

REVISED

Form C-101

May 27, 2004

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

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

State of New Mexico
Energy Minerals and Natural Resources

RECEIVED

JUL 19 2006

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to appropriate District Office

☒ AMENDED REPORT

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

¹ Operator Name and Address BEPCO, L. P. P. O. Box 2760 Midland, TX 79702		² OGRID Number 001801
³ Property Code 1789		⁴ Property Name Merchant State
⁵ Proposed Pool 1 Turkey Track Morrow, North		⁶ Well No. 1
⁷ Surface Location		⁸ Proposed Pool 2

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Westline	County
H	1	19S	28E		1985	North	660	East	Eddy

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

Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3384'
¹⁶ Multiple N	¹⁷ Proposed Depth 11500'	¹⁸ Formation Morrow	¹⁹ Contractor Adobe	²⁰ Spud Date 07/23/2006
Depth to Groundwater None		Distance from nearest fresh water well None		Distance from nearest surface water None
Pit: Liner: Synthetic ☒ 12 mil thick Clay ☐ Pit Volume: 12000 bbls Drilling Method: Closed-Loop System ☐ Fresh Water ☒ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
15"	11-3/4" (Existing)	42#	401'	400	surface
10-5/8"	8-5/8" (Existing)	32#	3250'	950	surface
7-7/8"	5-1/2"	15.50# & 17#	11,500'	1100	5500'

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.

BEPCO, L. P. respectfully requests approval to cut & pull the existing 5-1/2" casing at approximately 6000', re-enter with a 7-7/8" bit, motor and bent sub and sidetrack around collapsed casing at approximately 6500'. The new well path will follow the attached well plan and TD in the Morrow at a measured depth of 11,500'. The bottom hole location will be within 250' of existing surface location in a northerly direction. (See attached plat.) A new string of 5-1/2", 15.50# & 17# casing will be run and cemented. Estimated TOC 5500'.

A wellbore diagram of present and final conditions and a directional plan are attached for your review.

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 ☐.

Printed name: Annette Childers

Title: Administrative Assistant

E-mail Address: machilders@basspet.com

Date: 07/17/2006

Phone: (432)683-2277

OIL CONSERVATION DIVISION

Approved by:

Title:

BRYAN G. ARANT

DISTRICT II GEOLOGIST

Approval Date:

JUL 22 2006

JUL 22 2007

Conditions of Approval Attached ☐

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic ☒ All

AVERAGE DEPTH OF WATER REPORT 07/17/2006

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	Min	Max	Avg
-----	-----	-----	-----	------	---	---	-------	-----	-----	-----

No Records found, try again

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic ☒ All

AVERAGE DEPTH OF WATER REPORT 07/17/2006

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	Depth Water in Feet)		
								Min	Max	Avg
No Records found, try again										

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic ☒ All

AVERAGE DEPTH OF WATER REPORT 07/17/2006

				(Depth Water in Feet)		
Bsn	Tws	Rng	Sec	Zone	X	Y
L	18S	28E	35			
					1	65
					65	65

Record Count: 1

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic ☒ All

POD / Surface Data Report Avg Depth to Water Report Water Column Report

POD / SURFACE DATA REPORT 07/17/2006

(acre ft per annum)

DB File Nbr Use Diversion Owner
L 03348 DOM 3 RAY A. TODD

POD Number
L 03348 APPRO Shallow 18S 28E 35 4 3 4

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are biggest to smallest
Source Tw Rng Sec q q q

Record Count: 1

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 18S Range: 28E Sections: 35,36

NAD27 X: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic All

POD / Surface Data Report Avg Depth to Water Report Water Column Report

Clear Form iWATERS Menu Help

WATER COLUMN REPORT 07/17/2006

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are biggest to smallest)

POD Number	Tws	Rng	Sec	q	q	Zone	X	Y	Depth Well	Depth Water	Water Column	Water (in feet)
L 03348 APPRO	18S	28E	35	4	3	4			105	65	40	

Record Count: 1

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic ☒ All

AVERAGE DEPTH OF WATER REPORT 07/17/2006

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg

No Records found, try again

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

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1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-22941	Pool Code 86500	Pool Name Turkey Track, Morrow, North
Property Code 001789	Property Name MERCHANT STATE	Well Number 1
OGRID No. 001801	Operator Name BEPCO, L.P.	Elevation 3382'

Surface Location

UL or lot No. H	Section 1	Township 19 S	Range 28 E	Lot Idn	Feet from the 1985	North/South line NORTH	Feet from the 660	East/West line EAST	County EDDY
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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 320	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

40.78 ACRES	40.50 ACRES	40.80 ACRES	40.10 ACRES
LOT 4	LOT 3	LOT 2	LOT 1
80.00 ACRES	80.00 ACRES	660'	
LAT - N32°41'30.2"		LONG - W104°07'24.5"	
(MAD-83)			
160.00 ACRES	160.00 ACRES		

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

W.R. Dannels
Signature Date 7/7/06

W.R. Dannels
Printed Name

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.

Date Surveyed 12/12/05

Signature of Professional Surveyor 7977

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

SECTION 1, TOWNSHIP 19 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



EXISTING PAD

BEPCO, L.P.
MERCHANT STATE #1
ELEV. - 3382'



Lat.-N 32°41'30.2"
Long-W 104°07'24.5"
(NAD-83)

LEASE ROAD

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. RD. 217 (HAGERMAN CUTOFF) AND STATE RD. 360, PROCEED SOUTHEAST FOR APPROX. 1.3 MILE TO LEASE ROAD; THENCE SOUTHWEST 2.5 MILE TO LEASE ROAD; THENCE NORTHWEST 0.4 MILE TO LEASE ROAD; THENCE SOUTH 0.9 MILE TO LEASE ROAD; THENCE WEST 1.0 MILE TO EXISTING LOCATION.



SCALE: 1" = 100'

BEPCO, L.P.

REF: MERCHANT STATE #1 / WELL PAD AND TOPO

THE MERCHANT STATE #1 LOCATED 1985' FROM
THE NORTH LINE AND 660' FROM THE EAST LINE OF
SECTION 1, TOWNSHIP 19 SOUTH, RANGE 28 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 6753

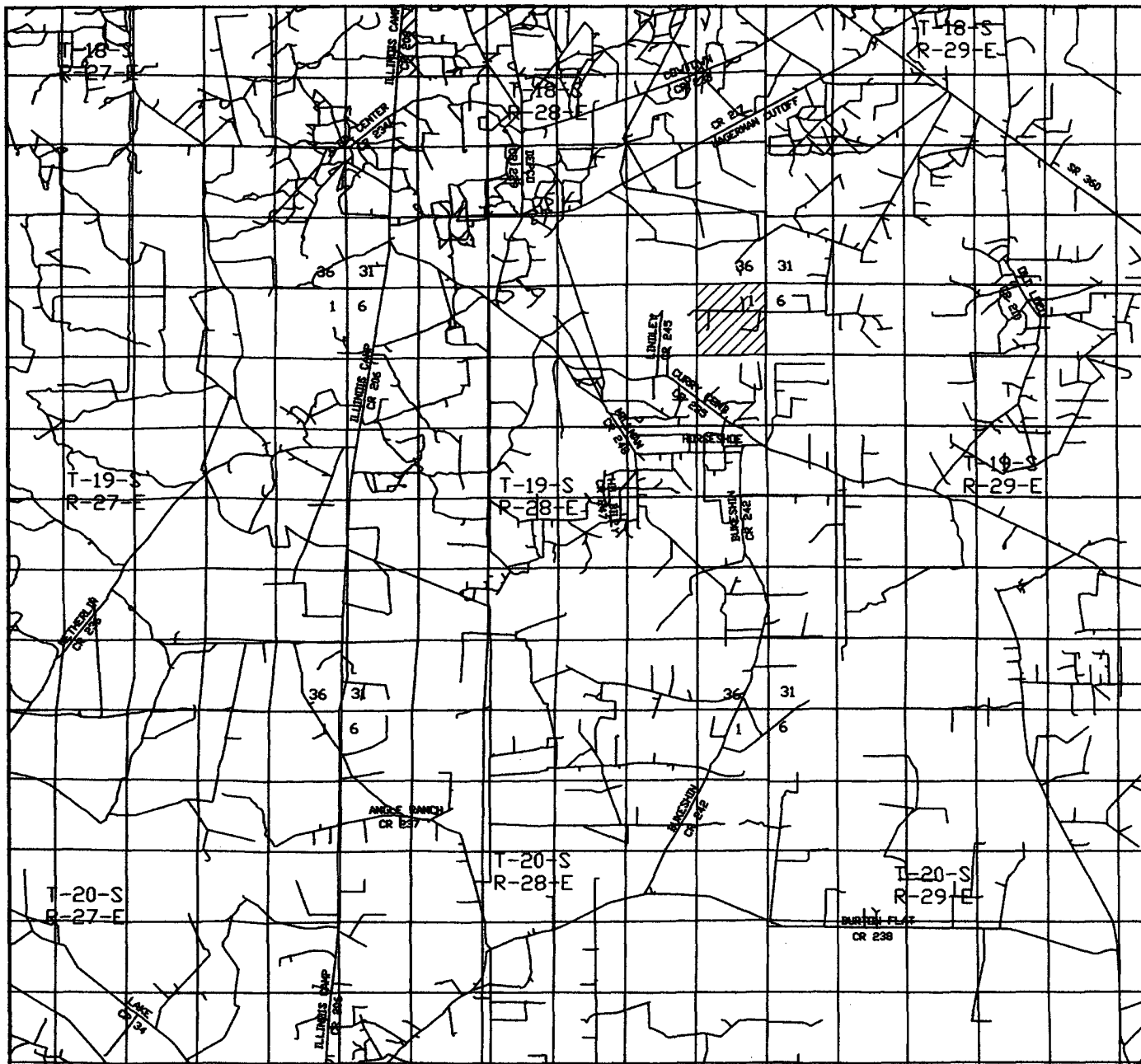
Drawn By: J. SMALL

Date: 06-13-2006

Disk: 6753W

Survey Date: 06-12-2006

Sheet 1 of 1 Sheets



MERCHANT STATE #1
 Located at 1985' FNL and 660' FEL
 Section 1, Township 19 South, Range 28 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
 basin-surveys.com

W.O. Number: JMS 6753T

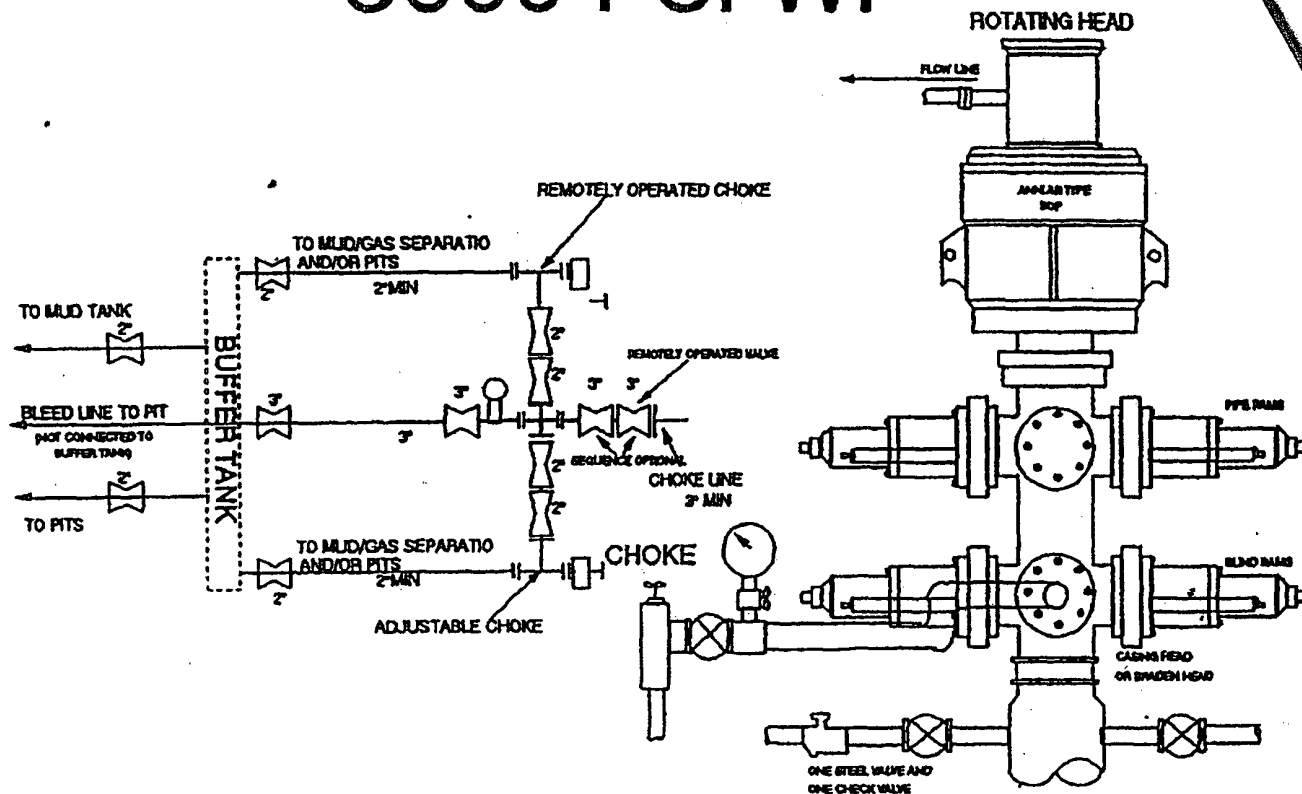
Survey Date: 06-12-2006

Scale: 1" = 2 MILES

Date: 06-13-2006

BEPCO, L.P.

5000 PSI WP



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- One double gate blowout preventer with lower rams for pipe and upper rams blind, all hydraulically controlled.
- Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.
- All connections from operating manifold to preventers to be all steel hose or tube a minimum of one inch in diameter.
- 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.
- All connections to and from preventers to have a pressure rating equivalent to that of the BOP's.
- Manual controls to be installed before drilling cement plug.
- Valve to control flow through drill pipe to be located on rig floor.
- All chokes will be adjustable. Choke spool may be used between rams.

DIAGRAM 1

BEPCO, L.P.
EIGHT POINT DRILLING PROGRAM

NAME OF WELL: MERCHANT STATE #1

LEGAL DESCRIPTION - SURFACE: 1985' FNL & 660' FEL, Section 1, T-19-S, R-28-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 3406' (est)
GL 3385'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Red Bed	Surface	Surface	
T/Salt	503'	+ 2,903'	
T/Queen	1,700'	+ 1,706'	Oil/Gas
T/San Andres	2,556'	+ 850'	Oil/Gas
T/Yeso	3,353'	+ 53'	Oil/Gas
T/Bone Springs	6,435'	- 3,029'	Oil/Gas
T/Wolf	8,703'	- 5,297'	Oil/Gas
T/Strawn	10,001'	- 6,595'	Oil/Gas
T/Atoka	10,323'	- 6,917'	Oil/Gas
T/Morrow	10,758'	- 7,352'	Oil/Gas
T/L. Morrow	10,998'	- 7,592'	Oil/Gas
TD	11,500'	- 8,094	Oil/Gas

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
16"	0' - 60'	Conductor	Existing
11-3/4", 42#, J-55, ST&C	0' - 400'	Surface	Existing
8-5/8", 32#, J-55, LT&C	0' - 3,250'	Intermediate	Existing
5-1/2", 15.50#, K-55, LT&C	0' - 7,000'	Production	New
5-1/2", 17#, K-55, LT&C	7,000' - 11,500'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT

A BOPE as per Diagram 2 will be nipped up on the intermediate casinghead. The BOPE when rigged up on the intermediate casing spool will be tested to 5000 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) As required by well conditions
- d) Twenty-one days after any test

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
6000' - 8500'	Fresh Water	8.4 - 9.2	28-30	NC	NC	NC	9.5-10.5
8500' - 10,000'	Brine	9.2 - 10	28-30	NC	NC	NC	9.5-10.5
10,000' - 11,500'	BW/Salt/Gel	10 - 10.4	34-36	4	8	<100	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 Intermediate (+/-3,250').

C) CONVENTIONAL CORING

None anticipated.

D) CEMENT

INTERVAL PRODUCTION:	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT ³ /SX
Lead 6,000'-10,000' (50% excess)	450	4000	Interfill "H"	14.15	11.9	2.45
Tail 10,000'-11,500' (50% excess)	235	1500	Super "H" cement + 5 #/sk Gilsonite + 0.4% CFR-3 + 0.5% Halad (R)-344 + 1 #/sk Salt + 0.2% HR-7	8.26	13.0	1.68

E) DIRECTIONAL DRILLING

BEPCO, L.P. plans to cut and pull the 5-1/2" production casing from 6,000'. Set kick-off cement plug then re-enter with 7-7/8" bit, motor and bent sub and kick off and drill parallel to the existing well-bore to the previous total depth of 11,350'. (See attached directional plan for details). A new string of 5-1/2" casing will be run and cemented in this "side tracked" hole.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout the Permian & Pennsylvania sections. A BHP of 4960 psi (max) or MWE of 8.4 ppg is expected. No H₂S is anticipated.

Estimated BHT is 165° 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

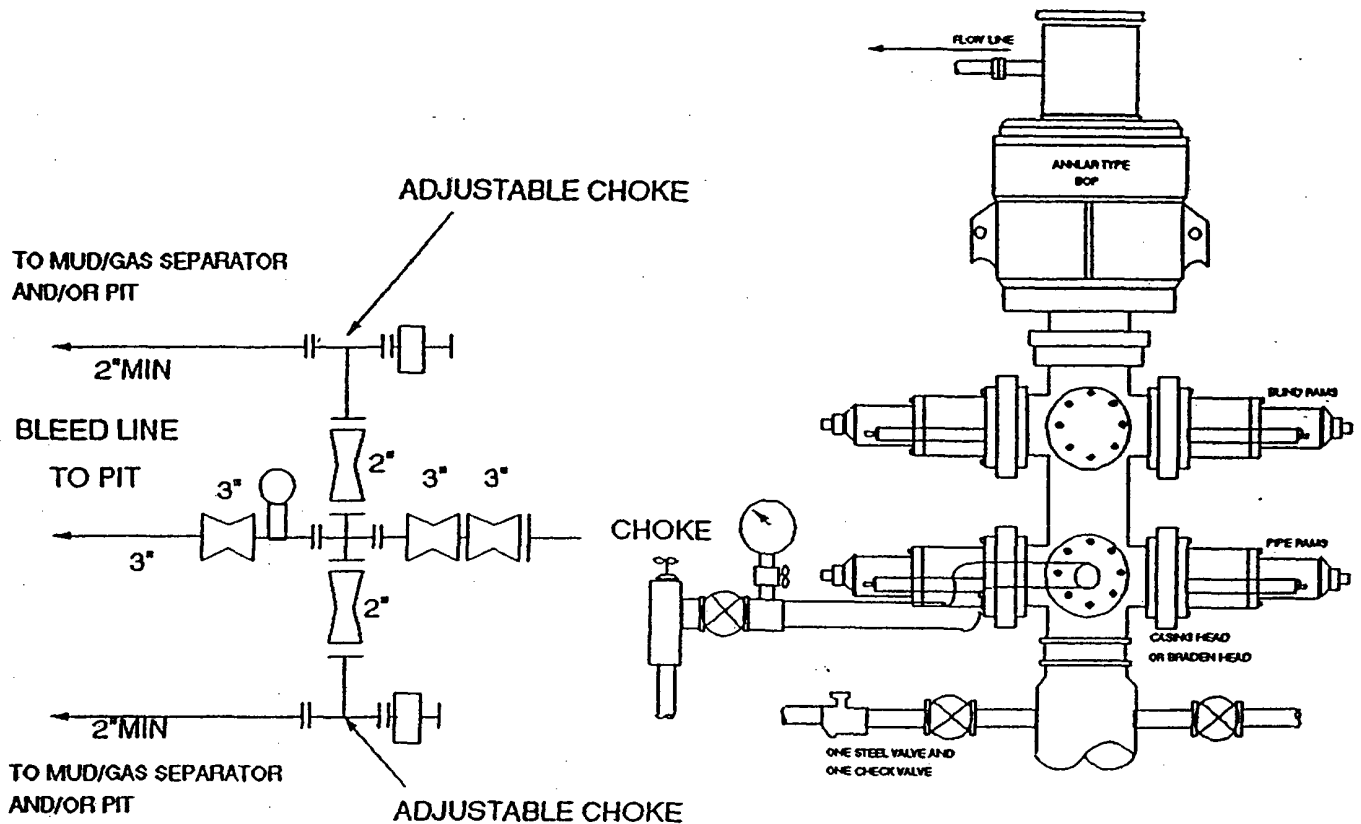
Upon approval

25 days drilling operations

14 days completion operations

GEG/cnt

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.
- 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.

DIAGRAM 2

Before Sidetracking

LEASE: MERCHANT STATE Well #: 1 "VERTICAL" TA'D
 FIELD: PALMILLO (BONE SPRING)
 LOCATION: 1980 FNL & 660 FEL, SES 1, T19S, R28E
 COUNTY: EDDY ST: NM API: 30-015-22941

KB: 3403
 GL: 3385
 SPUD DATE: 7/3/1979
 COMP DATE: 11/9/1979

SURFACE CASING

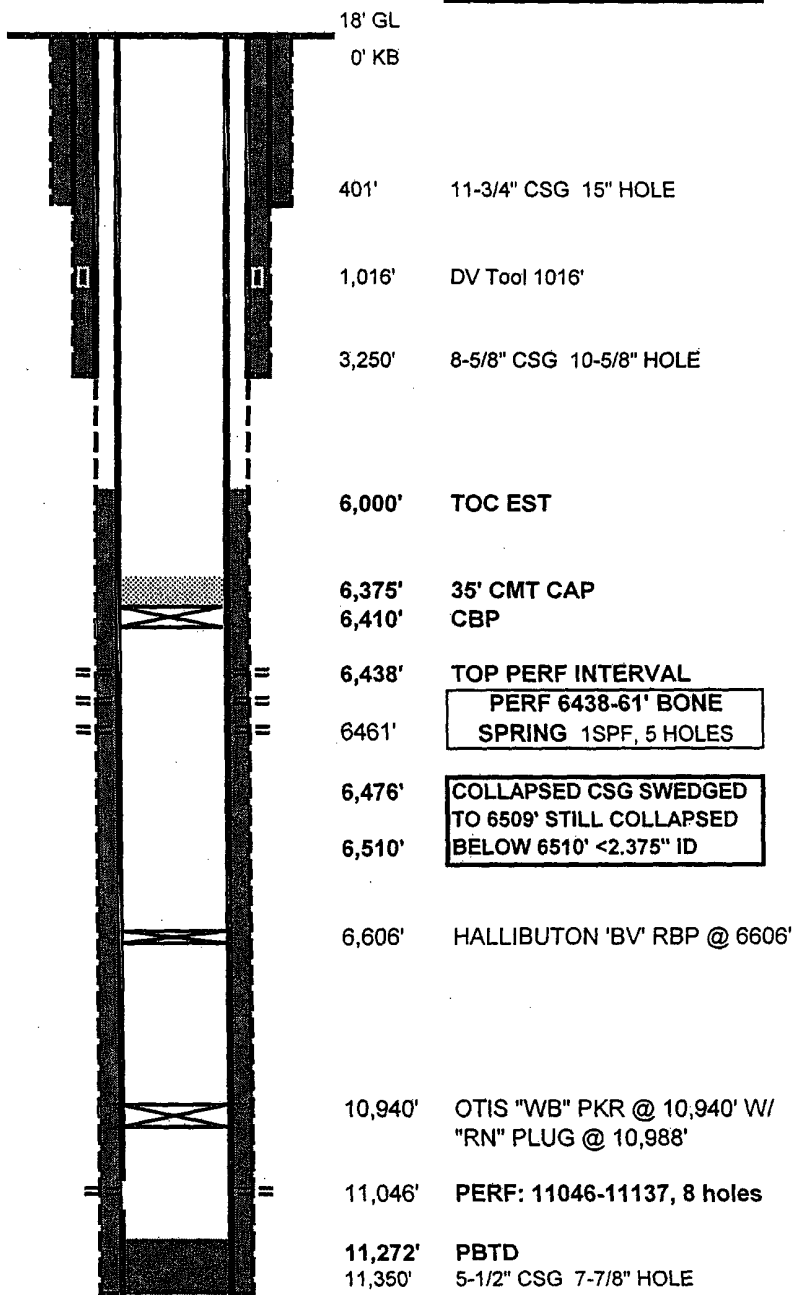
SIZE: 11-3/4"
 WT/GRD: 42# H-40
 CSA: 401
 SX CMT: 400
 CIRC: Y
 TOC: SURF
 HOLE SIZE: 15" 401'

INTERMEDIATE CASING

SIZE: 8-5/8"
 WT/GRD: 32 & 24# K-55
 CSA: 3250
 SX CMT: 1750
 CIRC: Y DVT 1016'
 TOC: Surf
 HOLE SIZE: 10-5/8" 3250'

PRODUCTION CASING

SIZE: 5-1/2"
 WT/GRD: 15.5 K-55 & 17 K-55 & N-80
 CSA: 11350
 SX CMT: 1100
 CIRC: N
 TOC: 6000' EST
 HOLE SIZE: 7-7/8" 11,350'



PBSD: 6375'
 TD: 11350'

Updated: 8/22/2005
 Author: KRA
 Engr: MLL

Well sketch
after side tracking

LEASE	MERCHANT STATE #1	WELL NO. 1
FIELD	PALMILLO (BONE SPRING)	
LOCATION	1980' FNL & 880' FEL SEC 1 T19S R28E	
COUNTY	EDDY	
STATE	NEW MEXICO	API NO. 30-015-22941

11 3/4" SURF
SET @ 401'

8 5/8" INTER
SET AT 3250'

KOP 8000'

ST CMT plug 5900-6375'

CTBP
w/ 415 cement
@ 6375'

5 1/2" CSG
SET @ 11355'

GEG
6/9/06

Bass Enterprises Production Co.

Eddy Co., New Mexico (Nad 83)

Merchant State #1 "ST"

Merchant State #1 "ST"

Sidetrack #1

Plan: Plan #3

Standard Survey Report

18 May, 2006



Project: Eddy Co., New Mexico (Nad 83)
 Site: Merchant State #1 "ST"
 Well: Merchant State #1 "ST"
 Wellbore: Sidetrack #1
 Plan: Plan #2 (Merchant State #1 "ST"/Sidetrack #1)



Directional and Horizontal Drilling Services
 (432) 561-8801

Bass Enterprises Production Co.

PROJECT DETAILS: Eddy Co., New Mexico (Nad 83)

Geodetic System: US State Plane 1983
 Datum: North American Datum 1983
 Ellipsoid: GRS 1980
 Zone: New Mexico Eastern Zone
 System Datum: Ground Level

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	5900.00	4.19	341.83	5893.90	141.63	-42.46	0.00	0.00	147.12	
2	6000.00	4.19	341.83	5893.63	148.57	-44.74	0.00	0.00	154.37	
3	6100.00	4.50	3.00	6093.35	155.96	-45.67	1.62	89.74	161.80	
4	6800.00	4.50	3.00	6791.19	210.81	-42.79	0.00	0.00	215.10	
5	7000.00	0.00	0.00	6990.99	218.65	-42.38	2.25	180.00	222.72	
6	11360.00	0.00	0.00	11350.99	218.65	-42.38	0.00	0.00	222.72	

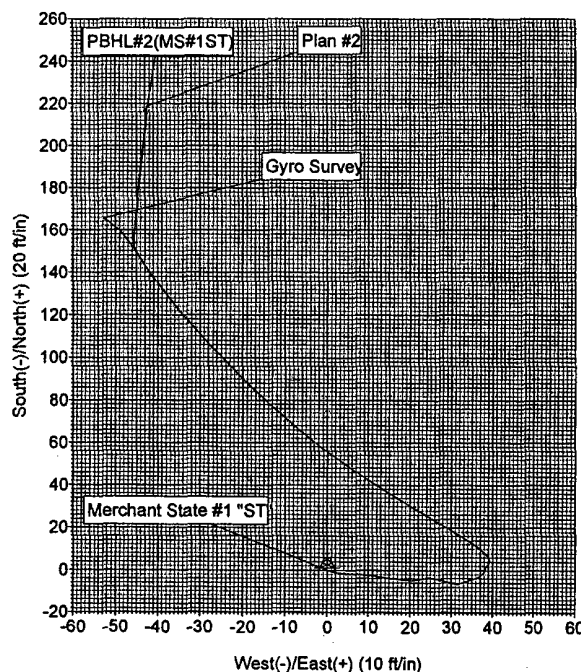
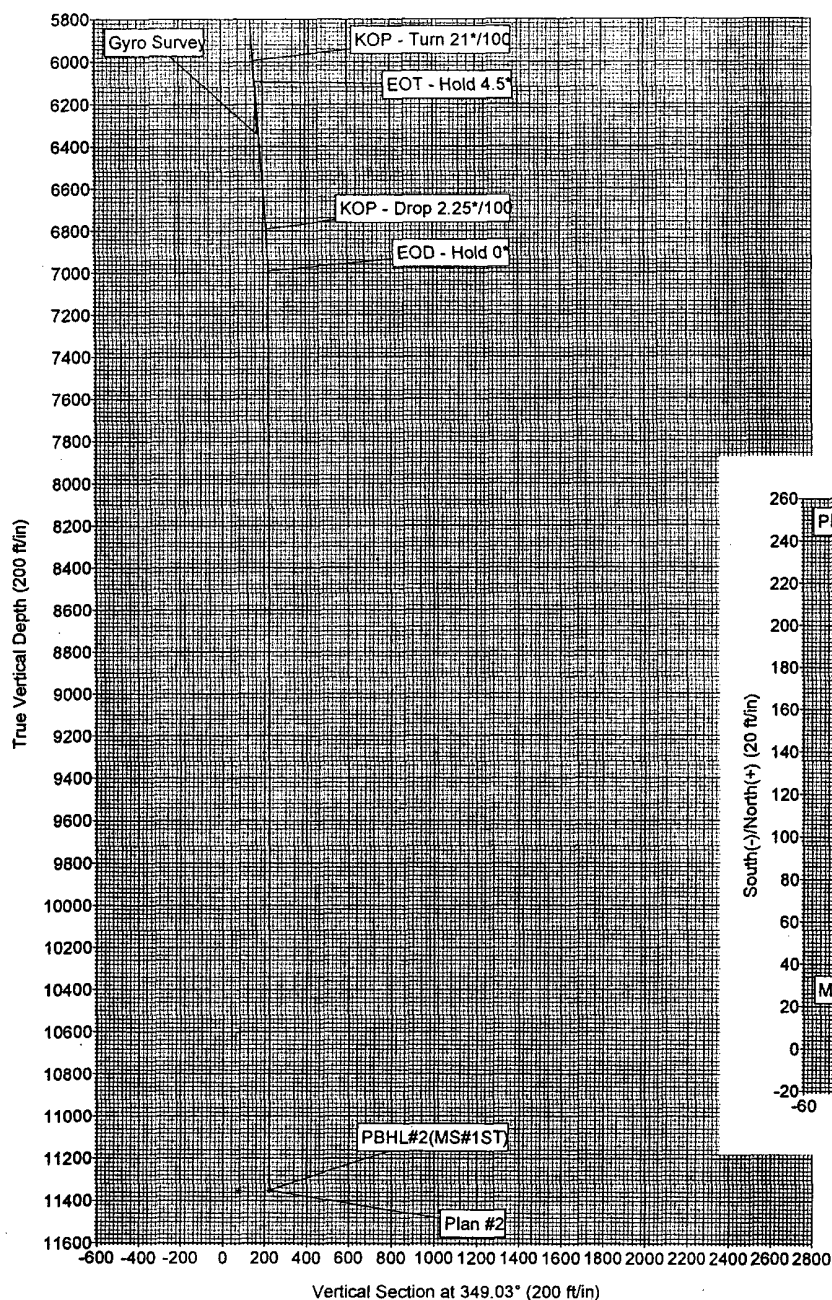
ANNOTATIONS

TVD	MD	Annotation
5893.63	6000.00	KOP - Turn 21°/100'
6093.35	6100.00	EOT - Hold 4.5°
6791.19	6800.00	KOP - Drop 2.25°/100'
6990.99	7000.00	EOD - Hold 0°



Azimuths to True North
 Magnetic North: 8.43°

Magnetic Field
 Strength: 49401.8nT
 Dip Angle: 60.87°
 Date: 5/17/2006
 Model: IGRF200510



Plan: Plan #2 (Merchant State #1 "ST"/Sidetrack #1)
 Created By: Tim Lohmeyer Date: 05/18/2006

Black Viper Energy

Survey Report

Company:	Bass Enterprises Production Co.	Local Co-ordinate Reference:	Well Merchant State #1 "ST"
Project:	Eddy Co., New Mexico (Nad 83)	TVD Reference:	WELL @ 0.00ft (Original Well Elev)
Site:	Merchant State #1 "ST"	MD Reference:	WELL @ 0.00ft (Original Well Elev)
Well:	Merchant State #1 "ST"	North Reference:	True
Wellbore:	Sidetrack #1	Survey Calculation Method:	Minimum Curvature
Design:	Plan #3	Database:	EDM 2003.14.1.0 Server DB

Project:	Eddy Co., New Mexico (Nad 83)		
Map System:	US State Plane 1983	System Datum:	Ground Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site:	Merchant State #1 "ST"			
Site Position:		Northing:	618,618.68 ft	Latitude: 32° 42' 1.044 N
From:	Lat/Long	Easting:	630,057.42 ft	Longitude: 104° 2' 41.712 W
Position Uncertainty:	0.00 ft	Slot Radius:	"	Grid Convergence: 0.16 °

Well:	Merchant State #1 "ST"			
Well Position	+N-S	0.00 ft	Northing:	618,618.68 ft
	+E-W	0.00 ft	Easting:	630,057.42 ft
Position Uncertainty	0.00 ft	Wellhead Elevation:	ft	Ground Level: 0.00 ft

Wellbore:	Sidetrack #1			
Magnetics:	Model Name	Sample Date	Declination	Dip Angle
	IGRF200510	5/17/2006	8.44	60.67
				Field Strength
				49,402

Design:	Plan #3			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	5,900.00
Vertical Section:	Depth From (TVD)	N/S	E/W	Direction
	(ft)	(ft)	(ft)	(ft)
	0.00	0.00	0.00	349.03

Survey Tool Program	Date: 5/18/2006			
From	To	Survey (Wellbore)	Tool Name	Description
(ft)	(ft)			
5,900.00	11,360.00	Plan #3 (Sidetrack #1)	GM	Gyro Multi-Shot

Planned Survey										
Measured	Inclination	Azimuth	Vertical	N/S	E/W	Vertical	Dogleg	Build	Turn	
Depth	(°)	(°)	Depth	(ft)	(ft)	Section	Rate	Rate	Rate	
(ft)			(ft)			(ft)	(/100ft)	(/100ft)	(/100ft)	
5,900.00	4.19	341.83	5,893.90	141.63	-42.46	147.12	0.00	0.00	0.00	
6,000.00	4.19	341.83	5,993.63	148.57	-44.74	154.37	0.00	0.00	0.00	
KOP - Turn 21°/100										
6,100.00	4.50	3.00	6,093.35	155.96	-45.67	161.80	1.62	0.31	21.17	
EOT - Hold 4.5°										
6,200.00	4.50	3.00	6,193.04	163.80	-45.26	169.42	0.00	0.00	0.00	
6,300.00	4.50	3.00	6,292.73	171.63	-44.85	177.03	0.00	0.00	0.00	
6,400.00	4.50	3.00	6,392.42	179.47	-44.44	184.65	0.00	0.00	0.00	
6,500.00	4.50	3.00	6,492.12	187.30	-44.03	192.26	0.00	0.00	0.00	
6,600.00	4.50	3.00	6,591.81	195.14	-43.62	199.87	0.00	0.00	0.00	
6,700.00	4.50	3.00	6,691.50	202.98	-43.21	207.49	0.00	0.00	0.00	
6,800.00	4.50	3.00	6,791.19	210.81	-42.79	215.10	0.00	0.00	0.00	
KOP - Drop 2.25°/100										

Black Viper Energy

Survey Report

Company	Bass Enterprises Production Co.	Local Co-ordinate Reference	Well Merchant State #1 "ST"
Project	Eddy Co., New Mexico (Nad 83)	NVD Reference	WELL @ 0.00ft (Original Well Elev)
Site	Merchant State #1 "ST"	MD Reference	WELL @ 0.00ft (Original Well Elev)
Well	Merchant State #1 "ST"	North Reference	True
Wellbore	Sidetrack #1	Survey Calculation Method	Minimum Curvature
Design	Plan #3	Database	EDM 2003.14.1.0 Server DB

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	N/S (ft)	E/W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
6,900.00	2.25	3.00	6,891.01	216.69	-42.49	220.81	2.25	-2.25	0.00
7,000.00	0.00	0.00	6,990.99	218.65	-42.38	222.72	2.25	-2.25	0.00
EOD - Hold 0°									
7,100.00	0.00	0.00	7,090.99	218.65	-42.38	222.72	0.00	0.00	0.00
7,200.00	0.00	0.00	7,190.99	218.65	-42.38	222.72	0.00	0.00	0.00
7,300.00	0.00	0.00	7,290.99	218.65	-42.38	222.72	0.00	0.00	0.00
7,400.00	0.00	0.00	7,390.99	218.65	-42.38	222.72	0.00	0.00	0.00
7,500.00	0.00	0.00	7,490.99	218.65	-42.38	222.72	0.00	0.00	0.00
7,600.00	0.00	0.00	7,590.99	218.65	-42.38	222.72	0.00	0.00	0.00
7,700.00	0.00	0.00	7,690.99	218.65	-42.38	222.72	0.00	0.00	0.00
7,800.00	0.00	0.00	7,790.99	218.65	-42.38	222.72	0.00	0.00	0.00
7,900.00	0.00	0.00	7,890.99	218.65	-42.38	222.72	0.00	0.00	0.00
8,000.00	0.00	0.00	7,990.99	218.65	-42.38	222.72	0.00	0.00	0.00
8,100.00	0.00	0.00	8,090.99	218.65	-42.38	222.72	0.00	0.00	0.00
8,200.00	0.00	0.00	8,190.99	218.65	-42.38	222.72	0.00	0.00	0.00
8,300.00	0.00	0.00	8,290.99	218.65	-42.38	222.72	0.00	0.00	0.00
8,400.00	0.00	0.00	8,390.99	218.65	-42.38	222.72	0.00	0.00	0.00
8,500.00	0.00	0.00	8,490.99	218.65	-42.38	222.72	0.00	0.00	0.00
8,600.00	0.00	0.00	8,590.99	218.65	-42.38	222.72	0.00	0.00	0.00
8,700.00	0.00	0.00	8,690.99	218.65	-42.38	222.72	0.00	0.00	0.00
8,800.00	0.00	0.00	8,790.99	218.65	-42.38	222.72	0.00	0.00	0.00
8,900.00	0.00	0.00	8,890.99	218.65	-42.38	222.72	0.00	0.00	0.00
9,000.00	0.00	0.00	8,990.99	218.65	-42.38	222.72	0.00	0.00	0.00
9,100.00	0.00	0.00	9,090.99	218.65	-42.38	222.72	0.00	0.00	0.00
9,200.00	0.00	0.00	9,190.99	218.65	-42.38	222.72	0.00	0.00	0.00
9,300.00	0.00	0.00	9,290.99	218.65	-42.38	222.72	0.00	0.00	0.00
9,400.00	0.00	0.00	9,390.99	218.65	-42.38	222.72	0.00	0.00	0.00
9,500.00	0.00	0.00	9,490.99	218.65	-42.38	222.72	0.00	0.00	0.00
9,600.00	0.00	0.00	9,590.99	218.65	-42.38	222.72	0.00	0.00	0.00
9,700.00	0.00	0.00	9,690.99	218.65	-42.38	222.72	0.00	0.00	0.00
9,800.00	0.00	0.00	9,790.99	218.65	-42.38	222.72	0.00	0.00	0.00
9,900.00	0.00	0.00	9,890.99	218.65	-42.38	222.72	0.00	0.00	0.00
10,000.00	0.00	0.00	9,990.99	218.65	-42.38	222.72	0.00	0.00	0.00
10,100.00	0.00	0.00	10,090.99	218.65	-42.38	222.72	0.00	0.00	0.00
10,200.00	0.00	0.00	10,190.99	218.65	-42.38	222.72	0.00	0.00	0.00
10,300.00	0.00	0.00	10,290.99	218.65	-42.38	222.72	0.00	0.00	0.00
10,400.00	0.00	0.00	10,390.99	218.65	-42.38	222.72	0.00	0.00	0.00
10,500.00	0.00	0.00	10,490.99	218.65	-42.38	222.72	0.00	0.00	0.00
10,600.00	0.00	0.00	10,590.99	218.65	-42.38	222.72	0.00	0.00	0.00
10,700.00	0.00	0.00	10,690.99	218.65	-42.38	222.72	0.00	0.00	0.00
10,800.00	0.00	0.00	10,790.99	218.65	-42.38	222.72	0.00	0.00	0.00
10,900.00	0.00	0.00	10,890.99	218.65	-42.38	222.72	0.00	0.00	0.00
11,000.00	0.00	0.00	10,990.99	218.65	-42.38	222.72	0.00	0.00	0.00
11,100.00	0.00	0.00	11,090.99	218.65	-42.38	222.72	0.00	0.00	0.00
11,200.00	0.00	0.00	11,190.99	218.65	-42.38	222.72	0.00	0.00	0.00
11,300.00	0.00	0.00	11,290.99	218.65	-42.38	222.72	0.00	0.00	0.00
11,360.00	0.00	0.00	11,350.99	218.65	-42.38	222.72	0.00	0.00	0.00

Black Viper Energy

Survey Report

Company:	Bass Enterprises Production Co.	Local Co-ordinate Reference:	Well Merchant State #1 "ST"
Project:	Eddy Co., New Mexico (Nad 83)	TVD Reference:	WELL @ 0.00ft (Original Well Elev)
Site:	Merchant State #1 "ST"	MD Reference:	WELL @ 0.00ft (Original Well Elev)
Well:	Merchant State #1 "ST"	North Reference:	True
Wellbore:	Sidetrack #1	Survey Calculation Method:	Minimum Curvature
Design:	Plan #3	Database:	EDM 2003.14.1.0 Server.DB

Target Name	Initial Target Shape	Dip Angle (°)	Dip Dir (°)	TVD (ft)	N/S (ft)	E/W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL(MS#1ST)		0.00	0.00	11,350.00	75.00	0.00	618,693.68	630,057.21	32° 42' 1.786 N	104° 2' 41.712 W
- plan misses by 149.77ft at 11359.01ft MD (11350.00 TVD, 218.65 N, -42.38 E)										
- Point										
PBHL#2(MS#1ST)		0.00	0.00	11,350.00	216.63	-42.46	618,835.19	630,014.37	32° 42' 3.188 N	104° 2' 42.209 W
- plan misses by 2.02ft at 11359.01ft MD (11350.00 TVD, 218.65 N, -42.38 E)										
- Point										

Plan Annotations					
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates			
		N/S (ft)	E/W (ft)	Comment	
6,000.00	5,993.63	148.57	-44.74	KOP - Turn 21°/100	
6,100.00	6,093.35	155.96	-45.67	EOT - Hold 4.5°	
6,800.00	6,791.19	210.81	-42.79	KOP - Drop 2.25°/100	
7,000.00	6,990.99	218.65	-42.38	EOD - Hold 0°	

Checked By: _____ Approved By: _____ Date: _____