DISTRICT I
P.O. BOX 1980, Hobbs, NM 88241-1980

DISTRICT II
811 South First St., Artesia, NM 88210-2835

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

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JAN 29 1999
OIL CONSERVATION DIV.

Form C-107-A
New 3-12-96

APPROVAL PROCESS:
X Administrative ___ Hearing

EXISTING WELLBORE
X YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Robert L. Bayless	P.O. Box 168, Farmington, New Mexico 87499		
Operator	Address		
Fee	Juhan #1	G Sec 29, T30N R12W	San Juan
Lease	Well No.	Unit Ltr. - Sec - Twp - Rge	County

Spacing Unit Lease Type: (check 1 or more)

OGRID NO. 019418 Property Code 13454 API NO. 30-045-29075 Federal ___, State ___, (and/or) Fee X

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Basin Fruitland Coal		Fulcher Kutz Pictured Cliffs
2. Top and Bottom of Pay Section (Perforations)	1604' - 1637'		1650' - 1661'
3. Type of Production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	(Current) a. 585 psi (estimate from offset wells) (Original) b. 585 psi (estimate from offset wells)	a. b.	a. 140 psi b. 600 psi
6. Oil Gravity (° API) or Gas BTU Content	1053 BTU		1199 BTU
7. Producing or Shut-in?	Not Completed Yet		Producing
Production Marginal? (yes or no)	Yes		Yes
If Shut-in, give date and oil/gas/ water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates: N/A	Date: Rates:	Date: Rates: N/A
If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: Not Producing Rates: Production Estimates Attached	Date: Rates:	Date: 12/31/1998 Rates: 105 MCFD 1.4 BWPD
8. Fixed Percentage Allocation Formula - % for each zone	Oil: N/A % Gas: N/A %	Oil: % Gas: %	Oil: N/A % Gas: N/A %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ___ Yes X No
If not, have all working, overriding, and royalty interests been notified by certified mail? X Yes ___ No
Have all offset operators been given written notice of the proposed downhole commingling? X Yes ___ No

11. Will cross-flow occur? X Yes ___ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. X Yes ___ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? X Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes X No

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. X Yes ___ No

15. NMOCD Reference Cases for Rule 303 (D) Exceptions: ORDER NO. (S). _____

16. ATTACHMENTS:
* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
* Production curve for each zone for at least one year, (If not available, attach explanation.)
* For zones with no production history, estimated production rates and supporting data.
* Data to support allocation method or formula.
* Notification list of all offset operators.
* Notification list of working, overriding, and royalty interests for uncommon interest cases.
* Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Kevin H. McCord TITLE Petroleum Engineer DATE January 28, 1999

TYPE OR PRINT NAME Kevin H. McCord TELEPHONE NO. (505) 326-2659

ROBERT L. BAYLESS

Downhole Commingle Application
Juhan #1

LIST OF ATTACHMENTS

Attachment #1 - Well Location and Acreage Dedication Plat (C-102) for the Pictured Cliffs Formation

Attachment #2 - Well Location and Acreage Dedication Plat (C-102) for the Fruitland Coal Formation

Attachment #3 - Production Decline Curve for the Pictured Cliffs Formation

Attachment #4 - Estimated Future Production Decline Curve for the Fruitland Coal Formation

Attachment #5 - Estimated Future Production for the Pictured Cliffs Formation

Attachment #6 - Estimated Future Production for the Fruitland Coal Formation

Attachment #7 - Allocation Method

Attachment #8 - Sample Notification Letter

Attachment #9 - List of All Offset Operators Notified

Attachment #10 - List of All Working, Overriding, and Royalty Interest Owners Notified

Attachment #1

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
ROBERT L. BAYLESS	JUHAN	1

Unit Letter	Section	Township	Range	County
G	29	30 N	12 W NMPM	San Juan

Actual Footage Location of Well:
1650 feet from the North line and 1800 feet from the East line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
5543	PC	FULCHER KUTZ	160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

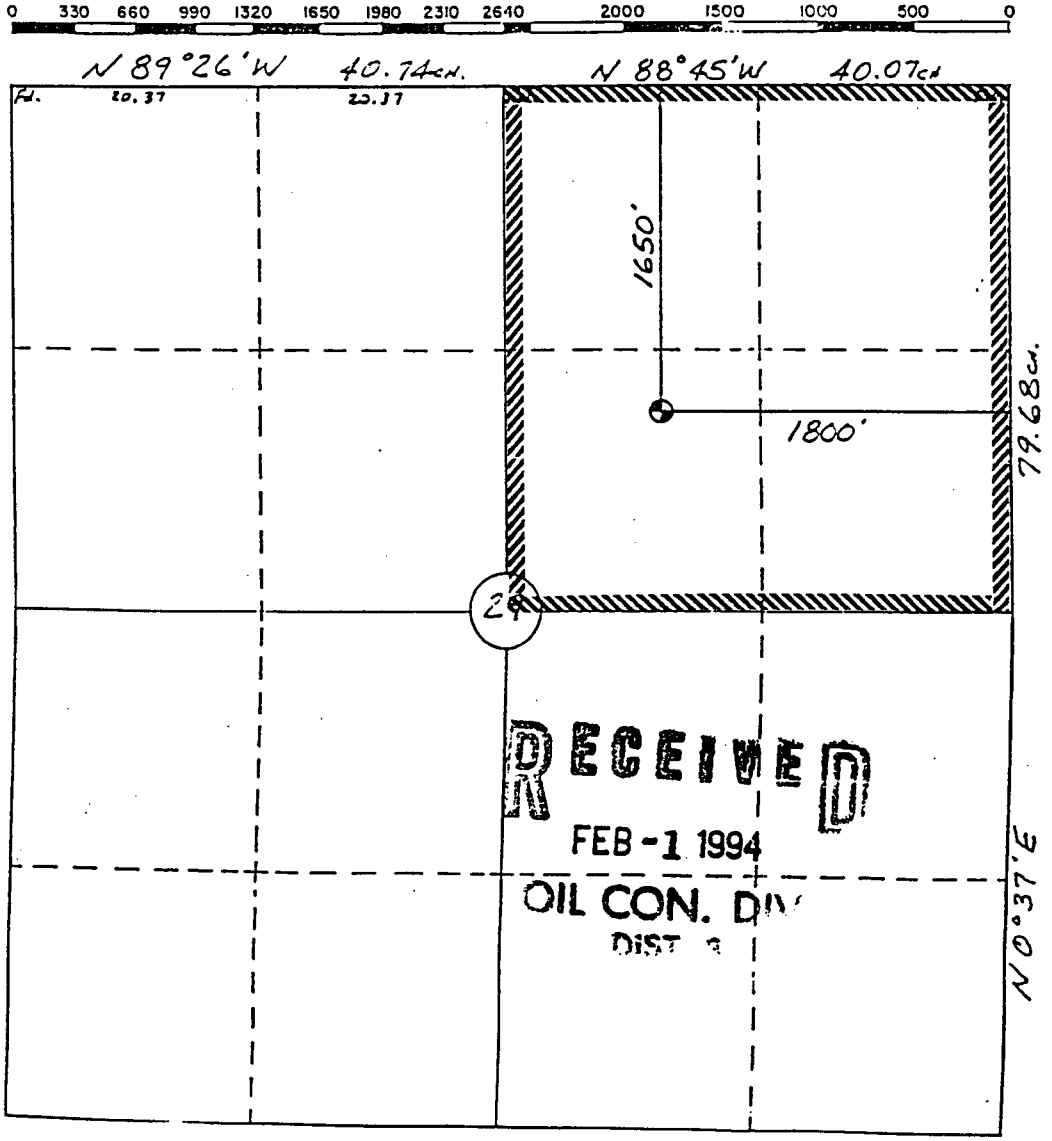
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



RECEIVED
FEB -1 1994
OIL CON. DIV.
DIST. 3

OPERATOR CERTIFICATION

I hereby certify that the information contained herein in true and complete to the best of my knowledge and belief.

Signature: R. M. Bayless

Printed Name: Price M. Bayless

Position: Engineer

Company: Robert L. Bayless

Date: 1/27/94

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 supervison, and that the same is true and correct to the best of my knowledge and belief. 12 Jan., 1994

Date Surveyed

William E. Mahnke II

Signature & Seal of Professional Surveyor

NEW MEXICO #8466 REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate No. 8466

Attachment #2

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised 1-1-89

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
ROBERT L. BAYLESS	JUHAN	1

Unit Letter	Section	Township	Range	County
G	29	30 N	12 W NMPM	San Juan

Actual Footage Location of Well:
1650 feet from the North line and 1800 feet from the East line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
5543	Fruitland Coal	Basin Fruitland Coal	320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

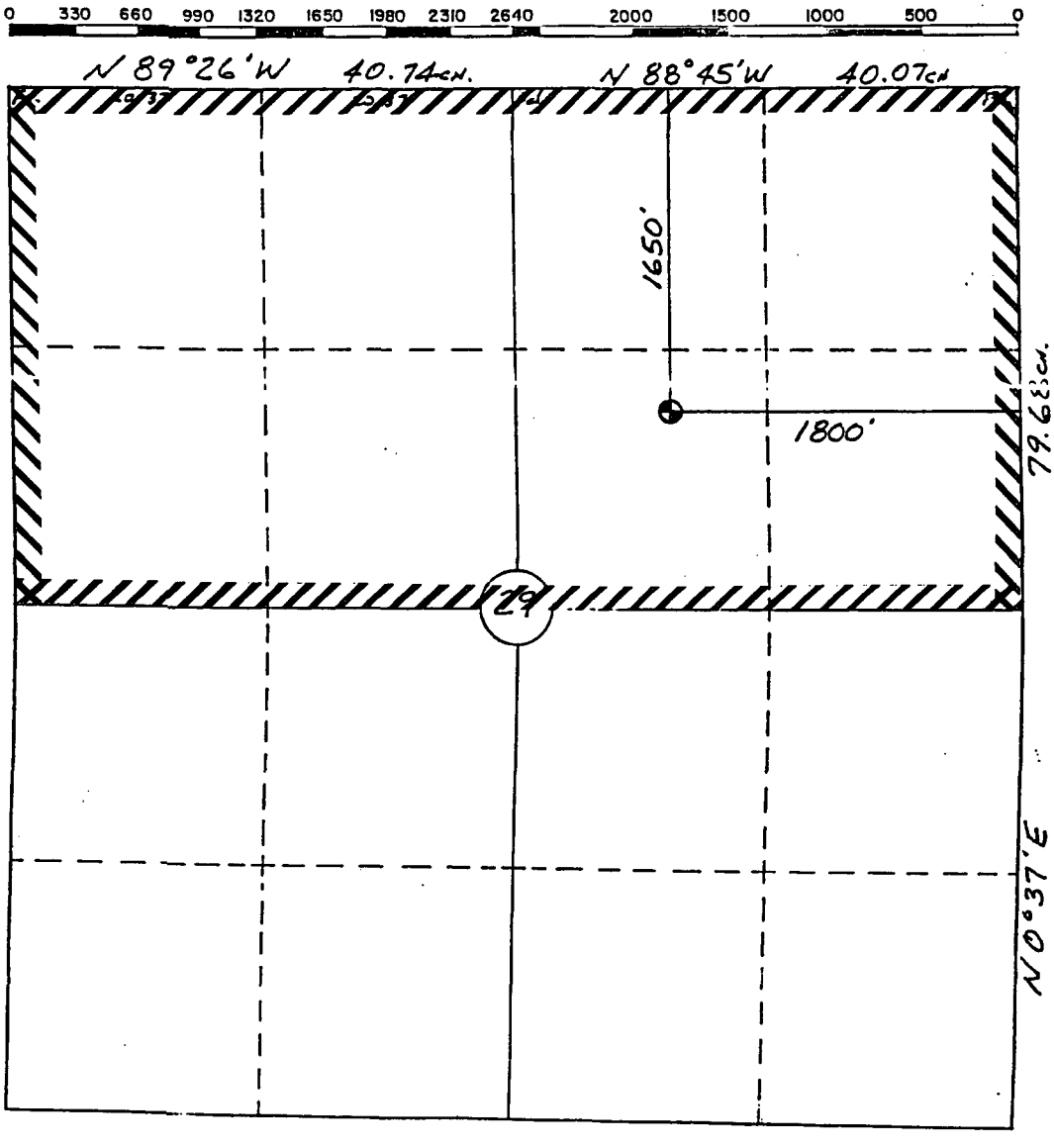
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest 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 neccessary. _____

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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein in true and complete to the best of my knowledge and belief.

Signature: Kevin H. McCord
Printed Name: Kevin H. McCord
Position: Engineer
Company: Robert L. Bayless
Date: 1/27/99

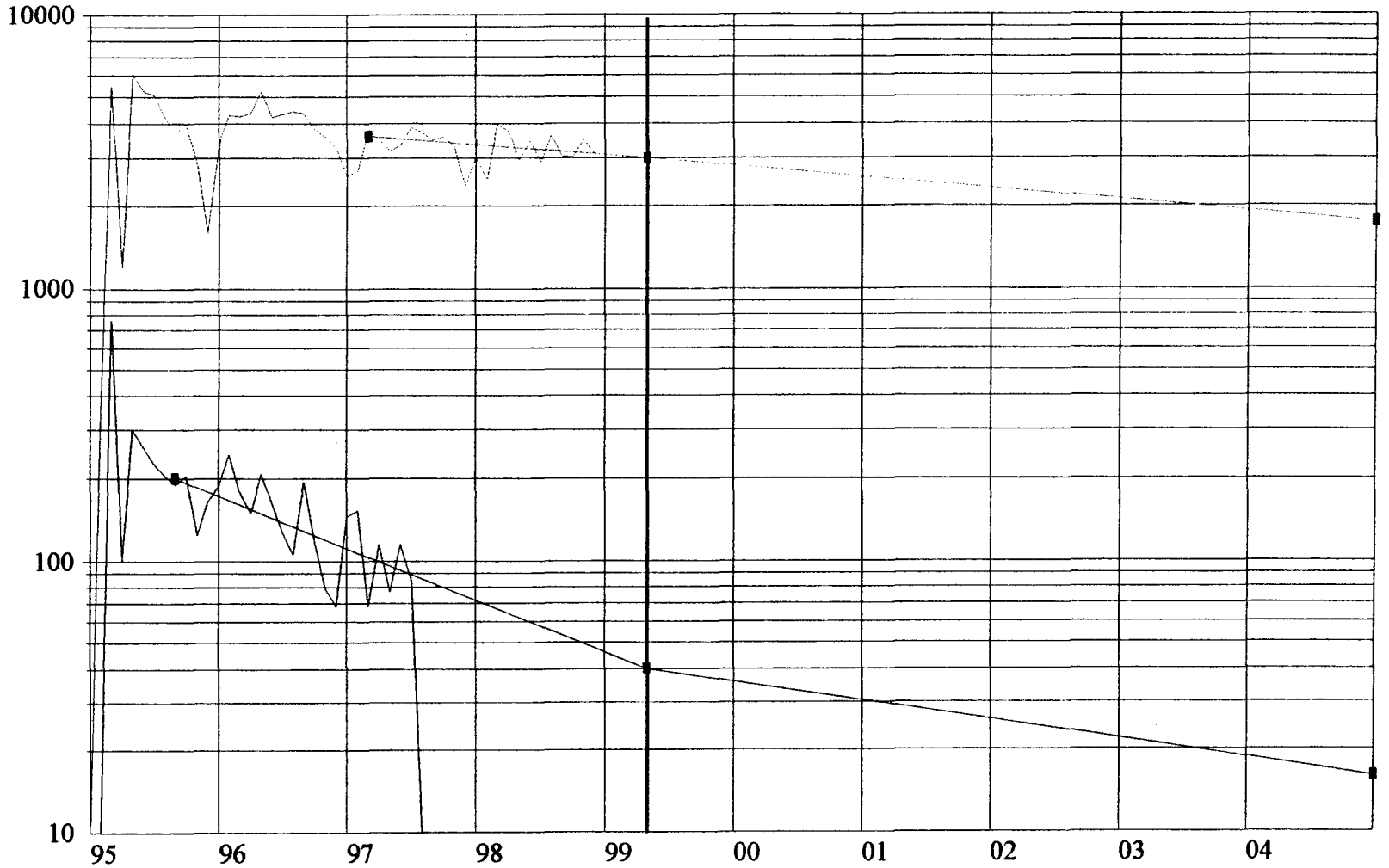
SURVEYOR CERTIFICATION

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 supervison, and that the same is true and correct to the best of my knowledge and belief. 12 Jan., 1994

Date Surveyed
William E. Mahnke II
Signature & Seal of Professional Surveyor
WILLIAM E. MAHNKE II NEW MEXICO #8466 REGISTERED PROFESSIONAL LAND SURVEYOR
Certificate No. 8466

Attachment #5

JUHAN (1 - 100%), FULCHER KUTZ (PICTURED CLIFFS) PC



JUHAN (1 - 100%)
FULCHER KUTZ (PICTURED CLIFFS) PC
BAYLESS ROBERT L
SAN JUAN, NM

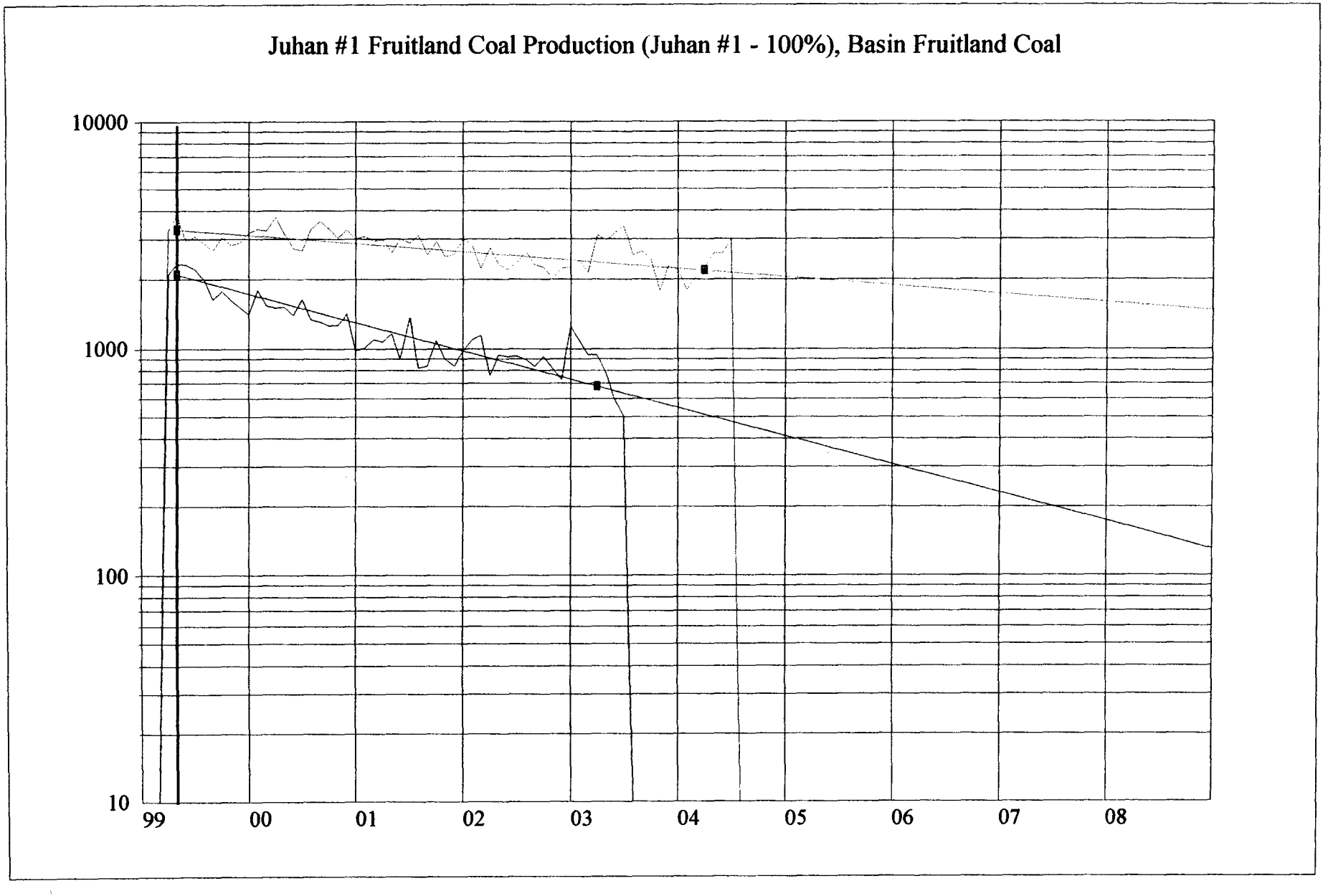
[30045290750000]
PICTURED CLIFFS
29G 30N 12W

	Oil (bbl)	Gas (mcf)	Water (bbl)
Cumulative:	0	167,421	5,111
Remaining:	Recalculate	Recalculate	Recalculate
Ultimate:	Recalculate	Recalculate	Recalculate

Attachment #4

Juhan #1 Fruitland Coal Production Forecast
Average Production From Offset Wells

5:08:49 p - 1/26/99



Juhan #1 Fruitland Coal Production (Juhan #1 - 100%) []
Basin Fruitland Coal
Robert L. Bayless
San Juan County, New Mexico

	Oil (bbl)	Gas (mcf)	Water (bbl)
Cumulative:	0	177,251	64,024
Remaining:	Recalculate	Recalculate	Recalculate
Ultimate:	Recalculate	Recalculate	Recalculate

Attachment #5

P. 1

ROBERT L. BAYLESS				
JUHAN #1				
PICTURED CLIFFS FORMATION				
PRODUCTION FORECAST				
BASED ON HISTORICAL TREND				
Initial Rate (April 1999):			3,000 MCFM	40 BWPM
Effective Decline Rate:			9.0%	15.0%
			CALCULATED	CALCULATED
			GAS PROD	WATER PROD
	YEAR	MONTH	(MCF)	(BBLS)
1	1999	APR	3,000	40
2	1999	MAY	2,977	39
3	1999	JUN	2,953	39
4	1999	JUL	2,930	38
5	1999	AUG	2,907	38
6	1999	SEP	2,884	37
7	1999	OCT	2,862	37
8	1999	NOV	2,839	36
9	1999	DEC	2,817	36
10	2000	JAN	2,795	35
11	2000	FEB	2,773	35
12	2000	MAR	2,752	34
13	2000	APR	2,730	34
14	2000	MAY	2,709	34
15	2000	JUN	2,687	33
16	2000	JUL	2,666	33
17	2000	AUG	2,646	32
18	2000	SEP	2,625	32
19	2000	OCT	2,604	31
20	2000	NOV	2,584	31
21	2000	DEC	2,564	31
22	2001	JAN	2,544	30
23	2001	FEB	2,524	30
24	2001	MAR	2,504	29
25	2001	APR	2,484	29
26	2001	MAY	2,465	29
27	2001	JUN	2,446	28
28	2001	JUL	2,426	28
29	2001	AUG	2,407	27
30	2001	SEP	2,389	27
31	2001	OCT	2,370	27
32	2001	NOV	2,351	26
33	2001	DEC	2,333	26
34	2002	JAN	2,315	26
35	2002	FEB	2,297	25
36	2002	MAR	2,279	25
37	2002	APR	2,261	25
38	2002	MAY	2,243	24
39	2002	JUN	2,225	24
40	2002	JUL	2,208	24
41	2002	AUG	2,191	23
42	2002	SEP	2,174	23
43	2002	OCT	2,157	23
44	2002	NOV	2,140	22
45	2002	DEC	2,123	22
46	2003	JAN	2,106	22
47	2003	FEB	2,090	21
48	2003	MAR	2,073	21
49	2003	APR	2,057	21
50	2003	MAY	2,041	21
51	2003	JUN	2,025	20

ROBERT L. BAYLESS				
JUHAN #1				
PICTURED CLIFFS FORMATION				
PRODUCTION FORECAST				
BASED ON HISTORICAL TREND				
Initial Rate (April 1999):			3,000 MCFM	40 BWPM
Effective Decline Rate:			9.0%	15.0%
			CALCULATED	CALCULATED
			GAS PROD	WATER PROD
	YEAR	MONTH	(MCF)	(BBLS)
52	2003	JUL	2,009	20
53	2003	AUG	1,994	20
54	2003	SEP	1,978	20
55	2003	OCT	1,962	19
56	2003	NOV	1,947	19
57	2003	DEC	1,932	19
58	2004	JAN	1,917	18
59	2004	FEB	1,902	18
60	2004	MAR	1,887	18
61	2004	APR	1,872	18
62	2004	MAY	1,857	18
63	2004	JUN	1,843	17
64	2004	JUL	1,828	17
65	2004	AUG	1,814	17
66	2004	SEP	1,800	17
67	2004	OCT	1,786	16
68	2004	NOV	1,772	16
69	2004	DEC	1,758	16
70	2005	JAN	1,744	16
71	2005	FEB	1,731	16
72	2005	MAR	1,717	15
73	2005	APR	1,704	15
74	2005	MAY	1,690	15
75	2005	JUN	1,677	15
76	2005	JUL	1,664	14
77	2005	AUG	1,651	14
78	2005	SEP	1,638	14
79	2005	OCT	1,625	14
80	2005	NOV	1,612	14
81	2005	DEC	1,600	14
82	2006	JAN	1,587	13
83	2006	FEB	1,575	13
84	2006	MAR	1,563	13
85	2006	APR	1,550	13
86	2006	MAY	1,538	13
87	2006	JUN	1,526	12
88	2006	JUL	1,514	12
89	2006	AUG	1,502	12
90	2006	SEP	1,491	12
91	2006	OCT	1,479	12
92	2006	NOV	1,467	12
93	2006	DEC	1,456	12
94	2007	JAN	1,444	11
95	2007	FEB	1,433	11
96	2007	MAR	1,422	11
97	2007	APR	1,411	11
98	2007	MAY	1,400	11
99	2007	JUN	1,389	11
100	2007	JUL	1,378	10
101	2007	AUG	1,367	10
102	2007	SEP	1,356	10

Attachment #5

P. 3

ROBERT L. BAYLESS				
JUHAN #1				
PICTURED CLIFFS FORMATION				
PRODUCTION FORECAST				
BASED ON HISTORICAL TREND				
Initial Rate (April 1999):			3,000 MCFM	40 BWPM
Effective Decline Rate:			9.0%	15.0%
			CALCULATED	CALCULATED
			GAS PROD	WATER PROD
	YEAR	MONTH	(MCF)	(BBLS)
103	2007	OCT	1,346	10
104	2007	NOV	1,335	10
105	2007	DEC	1,325	10
106	2008	JAN	1,314	10
107	2008	FEB	1,304	10
108	2008	MAR	1,294	9
109	2008	APR	1,284	9
110	2008	MAY	1,274	9
111	2008	JUN	1,264	9
112	2008	JUL	1,254	9
113	2008	AUG	1,244	9
114	2008	SEP	1,234	9
115	2008	OCT	1,225	9
116	2008	NOV	1,215	8
117	2008	DEC	1,206	8
118	2009	JAN	1,196	8
119	2009	FEB	1,187	8
120	2009	MAR	1,177	8
121	2009	APR	1,168	8
122	2009	MAY	1,159	8
123	2009	JUN	1,150	8
124	2009	JUL	1,141	8
125	2009	AUG	1,132	7
126	2009	SEP	1,123	7
127	2009	OCT	1,114	7
128	2009	NOV	1,106	7
129	2009	DEC	1,097	7
130	2010	JAN	1,088	7
131	2010	FEB	1,080	7
132	2010	MAR	1,071	7
133	2010	APR	1,063	7
134	2010	MAY	1,055	7
135	2010	JUN	1,047	7
136	2010	JUL	1,038	6
137	2010	AUG	1,030	6
138	2010	SEP	1,022	6
139	2010	OCT	1,014	6
140	2010	NOV	1,006	6
141	2010	DEC	998	6
142	2011	JAN	991	6
143	2011	FEB	983	6
144	2011	MAR	975	6
145	2011	APR	967	6
146	2011	MAY	960	6
147	2011	JUN	952	6
148	2011	JUL	945	5
149	2011	AUG	937	5
150	2011	SEP	930	5
151	2011	OCT	923	5
152	2011	NOV	916	5
153	2011	DEC	908	5

ROBERT L. BAYLESS
JUHAN #1

PICTURED CLIFFS FORMATION
PRODUCTION FORECAST
BASED ON HISTORICAL TREND

Initial Rate (April 1999):		3,000 MCFM	40 BWPM
Effective Decline Rate:		9.0%	15.0%

	YEAR	MONTH	CALCULATED GAS PROD (MCF)	CALCULATED WATER PROD (BBLS)
154	2012	JAN	901	5
155	2012	FEB	894	5
156	2012	MAR	887	5
157	2012	APR	880	5
158	2012	MAY	873	5
159	2012	JUN	867	5
160	2012	JUL	860	5
161	2012	AUG	853	5
162	2012	SEP	846	5
163	2012	OCT	840	4
164	2012	NOV	833	4
165	2012	DEC	827	4
166	2013	JAN	820	4
167	2013	FEB	814	4
168	2013	MAR	807	4
169	2013	APR	801	4
170	2013	MAY	795	4
171	2013	JUN	789	4
172	2013	JUL	782	4
173	2013	AUG	776	4
174	2013	SEP	770	4
175	2013	OCT	764	4
176	2013	NOV	758	4
177	2013	DEC	752	4
178	2014	JAN	746	4
179	2014	FEB	741	4
180	2014	MAR	735	4
181	2014	APR	729	3
182	2014	MAY	723	3
183	2014	JUN	718	3
184	2014	JUL	712	3
185	2014	AUG	706	3
186	2014	SEP	701	3
187	2014	OCT	695	3
188	2014	NOV	690	3
189	2014	DEC	685	3
190	2015	JAN	679	3
191	2015	FEB	674	3
192	2015	MAR	669	3
193	2015	APR	663	3
194	2015	MAY	658	3
195	2015	JUN	653	3
196	2015	JUL	648	3
197	2015	AUG	643	3
198	2015	SEP	638	3
199	2015	OCT	633	3
200	2015	NOV	628	3
201	2015	DEC	623	3

Attachment #5

P.5.

ROBERT L. BAYLESS				
JUHAN #1				
PICTURED CLIFFS FORMATION				
PRODUCTION FORECAST				
BASED ON HISTORICAL TREND				
Initial Rate (April 1999):			3,000 MCFM	40 BWPM
Effective Decline Rate:			9.0%	15.0%
			CALCULATED GAS PROD	CALCULATED WATER PROD
	YEAR	MONTH	(MCF)	(BBLS)
202	2016	JAN	618	3
203	2016	FEB	613	3
204	2016	MAR	608	3
205	2016	APR	604	3
206	2016	MAY	599	2
207	2016	JUN	594	2
208	2016	JUL	590	2
209	2016	AUG	585	2
210	2016	SEP	580	2
211	2016	OCT	576	2
212	2016	NOV	571	2
213	2016	DEC	567	2
214	2017	JAN	562	2
215	2017	FEB	558	2
216	2017	MAR	554	2
217	2017	APR	549	2
218	2017	MAY	545	2
219	2017	JUN	541	2
220	2017	JUL	537	2
221	2017	AUG	532	2
222	2017	SEP	528	2
223	2017	OCT	524	2
224	2017	NOV	520	2
225	2017	DEC	516	2
226	2018	JAN	512	2
227	2018	FEB	508	2
228	2018	MAR	504	2
229	2018	APR	500	2
230	2018	MAY	496	2
231	2018	JUN	492	2
232	2018	JUL	488	2
233	2018	AUG	484	2
234	2018	SEP	481	2
235	2018	OCT	477	2
236	2018	NOV	473	2
237	2018	DEC	469	2
238	2019	JAN	466	2
239	2019	FEB	462	2
240	2019	MAR	459	2
241	2019	APR	455	2
242	2019	MAY	451	2
243	2019	JUN	448	2
244	2019	JUL	444	1
245	2019	AUG	441	1
246	2019	SEP	437	1
247	2019	OCT	434	1
248	2019	NOV	431	1
249	2019	DEC	427	1

Attachment #6
P. 1

ROBERT L. BAYLESS				
JUHAN #1				
FRUITLAND COAL FORMATION				
PRODUCTION FORECAST				
BASED ON AVERAGE PRODUCTION FROM OFFSETS				
Initial Rate (April 1999):			3,300 MCFM	2100 BWPM
Effective Decline Rate:			8.0%	25.0%
			CALCULATED GAS PROD	CALCULATED WATER PROD
	YEAR	MONTH	(MCF)	(BBLS)
1	1999	APR	3,300	2,100
2	1999	MAY	3,277	2,050
3	1999	JUN	3,254	2,002
4	1999	JUL	3,232	1,954
5	1999	AUG	3,210	1,908
6	1999	SEP	3,187	1,863
7	1999	OCT	3,165	1,819
8	1999	NOV	3,143	1,776
9	1999	DEC	3,122	1,734
10	2000	JAN	3,100	1,692
11	2000	FEB	3,078	1,652
12	2000	MAR	3,057	1,613
13	2000	APR	3,036	1,575
14	2000	MAY	3,015	1,538
15	2000	JUN	2,994	1,501
16	2000	JUL	2,973	1,466
17	2000	AUG	2,953	1,431
18	2000	SEP	2,932	1,397
19	2000	OCT	2,912	1,364
20	2000	NOV	2,892	1,332
21	2000	DEC	2,872	1,300
22	2001	JAN	2,852	1,269
23	2001	FEB	2,832	1,239
24	2001	MAR	2,813	1,210
25	2001	APR	2,793	1,181
26	2001	MAY	2,774	1,153
27	2001	JUN	2,755	1,126
28	2001	JUL	2,735	1,099
29	2001	AUG	2,717	1,073
30	2001	SEP	2,698	1,048
31	2001	OCT	2,679	1,023
32	2001	NOV	2,661	999
33	2001	DEC	2,642	975
34	2002	JAN	2,624	952
35	2002	FEB	2,606	929
36	2002	MAR	2,588	907
37	2002	APR	2,570	886
38	2002	MAY	2,552	865
39	2002	JUN	2,534	844
40	2002	JUL	2,517	824
41	2002	AUG	2,499	805
42	2002	SEP	2,482	786
43	2002	OCT	2,465	767
44	2002	NOV	2,448	749
45	2002	DEC	2,431	731
46	2003	JAN	2,414	714
47	2003	FEB	2,397	697
48	2003	MAR	2,381	681
49	2003	APR	2,364	664
50	2003	MAY	2,348	649
51	2003	JUN	2,331	633

ROBERT L. BAYLESS
JUHAN #1

FRUITLAND COAL FORMATION
PRODUCTION FORECAST
BASED ON AVERAGE PRODUCTION FROM OFFSETS

Initial Rate (April 1999):		3,300 MCFM	2100 BWPM
Effective Decline Rate:		8.0%	25.0%

	YEAR	MONTH	CALCULATED GAS PROD (MCF)	CALCULATED WATER PROD (BBLS)
52	2003	JUL	2,315	618
53	2003	AUG	2,299	604
54	2003	SEP	2,283	589
55	2003	OCT	2,268	575
56	2003	NOV	2,252	562
57	2003	DEC	2,236	548
58	2004	JAN	2,221	536
59	2004	FEB	2,205	523
60	2004	MAR	2,190	510
61	2004	APR	2,175	498
62	2004	MAY	2,160	487
63	2004	JUN	2,145	475
64	2004	JUL	2,130	464
65	2004	AUG	2,115	453
66	2004	SEP	2,101	442
67	2004	OCT	2,086	432
68	2004	NOV	2,072	421
69	2004	DEC	2,057	411
70	2005	JAN	2,043	402
71	2005	FEB	2,029	392
72	2005	MAR	2,015	383
73	2005	APR	2,001	374
74	2005	MAY	1,987	365
75	2005	JUN	1,973	356
76	2005	JUL	1,960	348
77	2005	AUG	1,946	340
78	2005	SEP	1,933	332
79	2005	OCT	1,919	324
80	2005	NOV	1,906	316
81	2005	DEC	1,893	309
82	2006	JAN	1,880	301
83	2006	FEB	1,867	294
84	2006	MAR	1,854	287
85	2006	APR	1,841	280
86	2006	MAY	1,828	274
87	2006	JUN	1,815	267
88	2006	JUL	1,803	261
89	2006	AUG	1,790	255
90	2006	SEP	1,778	249
91	2006	OCT	1,766	243
92	2006	NOV	1,753	237
93	2006	DEC	1,741	231
94	2007	JAN	1,729	226
95	2007	FEB	1,717	221
96	2007	MAR	1,705	215
97	2007	APR	1,694	210
98	2007	MAY	1,682	205
99	2007	JUN	1,670	200
100	2007	JUL	1,659	196
101	2007	AUG	1,647	191
102	2007	SEP	1,636	186

Attachment #6
P.3

ROBERT L. BAYLESS				
JUHAN #1				
FRUITLAND COAL FORMATION				
PRODUCTION FORECAST				
BASED ON AVERAGE PRODUCTION FROM OFFSETS				
Initial Rate (April 1999):			3,300 MCFM	2100 BWPM
Effective Decline Rate:			8.0%	25.0%
			CALCULATED	CALCULATED
			GAS PROD	WATER PROD
	YEAR	MONTH	(MCF)	(BBLS)
103	2007	OCT	1,624	182
104	2007	NOV	1,613	178
105	2007	DEC	1,602	174
106	2008	JAN	1,591	169
107	2008	FEB	1,580	165
108	2008	MAR	1,569	162
109	2008	APR	1,558	158
110	2008	MAY	1,547	154
111	2008	JUN	1,537	150
112	2008	JUL	1,526	147
113	2008	AUG	1,515	143
114	2008	SEP	1,505	140
115	2008	OCT	1,495	137
116	2008	NOV	1,484	133
117	2008	DEC	1,474	130
118	2009	JAN	1,464	127
119	2009	FEB	1,454	124
120	2009	MAR	1,443	121
121	2009	APR	1,433	118
122	2009	MAY	1,424	115
123	2009	JUN	1,414	113
124	2009	JUL	1,404	110
125	2009	AUG	1,394	107
126	2009	SEP	1,385	105
127	2009	OCT	1,375	102
128	2009	NOV	1,365	100
129	2009	DEC	1,356	98
130	2010	JAN	1,347	95
131	2010	FEB	1,337	93
132	2010	MAR	1,328	91
133	2010	APR	1,319	89
134	2010	MAY	1,310	87
135	2010	JUN	1,301	85
136	2010	JUL	1,292	83
137	2010	AUG	1,283	81
138	2010	SEP	1,274	79
139	2010	OCT	1,265	77
140	2010	NOV	1,256	75
141	2010	DEC	1,247	73
142	2011	JAN	1,239	71
143	2011	FEB	1,230	70
144	2011	MAR	1,222	68
145	2011	APR	1,213	67
146	2011	MAY	1,205	65
147	2011	JUN	1,197	63
148	2011	JUL	1,188	62
149	2011	AUG	1,180	60
150	2011	SEP	1,172	59
151	2011	OCT	1,164	58
152	2011	NOV	1,156	56
153	2011	DEC	1,148	55

ROBERT L. BAYLESS
JUHAN #1

FRUITLAND COAL FORMATION
PRODUCTION FORECAST
BASED ON AVERAGE PRODUCTION FROM OFFSETS

Initial Rate (April 1999):		3,300 MCFM	2100 BWPM
Effective Decline Rate:		8.0%	25.0%

			CALCULATED GAS PROD	CALCULATED WATER PROD
	YEAR	MONTH	(MCF)	(BBLS)
154	2012	JAN	1,140	54
155	2012	FEB	1,132	52
156	2012	MAR	1,124	51
157	2012	APR	1,116	50
158	2012	MAY	1,109	49
159	2012	JUN	1,101	48
160	2012	JUL	1,093	46
161	2012	AUG	1,086	45
162	2012	SEP	1,078	44
163	2012	OCT	1,071	43
164	2012	NOV	1,063	42
165	2012	DEC	1,056	41
166	2013	JAN	1,049	40
167	2013	FEB	1,041	39
168	2013	MAR	1,034	38
169	2013	APR	1,027	37
170	2013	MAY	1,020	37
171	2013	JUN	1,013	36
172	2013	JUL	1,006	35
173	2013	AUG	999	34
174	2013	SEP	992	33
175	2013	OCT	985	32
176	2013	NOV	978	32
177	2013	DEC	971	31
178	2014	JAN	965	30
179	2014	FEB	958	29
180	2014	MAR	951	29
181	2014	APR	945	28
182	2014	MAY	938	27
183	2014	JUN	932	27
184	2014	JUL	925	26
185	2014	AUG	919	25
186	2014	SEP	913	25
187	2014	OCT	906	24
188	2014	NOV	900	24
189	2014	DEC	894	23
190	2015	JAN	888	23
191	2015	FEB	881	22
192	2015	MAR	875	22
193	2015	APR	869	21
194	2015	MAY	863	21
195	2015	JUN	857	20
196	2015	JUL	851	20
197	2015	AUG	845	19
198	2015	SEP	840	19
199	2015	OCT	834	18
200	2015	NOV	828	18
201	2015	DEC	822	17

Attachment #6

P.5

ROBERT L. BAYLESS				
JUHAN #1				
FRUITLAND COAL FORMATION				
PRODUCTION FORECAST				
BASED ON AVERAGE PRODUCTION FROM OFFSETS				
Initial Rate (April 1999):			3,300 MCFM	2100 BWPM
Effective Decline Rate:			8.0%	25.0%
			CALCULATED	CALCULATED
			GAS PROD	WATER PROD
	YEAR	MONTH	(MCF)	(BBLS)
202	2016	JAN	817	17
203	2016	FEB	811	17
204	2016	MAR	805	16
205	2016	APR	800	16
206	2016	MAY	794	15
207	2016	JUN	789	15
208	2016	JUL	783	15
209	2016	AUG	778	14
210	2016	SEP	772	14
211	2016	OCT	767	14
212	2016	NOV	762	13
213	2016	DEC	756	13
214	2017	JAN	751	13
215	2017	FEB	746	12
216	2017	MAR	741	12
217	2017	APR	736	12
218	2017	MAY	731	12
219	2017	JUN	726	11
220	2017	JUL	721	11
221	2017	AUG	716	11
222	2017	SEP	711	11
223	2017	OCT	706	10
224	2017	NOV	701	10
225	2017	DEC	696	10
226	2018	JAN	691	10
227	2018	FEB	686	9
228	2018	MAR	682	9
229	2018	APR	677	9
230	2018	MAY	672	9
231	2018	JUN	667	8
232	2018	JUL	663	8
233	2018	AUG	658	8
234	2018	SEP	654	8
235	2018	OCT	649	8
236	2018	NOV	645	8
237	2018	DEC	640	7
238	2019	JAN	636	7
239	2019	FEB	631	7
240	2019	MAR	627	7
241	2019	APR	623	7
242	2019	MAY	618	7
243	2019	JUN	614	6
244	2019	JUL	610	6
245	2019	AUG	606	6
246	2019	SEP	601	6
247	2019	OCT	597	6
248	2019	NOV	593	6
249	2019	DEC	589	5

Attachment #7

ROBERT L. BAYLESS

Downhole Commingle Application
Juhan #1

ALLOCATION METHOD

Robert L. Bayless proposes to allocate production from the Juhan #1 well by a difference method. Presented as Attachment #5 is a tabular listing of expected future production from the Pictured Cliffs formation in this well. This future production was calculated from the current production trend that exists in the Pictured Cliffs formation. This trend is shown graphically in the production decline curve for the Pictured Cliffs formation presented in Attachment #3.

Once the Fruitland Coal formation is completed in this well and it's production is commingled downhole with the Pictured Cliffs formation, the total well production for a given month will be compared to the expected Pictured Cliffs formation production for that month. The amount of actual production above the expected Pictured Cliffs formation production will be the production allocated to the Fruitland Coal formation. If for any reason the total well production for a given month is less than the expected Pictured Cliffs formation production, all of the actual production will be allocated to the Pictured Cliffs formation and none will be allocated to the Fruitland Coal formation.

EXAMPLE:

Assume actual production for the Juhan #1 well for September 1998 is 7,000 MCF of gas. From Attachment #5, the expected Pictured Cliffs gas production is 2,884 MCF. Therefore, allocation will be as follows:

	Gas (MCF)
Total Production:	7,000
Pictured Cliffs Allocation:	2,884
Fruitland Coal Allocation:	4,116

Attachment #8

ROBERT L. BAYLESS, PRODUCER LLC

OIL & GAS PRODUCER

P. O. BOX 168

FARMINGTON, NM 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

January 28, 1999

Certified Mail - Return Receipt Requested

TO: All Interested Parties Entitled To Notice

RE: Application for Downhole Commingling
Robert L. Bayless
Juhan #1
1650' FNL and 1800' FEL
Section 29, T30N R12W
San Juan County, New Mexico

Gentlemen:

Attached you will find Robert L. Bayless' Application to Downhole Commingle the Pictured Cliffs and Fruitland Coal formations in the Juhan #1 well referenced above. Notice of this application is being sent to you in fulfillment of New Mexico Oil Conservation Division Rules requiring notification to all offset operators as well as working, royalty, and overriding royalty interest owners of this well.

As an party whose interest may be affected by this application, Robert L. Bayless is notifying you of your right to support or oppose this action to the New Mexico Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505-6429. Your participation in this case must be noted within 20 days of receipt of this notice. Failure to respond within this time frame may preclude you from any involvement in this application at a later date.

If you have any questions concerning this application, please contact me at the above letterhead address.

Sincerely,

Kevin H. McCord
Petroleum Engineer

Attachments

Attachment #9

ROBERT L. BAYLESS

Downhole Commingle Application
Juhan #1

List of All Offset Operators Notified

	NAME	ADDRESS	CITY & STATE	ZIP CODE	DATE MAILED	CERTIFIED MAIL RECEIPT #
1 .	Amoco Production Company	P.O. Box 800	Denver, CO	80201	1/28/99	Z 409 704 301
2 .	Burlington Resources Oil and Gas Company	P.O. Box 4229	Farmington, NM	87499	1/28/99	Z 409 704 303
3 .	Joel B. Burr	P.O. Box 50	Farmington, NM	87499	1/28/99	Z 409 704 304
4 .	Cross Timbers Oil Company	810 Houston St., Suite 2000	Fort Worth, TX	76102	1/28/99	Z 409 704 305
5 .	Hallwood Petroleum, Inc.	4582 S. Ulster St. Pky., Suite 1700	Denver, CO	80237	1/28/99	Z 409 704 306
6 .	Texakoma Oil and Gas Corporation	5400 LBJ Freeway, Suite 500	Dallas, TX	75240	1/28/99	Z 409 704 307

Attachment #10

ROBERT L. BAYLESS

Downhole Commingle Application
Juhan #1

List of All Well Interest Owners Notified

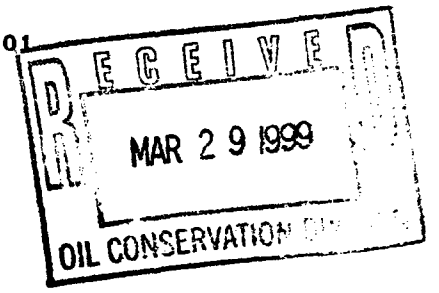
	NAME	ADDRESS	CITY & STATE	ZIP CODE	DATE MAILED	CERTIFIED MAIL RECEIPT #
1 .	Bureau of Land Management	1235 LaPlata Highway, Suite A	Farmington, NM	87401	1/28/99	Z 409 704 338
2 .	Bruce P. Brimhall	1213 US 550	Aztec, NM	87410	1/28/99	Z 409 704 308
3 .	Nell H. Brodie, Trustee	PO Box 762	Farmington, NM	87499	1/28/99	Z 409 704 309
4 .	Carl B. Brown	5708 Country Club Road	Farmington, NM	87401	1/28/99	Z 409 704 310
5 .	Charles Brown	158 Brockway Road	Chehalis, WA	98532	1/28/99	Z 409 704 311
6 .	Elva M. Brown, Personal Representative	1260 East 1st Place	Mesa, AZ	85203	1/28/99	Z 409 704 312
7 .	Viva S. Brown	2747 Edgewood	Provo, UT	84604	1/28/99	Z 409 704 313
8 .	Burlington Resouces Oil & Gas Company	PO Box 840657	Dallas, TX	75284	1/28/99	Z 409 704 314
9 .	Christman Mineral Company	PO Box 66	Pinedale, WY	82941	1/28/99	Z 409 704 315
10 .	Devon Energy Corporation	1500 Mid America Tower, 20 N. Broadway	Oklahoma City, OK	73102	1/28/99	Z 409 704 316
11 .	Rebecca Juhan Crawford	5936 Colorow Court	Parker, CO	80134	1/28/99	Z 409 704 317
12 .	Cross Timbers Oil Company	810 Houston St. #2000	Fort Worth, TX	76102	1/28/99	Z 409 704 318
13 .	Mary Louise Farrell	3110 W. Foxx Run Way	San Diego, CA	92111	1/28/99	Z 409 704 319
14 .	Elene Freestone	1023 West 9th Place	Mesa, AZ	85201	1/28/99	Z 409 704 320
15 .	Herd Partners Ltd.	PO Box 130	Midland, TX	79702	1/28/99	Z 409 704 321
16	Barbara Jean Hunter	7478 N. Desert Tree	Tucson, AZ	85704	1/28/99	Z 409 704 322
17 .	Edward N. Juhan	7675 West 14th Avenue	Lakewood, CO	80215	1/28/99	Z 409 704 323
18 .	Robert E. Lauth	PO Box 776	Durango, CO	81302	1/28/99	Z 409 704 324
19 .	Horace P. Logan	435 Crown Point Drive	El Paso, TX	79912	1/28/99	Z 409 704 325
20 .	Manon Markham McMullen	2200 Berkley	Wichita Falls, TX	76308	1/28/99	Z 409 704 326
21 .	Rodrick A. Markham	1500 Broadway Ste 1212	Lubbock, TX	79401	1/28/99	Z 409 704 327
22	Hugh T. Mitchell, Trustee	PO Box 1190	Farmington, NM	87499	1/28/99	Z 409 704 328
23 .	Susan Juhan Ray	25 Ammons	Lakewood, CO	80226	1/28/99	Z 409 704 329
24 .	John J. Redfern III Executor	PO Box 2127	Midland, TX	79702	1/28/99	Z 409 704 330
25 .	Roslind Redfern	PO Box 2127	Midland, TX	79702	1/28/99	Z 409 704 331
26 .	San Juan Country Club	5775 Country Club Road	Farmington, NM	87401	1/28/99	Z 409 704 332
27 .	Hazel Stearns	PO Box 48	Scio, OR	87374	1/28/99	Z 409 704 333
28 .	Loraine B. Simpson Trust	509 North Orchard Street	Farmington, NM	87401	1/28/99	Z 409 704 334
29	TC Moran & Co, A Partnership	3415 South Race Street	Englewood, CO	80110	1/28/99	Z 409 704 335
30 .	THC Company	410 17th Street Ste 1190	Denver, CO	80202	1/28/99	Z 409 704 336
31 .	Jack C. Thornton	PO Box 8734	Midland, TX	79708	1/28/99	Z 409 704 337

San Juan Development Corporation

5700 COUNTRY CLUB ROAD

FARMINGTON, NEW MEXICO 87401

(505) 327-4454



March 23, 1999

Energy Minerals and Natural Resources Dept.
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Re: Application for Downhole Commingling
Robert L. Bayless, Juhan #1
1650' FNL and 1800' FEL
Section 29, T30N, R12W
San Juan County, New Mexico

Gentlemen:

San Juan Development Corporation herewith withdraws it's objection expressed in our February 17th letter in the captioned case.

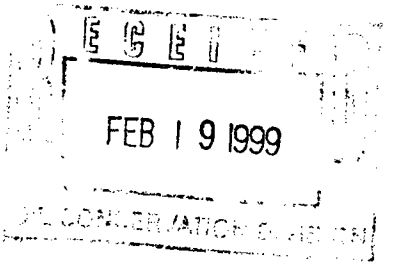
Yours very truly,

San Juan Development Corporation

Marlo Webb
President

xc: Robert L. Bayless

San Juan Development Corporation
5775 Country Club Drive
Farmington, New Mexico 87402



February 17, 1999

Energy Minerals and Natural Resources Dept.
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Re: Application for Downhole Commingling
Robert L. Bayless, Juhan #1
1650' FNL and 1800' FEL
Section 29, T30N, R12W
San Juan County, New Mexico

Gentlemen:

San Juan Development Corporation is the owner of all the land and fee minerals under the San Juan Country Club. It owns fee royalty under 120 acres in the NW/4 of Section 29, T30N, R12W, San Juan County, New Mexico. Hence, it would be entitled to royalty from the Fruitland Coal unit in the N/2 of Section 29 but no interest under the Pictured Cliffs well in the NE/4 of Section 29.

We object to the proposed allocation formula in the Bayless application. The Pictured Cliffs has a low bottom hole pressure and is sensitive to producing back pressure. Under commingled conditions with appreciable quantities of water to lift the well undoubtedly will be producing with increased back pressure with the result that the Pictured Cliffs cannot be expected to continue producing with the same decline curve.

The proposed allocation formula therefore unfairly favors the Pictured Cliffs at the expense of the Fruitland Coal owners.

Yours very truly,

San Juan Development Corporation

J. Gregory Merrion
Secretary

xc: Robert L. Bayless
Marlo Webb – Webb Chevrolet
Mary Ann – San Juan Development Corp.

February 23, 1999

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

Dear Mr. Bayless;

As per your instructions in your letter dated Janary 28, 1999 I am responding in support of your proposed action to the Downhole Commingle the Pictured Cliffs and Fruitland Coal formations in the Juhan #1 well.

Sincerely,

Viva S. Brown

Viva S. Brown

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

February 23, 1999

Robert L. Bayless
P.O. Box 168
Farmington, New Mexico 87499

Attention: Mr. Kevin H. McCord

Re: DHC Application
Juhan Well No. 1
Unit G, Section 29, T-30N, R-12W
San Juan County, New Mexico

Dear Mr. McCord:

Please be advised that the Division has received an objection to the allocation method proposed in your downhole commingling application (Form C-107-A) filed for the Juhan Well No. 1 on January 29, 1999. This valid objection will preclude administrative approval of your application. Please inform the Division at your earliest convenience whether you wish to pursue approval of your application at an Examiner hearing.

If you should have any questions, please contact me at (505) 827-8184.

Sincerely,

David Catanach
Engineer

Xc: OCD-Aztec

2-3-99

New Mexico Oil Conservation Div
2040 South Pacheco
Santa Fe, N.M 87505

RECEIVED
FEB - 8 1999
OIL CONSERVATION DIVISION

Gentlemen:

Re: Application for Downhole Commingling
Robert L. Bayless Jicarilla #1
1650' FNL + 1800' FNL
Sec 29, T30N. R12W. San Juan County

I wish to notify you of my support to Downhole Commingle the Pictured Cliffs and Fruitland Coal Formations in the Jicarilla #1 well as proposed.

Sincerely,
Mary Louise Darre
3110 W. Fort Run Way
San Diego, Ca. 92111

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 11, 1999

Robert L. Bayless
P.O. Box 168
Farmington, New Mexico 87499

Attention: Mr. Kevin H. McCord

12159

Re: DHC Application
Juhan Well No. 1
Unit G, Section 29, T-30N, R-12W, NMPM
San Juan County, New Mexico

Dear Mr. McCord:

This letter will confirm our telephone conversation of this morning whereby you requested that the subject application be docketed for the Examiner hearing to be held on April 15, 1999.

If you should have any questions, please contact me at (505) 827-8184.

Sincerely,

David Catanach
Engineer

Xc: Mr J. Gregory Merrion
San Juan Development Corp.
5775 Country Club Drive
Farmington, New Mexico 87402

OCD-Aztec