

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other: _____

2. Name of Operator
ROBERT L. BAYLESS PRODUCER LLC

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

3a. Phone No. (include area code)
(505) 326 2659

4. Location of Well (Report location clearly and in accordance with Federal requirements)

At surface
1400' FNL & 1425' FEL

SAME

At top prod. interval reported below

At total depth SAME

14. Date Spudded
05/26/2007

15. Date T.D. Reached
~~06/11/2007~~ 5/30/2007

16. Date Completed
☐ D & A ☒ Ready to Prod. 6/11/07

18. Total Depth: MD 2045 ft
TVD

19. Plug Back T.D.: MD 1990 ft
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Cased Hole Neutron - Gas Spectrum Log

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☒ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
8 3/4	7" / J-55	20	Surface	139		66sx-Class G	13	surface	
6 1/4	4.5 / J-55	10.5	Surface	2039		225sx- PRB-2	80.10	surface	

RCVD AUG 22 '07
OIL CONS. DIV.
DIST. 3

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8	1934							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Basin Fruitland Coal	1674	1919	1782 - 1848	0.41	63	Open
B)			1898 - 1910	0.41	36	Open
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
1782 - 1848	1500 Gal 7.5% HCl Acid, 60,000 Gal of Silver Stim LT X-Link Gelled Water, 121,000 lbs. 20/40 Sand
1898 - 1910	1000 Gal 7.5% HCl Acid, 33,000 Gal of Silver Stim LT X-Link Gelled Water, 61,250 lbs. 20/40 Sand

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
08/01/07	08/01/07	3hr	→		No flow				Pumping
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
3/4"	0	50	→		No flow			Shut -in	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

*(See instructions and spaces for additional data on page 2)

NMOCD

B

ACCEPTED FOR RECORD

AUG 21 2007

FARMINGTON FIELD OFFICE
BY T. Salyers

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Solid, used for fuel, vented, etc.)

Shut in, Waiting on Pipe line connection

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Fruitland Pictured Cliffs	1674 1919	1919	Coal, sandstone, natural gas Sandstone, natural gas	Ojo Alamo Kirtland	754 924

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☐ Directional Survey
- ☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Habib GuerreroTitle EngineerSignature Date 08/08/2007

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.

(Continued on page 3)

(Form 3160-4, page 2)

ROBERT L. BAYLESS, PRODUCER LLC
Bimson Federal No. 1G
1400' FNL & 1425' FEL
Section 17, T28N, R10W
San Juan County, NM
API # 30-045 - 33991

FRUITLAND COAL COMPLETION PROCEDURE

7/16/07 Set frac tanks on location. Fill tanks with 2% KCL water. Installed WSI frac valve on casing. Pressure tested casing and valve to 3500 psi, held OK. Wait on further completion.

7/18/07 Rigged up Blue Jet Wireline Service. Run GR-CLL from corrected PBTD of 1990 ft to 700 ft. Perforated the basal Fruitland Coal interval with 3 1/8" casing gun at 3 JSPF as follows:

1898 - 1910 12 ft 36 holes 0.41" diameter

7/19/07 Rigged up Halliburton frac crew to break down Basal Fruitland Coal interval. Pumped 3 bbls of 2% KCL and established rate into perfs of 9 bpm at 1450 psi, with an ISIP of 1275 psi (1.09 FG). Acidized Basal Fruitland Coal interval with 1000 gallons of 7 1/2 % HCL acid containing 54 RCN ball sealers @ 10.0 BPM @ 1650 psi. Had very good ball action before balling off to 3500 psi. Surged balls off perforations. Ran junk basket on wireline and recovered 53 ball sealers. Fracture stimulated the Basal Fruitland Coal interval with 33,000 gallons of 15 vis (pad) and 12 vis (sand laden fluid) Silver Stim LT with Sandwedge X-linked gel system containing 61,250 lbs of 20/40 sand as follows:

4,000 gals of 15 vis Silver Stim LT pad	25 bpm @ 2900 psi
3,000 gals of 15 vis Silver Stim LT w/1/4 ppg sand	25 bpm @ 2000 psi
3,000 gals of 15 vis Silver Stim LT w/1/2 ppg sand	25 bpm @ 2000 psi
6,000 gals of 12 vis Silver Stim LT w/1 ppg sand	25 bpm @ 1400 psi
6,000 gals of 12 vis Silver Stim LT w/2 ppg sand	20 bpm @ 3650 psi
1,300 gals of flush	15 bpm @ 1150 psi

Well screen out to 4300 psi during the 2 ppg stage. Pressure spiked once the 2 ppg stage hit bottom. Jumped to flush and over flushed by 2 bbls, leaving approximately 28100 lbs of sand in formation. Total fluid

pumped was approximately 770 bbls. Initial shut in pressure was 4155 psi, decreasing to 733 psi after 15 minutes (2.62 FG). Average rate 25 bpm, average pressure 2850 psi. Maximum pressure 4300 psi, minimum pressure 1400 psi. Ran Weatherford composite frac plug in hole on wireline and set at 1890 ft. Pressure tested plug to 3500 psi, held OK.

Perforated the Upper Fruitland Coal interval with 3 1/8" casing gun at 3 JSPF as follows:

1782 - 1794	12 ft	24 holes	.41" diameter
1818 - 1823	5 ft	15 holes	.41" diameter
1838 - 1842	4 ft	12 holes	.41" diameter
1844 - 1848	4 ft	12 holes	.41" diameter
Total	25 ft	63 holes	.41" diameter

Broke down perforations at 2050 psi. Pumped 1500 gals of 7 1/2 % HCl acid containing 94 RCN ball sealers @ 10.0 bpm @ 1350 psi. Had very good ball action before balling off to 3500 psi. Surged balls off perforations. Ran junk basket on wireline through perforations to knock ball sealers to bottom and recovered 63 ball sealers.

Fracture stimulated the Upper Fruitland Coal with 60,000 gallons of 15 vis (pad) and 12 vis (sand laden fluid) Silver Stim LT with Sandwedge X-linked gel system containing 121,000 lbs of 20/40 sand as follows:

15,000 gals of 15 vis Silver Stim LT pad	30 bpm @ 1350 psi
10,000 gals of 12 vis Silver Stim LT w/1 ppg sand	30 bpm @ 1150 psi
12,000 gals of 12 vis Silver Stim LT w/2 ppg sand	30 bpm @ 1100 psi
10,000 gals of 12 vis Silver Stim LT w/3 ppg sand	30 bpm @ 1100 psi
8,000 gals of 12 vis Silver Stim LT w/4 ppg sand	30 bpm @ 1100 psi
5,000 gals of 12 vis Silver Stim LT w/5 ppg sand	30 bpm @ 1050 psi
1,200 gals of 12 vis Silver Stim LT flush	30 bpm @ 1200 psi

Initial shut in pressure was 985 psi, decreasing to 695 psi after 15 minutes (0.98 FG). Average rate 30 bpm, average pressure 1200 psi. Maximum pressure 1350 psi, minimum pressure 1050 psi. Shut in and secure well. Wait on completion rig.

7/30/07 Move in and rig up key Well Service completion rig. Nipple down frac valve. Nipple up wellhead, flow line and BOP. Pick up 3 7/8" mill and 2 3/8" tubing and ran in the hole. Tagged fill at 1732 ft (50 ft above the top perf). Rigged up air package. Unloaded well for two hours with air. Circulated and cleaned out to 1848 ft. Air unit's compressor valve failed. Pulled tubing above the perfs. Shut in well and shut down for the night.

7/31/07 Tripped back in the hole. Tagged fill at 1848 ft. Circulated and cleaned out to frac plug at 1891 ft. Milled composite frac plug and chased frac plug remnants below Basal Fruitland Coal perforations to PBTD 1990 ft. Tripped out of the hole with bit and tubing. Tripped back in the hole with production tubing and landed as follows:

<u>Description</u>	<u>Length</u>	<u>Depth</u>
KB to landing point	5.00	0 - 5
60 jts of 2 3/8" 4.7#/ft J55 EUE		
Yellowband tubing	1912.55	5 - 1917
1 seating nipple	1.10	1917 - 1918
1 tail joint of 2 3/8" tubing	<u>15.00</u>	1918 - 1933
	1933.65	

Nipple down BOP. Nipple up wellhead. Rigged up to swab. Found initial fluid level at 1800 ft (57 ft above the seat nipple). Made a total of 9 swab runs. Recovered approximately 7 bbls of fluid. Final Fluid level was 1900 ft and final annulus pressure 50 psi. Secure well. Shut in and shut down overnight.

8/01/07 Overnight shut in pressures: tubing 0 psi, annulus 50 psi. Rigged up to swab. Found initial fluid level at 1850 ft. Made a total of 2 swab runs. Recovered approximately 2 to 3 bbls of fluid. Rigged down swab. Rigged up to run rods. Tripped in the hole with pump and rods. Spaced out rods. Rigged down and released completion rig. Secure well. Shut in well and shut down. Waiting on Pipe line connections.