

AMEND CTB-399 7/3/96

BASS ENTERPRISES PRODUCTION CO.

6 DESTA DRIVE, SUITE 3700  
P.O. BOX 2760  
MIDLAND, TEXAS 79702

FAX (915) 687-0329

August 7, 1996

(915) 683-2277

Re: Proposed Off-Lease Storage and/or  
Measurement and Surface Commingling  
Poker Lake Unit Delaware "B" PA  
Poker Lake #98  
Eddy County, New Mexico  
FILE: 400-WF: 968AOFLS.DLB

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

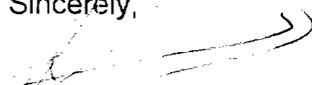
Dear Mr. LeMay:

Bass Enterprises Production Company respectfully requests approval of off-lease storage and/or measurement and surface commingling of production into an existing tank battery, Commingling Order CTB-399. Please see attached list for all wells involved. Production from the subject lease will be metered separately at the Poker Lake Unit #78 battery prior to being commingled. Approval of this request for off-lease storage and/or measurement and surface commingling will allow for more efficient use of existing facilities. Also, gas sales and SWD connections are available at the existing battery. Surface disturbance will also be minimized by using the existing facility.

Full wellstream production will be transported via flowline to a three phase heater treater. Oil, Water, and Gas will be separated at this vessel. The oil and water will be metered prior to being stored in the commingled stock tanks and water tank. The gas will be metered via a separate sales meter. Estimated production from the Poker Lake Unit Delaware "B" PA will be 440 BOPD, 1238 BWPD, 1243 MCF per day. Estimated production from the Poker Lake #98 Lease will be 15 BOPD, 80 BWPD, 90 MCF per day. The API oil gravity for the subject leases is 44.0 (sweet). Current posted price is \$23.50 per barrel.

If you have any questions please contact Keith Bucy or myself at the letterhead address.

Sincerely,

  
John R. Smitherman  
Division Production Manager

  
JRS:tlw

**OFF LEASE STORAGE AND/OR MEASUREMENT  
SURFACE COMMINGLING**

Poker Lake Unit #98      NMNM-0506-A      Section 30, T24S R31E

**Poker Lake Unit Delaware "B" PA Wells  
Agreement #891000303E**

Poker Lake Unit #78      LC-061705-B      SE 1/4      A      Section 25, T24S R30E

Poker Lake Unit #80      LC-061705-B      SW 1/4      M      Section 19, T24S R31E

Poker Lake Unit #82      NM-030453      SW 1/4      P      Section 24, T24S R30E

Poker Lake Unit #83      NM-0506-A      NW 1/4      D      Section 30, T24S R30E

Poker Lake Unit #85      LC-061705-B      SE NE      H      Section 25, T24S R30E

Poker Lake Unit #86      LC-061705-B      NW 1/4      L      Section 19, T24S R31E

Poker Lake Unit #87      LC-061705-B      NW 1/4      B      Section 25, T24S R30E

Poker Lake Unit #89      LC-061705-B      SW 1/4      G      Section 25, T24S R30E

Poker Lake Unit #92      NM-030453      NW 1/4      I      Section 24, T24S R30E

Poker Lake Unit #93      NM-030453      SW 1/4      H      Section 24, T24S R30E

Poker Lake Unit #103      LC-061705-B      SE NW      F      Section 25, T24S R30E

Poker Lake Unit #105      E2206 (State)      NW 1/4      B      Section 36, T24S R30E

Poker Lake Unit #108      NMNM157779      NW 1/4 E      J      Section 25, T24S R30E

Poker Lake Unit #111      NMNM157779      SW 1/4 E      O      Section 25, T24S R30E

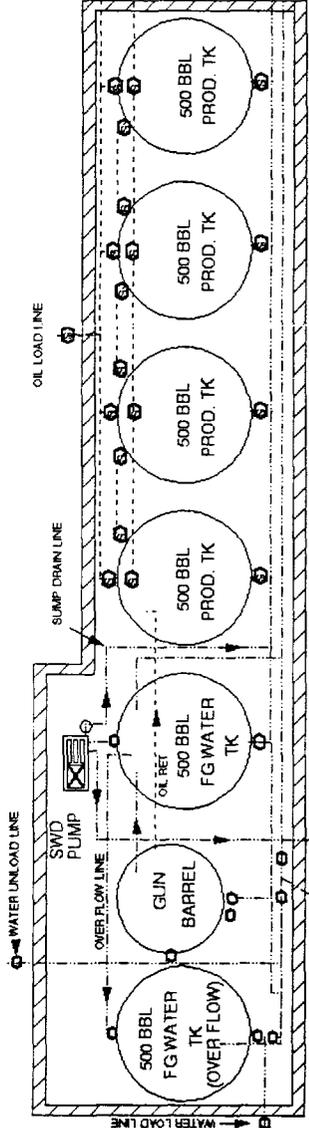
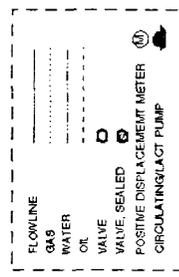
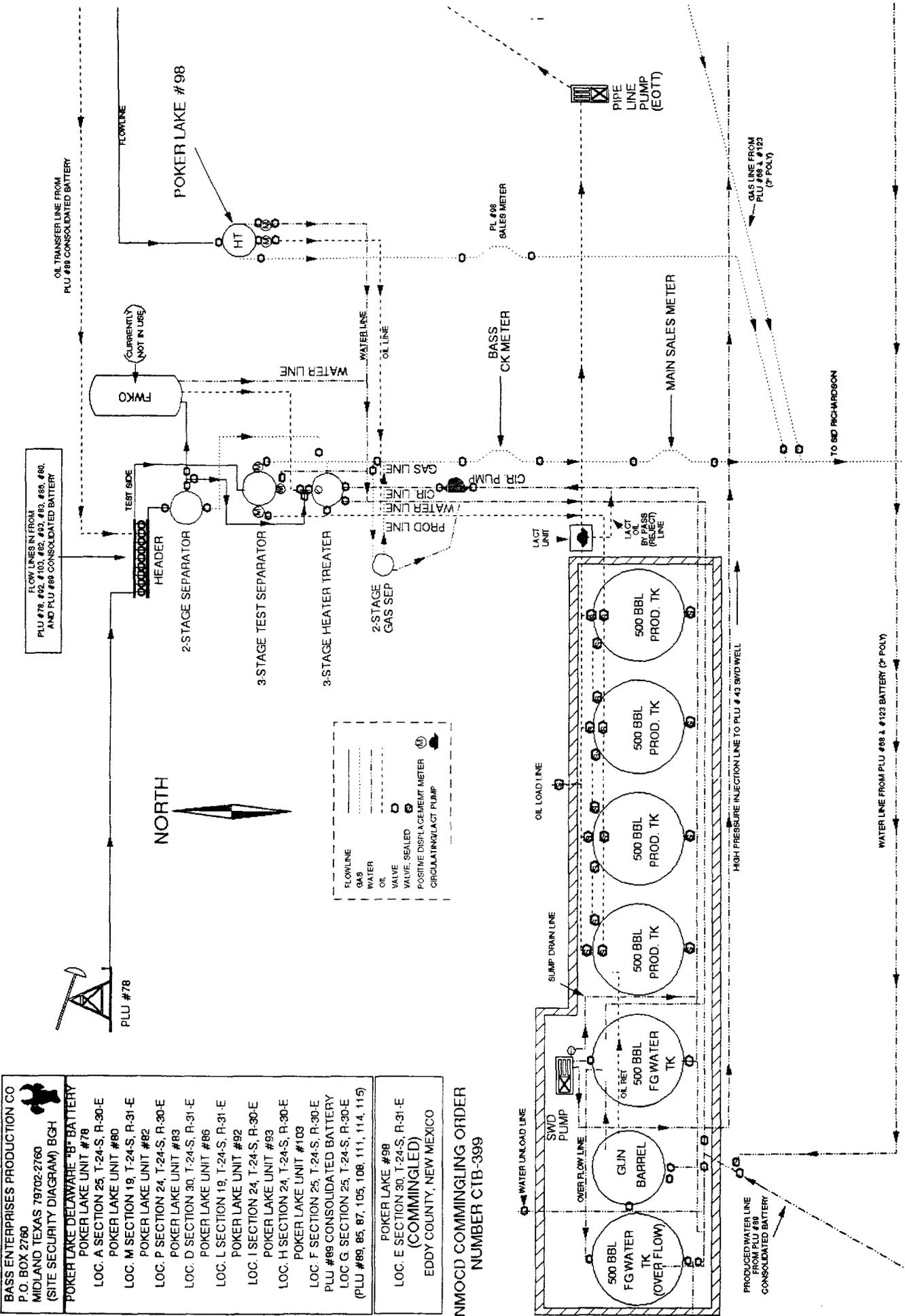
Poker Lake Unit #114      B-10685 (State)      SE NW      F      Section 36, T24S R30E

Poker Lake Unit #115      B-10685 (State)      NW NW      C      Section 26, T24S R30E

CURRENTLY NOT IN USE

<b>BASS ENTERPRISES PRODUCTION CO</b> P.O. BOX 2760 MIDLAND TEXAS 79702-2760 (SITE SECURITY DIAGRAM) BGH	
<b>POKER LAKE DELAWARE "B" BATTERY</b>	
LOC. A SECTION 25, T-24-S, R-30-E	POKER LAKE UNIT #78
LOC. M SECTION 19, T-24-S, R-31-E	POKER LAKE UNIT #80
LOC. P SECTION 24, T-24-S, R-30-E	POKER LAKE UNIT #82
LOC. D SECTION 30, T-24-S, R-31-E	POKER LAKE UNIT #83
LOC. L SECTION 19, T-24-S, R-31-E	POKER LAKE UNIT #86
LOC. I SECTION 24, T-24-S, R-30-E	POKER LAKE UNIT #92
LOC. H SECTION 24, T-24-S, R-30-E	POKER LAKE UNIT #93
LOC. F SECTION 25, T-24-S, R-30-E	POKER LAKE UNIT #103
PLU #89 CONSOLIDATED BATTERY	
LOC. G SECTION 25, T-24-S, R-30-E	
(PLU #89, 85, 87, 105, 108, 111, 114, 115)	
<b>POKER LAKE #98</b> LOC. E SECTION 30, T-24-S, R-31-E (COMMINGLED) EDDY COUNTY, NEW MEXICO	

NMOC D COMMINGLING ORDER  
 NUMBER CTB-399



HIGH PRESSURE INJECTION LINE TO PLU #43 8WD WELL

WATER LINE FROM PLU #88 & #123 BATTERY (P-POLY)

TO SD RICHARDSON

SURFACE COMMINGLING DATA SHEET

Name of Operator : Bass Enterprises Production Co.  
 Address & Tel. No. : P. O. Box 2760  
Midland, Texas 79702-2760 (915) 683-2277

1. This is an attachment to our request for approval to commingle production from the Federal wells shown below.
2. All interest owners have been notified of this commingling.
3. No Federal or Indian royalties will be reduced through approval of this application.
4. Approval of this application will allow for more efficient use of existing facilities.
5. Method for Allocating Production to Contributing Sources (Explain):  
Off Lease production will be metered separately prior to commingling.
6. Enclosed is a map showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling or common storage facility. All unitized or communitized ares, producing zones, or pools, etc. are clearly illustrated.
7. Enclosed is a schematic diagram which clearly identifies all equipment that will be utilized.
8. The following data is pertinent to our commingling application:

Production Leaving : Lease No. NMNM-0506-A  
 Producing Formation : Poker Lake (Delaware), SW  
 Daily Production Rate : 15 BOPD; 90 MCFPD; 80 BWPD  
 Oil Gravity: 44.0 API; Gas Gravity: 0.7927

Production Entering : Lease No. LC-061705-B Agreement No. 891000303E  
 Producing Formation : Poker Lake (Delaware), SW  
 Daily Production Rate : 440 BOPD; 1243 MCFPD; 1238 BWPD  
 Oil Gravity: 44.0 API; Gas Gravity: 0.7927

Wells Included in the Proposed Commingling: Existing Commingling Order CTB-399

<u>Well Name &amp; No.</u>	<u>Lease No.</u>	<u>Loc. Sec. Twp. Rng.</u>
<b>POKER LAKE UNIT DELAWARE "B" PA</b>		<b>AGREEMENT NO. 891000303E</b>
Poker Lake Unit #78	<u>LC-061705-B</u>	<u>A Section 25, T24S R30E</u>
Poker Lake Unit #80	<u>LC-061705-B</u>	<u>M Section 19, T24S R31E</u>
Poker Lake Unit #82	<u>NM-030453</u>	<u>P Section 24, T24S R30E</u>
Poker Lake Unit #83	<u>NM-0506-A</u>	<u>D Section 30, T24S R30E</u>
Poker Lake Unit #85	<u>LC-061705-B</u>	<u>H Section 25, T24S R30E</u>
Poker Lake Unit #86	<u>LC-061705-B</u>	<u>L Section 19, T24S R31E</u>
Poker Lake Unit #87	<u>LC-061705-B</u>	<u>B Section 25, T24S R30E</u>
Poker Lake Unit #89	<u>LC-061705-B</u>	<u>G Section 25, T24S R30E</u>
Poker Lake Unit #92	<u>NM-030453</u>	<u>I Section 24, T24S R30E</u>
Poker Lake Unit #93	<u>NM-030453</u>	<u>Hi Section 24, T24S R30E</u>
Poker Lake Unit #103	<u>LC-061705-B</u>	<u>F Section 25, T24S R30E</u>
Poker Lake Unit #105	<u>E2206 (State)</u>	<u>B Section 36, T24S R30E</u>
Poker Lake Unit #108	<u>NMNM157779</u>	<u>J Section 25, T24S R30E</u>
Poker Lake Unit #111	<u>NMNM157779</u>	<u>O Section 25, T24S R30E</u>
Poker Lake Unit #114	<u>B-10685 (State)</u>	<u>F Section 36, T24S R30E</u>
Poker Lake Unit #115	<u>B-10685 (State)</u>	<u>C Section 26, T24S R30E</u>

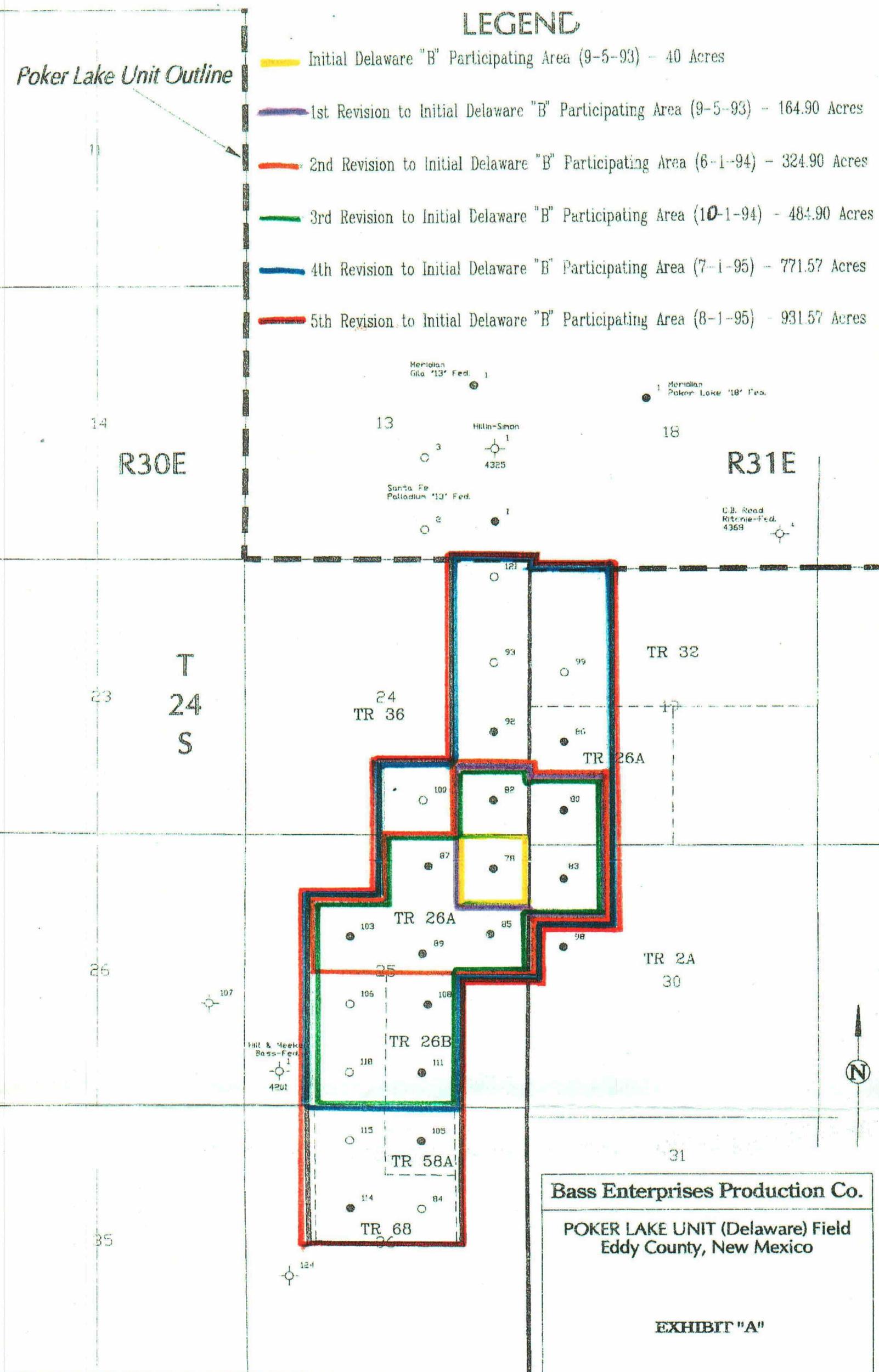
I hereby certify that the foregoing is true and correct

Signed Tami L. Wilber Title Production Clerk Date 8/7/96  
 Tami L. Wilber

# LEGEND

-  Initial Delaware "B" Participating Area (9-5-93) - 40 Acres
-  1st Revision to Initial Delaware "B" Participating Area (9-5-93) - 164.90 Acres
-  2nd Revision to Initial Delaware "B" Participating Area (6-1-94) - 324.90 Acres
-  3rd Revision to Initial Delaware "B" Participating Area (10-1-94) - 484.90 Acres
-  4th Revision to Initial Delaware "B" Participating Area (7-1-95) - 771.57 Acres
-  5th Revision to Initial Delaware "B" Participating Area (8-1-95) - 931.57 Acres

*Poker Lake Unit Outline*



**Bass Enterprises Production Co.**  
**POKER LAKE UNIT (Delaware) Field**  
**Eddy County, New Mexico**

**EXHIBIT "A"**

BASS ENTERPRISES PRODUCTION CO.

6 DESTA DRIVE, SUITE 3700  
P.O. BOX 2760  
MIDLAND, TEXAS 79702

FAX (915) 687-0329

August 7, 1996

(915) 683-2277

Re: Proposed Off-Lease Storage and/or  
Measurement and Surface Commingling  
Poker Lake Unit Delaware "B" PA  
Poker Lake #98  
Eddy County, New Mexico  
FILE: 400-WF: 968AOFLS.DLB

WAIVER OF OBJECTION

EOTT Energy Corporation does not object to the attached application by Bass Enterprises  
Production Co. For Surface Commingling and/or Off-Lease Measurement and Storage.

Eott Energy Corporation

Company or Interest Owner

Michael S. [Signature]

Authorized Representative

Area Manager

Title

8-9-96

Date

BASS ENTERPRISES PRODUCTION CO.

6 DESTA DRIVE, SUITE 3700  
P.O. BOX 2760  
MIDLAND, TEXAS 79702

FAX (915) 687-0329

August 7, 1996

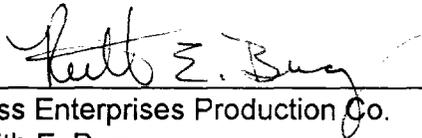
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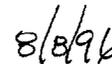
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Measurement and Surface Commingling  
Poker Lake Unit Delaware "B" PA  
Poker Lake #98  
Eddy County, New Mexico  
FILE: 400-WF: 968AOFLS.DLB

INTEREST OWNERS

UNITED STATES DEPARTMENT OF  
THE INTERIOR (BLM)  
CARLSBAD RESOURCE AREA HEADQUARTERS  
620 E GREENE STREET  
CARLSBAD, NM 88220-6292

I, Keith E. Bucy, certify that the above Interest Owners have been notified of this application.





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Bass Enterprises Production Co.  
Keith E. Bucy  
Division Production Supt.

Date

BASS ENTERPRISES PRODUCTION Co.

6 DESTA DRIVE, SUITE 3700  
P.O. BOX 2760  
MIDLAND, TEXAS 79702

FAX (915) 687-0329

August 7, 1996

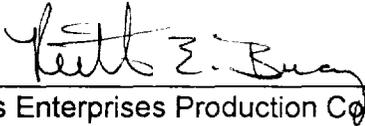
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Measurement and Surface Commingling  
Poker Lake Unit Delaware "B" PA  
Poker Lake #98  
Eddy County, New Mexico  
FILE: 400-WF: 968AOFLS.DLB

INTEREST OWNERS

RAY POWELL  
COMMISSIONER OF PUBLIC LANDS  
P O BOX 1148  
SANTA FE, NEW MEXICO 87501

I, Keith E. Bucy, certify that the Commissioner of Public Lands has been notified of this application.



8/8/96

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Bass Enterprises Production Co.  
Keith E. Bucy  
Division Production Supt.

Date



APPLICATION FOR SURFACE COMMINGLING  
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

This Format Should Be Attached to a Sundry Notice

To: Bureau of Land Management  
Carlsbad Resource Area Headquarters  
620 E. Greene Street  
Carlsbad, NM 88220-6292

EXISTING COMMINGLING ORDER NO. CTB-399

Bass Enterprises Production Company is requesting approval for surface commingling and off-lease storage and/or measurement of hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NMNM0506-A, Lease Name Poker Lake.

<u>WELL NO.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>98</u>	<u>UL E</u>	<u>30</u>	<u>24S</u>	<u>31E</u>	<u>Delaware</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

with hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NMLC061705-B, Lease Name Poker Lake Unit Delaware "B" PA. Agreement No. 891000303E.

<u>WELL NO.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
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See Attached List

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFD</u>
<u>Poker Lake #98</u>	<u>15</u>	<u>44.0</u>	<u>90</u>
<u>Delaware "B" PA</u>	<u>440</u>	<u>44.0</u>	<u>1243</u>
_____	_____	_____	_____
_____	_____	_____	_____

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located at Unit A, Section 25, T24S, R30E, on Lease No. LC-061705-B, Eddy County, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources is as follows:  
Total wellstream production will be transported via flowline to a three phase heater treater. The gas will be separated and sold through a lease sales meter. The oil will be separated and metered through a positive displacement meter prior to commingling.

The working interest owners have been notified of the proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling will allow for more efficient use of existing facilities.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days in application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

Additional wells require additional commingling approvals.

Signature: Jami L. Wilber  
Name: Tami L. Wilber  
Title: Production Clerk  
Date: 8-7-96

DISTRICT I  
P.O.Box 1980, Hobbs, NM 88241-1980  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719  
DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410

OIL CONSERVATION DIVISION

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

ACT Permit No. \_\_\_\_\_

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator Bass Enterprises Production Co.

Address P. O. Box 2760 Midland, Texas 79702-2760 County Eddy

Lease(s) to be served by this ACT Unit Poker Lake Unit Delaware "B" PA (see attached), Poker Lake #98

Pool(s) to be served by this ACT Unit Poker Lake, SW (Delaware)

Location of ACT System: Unit A Section 25 Township 24S Range 30E

Order No. authorizing commingling between leases if more than one lease is to be served by this system.

CTB-392 3/28/94, CTB-399 11/9/94 Date \_\_\_\_\_

Order No. authorizing commingling between pools if more than one pool is to be served by this system

\_\_\_\_\_ Date \_\_\_\_\_

Authorized transporter of oil from this system EOTT Energy Corp

Transporter's address P. O. Box 4666 Houston, Texas 77210-4666

Maximum expected daily through-put for this system: 500 Bbls/day

If system fails to transfer oil due to malfunction or otherwise, waste by overflow will be averted by:  
CHECK ONE: A.  Automatic shut-down facilities as required by Section (3) h-1 of "RULE 309-A"  
B.  Alternative (3) h-2, providing adequate available capacity to receive production during maximum unattended time of lease operation

If "A" above is checked, will flowing wells be shut-in at the header manifold or at the wellhead?

\_\_\_\_\_ Maximum well-head shut-in pressure \_\_\_\_\_

If "B" above is checked, how much storage capacity is available above the normal high working level of the surge tank 1800 BBLS.

What is the normal maximum unattended time of lease operation? 24 Hours.

What device will be used for measuring oil in this ACT unit?

CHECK ONE:  Positive displacement meter  Weir-type measuring vessel  
 Positive volume metering chamber  Other, describe \_\_\_\_\_

Remarks: Per Telephone Conversation with Gene Hunt (BLM) 7/31/96 LACT is approved.

OPERATOR:

I hereby certify above information is true and complete to best of my knowledge and subject ACT system will be installed and operated in accordance with Rule 309-A. Approval of this Form C-106 does not eliminate necessity of an approved C-104 prior to running any oil or gas from this system.

Signature Tami L. Wilber

Printed Name & Title Tami L. Wilber Production Clerk

Date 8/2/96 Telephone (915) 683-2277

OIL CONSERVATION DIVISION

Approved by: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

- INSTRUCTIONS: Submit 4 copies of Form C-106 with following attachments to appropriate district office. See Rule 309-A.  
1) Lease plat showing all wells which will be produced in ACT system.  
2) Schematic diagram of battery and ACT equipment showing all major components and means employed to prove accuracy of measuring device.  
3) Letter from transporter agreeing to utilization of ACT system as shown on schematic diagram.