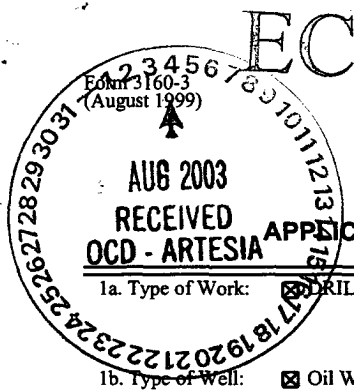


OCD-ARTESIA


 UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

CONFIDENTIAL1a. Type of Work: ☒ DRILL ☐ REENTER1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone
 2. Name of Operator **BASS ENTERPRISES PRODUCTION CO**
 Contact: **TAMI WILBER**
 E-Mail: **twilber@basspet.com**

 3a. Address
 P O BOX 2760
 MIDLAND, TX 79702

 3b. Phone No. (include area code)
 Ph: 915.683.2277
 Fx: 915.687.0329

 4. Location of Well (Report location clearly and in accordance with any State requirements. *)
 At surface **SESW 660FSL 1980FWL 32.13360 N Lat, 103.55235 W Lon**
 At proposed prod. zone **SESW 660FSL 1980FWL 32.13360 N Lat, 103.55235 W Lon**

 14. Distance in miles and direction from nearest town or post office*
14 MILES EAST OF MALAGA NM
POTASH
 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
1980

 16. No. of Acres in Lease
1843.32

 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
1138

 19. Proposed Depth
7700 MD

 21. Elevations (Show whether DF, KB, RT, GL, etc.)
3154 GL

 22. Approximate date work will start
07/21/2003

 5. Lease Serial No.
NMLC068545

6. If Indian, Allottee or Tribe Name

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

 8. Lease Name and Well No.
POKER LAKE UNIT 204

 9. API Well No.
30-015-32928

 10. Field and Pool, or Exploratory
NASH DRAW DELAWARE

 11. Sec., T., R., M., or Blk. and Survey or Area
Sec 7 T24S R30E Mer NMP

 12. County or Parish
EDDY

 13. State
NM

 17. Spacing Unit dedicated to this well
40.00

20. BLM/BIA Bond No. on file

 23. Estimated duration
12 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. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer. |
|--|--|

 25. Signature
 (Electronic Submission)

 Name (Printed/Typed)
TAMI WILBER Ph: 915.683.2277

 Date
06/16/2003

 Title
AUTHORIZED REPRESENTATIVE

 Approved by (Signature)
/s/ Richard A. Whitley

 Name (Printed/Typed)
/s/ Richard A. Whitley

 Date
28 JUL 2003

 Title
ACTING STATE DIRECTOR

 Office
NM STATE OFFICE

 Application approval does not warrant or certify 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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

 Electronic Submission #22512 verified by the BLM Well Information System
 For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad
 Committed to AFMSS for processing by Armando Lopez on 06/19/2003 (03AL0327AE)

 APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS
 AND SPECIAL STIPULATIONS
 ATTACHED
**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

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, Anticipated tops & Surface plans attached.

This well is located inside 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

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Ed., Aztec, 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, 1989

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 47545	Pool Name Nash Draw (Delaware)
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 204
OGUID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3154'

Surface Location

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
N	7	24 S	30 E		660	SOUTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

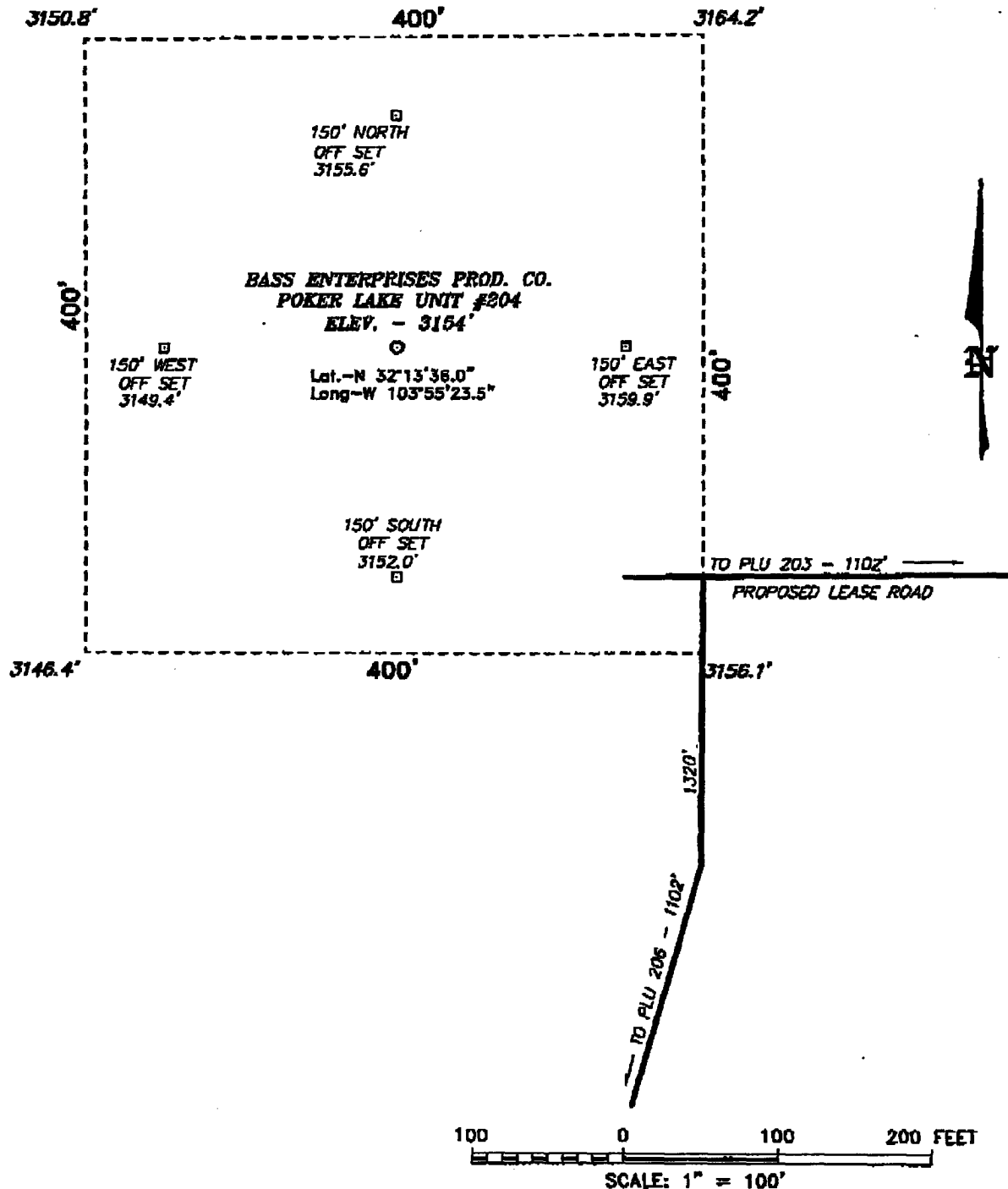
UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40	I		

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 6/16/03 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. MARCH 10, 2003 Date Surveyed Signature Gary L. Jones Printed Name PROFESSIONAL LAND SURVEYOR Certificate No. 7977 State of New Mexico	

**SECTION 7, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 204 / Well Pod Topo

THE POKER LAKE UNIT No. 204 LOCATED 650' FROM
THE SOUTH LINE AND 1980' FROM THE WEST LINE OF
SECTION 7, TOWNSHIP 24 SOUTH, RANGE 30 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 3079

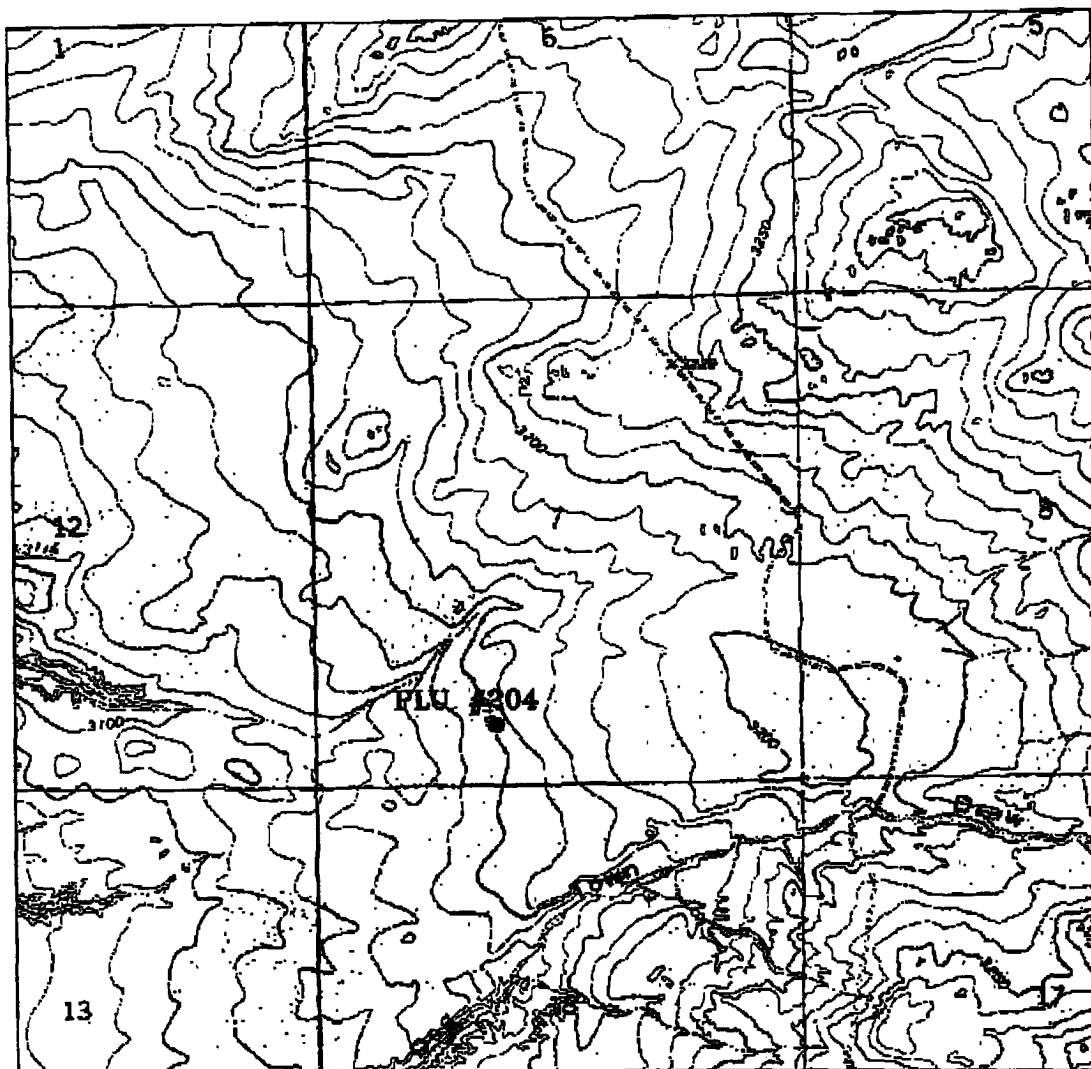
Drawn By: K. GOAD

Date: 03-11-2003

Disk: KJG CD#7 - 3079A.DWG

Survey Date: 03-10-2003

Sheet 1 of 1 Sheets

**POKER LAKE UNIT #204**

Located at 660' FSL and 1980' FWL
Section 7, Township 24 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: 3079AA - KJC #7

Survey Date: 03-10-2003

Scale: 1" = 2000'

Date: 03-11-2003

**BASS ENTERPRISES
PRODUCTION CO.**

EIGHT POINT DRILLING PROGRAM BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: Poker Lake Unit #204

LEGAL DESCRIPTION - SURFACE: 660' FSL & 1980' FWL, Section 7, 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 3172' (est) GL 3154'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	447'	+2725	Barren
T/Salt	797'	+2375'	Barren
T/Lwr Brushy Canyon	6920'	-3748'	Oil/Gas
T/Bone Spring	7202'	-4030'	Oil/Gas
TD	7700'	-4528'	

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
16"	0' - 40'	Conductor	Contractor Discretion
8-5/8", 28#, J-55, LT&C	0' - 750'	Surface	New
5-1/2", 15.5#, J-55, LT&C	0' - 6500'	Production	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 nipped 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:

- Upon installation
- After any component changes
- Fifteen days after a previous test
- 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

<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' - 750'	FW Spud Mud	8.5 - 9.2	70-38	NC	NC	NC	10.0
750' - 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

<u>INTERVAL</u>	<u>AMOUNT SXS</u>	<u>FT OF FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT³/SX</u>		
SURFACE:								
Lead 0 - 450' (100% excess circ to surface)	195	450	Permian Basin Critical Zone + 1/2# Floccle	10.4	12.8	1.90		
Tail 450-750' (100% excess circ to surface)	233	300	Prem Plus + 2% CaCl ₂ + 1/2# Floccle	6.33	14.8	1.35		
PRODUCTION:							COMPRESSIVE	
Base Slurry w/nitrogen 3050-7700' + (50% excess)	770	4650	Premium Plus + 2% Zone Sealant 2000	6.32	9.1-14.5	2.3-1.39	Nitrogen	Strength
							300/800 scf/bbl	1200

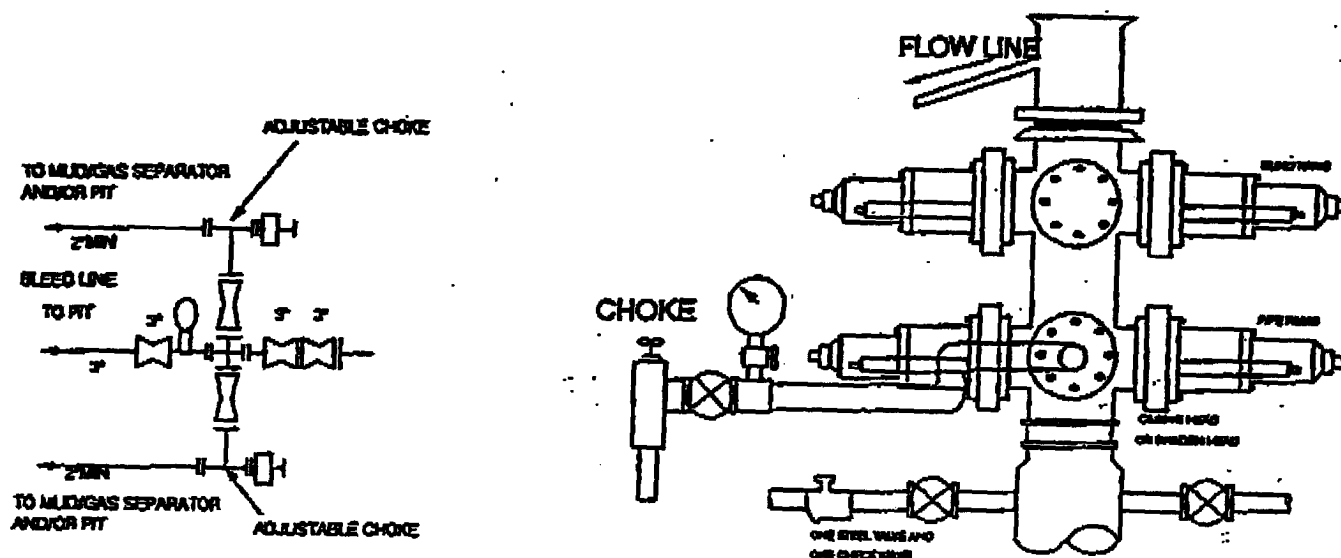
E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3200 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware Section from 3583-7350'. No H₂S is anticipated.

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.