

Robert L. Bayless, Producer LLC
WEAVER RIDGE #13-9

2125' FSL & 899' FEL (NESE)
Sec. 13 T1S R104W
Rio Blanco County, Colorado
Federal Lease: COC058704



SURFACE USE PLAN

(Attachment to Form 3160-3)

WELL LOCATION AND INTRODUCTION

The proposed location is 2125' FSL & 899' FEL (NESE) Section 13, of T1S R104W. The well site was originally surveyed and staked by Energy Surveyors, Inc., Surveyor, for Robert L. Bayless, Producer LLC (Bayless) on December 17, 2004, then re-staked on April 11, 2004 at a site that was geologically, legally, and topographically acceptable. An onsite meeting with BLM occurred on April 7, 2005. Present were Tamara Meagley, Ed Hollowed, Linda Jones – BLM; Jeff Heinle – Canyon Gas Resources; and Kevin McCord – Robert L. Bayless, Producer LLC.

The White River Resource Area Manager will be notified 24 hours prior to commencing construction of the drillsite and 24 hours prior to commencing reclamation work.

DIRECTIONS TO LOCATION

Beginning at the west end of Rangely, Colorado at the intersection of Highway 64 and County Road 2 (River Road), travel southerly on County Road 2 for approximately 11.5 miles and turn left (Cottonwood Creek Road). Travel on Cottonwood Creek Road for 4.6 miles and turn right. Travel 2.5 miles and turn right. Travel westerly for 1,606 feet (0.30 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 area road map (Exhibit 4) and the topographic map of the area (Exhibit 5).
- B) Existing roads within 1.0 mile consist of an existing dirt and gravel resource road, to within 0.30 miles, which will provide access to the proposed location.
- C) Plans for improvement and/or maintenance of existing roads are to maintain them in as good or better conditions than at present.

2) **PLANNED ACCESS ROADS**

- ± 870 feet (0.16 miles) total new construction, Sec 13, T1S R104W, BLM
- ± 736 feet (0.14 miles) total new construction, Sec 18, T1S R103W, BLM
- ± 1,606 feet (0.30 miles) total new construction, BLM

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

- A) Subgrade (running surface) width will be approximately 16 feet, with total disturbed

width being approximately 40 feet.

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

3) LOCATION OF EXISTING WELLS AND PRODUCING FACILITIES

Exhibit 6 shows all proposed, drilling, abandoned, disposal, injection, shut-in and producing wells within a 1 mile radius of the proposed location. This list also shows the location of all existing producing facilities operated by Robert L. Bayless, Producer LLC in the area. The topographic map (Exhibit 5) also locates the producing wells in the vicinity of the proposed location.

4) NEW PRODUCTION FACILITIES PROPOSED

- A) Dimension of Proposed Facility is approximately 300 ft x 175 ft. Pad size will be reduced to minimum size necessary to conduct safe operations.
- B) Rehabilitation of unneeded, previously disturbed areas will consist of backfilling and contouring the reserve pit area, back sloping and contouring all cut and fill slopes. These areas will be re-seeded.
- C) Site preparation for production will be done with standard excavation equipment using native materials. Additional surface material will be obtained from commercial sources or an approved borrow area.
- D) Production facilities may vary according to actual reservoir discovered and will be engineered upon completion of well tests. If a tank battery is constructed on this^{le} 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) A gas meter run will be constructed and housed on lease within 500 feet of the wellhead. The gas meter will be calibrated prior to first sales and will be calibrated quarterly thereafter. All gas production and measurement will comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Orders No. 4 & 5 and American Gas Association (AGA) Report No. 3.
- F) No facilities will be constructed off location.
- G) Production equipment will be painted light reflective colors to limit evaporation and waste of liquid hydrocarbons. All above ground permanent structures including production equipment will be painted to blend with the surrounding landscape. The color specified is Juniper Green.
- H) 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.
- I) A gas pipeline is associated with this Application for Permit to Drill and is being applied for at this time. This gas pipeline will be a buried 4" steel line approximately 1,500 feet in length and tie to the existing gathering line near the Pioneer Natural Gas Banta Ridge Federal #12A-18 well location. The proposed pipeline corridor will follow a portion of the planned access road. The gas gathering line will be owned and operated by Canyon Gas Resources, LLC.

5) LOCATION OF WATER SUPPLY

This Application for Permit to Drill will serve as a request for the BLM to initiate a Right-of-Way (ROW) application for access roads and water haul routes, if necessary. Water will be transported by truck and will be obtained from the White River or from the city of Rangely under existing permits.

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 or put in a borehole as per Colorado Department of Public Health and Environmental (CDPHE) Regulations unless a CDPHE Permit is obtained.
- 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 a CDPHE approved Sanitary Landfill as necessary or upon completion of operations. Flammable waste will be disposed of by hauling to an appropriate disposal site.
- F) The reserve pit will be fenced "stock tight" on three sides during drilling operations and on the fourth side at time of rig release. The pit will remain fenced until backfilled.
- G) Upon release of the drilling rig, the rathole and mousehole will be filled. Any debris and excess equipment will be removed from the location.

8) ANCILLARY FACILITIES

No ancillary facilities will be necessary.

9) WELLSITE LAYOUT

- A) A drill pad layout with a cut/fill diagram is attached as Exhibit 7. The pad has been staked at its maximum size of 300 ft x 175 ft, however it may be constructed smaller if possible, depending upon rig availability.
- B) All surface disturbing activities will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- C) Topsoil (to a depth of 6 inches or maximum available) will be removed and stockpiled in a windrow on the uphill side of location in such a way as to prevent contamination and soil loss for reclamation.
- D) The reserve pit will be unlined unless porous material is encountered during the pit construction. If necessary, the reserve pit will be lined with a plastic lining 12 mil or

thicker. The reserve pit liner will be sufficiently reinforced to withstand normal wear and tear associated with the installation and pit use and will be chemically compatible with all substances that will be put into the pit.

10) SURFACE RESTORATION

- A) Backfilling, leveling and contouring of the reserve pit is planned as soon as the pit has dried. At least 5 feet of overburden will cover the reserve pit as part of the reclamation process.
- B) Site reclamation for a producing well will be accomplished for portions of the location and road area not required for the continued operation of the well.
- C) The stockpiled topsoil material will be evenly distributed over the disturbed area. The site will be revegetated by seeding and/or planting mixed grasses as prescribed by the BLM. Revegetation is generally scheduled for the fall planting season, September 15th through the first frost, unless instructed otherwise. If necessary, a BLM certified weed applicator will be used for weed control.
- D) A proposed seed mixture for this location is Standard Seed Mix #4. This consists of: 2.0 # PLS/acre – Western Wheatgrass (Rosanna); 3.0 # PLS/acre – Pubescent Wheatgrass (Luna); 2.0 # PLS/acre – Crested Wheatgrass (Nordan); 1.0 # PLS/acre – Orchardgrass (Paiute); 1.0 # PLS/acre - Indian Ricegrass (Nezpar); and 1.0# PLS/acre Fourwing Saltbush (Wytana) – Total 12.0 # PLS/acre.

11) GENERAL INFORMATION

- A) The project area is situated in the uplands of the northwest edge of the Piceance Basin. The topographic and geologic features include a moderate relief area which is well drained. The area has slight sand and silt deposition and is surrounded by rock outcrops with moderately eroded drainages. The major soil type is a clay/loam.
- B) The Flora in the area consists of Juniper, Pinon pine, Matchbrush, Mountain Mahogany, Phlox, Rubber rabbitbrush, Shadscale saltbrush, Penstemon, Morman tea, Snowberry, Basin wildrye, Cheatgrass, and Indian ricegrass.
- C) No Fauna was observed in the area. Assumed Fauna are mule deer, elk, coyotes, rabbits, raptors, and rodents.
- D) The proximity of water is an unnamed intermittent drainage 100 feet west of location that flows into Cottonwood Creek. There are no occupied dwellings or other features in the vicinity of this location.
- E) The concurrent surface use in the area is grazing and hunting.
- F) Mineral Lessor - Bureau of Land Management
- G) Surface Owner

Drillsite -	Bureau of Land Management White River Resource Area PO Box 928 73544 Highway 64 Meeker, CO 81641	970-878-3800
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Access - New	Bureau of Land Management White River Resource Area PO Box 928 73544 Highway 64 Meeker, CO 81641	970-878-3800
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Access - Existing	Bureau of Land Management White River Resource Area PO Box 928	
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73544 Highway 64
Meeker, CO 81641

970-878-3800

H) An archaeological, cultural and historical survey of the area will be performed and submitted separately by Grand River Institute, Grand Junction, Colorado.

12) LESSEE'S OR OPERATOR'S REPRESENTATIVE

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

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

13) CERTIFICATION:

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

I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access road; that I am familiar with the conditions which presently exist; that the statements made in this plan area, to the best of my knowledge, are 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 conditions under which it is approved.



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

April 15, 2005
Date

