

District I  
1625 N French Dr, Hobbs, NM 88240  
District II  
811 S First St, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd, Aztec, NM 87410  
District IV  
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-104  
Revised August 1, 2011

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit one copy to appropriate District Office

☐ AMENDED REPORT

**I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT**

|                                                                                                                   |                                                   |                                                     |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|
| <sup>1</sup> Operator name and Address<br>Robert L. Bayless, Producer LLC<br>P.O. Box 168<br>Farmington, NM 87499 |                                                   | <sup>2</sup> OGRID Number<br>150182                 |
|                                                                                                                   |                                                   | <sup>3</sup> Reason for Filing Code/ Effective Date |
| <sup>4</sup> API Number<br>30 - 045-35300                                                                         | <sup>5</sup> Pool Name<br>Horseshoe Gallup        | <sup>6</sup> Pool Code<br>32870                     |
| <sup>7</sup> Property Code<br>38693                                                                               | <sup>8</sup> Property Name<br>Horseshoe Gallup 18 | <sup>9</sup> Well Number<br>16H                     |

**II. <sup>10</sup> Surface Location**

|                    |               |                 |              |         |                      |                                |                      |                        |                    |
|--------------------|---------------|-----------------|--------------|---------|----------------------|--------------------------------|----------------------|------------------------|--------------------|
| UL or lot no.<br>P | Section<br>18 | Township<br>30N | Range<br>15W | Lot Idn | Feet from the<br>220 | North/South Line<br>Line South | Feet from the<br>140 | East/West line<br>East | County<br>San Juan |
|--------------------|---------------|-----------------|--------------|---------|----------------------|--------------------------------|----------------------|------------------------|--------------------|

**<sup>11</sup> Bottom Hole Location**

|                             |                                             |                                                |                                   |                                    |                                     |                           |                      |                        |                    |
|-----------------------------|---------------------------------------------|------------------------------------------------|-----------------------------------|------------------------------------|-------------------------------------|---------------------------|----------------------|------------------------|--------------------|
| UL or lot no.<br>P          | Section<br>18                               | Township<br>30N                                | Range<br>15W                      | Lot Idn                            | Feet from the<br>400                | North/South line<br>South | Feet from the<br>831 | East/West line<br>East | County<br>San Juan |
| <sup>12</sup> Lse Code<br>F | <sup>13</sup> Producing Method<br>Code<br>P | <sup>14</sup> Gas Connection<br>Date<br>W.O.P. | <sup>15</sup> C-129 Permit Number | <sup>16</sup> C-129 Effective Date | <sup>17</sup> C-129 Expiration Date |                           |                      |                        |                    |

**III. Oil and Gas Transporters**

|                                    |                                                                                     |                     |
|------------------------------------|-------------------------------------------------------------------------------------|---------------------|
| <sup>18</sup> Transporter<br>OGRID | <sup>19</sup> Transporter Name<br>and Address                                       | <sup>20</sup> O/G/W |
| 009018                             | Western Refining<br>50 CR 4990<br>P.O. Box 159<br>Bloomfield, NM 87413              | O                   |
| 806                                | Anadarko Petroleum Corp.<br>1201 Lake Robbins Drive<br>The Woodlands, TX 77380-1124 | G                   |
|                                    |                                                                                     | RCVD JAN 4 '12      |
|                                    |                                                                                     | OIL CONSV. DIV.     |

**IV. Well Completion Data**

|                                       |                                                          |                                |                                                                |                                                                 |                       |
|---------------------------------------|----------------------------------------------------------|--------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------|-----------------------|
| <sup>21</sup> Spud Date<br>08/15/2011 | <sup>22</sup> Ready Date<br>09/28/2011                   | <sup>23</sup> TD<br>7798       | <sup>24</sup> PBDT<br>7766                                     | <sup>25</sup> Perforations<br>4167-4222/4318-<br>4327/4256-7487 | <sup>26</sup> DHC, MC |
| <sup>27</sup> Hole Size<br>12 1/4"    | <sup>28</sup> Casing & Tubing Size<br>9 5/8" 36#/ft J-55 | <sup>29</sup> Depth Set<br>333 | <sup>30</sup> Sacks Cement<br>200x (243cf) 15.8ppg premium, 2% |                                                                 |                       |
| 8 3/4"                                | 7" 23#/ft J-55                                           | 4570                           | Lead 245sx (395 cf) Premium Lite                               |                                                                 |                       |
| 6 1/8"                                | 4 1/2" 11.6#/ft N-80                                     | 7766                           | NA/Open Hole Packers                                           |                                                                 |                       |
|                                       | 6 7/8" 55                                                | 4245                           |                                                                |                                                                 |                       |

**V. Well Test Data**

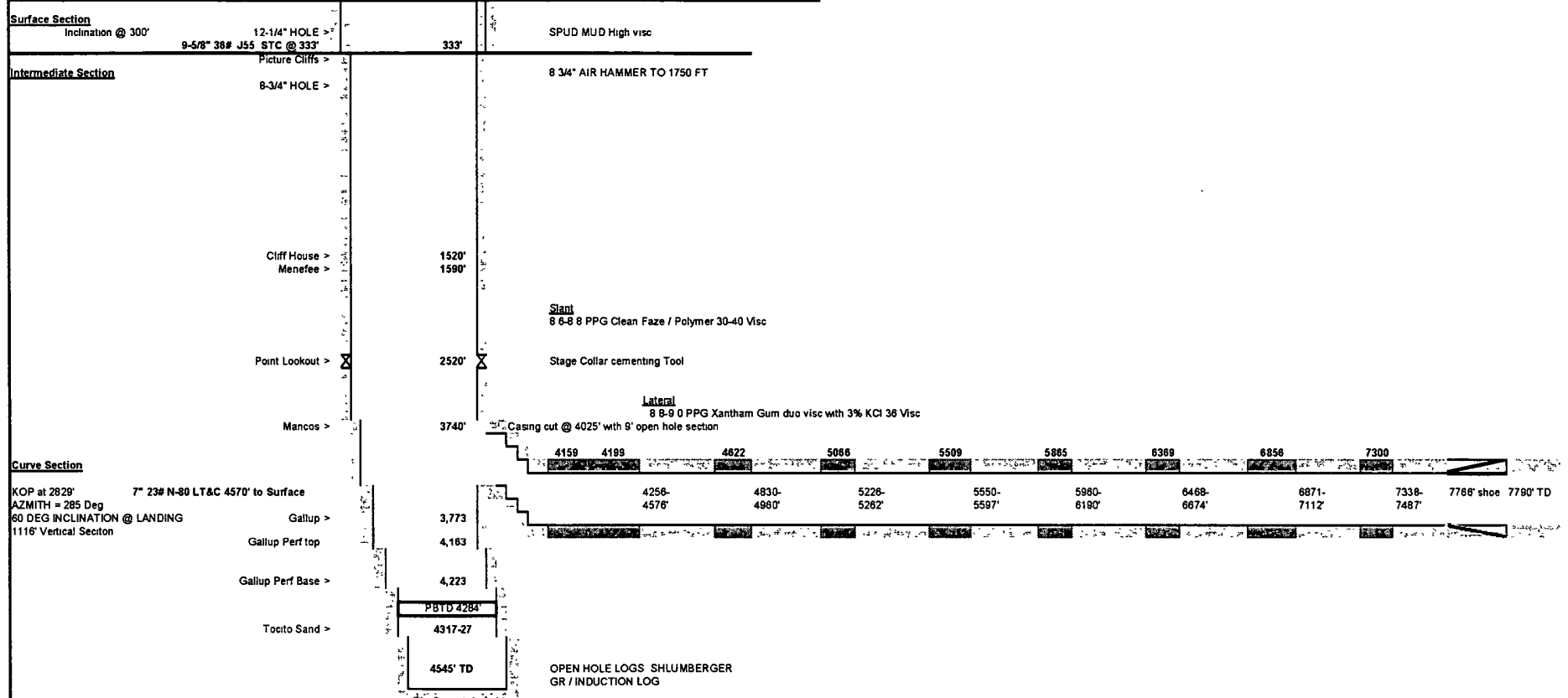
|                                          |                                           |                                       |                                      |                                       |                                    |
|------------------------------------------|-------------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|------------------------------------|
| <sup>31</sup> Date New Oil<br>09/28/2011 | <sup>32</sup> Gas Delivery Date<br>W.O.P. | <sup>33</sup> Test Date<br>09/28/2011 | <sup>34</sup> Test Length<br>30 days | <sup>35</sup> Tbg. Pressure<br>SI-140 | <sup>36</sup> Csg. Pressure<br>650 |
| <sup>37</sup> Choke Size<br>NA           | <sup>38</sup> Oil<br>40                   | <sup>39</sup> Water<br>400            | <sup>40</sup> Gas<br>No flow         | <sup>41</sup> Test Method<br>Pumping  |                                    |

|                                                                                                                                                                                                                                          |                       |                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------|
| <sup>42</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief<br>Signature: <i>[Signature]</i> |                       | <sup>43</sup> OIL CONSERVATION DIVISION<br>1-26-12<br>Approved by: <i>[Signature]</i> 1-26-12 |
| Printed name<br>John D. Thomas                                                                                                                                                                                                           |                       | Title<br>SUPERVISOR DISTRICT # 3                                                              |
| Title<br>Operations Engineer                                                                                                                                                                                                             |                       | Approval Date<br>Verbal 1-4-12                                                                |
| E-mail Address<br>jthomas@rlbayless.com                                                                                                                                                                                                  |                       |                                                                                               |
| Date<br>1/3/2012                                                                                                                                                                                                                         | Phone<br>505-326-2659 | Blue apud comp. dept.                                                                         |

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|                                     |                                         |                         |                      |                                 |                      |
|-------------------------------------|-----------------------------------------|-------------------------|----------------------|---------------------------------|----------------------|
| WELL                                |                                         | Horseshoe Gallup 18-16H |                      | Robert L. Bayless, Producer LLC |                      |
| TYPE                                | DIRECTIONAL                             | RIG                     | D&J #2               | DATE                            | 1/3/2012             |
| FIELD                               | Horseshoe                               | COUNTY                  | San Juan, New Mexico | ELEVATION                       | 5,377' est           |
| GAS/OIL                             | OIL                                     | MUD                     | Water/Air            | CEMENT                          | TBD from Caliper Log |
| LOCATION                            | 220' FSL & 140' FEL of SEC 18 T30N R15W |                         |                      | BHT/BHP                         | 120 F/400 psi        |
| COMMENTS OBJECTIVE FORMATION Gallup |                                         |                         |                      |                                 |                      |
| NOTE                                |                                         |                         |                      |                                 |                      |

| HOLE SECTIONS | SURVEYS | WOB/GPM BT | FORMATION TOPS HOLE SIZES | DEPTH TVD | MUD WEIGHT | OPEN HOLE LOGS | CEMENT | REMARKS |
|---------------|---------|------------|---------------------------|-----------|------------|----------------|--------|---------|
|---------------|---------|------------|---------------------------|-----------|------------|----------------|--------|---------|



|       |              |            |                |                |
|-------|--------------|------------|----------------|----------------|
| AFE # | 2011254      | REGULATORY | NA             | OFFICE         |
| EV #  |              | ENGINEER   | John D Thomas  | (505)-320-5234 |
| API # | 30-045-35300 | GEOLOGIST  | George Coryell | (303)-382-0908 |