

BASS ENTERPRISES PRODUCTION CO.

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

FAX (915) 687-0329

RECEIVED April 23, 1996

(915) 683-2277

MAY - 7 1996

OIL CON. DIV.
DIST. 2

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

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

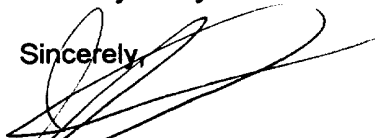
Dear Mr. LeMay:

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

JRS:tlw

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. NMNM 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' FSI & 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>Install Flowline</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 proposes to install a flowline from the Poker Lake Unit #123 to the Poker Lake Unit #68 Battery located in Block B, Section 20, T24S, R31E, Eddy County, New Mexico. The flowline will be laid on the surface and will follow existing roads to Poker Lake Unit #68. Surface damage will be minimal. No archeological survey is planned.

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:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
BLM - CRA
February 08, 1996

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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</u> and/or Measurement
	<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:

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.

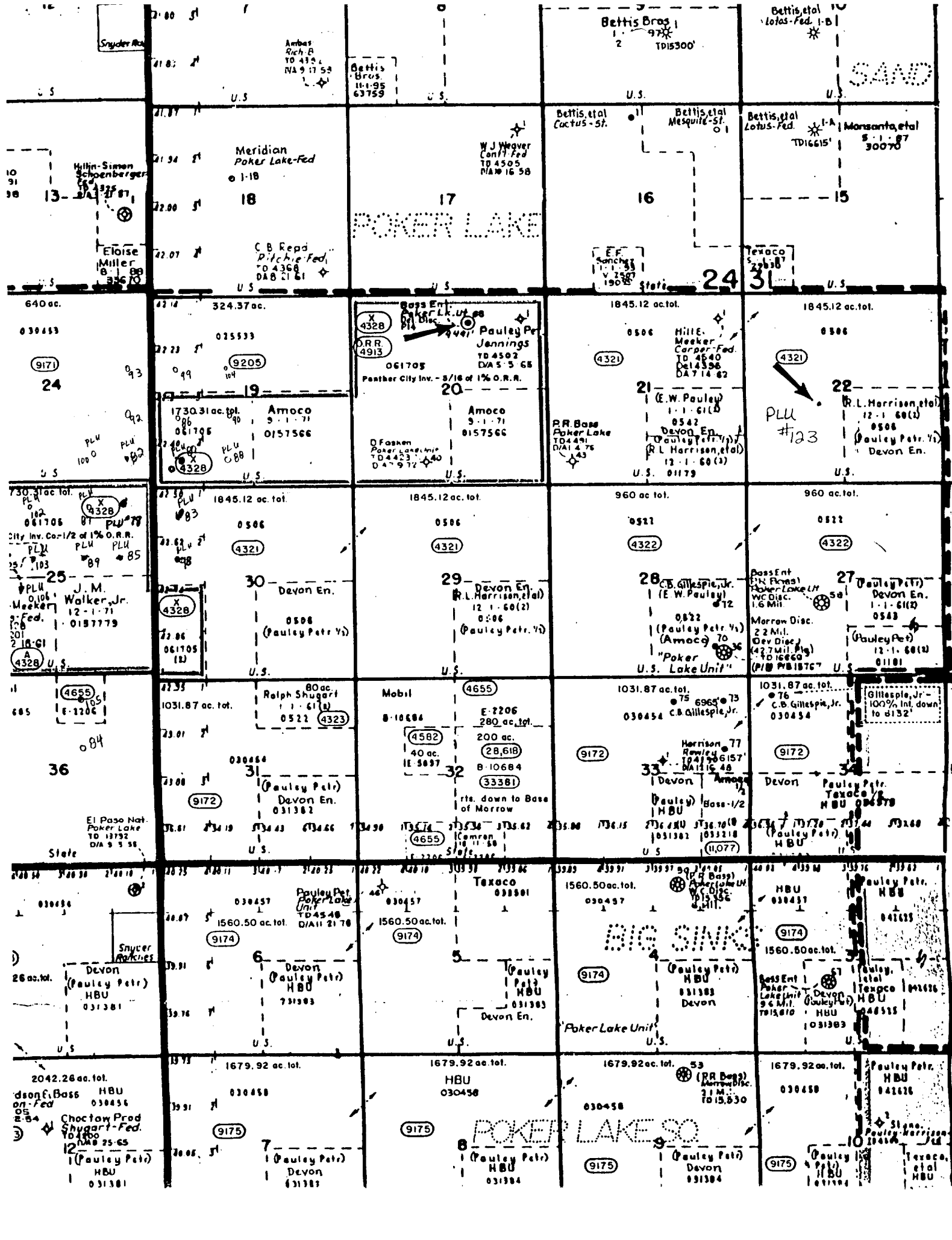
The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

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



Snyder Ave
21.00 31
21.03 31
10 31
30
13-
Hyllin-Simon
Schoenberger
Eloise
Miller
B
39670

Ambas
Rich. B.
TO 4324
NA 9 17 53
Bettis
Bros.
11-1-95
63759
U.S.
Meridian
Poker Lake-Fed
o 1-18
21.94 31
22.00 31
18
C.B. Reed
P. F. F. Fed.
TO 4368
DAB 21 61

Bettis Bros
1
2
97*
TD15300
U.S.
Bettis, et al
Cactus-St.
Bettis, et al
Mesquite-St.
W J Weaver
Conf. Fed
TO 4505
DAB 16 58
17
POKER LAKE

Bettis, et al
Lotus-Fed. 1-B
U.S.
Bettis, et al
Lotus-Fed.
1-A
TD16615
Monsanto, et al
S. 1-1-87
30070
16
15

24
31
U.S.

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

324.37 ac.
025533
(9205)
19
1730.31 ac. tot.
086
061705
Amoco
S. 1-1-71
0157566
PLU
088
U.S.

Pauley Petr
Jannings
TO 4502
DA 5 5 68
061705
Panther City Inv. - 3/16 of 1% O.R.R.
20
Amoco
S. 1-1-71
0157566
D. Fosken
Poker Lake Unit
TO 4423
D 4 9 72
U.S.

1845.12 ac. tot.
0506
(4321)
21
HILL, E.
Meeker
Carper-Fed.
TO 4640
Del 4356
DA 7 14 62
E.W. Pauley
1-1-61(B)
0542
Devon En.
Pauley Petr. Vt
R.L. Harrison, et al
12-1-60(2)
U.S. 01179

1845.12 ac. tot.
0506
(4321)
22
PLU
#123
R.L. Harrison, et al
12-1-60(2)
0506
Pauley Petr. Vt
Devon En.
U.S.

730.31 ac. tot.
061705
City Inv. Co-1/2 of 1% O.R.R.
PLU
103
25
PLU
101
J.M.
Walker, Jr.
12-1-71
0157779
21-61
A
4328
U.S.

1845.12 ac. tot.
0506
(4321)
30
Devon En.
0506
(Pauley Petr. Vt)
U.S.

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

960 ac. tot.
0511
(4322)
28
C.B. Gillespie, Jr.
(E.W. Pauley)
0511
(Pauley Petr. Vt)
(Amoco) 70
"Poker"
U.S. Lake Unit

960 ac. tot.
0511
(4322)
27
Pauley Petr.
Devon En.
1-1-61(B)
0543
(Pauley Petr.)
12-1-60(2)
01101
U.S.

(4655)
E-2206
084
36
El Paso Nat.
Poker Lake
TO 13752
DIA 9 5 58
State

80 ac.
Ralph Shugart
1-1-61(B)
0522
(4323)
31
030454
(Pauley Petr.)
Devon En.
031382
U.S.

Mobil
B-10684
E-2206
280 ac. tot.
200 ac.
(28,618)
40 ac.
E-5837
B-10684
32
(33381)
rts. down to Base
of Morrow
U.S.

1031.87 ac. tot.
030454
(9172)
33
Harrison 77
75 6965 75
1041 56157
DAB 15 48
Devon
(Pauley Petr.)
HBU
Base-1/2
U.S.

1031.87 ac. tot.
030454
(9172)
34
Gillespie, Jr.
100% Int. down
to 6132
C.B. Gillespie, Jr.
030454
Devon
Pauley Petr.
Texaco
HBU
030454
U.S.

030454
26 ac. tot.
Devon
(Pauley Petr.)
HBU
031381
U.S.

030457
1560.50 ac. tot.
DAB 21 78
(9174)
6
Devon
(Pauley Petr.)
HBU
731383
U.S.

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

1560.50 ac. tot.
030457
(9174)
7
Pauley Petr.
HBU
031383
Devon
Poker Lake Unit
U.S.

1560.50 ac. tot.
030457
(9174)
8
Pauley Petr.
HBU
041635
U.S.

2042.26 ac. tot.
HBU
030456
Choctaw Prod
Shugart-Fed.
TO 4400
DAB 25 65
12
(Pauley Petr.)
HBU
031381
U.S.

1679.92 ac. tot.
030458
(9175)
7
(Pauley Petr.)
Devon
031383
U.S.

1679.92 ac. tot.
HBU
030458
(9175)
8
POKER LAKE
(Pauley Petr.)
HBU
031384
U.S.

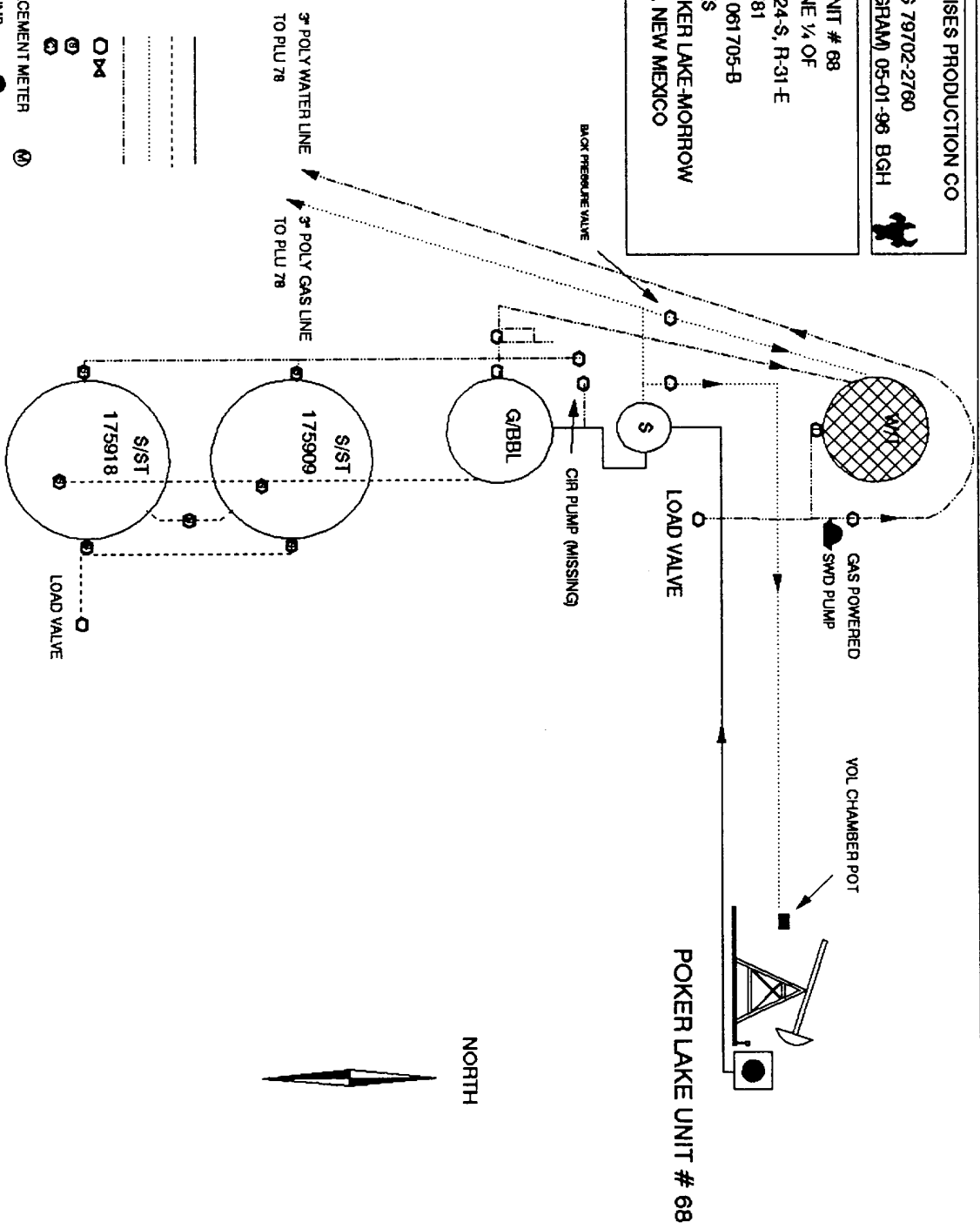
1679.92 ac. tot.
030458
(9175)
9
(Pauley Petr.)
Devon
031384
U.S.

1679.92 ac. tot.
030458
(9175)
10
(Pauley Petr.)
HBU
041635
Texaco,
et al
HBU
U.S.

BASS ENTERPRISES PRODUCTION CO
 P.O. BOX 2760
 MIDLAND TEXAS 79702-2760
 (WELL SITE DIAGRAM) 05-01-98 BGH

POKER LAKE UNIT # 68
 NW 1/4 OF THE NE 1/4 OF
 SECTION 20, T-24-S, R-31-E
 API # 3001525781
 LEASE # NIMLC 081705-B
 FIELD: BIG SINKS
 UNIT NAME: POKER LAKE-MORROW
 EDDY COUNTY, NEW MEXICO

FLOWLINE
 OIL —————
 GAS - - - - -
 WATER
 VALVE, SEALED (S)
 CHECK VALVE (C)
 POSITIVE DISPLACEMENT METER (P)
 CIRCULATING PUMP (CP)

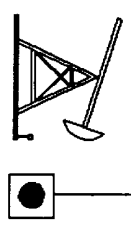


POKER LAKE UNIT # 68

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

NOTE: ALL PRODUCTION FROM WELL RUNS TO POKER LAKE UNIT #68 BTY LOCATED
IN SECTION 20, T-24-S, R-31-E OF EDDY COUNTY, NEW MEXICO



POKER LAKE UNIT #123



NORTH

