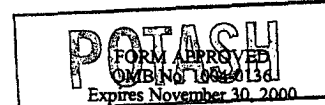


OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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: TAMI WILBER E-Mail: twilber@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: 915.683.2277 Fx: 915.687.0329	8. Lease Name and Well No. POKER LAKE UNIT 206
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NENW 460FNL 2180FWL 32.13249 N Lat, 103.55208 W Lon At proposed prod. zone NENW 460FNL 2180FWL 32.13249 N Lat, 103.55208 W Lon			9. API Well No. 30-015-32939
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) 460		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
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1137		19. Proposed Depth 7700 MD	12. County or Parish EDDY
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3156 GL		22. Approximate date work will start 07/21/2003	13. State NM
		23. Estimated duration 12 DAYS	17. Spacing Unit dedicated to this well 40.00
		24. Attachments	20. BLM/BIA Bond No. on file

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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) TAMI WILBER Ph: 915.683.2277	Date 06/17/2003
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) /s/ Linda S. C. Rundell	Name (Printed/Typed) /s/ Linda S. C. Rundell	Date 1 AUG 2003
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 #22517 verified by the BLM Well Information System

For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad

County to AFMSS for processing by Armando Lopez on 06/19/2003 (03AL0329AE)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

** BLM REVISED ** 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 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

511 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

3040 South Panhandle, 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 Panhandle

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	47545	Nash Draw (Delaware)
Property Code	Property Name	Well Number
001796	POKER LAKE UNIT	206
OCED No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3156'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	18	24 S	30 E		460	NORTH	2180	WEST	EDDY

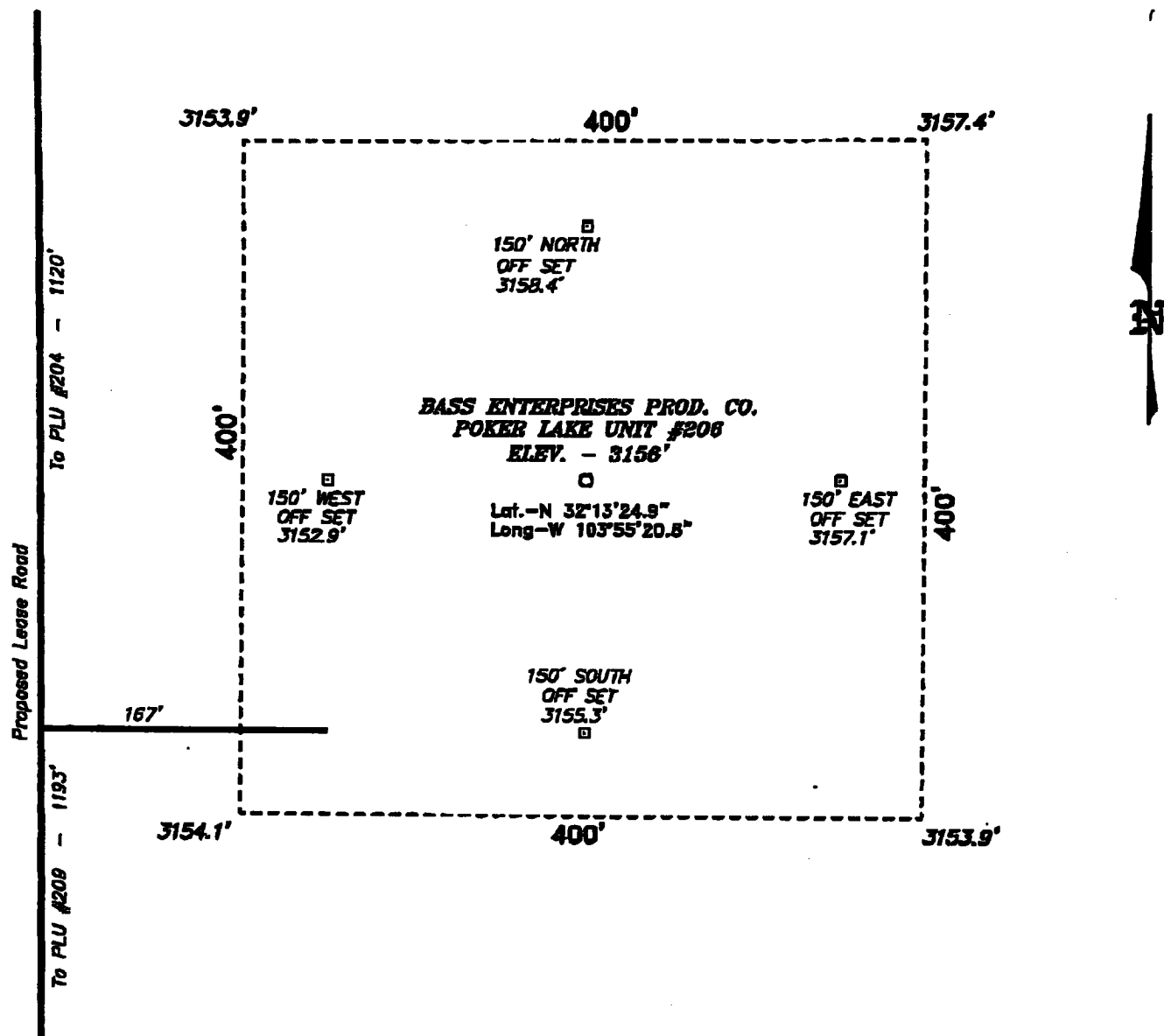
Bottom Hole Location If Different From Surface

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	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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>William R. Dannels</i> Signature W.R. DANNELS Printed Name DIVISION DRILLING SUPT. Title 6/6/03 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. MARCH 19, 2003 Date Surveyed Signature of Surveyor Professional Seal of Surveyor W.O. No. 3084 Certificate No. 7977

**SECTION 18, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**

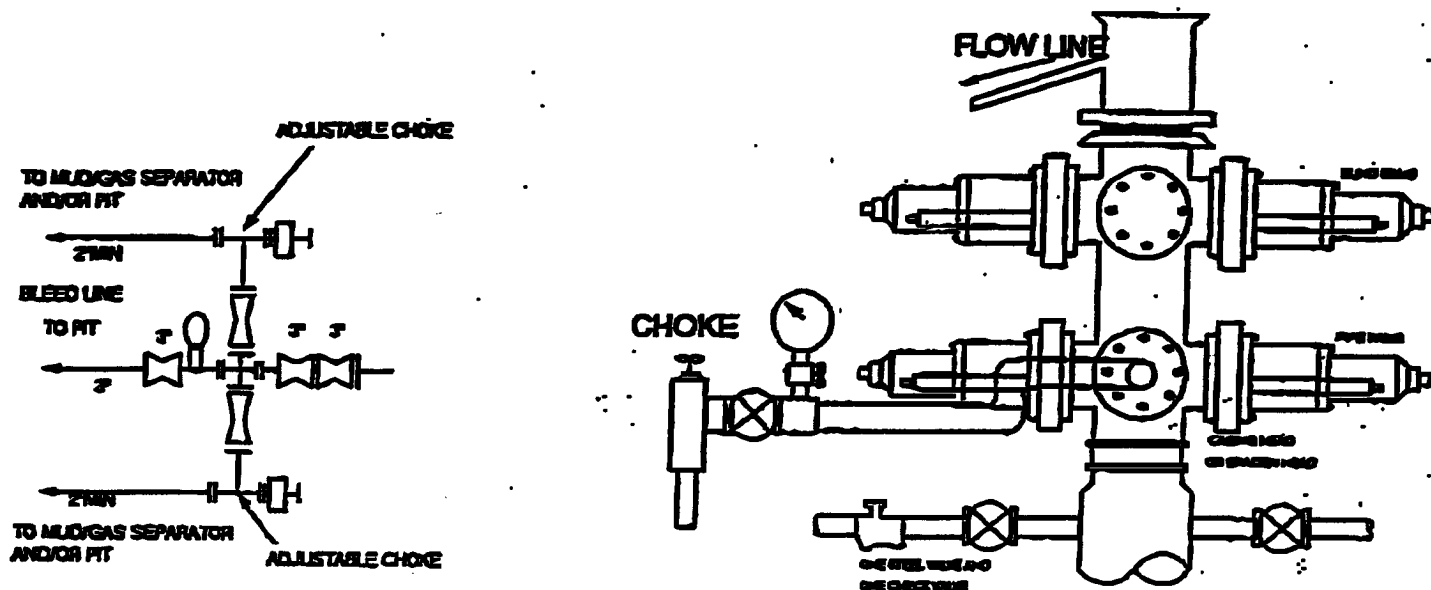


BASS ENTERPRISES PRODUCTION CO.

REF: POKER LAKE UNIT No. 206 / Well Pad Topo

THE POKER LAKE UNIT No. 206 LOCATED 460' FROM
THE NORTH LINE AND 2180' FROM THE WEST LINE OF
SECTION 18, TOWNSHIP 24 SOUTH, RANGE 30 EAST,

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.

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

NAME OF WELL: Poker Lake Unit #206

LEGAL DESCRIPTION - SURFACE: 460' FNL & 2180' FWL, 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 3174' (est) GL 3156'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	449'	+2725	Barren
T/Salt	799'	+2375'	Barren
T/Lwr Brushy Canyon	6927'	-3753'	Oil/Gas
T/Bone Spring	7206'	-4032'	Oil/Gas
TD	7700'	-4526'	

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'- 750'	Surface	New
5-1/2", 15.5#, J-55, LT&C	0' -6500'	Production	New
5-1/2", 17#, J-55, LT&C	6500' -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' - 750'	FW Spud Mud	8.5 - 9.2	70-39	NC	NC	NC	10.0
750' - 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 (+/- 3100').
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 - 450' (100% excess circ to surface)	195	450	Permian Basin Critical Zone + 1/2# Floccs	10.4	12.8	1.90		
Tail 450-750' (100% excess circ to surface)	233	300	Prem Plus + 2% CaCl ₂ + 1/2# Floccs	6.33	14.8	1.35		
PRODUCTION:							COMPRESSIVE	
Base Slurry w/nitrogen 3050-7800' + (50% excess)	745	4850	Premium Plus + 2% Zone Sealant 2000	6.32	9.1-14.5	2.3-1.39	Nitrogen	Strength
							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 3200 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware Section from 3583-7350'. No H₂S is anticipated.