

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Bass Enterprises Production Company

3. ADDRESS AND TELEPHONE NO.

P. O. Box 2760, Midland, Texas 79702 915-683-2277

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1980' FSL & 1980' FEL, Section 3, T22S-R28E

At proposed prod. zone

Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

12 miles east of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1980'

16. NO. OF ACRES IN LEASE

1479.16

17. NO. OF ACRES ASSIGNED

TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1980'

19. PROPOSED DEPTH

3700'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3147.2 GR

22. APPROX. DATE WORK WILL START*

upon approval

23. PROPOSED CASING AND CEMENTING PROGRAM

Carlsbad Control Water Basin

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	11-3/4	42#	300'	250 sx cir to surface
*11"	8-5/8	24#	2610'	1000 sx cir to surface
7-7/8"	5-1/2	14#	3700'	215 sx tie back to 2400**

Surface set above salts in the Rustler Anhydrite.

Intermediate to be set in the top of Lamar Lime.

Drilling procedure, BOPE diagram, anticipated tops and surface use plans attached.

*Run if needed.

** Note: cement will be circulated to surface on 5-1/2" production casing if 8-5/8" intermediate casing is not run.

certified P-546-958-141
5-6-93

10-1
7-16-93
ML-4AP1

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Keith E. Bucy

Keith E. Bucy

TITLE Div. Drlg. & Prod. Supt.

DATE 5/4/93

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that 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:

(ORIG. SGD.) RICHARD L. MANTIS

AREA MANAGER

APPROVED BY

TITLE

DATE

JUL 7 1993

*See Instructions On Reverse Side

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

State of New Mexico
Energy Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

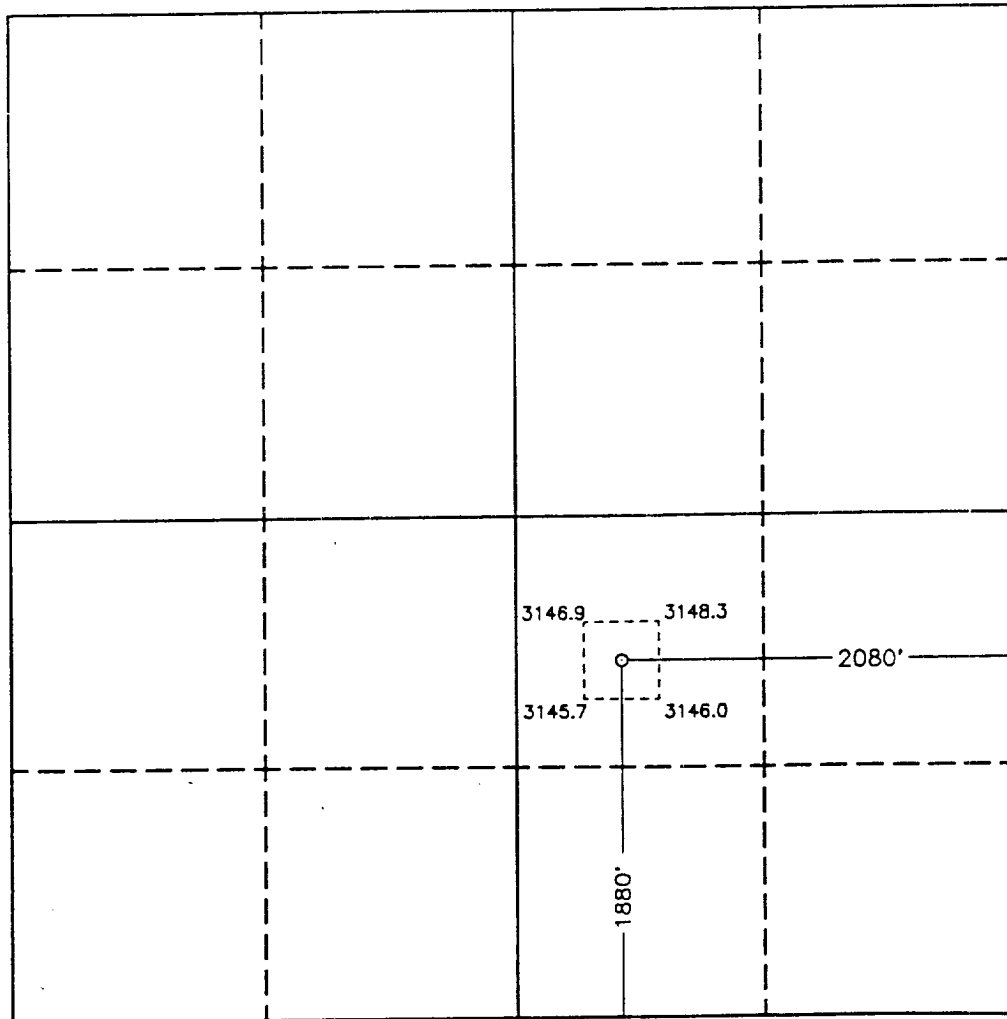
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator BASS ENTERPRISES PRODUCTION COMPANY			Lease "3" FEDERAL		Well No. 2
Unit Letter J	Section 3	Township 22 SOUTH	Range 28 EAST	NMPM	County EDDY
Actual Footage Location of Well: 1880 feet from the SOUTH line and 2080 feet from the EAST line					
Ground Level Elev. 3147.6	Producing Formation		Pool		Dedicated Acreage: Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
 - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
 - If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
- If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.) _____
- No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Keith E. Bucy
Printed Name
Keith E. Bucy
Position
Div Drlg and Prod Supt
Company
Bass Enterprises Prod Co
Date
6-18-93

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 knowledge and belief.

Date Surveyed
JUNE 3, 1993
Signature & Seal of
Professional Surveyor

GARY L. JONES
NEW MEXICO
Professional Surveyor
Certificate No. 878
RONALD L. JONES
8228
93-11-1026

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

NAME OF WELL: BASS "3" FEDERAL #2

LEGAL DESCRIPTION - SURFACE: ~~1980~~^{1880'} FSL & ~~1980~~^{2080'} FEL, SECTION 3, T22S-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 3157 (est)
GL 3147.2

FORMATION	ESTIMATED TOP FROM KB	ESTIMATED SUBSEA TOP	BEARING
T/Salt	307'	+2850	Barren
B/Salt	2307'	+ 850	Barren
T/Delaware Mtn Grp	2607'	+ 550	Oil/Gas
T/Old Indian Draw	3487'	- 330	Oil/Gas
T/49'r	3607'	- 450	Oil/Gas
TD	3700'	- 543	Oil/Gas

POINT 3: CASING PROGRAM

TYPE	INTERVALS	PURPOSE	CONDITION
20"	0 - 40'	Conductor	Contractor Discretion
11-3/4" 42# H-40 ST&C	0 - 300'	Surface	New
*8-5/8" 24# K-55 ST&C	0 - 2300'	Intermediate	New
*8-5/8" 24# S-80 ST&C	2300-2610'	Intermediate	New
5-1/2" 14# K-55 ST&C	0 - 3700'	Production	New

* Run if needed.

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAMS)

A BOP equivalent to Diagram 1 will be nipped up on the surface casinghead. The BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to the lowest rated working pressure of the equipment being tested. In addition to the rated working pressure test, a low pressure (200 psi) test will be required. These tests will be performed:

- a) Upon installation
- b) After any component changes
- c) Thirty 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 - 300'	FW Spud Mud	8.5- 9.2	35-40	NC	NC	NC	NC
0 - 2610'	BW	9.6-10.0	29-30	NC	NC	NC	NC
2610 - 3700'	FW Mud*	8.6- 9.0	34-40	10-14	12-18	5	9-9.5

* BW mud will be run through this interval if intermediate csg is not set. MW = 10.0 ppg.

POINT 6: TECHNICAL STAGES OF OPERATION**A) TESTING**

None Anticipated

B) LOGGING

GR-CNL-LDT and GR-IDPH-SFLU from TD to 8-5/8". (GR-DLL-MSFL if intermediate csg is not set). GR-CNL 8-5/8" to surface.

C) CORING

No cores are anticipated.

D) CEMENT

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS SX	PPG	FT ³ /SX
Surface	250 (100% excess circ to surface)	300'	Class "C" w/2% CaCL ₂ and 1/4 plpg cello-flake.	6.3	14.8	1.34
* Intermediate	1000 (100% excess circ to surface)	2610'	Class "C" w/salt	6.3	14.8	1.34
** Production	215 (25% excess tie back to int csg or circ to surface)	1300'	Class "C" w/additives for water loss control.	6.3	14.8	1.35

* Run if needed.

** Volume to be adjusted if intermediate casing is not set.

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. Est BHP 1650 psi or ECD 8.6 ppg. Est BHT 85°. Possible air blows with H₂S @ ± 1650' - H₂S equipment will be installed at surface csg 300'. Lost circ can occur from surface to 2600'. Deviation can be a problem from 1000' to 2600'.

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.

10 days drilling operation.

10 days completion operation.

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: BASS "3" FEDERAL #2

LEGAL DESCRIPTION - SURFACE: 1980' FSL & 1980' FEL Section 3, T22S-R28E Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit "B".

B) Existing Roads:

From Carlsbad, NM go 2-1/2 miles ENE on hwy 62-180. Turn right at Sheriffs Possee roping arena on Waterline Road. Go ± 6 miles southeast, then 1/2 mile to location.

C) Existing Road Maintenance or Improvement 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 300' long. The road will be constructed of watered and compacted caliche.

B) Width

Not Applicable.

C) Maximum Grade

Not Applicable.

D) Turnouts

None.

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 EXISTING OR PROPOSED FACILITIES

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

Production facilities and wells as shown on Exhibit "A" at Bass "3" Federal #1, Indian Flats Bass Federal #3 and Big Eddy Unit #63 (plugged).

- B) New Facilities in the Event of Production :

Additional production facilities will be installed as required at Bass "3" Federal #1 facilities.

- 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 unnecessary 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. SE 1/4, NE 1/4, Section 9 T22S-R28E.

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.

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 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" 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 Exhibits "B" and "C".

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

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 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 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 accordingly to the Bureau of Land Management's stipulations.

D) Rehabilitations 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

None known

G) Residences and Buildings

None

H) Historical Sites

None observed

I) Archeological Resources

An archeological survey will be obtained for this area. Before any construction begins, a 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 new access road is 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

Keith E. Bucy
Box 2760
Midland, Texas 79702
(915) 683-2277

PRODUCTION

Mike Waygood
1012 West Pierce, Ste. F
Carlsbad, New Mexico 88220
(505) 887-7329

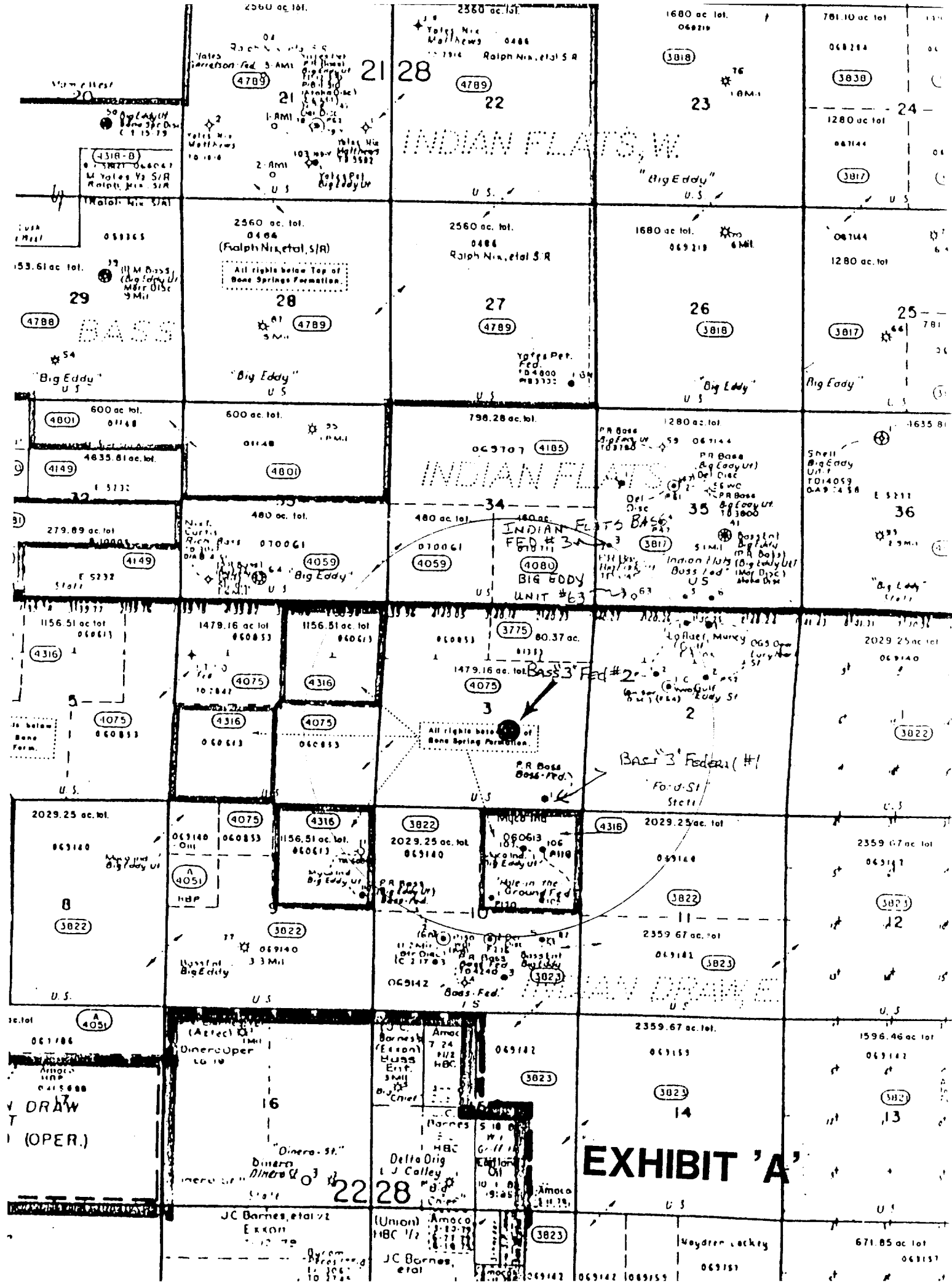
Keith E. Bucy
Box 2760
Midland, Texas 79702
(915) 683-2277

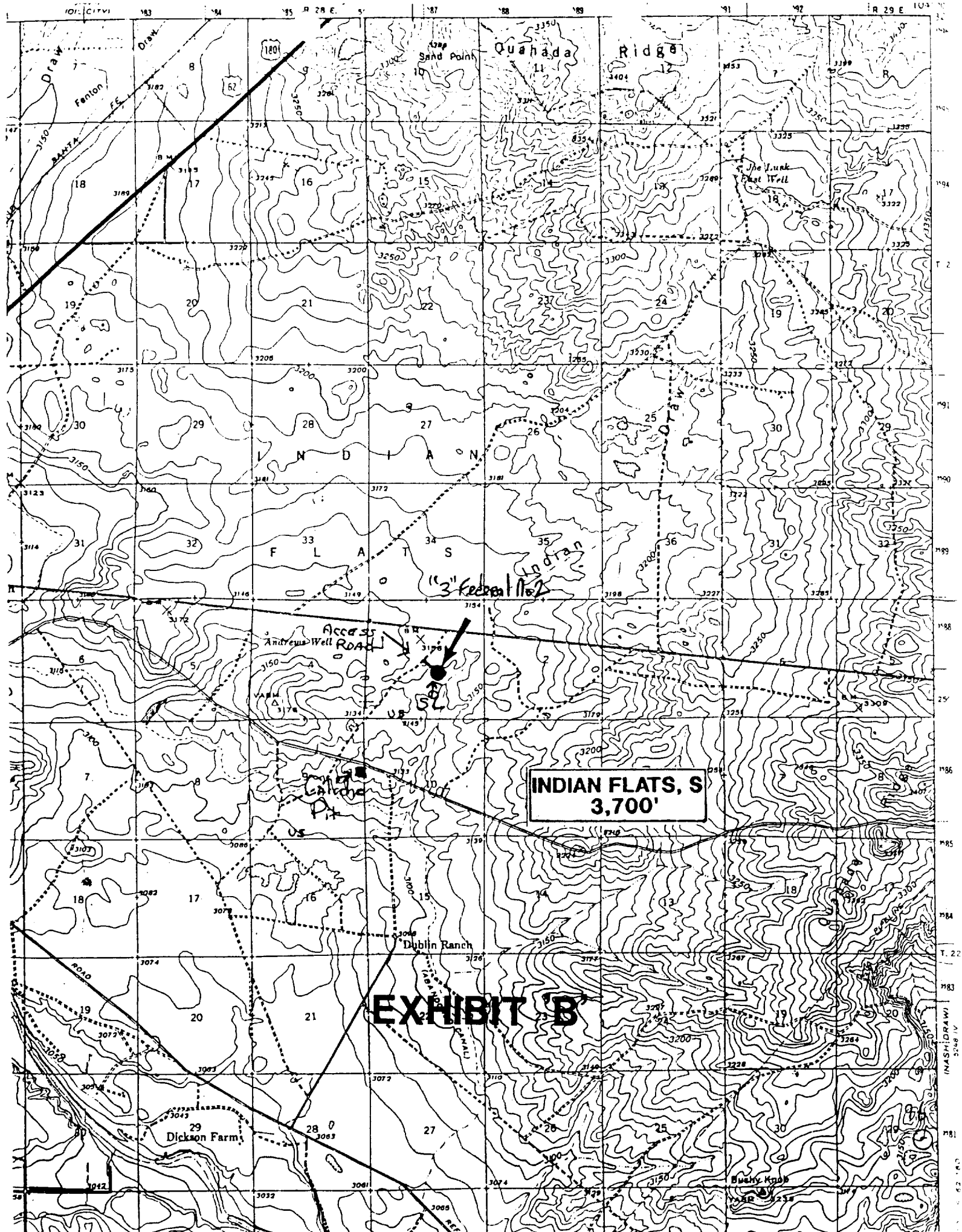
POINT 13: CERTIFICATION

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.




5/4/93
Date

Keith E. Bucy
Keith E. Bucy







-  WIND DIRECTION INDICATORS
-  H2S MONITORS WITH ALARMS AT THE BELL NIPPLE AND THE SHALE SHAKER
-  SAFE BRIEFING AREA WITH CAUTION SIGNS AND PROTECTIVE BREATHING EQUIPMENT (MIN. 150 FEET FROM WELLHEAD)

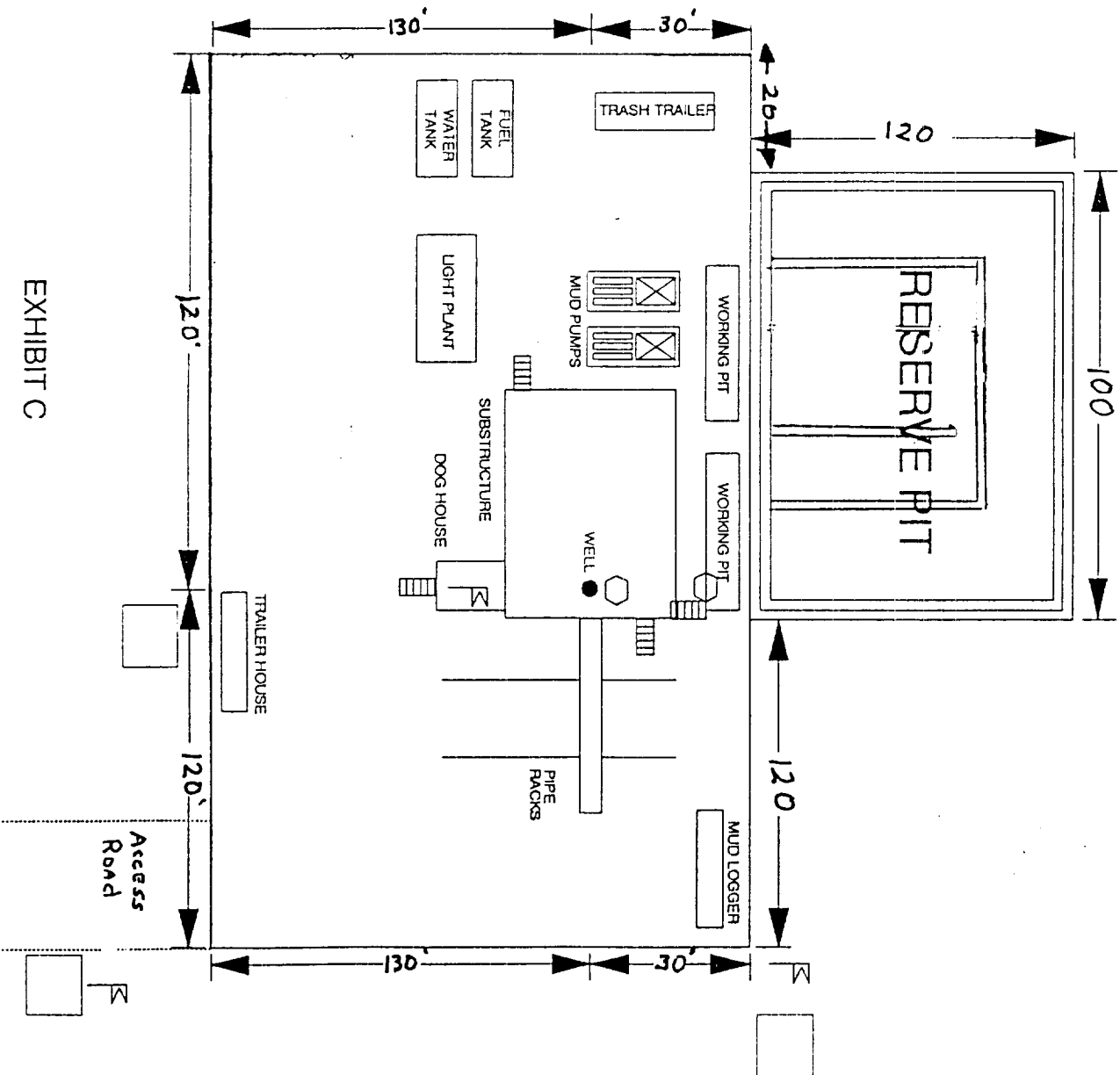
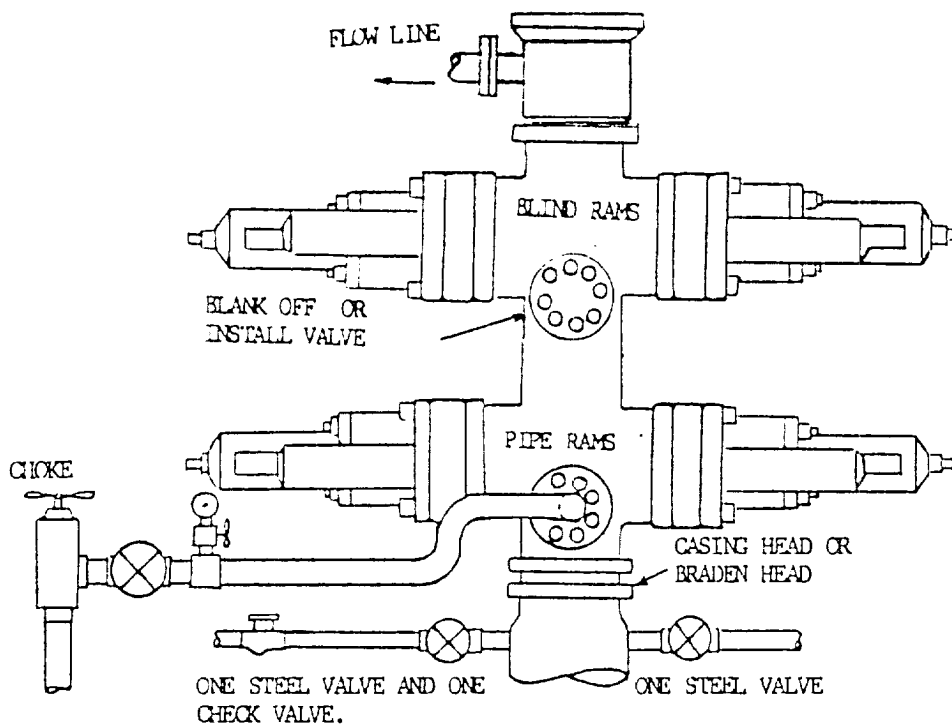


EXHIBIT C

3000 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. Choke may be either positive or adjustable. Choke spool may be used between rams.

BEPCO II

ONE HYDRAULICALLY DUAL BLOWOUT PREVENTER

H₂S DRILLING OPERATIONS PLAN

A. H₂S Training

All personnel involved in this drilling operation, whether assigned, contracted or employed on a regular basis, will receive training from a qualified instructor prior to commencing drilling operations on this well.

B. Well Site Diagram

- 1) Drilling Rig orientation: See Exhibit "C"
- 2) Prevailing wind direction: SW
- 3) Terrain of surrounding area: See Point 11
- 4) Location of briefing areas: See Exhibit "C"
- 5) Location of access road: See Exhibit "B" & "C"
- 6) Location of flare line and pits: See Exhibit "C"
- 7) Location of caution or danger signs: See Exhibit "C"

C. Description of H₂S Safety Equipment/Systems

- 1) Well control equipment: See BOP Diagram
 - a. Flare line and means of ignition: NA
 - b. Remote controlled choke: NA
 - c. Flare gun/flares: NA
 - d. Mud-gas separator and rotating head: NA
- 2) Protective Equipment for Essential Personnel
 - a. Location, type, storage and maintenance of all working and escape breathing apparatus: Scott breathing packs located at briefing areas shown on Exhibit "C" and on the floor. Stored in water-proof container and maintained on a monthly basis by third party safety company.
 - b. Means of communication when using protective breathing apparatus: Hand signals or microphones in the breathing packs are used for communication.
- 3) H₂S Detection and Monitoring Equipment
 - a. H₂S sensors and associated audible/visual alarm(s): Otis sensors are used with a visual light @ 10 ppm and siren @ 20 ppm.
 - b. Portable H₂S and SO₂ monitor(s): Bendix Pumps

- 4) Visual Warning Systems
 - a. Wind direction indicators: See Exhibit "C"
 - b. Caution/danger sign(s) and flag(s): See Exhibit "C"
- 5) Mud Program
 - a. Mud systems and additives: See Point 5
 - b. Mud degassing system: NA
- 6) Metallurgy
 - a. Metallurgical properties of all tubular goods and well control equipment which could be exposed to H₂S: All drill strings, casings, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H₂S service.
- 7) Means of Communication from Wellsite: Phones in trailer and on rig floor.

D. Plans for Well Testing

Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity which are necessary to safely and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill stem testing operations conducted in an H₂S environment will use the closed chamber method of testing.