



OCD-ARTESIA

CIST

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
Tel. (505) 234-5972
Fax. (505) 884-9264

IN REPLY REFER TO:
NM NM-68294-X
Big Eddy Unit
981000326X
3162.4 (080) dh

MAY 10 2002

Bass Enterprises Production Company
P.O. Box 2760
Midland, TX 79702-2760



Gentlemen:

Your application, received in our office on April 9, 2002, for the addition (and maintenance) of the BEU #44 State well access road to your Big Eddy O&G Unit, in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 31, T. 20 S., R. 31 E., plus Lot 13, the N $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 4, Lots 2, 7, 9, 10 and 16 of Section 5, and the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 9, T. 21 S., R. 30 E., NMPM, is hereby approved, subject to the enclosed stipulations.

Sincerely,

/s/ Mary J. Rugwell

☞ Leslie A. Theiss
Field Manager

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESI.

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996MAY 2002
RECEIVED
OCD-ARTESI

SUNDY 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 DUPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

Road Maintenance

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)

Road begins in Section 31, T20S-R31E, SESE

Road ends in Section 16, T21S-R30E, SWNE

Road accesses Big Eddy Unit #44 (State Well) in Section 16, T21S-R30E

5. Lease Serial No.

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
Access Road

9. API Well No.

10. Field and Pool, or Exploratory Area

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

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Road Maintenance |
| <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 recomple 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.)

Maintenance of access road which begins in Section 31, T20S-R31E, SESE and ends in Section 16 T21S-R30E, SWNE. This road is used to access the Big Eddy Unit #44 State Well in Section 16, T21S-R30E and is part of the Big Eddy Unit. The referenced well was recently TA'd (see attached Sundry) so oil field road traffic should be minimal.

All dangerous areas will be filled in with a backhoe, we will move the existing road material within the existing disturbance to prevent damage to archaeology along the road. Upon receipt of warning signs provided by BLM personnel we will place them according to your recommendations. First sign will be placed where the road intersects with the State Highway on the North end, second sign will be placed along the existing roadway just north of the State section per your map which is attached.

Our Company personnel will perform monthly monitoring of the road condition and notify Doug Hoag, Civil Engineering Technician by electronic mail message at doug_hoag@nm.blm.gov.

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

Tami Wilber

Title

Production Clerk

Date 4/4/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Mary J. Rugwell

ACTING FIELD MANAGER

Date MAY 10 2002

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 CARLSBAD FIELD OFFICE

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

(Instructions on reverse)

RECEIVED

2002 APR 9 AM 6 05

DEPT OF LAND ACQUISITION
CHICAGO FIELD OFFICE

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> 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 <u>H</u> : <u>1980'</u> feet from the <u>North</u> line and <u>660'</u> feet from the <u>East</u> line Section <u>16</u> Township <u>21S</u> Range <u>30E</u> NMPM County <u>Eddy</u>
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3196.2' GL	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input checked="" type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <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 referenced well.
A mechanical integrity test was performed 2/12/02.
Packer is set @ 12,890'
Perfs @ 13,005-13,082'

NMOCD 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.

Temporary Abandoned Status approved
until 2-12-03

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

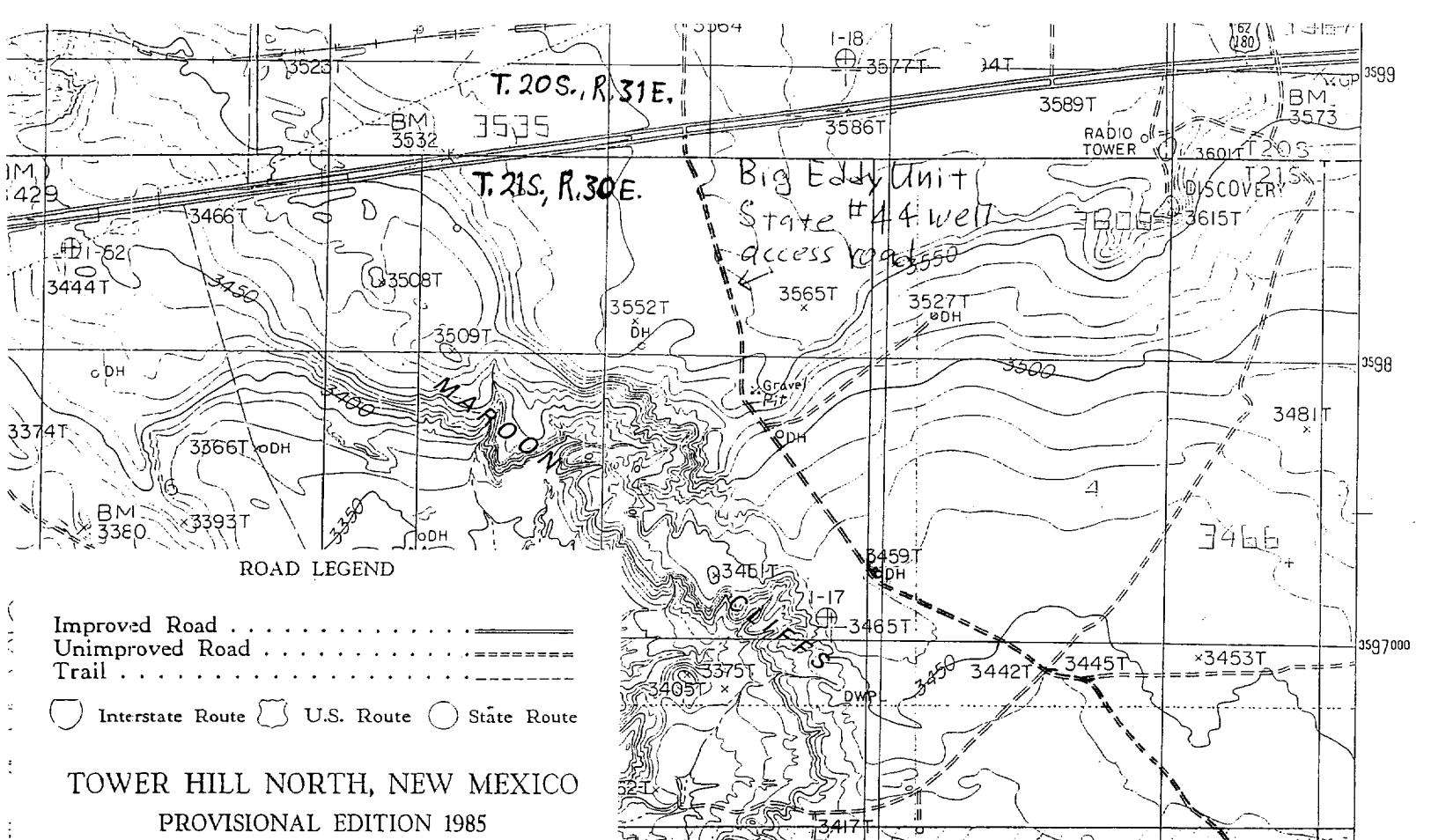
Type or print name Tami Wilber

Telephone No. 915-683-2277

(This space for State use)

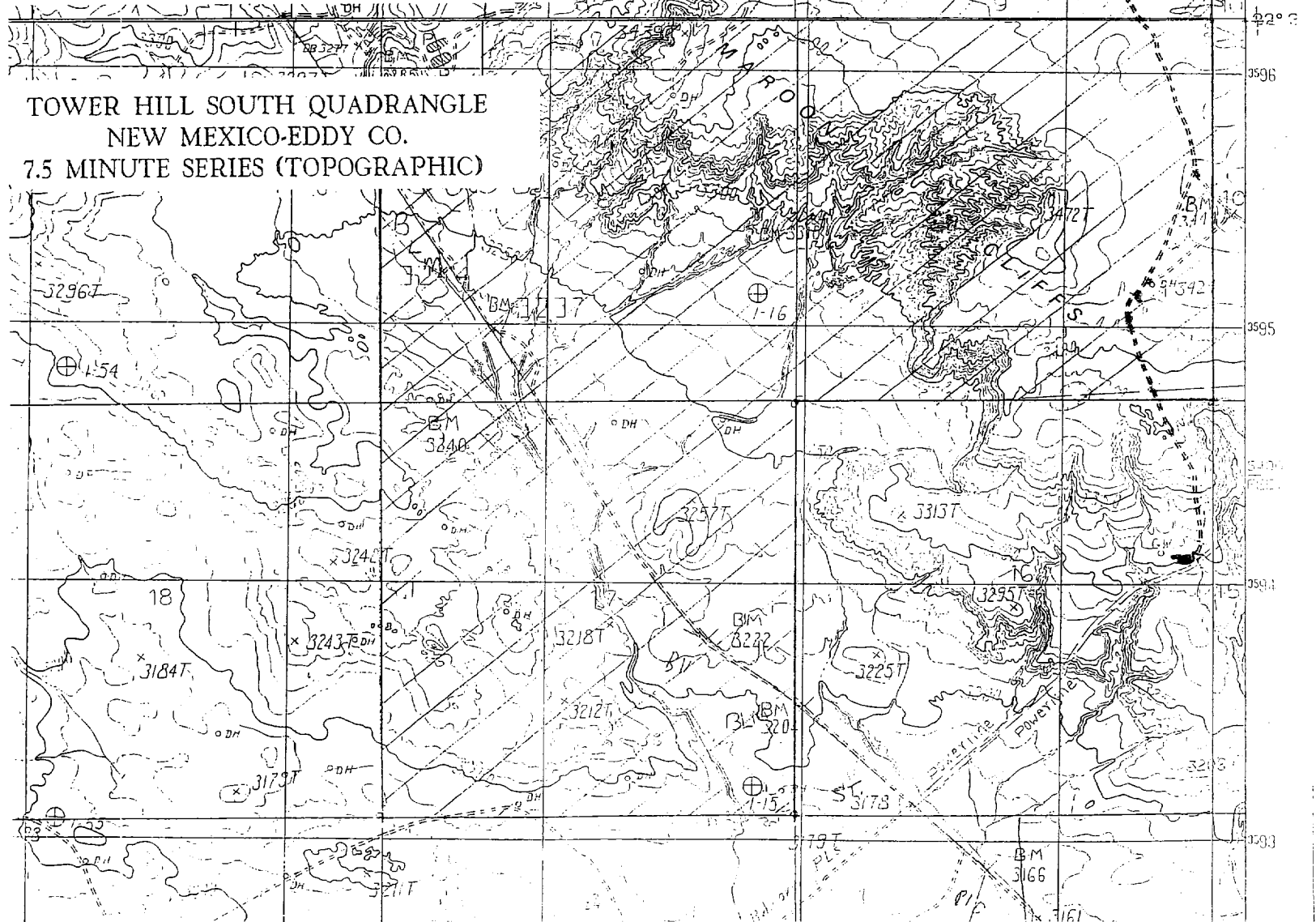
APPROVED BY [Signature] TITLE Wild Sup ID DATE FEB 19 2002

Conditions of approval, if any:



TOWER HILL NORTH, NEW MEXICO
PROVISIONAL EDITION 1985

TOWER HILL SOUTH QUADRANGLE
NEW MEXICO-EDDY CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)





Subsidence Cracks at Maroon Cliffs Vicinity Map



Subsidence cracks located on public lands and on a lease road in the S1/2 of Section 4 of T. 21 S., R. 30 E., Eddy County, New Mexico, NMPM.

0.4 0 0.4 0.8 Miles



Scale 1:30,000

- ▲ Crack Locations
- Lease Road
- Roads
- Sections
- Land Ownership
 - BLM
 - Private
 - State

No warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of these data for individual use or aggregate use with other data, or for purposes not intended by BLM. Spatial information may not meet National Map Accuracy Standards. This information may be updated without notification.

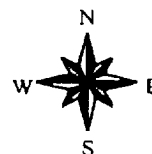


EXHIBIT A
(April 9, 2002)

BLM Serial No.: NM-68294-X
Big Eddy Unit, 891000326X
Company Reference: Bass Enterprises Prod. Co.
Big Eddy Unit No. 44 State Well Access

STANDARD STIPULATIONS FOR PERMANENT RESOURCE ROADS
THE CARLSBAD FIELD OFFICE AREA, BLM

The Holder/grantee/permittee shall hereafter be identified as the Holder in these stipulations. The Authorized Officer is the person who approves the Application for Permit to Drill (APD) and/or Right-of-Way (ROW). The Holder shall ensure that a copy of the grant and attachments, including stipulations and map, will be on location during construction. BLM personnel may request to view a copy of your permit during construction to ensure compliance with all stipulations. The following stipulations are Conditions of Approval for the subject access road.

GENERAL REQUIREMENTS

A. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

B. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the Holder shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, *et. seq.*) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act, Section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.

C. The Holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, *et. seq.* or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et. seq.*) on the right-of-way (unless the release or threatened release is wholly unrelated to the right-of-way Holder's activity on the right-of-way). This agreement applies without regard to whether a release is caused by the Holder, its agent, or unrelated third parties.

D. If, during any phase of the construction, operation, maintenance, or termination of the road, any oil or other pollutant should be discharged, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of the Holder, regardless of fault. Upon failure of the Holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages to Federal lands resulting therefrom, the Authorized

Officer may take such measures as deemed necessary to control and cleanup the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the Holder. Such action by the Authorized Officer shall not relieve the Holder of any liability or responsibility.

E. The Holder shall minimize disturbance to existing fences and other improvements on public domain surface. The Holder is required to promptly repair improvements to at least their former state. Functional use of these

improvements will be maintained at all times. The Holder will make a documented good-faith effort to contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence.

F. The Holder shall ensure that the entire right-of-way, including the driving surface, ditching and drainage control structures, road verges and any construction sites or zones, will be kept free of the following plant species: Malta starthistle, African rue, Scotch thistle and salt cedar.

Holder agrees to comply with the following stipulations:

1. ROAD WIDTH AND GRADE

The road will have a driving surface of 14 feet (all roads shall have a minimum driving surface of 12 feet, unless local conditions dictate a different width). The maximum grade is 10 percent unless the box below is checked. All surface disturbance from construction or maintenance will be within the existing (May, 2002) disturbed surface.

☐ Those segments of road where grade is in excess of 10% for more than 300 feet shall be designed by a professional engineer.

2. CROWNING AND DITCHING

Crowning with materials on site and ditching on one side of the road on the uphill side will be required. The road cross-section will conform to the cross section diagrams in Figure 1. If conditions dictate, ditching may be required for both sides of the road; if local conditions permit, a flat-bladed road may be considered (if these conditions exist, check the appropriate box below). The crown shall have a grade of approximately 2% (i.e., 1" crown on a 12' wide road). Flat-blading is authorized on those road segments presently (May, 2002) flat-bladed.

3. DRAINAGE

Drainage control shall be ensured over the entire road through the use of borrow ditches, outsloping, insloping, natural rolling topography, lead-off (turnout) ditches, culverts, and/or drainage dips.

A. All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval for lead-off ditches shall be determined according to the following table, but may be amended depending upon existing soil types and centerline road slope (in %):

SPACING INTERVAL FOR TURNOUT DITCHES

Percent slope	Spacing interval
0% - 4%	400' - 150'
4% - 6%	250' - 125'
6% - 8%	200' - 100'
8% - 10%	150' - 75'

A typical lead-off ditch has a minimum depth of 1 foot below and a berm 6 inches above natural ground level. The berm will be on the down-slope side of the lead-off ditch. The ditch end will tie into vegetation whenever possible. For this road the spacing interval for lead-off ditches shall be at the existing lead-off turnouts. (Any new, future road extension/construction will place lead-outs at the above standard intervals and at any problem erosion locations, after an archaeological/cultural clearance has been approved by BLM.)

B. Culvert pipes shall be used for cross drains where drainage dips or low water crossings are not feasible. The minimum culvert diameter must be 18 inches. Any culvert pipe installed shall be of sufficient diameter to pass the anticipated flow of water. Culvert location and required diameter are shown on the attached map (Further details can be obtained from the Roswell District Office or the appropriate Resource Area Office).

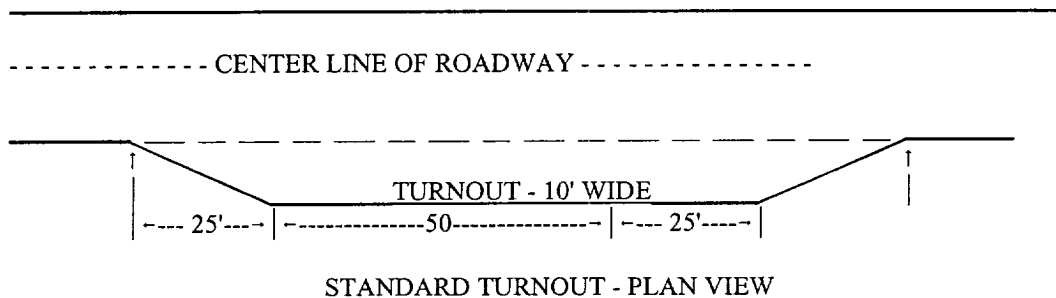
C. On road slopes exceeding 2%, drainage dips shall drain water into an adjacent lead-off ditch. Drainage dip location and spacing shall be determined by the formula:

$$\text{spacing interval} = \frac{400'}{\text{road slope in \%}} + 100'$$

$$\text{Example: 4\% road slope: spacing interval} = \frac{400}{4} + 100 = 200 \text{ feet}$$

4. TURNOUTS

Unless otherwise approved by the Authorized Officer, vehicle turnouts will be required. Turnouts will be located at 2000-foot intervals, or the turnouts will be inter-visible, whichever is less. Turnouts will conform to the following diagram:



5. SURFACING

Surfacing of the road or those portions identified on the attached map with caliche or other surfacing material may, at the direction of the Authorized Officer, be required if necessary to maintain traffic within the right-of-way. When surfacing is required, surfacing materials will be compacted to a minimum thickness of six inches with caliche material. The width of surfacing shall be no less than the driving surface.

A sales contract for the removal of mineral materials (caliche, sand, gravel, fill dirt, etc.) from an authorized pit, site, or on location must be obtained from the BLM prior to using any such mineral material from public lands. Contact the BLM solid minerals staff for the various options to purchase mineral material.

6. CATTLEGUARDS

Where used, all cattleguard grids and foundation designs and construction shall meet the American Association of State Highway and Transportation Officials (AASHTO) Load Rating H-20, although AASHTO U-80 rated grids shall be required where heavy loads (exceeding H-20 loading), are anticipated (See BLM standard drawings for cattleguards). Cattleguard grid length shall not be less than 8 feet and width of not less than 14 feet. A wire gate (16-foot minimum width) will be provided on one side of the cattleguard unless requested otherwise by the surface user.

7. MAINTENANCE

The Holder shall maintain the road in a safe, usable condition. A maintenance program shall include, but not be limited to blading, ditching, culvert installation, culvert cleaning, drainage installation, cattleguard maintenance, and surfacing.

8. PUBLIC ACCESS

Public access along this road will not be restricted by the Holder without specific written approval being granted by the Authorized Officer. Gates or cattleguards on public lands will not be locked or closed to public use unless closure is specifically determined to be necessary and is authorized in writing by the Authorized Officer.

9. CULTURAL RESOURCES

Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the Holder, or any person working on the Holder's behalf, on public or Federal land shall be immediately reported to the authorized officer. The Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The Holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the authorized officer after consulting with the Holder.

10. SPECIAL STIPULATIONS:

All road maintenance (smoothing, grading, watering, resurfacing, reshaping, etc.) and road use must be strictly restricted to within the presently existing disturbed surface.

All material used for road maintenance must come from an approved pit. A sales contract for the removal of mineral materials (caliche, sand, gravel, fill dirt, etc.) must be obtained from the BLM prior to using any such mineral material from any pit, site, or location on public lands.

Any new project affecting or disturbing any new surface—expansions of the road width, well access spurs, pipelines, power lines, et cetera—will require and must have a cultural resource inventory report.

The Lesser Prairie Chicken, 2002 - 2003 Blanket Exception daytime timing limitation stipulation: Beginning in the spring of 2003, no construction or normal, scheduled maintenance activities will be allowed during the hours of 3:00 a.m. through 9:00 a.m. during the period from March 15 through June 15.

The Applicant's mitigation proposals: (1) Fill in all "dangerous areas" using a backhoe, (2) move the existing road material within the existing disturbance to avoid damage to roadside archaeology, (3) install BLM-supplied warning signs where the road intersects Highway 62-180 and crosses from state to public lands, (4) perform monthly monitoring of the road condition, and (5) inform BLM, Carlsbad Field Office (CFO) by email, to the attention of Doug Hoag, BLM Civil Engineering Technician, at email address Doug_Hoag@nm.blm.gov

EXHIBIT B
(April 9, 2002)

BLM Serial No.: NM-68294-X
Big Eddy Unit, 891000326X
Company Reference: Bass Enterprises Prod. Co.
Big Eddy Unit No. 44 State Well Access

ROAD REHABILITATION SPECIFICATIONS

1. The Holder shall ensure that any noxious weeds are removed from the right-of-way and destroyed as the first step in rehabilitation. This specifically includes plants of the following species: Malta starthistle, African rue, Scotch thistle and salt cedar. Long-term soil sterilization techniques are **NOT** allowed for this weed removal.

2. When the road is abandoned, it will be rehabilitated to the satisfaction of the Authorized Officer, BLM. At a minimum it will be ripped at least sixteen inches deep, including turnouts. The caliche may be reclaimed for re-use before ripping, if so desired. Alternately, the caliche can be plowed under with a grader, or other soil turning device, and the plowed surface disked before seeding. All culverts or other structures will be removed. All fill material will be replaced into the cut areas; barrow and lead-off ditches, drainage dips, or other erosion control earthwork will be filled or smoothed; and the abandoned road returned to the natural contours, as closely as possible. Water breaks at least eight inches high will be constructed as shown on accompanying Illustration Sheet. Traffic barriers will be installed at all vehicular access points to prevent further use of the road.

3. Reseed the entire area with the following mixture:

<u>Fertilizer</u>	<u>Rate (lbs/acre)</u>
16-20-0 or equivalent	50 lbs.
<u>Seed</u>	<u>Rate (lbs./acre PLS*)</u>
Alkali sacaton (<u>Sporobolus airoides</u>)	3 lbs
Sideoats grama [Vaughn] (<u>Bouteloua curtipendula</u>)	<u>5 lbs</u>
	8 lbs/acre total

*PLS = Pure Live Seed:

Pounds of seed x percent of purity x percent of germination = Pounds of Pure Live Seed.

All disturbed areas are to be seeded with the seed mixture listed above. The seed and any fertilizer involved are to be applied together by broadcasting with a seed spreader, then harrowed for seed coverage. Use of a seed drill is acceptable. Appropriate measures will be taken to ensure that the seed/fertilizer mixture is evenly and uniformly planted. There will be no primary or secondary noxious weeds in the seed mixture. Seed will be tested for viability and purity in accordance with State law(s) within nine months prior to purchase. Commercial seed will be either certified or registered and the seed mixture container will be tagged in accordance with State law(s).

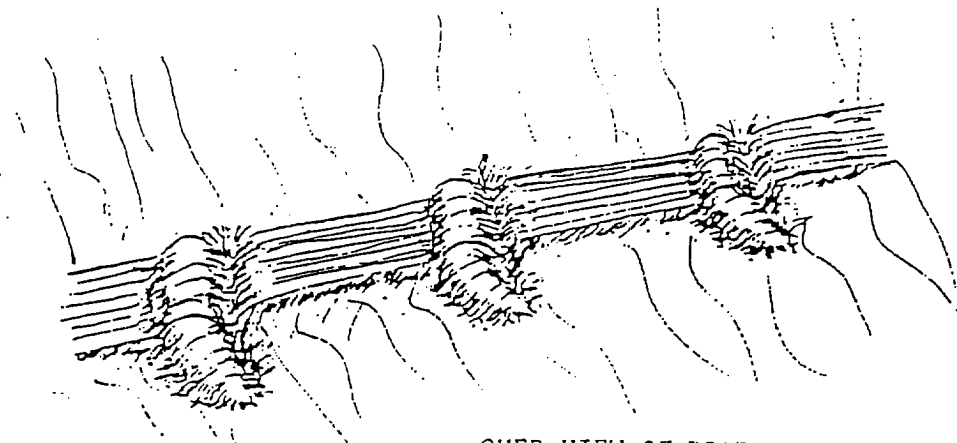
4. Normally, the best time for seeding is between June 15 and September 15. However, the grantee may reseed immediately after completing surface abandonment procedures. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding. The BLM reserves the right to require seeding at a specified time, if seed does not germinate after one complete growing season.

5. Contact the BLM, Carlsbad Field Office Headquarters, telephone number (505) 234-5972, at least two working days before the start of reclamation activities, or if you have any questions.

ILLUSTRATION PAGE FOR ROAD REHABILITATION SPECIFICATIONS

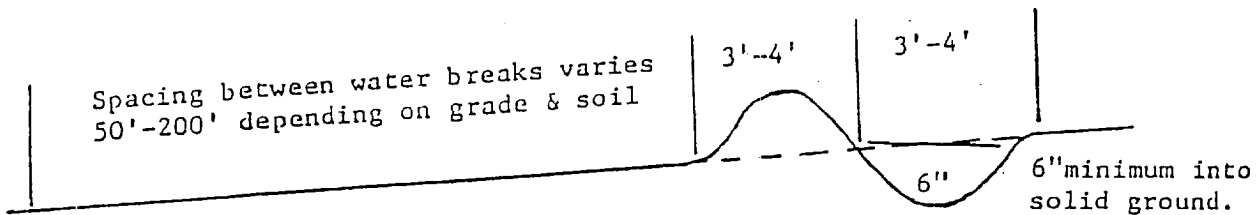
Page 2 of 2

Percent of Slope	Spacing Intervals
less than 2 1/2%	200 feet
from 2 1/2 to 5 1/2%	150 feet
from 2 1/2 to 5 1/2%	150 feet
over 5 1/2 to 9 1/2%	100 feet
over 9 1/2 to 15%	50 feet
over 15%	contact BLM



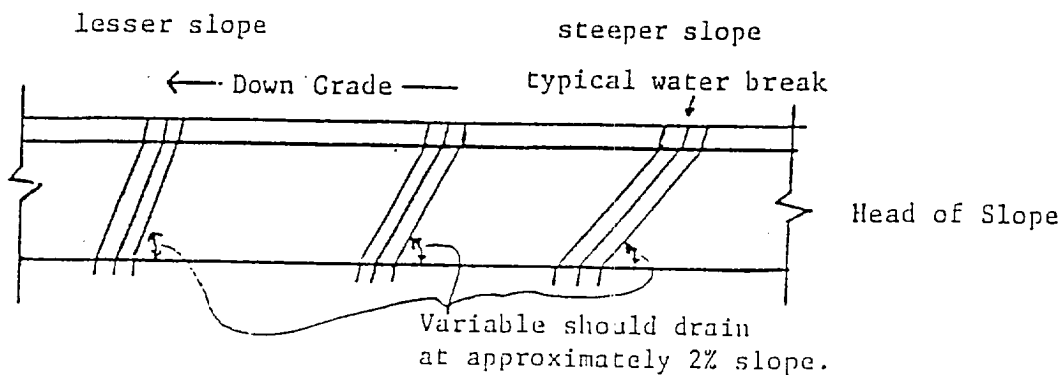
Road surface ripped
and reseeded.

OVER VIEW OF ROAD



Cross section of waterbreak at \mathcal{C} of road.

ELEVATION VIEW OF ROAD AT CENTERLINE



PLAN VIEW OF ROAD