

W. Thomas Kellahin
Karen Aubrey
Jason Kellahin
Of Counsel

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law
El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265
April 7, 1988

RECEIVED

APR 11 1988

LAND DEPT.
MIDLAND, TX

Telephone 982-4285
Area Code 505

Mr. William J. LeMay
Oil Conservation Division
P. O. Box 2988
Santa Fe, New Mexico 87504

"Hand Delivered"

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FILE

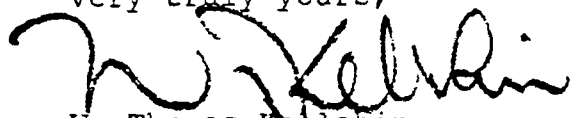
Re: Bass Enterprises Production Co.
for Compulsory Pooling
Eddy County, New Mexico

Dear Mr. LeMay:

On behalf of Bass Enterprises Production Company, we would appreciate you setting the enclosed application for a public hearing on the Division's Examiner docket now scheduled for May 11, 1988.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. Those parties are directed to contact the Division or the applicant's attorney to determine what additional rights they may have. In addition, they are advised that the entry of a compulsory pooling order will affect their rights to share in the production from the subject well.


Very truly yours,


W. Thomas Kellahin

WTK:ca
Enc.

cc: Mr. Jens Hansen
Bass Enterprises Production Co.
First City Bank Tower
201 Main Street
Ft. Worth, Texas 66102

"Certified Return-Receipt Requested"
Santa Fe Energy Corporation
500 W. Illinois, Suite 500
Midland, Texas 79701
Attn: Bill A. Schaefer, Jr.


APR 11 1988
EXPLORATION DEPT.

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF BASS ENTERPRISES PRODUCTION
COMPANY FOR COMPULSORY POOLING AND
UNORTHODOX WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

CASE:

A P P L I C A T I O N

COMES NOW, BASS ENTERPRISES PRODUCTION COMPANY, by and through its attorneys, Kellahin, Kellahin & Aubrey and in accordance with Section 7-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests underlying the following described acreage in Section 30, T21S, R28E, Eddy County, New Mexico, in the following described manner:

W/2 to form a 316.44 acre, more or less, gas spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 320-acre gas well spacing.

The above described unit is to be dedicated to its Big Eddy Well No. 102 to be drilled to a depth of approximately 12,100 feet at standard well location 1980 feet from the South line and 1980 feet from the West line of said Section 30.

1. Applicant is a working interest owner and the operator of the Big Eddy Unit which includes all of Section 30 with the exception of the SW/4SW/4 of Section 30 for which Santa Fe Energy Company has the working interest.

2. Applicant, with approximately 87.7% interest, has sought a voluntary agreement with Santa Fe Energy Company for its approximately 12.5% interest for the formation of a W/2 section unit for the drilling of the subject well but has been unable to obtain a voluntary agreement from Santa Fe Energy Company.

3. Pursuant to the Division notice requirements, applicant has notified Santa Fe Energy Company of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on May 11, 1988.

4. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interests involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described herein. Applicant further prays that

it be named operator of the well, and that the order make provisions for applicant to recover out of production its costs of drilling, completing and equipping the subject well, costs of operation, including costs of supervision, and a risk factor in the amount of 200% for the drilling and completing of the well, for such other and further relief as may be proper.

Respectfully submitted,



By
W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
P. O. Box 2265
Santa Fe, New Mexico 87504

(505) 982-4285

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

July 6, 1988

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. James Bruce
Hinkle, Cox, Eaton,
Coffield & Hensley
Attorneys at Law
Post Office Box 2068
Santa Fe, New Mexico

Re: CASE NO. 9372 and 9374
ORDER NO. R-8680

Applicant:
Santa Fe Energy Operating Partners,
L.P. and Bass Enterprises Production
Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

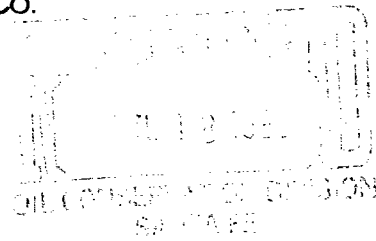
Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other Thomas Kellahin

BASS ENTERPRISES PRODUCTION CO.

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



July 13, 1988

CERTIFIED MAIL
P 078 222 934

The New Mexico Oil Conservation Division
P. O. Box 2088
Sante Fe, New Mexico 87501

Attention: Wm. J. LeMay, Director

Re: Big Eddy Unit Well No. 102
S/2 of Section 30, T21S-R28E
Eddy County, New Mexico
Bass Lease No. 4788-Federal
NMOCD Order No. R-8680 for Case Nos. 9372 and 9374

Ms. S.

Dear Sir:

In accordance with Paragraph 3 of the referenced New Mexico Oil Conservation Division Order, Bass Enterprises Production Co. hereby furnishes the Division with one (1) copy of the AFE cost estimate for the drilling of the Big Eddy Unit No. 102 at a location 1,980' from the south and west lines of Section 30, T21S-R28E, Eddy County, New Mexico.

An identical copy of the AFE cost estimate has also been sent to Sante Fe Energy Operating Partners.

Sincerely,


Jens Hansen

JH:ca

BASS ENTERPRISES PRODUCTION COMPANY
AFE COST ESTIMATE

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WELL: BIG EDDY UNIT #102 DEPTH: 12100

LOCATION: 1980' FSL & 1980' FWL, SEC 30, T21S, R28E EDDY CO.,NM

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COST CATEGORY

ESTIMATED

=====	
I. INTANGIBLE DRILLING COST	
A. SURFACE COST	24,250
B. RIG COST	211,600
C. SURFACE CASING SERVICES	11,250
D. PROTECTIVE CASING SERVICES	21000
E. BIT COST	0
F. DRILLING FLUID COST	62,500
G. TRANSPORTATION COST	12,500
H. SUPERVISION	20,625
I. RENTALS	13,000
J. MISCELLANEOUS COST	11,661
TOTAL INTANGIBLE DRILLING COSTS	\$388,386
II. TANGIBLE DRILLING COST	
A. CONDUCTOR CASING	0
B. SURFACE CASING	9,720
C. PROTECTIVE CASING	28,860
D. SURFACE CASING HEAD	750
E. PROTECTIVE CASING HEAD	1,800
F. MISCELLANEOUS	3,434
TOTAL TANGIBLE DRILLING COST	\$44,564
III. EVALUATION	
A. LOGGING COST	45,000
B. DRILL STEM TEST COST	15,000
C. CORE SERVICES	0
D. MUD LOGGING COST	20,250
E. SUPERVISION(BASS)	4,800
F. RIG COST	27,000
G. MISCELLANEOUS COST	15,000
TOTAL EVALUATION COST	\$127,050
IV. INTANGIBLE COMPLETION COST	
A. RIG COST	20,000
B. PROD. CASING SERVICES	30,000
C. SUPERVISION	7,500
D. LABOR	7,000
E. TRANSPORTATION	10,000
F. PROD. TBG. SERVICES	6,000
G. COMPLETION FLUID	7,500
H. RENTALS	18,477
I. PRODUCTION LOGGING	7,500
J. PERFORATING	7,500
K. WIRELINE WORK	10,000
L. TREATING	35,000
M. TESTING	10,000
N. COMPLETION RIG ANCHORS	1000
O. BITS	1000
P. MISCELLANEOUS	20,000
TOTAL INTANGIBLE COMPLETION COSTS	\$198,477

BASS ENTERPRISES PRODUCTION COMPANY

APE COST ESTIMATE

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WELL: BIG EDDY UNIT #102 DEPTH: 12100

LOCATION: 1980' FSL & 1980' FWL, SEC 30, T21S, R28E EDDY CO.,NM

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COST CATEGORY

ESTIMATED

V. TANGIBLE COMPLETION COST

A. PROD. CASING/LINER	139,150
B. TUBING HEAD	2,000
C. PRODUCTION TUBING	38,357
D. CHRISTMAS TREE	10,000
E. DOWNHOLE EQUIP.	9,000
F. MISCELLANEOUS	3,016

TOTAL TANGIBLE COMPLETION COST	\$201,523
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VI. LEASE EQUIPMENT/INSTALLATION

A. EQUIPMENT	24,000
B. LABOR	7,500
C. MISCELLANEOUS	3,500

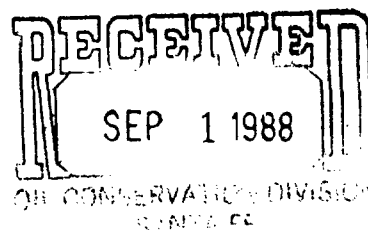
TOTAL LEASE EQUIPMENT	\$35,000
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***** COST SUMMARY *****

		DRY HOLE	COMPLETED
INTANGIBLE			
	I Drilling	388,386	388,386
	III Formation Evaluation	127,050	127,050
	IV Completion		198,477
Subtotal		\$515,436	\$713,913
TANGIBLE			
	II Drilling	44,564	44,564
	V Completion		201,523
Subtotal		\$44,564	\$246,087
	VI Lease Equipment		\$35,000
TOTAL		\$560,000	\$995,000

BASS ENTERPRISES PRODUCTION CO.

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



August 30, 1988

Catanach
Dde

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Bill LeMay

Re: NMOCD Order No. R-8680 for Case
No.s 9372 and 9374
Big Eddy Unit Well No. 102
Eddy County, New Mexico

Gentlemen:

Pursuant to Paragraph No.s 26 and 27 on page no. 5 of the referenced NMOCD Order No. R-8680 dated July 5, 1988, this will hereby serve as notification of voluntary agreement between Bass Enterprises Production Co. and Santa Fe Energy Operating Partners, L.P. subsequent to the subject order, thus rendering such order to be null and void.

Sincerely,

RAMaxwell

R. Andrew Maxwell

RAM:glb

cc: Santa Fe Energy Operating Partners, L.P.
500 W. Illinois, Suite 500
Midland, Texas 79701