December 29, 1992

(915) 683-2277

Re: Additional Information Requested - Application To Commingle Production From Golden "B" Federal And Golden 8 Federal Leases

Attn: Benjamin E. Stone State of New Mexico Energy, Minerals & Natural Resources Department Oil Conservation Division P O Box 2088 Santa Fe, New Mexico 87504

Dear Mr. Stone:

In reference to your letter dated December 23, 1992, please find enclosed your request for additional information prior to commingling. All of the wells on these leases produce from the same interval in the Delaware. The corrected API Oil Gravity for the subject leases run 42.3 (sweet). Current posted price is \$18.50 per barrel. The total value will not change whether production is commingled or separate storage facilities are used.

If you should have any questions, please contact Mr. Keith E. Bucy or myself at the above letterhead address.

Very truly yours,

George A. Teer Division Production Manager

GAT/KEB/RCH:mac

STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING

ANITA LOCKWOOD CABINET SECRETARY December 23, 1992

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Bass Enterprises Production Co. P.O. Box 2760 Midland, Texas 79702

Attn: George A. Teer

RE: Additional Information Required - Application to Commingle Production from Golden "B" Federal and Golden 8 Federal Leases

Dear Mr. Teer,

As per Division rules and regulations, we will require information as to the gravities of oil produced from the above referenced leases and values of such production prior to and after commingling.

Also, a copy of this application should be sent to the BLM Office in Carlsbad, New Mexico. I must have Federal approval of the application prior to writing the resulting order.

If I may be of assistance, please don't hesitate to call or write.

Sincerely, Benjamin E. Stone Engineering Tech II

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BASS ENTERPRISES PRODUCTION CO. 3700 CLAYDESTA NATIONAL BANK, 6 DESTA DRIVE P. O. BOX 2760	'92 NO+13	AM 8 54
MIDLAND, TEXAS 79702 November 11, 1992		(915) 683-227

Re:

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Off-Lease Storage and/or Measurement With Golden "B" Federal Lease NM-0505 and Golden 8 Federal Lease NM-02946 NE 1/4 of SW 1/4 of Section 8, T21S, R29E Eddy County, New Mexico

GUDEN LANG LUCANARE SOUTH

Mr. Mike Stogner New Mexico Oil Conservation P 0 Box 2088 Santa Fe, New Mexico 87501

Mr. Stogner:

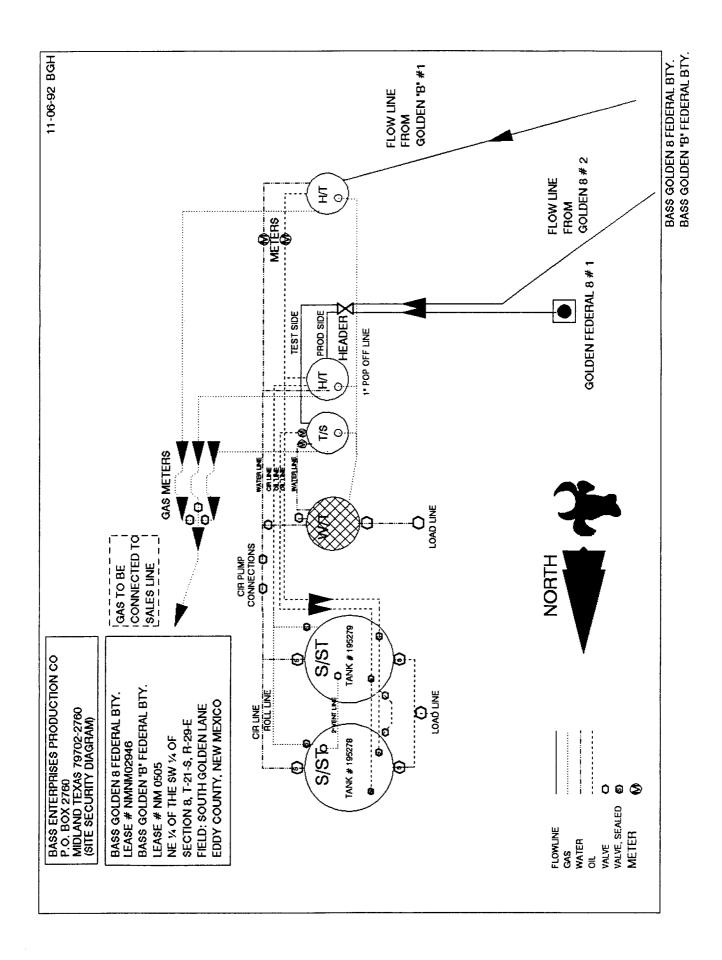
Bass Enterprises Production Co. respectfully request approval of Off-Lease Storage and Measurement of production from the Golden "B" Federal Lease. Production from the Golden "B" Federal Lease will be metered separately at the Golden 8 Federal Battery prior to being commingled with Production from the Golden 8 Federal 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). 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 Golden "B" Federal Lease will be 60 B0 + 60 BW + 50 MCF per day. The Golden 8 Federal Lease produces 160 B0 + 10 BW + 130 MCF per day.

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

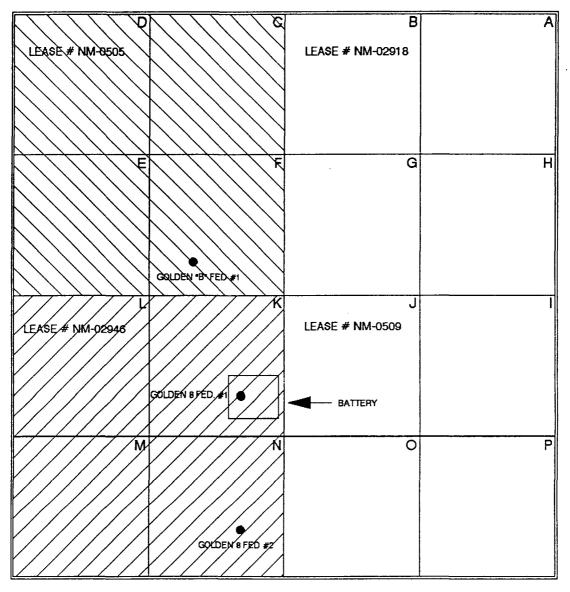
Very truly yours,

Teer Division Production Manager

GAT/KEB/RCH:mac Attachments



BASS ENTERPRISES PRODUCTION COMPANY WELL LOCATION PLAT GOLDEN 8 FED #1 UNIT LETTER K, LEASE # NM-02946 GOLDEN 8 FED #2 UNIT LETTER N, LEASE # NMNM-02946 GOLDEN "B" #1 UNIT LETTER F, LEASE #NM-0505 EDDY COUNTY, NEW MEXICO



SECTION 8, T-21-S, R-29-E

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