

123 5/30/96

RECEIVED
MAY 10 1996

BASS ENTERPRISES PRODUCTION CO.
6 DESTA DRIVE, SUITE 3700
P.O. BOX 2760
MIDLAND, TEXAS 79702

FAX (915) 687-0329

April 23, 1996

(915) 683-2277

Re: Proposed Off-Lease Storage and/or
Measurement and Surface Commingling
Poker Lake Unit
Well No. 123 (NMNM0506-A)
Section 22, T24S-R31E; Unit Letter K
Well No. 68 (NMLC-061705-B)
Section 20, T24S-R31E; Unit Letter B
Eddy County, New Mexico
FILE: 400-WF: 964KOFSM.LTR

S Cotton Draw
~~57805~~ BS 96546
POKER LAKE DEL 50382

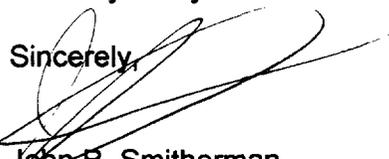
William LeMay
New Mexico Oil Conservation
P. O. Box 2088
Santa Fe, New Mexico 87501

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 #123 lease will be metered separately at the Poker Lake Unit #68 battery prior to being commingled with production from the Poker Lake Unit #68 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). 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 #123 Lease will be 7 BO, 10 BW, 20 MCF per day. Poker Lake Unit #68 Lease produces 16 BO, 35 BW, 32 MCF per day. The API oil gravity for the subject leases is 47 (sweet). Current posted price is \$23.50 per barrel. The total value will improve by commingling as revenue will increase due to gas sales vs. venting and operating expenses will be reduced by pipelining produced water to disposal vs. trucking.

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

Sincerely,


John R. Smitherman
Division Production Manager

to tlw
JRS:tlw

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law and regulations. Any necessary special in-

structions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

SPECIFIC INSTRUCTIONS

Item 4 - If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by local Federal and/or State offices. In addition such proposals and reports should include reasons for the abandonment; data on any former or present productive

zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et. seq., 351 et. seq., 25 U.S.C. et. seq.; 43 CFR 3160.

PRINCIPAL PURPOSE - The information is to be used to evaluate, when appropriate, approve applications, and report completion of secondary well operations, on a Federal or Indian lease.

ROUTINE USES:

- (1) Evaluate the equipment and procedures used during the proposed or completed subsequent well operations.
- (2) Request and grant approval to perform those actions covered by 43 CFR 3162.3-2(2).
- (3) Analyze future applications to drill or modify operations in light of data obtained and methods used.
- (4) (5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION - Filing of this notice and report and disclosure of the information is mandatory once an oil or gas well is drilled.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501, et. seq.) requires us to inform you that:

This information is being collected in order to evaluate proposed and/or complete subsequent well operations on Federal or Indian oil and gas leases.

This information will be used to report subsequent operations once work is completed and when requested, to obtain approval for subsequent operations not previously authorized.

Response to this request is mandatory for the specific types of activities specified in 43 CFR Part 3160.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0135), Washington, D.C. 20503

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. NMMN 0506-A
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) 1980' FSL & 1980' FWL, Unit Letter K Section 22, T24S-R31E	8. Well Name and No. Poker Lake Unit #123
	9. API Well No. 30-015-28526
	10. Field and Pool, or Exploratory Area South Sand Dunes (Bone Spring)
	11. County or Parish, State Eddy County, New Mexico

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 commingling tank battery.

Production from the Poker Lake Unit #123 lease will be metered separately at the Poker Lake Unit #68 battery prior to being commingled with production from the Poker Lake Unit #68 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). 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 #123 Lease well be 7 BO, 10 BW, 20 MCF per day. Poker Lake Unit #68 produces 16 BO, 35 BW, 32 MCF per day. The API oil gravity for the subject leases is 47 (sweet). Current posted price \$23.50 per barrel. The total value will improve by commingling as revenue will increase due to gas sales vs. venting and operating expenses will be reduced by pipelining produced water to disposal vs. trucking.

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

Signed Tami L. Wilber Tami L. Wilber Title Production Clerk Date 4/12/96

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

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Response to this request is mandatory for the specific types of activities specified in 43 CFR Part 3160.

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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
P. O. Box 1778
Carlsbad, New Mexico 88221-1778

Bass Enterprises Production Company is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NMNM0506-A, 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>123</u>	<u>UL K</u>	<u>22</u>	<u>24S</u>	<u>31E</u>	<u>Bone Spring</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

with hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NMLC061705-B, 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>68</u>	<u>UL B</u>	<u>20</u>	<u>24S</u>	<u>31E</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 #123</u>	<u>7</u>	<u>47</u>	<u>20</u>
<u>Poker Lake Unit # 68</u>	<u>16</u>	<u>40.7</u>	<u>32</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 B, Section 20, T24S, R31E, on Lease No. NMLC061705-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:

Production from the Poker Lake Unit #123 lease will be carried via flowline to a three phase heater treater at the Poker Lake Unit #68. Oil and water will be measured through positive displacement meters prior to commingling. Gas will be sold through a separate sales meter.

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 Leases.

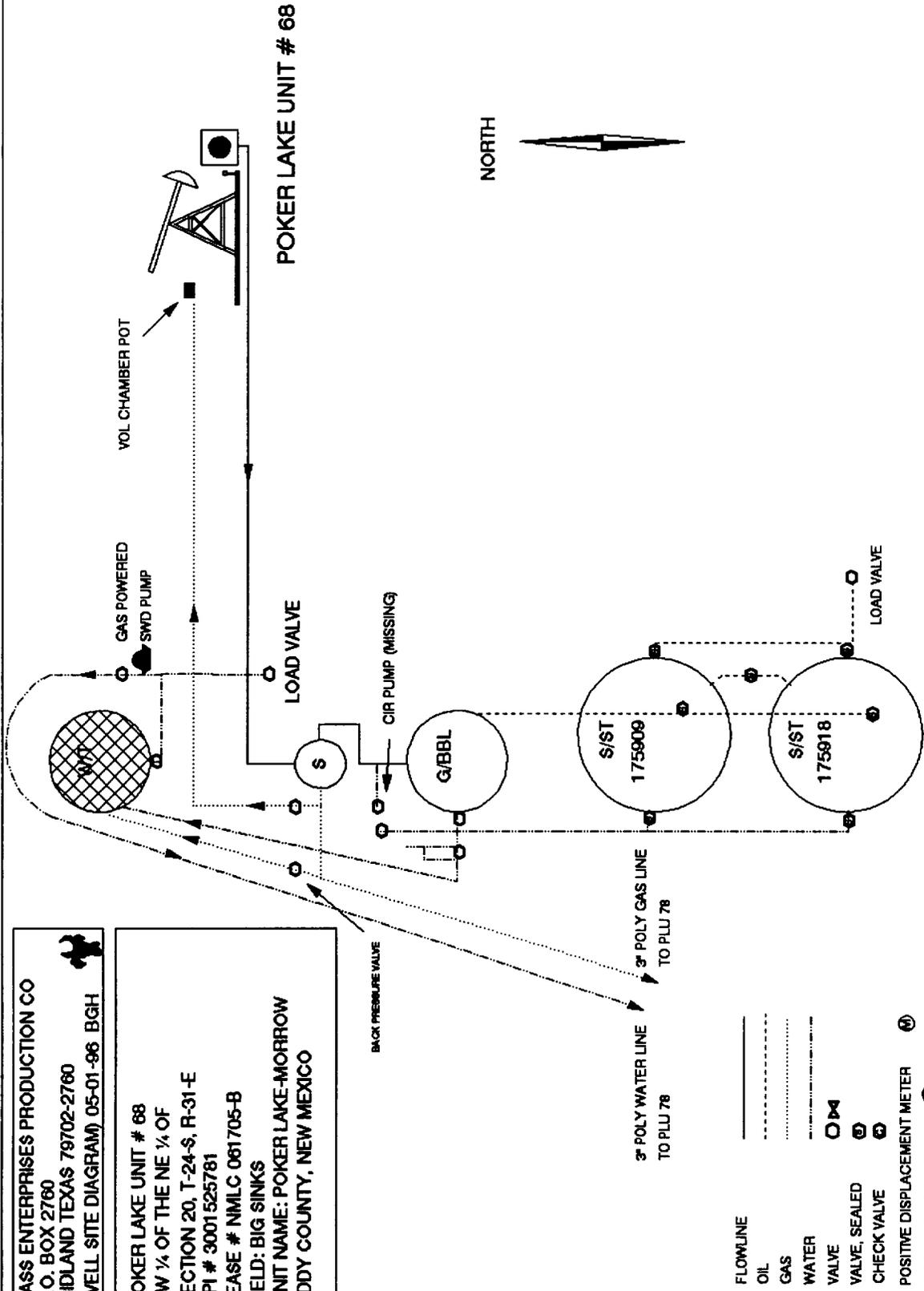
We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days in application for right-of-way approval to the BLM's Realty Section in your office if we have not already done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

Additional wells require additional commingling approvals.

Signature: Tami L. Wilber
Name: Tami L. Wilber
Title: Production Clerk
Date: 4-12-96

BASS ENTERPRISES PRODUCTION CO
 P.O. BOX 2760
 MIDLAND TEXAS 79702-2760
 (WELL SITE DIAGRAM) 05-01-86 BGH

POKER LAKE UNIT # 68
 NW ¼ OF THE NE ¼ OF
 SECTION 20, T-24-S, R-31-E
 API # 3001525781
 LEASE # NMLC 061705-B
 FIELD: BIG SINKS
 UNIT NAME: POKER LAKE-MORROW
 EDDY COUNTY, NEW MEXICO



NOTE: ALL PRODUCTION FROM WELL RUNS TO POKER LAKE UNIT #688 BTY LOCATED IN SECTION 20, T-24-S, R-31-E OF EDDY COUNTY, NEW MEXICO

NORTH



BASS ENTERPRISES PRODUCTION CO
 P.O. BOX 2760
 MIDLAND TEXAS 79702-2760
 (WELL SITE DIAGRAM) 05-01-96 BGH

POKER LAKE UNIT # 123
 1980' FSL & 1980' FWL
 SECTION 22, T-24-S, R-31-E. UNIT LTR K
 API # 30-015-28528
 LEASE # NMLC 0506-A
 FIELD: SOUTH SAND DUNES
 UNIT NAME: POKER LAKE UNIT
 EDDY COUNTY, NEW MEXICO

- FLOWLINE
- OIL
- GAS
- WATER
- VALVE
- VALVE, SEALED
- CHECK VALVE
- POSITIVE DISPLACEMENT METER
- CIRCULATING PUMP



Snyder Rd

21.00 31 7
Ambassador
Rich Bass
TO 4302
DA 9 17 58
U.S.

8
Bettis Bros
11-95
63759
U.S.

9
Bettis Bros
1-1-87
29234 TD15300
U.S.

10
Bettis, et al
Lotus-Fed. 1-B
*
SAND
U.S.

21.87
21.94 31
Meridian
Poker Lake-Fed
o 1-18
22.00 31
18
C. B. Reed
Poker Lake-Fed
TO 4368
OAB 21 61
U.S.

17
W J Weaver
Conf. Fed
TO 4505
DA 16 58
POKER LAKE
U.S.

11
Bettis, et al
Cactus-57
16
Bettis, et al
Mesquite-57
15
Bettis, et al
Lotus-Fed.
TD 6615
Monsanto, et al
3-1-87
30070
U.S.

24
E. F. Sanchez
1-1-85
V 2587
1908
31
Texaco
5-1-87
U.S.

640 ac.
030453
(9171)
24
93
92
100
U.S.

22.14 324.37 ac.
025533
22.23 31
099
104
1730.31 ac. tot.
086
061705
Amoco
9-1-71
0157566
U.S.

1845.12 ac. tot.
0506
(4321)
21
E. W. Pauley
1-1-61(2)
0542
Devon En.
Pauley Petr. Yd.
R. L. Harrison, et al
12-1-60(2)
U.S. 01179

1845.12 ac. tot.
0506
(4321)
22
R. L. Harrison, et al
12-1-60(2)
0506
Pauley Petr. Yd.
Devon En.
U.S.

22.58 1845.12 ac. tot.
0506
(4321)
23.62 31
088
061705
(12)
U.S.

1845.12 ac. tot.
0506
(4321)
29
Devon En.
R. L. Harrison, et al
12-1-60(2)
0506
Pauley Petr. Yd.
U.S.

960 ac. tot.
0522
(4322)
28
C. B. Gillespie, Jr.
(E. W. Pauley)
0522
Pauley Petr. Yd.
(Amoco)
"Poker"
U.S. Lake Unit
U.S.

960 ac. tot.
0522
(4322)
27
Pauley Petr.
Devon En.
1-1-61(2)
0522
Pauley Petr.
12-1-60(2)
01181
U.S.

22.55 1031.87 ac. tot.
030454
23.01 31
084
030454
(9172)
31
Pauley Petr.
Devon En.
031382
U.S.

Mobil
0-10684
(4582)
40 ac.
E-2206
280 ac. tot.
200 ac.
(28,618)
B-10684
(33381)
rts. down to Base
of Morrow
U.S.

1031.87 ac. tot.
030454
(9172)
33
Harrison, 77
Rowley
(24) 266157
DA 11 48
Devon
Pauley
HBU
Bass-1/2
U.S.

1031.87 ac. tot.
030454
(9172)
34
Gillespie, Jr.
100% Int. down
to 0132'
Devon
Pauley Petr.
Texaco
HBU
030454
U.S.

22.55 1560.50 ac. tot.
030457
(9174)
29.07 31
030457
(9174)
30.91 31
Devon
Pauley Petr.
HBU
731383
U.S.

1560.50 ac. tot.
030457
(9174)
5
Pauley
Petr.
HBU
031383
Devon En.
U.S.

1560.50 ac. tot.
030457
(9174)
3
Pauley Petr.
HBU
031383
Devon
"Poker Lake Unit"
U.S.

1560.50 ac. tot.
030457
(9174)
3
HBU
030457
Bass Ent
Poker
Lake Unit
96 Mi.
TO 15810
Devon
Pauley Petr.
HBU
031383
U.S.

2042.28 ac. tot.
030456
(9175)
39.91 31
030456
(9175)
70.05 31
7
Pauley Petr.
Devon
031383
U.S.

1679.92 ac. tot.
HBU
030456
(9175)
8
Pauley Petr.
HBU
031384
U.S.

1679.92 ac. tot.
030456
(9175)
9
Pauley Petr.
Devon
031384
U.S.

1679.92 ac. tot.
030456
(9175)
10
Pauley Petr.
HBU
042618
U.S.

POKER LAKE SO