

PKR10210533508

N2L

5/2/02

Robert L. Bayless, Producer LLC

Oil & Gas Producer

P. O. Box 168
Farmington, New Mexico 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

April 9, 2002

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

RE: Application for Administrative Approval of a Non-Standard Location
Floyd #8
1105' FSL and 1070' FEL, Section 17, T30N R12W
San Juan County, New Mexico

OL CONSERVATION DIV
02 APR 12 PM 1:21

Gentlemen:

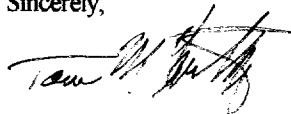
Robert L. Bayless, Producer LLC requests administrative approval of a non-standard Basin Fruitland Coal location for the above referenced Floyd #8 well. This well is located in the SE¼ of the section instead of the standard NE¼ or SW¼ location of Basin Fruitland Coal Wells.

The Floyd #8 well was drilled by Bayless in December 2001 through the Pictured Cliffs formation with the intent to complete the well as a Fulcher Kutz Pictured Cliffs well. The logs from this well indicate a completion attempt in the Pictured Cliffs will likely result in an uneconomic well. However, comparison of these well logs with offset well logs and the corresponding production from these wells indicate the Fruitland Coal formation in the Floyd #8 well should be economically productive.

Enclosed with this request is a map showing operators of the acreage surrounding the Floyd #8 well. Also enclosed is an acreage dedication plat for this well assigning a S ½, 320 acre spacing unit to this well. A list of the names and addresses of offset operators that were sent copies of this application is also included, with evidence of mailing. **As per NMOCD regulations, by copy of this letter to offset operators, Robert L. Bayless, Producer LLC is asking offset operators to waive any objection to this Basin Fruitland Coal non-standard location.**

I believe this request provides all the information required by NMOCD regulations for administrative approval of a non-standard location. Your prompt response to this request is appreciated.

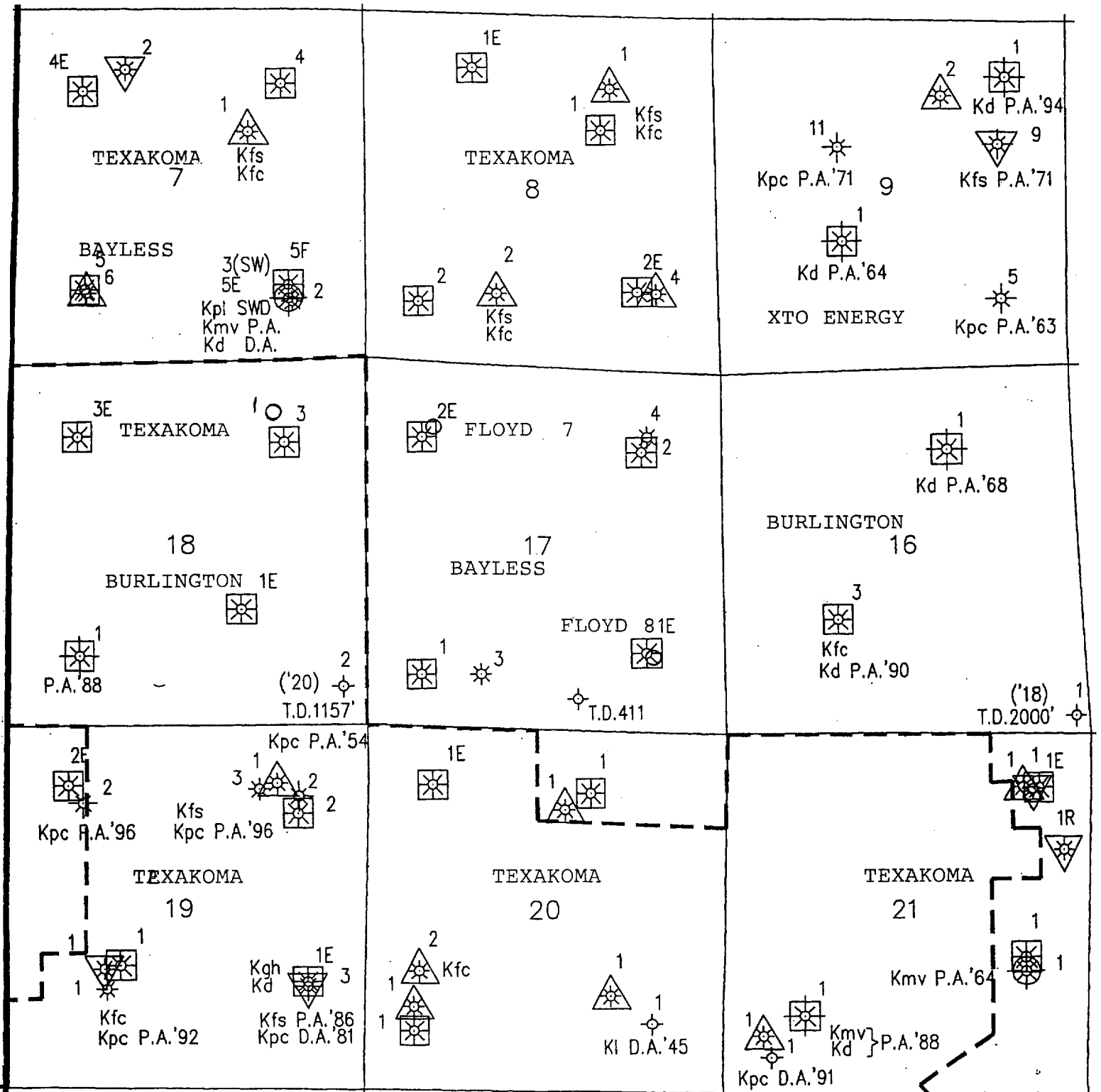
Sincerely,



Tom McCarthy
Engineer

Exhibit 1
Floyd No. 7
Floyd No. 8
Application for Non - Standard Location Basin Fruitland Coal
Section 17, T30N, R12W, San Juan County, New Mexico

Footages:
 Floyd No. 7: 955' FNL & 980' FWL
 Floyd No. 8: 1105' FSL & 1070' FEL



District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 045 30808	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code	⁴ Property Name FLOYD	⁴ Well Number 8
⁷ OGRID No. 150182	⁴ Operator Name ROBERT L. BAYLESS, PRODUCER LLC	⁹ Elevation 5810

¹⁰ Surface Location

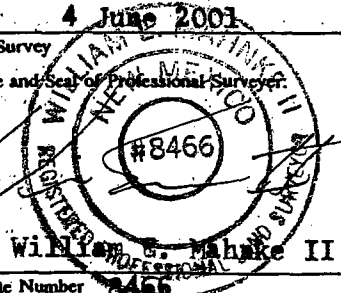
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
16	17	30 N	12 W		1105'	South	1070	East	San Juan

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

4	3	2	1	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Tom McCarthy</u> Printed Name: <u>TOM MCCARTHY</u> Title: <u>ENGINEER</u> Date: <u>APRIL 9, 2002</u>
5	6	7	8	
12	11	10	9	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: <u>4 June 2001</u> Signature and Seal of Professional Surveyor:  William G. Mahake II Certificate Number: <u>8466</u>
13	14	15	16	

Robert L. Bayless, Producer LLC
Unorthodox Basin Fruitland Coal Location
Floyd No. 7 & 8
Offset Operators List

Burlington Resources Oil & Gas Company
PO Box 4289
Farmington, NM 87499-4289
Attention: James Strickler

Texakoma Oil and Gas Corporation
5400 LBJ Freeway, Suite 500
Dallas, Texas 75240-6236
Attention: Craig Sluetz

XTO Energy Inc.
6001 US Highway 64
Farmington, New Mexico 87401

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

XTO Energy Inc
6001 US Hwy 64
Farmington nm 87401

2. Article Number

(Transfer from service label)

7001 0320 0003 0994 2246

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Burlington Resources Oil & Gas
Company
PO Box 4289
Farmington nm 87499

2. Article Number

(Transfer from service label)

7001 0320 0003 0994 2260

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Texakoma Oil & Gas Corporation
5406 LBJ Freeway, Suite 550
Dallas Tx 75240-6236

2. Article Number

(Transfer from service label)

7001 0320 0003 0994 2253

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E	Feet	NS	Ft	EW	Order_No
30-045-29505-00-00	FLOYD	002	ROBERT L BAYLESS PRODUCER LLC	G	A	San Juan	F	2	7	30	N	12	W	865	S	1065	E	
30-045-29506-00-00	FLOYD	003	ROBERT L BAYLESS PRODUCER LLC	G	C	San Juan	F	1	17	30	N	12	W	790	S	1660	W	
30-045-29923-00-00	FLOYD	003	ROBERT L BAYLESS PRODUCER LLC	G	A	San Juan	F	1	17	30	N	12	W	790	S	1660	W	
30-045-30224-00-00	FLOYD	004	ROBERT L BAYLESS PRODUCER LLC	G	A	San Juan	F	1	17	30	N	12	W	985	N	1070	E	
30-045-30808-00-00	FLOYD	008	ROBERT L BAYLESS PRODUCER LLC	G		San Juan	F	P	17	30	N	12	W	1105	S	1070	E	
30-045-30809-00-00	FLOYD	006	ROBERT L BAYLESS PRODUCER LLC	G	A	San Juan	F	M	7	30	N	12	W	1050	S	1065	W	
30-045-30810-00-00	FLOYD	007	ROBERT L BAYLESS PRODUCER LLC	G		San Juan	F	4	17	30	N	12	W	955	N	980	W	

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.*

5. Lease Serial No.
NM 047

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
FLOYD #8

9. APT Well No.
30-045-30808

10. Field and Pool, or Exploratory Area
FULCHER KUTZ PC

11. County or Parish, State
SAN JUAN COUNTY, NM

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Robert L. Bayless, Producer LLC

3a. Address
PO Box 168, Farmington, NM 87499

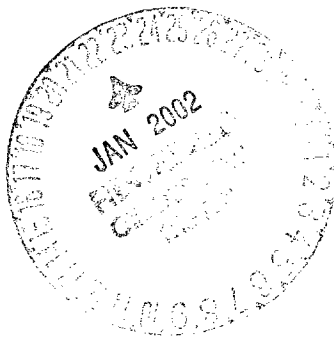
3b. Phone No. (include area code)
(505) 326-2659

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1105' FSL, 1070' FEL, SEC.17, T30N R12W

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 checked="" 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
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Spud, Surface Casing, Run
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal <input type="checkbox"/> Cement

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 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 MORNING REPORT.



Handwritten signature/initials.

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

Name (Printed/Typed) Price M. Bayless	Title Operational Manager
Signature <i>Price M. Bayless</i>	Date January 14, 2002

THIS SPACE FOR FEDERAL OR STATE OFFICIAL USE

Approved by	Title	Date
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	

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

Floyd #8
1105 FSL & 1070 FEL
Section 17 – T30N – R12W
San Juan County, New Mexico

Morning Report – Drilling

12/19/01

Build location and dig pit. Line and fence pit. Move L&B Speedrill onto location and rig up. Spud 8 ¾" hole at 10:00 am, 12/18/01. Drill to 330 feet and circulate hole clean. Shut down overnight.

12/20/01

Continue drilling 8 ¾" hole to 400 feet. Bit dulled. Circulate hole clean and trip out for bit #2. Trip in hole and continue drilling to 560 feet. Circulate hole clean shut down overnight.

12/21/01

Continue drilling to 665 ft RKB. Circulate hole and drop survey tool. Trip out of hole. Deviation ¼° at 665 feet. Run 15 joints (653.92 feet) 7" 20 #/ft J-55 ST&C casing. Turbo centralizers at 614 and 216 feet Land casing at 659 feet. Rig up BJ Services and cement casing with 165 sx (234 cf) Type III cement with 2% CaCl, ¼ #/sx celloflake, and 3 #/sx gilsonite. Good returns throughout job with 10 bbls good cement circulated to reserve pit. Plug down at 3:00 pm, 12/20/01. WOC and shut down overnight.

12/22/01 – 1/9/02

Shut down for holidays.

1/10/02

Nipple up BOP and pressure test all equipment and casing to 600 psi for thirty minutes each, held OK. Trip in hole and tag cement at 590 feet. Drill out cement and continue drilling new formation to 1160 feet. Circulate hole clean and run deviation survey. Deviation ½° at 1160 feet. Shut down overnight.

1/11/02

Continue drilling to 1650 feet. Circulate hole clean and run survey, deviation ¾° at 1650 feet. Shut down overnight.

1/12/02

Continue drilling to 2130. Circulate hole clean and shut down overnight.

1/13/02

Continue drilling to 2160 feet. Circulate and condition hole for logs. Run survey, deviation 1° at 2160 feet. Log well with Schlumberger. Rig up to run casing. Shut down overnight.

1/14/02

Rig up casing crew. Spot casing and run 51 joints (2155.54 feet) 4 ½" 10.5 #/ft new J-55 casing as follows:

KB to landing point	4.00 feet	0 – 4 feet
50 joints casing	2113.37 feet	4 – 2117 feet
Insert float	0.00 feet	2117 – 2117 feet
Shoe joint	42.17 feet	2117 – 2155 feet
Guide shoe	0.70 feet	2155 – 2156 feet
	2156.24 feet	

Land casing at 2156 feet with centralizers at 2140, 2028, 1943, 1859, 1774, and 1690 feet. Circulate hole clean. Rig up BJ Services and cement production casing as follows:

Flush	25 bbls gelled water
Spacer	10 bbls fresh water
Cement	160 sx (342.4 cf) Premium Lite High Strength w/ ¼ #/sx cello flake, 1% KCl, 3 #/sx gilsonite
Displacement	33.7 bbls water

Good returns throughout job with 2 bbls good cement circulated to pit. Bump plug to 1400 psi at 11:15 am, 1/13/02. Release drilling rig and wait on completion.



C. HARRADEN/ September 4, 2001 ^{CEH}

Robert L. Bayless, Producer LLC/ Floyd # 8 APD

STIPULATION/CONDITION OF APPROVAL

In order to protect the integrity of the Ojo Alamo aquifer, minimum surface csg. depth of 648' is stipulated as a condition of approval for this APD.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Work

DRILL ☒ DEEPEN ☐

b. Type of Well

Oil Well ☐ Gas Well ☒ Other ☐ Single Zone ☒ Multiple Zone ☐

2. Name of Operator

ROBERT L. BAYLESS, PRODUCER LLC

3. Address and Telephone No.

P.O. BOX 168, FARMINGTON, NM 87499 (505) 326-2659

4. Location of Well (Report location clearly and in accordance with an State requirements*)

At surface

1105 FSL & 1070 FEL

At proposed prod. Zone

SAME

14. Distance in Miles and Direction from nearest Town or Post Office*

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 drlg. Unit line, if any)

16. No. of Acres in Lease

17. No. of Acres Assigned
to this Well

162.54 acres

SE 4

18. Distance from Proposed Location*

to nearest Well, Drilling, Completion,
or applied for, on this Lease, ft.

19. Proposed Depth
2150

20. Rotary or Cable Tools
Rotary

21. Elevations (Show whether DF, FT, GR. Etc.)

5810 GR, 5815 KB

22. Approx. Date Work Will Start

ASAP

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Grade, Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
8 3/4"	J-55, 7"	23.0	120 648'	35 sx (41.3 cf) Circulate
6 1/4"	J-55, 4 1/2"	10.5	2150	185 sx (297.5 cf) Circulate

Will drill 8 3/4" hole to 120 feet and run 120 ft of 7" 23.0 #/ft J-55 casing, cemented with 35 sx Class B cement circulated to surface. Will drill 6 1/4" hole to 2150 feet with clear water and natural mud with water loss control additives. Induction and density logs will be run. Will set 2150 ft of 4 1/2" 10.5 #/ft new J-55 casing, cemented with 185 sx (297.5 cf) Class B cement, circulated to surface. No abnormal temperature or pressure is anticipated. Estimated mud weight is 8.6 #/gallon. Pipeline will be included in this APD as per attached drawing.

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

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

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present production zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Price M. Bayless

Signed [Signature]

Title Operations Manager

Date June 15, 2001

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

10/29/01

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:

Approved By

[Signature]

Title

AFM minerals

Date

10/29/01

*See Instruction on Reverse Side

Title 18 U.S.C. Section 1001, makes 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 manner within its jurisdiction.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-30808	² Pool Code 77200	³ Pool Name FULCHER KUTZ PICTURED CLIFFS
⁴ Property Code 22186	⁵ Property Name FLOYD	⁶ Well Number 8
⁷ OGRID No. 150182	⁸ Operator Name ROBERT L. BAYLESS, PRODUCER LLC	⁹ Elevation 5810

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
16	17	30 N	12 W		1105'	South	1070	East	San Juan

¹¹ Bottom Hole Location If Different From Surface

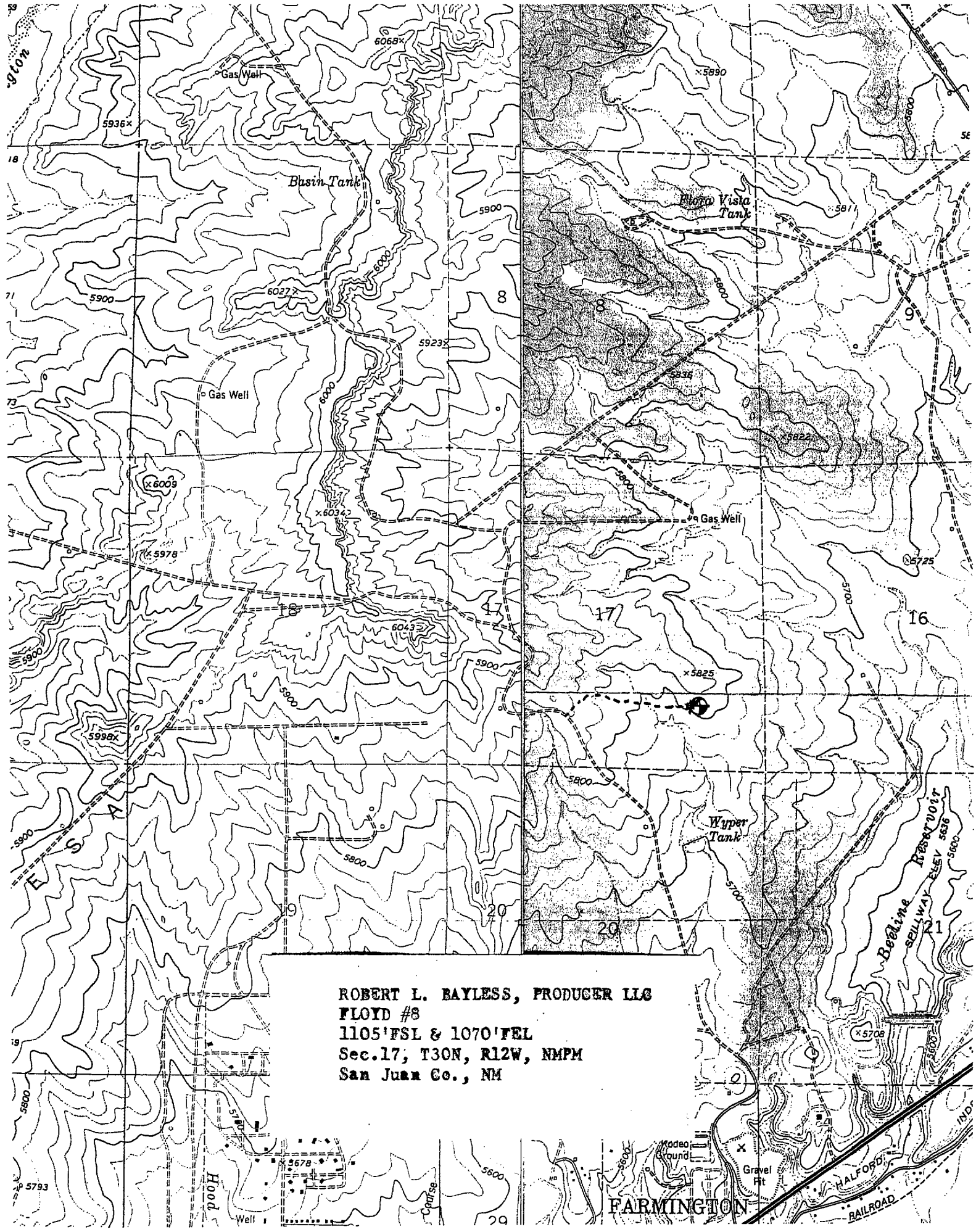
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 162.54	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

¹⁶ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature: <u>Price M. Bayless</u> Printed Name: PRICE M. BAYLESS Title: ENGINEER Date: JUNE 20, 2001			
¹⁷ 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: 4 June 2001 Signature and Seal of Professional Surveyor: <u>William E. Mahure II</u> Certificate Number: 8466			

Diagram showing well location and acreage dedication plat with sections 4 through 16. The diagram includes bearings (S89°05'W, N89°05'W, N10°04'W, N0°20'30"E, 79°02'W, 79°06'W, 79°02'W) and distances (1105', 1070'). A dashed line indicates a boundary. A note 'DESTROYED' is present near section 12.



ROBERT L. BAYLESS, PRODUCER LLC
FLOYD #8
1105'FSL & 1070'FEL
Sec.17, T30N, R12W, NMPM
San Juan Co., NM

Robert L. Bayless, Producer LLC

Drilling Technical Program

(Attachment to Form 3160-3)

Floyd #8

1105 FSL & 1070 FEL (se se)

Section 17, T30N, R12W

San Juan County, New Mexico

1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>Depth KB</u>	<u>Est Pressure</u>
Ojo Alamo	450 feet	
Kirtland	610 feet	
Fruitland	1660 feet	450 psi
Pictured Cliffs	1985 feet	570 psi

2. WELL CONTROL SYSTEM

- A. The proposed blowout system (schematic drawings attached) is a bag type preventer, and will be used in 1000 psi service. Bayless requests a waiver from O & G Order #2 requirements for 2M service as the well is shallow and low pressure, with the surface pressure not to exceed 350 psi. Such moderate conditions lower any chance of uncontrolled gas flow.
- B. Minimum required working pressure rating for BOP stack is 1000 psi. Maximum anticipated bottom hole pressure = 570 psi. Well Control Anticipated Surface Pressure (ASP) = $570 \text{ psi} - (.22 * 2150') = 97 \text{ psi}$, assuming a partially gas cut column per BLM guidelines.
- C. BOP pressure testing will be conducted at the time of installation and prior to drilling out surface casing shoe. Bag type preventer will be tested to 250 psi. The BOP will be activated on each trip out of the hole and all will be recorded in the driller's log. A choke manifold will be installed as per attached drawing. Working pressure for the choke manifold is 1000 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 11" 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 air. a low solids non-dispersed mud system. Additives such as starch, gel, and others will be used to control mud properties as needed. No materials of a hazardous nature will be added to the drilling fluid in hazardous quantities. Lost circulation material will be on location, but no mud weighting materials will be stores on location.

Interval	Mud System	Weight PPG	Viscosity sec/qt	WL cc
0 – 120 ft	Spud mud	<9.0	35 – 55	NC
120 – 2150 ft	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" 23.0 #/ft J-55 from surface to ~~120~~ feet. 648'
- B. Production casing: 4 1/2" 10.5 #/ft J-55 from surface to 2150 feet.
- C. A proposed wellbore diagram is attached.

Robert L. Bayless, Producer LLC
Floyd #8
1105 FSL & 1070 FEL (se se)
Section 17 - T30N - R12W
San Juan County, NM

Longstring Cementing Guidelines

The following estimated volumes of cement will be pumped on the longstring casing cementing job to provide a cement sheath from the end of production casing to the surface to protect useable water zones in this well. The exact cement pumped may vary slightly after examination of open hole logs.

lead slurry: 90 sx (185.4 cf) Class B cement with 2%
econolite
weight: 12.5 #/gal
yield: 2.06 ft³/sx

tail slurry: 95 sx (112.1 cf) Class B cement neat.
weight: 15.6 #/gal
yield: 1.18 ft³/sx

NOTE: a 10 barrel spacer of clear water will be pumped ahead of the lead cement slurry to prevent mud contamination of the cement.

If cement does not reach the surface, a temperature log or cement bond log will be run to determine the top of cement.

The longstring production casing will be centralized through the Pictured Cliffs production interval and through any usable water zones. Turbo-centralizers will be placed just below and into the base of the lowest water zone.

A chronological log will be kept on the longstring cement job, recording the pump rate, pump pressure, slurry density, and slurry volume. This log will be sent to the BLM after completion of the job.

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/22/02 15:46:
OGOMES -TQ
PAGE NO:

Sec : 17 Twp : 30N Rng : 12W Section Type : NORMAL

12 40.25 Federal owned	*** *** *** <i>~ 40.42</i> Federal owned	10 40.59 Federal owned	9 40.75 Federal owned
13 40.18 Federal owned A	14 40.35 Federal owned C A	15 40.52 Federal owned	16 40.68 Federal owned A

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

7
323.74
7

BURLINGTON RESOURCES

SAN JUAN DIVISION

April 15, 2002

Robert L. Bayless, Producer LLC
P.O. Box 168
Farmington, New Mexico 87499
Attn: Tom McCarthy, Petroleum Engineer

APR 18 2002

RE: Application for Administrative Approval of Non-Standard Locations

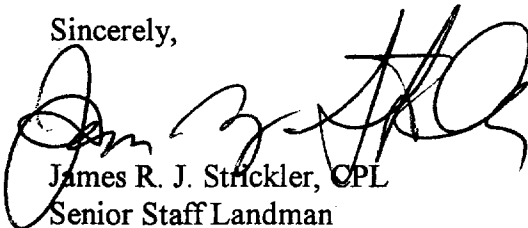
- 1) Floyd # 7
955' FNL and 980" FWL, Sec. 17 (N/2 Unit), T30N-R12W
- 2) Floyd # 8
1105" FSL and 1070" FEL, Sec. 17 (S/2 Unit), T30N-R12W
Fruitland Coal Formation
San Juan County, New Mexico

Gentlemen:

Burlington Resources Oil & Gas Company LP (Burlington) is in receipt of your letters dated April 9, 2002, where Robert L. Bayless, Producer LLC requests our waiver of your Application for a Non-Standard location for the subject wells. Burlington has no problem with your locations. We hereby waive any objection to your Application for a Non-Standard Location for the subject Fruitland Coal wells.

If you should have any questions about our waiver, please call me at 505-326-9756.

Sincerely,



James R. J. Strickler, OPL
Senior Staff Landman

JRJS/hme
Bayless waiver 041502

cc: Ms. Lori Wrotenbery, Director
NMOCD
Santa Fe, NM