Form 3160-3
(August 1999)

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

070 FARMINGTON NM

RECEIVED
2005 DEC 30 PM 1 06

JAN 2006
RECEIVED
OIL CONS. DIV.
DIST. 3

1a. Type of Work: ☑ DRILL ☐ REENTER	5. Lease Serial No. SF078478
1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☑ Single Zone ☐ 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	3b. Phone No. *(include area code)* (505) 326-2659
4. Location of Well *(Report location clearly and in accordance with an State requirements *)* At surface 1980 FNL & 1970 FEL At proposed prod. zone SAME	8. Lease Name and Well No. Marron #13
	9. API Well No. 30-045-33207
	10. Field and Pool, or Exploratory Basin Fruitland Coal
	11. Sec., T., R., M., or Blk. and Survey or Area G Section 24, T27N, R8W
14. Distance in Miles and Direction from nearest town or post office* 15.5 miles SE of Blanco	12. County or Parish San Juan
	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
	17. Spacing Unit dedicated to this well 320 E/2
18 Distance from proposed location* to nearest well, drilling, completed, or applied for, on this Lease, ft.	19. Proposed Depth 2980
	20. BLM/BIA Bond No. on file 40S23024BCA
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6623 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:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
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 6-28-05
Title Engineering Manager		
Approved by *(Signature)*	Name *(Printed/Typed)*	Date 1/11/06
Title AFM	Office FFO	

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)*

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

NMOCD

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

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

1 API Number	2 Pool Code	3 Pool Name
30-045-33207	71629	Basin Fruitland Coal

4 Property Code	5 Property Name	6 Well Number
33031	MARRON	13

7 OGRID No.	8 Operator Name	9 Elevation
150182	ROBERT L. BAYLESS, PRODUCER LLC	6618

10 Surface Location

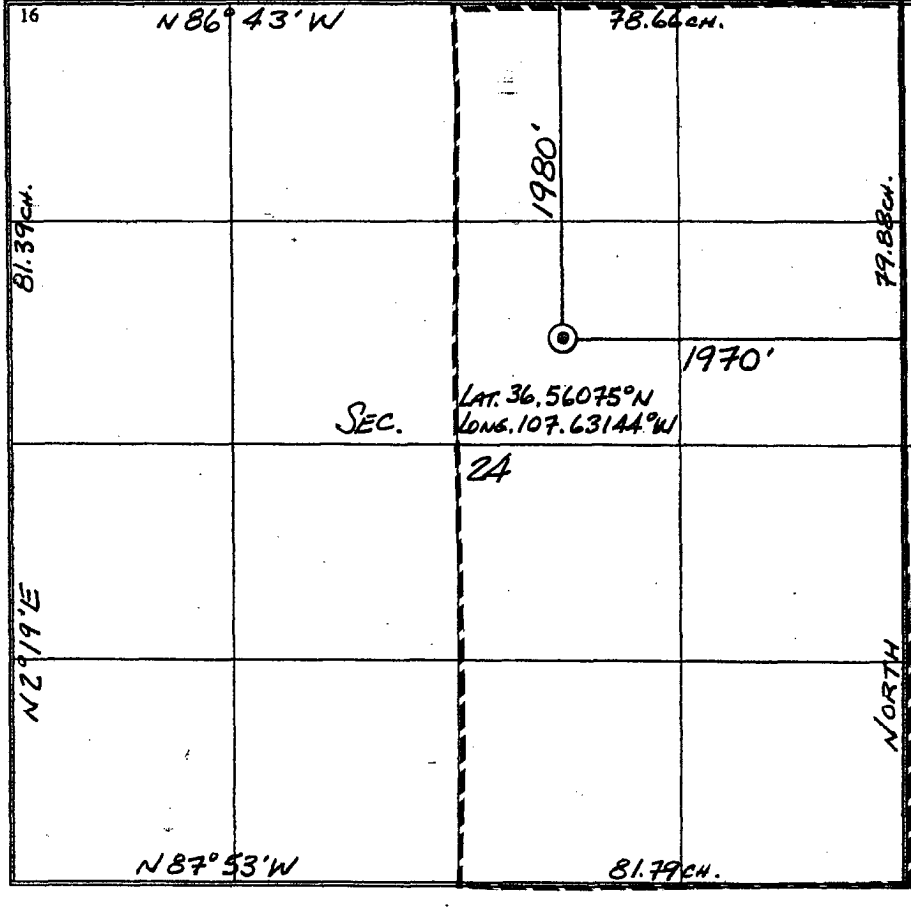
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	24	27N	8W		1980	North	1970	East	San Juan

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

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 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



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

tucker@rlbayless.com
Engineering Manager
Title and E-mail Address

6-28-05
Date

18 SURVEYOR CERTIFICATION

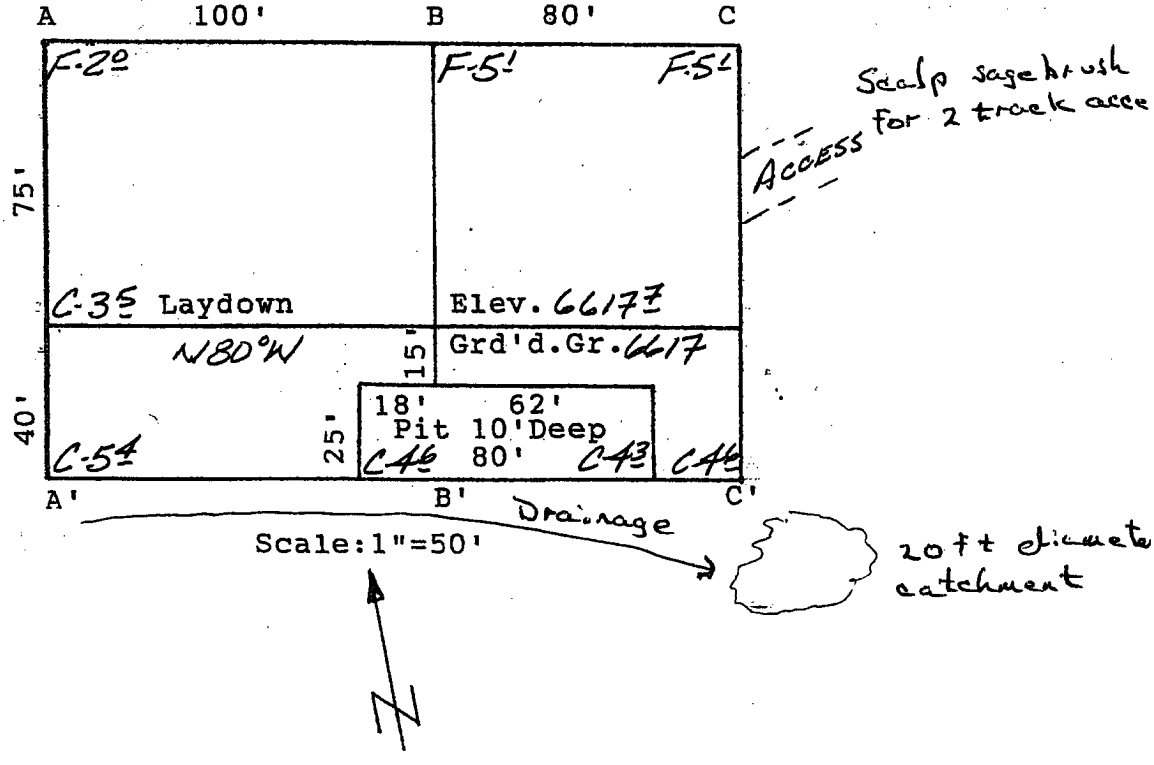
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

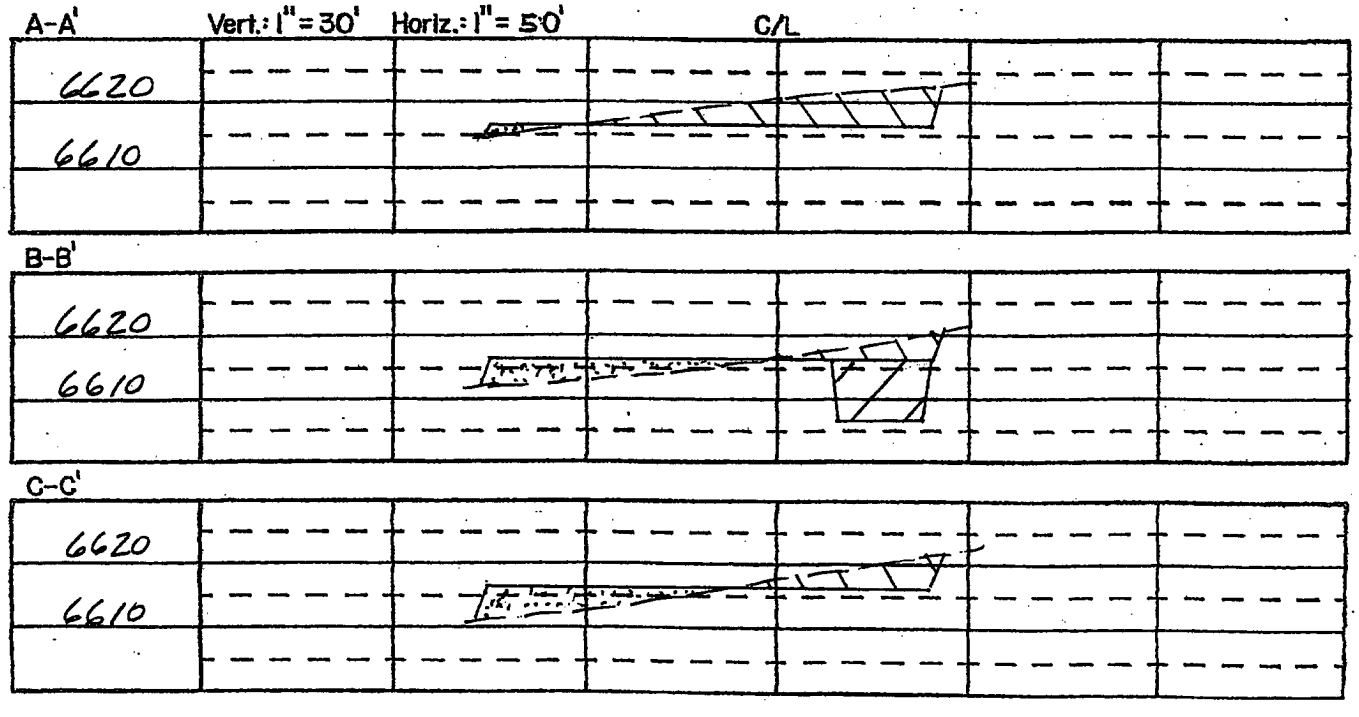
APRIL 2005
Date of Survey

#8466
Signature and Seal of Professional Surveyor:

William E. Mannke II
Certificate Number 8466

ROBERT L. BAYLESS, PRODUCER LLC
MARRON #13
1980'FNL & 1970'FEL
Sec.24, T27N, R8W, NMPM
San Juan Co., NM





Robert L. Bayless, Producer LLC

Drilling Technical Program

(Attachment to Form 3160-3)

Marron #13
1980 FNL & 1970 FEL (swne)
Section 24, T27N, R8W
San Juan County, New Mexico

1. ESTIMATED FORMATION TOPS

Formation	Depth KB	Est Pressure
San Jose	Surface	
Ojo Alamo	2065 feet	
Kirtland	2180 feet	
Fruitland	2620 feet	650 psi
Pictured Cliffs	2885 feet	700 psi
Total Depth	2980 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 ¾" 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 – 2980	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 2980 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

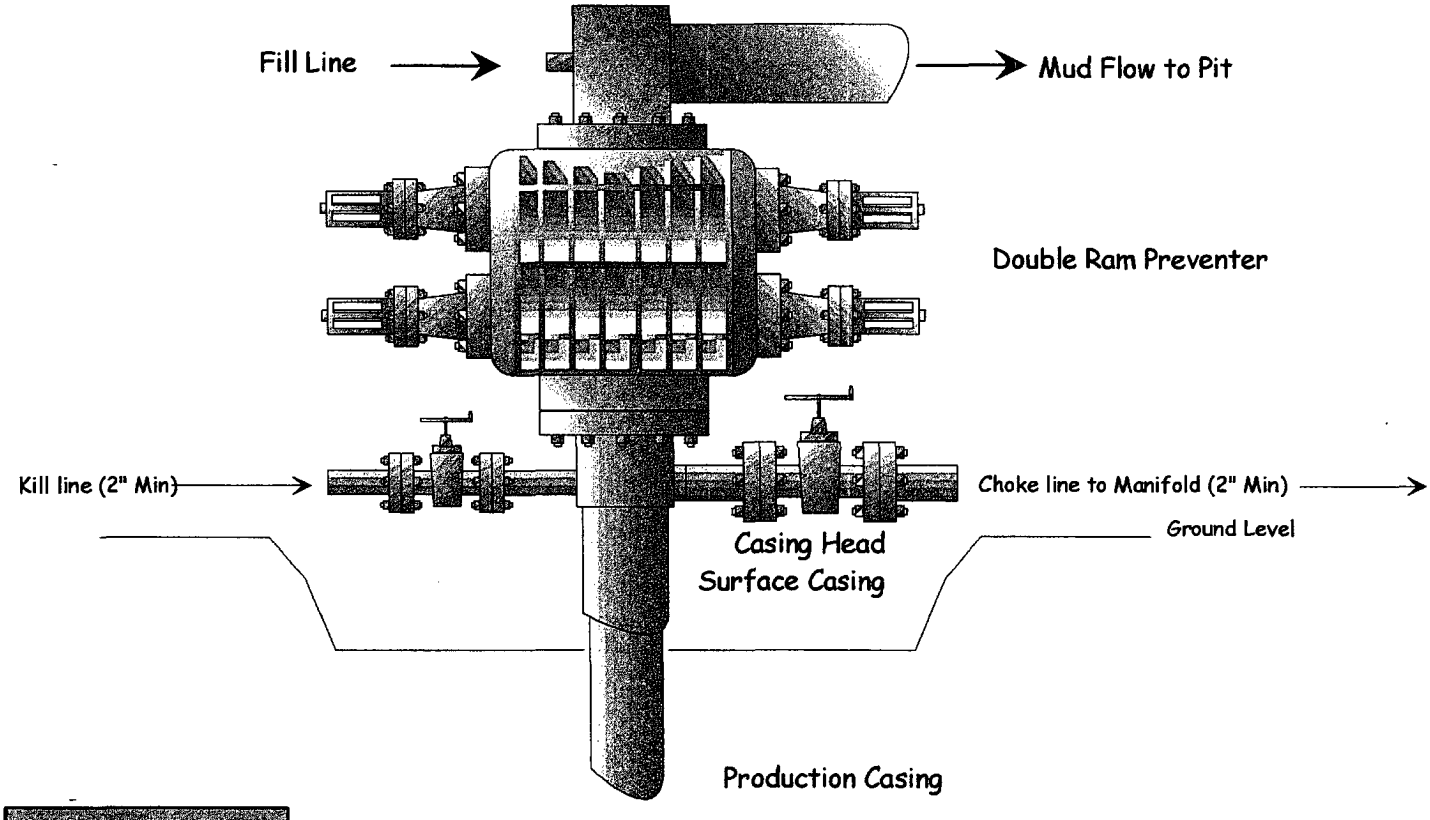
Well Control Equipment Schematic for 1M Service

Attachment to Drilling Technical Program

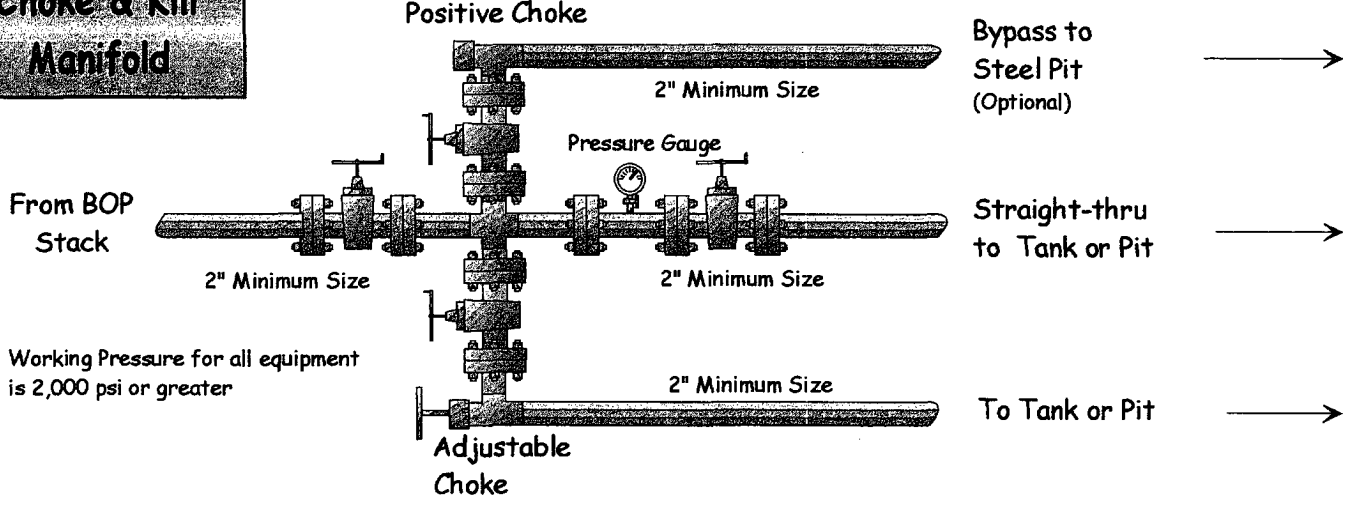
Marron #13

Location: SWNE
Sec 24, T27N, R8W, NMPM
San Juan, New Mexcio

BOP Stack



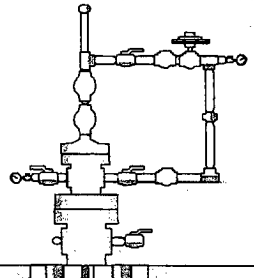
Choke & Kill Manifold



Robert L. Bayless, Producer LLC
Wellbore Schematic
Marron #13
Proposed Wellbore Configuration

Location: 1980 FNL & 1970 FEL (swne)
Sec 24, T27N, R8W, NMPM
San Juan Co, New Mexico

Elevation: 6618' GL
6623' RKB
Field: Basin Fruitland Coal



Bit Size - 8 3/4"

7" 20# J55 @ 120' KB w/ 30 sx
(TOC @ Surface)

Bit Size 6 1/4"

Cretaceous

Ojo Alamo - 2065'

Kirtland - 2180'

2-3/8" EUE 4.7# J55 Tubing

Fruitland - 2620'

Fruitland Coal Perfs

Pictured Cliffs - 2980'

4 1/2" 10.5# J55 Production Csg @ 2980' KB
w/215 sx

TD @ 2980' KB