

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700

Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713

Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245

Fax (505) 827-5766

COMMERCIAL RESOURCES

Phone (505) 827-5724

Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744

Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772

Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

January 14, 2000

Bass Enterprises Production Company
6 Desta Drive
Suite 3700
P.O. Box 2760
Midland, Texas 79702

Attn: Mr. John R. Smitherman

Re: Off Lease Storage, Measurement and Surface Commingling
Hat Mesa 32 State Well No. 1
NW/4NW/4, Section 32-20S-33E
State Lease V-1618
Hat Mesa State #1 Battery
NW/4NE/4, Section 31-20S-33E
State Lease E-5231-8
Hat Mesa (Delaware)
Lea County, New Mexico

Dear Mr. Smitherman:

We have received your letter of January 6, 2000, wherein you have requested approval for off-lease storage, measurement and surface commingling of production from the Hat Mesa 32 State Well No. 1.

It is our understanding that the production from the Hat Mesa 32 State Well 1 will be metered separately at the Hat Mesa 31 State #1 battery. Full well stream production will be transported via flowline to a three phase heater treater. Oil, water and gas will be separated at this vessel. Oil and water will be metered prior to being stored in commingled stock tank and water tanks. The gas will be metered via a separate allocation meter.

Since it appears that there will be no loss of revenue to the State of New Mexico's beneficiaries as a result of your proposed operation, your request is hereby approved. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval, should this operation prove to be unprofitable to the state at any time in the future. Also, our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your \$30.00 filing fee has been received.

Also please submit a copy of the New Mexico Oil Conservation Division's order approving this application.

Bass Enterprises Production Company
January 14, 2000
Page 2

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL , M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure

xc: Reader File

~~cc: Mr. Daniel Catanach~~, Mr. Ben Stone

CTB 1/31/00

REGISTRY

BASS ENTERPRISES PRODUCTION CO.

6 PESTA DRIVE, SUITE 3700

P.O. BOX 2760
MIDLAND, TEXAS 79702

JAN 10 2000

CONSERVATION DIVISION

(915) 683-2277

FAX (915) 687-0329

January 6, 2000

Re: Off-lease Storage, Measurement
and Surface Commingling
Hat Mesa 31 State (24228) and
Hat Mesa 32 State (24937)
Hat Mesa (Delaware) (242-3024)
Lea County, New Mexico
FILE: 400-WF: 001D32#1.CMG

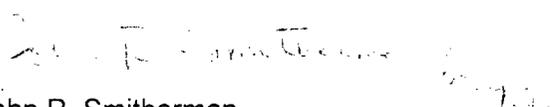
Division Director
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Gentlemen:

Bass Enterprises Production Co. respectfully request approval of off-lease storage, measurement and surface commingling of production from the above subject well. Production from the Hat Mesa 32 State #1 will be metered separately at the Hat Mesa 31 State #1 battery. 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 commingled stock tanks and water tanks. The gas will be metered via a separate allocation meter. Estimated production from the Hat Mesa 32 State #1 will be 353 BO + 54 BW + 120 MCF per day. Estimated production from the Hat Mesa 31 State Lease will be 206 BO + 82 BW + 188 MCF per day. The API oil gravity for the subject lease is 37.8, current posted price is \$22.75 per barrel. The total value will not change whether production is commingled or separate storage facilities are used.

If you have any questions or comments please contact Tami Wilber at the above letterhead address.

Sincerely,



John R. Smitherman
Division Production Manager

JRS:tlw

cc: Ray Powell
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1144

BASS ENTERPRISES PRODUCTION CO.

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

FAX (915) 687-0329

January 4, 2000

(915) 683-2277

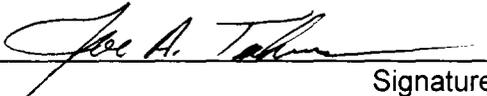
Re: Off-lease Storage, Measurement
and Surface Commingling
Hat Mesa 31 State (24228) and
Hat Mesa 32 State (24937)
Hat Mesa (Delaware)
Lea County, New Mexico
FILE: 400-WF: 001D32#1.CMG

WAIVER OF OBJECTION

Sunoco, Inc. does not object to the attached application by Bass Enterprises Production Co. for Off-Lease Storage, Measurement and Surface Commingling.

Sunoco, Inc.
Company

Joe Terhune
Authorized Representative


Signature

Crude Oil Representative
Title

January 4, 2000
Date

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs NM 88241-1980

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.
30-025-34704

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.
V-1618

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name
HAT MESA 32 STATE

1. Type of Well:
OIL WELL GAS WELL OTHER

8. Well No.
1

2. Name of Operator
Bass Enterprises Production Co.

9. Pool name or Wildcat
HAT MESA (DELAWARE)

3. Address of Operator
P.O. Box 2760 Midland, TX 79702-2760

4. Well Location
Unit Letter D : 660 Feet From The NORTH Line and 660 Feet From The WEST Line
Section 32 Township 20S Range 33E NMPM LEA County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3605' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: Offlease Storage, measurement & Commingling <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Bass Enterprises Production Co. respectfully request approval of offlease storage, measurement and surface commingling of production from the above subject well. Production from the Hat Mesa 32 State #1 will be metered separately at the Hat Mesa 31 State #1 battery. 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 tanks. The gas will be metered via a separate allocation meter. Estimated production from the Hat Mesa 32 State #1 will be 353 BO + 54 BW + 120 MCF per day. Estimated production from the Hat Mesa 31 State Lease will be 206 BO + 82 BW + 188 MCF per day. The API oil gravity for the subject lease is 37.8, current posted price is \$22.75 per barrel. The total value will not change whether production is commingled or separate storage facilities are used.

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

SIGNATURE Tami Wilber TITLE Production Clerk DATE 1/6/00

TYPE OR PRINT NAME Tami Wilber TELEPHONE NO. 915-683-2277

(This space for State Use)

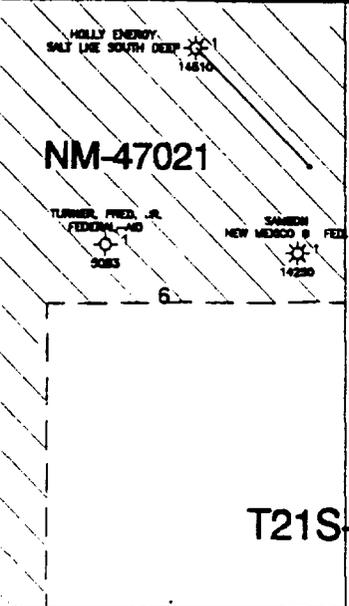
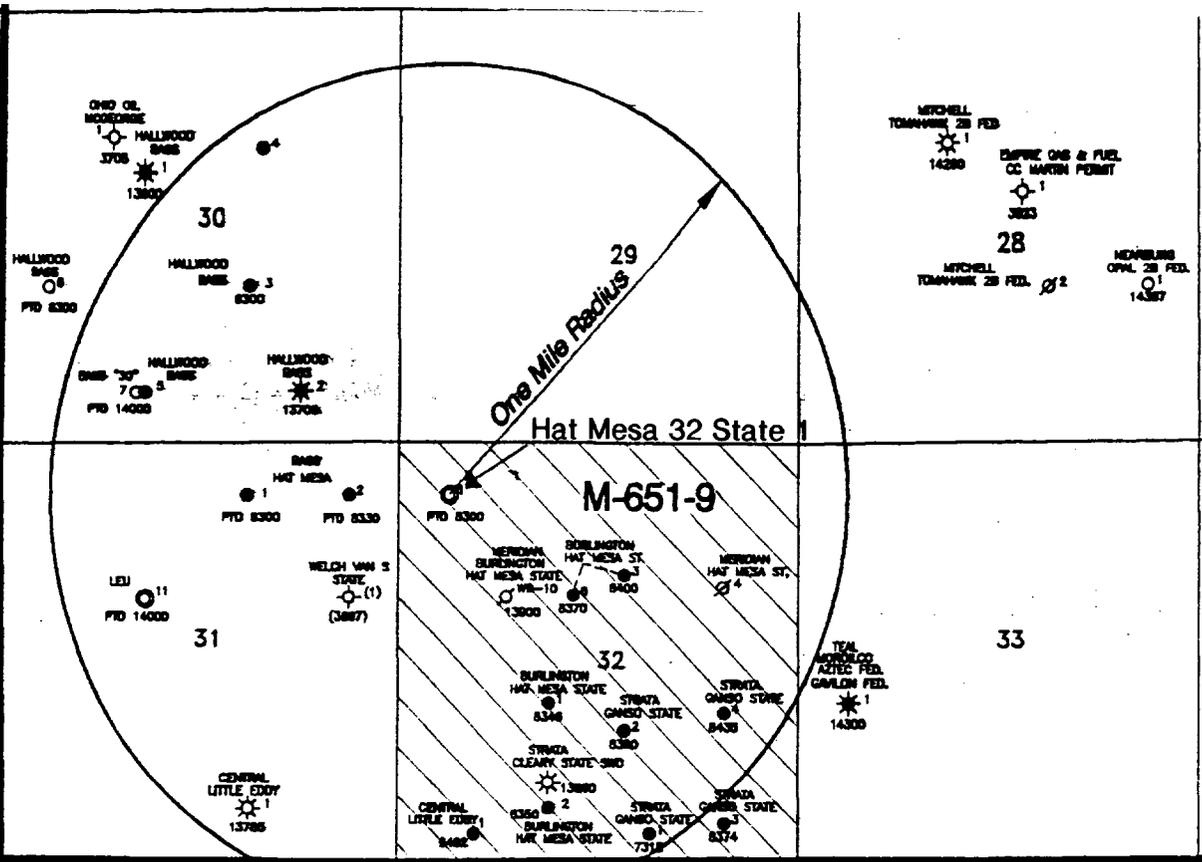
APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

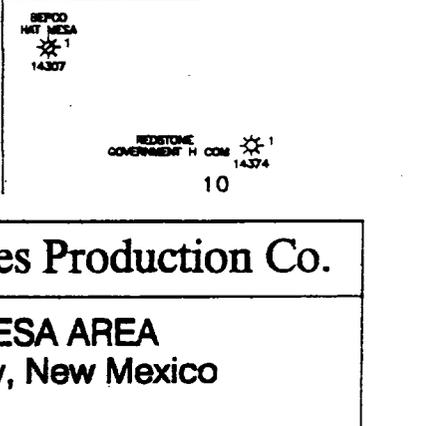
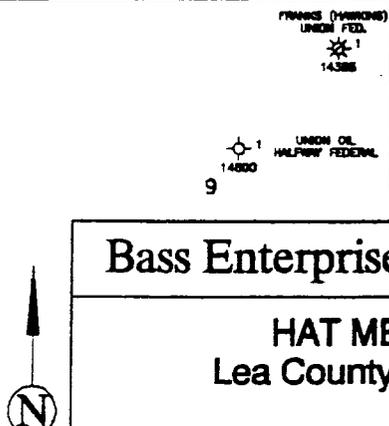
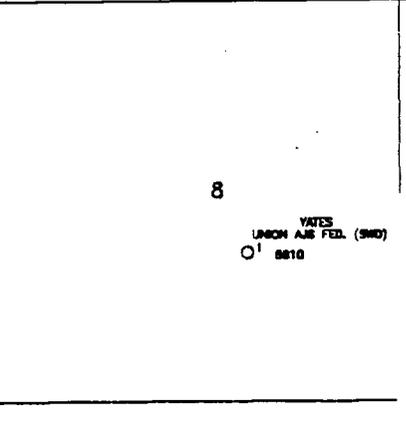
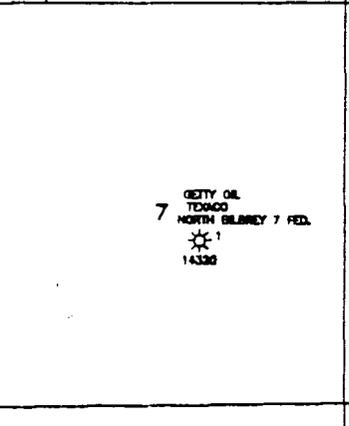
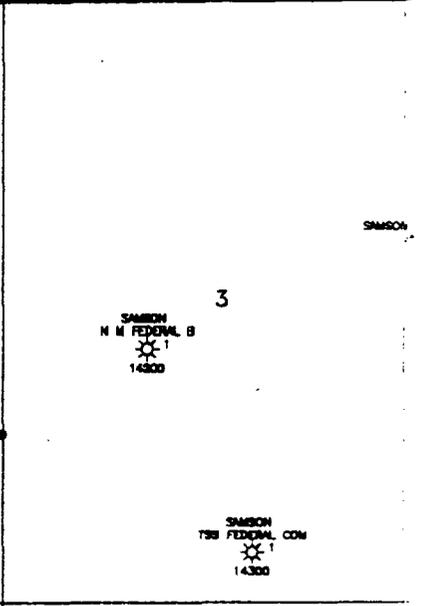
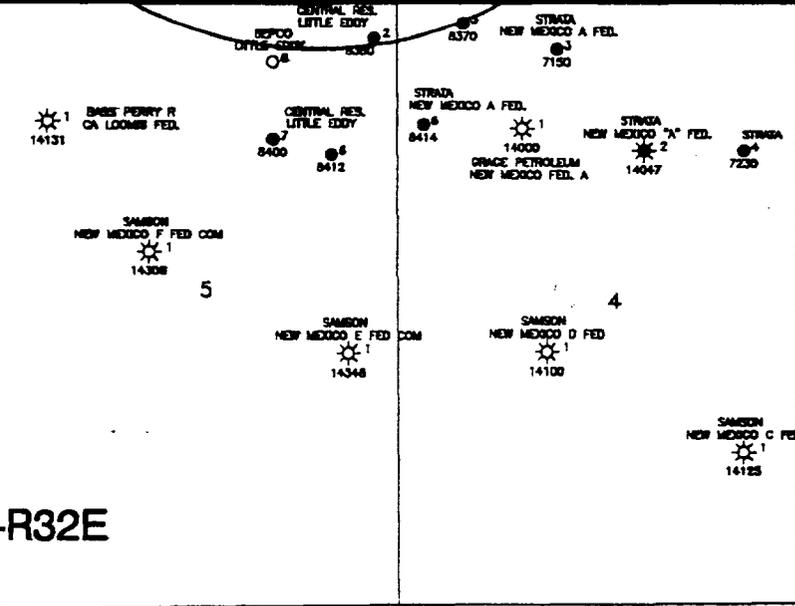
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T21S-R32E



Bass Enterprises Production Co.

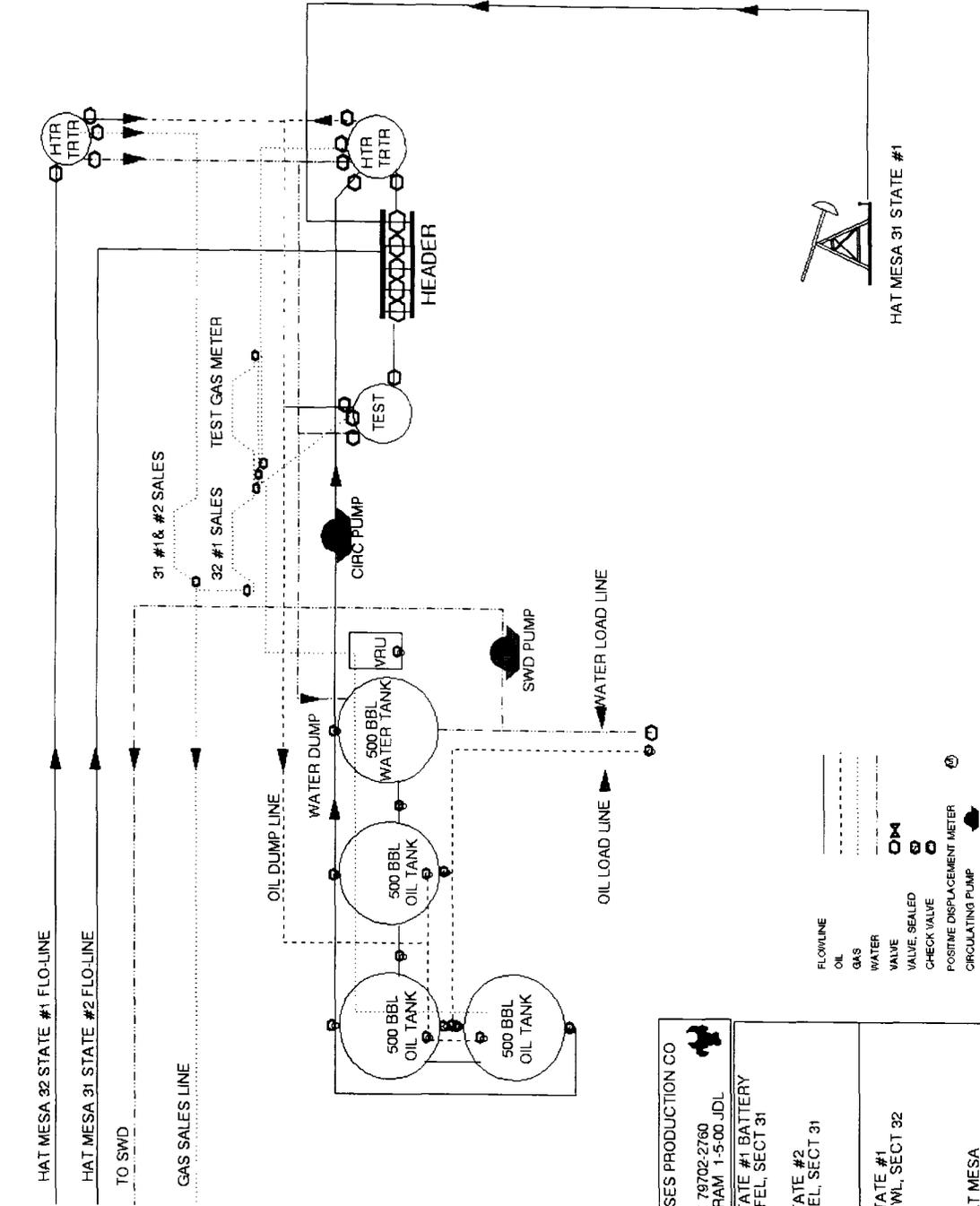
HAT MESA AREA
Lea County, New Mexico

 Mississippi Potash Leases

DATE:	8-16-99	SCALE:	1" = 3000'
DEPT:	Land	DRAWN BY:	W. Carlin
		FILE:	Plot-MPR.dwg
		CHECKED BY:	P. Ortiz

TODD W. ETAL YATES PETROLEUM CORP ANITA - ALD FEDERAL
 YATES PETROLEUM CORP ANITA - ALD FEDERAL

NORTH



BASS ENTERPRISES PRODUCTION CO
 P.O. BOX 2760
 MIDLAND, TEXAS 79702-2760
 WELL SITE DIAGRAM 1-5-00.JDL

HAT MESA 31 STATE #1 BATTERY
 660' FNL & 1980' FWL, SECT 31
 T20S-R33E

HAT MESA 31 STATE #2
 660' FNL & 660' FWL, SECT 31
 T20S-R33E
 LEASE # 24228

HAT MESA 32 STATE #1
 660' FNL & 660' FWL, SECT 32
 T20S-R33E

FIELD NAME - HAT MESA
 LEA COUNTY, NEW MEXICO



