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

RE-SUBMITTAL

Form C-101
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

MAY 23 2007
OCD - ARTESIA, NM

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 - 35634

[4] Property Code	[5] Property Name	[6] Well No.
001796	Poker Lake Unit	242

[9] Proposed Pool 1	[10] Proposed Pool 2
Nash Draw (Delaware) / BS 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
D	32	24S	30E		810	FNL	660	FWL	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

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	3207'
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
No	7700'	Delaware	Grey Wolf	03/15/08

Depth to Groundwater	Distance from nearest fresh water well	Distance from nearest surface water

Pit: Liner: Synthetic ☒ 12 mils thick Clay ☐ Pit Volume 1,500 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#	350'	250	Surface *
11"	8-5/8"	32#	3540'	950	1000' **
7-7/8"	5-1/2"	15.5# & 17#	7700'	900	3100'

[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 OWED BY THE STATE OF NEW MEXICO. ATTACHED IS A DRILLING PROGNOSIS AND A BOP DIAGRAM.
*BEPCO, L.P. proposed to drill 10' into the salt section to insure all zones above the salt are penetrated. The casing will be set 10-20' above the total depth and cemented to surface.
**This intermediate casing is a contingency string to be installed only if we encounter "free flowing sand" as was found in our Poker Lake Unit #217 located in section 19, T24S, R30E.
In Poker Lake Unit #217 this sand occurred at several depths (+1500', +1800', +1900', +2300') and we were only able to control it by "Mudding Up" with a high vis drilling fluid which with the resultant mud weight exceeded the low frac gradient in the Delaware Lower Brushy Canyon Sands. Therefore, the 11" casing is proposed in order to put this problem behind pipe and thereby allow for the drilling of the Delaware Sands with a fresh water low weight drilling fluid. If the flowing sand problem is not encountered the intermediate casing will no be run. Hold size will be reduced to 7-7/8" at 3550' and the production hole drilled with a brine water/diesel emulsion mud. This drilling fluid has been used successfully on 37 wells drilled by BEPCO in the (Nash Draw) Delaware Field.

[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: 5-21-07 Phone: 432-683-2277

OIL CONSERVATION DIVISION

Approved by: BRYAN G. ARRANT
Title: DISTRICT II GEOLOGIST
Approval Date: MAY 24 2007 Expiration Date: MAY 24 2008
Conditions of Approval Attached ☐

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

Form C-102
Revised March 17, 1999

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)/BS Avalon Sd

Property Code	Property Name	Well Number
001796	POKER LAKE UNIT	242

OGRID No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3207'

Surface Location

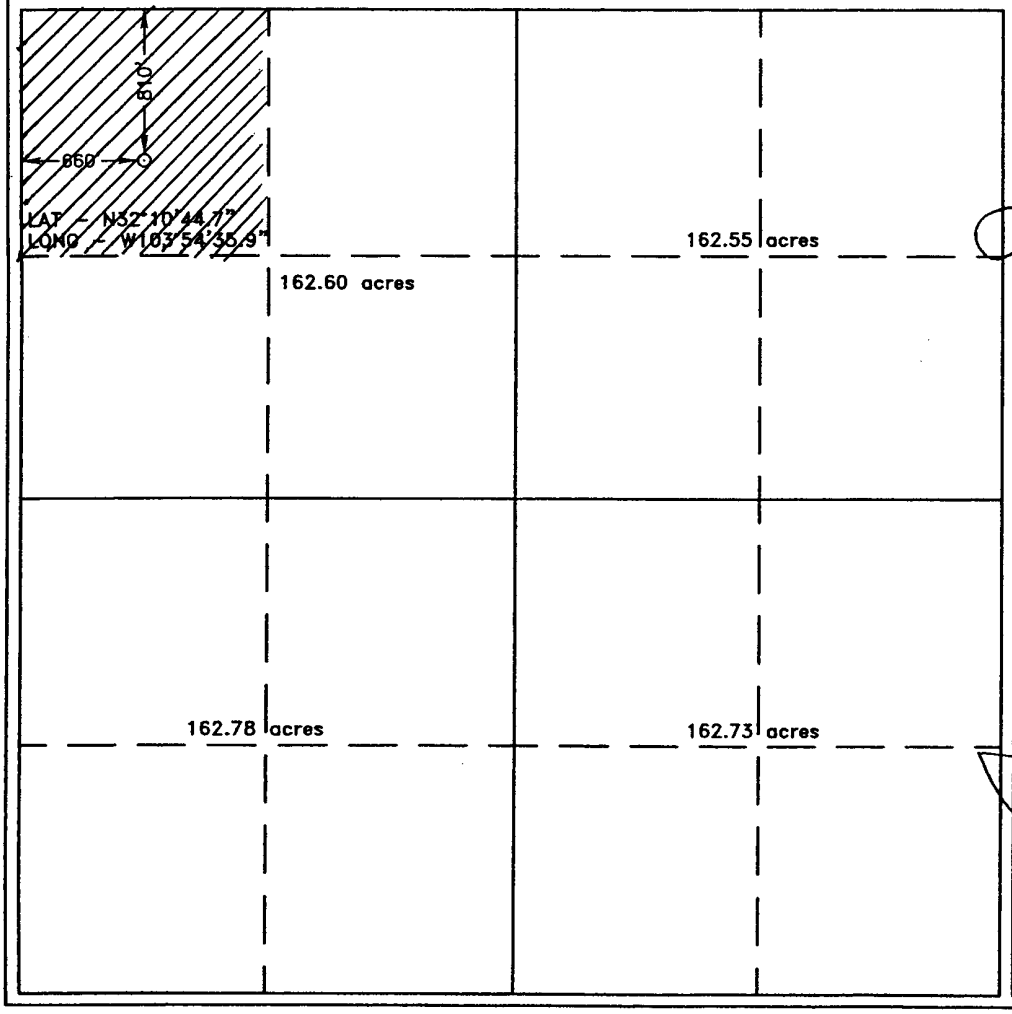
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	32	24 S	30 E		810	NORTH	660	WEST	EDDY

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



OPERATOR CERTIFICATION

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

Signature

W R DANNELS
Printed Name

DIVISION DRILLING SUPT.
Title

6-21-05
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 supervison, and that the same is true and correct to the best of my belief.

JUNE 2, 2005
Date Surveyed

Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

W.O. No. 5389

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

SECTION 32, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

150' NORTH
OFF SET
3203.8'

150' WEST
OFF SET
3208.0'

BASS ENTERPRISES PROD. CO.
POKER LAKE UNIT #242
ELEV. - 3207'

Lat.-N 32°10'44.7"
Long-W 103°54'35.9"

150' EAST
OFF SET
3206.5'

150' SOUTH
OFF SET
3208.5'

Lease Road

Proposed Lease Road 781'

100 0 100 200 FEET

SCALE: 1" = 100'

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 128 AND RAWHIDE ROAD, GO SOUTH FOR 10.2 MILES TO OLD WINDMILL; THENCE WEST FOR 1.2 MILE; THENCE SOUTHEAST FOR 1.8 MILE PAST A CATTLE GUARD; THENCE SOUTH FOR 0.2 MILE TO PROPOSED LEASE ROAD.

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

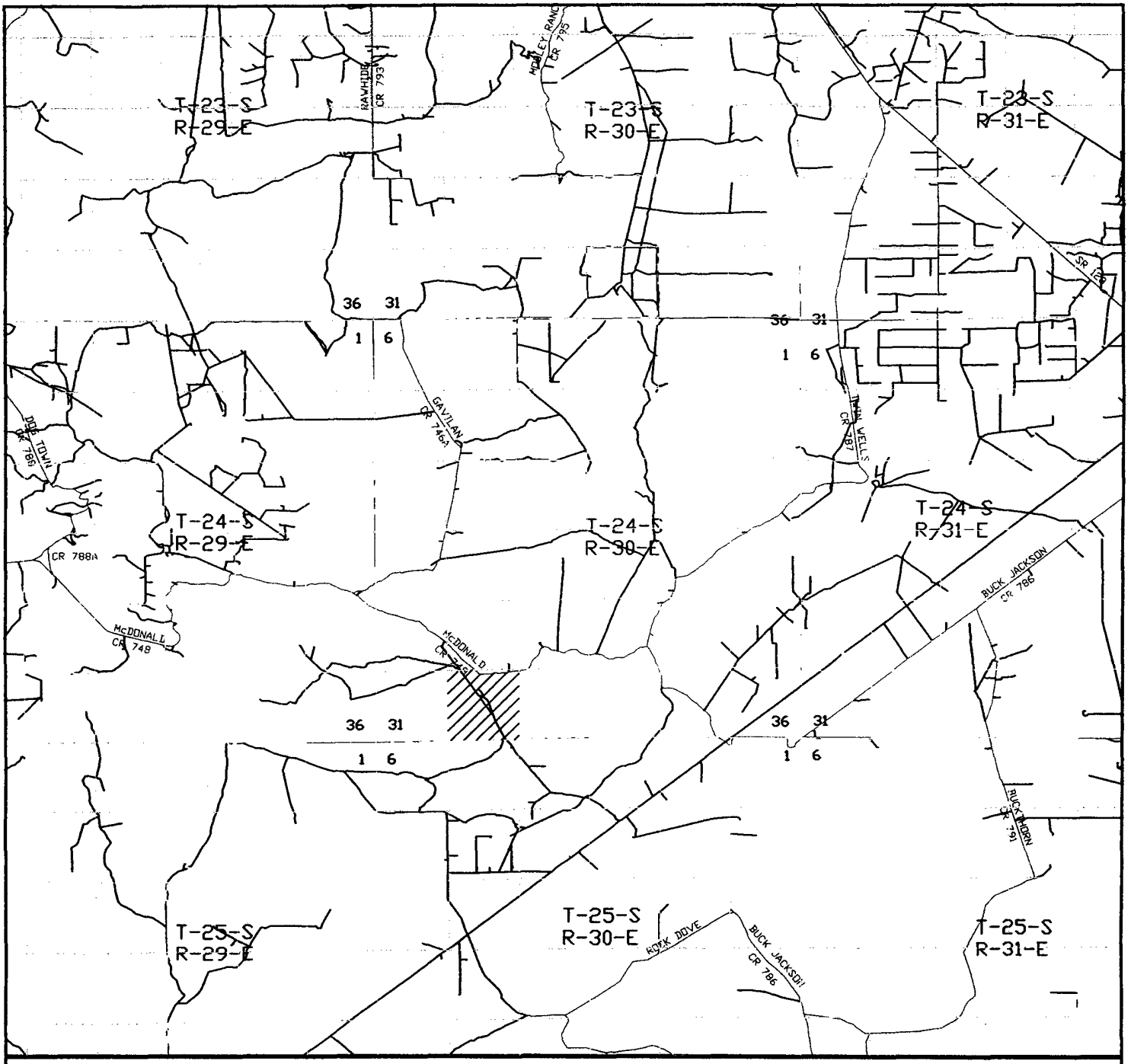
W.O. Number: 5389	Drawn By: K. GOAD
Date: 06-03-2005	Disk: KJG CD#7 - 5389A.DWG

BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 242 / Well Pad Topo

THE POKER LAKE UNIT No. 242 LOCATED 810' FROM THE NORTH LINE AND 660' FROM THE WEST LINE OF SECTION 32, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 06-02-2005	Sheet 1 of 1 Sheets

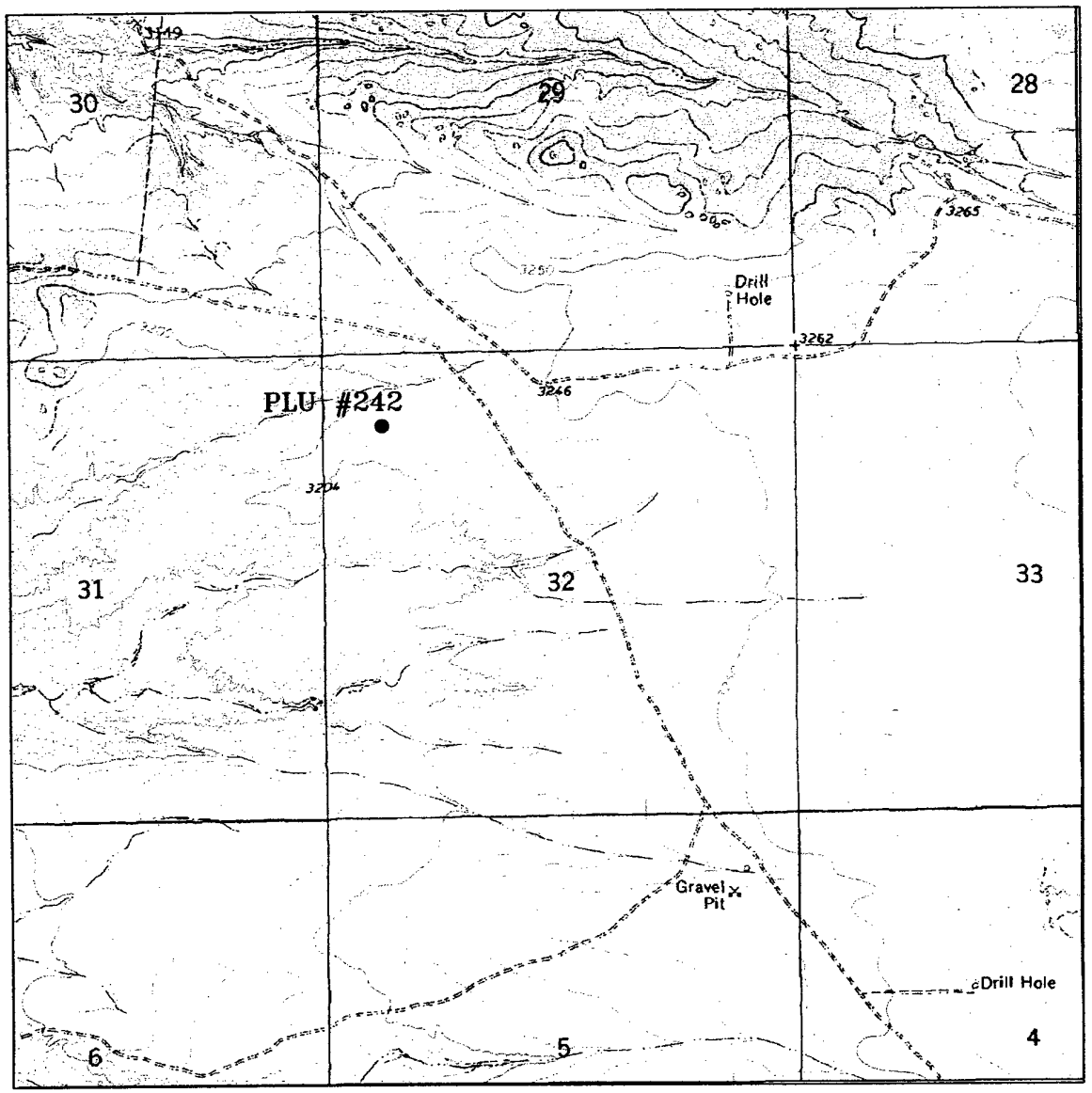


POKER LAKE UNIT #242
Located at 810' FNL and 660' FWL
Section 32, Township 24 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

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:	5389AA - KJG #7
Survey Date:	05-27-2005
Scale:	1" = 2 MILES
Date:	06-03-2005

BASS ENTERPRISES
PRODUCTION CO.



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W.O. Number:	5389AA - KJG #7
Survey Date:	05-27-2005
Scale:	1" = 2000'
Date:	06-03-2005

BASS ENTERPRISES PRODUCTION CO.

EIGHT POINT DRILLING PROGRAM
BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: POKER LAKE UNIT #242

LEGAL DESCRIPTION - SURFACE: 810' FNL & 660' FWL, Section 32, 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 3227' (est)
GL 3207'

FORMATION	ESTIMATED TOP FROM KB	ESTIMATED SUBSEA TOP	BEARING
T/Salt	357'	+ 2,870'	Barren
B/Salt	3,355'	- 128'	Barren
T/Lamar	3,537'	- 310'	Barren
T/Ramsey	3,587'	- 360'	Oil/Gas
T/Lwr Brushy Canyon	7,087'	- 3,860'	Oil/Gas
T/"Y" Sand	7,207'	- 3,980'	Oil/Gas
T/Bone Springs Lime	7,376'	- 4,149'	Oil/Gas
TD	7,700'	- 4,473'	

POINT 3: CASING PROGRAM

TYPE	INTERVALS	PURPOSE	CONDITION
16"	0' – 60'	Conductor	Contractor Discretion
11-3/4", 42#, WC-50, ST&C	0' – 350'	Surface	New
8-5/8", 32#, WC-50, LT&C	0' – 3,540'	Intermediate	New
5-1/2", 15.50#, K-55, LT&C	0' – 6,500'	Production	New
5-1/2", 17#, K-55, LT&C	6,500' – 7,700'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOPE equivalent to requirements of Onshore Oil & Gas Order No. 2 – 2000 psi system (Diagram 1) 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. The BOPE when rigged up on the intermediate casing spool will be as described in Diagram 2 and will be tested to 3000 psig by independent tester. (As per Onshore Oil & Gas Order No 2 – 3000 psig system) In addition to the high pressure test, a low pressure (200 psig) 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

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' – 350'	FW Spud Mud	8.5 - 9.2	45-35	NC	NC	NC	10.0
350' – 3540'	BW	10.0	28-30	NC	NC	NC	9.5-10.5
3540' – 6000'	Fresh Water	8.4 - 8.9	28-30	NC	NC	NC	9.5-10.5
6000' – 6900'	FW/Starch	8.7 - 8.9	30-35	4	8	<100	9.5-10.5
6900' – 7700'	FW/Starch	8.7 - 8.9	40-45	4	8	<25	9.5-10.5

Will increase vis for logging purposes only.

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING

None anticipated.

B) LOGGING

GR-CNL-LDT-LLD from TD to Base of Salt (+/-3,322'). Run GR-CNL from Base of Salt to surface.

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT^3/SX	COMPRESSIVE Nitrogen 300/600 scf/bbl	COMPRESSIVE Strength 1200
SURFACE: Circulate cement to surface.								
Lead 0'-350' (100% excess)	250	350	Premium Plus+2% CaClz 1/ 4# Flocele	6.33	14.8	1.35		
INTERMEDIATE: Lead 1000'-3040' (200% excess)	650	2040	Interfill C+0.3% Halad R-322	14.11	11.9	2.45		
Tail 3040' – 3540 (200% excess)	300	500	Premium Plus+2% CaClz	6.33	14.8	1.35		
PRODUCTION:								
Lead 3100'-7700' (50% excess)	900	4600	Premium Plus + 1% Zone Sealant 2000	6.32	11.9	1.65		

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3322 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware section from 3,587'-7,700'. No H_2S is anticipated.

Estimated BHT is 140° F.

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

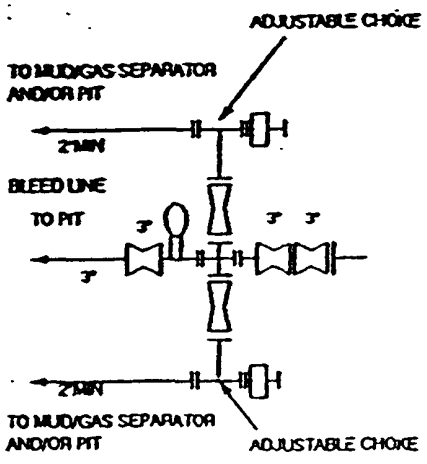
12 days drilling operations

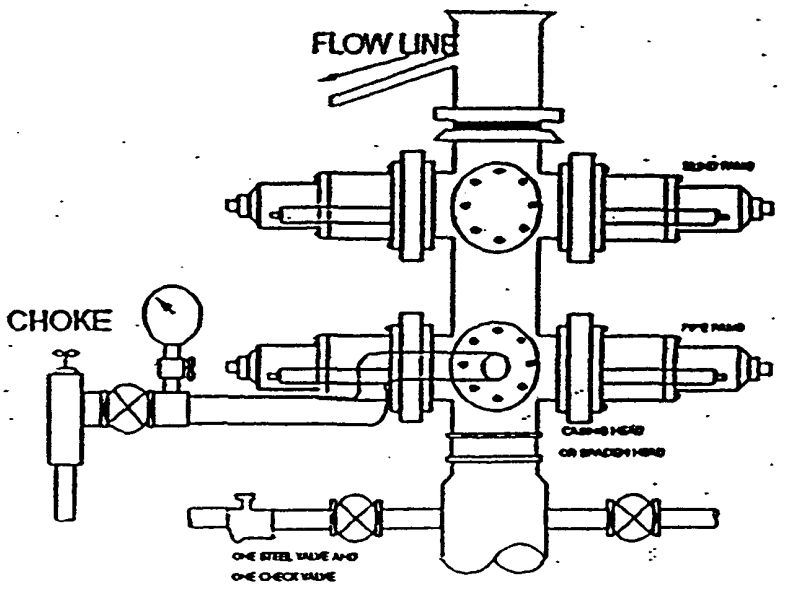
14 days completion operations

GEG/cdg

June 17, 2005

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.

DIAGRAM 1

3000 PSI WP

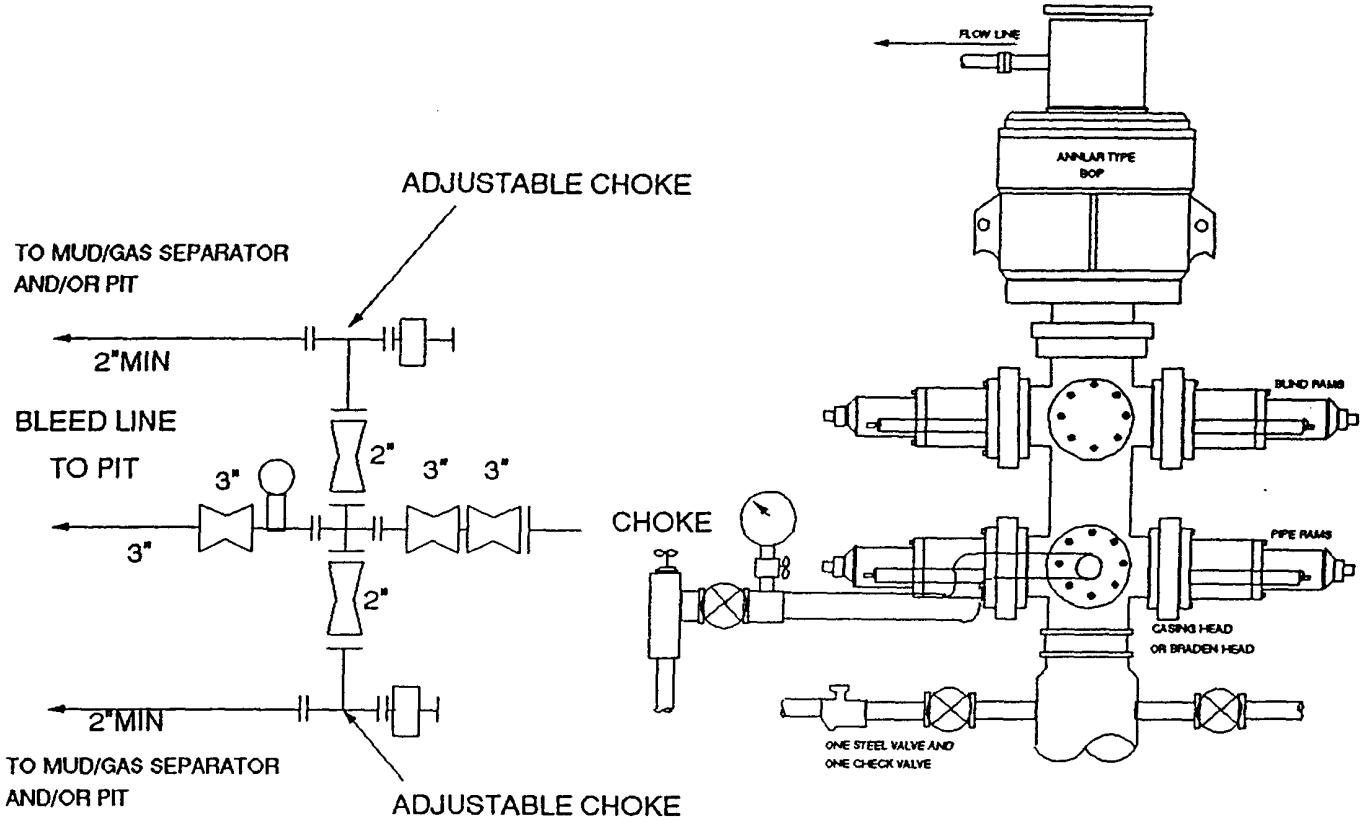


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DIAGRAM 2.