State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division

New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-3 APD form.

Operator Signature Date: 10/25/17
Well information;
Operator Robert L. Bayless Well Name and Number La Jara 26-34 #1H

API# 30-039-31365, Section 26, Township 29 (N)/S, Range 4 E/(W)

Conditions of Approval: (See the below checked and handwritten conditions)

- ✓ Notify Aztec OCD 24hrs prior to casing & cement.
- ✓ Hold C-104 for directional survey & "As Drilled" Plat
- o Hold C-104 for NSL, NSP, DHC
- o Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- o Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
  - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
  - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
  - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- ✓ Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- o Submit Gas Capture Plan form prior to spudding or initiating recompletion operations
- ✓ Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- ✓ Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
- ✓ Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

Charlie Perrin
NMOCD Approved by Signature

4-4-2018
Date

1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3441 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

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OIL CONS. DIV DIST. 3

DEC 07 2017

Form 3160-3
(March 2012)

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: NMNM18322

6. If Indian, Allotee or Tribe Name:

1a. Type of work: ☑ DRILL ☐ REENTER

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

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.: LA JARA 26-3H 1H

2. Name of Operator: ROBERT L BAYLESS PRODUCER LLC

9. API Well No.: 30-039-31365

3a. Address	3b. Phone No. *(include area code)*	10. Field and Pool, or Exploratory
PO Box 168 Farmington NM 87499	(505)326-2659	BASIN MANCOS GAS POOL / BASIN M

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

At surface: LOT B / 946 FNL / 2236 FEL / LAT 36.700843 / LONG -107.222326

At proposed prod. zone: LOT N / 715 FSL / 1950 FWL / LAT 36.705555 / LONG -107.260756

11. Sec., T. R. M. or Blk. and Survey or Area: SEC 26 / T29N / R4W / NMP

14. Distance in miles and direction from nearest town or post office*	12. County or Parish	13. State
25 miles	RIO ARRIBA	NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
946 feet	640	1280

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
15 feet	7900 feet / 19156 feet	FED: NM0883

21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
7412 feet	03/05/2018	120 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature	Name *(Printed/Typed)*	Date
(Electronic Submission)	Kim Rodell / Ph: (303)942-0506	10/25/2017

Title: President

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
	William Tambekou	12/7/2017

Title	Office
Acting A.F.M	FARMINGTON

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, are attached.

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.

(Continued on page 2)

*(Instructions on page 2)

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

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

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

NMOCD

NMOCD

MAR 16 2018

DISTRICT III

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
611 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-039-31365	97232	Basin Mancos

[4] Property Code	[5] Property Name	[6] Well Number
321156	LA JARA 26-3	#1H

[7] OGRID No.	[8] Operator Name	[9] Elevation
150182	ROBERT L. BAYLESS, PRODUCER LLC	7412

[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
B	26	29-N	4-W		946	NORTH	2236	EAST	RIO ARRIBA

[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
N	21	29-N	4-W		715	SOUTH	1950	WEST	RIO ARRIBA

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
S2 of Sect. 21-23 960 acres			

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

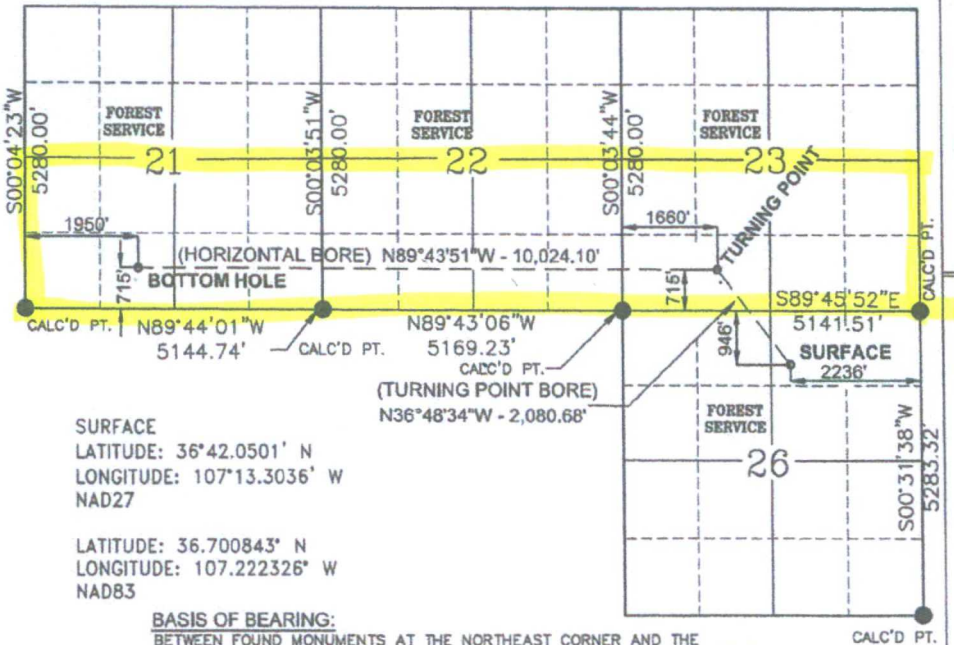
[16]

BOTTOM HOLE
LATITUDE: 36°42.3328' N
LONGITUDE: 107°15.6094' W
NAD27

LATITUDE: 36.705555° N
LONGITUDE: 107.260756° W
NAD83

TURNING POINT
LATITUDE: 36°42.3246' N
LONGITUDE: 107°13.5585' W
NAD27

LATITUDE: 36.705419° N
LONGITUDE: 107.226574° W
NAD83



SURFACE
LATITUDE: 36°42.0501' N
LONGITUDE: 107°13.3036' W
NAD27

LATITUDE: 36.700843° N
LONGITUDE: 107.222326° W
NAD83

BASIS OF BEARING:
BETWEEN FOUND MONUMENTS AT THE NORTHEAST CORNER AND THE SOUTHEAST CORNER OF SECTION 25, TOWNSHIP 29 NORTH, RANGE 4 WEST, N.M.P.M. RIO ARRIBA COUNTY, NEW MEXICO.

LINE BEARS: N 00°00'08" E A DISTANCE OF 5253.37 FEET AS MEASURED BY G.P.S. LOCAL GRID NAD83.

[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Kevin H. McCord 10/24/2017
Signature Date

Kevin H. McCord
Printed Name

kmccord@rlbayless.com
E-mail Address

[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.

OCTOBER 20, 2017
Date of Survey

Signature and Seal of Professional Surveyor

GLEN W. RUSSELL NEW MEXICO 15703 LICENSED PROFESSIONAL SURVEYOR

GLEN W. RUSSELL
Certificate Number 15703

Robert L. Bayless, Producer LLC

DRILLING PROGRAM

(Attachment to Form 3160-3)

La Jar 26-3H #1H
SHL: 946' FNL & 2236' FEL (NWNE) Section 26, T29N R4W
BHL: 715' FSL & 1950' FWL (SESW) Section 21, T29N R4W
Rio Arriba County, New Mexico
Surface Ownership: US Forest Service
Mineral Ownership: BLM
Federal Lease: NMNM18325
Federal Lease: NMNM18322
Federal Lease: NMNM18321
Federal Lease: NMNM130332

MEASURED DEPTH:

I. **GEOLOGY:** Surface formation – San Jose

a. **FORMATION TOPS:** (KB)

Name	MD	TVD
San Jose	Surface	22
Nacimiento	3100	3011
Ojo Alamo	3750	3662
Kirtland	4500	3824
Fruitland	4100	3990
Pictured Cliffs	4225	4116
Lewis	4575	4427
Cliff House	6395	6174
Menefee	6483	6262
Point Lookout	6615	6387
Mancos	7050	6815
Kickoff Point	7600	
Top Target	8175	7826
Landing Point	8463	7900
Base Target		8000
TD	19156	7900

b. **MUD LOGGING PROGRAM:** Mudlogger on location from surface

casing to TD,

c. **LOGGING PROGRAM:** LWD GR from surface casing to TD.
d. **NATURAL GUAGES:** Gauge any noticeable increases in gas flow. Record all gauges in Tour book and on morning reports.

II. DRILLING:

a. **MUD PROGRAM:** LSND mud (WBM) will be used to drill the 12-1/4" Surface hole and the 8 ¾" Directional vertical hole of the wellbore. A LSND (WBM) or (OBM) will be used in the curve portion to drill and the lateral portion of the well. Treat for lost circulation as necessary. Obtain 100% returns prior to cementing. Notify Engineering of any mud losses.

b. **BOP TESTING:** While drill pipe is in use, the pipe rams and the blind rams will be function tested once each trip. The anticipated reservoir is expected to be less than 5,000 psi, so the BOPE will be tested to 250 psi (Low) for 5 minutes and 5,000 psi (high) for 10 minutes. Pressure test surface casing to 1,500 psi for 30 minutes and intermediate casing 1,500 psi for 30 minutes. Utilize a BOPE Testing Unit with a recording chart and appropriate test plug for testing. All tests and inspections will be recorded in the tour book as to time and results.

III. MATERIALS:

a. CASING PROGRAM:

CASING TYPE	OH SIZE (IN)	DEPTH (MD) (FT)	CASING SIZE (IN)	WEIGHT (LB)	GRADE
Surface	12.25"	320'+	9.625"	36#	J-55
Intermediate	8.75"	8,463	7"	26#	N-80
Long String	6.125"	19,156	4-1/2"	11.6#	P-110

b. FLOAT EQUIPMENT:

i. SURFACE CASING: 9-5/8" notched regular pattern guide shoe. Run (1) standard centralizer on each of the bottom (4) joints of surface Casing.

ii. INTERMEDIATE CASING: 7" cement nose guide shoe with a self-fill insert float. Place float collar one joint above the shoe. Install (1) centralizer on each of the bottom (3) joints and one standard centralizer every (3) joints to 2,500 ft. Run (1) centralizer at 2,700 ft., 2,500 ft, 2,300 ft, 2,000 ft, 1,500 ft, and

1,000 ft. set DV tool @ approximately 5,600 ft. in the Lewis Formation.

iii. PRODUCTION CASING: Run 4-1/2" csg with cement nose guide Float Shoe + 2jts. Of 4-1/2" casing + Landing Collar + 4-1/2" pup joint + 1 RSI (Sliding Sleeve). Centralizer program will be determined by Wellbore condition and when Lateral is evaluated.

iv. TIE-BACK CASING: 4-1/2" Tie back to surface

c. CEMENTING:

(Note: Volumes may be adjusted onsite due to actual conditions)

i. SURFACE: 5 bbl Fresh water Spacer, 100 sx (160 cu. Ft.) of 14.5 ppg Type I-II (Neat G) + 20% Fly Ash cement w/7/41 gal sack mix water ratio @ 1.61 cu ft/sx yield. Calculated @ volume + 50% excess. WOC 12 hours. Test csg to 600 psi. Total Volume: (160 cu-ft/100 sx/ Bbls). TOC at Surface.

ii. INTERMEDIATE:

Stage 1: Spacer #1:20 bbl (112 cu-ft) Water Spacer. Lead Cement: 54 bbl, 154 sks (303 cu. Ft.) of 12.3 ppg 1.97 ft3/sk 10.35 gal/sk. Tail Cement: 17 bbl, 98 sks (127 cu. ft) 13.5 ppg 1.3 ft3/sk, 5.81 gal/sk. Displacement 256 bbl mud.

Stage 2: Spacer #1:20 bbl (112 cu-ft) Water Spacer. Lead Cement: 141 bbl, 407 sks (793 cu. Ft.) of 12.3 ppg 1.95 ft3/sk. 10.35 gal/sk. Tail Cement: 10 bbl, 50 sks (58 cu. ft) 15.8 ppg 1.15 ft3/sk, 176 gal/sk. Displacement 256 bbl mud.

iii. PRODUCTION CASING:

Spacer #1: 10 bbl (56 cu-ft) Water Spacer. Spacer #2: 40 bbl 9.5 ppg (224.6 cu-ft) Tuned Spacer III. Spacer #3: 10 bbl Water Spacer. Lead Cement: Extemce, System. Yield 1.29 cu ft/sk, 13.5 ppg, (775 sx / 1000 cu ft. / 179 bbls). Tail Spacker 20 bbl of MMCR. . Displacew/ +/- 170 bbl fresh water. Total Cement (1000 cu ft/ 179 bbls)

IV. COMPLETION:

a. CBL

i. Run CCL for perforating

b. PRESSURE TEST

i. Pressure test 4-1/2" Casing to 4,500 psi max, hold at 1,500 psi for 30 minutes. Increase pressure to Open RSI sleeves.

c. STIMULATION

i. Stimulate with approximately 87,500# 100 mesh sand and 4,620,000# 40/70 mesh san in 6,188,000 gallons of water

ii. Isolate stages with flow through frac plugs.

iii. Drill out frac plugs and flowback lateral.

d. RUNNING TUBING

i. Run 2-3/8", 4.7#, J-55, EUE Tubing with a SN on Top of bottom Joint. Land tubing in Curve.

Robert L. Bayless, Producer LLC
La Jara 26-3H 1
SHL: 946' FNL 2,236' FEL (NW/4 NE/4)
Sec. 26 T29N R4W
BHL: 715' FSL 1,950' FWL
Sec. 21 T29N R4W
Rio Arriba County, New Mexico
Surface: USFS
SH mineral Lease: NMNM18325
Through Mineral Lease: NMNM18322
Through Mineral Lease: NMNM18321
BH Mineral Lease: NMNM130332

SURFACE CASING AND CENTRALIZER DESIGN

Proposed Total Depth:	7,900 '	TVD	19,156 ' - MD
Proposed Depth of Surface Casing:	320 '	TVD	320 ' - MD
Estimated Pressure Gradient:	0.47 psi/ft		
Bottom Hole Pressure at	7,900 '		
0.47 psi/ft x 7,900 ' =	3,713 psi		
Hydrostatic Head of gas/oil mud:	0.22 psi/ft		
0.22 psi/ft x 7,900 ' =	1,738 psi		

Maximum Design Surface Pressure

Bottom Hole Pressure	–	Hydrostatic Head	=
(0.47 psi/ft x 7,900 ')	–	(0.22 psi/ft x 7,900 ')	=
3,713 psi	–	1,738 psi	= 1,975 psi

Casing Strengths — 9-5/8" J-55 36# LT&C

Wt.	Tension (lbs)	Burst (psi)	Collapse (psi)
36 #	453,000	3,520	2,020

Safety Factors

Tension (Dry): 1.8 Burst: 1.0 Collapse: 1.125

Tension (Dry): 36 # / ft x 320 ' = 11,520 #

Safety Factor = $\frac{453{,}000}{11{,}520}$ = 39.32 ok

Burst: Safety Factor = $\frac{3{,}520 \text{ psi}}{1{,}975 \text{ psi}}$ = 1.78 ok

Collapse: Hydrostatic = 0.052 x 9.0 ppg x 320 ' = 150 psi

Safety Factor = $\frac{2{,}020 \text{ psi}}{150 \text{ psi}}$ = 13.49 ok

Use 320 ' 9-5/8" J-55 36# LT&C

Use 2,000 psi minimum casinghead and BOP's

Centralizers: 8 Total
1 near surface at 160'
3 -1 each at middle of bottom joint, second joint, third joint
4 -1 each at every other joint ±80 ' spacing

Total centralized ± 600 ' (-280 ' – 320 ')

Note that field experience indicates that additional centralizers greatly increase the chance of "sticking" the surface casing prior to reaching surface casing total depth.

Robert L. Bayless, Producer LLC
La Jara 26-3H 1
SHL: 946' FNL 2,236' FEL (NW/4 NE/4)
Sec. 26 T29N R4W
BHL: 715' FSL 1,950' FWL
Sec. 21 T29N R4W
Rio Arriba County, New Mexico
Surface: USFS
SH mineral Lease: NMNM18325
Through Mineral Lease: NMNM18322
Through Mineral Lease: NMNM18321
BH Mineral Lease: NMNM130332

INTERMEDIATE CASING AND CENTRALIZER DESIGN

Proposed Total Depth:				7,900 '	TVD	19,156 ' - MD
Proposed Depth of Intermediate Casing:				7,900 '	TVD	8,463 ' - MD
Estimated Pressure Gradient:				0.47 psi/ft		
Bottom Hole Pressure at				7,900 '		
0.47 psi/ft	x	7,900 '	=	3,713 psi		
Hydrostatic Head of gas/oil mud:				0.22 psi/ft		
0.22 psi/ft	x	7,900 '	=	1,738 psi		

Maximum Design Surface Pressure

Bottom Hole Pressure	–	Hydrostatic Head	=	
(0.47 psi/ft x 7,900 ')	–	(0.22 psi/ft x 7,900 ')	=	
3,713 psi	–	1,738 psi	=	1,975 psi

Casing Strengths — 7" N-80 23# LT&C

Wt.	Tension (lbs)	Burst (psi)	Collapse (psi)
26 #	604,000	7,240	5,410

Safety Factors

Tension (Dry):	1.8	Burst:	1.0	Collapse:	1.125

Tension (Dry):	26 # / ft x	7,900 '	=	205,400 #	
	Safety Factor =	604,000	=	2.94	ok
		205,400			
Burst:	Safety Factor =	7,240 psi	=	3.67	ok
		1,975 psi			
Collapse:	Hydrostatic =	0.052 x 11 ppg x	7,900 ' =	4,519 psi	
	Safety Factor =	5,410 psi	=	1.20	ok
		4,519 psi			

Use 7,900 ' 7" N-80 23# LT&C

Centralizers: TBA Total

4 -in middle of bottom four joints above casing shoe.

TBA Placement of centralizers above bottom four joints will be determined after the open hole caliper log has been evaluated.

1 Centralizer will be placed on intermediate casing above 9-5/8" shoe.

Robert L. Bayless, Producer LLC
La Jara 26-3H 1
SHL: 946' FNL 2,236' FEL (NW/4 NE/4)
Sec. 26 T29N R4W
BHL: 715' FSL 1,950' FWL
Sec. 21 T29N R4W
Rio Arriba County, New Mexico
Surface: USFS
SH mineral Lease: NMNM18325
Through Mineral Lease: NMNM18322
Through Mineral Lease: NMNM18321
BH Mineral Lease: NMNM130332

PRODUCTION LINER AND CENTRALIZER DESIGN

Proposed Total Depth:	7,900 '	TVD	19,156 ' - MD	
Proposed Top of Production Liner	7,900 '	TVD	7,900 ' - MD	
Proposed Bottom of Production Liner:	19,156 '	MD		
Estimated Pressure Gradient:	0.47	psi/ft		
Bottom Hole Pressure at	7,900 '			
0.47 psi/ft x 7,900 ' =	3,713	psi		
Hydrostatic Head of gas/oil mud:	0.22	psi/ft		
0.22 psi/ft x 7,900 ' =	1,738	psi		

Maximum Design Surface Pressure

Bottom Hole Pressure	–	Hydrostatic Head	=	
(0.47 psi/ft x 7,900 ')	–	(0.22 psi/ft x 7,900 ')	=	
3,713 psi	–	1,738 psi	=	1,975 psi

Casing Strengths — 4-1/2" P-110 11.6# LT&C

Wt.	Tension (lbs)	Burst (psi)	Collapse (psi)
11.6 #	279,000	10,690	7,580

Safety Factors

Tension (Dry): 1.8 Burst: 1.0 Collapse: 1.125

Tension (Dry): 11.6 # / ft x 11,256 ' = 130,570 #
Safety Factor = 279,000 / 130,570 = 2.14 ok

Burst: Safety Factor = 10,690 psi / 1,975 psi = 5.41 ok

Collapse: Hydrostatic = 0.052 x 11.0 ppg x 7,900 ' = 4,519 psi
Safety Factor = 7,580 psi / 4,519 psi = 1.68 ok

Use 11,256 ' 4-1/2" P-110 11.6# LT&C

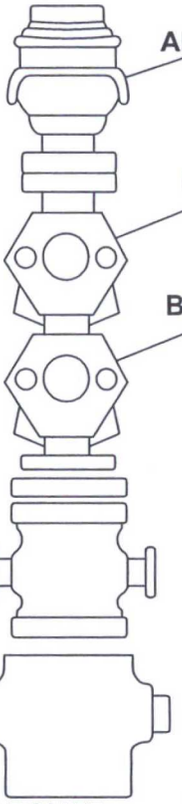
Centralizers Centralizer placement will determined after open hole caliper log is evaluated.

MINIMUM
BOP Requirements

5000 PSI

FILL LINE ABOVE THE UPPERMOST PREVENTER

RAMS MAY BE REVERSED WITH BLIND RAM ABOVE PIPE RAM



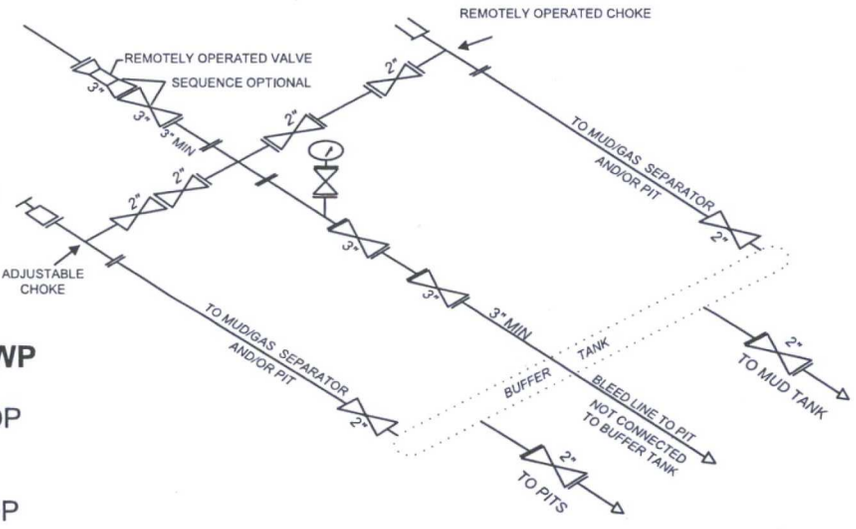
10" 5000 psi W. P.

10" 5000 psi W. P.

10" 5000 psi W. P.

CSG HEAD AND VALVES
5000 PSI W.P.

CASINGHEAD – 5000 PSI WP



5M CHOKE MANIFOLD EQUIPMENT – CONFIGURATION MAY VARY

KILL LINE **5,000 PSI - WP**

Valve # 1 – Flanged check valve
Full working pressure of BOP

Valve # 2 & 3 – Flanged, minimum 2" bore
Full working pressure of BOP

GENERAL RULES AND RECOMMENDATIONS

All lines to manifold are to be at right angles (90 deg.). No 45 deg. Angles are to be used.
Blind flanges are to be used for blanking.
All studs and nuts are to be installed on all flanges.

Well Name:La Jara 26-3H #1
Surface Location: Sec 26 T29N, R4W
North American Datum 1983 , US State Plane 1983 , New Mexico Central Zone
Ground Elevation: 7412.0

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.0	0.0	2075832.81	1355381.93	36° 42' 3.035 N	107° 13' 20.374 W	

Capstar 316 La Jara 26-3H #1 @ 7424.0usft (Capstar 316)

Azimuths to True North
Magnetic North: 8.99°

Magnetic Field
Strength: 50036.7snT
Dip Angle: 63.40°
Date: 10/24/2017
Model: IGRF2015

Sec 26 T29N, R4W
La Jara 26-3H #1
Design #1
9:10, October 24 2017

WELLBORE TARGET DETAILS (MAP CO-ORDINATES AND LAT/LONG)

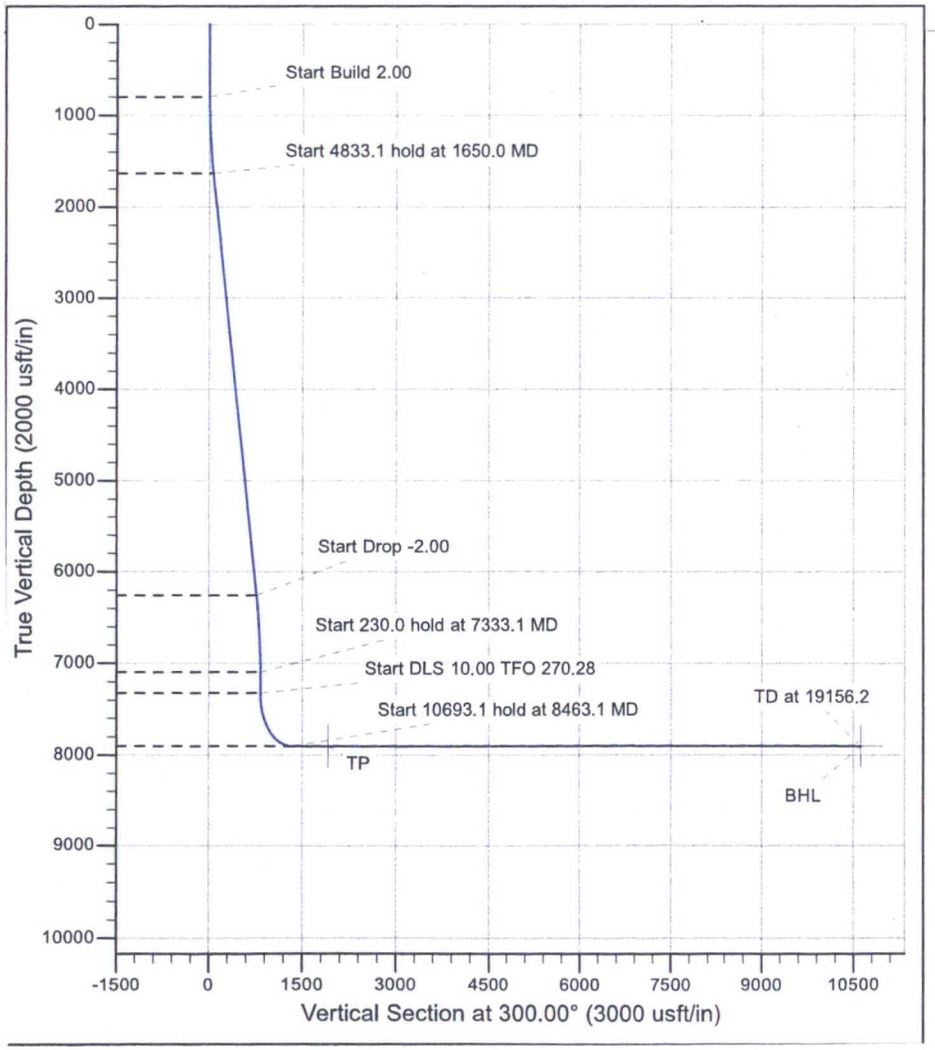
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
BHL	7900.0	1717.8	-11266.0	2077684.80	1344134.04	36° 42' 19.998 N	107° 15' 38.722 W	Point
TP	7900.0	1666.1	-1245.3	2077511.41	1354153.58	36° 42' 19.508 N	107° 13' 35.666 W	Point

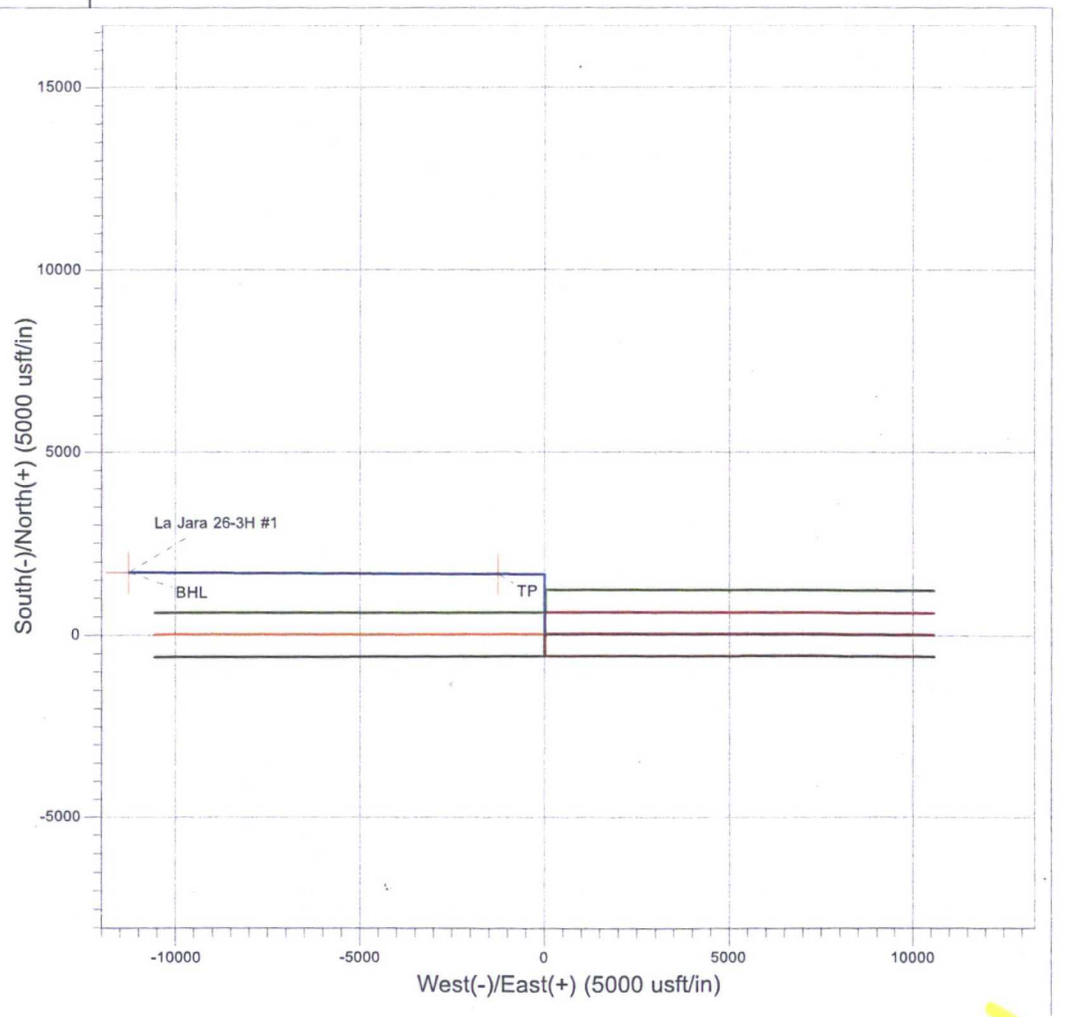
SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	800.0	0.00	0.00	800.0	0.0	0.0	0.00	0.00	0.0	
3	1650.0	17.00	0.00	1637.6	125.2	0.0	2.00	0.00	62.6	
4	6483.1	17.00	0.00	6259.5	1538.2	0.0	0.00	0.00	769.1	
5	7333.1	0.00	0.00	7097.1	1663.4	0.0	2.00	180.00	831.7	
6	7563.1	0.00	0.00	7327.1	1663.4	0.0	0.00	0.00	831.7	
7	8463.1	90.00	270.28	7900.0	1666.2	-573.0	10.00	270.28	1329.3	
8	19156.2	90.00	270.28	7900.0	1717.8	-11266.0	0.00	0.00	10615.5	BHL

ANNOTATIONS

TVD	MD	Annotation
800.0	800.0	Start Build 2.00
1637.6	1650.0	Start 4833.1 hold at 1650.0 MD
6259.5	6483.1	Start Drop -2.00
7097.1	7333.1	Start 230.0 hold at 7333.1 MD
7327.1	7563.1	Start DLS 10.00 TFO 270.28
7900.0	8463.1	Start 10693.1 hold at 8463.1 MD
7900.0	19156.2	TD at 19156.2





Bayless Operating

Rio Arriba County, NM
Sec 26 T29N, R4W
La Jara 26-3H #1H

Wellbore #1

Plan: Design #1

Standard Planning Report

24 October, 2017

PAYZONE
DIRECTIONAL

Database:	EDM 5000.1 Single User Db	**Local Co-ordinate Reference:**	Well La Jara 26-3H #1
Company:	Bayless Operating	**TVD Reference:**	La Jara 26-3H #1 @ 7424.0usft (Capstar 316)
Project:	Rio Arriba County, NM	**MD Reference:**	La Jara 26-3H #1 @ 7424.0usft (Capstar 316)
Site:	Sec 26 T29N, R4W	**North Reference:**	True
Well:	La Jara 26-3H #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Project	Rio Arriba County, NM		
Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Central Zone		Using geodetic scale factor

Site	Sec 26 T29N, R4W				
Site Position:		**Northing:**	2,075,832.81 usft	**Latitude:**	36° 42' 3.035 N
From:	Lat/Long	**Easting:**	1,355,381.93 usft	**Longitude:**	107° 13' 20.374 W
Position Uncertainty:	0.0 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	-0.58 °

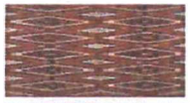
Well	La Jara 26-3H #1					
Well Position	**+N/-S**	0.0 usft	**Northing:**	2,075,832.81 usft	**Latitude:**	36° 42' 3.035 N
	+E/-W	0.0 usft	**Easting:**	1,355,381.93 usft	**Longitude:**	107° 13' 20.374 W
Position Uncertainty		0.0 usft	**Wellhead Elevation:**	7,424.0 usft	**Ground Level:**	7,412.0 usft

Wellbore	Wellbore #1			
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF2015	10/24/2017	8.99	63.40	50,037

Design	Design #1				
Audit Notes:					
Version:		**Phase:**	PLAN	**Tie On Depth:**	0.0
Vertical Section:	**Depth From (TVD) (usft)**	**+N/-S (usft)**	**+E/-W (usft)**	**Direction (°)**	
	0.0	0.0	0.0	278.67	

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
800.0	0.00	0.00	800.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,650.0	17.00	0.00	1,637.6	125.2	0.0	2.00	2.00	0.00	0.00	
6,483.1	17.00	0.00	6,259.5	1,538.2	0.0	0.00	0.00	0.00	0.00	
7,333.1	0.00	0.00	7,097.1	1,663.4	0.0	2.00	-2.00	0.00	180.00	
7,563.1	0.00	0.00	7,327.1	1,663.4	0.0	0.00	0.00	0.00	0.00	
8,463.1	90.00	270.28	7,900.0	1,666.2	-573.0	10.00	10.00	-9.97	270.28	
19,156.2	90.00	270.28	7,900.0	1,717.8	-11,266.0	0.00	0.00	0.00	0.00	BHL



Payzone Directional

Planning Report

Database:	EDM 5000.1 Single User Db	**Local Co-ordinate Reference:**	Well La Jara 26-3H #1
Company:	Bayless Operating	**TVD Reference:**	La Jara 26-3H #1 @ 7424.0usft (Capstar 316)
Project:	Rio Arriba County, NM	**MD Reference:**	La Jara 26-3H #1 @ 7424.0usft (Capstar 316)
Site:	Sec 26 T29N, R4W	**North Reference:**	True
Well:	La Jara 26-3H #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

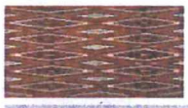
Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	2.00	0.00	900.0	1.7	0.0	0.3	2.00	2.00	0.00
1,000.0	4.00	0.00	999.8	7.0	0.0	1.1	2.00	2.00	0.00
1,100.0	6.00	0.00	1,099.5	15.7	0.0	2.4	2.00	2.00	0.00
1,200.0	8.00	0.00	1,198.7	27.9	0.0	4.2	2.00	2.00	0.00
1,300.0	10.00	0.00	1,297.5	43.5	0.0	6.6	2.00	2.00	0.00
1,400.0	12.00	0.00	1,395.6	62.6	0.0	9.4	2.00	2.00	0.00
1,500.0	14.00	0.00	1,493.1	85.1	0.0	12.8	2.00	2.00	0.00
1,600.0	16.00	0.00	1,589.6	111.0	0.0	16.7	2.00	2.00	0.00
1,650.0	17.00	0.00	1,637.6	125.2	0.0	18.9	2.00	2.00	0.00
1,700.0	17.00	0.00	1,685.4	139.8	0.0	21.1	0.00	0.00	0.00
1,800.0	17.00	0.00	1,781.0	169.0	0.0	25.5	0.00	0.00	0.00
1,900.0	17.00	0.00	1,876.7	198.3	0.0	29.9	0.00	0.00	0.00
2,000.0	17.00	0.00	1,972.3	227.5	0.0	34.3	0.00	0.00	0.00
2,100.0	17.00	0.00	2,067.9	256.7	0.0	38.7	0.00	0.00	0.00
2,200.0	17.00	0.00	2,163.6	286.0	0.0	43.1	0.00	0.00	0.00
2,300.0	17.00	0.00	2,259.2	315.2	0.0	47.5	0.00	0.00	0.00
2,400.0	17.00	0.00	2,354.8	344.5	0.0	51.9	0.00	0.00	0.00
2,500.0	17.00	0.00	2,450.4	373.7	0.0	56.3	0.00	0.00	0.00
2,600.0	17.00	0.00	2,546.1	402.9	0.0	60.7	0.00	0.00	0.00
2,700.0	17.00	0.00	2,641.7	432.2	0.0	65.1	0.00	0.00	0.00
2,800.0	17.00	0.00	2,737.3	461.4	0.0	69.6	0.00	0.00	0.00
2,900.0	17.00	0.00	2,833.0	490.6	0.0	74.0	0.00	0.00	0.00
3,000.0	17.00	0.00	2,928.6	519.9	0.0	78.4	0.00	0.00	0.00
3,100.0	17.00	0.00	3,024.2	549.1	0.0	82.8	0.00	0.00	0.00
3,200.0	17.00	0.00	3,119.9	578.4	0.0	87.2	0.00	0.00	0.00
3,300.0	17.00	0.00	3,215.5	607.6	0.0	91.6	0.00	0.00	0.00
3,400.0	17.00	0.00	3,311.1	636.8	0.0	96.0	0.00	0.00	0.00
3,500.0	17.00	0.00	3,406.7	666.1	0.0	100.4	0.00	0.00	0.00
3,600.0	17.00	0.00	3,502.4	695.3	0.0	104.8	0.00	0.00	0.00
3,700.0	17.00	0.00	3,598.0	724.5	0.0	109.2	0.00	0.00	0.00
3,800.0	17.00	0.00	3,693.6	753.8	0.0	113.6	0.00	0.00	0.00
3,900.0	17.00	0.00	3,789.3	783.0	0.0	118.0	0.00	0.00	0.00
4,000.0	17.00	0.00	3,884.9	812.3	0.0	122.4	0.00	0.00	0.00
4,100.0	17.00	0.00	3,980.5	841.5	0.0	126.8	0.00	0.00	0.00
4,200.0	17.00	0.00	4,076.2	870.7	0.0	131.2	0.00	0.00	0.00
4,300.0	17.00	0.00	4,171.8	900.0	0.0	135.7	0.00	0.00	0.00
4,400.0	17.00	0.00	4,267.4	929.2	0.0	140.1	0.00	0.00	0.00
4,500.0	17.00	0.00	4,363.1	958.4	0.0	144.5	0.00	0.00	0.00
4,600.0	17.00	0.00	4,458.7	987.7	0.0	148.9	0.00	0.00	0.00
4,700.0	17.00	0.00	4,554.3	1,016.9	0.0	153.3	0.00	0.00	0.00
4,800.0	17.00	0.00	4,649.9	1,046.1	0.0	157.7	0.00	0.00	0.00
4,900.0	17.00	0.00	4,745.6	1,075.4	0.0	162.1	0.00	0.00	0.00
5,000.0	17.00	0.00	4,841.2	1,104.6	0.0	166.5	0.00	0.00	0.00
5,100.0	17.00	0.00	4,936.8	1,133.9	0.0	170.9	0.00	0.00	0.00
5,200.0	17.00	0.00	5,032.5	1,163.1	0.0	175.3	0.00	0.00	0.00

Database:	EDM 5000.1 Single User Db	**Local Co-ordinate Reference:**	Well La Jara 26-3H #1
Company:	Bayless Operating	**TVD Reference:**	La Jara 26-3H #1 @ 7424.0usft (Capstar 316)
Project:	Rio Arriba County, NM	**MD Reference:**	La Jara 26-3H #1 @ 7424.0usft (Capstar 316)
Site:	Sec 26 T29N, R4W	**North Reference:**	True
Well:	La Jara 26-3H #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5,300.0	17.00	0.00	5,128.1	1,192.3	0.0	179.7	0.00	0.00	0.00
5,400.0	17.00	0.00	5,223.7	1,221.6	0.0	184.1	0.00	0.00	0.00
5,500.0	17.00	0.00	5,319.4	1,250.8	0.0	188.5	0.00	0.00	0.00
5,600.0	17.00	0.00	5,415.0	1,280.0	0.0	192.9	0.00	0.00	0.00
5,700.0	17.00	0.00	5,510.6	1,309.3	0.0	197.4	0.00	0.00	0.00
5,800.0	17.00	0.00	5,606.2	1,338.5	0.0	201.8	0.00	0.00	0.00
5,900.0	17.00	0.00	5,701.9	1,367.8	0.0	206.2	0.00	0.00	0.00
6,000.0	17.00	0.00	5,797.5	1,397.0	0.0	210.6	0.00	0.00	0.00
6,100.0	17.00	0.00	5,893.1	1,426.2	0.0	215.0	0.00	0.00	0.00
6,200.0	17.00	0.00	5,988.8	1,455.5	0.0	219.4	0.00	0.00	0.00
6,300.0	17.00	0.00	6,084.4	1,484.7	0.0	223.8	0.00	0.00	0.00
6,400.0	17.00	0.00	6,180.0	1,513.9	0.0	228.2	0.00	0.00	0.00
6,483.1	17.00	0.00	6,259.5	1,538.2	0.0	231.9	0.00	0.00	0.00
6,500.0	16.66	0.00	6,275.7	1,543.1	0.0	232.6	2.00	-2.00	0.00
6,600.0	14.66	0.00	6,372.0	1,570.1	0.0	236.7	2.00	-2.00	0.00
6,700.0	12.66	0.00	6,469.1	1,593.7	0.0	240.2	2.00	-2.00	0.00
6,800.0	10.66	0.00	6,567.1	1,614.0	0.0	243.3	2.00	-2.00	0.00
6,900.0	8.66	0.00	6,665.6	1,630.7	0.0	245.8	2.00	-2.00	0.00
7,000.0	6.66	0.00	6,764.7	1,644.1	0.0	247.8	2.00	-2.00	0.00
7,100.0	4.66	0.00	6,864.2	1,653.9	0.0	249.3	2.00	-2.00	0.00
7,200.0	2.66	0.00	6,964.0	1,660.3	0.0	250.3	2.00	-2.00	0.00
7,300.0	0.66	0.00	7,064.0	1,663.2	0.0	250.7	2.00	-2.00	0.00
7,333.1	0.00	0.00	7,097.1	1,663.4	0.0	250.7	2.00	-2.00	0.00
7,400.0	0.00	0.00	7,164.0	1,663.4	0.0	250.7	0.00	0.00	0.00
7,500.0	0.00	0.00	7,264.0	1,663.4	0.0	250.7	0.00	0.00	0.00
7,563.1	0.00	0.00	7,327.1	1,663.4	0.0	250.7	0.00	0.00	0.00
7,600.0	3.69	270.28	7,364.0	1,663.4	-1.2	251.9	10.00	10.00	0.00
7,650.0	8.69	270.28	7,413.7	1,663.4	-6.6	257.2	10.00	10.00	0.00
7,700.0	13.69	270.28	7,462.7	1,663.5	-16.3	266.8	10.00	10.00	0.00
7,750.0	18.69	270.28	7,510.7	1,663.6	-30.2	280.6	10.00	10.00	0.00
7,800.0	23.69	270.28	7,557.3	1,663.7	-48.3	298.5	10.00	10.00	0.00
7,850.0	28.69	270.28	7,602.1	1,663.8	-70.3	320.3	10.00	10.00	0.00
7,900.0	33.69	270.28	7,644.9	1,663.9	-96.2	345.9	10.00	10.00	0.00
7,950.0	38.69	270.28	7,685.2	1,664.0	-125.7	375.1	10.00	10.00	0.00
8,000.0	43.69	270.28	7,722.9	1,664.2	-158.7	407.7	10.00	10.00	0.00
8,050.0	48.69	270.28	7,757.5	1,664.4	-194.7	443.4	10.00	10.00	0.00
8,100.0	53.69	270.28	7,788.8	1,664.5	-233.7	481.9	10.00	10.00	0.00
8,150.0	58.69	270.28	7,816.6	1,664.7	-275.2	523.0	10.00	10.00	0.00
8,200.0	63.69	270.28	7,840.7	1,665.0	-319.0	566.3	10.00	10.00	0.00
8,250.0	68.69	270.28	7,860.9	1,665.2	-364.7	611.6	10.00	10.00	0.00
8,300.0	73.69	270.28	7,877.0	1,665.4	-412.0	658.4	10.00	10.00	0.00
8,350.0	78.69	270.28	7,888.9	1,665.6	-460.6	706.4	10.00	10.00	0.00
8,400.0	83.69	270.28	7,896.6	1,665.9	-510.0	755.3	10.00	10.00	0.00
8,450.0	88.69	270.28	7,899.9	1,666.1	-559.9	804.6	10.00	10.00	0.00
8,463.1	90.00	270.28	7,900.0	1,666.2	-573.0	817.6	10.00	10.00	0.00
8,500.0	90.00	270.28	7,900.0	1,666.4	-609.9	854.1	0.00	0.00	0.00
8,600.0	90.00	270.28	7,900.0	1,666.8	-709.8	953.0	0.00	0.00	0.00
8,700.0	90.00	270.28	7,900.0	1,667.3	-809.8	1,051.9	0.00	0.00	0.00
8,800.0	90.00	270.28	7,900.0	1,667.8	-909.8	1,150.8	0.00	0.00	0.00
8,900.0	90.00	270.28	7,900.0	1,668.3	-1,009.8	1,249.8	0.00	0.00	0.00
9,000.0	90.00	270.28	7,900.0	1,668.8	-1,109.8	1,348.7	0.00	0.00	0.00
9,100.0	90.00	270.28	7,900.0	1,669.3	-1,209.8	1,447.6	0.00	0.00	0.00
9,200.0	90.00	270.28	7,900.0	1,669.7	-1,309.8	1,546.6	0.00	0.00	0.00
9,300.0	90.00	270.28	7,900.0	1,670.2	-1,409.8	1,645.5	0.00	0.00	0.00



Payzone Directional

Planning Report

Database:	EDM 5000.1 Single User Db	**Local Co-ordinate Reference:**	Well La Jara 26-3H #1
Company:	Bayless Operating	**TVD Reference:**	La Jara 26-3H #1 @ 7424.0usft (Capstar 316)
Project:	Rio Arriba County, NM	**MD Reference:**	La Jara 26-3H #1 @ 7424.0usft (Capstar 316)
Site:	Sec 26 T29N, R4W	**North Reference:**	True
Well:	La Jara 26-3H #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

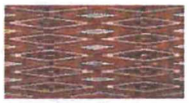
Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
9,400.0	90.00	270.28	7,900.0	1,670.7	-1,509.8	1,744.4	0.00	0.00	0.00
9,500.0	90.00	270.28	7,900.0	1,671.2	-1,609.8	1,843.4	0.00	0.00	0.00
9,600.0	90.00	270.28	7,900.0	1,671.7	-1,709.8	1,942.3	0.00	0.00	0.00
9,700.0	90.00	270.28	7,900.0	1,672.2	-1,809.8	2,041.2	0.00	0.00	0.00
9,800.0	90.00	270.28	7,900.0	1,672.6	-1,909.8	2,140.1	0.00	0.00	0.00
9,900.0	90.00	270.28	7,900.0	1,673.1	-2,009.8	2,239.1	0.00	0.00	0.00
10,000.0	90.00	270.28	7,900.0	1,673.6	-2,109.8	2,338.0	0.00	0.00	0.00
10,100.0	90.00	270.28	7,900.0	1,674.1	-2,209.8	2,436.9	0.00	0.00	0.00
10,200.0	90.00	270.28	7,900.0	1,674.6	-2,309.8	2,535.9	0.00	0.00	0.00
10,300.0	90.00	270.28	7,900.0	1,675.1	-2,409.8	2,634.8	0.00	0.00	0.00
10,400.0	90.00	270.28	7,900.0	1,675.5	-2,509.8	2,733.7	0.00	0.00	0.00
10,500.0	90.00	270.28	7,900.0	1,676.0	-2,609.8	2,832.6	0.00	0.00	0.00
10,600.0	90.00	270.28	7,900.0	1,676.5	-2,709.8	2,931.6	0.00	0.00	0.00
10,700.0	90.00	270.28	7,900.0	1,677.0	-2,809.8	3,030.5	0.00	0.00	0.00
10,800.0	90.00	270.28	7,900.0	1,677.5	-2,909.8	3,129.4	0.00	0.00	0.00
10,900.0	90.00	270.28	7,900.0	1,677.9	-3,009.8	3,228.4	0.00	0.00	0.00
11,000.0	90.00	270.28	7,900.0	1,678.4	-3,109.8	3,327.3	0.00	0.00	0.00
11,100.0	90.00	270.28	7,900.0	1,678.9	-3,209.8	3,426.2	0.00	0.00	0.00
11,200.0	90.00	270.28	7,900.0	1,679.4	-3,309.8	3,525.1	0.00	0.00	0.00
11,300.0	90.00	270.28	7,900.0	1,679.9	-3,409.8	3,624.1	0.00	0.00	0.00
11,400.0	90.00	270.28	7,900.0	1,680.4	-3,509.8	3,723.0	0.00	0.00	0.00
11,500.0	90.00	270.28	7,900.0	1,680.8	-3,609.8	3,821.9	0.00	0.00	0.00
11,600.0	90.00	270.28	7,900.0	1,681.3	-3,709.8	3,920.9	0.00	0.00	0.00
11,700.0	90.00	270.28	7,900.0	1,681.8	-3,809.8	4,019.8	0.00	0.00	0.00
11,800.0	90.00	270.28	7,900.0	1,682.3	-3,909.8	4,118.7	0.00	0.00	0.00
11,900.0	90.00	270.28	7,900.0	1,682.8	-4,009.8	4,217.7	0.00	0.00	0.00
12,000.0	90.00	270.28	7,900.0	1,683.3	-4,109.8	4,316.6	0.00	0.00	0.00
12,100.0	90.00	270.28	7,900.0	1,683.7	-4,209.8	4,415.5	0.00	0.00	0.00
12,200.0	90.00	270.28	7,900.0	1,684.2	-4,309.8	4,514.4	0.00	0.00	0.00
12,300.0	90.00	270.28	7,900.0	1,684.7	-4,409.8	4,613.4	0.00	0.00	0.00
12,400.0	90.00	270.28	7,900.0	1,685.2	-4,509.8	4,712.3	0.00	0.00	0.00
12,500.0	90.00	270.28	7,900.0	1,685.7	-4,609.8	4,811.2	0.00	0.00	0.00
12,600.0	90.00	270.28	7,900.0	1,686.2	-4,709.8	4,910.2	0.00	0.00	0.00
12,700.0	90.00	270.28	7,900.0	1,686.6	-4,809.8	5,009.1	0.00	0.00	0.00
12,800.0	90.00	270.28	7,900.0	1,687.1	-4,909.8	5,108.0	0.00	0.00	0.00
12,900.0	90.00	270.28	7,900.0	1,687.6	-5,009.8	5,206.9	0.00	0.00	0.00
13,000.0	90.00	270.28	7,900.0	1,688.1	-5,109.8	5,305.9	0.00	0.00	0.00
13,100.0	90.00	270.28	7,900.0	1,688.6	-5,209.8	5,404.8	0.00	0.00	0.00
13,200.0	90.00	270.28	7,900.0	1,689.1	-5,309.8	5,503.7	0.00	0.00	0.00
13,300.0	90.00	270.28	7,900.0	1,689.5	-5,409.8	5,602.7	0.00	0.00	0.00
13,400.0	90.00	270.28	7,900.0	1,690.0	-5,509.8	5,701.6	0.00	0.00	0.00
13,500.0	90.00	270.28	7,900.0	1,690.5	-5,609.8	5,800.5	0.00	0.00	0.00
13,600.0	90.00	270.28	7,900.0	1,691.0	-5,709.8	5,899.4	0.00	0.00	0.00
13,700.0	90.00	270.28	7,900.0	1,691.5	-5,809.8	5,998.4	0.00	0.00	0.00
13,800.0	90.00	270.28	7,900.0	1,692.0	-5,909.8	6,097.3	0.00	0.00	0.00
13,900.0	90.00	270.28	7,900.0	1,692.4	-6,009.8	6,196.2	0.00	0.00	0.00
14,000.0	90.00	270.28	7,900.0	1,692.9	-6,109.8	6,295.2	0.00	0.00	0.00
14,100.0	90.00	270.28	7,900.0	1,693.4	-6,209.8	6,394.1	0.00	0.00	0.00
14,200.0	90.00	270.28	7,900.0	1,693.9	-6,309.8	6,493.0	0.00	0.00	0.00
14,300.0	90.00	270.28	7,900.0	1,694.4	-6,409.8	6,591.9	0.00	0.00	0.00
14,400.0	90.00	270.28	7,900.0	1,694.8	-6,509.8	6,690.9	0.00	0.00	0.00
14,500.0	90.00	270.28	7,900.0	1,695.3	-6,609.8	6,789.8	0.00	0.00	0.00
14,600.0	90.00	270.28	7,900.0	1,695.8	-6,709.8	6,888.7	0.00	0.00	0.00
14,700.0	90.00	270.28	7,900.0	1,696.3	-6,809.8	6,987.7	0.00	0.00	0.00

Database:	EDM 5000.1 Single User Db	**Local Co-ordinate Reference:**	Well La Jara 26-3H #1
Company:	Bayless Operating	**TVD Reference:**	La Jara 26-3H #1 @ 7424.0usft (Capstar 316)
Project:	Rio Arriba County, NM	**MD Reference:**	La Jara 26-3H #1 @ 7424.0usft (Capstar 316)
Site:	Sec 26 T29N, R4W	**North Reference:**	True
Well:	La Jara 26-3H #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
14,800.0	90.00	270.28	7,900.0	1,696.8	-6,909.8	7,086.6	0.00	0.00	0.00
14,900.0	90.00	270.28	7,900.0	1,697.3	-7,009.8	7,185.5	0.00	0.00	0.00
15,000.0	90.00	270.28	7,900.0	1,697.7	-7,109.8	7,284.5	0.00	0.00	0.00
15,100.0	90.00	270.28	7,900.0	1,698.2	-7,209.8	7,383.4	0.00	0.00	0.00
15,200.0	90.00	270.28	7,900.0	1,698.7	-7,309.8	7,482.3	0.00	0.00	0.00
15,300.0	90.00	270.28	7,900.0	1,699.2	-7,409.8	7,581.2	0.00	0.00	0.00
15,400.0	90.00	270.28	7,900.0	1,699.7	-7,509.8	7,680.2	0.00	0.00	0.00
15,500.0	90.00	270.28	7,900.0	1,700.2	-7,609.8	7,779.1	0.00	0.00	0.00
15,600.0	90.00	270.28	7,900.0	1,700.6	-7,709.8	7,878.0	0.00	0.00	0.00
15,700.0	90.00	270.28	7,900.0	1,701.1	-7,809.8	7,977.0	0.00	0.00	0.00
15,800.0	90.00	270.28	7,900.0	1,701.6	-7,909.8	8,075.9	0.00	0.00	0.00
15,900.0	90.00	270.28	7,900.0	1,702.1	-8,009.8	8,174.8	0.00	0.00	0.00
16,000.0	90.00	270.28	7,900.0	1,702.6	-8,109.8	8,273.7	0.00	0.00	0.00
16,100.0	90.00	270.28	7,900.0	1,703.1	-8,209.8	8,372.7	0.00	0.00	0.00
16,200.0	90.00	270.28	7,900.0	1,703.5	-8,309.8	8,471.6	0.00	0.00	0.00
16,300.0	90.00	270.28	7,900.0	1,704.0	-8,409.8	8,570.5	0.00	0.00	0.00
16,400.0	90.00	270.28	7,900.0	1,704.5	-8,509.8	8,669.5	0.00	0.00	0.00
16,500.0	90.00	270.28	7,900.0	1,705.0	-8,609.8	8,768.4	0.00	0.00	0.00
16,600.0	90.00	270.28	7,900.0	1,705.5	-8,709.8	8,867.3	0.00	0.00	0.00
16,700.0	90.00	270.28	7,900.0	1,706.0	-8,809.8	8,966.2	0.00	0.00	0.00
16,800.0	90.00	270.28	7,900.0	1,706.4	-8,909.8	9,065.2	0.00	0.00	0.00
16,900.0	90.00	270.28	7,900.0	1,706.9	-9,009.8	9,164.1	0.00	0.00	0.00
17,000.0	90.00	270.28	7,900.0	1,707.4	-9,109.8	9,263.0	0.00	0.00	0.00
17,100.0	90.00	270.28	7,900.0	1,707.9	-9,209.8	9,362.0	0.00	0.00	0.00
17,200.0	90.00	270.28	7,900.0	1,708.4	-9,309.7	9,460.9	0.00	0.00	0.00
17,300.0	90.00	270.28	7,900.0	1,708.9	-9,409.7	9,559.8	0.00	0.00	0.00
17,400.0	90.00	270.28	7,900.0	1,709.3	-9,509.7	9,658.7	0.00	0.00	0.00
17,500.0	90.00	270.28	7,900.0	1,709.8	-9,609.7	9,757.7	0.00	0.00	0.00
17,600.0	90.00	270.28	7,900.0	1,710.3	-9,709.7	9,856.6	0.00	0.00	0.00
17,700.0	90.00	270.28	7,900.0	1,710.8	-9,809.7	9,955.5	0.00	0.00	0.00
17,800.0	90.00	270.28	7,900.0	1,711.3	-9,909.7	10,054.5	0.00	0.00	0.00
17,900.0	90.00	270.28	7,900.0	1,711.7	-10,009.7	10,153.4	0.00	0.00	0.00
18,000.0	90.00	270.28	7,900.0	1,712.2	-10,109.7	10,252.3	0.00	0.00	0.00
18,100.0	90.00	270.28	7,900.0	1,712.7	-10,209.7	10,351.3	0.00	0.00	0.00
18,200.0	90.00	270.28	7,900.0	1,713.2	-10,309.7	10,450.2	0.00	0.00	0.00
18,300.0	90.00	270.28	7,900.0	1,713.7	-10,409.7	10,549.1	0.00	0.00	0.00
18,400.0	90.00	270.28	7,900.0	1,714.2	-10,509.7	10,648.0	0.00	0.00	0.00
18,500.0	90.00	270.28	7,900.0	1,714.6	-10,609.7	10,747.0	0.00	0.00	0.00
18,600.0	90.00	270.28	7,900.0	1,715.1	-10,709.7	10,845.9	0.00	0.00	0.00
18,700.0	90.00	270.28	7,900.0	1,715.6	-10,809.7	10,944.8	0.00	0.00	0.00
18,800.0	90.00	270.28	7,900.0	1,716.1	-10,909.7	11,043.8	0.00	0.00	0.00
18,900.0	90.00	270.28	7,900.0	1,716.6	-11,009.7	11,142.7	0.00	0.00	0.00
19,000.0	90.00	270.28	7,900.0	1,717.1	-11,109.7	11,241.6	0.00	0.00	0.00
19,100.0	90.00	270.28	7,900.0	1,717.5	-11,209.7	11,340.5	0.00	0.00	0.00
19,156.2	90.00	270.28	7,900.0	1,717.8	-11,266.0	11,396.2	0.00	0.00	0.00



Payzone Directional

Planning Report

Database:	EDM 5000.1 Single User Db	**Local Co-ordinate Reference:**	Well La Jara 26-3H #1
Company:	Bayless Operating	**TVD Reference:**	La Jara 26-3H #1 @ 7424.0usft (Capstar 316)
Project:	Rio Arriba County, NM	**MD Reference:**	La Jara 26-3H #1 @ 7424.0usft (Capstar 316)
Site:	Sec 26 T29N, R4W	**North Reference:**	True
Well:	La Jara 26-3H #1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
BHL - plan hits target center - Point	0.00	0.00	7,900.0	1,717.8	-11,266.0	2,077,664.79	1,344,134.04	36° 42' 19.998 N	107° 15' 38.722 W

Robert L. Bayless, Producer LLC
La Jara 26 NE Wellpad
Sec. 26 T29N R4W (NW/4 NE/4)
Sec. 21 T29N R4W (SE/4 SW/4)
Rio Arriba County, New Mexico
Surface: USFS

MULTI-WELLPAD
SURFACE USE PLAN OF OPERATIONS

This Application for Permit to Drill (APD) is filed under the APD process as stated in Onshore Order No. 1 (OSO #1) and supporting Bureau of Land Management (BLM) documents. This APD process included an onsite meeting on October 26, 2017 at which time the specific concerns of Robert L. Bayless, Producer LLC (Bayless), BLM and the United States Forest Service (USFS) were discussed. All specific concerns of the BLM and USFS representatives are addressed herein, as are specific stipulations from the BLM and USFS.

WELL LOCATION AND INTRODUCTION:
The La Jara 26-3H 1 well was staked 946' FNL 2,236' FEL (NW/4 NE/4) of Sec. 26 T29N R4W. The Bottom-Hole is anticipated at BHL: 715' FSL 1,950' FWL (SE/4 SW/4) of Sec. 21 T29N R4W in Rio Arriba County, New Mexico.

DIRECTIONS TO LOCATION
Going eastbound on US 64 from Bloomfield, turn south (right) on Jicarilla road J-10. Quick right to continue south on the main road for approximately 4 miles. Keep right at the Y and continue south for approximately 3 miles. Keep right at the Y and the road turns westward traveling approximately 0.6 miles. Keep right at the Y and continuing traveling NW passing two well pads for approximately 3 miles. After the third wellpad is location set for the La Jara 26 NE wellpad location.

1) EXISTING ROADS
   - A) These wells are infill wells.
   - B) Existing roads within 1.0 miles consists of a USFS existing dirt and gravel resource road which will provide access to the proposed location.
   - C) Plans for improvement and/or maintenance of existing roads are to maintain in as good or better conditions than at present. Improvement and/or maintenance plans may include grading, watering for compaction/dust control, ditch maintenance, erosion control, slope stabilization, noxious weed treatment, and road closures during periods of excessive soil moisture. Weed control will be performed by a certified applicator and conform to the Pesticide Use Proposals (PUP) filed with the BLM/USFS.
   - D) Roads will be constructed, maintained and reclaimed to meet or exceed the minimum standards in the joint BLM- USFS publication; Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development, the Gold Book-Forth Edition, BLM Manual-Section 9112 (Bridges and Major Culverts), BLM Manual-Section 9113 (Roads) BLM Handbook H-9113-1 (Road Design Handbook) and ARMPA Appendix C Required Design Features.
   - E) BLM Best Management Practices (BMPs) as outlined in the "surface Operating Standards and Guidelines for Oil and Gas Exploration and Development" (the Gold Book) will be utilized for all construction and operational activity related to this facility.

D) Traveled portion of wellpad will be gravel surfaced. If necessary, additional surfacing material will be obtained from commercial sources or an approved borrow area. Construction and maintenance will not be performed when the ground or topsoil is frozen or too wet to adequately support construction equipment. If such equipment creates ruts in excess of four (4) inches deep, the soil will be deemed too wet.

E) Production equipment will be painted light reflective colors to limit evaporation and waste of liquid hydrocarbons. All above ground permanent structures will be painted to blend with the surrounding landscape. The color will be specified BLM-USFS.

F) Production facilities may vary according to actual reservoir discovered and will be engineered upon completion of well tests. Production facilities will be clustered and placed away from cut/fill slopes to allow the maximum recontouring of cut/fill slopes. To reduce the view of production facilities from visibility corridors and private residences, facilities will not be placed in visually exposed locations (such as ridgelines and hilltops). The tallest structure will be no greater than 20' in height.

G) A dike will be constructed around the production facilities. The dike materials will be constructed of suitable materials and impermeable to the fluid contained. The dikes will have sufficient volume to contain a minimum of the total volume of the largest tank containing liquid hydrocarbons within the facility/battery and sufficient freeboard to contain precipitation, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

H) If the well is a producer all production facilities will be authorized by a SN.

5) LOCATION OF WATER SUPPLY

A) Water will be transported by San Juan Water Haulers Association by truck from the 29-6 Water Hole owned by Hilcorp (Lat: 36.695837, Long: -107.474140). If a closer water source is identified and deemed usable, Bayless will notify the Authorized Officer (AO) with the necessary information.

B) Water for construction, drilling, dust suppression and completion operations will be utilized from the same source.

6) SOURCE OF CONSTRUCTION MATERIALS

A) Construction materials will consist of native materials from borrow ditches and location areas.

B) Surfacing materials will be obtained from available permitted sources, if needed, and consist of pit gravel.

7) WASTE DISPOSAL

A) A closed loop system will be used for the drilling of this well, no reserve pit required.

B) Bayless primary method is to utilize a closed loop drilling system to contain drilling fluids.

C) The closed loop drilling system will include a cuttings catch pit, dewatering system, centrifuge system and additional fluid storage. The steel cuttings pit will be approximately 11'x50'x10'. The steel cuttings pit and closed loop system will contain the drilling fluids including salts and chemicals. Cuttings will be treated in the drying cutting area. Upon termination of drilling and completion operations, the mud will be transferred to another drilling location for recycling/reuse. If the mud is not needed elsewhere, all drilling fluids will be treated or disposed at a commercial disposal facility.