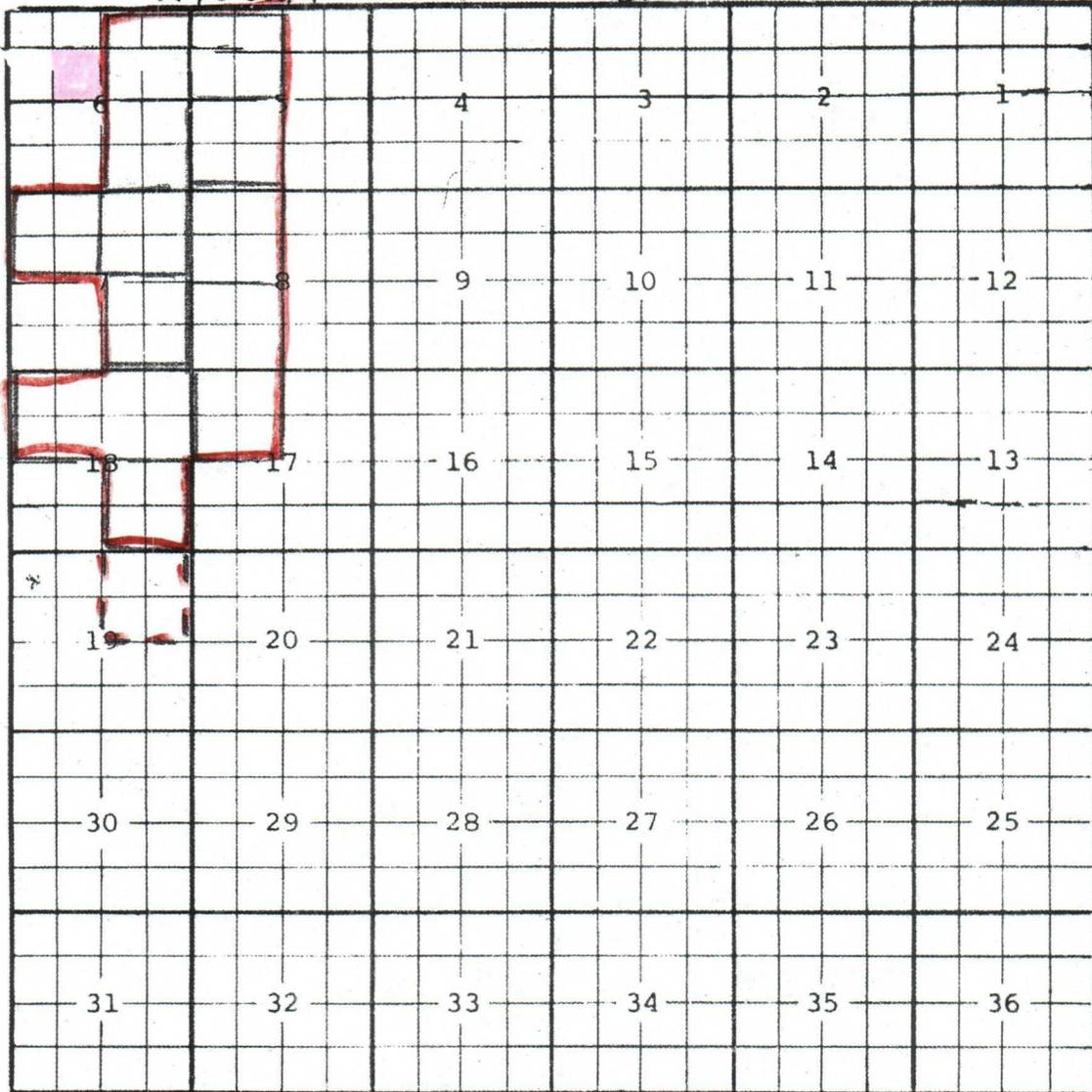


Sec : 06 Twp : 24S Rng : 30E Section Type : NORMAL

1 40.72 Federal owned U	C 40.00 Federal owned U C	B 40.00 Federal owned U A	A 40.00 Federal owned U A
2 40.58 <i>1339.4'</i> Federal owned U	F 40.00 Federal owned U C A	G 40.00 Federal owned U A A	H 40.00 Federal owned U A
3 40.42 Federal owned U	K 40.00 Federal owned U C A	J 40.00 Federal owned U A	I 40.00 Federal owned U A
4 40.28 Federal owned U	N 40.00 Federal owned U C A	O 40.00 Federal owned U A C A	P 40.00 Federal owned U A

County Eddy Pool Nash Draw Delaware

TOWNSHIP 24 South Range 30 East NMPM



Ext: NW 1/4 Sec. 5, E 1/2 Sec. 6 (R-11678, 10-23-01) Ext: NE 1/4 Sec. 7 (R-11908, 2-12-03)

Ext: NW 1/4 Sec. 7 (R-11963, 5-15-03) Ext: SW 1/4 Sec. 5, SE 1/4 Sec. 7 (R-12002, 8-11-03)

Ext: SW 1/4 Sec. 8, NW 1/4 Sec. 17 (R-12082, 1-14-04) Ext: N 1/2 Sec. 18 (R-12153, 6-7-03)

Ext: NW 1/4 Sec. 8 (R-12222, 10-25-04) Ext: SE 1/4 Sec. 18 (R-12282, 2-28-04)

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR THE
PURPOSE OF CONSIDERING:

CASE NO. 366
ORDER NO. R-153

THE MATTER OF THE APPLICATION
OF RICHARDSON & BASS, A CO-PARTNER-
SHIP, FOR APPROVAL OF THE POKER
LAKE UNIT AGREEMENT, EMBRACING
68,990.83 ACRES IN EDDY COUNTY, NEW
MEXICO, WITHIN TOWNSHIPS 23, 24, 25
AND 26 SOUTH, RANGES 29, 30 AND 31
EAST, NMPM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on April 28, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 1st day of May, 1952, the Commission, a quorum being present, having considered said application and the ~~evidence~~ introduced in support thereof, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

SECTION 1. That this order shall be known as the

POKER LAKE UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to shall be known as the Poker Lake Unit Agreement, and shall hereafter be referred to as the "Project".

Case No. 366
Order No. R-153

(b) That the plan by which the Project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Poker Lake Unit Area referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the Poker Lake Unit Agreement Plan.

SECTION 3. That the Poker Lake Unit Agreement Plan shall be, and hereby is, approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement this approval shall not be considered as waiving or relinquishing in any manner any rights, duties or obligations which are now, or may hereafter, be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Poker Lake Unit Agreement, or relative to the production of oil or gas therefrom.

SECTION 4. (a) That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

Twp. 24 S., Rge. 29 E.

Sec. 1: Lot 1, SE/4 NE/4, SE/4

Sec. 12: E 1/2

Sec. 13: E 1/2

Sec. 24: E 1/2

Twp. 23 S., Rge. 30 E.

Sec. 31: SE/4, E 1/2 SW 1/4

Sec. 32: All

Sec. 33: All

Sec. 34: W 1/2 W 1/2

Twp. 24 S., Rge. 30 E.

Sec. 2: S 1/2

Secs. 3 to 11, both inclusive: All

Secs. 14 to 36, both inclusive: All

Twp. 25 S., Rge. 30 E.

Secs. 1 to 4, both inclusive: All

Sec. 5: Lots 1, 2, 3 and 4, S 1/2 N 1/2, E 1/2 SE 1/4

Sec. 8: E 1/2 E 1/2, W 1/2 SE 1/4, E 1/2 SW 1/4

Secs. 9 to 17, both inclusive: All

Sec. 18: Lots 3 and 4, NE 1/4, E 1/2, SW 1/4, SE 1/4

Secs. 19 to 29, both inclusive: All

Sec. 30: NE 1/4, E 1/2 SE 1/4

Sec. 31: E 1/2 NE 1/4

Secs. 32 to 36, both inclusive: All

Twp. 26 S., Rge. 30 E.

Secs. 1 to 3, both inclusive: All

Sec. 4: NE 1/4

Sec. 10: N 1/2

Sec. 11: N 1/2

Sec. 12: N 1/2

Twp. 24 S., Rge. 31 E.

Secs. 19 to 22, both inclusive: All

Secs. 27 to 33, both inclusive: All

Sec. 34: W 1/2

Twp. 25 S., Rge. 31 E.

Sec. 3: Lots 3 and 4, S 1/2 NW 1/4, SW 1/4

Secs. 4 to 9, both inclusive: All

Sec. 10: W 1/2

Sec. 15: W 1/2 W 1/2

Secs 16 to 21, both inclusive: All

Sec. 22: NW 1/4 NW 1/4, SW 1/4 SW 1/4

Sec. 27: W 1/2 W 1/2

Secs. 28 to 33, both inclusive: All

Sec. 34: S 1/2 NW 1/4, NW 1/4 NW 1/4, SW 1/4

Twp. 26 S., Rge. 31 E.

Sec. 3: W 1/2 NW 1/4

Secs. 4 to 6, both inclusive: All

Total unit area: 68,990.83 acres, more or less.

(b) The unit area may be enlarged or contracted as provided in said Plan.

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Poker Lake Unit Agreement within 30 days after the effective date thereof.

SECTION 6. That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or counterpart thereof, or by ratifying the same. The unit operator shall file with the Commission within 30 days an original of any such counterpart or ratification.

SECTION 7. That this order shall become effective upon approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto upon the termination of said unit agreement. The last unit

-4-

Case No. 366

Order No. R-153

operator shall immediately notify the Commissioner in writing of such termination.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

S E A L

Jerry N.M. Oil Cons. Div-Dist. 2
 1301 W. Grand Avenue
 Artesia, NM 88210

0697

Form 3160-3
 (August 1999)

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

RECEIVED
 JUN 25 2005

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

APPLICATION FOR PERMIT TO DRILL OR REENTER ~~FIELD~~ **ARTESIA**

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		SECRETARY'S POTASH		5. Lease Serial No. LC068545
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				6. If Indian, Allottee or Tribe Name
2. Name of Operator Bass Enterprises Production Co. <i>1801</i>		<i>1796</i>		7. If Unit or CA Agreement, Name and No. NMNM71016
3a. Address P. O. Box 2760 Midland, TX 79702		3b. Phone No. (include area code) (432)683-2277 <i>47545</i>		8. Lease Name and Well No. POKER LAKE UNIT <i>163</i>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENW, UNIT F, 1980' FNL 2310' FWL, LAT. 32.14543, LON. 103.55203 At proposed prod. zone SAME				9. API Well No. <i>30-015-34183</i>
14. Distance in miles and direction from nearest town or post office* 14 MILES EAST OF MALAGA, NM				10. Field and Pool, or Exploratory NASH DRAW - DELAWARE
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1980'	16. No. of Acres in lease 1843.32	17. Spacing Unit dedicated to this well 40		11. Sec., T., R., M., or Blk. and Survey or Area SEC 6, T24S, R30E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 990'	19. Proposed Depth 7,580'	20. BLM/BIA Bond No. on file		12. County or Parish EDDY
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3236' GL	22. Approximate date work will start* 07/01/2005	23. Estimated duration 12 DAYS		13. State NM

24. Attachments **CARLSBAD CONTROLLED WATER BASIN**

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>Cindi Goodman</i>	Name (Printed/Typed) Cindi Goodman	Date 05/04/2005
Title Production Clerk		
Approved by (Signature) <i>/s/ Jesse J. Juen</i>	Name (Printed/Typed) <i>/s/ Jesse J. Juen</i>	Date JUN 20 2005
Title FOR 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

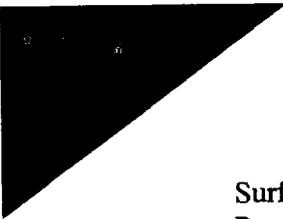
Title 18 U.S.C Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

**APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS
 AND SPECIAL STIPULATIONS
 ATTACHED**

Witness Surface Casing

See to, 28.5



Surface casing to be set into the Rustler below all fresh water sands.
Production casing will be cemented using Zone Seal cement.
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 this location.

Arch survey done 9/23/00 by Laura Michalik

District II
South First, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 47545	Pool Name NASH DRAW - DELAWARE
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 163
OGRD No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3236'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	6	24 S	30 E		1980	NORTH	2310	WEST	EDDY

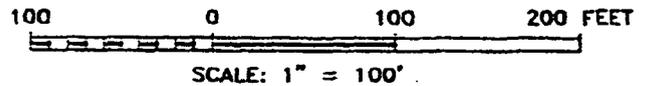
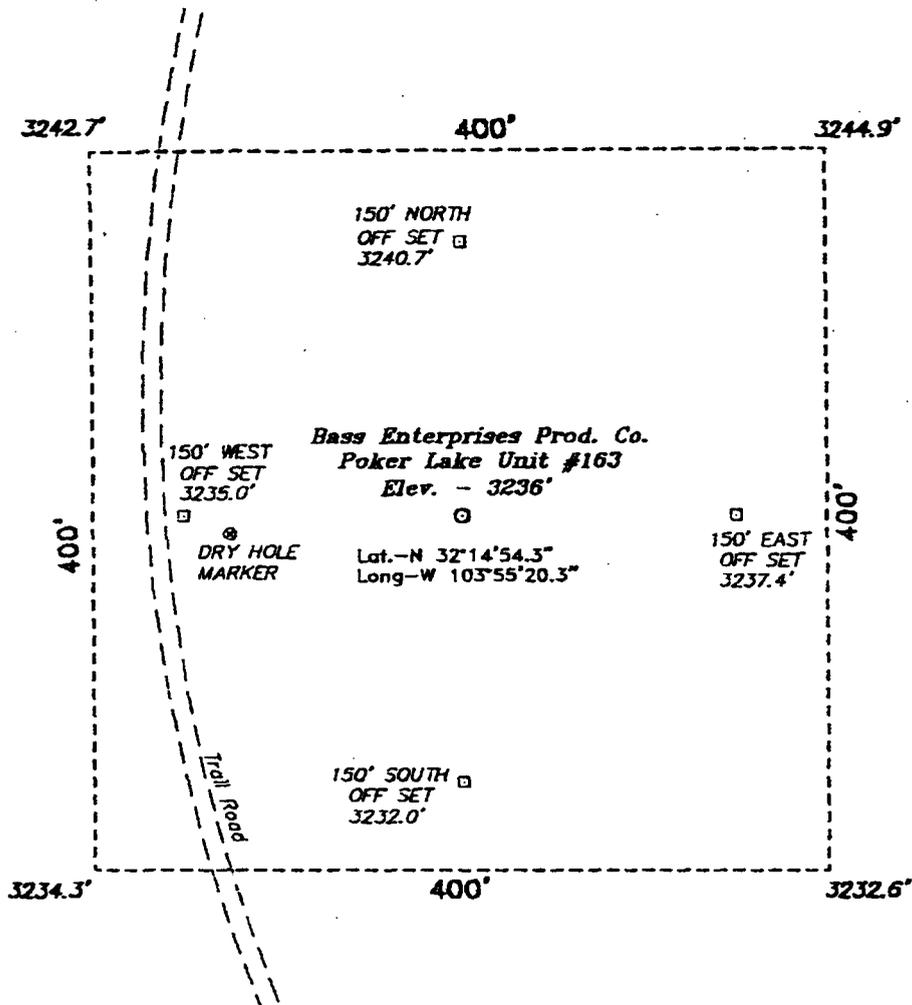
Bottom Hole Location If Different From Surface

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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature W.R. DANNELS Printed Name DIVISION DRILLING SUPT. Title 11 Sept 2000 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>August 18, 2000 Date Surveyed GARY L. JONES Signature & Seal of Professional Surveyor Professional Surveyor 7977 N.M. No. 0456 Certificate No. 7977 BASIN SURVEYS</p>

SECTION 6, 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. 4.0 MILES TO A LEASE ROAD; THENCE SOUTH ON LEASE ROAD APPROX. 4 MILES TO A POINT ON THE PROPOSED WELL LOCATION.

BASS ENTERPRISES PRODUCTION CO.

REF: Poker Lake Unit No. 163 / Well Pad Topo

THE POKER LAKE UNIT No. 163 LOCATED 1980' FROM THE NORTH LINE AND 2310' FROM THE WEST LINE OF SECTION 6, 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: 0456

Drawn By: K. GOAD

Date: 08-21-2000

Disk: KJG #122 - 0456A.DWG

Survey Date: 08-18-2000

Sheet 1 of 1 Sheets

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

NAME OF WELL: POKER LAKE UNIT #163

LEGAL DESCRIPTION - SURFACE: 1980' FNL & 2310' FWL, Section 6, 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 3251' (est)
GL 3236'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Salt	607'	+2,644'	Barren
B/Salt	3,276'	- 25'	Barren
T/Lamar	3,509'	- 258'	Barren
T/Ramsey	3,536'	- 285'	Oil/Gas
T/Lwr Brushy Canyon 8A	6,983'	- 3,732'	Oil/Gas
T/Y" Sand	7,163'	- 3,912'	Oil/Gas
T/Bone Spring	7,221'	- 3,970'	Oil/Gas
TD	7,580'	- 4,329'	

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
16"	0' - 40'	Conductor	Contractor Discretion
8-5/8", 24#, WC-50, LTC	0' - 525'	Surface	New WITNESS
5-1/2", 15.50#, K-55, LT&C	0' - 6,500'	Production	New
5-1/2", 17#, K-55, LT&C	6,500' - 7,580'	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 or 1000 psig whichever is less with rig pump. 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' - 525'	FW Spud Mud	8.5 - 9.2	45-35	NC	NC	NC	NC
525' - 5600'	BW	9.8 -10.2	28-30	NC	NC	NC	9.5-10.5
5600' - TD	BWEMud	8.9 - 9.1	38-50	6	10	<100 cc	9.5-10.5

**Will increase vis for logging purposes only.*

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

None anticipated.

B) LOGGING

GR-CNL-LDT-LLD from TD to Base of Salt (+/-3,276'). Run GR-CNL 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>Nitrogen</u>	<u>Compressive Strength</u>
SURFACE:	Circulate cement to surface							
Lead 0 - 325' (100% excess)	50	225	Permian Basin Filler 1 + 1 / 4# Celloflake	17.65	11.4	2.85		
Tail 325-525' (100% excess)	200	300	Permian Basin Critical Zone	8.37	13.5	1.63		
PRODUCTION:								
Base Slurry w/nitrogen 3000-TD	750	4580	Premium Plus + 2% Zone Sealant 2000	6.32	9.1-14.5	1.39-2.30	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 3266 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware section from 3536'-7580'. No H₂S is anticipated.

Estimated BHT is 146° F.

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: POKER LAKE UNIT #163

LEGAL DESCRIPTION - SURFACE: 1980' FNL & 2310' FWL, Section 6, T-24-S, R-30-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit "A", "B" and survey plats.

B) Existing Roads:

From Carlsbad, New Mexico, go 8 miles south on Highway 285 to Highway 31. Turn north and 7 miles on Highway 31. Turn east on Highway 128 and go 4 miles to Rawhide Road (located between mile markers 4 and 5). Turn southeast onto Rawhide Road and go approximately 6.5 miles southerly.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "A", "B", and survey plats.

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See Exhibit "A" and "B".

B) Width

12' wide.

C) Maximum Grade

Not applicable.

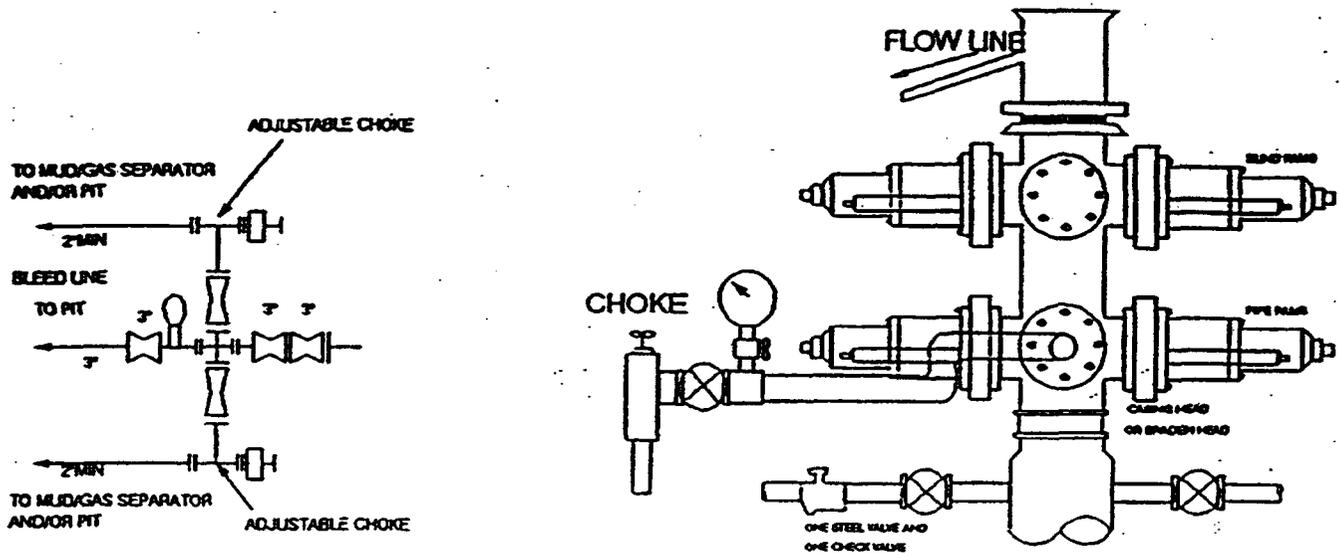
D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

None.

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.