

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2005 JUN 6 PM 12 10

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED

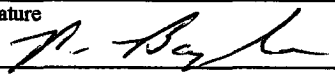
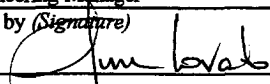
070 FARMINGTON NM

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No.	
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		8. Lease Name and Well No. Marron #12	
2. Name of Operator ROBERT L. BAYLESS, PRODUCER LLC		9. API Well No. 30-045-33138	
3a. Address P.O. BOX 168, FARMINGTON, NM 87499		3b. Phone No. (include area code) (505) 326-2659	
10. Field and Pool, or Exploratory Basin Fruitland Coal		11. Sec., T., R., M., or Blk. and Survey or Area 0 Section 23, T27N, R8W	
4. Location of Well (Report location clearly and in accordance with an State requirements *) At surface 1325 FSL & 1420 FEL At proposed prod. zone SAME		12. County or Parish San Juan	
14. Distance in Miles and Direction from nearest town or post office*		13. State New Mexico	
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 320 E/2	
18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this Lease, ft.		17. Spacing Unit dedicated to this well	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5949 5950 RKB		19. Proposed Depth 2260	
22. Approximate date work will start* ASAP		20. BLM/BIA Bond No. on file 40S23024BCA	
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:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. 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
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-33138	Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 33031	Property Name MARRON	Well Number 12
OGRID No. 150182	Operator Name ROBERT L. BAYLESS, PRODUCER LLC	Elevation 5949

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
0	23	27N	8W		1325	South	1420	East	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>16</p> <p>589°12'W</p> <p>82.18 ch.</p> <p>Sec.</p> <p>23</p> <p>LAT. 36.55519°N</p> <p>LONG. 107.64772°W</p> <p>19.69'</p> <p>1420'</p> <p>1325'</p> <p>81.70 ch.</p> <p>588°47'W</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>P. Bayless</i></p> <p>Signature</p> <p>Price M. Bayless</p> <p>Printed Name</p> <p>Engineering Manager</p> <p>Title and E-mail Address</p> <p>6-12-05</p> <p>Date</p> <p>6-17-2005</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>WILLIAM P. MAHKE II</p> <p>RECEIVED JUN 20 PM 2:40</p> <p>NEW MEXICO</p> <p>REGISTERED PROFESSIONAL SURVEYOR</p> <p>#8466</p> <p>Rev 6-12-05</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>William P. Mahke II</p> <p>Certificate Number</p> <p>8466</p>
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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.

JUN 20 PM 2 40

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED
070 FARMINGTON

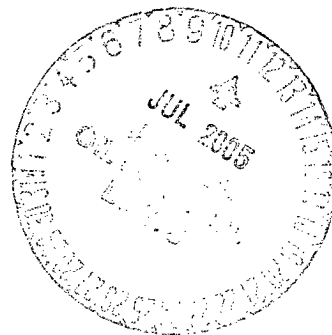
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. SF078478
2. Name of Operator Robert L. Bayless, Producer LLC		6. If Indian, Allottee or Tribe Name
3a. Address PO Box 168, Farmington, NM 87499	3b. Phone No. (include area code) (505) 326-2659	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1325 FSL & 1420 FEL, Section 23-T27N-R8W		8. Well Name and No. Marron #12
		9. API Well No. 30045 33138
		10. Field and Pool, or Exploratory Area Basin Fruitland Coal
		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	
	<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 location to be more than 10 feet from the quarter section line and therefore, a non-standard location approval will not be necessary.



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 - Minerals

Date

7/7/05

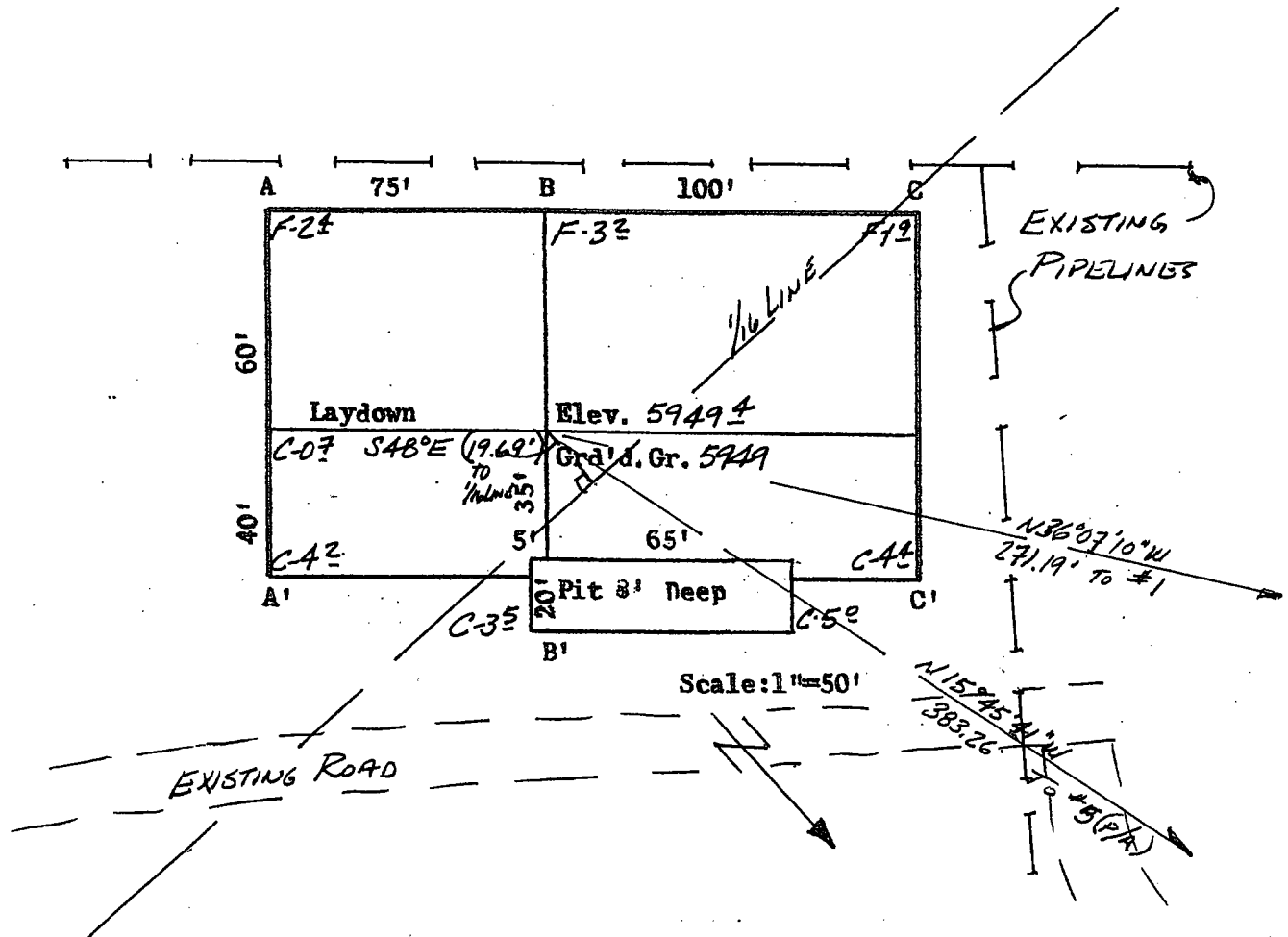
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operation thereon.

Office

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NMOCDD

ROBERT L. BAYLESS, PRODUCER LLC
MARRON #12
1325' FSL & 1420' FEL
Sec. 23, T27N, R8W, NMPM
San Juan Co., NM



A-A'	Vert.: 1" = 30'	Horiz.: 1" = 50'	C/L
5950			
5940			

B-B'	Vert.: 1" = 30'	Horiz.: 1" = 50'	C/L
5950			
5940			

C-C'	Vert.: 1" = 30'	Horiz.: 1" = 50'	C/L
5950			
5940			

Robert L. Bayless, Producer LLC

Drilling Technical Program

(Attachment to Form 3160-3)

Marron #12
1325 FSL & 1420 FEL (swse)
Section 23, 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	1310 feet	
Kirtland	1465 feet	
Fruitland	1810 feet	450 psi
Pictured Cliffs	2140 feet	500 psi
Total Depth	2260 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 = 500 psi. Well Control Anticipated Surface Pressure (ASP) = 500 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 1/4" 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 – 2260	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 1/2" 10.5 #/ft J-55 from surface to 2260 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 1/4 #/sx celloflake, circulated to surface
- B. Production Casing: 130 sx (280 cf) Premium Lite High Strength cement circulated to surface, volume may change due to caliper log on well.

Robert L. Bayless, Producer LLC

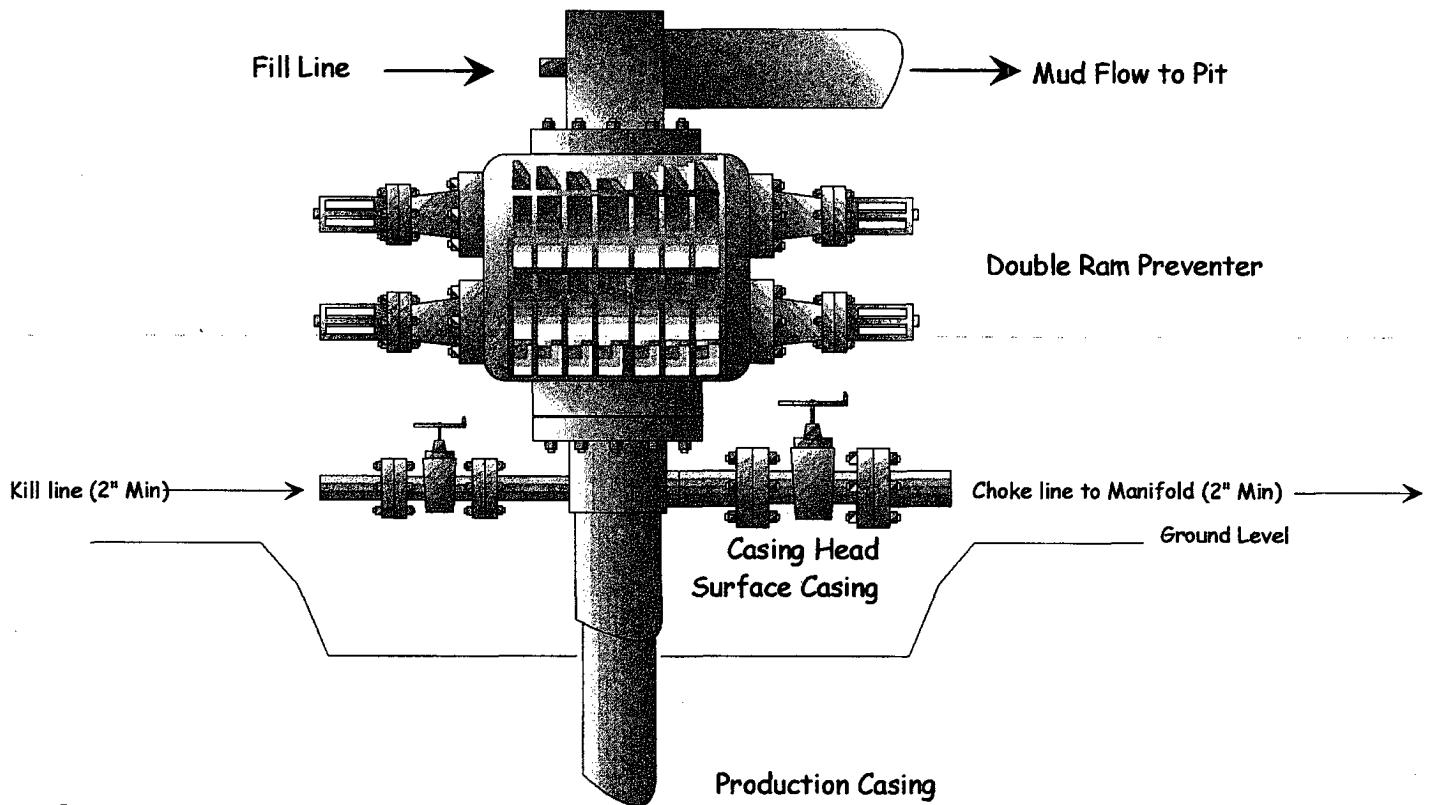
Well Control Equipment Schematic for 1M Service

Attachment to Drilling Technical Program

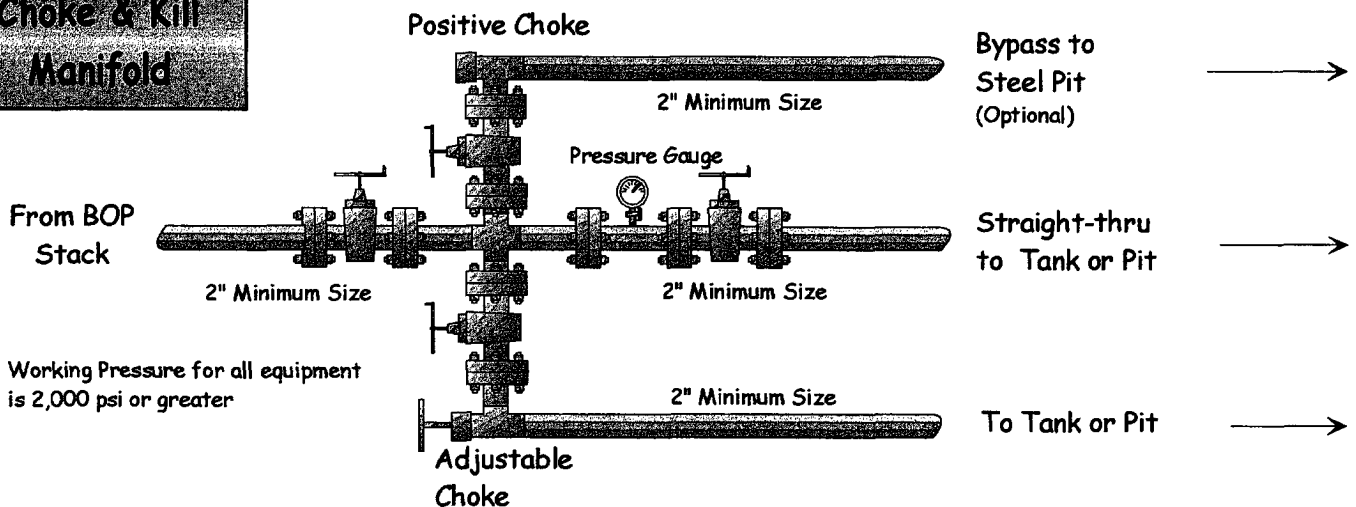
Marron #12

Location: SWSE
Sec 23, T27N, R8W, NMPM
San Juan, New Mexico

BOP Stack



Choke & Kill Manifold



Robert L. Bayless, Producer LLC
Wellbore Schematic

Marron #12

Proposed Wellbore Configuration

Location: 1325 FSL & 1420 FEL (swse)
Sec 23, T27N, R8W, NMPM
San Juan Co, New Mexico

Elevation: 5949' GL
5954' RKB
Field: Basin Fruitland Coal

