

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

CONFIDENTIAL

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

NOV 23 2004

ODD-ARTESIA

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator
Bass Enterprises Production Co.

3a. Address P. O. Box 2760 Midland, TX 79702

3b. Phone No. (include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface SWNE 1980FNL 1780FEL 32.12177 N LAT, 103.55047 W LON
At proposed prod. zone SWNE 1980FNL 1780FEL 32.12177 N LAT, 103.55047 W LON

14. Distance in miles and direction from nearest town or post office*
14 MILES EAST OF MALAGA NM

15. Distance from proposed* location to nearest property or lease line, ft.
(Also to nearest drig. unit line, if any)
3500'

16. No. of Acres in lease
2520.68

17. Spacing Unit dedicated to this well
40.00

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
1470'

19. Proposed Depth
7700' MD

20. BLM/BIA Bond No. on file
NM2204

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3169 GL

22. Approximate date work will start*
11/01/2004

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. Operation certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Name (Printed/Typed)
Cindi Goodman

Date
10/15/2004

Title
Production Clerk

Approved by (Signature)
/s/ Joe G. Lara

Name (Printed/Typed)
/s/ Joe G. Lara

Date
22 NOV 2004

Title **ACTING FIELD MANAGER**

Office
CARLSBAD FIELD OFFICE

Application approval does not warrant or certify the 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 & States and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

nited

*(Instructions on reverse)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

Witness Surface Casing

ATTACHED

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, Anticiapted tops & 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 this 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, 1999

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 216
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3169'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	19	24 S	30 E		1980	NORTH	1780	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
Dedicated Acres 40	Joint or Infill N	Consolidation Code	Order No.						

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.
LOT 2 - 40.87 AC.	40.69 AC.	40.68 AC.	40.66 AC.
LOT 3 - 40.94 AC.	40.69 AC.	40.68 AC.	40.67 AC.
LOT 4 - 41.06 AC.	40.73 AC.	40.70 AC.	40.70 AC.

LAT - N32°12'17.7"
LONG - W103°55'04.7"

1980'

3174.3'

3187.5'

3170.8'

3166.4'

1780'

40.68 AC.

OPERATOR CERTIFICATION

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

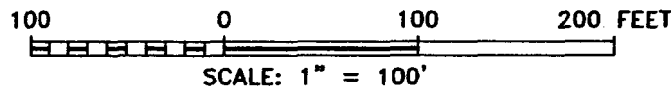
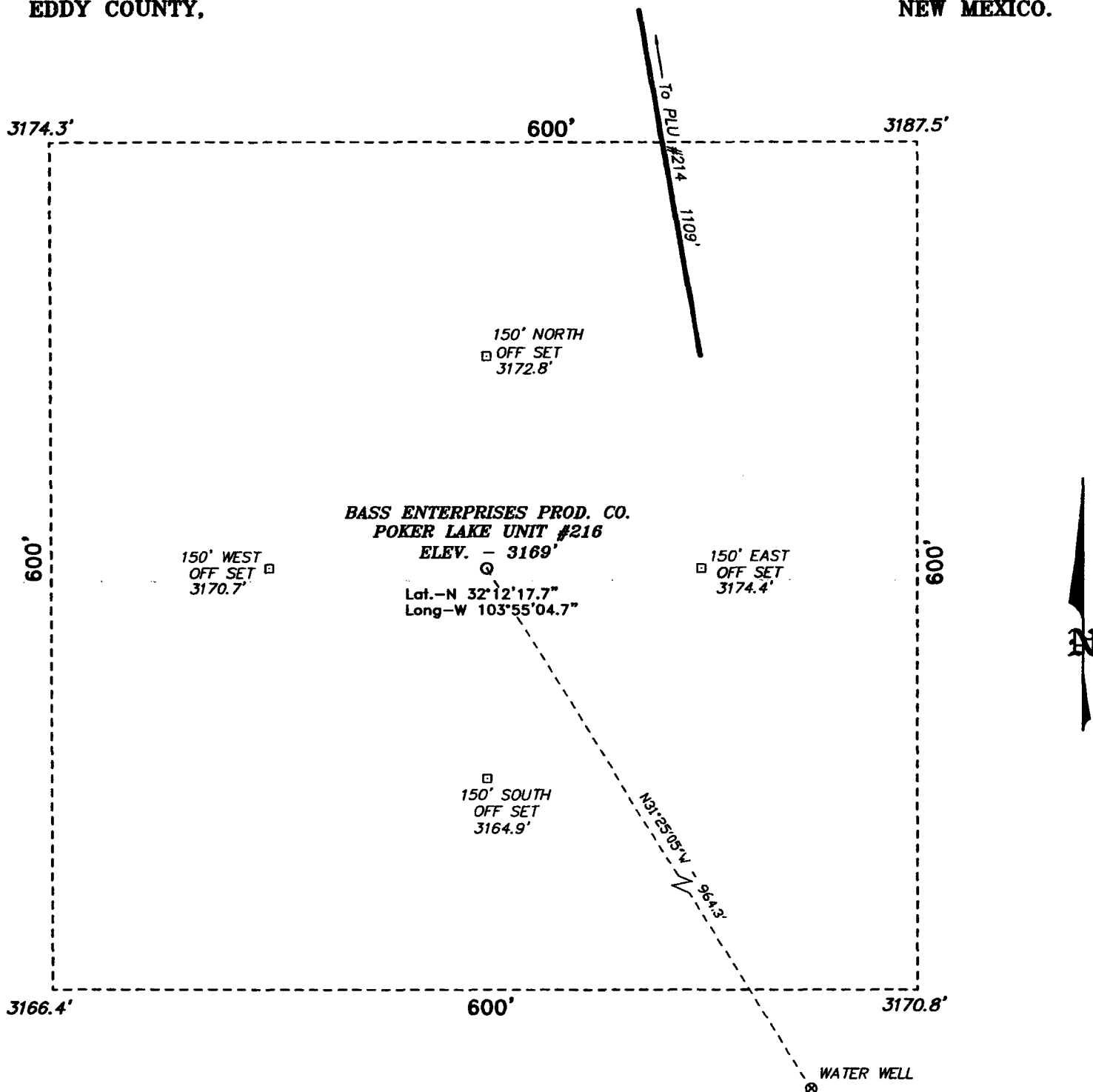
William R. Dannels
Signature
W.R. DANNELS
Printed Name
DIVISION DRILLING SUPT.
Title
9/27/2004
Date

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 knowledge.

APR 13 2004
GARY L JONES
Date Surveyed
Signature & Seal of Professional Surveyor
W.O. No. 4743
Certificate No. Gary L. Jones 7977
BASIN SURVEYS

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



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. RD. 746A AND CO. RD. 748, GO EASTERLY ON CO. RD. 746A FOR APPROX. 1.0 MILE AND NORTHERLY FOR APPROX. 0.75 MILE TO PROPOSED LEASE ROAD TO THE PLU #213 AND THE PLU #216.

BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 216 / Well Pad Topo

THE POKER LAKE UNIT No. 216 LOCATED 1980' FROM
THE NORTH LINE AND 1780' FROM THE EAST 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: 4143

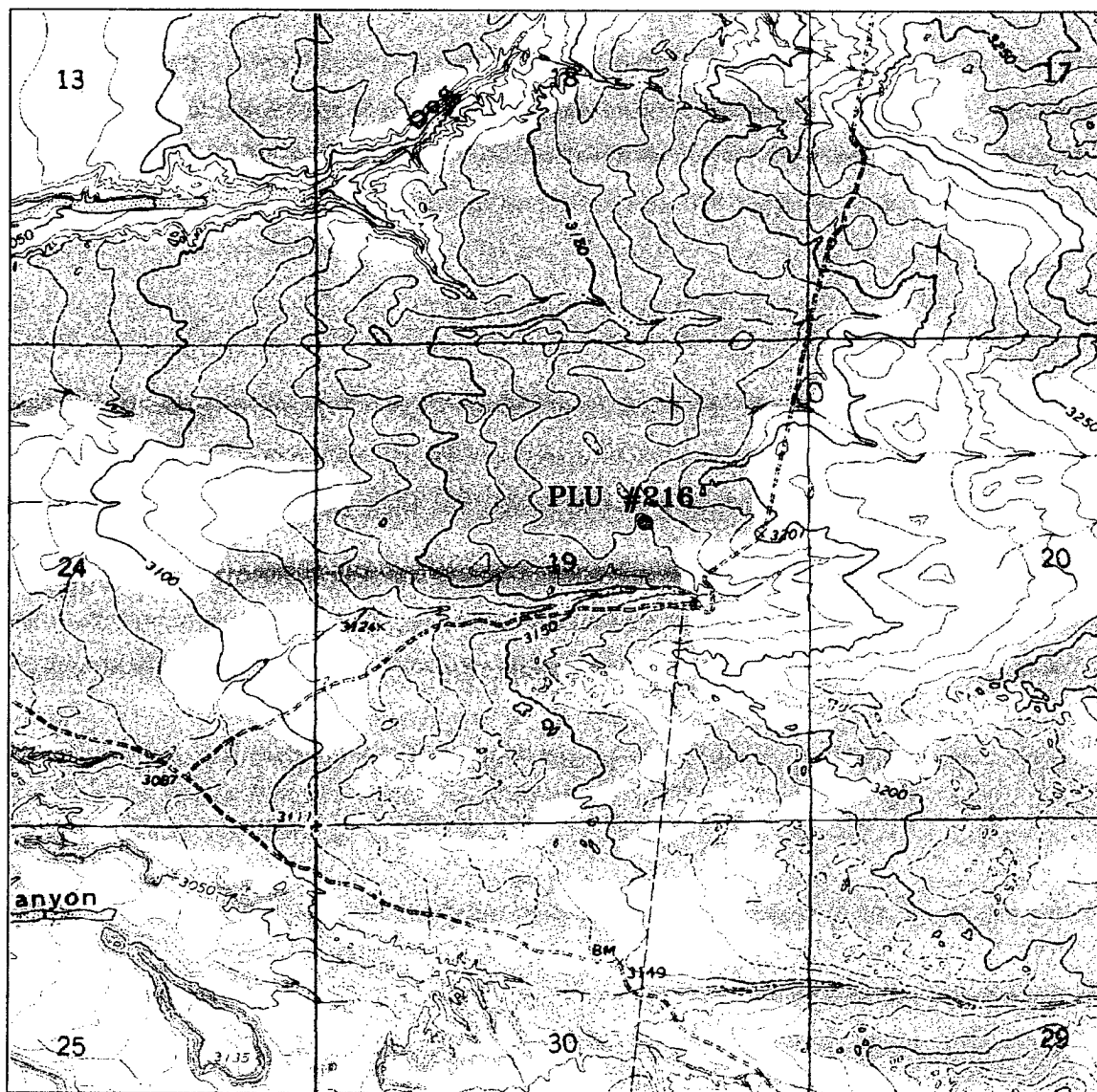
Drawn By: K. GOAD

Date: 04-23-2004

Disk: KJG CD#7 - 4143A.DWG

Survey Date: 04-15-2004

Sheet 1 of 1 Sheets



POKER LAKE UNIT #216

Located at 1980' FNL and 1780' FEL
 Section 19, Township 24 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.



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: 4143AA - KJG #7

Survey Date: 04-15-2004

Scale: 1" = 2000'

Date: 04-23-2004

**BASS ENTERPRISES
 PRODUCTION CO.**

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

NAME OF WELL: Poker Lake Unit #216

LEGAL DESCRIPTION - SURFACE: 1980' FNL & 1780' FEL, 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 3189' (est) GL 3169'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	184'	+3005'	Barren
B/Rustler	369'	+2820'	Barren
T/Salt	419'	+2770'	Barren
B/Salt	3249'	-60'	Barren
T/Lamar Lime	3453'	-264'	Barren
T/Ramsey	3479'	-290'	Oil/Gas
T/Lwr Brushy Canyon "8" A	6984'	-3795'	Oil/Gas
T/Bone Spring	7260'	-4071'	Oil/Gas
T/Avalon	7359'	-4170'	Oil/Gas
TD	7700'	-4511'	

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>WITNESS</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
16"		0'- 40'	Conductor	Contractor Discretion
8-5/8", 28#, J-55, ST&C		0'- 375'	Surface	New
5-1/2", 15.5#, J-55, LT&C		0' -6300'	Production	New
5-1/2", 15.5#, L-80, LT&C		6300' -7700'	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

<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 Mud	8.5 - 9.2	70-38	NC	NC	NC	10.0
350' - 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 (+/- 3249').
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 - 150' (100% excess circ to surface)	50	50	Permian Basin Critical Zone + ½# Flocele	10.4	12.8	1.90		
Tail 50-350' (100% excess circ to surface)	200	300	Prem Plus + 2% CaCl₂ + ½# Flocele	6.33	14.8	1.35		
PRODUCTION:							COMPRESSIVE	
							Nitrogen	Strength
Base Slurry w/nitrogen 2979-7700' + (50% excess)	750	4721	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 3310 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware Section from 3479-7260'. 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

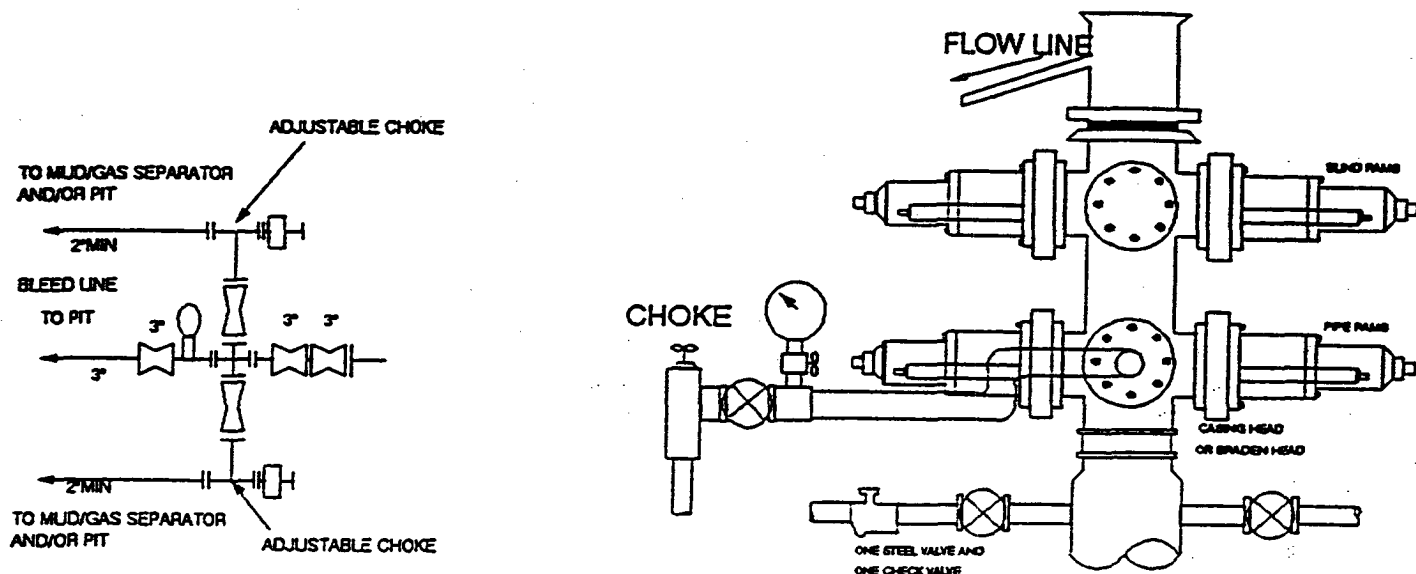
12 days drilling operations

14 days completion operations

FDC/cdg

September 27, 2004

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
Poker Lake, WY

EXHIBIT "I"

