

BASS ENTERPRISES PRODUCTION CO.

FIRST CITY BANK TOWER
201 MAIN ST.
FORT WORTH, TEXAS 76102
817/390-8400

By SPQ
[Signature]

June 27, 1984

RECEIVED

JUN 28 1984

NEW MEXICO OIL CONSERVATION DIVISION
P. O. Box 2088
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

OIL CONSERVATION DIVISION

Attention: Joe Ramey

NSP - 1426 (L)
RULE 104DII & RULE 104FI
RELEASE JULY 17, 1984
RE: Big Eddy Unit Well No. 91
1600' FWL & 250' FNL
Section 5, T21S-R30E
Eddy County, New Mexico
NON STANDARD PRORATION PART
NSL PART
DEDICATED ACREAGE IS UNIT LETTERS C, D, E, F, K, L, M, AND N OF SECTION 5

Dear Sir:

In accordance with Rule 104-D, II of the Rules and Regulations of the Oil Conservation Division, we respectfully submit this application in triplicate requesting administrative approval of a non-standard unit and an unorthodox location for the drilling of a Morrow test well to be located 1600' FWL & 250' FNL, Section 5, T21S-R30E, Eddy County, New Mexico. We believe that administrative approval for a non-standard unit and the unorthodox location may be granted for the following reasons.

- 1) Section 5 of T21S-R30E is composed of 942.4 acres. Unlike many of the enlarged sections, Section 5 does not contain 960 acres which is sufficient to allow three (3) 320 acre proration units per section. The proration unit for this well will consist of lots 3-6 and 11-14 which total 311.04 net acres. As a result, this proration unit is 8.96 net acres short of the required 320 acres.
- 2) The location of this well was established pursuant to an Agreement dated February 27, 1984 between Mississippi Chemical Corporation, the potash lessee affected by this well, and Bass. As shown on the attached plats, this well location is located within a barren area so as to protect from waste of potash, but is also located to provide optimum opportunity for the discovery and production of hydrocarbons. This is the only location in which a drilling island may be established to test this general area for the presence of hydrocarbons.
- 3) Due to the restricted drilling location, a 1262.06 acre working interest unit embracing all of Section 31, T20S-R31E, and lots 1-16 of Section 5, T21S-R30E, has been formed by all the affected working interest owners for the drilling of this well. The working interest owners within the unitized area are Bass, Kerr-McGee Corporation, Amoco Production Company, and Phillips Petroleum Company, who have all

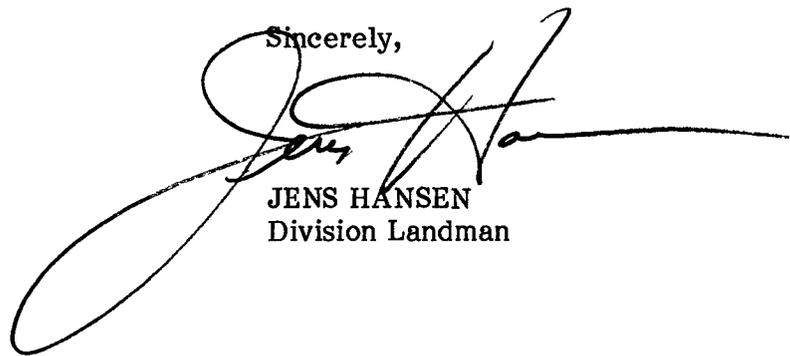
New Mexico Oil Conservation Division
June 27, 1984
Page 2

agreed to participate in the drilling of this well on a unitized basis, either by paying their proportionate share of well costs or farming out their interest to the operator. By creating this unitized area, a well drilled 250' FNL of Section 5 should not adversely affect the correlative rights of the interested parties.

- 4) According to the information we have from the State and Federal records as well as from potash operators, the location of this well is not within one mile of any lands leased for potash save and except the lands leased by Mississippi Chemical Corporation. Mississippi Chemical has agreed to the drilling of this well pursuant to the Agreement dated February 27, 1984 between Bass and Mississippi Chemical.

Therefore, based on both topographical and geological conditions, we respectfully request that you grant administrative approval of the non-standard unit and the unorthodox location for the drilling of this well. In our opinion, the drilling of this well on the unitized basis will protect correlative rights and prevent economic waste. A copy of this application has been sent to the parties listed below.

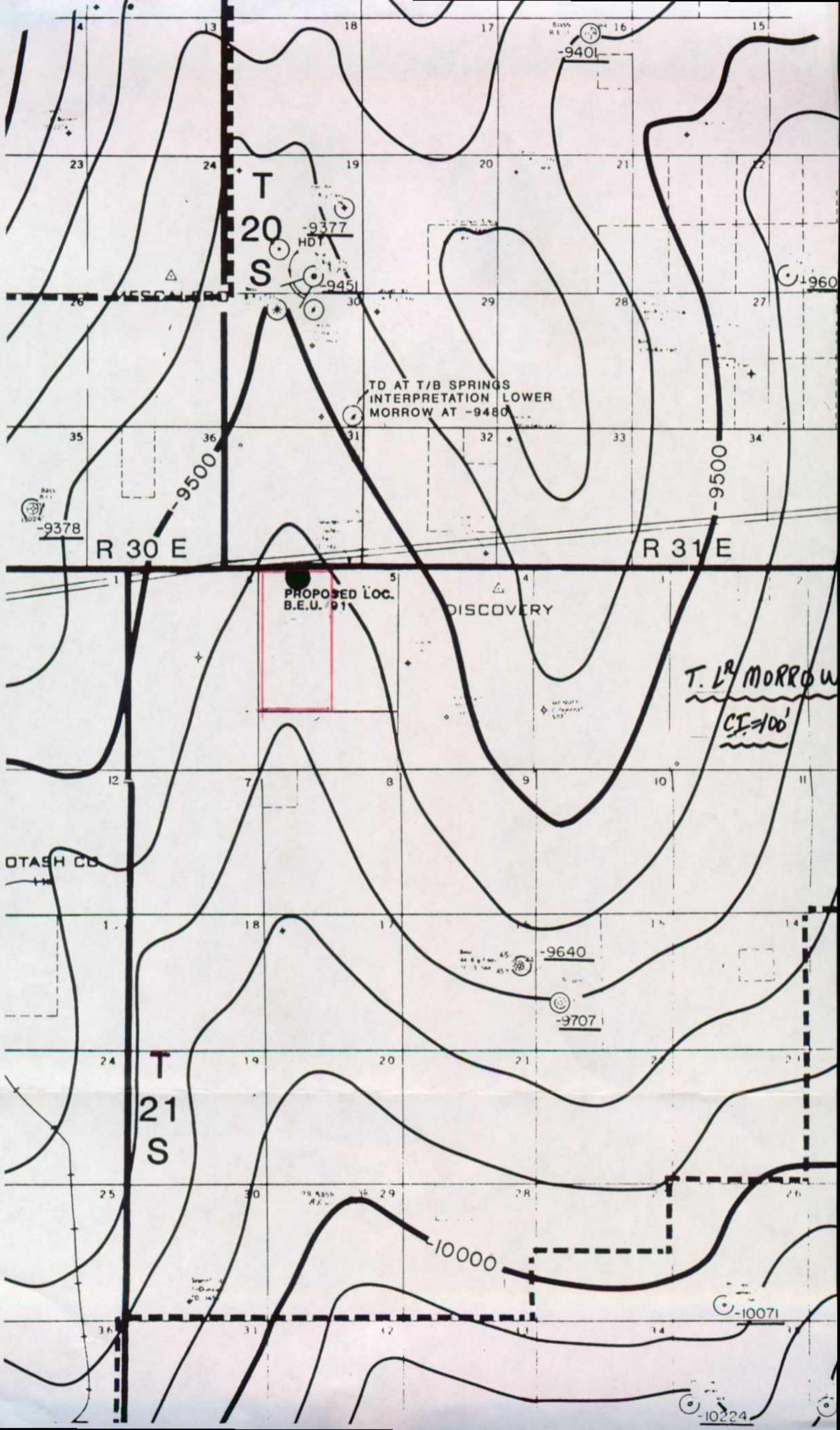
Sincerely,



JENS HANSEN
Division Landman

JH:jh
Enclosures

cc: Amoco Production Company
Phillips Petroleum Company
Kerr-McGee Corporation (Oil and Gas)
Mississippi Chemical Corporation



T
20
S

-9377
HDT
-9451

-9401

TD AT T/B SPRINGS
INTERPRETATION LOWER
MORROW AT -9480

-9500

-9500

R 30 E

R 31 E

PROPOSED LOC.
B.E.U. 91

DISCOVERY

T. L. MORROW
C.I. = 100'

OTASH CO

-9640

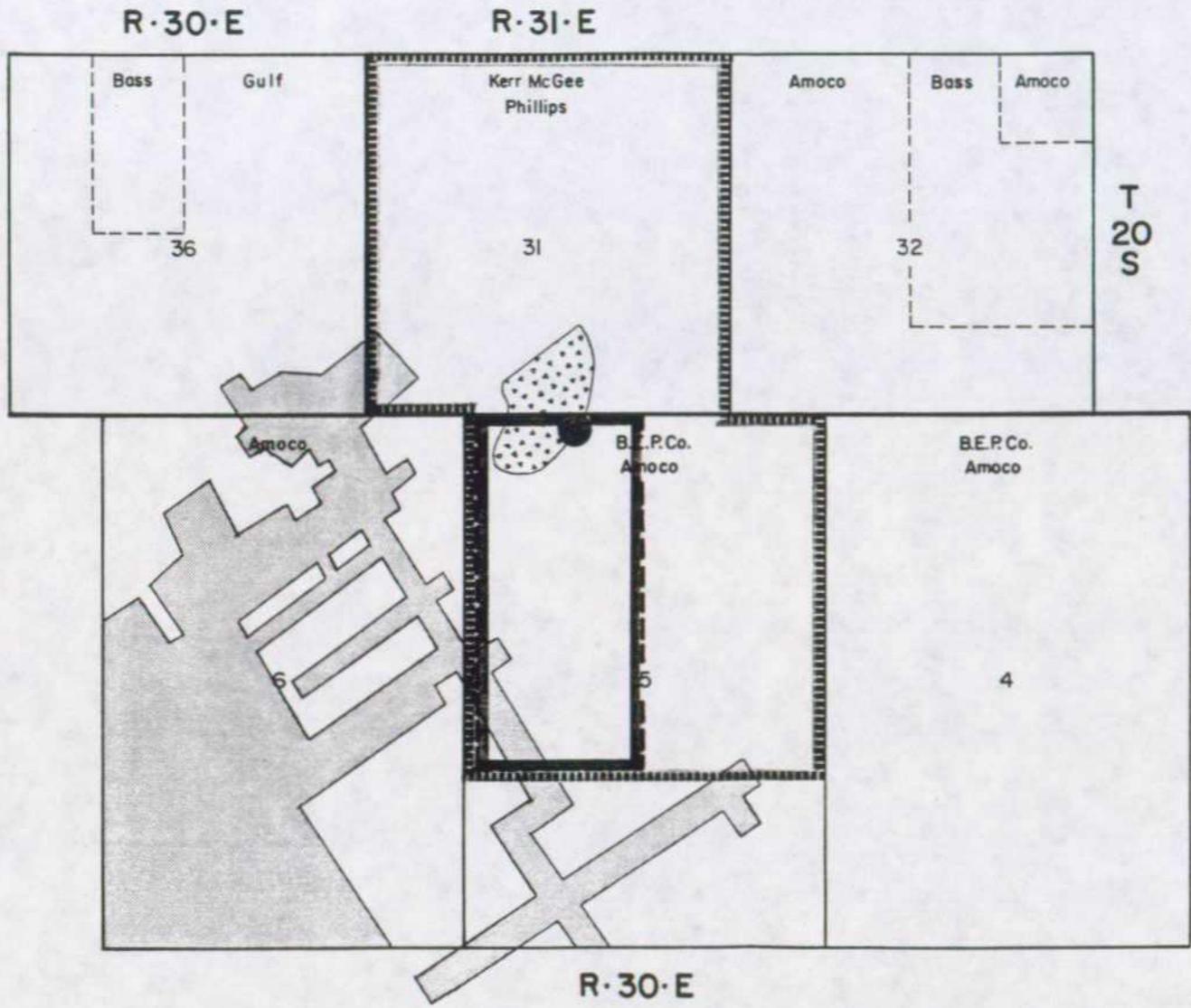
-9707

T
21
S

-10000

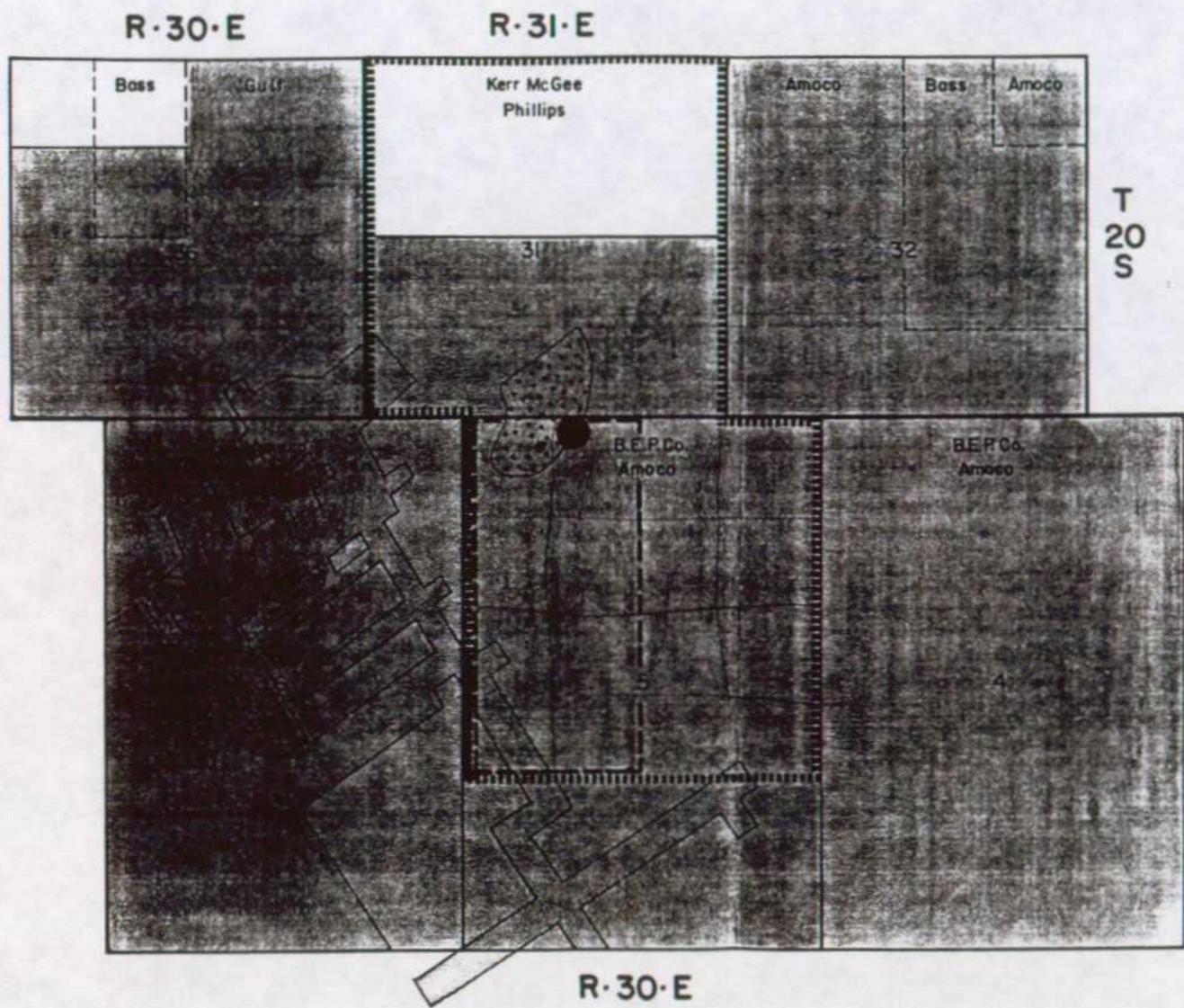
-10071

-10224



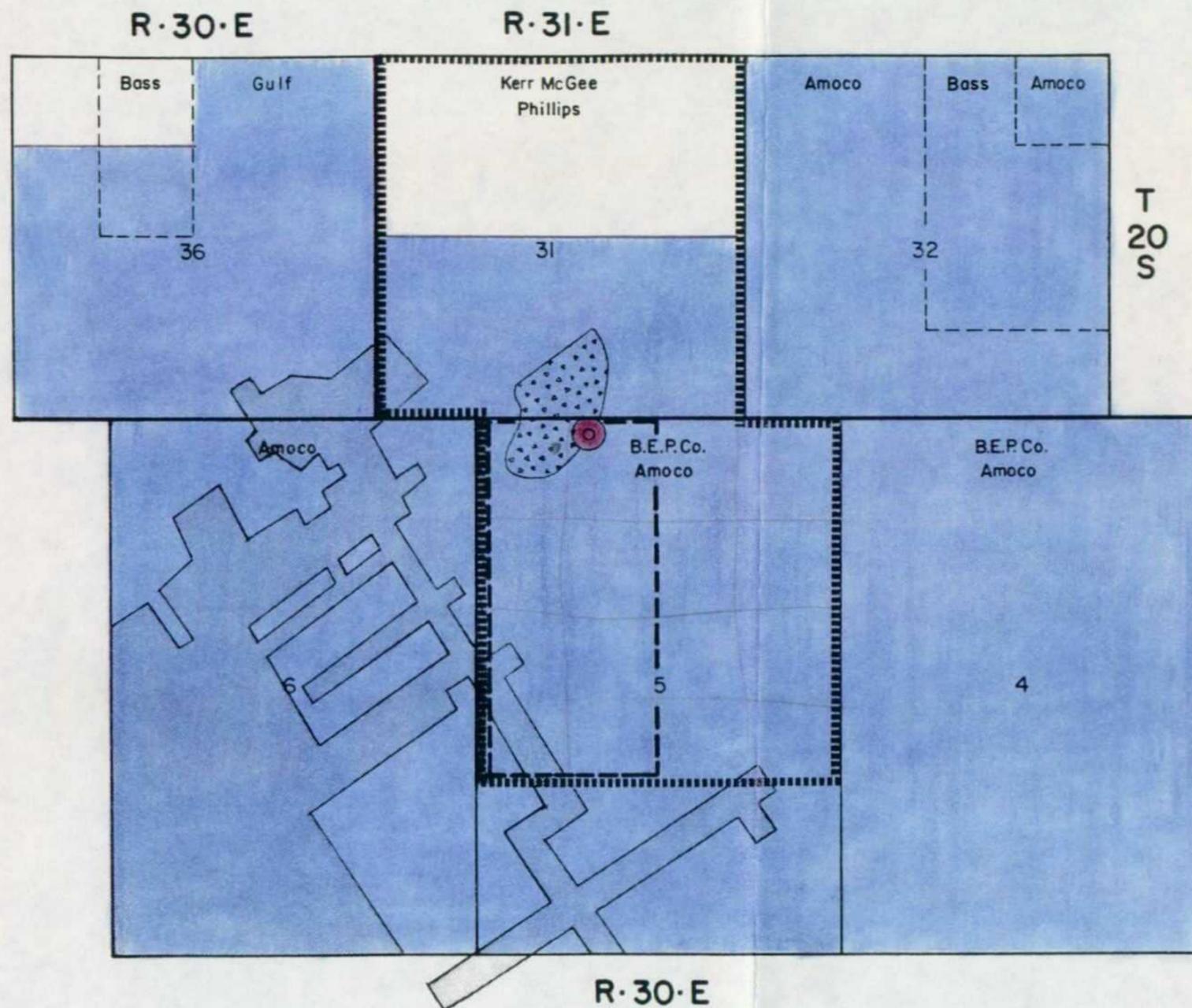
- LEGEND**
-  Working Interest Unit
 -  Proration Unit
 -  Barren Area
 -  Mississippi Chemical Mined Area
 -  Well - Big Eddy Unit No. 91

BASS ENTERPRISES PRODUCTION COMPANY		
WEST TEXAS DIVISION		
BIG EDDY UNIT AREA Eddy Co., New Mexico		
Date 6-27-84	Drawn By J. Hansen	Scale 1"=2000'
Revised	Drafted By L.H.	Dept. Land



- LEGEND**
-  Working Interest Unit
 -  Proration Unit
 -  Barren Area
 -  Mississippi Chemical Mined Area
 -  Well - Big Eddy Unit No. 91
 -  Mississippi Chemical Corp. Potash Leases

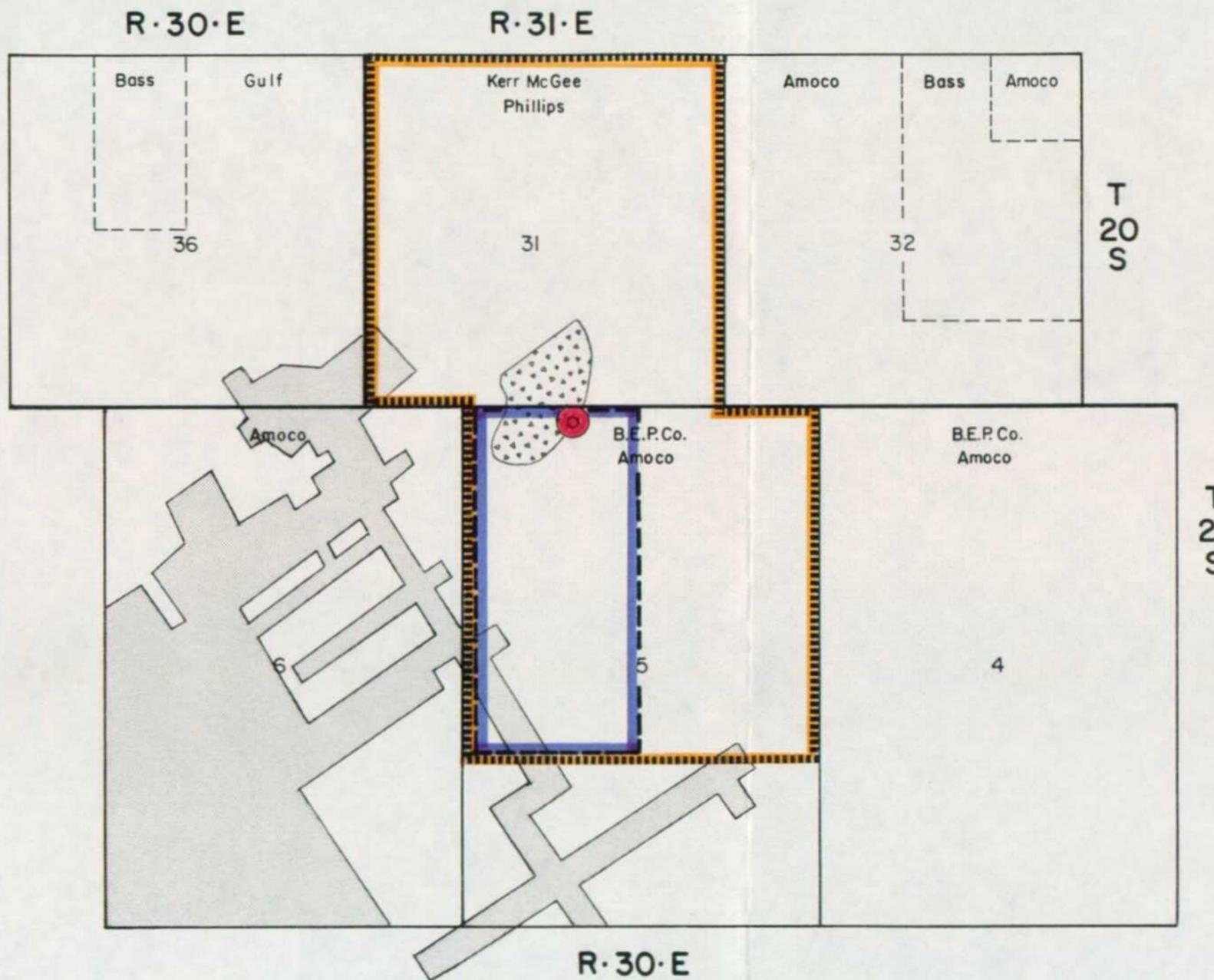
BASS ENTERPRISES PRODUCTION COMPANY		
WEST TEXAS DIVISION		
BIG EDDY UNIT AREA		
Eddy Co., New Mexico		
Date	Drawn By	Scale
6-27-84	J. Hansen	1"=2000'
Revised	Drafted By	Dept
	L. H.	Land



LEGEND

-  Working Interest Unit
-  Proration Unit
-  Barren Area
-  Mississippi Chemical Mined Area
-  Well - Big Eddy Unit No. 91
-  Mississippi Chemical Corp. Potash Leases

BASS ENTERPRISES PRODUCTION COMPANY		
WEST TEXAS DIVISION		
BIG EDDY UNIT AREA A		
Eddy Co., New Mexico		
Date	6 - 27 - 84	Infr. By J. Hansen
Scale	1" = 2000'	
Revised	Drafted By L. H.	Dept. Land



LEGEND

-  Working Interest Unit
-  Proration Unit
-  Barren Area
-  Mississippi Chemical Mined Area
-  Well - Big Eddy Unit No. 91

BASS ENTERPRISES PRODUCTION COMPANY		
WEST TEXAS DIVISION		
BIG EDDY UNIT AREA A		
Eddy Co., New Mexico		
Date 6-27-84	Inter By J. Hansen	Scale 1"=2000'
Revised	Drafted By L.H.	Dept. Land