

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.*

**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. MARRON #11
2. Name of Operator Robert L. Bayless, Producer LLC	9. API Well No. 30-045-33137
3a. Address PO Box 168, Farmington, NM 87499	10. Field and Pool, or Exploratory Area Basin Fruitland Coal
3b. Phone No. (include area code) (505) 326-2659	11. County or Parish, State San Juan, New Mexico
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1740' FSL & 1309' FWL, Sec., T27N, R8W 24	

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"/> Casing & Cement
	<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.)

SEE ATTACHED MORNING REPORT.



2006 FEB 6 AM 11 50  
RECEIVED  
070 FARMINGTON NM

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

Name (Printed/Typed)  
Price M. Bayless

Title  
Engineering Manager

Signature

Date  
February 1, 2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Office

FEB 08 2006

FARMINGTON FIELD OFFICE

BY

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

Marron #11  
1725 FSL & 1325 FWL  
Section 24 – T27N – R8W  
San Juan County, New Mexico

## Morning Report – Drilling

1/10/06

Build location and dig pit. Line and fence pit. Move Scorpion Rig #1 onto location and rig up. Spud 8 ¼" hole at 9:00 am, 1/9/06. Drill to 140 feet and circulate hole clean. Trip out and run 3 joints (133.10 ft) new 7" 20 #/ft J-55 casing, landed at 138 ft. Rig up Key Pumping Services and cement casing with 105 sx Class B with ¼ #/sx celloflake and 3% CaCl. Good returns throughout job with 3 bbls circulated to pit. Shut down overnight.

1/11/06

Break off cementing head and make up wellhead. Nipple up BOP and choke manifold. Pressure test to BOP, manifold, surface casing, and Kelly cock to low pressure of 250 psi for 5 minutes and high pressure of 1000 psi for 30 minutes, held OK. Tag cement and drill out. Run deviation survey, deviation ¾° at 140 ft. Drill to 526 ft, loose circulation. Trip out 200 ft and wait on LCM and mud. Shut down overnight.

1/12/06

Attempt to mix mud, gel not yielding. Mud engineer determined water too hard and ordered more chemical. Mix pit of 10% LCM and establish circulation. Trip in and circulate to get LCM on bottom. Shut down overnight.

1/13/06

Run survey at 500 ft, deviation ¾°. Good returns while drilling to 1000 ft. Run survey, deviation ½° at 1000 ft. Continue drilling to 1548 feet. Circulate hole clean. Shut down overnight.

1/14/06

Run survey, deviation 6° at 1548 ft. Lighten up on bit and continue drilling to 2000 ft, circulate hole clean. Run survey, deviation over 7° at 2000 ft. Order out 14° clock and continue drilling with little weight on bit. Drill to 2076 ft and circulate hole clean. Run deviation survey, 13° at 2076. Start out of hole running following surveys: 9° at 1450 ft, 7 ½° at 1100ft, 4° at 800 ft. Call BLM for cementing instructions to set plug and straighten hole. Shut down overnight.

1/15/06

Trip in hole with drill pipe to set cement plug from 1100 ft to 750 ft. Rig up BJ Services and set 75 sx plug of neat Type III cement. Move tubing to 718 ft and circulate out approximately 2 bbls of good cement. Shut down for 36 hours to let cement harden.

1/16/06

No operations while cement plug hardens.

1/17/06

Trip in hole and tag plug at 745 ft. Dress plug and start drilling with 105 rpm and 1000 lbs on bit. Time drill kelly down and run survey, deviation 3 ¾° at 765 ft. Drill another kelly down and run survey, deviation 4 ¾° at 794 ft. Drill another kelly down and run survey, deviation 4 ¾° at 825 ft. Returns mostly cement, not kicking off. Pull 60 ft and shut down overnight.

1/18/06

Call for cement plug from 850 ft to 400 ft. Attempt to pull pipe, no movement. Work stuck pipe. Call for free point. Spot polymer pill and let sit. Rig up free point an start in hole. While setting up free point, pipe broke loose. Trip out of hole. Set up BJ for cement plug in morning. Shut down overnight.

1/19/06

Trip in hole to 812 ft. Circulate hole clean and rig up BJ Services to set cement plug from 850 ft to 350 ft. Spot 156 sx plug of Class H with 5% salt and hardening agents. Trip to 340 ft and circulate hole clean. Trip out of hole.

1/20/06

WOC, no operations.

1/21/06

Trip in and tag cement at 340 ft. Drill with insert bit and reamer at 60 ft with 6000 bit weight and 85 rpm. Surveys as follows: ¾° @ 394, 1 ¼° @ 425, 2° @ 456, 1 ½° @ 486, 2° @ 548 ft. Circulate hole clean and shut down overnight.

1/22/06

Trip in hole and continue drilling to 985 ft with surveys as follows: 1 ½° @ 610, 2 ½° @ 735, 2° @ 829, 2° @ 985. Circulate hole clean and start trip out of hole. Pull all but 90 ft and shut down overnight.

1/23/06

Complete trip out of hole. Change to PDC bit with reamer at 60 ft. Trip back in hole and continue drilling to 1634 ft with surveys as follows: 2 ½° @ 1109, 2° @ 1202, 2° @ 1420, and 2 ½° @ 1634. Pull 60 ft and shut down overnight.

1/24/06

Continue drilling to 2194 ft with the following surveys: 3 ½° @ 1914 ft, 3 ½° @ 2101 ft, and 4 ¼° @ 2194 ft. Pull off bottom and shut down overnight.

1/25/06

Continue drilling to 2267 ft. Run survey, deviation 4 ¾° @ 2257 ft. Trip out with PDC bit and pick up button bit. Run in hole with stabilizers at 60 ft and 90 ft. Leave bit 9 jts off bottom. Shut down overnight.

1/26/06

Complete trip in hole. Continue drilling to 2440 ft. Run survey at 2378 ft, deviation 4° at 2378. Running 15,000 bit weight and 80-85 rpm on button bit. Circulate hole clean and shut down overnight.

1/27/06

Continue drilling to 2626 ft. Run survey, deviation 2 ¾° @ 2626 ft. Shut down overnight.

1/28/06

Continue drilling to 2809 ft. Run survey, deviation 1 ¾° at 2748 ft. Circulate hole clean and shut down overnight.

1/29/06

Continue drilling to 2929 ft. Circulate hole clean and shut down overnight.

1/30/06

Continue drilling to 2991 ft. Circulate and condition hole for logs. Run survey, deviation 1 ¼° at 2990 ft. Start trip out for logs, pulled tight at ft. Make decision to not log well. Continue trip out to lay down stabilizers. Trip to collars and shut down overnight.

1/31/06

Complete trip out of hole and lay down stabilizers. Trip in hole to condition for casing. Hit bridge at 2850 ft, wash through. Tag fill at 2980 ft. Circulate hole clean and condition for casing. Trip out, laying down drill pipe. Prepare to run casing.

1/31/06

Spot casing and rig up casing crew. Run 76 joints (2979.97 feet) 4 ½" 10.5 #/ft new J-55 casing as follows:

KB to landing point	3.00 feet	0 – 3 feet
47 joints casing	2943.72 feet	3 – 2947 feet
Float collar	1.00 feet	2947 – 2948 feet
Shoe joint	36.25 feet	2948 – 2984 feet
Guide shoe	<u>0.70 feet</u>	2984 – 2985 feet
	2984.67 feet	

Land casing at 2985 feet with centralizers at 2002, 2237, 2672, 2750, 2828, 2907, and 2964 feet. Circulate hole clean. Rig up BJ Services and cement production casing as follows:

Flush	20 bbls gelled water
Spacer	5 bbls fresh water with red dye
Cement	315 sx (677 cf) Premium Lite High Strength w/ ¼ #/sx cello flake, 3 #/sx CSE, 1% KCl, .3% CD-32, 5%, LCM-1, and .7% FL-52

Good returns throughout job with 35 bbls good cement circulated to pit. Bump plug to 1495 psi at 3:15 pm, 1/31/06. Release drilling rig and wait on completion.