

OCD-ARTESIA

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



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL		5. Lease Serial No. NMLC069627A
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone				6. If Indian, Allottee or Tribe Name
2. Name of Operator BASS ENTERPRISES PRODUCTION CO		Contact: CINDI GOODMAN E-Mail: CDGOODMAN@BASSPET.COM		7. If Unit or CA Agreement, Name and No. NMNM71016X 1796
3a. Address P O BOX 2760 MIDLAND, TX 79702 1801		3b. Phone No. (include area code) Ph: 432-683-2277		8. Lease Name and Well No. POKER LAKE UNIT 227
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <i>ut-9</i> SESE 330FSL 560FEL 32.10559 N Lat, 103.54501 W Lon At proposed prod. zone SESE 330FSL 560FEL 32.10559 N Lat, 103.54501 W Lon				9. API Well No. 30-015-33929
14. Distance in miles and direction from nearest town or post office* 14 MILES EAST OF MALAGA, NM.				10. Field and Pool, or Exploratory Nash Draw-DELAWARE 47545
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 650'		16. No. of Acres in Lease RECEIVED FEB 03 2005		11. Sec., T., R., M., or Blk. and Survey or Area Sec 30 T24S R30E Mer NMP SME: BLM
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2790'		19. Proposed Depth 7720 MD 7720 TVD		12. County or Parish EDDY
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3218 GL		22. Approximate date work will start 03/01/2005		13. State NM
				17. Spacing Unit dedicated to this well 40.00
				20. BLM/BIA Bond No. on file
				23. Estimated duration 12 DAYS

24. Attachments

CARLSBAD CONTROLLED WATER BASIN

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) CINDI GOODMAN Ph: 432-683-2277	Date 12/29/2004
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) <i>Jim Stovall</i>	Name (Printed/Typed) Jim Stovall	Date FEB - 2 2005
Title FOR FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

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

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)

Electronic Submission #52393 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 12/30/2004 (05LA0218AE)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Witness Surface Casing

** BLM REVISED ** 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, Anticipated tops and 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 the location.

DISTRICT I

1825 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 47545	Pool Name NASH DRAW - DELAWARE
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 227
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3218'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	30	24 S	30 E		330	SOUTH	560	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill I	Consolidation Code	Order No.
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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

LOT 1 40.62 acres	40.62 acres	40.72 acres	40.72 acres
LOT 2 40.63 acres	40.63 acres	40.71 acres	40.71 acres
LOT 3 40.65 acres	40.65 acres	40.69 acres	40.69 acres
LOT 4 40.66 acres	40.66 acres	40.68 acres	40.68 acres

LAT - N32°10'55.9"
 LONG - W103°54'50.1"

3212.0' 3221.1' 3208.6' 560' 3208.9'

OPERATOR CERTIFICATION

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

William R. Dannels
Signature

W.R. DANNELS
Printed Name

DIVISION DRILLING SUPT.
Title

12/28/04
Date

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 belief.

NOVEMBER 24, 2004

Date Surveyed

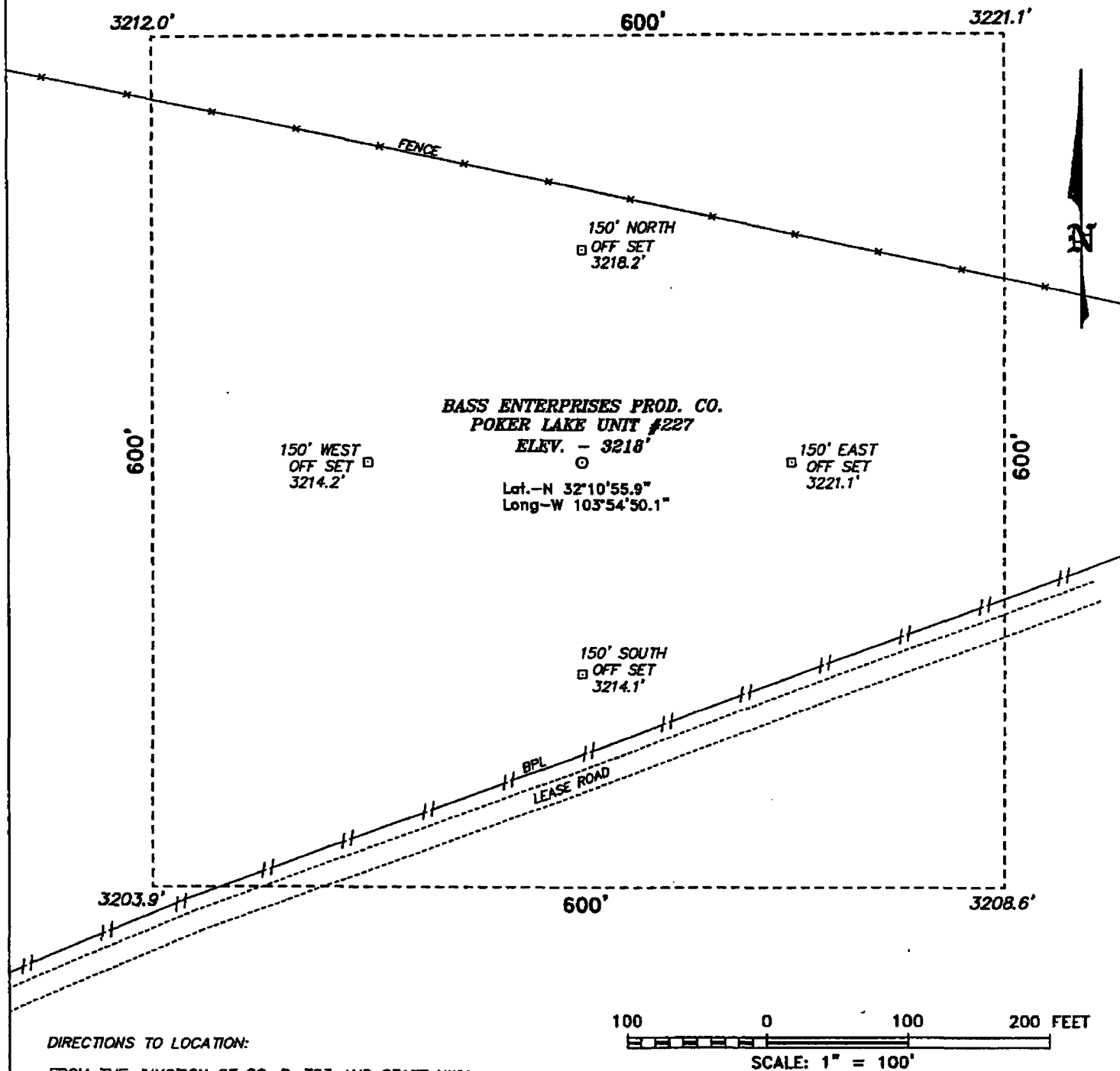
Signature and Seal of Professional Surveyor

NEW MEXICO

W.O. No. 4783

Certificate No. Gary L. Jones 7977

SECTION 30, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. R. 793 AND STATE HWY 128, GO SOUTH ON 793 FOR APPROX. 4.0 MILES TO LEASE ROAD; THENCE EAST ON LEASE ROAD FOR 0.25 MILE; THENCE SOUTH 0.9 MILE; THENCE EAST 0.3 MILE; THENCE SOUTHERLY FOR APPROX. 5.0 MILES; THENCE WESTERLY FOR 1.2 MILE TO CO. RD. 748; THENCE SOUTHEASTERLY FOR APPROX. 2.1 MILES TO LEASE ROAD; THENCE WESTERLY FOR 0.25 MILE TO PROPOSED LOCATION.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 4783

Drawn By: K. GOAD

Date: 11-29-2004

Disk: KJG CD#7 - 4783A.DWG

BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 227 / Well Pad Topo

THE POKER LAKE UNIT No. 227 LOCATED 330' FROM
THE SOUTH LINE AND 560' FROM THE EAST LINE OF
SECTION 30, TOWNSHIP 24 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 11-24-2004

Sheet 1 of 1 Sheets

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

NAME OF WELL: Poker Lake Unit #227

LEGAL DESCRIPTION - SURFACE: 330' FSL & 560' FEL, Section 30, 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 3238' (est) GL 3218'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	228'	+3010'	Barren
B/Rustler	508'	+2730	Barren
T/Salt	538'	+2700'	Barren
B/Salt	3308'	-70	Barren
T/Lamar Lime	3509'	-271'	Barren
T/Ramsey	3544'	-306'	Oil/Gas
T/Lwr Brushy Canyon "8" A	7082'	-3844'	Oil/Gas
T/Y" Sand	7179'	-3941'	Oil/Gas
TD	7720'		

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
16"	0'- 40'	Conductor	Contractor Discretion
8-5/8", 28#, J-55, ST&C	0'- 500'	Surface	New
5-1/2", 15.5#, J-55, LT&C	0' -6300'	Production	New
5-1/2", 15.5#, L-80, LT&C	6300' -7720'	Production	New

WITNESS

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nipped 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:

- Upon installation
- After any component changes
- Fifteen days after a previous test
- 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

<u>DEPTH</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	<u>FV</u>	<u>PV</u>	<u>YP</u>	<u>FL</u>	<u>Ph</u>
0' - 500'	FW Spud Mud	8.5 - 9.2	70-38	NC	NC	NC	10.0
500' - 5600'	Brine Water	9.8 - 10.2	28-30	NC	NC	NC	9.5-10.5
5600' - TD'	Brine Water/Diesel	8.8 - 9.0	32-40	8	2	<25 cc	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 (+/- 3295').

GR-CNL-CAL from base of Salt to surface.

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

<u>INTERVAL</u>	<u>AMOUNT SXS</u>	<u>FT OF FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT³/SX</u>	<u>COMPRESSIVE</u>	
SURFACE:							Nitrogen	Strength
Lead 0 - 220' (100% excess circ to surface)	100	220	Permian Basin Critical Zone + 1/2# Flocele	10.4	12.8	1.90		
Tail 220-500' (100% excess circ to surface)	200	280	Prem Plus + 2% CaCl ₂ + 1/2# Flocele	6.33	14.8	1.35		
PRODUCTION:								
Base Slurry w/nitrogen 2920-7720' + (50% excess)	750	4800	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 3490 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware Section from 3509-7280'. No H₂S is anticipated.

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: Poker Lake Unit #227

LEGAL DESCRIPTION - SURFACE: 330' FSL & 560' FEL, Section 30, T-24-S, R-30-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit A, and Survey Plats

B) Existing Roads:

From Carlsbad, New Mexico, go 8 miles south on Highway 285 to Highway 31. Turn north and go 7 miles on Highway 31. Turn east on Highway 128 and go 4 miles to Rawhide Road (located between mile markers 4 and 5). Turn southeast onto Rawhide Road and go approximately 14.0 miles southerly.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit A, and Survey Plats.

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See Exhibit A. No new roads required. Location is adjacent to an existing lease road.

B) Width

N/A.

C) Maximum Grade

Not applicable.

D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

If required, culverts and cattle guards will be set per BLM Specs.

POINT 3: LOCATION OF EXISTING WELLS

Exhibits A and B indicate existing wells within the surrounding area.

POINT 9: WELL SITE LAYOUT – Cont'd...

Page 4

B) Locations of Pits and Access Road

See Exhibits "A" and "D".

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**

The pits will be fenced immediately after construction and shall be maintained until they are backfilled. Previous to backfill operations, any hydrocarbon material on the pits' surfaces shall be removed. The fluids and solids contained in the pits shall be backfilled with soil excavated from the site and soil adjacent to the reserve pits. The restored surface of the pits 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 pits 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.

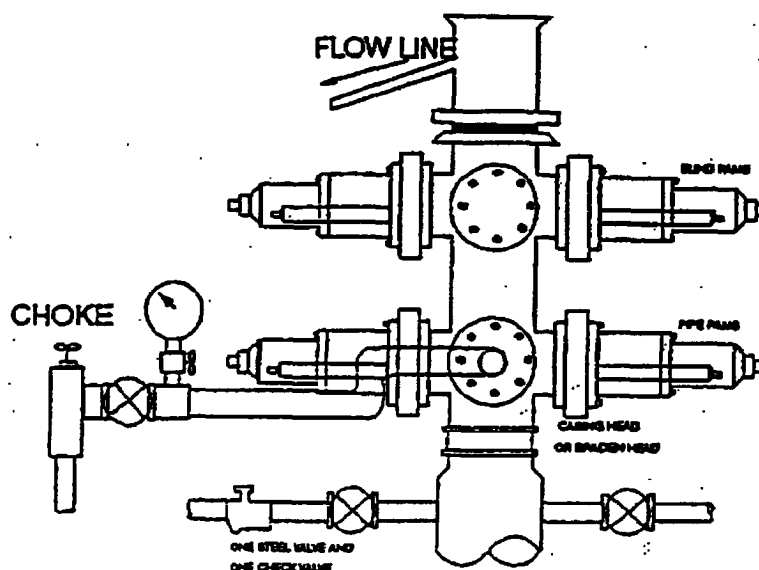
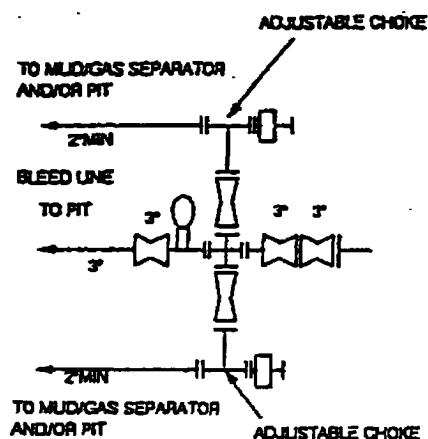
C) Restoration Plans - No Production Developed

The reserve pits 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 Bureau of Land Management's stipulations.

D) Rehabilitation's 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.

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.
- 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.

POKER LAKE C

EXHI

