N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED
APR 06 2005
OCD-ARTESIA

5. Lease Serial No.
NMNM02860

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM71016X

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
POKER LAKE UNIT #216

2. Name of Operator
Bass Enterprises Production Co.

9. API Well No.
30-015-33861

3a. Address
P. O. Box 2760 Midland TX 79702

3b. Phone No. *(include area code)*
(432)683-2277

10. Field and Pool, or Exploratory Area
NASH DRAW DELAWARE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
SEC 19, T24S, R30E, SWNE, UL G, 1980 FNL, 1780 FEL
32.12177 N LAT, 103.55047 W LON

11. County or Parish, State
EDDY
NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/ Resume)	☐ Water Shut-Off
☐ Subsequent Report	☒ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Bass Enterprises Production Co. proposes to alter the casing program previously approved on 11/22/94.
As Bass has stepped out in a southerly direction from the existing Nash Draw (Delaware) Field, we have encountered a couple of problems. The first problem has been lost circulation below the surface casing. As a general field rule, we have tried to set our surface casing deep into or below the base of the Rustler staying 50-100' above the salt top. When successfully set in this manner, all fresh water zones are protected and all lost circulation zones have been cased off to drill the salt and anhydrite section. However, moving southward we are encountering a lack of good well control and the presence of unpredictable sink holes which have made picking salt tops difficult. Therefore, we propose to rig up a mudlogger from spud and drill a 14-3/4" hole to the salt top. Once salt is penetrated by 15-20', we will pick up above the salt and set our 11-3/4" surface casing. If circulation is lost prior to reaching the salt top, drill times should give a good indication of the salt top. Our best geological pick for the salt top is ± 500'. By giving Bass the flexibility of setting the surface casing above the salt top as described above, it will take the guess work out of picking salt tops and eliminate the need for shallow open hole squeeze work below the surface casing.

CONTINUED ON PAGE 2:

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Cindi Goodman

Title
Production Clerk

Signature
Cindi Goodman

Date
04/01/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
(ORIG. SGD.) ALEXIS C. SWOBODA

Title
PETROLEUM ENGINEER

Date
APR 05 2005

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office
RFO

Title 18 U.S.C. Section 1001, makes 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.

(Instructions on reverse)

The second problem encountered is the presence of "free flowing sand" at or near the base of salt. This "troublesome sand" was found at ± 1500', ± 1800', ± 1950', and ± 2300' in our PLU #217 well. Only mudding up with a high viscous mud removes this sand from the wellbore and when that is accomplished the resultant mud weight is too high for the low frac gradient in the Delaware Lower Brushy Canyon zones. Therefore, we are proposing to drill below the surface casing with an 11" hole. If "free flowing sand" is encountered, we will mud up, set an 8-5/8" intermediate string above the Delaware in the Lamar Lime, and drill to the PTD with fresh water. If no sand is encountered, we plan to reduce the hole size at the top of the Delaware to 7-7/8" and continue with the brine system to 5600' then switch to our brine water - diesel emulsion mud system already being used in the field to reach the PTD. After electric logging, a 5-1/2" production string will be run and cemented in either case. Practical and prudent drilling operations can be achieved through the flexibility being granted with this request.

Also, we would like to modify the reserve pit configuration to accommodate all the drilling scenarios discussed above. See attached diagram.

BASS ENTERPRISES PRODUCTION COMPANY

Poker Lake Unit #216
Grey Wolf Rig 15