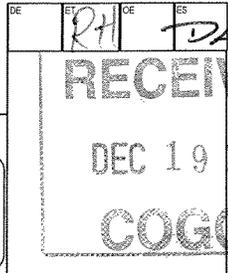




State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax: (303)894-2109



DRILLING COMPLETION REPORT

This form is to be submitted within 30 days of the setting of production casing, the plugging of a dry hole, the deepening or sidetracking of a well, or any time the wellbore configuration is changed. If the well is deepened or sidetracked a new Form 5 is required. If an attempt has been made to complete/produce a well, then the operator shall submit Form 5A (Completed Interval Report.) If the well has been plugged, a form 6 (Well Abandonment Report) is required.

1. OGCC Operator Number: <u>6720</u>		4. Contact Name Habib Guerrero		Complete the Attachment Checklist
2. Name of Operator: <u>Robert L. Bayless, Producer LLC</u>		Phone: <u>505 326 2659</u>		
3. Address: <u>P.O.Box 168</u> City <u>Farmington</u> State: <u>NM</u> Zip: <u>87499</u>		Fax: <u>(505) 326-6911</u>		
5. API Number: <u>05- 103-11407</u>	6. County: <u>Rio Blanco</u>	Logs	<input checked="" type="checkbox"/>	
7. Well Name: <u>Hells Hole</u>	Well Number: <u>18-9</u>	Directional Survey**	<input checked="" type="checkbox"/>	<u>1697277</u>
8. Location (Qtr, Sec, Twp, Rng, Meridian): <u>(SESE) Sec 18, T2S, R103W</u>		DST Analysis		
Footage at surface: <u>485 471</u> S <u>227 192</u> E		Core Analysis		
As Drilled Latitude: <u>39.86818</u> As Drilled Longitude: <u>-108.98985</u>		Cmt summary*	<input checked="" type="checkbox"/>	
GPS Data:				
Date of Measurement: <u>6/4/09</u> PDOP Reading: <u>2.0</u> GPS Instrument Operator's Name: <u>DEE SLAUGH</u>				
** If directional, footage at Top of Prod. Zone <u>1862 1970</u> S <u>786 756</u> E		Sec, Twp, Rng	<u>Sec 18, T2S, R103W</u>	
** If directional, footage at Bottom Hole <u>2047 2025</u> S <u>816 786</u> E		Sec, Twp, Rng	<u>Sec 18, T2S, R103W</u>	
9. Field Name: <u>Hells Hole Canyon</u>	10. Field Number: <u>34175</u>	15. Well Classification	<input type="checkbox"/> Dry <input type="checkbox"/> Oil <input checked="" type="checkbox"/> Gas	
11. Federal, Indian or State Lease Number: <u>COC69355</u>		<input type="checkbox"/> Coalbed <input type="checkbox"/> Disposal		
12. Spud Date: (when the 1st bit hit the dirt) <u>11/18/2008</u>	13. Date TD: <u>12/02/2008</u>	<input type="checkbox"/> Stratigraphic		
14. Date Casing Set or D&A: <u>12/10/2008</u>		<input type="checkbox"/> Enhanced Recovery		
16. Total Depth MD <u>6857</u> TVD** <u>6615 6616</u>	17. Plug Back Total Depth MD <u>6740</u> TVD** <u>6499</u>	<input type="checkbox"/> Gas Storage		
18. Elevations GR <u>6570</u> KB <u>6584</u>	One paper copy of all electric and mud logs must be submitted, along with one digital LAS copy as available.	<input type="checkbox"/> Observation		
19. List Electric Logs Run: <u>Density, Neutron, Induction, Sonic and Spectral GR</u>		<input type="checkbox"/> Other:		

CASING, LINER and CEMENT

*If Cement Bond Log was not run, submit contractor's cement job summary for each string cemented

String	Hole Size	Csg/Liner Size	Csg/Liner Top	Csg/Tool Setting Depth	Number of sacks cmt	Cement Top	Cement Bottom	CBL*	Calculated*
Conductor	26	14	Surface	80	48	Surf	80		<input checked="" type="checkbox"/>
Surface	12 1/4	9 5/8	Surface	461	365	Surf	480		<input checked="" type="checkbox"/> CIRC
Production	8 3/4	4 1/2	Surface	6787	840	Surf	6857		<input checked="" type="checkbox"/> CIRC
Stage, Squeeze, Remedial Cement Job									
Stage, Squeeze, Remedial Cement Job									
Stage, Squeeze, Remedial Cement Job									
Liner									
Liner									

FORMATION LOG INTERVALS AND TEST ZONES

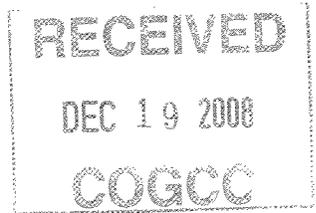
FORMATION NAME	Measured Depth		Check if applies		All DST and Core Analyses must be submitted to COGCC
	Top	Bottom	DST	Cored	
Mesaverde	566	1800			COMMENTS
Sego	1800	2020			
Castlegate	2324	2602			
Mancos	2602	3232			
Mancos A	3232	3493			
Mancos B	3493	3862			
Frontier	6122	6359			
Dakota	6359	6414			
Cedar Mountain	6482	6613			
Morrison	6613	6857			

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Print Name: Habib Guerrero E-mail: hguerrero@rlbayless.com

Signature: [Signature] Title: Operations Engineer Date: 12/12/08

Robert L. Bayless, Producer LLC
Final Morning Report – Drilling Summary



HELLS HOLE # 18-9

Surface: 463' FSL & 222' FEL (SE/SE)
Bottomhole: 2017' FSL & 816' FEL (NE/SE) (actual TD)
Sec 18, T2S R103 W
Rio Blanco County, Colorado
API # 05-103-11407

10/28/08

Cutting wood and building road and location

11/05/08

Location and access road completed.

11/14/08

Moved in and rigged up Pete Martin Drilling. Drilled 80 ft of 26" conductor hole. Ran 80 ft of 14" conductor pipe (36.5#/ft A52) and cemented with 48 sacks of cement (class G). Good returns to surface. Also, rigged up and drilled 50 ft of mouse hole and rat hole. Rigged down and released rig on 11/15/08.

11/18/08

Moved in and rigged up Bill JR's drilling. Drilled 12 1/4" surface hole to 480 ft. Conditioned the hole for casing. Rigged up to run casing. Ran 11 joints of 9 5/8" 36 # J-55 ST&C surface casing. Casing was landed at 461 ft. Rigged up Propetro cementers and cemented casing to surface with 365 sacks (419 cf) of 2%CaCl₂, 1/4#Flocele, 15.8# cement. Displaced with 32 bbls of water. Good returns to surface. Circulated 32 bbls of good cement to the reserve pit. Bumped plug at 1200 psi and floats held OK. Surface casing was pressure tested to 1500 psi for 30 minutes, held OK. Wait on cement.

11/19/08

Moved in Frontier Rig #5 at 4:30 pm and started rig up operations.

11/20/08

Moved in mud tanks, chemicals, trailers, generators and other rig rentals. Rig crew was working on rig equipment inspection and repairs. Finish rig up at 09:00 PM. Break off landing joint and make up wellhead. Nipple up BOP. Rigged up to test BOP. Pressure tested BOP and all components to 250 psi (low test) and 3000 psi (high test), held OK. Annular pressure tested to 1500 psi, held OK. Currently rigging up flow line and filling up mud tanks.

11/21/08

Made up 8 3/4" directional BHA with PDC bit, motor, NMDC, HWDP and MWD. Tripped in the hole and tagged cement at 390 ft. Drilled cement shoe from 390 ft to 480 ft. Drilled from 480 ft to 1242 ft. Worked on pumps and continue drilling to 1425 ft. Total footage last 24 hours was 1035 ft (13.5 hrs drilling). Currently drilling ahead at 1520 ft throughout the Mesaverde formation (MW 9.2, 42 VIS, WL 9.2).

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11/22/08

Drilled from 1425 ft to 1873 ft. Performed rig service. Drilled to 2124 ft and performed rig repair. Worked on main flow line, washed rubber in hammer union. Continue drilling to 2502 ft throughout the Castlegate formation with hole moving 450 ft north and -147 ft west, about 7 feet off the directional plan (MW 9.3, 35 VIS, WL 6.6). Total footage last 24 hours was 1077 ft (17.5 hrs drilling). Tripped out of the hole to shoe for wiper trip. Pulled tight and worked stuck pipe from 2375 ft to 1746 ft. Pulled 80K over several times and jars fired when required. Worked thru tight spots. Currently tripping back in the hole at 1905 ft having to wash and ream tight spots. Wiper trips will be scheduled every 1000 ft or 1500 ft to keep hole in better shape.

11/23/08

Finish wiper trip. Reamed from 2250 ft to 2370 ft. Drilled from 2502 ft to 2564 ft and performed rig repair. Drilled to 2564 ft to 2784 ft and performed rig service (Grease crown drawworks, function pipe rams). Drilled from 2784 ft to 3014 ft and performed rig repair. Worked on hammer union main flow line. Drilled to 3175 ft with hole moving about 6 feet off the directional plan (MW 9.9, 42 VIS, WL 4.8). Total footage last 24 hours was 673 ft (16.5 hrs drilling). Currently drilling ahead at 3280 ft throughout the Mancos A formation.

11/24/08

Drilled from 3175 ft to 3540 ft. Performed short wiper trip to 1500 ft. Pulled tight from 2480 ft to 2300 ft. Tripped back in the hole working thru tight spots. Reamed and washed from 3509 ft to bottom 3540 ft. Drilled to 3777 ft with angle dropping to 13.90 degrees and hole moving about 6 ft off North and 3 ft off west of the directional plan (MW 9.5, VIS 43, WL 5.4). Total footage last 24 hours was 602 ft (18 hrs drilling). Currently drilling and sliding ahead at 3870 ft throughout the Mancos A formation. As per last survey at 3773 ft, angle built to 14.10 degree. The plan is to monitor the next surveys to decide whether or not to trip out of the hole and change out bit and motor.

11/25/08

Drilled from 3777 ft to 3978 ft (sliding 100%) loosening angle from 14.10 deg to 13.90 deg. The decision was made to trip out of the hole to change out bit for build rates. Tripped out of the hole and laid down motor (1.83 deg bent) and PDC bit (outside cuttings were worn out). Made up new BHA with new PDC bit, new motor (2.12 deg bent) and new MWD. Tripped in the hole and worked tight spot at 1330 ft. Reamed and washed from 3947 ft to bottom 3978 ft. Drilled to 4103 ft (sliding 100%) with angle dropping to 13 degrees. Assembly is not building angle as expected. The decision was made to trip out of the hole to change out PDC bit for a Tri-cone type bit. Total footage last 24 hours was 326 ft (13 hrs, sliding 100%). Mud properties (MW 9.6, VIS 37, WL 6.0). Currently tripping out of the hole to at 3650 ft.

11/26/08

Tripped out of the hole to change out bit. Laid down PDC bit (good condition). Tripped in the hole with Tricone bit, motor (2.12 deg bent) and MWD. Worked tight spot at 3310 ft. Reamed and washed from 3665 ft to 4134 ft. Oriented MWD and drilled to 4292 ft building angle to 19.20 deg, assembly performed as expected. Back on track as per directional plan. Currently drilling ahead at 4350 ft throughout the mid-lower Mancos formation averaging 30 ft/hr while drilling and 10 ft/hr while sliding with the Tricone bit (MW 9.5, VIS 41, WL 5.0).

11/27/08

Drilled from 4292 ft to 4512 ft. Performed rig services. Drilled to 4824 ft with hole moving approximately 3.5 ft to the right of the azimuth line, 17.20 deg inclination and about 15 ft north and 8 ft west off the directional plan (MW 9.6, VIS 47, WL 4.4). Total footage last 24 hours was 724 ft (21.5 hrs drilling). Currently drilling ahead at 4930 ft throughout the mid-lower Mancos interval averaging 40 ft/hr while drilling and 20 ft/hr while sliding (MW 9.5, VIS 41, WL 5.0).

11/28/08

Drilled from 4824 ft to 5049 ft. Performed rig service. Drilled to 5301 ft with hole moving about 8 ft north and 15 ft west off the directional plan (MW 9.6, VIS 45, WL 4.8). Total footage last 24 hours was 473 ft (21.5 hrs drilling). Currently tripping out of the hole at 3700 ft to change out drilling bit and to perform wiper trip. Rate of penetration decreased to 20 ft/hr while rotating with the tri-cone bit.

11/29/08

Tripped out of the hole and performed wiper trip. Worked tight spot at 3700 ft. Laid down tricone bit. Tripped in the hole with new PDC bit and new motor. Reamed from 3700 ft to 4600 ft. Drilled from 5300 ft to 5401 ft with inclination angle dropping from 19.5 deg to 18.2 deg (Avg ROP 60 to 80 ft/hr). Assembly (PDC bit) was not holding angle as expected. Pumped high viscosity sweep to clean hole and unloaded cuttings. Drilled to 5505 ft (sliding 100%) holding inclination angle at 16.5 deg. Total footage last 24 hours was 205 ft (MW 9.8, VIS 55, WL 5.0). Currently drilling ahead at 5575 ft, monitoring surveys really close before we decided to trip out of the hole to change out bit. Last survey at 5529 ft was 16.8 deg.

11/30/08

Drilled from 5505 ft to 5706 ft building and holding angle at 17.5 deg (Avg ROP 30 to 40 ft/hr). Performed rig service. Drilled to 5969 ft (sliding 90%) holding inclination angle between 18 deg and 19 degrees. Total footage last 24 hours was 464 ft (MW 9.6, VIS 61, WL 5.0). Currently drilling ahead at 6010 ft throughout the mid-lower Mancos formation, holding inclination angle at 18 deg.

12/01/08

Drilled from 5669 ft to 6148 ft with inclination angle dropping to at 16.5 deg. The decision was made to rotate all the way to TD. Performed rig service. Drilled to 6650 ft averaging 90 to 120 ft/hr. Hit target (Top of Dakota) within 40 ft as expected with good shows of gas from 6366 ft to 6650 ft. Total footage last 24 hours was 981 ft. Currently drilling ahead at 6750 ft throughout the Morrison interval averaging 60 ft/hr (MW 9.9, VIS 70, WL 5.0).

12/02/08

Continue drilling from 6650 ft to Final TD 6857 ft. Total footage last 24 hours was 207 ft. Conditioned hole on bottom and circulated sweep. Tripped out of the hole and laid down directional tools. Picked up wiper assembly (Tri-cone bit, motor, HWDP) and tripped in the hole. Slip and cut 26 wraps of drilling line. Worked tight hole from 6116 ft to 6179 ft. Reamed and washed from 6241 ft to bottom. Circulated sweep and condition hole for logs. Currently tripping out of the hole at 5000 ft. Daily Cost \$ 73,535 and cumulative cost \$ 982,644.

12/03/08

Finish tripping out of the hole and waited on loggers. Waited 7 hours for loggers to show up on location. Hold safety meeting. Rigged up Schlumberger loggers and ran in the hole with logging tools (Triple Combo) to bottom without problems (loggers TD 6829 ft). Completed run 1. Rigged up logging tools for run 2 (FMI - Spectral GR and Sonic tool). FMI tool failed. Attempted to troubleshoot FMI tool for 5 hours but it did not work. The decision was made to lay down FMI tool and run in the hole with spectral GR and Sonic tool. Ran in the hole, worked tight spot at 5800 ft and made it to bottom. Logged from 6829 ft to 5100 ft and got logging tools stuck at 5054 ft. Worked and pulled tools several times but no luck. Currently waiting on fishing hand to fish logging tools.

12/04/08

Waited 9.5 hours on Schlumberger to bring hang off sling for upper shive. . Hold safety meeting with fishing hands. Tools estimated to be key seated around 1000'. Made up fishing assembly and ran in the hole with sidedoor overshot tool. Attempted to free wireline at 800 ft, 1100 ft, 2300 ft and 3400 ft but no movement. Tripped to 4,830' and attempted to free wireline. Parted wireline at 480'. Tripped out of hole watching for wireline pile up, but no indication of weight changes. Pulled out to 600 ft and attempted to wrap up wireline but no fish. Currently tripping out of the hole to lay down sidedoor overshot and pick up wireline spear.

12/05/08

Tripped out of the hole. Made up new fishing assembly with wireline spear. Tripped in the hole to 827 ft and took weight. Rotate wireline spear (3 turns) and tripped out of the hole pulling approximately 60 K. Cleaned wireline from spear recovering 580 ft of wireline. Tripped back in the hole with spear to 3237 ft checking every 3-4 stands and monitoring weight. Took weight and rotate spare. Tripped out of hole pulling approximately 20 K. Cleaned wireline from spear recovering 288 ft of wireline. Back in the hole with spear to 1332 ft. Rotate spare and tripped out of hole pulling approximately 10 K. Cleaned wireline from spear recovering 82 ft of wireline. Tripped back in the hole with spear to 3716 ft checking every 3-4 stands monitoring weight. Took weight and rotate spare. Tripped out of hole with 2 balls of wireline and line in hole. Cleaned spear and hooked line to wireline truck. Tripped out of the hole with wireline and recovered line all the way to rope socket. Currently making up fishing assembly with overshot tool.

12/06/08

Made up fishing tools. Ran in the hole with fishing assembly to 4350 ft. Circulated and conditioned hole. Continue tripping in the hole to 6778 ft, 100 ft above the top of fish (fish fell to bottom). Conditioned and circulated mud on bottom (MW9.9, VIS 65, WL 4.6). Performed rig service. Hold safety meeting with fishing hands. Latched on to fish and tripped out of the hole having to work tight hole on bottom. Finish trip out of the hole with fish (all logging tools). Laid down logging and fishing tools. Made up wiper assembly and run in the hole to bottom. Currently circulating and conditioning the hole on bottom for casing.

12/07/08

Tripped out of the hole and got bit stuck at 6808 ft. Worked stuck pipe and got it loose. Tripped out the hole and lay down drill pipe. Rigged up casing crew and hold safety meeting. Ran in the hole with 4 1/2" casing and got casing stuck at 4670 ft between the base of Mancos B and Frontier formation (1694 ft above the Top of the Dakota formation). Worked stuck casing, able to rotate and circulated but no movement up /down. Casing parted at surface while trying to pull at 200 K. Currently attempting to screw in to casing.

12/08/08

Screw on parted casing and recovered 5 joints of casing. Casings parted at 216 ft. Rigged up fishing crew and hold safety meeting. Made up fishing assembly with overshot tool, jars and HWDP. Tripped in the hole and latched on to fish. Jarred on fish for 30-40 minutes with 100,000 lbs over string weight. Fish came loose. Pulled out of the hole with casing checking threads and laying down. Found 65 joints of casing in bad shape (bad threads). Retrieved all casing. No visible signs on casing and centralizer for why we were stuck. Rigged up lay down machine to pick up drill pipe. Currently picking up and tripping in the hole with drill pipe to clean out hole.

12/09/08

Continue tripping the hole while picking up drill pipe. Washed and reamed tight spots (6450'-6740' and 6770'-6808'). Circulated bottoms up and conditioned mud (MW 10.1, VIS 80, WL 4.6). Pulled 4 singles out of the hole and worked tight hole from 6618 ft to 6523 ft. Currently tripping out of the hole at 420 ft laying down drilling pipe.

12/10/08

Finish tripping out of the hole and lay down drill pipe. Rigged up casing crew and held safety meeting. Rigged up power tongs and run in the hole with 4 ½" casing. Ran 155 joints of 4 ½ I-80 11.6#/ft new casing as follow:

KB to landing point	14.00 ft	0 – 14 ft
141 joints casing	6186.06 ft	14 – 6200 ft
Marker Joint	14.00 ft	6200 – 6214 ft
12 joints casing	526.73 ft	6214 – 6740 ft
Float Collar	1.25 ft	6740 – 6742 ft
Shoe Joint	43.90 ft	6742 – 6785 ft
Guide Shoe	<u>1.15 ft</u>	6785 – 6787 ft
	6787.09 ft	

Landed casing at 6787 ft. Marker Joint set @ 6200 ft (159 ft above Dakota formation). No problems getting casing to bottom. Circulated and conditioned hole for cementing (MW 10.1, VIS 80, WL 4.6). Rigged up Propetro cementers and held safety meeting. Cemented casing as follow:

Lead 630 sx (2408 cf) Premium Grade G w/ 16%gel, 10 #/sx gilsonite, 3 #/sx GR-3, 3% salt, and ¼ #/sx flocele. Mix weight 11.0#/gal, wtr 23 gal/sx, yield 3.82 cf/sx
 Tail 210 sx (354 cf) 65/35 poz w/ 3% fluid loss, .3% dispersant, and ¼ #/sx flocele, 10% saltmix weight 13.1 #/gal, Wtr 8.8 gal/sx, yield 1.69 cf/sx.

Displaced with 104 bbls of 2 % KCL water. Good returns throughout job with 25 bbls of good cement circulated to reserve pit. Bumped plug to 1320 psi at 9:00 pm 12/10/08. Floats held ok. Nipple down and set slips. Cleaned out tanks and rigged down. Released Frontier rig 5 at 6:00 am on December 11th, 2008. Wait on completion.