

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL	5. Lease Serial No. NMNM02860
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone			6. If Indian, Allottee or Tribe Name
2. Name of Operator BASS ENTERPRISES PRODUCTION CO		Contact: CINDI GOODMAN E-Mail: CDGOODMAN@BASSPET.COM	7. If Unit or CA Agreement, Name and No. NMNM71016X
3a. Address P O BOX 2760 MIDLAND, TX 79702		3b. Phone No. (include area code) Ph: 432-683-2277	8. Lease Name and Well No. POKER LAKE UNIT 220 1796
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWSW 1780FSL 990FWL 32.12022 N Lat, 103.55348 W Lon At proposed prod. zone NWSW 1780FSL 990FWL 32.12022 N Lat, 103.55348 W Lon		9. API Well No. 30-015-34122	
14. Distance in miles and direction from nearest town or post office* 14 MILES EAST OF MALAGA, NM		10. Field and Pool, or Exploratory NASH DRAW-DELAWARE 47545	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 990'		11. Sec., T., R., M., or Blk. and Survey or Area Sec 19 T24S R30E Mer NMP SME: BLM	
16. No. of Acres in Lease 2520.68		12. County or Parish EDDY	
17. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 3000'		13. State NM	
18. Proposed Depth 7600 MD 7600 TVD		17. Spacing Unit dedicated to this well 40.00	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3124 GL		19. BLM/BIA Bond No. on file	
22. Approximate date work will start 05/01/2005		23. Estimated duration 12 DAYS	

24. Attachments CARLSBAD CONTROLLED WATER BASIN

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) CINDI GOODMAN Ph: 432-683-2277	Date 02/04/2005
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) /s/ Joe G. Lara	Name (Printed/Typed) /s/ Joe G. Lara	Date MAY 17 2005
Title ACTING FIELD MANAGER		Office CARLSBAD FIELD OFFICE

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

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.

Additional Operator Remarks (see next page)

Electronic Submission #53807 verified by the BLM Well Information System
For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad
Committed to AFMSS for processing by LINDA ASKWIG on 02/08/2005 (05LA0351AE)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Witness Surface Casing.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

5.17 79.5

Additional Operator Remarks:

Surface casing to be set into Rustler below all fresh water sands.

Production casing will be cemented using Zone Seal Cement.

Drilling Procedure, BOP Diagram, Anticipated tops and surface plans attached.

This well is located outside the Secretary's Potash area and outside the R-111 Potash area. There are no potash leases within 1 mile of location.

DISTRICT I

1625 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

Form C-102

Revised March 17, 1989

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 47545	Pool Name NASH DRAW DELAWARE
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 220
GRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3124'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 3	19	24 S	30 E		1780	SOUTH	990	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	I		

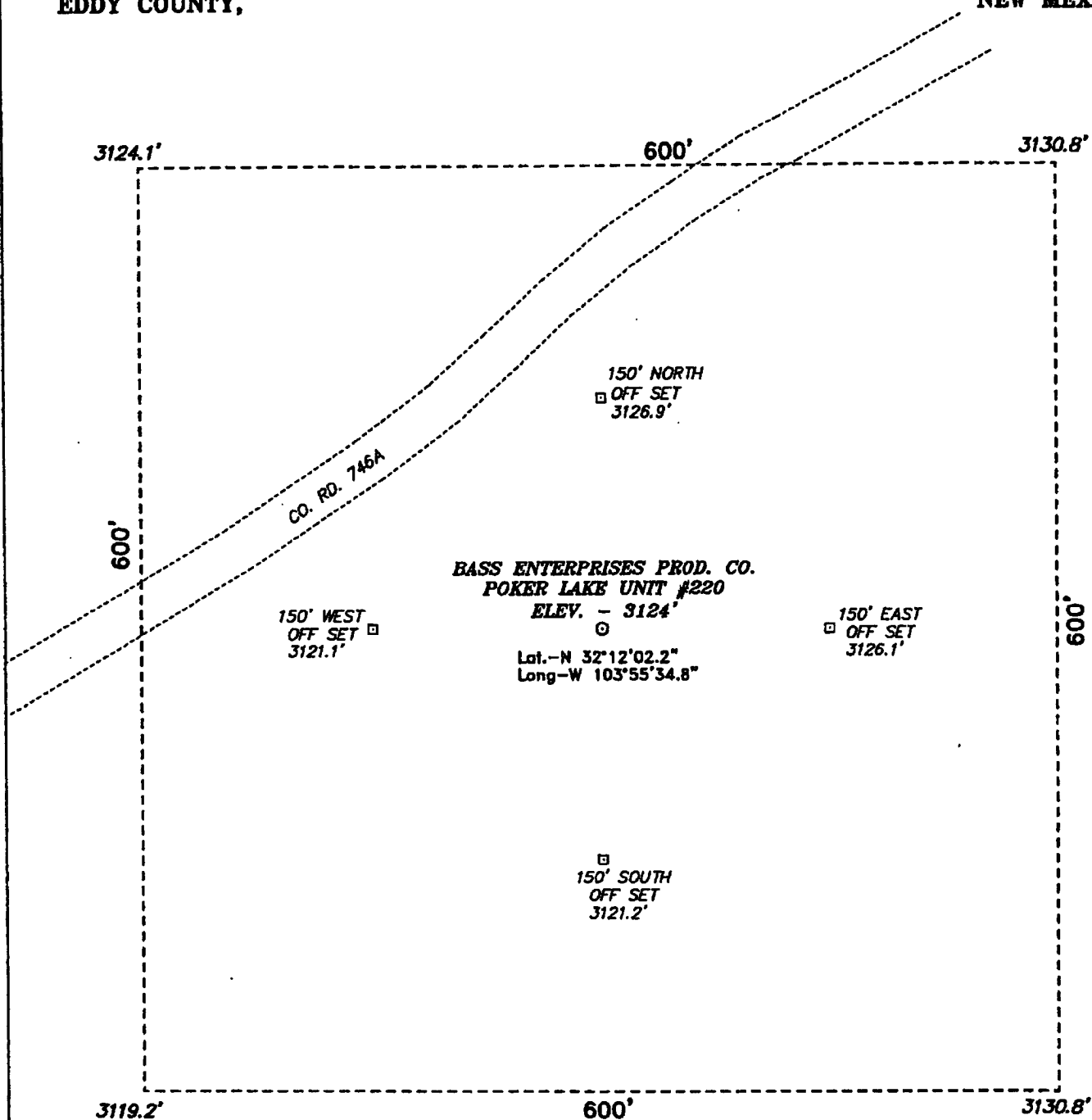
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 1 - 40.77 AC.	40.66 AC.	40.65 AC.	40.65 AC.	OPERATOR CERTIFICATION I hereby certify 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 2/4/05 Date
LOT 2 - 40.87 AC.	40.69 AC.	40.68 AC.	40.66 AC.	
LOT 3 - 40.94 AC.	40.69 AC.			
LOT 4 - 41.06 AC.	40.73 AC.	40.70 AC.	40.70 AC.	

Diagram details: LOT 3 is shaded with diagonal lines. A well location is marked with a circle and crosshairs. Dimensions: 3124.1' (vertical), 990' (horizontal), 3130.8' (vertical), 1780' (vertical), 3130.8' (horizontal). Coordinates: LAT - N32°12'02.2", LONG - W103°55'34.8".

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. APRIL 15, 2004 Date Surveyed Signature of Surveyor Professional Surveyor No. 4147 Certificate No. 7977 BASIN SURVEYS

SECTION 19, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



100 0 100 200 FEET

SCALE: 1" = 100'

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. RD. 746A AND CO. RD. 748, GO EASTERLY ON CO. RD. 746A FOR APPROX. 0.3 MILE TO A POINT ON THE PROPOSED WELL PAD.

BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 220 / Well Pad Topo

THE POKER LAKE UNIT No. 220 LOCATED 1780' FROM
THE SOUTH LINE AND 990' FROM THE WEST LINE OF
SECTION 19, TOWNSHIP 24 SOUTH, RANGE 30 EAST,

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

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

W.O. Number: 4147

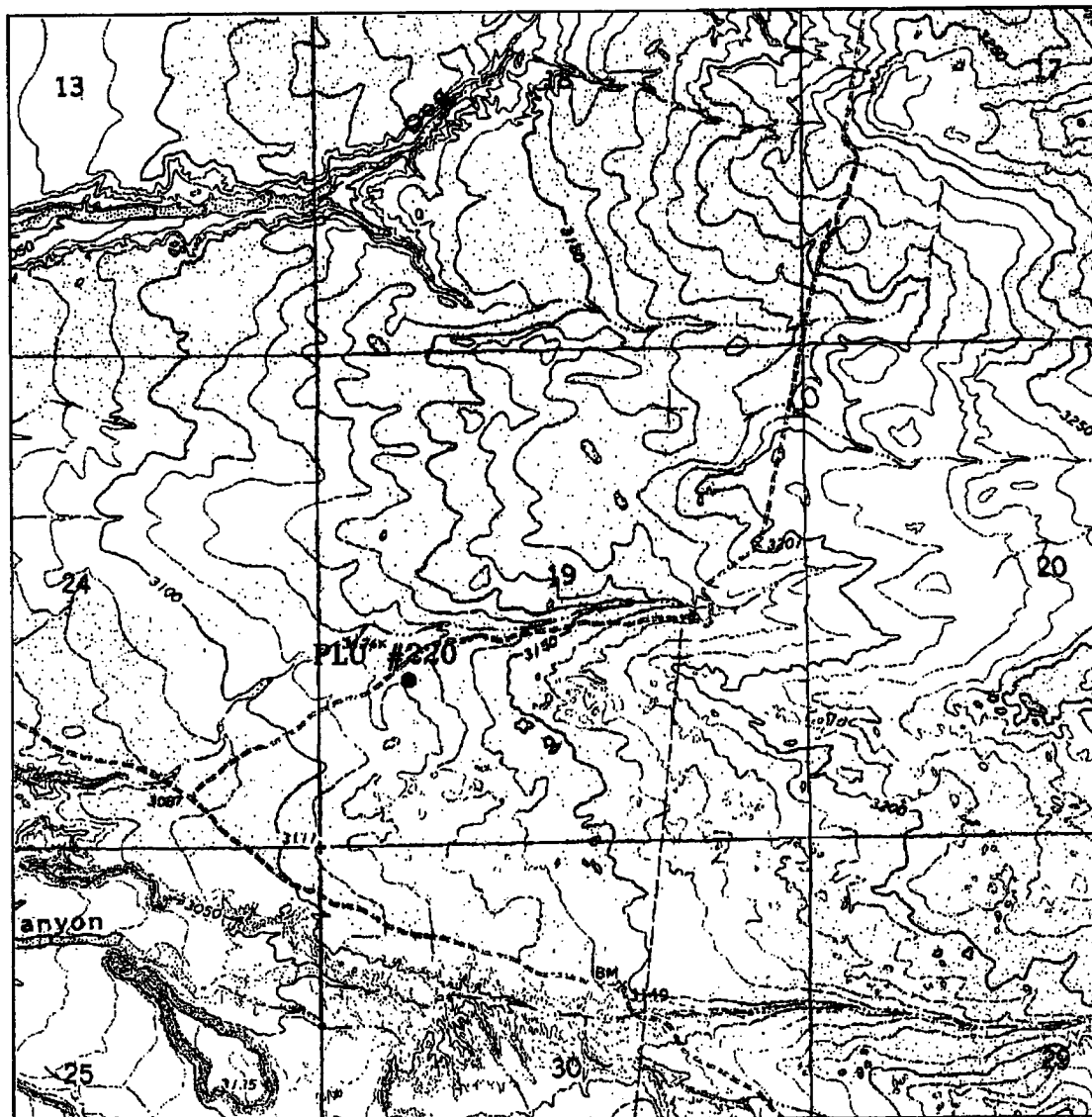
Drawn By: K. GOAD

Date: 04-23-2004

Disk: KJG CD#7 - 4147A.DWG

Survey Date: 04-15-2004

Sheet 1 of 1 Sheets

**POKER LAKE UNIT #220**

Located at 1780' FSL and 990' FWL
Section 19, Township 24 South, Range 30 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

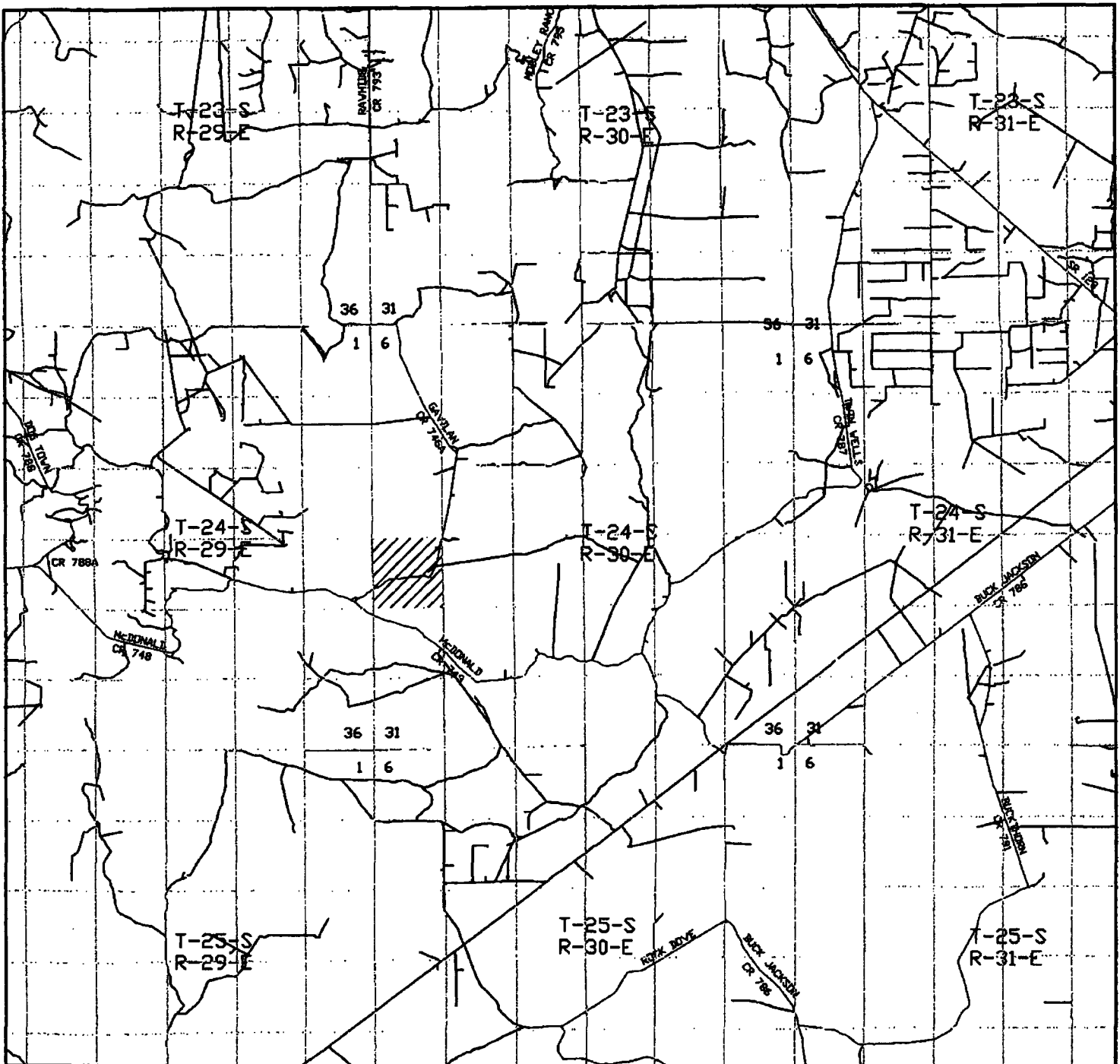
W.O. Number: 4147AA - KJG #7

Survey Date: 04-15-2004

Scale: 1" = 2000'

Date: 04-23-2004

**BASS ENTERPRISES
PRODUCTION CO.**



POKER LAKE UNIT #220

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(505) 392-3074 - Fax
basinsurveys.com

W.O. Number: 4147AA - KJG #7

Survey Date: 04-15-2004

Scale: 1" = 2 MILES

Date: 04-23-2004

**BASS ENTERPRISES
PRODUCTION CO.**

**EIGHT POINT DRILLING PROGRAM
BASS ENTERPRISES PRODUCTION CO.**

NAME OF WELL: Poker Lake Unit #220

LEGAL DESCRIPTION - SURFACE: 1780' FSL & 990' FWL, Section 19, T-24-S, R-30-E, Eddy 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 3144' (est) GL 3124'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	119'	+3025	Barren
T/Salt	359'	+2785'	Barren
T/Lwr Brushy Canyon "8" A	6929'	-3785'	Oil/Gas
T/Bone Spring	7202'	-4058'	Oil/Gas
TD	7600'	-4456'	

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
16"	0' - 40'	Conductor	Contractor Discretion
8-5/8", 28#, J-55, LT&C	0' - 310'	Surface	New
5-1/2", 15.5#, J-55, LT&C	0' - 6300'	Production	New
5-1/2", 17#, J-55, LT&C	6300' - 7700'	Production	New

WITNESS

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nipped up on the surface casing head. The BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to 70% of internal yield pressure of casing. In addition to the high 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) Fifteen days after a previous test
- d) As required by well conditions

A function test to insure that the preventers are operating correctly will be performed on each trip.

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' - 310'	FW Spud Mud	8.5 - 9.2	70-38	NC	NC	NC	10.0
310' - 5600'	Brine Water	9.8 -10.2	28-30	NC	NC	NC	9.5-10.5
5600' - TD'	Brine Water/Diesel	8.8 - 9.0	32-40	8	2	<25 cc	9.5 - 10.0

**May increase vis for logging purposes only.*

POINT 6: TECHNICAL STAGES OF OPERATION**A) TESTING**

None anticipated.

B) LOGGING

GR-CNL-LDT-AIT from TD to base of Salt (+/- 3200').
GR-CNL-CAL from base of Salt to surface.

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

<u>INTERVAL</u>	<u>AMOUNT SXS</u>	<u>FT OF FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT³/SX</u>
SURFACE:						
Lead 0'-310' (100% excess circ to surface)	200	310	Prem Plus + 2% CaCl ₂ + ½# Flocele	6.33	14.8	1.35

PRODUCTION:

							Nitrogen	Compressive Strength
Base Slurry w/nitrogen 2900-7600' + (50% excess)	775	4700	Premium Plus + 2% Zone Sealant 2000	6.32	9.1-14.5	2.3-1.39	300/600 scf/bbl	1200

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3438 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware Section from 3413-7066'. No H₂S is anticipated.

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

12 days drilling operations

14 days completion operations

WRD/cdg

February 1, 2005

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: Poker Lake Unit #220

LEGAL DESCRIPTION - SURFACE: 1780' FSL & 990' FWL, Section 19, T-24-S, R-30-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit A and Survey Plats

B) Existing Roads:

From Carlsbad, New Mexico, go 8 miles south on Highway 285 to Highway 31. Turn north and go 7 miles on Highway 31. Turn east on Highway 128 and go 4 miles to Rawhide Road (located between mile markers 4 and 5). Turn southeast onto Rawhide Road and go approximately 11.0 miles southerly.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit A and Survey Plats.

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See Exhibit B. No new roads required. Location is located adjacent to an existing lease road.

B) Width

N/A

C) Maximum Grade

Not applicable.

D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

If required, culverts and cattle guards will be set per BLM Specs.

POINT 3: LOCATION OF EXISTING WELLS

Exhibits A & B indicate existing wells within the surrounding area.

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES

Page 2

A) Existing facilities within one mile owned or controlled by lessee/operator:

None.

B) New Facilities in the Event of Production:

New production facilities will be constructed on the existing well pad for Poker Lake Unit #213.

C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following flowline construction, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas unnecessary for use will be graded to blend in with the surrounding topography (see Point 10)

POINT 5: LOCATION AND TYPE OF WATER SUPPLY**A) Location and Type of Water Supply**

Fresh water will be hauled from Johnson Station 50 miles east of Carlsbad, New Mexico or other commercial facilities. Brine water will be hauled from commercial facilities.

B) Water Transportation System

Water hauling to the location will be over the existing and proposed roads.

POINT 6: SOURCE OF CONSTRUCTION MATERIALS**A) Materials**

Exhibit C shows location of caliche source.

B) Land Ownership

Federally Owned.

C) Materials Foreign to the Site

No construction materials foreign to this area are anticipated for this drill site.

D) Access Roads

See Exhibit C.

POINT 7: METHODS FOR HANDLING WASTE MATERIAL

Page 3

A) Cuttings

Cuttings will be contained in the reserve pit.

B) Drilling Fluids

Drilling fluids will be contained in the reserve pit.

C) Produced Fluids

Water production will be contained in the reserve pit.

Hydrocarbon fluid or other fluids that may be produced during testing will be retained in test tanks. Prior to cleanup operations, any hydrocarbon material in the reserve pit will be removed by skimming or burning as the situation would dictate.

D) Sewage

Current laws and regulations pertaining to the disposal of human waste will be complied with.

E) Garbage

Portable containers will be utilized for garbage disposal during the drilling of this well.

F) Cleanup of Well Site

Upon release of the drilling rig, the surface of the drilling pad will be graded to accommodate a completion rig if electric log analysis indicate potential productive zones. The reserve pit will be fenced and bird netted. The fence will be maintained until the pit is backfilled. Reasonable cleanup will be performed prior to the final restoration of the site.

POINT 8: ANCILLARY FACILITIES

None required.

POINT 9: WELL SITE LAYOUT**A) Rig Orientation and Layout**

Exhibit "D" shows the dimensions of the well pad and reserve pits, and the location of major rig components. Only minor leveling of the well site will be required. No significant cuts or fills will be necessary.

POINT 9: WELL SITE LAYOUT – Cont'd...

Page 4

B) Locations of Pits and Access Road

See Exhibit "D" and Survey Plats.

C) Lining of the Pits

The reserve pit will be lined with plastic.

POINT 10: PLANS FOR RESTORATION OF THE SURFACE**A) Reserve Pit Cleanup**

The pits will be fenced immediately after construction and shall be maintained until they are backfilled. Previous to backfill operations, any hydrocarbon material on the pits' surfaces shall be removed. The fluids and solids contained in the pits shall be backfilled with soil excavated from the site and soil adjacent to the reserve pits. The restored surface of the pits shall be contoured to prevent impoundment of surface water flow. Water-bars will be constructed as needed to prevent excessive erosion. Topsoil, as available, shall be placed over the restored surface in a uniform layer. The area will be seeded according to the Bureau of Land Management stipulations during the appropriate season following restoration.

B) Restoration Plans - Production Developed

The reserve pits will be backfilled and restored as described above under Item A. In addition, those areas not required for production will be graded to blend with the surrounding topography. Topsoil, as available, will be placed upon those areas and seeded. The portion of the site required for production will be graded to minimize erosion and provide access during inclement conditions. Following depletion and abandonment of the site, restoration procedures will be those that follow under Item C.

C) Restoration Plans - No Production Developed

The reserve pits will be restored as described above. With no production developed, the entire surface disturbed by construction of the well site will be restored. The site will be contoured to blend with the surrounding topography and provide drainage of surface water. The topsoil, as available, shall be replaced in a uniform layer and seeded according to the Bureau of Land Management's stipulations.

D) Rehabilitation's Timetable

Upon completion of drilling operations, the initial cleanup of the site will be performed as soon as weather and site conditions allow economic execution of the work.

POINT 11: OTHER INFORMATION

Page 5

A) Terrain

Relatively flat.

B) Soil

Caliche and sand.

C) Vegetation

Sparse, primarily grasses and mesquite with very little grass.

D) Surface Use

Primarily grazing.

E) Surface Water

There are no ponds, lakes, streams or rivers within several miles of the wellsite.

F) Water Wells

There is one water well approximately 3200' East from location.

G) Residences and Buildings

None in the immediate vicinity.

H) Historical Sites

None observed.

I) Archeological Resources

An archeological survey has been obtained for this area. Before any construction begins, a full and complete archeological survey will be approved by the Bureau of Land Management. Any location or construction conflicts will be resolved before construction begins.

J) Surface Ownership

The well site is on federally owned land.

K) Well signs will be posted at the drilling site.**L) Open Pits**

All pits containing liquid or mud will be fenced and bird-netted.

POINT 12: OPERATOR'S FIELD REPRESENTATIVE

Page 6

(Field personnel responsible for compliance with development plan for surface use).

DRILLING

William R. Dannels
Box 2760
Midland, Texas 79702
(432) 683-2277

PRODUCTION

Mike Waygood
3104 East Green Street
Carlsbad, New Mexico 88220
(505) 887-7329

Kent A. Adams
Box 2760
Midland, Texas 79702
(432) 683-2277

POINT 13: CERTIFICATION

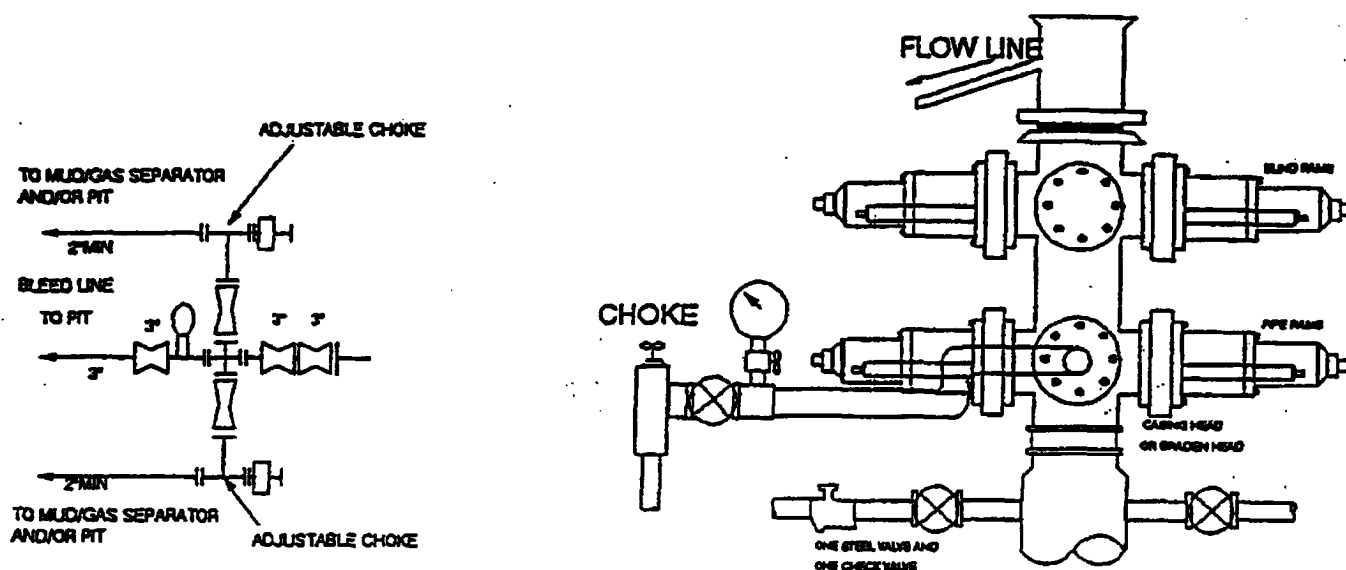
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Bass Enterprises Production Co. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date

2/4/05William R. Dannels
William R. Dannels

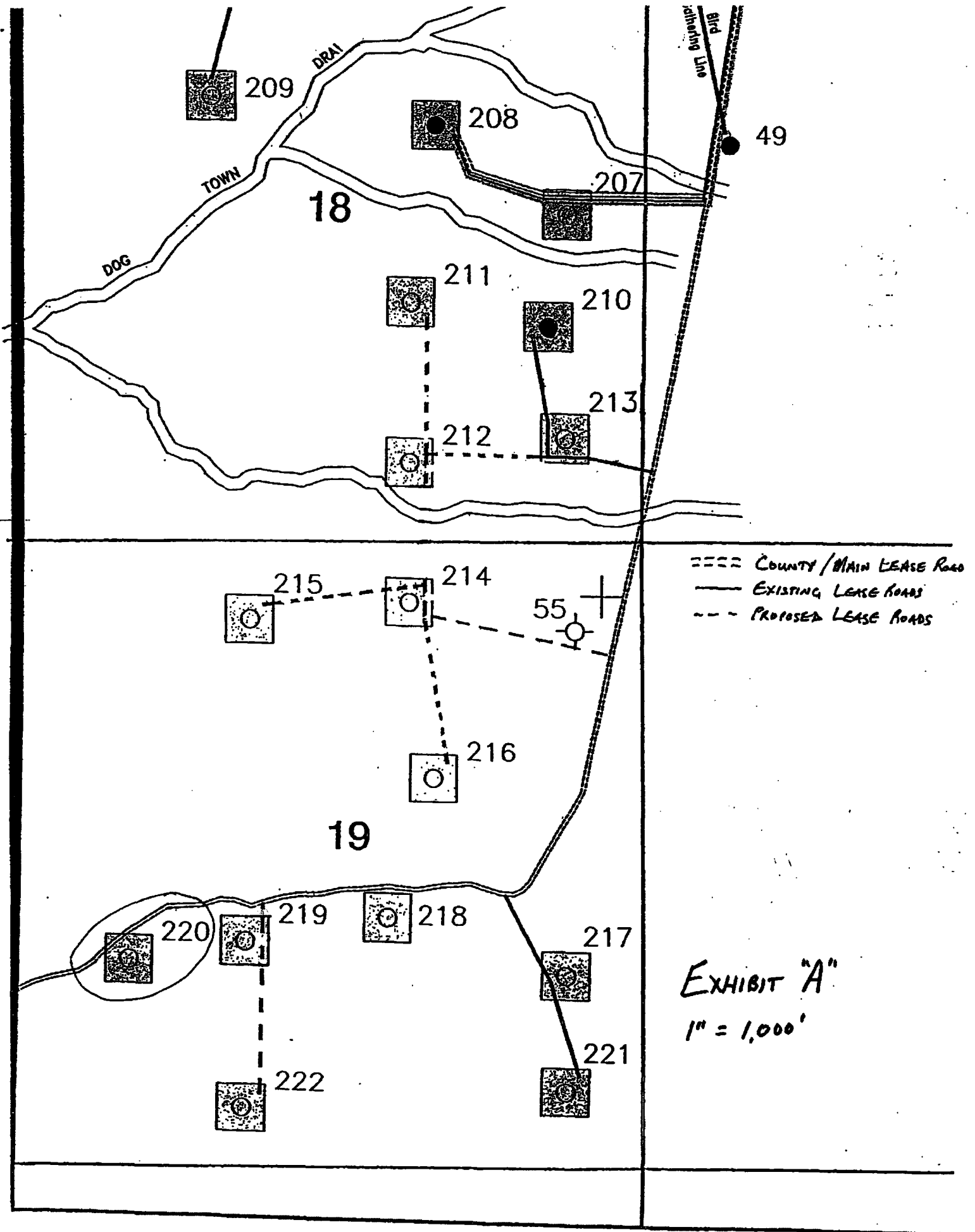
WCH/cdg

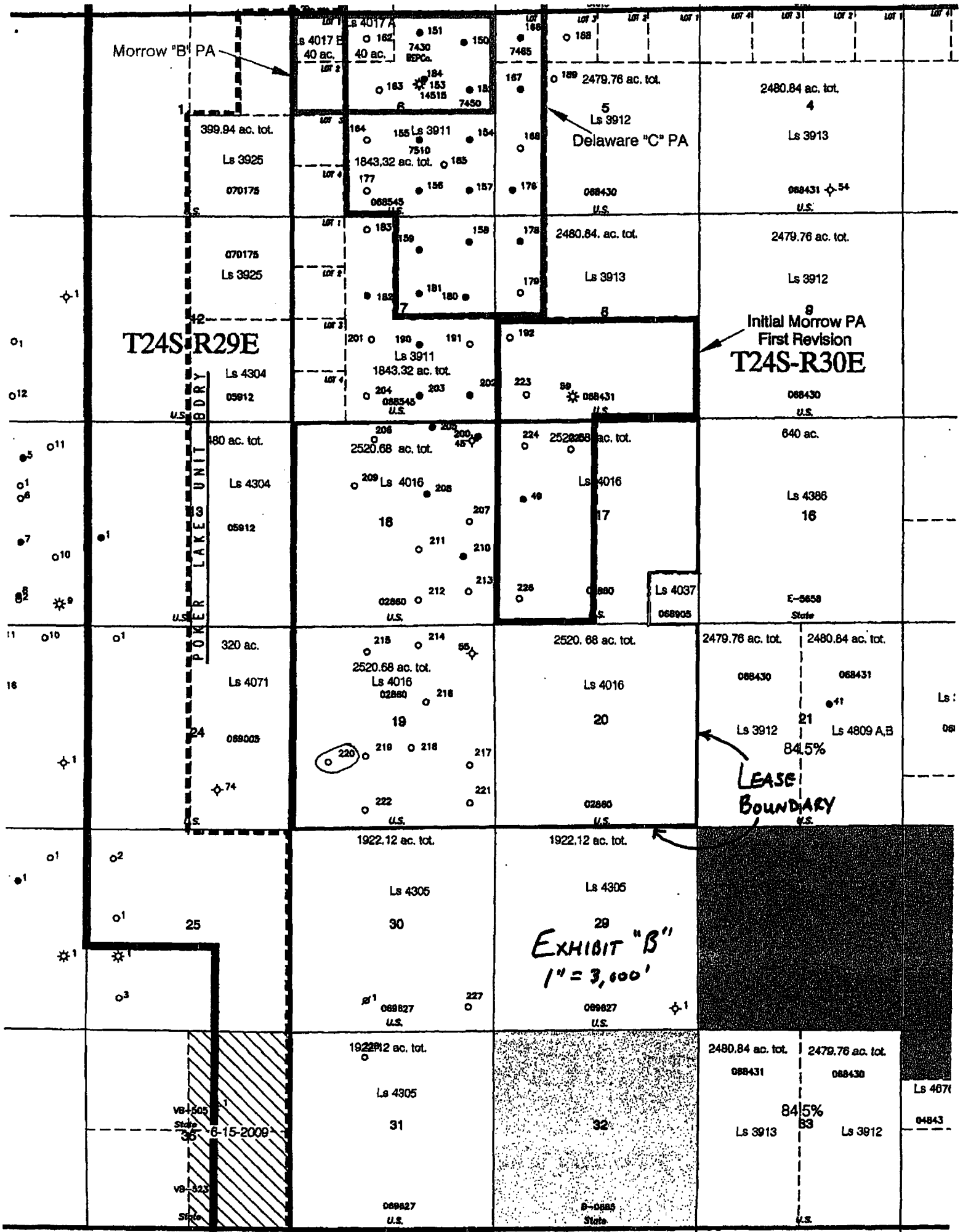
2000 PSI WP



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.





PIERCE CANYON QUADRANGLE
NEW MEXICO—EDDY CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)

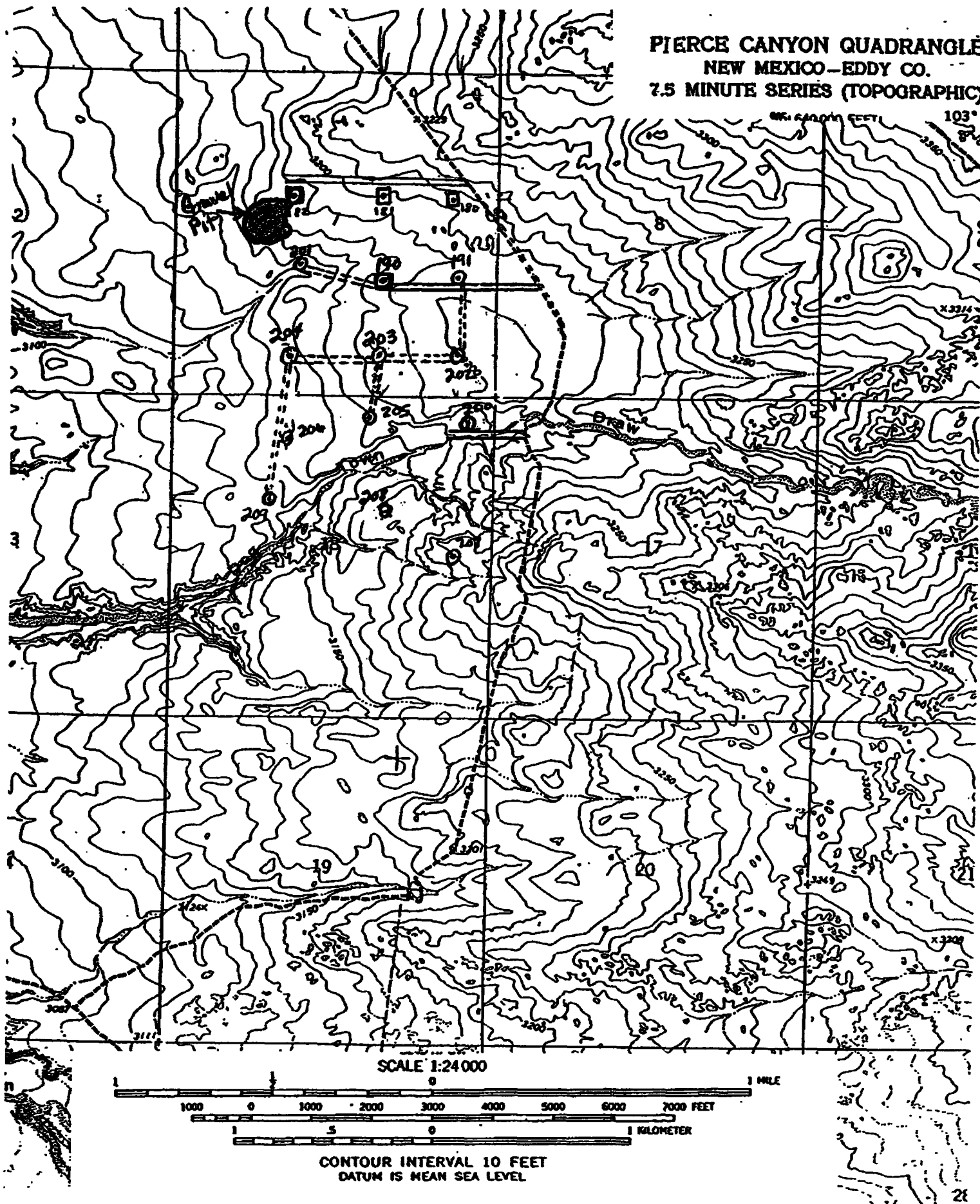


EXHIBIT "C"

Bass Enterprises Production Company

Grey Wolf Rig 15

Well Pad

Reserve Pit Diagram

POKER LAKE UNIT #220

EXHIBIT "D"

