$\mathbb{EC}_{_{_{\mathrm{DH}}}}$

DEPA BURE

TESIA

If earthen pits are used is association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

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

5. Lease Serial No. NMNM02860

6. If Indian, Allottee or Tribe Name

0597

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☑ DRILL ☐ REENTER	CONFIDENTIAL	7. If Unit or CA Agreement, NMNM71016X	Name and No.
1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Oth	ner Single Zone	Lease Name and Well No. POKER LAKE UNIT 214	ļ.
-	CINDI GOODMAN E-Mail: cdgoodman@basspet.com	9. API Well No.	860
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 Explor NASH DRAW-DELAV	atory
4. Location of Well (Report location clearly and in accorded	nnce with any State requirements.*)	11. Sec., T., R., M., or Blk. a	nd Survey or Area
At surface NWNE 510FNL 1980FEL 3 At proposed prod. zone NWNE 510FNL 1980FEL 3	32.12322 N Lat, 103.55070 W Lon 32.12322 N Lat, 103.55070 W Lon	Sec 19 T24S R30E M SME: BLM	ler NMP
14. Distance in miles and direction from nearest town or post 14 MILES EAST OF MALAGA NM	office*	12. County or Parish EDDY	13. State NM
 Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 3300' 	16. No. of Acres in Lease RECEIVED 2520.68 JUN 1 8 2004	17. Spacing Unit dedicated to 40.00	this well
 Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2700' 	19. Proposed Depth 7700 MD 7700 TVD	20. BLM/BIA Bond No. on f	ile
21. Elevations (Show whether DF, KB, RT, GL, etc. 3166 GL	22. Approximate date work will start 06/01/2004	23. Estimated duration 12 DAYS	
	24. Attachments CARLSI	BAD CONTROLLED WA	TER BASIN
The following, completed in accordance with the requirements of	of Onshore Oil and Gas Order No. 1, shall be attached to	this form:	
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syssup Supo shall be filed with the appropriate Forest Service Of 	Item 20 above). Sem Lands, the 5. Operator certification	ons unless covered by an existing	· ·
25. Signature (Electronic Submission)	Name (Printed/Typed) CINDI GOODMAN		Date 05/17/2004
Title AUTHORIZED REPRESENTATIVE			
Approved by (Signature) S/ Leslie A. Theiss	Name (Printed/Typed) /s/ Leslie A.	Theiss	Date 1 8 JUN 2004

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

CARLSBAD FIELD OFFICE

Office

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)

FIELD MANAGER

Electronic Submission #30440 verified by the BLM Well Information System For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad Committed to AFMSS for processing by LINDA ASKWIG on 05/17/2004 (04LA0423AE)

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

Title

Witness Surface Casing

 $m ^{ATTA}CHED$ ** 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, Anticiapted tops & surface plans attached.

This well is located outside the Secretary's Potash area and outside the R-111 Potash area. There are no potash leases within 1 mile of this location.

Form C-102

→ PAULA

State of New Mexico

Revised March 17, 1999

1625 N. French Dr., Hobbs, NM 88240 DISTRICT II

Energy, Minerals and Natural Resources Department

State Lease - 4 Copies

811 South First, Artests, NM 88210

DISTRICT I

Submit to Appropriate District Office

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 67410 OIL CONSERVATION DIVISION

Fee Lease - 3 Copies

DISTRICT IV 2040 South Pachero, Santa Fe, NM 87505

2040 South Pacheco Santa Fe, New Mexico 87504-2088

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code Pool Name		
	47545	NASH DRAW (DELAWARE)	
Property Code	Prop	erty Name	Well Number
001796	POKER	LAKE UNIT	214
OGRID No.	Opez	ator Name	Elevation
001801	BASS ENTERPRISES	PRODUCTION COMPANY	3166'

Surface Location

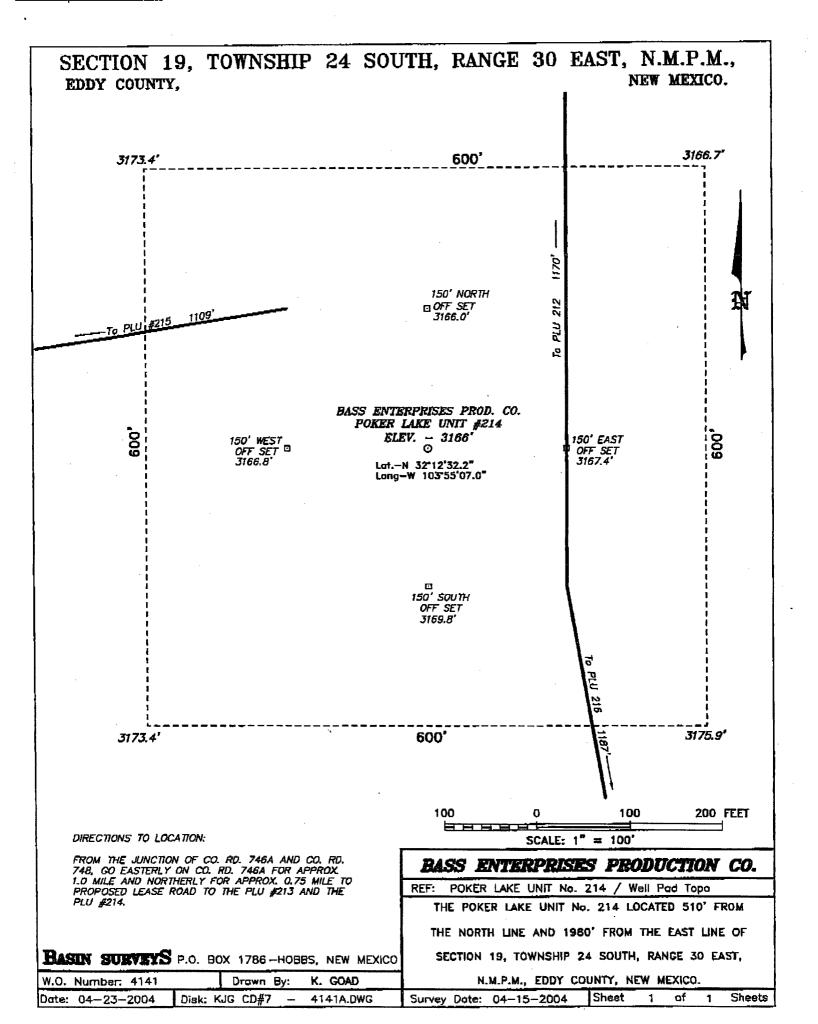
i	VL or lot No.	Section	Township	Range	Lot làn	Feet from the	North/South line	Feet from the	Rast/West line	Compaty
	B	19	24 S	30 E		510	NORTH	1980	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section Town	nship Range	Lot làn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infi	ill Consolidation	Code 02	der No.	, , , , , , , , , , , , , , , , , , ,			

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

			
	3173.4' 3156.7'	1980'	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my incodedge and belief.
LOT 1 - 40.77 AC. 40.66	3173.4' <u>6</u> 3175.9' AC. 40.65 AC.	40.65 AC.	William R. Danneh
]	LAT - N32*12'32.2" LONG - W103*55'07.0"		W.R. DANNELS Printed Name DIVISION DRILLING SUPT.
LOT 2 - 40.87 AC. 40.69	40 SB 40	40.55.40	SURVEYOR CERTIFICATION
LOT 2 - 40.87 AC. 40.69	AC. 40.68 AC.	40.65 AC.	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 supervison and that the some is true and correct to the best of my balled.
LOT 3 - 40.94 AC. 40.69	AC. 40.68 AC.	40.57 AC.	Date Surveyed p. 15. 2004 Date Surveyed p. 15. 2004 Signature & Seed prick(C) Professional Surveyor Opp77
LOT 4 - 41.06 AC. 40.73	AC. 40.70 AC.	40.70 AC.	Certificate No. Copy \$510Min 7977
WI 7 - 41,00 AV. 40.75	AU./ U AU.	AU.7U AU.	Hasin_surveyS



EIGHT POINT DRILLING PROGRAM BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: Poker Lake Unit #214

LEGAL DESCRIPTION - SURFACE: 510' FNL & 1980' FEL, Section 19, 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 3184' (est)

GL 3166'

<u>FORMATION</u>	ESTIMATED TOP FROM KB	ESTIMATED SUBSEA TOP	BEARING
T/Rustler	659 '.	+2625	Barren
T/Salt	834'	+2350'	Barren
T/Lamar Lime	3449'	-265'	Barren
T/Ramsey	3475'	-291'	Oil/Gas
T/Lwr Brushy Canyon "8" A	6964'	-3780'	Oil/Gas
T/Bone Spring	7239'	-4055'	Oil/Gas
T/Avalon	7309'	-4125'	Oil/Gas
TD	7700'	-4516'	

POINT 3: CASING PROGRAM

TYPE 16"	INTERVALS 0'- 40'	PURPOSE Conductor	CONDITION Contractor Discretion
8-5/8", 28#, J-55, ST&C	0'- 800'	Surface	New WITNESS
5-1/2", 15.5#, J-55, LT&C	0' -6500'	Production	New
5-1/2", 17#, J-55, LT&C	6500' <i>-</i> 7700'	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. 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:

- a) Upon installation
- b) After any component changes
- c) Fifteen 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.

2

POINT 5: MUD PROGRAM

DEPTH 800'	MUD TYPE FW Spud Mud	<u>WEIGHT</u> 8.5 - 9.2	<u>FV</u> 70-38	PV NC	YP_NC	FL_ NC	Ph 10.0
800' - 5600' 5600' - TD'	Brine Water Brine Water/Diese	9.8 -10.2	28-30 32-40	NC 8	NC 2	NC <25 cc	9.5-10.5 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 (+/- 3200'). GR-CNL-CAL from base of Salt to surface.

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

INTERVAL SURFACE:	AMOUNT SXS	FT OF FILL	TYPE	GALS	<u>/SX PPG</u>	FT³/\$X		
Lead 0 - 500' (100% excess circ to surface)	250	500	Permian Basin Critical Zone + 1/4 Flocele	10.4	12.8	1.90		
Tail 500-800' (100% excess circ to surface)	200	300	Prem Plus + 2% CaCl ₂ + 1/# Flocele	6.33	14.8	1.35		
PRODUCTION:							COMPR Nitrogen	ESSIVE Strength
Base Slurry w/nitrogen 3036-7700' + (50% excess)	730	4664	Premium Plus + 2% Zone Sealant 2000	6.32	9.1-14.5	2.3-1.39	300/600 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 3310 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware Section from 3536-7318'. No H_aS is anticipated.

→ PAULA

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

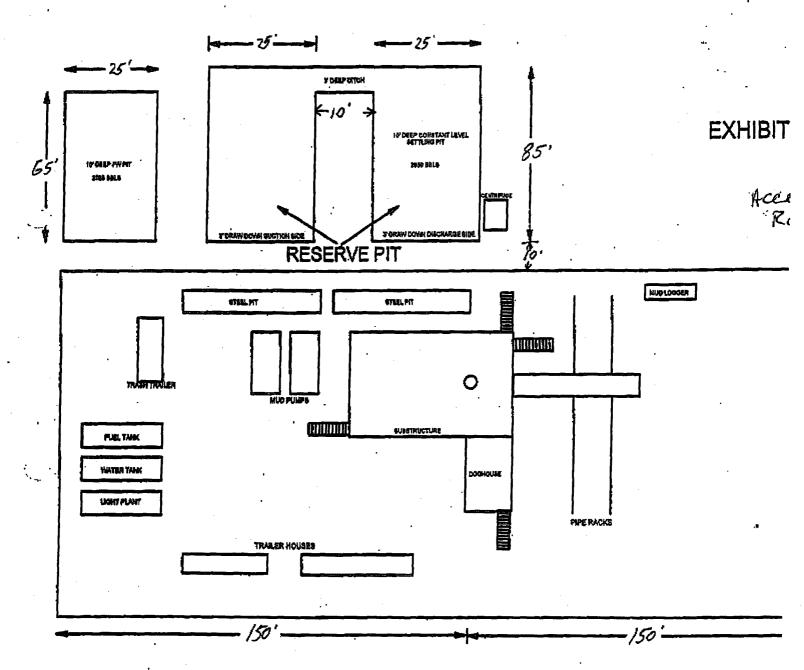
Upon approval

12 days drilling operations

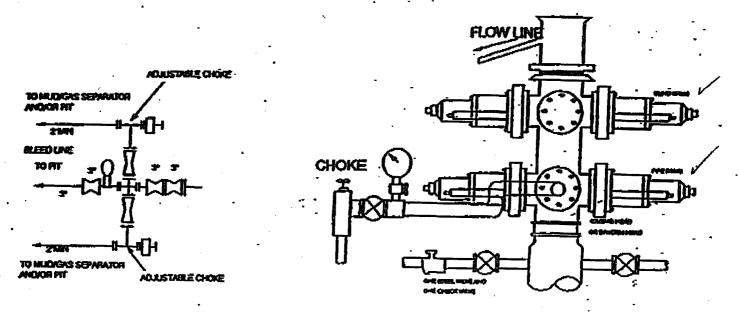
14 days completion operations

BGH/cdg May 7, 2004

Poker Lakel



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.
- O. 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.