EIGHT POINT DRILLING PROGRAM BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: REMUDA BASIN 24 STATE #3

LEGAL DESCRIPTION - SURFACE: 660' FNL & 990' FWL, Section 24, T-23-S, R-29-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 3032' (est)

GL 3018'

CORMATION	ESTIMATED	ESTIMATED SUBSEA TOP	BEARING
FORMATION	TOP FROM KB	SUBSEA TOP	BEARING
T/Rustler	252'	+2780'	Barren
T/Salt	312'	+2720'	Barren
B/Salt	3012'	+ 20'	Barren
T/Lamar Lime	3192'	- 160'	Barren
T/Ramsey Sand	3222'	- 190'	Oil/Gas
T/30-3 "Pay" Sand	4007'	- 975	Oil/Gas
T/Lwr Brushy Canyon	6 627 ′	- 3595'	Oil/Gas
T/"Y" Sand	6797'	- 3765'	Oil/Gas
T/Bone Spring	6897'	- 3865'	Barren
TD	7200'	- 4168'	

POINT 3: CASING PROGRAM

TYPE	INTERVALS	PURPOSE_	CONDITION
13-3/8", 48#, WC-40, STC	0' - 280'	Surface	New
8-5/8", 28#, J-55, ST&C	0' - 3210'	Intermediate	New
5-1/2", 15.50#, K-55, LT&C	0' - 6500'	Production	New
5-1/2", 17#, K-55, LTC	6500' - 7200'	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. 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