

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

**NAME OF WELL: MERCHANT STATE NO. 4**

**LEGAL DESCRIPTION - SURFACE:** 660' FNL & 2080' FWL, Section 1, T-19-S, R-28-E, Eddy County, New Mexico.

**POINT 1: ESTIMATED FORMATION TOPS**

(See No. 2 Below)

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

Anticipated Formation Tops: KB 3410' (est)  
GL 3399'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	275'	+3135'	Barren
T/Salt	350'	+3060'	Barren
B/Salt	600'	+2810'	Barren
T/Yates	780'	+2630'	Oil/Gas
T/Seven Rivers	985'	+2425'	Oil/Gas
T/Queen	1675'	+1735'	Oil/Gas
T/Grayburg	2026'	+1384'	Oil/Gas
T/San Andres	2500'	+ 910'	Oil/Gas
T/Bone Spring	3290'	+ 120'	Oil/Gas
TD	3600'	- 190'	

**POINT 3: CASING PROGRAM**

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
8-5/8", 24#, WC-50, ST&C	0' - 320'	Surface	New
5-1/2", 15.50#, K-55, LT&C (Limited Service)	0' - 3600'	Production	New

**POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)**

A BOP equivalent to Diagram 1 will be nipped up on the surface casing head. When testing, the BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to the lowest rated working pressure of the equipment being tested. In addition to the rated working pressure test, a low pressure (200 psi) test will be required. These tests will be performed:

- a) Upon installation
- b) After any component changes
- c) Fifteen days after a previous test
- d) As required by well conditions