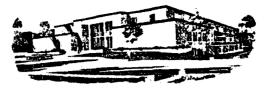
State of New Mexico



SLO REF NO. 0G-661

Commissioner of Public Lands

P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

February 3, 1988

Bass Enterprises Production Company ATTENTION: Mr. Jens Hansen First City Bank Tower 201 Main Street Fort Worth, Texas 76102

> Re: Poker Lake Unit 1988 Plan of Development Eddy County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1988 Plan of Development for the Poker Lake Unit Area, Eddy County, New Mexico. Such plan calls for the drilling of the Poker Lake Unit Well No. 69 to test the delaware formation.

Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

Saule thank BY:

FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5744

WRH/FOP/pm encls. cc: OCD-Santa Fe, New Mexico BLM-Roswell, New Mexico Attn: Mr. Armando Lopez Gulram, Inc.



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W.R. HUMPHRIES

State of New Mexico



SLO REF NO. 0G-678

_P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

W.R. HUMPHRIES COMMISSIONER Commissioner of Public Lands

February 16, 1988

Bass Enterprises Production Co. ATTN: Mr. Jens Hansen First City Bank Tower 201 Main Street Fort Worth, Texas 76102

> Re: Application for Approval of the . Morrow "A" Participating Area based on the completion of Poker Lake Well No. 53 Sec. 9-255-31E, Eddy County, New Mexico

Gentlemen:

The Bureau of Land Management has advised this office that the Poker Lake Unit Well No. 53 is noncommercial on a unit basis and is not entitled to the proposed Morrow "A" Participating Area as you have requested by your letter of October 7, 1986.

Please be advised that the Commissioner of Public Lands, concurs with the Bureau of Land Management's noncommercial determination for the Poker Lake Unit Well No. 53.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

WILLIAM R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

BY: FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5744

WRH/FOP/pm encls. cc: OCD-Santa Fe, New Mexico BLM-Roswell, New Mexico TRD-Oil and Gas Processing

State of New Mexico



Commissioner of Public Lands

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W.R. HUMPHRIES COMMISSIONER SLO REF NO. OG-682

.P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

February 25, 1988

Bass Enterprises Production Co. ATTN: Mr. Jens Hansen First City Bank Tower 201 Main Street Fort Worth, Texas 76102

> Re: Non-Commercial Well Determination Poker Lake Well Nos. 52 and 58 Eddy County, New Mexico

Gentlemen:

The Bureau of Land Management has advised this office that they have concurred with your determination that the Poker Lake Well Nos. 52 and 58 are noncommercial on a unit basis and therefore are not entitled to receive a participating area and should be produced on a lease basis.

Please be advised that the Commissioner of Public Lands, concurs with the Bureau of Land Management's noncommercial determination for the Poker Lake Well Nos. 52 and 58.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

WILLIAM R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

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FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5744

WRH/FOP/pm encls.

cc: OCD-Santa Fe, New Mexico BLM-Roswell, New Mexico TRD-Oil and Gas Processing

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BASS ENTERPRISES PRODUCTION CO.

FIRST CITY BANK TOWER 201 MAIN ST. FORT WORTH, TEXAS 76102 817/390-8400

June 6, 1988

BUREAU OF LAND MANAGEMENT P. O. Box 1397 Roswell District Office Roswell. New Mexico 88201-1397

Attention: Joe Lara

NEW MEXICO OIL CONSERVATION DIVISION P. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Roy Johnson

COMMISSIONER OF PUBLIC LANDS P.O. Box 1148 Santa Fe, New Mexico 87501

> RE: Application for Approval of the Delaware "A" Participating Area for the Delaware Formation Poker Lake Unit Well No. 60 Poker Lake Unit Eddy County, New Mexico Bass Lease #3918-B - Federal

Gentlemen:

Under letter dated May 5, 1988, the Bureau of Land Management advised Bass Enterprises Production Co. that the Poker Lake Unit Well No. 60 had been determined to be commercial and that an application for a participating area should be submitted with supporting geology and a schedule of interest.

Bass Enterprises Production Co., as unit operator of the Poker Lake Unit Agreement, in accordance with provisions of Section 11 of said Unit Agreement, respectfully submits for your approval of the following described lands to constitute the "A" Participating Area for the Delaware producing zone or formation, to wit:

SE/4 NW/4, Section 33, $T_{25}S-R_{30}E$, Eddy County, New Mexico, and containing 40 acres of land.

In support of this application the following numbered items are attached hereto and made a part hereof:

1. An ownership map showing the unit area and the proposed "A" Participating Area.



Bureau of Land Management New Mexico Oil Conservation Division **Commissioner of Public Lands** June 6, 1988 Page 2

- 2. A schedule showing the lands entitled to participate in the unitized substances produced from the Delaware formation with the percentage of participation of each lease or tract indicated thereon.
- 3. A structure map of the Delaware formation justifying the proposed selection of the participating area.

This proposed participating area is predicated upon the knowledge and information first obtained upon the completion in paying quantities under the terms of the Unit Agreement on April 22, 1983, of Unit Well No. 60 in the SE/4 NW/4, Section 33, T25S-R30E, with an initial production of oil from the Delaware formation between the depths of 6,043' and 6,045'. The effective date of this participating area shall be April 22, 1983, pursuant to Section 11 of the Unit Agreement.

Consequently, applicant respectfully requests your approval of the hereinabove selection of lands to constitute the Delaware "A" Participating Area to be effective April 22, 1983.

sincerely.

JENS HANSEN **Division** Landman

JH:jh

June day of AGREED TO AND ACCEPTED this 1988.

BUREAU OF LAND MANAGEMENT

By

NEW MEXICO QLL CONSERVATION DIVISION

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COMMISSIONER OF PUBLIC LANDS

By

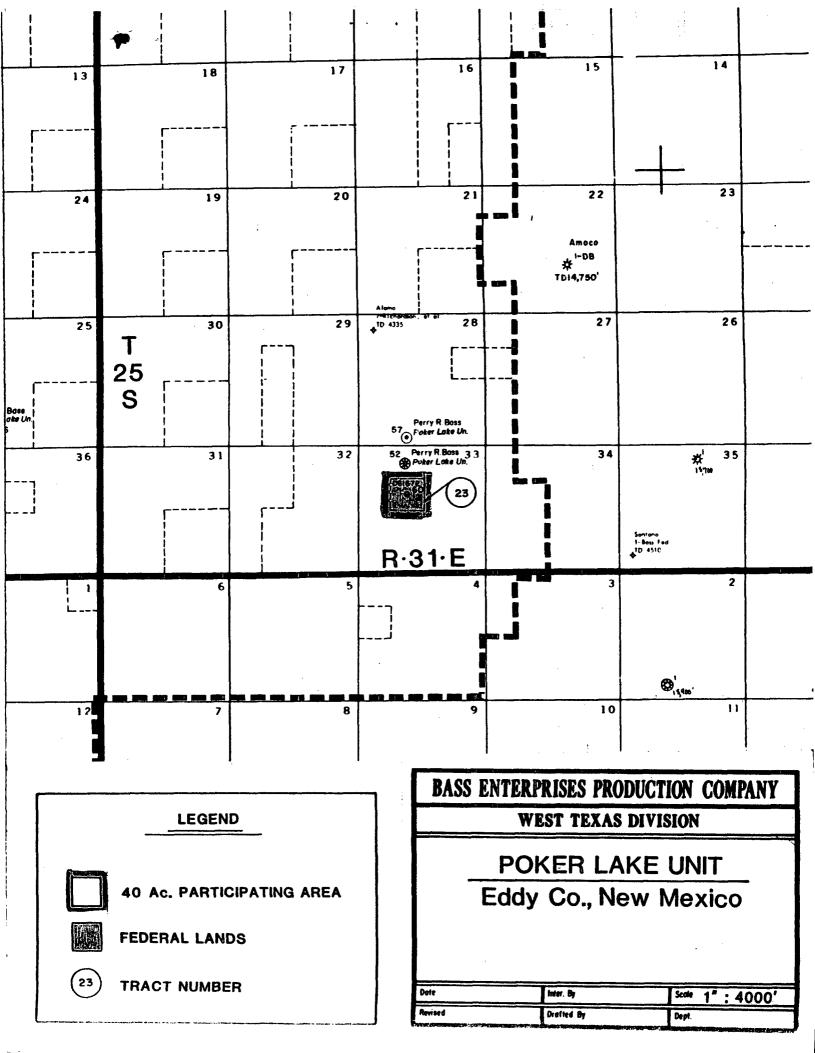


EXHIBIT "B"

"A" Participating Area Delaware Formation Poker Lake Unit Eddy County, New Mexico

Participating Acres

Description

LC-061672-B

SE/4 NW/4 Section 33 T25S, R30E Lease No.

40

% of Participation

100%

<u>W.I. Owners</u> Bass Mobil Pauley Petroleum

66.667% 30.000% 3.333%

Federal Lands State Lands Patented Lands

0 0 40

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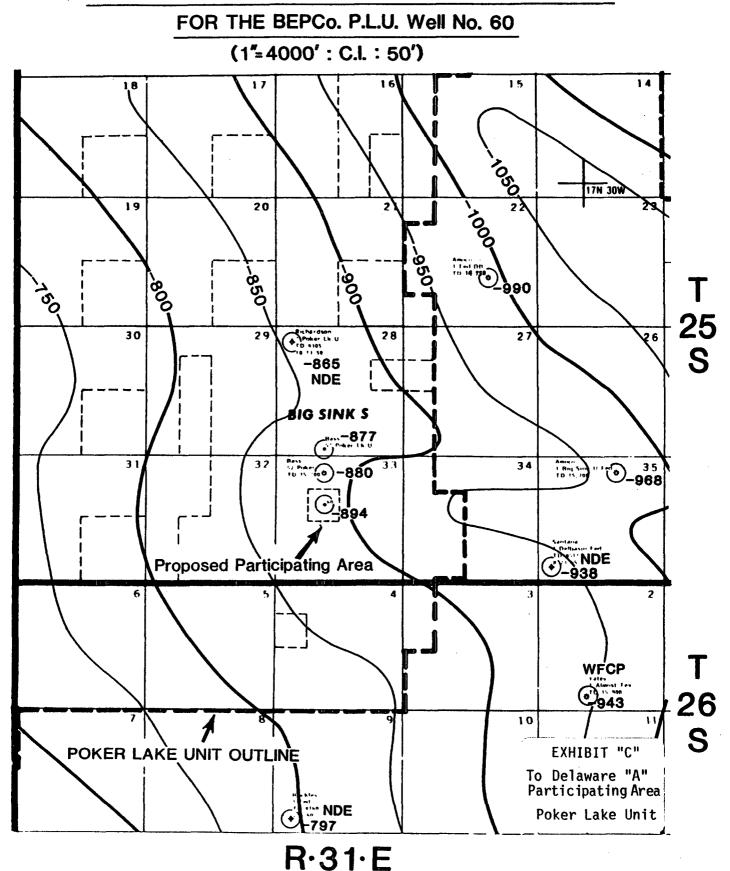
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ILLUSTRATING THE PROPOSED PARTICIPATING AREA



NDE : Well did not penetrate the interval producing in the P.L.U. Well No. 60 * Actual log pick is the Top of the Ramsey Sand.

State of New Mexico

SLO REF NO OG-882





W.R. HUMPHRIES COMMISSIONER Commissioner of Public Lands

P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

September 13, 1988

Tempo Energy, Inc. Attn: Land Department 4000 N. Big Spring, Suite 109 Midland, Texas 79705

> Re: Poker Lake Unit Area Unit Well No. 68-0 Sec. 8-255-30E Eddy County, New Mexico

Gentlemen:

Bass Enterprises Production Company as Unit Operator of the Poker Lake Unit Area has advised this office that Tempo Energy, Inc. has drilled the Poker Lake Unit Well No. 68-0 in the SW/4SE/4 of Section 8, Township 25 South, Range 30 East, Eddy County, New Mexico.

It appears that the SW/4SE/4 of Section 8 is committed to the Poker Lake Unit Agreement and Bass Enterprises Production Company is the only operator authorized to conduct unit operations within this unit area.

Please submit to this office and the Bureau of Land Management a designation of agent form from Bass Enterprises Production designating Tempo Energy, Inc. as unit operator of the above captioned well.

Please also submit the following:

- Since Bass Enterprises has already drilled the Poker Lake Unit Well No. 68 on the NW/4NE/4 of Section 20, Township 24 South Range 31 East, the next unit well no. on this unit should be the Poker Lake Unit Well No. 69.
- 2. An amended 1988 Plan of Development to include the drilling of the unit well No. 69.

Tempo Energy, Inc. September 13, 1988 Page 2

3. Commercial determination, and if this well is commercial an application for a participating area.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

BY: FLOYD D. PRANDO Director

Oil and Gas Division (505) 827-5744

WRH/FOP/pm encls. cc: OCD BLM Bass Enterprises Attn: Mr. Jens Hansen

BASS ENTERPRISES PRODUCTION CO.

FIRST CITY BANK TOWER 201 MÄIN ST. FORT WORTH, TEXAS 76102 817/390-8400

December 12, 1988

Bureau of Land Management P. O. Box 1397 Roswell, New Mexico 88201

Attn: Mr. Joe Lara

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Sante Fe, New Mexico 87504-1148

Attn: Mr. Floyd Prando

New Mexico Oil Conservation Division P. O. Box 2088 Sante, Fe New Mexico

Attn: Mr. Bill LeMay

Re: 1989 Plan of Development Poker Lake Unit Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Poker Lake Unit Agreement dated March 18, 1952, Bass Enterprises Production Co., operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1989.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

1988 ACTIVITY

Poker Lake Unit Well No. 69 -

The 1988 Plan of Development designated this well as a Delaware Test. It was discovered during the year that Tempo Energy, Inc. had obtained a drilling permit from the State of New Mexico and drilled a Delaware Test 990' FSL and 2,310' FEL in Section 8, T25S-R30E. This well was drilled without the knowledge of Bass Enterprises Production Co. or the Bureau of Land Management. Accordingly, we have designated the well drilled by Tempo Energy, Inc. in Section 8 as Poker Lake Unit Well No. 69. Bureau of Land Management Commissioner of Public Lands New Mexico Oil Conservation Division December 12, 1988 Page 2

Poker Lake Unit Well No. 70 -

Operations are currently being conducted for the drilling of a well in the SW/4 SE/4 of Section 28, T24S-R31E, Eddy County, New Mexico, to be drilled to a sufficient depth to test the Delaware Formation. The results will be reported in the 1990 Plan of Development.

PARTICIPATING AREAS

According to our records, Bass Enterprises Production Co. has submitted all wells drilled to date for commercial determinations and participating areas. In the event you have not received commercial determinations for all of our wells drilled to date, as well as proposed participating areas when appropriate, please advise us at your convenience and we will submit same to you.

FUTURE DEVELOPMENT

Poker Lake Unit Well No. 71 -

This well will be drilled to a sufficient depth to test the Delaware Formation. A specific well location will be provided at a later date.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from the lands subject to the Poker Lake Unit Agreement or pursuant to applicable regulations.

ADDITIONAL DEVELOPMENT

This Plan of Development will constitute the activity to be conducted under the terms of the Poker Lake Unit Agreement for the period ending December 31, 1989. In the event economic conditions should change, resulting in the improvement of marketing oil and gas from this unit area, the Operator will modify this plan of development to provide for additional activity. Presently, five (5) gas wells are shut-in in the Poker Lake Unit due to the poor gas market. Gas sales will resume from these wells when prices will justify additional development.

MODIFICATIONS

In accordance with the terms and provisions of the Poker Lake Unit Agreement, this plan of development may be modified from time to time as a result of changing conditions. Bureau of Land Management Commissioner of Public Lands New Mexico Oil Conservation Division December 12, 1988 Page 3

EFFECTIVE DATE

This plan of development shall be effective from January 1, 1989, to December 31, 1989.

. . . .

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one signed copy of the letter to Bass for its records.

ery truly yours, Jens Hansen ACCEPTED TO AND AGREED this $\frac{28}{28}$ d day of thee 1988.

JH:ca

BUREAU OF LAND MANAGEMENT

By:

COMMISSIONER OF PUBLIC LANDS

By:

NEW MEXICO OIL CONSERVATION DIVISION By: w