Form 3160-3 (August 1999)

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UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

M	A	V
	E.	,

APPLICATION FOR PERMIT TO DRILL OR REENTER

Lease Serial No. NMLC069219

6. If Indian, Allottee or Tribe Name

la. Type of Work:	⊠ DRILL	REENTER	CC	ONFIDE	NTI	AL	7. If Unit or CA Agrees NMNM68294X	ment, Name and No.
1b. Type of Well:	Oil Well	☑ Gas Well	Other	⊠ Single Z	one [Multiple Zone	Lease Name and We BIG EDDY UNIT 1	
	r PRISES PRO	DDUCTION CC	E-Mail:	I GOODMAN CDGOODMAN@BAS		М		34010
3a. Address P O BOX 2760 MIDLAND, TX			Ph:	Phone No. (include at 432-683-2277	,		10. Field and Pool, or I INDIAN FLATS	, pw
4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface NESE 1980FSL 660FEL 32.26581 N Lat, 104.03027 W Lon At proposed prod. zone NESE 1980FSL 660FEL 32.26581 N Lat, 104.03027 W Lon						Sec 26 T21S R2 SME: BLM		
14. Distance in mile 12 MILES EAS			or post office*	•			12. County or Parish EDDY	13. State NM
15. Distance from p lease line, ft. (A 660'		to nearest properting unit line, if any		No. of Acres in Lease	RE	CEIVED	17. Spacing Unit dedic	
1700	lied for, on this l	ease, ft.	11	Proposed Depth 2850 MD 2850 TVD	ap	COURTERIA		
21. Elevations (Sho 3208 GL	w whether DF, k	B, RT, GL, etc.		Approximate date wo 6/01/2005	rk will sta	rt	23. Estimated duration 45 DAYS	

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).

CAPITAN CONTROLLED WATER BASIN

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

(Electronic Submission)	CINDI GOODMAN Ph: 432-683-2277	02/14/2005
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) James Stovall	Name (Printed/Typed) /s/ James Stovall	MAR ^e 1 6 2005

24. Attachments

Title FOR FIELD MANAGER Office CARLSBAD FIELD 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 #54070 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 02/14/2005 (05LA0387AE)

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

WITNESS 1336 Cement Job

** 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. Drilling Procedure, BOP Diagram, Anticipated tops & surface plans attached.

This well is located outside the Secretary's Potash area and outside the R-111 area. There are no potash leases within 1 mile of the location.

→ PAULA

DISTRICT I 1625 M. French Dr., Hobbs, NM 88240 DISTRICT II 811 South First, Artesia, NM 88210

State of New Mexico Rosery, Minerals and Ratural Resources Department

BEPCO

Form C-102 Revised March 17, 1999

Submit to Appropriate District Office

State Lease — 4 Copies Fee Lease — 3 Copies

DISTRICT III 1000 Rio Brazos Rd., Aztes, NM 67410

DISTRICT IV 2049 South Pacheco, Santa Fe, NM 57505 OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name	
	79080	INDIAN FLATS MORROW	
Property Code	Property Name		Well Number
001776 ===	BIG ED	152	
OGRID No.	Opera	Elevation	
001801	BASS ENTERPRISES	PRODUCTION COMPANY	3208'

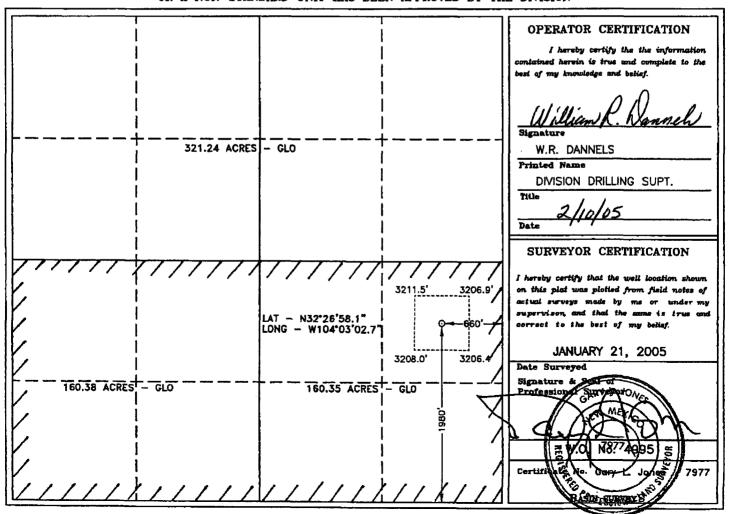
Surface Location

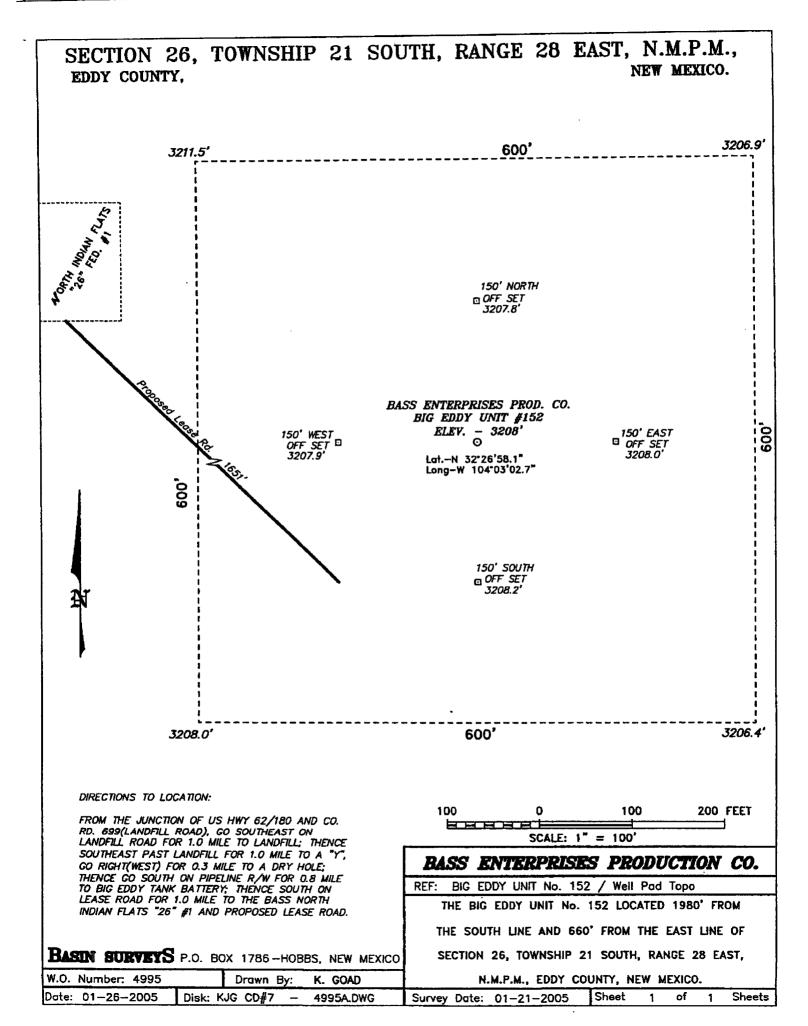
ſ	UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
l	l	26	21 S	28 E		1980	SOUTH	660	EAST	EDDY

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
Dedicated Acres	Joint or	Infili Co	nsolidation (ode Or	der No.		·, ·		
320	I								

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





EIGHT POINT DRILLING PROGRAM BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: BIG EDDY UNIT #152

LEGAL DESCRIPTION - SURFACE: 1980' FSL & 660' FEL, Section 26, T21S, R28E, 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 3230' (est)

GL 3208'

FORMATION	ESTIMATED TOP FROM KB	ESTIMATE SUBSEA TO	
T/Rustler	Outcrops at surface		
T/Salt	510 [°]	+ 2720'	Barren
T/Delaware Mtn Group	2,690'	+ 540'	Oil/Gas
T/Bone Spring	6,280'	- 3,050'	Oil/Gas
T/Atoka	11,190'	- 7,960'	Oil/Gas
T/UPR Morrow	11,745'	- 8,515'	Oil/Gas
T/Lower Morrow	12,480'	- 9,250'	Oil/Gas
TD	12,850'	- 9,620'	

POINT 3: CASING PROGRAM

TYPE	<u>INTERVALS</u>	PURPOSE	CONDITION .
20"	0' - 40'	Conductor	Contractor Discretion
13-3/8", 48#, H40, STC	0' - 470'	Surface	New
9-5/8", 36#, K-55, LTC	0' - 2.650'	Intermediate	New
7", 26#, HCP-110, LTC (contingent)	0' - 12.850'	Production Casing	New
			11011

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A rotating head will be nippled up on the surface casing. The rotating head will not be hydrotested.

A BOP equivalent to Diagram 1 will be nippled up on the Intermediate casing. The BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to 5,000 psi. The annular will be tested to 2500 psi. In addition to the rated working pressure test, a low pressure (250 psi) test will be required. These tests will be performed:

- a) Upon installation
- b) After any component changes
- c) Twenty-one 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. See the attached Diagram 1 for the minimum criteria for the choke manifold.

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	<u>WEIGHT</u>	EV	PV	YP_	<u>FL</u>	<u>Ph .</u>
0' - 470'	FW	8.5 - 9.2	45-35	NC	NC	NC	9.5
470' - 2,650'	SBW	9.8 - 10.2	28-30	NC	NC	NC	9.5
2,650' - 9,500'	FW	8.6 - 8.9	28-30	4	2	NC	9.5
9,500' - 11,000'	SBW	9.8 - 10.2	28-30	6	4	<20	9.5
11,000' - TD	BW/Polymer	10.0 -11.5	32-55	12-20	12-22	10-15	9.5-10.0

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING

Drill stem tests may be performed on significant shows in zones of interest, but none are anticipated.

B) LOGGING

One run at 12,850' PTD.

Run #1:

GR-CNL-LDT-LLD run from TD to ICP, GR-CNL to surface. May run logging suite across Delaware prior to drilling below 6000' if mud log shows warrant.

C) CORING

Several cores may be cut in the Morrow formation to determine shale stability and drilling fluid compatibility.

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D) CEMENT	Γ					
SURFACE		FT OF				3.ov
INTERVAL	AMOUNT SX	<u>FILL</u>	TYPE	GALS/SX	<u>PPG</u>	FT ³ /SX
Lead 0' 220'	170	220	Permian Basin Critical	10.30	12.80	1.89
(100% excess)	170	220	Zone + 1/4#/sx Pol-e-flake	10.00		
Tail						
220'-470'	290	250	Premium Plus + 2% CaCl ₂	6.32	14.80	1.34
(100% Excess)			+ 1/4#/sx Pol-e-flake			
INTERMEDIATE						
INTERMEDIATE		FT OF				
INTERVAL	AMOUNT SXS	FILL	TYPE	GALS/SX	PPG	FT3/SX
Lead						
0' - 2150'	600	2150	Interfill C + 1/4#/sx	14.10	11.90	2.45
(100% Excess)			Pol-e-flake			
Tail 2150' – 2650'	240	500	Premium Plus + 2%	6.34	14.80	1.34
(100% Excess)	ATV	300	CaCl ₂	0.04	17,00	1.01
(10070 23000)						
PRODUCTION (Two						
INTERVAL	AMOUNT SXS	FILL	TYPE	GALS/SX	PPG	ET3/SX
1 ² Stage LEAD						
8000'-10.800'	260	2800	Interfill H + 5pps Gilsonite	13.61	11.90	2.46
(50% excess)		2000	+ 0.5% Halad 9 + 1/8 pps	10.01	11.00	
,			Pol-e-flake			
TAIL						
10,800'-12,850'	280	2050	Super H + 0.5% Halad 344	8.20	13.00	1.67
(50% excess)			+ 0.4% CFR3 + 5 pps Gillsonite + 1 pps Salt + 0.2% HRT			
			T I pps Sait T 0.2% Fix I			
2 nd Stage						
LEAD						
2300'-7300'	450	5000	Interfill H + 1/8 pps	14.00	11.90	2.45
(50% excess) TAIL			Pol-e-flake + 0.5% Halad 9			
7,300'-8,000'	100	700	Super H + 0.5% Halad 344	8.20	13.00	1.67
(50% excess)		100	+ 0.4% CFR3 + 5 pps Gillsonite	4.20	13.00	1.01
4			+ 1 pps Salt + 0.2% HRT			

BEPCO

E) DIRECTIONAL DRILLING

No directional services anticipated. A straight hole will be drilled to 12,850' TD.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout the Delaware, Bone Spring & Wolfcamp sections. The Atoka expected BHP is 6580 (max) or an equivalent mud weight of 11.3 ppg. The Morrow will be normally pressured. The expected BHT at TD is 200°F. 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

- 45 days drilling operations
- 20 days completion operations

2/10/05 Date

WCH/cdg

William R. Dannels

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 (432) 683-2277 PRODUCTION
Mike Waygood
3104 East Green Street
Carlsbad, New Mexico 88220
(505) 887-7329

Kent A. Adams Box 2760 Midland, Texas 79702 (432) 683-2277

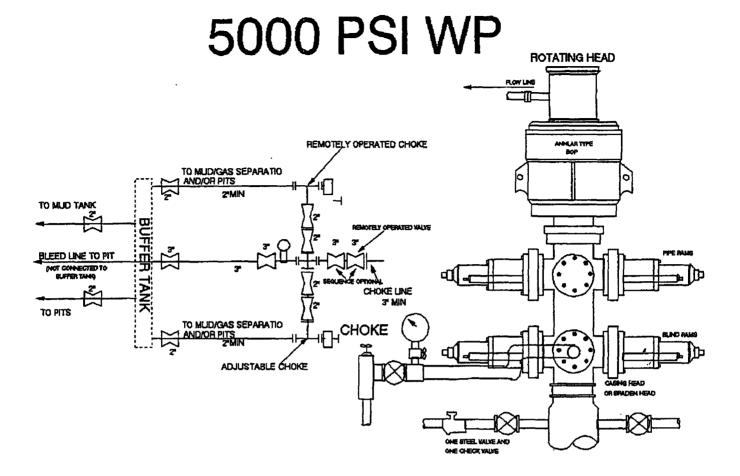
POINT 13: CERTIFICATION

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 it's 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 filling of a false statement.

Date

WCH:cdg

William R. Dannels



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.

RESERVE PIT

