

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED

OMB NO. 1004-0136


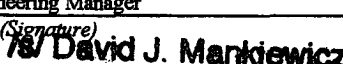
Expires: November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM NM05791	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator ROBERT L. BAYLESS, PWD. LLC		7. If Unit or CA Agreement, Name and No. 32269	
3a. Address P.O. BOX 168, FARMINGTON, NM 87499		8. Lease Name and Well No. Graham B #11G	
3b. Phone No. (include area code) (505) 326-2659		9. API Well No. 30045 31708	
4. Location of Well (Report location clearly and in accordance with an State requirements*) At surface 725 FNL & 1360 FWL At proposed prod. zone Same		10. Field and Pool, or Exploratory Basin Fruitland Coal	
11. Sec., T., R., M., or Blk. and Survey or Area C Section 4 - T27N - R8W		12. County or Parish San Juan	
13. State NM		14. Distance in Miles and Direction from nearest town or post office*	
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 320 321.33 W/2		18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this Lease, ft.	
19. Proposed Depth 2210		20. BLM/BIA Bond No. on file 40S23024BCA	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5926 ft KDB 5921 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:

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

25. Signature 	Name (Printed/Typed) Price M. Bayless	Date 5/28/03
Title Engineering Manager		
Approved by (Signature) 	Name (Printed/Typed) David J. Markiewicz	Date OCT - 9 2003
Title Office		

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)

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

NMOC

District I  
PO Box 4980, 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

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

<sup>1</sup> API Number 30-045-31708		<sup>2</sup> Pool Code 71629	<sup>3</sup> Pool Name BASIN FRUITLAND COAL
<sup>4</sup> Property Code 32269	<sup>5</sup> Property Name GRAHAM B		<sup>6</sup> Well Number 11 G
<sup>7</sup> OGRID No. 150182	<sup>8</sup> Operator Name ROBERT L. BAYLESS, PRODUCER LLC		<sup>9</sup> Elevation 5921

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	4	27 N	8 W		725	North	1360	West	San Juan

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup> <i>N 89° 36' W</i> 40.04 CH. 		<sup>17</sup> 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 11-26-02 Date
<sup>18</sup> 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. 22 Nov 2002 Date of Survey  Signature and Seal of Professional Surveyor WILLIAM E. MAHONEY II #8466 Certificate Number		

# **Robert L. Bayless, Producer LLC**

## **Drilling Technical Program**

(Attachment to Form 3160-3)

### **Graham B #11G**

725 FNL & 1360 FWL (nenw)

Section 4, T27N, R8W

San Juan County, New Mexico

## **1. ESTIMATED FORMATION TOPS**

<u>Formation</u>	<u>Depth KB</u>	<u>Est Pressure</u>
Ojo Alamo	1200 feet	
Kirtland	1326 feet	
Fruitland	1825 feet	500
Pictured Cliffs	2110 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 3/4" surface hole will be drilled with a fresh water system. Lime and gel will be added to provide viscosity as needed.

- B. A 6 1/4" 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 – 2210	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 1/2" 10.5 #/ft J-55 from surface to 2210 feet.
- C. A proposed wellbore diagram is attached.

#### 7. CEMENTING PROGRAM

- A. Surface casing: 35 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.