Submit 3 Copies 💡

Form C-103

State of New Mexico						
Energy,	Minerals	and N	Vatural	Resources	Departm	ent

to Appropriate Revised 1-1-89 District Office OIL CONSERVATION DIVISION **DISTRICT I** P.O. Box 2088 P.O. Box 1980, Hobbs, NM 88240 WELL API NO. Santa Fe. New Mexico 87504-2088 30-045-33637 **DISTRICT II** P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease DISTRICT III STATE 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. 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.) Brown 1. Type of Well WELL OTHER: 2. Name of Operator 8. Well No. ROBERT L. BAYLESS, PRODUCER LLC 1R 3. Address of Operator 9. Pool name or Wildcat P.O. BOX 168, FARMINGTON, NM 87499 Basin Fruitland Coal 4. Well Location G 1869 Feet from the North 2514 Unit Letter East Feet from The Line 10 30N 12W Section Township Range NMPM San Juan County (Show whether DF, RKB, RT, GR, etc.) 10. Elevation 5733' GR Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING TEMPORARII Y ABANDON CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ABANDONMEN PULL OR ALTER CASING CASING TEST AND CEMENT JOB OTHER: OTHER: 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. Please see attached report. I hearby certify that the information above is true and nowledge and belief. **SIGNATURE** Petroleum Engineer 6/23/2006 DATE Tom McCarthy TYPE OR PRINT NAME TELEPHONE NO. (505) 326-2659

(This space for State Use)

APPROVED BY

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. (7

JUN 2 6 2006

Robert L. Bayless, Producer LLC Brown No. 1R

Morning Report – Drilling 1869' FNL & 2514' FWL, Section 10, T30N, R12W San Juan County, NM

4/12/2006: Cutting wood and building road and location.

6/23/2006: Work completed on 6/22. Location finished. Move in and rig up D&D Services rig. Move in frac tank and surface casing. Spud well at 11 AM, 6/22/2006 with 8 3/4" bit. Drill to 143' with water. Circulate well clean. Trip out drill pipe and bit. Run 3 Joints 7" 20# J-55 new casing with centralizer on first joint.

KB to landing point:

5.00

3 joint 7" 20# J055 casing:

133.95

Landed at:

138.95

Circulate well clean with polymer sweep. Rig up Key Pressure Pumping. Pump 10 BBL water. Pump 85 sx Type V cement with 3% CaCl and ½# /sx celloflake,(100 cf). Displace with 4 BBL water. Good circulation throughout job. Circulated 4 BBL, (22cf) cement. Wait on cement.