N.M.O.C.D. Copy

United States Department of the Interior

GEOLOGICAL SURVEY

South Central Region
P. O. Box 26124
Albuquerque, New Mexico 87125

Perry R. Bass
P. O. Box 2760
Midland, Texas 79702

Dear Mr. Bass:

Your Application for Permit to Drill Well No. 1 C. A. Loomis Federal in the SW¼NW¼ section 5, T. 21 S., R. 32 E., N.M.P.M., Lea County, New Mexico, lease New Mexico 04229-B, to a depth of 14,700 feet to test the Morrow formation in the Oil Potash area, is hereby approved, as amended by stipulations attached to the application.

One copy of the application is returned herewith. Please notify the District Supervisor, Geological Survey, Hobbs, New Mexico, in sufficient time for a representative to witness all cementing operations.

Sincerely yours,

FOR Acting Deputy Conservation Manager
Oil and Gas

Enclosure

cc:
✓ NMOCD, Hobbs (2) (w/enclosures)
CM, SCR
DCM-Mining (2)

Form 9-331 C
(May 1963)

COPY TO O. & G. C

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-025-27151

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL
OIL WELL [ ] GAS WELL [X] OTHER SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR
~~Bass Enterprises Production Co.~~ Gerry R. Bass

3. ADDRESS OF OPERATOR
P. O. Box 2760; Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
1600' FNL & 660' FWL, Sec. 5, T-21-S, R-32-E
At proposed prod. zone
Same as above

5. LEASE DESIGNATION AND SERIAL NO.
NM - 04229-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Little Eddy Unit

8. FARM OR LEASE NAME
C.A. Loomis Federal

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
South Salt Lake Morrow

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 5, T-21-S, R-32-E

12. COUNTY OR PARISH
Lea

13. STATE
N.M.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
34 miles ENE of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
660'

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL
324.96

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
14,700

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3638.3 GL

22. APPROX. DATE WORK WILL START*
Upon Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	11-3/4"	42#	500	450 sx
11"	8-5/8"	28#	5000	1500 sx
7-7/8"	5-1/2"	17#	TD	1000 sx

RECEIVED
[illegible] 1980
U. S. GEOLOGICAL SURVEY
HOBBS, NEW MEXICO

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED Mike Wagner TITLE Engineering Assistant DATE 9-16-80

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator: Bass Enterprises		Lease: C. A. Loomis Federal	Well No.: 1
Unit Letter: E	Section: 5	Township: 21 South	Range: 32 East
County: Lea			
Actual Footage Location: 1600 feet from the North line and 660 feet from the West line			
Ground Level Elev.: 3638.3	Producing Formation: MORROW	Pool: SOUTH SALT LAKE MORROW	Dedicated Acreage: 324.96 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

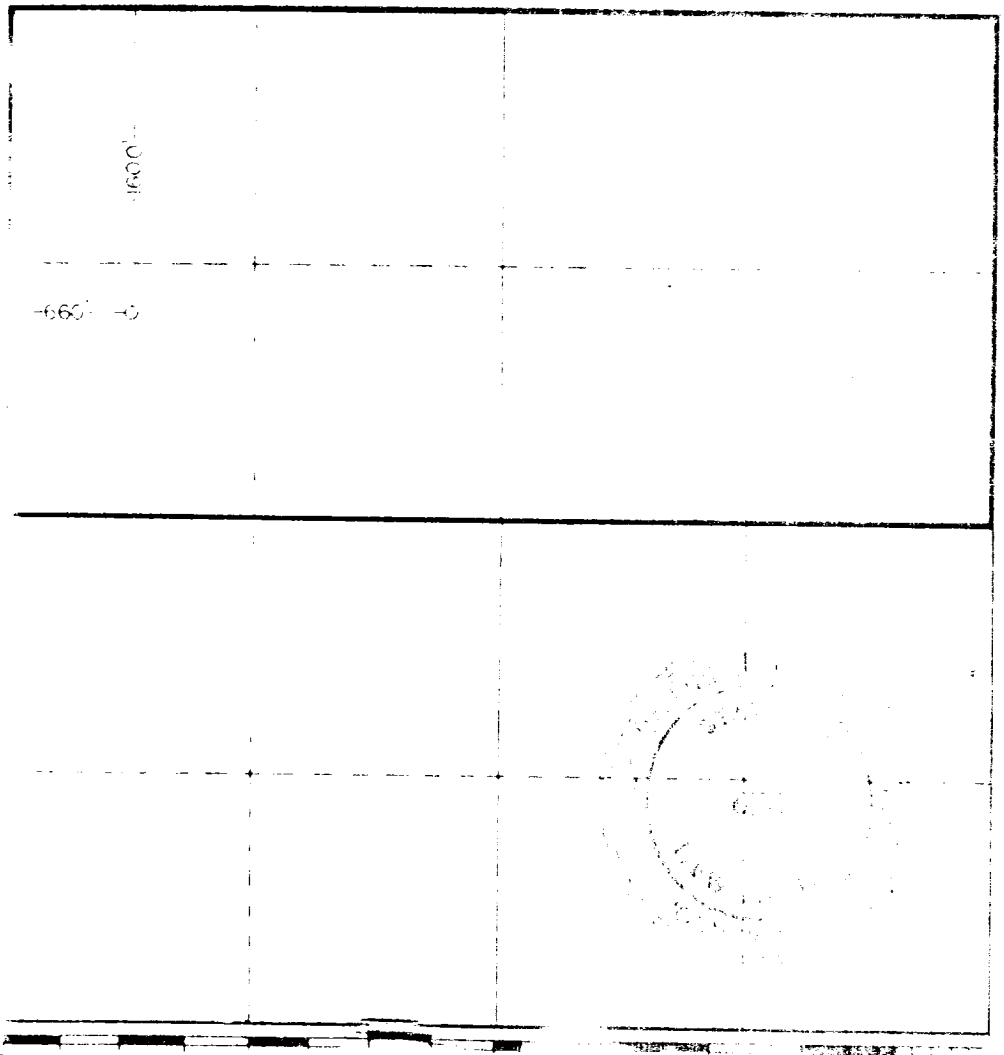
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

[X] Yes [ ] No If answer is "yes" type of consolidation LITTLE EDDY UNIT

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Mike Waygood

Name: Mike Waygood

Position: Engineering Assistant

Company: Bass Enterprises Production

Date: September 10, 1980

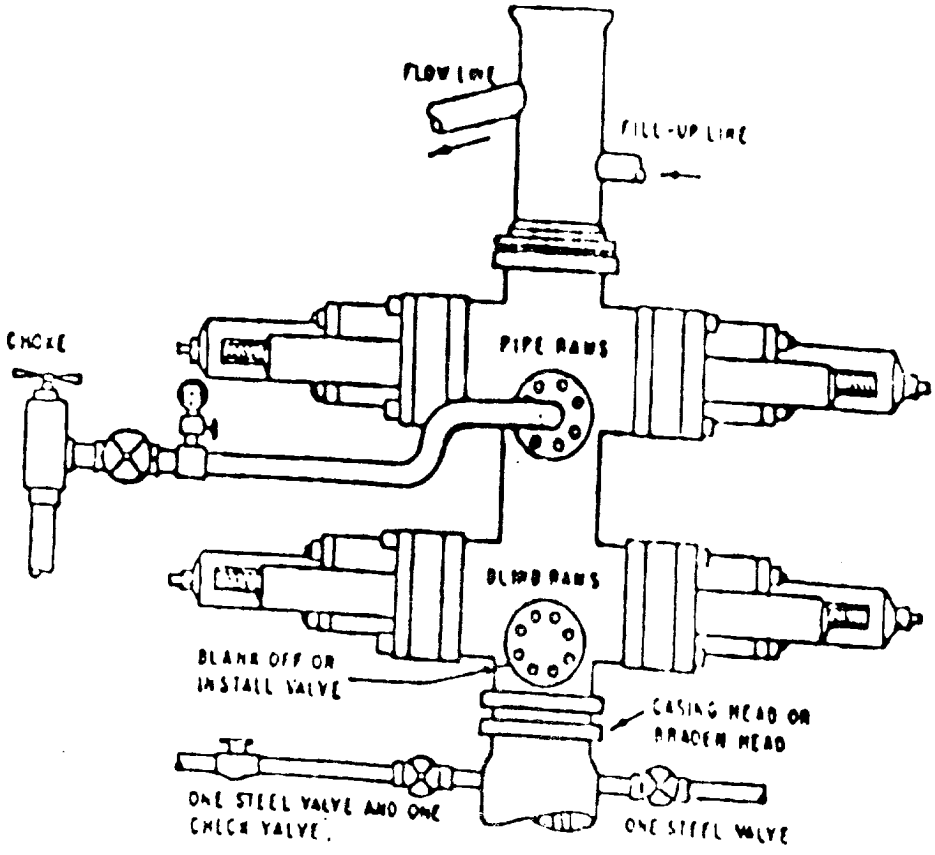
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: September 6, 1980

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. JOHN W. WEST 676
PATRICK A. ROMERO 6668
Ronald J. Eidson 3239



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

A. ONE DOUBLE GATE BLOWOUT PREVENTER WITH LOWER RAMS BLIND AND UPPER RAMS FOR PIPE, ALL HYDRAULICALLY CONTROLLED. OPENING ON PREVENTERS BETWEEN RAMS.

B. OPENING TO BE FLANGED, STUDDED OR CLAMPED AND AT LEAST TWO INCHES 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 THE PREVENTERS.

E. ALL CONNECTIONS TO AND FROM PREVENTERS TO HAVE A PRESSURE RATING EQUIVALENT TO THAT OF THE B.O.P.'s.

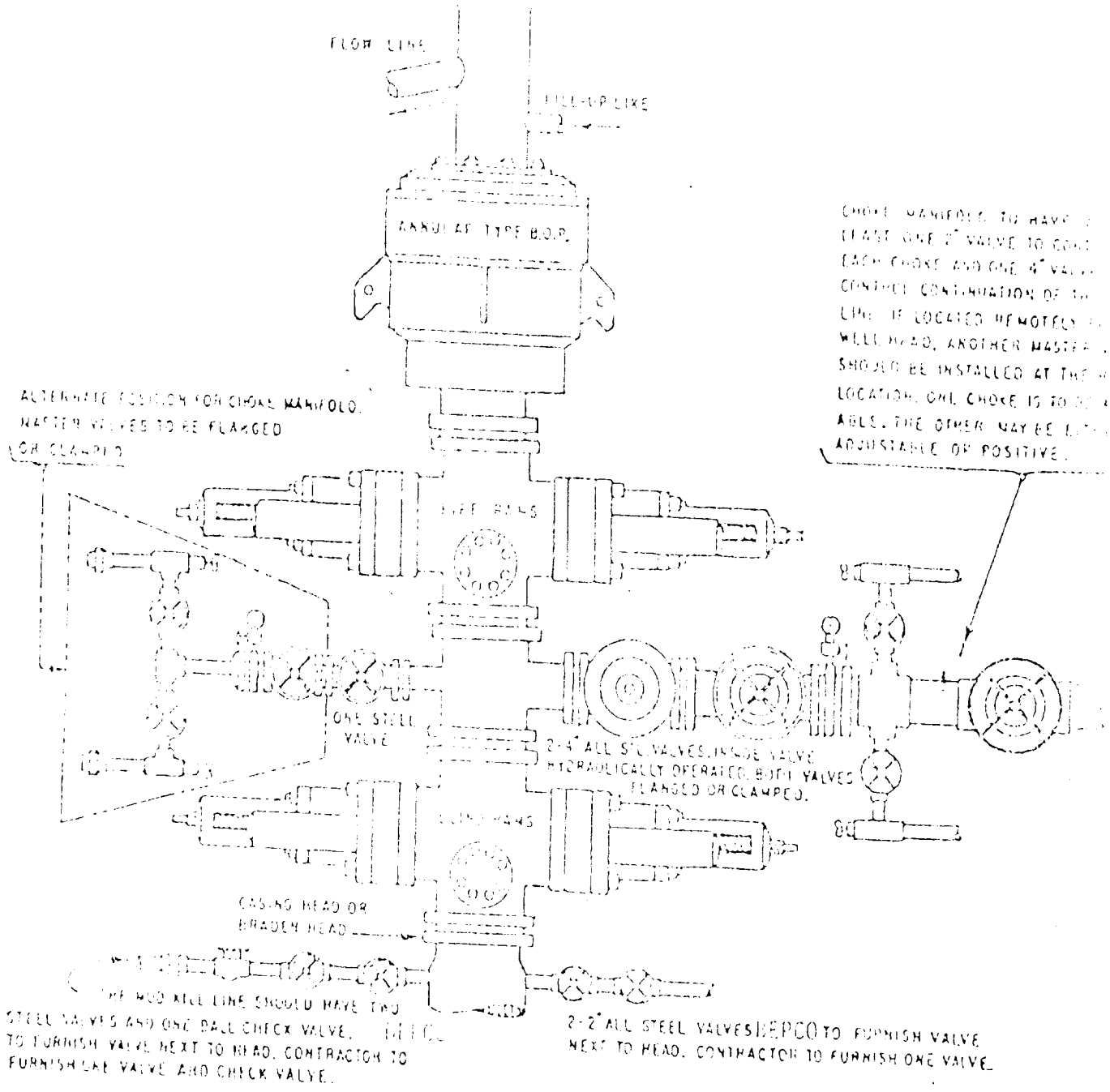
F. MANUAL CONTROLS TO BE INSTALLED BEFORE DRILLING CEMENT PLUG.

G. VALVE TO CONTROL FLOW THROUGH DRILL PIPE TO BE LOCATED ON RIG FLOOR.

H. CHOKE MAY BE EITHER POSITIVE OR ADJUSTABLE...choke spool may be used between rams.

REDCO II

ONE HYDRAULIC DUAL BLOWOUT PREVENTER



THE MUD KILL LINE SHOULD HAVE TWO STEEL VALVES AND ONE BALL CHECK VALVE. REPCO TO FURNISH VALVE NEXT TO HEAD. CONTRACTOR TO FURNISH ONE VALVE AND CHECK VALVE.

THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

CONNECTIONS MADE UP WITH AN ANNULAR TYPE BLOWOUT PREVENTER ON TOP AND A CHOKE SPOOL BELOW AND EITHER

(1) TWO RAM TYPE BLOWOUT PREVENTERS BELOW THE SPOOL, THE LOWER UNIT CONTAINING BLIND RAMS AND THE UPPER UNIT CONTAINING PIPE RAMS, OR

(2) A DUAL BLOWOUT PREVENTER BELOW THE SPOOL WITH BLIND RAMS ON BOTTOM AND PIPE RAMS ON TOP.

OPENING OR CHOKE SPOOL TO BE FLANGED, STUDDED OR CLAMPED.

ALL CONNECTIONS FROM OPERATING MANIFOLDS TO PREVENTERS TO BE ALL STEEL HOSE OR TUBE A MINIMUM OF ONE INCH IN DIAMETER.

TYPE AND AGE CLOSING PRESSURE SHALL BE AT LEAST 15% IN EXCESS OF THAT REQUIRED WITH SUFFICIENT VOLUME TO OPERATE

ALL CONNECTIONS TO AND FROM PREVENTER TO HAVE A PRESSURE RATING EQUIVALENT TO THAT OF THE B.O.P.'S.

MANUAL CONTROLS TO BE INSTALLED BEFORE DRILLING PLUG IS REMOVED.

KELLY COCK INSTALLED ON KELLY

INSIDE BLOWOUT PREVENTER TO BE AVAILABLE ON RIG FLOOR

DUAL OPERATING CONTROLS ONE LOCATED AT DRILLER'S POSITION AND THE OTHER LOCATED A SAFE DISTANCE FROM THE RIG

REPCO OF

THREE CLOSURE HYDRAULIC BLOWOUT PREVENTERS