

EC

OCD-ARTESIA

Form 3160-3
(August 1999)FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000UNITED 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		5. Lease Serial No. NMNM04473
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		7. If Unit or CA Agreement, Name and No. NMNM70965X
3a. Address P. O. BOX 2760 MIDLAND, TX 79702		8. Lease Name and Well No. JAMES RANCH UNIT 75
3b. Phone No. (include area code) Ph: 915.683.2277 Fx: 915.687.0329		9. API Well No. 30-015-33114
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NESW 1980FSL 2130FWL At proposed prod. zone NESW 1980FSL 2130FWL		10. Field and Pool, or Exploratory LOS MEDANOS, Wolfcamp
14. Distance in miles and direction from nearest town or post office* 16 MILES EAST FROM LOVING NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 6 T23S R31E Mer NMP SME: FEE
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660		12. County or Parish EDDY
16. No. of Acres in Lease 282.09		13. State NM
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 880		17. Spacing Unit dedicated to this well 40.00
19. Proposed Depth 11350 MD		20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3307 GL		22. Approximate date work will start
23. Estimated duration		

24. Attachments

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) TAMI WILBER	Date 06/16/2003
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) /s/ Carsten F. Goff	Name (Printed/Typed) /s/ Carsten F. Goff	Date 13 NOV 2003
Title ACTING STATE DIRECTOR	Office NM STATE 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 #22198 verified by the BLM Well Information System
For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad
Committed to AFMSS for processing by Armando Lopez on 06/19/2003 (03AL0323AE)APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Carlsbad Controlled Water Basin

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional Operator Remarks:

Surface casing to be set +/- 100' above the Salt.

Intermediate casing to be set in the top of the Lamar Lime.

Production casing cement to be circulated to surface.

Drilling procedure, BOPE diagram, anticipated formation tops, and surface use plan attached.

This is a re-permit, the original APD has expired.

Revisions to Operator-Submitted EC Data for APD #22198

Operator Submitted

Lease: NM004473
Agreement: NMNM70965X
Operator: BASS ENTERPRISES PRODUCTION CO
P. O. BOX 2760
MIDLAND, TX 79702
Ph: 915.683.2277
Fx: 915.687.0329

Admin Contact: TAMI WILBER
AUTHORIZED REPRESENTATIVE
P. O. BOX 2760
MIDLAND, TX 79702
Ph: 915.683.2277
Fx: 915.687.0329
E-Mail: twilber@basspet.com

Tech Contact:

Well Name: JAMES RANCH UNIT
Number: 75
Location:
State: NM
County: EDDY
S/T/R: Sec 6 T23S R31E Mer NMP
Surf Loc: NESW 1980FSL 2130FWL
Field/Pool: LOS MEDANOS WOLFCAMP SOUTH
Bond: NM2204

BLM Revised (AFMSS)

NMNM04473
NMNM70965X
BASS ENTERPRISES PRODUCTION CO
P. O. BOX 2760
MIDLAND, TX 79702
Ph: 432.683.2277
Fx: 915.687.0329

TAMI WILBER
AUTHORIZED REPRESENTATIVE
P. O. BOX 2760
MIDLAND, TX 79702
Ph: 915.683.2277
Fx: 915.687.0329
E-Mail: twilber@basspet.com

JAMES RANCH UNIT
75
NM
EDDY
Sec 6 T23S R31E Mer NMP
NESW 1980FSL 2130FWL
LOS MEDANOS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS****Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.****SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM04473
2. Name of Operator BASS ENTERPRISES PRODUCTION CO		6. If Indian, Allottee or Tribe Name
Contact: TAMI WILBER E-Mail: twilber@basspet.com		7. If Unit or CA/Agreement, Name and/or No. NMNM70965A
3a. Address P O BOX 2760 MIDLAND, TX 79702	3b. Phone No. (include area code) Ph: 915.683.2277 Fx: 915.687.0329	8. Well Name and No. JAMES RANCH UNT 75
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 6 T23S R31E NESW 1980FSL 2130FWL		9. API Well No. 00-015-31750-00-X1
		10. Field and Pool, or Exploratory LOS MEDANOS
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original PD
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please make the following change to Point 7: Anticipated Reservoir Conditions on the 8 point Drilling Program that was filed recently.

Normal pressures are anticipated throughout Delaware Section. The Bone Spring expected BHP is 5902 psi or equivalent mud weight of 10.4 ppg at TD. Due to the tight nature of the reservoir rock (high pressure, low volume) the well will be drilled under balanced utilizing a rotating head. The expected BHT at TD is 170 degrees F. Prior to penetrating the abnormal pressures in the Bone Spring, mud monitoring equipment will be installed and operative. No H2S is anticipated, therefore, no contingency plan will be filed.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #23308 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 06/24/2003 (03LA0612SE)	
Name (Printed/Typed) TAMI WILBER	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 06/17/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By LES BABYAK	Title PETROLEUM ENGINEER	Date 06/27/2003
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office Carlsbad

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.

DISTRICT I

1825 N. French St., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1890 E. Sprague Rd., Aztec, NM 87410

DISTRICT IV

2045 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
		LOS MEDANOS SOUTH (WOLFCAMP) FIELD
Property Code	Property Name	Well Number
	JAMES RANCH UNIT	75
OG&P No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3307'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	6	23 S	31 E		1980	SOUTH	2130	WEST	EDDY

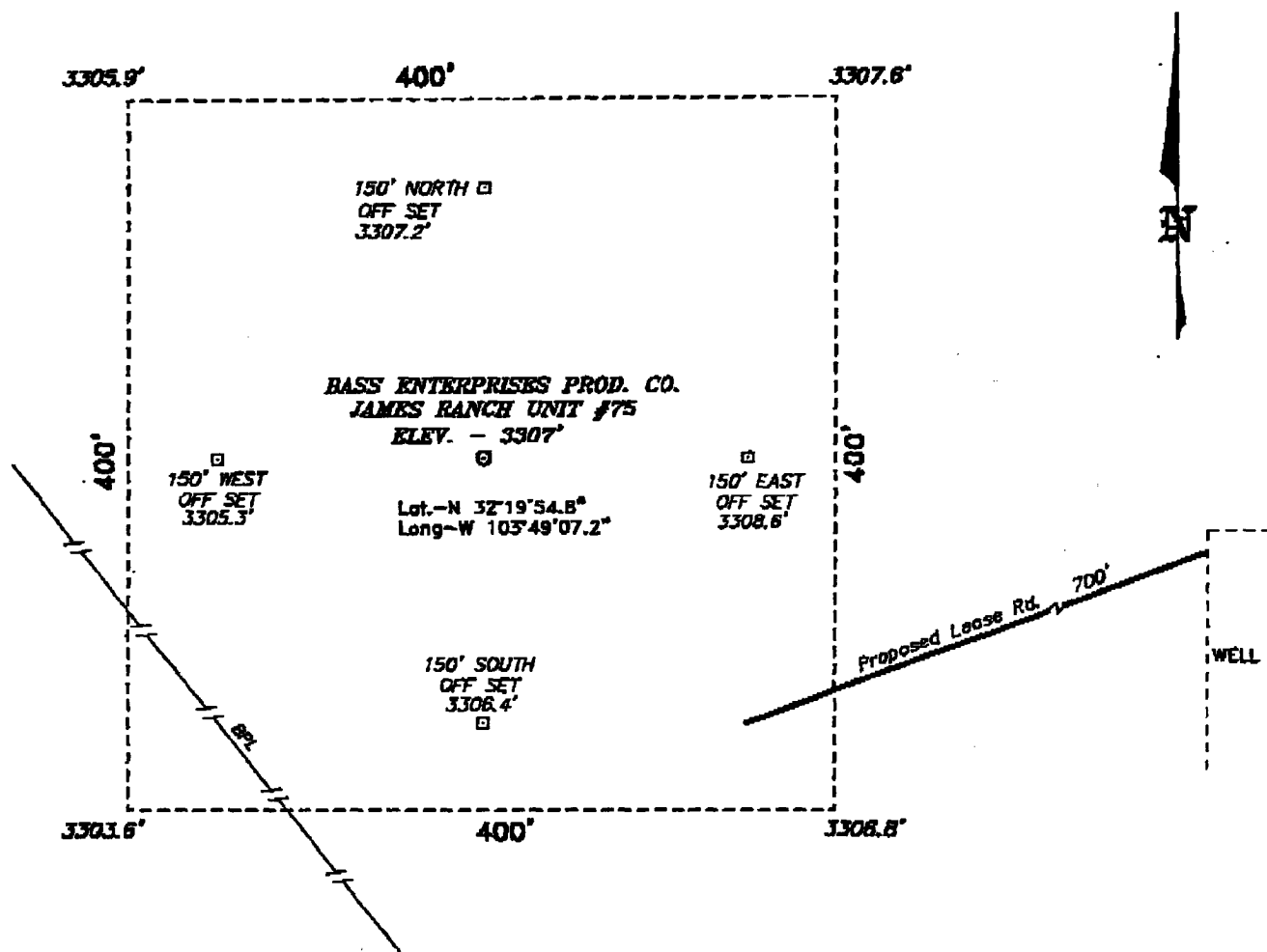
Bottom Hole Location if Different From Surface

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

LOT 4 - 40.45 AC.	LOT 3 - 39.90 AC.	LOT 2 - 39.94 AC.	LOT 1 - 39.95 AC.	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>William R. Dannels</u> Signature <u>W. R. Dannels</u> Printed Name <u>Division Drilling Supt.</u> Title <u>Nov. 2, 2000</u> Date
LOT 5 - 40.79 AC.				
LOT 6 - 40.96 AC.	LAT - N32°19'54.8" LONG - W103°49'07.2" 			
LOT 7 - 41.15 AC.				
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. <u>August 22, 2000</u> Date Surveyed <u>W. L. JONES</u> Signature <u>W. L. JONES</u> Printed Name <u>Professional Land Surveyor</u> Title W.O. No. 0477 Certified Professional Land Surveyor BASIN SURVEYS				

**SECTION 6, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 128 AND CO. RD. 802 (WIPP ROAD), GO WEST ON HWY 128 APPROX. 0.75 MILE TO A POINT WHICH LIES APPROX. 2000 FEET SOUTH OF THE PROPOSED WELL LOCATION.

100 0 100 200 FEET

SCALE: 1" = 100'

BASS ENTERPRISES PRODUCTION CO.

REF: James Ranch Unit No. 75 / Well Pad Topo

THE JAMES RANCH UNIT No. 75 LOCATED 1980' FROM
THE SOUTH LINE AND 2130' FROM THE WEST LINE OF
SECTION 6, TOWNSHIP 23 SOUTH, RANGE 31 EAST,

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

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

W.O. Number: 0471

Drawn By: K. GOAD

Date: 08-24-2000

Disk: KJG #122 - 0471A.DWG

Survey Date: 08-22-2000

Sheet 1 of 1 Sheets

EIGHT POINT DRILLING PROGRAM BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: JAMES RANCH UNIT #75

LEGAL DESCRIPTION - SURFACE: 1980' FSL & 2130' FWL, Section 6, T-23-S, R-31-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 3325' (est)
GL 3307'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	265'	+3,060'	Barren
T/Salt	704'	+2,621'	Barren
T/Lamar	3,940'	- 615'	Barren
T/Delaware Mtn. Group	3,975'	- 650'	Oil/Gas
T/Shell Marker	6,805'	- 3,480'	Oil/Gas
T/Lwr Brushy Canyon 8A	7,491'	- 4,166'	Oil/Gas
T/Bone Spring	7,775'	- 4,450'	Oil/Gas
T/Bone Spring III	10,935'	- 7,610'	Oil/Gas
T/Wolfcamp	11,070'	- 7,745'	Oil/Gas
T/Wolfcamp Pay	11,133'	- 7,808'	Oil/Gas
TD	11,350'	- 8,025'	

POINT 3: CASING PROGRAM

WITNESS 11 3/4" & 8 5/8" CMT JOBS

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
16"	0' - 40'	Conductor	Contractor Discretion
11-3/4", 42#, WC-40, STC	0' - 600'	Surface	New
8-5/8", 28# & 32#, WC-50, ST&C	0' - 3950'	Intermediate	New
5-1/2", 20#, P-110, LT&C	0' - 11,350'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nipped up on the surface casing head and tested using the rig pumps to 1000 psi (high) & 200 psi (low). A BOP equivalent to Diagram 2 will be nipped up prior to drilling the production hole. The BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to the lowest working pressure of the equipment being tested. 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

WITNESS

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM) – Cont'd...

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' - 800'	FW Spud Mud	8.5 - 9.2	45-35	NC	NC	NC	NC
800' - 3950'	Brine Water	9.8 -10.2	29-30	NC	NC	NC	10.0-10.6
3950' - 6200'	FW	8.3 - 8.6	28-30	NC	NC	NC	9-9.5
6200' - 11,200'	FW Mud	8.6 - 9.2	28-40	8-10	8-10	<100 cc	9-9.5
11,200' - TD	FW Mud	9.2 - 9.5	40-42	8-10	8-10	<100 cc	9-9.5

**Will 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 8-5/8" casing shoe.

GR-CNL from base of 8-5/8" casing 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 - 300' (100% excess circ to surface)	150	300	Class C + 1/4 pps Celloflake + 4% Gel + 2% CaCl ₂	9.17	13.5	1.75
Tail 300-600' (100% excess circ to surface)	215	300	Class C + 2% CaCl ₂	6.36	14.80	1.34
INTERMEDIATE:						
Lead 0 - 3650' (100% excess circ to surface)	800	3650	50/50 Poz C + 5% Salt + 10% Gel	12.39	12.13	2.21
Tail 3650-3950' (100% excess circ to surface)	100	300	Class C + 1% CaCl ₂	6.32	14.80	1.34

D) CEMENT – Cont'd...

PRODUCTION: A single stage cementing procedure with ZoneSeal (foam) will be required.

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT ³ /SX
Lead 3650-11,250' (50% excess)	1150	7600	Prem Plus + 2.0% ZoneSeal 2000 + Nitrogen (200-460 scf/bbl)	6.30	9.0-12.0	1.82-1.64
Tail 11,250-11,350 (50% excess)	20	100	Prem Plus + 2.0% ZoneSeal	6.30	14.5	1.39

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. The Bone Spring expected BHP is 5902 psi (max) or an equivalent mud weight of 10.0 ppg @ TD. Due to the tight nature of the reservoir rock (high pressure, low volume), the well will be drilled under balanced utilizing a rotating head. The expected BHT at TD is 170°F. Prior to penetrating the abnormal pressures in the Bone Spring [REDACTED] mud monitoring equipment will be installed and operative. ^{No} H₂S is anticipated. [REDACTED]

THEREFORE, NO CONTINGENCY PLAN WILL BE FILED.

A) Auxiliary Equipment

Upper and lower kelly cocks. Full opening stab in valve on the rig floor.

B) Anticipated Starting Date

Upon approval

25 days drilling operations

10 days completion operations

BGH/mac
June 5, 2003

SUNDRY NOTICE
DATED 6/17/03
APPROVED 6/27/03
- L. Baluyok

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: JAMES RANCH UNIT #75

LEGAL DESCRIPTION - SURFACE: 1980' FSL & 2130' FWL, Section 6, T-23-S, R-31-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit "A".

B) Existing Roads:

Between mile markers 10 & 11 on Highway 128 turn north on WIPP road and go 0.8 mile. Turn east and go 1/2 mile. Turn south and go 0.2 miles, turn east and go 0.2 miles to location.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "A".

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See Exhibit "A". The new road will be 12' wide and approximately 700' long. The road will be constructed of watered and compacted caliche.

B) Width

12'.

C) Maximum Grade

Not applicable.

D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

None.

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) Existing facilities owned or controlled by lessee/operator:

Bass' facilities located at JRU #17 (1229' NNE of wellbore).

B) New Facilities in the Event of Production:

Will need separator – different lease.

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 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 Water Station 27 miles east of Carlsbad, New Mexico or Mills Ranch. Brine water will be hauled from Champion Brine Water Station, 3.5 miles east and 2.5 miles south of Carlsbad, New Mexico.

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**

If not found on location, caliche will be hauled from the nearest BLM approved source.

B) Land Ownership

Mills Ranch. A surface land damage agreement has been reached between the operator and Mills Ranch.

C) Materials Foreign to the Site

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

D) Access Roads

See Exhibit "A".

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. In any case, the "mouse" hole and "rat" hole will be covered. 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.

POINT 9: WELL SITE LAYOUT – Cont'd...

Page 4

B) Locations of Pits and Access Road

See Exhibits "A" and "C".

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

One water well is located on Mills Ranch (1/4 mile south of this location).

G) Residences and Buildings

J. C. Mills Ranch House is located 1/4 mile south of this location. See Exhibit D.

H) Historical Sites

None observed.

I) Archeological Resources

An archeological survey will be obtained for this area. Before any construction begins, a full and complete archeological survey will be submitted to the Bureau of Land Management. Any location or construction conflicts will be resolved before construction begins.

J) Surface Ownership

The well site and new access road is on private fee land owned by the Mills Ranch. A damage agreement has been negotiated between the operator and the surface landowner.

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
(915) 683-2277

PRODUCTION

Mike Waygood
3104 East Green Street
Carlsbad, New Mexico 88220
(505) 887-7329

Keith E. Bucy
Box 2760
Midland, Texas 79702
(915) 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 its 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

6/6/03William R. Dannels
William R. Dannels

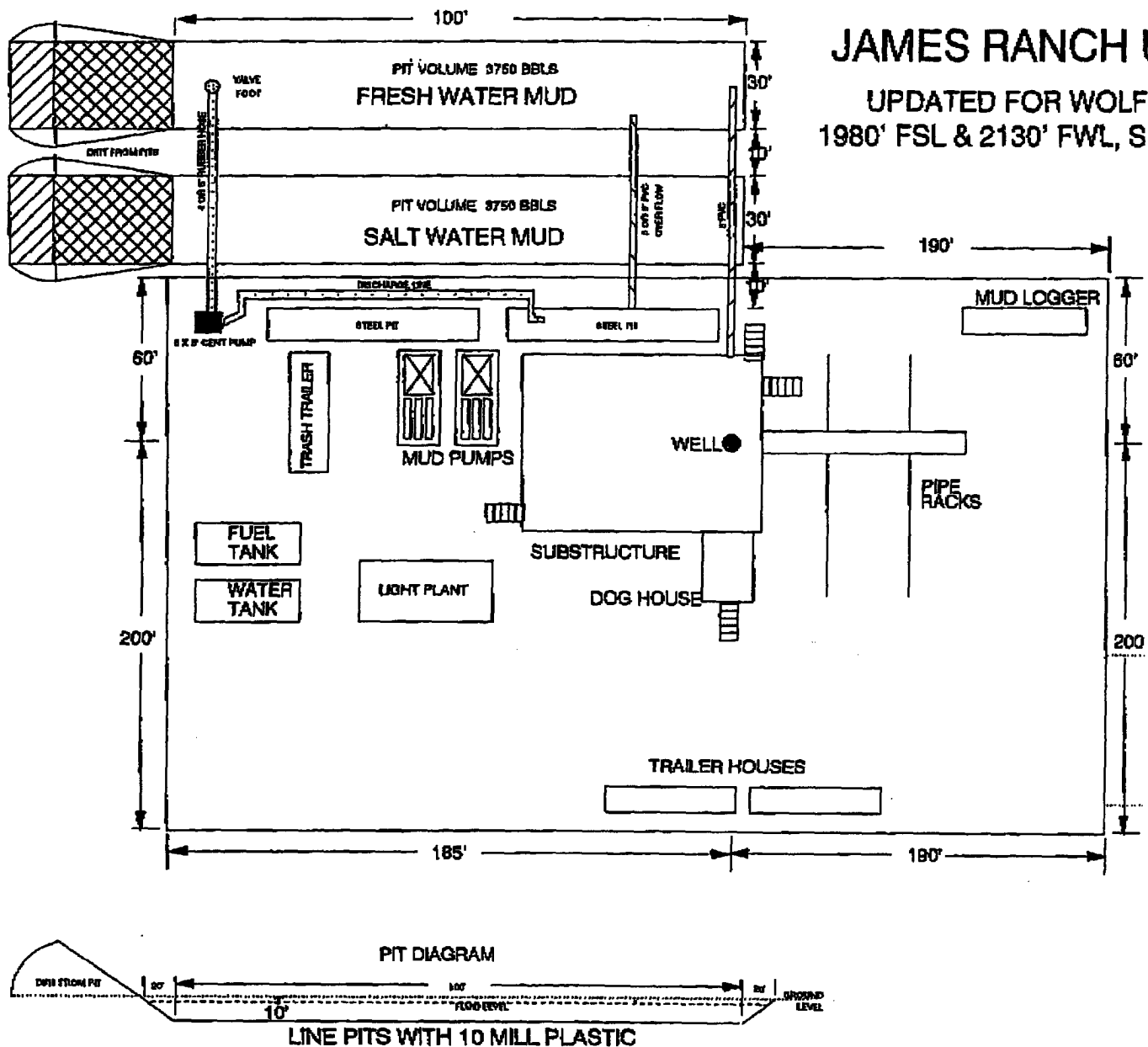
BGH:tlw

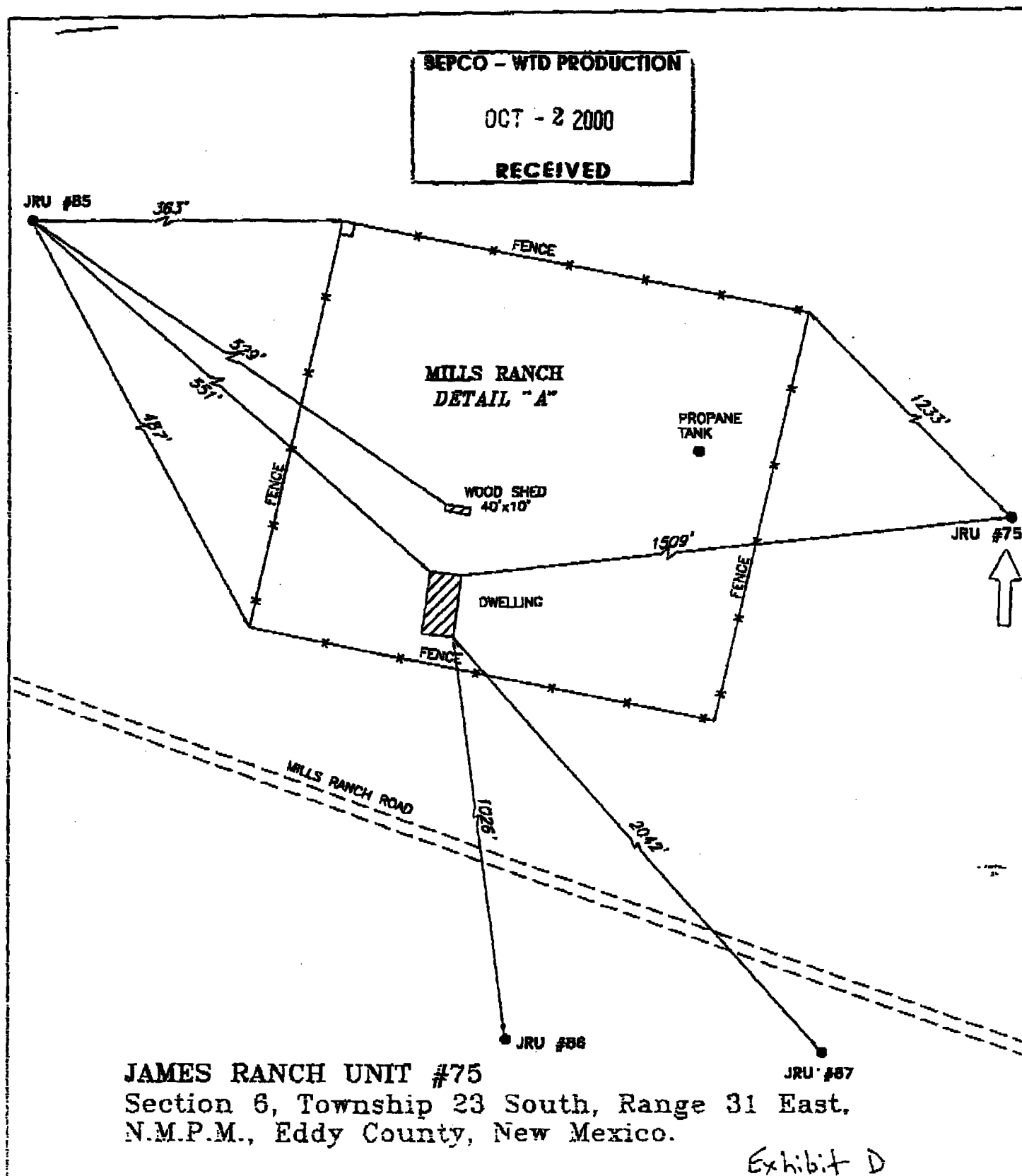
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PAULA

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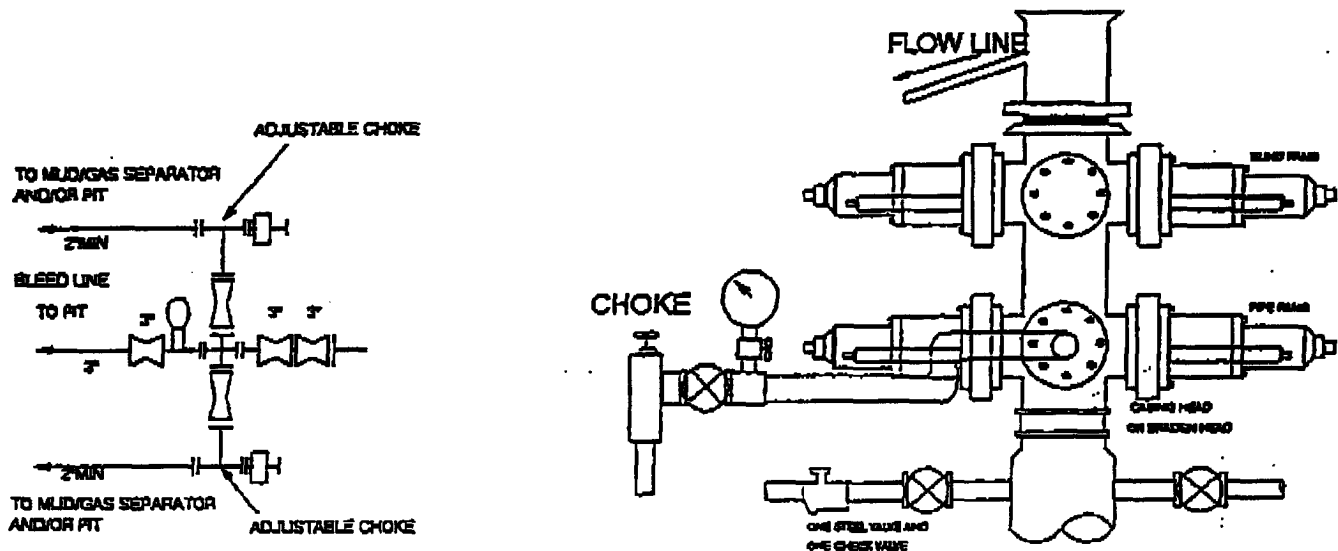
Survey Date: 09-20-2000

Scale: NONE

Date: 09-25-2000

**BASS ENTERPRISES
PRODUCTION CO.**

2000 PSI WP

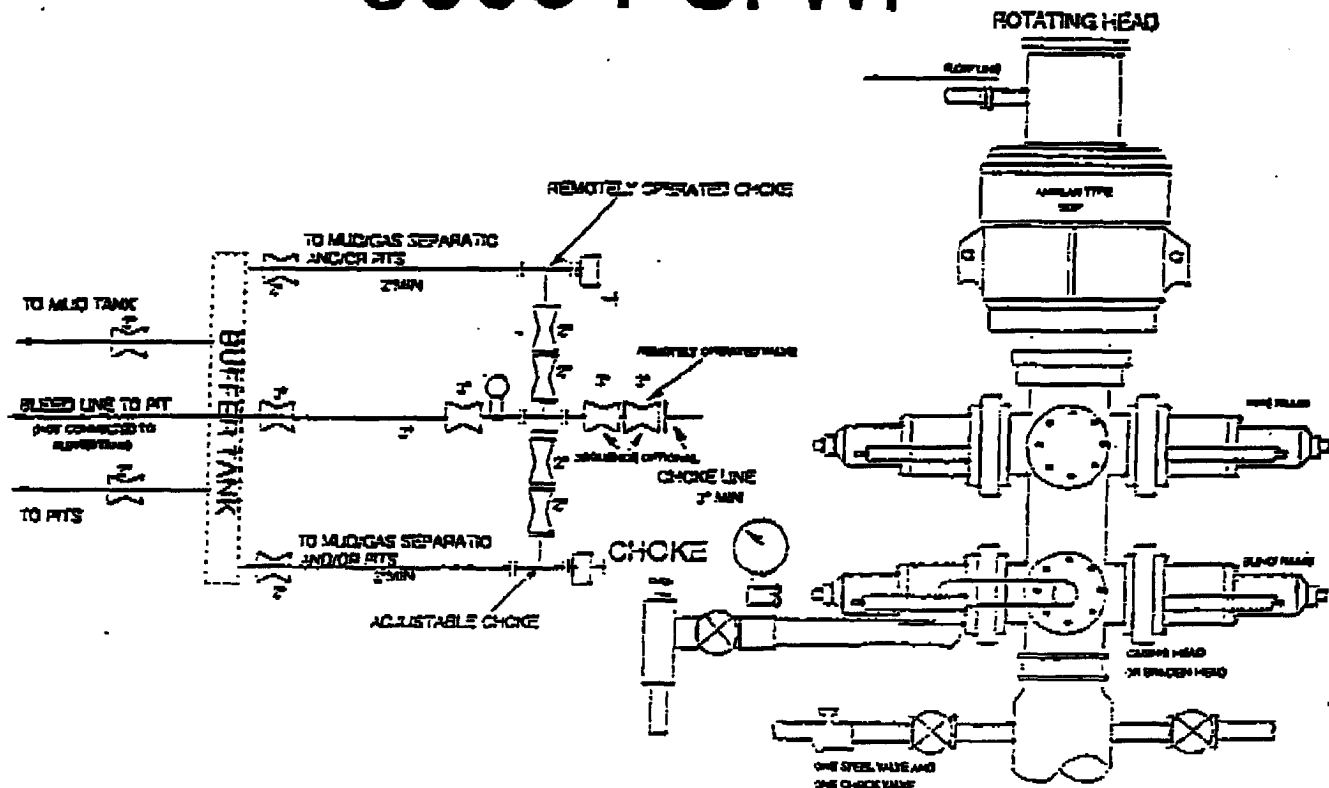


THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- 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

5000 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 2