

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2005 FEB 23

FORM APPROVED
OMB NO. 1004-0136

Expires: November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED
070 FARMINGTON NM

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM 047	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator ROBERT L. BAYLESS		7. If Unit or CA Agreement, Name and No.	
3a. Address P.O. BOX 168, FARMINGTON, NM 87499		8. Lease Name and Well No. Floyd #10	
3b. Phone No. (include area code) (505) 326-2659		9. API Well No. 30-045-32911	
4. Location of Well (Report location clearly and in accordance with an State requirements *) At surface 1530 FSL & 2200 FEL At proposed prod. zone SAME		10. Field and Pool, or Exploratory Basin Fruitland Coal	
11. Sec., T., R., M., or Blk. and Survey or Area J Section 7, T30N, R12W		12. County or Parish San Juan	
14. Distance in Miles and Direction from nearest town or post office*		13. State New Mexico	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		16. No. of Acres in Lease	
18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this Lease, ft.		17. Spacing Unit dedicated to this well 220 sp 315.42	
19. Proposed Depth 2210		20. BLM/BIA Bond No. on file 40S23024BCA	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) RKB 5964		22. Approximate date work will start* ASAP	
		23. Estimated duration 8 days	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Price M. Bayless	Date 12/23/04
Title Engineering Manager		
Approved by (Signature) 	Name (Printed/Typed) AFM	Date 3-23-05
Title FED		

Application approval 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.

Conditions of approval, if any, are attached.

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 reverse)

NMOCD

District I
1625 N. French Dr., Hobbs, NM 88248
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

RECEIVED
070 FARMINGTON NM
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-32911		Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code 22186	Property Name FLOYD		Well Number 10
OGRID No. 150182	Operator Name ROBERT L. BAYLESS, PRODUCER LLC		Elevation 5964

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
14	7	30 N	12 W		1530	South	2200	East	San Juan

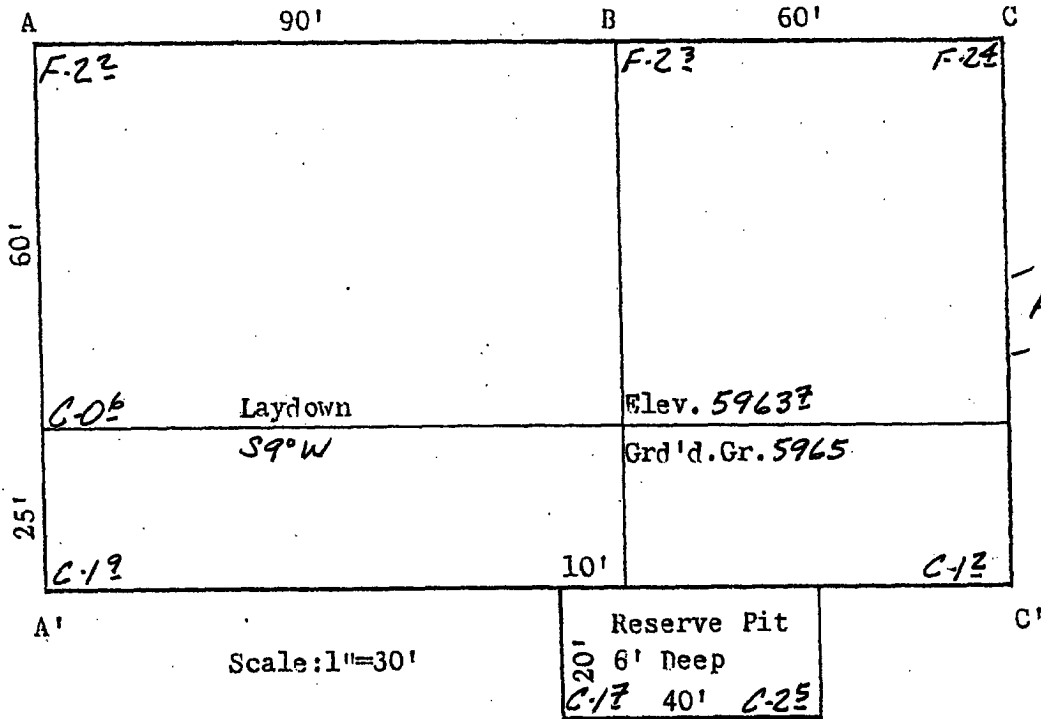
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 315.42		Joint or Infill		Consolidation Code		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

16 19.20ch. 19.29ch. S88°00'W 38.59ch.				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Lot No. (TYP) 8 7 6 5				Signature <i>[Signature]</i>	
9 10 11				Printed Name Price M Bayless	
12 13 14				Title and E-mail Address Engineering Manager tucker@rlbayless.com	
15 16 17				Date 12-23-04	
18 19 20				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 knowledge and belief.	
1530' LAT. 36.82506°N LONG. 108.13682°W				Date of Survey 12-23-04	
19.80ch. 20.01ch. S88°16'W 40.80ch.				Signature and Seal of Professional Surveyor <i>[Signature]</i> WILLIAM F. MANIHE II	
				Certificate Number 8466	

ROBERT L. BAYLESS, PRODUCER LLC
 FLOYD #10
 1530' FSL & 2200' FEL
 Sec. 7, T30N, R12W, NMPM
 San Juan Co., NM



A-A'	Vert.: 1"=30'	Horiz.: 1"=50'	C/L
5970			
5960			

B-B'	Vert.: 1"=30'	Horiz.: 1"=50'	C/L
5970			
5960			

C-C'	Vert.: 1"=30'	Horiz.: 1"=50'	C/L
5970			
5960			

Robert L. Bayless, Producer LLC

Drilling Technical Program

(Attachment to Form 3160-3)

Floyd #10

1530 FSL & 2200 FEL (nwse)

Section 7, T30N, R12W

San Juan County, New Mexico

1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>Depth KB</u>	<u>Est Pressure</u>
Nacimiento	Surface	
Ojo Alamo	500 feet	
Kirtland	630 feet	
Fruitland	1730 feet	420 psi
Pictured Cliffs	2110 feet	500 psi
Total Depth	2210 feet	

2. WELL CONTROL SYSTEM

- A. The proposed blowout system (schematic drawings attached) is a bag type preventer, and will be used in 1000 psi service. The wellhead pressure is anticipated to be low and no gas flow to surface.
- B. Maximum anticipated bottom hole pressure = 500 psi. Well Control Anticipated Surface Pressure (ASP) = 500 psi.
- C. BOP pressure testing will be conducted at the time of installation and prior to drilling out surface casing shoe. The annular will be closed daily. A choke manifold will be installed as per attached drawing. Working pressure for the choke manifold is 2000 psi. In addition, a kill line from the mud pump will be installed.
- D. Stabbing valves for drill pipe and drill collars will be available on the rig floor. An upper kelly cock will also be available on the rig.
- E. Anticipated formation pressures average .25 psi/ft gradient and formation fracture pressures are anticipated to exceed the maximum mud weight of 9.1 pounds per gallon.

3. DRILLING MUD PROGRAM

- A. A 8 3/4" surface hole will be drilled to 120 ft RKB with a fresh water system. Lime and gel will be added to provide viscosity as needed.

- B. A 6 1/4" hole will be drilled to total depth utilizing LSND mud.

Interval	Mud System	Weight PPG	Viscosity sec/qt	WL cc
0 - ^{685'} 120 ft	Spud mud	<9.0	35 - 55	NC
120 - 2210	LSND	8.6 - 9.3	28 - 50	<12

- C. Mud level monitoring will be done visually.

4. HAZARDS

- A. Abnormal pressure is not expected in this area.
- B. Lost circulation is expected to be of minimal problems in this area.
- C. No hydrogen sulfide is expected. However, should hydrogen sulfide be encountered during drilling, detection and warning systems will be installed.
- D. Hole deviation is not expected in this area. Single shot surveys giving hole inclination will be run a minimum of every 500 feet.

5. LOGGING AND TESTING

- A. Induction and density logs will be run from total depth across all zones of interest.
- B. No drill stem tests are anticipated in this well.
- C. No cores are anticipated in this well.
- D. No mud logging unit will be used on this well.

6. CASING PROGRAM

- A. Surface casing: 7" 23.0 #/ft J-55 from surface to ^{685'}120 feet
- B. Production casing: 4 1/2" 10.5 #/ft J-55 from surface to 2210 feet.
- C. A proposed wellbore diagram is attached.

7. CEMENTING PROGRAM

- A. Surface casing: 30 sx (35.4 cf) Class B w/ 3% CaCl, circulated to surface
- B. Production Casing: 130 sx (277 cf) Premium Lite High Strength cement circulated to surface, volume may change due to caliper log on well.

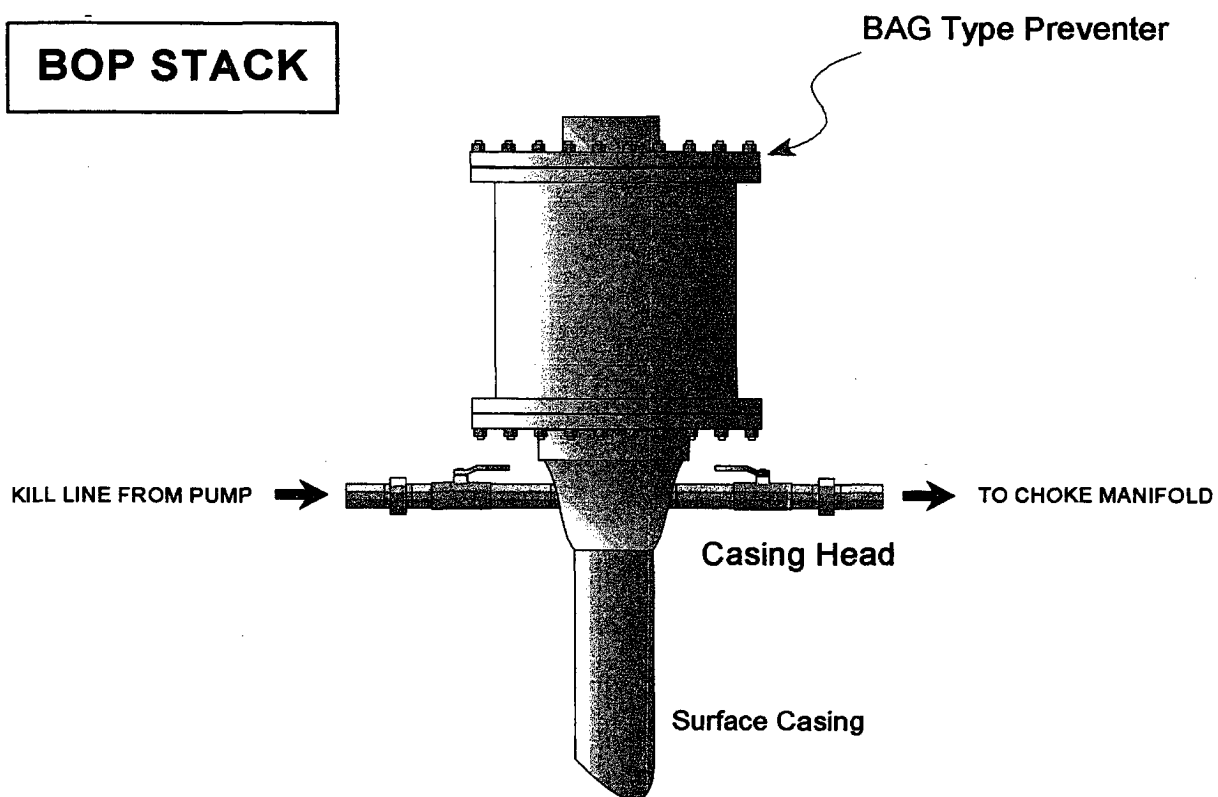
Robert L. Bayless, Producer LLC
Well Control Equipment Schematic for 1M Service

Attachment to APD Form 3160-3

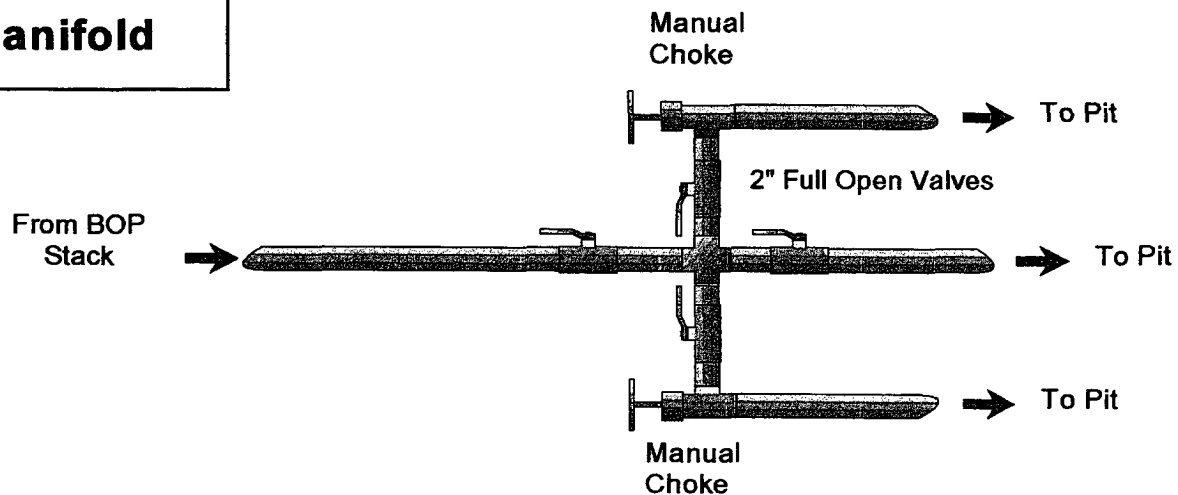
Floyd #10

Location: 1530 FSL & 2200 FEL
Sec 7, T30N, R12W, NMPM
San Juan County, New Mexico

BOP STACK



**Choke & Kill
Manifold**



Robert L. Bayless, Producer LLC
Wellbore Schematic

Floyd #10

Proposed Wellbore Configuration

Location: 1530 FSL & 2200 FEL (nwse)
Sec 7, T30N, R12W, NMPM
San Juan Co, New Mexico

Elevation: 5964' GL
5969' RKB
Field: Basin Fruitland Coal

