EIGHT POINT DRILLING PROGRAM BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: Remuda Basin 25 State #3

LEGAL DESCRIPTION - SURFACE: 660' FSL & 1980' FWL, Section 25, T23S-R29E, 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 3069' GL 3056'

FORMATION	ESTIMATED TOP FROM KB	ESTIMATED SUBSEA TOP	BEARING
T/Rustler	269'	+2800'	Barren
T/Salt	334'	+2735'	Barren
B/Salt	3044'	+ 25'	Barren
T/Lamar Lime	3239'	- 170'	Barren
T/Ramsey Sand	3269'	- 200'	Oil/Gas
T/30-3 Pay Sand	3956'	- 887'	Oil/Gas
T/Lwr Brushy Canyon 8A	6689'	-3620'	Oil/Gas
T/Lwr Brushy Canyon Y Sand	6881'	-3812'	Oil/Gas
T/Bone Spring Lime	6944'	-3875'	Barren
T/Avalon Sand	7044'	-3975'	Oil/Gas
TD	7350'	-4181'	

POINT 3: CASING PROGRAM

TYPE	INTERVALS	<u>PURPOSE</u>	CONDITION
14"	0'- 40'	Conductor	Contractor Discretion
8-5/8", 28#, K-55, ST&C	0'- 280'	Surface	New
5-1/2", 15.5#, K-55, LT&C	0' -6500 '	Production	New
5-1/2", 17#, K-55, LT&C	6500' -7350'	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