

DATE IN 3/12/06	SUBMITTER	WORK SITE NO. 5706, NEK	LOGGED IN 3/13/06	TYPE NSL	APP NO. P TDS0607234155
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Production Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce
 Print or Type Name

James Bruce
 Signature

Attorney for applicant
 Title

3/12/06
 Date

jamesbruc@aol.com
 e-mail Address

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

March 12, 2006

Via fax and U.S. Mail

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Bass Enterprises Production Co. applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Horned Toad 36 State Well No. 1
<u>Location:</u>	1625 feet FNL & 660 feet FEL
<u>Well unit:</u>	SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 36, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

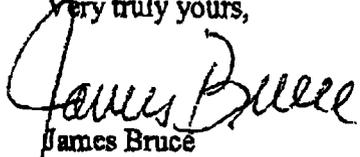
The well will be drilled to a depth sufficient to test the Delaware formation (Nash Draw-Delaware Pool). The formation is spaced on statewide rules, with 40 acre spacing, and wells to be located no closer than 330 feet to a quarter-quarter section line. An APD, with a Form C-102 attached, is attached as Exhibit A.

The location is based on topographical reasons. The proposed well is situated approximately equidistant between two arroyos. It was originally at an orthodox location, but was moved to the north to avoid an existing gas gathering line. In addition, the location is near an existing lease road, which minimizes surface disturbance. See Exhibit B.

The well is located on State Lease V-7100, which covers the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 32, and which has common ownership. There is no adversely affected party, and notice has not been given to anyone. See Exhibit C.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Bass Enterprises Production Co.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1201 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

AMENDED REPORT

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

Operator Name and Address Bass Enterprises Production Co. P. O. Box 2760 Midland, TX 79702		OGRID Number 001801
Property Code		API Number 30-
Property Name HORNNED TOAD 36 STATE		Well No 1
Proposed Pool 1 NASH DRAW - DELAWARE		Proposed Pool 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Westline	County
H	36	24S	29E		1625'	NORTH	660'	EAST	EDDY

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/Westline	County

Additional Well Information

Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3130' GL
Multiple NO	Proposed Depth 7800'	Formation DELAWARE	Contractor ADOBE DRILLING	Spud Date 11/01/2005
Depth to Groundwater 150'		Distance from nearest fresh water well 2-1/2 miles		Distance from nearest surface water 6 miles
Liner: Synthetic <input checked="" type="checkbox"/> 2 milsthick Clay <input type="checkbox"/>		Pit Volume: 11500bbls		
Closed-Loop System <input type="checkbox"/>		Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input checked="" type="checkbox"/> Gas/Air <input type="checkbox"/>		

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14-3/4"	11-3/4"	42#	790'	480	SURFACE*
11"	8-5/8"	32#	3340'	1026	1000'
7-7/8"	5-1/2"	15.5 & 17#	7800'	750	3040'

* 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.

SURFACE IS OWNED BY THE STATE OF NEW MEXICO. ATTACHED IS A DRILLING PROGNOSIS AND A BOP DIAGRAM. This is an unorthodox location.

*Bass proposes to drill 10' into the salt section to insure all zones above the salt are penetrated. The casing will be set 10'-20' above the total depth and cemented to surface.

* *This intermediate casing is a contingency string to be installed only if we encounter "free flowing sand" as was found in our Poker Lake Unit #217 located in section 19, T24S, R30E. In Poker Lake Unit #217 this sand occurred at several depths (+ 1500', + 1800', + 1950', + 2300') and we were only able to control it by "Mudding Up" with a high vis drilling fluid which with the resultant mud weight exceeded the low frac gradient in the Delaware Lower Brushy Canyon Sands. Therefore, the 11" casing is proposed in order to put this problem behind pipe and thereby allow for the drilling of the Delaware Sands with a fresh water low weight drilling fluid. If the flowing sand problem is not encountered the intermediate casing will not be run. Hole size will be reduced to 7-7/8" and the production hole drilled with a brine water/diesel emulsion mud. This drilling fluid has been used successfully by Bass in the (Nash Draw) Delaware Field.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCDD guidelines , a general permit , or an (attached) alternative OCD-approved plan .

OIL CONSERVATION DIVISION

Approved by:

Printed name: Cindi Goodman

Title:

Title: Production Clerk

Approval Date:

Expiration Date:

E-mail Address: cdgoodman@basspet.com

Date: 09/08/2005

Phone: (432)683-2277

Conditions of Approval Attached



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

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 - 3 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 47545	Pool Name NASH DRAW - DELAWARE
Property Code	Property Name HORNE TOAD "36" STATE	Well Number 1
OCRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3130'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	36	24 S	29 E		1625	NORTH	660	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 40	Joint or Infill	Consolidation Code	Order No.
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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>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>W.R. Dannels</i> Signature</p> <p>W.R. DANIELS Printed Name</p> <p>DIVISION DRILLING SUPT. Title</p> <p>9/8/05 Date</p>	
	<p>SURVEYOR CERTIFICATION</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>AUGUST 19, 2005 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature</p> <p>Professional Seal Professional Seal</p>	
	<p>WCA No. 5768</p> <p>Certificate No. Gary L. Jones 7977</p>	
	<p>NEW MEXICO GARY L. JONES REGISTERED PROFESSIONAL LAND SURVEYOR</p>	

SECTION 36, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

150' NORTH
OFF SET
3135.4'

BASS ENTERPRISES PROD. CO.
HORNER TOAD "36" STATE #1

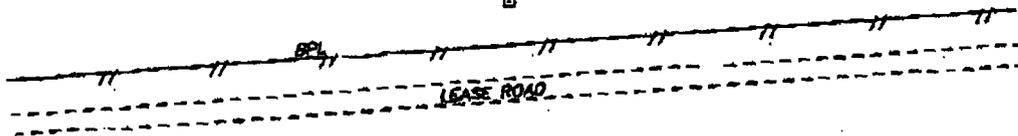
ELEV. - 3130'

Lat. -N 32°10'38.9"
Long -W 103°55'53.7"

150' WEST
OFF SET
3125.4'

150' EAST
OFF SET
3130.7'

150' SOUTH
OFF SET
3127.9'



SCALE: 1" = 100'

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. RD. 748 AND CO. RD. 746A, GO SOUTHEAST 1.2 MILE TO LEASE ROAD; THENCE SOUTH FOR 0.6 MILE TO CATTLE GUARD; THENCE GO WEST FOR 1.5 MILE TO PROPOSED WELL PAD.

BASS ENTERPRISES PRODUCTION CO.

REF: HORNER TOAD "36" STATE No. 1 / Well Pad Topo
THE HORNER TOAD "36" STATE No. 1 LOCATED 1625' FROM

THE NORTH LINE AND 660' FROM THE EAST LINE OF
SECTION 36, TOWNSHIP 24 SOUTH, RANGE 29 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

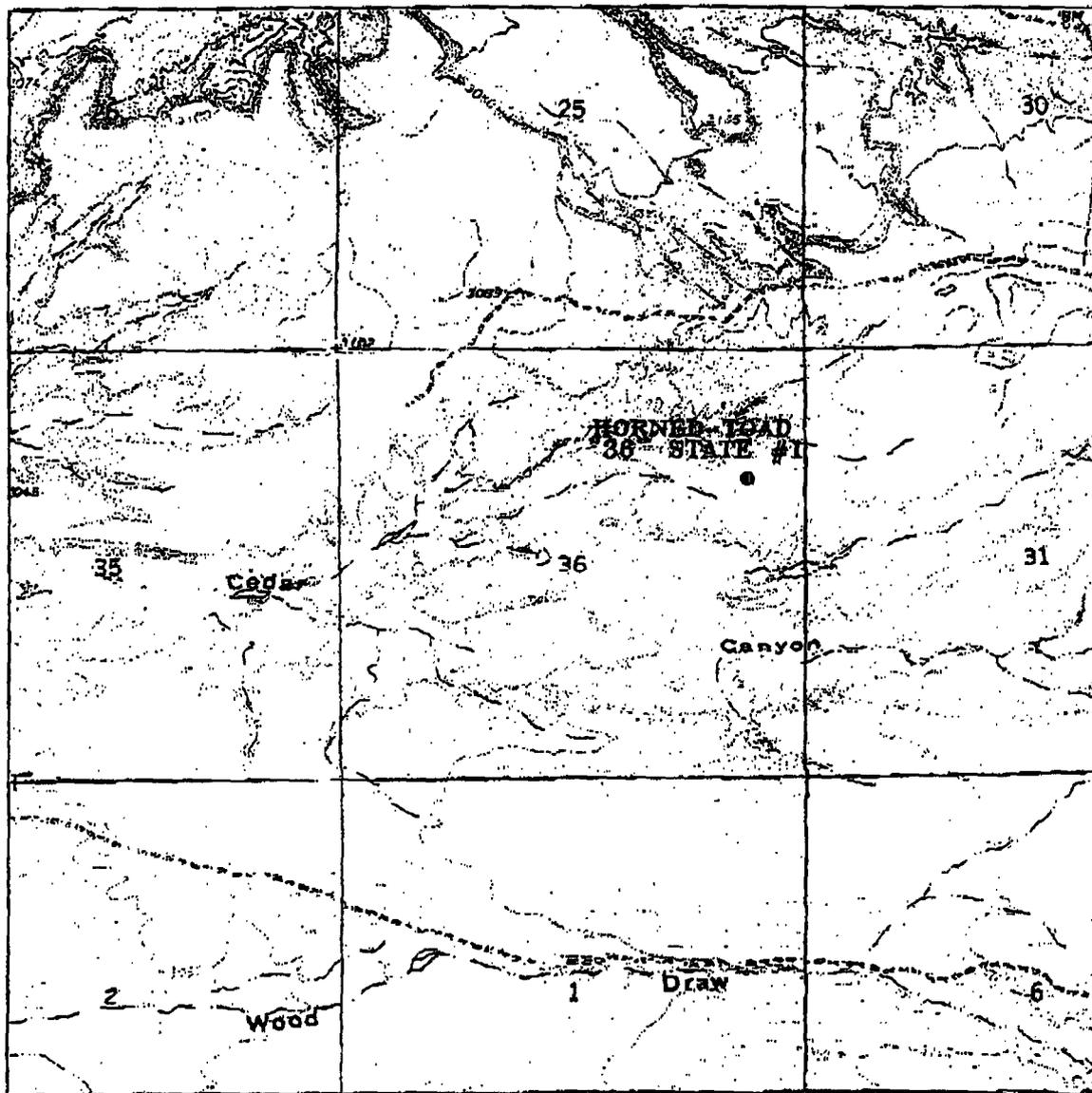
BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.D. Number: 5768

Drawn By: K. GOAD

Drawn: 08-19-2005 | Drawn: K.K.G. CD#7 - 5768A.DWG

Survey Date: 08-19-2005 | Sheet 1 of 1 Sheets



HORNER TOAD "36" STATE #1
 Located at 1625' FNL and 660' FEL
 Section 36, Township 24 South, Range 29 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: 5768AA - KJG #7
Survey Date: 08-19-2005
Scale: 1" = 2000'
Date: 08-25-2005

**BASS ENTERPRISES
 PRODUCTION CO.**

SLO data portal - Land Details

36 24S 29E

41 Records found.

UL	Lot/Tract	Qtr/Qtr	Surface Owner	Sub Surface Owner	Acreage	Rent Rate	Lease #	Lease Type	County	Land Restriction	Land Remarks
A		NE4NE4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							V0-7100-0	Oil & Gas	Eddy	✓	
B		NW4NE4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							R2-1825-0	Right of Way	Eddy		
							R2-2172-0	Right of Way	Eddy		
							V0-7100-0	Oil & Gas	Eddy		
C		NE4NW4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							R2-1825-0	Right of Way	Eddy		
							R2-2172-0	Right of Way	Eddy		
							VA-2956-1	Oil & Gas	Eddy		
D		NW4NW4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							R2-5253-0	Right of Way	Eddy		
							R2-9431-0	Right of Way	Eddy		
							VA-2956-1	Oil & Gas	Eddy		
E		SW4NW4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							VA-2956-1	Oil & Gas	Eddy		
F		SE4NW4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							VA-2956-1	Oil & Gas	Eddy		
G		SW4NE4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							R2-1825-0	Right of Way	Eddy		
							R2-2172-0	Right of Way	Eddy		
							V0-7100-0	Oil & Gas	Eddy		
H		SE4NE4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							V0-7100-0	Oil & Gas	Eddy		
							G0-	Grazing &			



I		NE4SE4	State	State	40.00	\$1.00	1294-0	Agriculture	Eddy		
							R2-3478-0	Right of Way	Eddy		
							VO-7100-0	Oil & Gas	Eddy	✓	
J		NW4SE4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							VO-7100-0	Oil & Gas	Eddy		
K		NE4SW4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							VA-2956-1	Oil & Gas	Eddy		
L		NW4SW4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							VA-2956-1	Oil & Gas	Eddy		
M		SW4SW4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							VA-2956-1	Oil & Gas	Eddy		
N		SE4SW4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							VA-2956-1	Oil & Gas	Eddy		
O		SW4SE4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							VO-7100-0	Oil & Gas	Eddy		
P		SE4SE4	State	State	40.00	\$1.00	G0-1294-0	Grazing & Agriculture	Eddy		
							VO-7100-0	Oil & Gas	Eddy		