

Form 3160-3 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

Form fields including: 1a. Type of Work (DRILL), 1b. Type of Well (Oil Well), 2. Name of Operator (BASS ENTERPRISES PRODUCTION CO), 3a. Address (MIDLAND, TX), 3b. Phone No., 4. Location of Well (NENW 660FNL 1880FWL), 5. Lease Serial No. (NMLC068430), 6. If Indian, Allottee or Tribe Name, 7. If Unit or CA Agreement, Name and No. (NMNM71016X), 8. Lease Name and Well No. (POKER LAKE UNIT 188), 9. API Well No. (30-015-32141), 10. Field and Pool, or Exploratory (UNKNOWN), 11. Sec., T., R., M., or Blk. and Survey or Area (Sec 5 T24S R30E Mer NMP), 12. County or Parish (EDDY), 13. State (NM), 14. Distance in miles and direction from nearest town or post office\* (14 MILES EAST FROM MALAGA, NEW MEXICO), 15. Distance from proposed location to nearest property or lease line, ft. (660), 16. No. of Acres in Lease (2479.76), 17. Spacing Unit dedicated to this well (40.00), 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. (1220), 19. Proposed Depth (7680 MD), 20. BLM/BIA Bond No. on file (NM2204), 21. Elevations (3256 GL), 22. Approximate date work will start (10/30/2001), 23. Estimated duration (14 DAYS).

CONFIDENTIAL

1801

1796

w.t.c POTASH

24. Attachments

Carlsbad Controlled Water Basin

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

Signature fields for TAMI WILBER (Authorized Representative) and 151 MARSHALL F. GUFF (State Director) with dates 09/05/2001 and DEC 18 2001.

Application approval does not warrant or certify 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, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

Electronic Submission #6958 verified by the BLM Well Information System For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad Office via FMSS for processing by Armando Lopez on 09/05/2001 (01AL0032AE)



\*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\*

**Additional Operator Remarks:**

Surface casing to be set +/- 100' above the salt.

Producing casing cement will be brought up at least 500' above the upmost hydrocarbon bearing zone.  
Drilling Procedure, BOPE Diagram, Anticipated Formation Tops and Surface Use Plans attached.

This well is located inside the R-111 Potash Area and inside the Secretary's Potash Order, but in the barren area for potash.

There are no potash leases within 1 mile of this location.

DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

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

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 8 Copies

**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
	47545	Nash Draw (Delaware)
Property Code	Property Name	Well Number
001796	POKER LAKE UNIT	188
OGRID No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3256'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	5	24 S	30 E		660	NORTH	1880	WEST	EDDY

Bottom Hole Location If Different From Surface

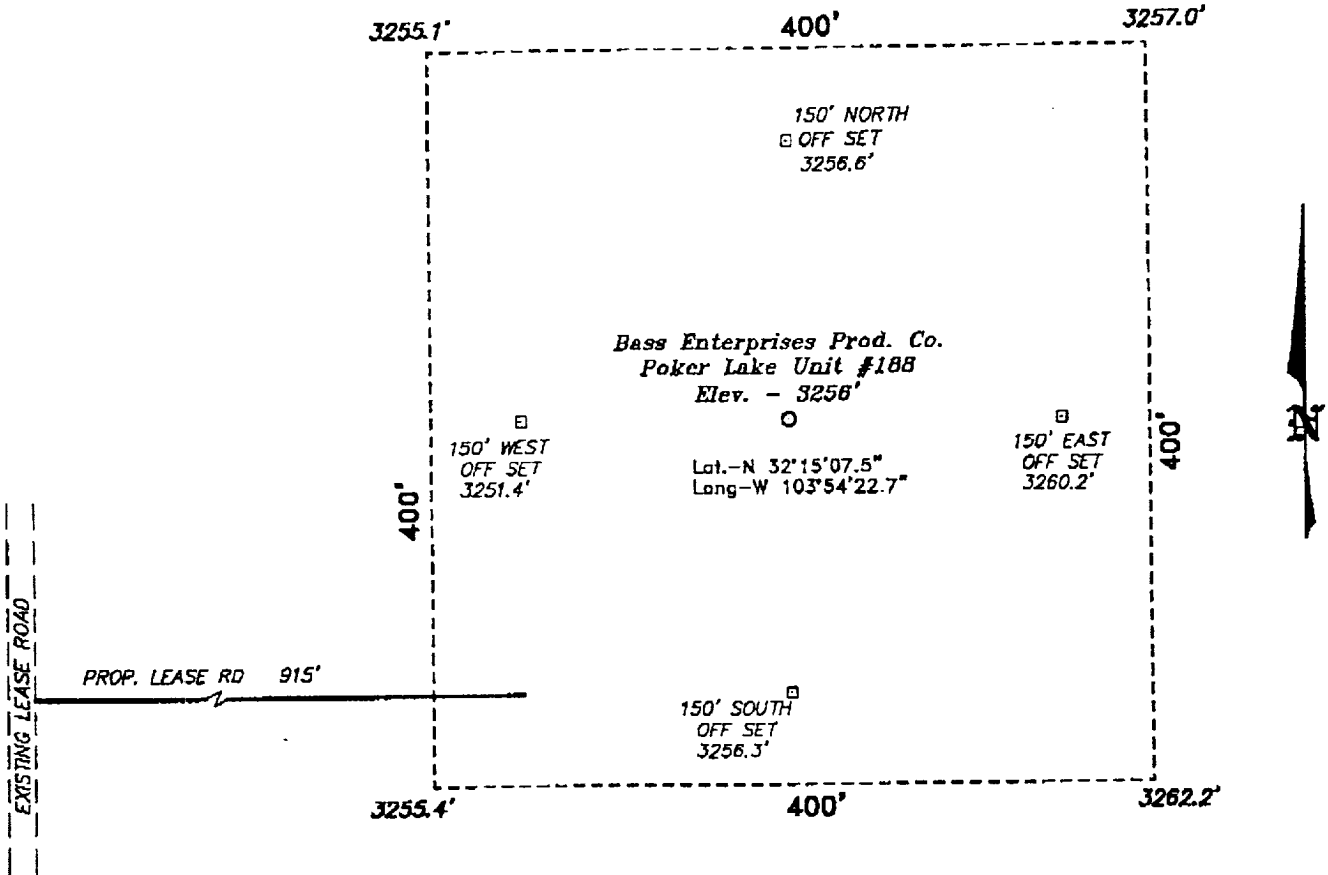
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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**

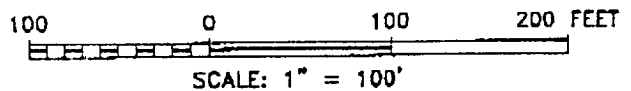
	<p>LAT - N32°15'07.5" LONG - W103°54'22.7" (NAD83)</p>		<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Williams R. Dannels</i> Signature</p> <p>Williams R. Dannels Printed Name</p> <p>Division Drilling Supt. Title</p> <p>4 Sept 2001 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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 supervision and that the same is true and correct to the best of my belief.</p> <p>June 13, 2001</p> <p>Date Surveyed</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Gary L. Jones</i> Professional Surveyor 7977</p> <p>Certification No. 1554</p> <p>7977</p> <p>BASIN SURVEYS</p>		

**SECTION 5, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.**



**DIRECTIONS TO LOCATION:**

FROM THE JUNCTION OF STATE HWY 128 & CO. RD. 793, GO SOUTH AND WEST ON CO. RD. 793 APPROX. 4.0 MILES TO A PROPOSED LEASE ROAD WHICH LIES 915 FEET WEST OF THE PROPOSED LOCATION.



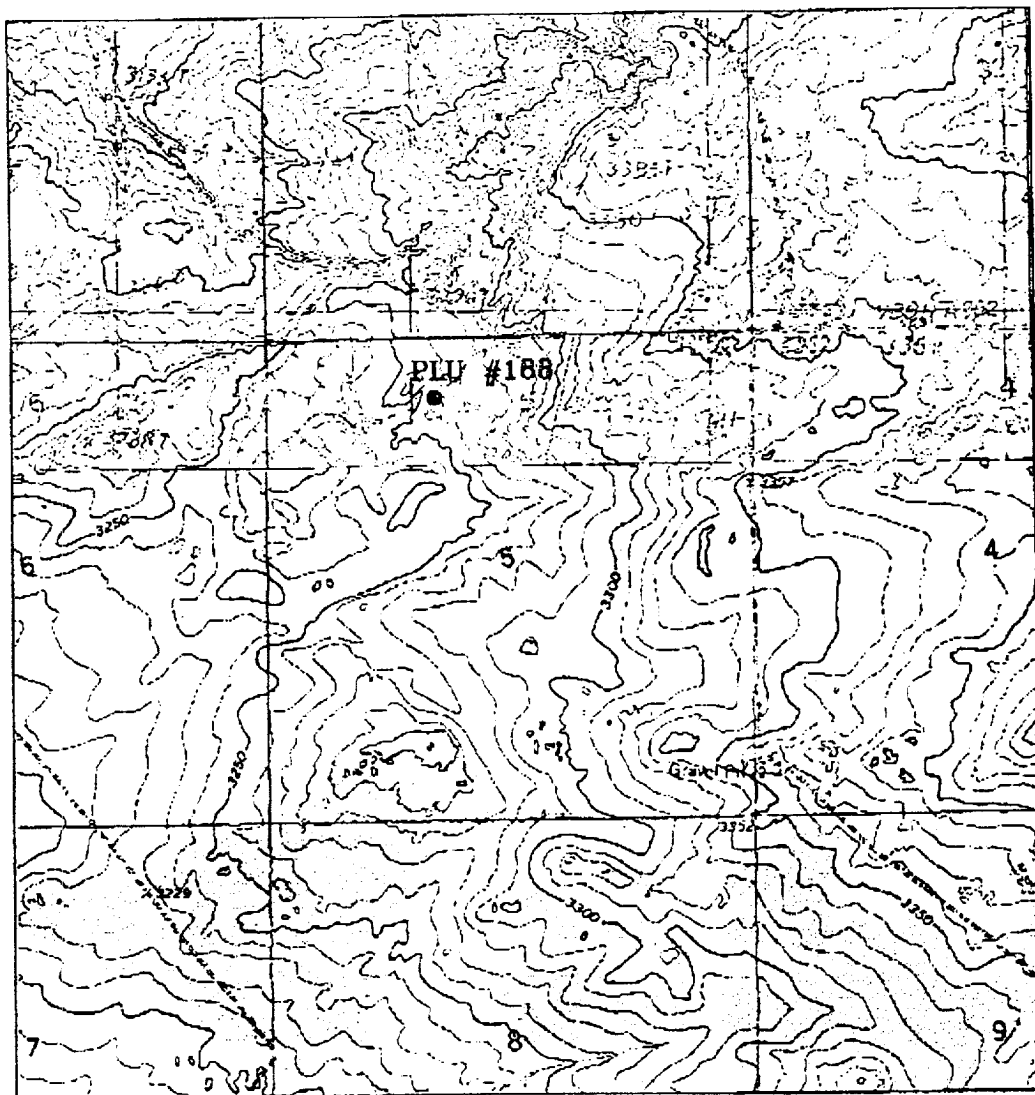
**BASIN SURVEYS** P.O. BOX 1786—HOBBS, NEW MEXICO

W.D. Number: 1554      Drawn By: **K. GOAD**  
Date: 06-15-2001      Disk: KJG CD#3 - 1554A.DWG

**BASS ENTERPRISES PRODUCTION CO.**

REF: Poker Lake Unit No. 188 / Well Pad Topo  
THE POKER LAKE UNIT No. 188 LOCATED 660' FROM  
THE NORTH LINE AND 1880' FROM THE WEST LINE OF  
SECTION 5, TOWNSHIP 24 SOUTH, RANGE 30 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 06-13-2001      Sheet 1 of 1 Sheets



**POKER LAKE UNIT #188**  
 Located at 660' FNL and 1880' FWL  
 Section 5, Township 24 South, Range 30 East,  
 N.M.P.M., Eddy County, New Mexico.



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

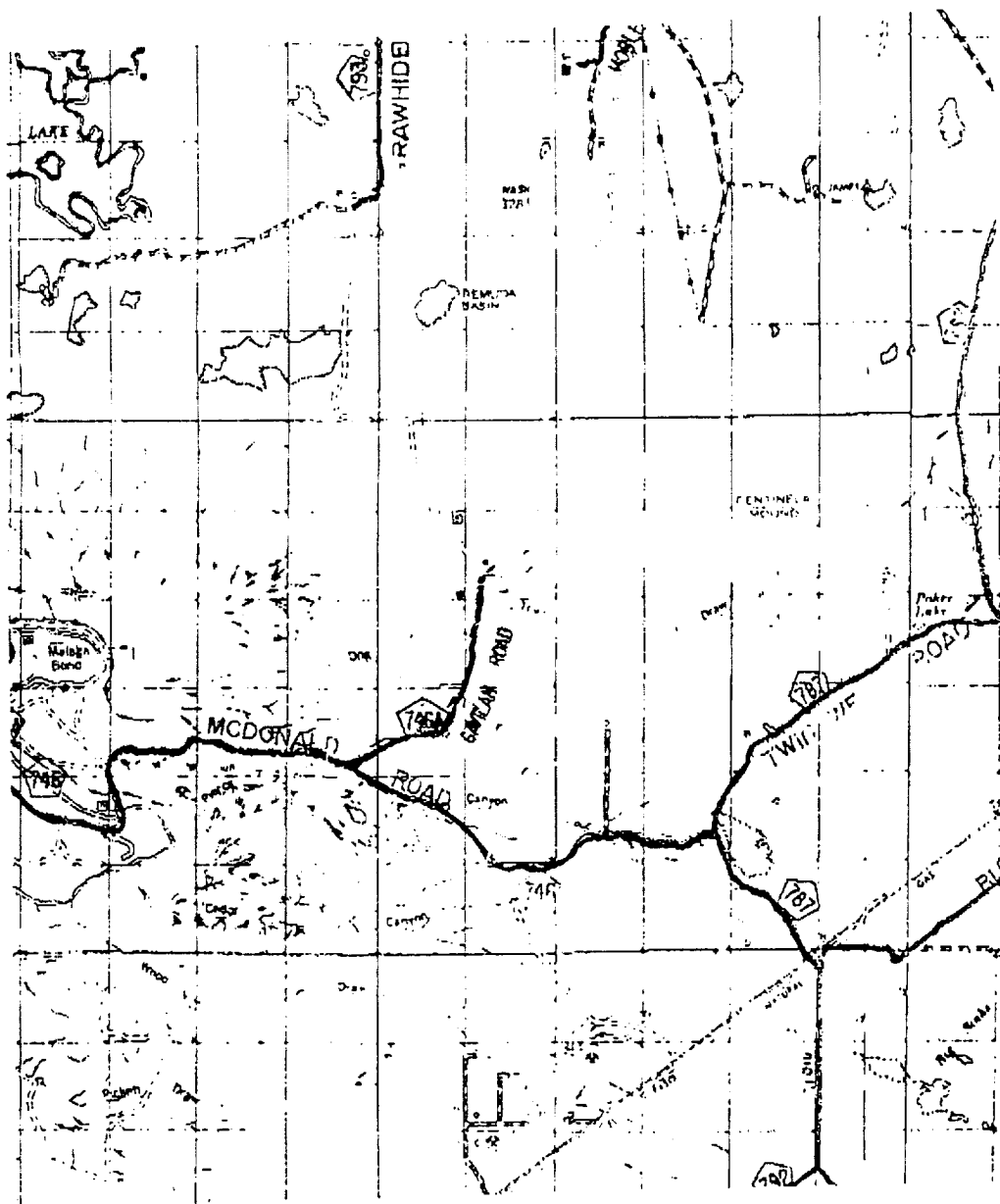
W.O. Number: 1554AA - KJG CD#3

Survey Date: 06-13-2001

Scale: 1" = 2000'

Date: 06-15-2001

**BASS ENTERPRISES  
 PRODUCTION CO.**



**POKER LAKE UNIT #188**  
 Located at 660' FNL and 1880' FWL  
 Section 5, Township 24 South, Range 30 East,  
 N.M.P.M., Eddy County, New Mexico.



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: 1554AA - KJG CD#3

Survey Date: 06-13-2001

Scale: 1" = 2 MILES

Date: 06-15-2001

**BASS ENTERPRISES  
 PRODUCTION CO.**

## EIGHT POINT DRILLING PROGRAM BASS ENTERPRISES PRODUCTION CO.

**NAME OF WELL: POKER LAKE UNIT #188**

**LEGAL DESCRIPTION - SURFACE: 660' FNL & 1880' FWL, Section 5, T-24-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 3269' (est) GL 3256'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Salt	664'	+2605'	Barren
B/Salt	3369'	- 100'	Barren
T/Lamar Lime	3573'	- 304'	Barren
T/Ramsey Sand	3813'	- 344'	Oil/Gas
T/ Lower Brushy Canyon U Sand	7149'	-3880'	Oil/Gas
T/ Lower Brushy Canyon Y Sand	7289'	-4020'	Oil/Gas
T/Bone Spring Lime	7424'	-4155'	Oil/Gas
TD	7680'	-4411'	

**POINT 3: CASING PROGRAM**

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
14"	0 - 40'	Conductor	New
8-5/8", 24#, WC-50, STC	0 - 610'	Surface	New
5-1/2", 15.5#, K-55, LTC	0 - 6500'	Production	New
5-1/2", 17#, K-55, LT&C	6500 - 7680'	Production	New

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

Bass Enterprises recognizes that the minimum BOP requirements is a double 3000 psi WP BOP equivalent to Diagram 1 of this package. However, the actual BOP's used will likely exceed the minimum requirements depending on the rig the operator employs. Bass Enterprises requests a waiver to the testing requirements per Onshore Order 2. This well is located in an area Bass is familiar with and we have chosen to set only a surface casing string at 610' and drill into the low permeability rock of the Bone Spring. 70% of the interval yield of 8-5/8", 24#, WC50, ST&C is 1750 psi. The Delaware in this area is normally pressured (8.3 ppg MWE) and is not capable of flowing with a full column of fresh water. If for some reason the well does flow, we can not and will not shut the well in due to the low frac gradient at the shoe. The surface casing will only be used as a diverter. Therefore, a BOP test to indicate the BOP's are operating correctly and seal at lower rates is all that is necessary. We intend to hydrotest the BOP stack, the choke and kill lines, kelly cock, inside BOP, etc to 200 psi (low) and 1000 psi (high) with clear water using the rig pump. 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. See attached Diagram 1 for the minimum criteria for the choke manifold.

#### POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' - 610'	FW Spud Mud	8.4 - 9.2	45-38	NC	NC	NC	NC
610' - 5600'	Brine Water	10.0 - 10.2	29-30	NC	NC	NC	10
5600' - 7680'	**	8.9 - 9.3	36-40	15	10	<100 cc	9.5 - 10

\*\* 35% diesel/65% brine emulsion

*\*Will Increase vis for logging purposes only.*

#### POINT 6: TECHNICAL STAGES OF OPERATION

##### A) TESTING

None anticipated.

##### B) LOGGING

GR-CNL-LDT-AIT from TD to 8-5/8" casing shoe.  
GR-CNL from Base of 8-5/8" casing to surface.

##### C) CONVENTIONAL CORING

None anticipated.

##### D) CEMENT

##### D) CEMENT

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT <sup>3</sup> /SX
<b>SURFACE:</b>						
Lead 0 - 310' (100% excess circ to surface)	95	310	Permian Basin Critical Zone + ¼ pps Flocele	10.33	12.8	1.87
Tail 310-610' (100% excess circ to surface)	120	300	Prem Plus + 2% CaCl <sub>2</sub>	5.38	14.8	1.15
<b>PRODUCTION: Single stage w/ Zone Seal Cement.</b>						
3113' - 7680' (+ 50% excess)						
Base Slurry	625	4567	Premium Plus + 2% Zone Seal	8.73	14.5	1.38
Consisting of		1031	Base Slurry + 300 SCF/Nitrogen	6.32	5.5	2.64
		1500	Base Slurry + 400 SCF/Nitrogen	6.32	8.9	2.01
		2036	Base Slurry + 225 SCF/Nitrogen	6.32	12.0	1.62



**E) DIRECTIONAL DRILLING**

No directional services anticipated.

**POINT 7: ANTICIPATED RESERVOIR CONDITIONS**

Normal pressures are anticipated throughout Delaware section. A BHP of 3242 psi max of MWE of 8.4 ppg is expected. Lost circulation may exist in the Delaware section from 5600-7680'. No H<sub>2</sub>S is anticipated.

**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

12 days drilling operations

10 days completion operations

SLA

August 25, 2001

## MULTI-POINT SURFACE USE PLAN

### NAME OF WELL: POKER LAKE UNIT #188

LEGAL DESCRIPTION - SURFACE: 660' FNL & 1880' FWL, Section 5, T-24-S, R-30-E, Eddy County, New Mexico.

### POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit "A" & "B" and survey plats.

B) Existing Roads:

From junction of State Highway 128 and County Road 793, go south and west on County Road 4.0 miles to lease road. Turn south on lease road 3.5 miles to lease road to the east. Turn east through Poker Lake Unit #153/152/167 well pads (0.8 miles). Turn north and go 0.3 miles to PLU #166 well pad and proposed location is 0.25 miles to the east.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "A".

### POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

Not Applicable.

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 "A" 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.

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

- B) New Facilities in the Event of Production:

A new flowline will be laid to the battery at the Poker Lake Unit #153 location.

- C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following the construction of production facilities, 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 with 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 Diamond and Half Water Station 35 miles east of Carlsbad, New Mexico. Brine water will be hauled from Bass' Poker Lake Unit #140 or #153 battery or from commercial facilities.

- B) Water Transportation System

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

**POINT 6: SOURCE OF CONSTRUCTION MATERIALS**

- A) Materials

If not found on location, caliche will be hauled from the nearest BLM approved 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 "B".

**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.

**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 only in the event livestock is present and bird netted. The fence will be 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 Exhibit "A".

**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 construction only if livestock is present 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**

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 under Item A. 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 Time table**

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.

**POINT 11: OTHER INFORMATION – Cont'...****E) Surface Water**

There are no ponds, lakes, streams or rivers within several miles of the wellsite.

**F) Water Wells**

There are no water wells within 1 mile of location.

**G) Residences and Buildings**

None in the immediate vicinity.

**H) Historical Sites**

None observed.

**I) Archeological Resources**

An archeological survey will be obtained for this well site. 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 only if livestock is present 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

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**POINT 13: CERTIFICATION**

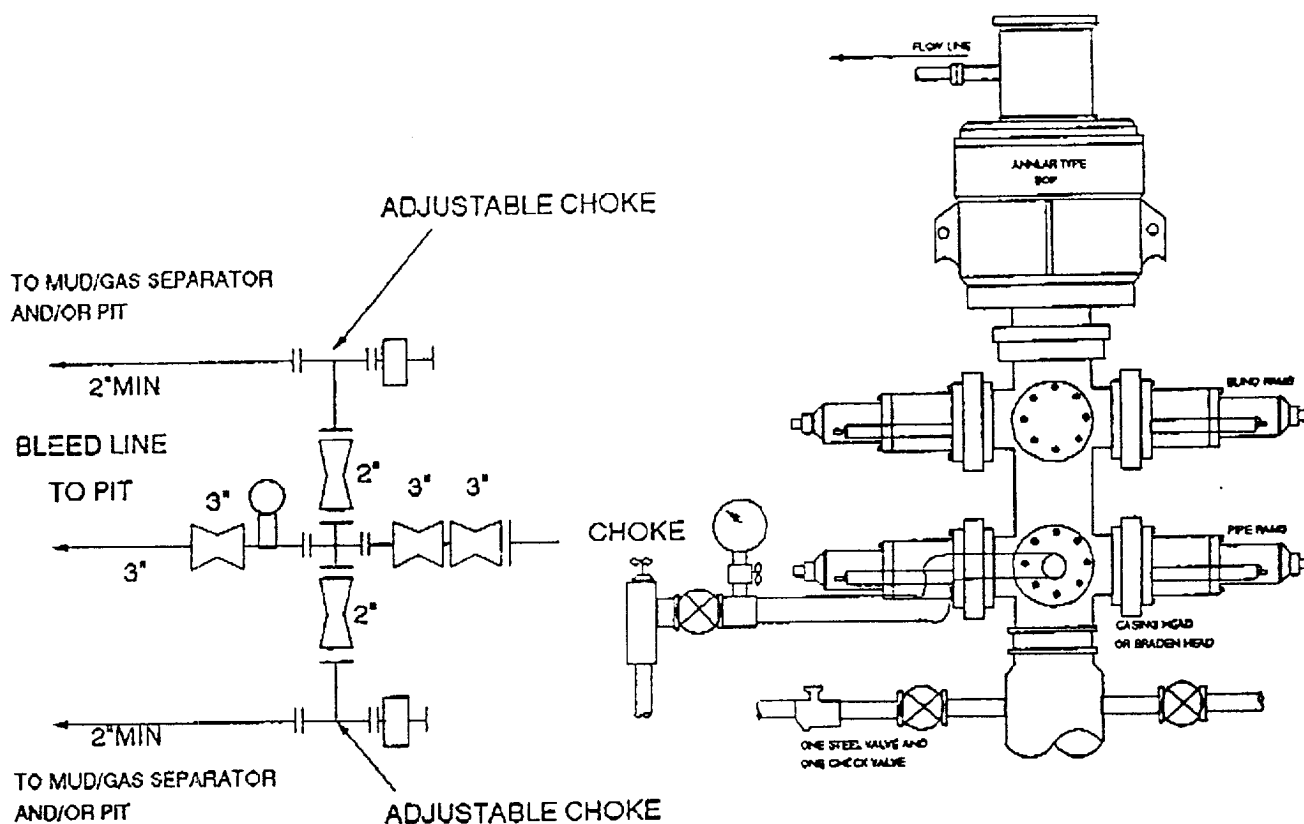
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist, that the statements made in the plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Bass Enterprises Production Co. and its 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.

4 Sept 2001  
Date

William R. Dannels  
William R. Dannels

SLA

# 3000 PSI WP

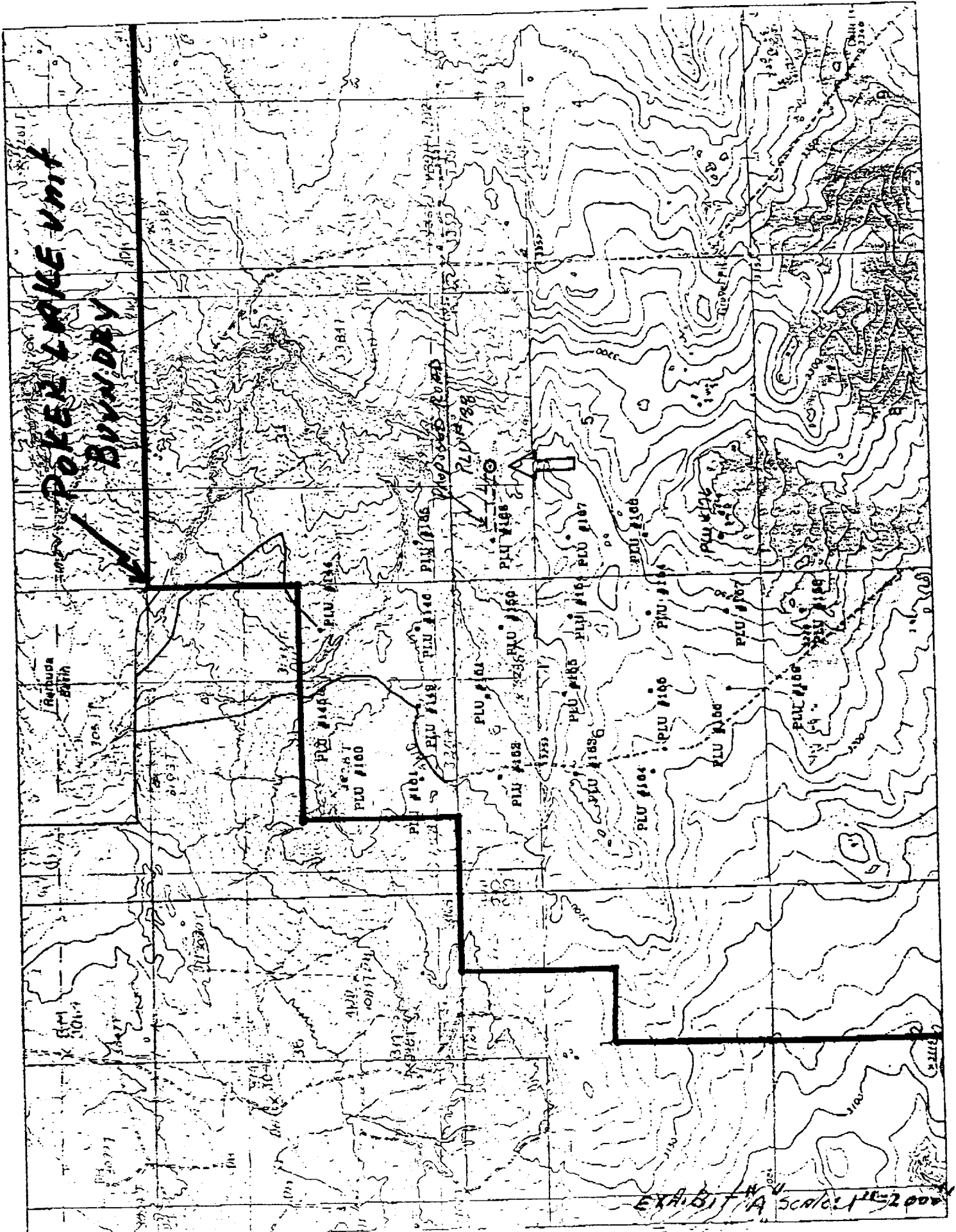


## THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- 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.

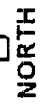
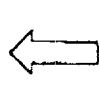
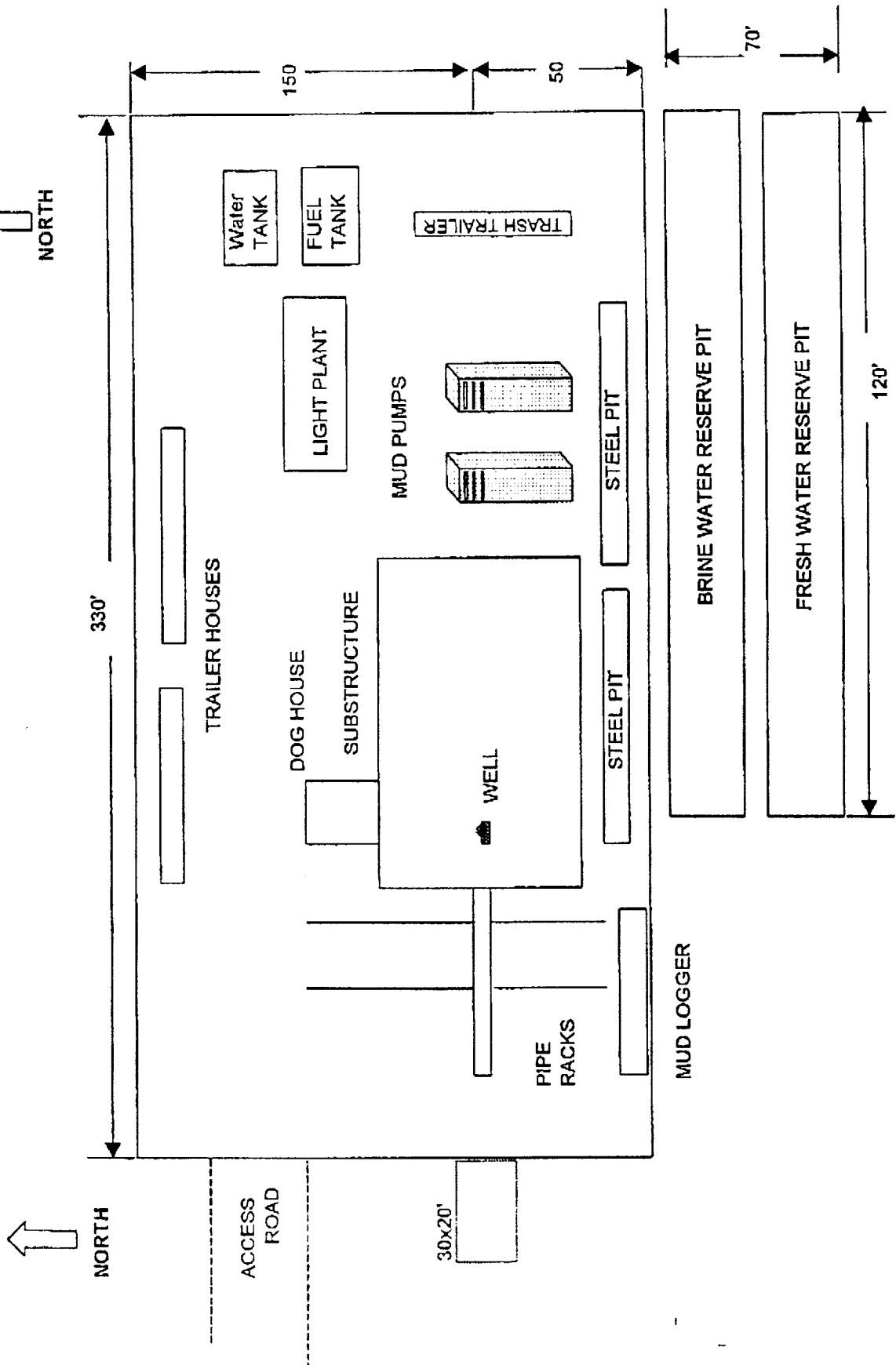
DIAGRAM 1





POKER LAKE UNIT No. 188

EXHIBIT "C"



NORTH

330'

ACCESS ROAD

TRAILER HOUSES

DOG HOUSE

SUBSTRUCTURE

WELL

PIPE RACKS

MUD LOGGER

MUD PUMPS

LIGHT PLANT

Water TANK

FUEL TANK

TRASH TRAILER

STEEL PIT

STEEL PIT

BRINE WATER RESERVE PIT

FRESH WATER RESERVE PIT

120'

70'

150

50

30x20'