

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0136

Expires: November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM03605-A	
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		8. Lease Name and Well No. Marron #11	
3b. Phone No. (include area code) (505) 326-2659		9. API Well No. 30-045-33137	
4. Location of Well (Report location clearly and in accordance with an State requirements *) At surface 1725 FSL & 1325 FWL At proposed prod. zone 1740 1309 SAME		10. Field and Pool, or Exploratory Basin Fruitland Coal	
11. Sec., T., R., M., or Blk. and Survey or Area L Section 24, T27N, R8W		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 drig. unit line, if any)		16. No. of Acres in Lease	
17. Spacing Unit dedicated to this well 320 u/2		18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this Lease, ft.	
19. Proposed Depth 2990		20. BLM/BIA Bond No. on file 40S23024BCA	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6648 6652 RKB		22. Approximate date work will start* ASAP	
23. Estimated duration 8 days		24. Attachments	

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

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

25. Signature 	Name (Printed/Typed) Price M. Bayless	Date 6-2-05
Title Engineering Manager		
Approved by (Signature) 	Name (Printed/Typed)	Date 7/7/05
Title Acting Field Manager - Minerals		

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 reverse)

NMOC

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1381 W. Grand Avenue, Artesia, NM 88210
District III
1080 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

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

070 FARMINGTON

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-33137	Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 33031	Property Name MARRON	Well Number 11
OGRID No. 150182	Operator Name ROBERT L. BAYLESS, PRODUCER LLC	Elevation 6648

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
L	24	27N	8W		1740	South	1309	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
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			

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 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief: Signature Price M. Bayless Printed Name Engineering Manager Title and E-mail Address 6-17-05 Date</p>
	<p>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 Signature and Seal of the Surveyor William E. Mankke II Certificate Number 8466</p>

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.*

SUBMIT IN TRIPLICATE - Other instructions on reverse side

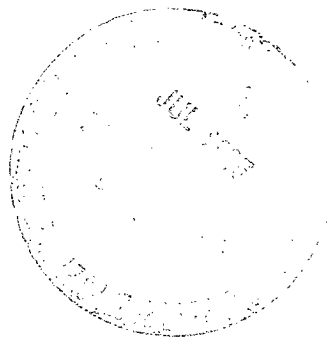
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. Marron #11
2. Name of Operator Robert L. Bayless, Producer LLC		9. API Well No. 3064533137
3a. Address PO Box 168, Farmington, NM 87499	3b. Phone No. (include area code) (505) 326-2659	10. Field and Pool, or Exploratory Area Basin Fruitland Coal
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1740 FSL & 1309 FWL, Section 24-T27N-R8W		11. County or Parish, State San Juan, New Mexico

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 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 <u>New Form C-102</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Location move</u>
	<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 recompleat 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 recompleat 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.)

The attached Form C-102 shows the new location. Well was moved so a non-standard location approval will not be necessary.
New location is still within arch survey buffer zone.



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

Name (Printed/Typed)

Price M. Bayless

Title

Engineering Manager

Signature

Date

6/15/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Acting Field Manager

Date

7/7/05

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

Minerals

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.

1/16 LINE



A-A'		Vert.: 1" = 30'	Horiz.: 1" = 50'	C/L
6650				
6640				

B-B'	
6650	
6640	

C-C'	
6650	
6640	

Robert L. Bayless, Producer LLC

Drilling Technical Program

(Attachment to Form 3160-3)

Marron #11

1725 FSL & 1325 FWL (nwsW)

Section 24, T27N, R8W

San Juan County, New Mexico

1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>Depth KB</u>	<u>Est Pressure</u>
San Jose	Surface	
Ojo Alamo	2070 feet	
Kirtland	2215 feet	
Fruitland	2600 feet	650 psi
Pictured Cliffs	2880 feet	700 psi
Total Depth	2990 feet	

2. WELL CONTROL SYSTEM

- A. The proposed blowout system (schematic drawings attached) is a double ram 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 = 700 psi. Well Control Anticipated Surface Pressure (ASP) = 700 psi.
- C. The BOP will be tested to 600 psi after installation and prior to drilling out surface casing shoe. The pipe rams will be closed daily and blind rams will be closed on each trip. A choke manifold will be installed as per attached drawing and tested to 600 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. An 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 ¼" hole will be drilled to total depth utilizing LSND mud.

Interval	Mud System	Weight PPG	Viscosity sec/qt	WL cc
0 – 120 ft	Spud mud	<9.0	35 – 55	NC
120 – 2990	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 ½" 10.5 #/ft J-55 from surface to 2990 feet.
- C. A proposed wellbore diagram is attached.

7. CEMENTING PROGRAM

- A. Surface casing: 30 sx (42.0 cf) Type III w/ 3% CaCl and ¼ #/sx celloflake, circulated to surface
- B. Production Casing: 215 sx (460 cf) Premium Lite High Strength cement circulated to surface, volume may change due to caliper log on well.

Robert L. Bayless, Producer LLC

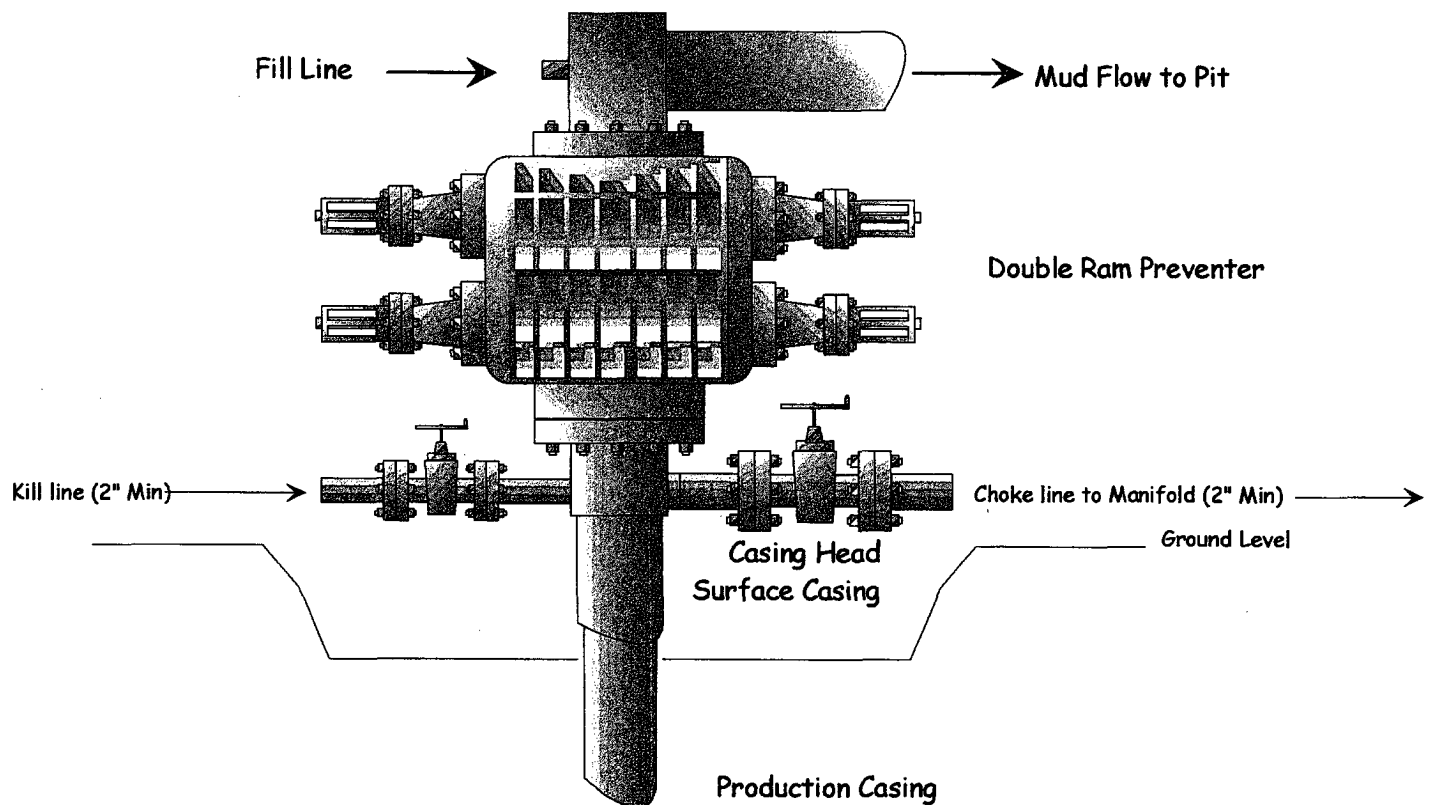
Well Control Equipment Schematic for 1M Service

Attachment to Drilling Technical Program

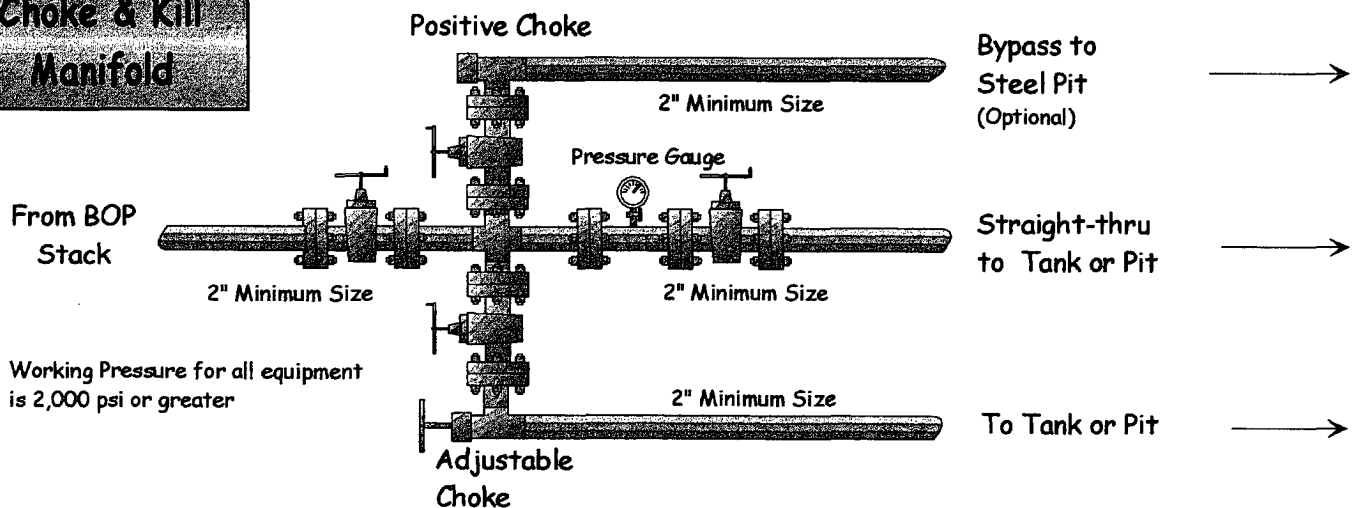
Marron #11

Location: NWSW
Sec 24, T27N, R8W, NMPM
San Juan, New Mexico

BOP Stack



Choke & Kill Manifold



Robert L. Bayless, Producer LLC
Wellbore Schematic
Marron #11
Proposed Wellbore Configuration

Location: 1725 FSL & 1325 FWL (nws)
Sec 24, T27N, R8W, NMPM
San Juan Co, New Mexico

Elevation: 6647' GL
6652' RKB
Field: Basin Fruitland Coal

