

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: November 30, 2000

Lease Serial No.

SF-081239

6. If Indian, Allottee or Tribe Name

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

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.

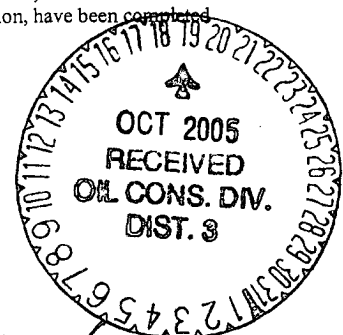
SUBMIT IN TRIPLICATE - Other instructions on reverse side

| | | |
|--|---|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 8. Well Name and No. Brown No. 1-Y |
| 2. Name of Operator Robert L. Bayless, Producer LLC | | 9. API Well No. 30-045-29138 |
| 3a. Address PO Box 168, Farmington, NM 87499 | 3b. Phone No. (include area code) (505) 326-2659 | 10. Field and Pool, or Exploratory Area Basin Fruitland Coal |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 924' FNL, 1457' FEL, Section 10, T30N, R12W | | 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 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 checked="" type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <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.)

Discovered probability of casing leak during operations. Repaired as per attached morning report.



PER 43 CFR 3162.3-2 APPROVAL FROM THE BLM-FFO NEEDS TO BE OBTAINED PRIOR TO COMMENCING OPERATIONS TO PERFORM CASING REPAIRS.

| | |
|--|-----------------------------|
| 14. I hereby certify that the foregoing is true and correct | |
| Name (Printed/Typed) Thomas McCarthy | Title Petroleum Engineer |
| Signature <i>Thomas McCarthy</i> | Date September 21, 2005 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | |
| Approved by | Title |
| 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. | |

NMOCD

Robert L. Bayless, Producer LLC
Workover Report
Brown No. 1Y

9/9/2005: Rig up Key rig 33. Pull rods and pump. NUBOP. Pick up tubing and trip in and tag. Tagged PBD at 2120'. Trip out tubing. Pick up Weatherford model TS bridge plug and trip in to 1800'. Tried to set BP but could not. Trip out to 1600' and set BP. Load hole and test casing to 500 psi. Would not hold. Pump in at ¼ BPM at 350 psi.

9/12/2005: Pick up Weatherford packer and trip in to find hole in casing. Call out crew to dig a lined circulating pit. Found hole in casing from 200' to 328'. Opened bradenhead and established circulation through holes and back to surface. Trip out tubing and packer. Dumped sand on BP. Wait on BJ. Rig up BJ and pumped 5 bbl water to establish circulation. Pump 100 sx Type III cement with 1% CaCl. 1 BPM at 800 PSI. Good circulation out bradenhead throughout job. Water starting to change to cement color at end of job. Displaced with 2 bbl water and shut in with 400 psi on casing.

9/13/2005: Move in pump and pit and trip in with bit. Tag cement at 170'. Drill hard cement to 307' and fell through. Pressure test casing to 500 psi. Pressure dropped immediately to 480 psi and held solid for 15 minutes. Trip out with bit and trip in with retrieving head.

9/14/2005: Circulate sand off BP with clean 2% KCL water. Retrieve BP and trip out. Trip in with tubing pump and tubing. Trip in pump and rods. See wellbore diagram for configuration. Left unit pumping.

9/15/2005: Rig down and move.