

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0136  
Expires: November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

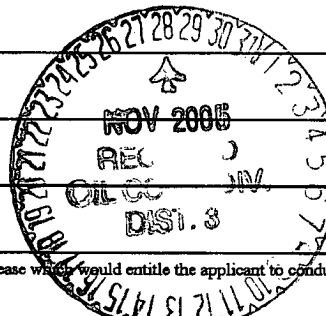
1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM05791	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input 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. <i>Graham CWIN Fel com</i> <del>Graham C #10G</del> <i>#10G</i>	
3b. Phone No. (include area code) (505) 326-2659		9. API Well No. <i>30-045-33287</i>	
4. Location of Well (Report location clearly and in accordance with an State requirements *) At surface 2507 FSL & 664 FEL At proposed prod. zone Same		10. Field and Pool, or Exploratory Basin Fruitland Coal	
14. Distance in Miles and Direction from nearest town or post office*		11. Sec., T., R., M., or Blk. and Survey or Area Section <i>4</i> - T27N - R8W <i>I 9</i>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		12. County or Parish San Juan	
16. No. of Acres in Lease		13. State NM	
18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this Lease, ft.		17. Spacing Unit dedicated to this well 320 <i>EP</i>	
19. Proposed Depth 2310		20. BLM/BIA Bond No. on file 40S23024BCA	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <del>6028 G</del> <i>6028 G</i>		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:

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

25. Signature <i>Price M. Bayless</i>	Name (Printed/Typed) Price M. Bayless	Date 8-17-05
Title Engineering Manager		
Approved by (Signature) <i>AFM</i>	Name (Printed/Typed) AFM	Date 11/22/05
Title AFM	Office FFO	



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)

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS".

NMOCD

District I  
1625 N. French Dr., Hobbs, NM 88240  
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 ☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-045-33287</b>	Pool Code <b>71629</b>	Pool Name <b>Basin Fruitland Coal</b>
Property Code <b>23378</b>	Property Name <b>GRAHAM C WN FED COM</b>	Well Number <b>10G</b>
OGRID No. <b>150182</b>	Operator Name <b>ROBERT L. BAYLESS, PRODUCER LLC</b>	Elevation <b>6028</b>

**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
I	9	27N	8W		2507	South	664	East	San Juan

**11 Bottom Hole Location If Different From Surface**

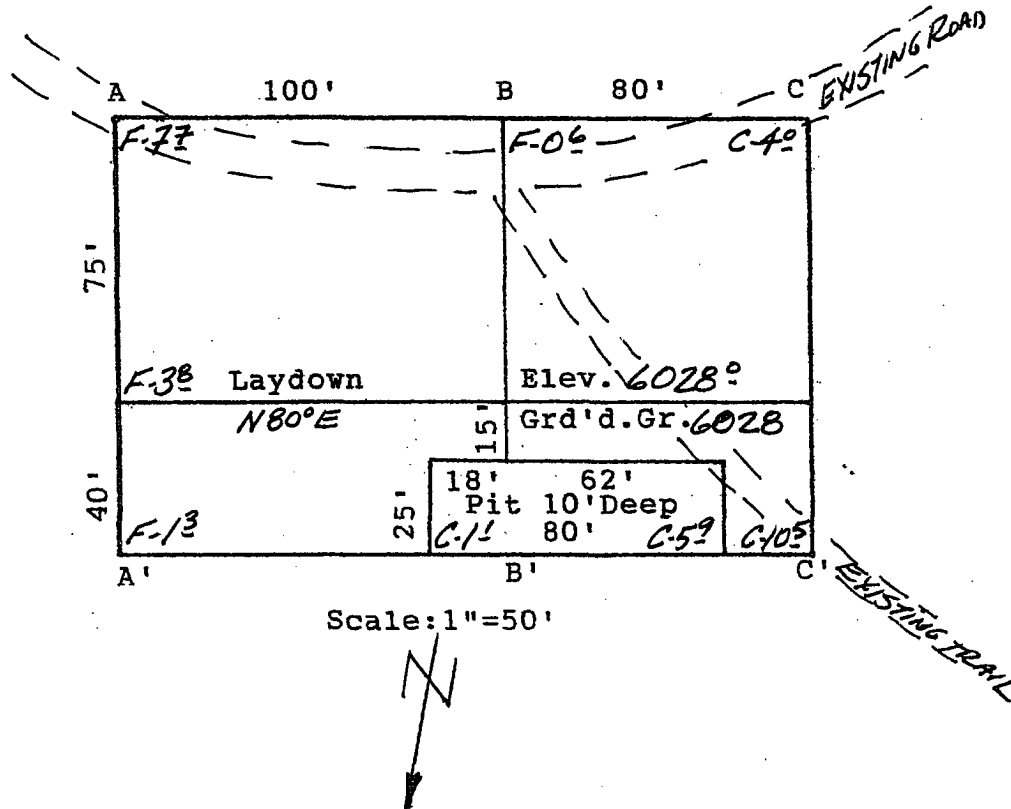
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

<p>16</p> <p>N 89° 03' W</p> <p>80.83 cu.</p> <p>Sec.</p> <p>9</p> <p>N 19° 07' E</p> <p>N 88° 15' W</p>	<p>78.95 cu.</p> <p>664'</p> <p>2507'</p> <p>78.95 cu.</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>[Signature]</i></p> <p>Printed Name <b>Price M. Bayless</b></p> <p>Engineering Manager</p> <p>Title and E-mail Address <b>tucker@rlbayless.com</b></p> <p>Date <b>8-17-05</b></p>
		<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey <b>8-17-05</b></p> <p>Signature and Seal of Professional Surveyor <i>[Signature]</i></p> <p><b>WILLIAM E. MAHNKE II</b></p> <p>Certificate Number <b>8466</b></p>

NOV 2005

ROBERT L. BAYLESS, PRODUCER LLC  
 GRAHAM C WN FED COM #10G  
 2507'FSL & 664'FEL  
 Sec.9, T27N, R8W, NMPM  
 San Juan C@. NM



A-A'	Vert.: 1" = 30'	Horiz.: 1" = 50'	C/L
6030			
6020			
B-B'			
6030			
6020			
C-C'			
6030			
6020			

# **Robert L. Bayless, Producer LLC**

## **Drilling Technical Program**

(Attachment to Form 3160-3)

### **Graham C #10G**

2507 FSL & 664 FEL (nese)

Section 9, T27N, R8W

San Juan County, New Mexico

#### **1. ESTIMATED FORMATION TOPS**

<u>Formation</u>	<u>Depth KB</u>	<u>Est Pressure</u>
Ojo Alamo	1320 feet	
Kirtland	1435 feet	
Fruitland	1955 feet	500
Pictured Cliffs	2210 feet	550 psi
Total Depth	2310 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 = 550 psi. Well Control Anticipated Surface Pressure (ASP) = 550 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 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 – 120 ft	Spud mud	<9.0	35 – 55	NC
120 – 2310	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" 20.0 #/ft J-55 from surface to 120 feet
- B. Production casing: 4 1/2" 10.5 #/ft J-55 from surface to 2310 feet.
- C. A proposed wellbore diagram is attached.

#### 7. CEMENTING PROGRAM

- A. Surface casing: 35 sx (35.4 cf) Class B w/ 3% CaCl, circulated to surface
- B. Production Casing: 140 sx (301.5 cf) Premium Lite High Strength cement circulated to surface, volume may change due to caliper log on well.

# Robert L. Bayless, Producer LLC

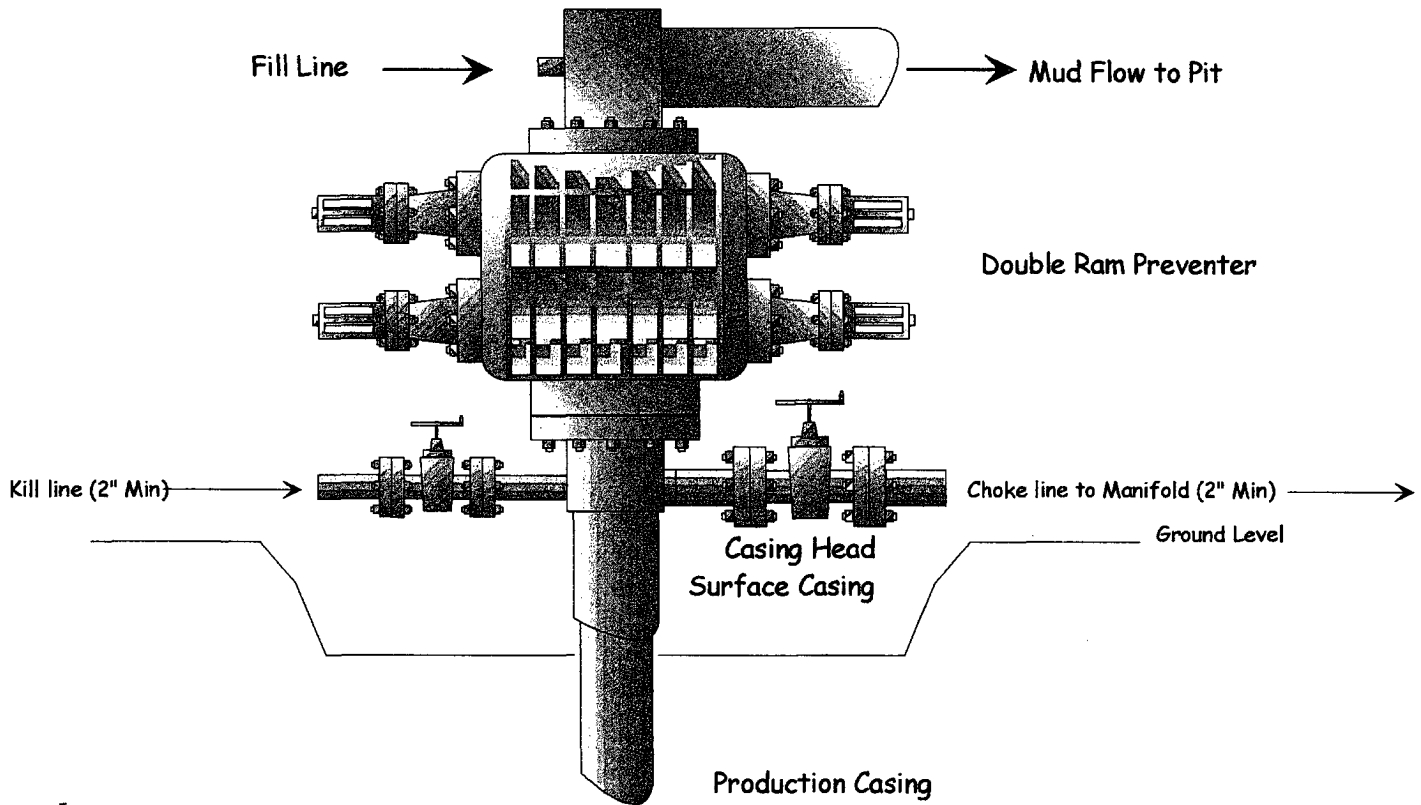
## Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

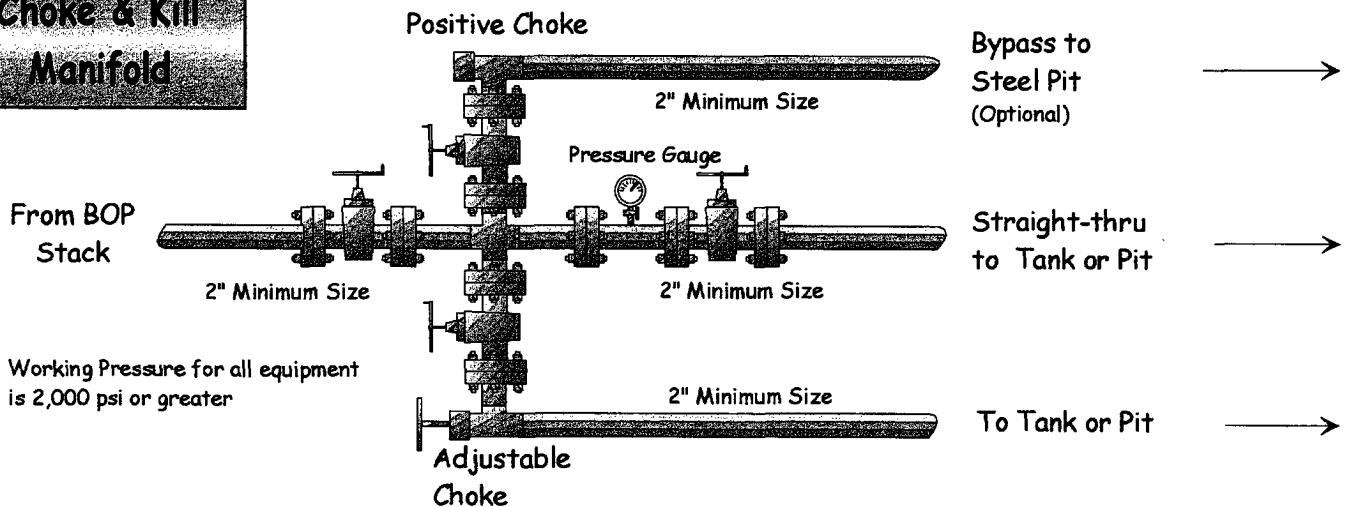
**Graham C #106**

Location: NESE  
Sec 9, T27N, R8W, NMPM  
San Juan, New Mexico

### BOP Stack



### Choke & Kill Manifold



**Robert L. Bayless, Producer LLC**  
**Wellbore Schematic**  
**Graham C #10G**  
*Proposed Wellbore Configuration*

Location: 2507FSL & 664 FEL (nese)  
Sec 9, T27N, R8W, NMPM  
San Juan Co, New Mexico

Elevation: 6028' GL  
6033' RKB  
Field: Basin Fruitland Coal

