Form 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

| Expires: November 30, 2000 | |
|----------------------------|--|
| Lease Serial No. | |

FORM APPROVED

Budget Bureau No. 1004-0135

NM 03606

| abandoned well. Use Form 3160-3 (APD) for such proposals. | | | | | 6 Ilottee or Tribe Name A/Agreement, Name and/or No. | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------|------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--|--|
| SUBMIT IN | TRIPLICATE - Other i | instructions on reverse side | | | | | |
| 1. Type of Well Oil Well Other Name of Operator Robert L. Bayless, Producer LLC | | | | | and No. 13G fo. 1450 | | |
| Address 3b. Phone No. (include area code) PO Box 168, Farmington, NM 87499 (505) 326-2659 Location of Well (Footage, Sec., T., R., M., or Survey Description) SW/4 SW/4, 930' FSL & 720' FWL, Sec. 14, T27N, R8W | | | | Basin Fru 11. County or P | ool, or Exploratory Area uitland Coal Parish, State New Mexico | | |
| 2. CHECK AP | PROPRIATE BOX | (ES) TO INDICATE NATUR | E OF NOTICE, | REPORT, OR | OTHER DATA | | |
| TYPE OF SUBMISSION TYPE OF ACTION | | ACTION | | | | | |
| □ Notice of Intent☑ Subsequent Report□ Final Abandonment Notice | Acidize Alter Casing Casing Repair Change Plans Convert to Injecti | Deepen Fracture Treat New Construction Plug and Abandon ion Plug Back | Production (S Reclamation Recomplete Temporarily Water Dispo | Abandon | □ Water Shut-Off □ Well Integrity ☑ Other Spud, Surface Casing & Run Cement | | |
| 3. 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 recomplete 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 MORNIN | NG REPORT. | 28 29 30 | 37 | | | | |



070 Farmington, NM 700 JBN 24 MM 8: 04

| 14. I hereby certify that the foregoing is true and correct | _ | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------|--------------------------|--|--|
| Name (Printed/Typed) Price M. Bayless | Title | Engineering Manager | | | |
| Signature — Son | Date | June 23 2003 | ACCEPTED FOR RECORL | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | | | |
| | | | JUN 2. 5 2003 | | |
| Approved by | Title | | SACRAINGTON FIELD OFFICE | | |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or | | | Ska | | |
| 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. | | | | | |
| Tid-1017 C.C. C | | 716.11 (1 1 1 1 | C4 TT '4 4 | | |

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.

Robert L. Bayless, Producer LLC

Oxnard #13G 930 FSL & 720 FWL Section 14 – T17N – R8W San Juan County, New Mexico

Morning Report - Drilling

6/11/03

Build location and dig pit. Line and fence pit. Move L&B Speedrill onto location and rig up. Haul water to location. Spud well at 4:00 pm, 6/10/03. Drill 8 3/4" hole to 60 feet. Circulate hole clean and shut down overnight.

6/12/03

Continue drilling to 140 feet and circulate hole clean. Drop survey tool and trip out of hole. Deviation ¼° at 140 ft. Rig up and run 3 joints (132.08 ft) 7" 20 #/ft new J-55 ST&C casing, land at 138 ft. Rig up AES and cement surface casing with 65 sx (77 cf) Class B cement with 3% CaCl and ¼ #/sx celloflake. Good returns throughout job with 2 bbls circulated to pit. Pressure climbed to 600 psi during displacement so displacement was cut short 1.5 bbls. Plug down at 11:00 am. WOC and shut down overnight.

6/13/03

Break off landing joint and make up wellhead. Nipple up BOP and pressure test BOP and choke manifold to 1000 psi for 30 minutes, held OK. Trip in hole and tag cement at 80 feet. Drill cement and drill into new formation. Drill 6 1/4" hole to 640 ft. Circulate hole clean and run survey. Deviation 1/4" at 640 ft. Shut down overnight.

6/14/03

Continue drilling and drill ahead to 1100 feet. Circulate hole clean. Run survey, deviation ½° at 1100 feet. Shut down overnight.

6/15/03

Resume drilling and drill to 1500 feet. Circulate hole clean and drop survey tool. Trip out of hole for Bit #3. Deviation ½° at 1500 feet. Shut down for weekend.

6/16/03

No operations.

6/17/03

Resume drilling and drill ahead to 2000 feet. Circulate hole clean and run survey, deviation 1° at 2000 feet. Shut down overnight.

6/18/03

Resume drilling to 2325 ft. Condition hole and short trip for logs. Run survey, deviation 1° at 2325 feet. Start trip out of hole and get stuck. Work pipe free and condition hole for logs. Shut down overnight.

6/19/03

Resume conditioning hole for logs. Fight tight spot at 1100 feet. Make decision to not log well. Shut down overnight.

6/20/03

Rig up San Juan Casing. Run 55 joints (2317.01 ft) new 4 ½" 10.5# J-55 ST &C casing. Run centralizers at 2237', 2153', 2069', 1985', and turbocentralizers at 1521' and 1311'. Ran casing as follows:

| KB to landing point | 3.00 feet | 0-3 feet |
|---------------------|--------------|------------------|
| 54 joints casing | 2274.94 feet | 3 – 2278 feet |
| Insert float | 0.00 feet | 2278 - 2278 feet |
| Shoe joint | 42.07 feet | 2278 - 2320 feet |
| Guide shoe | 0.70 feet | 2320 - 2321 feet |
| | 2320 71 feet | |

Land casing at 2322 feet with centralizers at 2237, 2153, 2069, 1985, and turbo centralizers at 1521, and 1311 feet. Circulate hole clean. Rig up BJ Services and cement production casing as follows:

Flush 20 bbls

20 bbls phenol-seal - XLFC

Flush

5 bbls gelled water

Cement

331 sx (705 cf) Premium Lite High Strength w/ 1/4 #/sx Pheno seal

Flush

36.0 bbls fresh water

Good returns throughout job. Circulate 4 bbl good cement to pit. Bump plug to 2000 psi at 1:45 pm, 6/19/03. Release drilling rig.