

District I
1625 N. French Dr., Hobbs, N
District II
1301 W. Grand Avenue, Artes
District III
1000 Rio Brazos Road, Aztec,
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

CEMENT TO COVER ALL
OIL, GAS AND WATER
BEARING ZONES

Mexico
atural Resources

Form C-101
May 27, 2004

1 Division

1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

Submit to appropriate District Office

JAN 14 2006

☐ AMENDED REPORT

OCD-ARTES

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Bass Enterprises Production Co. P. O. Box 2760 - Midland, Texas 79702		² OGRID Number 001801
³ Property Code 18409	⁴ Property Name Remuda Basin 24 State	⁵ API Number 30 - 015 - 34637
⁹ Proposed Pool 1 Nash Draw (Delaware) / Bone Spring (Avonka Sand)		⁶ Well No. 7
¹⁰ Proposed Pool 2 47545		

⁷ Surface Location

UL or lot no. I	Section 24	Township 23S	Range 29E	Lot Idn	Feet from the 2130	North/South line South	Feet from the 710	East/Westline East	County Eddy
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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/Westline	County
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Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code R	¹⁵ Ground Level Elevation 3028'
¹⁶ Multiple No	¹⁷ Proposed Depth 7350'	¹⁸ Formation Delaware	¹⁹ Contractor Adobe	²⁰ Spud Date 02/15/2006
Depth to Groundwater 350'		Distance from nearest fresh water well 2700'		Distance from nearest surface water None in area
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mil thick Clay <input type="checkbox"/> Pit Volume: 11500 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input checked="" type="checkbox"/> Gas/Air <input type="checkbox"/>				

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#	405'	280	Surface
11"	8-5/8"	32#	3275'	1200	Surface
7-7/8"	5-1/2"	15.5# & 17#	7350'	750	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.

The 11-3/4" casing will be set in the Red Bed section of the Basal Rustler formation and cemented to surface. The 8-5/8" intermediate casing will be set at least 100' below the base of the salt.

According to R-111-P
Surface is owned by State of New Mexico. This well is located within the R-111-P area.

Waiver from Mosaic Potash Carlsbad, Inc. attached.

**A PIT CLOSURE PLAN MUST
BE APPROVED PRIOR TO THE
COMMENCEMENT OF
CLOSURE OPERATIONS.**

R-111-P

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 ☐.

Approved by:

Annette Childers
OIL CONSERVATION DIVISION
District II Supervisor

Printed name: Annette Childers

Title:

Title: Administrative Assistant

Approval Date:

E-mail Address: machilders@basspet.com

Date: 01/11/2006

Phone: (432)683-2277

Condition of Approval:

FEB 20 2006

FEB 20 2006

Expiration Date:

NOTIFY OCD OF SPUD &
TIME TO WITNESS
CEMENTING OF SURFACE &
INTERMEDIATE CASING

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

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	Pool Name <i>Nash Draw (Delaware)</i>
Property Code	Property Name REMUDA BASIN "24" STATE	Well Number 7
OGRID No. <i>001801</i>	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3028'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	24	23 S	29 E		2130	SOUTH	710	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 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. <i>W.R. Dannels</i> Signature W.R. DANNELS Printed Name DIVISION DRILLING SUPT. Title 1-3-2006 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. NOVEMBER 30, 2005 Date Surveyed Signature & Seal of Professional Surveyor <i>W. O. Jones</i> W.O. No. 6009 Certificate No. Gary Jones 7977 BASIN SURVEYS	

SECTION 24, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

150' NORTH
OFF SET □
3023.1'

BASS ENTERPRISES PROD. CO.
REMUDA BASIN "24" STATE #7

150' WEST
OFF SET □
3026.6'

ELEV. - 3028'

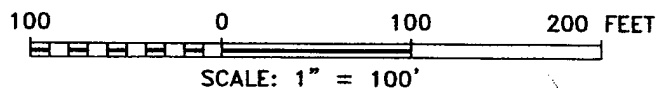
150' EAST
OFF SET □
3027.2'

Lat.-N 32°17'20.5"
Long-W 103°55'54.9"

150' SOUTH
OFF SET □
3032.9'

Prop. Lease Rd.
110'

LEASE ROAD



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 128 AND CO. RD.
793, GO SOUTH FOR 3.4 MILES TO END OF
PAVEMENT; THENCE GO WEST ON LEASE ROAD FOR
0.1 MILE TO LOCATION.

BASS ENTERPRISES PRODUCTION CO.

REF: REMUDA BASIN "24" STATE No. 7 / Well Pad Topo

REMUDA BASIN "24" STATE No. 7 LOCATED 2130' FROM
THE SOUTH LINE AND 710' FROM THE EAST LINE OF
SECTION 24, TOWNSHIP 23 SOUTH, RANGE 29 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

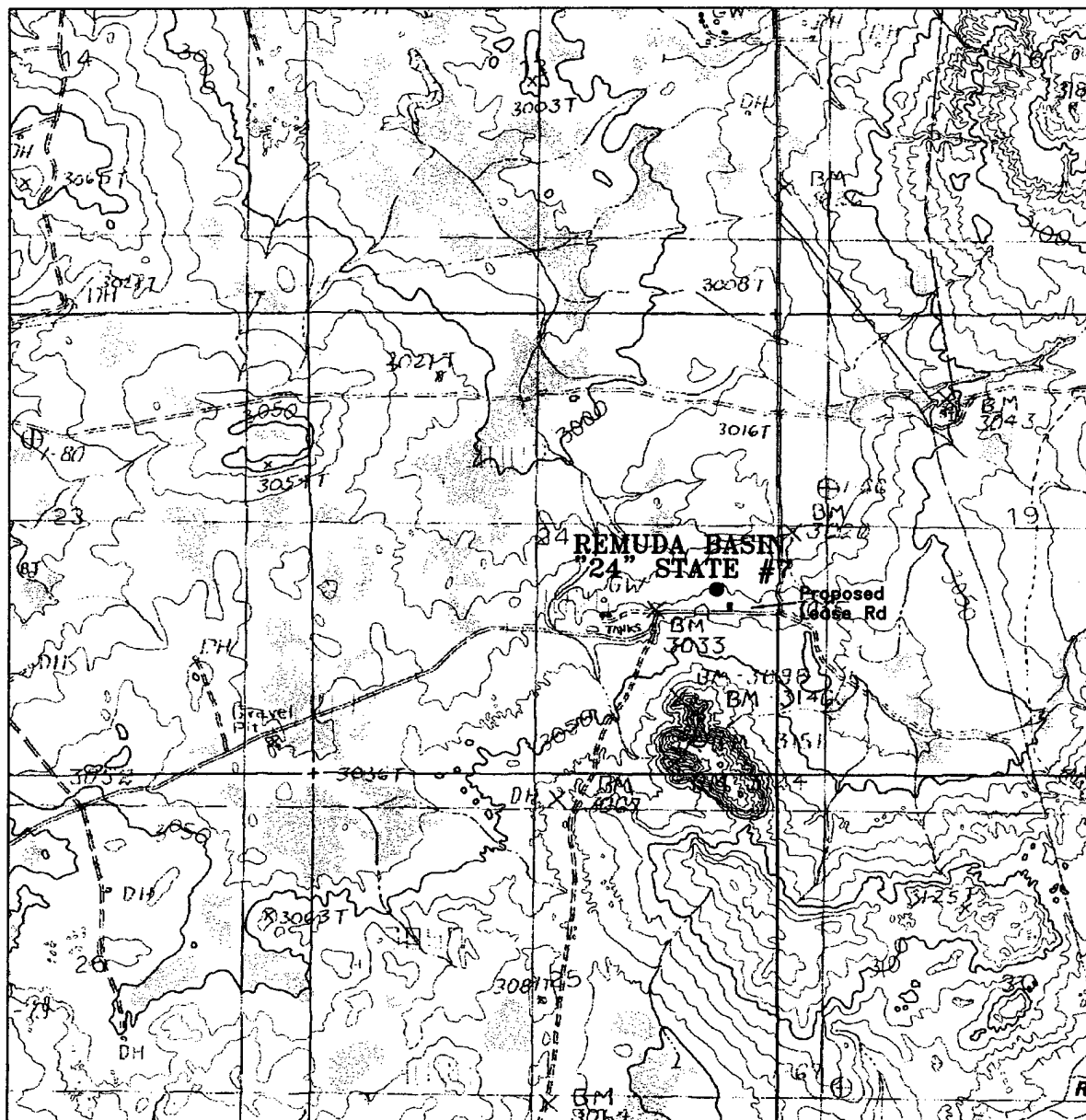
BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 6009 Drawn By: K. GOAD

Date: 12-07-2005 Disk: KJG CD#7 - 6009A.DWG

Survey Date: 11-30-2005

Sheet 1 of 1 Sheets



REMUDA BASIN "24" STATE #7
 Located at 2130' FSL and 710' FEL
 Section 24, Township 23 South, Range 29 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: 6009AA - KJG #7

Survey Date: 11-30-2005

Scale: 1" = 2000'

Date: 12-07-2005

**BASS ENTERPRISES
 PRODUCTION CO.**

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

NAME OF WELL: Remuda Basin 24 State #7

LEGAL DESCRIPTION - SURFACE: 2130' FSL & 710' FEL, Section 24, T-23-S, R-29-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 3045' (est)
GL 3028'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	Not Present	Not Present	
B/Rustler	415'	+2630'	Barren
T/Salt	445'	+2600'	Barren
B/Salt	3051'	+ 4'	Barren
T/Lamar	3264'	- 219'	Barren
T/Ramsey	3294'	- 249'	Oil/Gas
T/Lwr Brushy Canyon	6740'	-3695'	Oil/Gas
T/Y" Sand	6925'	-3880'	Oil/Gas
TD	7350'	-4305'	

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
16"	0' - 60'	Conductor	Contractor Discretion
11-3/4", 42#, WC-50, ST&C	0' - 405'	Surface	New
8-5/8", 32#, WC-50, LT&C	0' - 3275'	Intermediate	New
5-1/2", 15.5#, K-55, LT&C	0' - 6000'	Production	New
5-1/2", 17#, K-55, LT&C	6000' - 7350'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOPE consistent with API RP-53 will be nipped 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 tested to 3000 psig by independent tester. 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' - 435'	FW Spud Mud	8.5 - 9.2	45-35	NC	NC	NC	10.0
435' - 3275'	BW	10.0	28-30	NC	NC	NC	9.5-10.5
3275' - 6000'	FW	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	<100cc	9.5-10.5
6900' - 7350'	FW/ Starch	8.7 - 8.9	40-45	4	8	<25 cc	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 (+/- 3050').
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:						
Lead - 0 - 405'	275	405'	Premium Plus + 2%	6.33	14.8	1.35
(100% excess)			CaCl ₂ + 1/4# Flocele			
Circ cement to surface						
INTERMEDIATE:						
Lead - 0 - 2775'	900	2775'	Interfill C + 0.3% Halad	14.11	11.9	2.45
(200% excess)			R-322			
Circ cement to surface						
Tail - 2775-3275'	300	500'	Premium Plus + 2%	6.37	14.8	1.35
(200% excess)			CaCl ₂			

PRODUCTION:						
Lead - 3100 - 7350'	750	4250'	Premium Plus + 1%	6.32	11.9	1.65
(50% excess)			Zone Sealant 2000			

COMPRESSIVE:
Nitrogen Strength
300/600 1200
scf/bbl

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 3293 - 7350'. No H₂S 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

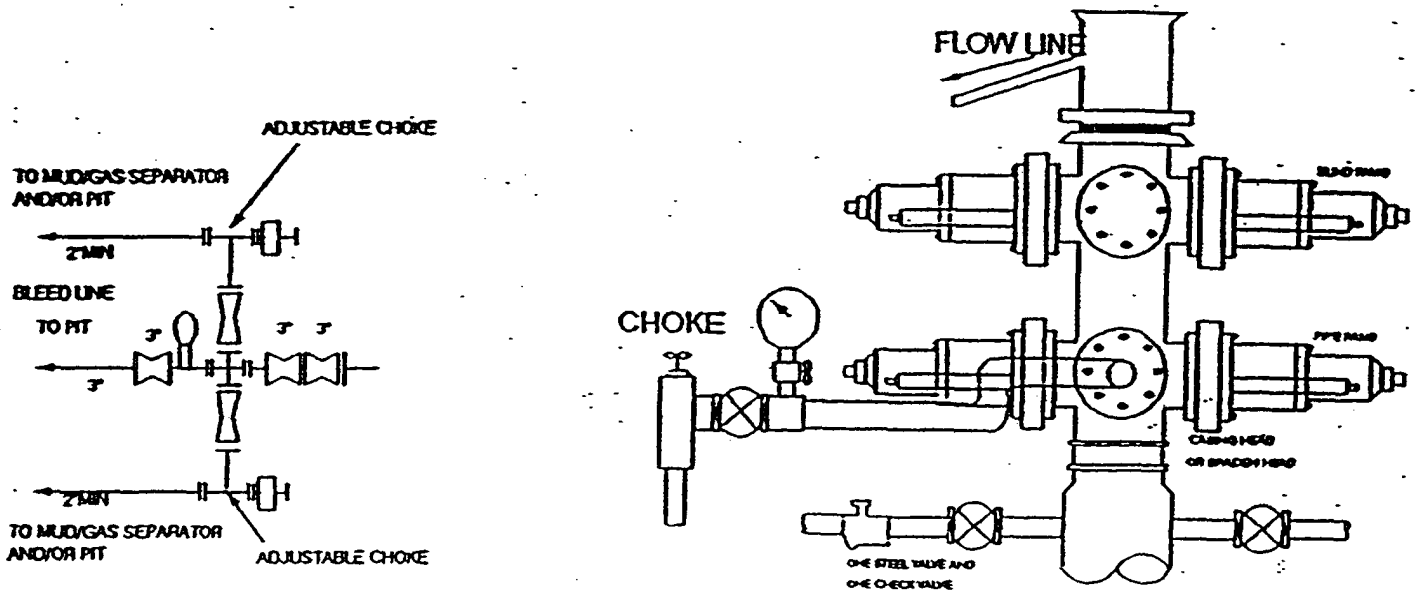
12 days drilling operations

14 days completion operations

GEG/mac

January 10, 2006

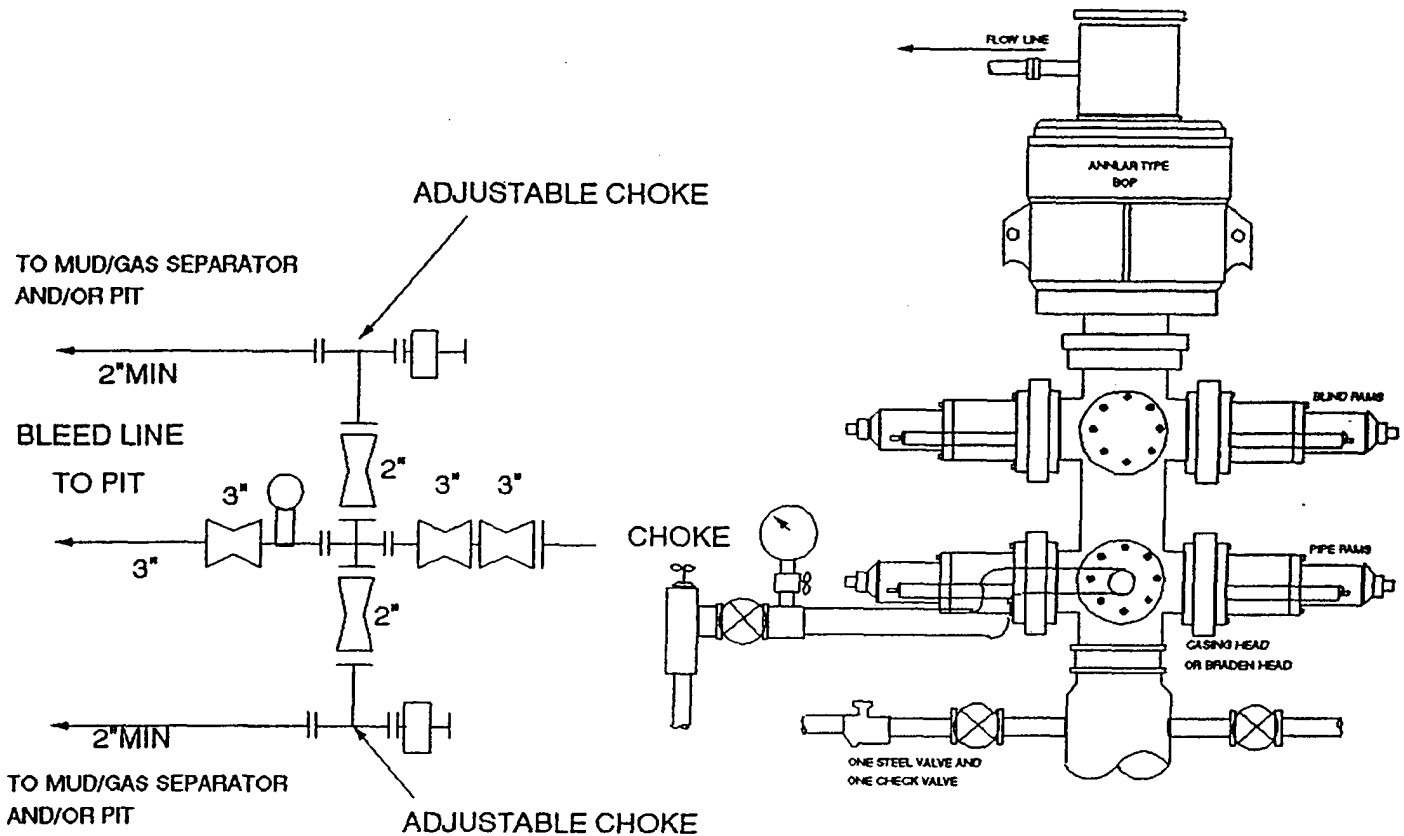
2000 PSI WP



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.

3000 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.
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- 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.
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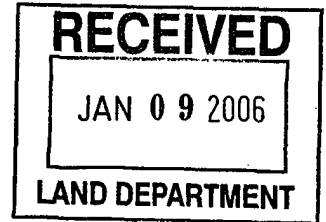


Mosaic Potash Carlsbad Inc.
PO Box 71
1361 Potash Mines Road
Carlsbad, NM 88220
www.mosaicco.com

Tel 505-887-2871
Fax 505-887-0589

December 29, 2005

Mr. Brad Glasscock
Bass Enterprises Production Co.
201 Main Street
Fort Worth, TX 76102-3131
(817) 339-7185



Dear Mr. Glasscock:

We are in receipt of your request dated 12/20/2005 concerning 5 well locations in Section 24, T-23-S, R-29-E. Mosaic Potash Carlsbad Inc. does have a potash lease $\frac{1}{4}$ mile from the northwest corner of this section.

All locations requested (Remuda Basin 24 State #4 thru #8) are further than $\frac{1}{4}$ mile from our LMR. However, all but #7 are located in measured ore as delineated by the BLM. This ore is economically mineable but not currently in the mine plan, several oil wells have already been drilled in the area. Mosaic Potash does not object to drilling at these locations.

As more information becomes available, our estimates of the extent of potash resources in any given area may change. Therefore, please consider this "no objection" to this location to be valid for one year only. If you are still considering this well location at a date later than one year from today, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

Mosaic Potash submits this letter in lieu of the forms requested.

Sincerely,

Dan Morehouse
Mine Engineering Superintendent

cc: Don Purvis Charlie High Joe Lara

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

January 9, 2006

FEDERAL EXPRESS

Oil Conservation Division
1301 West Grand
Artesia, New Mexico 88210

Attention: Bryan Arrant

RECEIVED

JAN 11 2006

UU-ARTESIA


Re: Mosaic Potash Carlsbad, Inc. Waiver of Objection to Location Letter
Eddy County, New Mexico

Dear Mr. Arrant:

Attached is a copy of the letter from Mosaic Potash Carlsbad, Inc. to Bass, stating that they do not object to the drilling of the Remuda Basin 24 State #4 thru #8 wells at their current locations. This "no objection" is valid from 12/20/05 for one year.

If you need anything further, please do not hesitate to call me at (817) 339-7185.

Very truly yours,



Brad Glasscock



Mosaic Potash Carlsbad Inc.
PO Box 71
1361 Potash Mines Road
Carlsbad, NM 88220
www.mosaicco.com

Tel 505-887-2871
Fax 505-887-0589

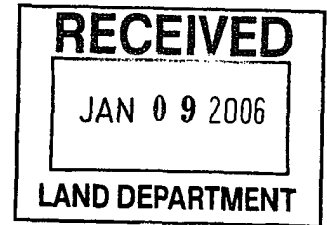
December 29, 2005

Mr. Brad Glasscock
Bass Enterprises Production Co.
201 Main Street
Fort Worth, TX 76102-3131
(817) 339-7185

RECEIVED

JAN 11 2006

000-711851



Dear Mr. Glasscock:

We are in receipt of your request dated 12/20/2005 concerning 5 well locations in Section 24, T-23-S, R-29-E. Mosaic Potash Carlsbad Inc. does have a potash lease ¼ mile from the northwest corner of this section.

All locations requested (Remuda Basin 24 State #4 thru #8) are further than ¼ mile from our LMR. However, all but #7 are located in measured ore as delineated by the BLM. This ore is economically mineable but not currently in the mine plan, several oil wells have already been drilled in the area. Mosaic Potash does not object to drilling at these locations.

As more information becomes available, our estimates of the extent of potash resources in any given area may change. Therefore, please consider this "no objection" to this location to be valid for one year only. If you are still considering this well location at a date later than one year from today, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

Mosaic Potash submits this letter in lieu of the forms requested.

Sincerely,

Dan Morehouse
Mine Engineering Superintendent

cc: Don Purvis Charlie High Joe Lara



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 30, 2005
Bureau of Land Management
620 East Greene St.
Carlsbad, NM 88220
Attn: Craig Cranston or To Whom It May Concern

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: Bass Enterprises, Production Company
LEASE NAME: Remuda Basin '24' State #7
LOCATION: SEC. 24, TOWNSHIP 23 SOUTH, RANGE 29 EAST,
2310' FSL & 710' FEL
EDDY COUNTY, NM, NMPM

PROPOSED DEPTH: 7350

Dear Craig or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.

Thank you for your assistance.

Sincerely,

Bryan G. Arrant
PES, District II Artesia NMOCD

In LMR	Yes _____	No _____
In Buffer Zone	Yes _____	No _____

Comments:

Signature: _____ **Date:** _____



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 30, 2005
New Mexico State Land Office
310 Old Santa Fe Trail.
Santa Fe, NM 87504-1148
Attn: Joe Mraz or To Whom It May Concern

RECEIVED

JAN 05 2006

OCU-ARTESIA

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: Bass Enterprises, Production Company
LEASE NAME: Remuda Basin '24' State #7
LOCATION: SEC. 24, TOWNSHIP 23 SOUTH, RANGE 29 EAST,
2310' FSL & 710' FEL
EDDY COUNTY, NM, NMPM

PROPOSED DEPTH: 7350

Dear Joe or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of-Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.

Thank you for your assistance.

Sincerely,

Bryan G. Arrant
PES, District II Artesia NMOCD

John 01-03-06

In LMR	Yes _____	No <u>X</u>
In Buffer Zone	Yes _____	No <u>X</u>

Comments:

Signature: _____

Date: 1/3/06