Form 3160-3 (August 1999)

OCD-ARTESIA

DEPAR

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

UNITED STATES	Expire
RTMENT OF THE INTERIOR	
U OF LAND MANAGEMENT	5. Lease Serial No.

BUREAU OF LAND M	BUREAU OF LAND MANAGEMENT			
APPLICATION FOR PERMIT 1	O DRILL OR REENTER	6. If Indian, Allottee or Tribe	e Name	
1a. Type of Work: DRILL REENTER	CONFIDENTIAL	7. If Unit or CA Agreement, NMNM71016X	Name and No.	
1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Oth	er 🔀 Single Zone 🔲 Multiple Zone	Lease Name and Well No POKER LAKE UNIT 21		
	CINDI GOODMAN E-Mail: cdgoodman@basspet.com	9. API Well No.	3 \$ 9 3	
3a. Address P O BOX 2760 MIDLAND, TX 79702	3b. Phone No. (include area code) Ph: 432.683.2277 Fx: 432.687.0329	10. Field and Pool, or Explo NASH DRAW-DELA	ratory	
4. Location of Well (Report location clearly and in accorded	ince with any State requirements.*)	11. Sec., T., R., M., or Blk.	and Survey or Area	
At surface NESE Lot I 1780FSL 810F At proposed prod. zone NESE Lot I 1780FSL 810F	EL 32.12544 N Lat, 103.54533 W Lon EL 32.12544 N Lat, 103.54533 W Lon	Sec 18 T24S R30E N SME: BLM	Mer NMP	
14. Distance in miles and direction from nearest town or post 14 MILES EAST OF MALAGA NM	SECRETARY'S POTASH	12. County or Parish EDDY	13. State NM	
 Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any) 	16. No. of Acres in Lease	17. Spacing Unit dedicated	to this well	
3500	2520.68	40.00		
 Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1888 	19. Proposed Depth 7700 MD	20. BLM/BIA Bond No. on	file	
21. Elevations (Show whether DF, KB, RT, GL, etc. 3212 GL	7700 TVD 22. Approximate date work will start 06/01/2004	23. Estimated duration 12 DAYS		
	24. Attachments	CARLSBAD CONTROL	LED WATER BASI	
ne following, completed in accordance with the requirements o	f Onshore Oil and Gas Order No. 1, shall be attached to	this form:		
Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syst SUPO shall be filed with the appropriate Forest Service Of	Item 20 above). em Lands, the 5. Operator certification	ons unless covered by an existir		
25. Signature (Electronic Submission)	Name (Printed/Typed) CINDI GOODMAN		Date 05/03/2004	
Title AUTHORIZED REPRESENTATIVE				
Approved by (Signature) /5/ Ron Dunton	Name (Printed/Typed) Ron Dunton	<u> </u>	1 4 JUL 2004	
Title TINGTATE DIRECTOR	Office NM STATE OFFI	CE	-	
Application approval does not warrant or certify the applicant he	olds legal or equitable title to those rights in the subject	lease which would entitle the ap	plicant to conduct	

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #30153 verified by the BLM Well Information System For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad Committed to AFMSS for processing by LINDA ASKWIG on 05/03/2004 (04LA0380AE)

RECEIVED JUL 2 0 2004

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

Witness Surface Casing OCP-ARTESIA

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

ATTACHED BO

Additional Operator Remarks:

Surface casing to be set into Rustler below all fresh water sands.
Production casing will be cemented using Zone Seal Cement.
Drilling Procedure, BOP Diagram, Anticiapted tops & surface plans attached.

This well is located outside the Secretary's Potash area and outside the R-111 Potash area. There are no potash leases within 1 mile of this location.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Form C-144

March 12, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Pit or Below-Grade Tank Registrationor Closure

Is pit or below-grade tar Type of action: Registration of a pit of	nk covered by a "general plan"? Yes 🔼 I or below-grade tank 🕱 Closure of a pit or below	No -gradetank	
Operator: Bass Enterprises Production Co.	Telephone: (432)683-2277	e-mail address: cdgo	odman@basspet.com
Address: P. O. Box 2760 Midland, TX 79702			
Facility or well name: POKER LAKE UNIT #210 API #:			
County: EDDY Latitude 32.12544 Longitude 10	3.54533 NAD: 1927 ☐ 1983 ☐ Surface	:Owner Federal K State	Private 🗍 Indian 🗍
Pit	Below-gradetank		
Type: Drilling 🖾 Production 🗌 Disposal 🗆	Volume:bbl Type of fluid:		
Workover	Constructionmaterial:		
Lined X Unlined	Double-walled, with leak detection? Yes [] If	not, explain why not.	
Liner type: Synthetic ☑ Thickness 20 mil Clay ☐ Volume 7300 bbl			_
Depth to ground water (vertical distance from bottom of pit to seasonal high	Less than 50 feet	(20 points)	
water elevation of ground water.)	50 feet or more, but less than 100 feet	(10 points)	RECEIVED
water coverage grown water,	100 feet or more	(0 points)	AUG 2 6 2004
Wallhard protection area: (Largethan 200 feet from a private domestic	Yes	(20 points)	PREMITERIA
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	No	(0 points)	WINDSHALLEDIA
water source, or less than 1000 feet from all other water sources.)		(· p · · · ·)	· · · · · · · · · · · · · · · · · · ·
Distance to surface water: (horizontal distance to all wetlands, playas,	Less than 200 feet	(20 points)	
	200 feet or more, but less than 1000 feet	(10 points)	
irrigation canals, ditches, and perennial and ephemeral watercourses.)	1000 feet or more	(0 points)	
	Partie Community		
	Ranking Score (Total Points)	0	
If this is a pit closure: (1) attach a diagram of the facility showing the pit's onsite offsite If offsite, name of facility date. (4) Groundwater encountered: No Yes If yes, show depth belo diagram of sample locations and excavations.	(3) Attach a general description of remedial a sw ground surface ft and attach same	action taken includingren	oil sample results and a
I hereby certify that the informationabove is true and complete to the best of been/will be constructed or closed according to NMOCD guidelines , a Date: 08/23/2004 Printed Name/Title Cindi Goodman Production Clerk Your certification and NMOCD approval of this application/closuredoes not otherwise endanger public health or the environment. Nor does it relieve the cregulations. Application 2 6 2003	general permit , or an (attached) alternative Signature In the operator of liability should the contents	OCD-approvedplan	inateground water or

DISTRICT I 1625 N. Franch Dr., Hobbs, NM 88240 DISTRICT II 611 South First, Artesia, NM 66210 State of New Mexico

Form C-102 Revised March 17, 1999

Energy, Minerals and Natural Resources Department

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 67410

OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87508

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code Pool Name		
	47545	NASH DRAW (DELAWARE)	
Property Code		Well Number	
001796	POKI	210	
OGRID No.		Operator Name	Elevation
001801	BASS ENTERPRIS	ES PRODUCTION COMPANY	3212'

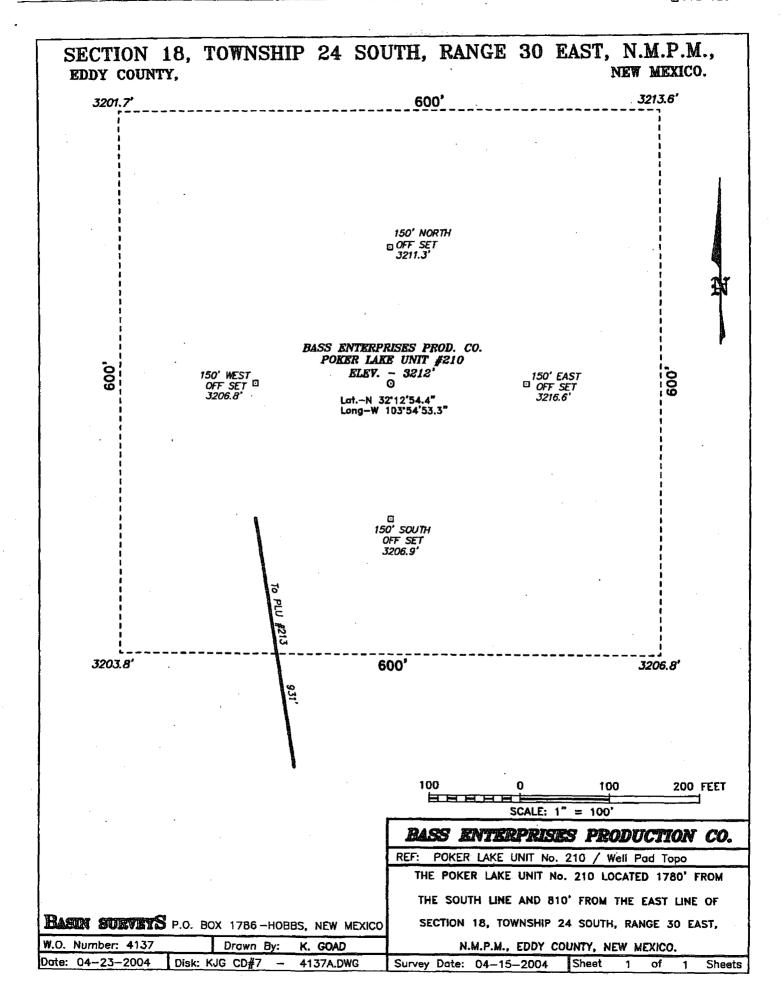
Surface Location

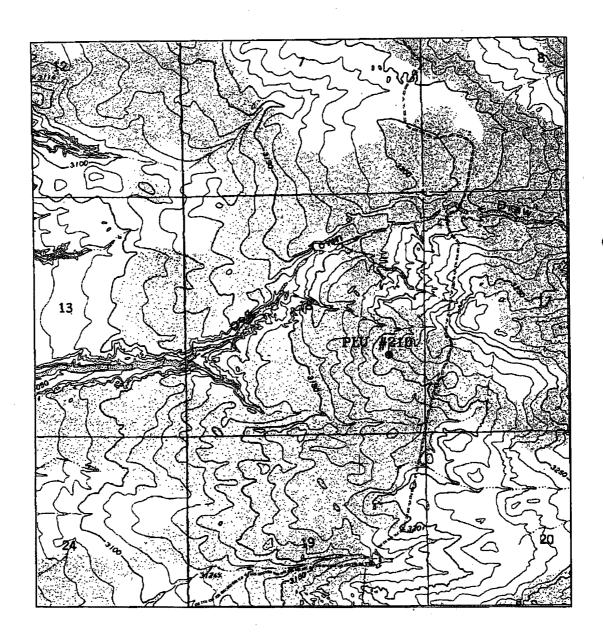
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Rast/West line	County
1	18	24 S	30 E		1780	SOUTH	810	EAST	EDDY
Rottom Hole Location If Different From Surface									

UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	<u> </u>								
Dedicated Ac	es Joint o	r Infill Co	nsolidation (ods Or	der No.				
40	N								

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

		·		
			 	OPERATOR CERTIFICATION I haveby certify the the information contained herein is true and complete to the best of my knowledge and belief.
LOT 1 - 40.80 AC.	40.83 AC.	40.82 AC.	40.83 AC.	Signature W.R. DANNELS
			1 	Printed Name DIVISION DRILLING SUPT. Title 4/30/04
LOT 2 - 40.85 AC.	40.81 AC.	40.79 AC. 40.77 AC.	40.79 AC.	SURVEYOR CERTIFICATION I hereby certify themsels well location shown
LOT 3 - 40.80 AC.	40.80 AC.	LAT - N32*12'54.4" LONG - W103*54'53.3"	3201.7 (\) 3213.6'	on this planets plotty. field notes of actual sunder my superfisch notes that the conditions are the conditi
		† 	3203.8*\\\\\3206.8*\\\\\\	Signature Seal of Protesting Survey Co. No. 4137
LOT 4 - 40.84 AC.	40.77 AC.	40.74 AC.	40.69 AC.	Certificate No. Gary L. Jones 7977. BASIN SURVEYS





POKER LAKE UNIT #210 Located at 1780' FSL and 810' FEL Section 18, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

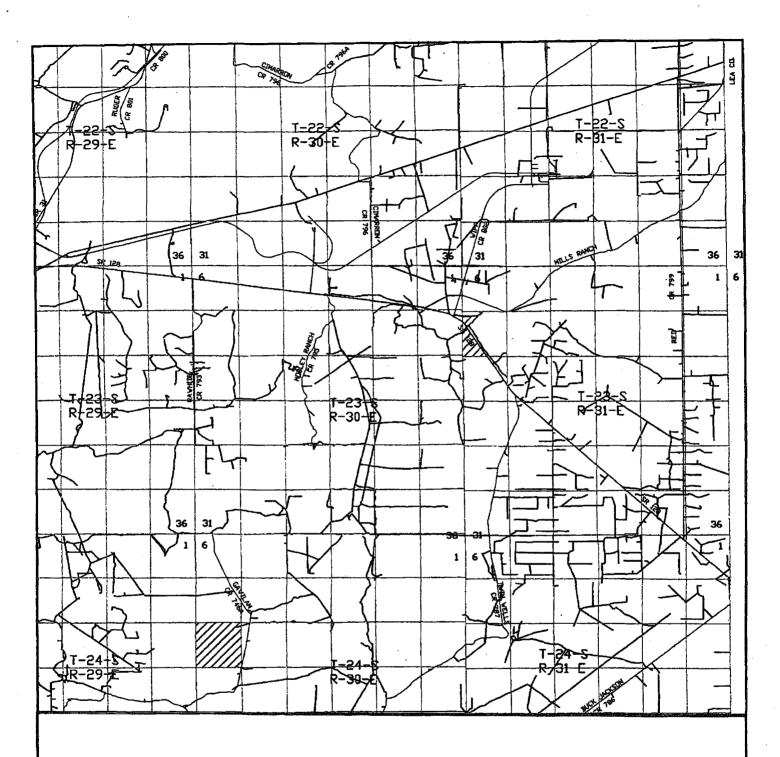


P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 - Office | Scale: 1" = 2000' (505) 392-3074 - Fax basinsurveys.com

W.O. 1	Number:	4137AA — KJG #7
Surve	y Date:	04-15-2004
		and the second s

Date: 04-23-2004

BASS ENTERPRISES PRODUCTION CO.



POKER LAKE UNIT #210 Located at 1780' FSL and 810' FEL Section 18, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 - Office (505) 392-3074 - Fax bosinsurveys.com

W.O. Number:	4137AA — KJG #7
Survey Date:	04-15-2004
Scale: 1" = 2	
Date: 04-23-	-2004

BASS ENTERPRISES PRODUCTION CO.

EIGHT POINT DRILLING PROGRAM BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: Poker Lake Unit #210

LEGAL DESCRIPTION - SURFACE: 1780' FSL & 810' FEL, Section 18, T-24-S, R-30-E, Eddy County, New Mexico.

POINT 1: ESTIMATED FORMATION TOPS

(See No. 2 Below)

POINT 2: WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS

Anticipated Formation Tops: KB 3230' (est)

GL 3212'

FORMATION	ESTIMATED TOP FROM KB	ESTIMATED SUBSEA TOP	BEARING
T/Rustler	455'	+2775	Barren
T/Salt	983'	+2247'	Barren
T/Lwr Brushy Canyon "8" A	7050'	-3820'	Oil/Gas
T/Bone Spring	7318'	-4088'	Oil/Gas
TD	7700'	-44 70'	

POINT 3: CASING PROGRAM

TYPE 16° 8-5/8", 28#, J-55, LT&C — WITNESS 5-1/2", 15.5#, J-55, LT&C	INTERVALS 0'- 40' 0'- 910' 0' -6500'	PURPOSE Conductor Surface Production	CONDITION Contractor Discretion New New
5-1/2", 17#. J-55. LT&C	6500' -7700'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nippled up on the surface casing head. The BOP stack choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to 70% of internal yield pressure of casing. In addition to the high pressure test, a low pressure (200 psi) test will be required. These tests will be performed:

- a) Upon installation
- b) After any component changes
- c) Fifteen days after a previous test
- d) As required by well conditions

A function test to insure that the preventers are operating correctly will be performed on each trip.

2

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT_	_FV	_PV	YP_	<u>FL</u>	<u>Ph</u>
0' - 910'	FW Spud Mud	8.5 - 9.2	70-38	NC	NC	NC	10.0
910' - 5600'	Brine Water	9.8 -10.2	28-30	NC	NC	NC	9.5-10.5
5600' - TD'	Brine Water/Diesel	8.8 - 9.0	32-40	8	2	<25 cc	9.5 – 10.0

^{*}May increase vis for logging purposes only.

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING

None anticipated.

B) LOGGING

GR-CNL-LDT-AIT from TD to base of Salt (+/- 3100'). GR-CNL-CAL from base of Salt to surface.

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

		FT OF						
INTERVAL SURFACE:	AMOUNT SXS	FILL	TYPE	GALS/SX	PPG	ET3/SX		
Lead 0 - 610' (100% excess circ to surface)	380	610	Permian Basin Critical Zone + 1/4# Flocele	10.4	12.8	1.90		
Tail 610-910' (100% excess circ to surface)	200	300	Prem Plus + 2% CaCl ₂ + 1/4 Flocele	6.33	14.8	1.35		
PRODUCTION:							COMPR Nitrogen	ESSIVE Strength
Base Slurry w/nitrogen 3036-7700' + (50% excess)	730	4664	Premium Plus + 2% Zone Sealant 2000	6.32 9.1	-14.5	2.3-1.39	300/600 scf/bbl	1200

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3310 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware Section from 3536-7318'. No H_sS is anticipated.

POINT 8: OTHER PERTINENT INFORMATION

A) Auxiliary Equipment

Upper and lower kelly cocks. Full opening stab in valve on the rig floor.

B) Anticipated Starting Date

Upon approval

12 days drilling operations

14 days completion operations

BGH/cdg April 30, 2004 3

→ PAULA

MULTI-POINT SURFACE USE PLAN

BEPCO

NAME OF WELL: Poker Lake Unit #210

LEGAL DESCRIPTION - SURFACE: 1780' FSL & 810' FEL, Section 18, T-24-S, R-30-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit A, C and Survey Plats

B) Existing Roads:

From Carlsbad, New Mexico, go 8 miles south on Highway 285 to Highway 31. Turn north and 7 miles on Highway 31. Turn east on Highway 128 and go 4 miles to Rawhide Road (located between mile markers 4 and 5). Turn southeast onto Rawhide Road and go approximately 9.0 miles southerly.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit A, C and Survey Plats.

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See Exhibit A and C. Proposed road is + 1600' in length.

B) Width

12' wide.

C) Maximum Grade

Not applicable.

D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

If required, culverts and cattle guards will be set per BLM Specs.

POINT 3: LOCATION OF EXISTING WELLS

Exhibit A and C indicates existing wells within the surrounding area.

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES

Page 2

A) Existing facilities within one mile owned or controlled by lessee/operator:

Oil/Gas production facilities are located at PLU #59 wellsite.

B) New Facilities in the Event of Production:

Existing production facilities will be used via flowlines laid to existing facilities and additional separators/treaters will be added as necessary.

C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following flowline construction, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas unnecessary for use will be graded to blend in with the surrounding topography (see Point 10)

POINT 5: LOCATION AND TYPE OF WATER SUPPLY

A) Location and Type of Water Supply

Fresh water will be hauled from Johnson Station 50 miles east of Carlsbad, New Mexico or other commercial facilities. Brine water will be hauled from Bass' Poker Lake Unit #140 battery or from commercial facilities.

B) Water Transportation System

Water hauling to the location will be over the existing and proposed roads.

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

A) Materials

Exhibit A shows location of caliche source.

B) Land Ownership

Federally Owned.

C) Materials Foreign to the Site

No construction materials foreign to this area are anticipated for this drill site.

D) Access Roads

See Exhibit A and C.

POINT 7: METHODS FOR HANDLING WASTE MATERIAL

Page 3

A) Cuttings

Cuttings will be contained in the reserve pit.

B) Drilling Fluids

Drilling fluids will be contained in the reserve pit.

C) Produced Fluids

Water production will be contained in the reserve pit.

Hydrocarbon fluid or other fluids that may be produced during testing will be retained in test tanks. Prior to cleanup operations, any hydrocarbon material in the reserve pit will be removed by skimming or burning as the situation would dictate.

D) Sewage

Current laws and regulations pertaining to the disposal of human waste will be complied with.

E) Garbage

Portable containers will be utilized for garbage disposal during the drilling of this well.

F) Cleanup of Well Site

Upon release of the drilling rig, the surface of the drilling pad will be graded to accommodate a completion rig if electric log analysis indicate potential productive zones. The reserve pit will be fenced and bird netted. The fence will be maintained until the pit is backfilled. Reasonable cleanup will be performed prior to the final restoration of the site.

POINT 8: ANCILLARY FACILITIES

None required.

POINT 9: WELL SITE LAYOUT

A) Rig Orientation and Layout

Exhibit "D" shows the dimensions of the well pad and reserve pits, and the location of major rig components. Only minor leveling of the well site will be required. No significant cuts or fills will be necessary.

POINT 9: WELL SITE LAYOUT - Cont'd ...

Page 4

B) Locations of Pits and Access Road

See Exhibits "A" and "D".

C) Lining of the Pits

The reserve pit will be lined with plastic.

POINT 10: PLANS FOR RESTORATION OF THE SURFACE

A) Reserve Pit Cleanup

The pits will be fenced immediately after construction and shall be maintained until they are backfilled. Previous to backfill operations, any hydrocarbon material on the pits' surfaces shall be removed. The fluids and solids contained in the pits shall be backfilled with soil excavated from the site and soil adjacent to the reserve pits. The restored surface of the pits shall be contoured to prevent impoundment of surface water flow. Water-bars will be constructed as needed to prevent excessive erosion. Topsoil, as available, shall be placed over the restored surface in a uniform layer. The area will be seeded according to the Bureau of Land Management stipulations during the appropriate season following restoration.

B) Restoration Plans - Production Developed

The reserve pits will be backfilled and restored as described above under Item A. In addition, those areas not required for production will be graded to blend with the surrounding topography. Topsoil, as available, will be placed upon those areas and seeded. The portion of the site required for production will be graded to minimize erosion and provide access during inclement conditions. Following depletion and abandonment of the site, restoration procedures will be those that follow under Item C.

C) Restoration Plans - No Production Developed

The reserve pits will be restored as described above. With no production developed, the entire surface disturbed by construction of the well site will be restored. The site will be contoured to blend with the surrounding topography and provide drainage of surface water. The topsoil, as available, shall be replaced in a uniform layer and seeded according to the Bureau of Land Management's stipulations.

D) Rehabilitation's Timetable

Upon completion of drilling operations, the initial cleanup of the site will be performed as soon as weather and site conditions allow economic execution of the work.

POINT 11: OTHER INFORMATION

Page 5

A) Terrain

Relatively flat.

B) Soil

Caliche and sand.

C) Vegetation

Sparse, primarily grasses and mesquite with very little grass.

D) Surface Use

Primarily grazing.

E) Surface Water

There are no ponds, lakes, streams or rivers within several miles of the wellsite.

F) Water Wells

There is one water well approximately 4000' NE from location.

G) Residences and Buildings

None in the immediate vicinity.

H) Historical Sites

None observed.

I) Archeological Resources

An archeological survey will be obtained for this area. Before any construction begins, a full and complete archeological survey will be submitted to the Bureau of Land Management. Any location or construction conflicts will be resolved before construction begins.

J) Surface Ownership

The well site and new access road from the North is on federally owned land.

- K) Well signs will be posted at the drilling site.
- L) Open Pits

All pits containing liquid or mud will be fenced and bird-netted.

POINT 12: OPERATOR'S FIELD REPRESENTATIVE

Page 6

(Field personnel responsible for compliance with development plan for surface use).

DRILLING

PRODUCTION

William R. Dannels

Mike Waygood

Box 2760

3104 East Green Street

Midland, Texas 79702

Carlsbad, New Mexico 88220

(432) 683-2277

(505) 887-7329

Kent A. Adams

Box 2760

Midland, Texas 79702

(432) 683-2277

POINT 13: CERTIFICATION

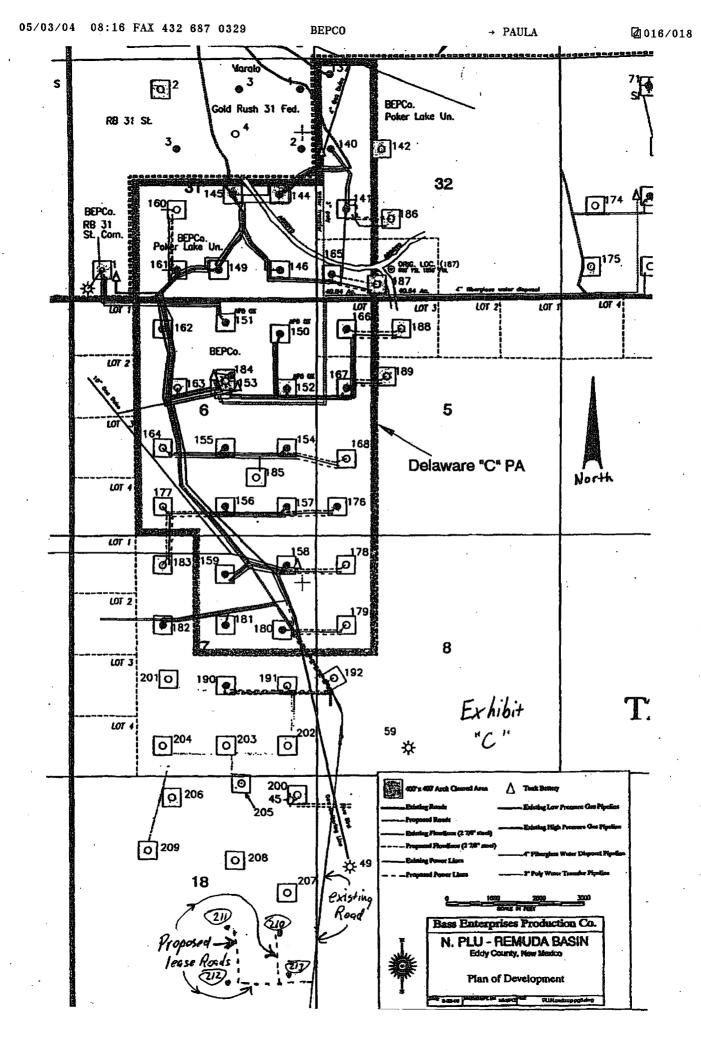
4/30/04

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 the plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Bass Enterprises Production Co. and it's contractors and subcontractors 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.

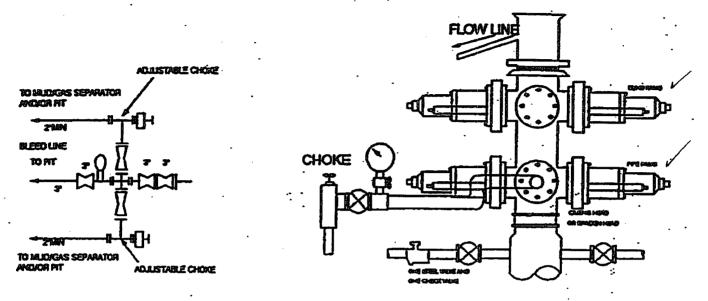
Date

BGH/cdg

William R Dannels



2000 PSI WP



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- A. One double gate blowout preventer with lower rams for pipe and upper rams blind, all hydraulically controlled.
- B. Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.
- C. All connections from operating manifold to preventers to be all steel hose or tube a minimum of one inch in diameter.
- O. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate (close, open, and re-close) the preventers.
- E. All connections to and from preventers to have a pressure rating equivalent to that of the BOP's.
 - F. Manual controls to be installed before drilling cement plug.
- : 6. Valve to control flow through drill pipe to be located on rig floor.
 - H. All chokes will be adjustable. Choke spool may be used between rams.