EIGHT POINT DRILLING PROGRAM BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: REMUDA BASIN 31 STATE #3

LEGAL DESCRIPTION - SURFACE: 1980' FNL & 2310' FWL, Section 31, T-23-S, R-30-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 3141' (est)

GL 3127'

	ESTIMATED	ESTIMATED	
<u>FORMATION</u>	TOP FROM KB	SUBSEA TOP	BEARING
T/Rustler	311'	+2830'	Barren
T/Salt	471'	+2670'	Barren
B/Salt	3171'	- 30'	Barren
T/Lamar	3386'	- 245'	Barren
T/Ramsey	3416'	- 275'	Oil/Gas
T/30-3 Pay Sand	4151'	- 1010'	Oil/Gas
T/Lwr Brushy Canyon	6906'	- 3765'	Oil/Gas
T/Y Sand	7081'	- 3940'	Oil/Gas
T/Bone Spring	7136'	- 3995'	Barren
TD	7500'	- 4359'	

POINT 3: CASING PROGRAM

TYPE	INTERVALS_	PURPOSE	CONDITION
14"	0' - 40'	Conductor	Contractor Discretion
8-5/8", 24#, WC-50, ST&C	0' - 420'	Surface	New
5-1/2", 15.50#, K-55, LT&C	0' - 6,500'	Production	New
5-1/2", 17#, K-55, LT&C	6,500' - 7,500'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nippled up on the surface casing head. The BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to 70% of internal yield pressure of casing. In addition to the high 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 to insure that the preventers are operating correctly will be performed on each trip.