

EC

OPERATOR'S COPY

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT

BEP CO - WTD PRODUCTION

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		NOV 18 2003 RECEIVED		5. Lease Serial No. NMNM04473	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		<input type="checkbox"/> Single Zone <input checked="" 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. NMNM70965X	
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. JAMES RANCH UNIT 87	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESW 250FSL 1980FWL At proposed prod. zone SESW 250FSL 1980FWL		R-111-P Potash		9. API Well No. 30-015-34277	
14. Distance in miles and direction from nearest town or post office* 16 MILES EAST FROM LOVING NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 6 T23S R31E Mer NMP SME: FEE		12. County or Parish EDDY	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 250		16. No. of Acres in Lease 282.09		13. State NM	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 150		17. Spacing Unit dedicated to this well 40.00		19. Proposed Depth 11300 MD	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3311 GL		20. BLM/BIA Bond No. on file		22. Estimated duration	
22. Approximate date work will start		23. Estimated duration			

24. Attachments

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) TAMI WILBER		Date 06/16/2003	
Title AUTHORIZED REPRESENTATIVE					
Approved by (Signature) 		Name (Printed/Typed) Carsten F. Goff		Date 11	
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 #22180 verified by the BLM Well Information System
For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad
Committed to AFMSS for processing by Armando Lopez on 06/19/2003 (03AL0322AE)APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Carlsbad Controlled Water Basin

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

Additional Operator Remarks:

Surface casing to be set +/- 100' above the salt.
Intermediate casing to be set in the top of the Lamar Lime
Production casing cement to tie 300' into intermediate casing.
Drilling procedure, BOPE Diagram, Anticipated Tops and Surface Use plans attached.

This well is located inside the R-111 Potash Area. This well will be an unorthodox location. Upon approval, unorthodox procedure will be filed. Attached is IMC Kalium's response to Bass' drilling notification. This locations has been moved as close as practical to our existing JRU #14 wellhead.

Completions will be made in the Delaware, Bone Spring & Wolfcamp Pools.

Revisions to Operator-Submitted EC Data for APD #22180

Operator Submitted

Lease: NM04473
Agreement: NMNM70965X
Operator: BASS ENTERPRISES PRODUCTION CO
P. O. BOX 2760
MIDLAND, TX 79702
Ph: 915.683.2277
Fx: 915.687.0329

Admin Contact: TAMI WILBER
AUTHORIZED REPRESENTATIVE
P. O. BOX 2760
MIDLAND, TX 79702
Ph: 915.683.2277
Fx: 915.687.0329
E-Mail: twilber@basspet.com

Tech Contact:

Well Name: JAMES RANCH UNIT
Number: 87
Location:
State: NM
County: EDDY
S/T/R: Sec 6 T23S R31E Mer NMP
Surf Loc: SESW 250FSL 1980FWL
Field/Pool: LOS MEDANOS

Bond: NM2204

BLM Revised (AFMSS)

NMNM04473
NMNM70965X
BASS ENTERPRISES PRODUCTION CO
P. O. BOX 2760
MIDLAND, TX 79702
Ph: 432.683.2277
Fx: 915.687.0329

TAMI WILBER
AUTHORIZED REPRESENTATIVE
P. O. BOX 2760
MIDLAND, TX 79702
Ph: 915.683.2277
Fx: 915.687.0329
E-Mail: twilber@basspet.com

JAMES RANCH UNIT
87
NM
EDDY
Sec 6 T23S R31E Mer NMP
SESW 250FSL 1980FWL
LOS MEDANOS

DISTRICT I

1025 E. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1099 15th Avenue Rd., Artesia, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87508

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999Submit 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
		Los Medanos (Delaware, Bone Spring, Wolfcamp)
Property Code	Property Name	Well Number
	JAMES RANCH UNIT	87
OCRD No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3301'

Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
N	6	23 S	31 E		250	SOUTH	1980	WEST	ELDY

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 WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 4 - 40.45 AC.	LOT 3 - 39.90 AC.	LOT 2 - 39.94 AC.	LOT 1 - 39.98 AC.	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>William R. Dannels</u> Signature William R. Dannels Printed Name Division Drilling Supt. Title 12-12-2000 Date
LOT 5 - 40.79 AC.				
LOT 6 - 40.95 AC.				
LOT 7 - 41.13 AC.				

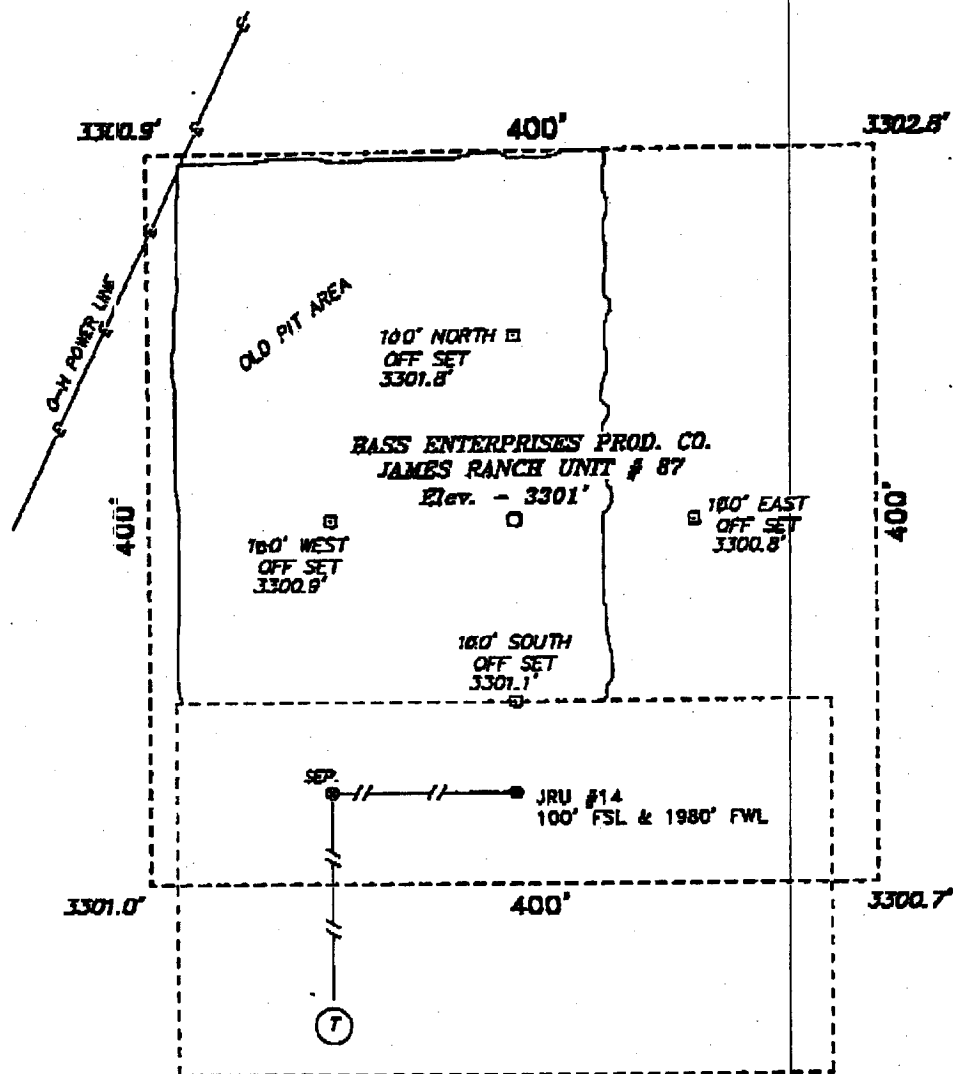
LAT - N52°19'37.6"
LONG. - W103°49'08.9"

3300.9' 280' 3302.8'

1980' 3301.0' 3300.7'

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.	
July 28, 2000	
Date Surveyed	Signature of Surveyor
	JOSEPH L. JONES
	Professional Surveyor
	7977
Certification No.	7977
	BASS SURVEYS

SECTION 6, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



100 0 100 200 FEET

SCALE: 1" = 100'

DIRECTIONS:

From the intersection to State Hwy #128 and WIPP Road, go East of State Hwy 128; Thence east approx. 3000 feet to a point which lies south 800 feet of the location.

BASIN SURVEYS P.O. BOX 1788 - HOBBS, NEW MEXICO

W.O. Number: 0426

Drawn By: K. GOAD

Date: 08-01-2000

Disk: KJG #123 - 0426A.DWG

BASS ENTERPRISES PRODUCTION CO.

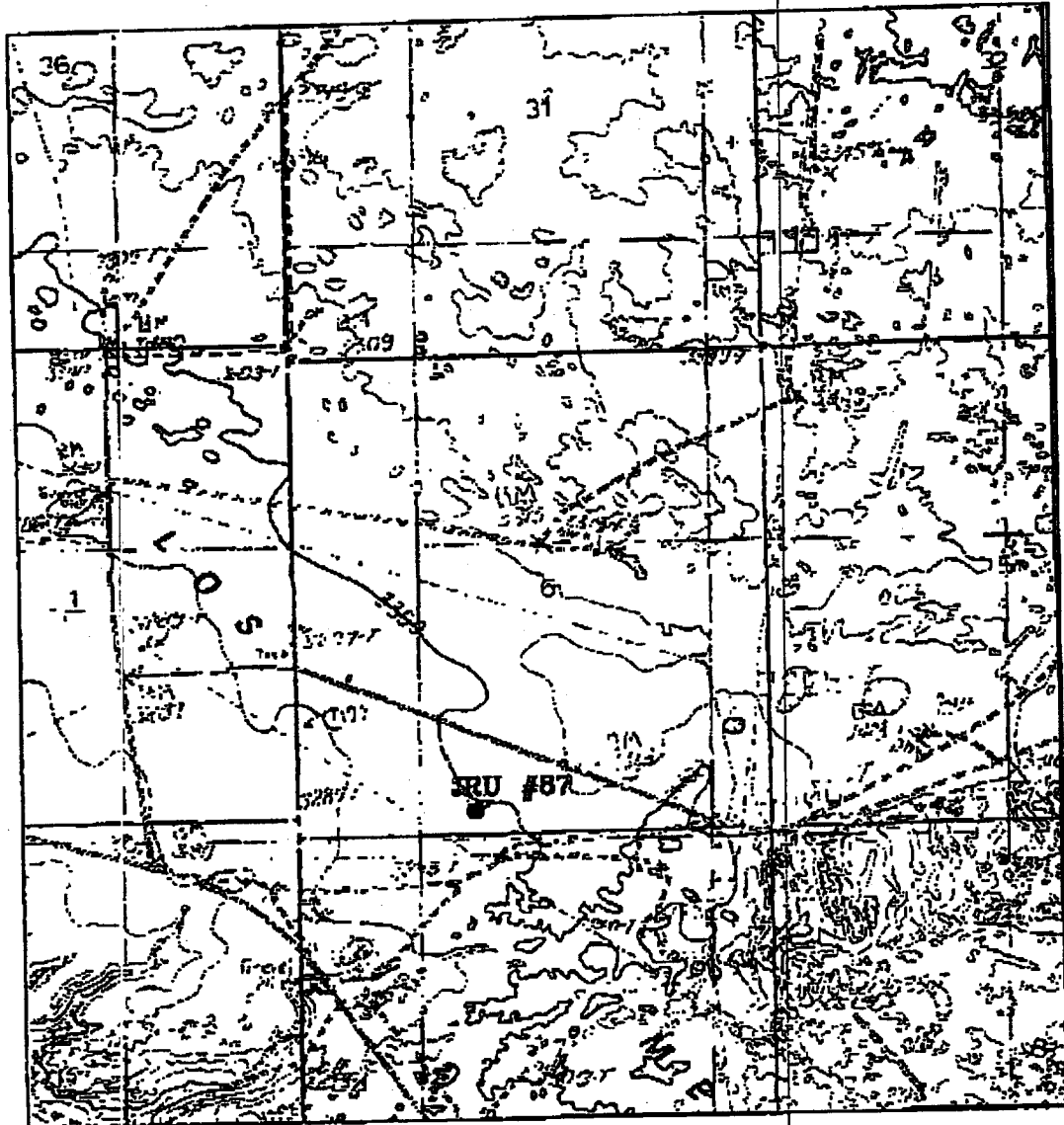
REF: JAMES RANCH Unit No. 87 / Well Pad Topo

THE JAMES RANCH UNIT No. 87 LOCATED 250' FROM
THE SOUTH LINE AND 1980' FROM THE WEST LINE OF
SECTION 6, TOWNSHIP 23 SOUTH, RANGE 31 EAST,

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

Survey Date: 07-28-2000

Sheet 1 of 1 sheets



JAMES RANCH UNIT # 87
 Located at 250' FSL and 1980' FWL
 Section 6, Township 23 South, Range 31 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) 393-7318 - Office
 (505) 392-3074 - Fax
 basin-surveys.com

W.O. Number: 0426AA - KJG #1

Survey Date: 07-28-2000

Scale: 1" = 2000'

Date: 08-01-2000

**BASS ENTERPRISES
 PRODUCTION CO.**

EIGHT POINT DRILLING PROGRAM BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: JAMES RANCH UNIT #87

LEGAL DESCRIPTION - SURFACE: 250' FSL & 1980' FWL, Section 6, T-23-S, R-31-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 3317' (est)
GL 3301'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	262'	+3055'	Barren
T/Salt	707'	+2810'	Barren
T/Lamar	3939'	- 622'	Barren
T/Ramsey Sand	3977'	- 660'	Oil/Gas
T/Shell Zone	6807'	- 3490'	Oil/Gas
T/Lwr Brushy Canyon 8A	7512'	- 4195'	Oil/Gas
T/Bone Spring Lime	7795'	- 4478'	Barren
T/Bone Spring III	10,919'	- 7602'	Oil/Gas
T/Wolfcamp	11,061'	- 7744'	Oil/Gas
Wolfcamp Pay Zone	11,127'	- 7810'	Oil/Gas
TD	11,300'	- 7983'	

POINT 3: CASING PROGRAM WITNESS 11 3/4" & 8 5/8" Unit JOBS

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
16"	0' - 40'	Conductor	Contractor Discretion
11-3/4", 42#, WC-40, STC	0' - 600'	Surface	New
8-5/8", 28#, WC-50, LT&C	0' - 3,000'	Intermediate	New
8-5/8", 32#, WC-60, ST&C	3000' - 3,950'	Intermediate	New
5-1/2", 20#, P-110, LT&C	0' - 11,300'	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. A BOP equivalent to Diagram 2 will be nipped up on the intermediate 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 or the lowest pressure rating of the BOP or wellhead. In addition to the high pressure test, a low pressure (200 psi) test will be required. Diagram 2 annular will be tested at 1/2 jts pressure rating. 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' - 600'	FW Spud Mud	8.5 - 9.2	45-35	NC	NC	NC	NC
600' - 3950'	Brine	9.8-10.2	29-30	NC	NC	NC	10-10.5
3950' - 7500'	FW	8.3 - 8.5	28-30	NC	NC	NC	9-9.5-10
7500' - TD	FW/Mud	8.6 - 9.2	28-40	4	10	<100 cc	9-9.5-10

POINT 6: TECHNICAL STAGES OF OPERATION**A) TESTING**

None anticipated.

B) LOGGING

GR-CNL-LDT-AIT from TD to 8-5/8" casing shoe.
 GR-CNL from base of 8-5/8" casing 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 - 300' (100% excess circ to surface)	100	300	Interfill C + 1/4 pps Flocele + 2% CaCl ₂	14.35	11.9	2.49
Tail 300-600' (100% excess circ to surface)	200	300	Class C + 2% CaCl ₂	6.32	14.82	1.34
INTERMEDIATE:						
Lead 0 - 3450' (100% excess circ to surface)	740	3450	Interfill C + 2% CaCl ₂	14.35	11.9	2.49
Tail 3450-3950' (100% excess circ to surface)	125	500	Class C	6.32	14.80	1.34

PRODUCTION: Single stage cementing procedure with ZoneSeal (foam) will be required.

INTERVAL	AMOUNT SXS	FILL	FT OF TYPE	GALS/SX	PPG	FT ³ /SX
3650-11,250'	1150	7600'	Prem Plus + 2.0% ZoneSeal + Nitrogen (200-460 scf/bbl)	6.30	9.0-12.0	1.82-1.64
11,250-11,350'	20	100	Prem Plus + 2.0% ZoneSeal	6.30	14.5	1.39

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. The Bone Spring expected BHP is 6000 (max) or an equivalent mud wt of 10.0 ppg @ TD. Due to the tight nature of the reservoir rock (high pressure, low volume), the well will be drilled under balanced utilizing a rotating head. Prior to penetrating the abnormal pressures in the Bone Spring and Wolfcamp, mud monitoring equipment will be installed and operative. No H₂S is anticipated.

Estimated BHT is 170° 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

10 days completion operations

tlw
June 5, 2003

MULTI-POINT SURFACE USE PLAN**NAME OF WELL: JAMES RANCH UNIT #87****LEGAL DESCRIPTION - SURFACE: 250' FSL & 1980' FWL, Section 6, T-23-S, R-31-E, Eddy County, New Mexico.****POINT 1: EXISTING ROADS****A) Proposed Well Site Location:**

See Surveyor's plat. There will be an extension of the existing pad for the James Ranch Unit #14.

B) Existing Roads:

Between mile markers 10 & 11 on Highway 128 turn northeast on WIPP road. Turn east and go 0.5 miles. Turn north and go 0.1 mile to location.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "A".

POINT 2: NEW PLANNED ACCESS ROUTE**A) Route Location:**

See Exhibit "A". No new road will be required.

B) Width

Not applicable.

C) Maximum Grade

Not applicable.

D) Turncut Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

None.

POINT 3: LOCATION OF EXISTING WELLS

Exhibit "B" indicates existing wells within the surrounding area.

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES**A) Existing facilities owned or controlled by lessee/operator.**

Bass has gas well facilities located at JRU #14 (on the same location) and oil production facilities at JRU #7.

B) New Facilities in the Event of Production:

Lay flowline to JRU #7 tank battery.

C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following flowline construction, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas unnecessary for use will be graded to blend in the surrounding topography - See Point '10.

POINT 5: LOCATION AND TYPE OF WATER SUPPLY**A) Location and Type of Water Supply**

Fresh water will be hauled from Johnson Water Station 27 miles east of Carlsbad, New Mexico or Mills Ranch. Brine water will be hauled from Champion Brine Water Station, 3.5 miles east and 2.5 miles south of Carlsbad, New Mexico.

B) Water Transportation System

Water hauling to the location will be over the existing and proposed roads.

POINT 6: SOURCE OF CONSTRUCTION MATERIALS**A) Materials**

If not found on location, caliche will be hauled from the nearest BLM approved source.

B) Land Ownership

Federally owned minerals. Surface is privately owned (Mills Ranch).

C) Materials Foreign to the Site

No construction materials foreign to this area are anticipated for this drill site.

D) Access Roads

See Exhibit "A". There will be no new road construction.

POINT 7: METHODS FOR HANDLING WASTE MATERIAL**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 and the fence 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 "C" 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.

B) Locations of Pits and Access Road

See Exhibits "A" and "C".

C) Lining of the Pits

The reserve pit will be lined with plastic.

POINT 10: PLANS FOR RESTORATION OF THE SURFACE**A) Reserve Pit Cleanup**

The pits will be fenced immediately after construction and shall be maintained until they are backfilled. Previous to backfill operations, any hydrocarbon material on the pits' surfaces shall be removed. The fluids and solids contained in the pits shall be backfilled with soil excavated from the site and soil adjacent to the reserve pits. The restored surface of the pits shall be contoured to prevent impoundment of surface water flow. Water-bars will be constructed as needed to prevent excessive erosion. Topsoil, as available, shall be placed over the restored surface in a uniform layer. The area will be seeded according to the Bureau of Land Management stipulations during the appropriate season following restoration.

B) Restoration Plans - Production Developed

The reserve pits will be backfilled and restored as described above under Item A. In addition, those areas not required for production will be graded to blend with the surrounding topography. Topsoil, as available, will be placed upon those areas and seeded. The portion of the site required for production will be graded to minimize erosion and provide access during inclement conditions. Following depletion and abandonment of the site, restoration procedures will be those that follow under Item C.

C) Restoration Plans - No Production Developed

The reserve pits will be restored as described above. With no production developed, the entire surface disturbed by construction of the well site will be restored. The site will be contoured to blend with the surrounding topography and provide drainage of surface water. The topsoil, as available, shall be replaced in a uniform layer and seeded according to the Bureau of Land Management's stipulations.

D) Rehabilitation's Timetable

Upon completion of drilling operations, the initial cleanup of the site will be performed as soon as weather and site conditions allow economic execution of the work.

POINT 11: OTHER INFORMATION**A) Terrain**

Relatively flat.

B) Soil

Caliche and sand.

C) Vegetation

Sparse, primarily grasses and mesquite with very little grass.

D) Surface Use

Primarily grazing.

E) Surface Water

There are no ponds, lakes, streams or rivers within several miles of the wellsite.

F) Water Wells

One water well is located on Mills Ranch in Section 6, T23S, R31E.

G) Residences and Buildings

J. C. Mills Ranch House is located 1/2 miles northwest of this location.

H) Historical Sites

None observed.

I) Archeological Resources

An archeological survey will be obtained for this area. Before any construction begins, a full and complete archeological survey will be submitted to the Bureau of Land Management. Any location or construction conflicts will be resolved before construction begins.

J) Surface Ownership

The well site and new access road is on privately owned land (Mills Ranch). A surface land damage agreement has been reached between the operator and Mills Ranch.

K) Well signs will be posted at the drilling site.

L) Open Pits

All pits containing liquid or mud will be fenced and bird-netted.

Page 6

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

(915) 683-2277

PRODUCTION

Mike Waygood

3104 East Green Street

Carlsbad, New Mexico 88220

(505) 887-7329

Kent Adams

Box 2760

Midland, Texas 79702

(915) 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 its 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 filing of a false statement.

Date

6/6/03William R. Dannels
William R. Dannels

tlw

JAMES KANCH UNIT

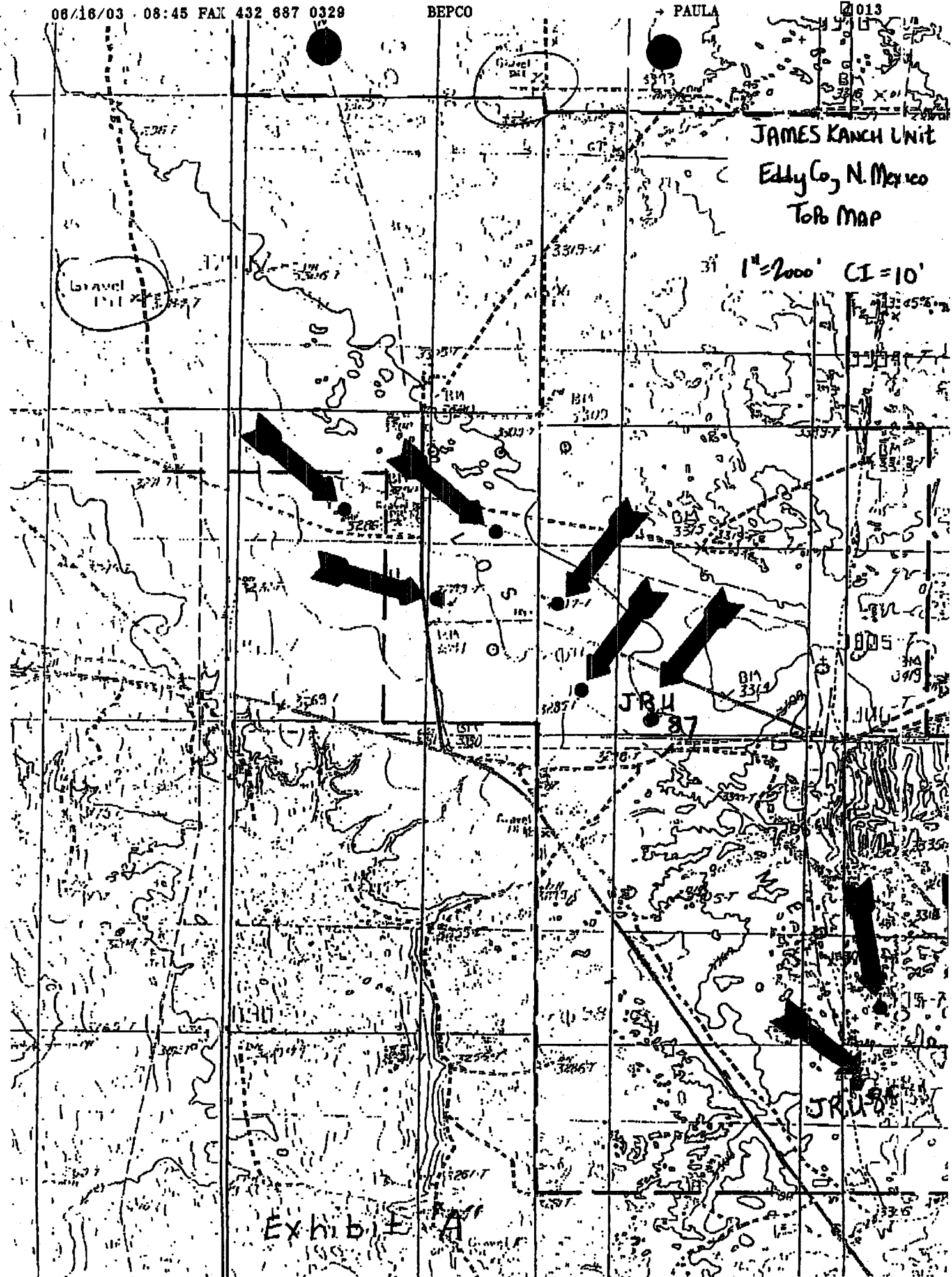
Eddy Co, N. Mexico

Top MAP

1"=2000' CI=10'

Gravel
111 X 111

Exhibit A



WASTE ISOLATION PILOT

Revised 2-12-92

WASTE AREA

22S/31E

Ba Enterprises Production Co.

JAMES RANCH UNIT
Eddy County, New Mexico

Drilling Permit Locations

Scale: 6-12-00 1" = 2000'
Date: 6-12-00
Scale: 1" = 2000'
Drilling Permit Location

Condensed Fr. Surf. down to 6000'

JAMES RANCH UNIT OUTLINE

12

23S/30E

Exhibit
"B"

13

23S/31E

Scale - 1000' shows rim only
Scale - 12 of 125 O.R.R.

7+

15

18

5

8

10

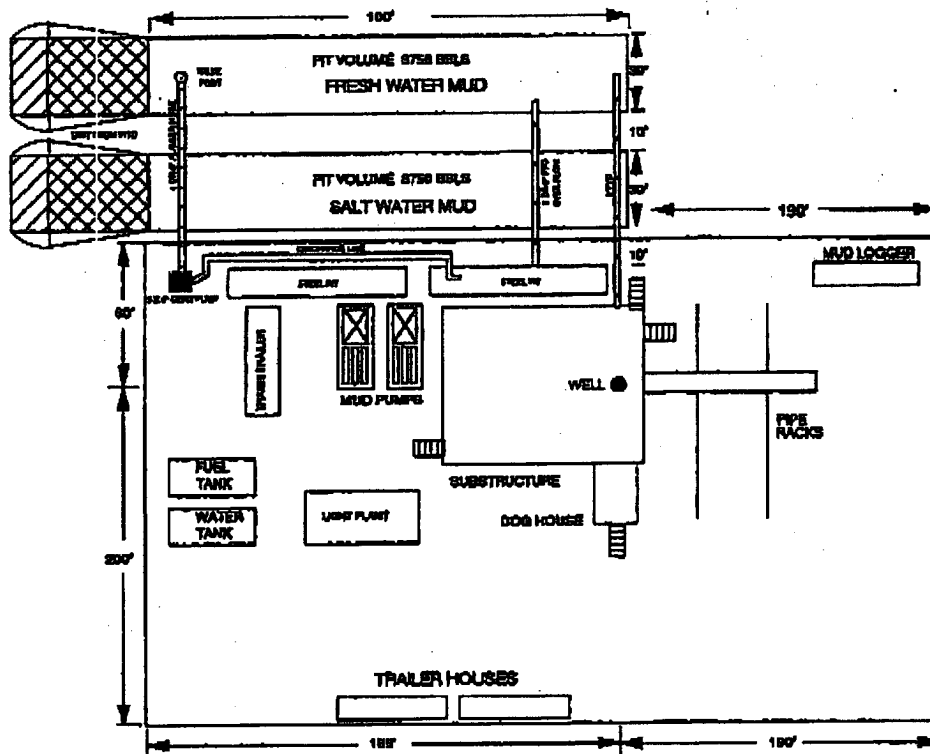
2

17

17

17

JAMES RANCH UNIT # 87



NORTH

EXHIBIT "C"

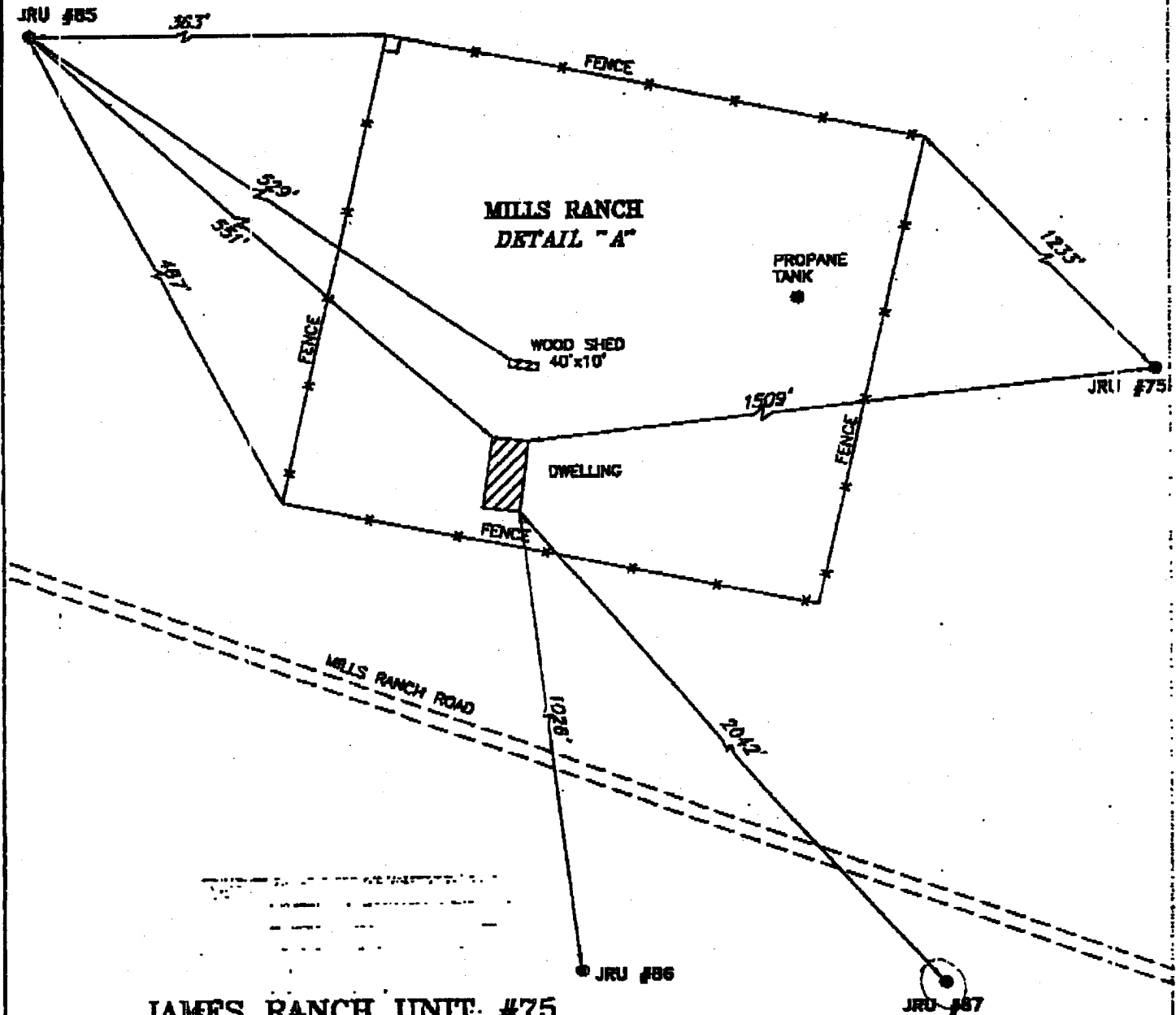


12-07-03 PDD

BEPCO - WTD PRODUCTION

OCT - 2 2000

RECEIVED



JAMES RANCH UNIT #75

Section 6, Township 23 South, Range 31 East,
N.M.P.M., Eddy County, New Mexico.
basin
surveys

 focused on excellence
 in the oilfield

 P.O. Box 1788
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 592-3074 - Fax
 basin-surveys.com

W.D. Number: BASS05318 - KJG #122

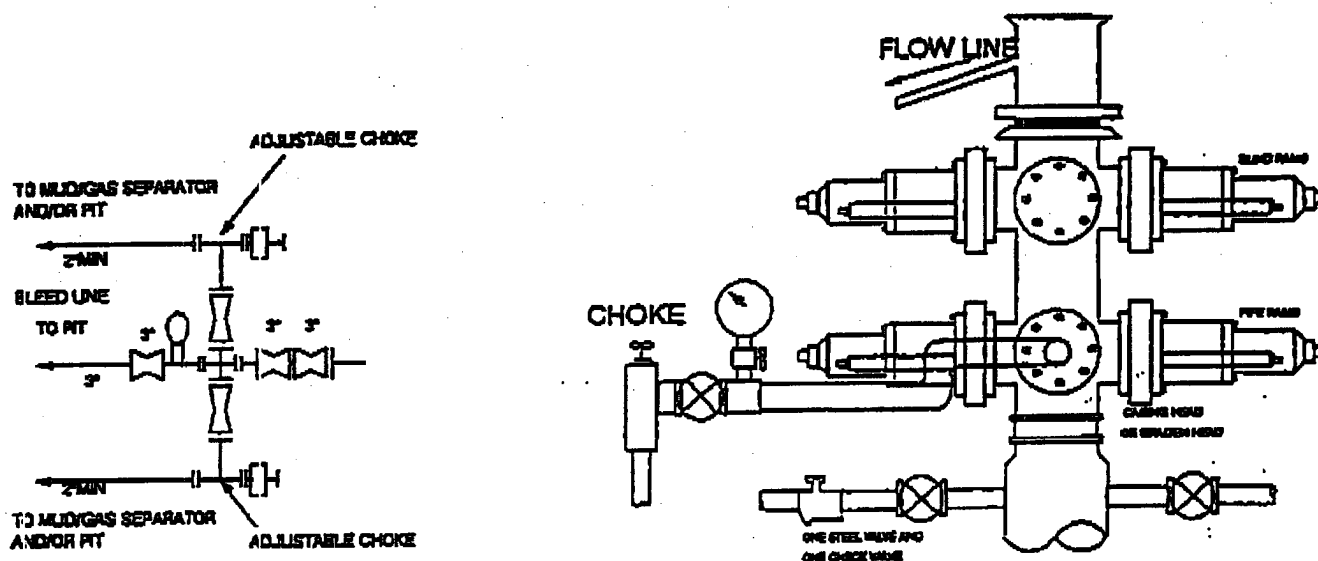
Survey Date: 09-20-2000

Scale: NONE

Date: 09-25-2000

BASS ENTERPRISES
PRODUCTION CO.

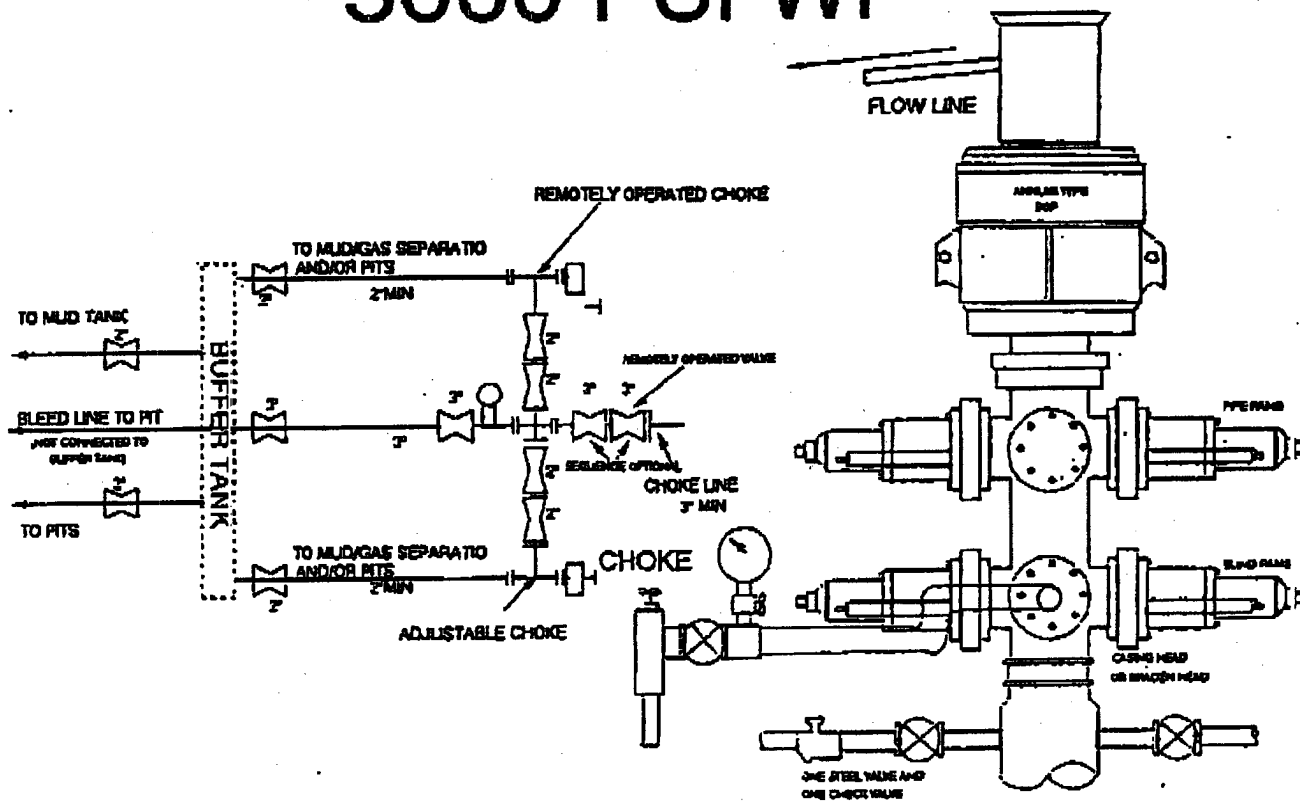
2000 PSI WP



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.

5000 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

ALG 09 '00 11:19AM BAY DEPT.

P.6/9

**IMC Kalium**

IMC Kalium Carlisbad Potash Company
P. O. Box 71
1361 Potash Mines Road
Carlisbad, New Mexico 88721-0071
505.887.2571

505.887.0389 Fax

LAND

RECEIVED

JUL 31 2000

WRS	Jwd	TCS
DDC	MBF	WWC
HCM	LJL	TL
		BHS

July 26, 2000

Mr. Worth Carlin
Bass Enterprises Production Co.
201 Main St.
Fort Worth Texas 76102-3131

RE: Proposed Wells in James Ranch Federal Unit
Section 1, T23S-R30E (Fed Lease No. NM 02384, LC 0543250)
Section 6, T23S-R31E (Fed Lease No. NM 02887, LC 071988)
Sections 8 & 17, T23S-R31E (Fed Lease No. LC 071988-3)
Hudson "1" Federal Well No. 7
JRU Nos. 83, 84, 85, 86, 87, 88, 89, 90
Eddy County, New Mexico

Dear Mr. Carlin:


IMC Kalium Carlisbad Potash Company has received your notice that Bass Enterprises Production Company intends to use the above referenced wells. IMC Kalium has no objections to Bass drilling wells JRU Well No. 83, JRU Well No. 84, JRU Well No. 85, and Hudson "1" Fed. #7 to depths no deeper than the base of the Delaware formation at the stated locations. Based on the best available information, the locations of the fore mentioned wells will not interfere with the development of our potash resources.

IMC Kalium does object to the proposed locations for JRU Well No. 86, JRU Well No. 87, JRU Well No. 88, JRU Well No. 89, and JRU No. 90. The location given for JRU Well No. 89 is inside our Life of Mine Reserve (LMR). The locations given for JRU Wells Nos. 86, 88, and 90, with a projected final depths in the Delaware formation, are within 1/2 mile of where we expect to mine in the future. The location given for JRU Well No. 87, with a projected final depth in the Wolfcamp formation is also within 1/4 mile of where we expect to mine. Drilled at the proposed locations, these wells would interfere with the development of potash reserves.

The above considerations are based on the best available information at this time; as more information becomes available our estimates of the extent of the potash resources in the area may change. Therefore, please consider the "objections offered" and "no objection offered" to the well locations to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to, more than one year prior, notify us again at that time so we can make the decision based on current information.

IMC Kalium submits this letter in lieu of the forms requested.

Sincerely,


John Purcell
Chief Mine Engineer

cc: Don Purvis Charlie High Leslie Theiss Lori Wrotenbery
Don Morchouse Tim O'Brien Craig Cranston