

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

RCVD MAY 11 '07
OIL CONS. DIV.

FORM APPROVED
OMB No. 1010-0151, 3
Expires: March 31, 2007

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

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

3a. Address
P.O. Box 168 Farmington, NM 87499

3b. Phone No. (include area code)
(505) 3262659

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1335' FNL & 995' FEL, Sec 15, T28 N, R11W, 6th pm

5. Lease Serial No.

NMSF-044535B

6. If Indian, Allottee or Tribe Name

RECEIVED

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

FARMINGTON NM

8. Well Name and No.

Horn Canyon #2

9. API Well No.

30 08-045-33990

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan, NM

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 Spud Notice
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

05/07/07 Spudded Well at 8:00 am 05/07/2007. Drilled surface hole to 145 ft. Trip out drill pipe and bit. Circulate and condition hole for casing. Rig up casing crew and run 3 joints of 7" 20 # J-55 ST&C surface casing. Casing was landed at 138 ft. Rig up cementers and cement casing to Surface with 50 sx (59 cubic ft) Premium Cement, 2% cacl2 and 1/8#/sx Polyflake mixed at 15.6 ppg, 1.18 yield. Good returns throughout job with 4 bbis good cement circulated to reserve pit. Rig down cementers.

05/08/07 Break off landing joint and make up wellhead. Nipple up and rig up to pressure test BOP and surface casing. Pressure test BOP and surface casing to 1500 psi, BOP equipment held OK, found a leak at the surface casing. Ran a packer in the hole and set it to 60 ft. Pressure test casing above the packer to 600 psi, held ok. Pressure test casing below the packer at 600 psi and determined that the leak was at the shoe. BLM approved test will continue ahead with the drilling plan.

Report hole size

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Habib J. Guerrero

Title **Engineer**

Signature

Date

05/09/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

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 operations thereon.

Title

Date

MAY 10 2007

Office

FARMINGTON FIELD OFFICE

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.

(Instructions on page 2)

NMOCD

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