

RECEIVED

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DEC 03 2012

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

Farmington Field Office
Bureau of Land Management

5. Lease Serial No.
NMMN 121498

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
HORSESHOE GALLUP 18-8H

2. Name of Operator
ROBERT L BAYLESS, PRODUCER LLC

9. API Well No.
30-045-35373

3a. Address
PO BOX 168 FARMINGTON NM 87499

3b. Phone No. (include area code)
505-326-2659

10. Field and Pool or Exploratory Area
HORSESHOE GALLUP

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2420' FNL & 245' FEL, SEC 18, T 30N, R 15W
18

11. County or Parish, State
SAN JUAN, NM

12. CHECK THE 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 GAS LIFT
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

Accepted for Record 158

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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Robert L. Bayless, Producer LLC is going to implement a gas lift for the Horseshoe Gallup 18-8H.

RCVD DEC 7 '12
OIL CONS. DIV.
DIST. 3

Produced gas from this well will be re-circulated through the casing for the gas lift. Produced gas above that needed to operate the gas lift system will be sold.

see attached Wellbore Diagram and Site Security Diagram

Note: Supply gas from the Horseshoe Gallup 19-8H (Federal Lease NM 42428) and from Horseshoe Gallup 18-16H (Federal Lease NM 121498) will also be used to supplement the lift gas required. The Horseshoe Gallup 19-8H will be metered before being combined / commingled.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
JOHN D THOMAS

Title OPERATIONS ENGINEER

Signature *John D Thomas*

Date 12/03/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *[Signature]*

Title Petr. Eng Date 12/4/12

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.

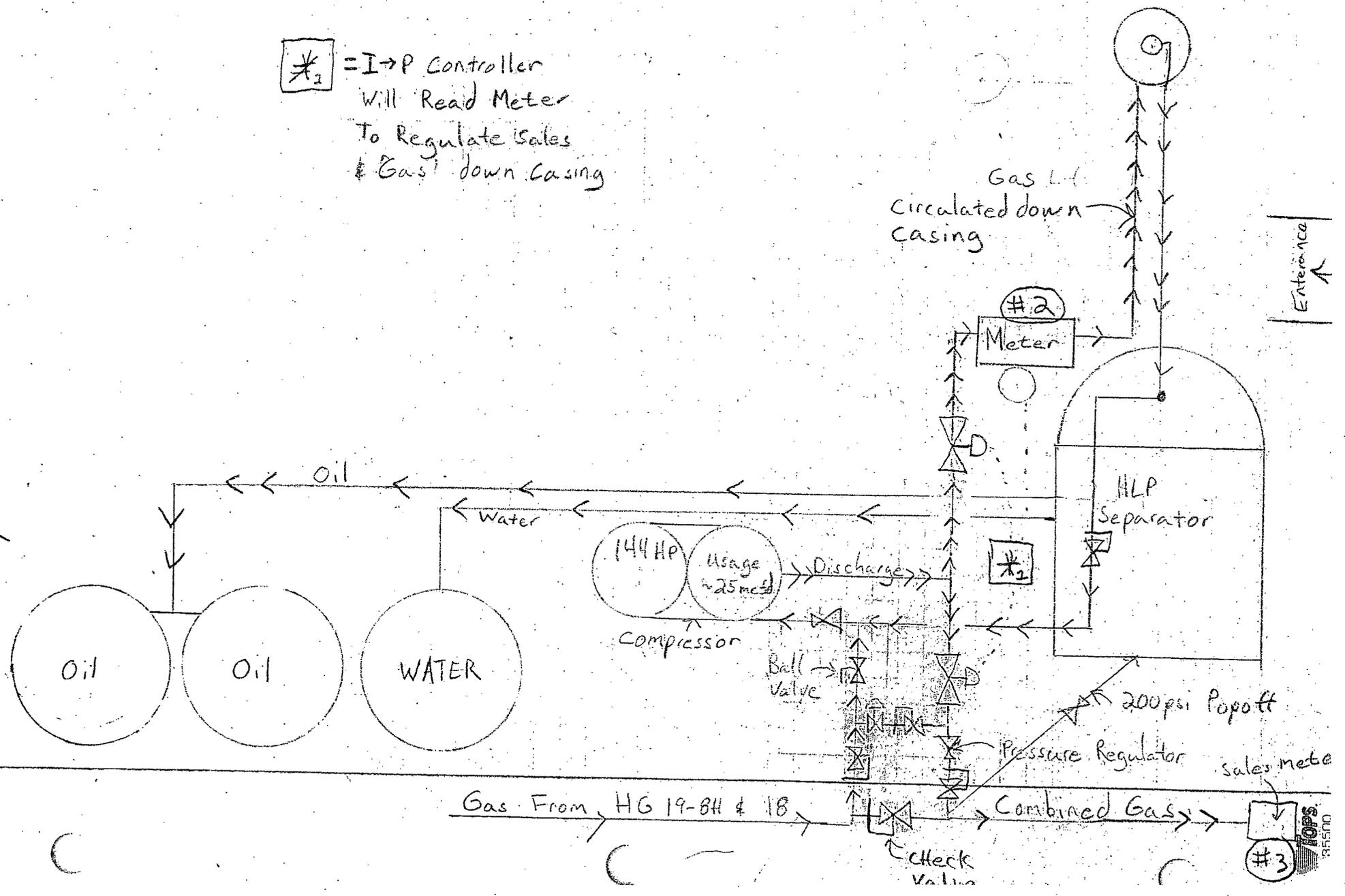
(Instructions on page 2)

NMOCD A

5
18-84
Horseshoe Gallup
Site Security

NORTH →

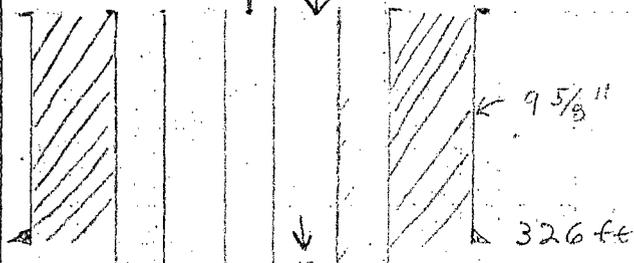
\star_1 = I → P Controller
Will Read Meter
To Regulate Sales
& Gas down casing



Well Diagram | Horsehoe Gallup 18-8 H

↑ Lift Gas + Product to Separator →

← Gas From Compressor



8,135 ft	6,119 ft
7,892 ft	5,876 ft
7,648 ft	5,631 ft
7,405 ft	5,390 ft
7,122 ft	5,149 ft
6,883 ft	4,868 ft
6,640 ft	4,626 ft
6,358 ft	

Gas Lift Port
1,584'

G.L.P.
2,584'

Cement Stg tool 2,565 ft

G.L.P.
3,338'

7" 23#/ft J-55

Hydro Port @ 8,225 ft

G.L.P.
4,215'

4,554 ft

4.5" 11.6#/ft N-80

Product tubing 4658 ft

Perforations 4625-8,114

8,397 ft

Packer @ 4,150 ft

