

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.

SF078625

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

HOT SOUP #1 23251

9. API WELL NO.

30-045-29589

10. FIELD AND POOL, OR WILDCAT

BASIN FRUITLAND COAL 71629

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

SEC. 18, T27N, R8W

12. COUNTY OR PARISH 13. STATE

SAN JUAN NM

1a. TYPE OF WORK

DRILL

DEEPEN

b. TYPE OF WELL

OIL WELL

GAS WELL

OTHER

SINGLE ZONE

MULTIPLE ZONE

2. NAME OF OPERATOR

ROBERT L. BAYLESS, PRODUCER LLC 150182

3. ADDRESS AND TELEPHONE NO.

PO BOX 168 FARMINGTON, NM 87499 (505)326-2659

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface
1190 FSL & 1065 FWL
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

20. ROTARY OR CABLE TOOLS

2390

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6201 KB

22. APPROX. DATE WORK WILL START*

23. PROPOSED CASING AND CEMENTING PROGRAM

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

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8 3/4	7" J-55	23.0#/ft	120	50 sx (59 cf)
6 1/4	4 1/2" J-55	10.5#/ft	2390	200 sx (333.3 cf)

Will drill 8 3/4" hole to 120 ft and set 120 ft of 7" 23.0#/ft J-55 casing. Will cement with 50 sx (59 cf) class G cement, circulated to surface. Will drill 6 1/4" hole to 2390 ft with clean water, natural mud, and water loss control additives. Induction and density logs will be run. Run 4 1/2" 10.5#/ft J-55 casing and set at 2390 ft. Cement with 200 sx (333.3 cf) of class G cement, circulated to surface. We also request a variance on the use of an upper kelly cock as the rig utilized has a double drum that uses a track to retract the kelly, and the kelly cock lengthens the kelly such that the connections cannot be made safely.

ESTIMATED TOPS

Ojo Alamo 1250 ft
Fruitland 1920 ft 300 psi
Pictured Cliffs 2231 ft 350 psi

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OIL CON. DIV.
DIST. 8

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone, and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED *[Signature]*

TITLE ENGINEER

DATE 3/24/98

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

MAY 01 1998

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:

[Signature]
/s/ Duane W. Spencer

APPROVED BY

TITLE NMOC

DATE MAY - 1 1998

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised February 21, 1994
 Instructions on back
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

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 MAR 26 PM 12:30
 070 F.W. [unclear]

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-29589		2 Pool Code 71629		3 Pool Name BASIN FRUITLAND COAL	
4 Property Code 23251		4 Property Name HOT SOUP			4 Well Number 1
7 OGRID No. 150182		7 Operator Name ROBERT L. BAYLESS PROD LLC			7 Elevation 6196

10 Surface Location

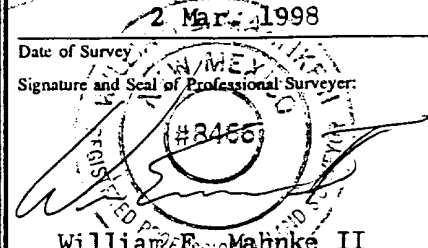
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4 M	18	27 N	8 W		1190	South	1065	West	San Juan

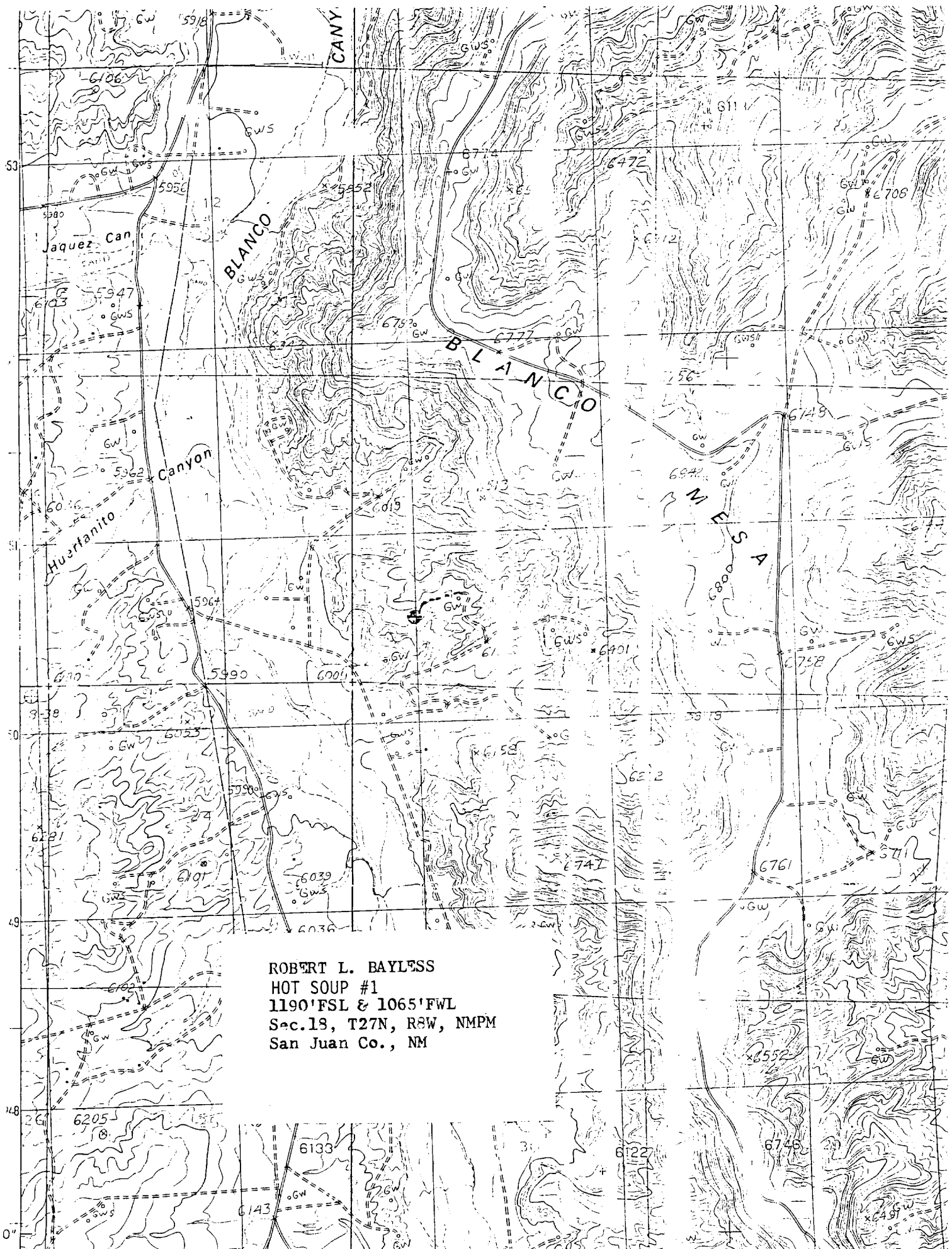
11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres 321.70	13 Joint or Infill	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

<p>16</p> <p>Lot No. (TYP.) 1</p> <p>2</p> <p>3</p> <p>40.32ch.</p> <p>1065'</p> <p>1190'</p> <p>N 87°40' W</p> <p>19.77'</p> <p>19.57'</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>[Signature]</i></p> <p>Signature PRICE M. BAYLESS</p> <p>Printed Name ENGINEER</p> <p>Title</p> <p>3/24/98</p> <p>Date</p>		
		<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>2 Mar 1998</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: </p> <p>William F. Mahinke II</p> <p>Certificate Number 8466</p>	
			<p>19</p>
			<p>20</p>



ROBERT L. BAYLESS
HOT SOUP #1
1190'FSL & 1065'FWL
Sec.18, T27N, R8W, NMPM
San Juan Co., NM