

JRS  
Bass 6/4

**BASS ENTERPRISES PRODUCTION Co.**

6 DESTA DRIVE, SUITE 3700  
P.O. BOX 2760  
MIDLAND, TEXAS 79702

FAX (915) 687-0329

March 8, 2002

(915) 683-2277

**RE: CASE #12811  
BRINGING WELLS IN COMPLIANCE WITH RULE 201B  
FILE:982-GF-STATEREGSNM:NMCASE12811201B**

**CERTIFIED ARTICLE #7106-4575-1292-1954-3708**

New Mexico Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1301 West Grand Avenue  
Artesia, New Mexico 88210

Attention: Mr. Tim Gum, District Supervisor

Gentlemen:

We are in receipt of a notice listing 14 wells operated by Bass Enterprises Production Co. in Eddy County, New Mexico. The notice states that these wells are out of compliance with Rule 201.B (Plugging Rule) and that we, the operator, are called to a hearing originally scheduled for February 22, 2002 (now March 22, 2002) to show that the well have been brought into compliance or to show cause why civil penalties should not be assessed.

After a review of the wellbores in question, Bass Enterprises would like to propose a plan by which the majority of the wells will be brought into compliance by the March 22, 2002 hearing date and all of these wells will be brought into compliance by November 1, 2002.

The plan includes returning one well to production, plugging four wells, temporarily abandoning three wells and filing paperwork on three wells to put 11 of the listed wells into full compliance by the March 22, 2002 hearing date. In addition, the Bass 3 Federal #1 well will also be plugged and abandoned by the hearing date. This well was not on the State's list of wells out of compliance. The cost for all of this work will total close to \$100,000.

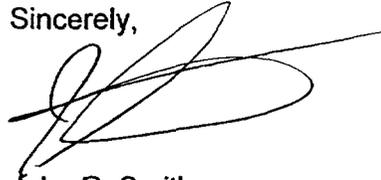
Each of the remaining three wells could cost \$100,000 or more to bring into compliance. In order to make the financial impact less burdensome, we propose to work on one well per quarter so that by November 1, 2002 we will have completely resolved the entire list of non-compliant wells.

We would appreciate any consideration that the Oil Conservation Division could give in allowing Bass Enterprises Production Co. this small latitude in bringing our wellbores into compliance.

Thank you very much for your consideration of our request. You will find, attached, a listing of the non-compliant wells (plus Bass 3 Federal #1) and planned action on each. Also, attached are copies of Sundry notices for work already complete, morning activity reports for on-going work, and copies of Sundry notices that we plan to file soon for the work that we hope to delay. These Sundries for planned work are not official yet as our detailed plan on each well has not been internally approved. They should be very representative of the Sundries that will ultimately be filed.

If you have any questions, please call the undersigned at 915-683-2277.

Sincerely,



John R. Smitherman  
Division Production Manager

JRS/gr  
Attachments

cc: Frank Millet  
Frank McCreight  
Wayne Bailey  
Kent Adams  
Tami Wilber

## Idle Well Management Plan (3/8/02)

Well	Proposal	Estimated Completion Date
Sohack 33 Fed #1	Well was never drilled. No Action Required. Tim Gum notified 1/28/02 verbally.	Not Applicable
Big Eddy Unit #118	Well was never drilled, No Action Required Tim Gum notified 2/13/02 verbally.	Not Applicable
BEU #44	Successful MIT performed 2/12/02 w/ NMOCD witnessing. T.A. status requested by sundry dated 2/14/02.	2/12/2002
Merchant St. #4	Well was already plugged except that the wellhead was not cut off. Wellhead has now been cut off and paper work was sent in on 2/14/02 to document P&A.	2/13/2002
North Indian Flats 26 Fed #2	Well was already plugged. Copy of P&A Sundry dated 4/1/97 was sent to Tim Gum 1/28/02.	1/28/2002
Merchant St. #1	Well has been returned to production. Sundry showing production test filed 3/6/02.	2/15/2002
Poker Lake #60	P&A has been completed. Sundry documenting plugging work sent in 3/8/02.	3/1/2002
Bass 3 Fed #1 (not on State list of non-compliant wells)	Plan to P&A. AFE approved. Rig (Key) scheduled to move in late in the week of March 4-8, 2002.	3/11/02 est
Hopeful Fed #1	Plan to P&A. AFE approved. Rig to move rig (Key) from Bass 3 Fed #1 to plug.	3/15/02 est
Poker Lake #42	Well has been TA'd with sand on packer and 200' cement plug across liner top. MIT performed successfully on 3/5/02. Paper work requesting TA status sent 3/8/02.	3/6/02 est

## Idle Well Management Plan (3/8/02)

Bass 10 Fed #2	Plan to P&A. AFE approved. Rig (Basic) on location 3/8/02 to plug.	3/11/02 est
Big Eddy #64	Filled intent to TA on 3/8/02. Will have well work done before 3/22/02 hearing.	3/13/02 est
<b>Total for First Quarter</b>		
JRU #10	Plan to return well to production by May 1, 2002	5/1/2002
<b>Total for Second Quarter</b>		
JRU #11	Plan to Temp Abandon by August 1, 2002. Well has production potential. If budget money available, could recomplete instead of TA.	8/1/2002
<b>Total for Third Quarter</b>		
BEU #92	Plan to Temp Abandon by Nov 1, 2002	11/1/2002
<b>Total for Fourth Quarter</b>		
		<b>Total for 2002=</b>

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 87240  
 District II  
 811 South First, Artesia, NM 87210  
 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

Form C-103  
 Revised March 25, 1999

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

WELL API NO. 30-015-21529
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-5230
7. Lease Name or Unit Agreement Name: Big Eddy Unit
8. Well No. 44
9. Pool name or Wildcat Maroon Cliffs (Morrow) South Gas

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

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
 Bass Enterprises Production Co.

3. Address of Operator  
 P.O. Box 2760 Midland, TX 79702-2760

4. Well Location  
 Unit Letter H : 1980' feet from the North line and 660' feet from the East line  
 Section 16 Township 21S Range 30E NMPM County Eddy

10. Elevation (Show whether DR, RKB, FT, CR, etc.)  
 3196.2' GL

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input checked="" type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>	OTHER: <input type="checkbox"/>		

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Bass Enterprises Production Company requests temporary abandon status on the referened well.  
 A mechanical integrity test was performed 2/12/02.  
 Packer is set @ 12,890'  
 Perfs @ 13,005-13,082'

NMOCDC was notified of mechanical integrity test and Gerry Guye, compliance officer witnessed test.  
 The well was pressured to 520 and held for 30 minutes with no bleed off.

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

SIGNATURE Tami Wilber TITLE Production Clerk DATE 2/14/02

Type or print name Tami Wilber Telephone No. 915-683-2277

(This space for State use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of approval, if any:

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 87240  
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 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

Form C-103  
 Revised March 25, 1999

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

WELL API NO. 30-015-29327
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 001789
7. Lease Name or Unit Agreement Name:  Merchant State
8. Well No. 4
9. Pool name or Wildcat Millman: (QU-GB-SA), East
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3399' GL, 3406' KB

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

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
 Bass Enterprises Production Co.

3. Address of Operator  
 P.O. Box 2760 Midland, TX 79702-2760

4. Well Location  
 Unit Letter C : 660' feet from the North line and 2080' feet from the West line  
 Section 1 Township 19S Range 28E NMPM County Eddy

7. Lease Name or Unit Agreement Name:  
  
Merchant State

8. Well No.  
4

9. Pool name or Wildcat  
Millman: (QU-GB-SA), East

10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3399' GL, 3406' KB

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>	OTHER: <input type="checkbox"/>		

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Cut off well head, weld dry hole marker.  
 Clean location.  
 Well is plugged and abandoned 2/13/02.

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

SIGNATURE Tami Wilber TITLE Production Clerk DATE 2/14/02

Type or print name Tami Wilber Telephone No. 915-683-2277

(This space for State use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of approval, if any:

BLM - WILD PRODUCTION  
APR 09 1997  
OPERATOR'S COPY  
FORM APPROVED RECEIVED

RECEIVED  
APR 2 1997  
BLM  
ROSWELL, NM

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir  
Use "APPLICATION FOR PERMIT" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
 Bass Enterprises Production Company

3. Address and Telephone No.  
 P. O. Box 2760  
 Midland, Texas 79702-2760    (915) 683-2277

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
 1650' FSL & 2310' FEL, Unit Letter J, Section 26, T-21-S, R-28-E

5. Lease Designation and Serial No.  
 NCLC-069219

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.  
 N. Indian Flats 26 Federal #2

9. API Well No.  
 30-015-28702

10. Field and Pool, or Exploratory Area  
 Indian Flats (Delaware)

11. County or Parish, State  
 Eddy County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Bass Enterprises Production Co. has recently completed the plugging and abandonment of the above referenced well. The plugging procedure went as follows:

- 1) Mix and spot 100 sx Class "C" Neat cement plug from 3640' to 2753'. Perform 500 psi squeeze and shut down overnight.
- 2) Tag TOC with tubing @ 2753'.
- 3) Circulate well with 9.5 ppg mud laden brine water.
- 4) Mix and spot 20 sx plug (2753-2555').
- 5) Mix and spot 45 sx plug from 438' to surface.
- 6) Cut off wellhead 3' below ground level.
- 7) Weld on plate and New Mexico Dry Hole marker.

Approved as to plugging of the well down.  
Lubricator under bond is retained until  
surface cementation is completed.

CERTIFIED #P 960 132 326 - JDL:PGO

I hereby certify that the foregoing is true and correct

Signed Keith E. Bucy KEITH E. BUCY

Title DIVISION PROD. SUPT.

Date 4/1/97

This space for Federal or State office use)

Approved by (ORIG. SGD.) ALEXIS C. SWCBODA

Title PETROLEUM ENGINEER

Date APR 03 1997

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

\*See Instruction on Reverse Side

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 District III  
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 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised March 25, 1999

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

WELL API NO. 30-015-22941
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. L-4397-3
7. Lease Name or Unit Agreement Name: Merchant State
8. Well No. 1
9. Pool name or Wildcat Palmillo (Bone Springs)

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

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
 Bass Enterprises Production Co.

3. Address of Operator  
 P.O. Box 2760 Midland, TX 79702-2760

4. Well Location  
 Unit Letter H : 1980' feet from the North line and 660' feet from the East line  
 Section 1 Township 19S Range 28E NMPM County Eddy

10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3384.4' GL: 3403' KB

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>	OTHER: Return to Production <input checked="" type="checkbox"/>		

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Move pumping unit and set.  
 Hook up electrical power, open flowline, turn well on and check pump action.  
 MIRU Key Well Service, shop pump for repairs. Test 2-3/8" tubing, replace two joints of 2-3/8" tubing. Space out well, load tubing with produced water. Pressure test tubing to 500 psi, held ok. RDMO PU  
 Return well to production  
 2/28/02 9 BO + 50 BW + 228 MCF

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

SIGNATURE Tami Wilber TITLE Production Clerk DATE 3/6/02

Type or print name Tami Wilber Telephone No. 915-683-2277

(This space for State use)  
 APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 Conditions of approval, if any:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>LC-061672-B</b>
2. Name of Operator <b>Bass Enterprises Production Co.</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>P.O. Box 2760, Midland, TX 79702-2760</b>	3b. Phone No. (include area code) <b>(915) 683-2277</b>	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>1980' FWL &amp; 1980' FNL, Section 33, T25S-R31E, Unit Letter F</b>		8. Well Name and No. <b>Poker Lake #60</b>
		9. API Well No. <b>30-015-24480</b>
		10. Field and Pool, or Exploratory Area <b>Big Sinks (Delaware)</b>
		11. County or Parish, State <b>Eddy, NM</b>

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

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

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

The referenced well has recently been plugged and abandoned. The plugging procedure went as follows:

- 2/25/02: MIRU. dig pit. line & install fence. Unseat pump, POOH & LD rods & pump. Release TAC.
- 2/26/02: NU BOP Tally tbg while POH. RIH w/4-1/2" CIBP set @ 6000'. RBIH w/tbg, Pump 50 bbls 10 ppg mud laden fluid. Pump 5 BFW. Mix & spot 15 sx Class C neat w/additives. Est TOC @ 5773'.
- 2/27/02: ND BOP ND WH. weld on 4-1/2" PN. PU on csg. Csg free @ 4150 +/- . RIH w/jet cutter to 4100'. POH & LD 120 jts of csg. RIH on tbg to 4157'. Mix & spot 100 sx Class C Neat w/additives. Est. TOC @ 3528'. POH & stand back all tbg. WOC.
- 2/28/02: NU WH NU BOP. TIH w/tbg & tag TOC @ 3875'. RU pump truck to tbg. mix & spot 233 sx Class C Neat w/additives. Displace w/9 bbls FW. Est TOC @ 2487'. POH & LD 51 jts tbg. EOT @ 2231'. WOC. RIH w/tbg to 2489' reverse tbg clean w/ 15 bbls BW. Mix & spot 115 sx Class C Neat cement w/additives Est TOC @ 1803'. POH & stand back 28 jts of tbg. LD remainder.
- 3/1/02: RBIH w/tbg to 1804' Mix & spot 180 sx Class C Neat w/additives. Displace w/2 bbls FW. Est. TOC @ 727'. POH & LD tbg, ND BOP. RIH w/tbg to 50'. Mix & spot 10 sx surface plug using same cement. POOH & LD tubing.
- 3/7/02: RDPU. Cut off WH and install New Mexico dry hole marker. Remove deadmen. Clean location.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Tami Wilber</b>	Title <b>Production Clerk</b>
<i>Tami Wilber</i>	Date <b>3/8/02</b>

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Office		

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

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



# BASS ENTERPRISES PRODUCTION COMPANY

Activity Date: 03 07 02

## Daily Operations Report

AFE# 22596 (# 9,000)  
Page: 1 of 1

Well: Bass 10 Federal #2

ID Code:

Depth of Failure (ft):

Ret. to Prod.? NO

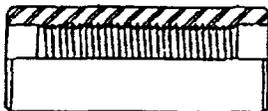
Final? NO

Down(hrs.): Daily  Cum  Job Type: Repair  ; Service (Workover/Stim/Log/Teal/(Re)Complete)  P+A

Operations Report: MIRU Basic Energy PU (Louie). Dig workover pit. ND  
with Weld on 5 1/2" pull nipple. Pull stretch on casing. Showed  
to be free @ 2300'. Notified Jim Amos and he OK'd  
decision to spot cement 50' below int. shoe @ 2670' and bring  
cement 50' above casing stub. Notified JHS in Midland of  
decision + concurred. RU will truck + RTH w/ jet cutter  
& cut casing @ 2117'. POH + LD 5 jts 5 1/2" csg. SAEW  
Prep to finish POH w/ csg.

Repair Section	Service Section	Cost Section (Estimates)		
Failure <u>00</u> 00 None 01 Pin Break 02 Box Break 03 S.M. Box Break 04 Cpg. Unscrewed 05 Wrench Flat Break 06 F.O. End Connector 07 Steel Rod Body 08 P.O. Rod Body 09 Rod Pump 10 Hydr. Pump (Platon) 12 Elec. Sub. Pump 13 Tubing Leak 14 Casing Leak 15 Pump Jack 16 Tubing Stuck 17 Other (Explain) 20 (Reserved)	Cause <u>21</u> 21 Not Applicable 22 Corrosion 23 Cor.-Polymer 24 Handling Damage 25 Loose/loss 26 Over Torque 27 Rod Wear 28 F.G. Fatigue 29 H <sub>2</sub> S Embrittlement 30 Cyp. Build-Up 31 Tensile Load 32 Unscrewed 33 Fluid Pound 34 Fatigue Crack (Out) 35 Fatigue Crack (In) 36 Buckling 37 Other (Explain) Size <u>80</u> 80 Not Applicable 81 1/2" 82 3/4" 83 1" 84 1.0" 85 1.25" 86 2 3/8" 87 2 1/2" 88 2 1/4" 89 2 1/2" 90 Other (Explain)	Contractor <u>01</u> Operator <u>L O K I E</u> 40 Grinson 41 Busters 42 Cobra 43 DA & S 45 Dee Mar 46 Hercules 47 Jackson 48 Longhorn 49 M & W 52 Pool 53 Pride 54 R & H 55 Ram 56 Standard 57 SVC 58 Welco 60 White 61 Other District & Production Foreman <u>100</u> Monahan 92 C.K. Jenkins 93 M.G. Waygood 102 G.B. Fletcher Karnell 94 J.D. Robinson 95 L.D. Astley 96 R. Robertson Standown 98 R.G. Grader 101 G.D. Davis 103 Mike Everett 100 Other	Service <u>74</u> 70 None 71 Workover 72 Log-Test 73 T.A. 74 Plug 75 Prom. Survey 76 Change Lift 77 (Re) Complete 78 Swab 79 Other (Explain)	Pulling Unit _____ Rods / Tubing _____ Pump Truck _____ Co. Supervision <u>250</u> Rentals: _____ Services: _____ Other: _____ Daily Total <u>250</u> Cumulative <input type="text"/> <u>250</u> Pump Repair <input type="text"/>
Work Summary and Other Remarks for Permanent Record: <u>BASIC ENERGY; JOL</u>				

Pump Out # \_\_\_\_\_ Make \_\_\_\_\_ Pump In # \_\_\_\_\_ Make \_\_\_\_\_ LAP 1 1  
Size \_\_\_\_\_ Type \_\_\_\_\_ Size \_\_\_\_\_ Type \_\_\_\_\_ LPC 1 1  
Condition \_\_\_\_\_ Remarks \_\_\_\_\_



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>LC-070061</b>
2. Name of Operator <b>Bass Enterprises Production Co.</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>P.O. Box 2760, Midland, TX 79702-2760</b>	3b. Phone No. (include area code) <b>(915) 683-2277</b>	7. If Unit or CA/Agreement, Name and/or No. <b>Big Eddy Unit</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>660' FSL &amp; 1980' FWL, Section 33, T21S-R28E, Unit Letter N</b>		8. Well Name and No. <b>Big Eddy #64</b>
		9. API Well No. <b>30-015-23131</b>
		10. Field and Pool, or Exploratory Area <b>Indian Flats, West (Strawn)</b>
		11. County or Parish, State <b>Eddy NM</b>

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

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

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

Bass Enterprises Production Co. respectfully requests approval to temporarily abandon the above referenced well per the following procedure. Work is to begin 3/18/02.

MIRU workover unit. RU kill truck if necessary. ND WH & NU 3000# dual manual BOP w/ 2-3/8" pipe ram. POOH with 2-3/8" tubing and stand in derrick. RU Wireline and install packoff. TIH w/ gauge ring and junk basket to 10,900' +/- . TIH on wireline with 5-1/2" CIBP and set at 10,860'. Dump bail 35' cement on top of CIBP. RD Wireline TIH with open ended tbg, hydro-test to 5000# to 10,800' +/- . Load csg and circulate 10# brine mud. Schedule Mechanical Integrity Test with BLM. Pressure test casing to 500# for 30 minutes. file results with BLM.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Tami Wilber</b>	Title <b>Production Clerk</b>
<i>Tami Wilber</i>	Date <b>3/6/02</b>

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>NM-02884-B</b>
2. Name of Operator <b>Bass Enterprises Production Co.</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>P.O. Box 2760, Midland, TX 79702-2760</b>	3b. Phone No. (include area code) <b>(915) 683-2277</b>	7. If Unit or CA/Agreement, Name and/or No. <b>James Ranch Unit</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>1980' FNL &amp; 660' FEL, Section 1, T23S-R30E, Unit Letter H</b>		8. Well Name and No. <b>James Ranch Unit #10</b>
		9. API Well No. <b>30-015-23075</b>
		10. Field and Pool, or Exploratory Area <b>Los Medanos (Atoka)</b>
		11. County or Parish, State <b>Eddy, NM</b>

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

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

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

- MIRU PU, kill well if necessary. ND WH.
- Release packer, POOH w/ 2-7/8" tubing, packer and Van Gun assembly.
- RIH with packer, 2-3/8" tubing, test tubing to 7000 psig while GIH.
- Spot 1000 gals 15% HCL acid to bottom of tubing using 2% KCl water.
- Set packer @ +/- 12,841', displace acid into Atoka Perfs (12,896-12,904').
- NU WD, Return well to production.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Tami Wilber</b>	Title <b>Production Clerk</b>
<i>Tami Wilber</i>	Date <b>3/8/02</b>

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
	Office	

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DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

Bass Enterprises Production Co.

3a. Address

P.O. Box 2760, Midland, TX 79702-2760

3b. Phone No. (include area code)

(915) 683-2277

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

1980' FNL & 920' FWL, Section 36, T22S-R30E

5. Lease Serial No.

NM-02887-D

6. If Indian, Allottee or Tribe Name

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

James Ranch Unit

8. Well Name and No.

James Ranch Unit #11

9. API Well No.

30-015-23377

10. Field and Pool, or Exploratory Area

Los Medanos (Atoka)

11. County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION

Notice of Intent  
 Subsequent Report  
 Final Abandonment Notice

TYPE OF ACTION

Acidize  Deepen  Production (Start/Resume)  Water Shut-Off  
 Alter Casing  Fracture Treat  Reclamation  Well Integrity  
 Casing Repair  New Construction  Recomplete  Other  
 Change Plans  Plug and Abandon  Temporarily Abandon  
 Convert to Injection  Plug Back  Water Disposal

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

- MIRU Plugging Company. RU kill truck, kill well if necessary. ND WN, NU BOP's 2-3/8" pipe rams.
- Release Otis Perma-lach & TOH with 2-3/8" tbg & LD packer.
- RU tbg testers, test tbg in hole open ended to 3000#. PU extra tbg & tag CIBP @ 13,215' +/- Prep to spot cement plugs.
- Notify OCD 24 hours prior to spotting plugs. All plugs are 15.2 ppg Class H cement with a 1.06 ft<sup>3</sup>/sx yield w/50% excess.

Plug 1: 36 sx, 12,789-13,215', WOC and Tag. Spot 12 bbls +/- of 10# salt gel mud on TOC.  
Plug 2: 14 sx, 11,849-12,017', WOC and Tag. Spot 13 bbls +/- of 10# salt gel mud on TOC.  
Plug 3: 45 sx, 10,695-11,055', WOC and Tag. OCD requires 25 sx plug @ 11,055' & 50' cement above and below the the 5" liner top @ 10,795'.

Schedule Mechanical Integrity Test with BLM (notify OCD of test), pressure test casing to 500# for 30 minutes, file results with BLM.

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

Tami Wilber

Title

Production Clerk

*Tami Wilber*

Date 3/8/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Office

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UNITED STATES  
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BUREAU OF LAND MANAGEMENT

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SUNDRY NOTICES AND REPORTS ON WELLS

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5. Lease Serial No.  
**LC-063545**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**Big Eddy Unit #92**

9. API Well No.  
**30-015-24083**

10. Field and Pool, or Exploratory Area  
**Indian Flats (Atoka)**

11. County or Parish, State  
**Eddy, NM**

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**Bass Enterprises Production Co.**

3a. Address  
**P.O. Box 2760, Midland, TX 79702-2760**

3b. Phone No. (include area code)  
**(915) 683-2277**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**1980' FSL & 660' FWL, Section 14, T21S-R28E, Unit Letter L**

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

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

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- MIRU PU, fish parted tubing, once fish recovered, RU Wireline Co. PU & RIH w/CIBP, set @ 11,258'. Dump 35' cement on CIBP. RD Wireline Co.
- MIRU Plugging Co. ND WH, NU BOP's on 8-5/8" csg. Circ hole w/9.5 ppg mud. RU Wireline & shoot squeeze holes @ 9780', 7780' & 6200'. RD Wireline. RIH w/sqz tools & sqz holes @ 9780', 7780' & 6200' w/40 sx Class H cement with additives. POH.
- RU Wireline, weld on 5-1/2" pull nipple, run free point on csg (TOC @ 10,100', base of 8-5/8" @ 2700'. Cut csg, RD wireline, RU csg tools, POH LD 5-1/2" casing.

- Plug 1: 40 sx Class C Neat, 50' below casing stub, reverse out, WOC, Tag TOC.
- Plug 2: 40 sx Class C Neat, 2750', reverse out, WOC, Tag TOC.
- Plug 3: 30 sx Class C Neat, 2380'.
- Plug 4: 30 sx Class C Neat, 850', reverse out, WOC, Tag TOC.
- Plug 5: 30 sx Class C Neat, 500'.
- Plug 6: 25 sx Class C Neat, 60'.

RU Welder, cut off wellhead, weld plate and install P & A marker stub.

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

Name (Printed/Typed) **Tami Wilber** Title **Production Clerk**

*Tami Wilber* Date **3/8/02**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

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# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Carol Leach

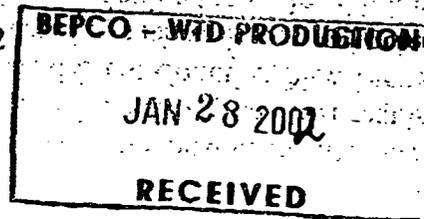
Acting Cabinet Secretary

Lori Wrotenbery

Director

Conservation Division

January 22, 2002



Bass Enterprises Production Co  
Box 2760  
Midland, TX 79702

**VIA: CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

Re: Case No. 12811: Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring Three Hundred Eighty-Eight (388) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Eddy, Chaves and Otero Counties, New Mexico.

Ladies and Gentlemen:

You are hereby notified that the New Mexico Oil Conservation Division has filed the referenced Application, a copy of which is enclosed herewith, seeking an order requiring you to bring specified inactive wells in Eddy, Chaves and Otero Counties, New Mexico into compliance with Division Rule 201.B, by either restoring such wells to production or beneficial use, permanently abandoning or temporarily abandoning them. In addition, the Division seeks assessment of civil penalties for your failure to comply with previous administrative notices to bring these wells into compliance.

A hearing on this Application will take place before a Division hearing officer on Friday, February 22, 2002, at 8:15 a.m., in the Division Hearing Room, First Floor, 1220 South St. Francis Drive in Santa Fe, New Mexico. At that hearing you will have an opportunity to show cause, if any there be, why an order should not be entered as requested in the Application. **The Division will not seek assessment of a penalty if all of your wells are in full compliance on or before the day of the hearing.**

Operational inquiries concerning the subject of this hearing should be directed to Mr. Tim Gum, District Supervisor, Oil Conservation Division, 1301 West Grand Avenue, Artesia, NM 88210; phone (505)-748-1283. Counsel may contact the undersigned in the Santa Fe office at (505)-476-3450.

Very truly yours,

David K. Brooks  
Assistant General Counsel

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,  
THROUGH THE SUPERVISOR OF DISTRICT II, FOR AN ORDER  
REQUIRING OPERATORS TO BRING THREE HUNDRED EIGHTY-EIGHT  
(388) WELLS INTO COMPLIANCE WITH RULE 201.B, AND ASSESSING  
APPROPRIATE CIVIL PENALTIES; EDDY, CHAVES AND OTERO  
COUNTIES, NEW MEXICO**

CASE NO. 12811

**APPLICATION FOR COMPLIANCE ORDERS AND CIVIL PENALTIES**

1. Each of the operators listed on Exhibit A is the operator of the wells in Eddy, Chaves and Otero Counties, New Mexico, specifically identified by name, exact location and API number on Exhibit A. Exhibits A is attached hereto and by this reference incorporated herein for all purposes.

2. The operators identified on Exhibit A are herein referred to collectively as "Operators" and individually as "Operator." Those wells identified on Exhibit A as to which a "Y" appears in the column headed "Status" on Exhibit A are herein called "the subject wells," and those wells identified on Exhibit A as to which a "Y" does not appear in the "Status" column are herein called "the additional wells." The phrase, "each Operator's subject wells" refers, as to each Operator individually, to those of the subject wells operated by such Operator. The phrase "each Operator's additional wells" refers, as to each Operator individually, to those of the additional wells operated by such Operator. The New Mexico Oil Conservation Division is hereinafter called "the Division."

3. Each of the subject wells was continuously inactive for a period in excess of one (1) year immediately preceding May 11, 2000, and has remained inactive continuously from such date to the date of filing of this Application. The date of last reported production from each of the subject wells is set forth on Exhibit A. None of the subject wells is currently approved for temporary abandonment by the Division.

4. On May 11, 2000, the New Mexico Oil Conservation Division (hereinafter "the Division"), acting through the District Supervisor of District II, notified Operators that the subject wells were not in compliance with Division Rule 201.B, and should be brought into compliance either by returning the same to production or other beneficial use, by securing Division approval for temporary abandonment or by plugging and abandonment thereof. Each of the operators responded to the said notification, acknowledging responsibility for such operator's subject wells and undertaking to bring said wells into compliance.

5. Each of the operators was notified on various subsequent occasions of the continuing necessity to bring its subject wells into compliance. Finally, on or about July 25, 2001, or on or about August 6, 2001, the Division, acting through the District Supervisor of District II, notified Operators that the subject wells were still not in compliance with Division Rule 201.B, and directed Operators to bring such wells into compliance not later than November 1, 2001, or face summons to a show cause hearing before the Division, and possible administrative penalties. Notwithstanding such notification, the Operators failed to bring their subject wells into compliance within the time stipulated, and such wells remain non-compliant.

6. Each Operator's additional wells, though not referenced in the written notices from the Division to the Operators described above, are also out of compliance with Rule 201.B(3), in that said wells have not been produced or beneficially used for a continuous period of one year prior to June 1, 2001, and have not been restored to production or beneficial use or plugged since that date, nor have applications been filed for temporary abandonment of any of such additional wells.

7. Division Rule 201.B(3) provides:

A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules ninety (90) days after:

\*\*\*

(3) A period of one (1) year in which a well has been continuously inactive.

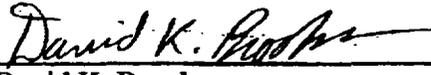
8. NMSA Section 70-2-31.A provides that:

Any person who knowingly and willfully violates any provision of the Oil and Gas Act or any provision of any rule or order issued pursuant to that act shall be subject to a civil penalty of not more than one thousand dollars (\$1,000) for each violation. For purposes of this subsection, in the case of a continuing violation, each day of violation shall constitute a separate violation.

9. Each Operator's failure to take action to restore such operator's subject wells to production or beneficial use, or to cause such wells to be plugged and abandoned, or to apply to the Division for approval for temporary abandonment on or before November 1, 2001, after receipt of notices of noncompliance from the Division as herein before described, constitutes a continuing violation of Division Rule 201.B(3), a rule duly adopted by the Division pursuant to the Oil and Gas Act.

to do so; such penalty to be not less than \$1,000 for each of such Operator's subject wells for each year or part thereof that any such well has remained non-compliant after notice of the non-compliant status of such well was furnished to the operator by the Division.

RESPECTFULLY SUBMITTED,

  
\_\_\_\_\_  
David K. Brooks  
Assistant General Counsel  
Energy, Minerals and Natural  
Resources Department of the State of  
New Mexico  
1220 S. St. Francis Drive  
Santa Fe, NM 87505  
(505)-476-3450  
Attorney for The New Mexico Oil  
Conservation Division

API #	County	Type	Last Production / Injection	Well Name and Number	Operator	Location	Status
30-015-05722	EDDY	O	07-1990	B I HANSON FEDERAL #001	AGHORN OPERATING INC	K-03-19S-31E	A
30-015-04794	EDDY	I	12-1992	NORTHEAST SQUARE LAKE PREMIER UNIT #003	AGHORN OPERATING INC	K-03-16S-31E	S
30-015-04792	EDDY	O	04-1991	NORTHEAST SQUARE LAKE PREMIER UNIT #006	AGHORN OPERATING INC	O-03-16S-31E	SY
30-015-04785	EDDY	I	12-1995	NORTHEAST SQUARE LAKE PREMIER UNIT #008	AGHORN OPERATING INC	M-02-16S-31E	S
30-015-04846	EDDY	O	10-1995	NORTHEAST SQUARE LAKE PREMIER UNIT #009	AGHORN OPERATING INC	D-11-16S-31E	SY
30-015-04831	EDDY	I	12-1993	NORTHEAST SQUARE LAKE PREMIER UNIT #012	AGHORN OPERATING INC	A-09-16S-31E	S
30-015-04840	EDDY	O	12-1993	NORTHEAST SQUARE LAKE PREMIER UNIT #020	AGHORN OPERATING INC	F-10-16S-31E	SY
30-015-04837	EDDY	I	01-1994	NORTHEAST SQUARE LAKE PREMIER UNIT #021	AGHORN OPERATING INC	G-10-16S-31E	S
30-015-04845	EDDY	I	09-1994	NORTHEAST SQUARE LAKE PREMIER UNIT #025	AGHORN OPERATING INC	I-10-16S-31E	S
30-015-05866	EDDY	O	03-1997	R T WILSON FEDERAL #003	AGHORN OPERATING INC	H-24-26S-31E	SY
30-015-04412	EDDY	I	05-1990	BEESON F FEDERAL #014	AROC (TEXAS) INC	G-31-17S-30E	A
30-015-22749	EDDY	O	09-1993	BASS 10 FEDERAL #002	BASS ENTERPRISES PRODUCTION CO	K-10-22S-28E	S
30-015-23131	EDDY	G	08-1996	BIG EDDY #064	BASS ENTERPRISES PRODUCTION CO	N-33-21S-28E	SY
30-015-21529	EDDY	G	09-1998	BIG EDDY UNIT #044	BASS ENTERPRISES PRODUCTION CO	H-16-21S-30E	SY
30-015-24083	EDDY	G	05-1997	BIG EDDY UNIT #092	BASS ENTERPRISES PRODUCTION CO	L-14-21S-28E	SY
30-015-27664	EDDY	O	NONE	BIG EDDY UNIT #118	BASS ENTERPRISES PRODUCTION CO	I-25-22S-28E	AY
30-015-22223	EDDY	O	04-1985	HOPEFUL FEDERAL #001	BASS ENTERPRISES PRODUCTION CO	J-30-21S-29E	AY
30-015-23075	EDDY	G	07-1997	JAMES RANCH UNIT #010	BASS ENTERPRISES PRODUCTION CO	H-01-23S-30E	SY
30-015-23377	EDDY	G	05-2000	JAMES RANCH UNIT #011	BASS ENTERPRISES PRODUCTION CO	E-36-22S-30E	A
30-015-22941	EDDY	O	06-1996	MERCHANT STATE #001	BASS ENTERPRISES PRODUCTION CO	H-01-19S-28E	SY
30-015-29327	EDDY	O	NONE	MERCHANT STATE #004	BASS ENTERPRISES PRODUCTION CO	J-01-19S-28E	S
30-015-28702	EDDY	O	04-1996	NORTH INDIAN FLATS 36 FEDERAL #002	BASS ENTERPRISES PRODUCTION CO	J-26-21S-28E	SY
30-015-21095	EDDY	G	12-1986	POKER LAKE #042	BASS ENTERPRISES PRODUCTION CO	G-10-25S-30E	S
30-015-24480	EDDY	O	09-1993	POKER LAKE #060	BASS ENTERPRISES PRODUCTION CO	F-33-25S-31E	SY
30-015-27665	EDDY	O	NONE	SOHACK 33 FED #001	BASS ENTERPRISES PRODUCTION CO	N-33-19S-31E	AY
30-015-25260	EDDY	G	04-1997	HAY HOLLOW 25 STATE #001	BC DEVELOPMENT, LP	G-25-25S-27E	SY
30-015-02761	EDDY	G	03-1991	BRAINARD FEDERAL #001	BEACH EXPLORATION INC	O-20-16S-29E	AY
30-015-25375	EDDY	O	09-1996	EXXON FEDERAL #002	BEACH EXPLORATION INC	O-18-16S-29E	SY
30-015-25681	EDDY	I	07-1995	RED LAKE UNIT #002	BEACH EXPLORATION INC	O-24-16S-28E	A
30-015-24130	EDDY	I	02-1996	RED LAKE UNIT #005	BEACH EXPLORATION INC	A-25-16S-28E	A
30-015-25412	EDDY	O	07-1995	RED LAKE UNIT #013	BEACH EXPLORATION INC	3-30-16S-29E	SY
30-015-23293	EDDY	I	01-2000	RED LAKE UNIT #014	BEACH EXPLORATION INC	M-25-16S-28E	A
30-015-23870	EDDY	O	07-1995	RED LAKE UNIT #017	BEACH EXPLORATION INC	P-25-16S-28E	SY
30-015-23000	EDDY	O	01-1997	RED LAKE UNIT #018	BEACH EXPLORATION INC	A-35-16S-28E	SY
30-015-01286	EDDY	I	04-1997	RED LAKE UNIT #022	BEACH EXPLORATION INC	E-36-16S-28E	A
30-015-23658	EDDY	I	04-1994	RED LAKE UNIT #024	BEACH EXPLORATION INC	G-36-16S-28E	A

TA'd 9/13/97  
 SI 9/18/96  
 MIT 12/11/00  
 (lost work 5/15/01  
 NO STRIPPING'S  
 MIT 3/15/95  
 last work 2/12/99  
 NO STRIPPING'S  
 ?  
 TA'd 11/17/97  
 PEA 3/21/97  
 ?  
 ?  
 NO STRIPPING'S