

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

0176

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMNM0506A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.
NMNM71016X

8. Lease Name and Well No.
POKER LAKE UNIT 196

9. API Well No.
30-015-33164

10. Field and Pool, or Exploratory
WILDCAT

11. Sec., T., R., M., or BLM and Survey or Area
Unders. Patm Lake; Monterey
Sec 29 T24S R31E Mer NMP

12. County or Parish
EDDY

13. State
NM

17. Spacing Unit dedicated to this well
320.00

20. BLM/BIA Bond No. on file

23. Estimated duration
70 DAYS

24. Attachments
Carlsbad Controlled Water Basin

1a. ☐ REENTER **CONFIDENTIAL**

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
BASS ENTERPRISES PRODUCTION CO
Contact: TAMI WILBER
E-Mail: tlwilber@basspet.com

3a. Address
P O BOX 2760
MIDLAND, TX 79702
3b. Phone No. (include area code)
Ph: 915.683.2277
Fx: 915.687.0329

4. Location of Well (Report location clearly and in accordance with any State requirements.)
At surface NESW 1980FSL 2310FWL
At proposed prod. zone NESW 2055FSL 2335FWL
2055 2335 rd phone call to Bass 1-14-02

14. Distance in miles and direction from nearest town or post office*
21 MILES EAST FROM MALAGA, NEW MEXICO

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
2055

16. No. of Acres in Lease
1845.12

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
1525

19. Proposed Depth
15500 MD

21. Elevations (Show whether DF, KB, RT, GL, etc.)
3461 GL

22. Approximate date work will start
04/01/2002

25. Signature
(Electronic Submission)

Name (Printed/Typed)
TAMI WILBER Ph: 915.683.2277

Date
11/21/2001

Title
AUTHORIZED REPRESENTATIVE

Approved by (Signature) /S/ JOE G. LARA

Name (Printed/Typed) /S/ JOE G. LARA

Date
JAN 16 2002

Title
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.

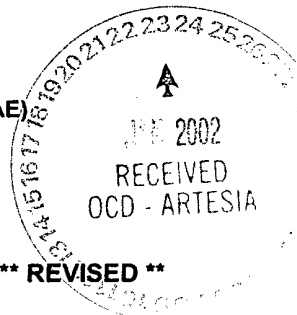
Additional Operator Remarks (see next page)

Electronic Submission #8279 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 11/28/2001 (02LA1022AE)

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

NSL - 4978

** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED **



Additional Operator Remarks:

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

The intermediate casing will be set through the salt.

Cement will tie back 450' into the intermediate casing.

DISTRICT I

1623 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Grande Rd., Artesia, 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
Property Code	Property Name POKER LAKE UNIT	Well Number 196
OGHD No.	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3456'

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	29	24 S	31 E		2055	SOUTH	2335	WEST	EDDY

Bottom Hole Location If Different From Surface

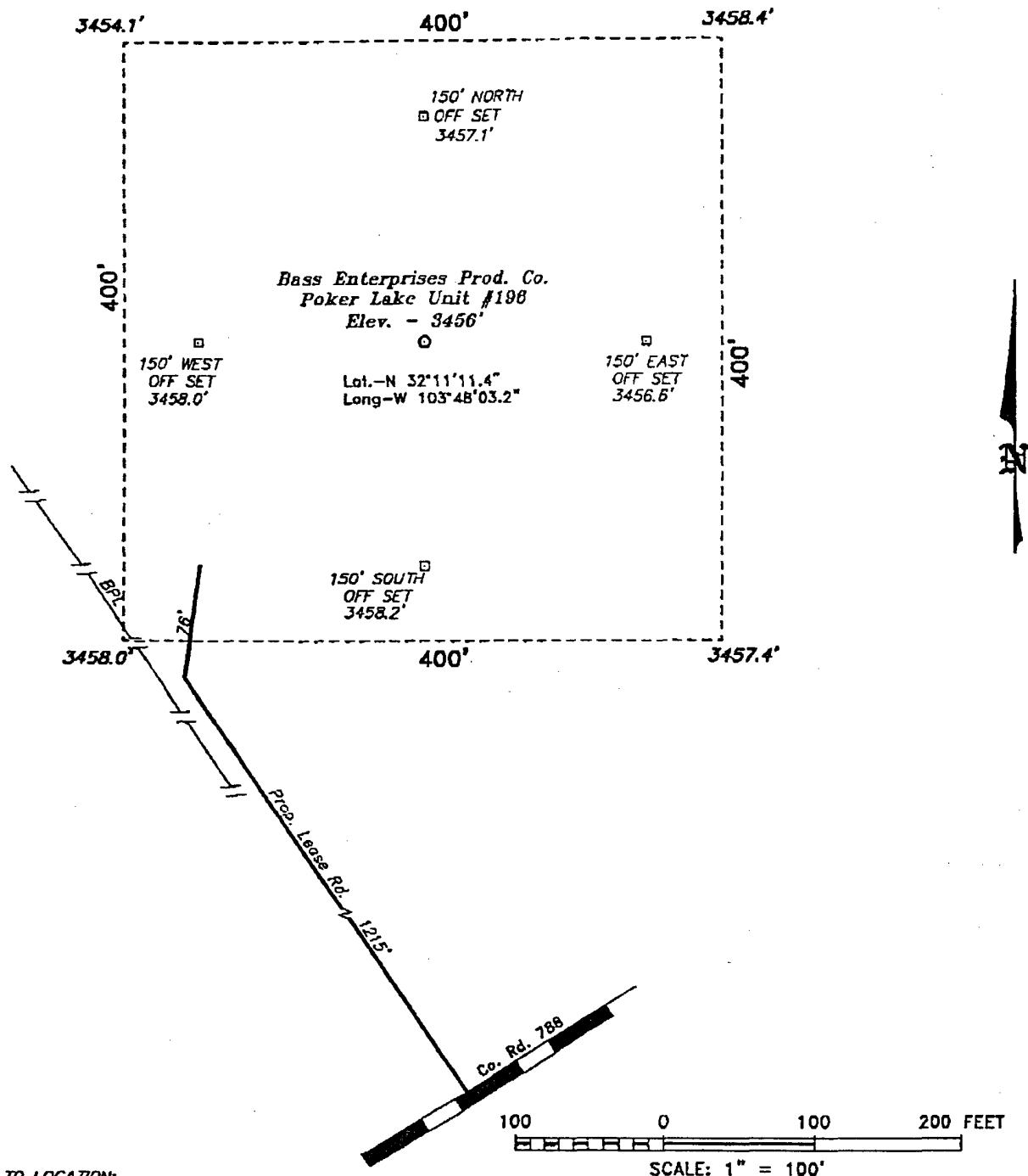
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or Infill	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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>J.C. Ward for</u> Printed Name: <u>W.R. DANIELS</u> Title: <u>DIV. REG. Supt.</u> Date: <u>11/20/01</u>	
	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. Date: <u>OCTOBER 18, 2001</u>	
	Data Surveyed: <u>JONES</u> Signature & Seal of Professional Surveyor: <u>[Signature]</u> Registered Professional Surveyor: <u>W.O. No. 1985</u> Certificate No.: <u>7977</u> Jones 7977	
	HASIN SURVEYS	

**SECTION 29, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 128 & CO. RD. 788, GO SOUTHWEST ON CO. RD. 788 APPROX. 5.5 MILES TO A PROPOSED LEASE ROAD.

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

W.O. Number: 1984

Drawn By: K. GOAD

Date: 10-22-2001

Disk: KJG CD#3 - 1984A.DWG

BASS ENTERPRISES PRODUCTION CO.

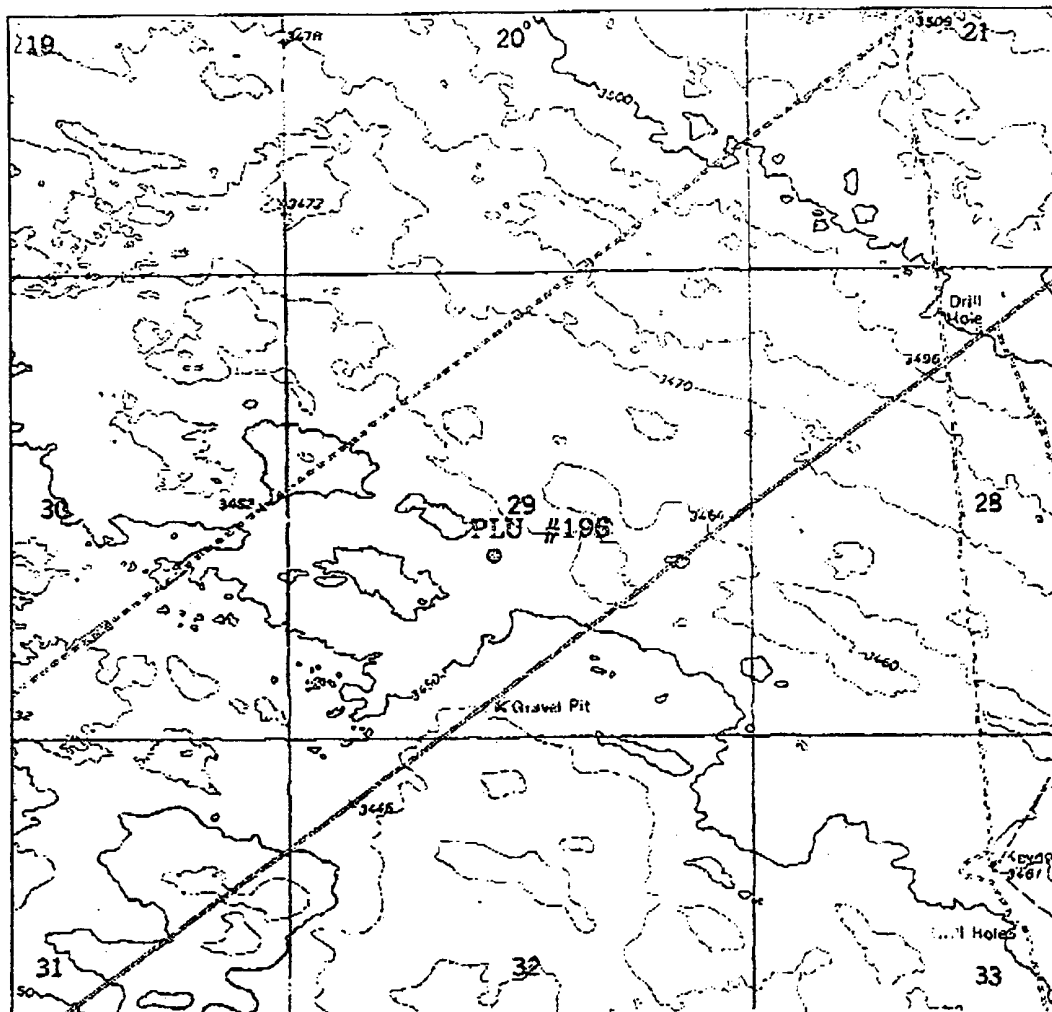
REF: Poker Lake Unit No. 196 / Well Pad Topc

THE POKER LAKE UNIT No. 196 LOCATED 2055' FROM
THE SOUTH LINE AND 2335' FROM THE WEST LINE OF
SECTION 29, TOWNSHIP 24 SOUTH, RANGE 31 EAST,

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

Survey Date: 10-18-2001

Sheet 1 of 1 Sheets



POKER LAKE UNIT #196

Located at 2055' FSL and 2335' FWL
 Section 29, Township 24 South, Range 31 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

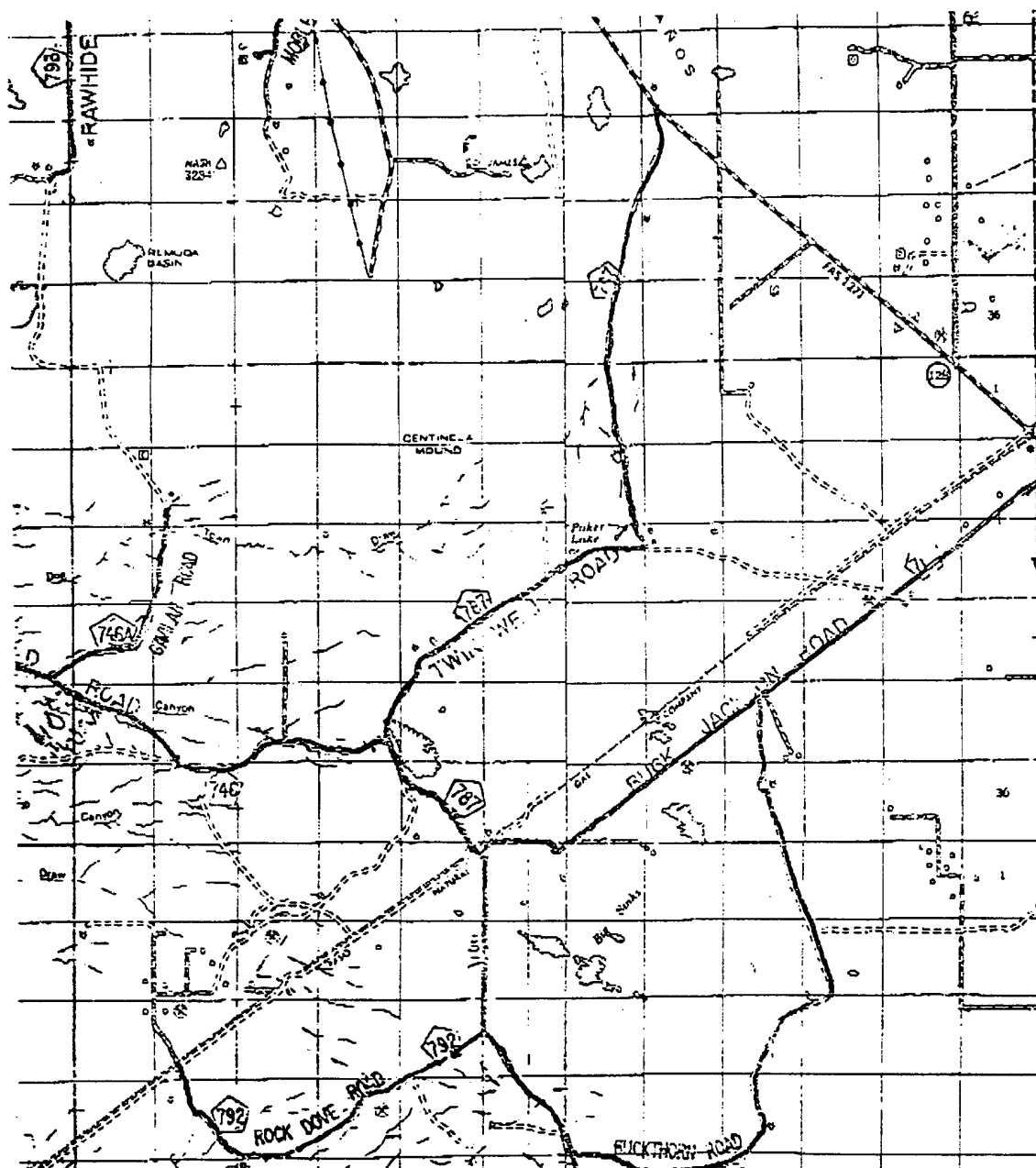
W.O. Number: 1984AA - KJG CD#3

Survey Date: 10-18-2001

Scale: 1" = 2000'

Date: 10-22-2001

**BASS ENTERPRISES
 PRODUCTION CO.**



POKER LAKE UNIT #196

Located at 2055' FSL and 2335' FWL
 Section 29, Township 24 South, Range 31 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
 basin-surveys.com

W.O. Number: 1984AA - KJG CD#3

Survey Date: 10-18-2001

Scale: 1" = 2 MILES

Date: 10-22-2001

**BASS ENTERPRISES
 PRODUCTION CO.**

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

NAME OF WELL: POKER LAKE UNIT #196

LEGAL DESCRIPTION - SURFACE: 2055' FSL & 2335' FWL, Section 29, T24S, R31E, 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 3482' (est.)
GL 3456'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	587'	+ 2,895'	Barren
T/Salt	832'	+ 2,650'	Barren
B/Salt	4,037'	- 555'	Barren
T/Lamar Lime	4,292'	- 810'	Barren
T/Delaware Sands	4,332'	- 850'	Oil/Gas
T/ Bone Spring	8,147'	- 4,665'	Oil/Gas
T/ Wolfcamp	11,515'	- 8,033'	Oil/Gas
T/Wolfcamp Detrital	12,832'	- 9,350'	Oil/Gas
T/Atoka	13,802'	- 10,320'	Oil/Gas
T/Morrow	14,557'	- 11,075'	Oil/Gas
T/Middle Morrow	15,057'	- 11,575'	Oil/Gas
T/Lower Morrow	15,492'	- 12,010'	Oil/Gas
TD	15,500'	- 12,018'	

POINT 3: CASING PROGRAM: Final design will be based on actual hole conditions.

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
20"	0' - 40'	Conductor	Contractor Discretion
13-3/8", 54.5#, J-55, STC	0' - 800'	Surface	New
9-5/8", 40#, N80, LTC	0' - 2,000'	Intermediate	New
9-5/8", 40#, K-55, LTC	2,000' - 4,310'	Intermediate	New
7", 26#, P-110, LTC	0' - 11,000'	Intermediate	New
7", 26#, S-95, LTC	11,000' - 12,700'	Intermediate	New
4-1/2", 15#, P110, STL	12,400' - TD	Production Liner	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nipped up on the surface, first, and second intermediate casings. Bass requests a waiver to Onshore Order #2 which states the BOPs and associated equipment must be tested to the rated working pressure or 70% of the internal yield pressure. Our plans are to test the BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. hydrostatically to 1,000 psi on the surface installation, then 3,000 psi on the first intermediate and 10,000 psi on the second intermediate casing. The annular will be tested to 2500 psi. In addition to the high-pressure test, a low pressure (250 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. See the attached Diagram 1 for the minimum criteria for the choke manifold.

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' - 800'	FW	8.5 - 9.2	45-35	NC	NC	NC	9.5
800' - 4,310'	CBW	9.2 - 10.0	28-30	NC	NC	NC	9.5
4,310' - 11,500'	FW	8.6 - 8.9	28-30	4	2	NC	9.5
11,500' - 12,700'	CBW	8.6 - 9.0	28-30	6	4	NC	9.5
12,700' - TD	CBW/Polymer	9.0 - 13.5	32-55	12-20	12-22	10-15	9.5-10.0

POINT 6: TECHNICAL STAGES OF OPERATION**A) TESTING**

Drill stem tests may be performed on significant shows in zones of interest, but none are anticipated.

B) LOGGING**Run #1:**

GR-CNL-LDT-LLD run from TD to first ICP, GR-CNL to surface. May run logging suite across Delaware prior to drilling below 7400' if mud log shows warrant.

Run #2:

GR-CNL-LDT-LLD run from TD to second ICP, FMI across Wolfcamp as needed.

C) CORING

No cores are anticipated.

3

D) CEMENT

<u>INTERVAL</u>	<u>AMOUNT SX</u>	<u>FT OF FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT³/SX</u>
<u>SURFACE</u>						
Lead						
0' - 500'	400	550	Permian Basin Critical Zone + 1/8#/sx Pol-e-flake	10.30	12.80	1.89
(100% excess)						
Tail						
500'-800'	340	300	Premium Plus + 2% CaCl ₂ + 1/8#/sx Pol-e-flake	6.32	14.80	1.34
(100% Excess)						
<u>INTERMEDIATE</u>						
<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>
Lead						
0' - 3,650'	900	3650	Interfill C + 1/8#/sx Pol-e-flake	14.10	11.90	2.45
(100% Excess)						
Tail						
3,650' - 4,310'	345	660	Premium Plus + 2% CaCl ₂	6.34	14.80	1.34
(100% Excess)						
<u>PRODUCTION</u> (Two stage w/DV tool @ 9000' and circulate cement to 3,700')						
<u>INTERVAL</u>	<u>AMOUNT SXS</u>	<u>FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT³/SX</u>
<u>1st Stage</u>						
LEAD						
9,000'-12,000'	280	3000	Interfill H + 5pps Gilsonite + 0.5% Halad 9 + 1/8 pps Pol-e-flake	13.61	11.90	2.46
(50% excess)						
TAIL						
12,000'-12,700'	100	700	Super H + 0.5% Halad 344 + 0.4% CFR3 + 5 pps Gilsonite + 1 pps Salt + 0.2% HRT	8.20	13.00	1.67
(50% excess)						
<u>2nd Stage</u>						
LEAD						
3,700'-8,300'	430	4600	Interfill H + 1/8 pps Pol-e-flake + 0.5% Halad 9	14.00	11.90	2.45
(50% excess)						
TAIL						
8,300'-9,000'	100	700	Super H + 0.5% Halad 344 + 0.4% CFR3 + 5 pps Gilsonite + 1 pps Salt + 0.2% HRT	8.20	13.00	1.67
(50% excess)						
<u>PRODUCTION LINER</u>						
12,400'-15,550'	370	3150	Class H + 0.8% Halad 322 + 0.6% Halad 344 + 0.2% HR-7 + 5pps Microbond M	5.68	15.40	1.28
(25% excess 300' overlap)						

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout the Delaware, Bone Spring. The lower Wolfcamp may be abnormally pressured with a BHP of 8120 psi or an equivalent mud weight of 12.2 ppg. The Atoka may be abnormally pressured with expected BHP of 9680 psi (max) or an equivalent mud weight of 13.5 ppg. The Morrow expected BHP is 8460 (max) or an equivalent mud weight of 10.5 ppg @ the base of the zone. Due to the tight nature of the reservoir rock (high pressure, low volume), the well will be drilled under balanced utilizing a rotating head. 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

90 days drilling operations

25 days completion operations

JCW

November 15, 2001

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: POKER LAKE UNIT #196

LEGAL DESCRIPTION - SURFACE: 2055' FSL & 2335' FWL, Section 29, T-24-S, R-31-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit "A".

B) Existing Roads:

From State Hwy 128 & CR 788, go southwest 6.0 miles on Buck Jackson county road, then turn right on upgraded caliche road for approximately 0.25 miles into location.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "A".

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See exhibit "A" & survey plats. The upgraded road will be approximately 1,200' long.

B) Width

12' wide.

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

- A) Existing facilities within one mile owned or controlled by lessee/operator:

None.

- B) New Facilities in the Event of Production:

Will build new facilities on this location to handle production.

- C) Rehabilitation of Disturbed Areas Unnecessary for Production:

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

Brine water will be hauled from commercial facilities. Fresh water to be hauled from Carlsbad, New Mexico; Mills Ranch; or Diamond and Half Water Station.

- B) Water Transportation System

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

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

- A) Materials

Surface caliche will be used if possible. If not found on location, caliche service will be nearest BLM – approved open pit.

- B) Land Ownership

Federally owned land for both surface locations and bottom hole location.

- 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", Exhibit "B", and survey plats.

POINT 7: METHODS FOR HANDLING WASTE MATERIAL**A) Cuttings**

Cuttings will be contained in the plastic lined reserve pit.

B) Drilling Fluids

Drilling fluids will be contained in the plastic lined reserve pit.

C) Produced Fluids

Water production will be contained in the plastic lined 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 indicates potential productive zones. In any case, the "mouse" hole and the "rat" hole will be covered. The reserve pit will be bird netted and fenced only in the event of livestock present. 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.

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 Exhibit "A" and "B".

C) Lining of the Pits

The reserve pits will be lined with plastic.

POINT 10: PLANS FOR RESTORATION OF THE SURFACE**A) Reserve Pit Cleanup**

The pits will be fenced immediately after spudding only in the event of livestock present and maintained until backfilled. Prior to back filling, 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

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

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) Rehabilitations Time table

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**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.

POINT 11: OTHER INFORMATION – Con't...**E) Surface Water**

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

F) Water Wells

None.

G) Residences and Buildings

No buildings within several miles of well site.

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 access road are both on federally owned land. No ROW will be required.

K) Well signs will be posted at the drilling site.**L) Open Pits**

All pits containing liquid or mud will be fenced only in the event of livestock present and bird netted.

POINT 12: OPERATOR'S FIELD REPRESENTATIVE

(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

Kent A. Adams

Box 2760
Midland, Texas 79702
(915) 683-2277

POINT 13: CERTIFICATION

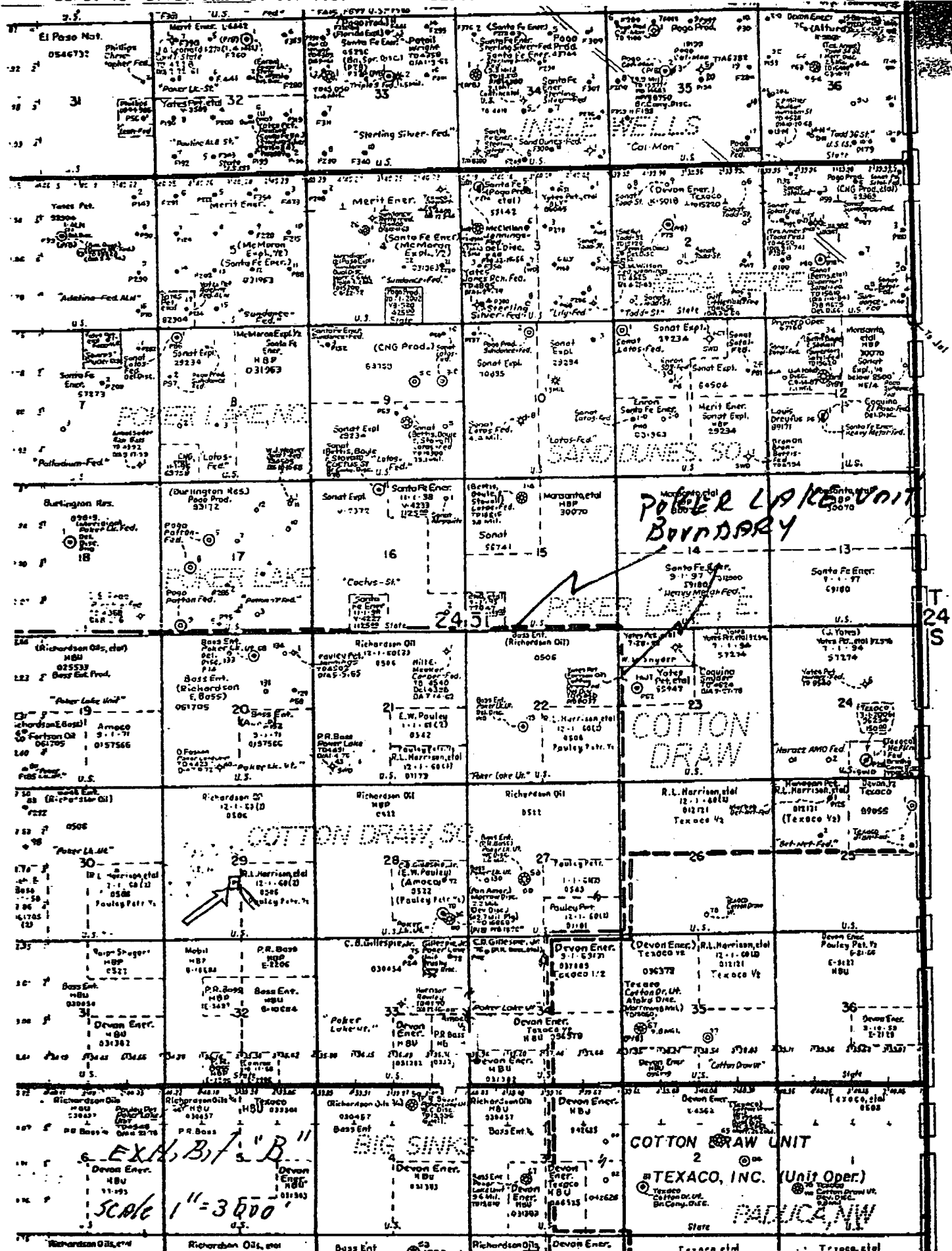
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and that the work associated 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.

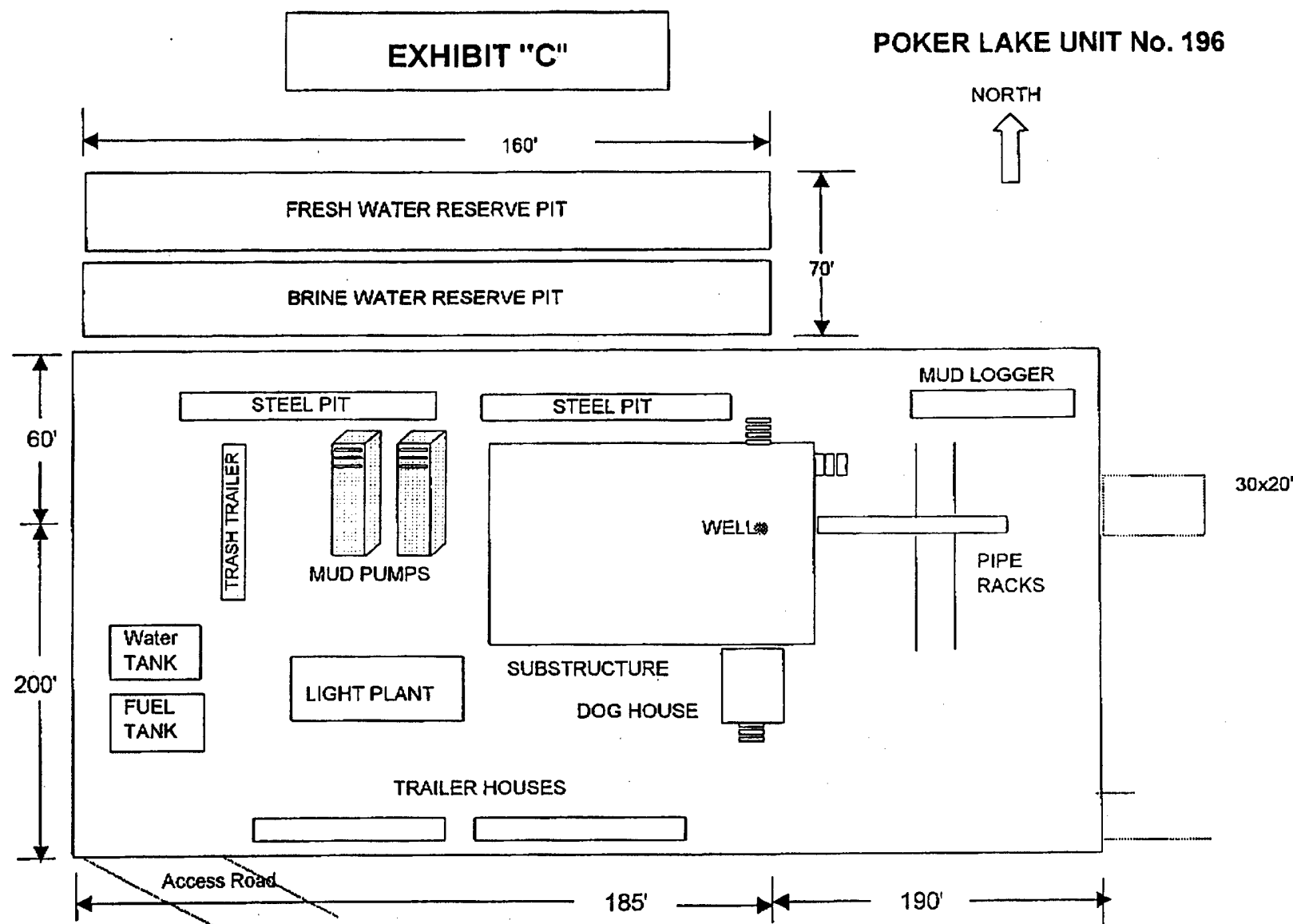
11/21/01
Date

J.C. Ward For
William R. Dannels

JCW

DIAGRAM 1





MAC
7/17/01