C. HARRADEN/ September 4, 2001

Robert L. Bayless, Producer LLC/ Floyd # 8 APD

STIPULATION/CONDITION OF APPROVAL

In order to protect the integrity of the Ojo Alamo aquifer, minimum surface csg. depth of 648' is stipulated as a condition of approval for this APD.

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

OCT 2001

5. Lease Designation and Serial No.
NM 047

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. 52186
Floyd #8

2. Name of Operator
ROBERT L. BAYLESS, PRODUCER LLC

9. API Well No.
30-045-30808

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

10. Field and Pool, or Wildcat
Fulcher Kutz PC

4. Location of Well (Report location clearly and in accordance with an State requirements*)
At surface
1105 FSL & 1070 FEL
At proposed prod. Zone
SAME

11. Sec., T., R., M., or Blk, and Survey or Area
Section 17, T30N, R12W

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
162.54 acres SE/4

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

19. Proposed Depth
2150

20. Rotary or Cable Tools
Rotary

21. Elevations (Show whether DF, FT, GR. Etc.)
5810 GR, 5815 KB

22. Approx. Date Work Will Start
ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Grade, Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
8 3/4"	J-55, 7"	23.0	~~120~~ 48'	~~35 sx (41.3 cf)~~ Circulate
6 1/4"	J-55, 4 1/2"	10.5	2150	185 sx (297.5 cf) Circulate

Will drill 8 3/4" hole to 120 feet and run 120 ft of 7" 23.0 #/ft J-55 casing, cemented with 35 sx Class B cement circulated to surface. Will drill 6 1/4" hole to 2150 feet with clear water and natural mud with water loss control additives. Induction and density logs will be run. Will set 2150 ft of 4 1/2" 10,5 #/ft new J-55 casing, cemented with 185 sx (297.5 cf) Class B cement, circulated to surface. No abnormal temperature or pressure is anticipated. Estimated mud weight is 8.6 #/gallon. Pipeline will be included in this APD as per attached drawing.

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".

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 **Operations Manager** Date **June 15, 2001**

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 10/29/01

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 10/29/01

***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.

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-30808	77200	FULCHER KUTZ PICTURED CLIFFS

[4] Property Code	[5] Property Name	[6] Well Number
22186	FLOYD	8

[7] OGRID No.	[8] Operator Name	[9] Elevation
150182	ROBERT L. BAYLESS, PRODUCER LLC	5810

[10] Surface Location

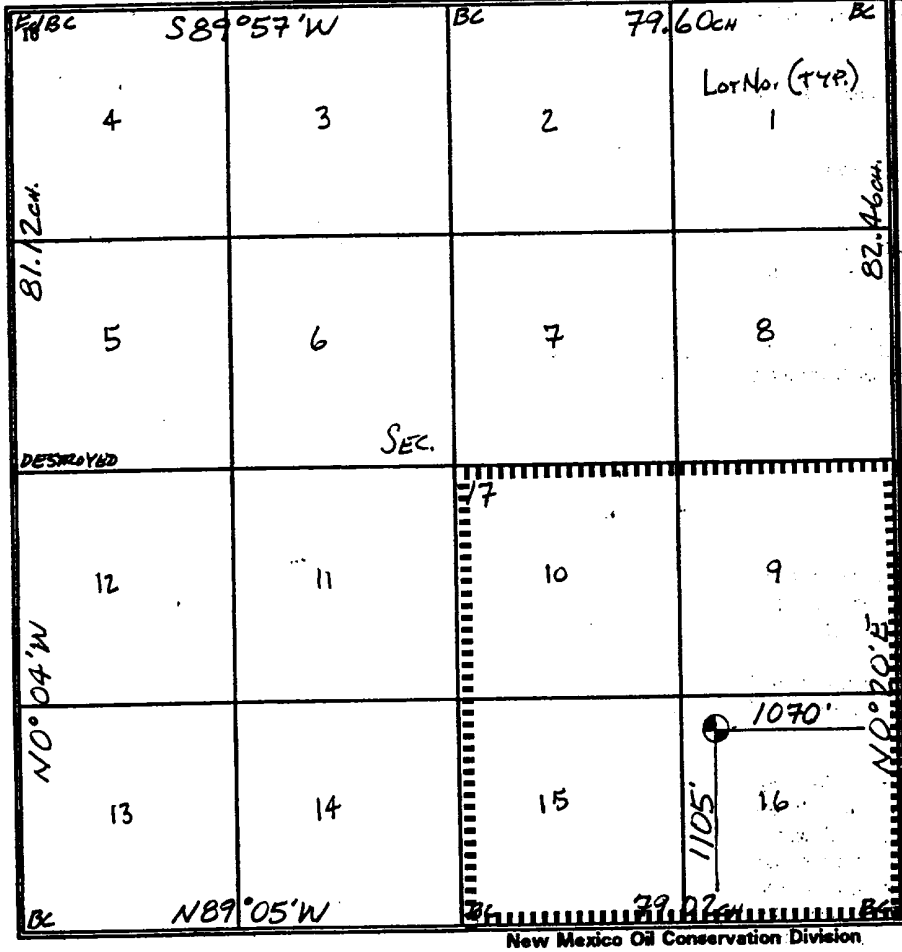
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
16	17	30 N	12 W		1105'	South	1070	East	San Juan

[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.
162.54			

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

ENGINEER
Title

JUNE 20, 2001
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.

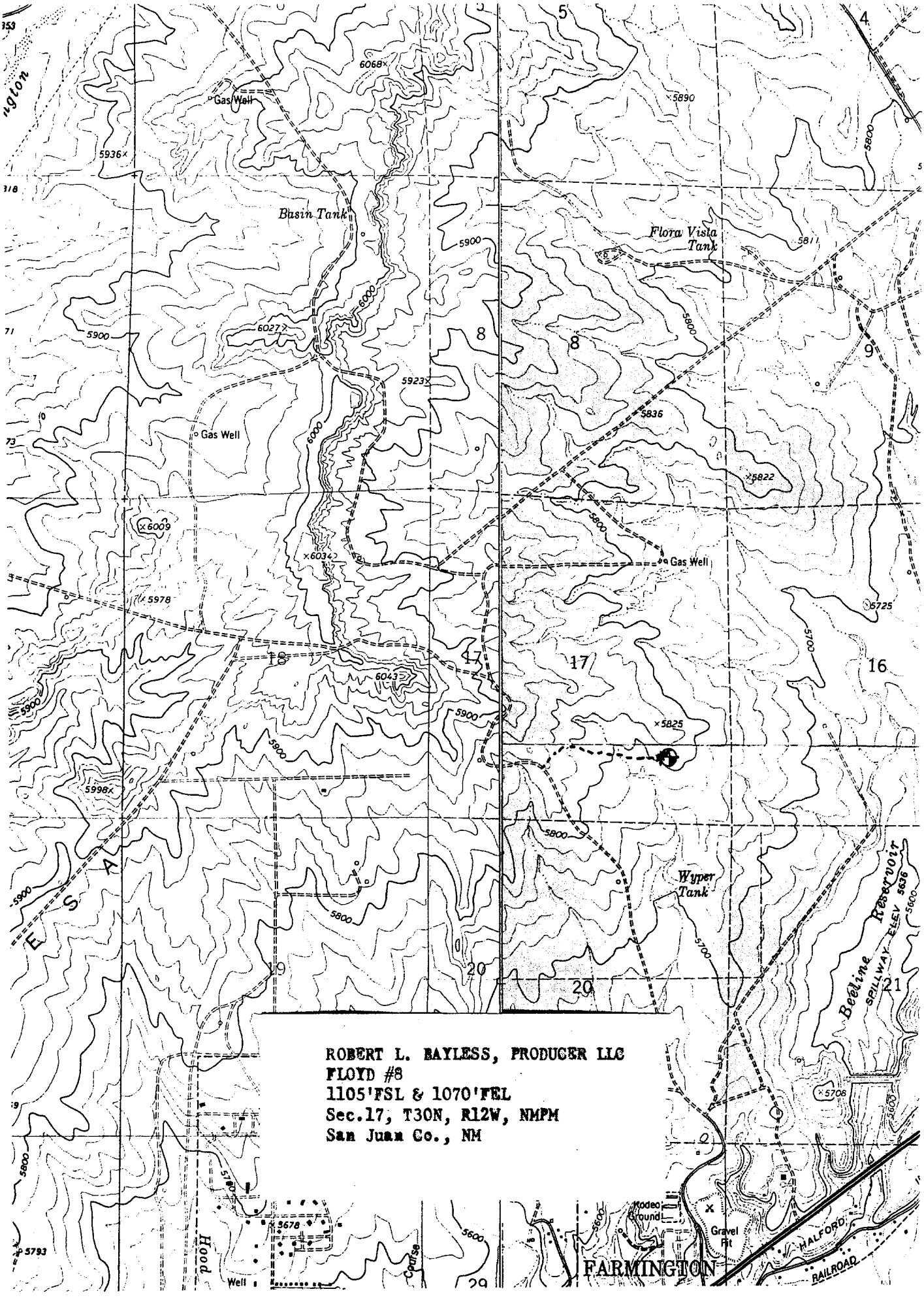
4 June 2001
Date of Survey

Signature and Seal of Professional Surveyor

WILLIAM B. MAHNKE II
NEW MEXICO
#8466
REGISTERED PROFESSIONAL SURVEYOR

William B. Mahnke II
Certificate Number 8466

New Mexico Oil Conservation Division


ROBERT L. BAYLESS, PRODUCER LLC
FLOYD #8
1105'FSL & 1070'FEL
Sec.17, T30N, R12W, NMPM
San Juan Co., NM
Basin Tank
Flora Vista Tank
Wyper Tank
Beeline Reservoir
SPILLWAY ELEV 5636
Gas Well
Rodeo Ground
Gravel Pit
HALFORD
RAILROAD
FARMINGTON
Hood
Well
Coarse

Robert L. Bayless, Producer LLC

Drilling Technical Program

(Attachment to Form 3160-3)

Floyd #8
1105 FSL & 1070 FEL (se se)
Section 17, T30N, R12W
San Juan County, New Mexico

1. ESTIMATED FORMATION TOPS

Formation	Depth KB	Est Pressure
Ojo Alamo	450 feet	
Kirtland	610 feet	
Fruitland	1660 feet	450 psi
Pictured Cliffs	1985 feet	570 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. Bayless requests a waiver from O & G Order #2 requirements for 2M service as the well is shallow and low pressure, with the surface pressure not to exceed 350 psi. Such moderate conditions lower any chance of uncontrolled gas flow.

B. Minimum required working pressure rating for BOP stack is 1000 psi. Maximum anticipated bottom hole pressure = 570 psi. Well Control Anticipated Surface Pressure (ASP) = 570 psi – (.22 * 2150') = 97 psi, assuming a partially gas cut column per BLM guidelines.

C. BOP pressure testing will be conducted at the time of installation and prior to drilling out surface casing shoe. Bag type preventer will be tested to 250 psi. The BOP will be activated on each trip out of the hole and all will be recorded in the driller's log. A choke manifold will be installed as per attached drawing. Working pressure for the choke manifold is 1000 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. An 11" 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 air. a low solids non-dispersed mud system. Additives such as starch, gel, and others will be used to control mud properties as needed. No materials of a hazardous nature will be added to the drilling fluid in hazardous quantities. Lost circulation material will be on location, but no mud weighting materials will be stores on location.

Interval	Mud System	Weight PPG	Viscosity sec/qt	WL cc
0 – 120 ft	Spud mud	<9.0	35 – 55	NC
120 – 2150 ft	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" 23.0 #/ft J-55 from surface to ~~120~~ 648 feet.

B. Production casing: 4 ½" 10.5 #/ft J-55 from surface to 2150 feet.

C. A proposed wellbore diagram is attached.

Robert L. Bayless, Producer LLC

Floyd #8

1105 FSL & 1070 FEL (se se)
Section 17 - T30N - R12W
San Juan County, NM

Longstring Cementing Guidelines

The following estimated volumes of cement will be pumped on the longstring casing cementing job to provide a cement sheath from the end of production casing to the surface to protect useable water zones in this well. The exact cement pumped may vary slightly after examination of open hole logs.

lead slurry: 90 sx (185.4 cf) Class B cement with 2% econolite
weight: 12.5 #/gal
yield: 2.06 ft3/sx

tail slurry: 95 sx (112.1 cf) Class B cement neat.
weight: 15.6 #/gal
yield: 1.18 ft3/sx

NOTE: a 10 barrel spacer of clear water will be pumped ahead of the lead cement slurry to prevent mud contamination of the cement.

If cement does not reach the surface, a temperature log or cement bond log will be run to determine the top of cement.

The longstring production casing will be centralized through the Pictured Cliffs production interval and through any usable water zones. Turbo-centralizers will be placed just below and into the base of the lowest water zone.

A chronological log will be kept on the longstring cement job, recording the pump rate, pump pressure, slurry density, and slurry volume. This log will be sent to the BLM after completion of the job.