Resubmitted

OCD-ARTESIA

RECEIVED

APR 17 2006

OCD-ARTESIA

E-06-62

Form 3160-3
(April 2002)

FORM APPROVED
OMB No. 1004-0136
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. NMNM030454

6. If Indian, Allottee or Tribe Name

1a. Type of Work: [X] DRILL [ ] REENTER 1794

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

1b. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other [X] Single Zone [ ] Multiple Zone

8. Lease Name and Well No. Poker Lake Unit Q 197

2. Name of Operator
Bass Enterprises Produciton Co. 1801

9. API Well No. 30-015 34783

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

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

10. Field and Pool, or Exploratory Poker Lake; Morrow 82960

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface NESW 1650' FSL & 1980' FWL, Lat 32.10173, Lon 103.47054
At proposed prod. zone Same

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 33, T24S, R31E Mer NMP

14. Distance in miles and direction from nearest town or post office*
21 miles East of Malaga, NM

12. County or Parish Eddy County

13. State NM

15. Distance from porposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of Acres in lease 1041.87	17. Spacing Unit dedicated to this well 320.00
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1000'	19. Proposed Depth 15,550' MD	20. BLM/BIA Bond No. on file NM2204
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3441' GL	22. Approximate date work will start* 05/19/2006	23. Estimated duration 70 days

24. Attachments

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	Name *(Printed/Typed)*	Date
Annette Childers	Annette Childers	02/24/2006

Title: Administrative Assistant

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
/s/ James Stovall	/s/ James Stovall	APR 13 2006
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 page 2)*

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

Carlsbad Controlled Water Basin

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

Witness Surface Casing

Additional Operator Remarks:

Surface casing to be set into the Rustler below all fresh water sands.

Intermediate casing will be set through the salt/anhydrite section.

7" Production Cement will tie back 450' into the 9-5/8" intermediate casing.

An archeological survey will be obtained to expand drilling pad to 750' x 750'.

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
	82960	Undes. Poker Lake; Morrow

Property Code	Property Name	Well Number
001796	POKER LAKE UNIT	197

OGRID No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3441'

Surface Location

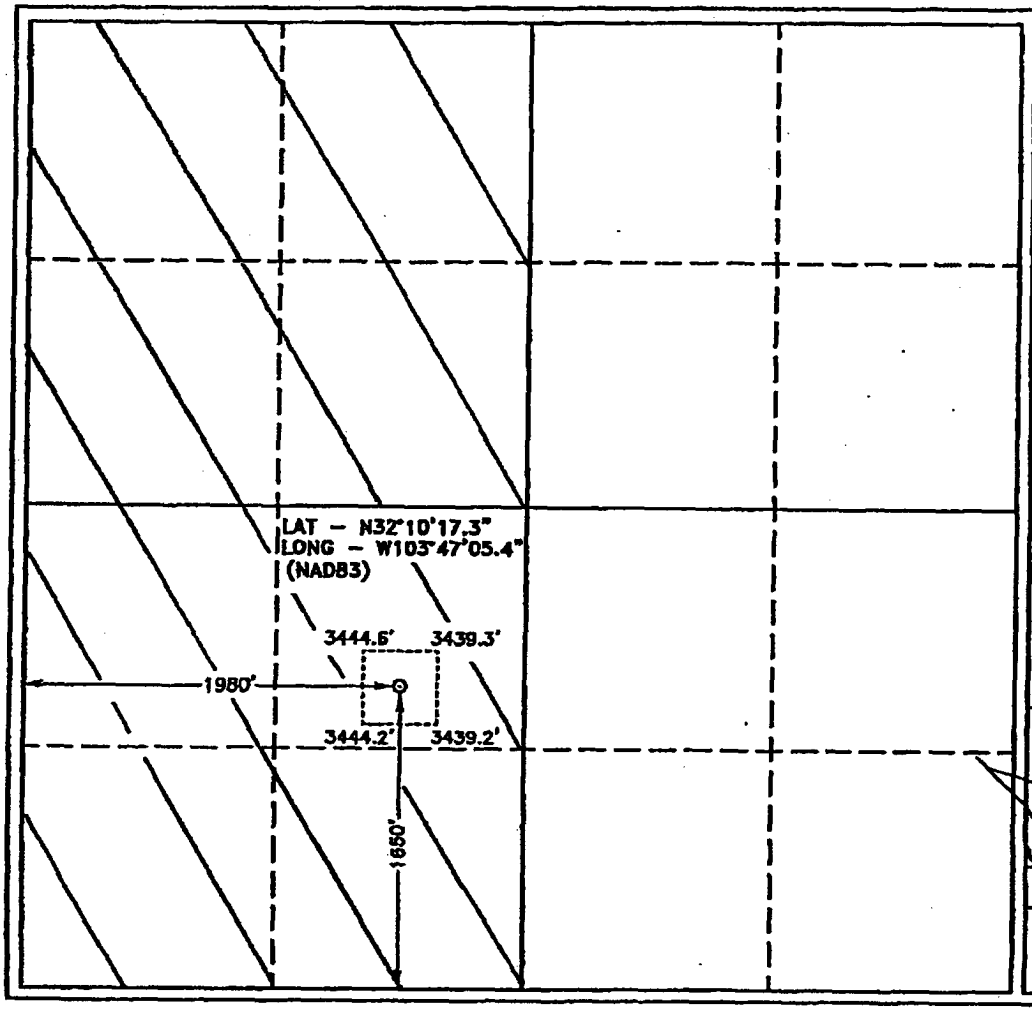
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	33	24 S	31 E		1650	SOUTH	1980	WEST	EDDY

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.
320	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.

William R. Dannels
Signature

Williams R. Dannels
Printed Name

Division Drilling Supt.
Title

1-28-04
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 supervision, and that the same is true and correct to the best of my belief.

August 27, 2001
Date Surveyed

Signature & Seal of Professional Surveyor

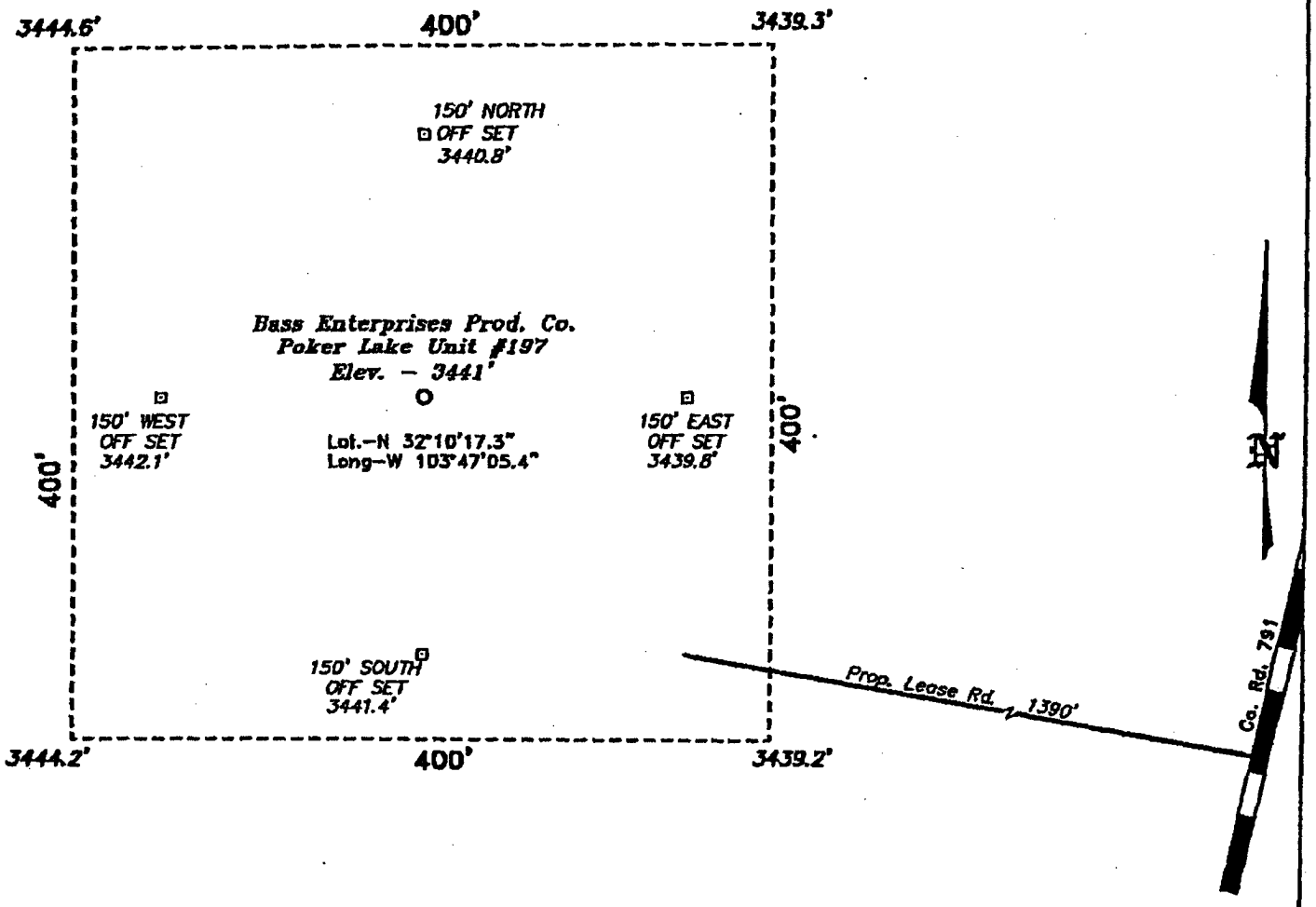
GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

W.O. No. 1011

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

SECTION 33, TOWNSHIP 24 SOUTH, RANGE 31 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 128 & CO. RD. 788, GO SOUTHWEST ON CO. RD. 788 APPROX. 4.5 MILES TO CO. RD. 791; THENCE SOUTH ON CO. RD. 791 APPROX. 1.5 MILE TO A PROPOSED LEASE ROAD.

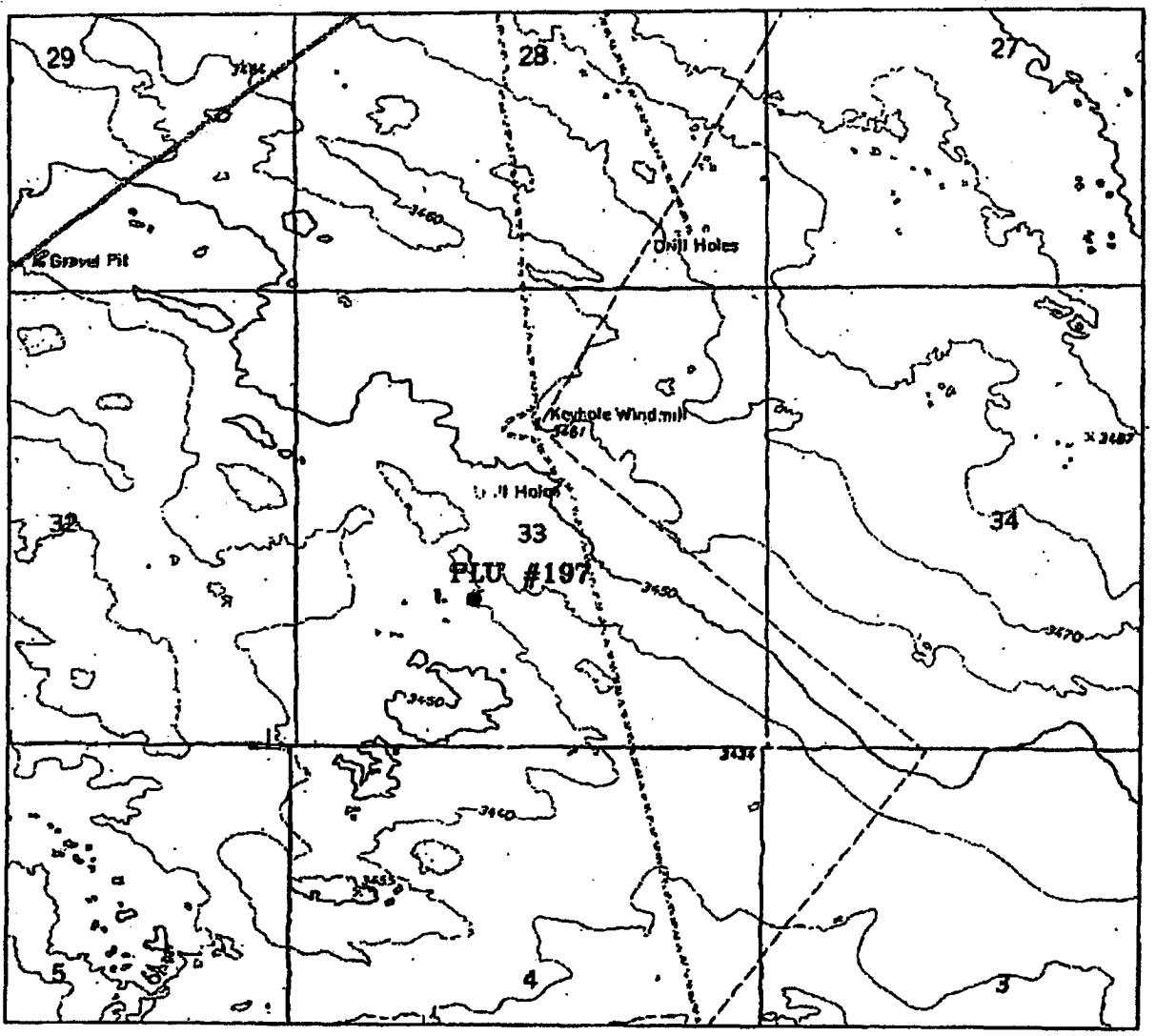
BASS ENTERPRISES PRODUCTION CO.

REF: Poker Lake Unit No. 197 / Well Pad Topo

THE POKER LAKE UNIT No. 197 LOCATED 1650' FROM THE SOUTH LINE AND 1980' FROM THE WEST LINE OF SECTION 33, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 1811	Drawn By: K. GOAD		
Date: 08-28-2001	Disk: KJG CD#3 - 1811A.DWG	Survey Date: 08-27-2001	Sheet 1 of 1 Sheets



POKER LAKE UNIT #197
Located at 1650' FSL and 1980' FWL
Section 33, Township 24 South, Range 31 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:	1811AA – KJG CD#3
Survey Date:	08-27-2001
Scale:	1" = 2000'
Date:	08-28-2001

BASS ENTERPRISES PRODUCTION CO.

EIGHT POINT DRILLING PROGRAM
BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: POKER LAKE UNIT #197

LEGAL DESCRIPTION - SURFACE: 1650' FSL & 1980' FWL, Section 33, T24S, R31E, 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 3467' (est)
GL 3441'

FORMATION	ESTIMATED TOP FROM KB	ESTIMATED SUB SEA TOP	BEARING
T/Rustler	617'	+2,850'	Barren
T/Salt	937'	+2,530'	Barren
B/Salt	4,122'	- 655'	Barren
T/Lamar Lime	4,342'	- 875'	Barren
T/Delaware Sands	4,382'	- 915'	Oil/Gas
T/Bone Spring	8,197'	- 4,730'	Oil/Gas
T/Wolfcamp	11,547'	- 8,080'	Oil/Gas
T/Wolfcamp Detrital	12,867'	- 9,400'	Oil/Gas
T/ Atoka	13,837'	-10,370'	Oil/Gas
T/Morrow	14,592'	-11,125'	Oil/Gas
T/Middle Morrow	15,092'	-11,625'	Oil/Gas
T/Lower Morrow	15,532'	-12,065'	Oil/Gas
TD	15,550'	-12,083'	

POINT 3: CASING PROGRAM

TYPE	INTERVALS	PURPOSE	CONDITION
20"	0' - 40'	Conductor	New
13-3/8", 54.5#, J-55, STC	0' - 875'	Surface	New WITNESS
9-5/8", 40#, N-80, LTC	0' - 2,000'	Intermediate	New
9-5/8", 40#, K-55, LTC	2,000' - 4,350'	Intermediate	New
7", 26#, P-110, LTC	0' - 11,000'	Intermediate	New
7", 26#, S-95, LTC	11,000' - 12,700'	Intermediate	New
4-1/2", 15#, P-110, STL	12,700' - TD	Production Liner	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAMS)

A BOP equivalent to Diagram 1 will be nippled up on the surface, first, and second intermediate casings. Bass requests a waiver on Onshore Order #2 which states the BOPs and associated equipment must be tested to the rated working pressure or 70% of the internal yield pressure. Our plans are to test the BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. hydrostatically to 1,000 psi on the surface installation, then 3,000 psi on the first intermediate and 10,000 psi on the second intermediate casing. The annular will be tested to 2500 psi. In addition to the high pressure test, a low pressure (250 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. See attached Diagram 1 for the minimum criteria for the choke manifold.

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' - 875'	FW	8.5 – 9.2	45-35	NC	NC	NC	9.5
875' - 4,350'	CBW	9.2 – 10.0	28-30	NC	NC	NC	9.5
4,350' - 11,500'	FW	8.6 – 8.9	28-30	4	2	NC	9.5
11,500' - 12,700'	CBW	8.6 – 9.0	28-30	6	4	NC	9.5
12,700' - TD	CBW/Polymer	9.0 – 13.5	32-55	12-20	12-22	10-15	9.5 – 10.0

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING

Dill stem test may be performed on significant shows in zones of interest, but none are anticipated.

B) LOGGING

Run #1:
GR-CNL-LDT-LLD run from TD to 1st ICP, GR-CLN to surface. May run logging suite across Delaware prior to drilling below 7400' if mud log shows warrant.

Run #2:
GR-CNL-LDT-LLD run from TD to second ICP, FMI across Wolfcamp as needed.

C) CORING

No cores are anticipated.

POINT 6: TECHNICAL STAGES OF OPERATION – Cont'd...

D) CEMENT:

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT^3/SX
SURFACE						
Lead						
0'-575' (100% excess)	560	575	Permian Basin Critical Zone + 1/8#/sx Pol-e-flake	10.30	12.80	1.89
Tail						
575'-875' (100% excess)	340	300	Premium Plus + 2% $CaCl_2$ + 1/8#/sx Pol-e-flake	6.32	14.80	1.34

INTERMEDIATE

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT^3/SX
Lead						
0'-3800' (100% excess)	910	3800	Interfill C + 1/8#/sx Pol-e-flake	14.10	11.90	2.45
Tail						
3800'-4350' (100% excess)	290	550	Premium Plus + 2% $CaCl_2$	6.34	14.80	1.34

PRODUCTION (Two stage w/DV tool @ 9000' and circulate cement to 3950') .

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT^3/SX
1st Stage						
Lead						
9000'-12,000' (50% excess)	280	3000	Interfill H + 5 pps Gilsonite + 0.5% Halad 9 + 1/8 pps Pol-e-flake	13.61	11.90	2.46
Tail						
12,000'-12,700' (50% excess)	100	700	Super H + 0.5% Halad 344 + 0.4% CFR3 + 5 pps Gilsonite + 1 pps Salt + 0.2% HRT	8.20	13.00	1.67
2nd Stage						
Lead						
3800'-8,300' (50% excess)	420	4500	Interfill H + 1/8 pps Pol-e-flake + 0.5% Halad 9	14.00	11.90	2.45
Tail						
8,300'-9,000' (50% excess)	100	700	Super H + 0.5% Halad 344 + 0.4% CFR3 + 5 pps Gilsonite + 1 pps Salt + 0.2% HRT	8.20	13.00	1.67
PRODUCTION LINER						
12,400'-15,550' (25% excess 300' overlap)	370	3150	Class H + 0.8% Halad 322 + 0.6% Halad 344 + 0.2% HR-7 + 5 pps Microbond M	5.68	15.40	1.28

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout the Delaware and Bone Spring. The Lower Wolfcamp may be abnormally pressured with a BHP of 8200 psi or an equivalent mud weight of 12.2 ppg. The Atoka may be abnormally pressured with expected BHP of 9680 psi (max) or an equivalent mud weight of 13.5 ppg. The Morrow expected BHP is 8300 (max) or an equivalent mud weight of 10.5 ppg @ the base of the zone. Due to the tight nature of the reservoir rock (high pressure, low volume), the well will be drilled under balanced utilizing a rotating head. No H2S 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

70 days drilling operations

25 days completion operations

BGH/mac
February 3, 2004

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: POKER LAKE UNIT #197

LEGAL DESCRIPTION - SURFACE: 1650' FSL & 1980' FWL, Section 33, T24S, R31E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit "A".

B) Existing Roads:

From State Hwy 128 & CR 788, go southwest 4.5 miles on Buck Jackson county road, then turn south on county road 791 (Buckthorn road) and go 1.5 miles to proposed caliche road and turn west for approximately 0.3 miles into location.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "A".

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See Exhibit "A and survey plats. The new road will be approximately 1,390' long.

B) Width

12' wide.

C) Maximum Grade

Not applicable.

D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

None.

POINT 3: LOCATION OF EXISTING WELLS

Exhibit "B" indicates existing wells within the surrounding area.

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES

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

PLU #50 located in Section 4, T25S, R31E.

B) New Facilities in the Event of Production:

Will build new facilities on this location.

C) Rehabilitation of Disturbed Areas Unnecessary for Production:

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

Brine water will be hauled from commercial facilities. Fresh water to be hauled from Carlsbad, New Mexico; Mills Ranch; or Diamond and Half Water Station.

B) Water Transportation System

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

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

A) Materials

Surface caliche will be used if possible. If not found on location, caliche service will be nearest BLM – approved open pit.

B) Land Ownership

Federally owned land for both surface location and bottom hole location.

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", Exhibit "B", and survey plats.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

A) Cuttings

Cuttings will be contained in the plastic lines reserve pit.

B) Drilling Fluids

Drilling fluids will be contained in the plastic lined reserve pit.

C) Produced Fluids

Water production will be contained in the plastic lines 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 if the drilling pad will be graded to accommodate a completion rig if electric log analysis indicates potential productive zones. In any case, the "mouse" hole and the "rat" hole will be covered. The reserve pit will be bird netted and fenced only in the event of livestock present. 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

A) None.

POINT 9: WELL SITE LAYOUT

A) Rig Orientation and Layout

Exhibit "C" 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.

B) Locations of Pits and Access Road

See Exhibit "A" and "B".

C) Lining of the pits

The reserve pits will be lined with plastic.

POINT 10: PLANS FOR RESTORATION OF THE SURFACE

A) Reserve Pit Cleanup

The pits will be fenced immediately after spudding only in the event of livestock present and maintained until backfilled. Prior to back filling, 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

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

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) Rehabilitations Time table

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

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.

POINT 11: OTHER INFORMATION – Con't...

E) Surface Water

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

F) Water Wells

There is one windmill located west northwest of this location.

G) Residences and Buildings

No buildings within several miles of well site.

H) Historical Sites

None observed.

I) Archeological Resources

An archeological survey for a 400' X 400' pad was submitted by Laura Michalik on Oct 31, 2001. An archeological survey to expand the drill site to 750' X 750' will be obtained for this area. Before any construction begins, 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 access road are both on federally owned land. No ROW will be required.

K) Well signs will be posted at the drilling site.

L) Open Pits

All pits containing liquid or mud will be fenced only in the event of livestock present and bird netted.

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

POINT 13: CERTIFICATION

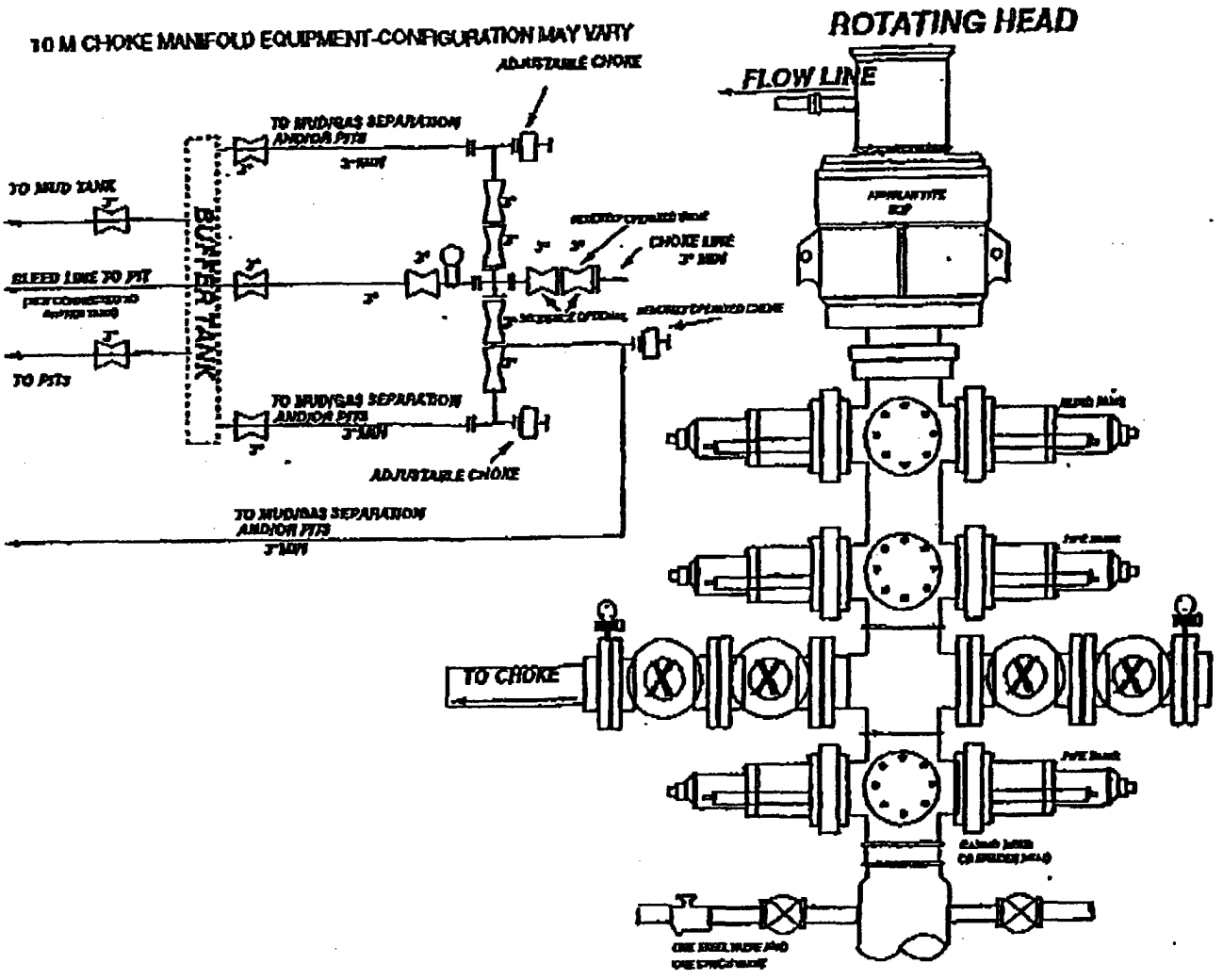
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and that the work associated 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.

1-28-04
Date

William R. Dannels
William R. Dannels

BGH:mac

10-M. WP BOPE WITH 5-M WP. ANNULAR



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS:

A. Opening between the ram to be flanged, studded, or clamped.
B. All connections from operating manifolds to preventers to be all steel hose or tube a minimum of one inch diameter.
C. 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 preventors.
D. ALL connections to and from preventer to have a pressure rating equivalent to that of the BOPs.
E. Manual controls to be installed before drilling cement plug.
F. Kelly cock to be installed on kelly.
G. Inside blowout preventer to be available on rig floor.
H. Dual operating controls: one located by drillers position and the other located a safe distance from the rig floor.
I. All chokes will be adjustable.

DIAGRAM 1

CONDITIONS OF APPROVAL - DRILLING

Operator's Name:	**Bass Enterprises Production Company**
Well Name & No.	**Poker Lake Unit #197 - RESUBMITTAL**
Location:	**1650' FSL, 1980' FWL, Section 33, T. 24 S., R. 31E., Eddy County, New Mexico**
Lease:	**NM-030454**

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: **13-3/8** inch **9-5/8** inch **7** inch **4-1/2** inch liner

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

4. 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.

II. CASING:

1. The **13-3/8** inch surface casing shall be set at **approximately 875 feet, above the top of the salt, 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 minimum required fill of cement behind the **9-5/8** inch first intermediate casing is **to be sufficient to circulate to the surface.**

3. The minimum required fill of cement behind the **7** inch second intermediate casing is **to be sufficient to tie back at least 500 feet into the 9-5/8 inch casing.**

4. The minimum required fill of cement behind the **4-1/2 inch** production liner is **to be circulated to the top of the liner**.

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 **13-3/8** 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) required **for drilling the surface and the intermediate hole** shall be shall be **2000** psi.

3. The requested variance to test the BOPE to **1000** psi on the surface casing with rig pumps is approved.

4. Minimum working pressure of the blowout preventer and related equipment (BOPE) required **for drilling below the first intermediate casing** shall be shall be **5000** psi.

5. Minimum working pressure of the blowout preventer and related equipment (BOPE) required **for drilling below the**

second intermediate casing shall be shall be **10000** psi.

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

7. Any wells that penetrate the **Wolfcamp**, the BOPE shall be tested:
   - The tests shall be done by an independent service company.
   - 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.

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

- Recording pit level indicator to indicate volume gains and losses.
- Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
- Flow-sensor on the flow-line to warn of abnormal mud returns from the well.

acs
11/29/01
2/11/04 – RS
3/9/06 – RS2