EIGHT POINT DRILLING PROGRAM BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: PALMILLO 6 STATE NO. 1

LEGAL DESCRIPTION - SURFACE: 2010' FNL & 603' FWL, Section 6, T-19-S, R-29-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 3396' (est)

GL 3385'

FORMATION	ESTIMATED TOP FROM KB	ESTIMATED SUBSEA TOP	BEARING
T/Rustler	218'	+3178'	Barren
T/Salt	298'	+3098'	Barren
B/Salt	536'	+2860'	Barren
T/Yates	716'	+2680'	Oil/Gas
T/Seven Rivers	926'	+2470'	Oil/Gas
T/Queen	1716'	+1680'	Oil/Gas
T/Grayburg	2058'	+1338'	Oil/Gas
T/San Andres	2568'	+ 828'	Oil/Gas
T/Bone Spring	3386'	+ 10'	Oil/Gas
TD	3600'	- 190'	

POINT 3: CASING PROGRAM

TYPE	INTERVALS	PURPOSE	CONDITION
8-5/8", 24#, WC-50, ST&C	0' - 280'	Surface	New
5-1/2", 15.50#, K-55, LT&C, Limited Service	0' - 3600'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nippled up on the surface casing head. When testing, 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) Fifteen days after a previous test
- d) As required by well conditions