

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

BASS ENTERPRISES PRODUCTION CO.

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

FAX (915) 687-0329

October 9, 1997

(915) 683-2277

Re: Proposed Off-Lease Storage and/or
Measurement and Surface Commingling
Poker Lake Unit Well #79
B-10679 (State Lease)
Section 2, T25S-R30E; Unit Letter M
Poker Lake Unit Well #91
NM 030456
Section 12, T25S-R30E; Unit Letter D
Eddy County, New Mexico
FILE: 400-WF: 97AHPL91.OLS

*NE (OFF-LEASE) UNIT
DCL*

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

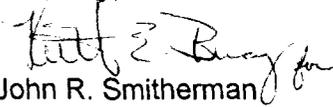
Dear Mr. LeMay:

Bass Enterprises Production Company respectfully requests approval of off-lease storage and/or measurement of production into the existing tank battery. Production from the Poker Lake Unit #91 will be metered separately at the Poker Lake Unit #79 battery prior to being commingled with production from the Poker Lake Unit #79 lease. Approval of this request for off-lease storage and measurement will allow for more efficient operations with a consolidated battery by reducing the number of stock tanks (2) and water tanks (1). 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 the 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 #91 lease will be 52 BOPD, 186 BWPD, 52 MCFPD. Poker Lake Unit #79 lease produces 14 BOPD, 38 BWPD, 10 MCFPD.

The API oil gravity for the subject leases is 39.0 (sweet). Current posted price is \$19.75 per barrel. The total value will improve by commingling as revenue will increase due to gas sales vs. venting. Operating expenses will be reduced as the existing battery is closer to disposal facilities.

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

Sincerely,


John R. Smitherman
Division Production Manager


JRS:tlw

BASS ENTERPRISES PRODUCTION CO.

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

FAX (915) 687-0329

October 10, 1997

(915) 683-2277

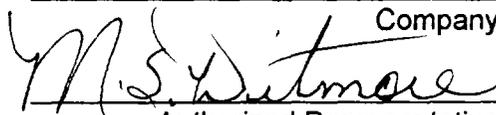
Re: Proposed Off-Lease Storage and/or
Measurement and Surface Commingling
Poker Lake Unit Well #79
B-10679 (State Lease)
Section 2, T25S-R30E; Unit Letter M
Poker Lake Unit Well #91
NM 030456
Section 12, T25S-R30E; Unit Letter D
Eddy County, New Mexico
FILE: 400-WF: 964KOFSM.LTR

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



Authorized Representative

Senior Area Manager

Title

10/10/97

Date

BASS ENTERPRISES PRODUCTION CO.

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

FAX (915) 687-0329

October 8, 1997

(915) 683-2277

Re: Proposed Off-Lease Storage and/or
Measurement and Surface Commingling
Poker Lake Unit Well #79
B-10679 (State Lease)
Section 2, T25S-R30E; Unit Letter M
Poker Lake Unit Well #91
NM 030456
Section 12, T25S-R30E; Unit Letter D
Eddy County, New Mexico
FILE: 400-WF: 97AHPL91.OLS

Ray Powell, Commissioner
New Mexico State Land Office
P. O. Box 1148
Santa Fe, New Mexico 87504

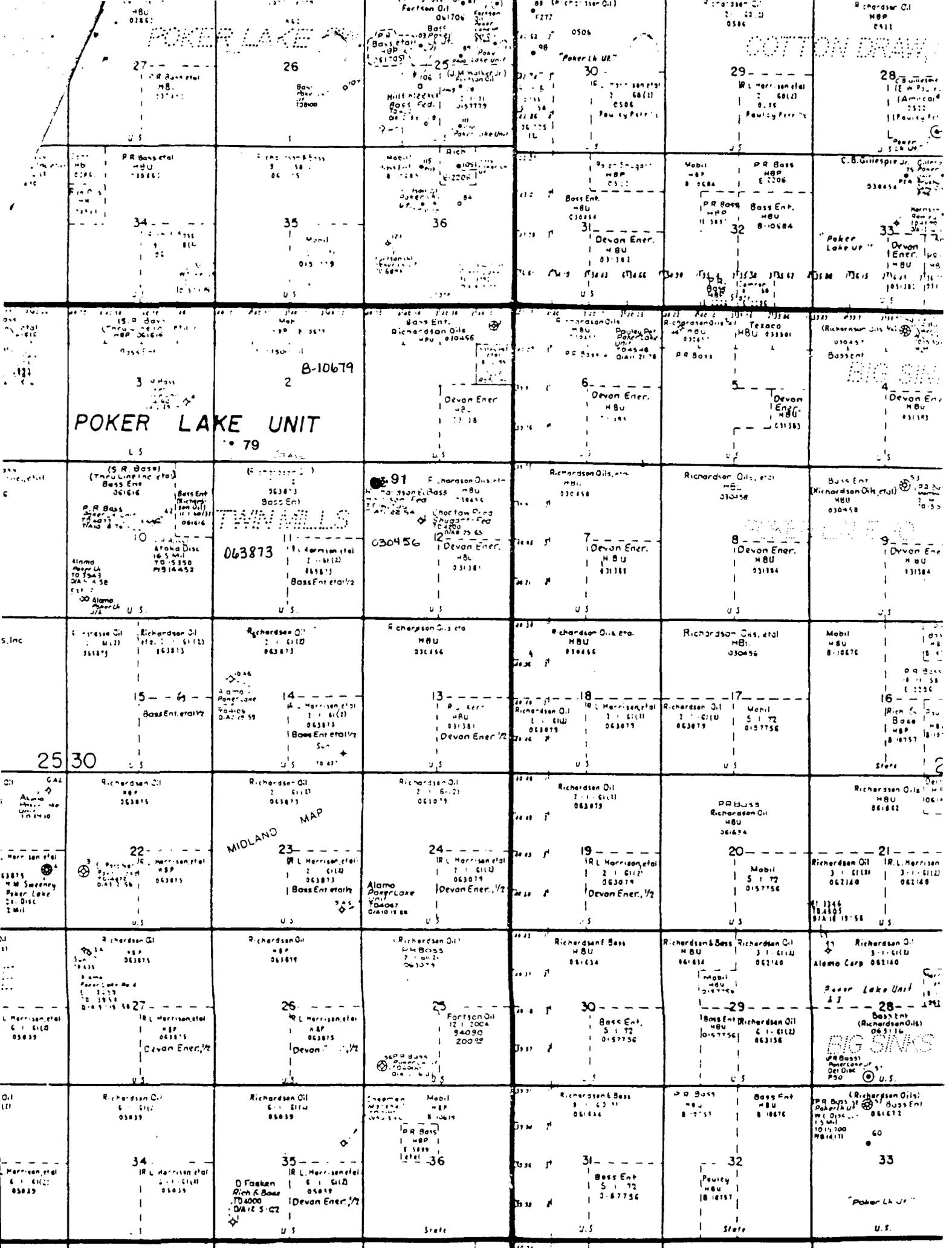
United States Department of the Interior (BLM)
Carlsbad Resource Area Headquarters
620 E. Greene Street
Carlsbad, New Mexico 88220-6292

I, Tami L. Wilber, certify that the above Interest Owners have been notified of this application.



Bass Enterprises Production Co.
Tami L. Wilber
Production Clerk

10/8/97



POKER LAKE UNIT

COTTON DRAW

POKER LAKE UNIT

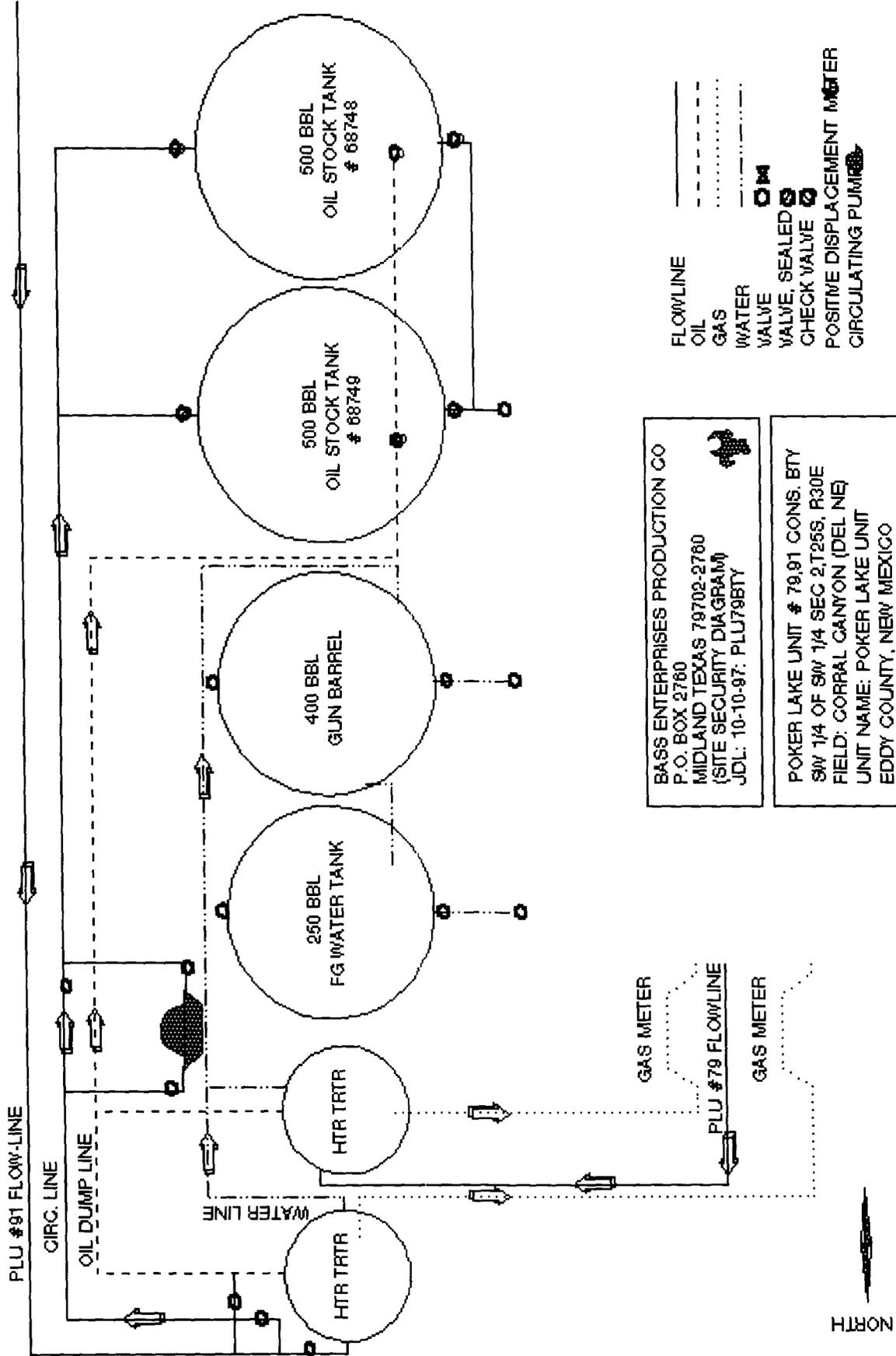
TWIN MILLS

MIDLAND MAP

BIG SINKS

Map containing well locations, acreage, and company names. Key entries include:

- Well 27:** P.R. Bass et al, HBU, 10865
- Well 26:** Bass et al, HBU, 10800
- Well 25:** Fortson Oil, HBU, 051706
- Well 30:** P.R. Bass et al, HBU, 0506
- Well 29:** P.R. Bass et al, HBU, 0506
- Well 28:** Bass et al, HBU, 0506
- Well 34:** P.R. Bass et al, HBU, 10865
- Well 35:** Bass et al, HBU, 10800
- Well 36:** Bass et al, HBU, 10800
- Well 33:** P.R. Bass et al, HBU, 10865
- Well 3:** P.R. Bass et al, HBU, 10865
- Well 2:** P.R. Bass et al, HBU, 10865
- Well 6:** Devon Ener, HBU, 03181
- Well 5:** Devon Ener, HBU, 03181
- Well 10:** P.R. Bass et al, HBU, 10865
- Well 11:** Bass et al, HBU, 10800
- Well 7:** Devon Ener, HBU, 03181
- Well 8:** Devon Ener, HBU, 03181
- Well 9:** Devon Ener, HBU, 03181
- Well 15:** Bass et al, HBU, 10800
- Well 14:** Bass et al, HBU, 10800
- Well 13:** Devon Ener, HBU, 03181
- Well 18:** Bass et al, HBU, 10800
- Well 17:** Bass et al, HBU, 10800
- Well 16:** Bass et al, HBU, 10800
- Well 25:** Bass et al, HBU, 10800
- Well 30:** Bass et al, HBU, 10800
- Well 22:** Bass et al, HBU, 10800
- Well 23:** Bass et al, HBU, 10800
- Well 24:** Bass et al, HBU, 10800
- Well 19:** Bass et al, HBU, 10800
- Well 20:** Bass et al, HBU, 10800
- Well 21:** Bass et al, HBU, 10800
- Well 26:** Bass et al, HBU, 10800
- Well 27:** Bass et al, HBU, 10800
- Well 28:** Bass et al, HBU, 10800
- Well 29:** Bass et al, HBU, 10800
- Well 30:** Bass et al, HBU, 10800
- Well 25:** Bass et al, HBU, 10800
- Well 34:** Bass et al, HBU, 10800
- Well 35:** Bass et al, HBU, 10800
- Well 36:** Bass et al, HBU, 10800
- Well 33:** Bass et al, HBU, 10800



BASS ENTERPRISES PRODUCTION CO
 P.O. BOX 2760
 MIDLAND TEXAS 79702-2760
 (SITE SECURITY DIAGRAM)
 JDL: 10-10-97: PLU79BTY

POKER LAKE UNIT # 79.91 CONS. BTY
 SW 1/4 OF SW 1/4 SEC 2, T25S, R30E
 FIELD: CORRAL CANYON (DEL NE)
 UNIT NAME: POKER LAKE UNIT
 EDDY COUNTY, NEW MEXICO

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
BLM - CRA
February 08, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM 030456
2. Name of Operator Bass Enterprises Production Company	6. If Indian, Allottee or Tribe Name ---
3. Address and Telephone No. P. O. Box 2760 Midland, Texas 79702-2760 (915) 683-2277	7. If Unit or CA, Agreement Designation Poker Lake Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 360' FNL & 330' FWL Section 12, T25S-R30E	8. Well Name and No. Poker Lake Unit #91
	9. API Well No. 30-015-29509
	10. Field and Pool, or Exploratory Area Corral Canyon (Delaware), NE
	11. County or Parish, State Eddy County, New Mexico

COPY

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Off-Lease Storage and/or Measurement</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Bass Enterprises Production Company respectfully requests approval of off-lease storage and/or measurement of production into the existing tank battery. Production from the Poker Lake Unit #91 will be metered separately at the Poker Lake Unit #79 battery prior to being commingled with production from the Poker Lake Unit #79 lease. Approval of this request for off-lease storage and measurement will allow for more efficient operations with a consolidated battery by reducing the number of stock tanks (2) and water tanks (1). 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 the 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 #91 lease will be 52 BOPD, 186 BWPD, 52 MCFPD. Poker Lake Unit #79 lease produces 14 BOPD, 38 BWPD, 10 MCFPD.

14. I hereby certify that the foregoing is true and correct

Signed Tami L. Wilber Tami L. Wilber Title Production Clerk Date 10/8/97

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

This Format Should Be Attached to a Sundry Notice

To: Bureau of Land Management
620 E. Greene Street
Carlsbad, New Mexico 88220-6292

Bass Enterprises Production Co. (Operator's Name) is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on State Lease No. B-10679, Lease Name Poker Lake Unit #79.

<u>WELL NO.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>79</u>	<u>UL M</u>	<u>2</u>	<u>25S</u>	<u>30E</u>	<u>Delaware</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

COPY

with hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NM 030456 Lease Name Poker Lake Unit.

<u>WELL NO.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>91</u>	<u>UL D</u>	<u>12</u>	<u>25S</u>	<u>30E</u>	<u>Delaware</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

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 Unit #79</u>	<u>14</u>	<u>39.0</u>	<u>10</u>
<u>Poker Lake Unit #91</u>	<u>52</u>	<u>39.0</u>	<u>52</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 M, Section 12, T25S, R30E, on lease No. B-10679, 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 is necessary for continued operation of the above referenced Federal and State Leases.

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: Tami L. Wilber
Name: Tami L. Wilber
Title: Production Clerk
Date: 10/8/97