

**DISTRICT I**  
1628 N. French Dr., Hobbs, NM 88240

**DISTRICT II**  
811 South First, Artesia, NM 88210

**DISTRICT III**  
1000 Elm Branch Rd., Artes, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87506

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  
Fed 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
			QUAHADA RIDGE SE (DELAWARE)
Property Code	Property Name		Well Number
	JAMES RANCH UNIT		82
OGED No.	Operator Name		Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY		3291'

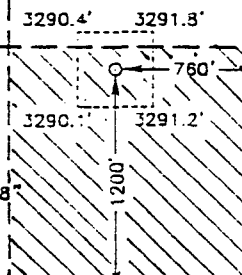
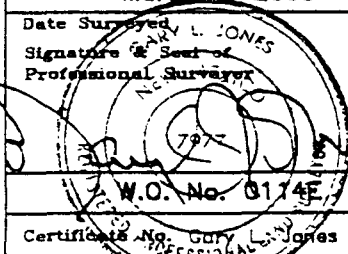
### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	1	23 S	30 E		1200	SOUTH	760	EAST	EDDY

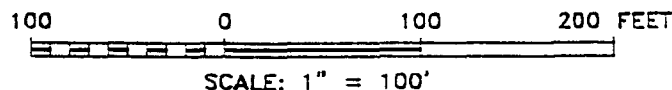
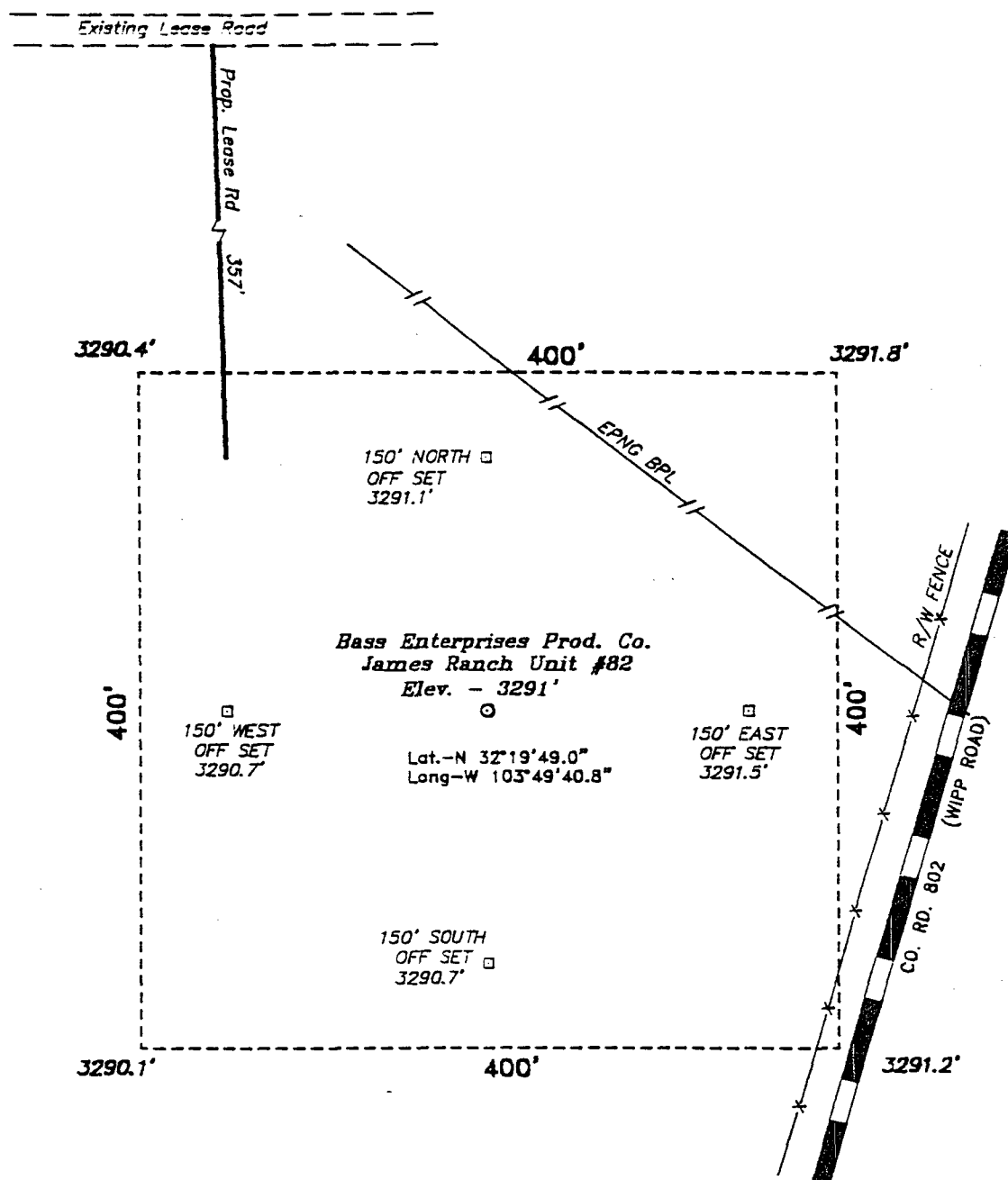
### Bottom Hole Location If Different From Surface

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

<div style="border: 1px dashed black; height: 400px; margin-bottom: 20px;"></div> <div style="display: flex; align-items: center; justify-content: center;"> <div style="border: 2px solid black; padding: 10px; margin-right: 20px;"> <b>EXHIBIT</b>   <div style="border-top: 1px solid black; width: 50px; margin: 0 auto; text-align: center;">4</div> </div> <div style="text-align: center;"> <p>LAT - N 32°19'49.0"</p> <p>LONG - W 103°49'40.8"</p> </div> <div style="margin-left: 20px;">  </div> </div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <b>OPERATOR CERTIFICATION</b>   <p><i>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: center;"><u>William R. Dannels</u> Signature</p> <p><u>William R. Dannels</u> Printed Name</p> <p><u>Division Dirg. Supt.</u> Title</p> <p><u>3-23-2000</u> Date</p> </div> <div style="border: 1px solid black; padding: 5px;"> <b>SURVEYOR CERTIFICATION</b>   <p><i>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.</i></p> <p style="text-align: center; margin-top: 10px;">March 5, 2000</p> <div style="display: flex; align-items: center; justify-content: center;"> <div style="margin-right: 10px;"> <p>Date Surveyed</p> <p>Signature &amp; Seal of Professional Surveyor</p> </div> <div style="text-align: center;">  </div> </div> <p style="text-align: center; margin-top: 10px;">Certificate No. Gary L. Jones 7977</p> <p style="text-align: center; margin-top: 10px;"><b>BASIN SURVEYS</b></p> </div>
--	---

**SECTION 1, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.**



**DIRECTIONS TO LOCATION:**

FROM THE JUNCTION OF CO. RD. 802(WPP ROAD) AND STATE HWY 128(JAL HWY), GO WEST ON STATE HWY 128 APPROX. 1500 FEET TO A LEASE ROAD; THENCE NORTH ON LEASE ROAD APPROX. 2000 FEET TO A LEASE ROAD; THENCE EAST ON LEASE ROAD APPROX. 1100 FEET TO A PROPOSED LEASE ROAD WHICH LIES 357 FEET FROM THE NORTHWEST CORNER OF THE PROPOSED WELL LOCATION.

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

W.O. Number: 0114 Drawn By: K. GOAD

Date: 03-06-2000 Disk: KJG #122 - 0114E.DWG

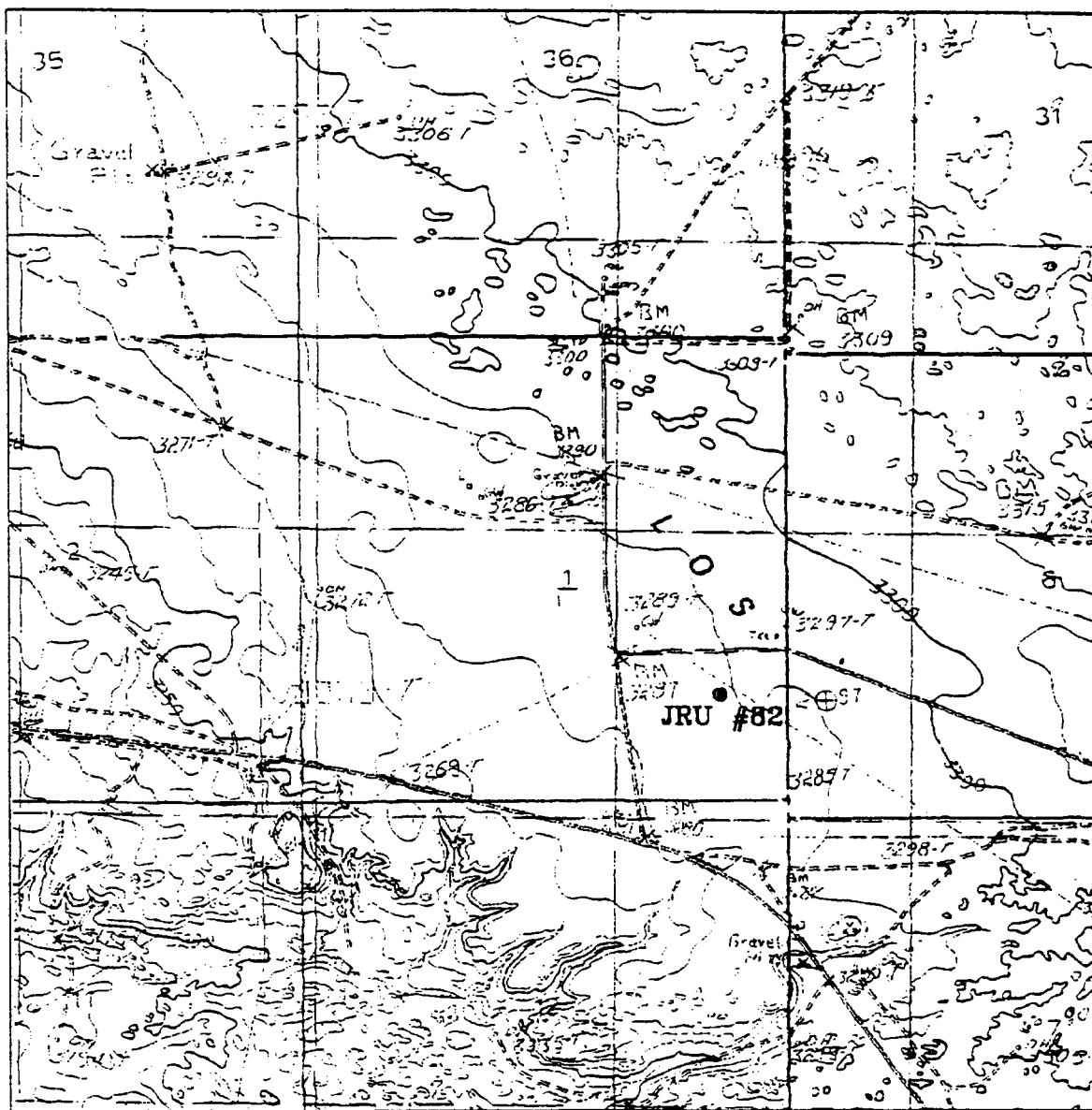
**BASS ENTERPRISES PRODUCTION CO.**

REF: James Ranch Unit No. 82 / Well Pad Topo

THE JAMES RANCH UNIT No. 82 LOCATED 1200' FROM THE SOUTH LINE AND 760' FROM THE EAST LINE OF SECTION 1, TOWNSHIP 23 SOUTH, RANGE 30 EAST,

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

Survey Date: 03-04-2000 Sheet 1 of 1 Sheets



# **JAMES RANCH UNIT #82**

Located at 1200' FSL and 760' FEL  
 Section 1, Township 23 South, Range 30 East,  
 N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**

focused on excellence  
 in the oilfield

P.O. Box 1736  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7315 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

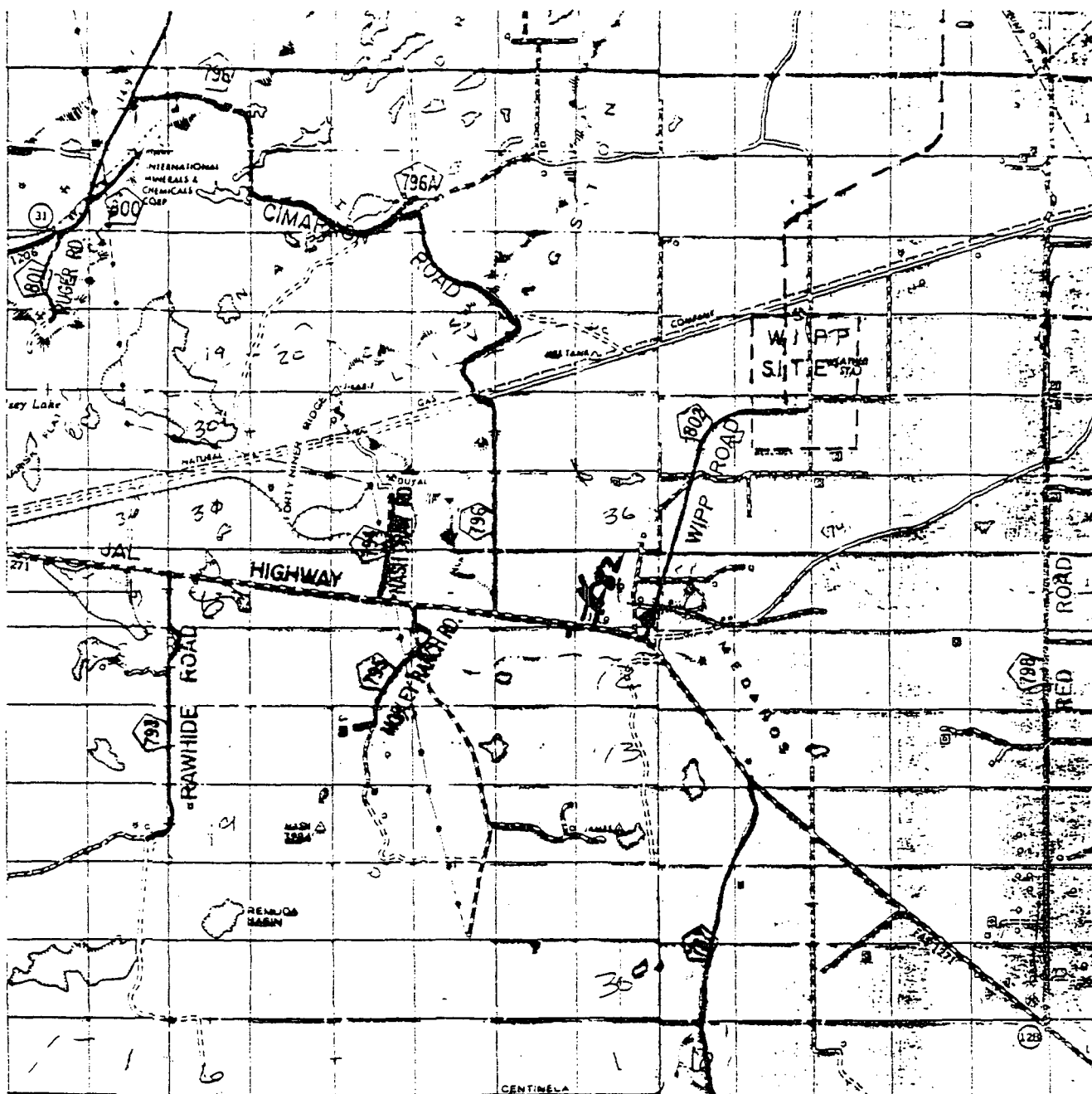
W.O. Number: 0114EE - KUG #122

Survey Date: 03-04-2000

Scale: 1" = 2000'

Date: 03-06-2000

**BASS ENTERPRISES  
 PRODUCTION CO.**



# JAMES RANCH UNIT #82

Located at 1200' FSL and 760' FEL  
 Section 1, Township 23 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: 0114EE - KJG #122

Survey Date: 03-04-2000

Scale: 1" = 2 MILES

Date: 03-06-2000

**BASS ENTERPRISES**  
**PRODUCTION CO.**

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

**NAME OF WELL: JAMES RANCH UNIT #82**

**LEGAL DESCRIPTION - SURFACE: 1200' FSL & 760' FEL, Section 1, T-23-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 3306' (est)  
GL 3291'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	206'	+3100'	Barren
T/Salt	650'	+2656'	Barren
T/Lamar	3907'	- 601'	Barren
T/Delaware MTN Group	3946'	- 640'	Oil/Gas
T/Lwr Brushy Canyon 8A	7407'	- 4101'	Oil/Gas
T/Bone Spring	7697'	- 4391'	Oil/Gas
TD	8000'	- 4694'	

**POINT 3: CASING PROGRAM**

<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' - 575'	Surface	New
8-5/8", 28# & 32#, WC-50, ST&C	0' - 3920'	Intermediate	New
5-1/2", 15.50# & 17#, K-55, LT&C	0' - 8000'	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. The BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to 70% of internal yield pressure of casing. In addition to the high pressure test, a low pressure (200 psi) test will be required. These tests will be performed:

- a) Upon installation
- b) After any component changes
- c) Fifteen days after a previous test
- d) As required by well conditions

A function test to insure that the preventers are operating correctly will be performed on each trip.

**POINT 5: MUD PROGRAM**

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' - 575'	FW Spud Mud	8.5 - 9.2	45-35	NC	NC	NC	NC
575' - 3920'	Brine	9.8 -10.0	29-30	NC	NC	NC	10
3920' - 6200'	FW	8.3 - 8.5	28-30	NC	NC	NC	9-9.5
6200' - 7500'	FW/Starch	8.4 - 8.6	28-30	NC	NC	<100 cc	9-9.5
7500' - TD	FW/Starch/Gel	8.4 - 8.8	36-42	6-10	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 <sup>3</sup> /SX
<b>SURFACE:</b>						
Lead 0 - 275' (100% excess circ to surface)	100	275	Interfill C + 1/4 pps Flocele + 2% CaCl <sub>2</sub>	14.35	11.9	2.49
Tail 275-575' (100% excess circ to surface)	240	300	Class C + 2% CaCl <sub>2</sub>	6.32	14.82	1.34
<b>INTERMEDIATE:</b>						
Lead 0 - 3620' (100% excess circ to surface)	670	3620	Interfill C + 2% CaCl <sub>2</sub>	14.35	11.9	2.49
Tail 3620-3920' (100% excess circ to surface)	135	300	Class C	6.32	14.80	1.34

PRODUCTION: A 2-stage cementing procedure with DV tool @ ±5600' will be required.

**2nd Stage**

Lead 3620-5200' (50% excess Tie back to int csg)	170	1580	Interfill C	14.35	11.9	2.49
Tail 5200-5600' (50% excess Tie back to int csg)	75	400	Class C	6.32	14.80	1.34

## D) CEMENT – Cont'd...

<u>INTERVAL</u>	<u>AMOUNT SXS</u>	<u>FT OF FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT<sup>3</sup>/SX</u>
1st Stage 5600-8000' (50% excess Tie back to int csg)	400	2400	Super H + 0.3% CFR3 + 0.4% Halad 344 + 3#/sx Salt	9.01	13.0	1.70

## E) DIRECTIONAL DRILLING

No directional services anticipated.

**POINT 7: ANTICIPATED RESERVOIR CONDITIONS**

Normal pressures are anticipated throughout Delaware section. A BHP of 3619 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware section from 3946-7697'. No H<sub>2</sub>S is anticipated.

Estimated BHT is 146° 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

16 days drilling operations

10 days completion operations

BGH/mac  
March 21, 2000

## **MULTI-POINT SURFACE USE PLAN**

**NAME OF WELL: JAMES RANCH UNIT #82**

**LEGAL DESCRIPTION - SURFACE:** 1200' FSL & 760' FEL, Section 1, T-23-S, R-30-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 west and go 0.2 mile. Turn south  $\pm$  360' 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 360' long. The road will be constructed of watered and compacted caliche.

B) Width

Not applicable.

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 owned or controlled by lessee/operator:

Bass' facilities located at JRU #36 (2411' NE of wellbore).

- B) New Facilities in the Event of Production:

None required.

- 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

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 Exhibit "A".

**POINT 7: METHODS FOR HANDLING WASTE MATERIAL**

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 netted and the fence 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" 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**

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 (0.3 miles East of this location).

G) Residences and Buildings

J. C. Mills Ranch House is located 0.3 miles East of this location.

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 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**

(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

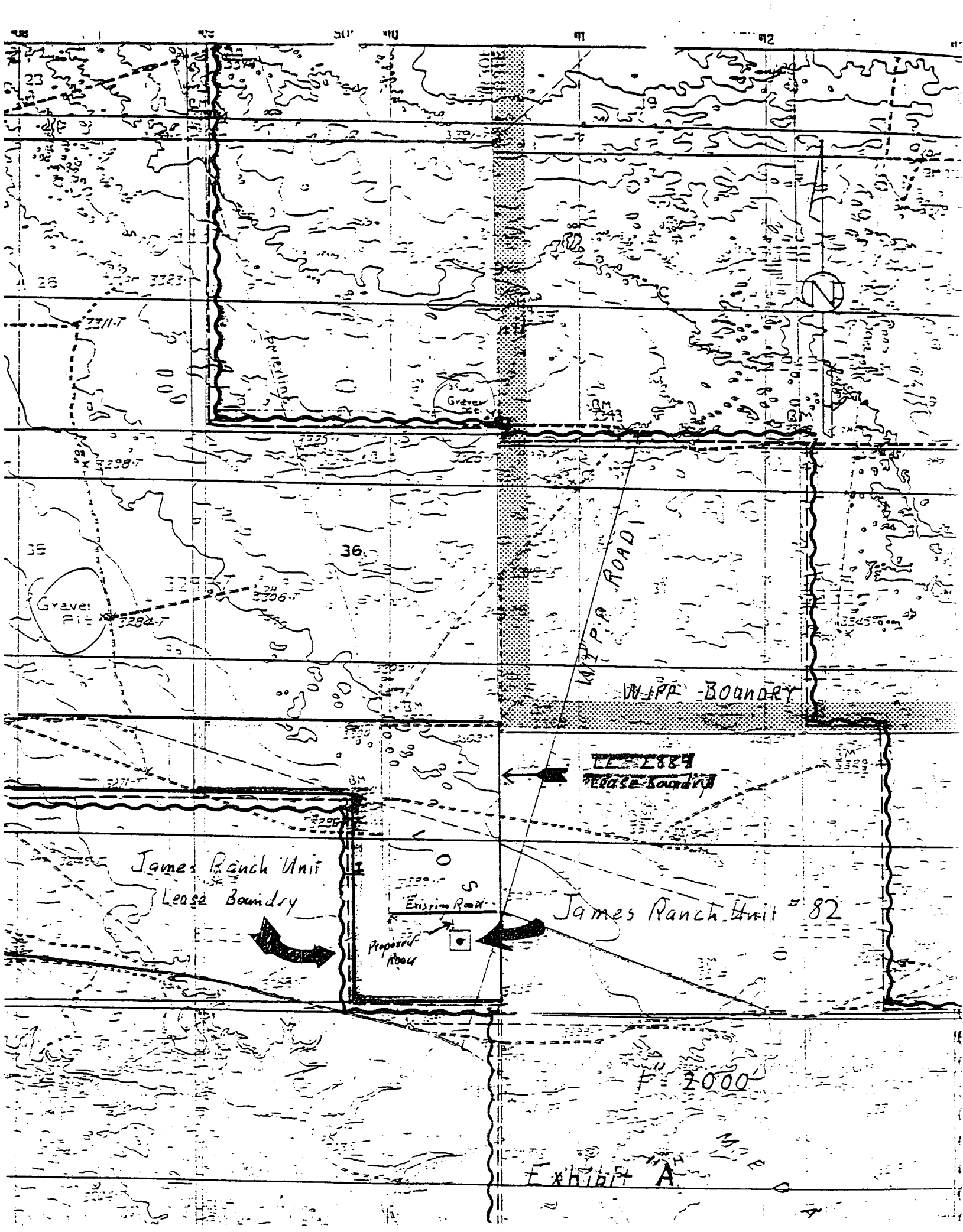
**POINT 13: CERTIFICATION**

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.

3-23-2000  
Date

William R. Dannels  
William R. Dannels

WRD/BGH:mac





# JAMES RANCH UNIT No.82

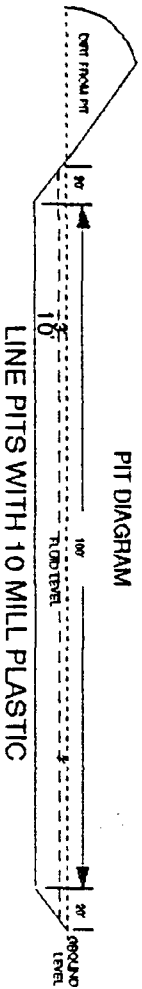
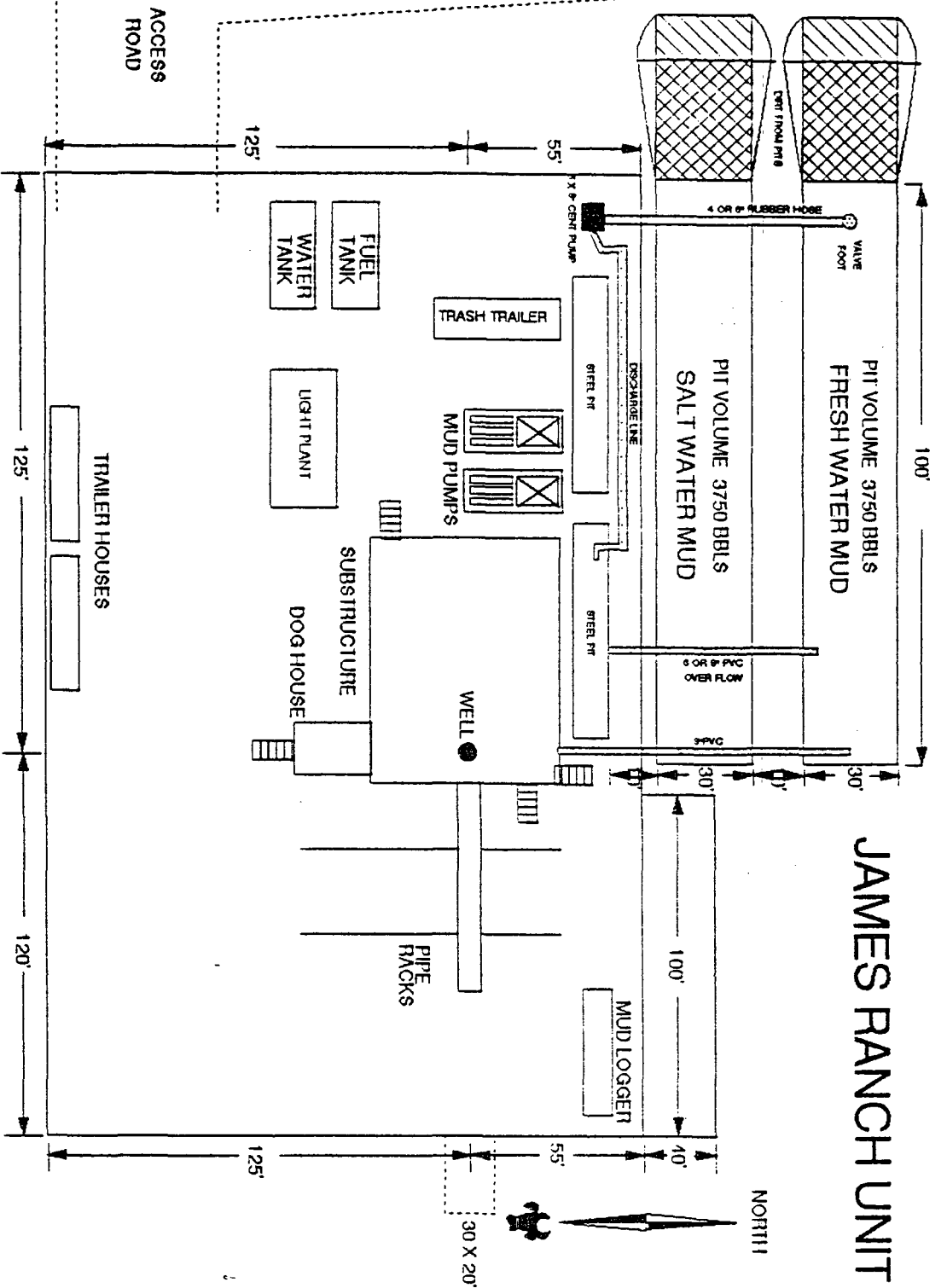
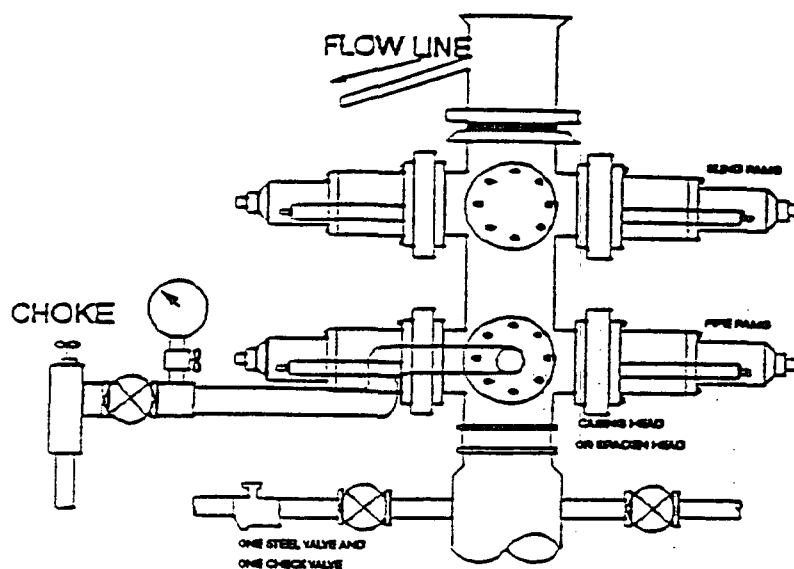
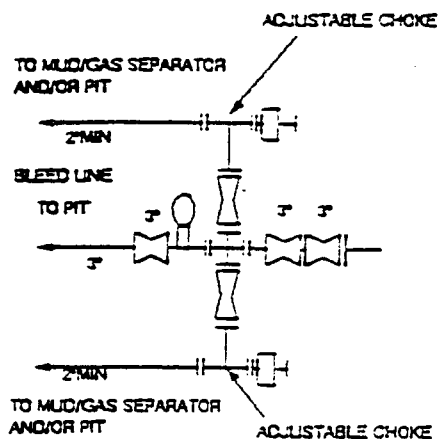


EXHIBIT "C"



# 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.

## BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.  
FORT WORTH, TEXAS 76102-3131  
817/380-9400

March 3, 2000

U.S. MAIL & VIA FACSIMILE (505) 887-0589

IMC Kalium Carlsbad Potash Company  
P. O. Box 71  
Carlsbad, New Mexico 88221-0071

Attn: Mr. John Purcell

Re: Proposed Wells in James Ranch Federal Unit  
Section 36, T22S-R30E (State Lease No. E-5229)  
Section 1, T23S-R30E (Fed. Lease No. NM 02884, LC 0543280)  
Section 6, T23S-R31E (Fed. Lease No. NM 02887, LC 071988)  
James Ranch Unit Well Nos. 33, 34, 35, 62, 66, 68, 74, 75, 81, 82,  
Hudson "1" Federal Well Nos. 2, 3, 4, 5, 6  
Eddy County, New Mexico

Dear Mr. Purcell:

Bass Enterprises Production Co. has plans to drill fifteen (15) wells within the James Ranch Federal Unit area in the Eddy County, New Mexico. Provided below are the well names, locations, and projected depths for these vertical wells.

<u>Well Name</u>	<u>Proposed Depth</u>	<u>Proposed Location</u>
JRU No. 33	7,810' (Delaware)	660' FNL, 1,830' FEL, Section 1, T23S-R30E
JRU No. 34	7,840' (Delaware)	660' FSL, 660' FEL, Section 36, T22S-R30E
JRU No. 35	7,830' (Delaware)	660' FNL, 660' FEL, Section 1, T23S-R30E
JRU No. 62	7,830' (Delaware)	1,200' FSL, 2,080' FEL, Section 1, T23S-R30E
JRU No. 66	7,775' (Delaware)	660' FSL, 990' FWL, Section 36, T22S-R30E
JRU No. 68	11,380' (Wolfcamp)	1,980' FNL, 660' FEL, Section 6, T23S-R31E
JRU No. 74	7,860' (Delaware)	330' FNL, 660' FWL, Section 6, T23S-R31E
JRU No. 75	7,920' (Delaware)	1,980' FSL, 1,650' FWL, Section 6, T23S-R31E
JRU No. 81	7,780' (Delaware)	560' FNL, 990' FWL, Section 1, T23S-R30E

<u>Well Name</u>	<u>Proposed Depth</u>	<u>Proposed Location</u>
IRU No. 82	7,840' (Delaware)	1,200' FSL, 760' FWL, Section 1, T23S-R30E
Hudson "1" Fed. #2	7,805' (Delaware)	2,310' FSL, 1,980' FWL, Section 1, T23S-R30E
Hudson "1" Fed. #3	7,780' (Delaware)	1,980' FSL, 850' FWL, Section 1, T23S-R30E
Hudson "1" Fed. #4	7,785' (Delaware)	1,980' FSL, 660' FWL, Section 1, T23S-R30E
Hudson "1" Fed. #5	7,780' (Delaware)	990' FSL, 660' FWL, Section 1, T23S-R30E
Hudson "1" Fed. #6	7,800' (Delaware)	1,200' FSL, 1,650' FWL, Section 1, T23S-R30E

Bass hereby request a waiver of any objection IMC Kalium may have for the drilling of the above described wells. In the event IMC Kalium is agreeable to providing such waiver, please sign in the space provided and return one (1) executed original to the undersigned at your earliest convenience. Thank you very much and should you have any questions or comments or require additional information, please don't hesitate to contact the undersigned at (817) 390-8568.

Sincerely,



Worth Carlin

WWC:ca

AGREED and ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

IMC KALIUM CARLSBAD POTASH COMPANY

By: \_\_\_\_\_

Title: \_\_\_\_\_



IMC Kalium Carlsbad Potash Company  
P. O. Box 71  
1361 Potash Mines Road  
Carlsbad, New Mexico 88221-0071  
505.887.2871  
505.887.0589 Fax

March 13, 2000

Mr. Worth Carlin  
Bass Enterprises Production Co.  
201 Main St.  
Fort Worth, Texas 76102-3131

**RECEIVED**

**MAR 15 2000**

**LAND DEPARTMENT**

RE: Proposed Wells in James Ranch Federal Unit  
Section 36, T23S-R30E (State Lease No. E-5229)  
Section 1, T23S-R30E (Fed Lease No. NM 02884, LC 0543280)  
Section 6, T23S-R31E (Fed. Lease No. NM 02887, LC 071988)  
JRU Nos. 33, 34, 35, 62, 66, 68, 74, 75, 81, and 82.  
Hudson "1" Federal Well Nos. 2, 3, 4, 5, and 6.  
Eddy County, New Mexico

Dear Mr. Carlin:

IMC Kalium Carlsbad Potash Company has received your notice that Bass Enterprises Production Company intends to the above referenced wells. IMC Kalium has no objections to Bass drilling wells JRU Well No. 33, JRU Well No. 34, JRU Well No. 35, JRU Well No. 62, JRU Well No. 66, JRU Well No. 74, JRU Well No. 75, JRU Well No. 81, JRU Well No. 82, Hudson "1" Fed. #2, Hudson "1" Fed. #3, and Hudson "1" Fed. #4 to depths no deeper than the base of the Delaware formation at the stated locations. Based on the best available information, the locations of the fore mentioned wells will not interfere with the development of our potash resources.

IMC Kalium does object to the proposed locations for JRU Well No. 68, Hudson "1" Fed. #5, and Hudson "1" Fed. #6. The locations given for Hudson "1" Fed. #5 and Hudson "1" Fed. #6, with a projected final depths in the Delaware formation, are within 1/4 mile of where we expect to mine in the future. If Hudson "1" Fed. #5 well could be moved at least 80 feet to the North and Hudson "1" Fed. #6 well could be moved at least 45 feet to the North; the impact on potash recovery would be greatly diminished. The location given for JRU Well No. 68, with a projected final depth in the Wolfcamp formation is within 1/4 mile of where we expect to mine. Drilled at the proposed location; this well would interfere with the development of potash reserves.

The above considerations are based on the best available information at this time; as more information becomes available our estimates of the extent of the potash resources in the area may change. Therefore, please consider the "objections offered" and "no objection offered" to the well locations to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to, more than one year prior, notify us again at that time so we can make the decision based on current information.

IMC Kalium submits this letter in lieu of the forms requested.

Sincerely,

A handwritten signature in dark ink, appearing to read "John Purcell".  
John Purcell  
Chief Mine Engineer

c: Don Purvis Charlie High Leslie Theiss Lori Wroteneery  
Dan Morehouse Tim O'Brien Craig Cranston

County Eddy - Pool Southeast Quabada Ridge-De/ware

TOWNSHIP 23 South Range 30 East NMPM

A 6x6 grid with numbers 1 through 36. The numbers are arranged in a boustrophedon pattern, starting from the top right and moving left, then alternating rows to move right. A 2x2 box is located in the top right corner, covering the cells containing numbers 1, 2, 12, and 13. The numbers are: Row 1 (left to right): 6, 5, 4, 3, 2, 1; Row 2 (left to right): 7, 8, 9, 10, 11, 12; Row 3 (left to right): 18, 17, 16, 15, 14, 13; Row 4 (left to right): 19, 20, 21, 22, 23, 24; Row 5 (left to right): 30, 29, 28, 27, 26, 25; Row 6 (left to right): 31, 32, 33, 34, 35, 36. A 2x2 box is in the top right corner, covering the cells with numbers 1, 2, 12, and 13.

Ext:  $\frac{N}{2}$  Sec. 1 (A-10042, 12-28-93)

CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

05/25/00 12:22:19  
OGOMES -TPRF

API Well No : 30 15 30856 Eff Date : 02-09-2000 WC Status : A  
Pool Idn : 50443 QUAHADA RIDGE;DELAWARE, SOUTHEAST  
OGRID Idn : 1801 BASS ENTERPRISES PRODUCTION CO  
Prop Idn : 1786 JAMES RANCH UNIT

Well No : 038  
GL Elevation: 3293

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : I	1	23S	30E	FTG 1950	F S FTG 660	F E	P
Lot Identifier:							
Dedicated Acre: 40.00							
Lease Type : F							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

05/25/00 12:21:27  
OGOMES -TPRF  
PAGE NO: 1

Sec : 01 Twp : 23S Rng : 30E Section Type : NORMAL

4 40.42  Federal owned U R	3 40.30  Federal owned U R A	2 40.18  Federal owned U R C	1 40.06  Federal owned U R A
E 40.00  Federal owned R	F 40.00  Federal owned R A	G 40.00  Federal owned U R A	H 40.00  Federal owned U R A

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

05/25/00 12:22:08  
OGOMES -TPRF  
PAGE NO: 2

Sec : 01 Twp : 23S Rng : 30E Section Type : NORMAL

L 40.00  Federal owned R	K 40.00  Federal owned R	J 40.00  Federal owned U R A	I 40.00  Federal owned U R C A
M 40.00  Federal owned R	N 40.00  Federal owned R	O 40.00  Federal owned U R	P 40.00  Federal owned U R

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12



CMD : ONGARD 09/17/04 15:03:04  
OG6IWCN INQUIRE WELL COMPLETIONS OGOMES -TPO2

API Well No : 30 15 31208 Eff Date : 07-31-2000 WC Status : A  
Pool Idn : 50443 QUAHADA RIDGE,DELAWARE, SOUTHEAST  
OGRID Idn : 1801 BASS ENTERPRISES PRODUCTION CO  
Prop Idn : 1786 JAMES RANCH UNIT

Well No : 082  
GL Elevation: 3291

U/L Sec Township Range North/South East/West Prop/Act (P/A)  
-----  
B.H. Locn : P 1 23S 30E FTG 1200 F S FTG 760 F E P  
Lot Identifier:  
Dedicated Acre: 40.00  
Lease Type : F  
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll  
PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06  
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD : ONGARD 09/17/04 15:02:57  
OG6CLOG C105-WELL COMPLETION OR RECOMP CASING LOG OGOMES -TPO2

OGRID Identifier : 1801 BASS ENTERPRISES PRODUCTION CO  
Prop Identifier : 1786 JAMES RANCH UNIT  
API Well Identifier : 30 15 31208 Well No : 082  
Surface Locn - UL : P Sec : 1 Twp : 23S Range : 30E Lot Idn :  
Multiple comp (S/M/C) : S TVD Depth (Feet) : 7800 MVD Depth (Feet) : 7800  
Spud Date : 07-16-2000 P/A Date :  
Casing/Linear Record:

S Size (inches)	Grade Weight (lb/ft)	Depth(ft) Top-Liner	Depth(ft) Bot-Liner	Hole Size (inches)	Cement (Sacks)	TOC (feet)	Code
11.750	99.0	9999.0	588.0	14.750	335	9999	C
8.625	24.0	0.0	3910.0	11.000	1020		C
5.500	17.0	0.0	7800.0	7.875	640		C

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM  
PF07 PF08 PF09 COMMENT PF10 TLOG PF11 PF12

CMD :  
OG6ACRE

ONGARD  
C102-DEDICATE ACREAGE  
09/17/04 15:03:18  
OGOMES -TPO2  
Page No : 1

API Well No : 30 15 31208 Eff Date : 07-31-2000  
Pool Idn : 50443 QUAHADA RIDGE, DELAWARE, SOUTHEAST  
Prop Idn : 1786 JAMES RANCH UNIT  
Spacing Unit : 53660 OCD Order :  
Sect/Twp/Rng : 1 23S 30E Acreage : 40.00  
Well No : 082  
Simultaneous Dedication:  
Revised C102? (Y/N) :  
Dedicated Land:

-----  
S Base U/L Sec Twp Rng Acreage L/W Ownership Lot Idn  
-----  
P 1 23S 30E 40.00 N FD  
-----

E0005: Enter data to modify or PF keys to scroll  
PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM  
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD :  
OG6IPRD INQUIRE PRODUCTION BY POOL/Well

09/17/04 15:03:26  
OGOMES -TPO2  
Page No: 1

OGRID Identifier : 1801 BASS ENTERPRISES PRODUCTION CO  
Pool Identifier : 50443 QUAHADA RIDGE,DELAWARE, SOUTHEAST  
API Well No : 30 15 31208 Report Period - From : 01 2004 To : 07 2004

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 31208	JAMES RANCH UNIT	01 04 31	927 484 2580	P
30 15 31208	JAMES RANCH UNIT	02 04 29	1226 462 1977	P
30 15 31208	JAMES RANCH UNIT	03 04 31	1023 404 2221	P
30 15 31208	JAMES RANCH UNIT	04 04 29	892 329 1931	P
30 15 31208	JAMES RANCH UNIT	05 04 31	722 369 2028	P
30 15 31208	JAMES RANCH UNIT	06 04 29	536 400 1736	P
30 15 31208	JAMES RANCH UNIT	07 04 31	911 348 2246	P
Reporting Period Total (Gas, Oil) :		6237	2796	14719

M0025: Enter PF keys to scroll  
PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM  
PF07 BKWD PF08 FWD PF09 PF10 NXTPool PF11 NXTOGD PF12