C. HARRADEN/ September 4, 2001 €

Robert L. Bayless, Producer LLC/ Floyd # 7 APD

STIPULATION/CONDITION OF APPROVAL

In order to protect the integrity of the Ojo Alamo aquifer, minimum surface csg. depth of 610' is stipulated as a condition of approval for this APD.

Form 3160-3	3	_	SUBMIT IN TRIPLICATE*	FORM APPROVED	)
('uly 1992)			(Other instructions on	OMB NO. 1004-0136	
	TIR	TRUDINGS COM A MOTO	reverse side)	Expires: February 28, 1995	
		NITED STATES ENT OF THE INT	20001123	5. Lease Designation and Serial NM 047	No.
	BUREAU OI	LAND MANAG	MENT A	6. If Indian, Allottee or Tribe Na	me
	PLICATION FOR	PERMIT TO DEEL	LORDEROUN ON	1	
la. Type o	f Work DRILL 🔽	DEEPEN 🗆 🔀	OK CON DIV	7. Unit Agreement Name	······································
b. Type o Oil	of Well Gas		UIST. 3	8. Farm or Lease Name, Well No	o. 5218h
Well	☐ Well ☑	Other Zone	Multiple Zone	Floyd #7	22186
2. Name of			1191911	Floyd #7  9. API Well No. 30-045-30	18/1
	BERT L. BAYLESS, and Telephone No.	PRODUCER LLC		30-045-50	7010
1	•	IGTON, NM 87499	(505) 326-2659	10. Field and Pool, or Wildcat Fulcher Kutz PC	
		learly and in accordance with		11. Sec., T., R., M., or Blk,	<del></del>
At surfac 955 I	e FNL <b>&amp; 980 FWL</b>			and Survey or Area	
• •	sed prod. Zone			Section 17, T30N, R12	$\mathbf{w}$
SAM		-			
14. Distance	e in Miles and Direction f	rom nearest Town or Post	Office*	12. County or Parish	13. State
16 Distant	. C.s D		116 37 64 -	San Juan	New Mexico
	e from Proposed*		16. No. of Acres in Lease	17. No. of Acres Assigned to this Well	
Property	or Lease Line, ft.			161.78 ac	res NW/4
(Also to 1	nearest drlg. Unit line, if a from Proposed Location	any)	10.0		, / 1
	t Well, Drilling, Complet		19. Proposed Depth 2200	20. Rotary or Cable Tools  Rotary	
or applied	d for, on this Lease, tt.	,		140441.9	
	ns (Show whether DF, F. <b>74 GR, 5879 KB</b>	Γ, GR. Etc.)		22. Approx. Date Work Wil	ll Start
23.	:	DRODOSED CAS	INC AND OF FEBRUARIO		
Size of Hole	Coods Sins of Cosing		ING AND CEMENTING PRO	<del></del>	
8 3/4"	Grade, Size of Casing J-55, 7"	Weight per Foot 23.0	Setting Depth	Quantity of Cen	nent
6 1/4"	J-55, 4 1/2"	10.5	2200	35 sx (41.3 cf) 185 sx ( 297.5 cf)	<del></del>
	1				
Will drill	8 3/4" hole to 120 fe	et and run 120 ft of	7" 23.0 #/ft J-55 casin	g, cemented with 35 sx Cla	ss B cement
				and natural mud with wat	
				2" 10,5 #/ft new J-55 casing	
				al temperature or pressure	
			ll be included in this A	PD as per attached drawin	ıg.
Tiris	e critical se notice si deneroud welver lanubed	hetheres .		CHALLING OPERATIONS AL	JIHORRED ARE
Proc <b>e</b> nd	Appeal pursuant to 43	to 45 CFR 2188 A		SUBJECT TO COMPLIANCE	WITH ATTACHED
	appeal pursuant to 43	CFR 3166.4	•	GEMERAL REQUIREMENT	2.,
			.4		
IN ABOVE SE	PACE DESCRIBE PROPO	SED PROGRAM: If proposa	l is to deepen, give data on present	production zone and proposed new produ- rtical depths. Give blowout preventer pro-	ctive zone.
	ce M. Bayless	ve perunem data on subsurface	rocations and measured and true ve	atical deputs. Give blowout preventer pro	gram, 11 any.
Signed	1-msa/	Title	<b>Operations Manager</b>	Date June 15, 2	2001
(This s	pace for Federal or State	office use)			
PERMIT NO	•	•	APPROVAL DATE	9/27/01	
to conduct ope	pproval does not warrant or certarions thereon.  SOFAPPROVAL, IF ANY:	tify that the applicant holds lega	al or equitable title to those rights in	n the subject lease which would entitle the	e applicant
Approved F	$(1X/\mathcal{U}_{\ell})$	Title	AFM minera	$\bigcirc$ Date $9/2$	7/01
Title 1811SC	Section 1001 makes it a m		ruction on Reverse Side	separtment or agency of the United St	ates any Clas
fictitious or fra	udulent statements or repres	entations as to any manner w	ny ana windiny to make to any ( vithin its jurisdiction.	separanent or agency of the United St	aics any laise,

District I PO Box 1900, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Axtec, NM 87410 District IV

PO Box 2088, Santa Fe, NM 87504-2088

# State of New Mexico Energy, Minerals & Natural Resources Department

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

OIL CONSERVATION DIVISION PO Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name			
30-045-30	0810	77200	FULCHE	R KUTZ	PC	
<sup>4</sup> Property Code		* Pr	operty Name		-	* Well Number
22186		F.	LOYD			7
OGRID No.			perator Name	* .:		* Elevation
150182	1.	ROBERT L. B.	AYLESS, PRODUCER LLA	3	.	5874

## <sup>10</sup> Surface Location

UL or let mo.	Section	Township	Range	Let Ida	Feet from the	North/South line	Feet from the	East/West line	County
4 -	17	30 N	12 W		955	North	980	West	San Juan

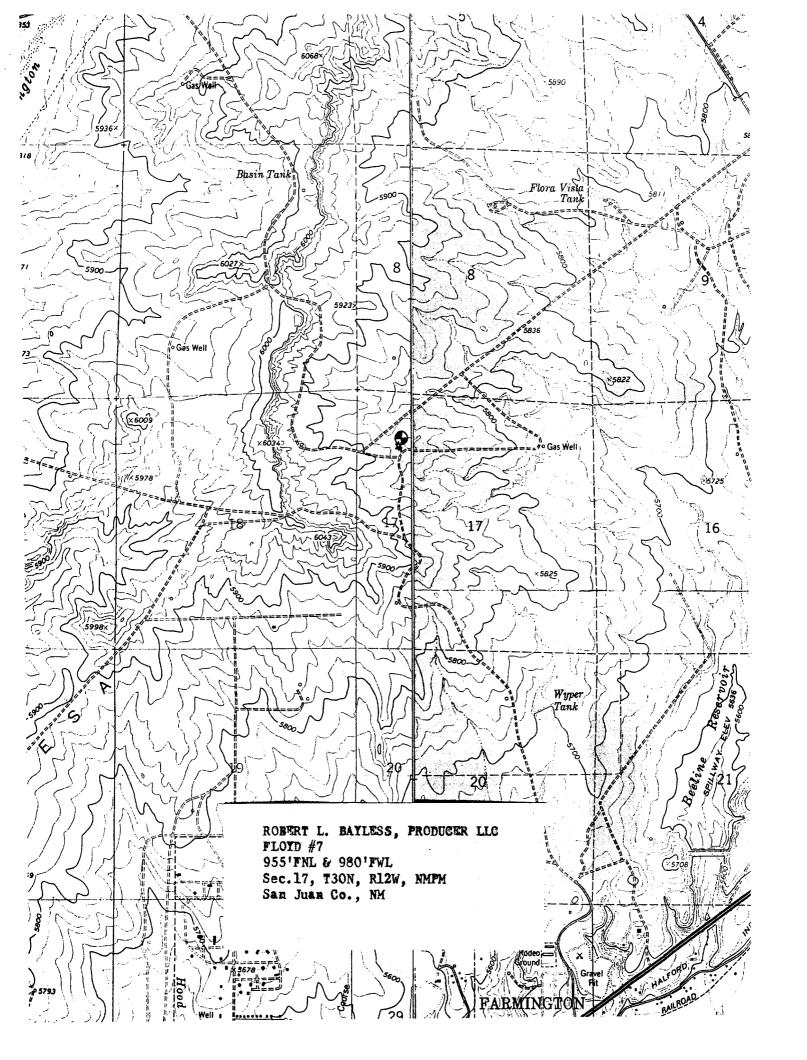
## 11 Bottom Hole Location If Different From Surface

UL or let no.	Section	Township	Range	Let Ide	Feet from the	North/South line	Feet from the	East/West line	County
	,			1				* *	
1									
12 Dedicated Acr	es <sup>13</sup> Joint	or lafet M	Consolidatio	e Code 15 0	rder No.				
161.78,N		1		ı				"	
עו, סויושון	Ψ .	. 1							

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

OR A NON-STANDARD LINIT HAS BEEN APPROVED BY THE DIVISION

OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION										
J.	<u>Sum</u>	गमुप्रम	BEHANDIIIIII	BC 79.	60ch BC	17 OPERATOR CERTIFICATION				
		1,5			LorNo, (TYP.)	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief				
	4	955	3	2.	1					
22.	980'	•		13112	360	1-48g/				
(78,				OCT 2	<b>201</b> 6 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	PRICE M. BAYLESS				
	5	:	6	PACE OILOO	001 VED 8:0 LDIV	ENGINEER.				
11111	<b>14446</b>		S <sub>ET</sub> C.	SHO DE	.3	JUNE 20, 2001 Date				
200	والمتاهم			17 68.81.1	91.512	18SURVEYOR CERTIFICATION				
	12	•	n N	10	<b>9</b>	I hereby certify that the well location shown on this plat was platted 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 the policy.				
W. 40				·	30.E	Date of Springs W ME F				
·0×	13		14	15	00N	#8466				
i		. 404	e and	<b>n</b> a		William Statuke II Cortificate Number 8466				
BL		NB9	05'W	BL 79.	DZCH BC	- 0,00				



## Robert L. Bayless, Producer LLC

## **Drilling Technical Program**

(Attachment to Form 3160-3)

#### Floyd #7

955 FNL & 980 FWL (nwnw) Section 17, T30N, R12W San Juan County, New Mexico

#### 1. ESTIMATED FORMATION TOPS

<u>Formation</u>	Depth KB	Est Pressure
Ojo Alamo	465 feet	
Kirtland	585 feet	
Fruitland	1680 feet	450 psi
Pictured Cliffs	2045 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 \* 2200') = 86 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