Form 3160-3
(August 1999)

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070 Farmington, NM

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: SF078476
6. If Indian, Allottee or Tribe Name:
7. If Unit or CA Agreement, Name and No.: 23382
8. Lease Name and Well No.: Oxnard #11G
9. API Well No.: 30045 31710
10. Field and Pool, or Exploratory: Basin Fruitland Coal

1a. Type of Work: ☑ DRILL ☐ REENTER

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

2. Name of Operator: ROBERT L. BAYLESS

3a. Address: P.O. BOX 168, FARMINGTON, NM 87499

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

4. Location of Well *(Report location clearly and in accordance with an State requirements *)*
At surface: 1195 FSL & 710 FEL
At proposed prod. zone: Same

11. Sec., T., R., M., or Blk. and Survey or Area: P Section 15 - T27N - R8W

14. Distance in Miles and Direction from nearest town or post office*

12. County or Parish: San Juan

13. State: 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: 320 S/2

18 Distance from proposed location* to nearest well, drilling, completed, or applied for, on this Lease, ft.

19. Proposed Depth: 2205

20. BLM/BIA Bond No. on file: 40S23024BCA

21. Elevations (Show whether DF, KDB, RT, GL, etc.): 5923 ft KDB 5918 GL

22. Approximate date work will start*: ASAP

23. Estimated duration: 8 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall 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 shall 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 authorized officer.

25. Signature	Name *(Printed/Typed)*	Date
	Price M. Bayless	5/28/03
Title: Engineering Manager		
Approved by *(Signature)*: /s/ David J. Mankiewicz	Name *(Printed/Typed)*	Date
Title	Office	OCT - 1 2003

OCT 2003

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.

**(Instructions on reverse)*

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

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

NMOCD

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-045-31710	71629	BASIN FRUITLAND COAL

4 Property Code	5 Property Name	6 Well Number
23382	OXNARD	11 G

7 OGRID No.	8 Operator Name	9 Elevation
150182	ROBERT L. BAYLESS, PRODUCER LLC	5918

10 Surface Location

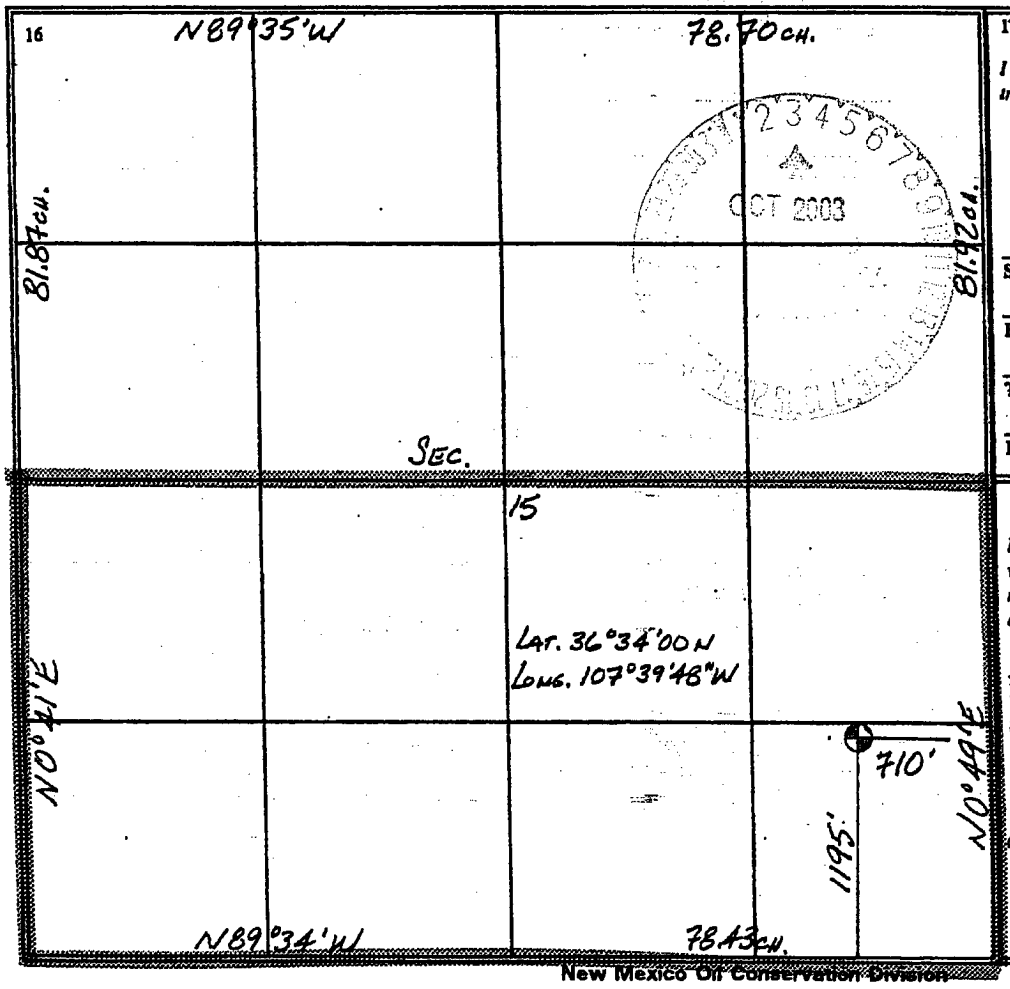
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	27 N	8 W		1195	South	710	East	San Juan

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

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

PRICE M. BAYLESS
Printed Name

OPERATIONS MANAGER
Title

NOV. 18, 2002
Date

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.

Date of Survey

Signature and Seal of Professional Surveyor:

WILLIAM E. MAHNKE II
NEW MEXICO
#8466
REGISTERED PROFESSIONAL LAND SURVEYOR

William E. Mahnke II

Certificate Number 8466

Robert L. Bayless, Producer LLC

Drilling Technical Program

(Attachment to Form 3160-3)

Oxnard #11G
1195 FSL & 710 FWL (sese)
Section 15, T27N, R8W
San Juan County, New Mexico

1. ESTIMATED FORMATION TOPS

Formation	Depth KB	Est Pressure
Ojo Alamo	1260 feet	
Kirtland	1380 feet	
Fruitland	1880 feet	500
Pictured Cliffs	2105 feet	550 psi

2. WELL CONTROL SYSTEM

A. The proposed blowout system (schematic drawings attached) is a bag type preventer, and will be used in 1000 psi service. The wellhead pressure is anticipated to be low and no gas flow to surface.

B. Maximum anticipated bottom hole pressure = 550 psi. Well Control Anticipated Surface Pressure (ASP) = 550 psi.

C. BOP pressure testing will be conducted at the time of installation and prior to drilling out surface casing shoe. The annular will be closed daily. A choke manifold will be installed as per attached drawing. Working pressure for the choke manifold is 2000 psi. In addition, a kill line from the mud pump will be installed.

D. Stabbing valves for drill pipe and drill collars will be available on the rig floor. An upper kelly cock will also be available on the rig.

E. Anticipated formation pressures average .25 psi/ft gradient and formation fracture pressures are anticipated to exceed the maximum mud weight of 9.1 pounds per gallon.

3. DRILLING MUD PROGRAM

A. A 8 ¾" surface hole will be drilled with a fresh water system. Lime and gel will be added to provide viscosity as needed.

B. A 6 ¼" hole will be drilled to total depth utilizing LSND mud.

Interval	Mud System	Weight PPG	Viscosity sec/qt	WL cc
0 – 120 ft	Spud mud	<9.0	35 – 55	NC
120 – 2205	LSND	8.6 – 9.3	28 – 50	<12

C. Mud level monitoring will be done visually.

4. HAZARDS

A. Abnormal pressure is not expected in this area.

B. Lost circulation is expected to be of minimal problems in this area.

C. No hydrogen sulfide is expected. However, should hydrogen sulfide be encountered during drilling, detection and warning systems will be installed.

D. Hole deviation is not expected in this area. Single shot surveys giving hole inclination will be run a minimum of every 500 feet.

5. LOGGING AND TESTING

A. Induction and density logs will be run from total depth across all zones of interest.

B. No drill stem tests are anticipated in this well.

C. No cores are anticipated in this well.

D. No mud logging unit will be used on this well.

6. CASING PROGRAM

A. Surface casing: 7" 20.0 #/ft J-55 from surface to 120 feet

B. Production casing: 4 ½" 10.5 #/ft J-55 from surface to 2205 feet.

C. A proposed wellbore diagram is attached.

7. CEMENTING PROGRAM

A. Surface casing: 30 sx (35.4 cf) Class B w/ 3% CaCl, circulated to surface

B. Production Casing: 175 sx (374.5 cf) Premium Lite High Strength cement circulated to surface, volume may change due to caliper log on well.