OCD-ARTESIA UNITED STATES

| FORM APPROVED | |
|------------------------|--|
| OM B No 1004-0137 | |
| Expires March 31, 2007 | |

| | that the site is ready for L. P. wishes to exte | | or another 24 months from 8/2 | 1/07 to 8/21/ | 09. | |
|--|--|--|---|--------------------------------|--|--|
| following co testing has b | ompletion of the invol- seen completed Final | ved operations. If the operation Abandonment Notices shall be | results in a multiple completion or | recompletion i | ed subsequent reports shall be filed within 30 days in a new interval, a Form 3160-4 shall be filed once nation, have been completed, and the operator has | |
| If the propos | sal is to deepen directi | onally or recomplete horizontal | ly, give subsurface locations and me | easured and tru | ny proposed work and approximate duration thereof ne vertical depths of all pertinent markers and zones | |
| - | donment Notice | Change Plans Convert to Injection | | emporarily Ab ater Disposal | oandon | |
| Subsequent | | Casing Repair | | eclamation ecomplete | Other Extension | |
| ✓ Notice of In | ntent | Acidize Alter Casing | | oduction (Sta | ut/Resume) | |
| TYPE OF SU | | | TYPE OF A | | | |
| 1 | 2. CHECK APP | ROPRIATE BOX(ES) TO | INDICATE NATURE OF 1 | NOTICE. R | EPORT, OR OTHER DATA | |
| SWNW, UL K, 1905' FNL, 660' FWL, Sec 6, T24S, R30E, M Lat N32.248556, Lon W103.927611 | | | MER NMP | | 11 County or Parish, State Eddy Co., NM | |
| | | R., M., or Survey Description) | 1 | | 10 Field and Pool, or Exploratory Area Nash Draw (Delaware, BS, Avalon Sd) | |
| 3a Address P. O. Box 2760 Midland, TX 79702 | | | 3b Phone No (include area code) 432-683-2277 | | 30-015-35115 | |
| Name of Opera | tor BEPCO, L. P. | | | | Poker Lake Unit #263 9. API Well No. | |
| Type of Well | Dil Well □ □ | Gas Well□□ | | | NMNM 71016X 8. Well Name and No. | |
| SUL | BMIT IN TRIP | LICATE- Other insti | ructions on reverse sid | e. | 7. If Unit or CA/Agreement, Name and/or No | |
| D a | o not use this bandoned well. | Use Form 3160 - 3 (| o drill or to re-enter a APD) for such proposals | n | FORM APPROVED OMB No 1004-0137 Expires March 31, 2007 5 Lease Serial No. NMLC 068545 6. If Indian, Allottee or Tribe Name | |
| _ | \46.010% | OFICES AND REF | | | NMLC 068545 6. If Indian, Allottee or Tribe Name | |
| | 2D_Q | REAU OF LAND MAN | INTERIOR AGEMENT | | 5 Lease Serial No. | |

Title 18 USC Section 1001 and Title 43 USC 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

which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL - DRILLING

Operator's Name:

BASS ENTERPRISES PRODUCTION COMPANY

Well Name & No.

263 – POKER LAKE UNIT

Location:

1905' FNL & 660' FWL - SEC 6 - T24S - R30E - EDDY

Lease:

LC-068545

I. DRILLING OPERATIONS REQUIREMENTS:

- **A.** The Bureau of Land Management (BLM) is to be notified a minimum of 2 hours in advance for a representative to witness:
 - 1. Spudding well
 - 2. Setting and/or Cementing of all casing strings
 - 3. BOPE tests
 - Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822
- **B.** 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.

II. CASING:

- A. The <u>8-5/8</u> inch surface casing shall be set at <u>700</u> feet and cemented to the surface.
 - 1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - 2. Wait on cement (WOC) time for a primary cement job will be a minimum of 12 hours for a non-water basin, 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
 - 3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
 - 4. If cement falls back, remedial action will be done prior to drilling out that string.
- B. The minimum required fill of cement behind the <u>5-1/2</u> inch production casing is <u>tie back 200 feet into</u> the 8-5/8 inch casing.
- C. If hardband drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool I joints of the drill pipe will be installed prior to continuing drilling operations.

III. PRESSURE CONTROL:

- A. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control-requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Section 17.
- **B.** The appropriate BLM office shall be notified a minimum of 2 hours in advance for a representative to witness the tests.
 - 1. The tests shall be done by an independent service company.
 - 2. The results of the test shall be reported to the appropriate BLM office.
 - 3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - 4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

LBabyak 7/23/07

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