

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**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.*5 Lease Serial No  
NMNM121498

6 If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**8 Well Name and No  
HORSESHOE GALLUP 18 16H9 API Well No  
30-045-35300-00-S110 Field and Pool, or Exploratory  
HORSESHOE GALLUP11 County or Parish, and 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 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"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Drilling Operations
	<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 starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete 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 recompletion 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.)

ATTACHED IS THE COMPLETION REPORT.



RCVD OCT 27 '11

OIL CONS. DIV.

DIST. 3

14 I hereby certify that the foregoing is true and correct

Electronic Submission #120796 verified by the BLM Well Information System

For ROBERT L BAYLESS PRODUCER LLC, sent to the Farmington

Committed to AFMSS for processing by STEVE MASON on 10/24/2011 (12SXM0014SE)

Name (Printed/Typed) JOHN D THOMAS

Title ENGINEER

Signature (Electronic Submission)

Date 10/19/2011

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <b>ACCEPTED</b>	STEPHEN MASON Title PETROLEUM ENGINEER	Date 10/24/2011
	Office Farmington	

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 operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*****NMOC**

**ROBERT L. BAYLESS, PRODUCER LLC**

**HORSESHOE GALLUP 18-16H**

SECTION 18, T30N, R15W

SHL: 220' FSL & 140' FEL (SESE)

BHL: 506' FSL & 951' FEL (SESE)

San Juan County, New Mexico

API # 30- 045 - 35300

**TOCITO AND UPPER GALLUP COMPLETION REPORT**

09/16/11 Road Rig to Location. MIRU Hurricane completion rig. Nipple up wellhead. Pick up 2-7/8" 6.4 #/ft J-55 EUE tubing, 6-1/4" bit and 7 " scraper. TIH and tag cement tool at 2,442 ft. Pick up Power Swivel and drill cement and DV tool to 2462. Circulate clean and shut down for night.

09/17/11 Drill out remaining cement. TIH and tag bottom at 4539 ft. Pick up power swivel and circulate hole clean to frac tank with 180 bbl of 2% KCL water. TOOH and stand back 74 stands of tubing. Nipple down wellhead and nipple up 5,000 psi frac valve. Load hole with 2% KCL and shut down for weekend.

09/18/11 OFF

09/19/11 OFF

09/20/11 Move in and rig up wireline and Halliburton frac crew. Pick up CBL log tool and Gamma Ray. TIH with wireline tools and tag bottom at 4539 ft. Log to surface (good bond). Hook up pumps and pressure test 7" casing and frac valve to 3500 psi (80% of burst). Good test. Pick up perforating guns and perforate tocito perms as follows:

4318	4322	4326
4319	4323	4327
4320	4324	
4321	4325	

Total 30 holes (3 SPF) with 60 degree phasing creating 0.34" diameter

Rigged up Halliburton frac crew to wellhead. Broke down Tocito perforations at 2650 psi with 50 bbl of 2% KCL water at 3.0 bpm. Acidized perforations with 500 gallons of 7.5% HCL at 25.0 bpm and 2700 psi. Fracture stimulated tocito zone with 26,154 gallons of 70 Quality Nitrogen Delta 140 gelled frac fluid and 3,900 lbs of 20/40 mesh sand as follows:

3,851 gals of 20# Linear Gel pad	2.3 bpm @ 2618 psi
4,800 gals 20# Delta 140 gel pad	9.7 bpm @ 2710 psi
3,309 gals 70% N2 Delta 140 gel Pad	23.1 bpm @ 3410 psi

2,571 gals 70% N2 Delta 140 gel with 0.5 ppg sand	21.6 bpm @ 3449 psi
616 gals 70% N2 Delta 140 gel with 1.0 ppg sand	21.4 bpm @ 3435 psi
205 gals 2% KCL Flush	0.6 bpm @ 3931 psi

Well pressured out with 0.5 ppg bottom hole proppant concentration and 4000 psi on surface. Shut down with 3900 # of proppant in wellbore. Well was flowed back to tank to clean up on 0.5" choke. Pressure fell to 0 psi. Rigged up wireline and tripped in hole with guage ring to check sand depth. No sand. Picked up 7" composite bridge plug and set at 4284 ft. Perforated upper gallup zone as follows:

4167	4207	4211	4215	4219
4168	4208	4212	4216	4220
4169	4209	4213	4217	4221
4206	4210	4214	4218	4222

Total 60 holes (3 SPF) with 60 degree phasing creating 0.34" diameter

Broke down upper Gallup perforations at 2500 psi with 6117 gallons of 2% KCL water into formation at 6.9 bpm. Acidized upper Gallup interval with 700 gallons of 7.5 % HCL acid containing 90 RCN ball sealers at 11.6 BPM and 1853 psi. Balled off to 3500 psi. Ran junk basket on wireline and recovered 90 ball sealers. Fracture stimulated the upper Mancos B interval with 71,910 gallons of 70 quality N2 20# Linear gelled fluid containing 105,100 lbs of 20/40 mesh sand as follows:

16,751 gals gals 70% N2 Delta 140 gel Pad	38.9 bpm @ 2361 psi
8,351 gals 70% N2 Delta 140 gel with 0.5 ppg sand	37.4 bpm @ 2335 psi
10,616 gals 70% N2 Delta 140 gel with 1.0 ppg sand	43.2 bpm @ 1803 psi
10,305 gals 70% N2 Delta 140 gel with 2.0 ppg sand	53.1 bpm @ 1674 psi
11,952 gals 70% N2 Delta 140 gel with 3.0 ppg sand	53.5 bpm @ 1834 psi
6,023 gals of flush	50.4 bpm @ 1836 psi

Initial shut in pressure was 1200 psi (0.80 FG). Average rate 44 bpm, average pressure 1899 psi. Maximum pressure 2415 psi. Total fluid pumped 991 bbls. RDMO wireline and Halliburton frac services.

09/21/11 Well flowed back overnight and started to log off early in the morning with 140 psi on the casing. Recovered and hauled 530 bbl of flow back water. Pumped 40 bbl to kill well. Nippled down frac valve and nipped up BOP. Tripped in hole with bailer and tagged plug at 4284 ft. No sand fill. Tripped in hole with landing string and tubing anchor. Nippled down BOP and Nippled up Wellhead. Secured well and shut down for night.

<u>Description</u>	<u>Length</u>	<u>Depth</u>
KB to landing point	11.00	0 - 11
134 jts of Used 2 7/8" 6.4#/ft J55 EUE	4045.46	11 - 4046
2 7/8 X 7" Tubing anchor	3.00	4046 - 4049
5 jts of Used 2 7/8" 6.4#/ft J55 EUE	162.54	4049 - 4222
2 7/8 Seating nipple	1.10	4222 - 4223

1 tail joint of 2 7/8" tubing

22.00  
4245.10

4223 - 4245

09/22/11 Rigged up to swab. Made 18 swab runs and parted sand line. Nippled up BOP to pull Tubing. Retrieved sinker bars and cups. Trip in hole with landing string and set anchor. Started swabbing and well kicked off with 600 psi on casing. Moved in dry watchman and left well flowing overnight. Recovered 80 bbl. Shut down for night. Well logged off at 4:00 am. Shut in and secure well

09/23/11 Overnight shut in pressures: tubing 0 psi, annulus 580 psi. Fluid level at 2600 ft. Made swab run and well flowed for 3 hrs and logged off. Made swab run fluid at 4100 ft. Well flowed for 3 hrs and logged off. Made 11 runs and recovered 80 bbl of fluid. Secure well and shut down for night.

09/24/11 Overnight shut in pressures: tubing 100 psi, annulus 500 psi. Fluid level at 3650 ft. Swabbed well and flowed for 4 hrs. Made 3 runs and recovered 20 bbl of fluid. Rigged up to run pump and rods as follows:

<u>Description</u>	<u>Length</u>	<u>Depth</u>
1 1/2 x 1.75x 18' polished rod (6 ft out)	12.00	0 - 12
2 - 3/4" Sub (8 ft & 2 ft)	10.00	12 - 22
126 - 3/4" - rods	3150.00	22 - 3172
40 - 3/4" - molded guide (4/rods)	1000.00	3172 - 4172
2 - 1 1/2" Sinker bars	50.00	4172 - 4222
2 x 1 1/2 x 14 RWAC top hold	<u>14.00</u>	4222 - 4236
	4236.00	

Spaced out pump, performed long stroke test, OK and hung rods off. Waiting on pumping unit.

09/26/11 Rigged down and released rig.