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

Form 3160-3
(August 1999)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMNM02860

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
NMNM71016 17946

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
POKER LAKE UNIT 236

2. Name of Operator
Bass Enterprises Production Co. 1801

9. API Well No.
30-015-34419

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

3b. Phone No. *(include area code)*
(432)683-2277 47545

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

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface SENE, UL H, 1555 FNL, 125 FEL, LAT. 32.12219 LON. 103.54453
At proposed prod. zone SAME Unorthodox Location

11. Sec., T., R., M., or Blk, and Survey or Area
SEC 19, T24S, R30E, MER NMP

14. Distance in miles and direction from nearest town or post office*
14 MILES EAST OF MALAGA NM

SUBJECT TO LIKE APPROVAL BY STATE

12. County or Parish
EDDY

13. State
NM

15. Distance from porposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
125'

16. No. of Acres in lease
2520

17. Spacing Unit dedicated to this well
40.00

RECEIVED
OCT 21 2005
OCD-ARTESIA

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
1320'

19. Proposed Depth
7600 MD 7600'TVD

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3211' GL

22. Approximate date work will start*
09/15/2005

23. Estimated duration
12 DAYS

24. Attachments

CARLSBAD CONTROLLED WATER BASIN

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operation certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature Cindi Goodman | Name *(Printed/Typed)* Cindi Goodman | Date 07/20/2005

Title
Production Clerk

Approved by *(Signature)* /s/ Joe G. Lara | Name *(Printed/Typed)* /s/ Joe G. Lara | Date OCT 19 2005

Title ACTING FIELD MANAGER | Office CARLSBAD FIELD OFFICE

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
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 and false, fictitious or fradulent statements or representations as to any matter within its jurisdiction.

**(Instructions on reverse)*

NSL - 5266

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Witness Surface Casing

Surface casing to be set into the Rustler below all fresh water sands.
Production casing will be cemented using Zone Seal cement.
Drilling Procedure, BOP Diagram, Anticipated tops and 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 the location.

This is an unorthodox location.

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

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87504-2088

Form C-102
Revised March 17, 1999

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	47545	NASH DRAW - DELAWARE

Property Code	Property Name	Well Number
001796	POKER LAKE UNIT	236

OGRID No.	Operator Name	3211'
001801	BASS ENTERPRISES PRODUCTION COMPANY	3211'

Surface Location

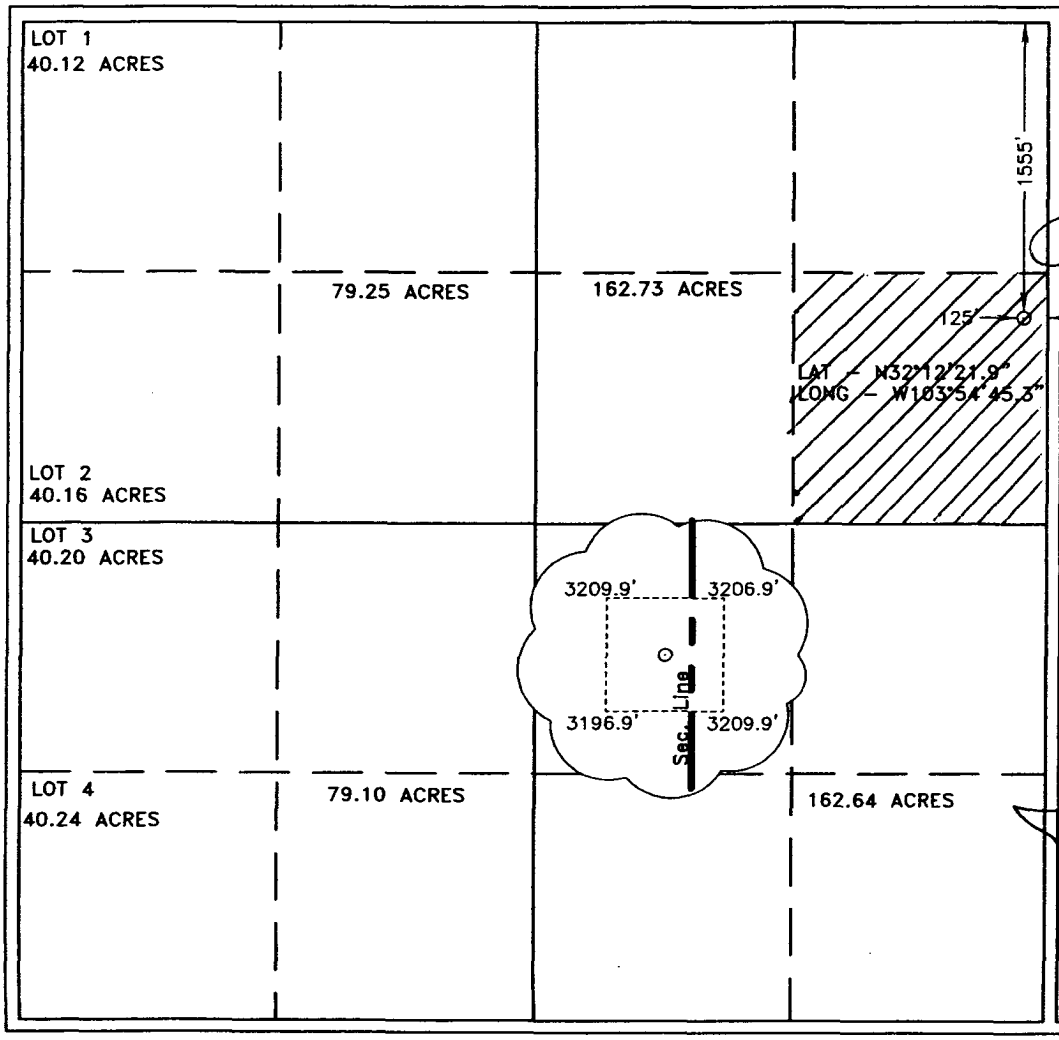
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	24 S	30 E		1555	NORTH	125	EAST	EDDY

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



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature

W.R. DANNELS
Printed Name

DIVISION DRILLING SUPT.
Title

Date

SURVEYOR CERTIFICATION

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 supervison, and that the same is true and correct to the best of my belief.

JULY 7, 2005
Date Surveyed

Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

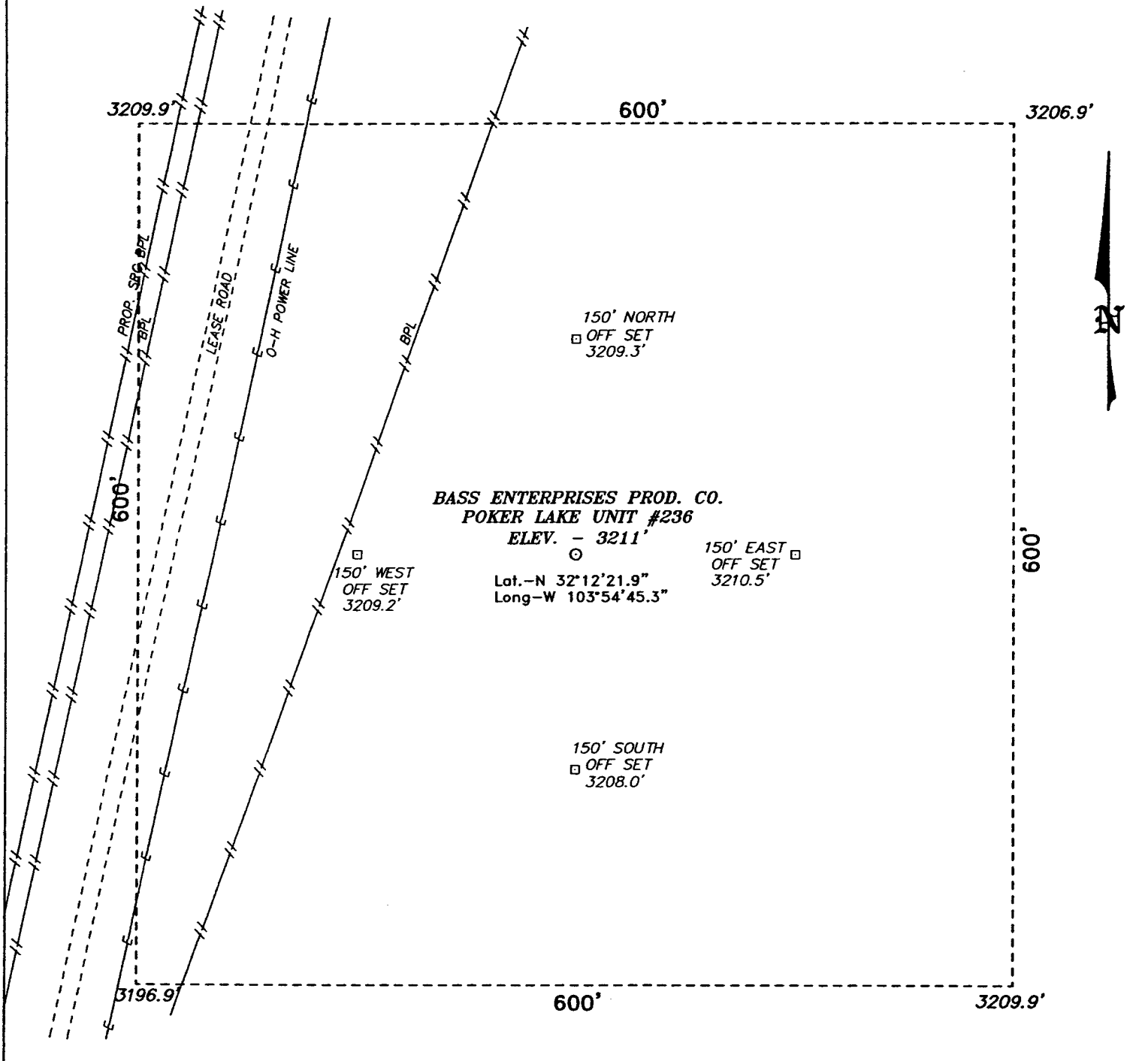
W.O. No. 5568

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

SECTION 19, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,

EDDY COUNTY, **NEW MEXICO.**



100 0 100 200 FEET

SCALE: 1" = 100'

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 28 AND RAWHIDE ROAD, GO SOUTH FOR 3.8 MILES; THENCE EAST FOR 0.2 MILE; THENCE SOUTH FOR 0.9 MILE; THENCE EAST FOR 0.2 MILE; THENCE SOUTH FOR 5.3 MILES TO PAD.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 5568	Drawn By: K. GOAD

BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 236 / Well Pad Topo

THE POKER LAKE UNIT No. 236 LOCATED 1555' FROM THE NORTH LINE AND 125' FROM THE EAST LINE OF SECTION 19, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

EIGHT POINT DRILLING PROGRAM
BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: Poker Lake Unit #236

LEGAL DESCRIPTION - SURFACE: 1555' FNL & 125' FEL, Section 19, 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 3231' (est) GL 3211'

FORMATION	ESTIMATED TOP FROM KB	ESTIMATED SUBSEA TOP	BEARING
B/Rustler	731'	+2500'	Barren
T/Salt	761'	+2470'	Barren
T/Lamar	3496'	-265'	Oil/Gas
TD	7600'	-4369'	

POINT 3: CASING PROGRAM

TYPE	INTERVALS	PURPOSE	CONDITION
16"	0'- 40'	Conductor	Contractor Discretion
11-3/4", 42#,H-40, ST&C	0'- 750'	Surface	New
*8-5/8", 32#, J-55, LT&C	0'- 3510'	Intermediate	New
5-1/2", 15.5#, J-55, LT&C	0' -6300'	Production	New
5-1/2", 17#, J-55, LT&C	6300' -7600'	Production	New

WITNESS

*If there is no flowing sand or Loss Circulation this string will not be run.

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOPE equivalent to requirements of Onshore Oil & Gas Order No. 2 – 2000 psi system (Diagram 1) will be nippled up on the surface casing head. The BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. when installed on the surface casing head will be hydro-tested to 70% of internal yield pressure of casing or 1000 psig whichever is less with the rig pump. The BOPE when rigged up on the intermediate casing spool will be as described in Diagram 2 and will be tested to 3000 psig by independent tester. (As per Onshore Oil & Gas Order No 2 – 3000 psig system) In addition to the high pressure test, a low pressure (200 psig) test will be required. These tests will be performed: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.

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' - 750'	FW Spud Mud	8.5 - 9.2	38-70	NC	NC	NC	10.0
750' - 3510'	Brine Water	9.8 -10.2	28-30	NC	NC	NC	9.5 - 10.5**
3510' - 6000'	FW	8.8 - 9.2	30-34	NC	NC	NC	9.5 – 10.5**
6000' - 6300'	FW/Starch	8.8 - 9.2	30-34	8	2	<100 cc	9.5 - 10.5**
6300' - TD	FW/Starch	8.8 - 9.2	30-34	8	2	<25 cc	9.5 - 10.5**

***** If there is no intermediate casing set @ 3510', the drilling fluid will be 10 ppg BW to 5600' where it will be converted to BW/Diesel with properties as follows: 8.8 – 9 ppg, 32 – 40 funnel secs vis, YP2, PV 8, FL 25 cc or less, Ph 9.5 – 10.***

NOTE: 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 (+/- 3300').
GR-CNL-CAL from base of Salt to surface.

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT^3/SX		
SURFACE:								
Lead 0 – 350' (100% excess circ to surface)	275	500	Prem Plus + 2% $CaCl_2$ + ¼# Flocele	10.4	12.8	1.90		
Tail 500' – 710' (100% excess circ to surface)	175	210	Prem Plus + 2% $CaCl_2$	6.33	14.8	1.35		
INTERMEDIATE:								
Lead 1000' – 3010' (200% excess)	1000	2010	Interfill C	14.11	11.9	2.45		
Tail 3010' – 3510' (200% excess)	325	500	Prem Plus + 2% $CaCl_2$	6.37	14.8	1.35		
PRODUCTION:							Nitrogen	COMPRESSIVE Strength
Base Slurry w/nitrogen 3010' - 7600' (50% excess)	750	4600	Premium Plus + 2% Zone Sealant 2000	6.76	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 3285 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware Section from 3537-7600'. 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

GEG/cdg
July 20, 2005

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: Poker Lake Unit #236

LEGAL DESCRIPTION - SURFACE: 1555 FNL & 125' FEL, Section 19, T-24-S, R-30-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit A and Survey Plats

B) Existing Roads:

From Carlsbad, New Mexico, go 8 miles south on Highway 285 to Highway 31. Turn north and go 7 miles on Highway 31. Turn east on Highway 128 and go 4 miles to Rawhide Road (located between mile markers 4 and 5). Go south for 3.8 miles to lease road, then east for 0.20 mile, then south 0.9 miles, then east 0.2 mile, then south for 5.3 miles.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit B and Survey Plats.

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

No new road is required.

B) Width

N/A

C) Maximum Grade

Grade to match existing topography or as per BLM requirements.

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 indicates existing wells within the surrounding area.

B) Locations of Pits and Access Road

See Exhibits "B", "C" & "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 12: OPERATOR'S FIELD REPRESENTATIVE

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

DRILLING
William R. Dannels
Box 2760
Midland, Texas 79702
(432) 683-2277

PRODUCTION
Mike Waygood
3104 East Green Street
Carlsbad, New Mexico 88220
(505) 887-7329

Kent A. Adams
Box 2760
Midland, Texas 79702
(432) 683-2277

POINT 13: CERTIFICATION

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.

7/20/05
Date

f/ WRD
William R. Dannels

GEG/cdg

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

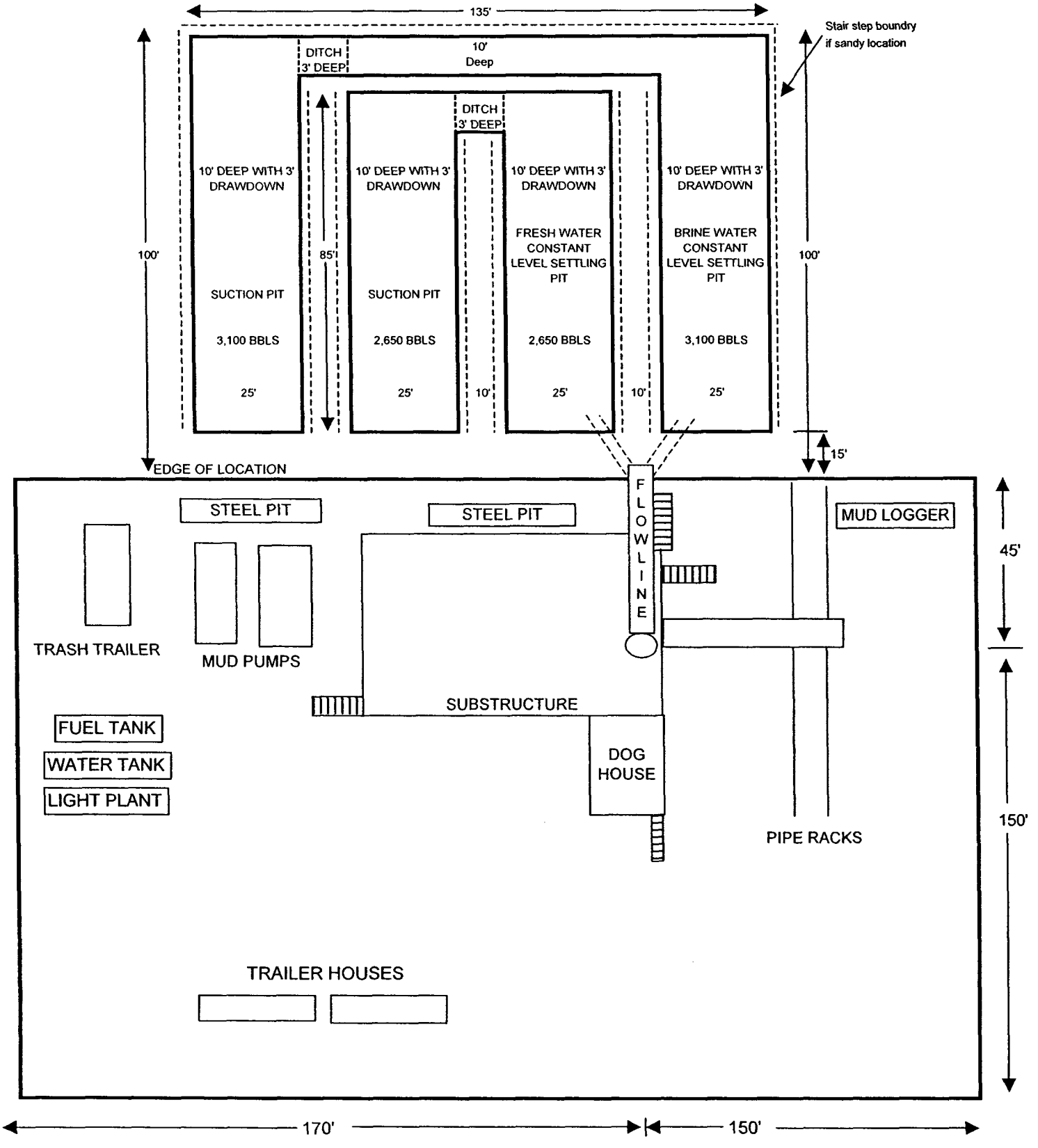
This well is located outside the Secretary's Potash area and outside the R-111 Potash area. There are no potash leases within 1 mile of the location.

BASS ENTERPRISES PRODUCTION COMPANY

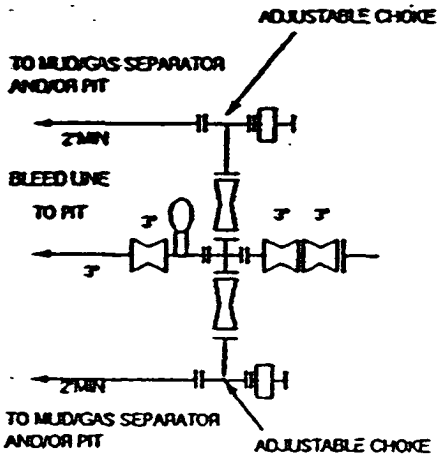
Poker Lake Unit # 236

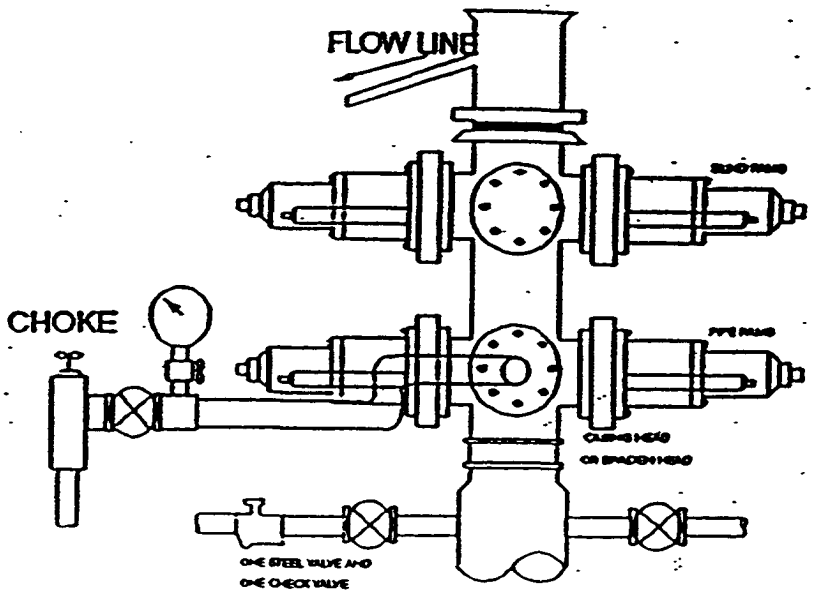
Grey Wolf Rig 15

EXHIBIT "D"



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.

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.

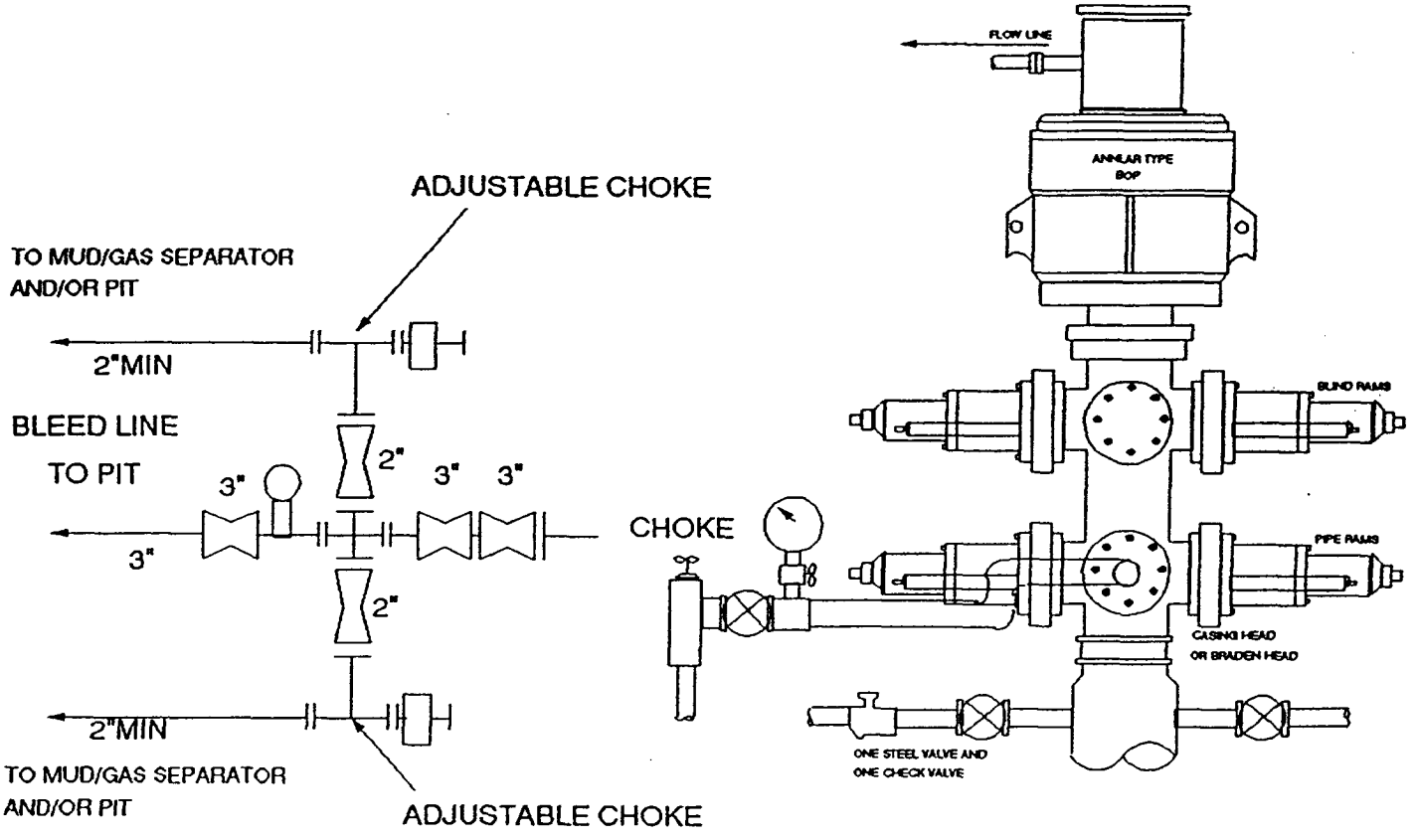
F. Manual controls to be installed before drilling cement plug.

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.

DIAGRAM 1

3000 PSI WP



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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.

DIAGRAM 2

CONDITIONS OF APPROVAL - DRILLING

Operator's Name:	**Bass Enterprises Production Company**
Well Name & No.	**Poker Lake Unit #236**
Location:	**1555' FNL, 125' FEL, Section 19, T. 24 S., R. 30 E., Eddy County, New Mexico**
Lease:	**NM-02860**

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County in sufficient time for a representative to witness:

   A. Well spud

   B. Cementing casing: **11-3/4** inch **8-5/8** inch (if needed) **5-1/2** inch

   C. BOP tests

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

3. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

II. CASING:

1. The **11-3/4** inch surface casing shall be set at **approximately 750 feet and cement circulated to the surface**. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The **8-5/8** inch intermediate casing (if needed) shall be set at **approximately 3510 feet and cement circulated to the surface**. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is **to be sufficient to reach at least 500 feet above the top of the uppermost productive hydrocarbon bearing interval.**.

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the **8-5/8** inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be **2000** psi. Surface casing may be tested with the rig pumps.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.

acs – 7/27/2005

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 30, 2005

RECEIVED
SEP - 6 2005
OCD-ARTESIA

Bass Enterprises Production Company
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Administrative Order NSL-5266

Dear Mr. Bruce:

Reference is made to the following: (**i**) your application (***administrative application reference No. pSEM0-522745522***) dated August 15, 2005 on behalf of the operator Bass Enterprises Production Company ("Bass"); and (**ii**) the records of the New Mexico Oil Conservation Division ("Division") in Artesia and Santa Fe, including the file in Division Case No. 366: all concerning Bass's request to drill its Poker Lake Unit Well No. 236 at an unorthodox Delaware oil well location 1555 feet from the North line and 125 feet from the East line (Unit H) of Section 19, Township 24 South, Range 30 East, NMPM, Poker Lake Unit Area (see Division Order No. R-153, issued in Case No. 366 on May 1, 1952), Eddy County, New Mexico. The SE/4 NE/4 of Section 19 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit in the Undesignated Nash Draw-Delaware Pool (**47545**).

Your application has been duly filed under the provisions of Division Rules 104.F and 1207.A (2).

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Delaware oil well location is hereby approved.

Sincerely,

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Carlsbad