

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-161

Revised October 18, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator name and Address Bass Enterprises Production Co. P.O. Box 2760 Midland, TX 79702-2760		² OGRID Number 001801
⁴ Property Code 1786	⁵ Property Name JAMES RANCH UNIT	³ API Number 30-015-31005
		⁶ Well No. 80

⁷ Surface Location									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
B	36	22S	30E		330	NORTH	1650	EAST	EDDY

⁸ Proposed 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

⁹ Proposed Pool 1 LOS MEDANOS (WOLFCAMP)****	¹⁰ Proposed Pool 2 LOS MEDANOS (BONE SPRING, DELAWARE)****
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¹¹ Work Type Code N	¹² Well Type Code *oil	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3319'
¹⁶ Multiple YES	¹⁷ Proposed Depth 11,500'	¹⁸ Formation WOLFCAMP	¹⁹ Contractor UNKNOWN	²⁰ Spud Date UPON APPROVAL

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
* 17-1/2"	13-3/8" WC-40	48#	615'	420 SX	SURFACE
** 11"	8-5/8" WC-50	28# & 32#	3870'	900 SX	SURFACE
*** 7-7/8"	5-1/2" P-110	17#	11,500'	985 SX	3570'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary

R-111-P

POTASH MINING COMPANIES WHO HAVE LEASES WITHIN 1 MILE OF THIS LOCATION HAVE BEEN NOTIFIED OF THIS DRILLING LOCATION. SEE ATTACHED LETTER. NO RESPONSE HAS BEEN RECIEVED YET. THIS WELL IS INSIDE THE R-111 POTASH AREA. **Notify OCD at SPUD & TIME to witness cementing the**
* SURFACE CASING TO BE SET \pm 100' ABOVE THE SALT IN THE RUSTLER ANHYDRITE.
** INTERMEDIATE CASING TO BE SET IN THE TOP OF THE LAMAR LIME. **13 3/8" : 8 5/8" casing.**
*** DV TOOL TO BE USED AT \pm 7000'; CEMENT TO TIE BACK TO 3570' (300' INTO INT CSG).
**** THE WOLFCAMP, BONE SPRINGS, AND DELAWARE FORMATIONS WILL BE DOWNHOLE COMMINGLED.
DRILLING PROCEDURE, BOP DIAGRAM, AND BLOWOUT PREVENTION PROGRAM ATTACHED. SEE ATTACHED LETTER.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *William R. Dannels*

Printed name: WILLIAM R. DANNELS

Title: DIVISION DRILLING SUPT.

OIL CONSERVATION DIVISION

Approved by: **ORIGINAL SIGNED BY TIM W. GUM B6A**
DISTRICT II SUPERVISOR

Title:
Approval Date: 3-10-00 Expiration Date: 3-10-01

*** DHC Order needed to produce

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		LOS MEDANOS (WOLFCAMP, BONE SPRING, DELAWARE)
Property Code	Property Name	Well Number
	JAMES RANCH UNIT	80
OGRID No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3319'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	22 S	30 E		330	NORTH	1650	EAST	EDDY

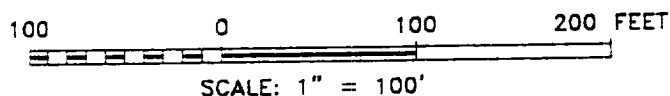
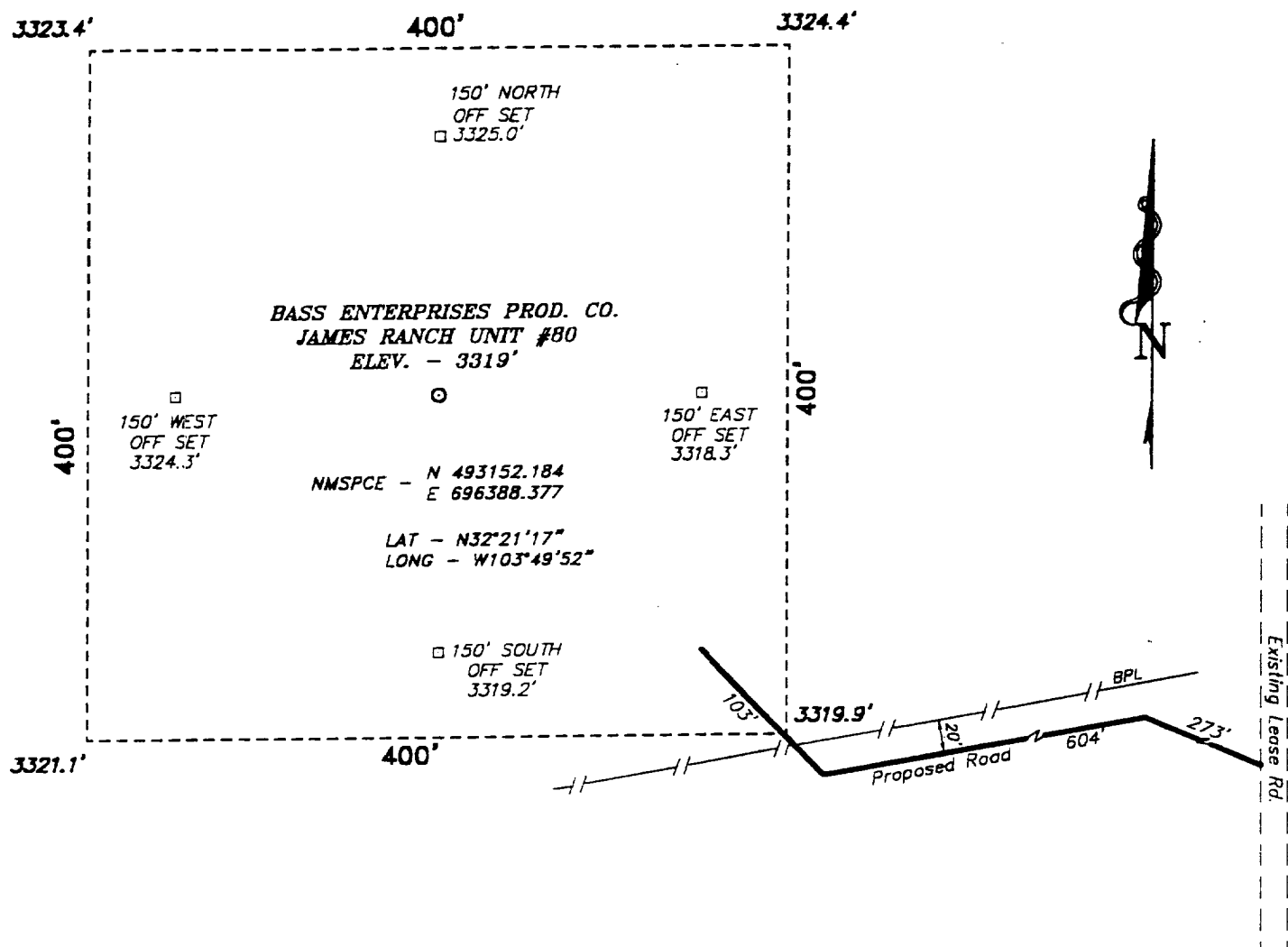
Bottom Hole Location If Different From Surface

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

<div>LAT - N32°21'17" LONG - W103°49'52"</div>	<div>3323.4' 3324.4' 1650' 3321.1' 3319.9' 330'</div>	<div>OPERATOR CERTIFICATION</div> <div>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</div> <div><u>William R. Dannels</u> Signature</div> <div>William R. Dannels Printed Name</div> <div>Division Drilling Supt. Title</div> <div>10-20-99 Date</div>	
		<div>SURVEYOR CERTIFICATION</div> <div>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.</div> <div>October 1, 1999 Date Surveyed</div> <div><u>Gary L. Jones</u> Signature & Seal of Professional Surveyor</div> <div>W.O. No. 9358</div> <div>Certificate No. Gary L. Jones 7977</div> <div>BASIN SURVEYS</div>	

SECTION 36, TOWNSHIP 22 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 128 AND
COUNTY ROAD 802 (MPP ROAD), GO NORTH ON CO.
RD 802 APPROX. 2 MILES TO A POINT WHICH LIES
APPROX. 0.5 MILE EAST OF LOCATION.

BASS ENTERPRISES PROD. CO.

REF: James Ranch Unit No. 80 / Well Pad Topo

THE JAMES RANCH UNIT No. 80 LOCATED 330' FROM THE
NORTH LINE AND 1650' FROM THE EAST LINE OF
SECTION 36, TOWNSHIP 22 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.C. Number: 9358

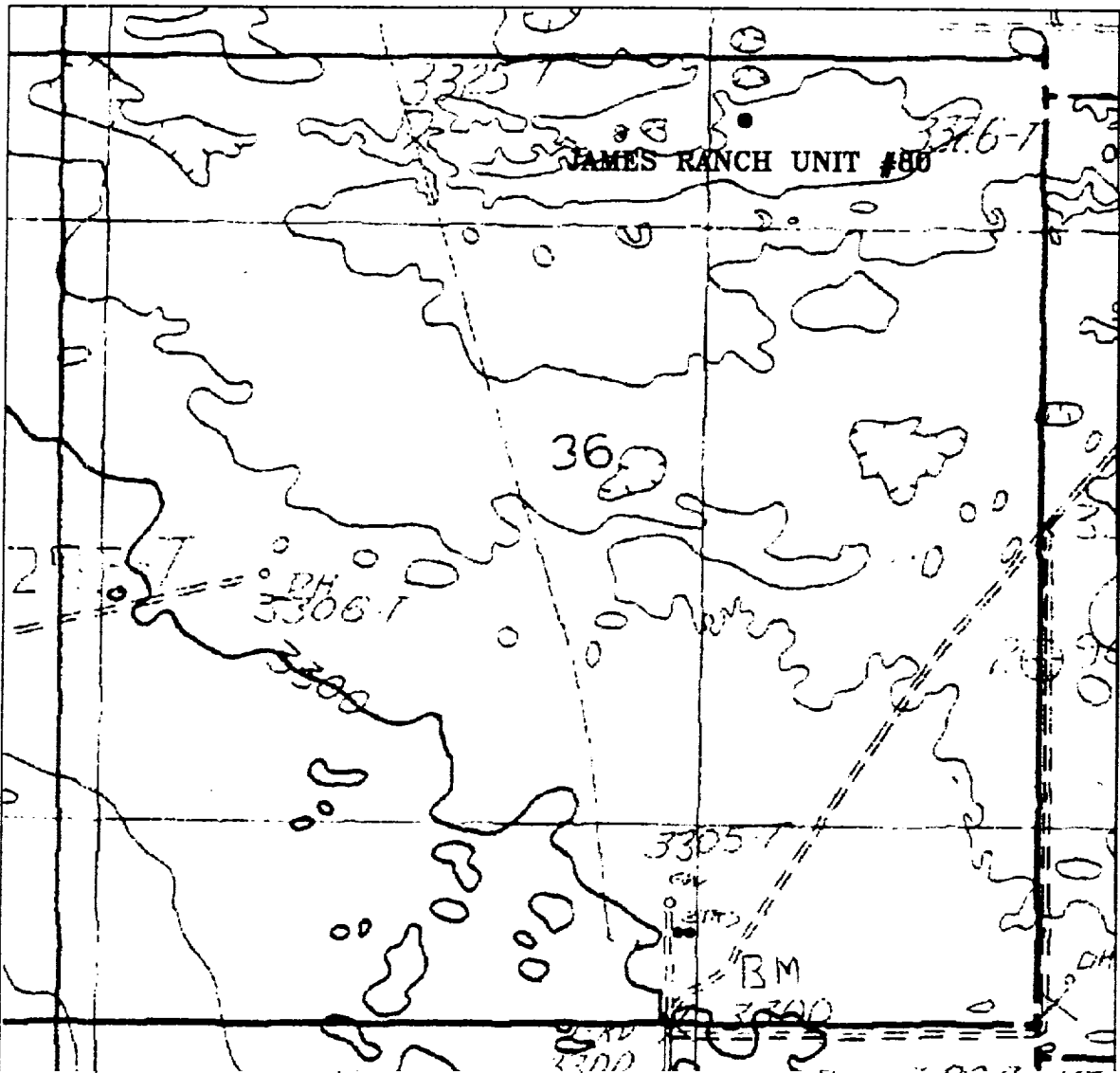
Drawn By: K. GOAD

Date: 10-04-99

Disk: KJG #122 - 9358A.DWG

Survey Date: 10-01-99

Sheet 1 of 1 Sheets



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 supervision and that the same is true and correct to the best of my belief.

October 1, 1999

Date Surveyed

Signature & Seal of
Professional Surveyor

W.O. No. 9358

Certificate No. Gary L. Jones 7977

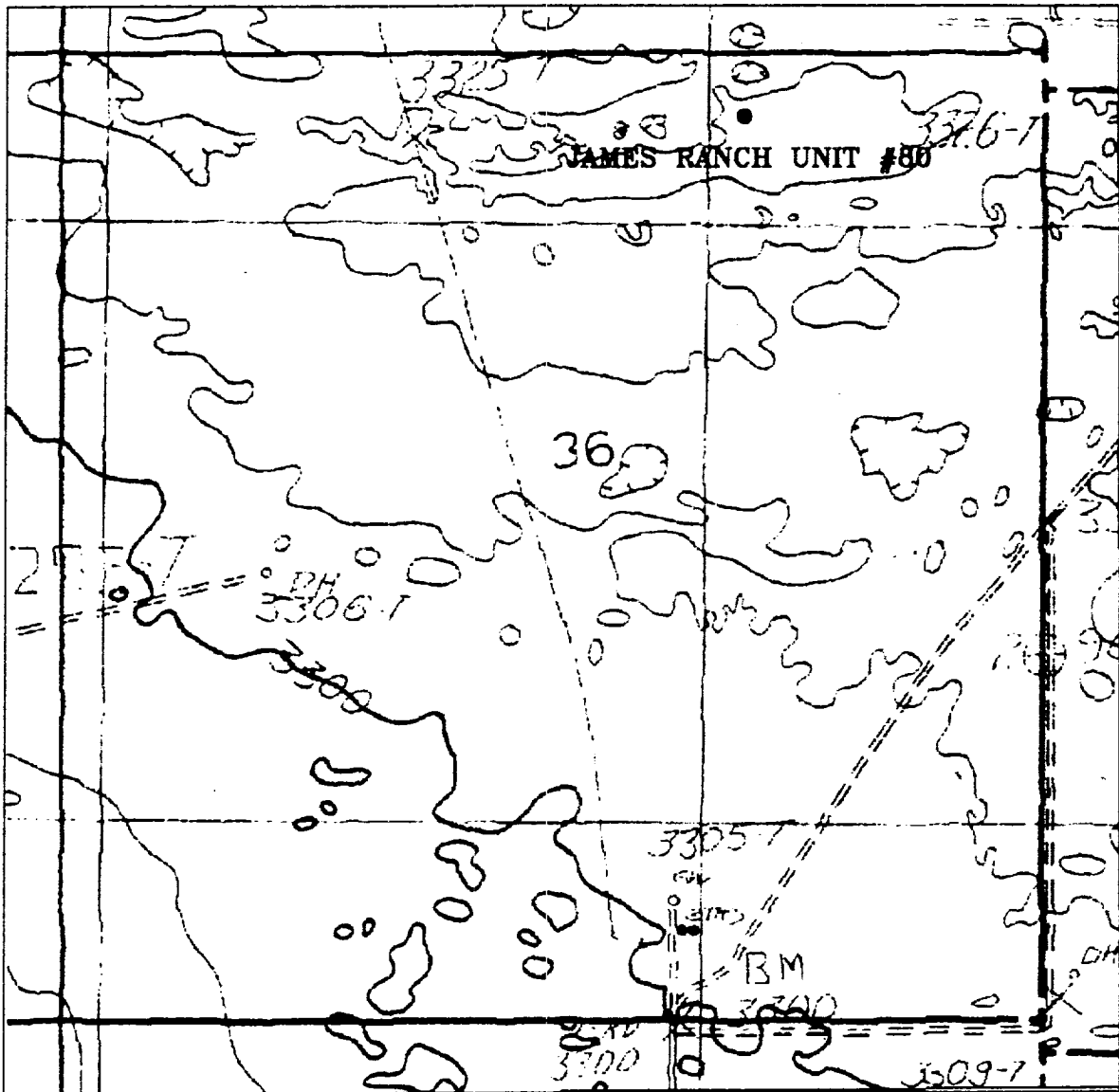
BASIN SURVEYS

VIG EDDY UNIT #08

GEOLOGIC FORMATION TOPS

Est. KB Elevation: 3183'

GEOLOGIC FORMATION TOP	SUBSEA DEPTH	MEASURED DEPTH KB
Delaware Sand	- 200	3,383
Indian Draw	- 1,060	4,243
49'er	- 1,250	4,433
Bone Springs	- 3,900	7,083
Wolfcamp	- 7,020	10,203
Strawn	- 8,420	11,603
Atoka	- 8,570	11,753
Atoka "30"	- 8,780	11,963
Upper Morrow	- 9,322	12,505
Middle Morrow	- 9,650	12,833
Lower Morrow	-10,050	13,233



JAMES RANCH UNIT #80

Located at 330' FNL and 1650' FEL
 Section 36, Township 22 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
 basin-surveys.com

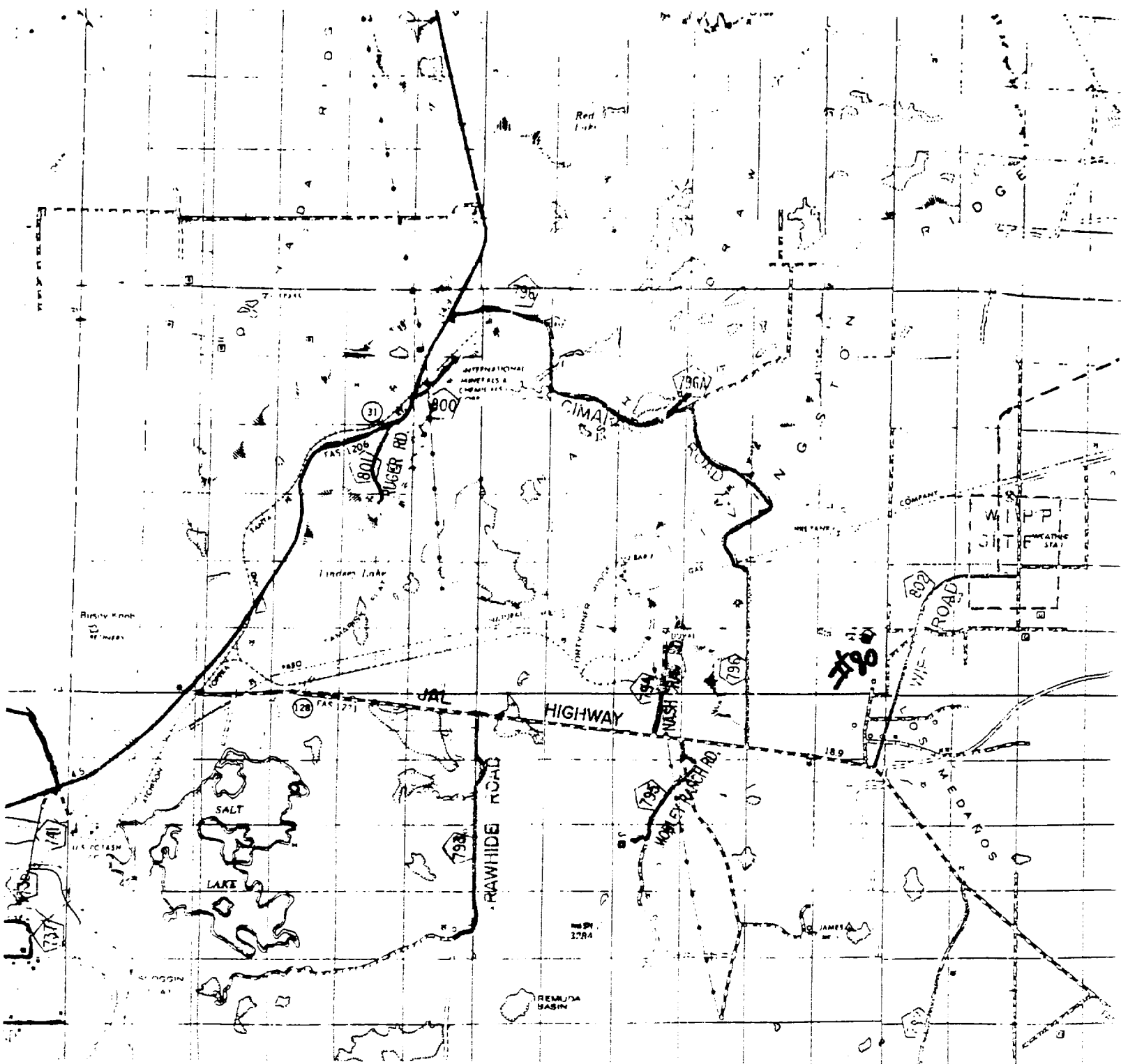
W.O. Number: 935BAA - KUG #122

Survey Date: 10-01-99

Scale: 1" = 1000'

Date: 10-01-99

Bass Enterprises
Production Co.



BASS ENTERPRISES PROD. CO.
JAMES RANCH UNIT #80
330' FNL & 1650' FEL
Sec. 36, T-22-S, R-30-E,
EDDY COUNTY, NEW MEXICO

SCALE: 1"=2 MILES

BASIN SURVEYS

P.O. BOX 1786 - HOBBS, NEW MEXICO

2000' 0 2000' 4000 Feet

W.O. Number: 9358	Drawn By: K. GOAD	Survey Date: 10-01-99	Sheet 1 of 1 Sheets
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**EIGHT POINT DRILLING PROGRAM
BASS ENTERPRISES PRODUCTION CO.**

NAME OF WELL: JAMES RANCH UNIT #80

LEGAL DESCRIPTION - SURFACE: 330' FNL & 1650' FEL, Section 36, T-22-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 3336' (est)
GL 3319'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	311'	+3025'	Barren
T/Salt	716'	+2620'	Barren
T/Lamar Lime	3846'	- 510'	Barren
T/Ramsey Sand	3894'	- 558'	Oil/Gas
T/Brushy Canyon	6457'	- 3121'	Oil/Gas
Shell Marker	6787'	- 3451'	Barren
T/8A Lwr Brushy Canyon	7404'	- 4068'	Oil/Gas
T/Bone Spring	7681'	- 4345'	Oil/Gas
T/3 rd Bone Spring	10,820'	- 7484'	Oil/Gas
T/Wolfcamp	10,956'	- 7620'	Oil/Gas
Base Wolfcamp Sand	11,132'	- 7796'	Oil/Gas
TD	11,500'	- 8164'	

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
20"	0' - 40'	Conductor	Contractor Discretion
11-3/4", 42#, WC-40, STC	0' - 615'	Surface	New
8-5/8", 28# & 32#, WC-50, LT&C	0' - 3870'	Intermediate	New
5-1/2", 17#, P-110, LT&C	0' - 11,500'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nipped 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

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.

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' - 615'	FW Spud	8.4 - 9.0	45-38	NC	NC	NC	10.0
615' - 3,870'	Brine	9.8 -10.2	28-30	NC	NC	NC	10.0-10.5
3,870' - 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' - 11,500'	FW/BW	8.8 -10.0	32-35	8-6	4-2	NC-20	10.0-10.5

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING

None anticipated.

B) LOGGING

GR-CNL from intermediate casing point ($\pm 3850'$) 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
0-615'	220	447	Class "C" + 3% gel + 2% CaCl ₂	17.69	11.4	2.88
(100% excess circ to surface)	200	168	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 - 3375'	700	3375	Interfill C	14.28	11.9	2.46
(100% excess)						
TAIL						
3375 - 3870'	200	495	Class "C" Neat + 1% CaCl ₂	6.30	14.8	1.33
(100% excess)						

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

D) CEMENT

PRODUCTION (Two stage w/DV tool @ $\pm 7000'$)

<u>INTERVAL</u>	<u>AMOUNT SXS</u>	<u>FT OF FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT³/SX</u>
1st Stage						
Lead						
7,000'-10,500' (50% excess)	370	3500	Interfill H	14.28	11.9	2.46
TAIL						
10,500'-11,500'	170	1000	Super H + 0.4% CFR-3 + 5 pps Gilsonite + 0.5% Halad-344 + 1 pps Salt	8.17	13.0	1.66
2nd Stage						
LEAD						
3370-6500' (75% excess)	375	2930'	Interfill C	14.28	11.9	2.46
TAIL						
6500-7000' (50% excess)	115	500'	Class C Neat + 0.6% Halad-9	6.25	14.8	1.32

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 3870'. No H₂S 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.

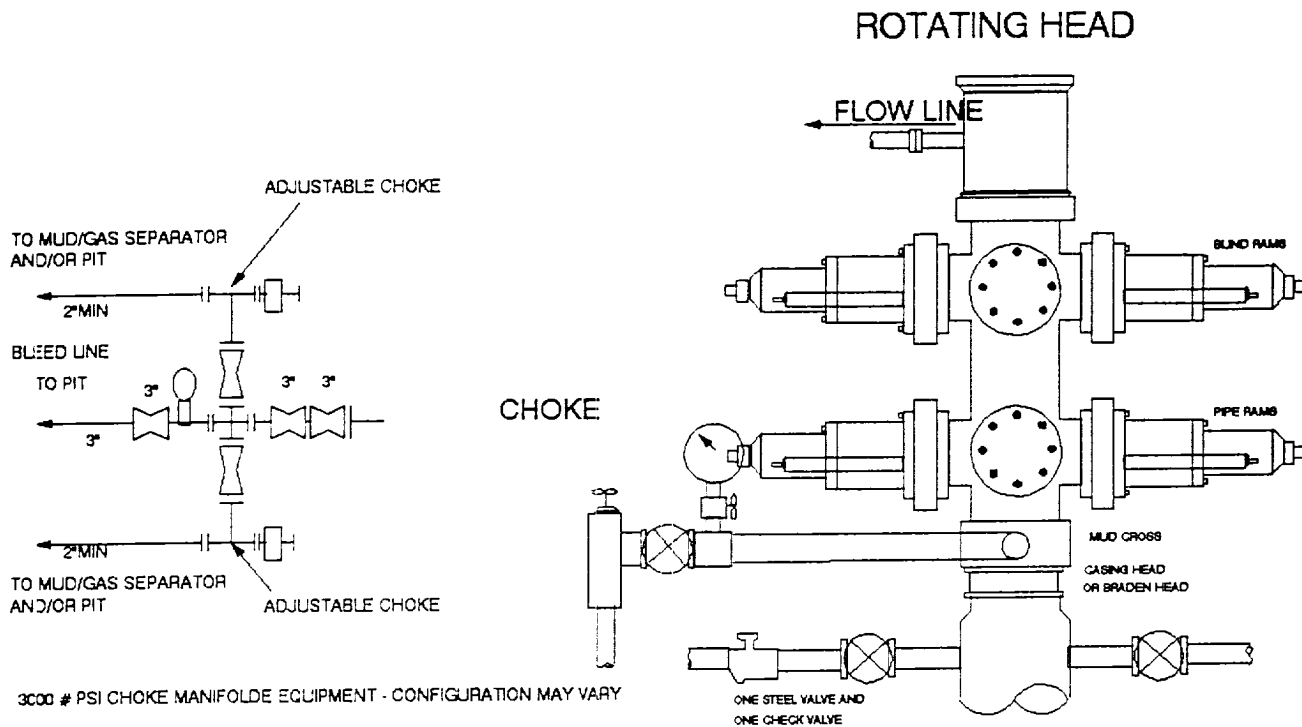
B) Anticipated Starting Date

Upon approval

23 days drilling operations

14 days completion operations

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.

BASS ENTERPRISES PRODUCTION CO.

231 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

October 14, 1999

U.S. MAIL & VIA FACSIMILE (505) 387-0589

IMC Kalium, Inc.
P. O. Box 71
Carlsbad, New Mexico 88221-0071

Attn: Mr. John Purcell

Re: Proposed Wells in James Ranch Federal Unit
Section 36, T23S-R30E (State Lease No. E-5229)
Section 1, T23S-R30E (Fed Lease No. NM 02887-D, NM 02884-B)
JRU Nos. 31, 32, 38, 63, 67 and 80
Eddy County, New Mexico

Dear Mr. Purcell:

Pursuant to our discussion, Bass Enterprises Production Co. has plans to drill six (6) wells within the James Ranch Federal Unit in Eddy County, New Mexico. Provided below are the well names, location and projected depths.

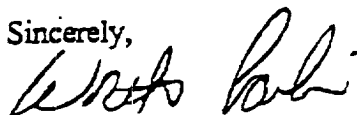
<u>Well Name</u>	<u>Proposed Depth</u>	<u>Proposed Location</u>
JRU Well No. 31	7,780' (Delaware)	1,980' FNL & FEL, Sec. 36, T22S-R30E
JRU Well No. 32	7,780' (Delaware)	760' FSL, 2,000' FEL, Sec. 36, T22S-R30E
JRU Well No. 38	7,810' (Delaware)	660' FEL, 1,980' FSL, Sec. 1, T23S-R30E
JRU Well No. 63	7,750' (Delaware)	660' FNL, 1,980' FWL, Sec. 1, T23S-R30E
JRU Well No. 67	7,750' (Delaware)	990' FWL, 1,980' FSL, Sec. 36, T22S-R30E
JRU Well No. 80	11,250' (Wolfcamp)	330' FNL, 1,650' FEL, Sec. 36, T22S-R30E

As requested, I have enclosed copies of previous correspondence from Western AG-Minerals Company dated March 17, 1993 and February 28, 1996 regarding acceptable locations in Section 36, T22S-R30E.

Letter to IMC
October 14, 1999
Page 2

Bass hereby requests a waiver of any objection IMC may have for the drilling of the above described wells. In the event IMC is agreeable to providing such waiver, please sign this letter in the space provided below and return one (1) executed original to the undersigned at your earliest convenience. Thank you very much and should you have any questions or comments in the above regard, please don't hesitate to contact the undersigned at (817) 390-8568.

Sincerely,



Worth Carlin

WWC:ca

AGREED and ACCEPTED this _____ day of _____, 1999.

IMC KALIUM, INC.

By: _____

Title: _____



WESTERN
AG-MINERALS
COMPANY

Johns JRM-67
Deuch
Tate Rec

P. O. Box 511, Carlsbad, New Mexico 88220 • (505) 885-3175 Fax 887-0943

887-3476

March 17, 1993

Jens Hansen
Bass Enterprises Production Co.
First City Bank Tower
201 Main St
Fort Worth, Texas 76102

LAND RECEIVED	
MAR 22 1993	
WAN	WFM
ITW	JWB
RAM	DOC
LWW	HBF
	WRS
	SF

Jens!

Re: Section 36, T22S R30E
Eddy County, New Mexico

Dear Hansen:

I cannot release a trace of our LMR in section 36. I will, however, indicate those areas in section 36 where Western Ag-Minerals will not protest drilling of holes requiring a 1/4 mile buffer. Hole locations in the NE 1/4, SE 1/4, and 920' or more from the west line in the SW 1/4 will not be protested.

Any well locations in the NW 1/4 will be protested because they will result in further loss of potash reserves.

If I can be of more assistance or if you have any questions don't hesitate to call. I can be reached at (505) 887-3476.

Sincerely,

Ben F. Zimmerly
Ben F. Zimmerly
Mining Engineer

BFZ/bfz

cc: R. H. Heinen
M. T. Worley

**WESTERN
AG-MINERALS
COMPANY**

P. O. Box 511, Carlsbad, New Mexico 88220 • (505) 885-3175

February 28, 1996

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

Re: Section 36, T22S R30E
Section 6, T22S R31E
James Ranch Wells No. 65, 66 and 67
Eddy County, New Mexico

LAND RECEIVED		
MAR 04 1996		
WRS	JWB	TCS
ODC	MBF	
HCM	ATV	

Dear Carlin:

Western Ag-Minerals does not protest the location of James Ranch 65.

Western Ag-Minerals does protest the locations of both James Ranch No. 66 (990' FWL and 660' FSL, section 36 T22S R30E) and James Ranch No. 67 (990' FWL and 1980' FSL, section 36 T22S R30E.) Well No. 66 is within a half mile of open mine workings and Western Ag-Minerals' LMR. Well No. 67 is within a half mile of Western Ag-Minerals' LMR.

Western Ag-Minerals would not protest a location of 2010' FWL and 660' FSL, section 36 T22S R30E for James Ranch Well No. 66. Nor would we protest a location of 1524' FEL and 1980' FSL, section 36 T22S R30E for James Ranch Well No. 67.

If I can be of more assistance or if you have any questions don't hesitate to call. I can be reached at (505) 887-3476.

Sincerely,

Ben F. Zimmerly
Sr. Mining Engineer

BFE/bfz

cc: R. H. Heinen

BLM - Carlsbad Office