

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

Form C-101
March 4, 2004

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

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Bass Enterprises Production Co. P. O. Box 2760 Midland, TX 79702		² OGRID Number 001801	
		³ API Number 30 - 015-33601	
		⁶ Well No. 91	
³ Property Code 001786	⁵ Property Name JAMES RANCH UNIT OCD-ARTESIA		JUL 20 2004

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/Southline	Feet from the	East/Westline	County
F	36	22S	30E		1980	NORTH	1980	WEST	EDDY

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/Southline

⁹ Proposed Pool 1 QUAHADA RIDGE (DELAWARE), SOUTHEAST	¹⁰ Proposed Pool 2 NOTIFY OCD TO WITNESS ALL CASING STRINGS
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Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/Southline	Feet from the	East/Westline	County

Depth to ground water	Distance from nearest fresh water well	Distance from nearest surface water
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¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3317'
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¹⁶ Multiple N	¹⁷ Proposed Depth 7800'	¹⁸ Formation DELAWARE	¹⁹ Contractor UNKNOWN	²⁰ Spud Date
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²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13-3/8	48#	600'	435	SURFACE
11"	8-5/8"	28# & 32#	3840'	900	SURFACE
7-7/8"	5-1/2"	15.5# & 17#	7800'	900	SURFACE

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.
This well is located within the Potash R-111 and is subject to R-111 regulations.
All potash leases within 1 mile have been notified per R-111 regulations. Attached are those correspondences. Please note the attached Drilling/BOP program diagram.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .

Signature: *William R. Dannels*

Printed name: William R. Dannels

Title: Division Drilling Supt.

E-mail Address: wrdannels@basspet.com

Date: 07/12/2004

Phone: (432)683-2277

OIL CONSERVATION DIVISION

Approved by:

TIM W. GUM

Title: DISTRICT II SUPERVISOR

Approval Date: SEP 07 2004

Expiration Date:

SEP 07 2005

Conditions of Approval:

Attached

R-111-P

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Quahada Ridge (Delaware), S.E.
Property Code	Property Name	Well Number
	JAMES RANCH UNIT	91
OGRID No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3317'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	36	22 S	30 E		1980	NORTH	1980	WEST	EDDY

Bottom 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

Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>William R. Dannels</i> Signature</p> <p>W. R. Dannels Printed Name</p> <p>Division Drilling Supt. Title</p> <p>4/5/04 Date</p>
	<p>LAT - N32°21'01.5" LONG - W103°50'11.3"</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>October 19, 2000 Date Surveyed</p> <p><i>[Signature]</i> Signature & Seal of Professional Surveyor</p> <p>7977 W.D. No. 0087</p> <p>Certified by L. Jones 7977</p> <p>BASIN SURVEYS</p>



July 19, 2004

IMC Potash Carlsbad Inc.
P. O. Box 71
1361 Potash Mines Road
Carlsbad, New Mexico 88221-0071
505.887.2871

Mr. J. Wayne Bailey
Bass Enterprises
201 Main Street
Fort Worth, TX 76102-3131

Dear Mr. Bailey:

We are in receipt of your letter dated 7/14/04 concerning an APD for a well in Section 36, T-22-S, R-30-E. IMC Potash Carlsbad Inc. does have a potash lease that includes all of Section 36.

James Ranch #9 at 1980' FWL & 1980' FNL is within ¼ mile of our LMR but in an area that has been compromised by previous drilling. Therefore, IMC does not object to drilling at this location.

As more information becomes available, our estimates of the extent of potash resources in any given area may change. Therefore, please consider this "no objection" to this location to be valid for one year only. If you are still considering this well location at a date later than one year from today, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

IMC Potash submits this letter in lieu of the forms requested.

Sincerely,

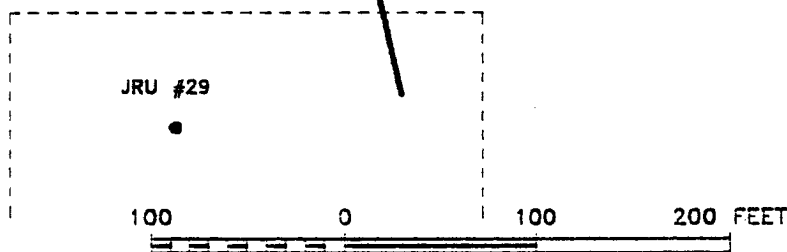
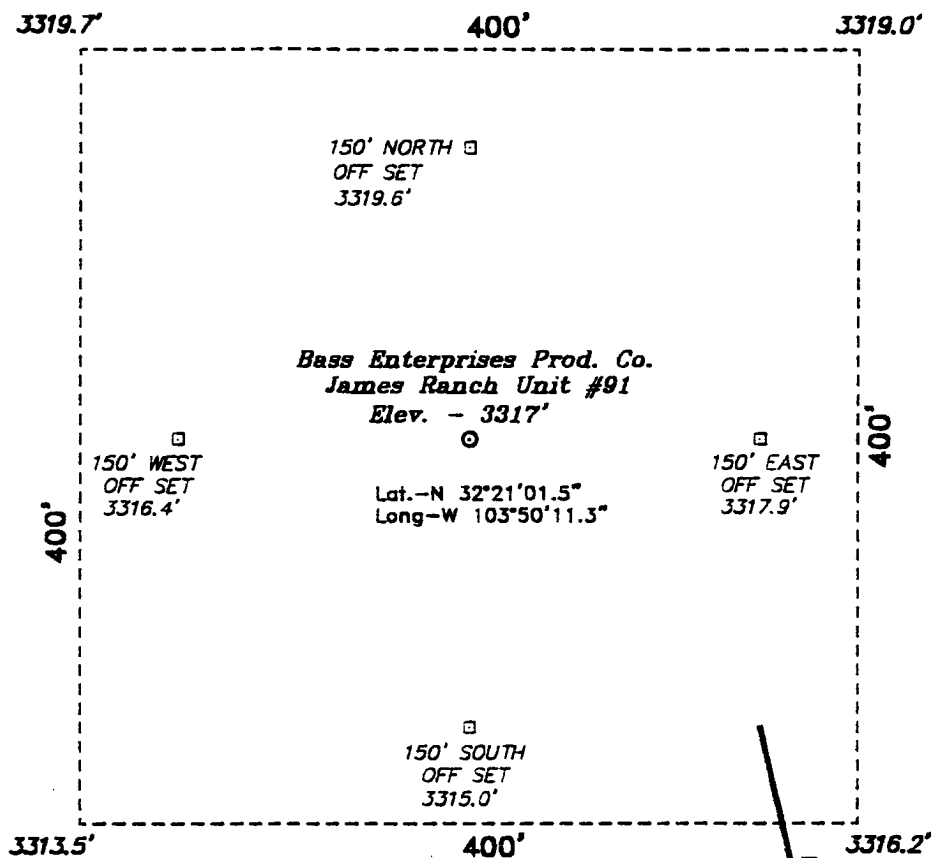
A handwritten signature in black ink, appearing to read "D. Morehouse", written over a horizontal line.

Dan Morehouse
Supt. of Mine Engineering & Construction

cc: Don Purvis Charlie Ihigh

Sent by FAX

SECTION 36, TOWNSHIP 22 SOUTH, RANGE 30 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

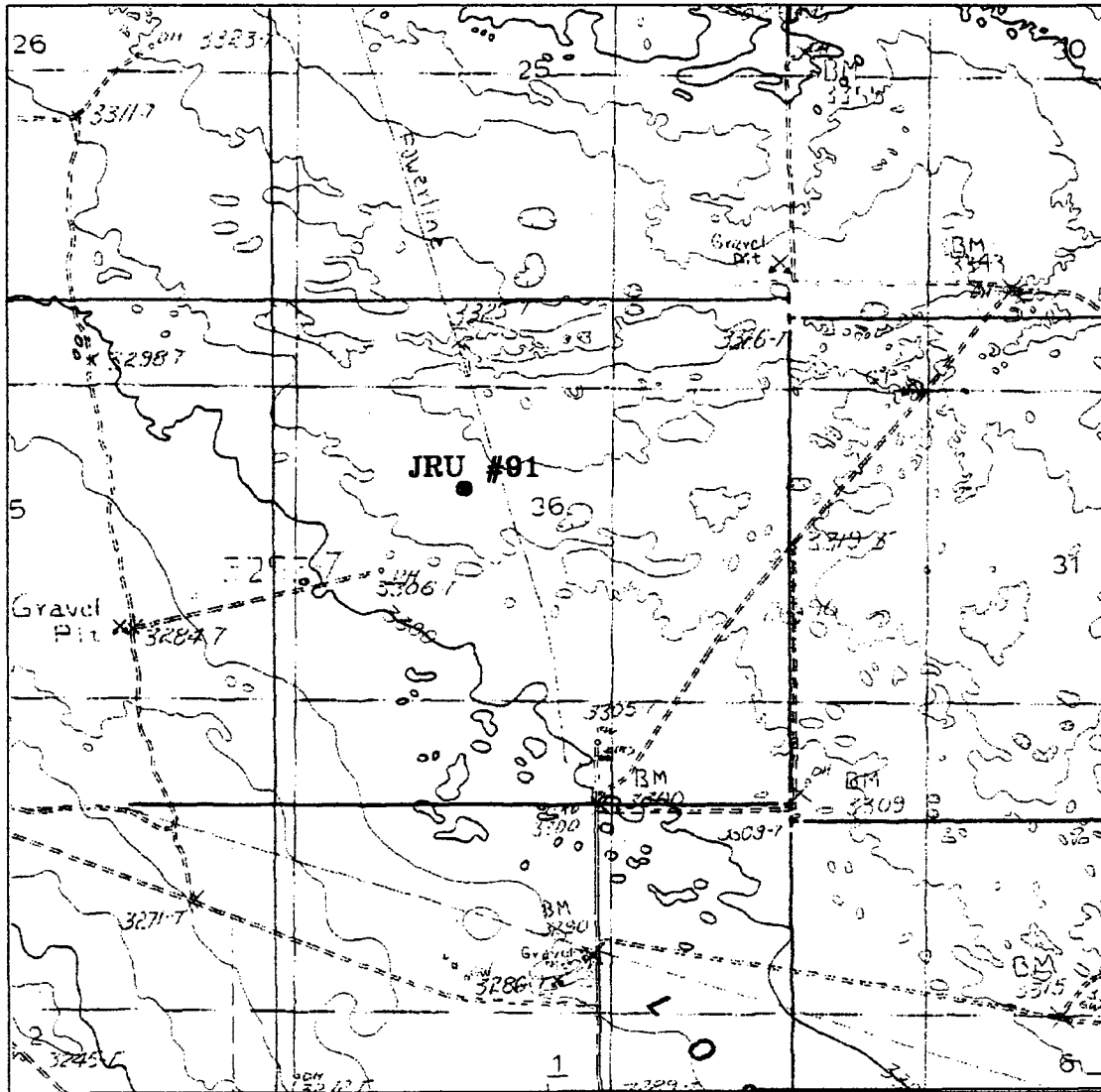


DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 128(JAL-LOVING HWY) & CO. RD. 802(WIPP ROAD), GO NORTHEAST ON 802 0.8 MILE; THENCE WEST ON LEASE ROAD 0.5 MILE; THENCE NORTH ON LEASE ROAD 0.9 MILE; THENCE WEST TO PLU #29 0.3 MILE TO PROPOSED LEASE ROAD.

BASS ENTERPRISES PRODUCTION CO.	
REF: James Ranch Unit No. 91 / Well Pad Topo	
THE JAMES RANCH UNIT No. 91 LOCATED 1980' FROM THE NORTH LINE AND 1980' FROM THE WEST LINE OF SECTION 36, TOWNSHIP 22 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.	

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO	
W.O. Number: 0587	Drawn By: K. GOAD
Date: 10-20-2000	Disk: KJG #122 - 0587A.DWG



JAMES RANCH UNIT #91

Located at 1980' FNL and 1980' FWL
 Section 36, Township 22 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
 basinsurveys.com

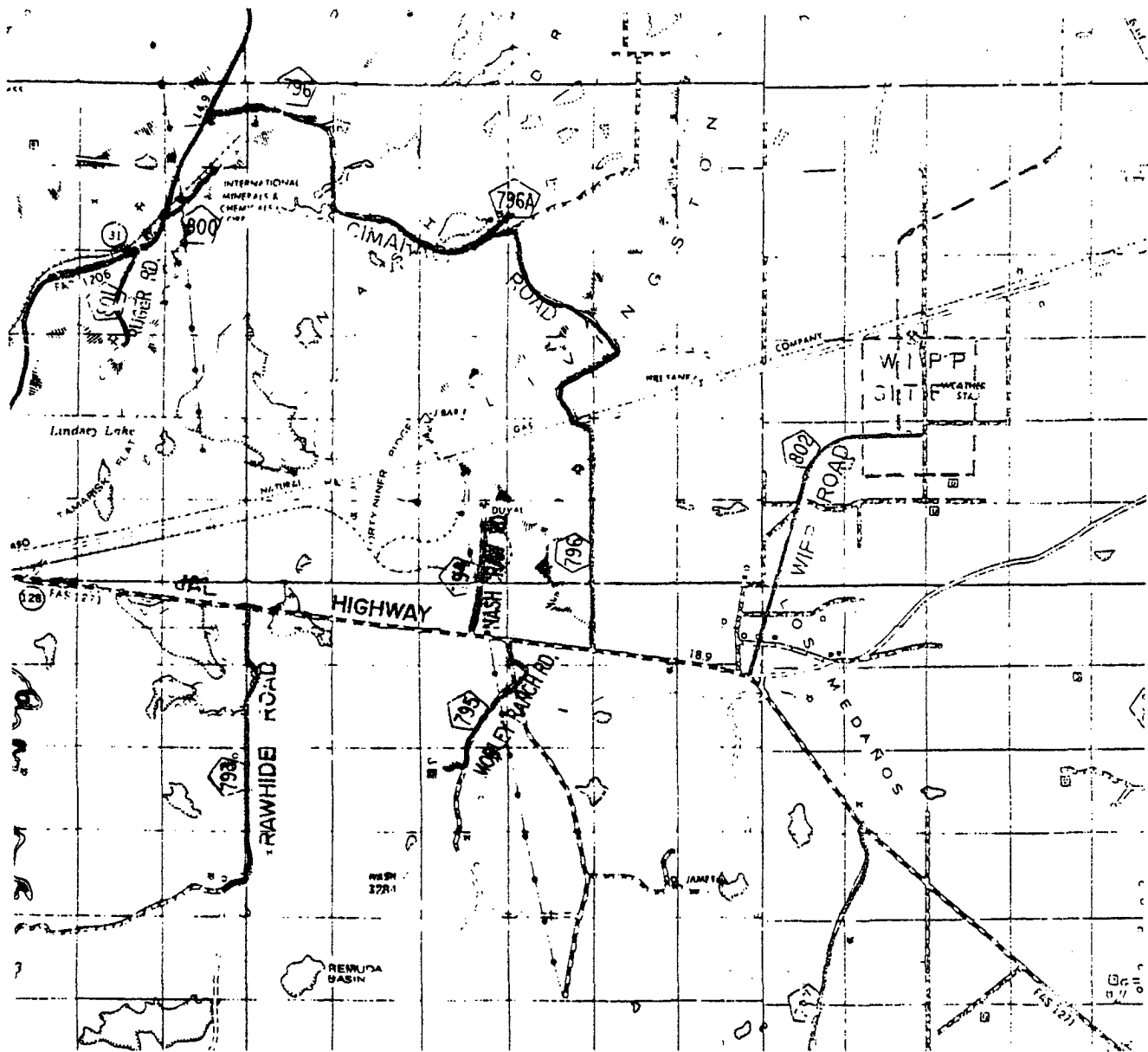
W.O. Number: 0587AA - KJG #122

Survey Date: 10-19-2000

Scale: 1" = 2000'

Date: 10-20-2000

**BASS ENTERPRISES
 PRODUCTION CO.**



JAMES RANCH UNIT #91
 Located at 1980' FNL and 1980' FWL
 Section 36, Township 22 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.

basin surveys
 focused on excellence
 in the oilfield

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

W.O. Number: 0587AA - KJG #122

Survey Date: 10-19-2000

Scale: 1" = 2 MILES

Date: 10-20-2000

**BASS ENTERPRISES
 PRODUCTION CO.**

**EIGHT POINT DRILLING PROGRAM
BASS ENTERPRISES PRODUCTION CO.**

NAME OF WELL: JAMES RANCH UNIT #91

LEGAL DESCRIPTION - SURFACE: 1980' FNL & 1980' FWL, Section 36, T-22-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 3332' (est)
GL 3317'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	282'	+ 3050'	Barren
T/Salt	696'	+ 2636'	Barren
B/Salt	3560'	- 228'	Barren
T/Lamar	3816'	- 484'	Barren
T/Ramsey	3862'	- 530'	Oil/Gas
T/Shell Zone	6692'	- 3360'	Oil/Gas
T/8A Lower Brushy Canyon	7372'	- 4040'	Oil/Gas
T/Bone Spring	7657'	- 4325'	Oil/Gas
TD	7800'	- 4468'	

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
13-3/8", 48#, WC-40, STC	0- 600'	Surface	New
8-5/8", 28#, WC-50, STC	0-2840'	Intermediate	New
8-5/8", 32#, WC-50, STC	2840-3840'	Intermediate	New
5-1/2", 15.50#, K-55, LTC	0-6500'	Production	New
5-1/2", 17#, K-55, LTC	6500-7800'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nipped up on the surface casing head. When testing, the BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to 70% of the internal yield pressure of the casing. In addition to the rated working 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

Con't...

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A function test of pipe and blind rams to insure that the preventers are operating correctly will be performed on each trip. A function test is required only a minimum of once every 24 hours. See the attached Diagram 1 for the minimum criteria for the choke manifold.

POINT 5: MUD PROGRAM

<u>DEPTH</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	<u>FV</u>	<u>PV</u>	<u>YP</u>	<u>FL</u>	<u>Ph</u>
0' - 600'	FW Spud	8.4 - 9.0	45-38	NC	NC	NC	9.5
600' - 3840'	Brine	9.8 - 10.0	28-30	NC	NC	NC	9.5
3840' - 6300'	FW	8.4 - 8.6	28-30	NC	NC	NC	9.5
6300' - 7600'	FW/Starch	8.4 - 8.6	28-30	NC	NC	<100	9.5
7600' - TD	FW/Gel/Starch	8.4 - 8.7	32-42	3	1	<100	9.5

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING

None anticipated.

B) LOGGING

GR-CNL from base of intermediate casing to surface.
GR-CNL-LDT-AIT-Microlog from TD to base of intermediate casing.

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

<u>SURFACE</u>		<u>FT OF</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT³/SX</u>
<u>INTERVAL</u>	<u>AMOUNT SX</u>	<u>FILL</u>				
Lead 0-300'	135	300	Interfill C + 1/4#/sx Flocele + 2% CaCl ₂	14.35	11.9	2.49
Tail 300-600' (100% excess circ to surface)	300	300	Class C + 2% CaCl ₂	6.31	14.8	1.34
<u>INTERMEDIATE</u>		<u>FT OF</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT³/SX</u>
<u>INTERVAL</u>	<u>AMOUNT SX</u>	<u>FILL</u>				
Lead 0-3540'	750	3480	Interfill C + 2% CaCl ₂	14.4	11.9	2.49
Tail 3540'-3840' (100% excess in open hole)	150	300	Class C Neat	6.31	14.8	1.34

Con't...

POINT 6: TECHNICAL STAGES OF OPERATION

D) CEMENT Con't...

PRODUCTION – single stage foamed cementing procedure. Proceede cement and 50 bbls of FW + 100 scf/bbl N₂.

<u>INTERVAL</u>	<u>AMOUNT SX</u>	<u>FT OF FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT³/SX</u>
0'-7800' (50% excess)	850	7800	Premium Plus + 2% Zone Sealand 2000 + 0.4% FDP-C601 (Base Slurry)	6.76	14.5	1.39

Nitrify cement for density range from 6 ppg at surface to 11.5 ppg at 7800' TD.

Cap 0'-375' (No excess)	50	375	Premium Plus + 2% CaCl ₂	6.34	14.8	1.34
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E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressured formations are anticipated throughout this well. No H₂S is expected.

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

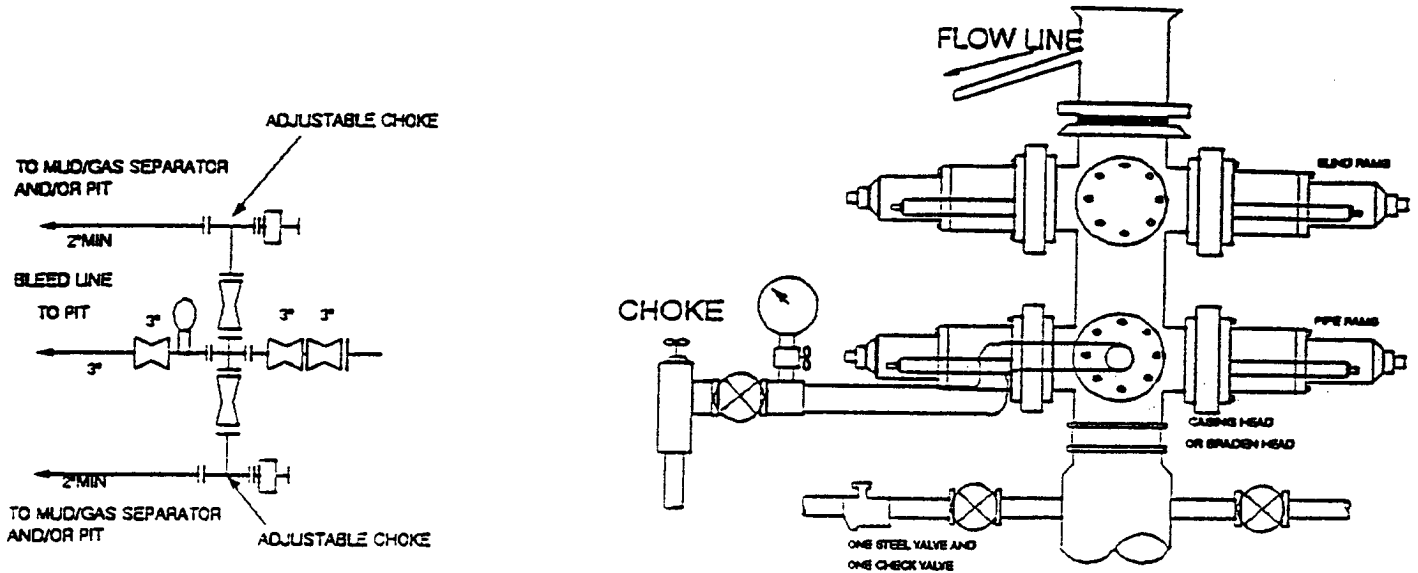
Upon approval

16 days drilling operations

10 days completion operations

BGH/mac
7/12/04

3000 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.
- D. 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.
- G. 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.

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

July 19, 2004

FEDERAL EXPRESS

New Mexico Oil Conservation Division
1301 W. Grand Aveue
Artesia, New Mexico
Attention: Bryan Arrant

RECEIVED

JUL 20 2004

~~OCB-ARTESIA~~

Re: Application For Permit
Bass-James Ranch Unit No. 91
SE/4 NW/4 Section 36, T22S-R30E
Eddy County, New Mexico

Gentlemen:

Please find attached hereto six (6) copies of the permit for the above well which is located on State of New Mexico lands. Included in the package is a letter from IMC Potash Carlsbad, Inc. waiving its objection to the drilling of the subject well. Please approve the attached permit at your earliest convenience. Should you have any questions or comments in the above regard, please don't hesitate to contact the undersigned at (817) 390-8671 or Bill Dannels at (432) 683-2277. Thank you very much.

Very truly yours,


J. Wayne Bailey

JWB:ca

cc: Bill Dannels – Midland Office



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 3, 2004

US Department of Energy
P.O. Box 3090
Carlsbad, NM 88221-3090
Attn: EPA Compliance Manager

RE: Bass Enterprises Production Company Application to Drill the James Ranch Unit # 91, located in Unit F, of Section 36, 1980' FNL & 1980' FWL, Township 22 South, Range 30 East in Eddy County, New Mexico.

To Whom It may Concern

The Application to drill (APD) for the above referenced well is enclosed for your review. The James Ranch Unit # 91 lies within 1 mile of the WIPP withdraw area. Per the terms of the Joint Powers Agreement between the Energy Minerals and Natural Resources Department, the DOE and other agencies, this APD is provided so that you may have the opportunity to develop and submit any comments thereon.

Please feel free to call if you have any questions about this matter or if I can provide any further information.

Respectfully yours,

Bryan G. Arrant
PES

Cc: Tim Gum- District Supervisor, Artesia
New Mexico Energy and Natural Resource Department, Joanna Prukop Acting Coordinator for the N.M.
Radioactive Waste Consultation Task Force
New Mexico State Land Office Oil and Minerals Division, Joe Mraz-Geologist
U.S. Department of Energy, Doug Lynn-Land Use Coordinator
William R. Dannels-Division Drilling Supt. for Bass Enterprises Production Company



Department of Energy
Carlsbad Field Office
P. O. Box 3090
Carlsbad, New Mexico 88221

AUG 18 2004

RECEIVED
AUG 25 2004
OCD-ARTESIA

Mr. Bryan Arrant PES
Oil Conservation Division
1301 W. Grand Ave
Artesia, New Mexico 88210

Subject: Application for Drilling Wells by Bass Enterprises, James Ranch Unit #91; Unit F of Section 36, Township 22 South, Range 30 East in Eddy County and by Forest Oil Corporation, Barclay State #5; Unit G of Section 2, Township 23 South, Range 31 East in Eddy County

Dear Mr. Arrant:

This responds to your recent letters dated August 3, 2004, regarding two wells to be drilled on state lands within one mile of WIPP. These wells are Bass Enterprises, James Ranch Unit #91; Unit F of Section 36, Township 22 South, Range 30 East in Eddy County and Forest Oil Corporation, Barclay State #5; Unit G of Section 2, Township 23 South, Range 31 East in Eddy County.

WIPP land management staff has reviewed the "Application for Permit to Drill" for these wells and the location of each well has been field verified.

The wells do not encroach on the WIPP Land Withdrawal area. If you have any further questions, please call me at 234-7349.

Sincerely,

Harold Johnson
Harold Johnson
NEPA Compliance Officer

cc:
D. Lynn, WTS