

RECEIVED

MAY 21 2004



OIL CONSERVATION
DIVISION

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

May 19, 2004

Bass Enterprises Production Company
201 Main Street
Fort Worth, Texas 76102-3131

Attention: Mr. J. Wayne Bailey

Re: Poker Lake Unit Well No. 200
Commercial Well Determination
Delaware Formation
NE/4NE/4 Sec. 18-24S-30E
Eddy County, New Mexico

Dear Mr. Bailey:

We are in receipt of your letter of April 29, 2004 together with the commercial determination data for the Poker Lake Unit Well No. 200.

The Bureau of Land Management, by their letter of May 11, 2004, advised this office that the Poker Lake Unit Well No 200 was determined to be capable of producing in paying quantities from the Delaware formation.

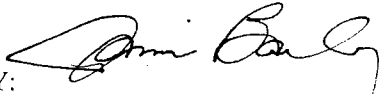
Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management's determinations that the Poker Lake Unit Well No 200 is a commercial well in the Delaware formation and is entitled to participate in the Delaware Participating Area.

Please submit an application for the appropriate expansion of the Delaware Participating Area to this office for approval.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
OCD-Santa Fe, Attention: Mr. Roy Johnson
TRD-Santa Fe, Attention: Mr. Valdean Severson
BLM-Attention: Mr. Armando Lopez

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

April 29, 2004

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

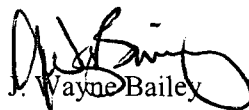
New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: Roy Johnson

Re: Commercial Determination
Poker Lake Unit No. 200
Nash Draw (Delaware) Field
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well and should be incorporated into the existing Delaware "C" Participating Area and that the above participating area should be expanded. In the near future, Bass will submit geological information and production data, including subsurface maps in order to substantiate an expansion of the participating area which will be referred to as the Fourth Revision. Please indicate your concurrence to the above Commercial Determination. Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Very truly yours,


J. Wayne Bailey

JWB:ca

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

Wayne
Bailey

INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

April 15, 2004

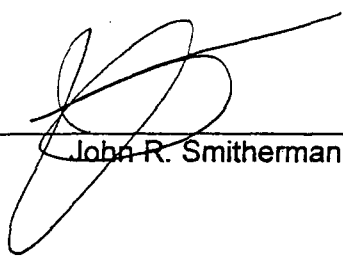
TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: JOHN R. SMITHERMAN
RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT #200
NASH DRAW (DELAWARE) FIELD
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: CD PLU 200.DOC

Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The Poker Lake Unit #200 was drilled in December, 2003 to a total depth of 7,515' and was completed with perforations from 7,190' to 7,396'. On test 1/31/04 the well pumped at the rate of 300 BOPD, 479 MCFD, and 350 BWPD. This well is expected to recover approximately 100 MBO from the current completion.

The most recent price file from Fort Worth was utilized and adjusted by $-\$0.75/\text{MMBTU}$ (1,250 MMBTU gas) and $-\$1.01/\text{BO}$. An operating cost of $\$2,947/\text{mo}$ plus $\$0.10/\text{BW}$ was also incorporated in this evaluation. The Poker Lake Unit #200 will be a commercial well and should be incorporated into the existing participating area.

MLL

cc: Wayne Bailey



John R. Smitherman

**WORKSHEET FOR COMMERCIAL DETERMINATION
AND PARTICIPATING AREA IN FEDERAL UNITS**

WELL DATA

WELL	<u>POKER LAKE UNIT #200</u>				FORMATION	<u>DELAWARE</u>				
LOCATION	<u>A</u>	UNIT,	<u>410</u>	FEET FROM	<u>NORTH</u>	LINE &	<u>450</u>	FEET FROM	<u>EAST</u>	LINE
SECTION	<u>18</u>	TOWNSHIP	<u>24S</u>	RANGE	<u>30E</u>	COUNTY	<u>EDDY</u>	STATE	<u>NM</u>	
SPUD DATE	<u>12/14/2003</u>		COMPLETION DATE	<u>1/24/2004</u>		INITIAL PRODUCTION	<u>1/24/2004</u>			
PERFORATIONS	<u>7190' to 7200', 2 jspf, 0 degree phasing</u>									
	<u>7386' to 7396', 2 jspf, 0 degree phasing</u>									
STIMULATION:										
ACID	<u>7190' to 7200', acidized with 1200 gallons of 7-1/2% NEFE HCl</u>									
	<u>7386' to 7396', acidized with 750 gallons of 7-1/2% NEFE HCl</u>									
FRACTURE	<u>7190' to 7200, fractured with 16709g of 10# brine, 58271g of Viking 3000, 8100# of 14/30 Lite Prop,</u>									
	<u>176923# of 16/30 Brady, and 15570# of 16/30 CR 4000</u>									
	<u>7386' to 7396', fractured with 100002g of slick water, 28698g of Viking 3000, 77266# of 16/30 Ottawa,</u>									
	<u>and 26822# of CR 4000</u>									
POTENTIAL	<u>(1/31/04) 300 BO, 479 MCF, 350 BW</u>									

(Attach Copy C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	
Porosity (Φ), %	<u>12.2%</u>	
Water Saturation (Sw), %	<u>60%</u>	
Net Thickness (H), ft.	<u>21</u>	
Temperature (T), Fahrenheit	<u>120</u>	
Bottom Hole Pressure (P), psia	<u>3,136</u>	
Recovery Factor (Rf), %	<u>15%</u>	
Recoverable Oil, Bbls * (See eq. Below)	<u>31,802</u>	

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = (7758) (A) (H) (Φ) (1-Sw) (1/Boi) (Rf) Boi= 1.5 rb/stb

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO (3/31/04) 13,350 BBLs

PRODUCING

INITIAL RATE (qi)	<u>209 BOPD (1st month average)</u>
ECONOMIC LIMIT (ql)	<u>3</u>
DECLINE RATE, de	<u>D= 90%, b=0.80</u>
REMAINING OIL (Q)=	<u>86,820 BBL</u>
ULTIMATE RECOVERABLE OIL	<u>100,170 BBL</u>

(Attach plot showing pro-ration unit and participating area.)

ECONOMIC

WELL COST \$785,000 (to the depth of formation completed)

RECOMPLETION COST \$0

TOTAL COST \$785,000

YEAR	GROSS OIL	REVENUE	OPERATING COST (Includes Sev. Tax & Ad Val Tax)	10% NET BFIT DISCOUNTED CASH FLOW
ZERO	<u>0</u>	<u>0</u>	<u>0</u>	<u>(\$785,000)</u>
1	<u>40,504</u>	<u>1,443,293</u>	<u>131,577</u>	<u>\$469,506</u>
2	<u>16,305</u>	<u>898,008</u>	<u>107,461</u>	<u>\$683,313</u>
3	<u>9,479</u>	<u>613,709</u>	<u>84,959</u>	<u>\$413,755</u>
4	<u>6,521</u>	<u>423,171</u>	<u>69,562</u>	<u>\$250,279</u>
5	<u>4,907</u>	<u>318,462</u>	<u>61,099</u>	<u>\$164,786</u>
6	<u>3,877</u>	<u>251,594</u>	<u>55,695</u>	<u>\$113,486</u>
7	<u>3,187</u>	<u>206,846</u>	<u>52,079</u>	<u>\$81,140</u>
8	<u>2,691</u>	<u>174,651</u>	<u>49,476</u>	<u>\$59,395</u>
9	<u>2,325</u>	<u>150,868</u>	<u>47,555</u>	<u>\$44,365</u>
10	<u>2,029</u>	<u>131,693</u>	<u>46,005</u>	<u>\$33,299</u>
REMAINDER	<u>8,343</u>	<u>541,428</u>	<u>249,327</u>	<u>\$85,538</u>
TOTAL	<u>100,168</u>	<u>\$5,153,723</u>	<u>\$954,795</u>	<u>\$2,398,862</u>

WELL IS COMMERCIAL

LEASE: **POKER LAKE UNIT**

WELL #: _____

200FIELD: **NASH DRAW DELAWARE**LOCATION: **410' FNL & 450' FEL, SEC 18, T24S, R30E**COUNTY: **EDDY**ST: **NM**

API: _____

30-015-32882**KB: 3195'****GL: 3178'****SPUD DATE: 12/14/2003****COMP DATE: 1/24/2004****SURFACE CASING**

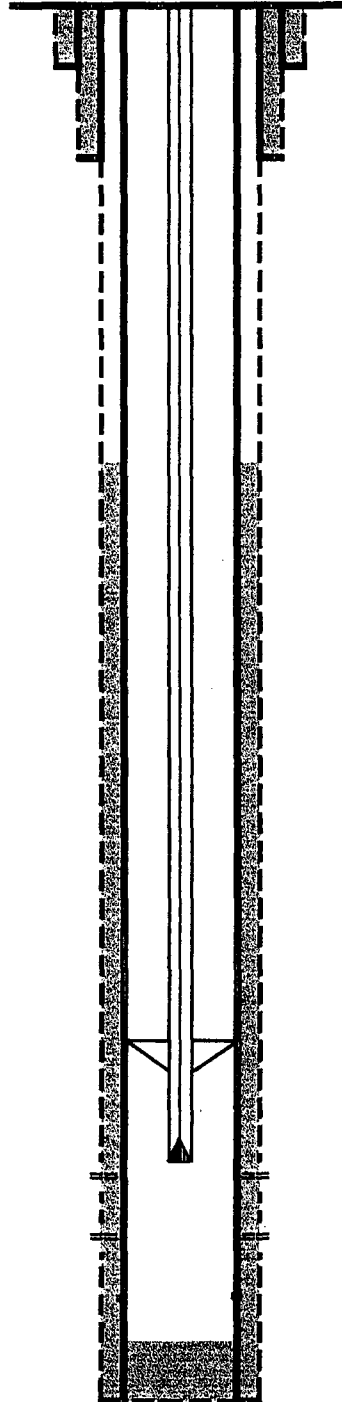
SIZE: 8-5/8"
 WT/GRD: 32# J55 LTC 0'-181'
 WT/GRD: 28# J55 LTC 181'-799'
 WT/GRD: 28# HCK LTC 799'-875'
 CSA: 875'
 SX: 555
 CIRC: Y
 TOC: SURF
 HOLE SIZE: 12-1/4" 875'

PRODUCTION CASING

SIZE: 5-1/2"
 WT/GRD: 15.5# J55 LTC 0'-6562'
 WT/GRD: 17# L80 LTC 6562'-7515'
 CSA: 7515'
 SX: 430
 CIRC: Y
 TOC: 4500' EST
 HOLE SIZE: 7-7/8" 7515'

TUBING

SIZE: 2-7/8" 8RD EUE
 WT/GRD: 6.5# J55
 TAC: 6781'
 SN: 7010'
 RODS: 2625' of 1" N90 D
1950' of 7/8" N90 D
2375' of 3/4" N90 D
 PUMP: 1-3/4" 3 tube



0

17' KB

40' CNDCT

875' 8-5/8" CSG 12-1/4" HOLE

4915' TOC via TS

6561' 5-1/2" 15.5# CSG 0'-6561'

6781' TAC

7010' SN

7190'-7200' Perforations

7386'-7396' Perforations

7427' FC

7470' PBTB

7515' 5-1/2" 17# CSG 6561'-7515' 7-7/8" HOLE

PBTD: 7470'TD: 7515'Updated: 4/15/2004Author: KRAEngr: MLL

WELL HISTORY

WELL NAME: POKER LAKE UNIT #200

API: 30-015-32882

FIELD NAME: NASH DRAW (DELAWARE) FIELD

LOCATION: 410' FNL & 450' FEL, SEC 18, T24S, R30E
(PER BLM)

TD: 7515'
PBTD: 7426'

ELEV: 3178' GL
3195' KB

SPUD DATE: 12/14/03

COMP DATE: 1/24/04

CASING:

DATE	SIZE	WT	GRD	SET DEPTH	SX	CLASS	TOC	HOLE	HOLE DEPTH
12/14/03	16"			40'					
12/15/03	8-5/8"	32# 28# 28#	J55 J55 HCK55	181' 799' 875'	300 200 55	PREM PREM+ PREM+	125' SURF (CIRC)	12-1/4"	875'
12/23/03	5-1/2"	15.5# 17#	J55 L80	6561' 7515'	430	PREM+	4500' (EST)	7-7/8"	7515'

LINER:

DATE	SIZE	WT	GRD	SET DEPTH	SX	CLASS	TO C	HOLE	HOLE DEPTH
NONE									

OPEN HOLE:

DATE	HOLE	HOLE DEPTH
NONE		

TUBING:

2-7/8" 6.5# J55

LOST RETURNS & SHOWS:

12/18/03 SHOWS: 1) 3495-3517' ROP:1/0.5/0.7; GAS:4/46/6; FLUO:20%
dull yel; CUT:trc slw evn milky wht wet; STAIN:none.
12/21/03 SHOWS: 2) 7104-7115' ROP:1.38/0.88/1.47; GAS:48/236/68;
FLUO:no vis; CUT:no vis; STAIN:none.
SHOWS: 3) 7169-7208' ROP:2.57/1.0/2.87; GAS:48/210/55;
FLUO:dul ylw; CUT:slw ple ylw wet; STAIN:none.

DST: None

CORES: None

POKER LAKE UNIT #200
Well History

LOGS:

DATE	LOG	COMPANY	DEPTH	LOGGERS TD	RF
12/22/03	PLTFRM EXPRS + AIT	Schlumberger	0-7509'	7509'	
12/24/03	TS				

FORMATION TOPS: N/A

PRESSURE SURVEY: N/A

DRILLING:

12/15/03 **8-5/8" CSG** Cmt w/300 sx Permian Basin Critical Zone + 1/4# flocele (wt 12.8, yld 1.90) & 200 sx Premium Plus + 2% CaCl (wt 14.8, yld 1.34). Lost complete circ w/33 bbls displcmt pumped. PU 1" pipe & tagged @ 125'. Cmt w/55 sx Premium Plus + 3% CaCl (wt 14.8, yld 1.36). Circ 13 sx to pit.

12/23/03 **5-1/2" CSG** Cmt w/430 sx Premium Plus + 2% Zone Seal + Nitrogen (wt 9.0-11.9, yld 1.90-1.39).

INITIAL COMPLETION:

12/31/03 Precision Pressure Data ran temperature survey and found TOC @ 4915'.

1/15/04 Backdrag and clean location. Set & test deadmen anchors. PU 4-3/4" bit and (6) 3-1/2" DC's. RIH with 229 jts of 2-7/8" J-55 tbg. Tagged @ 7418'. RU reverse unit and power swivel. Broke circ. Drill out rubber from plug and cmt to 7470'. Circ hole clean. Pressure tested 5-1/2" csg to 3000 psi, OK. Displaced hole with 1280 bbls of 2% KCl (161 bbls capacity).

1/16/04 RU Cudd and spot 750 gals double inhibited 7-1/2% NEFE HCl acid across lower zone. POOH with tubing. RU BWWC and perforate lower zone from 7386' to 7396' with 2 JSPF and 0° phasing using 22 gram charges (10', 20 holes). RD BWWC. RU Cudd to csg. Close BOP. Pumped 19 bbls of 2% KCl to load hole. Broke down perms with 900 psi. Pumped acid away with 23 bbls of 2% KCl @ 10 BPM and 880 psi. ISIP - 480 psi. ND BOP. NU 5-1/2" frac valve.

POKER LAKE UNIT #200

Well History

1/19/04 RU BJ Services. Test treating lines to 4000 psi, OK. Set pop-off to 3100 psi. Frac lower zone perms @ 7386-7396' with 100,002 gals slick water pad + 28,698 gals Viking 3000 + 77,266# 16/30 Ottawa + 26,822# CR-4000 and 1200 gallons of 7-1/2% NEFE HCL. RU BWWC. PU 5-1/2" CIBP & CCL and set @ 7286'. Close frac valve. Pressure tested csg and CIBP to 3000 psi, OK. PU 4" csg gun and CCL and perf upper zone from 7190-7200' with 2 JSPF and 0° phasing using 22 gram charges. RD BWWC. Broke down perms with previously pumped acid @ 2840 psi. Frac upper zone perms @ 7190-7200' with 16,709 gals 10# brine + 58,271 Viking 3000# + 8100 lbs 14/30 Lite Prop + 176,923 lbs 16/30 Brady + 15,570 lbs 16/30 CR-4000. Belt on Sand King failed in RCS stage. ISIP 895#. Left well SI for 1 hr. Open well to pit @ 0.5 to 1 BPM for 1 hr. After first hr increased flow back rate to 2-3 SPM for add'l 1.5 hrs. Recovered ±270 bbls of frac fluid.

1/20/04 Blew well down for 3 hrs recovering ±420 bbls of fluid. ND frac valve. NU BOP. PU 4-3/4" blade bit. RIH with 2-7/8" J-55 tbg. Tagged sand @ 7186'. RU reverse unit and power swivel and clean out to CIBP@7286'.

1/21/04 DO CIBP in 1.25 hrs with 1/2 to 2/3 returns. Drill on remains of CIBP and clean out sand to PBD @ 7470'. Flow back increased. Gaining fluid in reverse pit after cleaning out lowermost perms. Circ hole clean. Flow increased out csg & tbg. Turned well to pit to bleed off. Flowed to pit for 2.5 hrs recovering ±480 bbls of fluid.

1/22/04 Set LeGrand 912-365-168 pumping unit with Baldor 60 Hp electric motor (from PLU 161). Sheaved for 8 SPM and stroked for 145" SL. POH with 2-7/8" tbg. RIH and set TAC @ 6781' with 16,000# tension. SN @ 7010' (180' above top perf). NU WH. PU pump 1-3/4" RIH with (95) 3/4" WCN-80 sucker rods and (78) 7/8" WCN-90 sucker rods.

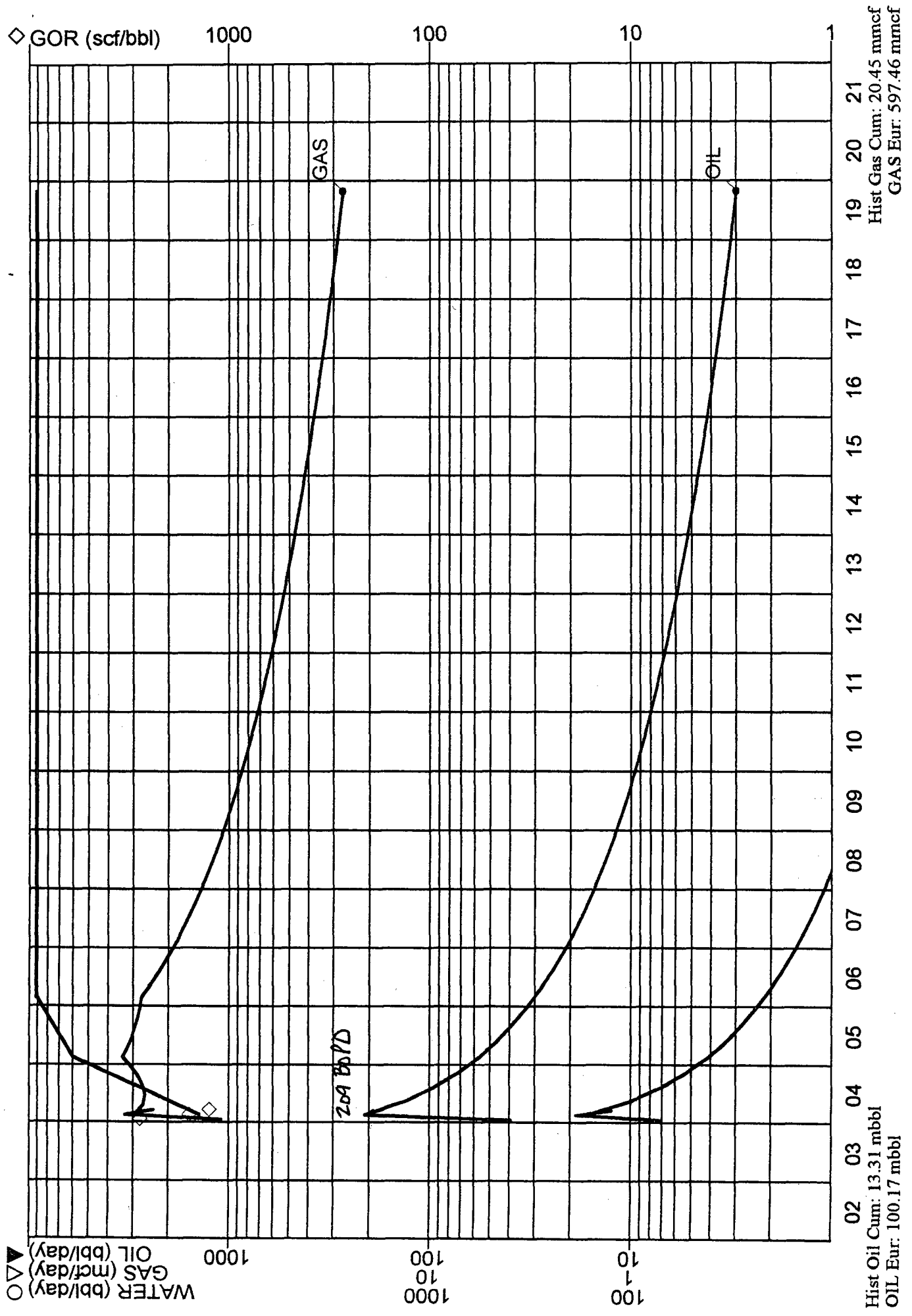
1/23/04 RIH with (105) 1" WCN-90 sucker rods. Spaced out well. Longstroked pump to obtain good pump action. Pump pressure tbg to 500 psi, OK. Hung well on pumping unit. RDMO PU.

1/25/04 On 16 hr test: (P) 0 BO + 479 BW + 0 MCF. TP - 300 psi, LP - 60 psi, CP - 150 psi. On 10/64" choke.

1/30/04 On 24 hr test: (P) 320 BO + 420 BW + 445 MCF. TP - 550 psi, LP - 60 psi, CP - 1800 psi. On 14/64" choke.

2/17/04 On 24 hr test: (P) 180 BO + 357 BW + 304 MCF. TP - 150 psi, LP - 55 psi, CP - 200 psi. On 18/64" choke.

WORKOVERS:



Input Page

Lease Name: 1000373/POKER LAKE UNIT/200/DEL- FN REV
 Operator : BEPCO
 Field Name : NASH DRAW (DELAWARE)
 OIL Proved Producing

1/1/2004

LEASE CASE
 Reservoir : DELAWARE
 Co., St. : EDDY, NM

Discount Method: M

Annual Compoundings: 12

At AsOf Date

	OIL 201 BOPD	GAS
Qi (AsOf) =	6,384.000 bbl/month	10,026.000 mcf/month
Qf (ECL) =	91.250 bbl/month	821.250 mcf/month
Dec. =	90.000 %	- %
b =	0.800	-
Unit Price =	33.09 \$/bbl	6.29 \$/mcf
Unit Exp. =	0.00 \$/bbl	0.00 \$/mcf
Hist. Cum	13.311 Mbbl	20.450 Mmcf
Proj. Cum	0.000 Mbbl	0.000 Mmcf
Reserves	100.168 Mbbl	597.460 Mmcf
Ult	100.168 Mbbl	597.460 Mmcf

ID Codes List

Id Label	IdCode
Retrieval Code	PHDW00001616
API Number	30-015-32882
PhdWin ID	01565
RRC Dist Code	NM
Unique ID	586516017474199540555500015
IDCODE	C%NDDLPL.200
ENGR	MLL
WELL_NAME	POKER LAKE UNIT #200
WELL_NO	200
DATE_COMP	2004-01-19 00:00:00.000
STATUS	ACT OIL
PROPERTY	POKER LAKE UNIT #200
CONTROL	1000373
R_ZONE	DELAWARE
DEPTH_SEQ	7000.0

Input Data

Projection Table

FIELD ONLY	Segment Volumes Adjusted for Historical Data.
BANK_KEY	B
BANK_FIELD	NMOIL
DISTRICT	CARLSBAD
DIVISION	WTD
SUB_DIV	007
SUB_SUB	135
CAT_CDE	0.0

ARPS

	Start	End	Life Years	Initial Rate	Final Rate	Decline (%)	b	Min. Decline	Segment Volume
OIL	01	2/15/2004	10/26/2019	15.71	6,387.5	91.3 bbl	90.00	0.800	95,890 bbl *
WATER	01	2/15/2004	8/7/2020	16.49	5,052.7	60.8 bbl	92.00	0.800	70,567 bbl *
GOR	01	2/15/2004	2/15/2005	1.01	1,400.0	6,000.0 scf/bbl	-325.19	0.000	0 scf/bbl *
GOR	02	2/16/2005	2/16/2006	1.00	6,000.0	9,000.0 scf/bbl	-49.83	0.000	0 scf/bbl
GOR	03	2/17/2006	10/26/2019	13.70	9,000.0	9,000.0 scf/bbl	0.00	0.000	0 scf/bbl

FORMULA

	Formula	Units
GAS	((GOR)X(OIL))/1000	MCF
OIL CUT	((OIL) / ((OIL) + {WATER})) X 100	%
YIELD	{OIL} / {GAS}	BBL/MCF
WATER CUT	((WATER) / ((OIL) + {WATER})) X 100	%

Product Model Table

	Units	Base Model [AsOf Price]	Model Adjustments			Base Cost Model [AsOf Cost]
			BTU	Differential	Shrinkage	
GAS	MCF	BASS02022004[6.2875] Non-Escalated	1,250	-0.75 \$	0.00	No Expense Applied Non-Escalated
OIL	BBL	BASS02022004[33.09] Non-Escalated		-1.01 \$	0.00	No Expense Applied Non-Escalated
WATER	BBL	n/a n/a		0.00	0.00	Lease Specific[0.1] Non-Escalated
WELL COST	well	n/a n/a		0.00	0.00	No Expense Applied Non-Escalated
LEASE COST	lease	n/a n/a		0.00	0.00	Lease Specific[2947] Non-Escalated

Input Page

Lease Name: 1000373/POKER LAKE UNIT/200/DEL- FN REV
 Operator : BEPCO
 Field Name : NASH DRAW (DELAWARE)
 OIL Proved Producing

1/1/2004

LEASE CASE
 Reservoir : DELAWARE
 Co., St. : EDDY, NM

Investment Table

Date	Linking	Amount (M\$)			Description	Depreciation Method	Net to Interest	Init. Invest ?
		Tangible	Intangible	Total				
1/1/2004		196.25	588.75	785.00		N/A	100%	Y
		196.25	588.75	785.00				

Ownership Table

Owner	Owner Code	Owner Loaded	Rev. Type	Triger Value	WI (fract)	NRI (Fract)	Lease NRI	Net Profit Expense	Rev. SR#
All Leases	1	1	Initial	0.00	1.00000000	0.84500000	0.84500000	-	000001

Lease Memo Table**Lease Memos**

Suspect Decline Rate:-325.18561551522 {GOR}

ECONOMIC PROJECTION

Date : 4/15/2004

Lior: 1000373

1:58:12PM

Project Name : INDWELLS Extract-Create new phd fil
 Partner : All Leases
 Case Type : LEASE CASE
 Archive Set : DCLHRZN

As Of Date : 01/01/2004
 Discount Rate (%) : 10.00
 1000373/POKER LAKE UNIT/200/DEL- FN

Lease Name : 1000373/POKER LAKE UNIT/200/DEL-1
 Reserv Cat : Proved Producing
 Field : NASH DRAW (DELAWARE)
 Operator : BEPCO
 Reservoir : DELAWARE
 Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
2004	40.504	96.490	96.490	0.000	34.226	81.534	0.000
2005	16.305	111.069	111.069	0.000	13.778	93.854	0.000
2006	9.479	84.986	84.986	0.000	8.010	71.813	0.000
2007	6.521	58.685	58.685	0.000	5.510	49.589	0.000
2008	4.907	44.164	44.164	0.000	4.147	37.319	0.000
2009	3.877	34.891	34.891	0.000	3.276	29.483	0.000
2010	3.187	28.685	28.685	0.000	2.693	24.239	0.000
2011	2.691	24.220	24.220	0.000	2.274	20.466	0.000
2012	2.325	20.922	20.922	0.000	1.964	17.679	0.000
2013	2.029	18.263	18.263	0.000	1.715	15.432	0.000

SubTotal	53.350	435.408					
Rem	8.343	75.085	75.085	0.000	7.050	63.447	0.000
Total	100.168	597.460	597.460	0.000	84.642	504.854	0.000
Ult	100.168	597.460					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2004	29.43	5.35	0.00	1,007.421	435.872	0.000	1,443.293
2005	28.99	5.31	0.00	399.411	498.598	0.000	898.008
2006	28.99	5.31	0.00	232.202	381.507	0.000	613.709
2007	28.99	5.31	0.00	159.731	263.440	0.000	423.171
2008	28.99	5.31	0.00	120.207	198.255	0.000	318.462
2009	28.99	5.31	0.00	94.967	156.627	0.000	251.594
2010	28.99	5.31	0.00	78.076	128.769	0.000	206.846
2011	28.99	5.31	0.00	65.924	108.727	0.000	174.651
2012	28.99	5.31	0.00	56.947	93.921	0.000	150.868
2013	28.99	5.31	0.00	49.709	81.984	0.000	131.693
Rem	28.99	5.31	0.00	204.368	337.060	0.000	541.428
Total	29.17	5.32	0.00	2,468.964	2,684.760	0.000	5,153.723

Year	Expenditures				Future Net Revenue			
	Total Net Taxes (M\$)	Total Net Opcosts (M\$)	Net Investments (M\$)	Lift & Trans Costs (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2004	97.744	31.096	785.000	2.737	526.715	526.715	469.506	469.506
2005	70.909	35.364	0.000	1.188	790.547	1,317.262	683.313	1,152.819
2006	48.913	35.364	0.000	0.682	528.750	1,846.012	413.755	1,566.573
2007	33.731	35.364	0.000	0.467	353.610	2,199.621	250.279	1,816.853
2008	25.385	35.364	0.000	0.350	257.363	2,456.985	164.786	1,981.638
2009	20.055	35.364	0.000	0.276	195.900	2,652.884	113.486	2,095.125
2010	16.488	35.364	0.000	0.227	154.767	2,807.652	81.140	2,176.265
2011	13.921	35.364	0.000	0.191	125.174	2,932.826	59.395	2,235.660
2012	12.026	35.364	0.000	0.165	103.313	3,036.139	44.365	2,280.024
2013	10.497	35.364	0.000	0.144	85.688	3,121.827	33.299	2,313.324
Rem	43.157	205.579	0.000	0.591	292.101	292.101	85.538	85.538
Total	392.826	554.951	785.000	7.018	3,413.929	3,413.929	2,398.862	2,398.862

Major Phase :	OIL	Working Int :	1.00000000	Present Worth Profile (M\$)	
Perfs :	0	Revenue Int :	0.84500000		
Initial Rate :	6,384.00	Disc. Initial Invest. (m\$) :	785.000	1.00% :	3,280.75
Abandonment :	91.25	Internal ROR (%) :	175.33	8.00% :	2,556.16
Initial Decline :	90.00	ROI Investment (disc/undisc) :	4.06 / 5.35	10.00% :	2,398.86
Beg Ratio :	1.57	Years to Payout :	0.51	12.00% :	2,257.60
End Ratio :	9.00	Abandonment Date :	10/26/2019	15.00% :	2,070.78
				20.00% :	1,811.84
				30.00% :	1,427.22
				40.00% :	1,152.64
				50.00% :	944.88
				60.00% :	781.13

	Initial	1st Rev.	2nd Rev.
Working Interest :	1.00000000	0.00000000	0.00000000
Revenue Interest :	0.84500000	0.00000000	0.00000000
Rev. Date :			

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry Otherb. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resrv.,

Other

BEPKO - WID PRODUCTION

2. Name of Operator

Bass Enterprises Production Co.

3. Address

P. O. Box 2760 Midland TX 79702

MAR 24 2004

3.a Phone No. (Include area code)

(409) 311-2470

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface Sec. 18, T24S, R30E, Mer NMP, 410' FNL 450' FEL, 32.13256 N Lat, 103.54490 W Lon

At top prod. interval reported below

At total depth

CONFIDENTIAL

14. Date Spudded

12/14/2003

15. Date T.D. Reached

12/21/2003

16. Date Completed

☐ D & A ☒ Ready to Prod.
01/24/200418. Total Depth: MD 7515
TVD19. Plug Back T.D.: MD 7427
TVD20. Depth Bridge Plug Set: MD
TVD21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
CN-AIT-GR, PE:TD22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	8.625 J-55	32.0	0	181					
7.875	5.500 J-55	15.5	0	6562					
12.250	8.625 J-55	28.0	181	799					
12.250	8.625	28.0	799	875		555		0	0
7.875	HCK	17.0	6562	7515		430		4915	0
	5.500 L-80								

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875	7046							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	7190	7396	7386 TO 7396	0.470	20	PRODUCING
B)			7190 TO 7200	0.470	20	PRODUCING
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
7386 TO 7396	750 GALS 7 1/2% NEFE HCL ACID
7386 TO 7396	FRAC 100,002 GALS SW & 28,698 GALS VIKING 3000 + 77,266# 16/30 OTTAWA + 26,822# CR 4000
7190 TO 7200	FRAC 16,709 GAL 10# BRINE + 58,271 GALS VIKING 3000# + 8,100 LBS 14/30 LITE PROP +
7190 TO 7200	176,923 # 16/30 BRADY + 15,570# 16/30 CR 4000

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
01/24/04	1/31/04	24	→	300	479	350			ELECTRIC PUMPING UNIT
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
14/64"	550	620	→	300	479	350			

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

ACCEPTED FOR RECORD

MAR 23 2004

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				RUSTLER	521
				TOP SALT	871
				LOWER BRUSHY CANYON 8A	6991
				BONE SPRING	7273

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geological Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Cindi Goodman

Title Production Clerk

Signature Cindi Goodman

Date 3/18/04

Title 18 U.S.C. Section 101 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.

ACOS E R AM

2004 MAR 19 AM 8:00
BUREAU OF LAND MGMT.
HOSWELL OFFICE
REC'D

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, 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 30-015-32882	Pool Code 47545	Pool Name NASH DRAW - DELAWARE
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 200
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3178'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	24 S	30 E		410	NORTH	450	EAST	EDDY

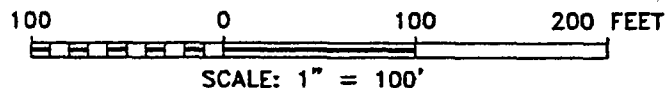
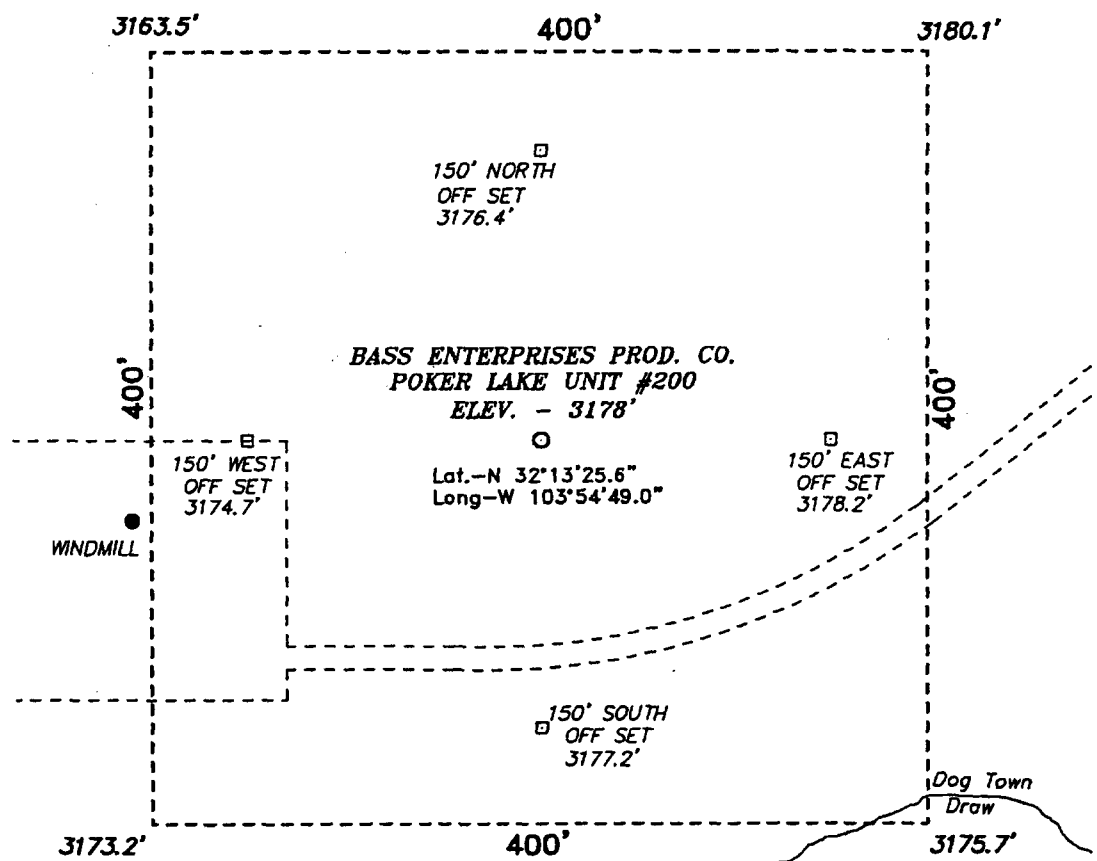
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill I	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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Cindi Goodman Printed Name Production Clerk Title 3/11/04 Date	
	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. MARCH 19, 2003 Date Surveyed Signature of Gary L. Jones Professional Surveyor 7977 No. 3075 Certificate No. 3075 7977 BASS SURVEYING	

SECTION 18, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 200 / Well Pad Topo

THE POKER LAKE UNIT No. 200 LOCATED 410' FROM
THE NORTH LINE AND 450' FROM THE EAST LINE OF
SECTION 18, 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: 3075

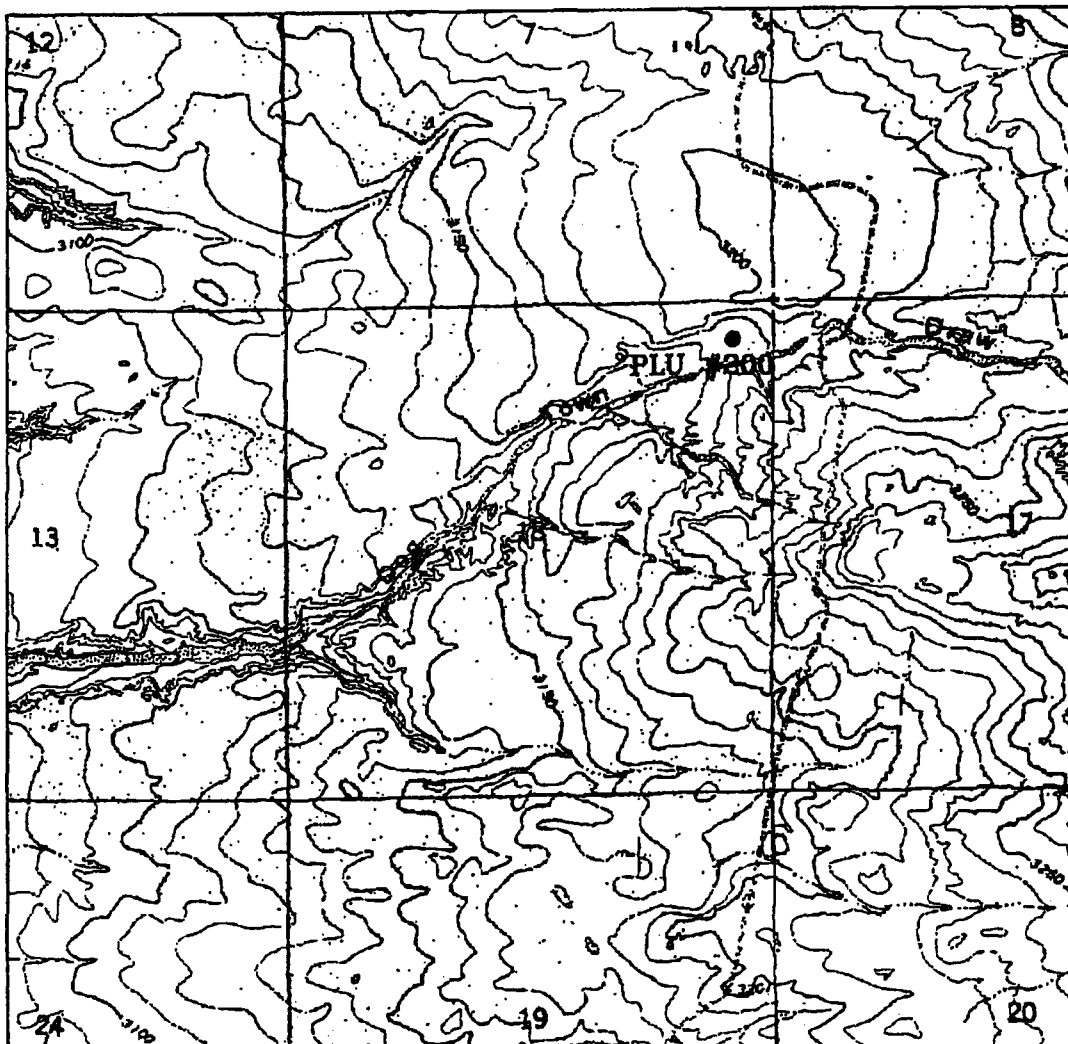
Drawn By: K. GOAD

Date: 03-21-2003

Disk: KJG CD#7 - 3075A.DWG

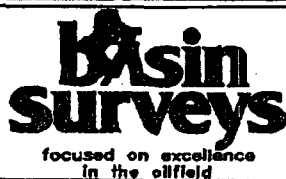
Survey Date: 03-19-2003

Sheet 1 of 1 Sheets



POKER LAKE UNIT #200

Located at 410' FNL and 450' FEL
 Section 18, Township 24 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.



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

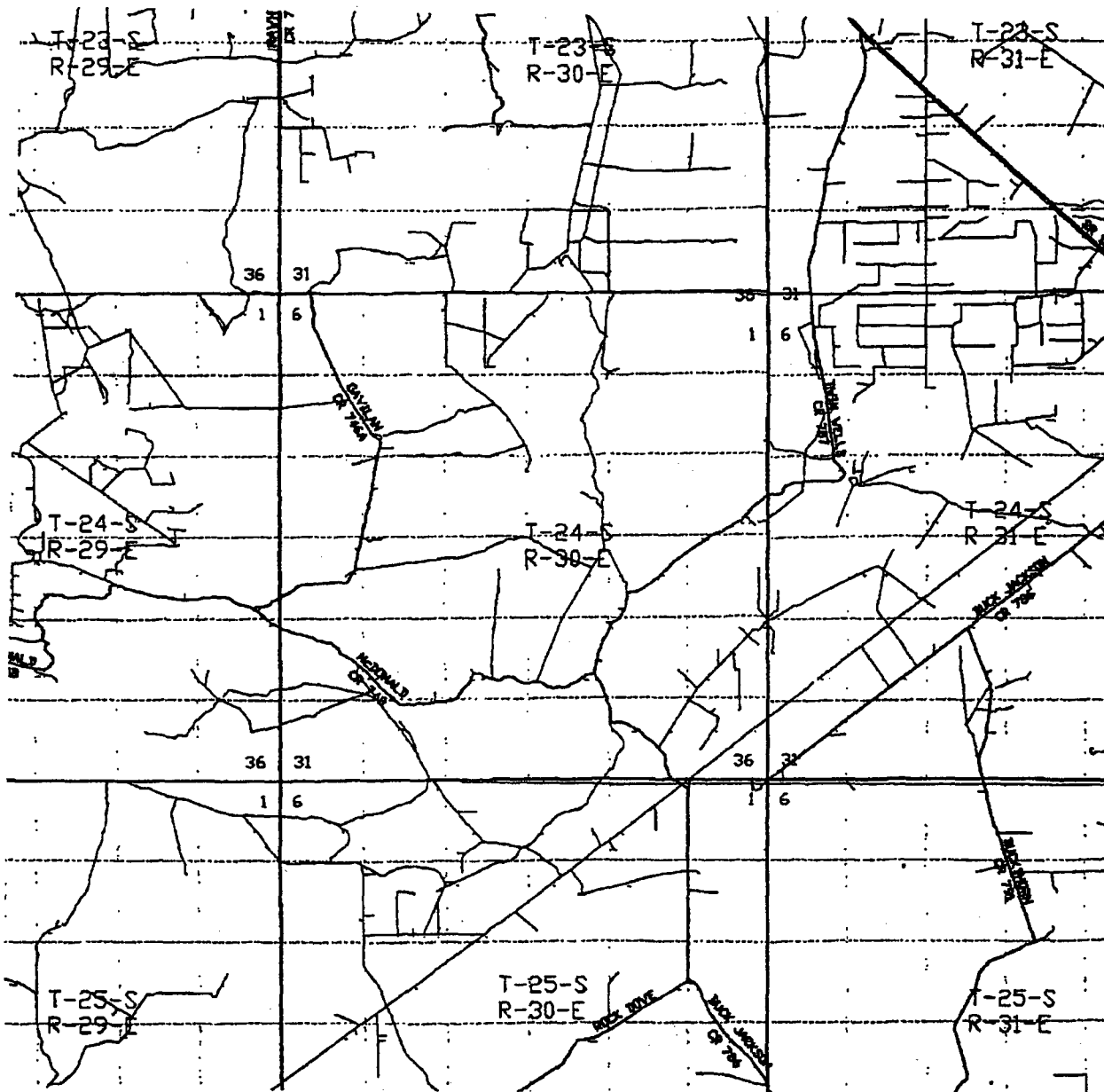
W.O. Number: 3075AA - KJG #7

Survey Date: 03-19-2003

Scale: 1" = 2000'

Date: 03-21-2003

**BASS ENTERPRISES
 PRODUCTION CO.**



POKER LAKE UNIT #200
 Located at 410' FNL and 450' FEL
 Section 18, 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
 basin-surveys.com

W.O. Number: 3075AA - KJG #7

Survey Date: 03-19-2003

Scale: 1" = 2000'

Date: 03-21-2003

BASS ENTERPRISES
PRODUCTION CO.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office
2909 West Second Street
Roswell, New Mexico 88201

Title file
cc: H. H. H.
Muncy
Smithman

IN REPLY REFER TO:

14-08-001-303
NMNM71016X
NMNM-02860
3180 (06300)

APR 01 2004

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
7003 0500 0000 4453 1837

Bass Enterprises Production Co.
Attn: Mr. J. Wayne Bailey
201 Main Street, Suite 2900
Fort Worth, TX 76102

Post-it® Fax Note	7671	Date	4-8	# of pages	1
To	Michael Lopez		From	Dianne	
Co./Dept.			Co.		
Phone #			Phone #		
Fax #			Fax #		

Re: Request for Commercial Well Determination and Proposed Delaware C PA Third Revision

Poker Lake Unit #200, and
410' FNL, 450' FEL
Section 18, T. 24 S. R. 30 E.
Eddy County, New Mexico

Poker Lake Unit #49 (recompletion)
1980' FNL, 990' FWL
Section 17, T. 24 S., R. 30 E.
Eddy County, New Mexico

The Poker Lake Unit #200 was completed effective January 24, 2004 and is now producing from the Delaware formation. The Poker Lake Unit #49 was recompleted from the Morrow to the Delaware formation effective October 7, 2003. Pursuant to the Poker Lake Unit (PLU) Agreement, Section 11: Participation After Discovery, you are required to submit information as to whether or not these are commercial wells and entitled to be included in a participating area. If these wells are capable of producing unitized substances in paying quantities, an expansion of the existing Delaware 'C' Participating Area may be in order. Please submit the appropriate economic and geological information within thirty (30) days of the receipt of this letter.

Your letter, dated November 26, 2003, indicated that with the completion of the PLU #200 and determination of well commerciality Bass Enterprises Production Company would submit the proposed outline for the Third Revision of the Delaware C participating area in the Poker Lake Unit. This revision should also address the inclusion of the following wells located outside the Delaware C participating area:

- PLU #182: 2030' FNL, 1980' FWL, Section 7, T. 24 S., R. 30 E., completed in the Delaware on February 22, 2003 and determined to be commercial by letter dated June 19, 2003.
- PLU #190: 1980' FSL, 1980' FEL, Section 7, T. 24 S., R. 30 E., completed in the Delaware on April 5, 2003. A commercial well determination was requested by letter dated June 10, 2003 and has not yet been received.

If you have any questions, please contact Alexis C. Swoboda, P.E. at 505-627-0228.

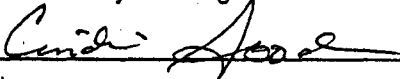
Sincerely,

Larry D. Bray

Larry D. Bray
Assistant Field Manager
Lands and Minerals

John - CD for all 4 wells

Large - New PA Outline

³⁵ Date New Oil 01/24/2004	³⁶ Gas Delivery Date 01/24/2004	³⁷ Test Date 02/03/2004	³⁸ Test Length 24	³⁹ Tbg. Pressure 550 psi	⁴⁰ Csg. Pressure 1750 psi
⁴¹ Choke Size 14/64"	⁴² Oil 308	⁴³ Water 382	⁴⁴ Gas 565	⁴⁵ AOF	⁴⁶ Test Method Pumping
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: 			OIL CONSERVATION DIVISION ORIGINAL SIGNED BY TIM W. GUN DISTRICT II SUPERVISOR		
Printed name: Cindi Goodman			Approved by: 		
Title: Production Clerk			Title:		
E-mail Address: cdgoodman@basspet.com			Approval Date: MAR 23 2004		
Date: 03/12/2004		Phone: (432)683-2277			

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

June 9, 2004

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: Roy Johnson

RECEIVED

JUN 14 2004

OIL CONSERVATION
DIVISION

Re: Third Revision Delaware "C" Participating Area
W/2 NW/4 Section 32, T23S-R30E
W/2 SW/4 Section 32, T23S-R30E
SE/4, E/2 SW/4 Section 31, T23S-R30E
W/2 NW/4 Section 5, T24S-R30E
NE/4, E/2 NW/4 Section 6, T24S-R30E
W/2 SW/4 Section 5, T24S-R30E
SE/4, E/2 SW/4 Section 6, T24S-R30E
NE/4 Section 7, T24S-R30E
W/2 NW/4 Section 8, T24S-R30E
W/2 SW/4 Section 8, T24S-R30E
SE/4 Section 7, T24S-R30E
E/2 W/2 Section 7, T24S-R30E
NE/4 Section 18, T24S-R30E
NW/4 NW/4 Section 17, T24S-R30E
Poker Lake Unit
Eddy County, New Mexico

Gentlemen:

Bass Enterprises Production Co., as Unit Operator of the Poker Lake Unit Agreement, pursuant to the provisions of Section 11, thereof, respectfully submits for your approval the selection of the following described lands to comprise the Third Revision to the Participating Area for the Delaware "C" Formation in the Poker Lake Unit consisting of 1,879.98 acres containing the above tracts more specifically described on the attached Exhibit "A".

In support of this application the following numbered items are attached hereto and made part hereof.

1. An ownership map (Exhibit "A") depicting the boundaries of the proposed Third Revision for the Delaware "C" Formation.
2. A schedule (Exhibit "B") identifying the lands entitled to participate in the unitized substances produced from the Delaware "C" Formation with the percentage of participation of each lease or tract indicated thereon.

June 9, 2004

Page 2

This proposed participating area revision is predicated upon the knowledge and information first obtained upon the completion of the Unit Well No. 182 located in the NW/4 SE/4 of Section 7, T24S-R30E on February 28, 2003. It should be noted that the area in the proposed revised area set forth above contains unit well Nos. 190 and 200, all of which have been previously determined as capable of producing in commercial quantities. Therefore, Bass respectfully requests your approval of the hereinabove selection of lands to constitute the Third Revision to the Delaware "C" Participating Area to Be effective February 1, 2003. Thank you very much for your cooperation in this regard and should you require additional information concerning same, please don't hesitate to contact the undersigned.

Sincerely,


J. Wayne Bailey

ACCEPTED AND AGREE this _____ day of _____, 2004.

BUREAU OF LAND MANAGEMENT

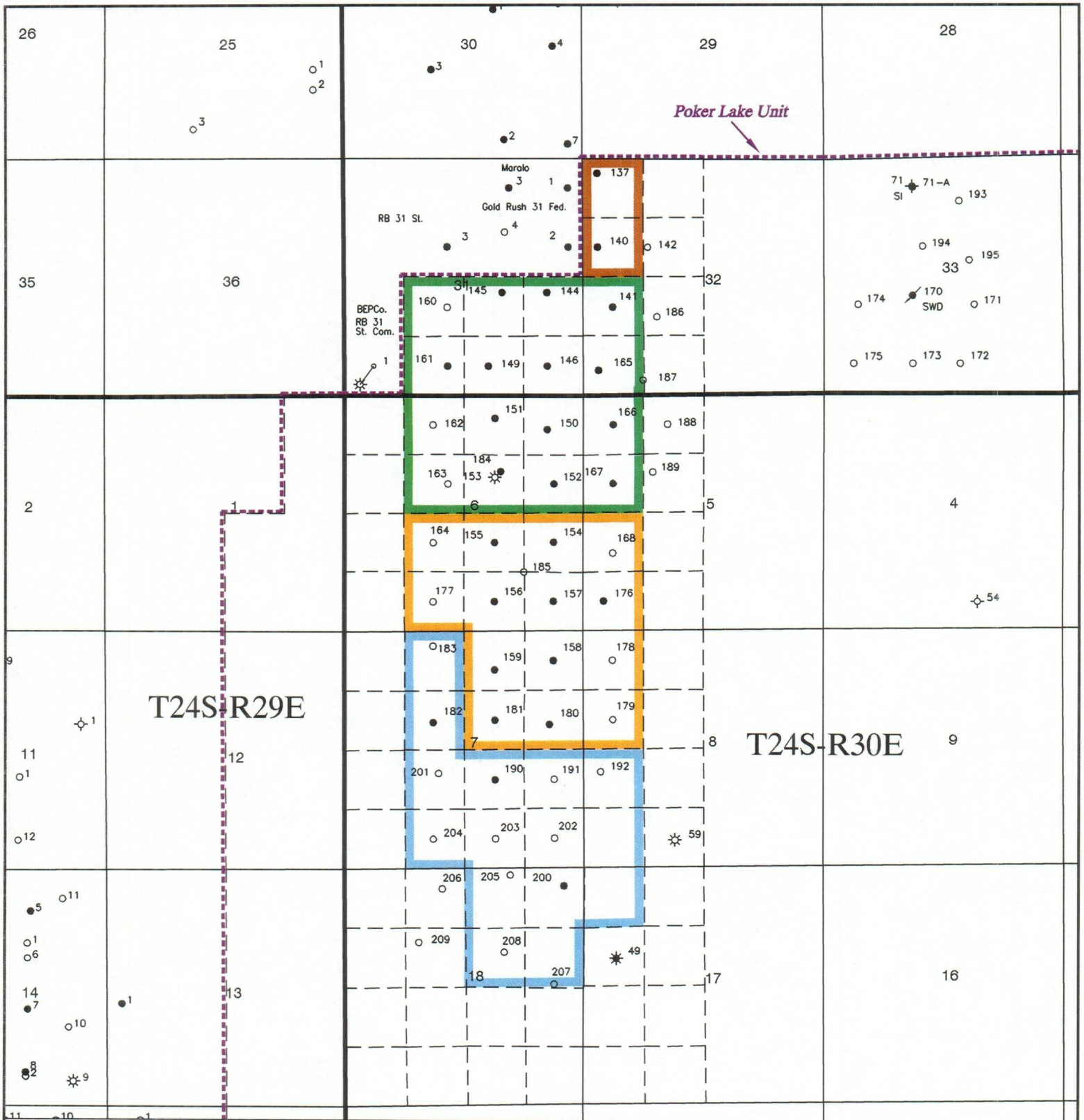
By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By: _____



Initial Delaware "C"
Participating Area - (Effective 9-9-97) 80 Acres



First Revision to Initial Delaware "C"
Participating Area - (Effective 11-1-99) 720 Acres



Second Revision to Initial Delaware "C"
Participating Area - (Effective 7-01-01) 1279.98 Acres



Third Revision to Initial Delaware "C"
Participating Area - (Effective 2-01-03) 1879.98 Acres



Bass Enterprises Production Co.

POKER LAKE UNIT
Eddy County, New Mexico

EXHIBIT "A"

DATE: 6-09-04 DRAFT BY: PO FILE: dlwr c logs PA.dwg pg2

EXHIBIT "B"

Third Revision to Initial Delaware "C" Participating Area Poker Lake Federal Unit Eddy County, New Mexico

Tract No.	Lease No.	Description	Participating Acres	Percentage of Participation	Working Interest Owners
9	NM-02860	Section 18: T24S-R30E - NE/4 Section 17: T24S-R30E - NW/4 NW/4	200	10.639	Bass Enterprises Production Co. - 100%
11	NM-02864	Section 31: T23S-R30E - SE/4	160	8.510	Bass Enterprises Production Co. - 100%
13-a	NM-03075	Section 6: T24S-R30E; NE/4 NW/4	40	2.128	Bass Enterprises Production Co. - 100%
42	LC-068430	Section 5: T24S-R30E W/2 NW/4, W/2 SW/4	159.98	8.510	Bass Enterprises Production Co. - 100%
43	LC-068431	Section 8: T24S-R30E W/2 W/2	160	8.510	Bass Enterprises Production Co. - 100%
44	LC-068545	Section 6: T24S-R30E NE/4, SE/4 NW/4, SE/4, E/2 SW/4 and Section 7: T24S-R30E E/2, E/2 W/2	920	48.937	Bass Enterprises Production Co. - 100%
62	E-5229-1	Section 31: T23S-R30E E/2 SW/4 and Section 32: T23S-R30E W/2 W/2	240	12.766	Bass Enterprises Production Co. - 100%
Totals			1879.98	100.000%	

Total Federal Lands: 1639.98 Acres (87.23%)

Total State Lands: 240.00 Acres (12.77%)

Total Fee Lands: 0.00 Acres

Total 1879.98 Acres

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

June 24, 2004

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

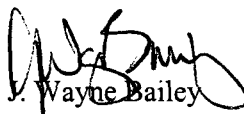
New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: Roy Johnson

Re: Commercial Determination
Poker Lake Unit No. 196
Wolfcamp Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well and should be incorporated into the existing First Revision Initial Wolfcamp Participating Area and that the above participating area should be expanded. In the near future, Bass will submit geological information and production data, including subsurface maps in order to substantiate an expansion of the participating area. Please indicate your concurrence to the above Commercial Determination. Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Very truly yours,


J. Wayne Bailey

JWB:ca

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

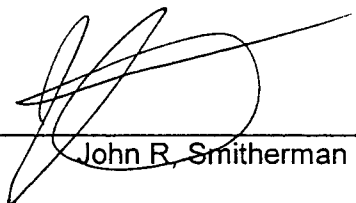
April 23, 2004

TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: JOHN R. SMITHERMAN
RE: COMMERCIAL DETERMINATION
POKER LAKE UNIT NO. 196
BIG SINKS (WOLFCAMP)
POKER LAKE UNIT
EDDY COUNTY, NEW MEXICO
FILE: 400-WF, PLU196CD.XLS

LAND RECEIVED	
MAY 03 2004	
WRS _____	WWC _____
HBFB _____	TL _____
LJL _____	DOC _____
JWB _____	BSS _____

Attached are the worksheets and necessary attachments for the subject well to be submitted for commercial determination. The Poker Lake Unit No.196 was drilled in 2003 to a TD of 13,100' and was completed in the Wolfcamp. The well is producing from perforations 12866' - 12954'.

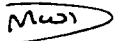
The Poker Lake Unit No. 196 will be a commercial well and should receive a participating area. If additional information is required, please advise.



John R. Smitherman

xc: Wayne Bailey
George Hillis

JRS/MWD/ELE



WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL _____ POKER LAKE UNIT # 196 _____ FORMATION _____ WOLFCAMP _____
 LOCATION _____ 1 _____ UNIT, _____ 2055 FEET FROM _____ SOUTH LINE & _____ 2335 FEET FROM _____ WEST LINE
 SECTION _____ 24S _____ TOWNSHIP _____ 31E _____, RANGE _____ EDDY _____, COUNTY _____, NEW MEXICO
 SPUD DATE _____ 10/01/2003 _____ COMPLETION DATE _____ 01/09/2004 _____ INITIAL PRODUCTION _____ 01/09/2004 _____
 PERFORATIONS _____ 12866-12870, 12889-12892, 12900-12904, 12918-12922, 12948-12954 _____

STIMULATION:

ACID _____ 2500 gals 15% HCL + Additives _____

FRACTURE _____ 400,008 gals slick water + 18,270 gals gelled with 15% HCL + 14,994 gals XL 15% HCL _____

POTENTIAL _____ (02/09/2004): 36 BOPD, 3162 MCFPD, & 18 BWPD _____

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	320	
Porosity (por), %	8%	
Water saturation (Sw), %	30%	
Net Thickness (h), ft.	21	
Temperature (T), Fahrenheit	185	
Bottom Hole pressure (P), psia	5,200	
Recovery factor (RF), %	75%	
Recoverable gas, BCF *(See eq. below)	3.5	

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = (7758) (A) (h) (por) (1-Sw) (RF)/Bsl

Bgl = 0.62 RB/MCF

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 4/1/2004 116,303 MCF Gas 1503 BBL Oil

INITIAL RATE (qi) 3,162

ECONOMIC LIMIT (qi) 100

HYPERBOLIC DECLINE RATE, dy n = 1.0, d = 52.3%/yr

REMAINING GAS (Q) = 1,898

ULTIMATE RECOVERABLE GAS (mcf) 2,015

(Attach plot showing proration unit and participating area.)

ECONOMICGROSS WELL COST \$ \$2,083,315 (to the depth of formation completed)

RECOMPLETION COST \$ _____

GROSS TOTAL COST \$ \$2,083,315

YEAR	GROSS GAS MMCF	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				0.0
1	407.5	1,264.2	203.2	-553.6
2	265.6	815.8	136.6	584.0
3	195.1	599.2	102.8	386.0
4	154.2	473.8	83.4	274.7
5	127.9	393.0	70.5	205.1
6	108.8	334.2	61.3	157.0
7	94.0	291.3	54.6	123.2
8	84.1	258.2	49.4	98.3
9	75.7	232.5	45.4	79.7
10	68.5	210.4	41.0	64.9
REMAINDER	433	1,329.1	289.0	263.1
TOTAL	2,014	6,202	1,137	1,682

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date : 4/27/2004

Lior: 1000372

2:26:33PM

Project Name : PROPZONE
Partner : 99999
Case Type : LEASE CASE
Archive Set : ENGR

As Of Date : 01/01/2004
Discount Rate (%) : 10.00
1000372/POKER LAKE UNIT/WOL

Lease Name : 1000372/POKER LAKE UNIT/WOL
Reserv Cat. : Proved Producing
Field : BIG SINKS (WOLFCAMP)
Operator : BEPCO
Reservoir : WOLFCAMP
Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00
Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbl)	Gas (MMCF)	NGL (MGal)
2004	4.421	407.475	407.475	0.000	2.835	261.294	0.000
2005	2.666	265.588	265.588	0.000	1.710	170.308	0.000
2006	1.960	195.055	195.055	0.000	1.257	125.079	0.000
2007	1.551	154.239	154.239	0.000	0.994	98.906	0.000
2008	1.286	127.910	127.910	0.000	0.825	82.022	0.000
2009	1.094	108.764	108.764	0.000	0.702	69.745	0.000
2010	0.954	94.822	94.822	0.000	0.612	60.805	0.000
2011	0.846	84.053	84.053	0.000	0.542	53.899	0.000
2012	0.762	75.680	75.680	0.000	0.488	48.530	0.000
2013	0.689	68.484	68.484	0.000	0.442	43.915	0.000

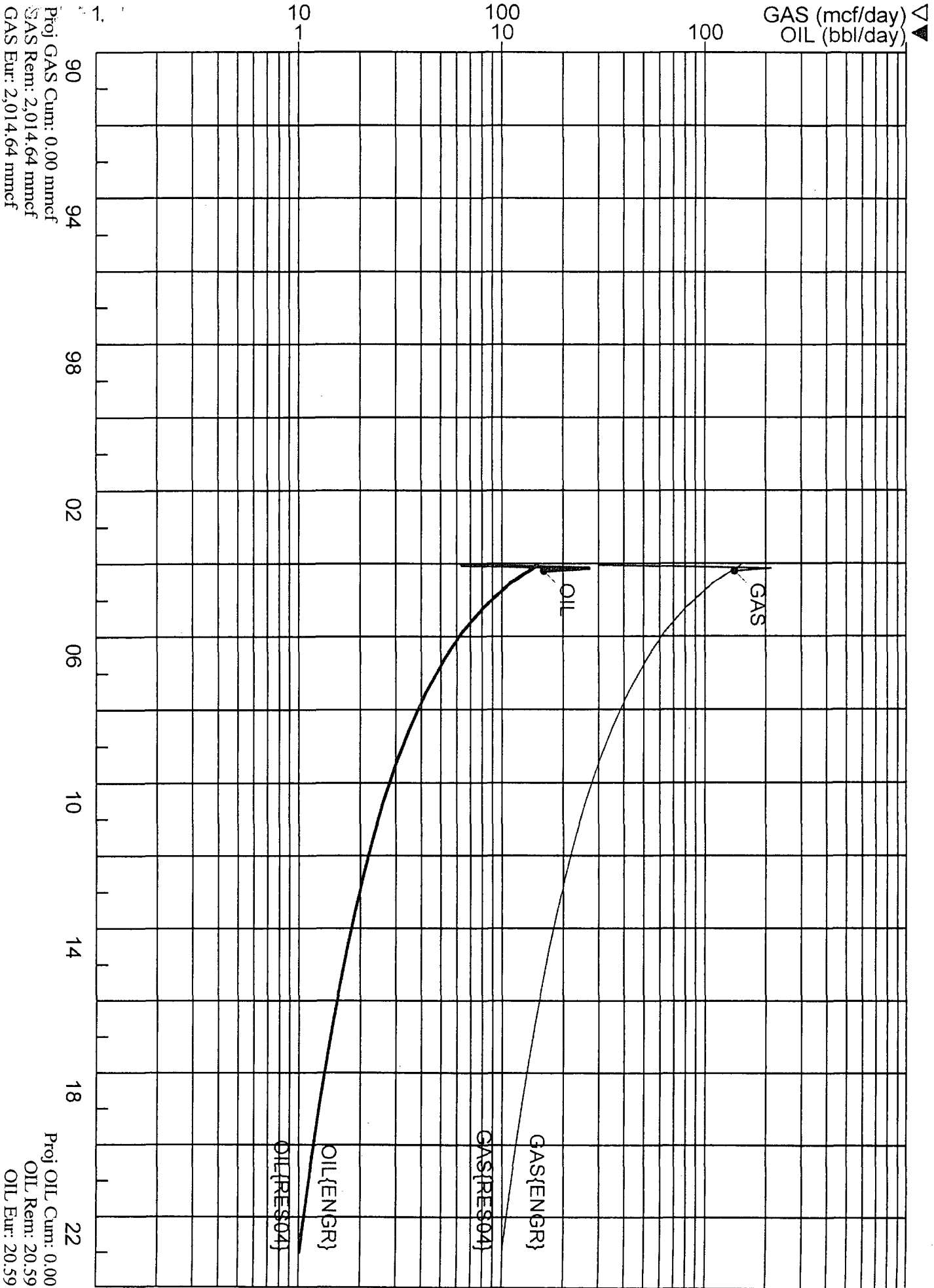
SubTotal 16.230 1,582.070

Rem	4.360	432.569	432.569	0.000	2.796	277.386	0.000
Total	20.590	2,014.639	2,014.639	0.000	13.203	1,291.890	0.000
Ult.	20.590	2,014.639					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2004	30.25	4.51	0.00	85.762	1,178.447	0.000	1,264.209
2005	29.69	4.49	0.00	50.764	765.085	0.000	815.849
2006	29.69	4.49	0.00	37.319	561.900	0.000	599.219
2007	29.69	4.49	0.00	29.527	444.321	0.000	473.848
2008	29.69	4.49	0.00	24.496	368.474	0.000	392.969
2009	29.69	4.49	0.00	20.835	313.320	0.000	334.155
2010	29.69	4.49	0.00	18.167	273.157	0.000	291.324
2011	29.69	4.49	0.00	16.106	242.133	0.000	258.240
2012	29.69	4.49	0.00	14.504	218.012	0.000	232.516
2013	29.69	4.49	0.00	13.126	197.282	0.000	210.408
Rem	29.69	4.49	0.00	83.019	1,246.113	0.000	1,329.132
Total	29.81	4.50	0.00	393.624	5,808.244	0.000	6,201.868

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2004	101.211	2.494	1,562.475	99.500	-501.471	-501.471	-553.588	-553.588
2005	66.255	1.632	0.000	68.757	679.205	177.734	583.996	30.408
2006	48.662	1.198	0.000	52.887	496.471	674.205	385.951	416.359
2007	38.480	0.948	0.000	43.704	390.716	1,064.921	274.708	691.067
2008	31.912	0.786	0.000	37.780	322.491	1,387.413	205.074	896.141
2009	27.136	0.668	0.000	33.472	272.879	1,660.291	156.957	1,053.098
2010	23.658	0.583	0.000	30.335	236.748	1,897.040	123.197	1,176.295
2011	20.971	0.516	0.000	27.912	208.840	2,105.880	98.321	1,274.616
2012	18.882	0.465	0.000	26.028	187.141	2,293.021	79.702	1,354.318
2013	17.087	0.421	0.000	24.409	168.492	2,461.512	64.917	1,419.234
Rem	107.934	2.658	0.000	178.207	1,040.332	1,040.332	263.120	263.120
Total	502.188	12.370	1,562.475	622.991	3,501.845	3,501.845	1,682.355	1,682.355

Major Phase :	GAS	Working Int :	0.75000000	Present Worth Profile (M\$)	
Perfs :	0	Revenue Int :	0.64125110		
Initial Rate :	9,197.00	Disc. Initial Invest. (m\$) :	1,562.475	1.00% :	3,234.34
Abandonment :	3,041.67	Internal ROR (%) :	43.78	4.00% :	2,573.04
Initial Decline :	52.30	ROI Investment (disc/undisc) :	2.08 / 3.24	6.00% :	2,224.32
Beg Ratio :	0.02	Years to Payout :	1.71	9.00% :	1,801.86
End Ratio :	0.01	Abandonment Date :	12/26/2022	10.00% :	1,682.35
				25.00% :	593.80
				40.00% :	86.75
				50.00% :	-128.72
				75.00% :	-474.93
				100.00% :	-684.88
		Initial	1st Rev.	2nd Rev.	
		0.75000000	0.00000000	0.00000000	
		0.64125110	0.00000000	0.00000000	
		Rev. Date :			
		Working Interest :			
		Revenue Interest :			



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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, 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 30-015-33164	Pool Code 72122	Pool Name BIG SINKS;WOLFCAMP (GAS)
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 196
GRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3456'

Surface Location

UL or lot No. K	Section 29	Township 24 S	Range 31 E	Lot Idn	Feet from the 2055	North/South line SOUTH	Feet from the 2335	East/West line WEST	County EDDY
--------------------	---------------	------------------	---------------	---------	-----------------------	---------------------------	-----------------------	------------------------	----------------

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill I	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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>Tami Wilber</u> Signature TAMI WILBER Printed Name PRODUCTION CLERK Title 2/25/04 Date 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. OCTOBER 18, 2001 Date Surveyed <u>J. G. Jones</u> Signature & Seal of Professional Surveyor 7977 W.O. No. Certificate No. 7977 Jones BASIN SURVEYS
--	--

OPERATOR'S COPY

BEPKO - WTD PRODUCTION

Form 3160-4
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAR 04 2004

FORM APPROVED
OMB No. 1004-0137
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND RECEIVED

5. Lease Serial No.
NMNM0506A

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other			6. If Indian, Allottee or Tribe Name		
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr. Other			7. Unit or CA Agreement Name and No. NMNM71016X		
2. Name of Operator BASS ENTERPRISES PRODUCTION CO			8. Lease Name and Well No. POKER LAKE UNIT 196		
3. Address P O BOX 2760 MIDLAND, TX 79702			9. API Well No. 30-015-33164-00-S1		
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface NESW 2055FSL 2335FWL At top prod interval reported below NESW 2055FSL 2335FWL At total depth NESW 2055FSL 2335FWL			10. Field and Pool, or Exploratory BIG SINKS		
14. Date Spudded 10/01/2004			15. Date T.D. Reached 11/06/2003		
16. Date Completed ☐ D & A ☒ Ready to Prod. 01/09/2004			17. Elevations (DF, KB, RT, GL)* 3358 GL		
18. Total Depth: MD 13100 TVD		19. Plug Back T.D.: MD 13071 TVD		20. Depth Bridge Plug Set: MD TVD	

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) PE:HRLTMCFL GR;PE:TDLDCN GR			22. Was well cored? ☒ No ☐ Yes (Submit analysis) Was DST run? ☒ No ☐ Yes (Submit analysis) Directional Survey? ☒ No ☐ Yes (Submit analysis)		
--	--	--	--	--	--

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17.500	13.375 J&K55	55.0	0	857		850		0	0
12.250	9.625 K55	40.0	0	4297		1180		0	0
8.750	7.000 HCP110	26.0	0	12630		1526		3400	0
6.125	4.500 P110	14.0	12338	13097		150		12338	0

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	12750	12750						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WOLFCAMP	12866	12954	12866 TO 12954	3.380	51	PRODUCING
B)						
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
12866 TO 12954	FRAC W/400,008 GALS SW & 18,270 GALS GELLED W/15% HCL & 14,994 GALS XL 15% HCL.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
01/09/2004	02/09/2004	24	→	36.0	3162.0	18.0			FLOWES FROM WELL
Choke Size	Tbg. Press. Flwg. 805 SI	Csg. Press. 180.0	24 Hr. Rate →	Oil BBL 36	Gas MCF 3162	Water BBL 18	Gas:Oil Ratio 8800	Well Status PGW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

ACCEPTED FOR RECORD

MAR - 2 - 2004

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #28322 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

28b. Production - Interval C									
Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flowg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

28c. Production - Interval D									
Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flowg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

29. Disposition of Gas(Sold, used for fuel, vented, etc.)
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				RUSTLER ANHYDRITE	587
				TOP SALT	832
				RAMSEY	4037
				BOTTOM SALT	4292
				DELAWARE	4332
				BONE SPRING	8147
				WOLFCAMP	11515
				ATOKA	13802
				MORROW	14557

32. Additional remarks (include plugging procedure):
NO REMARK PROVIDED

33. Circle enclosed attachments:

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7 Other: | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #28322 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 02/26/2004 (04LA0208SE)

Name (please print) TAMI WILBER Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission) Date 02/26/2004

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.

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

CURRENT WELLBORE DIAGRAM

Lease: **Poker Lake Unit** Well No.: **196**
 Field: **Big Sinks (Wolfcamp)**
 Location: **2055 FSL & 2335 FWL, Sec 29, T21S, R31E**
 County: **Eddy** St: **NM** API: **30-015-33164**

Surface Csg.

Size: 13 3/8
 Wt: 54.5
 Grd: K55/J55
 Set @: 857
 Sxs cmt: 850
 Circ: Y
 TOC: Surf
 Hole Size: 17 1/2 to 860

1st Intermediate Csg.

Size: 9 5/8
 Wt: 40
 Grd: K55
 Set @: 4297
 Sxs Cmt: 1180
 Circ: Y
 TOC: Surf
 Hole Size: 12 1/4

Production Csg.

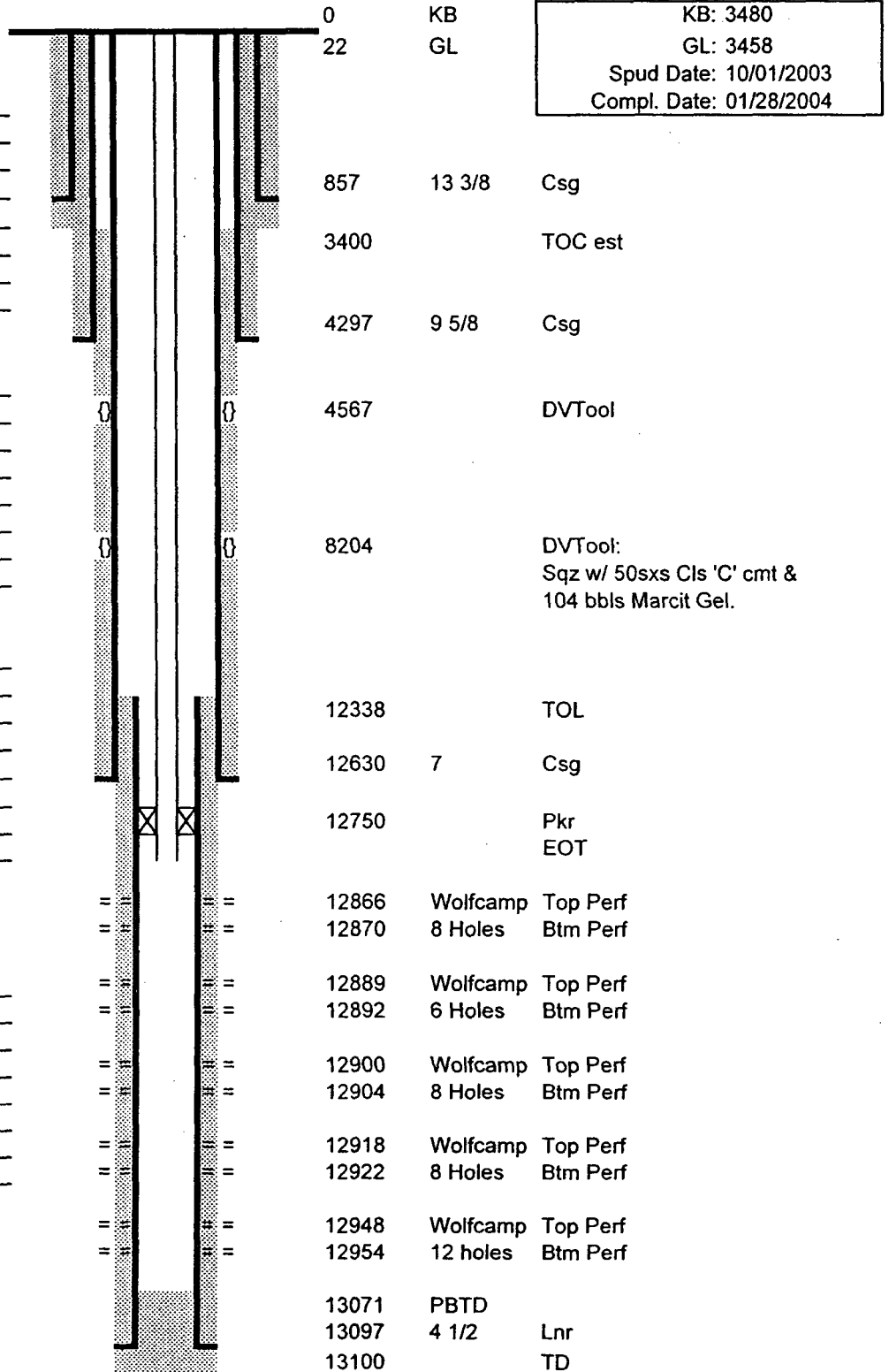
Size: 7
 Wt: 26
 Grd: P110
 Set @: 12630
 Sxs Cmt: 1526
 Circ: N
 TOC: 3400 Est
 Hole Size: 8 3/4

Liner

Size: 4 1/2
 Wt: 13.5
 Grd: P110
 Set @: 12338-13097
 Sxs Cmt: 150
 Circ: Y
 TOC: 12338 TOL
 Hole Size: 6 1/8 to 13100

Tubing

408 jts 2 3/8", L-80



PBTD: 13071
 TD: 13100

by WL 01/03/2004

Updated: 01/29/2004
 Author: ELE
 Engr: MWD

RECEIVED

AUG 30 2004



OIL CONSERVATION
DIVISION

State of New Mexico

Commissioner of Public Lands

PATRICK H. LYONS
COMMISSIONER

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

August 25, 2004

Bass Enterprises Production Company
201 Main Street, Suite 2900
Fort Worth, Texas 76102

Attention: Mr. Wayne Bailey

Re: Poker Lake Unit
Commercial Well Determinations
Unit Well No. 196
NE/4SW/4 Sec. 29-24S-31E
Eddy County, New Mexico

Dear Mr. Bailey:

We are in receipt of your letter of June 24, 2004 together with the commerciality data for the Poker Lake Unit Well No. 196.

The Bureau of Land Management, has advised this office that the Poker Lake Unit Well No 196 was determined to be capable of producing in paying quantities from the Wolfcamp formation

Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management's determination that the Poker Lake Unit Well No 196 is a commercial well in the Wolfcamp formation and is entitled to participate in the Wolfcamp Participating Area

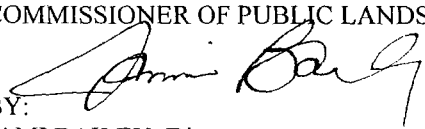
Please submit an application for the appropriate expansion of the Wolfcamp Participating Area to this office for approval.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
OCD-Santa Fe, Attention: Mr. Roy Johnson
TRD-Santa Fe, Attention: Mr. Valdean Severson
BLM-Attention: Mr. Armando Lopez

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

February 26, 2004

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Mr. Larry Bray

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St Francis
Santa Fe, New Mexico 87505
Attention: Roy Johnson

Re: Determination of Non-Commerciality
Wolcamp Formation
Poker Lake Unit No. 53
Eddy County, New Mexico

Gentlemen:

Please find attached hereto worksheets and pertinent information explaining that the referenced well is not a commercial producer in the Wolcamp Formation. The Poker Lake Unit No. 53 was drilled and completed in the Morrow Formation on June 1, 1982. The Morrow Formation was determined to be non-commercial by BLM letter dated February 2, 1988. The well was recompleted in the Wolcamp Formation on September 22, 1998, and the well continues to produce from the Wolcamp at 30 mcfd. Should you be in agreement that the Wolcamp completion is not commercial, please signify by executing one (1) copy of this letter in the space provided below and returning same to the undersigned at your earliest convenience. Should you have any questions or comments in the above regard, please don't hesitate to contact the undersigned at (817) 390-8671.

Very truly yours,


J. Wayne Bailey

JWB:ca

AGREED and ACCEPTED this _____ day of _____, 2004.

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

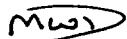
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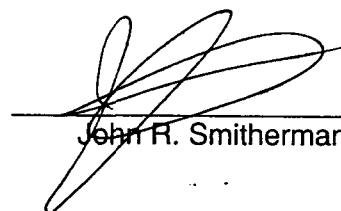
INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

February 19, 2004

TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: JOHN R. SMITHERMAN
RE: POKER LAKE UNIT #53
COMMERCIAL DETERMINATION
BIG SINKS (WOLFCAMP) FIELD
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: PLU53 Comm Deter.doc

Attached are the worksheets and necessary attachments for the subject well to be submitted for commercial determination. The well was drilled in 1981 and completed in the Morrow. In 1998 it was recompleted to the Wolfcamp where after stimulation with 5,000-gals of 20% HCL acid it tested at a rate of almost 3,000-mcfpd. However, production dropped rapidly and currently the well is producing at a rate of just 30-mcfpd and has cumulatively produced only 163,000-mcf. The calculated economic ultimate recovery (attached) is 165,320-mcf. Current pricing from price file BASS02022004 (2004 average realized gas price of \$5.96 per mcf), along with current operating costs, were used to evaluate the subject well. A prorated investment based on drilling to a total depth of 13,000' along with the actual costs incurred to complete the well in the Wolfcamp was used and totaled \$2,646,634. The resulting economics indicate a 0% ROR and a present worth value of at a 10% discount rate of -\$2,256,700. This well is not commercial.


KEB/mwd




John R. Smitherman

**WORKSHEET FOR COMMERCIAL DETERMINATION
AND PARTICIPATING AREA IN FEDERAL UNITS**

WELL DATA

WELL	<u>POKER LAKE UNIT #53</u>		FORMATION	<u>WOLFCAMP</u>	
LOCATION	UNIT, <u>1980</u>	FEET FROM <u>East</u>	LINE & <u>660</u>	FEET FROM <u>North</u>	LINE
SECTION	<u>9</u> TOWNSHIP <u>25S</u>	RANGE <u>31E</u>	COUNTY <u>Eddy</u>	NEW MEXICO	
SPUD DATE	<u>11/7/1981</u>	COMPLETION DATE <u>9/22/1998</u>	INITIAL PRODUCTION	<u>12/01/98</u>	
PERFORATIONS	<u>12896-12944'</u>				

STIMULATION:

ACID 5000 gal 20% HCL w/ additives + 78 1.3" SG Ball Sealers

FRACTURE

POTENTIAL

(Attach Copy C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>320</u>	
Porosity (por), %	<u>7.6%</u>	
Water Saturation (Sw), %	<u>30%</u>	
Net Thickness (h), ft.	<u>20</u>	
Temperature (T), Fahrenheit	<u>196</u>	
Bottom Hole Pressure (P), psia	<u>7664</u>	
Recovery Factor (RF), %	<u>75%</u>	
Recoverable Gas, bcf * (See eq. Below)	<u>3.2</u> BCF	

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (h) (I) (1-SW) (1/Bgi) (RF)$

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO Dec-03 163,429 MCF

PRODUCING

INITIAL RATE (qi)	<u>962</u>
ECONOMIC LIMIT (ql)	<u>3.9</u>
DECLINE RATE, dy (Hyperbolic, n=1.01)	<u>45</u>
REMAINING MCF (Q)=	<u>2,440</u>
ULTIMATE RECOVERABLE GAS (MCF)	<u>165,869</u>

(Attach plat showing pro-ratio unit and participating area.)

ECONOMIC

WELL COST \$2,409,000 (Prorated to Wolfcamp Depth - 13,000')

RECOMPLETION COST \$237,634

TOTAL COST \$2,646,634

<u>YEAR</u>	<u>GROSS GAS</u>	<u>REVENUE</u>	<u>OPERATING COST (Includes Sev. Tax & Ad Val Tax)</u>	<u>10% NET BFIT DISCOUNTED CASH FLOW</u>
ZERO	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,646,634)</u>
1	<u>5,594</u>	<u>9,560</u>	<u>3,256</u>	<u>(2,640,330)</u>
2	<u>82,299</u>	<u>154,309</u>	<u>59,556</u>	<u>(2,545,577)</u>
3	<u>31,971</u>	<u>107,792</u>	<u>35,362</u>	<u>(2,473,147)</u>
4	<u>20,787</u>	<u>83,088</u>	<u>29,326</u>	<u>(2,419,385)</u>
5	<u>14,079</u>	<u>31,064</u>	<u>12,814</u>	<u>(2,401,135)</u>
6	<u>8,698</u>	<u>35,288</u>	<u>8,518</u>	<u>(2,374,365)</u>
7	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,374,365)</u>
8	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,374,365)</u>
9	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,374,365)</u>
10	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,374,365)</u>
REMAINDER	<u>0</u>	<u>0</u>	<u>0</u>	
TOTAL	<u>163,428</u>	<u>421,101</u>	<u>148,832</u>	<u>(2,374,365)</u>

WELL IS NOT COMMERCIAL

CURRENT WELLBORE DIAGRAM

Lease: **POKER LAKE UNIT** Well No.: **53**
 Field: **POKER LAKE, SOUTH** Vertical
 Location: **1980 FEL & 660 FNL, Sec 9, T25S, R31E**
 County: **Eddy** St: **NM** API: **30-015-23783**

Surface Csg.

Size: 20
 Wt: 94
 Grd: H40
 Set @: 777
 Sxs cmt: 1000
 Circ: Y
 TOC: Surf
 Hole Size: 26

Intermediate Csg.

Size: 13 3/8
 Wt: 54.5/61/68
 Grd: K55/S80
 Set @: 4271
 Sxs Cmt: 3850
 Circ: Y
 TOC: Surf
 Hole Size: 17 1/2

Production Csg.

Size: 9 5/8
 Wt: 43.5/47/53.5
 Grd: S95
 Set @: 12500
 Sxs Cmt: 900
 Circ: N
 TOC: 9128 Calc
 Hole Size: 12 1/4

Liner 1

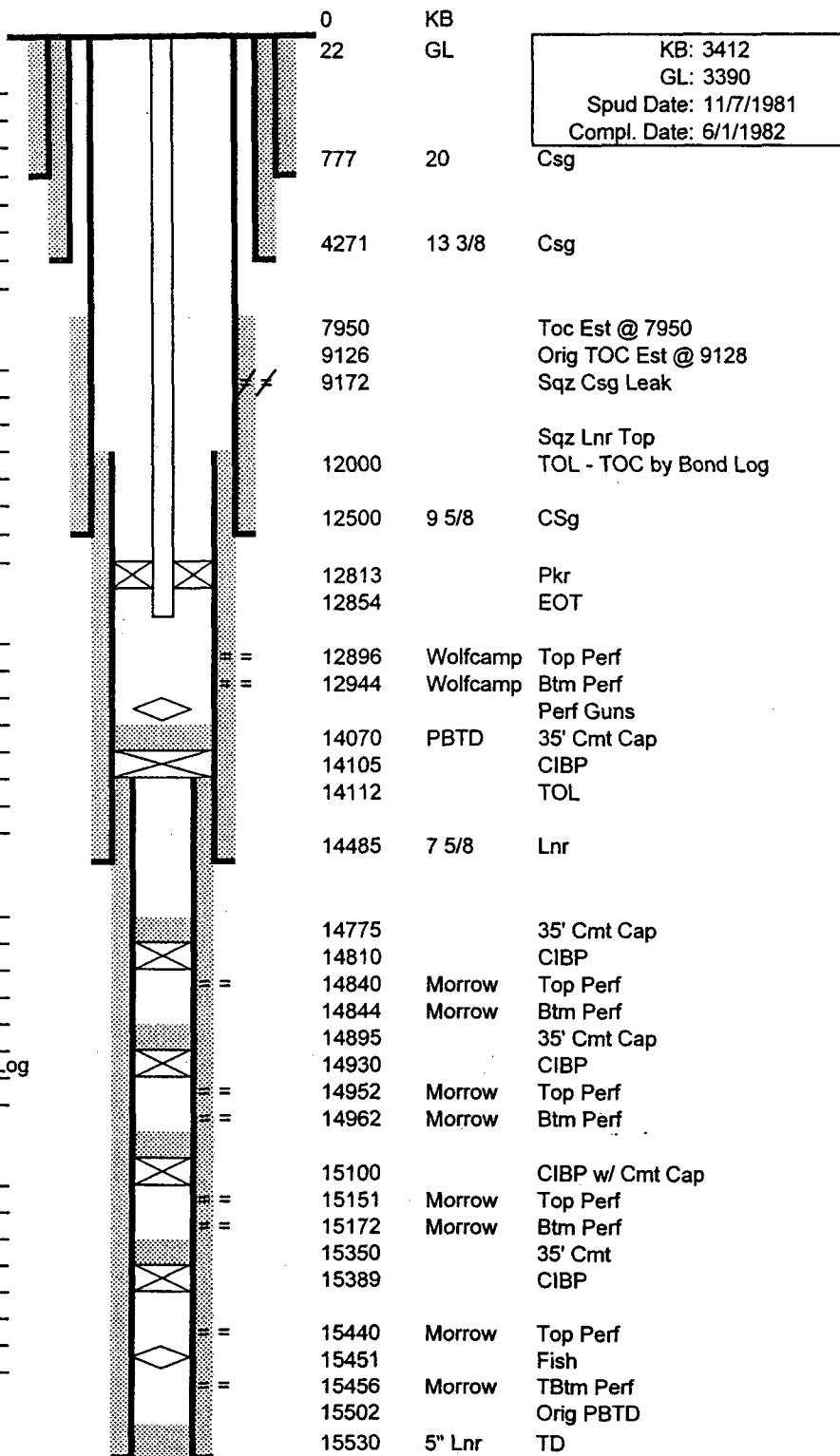
Size: 7 5/8
 Wt: 39
 Grd: P110
 Set @: 12000-14485
 Sxs Cmt: 775
 Circ: N - Lnr Top Sqz'd
 TOC: 12000 by Bond Log
 Hole Size: 8 1/2

Liner 2

Size: 5
 Wt: 18
 Grd: FL4S
 Set @: 14112-15530
 Sxs Cmt: 310
 Circ: Y
 TOC: 14112
 Hole Size: 6 1/2

Tubing

414 Jts 2 3/8 4.7# N-80 ABC Mod



PBTD: 14070
 TD: 15530

Updated: 2/19/2004
 Author: ELE
 Engr: MWD

WELL HISTORY

WELL NAME: POKER LAKE UNIT NO. 53 **API:** 30-015-23783

FIELD NAME: Poker Lake, South

LOCATION: 1980' FEL & 660' FNL, Sec 9, T25S, R31E, Ut B
Eddy County, New Mexico

TD: 15530 3412' KB
PBTD: 14070 3390' GL

SPUD DATE: 11/07/1981

COMP DATE: 06/01/1982

CASING:

Size	Wt	Grd	Set Depth	Sxs	Class	TOC	Hole	Hole Depth
20	94	H40	777	1000		Circ	26	777
13 3/8	54.5 61 68	K55 S80	4271	3850		Circ	17 1/2	4271
9 5/8	43.5 47 53.5	S95	12515	900	H	9128	12 1/4	12515
7 5/8	39	P110	12000 - 14485	775		EST 12904	8 1/2	14485
5	18	FL4S	14112 - 15530	310		14112 CIRC	6 1/2	15530
414 Jts 2-3/8" 4.7# N-80 ABC Mod								

LINER:

OPEN HOLE:

TUBING:

DST:

DST #1 - Pkr failed.

DST #2 - 12500-13030' (Wolfcamp) - Open 6 mins - weak blow. SI 60 mins. Open 60 mins - weak blow incr to 14 psi on 1" chk. Est. 160 MCFPD. After 35 mins decr to 5 psi. After 60 mins had GTS, 12 mins into final flow. SI 240 mins. Rec 1510' (850' inside DP) - 15-1/4 BF. IHP 9137#, IFP 115-9261#, ISIP 1879#, FFP 982-1038#, FSIP 3392#, FHP 9081#. Sampler: 500 cc mud, 11.6 SCF gas.

DST #3 - Pkr failed.

DST #4 - 13812-13870' (Strawn) - Flow period 98 mins, SI period 382 mins. Open tool, bled N₂ gradually, opening from 16/64" to 40/64". Press went up to 50#, pinched chk to 1/4". Press incr to 80# & continued to decline. At 8#, closed tool, no GTS. Rec 5000' FW cushion, 4000 psi, N₂ cushion, temp 210 deg, IHP 9870#, FP 2837-2726#, SIP 5293#, FHP 9758#. Sampler: 9.4³, 10 cc mud, 800#. Rec 73.32 bbls mud & wtr cushion (rec 4 bbls over cushion).

Poker Lake Unit #53
Well History

CORES & LOGS: 12/6/81 - Cored 4310-4370', rec 56'.
 1/23/82 - Cored 12907-12966', rec 59'.

DATE	LOG	COMPANY	TOP	BOTTOM
01/15/1982	GR/CNL/FDC, DLL/MSFL/GR/Cal			
03/05/1982	DLL/MSFL/GR, FDC/CNL/GR, BHCS/CR			
03/29/1982	GR/FDC/CNL, DLL/MSFL/GR/Cal			

FORMATION TOPS:

Delaware Sand	4316.0
Bone Springs	8206.0
Wolfcamp	11562.0
Strawn	13797.0
Atoka	13874.0
Morrow	14509.0
M Morrow	15120.0

PRESSURE SURVEY:

06/08/1982: BHP – 72hr.
 02/03/1999: 7 day BHP
 10/06/2000: Dipln
 03/27/2001: BHP
 04/09/2001: Gradient Survey
 09/24/2002: Dipln
 01/29/2004: Dipln

DRILLING:

Cmt 20" csg w/ 800 sxs Lite, Tail w/ 200 sxs Cls "C". Circ.
 Cmt 13 3/8" csg w/ 3600 sxs Lite, Tail w/ 250 sxs Cls "C". Circ.
 Cmt 9 5/8" csg w/ 900 Cls "H". Bump Plug 10 1000psi. Floats Held.
 Cmt 7 5/8" csg w/ 775 sxs Cls "H". Plug did not bump. 170 bbls into displacement, lost complete returns, regained full returns @ 200 bbls into displacement.
 Cmt 5" csg w/ 310 sxs Cls "H". Full returns. Bumped Plug. Floats held.

**Poker Lake Unit #53
Well History**

INITIAL COMPLETION:

04/02/1982

LINER SQUEEZE JOB.

Check for leak in 7 5/8" liner. Johnston Testers attempted to find source of flow, lost packer element, could not get seal. Re-run repaired eqpt, could not set pkrs. RU Hallib. RTTS tool, set @ 13637'. Open tool and flowed gas @ 290 MCFD. POH w/test tools. TIH w/RTTS tool set pkr @ 13520' Press to 8800, could not break down, leak. Rel pkr, Tag TD @ 13846', set pkr @ 13520, test 7 5/8" x RTTS to 6000 psi, OK. Spot 500 gals 7 1/2" HCL (13532-13832). Set RTTS tool @ 13460' Establish rate of 1 BPM @ 7200 psi down DP & annulus, communication. Set RTTS @ 13852", test bottom leak @ 1 BPM, 7200 psi. Set RTTS @ 12060', test backside @ 3.5 BPM @ 3000 psi. POH w/RTTS, PU EZ Drill retainer set @ 13450'. Est rate @ 3 BPM, circ 150 sx cmt to ret, attempt to sqz, rev out cmt, ret did not hold. Set 7 5/8" ret @ 13,420'. Est rate @ 1.5 BPM @ 3900 psi, spot 150 sx cmt, attempt to sqz, rev out cmt, hole in DP. Set 9 5/8" RTTS @ 10690', Sqzd 7 5/8" liner top w/500 sx Cl H. Drill out cmt, test liner top to 3000#, OK. DO cmt in 7 5/8" liner (from 5" liner job). Set Baker retrievomatic pkr @ 13914, test DP to 10,000 psi, OK. Test csg to 3000 psi, OK. Liner tested good to 10,000 psi w/ pkr @ 12024'. DO cmt to 5" liner top. RR 4/20/82.

05/18/1982

PERF MORROW ZONE (15440-15456')

RU BOP, RIH w/bit to clean out cmt (well kicking). DO cmt inside 5" liner to 15502' (PBSD). Spot 100 gals acetic acid across proposed perfs.

05/28/1982

McCullough: ran Cement Bong Log 12000-15479', apparent cement across liner top to bottom.

05/30/1982

Perf 15440', 15441', 15442', 15443', 1 SPF (should have been 2 SPF - other half gun misfired).

05/31/1982

Perf 15454.5', 15455', 15455.5', 15456', 2 SPF. Ran Otis 5" WB pkr assemble + jewelry, set @ 15390. **Pumped** 900 gals 7-1/2% HCL acid + additives.
IP: 6/7/82 24 hrs F CAOF 2114 MCF. (SI waiting on pipeline connection until 2/2/84.)

06/04/1982

Acidized w/2500 gals 7-1/2% MSR-100 + additives & 12 ball sealers.

06/08/1982

Run BHP bomb. 72 hr Build Up.

06/08/1982

4-Point Test. SI Waiting on Pipeline.

WORKOVERS:

01/20/1984

SITP 6613. SI BHP 8395 psig.

02/03/1984

Place well on line @ 540 MCFPD. FTP 5000#. Morrow perfs 15440-15456.

02/06/1987

HOLE IN TUBING.

Poker Lake Unit #53
Well History

11/01/1989 **RUN BHP BOMB**
Attempt to run BHP bomb. Set dwn on obstruction @ 14906'. Attempt to POH. Tools stuck @ 14 890'. Work press recorder stuck @ 14886'. Recorders came free. Stuck again, top of fish @ 5151'. Fish came free & fell to pkr @ 15390'. Tag top of fish @ 15394'. **Fish left in hole: 1 overshot w/fishing neck, rope socket, fishing neck, running bar w/mechanical jar, quick conn, Amerada recorder, quick conn, electronic recorder, ported gauge ring.**

01/08/1990 **SWAB WELL - SI.**

01/24/1995 **WORKOVER**
Found hole in tbg. Replaced bad tbg. Attempted to rec fish (pkr & BHP bomb assembly). Rec overshot, 2 rope sockets w/fishing necks, & running bar w/jars. Rest of fish left in hole. Top of fish @ 15451'. **Set CIBP @ 15389'**. Remainder of workover on this zone aborted due to unrecoverable fish in hole.

07/15/1996 **WORKOVER**
Pickle 2-3/8" tbg w/500 gals 15% HCL acid. Rev circ acid to pit. Dump +35' cmt on **CIBP @ 15389'**. Press test csg to 2000 psi - bled to 550 psi after 60 secs (liner top leaking).

07/19/1996 **Perf 15151-15172', 2 SPF.** Swab well, FL rising 800'/run. Well kicked off flwg, unloading wtr & gas for 30-35 mins. Swab well, rec +70 bbls 100% wtr w/mod show gas. RIH w/1-1/4" coiled tbg, jet well w/nitrogen @ 4000' w/350 SCFPM @ 1280 psi. Tagged PBTB @ 15350'. Incr rate to 1100 SCFPM @ 3550 psi w/good wtr rec @ pit. Returns dried up after 20-30 mins. Remained on btm an additional 2 hrs w/no additional visible wtr entry. SI for build-up. Swab well - rec 120 bbls 100% wtr, good show of gas @ the end of each run. **Set CIBP @ 15100' w/cmt on top.** Run GR-CCL 14450-14850'. **Set pkr @ 14846'.**

07/27/1996 **Perf 14952-14962', 2 SPF.** Had very light initial blow & well died. Swab well - rec 27 BW w/small gas show during each run. Jet well w/nitrogen @ 6000' FS w/350 SCFPM @ 1800 psi, continue down hole w/CT to 15050'. Incr rate to 750 SCFPM w/2400 psi. Rec total 20-25 bbls blackish wtr w/no visible indications of gas. **Pump 10 bbls gas well acid + additives followed w/80 bbls acid/CO₂ mix.** Dropped 33 1.3 SG ball sealers (1 ball/3 bbls) @ 3 BPM w/1850 psi. Caught press after 47 bbls gone. SD after 60 bbls gone (reached max TP 8300 psi). Flwd well - rec 100% CO₂ (no flare) & decr to a weak blow after 3 hrs. SI for build-up. Flwd well - rec 95% CO₂ (no flare) w/light shadow @ end. Swab well - rec 20 bbls whitish wtr (possible spent gas well acid), weak gas blow @ end of each run. Continue to swab - rec 100% wtr. Run BHP bombs. Retrieve bombs. SI well.
AWO: SI well 8/26/96.

03/18/1997 **RECOMPLETE TO MORROW**
Set CIBP @ 14930' w/35' cmt on top. **Spot 500 gals 15% gas well acid.**

**Poker Lake Unit #53
Well History**

03/25/1997 **Perf 14840-14844 w/2 JSPF (10 holes). Pump spot acid away. Perfs broke @ 6550 psi @ 1.5 BPM. ISIP 5000#, 5 min 4366 psi, 10 min 4243 psi and 15 min 4170 psi. Flow well to pit, pres bled to 0 psi and died. Swabbed 15 runs, rec 64 bbls. Load & acid water w/weak blow after last run. FFL 6000' FS. SION. Swabbed well, SI for build-up.**

08/17/1998 **RECOMPLETE TO WOLFCAMP**
Set 5" CIBP @ 14810' w/35' cmt on top. Set 7 5/8" CIBP @ 14105' w/35' cmt on top. Suspect csg leak. Ran Schlumberger Multi-Finger Caliper tool to log: 4000-6000', 6000-8000', 8000-9000'. Tested w/9 5/8" Guiberson Uni-VI pkr. to isolate csg leak. Found @ 9126' to 9172'. Set RBP @ 10492', cover w/1320# 20/40 Brady Sand. While running 1st 9 5/8" Elder CI cmt ret, lodged in csg @ 992' FS. Took 6 days to mill and fish CI Cmt Ret. Left bottom slips and bottom gauge ring retainer in hole, drillable, will recover prior to RBP recovery. Set 2nd 9 5/8" Elder cmt retainer @ 9085'. Squeeze csg leak w/292 bbls 14.2 ppg Class H cmt followed w/64 bbls. 15.6 ppg Class H cmt. Drill out cmt and cmt retainer, fell free. Test csg to 2000 psi, held OK. Wash sand off RBP & POH w/RBP. Changed out 100 2 3/8" N-80 ABC mod collars due to external corrosion. Ran Western Atlas tbg conveyed perf guns loaded w/53 38.5 gram charges.

09/16/1998 **Perf 12896-12898' (2 spf-5 shots), 12905-12910' (2 spf-10 shots), 12912-12914' (2 spf-5 shots), 12918-12929' (2 spf-22 shots), 12934-12944' (2 spf-21 shots). Drop guns off end of tubing. Acidize w/5000 gals 20% HCL and additives + 78 1.3" SG ball sealers. No ball action.**

Run 4 point test:	6/64" ck	1189 MCFD	7055 FTP
	8/64" ck	2303 MCFD	6255 FTP
	9/64" ck	2968 MCFD	5300 FTP
	12/64" ck	2389 MCFD	3630 FTP

Well SI pending gas contract.

12/29/1998 **PLU #53 - SITP 7850 psi. Complete EI Past tie-in with 4" meter run to 6" high pressure gas line. Return well to prod @ 10:30 a.m. (packing line). Flow rate @ 2:30 p.m. PLU #53 - 4570 MCFPD @ 930 psi line pressure, 6200 psi FTP on 10/64" choke.**

02/03/1999 **BHP Survey. PU BHP assembly and RIH with tools making gradient stops at surface and every 2000' to 8000' FS; then every 500' to "R" nipple @ 12852'. Release from BHP assembly and POH. Shut well in @ 3:00 p.m. (with BEPCo data logger).**

02/10/1999 **RU Pro Wireline Latch onto BHP assembly @ 12852'. POH with assembly making gradient stops every 500' to 8000'; then every 2000' to surface. RD Pro Wireline and leave WH shut-in (with BEPCo data logger).**

02/18/1999 **SITP 4900 psi, CP 700 psi. MIRU Baker-Atlas-Wedge Wireline; logging down FS to 13000'.**

Poker Lake Unit #53
Well History

05/14/1999 Pro Wireline and Well Testing. RIH with 1 electronic and 1 Amerada gauge and make gradient stops @ 5000', 10000', 11000' & 12000'. FIH to pkr @ 12812' and stop 1 hr. POH with bombs.

10/06/2000 SITP – 2508 psi by DWT. Pro Wireline RIH with (1) 10,000 psi ZI probe, programmed to record data every 60 seconds. Stop @ surface for 4 mins. Tbg pressure – 2516 psi by DWT. Continue in hole, stopping every 3000' for 4 mins each to 12000'. Stop @ 12800' for 2 hrs. PUH to surface and made stop for 4 mins. Tbg pressure – 2542 psi by DWT.

03/27/2001 Pro Wireline, RIH with Bass-owned 10,000 psi electronic pressure & temperature bomb and 1.84" no-go. Bomb set in "F" nipple. POH. FL @ 4100'. RBIH to retrieve bomb & POH. RIH with 1-1/2" sinker bar (3' long) and point to "R" nipple @ 12852'. Did not tag any obstruction. POH. RBIH with 10,000 psi bomb with 1.84" no-go and set in "R" nipple & POH. RIH with downhole shut-in tool, 1.906" with no-go and set in "F" nipple @ 12812' & POH. SITP – 1030 psig. Open well to sales line on 6/64" choke. Will flow well for 4 days and RIH & shut shut-in tool. RD & MO Pro Wireline.

03/30/2001 Pro Wireline & RIH with 1-5/8" prong guide to SI tool set @ 12812' ("F" nipple). SI well downhole & blow tbg to tank. SI surface valves. SITP – 700 psig. POH & RD Pro Wireline. Tbg pressure – 800 psig. Csg pressure – 1740 psig. Well SI @ 10:00 a.m. Check well @ 8:00 p.m., tbg pressure – 1060 psig. SI tool not holding.

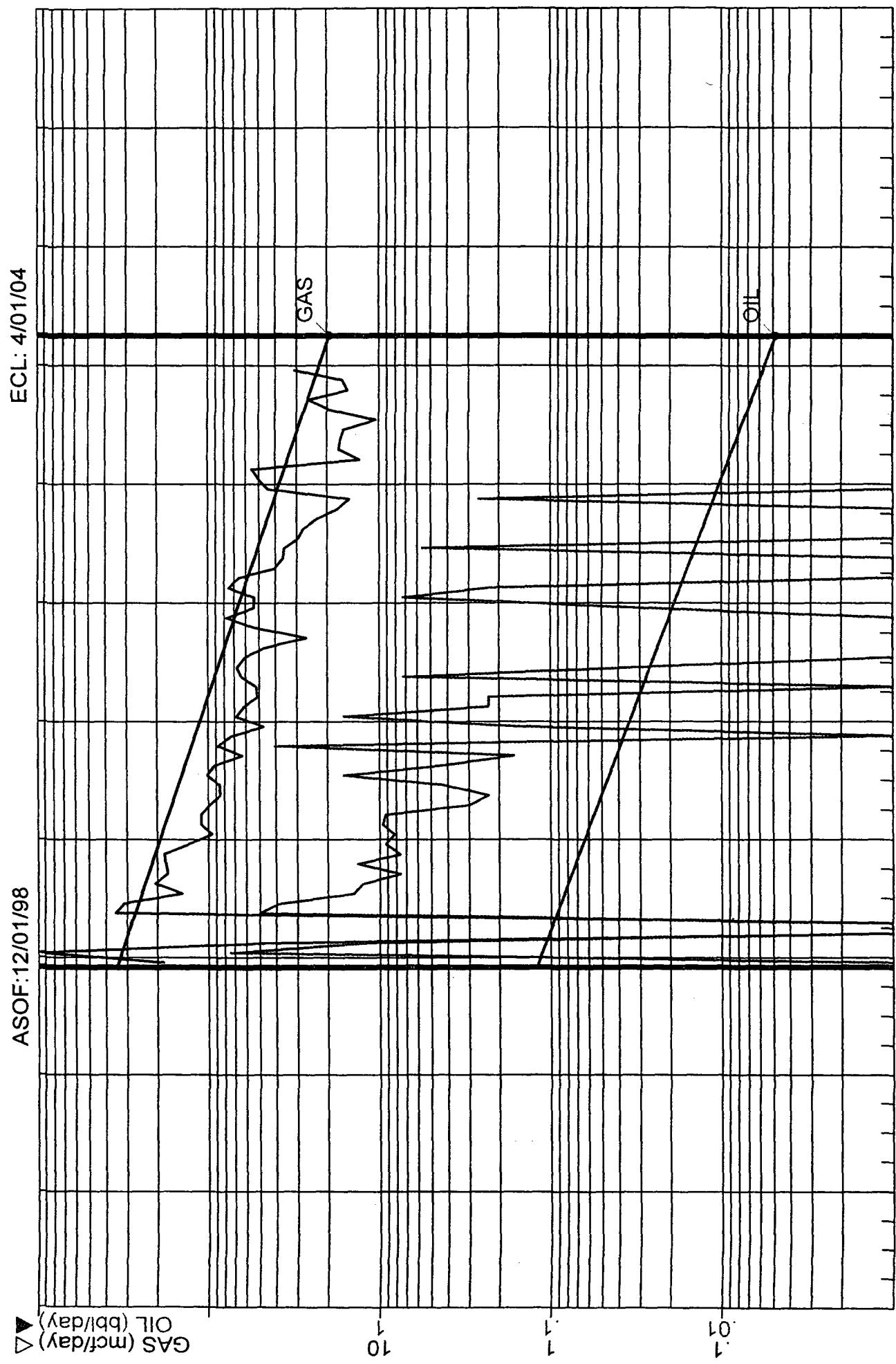
04/09/2001 RIH with fishing tool & catch Bass-owned 10,000 psi bomb set in "R" nipple @ 12852'. POH. Make 5 min stops in lubricator. SITP – 2254 psig (DCT gauge). RD & MO WL. Put well to sales line.

09/24/2002 Pro Wireline: RIH with tandem 6000 psi electronic pressure recorders (1-5/16" OD) programmed @ 6 second samples. RIH to 5000' FS for 2 minutes. Continue to RIH to 12,800' making 2 min gradient stops every 2000'. Remain @ 12,800' (52' above EOT) for 1 hr. POH.

01/29/2004 Pro Wireline: RIH with tandem electric pressure recorders making gradient stops every 2000' to pkr @ 12,854'. Remain on bottom for 1 hr.

POKER LAKE UNIT #53
EDDY, NM
Major Phase: GAS

BEP
BIG SINKS (WOLFCAMP)
WOLFCAMP



Proj GAS Cum: 0.00 mmcf
GAS Rem: 165.32 mmcf
GAS Eur: 165.32 mmcf

Proj OIL Cum: 0.00 mbbl
OIL Rem: 1.18 mbbl
OIL Eur: 1.18 mbbl

Input Page

Lease Name: 1000307/POKER LAKE UNIT/WOL
 Operator : BEPCO
 Field Name : BIG SINKS (WOLFCAMP)
 GAS Proved Producing

12/1/1998

LEASE CASE
 Reservoir : WOLFCAMP
 Co., St. : EDDY, NM

Discount Method: C

Annual Compoundings: 0

At AsOf Date

	GAS	OIL
Qi (AsOf) =	5,594.000 mcf/month	0.000 bbl/month
Qf (ECL) =	0.000 mcf/month	0.147 bbl/month
Dec. =	41.684 %	- %
b =	-	-
Unit Price =	2.11 \$/mcf	0.00 \$/bbl
Unit Exp. =	0.00 \$/mcf	0.00 \$/bbl
Hist. Cum	163.249 Mmcf	1.178 Mbbbl
Proj. Cum	0.000 Mmcf	0.000 Mbbbl
Reserves	165.317 Mmcf	1.178 Mbbbl
Ult.	165.317 Mmcf	1.178 Mbbbl

ID Codes List

Id Label	IdCode
Retrieval Code	ABB00MJF00
API Number	ALL
PhdWin ID	00271
RRC Dist Code	NM
Unique ID	1759521860673903470072500274
IDCODE	C%Q9WFQ7.000
ENGR	MWD
WELL_NAME	ALL
WELL_NO	ALL
DATE_COMP	1982-06-01 00:00:00.000
STATUS	ACT GAS
PROPERTY	POKER LAKE UNIT #53
CONTROL	1000307
STLSEID	001796
R_ZONE	WOLFCAMP
FIELD_SEQ	12190.0
FIELD_ONLY	BIG SINKS
BANK_KEY	B
BANK_FIELD	NMGAS
DISTRICT	CARLSBAD
DIVISION	WTD
SUB_DIV	007
SUB_SUB	135
CAT_CDE	0.0

Input DataProjection

Segment Volumes Adjusted for Historical Data.

ARPS

	Start	End	Life Years	Initial Rate	Final Rate	Decline (%)	b	Min. Decline	Segment Volume
GAS	01 12/1/1998	3/31/2004	5.34	10,483.5	589.5 mcf	41.68	0.001	4.00	165,317 mcf *
OIL	01 12/1/1998	1/1/2010	11.07	3.6	0.0 bbl	45.30	0.000	-	1,181 bbl *

FORMULA

	Formula	Units
OIL CUT	((OIL) / ((OIL) + {WATER})) X 100	%
GOR	((GAS) X 1000) / {OIL}	SCF/BBL
YIELD	{OIL} / {GAS}	BBL/MCF
WATER CUT	((WATER) / ((OIL) + {WATER})) X 100	%
NGL	{GAS} X 0.00	BBL

Input Page

Lease Name: 1000307/POKER LAKE UNIT/WOL
 Operator : BEPCO
 Field Name : BIG SINKS (WOLFCAMP)
 GAS Proved Producing

12/1/1998

LEASE CASE
 Reservoir : WOLFCAMP
 Co., St. : EDDY, NM

Product Model Table

	Units	Base Model [AsOf Price]	Model Adjustments			Base Cost Model [AsOf Cost]
		Escalation Model	BTU	Differential	Shrinkage	Escalation Model
GAS	MCF	Lease Specific[2.11123] Non-Escalated	1,129	-0.30 \$	0.00	Lease Specific[0] BASSESC2004
OIL	BBL	BASS02022004[0] Non-Escalated		-1.20 \$	0.00	No Expense Applied BASSESC2004
WATER	BBL	n/a n/a		0.00	0.00	No Expense Applied BASSESC2004
NGL	BBL	BASS02022004[0] Non-Escalated		0.00 \$	0.00	n/a n/a
GASINJ	UNKNOWN	n/a n/a		0.00	0.00	n/a n/a
GAS_SALES	UNKNOWN	n/a n/a		0.00	0.00	n/a n/a
PRESSURE	UNKNOWN	n/a n/a		0.00	0.00	n/a n/a
WATERINJ	UNKNOWN	n/a n/a		0.00	0.00	n/a n/a
REG_GAS	UNKNOWN	n/a n/a		0.00	0.00	n/a n/a
WELL COST	well	n/a n/a		0.00	0.00	No Expense Applied BASSESC2004
LEASE COST	lease	n/a n/a		0.00	0.00	Lease Specific[1100] BASSESC2004

Investment Table

Date	Linking	Amount (M\$)			Description	Depreciation Method	Net to Interest	Init. Invest ?
		Tangible	Intangible	Total				
12/1/1998		2,646.63	0.00	2,646.63		N/A	100%	Y
		2,646.63	0.00	2,646.63				

Ownership Table

Owner	Owner Code	Owner Loaded	Rev. Type	Triger Value	WI (fract)	NRI (Fract)	Lease NRI	Net Profit Expense	Rev. SR#
THRULINE	2	13	Initial		0.17773594	0.15176894	0.00000000	-	000001
SRBINC	3	13	Initial		0.17773594	0.15176894	0.00000000	-	000001
LMBINC	4	13	Initial		0.00000000	0.00000000	0.00000000	-	000001
KEYSTONE	5	13	Initial		0.17773594	0.15176894	0.00000000	-	000001
BEPCO	6	13	Initial		0.53320782	0.45530682	0.00000000	-	000001
BASS	7	13	Initial		0.94792500	0.80943400	0.85390089	-	000001
GOLIAD	8	13	Initial		0.41471718	0.35412756	0.00000000	-	000001
99999	13	13	Initial	0.00	0.94792500	0.80943400	0.85300000	-	000001
All Leases	1	13	Initial		0.00000000	0.00000000	0.75000000	-	000001

Lease Memo Table

Lease Memos



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

April 7, 2004

Bass Enterprises Production Company
201 Main Street, Suite 2900
Fort Worth, Texas 76102

Attention: Mr. Wayne Bailey

Re: Poker Lake Unit
Non-Commercial Well Determination
Unit Well No. 53
NW/4NE/4 Sec. 9-25S-31E
Eddy County, New Mexico

RECEIVED

APR 12 2004

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

Dear Mr. Bailey:

We are in receipt of your letter of February 26, 2004 together with the commerciality data for the Poker Lake Unit Well No. 53 located in the NW/4NE/4 of Section 9-25S-31E.

The Bureau of Land Management, by their letter of April 1, 2004, advised this office that the Poker Lake Unit Well No. 53 is not capable of producing in paying quantities from the Wolfcamp formation

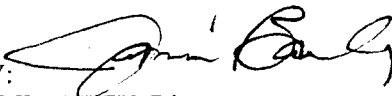
Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management's determination that the Poker Lake Unit Well No. 53 is a non-commercial well in the Wolfcamp formation and therefore should be reported on a lease basis.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
~~OCD-Santa Fe, Attention: Mr. Roy Johnson~~
TRD-Santa Fe, Attention: Mr. Valdean Severson
BLM-Attention: Mr. Armando Lopez
RMD-Linda Vieira

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

2006 JUN 27 AM 9 47

June 26, 2006

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones

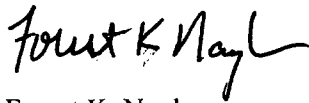
Re: Commercial Determination
Poker Lake Unit #227
Delaware Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Delaware Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,



Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL	<u>Poker Lake Unit # 227</u>	FORMATION	<u>Delaware</u>
LOCATION	<u>D</u> UNIT, <u>990</u> FEET FROM <u>North</u> LINE & <u>990</u> FEET FROM <u>West</u> LINE		
SECTION	<u>31</u> TOWNSHIP <u>24S</u> RANGE <u>30E</u> COUNTY <u>Eddy</u> NEW MEXICO		
SPUD DATE	<u>7/28/2005</u>	COMPLETION DATE	<u>8/25/2005</u>
PERFORATIONS	<u>6968 - 7347'</u>		

STIMULATION:

ACID	<u></u>
FRACTURE	<u>Frac w/ 248412 gals PW + 20000# 14/30 Lite Prop</u>
	<u></u>
	<u></u>
	<u></u>

POTENTIAL (10/18/2005): 63 BOPD, 34 MCFPD, 230 BWPD IP

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE	
Area (A) proration unit size, acres	<u>40</u>		
Porosity (Φ), %	<u>11%</u>		
Water saturation (Sw), %	<u>61%</u>		
Net Thickness (H), ft.	<u>52</u>		
Temperature (T), Fahrenheit	<u>126</u>		
Bottom Hole pressure (P), psia	<u>2,996</u>		
Recovery factor (RF), %	<u>15%</u>		
Recoverable Oil, Bbls *(See eq. below)	<u>70,701</u>		

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

B_o = 1.50

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 3/31/2006 1,681 MCF Gas 3,788 BBL Oil

INITIAL RATE (qi) 19

ECONOMIC LIMIT (qi) 1

HYPERBOLIC DECLINE RATE, dy n = 1.0, d = 13.9%/yr

REMAINING OIL (Q) = 35,019

ULTIMATE RECOVERABLE OIL (BO) 38,807

(Attach plot showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$1,206,000 (to the depth of formation completed)

RECOMPLETION COST _____

GROSS TOTAL COST \$1,206,000

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	4.6	255.1	44.2	-977.1
2	4.7	272.2	46.4	194.7
3	3.9	222.8	43.2	140.2
4	3.4	203.7	42.4	114.0
5	2.8	188.6	41.9	93.8
6	2.5	176.1	41.7	77.8
7	2.3	165.9	41.6	65.1
8	2.0	156.4	41.6	54.4
9	1.9	148.6	41.8	45.9
10	1.7	141.8	42.0	38.8
REMAINDER	9.0	1,509.9	614.1	197.8
TOTAL	38.9	3,441.1	1,041.0	45.4

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date : 6/12/2006

Lior: 1000379

3:38:09PM

Project Name : NASHDRAW Extract-Creating new PHDWi
 Partner : ALL CASES
 Case Type : LEASE CASE
 Archive Set : CMB112005

As Of Date : 01/01/2006
 Discount Rate (%) : 10.00
 1000379/POKER LAKE UNIT/227/DEL

Lease Name : 1000379/POKER LAKE UNIT/227/DEL
 Reserv Cat : Proved Producing
 Field : NASH DRAW (DELAWARE)
 Operator : BEPCO
 Reservoir : DELAWARE
 Co., State : EDDY, NM

Cum Oil (mbbls) : 1.30
 Cum Gas (mmcf) : 1.83

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
2006	3.120	17.827	17.827	0.000	2.636	15.064	0.000
2007	3.143	18.926	18.926	0.000	2.656	15.993	0.000
2008	2.793	17.001	17.001	0.000	2.360	14.366	0.000
2009	2.501	15.355	15.355	0.000	2.113	12.975	0.000
2010	2.269	14.033	14.033	0.000	1.918	11.858	0.000
2011	2.077	12.921	12.921	0.000	1.755	10.918	0.000
2012	1.920	12.004	12.004	0.000	1.623	10.144	0.000
2013	1.776	11.152	11.152	0.000	1.501	9.423	0.000
2014	1.656	10.438	10.438	0.000	1.400	8.820	0.000
2015	1.552	9.811	9.811	0.000	1.311	8.290	0.000
Rem	14.704	94.097	94.097	0.000	12.425	79.512	0.000
Total	37.512	233.566	233.566	0.000	31.697	197.363	0.000
Ult.	38.807	235.394					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2006	58.86	6.63	0.00	155.178	99.924	0.000	255.101
2007	58.82	7.25	0.00	156.188	116.025	0.000	272.213
2008	53.78	6.68	0.00	126.921	95.905	0.000	222.825
2009	54.61	6.81	0.00	115.410	88.313	0.000	203.723
2010	55.46	6.94	0.00	106.352	82.280	0.000	188.632
2011	56.31	7.07	0.00	98.852	77.226	0.000	176.078
2012	57.18	7.21	0.00	92.790	73.129	0.000	165.920
2013	58.07	7.35	0.00	87.157	69.241	0.000	156.399
2014	58.96	7.49	0.00	82.530	66.049	0.000	148.579
2015	59.87	7.63	0.00	78.506	63.258	0.000	141.764
Rem	66.26	8.64	0.00	823.283	686.603	0.000	1,509.886
Total	60.67	7.69	0.00	1,923.165	1,517.953	0.000	3,441.119

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2006	18.995	0.506	1,206.000	24.735	-995.134	-995.134	-977.123	-977.123
2007	20.561	0.544	0.000	25.307	225.801	-769.333	194.743	-782.381
2008	16.841	0.446	0.000	25.940	179.599	-589.734	140.191	-642.190
2009	15.404	0.407	0.000	26.598	161.314	-428.420	113.964	-528.226
2010	14.268	0.377	0.000	27.283	146.703	-281.716	93.817	-434.409
2011	13.324	0.352	0.000	27.991	134.412	-147.305	77.810	-356.599
2012	12.559	0.332	0.000	28.720	124.309	-22.996	65.134	-291.466
2013	11.842	0.313	0.000	29.463	114.781	91.785	54.434	-237.032
2014	11.253	0.297	0.000	30.224	106.805	198.590	45.851	-191.181
2015	10.739	0.284	0.000	31.002	99.739	298.329	38.761	-152.420
Rem	114.521	3.020	0.000	496.580	895.765	895.765	197.838	197.838
Total	260.305	6.878	1,206.000	773.842	1,194.094	1,194.094	45.418	45.418

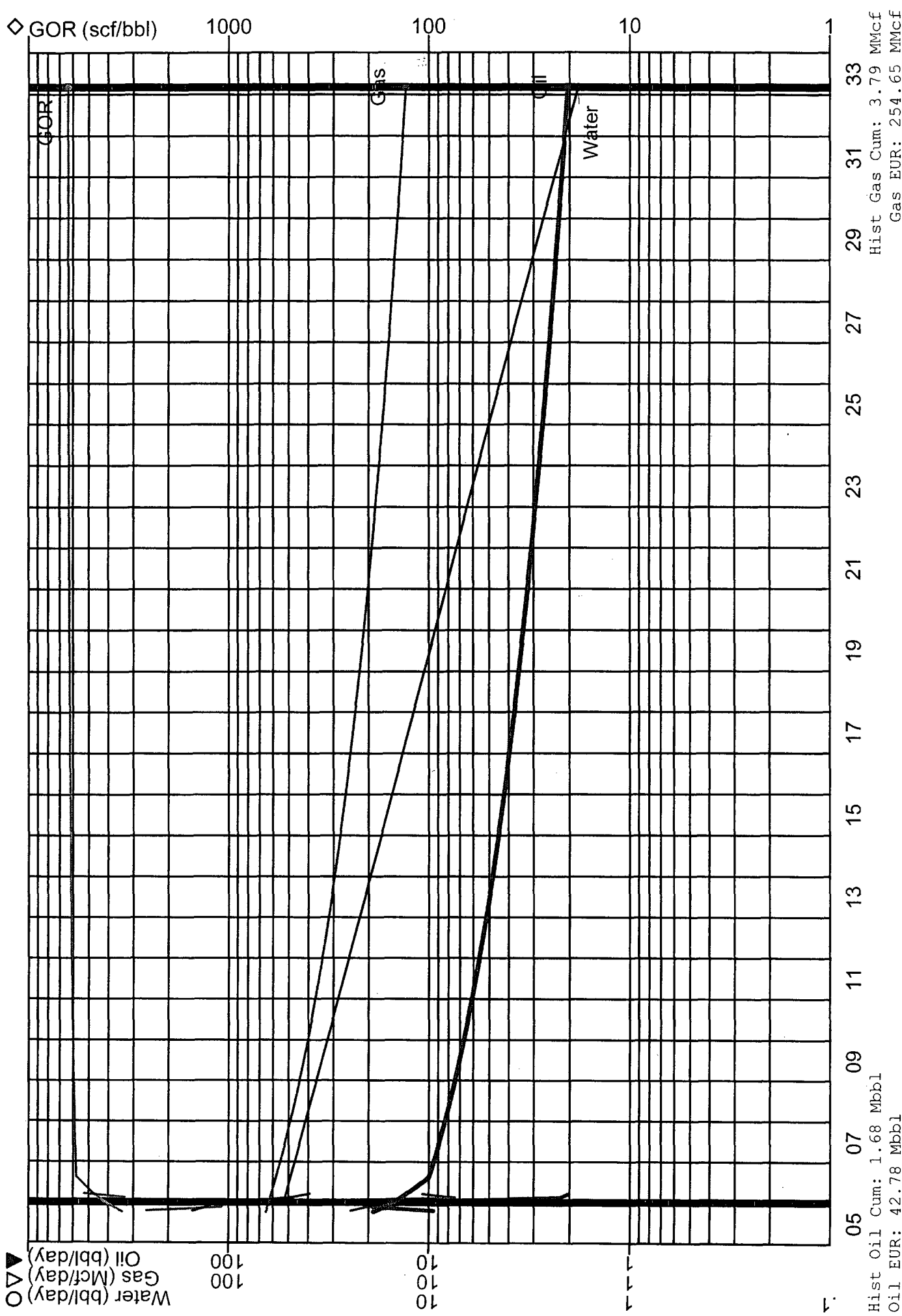
Major Phase : Oil
 Perfs : 0 0
 Initial Rate : 0.26 mbbbl/month
 Abandonment : 0.07 mbbbl/month
 Initial Decline : 89.08 % year b = 0.999
 Beg Ratio : 5.50 mcf/mbbl
 End Ratio : 6.47

Working Int : 1.00000000
 Revenue Int : 0.84500000
 Disc. Initial Invest. (m\$) : 1,176.767
 Internal ROR (%) : 10.78
 ROInvestment (disc/undisc) : 1.04 / 1.99
 Years to Payout : 7.20
 Abandonment Date : 05/17/2029

Present Worth Profile (M\$)

1.00% :	1,004.41
8.00% :	181.40
10.00% :	45.42
12.00% :	-65.15
15.00% :	-195.71
20.00% :	-349.64
30.00% :	-527.51
40.00% :	-621.74
50.00% :	-676.01
60.00% :	-708.21

	Initial	1st Rev.	2nd Rev.
Working Interest :	1.00000000	0.00000000	0.00000000
Revenue Interest :	0.84500000	0.00000000	0.00000000
Rev. Date :			



Hist Oil Cum: 1.68 Mbbl
Oil EUR: 42.78 Mbbl
Hist Gas Cum: 3.79 MMcf
Gas EUR: 254.65 MMcf

DISTRICT I

1625 N. French Dr., Hobbs, NM 58240

DISTRICT II

811 South First, Artesia, NM 58210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 47545	Pool Name NASH DRAW - DELAWARE
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 227
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3218'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	30	24 S	30 E		330	SOUTH	560	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill I	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 1 40.62 acres	40.62 acres	40.72 acres	40.72 acres
LOT 2 40.63 acres	40.63 acres	40.71 acres	40.71 acres
LOT 3 40.65 acres	40.65 acres	40.69 acres	40.69 acres
LOT 4 40.66 acres	40.66 acres	40.68 acres	40.68 acres

AT - N32°10'55.9"
LONG - W103°54'50.1"

3212.0' 3221.1' 560' 3209.6'

OPERATOR CERTIFICATION

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

William R. Dannels
Signature

W.R. DANNELS
Printed Name

DIVISION DRILLING SUPT.
Title

12/28/04
Date

SURVEYOR CERTIFICATION

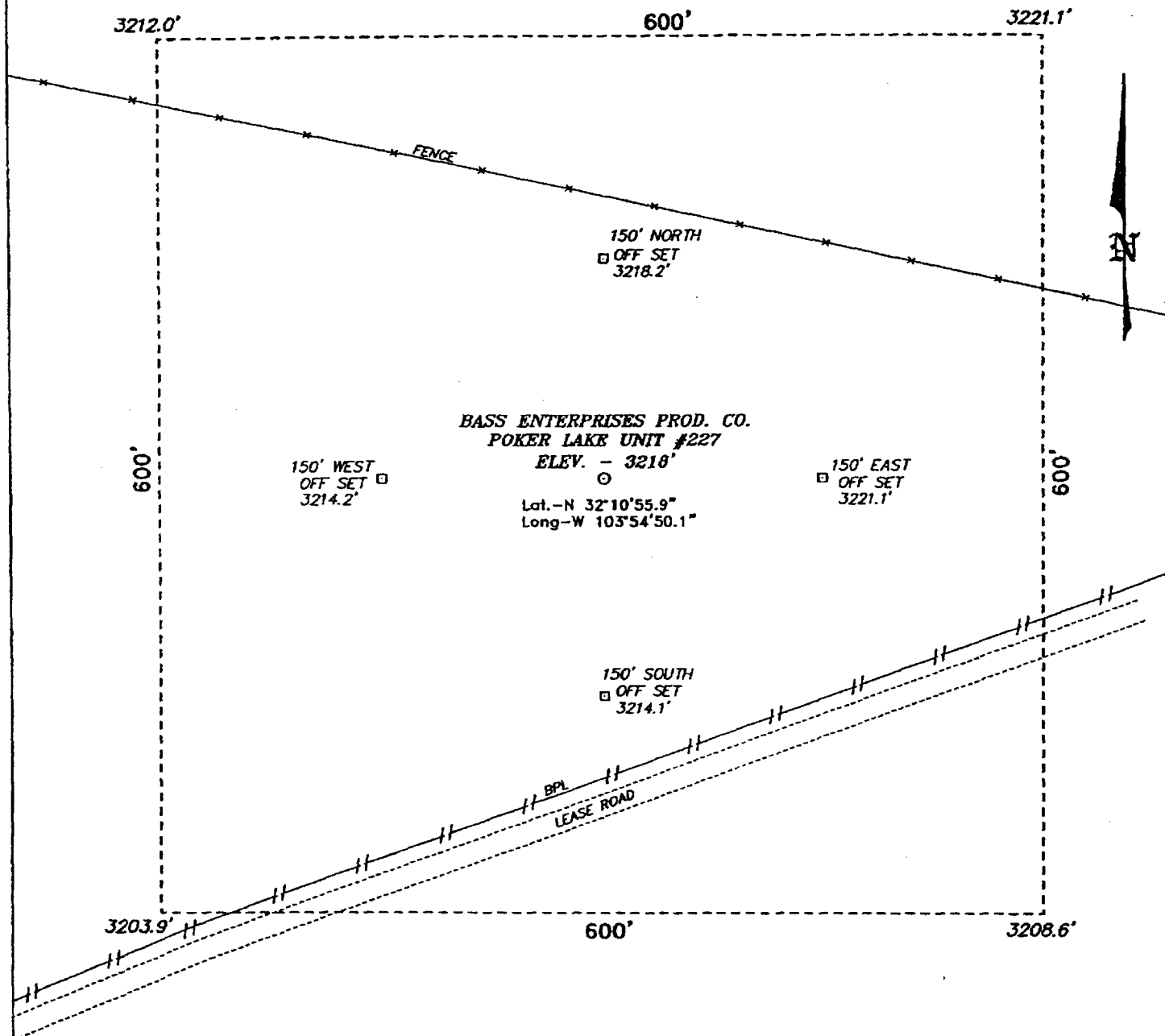
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 24, 2004
Date Surveyed

Gary L. Jones
Signature & Seal of Professional Surveyor

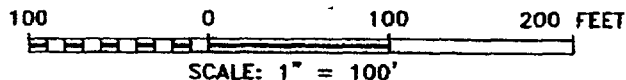
W.O. No. 4783
Certificate No. Gary L. Jones 7977

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



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. R. 793 AND STATE HWY 128, GO SOUTH ON 793 FOR APPROX. 4.0 MILES TO LEASE ROAD; THENCE EAST ON LEASE ROAD FOR 0.25 MILE; THENCE SOUTH 0.9 MILE; THENCE EAST 0.3 MILE; THENCE SOUTHERLY FOR APPROX. 5.0 MILES; THENCE WESTERLY FOR 1.2 MILE TO CO. RD. 748; THENCE SOUTHEASTERLY FOR APPROX. 2.1 MILES TO LEASE ROAD; THENCE WESTERLY FOR 0.25 MILE TO PROPOSED LOCATION.



BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 227 / Well Pad Topo

THE POKER LAKE UNIT No. 227 LOCATED 330' FROM
THE SOUTH LINE AND 560' FROM THE EAST LINE OF
SECTION 30, 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: 4783

Drawn By: K. GOAD

Date: 11-29-2004

Disk: KJG CD#7 - 4783A.DWG

Survey Date: 11-24-2004

Sheet 1 of 1 Sheets

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

- 1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

2. Name of Operator
Bass Enterprises Production Co.

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

3.a Phone No. (Include area code)
(422) 683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)

At Surface SESE, UL P, 330 FSL, 560 FEL NOV 0 4 2005

At top prod. interval reported below SAME

At total depth SAME

5. Lease Serial No.
NMLC069627 A

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and no.
NMNM71016 X

8. Lease Name and Well No.

POKER LAKE UNIT 227

9. API Well No.

30-015-33929 S1

10. Field and Pool, or Exploratory
NASH DRAW - DELAWARE

11. Sec., T., R., M., on Block and
Survey or Area SEC 30, T24S, R30E

12. County or Parish
EDDY

13. State
NM

14. Date Spudded

08/14/2005

15. Date T.D. Reached

09/03/2005

16. Date Completed

☐ D & A ☒ Ready to Prod.
10/01/2005

17. Elevations (DF, RKB, RT, GL)*

3218' GL

18. Total Depth: MD 7610'
TVD

19. Plug Back T.D.: MD 7521'
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
GR-CNL-LDT; GR-AIT

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8"K55	J55/32#	0'	540'		560		0'	0
7-7/8"	7"L80	23#	0'	3700'		485		0'	0
6-1/8"	4-1/2"J55	11.6#	0'	7605'		270		4840' TS	0

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	7375'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	7271'	7347'	6968' - 6991'	0.470	23	PRODUCING
B)			7271' - 7287'	0.470	16	PRODUCING
C)			7341' - 7347'	0.470	12	PRODUCING
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
6968' - 6991'	124,022 GALS PW + 10,000# 14/30 LITE PROP
7271' - 7347'	124,390 GALS PW + 10,000# 14/30 LITE PROP

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/01/05	10/18/05	24	→	63	34	230			PUMPING
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
11/64"	SI 280	280	→	63	34	230		POW	

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
	SI		→						

(See instructions and spaces for additional data on reverse side)

ACCEPTED FOR RECORD

OCT 31 2005

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				T/RUSTLER	60'
				T/SALT	630'
				B/SALT	3305'
				T/DELAWARE MTN GROUP	3504'

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geological Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Cindi GoodmanTitle Production ClerkSignature Cindi GoodmanDate 10/24/2005

Title 18 U.S.C. Section 101 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.

LEASE: **POKER LAKE UN** WELL #: **227**
 FIELD: **NASH DRAW DELAWARE**
 LOCATION: **330' FSL & 560' FEL, SECTION 30, T24S, R30E**
 COUNTY: **EDDY** ST: **NM** API: **30-015-33929**

CURRENT

SENT SUBSURFACE TO CARLSBAD TO VERIFY PUMP SIZE

KB: 3237'
 GL: 3217'
 SPUD DATE: 08/14/2005
 COMP DATE:

SURFACE CASING

SIZE: 8-5/8"
 WT/GRD: 32# K55 0-454'
 WT/GRD: 32# J55 454-540'
 CSA: 540'
 SX: 510 PREM+
 50 PREM+
 CIRC: N
 TOC: 53'
 SURF TOP OUT
 HOLE SIZE: 12-1/4" 0-636'

INTERMEDIATE CASING

SIZE: 7"
 WT/GRD: 23# L-80FL4S
 CSA: 3700'
 SX: 285 INTERFILL A
 SX: 100 PREM+
 SX: 100 (1") PREM+
 CIRC: Y (via 1")
 TOC: 1570' TS
 TOC: SURF (1") SQZD
 HOLE SIZE: 7-7/8" 636-3720'

PRODUCTION CASING

SIZE: 4-1/2"
 WT/GRD: 11.6# J55
 CSA: 7605'
 SX: 270 PREM+ W/N2
 CIRC: NO
 TOC: 4840' KB TS
 HOLE SIZE: 6-1/8" 3720-7610'

TUBING DATA

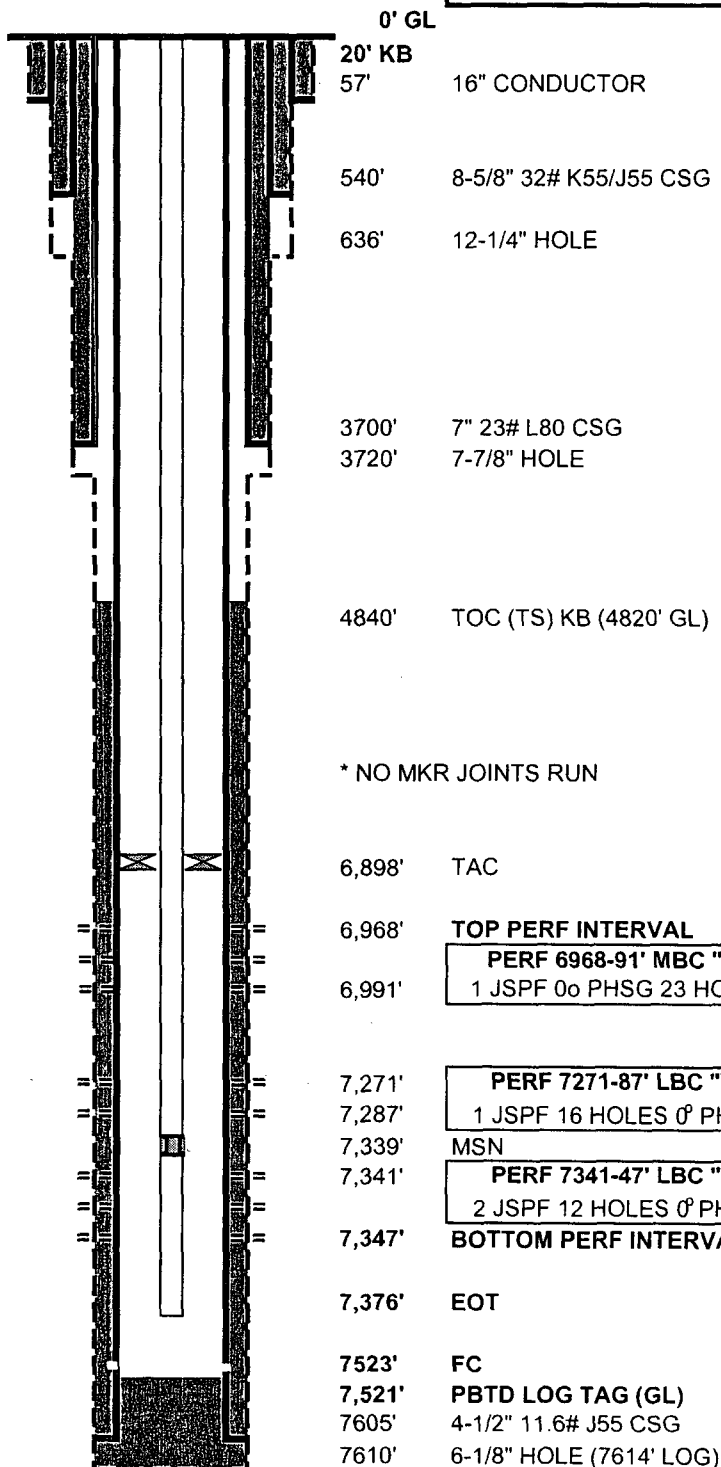
(221 JTS) 2-3/8" 4.7# J55
 TAC @ 6898'
 (14 JTS) 2-3/8" 4.7# J55
 SS TBG SUB
 MSN @ 7339'
 PERF SUB
 (1 JT) 2-3/8" 4.7# J55 TBG W/ BP&C
 EOT @ 7376'

RODS & PUMP DATA

2800' 7/8" TENARIS D RODS
 4450' 3/4" TENARIS D RODS
 1-1/2" RHBM PUMP

PERFORATION DATA

09/05 PERF 7271-87' LBC "Y", 7341-47' LBC
 F/ "Y" & "Z" 30kg PW PAD+94kg PW W/ 10k#
 14/30 LP+1kg 7-1/2% HCL ACID+3kg PW
 PERF 6968-91' "U" F/ 29.8kg PW PAD+94kg
 PW W/ 10k# 14/30 LP+4.2kg PW FLUSH



PBTD: 7521'
 TD: 7610'
 7614' LOG

Updated: 10/10/2005
 Author: KRA/MLL
 Engr: MLL

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

June 26, 2006

2006 JUN 27 AM 9 47

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones

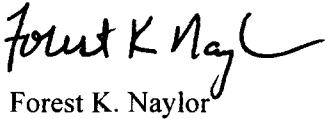
Re: Commercial Determination
Poker Lake Unit #241
Delaware Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Delaware Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,


Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL Poker Lake Unit # 241 FORMATION Delaware, Bone Spring (Avalon Sd)
 LOCATION O UNIT, 840 FEET FROM SOUTH LINE & 2030 FEET FROM EAST LINE
 SECTION 30 TOWNSHIP 24S RANGE 30E COUNTY Eddy NEW MEXICO
 SPUD DATE 2/15/2006 COMPLETION DATE 4/1/2006 INITIAL PRODUCTION 4/1/2006
 PERFORATIONS 7220-7425

STIMULATION:

ACID

FRACTURE Frac 7220-7230' w/ 122864 gal PW + 10000# 14/30 Lite Prop

Frac 7405-7425' w/ 122549 gal PW + 10000# 14/30 Lite Prop

POTENTIAL (4/7/2006): 50 BOPD, 20 MCFPD, 255 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	
Porosity (Φ), %	<u>11%</u>	
Water saturation (Sw), %	<u>41%</u>	
Net Thickness (H), ft.	<u>35</u>	
Temperature (T), Fahrenheit	<u>126</u>	
Bottom Hole pressure (P), psia	<u>3,105</u>	
Recovery factor (RF), %	<u>15%</u>	
Recoverable Oil, Bbls *(See eq. below)	<u>65,601</u>	

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

B_o = 1.50

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 5/31/2006 1,989 MCF Gas 486 BBL Oil

INITIAL RATE (qi) 50

ECONOMIC LIMIT (ql) 2

HYPERBOLIC DECLINE RATE, dy n = .999, d = 76.43%/yr

REMAINING OIL (Q) = 39,514

ULTIMATE RECOVERABLE OIL (BO) 40,000

(Attach plot showing proration unit and participating area.)

ECONOMICGROSS WELL COST \$1,406,500 (to the depth of formation completed)

RECOMPLETION COST _____

GROSS TOTAL COST \$1,406,500

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	9.261	780.792	92.4	-741.1
2	6.614	627.226	92.2	474.4
3	4.309	385.857	74.7	249.4
4	3.186	294.557	68.9	163.6
5	2.532	240.332	66.0	114.4
6	2.101	204.089	64.5	82.9
7	1.799	178.621	63.9	61.7
8	1.566	158.662	63.7	46.2
9	1.389	143.546	63.9	35.1
10	1.248	131.467	64.4	26.7
REMAINDER	5.995	673.196	438.3	69.7
TOTAL	40.000	3,818.3	1,153.0	582.9

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date : 6/12/2006

Lior: 1000378

10:42:45AM

Project Name : NASHDRAW Extract-Creating new PHDWI
 Partner : ALL CASES
 Case Type : LEASE CASE
 Archive Set : CMB112005

As Of Date : 04/01/2006
 Discount Rate (%) : 10.00
 1000378/POKER LAKE UNIT/241/DEL

Lease Name : 1000378/POKER LAKE UNIT/241/DEL
 Reserv Cat. : Proved Producing
 Field : NASH DRAW (DELAWARE)
 Operator : BEPCO
 Reservoir : DELAWARE
 Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
2006	9.261	59.707	59.707	0.000	7.826	50.453	0.000
2007	6.614	48.749	48.749	0.000	5.589	41.193	0.000
2008	4.309	33.706	33.706	0.000	3.641	28.481	0.000
2009	3.186	25.661	25.661	0.000	2.692	21.683	0.000
2010	2.532	20.757	20.757	0.000	2.140	17.539	0.000
2011	2.101	17.424	17.424	0.000	1.775	14.723	0.000
2012	1.799	15.050	15.050	0.000	1.521	12.717	0.000
2013	1.566	13.180	13.180	0.000	1.323	11.137	0.000
2014	1.389	11.749	11.749	0.000	1.174	9.928	0.000
2015	1.248	10.598	10.598	0.000	1.055	8.955	0.000

Rem	5.994	51.288	51.288	0.000	5.065	43.338	0.000
Total	40.000	307.869	307.869	0.000	33.800	260.149	0.000
Ult.	40.000	307.869					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2006	58.38	6.42	0.00	456.861	323.932	0.000	780.792
2007	58.79	7.25	0.00	328.533	298.693	0.000	627.226
2008	53.77	6.67	0.00	195.781	190.076	0.000	385.857
2009	54.60	6.80	0.00	147.003	147.554	0.000	294.557
2010	55.45	6.94	0.00	118.651	121.682	0.000	240.332
2011	56.31	7.07	0.00	99.963	104.126	0.000	204.089
2012	57.18	7.21	0.00	86.945	91.676	0.000	178.621
2013	58.06	7.35	0.00	76.832	81.830	0.000	158.662
2014	58.96	7.49	0.00	69.206	74.340	0.000	143.546
2015	59.87	7.63	0.00	63.136	68.331	0.000	131.467
Rem	63.18	8.15	0.00	319.987	353.209	0.000	673.196
Total	58.07	7.13	0.00	1,962.898	1,855.448	0.000	3,818.346

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2006	58.876	1.562	1,406.500	31.950	-718.095	-718.095	-741.050	-741.050
2007	47.723	1.254	0.000	43.233	535.015	-183.080	474.407	-266.642
2008	29.429	0.772	0.000	44.523	311.134	128.055	249.408	-17.234
2009	22.492	0.589	0.000	45.829	225.647	353.701	163.616	146.382
2010	18.366	0.481	0.000	47.155	174.331	528.032	114.390	260.771
2011	15.605	0.408	0.000	48.500	139.575	667.607	82.888	343.660
2012	13.664	0.357	0.000	49.869	114.731	782.339	61.664	405.324
2013	12.142	0.317	0.000	51.255	94.948	877.287	46.184	451.508
2014	10.988	0.287	0.000	52.662	79.609	956.896	35.052	486.560
2015	10.066	0.263	0.000	54.091	67.047	1,023.942	26.723	513.283
Rem	51.583	1.346	0.000	385.407	234.860	234.860	69.652	69.652
Total	290.934	7.637	1,406.500	854.473	1,258.802	1,258.802	582.935	582.935

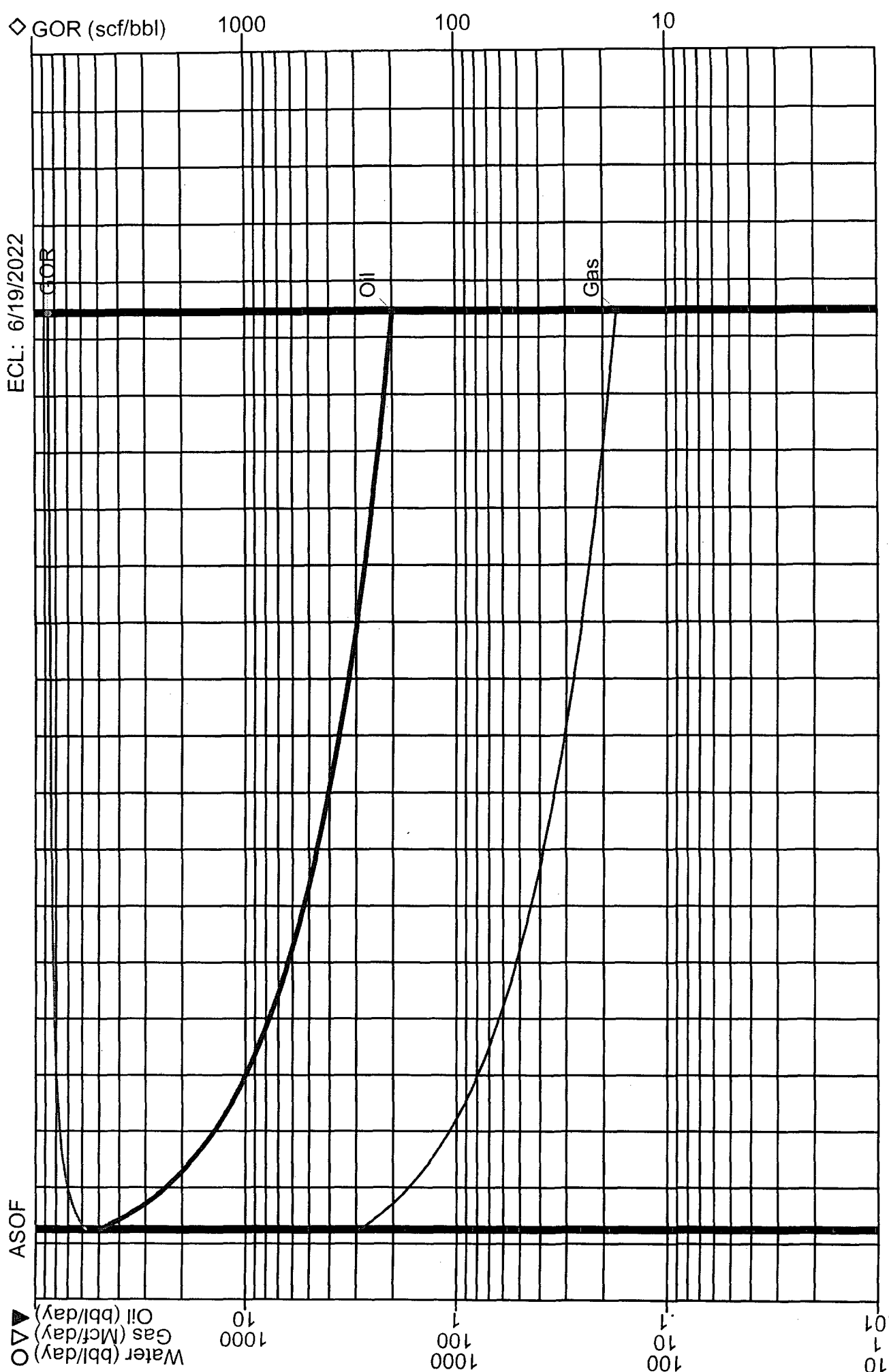
Major Phase : Oil
 Perfs : 0 0
 Initial Rate : 1.52 mbbl/month
 Abandonment : 0.06 mbbl/month
 Initial Decline : 76.43 % year b = 0.990
 Beg Ratio : 5.79 mcf/mbbl
 End Ratio : 8.62

Working Int : 1.00000000
 Revenue Int : 0.84500000
 Disc. Initial Invest. (m\$) : 1,406.500
 Internal ROR (%) : 28.43
 ROI Investment (disc/undisc) : 1.41 / 1.89
 Years to Payout : 2.30
 Abandonment Date : 06/19/2022

Present Worth Profile (M\$)

1.00% :	1,168.61
8.00% :	685.75
10.00% :	582.94
12.00% :	491.30
15.00% :	371.16
20.00% :	206.74
30.00% :	-32.88
40.00% :	-200.74
50.00% :	-326.29
60.00% :	-424.60

	Initial	1st Rev.	2nd Rev.
Working Interest :	1.00000000	0.00000000	0.00000000
Revenue Interest :	0.84500000	0.00000000	0.00000000
Rev. Date :			



Hist Oil Cum: 1.90 Mbbl
Oil EUR: 40.00 Mbbl
Hist Gas Cum: 10.34 MMcf
Gas EUR: 307.87 MMcf

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

2. Name of Operator
Bass Enterprises Production Co.

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

3.a Phone No. (Include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At Surface SWSE UL O, 840 FSL, 2030 FEL, LAT N. 32.11007, LON W 103.55083
At top prod. interval reported below SAME
At total depth

14. Date Spudded
02/15/2006

15. Date T.D. Reached
03/01/2006

16. Date Completed
☐ D & A ☒ Ready to Prod.
04/01/2006

18. Total Depth: MD 7570'
TVD

19. Plug Back T.D.: MD 7490'
TVD

20. Depth Bridge Plug Set: MD 7350'
TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
GR-CLN-LDT; GR-AIT

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
14-3/4"	11-3/4"	42#	0'	530'		365		0'	
11"	5-1/2"	15.5	0'	2505'					
7-7/8"	5-1/2"	15.5/17#	2505'	7565'		850		2920' TS	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	7299'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	7220'	7425'	7220' - 7230'	0.380	20	PRODUCING
B)			7405' - 7425'	0.380	40	BEHIND CIBP
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
7220' - 7230'	122,864 GALS PW + 10,000# 14/30 LITE PROP
7405' - 7425'	122,549 GALS PW + 10,000# 14/30 LITE PROP

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
04/01/06	04/07/06	24	→	50	20	255			PUMPING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
14/64"	275	170	→	50	20	255		PRODUCING	

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

(See Instructions and spaces for additional data on page 2)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				T/SALT	530'
				B/SALT	3232'
				T/LAMAR	3445'
				T/BELL CANYON	3471'
				T/CHERRY CANYON	4330'
				T/LOWER CHERRY CANYON	5584'
				T/BRUSHY CANYON	5648'
				T/LOWER BRUSHY CANYON	7041'
				T/BONE SPRING LIME	7288'
				T/AVALON SAND	7396'
				BASE AVALON SAND	7440'

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geological Report
 ☐ DST Report
 ☒ Directional Survey
☐ Sundry Notice for plugging and cement verification
☐ Core Analysis
☐ Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Cindi GoodmanTitle Production ClerkSignature Cindi GoodmanDate 04/11/2006

Title 18 U.S.C. Section 101 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.

1625 N. French Dr., Hobbs, NM 58240

DISTRICT II

511 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, 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

Per 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 30-015-34308		Pool Code 47545	Pool Name NASH DRAW DELAWARE / BS / AV. SAND
Property Code 001796	Property Name POKER LAKE UNIT		Well Number 241
OGRIID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY		Elevation 3198'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	30	24 S	30 E		840	SOUTH	2030	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill N	Consolidation Code			Order No.				

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

LOT 1 40.12 ACRES				OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>W.R. Dannels</i> Signature W.R. DANNELS Printed Name DIVISION DRILLING SUPT. Title Date 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. JUNE 08, 2005 Date Surveyed GARY L. JONES Signature & Seal of Professional Surveyor STATE OF TEXAS Professional Surveyor No. 5388 Certified by Gary L. Jones 7977 BASIN SURVEYS
	81.34 ACRES	162.26 ACRES		
LOT 2 40.16 ACRES				
LOT 3 40.20 ACRES				
			LAT - N32°11'00.7" LONG - W103°55'08.3"	
			162.27 ACRES	
LOT 4 40.24 ACRES	81.18 ACRES			

LEASE: POKER LAKE UNIT WELL #: 241
 FIELD: NASH DRAW (DELAWARE)
 LOCATION: 840' FSL & 2030' FEL, SECTION 30, T24S, R30E
 COUNTY: EDDY ST: NM API: 30-015-34308
 LAT: 32.168812
 LONG: -103918129

KB: 3216'
 GL: 3199'
 SPUD DATE: 2/15/2006
 COMP DATE: 3/30/2006

SURFACE CASING

SIZE: 11-3/4"
 WT/GRD: 42# H-40
 CSA: 530'
 SX: 365 C
 CIRC: Y 60 SX
 TOC: SURF
 HOLE SIZE: 14-3/4" 0-537'

PRODUCTION CASING

SIZE: 5-1/2"
 WT/GRD: 15.5# J55 0-5419'
 WT/GRD: 17# J55 5419-7570'
 CSA: 7570'
 SX: 850 LITE
 CIRC: N
 TOC: 2937' TS
 HOLE SIZE: 11" 537-2505'
 HOLE SIZE: 7-7/8" 2505-7570'

TUBING DATA (PER STRIPPINGS)

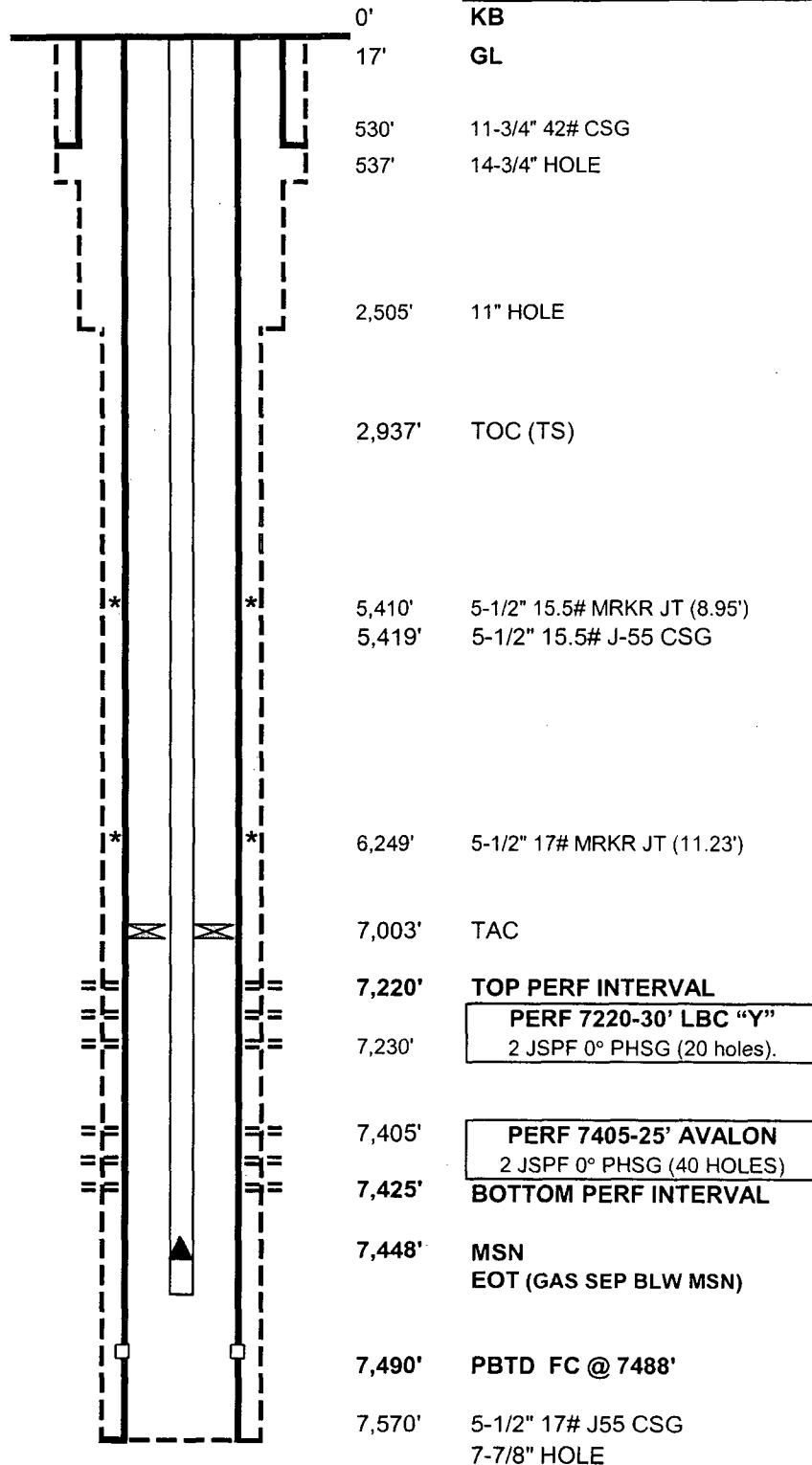
(221 JTS) 2-7/8" 6.5#/FT J-55 TBG
 TAC @ 7003'
 (14 JTS) 2-7/8" 6.5#/FT J-55 TBG
 SS TBG SUB
 MSN @ 7448'
 GAS SEPARATOR

ROD & PUMP DATA (PER STRIPPINGS)

2200' 1" TENARIS "KD" RODS
 2225' 7/8" TENARIS "KD" RODS
 3000' 3/4" TENARIS "KD" RODS
 1-3/4" RHBH-HVR PUMP
 AMPSCOT 320-256-120 40HP W/VSD
 96" X 4-10 X 1-3/4"

PERFORATION DATA

03/13/06 PERF AV 7405-25' F: 30kg PW
 Pad+92.5kg PW w/10k# 14/30 Lite Prop+7.3kg
 PW Flush
 03/27/06 PERF LBC "Y" 7220-30' F: 30kg PW
 Pad+92.8kg PW w/10k# 14/30 Lite Prop+7kg PW
 Flush



PBTD: 7,490'

TD: 7,570'

Updated: 5/31/2006

Author: KRA

Engr: BJC

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

2006 JUL 14 AM 11 02

July 12, 2006

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones

Re: Commercial Determination
Poker Lake Unit #237
Delaware Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Delaware Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,


Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL Poker Lake Unit # 237 FORMATION Delaware, Bone Spring (Avalon Sd)
 LOCATION O UNIT, 660 FEET FROM SOUTH LINE & 1800 FEET FROM EAST LINE
 SECTION 19 TOWNSHIP 24S RANGE 30E COUNTY Eddy NEW MEXICO
 SPUD DATE 11/6/2005 COMPLETION DATE 12/10/2005 INITIAL PRODUCTION 12/10/2005
 PERFORATIONS 7146-7376

STIMULATION:

ACID _____

 FRACTURE Frac 7146-7242' w/ 126352 gal PW + 10000# 14/30 Lite Prop
Frac 7364-7376' w/ 124283 gal PW + 10000# 14/30 Lite Prop

POTENTIAL (12/10/2005): 120 BOPD, 200 MCFPD, 350 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	<u> </u>
Porosity (Φ), %	<u>10%</u>	<u> </u>
Water saturation (Sw), %	<u>42%</u>	<u> </u>
Net Thickness (H), ft.	<u>31</u>	<u> </u>
Temperature (T), Fahrenheit	<u>126</u>	<u> </u>
Bottom Hole pressure (P), psia	<u>3,073</u>	<u> </u>
Recovery factor (RF), %	<u>15%</u>	<u> </u>
Recoverable Oil, Bbls *(See eq. below)	<u>55,796</u>	<u> </u>

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

B_o = 1.50

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO	3/31/2006	19,488	MCF Gas	4,717	BBL Oil
INITIAL RATE (qi)		120			
ECONOMIC LIMIT (qi)		2			
HYPERBOLIC DECLINE RATE, dy		n = .999, d = 64.479%/yr			
REMAINING OIL (Q) =		24,021			
ULTIMATE RECOVERABLE OIL (BO)		28,738			

(Attach plat showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$1,217,732 (to the depth of formation completed)

RECOMPLETION COST _____

GROSS TOTAL COST \$1,217,732

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	1.119	137.472	14.5	-1,095.3
2	9.923	795.935	103.9	657.7
3	4.471	430.349	76.9	303.4
4	2.682	257.622	64.8	149.6
5	2.050	201.454	61.7	98.1
6	1.673	167.314	60.3	67.9
7	1.414	143.840	59.8	48.3
8	1.227	127.042	59.9	34.9
9	1.079	113.645	60.2	25.2
10	0.965	103.402	60.8	18.2
REMAINDER	2.136	235.963	163.2	26.3
TOTAL	28.739	2,714.0	785.9	334.2

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date : 6/1/2006

Lior: 1000376

9:45:09AM

Project Name : NASHDRAW Extract-Creating new PHDWi
 Partner : ALL CASES
 Case Type : LEASE CASE
 Archive Set : CMB112005

As Of Date : 12/01/2005
 Discount Rate (%) : 10.00
 1000376/POKER LAKE UNIT/237/DEL

Lease Name : 1000376/POKER LAKE UNIT/237/DEL
 Reserv Cat. : Proved Producing
 Field : NASH DRAW (DELAWARE)
 Operator : BEPCO
 Reservoir :
 Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
2005	1.119	6.927	6.927	0.000	0.946	5.858	0.000
2006	9.923	50.130	50.130	0.000	8.392	42.397	0.000
2007	4.471	31.982	31.982	0.000	3.781	27.048	0.000
2008	2.682	22.658	22.658	0.000	2.268	19.163	0.000
2009	2.050	17.487	17.487	0.000	1.734	14.790	0.000
2010	1.673	14.272	14.272	0.000	1.415	12.071	0.000
2011	1.414	12.058	12.058	0.000	1.196	10.198	0.000
2012	1.227	10.467	10.467	0.000	1.038	8.852	0.000
2013	1.079	9.202	9.202	0.000	0.912	7.783	0.000
2014	0.965	8.230	8.230	0.000	0.816	6.960	0.000

Rem	2.136	18.217	18.217	0.000	1.806	15.407	0.000
Total	28.738	201.631	201.631	0.000	24.305	170.528	0.000
Ult.	28.738	201.631					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2005	57.68	14.15	0.00	54.585	82.887	0.000	137.472
2006	59.18	7.06	0.00	496.643	299.292	0.000	795.935
2007	58.78	7.69	0.00	222.269	208.080	0.000	430.349
2008	53.77	7.08	0.00	121.946	135.676	0.000	257.622
2009	54.61	7.22	0.00	94.683	106.771	0.000	201.454
2010	55.45	7.36	0.00	78.474	88.841	0.000	167.314
2011	56.31	7.50	0.00	67.326	76.514	0.000	143.840
2012	57.18	7.65	0.00	59.344	67.698	0.000	127.042
2013	58.06	7.79	0.00	52.981	60.664	0.000	113.645
2014	58.96	7.94	0.00	48.112	55.290	0.000	103.402
Rem	60.58	8.21	0.00	109.424	126.539	0.000	235.963
Total	57.84	7.67	0.00	1,405.787	1,308.251	0.000	2,714.038

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2005	10.653	0.275	1,217.732	3.550	-1,094.738	-1,094.738	-1,095.273	-1,095.273
2006	59.674	1.592	0.000	42.600	692.068	-402.670	657.687	-437.587
2007	32.778	0.861	0.000	43.233	353.477	-49.193	303.404	-134.183
2008	19.746	0.515	0.000	44.523	192.838	143.646	149.576	15.393
2009	15.448	0.403	0.000	45.829	139.775	283.420	98.061	113.454
2010	12.832	0.335	0.000	47.155	106.993	390.414	67.932	181.387
2011	11.033	0.288	0.000	48.500	84.018	474.432	48.283	229.670
2012	9.746	0.254	0.000	49.869	67.173	541.605	34.940	264.610
2013	8.719	0.227	0.000	51.255	53.444	595.049	25.159	289.769
2014	7.935	0.207	0.000	52.662	42.598	637.647	18.154	307.923
Rem	18.111	0.472	0.000	144.657	72.723	72.723	26.268	26.268
Total	206.676	5.428	1,217.732	573.832	710.370	710.370	334.190	334.190

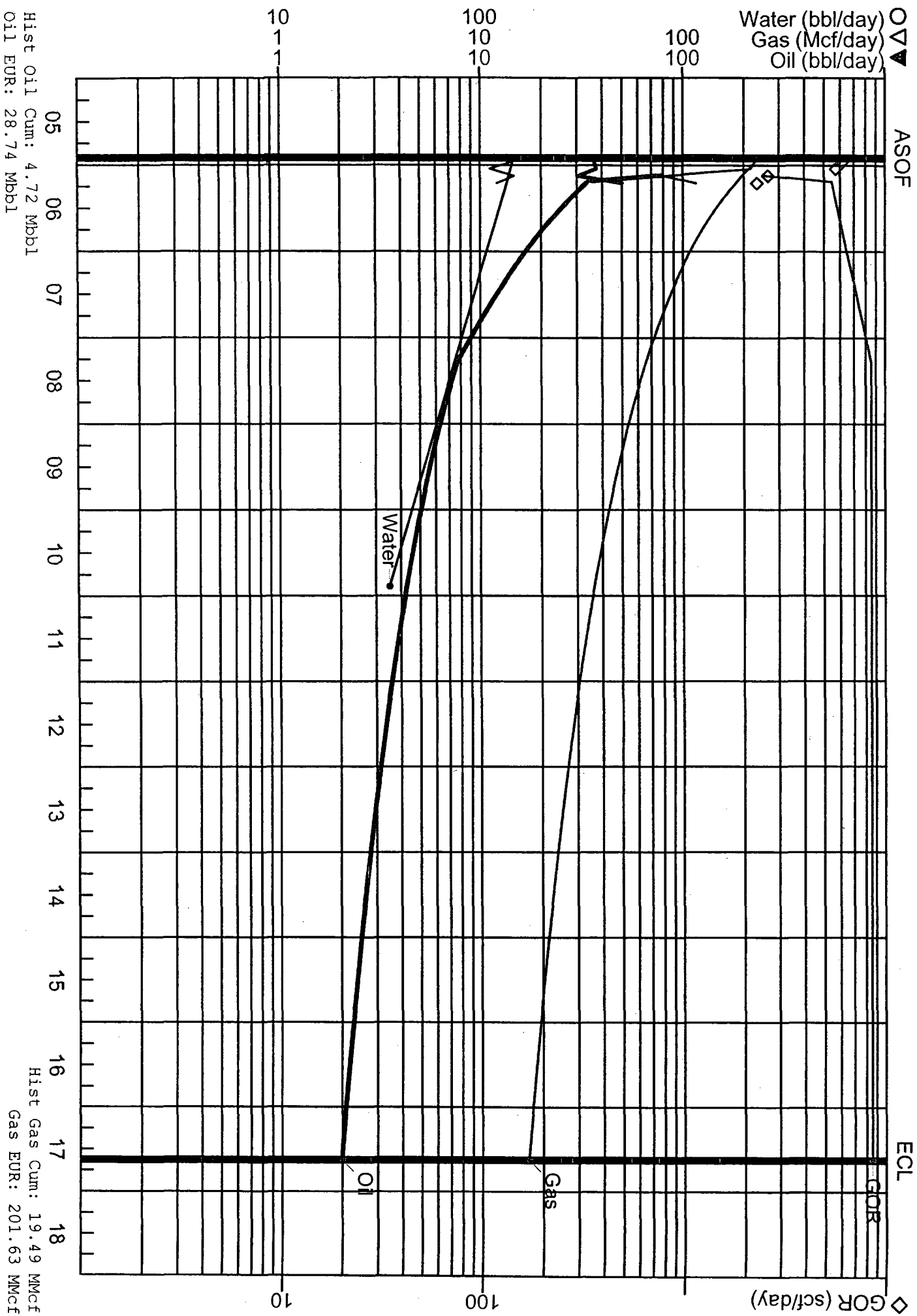
Major Phase : Oil
 Perfs : 0 0
 Initial Rate : 1.14 mbbbl/month
 Abandonment : 0.06 mbbbl/month
 Initial Decline : 0.00 % year b = 0.000
 Beg Ratio : 5.75 mcf/mbbl
 End Ratio : 8.53

Working Int : 1.00000000
 Revenue Int : 0.84574220
 Disc. Initial Invest. (m\$) : 1,217.732
 Internal ROR (%) : 25.42
 ROInvestment (disc/undisc) : 1.27 / 1.58
 Years to Payout : 2.31
 Abandonment Date : 08/16/2017

Present Worth Profile (M\$)

1.00% : 663.56
 8.00% : 395.52
 10.00% : 334.19
 12.00% : 278.13
 15.00% : 202.56
 20.00% : 95.20
 30.00% : -69.49
 40.00% : -190.49
 50.00% : -283.85
 60.00% : -358.58

	Initial	1st Rev.	2nd Rev.
Working Interest :	1.00000000	0.00000000	0.00000000
Revenue Interest :	0.84574220	0.00000000	0.00000000
Rev. Date :			



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

2. Name of Operator
Bass Enterprises Production Co.

3. Address P. O. Box 2760 Midland TX 79702 3.a Phone No. (Include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface SWSE, 660 FSL, 1800 FEL

At top prod. interval reported below SAME

At total depth SAME

14. Date Spudded 11/06/2005 15. Date T.D. Reached 11/25/2005 16. Date Completed
☐ D & A ☒ Ready to Prod.
12/10/2005

18. Total Depth: MD 7550' TVD 19. Plug Back T.D.: MD 7446' TVD 20. Depth Bridge Plug Set: MD TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
GR-CNL-LDT; GR-AIT

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
14-3/4"	11-3/4"	H40-42#	0'	591'		380		0'	0
7-7/8"	5-1/2" J55	15.5#	0'	6216'					0
7-7/8"	5-1/2" J55	17#	6216'	7548'		640		2660' TS	0

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	7397'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	7146'	7376'	7146' - 7156'	0.470	10	PRODUCING
B)			7233' - 7242'	0.470	9	PRODUCING
C)			7364' - 7376'	0.470	24	PRODUCING
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
7146' - 7242'	126,352 GALS PW + 10,000# 14/30 LITE PROP
7364' - 7376'	124,283 GALS PW + 10,000# 14/30 LITE PROP

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/10/05	12/19/05	24	→	120	200	350			PUMPING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
24/64"	200	1000	→	120	200	350		POW	

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

(See Instructions and spaces for additional data on page 2)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				T/RUSTLER	180'
				T/SALT	650'
				B/SALT	3220'
				T/DELAWARE MTN GROUP	3430'
				T/BONE SPRING LIME	7244'

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

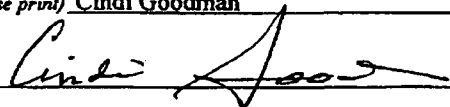
- ☐ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geological Report
 ☐ DST Report
 ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☐ Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Cindi Goodman

Title Production Clerk

Signature



Date 12/27/2005

Title 18 U.S.C. Section 101 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.

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

BASIN SURVEYS

CURRENT WELLBORE DIAGRAM

LEASE:	POKER LAKE UNIT	WELL#:	237	
FIELD:	NASH DRAW (DELAWARE)			X:628636
LOCATION:	660' FSL & 1800' FEL, SEC 19, T24S,R30E			Y:435778
COUNTY:	EDDY	ST: NM	API: 30-015-34364	Lat:32.19739
				Long:-103.91748

KB: 3183'
GL: 3166'
SPUD DATE: 11/6/2002
COMP DATE: 12/10/2005

SURFACE CASING

SIZE:	11-3/4"
WT/GRD:	42# H-40
CSA	591'
SX:	165 LITE
SX:	215 PREM
CIRC:	Y 113 SX
TOC:	SURF
HOLE SIZE:	14-3/4" 0-593'

PRODUCTION CASING

SIZE:	5-1/2"
WT/GRD:	15.5# J55 0-6215'
WT/GRD:	17# J55 6215-7548'
CSA	7548'
SX:	640 LITE
CIRC:	N
TOC:	2677' TS
HOLE SIZE:	11" 593-2858
HOLE SIZE:	7-7/8" 2858-7550'

TUBING DATA (PER STRIPPINGS)

(224 JTS) 2-7/8" 6.5#/FT J-55 TBG
BKR TAC @ ~7081'
(10 JTS) 2-7/8" 6.5#/FT J-55 TBG
3' SS BLAST SUB
SN @ ~7388'
8' TBG SUB GAS SEPARATOR W/ BP&C

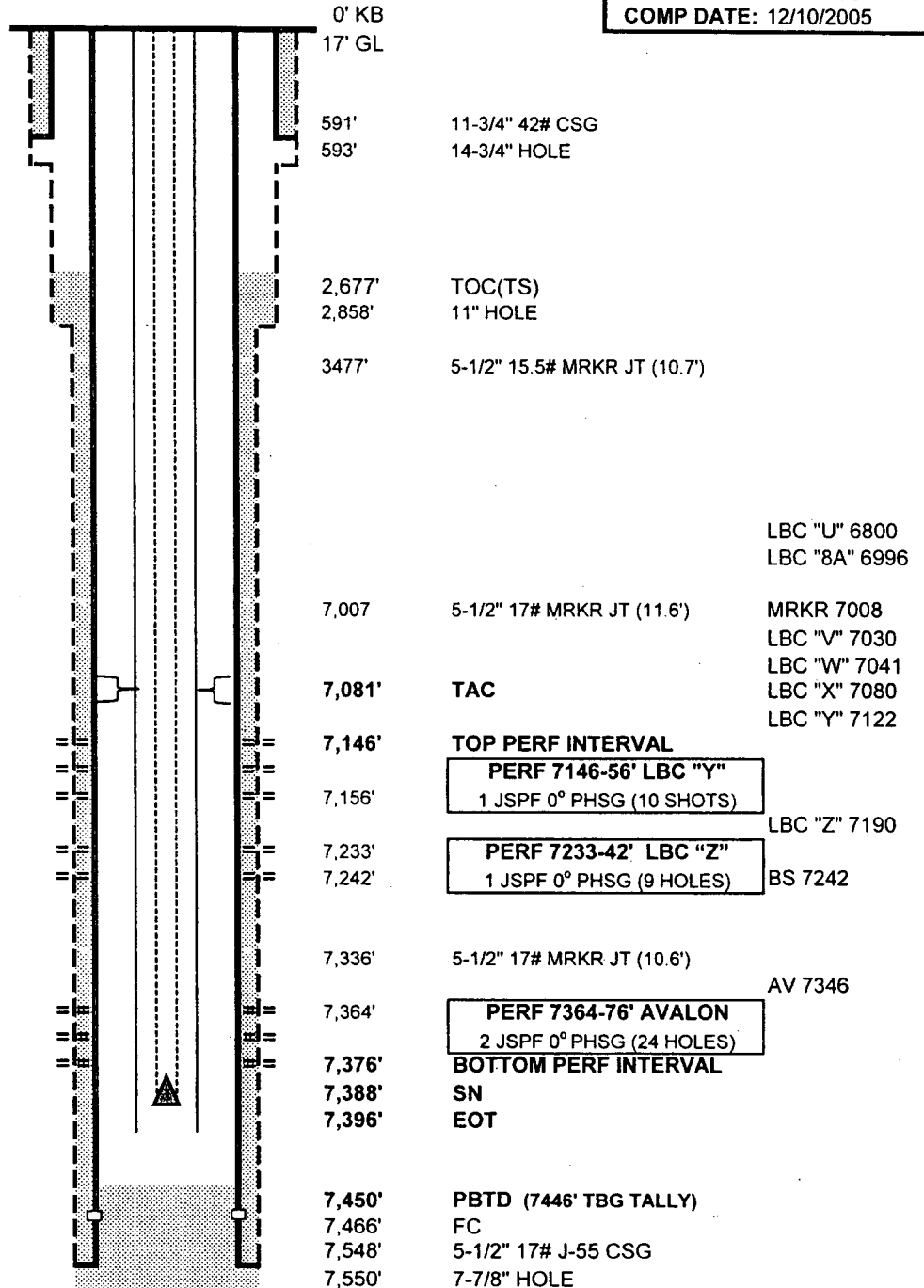
ROD & PUMP DATA (PER STRIPPINGS)

~2800' 7/8" TENARIS "KD" RODS
~4500' 3/4" TENARIS "KB" RODS
1-3/4" RHBM-HVR PUMP

AMPSCOTT 320-256-120 96" SL
40HP NEMA B W/ VSD

PERFORATION DATA

12/05 PERF 7364-76' AVALON
F: Avalon w/ 124kg PW +10k# 14/30 LP
12/05 PERF 7146-56' LBC "Y"
12/05 PERF 7233-42' LBC "Z"
F: "Y" & "Z" W/ 126kg PW + 10k# 14/30 LP



PBDT: 7,450'
TD: 7,550'

Updated: 6/1/2006
Author: KRA
Engr: BJC

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

2006 JUL 14 AM 11 02

July 12, 2006

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones

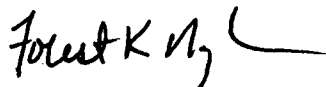
Re: Commercial Determination
Poker Lake Unit #236
Delaware Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Delaware Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,



Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL _____ Poker Lake Unit # 236 _____ FORMATION Delaware, Bone Spring (Avalon Sd) _____

LOCATION H _____ UNIT, 1555 FEET FROM NORTH LINE & 125 FEET FROM EAST LINE

SECTION 19 TOWNSHIP 24S RANGE 30E COUNTY Eddy NEW MEXICO

SPUD DATE 1/1/2006 COMPLETION DATE 2/14/2006 INITIAL PRODUCTION 2/14/2006

PERFORATIONS 7241-7480

STIMULATION:

ACID _____

FRACTURE Frac 7241-7320' w/ 148938 gal PW + 11972# 14/30 Lite Prop

Frac 7460-7480' w/ 148900 gal PW + 11985# 14/30 Lite Prop

POTENTIAL (2/26/2006): 110 BOPD, 110 MCFPD, 154 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	_____
Porosity (Φ), %	<u>13%</u>	_____
Water saturation (S_w), %	<u>46%</u>	_____
Net Thickness (H), ft.	<u>40</u>	_____
Temperature (T), Fahrenheit	<u>125</u>	_____
Bottom Hole pressure (P), psia	<u>3,114</u>	_____
Recovery factor (RF), %	<u>15%</u>	_____
Recoverable Oil, Bbls *(See eq. below)	<u>87,138</u>	_____

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

$B_o = 1.50$

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 3/31/2006 6,006 MCF Gas 5,071 BBL Oil

INITIAL RATE (qi) 110

ECONOMIC LIMIT (ql) 3

HYPERBOLIC DECLINE RATE, dy n = .999, d = 40.411%/yr

REMAINING OIL (Q) = 41,000

ULTIMATE RECOVERABLE OIL (BO) 46,071

(Attach plot showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$1,408,763 (to the depth of formation completed)

RECOMPLETION COST _____

GROSS TOTAL COST \$1,408,763

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	<u>15.377</u>	<u>919.713</u>	<u>99.1</u>	<u>-621.7</u>
2	<u>9.051</u>	<u>659.922</u>	<u>93.6</u>	<u>493.5</u>
3	<u>5.650</u>	<u>450.878</u>	<u>79.5</u>	<u>292.8</u>
4	<u>3.858</u>	<u>375.704</u>	<u>75.4</u>	<u>214.1</u>
5	<u>2.945</u>	<u>339.720</u>	<u>74.1</u>	<u>171.3</u>
6	<u>2.383</u>	<u>319.203</u>	<u>74.0</u>	<u>143.1</u>
7	<u>2.006</u>	<u>307.517</u>	<u>74.6</u>	<u>123.0</u>
8	<u>1.724</u>	<u>298.864</u>	<u>75.4</u>	<u>106.8</u>
9	<u>1.515</u>	<u>294.074</u>	<u>76.5</u>	<u>94.2</u>
10	<u>1.352</u>	<u>291.338</u>	<u>75.8</u>	<u>83.7</u>
REMAINDER	<u>0.209</u>	<u>47.834</u>	<u>12.8</u>	<u>12.9</u>
TOTAL	<u>46.070</u>	<u>4,304.8</u>	<u>810.9</u>	<u>1,113.7</u>

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date : 6/1/2006

Lior: 1000376

4:31:04PM

Project Name : NASHDRAW Extract-Creating new PHDWI
 Partner : ALL CASES
 Case Type : LEASE CASE
 Archive Set : CMB112005

As Of Date : 02/01/2006
 Discount Rate (%) : 10.00
 1000376/POKER LAKE UNIT/236/DEL

Lease Name : 1000376/POKER LAKE UNIT/236/DEL
 Reserv Cat. : Proved Producing
 Field : NASH DRAW (DELAWARE)
 Operator : BEPCO
 Reservoir : DELAWARE
 Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
2006	15.377	27.689	27.689	0.000	12.994	23.397	0.000
2007	9.051	32.329	32.329	0.000	7.648	27.318	0.000
2008	5.650	32.450	32.450	0.000	4.774	27.421	0.000
2009	3.858	32.394	32.394	0.000	3.260	27.373	0.000
2010	2.945	32.427	32.427	0.000	2.489	27.401	0.000
2011	2.383	32.460	32.460	0.000	2.013	27.428	0.000
2012	2.006	32.581	32.581	0.000	1.695	27.531	0.000
2013	1.724	32.525	32.525	0.000	1.457	27.484	0.000
2014	1.515	32.558	32.558	0.000	1.281	27.511	0.000
2015	1.352	32.590	32.590	0.000	1.142	27.539	0.000

Rem	0.209	5.374	5.374	0.000	0.177	4.541	0.000
Total	46.071	325.378	325.378	0.000	38.930	274.944	0.000
Ult.	46.071	325.378					

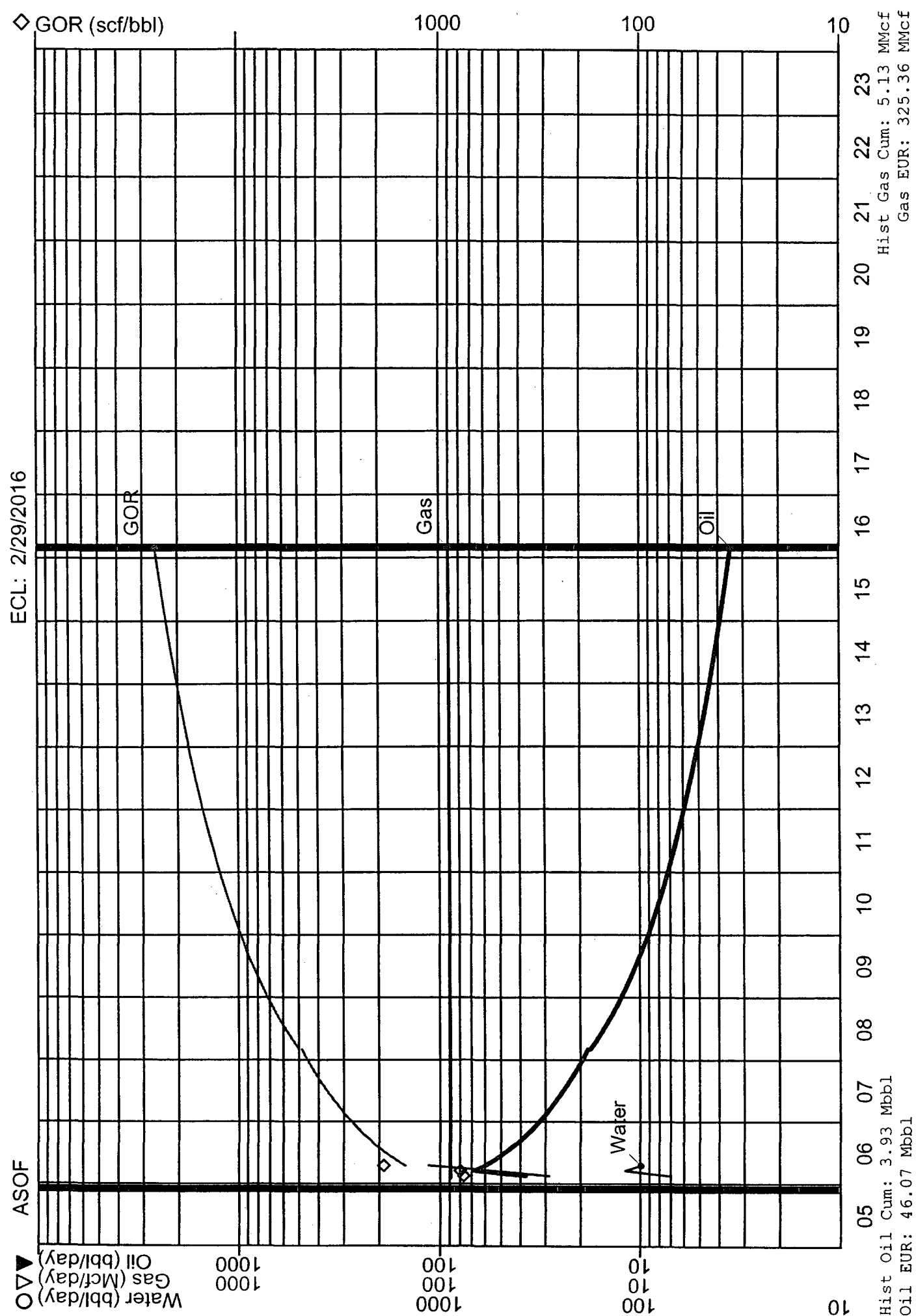
Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2006	58.53	6.80	0.00	760.501	159.212	0.000	919.713
2007	58.79	7.70	0.00	449.629	210.293	0.000	659.922
2008	53.76	7.08	0.00	256.644	194.233	0.000	450.878
2009	54.60	7.22	0.00	178.017	197.686	0.000	375.704
2010	55.45	7.36	0.00	137.994	201.726	0.000	339.720
2011	56.31	7.50	0.00	113.367	205.835	0.000	319.203
2012	57.18	7.65	0.00	96.927	210.590	0.000	307.517
2013	58.06	7.80	0.00	84.601	214.262	0.000	298.864
2014	58.96	7.94	0.00	75.501	218.574	0.000	294.074
2015	59.87	8.10	0.00	68.385	222.953	0.000	291.338
Rem	60.41	8.18	0.00	10.663	37.170	0.000	47.834
Total	57.34	7.54	0.00	2,232.230	2,072.536	0.000	4,304.766

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2006	66.883	1.839	1,408.763	30.412	-588.184	-588.184	-621.713	-621.713
2007	49.057	1.320	0.000	43.233	566.312	-21.872	493.490	-128.223
2008	34.078	0.902	0.000	44.523	371.375	349.503	292.767	164.544
2009	28.794	0.751	0.000	45.829	300.330	649.832	214.070	378.614
2010	26.291	0.679	0.000	47.155	265.595	915.427	171.299	549.913
2011	24.884	0.638	0.000	48.500	245.180	1,160.607	143.115	693.028
2012	24.110	0.615	0.000	49.869	232.923	1,393.530	123.046	816.074
2013	23.538	0.598	0.000	51.255	223.473	1,617.003	106.843	922.916
2014	23.247	0.588	0.000	52.662	217.577	1,834.581	94.162	1,017.079
2015	23.102	0.583	0.000	54.091	213.563	2,048.144	83.665	1,100.744
Rem	3.799	0.096	0.000	8.939	34.999	34.999	12.933	12.933
Total	327.783	8.610	1,408.763	476.467	2,083.143	2,083.143	1,113.676	1,113.676

Major Phase :	Oil	Working Int :	1.00000000	Present Worth Profile (M\$)	
Perfs :	0	Revenue Int :	0.84500000		
Initial Rate :	1.83 mbbbl/month	Disc. Initial Invest. (m\$) :	1,408.763	1.00% :	1,958.25
Abandonment :	0.11 mbbbl/month	Internal ROR (%) :	38.41	8.00% :	1,265.59
Initial Decline :	69.85 % year	ROI Investment (disc/undisc) :	1.79 / 2.48	10.00% :	1,113.68
Beg Ratio :	1.89 mcf/mbbl	Years to Payout :	1.97	12.00% :	977.43
End Ratio :	25.88	Abandonment Date :	02/29/2016	15.00% :	798.13
				20.00% :	553.03
				30.00% :	202.34
				40.00% :	-33.49
				50.00% :	-202.29
				60.00% :	-329.43

	Initial	1st Rev.	2nd Rev.
Working Interest :	1.00000000	0.00000000	0.00000000
Revenue Interest :	0.84500000	0.00000000	0.00000000
Rev. Date :			

Oper: BEPCO
Case Name: 1000376/POKER LAKE UNIT/236/DEL



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

COP

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

2. Name of Operator
Bass Enterprises Production Co.

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

3.a Phone No. (Include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface SENE, 1555 FNL, 125 FEL

At top prod. interval reported below SAME

At total depth SAME

BEP CO - WTD PRODUCTION

MAR 16 2006

RECEIVED

14. Date Spudded
01/01/2006

15. Date T.D. Reached
01/21/2006

16. Date Completed
☐ D & A ☒ Ready to Prod.
02/14/2006

5. Lease Serial No.
NMNM02860

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and no.
NMNM71016 X

8. Lease Name and Well No.
POKER LAKE UNIT 236

9. API Well No.
30-015-34419 SI

10. Field and Pool, or Exploratory
NASH DRAW-DELAWARE/BS AV

11. Sec., T., R., M., on Block and
Survey or Area SEC 19, T24S, R30E

12. County or Parish
EDDY

13. State
NM

17. Elevations (DF, RKB, RT, GL)*
3211' GL

18. Total Depth: MD 7600'
TVD

19. Plug Back T.D.: MD 7550'
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
GR-CNL-LDT; GR-AIT

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
14-3/4"	11-3/4"	42#HE	0'	720'		600		0'	0
11"	5-1/2" J55	15.5#	0'	2560'					0
7-7/8"	5-1/2" J55	15.5/17#	2560'	7598'		600		3240' TS	0

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	7498'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	7241'	7480'	7241' - 7246'	0.380	5	PRODUCING
B)			7255' - 7260'	0.380	5	PRODUCING
C)			7298' - 7320'	0.380	10	PRODUCING
D)			7460' - 7480'	0.380	40	PRODUCING

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
7241' - 7320'	148,938 GALS PW + 11,972# 14/30 LITE PROP
7460' - 7480'	148,900 GALS PW + 11,985# 14/30 LITE PROP

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
2/14/06	02/26/06	24	→	110	110	154			PUMPING
Choice Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
22/64"	SI 250	150	→	110	110	154		POW	

ACCEPTED FOR RECORD

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

MAR 13 2006

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, 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 30-015-34419	Pool Code 47545	Pool Name NASH DRAW - DELAWARE / Bone Spring / Avalon Sand
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 236
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	3211' 3211'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	24 S	30 E		1555	NORTH	125	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill N	Consolidation Code	Order No.						

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

LOT 1 40.12 ACRES			
	79.25 ACRES	162.73 ACRES	
LOT 2 40.16 ACRES			
LOT 3 40.20 ACRES			
	79.10 ACRES	162.64 ACRES	
LOT 4 40.24 ACRES			

3209.9' 3206.9'

3196.9' 3209.9'

Sac. Line

LAT - N32°12'21.9"

LONG - W103°54'45.3"

125'

1555'

OPERATOR CERTIFICATION

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

W.R. Dannels
Signature
W.R. DANNELS
Printed Name
DIVISION DRILLING SUPT.
Title
Date

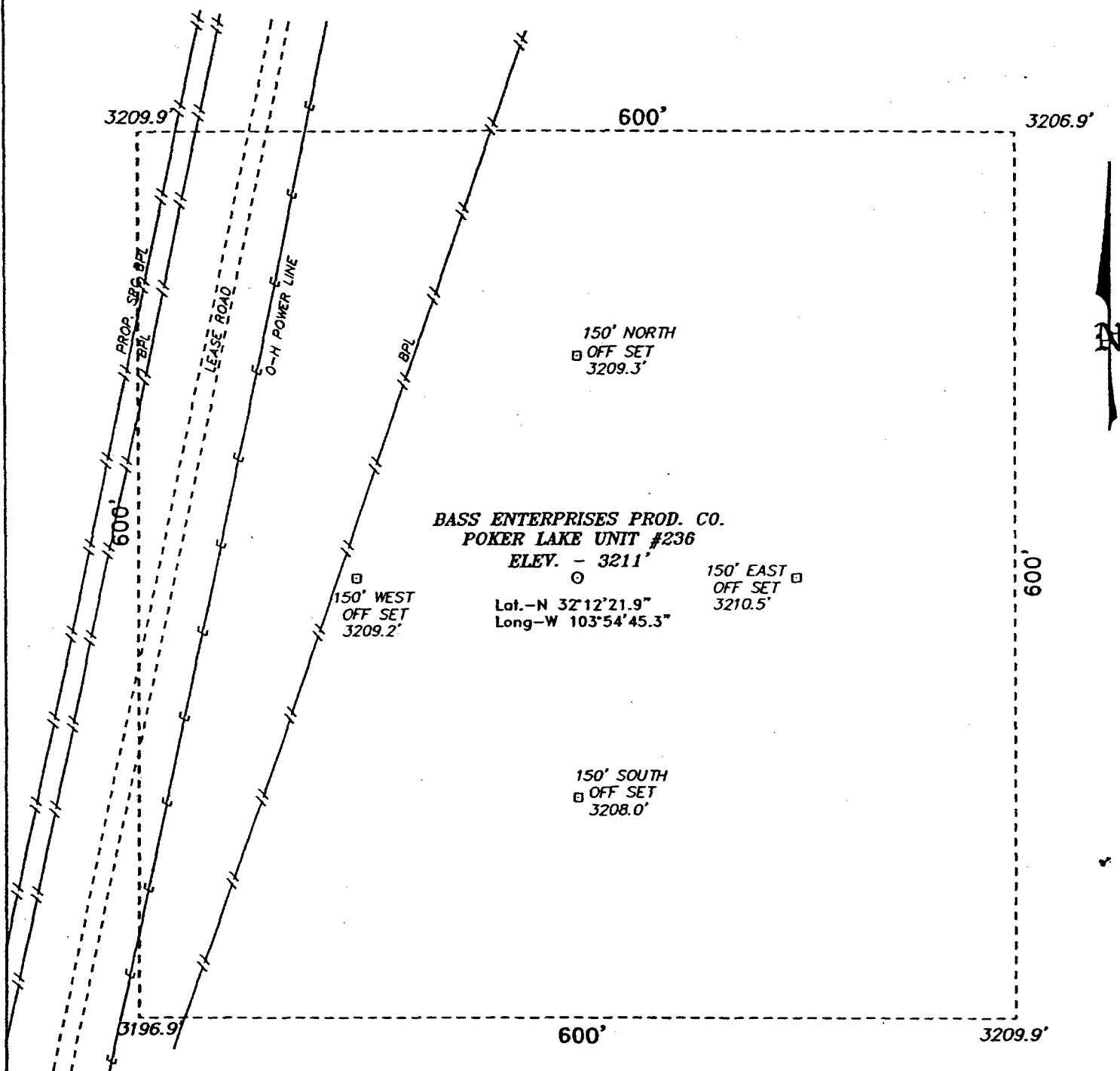
SURVEYOR CERTIFICATION

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 7, 2005

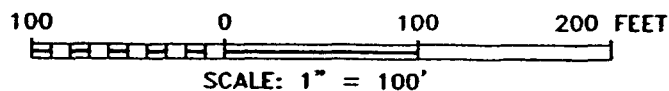
Date Surveyed
Signature
Professional Seal of
Professional Surveyor
7977
W.G. No. 5068
Certificate No. Gary Jones 7977
BASIN SURVEYS

SECTION 19, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

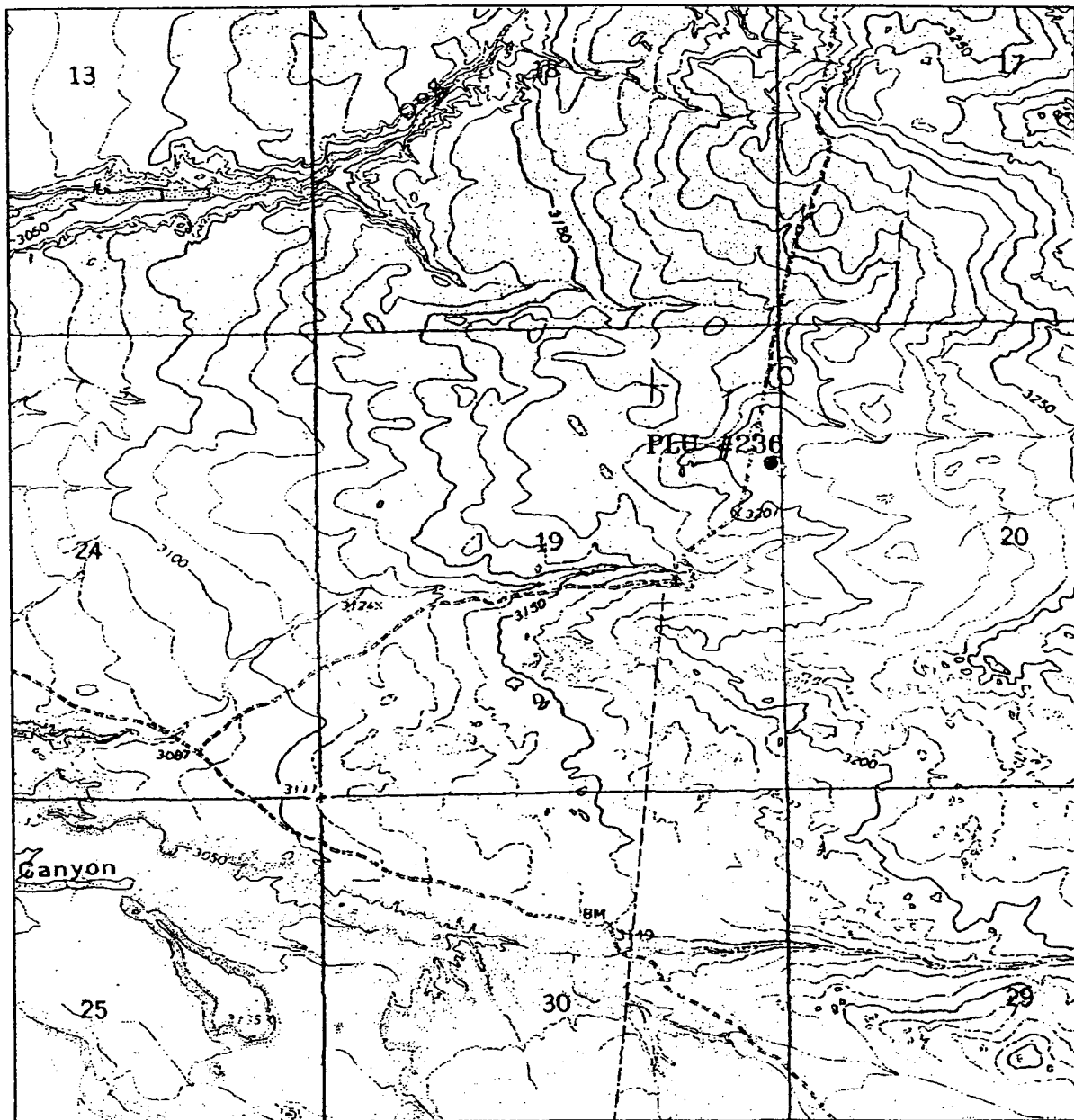
FROM THE JUNCTION OF STATE HWY 28 AND
RAWHIDE ROAD, GO SOUTH FOR 3.8 MILES; THENCE
EAST FOR 0.2 MILE; THENCE SOUTH FOR 0.9 MILE;
THENCE EAST FOR 0.2 MILE; THENCE SOUTH FOR 5.3
MILES TO PAD.



BASS ENTERPRISES PRODUCTION CO.

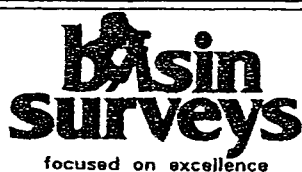
REF: POKER LAKE UNIT No. 236 / Well Pad Topo

THE POKER LAKE UNIT No. 236 LOCATED 1555' FROM
THE NORTH LINE AND 125' FROM THE EAST LINE OF
SECTION 19, TOWNSHIP 24 SOUTH, RANGE 30 EAST,



POKER LAKE UNIT #236

Located at 1555' FNL and 125' FEL
 Section 19, Township 24 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.



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

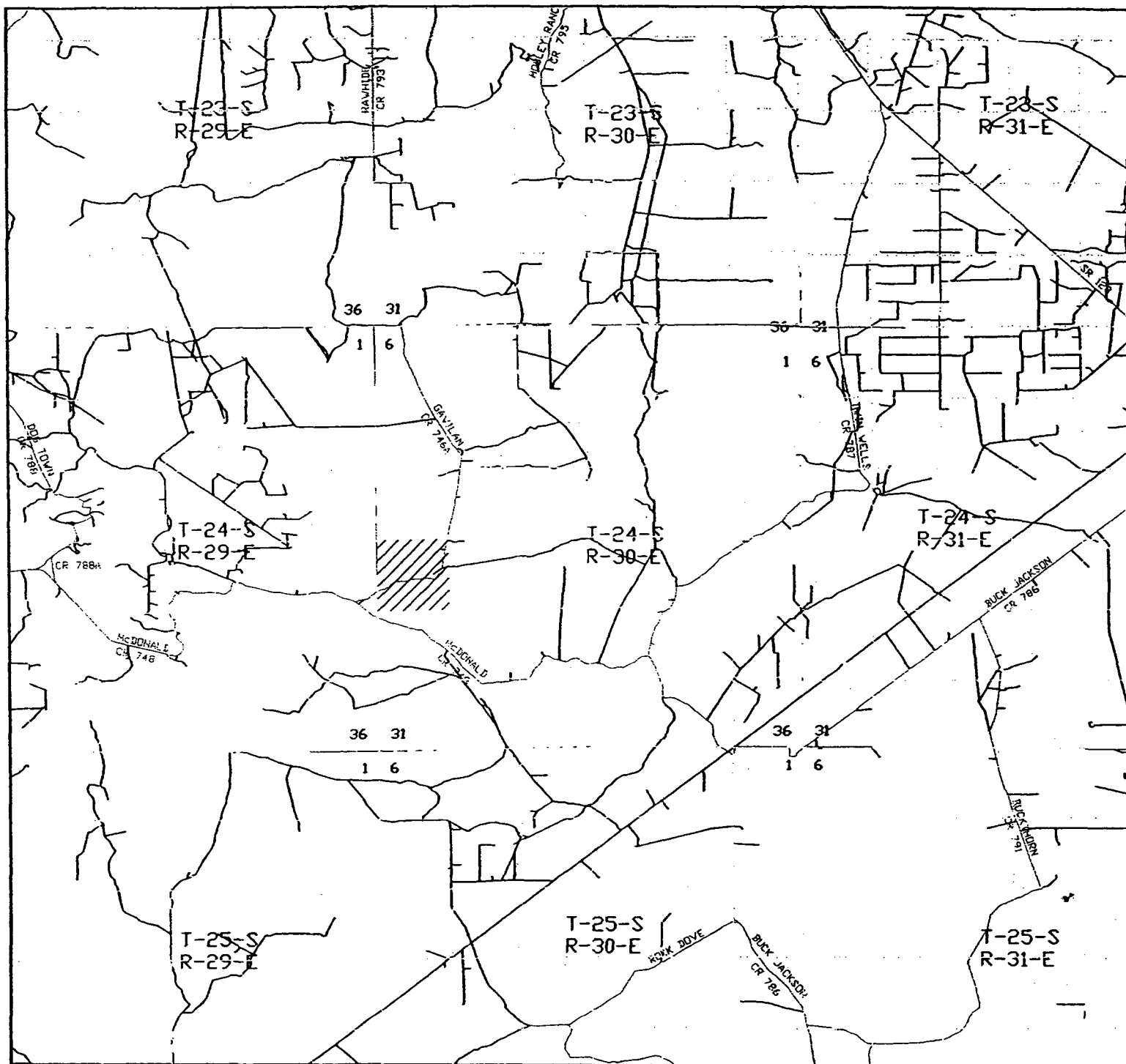
W.O. Number: 5568AA - KJG #7

Survey Date: 06-29-2005

Scale: 1" = 2000'

Date: 07-07-2005

**BASS ENTERPRISES
 PRODUCTION CO.**



POKER LAKE UNIT #236

Located at 1555' FNL and 125' FEL
 Section 19, Township 24 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.



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

W.O. Number: 5568AA - KJG #7

Survey Date: 06-29-2005

Scale: 1" = 2 MILES

Date: 07-07-2005

BASS ENTERPRISES
 PRODUCTION CO.

BASS ENTERPRISES PRODUCTION CO.
6 DESTA DRIVE, SUITE 3700 (79705)
P. O. BOX 2760
MIDLAND, TEXAS 79702

FAX (432) 687-0329

March 2, 2006

(432) 683-2277

Re: Poker Lake Unit #236
Nash Draw – Del/BS/Av Snd
Eddy County, NM
File: 100-WF: PLU236.CNF

Bureau of Land Management
2909 West Second Street
Roswell, NM 88201

Gentlemen:

Bass Enterprises Production Co. respectfully requests that the Logs and completion data on the above subject well, be held confidential for the maximum period of time.

If you should have any questions, please contact Cindi Goodman at the above letterhead address.

Sincerely,



Cindi Goodman
Production Clerk

cdg

CURRENT WELLBORE DIAGRAM

LEASE:	POKER LAKE UNIT	WELL#:	236	
FIELD:	NASH DRAW (DELAWARE)			X:630254
LOCATION:	1555' FNL & 125' FEL, SEC 19, T24S,R30E			Y:438907
COUNTY:	EDDY	ST: NM	API: 30-015-34419	Lat:32.205971
				Long:-103.912209

KB: 3227'
GL: 3210'
SPUD DATE: 1/1/2006
COMP DATE: 2/14/2006

SURFACE CASING

SIZE:	11-3/4"		
WT/GRD:	42#	HE	
CSA	720		
SX:	600		
CIRC:	Y	50 SX	
TOC:	SURF		
HOLE SIZE:	14-3/4"	0-720'	

PRODUCTION CASING

SIZE:	5-1/2"		
WT/GRD:	15.5# J55	0-6267'	
WT/GRD:	17# J55	6267-7598'	
CSA	7598'		
SX:	600		
CIRC:	Y	DVT @ 5909'	
TOC:	3257'	TS	
HOLE SIZE:	7-7/8"	720-7600'	

TUBING DATA

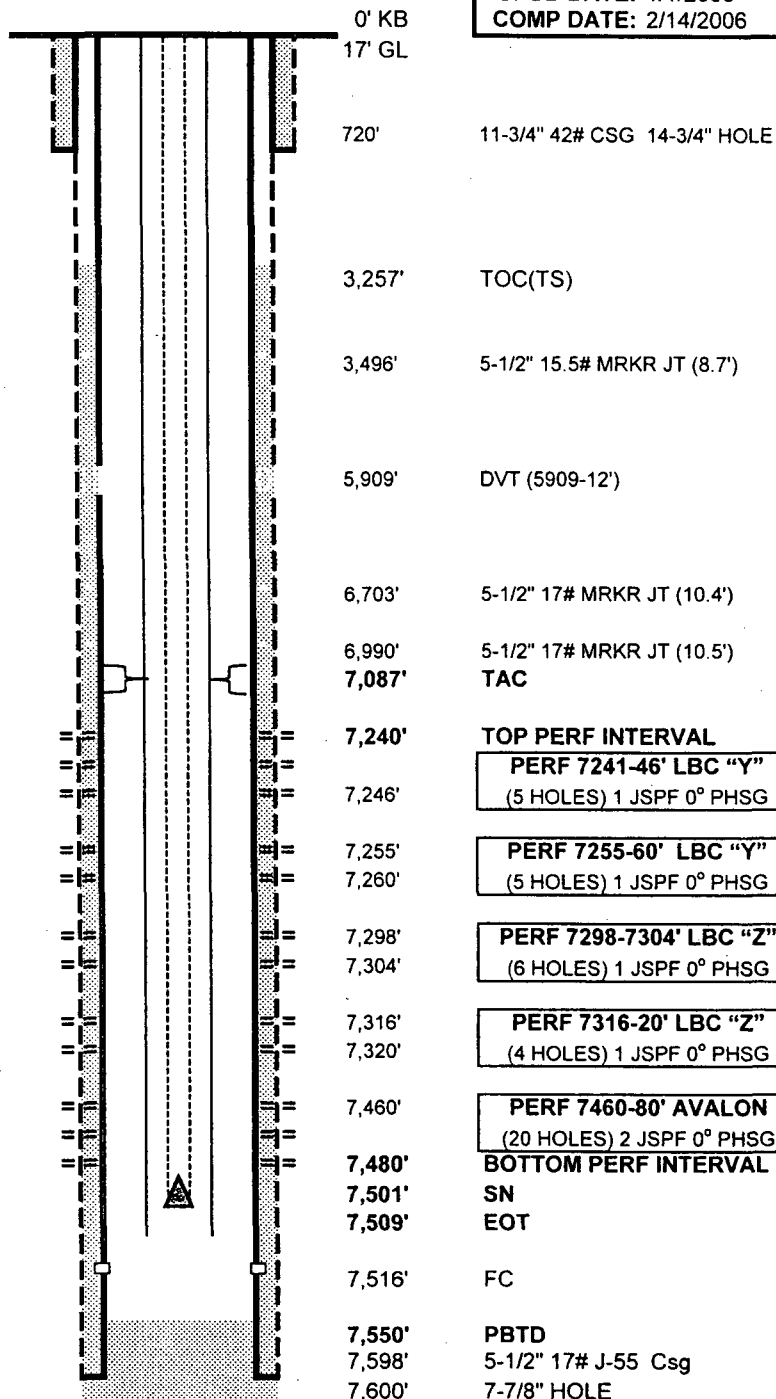
(226 JTS) 2-7/8" 6.5#/FT J-55 TBG
BKR TAC @ 7087'
(13 JTS) 2-7/8" 6.5#/FT J-55 TBG
3' SS BLAST SUB
SN @ 7501'
8' TBG SUB GAS SEPARATOR W/ BP&C

ROD & PUMP DATA

2175' 1" TENARIS "KD" RODS
2250' 7/8" TENARIS "KD" RODS
3025' 3/4" TENARIS "KB" RODS
1-3/4" RHBH-HVR PUMP
AMPSMOTT 320-256-120 96" SL
40HP NEMA B W/ VSD

PERFORATION DATA

02/06 PERF 7460-80' AVALON
F: AVLN W/ 148.9kg PW + 12k# 14/30 LP
02/06 PERF 7241-46' & 7255-60' LBC "Y":
7298-7304' & 7316-20' LBC "Z"
F: "Y" & "Z" W/ 148.9kg PW + 12k# 14/30 LP



PBTD: 7550'
TD: 7600'

Updated:	6/1/2006
Author:	KRA
Engr:	BJC

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

2006 JUL 14 AM 11 01

July 12, 2006

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones

Re: Commercial Determination
Poker Lake Unit #231
Delaware Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Delaware Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,



Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL _____ Poker Lake Unit # 231 _____ FORMATION Delaware, Bone Spring (Avalon Sd) _____
 LOCATION A UNIT, 330 FEET FROM NORTH LINE & 630 FEET FROM EAST LINE
 SECTION 19 TOWNSHIP 24S RANGE 30E COUNTY Eddy NEW MEXICO
 SPUD DATE 5/20/2005 COMPLETION DATE 6/23/2005 INITIAL PRODUCTION 6/23/2005
 PERFORATIONS 7172-7416

STIMULATION:

ACID _____

 FRACTURE Frac 7172-7268' w/ 128812 gal PW + 9966# 14/30 Lite Prop
Frac 7398-7416' w/ 135845 gal PW + 9960# 14/30 Lite Prop

POTENTIAL (06/23/2005): 164 BOPD, 226 MCFPD, 350-BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	_____
Porosity (Φ), %	<u>12%</u>	_____
Water saturation (Sw), %	<u>45%</u>	_____
Net Thickness (H), ft.	<u>36</u>	_____
Temperature (T), Fahrenheit	<u>126</u>	_____
Bottom Hole pressure (P), psia	<u>3,084</u>	_____
Recovery factor (RF), %	<u>15%</u>	_____
Recoverable Oil, Bbls *(See eq. below)	<u>73,732</u>	_____

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

B_o = 1.50

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 3/31/2006 41,704 MCF Gas 15,702 BBL Oil
 INITIAL RATE (qi) 164
 ECONOMIC LIMIT (ql) 2
 HYPERBOLIC DECLINE RATE, dy n = .999, d = 96.751%/yr
 REMAINING OIL (Q) = 32,903
 ULTIMATE RECOVERABLE OIL (BO) 48,605

(Attach plat showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$1,250,228 (to the depth of formation completed)

RECOMPLETION COST _____

GROSS TOTAL COST \$1,250,228

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	13.591	996.018	88.5	-370.8
2	9.450	674.778	94.0	523.0
3	5.552	438.224	76.9	294.7
4	3.711	288.084	66.8	163.2
5	2.777	229.189	63.6	110.5
6	2.223	192.377	62.1	78.7
7	1.854	166.801	61.5	57.5
8	1.593	148.340	61.5	43.0
9	1.390	133.446	61.7	32.1
10	1.235	121.985	62.2	24.2
REMAINDER	5.229	557.757	372.0	57.6
TOTAL	48.605	3,947.0	1,070.9	1,013.7

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date : 6/1/2006

Lior: 1000376

9:07:19AM

Project Name : NASHDRAW Extract-Creating new PHDWi
 Partner : ALL CASES
 Case Type : LEASE CASE
 Archive Set : CMB112005

As Of Date : 06/01/2005
 Discount Rate (%) : 10.00
 1000376/POKER LAKE UNIT/231/DEL

Lease Name : 1000376/POKER LAKE UNIT/231/DEL
 Reserv Cat : Proved Producing
 Field : NASH DRAW (DELAWARE)
 Operator : BEPCO
 Reservoir : DELAWARE
 Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
2005	13.591	31.485	31.485	0.000	11.484	26.605	0.000
2006	9.450	34.354	34.354	0.000	7.985	29.029	0.000
2007	5.552	24.977	24.977	0.000	4.692	21.106	0.000
2008	3.711	19.969	19.969	0.000	3.136	16.873	0.000
2009	2.777	16.562	16.562	0.000	2.347	13.995	0.000
2010	2.223	14.180	14.180	0.000	1.879	11.982	0.000
2011	1.854	12.399	12.399	0.000	1.566	10.477	0.000
2012	1.593	11.044	11.044	0.000	1.346	9.332	0.000
2013	1.390	9.907	9.907	0.000	1.174	8.372	0.000
2014	1.235	9.004	9.004	0.000	1.044	7.609	0.000

Rem	5.228	39.909	39.909	0.000	4.417	33.723	0.000
Total	48.605	223.790	223.790	0.000	41.071	189.102	0.000
Ult.	48.605	223.790					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2005	60.79	11.20	0.00	698.130	297.887	0.000	996.018
2006	58.94	7.03	0.00	470.648	204.129	0.000	674.778
2007	58.79	7.69	0.00	275.821	162.403	0.000	438.224
2008	53.77	7.08	0.00	168.601	119.484	0.000	288.084
2009	54.60	7.22	0.00	128.149	101.040	0.000	229.189
2010	55.45	7.36	0.00	104.182	88.196	0.000	192.377
2011	56.31	7.50	0.00	88.193	78.609	0.000	166.801
2012	57.18	7.65	0.00	76.969	71.371	0.000	148.340
2013	58.06	7.79	0.00	68.190	65.257	0.000	133.446
2014	58.96	7.94	0.00	61.543	60.442	0.000	121.985
Rem	61.88	8.43	0.00	273.339	284.418	0.000	557.757
Total	58.77	8.11	0.00	2,413.765	1,533.235	0.000	3,947.000

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2005	73.825	1.992	1,250.228	12.662	-342.689	-342.689	-370.782	-370.782
2006	50.040	1.350	0.000	42.600	580.788	238.100	522.999	152.217
2007	32.829	0.876	0.000	43.233	361.286	599.385	294.693	446.910
2008	21.723	0.576	0.000	44.523	221.263	820.648	163.203	610.113
2009	17.348	0.458	0.000	45.829	165.554	986.202	110.471	720.584
2010	14.599	0.385	0.000	47.155	130.239	1,116.441	78.650	799.234
2011	12.682	0.334	0.000	48.500	105.285	1,221.726	57.547	856.781
2012	11.295	0.297	0.000	49.869	86.880	1,308.606	42.980	899.761
2013	10.172	0.267	0.000	51.255	71.752	1,380.358	32.125	931.886
2014	9.307	0.244	0.000	52.662	59.772	1,440.130	24.225	956.111
Rem	42.646	1.116	0.000	328.203	185.791	185.791	57.610	57.610
Total	296.467	7.894	1,250.228	766.490	1,625.921	1,625.921	1,013.721	1,013.721

Major Phase : Oil
 Perfs : 0 0
 Initial Rate : 3.40 mbbbl/month
 Abandonment : 0.06 mbbbl/month
 Initial Decline : 96.75 % year b = 0.990
 Beg Ratio : 1.89 mcf/mbbl
 End Ratio : 7.88

Working Int : 1.00000000
 Revenue Int : 0.84500000
 Disc. Initial Invest. (m\$) : 1,250.228
 Internal ROR (%) : 60.07
 ROI Investment (disc/undisc) : 1.81 / 2.30
 Years to Payout : 1.13
 Abandonment Date : 09/15/2020

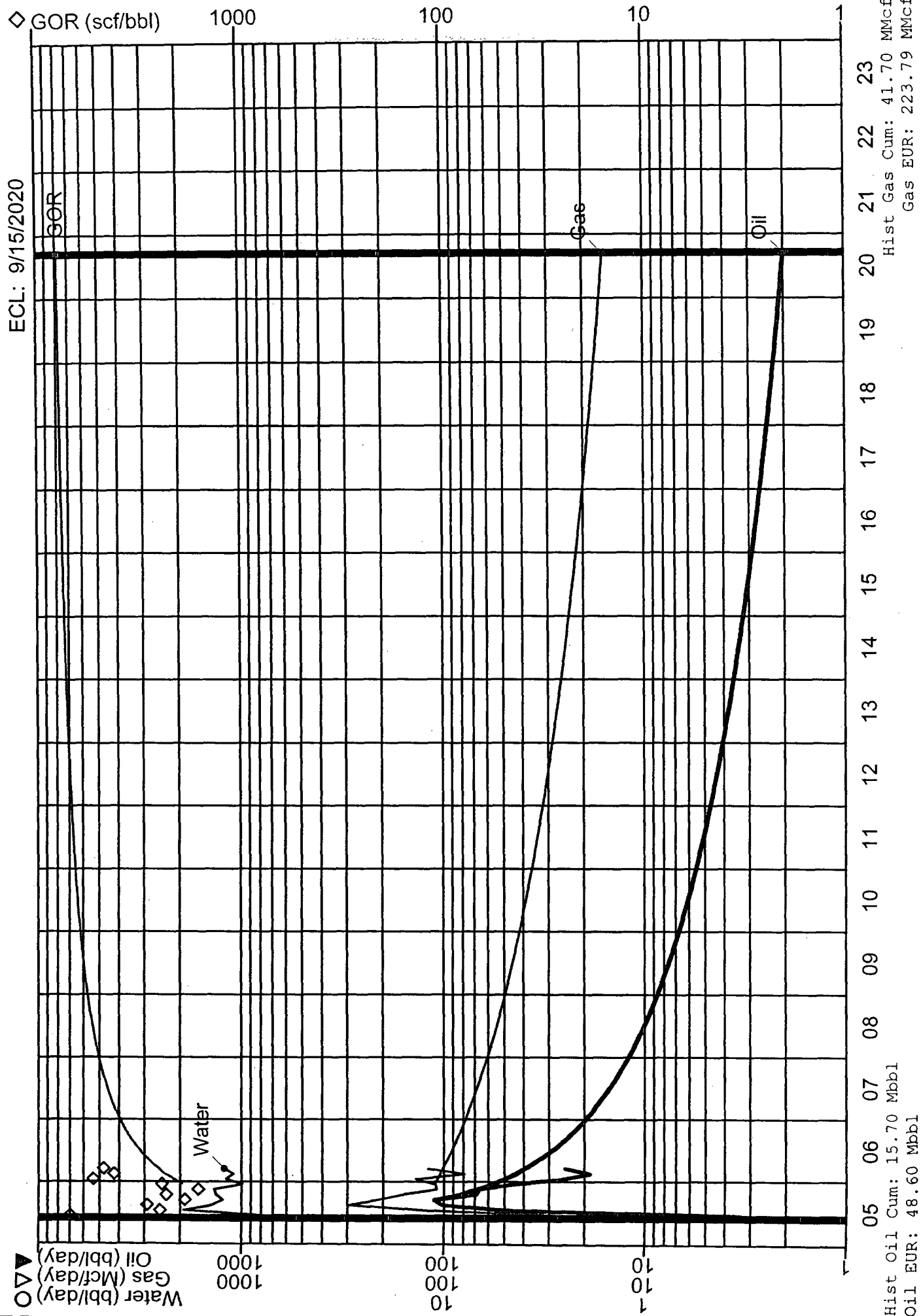
Present Worth Profile (M\$)

1.00% :	1,546.29
8.00% :	1,109.41
10.00% :	1,013.72
12.00% :	927.50
15.00% :	813.03
20.00% :	653.46
30.00% :	413.87
40.00% :	240.09
50.00% :	106.23
60.00% :	-1.32

	Initial	1st Rev.	2nd Rev.
Working Interest :	1.00000000	0.00000000	0.00000000
Revenue Interest :	0.84500000	0.00000000	0.00000000
Rev. Date :			

Oper: BEPCO
Case Name: 1000376/POKER LAKE UNIT/231/DEL

Field: NASH DRAW (DELAWARE)
EDDY, NM



LEASE: POKER LAKE UNIT

WELL #: 231

FIELD: NASH DRAW DELAWARE

LOCATION: 330' FNL & 630' FEL, SECTION 19, T24S, R30E

COUNTY: EDDY

ST: NM

API: 30-015-34072

KB: 3201.8'

GL: 3181.6'

SPUD DATE: 5/20/2005

COMP DATE: 6/23/2005

SURFACE CASING

SIZE: 8-5/8"
 WT/GRD: 32# J-55
 CSA: 550'
 SX: 150 THIX
 SX: 150 PBCZ
 SX: 200 PREM+
 SX: 236 PREM+
 CIRC: N TOP OUT
 TOC: SURF
 HOLE SIZE: 12-1/4" 0-550'

PRODUCTION CASING

SIZE: 5-1/2"
 WT/GRD: 15.5# J&K55 0-6329'
 WT/GRD: 17# J55&L80 6329'-7570'
 CSA: 7570'
 SX: 650 PREM+
 W/ 2% ZONESEAL & N2
 CIRC: Y
 TOC: 4280' TS
 HOLE SIZE: 7-7/8" 550-7570'

TUBING DATA

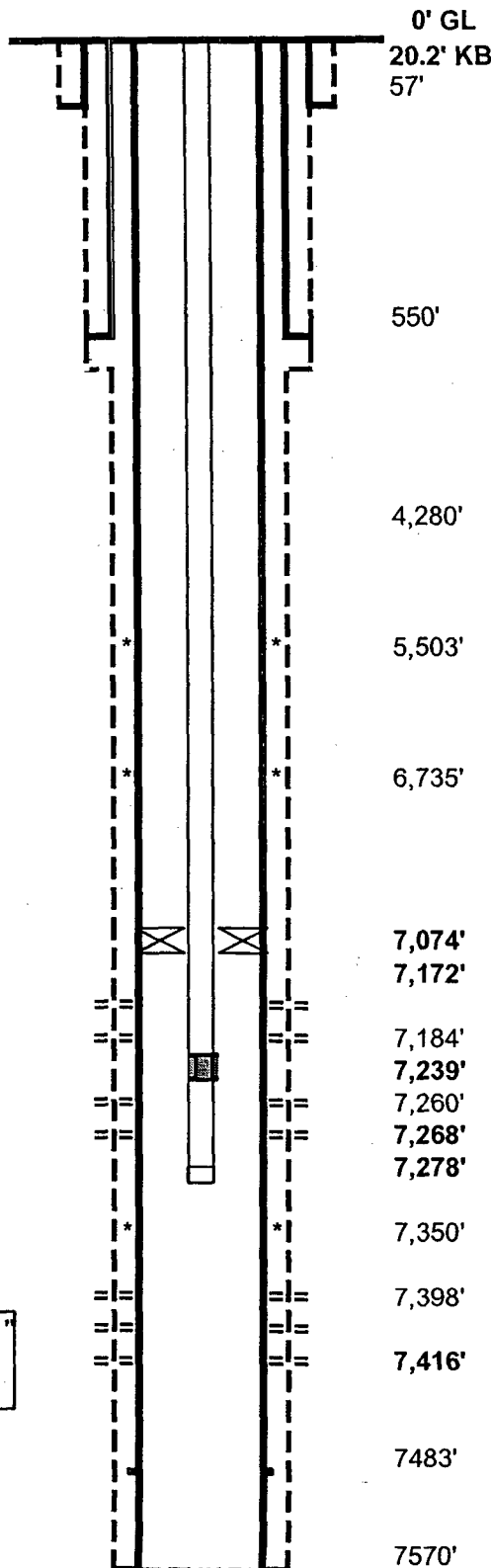
(222 JTS) 2-7/8" 6.5# J55 TBG
 TAC @7074'
 (5 JTS) 2-7/8" 6.5# J55 TBG
 3' SS BLAST SUB
 SN W/ GA @7239'
 6' GAS SEPARATOR
 (1 JT) 2-7/8" TBG W/ BPC F/ MA EOT @ 7278'

RODS & PUMP DATA

2600' 7/8" TENARIS D RODS
 4550' 3/4" TENARIS D RODS
 1-3/4" RHBM-HVR PUMP

PERFORATION DATA

06/05 PERF 7398-7416' AVALON
 F/ 42kg PW + 94kg PW W/ 9.9k# 14/30 LP
 + 1.3kg 7-1/2% HCL ACID + 6kg PW
 06/05 PERF 7172-84' LBC "Y", 7260-68' LBC "Z"
 F/ 30kg PW + 93.8kg PW W/ 9.9k# 14/30 LP +
 7kg PW FLUSH



0' GL
 20.2' KB
 57' 16" CONDUCTOR

550' 8-5/8" 32# J-55 CSG

4,280' TOC (TS)

5,503' 5-1/2" 15.5# K55 MRKR (16.7')

6,735' 5-1/2" 17# L80 MRKR (11.5')

7,074' TAC
 7,172' TOP PERF INTERVAL

PERF 7172-84' LBC "Y"
 1 JSPF 0o PHSG (12 HOLES)

SN
 PERF 7260-68' LBC "Z"
 2 JSPF 0o PHSG (16 HOLES)

EOT

7,350' 5-1/2" 17# L80 MRKR (11.5')

7,398' PERF 7398-7416' AVALON
 2 JSPF 0o PHSG 36 HOLES
 7,416' BOTTOM PERF INTERVAL

7483' FC (tagged @ 7490')

5-1/2" 17# J-55 CSG (SHOE
 TAGGED @ 7575') 7-7/8"

Updated: 7/29/2005

Author: KRA

Engr: MLL

PBDT: 7570'

TD: 7570'

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

- 1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

2. Name of Operator
Bass Enterprises Production Co.

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

3.a Phone No. (Include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)

At Surface NENE, 330 FNL, 630 FEL

At top prod. interval reported below SAME

At total depth SAME

BEP CO - WID PRODUCTION

JUL 2 5 2005

RECEIVED

5. Lease Serial No.
NMNM02860

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and no.
NMNM71016

8. Lease Name and Well No.
POKER LAKE UNIT 231

9. API Well No.
30-015-34072 SI

10. Field and Pool, or Exploratory
NASH DRAW - DELAWARE

11. Sec., T., R., M., on Block and
Survey or Area SEC 19, T24S, R30E

12. County or Parish
EDDY

13. State
NM

14. Date Spudded
05/20/2005

15. Date T.D. Reached
06/01/2005

16. Date Completed
☐ D & A ☒ Ready to Prod.
06/23/2005

17. Elevations (DF, RKB, RT, GL)*
3182' GL

18. Total Depth: MD 7570'
TVD

19. Plug Back T.D.: MD 7549'
TVD

20. Depth Bridge Plug Set: MD 7330'
TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
GR-CNLT-LDT; GR-AIT

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8" J55	32#	0'	550'		736		0'	0
7-7/8"	5-	15.5#	0'	6329'					0
7-7/8"	1/2" J&K55	17#	6329'	7570'		650		4280'	
	5-1/2" L80								

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	7024'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	7172'	7416'	7172'-7184'	0.470	12	PRODUCING
B)			7260'-7268'	0.470	16	PRODUCING
C)			7398'-7416'	0.470	36	BELOW CBP
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
7172'-7268'	123,812 GALS PW + 9966# 14/30 LITE PROP
7398'-7416'	135,845 GAL PW + 9960# 14/30 LITE PROP

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
06/23/05	07/02/05	24	→	164	226	350			PUMPING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
16/64"	450	650	→	164	226	350		POW	

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

ACCEPTED FOR RECORD

JUL 2 0 2005

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

(See Instructions and spaces for additional data on reverse side)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
RECEIVED 2005 JUL 20 AM 10:01 SUNSHINE OIL FIELD TOWSON OFFICE				T/RUSTLER	205'
				T/SALT	750'
				B/SALT	3280'
				T/DELAWARE MTN GROUP	3494'

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geological Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Cindi GoodmanTitle Production ClerkSignature Cindi GoodmanDate 07/07/2005

Title 18 U.S.C. Section 101 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.

1525 N. French Dr., Hobbs, NM 88240

DISTRICT II
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

For Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Park

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 231
OCRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3182'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	24 S	30 E		330	NORTH	630	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill N	Consolidation Code	Order No.						

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

LOT 1 - 40.77 AC.	LOT 2 - 40.87 AC.	LOT 3 - 40.94 AC.	LOT 4 - 41.06 AC.
80 AC GLO		80 AC GLO	
160 AC GLO		160 AC GLO	

3179.7' 3180.6'

3176.5' 3188.2'

630'

Lat - N32°12'34.1"

Long - W103°54'51.3"

OPERATOR CERTIFICATION

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

William R. Dannels

Signature

W.R. DANNELS

Printed Name

DIVISION DRILLING SUPT.

Title

3/5/05

Date

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.

December 9, 2004

Date Surveyed

GARY L. JONES

Signature

GARY L. JONES

Professional Surveyor

NEW MEXICO

No. 4927

Certification No. 4927

7977

BASIN SURVEYS

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

2006 JUL 14 AM 11 01

July 12, 2006

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones

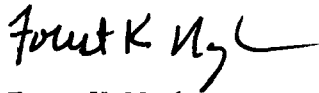
Re: Commercial Determination
Poker Lake Unit #222
Delaware Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Delaware Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,



Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL	<u>Poker Lake Unit # 222</u>	FORMATION	<u>Delaware, Bone Spring (Avalon Sd)</u>
LOCATION	<u>N</u> UNIT, <u>510</u> FEET FROM <u>South</u> LINE & <u>1980</u> FEET FROM <u>West</u> LINE		
SECTION	<u>19</u> TOWNSHIP <u>24S</u> RANGE <u>30E</u> COUNTY <u>Eddy</u> NEW MEXICO		
SPUD DATE	<u>9/27/2005</u>	COMPLETION DATE	<u>10/30/2005</u> INITIAL PRODUCTION <u>11/5/2005</u>
PERFORATIONS	<u>7085-7313'</u>		

STIMULATION:

ACID _____

FRACTURE Frac 7293-7313' w/ 178589 gal PW + 14,000# 14/30 Lite Prop

Frac 7085-7145' w/ 91818 gal PW + 8000# 14/30 Lite Prop

POTENTIAL (11/25/2005): 94 BOPD, 272 MCFPD, 314 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE	
Area (A) proration unit size, acres	<u>40</u>		
Porosity (Φ), %	<u>11%</u>		
Water saturation (Sw), %	<u>40%</u>		
Net Thickness (H), ft.	<u>41</u>		
Temperature (T), Fahrenheit	<u>119</u>		
Bottom Hole pressure (P), psia	<u>3,047</u>		
Recovery factor (RF), %	<u>15%</u>		
Recoverable Oil, Bbls *(See eq. below)	<u>85,194</u>		

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

B_o = 1.50

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 3/31/2006 17,300 MCF Gas 7,609 BBL OilINITIAL RATE (qi) 79ECONOMIC LIMIT (qi) 3HYPERBOLIC DECLINE RATE, dy n = .999, d = 81.036%/yrREMAINING OIL (Q) = 50,278ULTIMATE RECOVERABLE OIL (BO) 57,887

(Attach plot showing proration unit and participating area.)

ECONOMICGROSS WELL COST \$1,148,355 (to the depth of formation completed)

RECOMPLETION COST _____

GROSS TOTAL COST \$1,148,355

<u>YEAR</u>	<u>GROSS OIL MBBLS</u>	<u>BFIT NET INCOME (\$M)</u>	<u>OPERATING COST (\$M) INCL SEV & AD VAL TAX</u>	<u>10% NET BFIT DISCOUNTED CASH FLOW</u>
ZERO				
1	<u>4.275</u>	<u>288.941</u>	<u>8.9</u>	<u>-1,203.8</u>
2	<u>14.048</u>	<u>906.893</u>	<u>110.9</u>	<u>747.4</u>
3	<u>8.315</u>	<u>555.349</u>	<u>85.2</u>	<u>399.9</u>
4	<u>5.629</u>	<u>351.399</u>	<u>71.2</u>	<u>215.5</u>
5	<u>4.243</u>	<u>272.770</u>	<u>66.5</u>	<u>143.5</u>
6	<u>3.413</u>	<u>225.139</u>	<u>64.3</u>	<u>101.3</u>
7	<u>2.855</u>	<u>192.862</u>	<u>63.2</u>	<u>73.9</u>
8	<u>2.460</u>	<u>169.974</u>	<u>62.8</u>	<u>55.3</u>
9	<u>2.151</u>	<u>151.853</u>	<u>62.8</u>	<u>41.6</u>
10	<u>1.915</u>	<u>138.058</u>	<u>63.2</u>	<u>31.6</u>
REMAINDER	<u>8.585</u>	<u>660.997</u>	<u>403.6</u>	<u>81.7</u>
TOTAL	<u>57.889</u>	<u>3914.235</u>	<u>1,062.7</u>	<u>687.9</u>

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date : 5/30/2006

Lior: 1000376

2:25:19PM

Project Name : NASHDRAW Extract-Creating new PHDWi
 Partner : ALL CASES
 Case Type : LEASE CASE
 Archive Set : CMB112005

As Of Date : 04/01/2006
 Discount Rate (%) : 10.00
 1000376/POKER LAKE UNIT/222/DEL

Lease Name : 1000376/POKER LAKE UNIT/222/DEL
 Reserv Cat : Proved Producing
 Field : NASH DRAW (DELAWARE)
 Operator : BEPCO
 Reservoir :
 Co., State : EDDY, NM

Cum Oil (mbbls) : 7.61
 Cum Gas (mmcf) : 17.30

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbl)	Gas (MMCF)	NGL (MGal)
2006	10.714	24.152	24.152	0.000	9.053	20.408	0.000
2007	8.315	21.364	21.364	0.000	7.026	18.052	0.000
2008	5.629	15.605	15.605	0.000	4.756	13.187	0.000
2009	4.243	12.320	12.320	0.000	3.585	10.411	0.000
2010	3.413	10.238	10.238	0.000	2.884	8.651	0.000
2011	2.855	8.781	8.781	0.000	2.412	7.420	0.000
2012	2.460	7.720	7.720	0.000	2.079	6.524	0.000
2013	2.151	6.864	6.864	0.000	1.817	5.800	0.000
2014	1.915	6.200	6.200	0.000	1.618	5.239	0.000
2015	1.726	5.658	5.658	0.000	1.459	4.781	0.000

Rem	6.859	23.131	23.131	0.000	5.796	19.546	0.000
Total	50.278	142.034	142.034	0.000	42.485	120.018	0.000
Ult.	57.887	159.334					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2006	58.38	6.99	0.00	528.494	142.706	0.000	671.201
2007	58.79	7.88	0.00	413.053	142.296	0.000	555.349
2008	53.77	7.25	0.00	255.736	95.663	0.000	351.399
2009	54.60	7.40	0.00	195.762	77.008	0.000	272.770
2010	55.45	7.54	0.00	159.899	65.240	0.000	225.139
2011	56.31	7.69	0.00	135.825	57.036	0.000	192.862
2012	57.18	7.84	0.00	118.858	51.117	0.000	169.974
2013	58.06	7.99	0.00	105.530	46.323	0.000	151.853
2014	58.96	8.14	0.00	95.417	42.642	0.000	138.058
2015	59.87	8.29	0.00	87.321	39.655	0.000	126.976
Rem	62.59	8.76	0.00	362.781	171.240	0.000	534.021
Total	57.87	7.76	0.00	2,458.676	930.927	0.000	3,389.604

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2006	49.105	1.342	0.000	31.950	588.803	588.803	569.128	569.128
2007	40.898	1.111	0.000	43.233	470.107	1,058.910	416.727	985.855
2008	25.941	0.703	0.000	44.523	280.233	1,339.143	224.603	1,210.458
2009	20.167	0.546	0.000	45.829	206.229	1,545.373	149.521	1,359.979
2010	16.664	0.450	0.000	47.155	160.870	1,706.243	105.550	1,465.529
2011	14.288	0.386	0.000	48.500	129.688	1,835.931	77.012	1,542.542
2012	12.602	0.340	0.000	49.869	107.164	1,943.095	57.595	1,600.137
2013	11.265	0.304	0.000	51.255	89.029	2,032.124	43.303	1,643.440
2014	10.248	0.276	0.000	52.662	74.872	2,106.996	32.965	1,676.405
2015	9.430	0.254	0.000	54.091	63.201	2,170.197	25.190	1,701.595
Rem	39.709	1.068	0.000	299.053	194.191	194.191	59.928	59.928
Total	250.317	6.779	0.000	768.119	2,364.388	2,364.388	1,761.523	1,761.523

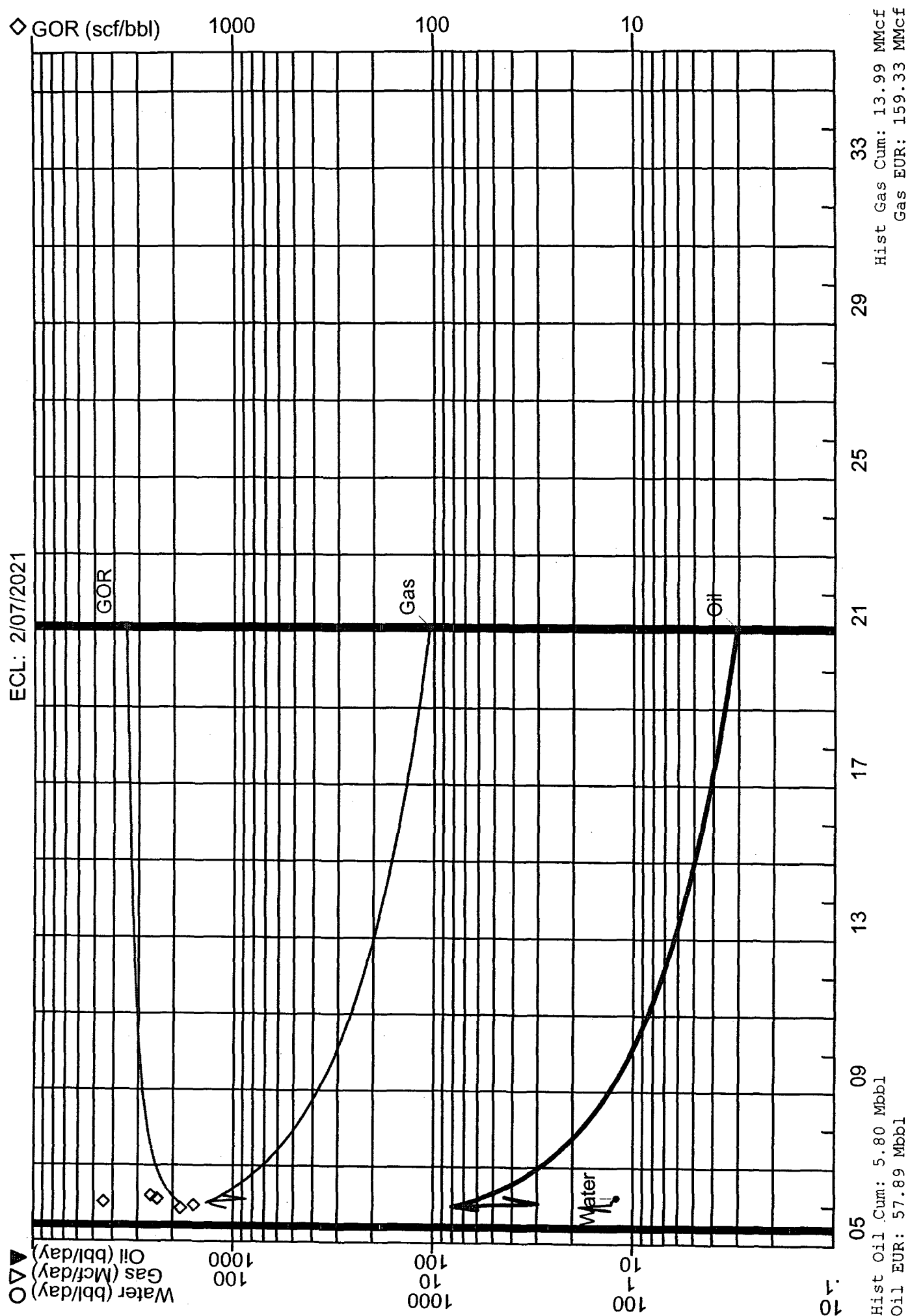
Major Phase : Oil
 Perfs : 0 0
 Initial Rate : 1.63 mbbl/month
 Abandonment : 0.09 mbbl/month
 Initial Decline : 67.32 % year b = 0.999
 Beg Ratio : 2.06 mcf/mbbl
 End Ratio : 3.45

Working Int : 1.00000000
 Revenue Int : 0.84500000
 Disc. Initial Invest. (m\$) : 0.000
 Internal ROR (%) : 0.00
 ROInvestment (disc/undisc) : 0.00 / 0.00
 Years to Payout : 0.00
 Abandonment Date : 02/07/2021

Present Worth Profile (M\$)

1.00% : 2,284.73
 8.00% : 1,854.05
 10.00% : 1,761.52
 12.00% : 1,678.87
 15.00% : 1,570.30
 20.00% : 1,421.50
 30.00% : 1,204.76
 40.00% : 1,053.52
 50.00% : 940.95
 60.00% : 853.20

	Initial	1st Rev.	2nd Rev.
Working Interest :	1.00000000	0.00000000	0.00000000
Revenue Interest :	0.84500000	0.00000000	0.00000000
Rev. Date :			



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

- 1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

2. Name of Operator
Bass Enterprises Production Co.

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

3.a Phone No. (Include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface SESW, UL N, 510 FSL, 1980 FWL

At top prod. interval reported below SAME

At total depth SAME

14. Date Spudded

09/27/2005

15. Date T.D. Reached

10/16/2005

16. Date Completed

☐ D & A ☒ Ready to Prod.
11/04/2005

18. Total Depth: MD 7470'
TVD

19. Plug Back T.D.: MD 7386'
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
GR-CNL-LDT; GR-AIT

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit copy)

5. Lease Serial No.
NMNM02860

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and no.
NMNM71016

8. Lease Name and Well No.

POKER LAKE UNIT 222

9. API Well No.

30-015-34123

10. Field and Pool, or Exploratory
NASH DRAW - DELAWARE

11. Sec., T., R., M., on Block and
Survey or Area SEC 19, T24S, R30E

12. County or Parish

EDDY

13. State

NM

17. Elevations (DF, RKB, RT, GL)*

3134' GL

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
14-3/4"	11-3/4	H40/42#	0'	475'		550		0'	0
11"	5-1/2"	J55/15.5#	0'	3157'					0
7-7/8"	5-1/2"	J55/15.5#	3157'	7470'		900		2905' TS	0
		& 17#							

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	7319'	7023' TAC						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	7085'	7313'	7085'-7145'	0.470	21	PRODUCING
B)			7293'-7313'	0.470	40	PRODUCING
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
7085'-7145'	91,818 GALS PW + 8,000# 14/30 LITE PROP
7293'-7313'	178,589 GALS PW + 14,000# 14/30 LITE PROP

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
11/4/05	11/15/05	24	→	115	245	368			PUMPING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
21/64"	250	400	→	115	245	368		POW	

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

(See Instructions and spaces for additional data on reverse side)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

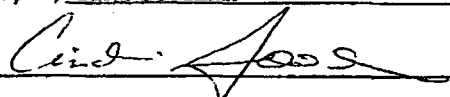
Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				T/RUSTLER	NOT PRESENT
				T/SALT	520'
				B/SALT	3190'
				T/DELAWARE MTN GROUP	3400'

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geological Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Cindi Goodman Title Production ClerkSignature  Date 12/01/2005

Title 18 U.S.C. Section 101 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.

DISTRICT I

1825 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2048 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 30-015-34123	Pool Code 47545	Pool Name NASH DRAW DELAWARE
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 222
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3134'

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	19	24 S	30 E		510	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 I	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 1 - 40.77 AC.	40.66 AC.	40.65 AC.	40.65 AC.
LOT 2 - 40.87 AC.	40.69 AC.	40.68 AC.	40.66 AC.
LOT 3 - 40.94 AC.	40.69 AC.	40.68 AC.	40.67 AC.
LOT 4 - 41.06 AC.	40.73 AC.	40.70 AC.	40.70 AC.

3148.3' 3149.5' 3144.8' 3135.9'
 1980'
 LAT - N32°11'49.7"
 LONG - W103°55'23.3"

OPERATOR CERTIFICATION

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

William R. Dannels
Signature

W.R. DANNELS
Printed Name

DIVISION DRILLING SUPT.
Title

2/4/05
Date

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.

APR 15 2004
Date Surveyed

Gary L. Jones
Signature & Seal of Professional Surveyor

W. Gary L. Jones
Certificate No. Gary L. Jones 7977

BASIN SURVEYS

CURRENT WELLBORE DIAGRAM

Lease: Poker Lake Unit **Well No.:** 222
Field: Nash Draw (Delaware)
Location: 510' FSL & 1980' FWL, SECTION 19, T24S, R30E
County: Eddy **St:** NM **API:** 30-015-34123

KB: 3152
 GL: 3135
 Spud Date: 9/27/2005
 Compl. Date: 11/4/2005

Surface Csg.

Size: 11 3/4
 Wt: 42
 Grd: H40
 Set @: 475
 Sxs Cmt: 550
 Circ: Y
 TOC: Surf
 Hole Size: 14 3/4 to 500

Production Csg.

Size: 5 1/2
 Wt: 15.5/17
 Grd: J55
 Set @: 7470
 Sxs Cmt: 900
 Circ: N
 TOC: 2905 by TS
 Hole Size: 7 7/8

Tubing

231 jts, 2 7/8" 6.5, J-55

Rods

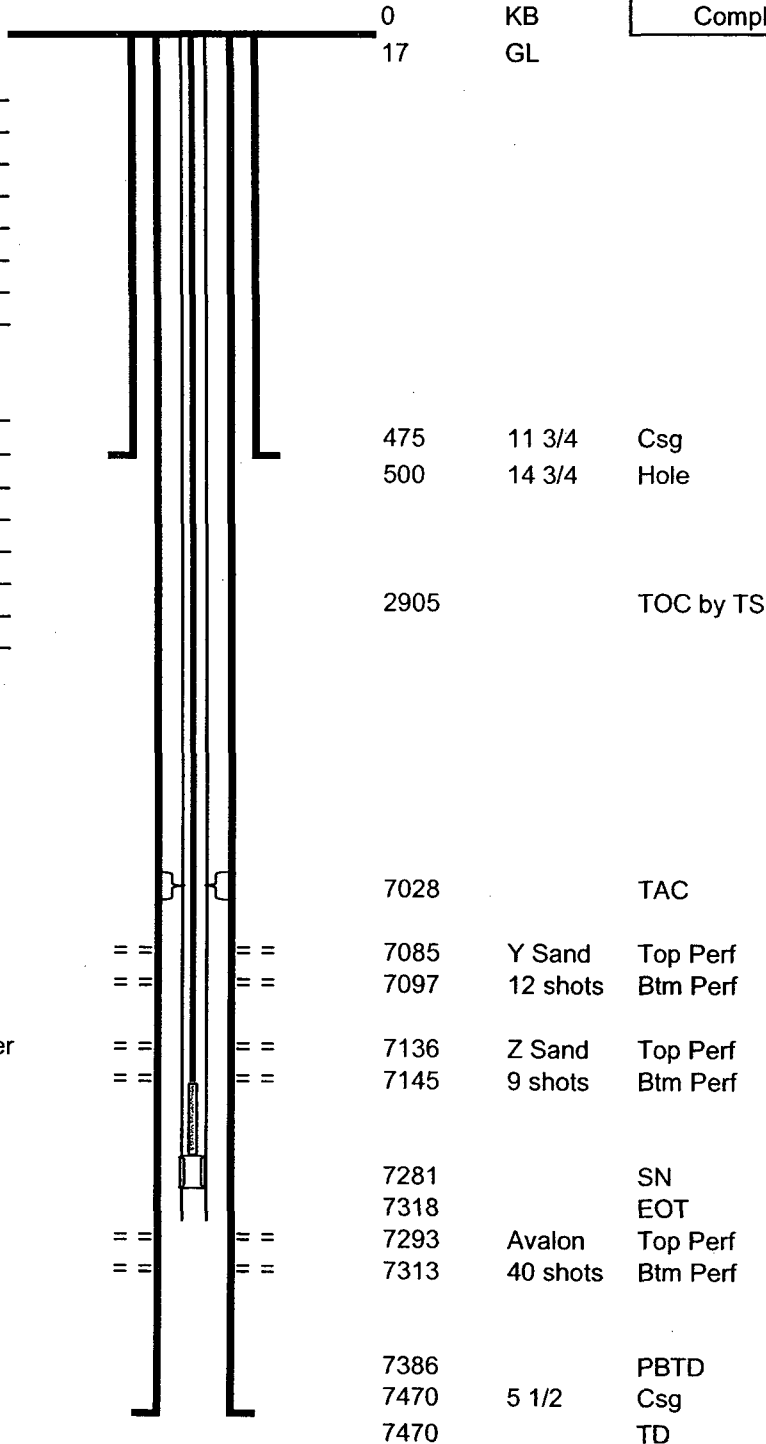
288 - 7/8" & 3/4" KD Steel

Pump

2 1/2 x 1 3/4 x 20' RHBM

Pump Unit

Amp 320-256-120 w/ VSD Controller



X: 627062
 Y: 435602
 Lat: 32.196918
 Long: -103.922569

U: 6723
 8A: 6925
 V: 6958
 W: 6975
 X: 7014
 Y: 7068
 Z: 7131
 BS: 7171
 AV: 7267

PBTD: 7386
 TD: 7470

Updated: 1/26/2005
 Author: ELE
 Engr: CMB

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

March 10, 2006

FEDERAL EXPRESS

2006 MAR 13 PM 10 23

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones

Re: Commercial Determination
Poker Lake Unit #217
Delaware Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Delaware Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,



Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL	<u>Poker Lake Unit # 217</u>		FORMATION	<u>Delaware</u>	
LOCATION	<u>1</u>	UNIT, <u>1650</u>	FEET FROM <u>South</u> LINE &	<u>660</u>	FEET FROM <u>East</u> LINE
SECTION	<u>19</u>	TOWNSHIP <u>24S</u>	RANGE <u>30E</u>	COUNTY <u>Eddy</u>	NEW MEXICO
SPUD DATE	<u>2/6/2005</u>		COMPLETION DATE	<u>4/1/2005</u>	
PERFORATIONS	<u>6939 - 7304'</u>				

STIMULATION:

ACID _____

FRACTURE Frac w/ 31448 gals PW + 26007# 14/30 Lite Prop +

112417 gals Lighting 2500 + 264700# 16/30 Ottawa +133936# 16/30 Super LC

POTENTIAL (04/05/2005): 156 BOPD, 134 MCFPD, 277 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED		SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE	
Area (A) proration unit size, acres	<u>40</u>	_____	_____	_____
Porosity (Φ), %	<u>13%</u>	_____	_____	_____
Water saturation (Sw), %	<u>56%</u>	_____	_____	_____
Net Thickness (H), ft.	<u>22</u>	_____	_____	_____
Temperature (T), Fahrenheit	<u>130</u>	_____	_____	_____
Bottom Hole pressure (P), psia	<u>3,123</u>	_____	_____	_____
Recovery factor (RF), %	<u>15%</u>	_____	_____	_____
Recoverable Oil, Bbls *(See eq. below)	<u>37,733</u>	_____	_____	_____

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

B_o = 1.50

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 12/31/2005 15,837 MCF Gas 14,401 BBL Oil

INITIAL RATE (qi) 139

ECONOMIC LIMIT (ql) 2

HYPERBOLIC DECLINE RATE, dy n = 1, d = 99%/yr

REMAINING OIL (Q) = 30,579

ULTIMATE RECOVERABLE OIL (BO) 44,980

(Attach plot showing proration unit and participating area.)

ECONOMICGROSS WELL COST \$1,300,000 (to the depth of formation completed)

RECOMPLETION COST _____

GROSS TOTAL COST \$1,300,000

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				-1,300.0
1	14.4	860.8	80.8	752.1
2	7.0	575.2	87.2	432.9
3	4.4	389.6	73.6	253.3
4	3.2	244.2	63.5	131.0
5	2.5	199.7	61.4	90.7
6	2.2	160.2	59.6	59.8
7	1.8	140.3	59.4	43.5
8	1.5	125.6	59.7	32.1
9	1.4	113.6	60.1	23.6
10	1.2	104.2	60.8	17.3
REMAINDER	6	505.5	389.8	35.9
TOTAL	45	3,418.9	1,055.9	572.2

WELL IS COMMERCIAL

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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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	Pool Code 47545	Pool Name NASH DRAW DELAWARE
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 217
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3203'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	19	24 S	30 E		1650	SOUTH	660	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill N	Consolidation Code	Order No.						

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

LOT 1 - 40.77 AC.	40.66 AC.	40.65 AC.	40.65 AC.
LOT 2 - 40.87 AC.	40.69 AC.	40.68 AC.	40.66 AC.
LOT 3 - 40.94 AC.	40.69 AC.	40.68 AC.	40.67 AC.
LOT 4 - 41.06 AC.	40.73 AC.	40.70 AC.	40.70 AC.

LAT - N32°12'01.2"
LONG - W103°54'51.6"

3194.7' 3194.8' 3199.4' 3194.8' 1650'

APRIL 15, 2004

DATE SURVEYED

SIGNATURE & SEAL OF PROFESSIONAL SURVEYOR

W.C. JONES

CERTIFICATE No. Gary Jones 1977

BASS SURVEYS

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
DMSION DRILLING SUPT.

Title
Date
Nov. 11, 2004

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.

APRIL 15, 2004

DATE SURVEYED

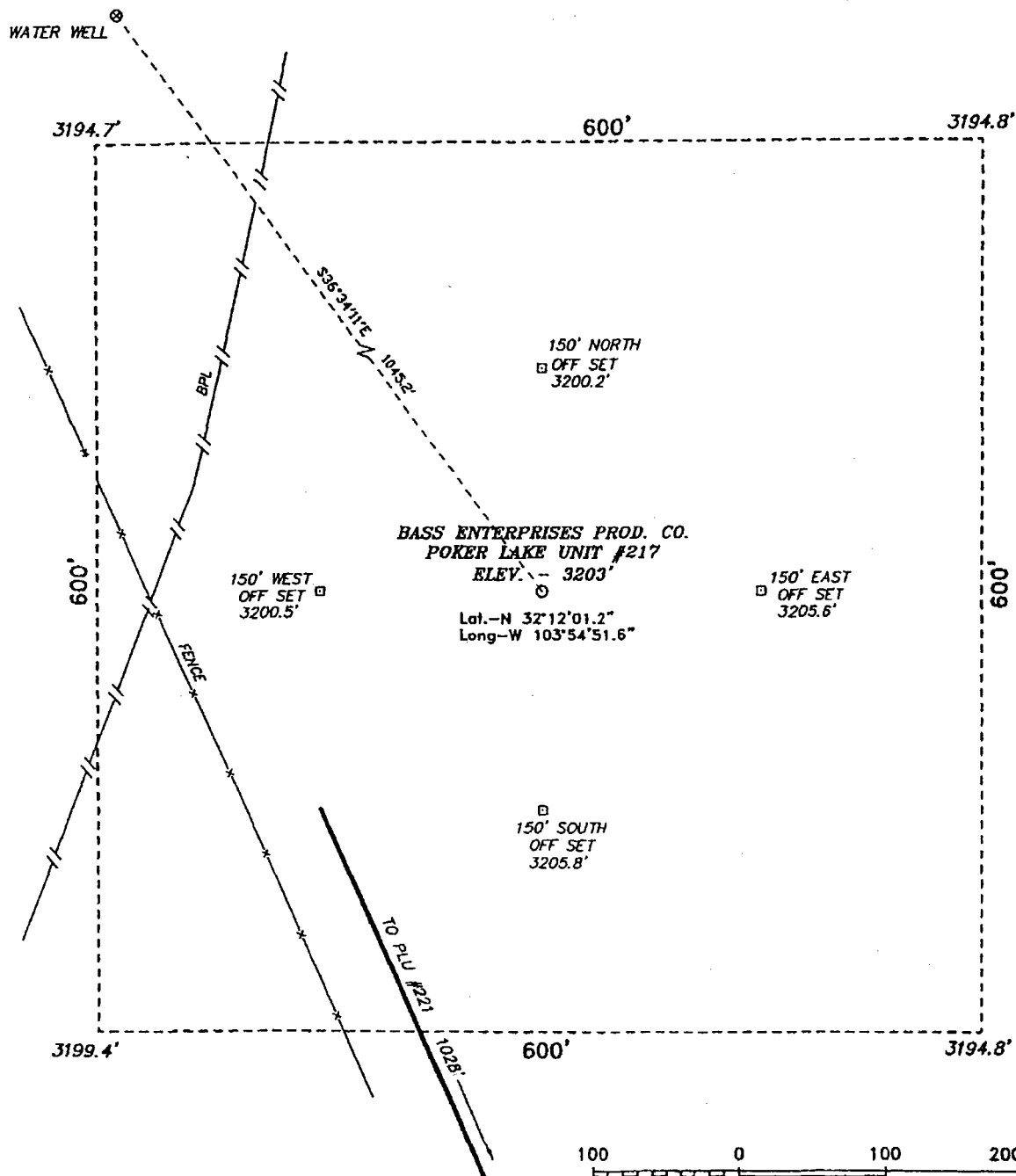
SIGNATURE & SEAL OF PROFESSIONAL SURVEYOR

W.C. JONES

CERTIFICATE No. Gary Jones 1977

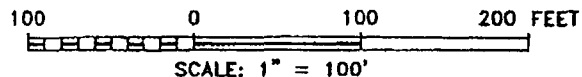
BASS SURVEYS

SECTION 19, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. RD. 746A AND CO. RD. 748, GO EASTERLY ON CO. RD. 746A FOR APPROX. 1.0 MILE TO A POINT APPROX. 1500 FEET NORTH OF PROPOSED LOCATION.



BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 217 / Well Pad Topo

THE POKER LAKE UNIT No. 217 LOCATED 1650' FROM
THE SOUTH LINE AND 660' FROM THE EAST LINE OF
SECTION 19, 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: 4144

Drawn By: K. GOAD

Date: 04-23-2004 Disk: KJG CD#7 - 4144A.DWG

Survey Date: 04-15-2004 Sheet 1 of 1 Sheets

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

2. Name of Operator
Bass Enterprises Production Co.

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

3.a Phone No. (Include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface SENE, 1650 FSL, 660 FEL, LAT 32.12012, LON 103.54516

At top prod. interval reported below SAME

At total depth SAME

CONFIDENTIAL

14. Date Spudded

02/06/2005

15. Date T.D. Reached

03/05/2005

16. Date Completed

04/01/2005

☐ D & A ☒ Ready to Prod.

5. Lease Serial No.
NMNM02860

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and no.
NMNM71016

8. Lease Name and Well No.

POKER LAKE UNIT 217

9. API Well No.

30-015-33863 S1

10. Field and Pool, or Exploratory

NASH DRAW - DELAWARE

11. Sec., T., R., M., on Block and

Survey or Area SEC 19, T24S, R30E

12. County or Parish

EDDY

13. State

NM

17. Elevations (DF, RKB, RT, GL)*

3202 GL

18. Total Depth: MD 7640
TVD

19. Plug Back T.D.: MD 7549
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
GR-CNL-LDT; GR - AIT

22. Was well cored? ☐ No ☐ Yes (Submit analysis)
Was DST run? ☐ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.25	8.625"/J55	32	0	459		300			
7.875	7"/J55	26	0	3492		685			
6.125	4.5"/J55	11.6	0	7638		380			

RECEIVED
APR 2 2005
BASS CO - WID PRODUCTION

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	6682'							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	6939	7304	6939'-6949'	0.470	20	PRODUCING
B)			7250'-7254'	0.470	8	PRODUCING
C)			7298'-7304'	0.470	12	PRODUCING
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
6939'-6949'	10,855 GALS PW + 9604# 14/30 LITE PROP + 40,137 GALS LIGHTNING 2500 + 85,742# 16/30 OTTOWA + 32,184# 16/30 SUPER LC
7250'-7254'	20,593 GALS PW + 16,403# 14/30 LITE PROP + 72,280 GALS LIGHTNING 2500 + 178,958# 16/30 OTTOWA + 101,752# 16/30 SUPER LC

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
04/01/05	04/05/05	24	→	156	134	277			PUMPING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
14/64	250	250	→	156	134	277		POW	

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

ACCEPTED FOR RECORD

APR 19 2005

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				T/RUSTLER ANHYDRITE	420
				T/SALT	870
				B/SALT	3265
				T/DELAWARE MTN GROUP	3480
				T/BONE SPRING LIME	7332

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geological Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Cindi GoodmanTitle Production ClerkSignature Cindi GoodmanDate 04/07/2005

Title 18 U.S.C. Section 101 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.

ECONOMIC PROJECTION

Date : 2/27/2006

Lior: 1000376

3:08:35PM

Project Name : NASHDRAW Extract-Creating new PHDWi
 Partner : ALL CASES
 Case Type : LEASE CASE
 Archive Set : CMB112005

As Of Date : 04/01/2005
 Discount Rate (%) : 10.00
 1000376/POKER LAKE/217/DEL UPDATED

Lease Name : 1000376/POKER LAKE/217/DEL UPDA7
 Reserv Cat : Proved Producing
 Field : NASH DRAW (DELAWARE)
 Operator : BEPCO
 Reservoir : DELAWARE
 Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbl)	Gas (MMCF)	NGL (MGal)
2005	14.401	15.837	15.837	0.000	12.169	13.382	0.000
2006	6.998	33.179	33.179	0.000	5.913	28.036	0.000
2007	4.375	24.454	24.454	0.000	3.697	20.664	0.000
2008	3.199	19.425	19.425	0.000	2.703	16.414	0.000
2009	2.513	16.042	16.042	0.000	2.123	13.556	0.000
2010	2.073	13.695	13.695	0.000	1.752	11.572	0.000
2011	1.765	11.948	11.948	0.000	1.492	10.096	0.000
2012	1.541	10.624	10.624	0.000	1.302	8.977	0.000
2013	1.361	9.517	9.517	0.000	1.150	8.042	0.000
2014	1.221	8.640	8.640	0.000	1.032	7.301	0.000

Rem	5.531	40.111	40.111	0.000	4.673	33.893	0.000
Total	44.978	203.471	203.471	0.000	38.006	171.933	0.000
Ult.	44.978	203.471					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2005	58.44	11.19	0.00	711.149	149.691	0.000	860.840
2006	56.50	8.60	0.00	334.082	241.139	0.000	575.221
2007	56.91	8.68	0.00	210.378	179.260	0.000	389.638
2008	48.86	6.83	0.00	132.078	112.151	0.000	244.229
2009	49.62	6.96	0.00	105.344	94.379	0.000	199.723
2010	50.39	6.22	0.00	88.281	71.964	0.000	160.245
2011	51.17	6.34	0.00	76.323	63.993	0.000	140.317
2012	51.96	6.46	0.00	67.655	57.996	0.000	125.652
2013	52.76	6.58	0.00	60.664	52.951	0.000	113.614
2014	53.57	6.71	0.00	55.277	48.986	0.000	104.263
Rem	56.37	7.14	0.00	263.447	242.075	0.000	505.522
Total	55.38	7.65	0.00	2,104.679	1,314.585	0.000	3,419.264

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2005	62.609	1.722	1,300.000	16.490	-519.981	-519.981	-547.915	-547.915
2006	43.402	1.150	0.000	42.600	488.069	-31.912	432.857	-115.059
2007	29.576	0.779	0.000	43.233	316.049	284.137	253.357	138.298
2008	18.536	0.488	0.000	44.523	180.682	464.819	131.037	269.335
2009	15.188	0.399	0.000	45.829	138.307	603.125	90.755	360.091
2010	12.144	0.320	0.000	47.155	100.626	703.751	59.765	419.855
2011	10.645	0.281	0.000	48.500	80.891	784.642	43.486	463.341
2012	9.540	0.251	0.000	49.869	65.992	850.634	32.111	495.452
2013	8.632	0.227	0.000	51.255	53.501	904.134	23.561	519.014
2014	7.926	0.209	0.000	52.662	43.467	947.601	17.329	536.342
Rem	38.478	1.011	0.000	350.267	115.766	115.766	35.948	35.948
Total	256.676	6.839	1,300.000	792.383	1,063.367	1,063.367	572.290	572.290

Major Phase : Oil
 Perfs : 0 0
 Initial Rate : 4.23 mbbl/month
 Abandonment : 0.06 mbbl/month
 Initial Decline : 100.00 % year b = 1.000
 Beg Ratio : 0.41 mcf/mbbl
 End Ratio : 7.38

Working Int : 1.00000000
 Revenue Int : 0.84500000
 Disc. Initial Invest. (m\$) : 1,300.000
 Internal ROR (%) : 34.38
 ROInvestment (disc/undisc) : 1.44 / 1.82
 Years to Payout : 1.84
 Abandonment Date : 01/21/2021

Present Worth Profile (M\$)

1.00% : 1,000.61
 8.00% : 650.45
 10.00% : 572.29
 12.00% : 501.38
 15.00% : 406.50
 20.00% : 272.84
 30.00% : 69.31
 40.00% : -80.02
 50.00% : -195.61
 60.00% : -288.54

	Initial	1st Rev.	2nd Rev.
Working Interest :	1.00000000	0.00000000	0.00000000
Revenue Interest :	0.84500000	0.00000000	0.00000000
Rev. Date :			

Input Page

Lease Name: 1000376/POKER LAKE/217/DEL UPDATED
 Operator : BEPCO
 Field Name : NASH DRAW (DELAWARE)
 Oil : Proved Producing

4/1/2005

Case Type : LEASE CASE
 Reservoir : DELAWARE
 Co., St. : EDDY, NM

Discount Method: M

Annual Compoundings: 12

At AsOf Date

	Oil	Gas
Qi (AsOf) =	4.229 Mbbbl/month	1.723 MMcf/month
Qf (ECL) =	0.061 Mbbbl/month	0.449 MMcf/month
Dec. =	99.998 %	- %
b =	1.000	-
Unit Price =	51.84 /bbl	6.98 /Mcf
Unit Exp. =	0.00	0.00
Hist. Cum	14.401 Mbbbl	15.837 MMcf
Proj. Cum	0.000 Mbbbl	0.000 MMcf
Reserves	44.978 Mbbbl	203.471 MMcf
Ult.	44.978 Mbbbl	203.471 MMcf

Abandonment Date: 1/21/2021

ID Codes List

Id Label	IdCode
Retrieval Code	PHDW00001646
API Number	3001533863
PhdWin ID	01678
RRC Dist Code	NM
Operator Code	
Field Code	
Unique ID	AE5D132E74933513286600005
IDCODE	C%NDDLPO.217
ENGR	CMB
WELL NAME	POKER LAKE UNIT #217
WELL NO	217
WELL BORE	
COMPLETION SEQ	
DATE COMP	2005-04-01 00:00:00.000
STATUS	ACT
STATUS DATE	
SURVEILLANCE	*
STWELLID	
PROPERTY	POKER LAKE UNIT NONDEL C SEC19
CONTROL	1000376
STLSEID	

Input Data

Projection Table

* Segment Volumes Adjusted for Historical Data.

Arps	Start	End	Life Years	Initial Rate	Final Rate	Decline (%)	b	Min. Decline	Segment Volume
Gas	1	9/19/2005	12/20/2005	0.25	3.1	1.9 mmcf	90.17	1.000	7 mmcf *
Gas	2	12/21/2005	1/21/2021	15.09	3.4	0.4 mmcf	35.00	1.000	188 mmcf *
Oil	1	8/12/2005	1/2/2006	0.39	4.2	0.8 mbbbl	100.00	1.000	7 mbbbl *
Oil	2	1/3/2006	1/21/2021	15.05	0.79083	0.06083 mbbbl	55.00	1.000	31 mbbbl
Water	1	4/15/2005	12/31/2005	0.71	3.8	3.2 mbbbl	19.46	0.000	14 mbbbl *
Water	2	1/1/2006	1/21/2021	15.06	4.6	1.1 mbbbl	8.78	0.000	447 mbbbl

Formula

Formula

Units

Oil Cut	((OIL) / ((OIL) + {WATER})) X 100	%
GOR	{GAS} X 1000 / {OIL}	scf/bbl
Yield	{OIL} / {GAS}	bbl/Mcf
Water Cut	((WATER) / ((OIL) + {WATER})) X 100	%

Product Model Table

	Base Units	Base Model [AsOf Price]		Model Adjustments			Base Cost Model [AsOf Cost]	
		Escalation Model	Op Cost	BTU	Differential	Shrinkage	Escalation Model	
Gas	Mcf	BASS01052006[6.9784 BASSESC2006	0	1,220	-1.45	0.00 %	Case Specific[0]	n/a
Oil	bbl	BASS01052006[51.841 BASSESC2006	0		-1.50	0.00	Case Specific[0]	n/a
Water	bbl	n/a n/a	0		0.00	0.00	Case Specific[0]	n/a
PRESSURE		n/a n/a	0		0.00	0.00	n/a	n/a
Condensate	bbl	n/a n/a	0		0.00	0.00	n/a	n/a
NGL	gal	n/a n/a	0		0.00	0.00	n/a	n/a
Well Cost		n/a n/a	3,550		0.00	0.00	Case Specific[3550]	n/a
Fixed Cost		n/a n/a	0		0.00	0.00	Case Specific[0]	n/a

Input Page

Lease Name: 1000376/POKER LAKE/217/DEL UPDATED
 Operator : BEPCO
 Field Name : NASH DRAW (DELAWARE)
 Oil Proved Producing

4/1/2005

Case Type : LEASE CASE
 Reservoir : DELAWARE
 Co., St. : EDDY, NM

Investment Table

Date	Linking	Amount (M\$)			Description	Depreciation Method	Net to Interest	Init. Invest ?
		Tangible	Intangible	Total				
4/1/2005		350.00	950.00	1,300.00		N/A	100%	Y
		350.00	950.00	1,300.00				

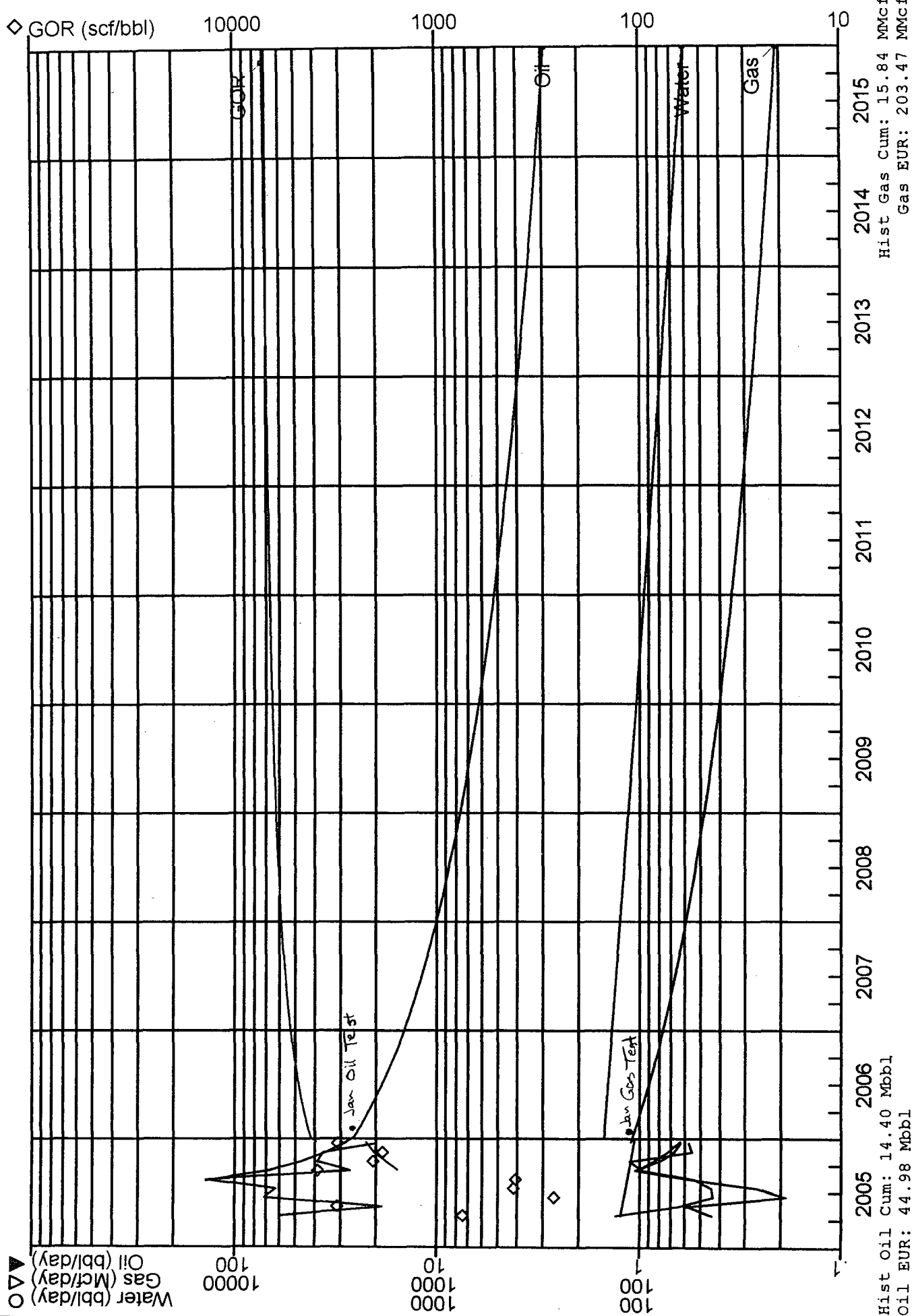
Ownership Table

Owner	Owner Code	Owner Loaded	Rev. Type	Triger Value	WI (fract)	NRI (Fract)	Lease NRI	Net Profit Expense	Rev. SR#
ALL CASES	1	1	Initial	0	1.00000000	0.84500000	0.84500000	-	1

Lease Memo Table**Lease Memos**

Oper: BEPCO
Case Name: 1000376/POKER LAKE/217/DEL UPDATED

Field: NASH DRAW (DELAWARE)
EDDY, NM



LEASE: POKER LAKE UNIT WELL #: 217
 FIELD: NASH DRAW DELAWARE
 LOCATION: 1650' FSL & 660' FEL, SECTION 19, T24S, R30E
 COUNTY: EDDY ST: NM API: 30-015-33863

* CURRENT *

SURFACE CASING

SIZE: 8-5/8"
 WT/GRD: 32# J55 0-410'
 WT/GRD: 32# WC50 410-459'
 CSA: 459'
 SX: 100 PBCZ
 SX: 200 PREM+
 CIRC: Y 89 SX
 TOC: SURF
 HOLE SIZE: 12-1/4" 0-460'

INTERMEDIATE

SIZE: 7"
 WT/GRD: 26# J55 0-3492'
 CSA: 3492'
 SX: 385 INTERFIL C
 SX: 100 PREM+
 SX: 200 PREM+ F/ BRDN SQZ
 CIRC: N
 TOC: SURF BRDN SQZ
 HOLE SIZE: 7-7/8" 460-3495'

PRODUCTION

SIZE: 4-1/2"
 WT/GRD: 11.6# J55 0-6000'
 WT/GRD: 11.6# K55 6000-7638'
 CSA: 7638'
 SX: 380 PREM+
 CIRC: N
 TOC: 3154' TS TS QUESTIONABLE
 TOC: +/- 5800' VIA TS -- CIRC OUT
 4635' TOC EST AFTER PERF SQZ
 HOLE SIZE: 6-1/8" 3495-7640'

TUBING DATA

(167 JTS) 2-3/8" 4.7# J-55 TBG
 TAC @ 5445'
 (3 JTS) 2-3/8" 4.7# J-55 TBG
 SS TBG SUB
 MSN W/ GA @ 5548'
 MODIFIED MA
 EOT @ 5574'

RODS & PUMP DATA

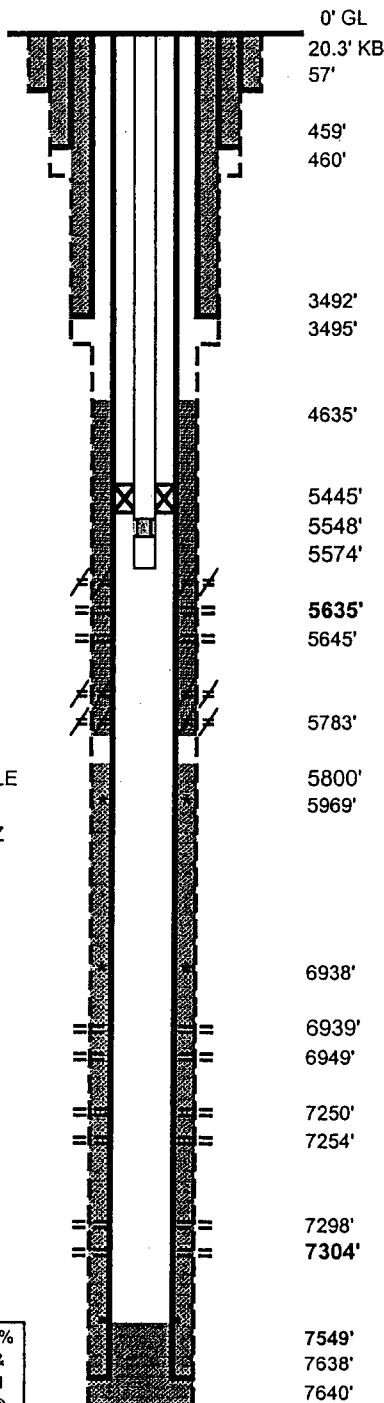
1800' 7/8" GRADE D RODS
 3700' 3/4" GRADE D RODS
 1-1/2" RHBM-HVR PUMP

PERFORATION DATA

03/05 PERF 7298-7304' "Z", 7250-54' "Y" P: 1.5kg 7-1/2%
 HCl+Flush 18 bbls 2% KCl BD "Z" w/2810#. P: 5 bbls 2% KCl &
 perfs communicated up csg. P: remainder acid+10 bbls 2% KCl
 @ 4.2 BPM & 2200#. Switch to csg. P: acid away into the "Y" @
 4.2 BPM & 1008# w/35 bbls 2% KCl. ISIP 560#. F: 20.6kg PW
 w/8233# 14/30 LP(pre pad)+18.7kg Light 25 w/8170#
 LP(pad)+41kg Light 25 w/179k# 16/30 Ottawa+12.7kg
 Light 25 w/101.8k# 16/30 SLC+1.2kg 7-1/2% HCl Acid,
 Flush w/4.6kg Frac Fluid.

03/05 PERF 6939-49' MBC "U" F: 10.9kg PW w/4.3k# 14/30 LP(pre pad)+16.7kg
 Light 25 w/5.3k# 14/30 LP(pad)+19kg Light 25 w/48.8k# 16/30 Ottawa+4kg Light 25
 w/32.2k# 16/30 SLC, flush w/4kg Frac Fluid

05/05 PERF 5778-83' & 5635-48' LCC - SQZD 05/0505/05 REPERF 5635-45' LCC
 F/4kg Pad+19kg PW w/2k# 14/30 LP+3kg PW Flush. 646 bbls Frac+87 bbls Cap+25
 bbls Acid=758 BLTR



PBTD: 7549'
 TD: 7640'
 7644' LOG

KB: 3222.5'
 GL: 3202.2'
 SPUD DATE: 02/06/2005
 COMP DATE: 03/24/2005

16" CONDUCTOR

8-5/8" 32# J55/WC50 CSG

12-1/4" HOLE

7" 26# J55 CSG

7-7/8" HOLE

TOC EST AFTER SQZ

TAC

MSN

EOT

TOP PERF INTERVAL 5635'

RE-PERF 5635'-45' LCC

2 SPF 0° PHSG 20 HOLES

PERF 5635'-48' LCC SQZ'D

PERF 5778'-83' LCC SQZ'D

TOC (TS)

4-1/2" 11.6# J55 MRKR JT

4-1/2" 11.6# K55 MRKR JT

PERF 6939-6949' MBC "U"

2 SPF 0° PHSG 20 HOLES

PERF 7250-7254' LBC "Y"

2 SPF 0° PHSG 8 HOLES

PERF 7298-7304' LBC "Z"

2 SPF 0° PHSG 12 HOLES

BOTTOM PERF INTERVAL 7304'

PBTD (FC)

4-1/2" 11.6# K55 CSG 6000-7638'

6-1/8" HOLE

Updated: 06/28/2005

Author: KRA/MLL

Engr: MLL

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

March 10, 2006

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

✓ New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones

2006 MAR 13 PM 10 23

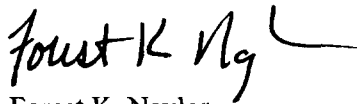
Re: Commercial Determination
Poker Lake Unit #214
Delaware Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Delaware Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,


Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL	<u>Poker Lake Unit # 214</u>		FORMATION	<u>Delaware</u>	
LOCATION	<u>B</u>	UNIT, <u>510</u>	FEET FROM <u>North</u>	LINE & <u>1980</u>	FEET FROM <u>East</u> LINE
SECTION	<u>19</u>	TOWNSHIP <u>24S</u>	RANGE <u>30E</u>	COUNTY <u>Eddy</u>	NEW MEXICO
SPUD DATE	<u>7/16/2005</u>		COMPLETION DATE	<u>8/12/2005</u>	
PERFORATIONS	<u>7200 - 7364'</u>				

STIMULATION:

ACID

FRACTURE Frac w/ 252,092 gals PW + 20,000# 14/30 Lite Prop.

POTENTIAL (08/22/2005): 50 BOPD, 110 MCFPD, 310 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	<u></u>
Porosity (Φ), %	<u>12%</u>	<u></u>
Water saturation (Sw), %	<u>50%</u>	<u></u>
Net Thickness (H), ft.	<u>32</u>	<u></u>
Temperature (T), Fahrenheit	<u>120</u>	<u></u>
Bottom Hole pressure (P), psia	<u>3,123</u>	<u></u>
Recovery factor (RF), %	<u>15%</u>	<u></u>
Recoverable Oil, Bbls *(See eq. below)	<u>58,092</u>	<u></u>

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

B_o = 1.50

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 12/31/2005 18,443 MCF Gas 4294 BBL OilINITIAL RATE (qi) 52ECONOMIC LIMIT (ql) 2HYPERBOLIC DECLINE RATE, dy n = 1, d = 99%/yrREMAINING OIL (Q) = 25,106ULTIMATE RECOVERABLE OIL (BO) 29,400

(Attach plat showing proration unit and participating area.)

ECONOMICGROSS WELL COST \$1,251,076 (to the depth of formation completed)RECOMPLETION COST GROSS TOTAL COST \$1,251,076

<u>YEAR</u>	<u>GROSS OIL MBBLS</u>	<u>BFIT NET INCOME (\$M)</u>	<u>OPERATING COST (\$M) INCL SEV & AD VAL TAX</u>	<u>10% NET BFIT DISCOUNTED CASH FLOW</u>
ZERO				-1,251.1
1	4.3	425.2	35.9	382.0
2	5.2	502.7	82.0	385.3
3	3.6	370.8	72.4	247.1
4	2.7	240.8	63.5	132.9
5	2.2	202.1	61.8	95.2
6	1.8	163.5	60.0	63.5
7	1.6	145.1	59.9	47.3
8	1.4	131.3	60.2	35.7
9	1.2	119.7	60.7	26.8
10	1.1	110.5	61.4	20.3
REMAINDER	4	447.7	310.5	44.4
TOTAL	29	2,859.4	928.3	229.5

WELL IS COMMERCIAL

DISTRICT I
1525 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 47545	Pool Name NASH DRAW (DELAWARE)
Property Code 001796	Property Name POKER LAKE UNIT		Well Number 214
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY		Elevation 3166'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	24 S	30 E		510	NORTH	1980	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40		Joint or Infill N		Consolidation Code		Order No.			

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

LOT 1 - 40.77 AC.		40.66 AC.		3173.4' 3166.7' 3173.4' 3175.9' 510'		40.65 AC.		40.65 AC.	
LOT 2 - 40.87 AC.		40.69 AC.		LAT - N32°12'32.2" LONG - W103°55'07.0"		40.68 AC.		40.66 AC.	
LOT 3 - 40.94 AC.		40.69 AC.		40.68 AC.		40.67 AC.			
LOT 4 - 41.06 AC.		40.73 AC.		40.70 AC.		40.70 AC.			

OPERATOR CERTIFICATION

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

William R. Dannels
Signature

W.R. DANNELS
Printed Name

DIVISION DRILLING SUPT.
Title

5/13/04
Date

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.

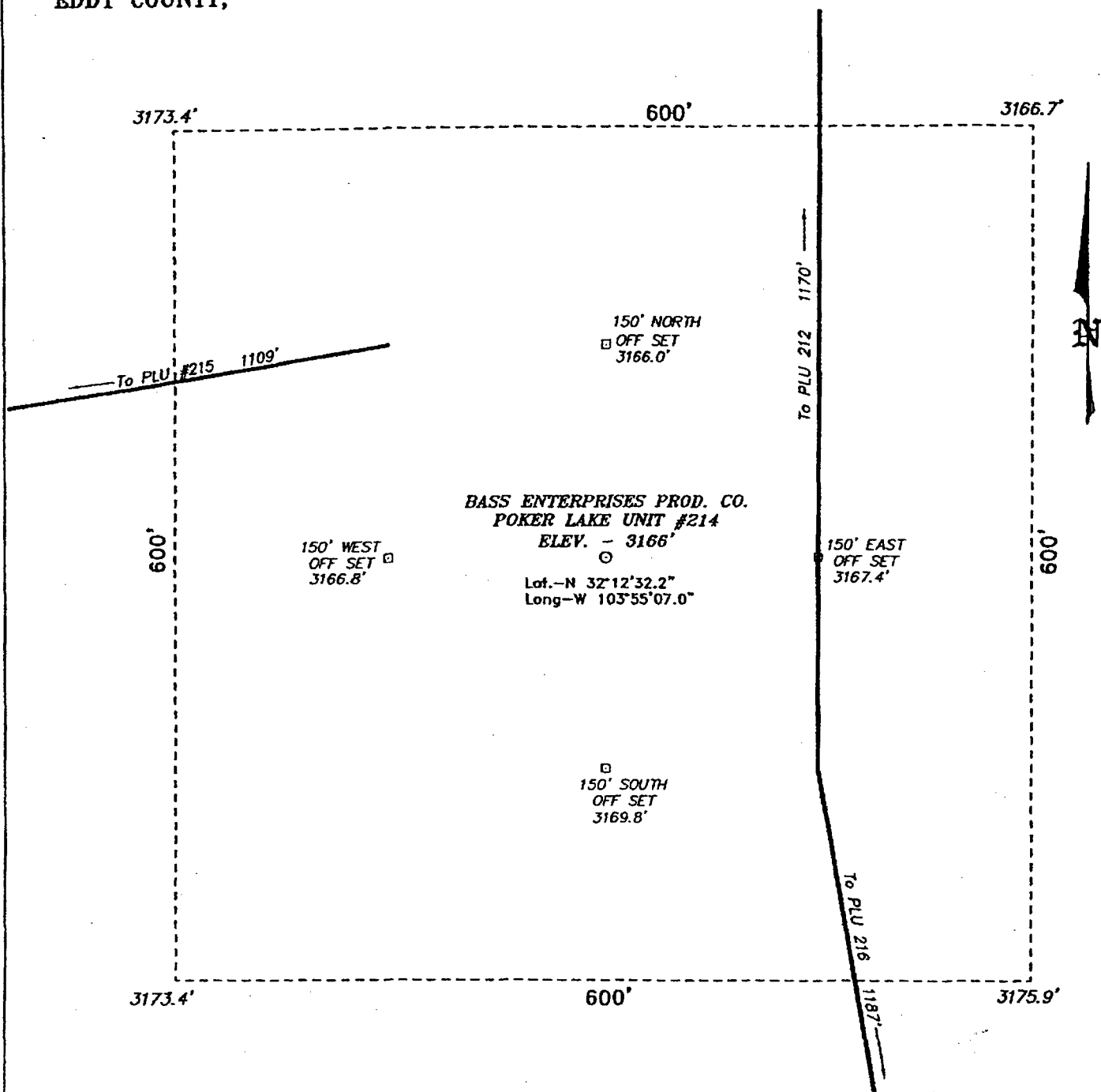
APRIL 15, 2004
Date Surveyed

GARY L. JONES
Signature & Seal of Professional Surveyor

7977
Certificate No.

7977
BASIN SURVEYS

SECTION 19, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. RD. 746A AND CO. RD. 748, GO EASTERLY ON CO. RD. 746A FOR APPROX. 1.0 MILE AND NORTHERLY FOR APPROX. 0.75 MILE TO PROPOSED LEASE ROAD TO THE PLU #213 AND THE PLU #214.

BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 214 / Well Pad Topo

THE POKER LAKE UNIT No. 214 LOCATED 510' FROM
THE NORTH LINE AND 1980' FROM THE EAST LINE OF
SECTION 19, 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: 4141

Drawn By: K. GOAD

Date: 04-23-2004 Disk: KJG CD#7 - 4141A.DWG

Survey Date: 04-15-2004

Sheet 1 of 1 Sheets

UNITED STATES OPERATOR'S COPY
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry Other		BEPCO - WID PRODUCTION	
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen Other		☐ Plug Back ☐ Diff. Resvr.	
2. Name of Operator Bass Enterprises Production Co.		AUG 31 2005 RECEIVED	
3. Address P. O. Box 2760 Midland TX 79702		3a. Phone No. (Include area code) (432)683-2277	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At Surface NWNE, 510 FNL, 1980 FEL At top prod. interval reported below SAME At total depth SAME			
14. Date Spudded 07/16/2005		15. Date T.D. Reached 07/31/2005	
16. Date Completed ☐ D & A ☒ Ready to Prod. 08/12/2005		17. Elevations (DF, RKB, RT, GL)* 3166' GL	
18. Total Depth: MD 7515' TVD		19. Plug Back T.D.: MD 7417' TVD	
20. Depth Bridge Plug Set: MD 7290' TVD		21. Type of Electric & Other Mechanical Logs Run (Submit copy of each) GR-CNL-LDT; GR-AIT	
22. Was well cored? ☒ No ☐ Yes (Submit analysis) Was DST run? ☒ No ☐ Yes (Submit analysis) Directional Survey? ☐ No ☒ Yes (Submit copy)		23. Casing and Liner Record (Report all strings set in well)	

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8" J55	32#	0'	410'		265		20'	0
7-7/8"	5-1/2"	J55/15.5#	0'	6242'					0
7-7/8"	5-1/2"	J55/17#	6242'	7515'		700		4818'	

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	7250'							

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	7200'	7364'	7200'-7214'	0.470	28	PRODUCING
B)			7350'-7364'	0.470	28	BELOW CBP
C)						
D)						

Depth Interval	Amount and Type of Material
7200'-7214'	127,002 GALS PW +10,000# 14/30 LITE PROP
7350'-7364'	125,090 GALS PW +10,000# 14/30 LITE PROP

28. Production - Interval A									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
8/12/2005	8/22/05	24	→	50	110	310			PUMPING
Choice Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
16/64"	SI 350	220	→	50	110	310		POW	
Production - Interval B									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
SI			→						

ACCEPTED FOR RECORD
AUG 30 2005
ALEXIS C. SWOBCIA
PETROLEUM ENGINEER

(See Instructions and spaces for additional data on reverse side)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				T/RUSTLER	NOT PRESENT
				T/SALT	620'
				B/SALT	3226'
				T/DELAWARE MTN GROUP	3437'

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geological Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Cindi Goodman Title Production ClerkSignature  Date 08/23/2005

Title 18 U.S.C. Section 101 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.

08-23-05
11:28:13 AM
11/23/05

ECONOMIC PROJECTION

Date : 2/28/2006

Lior: 1000376

10:18:41AM

Project Name : NASHDRAW Extract-Creating new PHDWi
 Partner : ALL CASES
 Case Type : LEASE CASE
 Archive Set : CMB112005

As Of Date : 08/01/2005
 Discount Rate (%) : 10.00
 1000376/POKER LAKE/214/DEL UPDATE

Lease Name : 1000376/POKER LAKE/214/DEL UPDA7
 Reserv Cat : Proved Producing
 Field : NASH DRAW (DELAWARE)
 Operator : BEPCO
 Reservoir : DELAWARE
 Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
2005	4.294	18.443	18.443	0.000	3.628	15.584	0.000
2006	5.244	34.720	34.720	0.000	4.431	29.339	0.000
2007	3.573	27.144	27.144	0.000	3.019	22.936	0.000
2008	2.719	22.255	22.255	0.000	2.298	18.805	0.000
2009	2.186	18.774	18.774	0.000	1.847	15.864	0.000
2010	1.832	16.273	16.273	0.000	1.548	13.750	0.000
2011	1.577	14.360	14.360	0.000	1.333	12.134	0.000
2012	1.388	12.884	12.884	0.000	1.173	10.887	0.000
2013	1.233	11.625	11.625	0.000	1.042	9.823	0.000
2014	1.112	10.616	10.616	0.000	0.940	8.970	0.000

Rem	4.239	41.415	41.415	0.000	3.582	34.995	0.000
Total	29.398	228.508	228.508	0.000	24.841	193.089	0.000
Ult	29.398	228.508					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2005	61.14	13.05	0.00	221.855	203.390	0.000	425.246
2006	56.50	8.60	0.00	250.354	252.341	0.000	502.696
2007	56.91	8.68	0.00	171.799	198.986	0.000	370.785
2008	48.86	6.83	0.00	112.263	128.497	0.000	240.760
2009	49.62	6.96	0.00	91.664	110.454	0.000	202.118
2010	50.39	6.22	0.00	78.010	85.511	0.000	163.522
2011	51.17	6.34	0.00	68.186	76.916	0.000	145.101
2012	51.96	6.46	0.00	60.938	70.334	0.000	131.273
2013	52.76	6.58	0.00	54.988	64.678	0.000	119.666
2014	53.57	6.71	0.00	50.359	60.188	0.000	110.547
Rem	55.91	7.07	0.00	200.267	247.461	0.000	447.728
Total	54.78	7.76	0.00	1,360.685	1,498.757	0.000	2,859.442

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opccosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2005	22.920	0.600	1,251.000	12.425	-861.700	-861.700	-869.049	-869.049
2006	38.392	1.005	0.000	42.600	420.698	-441.002	385.280	-483.769
2007	28.460	0.742	0.000	43.233	298.350	-142.652	247.139	-236.630
2008	18.472	0.482	0.000	44.523	177.284	34.632	132.879	-103.751
2009	15.536	0.404	0.000	45.829	140.349	174.981	95.188	-8.564
2010	12.527	0.327	0.000	47.155	103.514	278.495	63.547	54.983
2011	11.127	0.290	0.000	48.500	85.184	363.679	47.334	102.317
2012	10.075	0.263	0.000	49.869	71.066	434.745	35.744	138.061
2013	9.190	0.239	0.000	51.255	58.982	493.727	26.849	164.909
2014	8.495	0.221	0.000	52.662	49.169	542.896	20.261	185.171
Rem	34.446	0.895	0.000	275.120	137.267	137.267	44.401	44.401
Total	209.640	5.469	1,251.000	713.170	680.163	680.163	229.572	229.572

Major Phase : Oil
 Perfs : 0
 Initial Rate : 1.58 mbbbl/month
 Abandonment : 0.06 mbbbl/month
 Initial Decline : 99.67 % year
 Beg Ratio : 3.68 mcf/mbbl
 End Ratio : 9.94

Working Int : 1.00000000
 Revenue Int : 0.84500000
 Disc. Initial Invest. (m\$) : 1,251.000
 Internal ROR (%) : 18.46
 ROI Investment (disc/undisc) : 1.18 / 1.54
 Years to Payout : 3.21
 Abandonment Date : 11/04/2019

Present Worth Profile (M\$)

1.00% : 621.63
 8.00% : 299.96
 10.00% : 229.57
 12.00% : 166.26
 15.00% : 82.46
 20.00% : -33.63
 30.00% : -205.40
 40.00% : -327.11
 50.00% : -418.65
 60.00% : -490.50

Initial 1st Rev. 2nd Rev.
 Working Interest : 1.00000000 0.00000000 0.00000000
 Revenue Interest : 0.84500000 0.00000000 0.00000000
 Rev. Date :

Input Page

Lease Name: 1000376/POKER LAKE/214/DEL UPDATE
 Operator : BEPCO
 Field Name : NASH DRAW (DELAWARE)
 Oil Proved Producing

8/1/2005

Case Type : LEASE CASE
 Reservoir : DELAWARE
 Co., St. : EDDY, NM

Discount Method: M

Annual Compoundings: 12

At AsOf Date

	Oil	Gas
Qi (AsOf) =	1.575 Mbbl/month	5.802 MMcf/month
Qf (ECL) =	0.061 Mbbl/month	0.605 MMcf/month
Dec. =	99.672 %	- %
b =	1.000	-
Unit Price =	63.54 /bbl	9.69 /Mcf
Unit Exp. =	0.00	0.00
Hist. Cum	4.294 Mbbl	18.443 MMcf
Proj. Cum	0.000 Mbbl	0.000 MMcf
Reserves	29.398 Mbbl	228.508 MMcf
Ult.	29.398 Mbbl	228.508 MMcf

Abandonment Date: 11/4/2019

ID Codes List

Id Label	IdCode
Retrieval Code	PHDW00001656
API Number	3001533860
PhdWin ID	01680
RRC Dist Code	NM
Operator Code	
Field Code	
Unique ID	AE5D132E74936609221300001
IDCODE	C%NDDLPO.214
ENGR	CMB
WELL NAME	POKER LAKE UNIT #214
WELL NO	214
WELLBORE	
COMPLETION SEQ	
DATE COMP	2005-08-08 00:00:00.000
STATUS	ACT
STATUS DATE	
SURVEILLANCE	
STWELLID	
PROPERTY	POKER LAKE UNIT NONDEL C SEC19
CONTROL	1000376
STWSEID	

Input Data

Projection Table

* Segment Volumes Adjusted for Historical Data.

Arps		Start	End	Life Years	Initial Rate	Final Rate	Decline (%)	b	Min. Decline	Segment Volume
Gas	1	9/21/2005	1/9/2006	0.30	5.5	2.5 mmcf	92.15	0.000	-	13 mmcf *
Gas	2	1/10/2006	11/4/2019	13.82	3.3	0.6 mmcf	28.00	1.000	-	209 mmcf
Oil	1	9/16/2005	1/10/2006	0.32	1.5	0.5 mbbl	99.67	1.000	-	3 mbbl *
Oil	2	1/11/2006	11/4/2019	13.82	0.54750	0.06083 mbbl	44.00	1.000	-	25 mbbl
Water	1	12/18/2005	11/4/2019	13.88	2.7	0.4 mbbl	35.00	1.001	-	146 mbbl *

Formula

	Formula	Units
Oil Cut	((OIL) / ((OIL) + {WATER})) X 100	%
GOR	{GAS} X 1000 / {OIL}	scf/bbl
Yield	{OIL} / {GAS}	bbl/Mcf
Water Cut	((WATER) / ((OIL) + {WATER})) X 100	%

Product Model Table

Base Model [AsOf Price]			Model Adjustments				Base Cost Model [AsOf Cost]
	Base Units	Escalation Model	Op Cost	BTU	Differential	Shrinkage	Escalation Model
Gas	Mcf	BASS01052006[9.6916 BASSESC2006	0	1,220	-1.45	0.00 %	Case Specific[0] n/a
Oil	bbl	BASS01052006[63.537 BASSESC2006	0		-1.50	0.00	Case Specific[0] n/a
Water	bbl	n/a	0		0.00	0.00	Case Specific[0] n/a
PRESSURE		n/a	0		0.00	0.00	n/a
		n/a					n/a
Condensate	bbl	n/a	0		0.00	0.00	n/a
		n/a					n/a
NGL	gal	n/a	0		0.00	0.00	n/a
		n/a					n/a
Well Cost		n/a	3,550		0.00	0.00	Case Specific[3550] n/a
		n/a					
Fixed Cost		n/a	0		0.00	0.00	Case Specific[0] n/a
		n/a					

Input Page

Lease Name: 1000376/POKER LAKE/214/DEL UPDATE
 Operator : BEPCO
 Field Name : NASH DRAW (DELAWARE)
 Oil Proved Producing

8/1/2005

Case Type : LEASE CASE
 Reservoir : DELAWARE
 Co., St. : EDDY, NM

Investment Table

Date	Linking	Amount (M\$)			Description	Depreciation Method	Net to Interest	Init. Invest ?
		Tangible	Intangible	Total				
8/1/2005		350.00	901.00	1,251.00		N/A	100%	Y
		350.00	901.00	1,251.00				

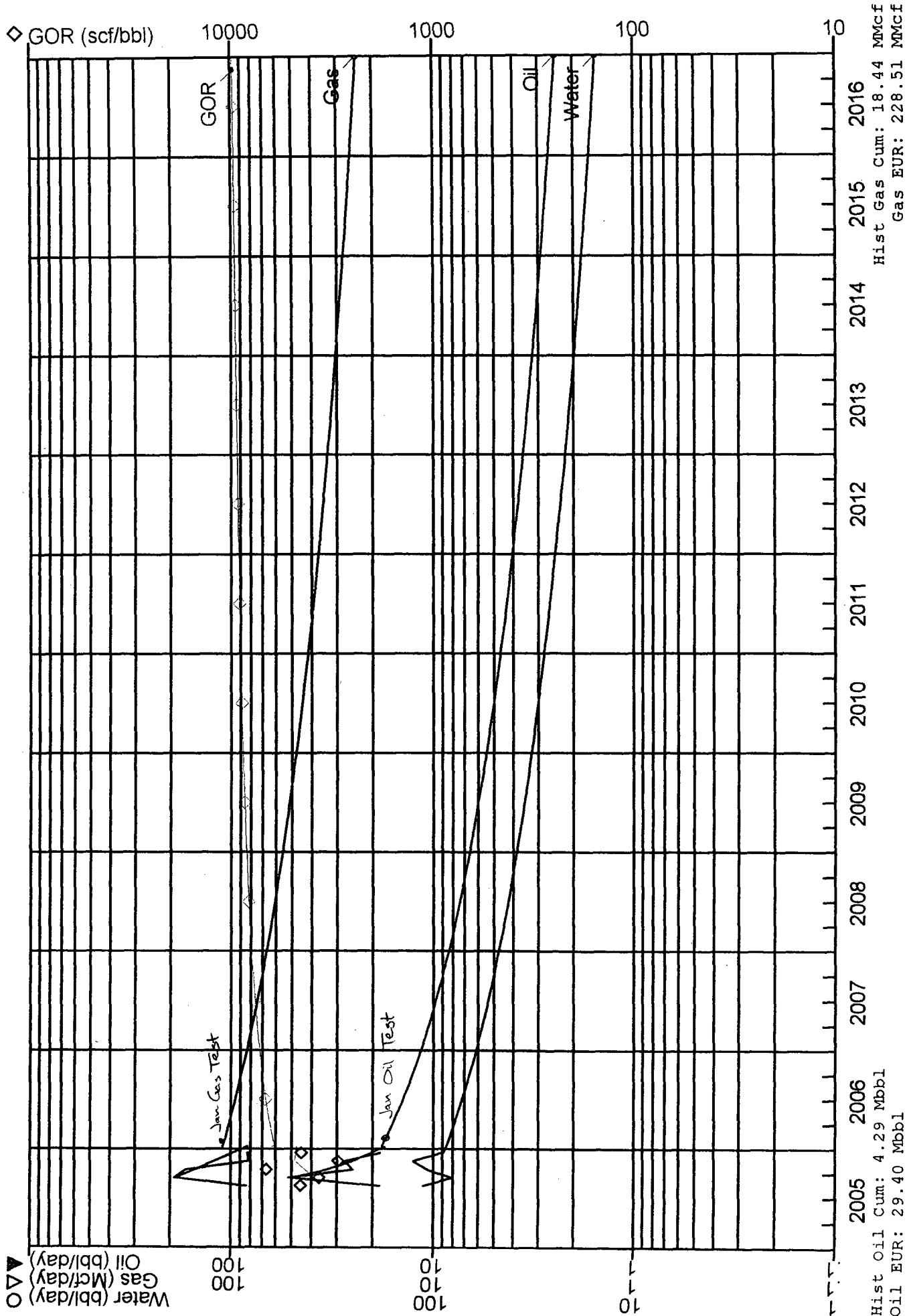
Ownership Table

Owner	Owner Code	Owner Loaded	Rev. Type	Triger Value	WI (fract)	NRI (Fract)	Lease NRI	Net Profit Expense	Rev. SR#
ALL CASES	1	1	Initial	0	1.00000000	0.84500000	0.84500000	-	1

Lease Memo Table**Lease Memos**

Field: NASH DRAW (DELAWARE)
EDDY, NM

Oper: BEPCO
Case Name: 1000376/POKER LAKE/214/DEL UPDATE



LEASE: POKER LAKE UNIT WELL #: 214
 FIELD: NASH DRAW DELAWARE
 LOCATION: 510' FNL & 1980' FEL, SECTION 19, T24S, R30E
 COUNTY: EDDY ST: NM API: 30-015-33860

KB: 3184'
 GL: 3167'
 SPUD DATE: 07/16/2005
 COMP DATE: 08/12/2005

SURFACE CASING

SIZE: 8-5/8"
 WT/GRD: 32# J-55
 CSA: 410'
 SX: 265 PREM+
 CIRC: Y NO RTRNS
 TOC: 20'
 HOLE SIZE: 12-1/4" 57-410'

PRODUCTION CASING

SIZE: 5-1/2"
 WT/GRD: 15.5# J55 0-6242'
 WT/GRD: 17# J55 6242-7515'
 CSA: 7515'
 SX: 700 PREM+ W/ N2
 CIRC: Y
 TOC: 4818' TS
 HOLE SIZE: 7-7/8" 410-7515'

TUBING DATA

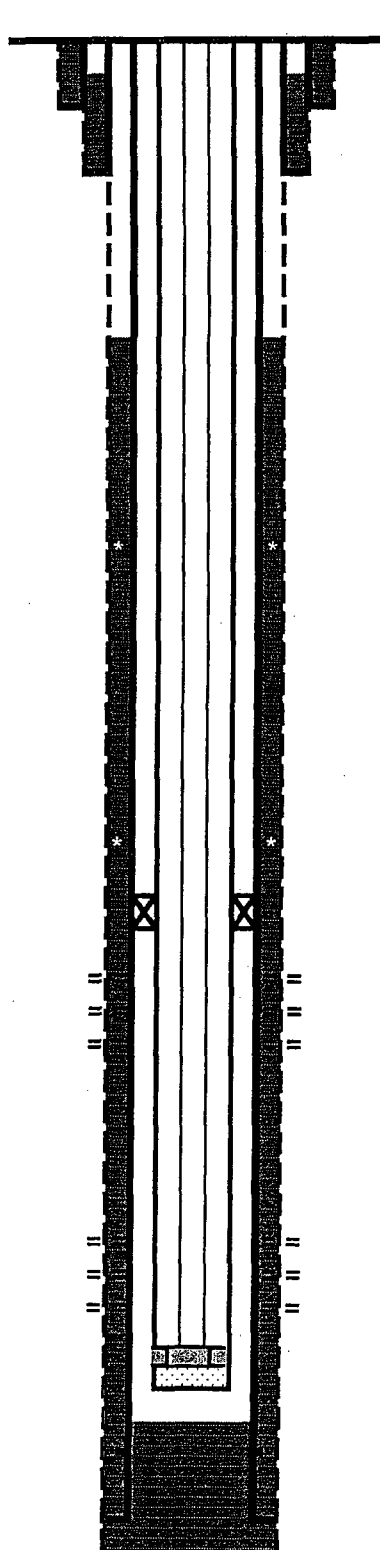
(223 JTS) 2-7/8" 6.5#/FT J-55 TBG
 TAC @ 7119'
 (8 JTS) 2-7/8" 6.5#/FT J55 TBG
 SS TBG SUB
 MSN W/ GA @ 7379'
 GAS SEPARATOR
 EOT @ 7387'

RODS & PUMP DATA (PER STRIPPINGS)

2700' 7/8" TENARIS D RODS
 4575' 3/4" TENARIS D RODS
 1-3/4" RHBH HVR 3-TUBE PUMP

PERFORATION DATA

08/05 PERF 7350-64' AVALON F/ 30kg
 PW PAD+95kg PW W/ 10k# 14/30
 LP+1.2kg 7-1/2" HCL ACID+5.9kg PW
 08/05 PERF 7200-14' LBC "Z" F/ 0 PW
 BD+30.6kg PW PAD+96.5kg PW W/ 10k#
 14/30 LP+7kg PW FLUSH



0' KB
 17' GL
 57' 16" CONDUCTOR
 410' 8-5/8" 32# CSG 12-1/4" HOLE
 4,818' TOC (TS)
 TOC VIA TS 4801' GL
 5,972' 5-1/2" 15.5# K55 MRKR JT (26')
 6,242' 5-1/2" 15.5# J-55 CSG
 7,012' 5-1/2" 17# J55 MRKR JT (11')
 7,119' TAC
 7,200' TOP PERF INTERVAL
 7,214' PERF 7200-14' LBC "Z"
 2 SPF 0° PHSG 28 HOLES
 7,350' PERF 7350-64' AVALON
 2 JSPF 0° PHSG 28 HOLES
 7364' BOTTOM PERF INTERVAL
 7,379' MSN
 7387' EOT
 7417' TAGGED UP @ 7400' GL
 7,430' PBTD (FC)
 5-1/2" 17# J55 CSG @ 7514.5'
 7,515' 7-7/8" HOLE

Updated: 10/10/2005
 Author: KRA
 Engr: MLL

PBTD: 7,417'
 TD: 7,515'

GR LOG INDICATES PBTD @ 7404'

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

March 14, 2006

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones

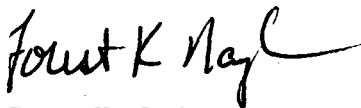
Re: Commercial Determination
Poker Lake Unit #232
Delaware Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Delaware Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,



Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL Poker Lake Unit # 232 FORMATION Delaware
 LOCATION D UNIT, 990 FEET FROM North LINE & 990 FEET FROM West LINE
 SECTION 31 TOWNSHIP 24S RANGE 30E COUNTY Eddy NEW MEXICO
 SPUD DATE 07/28/2005 COMPLETION DATE 08/25/2005 INITIAL PRODUCTION 08/25/2005
 PERFORATIONS 7180 - 7350'

STIMULATION:

ACID _____

FRACTURE Frac w/ 262026 gals PW + 21744# 14/30 Lite Prop

POTENTIAL (08/30/2005): 52 BOPD, 101 MCFPD, 222 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	
Porosity (Φ), %	<u>12%</u>	
Water saturation (Sw), %	<u>43%</u>	
Net Thickness (H), ft.	<u>28</u>	
Temperature (T), Fahrenheit	<u>124</u>	
Bottom Hole pressure (P), psia	<u>3,123</u>	
Recovery factor (RF), %	<u>15%</u>	
Recoverable Oil, Bbls *(See eq. below)	<u>57,344</u>	

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

B_o = 1.50

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 12/31/2005 8,577 MCF Gas 2,406 BBL OilINITIAL RATE (qi) 30ECONOMIC LIMIT (qi) 2HYPERBOLIC DECLINE RATE, dy n = 1.00, d = 51.041%/yrREMAINING OIL (Q) = 41,407ULTIMATE RECOVERABLE OIL (BO) 43,813

(Attach plat showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$1,383,749 (to the depth of formation completed)RECOMPLETION COST GROSS TOTAL COST \$1,383,749

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				-1,383.7
1	2.4	210.7	15.7	193.0
2	7.9	661.7	93.9	529.1
3	5.2	459.2	79.0	320.3
4	3.9	291.4	67.2	170.9
5	3.1	240.2	64.5	121.1
6	2.6	194.4	62.2	82.5
7	2.2	171.1	61.8	61.8
8	2.0	153.9	61.8	47.1
9	1.7	139.7	62.1	35.9
10	1.6	128.6	62.7	27.6
REMAINDER	11	1,019.8	744.2	80.9
TOTAL	44	3,670.7	1,375.2	286.5

WELL IS COMMERCIAL

DISTRICT I

1825 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	Pool Code 47545	Pool Name NASH DRAW-DELAWARE
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 232
OGRID No. 001301	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3162'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	31	24 S	30 E		990	NORTH	990	WEST	EDDY

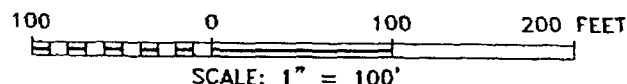
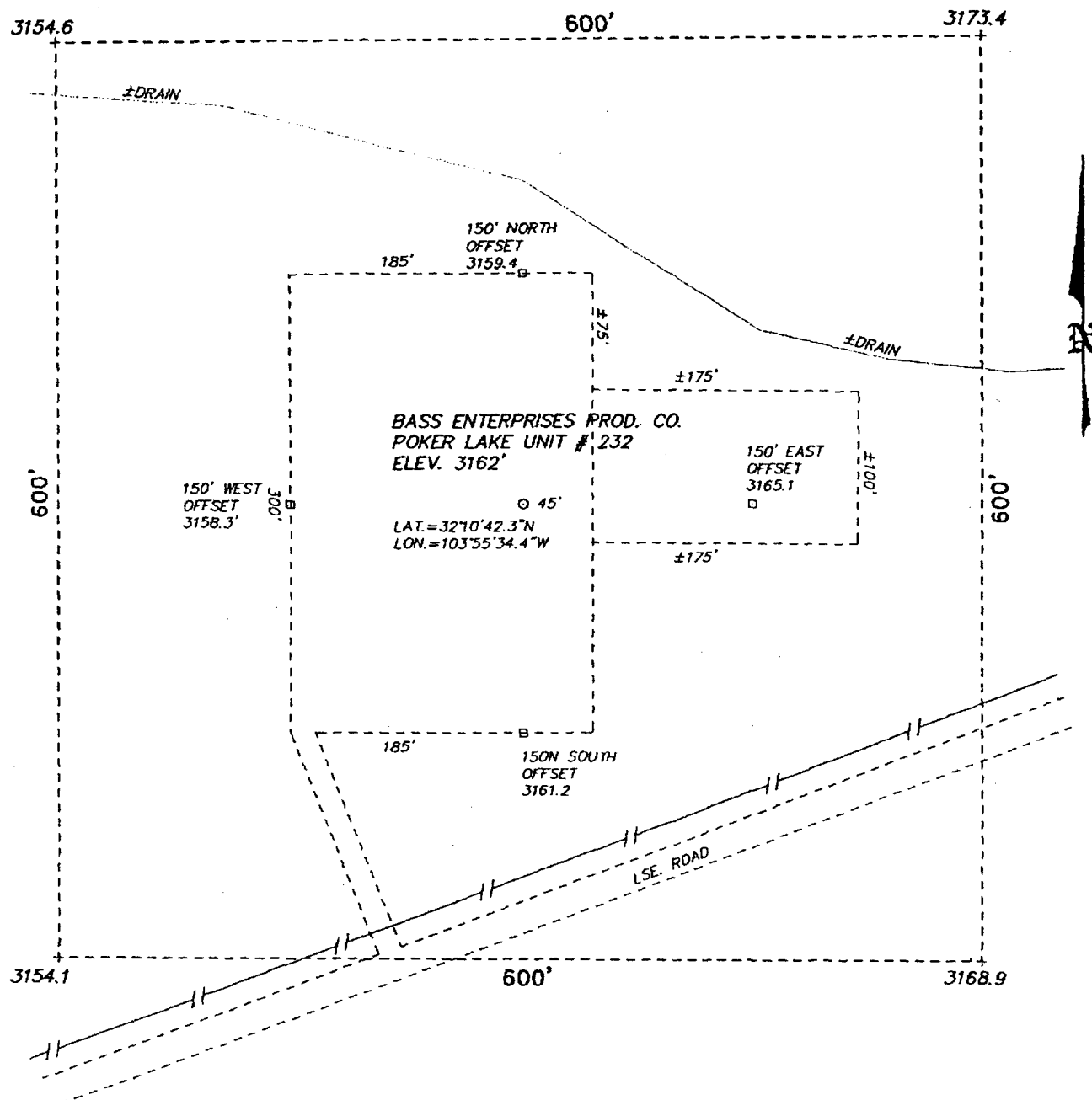
Bottom Hole Location If Different From Surface

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 I	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

	40.68 acres	40.55 acres	40.58 acres	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 DIVISION DRILLING SUPT. Title 1-20-05 Date
LOT 2 40.61 acres	40.64 acres	40.59 acres	40.62 acres	
LOT 3 40.57 acres	40.60 acres	40.63 acres	40.66 acres	
LOT 4 40.53 acres	40.56 acres	40.67 acres	40.70 acres	
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. JANUARY 13, 2005 Date Surveyed Signature of Gary L. Jones Professional Surveyor W.O. No. 4949 Certificate No. Gary L. Jones 7977 BASIN SURVEYS				

SECTION 31, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 232 / Well Pad Topo

THE POKER LAKE UNIT No. 232 LOCATED 990' FROM
THE WEST LINE AND 990' FROM THE NORTH LINE OF
SECTION 31, 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: 4946

Drawn By: GWS

Date: 01-12-05

Disk: BASS4946

Survey Date: 01-12-05

Sheet 1 of 1 Sheets

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

- 1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other

2. Name of Operator
Bass Enterprises Production Co.

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

OCT 14 2005

3a. Phone No. (Include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface NWNW, 990 FNL, 990 FWL

At top prod. interval reported below SAME

At total depth SAME

CONFIDENTIAL

14. Date Spudded 07/28/2005
15. Date T.D. Reached 08/08/2005
16. Date Completed ☐ D & A ☒ Ready to Prod. 08/25/2005

18. Total Depth: MD 7490' TVD
19. Plug Back T.D.: MD 7399' TVD
20. Depth Bridge Plug Set: MD 7260' TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
GR-CNL-LDT; GR-AIT

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
14-3/4"	11-3/4	H40/42#	0'	719'		1250		0'	0
7-7/8"	5-1/2"	J55/15.5#	0'	6154'					0
7-7/8"	5-1/2"	J55/17#	6154'	7488'		720		3475'	0

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	7213'							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	7180'	7350'	7180'-7194'	0.470	28	PRODUCING
B)			7336'-7350'	0.470	28	BELOW CBP
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
7180'-7194'	88,028 GALS PW + 7,677# 14/30 LITE PROP
7336'-7350'	173,998 GALS PW + 14,067# 14/30 LITE PROP

ACCEPTED FOR RECORD

OCT 11 2005

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
8/25/05	08/30/05	24	→	52	101	222			PUMPING
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
13/64"	SI	350	520	→	52	101	222		SI WAITING ON BATTERY

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
	SI		→						

(See instructions and spaces for additional data on reverse side)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

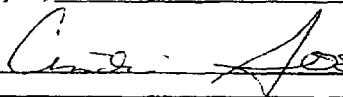
Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				T/RUSTLER	100'
				T/SALT	720'
				B/SALT	3209'
				T/DELAWARE MTN GROUP	3419'

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geological Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Cindi GoodmanTitle Production ClerkSignature Date 09/15/2005

Title 18 U.S.C. Section 101 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.

ECONOMIC PROJECTION

Date : 2/7/2006

Lior: 1000378

10:00:28AM

Project Name : INDWELLS Extract-Creating new PHDWi
 Partner : ALL CASES
 Case Type : LEASE CASE
 Archive Set : CMB112005

As Of Date : 10/01/2005
 Discount Rate (%) : 10.00
 1000378/POKER LAKE UNIT/232/DEL

Lease Name : 1000378/POKER LAKE UNIT/232/DEL
 Reserv Cat. : Proved Producing
 Field : NASH DRAW (DELAWARE)
 Operator : BEPCO
 Reservoir : DELAWARE
 Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbl)	Gas (MMCF)	NGL (MGal)
2005	2.406	8.577	8.577	0.000	2.033	7.248	0.000
2006	7.901	41.532	41.532	0.000	6.676	35.094	0.000
2007	5.231	30.050	30.050	0.000	4.420	25.392	0.000
2008	3.926	23.763	23.763	0.000	3.318	20.080	0.000
2009	3.131	19.640	19.640	0.000	2.645	16.596	0.000
2010	2.609	16.817	16.817	0.000	2.205	14.210	0.000
2011	2.237	14.730	14.730	0.000	1.890	12.447	0.000
2012	1.963	13.157	13.157	0.000	1.659	11.118	0.000
2013	1.740	11.842	11.842	0.000	1.470	10.006	0.000
2014	1.567	10.800	10.800	0.000	1.324	9.126	0.000

Rem	11.103	80.225	80.225	0.000	9.382	67.790	0.000
Total	43.813	271.133	271.133	0.000	37.022	229.107	0.000
Ult.	43.813	271.133					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2005	58.26	12.73	0.00	118.452	92.268	0.000	210.720
2006	56.50	8.11	0.00	377.217	284.526	0.000	661.744
2007	56.91	8.18	0.00	251.537	207.635	0.000	459.172
2008	48.86	6.44	0.00	162.097	129.325	0.000	291.422
2009	49.62	6.56	0.00	131.256	108.916	0.000	240.172
2010	50.39	5.86	0.00	111.087	83.299	0.000	194.386
2011	51.17	5.98	0.00	96.711	74.373	0.000	171.084
2012	51.96	6.09	0.00	86.174	67.706	0.000	153.880
2013	52.76	6.21	0.00	77.579	62.103	0.000	139.682
2014	53.57	6.32	0.00	70.917	57.720	0.000	128.637
Rem	58.15	7.00	0.00	545.517	474.324	0.000	1,019.841
Total	54.79	7.17	0.00	2,028.544	1,642.196	0.000	3,670.739

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2005	10.131	0.264	1,383.000	5.325	-1,188.001	-1,188.001	-1,190.798	-1,190.798
2006	50.010	1.323	0.000	42.600	567.810	-620.191	529.138	-661.660
2007	34.814	0.918	0.000	43.233	380.206	-239.984	320.321	-341.339
2008	22.068	0.583	0.000	44.523	224.249	-15.736	170.922	-170.417
2009	18.213	0.480	0.000	45.829	175.650	159.914	121.135	-49.281
2010	14.687	0.389	0.000	47.155	132.156	292.070	82.490	33.209
2011	12.938	0.342	0.000	48.500	109.303	401.372	61.753	94.962
2012	11.646	0.308	0.000	49.869	92.057	493.430	47.074	142.036
2013	10.579	0.279	0.000	51.255	77.569	570.999	35.898	177.934
2014	9.748	0.257	0.000	52.662	65.969	636.968	27.637	205.571
Rem	77.470	2.040	0.000	664.728	275.604	275.604	80.940	80.940
Total	272.305	7.185	1,383.000	1,095.678	912.572	912.572	286.511	286.511

Major Phase : Oil
 Perfs : 0
 Initial Rate : 0.91 mbbl/month
 Abandonment : 0.06 mbbl/month
 Initial Decline : 51.04 % year
 Beg Ratio : 4.58 mcf/mbbl
 End Ratio : 7.51

b = 1.000

Working Int : 1.00000000
 Revenue Int : 0.84500000
 Disc. Initial Invest. (m\$) : 1.383.000
 Internal ROR (%) : 18.17
 ROInvestment (disc/undisc) : 1.21 / 1.66
 Years to Payout : 3.33
 Abandonment Date : 10/24/2025

Present Worth Profile (M\$)

1.00% : 827.26
 8.00% : 379.85
 10.00% : 286.51
 12.00% : 203.84
 15.00% : 96.17
 20.00% : -50.05
 30.00% : -261.16
 40.00% : -407.93
 50.00% : -517.17
 60.00% : -602.34

	Initial	1st Rev.	2nd Rev.
Working Interest :	1.00000000	0.00000000	0.00000000
Revenue Interest :	0.84500000	0.00000000	0.00000000
Rev. Date :			

Input Page

Lease Name: 1000378/POKER LAKE UNIT/232/DEL
 Operator : BEPCO
 Field Name : NASH DRAW (DELAWARE)
 Oil Proved Producing

10/1/2005

Case Type : LEASE CASE
 Reservoir : DELAWARE
 Co., St. : EDDY, NM

Discount Method: M

Annual Compoundings: 12

At AsOf Date

	Oil	Gas
Qi (AsOf) =	0.912 Mbbbl/month	4.181 MMcf/month
Qf (ECL) =	0.061 Mbbbl/month	0.461 MMcf/month
Dec. =	51.041 %	- %
b =	1.000	-
Unit Price =	60.85 /bbl	13.73 /Mcf
Unit Exp. =	0.00	0.00
Hist. Cum	2.406 Mbbbl	8.577 MMcf
Proj. Cum	0.000 Mbbbl	0.000 MMcf
Reserves	43.813 Mbbbl	271.133 MMcf
Ult.	43.813 Mbbbl	271.133 MMcf

Abandonment Date: 10/24/2025

ID Codes List

Id Label	IdCode
Retrieval Code	PHDW00001657
API Number	3001534009
PhdWin ID	01649
RRC Dist Code	NM
Operator Code	
Field Code	
Unique ID	48EFEE6C74783362478800003
IDCODE	C%NDDLBPB.232
ENGR	CMB
WELL NAME	POKER LAKE UNIT #232
WELL NO	232
WELLBORE	
COMPLETION SEO	
DATE COMP	2005-08-25 00:00:00.000
STATUS	ACT
STATUS DATE	
SURVEILLANCE	
STWELLID	
PROPERTY	POKER LAKE UNIT NONDEL C SEC31
CONTROL	1000378
STLSEID	

Input Data

Projection Table

* Segment Volumes Adjusted for Historical Data.

Arps	Start	End	Life Years	Initial Rate	Final Rate	Decline (%)	b	Min. Decline	Segment Volume
Gas	1 11/20/2005	12/31/2025	20.11	4.5	0.5 mmcf	40.00	1.100	-	269 mmcf *
Oil	1 11/16/2005	12/31/2025	20.13	0.93354	0.06083 mbbbl	51.04	1.000	-	43 mbbbl *
Water	1 12/20/2005	4/10/2018	12.31	3.6	0.2 mbbbl	20.00	0.000	-	182 mbbbl *

Formula

Formula

Units

Oil Cut	((OIL) / ((OIL) + {WATER})) X 100	%
GOR	{GAS} X 1000 / {OIL}	scf/bbl
Yield	{OIL} / {GAS}	bbl/Mcf
Water Cut	((WATER) / ((OIL) + {WATER})) X 100	%

Product Model Table

	Base Units	Base Model [AsOf Price]		Model Adjustments			Base Cost Model [AsOf Cost]	
		Escalation Model	Op Cost	BTU	Differential	Shrinkage	Escalation Model	
Gas	Mcf	BASS01052006[13.732 BASSESC2006	0	1,150	-1.45	0.00 %	Case Specific[0] n/a	
Oil	bbl	BASS01052006[60.847 BASSESC2006	0		-1.50	0.00	Case Specific[0] n/a	
Water	bbl	n/a n/a	0		0.00	0.00	Case Specific[0] n/a	
PRESSURE		n/a n/a	0		0.00	0.00	n/a n/a	
Condensate	bbl	n/a n/a	0		0.00	0.00	n/a n/a	
NGL	gal	n/a n/a	0		0.00	0.00	n/a n/a	
Well Cost		n/a n/a	3,550		0.00	0.00	Case Specific[3550] n/a	
Fixed Cost		n/a n/a	0		0.00	0.00	Case Specific[0] n/a	

2/7/2006 9:59:50AM

Input Page

Lease Name: 1000378/POKER LAKE UNIT/232/DEL
 Operator : BEPCO
 Field Name : NASH DRAW (DELAWARE)
 Oil Proved Producing

10/1/2005

Case Type : LEASE CASE
 Reservoir : DELAWARE
 Co., St. : EDDY, NM

Investment Table

Date	Linking	Amount (M\$)			Description	Depreciation Method	Net to Interest	Init. Invest ?
		Tangible	Intangible	Total				
10/1/2005		387.00	996.00	1,383.00		N/A	100%	Y
		387.00	996.00	1,383.00				

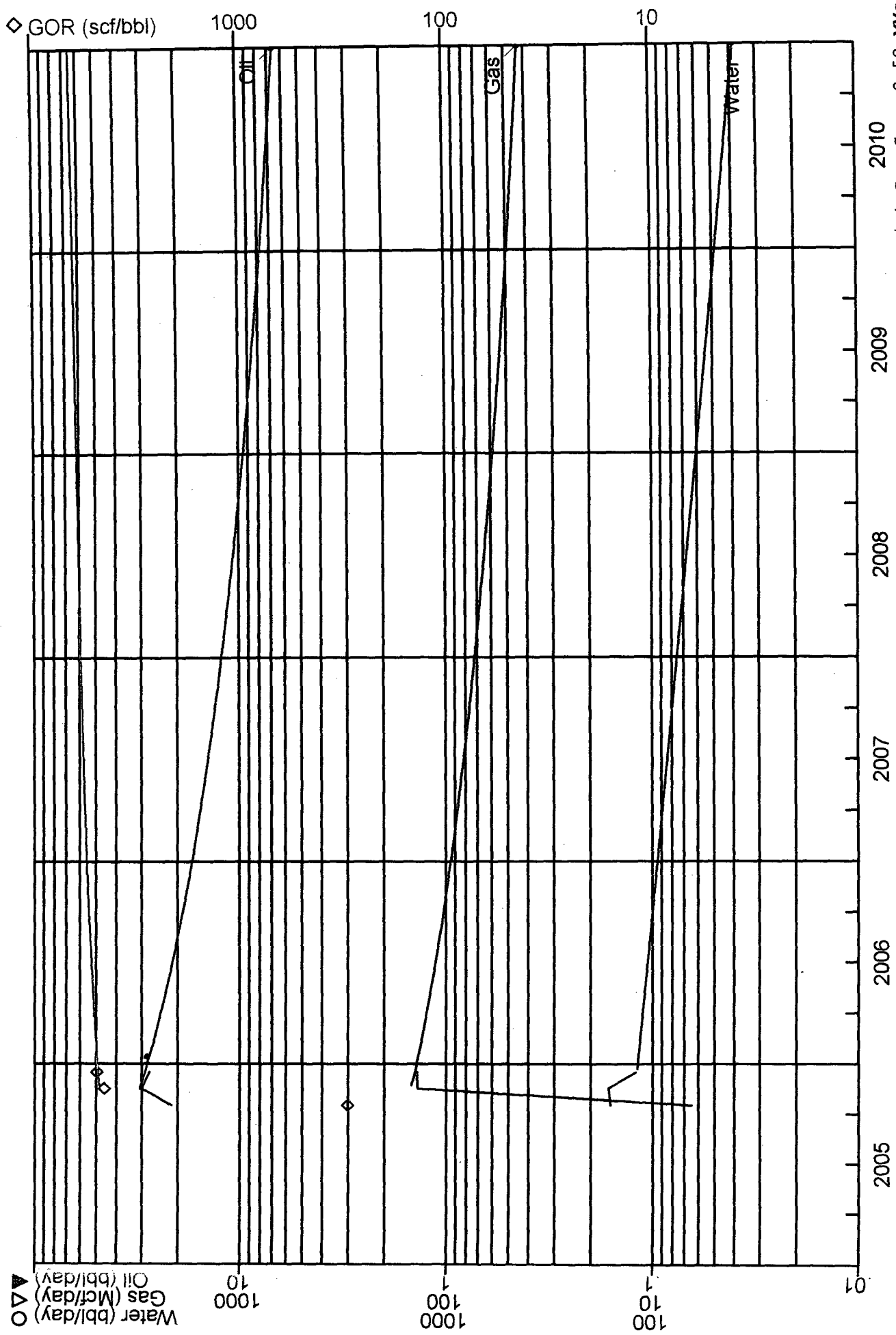
Ownership Table

Owner	Owner Code	Owner Loaded	Rev. Type	Triger Value	WI (fract)	NRI (Fract)	Lease NRI	Net Profit Expense	Rev. SR#
ALL CASES	1	1	Initial	0	1.00000000	0.84500000	0.84500000	-	1

Lease Memo Table

Lease Memos

Oper: BEPCO
WELL NAME: POKER LAKE UNIT #232
Field: NASH DRAW (DELAWARE)



Hist Gas Cum: 8.58 MMcf
Gas EUR: 272.16 MMcf
Gas Rem: 263.58 MMcf

Hist Oil Cum: 2.41 Mbbl
Oil EUR: 43.95 Mbbl
Oil Rem: 41.54 Mbbl

CURRENT WELLBORE DIAGRAM

Lease: **Poker Lake Unit** Well No.: **232**
 Field: **Nas Draw (Delaware)**
 Location: **990' FNL & 990' FWL, Sec 31, T24S, R30E**
 County: **Eddy** St: **NM** API: **30-015-34009**

KB: 3181
 GL: 3160
 Spud Date: 07/28/2005
 Compl. Date: 08/21/2005

Surface Csg.

Size: 11 3/4
 Wt: 42
 Grd: H40
 Set @: 719
 Sxs Cmt: 950
 Circ: Y
 TOC: Surf by Topoff
 Hole Size: 14 3/4 to 721

Production Csg.

Size: 5 1/2
 Wt: 15.5/17
 Grd: J55/K55
 Set @: 7488
 Sxs Cmt: 720
 Circ: N
 TOC:
 Hole Size: 7 7/8 7490

Tubing

230 jts 2 7/8, 6.5, J-55

Rods

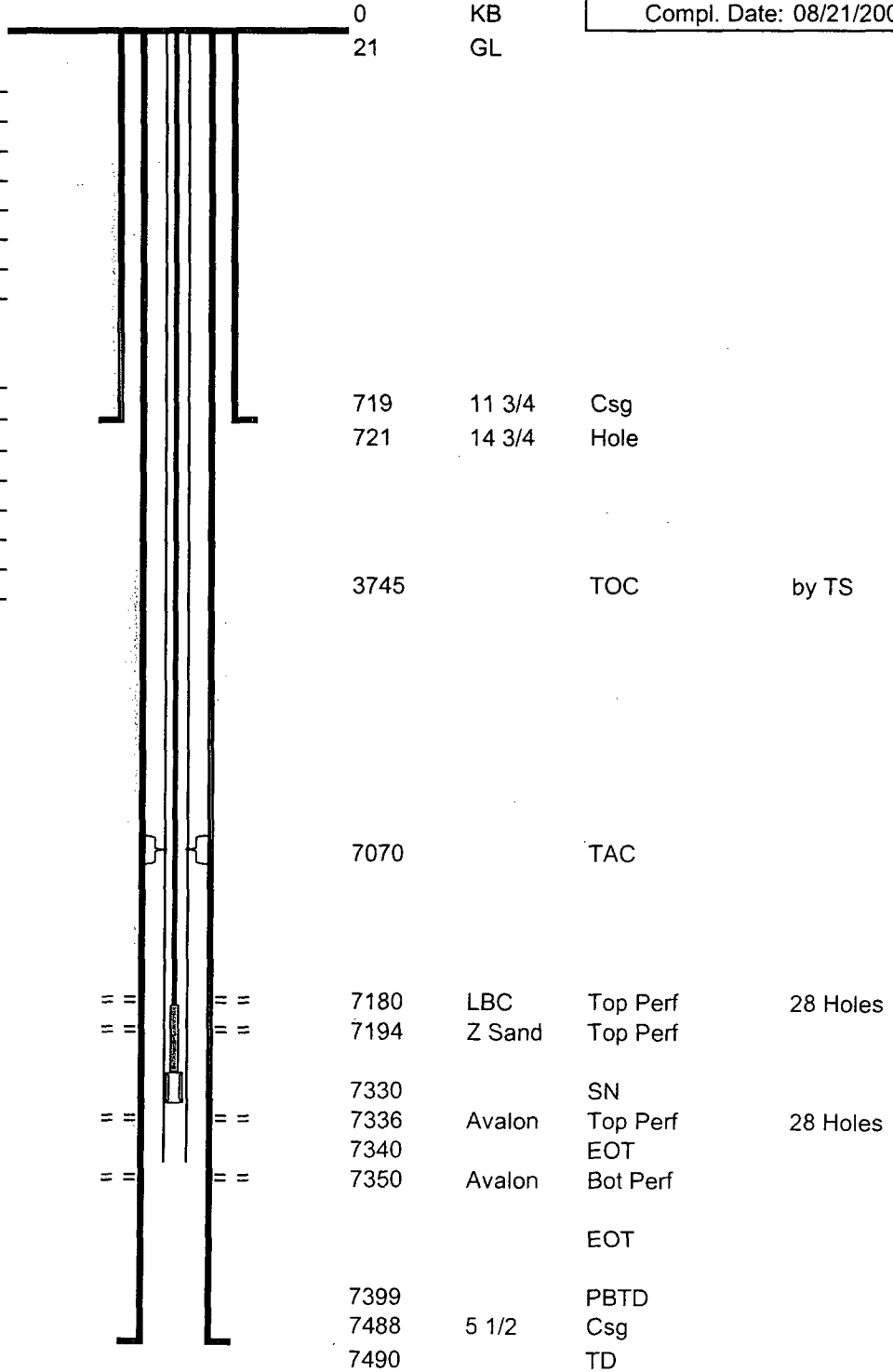
7/8, 3/4 KD Steel

Pump

2 1/2" x 1 3/4 x 20 RHBM

Pump Unit

Motion: 1-3/4" x 94" x 10 SPM.
 w/ VSD



PBTD: 7399
 TD: 7490

Updated: 12/05/2005
 Author: ELE
 Engr: CMB

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

March 14, 2006

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones

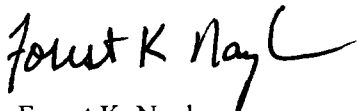
Re: Commercial Determination
Poker Lake Unit #221
Delaware Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Delaware Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,


Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL _____ Poker Lake Unit # 221 _____ FORMATION _____ Delaware _____
 LOCATION _____ P _____ UNIT, _____ 660 FEET FROM _____ South LINE & _____ 660 FEET FROM _____ East LINE
 SECTION _____ 19 TOWNSHIP _____ 24S RANGE _____ 30E COUNTY _____ Eddy _____, NEW MEXICO
 SPUD DATE _____ 06/25/2005 _____ COMPLETION DATE _____ 07/21/2005 _____ INITIAL PRODUCTION _____ 07/21/2005 _____
 PERFORATIONS _____ 7208 - 7430' _____

STIMULATION:

ACID _____

FRACTURE _____ Frac w/ 261000 gals PW + 20000# 14/30 Lite Prop _____

POTENTIAL _____ (07/30/2005): 97 BOPD, 100 MCFPD, 280 BWPD _____

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	_____
Porosity (Φ), %	<u>10%</u>	_____
Water saturation (S_w), %	<u>47%</u>	_____
Net Thickness (H), ft.	<u>32</u>	_____
Temperature (T), Fahrenheit	<u>125</u>	_____
Bottom Hole pressure (P), psia	<u>3,123</u>	_____
Recovery factor (RF), %	<u>15%</u>	_____
Recoverable Oil, Bbls *(See eq. below)	<u>52,334</u>	_____

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

$B_o = 1.50$

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 12/31/2005 17,764 MCF Gas 5,000 BBL OilINITIAL RATE (qi) 17ECONOMIC LIMIT (ql) 4HYPERBOLIC DECLINE RATE, dy n = 0.99, d = 29.008%/yrREMAINING OIL (Q) = 24,740ULTIMATE RECOVERABLE OIL (BO) 29,740

(Attach plot showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$1,303,380 (to the depth of formation completed)

RECOMPLETION COST _____

GROSS TOTAL COST \$1,303,380

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				-1,303.4
1	5.0	450.1	4.2	435.4
2	5.3	438.8	76.7	328.5
3	4.1	362.3	71.1	239.0
4	3.3	254.8	63.4	142.2
5	2.8	225.2	61.8	109.8
6	2.4	190.9	59.8	79.8
7	2.1	174.5	59.2	63.5
8	1.9	161.7	58.9	51.3
9	1.7	150.4	58.7	41.4
10	1.1	98.8	40.3	24.2
REMAINDER	0	0.0	0.0	0.0
TOTAL	30	2,507.6	554.0	211.6

WELL IS COMMERCIAL

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name	
		47545	NASH DRAW DELAWARE	
Property Code	Property Name			Well Number
001796	POKER LAKE UNIT			221
OGRID No.	Operator Name			Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY			3182'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	19	24 S	30 E		660	SOUTH	660	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		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 1 - 40.77 AC.	40.66 AC.	40.65 AC.	40.65 AC.
LOT 2 - 40.87 AC.	40.69 AC.	40.68 AC.	40.66 AC.
LOT 3 - 40.94 AC.	40.69 AC.	40.68 AC.	40.67 AC.
LOT 4 - 41.06 AC.	40.73 AC.	40.70 AC.	

LAT - N32°11'51.4"
LONG - W103°54'51.5"

3181.9' 3201.0' 3180.1' 3184.3'

40.70 AC.

660'

APR 15 2004

Date Surveyed

Signature & Seal of Professional Surveyor

W.R. DANNELS

Certificate No. Gory to Jones 7977

BASIN SURVEYS

OPERATOR CERTIFICATION

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

William R. Dannels
Signature

W.R. DANNELS

Printed Name

DIVISION DRILLING SUPT.

Title

Nov. 11, 2004

Date

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.

APR 15 2004

Date Surveyed

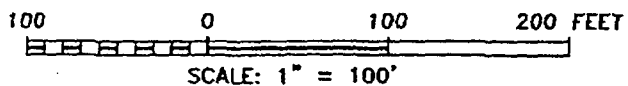
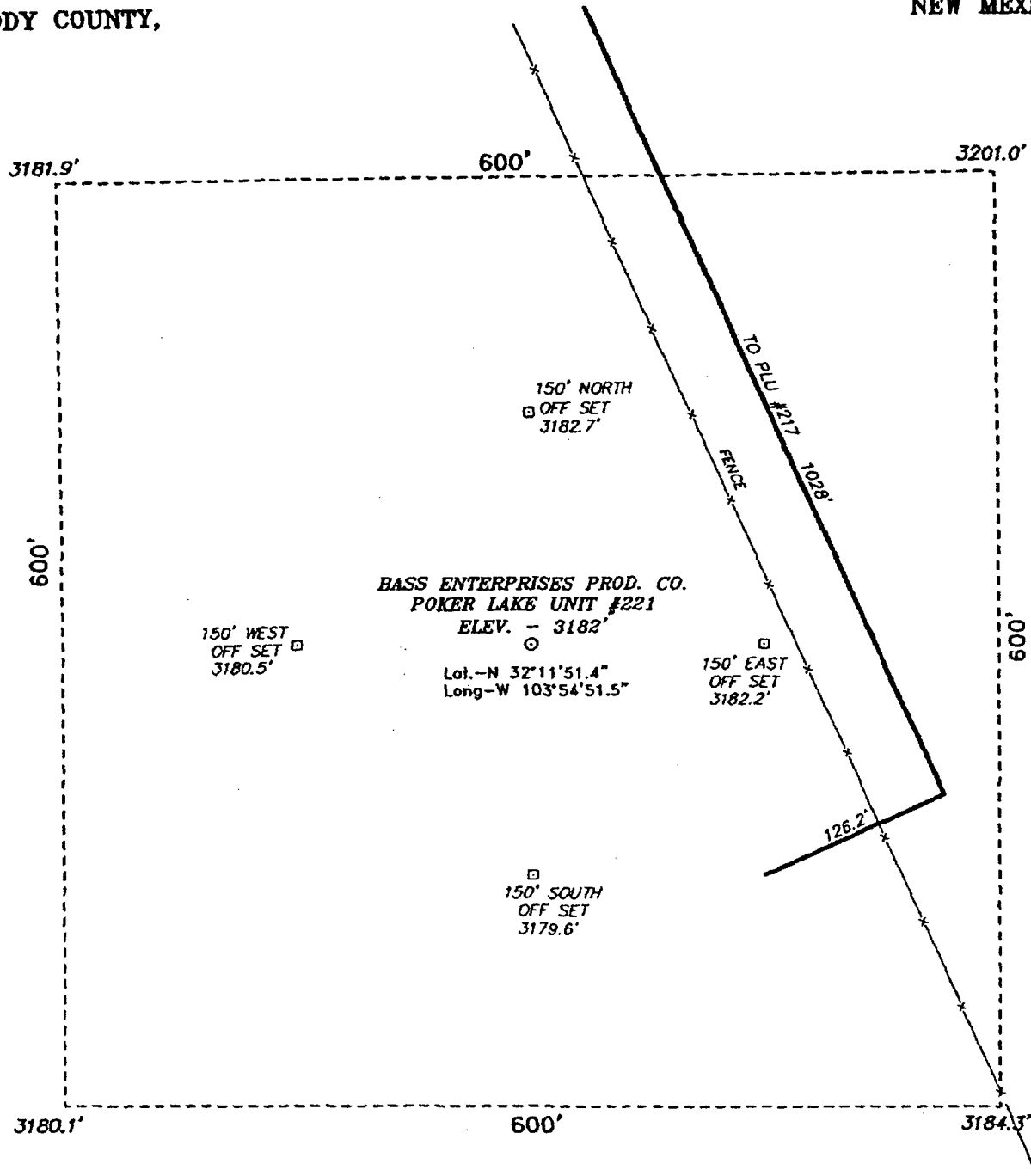
Signature & Seal of Professional Surveyor

W.R. DANNELS

Certificate No. Gory to Jones 7977

BASIN SURVEYS

SECTION 19, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. RD. 746A AND CO. RD. 748, GO EASTERLY ON CO. RD. 746A FOR APPROX. 1.0 MILE TO A POINT APPROX NORTH OF THE PROPOSED WELL PAD.

BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 221 / Well Pad Topo

THE POKER LAKE UNIT No. 221 LOCATED 660' FROM THE SOUTH LINE AND 660' FROM THE EAST LINE OF SECTION 19, 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: 4148 Drawn By: K. GOAD

Date: 04-23-2004 Disk: KJG CD#7 - 4148A.DWG

Survey Date: 04-15-2004 Sheet 1 of 1 Sheets

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

2. Name of Operator
Bass Enterprises Production Co.

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

3a. Phone No. (Include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface SWNE, 660 FSL, 660 FEL

At top prod. interval reported below SAME

At total depth SAME

14. Date Spudded

06/25/2005

15. Date T.D. Reached

07/08/2005

16. Date Completed

☐ D & A ☒ Ready to Prod.
07/21/2005

18. Total Depth: MD 7590'
TVD

19. Plug Back T.D.: MD 7475'
TVD

20. Depth Bridge Plug Set: MD 7350'
TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
GR-CNL-LDT; GR-AIT

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
14-3/4"	11-3/4"	H40/42#	0'	670'		560		0'	0
11"	5-1/2"	J55/15.5#	0'	6299'					0
7-7/8"	5-1/2"	J55/17#	6299'	7586'		615		4660'	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	7305'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	7208'	7430'	7208'-7216'	0.470	8	PRODUCING
B)			7260'-7273'	0.470	13	PRODUCING
C)			7420'-7430'	0.470	20	BELOW CBP
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
7208'-7273'	131,000 GALS PW + 10,000# 14/30 LITE PROP
7420'-7430'	130,000 GAL PW + 10,000# 14/30 LITE PROP

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
07/21/05	07/30/05	24	→	97	100	280			PUMPING
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
19/64	SI 250	580	→	97	100	280		POW	

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
	SI		→						

(See Instructions and spaces for additional data on reverse side)

CONFIDENTIAL

ACCEPTED FOR RECORD

AUG 16 2005

BUREAU OF LAND MANAGEMENT
PETROLEUM ENGINEERING

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				T/RUSTLER	380'
				T/SALT	770'
				B/SALT	3238'
				T/DELAWARE MTN. GROUP	3458'

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geological Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Cindi GoodmanTitle Production ClerkSignature Cindi GoodmanDate 08/03/2005

Title 18 U.S.C. Section 101 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.

RECEIVED
MAY 9 2005
MAY 9 2005

ECONOMIC PROJECTION

Date: 2/6/2006

Lic: 1000376

1:09:33PM

Project Name: INDWELLS Extract-Creating new PHDWi
 Partner: ALL CASES
 Case Type: LEASE CASE
 Archive Set: CMB112005

As Of Date: 07/01/2005
 Discount Rate (%): 10.00
 1000376/POKER LAKE UNIT/221/DEL

Lease Name: 1000376/POKER LAKE UNIT/221/DEL
 Reserv Cat: Proved Producing
 Field: NASH DRAW (DELAWARE)
 Operator: BEPCO
 Reservoir: DELAWARE
 Co., State: EDDY, NM

Cum Oil (mbbls): 0.00
 Cum Gas (mmcf): 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
2005	5.000	17.764	17.764	0.000	4.225	15.011	0.000
2006	5.260	25.816	25.816	0.000	4.445	21.814	0.000
2007	4.069	22.727	22.727	0.000	3.438	19.204	0.000
2008	3.325	20.352	20.352	0.000	2.810	17.197	0.000
2009	2.798	18.335	18.335	0.000	2.365	15.493	0.000
2010	2.421	16.722	16.722	0.000	2.045	14.130	0.000
2011	2.132	15.371	15.371	0.000	1.802	12.988	0.000
2012	1.910	14.259	14.259	0.000	1.614	12.049	0.000
2013	1.721	13.229	13.229	0.000	1.455	11.179	0.000
2014	1.103	8.659	8.659	0.000	0.932	7.316	0.000

Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	29.740	173.233	173.233	0.000	25.131	146.382	0.000
Ult.	29.740	173.233					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2005	61.14	12.78	0.00	258.334	191.814	0.000	450.148
2006	56.50	8.60	0.00	251.135	187.626	0.000	438.761
2007	56.92	8.68	0.00	195.686	166.631	0.000	362.317
2008	48.86	6.83	0.00	137.306	117.520	0.000	254.827
2009	49.62	6.96	0.00	117.337	107.880	0.000	225.217
2010	50.39	6.22	0.00	103.063	87.882	0.000	190.945
2011	51.17	6.34	0.00	92.196	82.334	0.000	174.530
2012	51.96	6.46	0.00	83.870	77.845	0.000	161.715
2013	52.76	6.58	0.00	76.744	73.607	0.000	150.352
2014	53.45	6.69	0.00	49.810	48.952	0.000	98.763
Rem	0.00	0.00	0.00	0.000	0.000	0.000	0.000
Total	54.34	7.80	0.00	1,365.482	1,142.092	0.000	2,507.574

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2005	2.232	0.058	1,303.000	1.947	-857.090	-857.090	-868.014	-868.014
2006	33.147	0.878	0.000	42.600	362.136	-494.953	328.476	-539.538
2007	27.502	0.725	0.000	42.917	291.174	-203.779	238.963	-300.574
2008	19.346	0.510	0.000	43.561	191.409	-12.370	142.163	-158.411
2009	17.143	0.450	0.000	44.215	163.409	151.039	109.833	-48.578
2010	14.494	0.382	0.000	44.877	131.192	282.231	79.818	31.240
2011	13.271	0.349	0.000	45.550	115.360	397.591	63.531	94.771
2012	12.314	0.323	0.000	46.234	102.844	500.435	51.264	146.035
2013	11.462	0.301	0.000	46.928	91.661	592.096	41.352	187.387
2014	7.536	0.198	0.000	32.553	58.477	650.573	24.235	211.622
Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	158.446	4.173	1,303.000	391.382	650.573	650.573	211.622	211.622

Major Phase: Oil
 Perfs: 0 0
 Initial Rate: 0.52 mbbbl/month
 Abandonment: 0.13 mbbbl/month
 Initial Decline: 29.01 % year
 Beg Ratio: 4.31 mcf/mbbl
 End Ratio: 7.91

Working Int: 1.00000000
 Revenue Int: 0.84500000
 Disc. Initial Invest. (m\$): 1,303.000
 Internal ROR (%): 17.27
 ROI Investment (disc/undisc): 1.16 / 1.50
 Years to Payout: 3.58
 Abandonment Date: 09/10/2014

Present Worth Profile (M\$)

1.00%: 596.13
 8.00%: 283.21
 10.00%: 211.62
 12.00%: 146.32
 15.00%: 58.64
 20.00%: -64.83
 30.00%: -250.14
 40.00%: -381.53
 50.00%: -479.28
 60.00%: -554.97

Initial 1st Rev. 2nd Rev.
 Working Interest: 1.00000000 0.00000000 0.00000000
 Revenue Interest: 0.84500000 0.00000000 0.00000000
 Rev. Date:

Input Page

Lease Name: 1000376/POKER LAKE UNIT/221/DEL
 Operator : BEPCO
 Field Name : NASH DRAW (DELAWARE)
 Oil Proved Producing

7/1/2005

Case Type : LEASE CASE
 Reservoir : DELAWARE
 Co., St. : EDDY, NM

Discount Method: M

Annual Compoundings: 12

At AsOf Date

	Oil	Gas
Qi (AsOf) =	0.523 Mbbl/month	2.252 MMcf/month
Qf (ECL) =	0.129 Mbbl/month	1.018 MMcf/month
Dec. =	29.008 %	- %
b =	0.990	-
Unit Price =	57.55 /bbl	7.45 /Mcf
Unit Exp. =	0.00	0.00
Hist. Cum	5.000 Mbbl	17.764 MMcf
Proj. Cum	0.000 Mbbl	0.000 MMcf
Reserves	29.740 Mbbl	173.233 MMcf
Ult.	29.740 Mbbl	173.233 MMcf

Abandonment Date: 9/10/2014

ID Codes List

Id Label	IdCode
Retrieval Code	PHDW00001655
API Number	3001533864
PhdWin ID	01647
RRC Dist Code	NM
Operator Code	
Field Code	
Unique ID	48EFEE6C74751552430700001
IDCODE	C%NDDLPO.221
ENGR	CMB
WELL NAME	POKER LAKE UNIT #221
WELL NO	221
WELLBORE	
COMPLETION SEO	
DATE COMP	2005-07-21 00:00:00.000
STATUS	ACT
STATUS DATE	
SURVEILLANCE	*
STWELLID	
PROPERTY	POKER LAKE UNIT NONDEL C SEC19
CONTROL	1000376
STLSEID	

Input Data

Projection Table

* Segment Volumes Adjusted for Historical Data.

Arps	Start	End	Life Years	Initial Rate	Final Rate	Decline (%)	b	Min. Decline	Segment Volume
Gas	1 12/25/2005	9/10/2014	8.71	2.3	1.0 mmcf	13.58	1.000	-	156 mmcf *
Oil	1 12/15/2005	9/10/2014	8.74	0.51719	0.12866 mbbl	29.01	0.990	-	25 mbbl *
Water	1 12/20/2005	9/10/2014	8.73	3.5	0.3 mbbl	25.00	0.000	-	135 mbbl *

Formula

	Formula	Units
Oil Cut	{(OIL) / ((OIL) + {WATER})} X 100	%
GOR	{(GAS) X 1000} / {OIL}	scf/bbl
Yield	{OIL} / {GAS}	bbl/Mcf
Water Cut	{(WATER) / ((OIL) + {WATER})} X 100	%

Product Model Table

	Base Units	Base Model [AsOf Price]		Model Adjustments			Base Cost Model [AsOf Cost]
		Escalation Model	Op Cost	BTU	Differential	Shrinkage	Escalation Model
Gas	Mcf	BASS01052006{7.4505 BASSESC2006	0	1,220	-1.45	0.00 %	Case Specific{0} n/a
Oil	bbl	BASS01052006{57.553 BASSESC2006	0		-1.50	0.00	Case Specific{0} n/a
Water	bbl	n/a n/a	0		0.00	0.00	Case Specific{0} n/a
PRESSURE		n/a n/a	0		0.00	0.00	n/a n/a
Condensate	bbl	n/a n/a	0		0.00	0.00	n/a n/a
NGL	gal	n/a n/a	0		0.00	0.00	n/a n/a
Well Cost		n/a n/a	3,550		0.00	0.00	Case Specific{3550} n/a
Fixed Cost		n/a n/a	0		0.00	0.00	Case Specific{0} n/a

2/6/2006 1:08:54PM

Input Page

Lease Name: 1000376/POKER LAKE UNIT/221/DEL
Operator : BEPCO
Field Name : NASH DRAW (DELAWARE)
Oil Proved Producing

7/1/2005

Case Type : LEASE CASE
Reservoir : DELAWARE
Co., St. : EDDY, NM

Investment Table

Date	Linking	Amount (M\$)			Description	Depreciation Method	Net to Interest	Init. Invest ?
		Tangible	Intangible	Total				
7/1/2005		365.00	938.00	1,303.00		N/A	100%	Y
		365.00	938.00	1,303.00				

Ownership Table

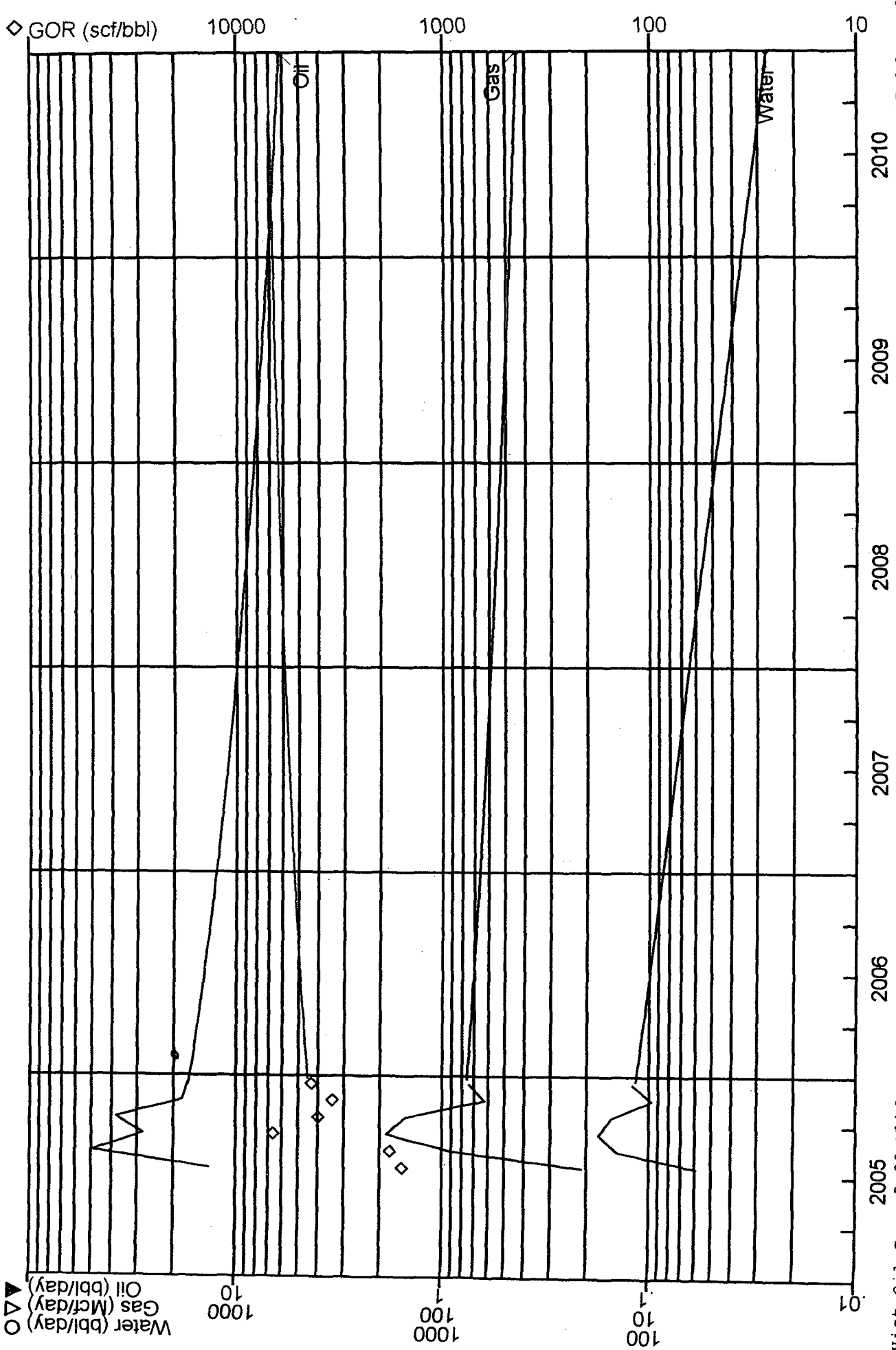
Owner	Owner Code	Owner Loaded	Rev. Type	Triger Value	WI (fract)	NRI (Fract)	Lease NRI	Net Profit Expense	Rev. SR#
ALL CASES	1	1	Initial	0	1.00000000	0.84500000	0.84500000	-	1

Lease Memo Table

Lease Memos

County, State: EDDY, NM

Oper: BEPCO
WELL_NAME: POKER LAKE UNIT #221
Field: NASH DRAW (DELAWARE)



Hist Gas Cum: 17.76 MMcf
Gas EUR: 173.23 MMcf
Gas Rem: 155.47 MMcf

Hist Oil Cum: 5.00 Mbbl
Oil EUR: 29.74 Mbbl
Oil Rem: 24.74 Mbbl

LEASE: POKER LAKE UNIT WELL #: 221
 FIELD: NASH DRAW DELAWARE
 LOCATION: 660' FSL & 660' FEL, SECTION 19, T24S, R30E
 COUNTY: EDDY ST: NM API: 30-015-33864

CURRENT

KB: 3202'
 GL: 3182'
 SPUD DATE: 06/25/2005
 COMP DATE: 07/21/2005

SURFACE CASING

SIZE: 11-3/4"
 WT/GRD: 42# H-40
 CSA: 670'
 SX: 360 PBCZ
 SX: 200 PREM+
 CIRC: Y 67BBLS
 TOC: SURF
 HOLE SIZE: 14-3/4" 0-769'

PRODUCTION CASING

SIZE: 5-1/2"
 WT/GRD: 15.5# J-55 0-6299'
 WT/GRD: 17# J-55 6299-7586'
 CSA: 7586'
 SX: 615 PREM+ W/N2
 CIRC: Y
 TOC: 4660' TS
 HOLE SIZE: 11" 769-2245'
 HOLE SIZE: 7-7/8" 2245-7590'

TUBING DATA

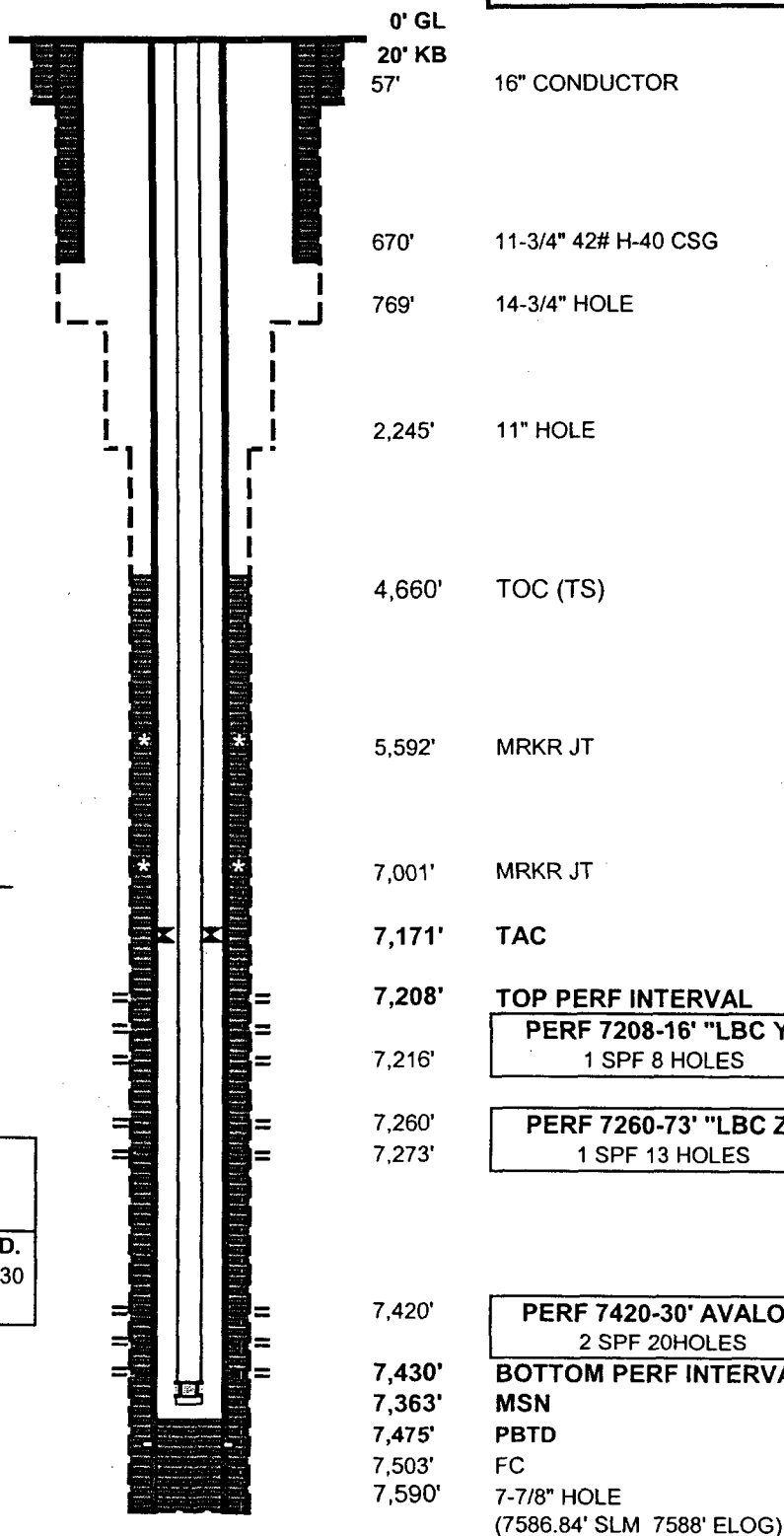
(225 JTS) 2-7/8" 6.5# J-55 TBG
 TAC @ 7171'
 (9 JTS) 2-7/8" 6.5# J-55 TBG
 3' SS TBG SUB
 MSN @ 7363'
 STANLEY FG BRAIDED GAS SEP EOT @ 7472'

ROD & PUMP DATA

2775' 7/8" TENARIS GRADE D STL RODS
 4600' 3/4" TENARIS GRADE D STL RODS
 1-3/4" RHBM PMP

PERFORATION DATA

07/05 PERF 7420-30' AVALON BD PERFS @ 1000#
 F/ 30kg PW PAD + 90.4kg PW W/ 10k# 14/30 LP +
 1.3kg 7-1/2% HCL ACID + 5.9kg PW FLUSH
 07/05 PERF 7260-73' "Z" SAND, 7208-16' "Y" SAND.
 F/ 0g BD+29.9kg PW PAD+101.4kg PW W/ 10k# 14/30
 LP + 7kg PW FLUSH



PBTD: 7475'

TD: 7590'

7586.84' (SLM)
 7588' (E-LOG)

Updated: 09/26/2005

Author: KRA

Engr: MLL

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

March 14, 2006

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

✓New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones

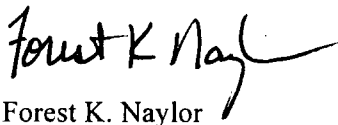
Re: Commercial Determination
Poker Lake Unit #218
Delaware Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Delaware Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,


Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL Poker Lake Unit # 218 FORMATION Delaware
 LOCATION J UNIT, 2130 FEET FROM South LINE & 2180 FEET FROM East LINE
 SECTION 19 TOWNSHIP 24S RANGE 30E COUNTY Eddy NEW MEXICO
 SPUD DATE 06/05/2005 COMPLETION DATE 07/09/2005 INITIAL PRODUCTION 07/09/2005
 PERFORATIONS 7206 - 7374'

STIMULATION:

ACID _____

FRACTURE Frac w/ 246393 gals PW + 19829# 14/30 Lite Prop

POTENTIAL (07/28/2005): 37 BOPD, 42 MCFPD, 189 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	_____
Porosity (Φ), %	<u>11%</u>	_____
Water saturation (Sw), %	<u>49%</u>	_____
Net Thickness (H), ft.	<u>28</u>	_____
Temperature (T), Fahrenheit	<u>126</u>	_____
Bottom Hole pressure (P), psia	<u>3,123</u>	_____
Recovery factor (RF), %	<u>15%</u>	_____
Recoverable Oil, Bbls *(See eq. below)	<u>50,670</u>	_____

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

B_o = 1.50

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 12/31/2005 19,259 MCF Gas 8,918 BBL OilINITIAL RATE (qi) 119ECONOMIC LIMIT (ql) 4HYPERBOLIC DECLINE RATE, dy n = 0.90, d = 99.988%/yrREMAINING OIL (Q) = 31,558ULTIMATE RECOVERABLE OIL (BO) 40,476

(Attach plot showing proration unit and participating area.)

ECONOMICGROSS WELL COST \$1,299,857 (to the depth of formation completed)

RECOMPLETION COST _____

GROSS TOTAL COST \$1,299,857

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				-1,299.9
1	8.9	656.0	60.1	583.7
2	6.6	501.3	81.2	381.5
3	4.9	396.8	73.6	265.2
4	3.9	277.9	65.1	158.1
5	3.2	245.0	63.3	122.1
6	2.8	208.3	61.1	89.6
7	2.4	190.5	60.4	71.7
8	2.1	176.7	60.0	58.2
9	1.9	164.5	59.8	47.3
10	1.7	154.8	59.7	38.8
REMAINDER	2	189.1	77.7	40.6
TOTAL	40	3,161.0	721.9	556.9

WELL IS COMMERCIAL

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

- 1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

2. Name of Operator
Bass Enterprises Production Co.

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

3.a Phone No. (Include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface NWSE, 2130 FSL, 2180 FEL

At top prod. interval reported below SAME

At total depth SAME

CONFIDENTIAL

14. Date Spudded

06/05/2005

15. Date T.D. Reached

06/17/2005

16. Date Completed

☐ D & A ☒ Ready to Prod.
07/09/2005

5. Lease Serial No.
NMNM02860

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and no.
NMNM71016 X

8. Lease Name and Well No.

POKER LAKE UNIT 218

9. API Well No.

30-015-33989 S1

10. Field and Pool, or Exploratory

NASH DRAW - DELAWARE

11. Sec., T., R., M., on Block and
Survey or Area

SEC 19, T24S, R30E

12. County or Parish

EDDY

13. State

NM

17. Elevations (DF, RKB, RT, GL)*

3171' GL

18. Total Depth: MD 7530'
TVD

19. Plug Back T.D.: MD 7443'
TVD

20. Depth Bridge Plug Set: MD 7295'
TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
GR-CNL-LDT; GR-AIT

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
14-3/4"	11-3/4"	H40/42#	0'	562'		475		0'	0
11"	5-1/2"	J55/15.5#	0'	6205'					0
7-7/8"	5-1/2"	J55/17#	6205'	7528'		620		4880"	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	7250'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	7206'	7374'	7206'-7218'	0.470	24	PRODUCING
B)			7362'-7374'	0.470	24	BELOW CBP
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
7206'-7218'	123,748 GALS PW +9,906# 14/30 LITE PROP
7362'-7374'	122,645 GALS PW +9,923# 14/30 LITE PROP

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
7/9/2005	7/28/05	24	→	37	42	189			PUMPING
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
18/64	SI 280	180	→	37	42	189		POW	

ACCEPTED FOR RECORD

AUG 16 2005

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
	SI		→						

(See Instructions and spaces for additional data on reverse side)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				T/RUSTLER	100'
				T/SALT	600'
				B/SALT	3216'
				T/DELAWARE MTN GROUP	3428'

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geological Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Cindi GoodmanTitle Production ClerkSignature Cindi GoodmanDate 08/03/2005

Title 18 U.S.C. Section 101 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.

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, 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 87504-2086

☐ 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 218
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3172'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	24 S	30 E		2130	SOUTH	2180	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill I	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 1 - 40.77 AC.	40.66 AC.	40.65 AC.	40.65 AC.
LOT 2 - 40.87 AC.	40.69 AC.	40.68 AC.	40.66 AC.
LOT 3 - 40.94 AC.	40.69 AC.	40.68 AC.	40.67 AC.
LOT 4 - 41.06 AC.	40.73 AC.	40.70 AC.	40.70 AC.

LAT - N32°12'05.8"
LONG - W103°55'06.9"

3158.5' 3166.3' 3173.0' 3188.7' 2180' 2130'

OPERATOR CERTIFICATION

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

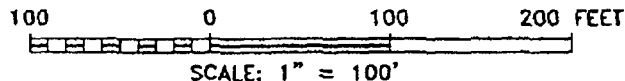
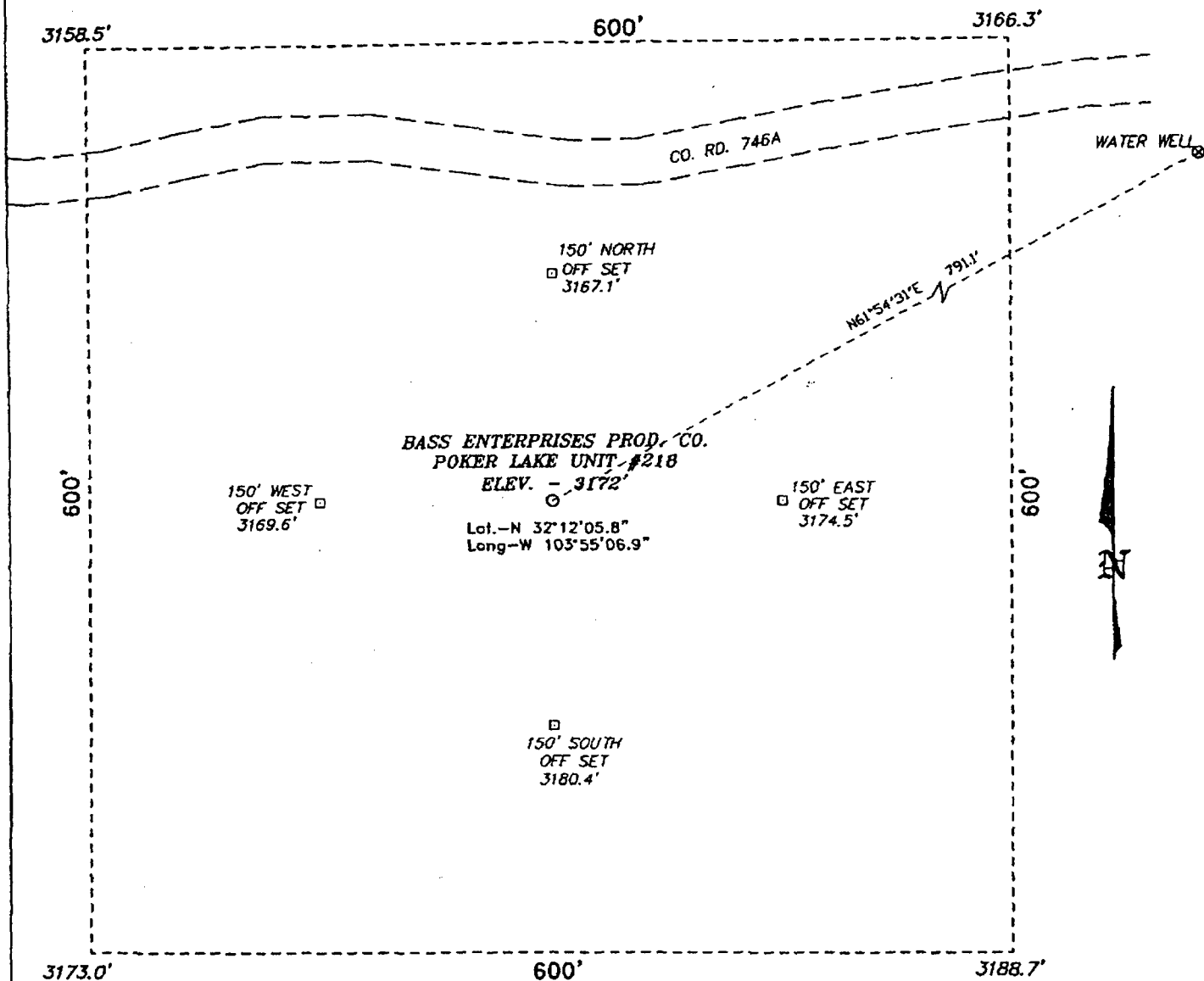
William R. Dannels
Signature
W.R. DANNELS
Printed Name
DIVISION DRILLING SUPT.
Title
1/31/05
Date

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.

APR 15 2004
Date Surveyed
Signature & Seal of Professional Surveyor
Certificate No. 4145
7977
BASIN SURVEYS

SECTION 19, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. RD. 746A AND CO. RD. 748, GO EASTERLY ON CO. RD. 746A FOR APPROX. 0.8 MILE TO A POINT ON THE PROPOSED WELL PAD.

BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 218 / Well Pad Topo

THE POKER LAKE UNIT No. 218 LOCATED 2130' FROM
THE SOUTH LINE AND 2180' FROM THE EAST LINE OF
SECTION 19, 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: 4145

Drawn By: K. GOAD

Date: 04-23-2004 Disk: KJG CD#7 - 4145A.DWG

Survey Date: 04-15-2004 Sheet 1 of 1 Sheets

ECONOMIC PROJECTION

Date : 2/6/2006

Lior: 1000376

10:46:29AM

Project Name : INDWELLS Extract-Creating new PHDWi
 Partner : ALL CASES
 Case Type : LEASE CASE
 Archive Set : CMB112005

As Of Date : 07/01/2005
 Discount Rate (%) : 10.00
 1000376/POKER LAKE UNIT/218/DEL

Lease Name : 1000376/POKER LAKE UNIT/218/DEL
 Reserv Cat : Proved Producing
 Field : NASH DRAW (DELAWARE)
 Operator : BEPCO
 Reservoir : DELAWARE
 Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
2005	8.918	19.259	19.259	0.000	7.536	16.274	0.000
2006	6.567	25.838	25.838	0.000	5.549	21.833	0.000
2007	4.874	22.146	22.146	0.000	4.118	18.713	0.000
2008	3.887	20.343	20.343	0.000	3.284	17.190	0.000
2009	3.218	18.704	18.704	0.000	2.719	15.805	0.000
2010	2.752	17.342	17.342	0.000	2.326	14.654	0.000
2011	2.404	16.157	16.157	0.000	2.032	13.653	0.000
2012	2.140	15.157	15.157	0.000	1.808	12.808	0.000
2013	1.919	14.195	14.195	0.000	1.621	11.994	0.000
2014	1.743	13.376	13.376	0.000	1.473	11.303	0.000

Rem	2.053	16.320	16.320	0.000	1.735	13.790	0.000
Total	40.476	198.835	198.835	0.000	34.202	168.016	0.000
Ult.	40.476	198.835					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2005	59.61	12.71	0.00	449.229	206.782	0.000	656.012
2006	56.50	8.60	0.00	313.539	187.788	0.000	501.327
2007	56.91	8.68	0.00	234.382	162.379	0.000	396.761
2008	48.86	6.83	0.00	160.467	117.473	0.000	277.940
2009	49.62	6.96	0.00	134.932	110.052	0.000	244.985
2010	50.39	6.22	0.00	117.182	91.140	0.000	208.322
2011	51.17	6.34	0.00	103.953	86.547	0.000	190.500
2012	51.96	6.46	0.00	93.964	82.749	0.000	176.713
2013	52.76	6.58	0.00	85.551	78.978	0.000	164.529
2014	53.58	6.71	0.00	78.918	75.838	0.000	154.757
Rem	54.52	6.86	0.00	94.598	94.545	0.000	189.143
Total	54.58	7.70	0.00	1,866.715	1,294.273	0.000	3,160.988

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2005	40.122	1.069	1,300.000	18.895	-704.075	-704.075	-716.130	-716.130
2006	37.578	1.003	0.000	42.600	420.146	-283.929	381.541	-334.589
2007	29.893	0.794	0.000	42.917	323.158	39.228	265.236	-69.353
2008	20.982	0.556	0.000	43.561	212.841	252.069	158.085	88.732
2009	18.566	0.490	0.000	44.215	181.714	433.783	122.135	210.867
2010	15.761	0.417	0.000	44.877	147.267	581.050	89.596	300.463
2011	14.448	0.381	0.000	45.550	130.121	711.171	71.658	372.121
2012	13.430	0.353	0.000	46.234	116.695	827.866	58.165	430.286
2013	12.525	0.329	0.000	46.928	104.747	932.613	47.253	477.539
2014	11.799	0.310	0.000	47.631	95.017	1,027.631	38.801	516.340
Rem	14.441	0.378	0.000	62.897	111.427	111.427	40.607	40.607
Total	229.546	6.079	1,300.000	486.305	1,139.058	1,139.058	556.947	556.947

Major Phase : Oil
 Perfs : 0
 Initial Rate : 3.62 mbbbl/month
 Abandonment : 0.12 mbbbl/month
 Initial Decline : 99.99 % year
 Beg Ratio : 0.14 mcf/mbbl
 End Ratio : 8.09
 b = 0.900

Working Int : 1.00000000
 Revenue Int : 0.84500000
 Disc. Initial Invest. (m\$) : 1,300.000
 Internal ROR (%) : 29.71
 ROI Investment (disc/undisc) : 1.43 / 1.88
 Years to Payout : 2.37
 Abandonment Date : 04/19/2016

Present Worth Profile (M\$)

1.00% : 1,064.46
 8.00% : 648.80
 10.00% : 556.95
 12.00% : 474.24
 15.00% : 364.80
 20.00% : 213.79
 30.00% : -6.37
 40.00% : -158.40
 50.00% : -269.87
 60.00% : -355.55

Initial 1st Rev. 2nd Rev.
 Working Interest : 1.00000000 0.00000000 0.00000000
 Revenue Interest : 0.84500000 0.00000000 0.00000000
 Rev. Date :

Input Page

Lease Name: 1000376/POKER LAKE UNIT/218/DEL
 Operator : BEPCO
 Field Name : NASH DRAW (DELAWARE)
 Oil Proved Producing

7/1/2005

Case Type : LEASE CASE
 Reservoir : DELAWARE
 Co., St. : EDDY, NM

Discount Method: M

Annual Compoundings: 12

At AsOf Date

	Oil	Gas
Qi (AsOf) =	3.618 Mbbbl/month	0.515 MMcf/month
Qf (ECL) =	0.125 Mbbbl/month	1.009 MMcf/month
Dec. =	99.988 %	- %
b =	0.900	-
Unit Price =	57.55 /bbl	7.45 /Mcf
Unit Exp. =	0.00	0.00
Hist. Cum	8.918 Mbbbl	19.259 MMcf
Proj. Cum	0.000 Mbbbl	0.000 MMcf
Reserves	40.476 Mbbbl	198.835 MMcf
Ult.	40.476 Mbbbl	198.835 MMcf

Abandonment Date: 4/19/2016

ID Codes List

Id Label	IdCode
Retrieval Code	PHDW00001654
API Number	3001533989
PhdWin ID	01637
RRC Dist Code	NM
Operator Code	
Field Code	
Unique ID	48EFEE6C74720317999300004
IDCODE	C%NDDLPO.218
ENGR	CMB
WELL NAME	POKER LAKE UNIT #218
WELL NO	218
WELLBORE	
COMPLETION SEO	
DATE COMP	2005-07-09 00:00:00.000
STATUS	ACT
STATUS DATE	
SURVEILLANCE	*
STWELLID	
PROPERTY	POKER LAKE UNIT NONDEL C SEC19
CONTROL	1000376
STLSEID	

Input Data

Projection Table

* Segment Volumes Adjusted for Historical Data.

Arps		Start	End	Life Years	Initial Rate	Final Rate	Decline (%)	b	Min. Decline	Segment Volume
Gas	1	9/21/2005	4/14/2006	0.56	6.4	2.1 mmcf	97.63	1.001	-	20 mmcf *
Gas	2	4/15/2006	4/19/2016	10.02	2.1	1.0 mmcf	9.62	0.900	-	171 mmcf
Oil	1	7/22/2005	12/21/2005	0.42	3.4	0.7 mbbbl	99.99	0.900	-	3 mbbbl *
Oil	2	12/22/2005	4/19/2016	10.33	0.66148	0.12473 mbbbl	34.11	1.000	-	32 mbbbl *
Water	1	12/6/2005	4/19/2016	10.37	3.8	0.2 mbbbl	25.00	0.000	-	149 mbbbl *

Formula

	Formula	Units
Oil Cut	{OIL} / ({OIL} + {WATER}) X 100	%
GOR	{GAS} X 1000 / {OIL}	scf/bbl
Yield	{OIL} / {GAS}	bbl/Mcf
Water Cut	{WATER} / ({OIL} + {WATER}) X 100	%
Total Fluids	{OIL} + {WATER}	Mbbbl

Input Page

Lease Name: 1000376/POKER LAKE UNIT/218/DEL
 Operator : BEPCO
 Field Name : NASH DRAW (DELAWARE)
 Oil Proved Producing

7/1/2005

Case Type : LEASE CASE
 Reservoir : DELAWARE
 Co., St. : EDDY, NM

Product Model Table

	Base Units	Base Model [AsOf Price]		Model Adjustments			Base Cost Model [AsOf Cost]
		Escalation Model	Op Cost	BTU	Differential	Shrinkage	Escalation Model
Gas	Mcf	BASS01052006[7.4505 BASSESC2006	0	1,220	-1.45	0.00 %	Case Specific[0] n/a
Oil	bbl	BASS01052006[57.553 BASSESC2006	0		-1.50	0.00	Case Specific[0] n/a
Water	bbl	n/a	0		0.00	0.00	Case Specific[0] n/a
Total Fluids	bbl	n/a	0		0.00	0.00	n/a
PRESSURE		n/a	0		0.00	0.00	n/a
Condensate	bbl	n/a	0		0.00	0.00	n/a
NGL	gal	n/a	0		0.00	0.00	n/a
Well Cost		n/a	3,550		0.00	0.00	Case Specific[3550] n/a
Fixed Cost		n/a	0		0.00	0.00	Case Specific[0] n/a

Investment Table

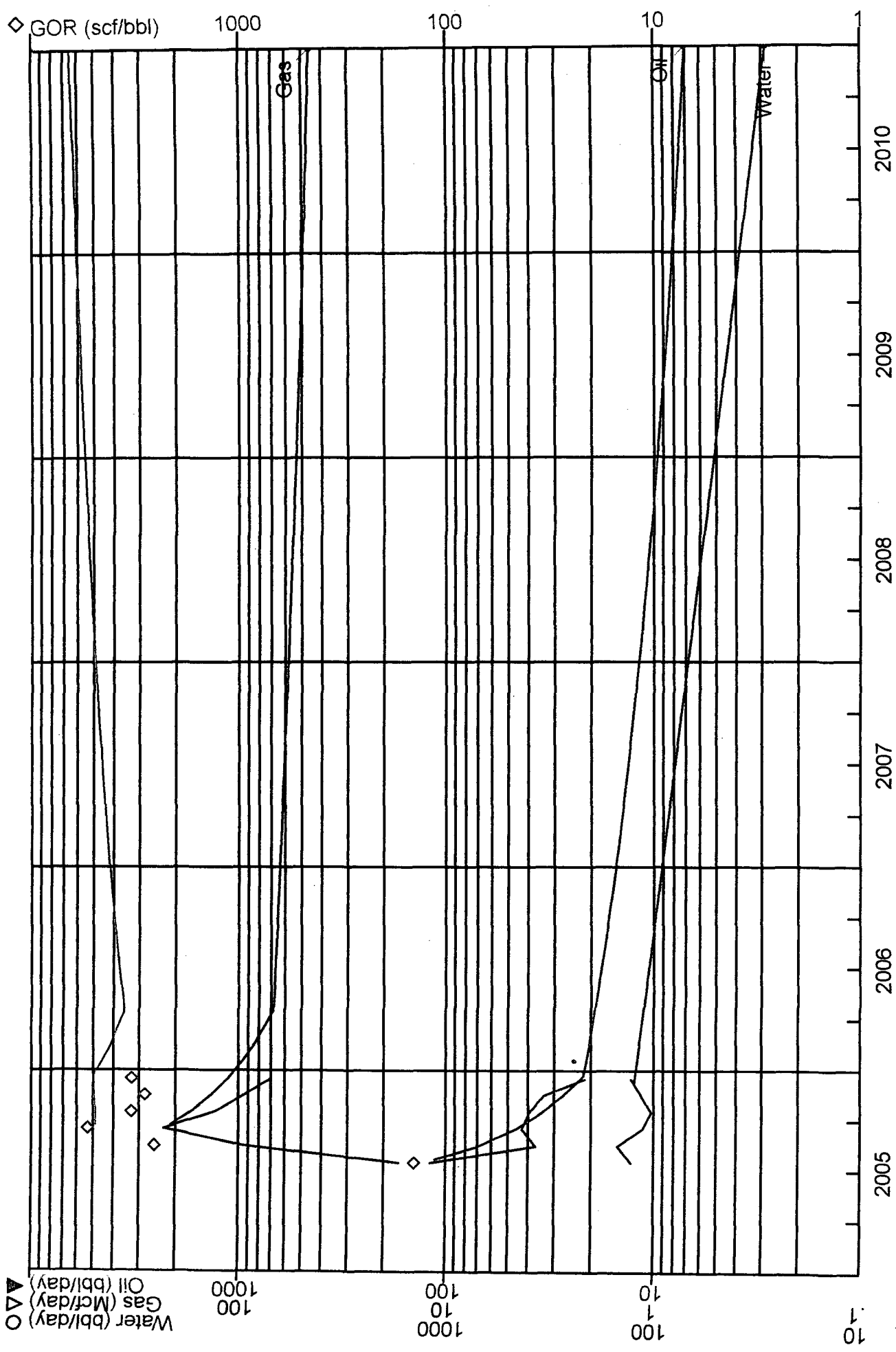
Date	Linking	Amount (M\$)			Description	Depreciation Method	Net to Interest	Init. Invest ?
		Tangible	Intangible	Total				
7/1/2005		364.00	936.00	1,300.00		N/A	100%	Y
		364.00	936.00	1,300.00				

Ownership Table

Owner	Owner Code	Owner Loaded	Rev. Type	Triger Value	WI (fract)	NRI (Fract)	Lease NRI	Net Profit Expense	Rev. SR#
ALL CASES	1	1	Initial	0	1.00000000	0.84500000	0.84500000	-	1

Lease Memo Table**Lease Memos**

Oper: BEPCO
 WELL_NAME: POKER LAKE UNIT #218
 Field: NASH DRAW (DELAWARE)
 County, State: EDDY, NM



Hist Oil Cum: 8.92 Mbbl
 Oil EUR: 40.48 Mbbl
 Oil Rem: 31.56 Mbbl
 Hist Gas Cum: 19.26 MMcf
 Gas EUR: 198.84 MMcf
 Gas Rem: 179.58 MMcf

LEASE: POKER LAKE UNIT

WELL #: 218

FIELD: NASH DRAW DELAWARE

LOCATION: 2130' FSL & 2180' FEL, SECTION 19, T24S, R30E

COUNTY: EDDY

ST: NM

API: 30-015-33989

* CURRENT *

KB: 3192.6

GL: 3170.6

SPUD DATE: 06/05/2005

COMP DATE: 07/09/2005

SURFACE CASING

SIZE:	11-3/4"
WT/GRD:	42# H-40
CSA:	562'
SX:	175 PBCZ
SX:	300 PREM+
CIRC:	Y 300 SX
TOC:	SURF
HOLE SIZE:	14-3/4" 0-615'

PRODUCTION CASING

SIZE:	5-1/2"
WT/GRD:	15.5# J55 0-6,205'
WT/GRD:	17# J55 6,205-7,528'
CSA:	7528'
SX:	620 PREM+
	W/ 2% ZONESEAL 2000
	STAGE W/ N2
CIRC:	Y
TOC:	4902' TS
HOLE SIZE:	11" 615-3,197'
HOLE SIZE:	7-7/8" 3,197-7,530'

TUBING DATA

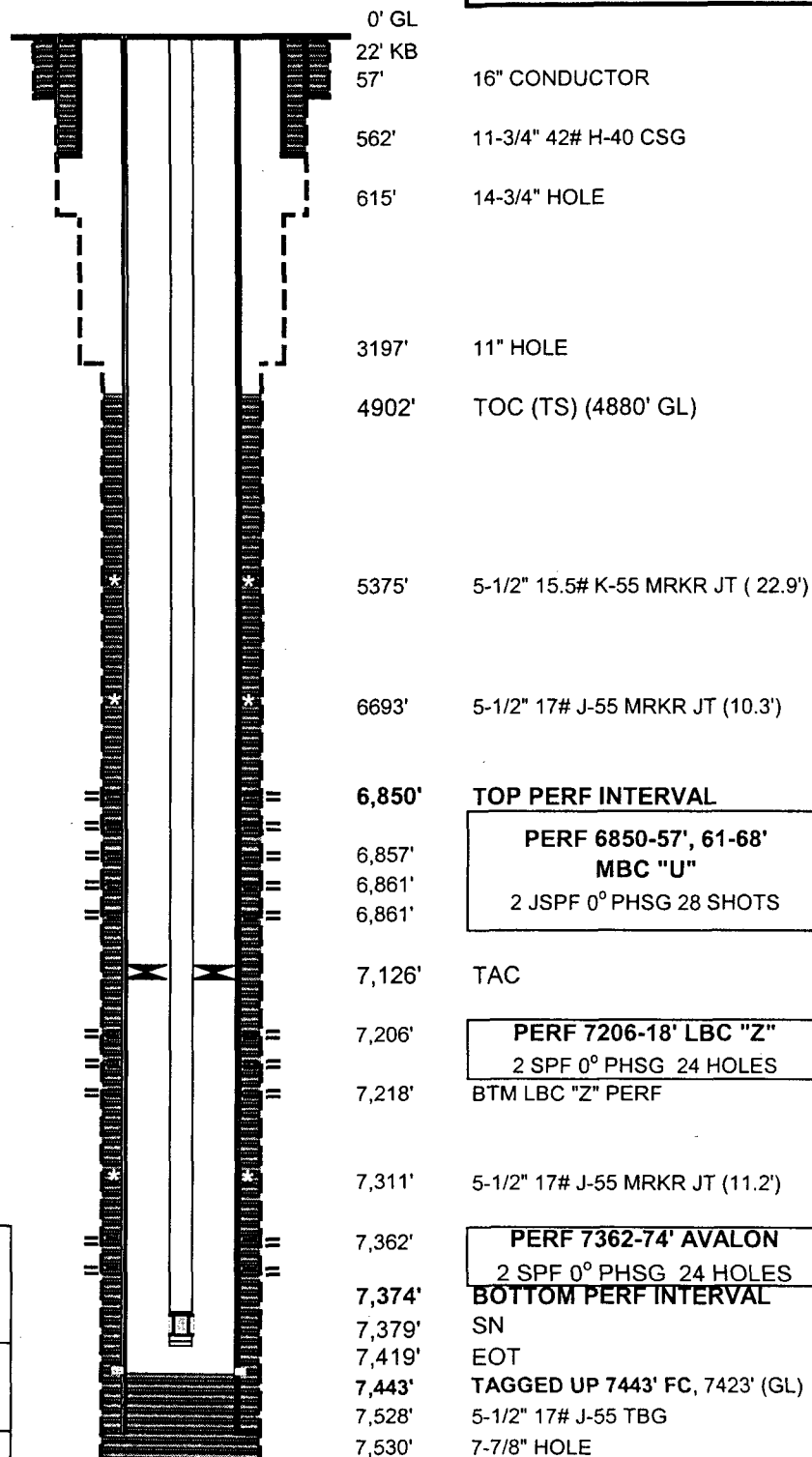
(225 JTS) 2-7/8" 6.5# J-55 TBG
TAC @ 7126'
(8 JTS) 2-7/8" 6.5# J-55 TBG
SS TBG SUB
MSN W/ GA @ 7379"
GAS SEPARATOR
(1 JT) 2-7/8" 6.5#/FT J55 TBG W/ BP&C
EOT @ 7419'

RODS & PUMP DATA

2,475' 7/8" GRADE D RODS
4,850' 3/4" GRADE D RODS
1-3/4" 3 TUBE RHBM PUMP
1-3/4"X96X10-6 SPM W/ VSD

PERFORATION DATA

06/05 PERF 7362-74' AVLN BD 2700#
F/ AVLN W/ 30,143 GLS PAD+92,500 GLS PW W/
9923# 14/30 LITE PROP+1,218 GLS 7-1/2% HCL
ACID+6,090 GLS PW FLUSH
07/05 PERF 7206-18 LBC "Z" BD @ 2147#. F/ "Z"
29,795 GLS PW PAD+93,954 GLS PW W/ 9907#
14/30 LITEPROP+7,081 GLS PW FLUSH
08/05 PERF 6850-57', 6861-68' MBC "U"
DID NOT FRAC



PBTD: 7443' (FC)

TD: 7530'

7644' LOG

Updated: 09/27/2005

Author: KRA/MLL

Engr: MLL

d30-015-33989.xls

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

March 14, 2006

2006 MAR 15 AM 10 00

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones

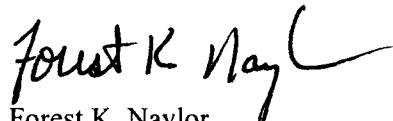
Re: Commercial Determination
Poker Lake Unit #216
Delaware Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Delaware Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,


Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL	<u>Poker Lake Unit # 216</u>		FORMATION	<u>Delaware</u>	
LOCATION	<u>G</u>	UNIT, <u>1980</u>	FEET FROM <u>North</u> LINE & <u>1780</u>	FEET FROM <u>East</u> LINE	
SECTION	<u>19</u>	TOWNSHIP <u>24S</u>	RANGE <u>30E</u>	COUNTY <u>Eddy</u>	NEW MEXICO
SPUD DATE	<u>04/12/2005</u>		COMPLETION DATE	<u>05/10/2005</u>	
PERFORATIONS	<u>7143 - 7375'</u>				

STIMULATION:

ACID _____

FRACTURE Frac w/ 145742 gals PW + 44160# 14/30 Lite Prop +

73259 gals Lighting 2500 + 170188# 16/30 Ottawa +97641# 16/30 Super LC

POTENTIAL (05/23/2005): 97 BOPD, 210 MCFPD, 284 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	<u> </u>
Porosity (Φ), %	<u>11%</u>	<u> </u>
Water saturation (Sw), %	<u>54%</u>	<u> </u>
Net Thickness (H), ft.	<u>22</u>	<u> </u>
Temperature (T), Fahrenheit	<u>120</u>	<u> </u>
Bottom Hole pressure (P), psia	<u>3,123</u>	<u> </u>
Recovery factor (RF), %	<u>15%</u>	<u> </u>
Recoverable Oil, Bbls *(See eq. below)	<u>35,677</u>	<u> </u>

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

B_o = 1.50

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 12/31/2005 13,416 MCF Gas 5480 BBL OilINITIAL RATE (qi) 52ECONOMIC LIMIT (ql) 3HYPERBOLIC DECLINE RATE, dy n = 1.00, d = 98.14%/yrREMAINING OIL (Q) = 38,151ULTIMATE RECOVERABLE OIL (BO) 43,631

(Attach plat showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$1,337,176 (to the depth of formation completed)

RECOMPLETION COST _____

GROSS TOTAL COST \$1,337,176

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				-1,337.2
1	5.5	401.6	43.6	346.4
2	4.3	402.9	74.1	293.1
3	3.7	346.4	70.0	223.1
4	3.3	250.1	63.0	136.6
5	3.0	225.2	61.7	108.0
6	2.7	194.8	59.9	80.7
7	2.5	180.2	59.5	65.4
8	2.3	168.5	59.3	53.5
9	2.1	157.7	59.1	43.8
10	2.0	149.0	59.1	36.1
REMAINDER	12	976.4	478.5	137.0
TOTAL	44	3,452.8	1,087.9	186.5

WELL IS COMMERCIAL

1625 N. French Dr., Hobbs, NM 85240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	47545	NASH DRAW (DELAWARE)
Property Code	Property Name	Well Number
001796	POKER LAKE UNIT	216
OCRD No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3169'

Surface Location

UL or lot No.	Section	Township	Range	Lot idn	Feet from the	North/South line	Feet from the	East/West line	County
G	19	24 S	30 E		1980	NORTH	1780	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill N	Consolidation Code		Order No.					

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

LOT 1 - 40.77 AC. 40.66 AC. 40.65 AC. 40.65 AC. LAT - N32°12'17.7" LONG - W103°55'04.7" LOT 2 - 40.87 AC. 40.69 AC. 40.68 AC. 40.66 AC. LOT 3 - 40.94 AC. 40.69 AC. 40.68 AC. 40.67 AC. LOT 4 - 41.06 AC. 40.73 AC. 40.70 AC. 40.70 AC.			

OPERATOR CERTIFICATION

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

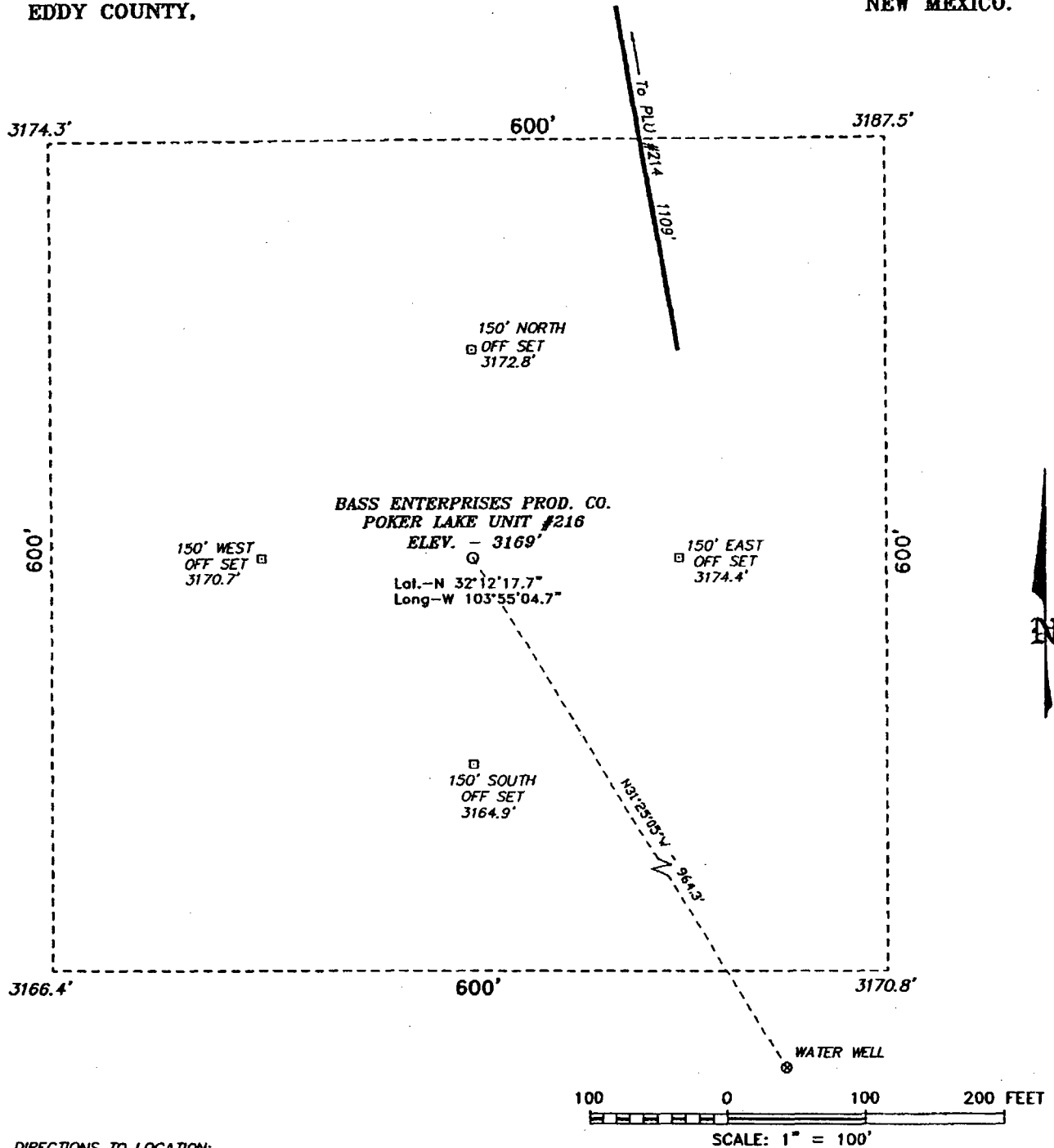
William R. Dannels
 Signature
 W.R. DANNELS
 Printed Name
 DIVISION DRILLING SUPT.
 Title
 9/27/2004
 Date

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 knowledge.

APRIL 15 2004
 NEW MEXICO
 Date Surveyed
 Signature & Seal of Professional Surveyor 7977
 W.O. Jones
 CERTIFICATE NO. GARY L JONES 7977
 BASIN SURVEYS

SECTION 19, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. RD. 746A AND CO. RD. 748, GO EASTERLY ON CO. RD. 746A FOR APPROX. 1.0 MILE AND NORTHERLY FOR APPROX. 0.75 MILE TO PROPOSED LEASE ROAD TO THE PLU #213 AND THE PLU #216.

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

W.O. Number: 4143

Drawn By: K. GOAD

Date: 04-23-2004

Disk: KJG CD#7 - 4143A.DWG

BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 216 / Well Pad Topo

THE POKER LAKE UNIT No. 216 LOCATED 1980' FROM

THE NORTH LINE AND 1780' FROM THE EAST LINE OF

SECTION 19, TOWNSHIP 24 SOUTH, RANGE 30 EAST,

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

Survey Date: 04-15-2004

Sheet 1 of 1 Sheets

UNITED STATES OPERATOR'S COPY
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry Other ☐
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

BEP CO - WID PRODUCTION
JUN 13 2005
RECEIVED

2. Name of Operator
Bass Enterprises Production Co.

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

3a. Phone No. (Include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface SWNE, 1980 FNL, 1780 FEL, 32.12177 N LAT, 103.55047 W LON

At top prod. interval reported below SAME

At total depth SAME

CONFIDENTIAL

14. Date Spudded
04/12/2005

15. Date T.D. Reached
04/23/2005

16. Date Completed
☐ D & A ☒ Ready to Prod.
05/10/2005

5. Lease Serial No.
NMNM02860

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and no.
NMNM71016

8. Lease Name and Well No.
POKER LAKE UNIT 216

9. API Well No.
30-015-33861 S1

10. Field and Pool, or Exploratory
NASH DRAW - DELAWARE

11. Sec., T., R., M., on Block and
Survey or Area SEC 19, T24S, R30E

12. County or Parish
EDDY

13. State
NM

17. Elevations (DF, RKB, RT, GL)*
3171' GL

18. Total Depth: MD 7530'
TVD

19. Plug Back T.D.: MD 7440'
TVD

20. Depth Bridge Plug Set: MD 7290'
TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
GR-CNL-LDT; GR - AIT

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
14.375"	11.375" H40	42#	0'	493'		375		0'	
7.875"	5.50" J-55	15.5&17#	0'	7519'		700		4980'	

START

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875	6940'							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	7143'	7375'	7143.5' - 7147.5'	0.470	8	PRODUCING
B)			7212' - 7216'	0.470	8	PRODUCING
C)			7365' - 7375'	0.470	20	BELOW CBP
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
7143.5' - 7216"	20,666 GLS PW + 18,000# 14/30 LITE PROP + 73,259 GLS LIGHTNING 2500 + 170,188# 16/30 OTTAWA + 95,599# 16/30 SUPER LC
7365' - 7375'	125,076 GLS PW + 26,160# 14/30 LITE PROP + 2042# 16/30 SUPER LC

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
05/10/05	05/23/05	24	→	97	210	284			PUMPING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
13/64"	200	0	→	97	210	284		POW	

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

ACCEPTED FOR RECORD

JUN - 8 2005

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

OPERATORS - FOR WELL
COMPLETIONS SUBMIT 1
ORIGINAL AND 7 COPIES

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				T/RUSTLER	150'
				T/SALT	500'
				BASE SALT	3230'
				T/DELAWARE MTN GROUP	3440'
				BONE SPRING LIME	7240'

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geological Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Cindi GoodmanTitle Production ClerkSignature Cindi GoodmanDate 06/01/2005

Title 18 U.S.C. Section 101 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.

RECEIVED
JUN 8 2005
BUREAU OF LAND MANAGEMENT

ECONOMIC PROJECTION

Date : 2/6/2006

Lior: 1000376

9:30:22AM

Project Name : INDWELLS Extract-Creating new PHDWi
 Partner : ALL CASES
 Case Type : LEASE CASE
 Archive Set : CMB112005

As Of Date : 05/01/2005
 Discount Rate (%) : 10.00
 1000376/POKER LAKE UNIT/216/DEL

Lease Name : 1000376/POKER LAKE UNIT/216/DEL
 Reserv Cat : Proved Producing
 Field : NASH DRAW (DELAWARE)
 Operator : BEPCO
 Reservoir : DELAWARE
 Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
2005	5.480	13.416	13.416	0.000	4.631	11.337	0.000
2006	4.286	27.275	27.275	0.000	3.622	23.048	0.000
2007	3.740	22.716	22.716	0.000	3.160	19.195	0.000
2008	3.327	19.515	19.515	0.000	2.811	16.490	0.000
2009	2.981	17.024	17.024	0.000	2.519	14.385	0.000
2010	2.707	15.132	15.132	0.000	2.288	12.787	0.000
2011	2.480	13.619	13.619	0.000	2.095	11.508	0.000
2012	2.293	12.414	12.414	0.000	1.938	10.490	0.000
2013	2.122	11.348	11.348	0.000	1.793	9.589	0.000
2014	1.979	10.476	10.476	0.000	1.673	8.852	0.000

Rem	12.235	62.872	62.872	0.000	10.339	53.127	0.000
Total	43.631	225.807	225.807	0.000	36.868	190.807	0.000
Ult.	43.631	225.807					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2005	60.44	10.74	0.00	279.864	121.784	0.000	401.648
2006	56.50	8.60	0.00	204.620	198.232	0.000	402.852
2007	56.92	8.68	0.00	179.895	166.540	0.000	346.435
2008	48.87	6.83	0.00	137.379	112.683	0.000	250.062
2009	49.62	6.96	0.00	125.018	100.161	0.000	225.179
2010	50.39	6.22	0.00	115.281	79.522	0.000	194.803
2011	51.17	6.34	0.00	107.209	72.951	0.000	180.160
2012	51.96	6.46	0.00	100.681	67.773	0.000	168.453
2013	52.76	6.58	0.00	94.606	63.137	0.000	157.743
2014	53.58	6.71	0.00	89.613	59.394	0.000	149.007
Rem	57.16	7.26	0.00	590.906	385.518	0.000	976.424
Total	54.93	7.48	0.00	2,025.071	1,427.694	0.000	3,452.765

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2005	29.788	0.803	1,337.000	13.017	-978.961	-978.961	-990.754	-990.754
2006	30.722	0.806	0.000	42.600	328.724	-650.237	293.116	-697.638
2007	26.376	0.693	0.000	42.917	276.449	-373.788	223.072	-474.565
2008	18.955	0.500	0.000	43.561	187.045	-186.742	136.600	-337.965
2009	17.054	0.450	0.000	44.215	163.459	-23.283	108.037	-229.928
2010	14.675	0.390	0.000	44.877	134.861	111.578	80.685	-149.243
2011	13.565	0.360	0.000	45.550	120.684	232.262	65.358	-83.885
2012	12.679	0.337	0.000	46.234	109.203	341.465	53.530	-30.355
2013	11.869	0.315	0.000	46.928	98.631	440.096	43.758	13.402
2014	11.209	0.298	0.000	47.631	89.869	529.965	36.092	49.495
Rem	73.410	1.953	0.000	403.126	497.935	497.935	137.007	137.007
Total	260.303	6.906	1,337.000	820.657	1,027.900	1,027.900	186.502	186.502

Major Phase : Oil
 Perfs : 0
 Initial Rate : 1.66 mbbbl/month
 Abandonment : 0.11 mbbbl/month
 Initial Decline : 99.99 % year
 Beg Ratio : 0.65 mcf/mbbl
 End Ratio : 5.03
 b = 1.000

Working Int : 1.00000000
 Revenue Int : 0.84500000
 Disc. Initial Invest. (m\$) : 1,337.000
 Internal ROR (%) : 13.99
 ROInvestment (disc/undisc) : 1.14 / 1.77
 Years to Payout : 4.84
 Abandonment Date : 11/30/2022

Present Worth Profile (M\$)

1.00% : 905.94
 8.00% : 303.16
 10.00% : 186.50
 12.00% : 86.17
 15.00% : -40.12
 20.00% : -203.28
 30.00% : -421.73
 40.00% : -562.20
 50.00% : -661.25
 60.00% : -735.56

	Initial	1st Rev.	2nd Rev.
Working Interest :	1.00000000	0.00000000	0.00000000
Revenue Interest :	0.84500000	0.00000000	0.00000000
Rev. Date :			

Input Page

Lease Name: 1000376/POKER LAKE UNIT/216/DEL
 Operator : BEPCO
 Field Name : NASH DRAW (DELAWARE)
 Oil Proved Producing

5/1/2005

Case Type : LEASE CASE
 Reservoir : DELAWARE
 Co., St. : EDDY, NM

Discount Method: M

Annual Compoundings: 12

At AsOf Date

	Oil	Gas
Qi (AsOf) =	1.659 Mbbl/month	1.078 MMcf/month
Qf (ECL) =	0.105 Mbbl/month	0.530 MMcf/month
Dec. =	99.994 %	- %
b =	1.000	-
Unit Price =	48.35 /bbl	6.14 /Mcf
Unit Exp. =	0.00	0.00
Hist. Cum	5.480 Mbbl	13.416 MMcf
Proj. Cum	0.000 Mbbl	0.000 MMcf
Reserves	43.631 Mbbl	225.807 MMcf
Ult.	43.631 Mbbl	225.807 MMcf

Abandonment Date: 11/30/2022

ID Codes List

Id Label	IdCode
Retrieval Code	PHDW00001649
API Number	3001533861
PhdWin ID	01633
RRC Dist Code	NM
Operator Code	
Field Code	
Unique ID	48EFEE6C74688392011100003
IDCODE	C%NDDLPO.216
ENGR	CMB
WELL NAME	POKER LAKE UNIT #216
WELL NO	216
WELL BORE	
COMPLETION SEO	
DATE COMP	2005-05-10 00:00:00.000
STATUS	ACT
STATUS DATE	
SURVEILLANCE	*
STWELL ID	
PROPERTY	POKER LAKE UNIT NONDEL C SEC19
CONTROL	1000376
STLSEID	

Input DataProjection Table

* Segment Volumes Adjusted for Historical Data.

Arps	Start	End	Life Years	Initial Rate	Final Rate	Decline (%)	b	Min. Decline	Segment Volume
Gas	1 12/22/2005	11/30/2022	16.94	2.5	0.5 mmcf	20.00	1.000	-	213 mmcf *
Oil	1 9/11/2005	1/6/2006	0.32	1.6	0.4 mbbl	99.99	1.000	-	2 mbbl *
Oil	2 1/7/2006	11/30/2022	16.90	0.38360	0.10544 mbbl	14.46	1.000	-	38 mbbl
Water	1 11/24/2005	7/26/2015	9.67	4.9	0.3 mbbl	24.62	0.000	-	193 mbbl *

Formula

	Formula	Units
Oil Cut	((OIL) / ((OIL) + {WATER})) X 100	%
GOR	((GAS) X 1000) / {OIL}	scf/bbl
Yield	{OIL} / {GAS}	bbl/Mcf
Water Cut	((WATER) / ((OIL) + {WATER})) X 100	%
Total Fluids	{OIL} + {WATER}	Mbbl

Input Page

Lease Name: 1000376/POKER LAKE UNIT/216/DEL
 Operator : BEPCO
 Field Name : NASH DRAW (DELAWARE)
 Oil Proved Producing

5/1/2005

Case Type : LEASE CASE
 Reservoir : DELAWARE
 Co., St. : EDDY, NM

Product Model Table

	Base Units	Base Model [AsOf Price]		Op Cost	Model Adjustments			Base Cost Model [AsOf Cost]	
		Escalation Model			BTU	Differential	Shrinkage	Escalation Model	
Gas	Mcf	BASS01052006{6.1378 BASSESC2006		0	1,220	-1.45	0.00 %	Case Specific[0]	n/a
Oil	bbl	BASS01052006{48.352 BASSESC2006		0		-1.50	0.00	Case Specific[0]	n/a
Water	bbl	n/a		0		0.00	0.00	Case Specific[0]	n/a
Total Fluids	bbl	n/a		0		0.00	0.00	n/a	n/a
PRESSURE		n/a		0		0.00	0.00	n/a	n/a
Condensate	bbl	n/a		0		0.00	0.00	n/a	n/a
NGL	gal	n/a		0		0.00	0.00	n/a	n/a
Well Cost		n/a		3,550		0.00	0.00	Case Specific[3550]	n/a
Fixed Cost		n/a		0		0.00	0.00	Case Specific[0]	n/a

Investment Table

Date	Linking	Amount (M\$)			Description	Depreciation Method	Net to Interest	Init. Invest ?
		Tangible	Intangible	Total				
5/1/2005		374.00	963.00	1,337.00		N/A	100%	Y
		374.00	963.00	1,337.00				

Ownership Table

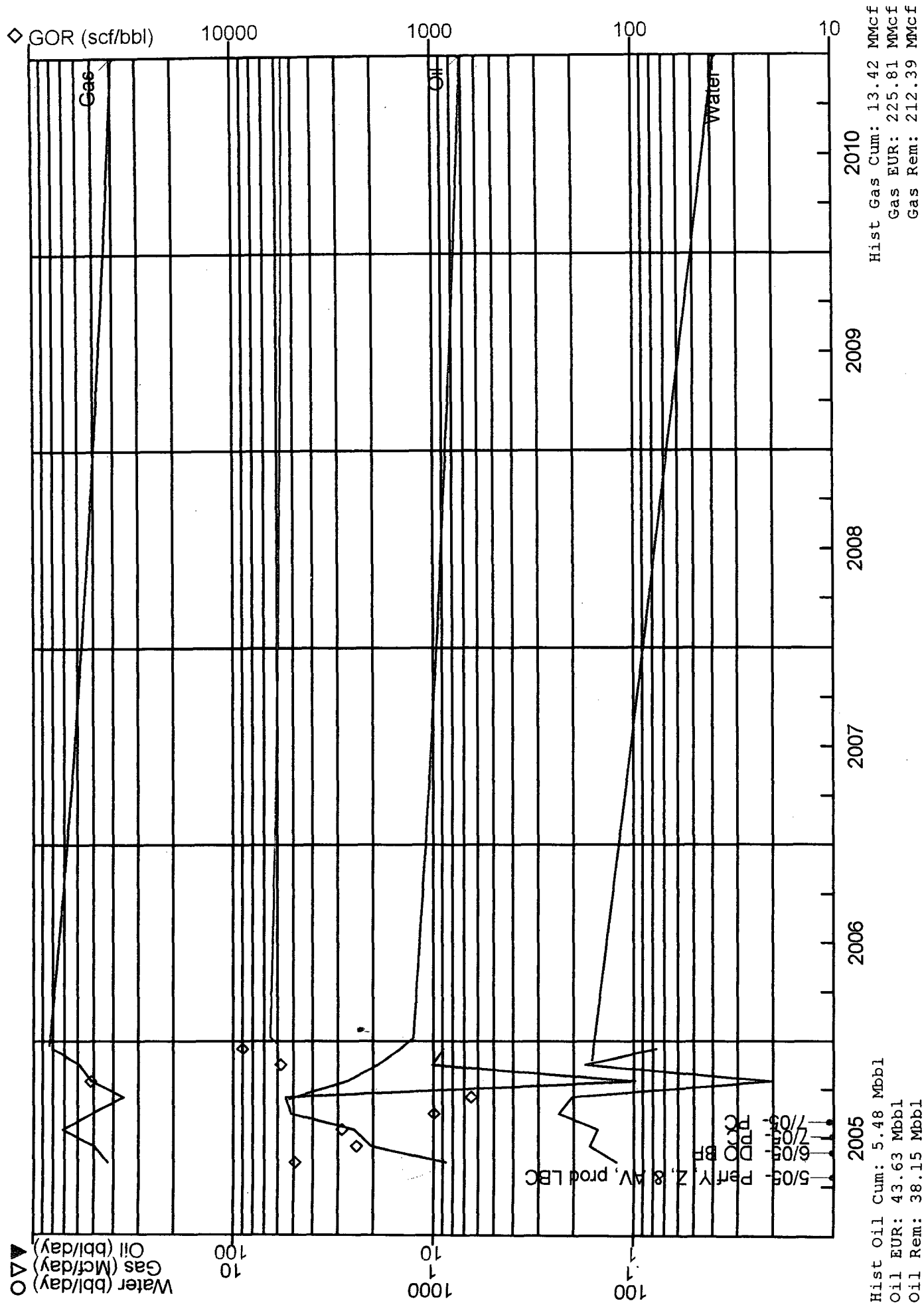
Owner	Owner Code	Owner Loaded	Rev. Type	Triger Value	WI (fract)	NRI (Fract)	Lease NRI	Net Profit Expense	Rev. SR#
ALL CASES	1	1	Initial	0	1.00000000	0.84500000	0.84500000	-	1

Lease Memo Table

Lease Memos

County, State: EDDY, NM

Oper: BEPCO
WELL_NAME: POKER LAKE UNIT #216
Field: NASH DRAW (DELAWARE)



LEASE: POKER LAKE UNIT

WELL #: 216

FIELD: NASH DRAW DELAWARE

LOCATION: 1980' FNL & 1780' FEL, SECTION 19, T24S, R30E

COUNTY: EDDY

ST: NM

API: 30-015-33861

CURRENT

KB: 3191'

GL: 3171'

SPUD DATE: 04/12/2005

COMP DATE: 05/10/2005

SURFACE CASING

SIZE: 11-3/4"
 WT/GRD: 42# H-40 0-404'
 WT/GRD: 42# WC-40 404-493'
 CSA: 493'
 SX: 375 PREM+
 CIRC: Y 104 SX
 TOC: SURFACE
 HOLE SIZE: 14-3/4" 0-511'

PRODUCTION CASING

SIZE: 5-1/2"
 WT/GRD: 15.5# J55 0-6181'
 WT/GRD: 17# J55 6181-7519'
 CSA: 7519'
 SX: 700 PREM+
 CIRC: Y LOST RETURNS
 TOC: 4980' TS
 HOLE SIZE: 11" 511-3439'
 HOLE SIZE: 7-7/8" 3439-7520'

TUBING DATA (PER STRIPPINGS)

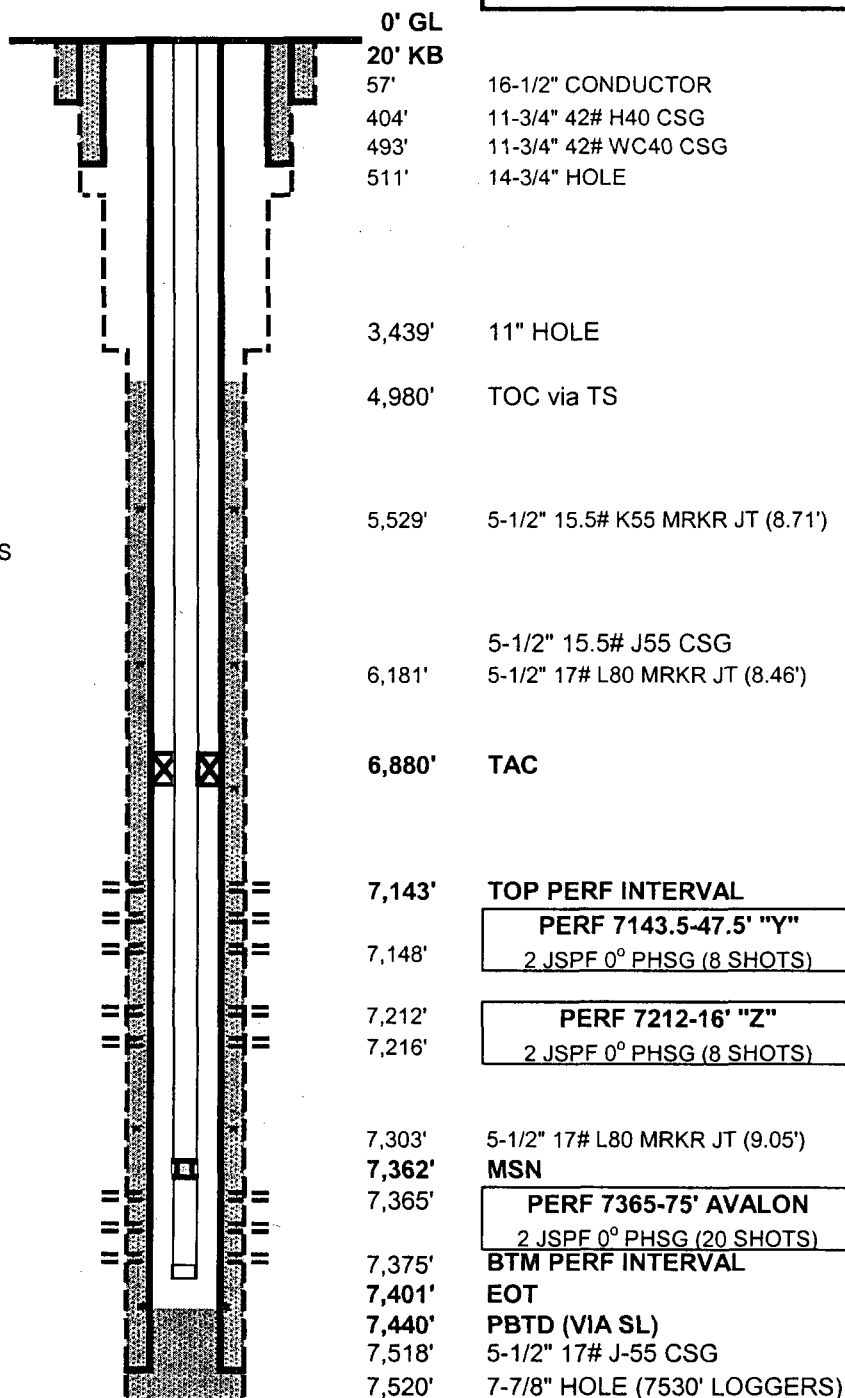
(216 JTS) 2-7/8" 6.5# J-55 TBG
 TAC @ 6880'
 (15 JTS) 2-7/8" 6.5# J-55 TBG
 3' SS SUB
 MSN W/ GA @ 7362'
 GAS SEP - 1 JT TBG W/ BP&C EOT 7401'

RODS & PUMP DATA (PER STRIPPINGS)

2475' 7/8" TENARIS D RODS
 4800' 3/4" TENARIS D RODS
 1-3/4" 3-TUBE PUMP

PERFORATION DATA

05/05 PERF 7365-75' AVALON BD W/ 840#
 20kg PW PAD+103kg PW W/ 26k# 14/30 LITE
 PROP+2kg PW W/ 2k# 16/30 SUPER LC+1kg 7-
 1/2% NEFE HCI+6kg FRAC FLUID FLUSH
 05/05 PERF 7144-47 "Y" & 7212-16" "Z" BD @
 2113#. F/ 21kg PW PRE-PAD W/ 8k# 14/30
 LITE PROP+23kg LIGHTNING 2500 PAD W/
 9.7k# 14/30 LITE PROP+51kg LIGHTNING 2500
 W/ 266k# 16/30 OTTAWA+7kg FRAC FLUID
 FLUSH



PBTD: 7440' SL
 TD: 7530' LOGGERS
 7520' DRILLERS

Updated: 07/29/2005

Author: KRA

Engr: MLL