

OCD-HOBBS

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0135  
Expires November 30, 2000

EC

## APPLICATION FOR PERMIT TO DRILL OR REENTER

571

1a. Type of Work: ☒ DRILL ☐ REENTER

CONFIDENTIAL

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone2. Name of Operator  
BASS ENTERPRISES PRODUCTION COContact: TAMI WILBER  
E-Mail: twilber@basspet.com3a. Address  
VAUGHN BUILDING P O BOX 2760  
MIDLAND, TX 797023b. Phone No. (include area code)  
Ph: 945.683.2277  
Fx: 945.687.0329

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)

At surface NWSE 1980FNL 1525FWL

At proposed prod. zone NWSE 1980FNL 1525FWL

14. Distance in miles and direction from nearest town or post office\*  
35 MILES WEST FROM HOBBS NEW MEXICO15. Distance from proposed location to nearest property or  
lease line, ft. (Also to nearest drig. unit line, if any)  
66016. No. of Acres in Lease  
959.4818. Distance from proposed location to nearest well, drilling,  
completed, applied for, on this lease, ft.  
N/A19. Proposed Depth  
14250 MD21. Elevations (Show whether DF, KB, RT, GL, etc.)  
3694 GL22. Approximate date work will start  
06/03/20035. Lease Serial No.  
NMNM10470

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.  
TORY 3 FEDERAL 1

9. API Well No.

10. Field and Pool, or Exploratory  
HAT MESA, Morrow

11. Sec., T., R., M., or Blk. and Survey or Area

Sec 3 T21S R32E Mer NMP  
SME: BLM12. County or Parish  
LEA13. State  
NM17. Spacing Unit dedicated to this well  
320.00

20. BLM/BIA-Bond No./on file

23. Estimated duration  
26 DAYS

## 24. Attachments

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.
2. A Drilling Plan.
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).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
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

OPER. OGRID NO. 1801

PROPERTY NO. 32564

POOL CODE 78240

EFF. DATE 7-21-03

API NO. 30-025-36336

Date  
04/23/2003Title  
AUTHORIZED REPRESENTATIVE

Approved by (Signature)

Name (Printed/Typed)

1st JANICE L. GAMBY

1st JANICE L. GAMBY

Title  
STATE DIRECTOROffice  
NM STATE OFFICEDate  
JUL 09 2003

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)

APPROVAL SUBJECT TO Electronic Submission #20942 verified by the BLM Well Information System  
GENERAL REQUIREMENTS AND For BASS ENTERPRISES PRODUCTION CO, sent to the Hobbs  
SPECIAL STIPULATIONS BLM MSS for processing by Linda Askwig on 04/25/2003 (03LA0161AE)  
ATTACHED

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

Bill Dannels

**Additional Operator Remarks:**

Surface casing to be set @ ~~450'~~ 1450'  
Producing casing cement will be brought up at least 500' above the upmost hydrocarbon bearing zone.  
Drilling Procedure, BOPE Diagram, Anticipated Formation Tops and Surface Use Plans attached.  
There are no potash leases within 1 mile of this location.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.****SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM10470
2. Name of Operator BASS ENTERPRISES PRODUCTION CO		6. If Indian, Allottee or Tribe Name
3a. Address VAUGHN BUILDING P O BOX 2760 MIDLAND, TX 79702		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 915.683.2277 Fx: 915.687.0329		8. Well Name and No. TORY 3 FEDERAL 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 3 T21S R32E NWSE 1980FNL 1525FWL		9. API Well No. 30-025-36336
		10. Field and Pool, or Exploratory HAT MESA, MOI-10W
		11. County or Parish, and State LEA COUNTY, NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please see the attached letter dated 5/6/03 regarding "additional information for potash string exception"

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #22023 verified by the BLM Well Information System For BASS ENTERPRISES PRODUCTION CO, sent to the Hobbs Committed to AFMSS for processing by Linda Askwig on 05/19/2003 (03LA0187SE)</b>	
Name (Printed/Typed) TAMI WILBER	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 05/19/2003

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>18/ JANICE L. EADY</u>	Acting Title <u>STATE DIRECTOR</u>	Date <u>05/19/2003</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office <b>NM STATE OFFICE</b>		

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**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

MAY 14 '03 04:37PM BASS LAND DEPT. 38AD, NM

FAX NO. 505 8870589

MAY 14 '03 P 3:42 PM



IMC Potash Carlsbad Inc.  
P. O. Box 71  
1361 Potash Mines Road  
Carlsbad, New Mexico 88221-0071  
505.887.1871  
505.887.0589 Fax

May 6, 2003

Mr. Jay F. Buckley  
Bass Enterprises Production Co.  
201 Main St.  
Fort Worth, Texas 76102-3131

RE: Proposed Well Torg Federal 3 No. 1  
Section 3, T21S-R32E, N.M.P.M.  
1980' FNL & 1525' FWL  
Lea County, New Mexico

Dear Mr. Buckley:

IMC Potash Carlsbad Inc. (IMC) has received your notice, that Bass Enterprises Production Co. (BEPco) intends to drill a well at the above stated location. The proposed well is located on land that is not leased by IMC. We appreciate notice of BEPco's intent to drill in the Potash Area, but will refer any decision as to the suitability of the location to the BLM. The location is more than three miles from any IMC held potash leases and will not interfere with the development of potash resources controlled by IMC.

The above consideration is based on the best available information at this time; as more information becomes available our estimation 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 location 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 submits this letter in lieu of the forms requested.

Sincerely,



John Purcell  
Chief Mine Engineer

cc: Dan Morehouse      Charles High      Lori Wrotenburg, OCD  
Craig Cranston, BLM      Betty Hill, BLM

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000



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		11. County or Parish, and State LEA COUNTY, NM

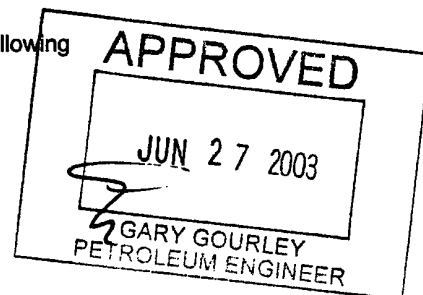
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Per Mr. Gary Corley's telephone conversation with Bill Dannels with Bass on 6/24/03, the following casing program will be used on the subject well.

HOLE SIZE	CASING SIZE	SET DEPTH
26"	20"	1450'
17-1/2"	13-3/8"	3260'
12-1/4"	8-5/8"	4860'
7-7/8"	5-1/2"	TD



14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #23625 verified by the BLM Well Information System For BASS ENTERPRISES PRODUCTION CO, sent to the Hobbs Committed to AFMSS for processing by Linda Askwig on 06/25/2003 (03LA0207SE)	
Name (Printed/Typed) TAMI WILBER	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 06/25/2003

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office _____

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**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

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

**NAME OF WELL: TORY 3 FEDERAL #1**

**LEGAL DESCRIPTION - SURFACE: 1980' FNL & 1525' FWL, Section 3, T21S, R32E, Lea 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 3722' (est) GL 3694'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	1482'	+ 2240'	Barren
T/Salt	1702'	+ 2020'	Barren
B/Salt	3242'	+ 480'	Barren
T/Capitan Reef	3632'	+ 90'	Barren
T/Delaware	5172'	- 1450'	Oil/Gas
T/Bone Spring	8572'	- 4850'	Oil/Gas
T/Wolfcamp	11,432'	- 7710'	Oil/Gas
T/Strawn	12,642'	- 8920'	Oil/Gas
T/Atoka	12,802'	- 9080'	Oil/Gas
T/Morrow	13,302'	- 9580'	Oil/Gas
T/ME Morrow	13,702'	- 9980'	Oil/Gas
T/LR Morrow	14,032'	-10,310'	Oil/Gas
TD	14,250'	-11,528'	Oil/Gas

## **POINT 3: CASING PROGRAM**

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
16"	0' - 40'	Conductor	As Provided by Rathole
11-3/4", 42#, WC50, STC	0' - 1450'	Surface	New
8-5/8", 28#, K-55, LTC	0' - 2800'	Intermediate	New
8-5/8", 32#, K-55, LTC	2,800' - 3200'	Intermediate	New
5-1/2", 17#, P110, LTC	0' - 1500'	Production	New
5-1/2", 17#, N80, LTC	1,500 - 9000'	Production	New
5-1/2", 17#, HCP110 LTC	9,000 - 14,250'	Production	New

AMENDED  
 6/27/2003  
 20" 1450'  
 13 3/8" 3260' BRINE  
 8 5/8" 4860' FRESH only  
 5 1/2" TD XCD/BRINE

**POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAMS)**

A BOP equivalent to Diagram 1 will be nipped up on the surface and 8-5/8" intermediate casing strings. The BOP Stack, choke, kill lines, Kelly cocks, inside BOP, etc. will be hydrotested to 1000 psi with the rig pump and 5000 psi on the intermediate casing. The annulus will be tested to 2500 psi. In addition to the rated working pressure tests, a low pressure (250 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 preventors are operating correctly will be performed on each trip. See the attached Diagram 1 for the minimum criteria for the 5000 psi choke manifold.

**POINT 5: MUD PROGRAM**

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' - 1,450'	FW Spud Mud	8.5 - 9.0	45-35	NC	NC	NC	NC
1,450' - 5,300'	Brine Water	9.8 - 10.0	29-37	NC	NC	NC	10
5,300' - 12,600'	CBW	8.9 - 10	28-32	NC	NC	NC	9.5-10
12,600' - TD	XCD/Brine	9.0 - 10.3	30-40	15	10	<10 cc	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**

[SEE STIPS]

INTERVAL	AMOUNT SX	FT OF FILL	TYPE	GALS/SX	PPG	FT <sup>3</sup> /SX
SURFACE						
0' - 1450'	330	450	Prem Plus + 2% CaCl <sub>2</sub>	6.33	14.8	1.35
(100% Excess circ to Surface)						

\*  
FRESH  
H<sub>2</sub>O  
thru  
REEF  
OUT FROM  
8 5/8"

[SEE STIPS]

## D) CEMENT cont.

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT <sup>3</sup> /SX
INTERMEDIATE - Two Stage						
1 <sup>st</sup> Stage - Lead 3300' - 4800' (75% Excess)	400	1500	Interfill C + ¼ pps Flocele Pol-e-flake	14.12	11.90	2.45
Tail 4800' - 5200' (75% Excess)	200	400	Pram Plus + 2% CaCl <sub>2</sub>	6.34	14.80	1.34
2 <sup>nd</sup> Stage - Lead 0' - 3100' (120% excess)	1000	3100	Interfill C + ¼ pps Flocele	14.2	11.90	2.45
TAIL 3100' - 3300' (75% excess)	100	200	Pram Plus + 2% CaCl <sub>2</sub>	6.34	14.80	1.34
PRODUCTION - LEAD						
6300' - 8000' (35% excess)	400	1700	Interfill H + 0.5% Halad 322 + 5 pps Gilsomite	13.73	11.90	2.48
TAIL 8000' - 14,250' (50% excess)	870	6250	Super H + 5 pps Gilsomite + 1 pps Salt + 0.4% CFR-3 + 0.5% Halad 322 + 0.2 HR-7	8.27	13.00	1.88

## E) DIRECTIONAL DRILLING

No directional services anticipated.

## POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout the Delaware, Bone Spring & Wolfcamp Sections. The Atoka Strawn may be abnormally pressured with a 10 ppg EMW. A BHP of 7500 psi (max) or MWE of 10.0 ppg is expected in the Morrow. No H<sub>2</sub>S 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

26 days drilling operations

15 days completion operations

April 21, 2003  
Date

  
William R. Dannels



## MULTI-POINT SURFACE USE PLAN

**NAME OF WELL:** Tory 3 Federal #1

**LEGAL DESCRIPTION - SURFACE:** 1980' FNL & 1525' FWL, Section 3, T-21-S, R-32-E, Lea County, New Mexico.

### POINT 1: EXISTING ROADS

- A) Proposed Well Site Location:

See Exhibit "A"

- B) Existing Roads:

From the intersection of US 62-180 and State Highway 243 go easterly on Highway 243 for 4.9 miles to Salt Lake Lane; thence South on Salt Lake Lane for 1.3 miles; thence 1.8 miles West on Hat Mesa Road; thence 0.5 miles North on lease road; thence 1.0 miles East into location.

- C) Existing Road Maintenance or Improvement Plan:

See Exhibit "A".

### POINT 2: NEW PLANNED ACCESS ROUTE

- A) Route Location:

See Exhibit "A". The new road will be 12' wide and approximately 1910' long. The road will be constructed of watered and compacted caliche.

- B) Width

Twelve feet (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 "B" indicates existing wells within the surrounding area.

**POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES**

- A) Existing facilities within one mile owned or controlled by lessee/operator:

None.

- B) New Facilities in the Event of Production:

Production facilities will be installed at the proposed location as required if needed.

- C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following the construction of production facilities, 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 with 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 Sonny's Water Station, located 12 miles west of the proposed location off Highway 62-180. Brine water will be hauled from Marathon Brine Water Station, 14 miles east off of Highway 62-180 from the proposed location.

- B) Water Transportation System

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

**POINT 6: SOURCE OF CONSTRUCTION MATERIALS**

- A) Materials

Source of caliche will be the nearest open pit approved by BLM.

- B) Land Ownership

Federally owned.

- 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" & "B".

**POINT 7: METHODS FOR HANDLING WASTE MATERIAL**

- A) Cuttings

Cuttings will be contained in the plastic lined reserve pit.

- B) Drilling Fluids

Drilling fluids will be contained in the plastic lined reserve pit.

**C) Produced Fluids**

Water production will be contained in the plastic lined 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 testing indicates potential productive zones. In any case, the "mouse" hole and the "rat" hole will be covered. The reserve pit will be fenced and 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 Exhibit "C".

**C) Lining of the Pits**

The reserve pits will be lined with plastic.

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

The pits will be fenced immediately after spudding 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's stipulations during the appropriate season following restoration.

Page 4

**B) Restoration Plans - Production Developed**

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**

Reserve pits will be restored as described above under Item A. 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) Rehabilitations Time table**

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**

There are no water wells within 1 mile of location.

**G) Residences and Buildings**

None.

**H) Historical Sites**

None observed.

Page 5

## I) Archeological Resources

An archeological survey will be obtained for this well site. 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 federally owned land.

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

## L) Open Pits

All pits containing liquid or mud will be fenced.

**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.

June 24, 2003  
Date

William R. Dannels  
William R. Dannels

WRD/tlw

## DISTRICT I

1825 N. French Dr., Hobbs, NM 88240

## DISTRICT II

811 South First, Artesia, NM 88210

## DISTRICT III

1000 Rio Bravo Rd., Aztec, NM 87410

## DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2086

Form C-102

Revised March 17, 1989

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36336	Pool Code 78240	Pool Name Hat Mesa; Morrow
Property Code 32564	Property Name TORY 3 FEDERAL	Well Number 1
OGRID No. 1801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3694'

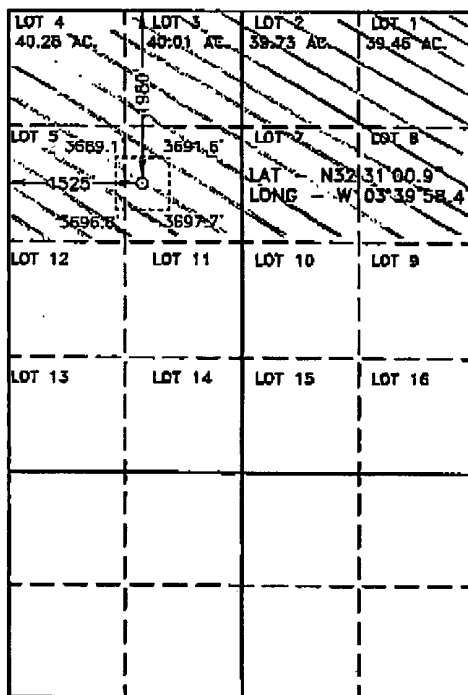
## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 6	3	21 S	32 E		1980	NORTH	1525	WEST	LEA

## 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	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



SCALE 1" = 2000'

## 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

W.R. DANNELS

Printed Name

DIVISION DRILLING SUPT.

Title

4/21/03

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.

APRIL 15, 2003

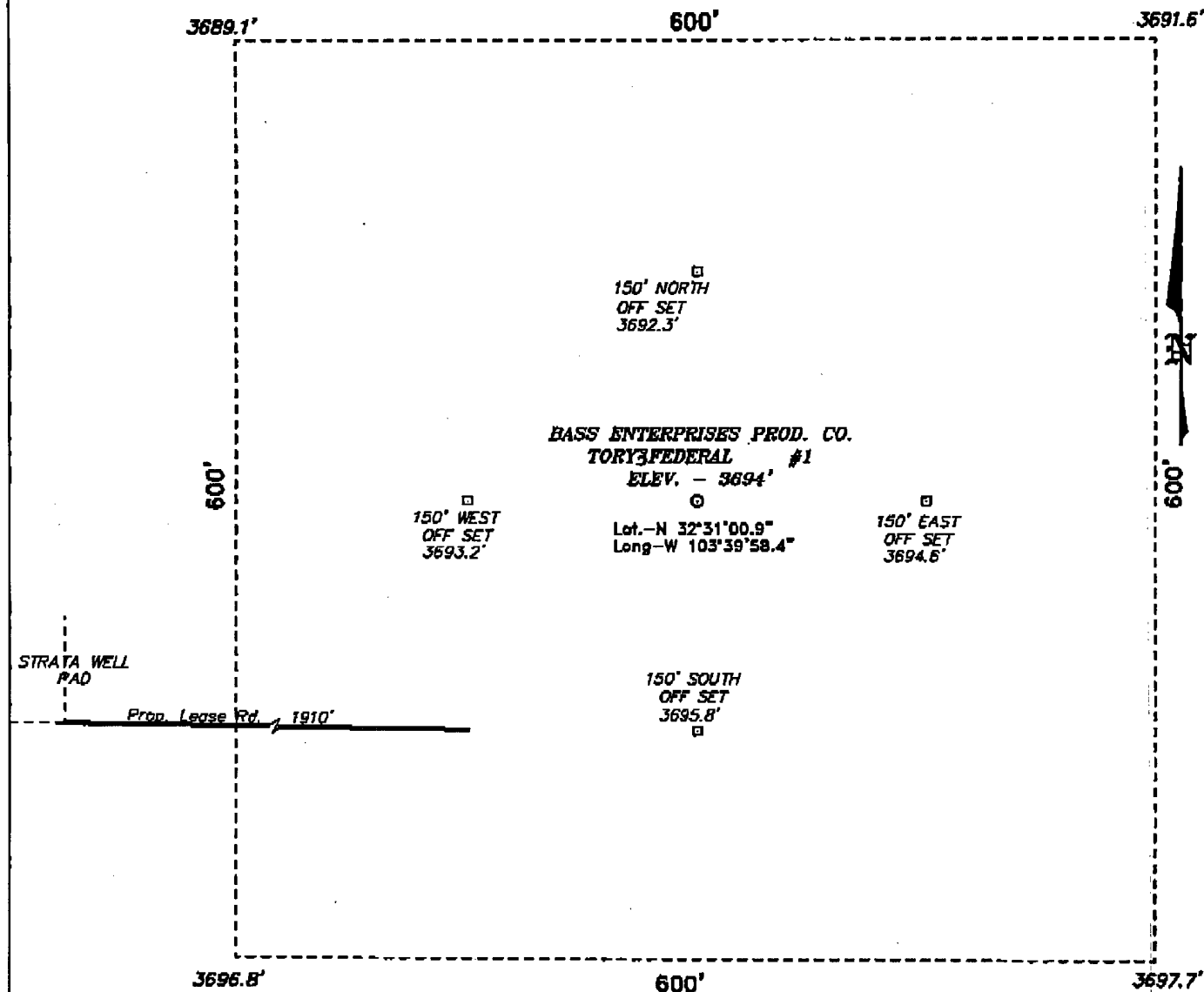
Date Surveyed  
Signature  
Professional Surveyor

*W. L. JONES*  
Signature  
Professional Surveyor

7977  
O. No. 3212  
Certificate

7977  
BASIN SURVEYS

# SECTION 3, TOWNSHIP 21 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.



## DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF US HWY 62/180 AND STATE HWY 243(176), GO EASTERLY ON HWY 243 FOR 4.9 MILES TO SALT LAKE LANE; THENCE SOUTH ON SALT LAKE LANE FOR 1.3 MILE TO HAT MESA ROAD; THENCE WEST ON HAT MESA ROAD FOR 1.8 MILE TO A LEASE ROAD RIGHT; THENCE NORTH ON LEASE ROAD FOR 0.5 MILE TO A LEASE ROAD RIGHT; THENCE EAST ON LEASE ROAD FOR 0.6 MILE TO PROPOSED LEASE ROAD.

100 0 100 200 FEET

SCALE: 1" = 100'

## BASS ENTERPRISES PRODUCTION CO.

REF: TORY3FEDERAL No. 1 / Well Pad Topo

THE TORY3FEDERAL No. 1 LOCATED 1980' FROM  
THE NORTH LINE AND 1525' FROM THE WEST LINE OF  
SECTION 3, TOWNSHIP 21 SOUTH, RANGE 32 EAST,

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

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

W.O. Number: 3212

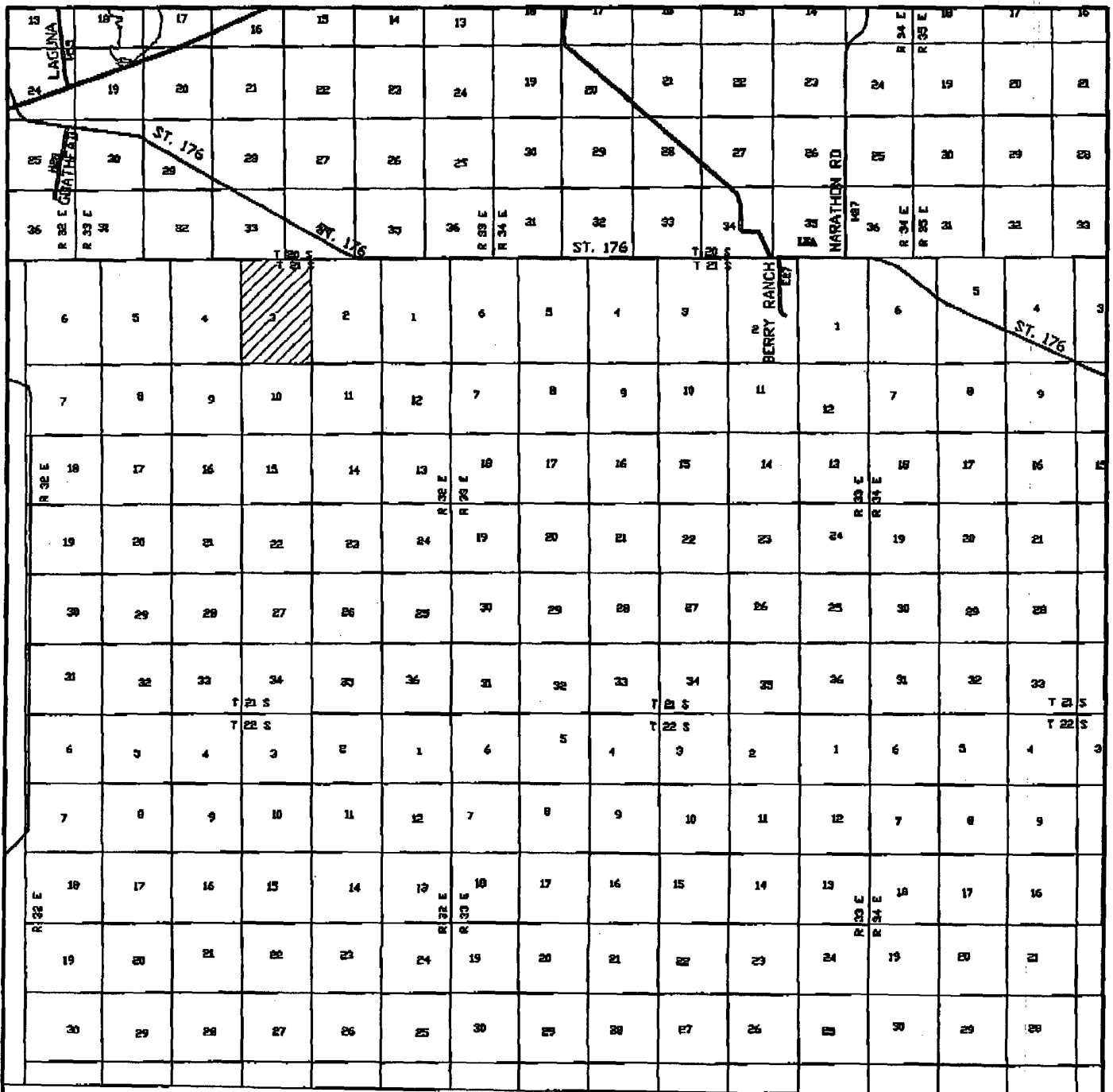
Drawn By: K. GOAD

Date: 04-16-2003

Disk: KJG CD#7 - 3212A.DWG

Survey Date: 04-15-2003

Sheet 1 of 1 Sheets



**TORY3FEDERAL #1**  
 Located at 1980' FNL and 1525' FWL  
 Section 3, Township 21 South, Range 32 East,  
 N.M.P.M., Lea County, New Mexico.

*Exhibit "A"*

**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  
 basinsurveys.com

W.O. Number: 3212AA - KJG #7

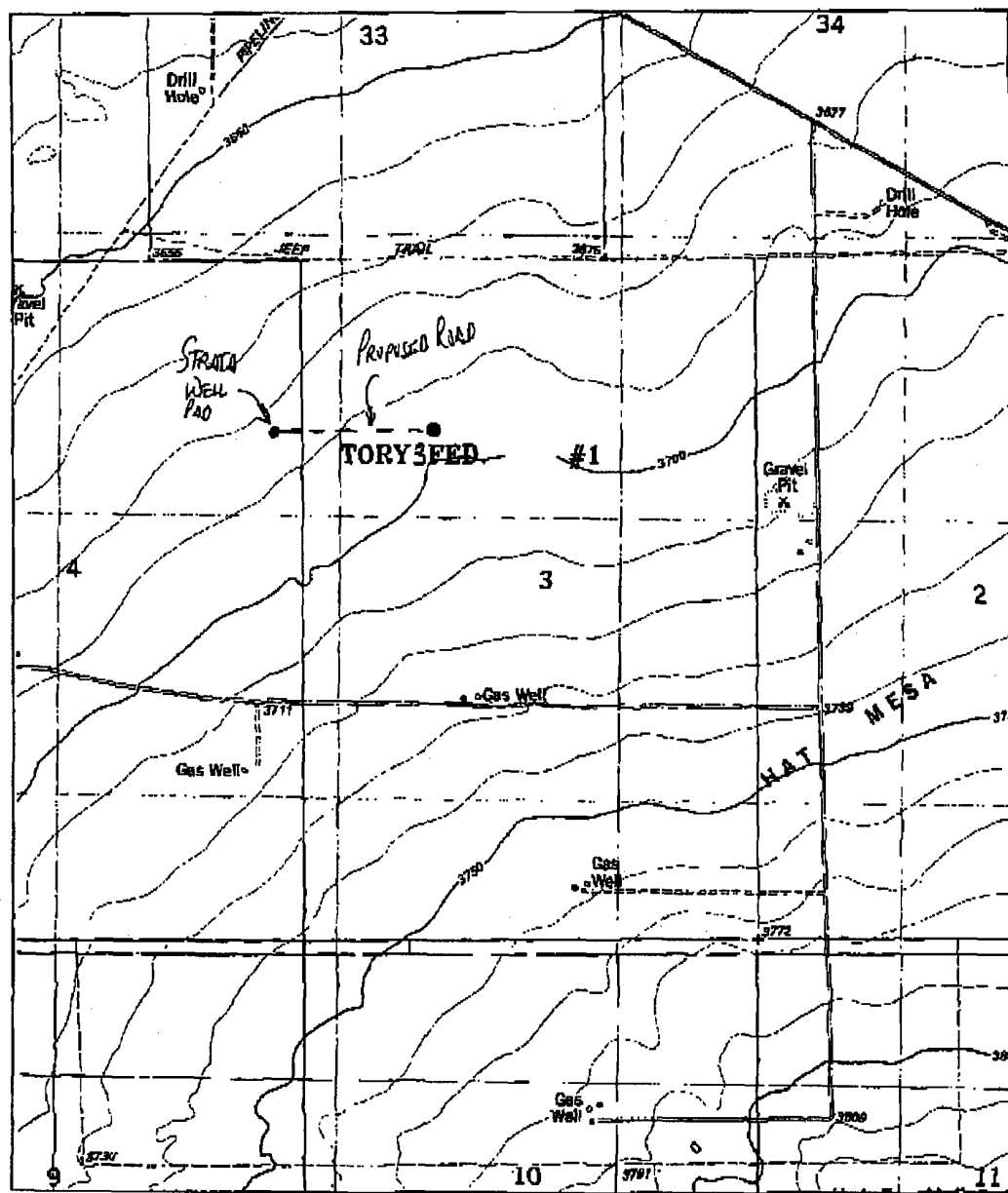
Survey Date: 04-15-2003

Scale: 1" = 2 MILES

Date: 04-16-2003

**BASS ENTERPRISES  
 PRODUCTION CO.**





**TORY3FEDAL #1**  
 Located at 1980' FNL and 1525' FWL  
 Section 3, Township 21 South, Range 32 East,  
 N.M.P.M., Lea County, New Mexico.

Exhibit "B"

**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: 3212AA - KJG #7

Survey Date: 04-15-2003

Scale: 1" = 2000'

Date: 04-16-2003

**BASS ENTERPRISES  
 PRODUCTION CO.**

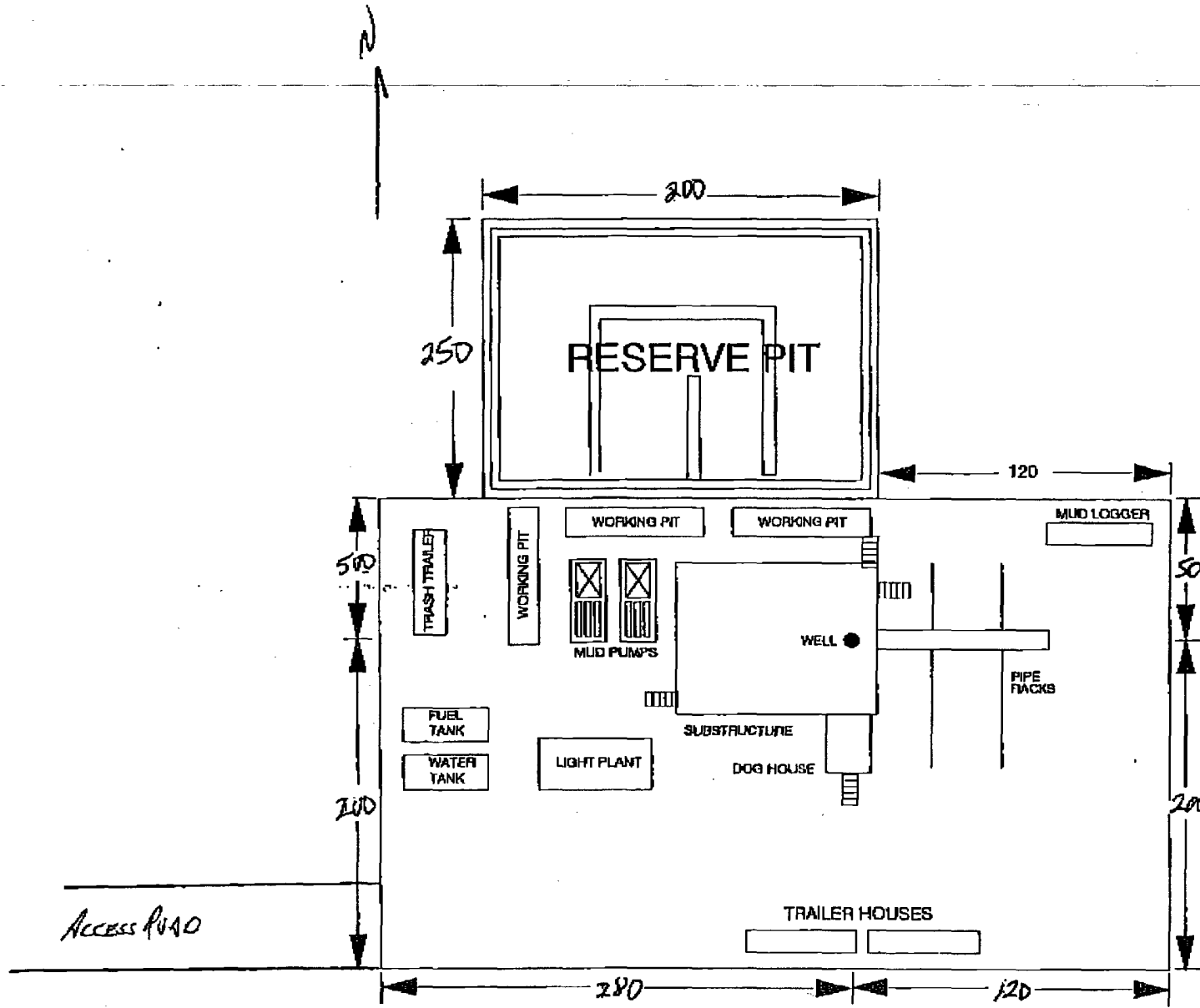
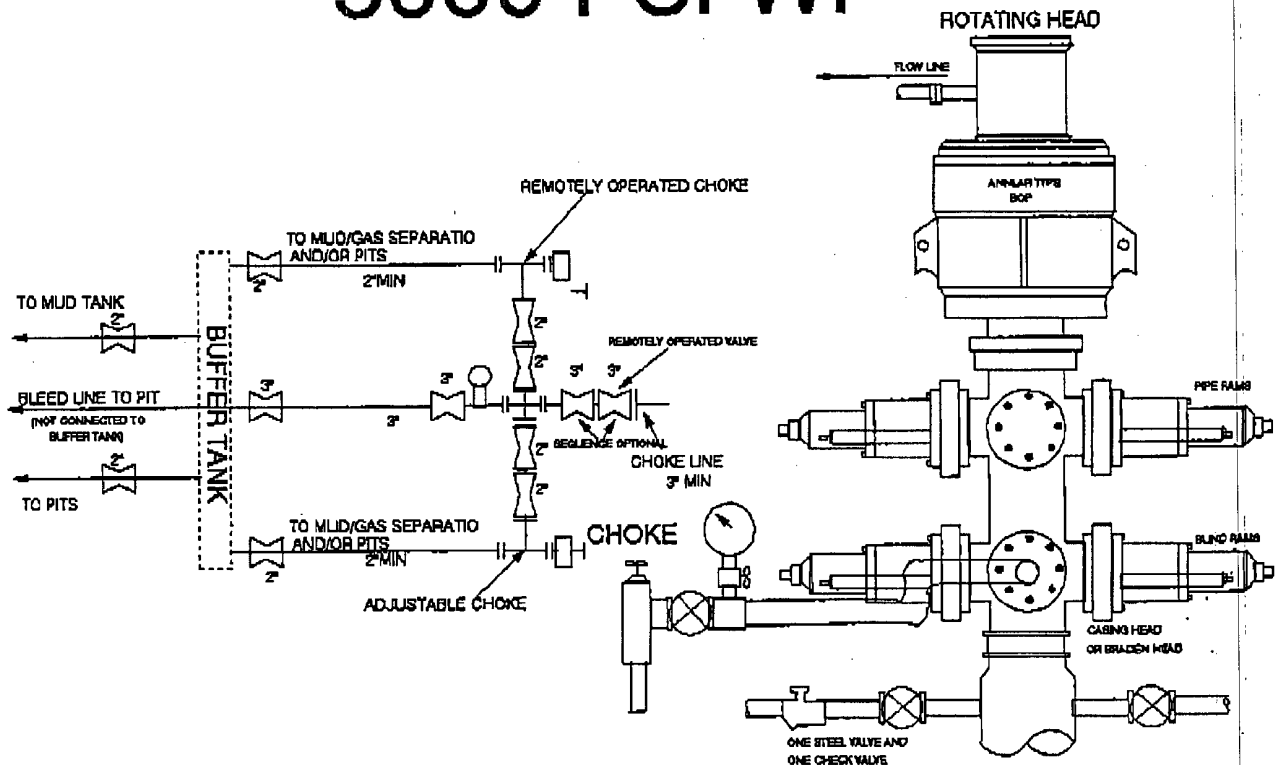


EXHIBIT "C"

# 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 1

## H<sub>2</sub>S DRILLING OPERATIONS PLAN

### A. H<sub>2</sub>S Training

All personnel involved in this drilling operation, whether assigned, contracted or employed on a regular basis, will receive training from a qualified instructor prior to commencing drilling operations in the Bone Spring formation ( $\pm 8325'$ ).

### B. Well Site Diagram

- |    |                                     |  |
|----|-------------------------------------|--|
| 1) | Drilling Rig Orientation:           | See Exhibit "C"                              |
| 2) | Prevailing Wind Direction           | SW   |
| 3) | Terrain of Surrounding Area         | See Point 11 of Multi-Point Surface Use Plan |
| 4) | Location of Briefing Areas          | See Exhibit "C"                              |
| 5) | Location of Access Road:            | See Exhibit "A" & "C"                        |
| 6) | Location of Flare Line and Pits     | See Exhibit "C"                              |
| 7) | Location of Caution or Danger Signs | See Exhibit "C"                              |

### C. Description of H<sub>2</sub>S Safety Equipment/Systems

- |    |  |   |
|----|--|---|
| 1) | Well Control Equipment   | See BOP & Choke Manifold Diagrams 1 & 2 |
|    | a. Flare line and means of ignition:   | Yes                                     |
|    | b. Remote controlled choke   | Yes                                     |
|    | c. Flare gun/flares:   | Yes                                     |
|    | d. Mud-gas separator and rotating head:  | Yes                                     |
| 2) | Protective Equipment for Essential Personnel   |   |
|    | a. Location, type, storage and maintenance of all working and escape breathing apparatus: 30 minute rescue Scott breathing packs located at briefing areas shown on Exhibit "C" and on the floor. 5 minute escape packs provided for rig floor personnel. All safety equipment will be stored in water-proof containers and maintained on a monthly basis by third party safety company. |   |
|    | b. Means of communication when using protective breathing apparatus: Hand signals or microphones in the breathing packs are used for communication.  |   |

**H<sub>2</sub>S DRILLING OPERATIONS PLAN**

Page 2

- 3) **H<sub>2</sub>S Detection and Monitoring Equipment**
  - a. **H<sub>2</sub>S sensors and associated audible/visual alarm(s):** Sensors are used with a visual light @ 10 ppm and siren @ 15 ppm.
  - b. **Portable H<sub>2</sub>S and SO<sub>2</sub> monitor(s):** Bendix Pumps
- 4) **Visual Warning Systems**
  - a. **Wind direction indicators (Wind socks)** See Exhibit "C"
  - b. **Wind direction indicators (Streamers)** As Necessary
  - c. **Caution/Danger sign(s) and flag(s):** See Exhibit "C"
- 5) **Mud Program**
  - a. **Mud systems and additives:** See Point 5 in Eight Point Drilling Program
  - b. **Mud degassing system:** A mud gas separator will be used to separate gas and burn same at flare pit. Gas cut mud in the steel tanks will be degassed using a "vacuum type degasser".
- 6) **Metallurgy**
  - a. **Metallurgical properties of all tubular goods and well control equipment which could be exposed to H<sub>2</sub>S:** All drill strings, casings, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H<sub>2</sub>S service. The NACE Standard MR-01-75 (1993 Edition) will be the guidelines used to determine safety procedures.
- 7) **Means of Communication from Wellsite:** Telephone in trailer and on rig floor - trailers - steel pit communication by an intercom system.

**D. Plans for Well Testing**

No drill stem testing is anticipated. However, if drill stem testing is performed, only a minimum number of personnel which is necessary to safely and adequately conduct the test will be on location. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill stem testing operations conducted in an H<sub>2</sub>S environment will use the closed chamber method of testing.