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OIL CONS. DIV.
DIST. 3Form 3160-3
(February 2005)UNITED STATES **Bureau of Land Management**
DEPARTMENT OF THE INTERIOR **Farmington Field Office**
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMMN 117142
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	3b. Phone No. (include area code) 505 326 2659	8. Lease Name and Well No. Superior Mesa #1
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 480' FSL & 710' FEL At proposed prod. zone 480' FSL & 710' FEL		9. API Well No. 30-039-30425
14. Distance in miles and direction from nearest town or post office* 25 miles SE of Blanco, NM		10. Field and Pool, or Exploratory Otero Chacra
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) 480 ft - Lease Line	16. No. of acres in lease 160	11. Sec., T. R. M. or Blk. and Survey or Area P Sec 24, T26N, R7W
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1320ft-Reames com3R	19. Proposed Depth 3710 ft	12. County or Parish Rio Arriba
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6476 ft G.L	22. Approximate date work will start* 12/15/2007	13. State NM
20. BLM/BIA Bond No. on file 40S23024BCA		
23. Estimated duration 8 Days		

24. Attachments

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

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

25. Signature	Name (Printed/Typed) HABIB GUERRERO	Date 11/12/2007
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Title
OPERATIONS ENGINEER

Approved by (Signature)	Name (Printed/Typed) AFM	Date 10/14/08
Title AFM	Office FEO	

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 page 2)

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOC FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOC PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

OCT 30 2008

NMOC

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

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

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

RCVD OCT 23 '08

OIL CONS. DIV.
DIST. 3

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**District I**

1625 N. French Dr., Hobbs, NM 88240

District II

1361 W. Grand Avenue, Artesia, NM 88210

District III

1603 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-30425	² Pool Code 82329	³ Pool Name OTERO - CHACRA
⁴ Property Code 37441	⁵ Property Name SUPERIOR MESA	⁶ Well Number 1
⁷ OGRID No 150182	⁸ Operator Name ROBERT L. BAYLESS, PRODUCER LLC	⁹ Elevation 6476

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
P	24	26 N	7 W		480	South	710	East	Rio Arriba

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

¹² Dedicated Acres 160 s/64	¹³ Joint or Intell	¹⁴ Consolidation Code	¹⁵ Order No.
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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 N 86°27' W 79.07 Ch. 40.20 Ch. N 0°39' E 39.28 Ch. N 1°10' W 710' 480' N 86°10' W 80.37 Ch.	Sec. 24 Lot 36.46461° N Long. 107.52081° W	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or leased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order hereinafter entered by the division. Signature <u>Habib Guerrero</u> Date <u>10/23/08</u> Printed Name <u>Habib Guerrero</u>
	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 <u>09-Apr-2007</u> Signature and Seal of Professional Surveyor <u>William E. Mahnke II</u> Certificate Number <u>8466</u>	

Robert L. Bayless, Producer LLC

Drilling Technical Program

(Attachment to Form 3160-3)

SUPERIOR MESA #1
480 FSL & 710 FEL (SESE)
Section 24, T26N, R7W
Rio Arriba County, New Mexico

1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>Depth KB</u>	<u>Est Pressure</u>
Ojo Alamo	1910 feet	
Kirtland	2100 feet	
Fruitland	2460 feet	600 psi
Pictured Cliffs	2630 feet	650 psi
Chacra	3510 feet	850 psi
Total Depth	3710 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 = 850 psi. Well Control Anticipated Surface Pressure (ASP) = 850 psi.
- C. The BOP will be tested to 1000 psi after 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 and tested to 1000 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. 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 200'	Spud mud	<9.0	35 - 55	NC
120 - 3710 200'	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 3710 feet.
- C. A proposed wellbore diagram is attached.

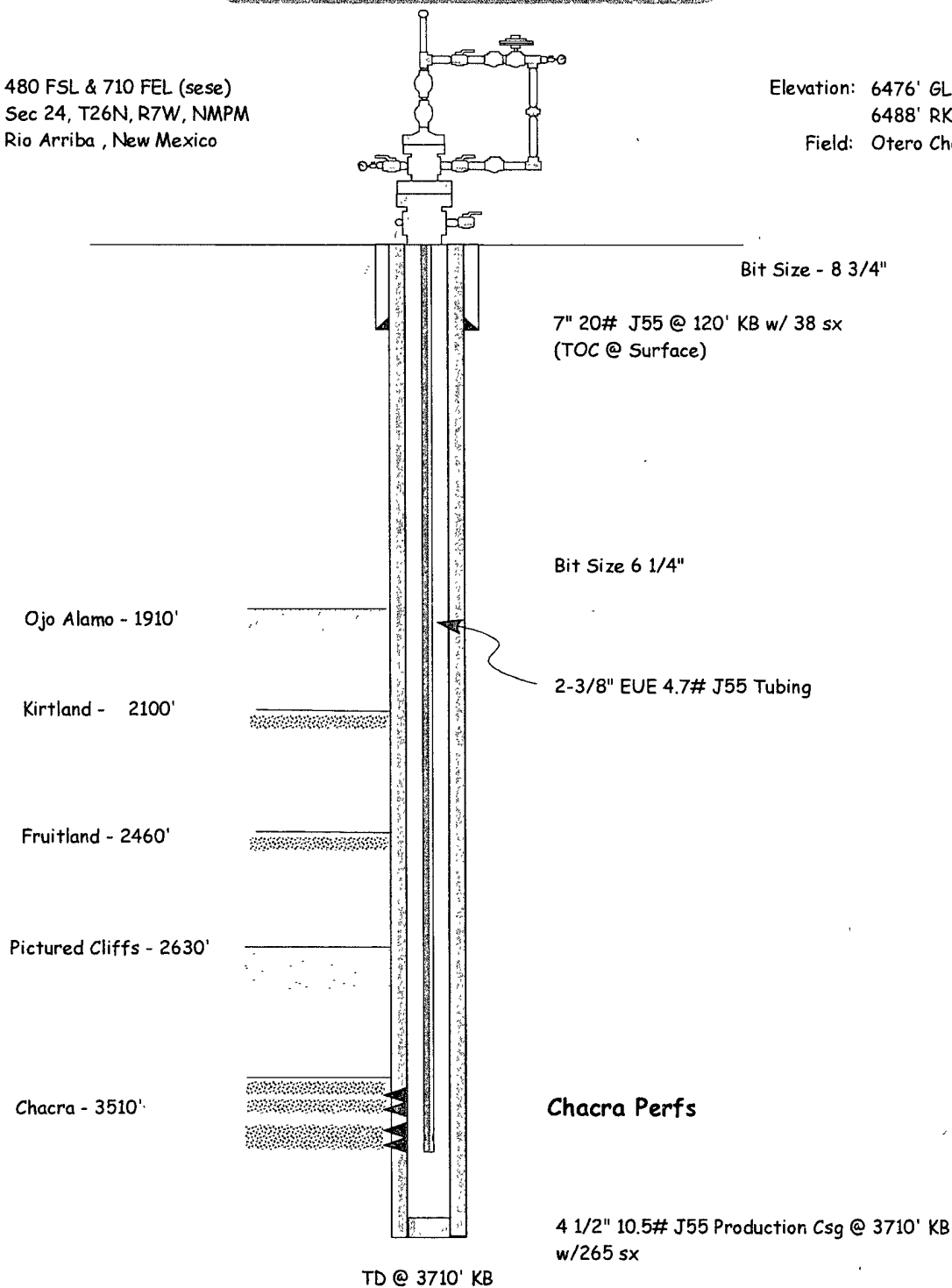
7. CEMENTING PROGRAM

- A. Surface casing: 38 sx (45 cf) Class B w/ 3% CaCl, circulated to surface
- B. Production Casing: 265 sx (570 cf) Premium Lite High Strength cement circulated to surface, volume may change due to caliper log on well.

Robert L. Bayless, Producer LLC
Wellbore Schematic
Superio Mesa #1
Proposed Wellbore Configuration

Location: 480 FSL & 710 FEL (sese)
Sec 24, T26N, R7W, NMPM
Rio Arriba, New Mexico

Elevation: 6476' GL
6488' RKB
Field: Otero Chancra



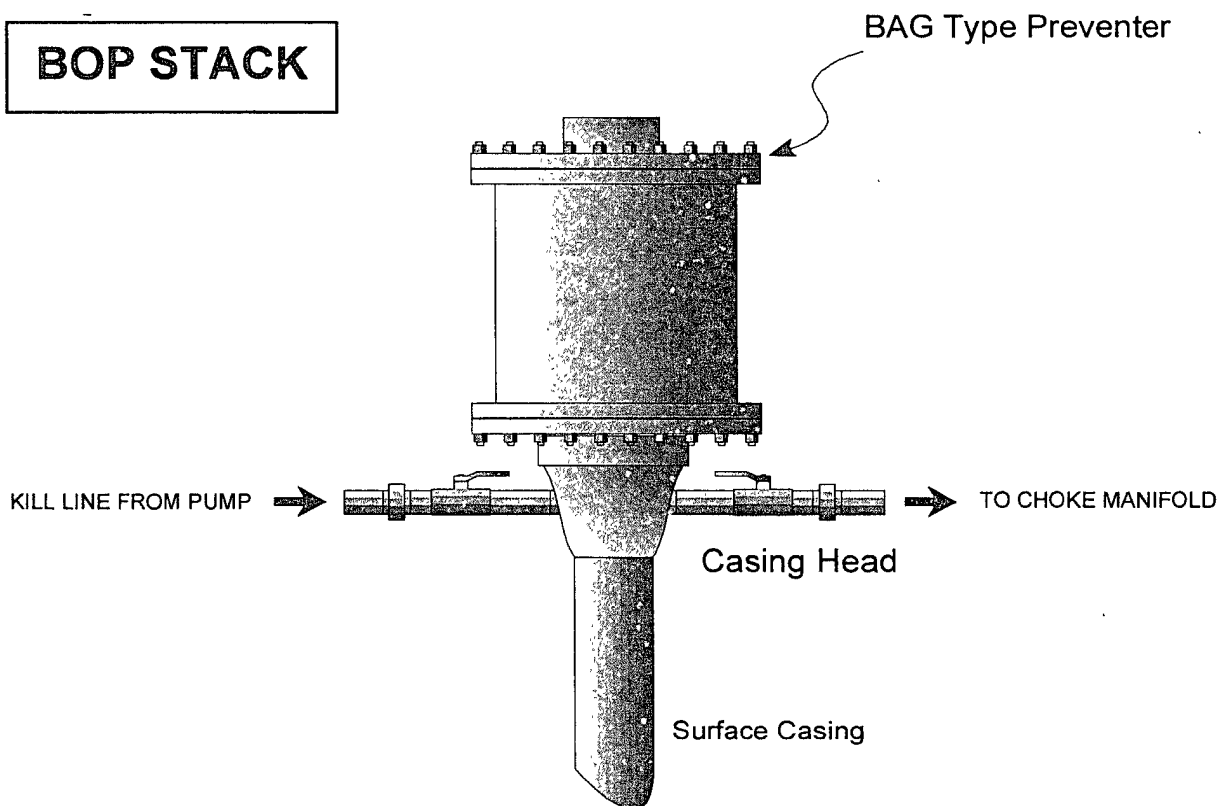
Robert L. Bayless, Producer LLC
Well Control Equipment Schematic for 1M Service

Attachment to APD Form 3160-3

Superior Mesa # 1

Location: 480' FSL & 710 FEL
Sec 24, T26N, R7W
Rio Arriba County, New Mexico

BOP STACK



**Choke & Kill
Manifold**

