

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: ML-49281	6. SURFACE: State
		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Robert L. Bayless, Producer LLC		9. WELL NAME and NUMBER: Main Canyon 34-1	
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: MAIN CANYON Wildcat
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 990' FNL & 990' FEL (NENE) AT PROPOSED PRODUCING ZONE: 1980' FNL & 990' FEL (SENE) 644 284 X 4370519 Y 39.474657 -109.322584 644 289 X 43702174 39.471337 -109.322592		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 34 15S 23E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 54 miles southeast of Ouray, Utah		12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 990 ft - Lease line	16. NUMBER OF ACRES IN LEASE: 800.00	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2904 ft to Lindisfame # 1-26	19. PROPOSED DEPTH: 10,114	20. BOND DESCRIPTION: 141769447	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7969 GL	22. APPROXIMATE DATE WORK WILL START: 9/15/2008	23. ESTIMATED DURATION: 20 Days	

PROPOSED CASING AND CEMENTING PROGRAM

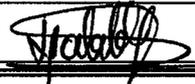
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
17 1/2"	13 3/8" H40 STC 48 #/ft	200	See Drilling Program	250 sx	1.15 cf /sx	15.8 #/gal
12 1/4"	9 5/8" J-55 STC 40 #/ft	1,000	See Drilling Program	510 sx	1.15 cf /sx	11.0 #/gal
7 7/8"	4 1/2" N-80 LTC 11.6 #/ft	10,114	See Drilling Program	Lead 590 sx	3.84 cf/sx	14.2 #/gal
				Tail 1105 sx	1.26 cf/sx	

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Habib Guerrero TITLE Operations Engineer

SIGNATURE  DATE 6/30/2008

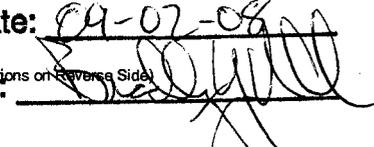
Approved by the
Utah Division of
Oil, Gas and Mining

(This space for State use only)

API NUMBER ASSIGNED: 43-047-40182

APPROVAL:

Date: 09-02-08

By: 

RECEIVED

JUL 02 2008

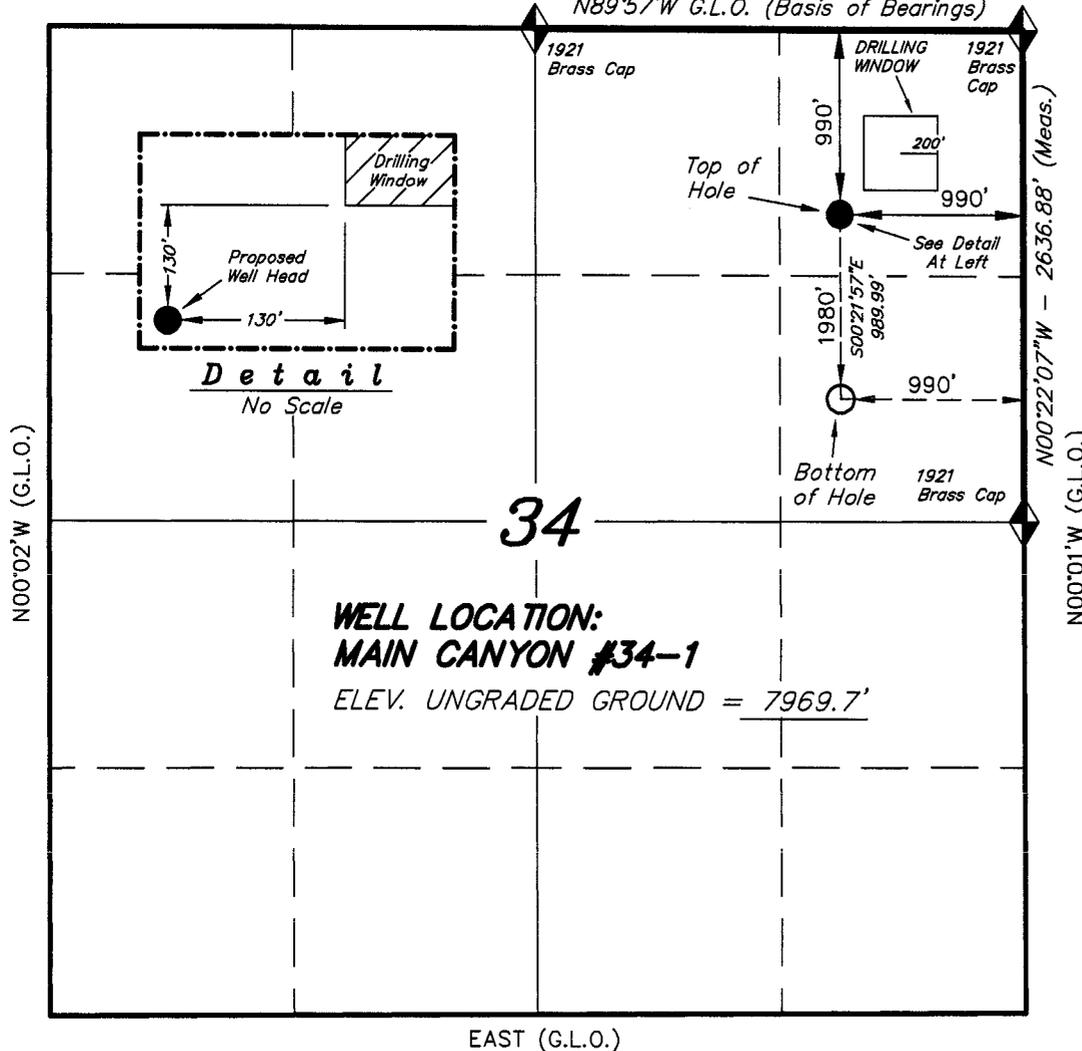
DIV. OF OIL, GAS & MINING

T15S, R23E, S.L.B.&M.

N89°57'W - 79.90 (G.L.O.) 2635.20' (Measured)
 N89°57'W G.L.O. (Basis of Bearings)

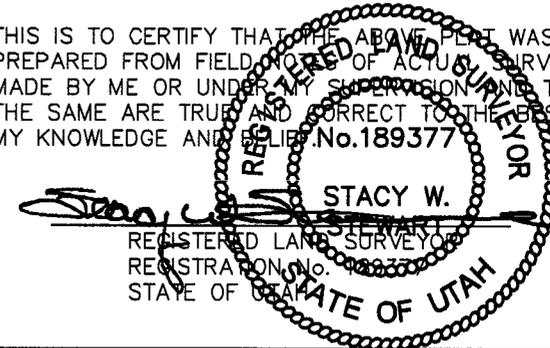
ROBERT L. BAYLESS PRODUCER

WELL LOCATION, MAIN CANYON #34-1,
 LOCATED AS SHOWN IN THE NE 1/4 NE
 1/4 OF SECTION 34, T15S, R23E,
 S.L.B.&M. UTAH COUNTY, UTAH.



WELL LOCATION:
MAIN CANYON #34-1
 ELEV. UNGRADED GROUND = 7969.7'

THIS IS TO CERTIFY THAT THE ABOVE PLAN WAS
 PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
 MADE BY ME OR UNDER MY SUPERVISION AND THAT
 THE SAME ARE TRUE AND CORRECT TO THE BEST OF
 MY KNOWLEDGE AND BELIEF. No. 189377



TRI STATE LAND SURVEYING & CONSULTING

180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
 (435) 781-2501

DATE SURVEYED: 05-30-08	SURVEYED BY: C.D.S.
DATE DRAWN: 06-02-08	DRAWN BY: F.T.M.
REVISED: 06-24-08 F.T.M.	SCALE: 1" = 1000'

◆ = SECTION CORNERS LOCATED
 BASIS OF ELEV;
 U.S.G.S. 7-1/2 min QUAD (P R SPRING)

MAIN CANYON #34-1
 (Surface Location) NAD 83
 LATITUDE = 39° 28' 26.83"
 LONGITUDE = 109° 19' 23.72"

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

June 30, 2008

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
Main Canyon #34-1
Surface Loc: 990' FNL & 990' FEL, Sec 34, T15S R23E (NENE)
Bottomhole Loc: 1980' FNL & 990' FEL, Sec 34, T15S R23E (SENE)
Uintah County, Utah

Pursuant to the filling 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. By 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

RECEIVED
JUL 02 2008
DIV. OF OIL, GAS & MINING

Robert L. Bayless, Producer LLC

DRILLING PROGRAM

(Attachment to Form 3)

MAIN CANYON #34-1

SHL: 990' FNL & 990' FEL (NENE)

Section 34, T15S R23E

Uintah County, Utah

State Lease: ML - 49281

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 DIRECTIONAL DRILLED.

SURFACE FORMATION – Green River Formation.

SURFACE ELEVATION - 7,969 ft (Ground elevation)

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

Green River	Surface	
Wasatch	1,998 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Mesaverde	2,682 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Sego	4,407 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Castlegate	4,708 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Mancos B	5,497 ft	Shale and siltstones, some water, oil or gas bearing
Dakota –Cedar Mtn	8,450 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Morrison	8,667 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
Entrada	9,274 ft	Sandstones, shales, siltstones, some water, oil or gas bearing
TOTAL DEPTH:	10,114 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 – 200 ft	17-1/2"	13-3/8"	48# H-40 STC	To surface with ±250 sxs Class "G"
200 ⁰ – 1,000 ft	12-1/4"	9-5/8"	40# J-55 STC	To surface with ±510 sxs Class "G"
1000 ⁰ – 10,114 ft	7-7/8"	4 1/2"	11.6# N-80 LTC	Lead: ±590sx Premium G w/16% gel (6300 ft - surface) Tail: ±1105 sx 50:50 Pozmix G (6300 ft – 12,114 ft)

*Cement Yields:

- "Class G" = 1.15 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 200 ft Spud mud as conditions dictate Water (circulate through reserve pit) with Gel/LCM sweeps
- 200 to 1000 ft Spud mud as conditions dictate. Water (circulate through reserve pit) with Gel/LCM sweeps
- 1000 ft to TD Low solids non-dispersed as conditions dictate
 - Mud weight 8.4 – 9.0 ppg
 - Viscosity 38-42 sec or as hole conditions require
 - Water loss 20cc or less
 - pH 8.0 - 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,
 Formation pressure gradient – approximately 0.43 psi/ft
- B) Temperatures: No abnormal conditions are anticipated
- C) H2S: None anticipated
- D) Estimated bottomhole pressure: 4,350 psi

ANTICIPATED START DATE

September 15, 2008

COMPLETION

The location pad will be of sufficient size to accommodate all completion activities and equipment. Fracture stimulation of the Entrada 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

MAIN CANYON #34-1

SHL: 990' FNL & 990' FEL (NENE)

Section 34, T15S R23E

Uintah County, Utah

State Lease: ML – 49281

SURFACE CASING AND CENTRALIZER DESIGN

Proposed Total Depth:	10,114 ft	Proposed Depth of Surface Casing:	1,000 ft
Estimated Pressure Gradient:	0.43 psi/ft		
Bottom Hole Pressure at 10,114 ft		Hydrostatic Head of gas/oil mud:	0.22 psi/ft
0.43 psi/ft x 10,114 ft =	4,349 psi	0.22 psi/ft x 10,114 ft =	2,225 psi

Maximum Design Surface Pressure

Bottom Hole Pressure	–	Hydrostatic Head	=
(0.43 psi/ft x 10,114 ft)	–	(0.22 psi/ft x 10,114 ft)	=
4,349 psi	–	2,225 psi	= 2,124 psi

Casing Strengths

9-5/8" J-55 40.0 #/ft ST&C

<u>Wt (#/ft)</u>	<u>Tension (lbs)</u>	<u>Burst (psi)</u>	<u>Collapse (psi)</u>
40.0	452,000	3,950	2,570

Safety Factors

Minimum Standards:	Tension (Dry): 1.8	Burst: 1.0	Collapse: 1.125
Tension (Dry):	Casing Weight: 40.0 #/ft x 1000 ft	= 40,000 lbs	
	Safety Factor: 452,000 lbs / 40,000 lbs	= <u>11.30</u>	OK
Burst:	Safety Factor: 3,950 psi / 2,124 psi	= <u>1.86</u>	OK
Collapse:	Hydrostatic: 0.052 x 9.0 ppg x 1000 ft	= 468 psi	
	Safety Factor: 2,570 psi / 468 psi	= <u>5.50</u>	OK

Use: 1000 ft of 9 5/8" J-55 40.0 #/ft ST&C casing

Use: 3M BOPE and casinghead

Centralizers

Centralizers will be placed at middle of bottom joint, top of second joint, top of third joint and every other joint.

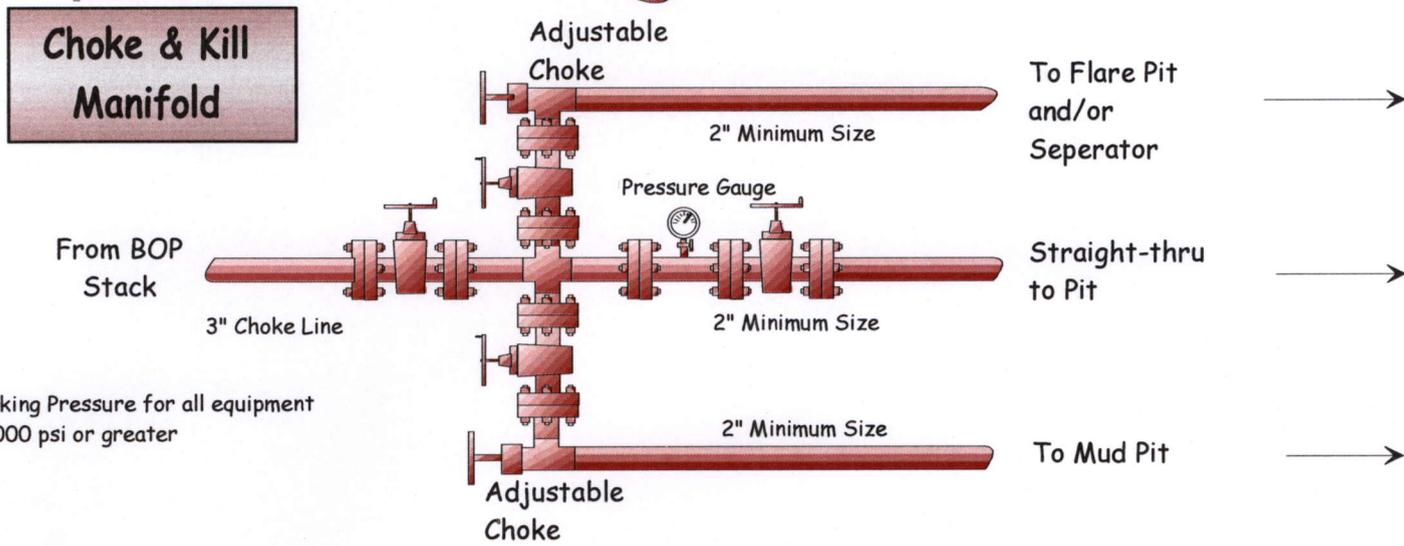
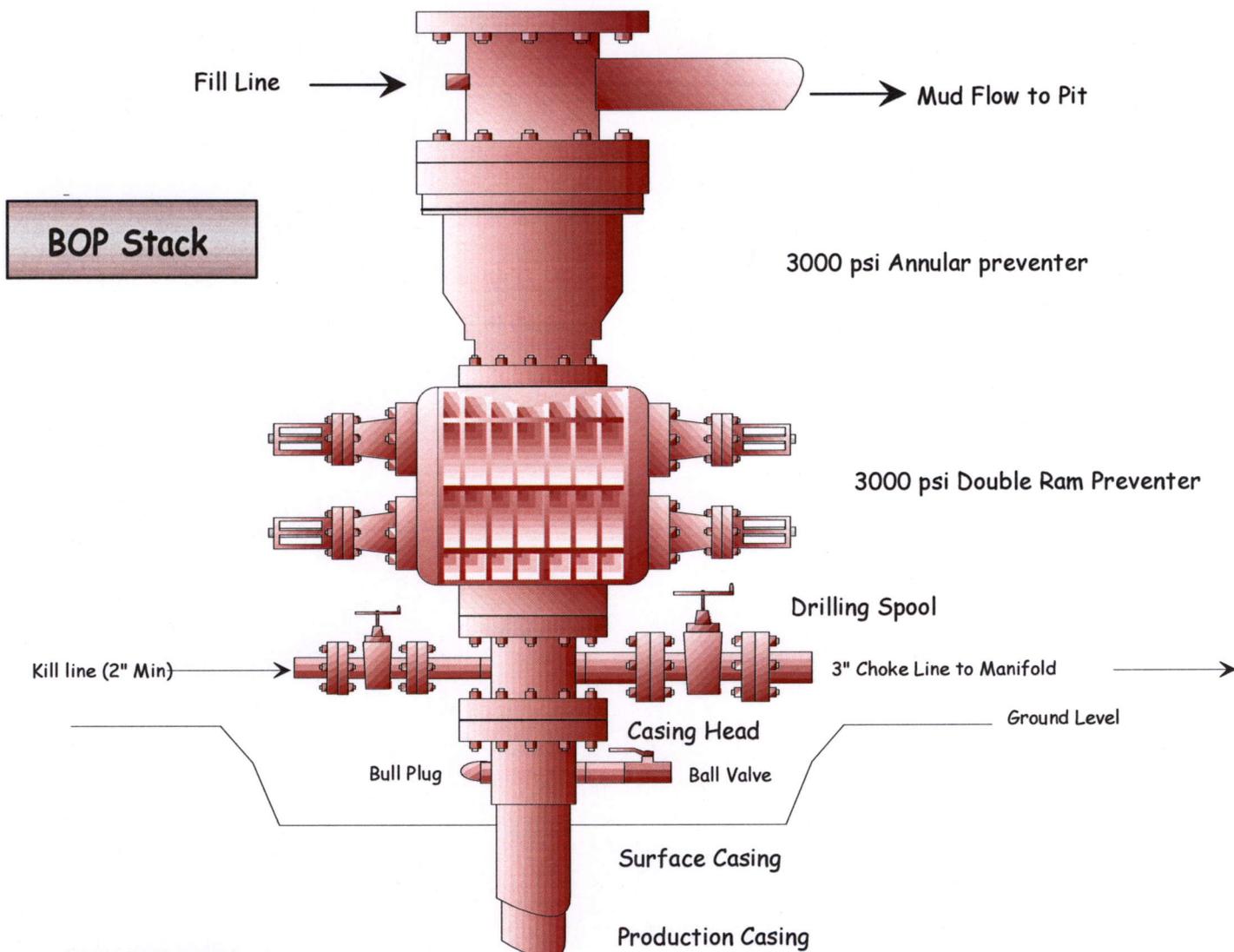
Conductor Centralizers : Use 3 total
 Surface Hole Centralizers: Use 10 total
 Production Hole Centralizers: Use 20 total

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

3M BOPE and Choke Manifold for 3000 psi Service

MAIN CANYON 34-1



Working Pressure for all equipment is 3000 psi or greater

Robert L. Bayless, Producer LLC

MAIN CANYON #34-1

SHL: 990' FNL & 990' FEL (NENE)

BHL: 1980' FNL & 990' FEL (SENE)

Section 34, T15S R23E

Uintah County, Utah

State Lease: ML – 49281

SURFACE USE PLAN

(Attachment to Form 3)

WELL LOCATION AND INTRODUCTION

The surface location of this proposed directional well is 990' FNL & 990' FEL (NENE) Section 34, of T15S R23E. The well site was surveyed and staked by Tri-State Land Surveying Inc. for Robert L. Bayless, Producer LLC (Bayless) on May 30, 2008, at a site that was geologically, legally, and topographically acceptable.

The State of Utah Division Oil & Gas will be notified 24 hours prior to commencing construction of the drillsite, 24 hours notice prior to commencing drilling and completion operations and 24 hours prior to commencing reclamation work.

DIRECTIONS TO LOCATION

Proceed in a westerly direction from Vernal, UT along U.S Highway 40 approximately 14.0 miles to the junction of state Highway 88. Exit left and proceed in a southerly direction approximately 17.0 miles to Ouray, Utah. Proceed in southerly direction approximately 52.8 miles on the Seep Ridge road and turn right. Go 0.3 miles to the beginning of the proposed access to the southwest. Follow new access road 0.77 miles to the proposed 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 (Topographic map B).
- B) Existing roads within 1.0 mile consist of an existing dirt and gravel resource road, to within 0.05 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

± 4100 feet (0.77miles) total new construction, Section 34, State of Utah.
(Topographic map B)

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

- 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 6% 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 B) 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 400 ft x 200 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.
- 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 will be 4" OD steel pipe. The length of this line will be 5,070 ft from proposed location to the existing gas sales line that is owned and operated by Questar Pipeline. This gathering line is shown in Exhibit C.

5) LOCATION OF WATER SUPPLY

This Application for Permit to Drill will serve as a request for the State of Utah to initiate a Right-of-Way (ROW) application for access roads and water haul routes, if necessary. The water will be transported by truck. Dalbo Incorporated has water rights approval for this location and will haul water for Bayless. Application# 53617 (43-8496). A copy of this application has been attached.

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) 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 400 ft x 200 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 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 State of Utah or 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 State of Utah or BLM certified weed applicator will be used for weed control.

11) GENERAL INFORMATION

- A) An archaeological, cultural and historical survey of the area was performed and has been submitted separately by Grand River Institute, Grand Junction, Colorado. A paleontology report was performed and has been submitted separately by A. H. Hamblin Paleontological Consulting, Cedar City, Utah.

B) Surface Owner

Drillsite - State of Utah -SITLA
675 East 500South, Suite500
Salt Lake City, UT 84102
801-538-5100
801-355-0922 fax

Access - New State of Utah -SITLA
675 East 500South, Suite500
Salt Lake City, UT 84102
801-538-5100
801-355-0922 fax

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, State of Utah #141769447.

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
hguerrero@rlbayless.com

06/30/08

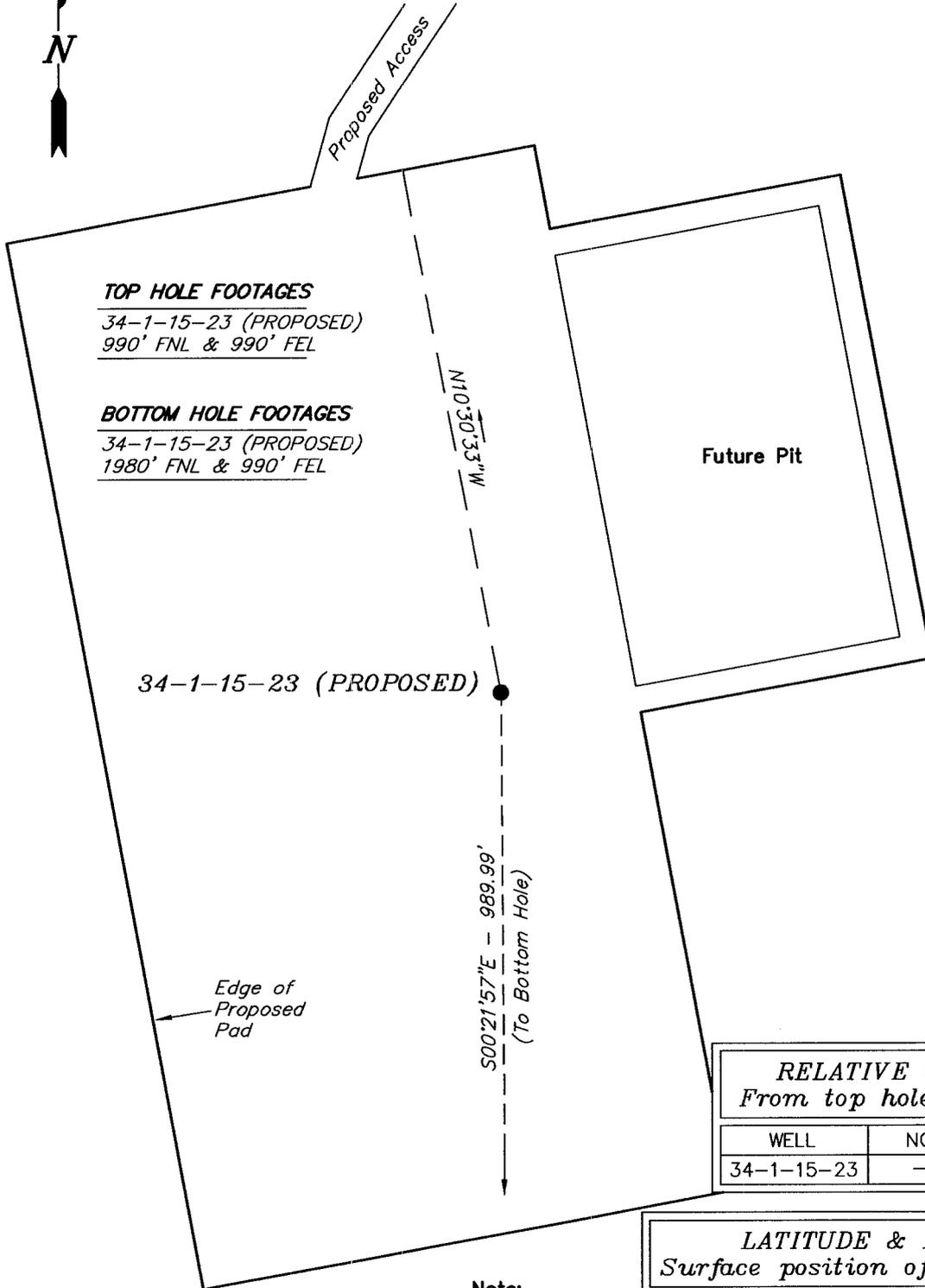
Date

ROBERT L. BAYLESS PRODUCER

WELL PAD INTERFERENCE PLAT

MAIN CANYON #34-1 (Proposed Well)

Pad Location: NENE Section 34, T15S, R23E, S.L.B.&M.



TOP HOLE FOOTAGES
 34-1-15-23 (PROPOSED)
 990' FNL & 990' FEL

BOTTOM HOLE FOOTAGES
 34-1-15-23 (PROPOSED)
 1980' FNL & 990' FEL

34-1-15-23 (PROPOSED)

Edge of
Proposed
Pad

Future Pit

N10°30'33" W

S00°21'57"E - 989.99'
(To Bottom Hole)

RELATIVE COORDINATES
 From top hole to bottom hole

WELL	NORTH	EAST
34-1-15-23	-990'	6'

LATITUDE & LONGITUDE
 Surface position of Wells (NAD 83)

WELL	LATITUDE	LONGITUDE
34-1-15-23	39° 28' 26.83"	109° 19' 23.72"

Note:
 Bearings are based on GLO Information.

SURVEYED BY: C.D.S.	DATE SURVEYED: 05-30-08
DRAWN BY: F.T.M.	DATE DRAWN: 06-24-08
SCALE: 1" = 60'	REVISED:

Tri State (435) 781-2501
 Land Surveying, Inc.
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078



**Robert L. Bayless
Producer**

**Main Canyon Well #34-1 (Proposed Well)
Pad Location NENE SEC. 34, T15S, R23E, S.L.B.&M.**

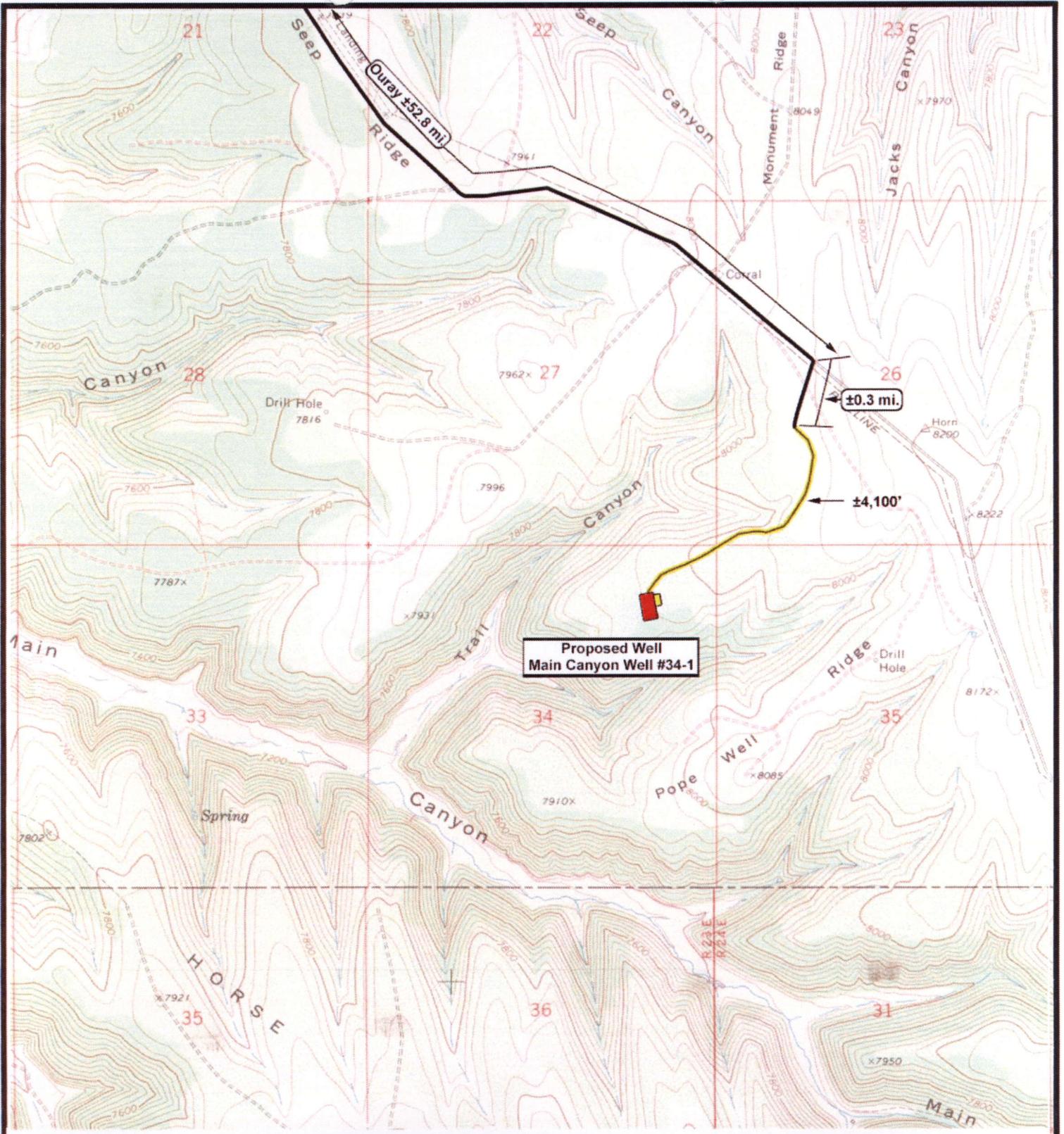


**Tri-State
Land Surveying Inc.**
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1:100,000
DRAWN BY: JAS
DATE: 06-06-2008

Legend
 Existing Road
 Proposed Access

TOPOGRAPHIC MAP
"A"



**Robert L. Bayless
Producer**

**Main Canyon Well #34-1 (Proposed Well)
Pad Location NENE SEC. 34, T15S, R23E, S.L.B.&M.**



*Tri-State
Land Surveying Inc.*

(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2000'

DRAWN BY: JAS

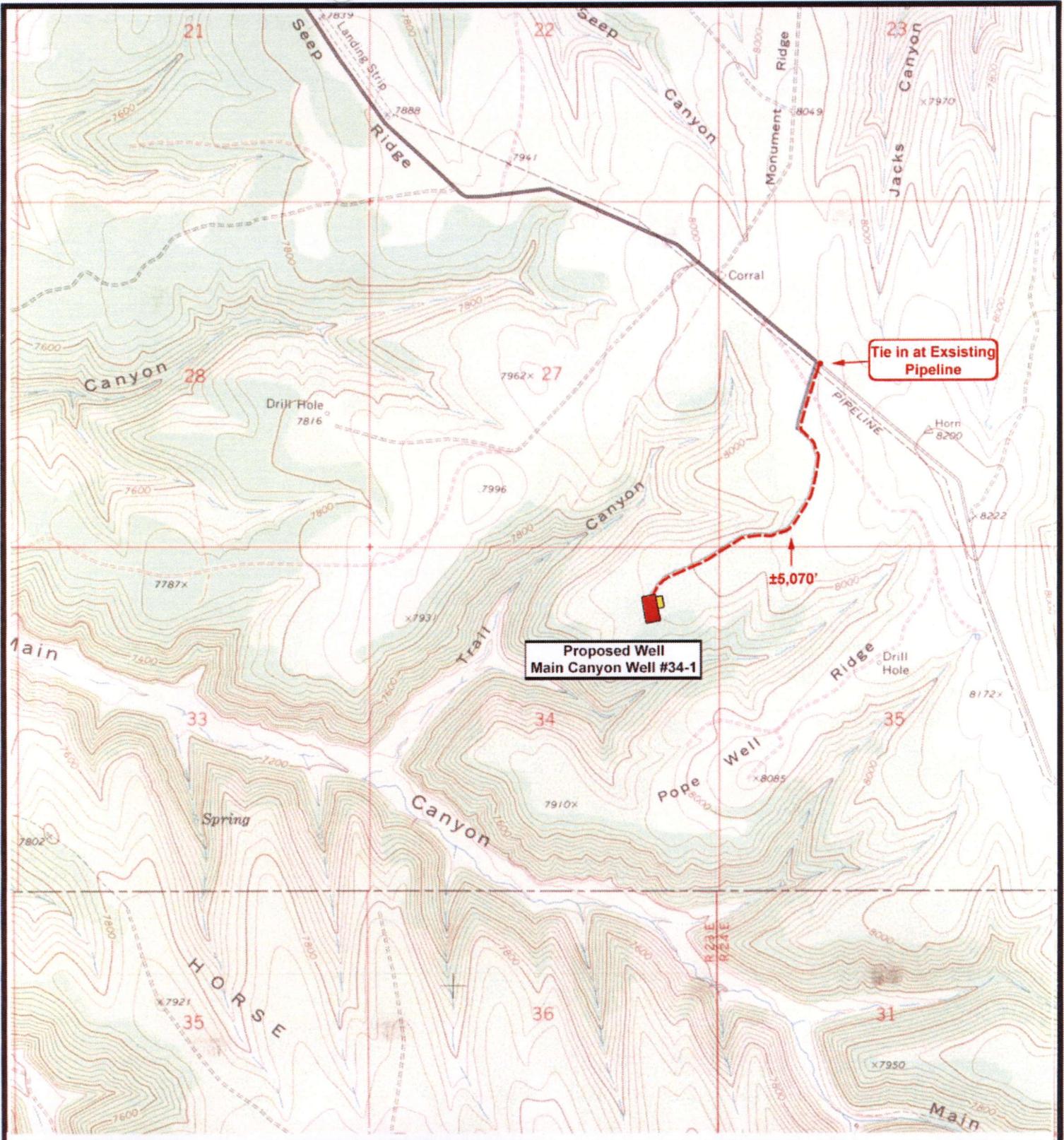
DATE: 06-06-2008

Legend

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP

"B"



**Robert L. Bayless
Producer**

**Main Canyon Well #34-1 (Proposed Well)
Pad Location NENE SEC. 34, T15S, R23E, S.L.B.&M.**



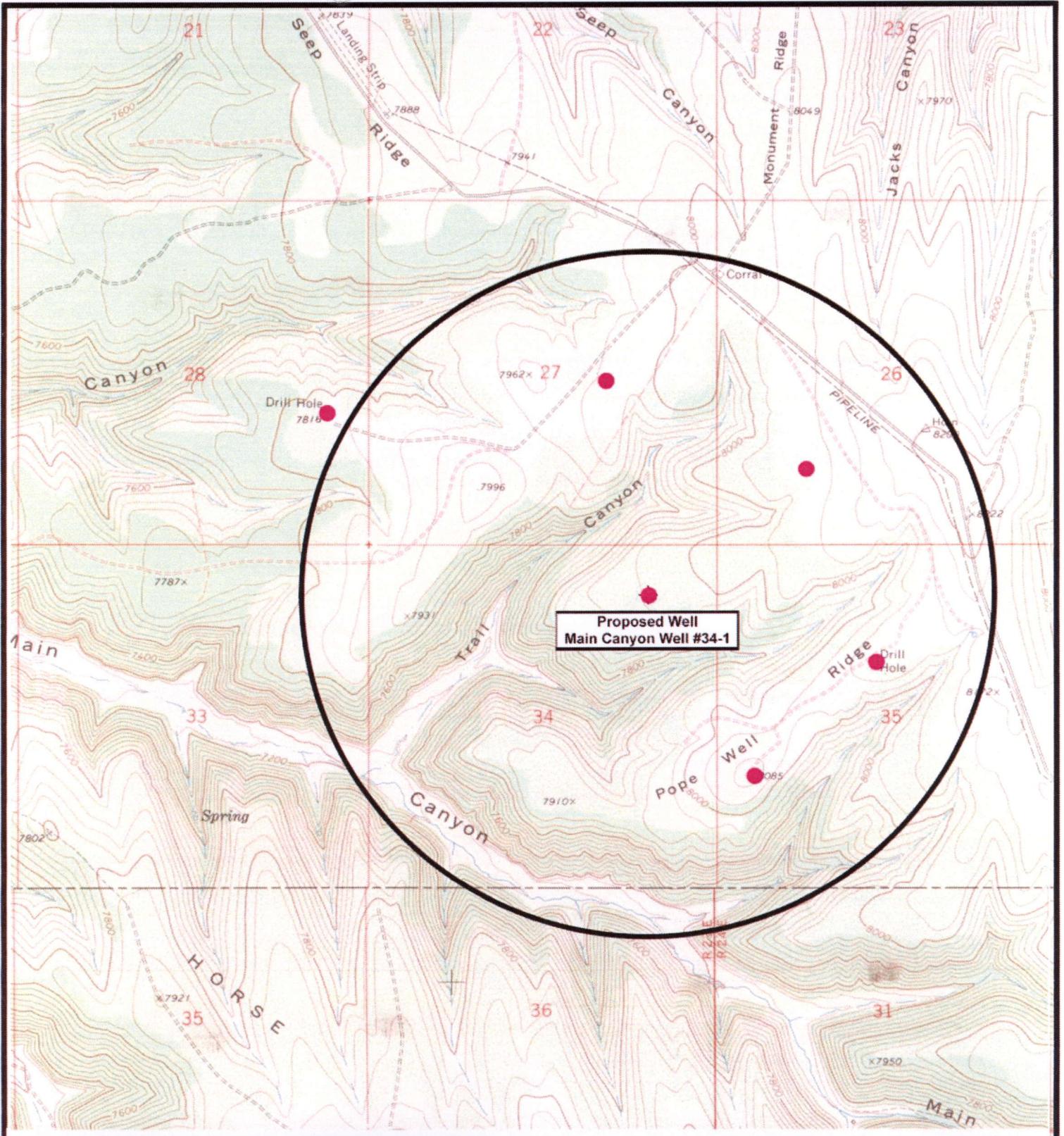
*Tri-State
Land Surveying Inc.*
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2000'
DRAWN BY: JAS
DATE: 06-06-2008

Legend

- Roads
- Proposed Gas Line

TOPOGRAPHIC MAP
"C"



**Robert L. Bayless
Producer**

**Main Canyon Well #34-1 (Proposed Well)
Pad Location NENE SEC. 34, T15S, R23E, S.L.B.&M.**



*Tri-State
Land Surveying Inc.*
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2000'
DRAWN BY: JAS
DATE: 06-06-2008

Legend

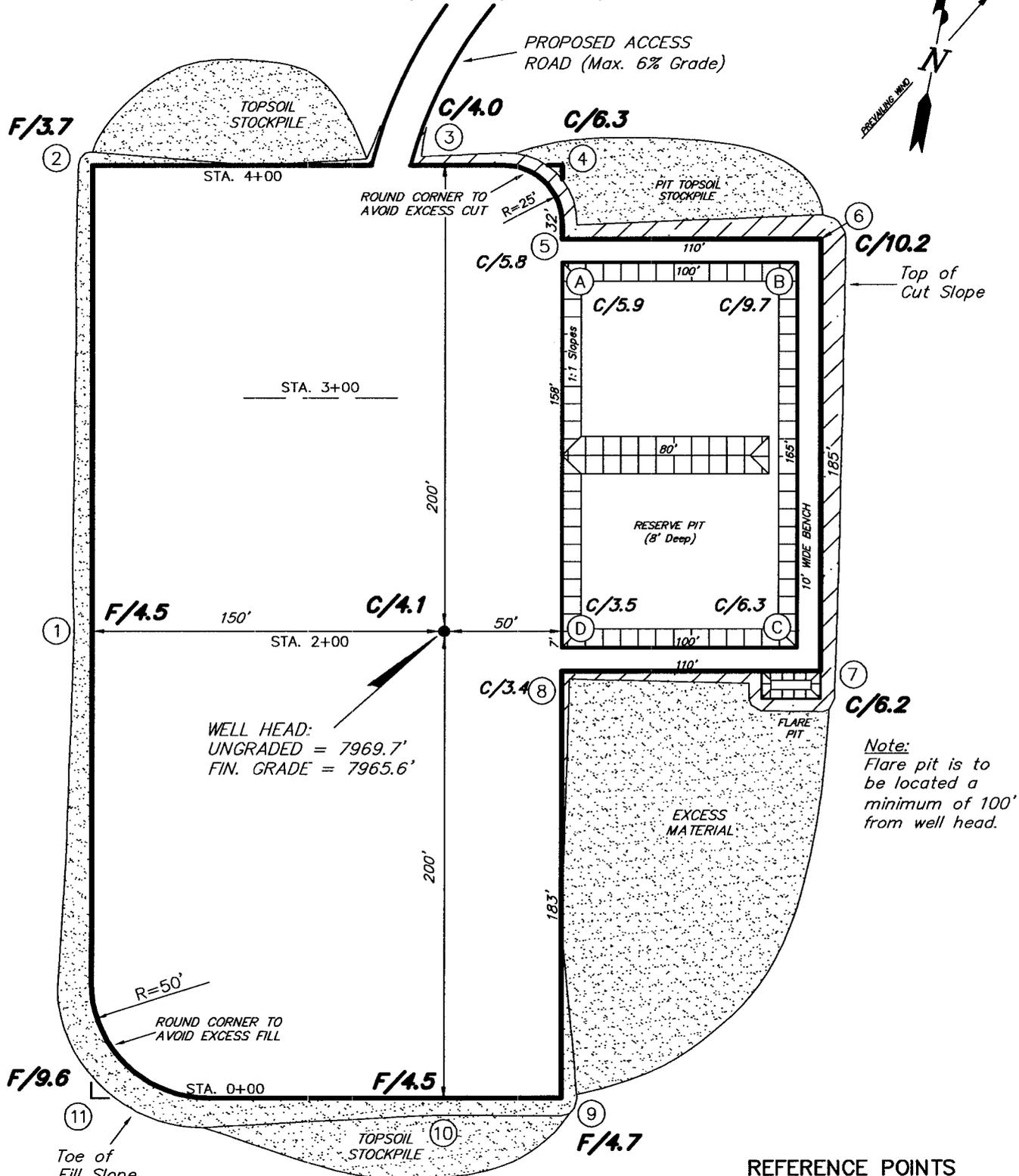
- Location
- One-Mile Radius

Exhibit "B"

ROBERT L. BAYLESS PRODUCER

MAIN CANYON #34-1

Section 34, T15S, R23E, S.L.B.&M.



Note:
Flare pit is to be located a minimum of 100' from well head.

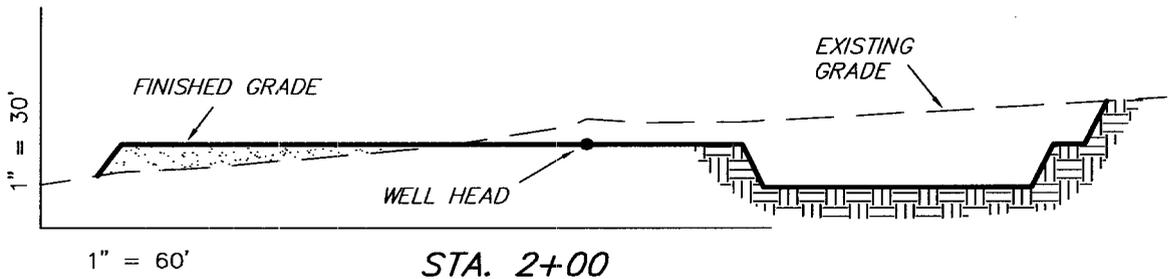
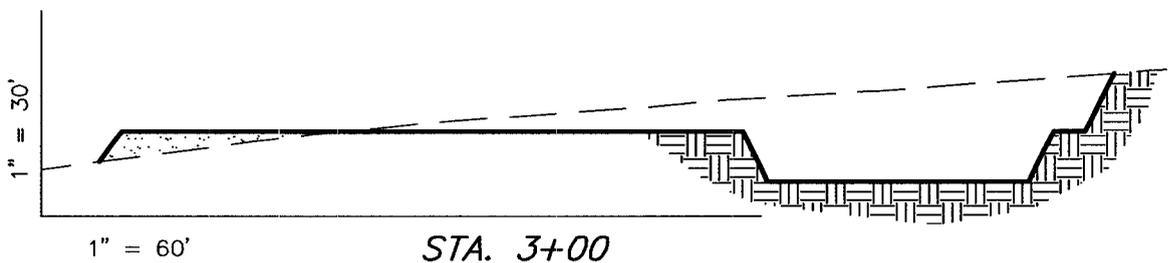
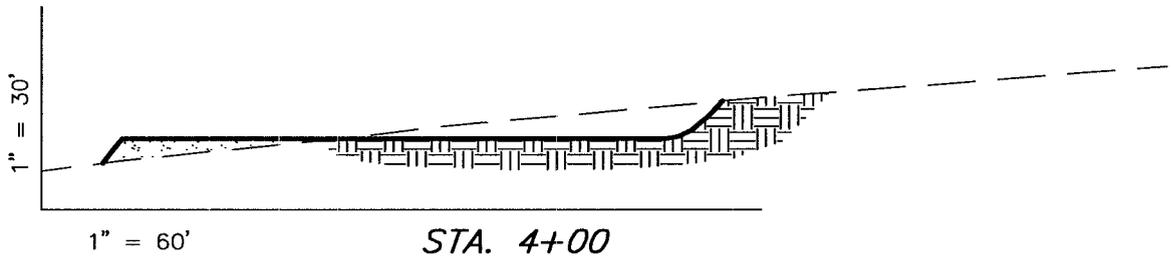
REFERENCE POINTS

200' WESTERLY = 7957.0'
275' WESTERLY = 7951.5'

SURVEYED BY: C.D.S.	DATE SURVEYED: 05-30-08
DRAWN BY: F.T.M.	DATE DRAWN: 06-02-08
SCALE: 1" = 60'	REVISED:

Tri State (435) 781-2501
Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

ROBERT L. BAYLESS PRODUCER
CROSS SECTIONS
MAIN CANYON #34-1



NOTE:
 UNLESS OTHERWISE NOTED
 CUT SLOPES ARE AT 1:1
 FILL SLOPES ARE AT 1.5:1

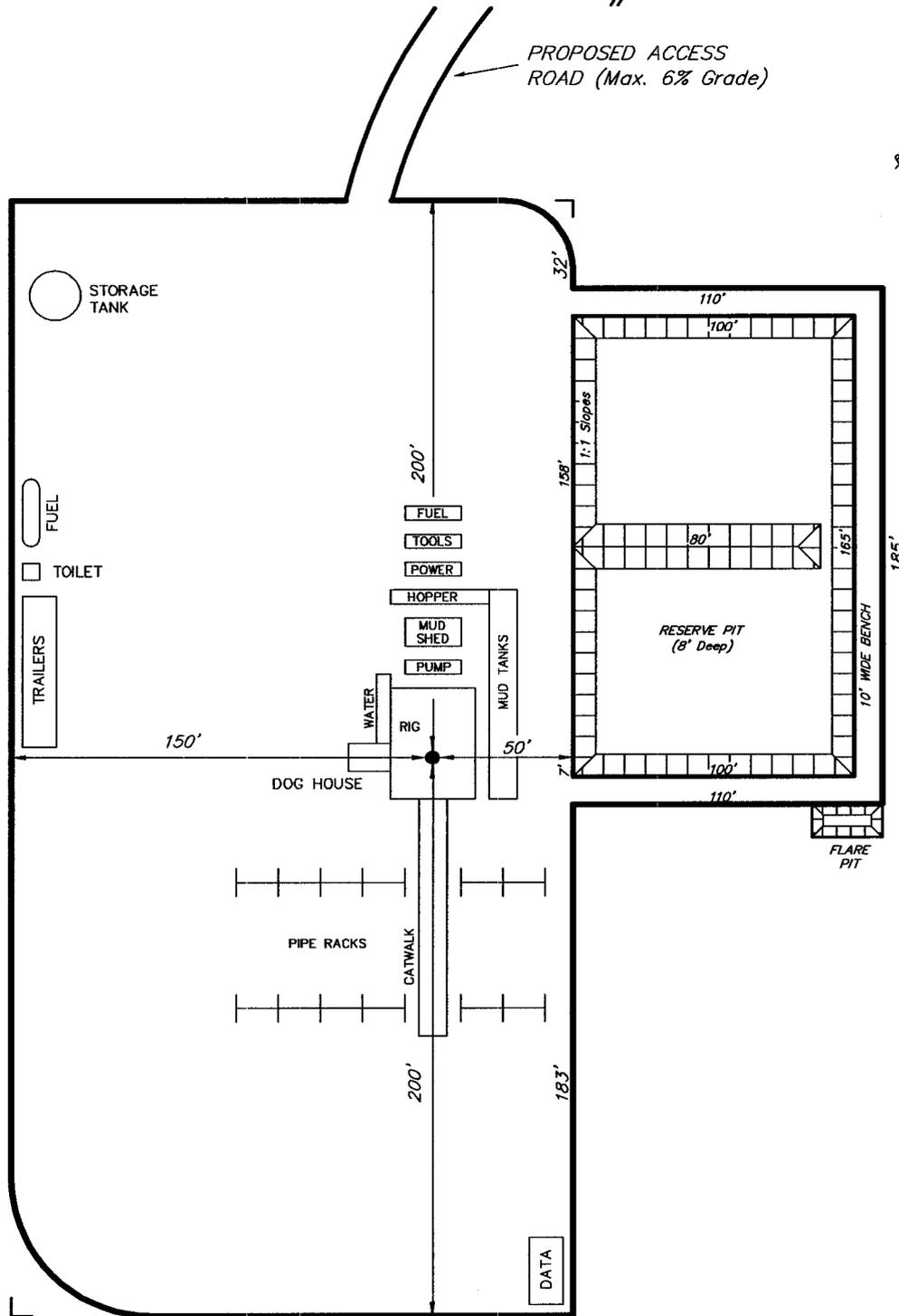
ESTIMATED EARTHWORK QUANTITIES
 (No Shrink or swell adjustments have been used)
 (Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	7,580	7,580	Topsoil is not included in Pad Cut	0
PIT	4,100	0		4,100
TOTALS	11,680	7,580	2,040	4,100

SURVEYED BY: C.D.S.	DATE SURVEYED: 05-30-08
DRAWN BY: F.T.M.	DATE DRAWN: 06-02-08
SCALE: 1" = 60'	REVISED:

Tri State (435) 781-2501
 Land Surveying, Inc.
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

ROBERT L. BAYLESS PRODUCER
TYPICAL RIG LAYOUT
MAIN CANYON #34-1



Note:
 Flare pit is to be located a minimum of 100' from well head.

SURVEYED BY: C.D.S.	DATE SURVEYED: 05-30-08
DRAWN BY: F.T.M.	DATE DRAWN: 06-02-08
SCALE: 1" = 60'	REVISED:

Tri State (435) 781-2501
 Land Surveying, Inc.
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

Robert L. Bayless Producer

Uintah County

Main Canyon 34-1

Main Canyon 34-1

Motherbore

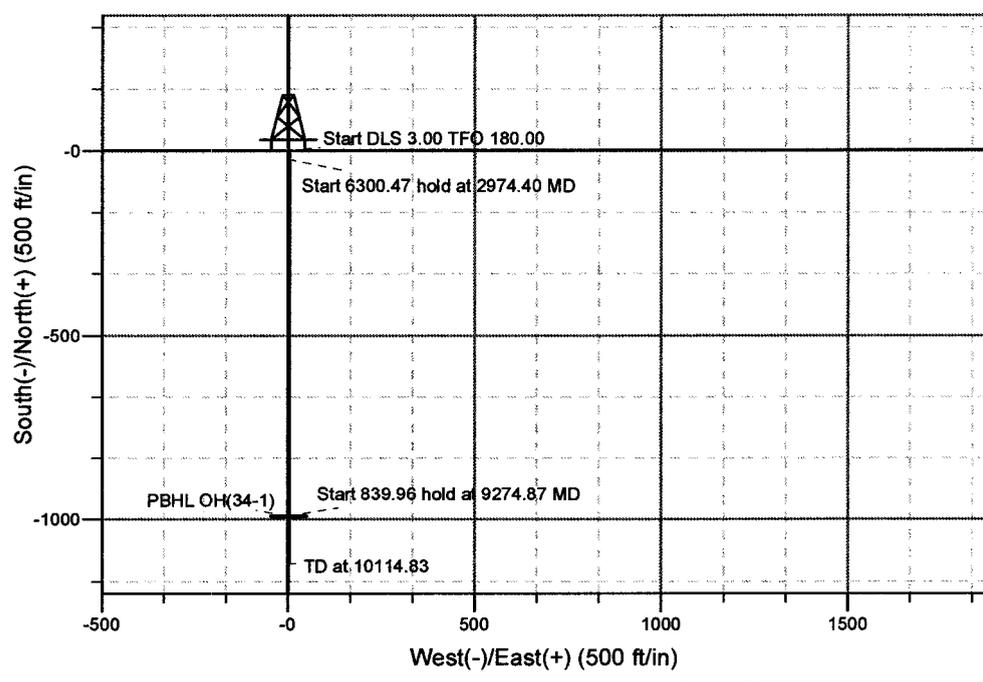
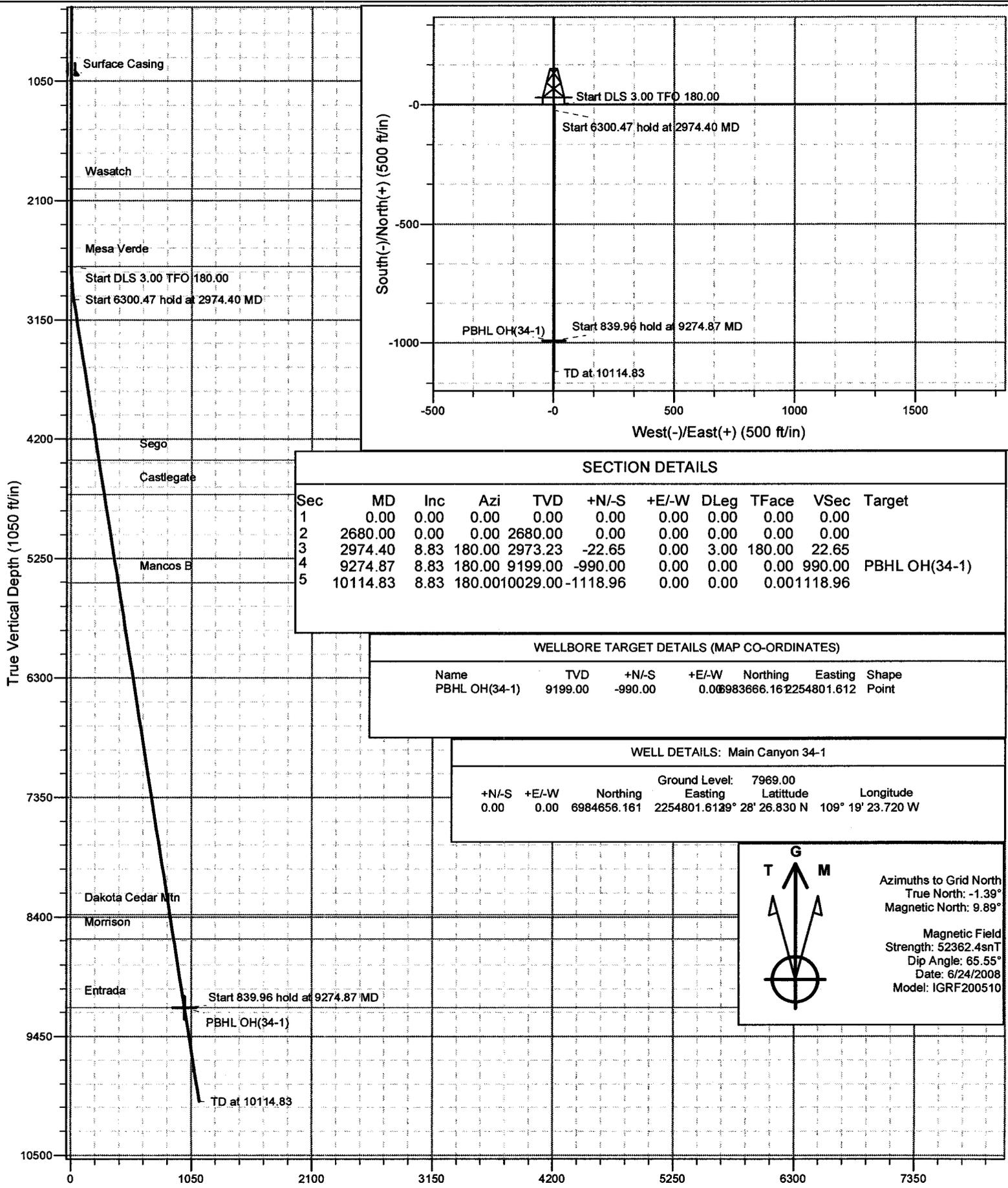
Plan: Plan #1

Bayless Planning Report

24 June, 2008

PATHFINDER
ENERGY SERVICES

Plan: Plan #1 (Main Canyon 34-1/Motherbore)



SECTION DETAILS

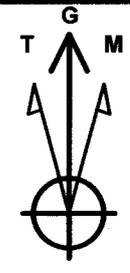
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	2680.00	0.00	0.00	2680.00	0.00	0.00	0.00	0.00	0.00	
3	2974.40	8.83	180.00	2973.23	-22.65	0.00	3.00	180.00	22.65	
4	9274.87	8.83	180.00	9199.00	-990.00	0.00	0.00	0.00	990.00	PBHL OH(34-1)
5	10114.83	8.83	180.00	10029.00	-1118.96	0.00	0.00	0.00	1118.96	

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
PBHL OH(34-1)	9199.00	-990.00	0.00	6983666.16	2254801.612	Point

WELL DETAILS: Main Canyon 34-1

+N/-S	+E/-W	Northing	Easting	Ground Level: Latitude	Longitude
0.00	0.00	6984656.161	2254801.612	28° 26.830 N	109° 19' 23.720 W



Azimuths to Grid North
 True North: -1.39°
 Magnetic North: 9.89°

 Magnetic Field
 Strength: 52362.4snT
 Dip Angle: 65.55°
 Date: 6/24/2008
 Model: IGRF200510

Vertical Section at 180.00° (1050 ft/in)

Pathfinder Energy Services
Bayless Planning Report



Company: Robert L. Bayless Producer
Project: Uintah County
Site: Main Canyon 34-1
Well: Main Canyon 34-1
Wellbore: Motherbore
Design: Plan #1

Local Co-ordinate Reference: Well Main Canyon 34-1
TVD Reference: WELL @ 7984.00ft (RKB=15')
MD Reference: WELL @ 7984.00ft (RKB=15')
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Project	Uintah County	System Datum:	Mean Sea Level
Map System:	US State Plane 1983		
Geo Datum:	North American Datum 1983		
Map Zone:	Utah Central Zone		

Site Main Canyon 34-1

Site Position: Northing: 6,984,656.161 ft Latitude: 39° 28' 26.830 N
From: Lat/Long Easting: 2,254,801.612 ft Longitude: 109° 19' 23.720 W
Position Uncertainty: 0.00 ft Slot Radius: " Grid Convergence: 1.39 °

Well Main Canyon 34-1

Well Position +N/-S 0.00 ft Northing: 6,984,656.161 ft Latitude: 39° 28' 26.830 N
 +E/-W 0.00 ft Easting: 2,254,801.612 ft Longitude: 109° 19' 23.720 W
Position Uncertainty 0.00 ft Wellhead Elevation: 7,969.00 ft Ground Level: 7,969.00 ft

Wellbore Motherbore

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	6/24/2008	11.29	65.55	52,362

Design Plan #1

Audit Notes:

Version: Phase: PLAN Tie On Depth: 0.00

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	180.00

Survey Tool Program Date 6/24/2008

From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
0.00	10,114.83	Plan #1 (Motherbore)		

Planned Survey

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	Build (°/100ft)	V. Sec (ft)	N/S (ft)	E/W (ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00
Green River	<i>Surface</i>						
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00

Pathfinder Energy Services
Bayless Planning Report



Company: Robert L. Bayless Producer
Project: Uintah County
Site: Main Canyon 34-1
Well: Main Canyon 34-1
Wellbore: Motherbore
Design: Plan #1

Local Co-ordinate Reference: Well Main Canyon 34-1
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MD Reference: WELL @ 7984.00ft (RKB=15')
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Planned Survey

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	Build (°/100ft)	V. Sec (ft)	N/S (ft)	E/W (ft)
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00
1,998.00	0.00	0.00	1,998.00	0.00	0.00	0.00	0.00
Wasatch							
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00
2,680.00	0.00	0.00	2,680.00	0.00	0.00	0.00	0.00
2,682.00	0.06	180.00	2,682.00	3.00	0.00	0.00	0.00
Mesa Verde							
2,700.00	0.60	180.00	2,700.00	3.00	0.10	-0.10	0.00
2,800.00	3.60	180.00	2,799.92	3.00	3.77	-3.77	0.00
2,900.00	6.60	180.00	2,899.51	3.00	12.66	-12.66	0.00
2,974.40	8.83	180.00	2,973.23	3.00	22.65	-22.65	0.00
3,000.00	8.83	180.00	2,998.53	0.00	26.58	-26.58	0.00
3,100.00	8.83	180.00	3,097.35	0.00	41.93	-41.93	0.00
3,200.00	8.83	180.00	3,196.16	0.00	57.28	-57.28	0.00
3,300.00	8.83	180.00	3,294.97	0.00	72.64	-72.64	0.00
3,400.00	8.83	180.00	3,393.79	0.00	87.99	-87.99	0.00
3,500.00	8.83	180.00	3,492.60	0.00	103.34	-103.34	0.00
3,600.00	8.83	180.00	3,591.42	0.00	118.70	-118.70	0.00
3,700.00	8.83	180.00	3,690.23	0.00	134.05	-134.05	0.00
3,800.00	8.83	180.00	3,789.05	0.00	149.41	-149.41	0.00
3,900.00	8.83	180.00	3,887.86	0.00	164.76	-164.76	0.00
4,000.00	8.83	180.00	3,986.67	0.00	180.11	-180.11	0.00
4,100.00	8.83	180.00	4,085.49	0.00	195.47	-195.47	0.00
4,200.00	8.83	180.00	4,184.30	0.00	210.82	-210.82	0.00
4,300.00	8.83	180.00	4,283.12	0.00	226.17	-226.17	0.00
4,400.00	8.83	180.00	4,381.93	0.00	241.53	-241.53	0.00
4,407.15	8.83	180.00	4,389.00	0.00	242.63	-242.63	0.00
Sego							
4,500.00	8.83	180.00	4,480.75	0.00	256.88	-256.88	0.00
4,600.00	8.83	180.00	4,579.56	0.00	272.24	-272.24	0.00

Pathfinder Energy Services
Bayless Planning Report



Company: Robert L. Bayless Producer
Project: Uintah County
Site: Main Canyon 34-1
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Wellbore: Motherbore
Design: Plan #1

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MD Reference: WELL @ 7984.00ft (RKB=15')
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Planned Survey

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	Build (°/100ft)	V. Sec (ft)	N/S (ft)	E/W (ft)
4,700.00	8.83	180.00	4,678.37	0.00	287.59	-287.59	0.00
↪ 4,708.73	8.83	180.00	4,687.00	0.00	288.93	-288.93	0.00
Castlegate							
4,800.00	8.83	180.00	4,777.19	0.00	302.94	-302.94	0.00
4,900.00	8.83	180.00	4,876.00	0.00	318.30	-318.30	0.00
5,000.00	8.83	180.00	4,974.82	0.00	333.65	-333.65	0.00
5,100.00	8.83	180.00	5,073.63	0.00	349.00	-349.00	0.00
5,200.00	8.83	180.00	5,172.45	0.00	364.36	-364.36	0.00
5,300.00	8.83	180.00	5,271.26	0.00	379.71	-379.71	0.00
5,400.00	8.83	180.00	5,370.07	0.00	395.06	-395.06	0.00
↪ 5,497.08	8.83	180.00	5,466.00	0.00	409.97	-409.97	0.00
Mancos B							
5,500.00	8.83	180.00	5,468.89	0.00	410.42	-410.42	0.00
5,600.00	8.83	180.00	5,567.70	0.00	425.77	-425.77	0.00
5,700.00	8.83	180.00	5,666.52	0.00	441.13	-441.13	0.00
5,800.00	8.83	180.00	5,765.33	0.00	456.48	-456.48	0.00
5,900.00	8.83	180.00	5,864.15	0.00	471.83	-471.83	0.00
6,000.00	8.83	180.00	5,962.96	0.00	487.19	-487.19	0.00
6,100.00	8.83	180.00	6,061.77	0.00	502.54	-502.54	0.00
6,200.00	8.83	180.00	6,160.59	0.00	517.89	-517.89	0.00
6,300.00	8.83	180.00	6,259.40	0.00	533.25	-533.25	0.00
6,400.00	8.83	180.00	6,358.22	0.00	548.60	-548.60	0.00
6,500.00	8.83	180.00	6,457.03	0.00	563.96	-563.96	0.00
6,600.00	8.83	180.00	6,555.85	0.00	579.31	-579.31	0.00
6,700.00	8.83	180.00	6,654.66	0.00	594.66	-594.66	0.00
6,800.00	8.83	180.00	6,753.48	0.00	610.02	-610.02	0.00
6,900.00	8.83	180.00	6,852.29	0.00	625.37	-625.37	0.00
7,000.00	8.83	180.00	6,951.10	0.00	640.72	-640.72	0.00
7,100.00	8.83	180.00	7,049.92	0.00	656.08	-656.08	0.00
7,200.00	8.83	180.00	7,148.73	0.00	671.43	-671.43	0.00
7,300.00	8.83	180.00	7,247.55	0.00	686.78	-686.78	0.00
7,400.00	8.83	180.00	7,346.36	0.00	702.14	-702.14	0.00
7,500.00	8.83	180.00	7,445.18	0.00	717.49	-717.49	0.00
7,600.00	8.83	180.00	7,543.99	0.00	732.85	-732.85	0.00
7,700.00	8.83	180.00	7,642.80	0.00	748.20	-748.20	0.00
7,800.00	8.83	180.00	7,741.62	0.00	763.55	-763.55	0.00
7,900.00	8.83	180.00	7,840.43	0.00	778.91	-778.91	0.00
8,000.00	8.83	180.00	7,939.25	0.00	794.26	-794.26	0.00
8,100.00	8.83	180.00	8,038.06	0.00	809.61	-809.61	0.00
8,200.00	8.83	180.00	8,136.88	0.00	824.97	-824.97	0.00
8,300.00	8.83	180.00	8,235.69	0.00	840.32	-840.32	0.00
8,400.00	8.83	180.00	8,334.50	0.00	855.68	-855.68	0.00
↪ 8,450.09	8.83	180.00	8,384.00	0.00	863.37	-863.37	0.00
Dakota Cedar Mtn							
8,500.00	8.83	180.00	8,433.32	0.00	871.03	-871.03	0.00

Pathfinder Energy Services
Bayless Planning Report



Company: Robert L. Bayless Producer
Project: Uintah County
Site: Main Canyon 34-1
Well: Main Canyon 34-1
Wellbore: Motherbore
Design: Plan #1

Local Co-ordinate Reference: Well Main Canyon 34-1
TVD Reference: WELL @ 7984.00ft (RKB=15')
MD Reference: WELL @ 7984.00ft (RKB=15')
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Planned Survey

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	Build (°/100ft)	V. Sec (ft)	N/S (ft)	E/W (ft)
8,600.00	8.83	180.00	8,532.13	0.00	886.38	-886.38	0.00
8,667.67	8.83	180.00	8,599.00	0.00	896.77	-896.77	0.00
Morrison							
8,700.00	8.83	180.00	8,630.95	0.00	901.74	-901.74	0.00
8,800.00	8.83	180.00	8,729.76	0.00	917.09	-917.09	0.00
8,900.00	8.83	180.00	8,828.58	0.00	932.44	-932.44	0.00
9,000.00	8.83	180.00	8,927.39	0.00	947.80	-947.80	0.00
9,100.00	8.83	180.00	9,026.20	0.00	963.15	-963.15	0.00
9,200.00	8.83	180.00	9,125.02	0.00	978.50	-978.50	0.00
9,274.87	8.83	180.00	9,199.00	0.00	990.00	-990.00	0.00
Entrada - PBHL OH(34-1)							
9,300.00	8.83	180.00	9,223.83	0.00	993.86	-993.86	0.00
9,400.00	8.83	180.00	9,322.65	0.00	1,009.21	-1,009.21	0.00
9,500.00	8.83	180.00	9,421.46	0.00	1,024.57	-1,024.57	0.00
9,600.00	8.83	180.00	9,520.28	0.00	1,039.92	-1,039.92	0.00
9,700.00	8.83	180.00	9,619.09	0.00	1,055.27	-1,055.27	0.00
9,800.00	8.83	180.00	9,717.90	0.00	1,070.63	-1,070.63	0.00
9,900.00	8.83	180.00	9,816.72	0.00	1,085.98	-1,085.98	0.00
10,000.00	8.83	180.00	9,915.53	0.00	1,101.33	-1,101.33	0.00
10,100.00	8.83	180.00	10,014.35	0.00	1,116.69	-1,116.69	0.00
10,114.83	8.83	180.00	10,029.00	0.00	1,118.96	-1,118.96	0.00

Pathfinder Energy Services
Bayless Planning Report



Company: Robert L. Bayless Producer
Project: Uintah County
Site: Main Canyon 34-1
Well: Main Canyon 34-1
Wellbore: Motherbore
Design: Plan #1

Local Co-ordinate Reference: Well Main Canyon 34-1
TVD Reference: WELL @ 7984.00ft (RKB=15')
MD Reference: WELL @ 7984.00ft (RKB=15')
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Targets

Target Name

- hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL OH(34-1) - plan hits target - Point	0.00	0.00	9,199.00	-990.00	0.00	6,983,666.161	2,254,801.612	39° 28' 17.048 N	109° 19' 24.027 W

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")
1,000.00	1,000.00	Surface Casing	12-1/4	17-1/2

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
4,708.73	4,687.00	Castlegate		0.00	
5,497.08	5,466.00	Mancos B		0.00	
8,667.67	8,599.00	Morrison		0.00	
9,274.87	9,199.00	Entrada		0.00	
4,407.15	4,389.00	Sego		0.00	
1.00	1.00	Green River		0.00	
2,682.00	2,682.00	Mesa Verde		0.00	
8,450.09	8,384.00	Dakota Cedar Mtn		0.00	
1,998.00	1,998.00	Wasatch		0.00	

Checked By: _____	Approved By: _____	Date: _____
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Form 97 2M 10-70

Application No. 53617

APPLICATION TO APPROPRIATE WATER
STATE OF UTAH

43-8496

NOTE:—The information given in the following blanks should be free from explanatory matter, but when necessary, a complete supplementary statement should be filed on the following page under the heading "Explanatory."

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, for uses indicated by (X) in the proper box or boxes, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

- 1. Irrigation Domestic Stockwatering Municipal Power Mining Other Uses
- 2. The name of the applicant is A-1 Tank Rental & Brine Service
- 3. The Post Office address of the applicant is P. O. Box 1167, Vernal, Utah 84078
- 4. The quantity of water to be appropriated .015 second-feet and/or _____ acre-feet
- 5. The water is to be used for Other from Jan. 1 to Dec. 31
(Major Purpose) (Month) (Day) (Month) (Day)
other use period _____ from _____ to _____
(Minor Purpose) (Month) (Day) (Month) (Day)
and stored each year (if stored) from _____ to _____
(Month) (Day) (Month) (Day)
- 6. The drainage area to which the direct source of supply belongs is _____
(Leave Blank)
- 7. The direct source of supply is * Underground Water (Well)
(Name of stream or other source)
which is tributary to _____, tributary to _____

*Note.—Where water is to be diverted from a well, a tunnel, or drain, the source should be designated as "Underground Water" in the first space and the remaining spaces should be left blank. If the source is a stream, a spring, a spring area, or a drain, so indicate in the first space, giving its name, if named, and in the remaining spaces, designate the stream channels to which it is tributary, even though the water may sink, evaporate, or be diverted before reaching said channels. If water from a spring flows in a natural surface channel before being diverted, the direct source should be designated as a stream and not a spring.

- 8. The point of diversion from the source is in Uintah County, situated at a point *
East 400 ft. North 200 ft. from S $\frac{1}{2}$ Cor. Sec. 32, T4S, R3E, USB&M
(in Ouray)

*Note.—The point of diversion must be located definitely by course and distance or by giving the distances north or south, and east or west with reference to a United States land survey corner or United States mineral monument, if within a distance of six miles of either, or if at a greater distance, to some prominent and permanent natural object. No application will be received for filing in which the point of diversion is not defined definitely.

- 9. The diverting and carrying works will consist of a 6-in. well 40 to 100 ft. deep
- 10. If water is to be stored, give capacity of reservoir in acre-feet _____ height of dam _____
area inundated in acres _____ legal subdivision of area inundated _____
- 11. If application is for irrigation purposes, the legal subdivisions of the area irrigated are as follows:

_____ Total _____ Acres
- 12. Is the land owned by the applicant? Yes X No _____ If "No," explain on page 2.
- 13. Is this water to be used supplementally with other water rights? Yes _____ No X _____
If "yes," identify other water rights on page 2.
- 14. If application is for power purposes, describe type of plant, size and rated capacity. _____
- 15. If application is for mining, the water will be used in _____ Mining District at
the _____ mine, where the following ores are mined _____
- 16. If application is for stockwatering purposes, number and kind of stock watered _____
- 17. If application is for domestic purposes, number of persons _____, or families _____
- 18. If application is for municipal purposes, name of municipality _____
- 19. If application is for other uses, include general description of proposed uses Making Brine Drilling
fluid for drilling oil and gas wells
- 20. Give place of use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19, incl. SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 32, T4S, R3E, USB&M
- 21. The use of water as set forth in this application will consume .015 second-feet and/or acre-
feet of water and None second feet and/ or acre feet will be returned to the natural
stream or source at a point described as follows: _____

RECEIVED

FEEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH AUG 22 1979

Flow rate — c.f.a.	Cost	
0.0 to 0.1	\$ 15.00	
over 0.1 to 0.5	50.00	
over 0.5 to 1.0	45.00	
over 1.0 to 15.0	45.00	plus \$7.50 for each cfs above the first cubic foot per second.
over 15.0	150.00	
Storage — acre-feet		
0 to 20	22.50	
over 20 to 500	45.00	
over 500 to 7500	45.00	plus \$7.50 for each 500 a.f. above the first 500 acre feet.
over 7500	150.00	

(This section is not to be filled in by applicant)

11:55 a.m.

STATE ENGINEER'S ENDORSEMENTS

1. 17 August 1979 Application received ~~over counter~~ ^{by mail} in State Engineer's office by 7/1/3
2. Priority of Application brought down to, on account of
3. 8/23/79 Application fee, \$15.00, received by WS Rec. No. 04730
4. 9/24/79 Application microfilmed by Roll No. 874-4
5. 9/12/79 Indexed by apt Platted by 10-34-79
(D-U-3) 32 s.c.s.
6. 17 August 1979 Application examined by 7/1/3
7. Application returned, or corrected by office
8. Corrected Application resubmitted ^{by mail} ~~over counter~~ to State Engineer's office.
9. 17 August 1979 Application approved for advertisement by
10. OCT 1 1979 Notice to water users prepared by CO & CO
11. OCT 1 1979 Publication began; was completed NOV 1 1979
Notice published in Journal Express
12. 10/19/79 Proof slips checked by CO & CO
13. Application protested by
14. 11/5/79 Publisher paid by M.E.V. No. 631210
15. Hearing held by
16. Field examination by
17. 12/15/79 Application designated for ^{approval} ~~rejection~~ R.F. S. G.
18. 2/1/80 Application copied or photostated by slf proofread by
19. 2/1/80 Application ^{approved} ~~rejected~~
20. Conditions:
This Application is approved, subject to prior rights, as follows:
 - a. Actual construction work shall be diligently prosecuted to completion.
 - b. Proof of Appropriation shall be submitted to the State Engineer's office by 6/30/82
 - c.
21. Time for making Proof of Appropriation extended to
22. Proof of Appropriation submitted.
23. Certificate of Appropriation, No., issued

Carl M. Staker
FOR Dee C. Hansen, State Engineer

Application No. 53617

EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

[Lined area for explanatory text]

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

[Signature]
Signature of Applicant

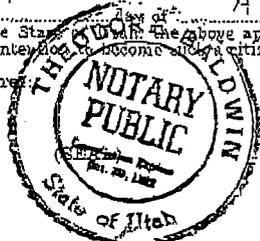
*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF UTAH, UTAH } ss
County of _____

On the 17th day of August, 1979, personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires:



[Signature: Thelma Baldwin]
Notary Public

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 07/02/2008

API NO. ASSIGNED: 43-047-40182

WELL NAME: MAIN CYN 34-1

OPERATOR: BAYLESS, ROBERT L PROD (N7950)

PHONE NUMBER: 505-626-2659

CONTACT: HABIB GUERRERO

PROPOSED LOCATION:

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	8/28/08
Geology		
Surface		

NENE 34 150S 230E

SURFACE: 0990 FNL 0990 FEL

BOTTOM: 1980 FNL 0990 FEL

COUNTY: UINTAH

LATITUDE: 39.47406 LONGITUDE: -109.3226

UTM SURF EASTINGS: 644284 NORTHINGS: 4370519

FIELD NAME: WILDCAT (1)

LEASE TYPE: 3 - State

LEASE NUMBER: ML49281

SURFACE OWNER: 3 - State

PROPOSED FORMATION: ENRD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 141769447)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: 08/01/2008)
- 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: Needs Permit. (07-24-08)

STIPULATIONS: 1. Spacing Strip
2. STATEMENT OF BASIS

T15S R23E

28

27

26

MAIN CANYON 1

MAIN CYN 27-10

LINDISFARNE
1-26 *

BHL
27-10

33

34

35

MAIN CYN 34-1

FEE 1

BHL
34-1

NFC LINDISFARNE
ST 13-35

UINTAH

T15.5S R23E

GRAND

OPERATOR: ROBERT BAYLESS (N7950)

SEC: 27,34 T.15S R. 23E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-11 / DIRECTIONAL 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

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



OIL, GAS & MINING



PREPARED BY: DIANA MASON
DATE: 17-JULY-2008

Application for Permit to Drill

Statement of Basis

8/11/2008

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
851	43-047-40182-00-00		GW	S	No
Operator	BAYLESS, ROBERT L PROD LLC		Surface Owner-APD		
Well Name	MAIN CYN 34-1		Unit		
Field	UNDESIGNATED		Type of Work		
Location	NENE 34 15S 23E S 990 FNL 990 FEL GPS Coord (UTM) 644284E 4370519N				

Geologic Statement of Basis

Bayless proposes to set 200' of conductor pipe and 1,000' of surface casing at this location. The base of the moderately saline water is at approximately 3,000 feet in this area. This location lies on the Green River Formation. The proposed location is in a recharge area for the aquifers of the upper Green River formation and fresh water can be expected to be found in the upper Green River. A search of Division of Water Rights records indicates no water wells within a 10,000 foot radius of the proposed location. The production string cement should be brought up above the base of the moderately saline water to prevent it from mixing with fresher waters up hole.

Brad Hill
APD Evaluator

8/11/2008
Date / Time

Surface Statement of Basis

This pre-drill site inspection was conducted on 7/29/2008. This site is on state surface with state minerals and appears to be in a good location which will provide good site stability and protection from runoff and erosion concerns. Jim Davis of SITLA requested that all vegetation be removed and stacked off location before any earth moving. Mr. Davis further requested that all top soil be stock piled off location for use when the site is eventually reclaimed. Ben William of DWR stated that this site is crucial deer and elk summer range and recommended that no drilling activities take place from May 15 to July 15.

Richard Powell
Onsite Evaluator

7/29/2008
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator BAYLESS, ROBERT L PROD LLC
Well Name MAIN CYN 34-1
API Number 43-047-40182-0 **APD No** 851 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 NENE **Sec** 34 **Tw** 15S **Rng** 23E 990 FNL 990 FEL
GPS Coord (UTM) 644285 4370529 **Surface Owner**

Participants

Jim Davis (SITLA), Richard Powell (DOGM), Ben Williams (DWR), Habib Guerrero and Rob Bayless (Robert L. Bayless, Producer)

Regional/Local Setting & Topography

This location lies near the south west end of a short ridge which extends off from the south side of Seep Ridge near the top of the Book Cliffs divide. The ridge, and the area around the location, slopes gradually to the southwest toward Main Canyon, a fairly deep northwest flowing drainage of the Book Cliffs. To the north and west of the location there are small canyons which lead to Main Canyon. Ouray, UT is approximately 53 miles to the north west along the Seep Ridge road.

Surface Use Plan

Current Surface Use

Grazing
Wildlfe Habitat
Recreational

New Road

Miles	Well Pad		Src Const Material	Surface Formation
0.8	Width 310	Length 400	Onsite	GRRV

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Deer, Elk, Cougar, Bear, Rabbit, Rodents, Raptors, Song Birds.
Mahogany, Oak Brush, Pinyon, Juniper, Grasses, Sage.

Soil Type and Characteristics

Loam with some scattered rock fragments.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y **Paleo Potential Observed?** N **Cultural Survey Run?** Y **Cultural Resources?** N

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	100 to 200	5
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0
	Final Score	25
		1 Sensitivity Level

Characteristics / Requirements

Reserve pit to 165 ft long by 100 ft wide with an 80ft center dike in the middle and 8 ft deep. Liner to be placed in cut and appears to be in a good location.

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 16 **Pit Underlayment Required?** Y

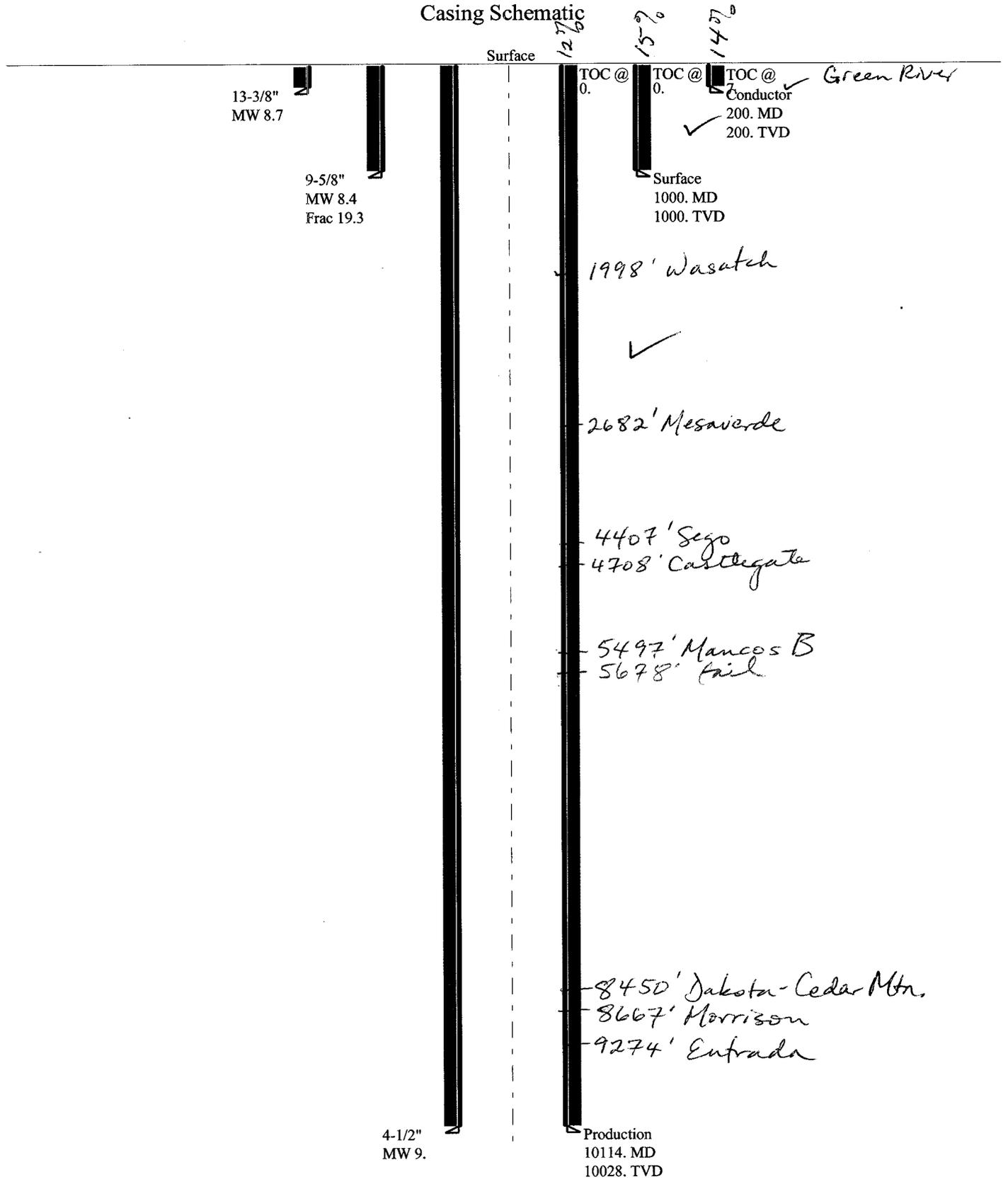
Other Observations / Comments

Richard Powell
Evaluator

7/29/2008
Date / Time

43047401820000 Main Cyn 34-1

Casing Schematic



Well name:	43047401820000 Main Cyn 34-1		
Operator:	Robert Bayless Producer LLC		
String type:	Conductor	Project ID:	43-047-40182-0000
Location:	Uintah Co.		

Design parameters:

Collapse

Mud weight: 8.700 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 66 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP: 90 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.00

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Butress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on air weight.
 Neutral point: 174 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 68 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 185 ft

 Cement top: 7 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	200	13.375	48.00	H-40	ST&C	200	200	12.59	176.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	90	740	8.191	90	1730	19.15	10	322	33.56 J

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Minerals

Phone: 810-538-5357

Date: August 14, 2008
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 200 ft, a mud weight of 8.7 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	43047401820000 Main Cyn 34-1		
Operator:	Robert Bayless Producer LLC		
String type:	Surface	Project ID:	43-047-40182-0000
Location:	Uintah Co.		

Design parameters:

Collapse

Mud weight: 8.400 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 79 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 185 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 780 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP 1,000 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Butress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on air weight.
 Neutral point: 875 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 10,028 ft
 Next mud weight: 9.000 ppg
 Next setting BHP: 4,689 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 1,000 ft
 Injection pressure: 1,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1000	9.625	40.00	J-55	ST&C	1000	1000	8.75	425.7
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	436	2570	5.890	1000	3950	3.95	40	452	11.30 J

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Minerals

Phone: 810-538-5357

Date: August 14, 2008
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 1000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	43047401820000 Main Cyn 34-1		
Operator:	Robert Bayless Producer LLC		Project ID:
String type:	Production		43-047-40182-0000
Location:	Uintah Co.		

Design parameters:

Collapse

Mud weight: 9.000 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 2,482 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP: 4,689 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.00

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on air weight.
 Neutral point: 8,749 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 205 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 368 ft

 Cement top: Surface

Directional Info - Build & Hold

Kick-off point: 2680 ft
 Departure at shoe: 1119 ft
 Maximum dogleg: 3 °/100ft
 Inclination at shoe: 8.83 °

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	10114	4.5	11.60	N-80	LT&C	10028	10114	3.875	882.6
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4689	6350	1.354	4689	7780	1.66	116	223	1.92 J

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Minerals

Phone: 810-538-5357

Date: August 14, 2008
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 10028 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.
 Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Engineering responsibility for use of this design will be that of the purchaser.

BOPE REVIEW

Robert Bayless Main Canyon 34-1

API 43-047-40182-0000

INPUT

Well Name

Robert Bayless Main Canyon 34-1		API 43-047-40182-0000	
String 1	String 2		
Casing Size (")	9 5/8	4 1/2	
Setting Depth (TVD)	1000	10029	
Previous Shoe Setting Depth (TVD)	200	1000	
Max Mud Weight (ppg)	8.4	9	✓
BOPE Proposed (psi)	0	3000	
Casing Internal Yield (psi)	3950	7780	
Operators Max Anticipated Pressure (psi)	4350	8.3 ppg	✓

Calculations

String 1 **9 5/8 "**

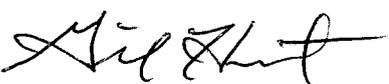
Max BHP [psi]	$.052 \times \text{Setting Depth} \times \text{MW} =$	437	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 \times \text{Setting Depth}) =$	317	NO <i>Reasonable Depth - no expected pressure</i>
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 \times \text{Setting Depth}) =$	217	NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	$\text{Max BHP} - .22 \times (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	261	NO <i>O.K.</i>
Required Casing/BOPE Test Pressure			1000 psi
*Max Pressure Allowed @ Previous Casing Shoe =			200 psi
*Assumes 1psi/ft frac gradient			

Calculations

String 2 **4 1/2 "**

Max BHP [psi]	$.052 \times \text{Setting Depth} \times \text{MW} =$	4694	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 \times \text{Setting Depth}) =$	3490	NO
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 \times \text{Setting Depth}) =$	2487	YES ✓
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	$\text{Max BHP} - .22 \times (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	2707	NO <i>→ expected pressure ± 2400 psi O.K.</i>
Required Casing/BOPE Test Pressure			3000 psi
*Max Pressure Allowed @ Previous Casing Shoe =			1000 psi
*Assumes 1psi/ft frac gradient			

STATE ACTIONS
Resource Development Coordinating Committee
Public Lands Policy Coordination Office
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or July 31, 2008
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: Robert L. Bayless, Producer LLC proposes to drill the Main Canyon 34-1 well (wildcat) on State lease ML 49281, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 990' FNL 990' FEL, NE/4 NE/4, Section 34, Township 15 South, Range 23 East, Uintah County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Government	
10. For further information, contact: Diana Mason Phone: (801) 538-5312	11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: July 17, 2008

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: ML-49281	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Robert L. Bayless, Producer LLC		9. WELL NAME and NUMBER: CONFIDENTIAL Main Canyon 34-1	
3. ADDRESS OF OPERATOR: P.O. Box 168		PHONE NUMBER: (505) 326-2659	10. FIELD AND POOL, OR WILDCAT: MAIN CANYON Wildcat
CITY Farmington STATE NM ZIP 87499		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 34 15S 23E	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 990' FNL & 990' FEL (NENE) AT PROPOSED PRODUCING ZONE: 1980' FNL & 990' FEL (SENE)		12. COUNTY: Uintah	
644 284 X 4370519 Y 39.474857 -109.322584		13. STATE: UTAH	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 54 miles southeast of Ouray, Utah		15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 990 ft - Lease line	
16. NUMBER OF ACRES IN LEASE: 800.00		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2904 ft to Lindisfarne # 1-26		19. PROPOSED DEPTH: 10,114	
20. BOND DESCRIPTION: 141769447		21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7969 GL	
22. APPROXIMATE DATE WORK WILL START: 9/15/2008		23. ESTIMATED DURATION: 20 Days	
644 289 X 4370217 Y 39.471337 -109.322592			

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
17 1/2"	13 3/8" H40 STC 48 #/ft	200	See Drilling Program	250 sx	1.15 cf/sx 15.8 #/gal
12 1/4"	9 5/8" J-55 STC 40 #/ft	1,000	See Drilling Program	510 sx	1.15 cf/sx 11.0 #/gal
7 7/8"	4 1/2" N-80 LTC 11.6 #/ft	10,114	See Drilling Program	Lead 590 sx	3.84 cf/sx 14.2 #/gal
				Tail 1105 sx	1.26 cf/sx

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Habib Guerrero TITLE Operations Engineer

SIGNATURE  DATE 6/30/2008

(This space for State use only)

API NUMBER ASSIGNED: 43-047-40182

APPROVAL:

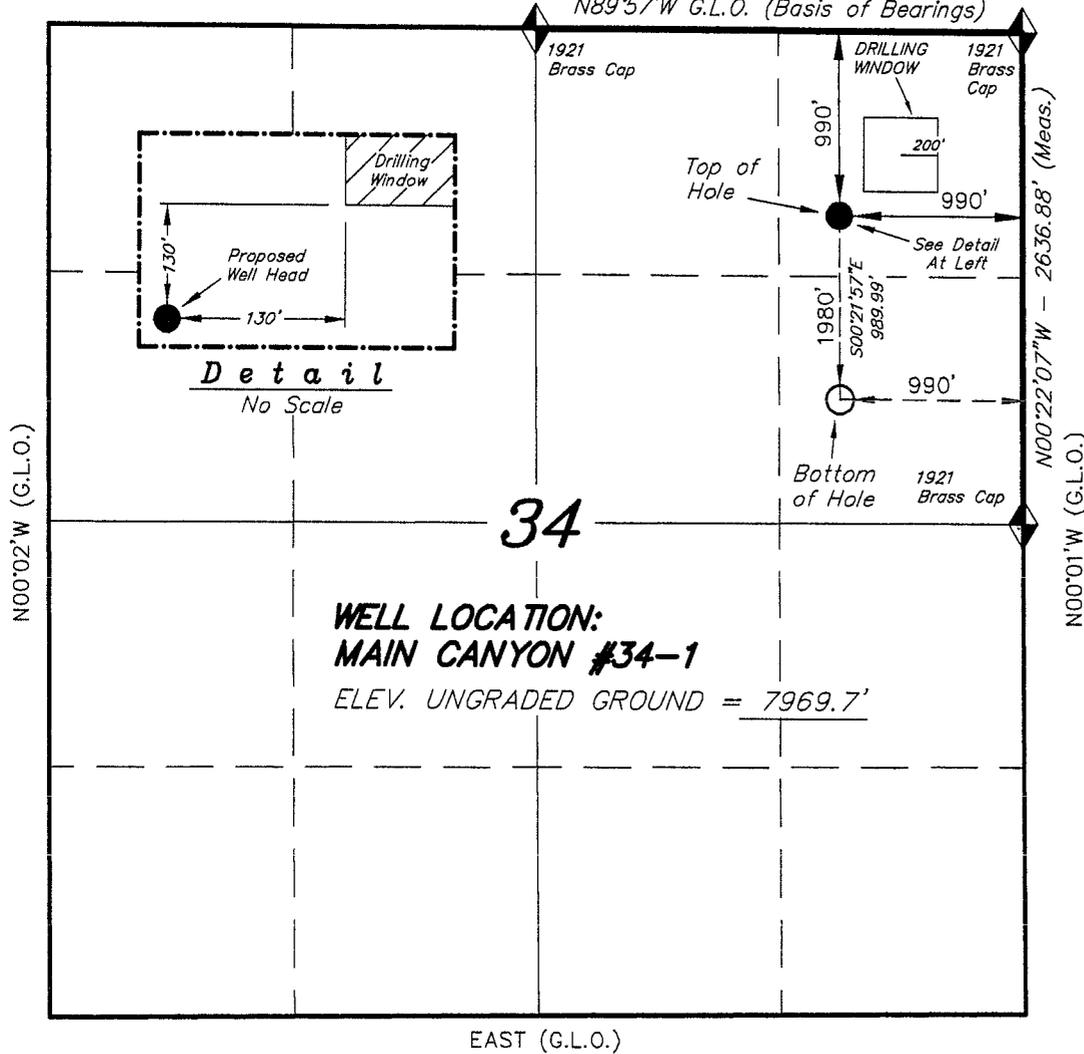
RECEIVED
JUL 02 2008
DIV. OF OIL, GAS & MINING

T15S, R23E, S.L.B.&M.

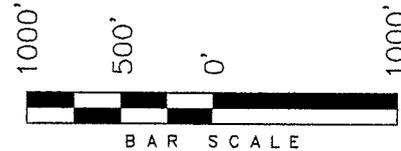
N89°57'W - 79.90 (G.L.O.) 2635.20' (Measured)
 N89°57'W G.L.O. (Basis of Bearings)

ROBERT L. BAYLESS PRODUCER

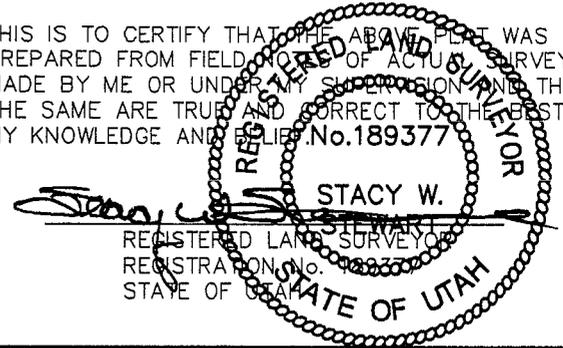
WELL LOCATION, MAIN CANYON #34-1,
 LOCATED AS SHOWN IN THE NE 1/4 NE
 1/4 OF SECTION 34, T15S, R23E,
 S.L.B.&M. UTAH COUNTY, UTAH.



WELL LOCATION:
MAIN CANYON #34-1
 ELEV. UNGRADED GROUND = 7969.7'



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
 PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
 MADE BY ME OR UNDER MY SUPERVISION AND THAT
 THE SAME ARE TRUE AND CORRECT TO THE BEST OF
 MY KNOWLEDGE AND BELIEF. No. 189377



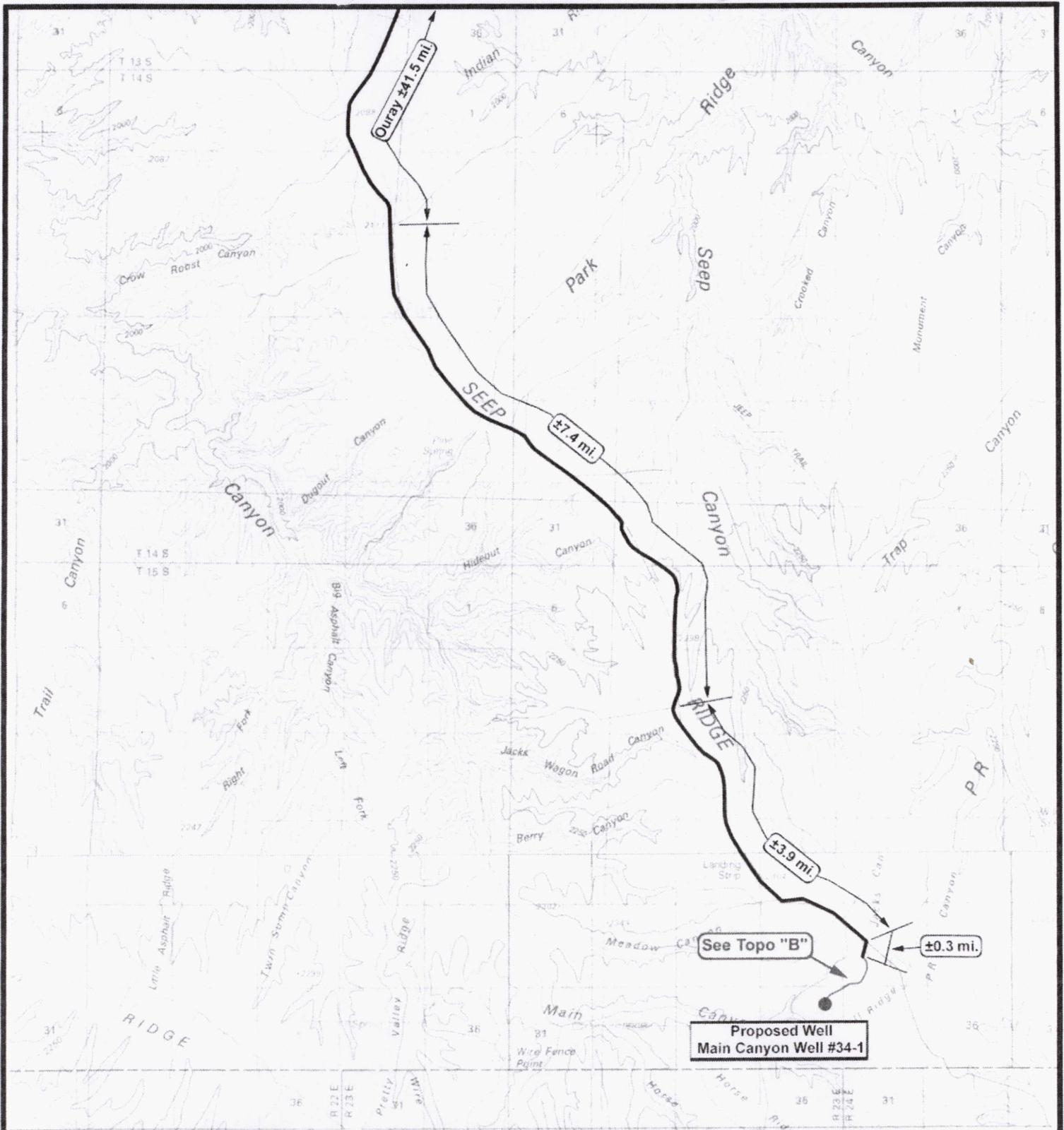
◆ = SECTION CORNERS LOCATED
 BASIS OF ELEV;
 U.S.G.S. 7-1/2 min QUAD (P R SPRING)

MAIN CANYON #34-1
 (Surface Location) NAD 83
 LATITUDE = 39° 28' 26.83"
 LONGITUDE = 109° 19' 23.72"

TRI STATE LAND SURVEYING & CONSULTING

180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
 (435) 781-2501

DATE SURVEYED: 05-30-08	SURVEYED BY: C.D.S.
DATE DRAWN: 06-02-08	DRAWN BY: F.T.M.
REVISED: 06-24-08 F.T.M.	SCALE: 1" = 1000'



**Robert L. Bayless
Producer**

**Main Canyon Well #34-1 (Proposed Well)
Pad Location NENE SEC. 34, T15S, R23E, S.L.B.&M.**



*Tri-State
Land Surveying Inc.*
(435) 781-2501
180 North Vernal Ave Vernal, Utah 84078

SCALE: 1:100,000
DRAWN BY: JAS
DATE: 06-06-2008

Legend
 Existing Road
 Proposed Access

**TOPOGRAPHIC MAP
"A"**

From: Robert Clark
To: Mason, Diana
Date: 7/21/2008 9:27 AM
Subject: RDCC short turn-around comments

CC: Anderson, Tad; McNeill, Dave; Wright, Carolyn
The following comments are submitted in response to **RDCC #9503** and **RDCC 9508-9510**.

RDCC #9503, Comments begin: The EOG Resources, Inc. proposal to drill the Wing Spring 11-1 wildcat well, in Utah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

RDCC #9508, Comments begin: The Williams Production RMT Company proposal to drill the State Reservation Ridge 23-16 wildcat well, in Duchesne County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

RDCC #9509, Comments begin: The Robert L. Bayless LLC proposal to drill the Main Canyon 34-1 wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

RDCC #9510, Comments begin: The Robert L. Bayless LLC proposal to drill the Main Canyon 27-10 wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm .

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

Robert Clark

From: Jim Davis
To: Bonner, Ed; hguerrero@rlbayless.com; Mason, Diana
Date: 8/14/2008 1:07 PM
Subject: Bayless approvals

The following wells have been approved by SITLA including arch and paleo clearance.

4304740181 S	MAIN CYN 27-10	Bayless, Robert L Prod	Undesignated	NWSE	27	150S	230E
4304740182 S	MAIN CYN 34-1	Bayless, Robert L Prod	Undesignated	NENE	34	150S	230E

-Jim

Jim Davis
Utah Trust Lands Administration
jimdavis1@utah.gov
Phone: (801) 538-5156



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

September 2, 2008

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

Re: Main Canyon 34-1 Well, 990' FNL, 990' FEL, NE NE, Sec. 34, T. 15 South, R. 23 East,
Bottom Location 1980' FNL, 990' FEL, SE NE, Sec. 34, T. 15 South, R. 23 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 43-047-40182.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Robert L. Bayless, Producer LLC
Well Name & Number Main Canyon 34-1
API Number: 43-047-40182
Lease: ML-49281

Location: NE NE **Sec.** 34 **T.** 15 South **R.** 23 East
Bottom Location: SE NE **Sec.** 34 **T.** 15 South **R.** 23 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

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
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.
7. 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.
8. The Application for Permit to Drill has been forwarded to the Resource Development Coordinating Committee for review of this action. The operator will be required to comply with any applicable recommendations resulting from this review.



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

September 22, 2009

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

Re: APD Rescinded – Main Canyon 34-1, Sec. 34, T. 15S, R. 23E
Uintah County, Utah API No. 43-047-40182

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 September 2, 2008. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 17, 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
SITLA, Ed Bonner

