Submit 3 Copies to Appropriate District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-103
Revised 1-1-89

WELL API NO.
30-045-29075

5. Indicate Type of Lease
STATE [ ] FEE [X]

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(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.)

7. Lease Name or Unit Agreement Name
JUHAN

1. Type of Well
OIL WELL [ ] GAS WELL [X] OTHER:

2. Name of Operator
ROBERT L. BAYLESS, PRODUCER LLC

8. Well No.
#1

3. Address of Operator
P.O. BOX 168 FARMINGTON, NM 87499

9. Pool name or Wildcat
BASIN FRUITLAND COAL

4. Well Location
Unit Letter G 1650 Feet from the NORTH Line and 1800 Feet from The EAST Line

Section 29 Township 30N Range 12W NMPM SAN JUAN County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
5543 GL

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	PLUG AND ABANDONMENT	[ ]
PULL OR ALTER CASING	[ ]			CASING TEST AND CEMENT JOB	[ ]		
OTHER: OPEN NEW ZONE	[X]			OTHER:			[ ]

12. 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.

Bayless will complete the Fruitland Coal as per the attached procedure and will comingle downhole as per the approved comingle order.

I hearby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [signature] TITLE ENGINEER DATE 2/3/99

TYPE OR PRINT NAME Price Bayless TELEPHONE NO. (505) 327-2659

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY ERNIE BUSCH TITLE DEPUTY OIL & GAS INSPECTOR, DIST #3 DATE FEB 11 1999

CONDITIONS OF APPROVAL, IF ANY: Plat

ROBERT L. BAYLESS
JUHAN #1
1650 FNL & 1800 FEL (SWNE)
SECTION 29, T30N, R12W
SAN JUAN COUNTY, NEW MEXICO

FRUITLAND COAL RECOMPLETION PROCEDURE

FORMATION TOPS:

Ojo Alamo	surface
Kirtland	266 ft
Fruitland	1289 ft
Pictured Cliffs	1650 ft

CURRENT WELL STATUS: Pictured Cliffs producing well - completed in Feb 1995

CURRENT WELLBORE STATUS:

TOTAL DEPTH: 1810 ft

CASING:
SURFACE - 7" 23#/ft J-55 casing @ 132 ft, cement circulated to surface
LONGSTRING - 4½" 10.5#/ft J-55 @ 1807 ft, cement circulated to surface
Capacity .0159 bbls/ft

TUBING:
PRODUCTION - 2 3/8" 4.7#/ft J-55 EUE @ 1672 ft (55 jts)

EXISTING PERFORATIONS:
Pictured Cliffs 1650 - 1661 22 holes

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1. Move in and rig up workover rig. Kill well. Nipple down wellhead and nipple up BOP. Replace wellhead valves with frac valves.

2. Check for fill. Trip 2 3/8" tubing out of hole.

3. Rig up wireline company. Set retrievable cast iron bridge plug by wireline at 1648 ft RKB (3 ft above top Pictured Cliffs perforation, 11 ft below bottom Fruitland Coal perforation). Drop sand on top of bridge plug.

4. Rig up pump truck. Pressure test bridge plug, casing, and wellhead to 3000 psi.

5. Perforate the Fruitland Coal interval with 3 1/8" casing gun as follows:

1604 - 1608 ft	4 ft	9 holes	2 JSPF	
1612 - 1637 ft	25 ft	51 holes	2 JSPF	
Total	29 ft	60 holes		34" diameter

6. Break down the Fruitland Coal perforations. Establish an injection rate and pressure into the perforations down the casing. Obtain an ISIP (should be approximately 450 psi, FG = 0.70). Acidize this interval with 500 gallons of 7.5% DI weighted HCL acid containing 90 1.1 sg RCN ball sealers. Attempt to ball off casing to 3000 psi.

7. Surge balls off perforations if necessary. Run wireline junk basket to recover ball sealers.

8. Fracture stimulate the Fruitland Coal formation with 22,000 gallons of 70 quality foam using 30# X-linked borate gelled fluid containing 60,000 lbs of 16-30 mesh Arizona sand as follows:

    5,000 gals of 70 qual foam pad
    5,000 gals of 70 qual foam with 2 ppg 16-30 sand
    10,000 gals of 70 qual foam with 4 ppg 16-30 sand
    2,000 gals of 70 qual foam with 5 ppg 16-30 sand
    1,000 gals of 70 qual foam flush

    Desired rate: 15 BPM
    Expected treating pressure: 1100 psi

    ALL WATER TO CONTAIN 2% KCL, ½ GAL/1000 CLAY STABILIZATION AGENT, AND BACTERIACIDE. SAND TO CONTAIN RADIOACTIVE TRACER MATERIAL.

9. Shut well in for 3 hours. Blow well back to a steel tank through a 1/4" choke nipple. Flow well until it dies.

10. Trip in hole with retrieving head on tubing. Circulate sand fill from well and retrieve bridge plug at 1640 ft. Trip tubing and bridge plug out of hole.

11. Trip in hole and land production tubing as before at 1672 ft (below Pictured Cliffs perforations).

12. Nipple down BOP. Nipple up wellhead. Swab well in as necessary.

13. Run log to locate tracer material as well dictates.