

8.18.05 DATE IN	SUSPENSE	Stagner ENGINEER	8.16.05 LOGGED IN	NSL TYPE	DEM0522841398 OFF NO.
--------------------	----------	---------------------	----------------------	-------------	--------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce
 Print or Type Name

Signature

Attorney for applicant
 Title

Date

jamesbruc@aol.com
 e-mail Address

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

2005 AUG 15 PM 1 38

August 15, 2005

Hand delivered

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Bass Enterprises Production Co. applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Poker Lake Unit Well No. 243
<u>Location:</u>	1410 feet FNL & 930 feet FWL
<u>Well unit:</u>	SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico

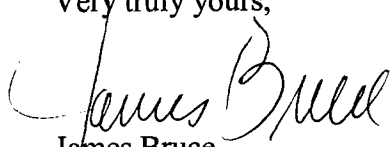
The well will be drilled to a depth sufficient to test the Delaware formation. The formation is spaced on statewide rules, with 40 acre spacing, and wells to be located no closer than 330 feet to a quarter-quarter section line. An APD for the well, with a Form C-102, is attached as Exhibit A.

The location is based on topographical reasons. The location is in the flattest area of the well unit -- the southern part of the well unit drops off to an arroyo and has substantial relief. See Exhibit A.

The well is located on State Lease B-10685, which covers all of Section 32. Because the lease has common ownership, there is no adversely affected party, and notice has not been given to anyone.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Bass Enterprises Production Co.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Bass Enterprises Production Co. P. O. Box 2760 Midland, TX 79702		² OGRID Number 001801
		³ API Number 30 -
³ Property Code 001796	⁵ Property Name POKER LAKE UNIT	⁶ Well No. 243
⁷ Proposed Pool 1 NASH DRAW - DELAWARE		¹⁰ Proposed Pool 2

Surface Location

UL or lot no. E	Section 32	Township 24S	Range 30E	Lot Idn	Feet from the 1410	North/South line FNL	Feet from the 930	East/Westline FWL	County EDDY
--------------------	---------------	-----------------	--------------	---------	-----------------------	-------------------------	----------------------	----------------------	----------------

Proposed 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/Westline	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	---------------	--------

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3200' GL
¹⁶ Multiple NO	¹⁷ Proposed Depth 7750'	¹⁸ Formation DELAWARE	¹⁹ Contractor GREY WOLF	²⁰ Spud Date 08/15/2005
Depth to Groundwater 150'		Distance from nearest fresh water well 2-1/2 MILES		Distance from nearest surface water 6 MILES
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mil thick Clay <input type="checkbox"/> Pit Volume: 11,500 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input checked="" type="checkbox"/> Gas/Air <input type="checkbox"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14-3/4"	11-3/4"	42#	290'	300	SURFACE *
11"	8-5/8"	32#	3540'	1000	1000' **
7-7/8"	5-1/2"	15.5 & 17#	7700'	900	3100'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

SURFACE IS OWNED BY THE STATE OF NEW MEXICO. ATTACHED IS A DRILLING PROGNOSIS AND A BOP DIAGRAM.

*Bass proposes to drill 10' into the salt section to insure all zones above the salt are penetrated. The casing will be set 10'-20' above the total depth and cemented to surface.

**This intermediate casing is a contingency string to be installed only if we encounter "free flowing sand" as was found in our Poker Lake Unit #217 located in section 19, T24S, R30E.

In Poker Lake Unit #217 this sand occurred at several depths (+ 1500', + 1800', + 1950', + 2300') and we were only able to control it by "Mudding Up" with a high vis drilling fluid which with the resultant mud weight exceeded the low frac gradient in the Delaware Lower Brushy Canyon Sands. Therefore, the 11" casing is proposed in order to put this problem behind pipe and thereby allow for the drilling of the Delaware Sands with a fresh water low weight drilling fluid. If the flowing sand problem is not encountered the intermediate casing will not be run. Hole size will be reduced to 7-7/8" at 3550' and the production hole drilled with a brine water/diesel emulsion mud. This drilling fluid has been used successfully on 37 wells drilled by Bass in the (Nash Draw) Delaware Field.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Cindi Goodman

Title: Production Clerk

E-mail Address: cdgoodman@basspet.com

Date: 06/17/2005

Phone: (432)683-2277

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐



1625 N. French Dr., Hobbs, NM 88240

811 South First, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

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
		47545	NASH DRAW DELAWARE
Property Code	Property Name		Well Number
001796	POKER LAKE UNIT		243
OGRID No.	Operator Name		Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY		3200'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	32	24 S	30 E		1410	NORTH	930	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

	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <h3 style="text-align: center; margin: 0;">OPERATOR CERTIFICATION</h3> <p style="font-size: small; margin: 5px 0;">I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <div style="margin-top: 10px;"> <div style="text-align: center; font-size: large; font-family: cursive;">A/S L F/WRD</div> <div style="border-bottom: 1px solid black; width: 100%;"></div> <p style="font-size: small; margin: 0;">Signature</p> </div> <div style="margin-top: 10px;"> <div style="border-bottom: 1px solid black; width: 100%;"></div> <p style="font-size: small; margin: 0;">W.R. DANNELS</p> <p style="font-size: x-small; margin: 0;">Printed Name</p> </div> <div style="margin-top: 10px;"> <div style="border-bottom: 1px solid black; width: 100%;"></div> <p style="font-size: small; margin: 0;">DIVISION DRILLING SUPT.</p> <p style="font-size: x-small; margin: 0;">Title</p> </div> <div style="margin-top: 10px;"> <div style="border-bottom: 1px solid black; width: 100%;"></div> <p style="font-size: large; font-family: cursive; text-align: center;">6-21-05</p> <p style="font-size: x-small; margin: 0;">Date</p> </div> </div> <div style="border: 1px solid black; padding: 5px;"> <h3 style="text-align: center; margin: 0;">SURVEYOR CERTIFICATION</h3> <p style="font-size: x-small; margin: 5px 0;">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> <div style="margin-top: 10px;"> <div style="border-bottom: 1px solid black; width: 100%;"></div> <p style="font-size: x-small; margin: 0;">Date Surveyed</p> </div> <div style="margin-top: 10px;"> <div style="border-bottom: 1px solid black; width: 100%;"></div> <p style="font-size: x-small; margin: 0;">Signature & Seal of Professional Surveyor</p> </div> <div style="margin-top: 10px;"> <div style="border-bottom: 1px solid black; width: 100%;"></div> <p style="font-size: x-small; margin: 0;">W.O. No. 5390</p> </div> <div style="margin-top: 10px;"> <div style="border-bottom: 1px solid black; width: 100%;"></div> <p style="font-size: x-small; margin: 0;">Certificate No. 9777</p> </div> </div>
--	---

SECTION 32, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Proposed Lease Road to PLU #242 301'

150' NORTH
□ OFF SET
3203.7'

BASS ENTERPRISES PROD. CO.
POKER LAKE UNIT #243

ELEV. - 3200'

○

Lat.-N 32°10'38.8"
Long-W 103°54'32.8"

150' WEST
□ OFF SET
3196.8'

150' EAST
□ OFF SET
3202.0'

150' SOUTH
□ OFF SET
3196.2'

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 128 AND
RAWHIDE ROAD, GO SOUTH FOR 10.2 MILES TO OLD
WINDMILL; THENCE WEST FOR 1.2 MILE; THENCE
SOUTHEAST FOR 1.8 MILE PAST A CATTLE GUARD;
THENCE SOUTH FOR 0.2 MILE TO PROPOSED LEASE
ROAD.

100 0 100 200 FEET



SCALE: 1" = 100'

BASS ENTERPRISES PRODUCTION CO.

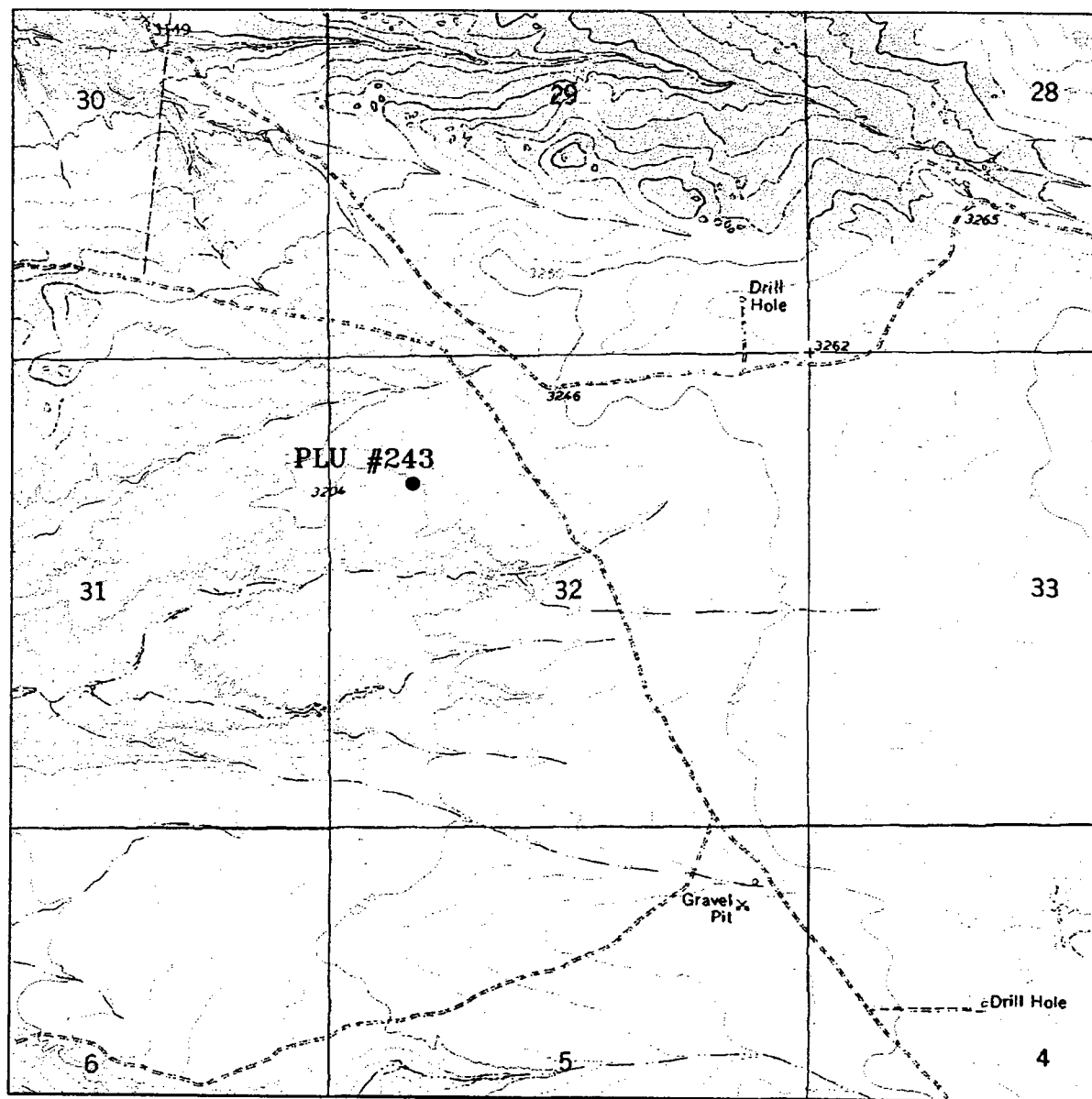
REF: POKER LAKE UNIT No. 243 / Well Pad Topo

THE POKER LAKE UNIT No. 243 LOCATED 1410' FROM
THE NORTH LINE AND 930' FROM THE WEST LINE OF
SECTION 32, 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: 5390

Drawn By: K. GOAD



POKER LAKE UNIT #243

Located at 1410' FNL and 930' FWL
 Section 32, Township 24 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys

focused on excellence
 in the oilfield

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

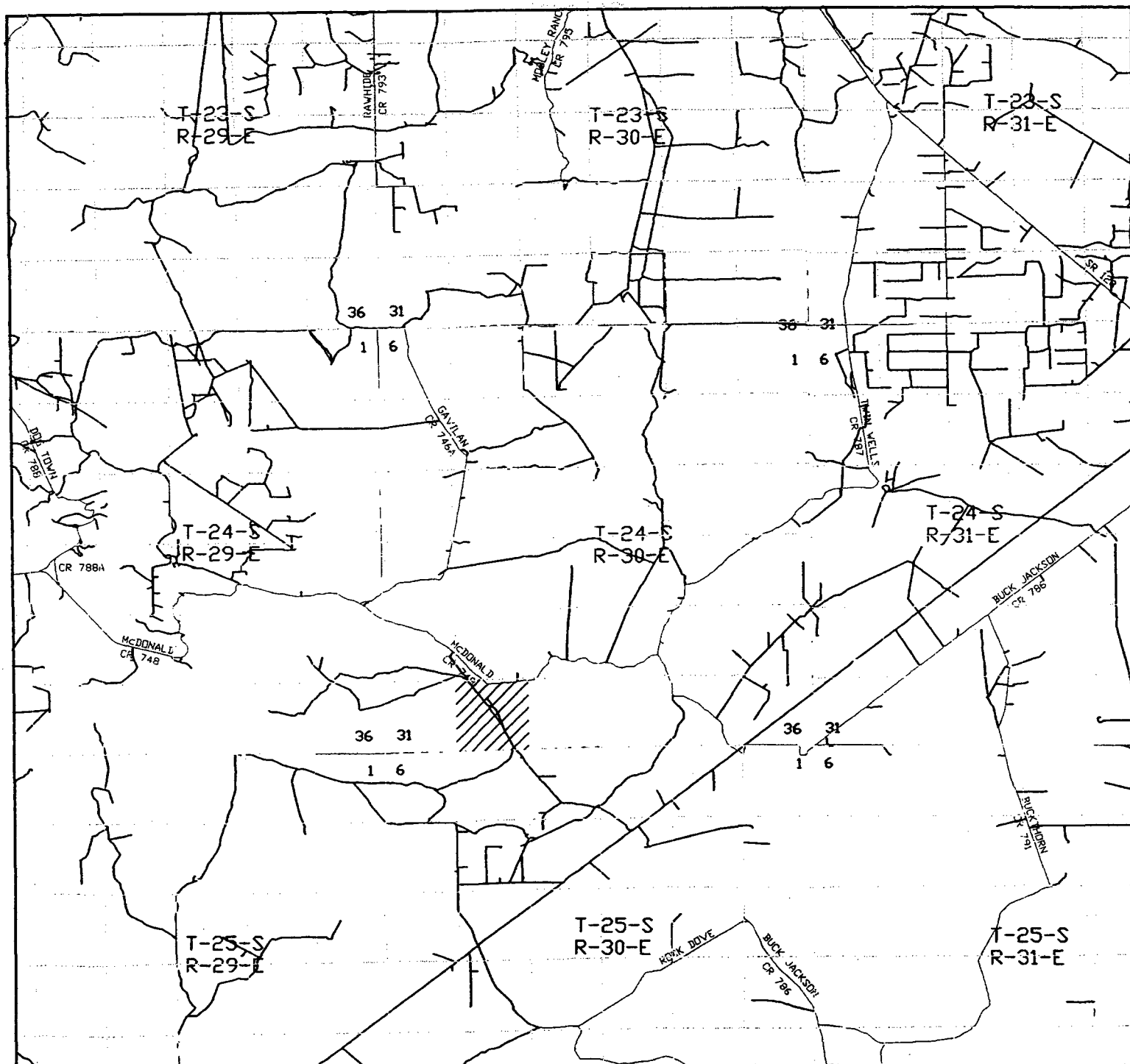
W.O. Number: 5390AA - KJG #7

Survey Date: 05-27-2005

Scale: 1" = 2000'

Date: 06-03-2005

BASS ENTERPRISES
PRODUCTION CO.



POKER LAKE UNIT #243

Located at 1410' FNL and 930' FWL
 Section 32, Township 24 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys

focused on excellence
 in the oilfield

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

W.O. Number: 5390AA - KJG #7

Survey Date: 05-27-2005

Scale: 1" = 2 MILES

Date: 06-03-2005

BASS ENTERPRISES
PRODUCTION CO.

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

NAME OF WELL: POKER LAKE UNIT #243

LEGAL DESCRIPTION - SURFACE: 1410' FNL & 930' FWL, Section 32, 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 3220' (est)
GL 3200'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Salt	300'	+ 2,920'	Barren
B/Salt	3,345'	- 125'	Barren
T/Lamar	3,540'	- 320'	Barren
T/Ramsey	3,580'	- 360'	Oil/Gas
T/Lwr Brushy Canyon	7,090'	- 3,870'	Oil/Gas
T/Y" Sand	7,215'	- 3,995'	Oil/Gas
T/Bone Springs Lime	7,390'	- 4,170'	Oil/Gas
TD	7,700'	- 4,480'	

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
16"	0' - 60'	Conductor	Contractor Discretion
11-3/4", 42#, WC-50, ST&C	0' - 290'	Surface	New
8-5/8", 32#, WC-50, LT&C	0' - 3,540'	Intermediate	New
5-1/2", 15.50#, K-55, LT&C	0' - 6,500'	Production	New
5-1/2", 17#, K-55, LT&C	6,500' - 7,700'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOPE equivalent to requirements of Onshore Oil & Gas Order No. 2 - 2000 psi system (Diagram 1) will be nipped up on the surface casing head. The BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. when installed on the surface casing head will be hydro-tested to 70% of internal yield pressure of casing or 1000 psig whichever is less with the rig pump. The BOPE when rigged up on the intermediate casing spool will be as described in Diagram 2 and will be tested to 3000 psig by independent tester. (As per Onshore Oil & Gas Order No 2 - 3000 psig system) In addition to the high pressure test, a low pressure (200 psig) test will be required. These tests will be performed:

- 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' - 290'	FW Spud Mud	8.5 - 9.2	45-35	NC	NC	NC	10.0
290' - 3540'	BW	10.0	28-30	NC	NC	NC	9.5-10.5
3540' - 6000'	Fresh Water	8.4 - 8.9	28-30	NC	NC	NC	9.5-10.5
6000' - 6900'	FW/Starch	8.7 - 8.9	30-35	4	8	<100	9.5-10.5
6900' - 7700'	FW/Starch	8.7 - 8.9	40-45	4	8	<25	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 (+/-3,345). 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>SURFACE:</u> Circulate cement to surface.								
Lead 0'-290' (100% excess)	300	290	Premium Plus+2% CaClz 1/ 4# Flocele	6.33	14.8	1.35		
<u>INTERMEDIATE:</u>								
Lead 1000'-3040' (200% excess)	700	2040	Interfill C+0.3% Halad R-322	14.11	11.9	2.45		
Tail 3040' – 3540 (200% excess)	300	500	Premium Plus+2% CaClz	6.33	14.8	1.35		
<u>PRODUCTION:</u>								
Lead 3100'-7700' (50% excess)	900	4600	Premium Plus + 1% Zone Sealant 2000	6.32	11.9	1.65	<u>COMPRESSIVE</u> Nitrogen 300/600 scf/bbl	Strength 1200

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3322 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware section from 3,580'-7,700'. No H₂S is anticipated.

Estimated BHT is 140° 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

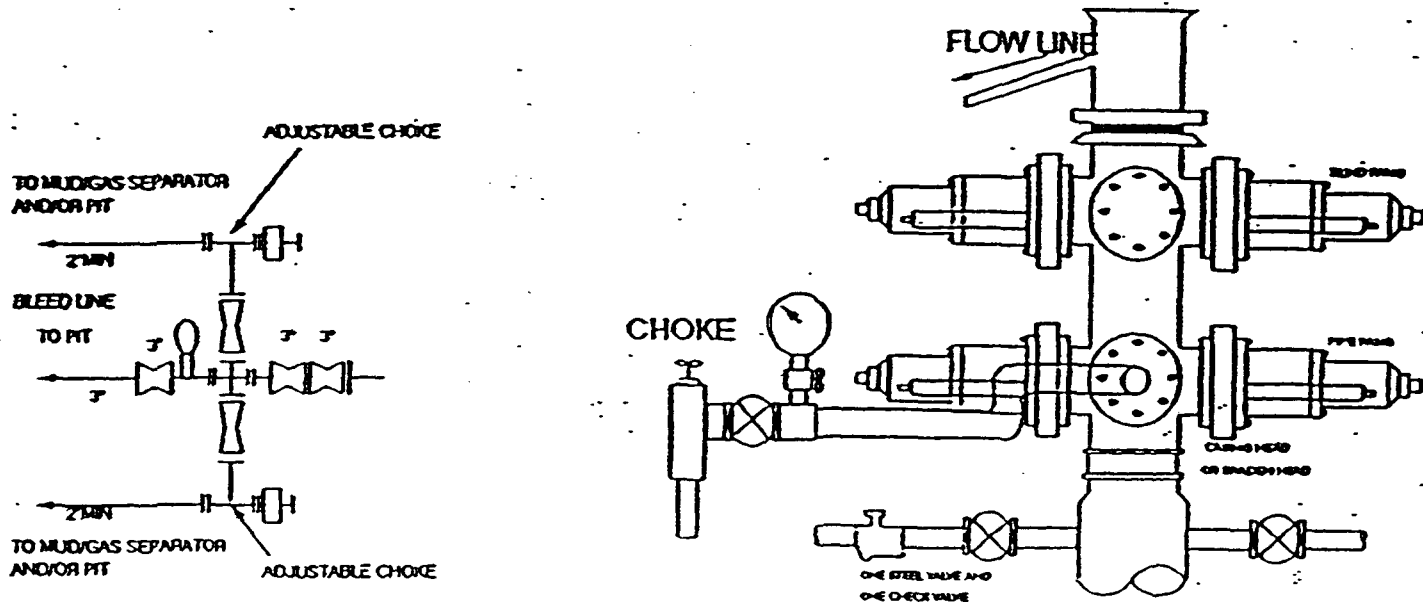
12 days drilling operations

14 days completion operations

GEG/cdg

June 17, 2005

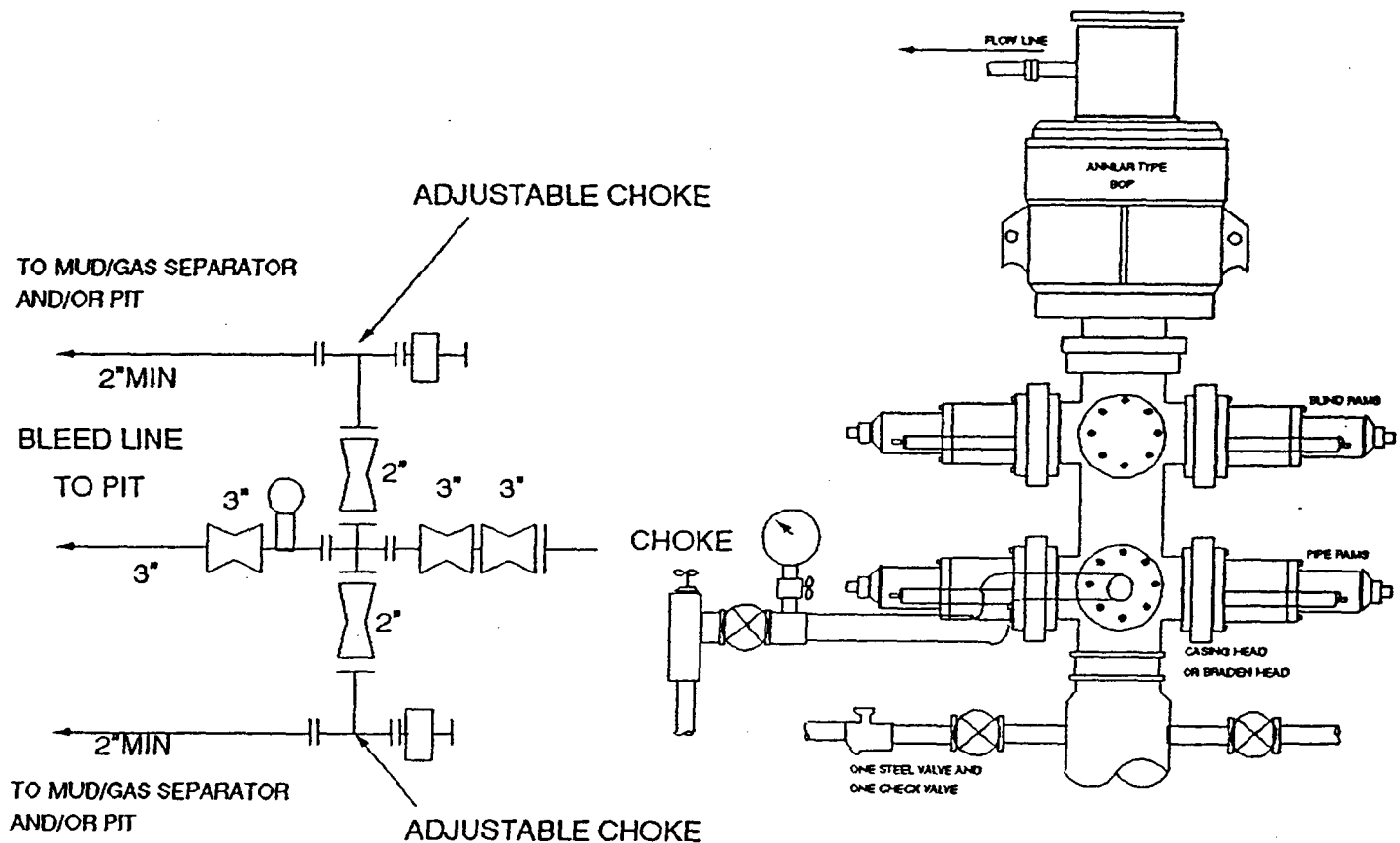
2000 PSI WP



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- A. One double gate blowout preventer with lower rams for pipe and upper rams blind, all hydraulically controlled.
- B. Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.
- C. All connections from operating manifold to preventers to be all steel hose or tube a minimum of one inch in diameter.
- D. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate (close, open, and re-close) the preventers.
- E. All connections to and from preventers to have a pressure rating equivalent to that of the BOP's.
- F. Manual controls to be installed before drilling cement plug.
- G. Valve to control flow through drill pipe to be located on rig floor.
- H. All chokes will be adjustable. Choke spool may be used between rams.

3000 PSI WP



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- A. One double gate blowout preventer with lower rams for pipe and upper rams blind, all hydraulically controlled.
- B. Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.
- C. All connections from operating manifold to preventers to be all steel hose or tube a minimum of one inch in diameter.
- D. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate (close, open, and re-close) the preventers.
- E. All connections to and from preventers to have a pressure rating equivalent to that of the BOP's.
- F. Manual controls to be installed before drilling cement plug.
- G. Valve to control flow through drill pipe to be located on rig floor.
- H. All chokes will be adjustable. Choke spool may be used between rams.

DIAGRAM 2