

**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Ave., 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 and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

May 27, 2004

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		<b>WELL API NO.</b> 30-045-33436
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator ROBERT L. BAYLESS PRODUCER, LLC		6. State Oil & Gas Lease No. NM V073920000
3. Address of Operator PO Box 168, Farmington, NM 87499		7. Lease Name or Unit Agreement Name BOEING
4. Well Location Unit Letter <u>B</u> : <u>661</u> feet from the <u>North</u> line and <u>1608</u> feet from the <u>East</u> line Section <u>2</u> Township <u>26N</u> Range <u>8W</u> NMPM County <u>San Juan</u>		8. Well Number <u>3</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6140 GR		9. OGRID Number 150182
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Basin Dakota/Blanco Mesa Verde
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input checked="" type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> <b>PANDA</b> <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> <b>RCOD MAR 20 07</b> <b>OIL CONS. DIV.</b> <b>DIST. 3</b>
OTHER: <input checked="" type="checkbox"/> <b>Downhole commingling</b>	OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Robert L. Bayless intends to downhole commingle perforate, fracture treat and produce the Blanco-Mesaverde (72319) and Basin Dakota (71599) Pools. According to NMOCD Rulebook (303- C.5), the Blanco-Mesaverde and Basin Dakota are Pre-approved pools combination.

Mesaverde Perforations 4449-4579 ft, Basin Dakota perforations 6662-6704 ft

Recommended Gas allocation will be 60% Basin Dakota and 40% Mesaverde. Based on Offset wells, These percentages were calculated using rate-time reserve estimate comparisons for each respective zone, No oil was detected, so there is no allocation.

All formation fluids are compatible and no loss of production will result by commingling.

All Working interest, Overriding and royalty interests are identical in this wellbore.

The New Mexico State Land Office has been notified of the intent to perform downhole work. Attached is a copy of the application submitted.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE Operations Engineer DATE 02/28/07

Type or print name Habib Guerrero E-mail address: hguerrero@rlbayless.com Telephone No 505-564-7810

**For State Use Only**

APPROVED BY: [Signature] TITLE SENIOR OIL & GAS INSPECTOR, DIST. 3 DATE MAR 02 2007  
 Conditions of Approval (if any): 88

**NEW MEXICO STATE LAND OFFICE**  
**Commingle** **ONLINE Version**

Please provide the following requested information so that the SLO staff can determine whether or not you qualify to submit a commingle application package.

Name: Habib Guerrero Company: Robert L. Bayless Producer LLC  
Address: P.O.BOX 168 City Farmington  
Telephone: 505- 326 2659 Fax: 505-326-6911 State NM Zip 87499

The State Land Office rule that applies to commingling oil and gas production from New Mexico State Trust Lands is Rule 100.53. The rule is attached to the bottom of this form. If you have any questions, please contact the Oil, Gas, and Minerals Division at 505-827-5791.

**1. Briefly describe what you propose to do.** Robert L. Bayless intends to downhole commingle perforate, fracture treat and produce the Blanco Mesaverde (72319) and Basin Dakota (71599) pools (see attachm  
According to the NMOCD BookRule(303-C.5), the Blanco Mesaverde and Basin Dakota are pre-approved  
pools combination. NMOCD- Aztec, NM will be notified about the intent to perform downhole work.

**2. Fill in the following information for each well.** *[Attach additional pages if needed.]*

**Well name & number** Boeing # 3 **Lease #** NM V073920000  
**Lessee of Record** Robert L. Bayless Producer LLC  
**Legal land description: Subdivisions** 661' FNL & 1608' FEL  
**Sect** 2 **T** 26N **R** 8W **NMPM** San Juan **County NM**  
**Pool** Blanco-Mesaverde (72319) and Basin Dakota (71599).

**Well name & number** \_\_\_\_\_ **Lease #** \_\_\_\_\_  
**Lessee of Record** \_\_\_\_\_  
**Legal land description: Subdivisions** \_\_\_\_\_  
**Sect** \_\_\_\_\_ **T** \_\_\_\_\_ **R** \_\_\_\_\_ **NMPM** \_\_\_\_\_ **County NM**  
**Pool** \_\_\_\_\_

**Well name & number** \_\_\_\_\_ **Lease #** \_\_\_\_\_  
**Lessee of Record** \_\_\_\_\_  
**Legal land description: Subdivisions** \_\_\_\_\_  
**Sect** \_\_\_\_\_ **T** \_\_\_\_\_ **R** \_\_\_\_\_ **NMPM** \_\_\_\_\_ **County NM**  
**Pool** \_\_\_\_\_