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

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 [X] DEEPEN [ ]

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

2. Name of Operator
Bass Enterprises Production Co. 1801

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 Unit J
2080' FSL & 1780' FEL, Section 1, T23S, R30E
At proposed BHL
same Undes. Los Medanos; Wolfcamp South

14. Distance in miles and direction from nearest town or Post Office*
16 miles east of Loving, NM

5. Lease Designation and Serial No.
NM-02884-B

6. If Indian, Allottee or Tribe Name

7. Unit agreement name
James Ranch Unit 1786

8. Farm or Lease Name, Well No.
James Ranch Unit #83

9. API Well No.
30-015-31580

10. Field and Pool, or Wildcat
[redacted]

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 1, T23S, R30E

12. County or Parish
Eddy

13. State
NM

RECEIVED
OCD ARTESIA

| 15. Distance from proposed* Location to nearest Property or lease line, ft. (Also to nearest drlg. unit line, if any) | 16. No. of acres in Lease | 17. No. of Acres assigned to this Well |
|---|---|---|
| 860' | 400 | 40 |
| 18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this Lease, ft. | 19. Proposed Depth | 20. Rotary or Cable Tools |
| 927' | 7,820' | Rotary |

21. Elevations (Show whether DF, RT, GR, etc.)
3289' 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 |
|---|---|---|---|---|
| 14-3/4" | 11-3/4" WC40 | 42# | 550' WITNESS | 405 sx Circ to surface. |
| 11" | 8-5/8" WC50 | 24# & 28# | 3,900' WITNESS | 915 sx Circ to surface. |
| 7-7/8" | ~~5-1/2" K55~~ P-110 | ~~15# & 17#~~ 20# | ~~7,820'~~ 11,250' | ~~590 sx. DV tool @ 5680'.~~ (Tie back 300' back into int.) CIRCULATE TO SURFACE* |

Surface casing to be set +/- 100' above the top of the salt.
Intermediate casing to be set in the top of the Lamar Lime.

SECRETARY'S POTASH R-111-P POTASH

*R-111-P NMOCD REQUIREMENT

Drilling procedure, BOP Diagram, Anticipated Tops & Surface Plans attached.

This well is located inside the R-111 Potash Area. Attached is IMC Kalium's letter dated July 26, 2000 which indicates no objection to this well.

CARLSBAD CONTROLLED WATER BASIN

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 [signature] FOR W. R. Dannels Title Division Drilling Supt. Date 8 August 2000

(This
Perr
Appli
CONI

Approval Date

quitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Notify OCD spud & time to witness cementing of all casing strings

Approved by /s/ Richard A Whitley Title Assoc State Dir Date 1-22-01

*See Instruction on Reverse Side

APPROVED FOR 1 YEAR

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 representatives as to any matter within its jurisdiction.

IMC Kalium

IMC Kalium Carlsbad Potash Company
P. O. Box 71
1361 Potash Mines Road
Carlsbad, New Mexico 88221-0071
505.887.2871
505.887.0589 Fax



July 26, 2000

Mr. Worth Carlin
Bass Enterprises Production Co.
201 Main St.
Fort Worth, Texas 76102-3131

RE: Proposed Wells in James Ranch Federal Unit
Section 1, T23S-R30E (Fed Lease No. NM 02384, LC 0543280)
Section 6, T23S-R31E (Fed. Lease No. NM 02887, LC 071988)
Sections 8 & 17, T23S-R31E (Fed. Lease No. LC 071988-B)
Hudson "1" Federal Well No. 7
JRU Nos. 83, 84, 85, 86, 87, 88, 89, 90
Eddy County, New Mexico

Dear Mr. Carlin:

IMC Kalium Carlsbad Potash Company has received your notice that Bass Enterprises Production Company intends to the above referenced wells. IMC Kalium has no objections to Bass drilling wells JRU Well No. 83, JRU Well No. 84, JRU Well No. 85, and Hudson "1" Fed. #7 to depths no deeper than the base of the Delaware formation at the stated locations. Based on the best available information, the locations of the fore mentioned wells will not interfere with the development of our potash resources.

IMC Kalium does object to the proposed locations for JRU Well No. 86, JRU Well No.87, JRU Well No.88, JRU Well No.89, and JRU No. 90. The location given for JRU Well No. 89 is inside our Life of Mine Reserve (LMR). The locations given for JRU Wells Nos. 86, 88, and 90, with a projected final depths in the Delaware formation, are within ¼ mile of where we expect to mine in the future. The location given for JRU Well No. 87, with a projected final depth in the Wolfcamp formation is also within 1/4 mile of where we expect to mine. Drilled at the proposed locations; these wells would interfere with the development of potash reserves.

The above considerations are based on the best available information at this time; as more information becomes available our estimates of the extent of the potash resources in the area may change. Therefore, please consider the "objections offered" and "no objection offered" to the well locations to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to, more than one year prior, notify us again at that time so we can make the decision based on current information.

IMC Kalium submits this letter in lieu of the forms requested.

Sincerely,

John Purcell
Chief Mine Engineer

cc: Don Purvis Charlie High Leslie Theiss Lori Wroteneery
Dan Morehouse Tim O'Brien Craig Cranston

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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 Department

# OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number | Pool Code | Pool Name |
|---|---|---|
| | | QUAHADA RIDGE (DELAWARE), SE |

| Property Code | Property Name | Well Number |
|---|---|---|
| | JAMES RANCH UNIT | 83 |

| OGRID No. | Operator Name | Elevation |
|---|---|---|
| 001801 | BASS ENTERPRISES PRODUCTION COMPANY | 3289' |

### Surface Location

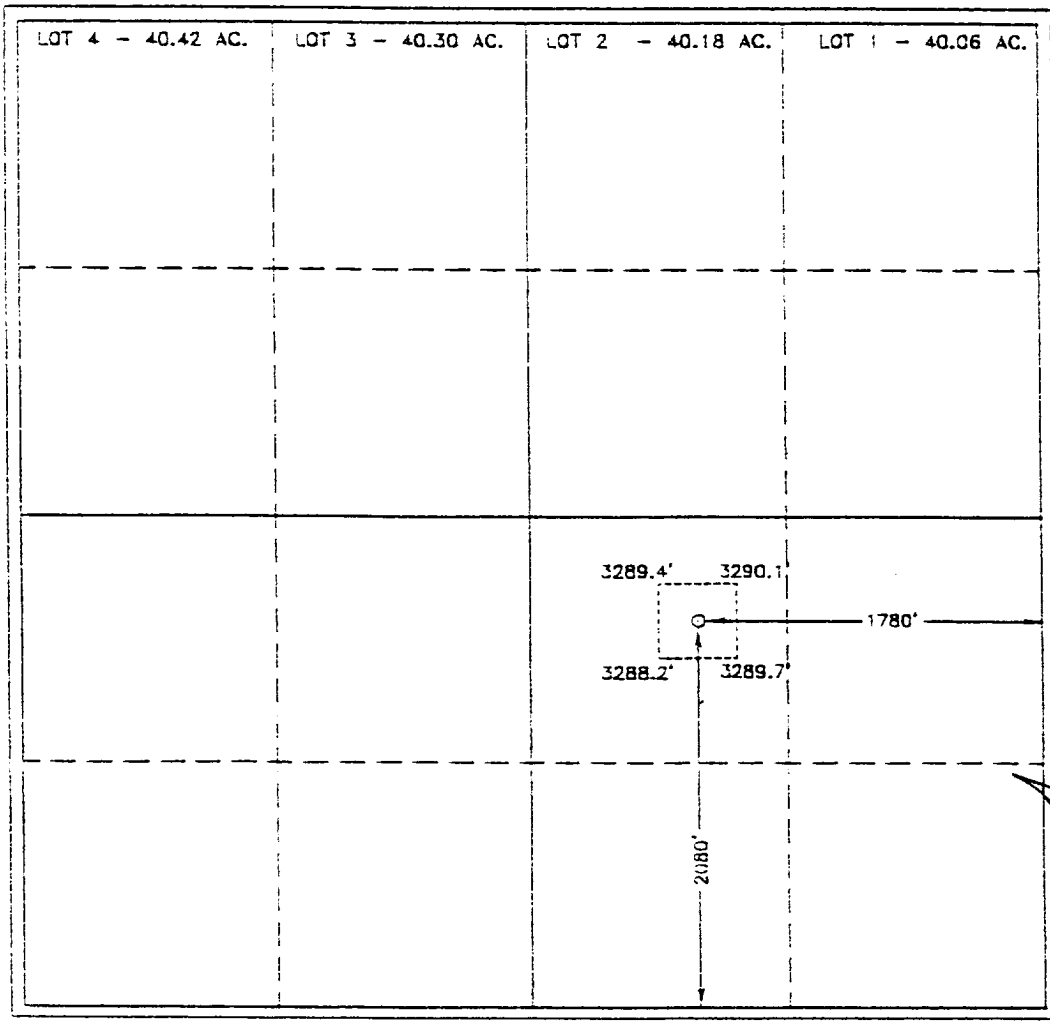
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| J | 1 | 23 S | 30 E | | 2080' | SOUTH | 1780' | EAST | EDDY |

### Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|---|---|---|---|
| 40 | N | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT 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.*

Signature

W. R. DANNELS
Printed Name

DIVISION DRILLING SUPT.
Title

7/3/00
Date

### SURVEYOR CERTIFICATION

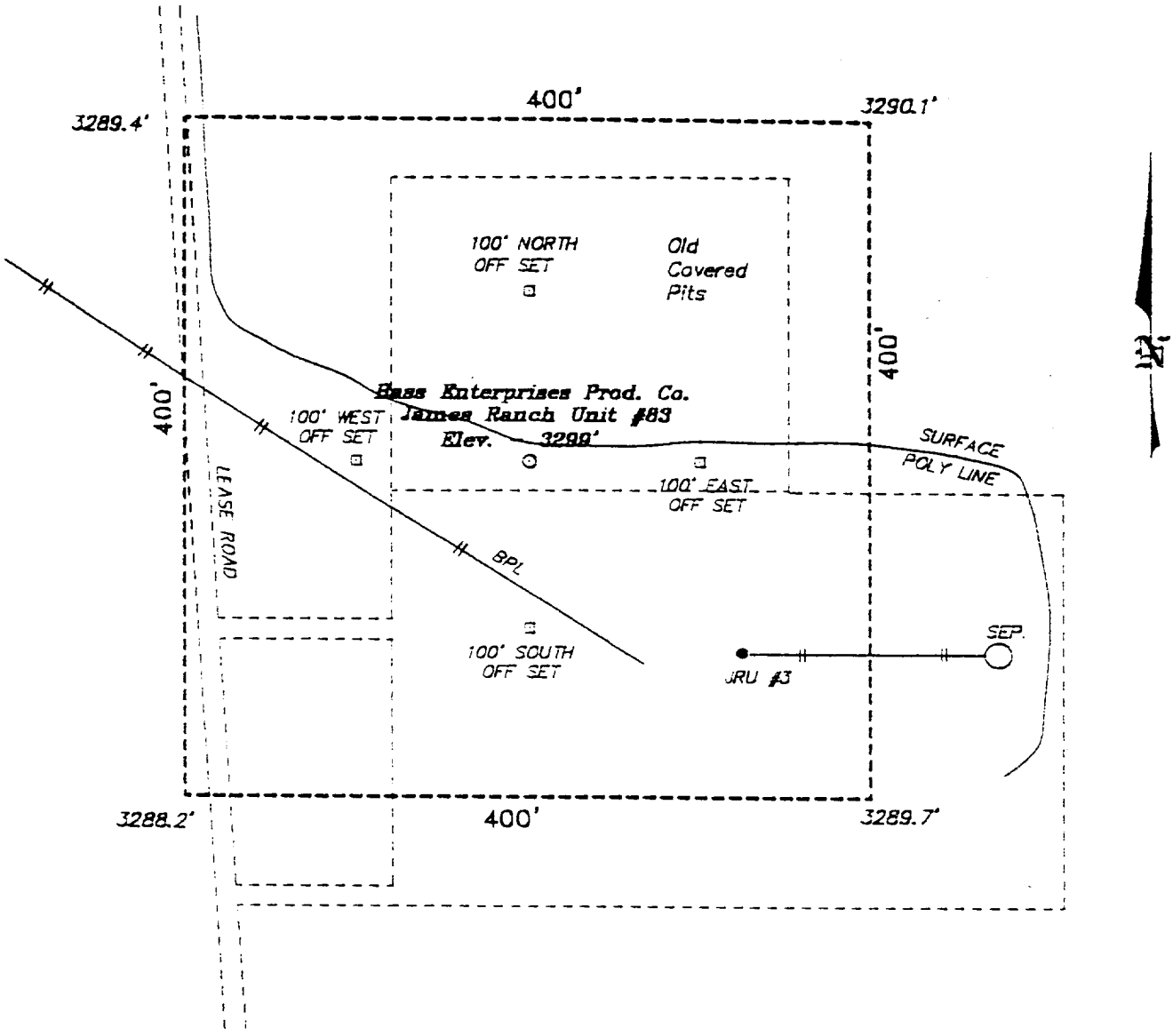
*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief.*

GARY L. JONES
January 25, 2000
Date Surveyed
Signature & Seal of Professional Surveyor
NEW MEXICO PROFESSIONAL LAND SURVEYOR
W.O. No. 0057A

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

# SECTION 1, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.




100 0 100 200 FEET

SCALE: 1" = 100'

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HIGHWAY 128 AND THE MPP ROAD (C-802), GO APPROX. 0.5 MILE NORTH AND WEST 0.3 MILES TO LOCATION.

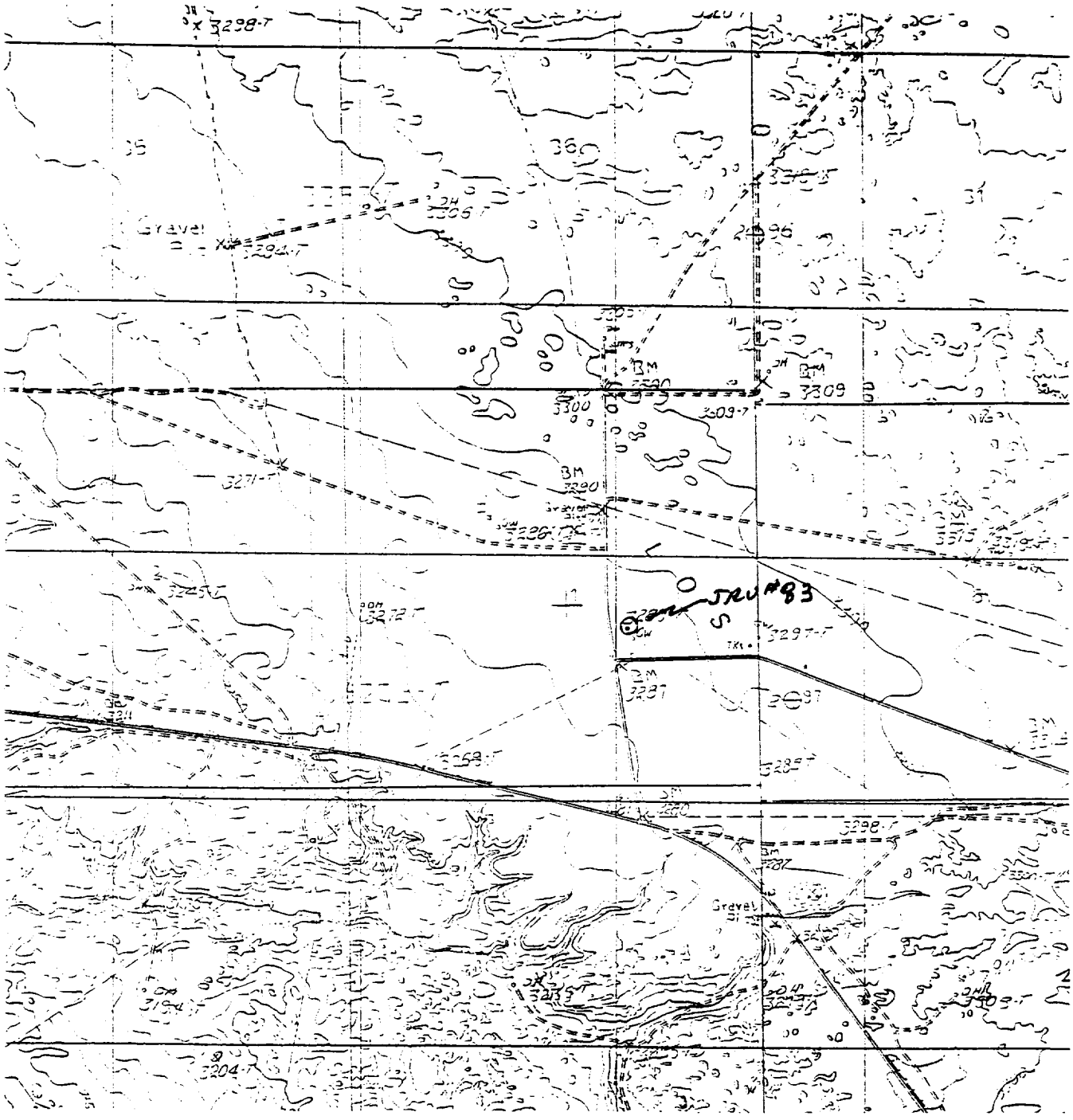
**BASS ENTERPRISES PRODUCTION CO.**

REF: James Ranch Unit #83 / Well Pad Topo

THE JAMES RANCH UNIT No. 83 LOCATED 2080' FROM THE SOUTH LINE AND 1780' FROM THE EAST LINE OF SECTION 1, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

**BASIN SURVEYS** P.O. BOX 1786 - HOBBS, NEW MEXICO

| | | | |
|---|---|---|---|
| W.O. Number: 0357 | Drawn By: K. GOAD | | |
| Date: 07-05-2000 | Disk: KJG #122 - 03570.DWG | Survey Date: 06-23-2000 | Sheet 1 of 1 Sheets |

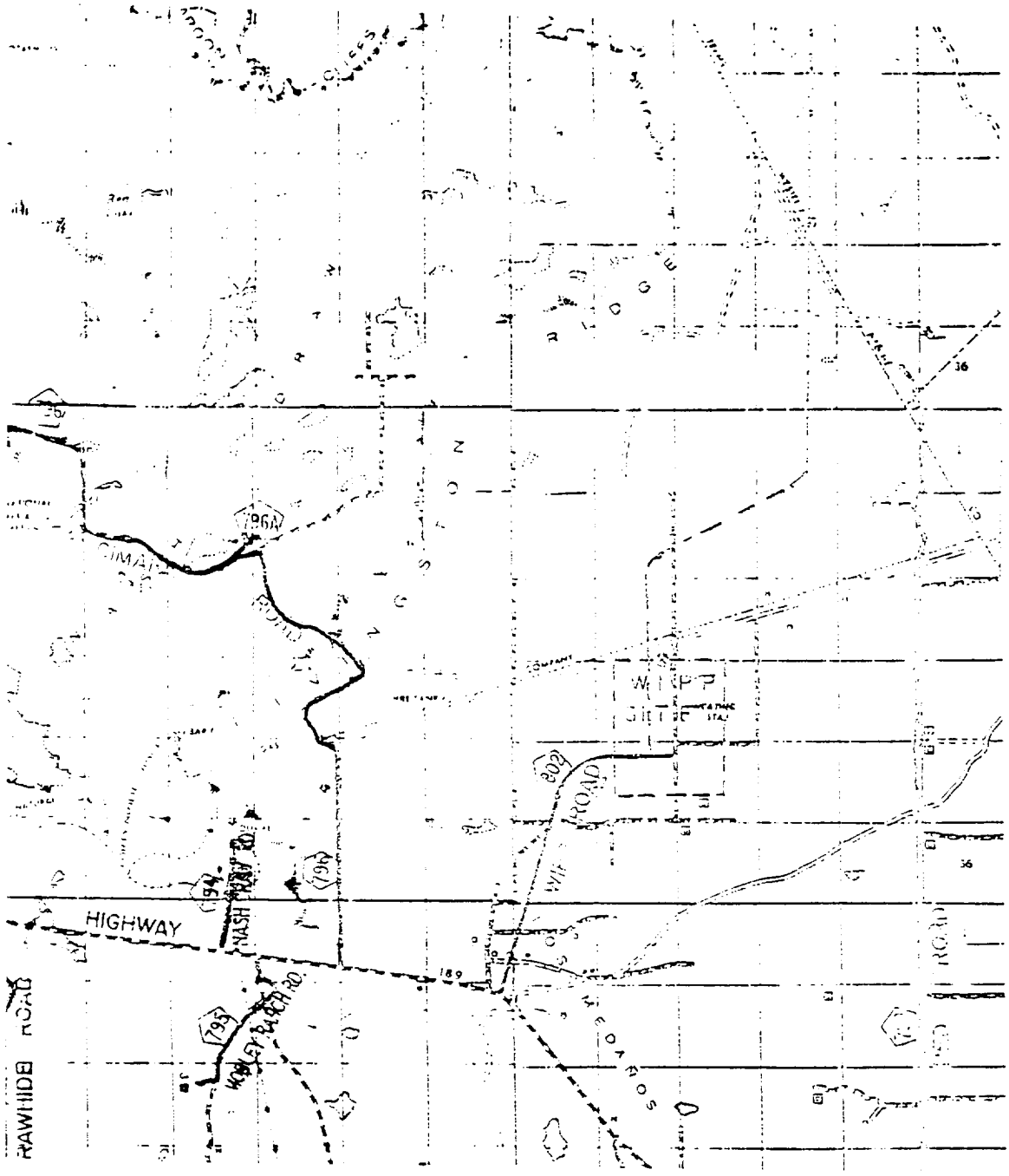



JAMES RANCH UNIT #83
Located at 2080' FSL and 1780' FEL
Section 1, Township 23 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

basin surveys
focused on excellence in the oilfield
P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

| | |
|---|---|
| W.O. Number: | 0357AA - KJG #122 |
| Survey Date: | 06-23-2000 |
| Scale: | 1" = 2 MILES |
| Date: | 07-02-2000 |

BASS ENTERPRISES
PRODUCTION CO.

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| | |
|---|---|
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| Survey Date: | 06-23-2000 |
| Scale: | 1" = 2 MILES |
| Date: | 07-02-2000 |

BASS ENTERPRISES
PRODUCTION CO.

# EIGHT POINT DRILLING PROGRAM
# BASS ENTERPRISES PRODUCTION CO.

**NAME OF WELL: JAMES RANCH UNIT #83**

LEGAL DESCRIPTION - SURFACE: 2080' FSL & 1780' FEL, Section 1, 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 3306' (est)
GL 3289'

| FORMATION | ESTIMATED TOP FROM KB | ESTIMATED SUBSEA TOP | BEARING |
|---|---|---|---|
| T/Rustler | 189' | +3117' | Barren |
| T/Salt | 632' | +2674' | Barren |
| T/Lamar Lime | 3386' | - 580' | Barren |
| T/Delaware Mountain Group | 3936' | - 630' | Oil/Gas |
| T/8A Lwr Brushy Canyon | 7376' | - 4070' | Oil/Gas |
| T/Bone Spring | 7668' | - 4362' | Oil/Gas |
| T/3rd Bone Spring | 10,790' | - 7484' | Oil/Gas |
| T/Wolfcamp | 10,926' | - 7620' | Oil/Gas |
| Base Wolfcamp Sand | 10,999' | - 7793' | Oil/Gas |
| TD | 11,250' | - 7944' | |

## POINT 3: CASING PROGRAM

| TYPE | INTERVALS | PURPOSE | CONDITION |
|---|---|---|---|
| 20" | 0' - 40' | Conductor | Contractor Discretion |
| 11-3/4", 42#, WC-40, STC | 0' - 550' | Surface | New |
| 8-5/8", 28#, WC-50, LT&C | 0' - 3000' | Intermediate | New |
| 8-5/8", 32#, WC-50, LTC | 3000' - 3900' | Intermediate | New |
| 5-1/2", 20#, P-110, LT&C | 0' - 11,250' | 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 hydrotested 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

Con't...

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

A function test of annular, pipe and blind 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. See the attached diagram #1 for the minimum criteria for the choke manifold.

A BOP equivalent to Diagram 2 will be nippled up to the intermediate casing. The same testing procedures as stated above will apply.

**POINT 5: MUD PROGRAM**

| DEPTH | MUD TYPE | WEIGHT | FV | PV | YP | FL | Ph |
|---|---|---|---|---|---|---|---|
| 0' - 550' | FW Spud | 8.4 - 9.0 | 45-38 | NC | NC | NC | 10.0 |
| 550' - 3,900' | Brine | 9.8 -10.2 | 28-30 | NC | NC | NC | 10.0-10.5 |
| 3,900' - 6,700' | Fresh Water | 8.4 - 8.6 | 28-32 | NC | NC | NC | 9.5-10.5 |
| 6,700' - 7,750' | FW/Starch | 8.4 - 8.8 | 28-32 | 4-2 | 2-2 | <100 | 9.5-10.5 |
| 7,750' - 11,250' | FW/BW/Starch | 8.8 -10.0 | 32-35 | 8-6 | 4-2 | 100-20 | 10.0-10.5 |

**POINT 6: TECHNICAL STAGES OF OPERATION**

A) TESTING

None anticipated.

B) LOGGING

GR-CNL from intermediate casing point (±3900') to surface.
GR-CNL-LDT-AIT from TD to intermediate casing point.

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

SURFACE

| INTERVAL | AMOUNT SXS | FT OF FILL | TYPE | GALS/SX | PPG | $FT^3/SX$ |
|---|---|---|---|---|---|---|
| 0-550' | 110 | 350 | Class "C" + 3% gel + 2% $CaCl_2$ | 17.69 | 11.4 | 2.88 |
| (100% excess circ to surface) | 140 | 200 | Class C + 2% $CaCl_2$ | 6.31 | 14.8 | 1.34 |

INTERMEDIATE

| INTERVAL | AMOUNT SXS | FT OF FILL | TYPE | GALS/SX | PPG | $FT^3/SX$ |
|---|---|---|---|---|---|---|
| LEAD 0 - 3400' (100% excess) | 710 | 3400 | Interfill C | 14.28 | 11.9 | 2.46 |
| TAIL 3400 - 3900' (75% excess) | 175 | 500 | Class "C" Neat + 1% $CaCl_2$ | 6.30 | 14.8 | 1.34 |

Con't... **POINT 6: TECHNICAL STAGES OF OPERATION**

D) CEMENT

PRODUCTION (Two stage w/DV tool @ ±7000')

| INTERVAL | AMOUNT SXS | FT OF FILL | TYPE | GALS/SX | PPG | FT3/SX |
|---|---|---|---|---|---|---|
| 1st Stage Lead 7,000'-10,500' (50% excess) | 370 | 3500 | Interfill H | 14.28 | 11.9 | 2.46 |
| TAIL 10,500'-11,250' | 130 | 750 | Super H + 0.4% CFR-3 + 5 pps Gilsonite + 0.5% Halad-344 + 1 pps Salt | 8.17 | 13.0 | 1.68 |
| 2nd Stage TAIL 7000-0' (75% excess) | 700 | 7000' | Premium Plus + 1.0% Zone seal 2000 + 0.2% FDP-C601 + Nitrogen 65 bbls w/300 scf/bbl $N_2$ 78 bbls w/400 scf/bbl $N_2$ 29 bbls w/225 scf/bbl $N_2$ | 6.81 (Base Slurry) | 14.5 | 1.39 |
| CAP (0% excess) | 25 | 100 | Premium Plus + 1% Zone seal 2000 + 0.2% FCP-C601 | 6.81 | 14.5 | 1.39 |

E) DIRECTIONAL DRILLING

No directional services anticipated at this time.

**POINT 7: ANTICIPATED RESERVOIR CONDITIONS**

Normal pressured formations are anticipated throughout the Delaware Section. A BHP of 6262 psi (max) or MWE of 10.7 ppg at TD is expected. Due to the tight nature of reservoir rock (high pressure, low volume), the well will be drilled under-balanced utilizing a rotating head. Lost circulation may exist from surface to 3900'. No $H_2S$ is expected. Estimated BHT at TD is 154° F.

**POINT 8: OTHER PERTINENT INFORMATION**

A) Auxiliary Equipment

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

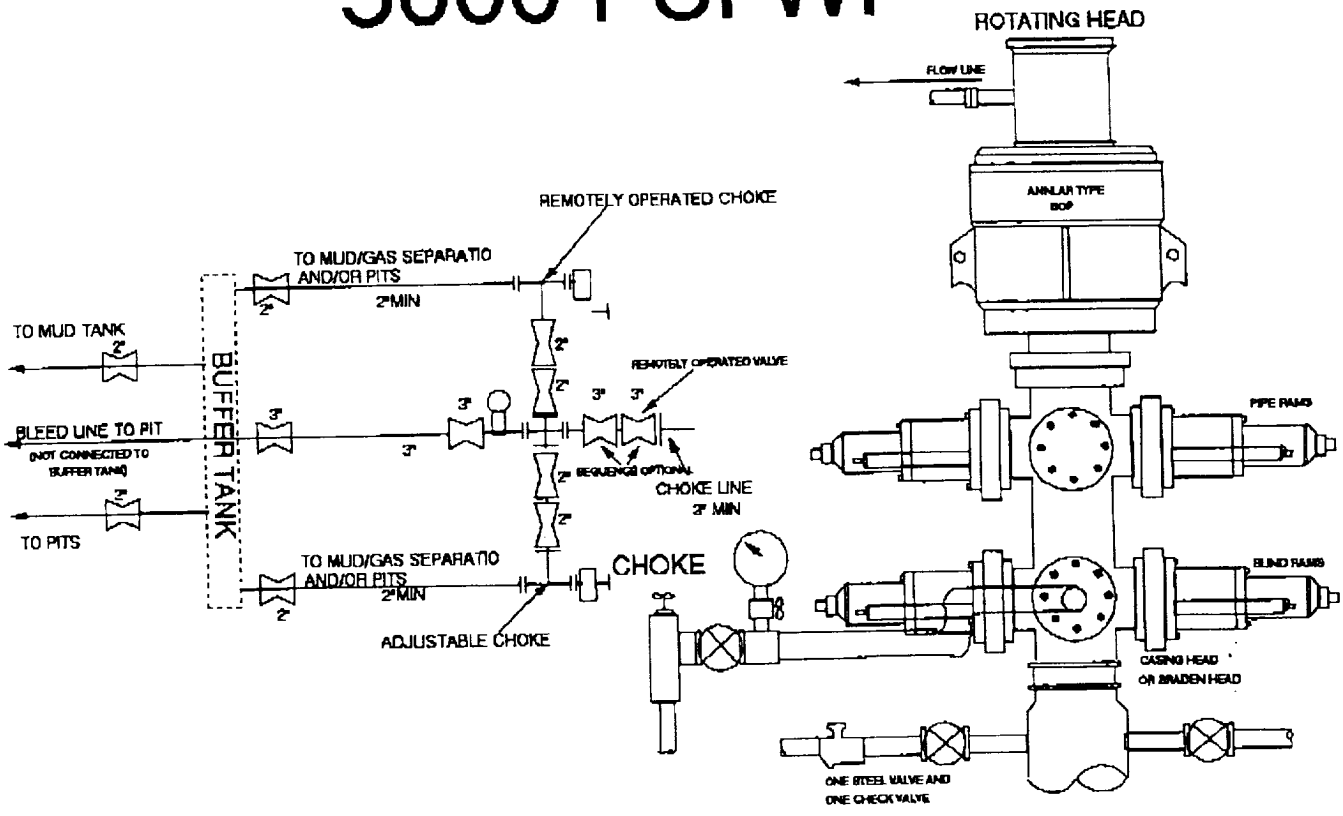
B) Anticipated Starting Date

Upon approval

23 days drilling operations

14 days completion operations

# 5000 PSI WP




## THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

A. One double gate blowout preventer with lower rams for pipe and upper rams blind, all hydraulically controlled.

B. Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.

C. All connections from operating manifold to preventers to be all steel hose or tube a minimum of one inch in diameter.

D. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate (close, open, and re-close) the preventers.

E. All connections to and from preventers to have a pressure rating equivalent to that of the BOP's.

F. Manual controls to be installed before drilling cement plug.

G. Valve to control flow through drill pipe to be located on rig floor.

H. All chokes will be adjustable. Choke spool may be used between rams.

DIAGRAM 2

## MULTI-POINT SURFACE USE PLAN

**NAME OF WELL: JAMES RANCH UNIT #83**

LEGAL DESCRIPTION - SURFACE: 2080' FSL & 1780' FEL, Section 1, T-23-S, R-30-E, Eddy County, New Mexico.

**POINT 1: EXISTING ROADS**

A) Proposed Well Site Location:

See Exhibit "A".

B) Existing Roads:

Between mile markers 10 & 11 on Highway 128 turn north on WIPP road and go 0.4 mile north. Turn west and go 0.3 mile to the location.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "A".

**POINT 2: NEW PLANNED ACCESS ROUTE**

A) Route Location:

See Exhibit "A". No new road will be required for this location.

B) Width

Not applicable.

C) Maximum Grade

Not applicable.

D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

None.

**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 owned or controlled by lessee/operator:

Bass' facilities located at JRU #36 (+/- 1100' N of wellbore).

B) New Facilities in the Event of Production:

None required.

C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following flowline construction, 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

Fresh water will be hauled from Johnson Water Station 27 miles east of Carlsbad, New Mexico or Mills Ranch. Brine water will be hauled from Champion Brine Water Station, 3.5 miles east and 2.5 miles south of Carlsbad, New Mexico.

B) Water Transportation System

Water hauling to the location will be over the existing and proposed roads.

**POINT 6: SOURCE OF CONSTRUCTION MATERIALS**

A) Materials

Exhibit "A" shows location of caliche source.

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

See Exhibit "A".

## POINT 7: METHODS FOR HANDLING WASTE MATERIAL

A) Cuttings

Cuttings will be contained in the reserve pit.

B) Drilling Fluids

Drilling fluids will be contained in the reserve pit.

C) Produced Fluids

Water production will be contained in the 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.

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 netted 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 required.

## 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 Exhibits "A" and "C".

C) Lining of the Pits

The reserve pit will be lined with plastic.

**POINT 10: PLANS FOR RESTORATION OF THE SURFACE**

A) Reserve Pit Cleanup

The pits will be fenced immediately after construction 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.

B) Restoration Plans - Production Developed

The 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

The 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) Rehabilitation's 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 are no ponds, lakes, streams or rivers within several miles of the wellsite.

F) Water Wells

One water well is located on Mills Ranch (0.7 miles Southeast of this location).

G) Residences and Buildings

J. C. Mills Ranch House is located 0.7 miles Southeast of this location.

H) Historical Sites

None observed.

I) Archeological Resources

An archeological survey will be obtained for this area. Before any construction begins, a full and complete archeological survey will be submitted to the Bureau of Land Management. Any location or construction conflicts will be resolved before construction begins.

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
3104 East Green Street
Carlsbad, New Mexico 88220
(505) 887-7329

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

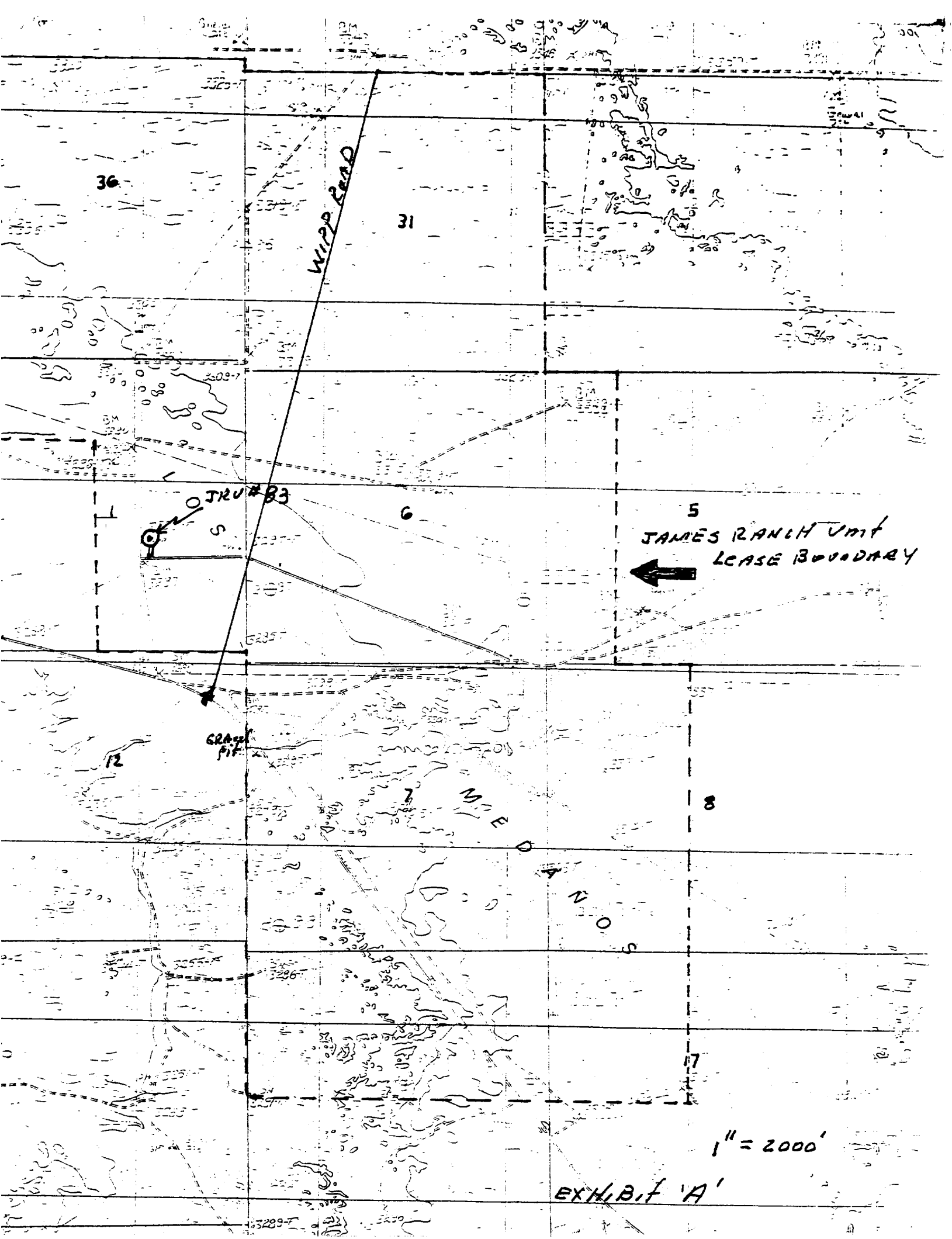
**POINT 13: CERTIFICATION**

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.

8 August 2000
Date

FOR William R. Dannels

WRD/SLA:mac


36
31
WILD Road
JRU #B3
6
5
JAMES RANCH UNIT
LEASE BOUNDARY
Gravel pit
12
7
8
17
MEDANOS
1" = 2000'
EXHIBIT 'A'

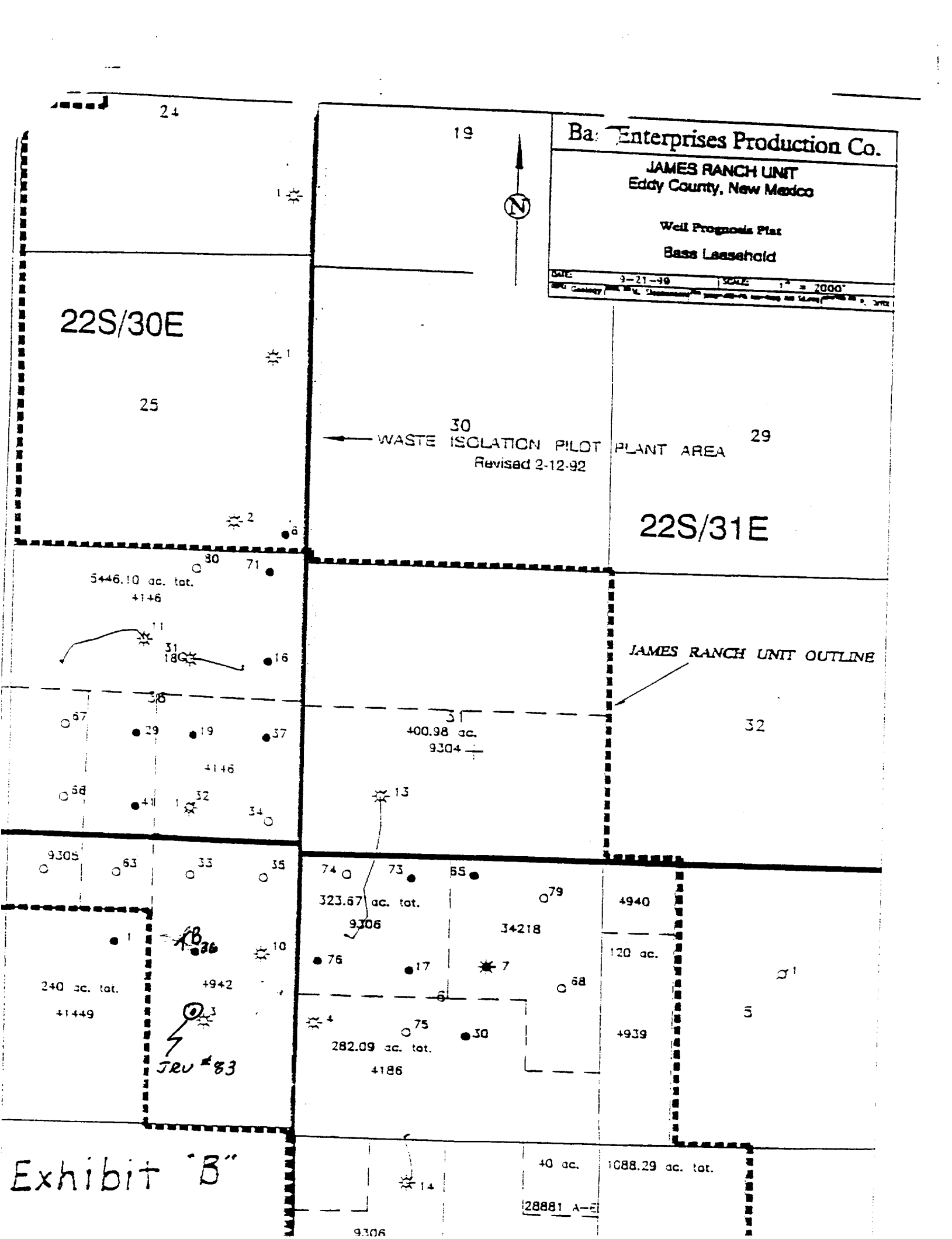
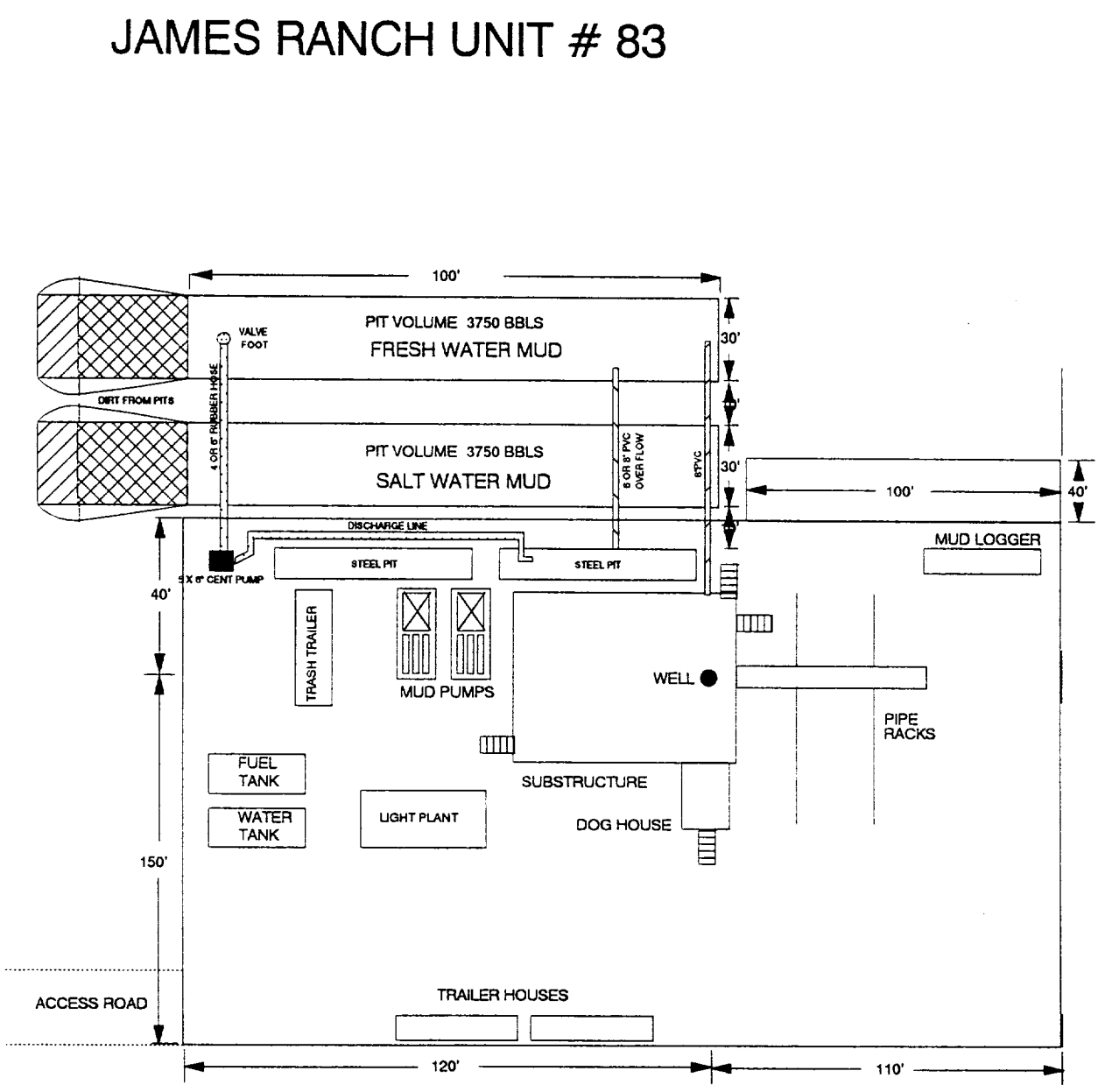
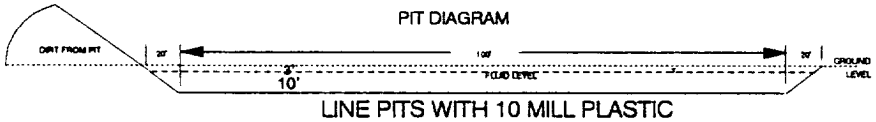

Bass Enterprises Production Co.
JAMES RANCH UNIT
Eddy County, New Mexico
Well Prognosis Plat
Bass Leasehold
DATE: 9-21-99
SCALE: 1" = 2000'
24
19
1
22S/30E
25
30
29
WASTE ISOLATION PILOT PLANT AREA
Revised 2-12-92
22S/31E
5446.10 ac. tot.
4146
JAMES RANCH UNIT OUTLINE
400.98 ac.
9304
32
4146
323.67 ac. tot.
9306
34218
4940
120 ac.
240 ac. tot.
41449
4942
JRU #83
282.09 ac. tot.
4186
4939
5
40 ac.
1088.29 ac. tot.
28881 A-E
9306

Exhibit "B"

# JAMES RANCH UNIT # 83




LINE PITS WITH 10 MILL PLASTIC

08-19-97

# EXHIBIT "C"