Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. Lease Designation and Serial No.: SF 078841-B

6. If Indian, Allottee or Tribe Name:

1a. Type of Work: DRILL ☑ DEEPEN ☐

7. Unit Agreement Name:

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

8. Farm or Lease Name, Well No.: Hazel Bolack #18 #2 — 28887

2. Name of Operator: ROBERT L. BAYLESS Agent LLC

9. API Well No.: 30-045-30688

3. Address and Telephone No.: P.O. BOX 168, FARMINGTON, NM 87499 (505) 326-2659

10. Field and Pool, or Wildcat: Blanco Mesa Verde

4. Location of Well (Report location clearly and in accordance with an State requirements*)
At surface: 850 FSL and 1190 FEL
At proposed prod. Zone: same

11. Sec., T., R., M., or Blk, and Survey or Area: Section 10, T30N, R11W

14. Distance in Miles and Direction from nearest Town or Post Office*

12. County or Parish: San Juan — 13. State: New Mexico

15. Distance from Proposed* Location to nearest Property or Lease Line, ft. (Also to nearest drlg. Unit line, if any)

16. No. of Acres in Lease

17. No. of Acres Assigned to this Well: 318.94 S/2

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

18. Distance from Proposed Location* to nearest Well, Drilling, Completion, or applied for, on this Lease, ft.

19. Proposed Depth: 4890

20. Rotary or Cable Tools: Rotary

21. Elevations (Show whether DF, FT, GR. Etc.): 5827 KB

22. Approx. Date Work Will Start: ASAP

SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Grade, Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12.25	9.625	36	120	50 sx (59 cf)
8.75	7	23	2490	320 sx (509 cf)
6.25	4.5	10.5	4890	265 sx (404 cf)

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OIL CON. DIV.
DIST. 3

Bayless proposes to drill a 12 1/4" hole to 120 feet sith native mud and set 9 5/8" 36.0 #/ft casing , cemented to surface with 50 sx Class B w/ 4% CaCl (59 cf). Will drill 8 3/4" hole to 2490 feet with low solids non-dispersed mud and run electric logs. Will run 2490 feet 7" 23 #/ft J55 casing cemented to surface with 320 sx (509 cf) Class B cement. Cement volume will be based on caliper log. Will drill 6 1/4" hole to 4890 feet with air and run logs. Will run 4890 feet of 10.5 #/ft J55 casing cemented with 265 sx (404 cf) Class B cement.Top of cement should be at 2300 feet and will be determined by bond log. Will test Mesa Verde through perforated casing. All drilling below surface casing will be conducted with a 2000 psi double ram preventer with a rotating head being added for the air hole. Additional drilling technical details are attached. Pipeline approval is proposed as part of this APD as marked on the enclosed topo.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present production zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Price M. Bayless
Signed _____ Title Engineer Date 5-31-01

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 9/13/01

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:

Approved By _____ Title AFM (Minerals) Date 9/13/01

*See Instruction on Reverse Side

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.

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

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

2001 JUN -5 PM 3:37

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-045-30688	72319	BLANCO MESA VERDE

4 Property Code	5 Property Name	6 Well Number
28887	HAZEL BOLACK 10	# 2

7 OGRID No.	8 Operator Name	9 Elevation
150182	ROBERT L. BAYLESS, PRODUCER LLC	5815

10 Surface Location

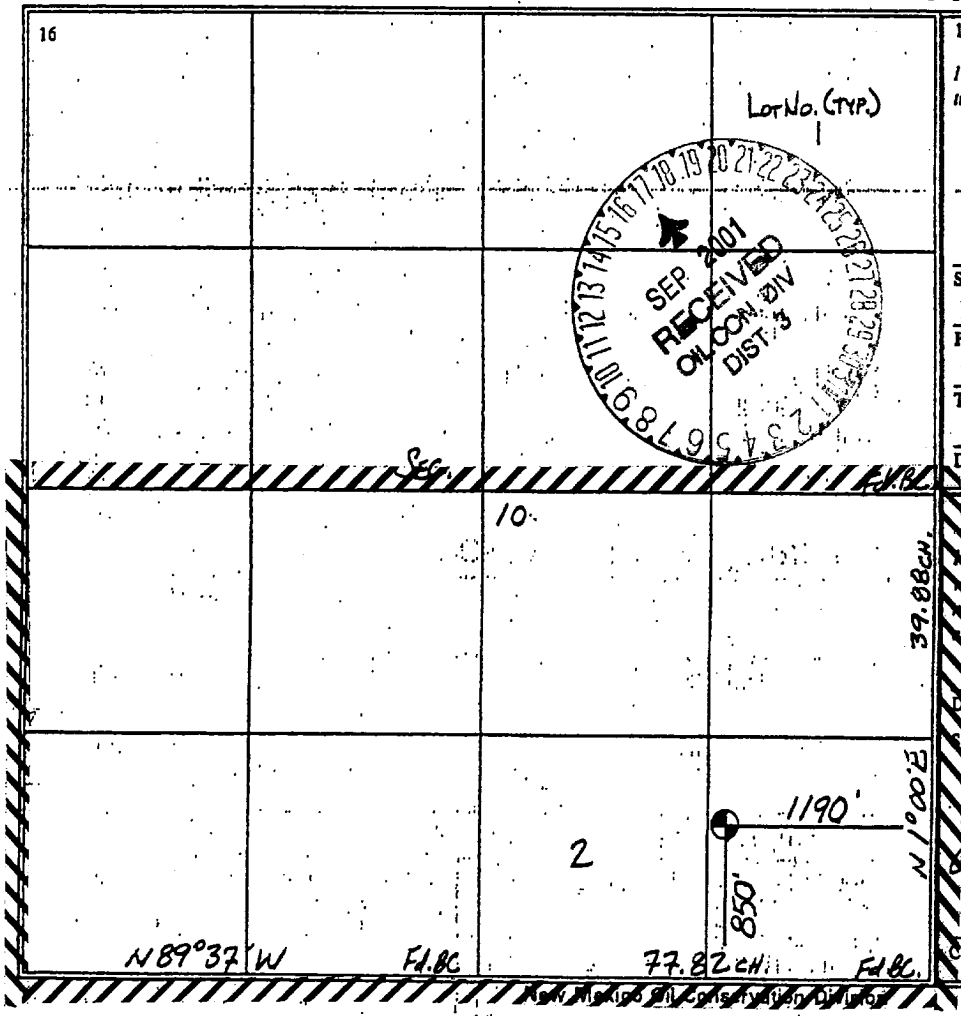
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	10	30 N	11 W		850	South	1190	East	San Juan

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.
318.84 S/2			

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



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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

ENGINEER
Title

5/31/01
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.

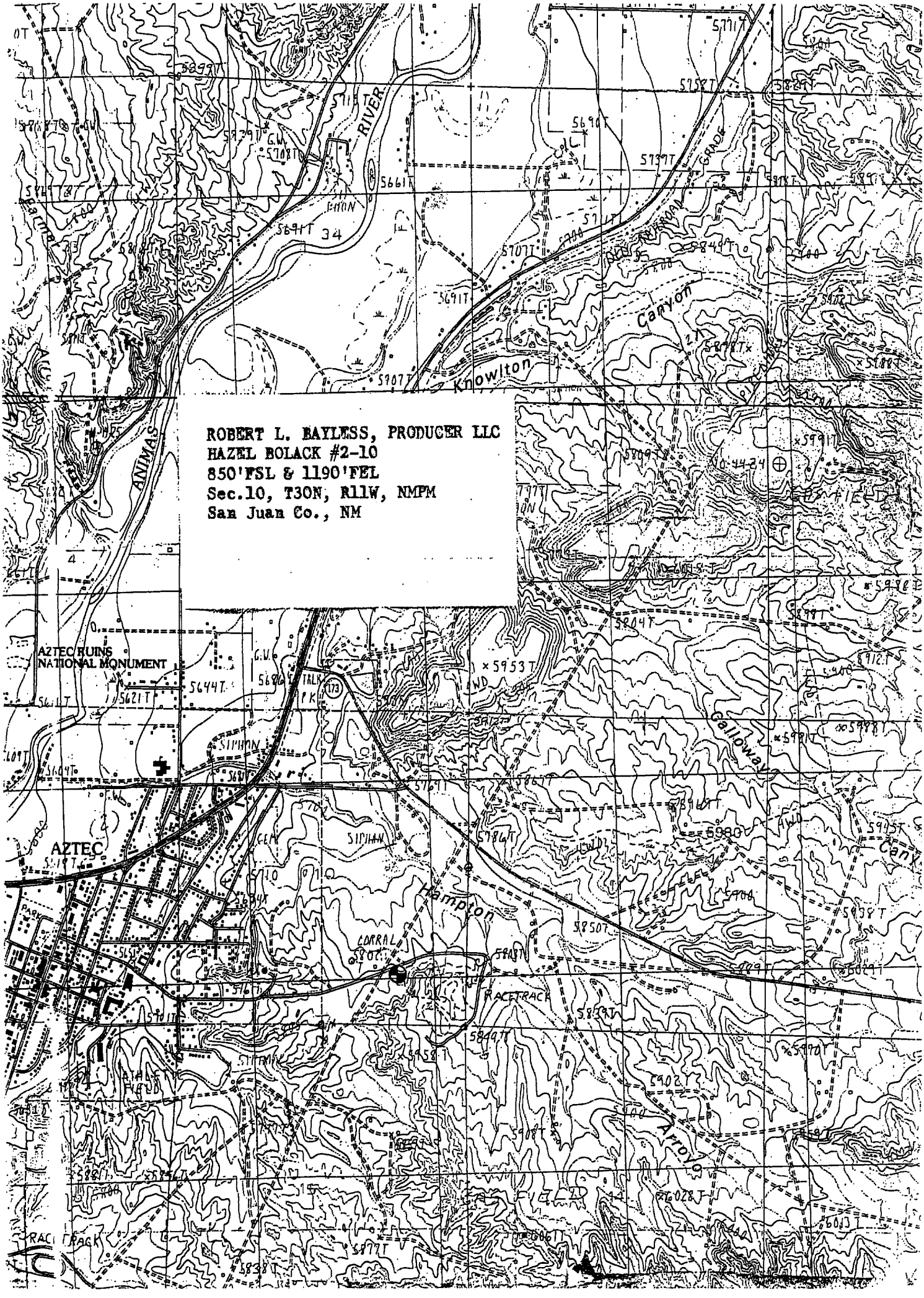
Date of Survey

Signature and Seal of Professional Surveyor:

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

William E. Mahnke II
Certificate Number 8466

New Mexico Oil Conservation Division


ROBERT L. BAYLESS, PRODUCER LLC
HAZEL BOLACK #2-10
850'FSL & 1190'FEL
Sec.10, T30N, R11W, NMPM
San Juan Co., NM
AZTEC RUINS NATIONAL MONUMENT
AZTEC
RIVER
ANIMAS
Knowlton
Canyon
Galloway
Hampton
RACETRACK
CORRAL
SIPHON
GRADE
FIELD
Arroyo

Robert L. Bayless, Producer LLC

Well Control Equipment Schematic for 2M Service

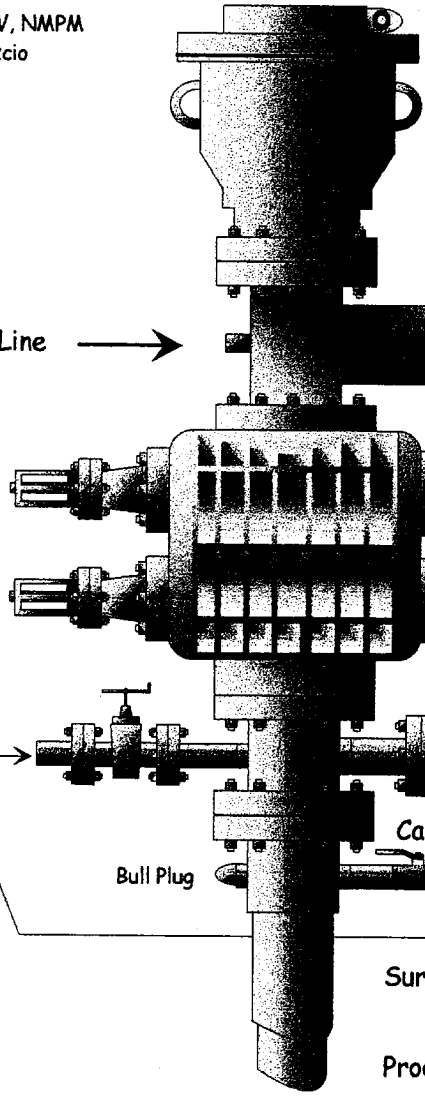
Attachment to Drilling Technical Program

Hazel Bolack 10-2

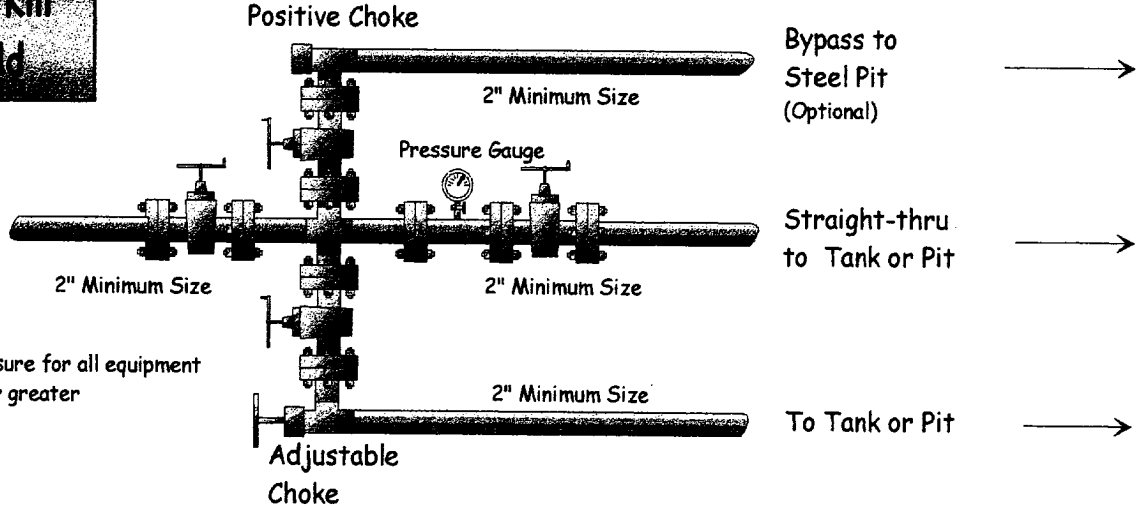
Location: SE/4
Sec 10, T30N, R11W, NMPM
San Juan, New Mexcio

Date: MAY 30, 2001

BOP Stack



Choke & Kill Manifold



Working Pressure for all equipment is 2,000 psi or greater

May 8, 2001

Tucker Bayless
Robert L. Bayless Producer, LLC
P.O. Box 168
Farmington, NM 87499

Re: Hazel Bolack Well

Dear Mr. Bayless:

This will confirm the City of Aztec's position that your location of the proposed Hazel Bolack Well as identified on the attached map will not interfere with the City of Aztec's use of that land for recreation and public purposes. It is our further understanding that the proposed location is as far northwest on the recreation and public purposes land as practical, in order to avoid interference with the proposed use.

Our approval of the location does not constitute any waiver of the City's rights to compensation for this land, nor does it waive any permitting requirements.

Very truly yours,

Mike Arnold, Mayor

Jerry Hanhardt, Commissioner

Gail A. Aspromonte, Mayor Pro-Tem

Jack W. Scott, Commissioner

James L. Rubow, Commissioner

/tlm
Attachment

201 West Chaco • Aztec, New Mexico 87410 • (505) 334-7600 • Fax: (505) 334-7609