

PKRVO210532312

NSL

5/2/02

Robert L. Bayless, Producer LLC

Oil & Gas Producer

P. O. Box 168
Farmington, New Mexico 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

April 9, 2002

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

RE: Application for Administrative Approval of a Non-Standard Location
Floyd #7
955' FNL and 980' FWL, Section 17, T30N R12W
San Juan County, New Mexico

02 APR 12 PM 1:21
OIL CONSERVATION DIV

Gentlemen:

Robert L. Bayless, Producer LLC requests administrative approval of a non-standard Basin Fruitland Coal location for the above referenced Floyd #7 well. This well is located in the NW¼ of the section instead of the standard NE¼ or SW¼ location of Basin Fruitland Coal Wells.

The Floyd #7 well was drilled by Bayless in December 2001 through the Pictured Cliffs formation with the intent to complete the well as a Fulcher Kutz Pictured Cliffs well. The logs from this well indicate a completion attempt in the Pictured Cliffs will likely result in an uneconomic well. However, comparison of these well logs with offset well logs and the corresponding production from these wells indicate the Fruitland Coal formation in the Floyd #7 well should be economically productive.

Enclosed with this request is a map showing operators of the acreage surrounding the Floyd #7 well. Also enclosed is an acreage dedication plat for this well assigning a N ½, 320 acre spacing unit to this well. A list of the names and addresses of offset operators that were sent copies of this application is also included, with evidence of mailing. **As per NMOCD regulations, by copy of this letter to offset operators, Robert L. Bayless, Producer LLC is asking offset operators to waive any objection to this Basin Fruitland Coal non-standard location.**

I believe this request provides all the information required by NMOCD regulations for administrative approval of a non-standard location. Your prompt response to this request is appreciated.

Sincerely,



Tom McCarthy
Engineer

District I
 PO Box 1988, Hobbs, NM 88241-1988
 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

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

Form C-102
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30 045 30810		2 Pool Code 71629		3 Pool Name BASIN FRUITLAND COAL	
4 Property Code		5 Property Name FLOYD			6 Well Number 7
7 OGRID No. 150182		8 Operator Name ROBERT L. BAYLESS, PRODUCER LLC			9 Elevation 5874

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
4	17	30 N	12 W		955	North	980	West	San Juan

11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres	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>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>Tom McCarthy</i> Signature TOM MCCARTHY Printed Name ENGINEER Title APRIL 9, 2002 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>Date of Survey Signature and Seal of Professional Surveyor William S. Mahake II Certificate Number 8466</p>					

Robert L. Bayless, Producer LLC
Unorthodox Basin Fruitland Coal Location
Floyd No. 7 & 8
Offset Operators List

Burlington Resources Oil & Gas Company
PO Box 4289
Farmington, NM 87499-4289
Attention: James Strickler

Texakoma Oil and Gas Corporation
5400 LBJ Freeway, Suite 500
Dallas, Texas 75240-6236
Attention: Craig Sluetz

XTO Energy Inc.
6001 US Highway 64
Farmington, New Mexico 87401

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

XTO Energy Inc
6001 US Hwy 64
Farmington, nm 87401

2. Article Number
(Transfer from service label) 7001 0320 0003 0994 2246

PS Form 3811, August 2001

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
X Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Domestic Return Receipt 102595-01-M-2509

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Burlington Resources Oil & Gas
Company
PO Box 4289
Farmington nm 87499

2. Article Number
(Transfer from service label) 7001 0320 0003 0994 2260

PS Form 3811, August 2001

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
X Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Domestic Return Receipt 102595-01-M-2509

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Texakoma Oil & Gas Corporation
5400 LBJ Freeway, Suite 550
Dallas Tx 75240-6236

2. Article Number
(Transfer from service label) 7001 0320 0003 0994 2253

PS Form 3811, August 2001

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
X Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Domestic Return Receipt 102595-01-M-2509

BURLINGTON RESOURCES

SAN JUAN DIVISION

April 15, 2002

Robert L. Bayless, Producer LLC
P.O. Box 168
Farmington, New Mexico 87499
Attn: Tom McCarthy, Petroleum Engineer

APR 18 2002

RE: Application for Administrative Approval of Non-Standard Locations

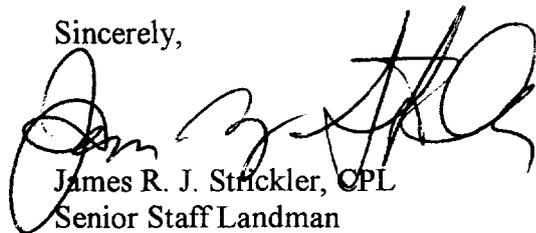
- 1) Floyd # 7
955' FNL and 980" FWL, Sec. 17 (N/2 Unit), T30N-R12W
- 2) Floyd # 8
1105" FSL and 1070" FEL, Sec. 17 (S/2 Unit), T30N-R12W
Fruitland Coal Formation
San Juan County, New Mexico

Gentlemen:

Burlington Resources Oil & Gas Company LP (Burlington) is in receipt of your letters dated April 9, 2002, where Robert L. Bayless, Producer LLC requests our waiver of your Application for a Non-Standard location for the subject wells. Burlington has no problem with your locations. We hereby waive any objection to your Application for a Non-Standard Location for the subject Fruitland Coal wells.

If you should have any questions about our waiver, please call me at 505-326-9756.

Sincerely,



James R. J. Strickler, OPL
Senior Staff Landman

JRJS/hme
Bayless waiver 041502

cc: Ms. Lori Wrotenbery, Director
NMOCD
Santa Fe, NM

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.

- 5. Lease Serial No.
NM 047
- 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

Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. FLOYD #7
Name of Operator Robert L. Bayless, Producer LLC	9. API Well No. 30-045-30810
Address PO Box 168, Farmington, NM 87499	3b. Phone No. (include area code) (505) 326-2659
10. Field and Pool, or Exploratory Area FULCHER KUTZ PC	11. County or Parish, State SAN JUAN COUNTY, NM
Location of Well (Footage, Sec., T., R., M., or Survey Description) 955' FNL, 980' FWL, SEC.17, T30N, R12W	

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

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 recomplate 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.



JAN 19 11 30 AM

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

Name (Printed/Typed) Price M. Bayless	Title Engineer
Signature <i>[Signature]</i>	Date December 17, 2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date JAN 8 2002
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.	Office FARMINGTON FIELD OFFICE	<i>[Signature]</i>

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

NM00D

ROBERT L. Bayless, Producer LLC

Floyd #7

955 FNL & 980 FWL

Section 17 – T30N – R12W

San Juan County, New Mexico

1/7/01

Build location and dig pit. Line and fence pit. Move L&B Speedrill onto location and rig up. Spud 8 3/4" hole at 11:00 am, 11/2/01. Drill to 200 feet and circulate hole clean. Shut down overnight.

1/8/01

Continue drilling 8 3/4" hole to 300 feet. Bit dulled. Circulate hole clean and trip out for bit #2. Trip in hole and continue drilling to 570 feet. Circulate hole clean and shut down overnight.

1/9/01

Continue drilling to 630 ft RKB. Circulate hole and drop survey tool. Trip out of hole. Deviation 1/4" at 630 feet. Run 14 joints (619.56 feet) 7" 20 #/ft J-55 I&C casing. Turbo centralizers at 600 and 491 feet, centralizers at 255 and 136 feet. Land casing at 625 feet. Rig up American Energy Services and cement slurry with 200 sx (236 cf) Class B cement with 2% CaCl and 1/4 #/sx celloflake. Lost partial returns throughout job. Pump pressure began to climb at start of placement, shut down with 10.5 bbls out of 23 bbls displacement pumped, pump pressure at 2000 psi. Plug down at 1:00 pm, 12/8/01. WOC and shut down overnight.

2/10/01

Shut down for weekend.

2/11/01

Nipple up BOP and pressure test all equipment and casing to 600 psi for thirty minutes each, held OK. Trip in hole and tag cement at 300 feet. Drill out cement to 575 feet. Circulate hole clean and pressure test to 600 psi, held OK. Trip out of hole. Rig up Blue Jet and run bond log. Top of cement at 290 feet. Run 1/2" tubing down back sid to 160 feet. Rig up AES to cement down tubing. Pump motor down, shut down overnight.

2/12/01

Rig up AES and pump 100 sx (118 cf) Class B cement down 1/2" tubing. Circulate 1 bbl of good cement to surface. WOC for six hours and nipple up BOP. Pressure to 600 psi for 30 minutes, held OK. Wait on cement overnight. Shut down overnight.

2/13/01

Trip in hole and tag cement at 575 feet. Drill out cement and continue drilling new formation to 900 feet. Circulate hole clean and shut down for night.

2/14/01

Continue drilling to 1100 feet. Circulate hole clean and run survey, deviation 1/2" at 1100 feet. Continue drilling to 1440 feet. Circulate hole clean and shut down overnight.

2/15/01

Continue drilling to 1600. Circulate hole clean. Run survey, deviation 3/4" at 1600 feet. Continue drilling to 1900 feet. Circulate hole clean and shut down overnight.

2/16/01

Continue drilling to 2230. Circulate and condition hole for logs. Run survey, deviation 1" at 2230 feet.

2/17/01

Trip out of hole for logs. Rig up Schlumberger and log well to 2210 feet. Rig down loggers and rig up casing crew. Spot casing and run 50 joints (2222.65 feet) 1 1/2" 10.5 #/ft new J-55 casing as follows:

	KB to landing point	4.00 feet	0 – 4 feet
49 joints casing		2177.60 feet	4 – 2182 feet
Insert float		0.00 feet	2182 – 2182 feet
Shoe joint		45.05 feet	2182 – 2226 feet
Guide shoe		0.70 feet	2226 – 2227 feet
		<u>2227.35 feet</u>	

Land casing at 2227 feet with centralizers at 2207, 2100, 2009, 1919, 1837, and 588 feet. Circulate hole clean. Rig up BJ Services and cement production casing as follows:

Flush	10 bbls fresh water
Flush	20 bbls gelled water
Spacer	10 bbls fresh water
Cement	160 sx (342.4 cf) Premium Lite High Strength w/ 1/4 #/sx cello flake
Displacement	34.8 bbls water

Good returns throughout job with no cement circulated to pit. Bump plug to 1200 psi at 5:00 pm, 12/16/01. Will pick cement top with bond log during completion. Release drilling rig and wait on completion.

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.

5. Lease Serial No.
NM 847
6. If Indian, Allottee or Tribe Name
5 /
7. If Unit or CA/Agreement, Name and/or No.

NOTE: IN TRIPLICATE - One in original, one in duplicate.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. FLOYD #7
2. Name of Operator Robert L. Bayless, Producer LLC	9. API Well No. 30-045-30810
3a. Address PO Box 168, Farmington, NM 87499	10. Field and Pool, or Exploratory Area FULCHER KUTZ PC
3b. Phone No. (include area code) (505) 326-2659	11. County or Parish, State SAN JUAN COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 955' FNL, 980' FWL, SEC.17, T30N R12W	

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

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 recomplate 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 Engineer
Signature <i>Price M. Bayless</i>	Date December 12, 2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	ACCEPTED FOR RECORD
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.	Office	Date JAN 03 2002
Title 18 U.S.C. 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.		FIELD OFFICE BY: <i>TC</i>

✓
K

Robert L. Bayless, Producer LLC

Floyd #7
955 FNL & 980 FWL
Section 17 – T30N – R12W
San Juan County, New Mexico

Morning Report – Drilling

12/7/01

Build location and dig pit. Line and fence pit. Move L&B Speedrill onto location and rig up. Spud 8 3/4" hole at 11:00 am, 11/2/01. Drill to 200 feet and circulate hole clean. Shut down overnight.

12/8/01

Continue drilling 8 3/4" hole to 300 feet. Bit dulled. Circulate hole clean and trip out for bit #2. Trip in hole and continue drilling to 570 feet. Circulate hole clean shut down overnight.

12/9/01

Continue drilling to 630 ft RKB. Circulate hole and drop survey tool. Trip out of hole. Deviation 1/4° at 630 feet. Run 14 joints (619.56 feet) 7" 20 #/ft J-55 ST&C casing. Turbo centralizers at 600 and 491 feet, centralizers at 255 and 136 feet. Land casing at 625 feet. Rig up American Energy Services and cement casing with 200 sx (236 cf) Class B cement with 2% CaCl and 1/4 #/sx celloflake. Lost partial returns throughout job. Pump pressure began to climb at start of displacement, shut down with 10.5 bbls out of 23 bbls displacement pumped, pump pressure at 2000 psi. Plug down at 1:00 pm, 12/8/01. WOC and shut down overnight.

12/10/01

Shut down for weekend.

12/11/01

Nipple up BOP and pressure test all equipment and casing to 600 psi for thirty minutes each, held OK. Trip in hole and tag cement at 300 feet. Drill out cement to 575 feet. Circulate hole clean and pressure test to 600 psi, held OK. Trip out of hole. Rig up Blue Jet and run bond log. Top of cement at 290 feet. Run 1/2" tubing down back sid to 160 feet. Rig up AES to cement down tubing. Pump motor down, shut down overnight.

12/12/01

Rig up AES and pump 100 sx (118 cf) Class B cement down 1/2" tubing. Circulate 1 bbl of good cement to surface. WOC for six hours and nipple up BOP. Pressure to 600 psi for 30 minutes, held OK. Wait on cement overnight. Shut down overnight.

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.

5. Lease Serial No.
NM 047

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

DO NOT WRITE IN THIS SPACE (Other instructions on reverse side)

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. FLOYD #7
2. Name of Operator Robert L. Bayless, Producer LLC		9. API Well No. 30-045-30810
3a. Address PO Box 168, Farmington, NM 87499	3b. Phone No. (include area code) (505) 326-2659	10. Field and Pool, or Exploratory Area FULCHER KUTZ PC
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 955' FNL, 980' FWL, SEC.17, T30N R12W		11. County or Parish, State SAN JUAN COUNTY, NM

2. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recomplate 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.)

Change surface casing depth from 120 feet to 610 feet to sufficiently cover Ojo Alamo Formation. Casing will change from 7" 23 #/ft J-55 to 7" 20#/ft J-55 due to availability of casing. Cementing will be to surface on 7" casing.

RECEIVED
2001 OCT -5 PM 4: 39
070 Farmington, NM



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

Name (Printed/Typed) Price M. Bayless	Title Engineer
Signature <i>[Signature]</i>	Date October 4, 2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date 10/15/01
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.	Office	

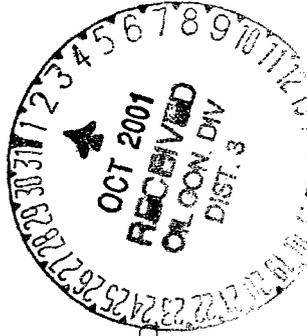
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

C. HARRADEN/ September 4, 2001 *CEH*

Robert L. Bayless, Producer LLC/ Floyd # 7 APD

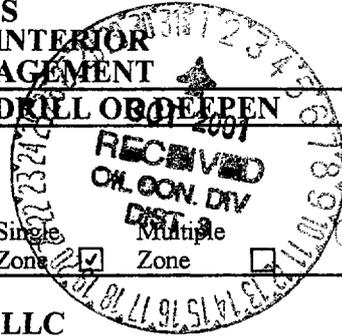
STIPULATION/CONDITION OF APPROVAL

In order to protect the integrity of the Ojo Alamo aquifer, minimum surface csg. depth of 610' is stipulated as a condition of approval for this APD.



UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN



5. Lease Designation and Serial No. NM 047

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

8. Farm or Lease Name, Well No. Floyd #7

9. API Well No. 30-045-30810

10. Field and Pool, or Wildcat Fulcher Kutz PC

11. Sec., T., R., M., or Blk. and Survey or Area

Section 17, T30N, R12W

1a. Type of Work

DRILL [checked] DEEPEN []

b. Type of Well

Oil Well [] Gas Well [checked] Other []

Single Zone [checked] Multiple Zone []

2. Name of Operator

ROBERT L. BAYLESS, PRODUCER LLC

3. Address and Telephone No.

P.O. BOX 168, FARMINGTON, NM 87499 (505) 326-2659

4. Location of Well (Report location clearly and in accordance with an State requirements*)

At surface 955 FNL & 980 FWL

At proposed prod. Zone

SAME

12. County or Parish

San Juan

13. State

New Mexico

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 drlg. Unit line, if any)

16. No. of Acres in Lease

17. No. of Acres Assigned to this Well

161.78 acres NW/4

18. Distance from Proposed Location* to nearest Well, Drilling, Completion, or applied for, on this Lease, ft.

19. Proposed Depth 2200

20. Rotary or Cable Tools Rotary

21. Elevations (Show whether DF, FT, GR. Etc.)

5874 GR, 5879 KB

22. Approx. Date Work Will Start

ASAP

PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: Size of Hole, Grade, Size of Casing, Weight per Foot, Setting Depth, Quantity of Cement. Rows for 8 3/4" and 6 1/4" holes.

Will drill 8 3/4" hole to 120 feet and run 120 ft of 7" 23.0 #/ft J-55 casing, cemented with 35 sx Class B cement circulated to surface. Will drill 6 1/4" hole to 2200 feet with clear water and natural mud with water loss control additives. Induction and density logs will be run. Will set 2200 ft of 4 1/2" 10.5 #/ft new J-55 casing, cemented with 185 sx (297.5 cf) Class B cement, circulated to surface. No abnormal temperature or pressure is anticipated. Estimated mud weight is 8.6 #/gallon. Pipeline will be included in this APD as per attached drawing.

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

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

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present production 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. Price M. Bayless

Signed [Signature] Title Operations Manager Date June 15, 2001

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE 9/27/01

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:

Approved By [Signature] Title AFM minerals Date 9/27/01 See Instruction on Reverse Side

Title 18 U.S.C. Section 1001, makes 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 manner within its jurisdiction.

District I
 O Box 1989, Hobbs, NM 88241-1989
 District II
 O Drawer DD, Artesia, NM 88211-0719
 District III
 000 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
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-30810		2 Pool Code 77200		3 Pool Name FULCHER KUTZ PC	
4 Property Code 22186		5 Property Name FLOYD			6 Well Number 7
7 OGRID No. 150182		8 Operator Name ROBERT L. BAYLESS, PRODUCER LLC			9 Elevation 5874

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
4	17	30 N	12 W		955	North	980	West	San Juan

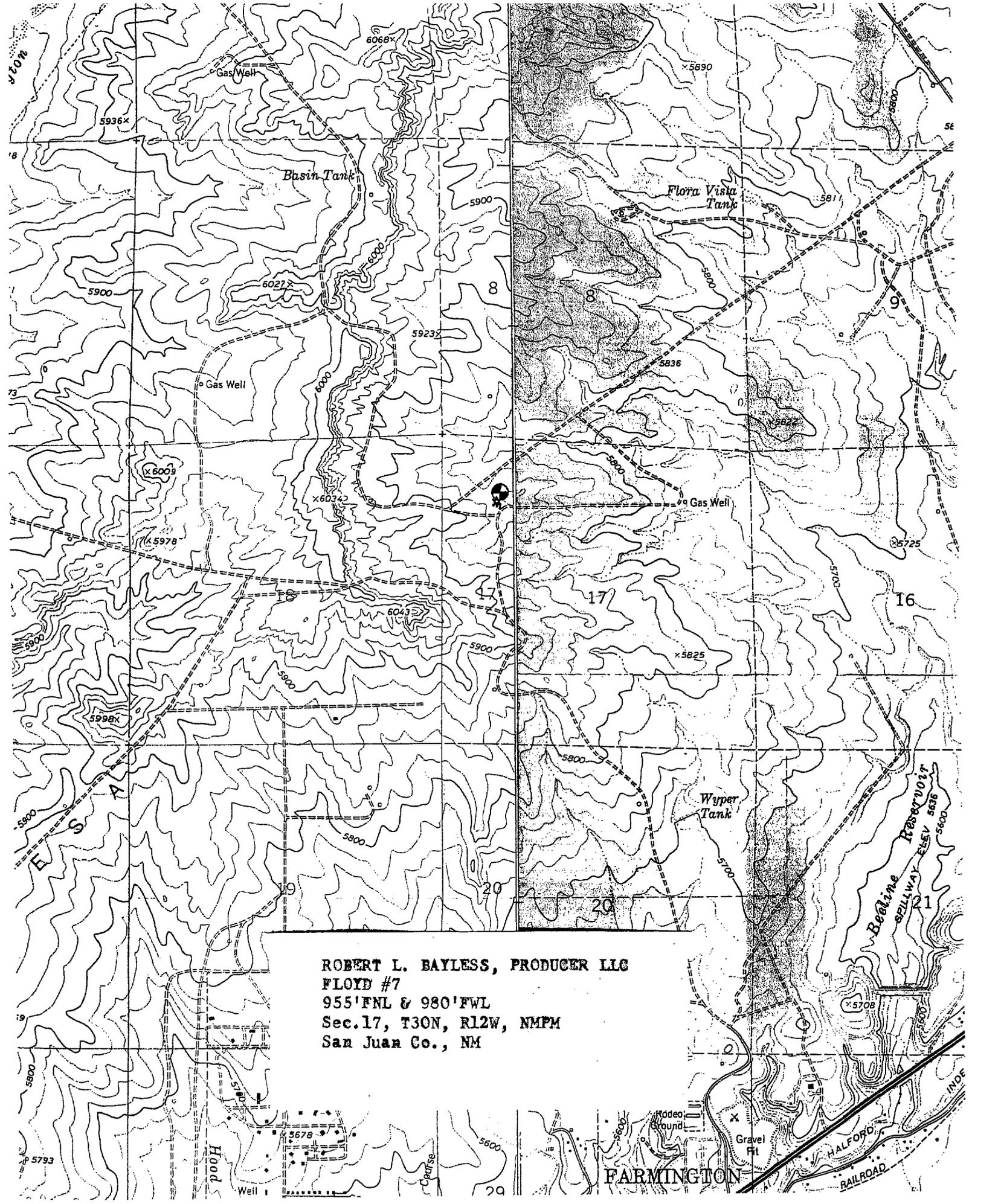
11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.
 161.78 NN

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>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 JUNE 20, 2001</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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>William M. Mahake II</p> <p>Certificate Number 8466</p>



ROBERT L. BAYLESS, PRODUCER LLC
FLOYD #7
955'FNL & 980'FWL
Sec.17, T30N, R12W, NMPM
San Juan Co., NM

FARMINGTON

HALFORD RAILROAD

Beeline Reservoir
SELLWAY ELEV 5636
5600

Hood Well

Gravel Pit

Gravel Pit

Gravel Pit

Well

Robert L. Bayless, Producer LLC

Drilling Technical Program

(Attachment to Form 3160-3)

Floyd #7

955 FNL & 980 FWL (nwnw)

Section 17, T30N, R12W

San Juan County, New Mexico

1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>Depth KB</u>	<u>Est Pressure</u>
Ojo Alamo	465 feet	
Kirtland	585 feet	
Fruitland	1680 feet	450 psi
Pictured Cliffs	2045 feet	570 psi

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. Bayless requests a waiver from O & G Order #2 requirements for 2M service as the well is shallow and low pressure, with the surface pressure not to exceed 350 psi. Such moderate conditions lower any chance of uncontrolled gas flow.
- B. Minimum required working pressure rating for BOP stack is 1000 psi. Maximum anticipated bottom hole pressure = 570 psi. Well Control Anticipated Surface Pressure (ASP) = $570 \text{ psi} - (.22 * 2200') = 86 \text{ psi}$, assuming a partially gas cut column per BLM guidelines.
- C. BOP pressure testing will be conducted at the time of installation and prior to drilling out surface casing shoe. Bag type preventer will be tested to 250 psi. The BOP will be activated on each trip out of the hole and all will be recorded in the driller's log. A choke manifold will be installed as per attached drawing. Working pressure for the choke manifold is 1000 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

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/22/02 15:46:
OGOMES -TQ
PAGE NO:

Sec : 17 Twp : 30N Rng : 12W Section Type : NORMAL

4 40.40 Federal owned A A	3 40.57 Federal owned	2 40.73 Federal owned	1 40.90 Federal owned A A
5 40.32 Federal owned	6 40.49 Federal owned	7 40.66 Federal owned	8 40.83 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

80.72

~~80.7~~

81.06

81.39

81.73

324.90

CMD : ONGARD 04/29/02 15:53:
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TQ

OGRID Idn : 150182 API Well No: 30 45 30810 APD Status(A/C/P): A
Opr Name, Addr: ROBERT L BAYLESS PRODUCER LLC Aprvl/Cncl Date : 09-27-20
PO BOX 168
FARMINGTON, NM 87499

Prop Idn: 22186 FLOYD Well No: 7

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn :	4	17	30N	12W			FTG 955 F N	FTG 980 F W
OCD U/L :	4		API County :	45				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) :
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 5874

State Lease No: Multiple Comp (S/M/C) : S
Prpsd Depth : 2200 Prpsd Frmtn : FULCHER KUTZ PC

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

04/29/02 15:53:
OGOMES -TQ

API Well No : 30 45 30224 Eff Date : 08-17-2000 WC Status : A
Pool Idn : 77200 FULCHER KUTZ PICTURED CLIFFS (GAS)
OGRID Idn : 150182 ROBERT L BAYLESS PRODUCER LLC
Prop Idn : 22186 FLOYD

Well No : 004
GL Elevation: 5769

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act(P/

B.H. Locn	:	1	17	30N	12W	FTG 985 F N FTG 1070 F E	P

Lot Identifier:
Dedicated Acre: 163.12
Lease Type : F
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

E6317: No more recs. for this api well no.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD : ONGARD 04/29/02 15:53:
OG6ACRE C102-DEDICATE ACREAGE OGOMES -TQ
Page No :

API Well No : 30 45 30224 Eff Date : 08-17-2000
Pool Idn : 77200 FULCHER KUTZ PICTURED CLIFFS (GAS)
Prop Idn : 22186 FLOYD Well No : 00
Spacing Unit : 53289 OCD Order : Simultaneous Dedication:
Sect/Twp/Rng : 17 30N 12W Acreage : 163.12 Revised C102? (Y/N) :
Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	A	1	17	30N	12W	40.90	N	FD		
	B	2	17	30N	12W	40.73	N	FD		
	G	7	17	30N	12W	40.66	N	FD		
	H	8	17	30N	12W	40.83	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 04/29/02 15:54:
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQ
Page No:

OGRID Identifier : 150182 ROBERT L BAYLESS PRODUCER LLC
Pool Identifier : 77200 FULCHER KUTZ PICTURED CLIFFS (GAS)
API Well No : 30 45 30224 Report Period - From : 01 2000 To : 03 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	We St
30 45 30224	FLOYD	09 00 18	2285	3120 F
30 45 30224	FLOYD	10 00 30	2176	1840 F
30 45 30224	FLOYD	11 00 25	1691	2224 F
30 45 30224	FLOYD	12 00 29	3218	3339 F
30 45 30224	FLOYD	01 01 28	2825	2465 F
30 45 30224	FLOYD	02 01 28	2819	1520 F
30 45 30224	FLOYD	03 01 30	3777	1600 F

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 04/29/02 15:54:
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQ
Page No:

OGRID Identifier : 150182 ROBERT L BAYLESS PRODUCER LLC
Pool Identifier : 77200 FULCHER KUTZ PICTURED CLIFFS (GAS)
API Well No : 30 45 30224 Report Period - From : 01 2000 To : 03 2002

API Well No	Property Name	Prodn. Days	Production Volumes	We
		MM/YY Prod	Gas Oil Water	St
30 45 30224	FLOYD	04 01 30	4338	800 F
30 45 30224	FLOYD	05 01 31	4435	1326 F
30 45 30224	FLOYD	06 01 26	3935	1002 F
30 45 30224	FLOYD	07 01 31	4537	1924 F
30 45 30224	FLOYD	08 01 30	4449	1600 F
30 45 30224	FLOYD	09 01 30	4306	1440 F
30 45 30224	FLOYD	10 01 30	4131	1200 F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 04/29/02 15:54:
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQ
Page No:

OGRID Identifier : 150182 ROBERT L BAYLESS PRODUCER LLC
Pool Identifier : 77200 FULCHER KUTZ PICTURED CLIFFS (GAS)
API Well No : 30 45 30224 Report Period - From : 01 2000 To : 03 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	We St
30 45 30224	FLOYD	11 01 29	4067	1200 F
30 45 30224	FLOYD	12 01 31	3897	1246 F
30 45 30224	FLOYD	01 02 31	3498	1200 F
30 45 30224	FLOYD	02 02 27	3141	800 F

Reporting Period Total (Gas, Oil) : 63525 29846

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

AP No.	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	N/E	Foot	NS	FT	EW	Order No
30-045-29505-00-00	FLOYD	002	ROBERT L BAYLESS PRODUCER LLC	G	A	San Juan	F	2	7	30	N	12	W	865	S	1065	E	
30-045-29506-00-00	FLOYD	003	ROBERT L BAYLESS PRODUCER LLC	G	C	San Juan	F	1	17	30	N	12	W	790	S	1660	W	
30-045-29923-00-00	FLOYD	003	ROBERT L BAYLESS PRODUCER LLC	G	A	San Juan	F	1	17	30	N	12	W	790	S	1660	W	
30-045-30224-00-00	FLOYD	004	ROBERT L BAYLESS PRODUCER LLC	G	A	San Juan	F	1	17	30	N	12	W	985	N	1070	E	
30-045-30808-00-00	FLOYD	008	ROBERT L BAYLESS PRODUCER LLC	G		San Juan	F	P	17	30	N	12	W	1105	S	1070	E	
30-045-30809-00-00	FLOYD	006	ROBERT L BAYLESS PRODUCER LLC	G	A	San Juan	F	M	7	30	N	12	W	1050	S	1065	W	
30-045-30810-00-00	FLOYD	007	ROBERT L BAYLESS PRODUCER LLC	G		San Juan	F	4	17	30	N	12	W	955	N	980	W	