C/SF

IN REPLY REFER TO

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Box 1397, Roswell, New Mexico - 88201

LC-071988-B-PD
3162.41 (065)

MAY 3 0 1986

CERTIFIED--RETURN RECEIPT REQUESTED
P 165 405 348

RECEIVED BY
JUN 02 1986
O. C. D.
ARTESIA, OFFICE

Bass Enterprises and Production Co.
P. O. Box 2760
Midland, TX 79702

Gentlemen:

Your Application for Permit to Drill (APD) well No. 10 James Ranch Unit in the SE¼NW¼ sec. 17, T. 23 S., R. 31 E., Eddy County, New Mexico is hereby denied. Attached is a diagram showing the edge of the potash enclave as a blue line. The red line is the legal boundary describing the edge of the Known Potash Leasing Area (KPLA) as of July 19, 1985.

Per the Secretary's Order for Oil and Gas and Potash Leasing and Developmment Within Potash Area (FR Vol. 40, No. 214-Wednesday, Nov. 5, 1975, 51486) Section III E. 4, we are unable to approve a test well within ¼ mile of an enclave of potash ore for a gas test and ½ mile if an oil test within the extension of an enclave as detailed on the enclosure in sections 17 and 18, T. 23 S., R. 31 E.

We are returning your APD and we are advising you that a directional drilling plan can be considered provided it meets the ¼ mile for a gas test and ½ mile for an oil test of the potash enclave.

You have the right to request a technical and procedural review by the New Mexico State Director, Santa Fe, New Mexico or to appeal to the Interior Board of Land Appeals, Office of the Secretary, Arlington Virginia. In taking an appeal, there must be strict compliance with the regulations (copy of 43 CFR 3165.4 enclosed.)

Sincerely,

Orig. Sgd. Francis R. Cherry, Jr.

Francis R. Cherry, Jr.
District Manager

Enclosures

cc:
NMOCD - 2

Post ID-2
12-9-85
Exp. Ext
(as of 3-13-87)

C/SF

Form 9-331 C
(May 1963)

RECEIVED BY
JUN 02 1986
O. C. D.
ARTESIA, OFFICE

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Artesia, NM 88210
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: LC-071988B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

7. UNIT AGREEMENT NAME: James Ranch Unit

8. FARM OR LEASE NAME: James Ranch Unit

2. NAME OF OPERATOR: ~~Perry R. Bass~~ Bass Enterprises Production Co.

9. WELL NO.: 16

3. ADDRESS OF OPERATOR: P. O. Box 2760 Midland, Texas 79702

10. FIELD AND POOL, OR WILDCAT: Los Medanos (Morrow)

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1980' FNL, 1980' FWL, Sec. 17, T23S, R31E

At proposed prod. zone: Same as above

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 17, T23S, R31E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 25 miles Southeast of Carlsbad, New Mexico

12. COUNTY OR PARISH: Eddy

13. STATE: New Mexico

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
660'	320	320
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**
---	14,750	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3316.8' GL

22. APPROX. DATE WORK WILL START*:

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
13 7/8"	16"	65#	600'+	1100 sx + circ to surface
15"	10 3/4"	45.5#	4,000'±	2400 sx ± circ to surface
9 5/8"	7 5/8"	33.7#	11,250'+	450 sx ± est. TOC @ 10,000'
6 1/2"	5" liner	15#	14,700'±	400 sx ±

Drilling procedure, BOPE diagrams, anticipated tops, casing design, mud program, and surface use plans are attached.

Gas is dedicated.

Posted ID-1
6-6-86

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 Jane M. Cure TITLE Division Prod/Drlg Supt. DATE 2/24/86

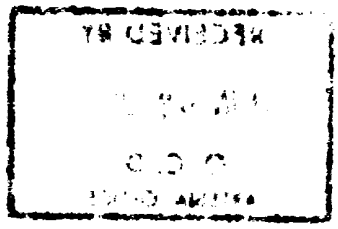
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED



NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
PERRY R. BASS	JAMES RANCH	16

Unit Letter	Section	Township	Range	County
F	17	23S	31E	EDDY

Actual Footage Location of Well:
1980 feet from the NORTH line and 1980 feet from the WEST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3316.8	MORROW	Los Medanos	320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

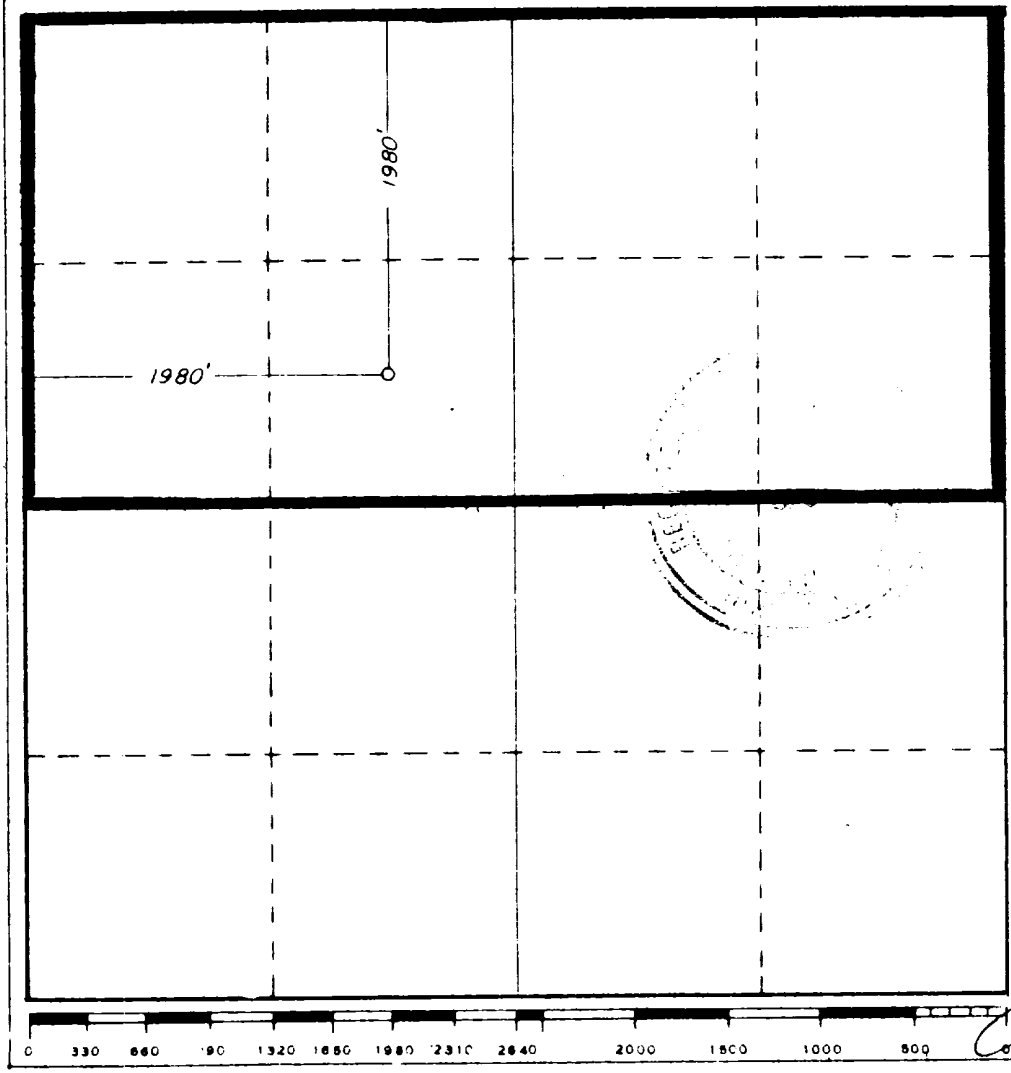
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling.etc?

[X] Yes [ ] No If answer is "yes," type of consolidation UNIT

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

RECEIVED BY
JUN 02 1986
O. C. D.
ARTESIA, OFFICE



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Stephen D. Smith

Name: Stephen D. Smith

Position: Engineering Assistant

Company: Perry R. Bass

Date: April 11, 1984

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 knowledge and belief.

Date Surveyed: 4/7/84

Registered Professional Engineer and/or Land Surveyor

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

DRILLING PROGNOSIS
JAMES RANCH UNIT #16
EDDY COUNTY, NEW MEXICO

Location: 1980' FNL & 1980' FWL, Section 17, T23S, R31E, Eddy County, New Mexico.

Conductor Pipe: 20" conductor casing should be set @ ±40' with a rathole machine and cemented to surface using ready-mix.

Surface Hole: A 18 7/8" Open Hole will be drilled to ±600' (T/Rustler Anhydrite) with fresh water spud mud. Mud: 8.4-8.8 ppg, 40-50 vis, 9.5-10 pH.

The surface casing should be ±600' of 16" 65#/ft. It will be cemented through DP to insure cement is circulated to the surface. The casing should be run with a combination float & stab-in landing collar, a float shoe and 3 centralizers.

The casing should be cemented through drill pipe using approximately 300 sk of Halliburton Lite with no additives (1.84 ft^3/sk, 12.7 ppg) followed by 150 sk Class "C" with 2% $CaCl_2$ (1.32 ft^3/sk, 14.8 ppg) cement calculated for 100% excess. The BLM must be notified in sufficient time to witness this cementing operation.

Nipple Up 16" Casing: Total WOC time for this string is 12 hrs; however nippling up procedures may begin after 4 hours. Cut off the 20" conductor and 16" casing and weld on a 16" SW 3000# WP x 16" 3000# WP RJT casing head with two 2" threaded outlets. Test the weld with grease gun. Install a BOP stack as per attached BEPCO III drawing. Test stack (blind rams and pipe rams) to 1000 psi with the mud pump.

First Intermediate Hole: A 15" Open hole will be drilled to ±4000' (T/Lamar Lime) with a 10 ppg brine water system, circulating the reserve pit.

The intermediate casing string will consist of 10 3/4", 45.5#/ft K-55, ST&C casing. This casing should be drifted to pass a 9 5/8" bit. Casing should be run with float shoe, stab-in collar and four centralizers. Cement should be run through drill pipe and a fluid caliper run to compute cement. Cement will consist of ±2200 sk Halliburton Lite (1.84 ft^3/sk, 12.7 ppg) followed by 200 sk Class "C" + 2% $CaCl_2$ (1.32 ft^3/sk, 14.8 ppg). The cement will be circulated to the surface, and the BLM notified in sufficient time to witness the cement job.

Nipple up 10 3/4" Casing: Total WOC time for this string is 24 hours; however, nippling up procedures may begin after 4 hours. Nipple down BEPCO III and cut off the 16" casing head and install a 10 3/4" SW x 11" x 5000# WP RJT casing head with two 2" threaded outlets. Test the weld with a grease gun. Install a BOPE stack as per attached BEPCO IV drawing. BOPE, upper and lower kelly cock, and choke manifold should be pressure tested to 5000 psi by an independent contractor before drilling into the Wolfcamp formation. (Hydril tested to 1500 psi). The casing should be tested to 2000 psi with the rig pumps before drilling out the shoe. The BLM will be notified in sufficient time to witness this testing, and a copy of the test results will be made available to them.

Second Intermediate Hole: A 9 5/8" Open Hole will be drilled to ±11,250'. A fresh water drilling fluid 8.4-8.8 ppg, 28-30 vis., 9.5 pH will be circulated through the reserve pit from 4000' to 11,250'. At 11,250', a string of 7 5/8" 33.7#/ft casing will be run with float shoe, float collar, and 12 centralizers. Cement will consist of approximately 400 sk Class "H" + .03% D-13 (1.18 fr^3/sk, 15.6 ppg) estimated TOC @ 10,000'.

Nipple up 7 5/8" Casing: Immediately after bumping the plug the 7 5/8" slips can be set, and the casing cut off. The same BOPE IV (attached) stack should be used for the remainder of the hole. It should be tested once again by an independent contractor. The BLM should be notified in sufficient time to witness this test and a copy will be made available to them.

Production Hole: A 6 1/2" Open Hole will then be drilled to TD ± 14,700' with a brine water drilling fluid 10-12 ppg as required. A tapered drill string will also be required. After logging a 5", 15#/ft liner wil be hung from 11,000' to TD. The liner should be run with float shoe, float collar and 5 centralizers. Cement will consist of approximately 500 sks Class "H" + .6% HR-5 (1.18 ft^3/sk, 15.6 ppg).

Evaluation: A two man mud logging unit will be on location from 3750' to 11,250', then one man to TD. DST's may be run in Delaware, Wolfcamp, and Strawn, if shows are encountered. The following logs will be run from surface to TD. CNL-FDC-GR-Caliper and DLL-MSFL-GR.

Time: This well is estimated to take 112 days from spud to rig release.

MGW/esa

Michael G. Waygood 2-27-86
Michael G. Waygood Date

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

James Ranch Unit No. 16

Surface Location: 1980' FNL & 1980' FWL, SEC. 17, T23S, R31E

Bottom Hole Location: 1980' FNL & 1980' FWL, SEC. 17, T23S, R31E

Eddy County, New Mexico

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction, activities, and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to rehabilitate the surface after completion of operations so that an appraisal can be made on environmental effects.

1. **Existing roads including location of exit from main highway** Exhibit "A" is a portion of a map showing existing roads. Go west from Jal, New Mexico on Hwy 128 for approximately 42 miles (11 miles east of Hwy 31 South's intersection with 128). Turn northeast on caliche road 1/2 mile to James Ranch Unit #15. Turn southeast 1/2 mile to location.

2. **Planned access road** Exhibit "A" shows the planned access road into the location. This road will be approximately 2640'. The road will be constructed of watered and compacted caliche. There are no gates, culverts, or cattle guards anticipated.

3. **Location of existing wells** Exhibit "A" shows the surrounding existing wells.

4. **Location of tank battery and flow lines** If a commercial well is obtained, production facilities will be located on the well pad. Refer to Exhibit "B".

5. Location and type of water supply Fresh water to be hauled from Carlsbad. Brine water to be hauled from Champion Brine Sales 3 1/2 miles east and 2 1/2 miles south of Carlsbad.

6. Source of construction material Exhibit "A" shows approximate location of caliche pit.

7. Methods of handling waste disposal:

   A. Drill cuttings will be disposed of in the drilling pits.

   B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.

   C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.

   D. Current laws and regulations pertaining to the disposal of human waste will be complied with.

   E. Trash, paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste materials will be contained to prevent scattering by the wind. Location of trash pit is shown in Exhibit "B".

   F. Trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion operations. (Note: All trash left on well site to be removed or buried within 30 days must be contained to prevent scattering.)

8. Ancillary facilities None Required

9. Well site layout Exhibit "B" shows the approximate dimensions of the well pad and reserve pit as well as the relative location of major rig components. Only minor levelling of the well site will be required. The reserve pit will be lined with plastic. The pit and pad area have been staked and flagged.

10. Plans for restoration of surface:

    A. Producing well - all pits will be cut, filled, and leveled as soon as practical to original conditions with rehabilitation to commence following removal of drilling and completion equipment.

    B. Dry hole - same as above with dry hole marker to be installed and surface reseeded if required. At the same time of final abandonment, USMMSand BLM restoration stipulations will be complied with.

11. Other information:

    A. Terrain Relatively flat

    B. Soil Sandy

    C. Vegetation Sparse, primarily mesquite with very little grass.

    D. Surface Use Grazing

    E. Surface water None

    F. Water wells None

    G. Residences and buildings None within one mile

    H. Surface ownership The wellsite and access road are both on Federal land.

    I. Well signs posted at each drilling site.

    J. Open pits - all pits containing liquid or mud will be fenced.

    K. Archaeological resources None observed

12. Operator's representative
(Field personnel responsible for compliance with development plan for surface use)

DRILLING
Mike Cure
Box 2760
Midland, Texas 79702
915-688-3300

PRODUCTION
Al Gallas
Box 1043
Kermit, Texas 79745
915-563-0656
(or) Mike Cure
Box 2760
Midland, Texas 79702
915-688-3300

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 presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Bass Enterprises Production Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

February 24, 1986
(Date)

Louise M Cure , L. M. Cure
(Name)

Division Prod/Drlg Supt.
(Title)

CEB:gp

JAMES RANCH UNIT NO. 16

CASING DESIGN

HOLE SIZE	CASING SIZE	WEIGHT/FT	GRADE	THREAD	TOP	BOTTOM	LENGTH
18 7/8"	16"	65#	H-40	ST&C	0'	600'±	600'
15"	10 3/4"	45.5#	K-55	ST&C	0'	4,000'±	4,000'
9 5/8"	7 5/8"	33.7#	N-80	LT&C	0'	7,050'±	7,050'
9 5/8"	7 5/8"	33.7#	S-95	LT&C	7,050'±	11,250'±	4,200'
6 1/2"	5" liner	15#	N-80	LT&C	11,000'±	14,700'±	3,700'

MUD PROGRAM

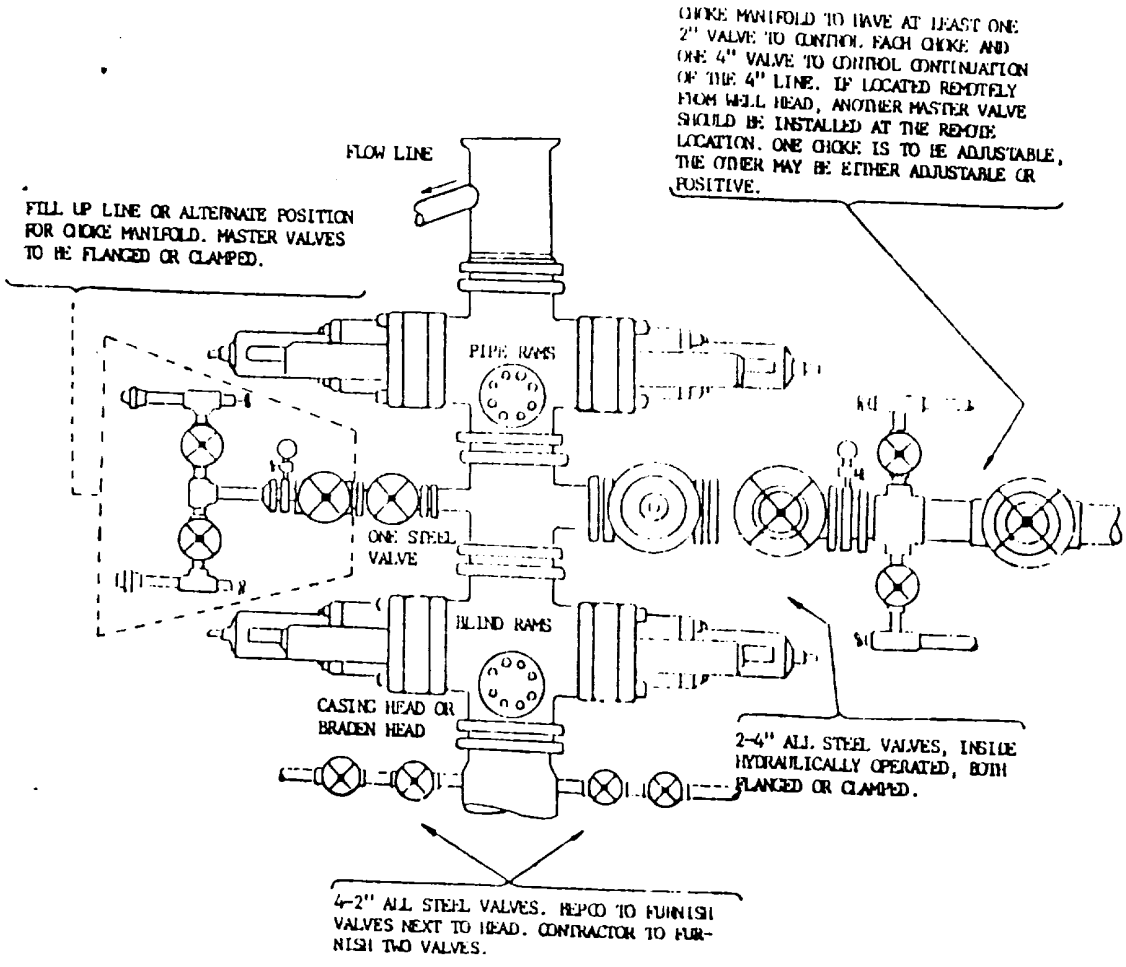
FROM	TO	TYPE	WEIGHT	VISCOSITY	WATER LOSS
0'	500'±	FW spud mud	8.4-8.8	40-50	NC
500'	4,000'±	BW	10	28-30	NC
500'	11,250'±	FW	8.4-8.8	28-30	NC
11,250'	13,671'±	BW	10-12	30-40	NC
13,775	TD	BW	10-12	30-40	Less than 15cc

JAMES RANCH UNIT NO. 16

GEOLOGICAL FORMATION TOPS

ESTIMATED KB ELEVATION: 3337'

GEOLOGICAL FORMATION TOP	SUBSEA DEPTH	MEASURED DEPTH
Delaware Sand	- 689	4,026
Bone Spring	- 4,569	7,906
Wolfcamp	- 7,869	11,206
Strawn	- 9,569	12,906
Atoka Sand	- 9,869	13,206
Atoka Reef	- 9,949	13,286
Upper Morrow	- 10,334	13,671
Middle Morrow	- 10,799	14,136
Lower Morrow	- 11,239	14,576



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

A. Conditions may be met by either (1) an annular blowout preventer on top and blind rams below with a choke spool between them, (2) Pipe rams on top and blind rams below with a choke spool between them, (3) A dual blowout preventer with pipe rams on top and blind rams below with a side outlet between the rams at least four inches diameter.

B. Openings between rams to be flanged, studded or clamped.

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 BOPs.

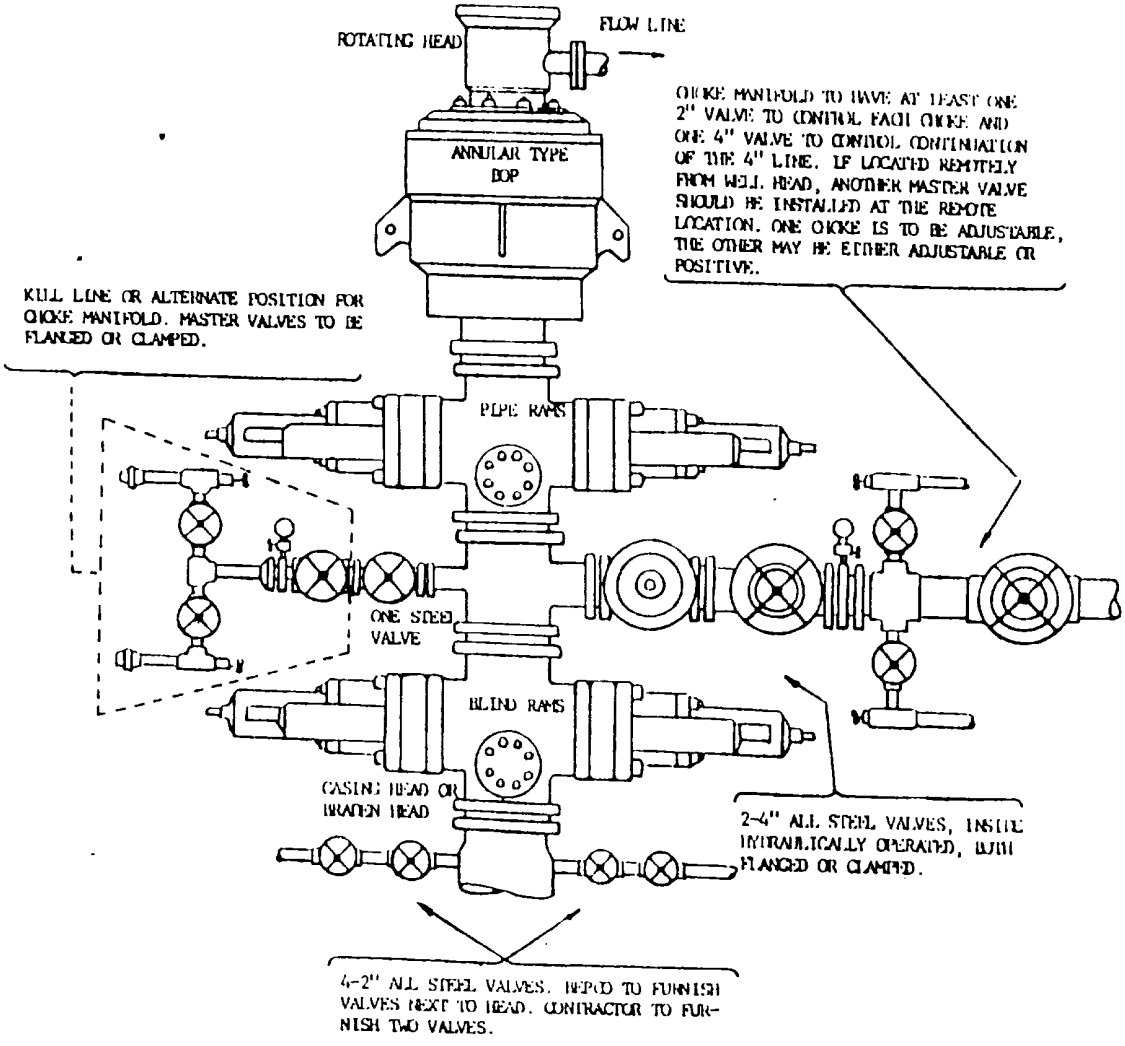
F. Manual controls to be installed before drilling cement plug.

G. Kelly cock to be installed on kelly.

H. Inside blowout preventer to be available on rig floor.

REPCO III

TWO CLOSURE HYDRAULIC BLOWOUT PREVENTERS



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

A. Conditions may be met with an annular type blowout preventer and pipe ram type blowout preventer above a choke spool, and a blind ram below the choke spool.

B. Opening on choke spool to be flanged, studded or clamped.

C. All connections from operating manifolds 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 preventer to have a pressure rating equivalent to that of the BOP's.

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

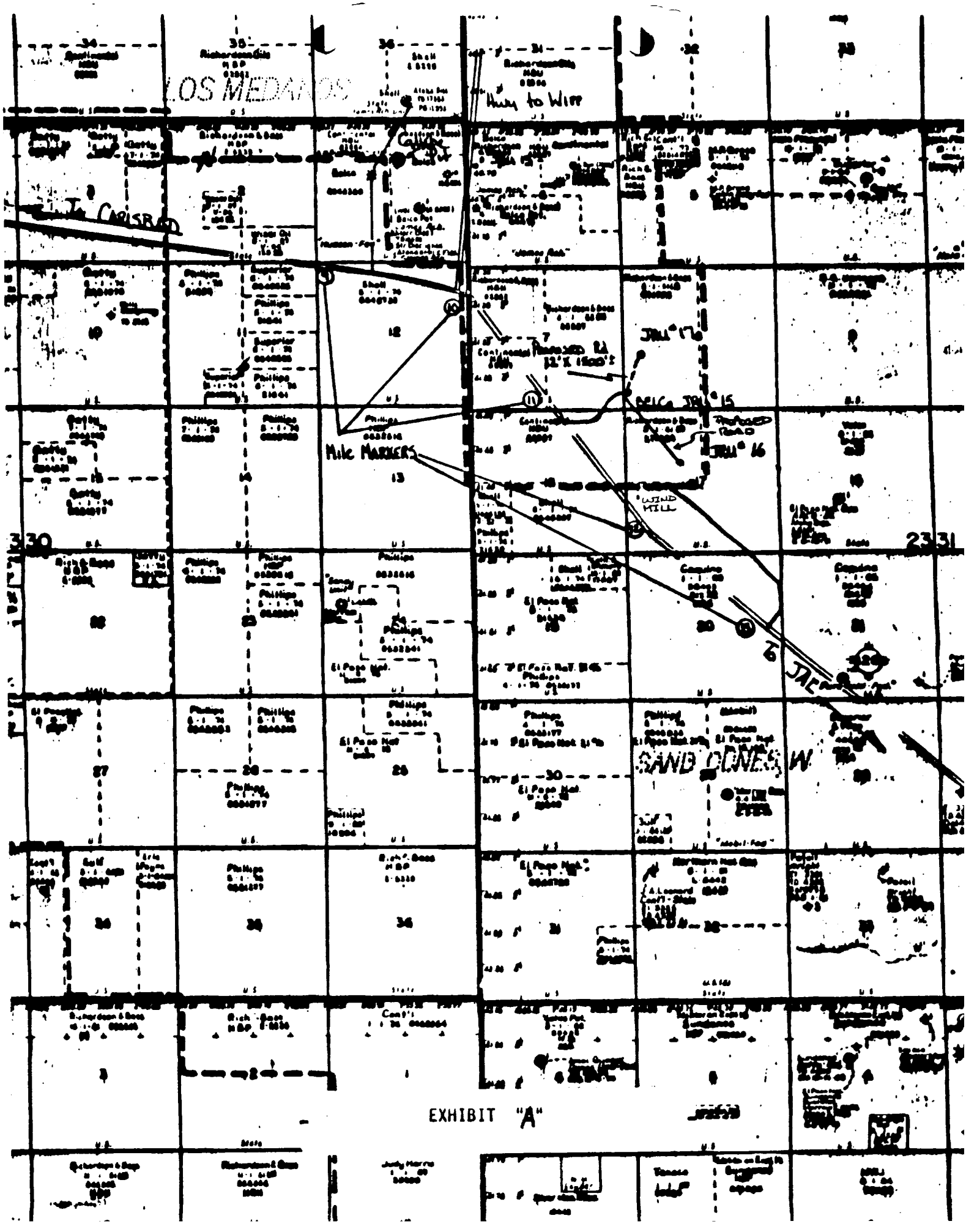
G. Kelly cock to be installed on kelly.

H. Inside blowout preventer to be available on rig floor.

I. Dual operating controls: one located by drillers position and the other located a safe distance from the rig floor.

HEPCO IV

THREE CLOSURE HYDRAULIC BLOWOUT PREVENTERS


LOS MEDANOS
Hwy to Wipp
To CARLSBAD
Mile MARKERS
SAND DUNES W
EXHIBIT "A"

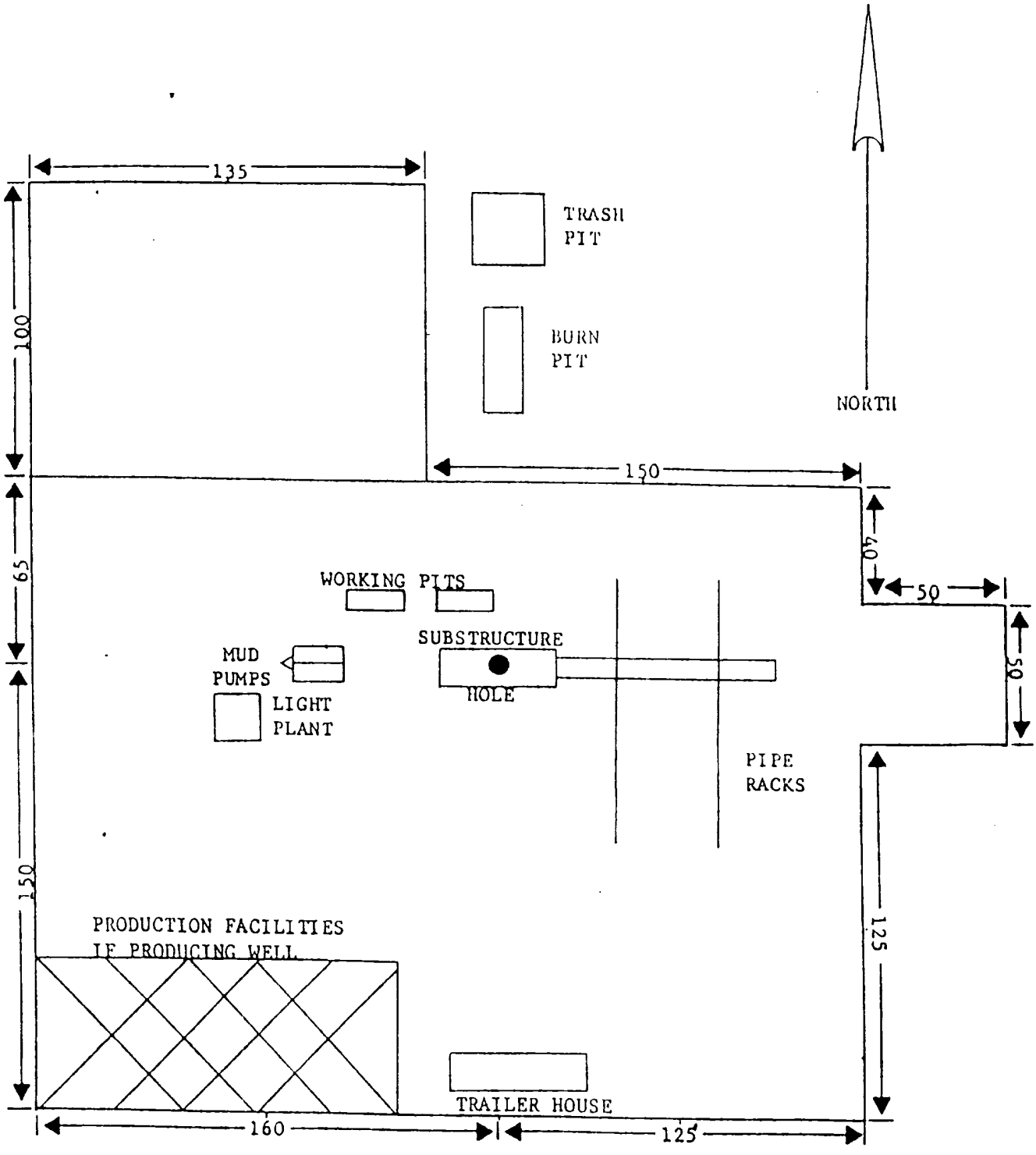
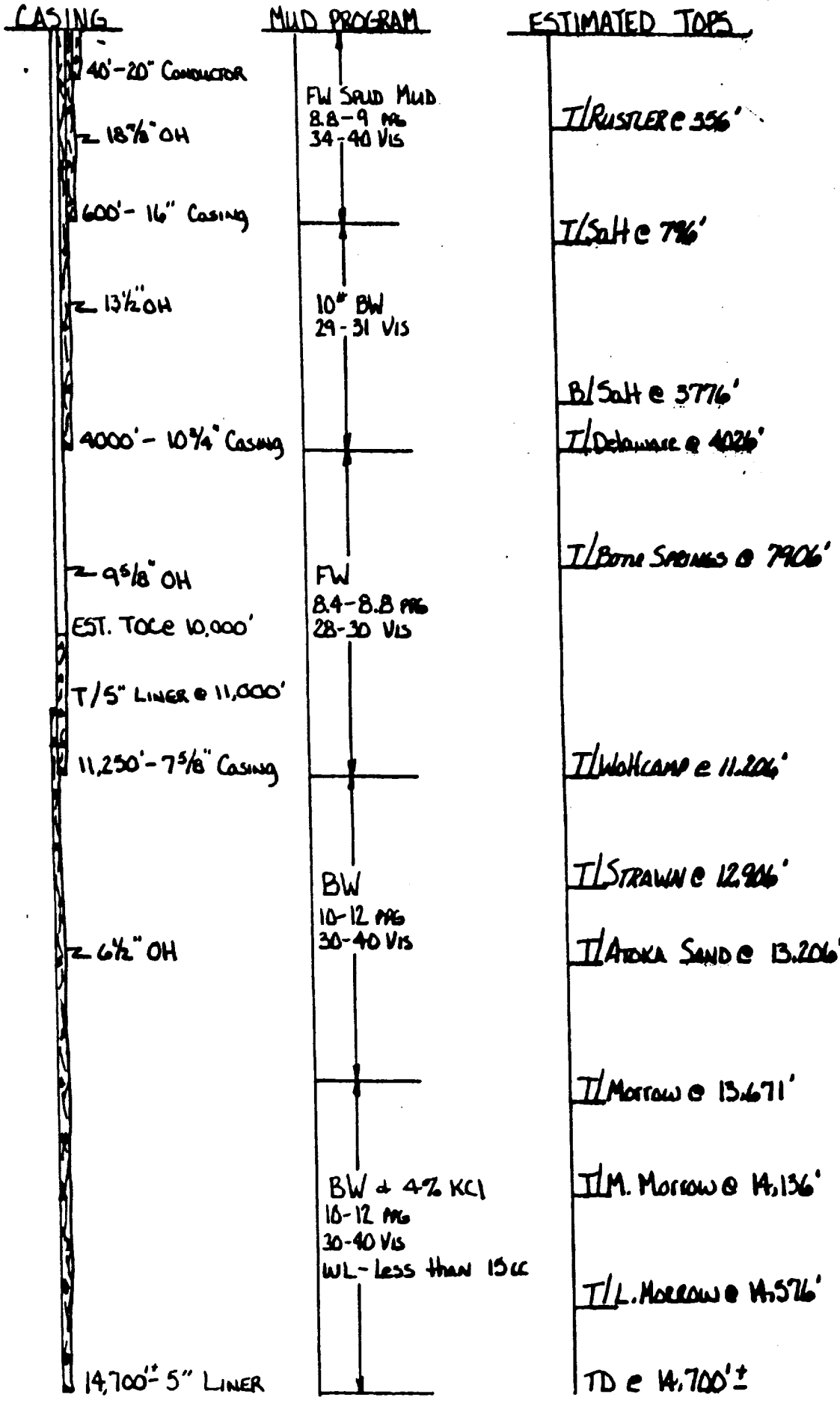

135
100
TRASH
PIT
BURN
PIT
NORTH
150
40
50
50
65
WORKING PITS
SUBSTRUCTURE
MUD
PUMPS
LIGHT
PLANT
HOLE
PIPE
RACKS
150
125
PRODUCTION FACILITIES
IF PRODUCING WELL
TRAILER HOUSE
160
125

EXHIBIT "B"

JAMES RANCH UNIT # 16
1980' FNL & 1980' FWL
SEC. 17, T23S, R31E



SDS 4-5-84