

DANIEL S. NUTTER

REGISTERED PETROLEUM ENGINEER

PETROLEUM CONSULTATION AND STATE AND FEDERAL REGULATORY SERVICES

105 EAST ALICANTE

SANTA FE, NEW MEXICO 87501

PHONE (505) 982-0757

March 5, 1985

Mr. Richard L. Stamets, Director
Oil Conservation Division
Energy and Minerals Department
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Application of Perry R. Bass
For Off-Lease Storage, Eddy
County, New Mexico

Dear Mr. Stamets:

Perry R. Bass hereby requests approval for the off-lease storage of undesignated Delaware sand production from his Hopeful Federal Well No. 1, located 1980 feet from the South line and 660 feet from the West line of Section 30, Township 21 South, Range 29 East, NMPM, Eddy County, New Mexico.

Production from this well would be transported to a tank battery located at the site of Bass's Big Eddy Unit Well No. 41 in Unit J of Section 35, Township 21 South, Range 28 East, NMPM, for measurement, storage, and sale. This tank battery, which was originally constructed to accommodate production from Well No. 41, is no longer in use, inasmuch as Well No. 41, an Atoka gas well, has not produced any condensate since April, 1983.

A separate small battery as indicated on the enclosed schematic diagram will be erected at the No. 41 wellsite to handle condensate production should No. 41 start making condensate again. No commingling of production from the two leases will occur, and there will be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease.

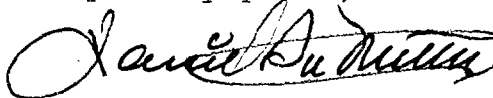
There are no interest owners in either lease other than applicant and the United States Bureau of Land Management, which has given its consent to this proposal as evidenced by the attached letter from Mr. Charles S. Dahlen, Area Manager for the BLM in Carlsbad.

Richard L. Stamets
March 5, 1985
Page 2

Inasmuch as production from the Delaware sand in the Hopeful Federal Well No. 1 has been insufficient to evaluate the commercial potential of this well, no casinghead gas connection has yet been made. Prior to expiration of the permitted 60-day period for doing so, a casinghead gas connection will be effected, or an application for an exception to the Division's no-flare rule will be filed.

Your early approval of this application is respectfully requested.

Very truly yours,

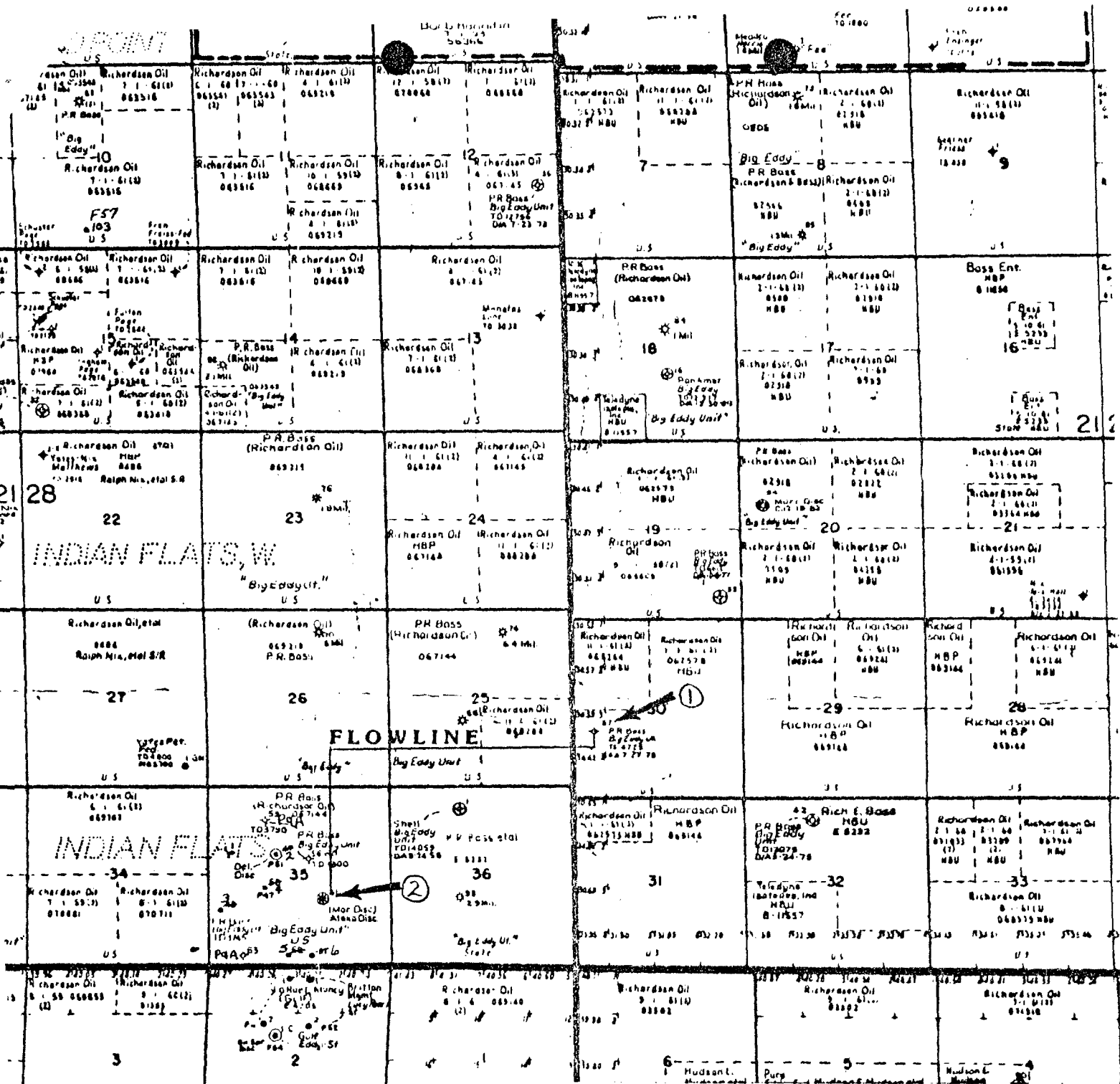
A handwritten signature in dark ink, appearing to read "Daniel S. Nutter", written in a cursive style.

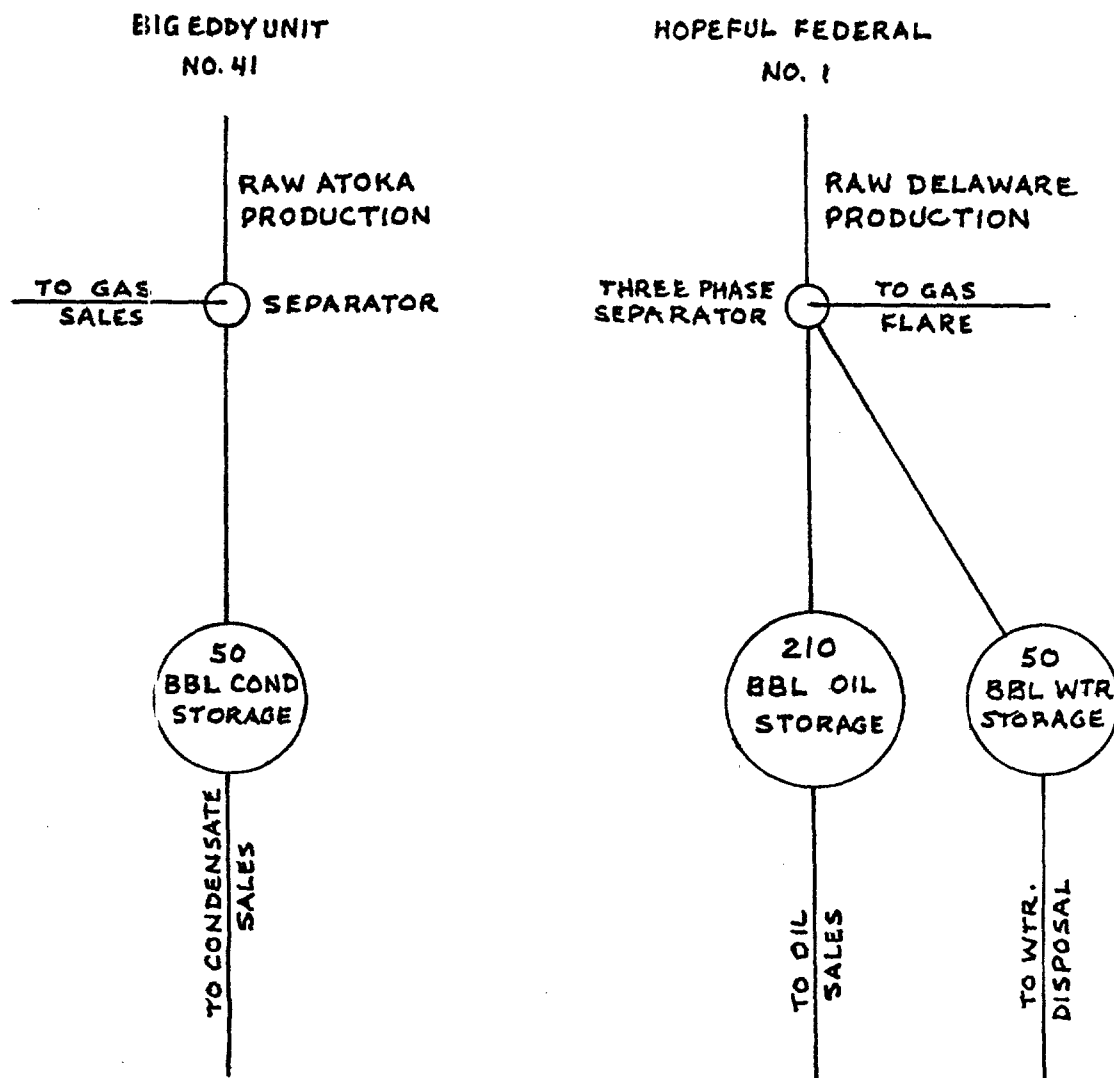
Daniel S. Nutter, P.E. and Agent,
Bass Enterprises Production Co.

DSN:ms

cc: Mr. Charles S. Dahlen
U.S. Bureau of Land Management
P.O. Box 1778
Carlsbad, NM 88220

Mr. John D. Rodgers
Bass Enterprises Production Co.
P.O. Box 2760
Midland, TX 79702





**PROPOSED OFF-LEASE STORAGE
FOR PERRY R. BASS HOPEFUL FEDERAL NO. 1**

UNIT L SEC. 30, T21S, R29E

AT SITE OF

BASS BIG EDDY UNIT NO. 41

UNIT J SEC. 35, T21S, R28E

EDDY COUNTY, NEW MEXICO

**DRAWN BY DAN NUTTER
3/5/85**



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Resource Area Headquarters

P. O. Box 1778

Carlsbad, New Mexico 88220

IN REPLY REFER TO

3109(067)

February 22, 1985

Perry R. Bass
P. O. Box 2760
Midland, TX 79702

Dear Sirs:

Your application for the installation and maintenance of the Hopeful Federal #1 above-ground flowline, located in Section 30, T21S, R29E, and Sec. 25, 26, and 35, T21S, R28E, is hereby approved subject to the following stipulations: (a) No blading, (b) Follow existing roads and right-of-ways.

Sincerely yours,

Charles S. Dahlen
Area Manager

JDR-11
BASS ENTERPRISES PRODUCTION CO.

3700 CLAYDESTA NATIONAL BANK, 8 DESTA DRIVE

P. O. BOX 2760

MIDLAND, TEXAS 79702

(915) 688-3300

FEBRUARY 5, 1985

Re: Off Lease Storage
Hopeful Federal No. 1
Eddy Undesignated (Delaware) Field
Eddy County, New Mexico
File: 400-WF

Bureau of Land Management
Roswell District Office
P. O. Box 1397
Roswell, New Mexico 88201

ATTN: Mr. James A. Gillham

Dear Mr. Gillham:

Perry R. Bass requests permission for off lease storage of oil produced from the Hopeful Federal No. 1 located 1980' FSL & 660' FWL, Section 30, T21S, R29E, Eddy County, New Mexico to the Big Eddy Unit No. 41 tank battery located at the Big Eddy Unit No. 41 location which is 1980' FSL & 1980' FEL, Section 35, T21S, R28E, Eddy County, New Mexico. This tank battery is not in service at the Big Eddy Unit No. 41 wellsite. The Big Eddy Unit No. 41 well produces from the Indian Flats (Atoka) Field and has not produced condensate since April, 1983, and we do not anticipate any future Atoka production from Big Eddy Unit No. 41. Therefore, there will not be commingling of production.

The Hopeful Federal No. 1 was originally drilled as Big Eddy Unit No. 57 in 1978. After the Delaware intervals 2890-2931' and 3008-3010' tested 100% water, the well was temporarily abandoned in October, 1978. Bass re-entered the well in January, 1985, to test the Indian Flats and 49'er intervals of the Delaware formation. The 49'er interval was tested at 100% water. A CIBP was set at 3850' and capped with cement. PBTD is 3840'. The Indian Flats perms 3769-3778' tested some oil during swabbing operations. Now it is desired to pump test the interval through the flowline into the existing battery which is currently not being used on the Big Eddy Unit No. 41 location. Testing of the well in this manner will allow Bass to more economically test the Indian Flats zone in this well. Bass is the owner of both leases and consents to this operation.

Again, Bass respectfully requests permission for off lease storage for the Hopeful Federal No. 1.

Very truly yours,


J. E. Pullig
Division Manager

JDR
JEP:JDR/lb