

EC

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER

CONFIDENTIAL

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone2. Name of Operator
BASS ENTERPRISES PRODUCTION COContact: TAMI WILBER
E-Mail: twilber@basspet.com3a. Address
P O BOX 2760
MIDLAND, TX 797023b. Phone No. (include area code)
Ph: 432.683.2277
Fx: 432.687.0329

RECEIVED

5. Lease Serial No.
NMLC068545

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.
NMNM71016X8. Lease Name and Well No.
POKER LAKE UNIT 164

9. API Well No.

33137
30-015-~~33137~~10. Field and Pool, or Exploratory
NASH DRAW-DELAWARE

4. Location of Well (Report location clearly and in accordance with any State requirements)

At surface NESW 1980FSL 1980FWL

At proposed prod. zone NESW 1980FSL 1980FWL

DEC 10 2003
OCD-ARTESIA

11. Sec., T., R., M., or Blk. and Survey or Area

Sec 6 T24S R30E Mer NMP
SME: BLM14. Distance in miles and direction from nearest town or post office*
14 MILES EAST OF MALAGA, NM

SECRETARY'S POTASH

12. County or Parish
EDDY13. State
NM15. Distance from proposed location to nearest property or
lease line, ft. (Also to nearest drig. unit line, if any)
198016. No. of Acres in Lease
1843.3217. Spacing Unit dedicated to this well
40.00
RECEIVED18. Distance from proposed location to nearest well, drilling,
completed, applied for, on this lease, ft.
132019. Proposed Depth
7650 MD20. BLM/BIA Bond No. on file
NM2204
DEC 11 2003
OCD-ARTESIA21. Elevations (Show whether DF, KB, RT, GL, etc.)
3206 GL

22. Approximate date work will start

23. Estimated duration

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)
TAMI WILBER Ph: 432.683.2277Date
10/10/2003Title
PRODUCTION CLERK

Approved by (Signature) /s/ Carsten F. Goff

Name (Printed/Typed) /s/ Carsten F. Goff

Date
4 DEC 2003Title
STATE DIRECTOROffice
NM STATE OFFICEApplication 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 #24106 verified by the BLM Well Information System
For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad
Committed to AFMSS for processing by CAROL LARSON on 10/15/2003 (04CL0002AE)APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS

ATTACHEE

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

Additional Operator Remarks:

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

**Production casing will be cemented using Zone Seal Cement. Plan to bring TOC to 3000' or 500' above top of uppermost hydrocarbon zone.

Bass has contracted to have Arch Survey expanded to 600' x 600' area.

This well is located inside the Secretary's Potash area and outside the R-111 Potash Area.

There is no potash leases within 1 mile of this location.

DISTRICT I

1900 N. French St., Hobbs, NM 88240

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

DISTRICT II

811 South First, Artesia, NM 88210

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT III

1000 Rio Hondo Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-31695	Pool Code 47545	Pool Name Nash Draw (Delaware)
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 164
OCRD No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3206'

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	24 S	30 E		1980	SOUTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

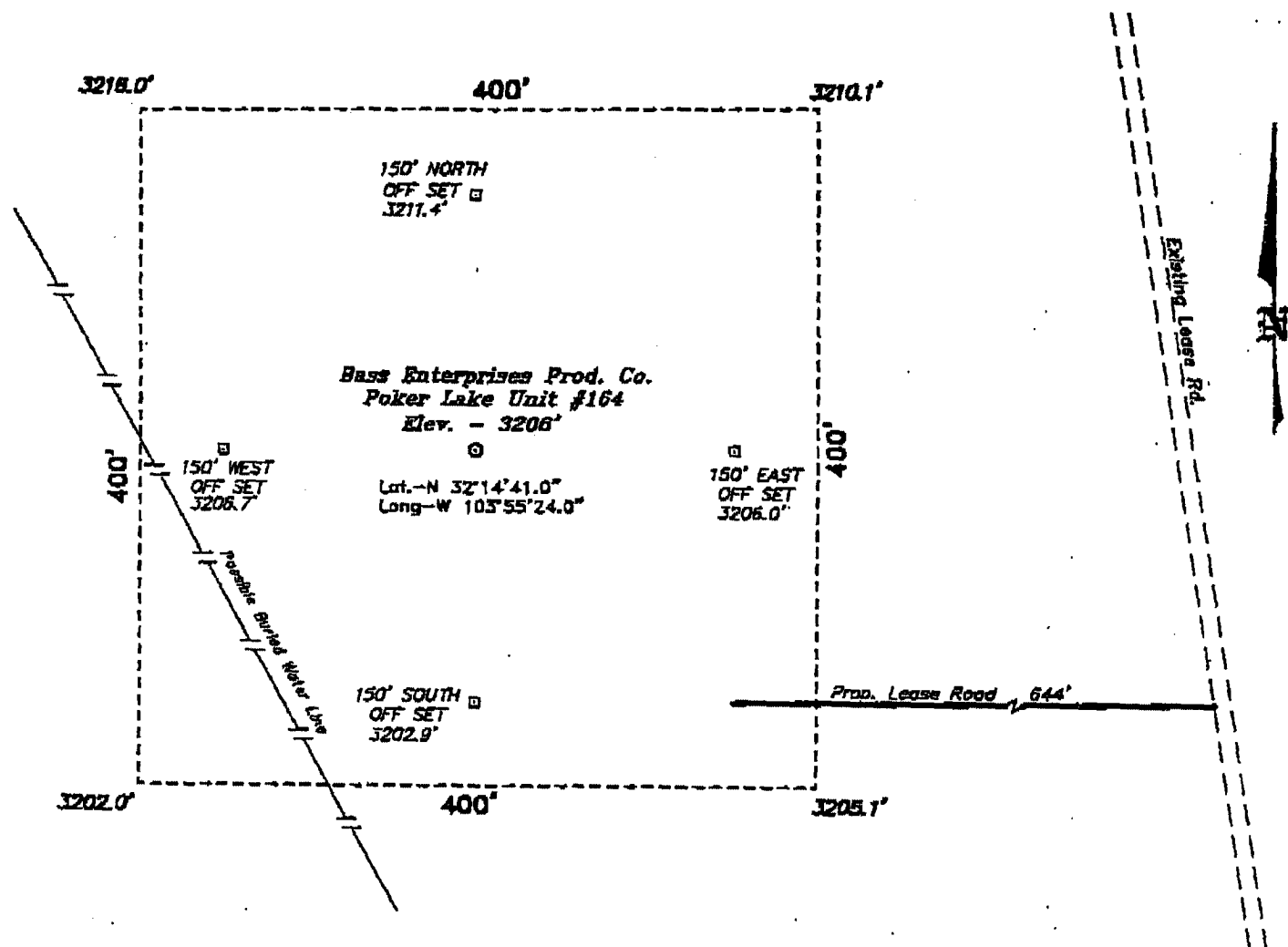
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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

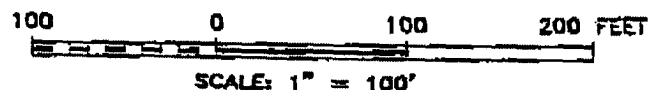
<p>LOT 1 - 40.72 AC.</p> <p>LOT 2 - 40.58 AC.</p> <p>LOT 3 - 40.42 AC.</p> <p>LOT 4 - 40.28 AC.</p>				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>William R. Dannels</i> Signature W.R. DANNELS Printed Name DIVISION DRILLING SUPT. Title Date 10-9-03</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>August 9, 2000 Date Surveyed Signature & Seal of Professional Surveyor W.C. No. 0457 Certificate No. 7977 BASIN SURVEYS</p>
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**SECTION 6, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 128 & CO. RD. 793, GO SOUTH AND WEST ON CO. RD. 793 APPROX. 4.0 MILES TO A LEASE ROAD; THENCE SOUTH ON LEASE ROAD APPROX. 270 MILES TO A POINT WHICH LIES 644 FEET EAST OF THE PROPOSED WELL LOCATION.



BASS ENTERPRISES PRODUCTION CO.

REF: PUNCH LEASE UNIT NO. 164 / Well Red Tops

THE POKER LAKE UNIT No. 164 LOCATED 1980' FROM THE SOUTH LINE AND 1980' FROM THE WEST LINE OF SECTION 6, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

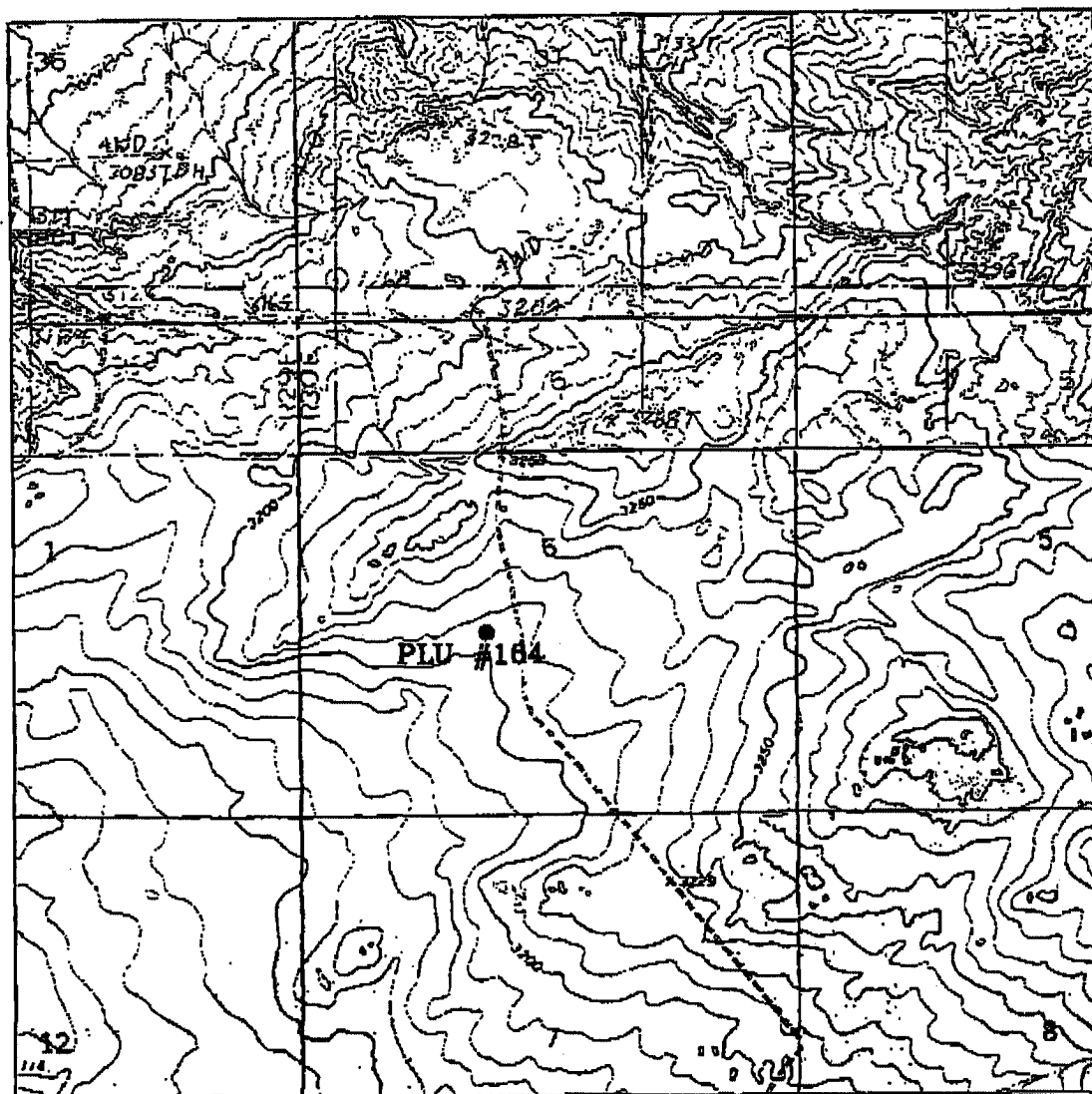
BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 0457 Drawn By: K. GOAD

Date: 08-17-2000 Disk: KJC #122 - 0457A.OWG

Survey Date: 08-9-2000

Sheet 1 of 1 Sheets

**POKER LAKE UNIT #164**

Located at 1980' FSL and 1980' FWL
Section 6, 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 1788
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

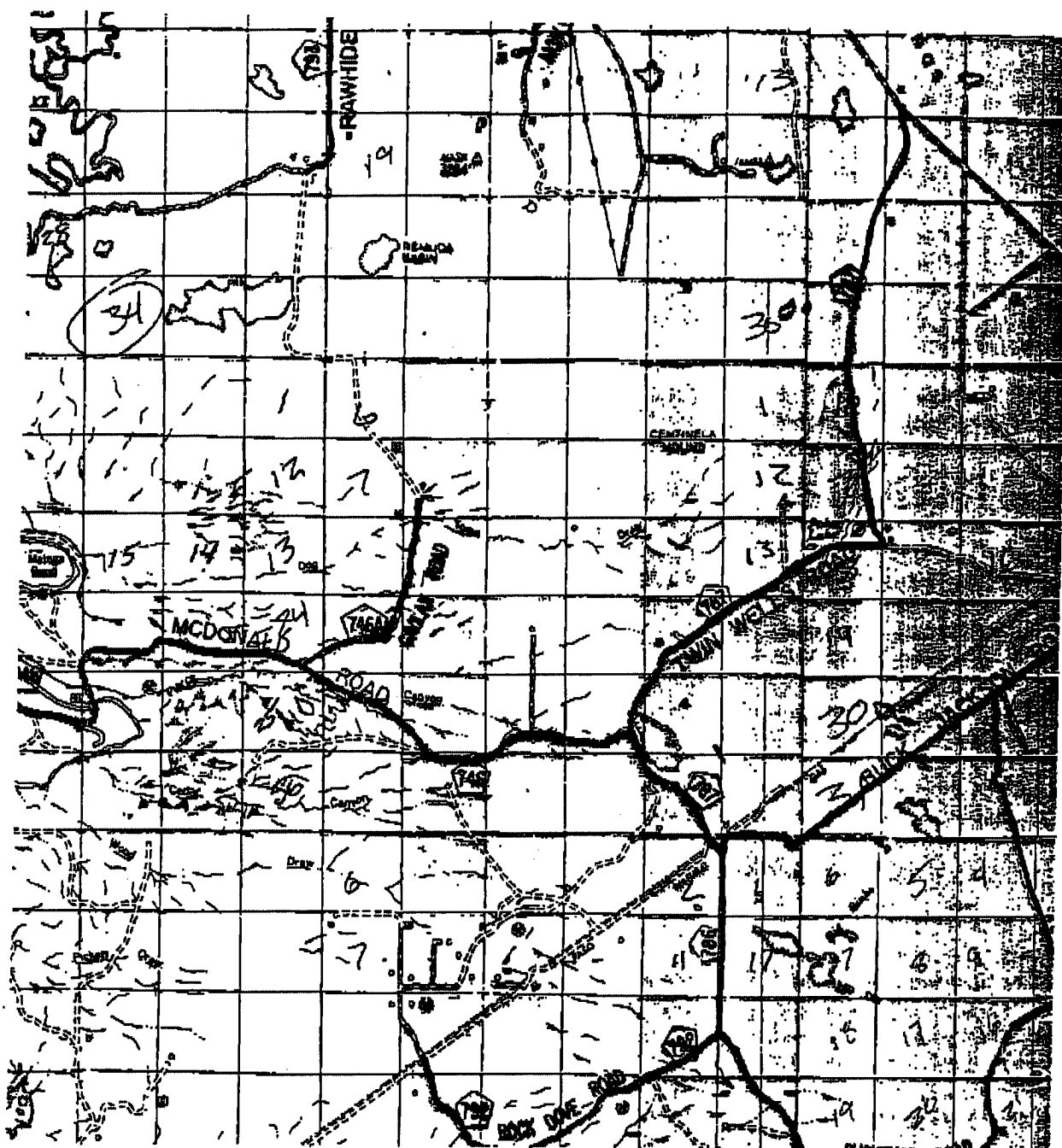
W.O. Number: D457AA - KJG #122

Survey Date: 08-10-2000

Scale: 1" = 2000'

Date: 08-17-2000

**BASS ENTERPRISES
PRODUCTION CO.**



POKER LAKE UNIT #164

Located at 1980' FSL and 1980' FWL
 Section 6, Township 24 South, Range 30 East,
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 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basin-surveys.com

W.O. Number: 0457AA - KJG #122

Survey Date: 08-10-2000

Scale: 1" = 2 MILES

Date: 08-17-2000

BASS ENTERPRISES
PRODUCTION CO.

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

NAME OF WELL: POKER LAKE UNIT #164

LEGAL DESCRIPTION - SURFACE: 1980' FSL & 1980' FWL, Section 6, 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 3228' (est)
GL 3206'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
B/Rustler	828'	+2,400'	Barren
T/Salt	848'	+2,380'	Barren
B/Salt	3,255'	- 27'	Barren
T/Lamar	3,496'	- 268'	Barren
T/Ramsey	3,523'	- 295'	Oil/Gas
T/Lwr Brushy Canyon 8A	6,966'	- 3,738'	Oil/Gas
T/Y" Sand	7,139'	- 3,911'	Oil/Gas
T/Bone Spring	7,204'	- 3,976'	Oil/Gas
TD	7,650'	- 4,422'	

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", 24#, J-55, LTC	0' - 800'	Surface	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' - 7,650'	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. 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

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' - 800'	FW Spud Mud	8.5 - 9.2	45-35	NC	NC	NC	NC
800' - 5600'	BW	9.8 - 10.2	28-30	NC	NC	NC	9.5-10.5
5600' - TD	*	8.9 - 9.2	40-50	4	8	<25 cc	9.5-10

*40/60 Diesel/Brine Emulsion

*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 (+/-3,255'). 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
SURFACE:	Circulate cement to surface					
Lead 0 - 500' (100% excess)	150	500	Permian Basin Filler 1 + 1 / 4# Celloflake	17.65	11.4	2.85
Tail 500-800' (100% excess)	155	300	Permian Basin Critical Zone	8.37	13.5	1.63

PRODUCTION:

INTERVAL	AMOUNT SXS	FILL	TYPE	GAL/SX	PPG	FT ³ /SX	COMPRESSIVE NITROGEN	STRENGTH
Lead 3000-5500' (20% excess over e-log)	400	2500'	Premium Plus + 2% Zone Sealant 2000	6.32*	11.9*	2.20*	450/250 scf/bbl	1200
Tail 5500-7650' (15% excess over e-log)	325	2150'	Premium Plus + 2% Zone Sealant 2000	6.32*	12.5*	1.65*	400/200 scf/bbl	2500

* average for that interval

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3110 psi (max) or MWE of 8.3 ppg is expected. Lost circulation may exist in the Delaware section from 3,516'-7,204". No H₂S is anticipated.

Estimated BHT is 146° 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

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: POKER LAKE UNIT #164

LEGAL DESCRIPTION - SURFACE: 1980' FSL & 1980' FWL, Section 6, T-24-S, R-30-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit "A", "B" and survey plats.

B) Existing Roads:

From Carlsbad, New Mexico, go 8 miles south on Highway 285 to Highway 31. Turn north and 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 6.5 miles southerly.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "A", "B", and survey plats.

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See Exhibit "A" and "B".

B) Width

12' wide.

C) Maximum Grade

Not applicable.

D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

None.

POINT 3: LOCATION OF EXISTING WELLS

Exhibit "A" and "B" indicates existing wells within the surrounding area.

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES

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

Oil/Gas production facilities are located at PLU #184 wellsite.

B) New Facilities in the Event of Production:

Existing production facilities will be used via flowlines laid to existing facilities and additional separators/treaters will be added as necessary.

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 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 Diamond and Half Water Station 35 miles east of Carlsbad, New Mexico or other commercial facilities. Brine water will be hauled from Bass' Poker Lake Unit #184 battery or 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

A new caliche source has been opened near Poker Lake Unit #182.

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 "A" and "B".

POINT 7: METHODS FOR HANDLING WASTE MATERIAL**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 netted and the fence 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 "C" & "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.

B) Locations of Pits and Access Road

See Exhibits "A", "C" & "D".

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

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 a water well near Poker Lake Unit #200 (formerly Poker Lake Unit #45) about 1-1/2 miles to the south-southeast.

G) Residences and Buildings

None in the immediate vicinity.

H) Historical Sites

None observed.

I) Archeological Resources

An archeological survey was conducted on September 20, 2000 (report date 10/3/00) by Archeological Services by Laura Michalik for a 400' x 400' location site and access road. Daniel Boone with Boon Archeological Services has been contracted to expand the arch area to 600' x 600' to facilitate a larger rig. A full and complete report will be submitted to the BLM.

J) Surface Ownership

The well site and access road 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

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

DRILLING

William R. Dannels
Box 2760
Midland, Texas 79702
(915) 683-2277

PRODUCTION

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

Kent Adams
Box 2760
Midland, Texas 79702
(915) 683-2277

POINT 13: CERTIFICATION

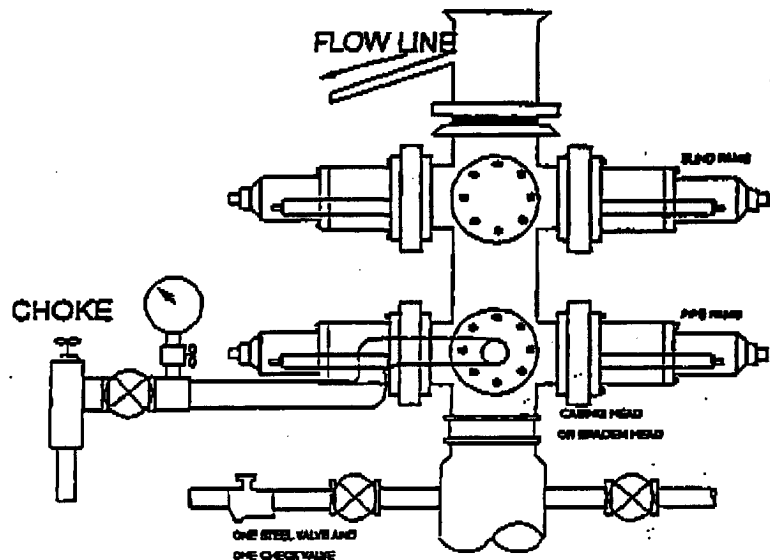
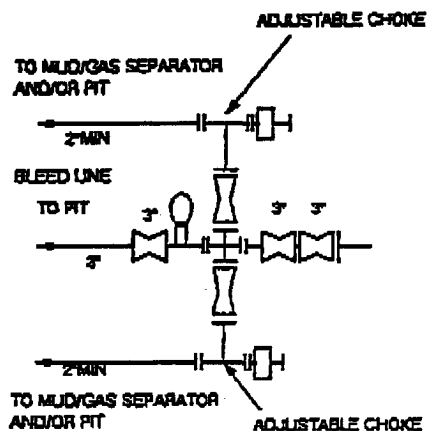
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and that the work associated 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.

10-9-03
Date

WRD/tw

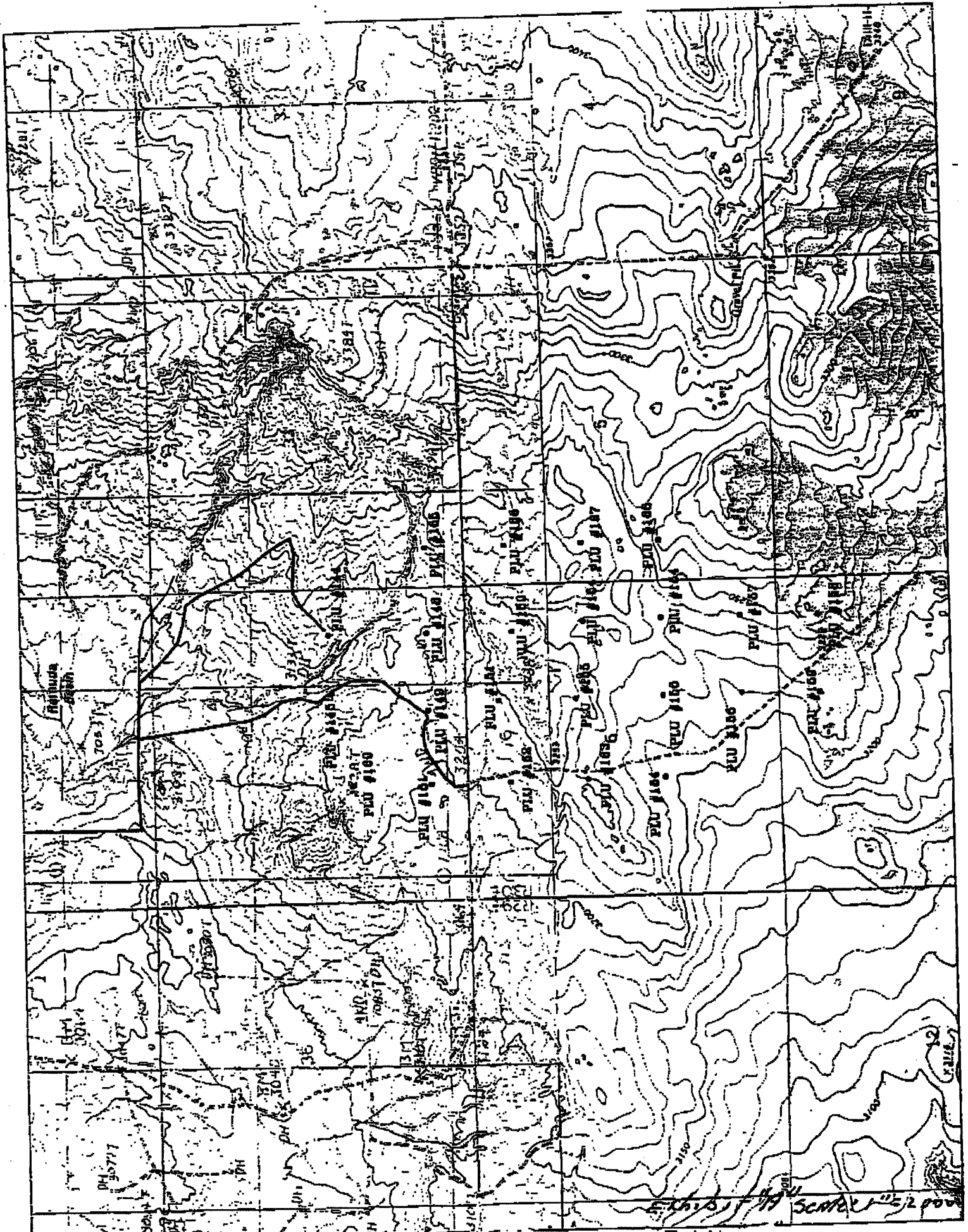
William R. Dannels
William R. Dannels

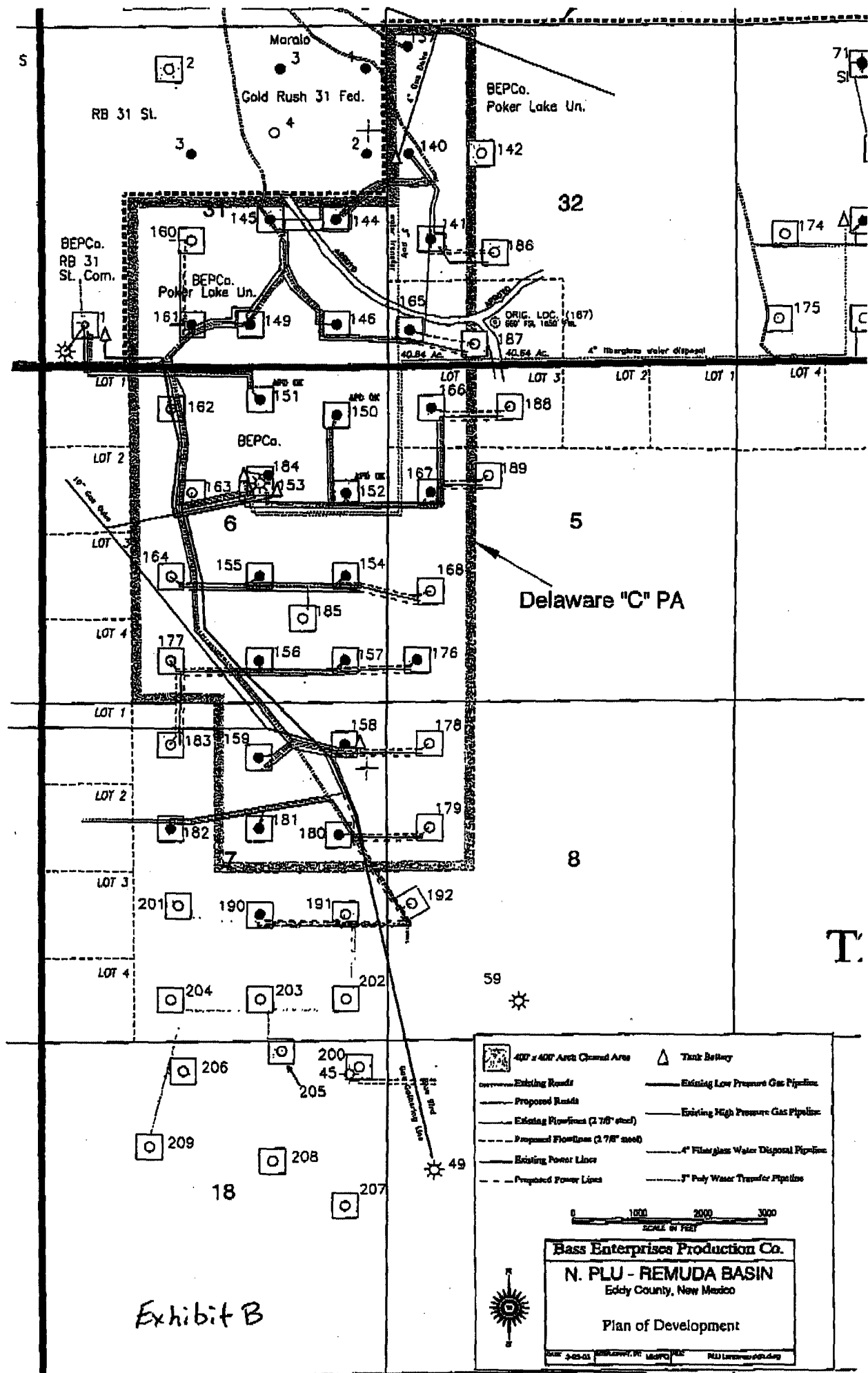
2000 PSI WP



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.





BASS ENTERPRISES PRODUCTION COMPANY
GREY WOLF RIG 33 LOCATION PLAT
POKER LAKE UNIT # 164

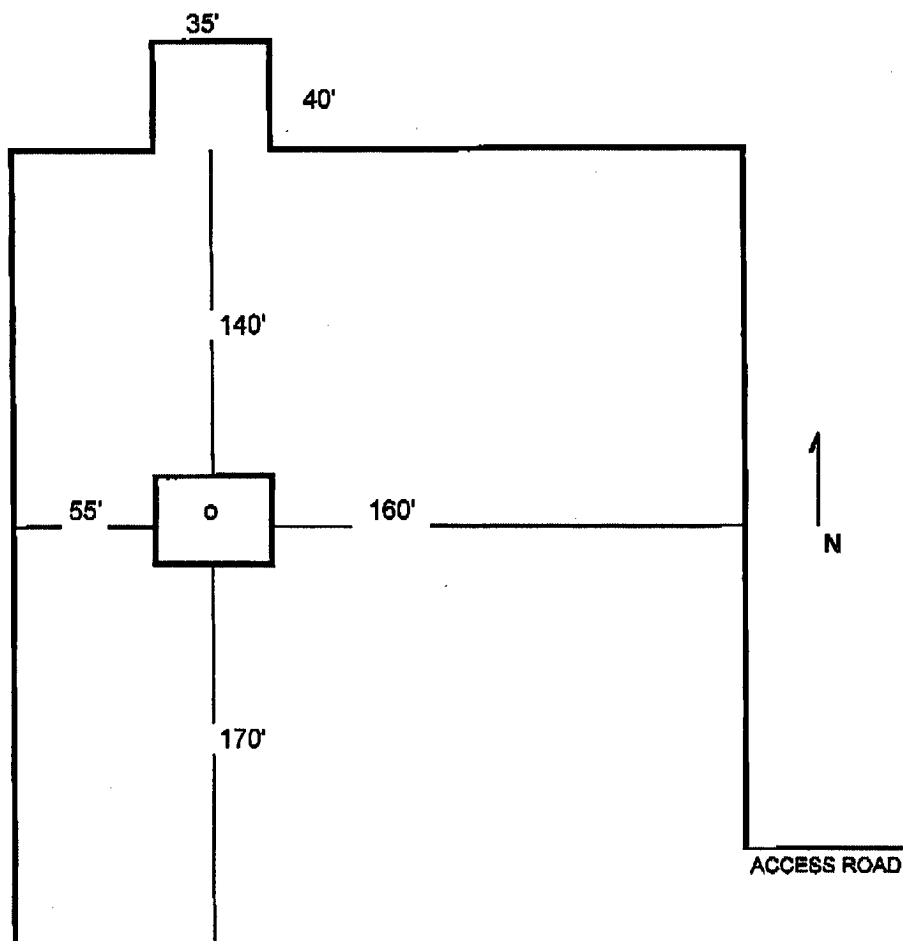


Exhibit C

BASS ENTERPRISES PRODUCTION COMPANY
POKER LAKE UNIT # 164 RESERVE PIT DIMENSIONS

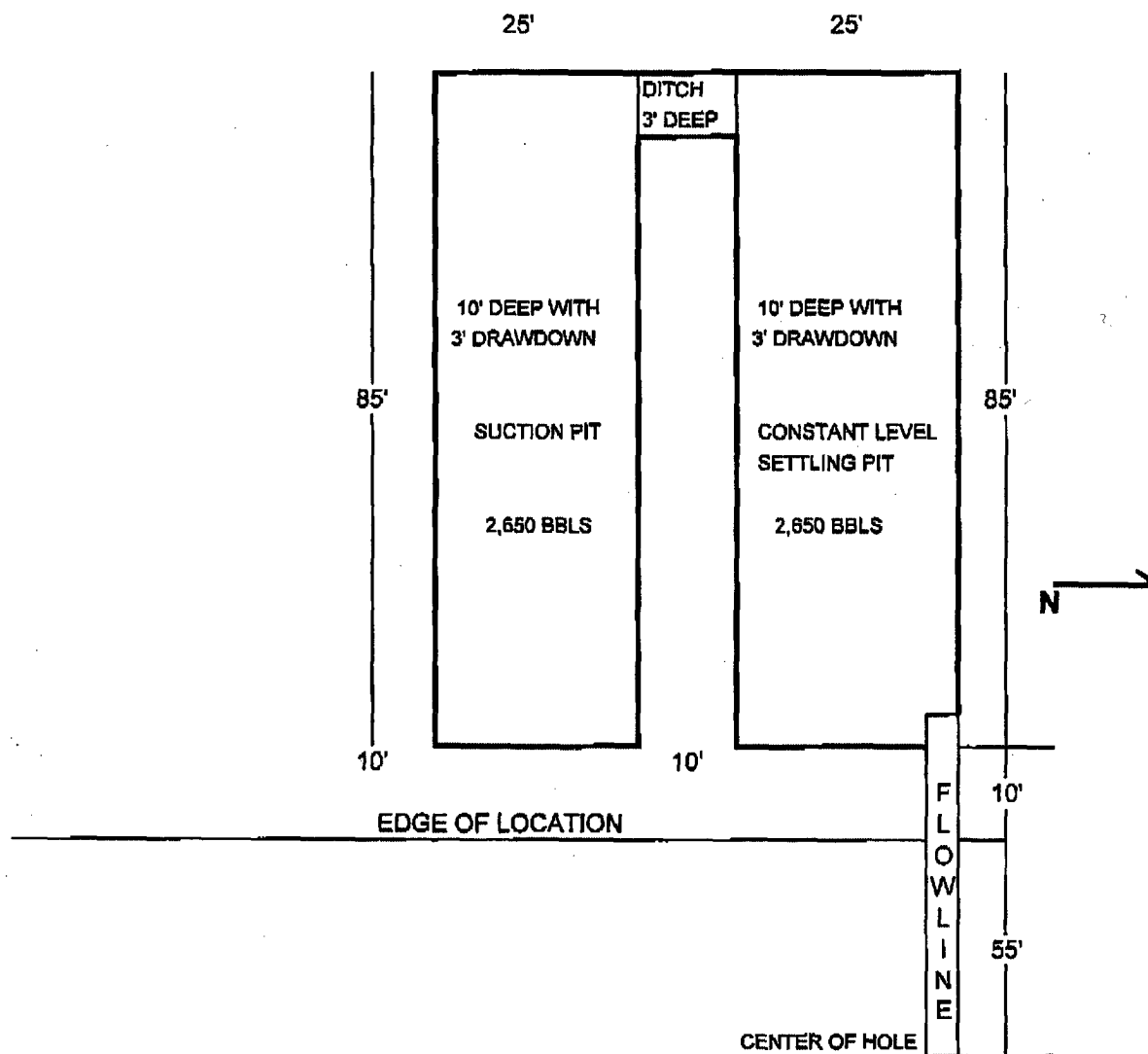


Exhibit D