

Resubmitted
N.M. Oil Cons. DIV-Dist. 2

1301 W. Grand Avenue

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Alameda, NM 88210FORM APPROVED
OMB No. 1004-0136
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		SECRETARY'S POTASH	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No. NMNM71016X	
2. Name of Operator Bass Enterprises Produccion Co.		8. Lease Name and Well No. Poker Lake Unit 183 Q	
3a. Address P. O. Box 2760 Midland, TX 79702		9. API Well No. 30-015-33224	
3b. Phone No. (include area code) (432)683-2277		10. Field and Pool, or Exploratory Nash Draw (Delaware) Avalon Sand Base Spring	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NENW 330' FNL & 1980' FWL, Lat N 32.1418.2, Lon W 103.55240 At proposed prod. zone NENW 330' FNL & 1980' FWL		11. Sec., T., R., M., or Blk. and Survey or Area Sec 7, T24S, R30E Mer NMP SME: BLM	
14. Distance in miles and direction from nearest town or post office* 14 miles East of Malaga, NM		12. County or Parish Eddy County	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330'		13. State NM	
16. No. of Acres in Spacing Unit dedicated to this well 1843.32		20. BLM/BIA Bond No. on file Nm 2204	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1422'		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3185' GL	
22. Approximate date work will start* 04/01/2006		23. Estimated duration 15 days	

RECEIVED

MAR 22 2006

24. Attachments

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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operation certification. |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Annette Childers</i>	Name (Printed/Typed) Annette Childers	Date 12/30/2005
Title Administrative Assistant		
Approved by (Signature) <i>/s/ Linda S. C. Rundell</i>	Name (Printed/Typed) <i>/s/ Linda S. C. Rundell</i>	Date MAR 15 2006
Title STATE DIRECTOR		Office NM STATE OFFICE

Application approval does not warrant or certify the 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 and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Witness Surface Casing

Controlled Water Basin

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHEDIf earthen pits are used in
association with the drilling of this
well, an OCD pit permit must be
obtained prior to pit construction.

Original APD expired 1/28/06 and cannot be extended.

Surface casing to be sent into the Rustler below all fresh water sands.

Production casing will be cemented to at least 500' above the uppermost hydrocarbon bearing zone.

Drilling Procedure, BOP Diagram, Anticipated tops and surface plans attached.

This well is located inside 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., Artec, 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 30-015-32129	Pool Code 47545	Pool Name Nash Draw (Delaware) Bone Spring (Avalon Sand)
Property Code 001769	Property Name POKER LAKE UNIT	Well Number 183
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3185'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	7	24 S	30 E		330	NORTH	1980	WEST	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 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 - 40.16 ac. 1980' 3188.2 3188.1 3186.6 3197.4 330' LAT - N32°14'18.2" LONG - W103°55'24.0" (NAD88)					
LOT 2 - 40.08 ac.					
LOT 3 - 40.00 ac.					
LOT 4 - 39.92 ac.					

OPERATOR CERTIFICATION

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

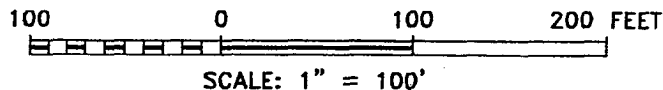
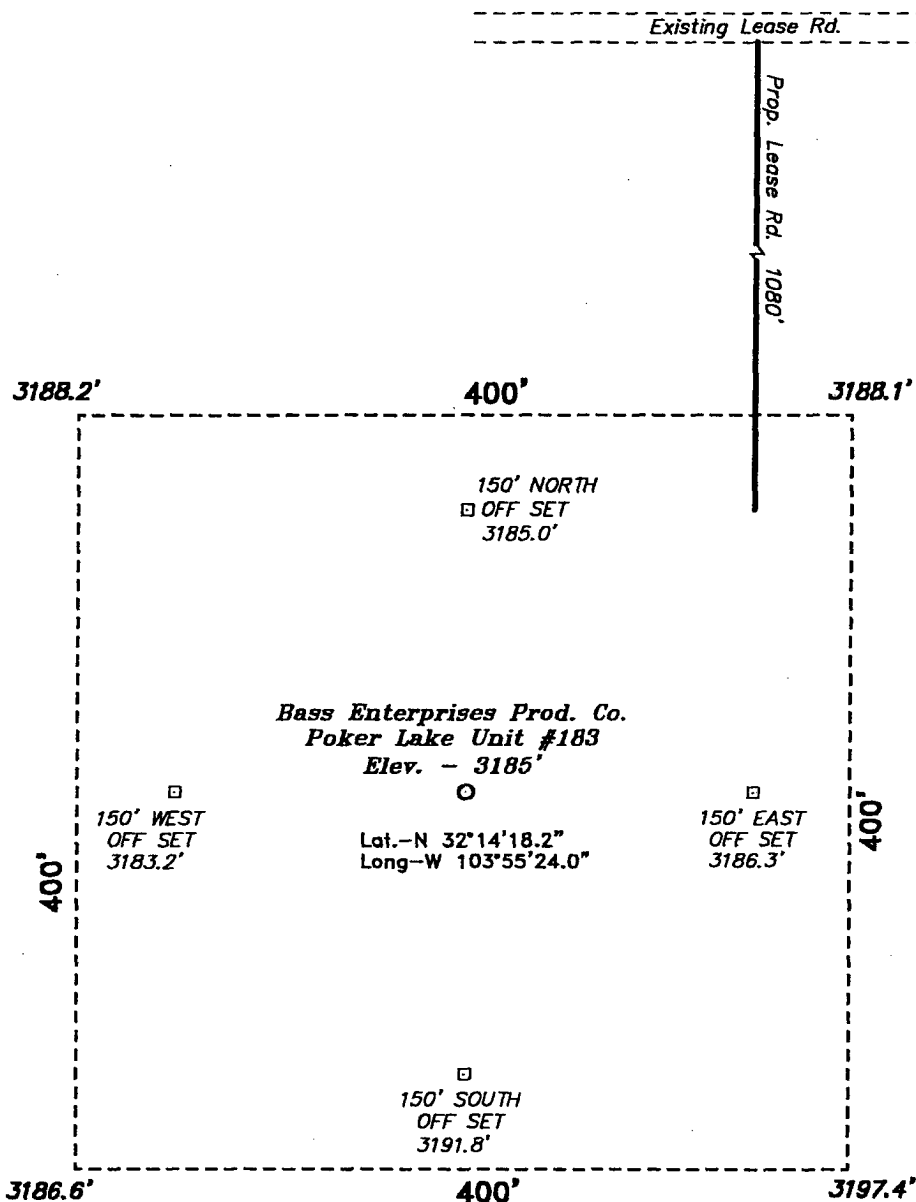
William R. Dannels
Signature
William R. Dannels
Printed Name
Division Drilling Supt.
Title
12/29/2005
Date

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.

May 8, 2001
Date Surveyed
Signature of Gary L. Jones
Professional Surveyor
Professional Seal of Gary L. Jones
7977
W.O. No. 1458
Certificate No. Gary L. Jones 7977
BASS SURVEYS

**SECTION 7, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 128 & CO. RD. 793, GO SOUTH AND WEST ON CO. RD. 793 APPROX. 4.5 MILES TO A LEASE ROAD; THENCE WEST ON LEASE ROAD APPROX. 0.5 MILE TO THE PROPOSED LEASE ROAD.

BASS ENTERPRISES PRODUCTION CO.

REF: Poker Lake Unit No. 183 / Well Pad Topo

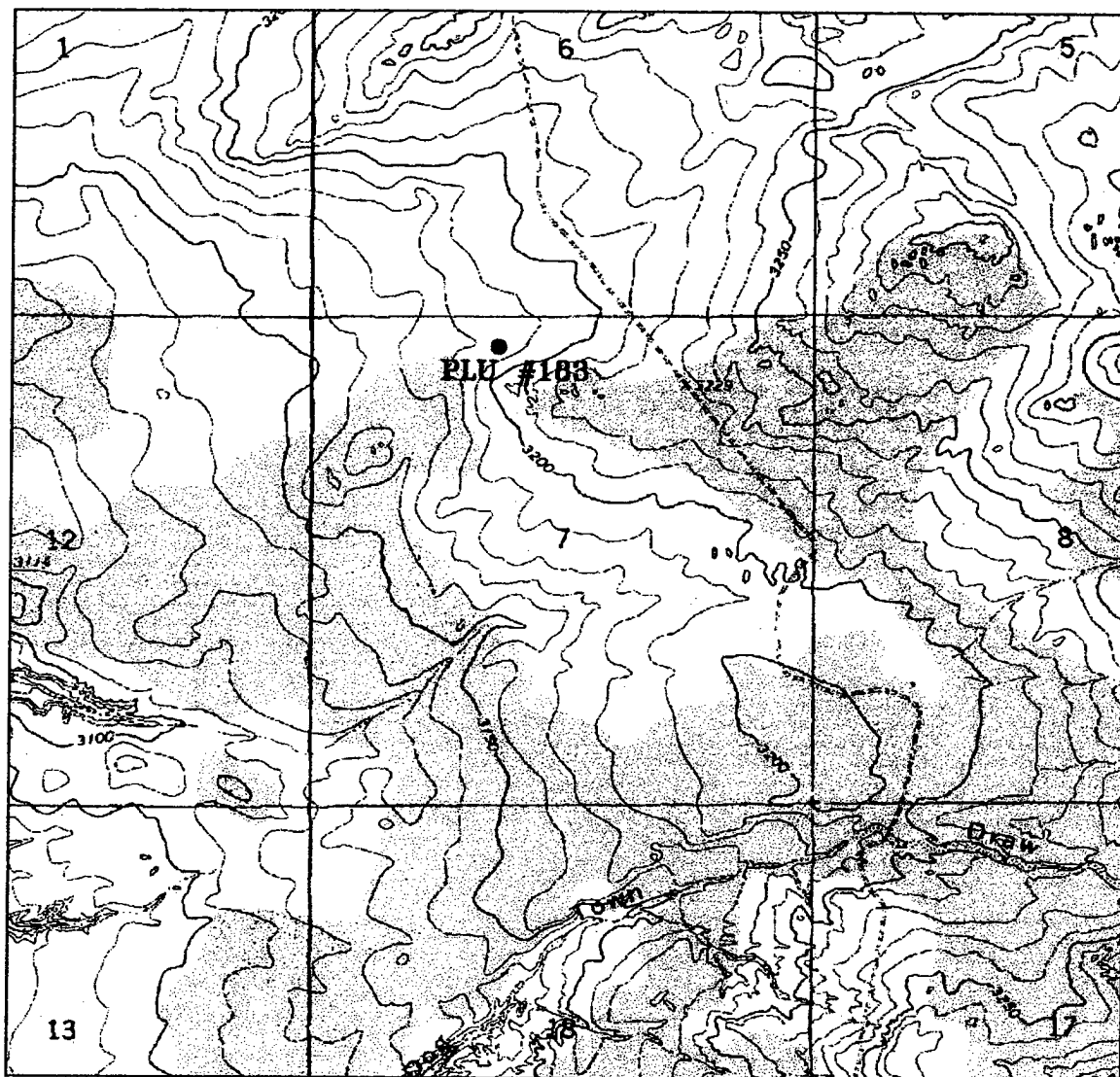
THE POKER LAKE UNIT No. 183 LOCATED 330' FROM
THE NORTH LINE AND 1980' FROM THE WEST LINE OF
SECTION 7, TOWNSHIP 24 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Basin Surveys P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 1450 Drawn By: **K. GOAD**

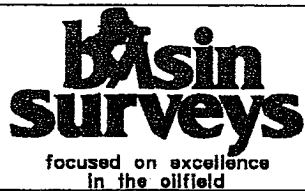
Date: 05-10-2001 Disk: KJG CD#3 - 1450A.DWG

Survey Date: 05-08-2001 Sheet 1 of 1 Sheets



POKER LAKE UNIT #183

Located at 330' FNL and 1980' FWL
 Section 7, Township 24 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.



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

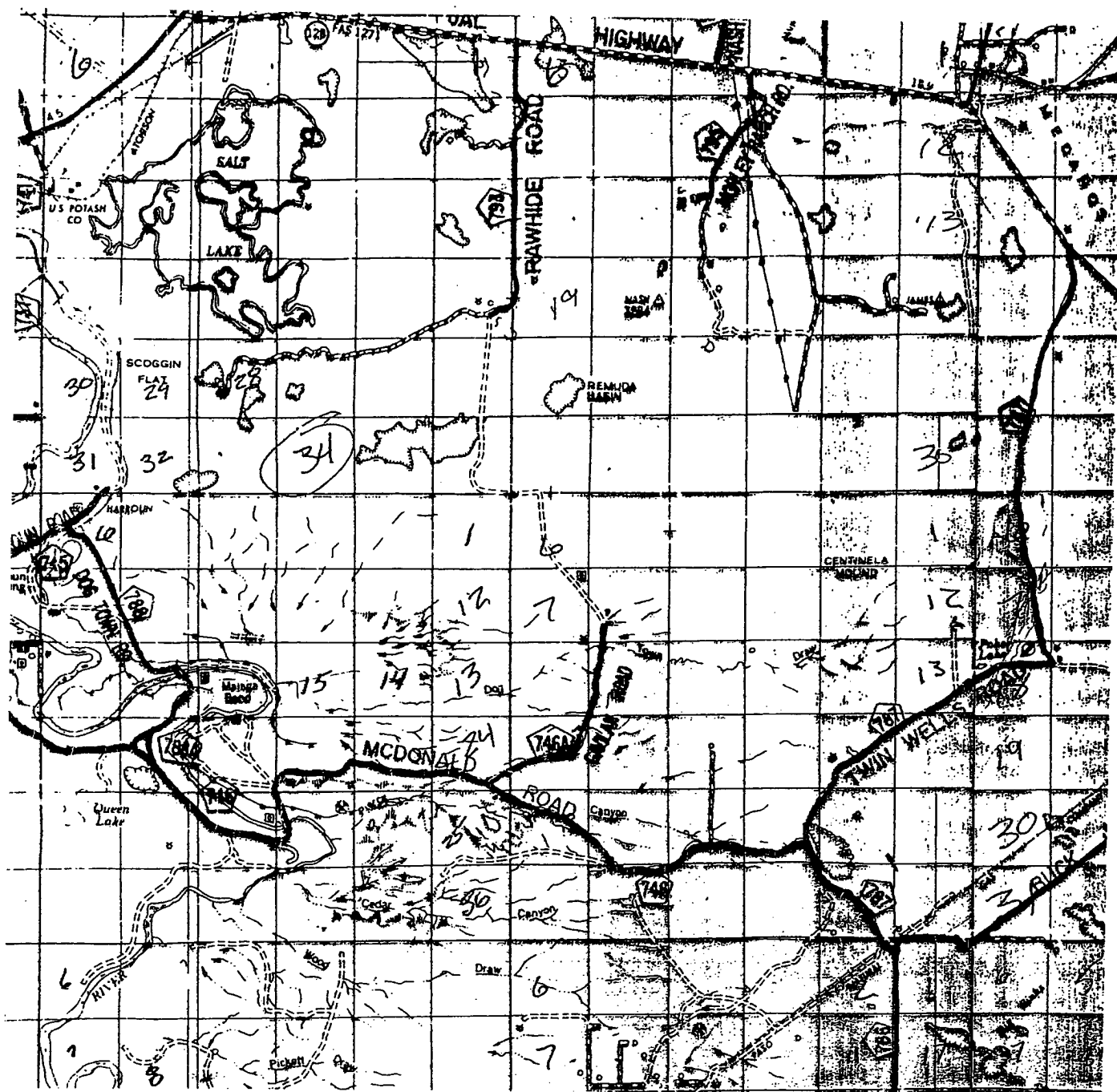
W.O. Number: 1450AA - KJG CD#3

Survey Date: 05-08-2001

Scale: 1" = 2000'

Date: 05-10-2001

**BASS ENTERPRISES
 PRODUCTION CO.**



POKER LAKE UNIT #183

Located at 330' FNL and 1980' FWL
 Section 7, Township 24 South, Range 30 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: 1450AA - KJG CD#3

Survey Date: 05-08-2001

Scale: 1" = 2 MILES

Date: 05-10-2001

**BASS ENTERPRISES
 PRODUCTION CO.**

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

NAME OF WELL: Poker Lake Unit #183

LEGAL DESCRIPTION - SURFACE: 330' FNL & 1980' FWL, Section 7, 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 3203' (est) GL 3185'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Salt	563'	+2640'	Barren
T/Ramsey Sand	3501'	- 298'	Oil/Gas
T/Lwr Brushy Canyon "8" U	6953'	-3570'	Oil/Gas
TD	7600'	-4397'	

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>	WITNESS
16"	0' - 40'	Conductor	Contractor Discretion	
8-5/8", 28#, J-55, LT&C	0' - 500'	Surface	New	
5-1/2", 15.5#, J-55, LT&C	0' - 6500'	Production	New	
5-1/2", 17#, J-55, LT&C	6500' - 7600'	Production	New	

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOPE equivalent to requirements of Onshore Oil & Gas Order No. 2 – 2000 psi system (Diagram 1) 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 BOPE when rigged up on the intermediate casing spool will be as described in Diagram 2 and will be tested to 3000 psig by independent tester. (As per Onshore Oil & Gas Order No. 2 – 3000 psig system). In addition to the high pressure test, a low pressure (200 psig) test will be required. These tests will be performed: 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

<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'	BW/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 (+/- 3240').
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>	
<u>SURFACE:</u>							<u>Nitrogen</u>	<u>Strength</u>
Lead 0 - 200' (100% excess circ to surface)	100	200	Permian Basin Critical Zone + 1/4# Flocele	10.4	12.8	1.90		
Tail 200'-500' (100% excess circ to surface)	235	300	Prem Plus + 2% CaCl ₂ + 1/4# Flocele	6.33	14.8	1.35		
<u>PRODUCTION:</u>								
Base Slurry w/nitrogen 3000-7800' + (50% excess)	750	4599	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 3570'-7800'. No H₂S is anticipated.

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

15 days drilling operations

14 days completion operations

LHS/mac

December 29, 2005

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: Poker Lake Unit #183

LEGAL DESCRIPTION - SURFACE: 330' FNL & 1980' FWL, Section 7, 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 junction of State Highway 128 and County Road 793, go south and west on County Road 4.5 miles to lease road. Turn west on lease road 0.5 miles to Poker Lake Unit well #177. Will turn south on proposed lease and go 0.2 miles to location.

C) Existing Road Maintenance or Improvement Plan:

See Exhibits A, B and Survey Plats.

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

Approximately 1080' of new road is required.

B) Width

12'

C) Maximum Grade

Grade as necessary to match surrounding topography or as per BLM requirements.

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

Exhibit B indicates existing wells within the surrounding area.

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES

Page 2

- A) Closest Oil/Gas production facilities are located at PLU #158 wellsite. Poker Lake Unit #158 is located 3/4 mile east of proposed well.

- B) New Facilities in the Event of Production:

After drilling and completion of Poker Lake Unit #183, existing production facilities at PLU #158 will be used via flowlines. Additional separators/treaters will be added as necessary. A new flowline consisting of 2-7/8" steel pipe, will be laid within 50' of the center line of the access road and existing roads which have previously been Arch cleared. Three phase 12,470 volt power lines will like wise be extended to this well with poles placed within 50' of the centerline and connect with power line that services the PLU # 156 (See Exhibit B).

- C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following flowline construction, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas unnecessary for use will be graded to blend in with the surrounding topography (see Point 10).

POINT 5: LOCATION AND TYPE OF WATER SUPPLY

- A) Location and Type of Water Supply

Fresh water will be hauled from Johnson Station 50 miles east of Carlsbad, New Mexico or other commercial facilities. Brine water will be hauled from commercial facilities.

- B) Water Transportation System

Water hauling to the location will be over the existing and proposed roads.

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

- A) Materials

Exhibit A shows location of caliche source.

- B) Land Ownership

Federally Owned.

- C) Materials Foreign to the Site

No construction materials foreign to this area are anticipated for this drill site.

- D) Access Roads

See Exhibits A and B.

POINT 7: METHODS FOR HANDLING WASTE MATERIAL

Page 3

A) Cuttings

Cuttings will be contained in the reserve pit.

B) Drilling Fluids

Drilling fluids will be contained in the reserve pit.

C) Produced Fluids

Water production will be contained in the reserve pit.

Hydrocarbon fluid or other fluids that may be produced during testing will be retained in test tanks. Prior to cleanup operations, any hydrocarbon material in the reserve pit will be removed by skimming or burning as the situation would dictate.

D) Sewage

Current laws and regulations pertaining to the disposal of human waste will be complied with.

E) Garbage

Portable containers will be utilized for garbage disposal during the drilling of this well.

F) Cleanup of Well Site

Upon release of the drilling rig, the surface of the drilling pad will be graded to accommodate a completion rig if electric log analysis indicate potential productive zones. The reserve pit will be fenced and bird netted. The fence will be maintained until the pit is backfilled. Reasonable cleanup will be performed prior to the final restoration of the site.

POINT 8: ANCILLARY FACILITIES

None required.

POINT 9: WELL SITE LAYOUT

A) Rig Orientation and Layout

Exhibit "C" shows the dimensions of the well pad and reserve pits, and the location of major rig components. Only minor leveling of the well site will be required. No significant cuts or fills will be necessary.

B) Locations of Pits and Access Road

See Exhibits "A", "C" & "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 11: OTHER INFORMATION

Page 5

A) Terrain

Relatively flat.

B) Soil

Caliche and sand.

C) Vegetation

Sparse, primarily grasses and mesquite with very little grass.

D) Surface Use

Primarily grazing.

E) Surface Water

There are no ponds, lakes, streams or rivers within several miles of the wellsite.

F) Water Wells

There is one water well located 3985' from location.

G) Residences and Buildings

None in the immediate vicinity.

H) Historical Sites

None observed.

I) Archeological Resources

An archeological survey has been submitted to the BLM by Archaeological Services by Laura Machalik dated August 8, 2001. Any location or construction conflicts will be resolved before construction begins.

J) Surface Ownership

The well site is on federally owned land.

K) Well signs will be posted at the drilling site.

L) Open Pits

All pits containing liquid or mud will be fenced and bird-netted.

POINT 12: OPERATOR'S FIELD REPRESENTATIVE

Page 6

(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

Michael Lyon
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.

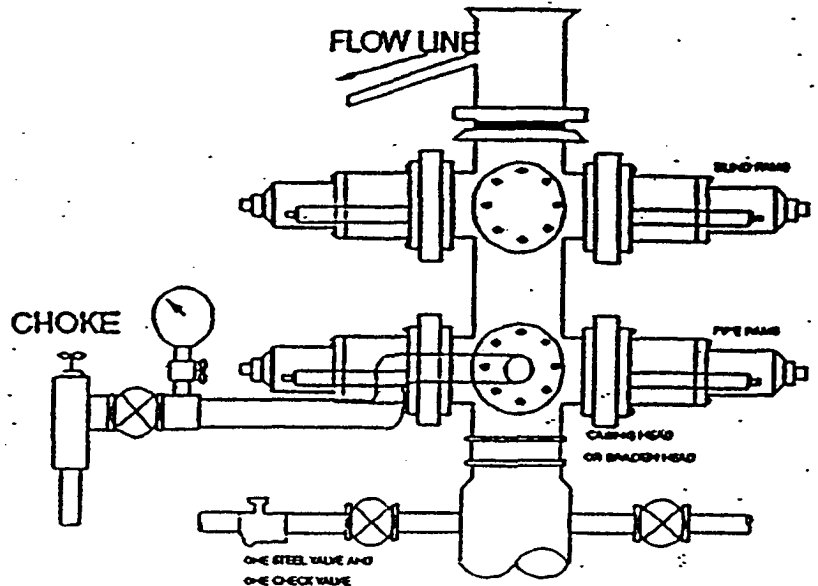
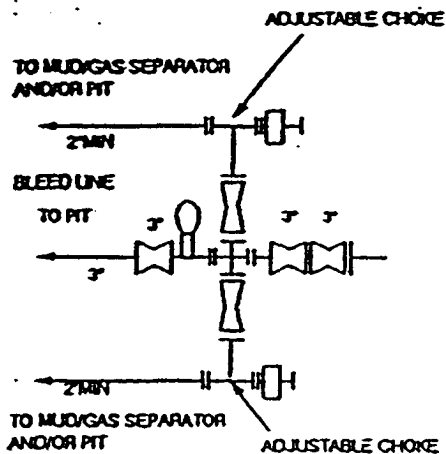
Date

12/29/2005


William R. Dannels

LHS/mac

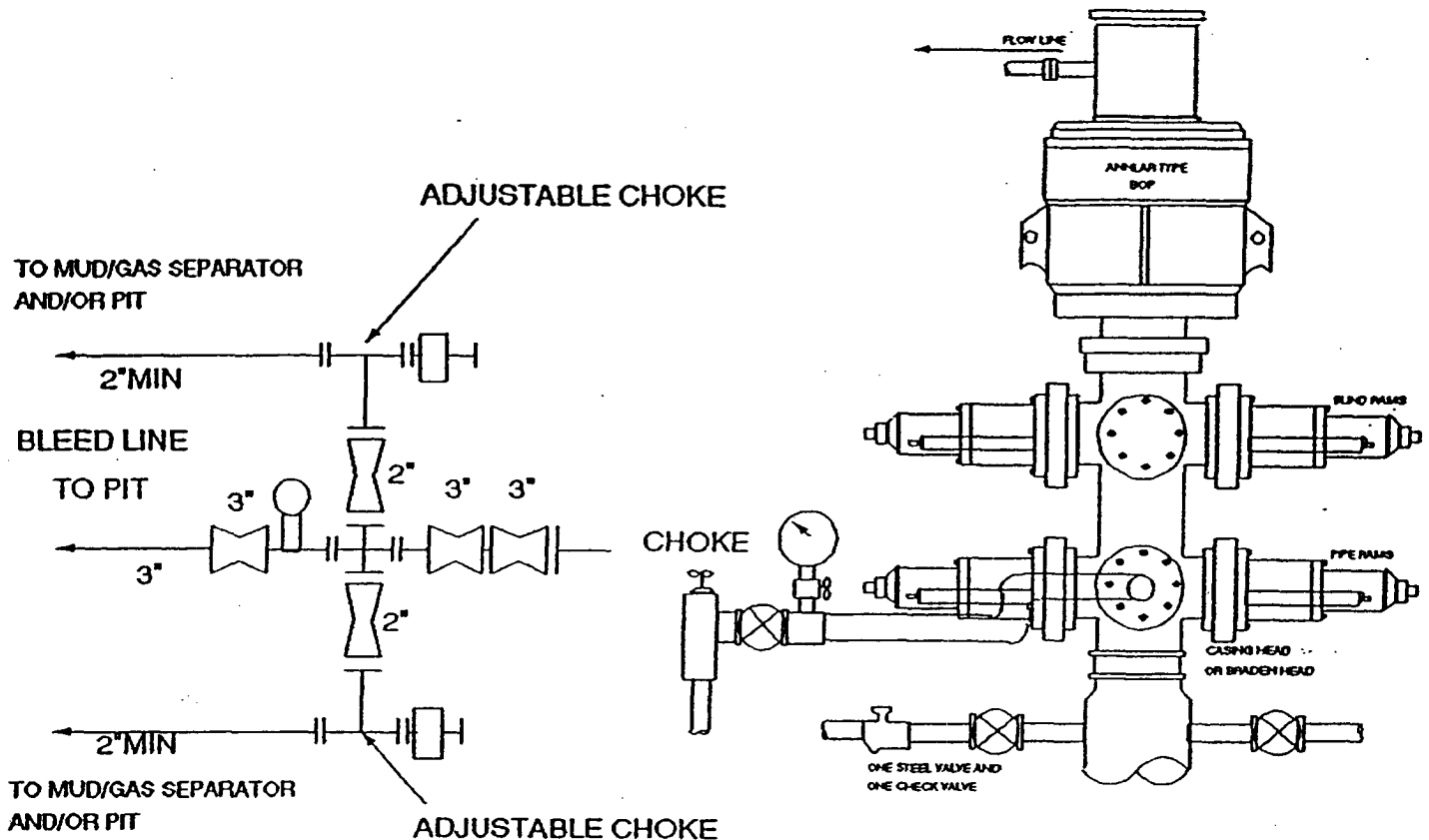
2000 PSI WP



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.

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.
- 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.

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Bass Enterprises Production Company
Well Name & No. Poker Lake Unit #183 - Resubmittal
Location: 330' FNL, 1980' FWL, Section 7, T. 24 S., R. 30 E., Eddy County, New Mexico
Lease: LC-068545

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County in sufficient time for a representative to witness:
 - A. Well spud
 - B. Cementing casing: 8-5/8 inch 5-1/2 inch
 - C. BOP tests
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.
5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.
6. Gamma-Ray/Neutron logs shall be run from the base of the Salado formation to the surface; cable speed not to exceed 30 feet per minute.

II. CASING:

1. The 8-5/8 inch surface casing shall be set at approximately 500 feet and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.
2. The minimum required fill of cement behind the 5-1/2 inch production casing is to be sufficient to reach at least 500 feet above the top of the uppermost productive hydrocarbon bearing interval.
3. Whenever a casing string is cemented in the R-111-P Potash Area, cement shall be allowed to stand a minimum of twelve (12) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating tests.

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 8-5/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2000 psi.
3. The requested variance to test the BOPE to 1000 psi on the surface casing with rig pumps is approved.
4. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

acs - 8/29/2001
acs - 12/22/2003 - rev
acs - 1/17i/2006 - rev