Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5 Lease Serial No.
NMNM0101125A

6 If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No
UTE DOME FEDERAL 1

2. Name of Operator
ROBERT L BAYLESS PRODUCER LLC

Contact JOHN THOMAS
E-Mail. JTHOMAS@RLBAYLESS.COM

9. API Well No
30-045-23396-00-S1

3a. Address
368 NEW MEXICO HIGHWAY 170
FARMINGTON, NM 87499

3b Phone No. (include area code)
Ph: 505-326-2659 Ext: 806
Fx: 505-326-6911

10 Field and Pool, or Exploratory
UTE DOME

4 Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 19 T32N R13W NWSE 2247FSL ~~1739~~2130FWL
36.971330 N Lat, 108.242630 W Lon

11. 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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
BP	☐ Change Plans	☒ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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)

PLEASE SEE ATTACHED PLUGGED AND ABANDONMENT PROCEDURE.

Notify NMOCD 24 hrs prior to beginning operations

RCVD SEP 10 '12
OIL CONS. DIV.
DIST. 3

H_2S POTENTIAL EXIST

14 I hereby certify that the foregoing is true and correct.

Electronic Submission #148904 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 09/07/2012 (12SXM0313SE)

Name *(Printed/Typed)* JOHN THOMAS — Title ENGINEER

Signature (Electronic Submission) — Date 09/05/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By STEPHEN MASON — Title PETROLEUM ENGINEER — Date 09/07/2012

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.

Office Farmington

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 ****

NMOCD

PLUG AND ABANDONMENT PROCEDURE

July 30, 2012

Ute Dome Federal #1

Ute Dome Paradox
2247' FNL & 1739' FWL, Section 19, T-32-N, R-13-W
San Juan County, NM / API 30-045-23396
Lat: 37.54598 / Long: 109.34513

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. This project requires a NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.

2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.

3. Rods: Yes ___, No ____, Unknown ____;
   Tubing: Yes __X__, No ____, Unknown ____, Size 2.375" , Length 8002' ;
   Packer: Yes ___, No ____, Unknown ____, Type _____.
   If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

4. **Plug #1 (Barker Creek top, 8958' – 8908'):** Round trip a casing scraper to 8958' or as deep as possible. Note: records indicate cement was squeezed below CR and PB is depth of CR. If tag is above 8958' indicating cement and BLM/NMOCD representatives approve no cement, proceed to Plug #2. If tag is at 8958' then spot Plug #1. Load casing with water and circulate well clean. Pressure test tubing to 1000 PSI. Mix 12 sxs Class B cement and spot a balanced plug inside casing to cover CIBP and Barker Creek interval. TOH.

5. **Plug #2 (Ismay and Desert Creek intervals, 8467' – 8417'):** TIH and set a 5.5" CR at 8467'. Load casing with water and circulate well clean. Mix 12 sxs Class B cement and spot a balanced plug inside casing to isolate the perforations and cover the Ismay/Desert Creek interval. TOH.

6. **Plug #3 (Hermosa interval, 8046' – 7344'):** TIH and set a 5.5" CR at 8046'. Load casing with water and circulate well clean. *Pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as appropriate.* Mix 86 sxs Class B cement and spot a balanced plug inside casing to isolate the perforations and cover the Upper Hermosa interval. TOH.

   De Chelly 5530 5430

7. **Plug #4 (~~Entrada~~ top, ~~3161~~' – ~~3061~~'):** Perforate 3 HSC holes at ~~3161~~'. Establish an injection rate into the squeeze holes. TIH and set a 5.5" CR at ~~3111~~'. Mix 47 sxs Class B cement, squeeze 30 sxs outside the 5.5" casing and leave 17 sxs inside to cover the ~~Entrada~~ top. TOH with tubing.

   5530 De Chelly

Chinle plug → 4821 - 4721 inside & outside 5½" casing
3098 2998

8. **Plug #5 (Dakota top, ~~1271~~' – ~~1171~~'):** Perforate 3 HSC holes at ~~1271~~'. Establish an injection rate into the squeeze holes. TIH and set a 5.5" CR at ~~1221~~'. Mix 47 sxs Class B cement,

3098

Gallup plug → 2260 - 2160 inside & outside 5½" casing.

squeeze 30 sxs outside the 5.5" casing and leave 17 sxs inside to cover the Dakota top. TOH with tubing.

9. **Plug #6 (10.75" casing shoe, 760' – 660'):** Perforate 3 HSC holes at 760'. Establish an injection rate into the squeeze holes. TIH and set a 5.5" CR at 710'. Mix 49 sxs Class B cement, squeeze 32 sxs outside the 5.5" casing and leave 17 sxs inside to cover the shoe. TOH with tubing.

10. **Plug #7 (8.625" Surface casing shoe,100' – 0'):** Perforate 3 squeeze holes at 100'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 50 sxs cement and pump down the 5.5" casing to circulate good cement out bradenhead. Shut in well and WOC.

11. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and clean up location.

Ute Dome Federal #1

Current

Ute Dome Paradox

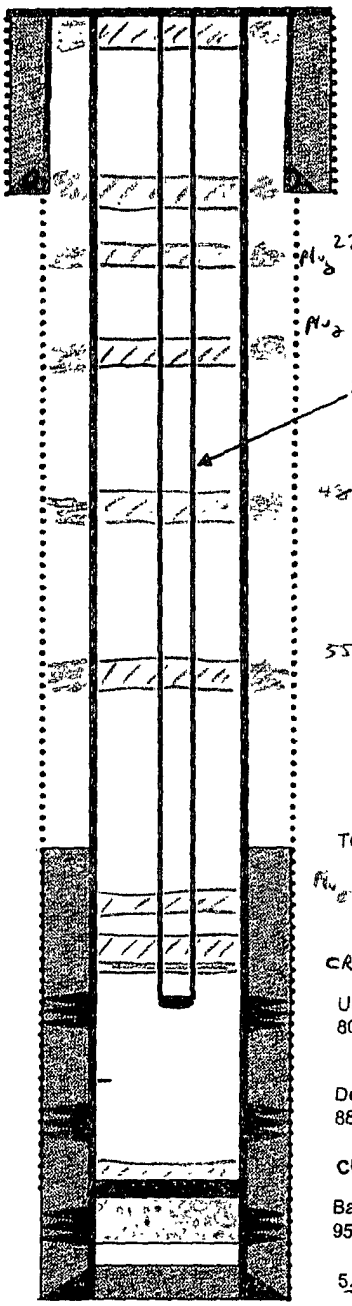
2247' FNL & 1739' FWL, Section 19, T-32-N, R-13-W

San Juan County, NM / API #30-045-23396

Lat: _____ / Long: _____

Today's Date: 7/30/12
Spud: 4/3/79
Completed. 10/23/79
Elevation: 6442' GL
6512' KB

12.25" hole



10.75", 40.5#, Casing set @ 710'
Cement with 700 sxs

Gallup 2210

Dakota @ ~~1221~~ 3048

Chinle 4771

~~Entrada @ 3414' est~~
De Chelly 5480

Upper Hermosa @ 7394'

Ismay @ 8502'

Desert Creek @ 8690'

Barker Creek @ 9006'

7.875" Hole

2.375" Tubing set at 8002'

5530 - 5930

TOC @ 6435' (Calc, 75%)

CR @ 8946'

Upper Hermosa Perforations:
8096' – 8457'

Desert Creek Perforations:
8813' – 8517'

CR set at 8958' (1979)

Barker Creek Perforations:
9509' – 9014', squeeze with 725 sxs (1979)

5.5" 17# Casing set @ 9580'
Cement with 600 sxs

TD 9580'
PBTD 8958'

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 1 Ute Dome Federal

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."

2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.

3. The following modifications to your plugging program are to be made:

a) Place the DeChelly plug from 5530' – 5430' inside and outside the 5 ½" casing.

b) Place the Chinle plug from 4821' – 4721' inside and outside the 5 ½" casing.

c) Place the Dakota plug from 3098' – 2998' inside and outside the 5 ½" casing.

d) Place the Gallup plug from 2260' – 2160' inside and outside the 5 ½" casing.

e) You are required to have H2S monitoring equipment and personnel on location during plugging operations.

Note: the Entrada plug is not necessary and has been replaced with the DeChelly plug.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.