OCD-ARTESIA

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| | UCD | ARTEON | | | | | |
|--|---|---|---|--|--|--|--|
| Form 3160-3 (August 1999) UNITED ST | ATES | | FORM APPF OMB No. 100 Expires Novemb | 04-0136 | | | |
| | DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT | | | 5. Lease Serial No. | | | |
| APPLICATION FOR PERMIT TO DRILL OR REENTER | | | NMLC059365 | | | | |
| | | ENTER 2 9 7003 | 6. If Indian, Allottee or Tribe | | | | |
| 1a. Type of Work: 🛛 DRILL 🔲 REENTER | (| OCD-ARTESIA | 7. If Unit or CA Agreement, NMNM68294X | | | | |
| lb. Type of Well: 🔲 Oil Well 🛛 Gas Well 📋 Ot | her 🛛 🖾 Singl | e Zone 🔲 Multiple Zone | 8. Lease Name and Well No. BIG EDDY UNIT 151 | | | | |
| 2. Name of Operator Contact: BASS ENTERPRISES PRODUCTION CO | TAMI WILBER E-Mail: tlwilber@basspet. | com | 9_API Well No. 50 -015 - | <u>73157</u> | | | |
| 3a. Address P. O. BOX 2760 MIDLAND, TX 79702 | 3b. Phone No. (include area code) Ph: 432.683.2277 Fx: 432.687.0329 | | | 10. Field and Pool, or Exploratory CARLSBAD MORROW E CARLSBAD-MORROW | | | |
| 4. Location of Well (Report location clearly and in accorded | ance with any State requi | rements.*) | 11. Sec., T., R., M., or Blk. a | and Survey or Area | | | |
| At surface SESW 1650FNL 990FEL At proposed prod. zone SENE 1650FNL 990FEL | | | Sec 30 T21S R28E N SME: BLM | /ler NMP | | | |
| 14. Distance in miles and direction from nearest town or post 9 MILES EAST OF CARLSBAD NEW MEXICO | office* | | 12. County or Parish EDDY | 13. State NM | | | |
| 15. Distance from proposed location to nearest property or | 16. No. of Acres in Le | ease | 17. Spacing Unit dedicated t | acing Unit dedicated to this well | | | |
| lease line, ft. (Also to nearest drig. unit line, if any) 1043 FROM UNIT LINE | | | 320.00 | | | | |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. | 19. Proposed Depth 20. BLM | | 20. BLM/BIA Bond No. on | file | | | |
| 2500 | 12500 MD | | | | | | |
| 21. Elevations (Show whether DF, KB, RT, GL, etc. 3178 GL | 22. Approximate date 01/15/2004 | work will start | 23. Estimated duration 45 DAYS | | | | |
| | 24. Atta | achments CARLS | BAD CONTROLLED W | ATER BASIN | | | |
| The following, completed in accordance with the requirements of | of Onshore Oil and Gas O | rder No. 1, shall be attached to t | his form: | | | | |
| Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syst SUPO shall be filed with the appropriate Forest Service Of | | Item 20 above). 5. Operator certification | ns unless covered by an existing formation and/or plans as may b | | | | |
| 25. Signature (Electronic Submission) | Name (Printed/Typed) TAMI WILBER | | | Date 11/17/2003 | | | |
| Title AUTHORIZED REPRESENTATIVE | | | | ····· | | | |
| Approved by (Signature) /S/ Joe G. Lara | Name (Printed/Typed) | /s/ Joe G. 1 | Jara | 2 3 DEC 2003 | | | |
| CTING FIELD MANAGER | Office | CARLSBAD FIE | LD OFFICE | | | | |
| Application approval does not warrant or certify the applicant hoperations thereon. Conditions of approval, if any, are attached. | olds legal or equitable title | • • | ase which would entitle the app APPROVAL FOR | | | | |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, States any false, fictitious or fraudulent statements or representation | make it a crime for any p tions as to any matter wit | erson knowingly and willfully to hin its jurisdiction. | make to any department or age | ency of the United | | | |
| Additional Operator Remarks (see next page) | | | | | | | |
| Electronic Submiss For BASS EN | sion #25122 verified | d by the BLM Well Inform JCTION CO, sent to the | nation System Carlsbad | | | | |
| Committed to AFMSS for PROVAL SUBJECT TO | processing by ARI | MANDO LOPEZ on 11/17 | /2003 (04AL0110AE) | | | | |

AP GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED ** BLM REVISED **

Additional Operator Remarks:

NO REMARK PROVIDED

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LOT 4

BEPCO

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State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

Well Number

151

Elevation

County

EDDY

County

7977

ROFESSIONA

3178

East/Vest line

EAST

Bast/West line

Form C-102 Revised March 17, 1999

DISTRICT I State of New Mexico 1625 N. French Br., Hobbs, FM 88240 Energy, Minerale and Raison Resources Department DISTRICT II Submit to Appropriate District Office B11 South First, Artesia, NM 68210 DISTRICT III **OIL CONSERVATION DIVISION** 1000 Em Brazos Rd., Aziec, NH 87410 2040 South Pacheco DISTRICT IV Santa Fe, New Mexico 87504-2088 2040 South Fasheoo, Santa Fe, NM 67505 WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code Pool Name AP) Number East Carlsbad (Morrow) **Property** Code Property Name **BIG EDDY UNIT** 001776 OGRID No. Operator Name 001801 BASS ENTERPRISES PRODUCTION COMPANY Surface Location UL or lot No. North/South line Section Township Range Lot. Ida Fort from the Fort from the 30 21 S 28 E 1650 NORTH Η 990 Bottom Hole Location If Different From Surface UL or lot No. Section Township Rangs Lot Ida Fest from the Forth/South line | Fest from the Dedicated Aores Joint or Infill Consulidation Code Order No. N 320 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 as herein is true and complete to the at of my knowledge and belief. William R. Hund LOT 1 3176.0 Signature <u>3174.5</u> W.R. DANNELS LÁT - N32 27'14.3" Printed Name 990' LONG - W104"07"14.7 DIVISION DRILLING SUPT. Title 3175.0' 3168. 11/14/03 Date 53d9.2 5288.5 LOT Z SURVEYOR CERTIFICATION I hereby certify that the wall location shawn on this plat was plotted from field notes of actual surveys made by me or under my supervisor, and that the same is true and 319.9B Acres sorvect to the best of my belief. Measured OCTOBER 30, 2003 Date Surveyed LOT 3 Carting in JONES Signat Prof



BEPCO

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EIGHT POINT DRILLING PROGRAM **BASS ENTERPRISES PRODUCTION CO.**

NAME OF WELL: BIG EDDY UNIT #151

LEGAL DESCRIPTION - SURFACE: 1650' FNL & 990' FEL, Section 30, T21S, R28E, 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 3200' (est) GL 3178'

| FORMATION | ESTIMATED TOP FROM KB | ESTIMATED SUBSEA TOP | BEARING |
|------------------------|--------------------------|-------------------------|---------|
| T/Capitan Reef | 945' | + 2,255' | Barren |
| B/Reef (T/Delaware Sal | nds) 2,575' | + 625' | Oil/Gas |
| T/Bone Spring | 5,730' | - 2,530' | Barren |
| T/Wolfcamp | 9,175' | - 5,975' | Oil/Gas |
| T/Strawn | 10,390' | - 7,190' | Oil/Gas |
| T/Strawn "C" | 10,630' | - 7,430' | Oil/Gas |
| T/Atoka | 10,780' | - 7,580' | Oil/Gas |
| T/UPR Morrow | 11,325' | - 8,125' | Oil/Gas |
| T/Middle Morrow | 11,645' | - 8,445' | Oil/Gas |
| T/Lower Morrow | 11,910' | - 8,710' | Oil/Gas |
| TD | 12,500' | - 9,300' | |

POINT 3: CASING PROGRAM

| TYPE | INTERVALS | PURPOSE | CONDITION |
|--|---------------------------|-------------------|-----------------------|
| 20" | 0'- 40' | Conductor | Contractor Discretion |
| 13-3/8", 48#, H40, STC | 0' - 550' | Surface | New |
| 9-5/8", 40#, K-55, LTC | 0' 2,000' 2575 | Intermediate | New |
| 7", 26#, HCP-110, LTC (contingent) | 0' - 11,200' | Intermediate | New |
| 4-1/2", 13.5#, HCP-110, LTC (continger | nt)10,800' - 12,500' | Production Liner | New |
| 5-1/2", 17#, HCP110, LTC | 0' - 12,500' | Production Casing | New |

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POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A rotating head will be nippled up on the surface casing. The rotating head will not be hydrotested.

A BOP equivalent to Diagram 1 will be nippled up on the first and second intermediate casings. The BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to 5,000 psi on the first intermediate and the second intermediate casing. The annular will be tested to 2500 psi. In addition to the rated working 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) Twenty-one 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 the attached Diagram 1 for the minimum criteria for the choke manifold.

POINT 5: MUD PROGRAM

| DEPTH | MUD TYPE | WEIGHT | <u>FV</u> | <u>PV</u> | YP | FL | <u>Ph</u> |
|-------------------------|-------------|------------|-----------|-----------|-------|-------|-----------|
| 0' 550' | FW | 8.5 - 9.2 | 45-35 | NC | NC | NC | 9.5 |
| 550'- 2,900' | FW | 8.5 - 9.2 | 28-30 | NC | NC | NC | 9.5 |
| 2,900'- 9,000' | FW | 8.6 - 8.9 | 28-30 | 4 | 2 | NC | 9.5 |
| 9,000' - 11,200' | ÇBW | 8.9 - 11.5 | 28-30 | 6 | 4 | <20 | 9.5 |
| 11,200' - TD | CBW/Polymer | 9.0 - 9.5 | 32-55 | 12-20 | 12-22 | 10-15 | 9.5-10.0 |

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING

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

B) LOGGING

Two runs only if hole can not be drilled to 12,500' PTD without second intermediate casing; otherwise, one run at 12,500' PTD.

Run #1:

GR-CNL-LDT-LLD run from 11,200' to TD to first ICP, GR-CNL to surface. May run logging suite across Delaware prior to drilling below 6000' if mud log shows warrant.

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

C) CORING

No cores are anticipated.

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D) CEMENT

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| | INTERVAL | AMOUNT SX | FT OF FILL | TYPE | <u>GALS/SX</u> | PPG | FT ³ /SX |
|---------|--|------------------------------------|-------------------------|---|----------------|----------------|--------------------------|
| WITNESS | Lead 0' - 250' (100% excess) | 200 | 250 | Permian Basin Critical Zone + <i>V#</i> /sx Pol-e-flake | 10.30 | 12.80 | 1.89 WITNESS |
| | Tail 250'-550' (100% Excess) | 340 | 300 | Premium Plus + 2% CaCl ₂ + %#/sx Pol -e-flake | 6.32 | 14.80 | 1.34 |
| | INTERMEDIATE | AMOUNT SXS | FT OF | TYPE | GALS/SX | PPG | FT ³ /SX |
| | Lead 0' – 2400' (100% Excess) | 510 | 2400 | interfill C + ½#/sx Pol-e-flake | 14.10 | 11.90 | 2.45 |
| | Tail 2400' – 2900' (100% Excess) | 220 | 500 | Premium Plus + 2% CaCl ₂ | 6.34 | 14.80 | 1.34 |
| | PRODUCTION (Two s INTERVAL 1 ⁸¹ Stage | stage w/DV tool @ 80 AMOUNT SXS | 00' and circula FILL | ate cement to 2000') TYPE | GALS/SX | PPG | <u>FT³/SX</u> |
| | LEAD 8000'-10,500' (50% excess) | 225 | 2500 | Interfill H + 5pps Gilsonite + 0.5% Halad 9 + 1/8 pps Pol-e-flake | 13.61 | 11.90 | 2.46 |
| | TAIL 10,500'-11,200' (50% excess) | 100 | 700 | Super H + 0.5% Halad 344 + 0.4% CFR3 + 5 pps Giilsonite + 1 pps Salt + 0.2% HRT | 8.20 | 13.00 | 1.67 |
| | 2 [№] Stage LEAD 2240'-7,300' | 470 | 5060 | Interfill H + 1/8 pps PoLe-flake + 0.5% Halad 9 | 14.00 | 11. 9 0 | 2.45 |
| | (50% excess) TAIL 7,300'-8,000' (50% excess) | 100 | 700 | Super H + 0.5% Halad 344 + 0.4% CFR3 + 5 pps Gillsonite + 1 pps Salt + 0.2% HRT | 8.20 | 13.00 | 1.67 |
| | PRODUCTION LINER 10,800'-12,500' (25% excess) | 145 | 1700 | Class H + 0.8% Halad 322 + 0.6% Halad 344 + 0.2% HR-7 + 5pps Microbond M | 5.68 | 15.40 | 1.28 |

E) DIRECTIONAL DRILLING

No directional services anticipated. A straight hole will be drilled to 12,500' TD.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout the Delaware, Bone Spring & Wolfcamp sections. The Strawn expected BHP is 5515 (max) or an equivalent mud weight of 10.0 ppg. The Morrow will be normally pressured. Due to the tight nature of the reservoir rock (high pressure, low volume), the well will be drilled under balanced utilizing a rotating head. The expected BHT at TD is 200°F. No H₂S is anticipated.

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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

45 days drilling operations

20 days completion operations

November 14, 2003 Date

<u>William K. Dannel</u> William R. Dannels

WRD/tlw

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: BIG EDDY UNIT #151

LEGAL DESCRIPTION - SURFACE: 1650' FNL & 990' FEL, Section 30, T21S-R28E, Eddy County, NM

POINT 1: EXISTING ROADS

A) Proposed Well Site Location

See Exhibit "B".

B) Existing Roads:

Turn off Hwy 62-180 between mile markers 42 and 43 south and go 0.4 miles. Turn right and go 1.1 miles, turn left along power lines to new location.

C) Existing Road Maintenance or Improve Plan:

See Exhibit "B"

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See Exhibit "B". The new road will be 12' wide and approximately 2000' long from existing lease road. The road will be constructed of watered and compacted caliche.

B) Width

12' Wide.

C) Maximum Grade

Not Applicable.

D) Turnouts

As required by BLM stipulations

E) Culverts, Cattle Guards, and Surfacing Equipment

None

POINT 3: LOCATION OF EXISTING WELLS

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

POINT 4: LOCATION OF EXSITING OR PROPOSED FACILITIES

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

Bass production facilities are located at Bass Big Eddy Unit #39 & #143 wellsites.

B) New Facilities in the Event of Production:

New production facilities will be installed at the new location.

C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following the construction of production facilities, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas necessary for use will be graded to blend in the surrounding topography – See Point 10.

POINT 5; LOCATION AND TYPE OF WATER SUPPLY

A) Location and Type of Water Supply

Fresh water and brine will be hauled from the City of Carlsbad. Brine water will be hauled from Champion Brine Water Station, 3.5 miles east and 2.5 miles south of Carlsbad.

B) Water Transportation System

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

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

A) Materials

Exhibit "B" shows location of caliche source.

B) Land Ownership

Federally Owned.

C) Materials Foreign to the Site

No construction materials foreign to this area are anticipated for this drill site.

D) Access Roads

No additional access roads are required.

POINT 7: METHODS FOR HANDLING WASTE MATERIAL

A) Cuttings

Cuttings will be contained in the reserve pit.

B) Drilling Fluids

Drilling fluids will be contained in the reserve pit.

C) Produced Fluids

Water Production will be contained in the reserve pit.

Hydrocarbon fluid or other fluids that may be produced during testing will be retained in the 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.

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 of the drilling pad will be graded to accommodate a completion rig if testing indicates potential productive zones. In any case, the "mouse" hole and the "rat" hole will be covered. The reserve pit will be fenced and the fence maintained until the pit is backfilled. Reasonable cleanup will be performed prior to the final restoration of the site.

POINT 8: ANCILLARY FACILITIES

None Required.

POINT 9: WELL SITE LAYOUT

A) Rig Orientation and Layout

Exhibit "C" show 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 Exhibits "B" and "C"

C) Lining of the Pits

The reserve pit will be lined with plastic.

POINT 10: PLANS FOR RESTORATION OF THE SERVICE

A) Reserve Pit Cleanup

A pit will be fenced at the time of rig release and shall be maintained until the pit is backfilled. Previous to backfill operations, any hydrocarbon material on the pit surface shall be removed. The fluids and solids contained in the pit shall be backfilled with soil excavated from the site and soil adjacent to the reserve pit. The restored surface of the pit shall be constructed 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 BLM stipulations during the appropriate season following restoration.

B) Restoration Plans – Production Developed

The reserve pit 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 pit 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 BLM stipulations.

D) Rehabilitation 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 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.

E) Surface Water

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

F) Water Wells

There are no water wells within 1 mile of location.

G) Residences and Buildings

None in the immediate vicinity.

H) Historical Sites

None observed.

I) Archeological Resources

An archeological survey will be obtained for this area. The survey area will be a 750' x 750' square with its center on the wellhead stake. Before any construction begins, a full and complete archeological survey will be submitted to the BLM. 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.

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

L) Open Pits

All pits containing liquid or mud will be fenced 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 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.

<u>November 14, 2003</u> Date

illiam R. Danneh William R. Dannels

WRD:thv











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.
- 8. 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