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

5F

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

RECEIVED
MAY 2001
ARTESIA

5. Lease Designation and Serial No.
NM-02864

6. If Indian, Allottee or Tribe Name

1a. TYPE OF WORK
DRILL [XX] DEEPEN [ ]

7. Unit agreement name 1796
Poker Lake Unit

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

8. Farm or Lease Name, Well No.
Poker Lake Unit #172

2. Name of Operator
Bass Enterprises Production Company 1801

9. API Well No.
30-015-31800

3. Address and Telephone No.
P.O. Box 2760, Midland, TX 79702 (915) 683-2277

10. Field and Pool, or Wildcat
Nash Draw (Delaware)

4. Location of Well (Report location clearly and in accordance with any State requirements.*)
At Surface
660' FSL & 2310' FEL, Unit Letter O
At proposed prod. zone
Same

R-111-P Potash

11. Sec., T., R., M., or Blk. and Survey or Area
Section 33, T23S-R30E

14. Distance in miles and direction from nearest town or Post Office*
14 miles east from Malaga, 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)	660'	16. No. of acres in Lease	480	17. No. of Acres assigned to this Well	40
18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this Lease, ft.	1361'	19. Proposed Depth	7910'	20. Rotary or Cable Tools	Rotary
21. Elevations (Show whether DF, RT, GR, etc.)	3381' GR			22. Approx. date work will start*	ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8" WC-50	24#	815' WITNESS	265 sx Circ to surface
7-7/8"	5-1/2" K-55	15.5# & 17#	7910'	600 sx, TOC @ 3300'

Carlsbad Controlled Water Basin

Surface casing to be set +/-50' above the Salt.
Production casing cement will be brought up to at least 500' above the upmost hydrocarbon bearing zone.
Drilling procedure, BOPE diagram, anticipated formation tops, and surface use plans attached.

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS 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 one mile of this well.

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 William R. Dannels W. R. Dannels Title Division Drilling Supt. Date 3-23-01

(This space for Federal or State office use)

Permit No. _____ Approval Date _____

Application approval does not warrant or certify that 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:

Approved by /S/ RICHARD A. WHITLEY Title ASSOC. STATE DIRECTOR Date MAY 18 2001

*See Instruction on Reverse Side

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.

APPROVAL FOR 1 YEAR

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
	47545	Nash Draw (Delaware)

Property Code	Property Name	Well Number
001796	POKER LAKE UNIT	172

OGRID No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3381'

Surface Location

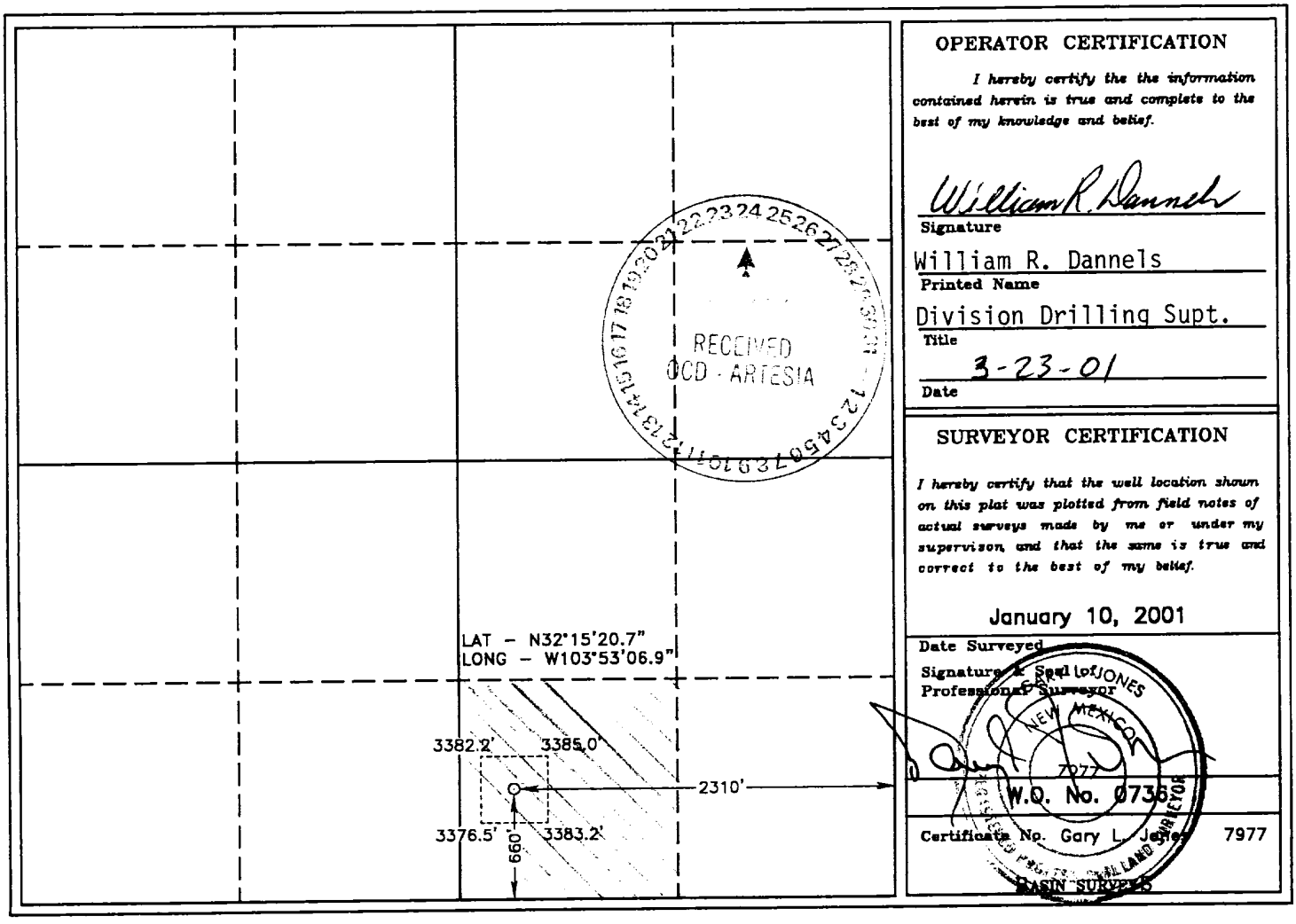
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	33	23 S	30 E		660	SOUTH	2310	EAST	EDDY

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.

William R. Dannels
Signature

William R. Dannels
Printed Name

Division Drilling Supt.
Title

3-23-01
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.

January 10, 2001
Date Surveyed

Signature & Seal of Professional Surveyor

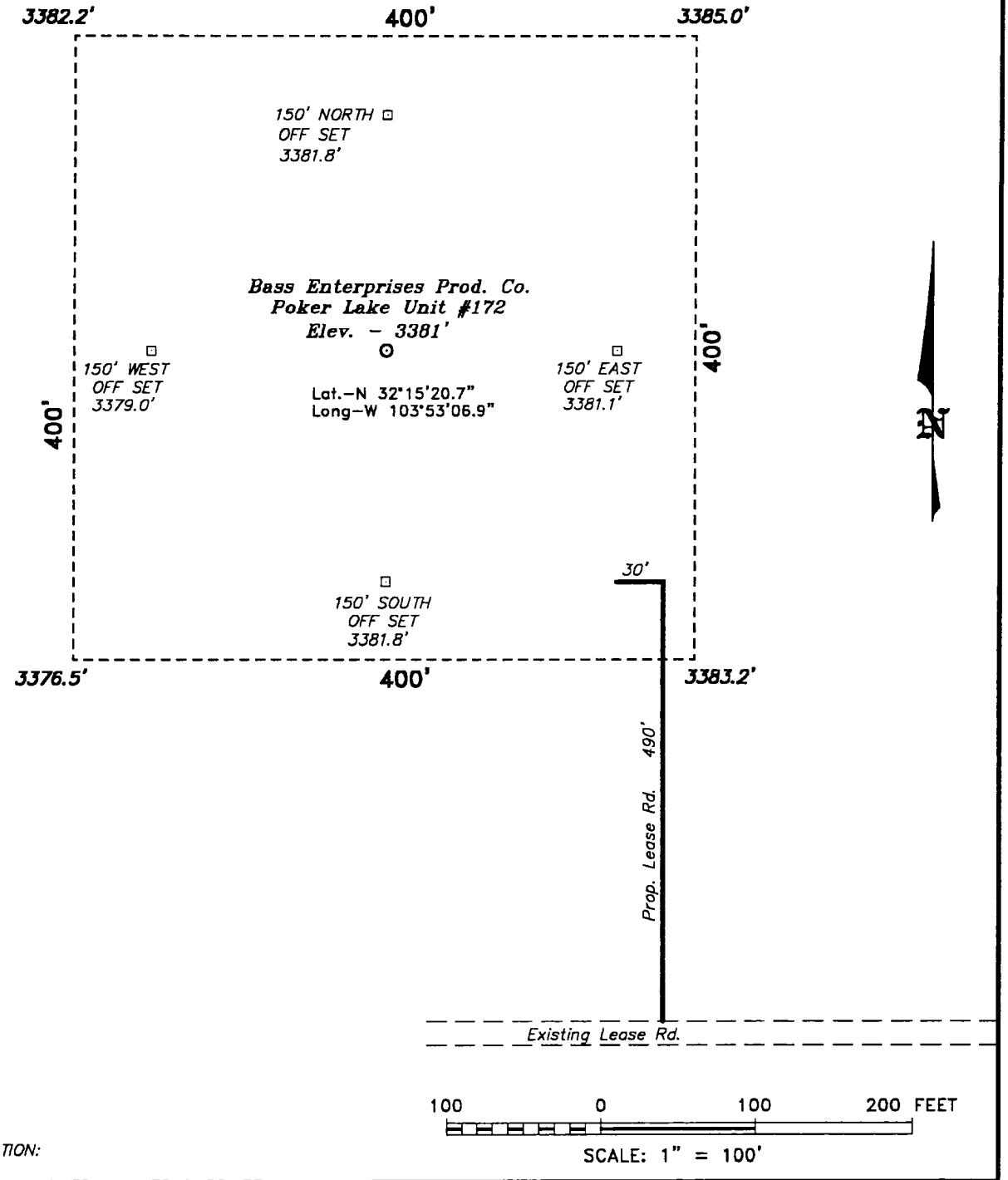
GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

W.O. No. 0736

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

SECTION 33, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, **NEW MEXICO.**



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 176 & CO. RD. 795 (MOBLEY RANCH ROAD), GO SOUTHERLY ON 795 FOR 0.6 MILE TO A "Y"; THENCE TAKE CAL. ROAD LEFT AND CONTINUE SOUTHERLY 4.5 MILES, THEN CONTINUE ON CAL. LEASE ROAD WESTERLY FOR 1.4 MILE TO PROPOSED LEASE ROAD OR CONTINUE WEST 0.3 MILE AND FOLLOW CAL. LEASE ROAD NORTHERLY FOR 0.3 MILE TO PROPOSED LEASE ROAD.

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

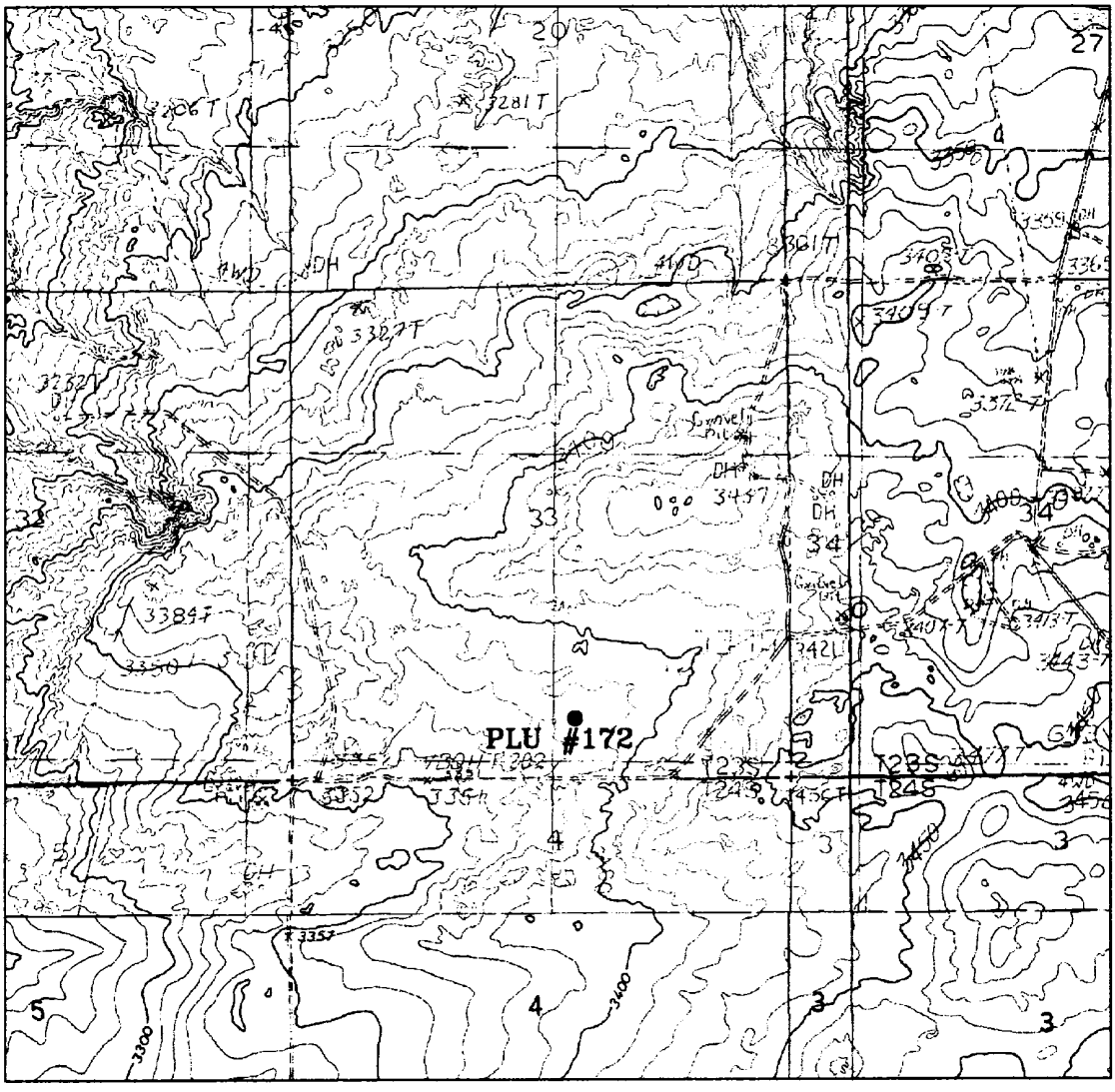
W.O. Number: 0736	Drawn By: **K. GOAD**
Date: 01-11-2001	Disk: KJG CD#3 – 0736A.DWG

BASS ENTERPRISES PRODUCTION CO.

REF: Poker Lake Unit No. 172 / Well Pad Topo

THE POKER LAKE UNIT No. 172 LOCATED 660' FROM THE SOUTH LINE AND 2310' FROM THE EAST LINE OF SECTION 33, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 01-10-2001	Sheet 1 of 1 Sheets



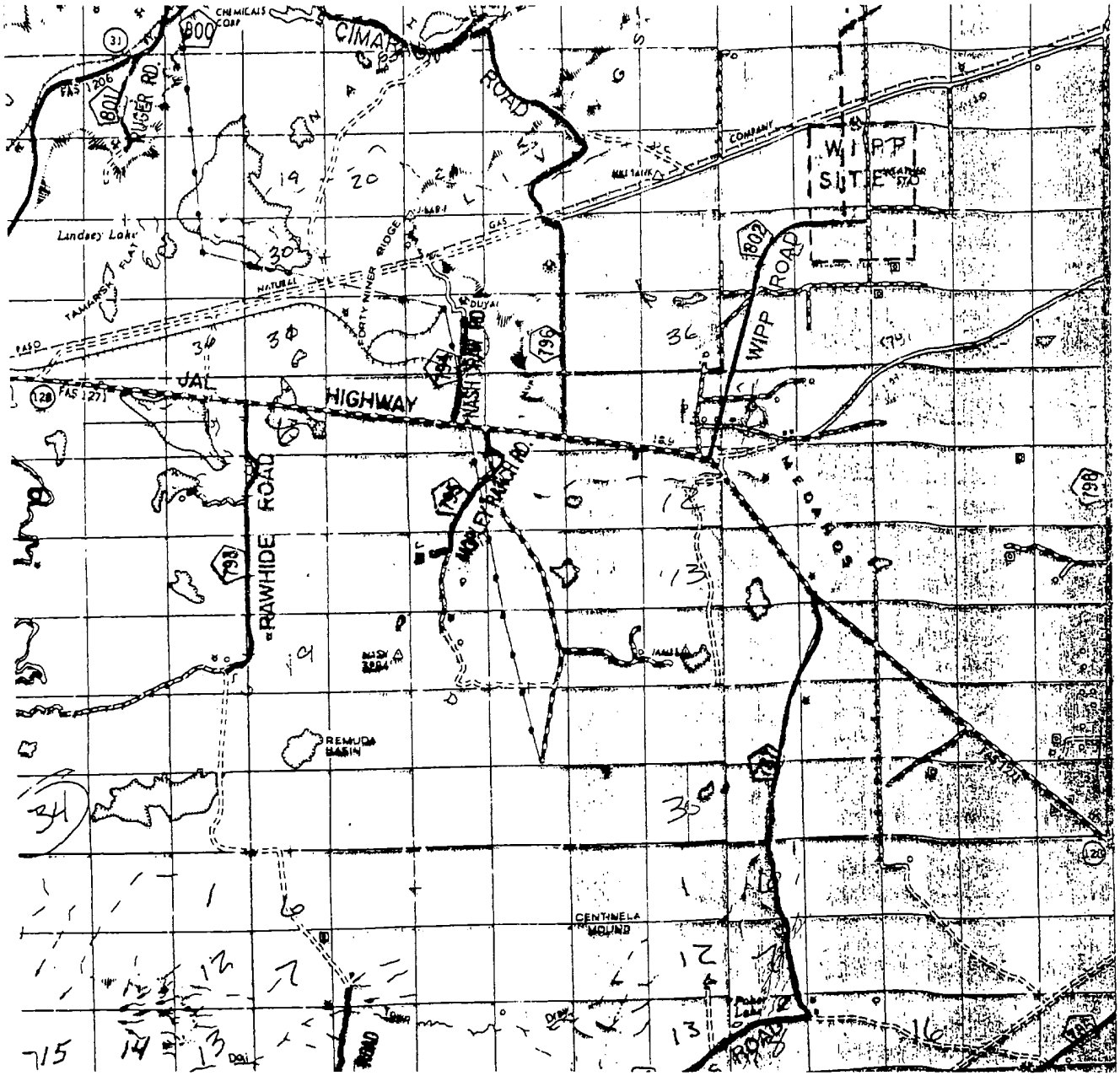
POKER LAKE UNIT #172
Located at 660' FSL and 2310' FEL
Section 33, Township 23 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

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:	0736AA - KJG CD#3
Survey Date:	01-10-2001
Scale:	1" = 2000'
Date:	01-11-2001

BASS ENTERPRISES
PRODUCTION CO.



POKER LAKE UNIT #172
Located at 660' FSL and 2310' FEL
Section 33, Township 23 South, Range 30 East,
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(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number:	0736AA - KJG CD#3
Survey Date:	01-10-2001
Scale:	1" = 2 MILES
Date:	01-11-2001

BASS ENTERPRISES
PRODUCTION CO.

EIGHT POINT DRILLING PROGRAM
BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: Poker Lake Unit #172

LEGAL DESCRIPTION - SURFACE: 660' FSL & 2310' FEL, Section 33, 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 3394' (est) GL 3381'

FORMATION	ESTIMATED TOP FROM KB	ESTIMATED SUBSEA TOP	BEARING
T/Salt	864'	+2530'	Barren
B/Salt	3579'	- 185'	Barren
T/Lamar	3782'	- 388'	Barren
T/Ramsey Sand	3822'	- 428'	Oil/Gas
T/Lwr Brushy Canyon U Sand	7394'	-4000'	Oil/Gas
T/Lwr Brushy Canyon Y Sand	7529'	-4135'	Oil/Gas
T/Bone Spring Lime	7649'	-4255'	Barren
TD	7910'	-4516'	

POINT 3: CASING PROGRAM

TYPE	INTERVALS	PURPOSE	CONDITION
14"	0'- 40'	Conductor	New
8-5/8", 24#, WC-50, ST&C	0'- 815'	Surface	New
5-1/2", 15.5#, K-55, LT&C	0' -6500'	Production	New
5-1/2", 17#, K-55, LT&C	6500' -7910'	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. The BOP stack choke, kill lines, Kelly cocks, inside BOP, etc. will be hydro-tested to 70% of internal yield pressure of casing. In addition to the high 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

A function test to insure that the preventers are operating correctly will be performed on each trip.

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' - 815'	FW Spud Mud	8.5 - 9.2	45-35	NC	NC	NC	NC
815' - 5600'	Brine Water	9.8 -10.0	29-30	NC	NC	NC	10
5600' – 7810'	**	8.9 - 9.3	36-40	15	10	<100 cc	9.5 - 10
7810' - TD	**	8.9 - 9.3	36-45	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

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT^3/SX
SURFACE:						
Lead 0 - 565' (100% excess circ to surface)	160	565	Permian Basin Critical Zone + ¼ pps Flocele	10.33	12.8	1.89
Tail 565-815' (100% excess circ to surface)	105	250	Prem Plus + 2% $CaCl_2$	6.33	14.8	1.35
PRODUCTION: Single stage w/ Zone Seal Cement.						
3300' – 7910' (+ 50% excess)						
Base Slurry	600	4610	Premium Plus + 1% Zone Seal	6.73	14.5	1.38
Consisting of		1110	Base Slurry + 300 SCF/Nitrogen	6.32	5.5	2.64
		1500	Base Slurry + 400 SCF/Nitrogen	6.32	8.9	2.01
		2000	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 3350 psi (max) or MWE of 8.4 ppg is expected. Lost circulation may exist in the Delaware Section from 5600-7649'. No H_sS 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

WRD/tlw/mac
March 23, 2001

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: Poker Lake Unit #172

LEGAL DESCRIPTION - SURFACE: 660' FSL & 2310' FEL, Section 33, T-23-S, R-30-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Surveyor's Plat.

B) Existing Roads:

From the Junction of State Hwy 176 and Co. Rd. 795 (Mobley Ranch Road), go southerly on 795 for 0.6 mile to a "Y". Thence take caliche road left and continue southerly 3.75 miles then turn north on caliche lease road for 490' to proposed location.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "A".

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See surveyor's plat. Proposed Lease Road will be approximately 490' long.

B) Width

12' wide.

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 within one mile owned or controlled by lessee/operator:

None.

B) New Facilities in the Event of Production:

New facilities are proposed with the drill well PLU #170. A flowline will be layed to those facilities.

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 battery or from commercial facilities.

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

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 "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 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.

POINT 9: WELL SITE LAYOUT – Cont'd...

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 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

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

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 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 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

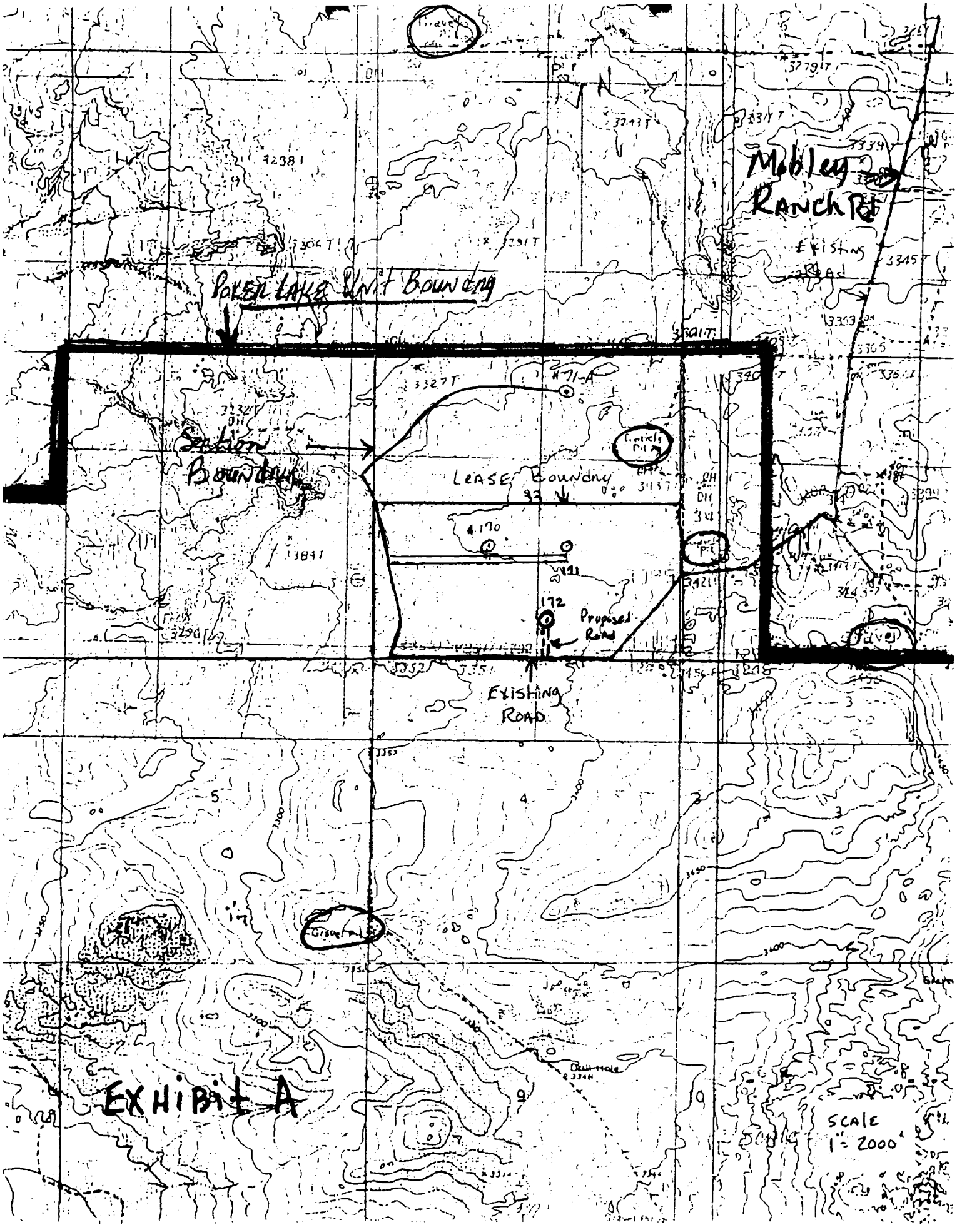
POINT 13: CERTIFICATION

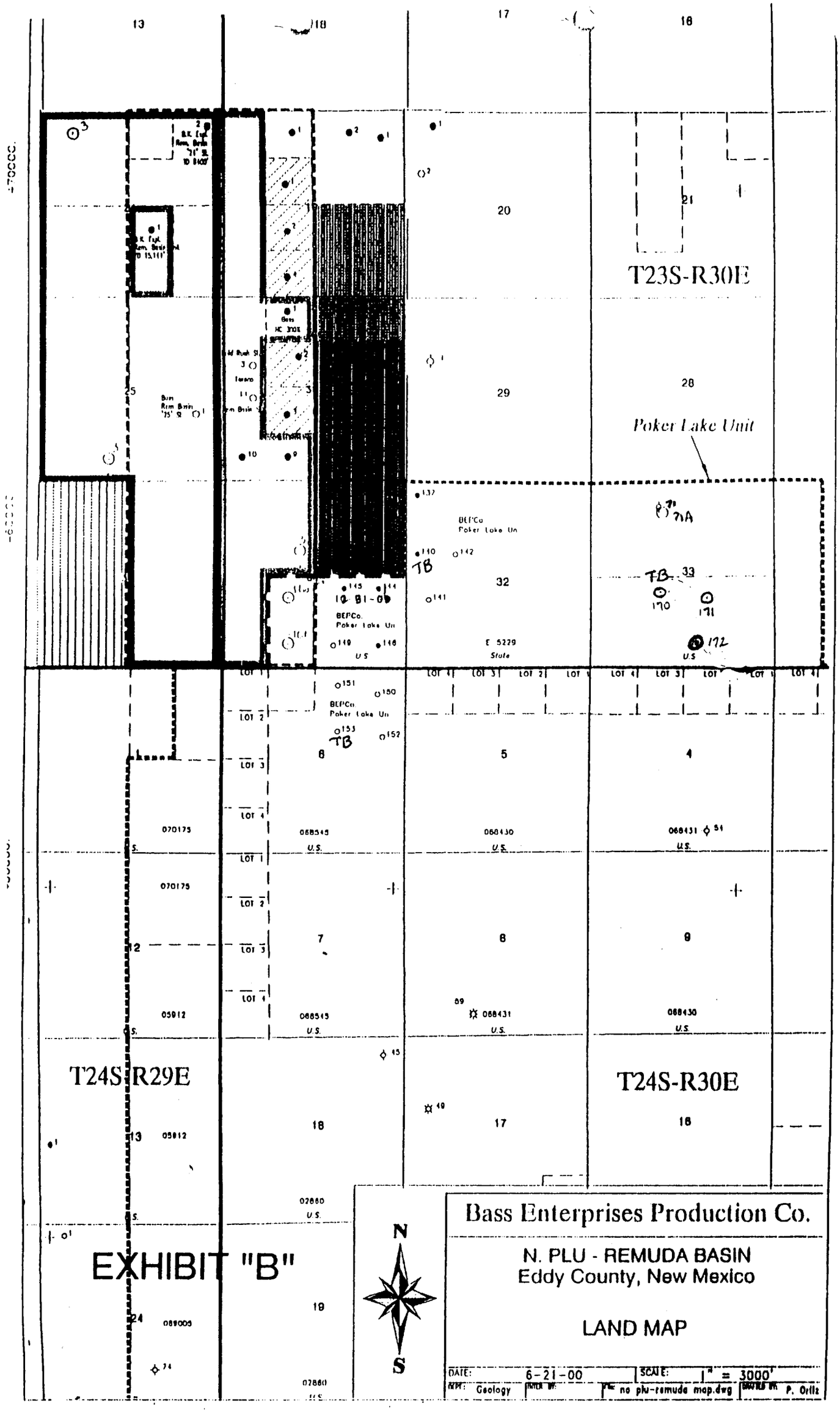
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and that the work associated 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.

3-23-01
Date

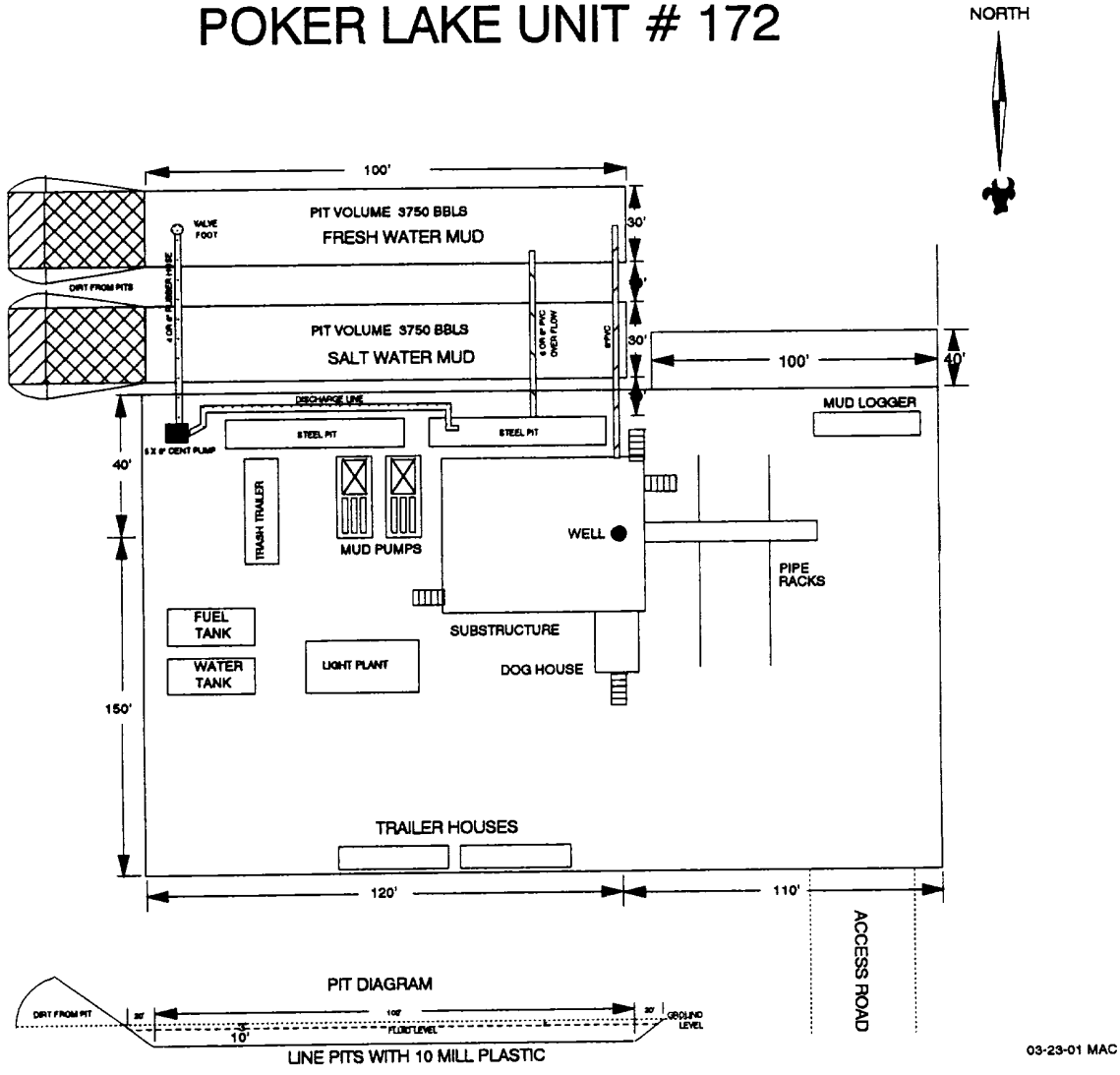
William R. Dannels
William R. Dannels

WRD/tlw/mac


Poker Lake Unit Boundary
Mobley Ranch Rd
Existing
Section Boundary
LEASE Boundary
#71-A
4170
172
Proposed Road
Existing Road
EXHIBIT A
SCALE
1" = 2000'


T23S-R30E
Poker Lake Unit
T24S-R29E
T24S-R30E
EXHIBIT "B"
N
S
Bass Enterprises Production Co.
N. PLU - REMUDA BASIN
Eddy County, New Mexico
LAND MAP
DATE: 6-21-00
SCALE: 1" = 3000'
DRAWN BY: P. Ortiz
no plu-remuda map.dwg

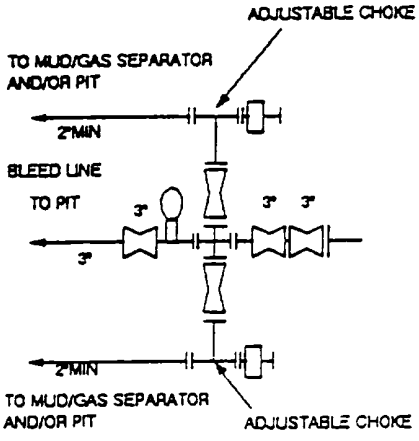
POKER LAKE UNIT # 172

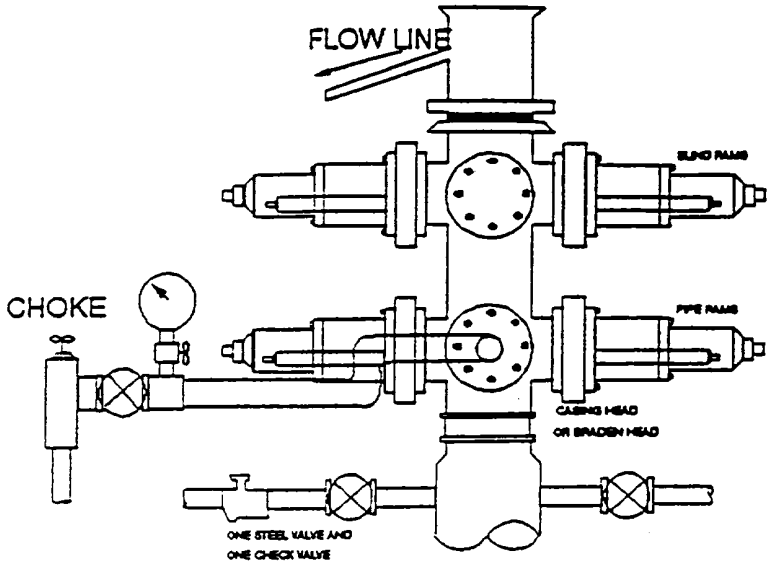


03-23-01 MAC

EXHIBIT "C"

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