

DATE IN 11-14-12	SUSPENSE 12-7	ENGINEER DB	LOGGED IN 11-20	TYPE NSL	APP NO. PDKB1232563101
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



*Robert Z. Bayless, Produce, LLC
 Horseshoe Hallup 18 # 8H*

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

6714

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

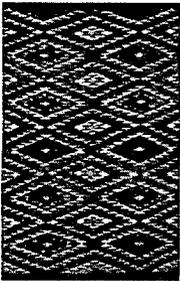
Print or Type Name

Signature

Title

Date

e-mail Address



Robert L. Bayless, Producer LLC

Post Office Box 168
368 New Mexico Highway 170
Farmington, New Mexico 87499
505-326-2659
Fax 505-326-6911

621 Seventeenth Street, Suite 2300
Denver, Colorado 80293
303-296-9900
Fax 303-296-0753

November 12, 2012

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
Attn: Mr. David Brooks

2012 NOV 14 P 3:34
RECEIVED OGD

Re: Request for Unorthodox Location for Horseshoe Gallup 18-8H

Dear Mr. Brooks,

Robert L. Bayless, Producer LLC, is requesting an unorthodox location for the Horseshoe Gallup 18-8H, API#: 30-045-35373, Lease #:NMNM121498 per Rule 19.15.15.13. This well's bottom hole location of the horizontal Toe is 1,737' FNL & 253' FWL. The well project area is designated to the S/2 N/2 as a Horseshoe Gallup Oil well. The well encroaches on the 330' required offset to the west SE/4 NE/4 Section 13 T30N R15W (see attached map). The encroached upon spacing unit is un-leased federal lease. The BLM has been notified of the encroachment. See attached letter of notification. Also attached is the C-102 as drilled Plat with the dedicated acreage. Please let me know if you have any question.

Sincerely,

John D Thomas
Operations Engineer
Robert L. Bayless, Producer LLC
Office: 505-564-7806
Cell: 505-320-5234
jthomas@rlbayless.com

District I

1625 N. French Dr, Hobbs, NM 88240
Phone: (575)393-6161 Fax: (575)393-0720

District II

811 S. First St. Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III

1000 Rio Brazos Rd, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-35373	² Pool Code 32870	³ Pool Name HORSESHOE GALLUP
⁴ Property Code	⁵ Property Name HORSESHOE GALLUP 18	
⁷ OGRID No. 150182	⁸ Operator Name ROBERT L. BAYLESS, PRODUCER LLC	⁶ Well Number 8H
		⁹ Elevation 5396

¹⁰ Surface Location

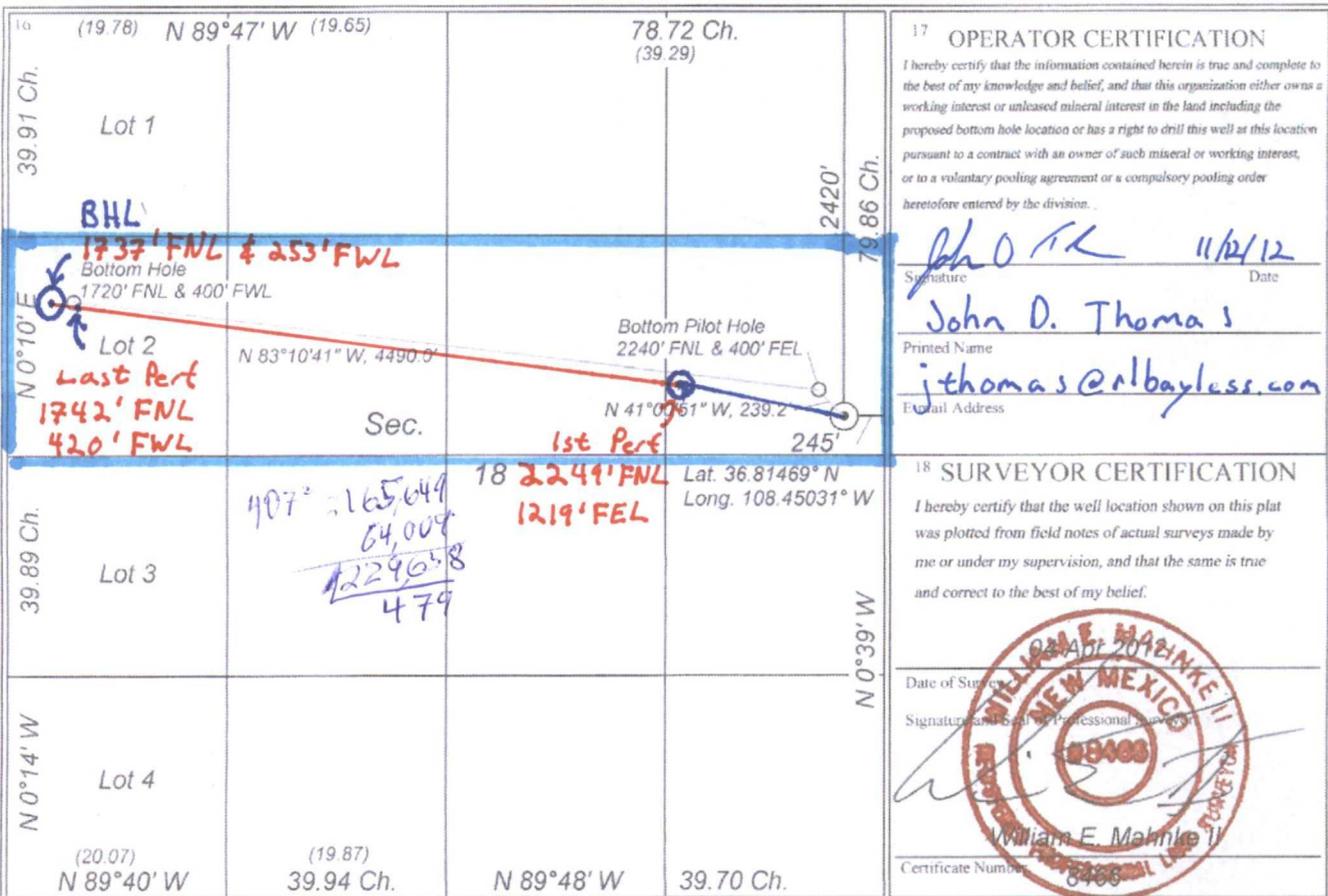
UL or Lot No	Section	Township	Range	Lot Idn.	Feet from the	North/South Line	Feet from the	East/West Line	County
H	18	30 N	15 W		2420	North	245	East	San Juan

¹¹ Bottom Hole Location If Different From Surface

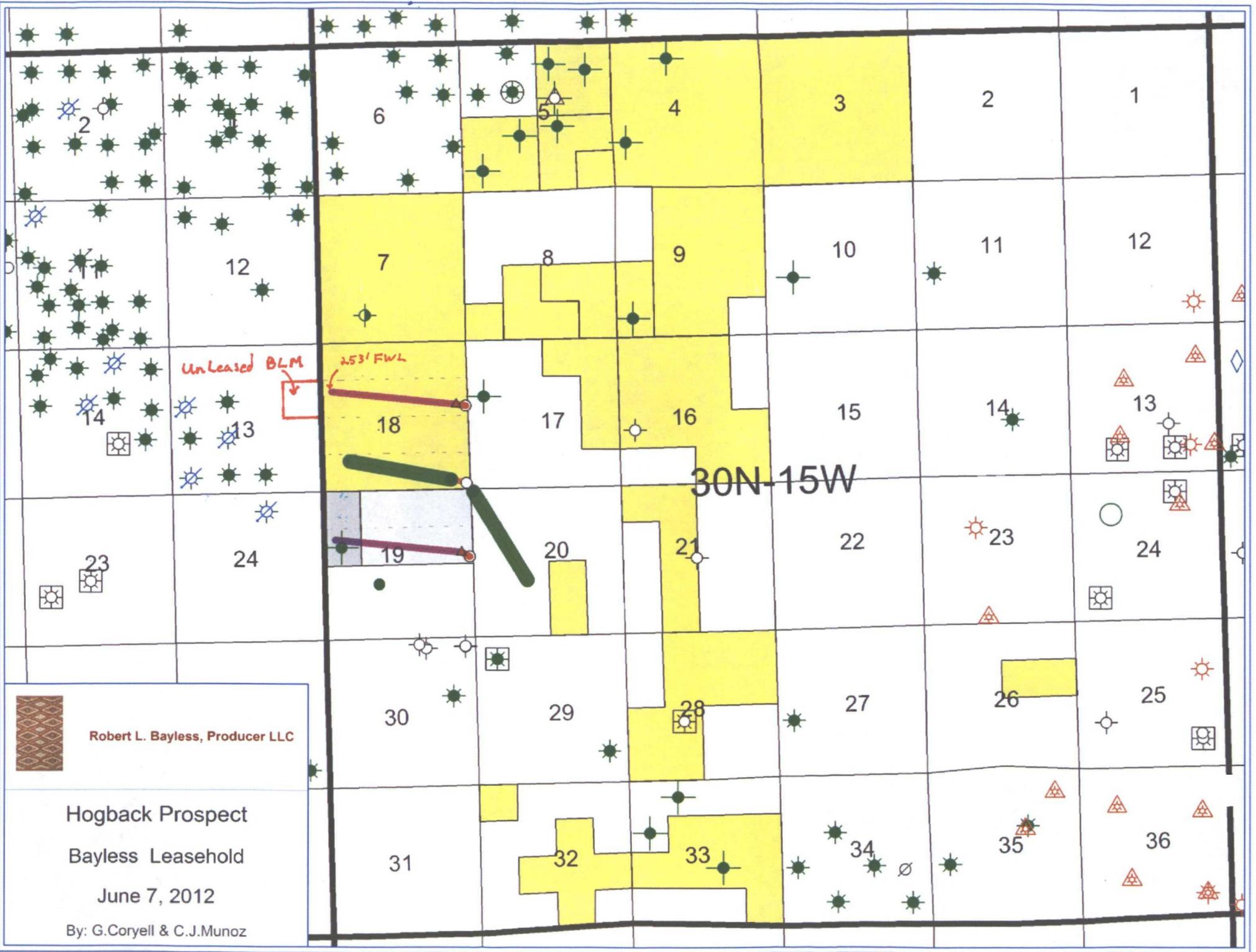
UL or Lot No	Section	Township	Range	Lot Idn.	Feet from the	North/South Line	Feet from the	East/West Line	County
2	18	30 N	15 W		1720	North	400	West	San Juan

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Project Area (Lease No. NMNM 121498)



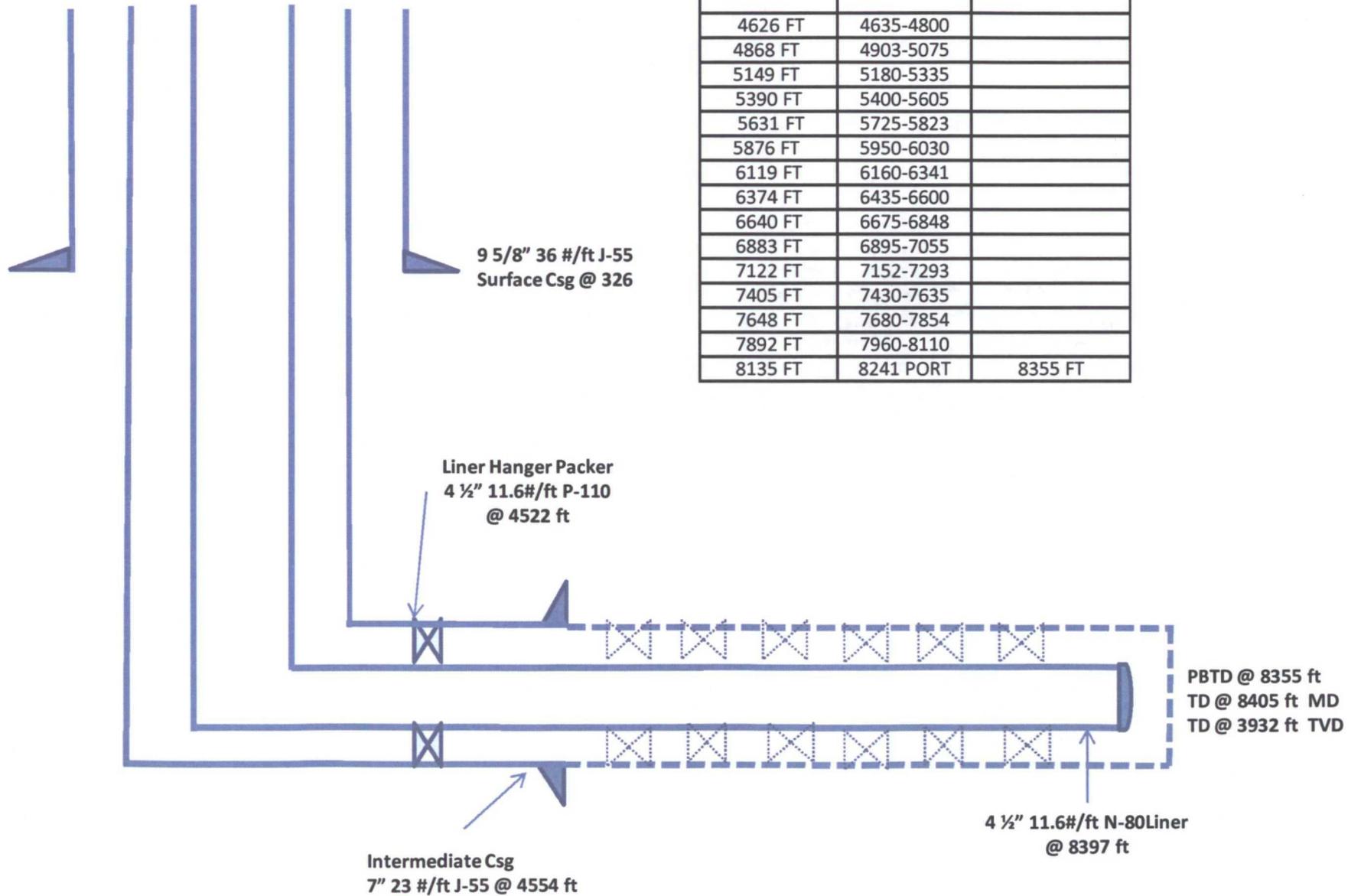

Robert L. Bayless, Producer LLC

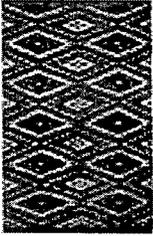
Hogback Prospect
 Bayless Leasehold
 June 7, 2012
 By: G.Coryell & C.J.Munoz

Robert L. Bayless, Producer LLC
HORSESHOE GALLUP 18-8H

Proposed WBD – 11/01/2012

Liner Hanger /PackerS	Perforations	Toe Circulating Sub
4522 FT (LH)		
4626 FT	4635-4800	
4868 FT	4903-5075	
5149 FT	5180-5335	
5390 FT	5400-5605	
5631 FT	5725-5823	
5876 FT	5950-6030	
6119 FT	6160-6341	
6374 FT	6435-6600	
6640 FT	6675-6848	
6883 FT	6895-7055	
7122 FT	7152-7293	
7405 FT	7430-7635	
7648 FT	7680-7854	
7892 FT	7960-8110	
8135 FT	8241 PORT	8355 FT





Robert L. Bayless, Producer LLC
 PO Box 168
 Farmington, NM 87499
 (505) 326-2659 office
 (505) 326-6911 fax

Letter of Transmittal

Date: 11.13.2012

Hand Delivered

To:

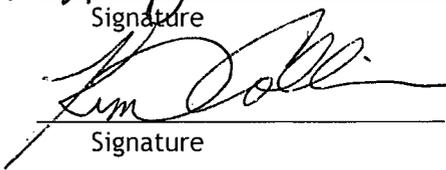
Mr. Jim Lovato
 US DEPARTMENT OF INTERIOR / BLM
 6251 College Blvd., Suite A
 Farmington, NM 87402

From:

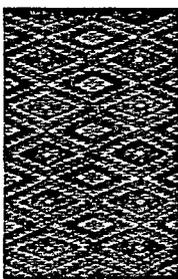
Mr. John D. Thomas
 ROBERT L. BAYLESS, PRODUCER LLC
 368 NM Hwy 170 - PO Box 168
 Farmington, NM 87499

RE: Notification of Horseshoe Gallup 18-8H (Lease #: NMNM121498) Notification of request for Unorthodox location and Encroachment on Un-leased federal Acreage

Enclosed is an original letter, a copy of the letter with copies of the OCD Well Location Form C-102 and the Bayless Leasehold Plat.

Hand Delivered by:		<u>Helen Trujillo</u>	<u>11/13/2012</u>
	Signature	Printed Name	Date
Received by:		<u>Kim Collins</u>	<u>11-13-12</u>
	Signature	Printed Name	Date

COPY



Robert L. Bayless, Producer LLC

Post Office Box 168
368 New Mexico Highway 170
Farmington, New Mexico 87499
505-326-2659
Fax 505-326-6911

621 Seventeenth Street, Suite 2300
Denver, Colorado 80293
303-296-9900
Fax 303-296-0753

November 6, 2012

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
6251 College Blvd. Suite A
Farmington, NM 87402
Attn: Mr. Jim Lovato

Re: Notification of Horseshoe Gallup 18-8H (Lease #: NMNM 121498) Notification of request for Unorthodox location and Encroachment on Un-leased federal Acreage

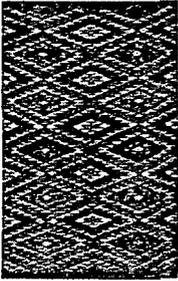
Dear Mr. Lovato,

This is a notification that the Horseshoe Gallup 18-8H Well, API #:30-045-35373, Lease #: NMNM 121498 has crossed the NMOCD required offset for a Horseshoe Gallup Oil well of 330'. The well encroaches on un-leased BLM acreage in SE/4 of NE/4 of S: 13 T: 30N R: 16W. The well's BHL location is 1737' FNL & 253' FWL. Robert L Bayless, Producer LLC will request an unorthodox location for this well from the NMOCD. The BLM has 20 days from the date the division receives the application to object to unorthodox location approval. I have attached a plat with the location of the well and the application sent to the NMOCD. Please let me know if you have any questions.

Sincerely,

John D Thomas
Operations Engineer
Robert L Bayless, Producer LLC
505-564-7806
505-320-5234 (Cell)
jthomas@rlbayless.com

COPY



Robert L. Bayless, Producer LLC

Post Office Box 168
368 New Mexico Highway 170
Farmington, New Mexico 87499
505- 326- 2659
Fax 505- 326- 6911

621 Seventeenth Street, Suite 2300
Denver, Colorado 80293
303- 296- 9900
Fax 303- 296- 0753

November 12, 2012

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Attn: Mr. David Brooks

Re: Request for Unorthodox Location for Horseshoe Gallup 18-8H

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Sincerely,

John D Thomas

Operations Engineer

Robert L. Bayless, Producer LLC

Office: 505-564-7806

Cell: 505-320-5234

jthomas@rlbayless.com

COPY

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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10 Surface Location									
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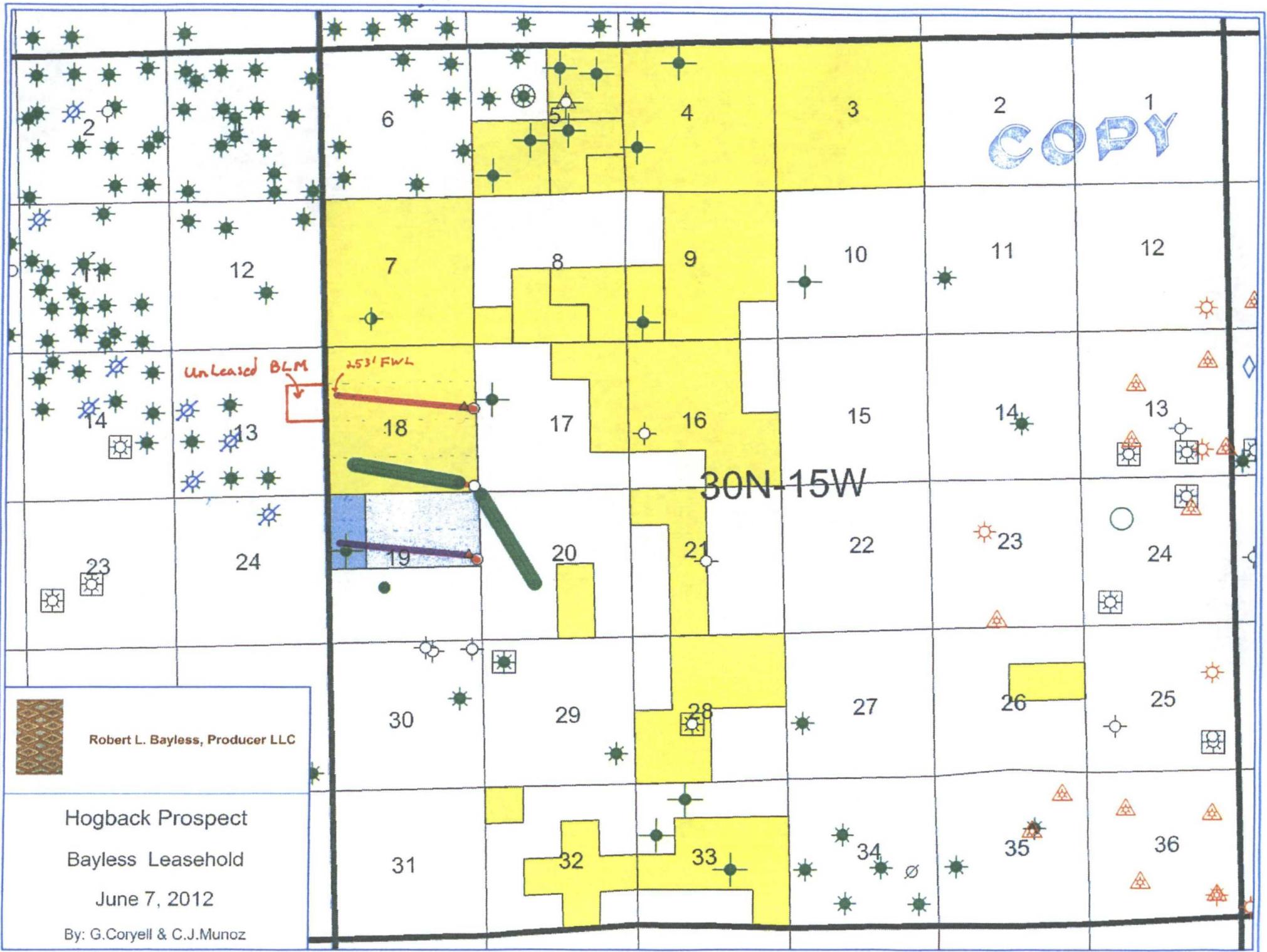
11 Bottom Hole Location If Different From Surface									
UL or Lot No	Section	Township	Range	Lot Idn.	Feet from the	North/South Line	Feet from the	East/West Line	County
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12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<div style="border: 2px solid blue; padding: 5px;"> <p>16 (19.78) N 89°47' W (19.65) 78.72 Ch. (39.29)</p> <p>39.91 Ch. Lot 1</p> <p>BHL Bottom Hole 1737' FNL & 253' FWL 1720' FNL & 400' FWL</p> <p>Lot 2 Last Perf 1742' FNL 420' FWL</p> <p>Bottom Pilot Hole 2240' FNL & 400' FEL</p> <p>1st Perf 245'</p> <p>18 2241' FNL 1219' FEL</p> <p>Lat. 36.81469° N Long. 108.45031° W</p> <p>39.89 Ch. Lot 3</p> <p>39.14' W Lot 4 (20.07) N 89°40' W (19.87) 39.94 Ch. N 89°48' W 39.70 Ch.</p> </div>	<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p style="text-align: right;"><i>John D. Thomas</i> 11/2/12 Signature Date</p> <p style="text-align: center;">John D. Thomas Printed Name</p> <p style="text-align: center;">jthomas@rlbayless.com E-mail Address</p> <p>18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p style="text-align: center;">Date of Survey: 11/2/12</p> <p style="text-align: center;"><i>William E. Mahinke II</i> Signature</p> <p style="text-align: center;">Certificate Number: 8408</p>
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Project Area (Lease No. NMNM 121498)



COPY

30N-15W

Unleased BLM
2.53' FWL



Robert L. Bayless, Producer LLC

Hogback Prospect
Bayless Leasehold
June 7, 2012

By: G.Coryell & C.J.Munoz

Robert L. Bayless, Producer LLC
HORSESHOE GALLUP 18-8H

Proposed WBD – 11/01/2012

Liner Hanger /PackerS	Perforations	Toe Circulating Sub
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