

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Bass Enterprises Production Co. P O Box 2760 Midland, Texas 79702-2760		² OGRID Number 001801
³ Property Name Hat Mesa 32 State		⁴ API Number 30-025-34819
⁵ Property Code 24937		⁶ Well No. 2

⁷ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	32	20S	33E		330	North	1980	West	Lea

⁸ Proposed 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
⁹ Proposed Pool 1 Hat Mesa (Delaware)					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3607'
¹⁶ Multiple No	¹⁷ Proposed Depth 8500'	¹⁸ Formation Delaware Bone Spring	¹⁹ Contractor WFK Rig 1	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
1) 14-3/4"	11-3/4"	42#	1420'	760 sx	Surface
2) 11"	8-5/8"	28#	3230'	730 sx	Surface
3) 7-7/8"	5-1/2"	15.5# & 17#	8500'	720 sx	2930' (300' inside inter- mediate csg)

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.

Describe the blowout prevention program, if any. Use additional sheets if necessary.

- 1) This well is inside the R-111 Potash Area.
- 2) The surface casing will be set into the Rustler below all fresh water sands.
- 3) The intermediate casing will be set through the salt.
- 4) Cement will tie 300' into the intermediate casing.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>William R. Dannels</i>		OIL CONSERVATION DIVISION	
Printed name: William R. Dannels		Approved by: <i>ORIGINAL SIGNED BY</i>	
Title: Division Drilling Supt.		Title: <i>FIELD SUPERVISOR</i>	
Date: 12-28-99	Phone: 915-683-2277	Approval Date: JAN 05 2000	Expiration Date:
		Conditions of Approval: Attached <input type="checkbox"/>	

3
C
5

C
M
P

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34819	Pool Code 30214	Pool Name Hat Mesa (Delaware)
Property Code 34937	Property Name HAT MESA "32" STATE	Well Number 2
OGRIID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3607'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	32	20 S	33 E		330	NORTH	1980	WEST	LEA

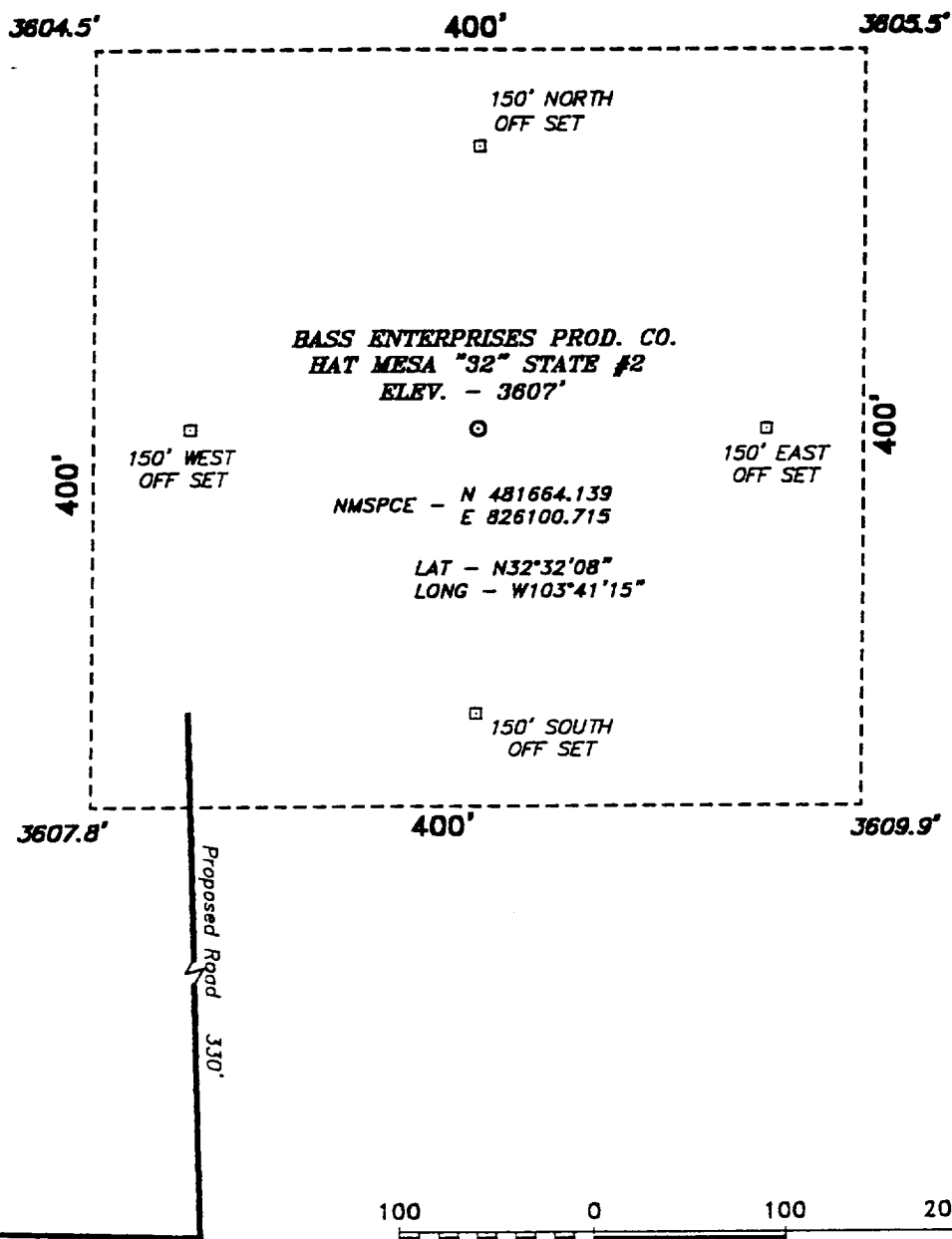
Bottom Hole Location If Different From Surface

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

	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <h3 style="text-align: center; margin: 0;">OPERATOR CERTIFICATION</h3> <p style="font-size: small; text-align: center;">I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center; font-family: cursive; font-size: large;">William R. Dannels</p> <p style="text-align: center;">Signature</p> <p style="text-align: center;">William R. Dannels</p> <p style="text-align: center;">Printed Name</p> <p style="text-align: center;">Division Drilling Supt.</p> <p style="text-align: center;">Title</p> <p style="text-align: center;">12-28-99</p> <p style="text-align: center;">Date</p> </div> <div style="border: 1px solid black; padding: 5px;"> <h3 style="text-align: center; margin: 0;">SURVEYOR CERTIFICATION</h3> <p style="font-size: small; text-align: center;">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.</p> <p style="text-align: center; font-weight: bold;">December 22, 1999</p> <p style="text-align: center;">Date Surveyed</p> <p style="text-align: center;">Signature & Seal of Professional Surveyor</p> <div style="text-align: center;"> </div> <p style="text-align: center;">W.O. No. 9454</p> <p style="text-align: center;">Certificate No. 9454 Jones 7977</p> <p style="text-align: center; font-weight: bold;">BASIN SURVEYS</p> </div>
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**SECTION 32, TOWNSHIP 20 SOUTH, RANGE 33 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.**



DIRECTIONS TO LOCATION:

FROM THE US 62/180 AND STATE HWY 176
JUNCTION, GO SOUTHEAST ON ST HWY 176 APPROX.
2 MILES TO A POINT WHICH LIES APPROX. 0.5 MILE
NORTH OF THE PROPOSED WELL LOCATION.

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

W.O. Number: 9454

Drawn By: **K. GOAD**

Date: 12-23-99

Disk: KJG #122 - 9454A.DWG

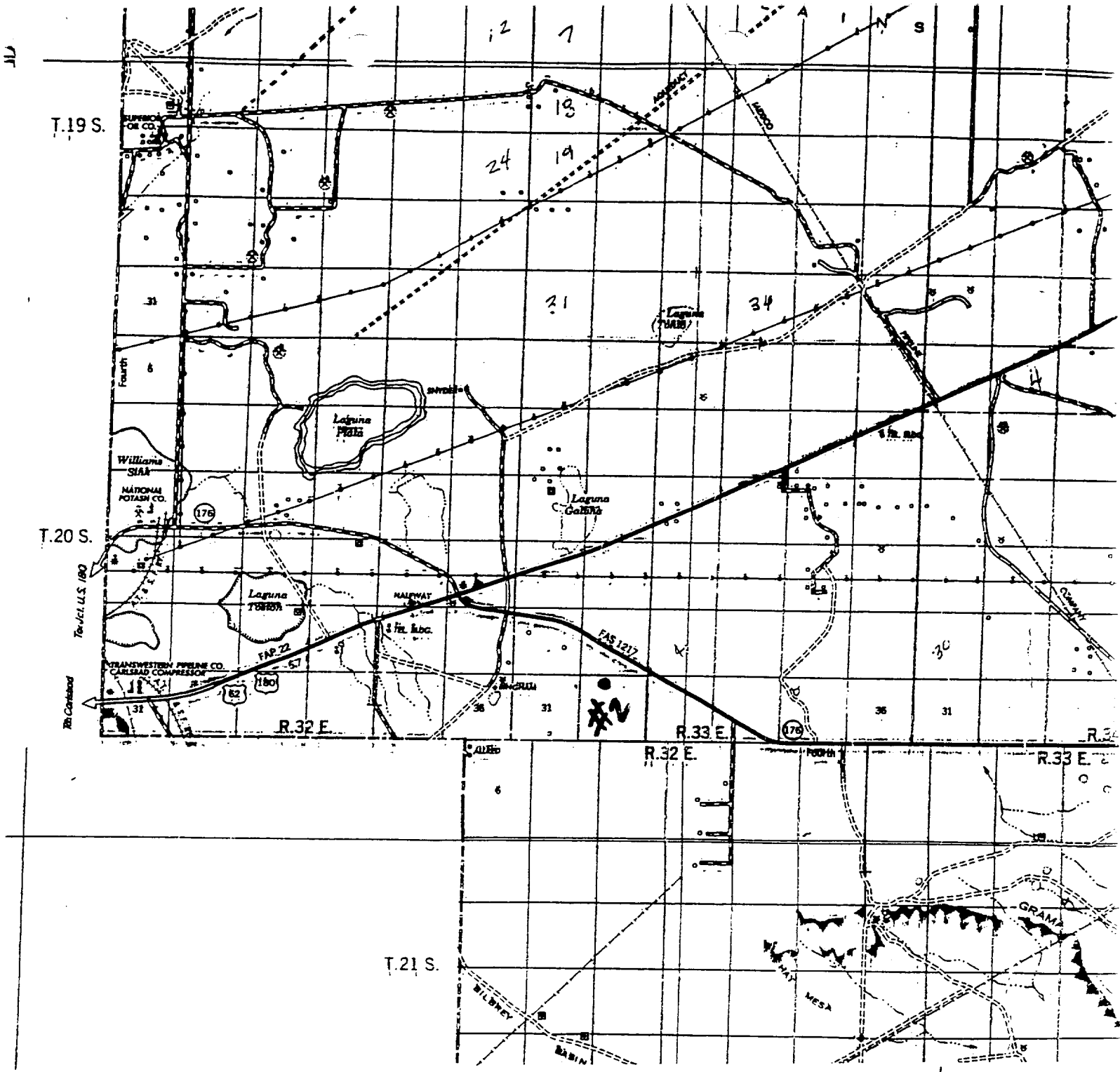
BASS ENTERPRISES PROD. CO.

REF: Hat Mesa "32" State No. 2 / Well Pad Topo

THE HAT MESA "32" STATE No. 2 LOCATED 330' FROM THE
NORTH LINE AND 1980' FROM THE WEST LINE OF
SECTION 32, TOWNSHIP 20 SOUTH, RANGE 33 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 12-22-99

Sheet 1 of 1 Sheets



BASS ENTERPRISES PROD. CO.
HAT MESA "32" STATE #2
330' FNL & 1980' FWL
Sec. 32, T-20-S, R-33-E,
LEA COUNTY, NEW MEXICO

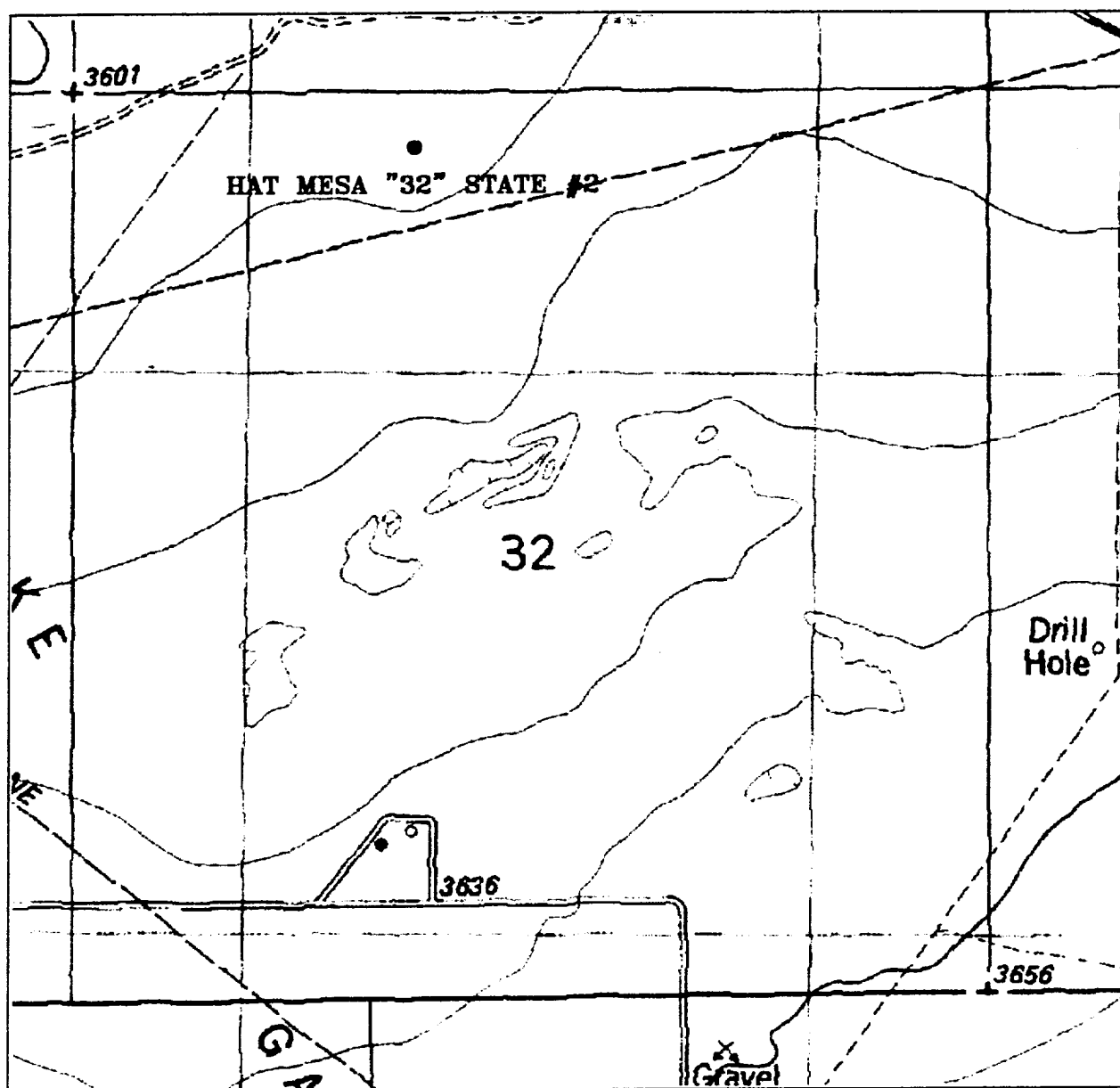
SCALE: 1"=2 MILES

BASIN SURVEYS

P.O. BOX 1786 - HOBBS, NEW MEXICO

2000' 0 2000' 4000 Feet

W.O. Number: 9454	Drawn By: K. GOAD	Survey Date: 12-22-99	Sheet 1 of 1 Sheets
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HAT MESA "32" STATE #2
 Located at 330' FNL and 1980' FWL
 Section 32, Township 20 South, Range 33 East,
 N.M.P.M., Lea 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) 393-7316 - Office
 (505) 392-3074 - Fax
basinsurveys.com

W.O. Number: 9454AA - KJG #122

Survey Date: 12-22-99

Scale: 1" = 1000'

Date: 12-23-99

**Bass Enterprises
Production Co.**

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

NAME OF WELL: HAT MESA "32" STATE #2

LEGAL DESCRIPTION - SURFACE: 330' FNL & 1980' FWL, Section 32, T-20-S, R-33-E, 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 3621' (est)
GL 3607'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	1316'	+2305'	Barren
T/Salt	1543'	+2078'	Barren
B/Salt	3144'	+ 477'	Barren
T/Yates	3331'	+ 290'	Barren
T/Capitan	3691'	- 70'	Barren
T/Delaware	4881'	- 1260'	Oil/Gas
T/Brushy Canyon	6456'	- 2835'	Oil/Gas
T/1" Sand	7057'	- 3436'	Oil/Gas
T/Shell Marker	7276'	- 3655'	Oil/Gas
T/8A Lower Brushy	7998'	- 4377'	Oil/Gas
T/Bone Spring	8311'	- 4690'	Oil/Gas
TD	8500'	- 4879'	

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
11-3/4", 42#, WC-40, STC	0-1420'	Surface	New
8-5/8", 28#, WC-50, STC	0-3230'	Intermediate	New
5-1/2", 15.50#, K-55, LTC	0-7500'	Production	New
5-1/2", 17#, K-55, LTC	7500-8500'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nipped up on the surface casing head. When testing, the BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to the lowest rated working pressure of the equipment being tested. In addition to the rated working 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 of pipe and blind rams to insure that the preventers are operating correctly will be performed on each trip. A function test is required only a minimum of once every 24 hours. See the attached diagram #1 for the minimum criteria for the choke manifold.

<u>DEPTH</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	<u>FV</u>	<u>PV</u>	<u>YP</u>	<u>FL</u>	<u>Ph</u>
0' - 1420'	FW Spud	8.4 - 9.0	45-38	NC	NC	NC	9.5
1420' - 3230'	Brine	9.8 - 10.0	28-30	NC	NC	NC	9.5
3230' - 6300'	FW	8.4 - 8.6	28-30	NC	NC	NC	9.5
6300' - 8300'	FW/Starch	8.4 - 8.6	28-30	NC	NC	<100	9.5
8300' - TD	FW/Gel/Starch	8.4 - 8.6	32-42	NC	NC	<100	9.5

<u>SURFACE</u>						
<u>INTERVAL</u>	<u>AMOUNT SX</u>	<u>FT OF FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT³/SX</u>
Lead 0-1120'	520	1120	Poz C + 6% Gel + 5% Salt	10.27	12.7	1.94
Tail 1120-1420' (100% excess circ to surface)	240	300	Class C + 2% CaCl ₂	6.31	14.8	1.34
<u>INTERMEDIATE</u>						
<u>INTERVAL</u>	<u>AMOUNT SX</u>	<u>FT OF FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT³/SX</u>
Lead 0-2930'	590	2930	50/50 Poz C + 10% Gel + 5% Salt + 1/4# Celloflake	14.4	11.9	2.49
Tail 2930'-3230' (100% excess in open hole)	140	300	Class C Neat	6.31	14.8	1.34

Con't...

POINT 6: TECHNICAL STAGES OF OPERATION

D) CEMENT Con't...

PRODUCTION

<u>INTERVAL</u>	<u>AMOUNT SX</u>	<u>FT OF FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT³/SX</u>
Lead 2930'-5860' (50% excess)	300	2930	50/50 Poz C + 10% Gel + 1/4 Celloflake	14.35	11.9	2.49
TAIL 5860-8500' (50% excess)	420	2640	Super C Mod + 1% Salt + 0.3% CD32 + 0.6% FL50	9.01	13.3	1.55

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressured formations are anticipated throughout this well. No H₂S is expected.

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

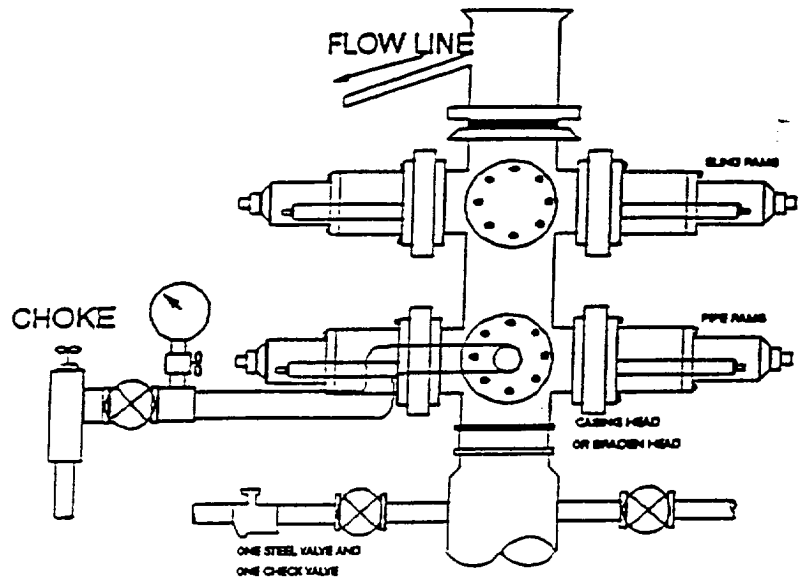
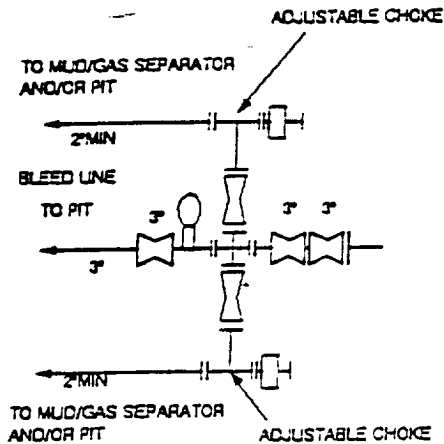
Upon approval

16 days drilling operations

14 days completion operations

FDC/mac
12/28/1999

3000 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.

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

December 14, 1999

EXPRESS/CERTIFIED MAIL

Mississippi Potash, Inc.
P. O. Box 101
1996 Potash Mines Road
Carlsbad, New Mexico 88220-0388

Attention: Ms. Jill Farnsworth

Re: Waiver of Objection
Hat Mesa "32" State No. 2
Section 32, T20S-R33E
Lea County, New Mexico

Dear Ms. Farnsworth:

Bass plans to propose the drilling of the referenced well which is located in the vicinity of potash leases owed by Mississippi Potash, Inc. (MPI). Attached hereto is a plat showing the location of the proposed well and the current potash leases owned by MPI within a one-mile radius thereof. Additional information for the captioned well is set forth below as follows:

<u>Well Name</u>	<u>Proposed Location</u>	<u>PTD</u>	<u>Formation</u>
Hat Mesa "32" State No. 2	660' FNL, 1,980' FWL Section 32, T20S-R33E	8,420'	Delaware

Bass hereby requests a waiver of any objection MPI might have for the drilling of the above captioned well. As indicated on the attached plat, this location is surrounded by existing producers and former penetrations to the Morrow Formation and Delaware Formation. In the event MPI is agreeable to providing its waiver, please sign this letter in the space provided below and return one (1) executed original to the undersigned at your earliest convenience. Thank you very much and should you have any questions or comments in the above regard, please don't hesitate to contact the undersigned at (817) 390-8568.

Very truly yours,

Worth Carlin
Worth Carlin

JWB:ca

ACCEPTED and AGREED this _____ day of _____, 1999.

MISSISSIPPI POTASH, INC.

By: _____

Its: _____

* Location moved to 330'
FNL after this letter
was sent, and MPI
was notified of change.

T20S-R32E

T20S-R33E

24

19

20

21

NM-0554862

25

30

29

28

36

31

M-651-9

33

One Mile Radius

NM-47021

1

T21S-R31E

T21S-R32E

12

7

8



Bass Enterprises Production Co.

HAT MESA AREA
Lea County, New Mexico



Mississippi Potash Leases

DATE: 12-14-99 SCALE: 1" = 3000'
SHEET: 1 OF 1

ELF

ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED

