Form 3160-4
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FOR APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
SF 078478

1a. Type of Well ☐ Oil Well ☑ Gas Well ☐ Dry Other
b. Type of Completion: ☑ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

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

8. Lease Name and Well No.
Marron #12

3. Address
PO Box 168, Farmington, NM 87499

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

9. API Well No.
30-045-33138

4. Location of Well *(Report location clearly and in accordance with Federal requirements)**
At Surface **1325' FSL & 1420' FEL**
At top prod. interval reported below
At total depth
Same

10. Field and Pool, or Exploratory
Basin Fruitland Coal

11. Sec., T., R., M., on Block and Survey or Area
Sec 23, T27N, R8W

12. County or Parish
San Juan

13. State
NM

MAR 2006

14. Date Spudded	15. Date T.D. Reached	16. Date Completed	17. Elevations (DF, RKB, RT, GL)*
1/23/2006	1/28/2006	☐ D&A ☑ Ready to Prod. 2/21/2006	5949 GL

18. Total Depth: MD ✓ 2270 TVD	19. Plug Back T.D.: MD 2223 TVD	20. Depth Bridge Plug Set: MD None TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Cased Hole Neutron - Gas Spectrum Log ✓

22. Was well cored? ☑ No ☐ Yes (Submit analysis)
Was DST run? ☑ No ☐ Yes (Submit report)
Directional Survey? ☑ No ☐ Yes (Submit copy)

23. Casing and Liner Record *(Report all strings set in well)*

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
8 3/4	7" / J55	20	Surface	138 ✓	None	125 sx-Class B 3% CaCl	26.3	surface	None
6 1/4	4 1/2" / J55	10.5	Surface	2264 ✓	None	300 sx-Premium Lite High Strength Class B	114.9	surface	None

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8"	2124	None						

25. Producing Intervals / 26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Fruitland Coal	1980	2124	✓ 1980 - 1991	.41"	33	
B)			1998 - 2016	.41"	54	
C)			2106 - 2124 ✓	.41"	54	
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
1980 - 2016	1500 Gal 15% HCl Acid, 59,000 Gal Silver Stim LT X-Link Gelled Water, 132,000 lbs. 20/40 Mesh Sand
2106 - 2124	1000 Gal 15% HCl Acid, 49,000 Gal Silver Stim LT X-Link Gelled Water, 91,500 lbs. 20/40 Mesh Sand

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
2/21/2006	2/21/2006	3			No Flow				Flow
Choke Size	**Tbg. Press. Flwg.**	**Csg. Press.**	**24 Hr. Rate →**	**Oil BBL**	**Gas MCF**	**Water BBL**	**Gas : Oil Ratio**	**Well Status**	
3/4"	SI 0	230			No Flow			Shutin	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	**Tbg. Press. Flwg.**	**Csg. Press.**	**24 Hr. Rate →**	**Oil BBL**	**Gas MCF**	**Water BBL**	**Gas : Oil Ratio**	**Well Status**	

(See instructions and spaces for additional data on reverse side)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*

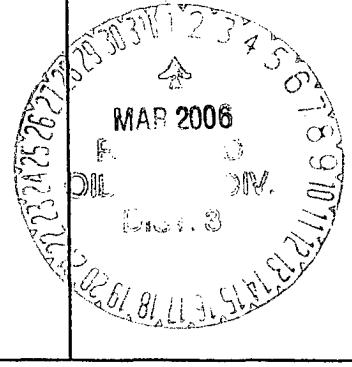
Shutin, waiting on pipeline connection

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				Ojo Alamo	**1292**
				Kirtland	**1436**
Fruitland	**1810**	**2133**	**Coal, sandstone, natural gas**	**Fruitland**	**1810**
Pictured Cliffs	**2133**	**2320**	**Sandstone, natural gas**	**Pictured Cliffs**	**2133**



32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.)
2. Geologic Report
3. DST Report
4. Directional Survey
5. Sundry Notices for plugging and cement verification
6. Core Analysis
7. Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name *(please print)* **Kevin H. McCord** Title **Petroleum Engineer**

Signature Date **2/23/06**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 matter within its jurisdiction.

ROBERT L. BAYLESS, PRODUCER LLC

MARRON #12

1325 FSL & 1420 FEL (SWSE)
SECTION 23, T27N, R8W
SAN JUAN COUNTY, NEW MEXICO

COMPLETION REPORT

2/9/06 Rigged up Blue Jet Wireline Service. Run GR-CLL-CNL (no open hole log) from PBTD of 2223 ft to 1200 ft. Picked perforation intervals. Shut down, wait for further activity.

2/13/06 Installed frac valve on casing. Pressure tested frac valve and casing to 3500 psi, held OK. Shut down, wait on frac crew.

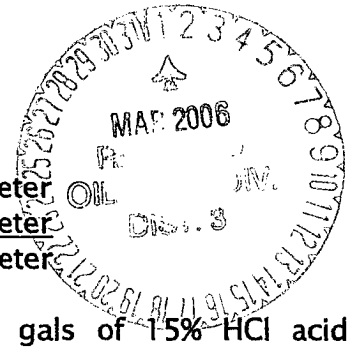
2/16/06 Rigged up Blue Jet Wireline Service. Perforated the basal Fruitland Coal interval with 3 1/8" casing gun at 3 JSPF as follows:

2106 - 2124	18 ft	54 holes	.41" diameter

Rigged up Halliburton. Broke down perforations at 1600 psi. Acidized Basal Fruitland Coal interval with 1000 gallons of 15% HCL acid containing 81 RCN ball sealers @ 9.0 bpm @ 1100 psi. Had very good ball action before balling off to 3500 psi. Shut down and allowed balls to fall. Pumped remaining acid into perforations at 4.0 bpm @ 1450 psi, ISIP of 1050 psi (0.93 FG). Ran junk basket on wireline and recovered all 81 ball sealers. Fracture stimulated the Basal Fruitland Coal interval with 49,000 gallons of 15 vis Silver Stim LT with Sandwedge X-linked gel system containing 91,500 lbs of 20/40 sand as follows:

6,000 gals of 15 vis Silver Stim LT pad	30 bpm @ 1700 psi
6,000 gals of 15 vis Silver Stim LT w/¼ ppg sand	30 bpm @ 1550 psi
6,000 gals of 15 vis Silver Stim LT w/½ ppg sand	30 bpm @ 1400 psi
7,000 gals of 15 vis Silver Stim LT w/1 ppg sand	30 bpm @ 1350 psi
7,000 gals of 15 vis Silver Stim LT w/2 ppg sand	30 bpm @ 1300 psi
7,000 gals of 15 vis Silver Stim LT w/3 ppg sand	30 bpm @ 1250 psi
5,000 gals of 15 vis Silver Stim LT w/4 ppg sand	30 bpm @ 1200 psi
5,000 gals of 15 vis Silver Stim LT w/5 ppg sand	30 bpm @ 1150 psi
1,400 gals of 15 vis Silver Stim LT flush	30 bpm @ 1200 psi

Initial shut in pressure was 950 psi, decreasing to 800 psi after 15 minutes. Average rate 30 bpm, average pressure 1400 psi. Maximum pressure 1700 psi, minimum pressure 1100 psi. Ran Weatherford frac plug in hole on wireline and set at 2090 ft. Pressure tested plug to 3500 psi, held OK. Perforated the Upper Fruitland Coal interval with 3 1/8" casing gun at 3 JSPF as follows:



1980 - 1991	11 ft	33 holes	.41" diameter
1998 - 2016	18 ft	54 holes	.41" diameter
Total	29 ft	87 holes	.41" diameter

Broke down perforations at 2150 psi. Pumped 1500 gals of 15% HCl acid containing 131 RCN ball sealers @ 9.0 bpm @ 1200 psi. Had some ball action before balling off to 3500 psi. Surged balls off perforations. Pumped remaining acid into perforations at 8.0 bpm @ 1100 psi, ISIP of 900 psi (0.88 FG). Ran junk basket on wireline through perforations to knock ball sealers to bottom. Fracture stimulated the Upper Fruitland Coal with 59,000 gallons of 15 vis (pad) and 12 vis (sand laden fluid) Silver Stim LT with Sandwedge X-linked gel system containing 132,000 lbs of 20/40 sand as follows:

15,000 gals of 15 vis Silver Stim LT pad	30 bpm @ 1450 psi
7,000 gals of 12 vis Silver Stim LT w/1 ppg sand	30 bpm @ 1400 psi
10,000 gals of 12 vis Silver Stim LT w/2 ppg sand	30 bpm @ 1350 psi
10,000 gals of 12 vis Silver Stim LT w/3 ppg sand	30 bpm @ 1300 psi
10,000 gals of 12 vis Silver Stim LT w/4 ppg sand	30 bpm @ 1250 psi
7,000 gals of 12 vis Silver Stim LT w/5 ppg sand	30 bpm @ 1250 psi
1,300 gals of 12 vis Silver Stim LT flush	30 bpm @ 1300 psi

Initial shut in pressure was 1200 psi, decreasing to 950 psi after 15 minutes. Average rate 30 bpm, average pressure 1350 psi. maximum pressure 1450 psi, minimum pressure 1250 psi. Approximate total load fluid to recover for the day is 2,945 bbls. Shut well in. Shut down for the night.

2/17/06 Move in and rig up JC Well Service completion rig. Nipple down frac head. Nipple up wellhead and BOP. Pick up 3 7/8" mill and 2 3/8" tubing. Tagged fill at 1988 ft (21 feet of perforations covered, 8 feet of perfs not covered). Rigged up air package. Circulated 10 ft of sand fill from hole to 1998 ft. Pull 5 jts of tubing. Shut down for the night.

2/18/06 Overnight pressures: tubing 0 psi (string float in tubing), annulus 40 psi. Rigged up air package. Circulated 92 ft of sand fill from hole to frac plug 2090 ft. Milled frac plug and chased frac plug remnants below Basal Fruitland Coal perforations to 2150 ft. Pulled tubing above perforations. Shut down for the weekend.

2/19/06 Shut down - Sunday

2/20/06 Shut in pressures: tubing 0 psi (string float in tubing), annulus 210 psi. Trip in hole and retag fill at 2145 ft. Rigged up air package. Circulated 78 ft of sand fill from hole to PBTD of 2224 ft. Circulated on bottom with air to clean up well. Trip out of hole with tubing and mill. Trip in hole with production tubing and landed as follows:

Description	Length	Depth
GL to landing point	4.00	0 - 4
3 2 3/8" tubing subs	14.20	4 - 18
65 jts of 2 3/8" 4.7#/ft J55 EUE yellowband tubing	2088.60	18 - 2107
1 seating nipple	1.10	2107 - 2108
1 tail joint of 2 3/8" tubing	16.34	2108 - 2124
	2124.24	

Nipple down BOP, nipple up wellhead. Shut well in, shut down for the night.

2/21/06 Shut in pressures: tubing 240 psi, annulus 230 psi. Blow down tubing pressure. Unloaded well with annulus pressure and air. Shut well in. Rigged down completion rig and released rig. Wait on well hookup. Report Complete.