

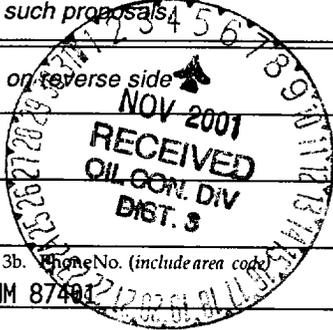
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side



5. Lease Serial No.
NMNM - 03998

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No.
Bassett #1R

9. API Well No.
30-045-30735

10. Field and Pool, or Exploratory Area
Blanco Mesaverde Basin Dakota

11. County or Parish, State
San Juan NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Cross Timbers Operating Company

3a. Address
2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

3b. Phone No. (include area code)
505-271-2828

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
900' FNL & 1,810' FWL Sec 33, T30N, R10W

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximated duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Please see the attached information concerning the above mentioned well.

RECEIVED
OCT 26 PM 2:27
OCS

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) JW Patton Title Drilling Engineer

Date 10/25/01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date 11/2/01

Office _____

Conditions of approval, if any, are attached. Approval of this notice 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.

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 representations as to any matter within its jurisdiction.



Bassett #1R Dakota / Mesaverde New Drill Well

09/08/01 Spudded 12-1/4" hole @ 8:30 p.m.

09/10/01 Set 8-5/8", 24.0# J-55 casing @ 417'. Cemented casing to surface.

09/11/01-
09/29/01 Drilled 7-7/8" hole to 7,427' KB. Proposed TD @ 7,450'. Lost circ @ 3,560', 5,052', 6,202', 6,638' & 7,119' while drilling. Lost complete returns and blind drilled the last 308' to TD without returns. Drill bit came out under gaged.

09/30/01-
10/12/01 Tried to wash & ream with full gage 7-7/8" bit back to bottom. Encountered bridges from 1,487' to 7,004'. Attempted to wash & ream with 7-7/8" mill. No success. Attempted to wash & ream with smaller (6-1/4") bit. No success. Attempted to wash & ream with new 7-7/8" bit. Stuck bit at 6,885'. Pulled loose. Tripped out of hole. Inspected bit. Tripped in hole. Unable to get to bottom. Waited on orders. Decision made to switch casing from 4-1/2" casing to 5-1/2", 15.5#, J-55 casing. Ordered 7,600' of 5-1/2" casing out of Casper, WY. 5-1/2" casing will allow liner to be installed if casing will not get to bottom.

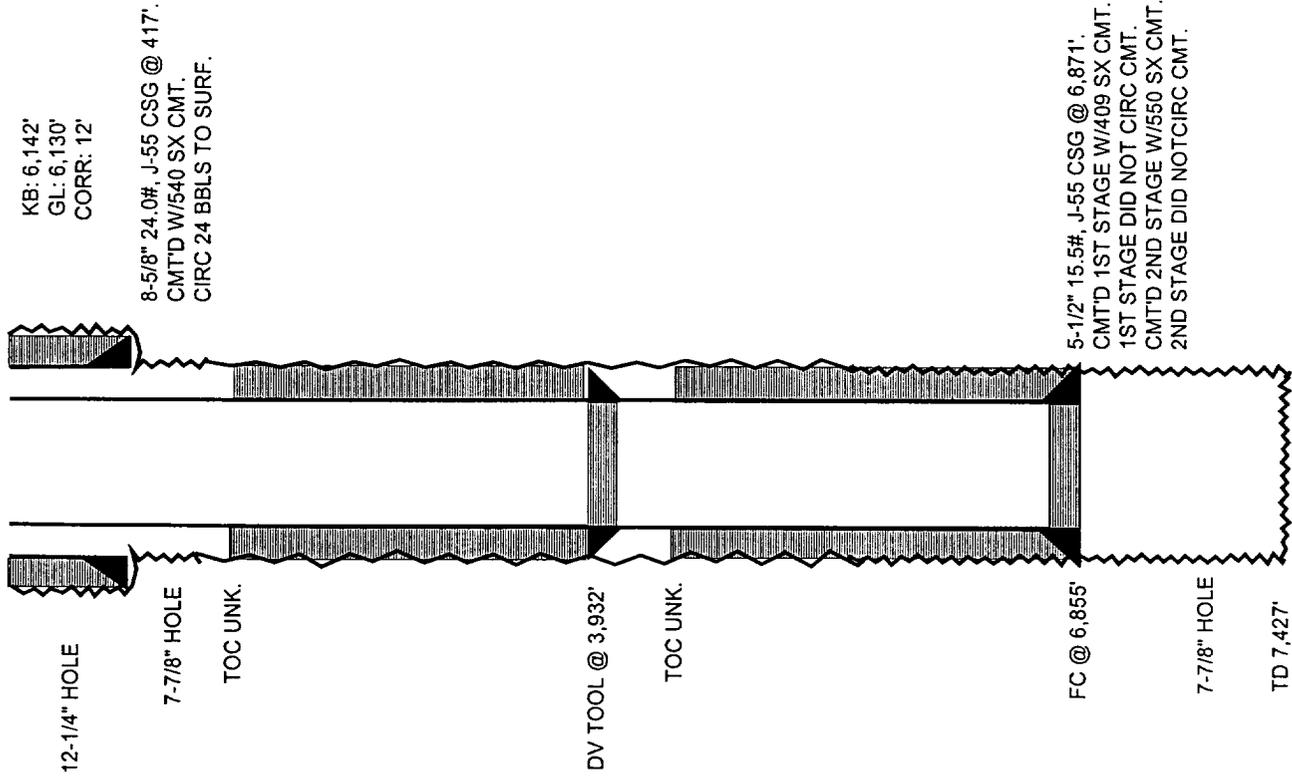
10/13/01 5-1/2" casing delivered to location. Tripped out of hole for casing.

10/14/01 5-1/2" casing tripped in hole. Unable to get casing past bridge @ 6,871' KB. Casing landed @ 6,871' KB. DV Tool set at 3,932' KB. First stage cemented with 300 sx Premium lite HS cement (mixed @ 11.9 ppg & 2.39 cuft/sx) followed by 109 sx Premium Lite HS (mixed @ 12.5 ppg & 2.00 cuft/sx). Bumped plug. Opened DV tool. No cement observed at surface. Second stage cemented with 450 sx Premium Lite HS cement (mixed @ 11.9 ppg & 2.39 cuft/sx) followed by 100 sx Premium Lite HS cement (mixed @ 12.5 ppg & 2.00 cuft/sx). Observed dye water at surface. No cement observed at surface. Released drilling rig. Plan to run CBL during completion to find TOC.

10/25/01 Liner assembly installation procedure written. See Attached.

BASSETT #1R

WELLBORE DIAGRAM



DATA
LOCATION: 900' FNL & 1,810' FWL, UNIT C, SEC 33, T30N, R10W
COUNTY/STATE: SAN JUAN CO., NM
FIELD: BASIN DAKOTA
FORMATION: DAKOTA
API#: 30-045-30735
SPUD DATE: 09/08/01
CTOC WELL#: 72283 (DK) & 72285 (MV)
COMPLETION DATE:

IP:
PRODUCTION METHOD:
TUBING STRING:
PERFS:

HISTORY

09/08/01 BEARCAT DRG CO. RIG #1 SPUDD 12-1/4" HOLE FOR XTO ENERGY, CO.
 09/10/01 DRLD 12-1/4" HOLE TO 420'. SET 8-5/8", 24.0#, J-55, STC CSG @ 417'. CMT'D W/540 SX CLASS B CMT W/2% CACL2 + 1/4#/SX CELLOFLAKE. MIXED @ 15.6 PPG & 1.18 CU FT/SX. CIRC 24 BBLS CMT TO SURF.
 09/11/01 - 09/29/01 DRLD 7-7/8" HOLE TO 7,427' TD. REACHED TD ON 09/29/01. LOST CIRC @ 3,560', 5,052', 6,202', 6,638' & 7,119'. MW 8.5 - 9.0 PPG. MIXED LCM PILLS & RAN LCM @ 20%-25% TO TRY TO MAINTAIN CIRC. DRLD LAST 308' W/O RTNS. LAST BIT CAME OUT UNDER GAGE.
 09/30/01 - 10/13/01 TRIED TO WASH & REAM BACK TO TD. ENCOUNTERED MULTIPLE BRIDGES STARTING @ 1,487'. HAD LOST CIRC PROBLEMS. STUCK DRILL PIPE @ 6885' & 7,006'. FOUND DRILL PIPE PLUGGED W/SHALE ON ONE TRIP. POSSIBLE SHALES WERE SLOUGHING IN & COULD NOT KEEP HOLE CLEAN. WASHED & REAMED BACK DWN TO 7,022'. COULD NOT GET BACK TO TD.
 10/14/01 SET 5-1/2", 15.5#, J-55, STC CSG @ 6,871'. DV TOOL @ 3,932'. SHORT JT @ 4,451'. BJ SERVICES CMT'D STAGE 1 W/300 SX PREMIUM LITE HS CEMENT LEAD SLURRY (65/35/6 TYPE III/POZ/GEL + 1/4#/SX CELLOFLAKE + 0.35% FL & 6#/SX GILSONITE. MIXED @ 11.9 PPG & 2.39 CUFT/SX.) + 109 SX PREMIUM LITE HS CEMENT TAIL SLURRY (65/35/6 TYPE III/POZ/GEL + 1/4#/SX CELLOFLAKE + 0.35% DISP, 0.25% FL & 6#/SX GILSONITE. MIXED @ 12.5 PPG & 2.00 CUFT/SX.). OPENED DVT. DID NOT CIRC CMT TO SURF ON STAGE 1. CMT'D STAGE 2 W/450 SX PREMIUM LITE HS CEMENT LEAD SLURRY (65/35/6 TYPE III/POZ/GEL + 1/4#/SX CELLOFLAKE + 0.35% DISP, 0.25% FL & 6#/SX GILSONITE. MIXED @ 11.9 PPG & 2.39 CUFT/SX.) + 100 SX PREMIUM LITE HS CEMENT TAIL SLURRY (65/35/6 TYPE III/POZ/GEL + 1/4#/SX CELLOFLAKE + 0.35% DISP, 0.25% FL & 6#/SX GILSONITE. MIXED @ 12.5 PPG & 2.00 CUFT/SX.). DID NOT CIRC CMT TO SURF ON STAGE 2. REL RIG 10/15/01.

**BASSETT #1R
DO & RUN LINER PROCEDURE
SEC 33C, T30N, R10W
SAN JUAN CO., NM**

AFE / Acct Code: 100540 / 72283 (DK)
100541 / 72285 (MV)
Prod Csg: 5-1/2", 15.5#, J-55 csg @ 6,871'
DVT: 3,932'
PBSD: 6,855' float collar
TD: 7,427'
Tbg: None
Perfs: None

NOTE: Morning reports to be made on Daily Drilling Report Form. Record mud properties & bit information on report each day. Use Casing/Cementing Detail Form when liner is ran. Starting cost is \$590,970. All invoice charges will be split 60% to DK & 40% to MV.

1. Set anchors.
2. Cutoff 5-1/2" csg. Install 3,000 psig flanged TBGHD.
3. MIRU PU w/drlg pit & drlg pmp.
4. Recommend intially fill pit w/fresh wtr to drill out DVT & float shoe. Cement may have been flushed or partially flushed with drill mud so old possibly contaminated drlg mud will be circ'd out. Recommend prior to finish drlg out the shoe jt change out mud (either mix or get mud from one of our drlg rigs). Recommended mud vendor: Arnold Van Noy (Wes Van Mud 327-2009).
5. ND WH. NU BOP.
6. MI \pm 7,400' 2-7/8" 10.40# AOH drill pipe & \pm 8 - 3-1/2" x 1-1/2" DC's. Approx. wt in air of drill string @ TD is 81,300#. Drill pipe specifications attached.
7. PU & TIH w/4-3/4" milled tooth, sealed bearing, gauge protected bit, 3-1/2" DC's & 2-7/8" 10.40# AOH drill pipe. Drift drill pipe when it is picked up. Laydown any drill pipe that does not drift. Drill pipe must drift in order to use single wiper plug system on liner. Recommend bit program attached. Recommended bit vendor: Kevin Dotson [Smith Bits 327-1312 (O) or 330-3608 (M)].
8. DO DVT @ 3,932'.
9. TIH to the float collar. Prior to DO the float collar & float shoe. Press tst csg to 1,000 psig for 30" (OCD tst).
10. DO float collar, 15' shoe jt & float shoe.

BASSETT #1R
DO & RUN LINER PROCEDURE
SEC 33C, T30N, R10W
SAN JUAN CO., NM

11. Wash & ream out 7-7/8" openhole back to original TD (7,427'). Recommend start drilling out w/mill tooth bit. If mill tooth bit will not make hole then TOH & chg to insert bit w/3 – 14 jts. Mud up as needed. Try to keep mud wt below 9.0 ppg & solids under 2%. Run LCM if needed. Mud viscosity ± 36 .
12. TOH w/bit & DC's.
13. TIH w/4-3/4" bit, under reamer, DC's & 2-7/8" DP. Under reamer should open hole to between 6-1/2" to 7-7/8". Original drilled hole diameter was 7-7/8".
14. Under ream openhole fr/6,871'-7,427' TD.
15. TOH & LD bit, under reamer & DC's.
16. MIRU Schlumberger openhole logging trk to log. Run Schlumberger Triple Combo log (Array Induction/SFL/GR/SP; CNL/Lithodensity/Pe/GR/Cal) in openhole fr/TD – 6,871' continue running GR/CNL log in cased hole fr/6,871' – 400'. Run Formation Micro Imager (FMI) log in openhole fr/TD-6,871'. **NOTE:** need to give Schl. as much notice as possible (1-2 days notice) because they need to line up slimhole tools to log through 5-1/2" csg.
17. MI $\pm 800'$ of 4", 10.46#, J-55, FL4S csg (ID 3.476", capacity 0.0659 cuft/ft or 0.01175 bbls/ft, parting load strength 121,000 lbs, collapse 6,590 psig, burst 6,300 psig).
18. RU csg crew. Recommended make-up torque for 4" 10.46#, J-55, FL4S csg is 1,200 – 1,500 ft-lbs.
19. PU Baker dbl float V-shoe, 1 jt 4" 10.46# J-55, FL4S csg, Baker landing collar, ± 17 jts 4" 10.46# J-55, FL4S csg, Hyflo 3 liner hanger, Hyflo 3 liner pkr & C-2 liner setting tool w/swab cup assembly. TIH w/liner on 2-7/8" drill pipe to TD. Overlap liner inside of 5-1/2" csg at least 200'. Ttl length of liner & hanger equip will be is $\pm 756'$ if able to get back to orig 7,427' TD. RD csg crew. **NOTE:** Attached is Baker Oil Tools info on their liner hanging equip.
20. Set liner hanger @ $\pm 6,670'$ (200' overlap in 5-1/2" csg). Rel setting tool fr/hanger.
21. Run field blend tst on cmt pmp time. Est pmp time 3:29 min. BJ Services cement recommendation is attached.
22. Cement liner as follows: Pmp 20 bbls Mud Clean II preflush, 20 bbls fresh wtr spacer & 95 sx Premium Lite High Strength FM cmt (65/35/6 Type III/Poz/gel w/ lbs/sx CSE & 0.03% static free) + 0.3% bwoc R-3, 2% bwow KCl + 0.25 lbs/sx Cello Flake + 0.3% bwow CD-32 + 5 lbs/sx LCM-1 + 1% bwow FL-52 (mixed @ 12.5 ppg & 2.02 cuft/sx yield; mix wtr 10.11 gals/sx) and ± 40 bbls fresh wtr flush.

**BASSETT #1R
DO & RUN LINER PROCEDURE
SEC 33C, T30N, R10W
SAN JUAN CO., NM**

23. Set liner pkr @ $\pm 6,670'$.
24. Sting setting tool out of liner. Rev circ cmt off top of liner. Est vol of cmt rev out.
25. TOH w/setting tool.
26. WOC
27. MI $\pm 900'$ 2-3/8", 4.7#, J-55, EUE, 8rd tbg w/turned dwn special clearance collars.
28. TIH w/regular 2-3/8" NC, 900' 2-3/8" tbg w/turned dwn special clearance collars, 2-3/8" EUE 8rd x 2-7/8" AOH XO & 2-7/8" DP. Tgd PBDT.
29. TOH w/NC, tbg & DP. LD tbg & DP.
30. RU cased hole logging trk. Run GR/CBL fr/PBDT – surface w/500 psig on csg. Correlate depths to logs ran in Step 16. RD logging trk.
31. ND BOP. NU WH.
32. RDMO PU.