

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

August 31, 2004

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: Roy Johnson

Re: Second Revision Initial Wolfcamp Participating Area
W/2 Section 3, T25S-R31E
Section 4, T25S-R31E
Section 5, T25S-R31E
Section 32, T24S-R31E
S/2 Section 29, T24S-R31E
Section 33, T24S-R31E
W/2 Section 34, T24S-R31E
Poker Lake Unit
Eddy County, New Mexico

*Case 3016
R-153*

Gentlemen:

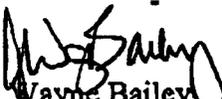
Bass Enterprises Production Co., as Unit Operator of the Poker Lake Unit Agreement, pursuant to the provisions of Section 11, thereof, respectfully submits for your approval the selection of the following described lands to comprise the Second Revision to the Participating Area for the Wolfcamp Formation in the Poker Lake Unit consisting of, more or less, 3,479.70 acres containing the above tracts more specifically described on the attached Exhibit "A".

In support of this application the following numbered items are attached hereto and made part hereof.

1. An ownership map (Exhibit "A") depicting the boundaries of the proposed Third Revision for the Wolfcamp Formation.
2. A schedule (Exhibit "B") identifying the lands entitled to participate in the unitized substances produced from the Wolfcamp Formation with the percentage of participation of each lease or tract indicated thereon.

This proposed participating area revision is predicated upon the knowledge and information first obtained upon the completion of the Poker Lake Unit Well No. 196 located in the NE/4 SW/4 of Section 29, T24S-R31E on January 9, 2004. Therefore, Bass respectfully requests your approval of the hereinabove selection of lands to constitute the Second Revision to the Wolfcamp Participating Area to be effective January 1, 2004. Thank you very much for your cooperation in this regard and should you require additional information concerning same, please don't hesitate to contact the undersigned.

Sincerely,


J. Wayne Bailey

ACCEPTED AND AGREE this 3/5th day of MAY, 2005

BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

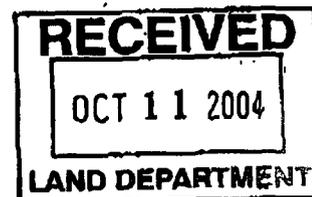
By: Will Jones - Engineer



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88202



IN REPLY REFER TO:

NMNM-71016C
3180 (06300)

OCT. 05 2004

Bass Enterprises Production Company
201 Main Street, Suite 2900
Fort Worth, Texas 76102
Attn: Mr. Wayne Bailey

Re: Proposed Second Revision of the Wolfcamp Participating Area, Poker Lake Unit,
Eddy County, New Mexico

Gentlemen

Your application of August 31, 2004 requesting approval of the Second Revision to the Wolfcamp Participating Area, Poker Lake Unit, is hereby approved on this date and is effective January 1, 2004. This is conditioned on concurrent approval from the New Mexico Oil Conservation Division and the New Mexico Commissioner of Public Lands.

With the addition of the Second Revision, the Wolfcamp Participating Area includes the following described lands:

T. 24 S., R. 31 E., NMPM, Eddy County

Sec. 29, S $\frac{1}{2}$;
Sec. 32 and 33;
Sec. 34, Lots 1 and 2; NW $\frac{1}{4}$ and N $\frac{1}{2}$ SW $\frac{1}{4}$.

T. 25 S., R. 31 E., NMPM, Eddy County

sec. 3, Lots 3 and 4; S $\frac{1}{2}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$;
secs. 4 and 5.

(Containing 3479.70 acres more or less)

The proposed Second Revision to the Wolfcamp PA is based on the completion of the Poker Lake Unit No. 196 well located in the NE $\frac{1}{4}$ SWE $\frac{1}{4}$, sec. 29, T. 24 S., R. 31 E., NMPM on January 9, 2004. The well was completed in the Wolfcamp interval 12,866 ft. to 12,954 ft. with

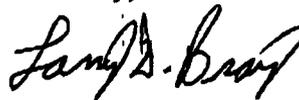
an IP of 36 BO, 3162 MCFG and 18 BWPD. The well was determined to be commercial by our letter of April 1, 2004.

Copies of the approved application are being distributed to the appropriate offices and one approved copy is returned herewith. You are requested to furnish all interested principals with the appropriate evidence of this approval. Additionally, well signs should reflect the name of the PA and/or the PA production number.

If you have any questions please contact John S. Simitz at (505) 627-0288 or the Division of Minerals at (505) 627-0272.

If the subject wells are producing, this approval requires the submission of a Payor Information Form MMS-4025 to the MMS within 30 days (30 CFR 210.51). Please notify the designated payor or payors as soon as possible regarding this requirement. Any producing royalties that are due must be reported and paid within 90 days of the BLM's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (30 CFR 218.54). If you need assistance or clarification, please contact the MMS at 1-800-525-9167 or 303-231-3504.

Sincerely,



Larry D. Bray
Assistant Field Manager,
Land and Minerals

Enclosure



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

December 9, 2004

Bass Enterprises Production Company
201 Main Street
Fort Worth, Texas 76102-3131

Attention: Mr. J. Wayne Bailey

Re: Poker Lake Unit
Second Revision Wolfcamp Participating Area
Poker Lake Unit Well No. 196-K Sec. 29-24S-31E
Effective January 1, 2004
Eddy County, New Mexico

Dear Mr. Bailey:

We are in receipt of your application of August 31, 2004 requesting approval of the Second Revision to the Wolfcamp Participating Area for the Poker Lake Unit, Eddy County, New Mexico.

By their letter of October 5, 2004, the Bureau of Land Management has advised this office of their approval to the above-mentioned participating area.

The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-mentioned participating area effective as follows:

SECOND REVISION WOLFCAMP PARTICIPATING AREA
Effective January 1, 2004

WELL	DESCRIPTION	ACRES
196	T-24S-31E Sec. 29: S/2 Secs. 32 and 33: All Sec. 34, Lots 1, 2, NW/4, N/2SW/4 T-25S-31E Sec. 3; Lots 3,4,S/2NW/4, SW/4 Secs. 4 and 5: All	3,479.70

Our approval is subject to like approval by all other appropriate agencies.

-State Land Office Beneficiaries-
Curie Tingley Hospital • Charitable Farm • 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 Salim Lunch • Water Reservoirs • Western New Mexico University

Bass Enterprises Production Company
December 9, 2004
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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

PM/JB/pm

pc: Reader File,
BLM-Attention: Mr. Armando Lopez
TRD-Attention: Mr. Valdean Severson
RMD-Attention: Mr. Kurt McFall

BASS ENTERPRISES PRODUCTION CO.

201 Main Street, Suite 2900

Fort Worth, Texas 76102

FAX TRANSMITTAL

DATE: May 18, 2005

TO: Mr. Will Jones

RE: OCD Approval

FAX#: 505-476-3462

FROM: Forest K. Naylor (817) 339-7214
FAX (817) 339-7102

PAGES: 7 including cover sheet

COMMENTS:

Here are the BLM and SLO approvals for the Poker Lake Wolfcamp Second Revision.

Could I get the NMOCD to approve this revision?

Thanks, Forest K. Naylor