

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

2007 JAN 8 AM 8 59

January 5, 2007

**FEDERAL EXPRESS**

Bureau of Land Management  
Roswell District Office  
2909 W. 2<sup>nd</sup> Street  
Roswell, New Mexico 88201  
Attn: Ms. Alexis Swoboda

New Mexico State Land Office  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501  
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division  
1220 St. Francis  
Santa Fe, New Mexico 87505  
Attention: William Jones

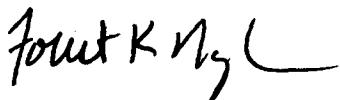
Re: Commercial Determination  
James Ranch Unit #11  
Bone Spring Formation  
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Bone Spring Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,



Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**WORKSHEET FOR COMMERCIAL DETERMINATION  
AND PARTICIPATING AREA IN FEDERAL UNITS**

**WELL DATA**

WELL	JAMES RANCH UNIT #11				FORMATION	BONE SPRING				
S. Location	E	UNIT,	1980	FEET FROM	NORTH	LINE &	920	FEET FROM	WEST	LINE
BH. Location	F	UNIT,	1495	FEET FROM	NORTH	LINE &	1693	FEET FROM	WEST	LINE
SECTION	36	TOWNSHIP	22S	RANGE	30E	COUNTY	EDDY	STATE	NM	
SPUD DATE	9/18/1980	COMPLETION DATE	10/11/2003		INITIAL PRODUCTION	10/12/2003				
PERFORATIONS	10,467'-78' (11 holes), 10,494'-98' (4 holes), 10,508'-12' (4 holes), 10524'-34' (10 holes)									

**STIMULATION:**

ACID 5500 GAL 15% HCL acid, 60 SG ball sealers.

FRACTURE NONE

POTENTIAL 74 BO, 2 BW, 106 MCF (12/3/2003)

(Attach Copy C-105. )

**VOLUMETRIC CALCULATION**

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	40	
Porosity (por), %	6.0%	
Water Saturation (Sw), %	28%	
Net Thickness (h), ft.	30	
Temperature (T), Fahrenheit	165	
Bottom Hole Pressure (P), psia	6,622	
Recovery Factor (RF), %	60%	
Recoverable Oil, Bbls * (See eq. Below)	160,870	

\*Sometimes unable to match performance due to volumetric uncertainty.

Formula = (7758) (A) (h) (1-SW) (1/Boi) (RF)

Boi= 1.5

# **PERFORMANCE DATA**

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 4/30/2006 92,180 **BBLs Oil** 150,841 **MCF Gas**

**PRODUCING**

INITIAL RATE (qi)	<u>72 BOPD</u>
ECONOMIC LIMIT (ql)	<u>2</u>
DECLINE RATE, de	<u>D= 90.8%, b=0.999</u>
REMAINING OIL (Q)=	<u>68,930</u>
ULTIMATE RECOVERABLE OIL	<u>161,110</u>

(Attach plot showing pro-ration unit and participating area.)

# **ECONOMIC**

WELL COST \$635,500 (to the depth of formation completed)

RECOMPLETION COST \$224,500

TOTAL COST \$860,000

YEAR	GROSS OIL	REVENUE	OPERATING COST (Includes Sev. Tax & Ad Val Tax)	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	<u>5.145</u>	<u>140.344</u>	<u>12.811</u>	<u>-734.725</u>
2	<u>37.617</u>	<u>1417.734</u>	<u>114.575</u>	<u>1195.070</u>
3	<u>37.238</u>	<u>1666.489</u>	<u>133.050</u>	<u>1282.674</u>
4	<u>23.097</u>	<u>1200.291</u>	<u>99.092</u>	<u>839.635</u>
5	<u>10.744</u>	<u>646.143</u>	<u>58.645</u>	<u>402.789</u>
6	<u>6.925</u>	<u>435.581</u>	<u>42.653</u>	<u>244.177</u>
7	<u>5.099</u>	<u>327.057</u>	<u>34.512</u>	<u>164.303</u>
8	<u>4.045</u>	<u>248.950</u>	<u>28.655</u>	<u>111.882</u>
9	<u>3.353</u>	<u>211.751</u>	<u>25.825</u>	<u>85.425</u>
10	<u>2.871</u>	<u>185.442</u>	<u>23.818</u>	<u>67.175</u>
REMAINDER	<u>24.978</u>	<u>1878.577</u>	<u>326.046</u>	<u>318.784</u>
TOTAL	<u>161.112</u>	<u>8358.359</u>	<u>899.682</u>	<u>3977.188</u>

WELL IS COMMERCIAL

# ECONOMIC PROJECTION

Date : 9/5/2006

Lior:

1:51:42PM

Project Name : PROPZONE Extract-Creating new PHDWi  
 Partner : All Cases  
 Case Type : GRAND TOTAL CASE  
 Archive Set : BUD07

As Of Date : 10/01/2003  
 Discount Rate (%) : 10.00  
 Custom Selection

Lease Name : Grand Total  
 Reserv Cat : All All  
 Field : All  
 Operator : All  
 Reservoir : All  
 Co., State : All

Cum Oil (mbbls) : 0.00  
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
2003	5.145	9.587	5.221	0.000	3.859	3.916	0.000
2004	37.617	66.907	36.438	0.000	28.213	27.328	0.000
2005	37.238	57.624	31.382	103.766	27.928	23.537	77.824
2006	23.097	44.094	24.013	188.544	17.322	18.010	141.408
2007	10.744	35.003	19.063	149.673	8.058	14.297	112.255
2008	6.925	26.515	14.440	113.379	5.194	10.830	85.035
2009	5.099	21.258	11.577	90.897	3.824	8.683	68.173
2010	4.045	17.781	9.684	76.032	3.034	7.263	57.024
2011	3.353	15.284	8.324	65.354	2.515	6.243	49.015
2012	2.871	13.437	7.318	57.458	2.153	5.488	43.093

Rem	24.978	126.475	68.879	445.957	18.734	51.659	445.957
Total	161.113	433.965	236.337	1,439.713	120.835	177.253	1,079.785
Ult.	161.113	433.965					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2003	31.84	4.46	0.00	122.863	17.481	0.000	140.344
2004	44.62	5.82	0.00	1,258.740	158.994	0.000	1,417.734
2005	52.80	6.14	0.61	1,474.604	144.413	47.473	1,666.489
2006	58.32	5.77	0.61	1,010.182	103.850	86.259	1,200.291
2007	57.76	7.85	0.61	465.435	112.233	68.476	646.143
2008	60.58	6.38	0.61	314.649	69.061	51.871	435.581
2009	59.55	6.65	0.61	227.736	57.736	41.586	327.057
2010	54.40	6.76	0.61	165.037	49.128	34.785	248.950
2011	55.23	6.88	0.61	138.897	42.955	29.899	211.751
2012	56.08	7.00	0.61	120.741	38.414	26.287	185.442

Rem	63.53	8.06	0.61	1,190.208	416.553	272.034	1,878.794
Total	53.70	6.83	0.61	6,489.092	1,210.817	658.669	8,358.577

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2003	10.130	0.281	860.000	2.400	-732.467	-732.467	-734.725	-734.725
2004	102.140	2.835	0.000	9.600	1,303.158	570.691	1,195.070	460.344
2005	120.117	3.333	0.000	9.600	1,533.439	2,104.130	1,282.674	1,743.018
2006	87.091	2.401	0.000	9.600	1,101.200	3,205.329	839.635	2,582.652
2007	47.753	1.292	0.000	9.600	587.498	3,792.827	402.789	2,985.441
2008	32.182	0.871	0.000	9.600	392.929	4,185.756	244.177	3,229.618
2009	24.258	0.654	0.000	9.600	292.545	4,478.301	164.303	3,393.921
2010	18.557	0.498	0.000	9.600	220.295	4,698.596	111.882	3,505.803
2011	15.801	0.424	0.000	9.600	185.927	4,884.523	85.425	3,591.229
2012	13.847	0.371	0.000	9.600	161.624	5,046.146	67.175	3,658.404
Rem	140.662	3.758	0.000	181.626	1,552.749	1,552.749	318.784	318.784
Total	612.539	16.717	860.000	270.426	6,598.895	6,598.895	3,977.188	3,977.188

Well Count: 1  
 Total Years: 28.17  
 ROI(disc) : 5.62  
 ROI(undisc) : 8.67  
 IRR % : 0.00

## Present Worth Profile (M\$)

2.00% :	5,826.64	25.00% :	2,402.13
4.00% :	5,218.89	40.00% :	1,566.77
6.00% :	4,727.71	50.00% :	1,186.00
8.00% :	4,321.07	75.00% :	554.17
10.00% :	3,977.19	100.00% :	174.33

## District I

1625 N. French Dr., Hobbs, NM 88240

## District II

1301 W. Grand Avenue, Artesia, NM 88210

## District III

1000 Rio Brazos Rd., Aztec, NM 87410

## District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-23377	Pool Code 40295	Pool Name Los Medanos (Bone Spring)
Property Code 001786	Property Name James Ranch Unit	Well Number 11
GRID No. 001801	Operator Name Bass Enterprises Production Co.	Elevation 3306' GL

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	36	22S	30E		1980'	North	920'	West	Eddy

<sup>11</sup>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
F	36	22S	30E		1495'	North	1693'	West	Eddy
" Dedicated Acres 320	" Joint or Infill 1	" 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

	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Tami Wilber</i> Signature Tami Wilber Printed Name Production Clerk tlwilber@basspet.com Title and E-mail Address 01/20/2004 Date
	<sup>18</sup> 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.
	Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

Submit to: Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	<b>State of New Mexico</b> <b>Energy, Minerals and Natural Resources</b>  <b>Oil Conservation Division</b> <b>1220 South St. Francis Dr.</b> <b>Santa Fe, NM 87505</b>	<b>Form C-105</b> Revised June 10, 2003 WELL API NO. 30-015-23377 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No. E-5229
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<b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>	
1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____  b. Type of Completion: NEW <input type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG <input type="checkbox"/> DIFF. _____ WELL OVER BACK RESVR. <input type="checkbox"/> OTHER _____ 2. Name of Operator <b>Bass Enterprises Production Co.</b> 3. Address of Operator <b>P. O. Box 2760 Midland, TX 79702</b> 4. Well Location Unit Letter <b>E</b> : <b>1980'</b> Feet From The <b>North</b> Line and <b>920'</b> Feet From The <b>West</b> Line Section <b>36</b> Township <b>22S</b> Range <b>30E</b> NMPM <b>Eddy</b> New Mexico County 10. Date Spudded <b>10/07/2003</b> 11. Date T.D. Reached <b>10/11/2003</b> 12. Date Compl. (Ready to Prod.) <b>10/11/2003</b> 13. Elevations (DF& RKB, RT, GR, etc.) <b>3306 GL</b> 14. Elev. Casinghead 15. Total Depth <b>14,600'</b> 16. Plug Back T.D. <b>10,660'</b> 17. If Multiple Compl. How Many Zones? <b>Single</b> 18. Intervals Drilled By <b>Yes</b> Rotary Tools Cable Tools 19. Producing Interval(s), of this completion - Top, Bottom, Name <b>10,467-478', 10,494-498', 10,508-12', 10,524-534' Bone Spring</b> 20. Was Directional Survey Made <b>No</b> 21. Type Electric and Other Logs Run <b>N/A</b> 22. Was Well Cored <b>No</b>	7. Lease Name or Unit Agreement Name <b>James Ranch Unit</b> 8. Well No. <b>11</b> 9. Pool name or Wildcat <b>Los Medanos (Bone Spring)</b>

<b>23. CASING RECORD (Report all strings set in well)</b>					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
16"	65/84	450'	20"	750 sx	0
10-3/4"	40.5	3839'	14-3/4"	2300 sx	0
7-5/8"	29.7/33.7	11933'	9-7/8"	1040 sx	0

<b>24. LINER RECORD</b>				<b>25. TUBING RECORD</b>			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
5"	10,795'	13,881'	350 sx	Unk	2-7/8"	4030'	4030'
2-7/8"	13,515'	14,599'	180 sx	Unk			

26. Perforation record (interval, size, and number) <b>10,524'-34', 10', 10 holes</b> <b>10,494'-98', 4', 4 holes</b> <b>10,508'-12', 4', 4 holes</b> <b>10,467'-78', 11', 4 holes</b>	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED <b>10,467-10,534' 4" predator gun, 1 SPF</b> <b>0 degree phasing</b>
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<b>28. PRODUCTION</b>							
Date First Production <b>10/12/2003</b>		Production Method (Flowing, gas lift, pumping - Size and type pump) <b>Pumping, American 640-365-168 PU</b>			Well Status (Prod. or Shut-in) <b>Producing</b>		
Date of Test <b>12/03/2003</b>	Hours Tested <b>24 hours</b>	Choke Size <b>35/64"</b>	Prod'n For Test Period	Oil - Bbl <b>74</b>	Gas - MCF <b>106</b>	Water - Bbl. <b>2</b>	Gas - Oil Ratio <b>1400</b>
Flow Tubing Press. <b>52</b>	Casing Pressure <b>0</b>	Calculated 24-Hour Rate	Oil - Bbl. <b>74</b>	Gas - MCF <b>106</b>	Water - Bbl. <b>2</b>	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) <b>Sold</b>	Test Witnessed By
30. List Attachments <b>C-102, C-104</b>	

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief			
Signature <b>Tami Wilber</b>	Printed Name <b>Tami Wilber</b>	Title <b>Production Clerk</b>	Date <b>01/20/2004</b>
E-mail Address <b>tlwilber@basspet.com</b>			

1990

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

**OIL OR GAS  
SANDS OR ZONES**

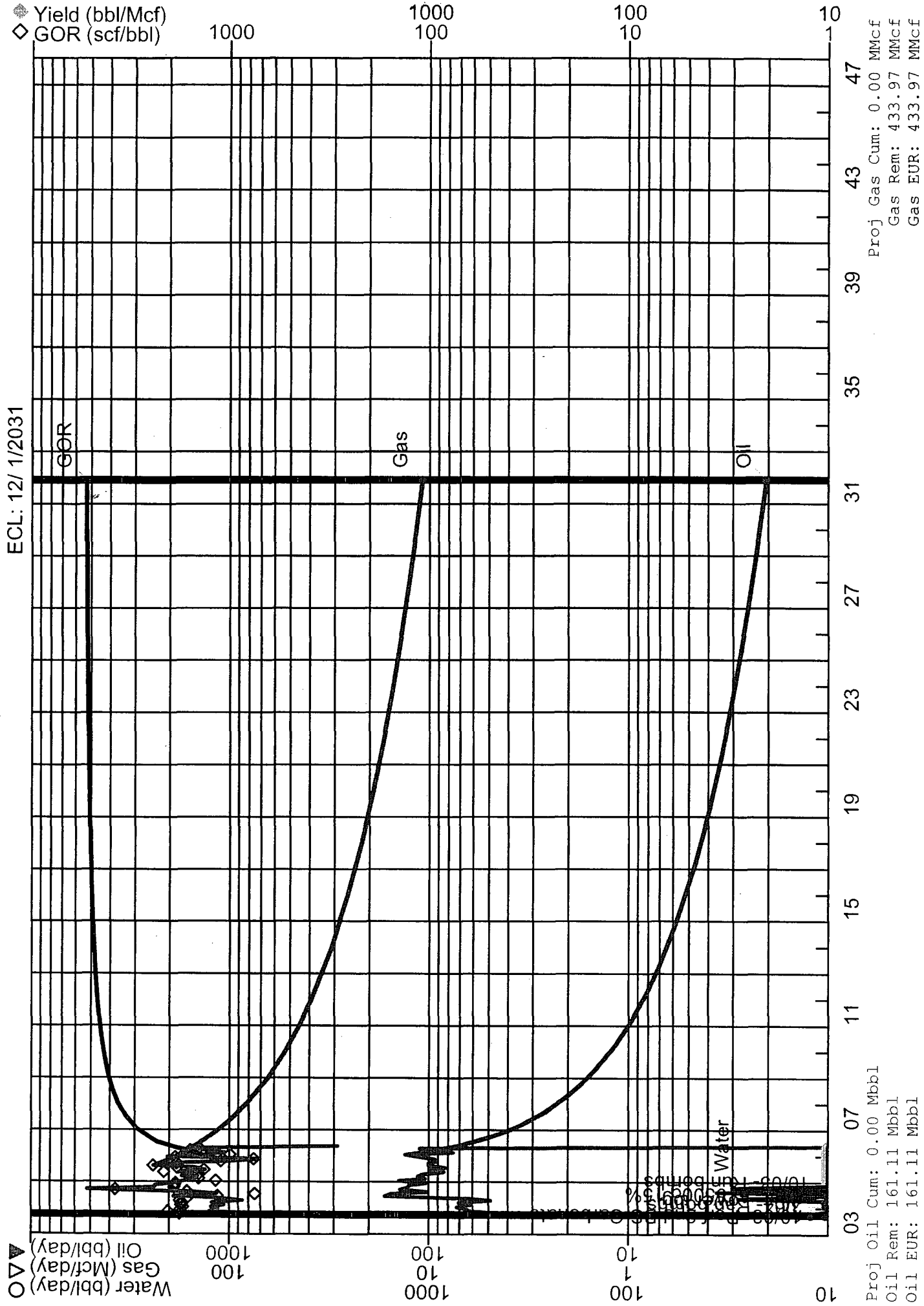
## IMPORTANT WATER SANDS

No. 1, from.....to.....feet.....  
 No. 2, from.....to.....feet.....  
 No. 3, from.....to.....feet.....

From	To	Thickness In Feet	Lithology

PROPERTY: JAMES RANCH UNIT #11  
Oper: BEPCO  
FIELD\_ONLY: LOS MEDANOS

CONTROL: 0833102  
County, State: EDDY, NM  
Reservoir: BONE SPRING





BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.  
FORT WORTH, TEXAS 76102-3131  
817/390-8400

2007 JAN 8 AM 9 00

January 5, 2007

**FEDERAL EXPRESS**

Bureau of Land Management  
Roswell District Office  
2909 W. 2<sup>nd</sup> Street  
Roswell, New Mexico 88201  
Attn: Ms. Alexis Swoboda

New Mexico State Land Office  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501  
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division  
1220 St. Francis  
Santa Fe, New Mexico 87505  
Attention: William Jones

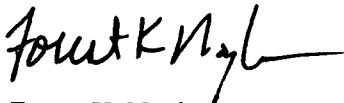
Re: Commercial Determination  
James Ranch Unit #80  
Wolfcamp Formation  
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Wolfcamp Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,

  
Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

## WELL DATA

WELL \_\_\_\_\_ James Ranch Unit #80 \_\_\_\_\_ FORMATION \_\_\_\_\_ Wolfcamp \_\_\_\_\_

LOCATION \_\_\_\_\_ B \_\_\_\_\_ UNIT, \_\_\_\_\_ 330 \_\_\_\_\_ FEET FROM \_\_\_\_\_ North \_\_\_\_\_ LINE & \_\_\_\_\_ 1500 \_\_\_\_\_ FEET FROM \_\_\_\_\_ East \_\_\_\_\_ LINE

SECTION \_\_\_\_\_ 36 \_\_\_\_\_ TOWNSHIP \_\_\_\_\_ 22S \_\_\_\_\_ RANGE \_\_\_\_\_ 31E \_\_\_\_\_ COUNTY \_\_\_\_\_ Eddy \_\_\_\_\_ NEW MEXICO

SPUD DATE \_\_\_\_\_ 7/29/2003 \_\_\_\_\_ COMPLETION DATE \_\_\_\_\_ 9/14/2003 \_\_\_\_\_ INITIAL PRODUCTION \_\_\_\_\_ 8/21/2004 \_\_\_\_\_ 9/14/2003 \_\_\_\_\_

PERFORATIONS \_\_\_\_\_ 11,096-11,111 \_\_\_\_\_

### STIMULATION:

ACID \_\_\_\_\_

FRACTURE \_\_\_\_\_ Frac w/ 48220 gals Medallion 3000 + 116,995# Ottawa+ 41,869# 20/40 Versa Prop \_\_\_\_\_

POTENTIAL \_\_\_\_\_ (9/20/2003): 151 BOPD, 272 MCFPD, 25 BWPD \_\_\_\_\_

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

## VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	40	
Porosity ( $\Phi$ ), %	10%	
Water saturation ( $S_w$ ), %	45%	
Net Thickness (H), ft.	24	
Temperature (T), Fahrenheit	120	
Bottom Hole pressure (P), psia	3,150	
Recovery factor (RF), %	15%	
Recoverable Oil, Bbls *(See eq. below)	40,962	

\*Sometimes unable to match performance due to volumetric uncertainty.

Formula =  $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

$B_o = 1.50$

Continued

**PERFORMANCE DATA**

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 5/31/2006 21,503 Bbls Oil 43,380 MCF Gas

INITIAL RATE (qi) 150

ECONOMIC LIMIT (ql) 3

HYPERBOLIC DECLINE RATE, dy n = .9, d = 42.5%/yr

REMAINING OIL (Q) = 20,947

ULTIMATE RECOVERABLE OIL (BO) 42,450

(Attach plat showing proration unit and participating area.)

**ECONOMIC**GROSS WELL COST \$1,279,900 (to the depth of formation completed)

RECOMPLETION COST \_\_\_\_\_

GROSS TOTAL COST \$1,279,900

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	4.084	121.339	13.338	-1174.163
2	8.907	391.980	42.203	321.635
3	6.394	342.522	38.646	252.493
4	4.854	285.157	34.354	188.530
5	3.746	216.744	29.272	127.337
6	2.838	162.756	25.185	84.797
7	2.139	117.429	21.821	43.317
8	1.617	81.458	19.158	31.425
9	1.222	60.722	17.620	19.677
10	0.926	45.469	16.492	11.973
REMAINDER	1.542	74.522	41.778	11.622
TOTAL	38.269	1900.098	299.867	-71.356

**WELL IS NOT COMMERCIAL**

# ECONOMIC PROJECTION

Date : 9/5/2006

Lior: 1000415

11:27:06AM

Project Name : PROPZONE Extract-Creating new PHDWi  
 Partner : All Cases  
 Case Type : LEASE CASE  
 Archive Set : BUD07

As Of Date : 09/01/2003  
 Discount Rate (%) : 10.00  
 Custom Selection

Lease Name : 1000415/JAMES RANCH UNIT/WOL  
 Reserv Cat : Proved Producing  
 Field : LOS MEDANOS (WOLFCAMP)  
 Operator : BEPCO  
 Reservoir : WOLFCAMP  
 Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00  
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
2003	4.084	6.051	3.390	0.000	3.533	2.932	0.000
2004	8.907	18.687	10.468	0.000	7.705	9.055	0.000
2005	6.394	14.801	8.292	22.813	5.531	7.172	19.733
2006	4.854	8.051	4.510	39.773	4.199	3.901	34.403
2007	3.746	5.012	2.808	24.760	3.240	2.429	21.417
2008	2.838	3.169	1.775	15.655	2.455	1.536	13.541
2009	2.139	1.992	1.116	9.843	1.850	0.965	8.514
2010	1.617	1.257	0.704	6.210	1.398	0.609	5.371
2011	1.222	0.793	0.444	3.918	1.057	0.384	3.389
2012	0.926	0.501	0.281	2.477	0.801	0.243	2.143

Rem	1.542	0.616	0.345	2.631	1.334	0.298	2.631
Total	38.269	60.931	34.134	128.489	33.102	29.525	111.143
Ult	38.269	60.931					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2003	31.29	3.69	0.00	110.530	10.809	0.000	121.339
2004	44.86	5.12	0.00	345.611	46.369	0.000	391.980
2005	52.84	5.33	0.61	292.237	38.248	12.037	342.522
2006	58.42	4.84	0.61	245.302	18.869	20.986	285.157
2007	57.41	7.27	0.61	186.013	17.666	13.065	216.744
2008	59.54	5.41	0.61	146.185	8.311	8.260	162.756
2009	57.64	5.81	0.61	106.629	5.607	5.194	117.429
2010	53.38	5.81	0.61	74.644	3.537	3.277	81.458
2011	53.38	5.81	0.61	56.423	2.232	2.067	60.722
2012	53.38	5.81	0.61	42.751	1.411	1.307	45.469
Rem	53.38	5.81	0.61	71.185	1.733	1.605	74.522
Total	50.68	5.24	0.61	1,677.509	154.793	67.797	1,900.099

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2003	8.711	0.243	1,279.900	4.384	-1,171.898	-1,171.898	-1,174.163	-1,174.163
2004	28.267	0.784	0.000	13.152	349.777	-822.121	321.635	-852.528
2005	24.809	0.685	0.000	13.152	303.876	-518.245	252.493	-600.035
2006	20.632	0.570	0.000	13.152	250.804	-267.441	188.530	-411.505
2007	15.687	0.433	0.000	13.152	187.472	-79.970	127.337	-284.168
2008	11.707	0.326	0.000	13.152	137.572	57.602	84.797	-199.371
2009	8.434	0.235	0.000	13.152	95.609	153.211	53.317	-146.054
2010	5.843	0.163	0.000	13.152	62.301	215.511	31.425	-114.628
2011	4.347	0.121	0.000	13.152	43.102	258.613	19.677	-94.951
2012	3.249	0.091	0.000	13.152	28.976	287.589	11.973	-82.978
Rem	5.313	0.149	0.000	36.316	32.744	32.744	11.622	11.622
Total	136.998	3.800	1,279.900	159.068	320.334	320.334	-71.356	-71.356

Major Phase : Oil  
 Perfs : 0 0  
 Initial Rate : 0.57 mbbbl/month  
 Abandonment : 0.03 mbbbl/month  
 Initial Decline : 24.43 % year b = 0.000  
 Beg Ratio : 2.51 mcf/mbbl  
 End Ratio : 0.30

Working Int : 1.00000000  
 Revenue Int : 0.86500000  
 Disc. Initial Invest. (m\$) : 1,279.900  
 Internal ROR (%) : 7.82  
 ROI Investment (disc/undisc) : 0.94 / 1.25  
 Years to Payout : 4.87  
 Abandonment Date : 10/08/2015

## Present Worth Profile (M\$)

2.00% :	226.76
4.00% :	141.72
6.00% :	64.24
8.00% :	-6.54
10.00% :	-71.36
25.00% :	-421.04
40.00% :	-626.55
50.00% :	-720.37
75.00% :	-873.84
100.00% :	-965.12

	Initial	1st Rev.	2nd Rev.
Working Interest :	1.00000000	0.00000000	0.00000000
Revenue Interest :	0.86500000	0.00000000	0.00000000
Rev. Date :			

PROPERTY: JAMES RANCH UNIT #80 (EXCL DELAWARE)  
Oper: BEPCO  
FIELD\_ONLY: LOS MEDANOS

CONTROL: 1000415  
County, State: EDDY, NM  
Reservoir: WOLFECAMP

Oil

ECL: 10/ 8/2015

Water (bbl/day)  
Gas (Mcf/day)  
Oil (bbl/day)

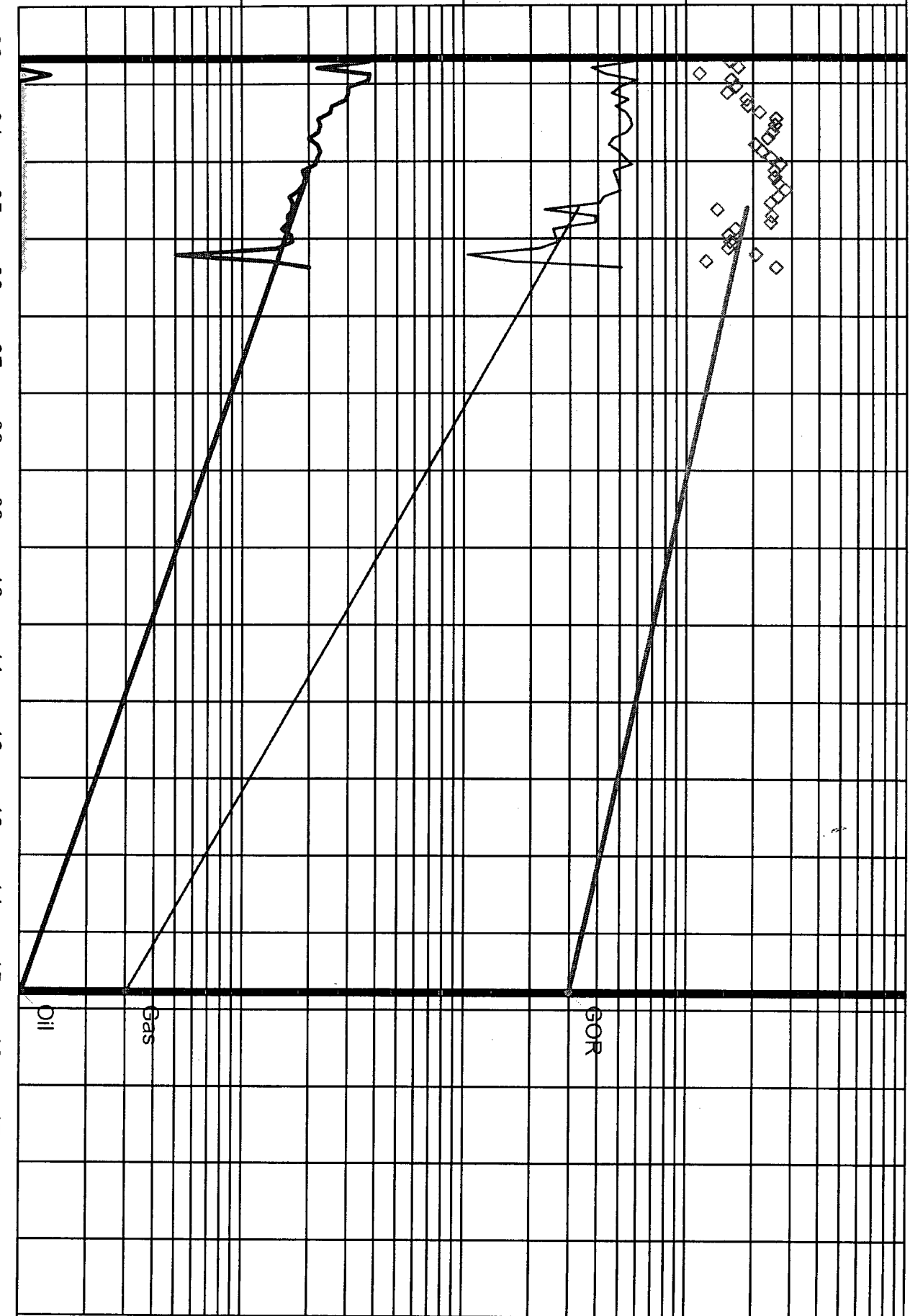
Yield (bbl/Mcf)  
GOR (scf/bbl)

1000  
100  
10  
1  
0.1

1000  
100  
10  
1  
0.1

Proj Oil Cum: 0.00 Mbbl  
Oil Rem: 38.27 Mbbl  
Oil EUR: 38.27 Mbbl

Proj Gas Cum: 0.00 MMcf  
Gas Rem: 60.93 MMcf  
Gas EUR: 60.93 MMcf



Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies  
**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

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

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

Form C-105  
Revised 1-1-89

WELL API NO. 30-015-32868
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 001786

WELL COMPLETION OR RECOMPLETION REPORT AND LOG					
1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>			7. Lease Name or Unit Agreement Name James Ranch Unit		
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input type="checkbox"/> OTHER <input type="checkbox"/>			8. Well No. 80		
2. Name of Operator Bass Enterprises Production Co.			9. Pool name or Wildcat Los Medanos, S Wolfcamp/Bone Spring		
3. Address of Operator P. O. Box 2760 Midland TX 79702					
4. Well Location Unit Letter <u>B</u> : <u>330</u> Feet From The <u>North</u> Line and <u>1500</u> Feet From The <u>East</u> Line Section <u>36</u> Township <u>22S</u> Range <u>30E</u> NMPM <u>Eddy</u> County					
10. Date Spudded 07/29/2003	11. Date T.D. Reached 08/21/2003	12. Date Compl. (Ready to Prod.) 09/14/2003	13. Elevations (DF & RKB, RT, GR, etc.) 3318' GL	14. Elev. Casinghead -	
15. Total Depth 11,280'	16. Plug Back T.D. 11,162'	17. If Multiple Compl. How Many Zones? 2	18. Intervals Drilled By 0	Rotary Tools 11,280'	Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name Bone Spring 10,900-910'; Wolfcamp 11,096-11,111'					20. Was Directional Survey Made No
21. Type Electric and Other Logs Run PE AIT GR; PE TDLD CN GR					22. Was Well Cored No
23. <b>CASING RECORD (Report all strings set in well)</b>					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	48#	628'	17-1/2"	485 sx Class C	None
9-5/8"	40#	3,872'	12-1/4"	1200 sx 50/50 Poz/Cl C	None
5-1/2"	17#	11,280'	8-1/2"	2125 sx Class C	None
24. <b>LINER RECORD</b>					
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	
N/A					
26. Perforation record (interval, size, and number) 11,096-111' - 15'; 15 holes 10,900-910' - 10'; 10 holes			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL      AMOUNT AND KIND MATERIAL USED 10,900-11,111'      1000 gals 2% KCl, Frac 76,539 gals Med 3000+185,707# Ottawa 20/40+66,459# Versa Prop 20/40		
28. <b>PRODUCTION</b>					
Date First Production 09/14/2003		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping; Lufkin 640-365-168			Well Status (Prod. or Shut-in) Producing
Date of Test 09/20/2003	Hours Tested 24 hours	Choke Size 15/64	Prod'n For Test Period Oil - Bbl. 239 Gas - MCF 431	Water - Bbl. 39	Gas - Oil Ratio 1800
Flow Tubing Press.	Casing Pressure 500	Calculated 24-Hour Rate	Oil - Bbl. 239 Gas - MCF 431	Water - Bbl. 39	Oil Gravity - API - (Corr.)
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold					Test Witnessed By
30. List Attachments Logs, C-102, C-104					
31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.					
Signature <u>Tami Wilber</u>		Printed Name <u>Tami Wilber</u>		Title <u>Production Clerk</u>	Date <u>11/03/2003</u>

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., 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-102

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

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Name LOS MEDANOS, WOLFCAMP, SOUTH	Pool Code 96336
Property Code 1786	Property Name JAMES RANCH UNIT	Well No. 080
OGRID No. 1801	Operator Name Bass Enterprises Production Co.	Elevation 3318

## Surface And Bottom Hole Location

UL or Lot B	Section 36	Township 22S	Range 30E	Lot Idn	Feet From 330	N/S Line N	Feet From 1500	E/W Line E	County Eddy
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						


## OPERATOR CERTIFICATION

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*

Electronically Signed By: Kent Adams

Title: Manager

Date: 5/2/2003

## 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.*

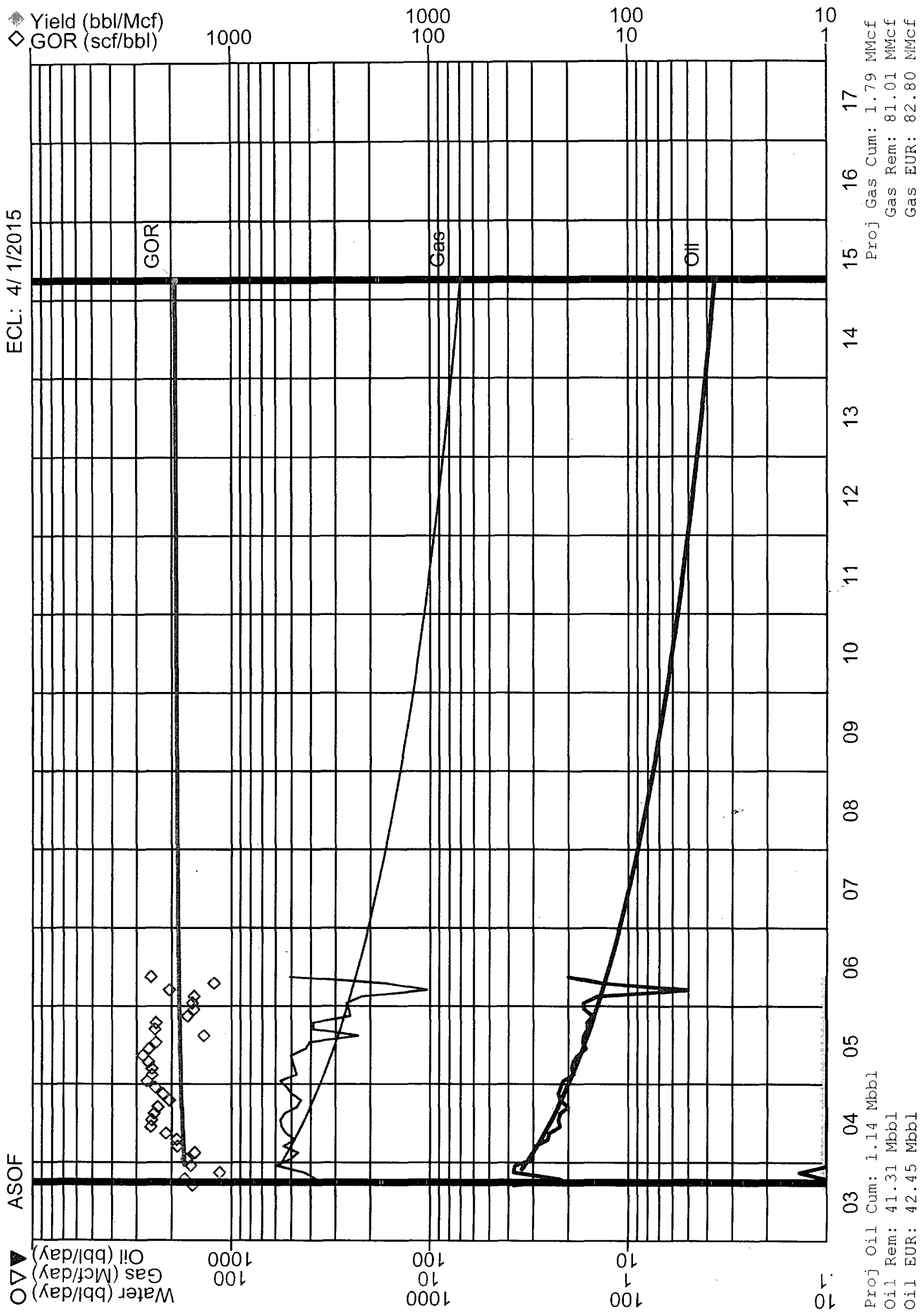
Electronically Signed By: Gary Jones

Date of Survey: 6/6/2000

Certificate Number: 7977

PROPERTY: JAMES RANCH UNIT #80 (EXCL DELAWARE)  
Oper: BEPCO  
FIELD\_ONLY: LOS MEDANOS

CONTROL: 1000415  
County, State: EDDY, NM  
Reservoir: WOLFCAMP





BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.  
FORT WORTH, TEXAS 76102-3131  
817/390-8400

2007 JAN 8 AM 9 00

January 5, 2007

**FEDERAL EXPRESS**

Bureau of Land Management  
Roswell District Office  
2909 W. 2<sup>nd</sup> Street  
Roswell, New Mexico 88201  
Attn: Ms. Alexis Swoboda

New Mexico State Land Office  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501  
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division  
1220 St. Francis  
Santa Fe, New Mexico 87505  
Attention: William Jones

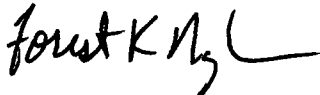
Re: Commercial Determination  
James Ranch Unit #75  
Bone Spring Formation  
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Bone Spring Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,

  
Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

## WELL DATA

WELL	<u>James Ranch Unit #75</u>	FORMATION	<u>Bone Spring</u>
LOCATION	<u>K</u> UNIT, <u>1980</u> FEET FROM <u>South</u> LINE & <u>2130</u> FEET FROM <u>West</u> LINE		
SECTION	<u>6</u> TOWNSHIP <u>23S</u> RANGE <u>31E</u> COUNTY <u>Eddy</u> NEW MEXICO		
SPUD DATE	<u>7/2/2004</u>	COMPLETION DATE	<u>8/12/2004</u> INITIAL PRODUCTION <u>8/21/2004</u>
PERFORATIONS	<u>10,998-11,008'</u>		

### STIMULATION:

ACID \_\_\_\_\_

FRACTURE Frac w/ 87,118 gal Medallion 3000 + 200,956# 20/40 Ottawa + 72,759# 20/40 Versa Prop

POTENTIAL (8/21/2004): 184 BOPD, 320 MCFPD, 31 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

## VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	
Porosity ( $\Phi$ ), %	<u>12%</u>	
Water saturation ( $S_w$ ), %	<u>29%</u>	
Net Thickness (H), ft.	<u>20</u>	
Temperature (T), Fahrenheit	<u>124</u>	
Bottom Hole pressure (P), psia	<u>6,050</u>	
Recovery factor (RF), %	<u>15%</u>	
Recoverable Oil, Bbls *(See eq. below)	<u>52,879</u>	

\*Sometimes unable to match performance due to volumetric uncertainty.

Formula =  $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

$B_o = 1.50$

Continued

**PERFORMANCE DATA**

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 5/31/2006 18,312 MCF Gas 10,191 BBL Oil

INITIAL RATE (qi) 48

ECONOMIC LIMIT (ql) 2

HYPERBOLIC DECLINE RATE, dy n = .99, d = 20.91%/yr

REMAINING OIL (Q) = 43,089

ULTIMATE RECOVERABLE OIL (BO) 53,280

(Attach plot showing proration unit and participating area.)

**ECONOMIC**GROSS WELL COST \$1,499,000 (to the depth of formation completed)

RECOMPLETION COST \_\_\_\_\_

GROSS TOTAL COST \$1,499,000

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	3.129	131.995	15.228	-1383.946
2	5.369	268.966	33.040	214.451
3	3.837	236.892	30.916	169.905
4	2.887	195.661	28.003	124.672
5	2.278	157.569	25.093	89.380
6	1.873	132.017	23.210	66.402
7	1.593	109.788	21.561	48.692
8	1.387	97.916	20.669	38.573
9	1.231	88.742	19.977	31.065
10	1.101	80.831	19.379	25.115
REMAINDER	11.164	890.073	316.153	120.611
TOTAL	35.849	2390.450	553.229	-455.081

**WELL IS NOT COMMERCIAL**

# ECONOMIC PROJECTION

Date : 8/29/2006

Lior: 1000416

5:33:50PM

Project Name : PROPZONE Extract-Creating new PHDWi  
 Partner : All Cases  
 Case Type : LEASE CASE  
 Archive Set : BUD07

As Of Date : 08/01/2004  
 Discount Rate (%) : 10.00  
 1000416/JAMES RANCH UNIT/BON

Lease Name : 1000416/JAMES RANCH UNIT/BON  
 Reserv Cat : Proved Producing  
 Field : LOS MEDANOS (BONE SPRING)  
 Operator : BEPCO  
 Reservoir : BONE SPRING  
 Co., State : EDDY, NM

Cum Oil (mmbbls) : 0.00  
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
2004	3.129	5.300	2.879	0.000	2.644	2.433	0.000
2005	5.369	9.058	4.921	10.626	4.537	4.158	8.979
2006	3.837	9.723	5.283	48.034	3.242	4.464	40.589
2007	2.887	9.138	4.965	45.142	2.440	4.195	38.145
2008	2.278	8.401	4.564	41.502	1.925	3.857	35.069
2009	1.873	7.735	4.203	38.212	1.582	3.551	32.289
2010	1.593	7.185	3.903	35.492	1.346	3.298	29.990
2011	1.387	6.707	3.644	33.133	1.172	3.079	27.998
2012	1.231	6.306	3.426	31.152	1.040	2.895	26.323
2013	1.101	5.920	3.216	29.243	0.930	2.718	24.710

Rem	11.164	73.520	39.943	306.893	9.433	33.752	306.893
Total	35.847	148.993	80.948	675.723	30.291	68.401	570.986
Ult.	35.847	148.993					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2004	45.21	5.12	0.00	119.535	12.460	0.000	131.995
2005	53.19	5.33	0.61	241.313	22.176	5.477	268.966
2006	58.69	4.90	0.61	190.264	21.869	24.759	236.892
2007	57.76	7.50	0.61	140.937	31.456	23.269	195.661
2008	59.87	5.43	0.61	115.223	20.954	21.392	157.569
2009	57.95	5.81	0.61	91.698	20.623	19.696	132.017
2010	53.73	5.81	0.61	72.339	19.155	18.294	109.788
2011	53.73	5.81	0.61	62.955	17.882	17.079	97.916
2012	53.73	5.81	0.61	55.872	16.813	16.057	88.742
2013	53.73	5.81	0.61	49.976	15.782	15.073	80.831
Rem	53.73	5.81	0.61	506.853	196.015	187.205	890.073
Total	54.37	5.78	0.61	1,646.965	395.185	348.301	2,390.452

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2004	9.484	0.264	1,499.000	5.480	-1,382.233	-1,382.233	-1,383.946	-1,383.946
2005	19.350	0.538	0.000	13.152	235.926	-1,146.306	214.451	-1,169.496
2006	17.290	0.474	0.000	13.152	205.977	-940.330	169.905	-999.591
2007	14.460	0.391	0.000	13.152	167.658	-772.672	124.672	-874.919
2008	11.626	0.315	0.000	13.152	132.476	-640.196	89.380	-785.539
2009	9.794	0.264	0.000	13.152	108.807	-531.389	66.402	-719.136
2010	8.189	0.220	0.000	13.152	88.228	-443.161	48.692	-670.444
2011	7.321	0.196	0.000	13.152	77.248	-365.913	38.573	-631.871
2012	6.648	0.177	0.000	13.152	68.765	-297.148	31.065	-600.807
2013	6.065	0.162	0.000	13.152	61.452	-235.696	25.115	-575.692
Rem	67.271	1.780	0.000	247.102	573.920	573.920	120.611	120.611
Total	177.497	4.781	1,499.000	370.950	338.224	338.224	-455.081	-455.081

Major Phase :	Oil	Working Int :	1.00000000	Present Worth Profile (M\$)	
Perfs :	0 0	Revenue Int :	0.84500000		
Initial Rate :	0.31 mbbbl/month	Disc. Initial Invest. (m\$) :	1,499.000	2.00% :	93.60
Abandonment :	0.03 mbbbl/month	Internal ROR (%) :	2.94	4.00% :	-93.95
Initial Decline :	34.17 % year	ROI Investment (disc/undisc) :	0.70 / 1.23	6.00% :	-241.01
Beg Ratio :	2.84 mcf/mbbl	Years to Payout :	14.45	8.00% :	-358.82
End Ratio :	7.54	Abandonment Date :	10/17/2032	10.00% :	-455.08
				25.00% :	-845.55
				40.00% :	-1,016.63
				50.00% :	-1,087.41
				75.00% :	-1,197.17
				100.00% :	-1,260.10

	Initial	1st Rev.	2nd Rev.
Working Interest :	1.00000000	0.00000000	0.00000000
Revenue Interest :	0.84500000	0.00000000	0.00000000
Rev. Date :			

PROPERTY: JAMES RANCH UNIT #75 (EXCL DELAWARE)

Oper: BEPCO

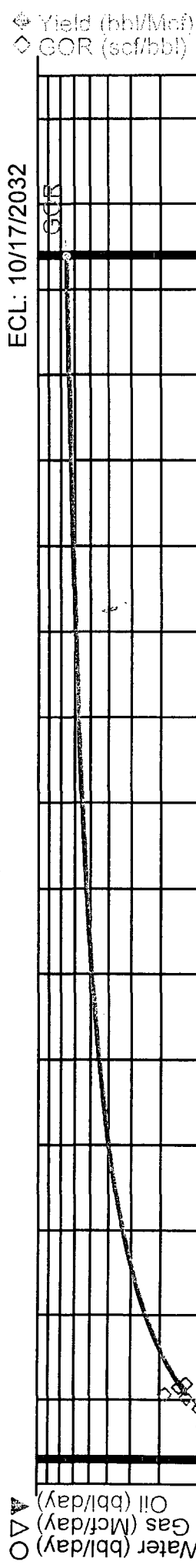
FIELD\_ONLY: LOS MEDANOS

CONTROL: 1000416

County, State: EDDY, NM

Reservoir: BONE SPRING

ECL: 10/17/2032



Proj Oil Cum: 0.00 Mbbl  
Oil Rem: 35.85 Mbbl  
Oil EUR: 35.85 Mbbl

Proj Gas Cum: 0.00 MMcf  
Gas Rem: 148.99 MMcf  
Gas EUR: 148.99 MMcf

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.  
NM004473

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name	
b. Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. Other		7. Unit or CA Agreement Name and No. NMNM70965	
2. Name of Operator BASS ENTERPRISES PRODUCTION CO		8. Lease Name and Well No. JAMES RANCH UNIT 75	
3. Address P. O. BOX 2760 MIDLAND, TX 79702		9. API Well No. 30-015-33114	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface NESW 1980FSL 2130FWL 32.19548 N Lat, 103.49072 W Lon At top prod interval reported below NESW 1980FSL 2130FWL 32.19548 N Lat, 103.49072 W Lon At total depth NESW 1980FSL 2130FWL 32.19548 N Lat, 103.49072 W Lon		10. Field and Pool, or Exploratory LOS MEDANOS (WOLFCAMP)	
14. Date Spudded 07/02/2004		15. Date T.D. Reached 08/03/2004	
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 08/12/2004		17. Elevations (DF, KB, RT, GL)* 3307 GL	
18. Total Depth: MD TVD 11400		19. Plug Back T.D.: MD TVD 11310	
20. Depth Bridge Plug Set: MD TVD		21. Type Electric & Other Mechanical Logs Run (Submit copy of each) PE LDT CNL - GR AIT	
22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit analysis)			

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
14.750	11.750 H-40	42.0	0	671		335		0	
11.000	8.625 J-55	32.0	0	3972		1100		0	
7.875	5.500 HCP-110	17.0	0	11399		2100		680	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WOLFCAMP	11186	11196	11186 TO 11196	0.400	10	PRODUCING
B) BONE SPRING	10998	11008	10998 TO 11008	0.400	10	PRODUCING
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
10998 TO 11196	87 GAL MEDALLION 3000 + 200,856# 20/40 OTTAWA + 72,758# 20/40 VERSA PROP

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
08/12/2004	08/21/2004	24	→	184.0	320.0	31.0			START FLOWS FROM WELL
Choke Size	Tbg. Press. Pwng.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
14/64	SI	500.0	→	184	320	31		POW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
08/12/2004	08/21/2004	24	→	184.0	320.0	31.0			FLOWS FROM WELL
Choke Size	Tbg. Press. Pwng.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
14/64	SI	500.0	→	184	320	31		POW	

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #35666 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

## 28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

## 28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

29. Disposition of Gas(Sold, used for fuel, vented, etc.)  
SOLD

## 30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

## 31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				RUSTLER	253
				SALT	692
				LAMAR	3928
				RAMSEY	3963
				SHELL	6793
				LBC "8A"	7479
				BONE SPRING LM	7763
				BONE SPRING III	10923
				WOLFCAMP	11058

32. Additional remarks (include plugging procedure):  
NO REMARK PROVIDED

## 33. Circle enclosed attachments:

- |   |                    |               |                       |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.)     | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis   | 7. Other:     |                       |

## 34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #35666 Verified by the BLM Well Information System.  
For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad

Name (please print) CINDI GOODMAN

Title PRODUCTION CLERK

Signature (Electronic Submission)

Date 09/24/2004

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

\*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\*

DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV  
2840 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	Pool Name
		LOS MEDANOS SOUTH (WOLFCAMP) FIELD
Property Code	Property Name	Well Number
	JAMES RANCH UNIT	75
OCRD No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3307'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	6	23 S	31 E		1980	SOUTH	2130	WEST	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

LOT 4 - 40.45 AC.	LOT 3 - 39.90 AC.	LOT 2 - 39.94 AC.	LOT 1 - 39.95 AC.	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  <u>William R. Dannels</u> Signature W. R. Dannels Printed Name Division Drilling Supt. Title Nov. 2, 2000 Date
LOT 5 - 40.79 AC.				
LOT 6 - 40.96 AC.				
LOT 7 - 41.15 AC.				

LAT - N32°19'54.8"  
LONG - W103°49'07.2"

2130'

3305.9' 3307.6'  
3303.6' 3306.8'

1980'

**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.  
  
August 22, 2000  
Date  
Surveyor L. JONES  
Signature  
Professional Seal  
7977  
W.O. No. 04754  
Certified by L. JONES  
BASIN SURVEYS



BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.  
FORT WORTH, TEXAS 76102-3131  
817/390-8400

2007 JAN 8 AM 9 00

January 5, 2007

**FEDERAL EXPRESS**

Bureau of Land Management  
Roswell District Office  
2909 W. 2<sup>nd</sup> Street  
Roswell, New Mexico 88201  
Attn: Ms. Alexis Swoboda

New Mexico State Land Office  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501  
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division  
1220 St. Francis  
Santa Fe, New Mexico 87505  
Attention: William Jones

Re: Commercial Determination  
James Ranch Unit #87  
Bone Spring Formation  
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Bone Spring Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Sincerely,

  
Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

## WELL DATA

WELL James Ranch Unit #87 FORMATION Bone Spring  
 LOCATION N UNIT, 250 FEET FROM SOUTH LINE & 1980 FEET FROM WEST LINE  
 SECTION 6 TOWNSHIP 23S RANGE 31E COUNTY Eddy NEW MEXICO  
 SPUD DATE 9/10/2005 COMPLETION DATE 11/15/2005 INITIAL PRODUCTION 11/15/2005  
 PERFORATIONS 11002-11016

### STIMULATION:

ACID \_\_\_\_\_

FRACTURE Frac w/ 87444 gals Medallion 3000 + 191,239# 20/40 Versa Prop + 64,090# 20/40 Versa Prop

POTENTIAL (11/29/2005): 137 BOPD, 246 MCFPD, 98 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

## VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	<u>          </u>
Porosity (Φ), %	<u>12%</u>	<u>          </u>
Water saturation (Sw), %	<u>55%</u>	<u>          </u>
Net Thickness (H), ft.	<u>14</u>	<u>          </u>
Temperature (T), Fahrenheit	<u>169</u>	<u>          </u>
Bottom Hole pressure (P), psia	<u>4,730</u>	<u>          </u>
Recovery factor (RF), %	<u>35%</u>	<u>          </u>
Recoverable Oil, Bbls *(See eq. below)	<u>54,740</u>	<u>          </u>

\*Sometimes unable to match performance due to volumetric uncertainty.

Formula =  $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

B<sub>o</sub> = 1.50

Continued

## PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 6/30/2006 2,351 Bbls Oil 4,595 MCF GasINITIAL RATE (qi) 46ECONOMIC LIMIT (qi) 2HYPERBOLIC DECLINE RATE, dy n = .99, d = 62.25%/yrREMAINING OIL (Q) = 52,501ULTIMATE RECOVERABLE OIL (BO) 54,852

(Attach plot showing proration unit and participating area.)

## ECONOMIC

GROSS WELL COST \$1,127,405 (to the depth of formation completed)RECOMPLETION COST GROSS TOTAL COST \$1,127,405

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	0.968	51.748	6.042	-1082.295
2	6.359	342.010	38.282	279.597
3	4.876	277.482	33.758	205.936
4	3.127	180.417	26.500	117.887
5	2.297	130.439	22.825	74.513
6	1.820	97.036	20.360	47.995
7	1.507	80.584	19.140	34.793
8	1.290	69.088	18.287	26.023
9	1.122	60.179	17.626	19.718
10	0.995	53.429	17.125	15.221
REMAINDER	7.683	414.145	202.315	55.142
TOTAL	32.044	1756.557	422.260	-205.469

WELL IS NOT COMMERCIAL

# ECONOMIC PROJECTION

Date : 9/5/2006

Lior: 1000418

11:10:05AM

Project Name : PROPZONE Extract-Creating new PHDWi  
 Partner : All Cases  
 Case Type : LEASE CASE  
 Archive Set : BUD07

As Of Date : 11/01/2005  
 Discount Rate (%) : 10.00  
 Custom Selection

Lease Name : 1000418/JAMES RANCH UNIT/BON  
 Reserv Cat. : Proved Producing  
 Field : LOS MEDANOS (BONE SPRING)  
 Operator : BEPCO  
 Reservoir : BONE SPRING  
 Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00  
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbl)	Gas (MMCF)	NGL (MGal)
2005	0.968	2.995	1.627	0.000	0.837	1.408	0.000
2006	6.359	10.348	5.622	0.000	5.501	4.863	0.000
2007	4.876	10.648	5.785	0.000	4.218	5.004	0.000
2008	3.127	7.552	4.103	0.000	2.705	3.549	0.000
2009	2.297	5.832	3.168	0.000	1.987	2.741	0.000
2010	1.820	4.761	2.587	0.000	1.574	2.238	0.000
2011	1.507	4.024	2.186	0.000	1.304	1.891	0.000
2012	1.290	3.493	1.898	0.000	1.116	1.642	0.000
2013	1.122	3.072	1.669	0.000	0.970	1.444	0.000
2014	0.995	2.747	1.493	0.000	0.860	1.291	0.000

Rem	7.683	21.768	11.826	0.000	6.646	10.230	0.000
Total	32.045	77.240	41.965	0.000	27.719	36.299	0.000
Ult.	32.045	77.240					

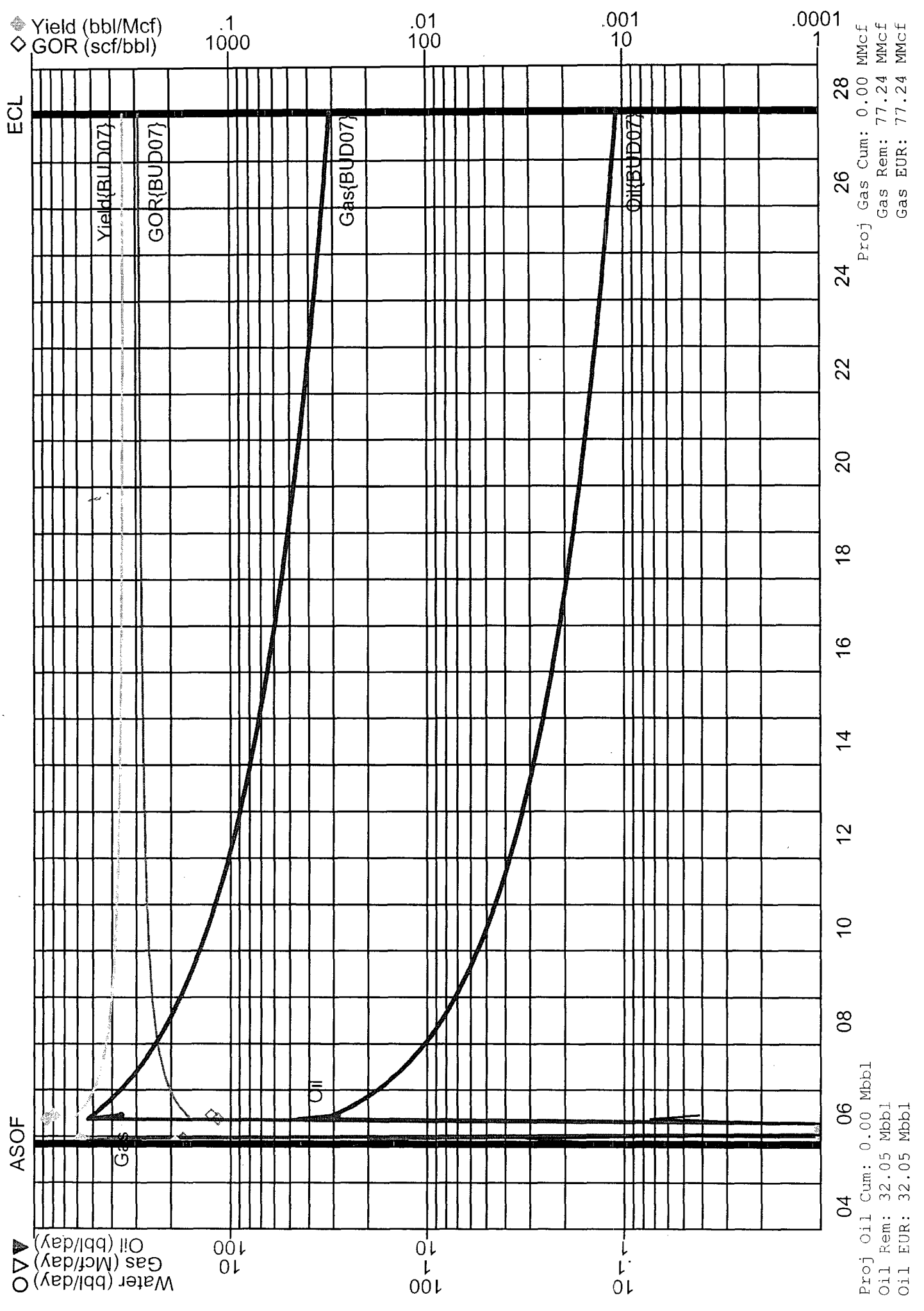
Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2005	52.84	5.33	0.00	44.242	7.506	0.000	51.748
2006	58.38	4.29	0.00	321.135	20.875	0.000	342.010
2007	57.12	7.30	0.00	240.930	36.552	0.000	277.482
2008	59.58	5.42	0.00	161.174	19.244	0.000	180.417
2009	57.63	5.81	0.00	114.523	15.916	0.000	130.439
2010	53.38	5.81	0.00	84.041	12.995	0.000	97.036
2011	53.38	5.81	0.00	69.602	10.982	0.000	80.584
2012	53.38	5.81	0.00	59.554	9.534	0.000	69.088
2013	53.38	5.81	0.00	51.795	8.383	0.000	60.179
2014	53.38	5.81	0.00	45.931	7.498	0.000	53.429
Rem	53.38	5.81	0.00	354.735	59.410	0.000	414.145
Total	55.83	5.75	0.00	1,547.663	208.895	0.000	1,756.558

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2005	3.747	0.103	1,127.405	2.192	-1,081.699	-1,081.699	-1,082.295	-1,082.295
2006	24.446	0.684	0.000	13.152	303.728	-777.971	279.597	-802.698
2007	20.051	0.555	0.000	13.152	243.723	-534.248	205.936	-596.761
2008	12.987	0.361	0.000	13.152	153.917	-380.330	117.887	-478.875
2009	9.412	0.261	0.000	13.152	107.615	-272.716	74.513	-404.362
2010	7.014	0.194	0.000	13.152	76.676	-196.040	47.995	-356.366
2011	5.827	0.161	0.000	13.152	61.443	-134.596	34.793	-321.573
2012	4.997	0.138	0.000	13.152	50.801	-83.795	26.023	-295.551
2013	4.354	0.120	0.000	13.152	42.553	-41.243	19.718	-275.832
2014	3.866	0.107	0.000	13.152	36.304	-4.939	15.221	-260.611
Rem	29.981	0.828	0.000	171.506	211.829	211.829	55.142	55.142
Total	126.683	3.513	1,127.405	292.066	206.890	206.890	-205.469	-205.469

Major Phase :	Oil	Working Int :	1.00000000	Present Worth Profile (M\$)	
Perfs :	0	Revenue Int :	0.86500000		
Initial Rate :	0.87 mbbl/month	Disc. Initial Invest. (m\$) :	1,127.405	2.00% :	94.87
Abandonment :	0.03 mbbl/month	Internal ROR (%) :	4.03	4.00% :	1.20
Initial Decline :	72.73 % year	ROI Investment (disc/undisc) :	0.82 / 1.18	6.00% :	-78.20
Beg Ratio :	1.25 mcf/mbbl	Years to Payout :	9.32	8.00% :	-146.33
End Ratio :	2.88	Abandonment Date :	01/15/2028	10.00% :	-205.47
				25.00% :	-486.43
				40.00% :	-636.17
				50.00% :	-704.35
				75.00% :	-819.08
				100.00% :	-890.67
		Initial	1st Rev.	2nd Rev.	
		Working Interest :	1.00000000	0.00000000	0.00000000
		Revenue Interest :	0.86500000	0.00000000	0.00000000
		Rev Date :			

CONTROL: 1000418  
County, State: EDDY, NM  
Reservoir: BONE SPRING

PROPERTY: JAMES RANCH UNIT #87 (EXCL DELAWARE)  
Oper: BEPCO  
FIELD\_ONLY: LOS MEDANOS



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

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1009 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-  
Revised March 17, 1

Submit to Appropriate District Of  
State Lease - 4 Co  
Fee Lease - 3 Co

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-34277	Pool Code 40295	Pool Name LOS MEDANOS BONE SPRING
Property Code 001786	Property Name JAMES RANCH UNIT	Well Number 87
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3301'

Surface Location

UL or lot No. N	Section 6	Township 23 S	Range 31 E	Lot Idn	Feet from the 250	North/South line SOUTH	Feet from the 1980	East/West line WEST	Cons ED
--------------------	--------------	------------------	---------------	---------	----------------------	---------------------------	-----------------------	------------------------	------------

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	Cons
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	------

Dedicated Acres 40	Joint or Infill N	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

LOT 4 - 40.45 AC.	LOT 3 - 39.90 AC.	LOT 2 - 39.94 AC.	LOT 1 - 39.98 AC.
LOT 5 - 40.79 AC.			
LOT 6 - 40.96 AC.			
LOT 7 - 41.13 AC.			

RECEIVED  
DEC 16 2005  
OCD-ART/EDM

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature  
*William R. Dannels*

Printed Name  
W.R. DANNELS

Title  
DIVISION DRILLING SUPT.

Date  
11/29/05

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

July 28, 2000

Date Surveyed

Signature & Seal of Professional Surveyor

NEW MEXICO  
W.07986. 0426A  
Certificate No. Gary L. 79

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB NO. 1004-0137  
Expires: March 31, 2007

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other  
b. Type of Completion ☐ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,  
Other \_\_\_\_\_

2. Name of Operator  
Bass Enterprises Production Co.

3. Address  
P. O. Box 2760 Midland TX 79702

3.a Phone No. (Include area code)  
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*

At Surface SESW 250 FSL, 1980 FWL

At top prod. interval reported below SAME

At total depth SAME

14. Date Spudded

09/10/2005

15. Date T.D. Reached

10/12/2005

16. Date Completed

☐ D & A

☒ Ready to Prod.

11/15/2005

18. Total Depth: MD 11,340'  
TVD

19. Plug Back T.D.: MD 11,283'  
TVD

20. Depth Bridge Plug Set: MD  
TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)  
GR-CNL-LDT; GR-AIT

22. Was well cored? ☒ No ☐ Yes (Submit analysis)  
Was DST run? ☒ No ☐ Yes (Submit analysis)  
Directional Survey? ☐ No ☒ Yes (Submit copy)

## 23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
14-3/4"	11-3/4"	42#	0	617'		270		0'	
11"	8-5/8"	32#	0	3946'		1020		0'	
7-7/8"	5-1/2"	20#		11324'		2000		2720 BY TS	

## 24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

## 25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BONE SPRING	11,002'	11,016'	11,002' - 11,016'	0.470	14	PRODUCING
B) WOLFCAMP	11,200'	11,210'	11,200' - 11,210'	0.470	10	PRODUCING
C)						
D)						

## 26. Perforation Record

## 27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
11,002' - 11,210'	2,082 BBLS MEDALLION 3000 + 191,239# 20/40 OTTAWA + 64,090# 20/40 VERSA PROP

## 28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
11/15/05	11/29/05	24	→	137	246	98			FLOWS FROM WELL FOR RECORD
Choice Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
16/64"	SI N/A	750	→	137	246	98		FOW	

## Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
11/15/05	11/29/05	24	→	137	246	98			FLOWS FROM WELL BY AK
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
16/64"	SI N/A	750	→	137	246	98		FOW	

(See Instructions and spaces for additional data on page 2)

## 28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

## 28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				T/RUSTLER	270'
				T/SALT	620'
				B/SALT	3710'
				T/DELAWARE MTN GROUP	3940'

32. Additional remarks (include plugging procedure):

THIS WELL IS FLOWING IN CASING.

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ Electrical/Mechanical Logs (1 full set req'd.)   
 ☐ Geological Report   
 ☐ DST Report   
 ☐ Directional Survey  
☐ Sundry Notice for plugging and cement verification   
 ☐ Core Analysis   
 ☐ Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) Cindi GoodmanTitle Production Clerk

Signature


Date 12/01/2005

Title 18 U.S.C. Section 101 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.