

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

5. Lease Serial No.
UTU80696

6. If Indian, Allottee or Tribe Name

1a. Type of Work: DRILL REENTER **CONFIDENTIAL**

7. If Unit or CA Agreement, Name and No.

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

8. Lease Name and Well No.
WEAVER RIDGE #26-4

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

9. API Well No.

3a. Address
P.O. BOX 168, FARMINGTON, NM 87499

3b. Phone No. (include area code)
(505) 326-2659

10. Field and Pool, or Exploratory
WILDCAT

4. Location of Well (Report location clearly and in accordance with an State requirements *)
At surface
1320' FNL & 1015' FWL
At proposed prod. zone
990' FNL & 850' FWL

11. Sec., T., R., M., or Blk. and Survey or Area
Sec. 26, T10S, R25E

14. Distance in Miles and Direction from nearest town or post office*
45 MILES SOUTHEAST OF VERNAL, UTAH

12. County or Parish
UINTAH

13. State
UTAH

15. Distance from proposed* location to nearest property or lease line, ft. 850 ft - LEASE LINE (Also to nearest drig. unit line, if any)

16. No. of Acres in Lease
431.43

17. Spacing Unit dedicated to this well
UNSPACED - 40 ACRES

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this Lease, ft. 1304 ft

19. Proposed Depth
4400 ft

20. BLM/BIA Bond No. on file
STATE OF UTAH #141769447

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5705 GL

22. Approximate date work will start*
MARCH 1, 2006

23. Estimated duration
15 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature  Name (Printed/Typed) KEVIN H. McCORD Date 11/30/05

Title OPERATIONAL MANAGER

Approved by (Signature) Name (Printed/Typed) Date

Title Office

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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 matter within its jurisdiction.

*(Instructions on reverse)

RECEIVED
DEC 05 2005

WELL LOCATION PLAT

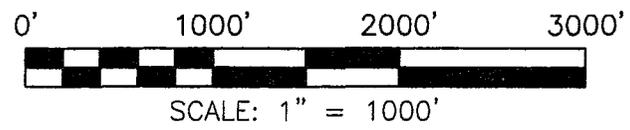
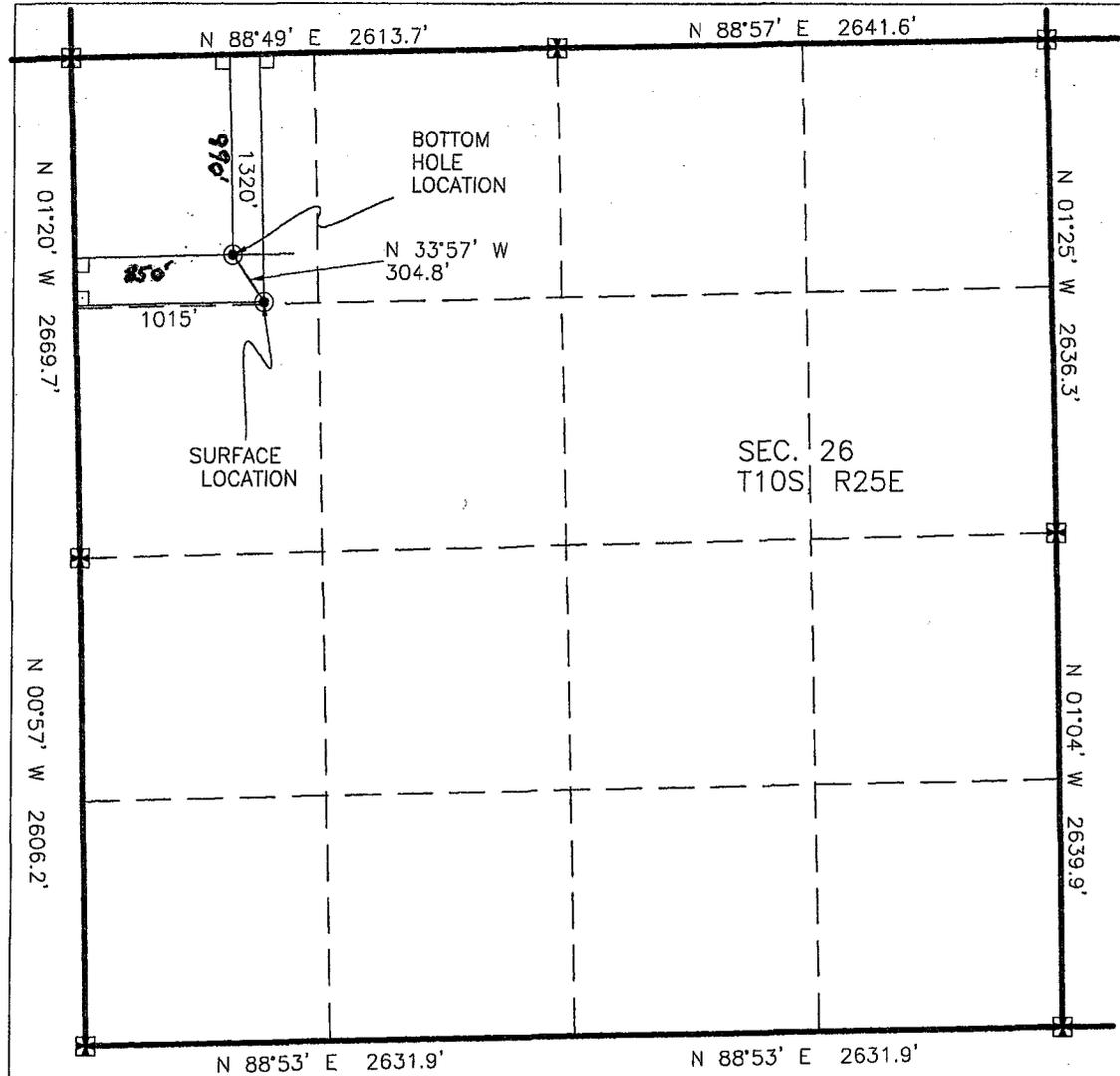
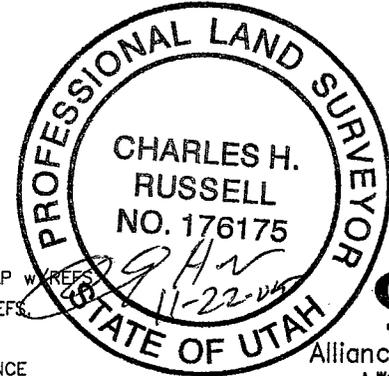
ROBERT L. BAYLESS, PRODUCER LLC
 WEAVER RIDGE #26-4
 SURFACE LOCATION
 1320'FNL & 1015'FWL
 BOTTOM HOLE LOCATION
 990'FNL & 850'FWL
 SEC. 26, T10S, R25E, S.L.B.&M.
 Uintah Co., UTAH
 GROUND ELEV. 5705.2' (NAVD88)

SURFACE LOCATION
 LAT.: 39.92351° N
 LONG.: 109.07426° W

FIELD DATE; 10 NOV. 2005

BASIS OF BEARING
 UTM ZONE 12 GRID NORTH
 TIED TO THIS SURVEY BY GPS MEANS

I CHARLES H. RUSSELL, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF UTAH, DO HEREBY CERTIFY THAT THE WELL LOCATION SHOWN ON THIS PLAT WAS PLOTTED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY RESPONSIBLE CHARGE, AND THAT THIS PLAT IS NOT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT, AND THAT IT IS NOT TO BE RELIED UPON FOR THE ESTABLISHMENT OF FENCE, BUILDING OR OTHER FUTURE IMPROVEMENT LINES, THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
 CHARLES H. RUSSELL
 UT LS# 176175-2001



- LEGEND
- L 90° SYMBOL
 - ⊠ FOUND 1975 STD. BLM CAP w/REFS
 - PRIVATE SURVEY CAP w/REFS
 - ⊙ PROPOSED WELL
 - () RECORD BEARING / DISTANCE

SOME INFORMATION ON THIS PLAT IS BASED ON INFORMATION TAKEN FROM PREVIOUS SURVEYS, RECORD INFORMATION OR COLLATORAL EVIDENCE AND MAY NOT REFLECT THAT WHICH MAY BE DISCLOSED BY A COMPLETE BOUNDARY SURVEY. THIS PLAT IS NOT TO BE RELIED UPON FOR THE ESTABLISHMENT OF BOUNDARIES, FENCES, BUILDINGS OR OTHER FUTURE IMPROVEMENTS.

THIS EXHIBIT IS INTENDED ONLY TO DEPICT THE PROPOSED WELL LOCATION, AND DOES NOT REPRESENT A MONUMENTED LAND SURVEY.

Robert L. Bayless, Producer LLC

DRILLING PROGRAM

(Attachment to Form 3160-3)

Weaver Ridge #26-4

Surface Loc: 1320' FNL & 1015' FWL (NWNW)

Bottomhole Loc: 990' FNL & 850' FWL (NWNW)

Section 26, T10S R25E

Uintah County, Utah

Federal Lease: UTU-80696

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 and supporting Bureau of Land Management (BLM) documents. This NOS process included on-site meetings on November 3, 2005, prior to the submittal of the application, at which time the specific concerns of Robert L. Bayless, Producer LLC (Bayless) and the BLM were discussed. All specific concerns of the BLM representatives are addressed herein, as are specific stipulations from the BLM.

Please contact Kevin McCord, Operational Manager for Bayless at (505) 326-2659 if there are any questions or concerns regarding this Drilling Program.

THIS PROPOSED WELL WILL BE DIRECTIONALLY DRILLED. THE DEVIATION PLAN FOR THIS WELLBORE IS PRESENTED AS EXHIBIT 7.

SURFACE FORMATION - Green River Formation – Fresh water possible above 300'.

SURFACE ELEVATION - 5,705 ft (Ground elevation)

ESTIMATED FORMATION TOPS (Water, oil, gas and/or other mineral-bearing formations)

Green River	Surface	Sandstones, shales, siltstones, some water, oil or gas bearing
Wasatch	832 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Mesaverde	1,290 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Sego	2,450 ft	Sandstones, shales and siltstones, some water and gas bearing
Castlegate	2,893 ft	Sandstones, shales and siltstones, some water and gas bearing
Mancos	3,037 ft	Shales and siltstones, some water and gas bearing
Mancos B	4,002 ft	Shales and siltstones, some water and gas bearing
TOTAL DEPTH:	4,400 ft	

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth, and adequately protected. A sample will be taken of any water flow and furnished to the Vernal Resource Area Office for analysis, if requested.

CASING PROGRAM

(See attached surface casing and centralizer design – Exhibit 2)

Depth	Hole Diameter	Casing Diameter	Casing Weight and Grade	Cement *
Surf – 400 ft	12-1/4"	9-5/8"	J-55 36# STC	To surface with ±175 sxs Class "G"
Surf – 4,400 ft	8-3/4"	4-1/2"	J-55 10.5# STC	Lead: ±350 sx Premium G w/16% gel (2893 ft - surface) Tail: ±480 sx 50:50 Pozmix G (4400 ft – 2893 ft)

Yields: "Class G" = 1.18 ft³/sx
"Premium G w/16% gel" = 3.82 ft³/sx
"50:50 "Pozmix G" = 1.26 ft³/sx

* - Actual cement volume will be determined by caliper log.

PRESSURE CONTROL

(See attached BOP schematic diagram – Exhibit 3)

BOP's and choke manifold will be installed and pressure tested before drilling out under surface casing (subsequent pressure test will be performed whenever pressure seals are broken), and then will be checked daily as to mechanical operating condition. BOP's will be pressure tested at least once every 30 days. Ram type preventors and related pressure control equipment will be pressure tested to rated working pressure of the stack assembly if a test plug is used. If a plug is not used, the stack assembly will be tested to the rated working pressure of the stack assembly or to 70% of the minimum internal yield of the casing, whichever is less. Annular type preventors will be pressure tested to 50% of their rated working pressure. All casing strings will be pressure tested to 0.22 psi/ft. or 1500 psi, whichever is greater, not to exceed 70% of internal yield. ●

MUD PROGRAM

Surface to 400 ft Spud mud as conditions dictate
400 ft to TD Low solids non-dispersed as conditions dictate
Mud weight 8.6 - 9.0 ppg
Viscosity 38-42 sec
Water loss 15cc or less
pH 8.5 - 9.0

Sufficient mud materials to maintain mud properties, control lost circulation and to contain "kick" will be available at the wellsite.

AUXILIARY EQUIPMENT

- A) Upper kelly cock (lower kelly cock - will be available on rig floor)
- B) Inside BOP or stab-in valve (available on rig floor)
- C) Mud monitoring will be visually observed.

LOGGING, CORING, AND TESTING PROGRAM

- A) Logging: DIL-GR TD to base of surface casing (GR to surface)
 CNL-FDC-GR TD to base of surface casing (GR, CNL to surface)
- B) Coring: None
- C) Testing: No DSTs are planned. A DST may be run on an unexpected show of interest.

ABNORMAL CONDITIONS

- A) Pressures: No abnormal conditions are anticipated,
 Mancos formation pressure gradient – approximately 0.42 psi/ft
- B) Temperatures: No abnormal conditions are anticipated
- C) H2S: None anticipated
- D) Estimated bottomhole pressure: Less than 1,900 psi

ANTICIPATED START DATE

March 1, 2006

COMPLETION

The location pad will be of sufficient size to accommodate all completion activities and equipment. Fracture stimulation of the Mancos B interval is anticipated for completion of the well. A string of 2-3/8" 4.7# J-55 tubing will be run inside casing for use as a flowing string.

Robert L. Bayless, Producer LLC

WEAVER RIDGE #26-4

Surface Loc: 1320' FNL & 1015' FWL (NWNW)
Bottomhole Loc: 990' FNL & 850' FWL (NWNW)
Sec. 26 T10S R25E
Uintah County, Utah

SURFACE CASING AND CENTRALIZER DESIGN

Proposed Total Depth: 4,400 ft Proposed Depth of Surface Casing: 400 ft
Estimated Pressure Gradient: 0.42 psi/ft
Bottom Hole Pressure at 4,400 ft Hydrostatic Head of gas/oil mud: 0.22 psi/ft
0.42 psi/ft x 4,400 ft = 1,848 psi 0.22 psi/ft x 4,400 ft = 968 psi

Maximum Design Surface Pressure

Bottom Hole Pressure	-	Hydrostatic Head	=
(0.42 psi/ft x 4,400 ft)	-	(0.22 psi/ft x 4,400 ft)	=
1,848 psi	-	968 psi	= 880 psi

Casing Strengths

9-5/8" J-55 36.0 #/ft ST&C

<u>Wt (#/ft)</u>	<u>Tension (lbs)</u>	<u>Burst (psi)</u>	<u>Collapse (psi)</u>
36.0	394,000	3,520	2,020

Safety Factors

Minimum Standards: Tension (Dry): 1.8 Burst: 1.0 Collapse: 1.125

Tension (Dry): Casing Weight: 36.0 #/ft x 400 ft = 14,400 lbs
Safety Factor: 394,000 lbs / 14,400 lbs = **27.36** **OK**

Burst: Safety Factor: 3,520 psi / 992 psi = **3.55** **OK**

Collapse: Hydrostatic: 0.052 x 9.0 ppg x 400 ft = 187 psi
Safety Factor: 2,020 psi / 187 psi = **10.80** **OK**

Use: 400 ft of 9 5/8" J-55 36.0 #/ft ST&C casing

Use: Minimum 3,000 psi WP BOP's and casinghead

Centralizers

Use 6 total
1 middle of bottom joint
1 top of second joint
1 top of third joint
1 every other joint (±80 ft)

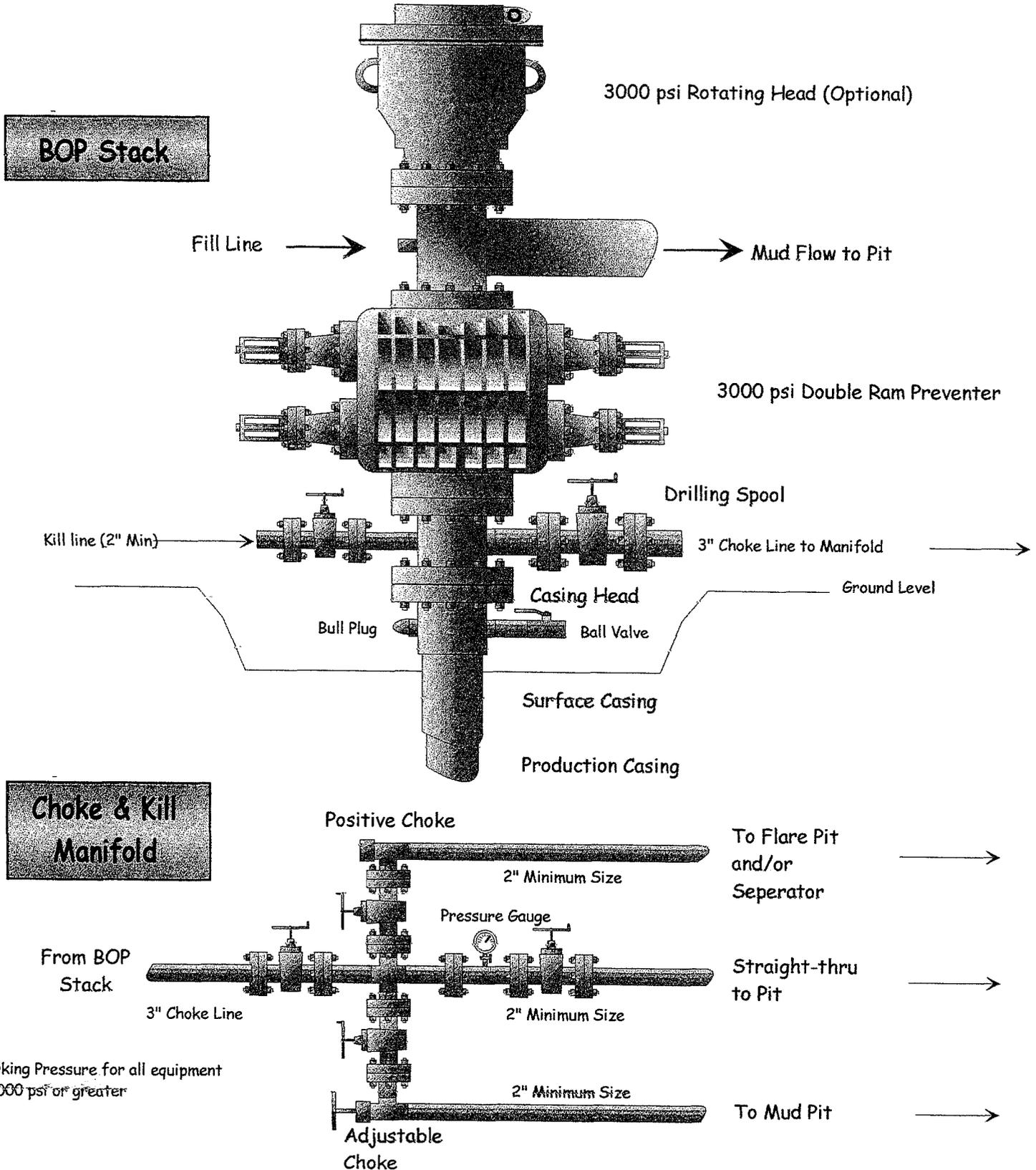
Total centralized ± 420 ft

Note that field experience indicates that additional centralizers greatly increase the chance of "sticking" the surface casing prior to reaching surface casing total depth.

Robert L. Bayless, Producer LLC

BOP and Choke Manifold For 3000 psi Service

Weaver Ridge #26-4



Robert L. Bayless, Producer LLC
WEAVER RIDGE #26-4

Surface Loc: 1320' FNL & 1015' FWL (NWNW)
Bottomhole Loc: 990' FNL & 850' FWL (NWNW)
Sec. 26 T10S R25E
Uintah County, Utah
Federal Lease: UTU80696

SURFACE USE PLAN
(Attachment to Form 3160-3)

WELL LOCATION AND INTRODUCTION

The surface location of this proposed directional well is 1320' FNL & 1015' FWL (NWNW) Section 26, of T10S R25E, with the bottomhole location at 990' FNL & 850' FWL (NWNW) Section 26, of T10S R25E. The well site was surveyed and re-staked by Alliance Engineering, Surveyors, for Robert L. Bayless, Producer LLC (Bayless) on November 10, 2005, at a site that was geologically, legally, and topographically acceptable. An onsite meeting with BLM occurred on November 3, 2005. Present were Holly Villa and Todd McGrath - BLM; and Kevin McCord - Robert L. Bayless, Producer LLC.

The Vernal Resource Area Manager will be notified 24 hours prior to commencing construction of the drillsite, 24 hours notice prior to commencing completion operations and 24 hours prior to commencing reclamation work.

DIRECTIONS TO LOCATION

From the east side of Vernal, Utah, follow US Highway 40 east approximately 3 miles to Naples, Utah. Turn right on Highway 45 and travel 34.5 miles to Bonanza, Utah. Stay on Highway 45 south out of Bonanza and travel 4.7 miles and turn left on Uintah County Road 404 (Dragon Road). Travel 3.5 miles and turn left. Travel 0.1 miles and turn left. Travel 3.9 miles up Hells Hole Canyon and turn left. Travel 0.4 miles to location.

1) EXISTING ROADS

- A) This proposed well is a development/confirmation well. Existing and planned access roads are shown on the topographic map of the area (Exhibit 4).
- B) Existing roads within 1.0 mile consist of an existing dirt and gravel resource road, to within 0.36 miles, which will provide access to the proposed location.
- C) Plans for improvement and/or maintenance of existing roads are to maintain them in as good or better conditions than at present.

2) PLANNED ACCESS ROADS

- ± 1,001 feet (0.19 miles) total new construction, Section 27, BLM
- ± 891 feet (0.17 miles) total new construction, Section 26, BLM
- ± 1,892 feet (0.36 miles) total new construction, BLM

This application for Permit to Drill will serve as a request for the BLM to initiate a Right-of-Way (ROW) application for access roads and water haul routes, if necessary. This ROW can continue up to the wellhead. The width of ROW requested is 50 feet.

- A) Subgrade (running surface) width will be approximately 16 feet, with total disturbed width being approximately 40 feet.
- B) Borrow ditches will be backsloped 3:1 or shallower.
- C) Maximum grades will be 2% for 500 feet.
- D) No major road cuts are necessary.
- E) Surfacing material will consist of native material from the road crown. The topsoil will be windrowed during construction and placed in the borrow ditch backslope upon road completion. During reclamation, the backslope of the borrow ditch will be revegetated per Section 10-C of this Surface Use Plan.

3) LOCATION OF EXISTING WELLS AND PRODUCING FACILITIES

The topographic map (Exhibit 4) shows all existing drilling, abandoned, disposal, injection, shut-in and producing wells and production facilities within a 1 mile radius of the proposed location.

4) NEW PRODUCTION FACILITIES PROPOSED

- A) Dimension of Proposed Facility is approximately 300 ft x 175 ft. Pad size will be reduced to minimum size necessary to conduct safe operations.
- B) Rehabilitation of unneeded, previously disturbed areas will consist of backfilling and contouring the reserve pit area, back sloping and contouring all cut and fill slopes. These areas will be re-seeded.
- C) Site preparation for production will be done with standard excavation equipment using native materials. Additional surface material will be obtained from commercial sources or an approved borrow area.
- D) Production facilities may vary according to actual reservoir discovered and will be engineered upon completion of well tests. If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement will conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Orders No. 4 & 5.
- E) No facilities will be constructed off location.
- F) Production equipment will be painted light reflective colors to limit evaporation and waste of liquid hydrocarbons. All above ground permanent structures including production equipment will be painted to blend with the surrounding landscape. The color Olive Black was specified by the BLM on the onsite visit.
- G) Any necessary pits will be fenced on all sides to prevent any wildlife and livestock entry and any production pit will be netted "bird-tight." Pursuant to On-Shore Order No. 7, this is a request for authorization for lined pit disposal of water produced from this well for a period of 90 days from the date of initial production.

5) LOCATION OF WATER SUPPLY

This Application for Permit to Drill will serve as a request for the BLM to initiate a Right-of-Way (ROW) application for access roads and water haul routes, if necessary. The water will be transported by truck and will be obtained from the White River at a location in the northeast quarter of section 2, T10S R24E. Dalbo Incorporated has water rights approval for this location and will haul water for Bayless.

6) SOURCE OF CONSTRUCTION MATERIALS

- A) Construction materials will consist of native materials from borrow ditches and location areas.
- B) Surfacing materials will be obtained from available permitted sources, if needed, and consist of pit gravel.
- C) The use of materials will conform to 43 CFR 3610.2-3.

7) WASTE DISPOSAL

- A) Drill cuttings will be buried in the reserve pit when dry.
- B) Drilling fluid will be evaporated and then buried in the reserve pit when dry.
- C) Produced fluids other than water will be contained in storage tanks during completion and testing.
- D) Sewage disposal facilities will be in accordance with State and Local Regulations. Sewage will not be buried on location.
- E) Trash, garbage and other non-flammable waste will be contained in a portable trash cage which will be totally enclosed with small mesh wire. The cage and contents will be transported to and dumped at an approved Sanitary Landfill as necessary or upon completion of operations. Flammable waste will be disposed of by hauling to an appropriate disposal site.
- F) The reserve pit will be fenced "stock tight" on three sides during drilling operations and on the fourth side at time of rig release. The pit will remain fenced until backfilled.
- G) Upon release of the drilling rig, the rathole and mousehole will be filled. Any debris and excess equipment will be removed from the location.

8) ANCILLARY FACILITIES

No ancillary facilities will be necessary.

9) WELLSITE LAYOUT

- A) A drill pad layout with a cut/fill diagram is attached as Exhibit 5. Exhibit 6 shows the drilling rig layout on this drill pad. The pad has been staked at its maximum size of 300 ft x 175 ft, however it may be constructed smaller if possible, depending upon rig availability.
- B) All surface disturbing activities will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- C) Topsoil (to a depth of 6 inches or maximum available) will be removed and stockpiled in a windrow on the uphill side of location in such a way as to prevent contamination and soil loss for reclamation.
- D) The reserve pit will be lined with a plastic lining 12 mil or thicker. The reserve pit liner will be sufficiently reinforced to withstand normal wear and tear associated with the installation and pit use and will be chemically compatible with all substances that will be put into the pit.

10) SURFACE RESTORATION

- A) Backfilling, leveling and contouring of the reserve pit is planned as soon as the pit has dried. At least 5 feet of overburden will cover the reserve pit as part of the reclamation process.
- B) Site reclamation for a producing well will be accomplished for portions of the

location and road area not required for the continued operation of the well.

- C) The stockpiled topsoil material will be evenly distributed over the disturbed area for surface restoration. The site will be revegetated using a certified seed mix as prescribed by the BLM. Seed tags will be submitted to the Area Manager within 30 days of seeding. Revegetation is generally scheduled for the fall planting season, September 15th through the first frost, unless instructed otherwise. If necessary, a BLM certified weed applicator will be used for weed control.

11) GENERAL INFORMATION

- A) The project area is situated in the uplands of the northwest edge of the Piceance Basin. The topographic and geologic features include a moderate relief area which is well drained. The area has slight sand and silt deposition and is surrounded by rock outcrops with moderately eroded drainages. The major soil type is a clay/loam.
- B) The Flora in the area consists of Juniper, Pinon pine, Mountain Mahogany, Phlox, Rubber rabbitbrush, Shadscale saltbrush, Penstemon, Mormon tea, Basin wildrye, Cheatgrass, Needle and Thread, Black Sagebrush and Indian ricegrass.
- C) No Fauna was observed in the area. Assumed Fauna are mule deer, elk, coyotes, rabbits, raptors, and rodents.
- D) The proximity of water is an unnamed intermittent drainage 0.08 miles north of location that flows into Hells Hole Canyon. There are no occupied dwellings or other features in the vicinity of this location.
- E) The concurrent surface use in the area is grazing and hunting.
- F) Mineral Lessor - Bureau of Land Management
- G) Surface Owner

Drillsite -	Bureau of Land Management Vernal Resource Area 170 South 500 East Vernal, UT 84078	435-781-4410
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Access - New	Bureau of Land Management Vernal Resource Area 170 South 500 East Vernal, UT 84078	435-781-4410
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Access - Existing	Bureau of Land Management Vernal Resource Area 170 South 500 East Vernal, UT 84078	435-781-4410
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- H) An archaeological, cultural and historical survey of the area was performed and will be submitted separately by Grand River Institute, Grand Junction, Colorado. A paleontology report was performed and will be submitted separately by A. H. Hamblin Paleontological Consulting, Cedar City, Utah.

12) LESSEE'S OR OPERATOR'S REPRESENTATIVE

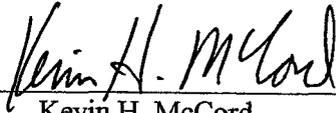
Robert L. Bayless, Producer LLC
P.O. Box 168
Farmington, NM 87499

Kevin H. McCord – Operational Manager
Phone: (505) 326-2659
Fax: (505) 326-6911

13) CERTIFICATION:

I hereby certify that Robert L. Bayless, Producer LLC is responsible under the terms and conditions of the lease to conduct lease operations in conjunction with the application. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Robert L. Bayless, Producer LLC under their nationwide surety bond, BLM Bond #CO0833.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Robert L. Bayless, Producer LLC and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Kevin H. McCord
Operational Manager
Robert L. Bayless, Producer LLC

November 30, 2005
Date

RECEIVED
OCT 25 2005
WATER RIGHTS
VERNAL

TEMPORARY APPLICATION TO APPROPRIATE WATER

Rec. by Amw
Fee Paid \$ 75.00 033808
Receipt # 05-04711

STATE OF UTAH

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3, Utah Code Annotated 1953, as amended.

WATER RIGHT NUMBER: 49 - 2207

TEMPORARY APPLICATION NUMBER: T76044

(BWHITE)

1. OWNERSHIP INFORMATION:

LAND OWNED? No

A. NAME: Dalbo Inc.
ADDRESS: P. O. Box 1168
Vernal UT 84078

B. PRIORITY DATE: October 25, 2005

FILING DATE: October 25, 2005

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 10.0 acre-feet

B. SOURCE: Evacuation Wash and White River

COUNTY: Uintah

C. POINTS OF DIVERSION -- SURFACE:

(1) N 400 feet W 1,850 feet from E $\frac{1}{4}$ corner, Section 02, T 10S, R 24E, SLBM

DIVERT WORKS: Pump into tank trucks

SOURCE: White River

(2) N 1,700 feet W 10 feet from SE corner, Section 02, T 12S, R 25E, SLBM

DIVERT WORKS: Pump into tank trucks

SOURCE: Evacuation Wash

D. COMMON DESCRIPTION: 3 miles south of Bonanza

3. WATER USE INFORMATION:

OIL EXPLORATION: from Nov 1 to Oct 31: Drilling and completion of oil/gas wells
in South Bonanza area.

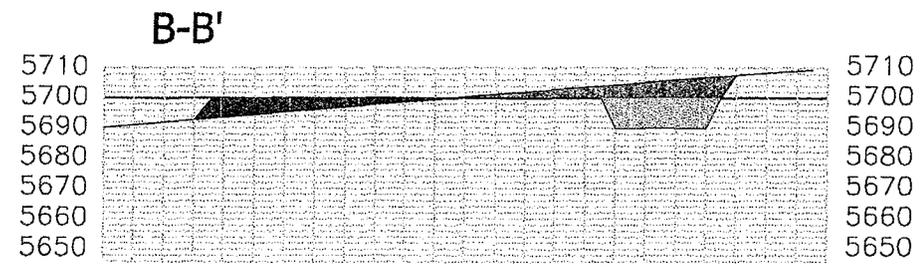
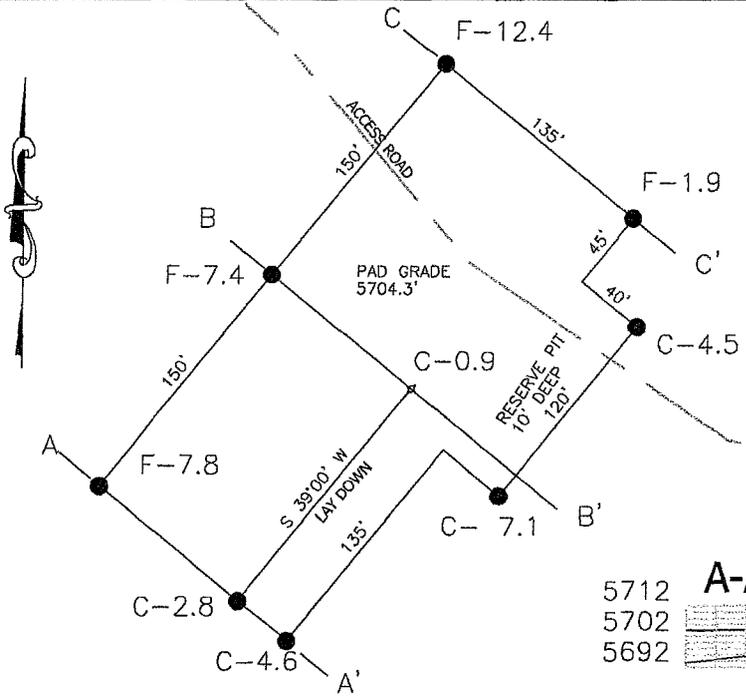
Period of Use - November 1, 2005 to October 31, 2006.

4. PLACE OF USE: (which includes all or part of the following legal subdivisions:)

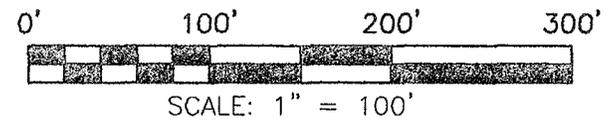
BASE TOWN RANG SEC	NORTH-WEST $\frac{1}{4}$				NORTH-EAST $\frac{1}{4}$				SOUTH-WEST $\frac{1}{4}$				SOUTH-EAST $\frac{1}{4}$			
	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE
6S 2S 104W 12				***					***				***			X
6S 3S 104W 01				***			X	***				***				
			11	***		X		***				***				
SL 9S 23E	Entire TOWNSHIP															

PIT AND PAD LAYOUT

ROBERT L. BAYLESS, PRODUCER LLC
 WEAVER RIDGE #26-4
 SURFACE LOCATION
 1320'FNL & 1015'FWL
 BOTTOM HOLE LOCATION
 990'FNL & 850'FWL
 SEC. 26, T10S, R25E, S.L.B.&M.
 UINTAH Co., UTAH
 GROUND ELEV. 5705.2' (NAVD88)



HORZ: 1"=60' VERT 1"=60'



LEGEND

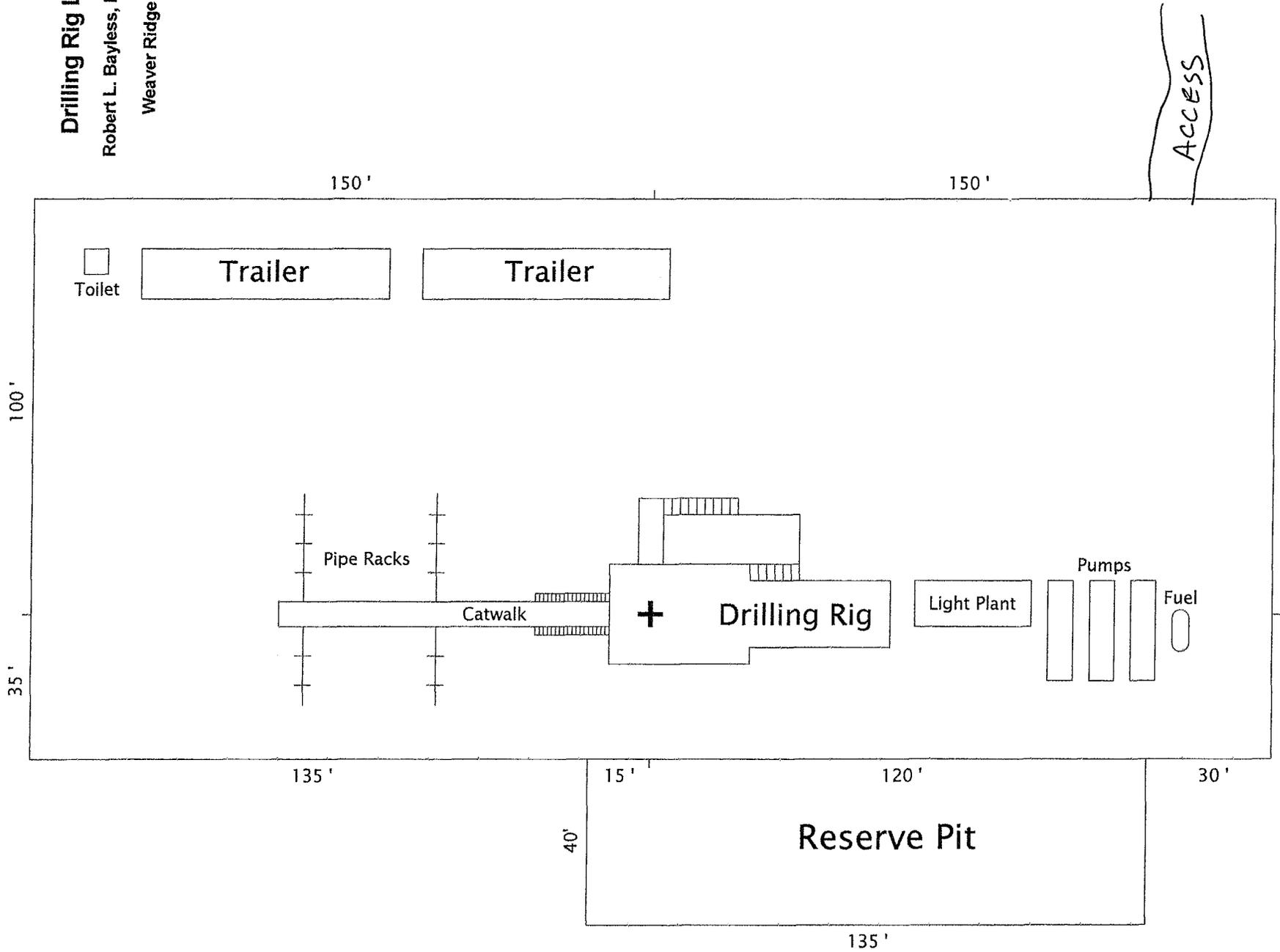
- PIT
- FILL
- CUT

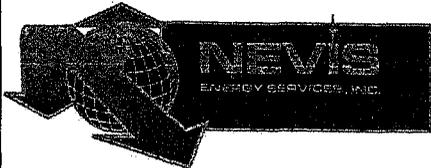


Alliance Engineering
 A Wood Group Company

EXHIBIT 6

Drilling Rig Layout
Robert L. Bayless, Producer LLC
Weaver Ridge #26-4





Job Number: 205-sss
 Company: R L Bayless, Producer LLC
 Lease/Well: Weaver Ridge 26-4
 Location: Utah
 Rig Name:
 RKB:
 G.L. or M.S.L.:

State/Country:
 Declination:
 Grid:
 File name: N:\JOB DAT~1\BAYLESS\WEAVER~1\WR26-4\WR26-4.
 Date/Time: 11-Nov-05 / 16:18
 Curve Name: Plan 11-11-05

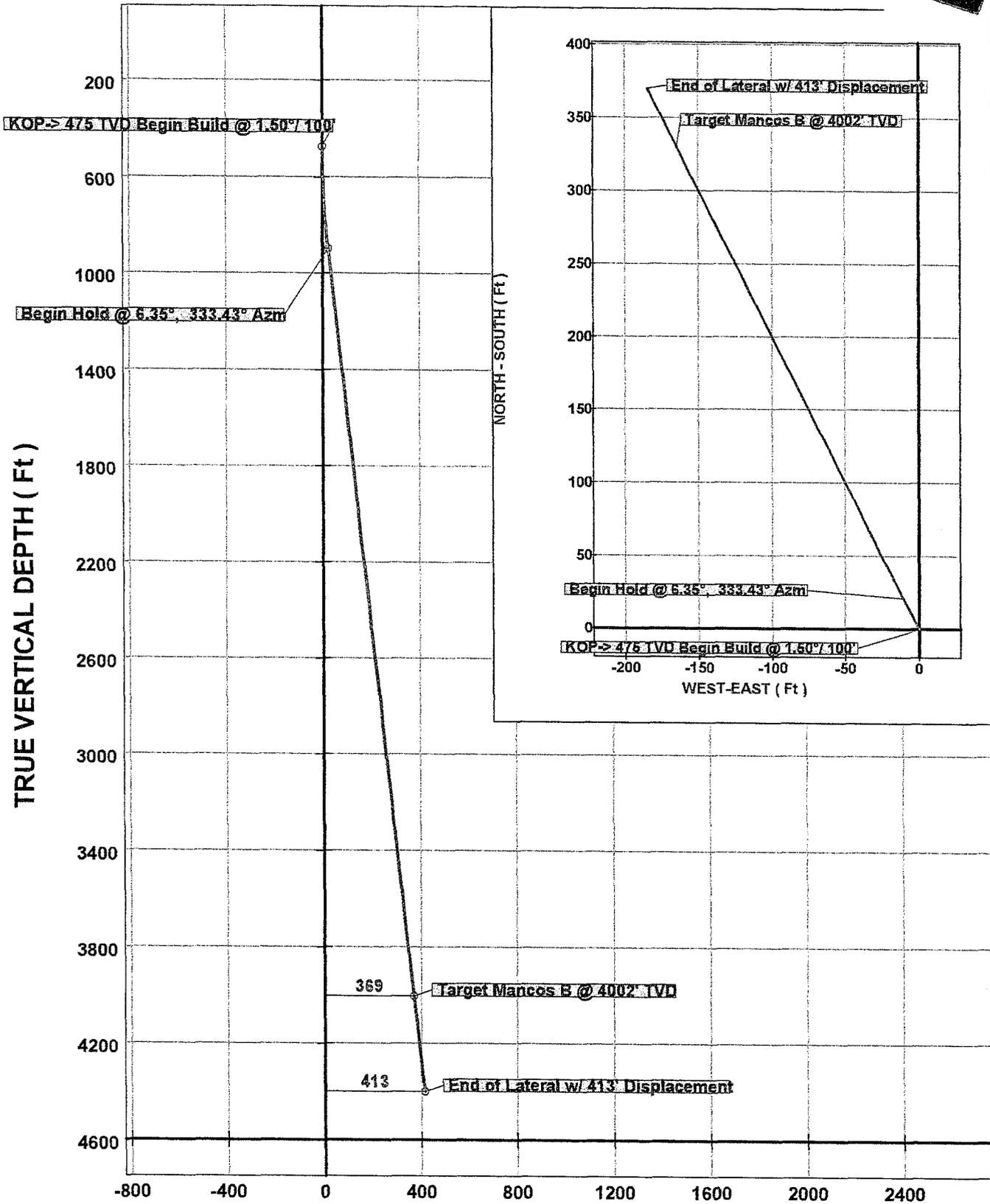
Plan 11-11-05

WINSERVE PROPOSAL REPORT
 Minimum Curvature Method
 Vertical Section Plane 333.43
 Vertical Section Referenced to Wellhead
 Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE Distance FT	Direction Deg	Dogleg Severity Deg/100
KOP-> 475 TVD Begin Build @ 1.50°/ 100'									
475.00	.00	333.43	475.00	.00	.00	.00	.00	.00	.00
505.00	.45	333.43	505.00	.12	.11	-.05	.12	333.44	1.50
535.00	.90	333.43	535.00	.47	.42	-.21	.47	333.43	1.50
565.00	1.35	333.43	564.99	1.06	.95	-.47	1.06	333.43	1.50
595.00	1.80	333.43	594.98	1.88	1.69	-.84	1.88	333.43	1.50
625.00	2.25	333.43	624.96	2.94	2.63	-1.32	2.94	333.43	1.50
655.00	2.70	333.43	654.93	4.24	3.79	-1.90	4.24	333.43	1.50
685.00	3.15	333.43	684.89	5.77	5.16	-2.58	5.77	333.43	1.50
715.00	3.60	333.43	714.84	7.54	6.74	-3.37	7.54	333.43	1.50
745.00	4.05	333.43	744.78	9.54	8.53	-4.27	9.54	333.43	1.50
775.00	4.50	333.43	774.69	11.77	10.53	-5.27	11.77	333.43	1.50
805.00	4.95	333.43	804.59	14.25	12.74	-6.37	14.25	333.43	1.50
835.00	5.40	333.43	834.47	16.95	15.16	-7.58	16.95	333.43	1.50
865.00	5.85	333.43	864.32	19.89	17.79	-8.90	19.89	333.43	1.50
895.00	6.30	333.43	894.15	23.07	20.63	-10.32	23.07	333.43	1.50
Begin Hold @ 6.35°, 333.43° Azm									
898.37	6.35	333.43	897.50	23.44	20.96	-10.48	23.44	333.43	1.50
998.37	6.35	333.43	996.89	34.50	30.86	-15.43	34.50	333.43	.00
1098.37	6.35	333.43	1096.28	45.56	40.75	-20.38	45.56	333.43	.00
1198.37	6.35	333.43	1195.66	56.62	50.64	-25.32	56.62	333.43	.00
1298.37	6.35	333.43	1295.05	67.68	60.54	-30.27	67.68	333.43	.00
1398.37	6.35	333.43	1394.44	78.74	70.43	-35.22	78.74	333.43	.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	C L O S U R E		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
1498.37	6.35	333.43	1493.82	89.81	80.32	-40.16	89.81	333.43	.00
1598.37	6.35	333.43	1593.21	100.87	90.22	-45.11	100.87	333.43	.00
1698.37	6.35	333.43	1692.59	111.93	100.11	-50.06	111.93	333.43	.00
1798.37	6.35	333.43	1791.98	122.99	110.00	-55.00	122.99	333.43	.00
1898.37	6.35	333.43	1891.37	134.05	119.90	-59.95	134.05	333.43	.00
1998.37	6.35	333.43	1990.75	145.11	129.79	-64.90	145.11	333.43	.00
2098.37	6.35	333.43	2090.14	156.17	139.68	-69.84	156.17	333.43	.00
2198.37	6.35	333.43	2189.53	167.23	149.58	-74.79	167.23	333.43	.00
2298.37	6.35	333.43	2288.91	178.29	159.47	-79.74	178.29	333.43	.00
2398.37	6.35	333.43	2388.30	189.36	169.36	-84.68	189.36	333.43	.00
2498.37	6.35	333.43	2487.69	200.42	179.26	-89.63	200.42	333.43	.00
2598.37	6.35	333.43	2587.07	211.48	189.15	-94.58	211.48	333.43	.00
2698.37	6.35	333.43	2686.46	222.54	199.04	-99.52	222.54	333.43	.00
2798.37	6.35	333.43	2785.85	233.60	208.94	-104.47	233.60	333.43	.00
2898.37	6.35	333.43	2885.23	244.66	218.83	-109.42	244.66	333.43	.00
2998.37	6.35	333.43	2984.62	255.72	228.73	-114.36	255.72	333.43	.00
3098.37	6.35	333.43	3084.00	266.78	238.62	-119.31	266.78	333.43	.00
3198.37	6.35	333.43	3183.39	277.84	248.51	-124.26	277.84	333.43	.00
3298.37	6.35	333.43	3282.78	288.91	258.41	-129.20	288.91	333.43	.00
3398.37	6.35	333.43	3382.16	299.97	268.30	-134.15	299.97	333.43	.00
3498.37	6.35	333.43	3481.55	311.03	278.19	-139.10	311.03	333.43	.00
3598.37	6.35	333.43	3580.94	322.09	288.09	-144.04	322.09	333.43	.00
3698.37	6.35	333.43	3680.32	333.15	297.98	-148.99	333.15	333.43	.00
3798.37	6.35	333.43	3779.71	344.21	307.87	-153.94	344.21	333.43	.00
3898.37	6.35	333.43	3879.10	355.27	317.77	-158.88	355.27	333.43	.00
3998.37	6.35	333.43	3978.48	366.33	327.66	-163.83	366.33	333.43	.00
Target Mancos B @ 4002' TVD									
4022.45	6.35	333.43	4002.41	369.00	330.04	-165.02	369.00	333.43	.00
4122.45	6.35	333.43	4101.80	380.06	339.93	-169.97	380.06	333.43	.00
4222.45	6.35	333.43	4201.19	391.12	349.83	-174.92	391.12	333.43	.00
4322.45	6.35	333.43	4300.57	402.18	359.72	-179.86	402.18	333.43	.00
4422.45	6.35	333.43	4399.96	413.24	369.61	-184.81	413.24	333.43	.00
End of Lateral w/ 413' Displacement									
4422.49	6.35	333.43	4400.00	413.25	369.62	-184.81	413.25	333.43	.57

Job Number: 205-sss
Company: R L Bayless, Producer LLC
Lease/Well: Weaver Ridge 26-4
Location: Utah



VERTICAL SECTION (Ft) @ 333.43°

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 12/05/2005

API NO. ASSIGNED: 43-047-37471

WELL NAME: WEAVER RIDGE 26-4
 OPERATOR: BAYLESS, ROBERT L PROD (N7950)
 CONTACT: KEVIN MCCORD

PHONE NUMBER: 505-326-2659

PROPOSED LOCATION:

NWNW 26 100S 250E
 SURFACE: 1320 FNL 1015 FWL
 BOTTOM: 0990 FNL 0850 FWL
 UINTAH
 HELL'S HOLE (616)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-80696
 SURFACE OWNER: 1 - Federal
 PROPOSED FORMATION: MNCS
 COALBED METHANE WELL? NO

LATITUDE: 39.92348
 LONGITUDE: -109.0736

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 141769447)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-2207)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

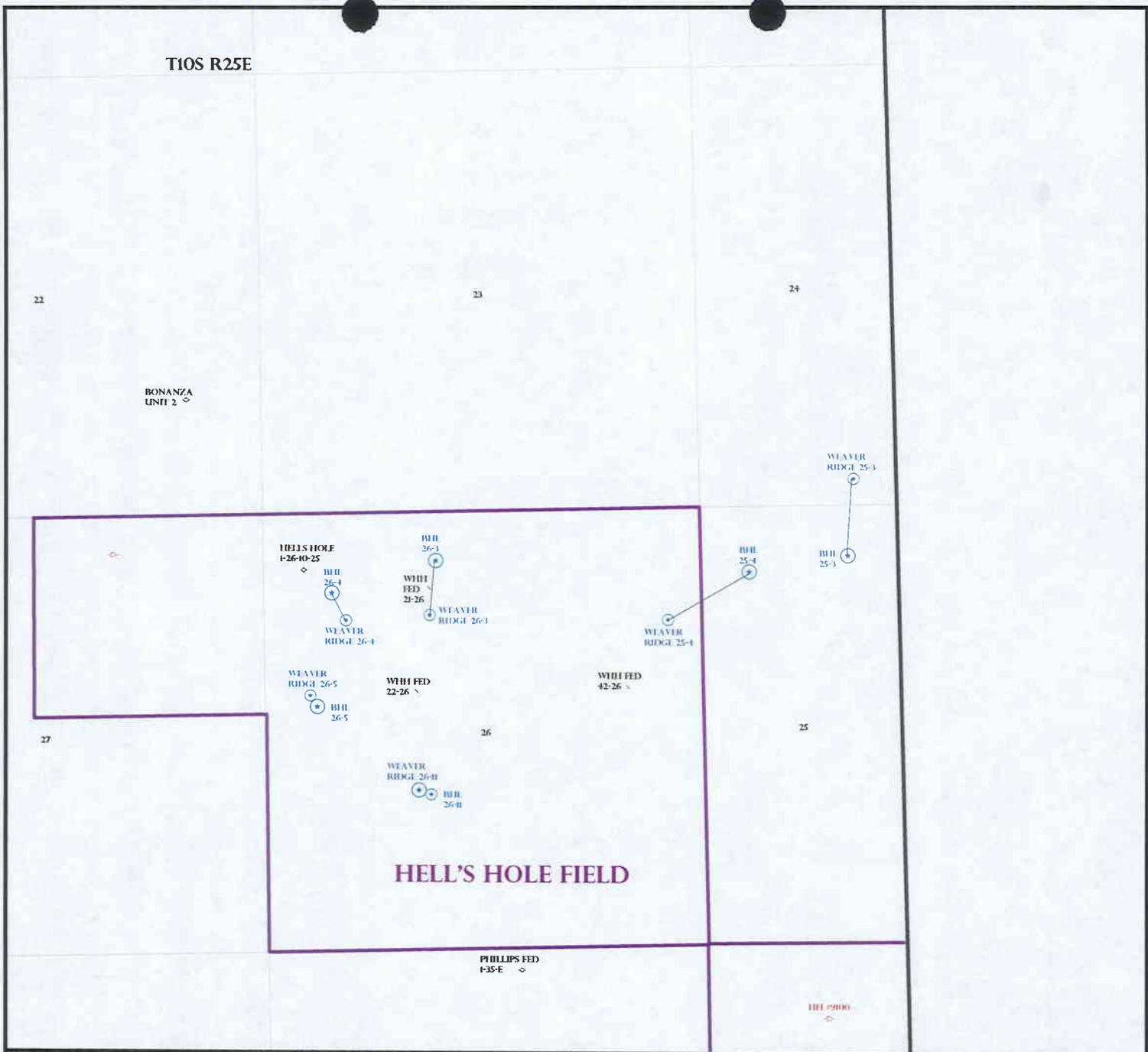
LOCATION AND SITING:

- R649-2-3.
Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal Approval

2- Spacing Strip



HELL'S HOLE FIELD

OPERATOR: ROBERT L. BAYLESS (N7950)

SEC: 26 T. 10S R. 25E

FIELD: HELLS HOLE (616)

COUNTY: UINTAH

SPACING: R649-3-11 / DIRECTIONAL DRILLING

Wells Status

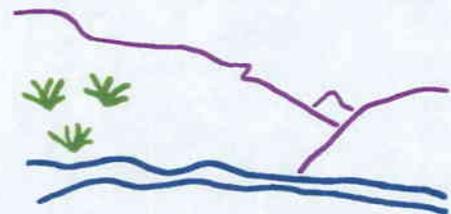
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 12-DECEMBER-2005

ROBERT L. BAYLESS, PRODUCER LLC

OIL & GAS PRODUCER

P. O. Box 168
FARMINGTON, NM 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

December 8, 2005

Ms. Diana Whitney
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: Robert L. Bayless, Producer LLC
Weaver Ridge #26-4
Surface Loc: 1320' FNL & 1015' FWL, Sec 26, T10S R25E
Bottomhole Loc: 990' FNL & 850' FWL, Sec 26, T10S R25E
Uintah County, Utah

Dear Ms. Whitney:

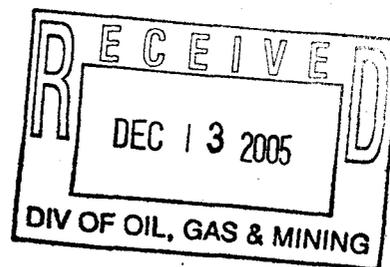
Thank you for calling to my attention the well location plat submitted in error in the Application for Permit to Drill regarding the above referenced well on November 30, 2005. Please replace the well location plat in error with the corrected well location plat which is enclosed.

I appreciate your attention to this matter.

Very Truly Yours,



ROBERT L. BAYLESS, PRODUCER LLC
Kevin H. McCord
Operational Manager



ROBERT L. BAYLESS, PRODUCER LLC

OIL & GAS PRODUCER

P. O. Box 168
FARMINGTON, NM 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

December 12, 2005

Ms. Lisha Cordova
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: Directional Drilling R649-3-11
Robert L. Bayless, Producer LLC
Weaver Ridge #26-4
Surface Loc: 1320' FNL & 1015' FWL, Sec 26, T10S R25E
Bottomhole Loc: 990' FNL & 850' FWL, Sec 26, T10S R25E
Uintah County, Utah
Federal Lease UTU-80696

Dear Ms. Cordova:

Pursuant to the filing of Robert L. Bayless, Producer LLC's Application for Permit to Drill regarding the above referenced well on November 30, 2005, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to the Exception to Location and Siting of Wells.

- Bayless is permitting this well as a directional well in order to minimize surface disturbance. There is very rough terrain at the bottomhole location.
- This well will produce from the Mancos "B" formation and is currently in a Wildcat field.
- Bayless certifies that it is the sole working interest owner within 460 feet of the entire directional wellbore. Bayless is the owner of Federal Leases UTU-80696 and UTU-82228, which encompass all of the acreage in Section 26, T10S R25E.
- The well plat depicting the well's surface and bottomhole location and a directional plan and plat for this well is included in the APD package previously submitted for this well.

Based on the above stated information, Bayless requests the permit be granted pursuant to R649-3-11.

Respectfully Submitted,



ROBERT L. BAYLESS, PRODUCER LLC
Kevin H. McCord
Operational Manager

RECEIVED
DEC 21 2005
DIV. OF OIL, GAS & MINING



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

December 22, 2005

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

Re: Weaver Ridge 26-4 Well, Surface Location 1320' FNL, 1015' FWL, NW NW,
Sec. 26, T. 10 South, R. 25 East, Bottom Location 990' FNL, 850' FWL,
NW NW, Sec. 26, T. 10 South, R. 25 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37471.

Sincerely,

Zor Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Robert L. Bayless, Producer LLC
Well Name & Number Weaver Ridge 26-4
API Number: 43-047-37471
Lease: UTU-80696

Surface Location: NW NW Sec. 26 T. 10 South R. 25 East
Bottom Location: NW NW Sec. 26 T. 10 South R. 25 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Page 2

43-047-37471

December 22, 2005

6. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 80696
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: Robert L. Bayless Producer LLC		8. WELL NAME and NUMBER: Weaver Ridge 26-4
3. ADDRESS OF OPERATOR: P.O. BOX 168 CITY Farmington STATE NM ZIP 87499		9. API NUMBER: 4304737471
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1320' FNL & 1015' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 26 10S 25E 6		10. FIELD AND POOL, OR WILDCAT: Wildcat COUNTY: Unitah STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: APD 1 Year Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Robert L. Bayless, Producer LLC requests a 1 year extension of the approved APD for the Weaver Ridge#26-4 well.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-10-07
By: [Signature]

COPIES SENT TO OPERATOR
Date: 1-11-07
Initials: Rm

NAME (PLEASE PRINT) <u>Habib Guerrero</u>	TITLE <u>Petroleum Engineer</u>
SIGNATURE <u>[Signature]</u>	DATE <u>01/08/07</u>

(This space for State use only)

RECEIVED
JAN 10 2007
DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304737471
Well Name: Weaver Ridge 26-4
Location: 1320' FNL & 1015' FWL, S26 T10S R25E Unitah, UT
Company Permit Issued to: Robert L. Bayless, Producer LLC
Date Original Permit Issued: 12/22/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

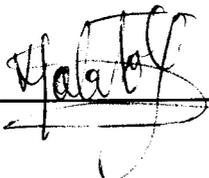
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No

Signature



Date

01/08/07

Title: Operations Engineer

Representing: Robert L. Bayless, Producer LLC

RECEIVED

JAN 10 2007

DIV. OF OIL, GAS & MINING

Robert L. Bayless, Producer LLC

Oil & Gas Producer

P. O. Box 168

Farmington, New Mexico 87499

FAX NO.
(505) 326-6911

OFFICE NO.
(505) 326-2659

August 27, 2007

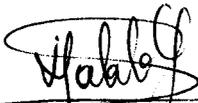
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: **Directional Drilling R649-3-11**
Robert L. Bayless, Producer LLC
Weaver Canyon #26-4
Surface Loc: 753' FNL & 462' FWL, Sec 26, T10S R25E
Bottomhole Loc: 1120' FNL & 450' FWL, Sec 26, T10S R25E
Uintah County, Utah

Pursuant to the filing of Robert L. Bayless Producer LLC Application for Permit to Drill, we would like to request approval to directional drill the above referenced well in accordance with the Oil & Gas Conservation Rule R649-3-11. Due to geological structure, it is critical that the bottomhole location for this well be located in this exact position. Robert L. Bayless Producer LLC is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at this surface location and directionally drilling from this location Robert L. Bayless Producer LLC will be able to utilize the existing road and pipelines in the area. Robert L. Bayless Producer LLC hereby certifies that it is the sole working interest owner within 460 feet of the entire directional wellbore and the adjacent sections to the referenced well, as shown in the attached lease map.

I appreciate your attention to this matter. Please let me know if you require anything further

Very Truly Yours,



ROBERT L. BAYLESS, PRODUCER LLC
Habib Guerrero
Operations Engineer
hguerrero@rlbayless.com

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 80696
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Weaver Ridge 26-4	
2. NAME OF OPERATOR: Robert L. Bayless Producer LLC	9. API NUMBER: 4304737471	
3. ADDRESS OF OPERATOR: P.O. BOX 168 CITY Farmington STATE NM ZIP 87499	PHONE NUMBER: (505) 326-2659	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1320' FNL & 1015' FWL	COUNTY: Unitah	
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 26 10S 25E 6	STATE: UTAH	

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input checked="" type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Change Surface and BH Location</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Robert L. Bayless, Producer LCC intents to change the well name, surface and bottom hole location of the approved APD as follow:

Well Name:
From : Weaver Ridge # 26-4
To : Weaver Canyon # 26-4

Surface Location:
From: 1320' FNL & 1015' FWL
To: 753' FNL & 462' FWL *664456X 4421001Y 39.925044 -109.075598*

Bottomhole Location:
From: 990' FNL & 850' FWL
To: 1120' FNL & 450' FWL *664454X 4420889Y 39.924036 -109.075646*

NAME (PLEASE PRINT) Habib Guerrero TITLE Engineer

SIGNATURE *Habib Guerrero* DATE 8/27/2007

(This space for State use only) **Approved by the Utah Division of Oil, Gas and Mining**

(5/2000) Date: 08-30-07
By: *[Signature]*

(See Instructions on Reverse Side)

RECEIVED
AUG 28 2007

8-31-07
Rm

DIV. OF OIL, GAS & MINING

COPY

Form 3160-3
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

of the original
sent on 08/20/08
to BLM vernal

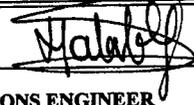
FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No. UTU - 80696	
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA Agreement, Name and No.	
8. Lease Name and Well No. Weaver Canyon #26-4	
9. API Well No.	
10. Field and Pool, or Exploratory Wildcat	
11. Sec., T. R. M. or Blk. and Survey or Area Sec. 26, T10S R25E	
12. County or Parish Uintah	13. State UT
14. Distance in miles and direction from nearest town or post office* 45 MILES SOUTHEAST OF VERNAL, UTAH	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 450 ft - Lease Line	16. No. of acres in lease 360
17. Spacing Unit dedicated to this well UNSPACED 40 ACRES	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1161 ft to WC#26-3	20. BLM/BIA Bond No. on file STATE OF UTAH #141769447
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5630 GL	22. Approximate date work will start* 10/01/2007
23. Estimated duration 15 Days	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature 	Name (Printed/Typed) Habib Guerrero	Date 08/10/07
Title OPERATIONS ENGINEER		

Approved by (Signature)	Name (Printed/Typed)	Date
	Office	

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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 matter within its jurisdiction.

*(Instructions on page 2)

WELL LOCATION PLAT

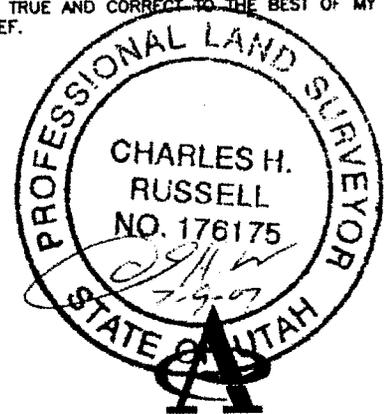
ROBERT L. BAYLESS, PRODUCER LLC
 WEAVER CANYON #26-4
 SURFACE LOCATION
 753'FNL & 462'FWL
 BOTTOM HOLE LOCATION
 1120'FNL & 450'FWL
 SEC. 26, T10S, R25E, S.L.B.&M.
 UINTAH Co., UTAH
 GROUND ELEV. 5629.7' (NAVD88)

SURFACE LOCATION
 LAT.: 39.92508° N
 LONG.: 109.07624° W

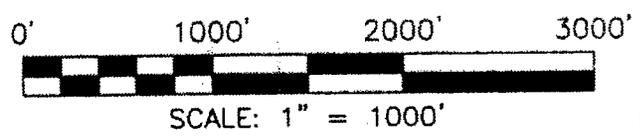
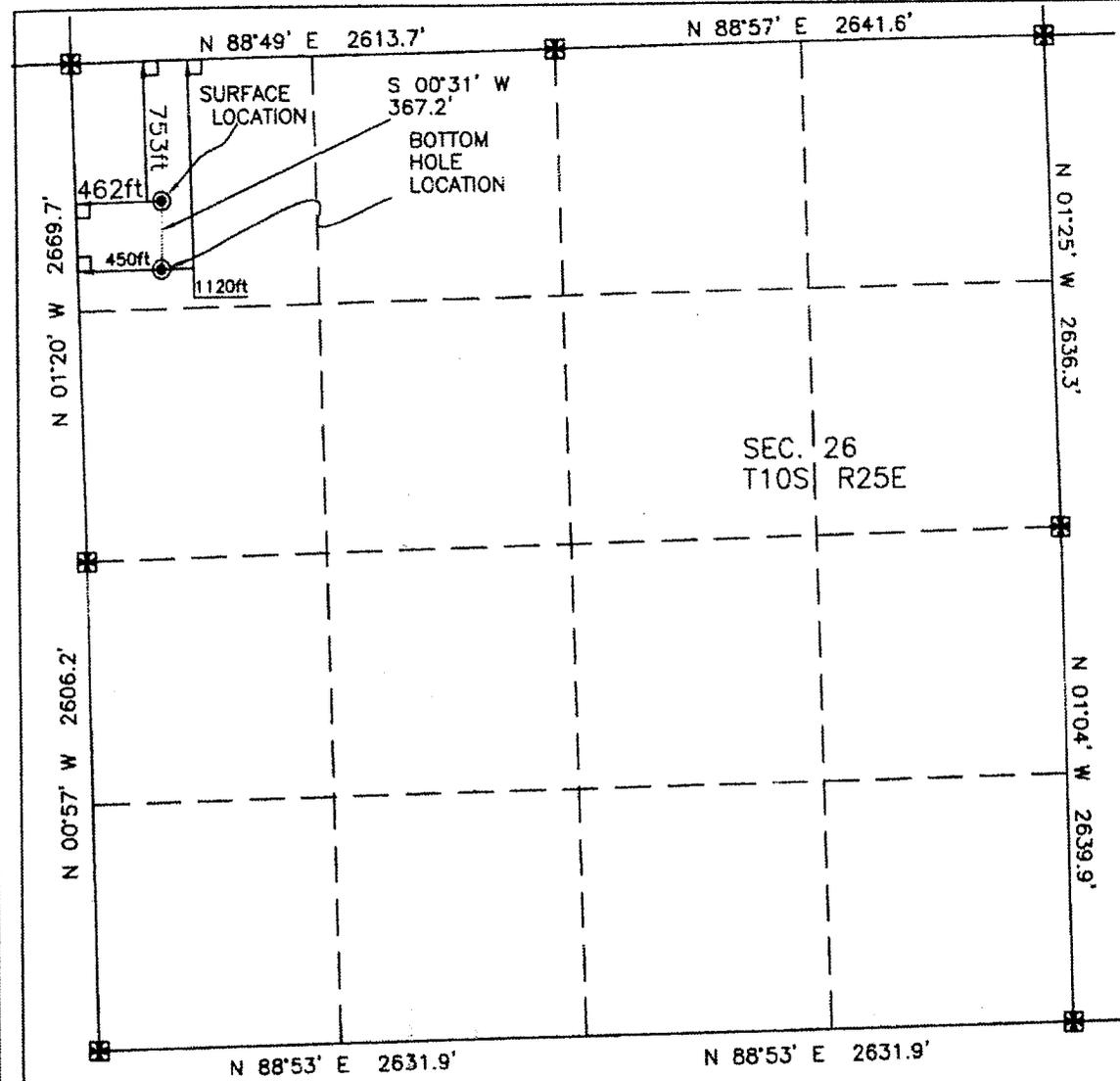
FIELD DATE; 27 JUNE 2007

BASIS OF BEARING
 UTM ZONE 12 GRID NORTH
 TIED TO THIS SURVEY BY GPS MEANS

I CHARLES H. RUSSELL, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF UTAH, DO HEREBY CERTIFY THAT THE WELL LOCATION SHOWN ON THIS PLAT WAS PLOTTED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY RESPONSIBLE CHARGE, AND THAT THIS PLAT IS NOT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT, AND THAT IT IS NOT TO BE RELIED UPON FOR THE ESTABLISHMENT OF FENCE, BUILDING OR OTHER FUTURE IMPROVEMENT LINES, THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
 CHARLES H. RUSSELL
 UT LS# 176175-2001



Alliance Engineering
 A Wood Group Company



- LEGEND
- L 90° SYMBOL
 - FOUND 1975 STD. BLM CAP w/REFS.
 - PRIVATE SURVEY CAP w/REFS.
 - ⊙ PROPOSED WELL
 - () RECORD BEARING / DISTANCE

SOME INFORMATION ON THIS PLAT IS BASED ON INFORMATION TAKEN FROM PREVIOUS SURVEYS, RECORD INFORMATION OR COLLATORAL EVIDENCE AND MAY NOT REFLECT THAT WHICH MAY BE DISCLOSED BY A COMPLETE BOUNDARY SURVEY. THIS PLAT IS NOT TO BE RELIED UPON FOR THE ESTABLISHMENT OF BOUNDARIES, FENCES, BUILDINGS OR OTHER FUTURE IMPROVEMENTS.

THIS EXHIBIT IS INTENDED ONLY TO DEPICT THE PROPOSED WELL LOCATION, AND DOES NOT REPRESENT A MONUMENTED LAND SURVEY.

Robert L. Bayless, Producer LLC

DRILLING PROGRAM

(Attachment to Form 3160-3)

Weaver Canyon #26-4

Surface Loc: 753' FNL & 462' FWL (NWNW)
Bottomhole Loc: 1120' FNL & 450' FWL (NWNW)
Section 26, T10S R25E
Uintah County, Utah

Federal Lease: UTU-80696

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 and supporting Bureau of Land Management (BLM) documents. This NOS process included on-site meetings on June 27, 2007, prior to the submittal of the application, at which time the specific concerns of Robert L. Bayless, Producer LLC (Bayless) and the BLM were discussed. All specific concerns of the BLM representatives are addressed herein, as are specific stipulations from the BLM.

Please contact Habib Guerrero, Operations Engineer for Bayless at (505) 326-2659 if there are any questions or concerns regarding this Drilling Program.

THIS PROPOSED WELL WILL BE DIRECTIONALLY DRILLED. THE DEVIATION PLAN FOR THIS WELLBORE IS PRESENTED AS EXHIBIT 7.

SURFACE FORMATION - Green River Formation – Fresh water possible above 300'.

SURFACE ELEVATION - 5,630 ft (Ground elevation)

ESTIMATED FORMATION TOPS (Water, oil, gas and/or other mineral-bearing formations)

Green River	Surface	Sandstones, shales, siltstones, some water, oil or gas bearing
Wasatch	793 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Mesaverde	1,253 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Sego	2,420 ft	Sandstones, shales and siltstones, some water and gas bearing
Castlegate	2,865 ft	Sandstones, shales and siltstones, some water and gas bearing
Mancos	3,010 ft	Shales and siltstones, some water and gas bearing
Mancos B	3,981 ft	Shales and siltstones, some water and gas bearing
TOTAL DEPTH:	4,410 ft	

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth, and adequately protected. A sample will be taken of any water flow and furnished to the Vernal Resource Area Office for analysis, if requested.

CASING PROGRAM

(See attached surface casing and centralizer design – Exhibit 2)

Depth	Hole Diameter	Casing Diameter	Casing Weight and Grade	Cement *
Surf – 400 ft	12-1/4"	9-5/8"	J-55 36# STC	To surface with ±175 sxs Class "G"
Surf – 4,410 ft	8-3/4"	4-1/2"	J-55 10.5# STC	Lead: ±350 sx Premium G w/16% gel (2850 ft - surface) Tail: ±480 sx 50:50 Pozmix G (4410 ft – 2850 ft)

Yields: "Class G" = 1.18 ft³/sx
"Premium G w/16% gel" = 3.82 ft³/sx
"50:50 "Pozmix G" = 1.26 ft³/sx

* - Actual cement volume will be determined by caliper log.

PRESSURE CONTROL

(See attached BOP schematic diagram – Exhibit 3)

BOP's and choke manifold will be installed and pressure tested before drilling out under surface casing (subsequent pressure test will be performed whenever pressure seals are broken), and then will be checked daily as to mechanical operating condition. BOP's will be pressure tested at least once every 30 days. Ram type preventors and related pressure control equipment will be pressure tested to rated working pressure of the stack assembly if a test plug is used. If a plug is not used, the stack assembly will be tested to the rated working pressure of the stack assembly or to 70% of the minimum internal yield of the casing, whichever is less. Annular type preventors will be pressure tested to 50% of their rated working pressure. All casing strings will be pressure tested to 0.22 psi/ft. or 1500 psi, whichever is greater, not to exceed 70% of internal yield.

MUD PROGRAM

Surface to 400 ft	Spud mud as conditions dictate
400 ft to TD	Low solids non-dispersed as conditions dictate
	Mud weight 8.6 - 9.0 ppg
	Viscosity 38-42 sec
	Water loss 15cc or less
	pH 8.5 - 9.0

Sufficient mud materials to maintain mud properties, control lost circulation and to contain "kick" will be available at the wellsite.

AUXILIARY EQUIPMENT

- A) Upper kelly cock (lower kelly cock - will be available on rig floor)
- B) Inside BOP or stab-in valve (available on rig floor)
- C) Mud monitoring will be visually observed.

LOGGING, CORING, AND TESTING PROGRAM

- A) Logging: DIL-GR TD to base of surface casing (GR to surface)
CNL-FDC-GR TD to base of surface casing (GR, CNL to surface)
- B) Coring: None
- C) Testing: No DSTs are planned. A DST may be run on an unexpected show of interest.

ABNORMAL CONDITIONS

- A) Pressures: No abnormal conditions are anticipated,
Mancos formation pressure gradient – approximately 0.42 psi/ft
- B) Temperatures: No abnormal conditions are anticipated
- C) H2S: None anticipated
- D) Estimated Bottomhole pressure: Less than 1,900 psi

ANTICIPATED START DATE

October 1, 2007

COMPLETION

The location pad will be of sufficient size to accommodate all completion activities and equipment. Fracture stimulation of the Mancos B interval is anticipated for completion of the well. A string of 2-3/8" 4.7# J-55 tubing will be run inside casing for use as a flowing string.

Robert L. Bayless, Producer LLC

WEAVER CANYON # 26-4

Surface Loc: 753' FNL & 462' FWL (NWNW)
Bottomhole Loc: 1120' FNL & 450' FWL (NWNW)
Sec. 26 T10S R25E
Uintah County, Utah

SURFACE CASING AND CENTRALIZER DESIGN

Proposed Total Depth: 4,410 ft Proposed Depth of Surface Casing: 400 ft
Estimated Pressure Gradient: 0.42 psi/ft
Bottom Hole Pressure at 4,400 ft Hydrostatic Head of gas/oil mud: 0.22 psi/ft
0.42 psi/ft x 4,410 ft = 1,852 psi 0.22 psi/ft x 4,410 ft = 970 psi

Maximum Design Surface Pressure

Bottom Hole Pressure	-	Hydrostatic Head	=	
(0.42 psi/ft x 4,410 ft)	-	(0.22 psi/ft x 4,410 ft)	=	
1,852 psi	-	970 psi	=	882 psi

Casing Strengths

9-5/8" J-55 36.0 #/ft ST&C

<u>Wt (#/ft)</u>	<u>Tension (lbs)</u>	<u>Burst (psi)</u>	<u>Collapse (psi)</u>
36.0	394,000	3,520	2,020

Safety Factors

Minimum Standards: Tension (Dry): 1.8 Burst: 1.0 Collapse: 1.125

Tension (Dry): Casing Weight: 36.0 #/ft x 400 ft = 14,400 lbs
Safety Factor: 394,000 lbs / 14,400 lbs = **27.36** **OK**

Burst: Safety Factor: 3,520 psi / 992 psi = **3.55** **OK**

Collapse: Hydrostatic: 0.052 x 9.0 ppg x 400 ft = 187 psi
Safety Factor: 2,020 psi / 187 psi = **10.80** **OK**

Use: 400 ft of 9 5/8" J-55 36.0 #/ft ST&C casing

Use: 2M BOPE and casinghead

Centralizers

Use 6 total
1 middle of bottom joint
1 top of second joint
1 top of third joint
1 every other joint (±80 ft)

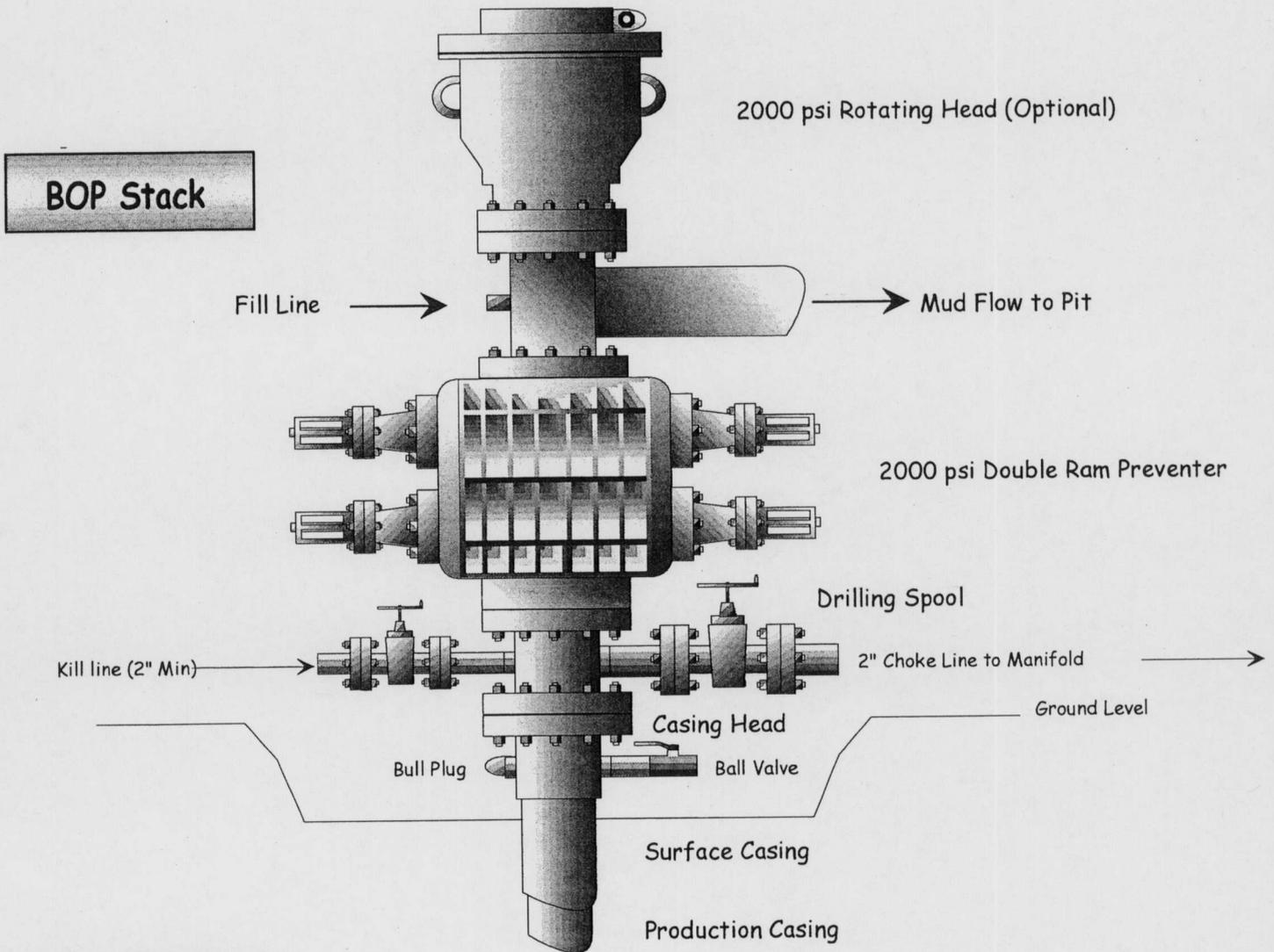
Total centralized ± 420 ft

Note that field experience indicates that additional centralizers greatly increase the chance of "sticking" the surface casing prior to reaching surface casing total depth.

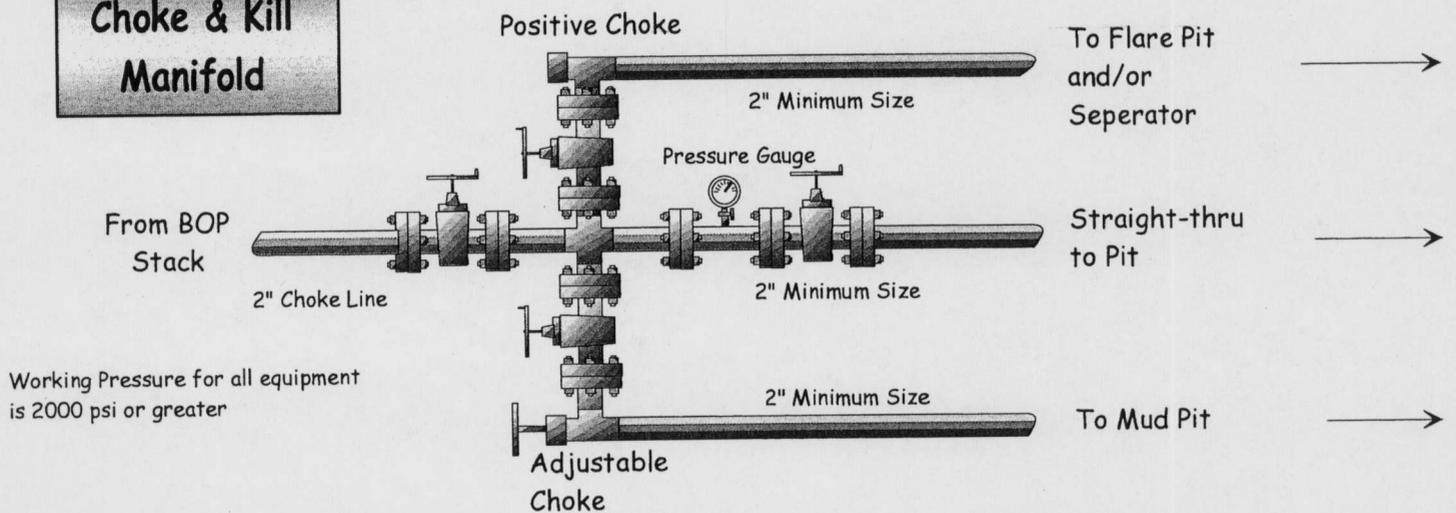
Robert L. Bayless, Producer LLC

2MBOP and Choke Manifold For 2000 psi Service

WEAVER CANYON #26-4



Choke & Kill Manifold



Robert L. Bayless, Producer LLC

WEAVER CANYON #26-4

Surface Loc: 753' FNL & 462' FWL (NWNW)
Bottomhole Loc: 1120' FNL & 450' FWL (NWNW)
Sec. 26 T10S R25E
Uintah County, Utah
Federal Lease: UTU80696

SURFACE USE PLAN

(Attachment to Form 3160-3)

WELL LOCATION AND INTRODUCTION

The surface location of this proposed directional well is 753' FNL & 462' FWL (NWNW) Section 26, of T10S R25E, with the bottomhole location at 1120' FNL & 450' FWL (NWNW) Section 26, of T10S R25E. The well site was surveyed and re-staked by Alliance Engineering, Surveyors, for Robert L. Bayless, Producer LLC (Bayless) on June 27, 2007, at a site that was geologically, legally, and topographically acceptable. An onsite meeting with BLM occurred on June 27, 2007. Present were Scott Ackerman and Mike Cutler - BLM; Bill Buniger - Buniger Construction; and Habib Guerrero - Robert L. Bayless, Producer LLC.

The Vernal Resource Area Manager will be notified 24 hours prior to commencing construction of the drillsite, 24 hours notice prior to commencing completion operations and 24 hours prior to commencing reclamation work.

DIRECTIONS TO LOCATION

From the east side of Vernal, Utah, follow US Highway 40 east approximately 3 miles to Naples, Utah. Turn right on Highway 45 and travel 34.5 miles to Bonanza, Utah. Stay on Highway 45 south out of Bonanza and travel 4.7 miles and turn left on Uintah County Road 404 (Dragon Road). Travel 3.5 miles and turn left. Travel 0.1 miles and turn left. Travel 3.9 miles up Hells Hole Canyon and turn left. Travel 0.4 miles to location.

1) **EXISTING ROADS**

- A) This proposed well is a development/confirmation well. Existing and planned access roads are shown on the topographic map of the area (Exhibit 4).
- B) Existing roads within 1.0 mile consist of an existing dirt and gravel resource road, to within 0.36 miles, which will provide access to the proposed location.
- C) There are no plans for improvement of existing roads, they will be left in their current condition. Road maintenance will only be performed to keep existing roads in their current condition.

2) **PLANNED ACCESS ROADS**

± 0 feet (0 miles) total new construction, Section 26, BLM

This application for Permit to Drill will serve as a request for the BLM to initiate a Right-of-Way (ROW) application for access roads and water haul routes, if necessary. This ROW can continue up to the wellhead. The width of ROW requested is 50 feet for construction of road and pipeline, which will be reduced to 30 feet when construction is complete.

- A) Subgrade (running surface) width will be approximately 18 feet, with total disturbed width being a maximum of 30 feet.
- B) Borrow ditches will be backsloped 3:1 or shallower.
- C) Maximum grades will be 2% for 500 feet.
- D) No major road cuts are necessary.
- E) Surfacing material will consist of native material from the road crown. The topsoil will be windrowed during construction and placed in the borrow ditch backslope upon road completion. During reclamation, the backslope of the borrow ditch will be revegetated per Section 10-C of this Surface Use Plan.

3) LOCATION OF EXISTING WELLS AND PRODUCING FACILITIES

The topographic map (Exhibits 4 and 4A) shows all existing drilling, abandoned, disposal, injection, shut-in and producing wells, production facilities and pipelines within a 1 mile radius of the proposed location.

4) NEW PRODUCTION FACILITIES PROPOSED

- A) Dimension of Proposed Facility is approximately 300 ft x 175 ft. Pad size will be reduced to minimum size necessary to conduct safe operations.
- B) Rehabilitation of unneeded, previously disturbed areas will consist of backfilling and contouring the reserve pit area, back sloping and contouring all cut and fill slopes. These areas will be re-seeded.
- C) Site preparation for production will be done with standard excavation equipment using native materials. Additional surface material will be obtained from commercial sources or an approved borrow area.
- D) Production facilities may vary according to actual reservoir discovered and will be engineered upon completion of well tests. If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement will conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Orders No. 4 & 5.
- E) No facilities will be constructed off location.
- F) Production equipment will be painted light reflective colors to limit evaporation and waste of liquid hydrocarbons. All above ground permanent structures including production equipment will be painted to blend with the surrounding landscape. The color Olive Black was specified by the BLM on the onsite visit.
- G) Any necessary pits will be fenced on all sides to prevent any wildlife and livestock entry and any production pit will be netted "bird-tight." Pursuant to On-Shore Order No. 7, this is a request for authorization for lined pit disposal of water produced from this well for a period of 90 days from the date of initial production.
- H) The gas gathering line for natural gas production from this well is inside the path and it will be 4" steel pipe that will be buried. The length of this line will be approximately 100 ft from the wellhead to the existing gas sales line that is owned and operated by Encana. All of the new gas gathering line is located on lease and will be constructed by Bayless and ultimately operated by Encana.

5) LOCATION OF WATER SUPPLY

This Application for Permit to Drill will serve as a request for the BLM to initiate a Right-of-Way (ROW) application for access roads and water haul routes, if necessary. The water will be transported by truck and will be obtained from the White River at a location in the northeast quarter of section 2, T10S R24E. Dalbo Incorporated has water rights approval for this location and will haul water for Bayless.

6) SOURCE OF CONSTRUCTION MATERIALS

- A) Construction materials will consist of native materials from borrow ditches and location areas.
- B) Surfacing materials will be obtained from available permitted sources, if needed, and consist of pit gravel.
- C) The use of materials will conform to 43 CFR 3610.2-3.

7) WASTE DISPOSAL

- A) Drill cuttings will be buried in the reserve pit when dry.
- B) Drilling fluid will be evaporated and then buried in the reserve pit when dry.
- C) Produced fluids other than water will be contained in storage tanks during completion and testing.
- D) Sewage disposal facilities will be in accordance with State and Local Regulations. Sewage will not be buried on location.
- E) Trash, garbage and other non-flammable waste will be contained in a portable trash cage which will be totally enclosed with small mesh wire. The cage and contents will be transported to and dumped at an approved Sanitary Landfill as necessary or upon completion of operations. Flammable waste will be disposed of by hauling to an appropriate disposal site.
- F) The reserve pit will be fenced "stock tight" on three sides during drilling operations and on the fourth side at time of rig release. The pit will remain fenced until backfilled.
- G) Upon release of the drilling rig, the rathole and mousehole will be filled. Any debris and excess equipment will be removed from the location.

Hazardous Material Statement: No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing or completion of the well.

8) ANCILLARY FACILITIES

No ancillary facilities will be necessary.

9)

WELLSITE LAYOUT

- A) No drilling or construction will take place during December 01 to April 30 of the current year due to the crucial mule deer winter habitat stipulations.
- B) A drill pad layout with a cut/fill diagram is attached as Exhibit 5. Exhibit 6 shows the drilling rig layout on this drill pad. The pad has been staked at its maximum size of 300 ft x 175 ft, however it may be constructed smaller if possible, depending upon rig availability.
- C) All surface disturbing activities will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- D) Topsoil (to a depth of 6 inches or maximum available) will be removed and stockpiled in a windrow on the uphill side of location in such a way as to prevent contamination and soil loss for reclamation.
- E) The reserve pit will be lined with a plastic lining 12 mil or thicker and a felt liner. The reserve pit liner will be sufficiently reinforced to withstand normal wear and tear associated with the installation and pit use and will be chemically compatible with all substances that will be put into the pit.

10) SURFACE RESTORATION

- A) Backfilling, leveling and contouring of the reserve pit is planned as soon as the pit has dried. At least 5 feet of overburden will cover the reserve pit as part of the reclamation process.
- B) Site reclamation for a producing well will be accomplished for portions of the location and road area not required for the continued operation of the well.
- C) The stockpiled topsoil material will be evenly distributed over the disturbed area for surface restoration. The site will be revegetated using a certified seed mix as prescribed by the BLM. Seed tags will be submitted to the Area Manager within 30 days of seeding. Revegetation is generally scheduled for the fall planting season, September 15th through the first frost, unless instructed otherwise. If necessary, a BLM certified weed applicator will be used for weed control.

11) GENERAL INFORMATION

- A) The project area is situated in the uplands of the northwest edge of the Piceance Basin. The topographic and geologic features include a moderate relief area which is well drained. The area has slight sand and silt deposition and is surrounded by rock outcrops with moderately eroded drainages. The major soil type is a clay/loam.
- B) The Flora in the area consists of Juniper, Pinon pine, Mountain Mahogany, Phlox, Rubber rabbitbrush, Shadscale saltbrush, Penstemon, Mormon tea, Basin wildrye, Cheatgrass, Needle and Thread, Black Sagebrush and Indian ricegrass.
- C) No Fauna was observed in the area. Assumed Fauna are mule deer, elk, coyotes, rabbits, raptors, and rodents.
- D) The proximity of water is an unnamed intermittent drainage 0.08 miles north of location that flows into Hells Hole Canyon. There are no occupied dwellings or other features in the vicinity of this location.
- E) The concurrent surface use in the area is grazing and hunting.
- F) Mineral Lessor - Bureau of Land Management
- G) As per Holly Villa - BLM, Archaeological and Paleontological reports have been already performed and submitted as well as cultural and historical survey of the area.

H) Surface Owner

Drillsite -	Bureau of Land Management Vernal Resource Area 170 South 500 East Vernal, UT 84078	435-781-4410
Access - New	Bureau of Land Management Vernal Resource Area 170 South 500 East Vernal, UT 84078	435-781-4410
Access - Existing	Bureau of Land Management Vernal Resource Area 170 South 500 East Vernal, UT 84078	435-781-4410

12) LESSEE'S OR OPERATOR'S REPRESENTATIVE

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

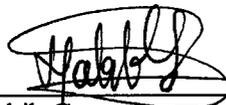
Kevin H. McCord – Operational Manager
Phone: (505) 326-2659
Fax: (505) 326-6911

Habib Guerrero – Engineer
Phone: (505) 326-2659
Fax: (505) 326-6911

13) CERTIFICATION:

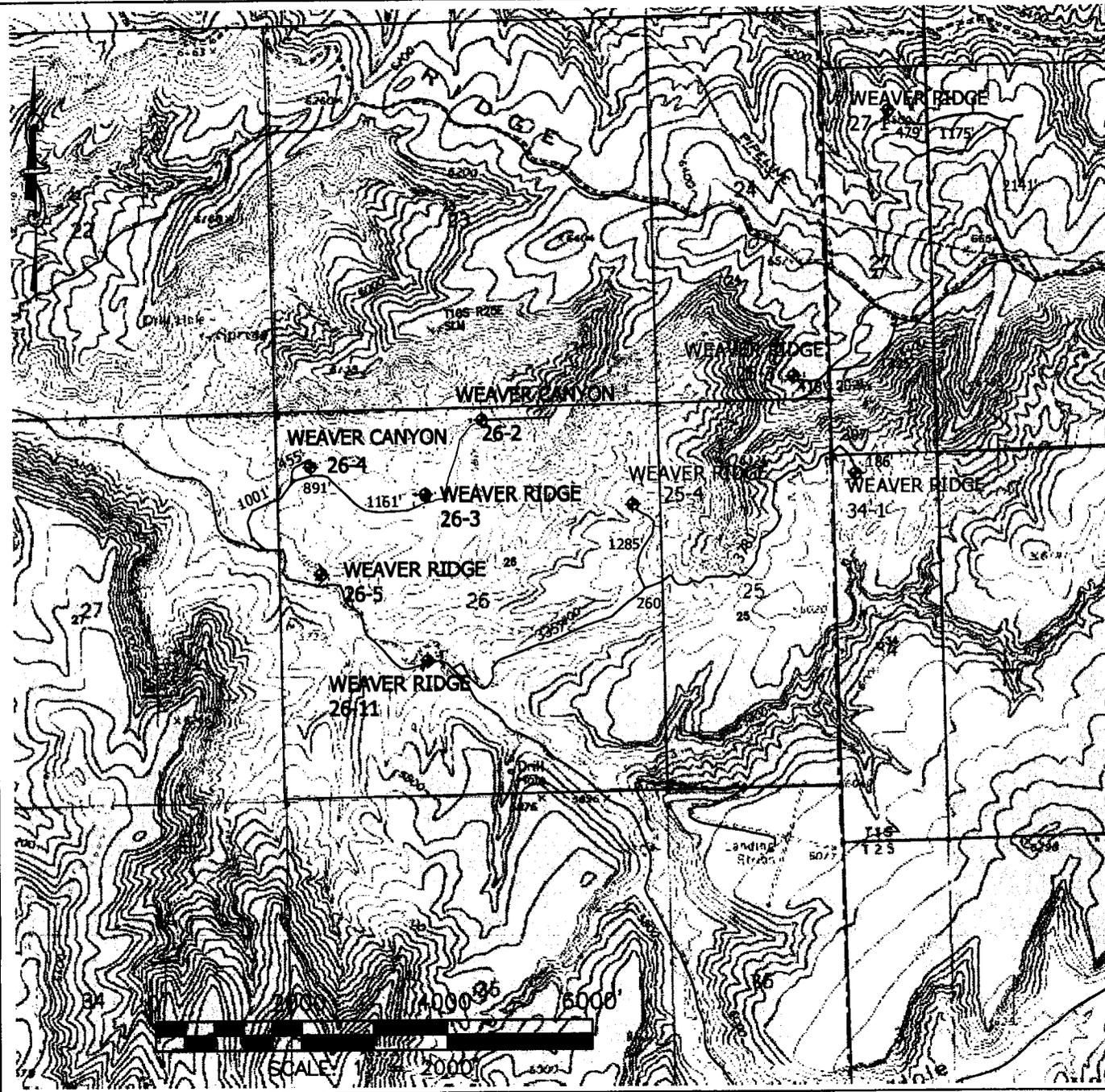
I hereby certify that Robert L. Bayless, Producer LLC is responsible under the terms and conditions of the lease to conduct lease operations in conjunction with the application. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Robert L. Bayless, Producer LLC under their nationwide surety bond, BLM Bond #CO0833.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Robert L. Bayless, Producer LLC and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Habib Guerrero
Operations Engineer
Robert L. Bayless, Producer LLC

August 10, 2007
Date



LEGEND

These standard symbols will be found in the drawing.

- ◆ SURFACE LOCATION
- NEW ACCESS ROAD
- EXISTING ROAD
- COUNTY ROAD

ROAD MAP

ROBERT L. BAYLESS, PRODUCER LLC
 WEAVER CANYON #26-4
 SURFACE LOCATION
 753'FNL & 462'FWL
 BOTTOM HOLE LOCATION
 1120'FNL & 450'FWL
 SEC. 26, T10S, R25E, S.L.B.&M.
 UTAH Co., UTAH
 GROUND ELEV. 5629.7' (NAVD88)



Alliance Engineering
 A Wood Group Company

EXHIBIT 4A

○ Existing Well ○ Proposed Location

===== Existing Roads

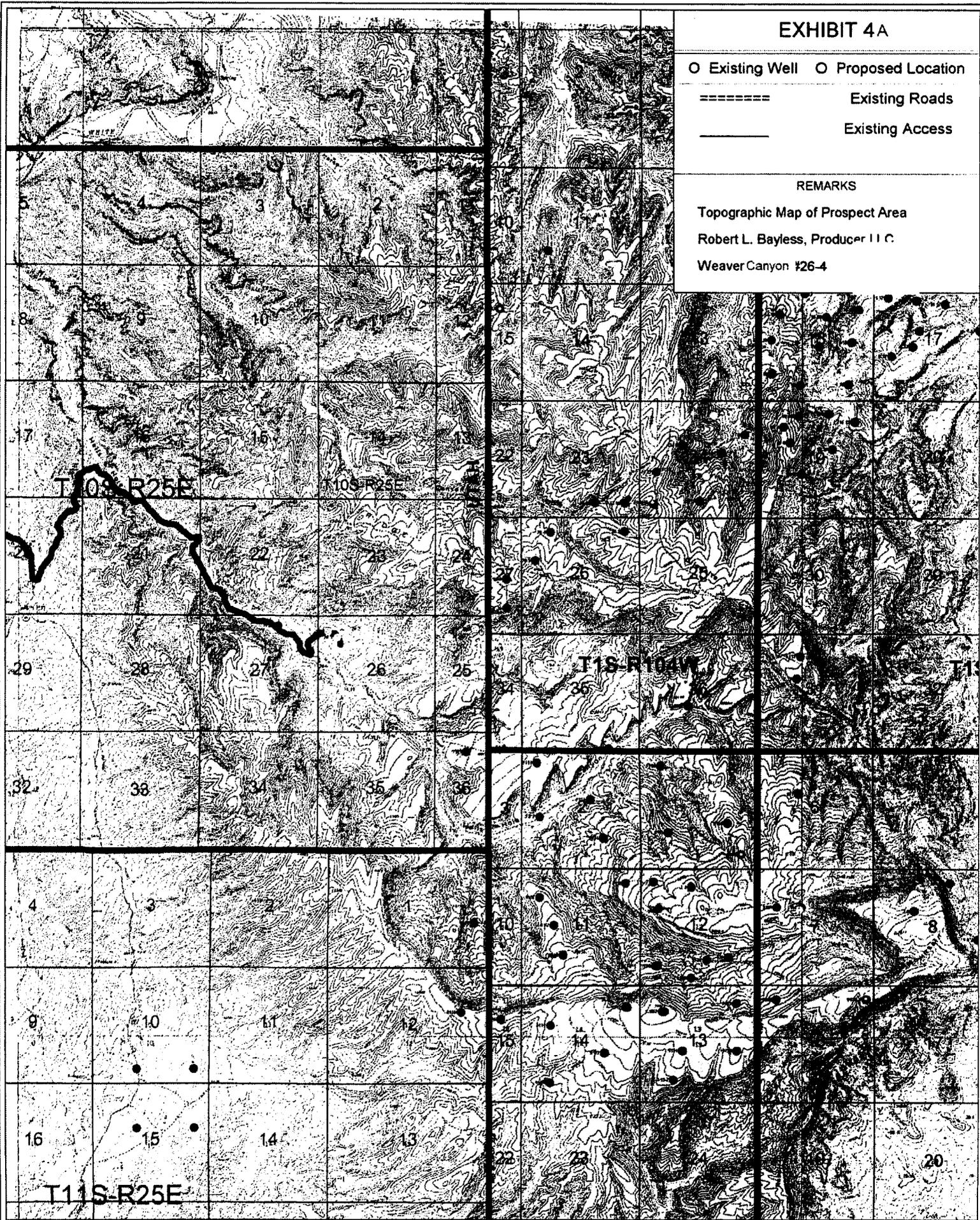
———— Existing Access

REMARKS

Topographic Map of Prospect Area

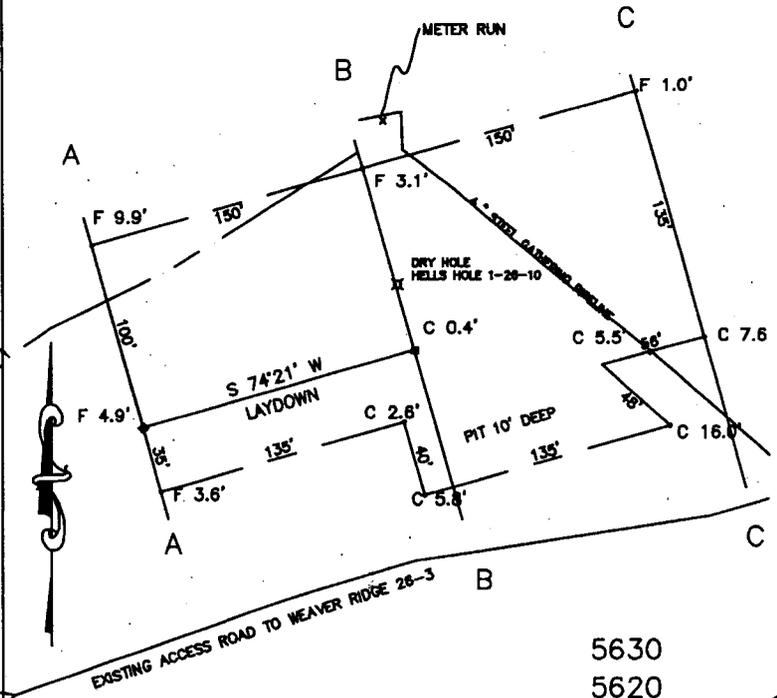
Robert L. Bayless, Producer I I C

Weaver Canyon #26-4



PIT AND PAD LAYOUT

ROBERT L. BAYLESS, PRODUCER LLC
 WEAVER CANYON #26-4
 SURFACE LOCATION
 753'FNL & 462'FWL
 BOTTOM HOLE LOCATION
 1120'FNL & 450'FWL
 SEC. 26, T10S, R25E, S.L.B.&M.
 UINTAH Co., UTAH
 GROUND ELEV. 5629.7' (NAVD88)



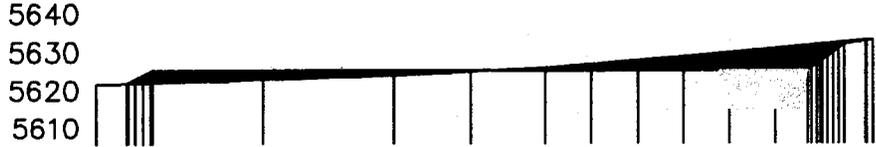
Top of pad elevation: 5629.3
 Balance Tolerance (C.Y.): 10.00
 Cut Swell Factor: 0.80
 Fill Shrink Factor: 0.80

Pad EarthWork Volumes
 Total cut : 63,369.1 C.F., 2,347.00 C.Y.
 Total fill: 63,319.4 C.F., 2,345.16 C.Y.
 Balance Export: 49.7 C.F., 1.84 C.Y.
 Area: 55298.3 Sq.Ft., 1.269 Acres

A-A



B-B



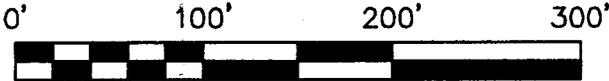
C-C



HORZ. SCALE 1"=50' VERT SCALE 1"=50'

LEGEND

- PIT
- FILL
- CUT



SCALE: 1" = 100'



Alliance Engineering
 A Wood Group Company

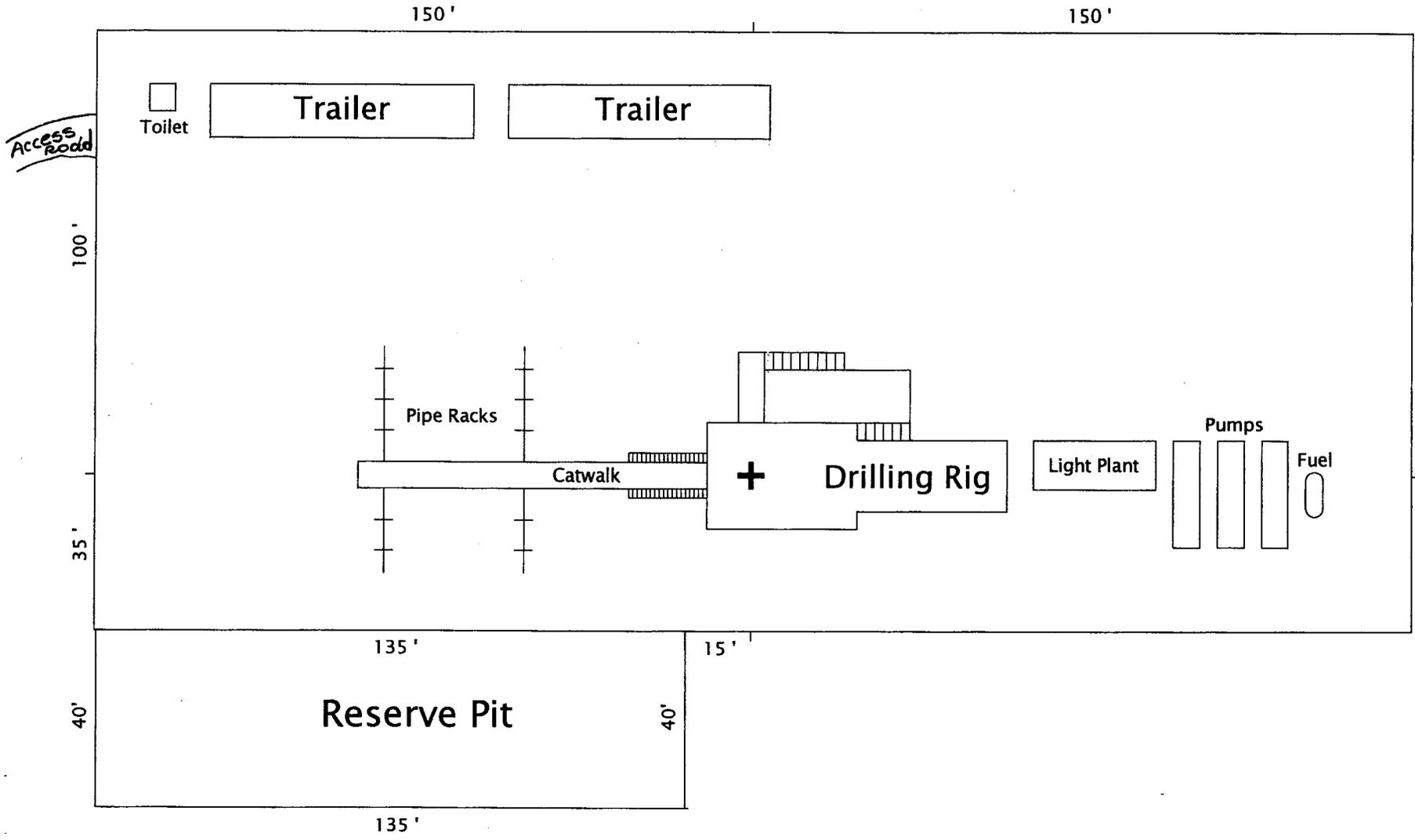
EXHIBIT 5

EXHIBIT 6

Drilling Rig Layout

Robert L. Bayless, Producer LLC

Weaver Canyon #26-4



 1724-B Townhurst Dr, Houston, Tx 77043 (713) 827-8302 www.nevisenergy.com	Job Number: 205-sss	State/Country: <input type="checkbox"/>
	Company: R L Bayless, Producer LLC	Declination: <input type="checkbox"/>
	Lease/Well: Weaver Canyon 26-4	Grid: <input type="checkbox"/>
	Location: Utah	File name: Z:\BAYLESS\WEAVER-1\WC26-4\WC26-4.SVY
	Rig Name: <input type="checkbox"/>	Date/Time: 31-Jul-07 / 14:27
RKB: <input type="checkbox"/>	Curve Name: Weaver Canyon 26-4 plan 7-31-07	
G.L. or M.S.L.: 5630'		

Weaver Canyon 26-4 plan 7-31-07

WINSERVE PROPOSAL REPORT
 Minimum Curvature Method
 Vertical Section Plane 181.87
 Vertical Section Referenced to Wellhead
 Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE Distance FT	Direction Deg	Dogleg Severity Deg/100
KOP-> 500 TVD Begin Build @ 1.50% 100', 181.87° Azi									
500.00	.00	181.87	500.00	.00	.00	.00	.00	.00	.00
530.00	.45	181.87	530.00	.12	-.12	.00	.12	181.87	1.50
560.00	.90	181.87	560.00	.47	-.47	-.02	.47	181.87	1.50
590.00	1.35	181.87	589.99	1.06	-1.06	-.03	1.06	181.87	1.50
620.00	1.80	181.87	619.98	1.88	-1.88	-.06	1.88	181.87	1.50
650.00	2.25	181.87	649.96	2.94	-2.94	-.10	2.94	181.87	1.50
680.00	2.70	181.87	679.93	4.24	-4.24	-.14	4.24	181.87	1.50
710.00	3.15	181.87	709.89	5.77	-5.77	-.19	5.77	181.87	1.50
740.00	3.60	181.87	739.84	7.54	-7.53	-.25	7.54	181.87	1.50
770.00	4.05	181.87	769.78	9.54	-9.53	-.31	9.54	181.87	1.50
800.00	4.50	181.87	799.69	11.77	-11.77	-.38	11.77	181.87	1.50
830.00	4.95	181.87	829.59	14.25	-14.24	-.47	14.25	181.87	1.50
860.00	5.40	181.87	859.47	16.95	-16.94	-.55	16.95	181.87	1.50
890.00	5.85	181.87	889.32	19.89	-19.88	-.65	19.89	181.87	1.50
920.00	6.30	181.87	919.15	23.07	-23.06	-.75	23.07	181.87	1.50

Begin Hold @ 6.45°, 181.87° Azm									
930.32	6.45	181.87	929.41	24.21	-24.20	-.79	24.21	181.87	1.50
1030.32	6.45	181.87	1028.77	35.46	-35.44	-1.16	35.46	181.87	.00
1130.32	6.45	181.87	1128.14	46.70	-46.67	-1.53	46.70	181.87	.00
1230.32	6.45	181.87	1227.51	57.94	-57.91	-1.89	57.94	181.87	.00
1330.32	6.45	181.87	1326.87	69.18	-69.14	-2.26	69.18	181.87	.00
1430.32	6.45	181.87	1426.24	80.42	-80.38	-2.63	80.42	181.87	.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	C L O S U R E		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
1530.32	6.45	181.87	1525.61	91.67	-91.62	-3.00	91.67	181.87	.00
1630.32	6.45	181.87	1624.97	102.91	-102.85	-3.36	102.91	181.87	.00
1730.32	6.45	181.87	1724.34	114.15	-114.09	-3.73	114.15	181.87	.00
1830.32	6.45	181.87	1823.70	125.39	-125.32	-4.10	125.39	181.87	.00
1930.32	6.45	181.87	1923.07	136.63	-136.56	-4.47	136.63	181.87	.00
2030.32	6.45	181.87	2022.44	147.87	-147.80	-4.83	147.87	181.87	.00
2130.32	6.45	181.87	2121.80	159.12	-159.03	-5.20	159.12	181.87	.00
2230.32	6.45	181.87	2221.17	170.36	-170.27	-5.57	170.36	181.87	.00
2330.32	6.45	181.87	2320.53	181.60	-181.50	-5.93	181.60	181.87	.00
2430.32	6.45	181.87	2419.90	192.84	-192.74	-6.30	192.84	181.87	.00
2530.32	6.45	181.87	2519.27	204.08	-203.97	-6.67	204.08	181.87	.00
2630.32	6.45	181.87	2618.63	215.33	-215.21	-7.04	215.33	181.87	.00
2730.32	6.45	181.87	2718.00	226.57	-226.45	-7.40	226.57	181.87	.00
2830.32	6.45	181.87	2817.36	237.81	-237.68	-7.77	237.81	181.87	.00
2930.32	6.45	181.87	2916.73	249.05	-248.92	-8.14	249.05	181.87	.00
3030.32	6.45	181.87	3016.10	260.29	-260.15	-8.51	260.29	181.87	.00
3130.32	6.45	181.87	3115.46	271.54	-271.39	-8.87	271.54	181.87	.00
3230.32	6.45	181.87	3214.83	282.78	-282.63	-9.24	282.78	181.87	.00
3330.32	6.45	181.87	3314.19	294.02	-293.86	-9.61	294.02	181.87	.00
3430.32	6.45	181.87	3413.56	305.26	-305.10	-9.98	305.26	181.87	.00
3530.32	6.45	181.87	3512.93	316.50	-316.33	-10.34	316.50	181.87	.00
3630.32	6.45	181.87	3612.29	327.74	-327.57	-10.71	327.74	181.87	.00
3730.32	6.45	181.87	3711.66	338.99	-338.81	-11.08	338.99	181.87	.00
3830.32	6.45	181.87	3811.03	350.23	-350.04	-11.45	350.23	181.87	.00
3930.32	6.45	181.87	3910.39	361.47	-361.28	-11.81	361.47	181.87	.00

Mancos B - 3961' TVD

3981.25	6.45	181.87	3961.00	367.20	-367.00	-12.00	367.20	181.87	.00
4081.25	6.45	181.87	4060.37	378.44	-378.24	-12.37	378.44	181.87	.00
4181.25	6.45	181.87	4159.73	389.68	-389.47	-12.73	389.68	181.87	.00
4281.25	6.45	181.87	4259.10	400.92	-400.71	-13.10	400.92	181.87	.00
4381.25	6.45	181.87	4358.46	412.16	-411.94	-13.47	412.16	181.87	.00

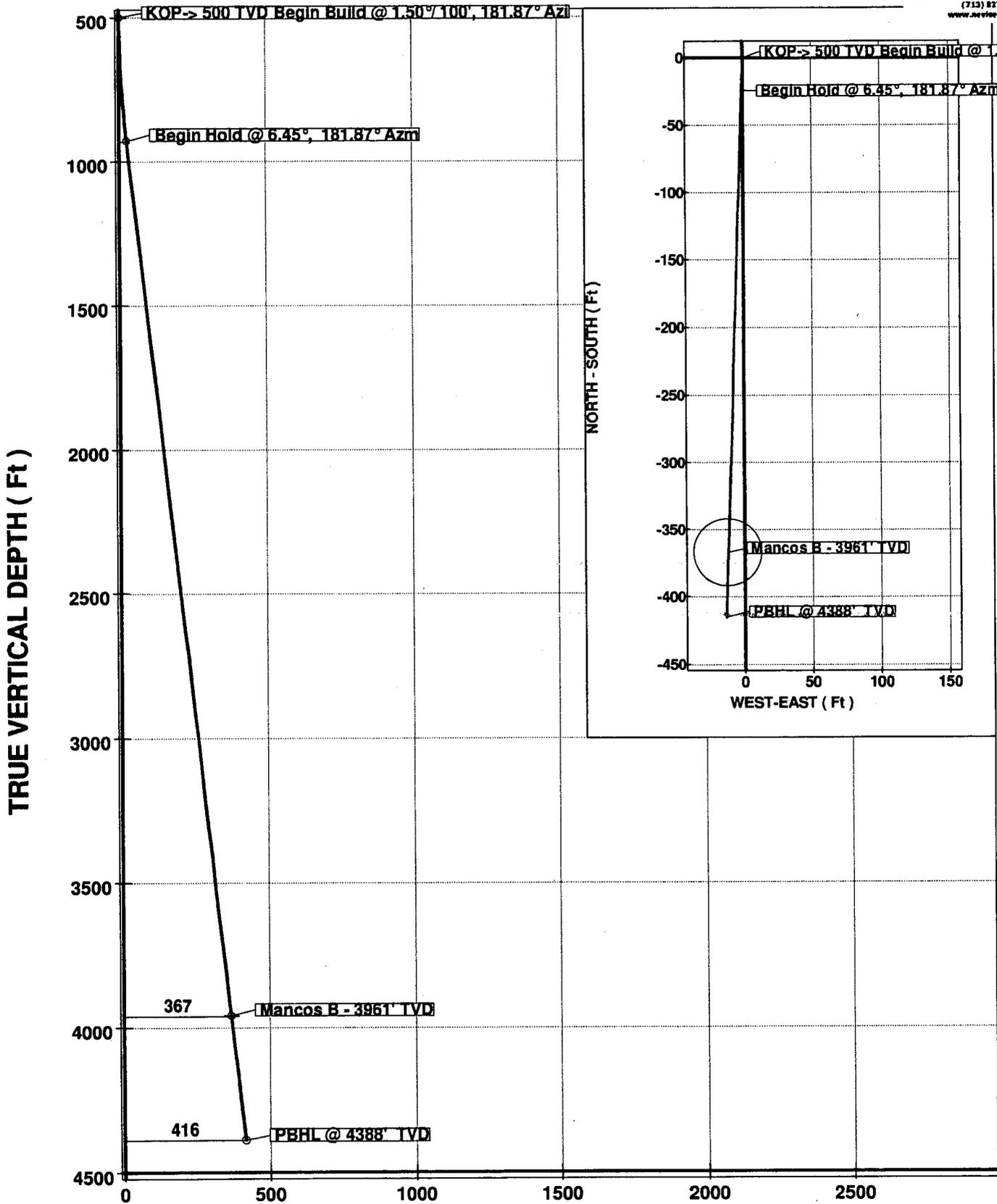
PBHL @ 4388' TVD

4410.97	6.45	181.87	4388.00	415.51	-415.28	-13.58	415.51	181.87	.00
---------	------	--------	---------	--------	---------	--------	--------	--------	-----

Job Number: 205-sss
Company: R L Bayless, Producer LLC
Lease/Well: Weaver Canyon 26-4
Location: Utah



1724-B Townshere Dr, Houston, Tx 77043
(713) 827-8392
www.newenergy.com



VERTICAL SECTION (Ft) @ 181.87°



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410



IN REPLY REFER TO:

3160

UT08300

November 30, 2007

Habib Guerrero
Robert L. Bayless, Producer LLC
PO Box 168
Farmington, NM 87499

43-047-37471

Re: Well No. Weaver Ridge 26-4
NWNW, Sec. 26, T10S, R25E
Uintah County, Utah
Lease No. UTU-80696

Dear Mr. Guerrero:

The Application for Permit to Drill (APD) the above referenced well submitted December 5, 2005 is being returned unapproved as per your request in an email that I received from Natural Resource Specialist Holly Villa dated July 2, 2007. This APD was replaced with a new APD that was received on August 21, 2007 as Well No. Weaver Canyon 26-4.

If you have any questions regarding APD processing, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

cc: UDOGM – Diana Mason

RECEIVED

DEC 06 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU 80696

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Weaver Canyon 26-4

9. API NUMBER:
4304737471

10. FIELD AND POOL, OR WILDCAT:
Wildcat

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Robert L. Bayless Producer LLC

3. ADDRESS OF OPERATOR:
P.O. BOX 168 CITY Farmington STATE NM ZIP 87499 PHONE NUMBER: (505) 326-2659

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 753' FNL & 462' FWL COUNTY: Utah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 26 10S 25E 6 STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>APD 1 Year Extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Robert L. Bayless, Producer LLC requests a 1 year extension of the approved APD for the Weaver Canyon #26-4 well. We are currently waiting on BLM for Approval of this APD.

On 8/30/07 Robert L. Bayless requested to change the well name from Weaver Ridge 26-4 to Weaver Canyon#26-4, also to change the location from 1320' FNL 1015 FWL to 753'FNL 462' FWL and the BHL from 990 FNL & 850 FWL to 1120 FNL 450' FWL. This request has been approved.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-24-07
By: [Signature]

NAME (PLEASE PRINT) Habib Guerrero TITLE Petroleum Engineer

SIGNATURE [Signature] DATE 12/18/2007

(This space for State use only)

RECEIVED

DEC 24 2007

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304737471
Well Name: Weaver Canyon 26-4
Location: 753' FNL & 462' FWL, S26 T10S R25E Unitah, UT
Company Permit Issued to: Robert L. Bayless, Producer LLC
Date Original Permit Issued: 12/22/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

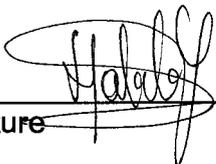
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No



Signature

12/18/2007

Date

Title: Operations Engineer

Representing: Robert L. Bayless, Producer LLC

RECEIVED
VERNAL FIELD OFFICE

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

2007 AUG 21 PM 12:59
DEPT. OF THE INTERIOR
BUREAU OF LAND MGMT.

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU - 80696
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Robert L. Bayless, Producer LLC		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. BOX 168, Farmington NM 87499		8. Lease Name and Well No. Weaver Canyon #26-4
3b. Phone No. (include area code) 505 326 2659		9. API Well No. 43-047-37471
4. Location of Well (Report location clearly and in accordance with any State requirements*) At surface 753' FNL & 462' FWL NWNW At proposed prod. zone 1120' FNL & 450' FWL NWNW		10. Field and Pool, or Exploratory Wildcat
14. Distance in miles and direction from nearest town or post office* 45 MILES SOUTHEAST OF VERNAL, UTAH		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 26, T10S R25E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 450 ft - Lease Line	16. No. of acres in lease 360	12. County or Parish Utah
17. Spacing Unit dedicated to this well UNSPACED 40 ACRES	13. State UT	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1161 ft to WC#26-3	19. Proposed Depth 4410 ft	20. BLM/BIA Bond No. on file STATE OF UTAH #141769447 NM0883
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5630 GL	22. Approximate date work will start* 10/01/2007	23. Estimated duration 15 Days
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature 	Name (Printed/Typed) Habib Guerrero	Date 08/10/07
Title OPERATIONS ENGINEER		

Approved by (Signature) 	Name (Printed/Typed) JERRY KARCINA	Date 2-8-2008
Title Assistant Field Manager Lands & Mineral Resources		
Office VERNAL FIELD OFFICE		

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, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 matter within its jurisdiction.

*(Instructions on page 2)

NOTICE OF APPROVAL

RECEIVED

FEB 15 2008

DIV. OF OIL, GAS & MINING

UDOGM

NOS 10/21/05

OBCKX 0060A



**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE**

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Robert L. Bayless, Producer LLC
Well No: Weaver Canyon 26-4
API No: 43-047-37471

Location: NWNW, Sec. 26, T10S, R25E
Lease No: UTU-80696
Agreement: N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
NRS/Enviro Scientist:		(435) 781-4475	(435) 828-4029
Supervisory NRS/Enviro Scientist:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	
NRS/Enviro Scientist:		(435) 781-4476	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:		(435) 781-3400	(435) 828-3544
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545

Fax: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.
- Threatened and Endangered Fish Mitigation
 1. The best method to avoid entrainment is to pump from an off-channel location – one that does not connect to the river during high spring flows. An infiltration gallery constructed in a BLM and Service approved location is best.
 2. If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:
 - a. do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes;
 - b. limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (see above); and
 - c. limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.
 3. Screen all pump intakes with ¼" mesh material.
 4. Report any fish impinged on the intake screen to the Service (801.975.3330) and the Utah Division of Wildlife Resources:

Northeastern Region

152 East 100 North, Vernal, UT 84078

Phone: (435) 781-9453

- Avoid drainage to north and southeast of the location.
- The interim seed mix for this location shall be:

Crested wheatgrass	<i>Agropyron cristatum</i>	4 lbs. /acre
Western wheatgrass	<i>Agropyron smithii</i>	4 lbs. /acre
Indian Ricegrass	<i>Stipa hymeniodes</i>	4 lbs. /acre

 - All pounds are in pure live seed.
 - Reseeding may be required if first seeding is not successful.
- The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.

- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding shall take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.
- Prior to abandonment of a buried pipeline, the operator will obtain authorization from the appropriate regulatory agency. BLM will determine whether the pipeline and all above ground pipeline facilities shall be removed and unsalvageable materials disposed of at approved sites or abandoned in place. Reshaping and revegetation of disturbed land areas will be completed where necessary.
- The lessee/operator is given notice that lands in the lease have been identified as containing crucial mule deer winter habitat. It is requested that the lessee/operator not initiate surface disturbing activities or drilling from December 1st through April 30th. A survey may be conducted by a qualified biologist or a BLM representative during this timing period to determine if mule deer are in the area.

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- 2M BOPE shall meet all requirements of Onshore Order #2, including having two adjustable chokes on the choke manifold.
- The top of the production casing cement shall extend a minimum of 200 feet above the surface casing shoe.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person

making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location ($\frac{1}{4}$ $\frac{1}{4}$, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 26, 2009

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

Re: APD Rescinded – Weaver Ridge 26-4, Sec.26, T.10S, R. 25E
Uintah County, Utah API No. 43-047-37471

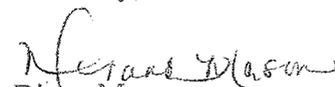
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 22, 2005. On January 10, 2007 and on December 24, 2007 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 26, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal





United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District-Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
<http://www.blm.gov/ut/st/en/fo/vernal.html>



IN REPLY REFER TO:
3160
UTG011

March 16, 2010

Habib J. Guerrero
Robert L. Bayless, Producer LLC
PO Box 168
Farmington, NM 87499

43-047-37471

Re: Notice of Expiration
Well No. Weaver Canyon 26-4
NWNW, Sec. 26, T10S, R25E
Uintah County, Utah
Lease No. UTU-80696

Dear Mr. Guerrero:

The Application for Permit to Drill (APD) for the above-referenced well was approved on February 8, 2008. No extension of the original APD was requested. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

cc: UDOGM

RECEIVED

APR 01 2010

DIV. OF OIL, GAS & MINING