

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUN 16 2005


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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM069627-A
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 type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Bass Enterprises Production Co. 1801		7. If Unit or CA Agreement, Name and No. NMNM71016
3a. Address P. O. Box 2760 Midland, TX 79702		8. Lease Name and Well No. 1796 POKER LAKE UNIT 234
3b. Phone No. (include area code) (432)683-2277		9. API Well No. 30-015-34311
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWNE, LOT B, 330 FNL, 2400 FEL LAT. 32.10491 LON 103.55115 At proposed prod. zone SAME Non-Standard Location		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 31, T24S, R30E, MER NMP
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330'		12. County or Parish EDDY
16. No. of Acres in lease 1922		13. State NM
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. 2000'		
19. Proposed Depth 7600' MD 7600' TVD		
20. BLM/BIA Bond No. on file		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3187' GL		
22. Approximate date work will start* 07/01/2005		
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 05/04/2005
Title Production Clerk		
Approved by (Signature) /s/ Joe G. Lara	Name (Printed/Typed) /s/ Joe G. Lara	Date JUN 14 2005
Title ACTING FIELD MANAGER		
Office CARLSBAD FIELD 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)

Seal
29.5

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Witness Surface Casing

NSL-5267

Surface casing to be set into the Rustler below all fresh water sands.
Production casing will be cemented using Zone Seal cement.
Drilling Procedure, BOP Diagram, Anticipated tops and surface plans attached.

This well is located outside the Secretary 's Potash area and outside the R-111 Potash area. There are no potash leases within 1 mile of the location.

This is an unorthodox location.

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 47545	Pool Name NASH DRAW - DELAWARE
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 234
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3187'

Surface Location

UL or lot No. B	Section 31	Township 24 S	Range 30 E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 2400	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 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

LOT 1 40.65 ACRES		3201.5'	3187.3'	2400'
LOT 2 40.61 ACRES	81.32 ACRES	3179.7'	3172.5'	162.34 ACRES
LOT 3 40.57 ACRES				
LOT 4 40.53 ACRES	81.16 ACRES			162.66 ACRES

Lat - N32°10'49.1"
Long - W103°55'11.6"

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

William R. Dannels
Signature

William R. Dannels
Printed Name

Div. Dir. Supt
Title

5-2-05
Date

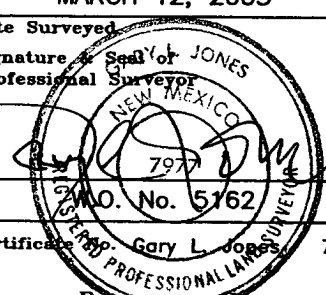
SURVEYOR CERTIFICATION

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 12, 2005

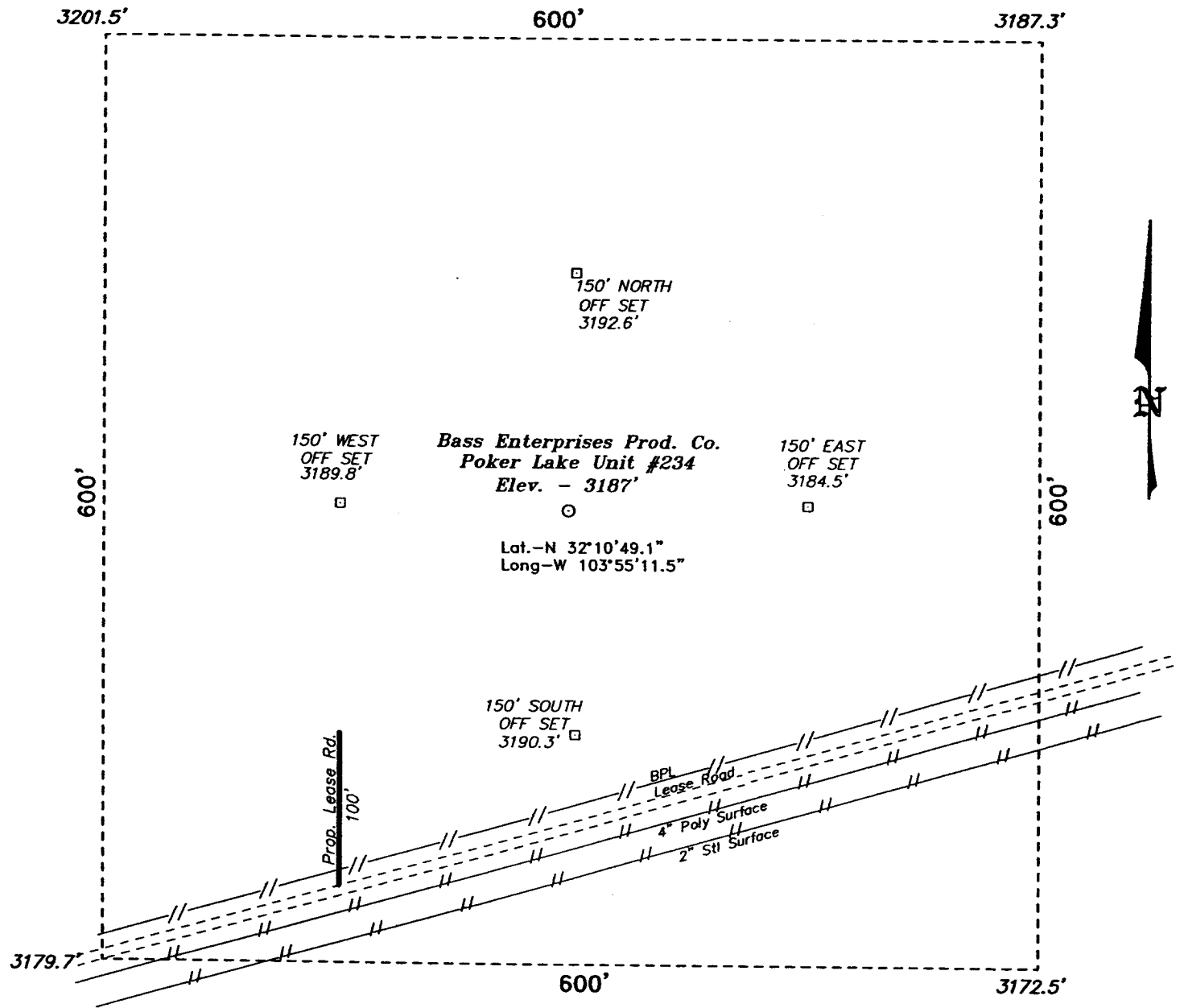
Date Surveyed

Signature of Gary L. Jones
Professional Surveyor



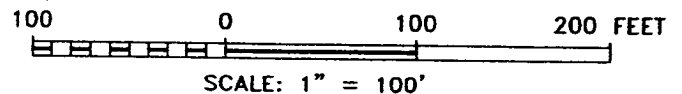
Certificate No. 5162 7977
Professional Land Surveyor

**SECTION 31, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 128 & CO. RD. 793 GO SOUTH ON 793 FOR APPROX. 4.0 MILES TO LEASE ROAD, THEN EAST ON LEASE ROAD FOR 0.25 MILES; THEN SOUTH 0.9 MILES, THENCE EAST 0.3 MILES, THENCE SOUTHERLY APPROX 5.0 MILES, THENCE WESTERLY FOR 1.2 MILES TO CO RD. 748, THENCE SOUTHEASTERLY FOR APPROX. 2.1 MILES TO LEASE ROAD, THENCE WESTERLY FOR 0.4 MILES TO PROPOSED LOCATION.



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

W.O. Number: 5162 Drawn By: K. GOAD

Date: 03-16-2005 Disk: KJG #1 - 5162A.DWG

BASS ENTERPRISES PRODUCTION CO.

REF: Poker Lake Unit No. 234 / Well Pad Topo

THE POKER LAKE UNIT No. 234 LOCATED 330' FROM
THE NORTH LINE AND 2400' FROM THE EAST LINE OF
SECTION 31, TOWNSHIP 24 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 03-12-2005 Sheet 1 of 1 Sheets

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

NAME OF WELL: Poker Lake Unit #234

LEGAL DESCRIPTION - SURFACE: 330' FNL & 2400' FEL, Section 31, 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 3207' (est) GL 3187'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	7'	+3200'	Barren
T/Salt	397'	+2810'	Barren
T/Ramsey Sand	3497'	-290'	Oil/Gas
T/Lwr Brushy Canyon "8" A	7007'	-3800'	Oil/Gas
T/Bone Spring	7282'	-4075'	Oil/Gas
TD	7600'	-4393'	

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
16"	0'- 40'	Conductor	Contractor Discretion
11-3/4", 42#, H-40, ST&C	0'- 390'	Surface	New
* 8-5/8", 32#, J-55, LT&C	0'- 3460'	Intermediate	New *
5-1/2", 15.5#, J-55, LT&C	0'- 6300'	Production	New
5-1/2", 17#, J-55, LT&C	6300' -7600'	Production	New

*If there is no flowing sand or Loss Circulation this string will not be run.

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nipped up on the surface casing head and on the intermediate casing head. The BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. when rigged up on the surface casing will be hydro-tested to 70% of internal yield pressure of casing or 1000 psig whichever is less with the rig pump. If the BOP stack, etc. is rigged up on the intermediate casing spool all equipment will be tested to 3000 psig by independent tester. 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	WITNESS
0' - 390'	FW Spud Mud	8.5 - 9.2	38-70	NC	NC	NC	10.0	
390' - 3460'	Brine Water	9.8 -10.2	28-30	NC	NC	NC	9.5 - 10.5**	
3460' - 6000'	FW/Gel	8.8 - 9.2	30-34	NC	NC	NC	9.5 - 10.5**	
6000' - 6900'	FW/Gel/Starch	8.8 - 9.2	30-34	8	2	<100 cc	9.5 - 10.5**	
6900' - TD	FW/Gel/Starch	8.8 - 9.2	30-34	8	2	<25 cc	9.5 - 10.5**	

**** If there is no intermediate casing set @ 3560', the drilling fluid will be 10 ppg BW to 5600' where it will be converted to BW/Diesel with properties as follows: 8.8 – 9 ppg, 32 – 40 funnel secs vis, YP2, PV 8, FL 25 cc or less, Ph 9.5 – 10.**

NOTE: 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 (+/- 3300').
GR-CNL-CAL 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 – 390' (100% excess circ to surface)	300	390	Prem Plus + 2% CaCl ₂ + 1/4# Flocele	6.33	14.8	1.35
INTERMEDIATE:						
Lead 0' – 3160' (200% excess)	1050	3160	Interfill C	14.11	11.9	2.45
Tail 3160' – 3460' (200% excess)	200	300	Prem Plus + 2% CaCl ₂	6.37	14.8	1.35
PRODUCTION:						
Base Slurry w/nitrogen 2997-7600' (50% excess)	775	4603	Premium Plus + 2% Zone Sealant 2000	6.76	9.1-14.5	2.3-1.39

Nitrogen
300/600
scf/bbl

COMPRESSIVE
Strength
1200

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3285 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware Section from 3497-7600'. No H₂S is anticipated.

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/cdg

April 15, 2005

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: Poker Lake Unit #234

LEGAL DESCRIPTION - SURFACE: 330 FNL & 2400' FEL, Section 31, T-24-S, R-30-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit A and Survey Plats

B) Existing Roads:

From Carlsbad, New Mexico, go 8 miles south on Highway 285 to Highway 31. Turn north and go 7 miles on Highway 31. Turn east on Highway 128 and go 4 miles to Rawhide Road (located between mile markers 4 and 5). Go south for 7 miles to lease road, then east for 0.25 mile, then south 0.9 miles, then east 0.3 mile, then southeasterly for 5 miles, then westerly for 1.2 miles to Co. Road 748, then southeasterly for approximately 2.1 miles to lease road, then westerly for 0.4 miles to proposed location.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit B and Survey Plats.

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

Approximately 100' of new road is required.

B) Width

12'

C) Maximum Grade

Grade to match existing topography or as per BLM requirements.

D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

If required, culverts and cattle guards will be set per BLM Specs.

POINT 3: LOCATION OF EXISTING WELLS

Exhibit A indicates existing wells within the surrounding area.

POINT 12: OPERATOR'S FIELD REPRESENTATIVE

Page 6

(Field personnel responsible for compliance with development plan for surface use).

DRILLING

William R. Dannels
Box 2760
Midland, Texas 79702
(432) 683-2277

PRODUCTION

Mike Waygood
3104 East Green Street
Carlsbad, New Mexico 88220
(505) 887-7329

Kent A. Adams
Box 2760
Midland, Texas 79702
(432) 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 it's 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.

5-2-05
Date

William R. Dannels
William R. Dannels

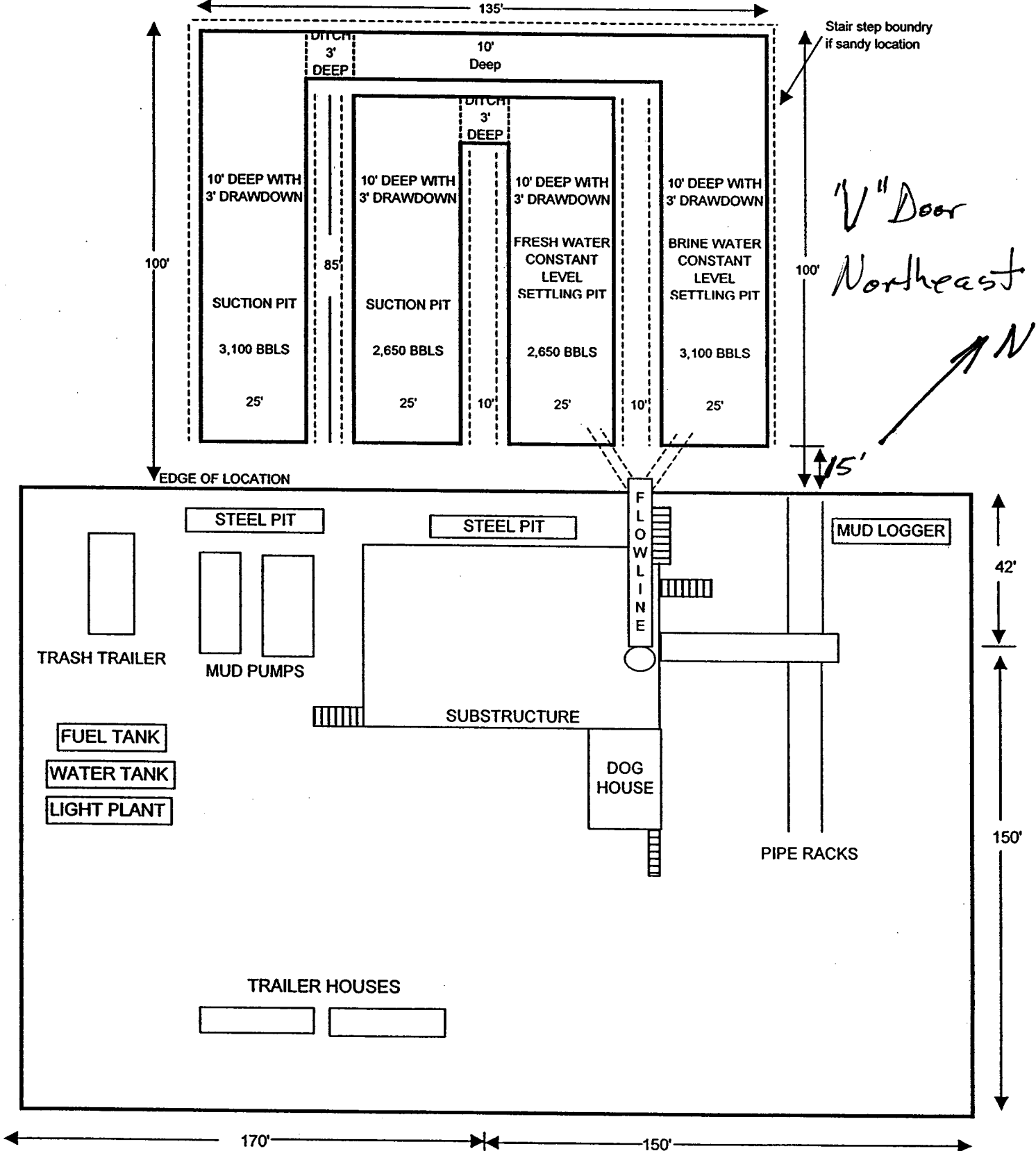
GEG/cdg

BASS ENTERPRISES PRODUCTION COMPANY

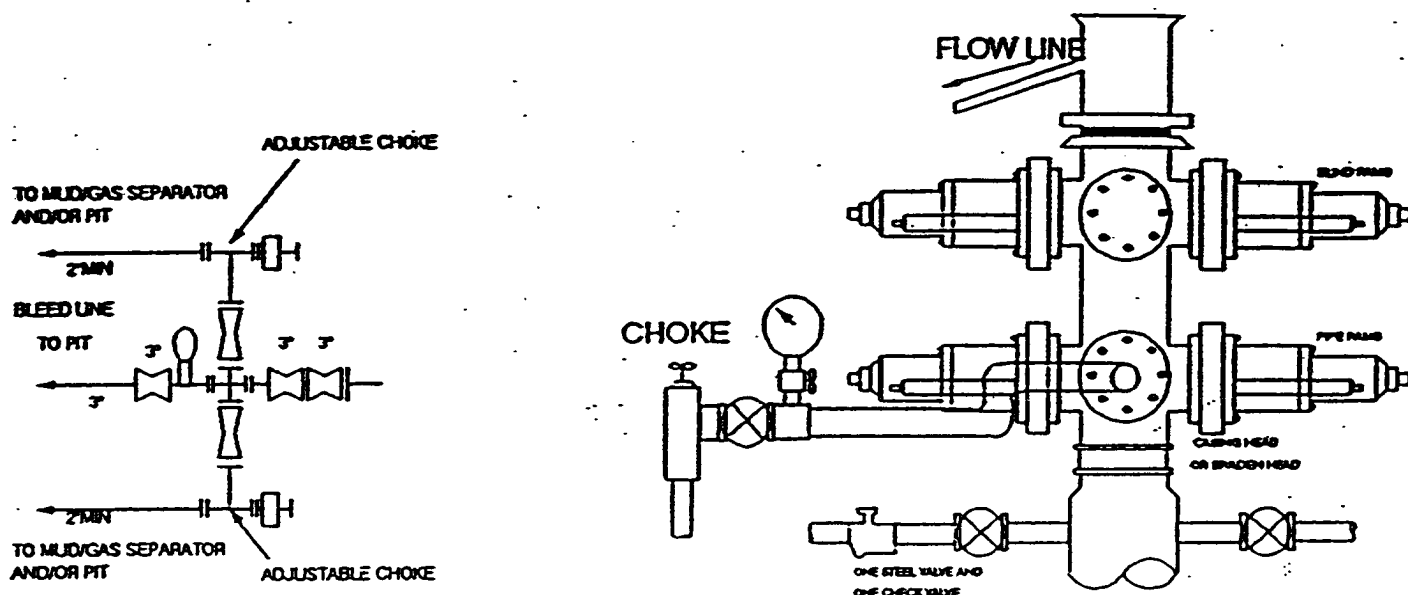
Poker Lake Unit #216

Grey Wolf Rig 15

EXHIBIT "D"



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.