

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **Robert L. Bayless, Producer LLC**

3a. Address
P.O.Box 168 Farmington, NM 87499

3b. Phone No. (include area code)
(505)3262659

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1970' FNL & 1475' FWL, Sec 17, T28 N, R10W

5. Lease Serial No.
SF-047039B

6. If Indian, Allottee or Tribe Name

2007 MAY 24 PM 2:22

7. If Unit or CA/Agreement, Name and/or No.

RECEIVED

8. Well Name and No.
Binson Federal #3 FARMINGTON NM

9. API Well No.
03-045-33987

10. Field and Pool, or Exploratory Area
Fulcher Kutz Pictured Cliffs

11. County or Parish, State
San Juan, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Final drilling Report
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Casing and Cement
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please see the Final drilling report summary attached.



Report PT on prod csg next report

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Habib J. Guerrero

Title **Engineer**

Signature

Date

05/22/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

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 page 2)

ACCEPTED FOR RECORD

NMOCD

MAY 25 2007

FARMINGTON FIELD OFFICE

Robert L. Bayless, Producer LLC
Morning Report – Drilling

Bimson Federal No. 3
1970' FNL & 1475' FWL
Section 17, T28N, R10W
San Juan County, NM
API # 30-045 – 33987

5/08/07

Cutting wood and building road and location.

5/12/07

Location finished.

5/14/07

Move in and rig up D&D drilling Services. Move in Frac tank. Spudded Well at 10:00 am 05/14/2007. Drilled 8 ¾ hole to 145 ft.

05/15/07

Circulate and condition hole for casing. Rig up to run casing. Run 3 joints of 7" 20 # J-55 ST&C surface casing, 3 centralizers and a guide shoe. Casing was landed at 139 ft. Rig up Halliburton Well Services and cement casing to Surface with 70 sx (83 cubic ft) Class G Premium Cement, 2% Calcium Chloride and 1/8#/sx Polyflake mixed at 15.6 ppg, 1.18 yield. Good returns throughout job with 6 bbls of good cement circulated to surface. Displaced wiper plug with 4.5 bbls water. Rig down cementers. Wait on Cement for 4 hours. Break off landing joint and make up wellhead. Nipple up and rig up to pressure test BOP and surface casing. Pressure test BOP and surface casing to 250/750 psi, held OK.

05/16/07

Make up 6 1/4" BHA. Trip in the hole and tag top of cement at 90 ft. Drilled out cement shoe to 145 ft and continue drilling to 945 ft. Took survey at 130 ft (3/4 degrees). Currently, drilling ahead throughout the Kirtland formation at 985 ft.

05/17/07

Drilled to 1045 ft. Trip out of the hole to change drilling bit. Took survey at 630 ft (1 ¼ degree). Trip back in the hole and slow drilled to 1365 ft. Currently, drilling ahead throughout the Kirtland formation at 1400 ft.

05/18/07

Drilled to 1865 ft. Took survey at 1130 ft (1 ¾ degree). We will be drilling to 2140 ft instead of 2115 ft to fit our casing tally. Currently, drilling ahead throughout the Fruitland formation.

05/19/07

Drilled to 2140 ft, TD. Took surveys at 1630 ft (2 degrees) and 2130 ft (2 degrees). Circulate and condition the hole. While tripping out of the hole lost circulation and stuck pipe at 2080 ft (60 ft off bottom). After several attempts, drilling pipe came loose. The decision was made to mix and mud up for logs (40 or 50 cp). Circulate and condition the hole for logs.

05/20/07

Mix mud. Circulate and condition the hole. Trip out of the hole above the coals (no drag or tight spots).

05/21/07

Trip in the hole and tag 3 ft of fill. Circulate and clean hole for logs. Trip out drill pipe and rig up for logs. Rig up Schlumberger Wireline services and run open hole log Triple Lithodensity, GR, SP, Array induction, and Caliper logs. Hole in good condition, no problems getting logging tools to bottom. Logger's TD was 2112 ft (28 ft of fill). Trip back in the hole with drilling pipe and start to lay down in singles.

05/22/07

Finish lay down drill pipe. Rig up to run casing. Run a total of 53 joints of 4 ½" 10.5 #/ft J-55 STC, new casing. Centralizers at 2093 ft, 2010 ft, 1930 ft, 1849 ft, 1769 ft, 1047 ft, 807 ft. Casing Landed at 2136 ft, as follow:

KB to landing point	5.00 ft	0 – 5 ft
39 joints casing	2087.50 ft	5 – 2092 ft
Float Collar	1.00 ft	2092 – 2093 ft
Shoe Joint	42.40 ft	2093 – 2135 ft
Guide Shoe	0.50 ft	2135 – 2136 ft
	<u>2136.40 ft</u>	

Circulate and condition hole for cementing. Rig up Halliburton well services and cement as follows: Pump 5 bbls water. Pump 20 bbls Chemical wash. Pump 10 bbls water with green dye. Pump 240 sx (480 cf) PRB-2 cement with 5#/sx Gilsonite, ¼#/sx Poly-E-flake at 13 ppg, 2.0 yield. Displaced with 34 bbls water. Plug did not Bump. Good circulation throughout job. Circulated out 13 bbls of Good cement to surface. Shut well in.

05/26/07

Rig down and move out drilling rig. Wait on Completion.