

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

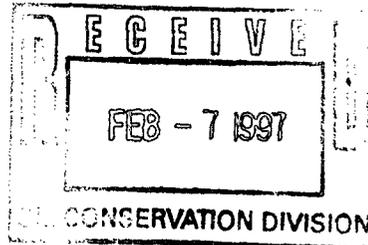
817/390-8400

January 30, 1997

**CERTIFIED MAIL/
Return Receipt Requested**

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

Attention: Mr. Tony Ferguson



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

Attention: Mr. Larry Kehoe

New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. William LeMay

Re: 1997 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 1997.

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.

1996 ACTIVITY

Poker Lake Unit Well No 84 - This well was drilled at a location being 1,980' FNL & 1,980' FEL, Section 36, T24S-R30E, Eddy County, New Mexico. This well was drilled to a total depth of 8,150' and is presently being tested in the Delaware Formation. This well is within the existing Delaware "B" Participating Area.

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Poker Lake Unit Well No. 93 - This well was drilled at a location being 660' FEL & 1,980' FNL, Section 24, T24S-R30E, Eddy County, New Mexico. This well was completed in the Delaware Formation as an oil well in the interval 7,880' - 7,890'. This well is within the existing Delaware "B" Participating Area.

Poker Lake Unit Well No. 115 - This well was drilled at a location being 660' FNL & 1,980' FWL, Section 36, T24S-R30E, Eddy County, New Mexico. This well was completed in the Delaware Formation as an oil well in the interval 7,902' - 7,912'. This well is within the existing Delaware "B" Participating Area.

Poker Lake Unit Well No. 123 - This well was drilled at a location being 1,980' FSL & 1,980' FWL, Section 22, T24S-R31E, Eddy County, New Mexico. This well was completed in the Bone Springs Formation as an oil well in the interval 11,586' - 11,600'. This well will be submitted during the calendar year 1997 for commercial determination.

PARTICIPATING AREAS

Bass Enterprises Production Co. has submitted all wells drilled to date where adequate information is available for commercial determination and participating areas. In the event you have not received commercial determination for the wells that have been drilled and completed and are currently producing, please advise at your convenience and we will submit same to you.

By application dated March 19, 1996, Bass Enterprises Production requested approval of the Second Revision to the Initial Delaware "B" Participating Area based on the Poker Lake Unit Well Nos. 85, 87, 89 and 103. The Second Revision enlarged the Participating Area to consist of 324.90 acres. All governmental agencies approved the Second Revision effective June 1, 1994.

By application dated March 19, 1996, Bass Enterprises Production Co. requested approval for the Third Revision to the Initial Delaware "B" Participating Area based on the Poker Lake Unit Well Nos. 108 and 111. The revised Participating Area will encompass a total of 484.90 acres. All governmental agencies approved this third revision with an effective date of October 1, 1994.

By application dated March 19, 1996, Bass Enterprises Production Co. requested approval of the Fourth Revision to the Initial Delaware "B" Participating Area based on the Poker Lake Unit Well Nos. 86 and 92. The revised Participating Area consists of a total of 771.57 acres. All governmental agencies approved said fourth revision with an effective date of July 1, 1995.

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By application dated March 19, 1996, Bass Enterprises Production Co. requests approval of the Fifth Revision to the Initial Delaware "B" Participating Area based on the Poker Lake Unit Well Nos. 105 and 114. The revised Participating Area consists of a total of 931.57 acres. All governmental agencies approved said fifth revision with an effective date of August 1, 1995.

FUTURE DEVELOPMENT

Poker Lake Unit Well No. 91 - This well will be drilled at a legal location being 650' FNL and 650' FWL, Section 12, T25S-R30E, Eddy County, New Mexico to a proposed depth of 8,200' to test the Delaware Formation.

Poker Lake Unit Well No. 94 - This well will be drilled at a legal location being 660' FSL & 660' FEL, Section 3, T25S-R30E, Eddy County, New Mexico to a proposed depth of 8,000' to test the Delaware Formation.

Poker Lake Unit Well No. 99 - This well will be drilled at a legal location being 1980' FNL & 660' FWL, Section 19, T24S-R31E, Eddy County, New Mexico to a proposed depth of 8,200' to test the Delaware Formation.

Poker Lake Unit Well No. 100 - This well will be drilled at a legal location being 660' FSL & 1980' FEL, Section 24, T24S-R30E, Eddy County, New Mexico to a proposed depth of 8,100' to test the Delaware Formation.

Poker Lake Unit Well No. 106 - This well will be drilled at a legal location being 1,980' FSL & 1,980' FWL, Section 25, T24S-R30E, Eddy County, New Mexico to a proposed depth of 8,150' to test the Delaware Formation.

Poker Lake Unit Well No. 118 - This well will be drilled at a legal location being 660' FSL & 1,980' FWL, Section 25, T24S-R30E, Eddy County, New Mexico to a proposed depth of 8,150' to test the Delaware Formation.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands covered by the 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.

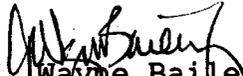
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EFFECTIVE DATE

This Plan of Development shall become effective on January 1, 1997.

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 the undersigned for our records.

Very truly yours,


J. Wayne Bailey
Division Landman

JWB/WWC:ca

ACCEPTED AND AGREED this 12th day of Feb.,
1997.

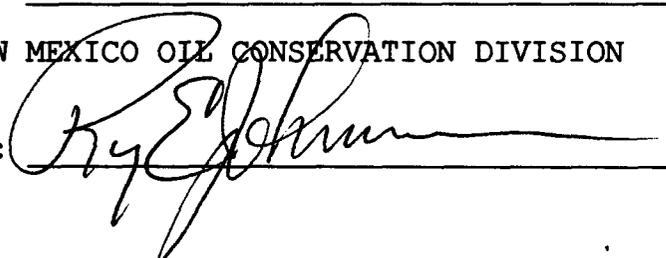
BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By:  _____



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5715

PLANNING
(505)-827-5752

February 17, 1997

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

Attn: Mr. J. Wayne Bailey

Re: 1997 Plan of Development
Poker Lake Unit
Eddy County, New Mexico

Dear Mr. Bailey:

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,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

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

RP/JB/cpm
cc: Reader File

OCD

BLM