

EC

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		<b>CONFIDENTIAL</b>	5. Lease Serial No. NMNM02860
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 CINDIGOODMAN@BASSPET.COM			7. If Unit or CA Agreement, Name and No. NMNM71016X
3a. Address P O BOX 2760 MIDLAND, TX 79702		3b. Phone No. (include area code) Ph: 432-683-2277	8. Lease Name and Well No. POKER LAKE UNIT 231
4. Location of Well (Report location clearly and in accordance with any State requirements)		<b>RECEIVED</b> APR 15 2005	9. API Well No. 30-015-34072
At surface NENE 330FNL 630FEL 32.12341 N Lat, 103.54513 W Lon At proposed prod. zone NENE 330FNL 630FEL 32.12341 N Lat, 103.54513 W Lon			10. Field and Pool, or Exploratory NASH DRAW-DELAWARE
14. Distance in miles and direction from nearest town or post office* 14 MILES EAST OF MALAGA NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 19 T24S R30E Mer NMP	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 4650'		16. No. of Acres in Lease 2520.68	12. County or Parish EDDY
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 330'		19. Proposed Depth 7800 MD 7800 TVD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3182 GL		22. Approximate date work will start 06/01/2005	17. Spacing Unit dedicated to this well 40.00
		23. Estimated duration 12 DAYS	20. BLM/BIA Bond No. on file

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:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- 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 03/14/2005
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) /S/ James Stovall	Name (Printed/Typed) /S/ James Stovall	Date APR 14 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 #54874 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 03/15/2005 (05LA0504AE)

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 the 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 location.

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

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Ed., 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 231
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3182'

Surface Location

UL or lot No. A	Section 19	Township 24 S	Range 30 E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 630	East/West line EAST	County EDDY
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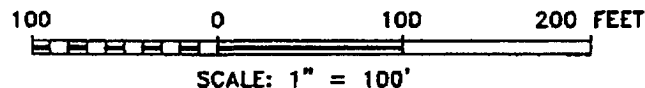
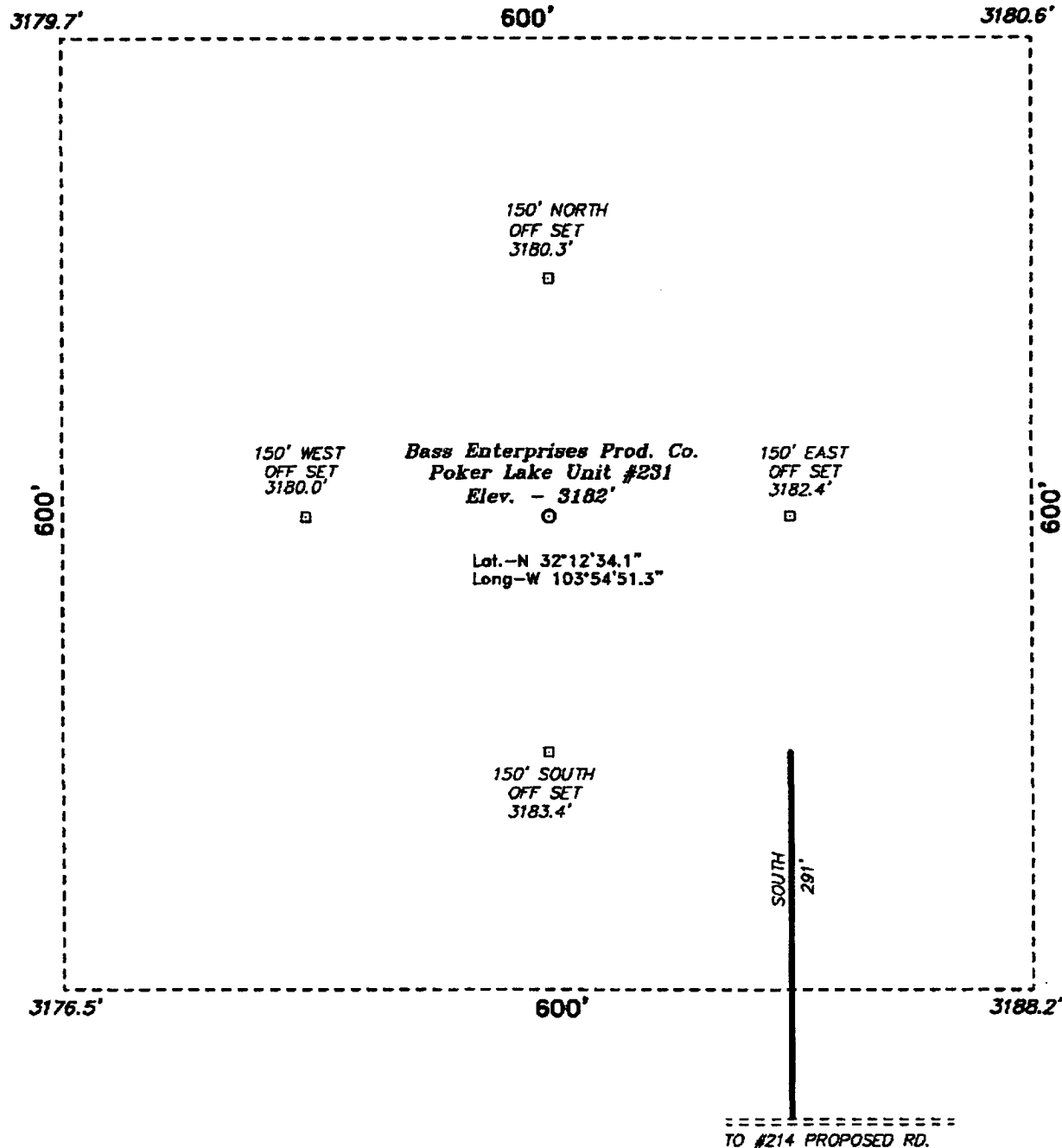
Bottom Hole Location If Different From Surface

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 N	Consolidation Code	Order 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

LOT 1 - 40.77 AC.		3179.7' 3180.6' 3176.5' 3188.2'	630'	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>William R. Dannels</u> Signature W.R. DANNELS Printed Name DIVISION DRILLING SUPT. Title 3/5/05 Date
LOT 2 - 40.87 AC.	80 AC GLO		160 AC GLO	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. December 8, 2004 Date Surveyed Signature of Gary L. Jones Professional Surveyor No. 4927 Certificate No. Gary L. Jones 7977 BASIN SURVEYS
LOT 3 - 40.94 AC.				
LOT 4 - 41.06 AC.	80 AC GLO		160 AC GLO	

**SECTION 19, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.**



**DIRECTIONS TO LOCATION:**

FROM THE JUNCTION OF CO. RD. 746A AND CO. RD. 748, GO EASTERLY ON CO. RD. 746A FOR APPROX. 1.0 MILE AND NORTHERLY FOR APPROX. 0.75 MILE TO PROPOSED LEASE ROAD TO THE PLU #213 AND THE PLU #214.

**BASS ENTERPRISES PRODUCTION CO.**

REF: Poker Lake Unit No. 231 / Well Pad Topo

THE POKER LAKE UNIT No. 231 LOCATED 330' FROM THE NORTH LINE AND 630' FROM THE EAST LINE OF SECTION 19, TOWNSHIP 24 SOUTH, RANGE 30 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 4927

Drawn By: J. PRESLEY

Date: 12/20/04

Disk: JLP #1 - 4927A.DWG

Survey Date: 12/09/04

Sheet 1 of 1 Sheets

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

**NAME OF WELL: Poker Lake Unit #231**

**LEGAL DESCRIPTION - SURFACE: 330' FNL & 630' 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 3202' (est)      GL 3182'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	302'	+2900'	Barren
T/Salt	752'	+2450'	Barren
T/Ramsey Sand	3508'	-306	Oil/Gas
T/Lwr Brushy Canyon "8" A	7012'	-3810'	Oil/Gas
T/Bone Spring	7289'	-4087'	Oil/Gas
TD	7800'	-4598'	

**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, LT&C	0' - 700'	Surface	New
5-1/2", 15.5#, J-55, LT&C	0' - 6300'	Production	New
5-1/2", 17#, J-55, LT&C	6300' - 7800'	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:

- 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.

**POINT 5: MUD PROGRAM**

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' - 700'	FW Spud Mud	8.5 - 9.2	70-38	NC	NC	NC	10.0
700 - 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 (+/- 3260').  
GR-CNL-CAL from base of Salt to surface.

**C) CONVENTIONAL CORING**

None anticipated.

**D) CEMENT**

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT <sup>3</sup> /SX	COMPRESSIVE Nitrogen Strength	
<b>SURFACE:</b>								
Lead 0 - 400' (100% excess circ to surface)	180	500	Permian Basin Critical Zone + 1/2# Flocele	10.4	12.8	1.90		
Tail 400'-700' (100% excess circ to surface)	200	300	Prem Plus + 2% CaCl <sub>2</sub> + 1/2# Flocele	6.33	14.8	1.35		
<b>PRODUCTION:</b>								
Base Slurry w/nitrogen 3099-7800' + (50% excess)	775	4701	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 3285 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware Section from 3599-7380'. No H<sub>2</sub>S is anticipated.

**B) Locations of Pits and Access Road**

See Exhibits "A", "B" & "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.

**POINT 12: OPERATOR'S FIELD REPRESENTATIVE**

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(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.

3/5/05

Date

William R. Dannels

William R. Dannels

GEG/cdg

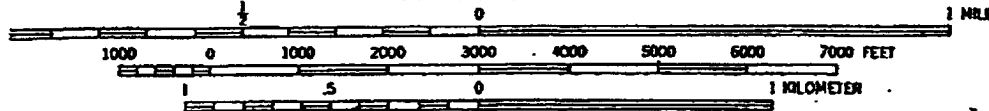


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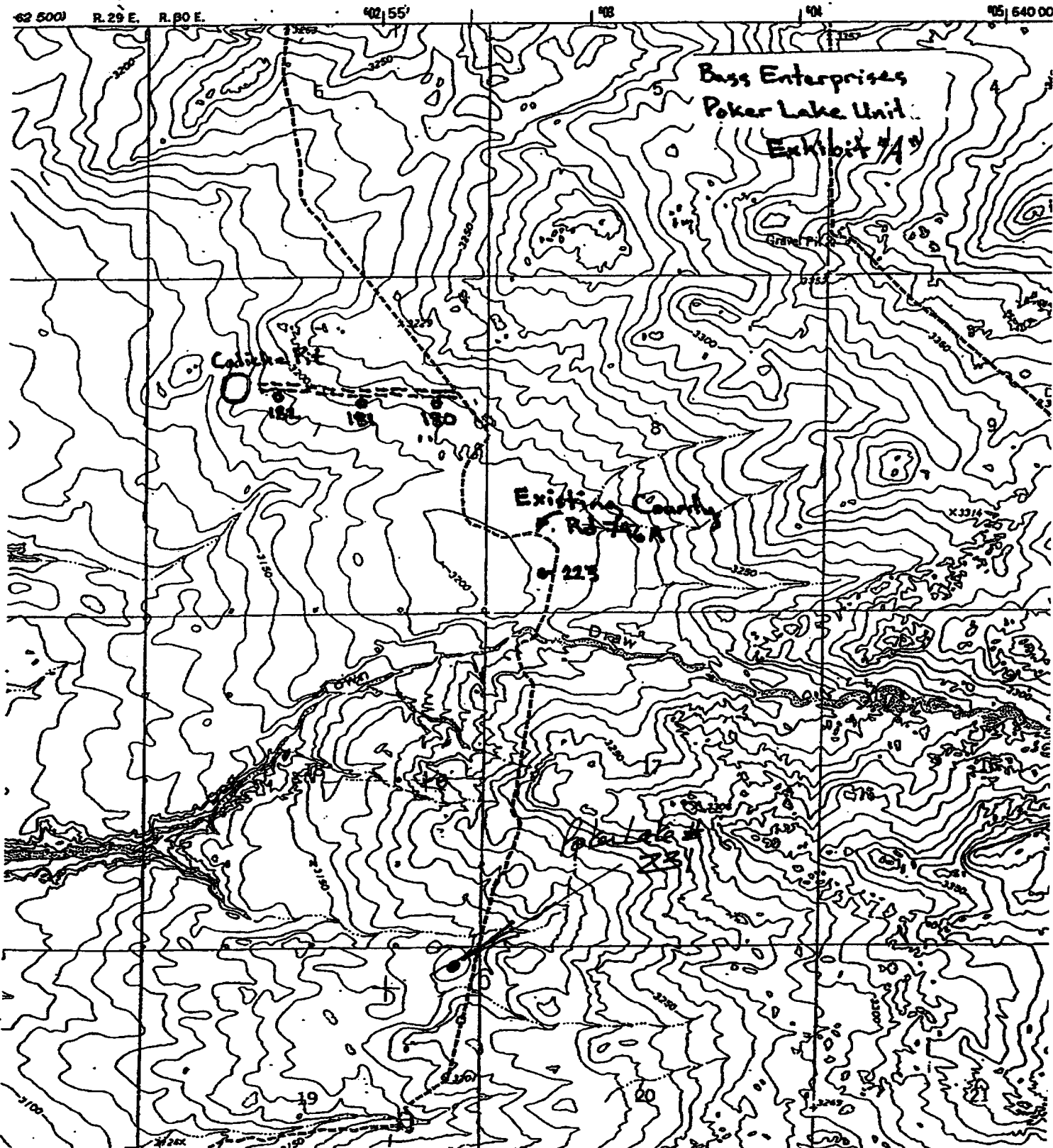
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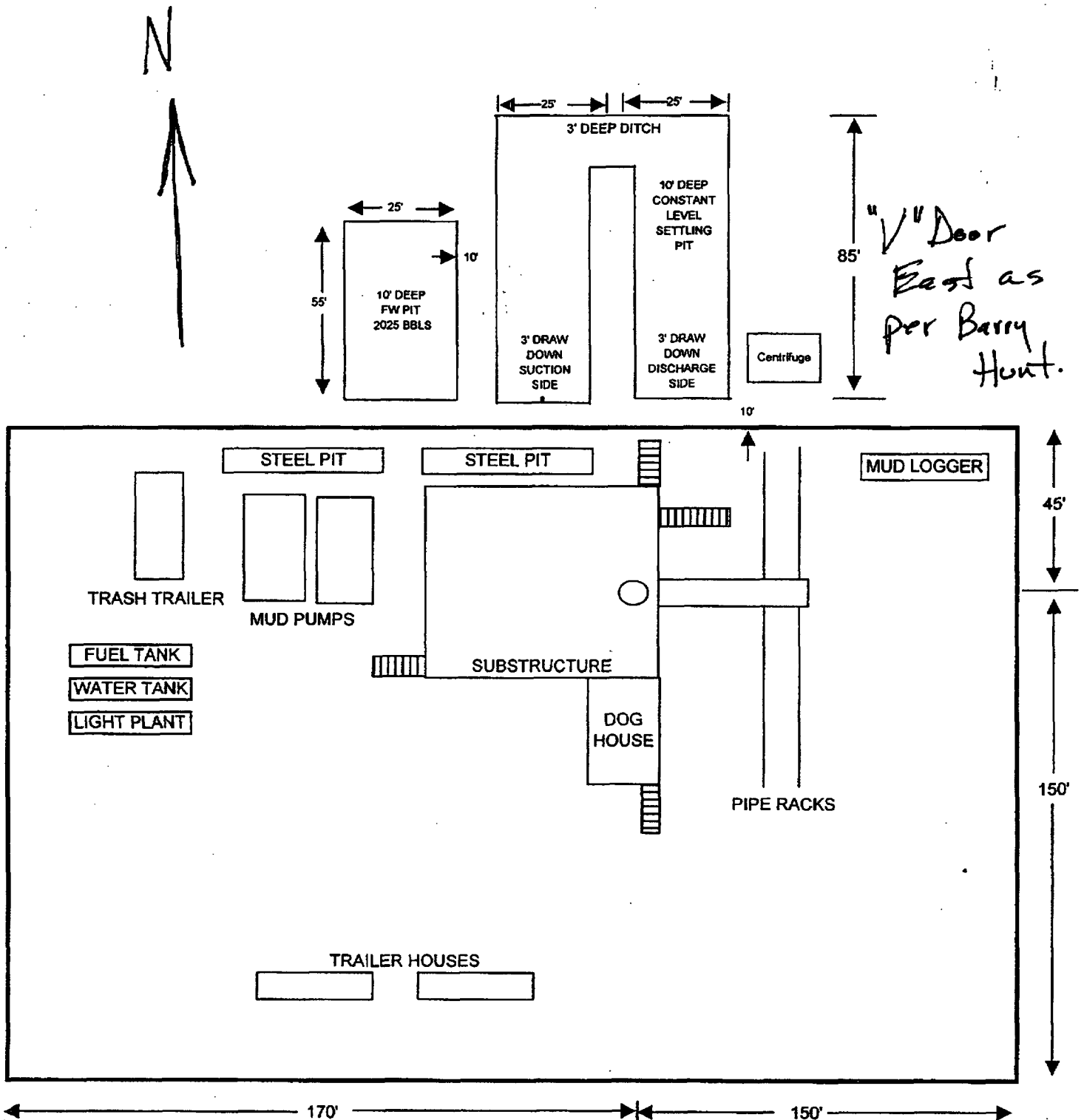
PIERCE CANYON QUADRANGLE  
NEW MEXICO-EDDY CO.  
7.5 MINUTE SERIES (TOPOGRAPHIC)

CONTOUR INTERVAL 10 FEET  
DATUM IS MEAN SEA LEVEL

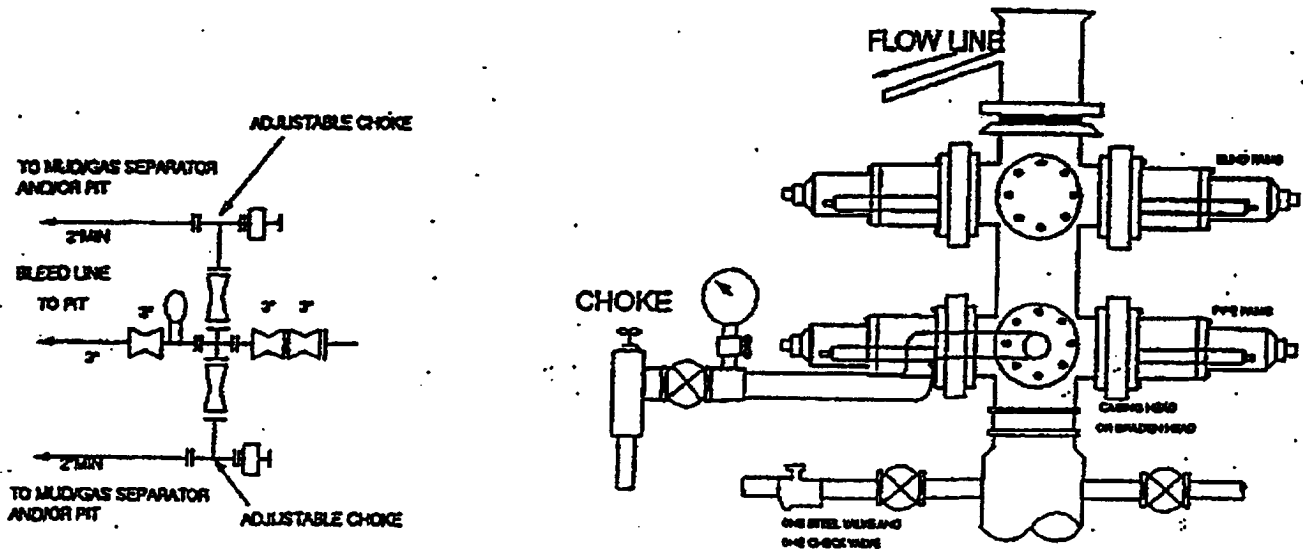


**Bass Enterprises Production Company  
Grey Wolf Rig 15  
Well Pad  
Reserve Pit Diagram**

**EXHIBIT "D"**



# 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.