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## State of New Mexico

Form C-103

Energy, Minerals and Natural Resources Department Revised 1-1-89 District Office OIL CONSERVATION DIVISION DISTRICT I P.O. Box 2088 WELL API NO. P.O. Box 1980, Hobbs, NM 88240 Santa Fe, New Mexico 87504-2088 30-045-33597 DISTRICT II 5. Indicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 X DISTRICT III STATE FEE 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) Mosely 1. Type of Well X WELL 8. Well No. 2. Name of Operator ROBERT L. BAYLESS, PRODUCER LLC 1R 9. Pool name or Wildcat 3. Address of Operator P.O. BOX 168, FARMINGTON, NM 87499 **Basin Fruitland Coal** 4. Well Location 2554' Feet from the 708' South West Unit Letter Feet from The 30N 12W San Juan Range Section Township County Elevation (Show whether DF, RKB, RT, GR, etc.) 5585' GR Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PLUG AND ABANDON PERFORM REMEDIAL WORK REMEDIAL WORK ALTERING CASING TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ABANDONMEN PULL OR ALTER CASING CASING TEST AND CEMENT JOB OTHER: OTHER: 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. Please see attached report.



I hearby certify that the information above is true and complete to the best of my knowledge and be	belief.			
SIGNATURE Jour Martin	ITLE	Petroleum Engineer	- DATE	6/22/2006
TYPE OR PRINT NAME Tom McCarthy		TELEPHON	E NO.	(505) 326-2659
(This space for State Use)  APPROVED BY  THE	ITLE	deputy on 8 gas inspector, dist.	DATE	JUN 2 3 200

## Robert L. Bayless, Producer LLC Moseley No. 1R

Morning Report – Drilling 2554' FSL & 708' FWL, Section 2, T30N, R12W San Juan County, NM

4/12/2006: Cutting wood and building road and location.

6/14/2006: Location finished. Move in D&D Well Services drilling rig. Spud well on 6/13/2006 at 10:30 AM. Drill 8 3/4" hole to 140' with water. The hole was sandy and washing out. Trip out drill pipe and bit. Rig up and run 7" 20# J-55 new surface casing. Circulate polymer sweep. Rig up Key Pressure Pumping. Pump 10 BBL water. Pump 121 sacks Type V cement with 3% CaCl, and 1/4#/sx cello flake, (143 CF). Displaced with 4 BBL water. Good circulation. Circulated 19sx, (23 CF), to pit. Rig down Key. Wait on cement.

KB to landing point: 5.00 3 joints 7" 20# casing: 133.50 Landed at: 138.50

6/15/2006: Work completed on 6/14. Nipple up BOP and test to 600 PSI for 30 minutes and 250 PSI for 10 minutes. Hit hard cement at 90°. Drill out cement and begin drilling new formation with 6 ¼" bit. Drill to 850 ft. Circulate hole clean and pull off bottom. Shut down overnight with watchman. Surveys: 140°, 3/4°, 640°, 3/4°.

6/16/2006: Work completed on 6/15. Drill to 1310' with 6 1/4" bit. Circulate hole clean and pull off bottom. Shut down overnight with watchman.

6/17/2006: Work completed on 6/16. Drill to 1710' with 6 1/4" bit. Shut in with night watchman.

6/18/2006: Work completed on 6/17. Drill to 2070' with 6 1/4" bit. Shut in with night watchman.

6/19/2006: Work completed on 6/18. Drill to 2315', TD. Basal coal at 2164-2182'. Lost 90 BBL mud into coal. Circulate hole and trip out above coals.

6/20/2006: Work completed on 6/19. Broke drawworks bearing. Wait on bearing and mechanic. Surveys: 1140', 1°, 1640', 1 1/4°, 2140', 1 3/4°, 2290', 1 3/4°.

6/21/2005: Work completed on 6/20. Rig Repair.

6/22/06: Work completed on 6/21. Short trip and trip out laying down drill pipe. Wait on Slummberger. Rig up to run open hole Triple Lithodensity, GR, SP, Array induction, and Caliper logs. Trip in and hit bridge at 1666'. Could not get deeper. Log out of hole.

Rig down Schlumberger. Rig up casing crew and run 4 ½" 10.5# J-55 ST&C casing. Centralizers at 2264', 2187', 2108', 2029', 1951', 762', 552'.

KB to landing point:	4.00	
55 joints:	2259.50	
Float collar:	1.00	
1 joint:	39.04	
Guide shoe:	.50	
Landed at:	2304.04	

Rig up BJ to cement. Pump 20 BBL's gel and phenoseal. Pump 5 BBLs water with red dye. Pump 185 sx (398 CF) premium lite high strength cement with 3#/sx CSE(compressive strength enhancer), 1% KCl, ½#/sx cello flake, .3% CD-32( polymer dispersant), 5#/sx LCM-31(asphaltite extender), .7% FL-32 (fluid loss additive). Good circulation throughout job. Circulated out 8-12 BBLs red dyed water, but did not circulate cement. Displaced with 36 BBLs water. Bumped plug and float held. Plug down at 10 PM. Shut well in.

6/23/2006: Rig down drilling rig. Run temperature survey. Found top of cement at 25'.