

Form 3160-3
(August 1999)

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. SF078480	
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, PRODUCER LLC		7. If Unit or CA Agreement, Name and No.	
3a. Address P.O. BOX 168, FARMINGTON, NM 87499		8. Lease Name and Well No. Hammond #14	
3b. Phone No. (include area code) (505) 326-2659		9. APL Well No. 31-005-33288	
4. Location of Well (Report location clearly and in accordance with an State requirements *) At surface 1100 FNL & 1395 FWL 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* 15.5 miles SE of Blanco		11. Sec., T., R., M., or Blk. and Survey or Area C Section 25, T27N, R8W	
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 New Mexico	
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 W/2	
19. Proposed Depth 2225		20. BLM/BIA Bond No. on file 40S23024BCA	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5987 RKB 5948'		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 8-17-05
Title Engineering Manager		
Approved by (Signature) 	Name (Printed/Typed)	Date
Title Acting ASL Manager	Office	12/5/06

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)

File pit application prior to constructing Location.

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

8 12/12/06

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1361 W. Grand Avenue, Artesia, NM 88218
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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-33288		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 35094	Property Name HAMMOND		Well Number 14
OGRID No. 150182	Operator Name ROBERT L. BAYLESS, PRODUCER LLC		Elevation 5948

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
C	25	27N	8W		1100	North	1395	West	San Juan

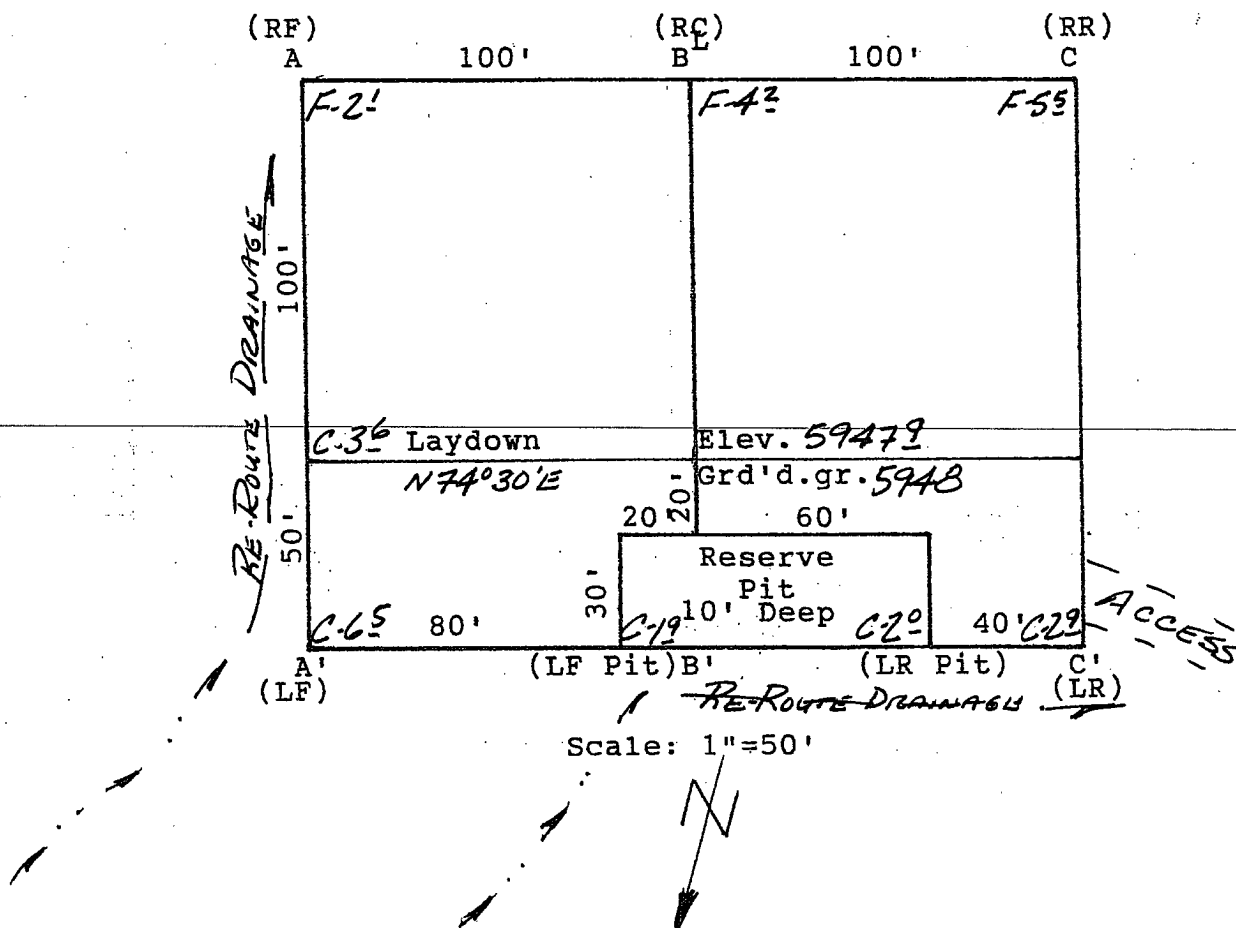
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres: 320.42 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.

	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>[Signature]</i> Printed Name: Price M. Bayless Title and E-mail Address: Engineering Manager tucker@rlbayless.com Date: 8-17-05
	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. Date of Survey: 24 Signature and Seal: <i>[Signature]</i> Certificate Number: 48456 William E. Manrique II
	NORTH WEST 39.1204 41.68CH
	SEC. 25 LAT. 36.54871° N LONG. 107.63843° W

ROBERT L. BAYLESS, PRODUCER LLC
 HAMMOND #14
 1100' FNL & 1395' FWL
 Sec. 25, T27N, R8W, NMPM
 San Juan Co., NM



A-A'	Vert.: 1"=30'	Horiz.: 1"=50'	C/L
5950			
5940			
B-B'	Vert.: 1"=30'	Horiz.: 1"=50'	C/L
5950			
5940			
C-C'	Vert.: 1"=30'	Horiz.: 1"=50'	C/L
5950			
5940			

Robert L. Bayless, Producer LLC

Drilling Technical Program

(Attachment to Form 3160-3)

Hammond #14

1100 FNL & 1395 FWL (nenw)

Section 25, T27N, R8W

San Juan County, New Mexico

1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>Depth KB</u>	<u>Est Pressure</u>
San Jose	Surface	
Ojo Alamo	1365 feet	
Kirtland	1430 feet	
Fruitland	1875 feet	420 psi
Pictured Cliffs	2125 feet	500 psi
Total Depth	2225 feet	

2. WELL CONTROL SYSTEM

- A. The proposed blowout system (schematic drawings attached) is a double ram 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. The BOP will be tested to 600 psi after installation and prior to drilling out surface casing shoe. The pipe rams will be closed daily and blind rams will be closed on each trip. A choke manifold will be installed as per attached drawing and tested to 600 psi prior to drilling out of surface pipe. 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. An 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 – 2225	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 2225 feet.
- C. A proposed wellbore diagram is attached.

7. CEMENTING PROGRAM

- A. Surface casing: 30 sx (42.0 cf) Type III w/ 3% CaCl and 1/4 #/sx celloflake, circulated to surface
- B. Production Casing: 130 sx (280 cf) Premium Lite High Strength cement circulated to surface, volume may change due to caliper log on well.

Robert L. Bayless, Producer LLC

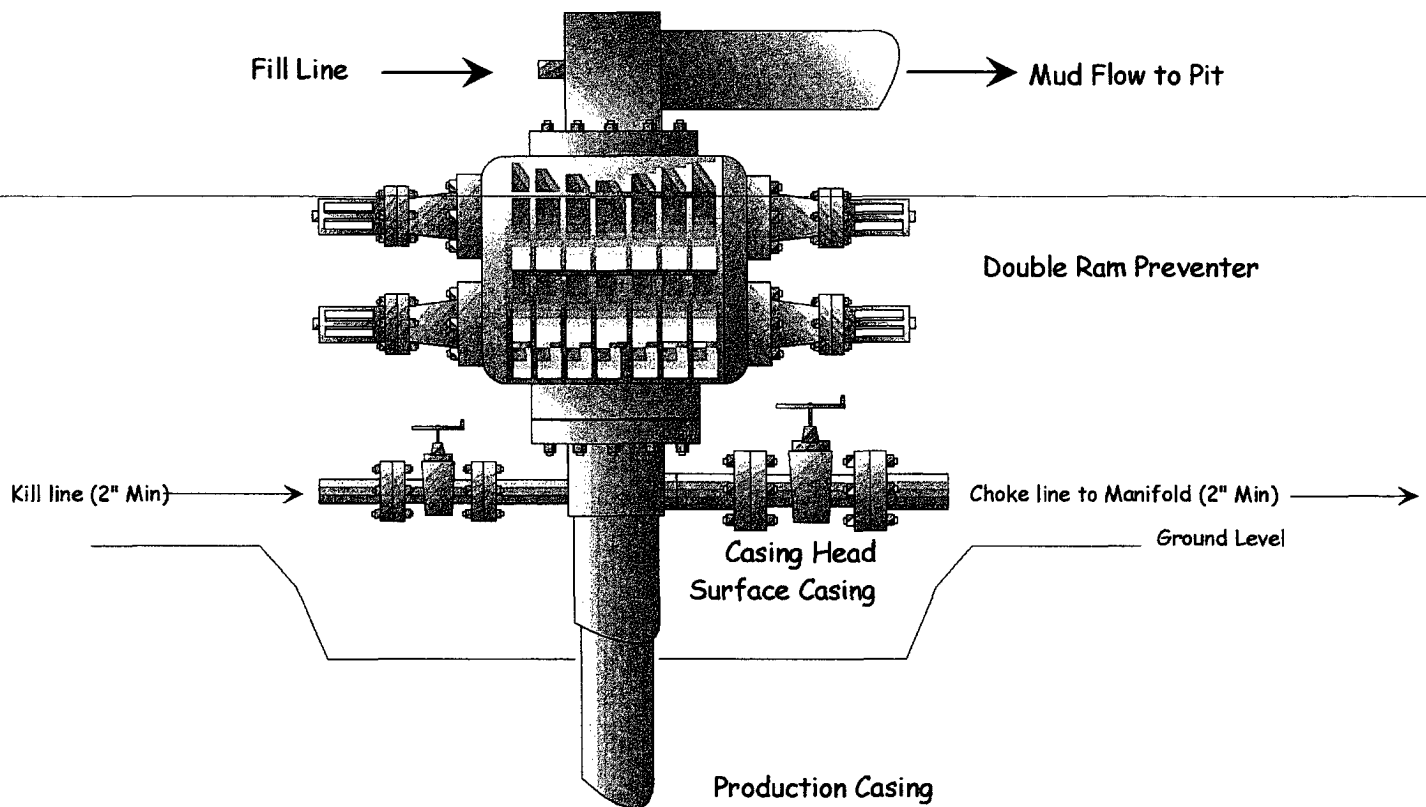
Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

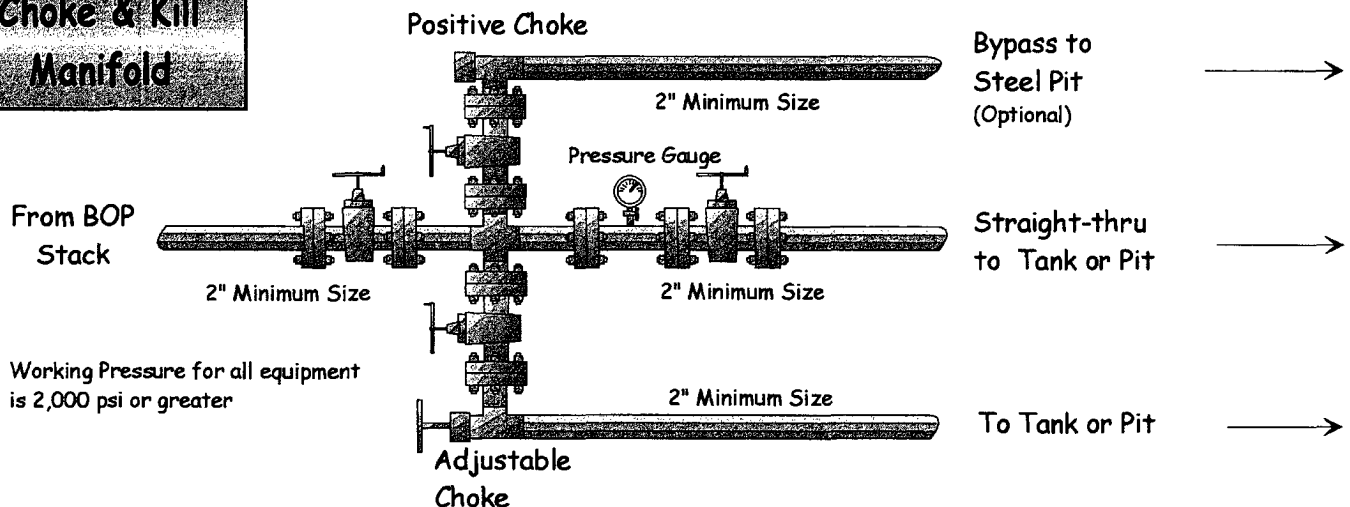
Hammond #14

Location: NENW
Sec 25, T27N, R8W, NMPM
San Juan, New Mexico

BOP Stack



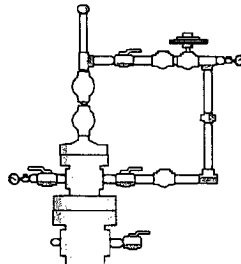
Choke & Kill Manifold



Robert L. Bayless, Producer LLC
Wellbore Schematic
Hammond #14
Proposed Wellbore Configuration

Location: 1100 FNL & 1395 FWL (nenw)
Sec 25, T27N, R8W, NMPM
San Juan Co, New Mexico

Elevation: 5948' GL
5953' RKB
Field: Basin Fruitland Coal



Bit Size - 8 3/4"

7" 20# J55 @ 120' KB w/ 30 sx
(TOC @ Surface)

Bit Size 6 1/4"

Ojo Alamo - 1365'

Kirtland - 1430'

2-3/8" EUE 4.7# J55 Tubing

Fruitland - 1875'

Fruitland Coal Perfs

Pictured Cliffs - 2125'

4 1/2" 10.5# J55 Production Csg @ 2225' KB
w/130sx

TD @ 2225' KB

Cretaceous

