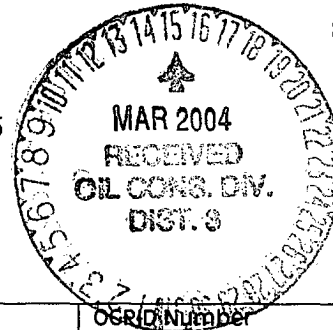


District I - (505) 393-6161
1625 N. French Dr. Hobbs, NM 88240
District II - (505) 748-1283
1301 W. Grand Avenue, Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road, Aztec, NM 87410
District IV - (505) 476-3440
1220 So. St. Francis Dr., Santa Fe, NM 87505

New Mexico
Energy Minerals and Natural Resources Department

Form C-140
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505
(505) 476-3440



SUBMIT ORIGINAL
PLUS 2 COPIES
TO APPROPRIATE
DISTRICT OFFICE

APPLICATION FOR
WELL WORKOVER PROJECT

I. Operator and Well

Operator name & address Robert L. Bayless, Producer LLC PO Box 168 Farmington, NM 87499						OCRD Number 150182		
Contact Party Price M. Bayless						Phone (505) 326-2659		
Property Name Floyd				Well Number 7		API Number 30-045-30810		
UL D	Section 17	Township 30N	Range 12W	Feet From The 955'	North/South Line NORTH	Feet From The 980'	East/West Line WEST	County SAN JUAN

II. Workover

Date Workover Commenced: 5/20/2003	Previous Producing Pool(s) (Prior to Workover): BASIN FRUITLAND COAL
Date Workover Completed: 6/20/2003	

- III. Attach a description of the Workover Procedures performed to increase production.
IV. Attach a production decline curve or table showing at least twelve months of production prior to the workover and at least three months of production following the workover reflecting a positive production increase.

V. AFFIDAVIT:

State of NEW MEXICO)
County of SAN JUAN) ss.
Price M. Bayless, being first duly sworn, upon oath states:
1. I am the Operator, or authorized representative of the Operator, of the above-referenced Well.
2. I have made, or caused to be made, a diligent search of the production records reasonably available for this Well.
3. To the best of my knowledge, this application and the data used to prepare the production curve and/or table for this Well are complete and accurate.
Signature [Signature] Title Engineering Manager Date March 5, 2004
E-mail Address dianej@rlbayless.com
SUBSCRIBED AND SWORN TO before me this 11th day of March, 2004.
My Commission Expires: 9-23-06
OFFICIAL SEAL
NORENE GURULE
NOTARY PUBLIC - STATE OF NEW MEXICO
Notary Public Norene Gurule

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a Well Workover Project and the Division hereby verifies the data shows a positive production increase. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project was completed on 6/20, 2004

Signature District Supervisor	OCD District	Date
<i>SSZ</i>	<i>3</i>	<i>3/15/04</i>

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT:

RECEIVED

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir,
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	8. Well Name and No. Floyd Booster Compressor
2. Name of Operator Robert L. Bayless, Producer LLC	9. API Well No.
3. Address and Telephone No. PO BOX 168, FARMINGTON, NM 87499 (505) 326-2659	10. Field and Pool, or Exploratory Area
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) NE/4 of SE/4, Section 7, T30N, R12W	11. County or Parish, State SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Set Compressor</u>
	<input type="checkbox"/> Change of Plans
	<input checked="" type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Bayless proposes setting a booster compressor at a central point to compress gas from all six wells on the Floyd lease. Modeling shows that this will be more effective than replacing all six wellhead compressors with larger units. The compressor would be set adjacent to the right-of-way for El Paso's 4" line, but will be operated by Bayless. An archaeological survey is attached. No new road is required. All construction will be on lease.

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

Signed Price M. Bayless Title Engineering Manager Date May 27, 2003

(This space for Federal or State office use)

Approved by Bill Mess Title EPS Date 6/4/03

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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 manner within its jurisdiction.

*See Instruction on Reverse Side

OPERATOR

Oil & Gas Production Linear Curve of Well:

FLOYD NO. 7

Total Production
Oil: 0
Gas: 129557
Water: 41584
Days Produced: 5

Oil Gas Water

