

BASS ENTERPRISES PRODUCTION CO.

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

OIL CONSERVATION DIVISION
RECEIVED
92 MAR 25 AM 9 10

March 23, 1992

Department of Interior
Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

Attention: Mr. Amando Lopez

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Attention: Mr. Jim Baca

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

Attention: Mr. Wm. LeMay

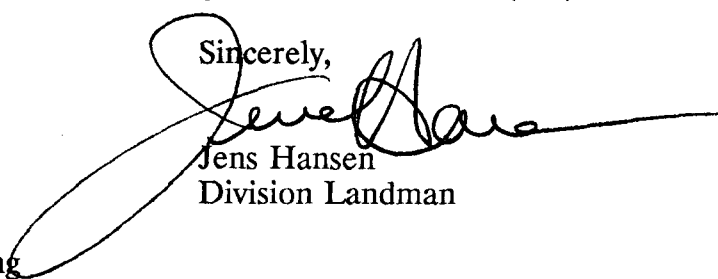
Re: Commerical Determination for
Poker Lake Unit Well No. 76
Section 34, T24S-R31E
Eddy County, New Mexico
Bass Lease No. 9172-Federal

Gentlemen:

In accordance with the provisions of the Poker Lake Unit Agreement, we hereby submit the attached materials covering the referenced well supporting our recommendation that this well be determined to be non-commercial and thereby not receive a participating area. Assuming our recommendation is acceptable, the well will be produced on a lease basis.

If you should have any questions regarding the data submitted for the commerical determination on the above named well, please contact me at (817) 390-8568.

Sincerely,


Jens Hansen
Division Landman

JH:ca

cc: Mr. David W. Hasting
Charles B. Gillespie
P. O. Box 8
Midland, Texas 79702

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL Poker Lake Unit No. 76 FORMATION Delaware
 LOCATION D UNIT, 495 FEET FROM N LINE & 660 FEET FROM W LINE,
 SECTION 34, RANGE 31E, TOWNSHIP 24S, COUNTY Eddy NEW MEXICO
 SPUD DATE 6/30/91 COMPLETION DATE 8/30/91 INIT. PROD. DATE 8/30/91
 PERFORATIONS 5972-5993', 5996-6010' (70 Holes)

STIMULATION:

ACID 3000 Gallons 7.5% NeFe Acid and Ball Sealers.

FRACTURE 27,000 Gallons of Borate Gel Plus 82,700 Lbs. 16/30 Ottawa Sand.

POTENTIAL Pumped 42 BOPD + 15 MCFG + 200 BW

(ATTACH COPY OF 3160-4. ATTACH COPY OF WELLBORE SKETCH OF COMPLETED WELL.)

VOLUMETRIC CALCULATION

	FORMATION	
	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	
Porosity (ϕ), %	<u>12.27</u>	
Water saturation (S_w), %	<u>51.8</u>	
Net thickness (h) $\geq 12\% \phi$ & $< 60\% S_w$, ft	<u>35</u>	
Temperature (T), °F	<u>103°</u>	

(2)

Bottomhole pressure (P), psia 2900
Recovery factor (RF) 20%
Recoverable oil, bbls(See eq. below) 128,469
Recoverable oil, bbls = $(7,758)(\emptyset)(1-S_w)(A)(h)(RF)$

PERFORMANCE DATA

If sufficient history exists, attach plot of oil production rate vs time.

(Cumulative production to 2 / 1 / 9 ; 3945 bbls.

Initial rate (qi), 875 bbls/mo

Economic limit (ql), 76 bbls/mo

Decline rate, dy 8.0 %/mo

Remaining oil (Q) = 24,824 bbls.

Ultimate recoverable oil 28,769 bbls.

Attach plat showing proration unit and participating area.

<u>RECOVERABLE OIL</u>	<u>OIL (BBLS.)</u>	<u>GAS (MCF)</u>
Oil sand previously produced		
Sand perforated	<u>28,769</u>	<u>(1)</u>
Sand not perforated, but potentially productive		<u>(2)</u>
Total recoverable oil	<u>28,769</u>	

(1) performance recoverable oil if available

(2) $\frac{\text{performance sand perforated}}{\text{volumetric sand perforated}} \times \frac{\text{volumetric sands not perforated}}{\text{performance sands not perforated}}$

Participating area size based on ratio of production history and volumetrics

NA acres---minimum area is proration unit.

ECONOMICS

Well Cost \$ 631,797 (to the depth of formation completed)

Saltwater Disposal \$

Cost

TOTAL COST \$ 631,797

Operating Cost /Month

CBG Net Income = (Gross Oil)(Net Oil Price)(Net Revenue Interest)-(Taxes)

YEAR	GROSS OIL	CBG NET INCOME	OPERATING COST	10% DISCOUNT FACTOR	DISCOUNTED CASH FLOW
Zero	---	---	---	1.00000	-631,797
1991	2,379	30,614	3,000	.95382	26,339
1992	7,155	86,959	9,000	.86711	74,358
1993	4,290	54,745	9,450	.78828	43,204
1994	3,073	41,171	9,923	.71662	29,804
1995	2,397	33,724	10,419	.65147	22,229
1996	1,965	29,023	10,940	.59225	17,248
Remainder	7,510	127,016	78,132	.43367	46,627

If payout is five years or less, well is considered economical.

(CBG Net Income - Operating Expense) discount factor = \$259,809

discounted cash flow. Uneconomical

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONTACT RECEIVING
OFFICE FOR NO.
OF COPIES REQUIRED

(See other in-
structions on
reverse side)

BLM Roswell District
Modified Form No.
M060-3160-3

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other _____
1b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ REPER- EN ☐ PLUG BACK ☐ DIFF. REVR. ☐ Other _____
2. NAME OF OPERATOR Charles B. Gillespie, Jr.
3a. Area Code & Phone No. (915)683-1765

3. ADDRESS OF OPERATOR
P.O. Box 8 Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface Unit Letter D, 495' FNL & 660' FWL

At top prod. interval reported below

At total depth 495' FNL & 660' FWL

9a. API Well No. 30-015-26772
14. PERMIT NO. 30-015-26772
DATE ISSUED 6/13/91

15. DATE SPUDDED 6/30/91
16. DATE T.D. REACHED 7/26/91
17. DATE COMPL. (Ready to prod.) 8/30/91
18. ELEVATIONS (OF. HMR, RT. GR, ETC.)* 3483.9'GR 3495'KB
19. FLEV. CASINGHEAD 3434'

20. TOTAL DEPTH, MD & TVD 6125' MD & TVD
21. PLUG. BACK T.D., MD & TVD 6079' MD & TVD
22. IF MULTIPLE COMPL., HOW MANY* ---
23. INTERVAL DRILLED BY ---
ROTARY TOOLS 0-6125'
CABLE TOOLS ---

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
5972 - 6010' Delaware
25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN
Dual Spaced Neutron - Gamma Ray
27. WAS WELL CORED No

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	424'	12 1/4"	715 SX Class 'C' Cir'd.	
7"	23#	687'	7 7/8"	550 SX Class 'C'	
4 1/2"	11.60#	6125'	6 1/4"	150 SX Class 'C'	

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	5930'	

31. PERFORATION RECORD (Interval, size and number)
5972 - 5993', 5996 - 6010- w/2 spf, .41" diameter Total 70 Holes
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
DEPTH INTERVAL (MD) AMOUNT AND KIND OF MATERIAL USED
5972'-6010' Acidize w/3000 gals. 7/5% NEFE
5972'-6010' Frac w/27,000 gals Borate Gel + 82,700 lbs. 16/30 sand

33.* PRODUCTION
DATE FIRST PRODUCTION 8/30/91
PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping 2" X 1 1/2" X 32'
WELL STATUS (Producing or shut-in) Producing
DATE OF TEST 9/20/91
HOURS TESTED 24
CHOKER SIZE --
PROD'N. FOR TEST PERIOD -->--
OIL—BDL. 42
GAS—MCF. 15
WATER—BDL. 200
GAS-OIL RATIO 357
FLOW, TUBING PRESS. --
CASING PRESSURE 20#
CALCULATED 24-HOUR RATE -->--
OIL—BDL. 42
GAS—MCF. 15
WATER—BDL. 200
OIL GRAVITY-API (CORR.) 38°

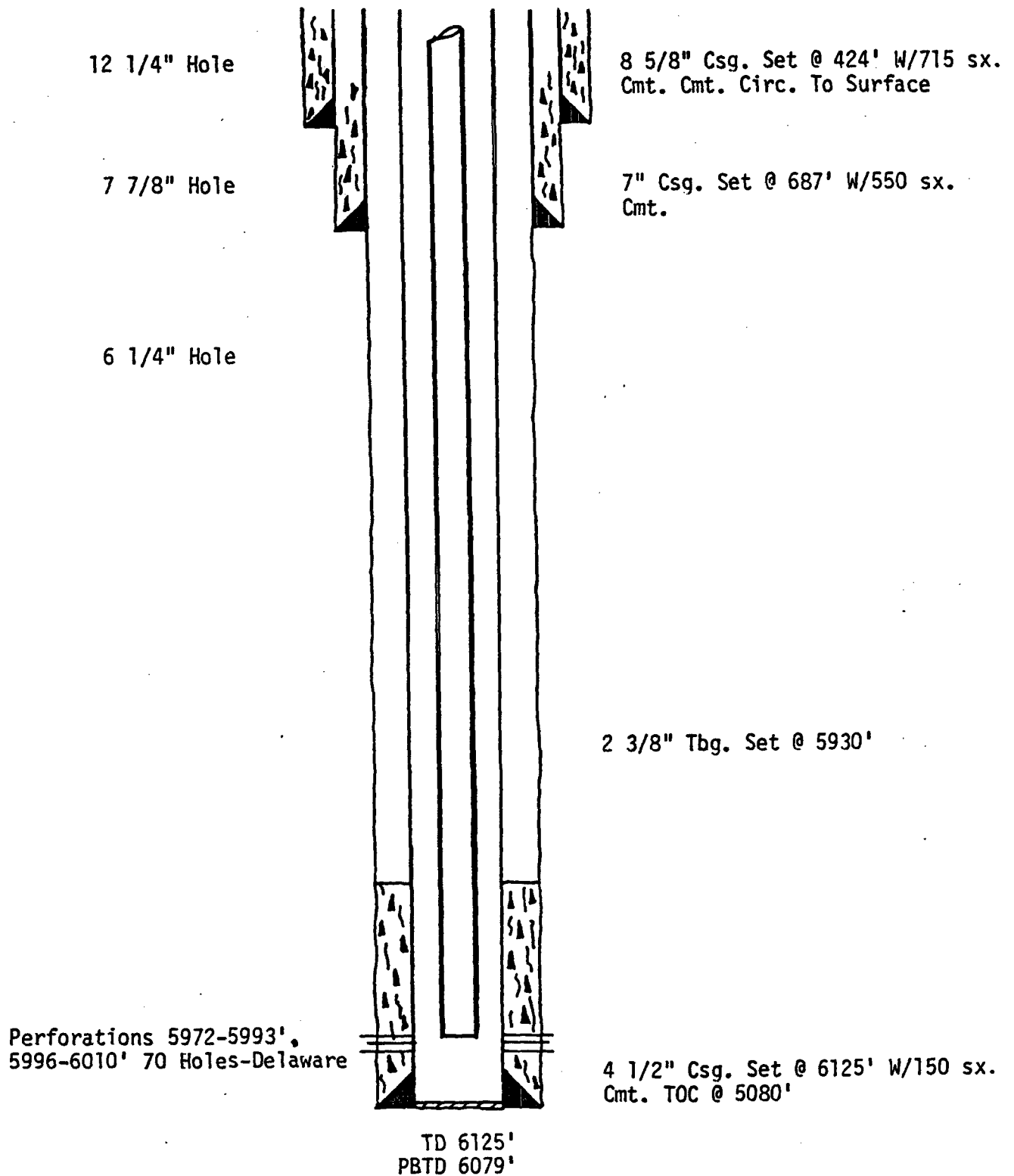
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Used for fuel
TEST WITNESSED BY David W. Hastings

35. LIST OF ATTACHMENTS
Logs, Deviation Survey

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.
SIGNED *David W. Hastings* TITLE Production Manager
DATE 9/23/91

*(See Instructions and Spaces for Additional Data on Reverse Side)

Charles B. Gillespie, Jr.
Poker Lake Unit No. 76
495' FNL & 660' FWL
Section 34-T24S-R31E



POKER LAKE UNIT WELL NO. 76
PERFORATED SANDS

INTERVAL	h	ØN	Øh
5972-75'	3	9	27
75-78'	3	13.5	40.5
78-82'	4	12	48
82-84'	2	9.5	19
84-90'	6	14	84
90-93'	3	12	36
96-00'	4	10.5	42
6000-02'	2	9.5	19
02-06'	4	15	60
06-10'	<u>4</u>	<u>13.5</u>	<u>54</u>
TOTAL h	35		TOTAL Øh 429.5

$$\text{AVERAGE } \bar{\phi} = \frac{\text{TOTAL } \phi h}{\text{TOTAL } h} = \frac{429.5}{35} = 12.27\% \bar{\phi}$$

There are no ØXP porosities because open hole electric logs could not be run on this well. All porosities are from a Dual Spaced Neutron cased hole log.

The AVERAGE Sw can not be determined for this well, therefore, the AVERAGE Sw calculated for the same correlative Cherry Canyon sand interval currently producing in the Poker Lake Unit Well No. 73, a direct offset located in the NE/4NE/4 Section 33, T-24-S, R-31-E, will be used to do volumetric calculations.

POKER LAKE UNIT WELL NO. 73
PERFORATED SANDS
(40 ACRE OFFSET TO THE PLU NO. 76)

INTERVAL	Rxo	LLs	LLd		Rt/R _{LLd}	Rt	Sw
5973-75'	2.5	3.0	3.4	x	1.4	= 4.8	52.2
* 75-76'	15.0	6.0	6.2	x	1.1	= 6.8	76.7
76-80'	3.0	3.2	3.5	x	1.2	= 4.2	59.1
80-81'	4.5	3.4	4.0	x	1.4	= 5.6	56.3
81-84'	3.5	3.3	3.8	x	1.4	= 5.3	42.4
84-86'	4.0	3.5	4.3	x	1.4	= 6.0	54.4
86-90'	4.0	3.3	4.0	x	1.4	= 5.6	52.8
90-92'	3.5	3.3	4.0	x	1.4	= 5.6	52.8
92-94'	2.5	3.6	4.4	x	1.5	= 6.6	51.9
94-96'	1.7	3.7	4.6	x	1.6	= 7.4	58.8
96-00'	1.5	3.2	4.0	x	1.6	= 6.4	43.9
6000-02'	1.6	3.3	4.1	x	1.6	= 6.6	51.9
02-04'	2.5	4.0	4.9	x	1.6	= 7.8	53.0
04-08'	1.5	3.2	3.8	x	1.4	= 5.3	56.0

*This interval has been eliminated from the calculations due to Sw being 60% or greater.

**Rw = .04 for this perforated sand.

INTERVAL	(Sw)	(ØXP)	(h)	Sw WEIGHTED
5973-75'	(.522)	(.175)	(2)	.18270
76-80'	(.591)	(.165)	(4)	.39006
80-81'	(.563)	(.150)	(1)	.08445
81-84'	(.424)	(.205)	(3)	.26076
84-86'	(.544)	(.150)	(2)	.16320
86-90'	(.528)	(.160)	(4)	.33792
90-92'	(.528)	(.160)	(2)	.16896
92-94'	(.519)	(.150)	(2)	.15570
94-96'	(.588)	(.125)	(2)	.14700
96-00'	(.439)	(.180)	(4)	.31608
6000-02'	(.519)	(.150)	(2)	.15570
02-04'	(.530)	(.135)	(2)	.14310
04-08'	(.560)	(.155)	(4)	.34720

TOTAL Sw WEIGHTED 2.85283

$$\text{AVERAGE Sw} = \frac{\sum (Sw)(\delta XP)(h)}{(\text{Avg. } \delta)(\text{TOTAL } h)} = \frac{2.85283}{5.508} = 51.8\% \text{ Sw}$$

POKER LAKE UNIT WELL NO. 76
VOLUMETRIC CALCULATIONS
RECOVERABLE OIL

PERFORATED SANDS

$$\begin{aligned}\text{OIL CONTENT OF RESERVOIR, BBLS.} &= (7758)(A)(h)(\phi)(1-S_w) \\ &= (7758)(40)(35)(.1227)(1-.518) \\ &= 642,346\end{aligned}$$

$$\text{RECOVERY FACTOR (RF)} = 20\%$$

$$\begin{aligned}\text{RECOVERABLE OIL, BBLS.} &= 642,346 \text{ (RF)} \\ &= 642,346 (.20) \\ &= 128,469\end{aligned}$$

Performance Data

PRODUCTION DATA REPORT Reported Monthly Production Totals

Year: 1991	Cumulative Liquid: 0			Gas: 0	Water: 0		
Month	Liquid (Bbls)	Gas (Mcf)	Water (Bbls)	Allowable	Num. Oil	Wells Gas	Days On
Jan	0	0	0	0	0	0	0
Feb	0	0	0	0	0	0	0
Mar	0	0	0	0	0	0	0
Apr	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0
Jun	0	0	0	0	0	0	0
Jul	0	0	0	0	0	0	0
Aug	0	30	339	0	0	0	2
Sep	425	315	3321	0	0	0	21
Oct	541	450	6165	0	0	0	30
Nov	538	435	2530	0	0	0	29
Dec	875	450	6981	0	0	0	30
TOTAL	2379	1680	19386				

POKER LAKE UNIT - Poker Lake #76

PRODUCTION DATA REPORT Reported Monthly Production Totals

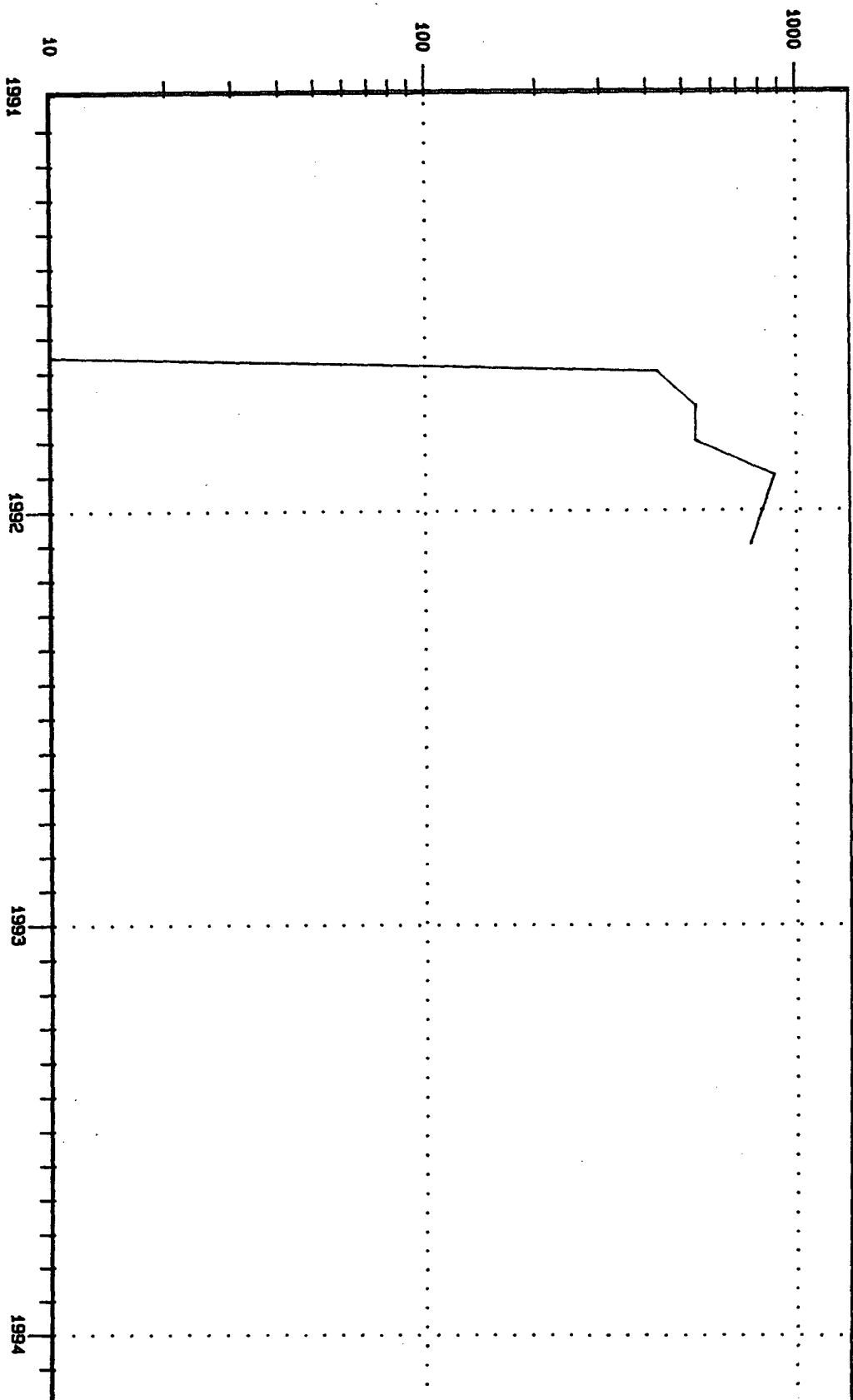
Year: 1992	Cumulative Liquid: 0			Gas: 0	Water: 0		
Month	Liquid (Bbls)	Gas (Mcf)	Water (Bbls)	Allowable	Num. Oil	Wells Gas	Days On
Jan	812	465	6512	0	0	0	31
Feb	754	435	6295	0	0	0	29
Mar	0	0	0	0	0	0	0
Apr	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0
Jun	0	0	0	0	0	0	0
Jul	0	0	0	0	0	0	0
Aug	0	0	0	0	0	0	0
Sep	0	0	0	0	0	0	0
Oct	0	0	0	0	0	0	0
Nov	0	0	0	0	0	0	0
Dec	0	0	0	0	0	0	0
TOTAL	1566	900	12807				

POKER LAKE UNIT - Poker Lake #76

Calculated	
Oil	—
Gas	—
Water	—

POKER LAKE UNIT	
Oil Production Rate vs Time	
BBL/MO vs Months	
Poker Lake #76	
For the Period 08/1991 to 02/1992	

Production	
Oil	—
Gas	—
Water	—



Performance Data

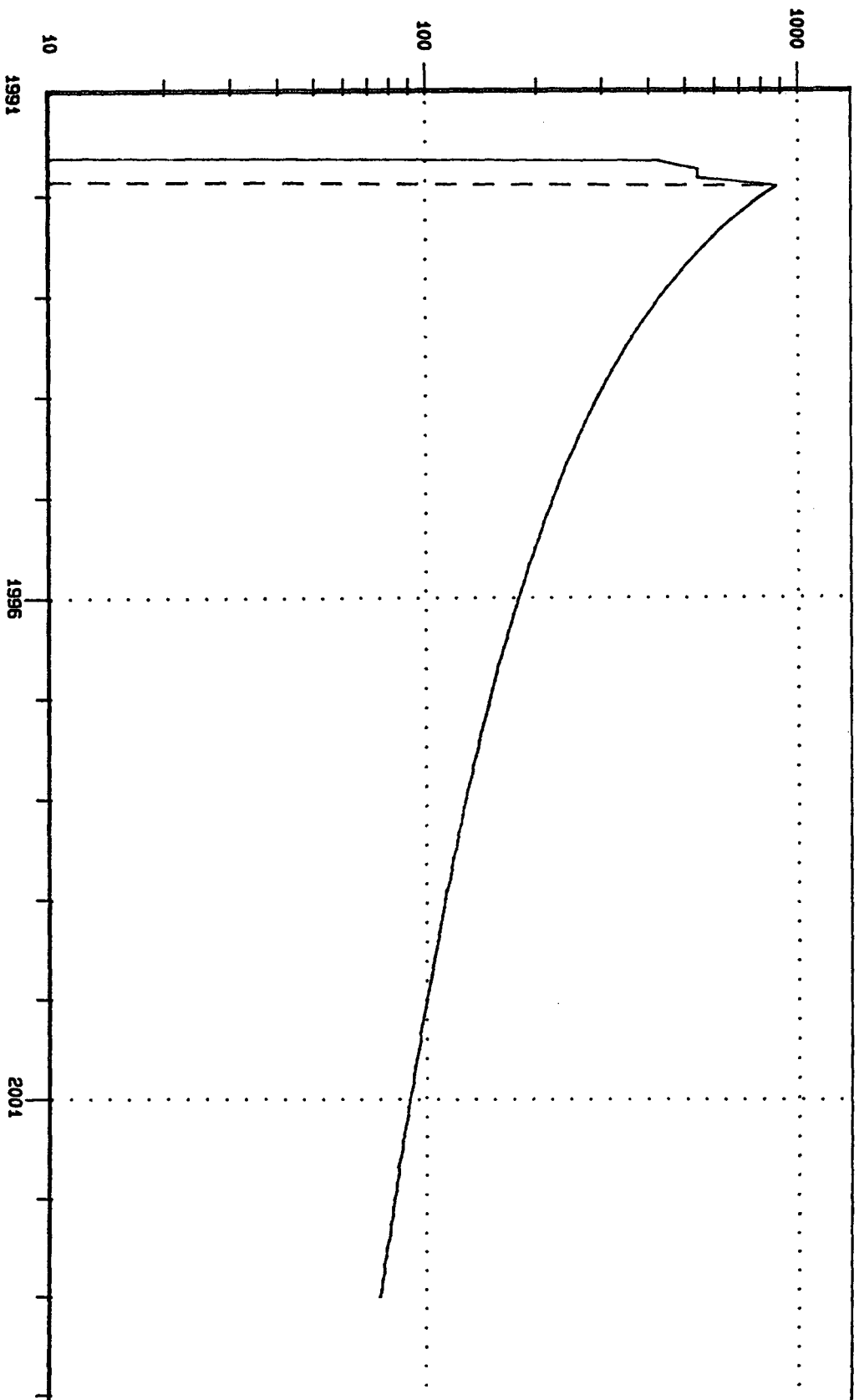
ZD	Forecast		Curve Fit	Projection	D?
3					3
3	Product Type	:	OIL	--	3
3	Decline Curve Type	:	HYPERBOLIC	--	3
3	Hyperbolic Exponent	:	1.000000	--	3
3	Initial Decline (%/Mo)	:	8.002959 %	--	3
3	Start Date	:	12/1991	03/1992	3
3	End Date	:	02/1992	12/2002	3
3	Correlation Coefficient	:	0.999818	--	3
3	Economic Limit (BB1/Mo)	:	76	76	3
3	Initial Mo. Prod. Rate (BB1/Mo)	:	876	706	3
3	Final Mo. Prod. Rate (BB1/Mo)	:	755	76	3
3	Cum. Reported Production (BB1s)	:	812	--	3
3	Projected Life (Years)	:	--	10.833	3
3	Projected Production (BB1s)	:	--	24824	3
	@POKER LAKE UNIT:Poker Lake #76 DY				

Computer Generated Forecast Is Based On The Conventional Rate - Time Equations Set Forth In J.J. Arps, "Analysis of Decline Curves", Petroleum Technology, T.P. 1758 (September, 1944).

Calculated	
Oil	—
Gas	—
Water	—

POKER LAKE UNIT	
Oil Production Rate vs Time	
BBL/MO vs Months	
Poker Lake #76	
For the Period 08/1991 to 12/2002	

Production	
Oil	—
Gas	—
Water	—



OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

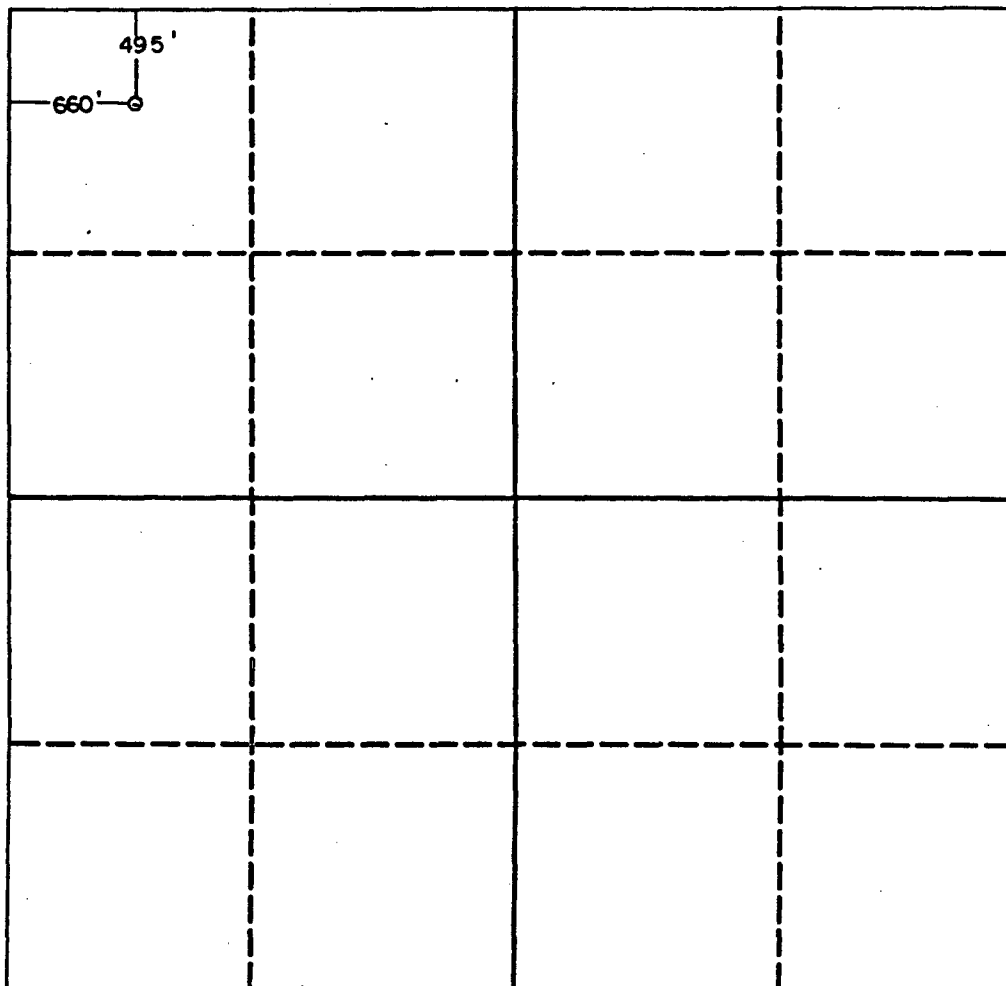
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator CHARLES B. GILLESPIE, JR.			Lease POKER LAKE UNIT		Well No. 76
Unit Letter D	Section 34	Township 24 SOUTH	Range 31 EAST	County EDDY	
Actual Footage Location of Well: 495 feet from the NORTH line and 660 feet from the WEST line					
Ground level Elev. 3483.9	Producing Formation Delaware		Pool Poker Lake Delaware, South		Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary). _____
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature *David W. Hastings*
Printed Name **David W. Hastings**
Position **Production Manager**
Company **Charles B. Gillespie, Jr.**
Date **June 10, 1991**

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **6-6-91**
Signature & Seal of Professional Surveyor *John W. West*
Certificate No. **JOHN W. WEST** **676**
RONALD J. JOHNSON **3239**

ECONOMICS

CHARLES D. GILLESPIE, JR.

LEASE - POKER LAKE
WELL NO. 76
INTEREST 0.77377

UNIT B, 40 ACRES
SECTION 33-T24S-R31E
EDDY CO., N.M.
AVE DEPTH - 6000', DELAWARE

YEAR	OIL	NET OIL	OIL PRICE	OIL REVENUE	OIL TAXES	OPER EXPENSE	NET REVENUE	CUM REVENUE	10% DISCOUNT	CUM 10% DISCOUNT
1991	2379	1841	18.00	33132	2518	3000	27614	27614	26339	26339
1992	7155	5536	17.00	94111	7152	9000	77958	105572	74358	100697
1993	4290	3319	17.85	59248	4503	9450	45296	150868	43204	143901
1994	3073	2376	18.74	44557	3366	9923	31247	182115	29864	173705
1995	2397	1855	19.68	36498	2774	10419	23306	205421	22229	195935
1996	1965	1520	20.66	31410	2367	10940	18083	223504	17248	213183
1997	1665	1288	21.70	27955	2125	11487	14343	237847	13681	226864
1998	1445	1118	22.78	25468	1936	12061	11472	249319	10942	237806
1999	1278	989	23.92	23652	1798	12664	7191	258510	8766	246572
2000	1143	884	25.00	22109	1680	13297	7132	265642	6902	253374
2001	1034	800	25.00	20001	1520	13962	4519	270160	4310	257684
2002	945	731	25.00	18277	1389	14661	2227	272387	2126	259910



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

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

April 9, 1992

Charles B. Gillespie, Jr.
P. O. Box Eight
Midland, Texas 79702

Attn: Mr. William R. Crow

Re: Designation of Agent
Poker Lake Unit Well No. 77
Eddy County, New Mexico

Dear Mr. Crow:

This office is in receipt of your letter of March 18, 1992 together with a copy of the Designation of Agent whereby Bass Enterprises Production Co. designated Charles B. Gillespie, Jr. as its agent for the Poker Lake Unit Well No. 77 located in the SE/4NE/4 of Sec. 33-24S-31E, Eddy County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date approved the above mentioned Designation of Agent. Our approval is subject to like approval by the Bureau of Land Management. Please notify all interested parties of this action.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.
cc: Reader File

OCD ✓



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

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

April 9, 1992

Bass Enterprises Production Company
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102

Attn: Mr. Jens Hansen

Re: Commercial Well Determination
Poker Lake Unit Well No. 76
NW/4NW/4 Sec. 34-24S-31E
Eddy County, NM

The Bureau of Land Management has advised this office that they support your recommendations that the subject well be determined noncommercial.

We can not find a copy of this application in our files. Please submit a copy of your noncommercial well determination for the Poker Lake Unit Well No. 76 to this office for our approval.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

cc: Reader File
BLM
OCD

BASS ENTERPRISES PRODUCTION CO.

FIRST CITY BANK TOWER

201 MAIN ST.

FORT WORTH, TEXAS 76102

817/390-8400

August 6, 1992

OIL CONSERVATION DIVISION
RECEIVED

'92 AUG 9 AM 9 14

Bureau of Land Management
P.O. Box 1397
Roswell, New Mexico 88201

Attention: Mr. Armando Lopez

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87504-1158

Attention Mr. Jim Baca

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

Attention: Mr. William LeMay

Re: Application for Approval of the Morrow
Participating Area "A"
Poker Lake Unit Well No. 67
1,980' FSL and 1,980' FWL
Section 3, T25S-R31E
Eddy County, New Mexico
Bass Lease No. 9174, 33381, 39-O

Gentlemen:

Bass Enterprises Production Co., as unit operator of the Poker Lake Unit Agreement, pursuant to the provision of Section 11, thereof, respectfully submits for approval a selection of the following described lands to constitute the "A" Participating Area for the Morrow producing zone or formation, to wit:

W/2 of Section 3, T25S-R31E, Eddy County, New Mexico, containing 319.00 acres of land, more or less.

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

D-
Unit letter
Tax
Ry

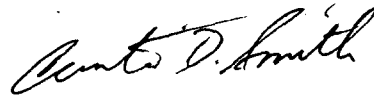
August 6, 1992
Page 2

1. An ownership map showing thereon the boundaries of the unit area and the proposed "A" Participating Area.
2. A schedule showing the lands entitled to participation and the unitized substances producing from the Morrow Formation, with the percentage of participation of each lease or tract thereon.
3. A geological and engineering report with accompanying geological map supporting and justifying the proposed selection of the Participating Area.

The proposed Morrow "A" Participating Area is predicated upon the knowledge and information first obtained upon completion in paying quantities under the terms of the Unit Agreement on July 29, 1986, of Unit Well No. 67, located in the NE/4 SW/4 Section 3, T25S-R31E with an initial production of gas from the Morrow Formation at a depth of 14,894' through 14,898'. The effective date of the Morrow "A" Participating Area is July 29, 1986, pursuant to Section 11 of the Unit Agreement.

Based upon the foregoing, applicant respectfully requests your approval of the hereinabove selection of lands to constitute the Morrow "A" Participating Area, to be effective July 29, 1986

Yours very truly,



Curtis D. Smith
Landman

CDS:lah
Enclosures

cc: W. Frank McCreight
Jens Hansen

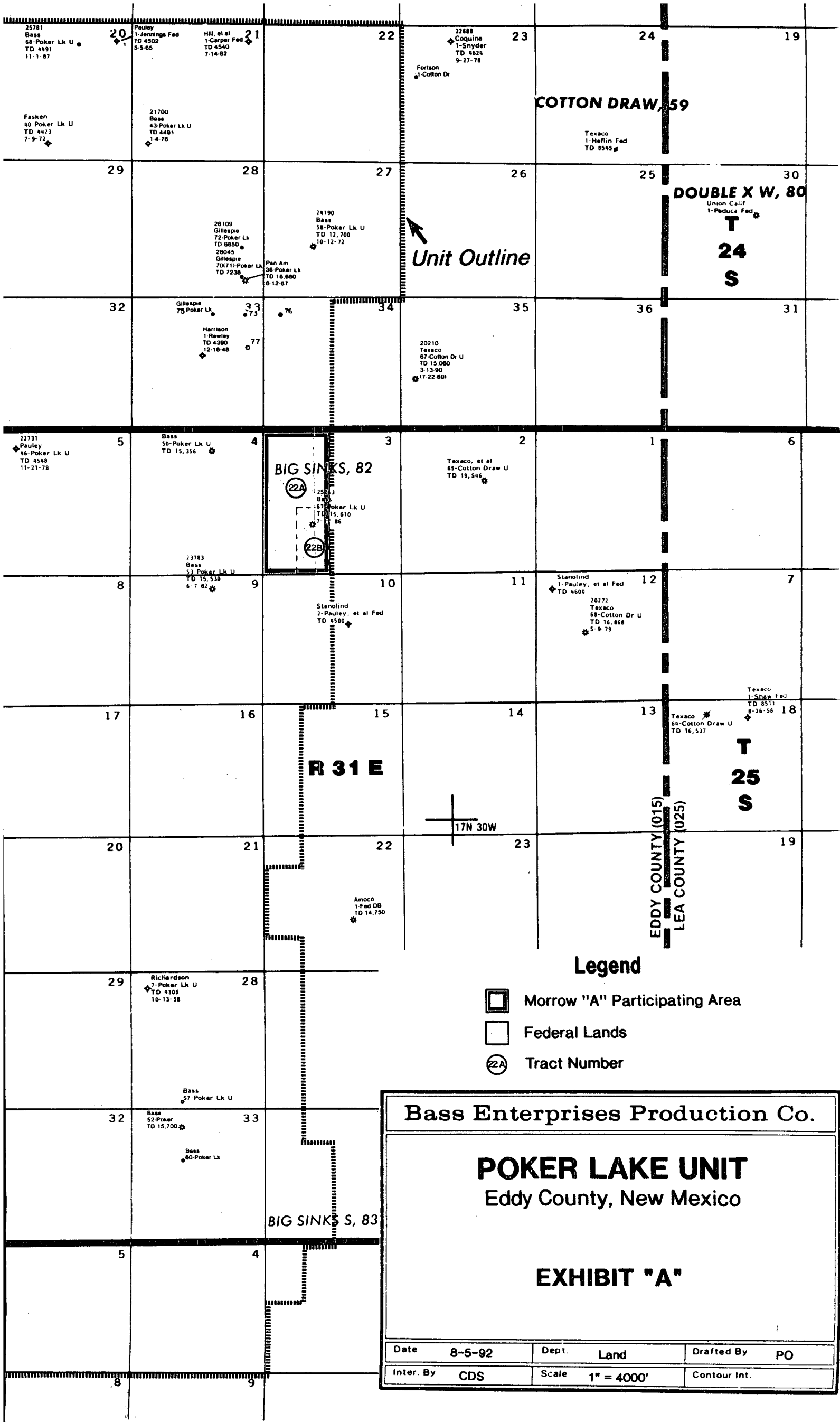


EXHIBIT "B"

Morrow "A" Participating Area
Poker Lake Unit
Eddy County, New Mexico

<u>TRACT NO.</u>	<u>LEASE NO.</u>	<u>DESCRIPTION</u>	<u>PARTICIPATING ACRES</u>	<u>% OF WORKING INTEREST OWNERSHIP & UNIT OWNERSHIP</u>		<u>ROYALTY %</u>
22-A	NM-030457	<u>T25S-R31E</u> Section 3: Lots 3 & 4 S/2 NW/4, W/2 SW/4	239.90	Perry R. Bass, Trustee Lee M. Bass Sid R. Bass, Inc. Keystone, Inc. Thru Line Inc. Lee M. Bass, Inc. Perry R. Bass, Inc. Sid R. Bass, Trustee M. Brad Bennett, Inc. Hondo Oil & Gas Co. Fina Oil & Chemical Co.	17.741488% 12.913375% .785531% 13.698906% 13.698906% .785531% .523688% 12.913375% 1.642600% 6.324100% 18.972500%	12.5%
22-B	NM-031383	<u>T25S-R31E</u> Section 3: E/2, SW/4	80.00	Perry R. Bass, Trustee Lee M. Bass Sid R. Bass, Inc. Keystone, Inc. Thru Line Inc. Lee M. Bass, Inc. Perry R. Bass, Inc. Sid R. Bass, Trustee M. Brad Bennett, Inc. Hondo Oil & Gas Co. Fina Oil & Chemical Co.	17.741488% 12.913375% .785531% 13.698906% 13.698906% .785531% .523688% 12.913375% 1.642600% 6.324100% 18.972500%	12.5%

Eddy County, New Mexico



WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

=====

WELL POKER LAKE UNIT #67 FORMATION MORROW

LOCATION K UNIT, 1980 FEET FROM S LINE & 1980 FEET FROM W LINE,

SECTION 3, RANGE 31E, TOWNSHIP 25S, COUNTY EDDY NEW MEXICO

SPUD DATE 07/25/85 COMPLETION DATE 07/29/86 INIT. PROD. DATE 07/24/86

PERFORATIONS 14,894' - 14,898' (17 holes)

=====

STIMULATION:

ACID 1500 gals 7-1/2% HCL

=====

FRACTURE NONE

=====

=====

=====

POTENTIAL CAOF 9651 MCFPD

=====

(ATTACH COPY OF C-122. ATTACH COPY OF WELLBORE SKETCH OF COMPLETED WELL.)

VOLUMETRIC CALCULATION

=====

	FORMATION	
	SANDS	SANDS NOT PERFORATED
Area (A) proration unit size, acres	<u>320</u>	
Porosity ($\emptyset$), %	<u>12%</u>	
Water saturation (S_w), %	<u>16%</u>	
Net Thickness (h) > 6% $\emptyset$ & <40% S_w , ft	<u>4.5</u>	
Temperature (T), °F	<u>208 °F</u>	

=====

(2)

Bottom Hole pressure (P), psia 8513

Recovery factor (RF), (80% assumed) 80%

Recoverable gas, MCF (See eq. below) 1,783,036

Recoverable gas, MCF = (43,560) (Ø) (1-Sw) (A) (h) (RF) (Bgi) where

$$Bgi = 0.03535 \frac{P}{ZT} \frac{MSCF}{Cu Ft} = 0.03535 \frac{(85.3)}{(1.278) (668)} = .3525$$

PERFORMANCE DATA

=====

If sufficient history exists, attach plot of gas production rate vs time.

(Cumulative production to 03 / 31 / 92; 963,926 MCF.

Initial rate (qi), _____ MCF/mo

Economic limit (ql), _____ MCF/mo

Decline rate, dy _____ %

Remaining gas (Q) = 1,236,074 MCF *Determined by material balance

Ultimate recoverable gas 2,200,000 MCF

$$Q = \frac{(qi - ql) 12 \text{ mo/yr}}{-\ln(1-dy)}$$

Attach plat showing proration unit and participating area.

<u>RECOVERABLE GAS</u>	<u>GAS (MCF)</u>	<u>COND (BBLS)</u>
Gas sand previously produced	<u>0</u>	<u>0</u>
Sand perforated	<u>2,200,000</u>	<u>(1) 0</u>
Sand not perforated, but potentially productive	<u>0</u>	<u>(2) 0</u>
Total recoverable gas	<u>2,200,000</u>	<u>0</u>

(1) performance recoverable gas if available

(2) performance sand perforated X volumetric sands = performance sands
volumetric sand perforated not perforated not perforated

Participating area size based on ratio of production history and volumetrics

320 acres---minimum area is proration unit.

(3)
ECONOMIC

=====

Well Cost \$ 2,500,000 (to the depth of formation completed)

Recompletion Cost \$ -

TOTAL COST \$ 2,500,000

<u>YEAR</u>	<u>GROSS GAS</u>	<u>BEPCO NET INCOME</u>	<u>OPERATING COST</u>	<u>DISCOUNTED CASH FLOW</u>
Zero	---	---	---	-2,500,000
1	1,310,100	1,745,400	18,000	1,647,200
2	537,000	704,800	18,000	601,900
3	220,100	278,300	18,000	215,000
4	90,200	103,500	18,000	72,300
5	37,000	31,800	18,000	20,100

REMAINDER

If payout is five years or less, well is considered economical.

WELL IS ECONOMICAL.

*SEE ATTACHED ECONOMICS SPREADSHEET.

W MEXICO OIL CONSERVATION COMMISSION
MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Form C-112
 Revised 9-1-65

Type Test ☒ Initial ☐ Annual ☐ Special		Test Date 7-24-86	
Company BASS ENTERPRISES PRODUCTION CO.		Connection	
Pool POKER LAKE, S. (MORROW)		Formation MORROW	
Completion Date 7/29/86		Total Depth 15,610	
Flow back To 14,906'		Elevation 3424.1	
Unit POKER LAKE UNIT		Date of Lease Expiry	
Casing Size 7"	Wt. 32.0	Set At 6,094	Perforations: From 14,894 To 14,898
Well No. 67			
Tubing Size 2-3/8	Wt. 4.7	Set At 1,995	Perforations: From To
Unit K	Sec. 3	Twp. 25S	Rge. 31E
Type Well - Single - Protowell - G.G. or G.O. Multiple SINGLE		Factor Set At 14,760	
County EDDY		State NEW MEXICO	
Producing Thru TUBING		Reservoir Temp. °F 214 @ 14,896	
Mean Annual Temp. °F 60		Auto. Pres. - P _a 13.2	
L	H	G _g 0.575	% CO ₂ 1.11
% N ₂ 0.39	% H ₂ S 0	Prover 0	Meter Run 4,206
FLANGE			

FLOW DATA							TUBING DATA		CASING DATA		Duration of Flow
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h _w	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.	Temp. °F	
51							6822	77			
1.	4.03 X 1.75			300	9	89	6678	77	0	0	1.0
2.	4.03 X 1.75			400	26	96	6300	77	0	0	1.0
3.	4.03 X 1.75			600	40	93	5550	77	0	0	1.0
4.	4.03 X 1.75			800	76	79	4000	78	0	0	1.0
5.											

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor Ft.	Gravity Factor F _g	Super Compress. Factor F _{pv}	Rate of Flow Q, Mscf/d
1	19.76	53.09	313.2	.9732	1.3190	1.0201	1374
2	19.76	103.65	413.2	.9671	1.3190	1.0249	2678
3	19.76	156.61	613.2	.9697	1.3190	1.0375	4108
4	19.76	248.60	813.2	.9822	1.3190	1.0556	6719
5.							

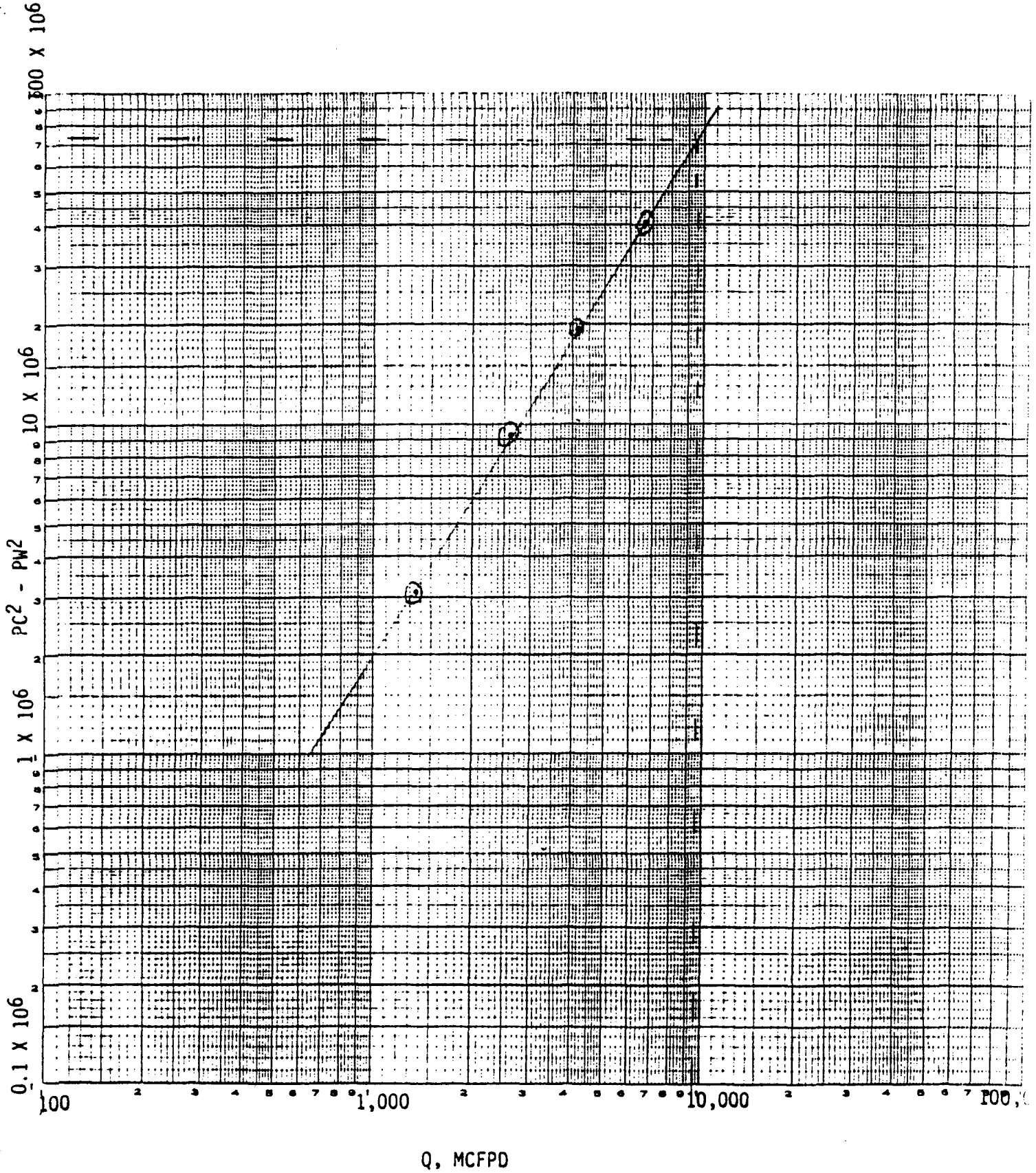
NO.	P _r	Temp. °R	T _g	z	Gas Liquid Hydrocarbon Ratio _____ Mol/Gal.
1	.46	549	1.58	.961	A.P.I. Gravity of Liquid Hydrocarbons _____ Deg.
2.	.61	556	1.60	.952	Specific Gravity Separator Gas .575 X X X X X X X X
3.	.90	553	1.59	.929	Specific Gravity Flowing Fluid .575 X X X X X
4.	1.20	539	1.55	.898	Critical Pressure _____ P.S.I.A. 678 P.S.I.A. 678
5.					Critical Temperature _____ R 348 R 348

P _r 8494.1	P _a 72149	(1) $\frac{P_r^2}{P_a^2 - P_r^2} = 1.785$	(2) $\left[\frac{P_r^2}{P_a^2 - P_r^2} \right]^n = 1.436$
NO.	P _r	P _w	P _r ² - P _w ²
1		8300.3	68895
2		7919.4	62717
3		7276.4	52946
4		5632.7	31727
5			

Absolute Open Flow 9651 Mscf/d @ 15.015		Angle of Slope 58	Slope, n 0.625
Remarks: BHP SUBSTITUTED FOR WELLHEAD PRESSURES			
Approved By: _____	Conducted By: _____	Calculated By: _____	Checked By: _____
ARC PRESSURE DATA INC		S. H. ROWLAND	

JASS ENTERPRISES PRODUCTION CO.
POKER LAKE UNIT NO. 67

NO. 3408-133 DIETZGEN GRAPH PAPER
LOGARITHMIC
3 CYCLES X 3 CYCLES
EUGENE DIETZGEN CO.
MADE IN U.S.A.

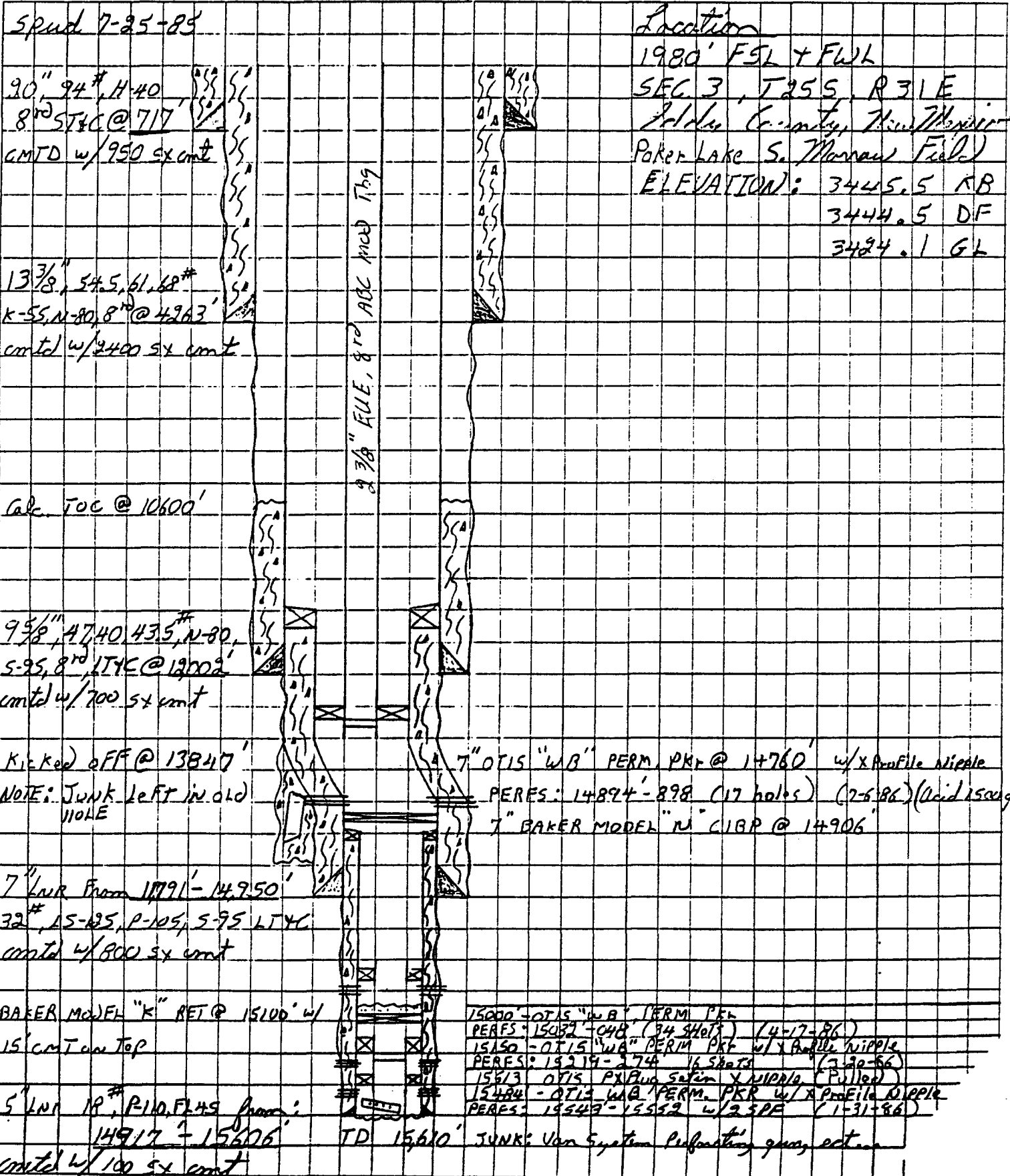


WF

BASS ENTERPRISES PRODUCTION COMPANY

PAGE NO. _____

SUBJECT <i>Poker Lake Unit No. 67</i>	DATE <i>7-3-86</i>	DEPARTMENT <i>Production</i>	PREPARED BY <i>M. J. L.</i>
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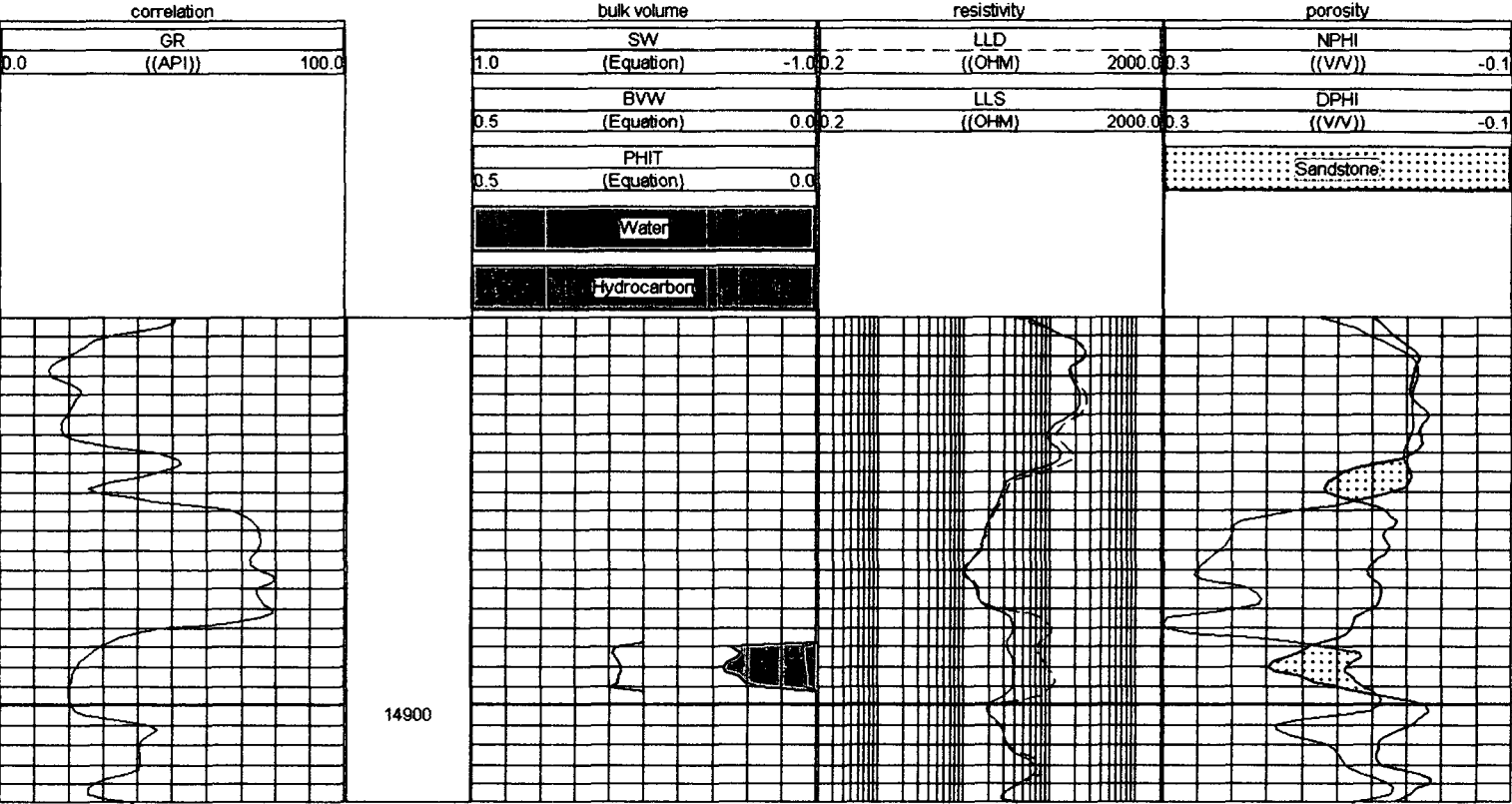


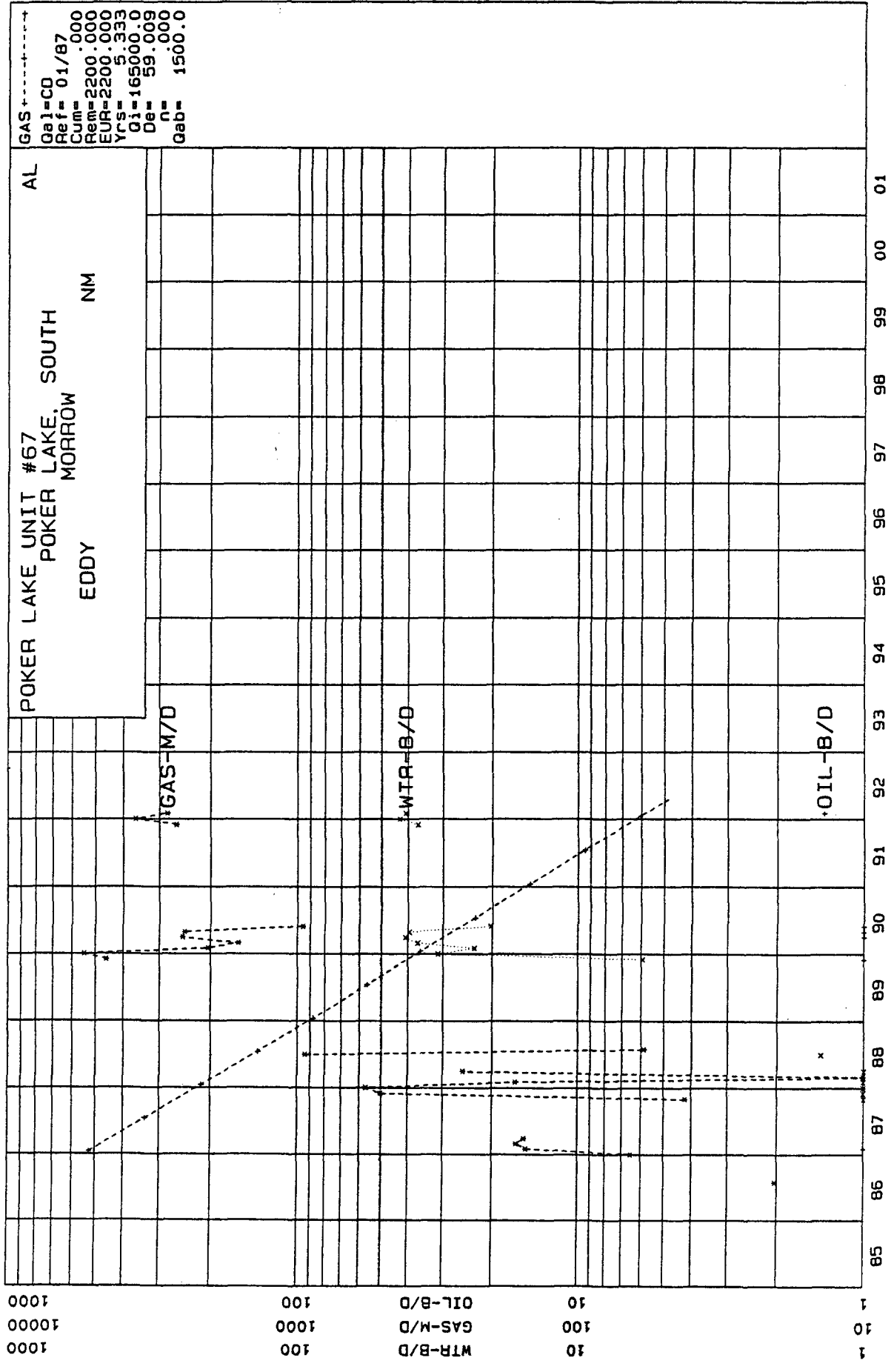
VOLUMETRIC RESERVE ESTIMATE

Company:	BASS		
Well:	PLU #67		
Field:	POKER LAKE, S.	State: NM	Country:
County:	EDDY		

Location: 1980' FSL & 1980' FWL	Township: 25S	Range: 31E	Api No.:	
Section: 3	GL:	Elevation: 3424.1	Elev.:	EKB: 3445.5
Permanent Datum:	KB, 21.4'	above Perm. Datum	EDF: 3444.5	EGL: 3424.1
Log Measured From:	KB			
Drilling Measured From:	KB			

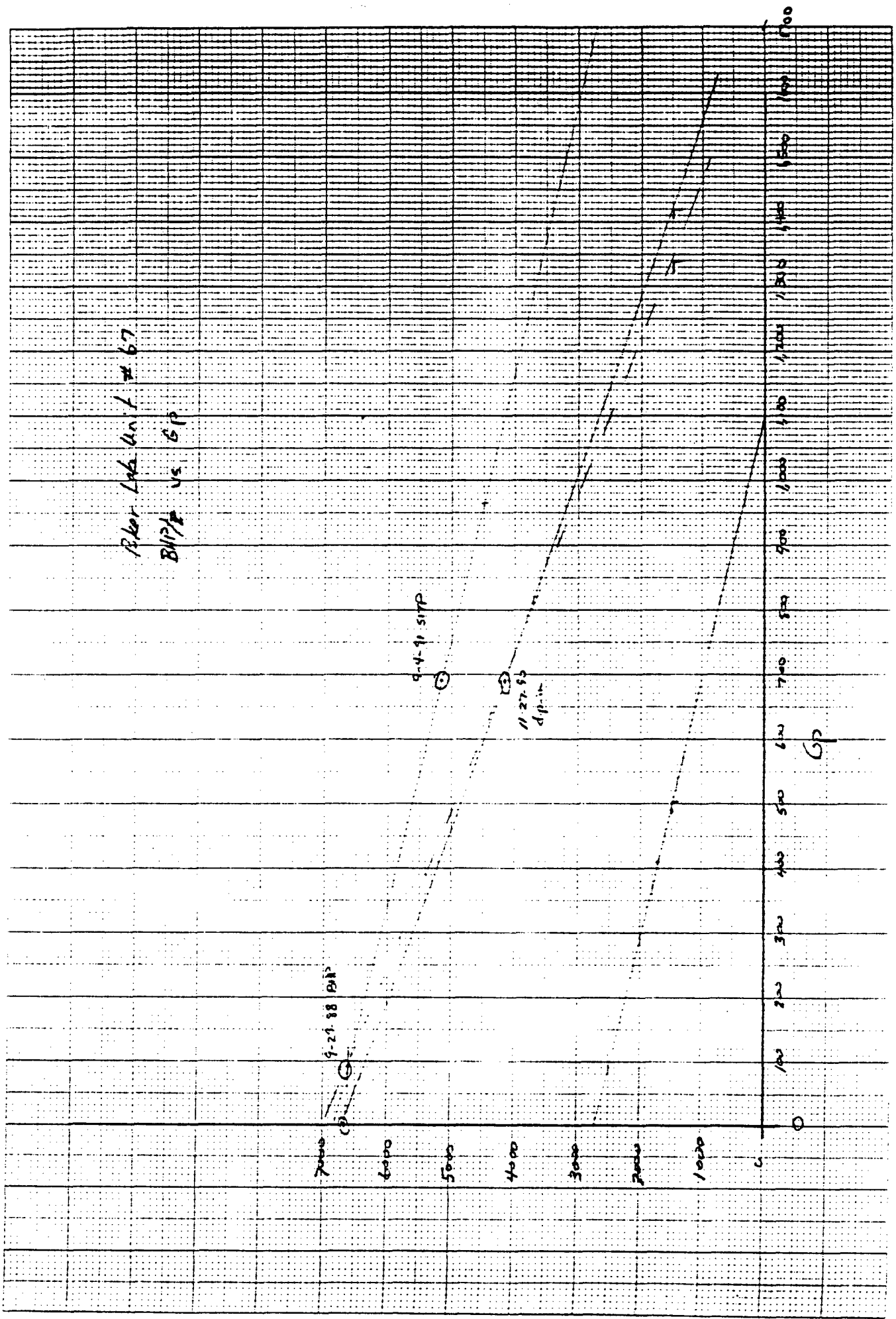
Description	Run 1	Run 2		
Date		12-18-85		
Bit Size		8-1/2"		
Mud Weight		15.1		
Mud Resistivity		.170		
Mud Sample Temp.		40		
Mud Filtrate Res.		.130		
Mud Filtrate Temp.		40		
BHT		204		
Kcon				
Type Fluid		POLYMER		
Dens.		15.1		
Visc.		61		
pH		10		
Fluid Loss		5		
Source of Sample		PIT		
Rm@Meas.Temp		.170 @ 40		
Rmf @ Meas Temp.		.130 @ 40		
Rmc @ Meas Temp.		.230 @ 40		
Source Rmf.		MEAS.		
Source Rmc		CHART		
Rm @ BHT		.039 @ 204		
Circulation Stopped		2215 12-17		
Logger on Bottom		0807 12-18		
Max. Rec. Temp.		204		
Equip.		7666		
Location		ARTESIA		
Recorded by		OHARA		
Witnessed By		HILLIS		
Circulation Stopped				
CS Time				
Logger of Bottom				
LB Time				
Unit Number				
UN Loc				
Recorded By				
Witnessed By				
Recorded By				
Witnessed By				





DATE

Plot Log Unit # 67
 BHP vs GP



N. MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-85

All distances must be from the outer boundaries of the Section.

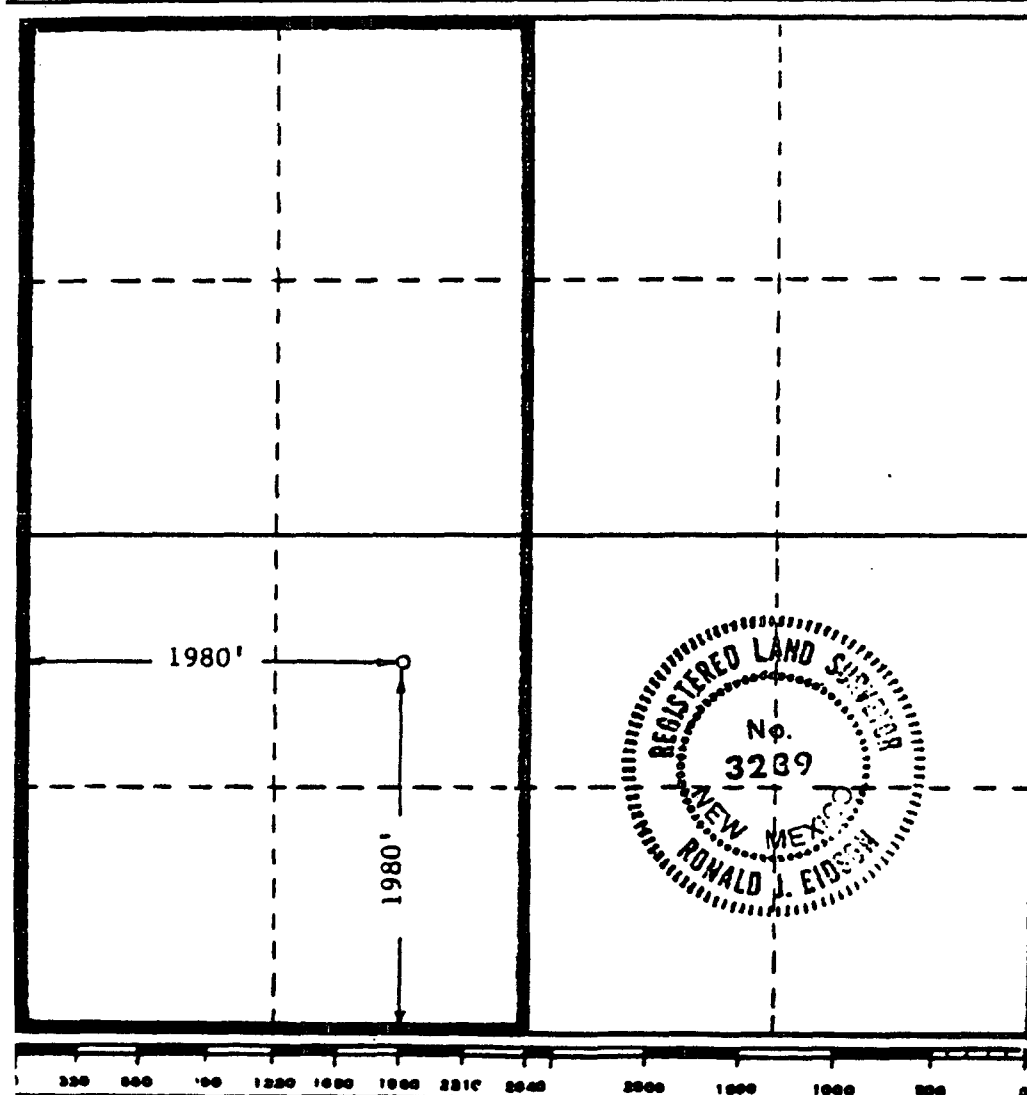
Operator PERRY R. BASS		Lease POKER LAKE UNIT		Well No. 67	
Unit Letter K	Section 3	Township 25 SOUTH	Range 31 EAST	County EDDY	
Actual Footage Location of Well: 1980 feet from the SOUTH line and 1980 feet from the WEST line					
Ground Level Elev. 3424.1	Producing Formation MORROW		Pool BIG SINKS		Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation UNIT

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>Stephen D. Smith</i>	
Name	STEPHEN D. SMITH
Position	ASST. DRILLING ENGINEER
Company	PERRY R. BASS
Date	MARCH 25, 1985
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.	
Date Surveyed	MARCH 21, 1985
Registered Professional Engineer and/or and Surveyor	
<i>Ronald J. Eidson</i>	
Certificate No.	JOHN WEST, 678 RONALD J. EIDSON, 3239

PLU 67
POKER LAKE, SOUTH
MORROW
C8Q9MO08.000
1000321

DATE : 06/16/92
TIME : 14:52:18
DBS FILE : PROPZONE
SETUP FILE : GREAT2
SEQ NUMBER : 195

I N P U T D A T A				C A L C U L A T E D D A T A				
ITEM	SCHEDULING RATES	SCHEDULE UNTIL	PROCEDURE	ULTIMATE	LAST	EFF. DECL	INIT. RATE	FINAL RATE
401 START	1/87							
406 GAS	165000.00	1500.00 M/M	2.20 BCF	EXP	X	4/92	59.01	165000. 1500.
411 PRI/GAS	1.75	1.75 \$/M	TO LIFE	PC	.00	12/86	1.750	1.750
416 OPC/T	1500.00	1500.00 \$/M	TO LIFE	PC	.00	12/86	1500.000	1500.000
421 ATX	2.00	2.00 \$	TO LIFE	PC	.00	12/86	.020	.020
426 STX/OIL	7.08	X \$	TO LIFE			4/92	.071	.071
428 STX/GAS	7.08	X \$	TO LIFE			4/92	.071	.071
431 LSE/WI	100.00	D \$	TO LIFE	FLAT	.00	4/92	1.000	1.000
441 LSE/RIC	15.54	D \$	TO LIFE	FLAT	.00	4/92	.155	.155
451 LSE/RIG	15.54	D \$	TO LIFE	FLAT	.00	4/92	.155	.155
461 LSE/ORR	2.67	D \$	TO LIFE	FLAT	.00	4/92	.027	.027
473 OWN/WI	100.00	D \$	TO LIFE	FLAT	.00	4/92	1.000	1.000
483 OWN/RI	.00	D \$	TO LIFE	FLAT	.00	4/92	1.000	1.000
493 OWN/ORR	100.00	D \$	TO LIFE	FLAT	.00	4/92	1.000	1.000
INVESTMENT	TANGIBLES & INTANGIBLES	TIME	PROCEDURE	TOTAL T&I	MONTH	RISK INV.	TOT. T&IER	ESC. T&IER
801 DRILL	1000.00	1500.00 M\$G	12/86 AD	PC	.00	2500.000	12/86	2500.0

PROJECT ASSUMPTIONS

BASE DATE : 12/86 P.W. DATE : 12/86 REPORT DATE : 12/86
QUALIFIERS - PROD : CD OWNER : CD OTHER : CD

DATE: 06/16/92
TIME: 14:52:18
DES: PROPZONE
FILE: GREAT2
SEQ: 195

PLU 67
POKER LAKE, SOUTH
MORROW
C%Q9MOQ8.000
1000321

RESERVES AND ECONOMICS

AS OF DATE: 12/1/1986

PERIOD ENDING	12/86	12/87	12/88	12/89	12/90	12/91	12/92	5.4 YR TOTAL
OWNERSHIP								
1) WORKING INTEREST, %	00.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
2) REVENUE INTEREST, %	00.000	84.464	84.464	84.464	84.464	84.464	84.464	84.464
INVESTMENTS, M\$								
3) BORROWED CAPITAL	.0	.0	.0	.0	.0	.0	.0	.0
4) EQUITY INVESTMENTS	2500.0	.0	.0	.0	.0	.0	.0	2500.0
5) RISK	.0	.0	.0	.0	.0	.0	.0	.0
7) TOTAL	2500.0	.0	.0	.0	.0	.0	.0	2500.0
GAS PHASE								
12) GROSS GAS, MMF	.0	1310.1	537.0	220.1	90.2	37.0	5.5	2200.0
13) NET GAS, MMF	.0	1106.6	453.6	185.9	76.2	31.2	4.7	1858.2
14) GAS REVENUE, M\$	.0	1936.5	793.8	325.4	133.4	54.7	8.2	3251.9
15) GAS PRICE, \$/MCF	.000	1.750	1.750	1.750	1.750	1.750	1.750	1.750
ECONOMICS, M\$								
20) GROSS REV. TO INTR.	.0	1936.5	793.8	325.4	133.4	54.7	8.2	3251.9
21) - SEV. TAX	.0	137.1	56.2	23.0	9.4	3.9	.6	230.2
22) - WPT TAX PAID	.0	.0	.0	.0	.0	.0	.0	.0
24) - AD VALOREM TAX	.0	36.0	14.8	6.0	2.5	1.0	.2	60.4
25) - OPERATING COSTS	.0	18.0	16.0	18.0	18.0	18.0	6.0	96.0
26) - CAPITAL REPAYMENT	.0	.0	.0	.0	.0	.0	.0	.0
27) - INTEREST PAID	.0	.0	.0	.0	.0	.0	.0	.0
28) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0
29) = NET INCOME	.0	1745.4	704.8	278.3	103.5	31.8	1.4	2865.2
30) - INVESTMENTS & RSK	2500.0	.0	.0	.0	.0	.0	.0	2500.0
31) = BFIT NET	-2500.0	1745.4	704.8	278.3	103.5	31.8	1.4	365.2
PRESENT WORTH @ 10.00 %								
32) NET INCOME	.0	1647.2	601.9	215.0	72.3	20.1	.8	2557.4
33) INVESTMENTS & RISK	2500.0	.0	.0	.0	.0	.0	.0	2500.0
34) BFIT NET	-2500.0	1647.2	601.9	215.0	72.3	20.1	.8	57.4
35) CUM BFIT NET	-2500.0	-852.8	-250.9	-35.9	36.5	56.6	57.4	57.4

DATE: 06/16/92
TIME: 14:52:18
DBS : PROPZONE
FILE: GREAT2
SEQ : 195

PLU 67
POKER LAKE, SOUTH
MORROW
C8Q9MO08.000
1000321

AFTER TAX ECONOMICS

AS OF DATE: 12/1/1986

PERIOD ENDING	12/86	12/87	12/88	12/89	12/90	12/91	12/92	5.4 YR TOTAL
TAX TREATMENT OF INVESTMENTS, M\$								
1) EXP. RISK & CAP INT	1500.0	.0	.0	.0	.0	.0	.0	1500.0
2) DEPLETABLE	.0	.0	.0	.0	.0	.0	.0	.0
3) DEPRECIABLE	1000.0	.0	.0	.0	.0	.0	.0	1000.0

TAX CALCULATIONS, M\$								
4) GROSS REV. TO INTR.	.0	1936.5	793.8	325.4	133.4	54.7	8.2	3251.9
5) - SEVERANCE TAX	.0	137.1	56.2	23.0	9.4	3.9	.6	230.2
6) - WPT TAX NET	.0	.0	.0	.0	.0	.0	.0	.0
7) - OPR. COSTS & ATX	.0	54.0	32.8	24.0	20.5	19.0	6.2	156.4
8) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0
9) - OVERHEAD	.0	.0	.0	.0	.0	.0	.0	.0
10) - EXPENSED INV.	1500.0	.0	.0	.0	.0	.0	.0	1500.0
11) - DEPRECIATION	.0	142.8	244.9	174.9	124.9	89.3	223.2	1000.0
12) - NET	-1500.0	1602.6	459.9	103.4	-21.4	-57.5	-221.8	365.2
13) - DEPLETION	.0	.0	.0	.0	.0	.0	.0	.0
14) - INTEREST PD & CAP	.0	.0	.0	.0	.0	.0	.0	.0
15) = TAXABLE	-1500.0	1602.6	459.9	103.4	-21.4	-57.5	-221.8	365.2
16) * TAX RATE, %	46.0	40.0	34.0	34.0	34.0	34.0	34.0	11.0
17) - TAX CREDIT	.0	.0	.0	.0	.0	.0	.0	.0
18) - WPT REFUND	.0	.0	.0	.0	.0	.0	.0	.0
19) = F.I.T.	-690.0	641.0	156.4	35.2	-7.3	-19.6	-75.4	40.3

20) REVENUE-SEV-WPT	.0	1799.4	737.6	302.3	123.9	50.8	7.6	3021.6
21) - OPR. COSTS & ATX	.0	54.0	32.8	24.0	20.5	19.0	6.2	156.4
22) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0
23) - F.I.T.	-690.0	641.0	156.4	35.2	-7.3	-19.6	-75.4	40.3
24) = A.F.I.T.	690.0	1104.4	548.5	243.1	110.7	51.3	76.8	2824.9
25) - LOAN REPAYMENT	.0	.0	.0	.0	.0	.0	.0	.0
26) - INTEREST PAID	.0	.0	.0	.0	.0	.0	.0	.0
27) = NET INCOME	690.0	1104.4	548.5	243.1	110.7	51.3	76.8	2824.9
28) - INVESTMENTS & RSK	2500.0	.0	.0	.0	.0	.0	.0	2500.0
29) = A.F.I.T. NET	-1810.0	1104.4	548.5	243.1	110.7	51.3	76.8	324.9

PRESENT WORTH @ 10.00 %

30) NET INCOME	687.1	1042.2	468.3	187.9	77.4	32.5	45.5	2540.9
31) INVESTMENTS & RISK	2500.0	.0	.0	.0	.0	.0	.0	2500.0
32) A.F.I.T. NET	-1812.9	1042.2	468.3	187.9	77.4	32.5	45.5	40.9
33) CUM. A.F.I.T. NET	-1812.9	-770.6	-302.3	-114.4	-37.0	-4.5	40.9	40.9

PLU 67
POKER LAKE, SOUTH
MORROW
C809MOQ8.000
1000321

DATE: 06/16/92
TIME: 14:52:18
DBS : PROPZONE
FILE: GREAT2
SEQ : 195

E C O N O M I C I N D I C A T O R S

AS OF DATE: 12/1/1986

B.F.I.T. WORTH M\$-----	A.F.I.T. WORTH M\$-----	A.F.I.T. BONUS M\$-----
-------------------------------	-------------------------------	-------------------------------

PRESENT WORTH PROFILE AND
RATE-OF-RETURN VS. BONUS TABLE

00.	365.205	324.879	520.415
5.	204.146	174.283	270.134
10.	57.410	40.947	61.651
15.	-76.682	-77.775	-114.123
20.	-199.575	-184.052	-263.929
25.	-312.517	-279.676	-392.854
30.	-416.591	-366.130	-504.788
35.	-512.735	-444.647	-602.754
40.	-601.768	-516.260	-689.123
50.	-761.276	-642.100	-834.225
60.	-899.853	-749.105	-951.168
70.	-1021.180	-841.233	-1047.306
80.	-1128.151	-921.414	-1127.687
90.	-1223.065	-991.854	-1195.870
100.	-1307.765	-1054.248	-1254.429

RATE OF RETURN, PCT.	12.1	11.7
UNDISCOUNTED PAYOUT, YRS.	2.26	2.73
DISCOUNTED PAYOUT, YRS.	3.58	5.12
UNDISCOUNTED NET/INVEST.	1.15	1.13
DISCOUNTED NET/INVEST.	1.02	1.02

NOTES

BASS ENTERPRISES PRODUCTION CO.

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

*D- Unit letter
LWR Ry*

August 7, 1992

The Bureau of Land Management
P.O. Box 1397
Roswell, New Mexico 88201

Attn: Mr. Armando Lopez

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Attn: Mr. Jim Baca

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

Attn: Mr. Bill Le May

RECEIVED

AUG 10 1992

OIL CONSERVATION DIVISION

Re: Commercial Determination
Poker Lake Unit Well No. 67
1,980' FSL and 1,980' FWL of Section 3, T25S-R31E
Eddy County, New Mexico
Bass Lease Nos. 9174, 33381, 39-O

Gentlemen:

Bass Enterprises Production Co., Operator of the Poker Lake Unit, has completed its evaluation of the production history of the Morrow Formation in the Poker Lake Unit Well No. 67, and does hereby submit this commercial determination.

This well was completed in the Morrow Formation on July 29, 1986 and cumulative production to March 31, 1992 is 963,926 MCF. Based upon the enclosed evaluation, the Poker Lake Unit Well No. 67 is a commercial producer in the Morrow Formation. Accordingly, Bass' evaluation indicates that the Poker Lake Unit No. 67 is commercial,

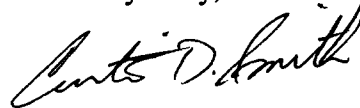
August 7, 1992

Page 2

insofar as it produces from the Morrow Formation, and should receive a participating area under the terms of the Poker Lake Unit Agreement.

Should you have any questions, or need additional information in relation to this matter, please feel free to call me at (817) 390-8584 or John Smitherman at (915) 683-2277.

Yours very truly,

A handwritten signature in black ink, appearing to read "Curtis D. Smith". The signature is fluid and cursive, with the first name "Curtis" being more prominent.

Curtis D. Smith
Landman

CDS:lh

Attachments.

cc: George Teer

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

=====

WELL POKER LAKE UNIT #67 FORMATION MORROW

LOCATION K UNIT, 1980 FEET FROM S LINE & 1980 FEET FROM W LINE,

SECTION 3, RANGE 31E, TOWNSHIP 25S, COUNTY EDDY NEW MEXICO

SPUD DATE 07/25/85 COMPLETION DATE 07/29/86 INIT. PROD. DATE 07/24/86

PERFORATIONS 14,894' - 14,898' (17 holes)

STIMULATION:

ACID 1500 gals 7-1/2% HCL

FRACTURE NONE

POTENTIAL CAOF 9651 MCFPD

(ATTACH COPY OF C-122. ATTACH COPY OF WELLBORE SKETCH OF COMPLETED WELL.)

VOLUMETRIC CALCULATION

=====

	FORMATION
	SANDS SANDS NOT PERFORATED
Area (A) proration unit size, acres	<u>320</u>
Porosity ($\emptyset$), %	<u>12%</u>
Water saturation (S_w), %	<u>16%</u>
Net Thickness (h) > 6% $\emptyset$ & <40% S_w , ft	<u>4.5</u>
Temperature (T), °F	<u>208 °F</u>

(2)

Bottom Hole pressure (P), psia 8513

Recovery factor (RF), (80% assumed) 80%

Recoverable gas, MCF (See eq. below) 1,783,036

Recoverable gas, MCF = (43,560) (Ø) (1-Sw) (A) (h) (RF) (Bgi) where

$$Bgi = 0.03535 \frac{P}{ZT} \frac{MSCF}{Cu Ft} = 0.03535 \frac{(85.3)}{(1.278) (668)} = .3525$$

PERFORMANCE DATA

If sufficient history exists, attach plot of gas production rate vs time.

(Cumulative production to 03 / 31 / 92; 963,926 MCF.

Initial rate (qi), _____ MCF/mo

Economic limit (ql), _____ MCF/mo

Decline rate, dy _____ %

Remaining gas (Q) = 1,236,074 MCF *Determined by material
balance

Ultimate recoverable gas 2,200,000 MCF

$$Q = \frac{(qi - ql) 12 \text{ mo/yr}}{-\ln(1-dy)}$$

Attach plat showing proration unit and participating area.

<u>RECOVERABLE GAS</u>	<u>GAS (MCF)</u>	<u>COND (BBLS)</u>
Gas sand previously produced	<u>0</u>	<u>0</u>
Sand perforated	<u>2,200,000</u>	<u>(1) 0</u>
Sand not perforated, but potentially productive	<u>0</u>	<u>(2) 0</u>
Total recoverable gas	<u>2,200,000</u>	<u>0</u>

(1) performance recoverable gas if available

(2) performance sand perforated X volumetric sands = performance sands
volumetric sand perforated not perforated not perforated

Participating area size based on ratio of production history and volumetrics

320 acres---minimum area is proration unit.

(3)
ECONOMIC

Well Cost \$ 2,500,000 (to the depth of formation completed)

Recompletion Cost \$ -

TOTAL COST \$ 2,500,000

<u>YEAR</u>	<u>GROSS GAS</u>	<u>BEPCO NET INCOME</u>	<u>OPERATING COST</u>	<u>DISCOUNTED CASH FLOW</u>
Zero	---	---	---	-2,500,000
1	1,310,100	1,745,400	18,000	1,647,200
2	537,000	704,800	18,000	601,900
3	220,100	278,300	18,000	215,000
4	90,200	103,500	18,000	72,300
5	37,000	31,800	18,000	20,100

REMAINDER

If payout is five years or less, well is considered economical.

WELL IS ECONOMICAL.

*SEE ATTACHED ECONOMICS SPREADSHEET.

W MEXICO OIL CONSERVATION COMMISSION
MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Form C-122
 Revised 9-1-65

Type Test ☒ Initial ☐ Annual ☐ Special				Test Date 7-24-86	
Company BASS ENTERPRISES PRODUCTION CO.				Location	
Pool POKER LAKE, S. (MORROW)				Formation MORROW	
Completion Date 7/29/86				Total Depth 15,610	
Perforations From 14,894 To 14,898				Elevation 3424.1	
Well No. 67				Unit POKER LAKE UNIT	
Type Well - Single - Pattenhead - G.G. or G.O. Multiple SINGLE				Factor Set At 14,760	
Producing thru TUBING				State NEW MEXICO	
Reservoir Temp. °F 214 @ 14,896				Mean Annual Temp. °F 60	
Gg 0.575				% CO ₂ 1.11	
% N ₂ 0.39				% H ₂ S 0	
Prover 0				Meter Run 4,206	
FLANGE					

FLOW DATA						TUBING DATA		CASING DATA		Duration of Flow	
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h _w	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.		Temp. °F
SI							6822	77			
1.	4.03 X 1.75			300	9	89	6678	77	0	0	1.0
2.	4.03 X 1.75			400	26	96	6300	77	0	0	1.0
3.	4.03 X 1.75			600	40	93	5550	77	0	0	1.0
4.	4.03 X 1.75			800	76	79	4000	78	0	0	1.0
5.											

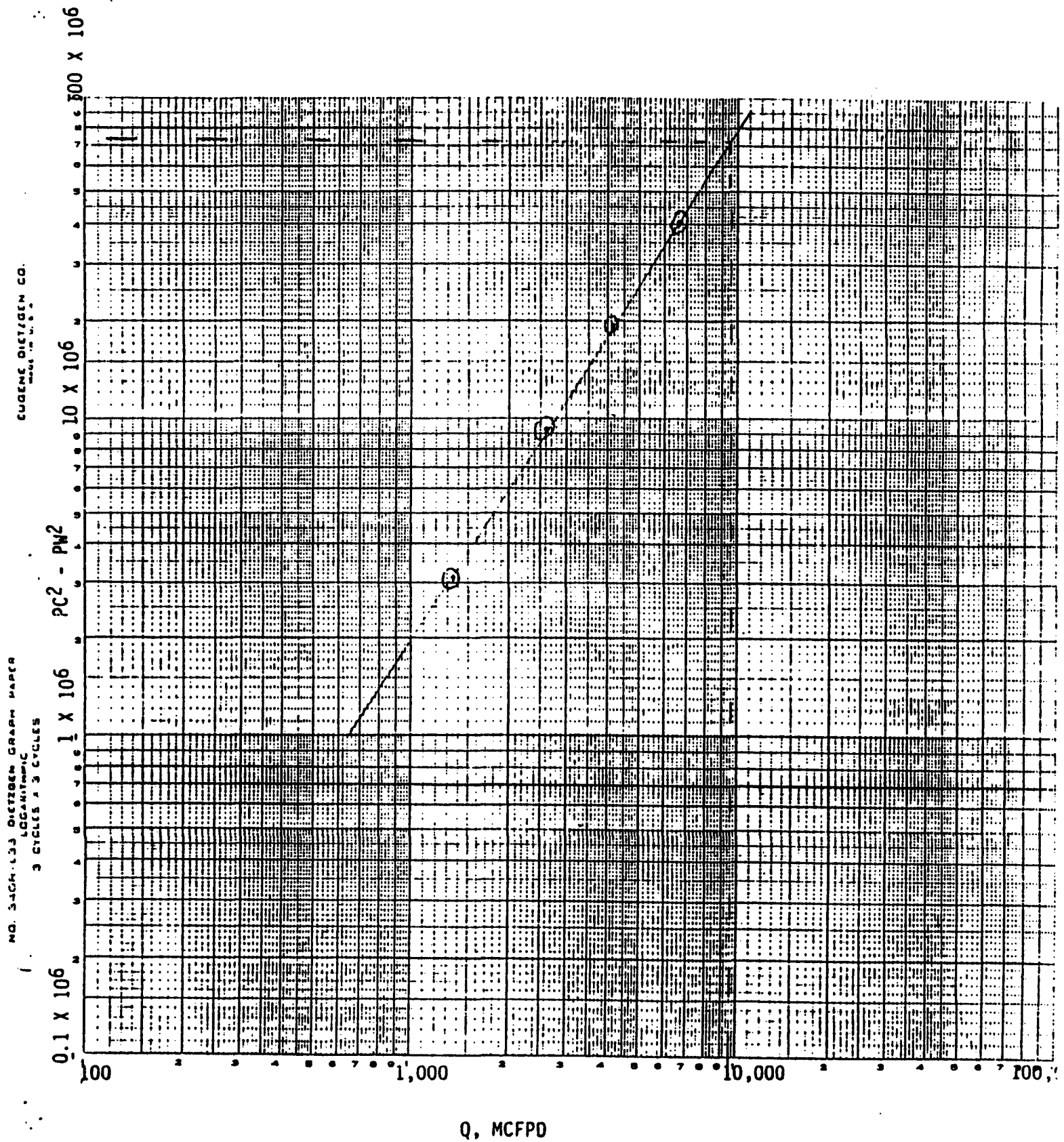
RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor F _t	Gravity Factor F _g	Super Compens. Factor, F _{spv}	Rate of Flow Q, Mscf
1	19.76	53.09	313.2	.9732	1.3190	1.0201	1374
2	19.76	103.65	413.2	.9671	1.3190	1.0249	2678
3	19.76	156.61	613.2	.9697	1.3190	1.0375	4108
4	19.76	248.60	813.2	.9822	1.3190	1.0556	6719
5							

NO.	n	Temp. °R	T _g	z	One Liquid Hydrocarbon Ratio _____ Mol/Sol. A.P.I. Gravity of Liquid Hydrocarbon _____ Deg. Specific Gravity Separator Gas .575 Specific Gravity Flowing Fluid .575 Critical Pressure _____ P.S.I.A. 678 Critical Temperature _____ °R 348
1	.46	549	1.58	.961	
2	.61	556	1.60	.952	
3	.90	553	1.59	.929	
4	1.20	539	1.55	.898	

NO.	P ₁	P ₂	P ₃	P ₄	(1) $\frac{P_1^2}{P_2^2 - P_1^2} = 1.785$ (2) $\left[\frac{P_1^2}{P_2^2 - P_1^2} \right]^n = 1.436$ $Q_{OP} = 0 \left[\frac{P_1^2}{P_2^2 - P_1^2} \right]^n = 9651$
1		8300.3	68895	3255	
2		7919.4	62717	9433	
3		7276.4	52946	19204	
4		5632.7	31727	40422	

Absolute Open Flow	9651	Mscf @ 15.025	Angle of Slope °	58	Slope, n	0.625
Remarks: BHP SUBSTITUTED FOR WELLHEAD PRESSURES						
Approved by Consultant:		Conducted by:		Calculated by:		Checked by:
		ARC PRESSURE DATA INC		S. H. ROWLAND		

JASS ENTERPRISES PRODUCTION CO.
POKER LAKE UNIT NO. 67

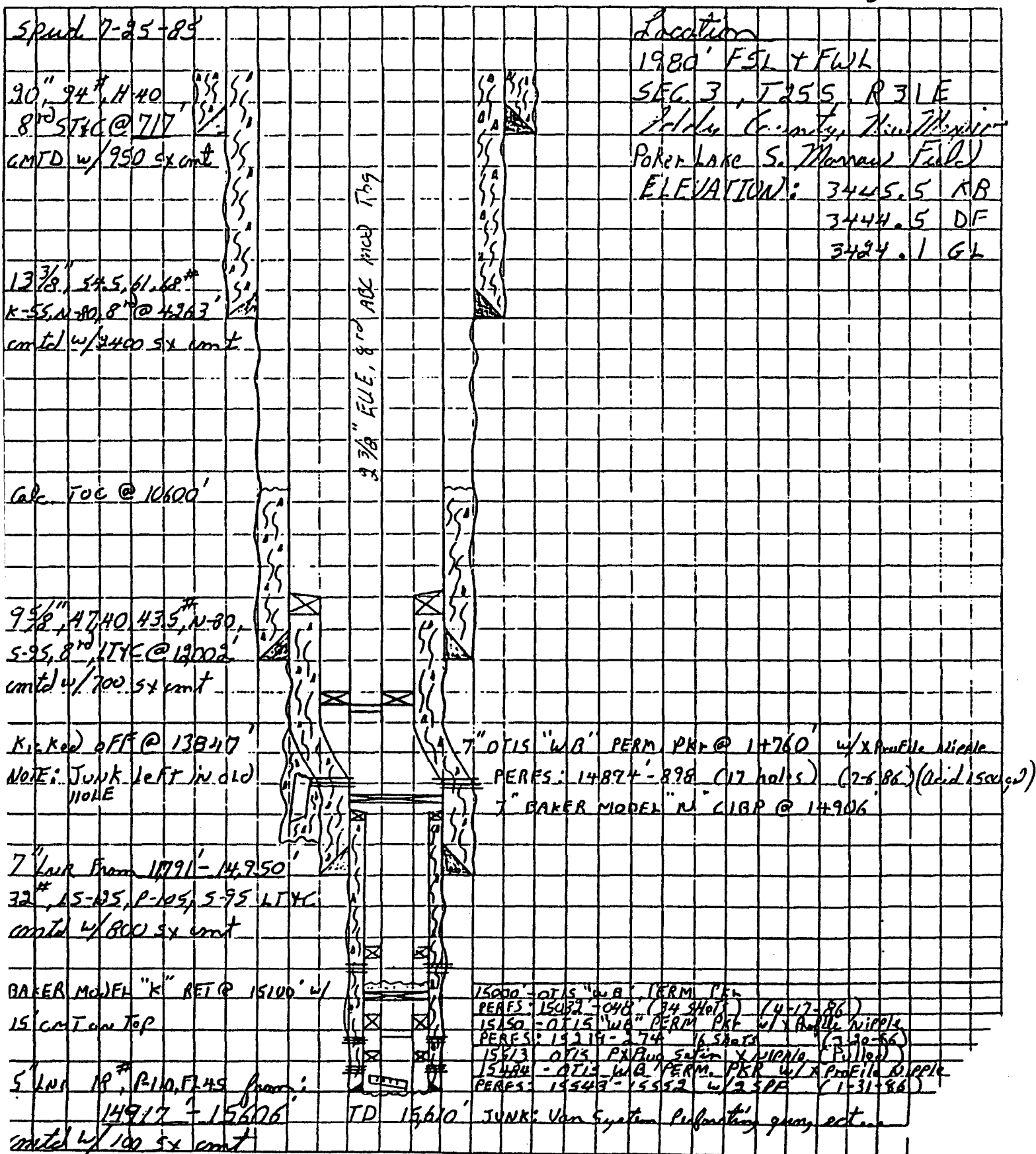


WF

BASS ENTERPRISES PRODUCTION COMPANY

PAGE NO _____

SUBJECT	DATE	DEPARTMENT	PREPARED BY
Poker Lake Unit No. 67	7-3-86	Production	M.J.L.



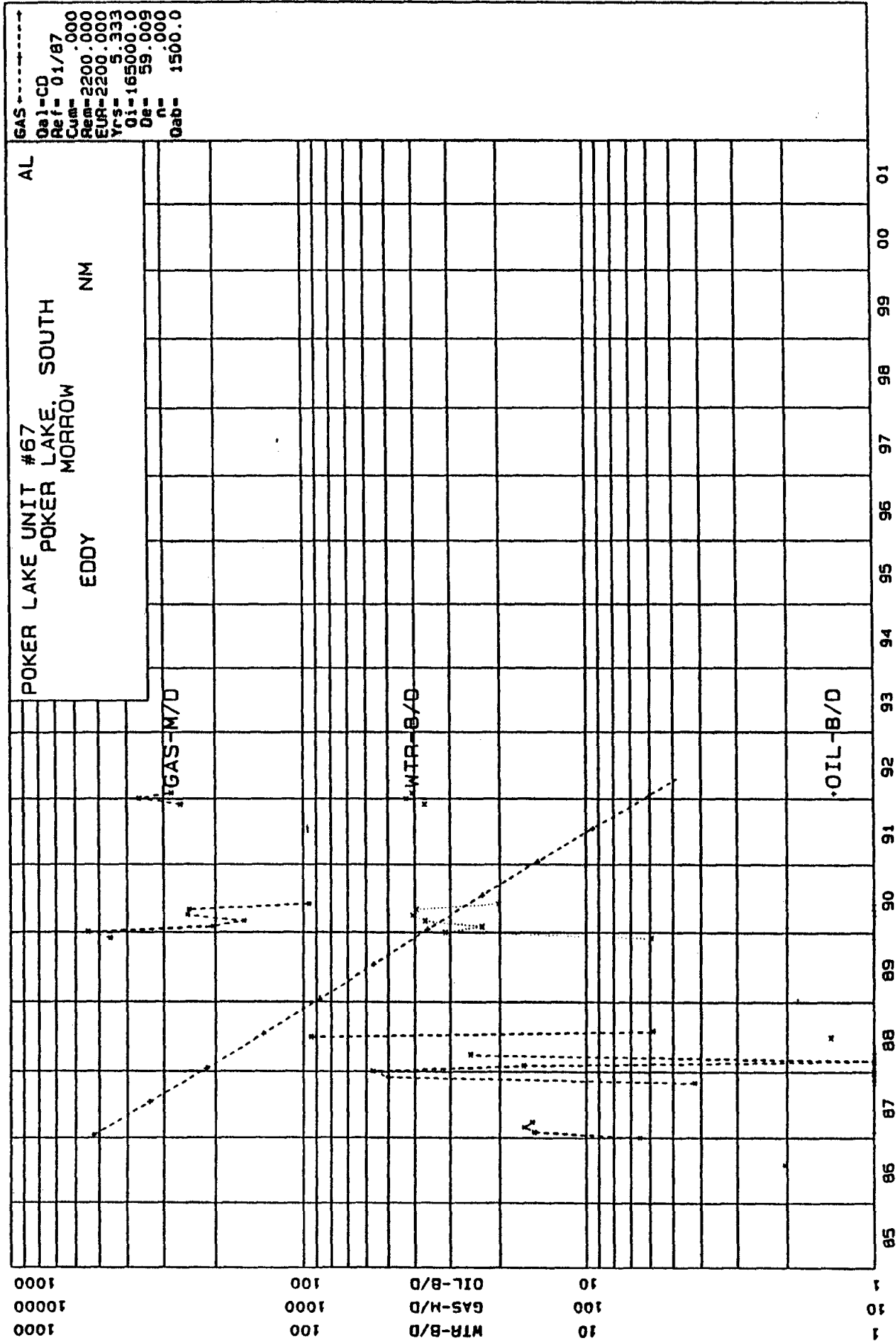
VOLUMETRIC RESERVE ESTIMATE

Company:	BASS	State:	NM	Country:
Well:	PLU #67			
Field:	POKER LAKE, S.			
County:	EDDY			

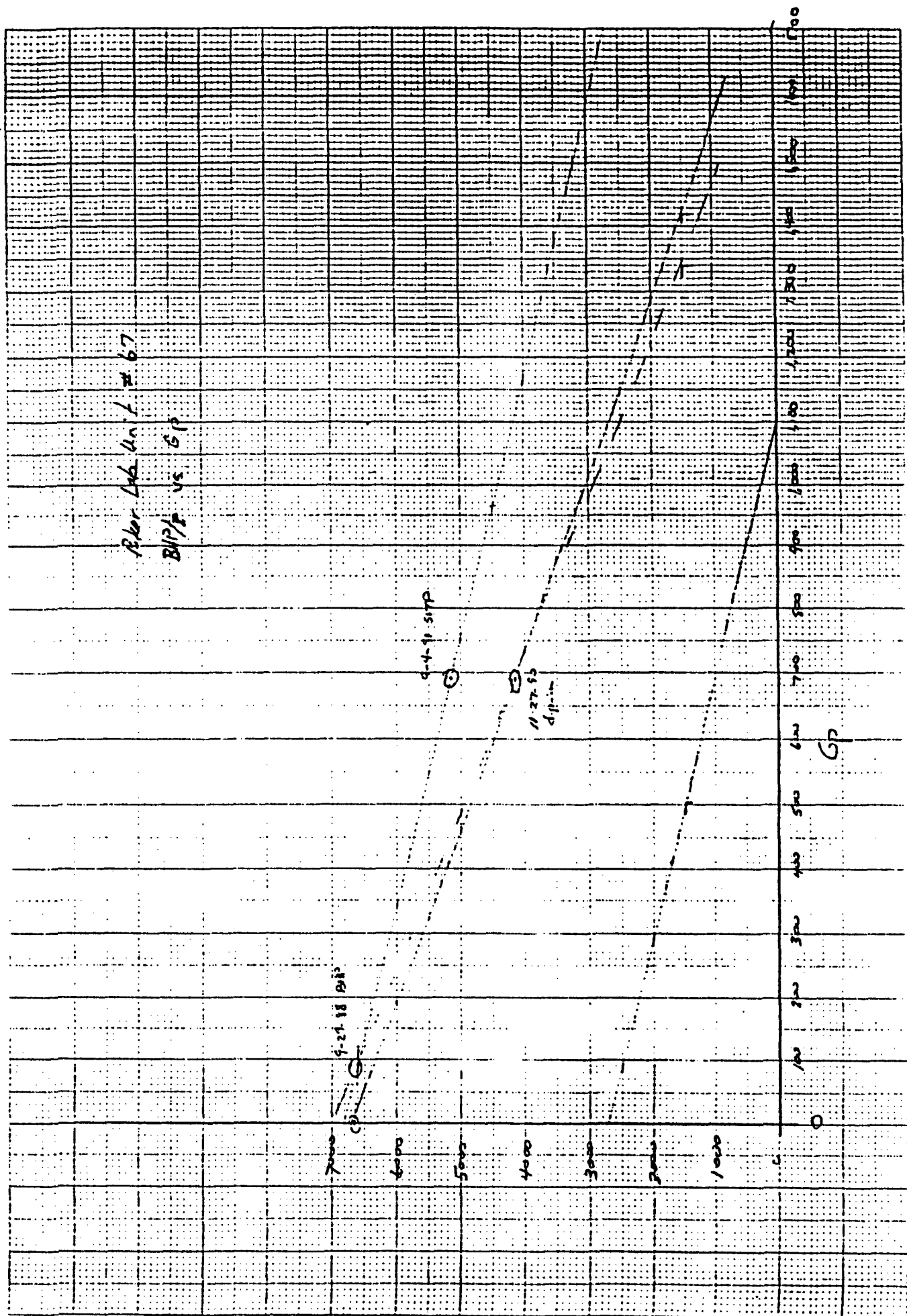
Location:	1980' FSL & 1980' FWL	Range:	31E	Api No.:	
Section:	3	Township:	25S	Elev.:	EKB: 3445.5
Permanent Datum:	GL; Elevation:	3424.1		EDF:	3444.5
Log Measured From:	KB, 21.4'	above Perm. Datum		EGL:	3424.1
Drilling Measured From:	KB				

Description	Run 1	Run 2		
Date		12-18-85		
Bit Size		8-1/2"		
Mud Weight		15.1		
Mud Resistivity		.170		
Mud Sample Temp.		40		
Mud Filtrate Res.		.130		
Mud Filtrate Temp.		40		
BHT		204		
Kcon				
Type Fluid		POLYMER		
Dens.		15.1		
Visc.		61		
pH		10		
Fluid Loss		5		
Source of Sample		PIT		
Rm @ Meas. Temp		.170 @ 40		
Rmf @ Meas Temp.		.130 @ 40		
Rmc @ Meas Temp.		.230 @ 40		
Source Rmf.		MEAS.		
Source Rmc		CHART		
Rm @ BHT		.039 @ 204		
Circulation Stopped		2215 12-17		
Logger on Bottom		0807 12-18		
Max. Rec. Temp.		204		
Equip.		7666		
Location		ARTESIA		
Recorded by		OHARA		
Witnessed By		HILLIS		
Circulation Stopped				
CS Time				
Logger of Bottom				
LB Time				
Unit Number				
UN Loc				
Recorded By				
Witnessed By				
Recorded By				
Witnessed By				

[illegible]



DATE



N. MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-4-83

All distances must be from the outer boundaries of the Section.

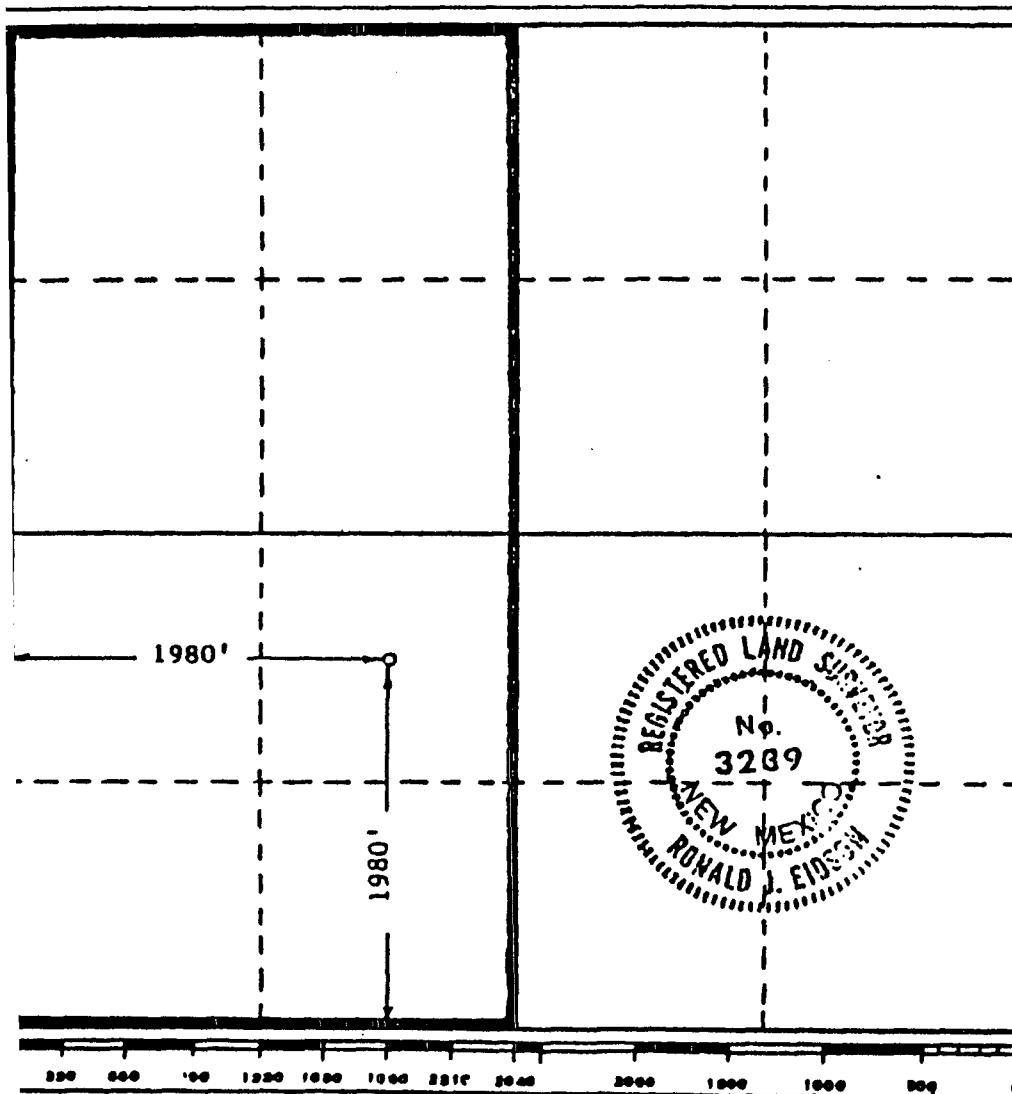
Operator PERRY R. BASS		Lease POKER LAKE UNIT		Well No. 67	
Unit Letter K	Section 3	Township 25 SOUTH	Range 31 EAST	County EDDY	
Actual Footage Location of Well: 1980 feet from the SOUTH line and 1980 feet from the WEST line					
Ground Level Elev. 3424.1	Producing Formation MORROW		Pool BIG SINKS		Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation UNIT

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Stephen D. Smith
Name

STEPHEN D. SMITH

Position

ASST. DRILLING ENGINEER

Company

PERRY R. BASS

Date

MARCH 25, 1985

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

MARCH 21, 1985

Registered Professional Engineer and/or Land Surveyor

Ronald J. Eidson
Certificate No. **JOHN W. WEST, 878**
RONALD J. EIDSON, 3289

PLU 67
POKER LAKE, SOUTH
MORROW
C409M008.000
1000321

DATE : 06/16/92
TIME : 14:52:18
DES FILE : PROPZONE
SETUP FILE : GREAT2
SEQ NUMBER : 195

I N P U T D A T A				C A L C U L A T E D D A T A					
ITEM	SCHEDULING RATES		SCHEDULE UNTIL	PROCEDURE	ULTIMATE	LAST	EFF. DECL	INIT. RATE	FINAL RATE
401 START	1/87								
406 GAS	165000.00	1500.00 M/M	2.20 BCF	EXP	X	4/92	59.01	165000.	1500.
411 PRI/GAS	1.75	1.75 \$/M	TO	PC	.00	12/86		1.750	1.750
416 OPC/T	1500.00	1500.00 \$/M	TO	PC	.00	12/86		1500.000	1500.000
421 ATX	2.00	2.00 \$	TO	PC	.00	12/86		.020	.020
426 STX/OIL	7.08	X \$	TO	LIFE		4/92		.071	.071
428 STX/GAS	7.08	X \$	TO	LIFE		4/92		.071	.071
431 LSE/WI	100.00	D \$	TO	FLAT	.00	4/92		1.000	1.000
441 LSE/RIC	15.54	D \$	TO	FLAT	.00	4/92		.155	.155
451 LSE/RIG	15.54	D \$	TO	FLAT	.00	4/92		.155	.155
461 LSE/ORR	2.67	D \$	TO	FLAT	.00	4/92		.027	.027
473 OWN/WI	100.00	D \$	TO	FLAT	.00	4/92		1.000	1.000
483 OWN/RI	.00	D \$	TO	FLAT	.00	4/92		1.000	1.000
493 OWN/ORR	100.00	D \$	TO	FLAT	.00	4/92		1.000	1.000

INVESTMENT	TANGIBLES & INTANGIBLES	TIME	PROCEDURE	TOTAL TEI	MONTH	RISK INV.	TOT. TEIER	ESC. TEIER
801 DRILL	1000.00	12/86	AD	.00	12/86	.	2500.0	2500.0

PROJECT ASSUMPTIONS

BASE DATE : 12/86 P.W. DATE : 12/86 REPORT DATE : 12/86
 QUALIFIERS - PROD : CD OWNER : CD OTHER : CD

DATE: 06/16/92
TIME: 14:52:18
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FILE: GREAT2
SEQ : 195

PLU 67
POKER LAKE, SOUTH
MORROW
C109MO08.000
1000321

RESERVES AND ECONOMICS

AS OF DATE: 12/1/1986

PERIOD ENDING	12/86	12/87	12/88	12/89	12/90	12/91	12/92	5.4 YR TOTAL
OWNERSHIP								
1) WORKING INTEREST, %	00.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
2) REVENUE INTEREST, %	00.000	84.464	84.464	84.464	84.464	84.464	84.464	84.464
INVESTMENTS, M\$								
3) BORROWED CAPITAL	.0	.0	.0	.0	.0	.0	.0	.0
4) EQUITY INVESTMENTS	2500.0	.0	.0	.0	.0	.0	.0	2500.0
5) RISK	.0	.0	.0	.0	.0	.0	.0	.0
7) TOTAL	2500.0	.0	.0	.0	.0	.0	.0	2500.0
GAS PHASE								
12) GROSS GAS, MMF	.0	1310.1	537.0	220.1	90.2	37.0	5.5	2200.0
13) NET GAS, MMF	.0	1106.6	453.6	185.9	76.2	31.2	4.7	1858.2
14) GAS REVENUE, M\$	.0	1936.5	793.8	325.4	133.4	54.7	8.2	3251.9
15) GAS PRICE, \$/MCF	.000	1.750	1.750	1.750	1.750	1.750	1.750	1.750
ECONOMICS, M\$								
20) GROSS REV. TO INTR.	.0	1936.5	793.8	325.4	133.4	54.7	8.2	3251.9
21) - SEV. TAX PAID	.0	137.1	56.2	23.0	9.4	3.9	.6	230.2
22) - WPT TAX PAID	.0	.0	.0	.0	.0	.0	.0	.0
24) - AD VALOREM TAX	.0	36.0	14.8	6.0	2.5	1.0	.2	60.4
25) - OPERATING COSTS	.0	18.0	18.0	18.0	18.0	18.0	6.0	96.0
26) - CAPITAL REPAYMENT	.0	.0	.0	.0	.0	.0	.0	.0
27) - INTEREST PAID	.0	.0	.0	.0	.0	.0	.0	.0
28) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0
29) = NET INCOME	.0	1745.4	704.8	278.3	103.5	31.8	1.4	2865.2
30) - INVESTMENTS & RSK	2500.0	.0	.0	.0	.0	.0	.0	2500.0
31) = BFIT NET	-2500.0	1745.4	704.8	278.3	103.5	31.8	1.4	365.2
PRESENT WORTH @ 10.00 %								
32) NET INCOME	.0	1647.2	601.9	215.0	72.3	20.1	.8	2557.4
33) INVESTMENTS & RISK	2500.0	.0	.0	.0	.0	.0	.0	2500.0
34) BFIT NET	-2500.0	1647.2	601.9	215.0	72.3	20.1	.8	57.4
35) CUM BFIT NET	-2500.0	-852.8	-250.9	-35.9	36.5	56.6	57.4	57.4

DATE: 06/16/92
TIME: 14:52:18
DBS : PROPZONE
FILE: GREAT2
SEQ : 195

PLU 67
POKER LAKE, SOUTH
MORROW
C8Q9MOQ8.000
1000321

AFTER TAX ECONOMICS

AS OF DATE: 12/1/1986

PERIOD ENDING	12/86	12/87	12/88	12/89	12/90	12/91	12/92	5.4 YR TOTAL
TAX TREATMENT OF INVESTMENTS, M\$								
1) EXP, RISK & CAP INT	1500.0	.0	.0	.0	.0	.0	.0	1500.0
2) DEPLETABLE	.0	.0	.0	.0	.0	.0	.0	.0
3) DEPRECIABLE	1000.0	.0	.0	.0	.0	.0	.0	1000.0
TAX CALCULATIONS, M\$								
4) GROSS REV. TO INTR.	.0	1936.5	793.8	325.4	133.4	54.7	8.2	3251.9
5) - SEVERANCE TAX	.0	137.1	56.2	23.0	9.4	3.9	.6	230.2
6) - WPT TAX NET	.0	.0	.0	.0	.0	.0	.0	.0
7) - OPR. COSTS & ATX	.0	54.0	32.8	24.0	20.5	19.0	6.2	156.4
8) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0
9) - OVERHEAD	.0	.0	.0	.0	.0	.0	.0	.0
10) - EXPENSED INV.	1500.0	.0	.0	.0	.0	.0	.0	1500.0
11) - DEPRECIATION	.0	142.8	244.9	174.9	124.9	89.3	223.2	1000.0
12) = NET	-1500.0	1602.6	459.9	103.4	-21.4	-57.5	-221.8	365.2
13) - DEPLETION	.0	.0	.0	.0	.0	.0	.0	.0
14) - INTEREST PD & CAP	.0	.0	.0	.0	.0	.0	.0	.0
15) = TAXABLE	-1500.0	1602.6	459.9	103.4	-21.4	-57.5	-221.8	365.2
16) * TAX RATE, %	46.0	40.0	34.0	34.0	34.0	34.0	34.0	11.0
17) - TAX CREDIT	.0	.0	.0	.0	.0	.0	.0	.0
18) - WPT REFUND	.0	.0	.0	.0	.0	.0	.0	.0
19) = F.I.T.	-690.0	641.0	156.4	35.2	-7.3	-19.6	-75.4	40.3
20) REVENUE-SEV-WPT	.0	1799.4	737.6	302.3	123.9	50.8	7.6	3021.6
21) - OPR. COSTS & ATX	.0	54.0	32.8	24.0	20.5	19.0	6.2	156.4
22) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0
23) - F.I.T.	-690.0	641.0	156.4	35.2	-7.3	-19.6	-75.4	40.3
24) = A.F.I.T.	690.0	1104.4	548.5	243.1	110.7	51.3	76.8	2824.9
25) - LOAN REPAYMENT	.0	.0	.0	.0	.0	.0	.0	.0
26) - INTEREST PAID	.0	.0	.0	.0	.0	.0	.0	.0
27) = NET INCOME	690.0	1104.4	548.5	243.1	110.7	51.3	76.8	2824.9
28) - INVESTMENTS & RSK	2500.0	.0	.0	.0	.0	.0	.0	2500.0
29) = A.F.I.T. NET	-1810.0	1104.4	548.5	243.1	110.7	51.3	76.8	324.9
PRESENT WORTH @ 10.00 %								
30) NET INCOME	687.1	1042.2	468.3	187.9	77.4	32.5	45.5	2540.9
31) INVESTMENTS & RISK	2500.0	.0	.0	.0	.0	.0	.0	2500.0
32) A.F.I.T. NET	-1812.9	1042.2	468.3	187.9	77.4	32.5	45.5	40.9
33) CUM. A.F.I.T. NET	-1812.9	-770.6	-302.3	-114.4	-37.0	-4.5	40.9	40.9



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

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

September 3, 1992

Bass Enterprises Production Co.
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102

Attn: Mr. Curtis D. Smith

Re: Poker Lake Unit
Commercial Determination Unit Well No. 67
Morrow "A" Participating Area
Eddy County, New Mexico

Dear Mr. Smith:

This office is in receipt of your letter of August 6, 1992 along with additional data supporting your recommendation that the Poker Lake Unit Well No. 67 be deemed commercial and a request for approval of the Morrow "A" participating area.

The Bureau of Land Management by their letter of August 26, 1992, has advised this office that they concur with your determination that the Poker Lake Unit Well No. 67 is commercial and should receive a participating area.

The Commissioner of Public Lands concurs with the Bureau of Land Management that the Poker Lake Unit Well No. 67 is a commercial Morrow well. Please advise this office when the Bureau of Land Management approves your application for the Morrow "A" Participating area.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744

JB/FOP/pm
encls.

cc: Reader File
OCD-Santa Fe
BLM-Roswell



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

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

SLO REF NO. OG-1186

September 28, 1992

Bass Enterprises Production Co.
201 Main Street
Ft. Worth, Texas 76102

Attn: Jens Hansen

Re: 1992 Plan of Development
Poker Lake Unit
Eddy County, New Mexico

Gentlemen:

The Commissioner of Public Lands has 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 will 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,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

JB/FOP/pm
cc: OCD
BLM



JIM BACA
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

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

October 16, 1992

Bass Enterprises Production Company
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102

Attn: Mr. Jens Hansen

Re: Poker Lake Unit Well No. 75
NW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 33-24S-31E
Eddy County, New Mexico

Dear Mr. Hansen:

The Bureau of Land Management has advised this office that the above captioned well has been determined non-commercial in the Delaware Formation and therefore not entitled to receive a participating area.

Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management's determination that the Poker Lake Unit Well No. 75 Well is non-commercial and production should be reported on a lease basis.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.
cc: Reader File
BLM
OCD
TRD



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

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

October 29, 1992

Bass Enterprises Production Company
First City Bank Tower
201 Main Street
Ft. Worth, Texas 76102

Attn: Mr. Jens Hansen

Re: Poker Lake Unit Well No. 73
NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 33-24S-31E
Eddy County, New Mexico

Dear Mr. Hansen:

The Bureau of Land Management has advised this office that the above captioned well has been determined non-commercial in the Delaware Formation and therefore not entitled to receive a participating area.

Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management's determination that the Poker Lake Unit Well No. 73 Well is non-commercial and production should be reported on a lease basis.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.
cc: Reader File
BLM
OCD
TRD

#3666
BASS ENTERPRISES PRODUCTION CO.

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

OIL CONSERVATION DIVISION
RECEIVED

'92 NOV 20 AM 9 48

November 17, 1992

Department of Interior
Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

Attention: Mr. Amando Lopez

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Attention: Mr. Jim Baca

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

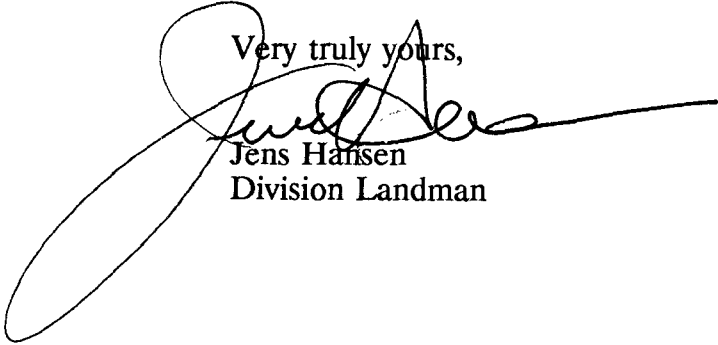
Attention: Mr. Wm. LeMay

Re: Poker Lake Unit Well No. 77
1,980' FNL 660' FEL
SE/4 NE/4 Section 33, T24S-R31E
Eddy County, New Mexico
Bass Lease No. 9172-Federal

Gentlemen:

The referenced well was drilled in accordance with the terms and provisions of the Poker Lake Unit Agreement. Pursuant to the definition of a commercial well under the Poker Lake Unit Agreement, the Poker Lake Well No. 77 is hereby submitted for a commercial determination with the Operator's recommendation that same be deemed noncommercial. This recommendation is based upon the well data being submitted herewith.

Very truly yours,


Jens Hansen
Division Landman

JH:ca

Bureau of Land Management
Commissioner of Public Lands
New Mexico Oil Conservation Division
November 17, 1992
Page 2

AGREED AND ACCEPTED this _____ day
of _____, 1992.

BUREAU OF LAND MANAGEMENT

By: _____

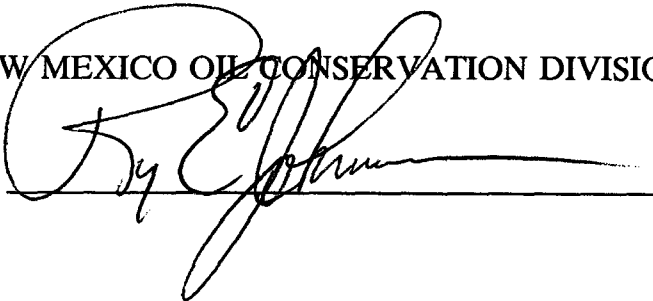
AGREED AND ACCEPTED this _____ day
of _____, 1992.

COMMISSIONER OF PUBLIC LANDS

By: _____

AGREED AND ACCEPTED this 20th day
of Nov., 1992.

NEW MEXICO OIL CONSERVATION DIVISION

By:  _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL Poker Lake Unit No. 77 FORMATION Delaware
 LOCATION H UNIT, 1980 FEET FROM N LINE & 660 FEET FROM E LINE,
 SECTION 33, RANGE 31E, TOWNSHIP 24S, COUNTY Eddy NEW MEXICO
 SPUD DATE 2-28-92 COMPLETION DATE 4-16-92 INIT. PROD. DATE 4-24-92
 PERFORATIONS 5980-6000' (40 holes)

STIMULATION:

ACID 3000 gals. 7.5% HCL

FRACTURE 10,000 gals. x-link gel and 40,000 lbs. 20/40 sand

POTENTIAL Pumped 44 BOPD + 14 MCFG + 175 BW

(ATTACH COPY OF 3160-4. ATTACH COPY OF WELLBORE SKETCH OF COMPLETED WELL.)

VOLUMETRIC CALCULATION

	FORMATION	
	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>40</u>	
Porosity (ϕ), %	<u>15.7</u>	
Water saturation (S_w), %	<u>52.3</u>	
Net thickness (h) $\geq 12\% \phi$ & $< 60\% S_w$, ft	<u>35</u>	
Temperature (T), °F	<u>102°</u>	

(2)

Bottomhole pressure (P), psia 2900
Recovery factor (RF) 20%
Recoverable oil, bbls(See eq. below) 162,677
Recoverable oil, bbls = $(7,758)(0)(1-S_w)(A)(h)(RF)$

PERFORMANCE DATA

If sufficient history exists, attach plot of oil production rate vs time.

(Cumulative production to 10 / 1 / 92 ; 3524 bbls.

Initial rate (qi), 744 bbls/mo

Economic limit (ql), 76 bbls/mo

Decline rate, dy 17.44 %/mo

Remaining oil (Q) = 26,009 bbls.

Ultimate recoverable oil 29,533 bbls.

Attach plat showing proration unit and participating area.

<u>RECOVERABLE OIL</u>	<u>OIL (BBLS.)</u>	<u>GAS (MCF)</u>
Oil sand previously produced		
Sand perforated	<u>29,533</u>	<u>(1)</u>
Sand not perforated, but potentially productive		<u>(2)</u>
Total recoverable oil	<u>29,533</u>	

(1) performance recoverable oil if available

(2) $\frac{\text{performance sand perforated}}{\text{volumetric sand perforated}} \times \frac{\text{volumetric sands not perforated}}{\text{performance sands not perforated}}$

Participating area size based on ratio of production history and volumetrics

NA acres---minimum area is proration unit.

ECONOMICS

Well Cost \$ 391,558 (to the depth of formation completed)

Saltwater Disposal \$ _____

Cost

TOTAL COST \$ 391,558

Operating Cost \$1,000.00/Month

CBG Net Income = (Gross Oil)(Net Oil Price)(Net Revenue Interest)-(Taxes)

YEAR	GROSS OIL	CBG NET INCOME	OPERATING COST	10% DISCOUNT FACTOR	DISCOUNTED CASH FLOW
Zero	---	---	---	1.00000	-391,558
1992	4,942	67,455	10,830	.95382	54,010
1993	3,891	51,748	12,000	.86711	34,466
1994	2,741	36,377	12,600	.78828	18,743
1995	2,222	30,897	13,230	.71662	12,660
1996	1,908	27,796	13,892	.65147	9,058
1997	1,695	25,869	14,586	.59225	6,682
Remainder	6,674	112,227	84,626	.43367	13,291

If payout is five years or less, well is considered economical.

(CBG Net Income - Operating Expense) discount factor = \$148,910

discounted cash flow. UNECONOMICAL

UNITED STATES

SUBMIT IN DUPLICATE

(See other In-
structions on
reverse side)FOR APPROVED
OMB NO. 1004-0137
Expires: December 31, 1991RECEIVED DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.

NM 030454

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Poker Lake

8. FARM OR LEASE NAME, WELL NO.

Poker Lake Unit No. 77

9. APIWELL NO.

30-015-26955

10. FIELD AND POOL, OR WILDCAT

Poker Lake Delaware, South

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

Sec. 33, T-24-S, R-31-E

12. COUNTY OR
PARISH

Eddy

13. STATE

NM

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1. TYPE OF WELL: ☒ OIL WELL ☐ GAS WELL ☐ DRY ☐ Other2. TYPE OF COMPLETION:
NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESER. ☐ Other

3. NAME OF OPERATOR

Charles B. Gillespie, Jr.

4. ADDRESS AND TELEPHONE NO.

P. O. Box 8 Midland, TX 79702 (915)683-1765

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 1980' FNL & 660' FEL, Unit Letter H

At top prod. interval reported below Same

At total depth Same

14. PERMIT NO.

30-015-26955

DATE ISSUED

2/17/92

15. DATE SPUDDED 16. DATE T.D. REACHED 17. DATE COMPL. (Ready to prod.) 18. ELEVATIONS (DF, RKR, RT, GR, ETC.)* 19. ELEV. CASINGHEAD

2/28/92 3/10/92 4/16/92 3462.7' GR 3474' KB 3463'

20. TOTAL DEPTH, MD & TVD 21. PLUG, BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 25. WAS DIRECTIONAL SURVEY MADE

6157' MD & TVD 6111' MD & TVD --- 0-6157' ---

5980 - 6000' MD & TVD, Delaware.

26. TYPE ELECTRIC AND OTHER LOGS RUN

SDL/DSN/GR, DLL/MSFL/GR, CCL/GR/CBL

27. WAS WELL CORRED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13 3/8" H-40	48#	609'	17 1/2"	600 sx Class "C", circ 140 sx	
8 5/8" J-55	24# & 32#	4350'	11"	1900 sx Class "C", circ 400 sx	
5 1/2" N-80	15.5# & 17#	6157'	7 7/8"	125 sx Class "C", 1st stage, circ 40 sx	
& J-55				420 sx Class "C"—2nd stage, DV Tool @ 5515'	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 7/8"	5900'	---

30. PERFORATION RECORD (Interval, size and number)

5980 - 6000' W/2 spf, .41" diameter,
total 40 holes

31. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5980 - 6000'	Acidize w/3000 gals. 7 1/2% HCL
5980 - 6000'	Frac w/10,000 gals. x-link gel & 40,000 lbs. 20/40 sand

32. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
4/16/92		Pumping 2 1/2" X 1 1/2" X 32' RHBC				Producing	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
4/24/92	24	---	→	44	14	175	318
FLOW, TUBING PRBS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
---	20#	→	44	14	175	38°	

33. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Used for fuel

TEST WITNESSED BY

Mr. Albert Hobbs

34. LIST OF ATTACHMENTS

Electric Logs, Deviation Surveys

35. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

William R. Cunniff

TITLE

Exploration Manager

DATE

4/28/92

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

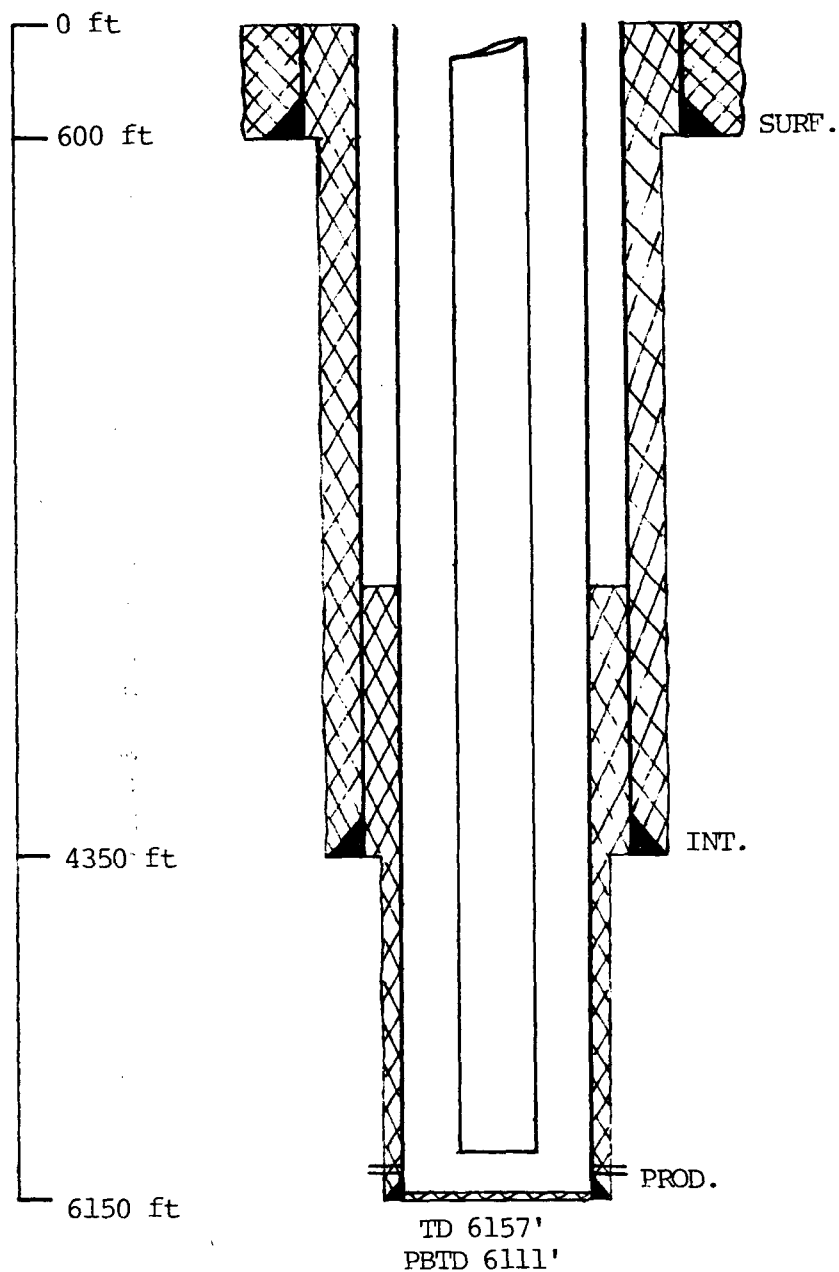
37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Delaware	5980'	6000'	Sandstone; oil, gas & water

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Rustler	553'	553'
Salado	959'	959'
Lamar	4345'	4345'
Bell Canyon	4375'	4375'
Cherry Canyon	5274'	5274'

Poker Lake Unit No. 77
 1980' FNL & 660' FEL
 Section 33, T-24-S, R-35-E
 Eddy County, New Mexico



SURFACE CASING:
 17 1/2" Hole
 13 3/8" Casing set @ 609'
 Cemented with 600 sx.
 Circulated 140 sx.

INTERMEDIATE CASING:
 11" Hole
 8 5/8" Casing set @ 4350'
 Cemented with 1900 sx.
 Circulated 400 sx.

PRODUCTION CASING:
 7 7/8" Hole
 5 1/2" Casing set @ 6157'
 DV Tool set @ 5515'
 Cemented 1st Stage w/ 125 sx.
 Circulated 40 sx.
 Cemented 2nd Stage w/ 420 sx.
 Top of Cement @ 2950'.

TUBING STRING:
 2 7/8" Tubing set @ 5900'

Perforated 5980-6000' w/2 spf
 Total 40 Holes

POKER LAKE UNIT WELL NO. 77
PERFORATED SANDS

INTERVAL	h	ØD	ØN	ØXP	Øh
5980-82'	2	22.0	16.0	19.5	39
* 82-86'	4	8.0	4.0	6.0	-
86-90'	4	19.5	13.0	17.0	68
90-92'	2	17.0	12.0	15.0	30
92-96'	4	19.0	13.0	16.5	66
96-00'	4	17.5	11.5	14.5	58
*6000-02'	2	10.5	7.0	9.0	-
02-06'	4	17.0	12.0	14.5	58
06-08'	2	18.5	13.5	16.0	32
08-13'	5	16.0	12.0	14.5	72.5
* 13-15'	2	13.0	10.0	11.5	-
15-18'	3	18.5	12.5	15.5	46.5
18-19'	1	16.0	11.5	14.5	14.5
19-23'	<u>4</u>	18.5	13.0	16.0	<u>64</u>

TOTAL h 35

TOTAL Øh 548.5

$$\text{AVERAGE } \emptyset = \frac{\text{TOTAL } \emptyset h}{\text{TOTAL h}} = \frac{548.5}{35} = 15.7\% \emptyset$$

*This interval has been eliminated from the calculations due to ØXP being less than 12%.

POKER LAKE UNIT WELL NO. 77
PERFORATED SANDS

INTERVAL	Rxo	LLs	LLd	Rt/RLLd	Rt	Sw
5980-82'	3.6	5.6	5.6 x	1.0	= 5.6	43.3
* 82-86'	10.0	15.0	15.0 x	1.0	= 15.0	86.1
86-90'	4.0	4.6	4.8 x	1.2	= 5.8	48.9
90-92'	4.5	4.8	5.3 x	1.3	= 6.9	50.8
92-96'	3.6	4.2	4.8 x	1.4	= 6.7	46.8
96-00'	3.8	4.2	5.0 x	1.4	= 7.0	52.1
*6000-02'	22.0	6.0	7.1 x	1.2	= 8.5	76.2
02-06'	3.0	3.4	4.0 x	1.4	= 5.6	58.3
06-08'	2.7	3.1	3.6 x	1.4	= 5.0	55.9
08-13'	3.0	3.2	3.8 x	1.5	= 5.7	57.8
* 13-15'	7.8	4.0	4.6 x	1.2	= 5.5	74.2
15-18'	3.2	3.2	3.7 x	1.5	= 5.6	54.5
18-19'	3.0	3.0	3.5 x	1.5	= 5.3	59.9
19-23'	3.0	3.0	3.6 x	1.6	= 5.8	51.9

*This interval has been eliminated from the calculations due to Sw being 60% or greater.

**Rw = .04 for this perforated sand.

INTERVAL	(Sw)	(ØXP)	(h)	Sw WEIGHTED
5980-82'	(.433)	(.195)	(2)	.16887
86-90'	(.489)	(.170)	(4)	.33252
90-92'	(.508)	(.150)	(2)	.15240
92-96'	(.468)	(.165)	(4)	.30888
96-00'	(.521)	(.145)	(4)	.30218
6002-06'	(.583)	(.145)	(4)	.33814
06-08'	(.559)	(.160)	(2)	.17888
08-13'	(.578)	(.145)	(5)	.41905
15-18'	(.545)	(.155)	(3)	.25343
18-19'	(.599)	(.145)	(1)	.08686
19-23'	(.519)	(.160)	(4)	.33216

TOTAL Sw WEIGHTED 2.87337

$$\text{AVERAGE Sw} = \frac{\sum (\text{Sw}) (\text{ØXP}) (\text{h})}{(\text{Avg. } \text{Ø}) (\text{TOTAL h})} = \frac{2.87337}{5.495} = 52.3\% \text{ Sw}$$

POKER LAKE UNIT NO. 77
VOLUMETRIC CALCULATIONS

RECOVERABLE OIL

$$\begin{aligned}\text{OIL CONTENT OF RESERVOIR, BBLs.} &= (7758) (A) (h) (\phi) (1-S_w) \\ &= (7758) (40) (35) (.157) (1-.523) \\ &= 813,384\end{aligned}$$

$$\text{RECOVERY FACTOR (RF)} = 20\%$$

$$\begin{aligned}\text{RECOVERABLE OIL, BBLs.} &= 813,384 (\text{RF}) \\ &= 813,384 (.20) \\ &= 162,677\end{aligned}$$

POKER LAKE UNIT - Poker Lake Unit #77

PRODUCTION DATA REPORT
Reported Monthly Production Totals

Year: 1992 Cumulative Liquid: 0

Gas: 0

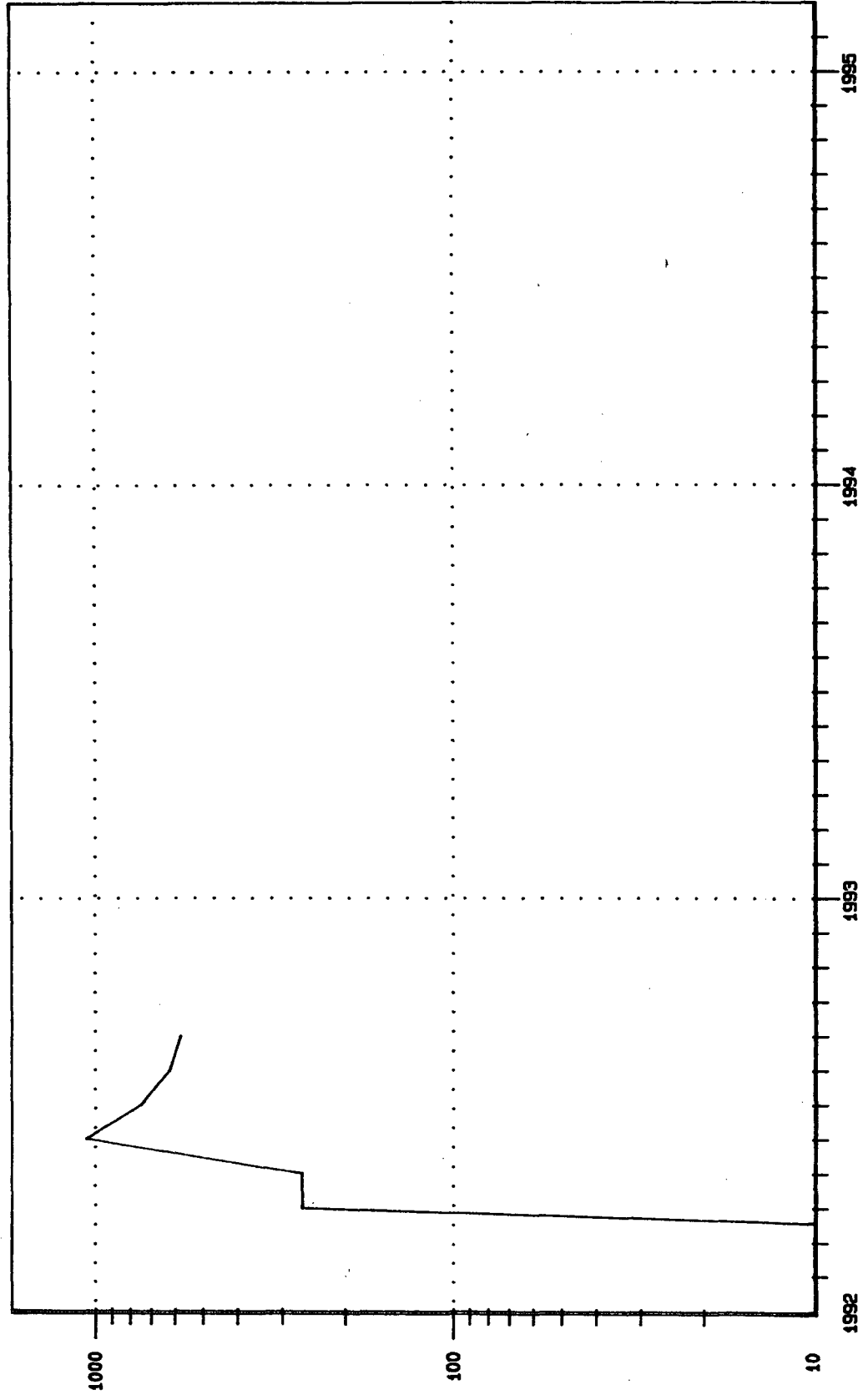
Water: 0

Month	Liquid (Bbls)	Gas (Mcf)	Water (Bbls)	Allowable	Num. Oil	Wells Gas	Days On
Jan	0	0	0	0	0	0	0
Feb	0	0	0	0	0	0	0
Mar	0	0	0	0	0	0	0
Apr	264	150	1768	0	0	0	10
May	264	360	1768	0	0	0	24
Jun	1059	405	3599	0	0	0	27
Jul	744	450	2759	0	0	0	30
Aug	618	465	3608	0	0	0	31
Sep	575	420	2418	0	0	0	28
Oct	0	0	0	0	0	0	0
Nov	0	0	0	0	0	0	0
Dec	0	0	0	0	0	0	0
TOTAL	3524	2250	15920				

Calculated
Oil ---
Gas ---
Water ---

POKER LAKE UNIT
Oil Production Rate vs Time
BBL/MO vs Months
Poker Lake Unit #77
For the Period 04/1992 to 10/1992

Production
Oil ---
Gas ---
Water ---



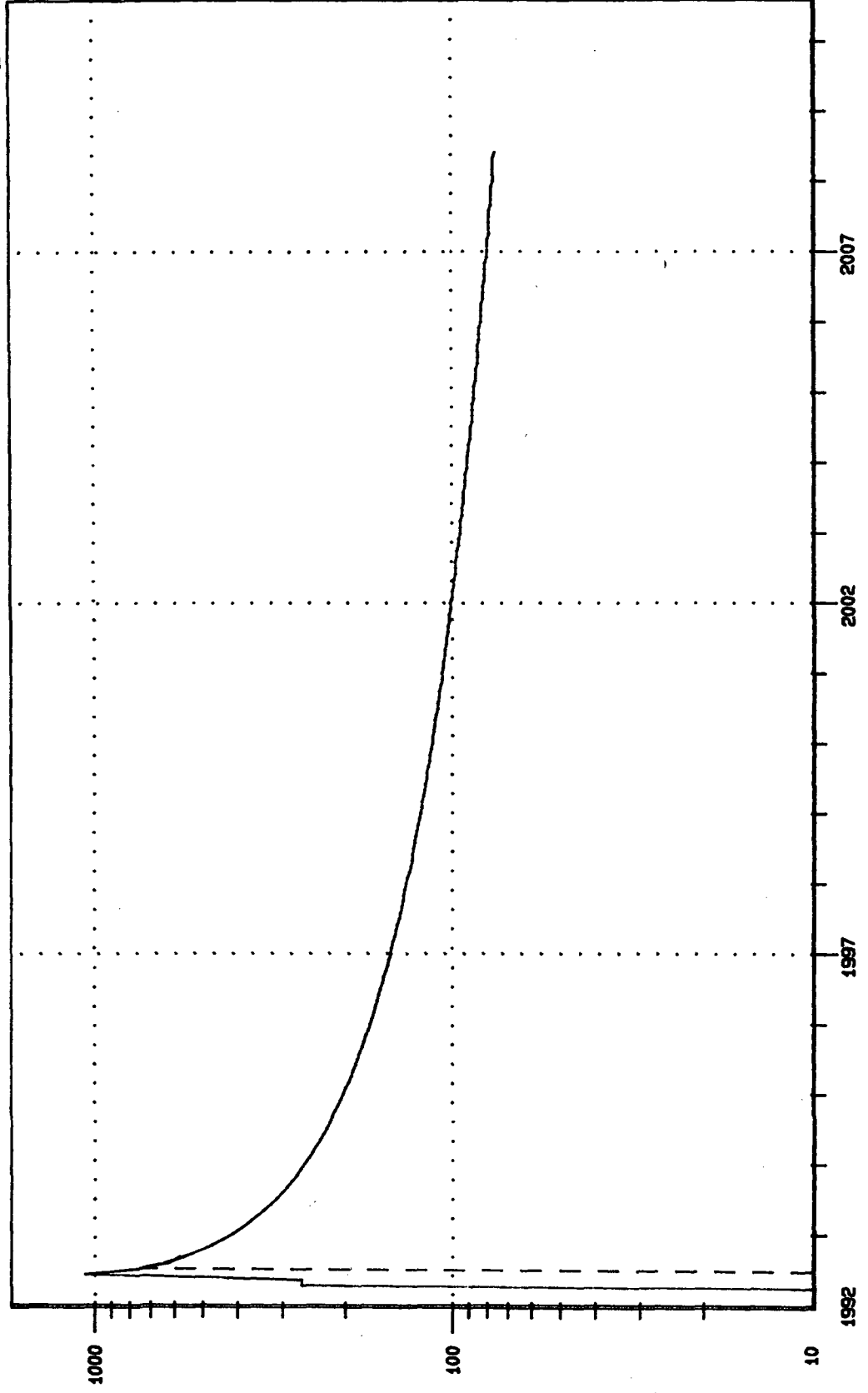
REMAINING OIL FORECAST

Computer Generated Forecast Is Based On The Conventional Rate - Time Equations Set Forth In J.J. Arps, "Analysis of Decline Curves", Petroleum Technology, T. P. 1758 (September, 1944).

Calculated
Oil ---
Gas ---
Water ---

POKER LAKE UNIT
Oil Production Rate vs Time
BBL/MO vs Months
Poker Lake Unit #77
For the Period 01/1992 to 12/2008

Production
Oil ---
Gas ---
Water ---



Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

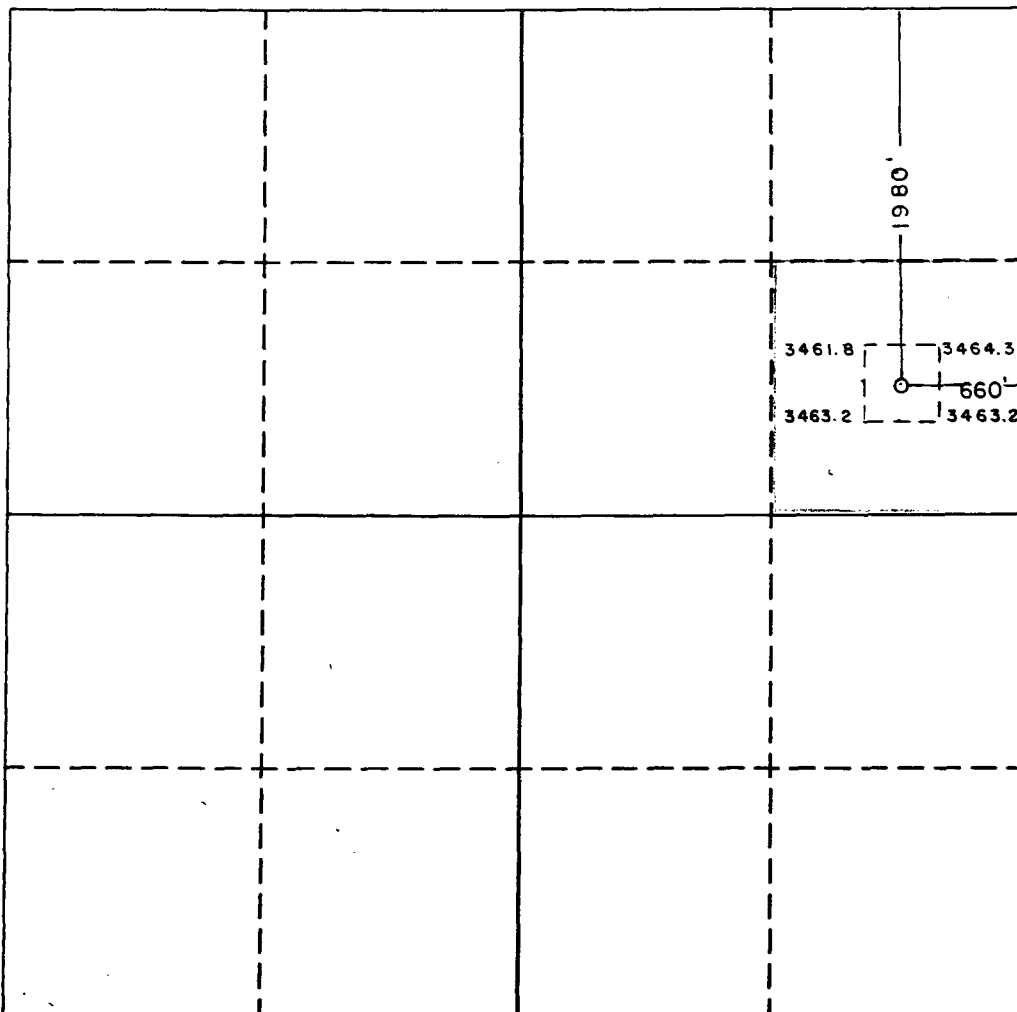
All Distances must be from the outer boundaries of the section

Operator Charles B. Gillespie Jr.			Lease Poker Lake Unit		Well No. 77
Unit Letter H	Section 33	Township 24 South	Range 31 East	NMPM	County Eddy
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the East line					
Ground Level Elev. 3462.7	Producing Formation Delaware	Pool Poker Lake Delaware, South		Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature
William R. Crow
Printed Name
William R. Crow
Position
Exploration Manager
Company
Charles B. Gillespie, Jr.
Date
January 15, 1992

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
January 8, 1992
Signature & Seal of
Professional Surveyor

Certificate No. 876
RONALD J. EDSON
BARY L. JONES 7977
92-11-0026
RONALD J. EDSON

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

CHARLES B. GILLESPIE, JR.

LEASE - POKER LAKE UNIT
WELL NO. 77
INTEREST 0.77372

UNIT H, 40 ACRES
SECTION 33-T24S-R31E
EDDY CO., N.M.
AVE DEPTH - 6000', DELAWARE

YEAR	OIL	NET OIL	OIL PRICE	OIL REVENUE	OIL TAXES	OPER EXPENSE	NET REVENUE	CUM REVENUE	10% DISCOUNT	CUM 10% DISCOUNT
1992	4942	3824	19.50	74563	7108	10830	56625	56625	54010	54010
1993	3891	3011	19.00	57200	5453	12000	39748	96373	34466	88476
1994	2741	2121	19.00	40295	3918	12600	23777	120149	18743	107218
1995	2222	1719	19.95	34298	3402	13230	17667	137816	12660	119878
1996	1708	1476	20.95	30924	3128	13892	13904	151720	9058	128936
1997	1695	1311	21.99	28845	2976	14586	11283	163003	6682	135619
1998	1539	1191	23.09	27500	2894	15315	9290	172293	5002	140621
1999	1415	1095	24.25	26549	2850	16081	7617	179910	3728	144349
2000	1317	1019	25.00	25475	2789	16885	5800	185710	2581	146930
2001	1236	956	25.00	23908	2670	17729	3508	189219	1419	148349
2002	1167	903	25.00	22573	2572	18616	1386	190604	561	148910
2003	1107	857	25.00	21413	2488	19547	-622	189982	-252	148658

BASS ENTERPRISES PRODUCTION CO.

FIRST CITY BANK TOWER

201 MAIN ST.

FORT WORTH, TEXAS 76102

817/390-8400

December 15, 1992

Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

Attention: Mr. Armando Lopez

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Attention: Mr. Jim Baca

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico

Attention: Mr. William LeMay

Re: 1993 Plan of Development
Poker Lake Unit
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Poker Lake Unit Agreement dated March 18, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Poker Lake Unit for the year 1993.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

1992 ACTIVITY

Poker Lake Unit Well No. 77 - This well was drilled to a total depth of 6,157', plugged back to 6,111', and was completed in the producing intervals 5,980' - 6,000', in the Delaware formation. Under our letter of November 17, 1992, the Poker Lake Unit Well No. 77 was submitted for commercial determination with the recommendation that same be deemed non-commercial. At such time as we receive confirmation of this recommendation, this well will become a lease well and be designated the Poker Lake No. 77, thereby removing the unit designation.

PARTICIPATING AREAS

According to our records, Bass Enterprises Production Co. has submitted all wells drilled to date where adequate production information is available for commercial determination and participating areas. In the event you have not received commercial determinations for all of our wells drilled to date and proposed participating areas when appropriate, please advise us at your convenience and we will submit same to you.

FUTURE DEVELOPMENT

Poker Lake Unit Well No. 58 - In 1982, this well was drilled at a location 1,980' FSL and 1,980' FWL in Section 27, T24S-R31E, to a total depth of 12,700' and completed in the Wolfcamp formation in the producing intervals of 12,108' - 12,111'. As a unit operation for 1993, Bass plans to reenter this well and deepen same to a depth necessary to test the Atoka/Morrow formation, which will cost in excess of \$1,000,000.00. The results of this operation will be reported on 1994 Plan of Development.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to Poker Lake Unit Agreement or pursuant to applicable regulations.

MODIFICATIONS

In accordance with the terms and provisions of the Poker Lake Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

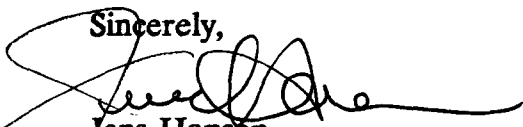
EFFECTIVE DATE

This Plan of Development shall become effective on January 1, 1993.

December 15, 1992
Page 3

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to us for our records.

Sincerely,


Jens Hansen
Division Landman

JH:ca

ACCEPTED AND AGREED this 28th day of Dec., 1992

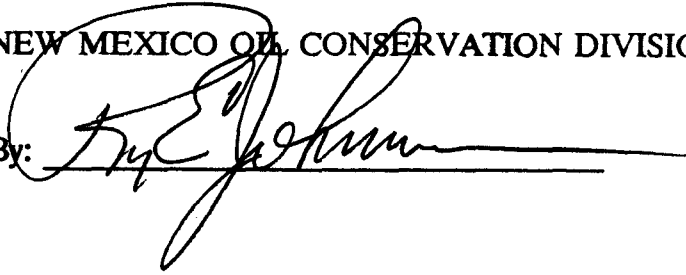
BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By:  _____