

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: November 30, 2000

**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.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. Graham B WN Federal #10G
2. Name of Operator Robert L. Bayless, Producer LLC		9. API Well No. 30-045-31646
3a. Address PO Box 168, Farmington, NM 87499	3b. Phone No. (include area code) (505) 326-2659	10. Field and Pool, or Exploratory Area Basin Fruitland Coal
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1750' FSL & 1935' FEL, Sec. 10, T27N, R8W		11. County or Parish, State San Juan, New Mexico

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

SEE ATTACHED MORNING REPORT.



14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Price M. Bayless	Title Engineering Manager
Signature <i>[Signature]</i>	Date January 21, 2004
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
APPROVED FOR RECORD	
Approved by	Title JAN 20 2004
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 operation thereon.	Office FARMINGTON FIELD OFFICE
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	

NMOCD

# Robert L. Bayless, Producer LLC

Graham B #10G  
API # 30-045-31646  
1750 FSL & 1935 FEL  
Section 10 – T27N – R8W  
San Juan County, New Mexico

## Morning Report – Drilling

1/13/04

Build location and dig pit. Line and fence pit.

1/14/04

Move L&B Speeddrill rig onto location and rig up. Spud well at 12:30 pm, 1/13/04. Drill 8 3/4" hole to 141 ft and circulate hole clean. Drop survey tool and trip out of hole. Deviation 1/4° at 141 ft. Rig up and run 3 joints (134.41 ft) 7" 20 #/ft new J-55 ST&C casing, land at 139 ft. Rig up AES and cement surface casing with 50 sx (59.0 cf) Class B cement with 3% CaCl and 1/4 #/sx celloflake. Good returns throughout job with 5 bbls circulated to pit. Plug down at 3:00 pm, 1/13/04. WOC and shut down overnight.

1/15/04

Break off cementing head and make up wellhead. Nipple up BOP and choke manifold. Pressure test BOP and Choke manifold to 500 psi for 30 minutes, held OK. Trip in hole and tag cement at 100 feet. Drill cement and drill into new formation. Drill 6 1/4" hole to 650 ft. Circulate hole clean and run survey. Deviation 1/4° at 650 ft. Continue drilling to 700 feet. Circulate hole clean and shut down overnight.

1/16/04

Continue drilling to 1150 ft. Circulate hole clean. Run survey, deviation 1/2° at 1150 feet. Drill ahead to 1250 feet. Circulate hole clean and shut down overnight.

1/17/04

Resume drilling and drill to 1400 feet. Circulate hole clean and drop survey tool. Trip out for Bit #3. Deviation 3/4° at 1400 feet. Trip in hole and continue drilling to 1560 feet. Circulate hole clean and shut down overnight.

1/18/04

Resume drilling and drill ahead to 2040 feet. Circulate hole clean and run survey, deviation 1° at 2040 feet. Trip out to 1200 feet. Shut down overnight.

1/19/04

Rig down for weekend. No operations or costs.

1/20/04

Resume drilling and drill to 2250 ft. Circulate hole clean and run survey. Deviation 1° at 2250 ft. Pull pit down and mix mud. Circulate mud and condition hole for logs. Trip out for logs. Log well with Schlumberger. Shut down overnight.

1/21/04

Spot casing and rig up casing crew. Run 50 joints of new 4 1/2" 10.5 #/ft J-55 ST&C casing as follows:

KB to landing point	4.00 feet	0 – 4 feet
49 joints casing	2171.15 feet	4 – 2175 feet
Insert float	0.00 feet	2175 – 2175 feet
Shoe joint	44.36 feet	2175 – 2219 feet
Guide shoe	0.70 feet	2219 – 2220 feet
	2220.21 feet	

Land casing at 2220 feet with centralizers at 2199, 2133, 2044, and 1955 feet. Run turbocentralizers at 1423 and 1201 feet. Circulate hole clean. Rig down casers and rig up BJ Services to cement casing as follows:

Flush	20 bbls phenoseal - XLFC
Flush	5 bbls gelled water
Cement	300 sx (639 cf) Premium Lite High Strength w/ 1/4 #/sx cello flake
Displacement	34.7 bbls fresh water

Good returns throughout job with 7 bbls good cement pumped to pit. Bump plug to 1035 psi at 1:30 pm, 1/20/04. Release drilling rig and wait on completion.