State of New Mexico Form C-1Q1 Submit 3 Copies Energy, Minerals and Natural Resources Department Revised 1-1-89 to Appropriate District Office OIL CONSERVATION DIVISION DISTRICT I WELL API NO. P.O. Box 1980, Hobbs, NM 85240 P.O. Box 2088 09418 Santa Fe, New Mexico 87504-2088 DISTRICTLI Indicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 STATEL FEE X DISTRICTIII 6. State Oil & Gas Lease No. 1000 Rio Brazos Rd., Aziec, NM 87410 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS Riverine Type of Well: OIL. WELL X OTHER 8. Well No. 2. Name of Operator Robert L. Bayless 9. Pool name or Wildcat Address of Operator Fulcher Kutz Pictured Cliffs 87499 PO Box 168 Farmington, NM Well Location South 1995 East 1151 Feet From The Line and Line Feet From The Unit Letter . 13/W 11 29N San Juan NMPM Township Punge County Section 10. Elevation (Show weether DF, RKB, RT, GR, etc.) 5326 GR Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: ALTERING CASING REMEDIAL WORK PLUG AND ABANDON PERFORM REMEDIAL WORK CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT TEMPORARILY ABANDON CASING TEST AND CEMENT JOB PULL OR ALTER CASING OTHER: TD, Log, Cement Long String OTHER: 12. Describe Proposed or Completed Operations (Clearly state all pertinent destills, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. See attached daily report. OIE GOOL DIV. I hereby certify that the information above is true, and complete to the best of my knowining and belief. 3/26/96 - mre Engineer SIONATURE 326-2659 TELEPHONE NO. TYPE OR PRINT NAME. Price M. Bayless (This space for State Use) Original Signed by FRANK T. CHAVEZ APPROVED BY

CONDITIONS OF APPROVAL, IP ANY:

Robert L. Bayless

Riverine #1 1151 FSL & 1995 FEL Section 11-T29N-R13W San Juan County, New Mexico

Morning Reports-Drilling

3/6/96

Prepare location for rig.

3/19/96

Move in track hoe. Dig cellar to 22 ft through boulders. Place 20 ft of 10 3/4" conductor pipe in hole and pour 5 yards of concrete. Backfill cellar with rock and gravel. Move rig onto location.

3/20/95

Rig up L&B Speed Drill. Spud well at 10:00 am, 3/19/96. Drill 8 3/4" hole to 130 ft. Run 3 joints (124.85 ft) 7" 23 #/ft J-55 new casing. Set casing at 126 ft, cement with 57 sx Class B with 2 % CaCl. Good returns throughout job, circulate 5 bbls good cement to pit. Plug Down at 6:30 pm. WOC.

3/21/96

Nipple up BOPE and test to 500 psi for 30 minutes held OK. Test pipe and blind rams. Trip in hole and tag cement at 90 ft. Drill cement to 120 ft. Run survey. 1/4° at 125 ft. Drill new formation to 310 ft with water. Pull off bottom and shut down overnight.

3/22/96

Trip in hole and drill to 625 ft. Drop survey tool and trip out for bit #3. Deviation 1/4° at 625 ft. Trip in hole and drill to 800 ft with water, shut down and drywatch overnight.

3/23/96

Drill to 1150 ft. Circulate hole clean. Run survey, deviation 1/2° at 1150 ft. Shut down overnight.

3/24/96

Shut down for Saturday.

3/25/96

Trip in hole and drill to 1430 ft TD. Condition hole for logs. Shut down overnight.

3/26/96

Circulate hole and condition for logs. Drop survey 'ocl. Trip out of hole and rig up HLS to log well. Deviation 1° at 1425 ft. Loggers TD at 1418 ft. Log well. Rig down HLS. Move casing to location and spot in. Rig up San Juan Casing and run 4 1/2" 10.50 #/ft J-55 new ST&C casing as follows:

KB to landing point	5.00 ft	0 - 5 ft
32 joints casing	1357 59 ft	5 - 1363 ft
Insert Float	0.30 ft	1363 - 1363 ft
Shoe Joint	36.55 ft	1363 - 1399 ft
Cement filled guide shoe	<u>0.70 ft</u>	1399 - 1400 ft
TOTAL.	1399 34 ft	

Land casing in wellhead and rig up Cementers Inc. to cement casing as follows:

Pad 10 bbls fresh water

Lead 60 sx (123.6 cf) Class B with 2% econolite

Tail 60 sx (70.8 cf) Class B neat cement

Displacement 21.85 bbls fresh water

Bumped plug to 700 psi, plug down at 4:45 pm, 3/25/96. Good returns throughout job with light cement to surface on displacement. Rig down Cementers and set slips. Rig drilling rig down and move off location. Rig up Wilson Wireline and run temperature survey. Top of completion cement at 900 ft, top of econolite between surface and 50 ft. Wait on completion. Pull fluid from drilling pit and lock gates to secure sight.