District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Month - Year
MAR - 5 2007
OCD - ARTESIA, NM

Form C-101
May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

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

[1] Operator Name and Address	[2] OGRID Number
BEPCO, L.P. P. O. Box 2760 Midland, Texas 79702	001801
	[3] API Number 30- 015- 34764

[3] Property Code	[5] Property Name	[6] Well No.
35100	Horned Toad 36 State	1H

[9] Proposed Pool 1	[10] Proposed Pool 2
Nash Draw; Delaware/Bone Spring (Avalon Sand)	

[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
H	36	24S	29E		1625'	North	660	East	Eddy

[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
P	36	24S	29E		355	South	660	East	Eddy

Additional Well Information

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
N	O	R	S	3130' GL
[16] Multiple	[17] Proposed Depth	[18] Formation	[19] Contractor	[20] Spud Date
No	8444' MD 5542' TVD	Delaware	Adobe Drilling	3/03/2007

Depth to Groundwater	Distance from nearest fresh water well	Distance from nearest surface water
150'	2-1/2 miles	6 miles

Pit: Liner: Synthetic ☒ 12 mils thick Clay ☐ Pit Volume 1500 bbls Drilling Method:

Closed-Loop System ☐ Fresh Water ☒ Brine ☒ Diesel/Oil-based ☐ Gas/Air ☐

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14-3/4"	11-3/4"	42#	857' MD	475	Surface
11"	8-5/8"	32#	3367' MD	750	Surface
7-7/8"	5-1/2"	17#	8644' MD	730	3040'

[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.

SURFACE IS OWNED BY THE STATE OF NEW MEXICO. ATTACHED IS A DRILLING PROGNOSIS AND A BOP DIAGRAM. Surface location is unorthodox, bottom-hole is orthodox.

As stated in the attached drilling plan this well will be a horizontal well with KOP of approximately 5077' TVD an azimuth of 180°, build angle of 13.48°, and a bottom hole target of 8644' MD (lateral displacement 3300') TVD 5542'. See attached directional plan and 8 point drilling plan for details.

NSL- 5358

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

Printed name: Annette Childers Annette Childers

Title: Administrative Assistant

E-mail Address: machilders@basspet.com

Date: 3-1-2007 Phone: 432-683-2277

OIL CONSERVATION DIVISION

Approved by: BRYAN G. ARRANT

Title: DISTRICT II GEOLOGIST

Approval Date: MAR 06 2007 Expiration Date: MAR 06 2008

Conditions of Approval Attached ☐

Surface casing to be set into the Rustler below all fresh water sands.
Production casing will be cemented using Halliburton cement system with TOC at approximately 2,867' (approximately 500' into intermediate casing).
Drilling procedure, BOP diagram, anticipated tops and surface plans attached.

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Month - Year
MAR - 5 2007
OCD - ARTESIA, NM

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	47545	Nash Draw; (Delaware)/Bone Spring (Avalon Sand)

Property Code	Property Name	Well Number
V 7100	HORNED TOAD "36" STATE	1H

OGRID No.	Operator Name	Elevation
001801	BEPCO, L.P.	3130'

Surface Location

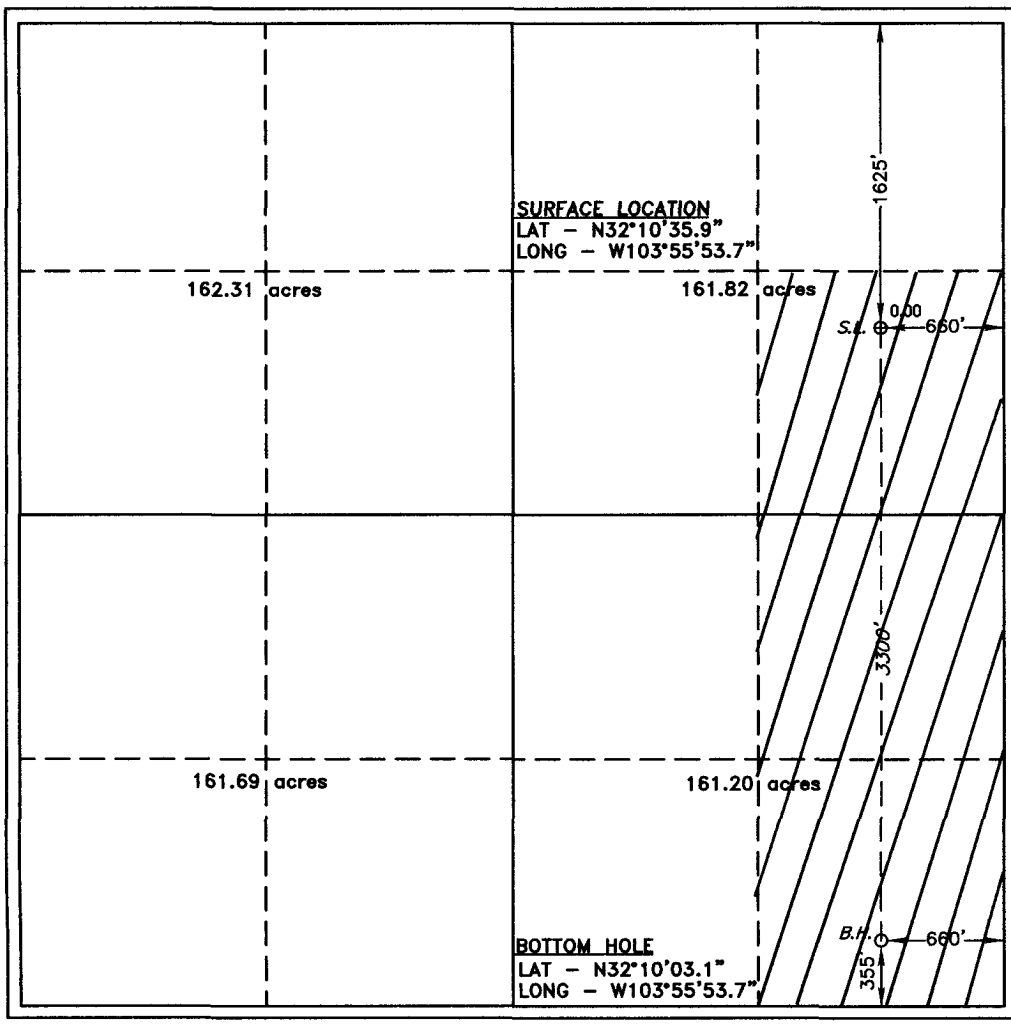
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	36	24 S	29 E		1625	NORTH	660	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	36	24 S	29 E		355	SOUTH	660	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
120	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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Gary E. Gerhard 3/1/07
Signature Date

Gary E. Gerhard
Printed Name

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 supervison, and that the same is true and correct to the best of my belief.

AUGUST 19, 2005
Date Surveyed

Signature & Seal of Professional Surveyor

NEW MEXICO 7977 REGISTERED PROFESSIONAL SURVEYOR

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

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

150' NORTH
OFF SET
3135.4'

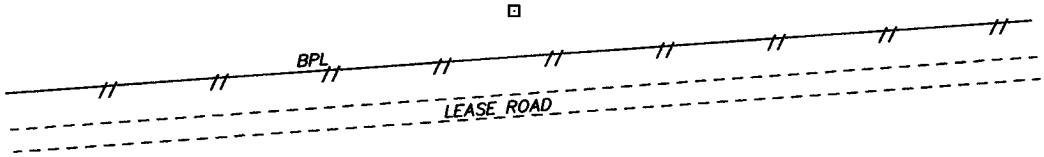
150' WEST
OFF SET
3125.4'

BEPCO, L.P.
HORNED TOAD "36" STATE #1H
ELEV. - 3130'

Lat.-N 32°10'35.9"
Long-W 103°55'53.7"

150' EAST
OFF SET
3138.7'

150' SOUTH
OFF SET
3127.9'



100 0 100 200 FEET

SCALE: 1" = 100'

DIRECTIONS TO LOCATION:

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

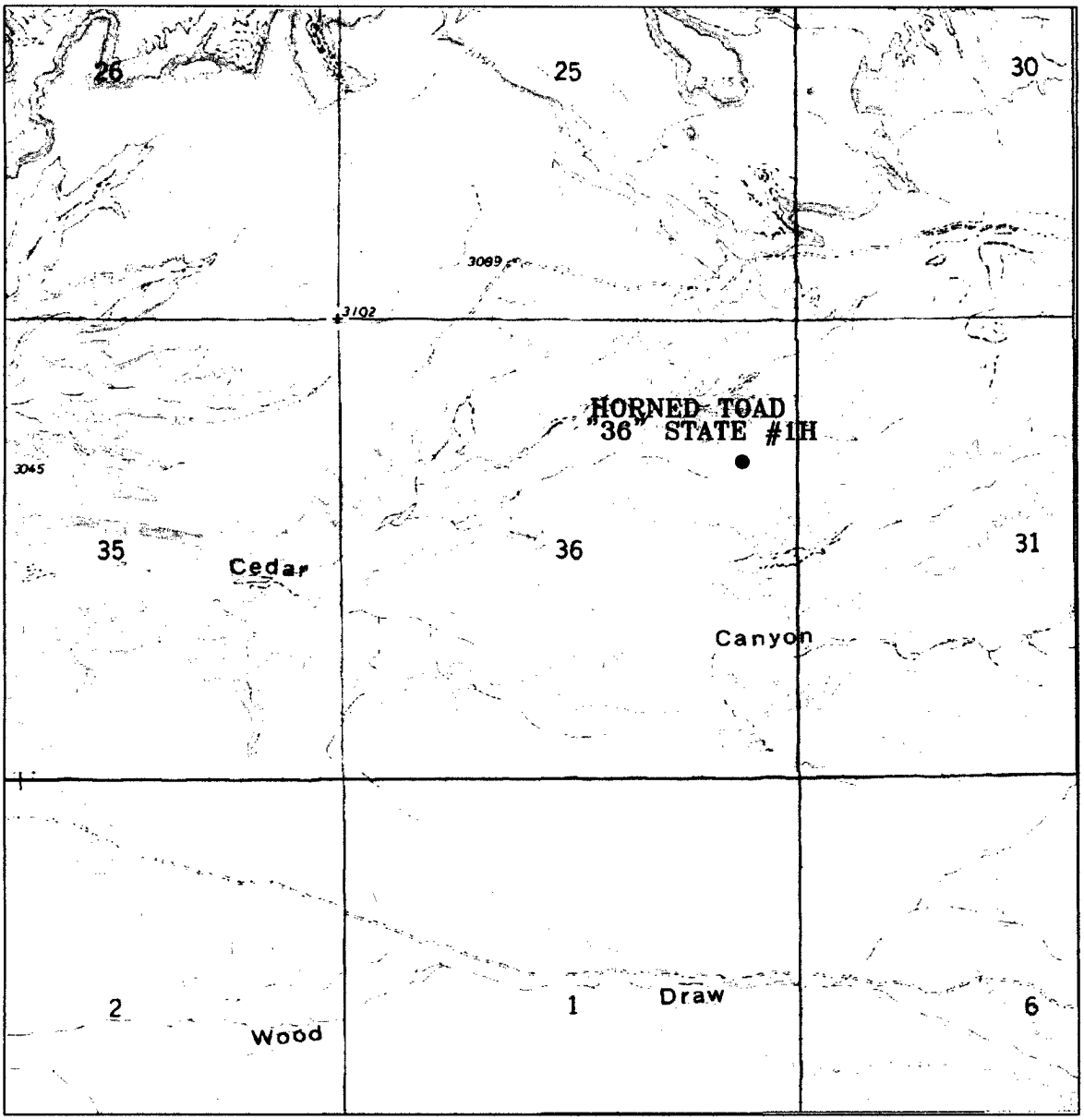
BEPCO, L.P.

REF: HORNED TOAD "36" STATE No. 1H / Well Pad Topo

THE HORNED TOAD "36" STATE No. 1H LOCATED 1625' FROM THE NORTH LINE AND 660' FROM THE EAST LINE OF SECTION 36, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 5768	Drawn By: K. GOAD		
Date: 08-25-2005	Disk: KJG CD#7 - 5768A.DWG	Survey Date: 08-19-2005	Sheet 1 of 1 Sheets



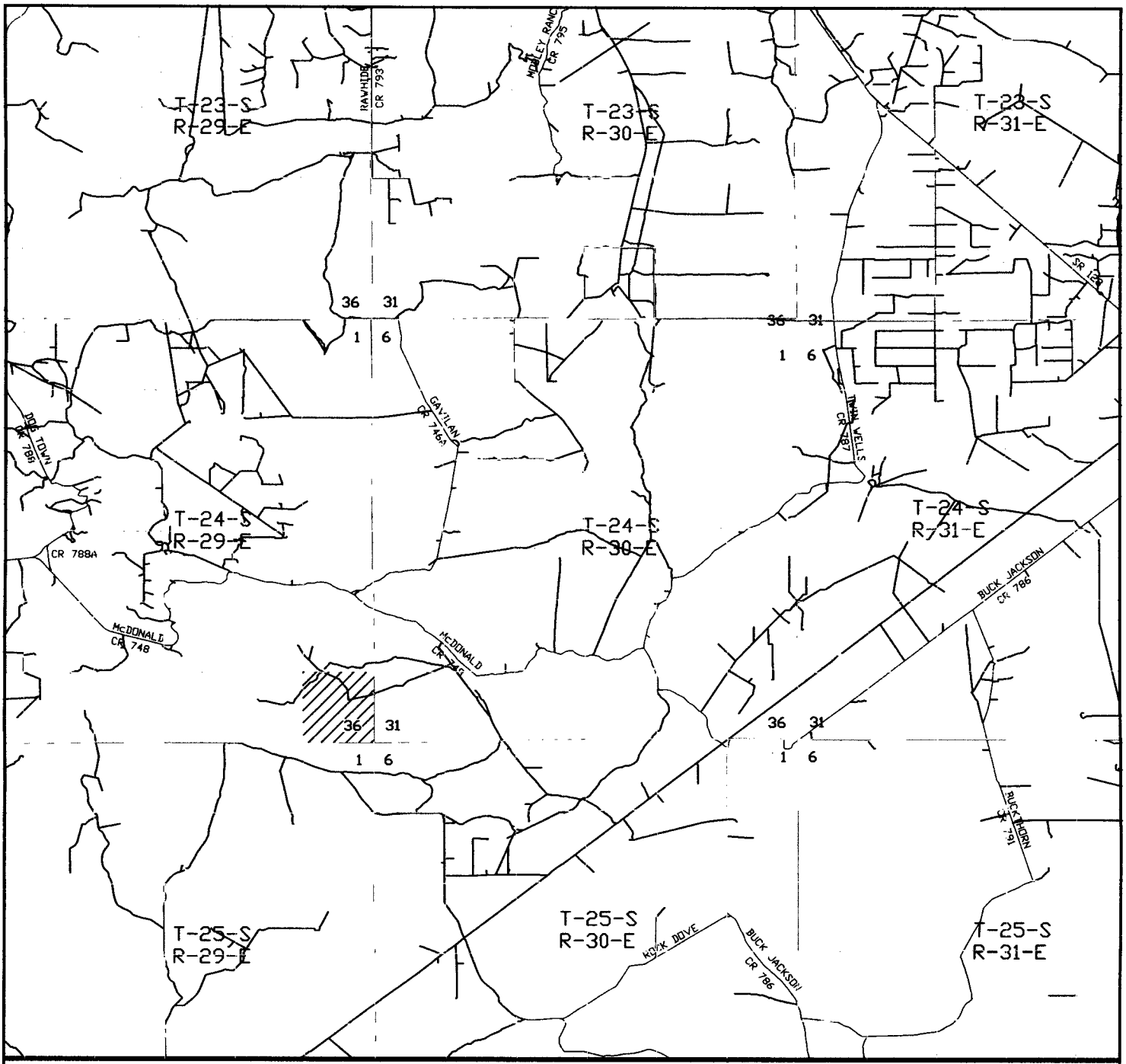
HORNED TOAD "36" STATE #1H
Located at 1625' FNL and 660' FEL
Section 36, Township 24 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico.

basin surveys
focused on excellence in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number:	5768AA - KJG #7
Survey Date:	08-19-2005
Scale:	1" = 2000'
Date:	08-25-2005

BEPCO, L.P.



HORNED TOAD "36" STATE #1H
Located at 1625' FNL and 660' FEL
Section 36, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

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basinsurveys.com

W.O. Number:	5768AA – KJG #7
Survey Date:	08-19-2005
Scale:	1" = 2 MILES
Date:	08-25-2005

BEPCO, L.P.

EIGHT POINT DRILLING PROGRAM
BEPCO, L.P.

NAME OF WELL: Horned Toad 36 State #1H

LEGAL DESCRIPTION - SURFACE: 1625' FNL & 660' FEL, Section 36, T-24-S, R-29-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 3147' (est.)
GL 3130'

FORMATION	ESTIMATED TOP FROM KB TVD	MD	ESTIMATED SUB-SEA TOP	BEARING
T/Rustler	347'	347'	+ 2800'	Barren
B/Rustler	847'	847'	+ 2300'	Barren
T/Salt	867'	867'	+ 2280'	Barren
B/Salt	3127'	3127'	- 20'	Barren
T/Lamar Lime	3347'	3347'	- 200'	Barren
T/Ramsey	3379'	3379'	- 232'	Oil/Gas
KOP (Kick Off Point)	5077'	5077'	- 1930'	Oil/Gas
T/Lower Cherry Canyon	5472'	5734'	- 2325'	Oil/Gas
T/Lower Cherry Canyon Lateral Target (end of curve)	5522'	5784'	- 2375'	Oil/Gas
TD (end of lateral)	5542'	8644'	- 2395'	Oil/Gas

POINT 3: CASING PROGRAM

TYPE	INTERVALS (MD)	Hole Size	PURPOSE	CONDITION
16"	0'- 60'	20"	Conductor	Contractor Discretion
11-3/4", 42#, H-40, ST&C	0'- 857'	14 3/4"	Surface	New
8-5/8", 32#, J-55, 8rd, LT&C	0'- 3399'	11"	Intermediate	New
5-1/2", 17#, N-80, LT&C	0'- 3750'	7 7/8"	Production	New
5-1/2", 17#, N-80, BT&C	3750' -8644'	7 7/8"	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOPE equivalent to requirements of Onshore Oil & Gas Order No. 2 – 3000 psi system (Diagram 2) will be nippled up on the surface casing head. The BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. when installed on the surface casing head will be hydro-tested to 70% of internal yield pressure of casing or 1000 psig whichever is less with the rig pump.

A BOPE equivalent to requirement of Onshore Oil & Gas Order No. 2 – 3000 psi system (Diagram 2) will also be rigged up on the intermediate casing spool. The BOP stack, choke, kill lines, kelly cock, choke manifold, inside BOPs will all be tested by independent tester to 250 psi and 3000 psi.

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

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' - 867'	FW Spud Mud	8.5 – 9.2	38-70	NC	NC	NC	10.0
867' - 3367'	Brine Water	9.8 – 10.2	28-30	NC	NC	NC	9.5 – 10.5
3367' - 5617'	FW/Gel	8.7 – 9.0	28-36	NC	NC	NC	9.5 – 10.0
5617' - 5700'	FW/Gel	8.7 – 9.0	28-36	NC	NC	NC	9.5 – 10.0
5700' - 8644'	FW/Gel/Starch	8.7 – 9.0	28-36	NC	NC	<100	9.5 – 10.0

NOTE: May increase vis for logging purposes only.

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING

None anticipated.

B) LOGGING

Run #1: PEX (GR-CNL/LDT-AIT) as deep as possible in deviated hole to 3200' with GR-CNL to surface.
Run #2: GR with MWD during drilling of build and horizontal portions of 7-7/8" hole.

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT^3/SX
SURFACE:						
Lead: 0 – 557' (100% excess Circ to surface)	260	557	Halliburton Light + 2.7 #/sk Salt	10.14	12.8	1.87
Tail: 557' – 857' (100% excess)	215	300	Premium Plus + 2% $CaCl_2$	6.37	14.8	1.35
INTERMEDIATE:						
Lead: 0' – 2867' (100% excess Circ to surface)	550	2867	Interfill C + 0.125 lb/sk Poly-e-flake	16.43	11.5	2.76
Tail: 2867' – 3367' (100% excess)	200	500	Premium Plus + 0.4% Halad-9	6.29	14.8	1.33
PRODUCTION:						
Tail 2867' – 8644' (50% excess)	910	5777	Super H Cement + 0.5% LAP-1 + 0.3% CFR-3 + 3 #/sk Salt + 5 #/sk Gilsonite + 0.25 #/sk D-AIR 3000	7.98	13.2	1.65

E) DIRECTIONAL DRILLING

BEPCO, L.P. plans to drill out the 8-5/8" intermediate casing with a 7-7/8" bit to a TVD of approximately 5077' at which point a directional hole will be kicked off and drilled at an azimuth of 180°, building angle at 13.48°/100' to a max angle of 89.6° at a TVD of 5522' (MD 5784'). This 89.6° angle will be maintained to a MD of 8644' or TVD of 5542'.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3615 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware Section from 3379'-8644'. No H_2S 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

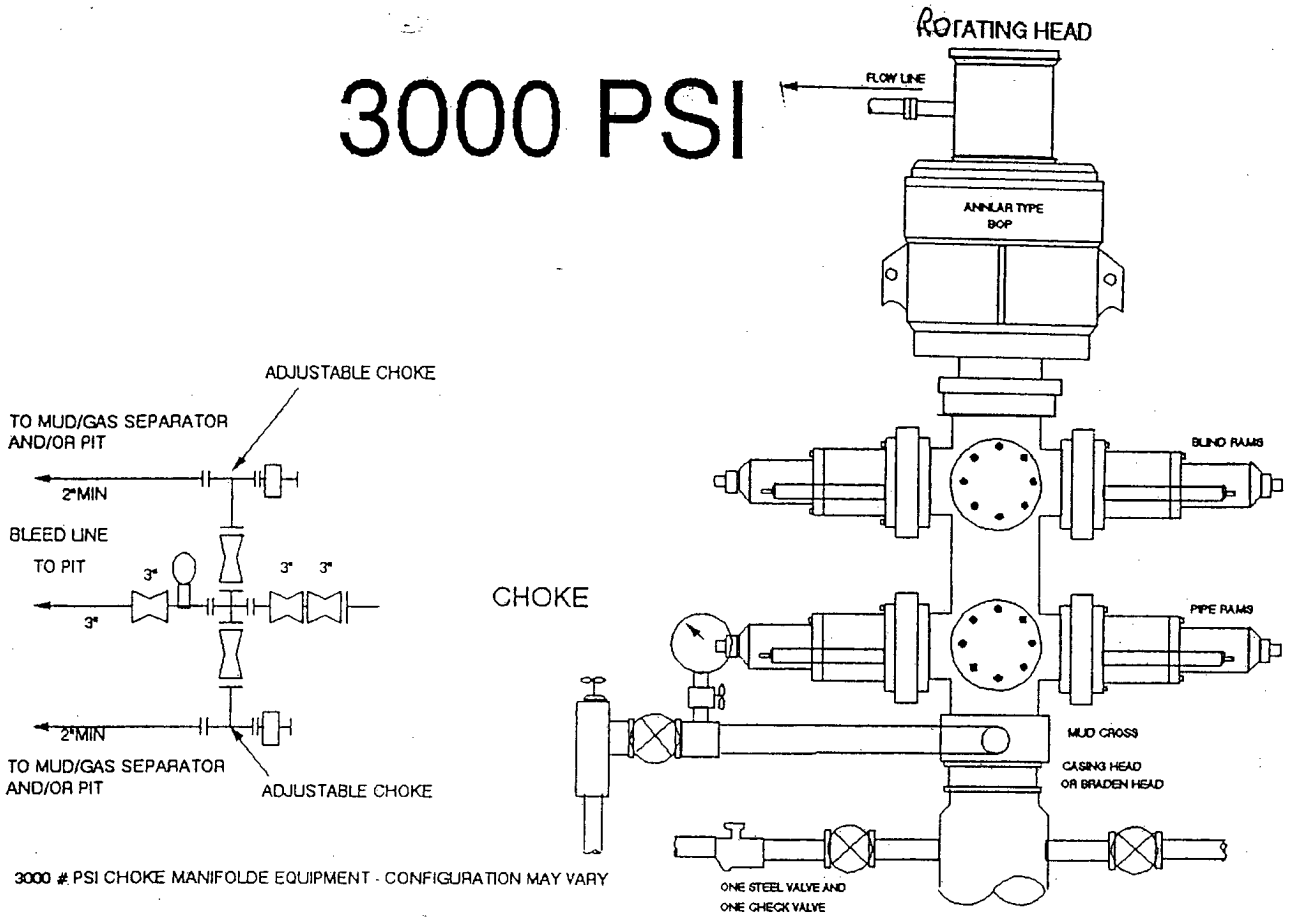
35 days drilling operations

14 days completion operations

GEG:cnt
March 1, 2007

Gary E. Gerhard

3000 PSI



3000 # PSI CHOKE MANIFOLDE EQUIPMENT - CONFIGURATION MAY VARY

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

BEPCO, L.P.
P. O. Box 2760
Midland, Texas 79702

432-683-2277 FAX: 432-687-0329

March 1, 2007

State of New Mexico Energy, Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

To Whom It May Concern:

I am writing to request a waiver for the inclusion of an H_2S Contingency Paln for Horned Toad 36 State #1. The current plan is to complete this well in the Delaware Lower Cherry Canyon, which is not known to BEPCO, L.P. to contain H_2S in excess of 100 ppm and we do not anticipate encountering any H2S bearing formations during drilling operations.

Sincerely,

Gary E. Gerhard
Drilling Engineer

GEG/cnt

Bass Enterprises Production Co.

Eddy Co. New Mexico (Nad 27)
Horned Toad 36 State # 1
Horned Toad 36 State # 1
Lateral# 1

Plan: Plan #2

Standard Survey Report

01 March, 2007

BLACK VIPER
ENERGY SERVICES, LTD.

Black Viper Energy

Survey Report

Company:	Bass Enterprises Production Co.	**Local Co-ordinate Reference:**	Site Horned Toad 36 State # 1
Project:	Eddy Co. New Mexico (Nad 27)	**TVD Reference:**	WELL @ 0.00ft (Original Well Elev)
Site:	Horned Toad 36 State # 1	**MD Reference:**	WELL @ 0.00ft (Original Well Elev)
Well:	Horned Toad 36 State # 1	**North Reference:**	Grid
Wellbore:	Lateral# 1	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #2	**Database:**	EDM 2003.14 Server Db

Project	Eddy Co. New Mexico (Nad 27)		
Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Ground Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site	Horned Toad 36 State # 1				
Site Position:		**Northing:**	428,214.71 ft	**Latitude:**	32° 10' 35.900 N
From:	Map	**Easting:**	624,302.72 ft	**Longitude:**	103° 55' 53.700 W
Position Uncertainty:	0.00 ft	**Slot Radius:**	"	**Grid Convergence:**	0.21 °

Well	Horned Toad 36 State # 1					
Well Position	**+N/-S**	0.00 ft	**Northing:**	428,214.71 ft	**Latitude:**	32° 10' 35.900 N
	+E/-W	0.00 ft	**Easting:**	624,302.72 ft	**Longitude:**	103° 55' 53.700 W
Position Uncertainty		0.00 ft	**Wellhead Elevation:**	3,170.00 ft	**Ground Level:**	0.00 ft

Wellbore	Lateral# 1				
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF200510	2/19/2007	8.25	60.19	49,023

Design	Plan #2				
Audit Notes:					
Version:		**Phase:**	PROTOTYPE	**Tie On Depth:**	5,077.00
Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**	
	0.00	0.00	0.00	180.00	

Survey Tool Program **Date** 2/26/2007

From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
5,077.00	8,639.61	Plan #2 (Lateral# 1)	GM	Gyro Multi-Shot

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,077.00	0.00	0.00	5,077.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP - Build 13.48° / 100									
5,097.00	0.00	0.00	5,097.00	0.00	0.00	0.00	0.00	0.00	0.00
5,100.00	0.40	180.00	5,100.00	-0.01	0.00	0.01	13.48	13.48	0.00
5,125.00	3.78	180.00	5,124.98	-0.92	0.00	0.92	13.48	13.48	0.00
5,150.00	7.15	180.00	5,149.86	-3.30	0.00	3.30	13.48	13.48	0.00
5,175.00	10.52	180.00	5,174.56	-7.14	0.00	7.14	13.48	13.48	0.00
5,200.00	13.89	180.00	5,198.99	-12.42	0.00	12.42	13.48	13.48	0.00
5,225.00	17.26	180.00	5,223.07	-19.13	0.00	19.13	13.48	13.48	0.00
5,250.00	20.63	180.00	5,246.72	-27.25	0.00	27.25	13.48	13.48	0.00
5,275.00	24.00	180.00	5,269.84	-36.74	0.00	36.74	13.48	13.48	0.00
5,300.00	27.37	180.00	5,292.37	-47.58	0.00	47.58	13.48	13.48	0.00
5,325.00	30.74	180.00	5,314.22	-59.72	0.00	59.72	13.48	13.48	0.00

Black Viper Energy

Survey Report

Company:	Bass Enterprises Production Co.	**Local Co-ordinate Reference:**	Site Horned Toad 36 State # 1
Project:	Eddy Co. New Mexico (Nad 27)	**TVD Reference:**	WELL @ 0.00ft (Original Well Elev)
Site:	Horned Toad 36 State # 1	**MD Reference:**	WELL @ 0.00ft (Original Well Elev)
Well:	Horned Toad 36 State # 1	**North Reference:**	Grid
Wellbore:	Lateral# 1	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #2	**Database:**	EDM 2003.14 Server Db

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,350.00	34.11	180.00	5,335.31	-73.12	0.00	73.12	13.48	13.48	0.00
5,375.00	37.49	180.00	5,355.59	-87.74	0.00	87.74	13.48	13.48	0.00
5,400.00	40.86	180.00	5,374.97	-103.53	0.00	103.53	13.48	13.48	0.00
5,425.00	44.23	180.00	5,393.38	-120.43	0.00	120.43	13.48	13.48	0.00
5,450.00	47.60	180.00	5,410.77	-138.39	0.00	138.39	13.48	13.48	0.00
5,475.00	50.97	180.00	5,427.08	-157.33	0.00	157.33	13.48	13.48	0.00
5,500.00	54.34	180.00	5,442.24	-177.20	0.00	177.20	13.48	13.48	0.00
5,525.00	57.71	180.00	5,456.21	-197.93	0.00	197.93	13.48	13.48	0.00
5,550.00	61.08	180.00	5,468.94	-219.45	0.00	219.45	13.48	13.48	0.00
5,575.00	64.45	180.00	5,480.38	-241.67	0.00	241.67	13.48	13.48	0.00
5,600.00	67.82	180.00	5,490.49	-264.53	0.00	264.53	13.48	13.48	0.00
5,625.00	71.20	180.00	5,499.24	-287.95	0.00	287.95	13.48	13.48	0.00
5,650.00	74.57	180.00	5,506.59	-311.84	0.00	311.84	13.48	13.48	0.00
5,675.00	77.94	180.00	5,512.54	-336.12	0.00	336.12	13.48	13.48	0.00
5,700.00	81.31	180.00	5,517.04	-360.71	0.00	360.71	13.48	13.48	0.00
5,725.00	84.68	180.00	5,520.09	-385.52	0.00	385.52	13.48	13.48	0.00
5,750.00	88.05	180.00	5,521.67	-410.46	0.00	410.46	13.48	13.48	0.00
5,761.49	89.60	180.00	5,521.91	-421.95	0.00	421.95	13.48	13.48	0.00
5,800.00	89.60	180.00	5,522.18	-460.46	0.00	460.46	0.00	0.00	0.00
5,900.00	89.60	180.00	5,522.87	-560.46	0.00	560.46	0.00	0.00	0.00
6,000.00	89.60	180.00	5,523.57	-660.45	0.00	660.45	0.00	0.00	0.00
6,100.00	89.60	180.00	5,524.27	-760.45	0.00	760.45	0.00	0.00	0.00
6,155.08	89.60	180.00	5,524.65	-815.53	0.00	815.53	0.00	0.00	0.00
EOC - Hold 89.6° inc. : 180° Azi.									
6,200.00	89.60	180.00	5,524.97	-860.45	0.00	860.45	0.00	0.00	0.00
6,300.00	89.60	180.00	5,525.67	-960.45	0.00	960.45	0.00	0.00	0.00
6,400.00	89.60	180.00	5,526.36	-1,060.44	0.00	1,060.44	0.00	0.00	0.00
6,500.00	89.60	180.00	5,527.06	-1,160.44	0.00	1,160.44	0.00	0.00	0.00
6,600.00	89.60	180.00	5,527.76	-1,260.44	0.00	1,260.44	0.00	0.00	0.00
6,700.00	89.60	180.00	5,528.46	-1,360.44	0.00	1,360.44	0.00	0.00	0.00
6,800.00	89.60	180.00	5,529.16	-1,460.43	0.00	1,460.43	0.00	0.00	0.00
6,900.00	89.60	180.00	5,529.86	-1,560.43	0.00	1,560.43	0.00	0.00	0.00
7,000.00	89.60	180.00	5,530.55	-1,660.43	0.00	1,660.43	0.00	0.00	0.00
7,100.00	89.60	180.00	5,531.25	-1,760.43	0.00	1,760.43	0.00	0.00	0.00
7,200.00	89.60	180.00	5,531.95	-1,860.42	0.00	1,860.42	0.00	0.00	0.00
7,300.00	89.60	180.00	5,532.65	-1,960.42	0.00	1,960.42	0.00	0.00	0.00
7,400.00	89.60	180.00	5,533.35	-2,060.42	0.00	2,060.42	0.00	0.00	0.00
7,500.00	89.60	180.00	5,534.04	-2,160.42	0.00	2,160.42	0.00	0.00	0.00
7,600.00	89.60	180.00	5,534.74	-2,260.41	0.00	2,260.41	0.00	0.00	0.00
7,700.00	89.60	180.00	5,535.44	-2,360.41	0.00	2,360.41	0.00	0.00	0.00
7,800.00	89.60	180.00	5,536.14	-2,460.41	0.00	2,460.41	0.00	0.00	0.00
7,900.00	89.60	180.00	5,536.84	-2,560.41	0.00	2,560.41	0.00	0.00	0.00
8,000.00	89.60	180.00	5,537.53	-2,660.40	0.00	2,660.40	0.00	0.00	0.00
8,100.00	89.60	180.00	5,538.23	-2,760.40	0.00	2,760.40	0.00	0.00	0.00
8,200.00	89.60	180.00	5,538.93	-2,860.40	0.00	2,860.40	0.00	0.00	0.00
8,300.00	89.60	180.00	5,539.63	-2,960.40	0.00	2,960.40	0.00	0.00	0.00
8,400.00	89.60	180.00	5,540.33	-3,060.39	0.00	3,060.39	0.00	0.00	0.00
8,500.00	89.60	180.00	5,541.03	-3,160.39	0.00	3,160.39	0.00	0.00	0.00
8,600.00	89.60	180.00	5,541.72	-3,260.39	0.00	3,260.39	0.00	0.00	0.00
8,639.61	89.60	180.00	5,542.00	-3,300.00	0.00	3,300.00	0.00	0.00	0.00

Black Viper Energy

Survey Report

Company:	Bass Enterprises Production Co.	**Local Co-ordinate Reference:**	Site Horned Toad 36 State # 1
Project:	Eddy Co. New Mexico (Nad 27)	**TVD Reference:**	WELL @ 0.00ft (Original Well Elev)
Site:	Horned Toad 36 State # 1	**MD Reference:**	WELL @ 0.00ft (Original Well Elev)
Well:	Horned Toad 36 State # 1	**North Reference:**	Grid
Wellbore:	Lateral# 1	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #2	**Database:**	EDM 2003.14 Server Db

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL#2[HT#1] - plan hits target - Point	0.00	0.00	5,542.00	-3,300.00	0.00	424,914.71	624,302.72	32° 10' 3.243 N	103° 55' 53.843 W

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
5,077.00	5,077.00	0.00	0.00	KOP - Build 13.48° / 100
6,155.08	5,524.65	-815.53	0.00	EOC - Hold 89.6° inc. : 180° Azi.

Checked By: _____ Approved By: _____ Date: _____

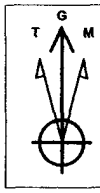
Project: Eddy Co. New Mexico (Nad 27)
Site: Horned Toad 36 State # 1
Well: Horned Toad 36 State # 1
Wellbore: Lateral# 1
Plan: Plan #2 (Horned Toad 36 State # 1/Lateral# 1)

BLACK VIPER ENERGY SERVICES, LTD.

PROJECT DETAILS: Eddy Co. New Mexico (Nad 27)

Geodetic System:US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: New Mexico East 3001

System Datum: Ground Level



Azimuths to Grid North
True North: -0.21°
Magnetic North: 8.04°

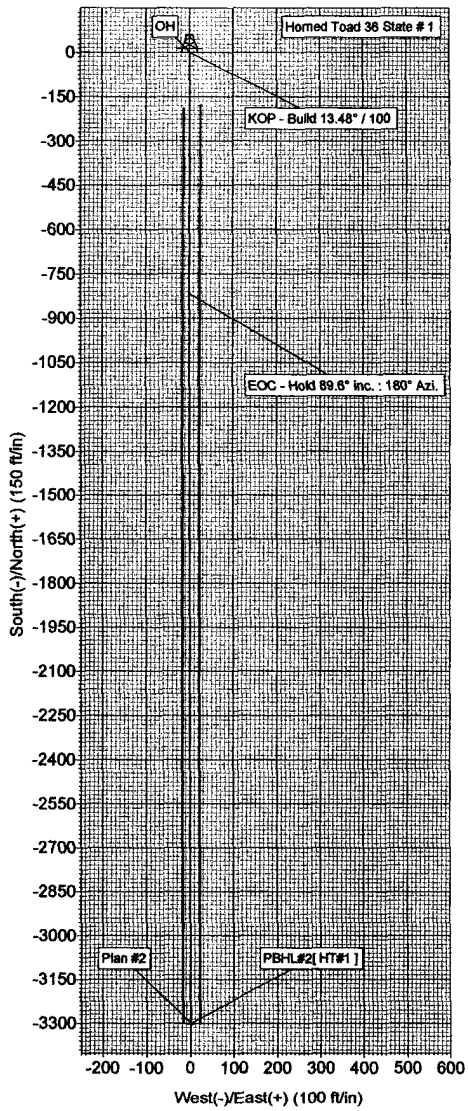
Magnetic Field
Strength: 49022.5nT
Dip Angle: 60.19°
Date: 2/19/2007
Model: IGRF200510

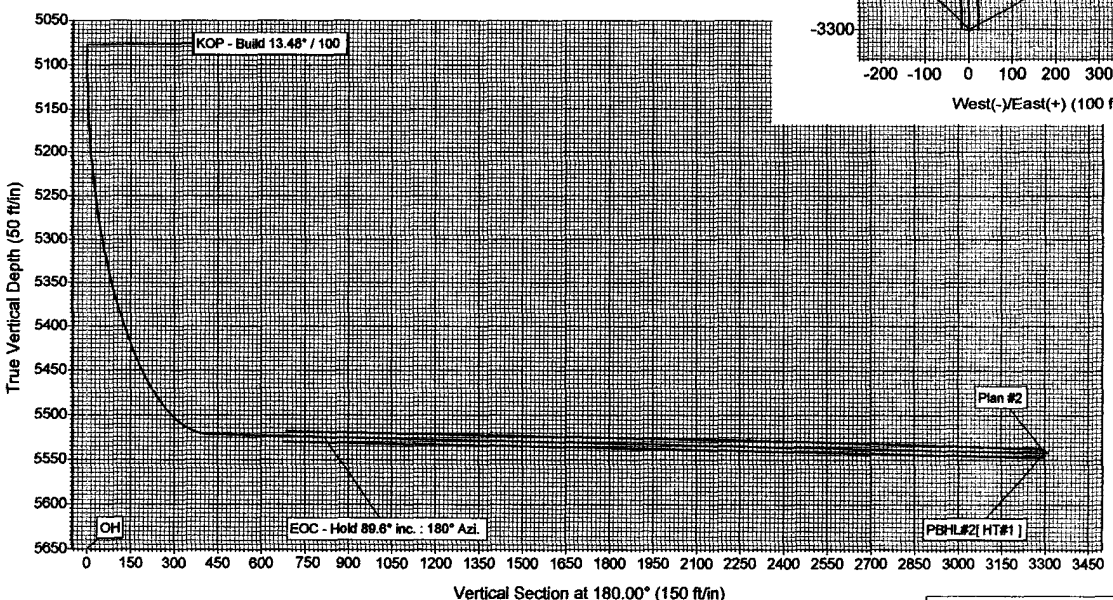
ANNOTATIONS

TVD	MD	Annotation
5077.00	5077.00	KOP - Build 13.48° / 100
5524.65	6155.08	EOC - Hold 89.6° inc. : 180° Azi.

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	5077.00	0.00	0.00	5077.00	0.00	0.00	0.00	0.00	0.00	
2	5097.00	0.00	0.00	5097.00	0.00	0.00	0.00	0.00	0.00	
3	5761.49	89.60	180.00	5521.91	-421.95	0.00	13.48	180.00	421.95	
4	8639.61	89.60	180.00	5542.00	-3300.00	0.00	0.00	0.00	3300.00	PBHL#2[HT#1]





Plan: Plan #2 (Horned Toad 36 State # 1/Lateral# 1)
Created By: Tony Lasley Date: February 19, 2007

Arrant, Bryan, EMNRD

From: Arrant, Bryan, EMNRD
Sent: Tuesday, March 06, 2007 8:34 AM
To: 'Childers, Annette'
Cc: Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD
Subject: Horned Toad 36 State # 1H/API # 30-

Dear Annette,
In order to further review the above noted application, please re-submit NMOCD form C-102 with the following information:

Define the project area, producing area and *point of penetration.*
(*Point of penetration* meaning the point where the well bore penetrates the top of the pool from which it is intended to produce.)
In this case it would be the top of the Delaware Mountain Group.

Also, you may need to obtain an amended NSL for this application.
The application for this well is to be now drilled horizontally and cover more dedicated acreage. (Please refer to NSL- 5358)
I didn't know this application is to replace an existing APD until I started digging in the files.
Also, please note that the pool in this area is the Nash Draw;Delaware/Bone Spring (Avalon Sand) Code # 47545.

Please call me if you have any questions.

Yours truly,

Bryan G. Arrant
District II Geologist
NMOCD Artesia
505-748-1283 ext. 103

CC: Well file