

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: November 30, 2000

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.

RECEIVED

- 5. Lease Serial No.
NM 05791
- 6. If Indian, Allottee or Tribe Name
- 7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. Graham B WN Federal #11G
2. Name of Operator Robert L. Bayless, Producer LLC	9. API Well No. 30-045-31708
3a. Address PO Box 168, Farmington, NM 87499	10. Field and Pool, or Exploratory Area Basin Fruitland Coal
3b. Phone No. (include area code) (505) 326-2659	11. County or Parish, State San Juan, New Mexico
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 725' FNL & 1360' FWL, Sec. 4, T27N, R8W	

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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Spud, Surface Casing
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	& Run Cement

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, A Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

SEE ATTACHED MORNING REPORT.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Price M. Bayless	Title Engineering Manager
Signature <i>Price M. Bayless</i>	Date December 9, 2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title
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 operation thereon.	Date DEC 9 2003
	Office FARMINGTON FIELD OFFICE

Title 18 U.C.S. Section 1001 and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Robert L. Bayless, Producer LLC

Graham B #11G
API # 30-045-31708
725 FNL & 1360 FWL
Section 4 – T27N – R8W
San Juan County, New Mexico

Morning Report – Drilling

12/2/03

Build location and dig pit. Line and fence pit. Move L&B Speedrill onto location and rig up. Haul water to location. Spud well at 3:00 pm, 12/1/03. Drill 8 3/4" surface hole to 120 ft. Circulate hole clean and shut down overnight.

12/3/03

Continue drilling to 138 ft and circulate hole clean. Drop survey tool and trip out of hole. Deviation 1/4° at 138 ft. Rig up and run 3 joints (134.43 ft) 7" 20 #/ft new J-55 ST&C casing, land at 140 ft. Rig up AES and cement surface casing with 60 sx (70.8 cf) Class B cement with 3% CaCl and 1/4 #/sx celloflake. Good returns throughout job with 4 bbls circulated to pit. Plug down at 10:00 am, 12/2/03. WOC for 6 hours. Break off landing joint and make up wellhead. Nipple up BOP and choke manifold. Pressure test pipe rams, blind rams, and choke to 500 psi for 30 minutes, held OK. Shut down overnight.

12/4/03

Trip in hole and tag cement at 85 feet. Drill cement and drill into new formation. Drill 6 1/4" hole to 640 ft. Circulate hole clean and run survey. Deviation 1/4° at 640 ft. Continue drilling to 900 feet. Circulate hole clean and shut down overnight.

12/5/03

Continue drilling to 1250 ft. Circulate hole clean. Run survey, deviation 1/2° at 1250 feet. Drill ahead to 1350 feet. Circulate hole clean and Trip out for Bit #3. Shut down overnight.

12/6/03

Resume drilling and drill to 1750 feet. Circulate hole clean and run survey, deviation 3/4° at 1750 feet. Continue drilling to 1800 feet. Circulate hole clean and shut down overnight.

12/07/03

Resume drilling and drill ahead to 2250 feet. Circulate hole clean and run survey, deviation 1° at 2250 feet. Condition hole for logs and circulate. Short trip to 1800 feet. Shut down overnight.

12/08/03

Condition hole for logs and trip out of hole. Rig up Schlumberger and log well. Shut down overnight.

12/9/03

Rig up casing crew and run 50 joints (2217.80 feet) 4 1/2" 10.5 #/ft new J-55 casing as follows:

KB to landing point	5.00 feet	0 – 5 feet
49 joints casing	2173.44 feet	5 – 2178 feet
Insert float	0.00 feet	2178 – 2178 feet
Shoe joint	44.36 feet	2178 – 2223 feet
Guide shoe	0.70 feet	2223 – 2224 feet
	<u>2223.5 feet</u>	

Land casing at 2224 feet with centralizers at 2199, 2133, 2045, 1956, and 138 feet. Run turbocentralizers at 1424 and 1202 feet. Circulate hole clean. Rig up BJ Services and cement production casing as follows:

Flush	20 bbls phenol-seal - XLFC
Flush	5 bbls gelled water
Cement	260 sx (553.8 cf) Premium Lite High Strength w/ 1/4 #/sx cello flake
Displacement	34.8 bbls fresh water

Good returns throughout job. Circulate 13 bbl good cement to pit. Bump plug to 1600 psi at 1:30 pm, 12/08/03. Release drilling rig and wait on completion.