

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
May 27, 2004

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-33436
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator ROBERT L. BAYLESS PRODUCER, LLC		6. State Oil & Gas Lease No. NM V073920000
3. Address of Operator PO Box 168, Farmington, NM 87499		7. Lease Name or Unit Agreement Name BOEING
4. Well Location Unit Letter <u>B</u> : <u>661</u> feet from the <u>North</u> line and <u>1608</u> feet from the <u>East</u> line Section <u>2</u> Township <u>26N</u> Range <u>8W</u> NMPM County <u>San Juan</u>		8. Well Number 3
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6140 GR		9. OGRID Number 150182
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☒

OTHER:

OTHER: Drilling and Production Casing reports

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see the attached morning report summary.

RCVD FEB13'07

OIL CONS. DIV.

DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Habib Guerrero TITLE Operations Engineer DATE 02/12/07

Type or print name Habib Guerrero E-mail address: hguerrero@rlbayless.com Telephone No 505-564-7810
For State Use Only

APPROVED BY: H. Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE FEB 13 2007
Conditions of Approval (if any): Include pt psi - surface csg and 4 1/2 csg

Robert L. Bayless, Producer LLC
Morning Report – Drilling

Boeing #3
661' FNL & 1608' FEL
Section 2, T26N R8W
San Juan County, NM
API # 30-045 – 33436

01/23/07

Move Aztec rig #1-24 onto location and start to rig up.

01/24/07

Shut down rig for Safety Stand down.

01/25/07

Finish rig up, move in rig equipment, and rig repairs.

01/26/07

Spudded Well at 9:30 pm on January 26, 2007. Drilled 12-1/4" hole to 194 ft, circulate and took survey at 154 ft (0.75 Degrees), Continue drilling ahead to 335 ft, total depth for surface. Prepare to run surface casing.

01/27/07

Circulated and conditioned the hole. Took survey at 335 ft (1.00 Degree). Trip out the hole for casing. Rig up casing crew and run 7 joints of 8 5/8" 24 # J-55 ST&C surface casing. Casing was landed at 328 ft. Rig up Key Cementers and cement casing to Surface with 240 sx (203cubic ft) class B, 2% cacl₂ mixed at 15.6 ppg, 1.18 yield. Good returns throughout job with 19 bbls good cement circulated to pit. Wait on cement for 4 hours. Break off landing joint and make up wellhead. Nipple up and pressure test BOP. BOP equipment had a leak in Braden head, nipple down BOP, tighten Braden, nipple up BOP. Currently, pressure testing BOP.

01/28/07

Finish pressure test BOP, held OK. Make up 7 7/8" BHA. Trip in the hole and tag cement at 280 ft. Drilled out cement shoe to 335 ft and continue drilling to 827 ft. Took a survey at 827 ft (0.5 degrees). Drilled to 1301 ft and work on mud pump. Drilled to 1540 ft and took survey at 1364 ft (0.5 degrees). Currently, drilling ahead through out Kirtland formation.

01/29/07

Drilled ahead to 2061 ft. Took survey at 1831 ft (1 degree). Perform Rig services and work on Rig pump. Continue drilling to 3200 ft. Took surveys at 2347 ft (1 degree) and 2851 ft (1 degree). Currently, drilling ahead through out the Chacra formation.

01/30/07

Drilled ahead to 3840 ft. Took survey at 3349 ft (1.25 degrees) and mud up at 3500 ft. Perform Rig services and repack swivel. Continue drilling to 4131 ft. Took surveys at 3865 ft (2 degrees). Currently, drilling ahead through out the Cliff House formation.

01/31/07

Drilled ahead to 4468 ft. Perform rig service. Took survey at 4334 ft (2.5 degrees). Continue drilling to 4672 ft slowing down on the last 20 ft. Circulate and condition hole for trip to check bit. Perform rig service. Trip out of the hole without problem (no drag). Inspect drilling bit, OK. Took survey at 4672 ft (1.5 degrees). Currently, tripping back in the hole.

02/01/07

Finish trip back in the hole. Tag at 4657 ft. Wash and ream 15 ft to bottom. Perform rig service. Drilled to 5225 ft. Circulated and took survey at 5225 ft (1.5 degrees). Perform rig service. Drilled to 5420 ft. currently, drilling ahead through out the Mancos Shale formation.

02/02/07

Drilled ahead to 5731 ft. Took survey at 5648 ft (1.5 degrees). Perform Rig services. Continue drilling to 6170 ft. Took survey at 6099 ft (1.5 degrees). Currently, drilling ahead at 6200 ft through out the Gallup formation.

02/03/07

Drilled to 6415 ft and took survey at 6536 ft (2 degrees). Perform Rig services and work on mud pumps. Continue drilling to 6817 ft. It looks like the Dakota formation wiped out the PDC bit. Rate of penetration went down to 5 ft/hr. Currently, tripping out of the hole to change bit (tri-cone) to finish up the well. New TD has been adjusted and it will be 6885 ft.

02/04/07

Circulate and condition the hole for trip. Trip out of the hole (no drag). Perform rig service. Pick up new tri-cone bit. Lay down mud motor. Finish trip back in the hole. Wash and ream 80 ft to bottom. Drilled from 6817 ft to 6872 ft. Currently, drilling ahead through out the Dakota formation.

02/05/07

Continue drilling to TD at 6885 ft with final survey at 6885 ft of 2 degrees. Circulated and conditioned hole for logs. Tripped out of the hole for logs. Laid down drill pipe. Rigged up loggers and ran logs from 6:00 pm to 11:00 pm. Hole in good condition, no problems getting logging tools to bottom. Loggers TD was 6890 ft. Trip back in the hole with drilling pipe. Circulated and conditioned the hole for casing.

02/06/07

Finish trip out of the hole. Laid down drill pipe and drill collars. Rig up to run casing. Run 69 joints and casing tongs broke down. Wait on casing crew to replace power tongs. Finish run casing. Run a total of 163 joints of 4 1/2" 11.6 #/ft J-55 new casing and two marker joints. Casing Landed at 6865 ft, as follow:

KB to landing point	15.00 ft	0 – 15 ft
1 joint casing (cutoff 16 ft)	26.15 ft	15 – 41 ft
84 joints casing	3534.21 ft	41 – 3575 ft
1 Marker Joint	2.00 ft	3575 – 3577 ft
10 joints casing	421.30 ft	3577 – 3998 ft
1 DV tool	2.60 ft	3998 – 4001 ft
67 joints casing	2820.07 ft	4001 – 6821 ft
1 Marker (Mag Marker)	0.00 ft	6821 – 6821 ft
Float Collar	1.00 ft	6821 – 6822 ft
Shoe Joint	42.12 ft	6822 – 6864 ft
Guide Shoe	<u>1.00 ft</u>	6864 – 6865 ft
	6865.45 ft	

1st marker (Magnetic Marker) set @ 6500 ft above the Dakota formation, 2nd marker (short Joint-2 ft) set @ 3,577 ft above the Dakota formation, stage tool (DV tool) set @ 3998 ft.

Circulate and condition hole for cementing. Rig up BJ well services and cement as follows:

First Stage:

Flush 20 bbls of gel water and 5 bbls water.

410 sx (869 cf) Premium Lite HS FM w/additives at 12.3 ppg, 2.12 yield.

Displaced with 50 bbl of water and 66 bbl of mud. Plug down at 01:00 hrs 02/07/2007. Drop bomb and open DV tool with 900 psi. Good returns throughout first stage, 15 Bbl of good cement to reserve pit. Wait on first stage and circulate 4.5" casing for 4.0 hours.

Second Stage:

Flush 5 bbls water, 10 bbls of mud clean and 5 bbls water.

Lead 380 sx (775 cf) Premium lite FM w/additives at 12 ppg, 2.04 yield

Tail 320sx (691 cf) Premium lite HS FM w/additives at 12.3 ppg, 2.16 yield

Displaced 62 bbl of water, plug did bump. Good returns throughout second stage, 50 bbls good cement to reserve pit. Plug down at 06:30 pm, 02/07/07. Clean pits and rig down.

02/07/07

Nipple down BOP, Set slips and cut off casing. Rig down and prepare for rig move to Boeing #1 location. Wait on completion.