

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Bass Enterprises Production Co. P. O. Box 2760 - Midland, Texas 79702		² OGRID Number 001801
³ Property Code 210997	⁴ Property Name Remuda Basin 24 State	⁵ API Number 301-015-34656
⁶ Well No. 8		⁷ Proposed Pool 1 Nash Draw (Delaware)
⁸ Proposed Pool 2 97148		⁹ Proposed Pool 3

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Fee from the	East/West line	County
A	24	23S	29E		330	North	400	East	Eddy

Proposed Bottom Hole Location If Different From Surface

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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3006'
¹⁶ Multiple No	¹⁷ Proposed Depth 7270'	¹⁸ Formation Delaware	¹⁹ Contractor Adobe	²⁰ Spud Date 02/30/2006
Depth to Groundwater 40		Distance from nearest fresh water well 2 1/2 miles		Distance from nearest surface water 6 miles
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 milst thick Clay <input type="checkbox"/>		Pit Volume: 11500 bbls		
Closed-Loop System <input type="checkbox"/>		Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14-3/4"	11-3/4"	42#	283'	275'	Surface
11"	8-5/8"	32#	3243'	1200	Surface
7-7/8"	5-1/2"	15.5# & 17#	7400'	750	3100'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

The 11-3/4" casing will be set in the Red Bed section of the Basal Rustler formation and cemented to surface. The 8-5/8" intermediate casing will be set at least 100' below the base of the salt.

Surface is owned by State of New Mexico. This well is located within the R111 area.

Waiver from Mosaic Potash Carlsbad, Inc. attached

CEMENT TO COVER ALL
OIL, GAS AND WATER
BEARING ZONES

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Annette Childers *Annette Childers*

Title: Administrative Assistant

E-mail Address: machilders@basspet.com

Date: 01/11/2006

Phone: (432)683-2277

OIL CONSERVATION DIVISION

Approved by:

Jim W. Gamm
District II Supervisor

Approved Date:

MAR 06 2006

Expiration Date:

MAR 06 2007

Conditions of Approval:

NOTIFY OCD OF SPUD &
TIME TO WITNESS
CEMENTING OF SURFACE &
INTERMEDIATE CASING

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	Pool Name
		Nash Draw (Delaware)
Property Code	Property Name	Well Number
	REMUDA BASIN "24" STATE	8
OGRID No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3006'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	24	23 S	29 E		330	NORTH	400	EAST	EDDY

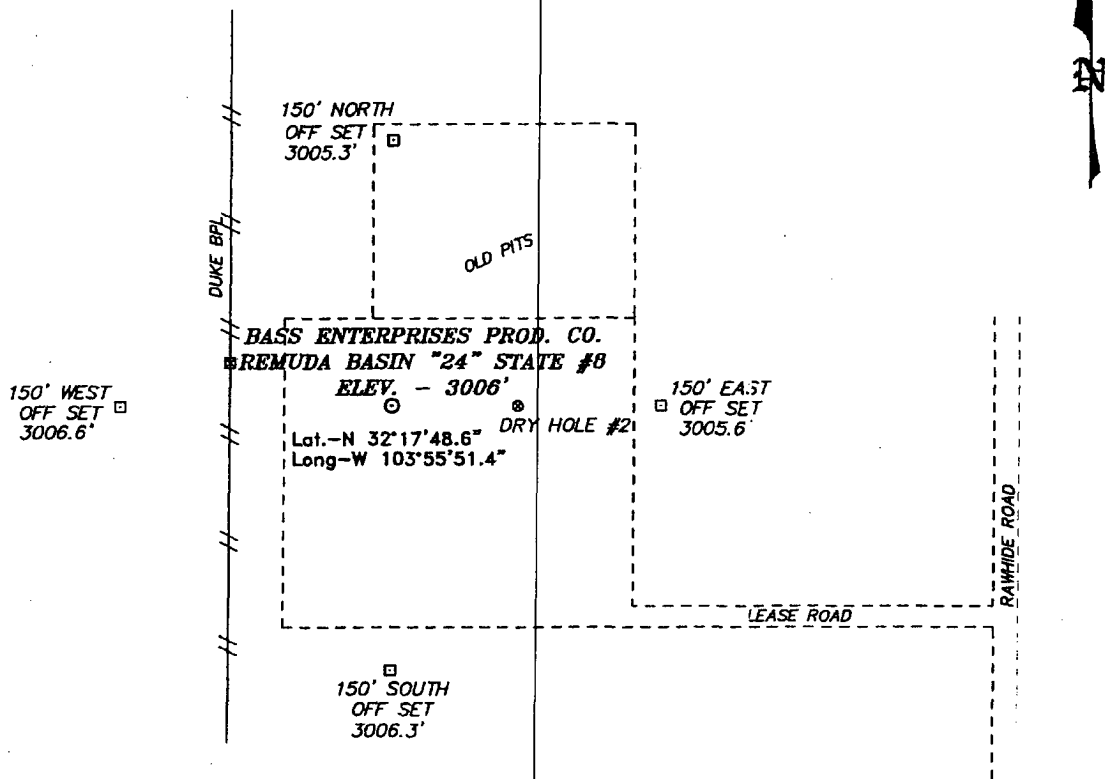
Bottom Hole Location If Different From Surface:

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
40	N								

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

				400'		330'		OPERATOR CERTIFICATION	
				LAT - N32°17'48.6"		LONG - W103°55'51.4"		I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.	
161.69 acres		161.69 acres						Signature <i>W.R. Dannels</i>	
								Printed Name W.R. DANNELS	
								Title DIVISION DRILLING SUPT.	
								Date 1/3/2006	
								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 9, 2005	
								Date Surveyed	
								Signature <i>Gary L. Jones</i>	
								Professional Surveyor NEW MEXICO 7977	
								W.O. No. 6048	
								Certificate No. Gary L. Jones 7977	
								PROFESSIONAL LAND SURVEYOR	

SECTION 24, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 128 AND CO. RD. 793, GO SOUTH ON 793 FOR 2.9 MILES TO LEASE ROAD; THENCE WEST ON LEASE ROAD FOR ±200' TO EXISTING PAD AND PROPOSED LOCATION.

BASS ENTERPRISES PRODUCTION CO.

REF: REMUDA BASIN "24" STATE No. 8 / Well Pad Topo

REMUDA BASIN "24" STATE No. 8 LOCATED 330' FROM
THE NORTH LINE AND 400' FROM THE EAST LINE OF
SECTION 24, TOWNSHIP 23 SOUTH, RANGE 29 EAST,

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

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

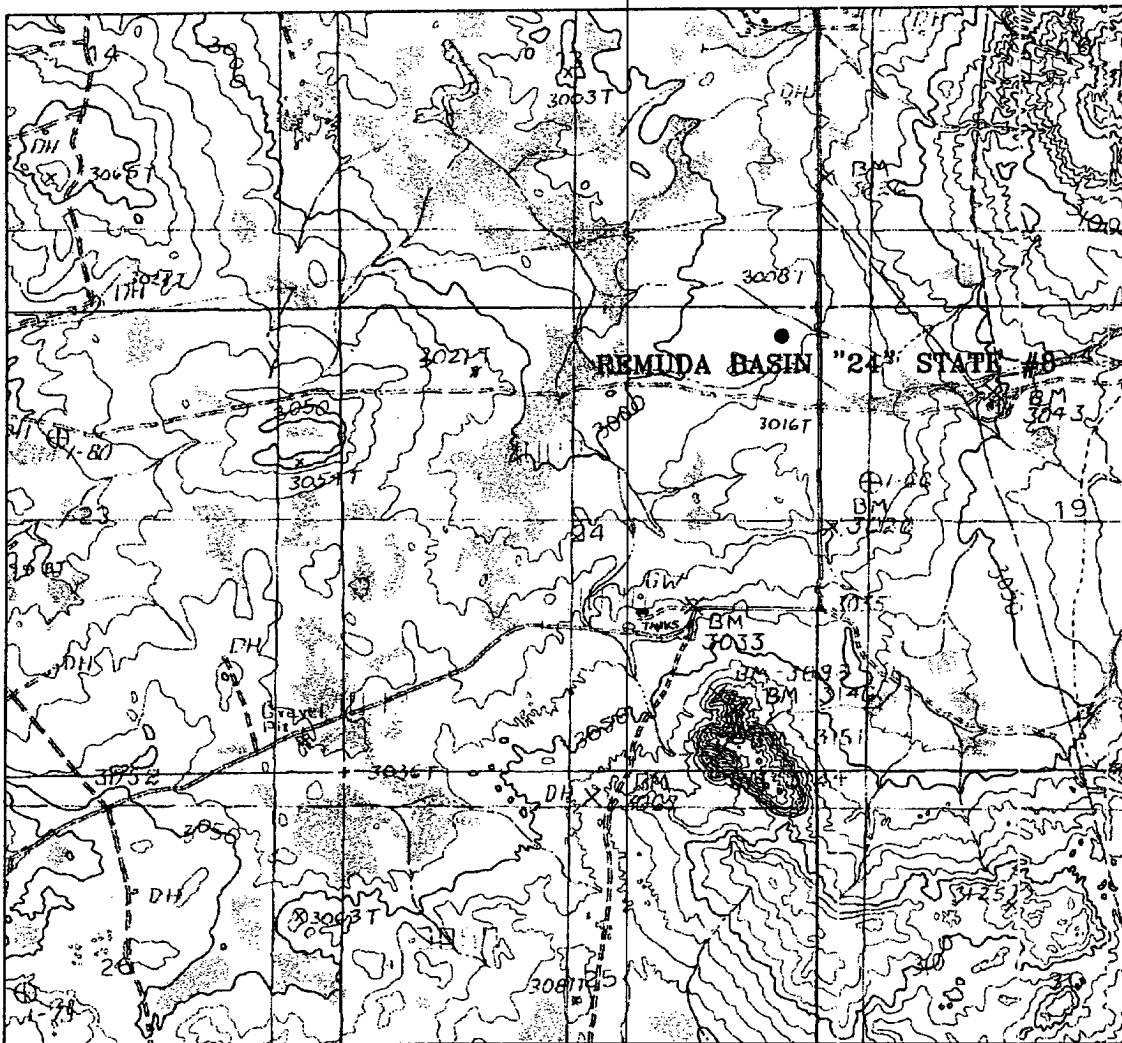
W.O. Number: 6048

Drawn By: K. GOAD

Date: 12-12-2005 Disk: KIC CD#7 - 6048A.DWG

Survey Date: 12-09-2005

Sheet 1 of 1 Sheets



REMUDA BASIN "24" STATE #8
 Located at 330' FNL and 400' FEL
 Section 24, Township 23 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

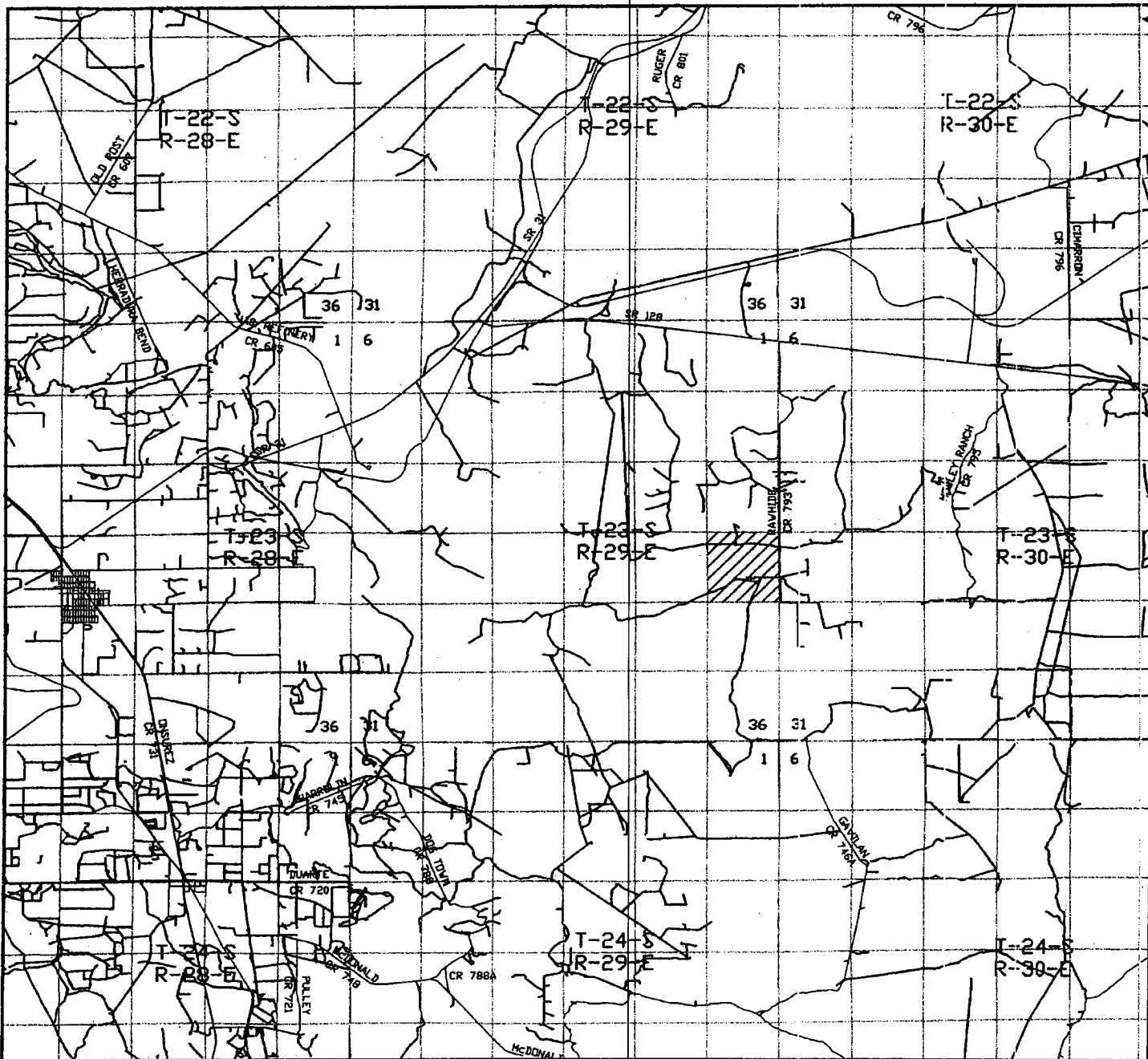
W.O. Number: 6048AA - KJG #7

Survey Date: 12-09-2005

Scale: 1" = 2000'

Date: 12-12-2005

BASS ENTERPRISES
PRODUCTION CO.



REMUDA BASIN "24" STATE #8
 Located at 300' FNL and 400' FEL
 Section 24, Township 23 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.

**basin
surveys**
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 6048AA - KJG #7

Survey Date: 12-09-2005

Scale: 1" = 2 MILES

Date: 12-12-2005

**BASS ENTERPRISES
 PRODUCTION CO.**

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

NAME OF WELL: Remuda Basin 24 State # 8

LEGAL DESCRIPTION - SURFACE: 330' FNL & 400' FEL, Section 24, T-23-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 3023' (est)
GL 3006'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	173'	+2850'	Barren
B/Rustler	293'	+2730'	Barren
T/Salt	343'	+2680'	Barren
B/Salt	3007'	+ 16'	Barren
T/Lamar	3228'	- 205'	Barren
T/Ramsey	3266'	- 243'	Oil/Gas
T/Lower Cherry Canyon Pay	5337'	-2314'	Oil/Gas
T/Lwr Brushy Canyon	6724'	-3701'	Oil/Gas
T"W" Sand	6775'	-3752'	Oil/Gas
T"Y" Sand	6909'	-3886'	Oil/Gas
T/Bone Spring Lime	6973'	-3950'	Oil/Gas
T/Avalon Sand	7084'	-4061'	Oil/Gas
TD	7400'	-4377'	

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
16"	0' - 60'	Conductor	Contractor Discretion
11-3/4", 42#, WC-50, ST&C	0' - 283'	Surface	New
8-5/8", 32#, WC-50, LT&C	0' - 3243'	Intermediate	New
5-1/2", 15.5#, K-55, LT&C	0' - 6000'	Production	New
5-1/2", 17#, K-55, LT&C	6000' - 7400'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOPE consistent with API RP-53 will be nipped up on the surface casing head. The BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. when installed on the surface casing head will be hydro-tested to 70% of internal yield pressure of casing or 1000 psig whichever is less with the rig pump. The BCPE when rigged up on the intermediate casing spool will be tested to 3000 psig by independent tester. In addition to the high pressure test, a low pressure (200 psig) 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' - 333'	FW Spud Mud	8.5 - 9.2	45-35	NC	NC	NC	10.0
333' - 3243'	BW	10.0	28-30	NC	NC	NC	9.5-10.5
3243' - 6000'	FW	8.4 - 8.9	28-30	NC	NC	NC	9.5-10.5
6000' - 6900'	FW/ Starch	8.7 - 8.9	30-35	4	8	<100cc	9.5-10.5
6900' - 7400'	FW/ Starch	8.7 - 8.9	40-45	4	8	<25 cc	9.5 - 10.5

**Will increase vis for logging purposes only.*

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING

None anticipated.

B) LOGGING

GR-CNL-LDT-LLD from TD to base of Salt (+/- 3007').
GR-CNL from base of Salt to surface.

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT ³ /SX	
SURFACE:							
Lead - 0 - 283'	275	283'	Premium Plus + 2% CaCl ₂ + 1/4# Flocele	6.33	14.8	1.35	
(100% excess)							
Circ cement to surface							
INTERMEDIATE:							
Lead - 0 - 2743'	900	2743'	Interfill C + 0.3% Halad	14.11	11.9	2.45	
(200% excess)				R-322			
Circ cement to surface							
Tail - 2743-3243'	300	500'	Premium Plus + 2% CaCl ₂	6.37	14.8	1.35	
(200% excess)							
PRODUCTION:							
Lead - 3100 - 7400'	750	4300'	Premium Plus + 1% Zone Sealant 2000	6.32	11.9	1.65	
(50% excess)							
							COMPRESSIVE:
							Nitrogen Strength
							300/600 1200
							scf/bbl

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3288 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware Section from 3258 - 7270'. No H₂S is anticipated.

Estimated BHT is 140° F.

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

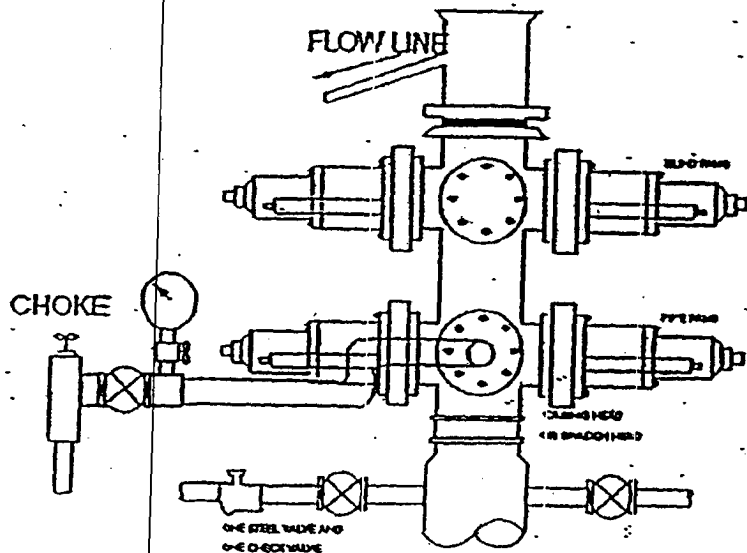
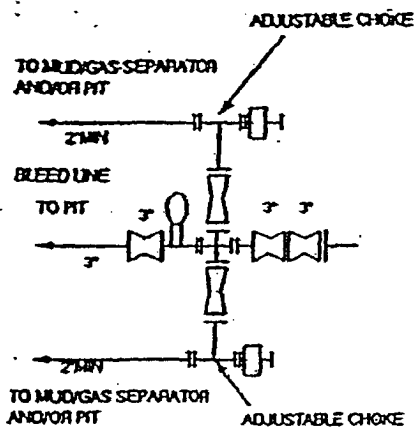
12 days drilling operations

14 days completion operations

TRB/mac

January 10, 2006

2000 PSI WP

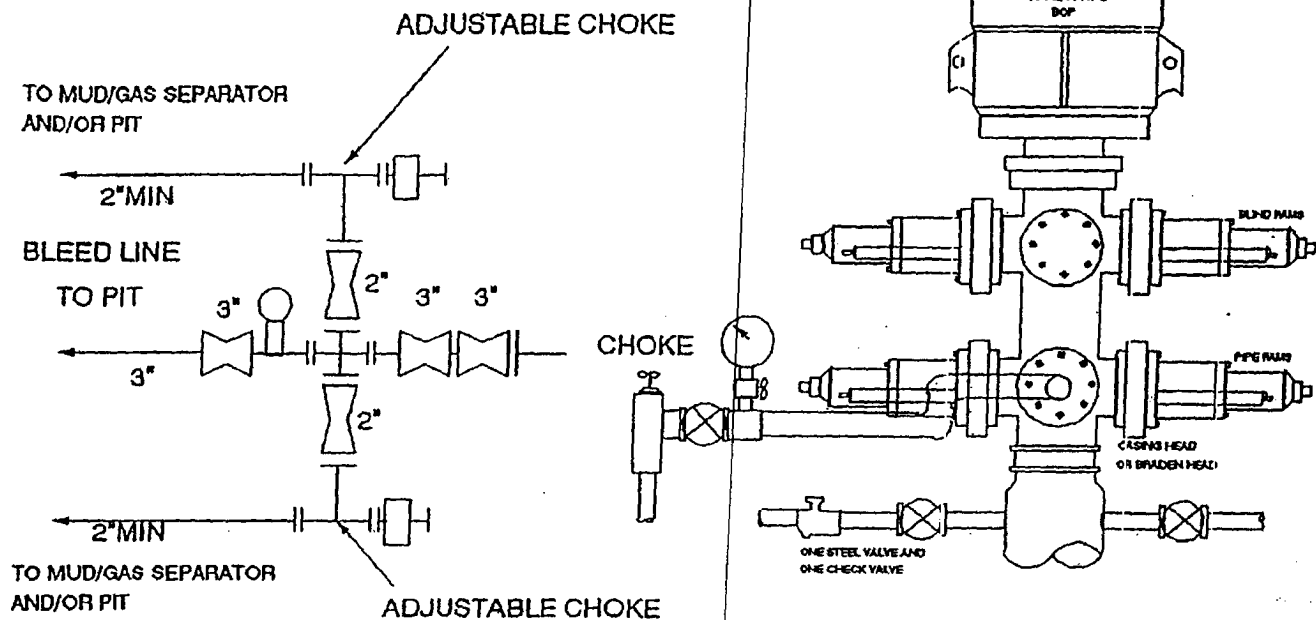


THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- 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.

DIAGRAM 1

3000 PSI WP



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS:

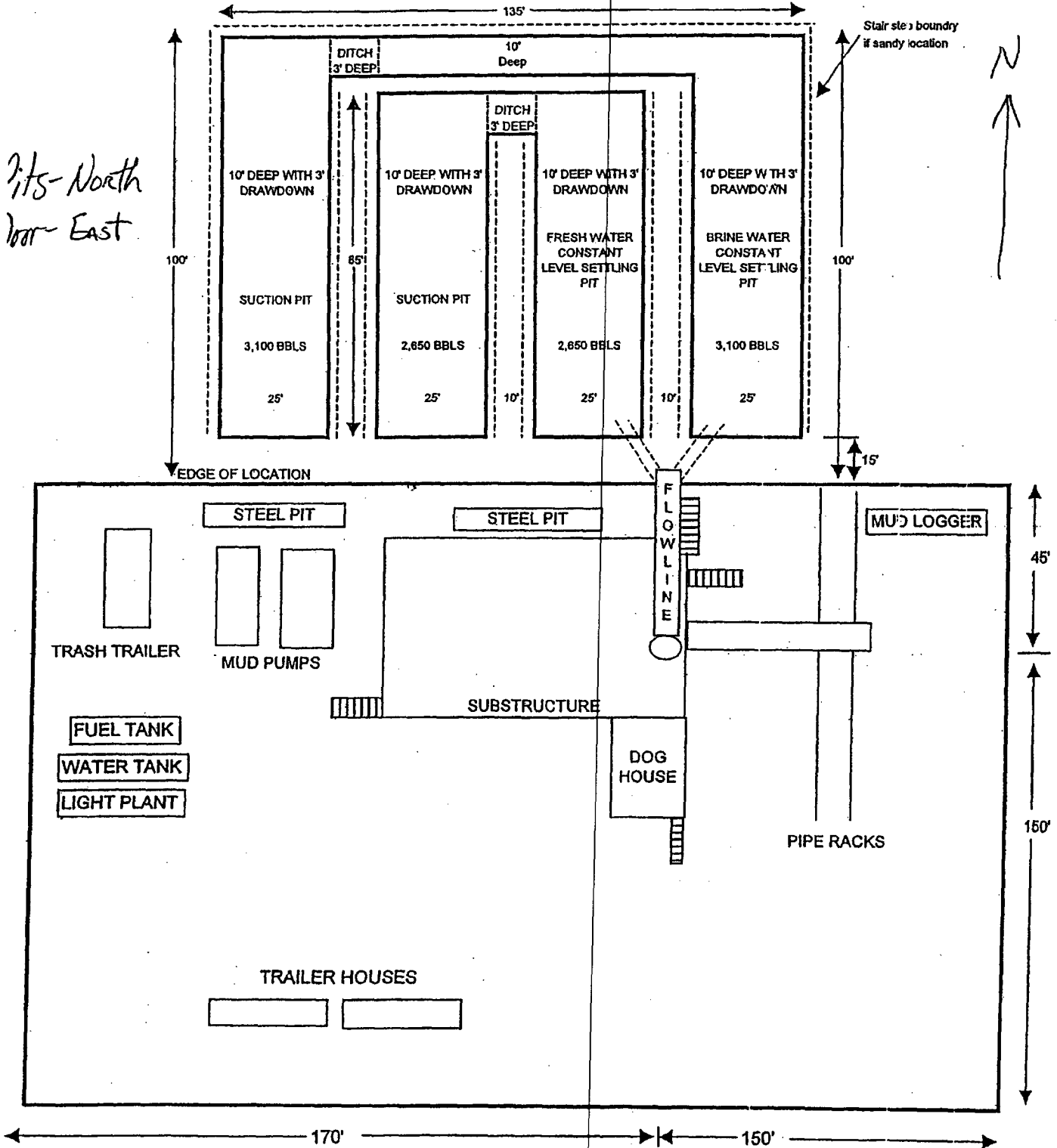
- A. One double gate blowout preventer with lower rams for pipe and upper rams blind, all hydraulically controlled.
- B. Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.
- C. All connections from operating manifold to preventers to be all steel 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.
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DIAGRAM 2

BASS EN RPRISES PRODUCTION COI ANY

Remuda Basin 24 state #8

EXHIBIT "D"





Mosaic Potash Carlsbad Inc.
PO Box 71
1361 Potash Mines Road
Carlsbad, NM 88220
www.mosaicco.com

Tel 505-887-2871
Fax 505-887-0589

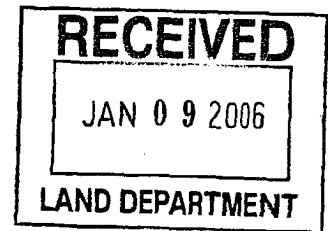
December 29, 2005

Mr. Brad Glasscock
Bass Enterprises Production Co.
201 Main Street
Fort Worth, TX 76102-3131
(817) 339-7185

RECEIVED

JAN 11 2006

000-7178014



Dear Mr. Glasscock:

We are in receipt of your request dated 12/20/2005 concerning 5 well locations in Section 24, T-23-S, R-29-E. Mosaic Potash Carlsbad Inc. does have a potash lease ¼ mile from the northwest corner of this section.

All locations requested (Remuda Basin 24 State #4 thru #8) are further than ¼ mile from our LMR. However, all but #7 are located in measured ore as delineated by the BLM. This ore is economically mineable but not currently in the mine plan, several oil wells have already been drilled in the area. Mosaic Potash does not object to drilling at these locations.

As more information becomes available, our estimates of the extent of potash resources in any given area may change. Therefore, please consider this "no objection" to this location to be valid for one year only. If you are still considering this well location at a date later than one year from today, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

Mosaic Potash submits this letter in lieu of the forms requested.

Sincerely,

Dan Morehouse
Mine Engineering Superintendent

cc: Don Purvis Charlie High Joe Lara



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

RECEIVED

MAR 02 2006

ODD-ARTESIA

February 20, 2006
New Mexico State Land Office
310 Old Santa Fe Trail.
Santa Fe, NM 87504-1148
Attn: Mr. Joe Mraz or To Whom It May Concern

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: Bass Enterprises Production Company
LEASE NAME: Remuda Basin '24' State # 8
LOCATION: SEC. 24, TOWNSHIP 23 SOUTH, RANGE 29 EAST,
330' FNL & 400' FEL
EDDY COUNTY, NM, NMPPM

PROPOSED DEPTH: 7400'

Dear Joe or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of-Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.

Thank you for your assistance.

Sincerely,

Bryan G. Arrant
PES, District II Artesia NMOCD

In LMR	Yes _____	No <u>X</u>
In Buffer Zone	Yes _____	No <u>X</u>

1245P
Jm
2-28-06

Comments:

Signature:

Date: 2/28/06



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 20, 2006
New Mexico State Land Office
310 Old Santa Fe Trail.
Santa Fe, NM 87504-1148
Attn: Mr. Joe Mraz or To Whom It May Concern

RECEIVED

FEB 22 2006

OCU-ARTESIA

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: Bass Enterprises Production Company
LEASE NAME: Remuda Basin '24' State # 8
LOCATION: SEC. 24, TOWNSHIP 23 SOUTH, RANGE 29 EAST,
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Thank you for your assistance.

Sincerely,

Bryan G. Arrant

PES, District II Artesia NMOCD

In LMR	Yes _____	No <u>*</u>
In Buffer Zone	Yes _____	No <u>*</u>

Comments:

IN MINE RESERVE AREA OR IS ON TENTH OIL RESERVE

Signature: [Signature] **Date:** 2-21-06

Arrant, Bryan, EMNRD

From: Arrant, Bryan, EMNRD
Sent: Monday, March 06, 2006 9:04 AM
To: 'machilders@basspet.com'
Subject: Remuda Basin '24' State # 8

Dear Annette,
I have approved the above subject well with the following condition of approval.
Please call if you have any questions.

Bryan G. Arrant
District Geologist
505-748-1283.103

"Please note that under Rule 40, the OCD may approve your APD's to drill. However, under Rule 40 if you are out of compliance when the well is completed, we can not approve an allowable for these wells. You may regain compliance by properly TA, P&A, return the out of compliance wells back to production, or enter into an Agreed Compliance Order ("ACO") with the OCD to return these wells to compliance within a certain time frame. If you choose an ACO, please contact Gail MacQuesten with our Santa Fe Office at (505) 476-3451."