

N.M. Oil Cons. DIV-L
1301 W. Grand Avenue
Artesia, NM 88210

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT


APPLICATION FOR PERMIT TO DRILL OR REENTER

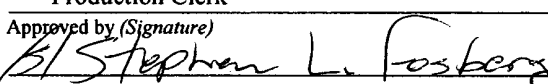
FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM 002860 NM 02860
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. 1801 Secretary's Palace		7. If Unit or CA Agreement, Name and No. NMNM71016 X 1296
3a. Address P. O. Box 2760 Midland, TX 79702		8. Lease Name and Well No. POKER LAKE UNIT 209
3b. Phone No. (include area code) (432)683-2277		9. API Well No. 30-015-32940
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENW, UL F, 1650 FNL, 1650 FWL 32.13131 N LAT, 103.55274 W LON At proposed prod. zone SAME		10. Field and Pool, or Exploratory NASH DRAW - DELAWARE
14. Distance in miles and direction from nearest town or post office* 14 MILES EAST OF MALAGA NM		11. Sec., T., R., M., or Blk, and Survey or Area SEC 18, T24S, R30E, MER NMP
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1650'	16. No. of Acres in lease 2520.68	12. County or Parish EDDY
17. Spacing Unit dedicated to this well 40.00	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1303	13. State NM
19. Proposed Depth 7750 MD	20. BLM/BIA Bond No. on file NM2204	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3141 GL	22. Approximate date work will start* 10/01/2005	23. Estimated duration 12 DAYS
24. Attachments CARLSBAD CONTROLLED WATER BASIN		

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. Operation 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 	Name (Printed/Typed) Cindi Goodman	Date 06/22/2005
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Title Production Clerk		
Approved by (Signature) 	Name (Printed/Typed) Stephen L. Fosberg	Date AUG 11 2005
Title ACTING STATE DIRECTOR	Office NM STATE OFFICE	

Application approval does not warrant or certify the 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 and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

5-17
79.5

Any new pit constructed
must be permitted under
Rule 50.

Witness Surface Casing.

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
1626 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
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 47545	Pool Name Nash Draw Delaware
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 209
OCRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3141'

Surface Location

UL or lot No. F	Section 18	Township 24 S	Range 30 E	Lot Idn	Feet from the 1650	North/South line NORTH	Feet from the 1650	East/West line WEST	County EDDY
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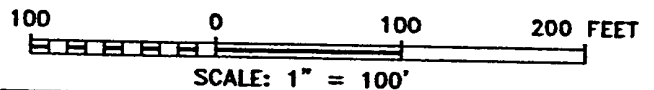
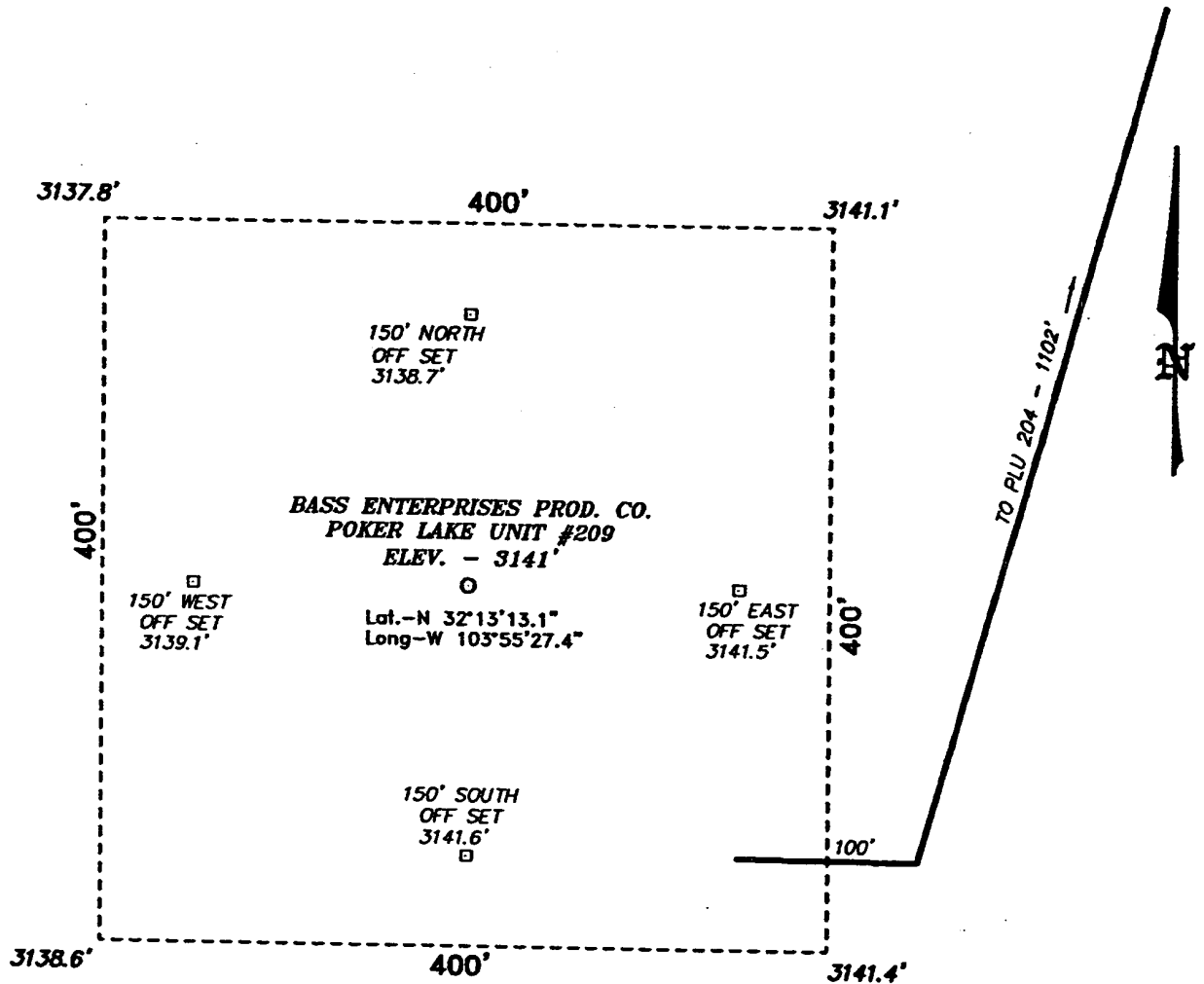
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>William R. Dannels</u> Signature W.R. DANNELS Printed Name DIVISION DRILLING SUPT. Title 6/16/03 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 10, 2003 Date Surveyed Signature of Cary L. Jones Professional Surveyor W.O. No. 3054 Certificate No. Cary L. Jones 7977 PROFESSIONAL SURVEYOR BASS SURVEYS

**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. 209 / Well Pad Topo

THE POKER LAKE UNIT No. 209 LOCATED 1650' FROM
THE NORTH LINE AND 1650' FROM THE WEST LINE OF
SECTION 18, TOWNSHIP 24 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Basin Surveys P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 3084

Drawn By: K. GOAD

Date: 03-11-2003

Drawn By: K. GOAD

3084-0000

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

NAME OF WELL: Poker Lake Unit #209

LEGAL DESCRIPTION - SURFACE: 1650' FNL & 1650' 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 3159' (est) GL 3141'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	409'	+2750	Barren
T/Salt	859'	+2300'	Barren
T/Lwr Brushy Canyon	6921'	-3762'	Oil/Gas
T/Bone Spring	7196'	-4037'	Oil/Gas
TD	7750'	-4591'	

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' - 850' 650'	Surface	New
5-1/2", 15.5#, J-55, LT&C	0' - 6500'	Production	New
5-1/2", 17#, J-55, LT&C	6500' - 7750'	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. The BOP stack choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to 70% of internal yield pressure of casing or 1000 psig whichever is less with a rig pump. 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

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' - 850'	FW Spud Mud	8.5 - 9.2	70-38	NC	NC	NC	10.0
800' - 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 - 500' (100% excess circ to surface)	217	500	Permian Basin Critical Zone + 1/4# Flocele	10.4	12.8	1.90		
Tail 500- 850' 650' (100% excess circ to surface)	233	350	Prem Plus + 2% CaCl₂ + 1/4# Flocele	6.33	14.8	1.35		
PRODUCTION:								
Base Slurry w/nitrogen 3050-7750' + (50% excess)	753	4700	Premium Plus + 2% Zone Sealant 2000	6.32	9.1-14.5	2.3-1.39	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.

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: Poker Lake Unit #209

LEGAL DESCRIPTION - SURFACE: 1650' FNL & 1650' FWL, Section 18, T-24-S, R-30-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit A, B and Survey Plats

B) Existing Roads:

From Carlsbad, New Mexico, go 8 miles south on Highway 285 to Highway 31. Turn north and 7 miles on Highway 31. Turn east on Highway 128 and go 4 miles to Rawhide Road (located between mile markers 4 and 5). Turn southeast onto Rawhide Road and go approximately 9.0 miles southerly.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit A, B and Survey Plats.

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See Exhibit A and B. Proposed road is 1202' in length.

B) Width

12' wide.

C) Maximum Grade

Not applicable.

D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

None.

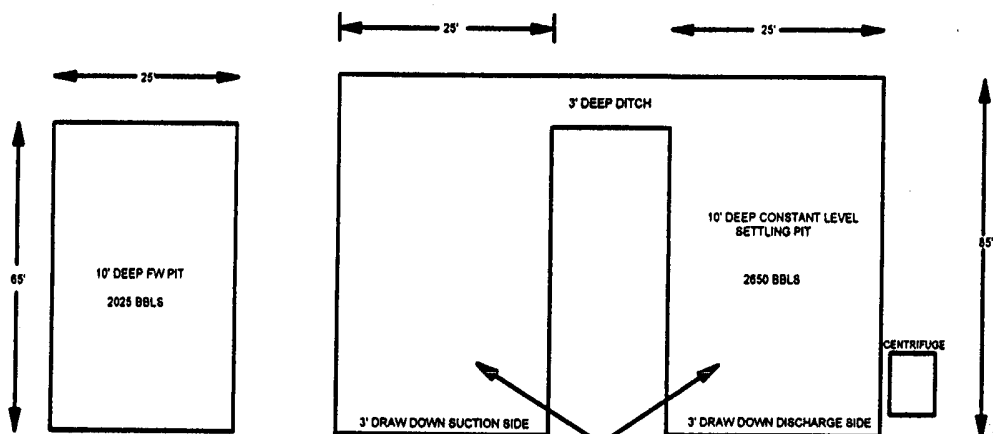
POINT 3: LOCATION OF EXISTING WELLS

Exhibit A and B indicates existing wells within the surrounding area.

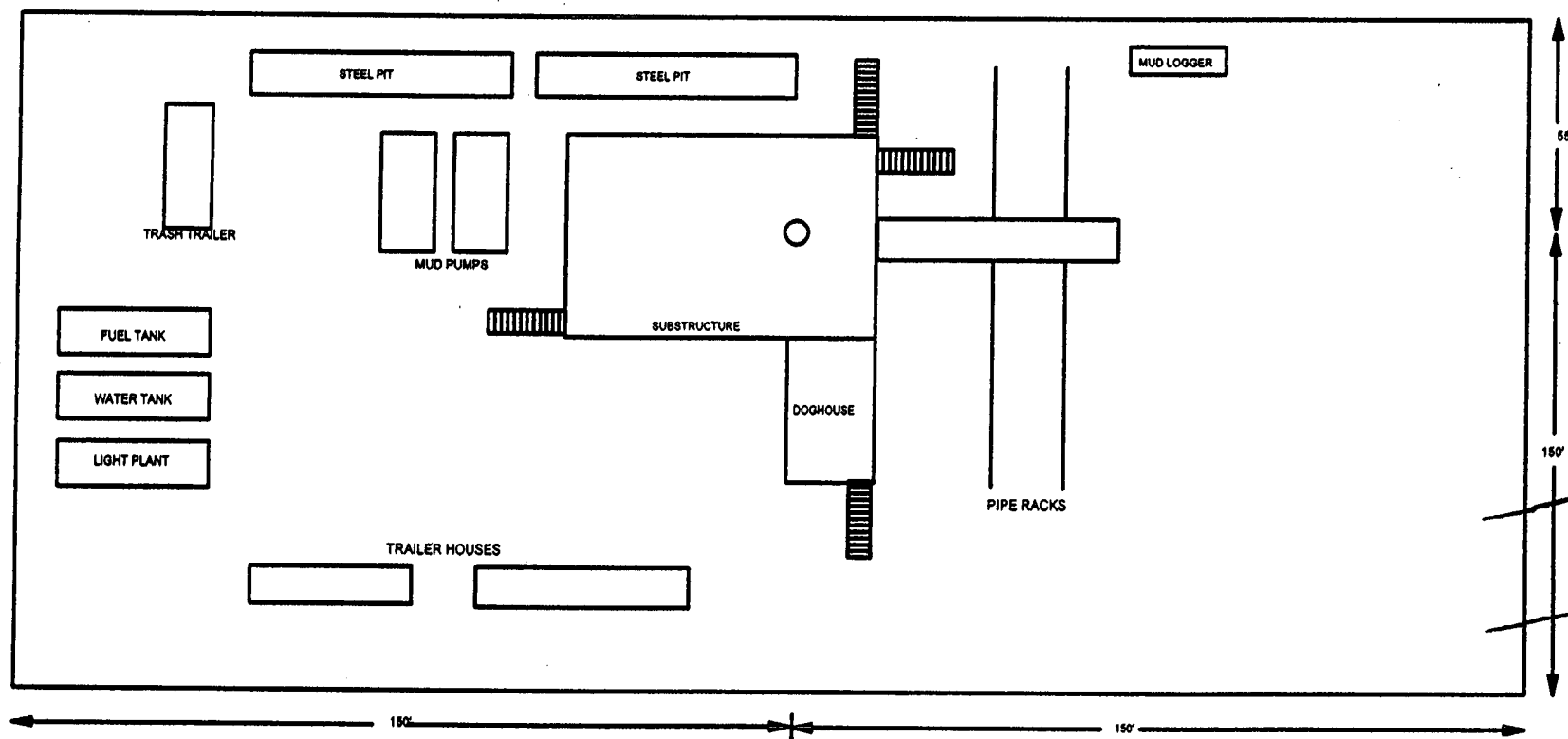
NORTH



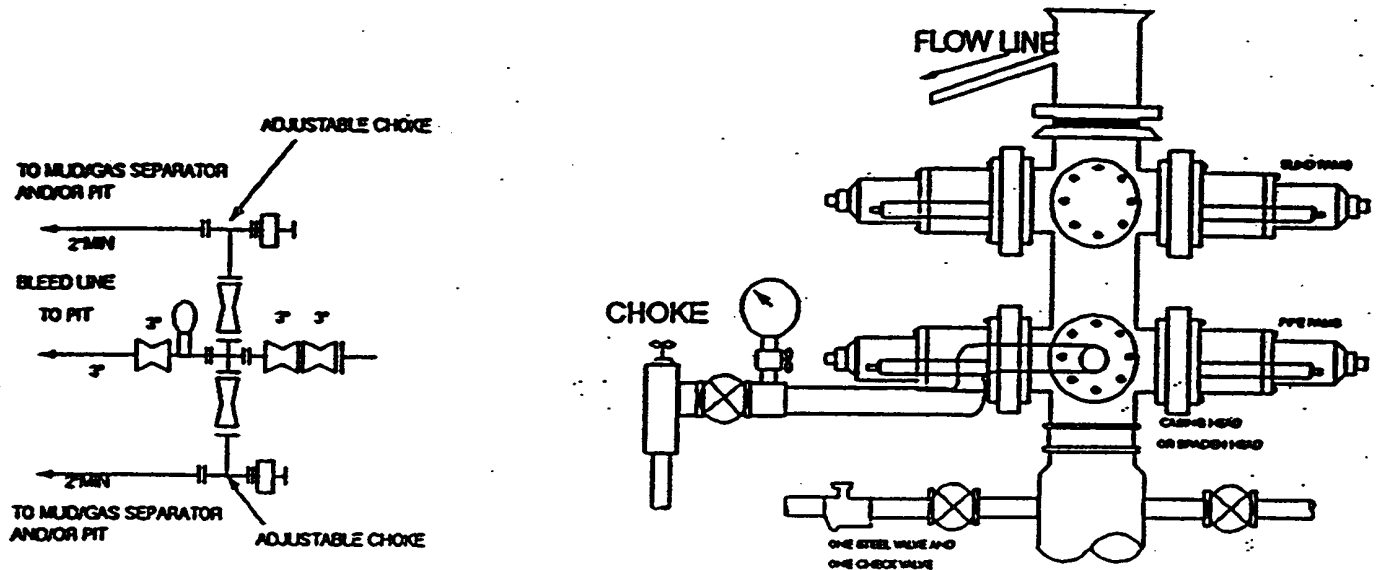
EXHIBIT "C"



RESERVE PIT



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.

DIAGRAM 1

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Bass Enterprises Production Company
Well Name & No. Poker Lake Unit #209
Location: 1650' FNL, 1650' FWL, Section 18, T. 24 S., R. 30 E., Eddy County, New Mexico
Lease: NM-02860

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County in sufficient time for a representative to witness:
 - A. Well spud
 - B. Cementing casing: 8-5/8 inch 5-1/2 inch
 - C. BOP tests
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.
4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

II. CASING:

1. The 11-3/4 inch surface casing shall be set at approximately 650 feet and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.
2. The minimum required fill of cement behind the 5-1/2 inch production casing is to be sufficient to reach at least 500 feet above the top of the uppermost productive hydrocarbon bearing interval.

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 8-5/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2000 psi. Surface casing may be tested with the rig pumps.
3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
 - The results of the test shall be reported to the appropriate BLM office.
 - Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
 - Testing must be done in a safe workman-like manner. Hard line connections shall be required.