Form 3160-5 FORM APPROVED (June 1990) Budget Bureau No. 1004-0135 Expires: March 31, 1993 UNITED STATES 5. Lease Designation and Serial No. DEPARTMENT OF THE INTERIOR SF-078213' BUREAU OF LAND MANAGEMENT 6. If Indian, Allottee or Tribe Name SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to deepen or reentry to a different reservoir, 7. If Unit of CA. Agreement Designation Use "APPLICATION FOR PERMIT--" for such proposals SUBMIT IN TRIPLICATE 1. Type of Well 8. Well Name and No. Oil Well X Gas Well Other ARNIE #2 2. Name of Operator 9. API Well No. Robert L. Bayless, Producer LLC 30-045-29669 3. Address and Telephone No. 10. Field and Pool, or Exploratory Area PO Box 168 Farmington, NM 87499 (505)326-2659 **FULCHER KUTZ PC EXT** 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State Section 25, T30N, R13W 1460 FNL & 885 FWL San Juan, New Mexico CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Abandonment Change of Plans Notice of Intent Recompletion New Construction Plugging Back Non-Routine Fracturing X Subsequent Report Casing Repair Water Shut-Off Altering Casing Conversion to Injection Completion Final Abandonment Notice Other Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 13. Describe Proposed or Completed Operations (Clearly state all pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)* Please see attached completion report. OIL CON. DIV. 14. I hereby Signed Title Petroleum Engineer Date November 4, 1998 Kevin H. McCord (This space for Federal or State office use) Approved by Title Conditions of approval, if any: Title 18 U.S.C. Section 1001, makes 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 manner within its jurisdiction. ACCEPTED FOR RECORD *See Instruction on Reverse Side

NOV 1.9 1998

FARMINGTON DISTRICT OFFICE

PARIMINATOR DISTRICT

ROBERT L. BAYLESS ARNIE #2 1460 FNL & 885 FWL (SWNW) SECTION 25, T30N, R13W SAN JUAN COUNTY, NEW MEXICO

COMPLETION REPORT

10-27-98 Rigged up Dowell. Pressure tested casing to 3000 psi, held OK. Rigged up Blue Jet Wireline services. Ran GR-CLL from 1955 ft RKB (corrected PBTD) to 1300 ft. Perforated the Pictured Cliffs interval with 3 1/8" casing gun at 2 JSPF as follows:

1783 - 1799 ft

16 ft

33 holes

.34" diameter

Broke down perforations at 2450 psi. Established an injection rate of 6.6 BPM @ 1300 psi, ISIP = 450 psi (FG = 0.68). Acidized the Pictured Cliffs interval with 500 gallons of 7.5% DI weighted HCL acid containing 50 1.1 sg RCN ball sealers at 6.0 BPM @ 1300 psi. Saw good ball action, obtained balloff to 3000 psi. Surged balls off perforations. Final injection rate was 6.0 BPM @ 1350 psi, 350 psi ISIP. Ran junk basket in hole on wireline and recovered 50 ball sealers. Shut down for the night.

10-28-98 Fracture stimulated the Pictured Cliffs formation with 19,000 gallons of 70 quality foam using 30# X-linked borate gelled fluid containing 52,000 lbs of 16-30 mesh Arizona sand as follows:

4,000 gals of 70 qual foam pad
5,000 gals of 70 qual foam with 2 ppg 16-30 sand
8,000 gals of 70 qual foam with 4 ppg 16-30 sand
2,000 gals of 70 qual foam with 5 ppg 16-30 sand
1,190 gals of 70 qual foam flush

15 BPM @ 1000 psi

ISIP = 1100 psi decreasing to 1000 psi after 15 minutes. All water contained 2% KCL, ½ gal/1000 clay stabilization agent, and bacteriacide. Sand contained multiple radioactive tracer material as follows: 4 mc Sb-124 in 2 ppg sand stage, 13 mc Ir-192 in 4 ppg sand stage, 4 mc Sc-46 in 5 ppg sand stage. Average rate 15 BPM, average pressure 1000 psi, maximum pressure 1150 psi, minimum pressure 950 psi, average nitrogen rate 4,400 scfm, total nitrogen pumped 169,200 scf. Total fluid to recover 210 bbls. Shut well in for 3 hours. Blow well back to a flowback tank through a 1/4" inline choke. Well flowing to cleanup with drywatch. Shut down for the night.

10-29-98 Well flowed foamy water with some sand and died after 2½ hours of flow after frac. Recovered approximately 4 barrels of water in flowback tank. Shut in well and wait on completion rig.

10-30-98 to 11-2-98 Wait on completion rig.

- Move in and rig up JC Well Service completion rig. Nipple up wellhead and BOP. Pick up 2 3/8" tubing and trip 40 joints in hole. Shut down for the night.
- 11-4-99 Trip more tubing in hole. Tag sand fill at 1945 ft RKB (146 ft below bottom perforation). Moved tubing up hole and landed as follows:

Description Description	<u>Length</u>	<u>Depth</u>
KB to landing point	3.00	0-3
2 2 3/8" subs	19.34	3-22
55 jts of 2 3/8" 4.7#/ft J55		
EUE yellow band tubing	1742.36	22-1765
1 seating nipple	1.10	1765-1766
1 jt of 2 3/8" tubing	31 <u>.68</u>	1766-1797
	1797.48	

Nipple down BOP and nipple up wellhead. Rigged to swab. Made 10 swab runs and kicked well off flowing to the tank. Rigged down and released rig.