N. M. Oil Cons. Division
811 S. 1ST ST.
ARTESIA, NM 88210-2834

c/SF

Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL [ ] DEEPEN [X]

b. TYPE OF WELL
Oil Well [ ] Gas Well [X] Other Single Zone [ ] Multiple Zone [ ]

2. Name of Operator
Bass Enterprises Production Co.

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

4. Location of Well (Report location clearly and in accordance with any State requirements*)
At Surface
1980' FNL & 1980' FWL, Section 4, T20S, R31E
At proposed prod. zone

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OIL CON. DIV.
DIST. 2

5. Lease Designation and Serial No.
NM-04557

6. If Indian, Allottee or Tribe Name

7. Unit agreement name
Big Eddy Unit

8. Farm or Lease Name, Well No.
Big Eddy Unit #122

9. API Well No.
30-015-27454

10. Field and Pool, or Wildcat
~~Hackberry (Morrow), S.~~ WILDCAT E. 96667

11. Sec., T., R., M., or Blk. and Survey or Area
Section 4, T20S, R31E

14. Distance in miles and direction from nearest town or Post Office*
Nine miles west - northwest of Halfway, NM.

12. County or Parish
Eddy

13. State
NM

15. Distance from proposed* Location to nearest Property or lease line, ft. (Also to nearest drlg. unit line, if any) 660'	16. No. of acres in Lease 552.1	17. No. of Acres assigned to this Well 320
18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this Lease, ft. 3800'	19. Proposed Depth 12,950'	20. Rotary or Cable Tools Rotary

21. Elevations (Show whether DF, RT, GR, etc.)
3485.8' GR

22. Approx. date work will start*
upon approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
4-3/4"	3-1/2" *	*	12,950'	TOC @ 11,300'. (Liner lap 11,600'-11,300')
				150 sx

NOTE: See attached wellbore diagram (Exhibit A) for existing casing strings, their setting depths, and cemting information.

* A premium grade, premium flush-joint connection liner will be utilized: weight and grade will be determined by abailability and a minimum collapse rating of 8000 psi.

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IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.
Signed *William R. Dannels* W. R. Dannels Title Division Drilling Supt. Date December 17, 1996

(This space for Federal or State office use)

Permit No. ______ Approval Date ______

Application approval 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.
CONDITIONS OF APPROVAL, IF ANY:

Approved by *[signature]* Title PETROLEUM ENGINEER Date 12/24/96

*See Instruction on Reverse Side

Submit to Appropriate
District Office
State Lease – 4 copies
Fee Lease – 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
BASS ENTERPRISES PRODUCTION CO.	BIG EDDY UNIT	122

Unit Letter	Section	Township	Range	County
F	4	20 SOUTH	31 EAST NMPM	EDDY

Actual Footage Location of Well:
1980 feet from the NORTH line and 1980 feet from the WEST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3485.8'	MORROW		320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

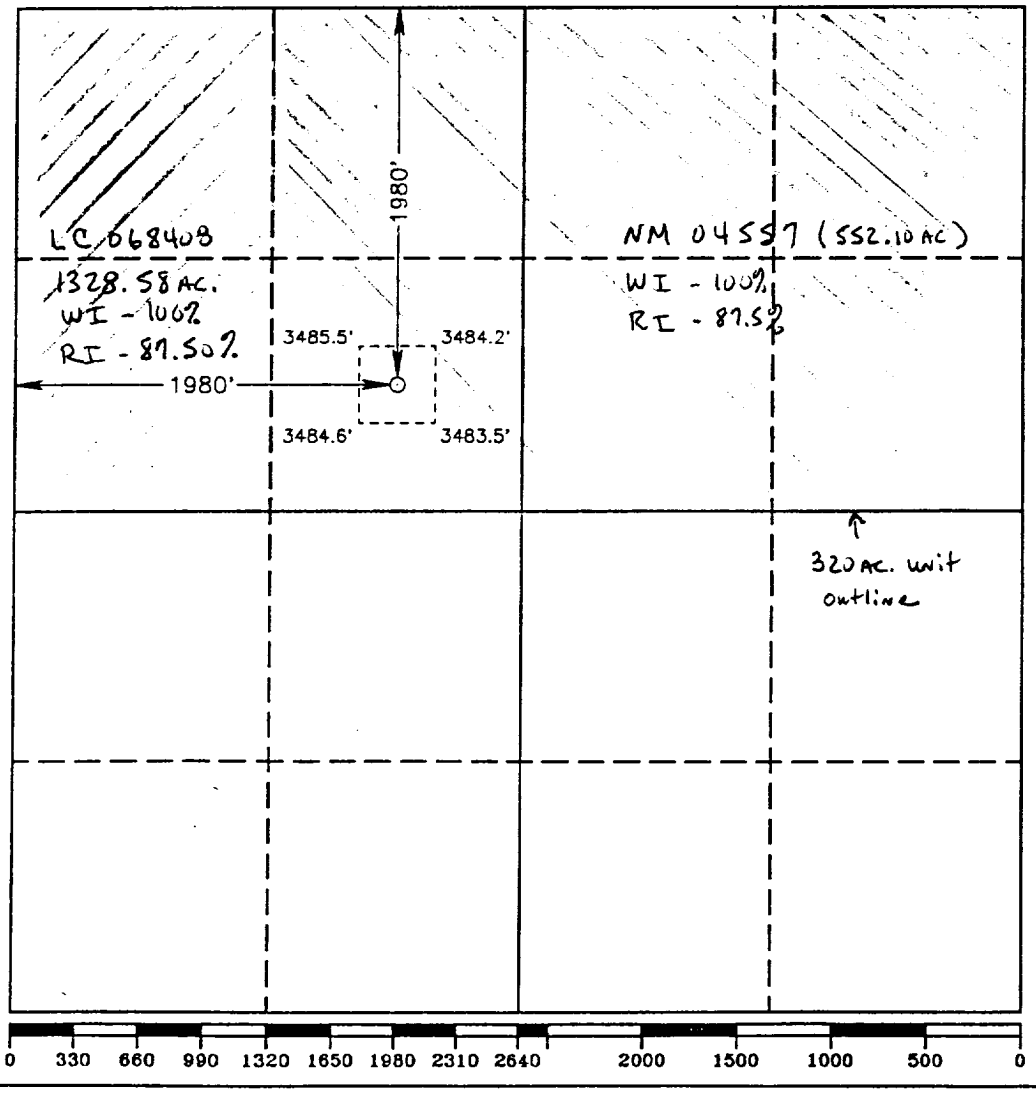
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

[X] Yes [ ] No If answer is "yes" type of consolidation communitization

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary. _____

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, 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.

William R Dannels

Signature
William R. Dannels

Printed Name
Division Drlg Supt.

Position
Bass Enterprises Prod Co.

Company
December 17, 1996

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 supervison, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
FEBRUARY 16, 1993

Signature & Seal of Professional Surveyor

GARY L. JONES NEW MEXICO 7977 REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate No. 7977 JOHN W. WEST 676
RONALD J. EIDSON 3239
GARY L. JONES 7977

930211-0261

EIGHT POINT DRILLING PROGRAM
BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: BIG EDDY UNIT #122 (Deepening)

LEGAL DESCRIPTION - SURFACE: 1980' FNL & 1980' FWL, Section 4, T-20-S, R-31-E, Eddy County, New Mexico.

POINT 1: ESTIMATED FORMATION TOPS

(See No. 2 Below)

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

Anticipated Formation Tops: KB 3500' (est)
GL 3485.5'

FORMATION	ESTIMATED TOP FROM KB	ESTIMATED SUBSEA TOP	BEARING
T/Middle Morrow	12,350'	-8850'	Gas
T/Lower Morrow	12,661'	-9161'	Gas
TD	12,950'	-9450'	

POINT 3: CASING PROGRAM (See attached Wellbore Diagram for existing casing information)

TYPE	INTERVAL	PURPOSE	CONDITION
3-1/2" Premium Flush-joint	11,300'-12,950'	Production Liner	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nippled up on the existing casing head. When testing, the BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to their rated working pressure. 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

A function test of pipe rams to insure that the preventers are operating correctly will be performed on each trip. A function test is required only a minimum of once every 24 hours.

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
11,600'-12,950'	Cut Brine/XCD	9.0-10.0	32-35	6-12	4-8	NC to <10	9.5-10.0

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING

None anticipated.

B) LOGGING

GR-CNL-LDT-DLL-MSMFL from 5-1/2" casing shoe to total depth.

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT^3/SX
PRODUCTION						
11,600'-12,950'	150 sx	1750	Class H + 2 gps D600 Flac + 0.05 gps D604AM TIC + 0.5% D606 + 0.02 gps M45 + 0.15% D800	2.81	16.0	1.13

Cement volume will be designed for 300' lap with an additional 300' of fill above liner lap inside the existing 5-1/2" casing.

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are expected in the drilling interval. BHP in the Morrow section is anticipated to be 5564 psi as per a 12,600' DST in the closest offset well (BEU #37). Using a gas gravity of 0.60, this represents a maximum surface pressure of 4300 psi at surface. No H_2S is anticipated. BHT at TD is estimated at 195°F.

POINT 8: OTHER PERTINENT INFORMATION

A) Auxiliary Equipment

Upper and lower kelly cocks. Full opening stab in valve on the rig floor.

B) Anticipated Starting Date

Upon approval

21 days drilling operations

10 days completion operations

C) The attached rig lay-out diagram is general and subject to change. Due to the nature of the operations, a modified work-over unit is being evaluated to do this work. See Exhibit C.

WRD/mac
12/19/96

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: BIG EDDY UNIT #122

LEGAL DESCRIPTION - SURFACE: 1980' FNL & 1980' FWL, Section 4, T20S, R31E, Unit Eddy County, New Mexico.

POINT 1: EXISTING ROADS

The location and access roads are existing. Directions to the location are:

From Carlsbad, go northeast on U.S. 62-180, approx 14.5 miles to it's intersection with Hwy 360 North. Go north on Hwy 360 for approximately 6 miles, then turn right on Sugart Road 222 and go 4 miles. Turn right on caliche road for 3 miles, then left for 3/4 mile to location.

POINT 2: NEW PLANNED ACCESS ROUTE

All existing; nothing required.

POINT 3: LOCATION OF EXISTING WELLS

Exhibit "B" indicates existing wells within the surrounding area.

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES

A) Existing facilities within one mile owned or controlled by lessee/operator:

Production facilities are shown on Exhibit "B" at Big Eddy Unit #122 and #33 locations.

B) New Facilities in the Event of Production:

Will lay gas line 2000' to Llano's high pressure gas line.

C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas unnecessary for use will be graded to blend in the surrounding topography - See Point 10.

POINT 5: LOCATION AND TYPE OF WATER SUPPLY

A) Location and Type of Water Supply

Brine water will be hauled from the State 24 Well #1 Jim's Water Station located on Highway 217, 2.75 miles from Highway 360 intersection. Fresh water will be hauled from Marbob Energy Freshwater - Turkey Track Well #1 located 11.5 miles north on Highway 360, then turn east on Road 702 for 3.5 miles to station.

POINT 5: LOCATION AND TYPE OF WATER SUPPLY con't...

B) Water Transportation System

Water hauling to the location will be over existing roads.

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

A) Materials

None required.

B) Land Ownership

Federally owned.

C) Materials Foreign to the Site

No construction materials foreign to this area are anticipated for this drill site.

D) Access Roads

Existing.

POINT 7: METHODS FOR HANDLING WASTE MATERIAL

A) Cuttings

Cuttings will be contained in the plastic lined reserve pit.

B) Drilling Fluids

Drilling fluids will be contained in the plastic lined reserve pit.

C) Produced Fluids

Water production will be contained in the plastic lined reserve pit.

Hydrocarbon fluid or other fluids that may be produced during testing will be retained in test tanks. Prior to cleanup operations, any hydrocarbon material in the reserve pit will be removed by skimming or burning as the situation would dictate.

D) Sewage

Current laws and regulations pertaining to the disposal of human waste will be complied with.

POINT 7: METHODS FOR HANDLING WASTE MATERIAL con't...

E) Garbage

Portable containers will be utilized for garbage disposal during the drilling of this well.

F) Cleanup of Well Site

Upon release of the drilling rig, the surface of the drilling pad will be graded to accommodate a completion rig if electric log analysis indicate potential productive zones. The reserve pit will be fenced and the fence maintained until the pit is backfilled. Reasonable cleanup will be performed prior to the final restoration of the site.

POINT 8: ANCILLARY FACILITIES

None.

POINT 9: WELL SITE LAYOUT

A) Rig Orientation and Layout

Exhibit "C" shows the dimensions of the well pad and reserve pits, and the location of major rig components. Only minor leveling of the well site will be required. No significant cuts or fills will be necessary.

B) Locations of Pits and Access Road

See Exhibit "C".

C) Lining of the Pits

The reserve pits will be lined with plastic.

POINT 10: PLANS FOR RESTORATION OF THE SURFACE

A) Reserve Pit Cleanup

The pits will be fenced immediately after moving rig off location and shall be maintained until they are backfilled. Previous to backfill operations, any hydrocarbon material on the pits' surfaces shall be removed. The fluids and solids contained in the pits shall be backfilled with soil excavated from the site and soil adjacent to the reserve pits. The restored surface of the pits shall be contoured to prevent impoundment of surface water flow. Water-bars will be constructed as needed to prevent excessive erosion. Topsoil, as available, shall be placed over the restored surface in a uniform layer. The area will be seeded according to the Bureau of Land Management stipulations during the appropriate season following restoration.

POINT 10: PLANS FOR RESTORATION OF THE SURFACE con't...

B) Restoration Plans - Production Developed

Reserve pits will be backfilled and restored as described above under Item A. In addition, those areas not required for production will be graded to blend with the surrounding topography. Topsoil, as available, will be placed upon those areas and seeded. The portion of the site required for production will be graded to minimize erosion and provide access during inclement conditions. Following depletion and abandonment of the site, restoration procedures will be those that follow under Item C.

C) Restoration Plans - No Production Developed

Reserve pits will be restored as described above. With no production developed, the entire surface disturbed by construction of the well site will be restored. The site will be contoured to blend with the surrounding topography and provide drainage of surface water. The topsoil, as available, shall be replaced in a uniform layer and seeded according to the Bureau of Land Management's stipulations.

D) Rehabilitations Timetable

Upon completion of drilling operations, the initial cleanup of the site will be performed as soon as weather and site conditions allow economic execution of the work.

POINT 11: OTHER INFORMATION

A) Terrain

Relatively flat.

B) Soil

Caliche and sand.

C) Vegetation

Sparse, primarily grasses and mesquite with very little grass.

D) Surface Use

Primarily grazing.

E) Surface Water

There is one stock tank located 1.25 miles northeast of location. No other lakes, streams or rivers are located within several miles of the wellsite.

POINT 11: OTHER INFORMATION con't...

F) Water Wells

There is a water well approximately 2 miles northeast of location.

G) Residences and Buildings

None.

H) Historical Sites

None observed.

I) Archeological Resources

An archeological survey will not be obtained for this area. An archeological survey was conducted on April 1, 1993 whereby a 400' X 400' area centered around the wellbore and access road was cleared. There will not be any construction outside existing archeological survey clearance area.

J) Surface Ownership

The well site and new access road is on Federally owned land.

K) Well signs will be posted at the drilling site.

L) Open Pits

All pits containing liquid or mud will be fenced and bird-netted.

POINT 12: OPERATOR'S FIELD REPRESENTATIVE

(Field personnel responsible for compliance with development plan for surface use).

DRILLING
William R. Dannels
Box 2760
Midland, Texas 79702
(915) 683-2277

PRODUCTION
Mike Waygood
910 N. Canal, Suite 704
Carlsbad, New Mexico 88220
(505) 887-7329

Keith E. Bucy
Box 2760
Midland, Texas 79702
(915) 683-2277

POINT 13: CERTIFICATION

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Bass Enterprises Production Co. and it's contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

December 17, 1996
Date

William R. Dannels

WRD/mac

BIG EDDY UNIT NO. 122

Current Wellbore Diagram

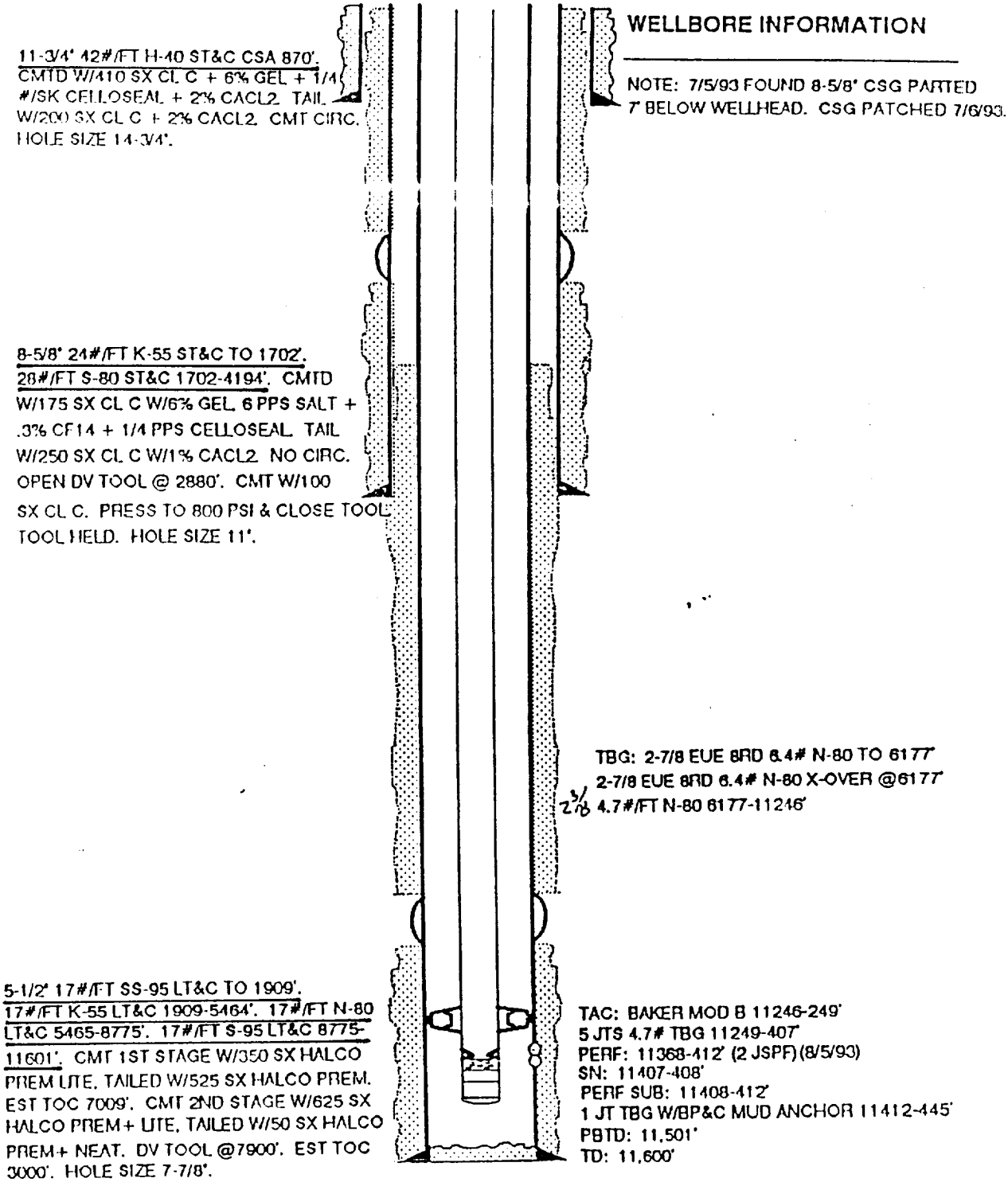


EXHIBIT A