

EC

OPERATOR'S COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		NOV 18 2003 RECEIVED		5. Lease Serial No. NMNM04473
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		2. Name of Operator BASS ENTERPRISES PRODUCTION CO		6. If Indian, Allottee or Tribe Name
3a. Address P. O. BOX 2760 MIDLAND, TX 79702		Contact: TAMI WILBER E-Mail: twilber@basspet.com		7. If Unit or CA Agreement, Name and No. NMNM70965X
3b. Phone No. (include area code) Ph: 915.683.2277 Fx: 915.687.0329		9. API Well No. 30-015-34277		8. Lease Name and Well No. JAMES RANCH UNIT 87
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface: SESW 250FSL 1980FWL At proposed prod. zone: SESW 250FSL 1980FWL		11. Sec., T., R., M., or Blk. and Survey or Area Sec 6 T23S R31E Mer NMP SME: FEE		10. Field and Pool, or Exploratory LOS MEDANOS
14. Distance in miles and direction from nearest town or post office* 16 MILES EAST FROM LOVING NM		12. County or Parish EDDY		11. State NM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 250		16. No. of Acres in Lease 282.09		17. Spacing Unit dedicated to this well 40.00
18. Distance from proposed location to nearest well, drilling completed, applied for, on this lease, ft. 150		19. Proposed Depth 11300 MD		20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3311 GL		22. Approximate date work will start		23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) TAMI WILBER	Date 06/16/2003
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) 	Name (Printed/Typed) Carsten F. Goff	Date //
Title STATE DIRECTOR	Office NM STATE OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

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

Additional Operator Remarks (see next page)

Electronic Submission #22180 verified by the BLM Well Information System
For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad

Committed to AFMSS for processing by Armando Lopez on 06/19/2003 (03AL0322AE)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Carlsbad Controlled Water Basin

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

Additional Operator Remarks:

Surface casing to be set +/- 100' above the salt.
Intermediate casing to be set in the top of the Lamar Lime
Production casing cement to tie 300' into intermediate casing.
Drilling procedure, BOPE Diagram, Anticipated Tops and Surface Use plans attached.

This well is located inside the R-111 Potash Area. This well will be an unorthodox location. Upon approval, unorthodox procedure will be filed. Attached is IMC Kalium's response to Bass' drilling notification. This locations has been moved as close as practical to our existing JRU #14 wellhead.

Completions will be made in the Delaware, Bone Spring & Wolfcamp Pools.

Revisions to Operator-Submitted EC Data for APD #22180

Operator Submitted

Lease: NM04473
Agreement: NMNM70965X
Operator: BASS ENTERPRISES PRODUCTION CO
P. O. BOX 2760
MIDLAND, TX 79702
Ph: 915.683.2277
Fx: 915.687.0329

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

Tech Contact:

Well Name: JAMES RANCH UNIT
Number: 87
Location:
State: NM
County: EDDY
S/T/R: Sec 6 T23S R31E Mer NMP
Surf Loc: SESW 250FSL 1980FWL
Field/Pool: LOS MEDANOS
Bond: NM2204

BLM Revised (AFMSS)

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

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

JAMES RANCH UNIT
87
NM
EDDY
Sec 6 T23S R31E Mer NMP
SESW 250FSL 1980FWL
LOS MEDANOS

DISTRICT I

1005 N. French Dr., Hobbs, NM 88240

DISTRICT II

1211 South First, Artesia, NM 88210

DISTRICT III

1000 15th Street N.E., Artesia, NM 87410

DISTRICT IV

2240 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Well Code	Well Name
		Los Medanos (Delaware, Bone Spring, Wolfcamp)
Property Code	Property Name	Well Number
	JAMES RANCH UNIT	87
OCRID No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3301'

Surface Location

UL or lot No.	Section	Township	Range	Lot 1/2	Feet from the	North/South line	Feet from the	East/West line	County
N	6	23 S	31 E		250	SOUTH	1980	WEST	ELIDY

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot 1/2	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 WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 4 - 40.45 AC.	LOT 3 - 39.90 AC.	LOT 2 - 39.94 AC.	LOT 1 - 39.98 AC.	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>William R. Dannels</u> Signature William R. Dannels Printed Name Division Drilling Supt. Title 12-12-2000 Date
LOT 5 - 40.79 AC.				
LOT 6 - 40.95 AC.				
LOT 7 - 41.13 AC.				
				SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief. July 28, 2000 Date Data Surveyed Signature Professional Surveyor 7977 Certified 7977 BASS SURVEYS

EIGHT POINT DRILLING PROGRAM BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: JAMES RANCH UNIT #87

LEGAL DESCRIPTION - SURFACE: 250' FSL & 1980' FWL, Section 6, T-23-S, R-31-E, Eddy County, New Mexico.

POINT 1: ESTIMATED FORMATION TOPS

(See No. 2 Below)

POINT 2: WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS

Anticipated Formation Tops: KB 3317' (est)
GL 3301'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	262'	+3055'	Barren
T/Salt	707'	+2610'	Barren
T/Lamar	3939'	- 622'	Barren
T/Ramsey Sand	3977'	- 660'	Oil/Gas
T/Shell Zone	6807'	- 3490'	Oil/Gas
T/ Lwr Brushy Canyon 8A	7512'	- 4195'	Oil/Gas
T/Bone Spring Lime	7795'	- 4478'	Barren
T/Bone Spring III	10,919'	- 7602'	Oil/Gas
T/Wolfcamp	11,061'	- 7744'	Oil/Gas
Wolfcamp Pay Zone	11,127'	- 7810'	Oil/Gas
TD	11,300'	- 7983'	

POINT 3: CASING PROGRAM WITNESS 11 3/4" & 8 5/8" Casing Jobs

WITNESS

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
16"	0' - 40'	Conductor	Contractor Discretion
11-3/4", 42#, WC-40, STC	0' - 600'	Surface	New
8-5/8", 28#, WC-50, LT&C	0' - 3,000'	Intermediate	New
8-5/8", 32#, WC-50, ST&C	3000' - 3,950'	Intermediate	New
5-1/2", 20#, P-110, LT&C	0' - 11,300'	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. A BOP equivalent to Diagram 2 will be nipped up on the intermediate 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 the lowest pressure rating of the BOP or wellhead. In addition to the high pressure test, a low pressure (200 psi) test will be required. Diagram 2 annular will be tested at 1/2 jts pressure rating. These tests will be performed:

- Upon installation
- After any component changes
- Fifteen days after a previous test
- 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' - 600'	FW Spud Mud	8.5 - 9.2	45-35	NC	NC	NC	NC
600' - 3950'	Brine	9.8 - 10.2	29-30	NC	NC	NC	10-10.5
3950' - 7500'	FW	8.3 - 8.5	28-30	NC	NC	NC	9-9.5-10
7500' - TD	FW/Mud	8.6 - 9.2	28-40	4	10	<100 ∞	9-9.5-10

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

None anticipated.

B) LOGGING

GR-CNL-LDT-AIT from TD to 8-5/8" casing shoe.
GR-CNL from base of 8-5/8" casing to surface.

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT ³ /SX
SURFACE:						
Lead 0 - 300' (100% excess circ to surface)	100	300	Interfill C + 1/4 pps Floccle + 2% CaCl ₂	14.35	11.9	2.49
Tail 300-600' (100% excess circ to surface)	200	300	Class C + 2% CaCl ₂	6.32	14.82	1.34
INTERMEDIATE:						
Lead 0 - 3450' (100% excess circ to surface)	740	3450	Interfill C + 2% CaCl ₂	14.35	11.9	2.49
Tail 3450-3950' (100% excess circ to surface)	125	500	Class C	6.32	14.80	1.34

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

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

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. The Bone Spring expected BHP is 6000 (max) or an equivalent mud wt of 10.0 ppg @ TD. Due to the tight nature of the reservoir rock (high pressure, low volume), the well will be drilled under balanced utilizing a rotating head. Prior to penetrating the abnormal pressures in the Bone Spring and Wolfcamp, mud monitoring equipment will be installed and operative. No H₂S is anticipated.

Estimated BHT is 170° 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

25 days drilling operations

10 days completion operations

tlw
June 5, 2003

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: JAMES RANCH UNIT #87

LEGAL DESCRIPTION - SURFACE: 250' FSL & 1980' FWL, Section 6, T-23-S, R-31-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Surveyor's plat. There will be an extension of the existing pad for the James Ranch Unit #14.

B) Existing Roads:

Between mile markers 10 & 11 on Highway 128 turn northeast on WIPP road. Turn east and go 0.5 miles. Turn north and go 0.1 mile to location.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "A".

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See Exhibit "A". No new road will be required.

B) Width

Not applicable.

C) Maximum Grade

Not applicable.

D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

None.

WASTE ISOLATION PILOT

Revised 2-12-92

ANT AREA

22S/31E

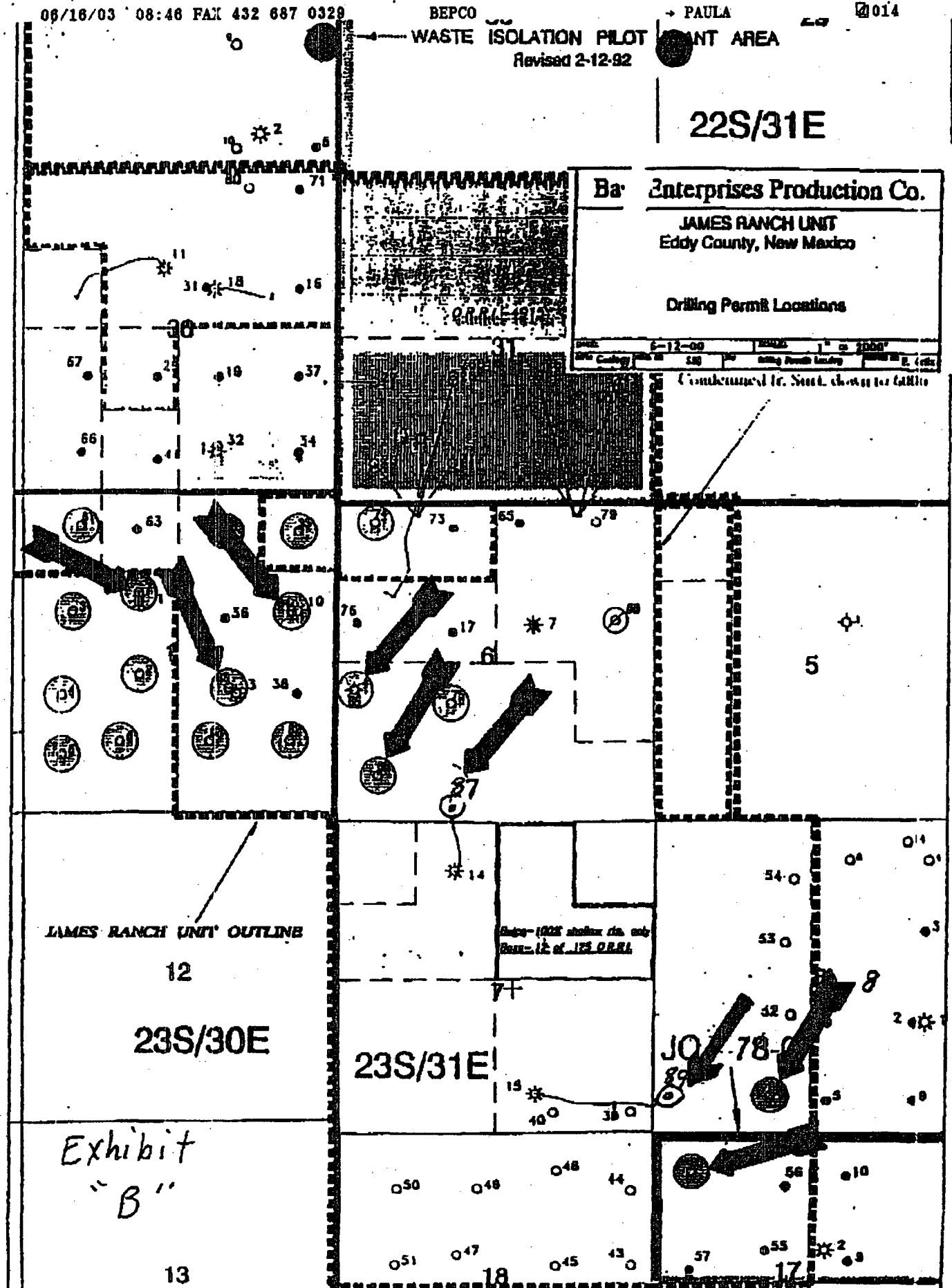
Ba Enterprises Production Co.

JAMES RANCH UNIT
Eddy County, New Mexico

Drilling Permit Locations

Scale: 6-12-00
1" = 1000'
North Arrow

Continued to South, down to 24N



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB NO. 1004-0115
Expires: November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA/Agreement, Name and/or NMNM70965A
2. Name of Operator BASS ENTERPRISES PRODUCTION CO		8. Well Name and No. JAMES RANCH UNIT 87
Contact: CINDI GOODMAN E-Mail: CDGOODMAN@BASSPET.COM		9. API Well No. 30-015-34277
3a. Address P O BOX 2760 MIDLAND, TX 79702	3b. Phone No. (include area code) Ph: 432-683-2277	10. Field and Pool, or Exploration LOS MEDANOS
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 6 T23S R31E SESW 250FSL 1980FWL		11. County or Parish, and State EDDY COUNTY, NM

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

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

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

Bass Enterprises Production Co. wishes to extend this application to drill for another 12 months from 11/12/04 to 11/12/05.

APPROVED FOR 12 MONTH PERIOD
ENDING 11/13/05

14. I hereby certify that the foregoing is true and correct. Electronic Submission #50806 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 11/10/2004 (05LA0087SE)	
Name (Printed/Typed) CINDI GOODMAN	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 11/08/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>Russ Johnson</u>	Acting FIELD MANAGER	12/8/2
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		CARLSBAD FIELD OFFICE
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.		Office

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

N.M. Oil Cons. DIV-Dist. 2
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
4301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Bass Enterprises Production Co.

3a. Address
P. O. Box 2760 Midland TX 79702

3b. Phone No. (include area code)
(432)683-2277

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEC 6, T23S, R31E, SESW 250 FSL, 1980 FWL
32.19376 N LAT, 103.49089 W LON

5. Lease Serial No.
NMNM04473

6. If Indian, Allottee or Tribe Name

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

NMNM70965

8. Well Name and No.
JAMES RANCH UNIT #87

9. API Well No.
30-015-34277

10. Field and Pool, or Exploratory Area
LOS MEDANOS WOLFCAMP

11. County or Parish, State
EDDY
NM

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

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

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

Spud well @ 3:00 p.m. on 9/10/05. Drilled 14-3/4" hole to 625'. Ran 16 jts 11-3/4", 42# H-40, STC casing set @ 617'. Cement with 120 sx Premium Plus + 3% Econolite + 2% CaCl and 150 sx Premium Plus + 2% CaCl. Circulate to surface. WOC 24 hrs. Test casing to 600 psi f/30 min., held ok. Drill 11" hole to 3948'. Ran 71 jts 8-5/8" 32# J-55 LTC and 20 jts 8-5/8" 32# K-55 STC casing set at 3946'. Cement with 820 sx Interfill C and 200 sx Premium Plus + 2% CaCl + 1/4 pps Flocele. Circulate to surface. Drill 7-7/8" hole to 11340'. Ran 254 jts 5-1/2" 20# P110, LTC casing set at 11324'. Cement with 900 sx Premium Plus + 2% Zone Seal + 0.4% HR601 + N2. Release Rig @ 2:30 a.m. 10/16/05. Prep for completion.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Cindi Goodman

Signature

Cindi Goodman

Title

Production Clerk

Date

10/28/2005

ACCEPTED FOR RECORDING SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DAVID R. GLASS

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 makes 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.

(Instructions on reverse)

District I
1625 N. French Drive, 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 Department

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

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Bass Enterprises Production Co.

P. O. Box 2760 Midland, TX 79702

Operator

Address

JAMES RANCH UNIT

87

SEC 6, T-23-S-R-31-E

EDDY

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 001801 Property Code 001786 API No. 30-015-34277 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	LOS MEDANOS BONE SPRING	LOS MEDANOS WOLFCAMP	
Pool Code	40295	96336	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	11,002' - 11,016'	11,200' - 11,210'	RECEIVED
Method of Production (Flowing or Artificial Lift)	FLOWING	FLOWING	DEC 7 2005 OCD-ARTESIA
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	NA	NA	
Oil Gravity or Gas BTU (Degree API or Gas BTU)	44.2	44.2	
Producing, Shut-In or New Zone	PRODUCING	PRODUCING	
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 11/24/2005 Rates: 49/31/2	Date: 11/24/2005 Rates: 24/15/1	Date: / /0000 Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 67 % 67 %	Oil Gas 33 % 33 %	Oil Gas % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: R-10558

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Cindi Goodman TITLE Production Clerk DATE 11/29/2005

TYPE OR PRINT NAME Cindi Goodman

TELEPHONE NO. () (432)683-2277

E-MAIL ADDRESS cdgoodman@basspet.com

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240

DISTRICT II
611 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos 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 30-015-34277	Pool Code 40295	Pool Name LOS MEDANOS BONE SPRING
Property Code 001786	Property Name JAMES RANCH UNIT	Well Number 87
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3301'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	6	23 S	31 E		250	SOUTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40	N		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 4 - 40.45 AC.	LOT 3 - 39.90 AC.	LOT 2 - 39.94 AC.	LOT 1 - 39.98 AC.	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>William R. Dannels</i> Signature Printed Name W.R. DANNELS Title DIVISION DRILLING SUPT. Date 11/29/05
LOT 5 - 40.79 AC.				
LOT 6 - 40.96 AC.				
LOT 7 - 41.13 AC.	LAT - N32°19'37.6" LONG - W103°49'08.9" 			

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. July 28, 2000 Date Surveyed Signature Professional Surveyor GARY L. JENSEN W.07983. 04264 Certificate No. Gary L. Jensen 7977	
---	--

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos 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 30-015-34277	Pool Code 96336	Pool Name LOS MEDANOS WOLFCAMP
Property Code 001 786	Property Name JAMES RANCH UNIT	Well Number 87
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3301'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	6	23 S	31 E		250	SOUTH	1980	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 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

LOT 4 - 40.45 AC.	LOT 3 - 39.90 AC.	LOT 2 - 39.94 AC.	LOT 1 - 39.98 AC.	<p>RECEIVED DEC 7 2005 OGD-ARTESIA</p>	<p>OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>William R. Dannels</u> Signature Printed Name W.R. DANNELS Title DIVISION DRILLING SUPT. Date 11/29/05</p>
LOT 5 - 40.79 AC.					
LOT 6 - 40.96 AC.					
LOT 7 - 41.13 AC.					
<p>LAT - N32°19'37.6" LONG - W103°49'08.9"</p> <p>3300.9 250 3302.8 1980 3301.0 3300.7</p>				<p>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. July 28, 2000 Date Surveyed Signature Professional Surveyor NEW MEXICO W.07983. 0426A Certificate No. Gary L. 7977</p>	

JAMES RANCH UNIT #87
BASS ENTERPRISES PRODUCTION COMPANY

The 3rd Bone Spring and the Wolfcamp intervals were treated and flow tested together. In order to determine how much production should be attributed to each of the two zones an allocation formula, based on log calculated pay, was developed. The following table shows this breakdown:

	<u>3rd BONE SPRINGS</u>	<u>WOLFCAMP</u>
Net Pay	20	10
Average Porosity	10%	10%
OH	2.0	1.0
Allocation Percentage	67%	33%

DHC: NSL required B4
To produce:

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Bass Enterprises Production Co. P. O. Box 2760 Midland, TX 79702		² OGRID Number 001801
		³ Reason for Filing Code/ Effective Date N11/15/05
⁴ API Number 30 -015-34277	⁵ Pool Name LOS MEDANOS (WOLFCAMP)	⁶ Pool Code 96336
⁷ Property Code 001786	⁸ Property Name JAMES RANCH UNIT	⁹ Well Number 87

II. ¹⁰ Surface Location

U/I or lot no.	Section	Township	Range	Lot.Idn	Feet from the	North/South Line	Feet from the	East/West line	County
N	6	23S	31E		250	SOUTH	1980	WEST	EDDY

¹¹ Bottom Hole Location

Bottom Hole Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Lse Code F	¹⁴ Producing Method Code F		¹⁴ Gas Connection Date		¹⁵ C-129 Permit Number		¹⁶ C-129 Effective Date		¹⁷ C-129 Expiration Date

III. Oil and Gas Transporters

[illegible]

IV. Produced Water

23	POD	24	POD ULSTR Location and Description
----	-----	----	------------------------------------

V. Well Completion Data

V. Well Completion Data					
²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBTD	²⁹ Perforations	³⁰ DHC, MC
09/10/2005	11/15/2005	11,340	11,283'	11,200' - 10'	
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
14.750	11.750 - 42#	617'	270		
11.00	8.625 - 32#	3946'	1020		
7.875	5.50 - 20#	11324'	2000		

VI. Well Test Data

³⁵ Date New Oil 11/15/2005	³⁶ Gas Delivery Date 11/15/2005	³⁷ Test Date 11/29/2005	³⁸ Test Length 24 HRS	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure 750
⁴¹ Choke Size 16/64"	⁴² Oil 137	⁴³ Water 98	⁴⁴ Gas 246	⁴⁵ AOF	⁴⁶ Test Method FLOWING

47 I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:

And And

Approved by:

OIL CONSERVATION DIVISION

DENIED

Printed name: _____

Cindi Goodman

Title:

DEC 12 2005

Title:

Production Clerk

Approval Date:

E-mail Address:

cdgoodman@basspet.com

Date:

12/01/2005

Phone:

(432)683-2277

DHC2 NSL required to produce

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., 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-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.	30-015-34277
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name JAMES RANCH UNIT	
8. Well Number	87
9. OGRID Number	001801
10. Pool name or Wildcat	LOS MEDANOS

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐
2. Name of Operator
Bass Enterprises Production Co.
3. Address of Operator
P. O. Box 2760
Midland, TX 79702

RECEIVED

DEC - 8 2005

OCD-ARTESIA

4. Well Location
Unit Letter N : 250 feet from the SOUTH line and 1980 feet from the WEST line
Section 6 Township 23S Range 31E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3301' GL

Pit or Below-grade Tank Application ☒ or Closure ☒

Pit type DRILLING Depth to Groundwater >100' Distance from nearest fresh water well >200' Distance from nearest surface water >1000'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 7300 bbls; Construction Material SYNTHETIC

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: OPEN TRENCH PIT/PIT CLOSURE

☒

OTHER:

☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Drilling Pit will be closed per guidelines: Sec IV-B-3-b.

Permit requested to open trench pit 170' X 15' wide 12 mil liner push in drilling cuttings and close by covering with 20 mil liner and 3' of top soil.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE

Cindi Goodman

TITLE Production Clerk

DATE 12/02/2005

Type or print name Cindi Goodman
For State Use Only

E-mail address: cdgoodman@basspet.com

Telephone No. (432) 683-2277

APPROVED BY:

Gerry Guye

TITLE

Gerry Guye
Compliance Officer

DATE 12-9-05

Conditions of Approval (if any):

N.M. Oil Cons. DIV-Dist. 2
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Bass Enterprises Production Co.

3a. Address
P. O. Box 2760 Midland TX 79702

3b. Phone No. (include area code)
(432)683-2277

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEC 6, T23S, R31E, SESW 250 FSL, 1980 FWL
32.32683 N LAT, 103.81884 W LON

RECEIVED

DEC 16 2005

OCU-ARTESIA

RECEIVED

DEC 16 2005

OCU-ARTESIA

5. Lease Serial No.
NMNM04473

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM70965

8. Well Name and No.
JAMES RANCH UNIT #87

9. API Well No.
30-015-34277

10. Field and Pool, or Exploratory Area
LOS MEDANOS WOLFCAMP

11. County or Parish, State
EDDY
NM

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

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

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

APPROVAL IS REQUESTED TO DOWNHOLE COMMINGLE THE FOLLOWING ZONES.

LOS MEDANOS (BONE SPRING) 11,002' - 11,016'
LOS MEDANOS (WOLFCAMP) 11,200' - 11,210'

PRODUCTION ALLOCATIONS ARE AS FOLLOWS:

LOS MEDANOS (BONE SPRING) GAS - 67% WATER - 67% OIL - 67%
LOS MEDANOS (WOLFCAMP) GAS - 33% WATER - 33% OIL 33%

SUBJECT TO
LIKE APPROVAL
BY NMOC

APPROVED

DEC 14 2005

LES BABYAK
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Cindi Goodman

Signature

Cindi Goodman

Title

Production Clerk

Date

11/30/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes 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.

(Instructions on reverse)

UNITED STATES **OCD-ARTESIA**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other**RECEIVED**2. Name of Operator
Bass Enterprises Production Co.

FEB 02 2006

3a. Address
P. O. Box 2760 Midland TX 797023b. Phone No. (include area code)
(432)683-22774. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEC 6, T23S, R31E, SESW 250 FSL, 1980 FWL
32.32683 N LAT, 103.81884 W LON

5. Lease Serial No.

NMNM04473

6. If Indian, Allottee or Tribe Name

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

NMNM70965

8. Well Name and No.

JAMES RANCH UNIT #87

9. API Well No.

30-015-34277

10. Field and Pool, or Exploratory Area

LOS MEDANOS WOLFCAMP

11. County or Parish, State

EDDY

NM

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

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

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

APPROVAL IS REQUESTED TO DOWNHOLE COMMINGLE THE FOLLOWING ZONES.

QUAHADA RIDGE, SE (DELAWARE) 7,396' - 7,646'
LOS MEDANOS (BONE SPRING) 11,002' - 11,016'
LOS MEDANOS (WOLFCAMP) 11,200' - 11,210'

PRODUCTION ALLOCATIONS ARE AS FOLLOWS:

QUAHADA RIDGE, SE (DELAWARE) GAS - 48% WATER - 96% OIL 44%
LOS MEDANOS (BONE SPRING) GAS - 31% WATER - 3% OIL 35%
LOS MEDANOS (WOLFCAMP) GAS - 21% WATER - 1% OIL 21%

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Cindi Goodman

Title Production Clerk

Signature

Date 01/20/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

Title PETROLEUM ENGINEER

Date JAN 31 2006

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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.

(Instructions on page 2)

District J
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Grande Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Bass Enterprises Production Co.

P. O. Box 2760 Midland, TX 79702

Operator

Address

JAMES RANCH UNIT

87

SEC 6, T-23-S,R-31-E

EDDY

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 001801 Property Code 001786 API No. 30-015-34277 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	QUAHADA RIDGE DELAWARE	LO5 ARESS MEDANOS BONE SPRING	LOS MEDANOS WOLFCAMP
Pool Code	50443	40295	96336
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	7396' - 7646'	11,002' - 11,016	11,200' - 11,210'
Method of Production (Flowing or Artificial Lift)	ARTIFICIAL LIFT	FLOWING	FLOWING
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	N/A	N/A	N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)	44.2	44.2	44.2
Producing, Shut-In or New Zone	PRODUCING	SI	SI
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates: 80/59/199	Date: 11/24/2005 Rates: 49/31/2	Date: 11/24/2005 Rates: 24/15/1
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 44 % 48 %	Oil Gas 35 % 31 %	Oil Gas 21 % 21 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: R-10558

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Cindi Goodman TITLE Production Clerk DATE 01/20/2006

TYPE OR PRINT NAME Cindi Goodman TELEPHONE NO. () (432)683-2277

E-MAIL ADDRESS cdgoodman@basspet.com

JAMES RANCH UNIT #87
Application for Downhole Commingling

COMPLETION SUMMARY:

The 3rd Bone Spring from 11,002' to 11,016', and the Wolfcamp from 11,200' to 11,210' were perforated broken down with acid and fracture stimulated. The reservoirs were flow tested for a period of 24 days. A Composite BP was then set at 10,950' to isolate the Bone Spring and Wolfcamp. The Delaware from 7,396 to 7,646 was perforated, broken down with acid, and fractured stimulated. The Delaware was placed on pump to test until downhole commingling the zones is approved. When approval is received the Composite BP will be drilled up and the zones produced together.

The 3rd Bone Spring and the Wolfcamp intervals were treated and tested together. in order to determine how much production should be attributed to each of the two an allocation formula based on log calculated pay was developed. The following table shows this breakdown:

	<u>3rd Bone Spring</u>	<u>Wolfcamp</u>
Net Pay	20	10
Average Porosity	10%	10%
ΦH	2	1
Allocation Percentage	67%	33%

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
511 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artesia, 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
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 30-015-34277	Pool Code 50443	Pool Name QUAHADA RIDGE, SE (DELAWARE)
Property Code 001785	Property Name JAMES RANCH UNIT	Well Number 87
GRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3301'

Surface Location

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
N	6	23 S	31 E		250	SOUTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot 1/4	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

LOT 4 - 40.45 AC.	LOT 3 - 39.90 AC.	LOT 2 - 39.94 AC.	LOT 1 - 39.98 AC.
LOT 5 - 40.79 AC.			
LOT 6 - 40.96 AC.			
LOT 7 - 41.13 AC.			

RECEIVED
JAN 31 2006
OCU-ARTESIA

LAT - N32°19'37.6"
LONG - W103°49'08.9"

3300.9' 3302.8'
3301.0' 3300.7'

1980'

OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
Signature W.R. Dannels
Printed Name W.R. DANNELS
Title DIVISION DRILLING SUPT.
Date July 28, 2000

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 Surveyed July 28, 2000
Signature [Signature]
Professional Engineer
GAC
NEW MEXICO
W.07983. 0426A
Certificate No. Gary L. Smith 7977

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
611 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Grande Rd., Artesia, 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, 1989

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 30-015-34277	Pool Code 40295	Pool Name LOS MEDANOS (BONE SPRING)
Property Code 001786	Property Name JAMES RANCH UNIT	Well Number 87
OGED No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3301'


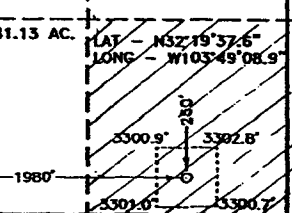

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	6	23 S	31 E		250	SOUTH	1980	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 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

LOT 4 - 40.45 AC.	LOT 3 - 39.90 AC.	LOT 2 - 39.94 AC.	LOT 1 - 39.98 AC.	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Printed Name W.R. DANIELS Title DIVISION DRILLING SUPT. Date 11/29/05
LOT 5 - 40.79 AC.				
LOT 6 - 40.96 AC.				
LOT 7 - 41.13 AC.				
				RECEIVED JAN 31 2006 JCU-ARTESIA 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. July 28, 2000 Date Surveyed Signature 

DISTRICT I
1025 N. French St., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Elie Brannon 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
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OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-34277	Pool Code 96336	Pool Name LOS MEDANOS/WOLFCAMP
Property Code 001 786	Property Name JAMES RANCH UNIT	Well Number 87
OGED No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3301'

Surface Location

UL or lot No. N	Section 6	Township 23 S	Range 31 E	Lot Idn	Feet from the 250	North/South line SOUTH	Feet from the 1980	East/West line WEST	County EDDY
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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

LOT 4 - 40.45 AC.	LOT 3 - 39.90 AC.	LOT 2 - 39.94 AC.	LOT 1 - 39.98 AC.	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>William R. Dannels</u> Signature Printed Name W.R. DANNELS Title DIVISION DRILLING SUPT. Date 11/29/05
LOT 5 - 40.79 AC.				
LOT 6 - 40.96 AC.				
LOT 7 - 41.13 AC.				
<p>RECEIVED JAN 31 2006 OCD-ARTESIA</p> <p>LAT - N32°19'37.6" LONG - W103°49'08.9"</p> <p>3300.8' 3302.6' 1980' 3301.0' 3300.7'</p>				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. July 28, 2000 Date Surveyed Signature Professional Surveyor NEW MEXICO W.O. No. 0426A Certification No. Gary L. 7977

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Bass Enterprises Production Co.3a. Address
P. O. Box 2760 Midland TX 79702

3b. Phone No. (include area code)

(432) 683-2277

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEC 6, T23S, R31E, SESW 250 FSL, 1980 FWL
32.32683 N LAT, 103.81884 W LON

5. Lease Serial No.

NMNM04473

6. If Indian, Allottee or Tribe Name

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

NMNM70965

8. Well Name and No.

JAMES RANCH UNIT #87

9. API Well No.

30-015-34277

10. Field and Pool, or Exploratory Area
LOS MEDANOS WOLFCAMP

11. County or Parish, State

EDDY
NM

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

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

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

APPROVAL IS REQUESTED TO DOWNHOLE COMMINGLE THE FOLLOWING ZONES.

QUAHADA RIDGE, SE (DELAWARE) 7,396' - 7,646'
LOS MEDANOS (BONE SPRING) 11,002' - 11,016'
LOS MEDANOS (WOLFCAMP) 11,200' - 11,210'

PRODUCTION ALLOCATIONS ARE AS FOLLOWS:

QUAHADA RIDGE, SE (DELAWARE) GAS - 48% WATER - 96% OIL 44%
LOS MEDANOS (BONE SPRING) GAS - 31% WATER - 3% OIL 35%
LOS MEDANOS (WOLFCAMP) GAS - 21% WATER - 1% OIL 21%

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Cindi Goodman

Title Production Clerk

Signature

Date 01/20/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

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.

(Instructions on page 2)