

PLAN OF OPERATION/DEVELOPMENT

FOR CALENDAR YEAR 2005

~~SOUTH~~ BELL LAKE UNIT (NO. 14-08-001-1066)

LEA COUNTY, NEW MEXICO

BUREAU OF LAND MANAGEMENT
2909 W. 2nd St.
ROSWELL, NEW MEXICO 88201
ATTN: MINERALS

RECEIVED

FEB 23 2005

OIL CONSERVATION
DIVISION

COMMISSIONER OF PUBLIC LANDS (3)
STATE OF NEW MEXICO
P.O. BOX 1148
SANTA FE, NEW MEXICO 87501

OIL CONSERVATION DIVISION (2)
DEPARTMENT OF ENERGY & MINERALS
STATE OF NEW MEXICO
1220 S. SAINT FRANCIS DR.
SANTA FE, NEW MEXICO 87505-4000



Gentlemen:

In compliance with Section 10 of the Bell Lake Agreement dated May 12, 1953, Kaiser-Francis, as Unit Sub-Operator, hereby submits for approval a Plan of Operation/Development for the year 2004.

SUMMARY OF 2004 OPERATIONS

The participating area "A" produced gas and liquids during 2004 as shown below:

<u>Participating Area "A"</u>	<u>For Year Through 12/31</u>		<u>Daily AVG.</u>	
	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Atoka	65,671	1727	179.9	4.7
Morrow	226,874	577	621.6	1.6
Bone Springs	4841	1734	13.3	4.8
Cherry Canyon	4844	2167	13.3	5.9
Delaware	38,752	7754	106.2	21.2

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ACTIVITY IN 2004

No new activity during 2004

DEVELOPMENT IN 2005

We are planning to drill the Bell Lake 21-6 in the SE NW of Section 6-24S-34E and completing in the Bone Springs zone.

OFFSET OBLIGATIONS

Unit owners will take appropriate action within their control to prevent drainage of unitized substances from lands subject to the Bell Lake Unit Agreement or, pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 18 of said Agreement. There have been no wells drilled in recent years offsetting the South Bell Lake Unit.

MODIFICATION

It is understood that portions of the Plan of Operation/Development outlined above are dependent upon certain information to be obtained subsequent to work done in the past as well as other contingencies, and for these reasons, this Plan of Operation/Development may be modified from time to time, with like approval to meet changing conditions.

EFFECTIVE DATE

This Plan of Operation/Development shall be effective upon approval by the Supervisor, Commissioner, and Division.

Date: February 18, 2005

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 2005. Subsequent to that date, another Plan of Operation/Development will be submitted for approval.

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Submitted by:

Robert Major

Robert Major
Production Records Manager
Kaiser-Francis Oil Company
South Bell Lake Unit Sub-Operator
Tulsa, Oklahoma

Approved:

Bureau of Land Management

Date

Commissioner of Public Lands

Date

Will Jones

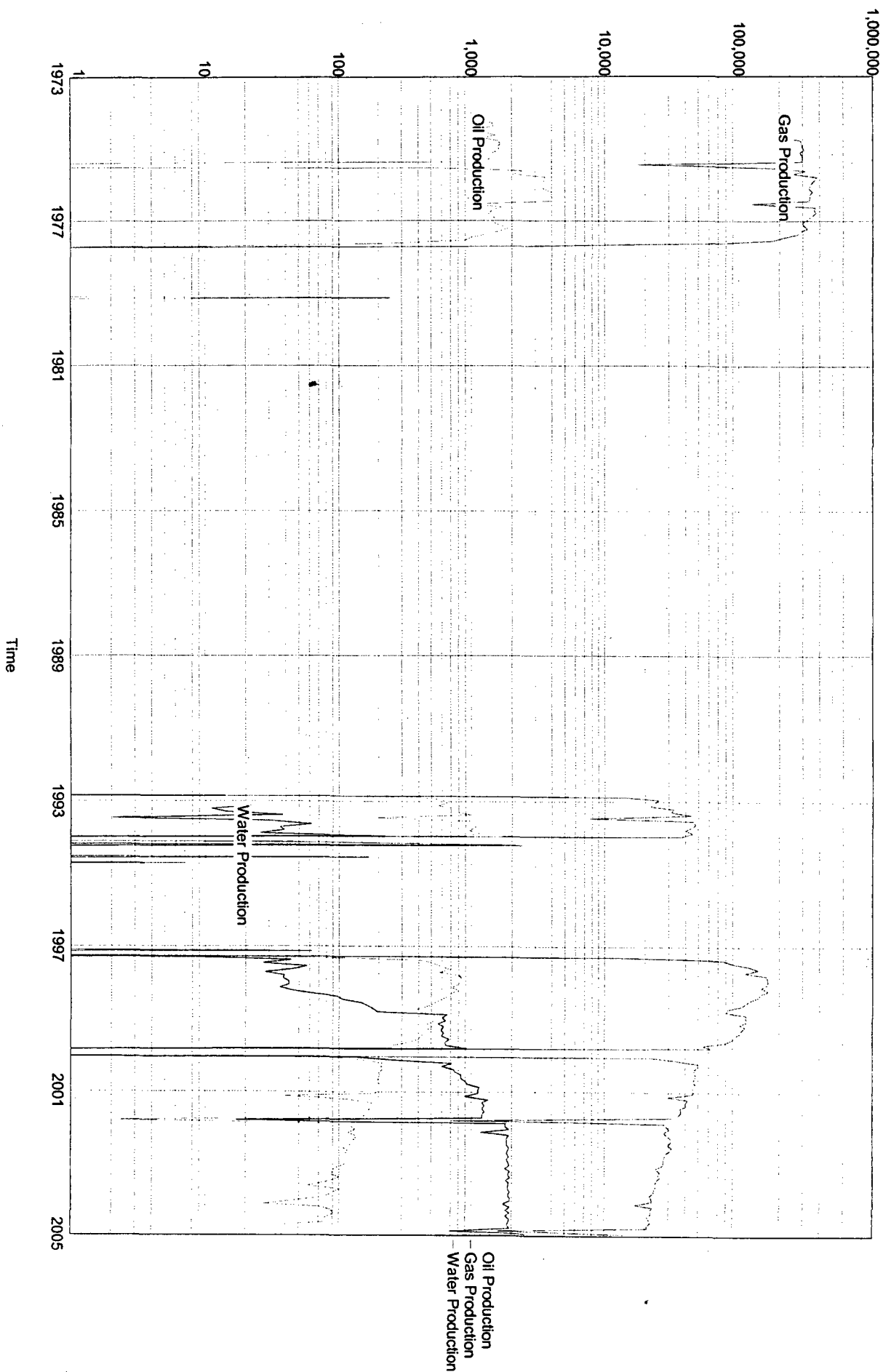
New Mexico Oil Conservation Division

3/29/05

Date

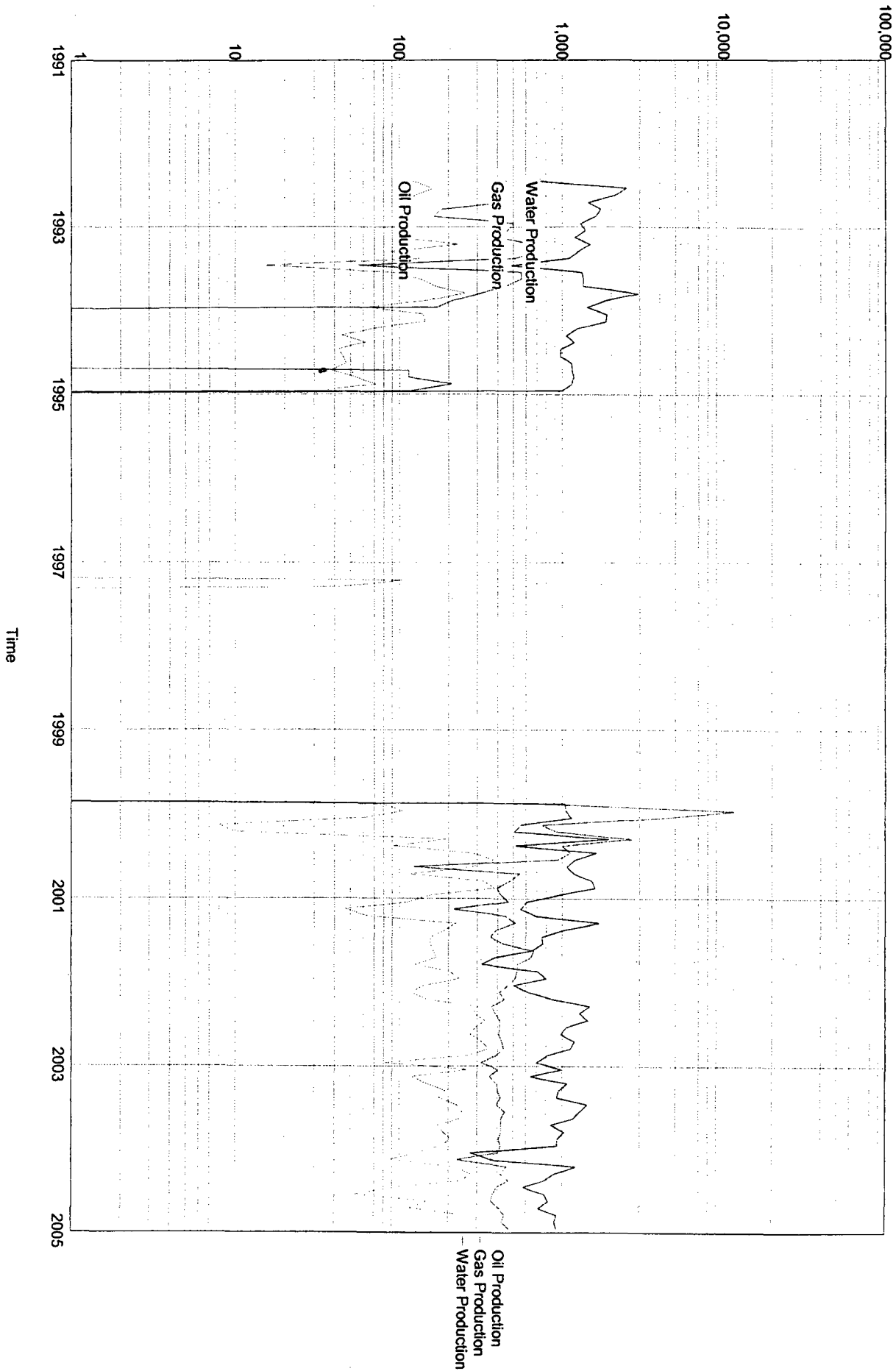
Lease Name: BELL LAKE S 1 4
County, State: LEA, NM
Operator: KAISER-FRANCIS
Field: BELL LAKE
Reservoir: MORROW
Location: 6 24S 34E

BELL LAKE S 1 4 - BELL LAKE



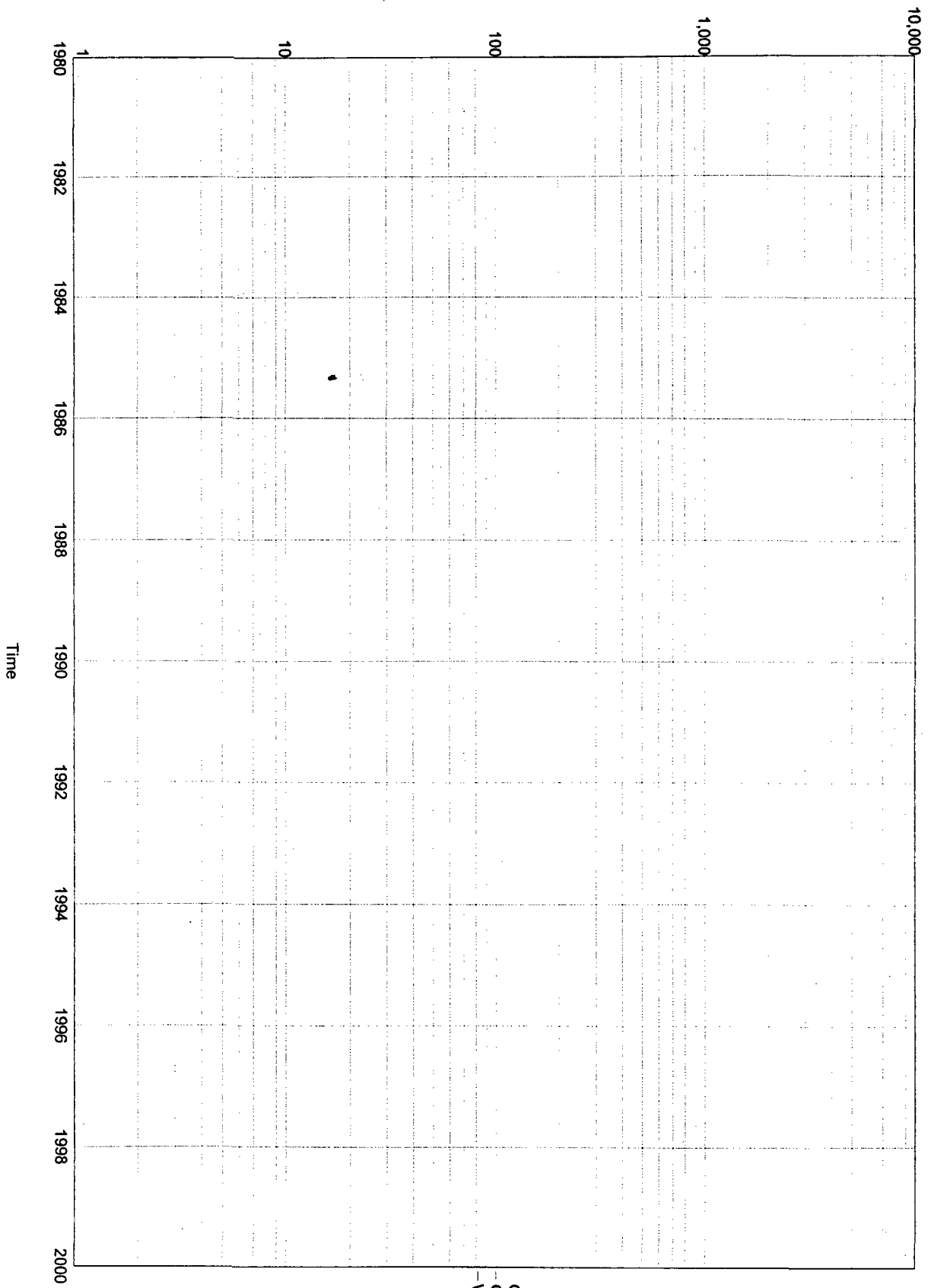
Lease Name: BELL LAKE S 1A&12 (CHERRY CANY
County, State: LEA, NM
Operator: KAISER-FRANCIS
Field: BELL LAKE
Reservoir: CHERRY CANYO
Location: 31 23S 34E

BELL LAKE S 1A&12 (CHERRY CANY - BELL LAKE



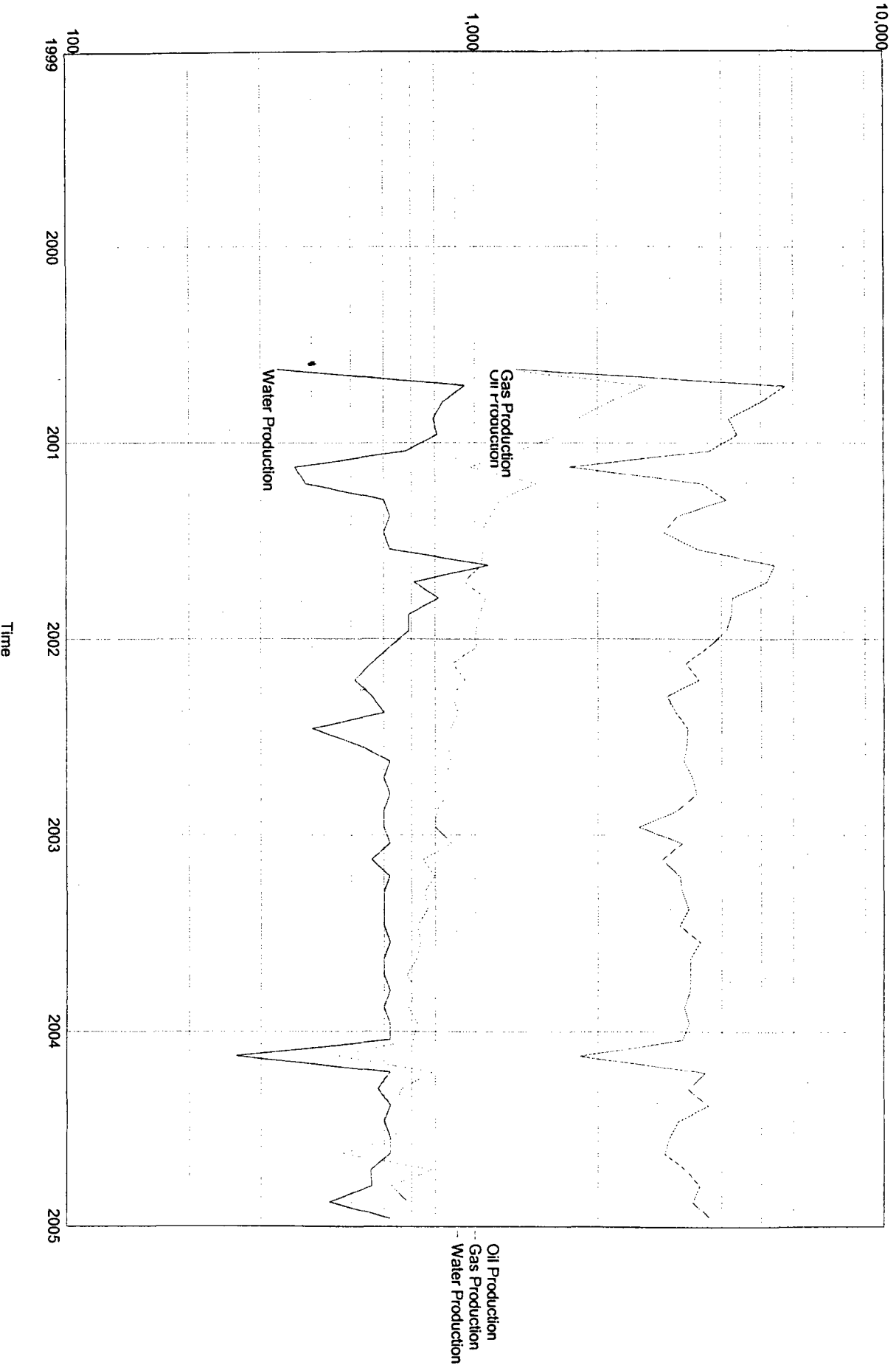
Lease Name: BELL LAKE S 19
County, State: LEA, NM
Operator: KAISER-FRANCIS
Field: BELL LAKE
Reservoir: MORROW
Location: 12 24S 33E

BELL LAKE S 19 - BELL LAKE



Lease Name: BELL LAKE S 20-6
County, State: LEA, NM
Operator: KAISER-FRANCIS
Field: BELL LAKE
Reservoir: DELAWARE BRU
Location: 6 24S 34E

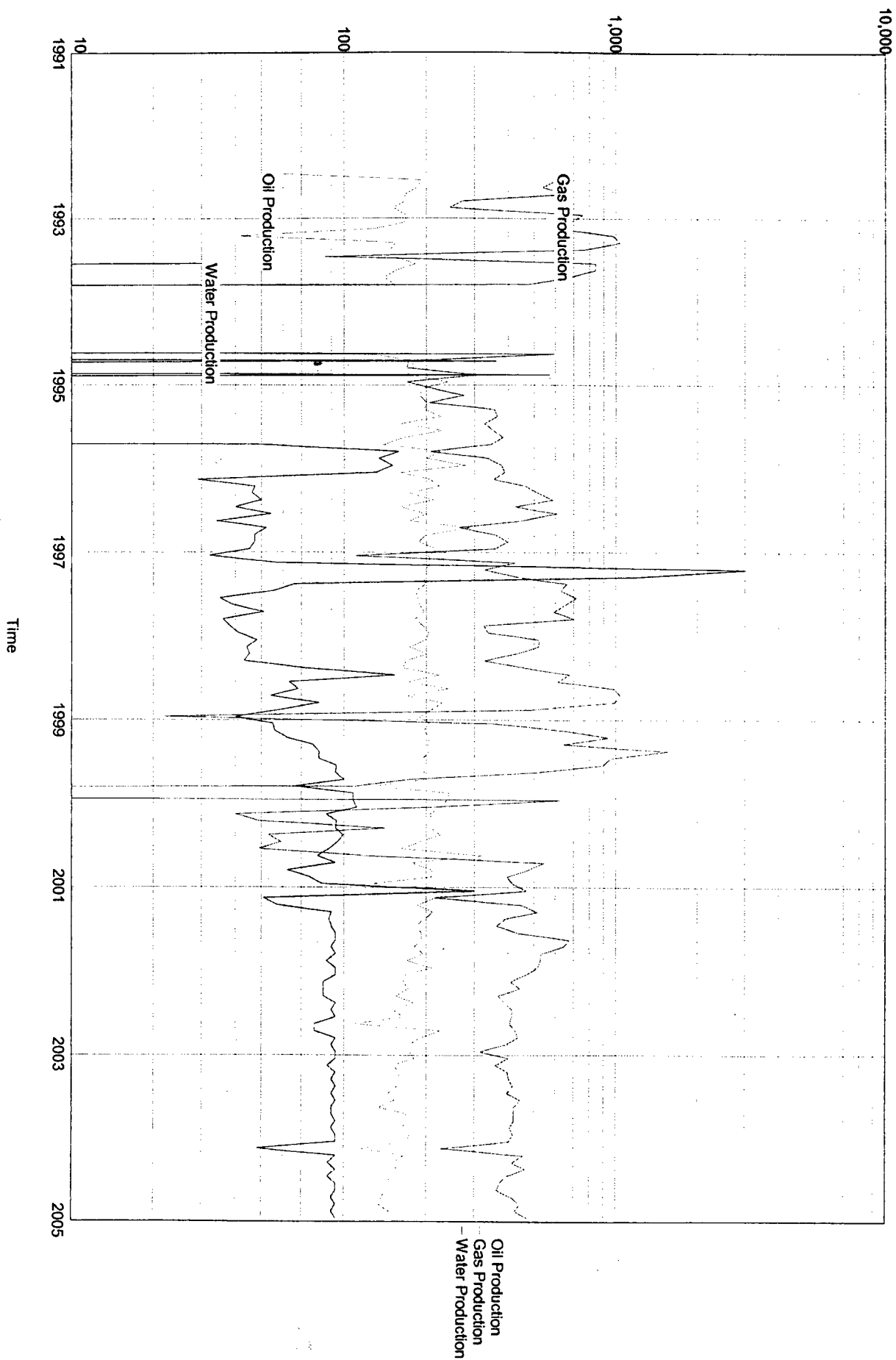
BELL LAKE S 20-6 - BELL LAKE



Lease Name: BELL LAKE S 3 (BONE SPRINGS)
County, State: LEA, NM
Operator: KAISER-FRANCIS
Field: BELL LAKE
Reservoir: BONE SPRINGS
Location: 6 24S 34E

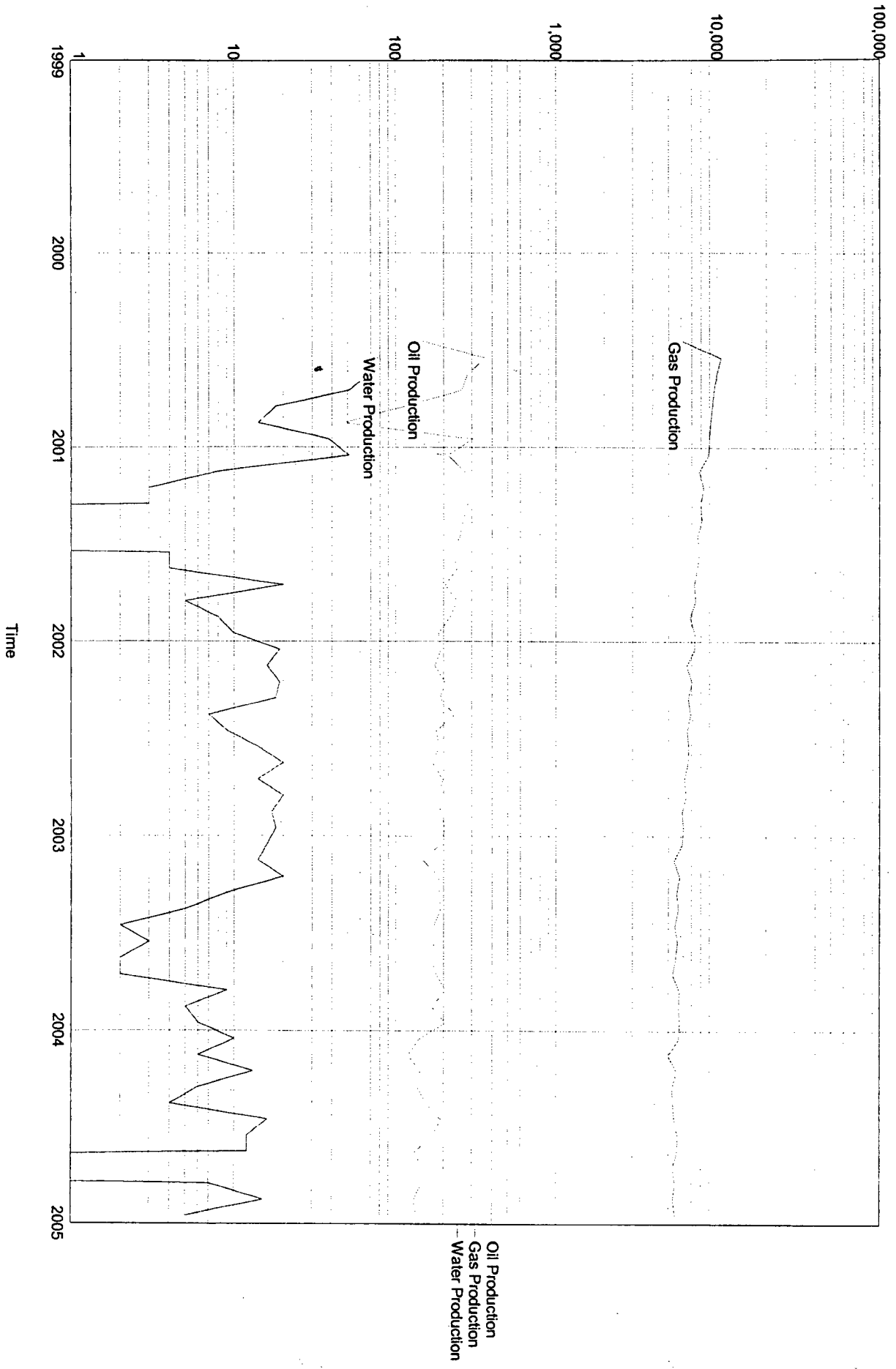
BELL LAKE S 3 (BONE SPRINGS) - BELL LAKE

Production Rates



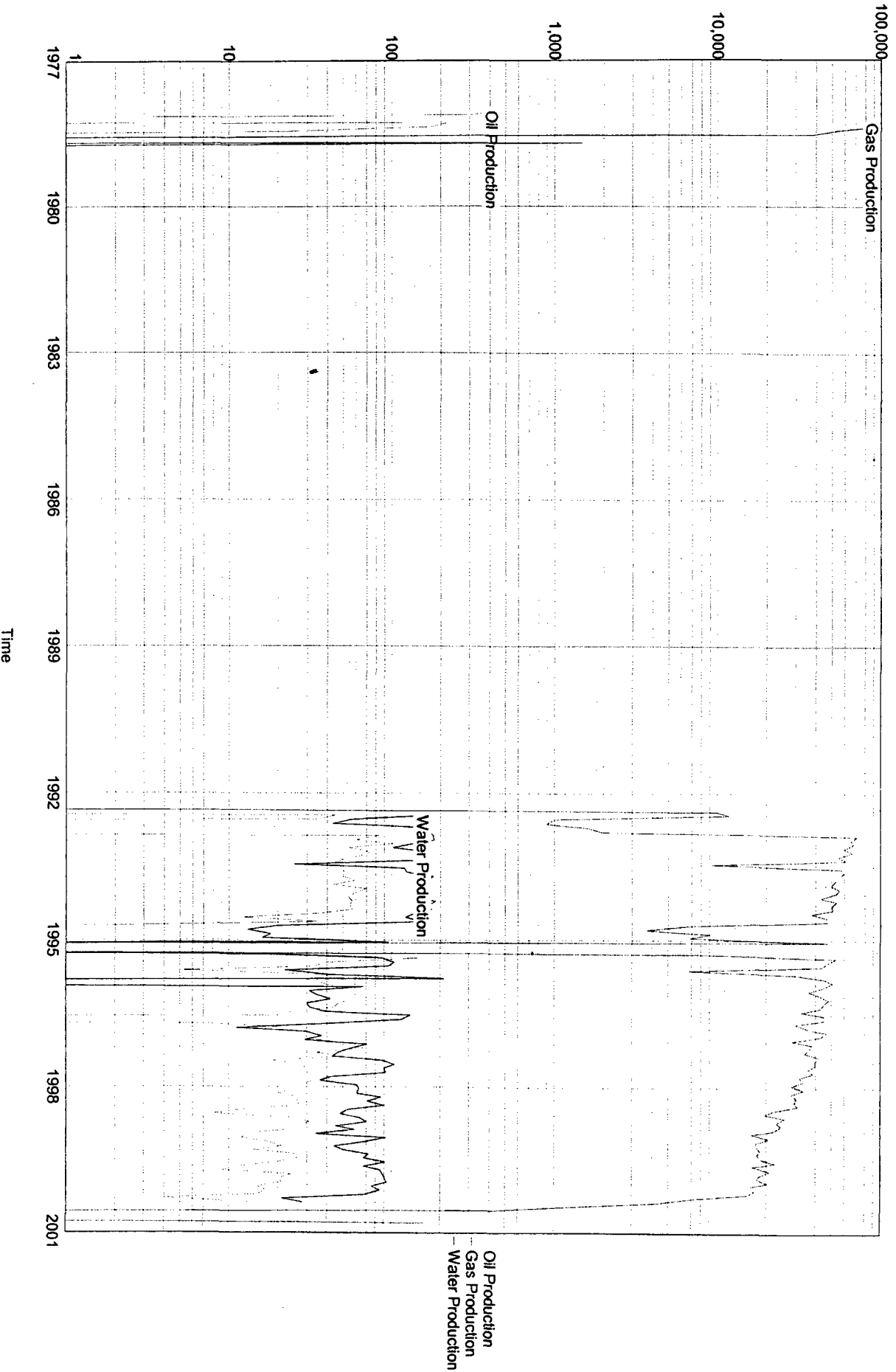
Lease Name: BELL LAKE S 3 14
County, State: LEA, NM
Operator: KAISER-FRANCIS
Field: BELL LAKE
Reservoir: ATOKA
Location: 5 24S 34E

BELL LAKE S 3 14 - BELL LAKE



Lease Name: BELL LAKE S 3 18
County, State: LEA, NM
Operator: KAISER-FRANCIS
Field: BELL LAKE
Reservoir: MORROW
Location: 36 23S 33E

BELL LAKE S 3 18 - BELL LAKE





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MAR 17 2005

OIL CONSERVATION
DIVISION

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

March 14, 2005

Kaiser-Francis Oil Company
P.O. Box 21468
Tulsa, Oklahoma 74121-1468

Attn: Mr. Robert Major

Re: 2005 Plan of Development
Bell Lake Unit
Lea County, New Mexico



Dear Mr. Major:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/cpm
xc: Reader File

<OED>

BLM

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Resources • Western New Mexico University