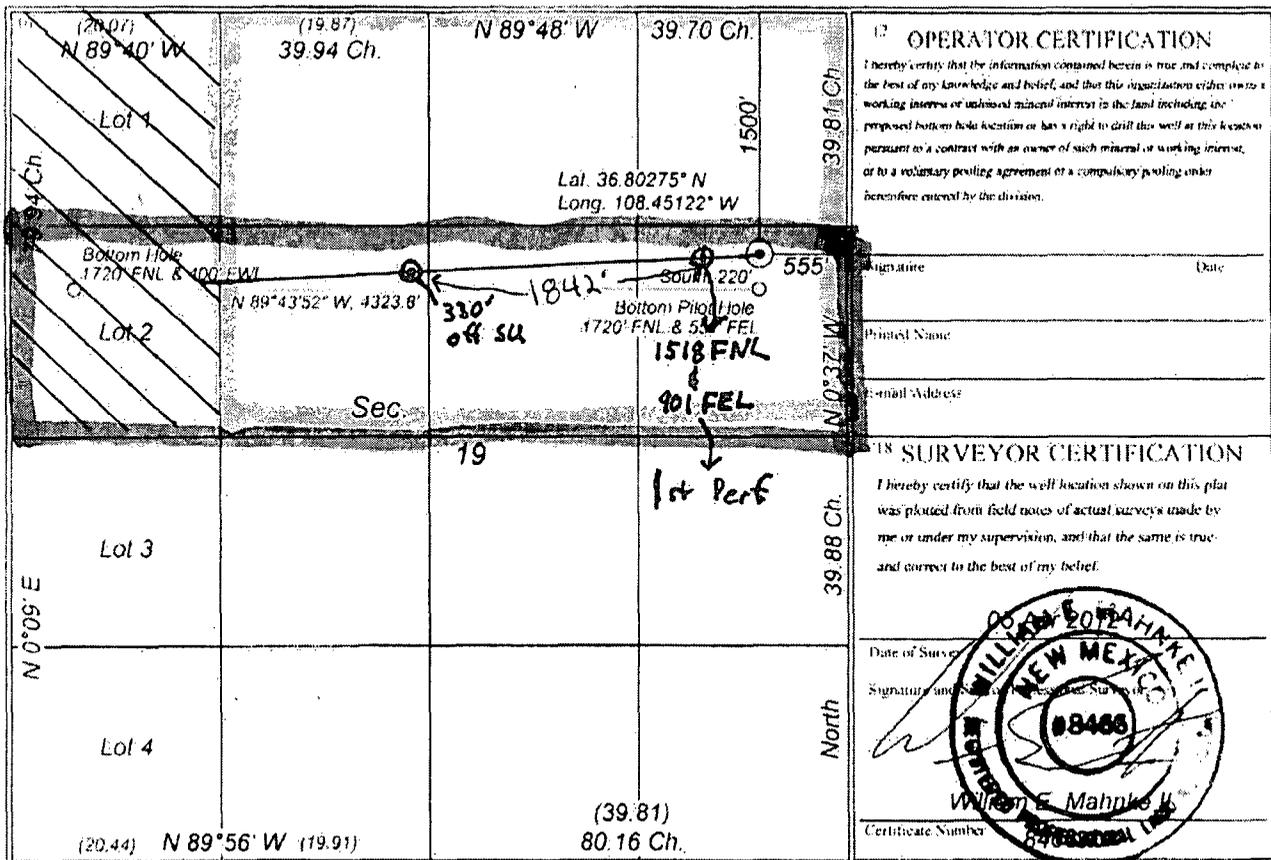
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11 Bottom Hole Location If Different From Surface

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2	19	30 N	15 W		1720	North	400	West	San Juan

13 Dedicated Acres	14 Joint or Initial	15 Consolidation Code	16 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.



- Project Area 160.67 acres
 Lease # NMNM-42428 (same ownership)
 Lease # NMNM-86497 (standard offset)