

OIL CONSERVATION DIVISION

P. O. Box 2088

Santa Fe, New Mexico 87504-2088

N.M.O.C.D. Case 12010

Bass Enterprises Prod. Co.

Exhibit No. 3

July 23, 1998

☐ AMENDED REPORT**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address Bass Enterprises Production Co. P O Box 2760 Midland, Texas 79702-2760 915-683-2277		2. OGRID Number 001801
4. Property Code <u>22371</u>	5. Property Name Monteith "C"	3. API Number <u>30-0225-34284</u>
		6. Well No. 1

7. Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	13	16S	36E		660	North	1830	East	Lea

8. 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/West line	County

9. Proposed Pool 1

Lovington NE (Penn) Field

10. Proposed Pool 2

11. Work Type Code N	12. Well Type Code 0	13. Cable/Rotary R	14. Lease Type Code P	15. Ground Level Elevation 3858
16. Multiple No	17. Proposed Depth 11,650'	18. Formation Strawn	19. Contractor Norton Drig. Co.	20. Spud Date Upon Approval

21. Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
1) 14-3/4"	11-3/4"	42#	350'	275	Surface
2) 11"	8-5/8"	28# & 32#	4925'	1250	Surface
3) 7-7/8"	5-1/2"	17# & 15.50#	11,650'	300	500' above top pay
					Section or est at 9800'

22. 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.

- 1) Surface casing to be set through the Redbed into the Anhydrite.
- 2) Intermediate casing to be set in the San Andres. An attempt will be made to cement to surface. If cement is not circulated to surface, a temperature survey will be run to locate the TOC. No remedial operations will be conducted if a minimum of 100' fill inside 11-3/4" X 8-5/8" annulus.
- 3) Production casing to be cemented 500' above the upper most pay zone, which is estimated at 9800'.
- 4) The SW/4 NE/4 of Section 13 is included in the proposed proration unit even though it is currently allocated to the proration unit for the Monteith A #1 well. Bass plans to continue producing the Monteith A #1 (S/2 NE/4) until production is established on the Monteith C #1. At which time the Monteith A #1 will be temporarily abandoned. The Monteith A #1 cannot be TA'ed prior to drilling the Monteith C #1 due to the risk of losing leases due to cessation of production.
- 5) Drilling procedure, BOP diagram, anticipated tops attached.

This well is outside the R-111 Potash Areas.

**Permit Expires 1 Year From Approval
Date Unless Drilling Underway**

23. I hereby certify that the information given above is true and complete to the of my knowledge and belief.

Signature: William R. Dannels

Printed Name: William R. Dannels

Title: Division Drilling Supt.

Date: 1/27/98

Phone: 915-683-2277

OIL CONSERVATION DIVISION

ORIGINAL SIGNED BY CHRIS WILLIAMS
Approved by: DISTRICT I SUPERVISOR

Title:

Approval Date: **EB 05 1998**

Conditions of Approval:

Attached

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		LOVINGTON NE (PENN) FIELD
Property Code	Property Name	Well Number
	MONTEITH "C"	1
OGRID No.	Operator Name	Elevation
001801	BASS ENTERPRISES PROD. CO.	3858'

Surface Location

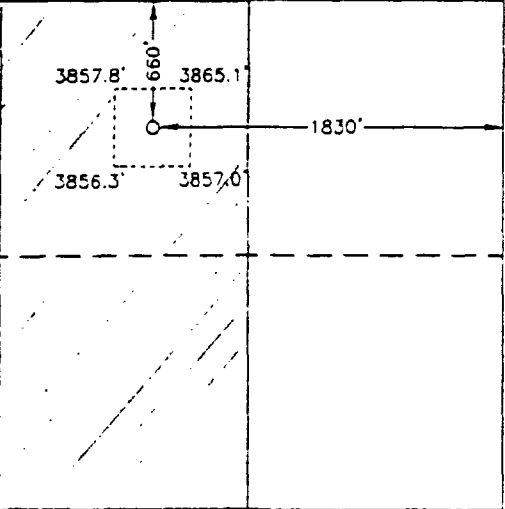
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	13	16 S	36 E		660	NORTH	1830	EAST	LEA

Bottom Hole Location If Different From Surface

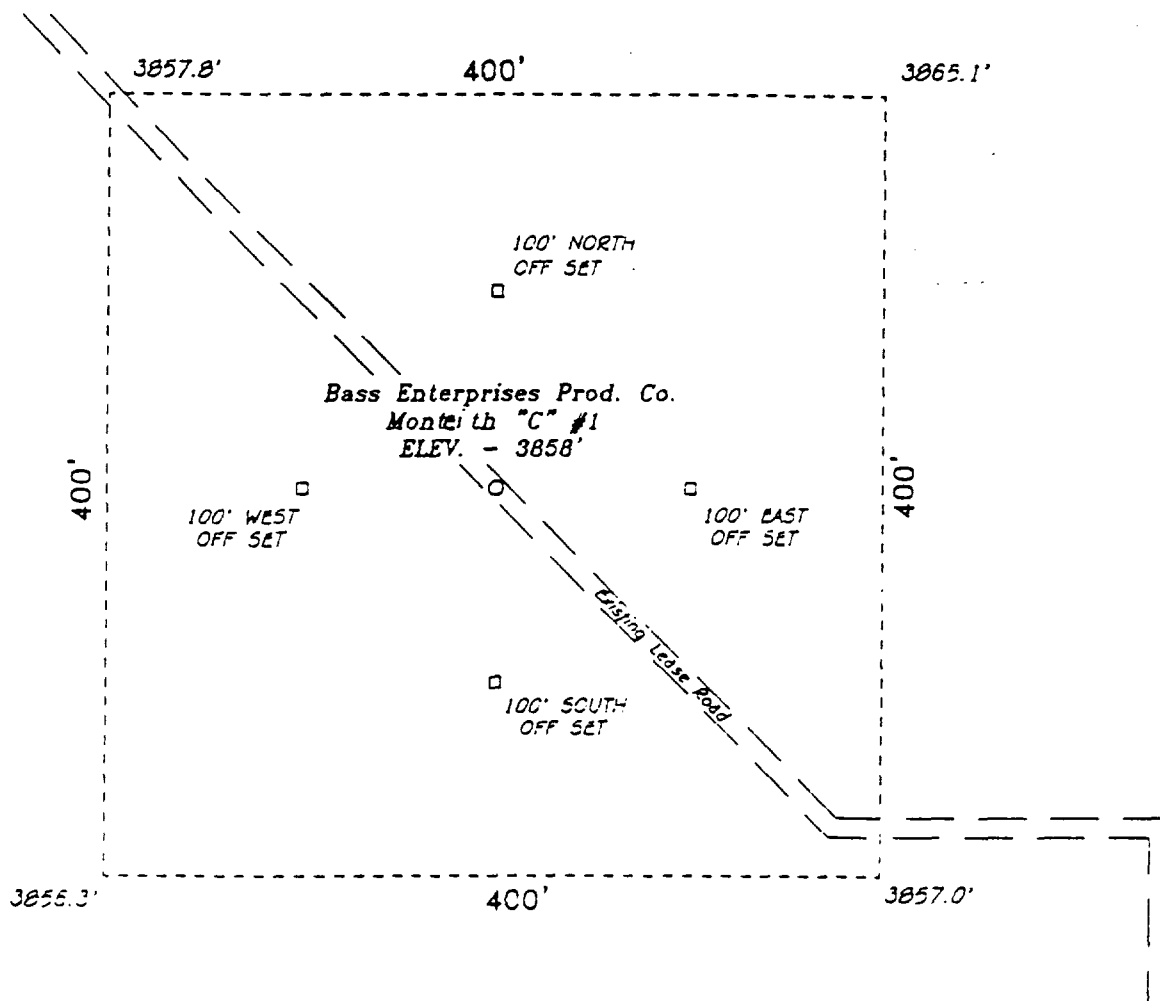
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80	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

*SEE NO. 22 #4 PROPOSAL STATEMENT		OPERATOR CERTIFICATION I hereby certify the the information contains herein is true and complete to the best of my knowledge and belief. <u>William R. Dannels</u> Signature <u>William R. Dannels</u> Printed Name <u>Division Dirg. Supt.</u> Title <u>1-27-98</u> Date
		SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief. <u>December 15, 1997</u> Date Surveyed <u>[Signature]</u> Signature & Seal of Professional Surveyor <u>W.D. No. 77410</u> Certificate No. <u>Gordon Jones</u> 7977 BASIN SURVEYS

SECTION 13, TOWNSHIP 16 SOUTH, RANGE 36 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



100 0 100 200 FEET
SCALE: 1" = 100'

Bass Enterprises Prod. Co.

REF: Monteith "C" No. 1 / Well Pad Tapo

THE MONTEITH "C" No. 1 LOCATED 660' FROM THE
NORTH LINE AND 1830' FROM THE EAST LINE OF
SECTION 13, TOWNSHIP 16 SOUTH, RANGE 36 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

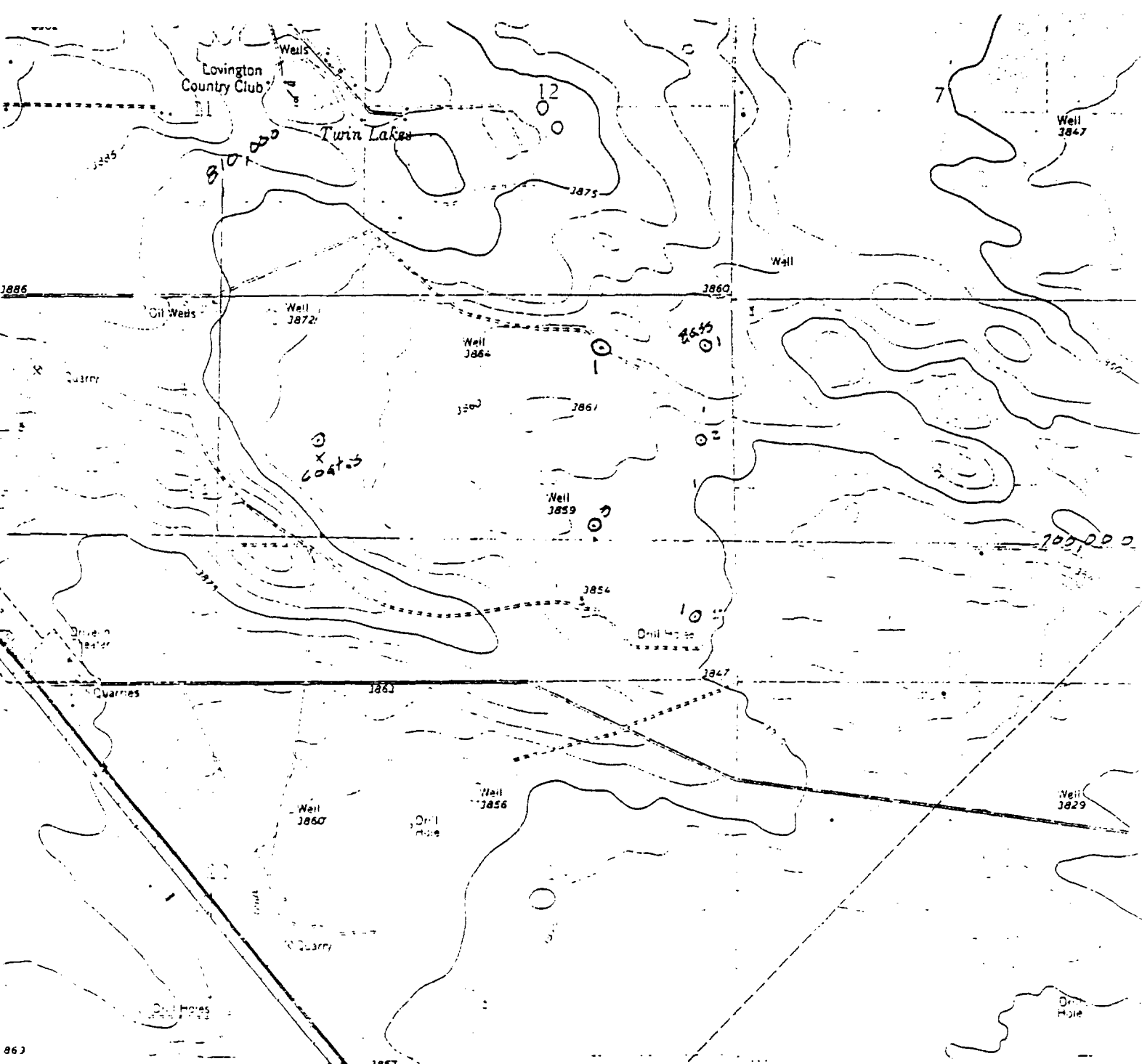
BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

A.C. Number: 7741 Drawn By: K. GOAD

Date: 12-16-97 Disk: KUG #73 - 7741A.DWG

Survey Date: 12-15-97

Sheet: 1 of 1 Sheets



BASS ENTERPRISES PROD. CO.
 MONTEITH "C" #1
 660' FNL & 1830' FEL
 Sec. 13, T-16-S, R-36-E,
 Lea County, New Mexico.



SCALE: 1"=2000'

2000' 0 2000' 4000 Feet

BASIN SURVEYS

P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 7741	Drawn By: K. GOAD	Survey Date: 12-15-97	Sheet 1 of 1 Sheets
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**EIGHT POINT DRILLING PROGRAM
BASS ENTERPRISES PRODUCTION CO.**

NAME OF WELL: MONTEITH "C" NO. 1

LEGAL DESCRIPTION - SURFACE: 660' FNL & 1830' FEL, Section 13, T-16-S, R-36-E, Lea County, New Mexico.

POINT 1: ESTIMATED FORMATION TOPS

(See No. 2 Below)

POINT 2: WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS

Anticipated Formation Tops: KB 3872' (est)
GL 3858'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Anhydrite	2212'	+ 1660'	Barren
T/Yates	3210'	+ 662'	Barren
T/San Andres	4902'	- 1030'	Oil/Gas
T/Glorietta	6372'	- 2500'	Oil/Gas
T/Tubb	7602'	- 3730'	Oil/Gas
T/Abo	8332'	- 4460'	Oil/Gas
T/Wolfcamp Pay	10,382'	- 6510'	Oil/Gas
T/Canyon Mkr	10,887'	- 7015'	Oil/Gas
T/Strawn	11,257'	- 7385'	Oil/Gas
TD	11,650'	- 7778'	

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
11-3/4", 42#, WC-40, ST&C	0' - 350'	Surface	New
8-5/8", 28# & 32#, WC-50, ST&C	0' - 4,925'	Intermediate	New
5-1/2", 15.50# & 17#, K55, LT&C	0' - 11,650'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nipped up on the surface casing head. When testing, the BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to 70% of internal yield of the casing. In addition to the rated working pressure test, a low pressure (200 psi) test will be required. These tests will be performed:

- a) Upon installation
- b) After any component changes
- c) Twenty days after a previous test
- d) As required by well conditions

Con't...

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A function test of pipe and blind rams to insure that the preventers are operating correctly will be performed on each trip. A function test is required only a minimum of once every 24 hours. See the attached diagram for the minimum criteria for the choke manifold.

POINT 5: MUD PROGRAM

<u>DEPTH</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	<u>FV</u>	<u>PV</u>	<u>YP</u>	<u>FL</u>	<u>Ph</u>
0' - 350'	FW Spud	8.4 - 9.0	45-38	NC	NC	NC	9-10
350' - 4,925'	Brine	9.8 -10.2	28-32	NC	NC	NC	9-10
4,925' - 10,200'	FW	8.4 - 9.0	28-30	NC	NC	NC	10
10,200' - 11,450'	FW/Starch	8.6 - 9.0	30-32	10	10	10-12	10

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING

None anticipated.

B) LOGGING

GR-CNL from Intermediate casing point to surface.

GR-CNL-LDT-MSFL-DLL from TD to Intermediate casing point.

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

<u>INTERVAL</u>	<u>AMOUNT SXS</u>	<u>FT OF</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT³/SX</u>
<u>SURFACE</u>		<u>FILL</u>				
0 - 350'	275	350	Class "C" + 2% CaCl ₂	6.32	14.8	1.32
(100% excess circ to surface)						
<u>INTERMEDIATE</u>						
0 - 4425'	1050	4425	35/65 Poz C +.6% gel +	11.84	12.4	2.14
			5% Salt			
4425 - 4925'	200	500	Class C	6.32	14.8	1.32
(100% excess circ to surface)						
<u>PRODUCTION</u>						
<u>TAIL</u>						
9800 - 11,650'	300	1850	Class "H" + 0.3% D13 + 3%	8.80	14.0	1.66
(50% excess)			3% D44 + 1/4 gals/sx D155			
			+ 0.05 gals/sx D604AM			

E) **DIRECTIONAL DRILLING**

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressured formations are anticipated throughout this well.

POINT 8: OTHER PERTINENT INFORMATION

A) **Auxiliary Equipment**

Upper and lower kelly cocks. Full opening stab in valve on the rig floor.

B) **Anticipated Starting Date**

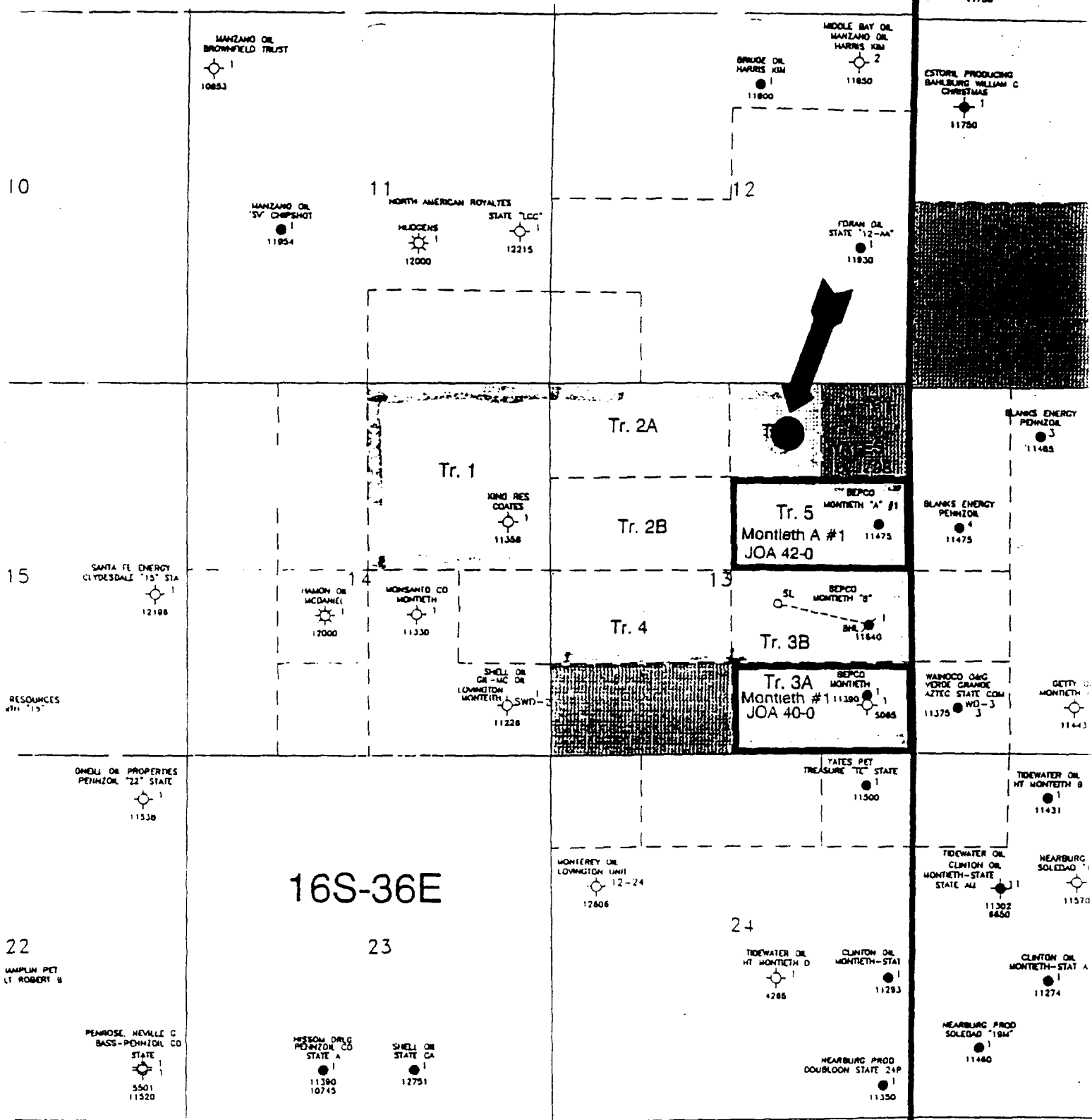
Upon approval

28 days drilling operations

7 days completion operations

FDC/mac
1/27/1998

[illegible]



LEGEND - Bass Leasehold Interest

- ① Bass WI 26.40% NRI 20.97%
- ②A Bass WI 44.15% NRI 35.41%
- ②B Bass WI 46.26% NRI 36.56%
- ③A Bass WI 81.01% NRI 63.75%
- ③B Bass WI 56.98% NRI 45.08%
- ④ Bass WI 46.25% NRI 36.55%
- ⑤ Bass WI 57.10% NRI 45.89%
- ⑥ Bass WI 48.06% NRI 38.59%



Bass Enterprises Production Co.

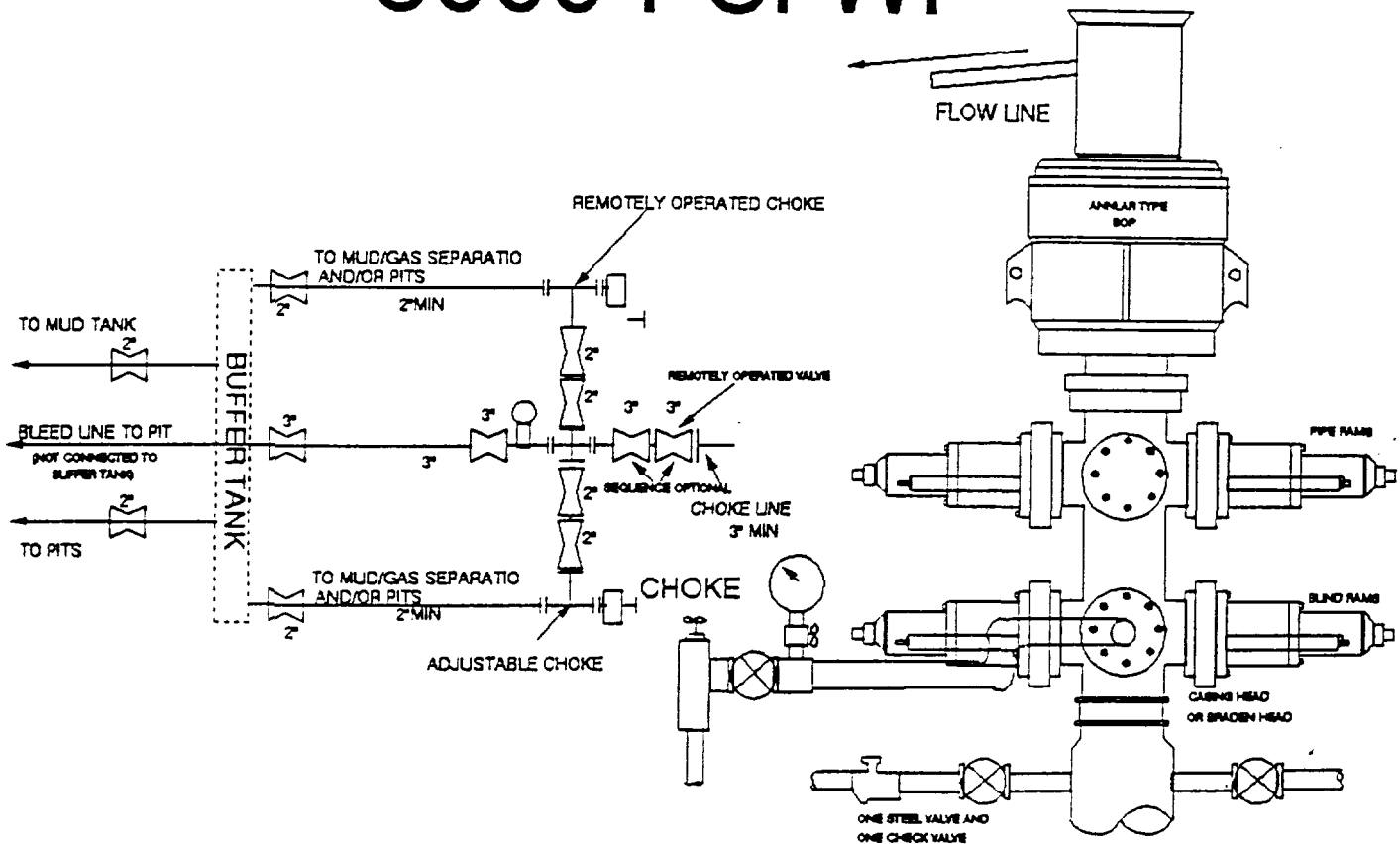
MONTIETH PROSPECT Lea County, New Mexico

SE Lovington Area

Bass Leasehold Interest

DATE:	9-17-97	SCALE:	1" = 2000'
DEPT:	Land	INTER BY:	M. Carter
		FILE:	landplot.dwg
		DRAFTED BY:	P. Ortiz

5000 PSI WP



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- A. One double gate blowout preventer with lower rams for pipe and upper rams blind, all hydraulically controlled.
- B. Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.
- C. All connections from operating manifold to preventers to be all steel hose or tube a minimum of one inch in diameter.
- D. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate (close, open, and re-close) the preventers.
- E. All connections to and from preventers to have a pressure rating equivalent to that of the BOP's.
- F. Manual controls to be installed before drilling cement plug.
- G. Valve to control flow through drill pipe to be located on rig floor.
- H. All chokes will be adjustable. Choke spool may be used between rams.

DIAGRAM 1