

|                 |          |                       |                   |          |                        |
|-----------------|----------|-----------------------|-------------------|----------|------------------------|
| DATE IN 3/17/06 | SUSPENSE | ENGINEER MIKE STOGNER | LOGGED IN 3/17/06 | TYPE NSL | APP NO. PTDSD007657637 |
|-----------------|----------|-----------------------|-------------------|----------|------------------------|

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 Proration 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

Signature

Attorney for applicant  
 Title

jamesbruc@aol.com  
 e-mail Address

Date

2006 MAR 17 PM 3 07

**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](mailto:jamesbruc@aol.com)

March 17, 2006

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. 3                                                                                         |
| <u>Location:</u>  | 1300 feet FSL & 410 feet FEL                                                                                            |
| <u>Well unit:</u> | SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 36, Township 24 South, Range 29 East,<br>N.M.P.M., Eddy County, New Mexico |

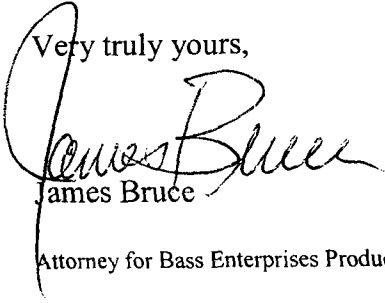
The well will be drilled to a depth sufficient to test the Delaware formation (Nash Draw-Delaware Pool). The formation is spaced on statewide rules, with 40 acre spacing, and wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 is attached as Exhibit A.

The location is based on topographical reasons. The SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 36 is an area of high relief, which limits locations to the northeastern part of the well unit. The proposed well is situated approximately equidistant between two draws. See Exhibit B.

The well is located on State Lease V-7100, which covers the SE $\frac{1}{4}$  of Section 36, 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,

  
James Bruce

Attorney for Bass Enterprises Production Co.

DISTRICT I  
1825 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

Wayne Bailey  
K Worthland

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                                            | Pool Name          |
| Property Code | Property Name<br>HORND TOAD "36" STATE               | Well Number<br>3   |
| OGRID No.     | Operator Name<br>BASS ENTERPRISES PRODUCTION COMPANY | Elevation<br>3079' |

Surface Location

|               |         |          |       |         |               |                  |               |                |        |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| P             | 36      | 24 S     | 29 E  |         | 1300          | SOUTH            | 410           | EAST           | EDDY   |

Bottom Hole Location If Different From Surface

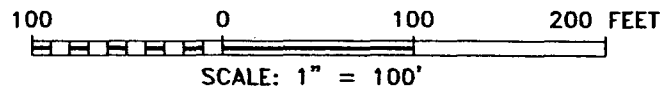
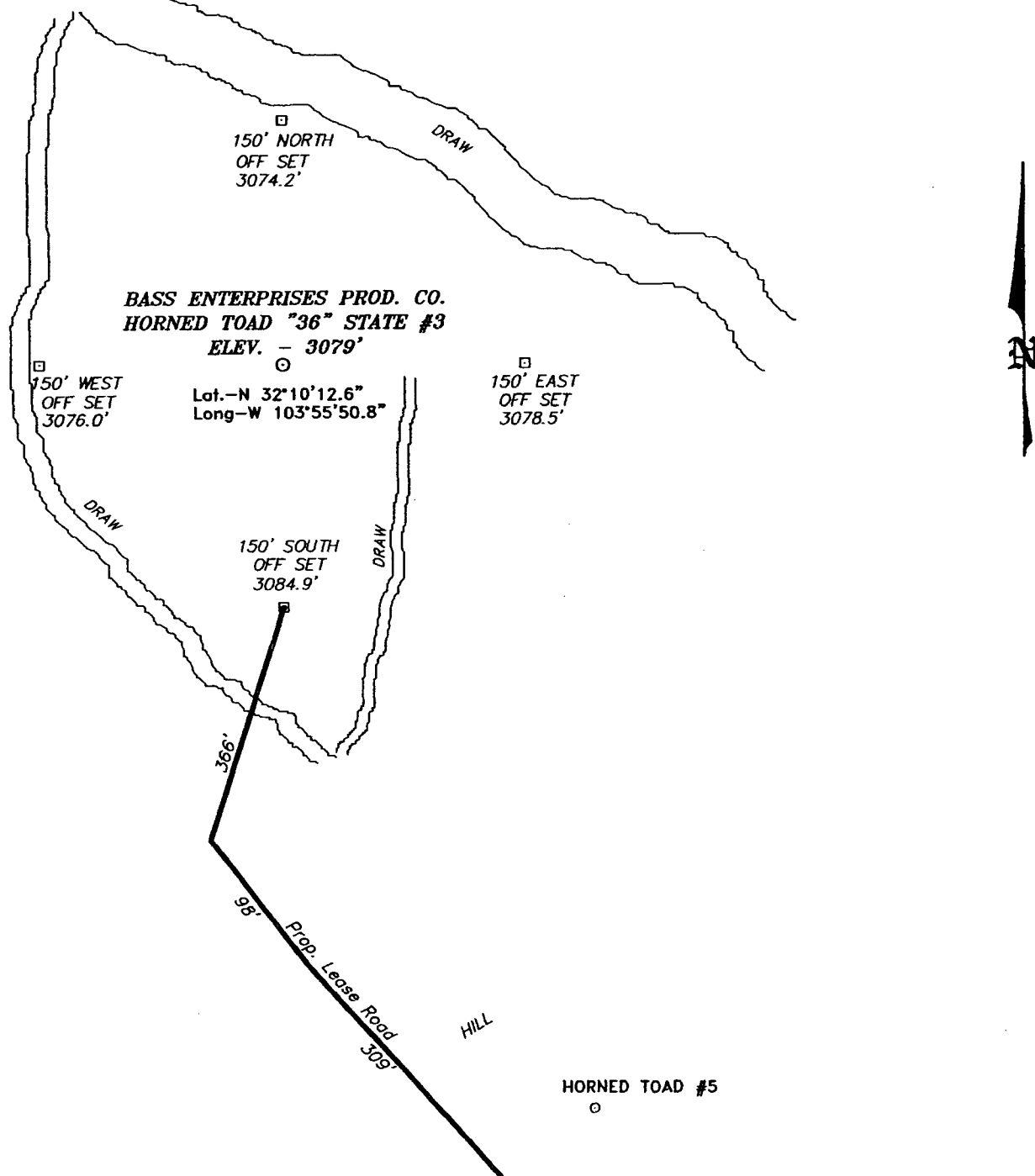
|                 |                 |                    |           |         |               |                  |               |                |        |
|-----------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| 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. |         |               |                  |               |                |        |

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 the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature<br/>W.R. DANNELS</p> <p>Printed Name<br/>DIVISION DRILLING SUPT.</p> <p>Title</p> <p>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 24, 2005</p> <p>Date Surveyed</p> <p>Signature<br/>Professional Surveyor</p> <p>Seal of JONES<br/>NEW MEXICO<br/>REGISTERED PROFESSIONAL LAND SURVEYOR<br/>W.O. No. 5651<br/>Certificate No. Gary L. Jones 7977</p> |
|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Standard 640-acre Section

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



**DIRECTIONS TO LOCATION:**

FROM THE JUNCTION OF STATE HWY 128 AND CO. RD. 793, GO SOUTH 10.5 MILES TO CO. RD. 748; THENCE WEST 1.5 MILE TO LEASE ROAD; THENCE SOUTH FOR 0.5 MILE TO EL PASO R/W; THENCE SOUTH FOR 1.0 MILE TO PROPOSED LEASE ROAD.

**BASIN SURVEYS** P.O. BOX 1786—HOBBS, NEW MEXICO

W.O. Number: 5651 Drawn By: K. GOAD

Date: 08-25-2005 Disk: KJG CD#7 - 5651A.DWG

**BASS ENTERPRISES PRODUCTION CO.**

REF: HORNED TOAD "36" STATE No. 3 / Well Pad Topo

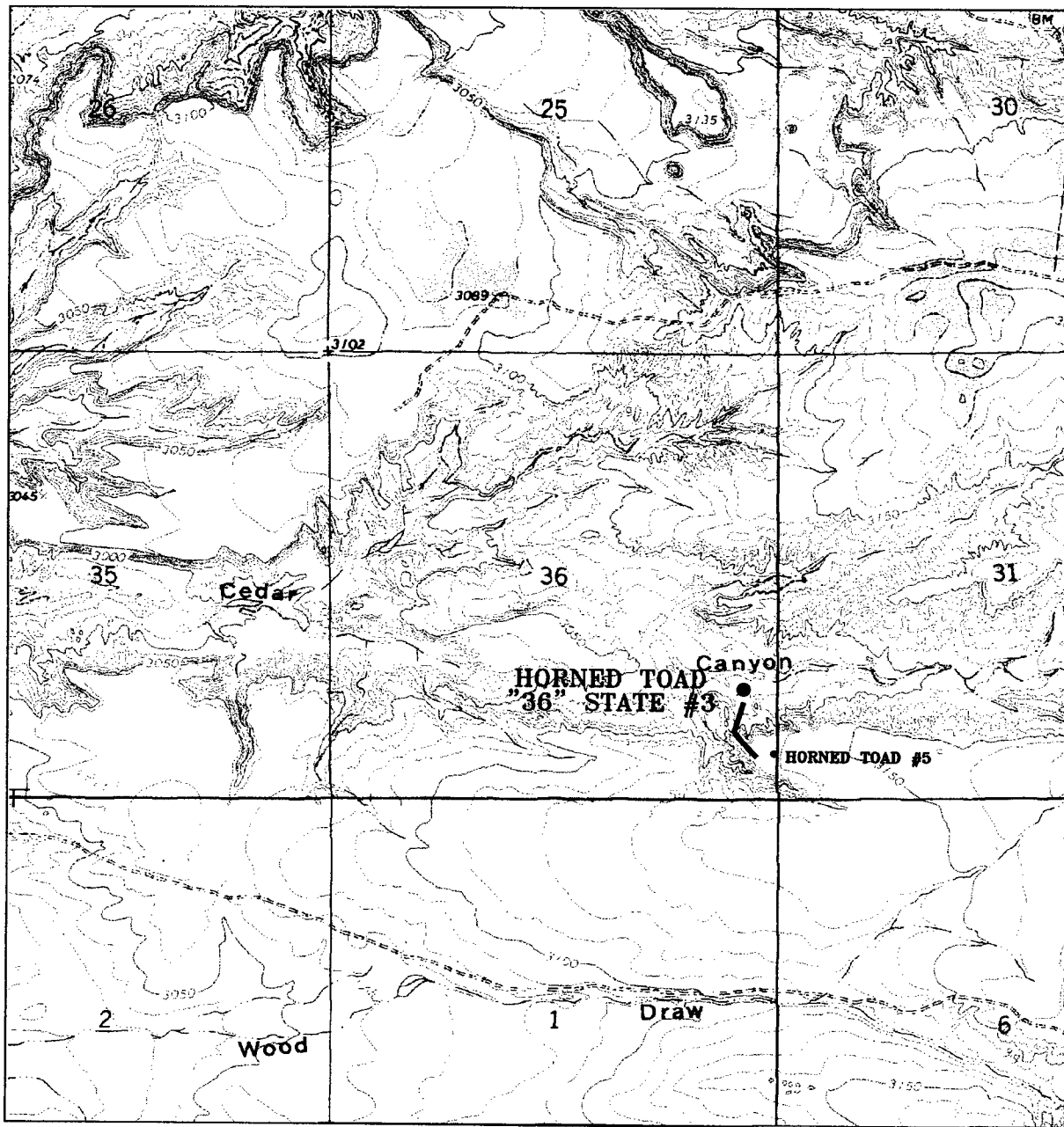
THE HORNED TOAD "36" STATE No. 3 LOCATED 1300' FROM

THE SOUTH LINE AND 410' FROM THE EAST LINE OF

SECTION 36, TOWNSHIP 24 SOUTH, RANGE 29 EAST,

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

Survey Date: 08-24-2005 Sheet 1 of 1 Sheets



**HORNED TOAD "36" STATE #3**  
 Located at 1300' FSL and 410' 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  
 basinsurveys.com

W.O. Number: 5651AA - KJG #7

Survey Date: 08-24-2005

Scale: 1" = 2000'

Date: 08-25-2005

**BASS ENTERPRISES**  
**PRODUCTION CO.**

**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 |  |  |
|   |  |        |       |       |       |        | V0-7100-0 | Oil & Gas             | Eddy |  |  |
| J |  | NW4SE4 | State | State | 40.00 | \$1.00 | G0-1294-0 | Grazing & Agriculture | Eddy |  |  |
|   |  |        |       |       |       |        | V0-7100-0 | 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 |  |  |
|   |  |        |       |       |       |        | V0-7100-0 | Oil & Gas             | Eddy |  |  |
| P |  | SE4SE4 | State | State | 40.00 | \$1.00 | G0-1294-0 | Grazing & Agriculture | Eddy |  |  |
|   |  |        |       |       |       |        | V0-7100-0 | Oil & Gas             | Eddy |  |  |



CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

04/14/06 12:02:24  
OGOMES -TPEY  
PAGE NO: 1

Sec : 36 Twp : 24S Rng : 29E Section Type : NORMAL

|                                                                         |                                                                       |                                                                         |                                                                  |
|-------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------|
| D<br>40.00<br>CS<br>VA2956 0001<br>MEWBOURNE OIL COM<br>08/01/08<br>A A | C<br>40.00<br>CS<br>VA2956 0001<br>MEWBOURNE OIL COM<br>08/01/08      | B<br>40.00<br>CS<br>V07100 0000<br>CROWN OIL PARTNER<br>07/01/09        | A<br>40.00<br>CS<br>V07100 0000<br>CROWN OIL PARTNER<br>07/01/09 |
| E<br>40.00<br>CS<br>VA2956 0001<br>MEWBOURNE OIL COM<br>08/01/08<br>A   | F<br>40.00<br>CS<br>VA2956 0001<br>MEWBOURNE OIL COM<br>08/01/08<br>A | G<br>40.00<br>CS<br>V07100 0000<br>CROWN OIL PARTNER<br>07/01/09<br>A A | H<br>40.00<br>CS<br>V07100 0000<br>CROWN OIL PARTNER<br>07/01/09 |
| L<br>40.00<br>CS<br>VA2956 0001<br>MEWBOURNE OIL COM<br>08/01/08        | K<br>40.00<br>CS<br>VA2956 0001<br>MEWBOURNE OIL COM<br>08/01/08      | J<br>40.00<br>CS<br>V07100 0000<br>CROWN OIL PARTNER<br>07/01/09        | I<br>40.00<br>CS<br>V07100 0000<br>CROWN OIL PARTNER<br>07/01/09 |
| M<br>40.00<br>CS<br>VA2956 0001<br>MEWBOURNE OIL COM<br>08/01/08        | N<br>40.00<br>CS<br>VA2956 0001<br>MEWBOURNE OIL COM<br>08/01/08      | O<br>40.00<br>CS<br>V07100 0000<br>CROWN OIL PARTNER<br>07/01/09        | P<br>40.00<br>CS<br>V07100 0000<br>CROWN OIL PARTNER<br>07/01/09 |



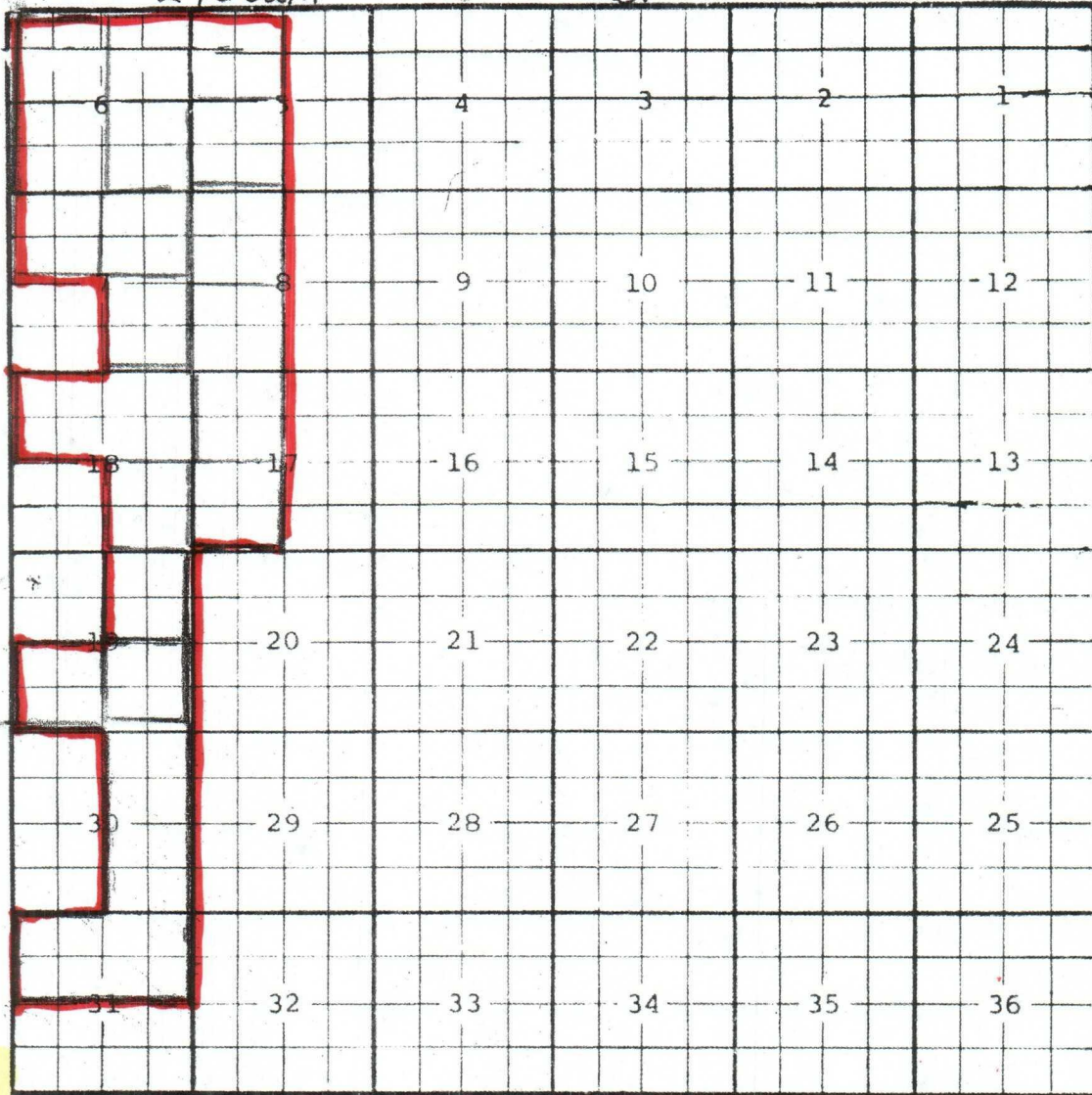
County Eddy

Pool Nash Draw- Delaware/Bone Spring/Avalon Sand.

TOWNSHIP 24 South

Range 30 East

NMPM



Ext: NW 1/4 Sec. 5, 1/2 Sec. 6 (R-11678, 10-23-01) Ext: NE 1/4 Sec. 7 (R-11908, 2-13-03)

Ext: <sup>NW</sup> 1/4 Sec. 7 (R-11963, 575-03) Ext: <sup>SW</sup> 1/4 Sec. 5, <sup>SE</sup> 1/4 Sec. 7 (R-12003, 8-11-03)

Ext. <sup>SW</sup> 4 Sec. 8, NW 4 Sec. 17 (R-12087, 1-14-00) Ext. <sup>N</sup> 2 Sec. 18 (R-12153, 6-7-03)

Ext: NW 4 Sec. 8 (R-12222, 10-25-04) Ext: SE 4 Sec. 18 (R-12288, R-22-02)

Ext: <sup>NE</sup>4 Sec. 19 (K-12420, 10-6-05) Ext: <sup>SE</sup>4 Sec. 19 (K-12448, 10-27-05)

Extend vertical limits to include the top of the Lamar of the Delaware Mountain Group and continue to the base of the Avalon Sands in the Upper Bone Spring formation and redesignate the pool as the Nash Draw-Delaware/Bone Spring (Avalon Sand) Pool (CR-12507, 1-13-06) Ext: W  $\frac{1}{2}$  Sec. 6, SW  $\frac{1}{4}$  Sec. 17, SW  $\frac{1}{4}$  Sec. 19, E  $\frac{1}{2}$  Sec. 30, N  $\frac{1}{2}$  Sec. 31 (CR-12530, 3-30-06)

(CR-12507, 1-13-06) Ext: W/2 Sec. 6, SW/4 Sec. 17, SW/4 Sec. 19, E/2 Sec. 30, NW/4 Sec. 31 (CR-12530, 3-30-06)



County Eddy

Pool Nash Draw-Delaware/Bone Spring (Avalon Sand)

TOWNSHIP 24 South, RANGE 29 East, NEW MEXICO PRINCIPAL MERIDIAN

|  |    |  |    |  |    |  |    |  |    |  |    |
|--|----|--|----|--|----|--|----|--|----|--|----|
|  | 6  |  | 5  |  | 4  |  | 3  |  | 2  |  | 1  |
|  |    |  |    |  |    |  |    |  |    |  |    |
|  | 7  |  | 8  |  | 9  |  | 10 |  | 11 |  | 12 |
|  |    |  |    |  |    |  |    |  |    |  |    |
|  | 13 |  | 17 |  | 16 |  | 15 |  | 14 |  | 13 |
|  |    |  |    |  |    |  |    |  |    |  |    |
|  | 19 |  | 20 |  | 21 |  | 22 |  | 23 |  | 24 |
|  |    |  |    |  |    |  |    |  |    |  |    |
|  | 26 |  | 28 |  | 25 |  | 27 |  | 26 |  | 25 |
|  |    |  |    |  |    |  |    |  |    |  |    |
|  | 31 |  | 32 |  | 33 |  | 34 |  | 35 |  | 36 |
|  |    |  |    |  |    |  |    |  |    |  |    |

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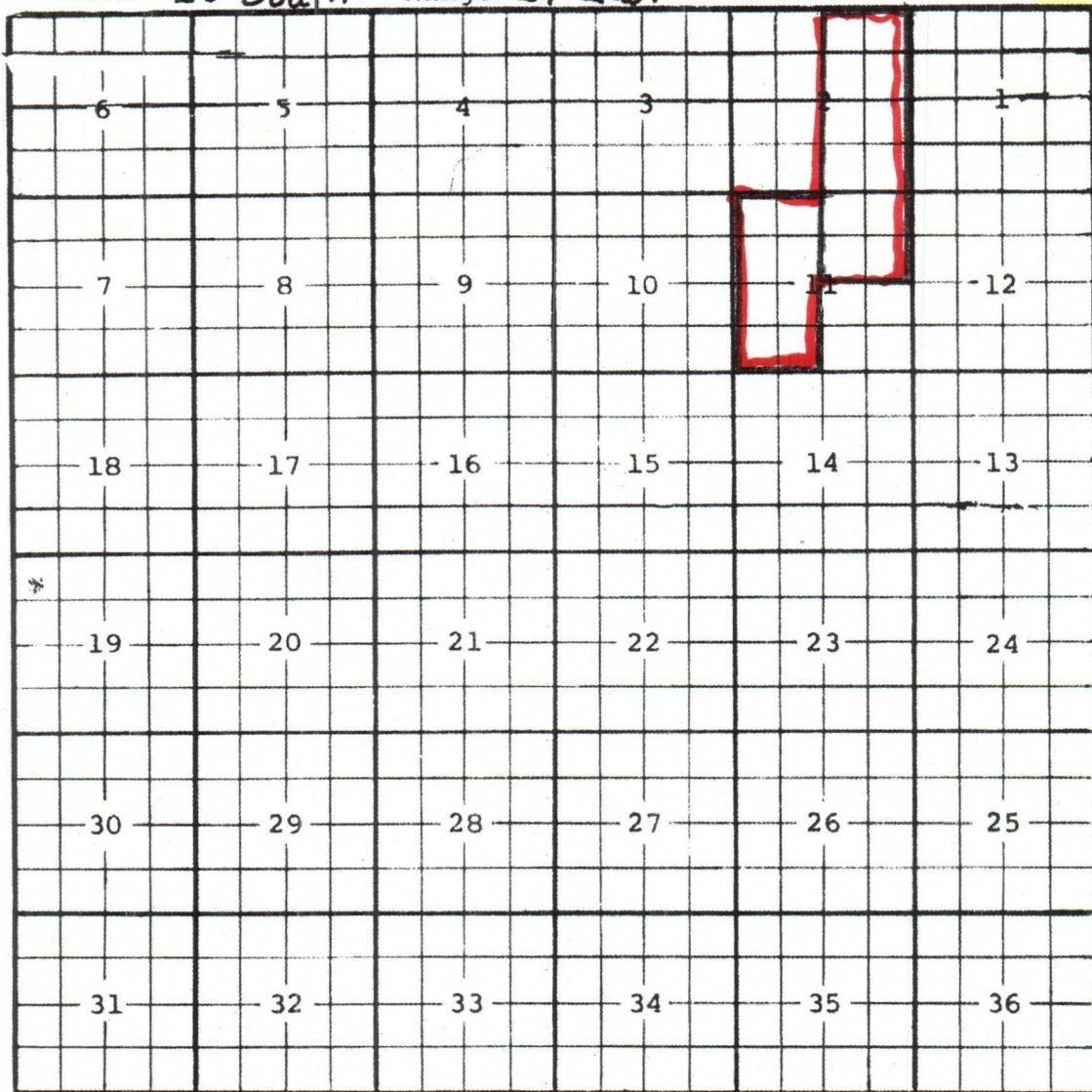
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County Eddy Pool Northwest Corral Canyon-Delaware

TOWNSHIP 25 South Range 29 East NMPM



Description: E/2 Sec. 2, NE/4 Sec. 11 (A-105945-2-96)

Ext: W/2 Sec. 11 (A-12420, 10-6-05)