



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

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 212 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWSE 660FSL 1980FEL 32.12437 N Lat, 103.55070 W Lon At proposed prod. zone SWSE 660FSL 1980FEL 32.12437 N Lat, 103.55070 W Lon | | 9. API Well No. 30-015-33915 | |
| 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 | |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 3300' | | 16. No. of Acres in Lease 2520.68 | 11. Sec., T., R., M., or Blk. and Survey or Area Sec 18 T24S R30E Mer NMP SME: BLM |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1320 | | 19. Proposed Depth 7700 MD 7700 TVD | 12. County or Parish EDDY |
| 21. Elevations (Show whether DF, KB, RT, GL, etc.) 3166 GL | | 22. Approximate date work will start 06/05/2005 | 13. State NM |
| 23. Estimated duration 12 DAYS | | 17. Spacing Unit dedicated to this well 40.00 | |
| 20. BLM/BIA Bond No. on file | | 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1320 | |
| 24. Attachments CARLSBAD CONTROLLED WATER BASIN | | | |

RECEIVED

JAN 31 2005

OCD-ARTESIA

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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- 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 12/06/2004 |
| Title AUTHORIZED REPRESENTATIVE | | |
| Approved by (Signature) /s/ Linda S. C. Rundell | Name (Printed/Typed) /s/ Linda S. C. Rundell | Date JAN 26 2005 |
| Title STATE DIRECTOR | Office NM STATE 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 #51543 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 12/06/2004 (05LA0145AE)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Witness Surface Casing

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

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 & surface plans attached.

This well is located inside 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
1825 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, 1989

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 47545 | Pool Name NASH DRAW (DELAWARE) |
| Property Code 001796 | Property Name POKER LAKE UNIT | Well Number 212 |
| OGRID No. 001801 | Operator Name BASS ENTERPRISES PRODUCTION COMPANY | Elevation 3166' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 0 | 18 | 24 S | 30 E | | 660 | SOUTH | 1980 | 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 - 40.80 AC. | 40.83 AC. | 40.82 AC. | 40.83 AC. |
| LOT 2 - 40.85 AC. | 40.81 AC. | 40.79 AC. | 40.79 AC. |
| LOT 3 - 40.80 AC. | 40.80 AC. | 40.77 AC. | 40.72 AC. |
| LOT 4 - 40.84 AC. | 40.77 AC. | 40.74 AC. | 40.69 AC. |

LAT - N32°12'43.7"
LONG - W103°55'07.0"

3158.9' 3178.7' 3156.7' 3169.3'

1980'

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
12-6-04
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 belief.

APR 15 2004
Date Surveyed
Signature & Seal of Professional Surveyor
7977
Certificate No. 4138
BASIN SURVEYS

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

NAME OF WELL: Poker Lake Unit #212

LEGAL DESCRIPTION - SURFACE: 660' FSL & 1980' FEL, Section 18, 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 3186' (est) GL 3166'

| <u>FORMATION</u> | <u>ESTIMATED TOP FROM KB</u> | <u>ESTIMATED SUBSEA TOP</u> | <u>BEARING</u> |
|---------------------------|----------------------------------|---------------------------------|----------------|
| T/Rustler | | Surface | Barren |
| T/Salt | 296' | +2890' | Barren |
| T/Lwr Brushy Canyon "8" A | 6966' | -3780' | Oil/Gas |
| T/Bone Spring | 7241' | -4055' | Oil/Gas |
| TD | 7560' | -4374' | |

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' - 250' | Surface | New |
| 5-1/2", 15.5#, J-55, LT&C | 0' - 6500' | Production | New |
| 5-1/2", 17#, J-55, LT&C | 6500' - 7560' | 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:

- Upon installation
- After any component changes
- Fifteen days after a previous test
- 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' - 250' | FW Spud Mud | 8.5 - 9.2 | 70-38 | NC | NC | NC | 10.0 |
| 250' - 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

| INTERVAL | AMOUNT SXS | FT OF FILL | TYPE | GALS/SX | PPG | FT ³ /SX | COMPRESSIVE Nitrogen Strength | |
|--|------------|---------------|--|---------|----------|---------------------|----------------------------------|------|
| SURFACE: | | | | | | | | |
| Lead 0'-250' (100% excess to circ to surface + 50 sx) | 200 | 250 | Prem Plus + 2% CaCl ₂ + 1/4# Flocele | 6.33 | 14.8 | 1.35 | | |
| PRODUCTION: | | | | | | | | |
| Base Slurry w/nitrogen 3036-7700' + (50% excess) | 730 | 4664 | 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 3420 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware Section from 3421-7241'. No H₂S is anticipated.

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: Poker Lake Unit #212

LEGAL DESCRIPTION - SURFACE: 660' FSL & 1980' FEL, Section 18, T-24-S, R-30-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit "A", "C" 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 9.0 miles southerly.

C) Existing Road Maintenance or Improvement Plan:

See Exhibits "A", "C" and Survey Plats.

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See Exhibits "A" and "C". Proposed road is \pm 1000' in length.

B) Width

12' wide.

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" and "C" indicate existing wells within the surrounding area.

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.

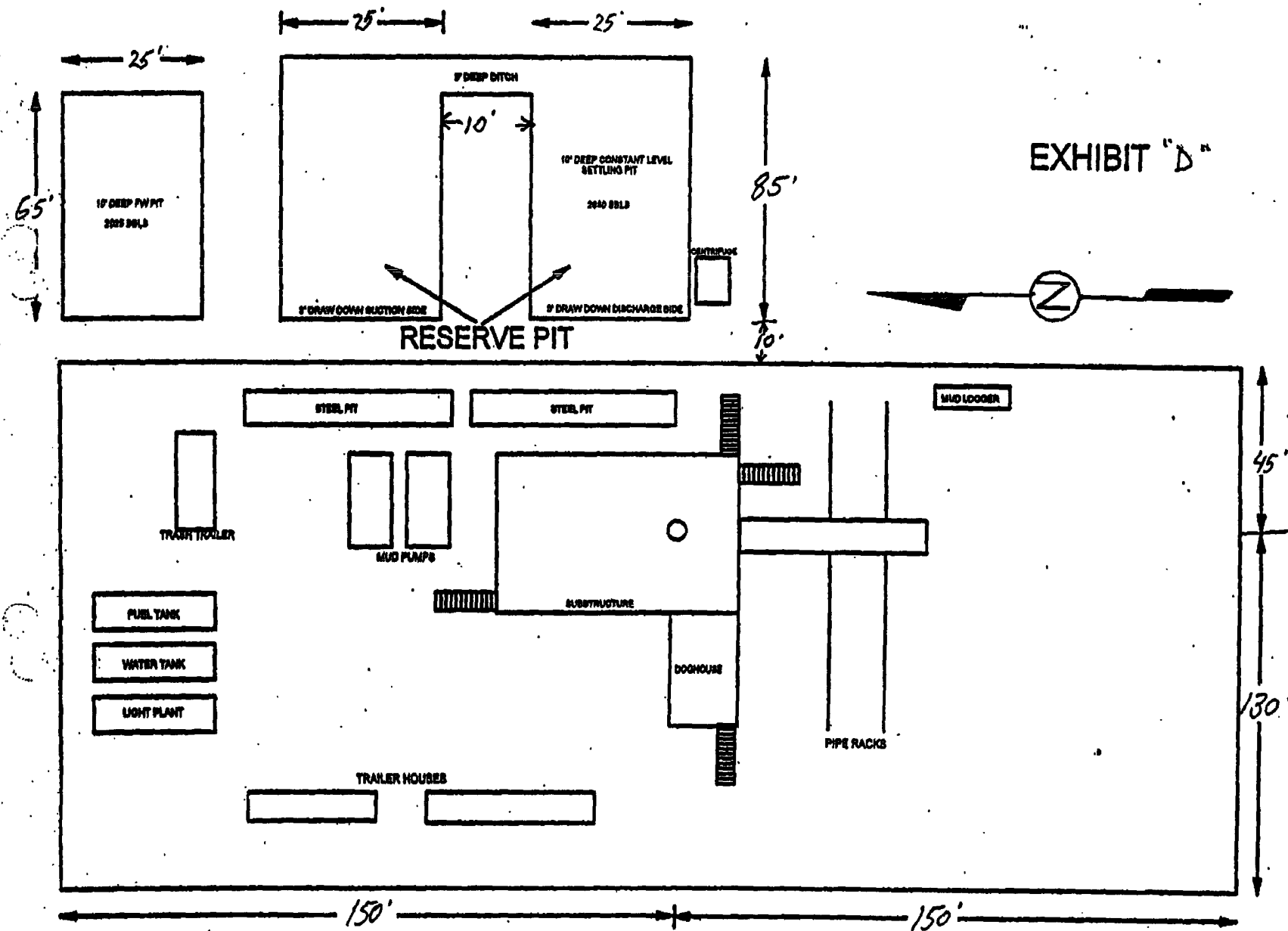
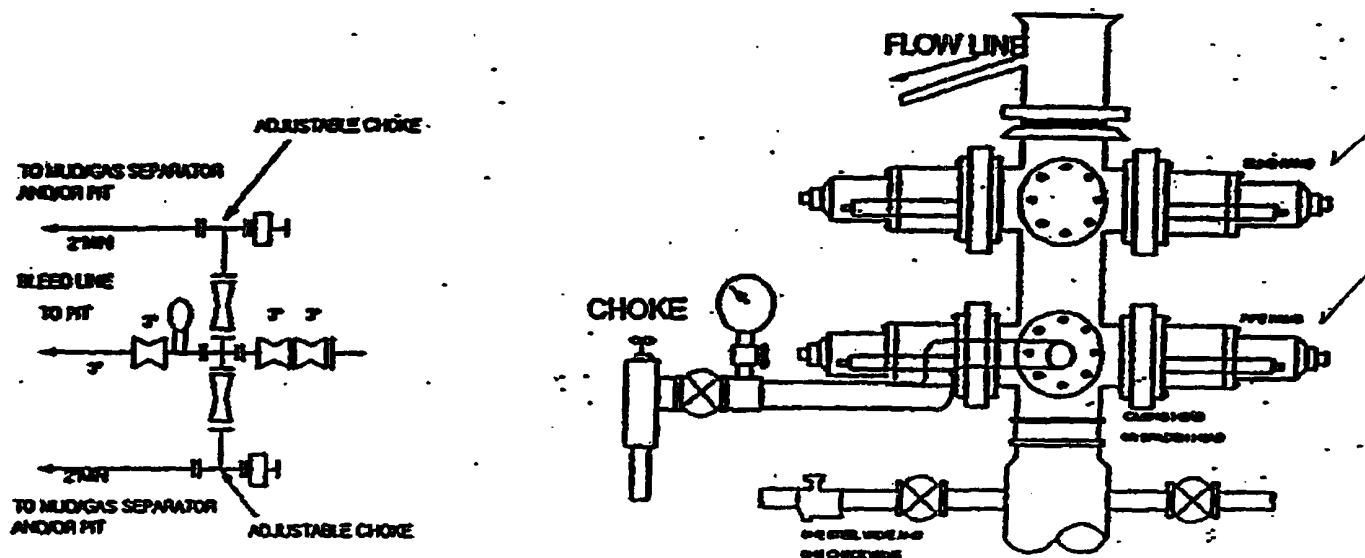


EXHIBIT "D"

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 CO.
6 DESTA DRIVE, SUITE 3700 (79705)
P. O. BOX 2760
MIDLAND, TEXAS 79702

FAX (432) 687-0329

December 28, 2004

(432) 683-2277

RE: Amended Survey Plat
Poker Lake Unit #212
Nash Draw (Delaware) Field
Eddy County, New Mexico
File: 100-WF

Linda A. Askwig
Bureau of Land Management
2909 W. Second Street
Roswell, New Mexico 88201-2019

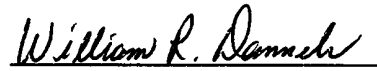
Dear Madam:

Attached is an amended survey plat for the Poker Lake Unit #212 well located in SWSE Section 18, T24S, R30E, Eddy County, New Mexico. The plat was amended to show the proposed access road coming from the PLU #213 location (SESE Section 18). The proposed access road between PLU #211 (NWSE Section 18) and PLU #212 will remain as indicated.

The PLU #211 APD was submitted 4/30/04 and the PLU #212 APD was submitted 12/6/04. An archaeological survey covering the PLU #211 pad and access road was performed by Boone Archaeological Services (BAS 04-04-28) on 4/27/04. The proposed access road covered by this arch survey starts at the existing access road for PLU #210 where that road turns at the PLU #213 location (well not yet drilled). This proposed access road proceeds west from the PLU #213 location to the PLU #212 pad and then turns north ending at the PLU #211 location.

If you have any questions regarding this matter, please call Bill Heard at 432-683-2277.

Very truly yours,


W. R. Dannels
Division Drilling Supt.

WCH/WRD:mac

cc: Barry Hunt
Bureau of Land Management
3104 E. Greene Street
Carlsbad, New Mexico 88220

Sheet 1 of 1 Sheets