

EXHIBIT "E"
ENGINEERING & GEOLOGICAL REPORT
MORROW PENNSYLVANIAN RESERVOIR OF BELL LAKE UNIT AREA

Set forth below is a summary of geological and engineering information pertinent to the first expansion of the initial participating area for the Morrow Formation of Pennsylvanian age in the Bell Lake Unit area.

General

In the Bell Lake Unit area the Morrow sands of Pennsylvanian age are found at depths from 13,500' to 14,500'. The Morrow section is present over the entire area, but the gas reservoirs occur as sand stringers and lenses in five major sands. The sands appear to be better developed on the flanks of the structure than on the crest.

The first gas production in the Morrow was found in Bell Lake State 3 No. 5 (non-commercial), approximately 4,200' south of Bell Lake Unit No. 18. The No. 5 well was drilled to a total depth of 16,100' in October 1958, and the Devonian Formation was found to be water productive. This well was plugged back and completed in the 1st and 4th Morrow sands with an initial calculated open flow potential of 7625 MCF gas per day. The well, now P&A, produced 2.7 MMMCF gas.

The second well completed in the Morrow sand was Bell Lake State No. 1-A (non-commercial), approximately 3,500' southeast of Bell Lake Unit No. 18. This well produced 3.6 MMMCF gas from the Devonian prior to being recompleted to the 1st and 2nd Morrow sands in July 1968. The Morrow in this well had a calculated absolute open flow potential of 1989 MCF gas per day. To September 1, 1977, Bell Lake State No. 1-A has produced 2.2 MMMCF gas.

Bell Lake Unit No. 14 was the well which caused the initial Morrow Participating Area.

Geology

The Bell Lake Unit area is described as a series of north-south trending anticlinal closures. (See Exhibit "C") The Morrow sands are present over the entire area, occurring in five generalized zones. Reservoir quality, thickness, and areal distribution vary widely in each of the zones. The 3rd and 4th Morrow sands (See Exhibit "D") are the productive zones in the Bell Lake Unit No. 18. The reservoir lithology, based on sample cutting descriptions taken from the Bell Lake Unit No. 18, located in NE/4 SE/4 Section 36, T-23-S, R-33-E, is as follows:

Sandstone, white, tan, fine grained, some coarse grained,
well-cemented to slightly friable, sub-angular quartz grains.
Trace of glauconite grains at the top.

Bell Lake Unit No. 18

Bell Lake Unit No. 18, located 1980' FSL, 660' FEL, Sec. 36, T-23-S, R-33-E, was spudded September 18, 1976. Total depth 13,960' was reached January 9, 1977. The well was perforated and tested without stimulation on February 10 at a rate of 3 MMCF/GPD. After connection to the pipeline the well was officially completed March 29, 1977 for a CAOF potential of 76.6 MMCF/GPD from perforations in the 4th Morrow sand, 13,822-28, and 3rd Morrow, 13,762-76. From completion through August 31, 1977 the well has produced 2,882,927 MCF gas, 13,360 barrels condensate. During August 1977 it averaged 17,307 MCF gas per day, 79 barrels condensate. The high rate of production and current price of gas has already generated revenue sufficient to repay the cost of drilling, completing, and equipping. Monthly production is tabulated below:

	<u>MCF</u>	<u>Barrels</u>
March	105,093	459
April	570,839	2,647
May	580,127	2,678
June	547,461	2,563
July	542,878	2,557
August	<u>536,529</u>	<u>2,456</u>
	2,882,927	13,360

Bell Lake Unit No. 18 has encountered excellent reservoir conditions in the 3rd and 4th Morrow sands. Two BHP data points have been taken with the results shown below:

<u>Date</u>	<u>BHP psig</u>	<u>P/Z</u>	<u>Cum. Prod.</u>
April '77	6600	5882	0
July '77	5052	5017	1.8 MMMCF

Extrapolation of this data indicates recoverable reserves of 9.3 MMMCF gas.

Morrow productivity appears to be relatively insensitive to structural position. Depositional conditions not necessarily related to structure appear to be more influential on presence of gas and the deliverability of a well. These conditions are not well understood and are under intensive study in the Delaware Basin.

Other wells in this area have been completed in the 1st, 2nd and/or 4th Morrow sands. While each of these zones is present and identifiable in every well, suitable reservoir characteristics change from location to location as sand lenses open and close. Well No. 18 has encountered good development in the 3rd sand, whereas No. 1-A encountered only fair to poor development in the 1st and 4th sands. The latter well is located higher on the structure where reservoir-type sand development appears to deteriorate. The cross-section, Exhibit "D", depicts the change in producing interval and sand development, despite the fact that the well log for Well No. 1-A is of a type no longer in general use. Well Nos. 5 and 16 are interpreted to be separated by faulting from the reservoir in the participating area. Well No. 17 failed to find reservoir quality sand in the Morrow.

Statewide rules provide for 320-acre spacing for Morrow wells in pools not having special rules. Nevertheless, it is our present intention to develop Morrow gas on well spacing of 640 acres per well. The performance of Bell Lake Unit No. 18 would indicate the ability to drain this area provided there is continuity of pay section.

REVISED
PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1977
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

OCT 07 1977
CONSERVATION COM

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P.O. BOX 1857
ROSWELL, NEW MEXICO 88201

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

OIL CONSERVATION COMMISSION (2)
STATE OF NEW MEXICO
P.O. BOX 2088
SANTA FE, NEW MEXICO 87501

Gentlemen:

Under date December 27, 1976, in compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, submitted for your approval a Plan of Operation/Development for the year 1977. It has become necessary to revise this plan as outlined below.

During the first six months of 1977, (1) Bell Lake Unit No. 15 has been plugged and abandoned, (2) Bell Lake Unit No. 16 has been re-entered for recompletion to a higher formation, (3) Bell Lake Unit No. 17 was found non-commercial in Morrow and Atoka formations and is being reviewed for completion up the hole, and (4) Bell Lake Unit No. 18 has been completed as an excellent producer from the Morrow sands and participating area application is being prepared.

Our proposed development during 1977 included plans to drill Bell Lake Unit No. 19 in Section 31, T-22-S, R-34-E, to test Pennsylvanian formations. Authorization to drill this well was not given by the Working Interest Owners, and it is now necessary to cancel plans for the drilling of this well.

It is respectfully requested that this Revised Plan of Operation/Development calling for no wells to be drilled during 1977 be approved.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

BY *L. P. Thompson*
L. P. Thompson, Division Manager

APPROVED _____
Department of the Interior

DATE _____

APPROVED _____
Commissioner of Public Lands

DATE _____

APPROVED *Joe O'Keefe*
New Mexico Oil Conservation
Commission

DATE 10/18/77



L. P. Thompson
Division Manager
Production Department
Hobbs Division

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

SEP 03 1977
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September 28, 1977

Director, U.S. Geological Survey
c/o Regional Oil & Gas Supervisor
P.O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501

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

Gentlemen:

Application for First Expansion of Morrow Participating Area - Bell Lake Unit, Lea County, New Mexico

Enclosed for your further handling is our application for the First Expansion of the Morrow Participating Area for the Bell Lake Unit as result of the completion of Well No. 18. Your early review and approval of this application will be sincerely appreciated.

Yours very truly,


L. P. Thompson

VTL/jj
Enc



United States Department of the Interior

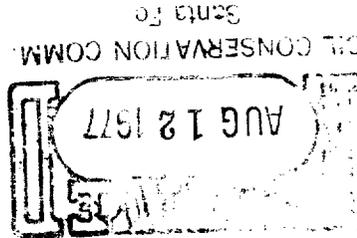
GEOLOGICAL SURVEY
Conservation Division
P. O. Box 26124
Albuquerque, New Mexico 87125

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AUG 10 1977

Continental Oil Company
Attention: Mr. L. P. Thompson
P. O. Box 460
Hobbs, New Mexico 88240



Gentlemen:

Returned herewith are four approved copies of your revised 1977 plan of development for the Bell Lake unit agreement, Lea County, New Mexico. Such plan proposes cancellation of plans to drill unit well No. 19 in sec. 31, T. 22 S., R. 34 E., N.M.P.M., as approved under the original 1977 plan of development.

Approval of the revised 1977 plan of development will afford Continental Oil Company, unit operator, additional time in which to further evaluate recent drilling activity in and around the unit, and to formulate better plans for future development.

Sincerely yours,

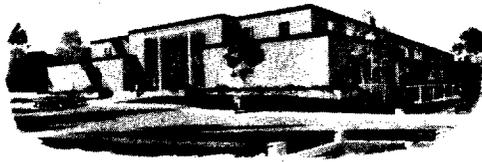
(ORIG. SGD.) GENE F. DANIEL

ACTING Area Oil and Gas Supervisor

Enclosure

cc:
NMOCC, Santa Fe (1tr. only) ← This Copy for
Com. Pub. Lands, Santa Fe (1tr. only)

State of New Mexico



Commissioner of Public Lands

July 29, 1977



PHIL R. LUCERO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Re: REVISED PLAN OF OPERATION
AND DEVELOPMENT FOR 1977
BELL LAKE UNIT
LEA COUNTY, NEW MEXICO

ATTENTION: Mr. L. F. Thompson

Gentlemen:

The Commissioner of Public Lands has this date approved your revised Plan of Operation and Development for the calendar year 1977, for the Bell Lake Unit, Lea County, New Mexico. Your revised plan calls for the drilling of no wells during 1977. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Enclosed is one approved copy for your files.

Please remit a three (\$3.00) Dollar filing fee.

Vary truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s

encl.

cc: USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico
OCC- Santa Fe, New Mexico

REVISED
PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1977
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P.O. BOX 1857
ROSWELL, NEW MEXICO 88201

No. 503

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

OIL CONSERVATION COMMISSION (2)
STATE OF NEW MEXICO
P.O. BOX 2088
SANTA FE, NEW MEXICO 87501

Gentlemen:

Under date December 27, 1976, in compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, submitted for your approval a Plan of Operation/Development for the year 1977. It has become necessary to revise this plan as outlined below.

During the first six months of 1977, (1) Bell Lake Unit No. 15 has been plugged and abandoned, (2) Bell Lake Unit No. 16 has been re-entered for recompletion to a higher formation, (3) Bell Lake Unit No. 17 was found non-commercial in Morrow and Atoka formations and is being reviewed for completion up the hole, and (4) Bell Lake Unit No. 18 has been completed as an excellent producer from the Morrow sands and participating area application is being prepared.

Our proposed development during 1977 included plans to drill Bell Lake Unit No. 19 in Section 31, T-22-S, R-34-E, to test Pennsylvanian formations. Authorization to drill this well was not given by the Working Interest Owners, and it is now necessary to cancel plans for the drilling of this well.

It is respectfully requested that this Revised Plan of Operation/Development calling for no wells to be drilled during 1977 be approved.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

BY *L. P. Thompson*
L. P. Thompson, Division Manager

APPROVED _____
Department of the Interior

DATE _____

APPROVED _____
Commissioner of Public Lands

DATE _____

APPROVED _____
New Mexico Oil Conservation
Commission

DATE _____

REVISED
PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1977
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

JUL 29 1977

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P.O. BOX 1857
ROSWELL, NEW MEXICO 88201

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

OIL CONSERVATION COMMISSION (2)
STATE OF NEW MEXICO
P.O. BOX 2088
SANTA FE, NEW MEXICO 87501

Gentlemen:

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It is respectfully requested that this Revised Plan of Operation/Development calling for no wells to be drilled during 1977 be approved.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

BY *L. P. Thompson*
L. P. Thompson, Division Manager

APPROVED OK
Department of the Interior

DATE _____

APPROVED OK
Commissioner of Public Lands

DATE _____

APPROVED OK
New Mexico Oil Conservation
Commission

DATE _____



United States Department of the Interior

GEOLOGICAL SURVEY

Western Bank Building
Conservation Division
505 Marquette, NW, Room 815
Albuquerque, New Mexico 87102

12 1977

Continental Oil Company
Attention: Mr. L. P. Thompson
P. O. Box 460
Hobbs, New Mexico 88240

Gentlemen:

Returned herewith are four approved copies of your 1977 plan of development for the Bell Lake unit agreement, Lea County, New Mexico. Such plan proposing the drilling of unit well No. 19 to test Pennsylvanian formations was approved on this date subject to similar approval by the appropriate State officials.

Sincerely yours,

JAMES W. SUTHERLAND

Area Oil and Gas Supervisor

Enclosure

cc:
NMOCC, Santa Fe (ltr. only)
Com. Pub. Lands, Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

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January 4, 1977

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P
Y

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Re: 1977 Plan of Operation/Development
Bell Lake Unit, Lea County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Plan of Operation/Development for the calendar year 1977 for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

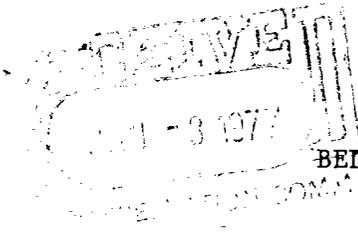
Very truly yours,

JOE D. RAMEY
Secretary-Director

JDR/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico



PLAN OF OPERATION/DEVELOPMENT
 FOR CALENDAR YEAR 1977
 BELL LAKE UNIT (NO. 14-08-001-1066)
 LEA COUNTY, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR (6)
 UNITED STATES GEOLOGICAL SURVEY
 P.O. BOX 1857
 ROSWELL, NEW MEXICO 88201

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

OIL CONSERVATION COMMISSION (2)
 STATE OF NEW MEXICO
 P.O. BOX 2088
 SANTA FE, NEW MEXICO 87501

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Operation/Development for the year 1977. Under date of December 15, 1975, the Plan of Operation/Development covering calendar year 1976 was submitted and subsequent approval was received from your offices.

SUMMARY OF 1976 OPERATIONS

The four participating areas produced gas and liquids during the first ten months of 1976 as shown below:

<u>Participating Area</u>	<u>For Year Through 10-31</u>		<u>Daily Average</u>	
	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
<u>Area "A"</u>				
Atoka	3,270,697	28,044	10,724	92
Bone Spring	31,513	16,159	103	53
Morrow	5,510,431	2,353	18,067	8
<u>Area "B"</u>				
Devonian	637,615	1,130	2,090	4

Bell Lake Unit Well No. 5 has been plugged and abandoned.

Bell Lake Unit No. 15 is shut-in and is being reserved for possible SWD or other use.

Bell Lake Unit No. 16 averaged 701 MCF per day production from the Morrow Formation during the first ten months of 1976. During this period producing rate declined from 1,882 to 267 MCF/D.

Bell Lake Unit No. 17 was spudded September 5, 1976, at a location 1980' from south line, 1650' from west line of Section 32, Township 23 South, Range 34 East. It is at total depth of 14,024' and is in process of completion.

Bell Lake Unit No. 18 was spudded September 18, 1976, at a location 1980' from south and 660' from east line of Section 36, Township 23 South, Range 33 East. It is drilling to the Morrow Formation and should be near total depth at the end of the year 1976.

Other Items Affecting Unit Operations

Texas West Oil and Gas Corporation completed their Madera Well No. 1 on Tract 72 of the unit (Tract No. 7 of the Morrow Participating Area) under NMOCC Order 5039-B and placed the well on production approximately April 28. Through September 30, Operator has reported production of 1,798,567 MCFG (an average rate of 11,529 MCF/D), 523 barrels condensate on statements submitted to Continental Oil Company. As a result of the drilling of the well by a non-unit owner within the Morrow Participating Area, the ownership of both Devonian Participating Area "A" and the Morrow Participating Area were changed from a gross acreage basis to a net acreage basis, effective October 1, 1975. Monies suspended for the uncommitted royalty interests will be disbursed to the committed royalty interests in both participating areas in the near future.

PROPOSED DEVELOPMENT DURING 1977

Present plans are to drill the following well during 1977:

Bell Lake Unit No. 19, Section 31, T-22S, R-34E -- to test Pennsylvanian formations.

OFFSET OBLIGATIONS

Appropriate measures will be taken to prevent, by means within the control of unit owners, drainage of unitized substances from lands subject to the Bell Lake Unit Agreement or, pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 18 of said Agreement.

MODIFICATION

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

EFFECTIVE DATE

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

Date: December 27, 1976.

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1977. Prior to that date, another Plan of Operation/Development will be submitted for approval.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

By 
L. P. Thompson

Approved _____
Department of the Interior

DATE _____

Approved _____
Commissioner of Public Lands

DATE _____

Approved _____
New Mexico Oil Conservation
Commission

DATE January 4, 1977



L. P. Thompson
Division Manager
Production Department
Hobbs Division
Western Hemisphere Petroleum Division

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

June 4, 1976

Oil and Gas Supervisor
U. S. Geological Survey
Drawer 1857
Roswell, NM 88201 (3)

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, NM 87501 (2)

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87501 (1)

Gentlemen:

Revisions to Exhibit "B" Bell Lake Unit Initial Devonian Participating
Area

Corrected exhibits are forwarded for your file. Corrections in the land description have been made for Tracts 59 and 68. Acreage owned by Continental Oil Company has been corrected in the summary. The corrected pages are indicated by "Rev. 6-1-76". Please substitute this exhibit for that presently in your file.

Yours very truly,

VTL:reh
CC:
Working Interest Owners
Bell Lake Unit

CFE: GED: JWM: BRM: RMC

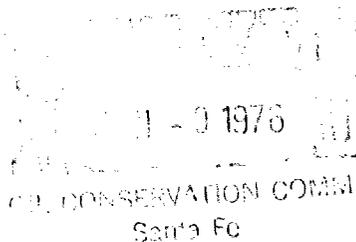


EXHIBIT "B" (REVISED)
 INITIAL PARTICIPATING AREA FOR THE DEVONIAN FORMATION
 BELL LAKE UNIT, LEA COUNTY, NEW MEXICO
 TWP. 23 AND 24S, RGS. 33 AND 34E

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND
 GAS INTERESTS IN ALL LANDS IN THE PARTICIPATING AREA

Tract No.	Description of Land	No. of Acres (Net)	Serial No. and Effective Date	Basic		Lessees of Record	Overriding Royalty and Percentage	Working Int. Owner	Percentage of Participation				
				Royalty	Percentage								
3	T24S-R34E Sec 5: Lots 3, 4	440	LC-061374-A 9-1-49	USA-All	79.92	Tripor Resources Oil and Gas Fund	P. O. Pipkin, obligation \$1,000 p.a. out of 5% production	Tripor Resources Oil and Gas Fund	1.41508				
										Continentals Oil Co.	Channing Brown	0.5%	Continentals Oil Company
											J. G. Thornhill	0.75%	
Part of 19	T24S-R33E Sec 12: NE/4, S/2	480	LC-063798 2-1-51	USA-All	79.92	Perry R. Bass Bass Enterprises Prod. Company	Panther City Inv. Co. Howard W. Jennings Edward M. Muse O. H. Randel Ft. Worth Natl. Bank, Tr U/L/W Roy S. McGruder	P. R. Bass 25% Bass Ent. Prod. Co. 75%	8.49897				
										Lawrence C. Harris	0.21875%		
										Donald T. Desmond	0.17045%		
										Autrey & Collins	0.21875%		
										Construction Co.	0.14205%		
										SBA, Rcvr for Roswell SBIC	0.21875%		
										R. H. Hannlfin	0.25%		
										D. L. Hannlfin	0.25%		
Ralph Nix, Jr.	0.25%												

Tract	Description of Land	No. of Acres (Net)	Serial No. and Effective Date	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Int. Owner	Percentage of Participation	
T24S-R33E Sec 12: NW/4		160	LC-063993 9-1-51	USA-All	Perry R. Bass and Bass Ent. Prod. Co.	Panther City	5%	P.R. Bass 25%	2.83299
						Edith A. Hover E.M. & Lucy R. Muse	3%	Bass Ent. Prod. Co. 75%	
T24S-R34E Sec 7: Lots 1, 2, E/2NW/4 S/2 NE/4		438.76	LC-066653 4-1-51	USA-All	Continental Oil Co.	Elliot Oil Co.	5%	Continental Oil Company	7.76876
T24S-R34E Sec 8: S/2N/2, NE/4NE/4		160	LC-069109 7-1-49	USA-All	Tripor Resources Oil & Gas Fund	Lawrence C. Harris	0.9375%	Tripor Resources Oil & Gas Fund	2.83299
						J.G. Thornhill John S. Harris, Trust A Joanne Harris Dietrich Trust A SBA, Rcvr for Roswell SBIC	1.875% 0.625% .625% .625% 0.9375%		

6 Federal Tracts containing 1,758.68 acres, or 30.59872% of participating area; 31.13951% of committed acreage.

Tract	Description of Land	No. of Acres (Net)	Serial No. and Effective Date	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Int. Owner	Percentage of Participation
<u>STATE LAND</u>								
7	<u>T24S-R33E</u> Sec 1: SW/4	160	E-490 8-10-55	State of NM All	Continental Oil Co.	None	Continental Oil Co.	2.83299
2	<u>T23S-R34E</u> Sec 32: E/2	320	E-1937 6-10-58	State of NM All	Phillips Petroleum Co.	None	Phillips Pet. Co.	5.66598
3	<u>T23S-R33E</u> Sec 36: All	640	E-5076 3-10-61	State of NM All	Exxon Corporation	None	Exxon Corp.	11.33196
5	<u>T24S-R34E</u> Sec 6: SE/4	160	E-5829 12-10-61	State of NM All	Continental Oil Co.	None	Continental Oil Co.	2.83299
3	<u>T23S-R34E</u> Sec 31: All Sec 32: W/2	954.80	E-5896 1-10-62	State of NM All	Continental Oil Co.	None	Continental Oil Co.	16.90586
4	<u>T24S-R33E</u> Sec 1: N/2, SE/4	955.32	E-5898 1-10-62	State of NM All	Continental Oil Co.	None	Continental Oil Co.	16.91507
	<u>T24S-R34E</u> Sec 6: N/2, SW/4							

6 State Tracts, containing 3,190.12 acres or 55.50390% of Participating Area; 56.48484% of committed acreage.

Tract	Description of Land	No. of Acres	Exp. Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty & Percentage	Working Int. Owner	Percentage of Participation
<u>BE OR PRIVATELY OWNED LAND</u>								
Tract 68	T24S-R34E Sec 7: Lot 3, SE/4SE/4	79.47 (59.6025)	2-12-62	Rubert Madera Eryln J. Levers & Laverne C. Levers Carrie E. Thomas Halr Ada Mae Rosebrough Ida Harriette Fellers	25% 25% 16.667% 16.667% 16.666%	Not Committed Continental Oil Co. Company	None Continental Oil Company	0.00000 1.05533
Tract 69	T24S-R34E Sec 7: N/2 SE/4, SW/4 SE/4 Lot 4, E/2 SE/4 Lot 4, E/2 SW/4, N/2 SE/4, SW/4 SE/4	239.53	3-18-62	Howell Spear G.T. Hanners Est. Leo V. Sims Winnie Sims Bertha E. Sims Ellie Sims Spear G. P. Sims Dan Brannin George R. Locker Buckeye Oil Co. W. A. Locker, Sr. Ada Oil Company Phillips Pet. Co. Jake L. Hamon Leo J. Klise John J. Klise, Jr. Unknown	0.714% 0.714% 1.607% 1.607% 1.607% 1.607% 6.429% 0.204% 3.699% 14.413% 1.02% 25% 25% 1.737% 7.271% 7.270% 0.101%	Tripot Resources Oil and Gas	None Tripot Resources Oil and Gas Fund	4.24116
O-A	T24S-R34E Sec 8: SW/4 SE/4	40	2-18-59	Ada Oil Company Phillips Pet. Co. J. L. Burke, Jr. Trust	25% 25% 50%	Brady Lowe	H. L. Lowe Brady Lowe	0.70825

Tract No.	Description of Land	No. of Acres	Exp. Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty & Percentage	Working Int. Owner	Percentage of Participation
0-B	Sec 8: NE/4 SE/4	40	2-18-59	Ada Oil Company Phillips Pet. Co.	Brady Lowe	H. L. Lowe 16.40625%	Brady Lowe	.70825
0-C	Sec 8: SE/4 SE/4	40 (30)	2-18-59	R. F. Madera, et al J.G. Thornhill Lawrence C. Harris Ada Oil Company Phillips Pet. Co. SBA, Rcvr for Roswell SBIC	Not Committed Brady Lowe	H. L. Lowe 21.875%	Brady Lowe	0.00000 0.53118
2	T24S-R34E Sec 5: E/2	319.76 (249.8125)	2-1-62	Rubert Madera Ruford Madera Mildred A. Broman Mary E. Thompson, Ind Ex. Est of Dale M. Thompson Buckeye Oil Company Leo J. Klise John J. Klise, Jr. Fredrick L. Stead John Grappe J. G. Thornhill J. Penrod Tales SBA, Rcvr for Roswell SBIC Lawrence C. Harris Walter Locker, Jr. George R. Locker William I. Lee L. C. Jones Erwin Levers and Laverne C. Levers C. B. Hallman	Texas West O&G Co. Continental Oil Co.	Not Committed None	Continental Oil Company	0.00000 4.42322

act	Description of Land	No. of Acres	Exp. Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty & Percentage	Working Int. Owner	Percentage of Participation	
T24S-R34E Sec 8: NW/4 SE/4		40		Powhatan Carter, Jr. Anderson Carter	50% 50%	Continental Oil Co.	None	Continental Oil Company	0.70825

7 Fee Tracts, containing 798.76 acres or 13.89738% of participating area; 698.945 acres committed to unit, or 12.37565% of committed acreage.

Total 19 Tracts, containing 5,747.56 acres in participating area; 5,647.745 acres committed to unit.

WORKING INTEREST OWNERS
 INITIAL PARTICIPATING AREA FOR THE DEVONIAN FORMATION
 BELL LAKE UNIT

<u>COMPANY OR INDIVIDUAL</u>	<u>NO. OF TRACTS</u>	<u>ACRES</u>	<u>PARTICIPATION PERCENTAGE</u>
Perry R. Bass	-	160	2.832989
Bass Enterprises Prod Co.	2	480	8.498967
Continental Oil Company	9	3,458.295	61.233200
Exxon Corporation	1	640.00	11.331957
Tripur Resources Oil & Gas Fund	3	479.45	8.489229
Phillips Petroleum Co.	1	320.00	5.665978
Brady Lowe	3	<u>110.00</u>	<u>1.947680</u>
Subtotal (Committed Acreage)	17	5,647.745	100.000000
Phillips, et al	-	10.00	0.00000
Superior Oil Company	-	19.8675	0.00000
Texas West Oil & Gas Company	-	<u>69.9475</u>	<u>0.00000</u>
Subtotal (Uncommitted Acreage)		<u>99.815</u>	<u>0.00000</u>
Total Acreage in Participating Area	17	5,747.56	100.00000



United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer 1857
Roswell, New Mexico 88201

April 28, 1976

Continental Oil Company
Attention: Mr. R. K. Hammond
P. O. Box 460
Hobbs, New Mexico 88240

Gentlemen:

Your letter of March 5, 1976, transmitted four copies each of applications to adjust participation in production from the Devonian and Morrow formations of the Bell Lake unit agreement, Lea County, New Mexico. Such applications provide for the exclusion from participation of certain uncommitted interests in partially committed tracts within the unit, as described in the applications. As lessee of these lands on the effective date of the unit agreement, Continental Oil Company assumed responsibility for the uncommitted interests, and the opportunity has since been open for these interests to join in the unit agreement. However, due to recent events which are specified in the applications, Continental Oil Company has concluded that commitment of these interests will not be forthcoming, and as unit operator seeks to revise the Morrow and Devonian participation schedules to include only committed interests. Such applications are hereby approved by the Acting Area Oil and Gas Supervisor, U. S. Geological Survey. Like approval was granted by the New Mexico Oil Conservation Commission and the Commissioner of Public Lands on March 11, 1976, and March 15, 1976, respectively. This approval effects no change in gross acreage within the participating areas.

Copies of the approved applications are being distributed to the appropriate Federal offices and one copy of each is returned herewith. You are requested to furnish the State of New Mexico and all interested parties with evidence of this approval.

Sincerely yours,

(ORIG. SGD) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

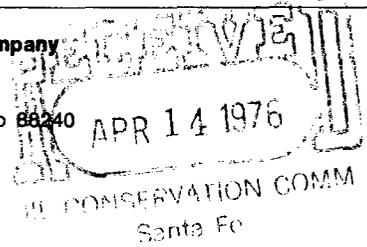
cc:
BLM, Santa Fe (w/cv appln.)
NMOCC (ltr. only) ← This Copy for
Com. Pub. Lands, Santa Fe (ltr. only)
Hobbs (w/cv appln.)

ARStall:dtk



L. P. Thompson
Division Manager
Production Department
Hobbs Division
Western Hemisphere Petroleum Division

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141



April 8, 1976

Oil and Gas Supervisor
U. S. Geological Survey
P. O. Box 1857
Roswell, NM 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, NM 87501

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

Gentlemen:

Proposed Revision of Initial Devonian and Morrow Participating Areas -
Bell Lake Unit, Lea County, New Mexico

It has been called to my attention that the Application for Revised Initial Participating Area, Devonian Formation, forwarded by my letter March 5, 1976 contained a clerical error. The second paragraph of that application failed to include a complete description of that participating area. A corrected page is attached. Please substitute this page for the one previously furnished you.

Yours very truly,

VTL:reh

Enc

CC:

Working Interest Owners
Bell Lake Unit

CFE: GED: REL: BRM: RMC

APPLICATION FOR APPROVAL OF REVISION OF THE INITIAL PARTICIPATING AREA
FOR THE DEVONIAN FORMATION, BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

Oil and Gas Supervisor (4)
United States Geological Survey
P. O. Box 1857
Roswell, NM 88201

Commissioner of Public Lands (3)
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

New Mexico Oil Conservation Commission (2)
P. O. Box 2088
Santa Fe, New Mexico 87501

Continental Oil Company, Unit Operator, hereby submits for your approval a revised schedule of acreage which, upon your respective approvals, will constitute the revised initial participating area for the Devonian Formation.

The initial Devonian participating area became effective April 26, 1955, consisting of nine sections described as Section 36, T-23S, R-33E; Sections 31 and 32, T-23S, R-34E; Sections 1 and 12, T-24S, R-33E; and Sections 5, 6, 7 & 8 T-24S, R-34E, Lea County, New Mexico. Within the participating area there were three tracts which contained uncommitted lands. These tracts and interests were as follows:

Tract 68: Lot 3 and SE/4 SE/4 Section 7, T-24S, R-34E ---
Twenty-five percent interest owned by Rubert Madera and leased to Continental Oil Company.

Tract 70-C: SE/4 SE/4 Section 8, T-24S, R-34E---
Twenty-five percent interest owned by W. E. Baird Jr., Rubert Madera, Ruford Madera, Mildred A. Broman, Malcom R. Madera Jr., and R. F. Madera Jr., leased to Kelly Bell.

Tract 72: E/2 Section 5, T-24S, R-34E---
Twenty-five percent interest owned by Rubert Madera, Ruford Madera, Mildred A. Broman, Buckeye Oil Company, and Capital Oil Company, leased to Continental Oil Company.

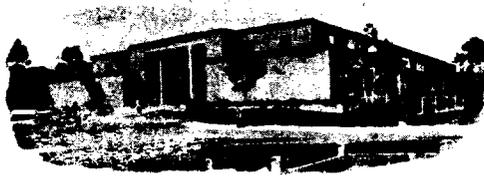
The uncommitted interest in Tract 70-C was not tendered to the unit for qualification and this interest has never participated in unit operations. Tracts 68 and 72 were tendered to the unit and accepted as qualified on a

State of New Mexico

TELEPHONE
505-827-2748



PHIL R. LUCERO
COMMISSIONER



Commissioner of Public Lands

March 15, 1976

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Continental Oil Company
P. O. Box 460
1001 North Turner
Hobbs, New Mexico 88240

Re: Proposed Revision of Initial
Devonian and Morrow Participating
Areas Bell Lake Unit, Lea County,
New Mexico

ATTENTION: Mr. R. K. Hammond

Gentlemen:

The Commissioner of Public Lands has this date approved the revision of Initial Devonian and Morrow Participating Areas for the Bell Lake Unit, Lea County, New Mexico. This approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Enclosed is one approved copy of each for your files.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/e
encls.

cc: USGS-Roswell, New Mexico
OCC-Santa Fe, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

563

March 11, 1976

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Re: Revised Initial Morrow
Participating Area, Bell Lake
Unit, Lea County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the schedule of acreage constituting the revised initial Morrow participating area as presented with the application dated March 5, 1976, for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the application is returned herewith.

Very truly yours,

JOE D. RAMEY
Secretary-Director

JDR/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

APPLICATION FOR APPROVAL OF REVISION OF THE INITIAL PARTICIPATING AREA
FOR THE MORROW FORMATION, BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

Oil and Gas Supervisor (4)
United States Geological Survey
P. O. Box 1857
Roswell, NM 88201

Commissioner of Public Lands (3)
State of New Mexico
P. O. Box 1148
Santa Fe, NM 87501

New Mexico Oil Conservation Commission (2)
P. O. Box 2088
Santa Fe, NM 87501

Continental Oil Company, Unit Operator, hereby submits for your approval a revised schedule of acreage which, upon your respective approvals, will constitute the revised initial participating area for the Morrow Formation of Pennsylvanian age.

The initial Morrow participating area became effective May 2, 1974, consisting of nine quarter-sections described as Southeast quarter, Section 31 and South half Section 32, T-23S, R-34E, all of Section 5 and East half Section 6, T-24S, R-34E, Lea County, New Mexico. Within the participating area there was one tract which contained uncommitted lands. This tract and interest is as follows:

TRACT 7 (tract 72 of Bell Lake Unit) E/2 Section 5, T-24S, R-34E ---
Seven-thirty seconds (7/32) interest owned by Rubert Madera, Ruford Madera, and Mildred A. Broman.

Tract 72 was tendered to the unit for both the Initial Devonian Participating area and the Initial Morrow Participating area and accepted as qualified on a gross acreage basis. Continental Oil Company as lessee of this tract at the effective date of the unit assumed responsibility for the investments and expenses of the uncommitted interests and received revenue for the interests, applying 7/8 against investments and operating expenses and suspending 1/8 for distribution to qualified parties at such time as the interests may become committed to the unit.

Early in 1975, Texas West Oil and Gas Corporation leased the uncommitted interest in East half Section 5, T-24S, R-34E, and offered to join in the

drilling of a well on that tract. Unit operator, on behalf of the unit, declined to join in the drilling of the well, but extended an invitation for Texas West to commit its interest to the unit. Force-pooling proceedings were instituted and, over the opposition of the unit, the tract was force-pooled and the well was permitted. Drilling commenced on October 17, and continued to completion in the Morrow Formation. This action must be considered as irrevocable evidence that the uncommitted interests will not be committed to the unit agreement.

Since the uncommitted interests will not join the unit, and have elected to develop their minerals by drilling, it is necessary that the ownership of the participating area be revised to reflect only the committed interests in order that the suspended royalties may be disbursed.

Attached hereto is a revised Exhibit "B" showing ownership and participation of tracts as to those interests which are committed to the unit. Unit operator respectfully requests that the Oil and Gas Supervisor of the United States Geological Survey, the Commissioner of Public Lands, State of New Mexico and the Oil Conservation Commission, State of New Mexico approve this schedule of acreage to constitute the revised initial Morrow participating area to be effective from inception as to basic royalty interests and as of October 1, 1975, the first day of the month in which actual drilling operations commenced on the uncommitted lands, as to other interests.

Respectfully Submitted,

CONTINENTAL OIL COMPANY

R K Hammond

L. P. Thompson
Division Manager

reh

APPROVED:

United States Geological Survey

Date

Commissioner of Public Lands

Date

Joe Gomez

New Mexico Oil Conservation Commission

Date

March 11, 1976

EXHIBIT "B"

BELL LAKE UNIT - LEA COUNTY, NEW MEXICO
INITIAL MORROW PARTICIPATING AREA

TRACT 1
(tract 8)

Serial Number: NM-02335-B
Acreage: 79.92 Acres
Description: Lots 3, 4, Section 5, T-24S,
R-34E
Working Interest Owner: Tripor Resources, Oil and
Gas Fund#
Royalty Interest Owner: U.S.A. - All
Overriding Royalty Owner: Pearl O. Pipkin 5.000%*

TRACT 2
(part of tract 18)

Serial Number: LC-061374-A
Acreage: 240.00 Acres
Description: SW/4, S/2 NW/4, Section 5,
T-24S, R-34E
Working Interest Owner: Continental Oil Company#
Royalty Interest Owner: U.S.A. - All
Overriding Royalty Owner: Channing Brown 0.5%
J. G. Thornhill .75%
Lawrence C. Harris .21875%
Donald T. Desmond .17045%
Autrey & Collins
Constr. Company, a
partnership .14205%
Small Business Admin.
Rcvr. for Roswell
SBIC .21875%
R. H. Hannifin .25%
D. L. Hannifin .25%
Ralph Nix .25%
Ralph Nix, Jr. .25%

TRACT 3
(part of tract 52)

Serial Number: E-1937
Acreage: 160.00 Acres
Description: SE/4 Section 32, T-23S, R-34E
Working Interest Owner: Phillips Petroleum Co.#
Royalty Owner: State of New Mexico - All
Overriding Royalty Owner: None

TRACT 4
(tract 56)

Serial Number: E-5829
Acreage: 160.00 Acres
Description: SE/4, Section 6, T-24S, R-34E
Working Interest Owner: Continental Oil Company#
Royalty Owner: State of New Mexico - All
Overriding Royalty Owner: None

TRACT 5
(part of tract 58)

Serial Number: E-5896
 Acreage: 320.00 Acres
 Description: SE/4 Section 31, SW/4
 Section 32, T-23S, R-34E
 Working Interest Owner: Continental Oil Company#
 Royalty Owner: State of New Mexico - All
 Overriding Royalty Owner: None

TRACT 6
(part of tract 59)

Serial Number: E-5898
 Acreage: 160.00 Acres
 Description: NE/4, Section 6,
 T-24S, R-34E
 Working Interest Owner: Continental Oil Company#
 Royalty Owner: State of New Mexico - All
 Overriding Royalty Owner: None

TRACT 7
(tract 72)

Serial Number: Patented
 Acreage: 319.76 (249.8125 committed)
 Description: Lots 1, 2, S/2 NE/4,
 SE/4, Section 5, T-24S, R-34E
 Working Interest Owner: Continental Oil Company#
 Royalty Owners:

Mary E. Thompson, ind. exec. of Estate of Dale M. Thompson	0.781
Buckeye Oil Company	31.234
Leo J. Klise	11.875
John J. Klise, Jr.	11.875
Fredrick L. Stead	1.562
John Grappe	2.344
J. G. Thornhill	6.255
J. Penrod Toles	1.250
Small Business Adm. Rcvr. for Roswell	
Small Business Investment Company	2.502
Lawrence C. Harris	2.502
Walter Locker, Sr.	.625
George R. Locker	.625
William I. Lee	.784
L. C. Jones	.005
Buckeye Oil Company	.016
Erwin Levers and LaVerne C. Levers	3.109
G. B. Hallman	0.781
Rubert Madera*	Uncommitted 9.375
Ruford Madera*	Uncommitted 6.250
Mildred A. Broman*	Uncommitted 6.250

*Leased to Texas West O&G Corp. (Uncommitted)

#By virtue of the terms of operating agreement dated 10-27-67 the working interest ownership within the Initial Devonian Participating area is made common to all depths below 9000'.

Tract Participation

<u>Tract Number</u>	<u>Gross Acres</u>	<u>Committed Acres</u>	<u>Participation</u>
1	79.92	79.92	5.83472
2	240.00	240.00	17.52167
3	160.00	160.00	11.68111
4	160.00	160.00	11.68111
5	320.00	320.00	23.36223
6	160.00	160.00	11.68111
7	<u>319.76</u>	<u>249.8125</u>	<u>18.23805</u>
	1,439.68	1,369.7325	100.00000

Revised 2-23-76
Effective 5-2-74 as to basic royalty interests
10-1-75 as to working and carved-out interests

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

563

March 11, 1976

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Re: Revised Initial Participating Area,
Devonian Formation, Bell Lake Unit,
Lea County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the schedule of acreage constituting the revised initial Devonian participating area as presented with the application dated March 5, 1976, for the Ball Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the application is returned herewith.

Very truly yours,

JOE D. RAMEY
Secretary-Director

JDR/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

U. S. Geological Survey
Roswell, New Mexico

COPY



L. P. Thompson
Division Manager
Production Department
Hobbs Division
Western Hemisphere Petroleum Division

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

MAR 10 1976
OIL CONSERVATION COMMISSION
Santa Fe

March 5, 1976

Oil and Gas Supervisor
U. S. Geological Survey
P. O. Box 1857
Roswell, NM 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, NM 87501

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

Gentlemen:

Proposed Revision of Initial Devonian and Morrow Participating Areas
Bell Lake Unit, Lea County, New Mexico

Enclosed are copies in appropriate number of applications to revise the initial participating areas for the Devonian and Morrow formations in the Bell Lake Unit. As described in the applications the revision is made necessary by the drilling of a well on partially uncommitted lands in the two participating areas. Since the two partially committed tracts have been participating on a gross acreage basis, royalties have been suspended for the uncommitted interests under the two tracts. In order to permit the disbursement of suspended royalties to the committed royalty interests under the participating areas, it is necessary to revise the participation in them to a net committed interest basis. It will be necessary to make the change in ownership effective from inception as to basic royalty in order to clear these accounts. As to working interests and carved out interests, it has been agreed that the change in ownership will be effective October 1, 1975, which was the first day of the month in which the well commenced drilling on the uncommitted lands.

Upon receiving approval from each of you, we will proceed to make disbursement of the suspended monies to the owners of basic royalties committed to the unit.

Yours very truly,

VTL:reh
CC + enc:
Working Interest Owners
Bell Lake Unit
CFE: GED: REL: BRM: RMC

gross acreage basis. Continental Oil Company as lessee of 100% interest in these tracts assumed responsibility for the investments and expenses of the uncommitted interests and received revenue for the interest, applying $7/8$ against investments and operating expenses and suspending $1/8$ for distribution to qualified parties at such time as the interest may have become committed to the unit. Subsequent to the formation of the participating area the $1/32$ interest owned by Buckeye Oil Company and Capital Oil Company in Tract 72 were committed to the unit leaving uncommitted $7/32$ interest owned by the other parties named.

Early in 1975, Texas West Oil and Gas Corporation leased the uncommitted interest in Tract 72 and offered to join in the drilling of a well on that Tract. Unit operator, on behalf of the unit, declined to join in the drilling of the well, but extended an invitation for Texas West to commit its interest to the unit. Force-pooling proceedings were instituted and, over the opposition of the unit, tract 72 was force-pooled and the well was permitted. Drilling commenced on October 17, 1975, and continued to completion in the Morrow Formation. This action must be considered as irrevocable evidence that the uncommitted interests will not be committed to the unit agreement.

Since the uncommitted interests will not join the unit and have elected to develop their minerals by drilling, it is necessary that the ownership of the participating area (even though it is currently inactive) be revised to reflect only the committed interests, in order that the suspended royalties may be disbursed.

Attached hereto is a revised Exhibit "B" showing ownership of the unit and participation of tracts as to those interests which are committed to the unit. Unit operator respectfully requests that the Oil and Gas Supervisor of the United States Geological Survey, the Commissioner of Public Lands, State of New Mexico and the Oil Conservation Commission, State of New Mexico approve this schedule of acreage to constitute the revised initial Devonian participating area to be effective from inception as to basic royalty interests and as of October 1, 1975, the first day of the month in which actual drilling operations commenced on the uncommitted lands,

as to other interests.

Respectfully Submitted,

CONTINENTAL OIL COMPANY



L. P. Thompson
Division Manager

reh

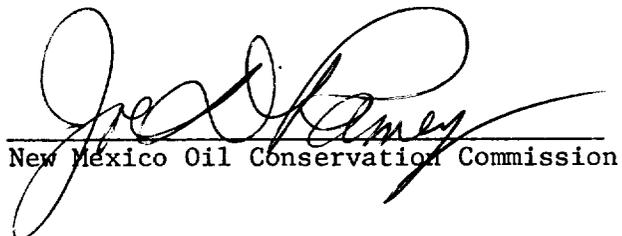
APPROVED:

United States Geological Survey

Date

Commissioner of Public Lands

Date



New Mexico Oil Conservation Commission

March 11, 1976

Date

EXHIBIT "B" (REVISED)
 INITIAL PARTICIPATING AREA FOR THE DEVONIAN FORMATION
 BELL LAKE UNIT, LEA COUNTY, NEW MEXICO
 TWP. 23 AND 24S, RGS. 33 AND 34E

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND
 GAS INTERESTS IN ALL LANDS IN THE PARTICIPATING AREA

Tract	Description of Land	No. of Acres (Net)	Serial No. and Effective Date	Basic		Lessee of Record	Overriding Royalty and Percentage	Working Int. Owner	Percentage of Participation
				Royalty	Percentage				
<u>T24S-R34E</u>									
	Sec 5: Lots 3, 4	79.92	NM-02335-B 11-1-50	USA-A11		Tripor Resources Oil and Gas Fund	P. O. Pipkin, obligation \$1,000 p.a. out of 5% production	Tripor Resources Oil and Gas Fund	1.41508
<u>T24S-R34E</u>									
	Sec 5: S/2NW/4, SW/4	440	LC-061374-A 9-1-49	USA-A11		Continental Oil Co.	Channing Brown 0.5% J. G. Thornhill 0.75% Lawrence C. Harris 0.21875% Donald T. Desmond 0.17045% Autrey & Collins Construction Co. 0.14205% SBA, Rcvr for Roswell SBIC 0.21875% R. H. Hannifin 0.25% D. L. Hannifin 0.25% Ralph Nix 0.25% Ralph Nix, Jr. 0.25%	Continental Oil Company	7.79072
	Sec 7: N/2NE/4								
	Sec 8: NW/4 NE/4, N/2 NW/4								
<u>T24S-R33E</u>									
	Sec 12: NE/4, S/2	480	LC-063798 2-1-51	USA-A11		Perry R. Bass Bass Enterprises Prod. Company	Panther City Inv. Co. 5.375% Howard W. Jennings 0.375% Edward M. Muse 0.5% O. H. Randel 1.5% Ft. Worth Natl. Bank, Tr U/L/W Roy S. McGruder 0.75%	P. R. Bass 25% Bass Ent. Prod. Co. 75%	8.49897

Tract	Description of Land	No. of Acres (Net)	Serial No. and Effective Date	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Int. Owner	Percentage of Participation	
1	T24S-R33E	160	LC-063993 9-1-51	USA-All	Perry R. Bass and Bass Ent. Prod. Co.	Panther City Edith A. Hover E.M. & Lucy R. Muse	5% 3% 5%	P.R. Bass 25% Bass Ent. Prod. Co. 75%	2.83299
	Sec 12: NW/4								
part : 25	T24S-R34E	438.76	LC-066653 4-1-51	USA-All	Continental Oil Co.	Elljott Oil Co.	5%	Continental Oil Company	7.76876
	Sec 7: Lots 1, 2, E/2NW/4 S/2 NE/4								
	Sec 8: S/2N/2, NE/4NE/4								
7	T24S-R34E	160	LC-069109 7-1-49	USA-All	Tripior Resources Oil & Gas Fund	Lawrence C. Harris J.G. Thornhill John S. Harris, Trust A Joanne Harris Dietrich Trust A SBA, Rcvr for Roswell SBIC	0.9375% 1.875% 0.625%	Tripior Resources Oil & Gas Fund	2.83299
	Sec 8: SW/4								

6 Federal Tracts containing 1,758.68 acres, or 30.59872% of participating area; 31.13951% of committed acreage.

SEE OR PRIVATELY OWNED LAND

Tract No.	Description of Land	No. of Acres	Exp. Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty & Percentage	Working Int. Owner	Percentage of Participation
Part of 68	T24S-R34E Sec 7: Lot 2, SE/4SE/4	79.47 (59.6025)	2-12-62	Rubert Madera Ervin J. Levers & Laverne C. Levers Carrie E. Thomas Hair Ada Mae Rosebrough Ida Harriette Fellers	25% 25%	Not Committed Continental Oil Co. Company	None Continental Oil Company	0.00000 1.05533
Part of 69	T24S-R34E Sec 7: N/2 SE/4, SW/4 SE/4 Lot 4, E/2 SE/4 Lot 4, E/2 SW/4, N/2 SE/4, SW/4 SE/4	239.53	3-18-62	Howell Spear G.T. Hanners Est. Leo V. Sims Winnie Sims Bertha E. Sims Ellie Sims Spear G. P. Sims Dan Brannin George R. Locker Buckeye Oil Co. W. A. Locker, Sr. Ada Oil Company Phillips Pet. Co. Jake L. Hamon Leo J. Klise John J. Klise, Jr. Unknown	0.714% 0.714% 1.607% 1.607% 1.607% 1.607% 6.429% 0.204% 3.699% 14.413% 1.02% 25% 25% 1.737% 7.271% 7.270% 0.101%	Tripor Resources Oil and Gas	None Tripor Resources Oil and Gas Fund	4.24116
0-A	T24S-R34E Sec 8: SW/4 SE/4	40	2-18-59	Ada Oil Company Phillips Pet. Co. J. L. Burke, Jr. Trust	25% 25% 50%	Brady Lowe	H. L. Lowe Brady Lowe	0.70825

Tract	Description of Land	No. of Acres (Net)	Serial No. and Effective Date	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Int. Owner	Percentage of Participation
<u>STATE LAND</u>								
	<u>T24S-R33E</u> Sec 1: SW/4	160	E-490 8-10-55	State of NM All	Continental Oil Co.	None	Continental Oil Co.	2.83299
	<u>T23S-R34E</u> Sec 32: E/2	320	E-1937 6-10-58	State of NM All	Phillips Petroleum Co.	None	Phillips Pet. Co.	5.66598
	<u>T23S-R33E</u> Sec 36: All	640	E-5076 3-10-61	State of NM All	Exxon Corporation	None	Exxon Corp.	11.33196
	<u>T24S-R34E</u> Sec 6: SE/4	160	E-5829 12-10-61	State of NM All	Continental Oil Co.	None	Continental Oil Co.	2.83299
	<u>T23S-R34E</u> Sec 31: All Sec 32: W/2	954.80	E-5896 1-10-62	State of NM All	Continental Oil Co.	None	Continental Oil Co.	16.90586
	<u>T24S-R33E</u> Sec 1: N/2, SE/4	955.32	E-5898 1-10-62	State of NM All	Continental Oil Co.	None	Continental Oil Co.	16.91507
	<u>T24S-R34E</u> Sec 6: N/2, SE/4							

6 State Tracts, containing 3,190.12 acres or 55.50390% of Participating Area; 56.48484% of committed acreage.

Tract No.	Description of Land	No. of Acres	Exp. Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty & Percentage	Working Int. Owner	Percentage of Participation
70-B	Sec 8: NE/4 SE/4	40	2-18-59	Ada Oil Company Phillips Pet. Co.	Brady Lowe	H. L. Lowe 16.40625%	Brady Lowe	.70825
70-C	Sec 8: SE/4 SE/4	40 (30)	2-18-59	R. F. Madera, et al J.G. Thornhill Lawrence C. Harris Ada Oil Company Phillips Pet. Co. SBA, Rcvr for Roswell SBIC	Not Committed Brady Lowe	H. L. Lowe 21.875%	Brady Lowe	0.00000 0.53118
2	T24S-R34E Sec 5: E/2	319.76 (249.8125)	2-1-62	Rubert Madera Ruford Madera Mildred A. Broman Mary E. Thompson, Ind Ex. Est of Dale M. Thompson Buckeye Oil Company Leo J. Klise John J. Klise, Jr. Fredrick L. Stead John Grappe J. G. Thornhill J. Penrod Tales SBA, Rcvr for Roswell SBIC Lawrence C. Harris Walter Locker, Jr. George R. Locker William I. Lee L. C. Jones Erwin Levers and Laverne C. Levers G. B. Hallman	Texas West O&G Co. Continental Oil Co.	Not Committed None	Continental Oil Company	0.00000 4.42322

Tract No.	Description of Land	No. of Acres	Exp. Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty & Percentage	Working Int. Owner	Percentage of Participation
3	T24S-R34E Sec 8: NW/4 SE/4	40		Powhatan Carter, Jr. Anderson Carter	50% 50%	Continental Oil Co.	None	Continental Oil Company 0.70825

7 Fee Tracts, containing 798.76 acres or 13.89738% of participating area; 698.945 acres committed to unit, or 12.37565% of committed acreage.

Total 19 Tracts, containing 5,747.56 acres in participating area; 5,647.745 acres committed to unit.

WORKING INTEREST OWNERS
 INITIAL PARTICIPATING AREA FOR THE DEVONIAN FORMATION
 BELL LAKE UNIT

<u>COMPANY OR INDIVIDUAL</u>	<u>NO. OF TRACTS</u>	<u>ACRES</u>	<u>PARTICIPATION PERCENTAGE</u>
Perry R. Bass	-	160	2.83299
Bass Enterprises Prod Co.	2	480	8.49897
Continental Oil Company	9	3,418.215	61.23319
Exxon Corporation	1	640.00	11.33196
Tripur Resources Oil & Gas Fund	3	479.45	8.48923
Phillips Petroleum Co.	1	320.00	5.66598
Brady Lowe	3	<u>110.00</u>	<u>1.94768</u>
Subtotal (Committed Acreage)	17	5,647.745	100.00000
Phillips, et al	-	10.00	0.00000
Superior Oil Company	-	19.8675	0.00000
Texas West Oil & Gas Company	-	<u>69.9475</u>	<u>0.00000</u>
Subtotal (Uncommitted Acreage)		<u>99.815</u>	<u>0.00000</u>
Total Acreage in Participating Area	17	5,747.56	100.00000

APPLICATION FOR APPROVAL OF REVISION OF THE INITIAL PARTICIPATING AREA
FOR THE DEVONIAN FORMATION, BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

Oil and Gas Supervisor (4)
United States Geological Survey
P. O. Box 1857
Roswell, NM 88201

Commissioner of Public Lands (3)
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

New Mexico Oil Conservation Commission (2)
P. O. Box 2088
Santa Fe, New Mexico 87501

Continental Oil Company, Unit Operator, hereby submits for your approval a revised schedule of acreage which, upon your respective approvals, will constitute the revised initial participating area for the Devonian Formation.

The initial Devonian participating area became effective April 26, 1955, consisting of nine sections described as Section 36, T-23S, R-33E; Sections 31 and 32, T-23S, R-34E; Section 1, T-24S, R-33E; and Sections 5 and 6, T-24S, R-34E, Lea County, New Mexico. Within the participating area there were three tracts which contained uncommitted lands. These tracts and interests were as follows:

Tract 68: Lot 3 and SE/4 SE/4 Section 7, T-24S, R-34E ---

Twenty-five percent interest owned by Rubert Madera and leased to Continental Oil Company.

Tract 70-C: SE/4 SE/4 Section 8, T-24S, R-34E---

Twenty-five percent interest owned by W. E. Baird Jr., Rubert Madera, Ruford Madera, Mildred A. Broman, Malcom R. Madera Jr., and R. F. Madera Jr., leased to Kelly Bell.

Tract 72: E/2 Section 5, T-24S, R-34E---

Twenty-five percent interest owned by Rubert Madera, Ruford Madera, Mildred A. Broman, Buckeye Oil Company, and Capital Oil Company, leased to Continental Oil Company.

The uncommitted interest in Tract 70-C was not tendered to the unit for qualification and this interest has never participated in unit operations. Tracts 68 and 72 were tendered to the unit and accepted as qualified on a

P. O. Drawer 1857
Roswell, New Mexico 88201

March 4, 1976

Continental Oil Company
Attention: Mr. L. P. Thompson
P. O. Box 460
Hobbs, New Mexico 88240

Gentlemen:

On this date, your 1976 plan of development for the Bell Lake unit area, Lea County, New Mexico, wherein you propose the drilling of unit well No. 17 to test the Morrow and Atoka, was approved. Such approval is subject to like approval by the appropriate State officials.

Four approved copies are enclosed.

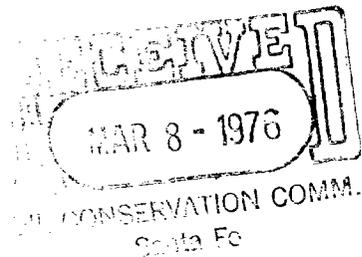
Sincerely yours,

(ORIG. SIGNED) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
Hobbs (w/cy plan)
NMOCC, Santa Fe (ltr. only) ← This copy for
Com. Pub. Lands, Santa Fe (ltr. only)

JAG111ham:dtk



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OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE NEW MEXICO 87501

January 6, 1976

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Re: 1976 Plan of Operation/Development
Bell Lake Unit, Lea County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Plan of Operation/Development for the calendar year 1976 for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

JOE D. RAMEY
Secretary-Director

JDR/JEK

cc: U. S. Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1976
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 1857
ROSWELL, NEW MEXICO 88201

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

OIL CONSERVATION COMMISSION (2)
STATE OF NEW MEXICO
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Operation/Development for the year 1976. Under date of December 15, 1974, the Plan of Operation/Development covering calendar year 1975 was submitted and subsequent approval was received from your offices.

SUMMARY OF 1975 OPERATIONS

The four participating areas produced gas and liquids during 1975 as shown below:

<u>Participating Area</u>	<u>For Year Through 10-31</u>		<u>Daily Average</u>	
	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
<u>Area "A"</u>				
Atoka	2,613,263	15,542	8,596	51
Bone Spring	52,302	23,778	172	78
Morrow	3,705,727	1,152	12,190	4
<u>Area "B"</u>				
Devonian	781,153	1,487	2,570	5

Bell Lake Unit Well No. 5 was re-entered to abandon the Morrow (non-commercial) and recomplete in the Atoka. The Atoka was tested in the interval 13,141-13,190' without success. Additional testing is planned.

SUMMARY OF 1975 DEVELOPMENT

Bell Lake Unit No. 15 was drilled at a location 1980' FSL and 1980' FWL, Section 8, Township 23 South, Range 34 East and was completed March 6, 1975

for a calculated open flow potential of 4,708 MCF/D from the Morrow Formation. The well was placed on production in May and produced 20,529 MCF, 59 bbls. liquids, through October 31. The well is obviously non-commercial in the Morrow Formation.

Bell Lake Unit No. 16 was spudded January 31, 1975 at a location 660' from north and east lines of Section 7, Township 24 South, Range 34 East. It was drilled to the Morrow and after considerable testing was completed in the Morrow 13,802'-30'. It has been producing at rates slightly above 4,000 MCF/D since mid-November. Evaluation of the well is underway.

Other Items Affecting Unit Operations

Application for initial participating area for the Morrow Formation, based on performance of Well No. 14 was approved, effective May 2, 1974.

Early in 1975 certain uncommitted interests amounting to 7/32 under Tract 72 (East half Section 5, T-24S, R-34E) were leased to Texas West Oil and Gas Corporation who invited the unit to join in the drilling of a well on Tract 72, 1683' from Well No. 14. The operator, on behalf of the unit declined to join in drilling the well on the following grounds:

- (1) The correlative rights of interest owners in the Morrow Participating Area would be impaired.
- (2) The well is not needed to drain the Morrow reservoir producing from Well No. 14.
- (3) The near proximity of the proposed Well to No. 14 presented little exploratory value for the unit.
- (4) The E/2 of Section 5 is within the Morrow Participating Area, is clearly being drained by Well No. 14 and the uncommitted interests have had and continue to have the opportunity to join the unit.

Texas West filed application for forced-pooling of E/2 Section 5 and hearing was held on May 28, before a hearing examiner. Order R-5039, was entered over Continental's objection on behalf of the unit, granting the forced-pooling. Hearing de novo and re-hearing were held before the Oil Conservation Commission July 25 and October 23, respectively, resulting in orders R-5039-A and R-5039-B, essentially affirming the earlier order. Texas West spudded their well on October 17, and drilling is continuing at this writing.

The forced-pooling order assessed an extreme penalty against the unit owners who do not choose to advance their prorata share of estimated drilling costs; a penalty far higher than that provided under the unit operating agreement.

A well of equal quality to No. 14 would be in a position to produce several times more gas for the uncommitted interests than the unit owners will receive, on a per-acre basis. In order to protect correlative rights of the unit interest owners, additional wells must be drilled to the Fourth Morrow reservoir from which Well No. 14 produces. Yet, because of the extremely large penalty assessed by the forced-pooling order and the low penalty provided by the Unit Operating Agreement, and given a limited supply of capital available for unit development, the unit is faced with a dilemma. On the one hand the order virtually compels participation in drilling a well which may cause drainage from the unit; and on the other hand capital may not be available for drilling additional unit wells to protect the unit from drainage by the non-unit well which was permitted inside the participating area by the order.

Thus, through forces beyond the control of the unit owners, the unit is placed in a position to suffer possible drainage from which it cannot protect itself.

The drilling of the well is also forcing a change in unit ownership. Continental has been furnishing funds for the full participation of Tracts 72 and 68 (which also has uncommitted interests) and suspending revenue which would be payable to the royalty owners of the uncommitted interest. Since these parties will now participate in the force-pooled well rather than the unit wells, the unit ownership is being changed to eliminate the uncommitted acreage from unit participation. Suspended royalty will be distributed to committed royalty interests.

PROPOSED DEVELOPMENT DURING 1976

Present plans are to drill the following well during 1976:

Bell Lake Unit No. 17, 1980' FS and WL Section 32, T-23S, R-34E -- to protect

the Morrow Participating Area from drainage by the non-unit well and to test the Morrow and Atoka formations.

OFFSET OBLIGATIONS

Appropriate measures will be taken to prevent, by means within the control of unit owners, drainage of unitized substances from lands subject to the Bell Lake Unit Agreement or, pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 18 of said Agreement.

MODIFICATION

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

EFFECTIVE DATE

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

Date: December 15, 1975.

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1976. Prior to that date, another Plan of Operation/Development will be submitted for approval.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

BY *L. P. Thompson*
L. P. Thompson

Approved _____
Department of the Interior

DATE _____

Approved _____
Commissioner of Public Lands

DATE _____

Approved *[Signature]*
New Mexico Oil Conservation
Commission

DATE Jan. 6, 1976



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L. P. Thompson
Division Manager
Production Department
Hobbs Division
Western Hemisphere Petroleum Division

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

DEC 23 1975
COMMUNICATIONS SECTION

December 22, 1975

Area Oil and Gas Supervisor
U. S. Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Gentlemen:

Bell Lake Unit Wells Nos. 15 and 16, Lea County, New Mexico

Your letter dated November 13, 1975 requested that we make a determination as to the commercial nature of Bell Lake Unit Well No. 15 in NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 8, T-23S, R-34E, and No. 16 in NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 7, T-24S, R-34E, Lea County, New Mexico.

Well No. 15 was completed March 6, 1975 for a calculated open flow potential of 4,708 MCF per day gas from the Morrow Formation. The well was placed on production in May and has produced only 20,529 MCF, 59 barrels liquids and is no longer capable of producing against the pressure of the gathering system. The well is obviously non-commercial in the Morrow Formation. Further evaluation is being made on other formations penetrated by this well.

Well No. 16 was completed August 28, 1975 but has had considerable downtime due to mechanical difficulties. The well was finally placed on production in mid-November. After experiencing declining producing rates and tubing pressures, additional Morrow intervals were perforated on December 18. The results of this work still need to be evaluated before a decision can be made as to the commercial nature of the well.

Oil and Gas Supervisor
December 22, 1975
Page 2

It is respectfully requested that determination of commercial nature of Well No. 16 be deferred until additional information can be obtained on the additional intervals opened to production and evaluated. A period of three to four months should suffice for this evaluation.

Yours very truly,



VTL:reh
CC:
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501
Attention Mr. Ray Graham

New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Working Interest Owners
Bell Lake Unit
(Address List Attached)

JCC: FOH: GED: JWM: BRM

BELL LAKE UNIT
WORKING INTEREST OWNERS

Atlantic Richfield Company
P. O. Box 1710
Hobbs, NM 88240

Bass Enterprises Production Company
3100 Fort Worth National Bank Building
Mr. Joe Stasney
Fort Worth, TX 76100

Perry R. Bass
3100 Fort Worth National Bank Building
Fort Worth, TX 76100

Exxon Company, U.S.A.
Joint Interest Manager
P. O. Box 1600
Midland, TX 79701

Edward R. Hudson
1000 First National Bank Building
Fort Worth, TX 76100

W. A. Hudson
1000 First National Bank Building
Fort Worth, TX 76100

Brady M. Lowe
1500 Broadway, Suite 1230
Lubbock, TX 79400

Phillips Petroleum Company
Phillips Building
Odessa, TX 79760

Skelly Oil Company
P. O. Box 1351
Midland, TX 79701

Burmah Oil and Gas Company
600 Western United Life Building
Midland, TX 79701

Superior Oil Company
P. O. Box 1521
Houston, TX 77000

Tripur Resources Oil and Gas Fund
305 United Gas Building
Houston, TX 77002

Union Oil of California
P. O. Box 671
Midland, TX 79701

9-22-75
reh

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

March 25, 1975

563

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Re: Revised Page 2, Initial Participating
Area, Morrow Formation - Bell Lake
Unit, Lea County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the revised page 2 of the application for the Initial Participating Area, Morrow Formation approved February 17, 1975, for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of revised page 2 is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey
Box 1857
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

C
O
P
Y



United States Department of the Interior

GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

March 26, 1975

Continental Oil Company
Attention: Mr. L. P. Thompson
P. O. Box 460
Hobbs, New Mexico 88240

Gentlemen:

Your application of February 10, 1975, requesting approval of the initial Morrow participating area of the Bell Lake unit agreement, Lea County, New Mexico, was approved on March 26, 1975, by the Acting Area Oil and Gas Supervisor, U. S. Geological Survey, effective as of May 2, 1974.

The initial Morrow participating area embraces 1,439.68 acres described as the SE $\frac{1}{4}$ of sec. 31 and the S $\frac{1}{2}$ of sec. 32, T. 23 S., R. 34 E., all of sec. 5, and lots 1 and 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ of sec. 6, T. 24 S., R. 34 E., N.M.P.M. Such revision is based on the completion of unit well No. 14 located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of sec. 5, T. 24 S., R. 34 E., as a commercial well. Unit well No. 14 was completed on May 2, 1974, for a calculated absolute open flow potential of 82,000 MCFGPD from the Morrow interval 13,854 to 13,923 feet.

Copies of the approved application are being distributed to the appropriate Federal offices and four copies are returned herewith. You are requested to furnish the State of New Mexico and all interested parties with appropriate evidence of this approval.

Sincerely yours,

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
BIM-Santa Fe (ltr. only)
Hobbs (w/cy appln.)
NMOCC, Santa Fe (ltr. only) ✓
Com. Pub. Lands, Santa Fe (ltr. only)

ARStall:lh

State of New Mexico

TELEPHONE
505-827-2748



Commissioner of Public Lands

March 6, 1975

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

PHIL R. LUCERO
COMMISSIONER

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Re: Application for Approval
of the Initial Participating Area
for the Morrow Formation-
Bell Lake Unit
Lea County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

We are in receipt of your letter dated March 3, 1975, together with revised page 2 to the Initial Participating Area, Morrow Formation, for the Bell Lake Unit, Lea County, New Mexico.

The Commissioner of Public Lands has approved this revision and the effective date for the Initial Participating Area is May 2, 1974 instead of July 3, 1974.

This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

FRL/RDG/s
encl.
cc:

UBGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico



L. P. Thompson
Division Manager
Production Department
Hobbs Division
Western Hemisphere Petroleum Division

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

March 3, 1975

United States Geological Survey
C/O Oil and Gas Supervisor
P. O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

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

Gentlemen:

Application For Approval of the Initial Participating Area for the Morrow
Formation - Bell Lake Unit - Lea County, New Mexico

My letter dated February 10, 1975 forwarded the subject application for your approval. The New Mexico Oil Conservation Commission's approval was given on February 17, 1975 and the Commissioner of Public Lands' approval was given on February 20.

It has been brought to our attention by the United States Geological Survey that there is an inconsistency in the reported completion dates for Well No. 14. The completion report to the Oil Conservation Commission recited the date of completion of the well as being the date that the well was connected to the pipeline and ready to produce, being July 3, 1975. A report to the United States Geological Survey indicated the completion date as of the test to atmosphere on May 2, 1974. The Geological Survey has requested that the effective date of this participating area be set as of the date of the earlier test. In compliance with this request, we furnish herewith a revised page 2 of our application showing the effective date to be May 2, 1974 rather than July 3, 1974. Either date should be acceptable since there was no gas produced for sale prior to either date.

Your approval of this revised application is respectfully requested.

Yours very truly,

VII:reh
Enc
CC:
Working Interest Owners

JCC: CES: JWM: REL: LKT

4. A log marked Exhibit "D" of Bell Lake Unit 3 Well No. 14 showing the Morrow Formation penetrated, perforated, and tested.
5. Engineering and Geological report marked Exhibit "E" describing pertinent information and the reservoir data in regard to the Morrow reservoir as found in Well No. 14.

Unit Operator respectfully requests that the Director of the United States Geological Survey, the Commissioner of Public Lands, State of New Mexico, and the Oil Conservation Commission, State of New Mexico, approve this schedule of acreage to constitute the initial Morrow participating area, to be effective as of May 2, 1974, the date of completion of said Well No. 14.

Respectfully submitted,

CONTINENTAL OIL COMPANY


L. P. Thompson
Division Manager

reh

APPROVED:

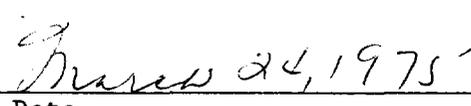
United States Geological Survey

Date

Commissioner of Public Lands

Date


New Mexico Oil Conservation Commission


Date

State of New Mexico

TELEPHONE
505-827-2748



563

Commissioner of Public Lands

February 20, 1975

PHIL R. LUCERO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Continental Oil Company
P. O. Box 460
1001 North Turner
Hobbs, New Mexico 88240

Re: Application for Approval of the
Initial Participating Area for the
Morrow Formation-Bell Lake Unit,
Lea County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

The Commissioner of Public Lands has this date given approval to the Initial Participating Area for the Morrow Formation, Bell Lake Unit, Lea County, New Mexico. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the application is enclosed.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s
encl.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico ✓

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

563

February 17, 1975

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Re: Initial Participating Area,
Morrow Formation, Bell Lake
Unit, Lea County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Initial Morrow Participating Area consisting of 1439.68 acres, to be effective as of July 3, 1976, for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the application is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

COPY

APPLICATION FOR APPROVAL OF THE INITIAL PARTICIPATING AREA
FOR THE MORROW FORMATION, BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

Director, United States Geological Survey (6)
C/O Regional Oil and Gas Supervisor
P. O. Box 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

New Mexico Oil Conservation Commission (2)
P. O. Box 2088
Santa Fe, New Mexico 87501

In conformance with the provisions of Section 11, of the Unit Agreement dated May 12, 1953, affecting lands in the Bell Lake Unit, Lea County, New Mexico, Continental Oil Company, Unit Operator, hereby submits for your approval a schedule of acreage which, upon your respective approvals, will constitute the initial participating area for the Morrow Formation of Pennsylvanian age. Completion of Bell Lake Unit 3 Well No. 14 has shown the Morrow Formation to be commercially productive of gas. Proven area is considered to include Southeast quarter Section 31, and south half Section 32, T-23S, R-34E; Section 5, and east half Section 6, T-24S, R-34E.

In support of this application, operator attaches hereto and hereby makes a part of this application the following:

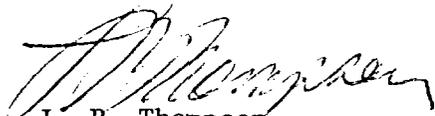
1. A map marked Exhibit "A" showing thereon the Bell Lake Unit South Area, and the area of the proposed initial Morrow Participating Area.
2. A schedule marked Exhibit "B" showing the participating percentage of each lease included or partially included in the proposed initial participating area.
3. A structure map marked Exhibit "C" contoured on top of the Fourth Morrow Zone based on well data and seismic interpretation.

4. A log marked Exhibit "D" of Bell Lake Unit 3 Well No. 14 showing the Morrow Formation penetrated, perforated, and tested.
5. Engineering and Geological report marked Exhibit "E" describing pertinent information and the reservoir data in regard to the Morrow reservoir as found in Well No. 14.

Unit Operator respectfully requests that the Director of the United States Geological Survey, the Commissioner of Public Lands, State of New Mexico, and the Oil Conservation Commission, State of New Mexico, approve this schedule of acreage to constitute the initial Morrow participating area, to be effective as of July 3, 1974, the date of completion of said Well No. 14.

Respectfully submitted,

CONTINENTAL OIL COMPANY


L. P. Thompson
Division Manager

reh

APPROVED:

United States Geological Survey

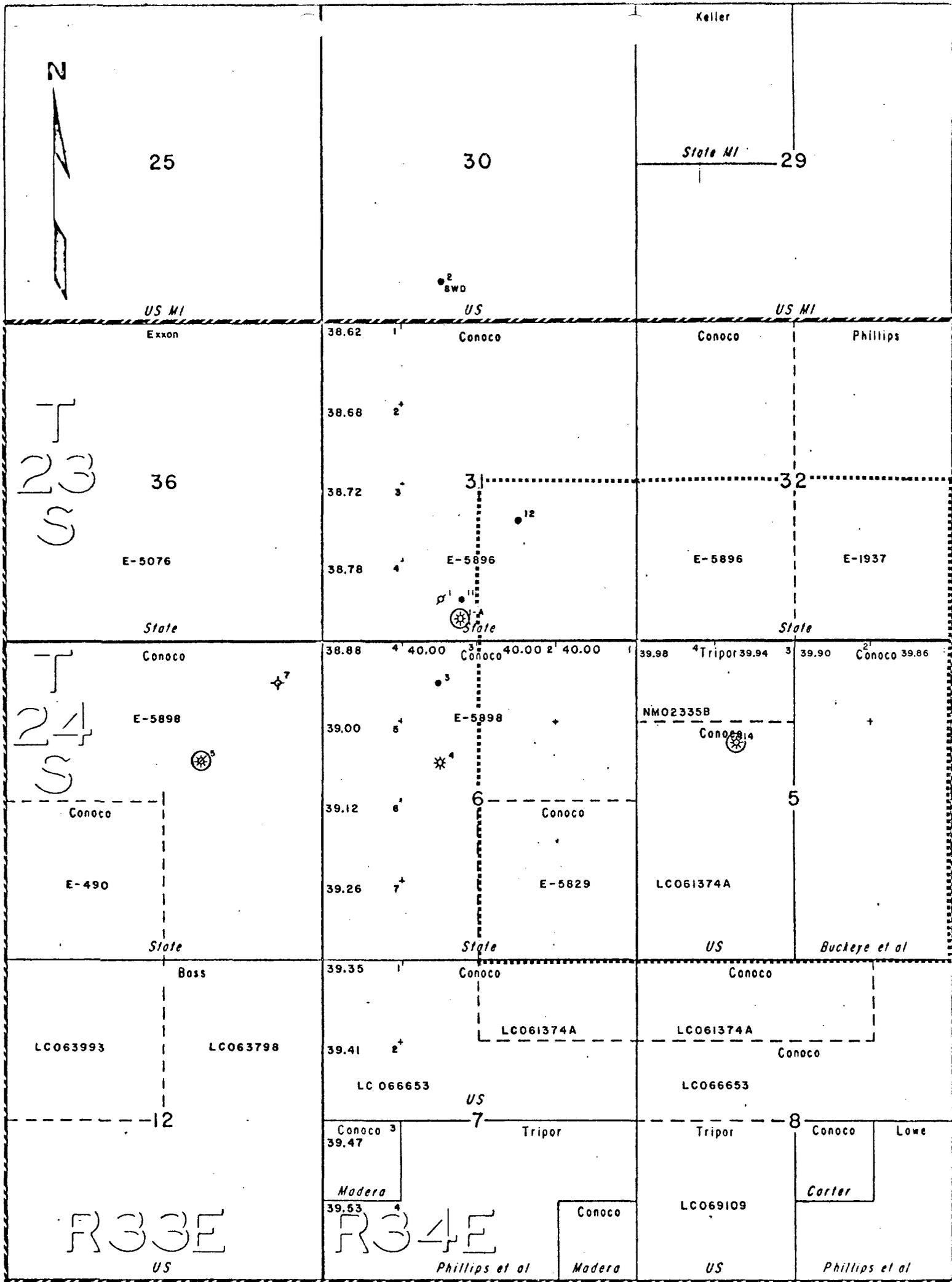
Date

Commissioner of Public Lands

Date


New Mexico Oil Conservation Commission

February 17, 1975
Date



--- BOUNDARY BELL LAKE UNIT
DEVONIAN PARTICIPATING AREA "A"

..... PROPOSED INITIAL MORROW
PARTICIPATING AREA

⊛ MORROW COMPLETION

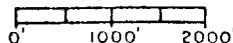


PRODUCTION DEPARTMENT HOBBS DIVISION

BELL LAKE UNIT
LEA COUNTY, NEW MEXICO

MORROW PARTICIPATING AREA
EXHIBIT A

SCALE



VTL I-75

STW

EXHIBIT "B"

BELL LAKE UNIT - LEA COUNTY, NEW MEXICO
INITIAL MORROW PARTICIPATING AREA

TRACT 1
(tract 8)

Serial Number: NM0235-B
Acreage: 79.92 Acres
Description: Lots 3, 4, Section 5, T-24S,
R-34E
Working Interest Owner: Tripor Resources, Inc.
Royalty Interest Owner: U.S.A. - All
Overriding Royalty Owner: Pearl O. Pipkin 5.000%*

TRACT 2
(part of tract 18)

Serial Number: L.C. 061374-A
Acreage: 240.00 Acres
Description: SW/4, S/2 NW/4, Section 5,
T-24S, R-34E
Working Interest Owner: Continental Oil Company
Royalty Interest Owner: U.S.A. - All
Overriding Royalty Owner: Channing & Agnes M. Brown 1.50%
J. G. Thornhill .75%
Lawrence C. Harris .21875%
Donald T. Desmond .17045%
Autrey & Collins
Constr. Company, a
partnership .14205%
Small Business Admin.
Rcvr. for Roswell
SBIC .21875%

TRACT 3
(part of tract 52)

Serial Number: E-1937
Acreage: 160.00 Acres
Description: SE/4 Section 32, T-23S, R-34E
Working Interest Owner: Phillips Petroleum Co. 100%
Royalty Owner: State of New Mexico - All

TRACT 4
(tract 56)

Serial Number: E-5829
Acreage: 160.00 Acres
Description: SE/4, Section 6, T-24S, R-34E
Working Interest Owner: Continental Oil Company
Royalty Owner: State of New Mexico - All

TRACT 5 (part of tract 58)	Serial Number:	E-5896
	Acreage:	320.00 Acres
	Description:	SE/4 Section 31, SW/4 Section 32, T-23S, R-34E
	Working Interest Owner:	Continental Oil Company
	Royalty Owner:	State of New Mexico - All
TRACT 6 (part of tract 59)	Serial Number:	E-5898
	Acreage:	160.00 Acres
	Description:	Lots 1, 2, S/2 NE/4, Section 6, T-24S, R-34E
	Working Interest Owner:	Continental Oil Company
	Royalty Owner:	State of New Mexico - All
TRACT 7 (tract 72)	Serial Number:	Patented
	Acreage:	319.76
	Description:	Lots 1, 2, S/2 NE/4, SE/4, Section 5, T-24S, R-34E
	Working Interest Owner:	Continental Oil Company (a)
	Royalty Owners:	
	Mary E. Thompson, ind. exec. of Estate of Dale M. Thompson	0.781
	Buckeye Oil Company	31.234
	Leo J. Klise	11.875
	John J. Klise, Jr.	11.875
	Fredrick L. Stead	1.562
	John Grappe	2.344
	J. G. Thornhill	6.255
	J. Penrod Toles	1.250
	Small Business Adm. Rcvr. for Roswell Small Business Investment Company	2.502
	Lawrence C. Harris	2.502
	Walter Locker, Sr.	.625
	George R. Locker	.625
	William I. Lee	.784
	L. C. Jones	.005
	Rubert Madera*	9.375
	Ruford Madera*	6.250
	Mildred A. Broman*	6.250
	Buckeye Oil Company	.016
	Erwin Levers and LaVerne C. Levers	3.109
	J. M. Clark	0.781

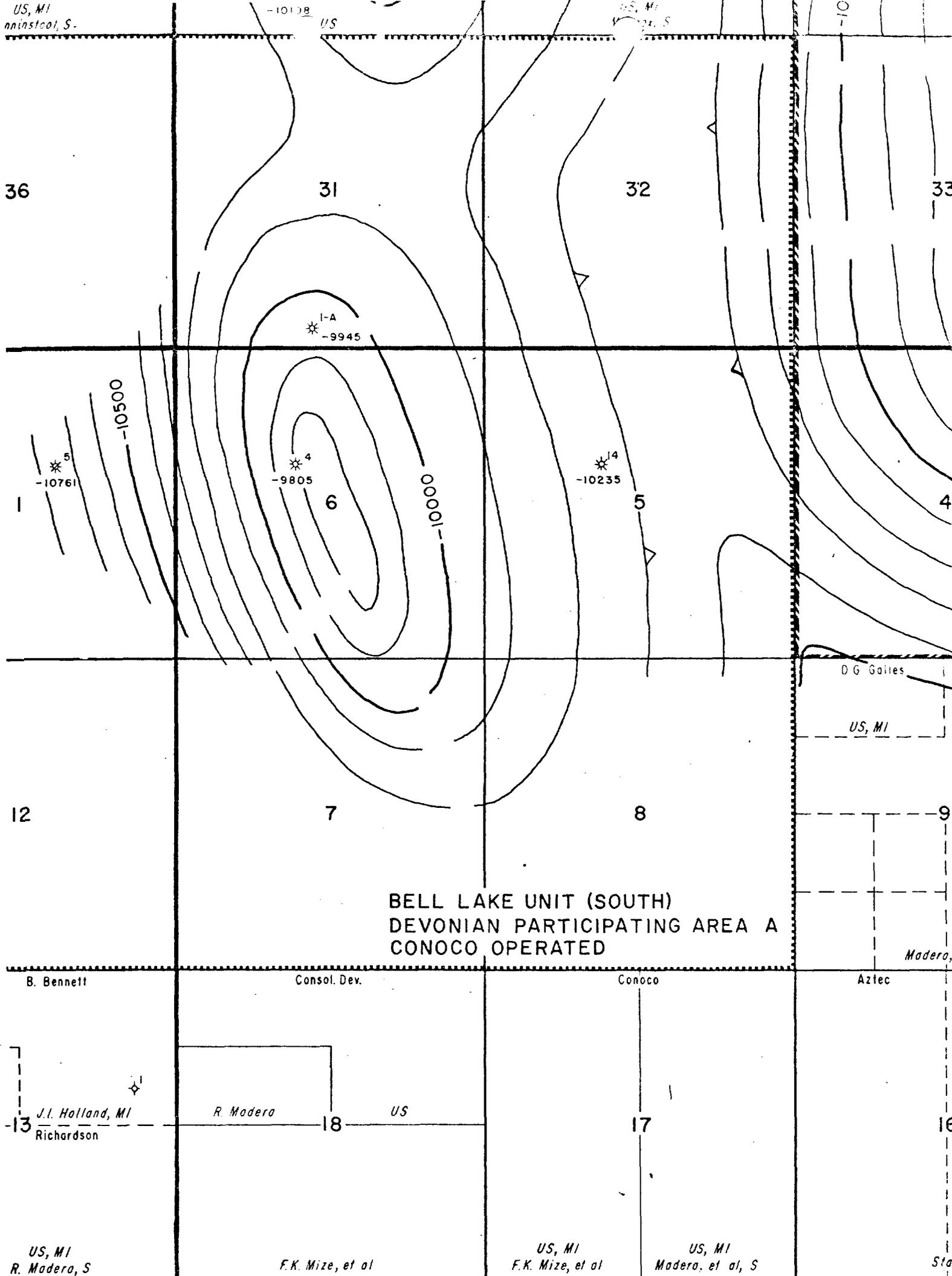
*Unleased and Uncommitted

(a) Continental Oil Company has assumed financial obligation of uncommitted working interests so far as Bell Lake Unit operations are concerned.

Tract Participation

<u>Tract Number</u>	<u>Acres</u>	<u>Participation</u>
1	79.92	5.55124
2	240.00	16.67037
3	160.00	11.11358
4	160.00	11.11358
5	320.00	22.22716
6	160.00	11.11358
7	<u>319.76</u>	<u>22.21049</u>
	1439.68	100.00000

US, MI
minstool, S.

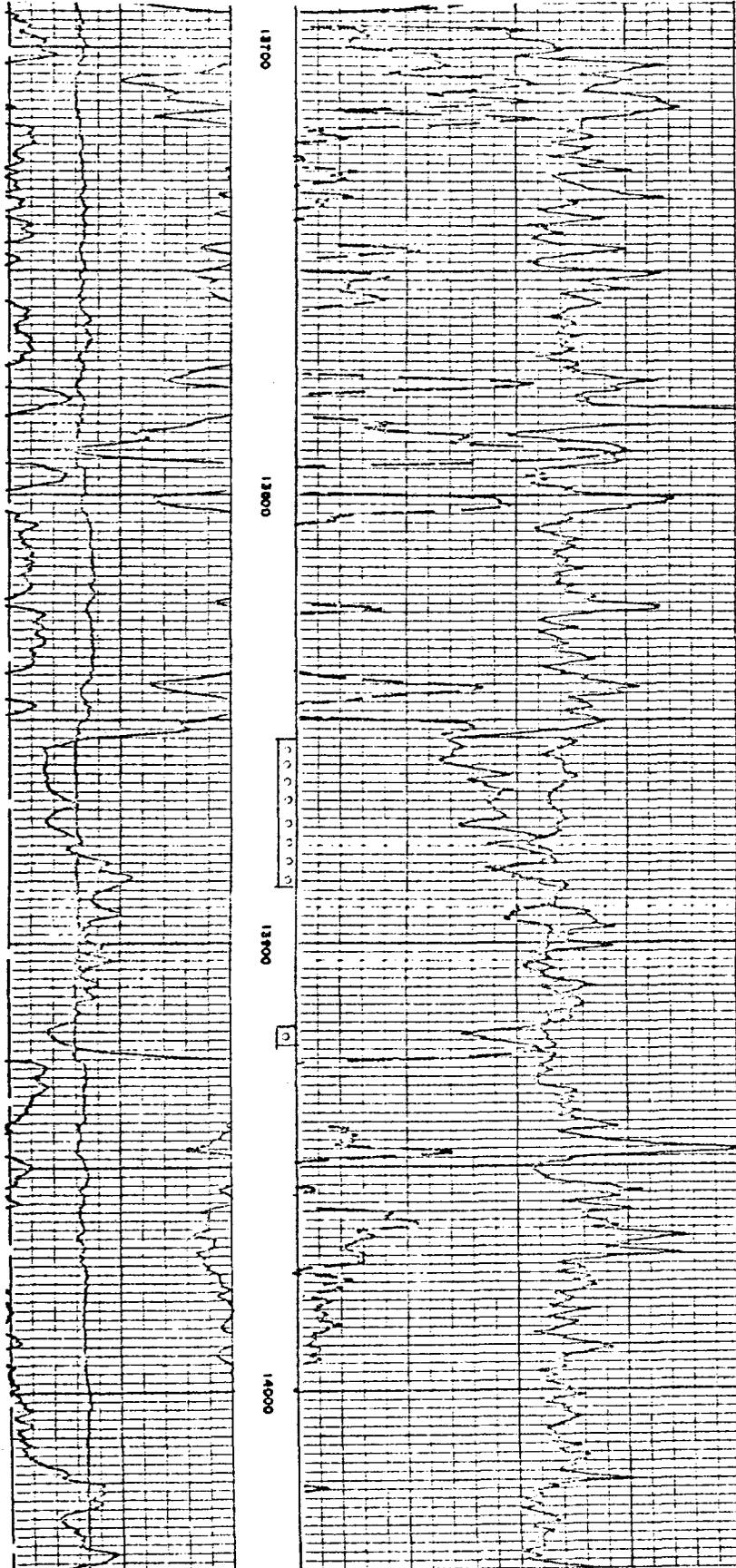


BELL LAKE UNIT (SOUTH)
DEVONIAN PARTICIPATING AREA A
CONOCO OPERATED

Exhibit "C"

CONOCO	
PRODUCTION DEPARTMENT	HOBBS DIVISION
LEA COUNTY, NEW MEXICO 4th ZONE MORROW 100' CI	
SCALE 0' 1000' 2000'	
NGC 6-7	ERW

CONTINENTAL OIL CO
BELL LAKE UNIT NO. 14
1650 FN & WT.
Sec. 5-T24S-R34E
Elev., KB 3618



4th Morrow Sand

EXHIBIT "E"
ENGINEERING AND GEOLOGICAL REPORT
MORROW PENNSYLVANIAN RESERVOIR OF BELL LAKE UNIT AREA

Set forth below is a summary of geological and engineering information pertinent to the establishment of a participating area for the Morrow Formation of Pennsylvanian age in the Bell Lake Unit area.

General

In the Bell Lake Unit area the Morrow sands of Pennsylvanian age are found at depths from 13,500' to 14,500'. The Morrow section is present over the entire area, but the gas reservoirs occur as sand stringers and lenses in five major sands. The sands appear to be better developed on the flanks of the structure than on the crest.

The first gas production in the Morrow was found in Bell Lake State 3 No. 5, approximately 9000' west of Bell Lake Unit 3 No. 14. The No. 5 Well was drilled to a total depth of 16,100' in October 1958, and the Devonian Formation was found to be water productive. This well was plugged back and completed in the 1st and 4th Morrow sands with an initial calculated open flow potential of 7625 MCF gas per day. Since completion, the well has produced 2.7 MMMCF gas. Recompletion is now being attempted in the Atoka, having plugged back from the Morrow.

The second well completed in the Morrow sand was Bell Lake State 1 No. 1, approximately 5,000' northwest of Bell Lake Unit 3 No. 14. This well produced 3.6 MMMCF gas from the Devonian prior to being recompleted to the 1st Morrow sand in July 1968. The Morrow in this well had a calculated absolute open flow potential of 1989 MCF gas per day. To December 1, 1974, Bell Lake State 1 No. 1 has produced 2.1 MMMCF gas. Both Bell Lake State 1 No. 1 and Bell Lake State 3 No. 5 were designated as noncommercial producers from the Morrow.

Geology

The Bell Lake Unit area is described as a series of north-south trending anticlinal closures. (See Exhibit "C") The Morrow sands are present over the entire area, occurring in five generalized zones. Reservoir quality, thickness, and areal distribution vary widely in each of the zones. The 4th Morrow sand, 13,850' - 13,925' (See Exhibit "D") is the productive zone in the Bell Lake Unit 3 No. 14. The reservoir lithology, based on sample cutting descriptions of the interval 13,860 - 13,950, taken from the Bell Lake Unit 3 No. 14, located in SE/4 NW/4 Section 5, T-24S, R-34E, is as follows:

Sandstone, light to medium gray-brown, very fine to fine-grained, hard, well-cemented to slightly friable with varying amounts of:

Sand, coarse to very coarse, clear to buff, angular to subangular, loose grains to moderately friable, slightly limy.

Bell Lake Unit 3 No. 14

Bell Lake Unit 3 No. 14, was spudded December 12, 1973. Total depth of 14,228' was reached on March 26, 1974. The well was completed natural on July 3, 1974, for a calculated absolute open flow potential of 82 MMCF gas per day from the 4th Morrow sand at a depth of 13,854' to 13,923'. Gas sales commenced August 1, 1974 and to December 1, 1974, Bell Lake Unit 3 No. 14 has produced 1,112 MMCF gas. In November 1974, this well

averaged 9,649 MCF gas per day, no liquids. At the present rate of production and current price of gas, the well is expected to generate revenue sufficient to repay the cost of drilling, completing and equipping by March 1, 1975.

Bell Lake Unit 3 No. 14 has encountered a vastly improved area of the Morrow. Though both Bell Lake Unit 3 No. 14 and Bell Lake State 3 No. 5 produce from the 4th sand, they exhibit considerable differences, both in deliverability and reserves. Furthermore, Bell Lake Unit 3 No. 14 qualifies for "new gas" price under FPC orders. The character of the 4th sand changes from thin (10') and tight in Bell Lake Unit 1 No. 4, near the structural crest, to thick (55') with good permeability in Bell Lake Unit 3 No. 14.

Pressure data on Morrow wells in the area indicate limited communication between wells, as shown in the table below:

<u>Well and Location</u>	<u>Initial BHP</u>	<u>Latest BHP</u>	<u>Date</u>
BLU State 3 No. 5 SW/4 NE/4 Section 1, T-24S, R-33E	8921	1482	7-23-70
BLU State 1 No. 1-A SE/4 SW/4 Section 31, T-23S, R-34E	7408	3404	5-28-71
BLU 3 No. 14 SE/4 NW/4 Section 5, T-24S, R-34E	8622		4-30-74
Antelope Ridge Unit No. 2 NW/4 NE/4 Section 4, T-24S, R-34E	8731	5827	11-10-65

Furthermore, Morrow productivity appears to be relatively insensitive to structural position. Depositional conditions not necessarily related to structure appear to be more influential on presence of gas and the deliverability of a well. These conditions are not well understood and are under intensive study in the Delaware Basin.

Statewide rules provide for 320-acre spacing for Morrow wells in pools not having special rules. Nevertheless, it is our present intention to develop Morrow gas on well spacing of 640 acres per well. The performance of Bell Lake Unit No. 14 would indicate the ability to drain this area provided there is continuity of pay section.



km

Production Department
Hobbs Division
Western Hemisphere Petroleum Division

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

563

February 10, 1975

Oil and Gas Supervisor
United States Geological Survey
P. O. Box 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

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

Gentlemen:

Application for Approval of the Initial Participating Area for the
Morrow Formation - Bell Lake Unit, Lea County, New Mexico

Attached are required number of copies of the application for approval of the Initial Morrow Participating Area for the Bell Lake Unit. Your further handling and approval of this application will be sincerely appreciated.

Yours very truly,

L. P. Thompson
Division Manager

VTL:reh
Enc



United States Department of the Interior

GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

RECEIVED
JAN 16 1975
U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

563

Continental Oil Company
Attention: Mr. L. P. Thompson
P.O. Box 460
Hobbs, New Mexico 88240

Gentlemen:

The 1975 plan of development submitted for the Bell Lake unit area, Lea County, New Mexico, was approved on this date subject to like approval by the appropriate State officials.

Such plan proposes the completion of unit well No. 15 which is currently drilling and the drilling of a confirmation Atoka-Pennsylvanian well in the NE $\frac{1}{2}$ sec. 7, T. 24 S., R. 34 E., N.M.P.M.

Four approved copies are enclosed.

Sincerely yours,

M. O. FREDERICK
Area Oil and Gas Supervisor

cc:
NMOCC, Santa Fe (ltr only)
Com. Pub. Lands, Santa Fe (ltr only)
Hobbs (w/cy plan)

JAGillham:ds

OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE NEW MEXICO 87501

563

January 8, 1975

C
Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

O
Re: 1975 Plan of Development
Bell Lake Unit, Lea
County, New Mexico.

Gentlemen:

P
This is to advise that the New Mexico Oil Conservation
Commission has this date approved the Plan of Development
for the calendar year 1975 for the Bell Lake Unit, Lea
County, New Mexico, subject to like approval by the
United States Geological Survey and the Commissioner of
Public Lands of the State of New Mexico.

Y
One approved copy of the plan is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe
United States Geological Survey - Roswell

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1975
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 1857
ROSWELL, NEW MEXICO 88201

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

OIL CONSERVATION COMMISSION (2)
STATE OF NEW MEXICO
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Operation/Development for the year 1975. Under date of December 15, 1973, the Plan of Operation/Development covering calendar year 1974 was submitted and subsequent approval was received from your offices.

SUMMARY OF 1974 OPERATIONS

The three participating areas produced gas and liquids during 1974 as shown below:

<u>Participating Area</u>	<u>For Year Through 10-31</u>		<u>Daily Average</u>	
	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Area "A"				
Atoka	2,469,553	13,419	8,124	44
Bone Spring	68,134	46,501	224	153
Area B				
Devonian	858,407	1,120	2,824	4

Bell Lake Unit Well No. 5 has been re-entered and work is in progress to abandon the Morrow (non-commercial) and recomplete in the Atoka. If the Atoka is found to be commercially productive at this location the participating area will be enlarged.

SUMMARY OF 1974 DEVELOPMENT

Bell Lake Unit No. 14 was drilled at a location 1650' FNL and 1650' FWL, Section 5, Township 24 South, Range 34 East and was completed May 4, 1974

for a calculated open flow potential of 82,000 MCF/D from the Morrow Formation. The well was placed on production in August and has produced 818,083 MCF, no liquids, through October 31, an average of 8,892 MCF per day. Application for initial Morrow participating area will be filed in the near future.

Bell Lake Unit No. 15 was spudded October 9, at a location 1980' from south and west lines of Section 8, Township 23 South, Range 34 East. The well is projected to a depth of 13,700' to test Atoka and Morrow sections of the Pennsylvanian.

PROPOSED DEVELOPMENT DURING 1975

A confirmation Atoka-Pennsylvanian well is proposed to be drilled during 1975 in NE/4 NE/4, Section 7, Township 24 South, Range 34 East.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Bell Lake Unit Agreement, or pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 18 of said Agreement.

MODIFICATION

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

EFFECTIVE DATE

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

Date: December 15, 1974.

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1975. Prior to that date, another Plan of Operation/Development will be submitted for approval.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

BY *L. P. Thompson*
L. P. Thompson

Approved _____
Department of the Interior

DATE _____

Approved _____
Commissioner of Public Lands

DATE _____

Approved *A. L. Carter*
New Mexico Oil Conservation
Commission

DATE *January 18, 1975*

State of New Mexico

TELEPHONE
505-827-2748



563

Commissioner of Public Lands
December 19, 1974

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Re: 1975 Plan of Operation and
Development
BELL LAKE UNIT
Lea County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

The Commissioner of Public Lands has this date approved your 1975 Plan of Operation and Development for the Bell Lake Unit, where you propose the drilling of an Atoka-Pennsylvanian confirmation well in the NE/4NE/4 of Section 7, Township 24 South, Range 34 East. This approval is subject to like approval by the United States Geological Survey.

Enclosed is one approved copy of the plan.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s
Enclosure
cc:

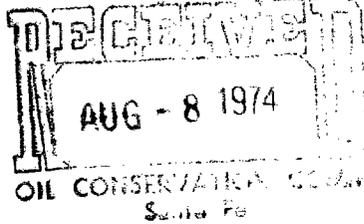
USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico ✓



L. P. Thompson
Division Manager
Production Department
Hobbs Division

Western Hemisphere Petroleum Division
Continental Oil Company
P. O. 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

August 2, 1974



Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

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

Gentlemen:

Bell Lake Unit - Initial Participating Area for Atoka Formation

Attached for your information is a copy of the approval of the subject application by the U. S. Geological Survey.

Yours very truly,

VTL:reh
Enc



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

RECEIVED
AUG - 8 1974
OIL CONSERVATION CO
Santa Fe
July 31,

RECEIVED HOBBS DIVISION	
AUG 1 - '74	
Notes	Initials
Div. Manager	<i>[Signature]</i>
Div. Supt.	
Div. Engr.	<i>[Signature]</i>
Div. Off. Msr.	
Cons'v. Coord.	<i>[Signature]</i>
At. S. Supv.	

Continental Oil Company
Attention: Mr. V. T. Lyon
P.O. Box 460
Hobbs, New Mexico 88240

Gentlemen:

Your application of July 15, 1974, requesting approval of the initial Atoka participating area of the Bell Lake unit agreement, Lea County, New Mexico, was approved on July 31, 1974, by the Area Oil and Gas Supervisor, U. S. Geological Survey, effective as of July 6, 1973.

The initial Atoka participating area embraces 953.74 acres described as the S $\frac{1}{2}$ of sec. 31, T. 23 S., R. 34 E., and all of sec. 6, T. 24 S., R. 34 E., N.M.P.M. Such revision is based on the recompletion of unit well No. 4 located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of sec. 6, T. 24 S., R. 34 E., as a commercial Atoka well. Unit well No. 4 was recompleted on May 22, 1973, for a calculated absolute open flow potential of 69,000 MCFGPD from the Atoka interval 12,450 to 12,486 feet.

Copies of the approved application are being distributed to the appropriate Federal offices and two copies are returned herewith. You are requested to furnish the State of New Mexico and all interested parties with appropriate evidence of this approval.

Sincerely yours,

[Signature]
N. O. FREDERICK
Area Oil and Gas Supervisor

2. A schedule marked Exhibit "B" showing the participating percentage of each lease included or partially included in the proposed initial Participating Area.
3. A structure map marked Exhibit "C" contoured on top of the Atoka Formation based on well data and seismic interpretation.
4. A log marked Exhibit "D" of Bell Lake Unit Well No. 4 showing the Atoka Formation penetrated, perforated, and tested.
5. Engineering and Geological report marked Exhibit "E" describing pertinent information and the reservoir data in regard to the Atoka reservoir as found in Well No. 4.

Unit Operator respectfully requests that the Director of the United States Geological Survey, the Commissioner of Public Lands, State of New Mexico, and the Oil Conservation Commission, State of New Mexico, approve this schedule of acreage to constitute the initial Atoka Participating Area, to be effective as of July 6, 1973, the date of recompletion of said Well No. 4.

Respectfully submitted,

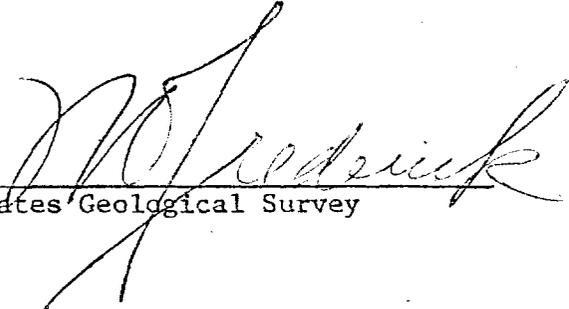
CONTINENTAL OIL COMPANY



L. P. Thompson
Division Manager

reh

APPROVED:



United States Geological Survey

Commissioner of Public Lands

New Mexico Oil Conservation Commission

JUL 31 1974

Date

Date

Date

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Respectfully submitted,

CONTINENTAL OIL COMPANY

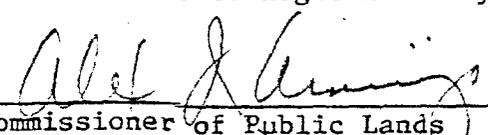


L. F. Thompson
Division Manager

reh

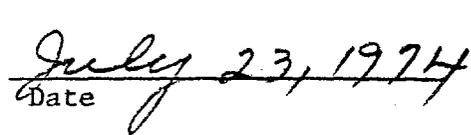
APPROVED:

United States Geological Survey



Commissioner of Public Lands

Date



Date

New Mexico Oil Conservation Commission

Date

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Unit Operator respectfully requests that the Director of the United States Geological Survey, the Commissioner of Public Lands, State of New Mexico, and the Oil Conservation Commission, State of New Mexico, approve this schedule of acreage to constitute the initial Atoka Participating Area, to be effective as of July 6, 1973, the date of recompletion of said Well No. 4.

Respectfully submitted,

CONTINENTAL OIL COMPANY



L. P. Thompson
Division Manager

reh

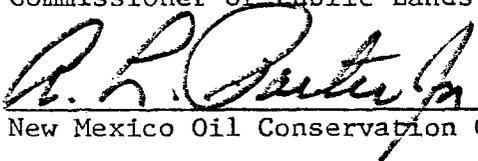
APPROVED:

United States Geological Survey

Date

Commissioner of Public Lands

Date



New Mexico Oil Conservation Commission

July 22, 1974

Date

State of New Mexico

TELEPHONE

505-827-2748



Commissioner of Public Lands

July 23, 1974

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Continental Oil Company
P. O. Box 460
1001 North Turner
Hobbs, New Mexico 88240

Re: Application for approval
of the Initial Participating
Area-Atoka Formation for the
Ball Lake Unit

ATTENTION: Mr. L. P. Thompson

Gentlemen:

The Commissioner of Public Lands has this date given approval to the Initial Participating Area for the Atoka Formation, Ball Lake Unit, Lea County, New Mexico. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the application is enclosed.

In the future please submit three (3) copies to this office. We only received one copy with your letter.

Very truly yours,

RAY D. GRAMM, Director
Oil and Gas Department

AJA/RDG/s

encls.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico ✓

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

563

July 22, 1974

C

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

O

Re: Initial Participating Area,
Atoka Formation - Bell Lake
Unit, Lea County, New Mexico

Gentlemen:

P

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Initial Participating Area for the Atoka Formation for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the application is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

Y

ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe
United States Geological Survey - Roswell



L. P. Thompson
Division Manager
Production Department
Hobbs Division
Western Hemisphere Petroleum Division

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

July 15, 1974

United States Geological Survey
C/O Regional Oil and Gas Supervisor
P. O. Box 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

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

Gentlemen:

Attached for your consideration and action is our application for the initial participating area for the Atoka member of the Pennsylvanian formation in the Bell Lake Unit area.

Yours very truly,

VIL:reh
Enc

APPLICATION FOR APPROVAL OF THE INITIAL PARTICIPATING AREA
FOR THE ATOKA FORMATION, BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

Director, United States Geological Survey (6)
C/O Regional Oil and Gas Supervisor
P. O. Box 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

New Mexico Oil Conservation Commission (2)
P. O. Box 2088
Santa Fe, New Mexico 87501

In conformance with the provisions of Section 11, of the Unit Agreement dated May 12, 1953, affecting lands in the Bell Lake Unit, Lea County, New Mexico, Continental Oil Company, Unit Operator, hereby submits for your approval a schedule of acreage which, upon your respective approvals, will constitute the initial Participating Area for the Atoka Formation of Pennsylvanian age. Completion of Bell Lake Unit Well No. 4 has shown the Atoka formation to be commercially productive of gas. Proven area is considered to include south half Section 31, T-23S, R-34E and Section 6, T-24S, R-34E.

In support of this application, operator attaches hereto and hereby makes a part of this application the following:

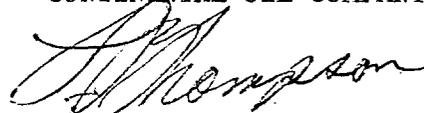
1. A map marked Exhibit "A" showing thereon the Bell Lake Unit Devonian, Participating Area "A", and the area of the proposed initial Atoka Participating Area.

2. A schedule marked Exhibit "B" showing the participating percentage of each lease included or partially included in the proposed initial Participating Area.
3. A structure map marked Exhibit "C" contoured on top of the Atoka Formation based on well data and seismic interpretation.
4. A log marked Exhibit "D" of Bell Lake Unit Well No. 4 showing the Atoka Formation penetrated, perforated, and tested.
5. Engineering and Geological report marked Exhibit "E" describing pertinent information and the reservoir data in regard to the Atoka reservoir as found in Well No. 4.

Unit Operator respectfully requests that the Director of the United States Geological Survey, the Commissioner of Public Lands, State of New Mexico, and the Oil Conservation Commission, State of New Mexico, approve this schedule of acreage to constitute the initial Atoka Participating Area, to be effective as of July 6, 1973, the date of recompletion of said Well No. 4.

Respectfully submitted,

CONTINENTAL OIL COMPANY



L. P. Thompson
Division Manager

reh

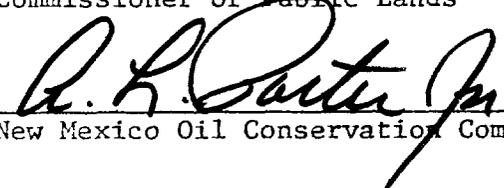
APPROVED:

United States Geological Survey

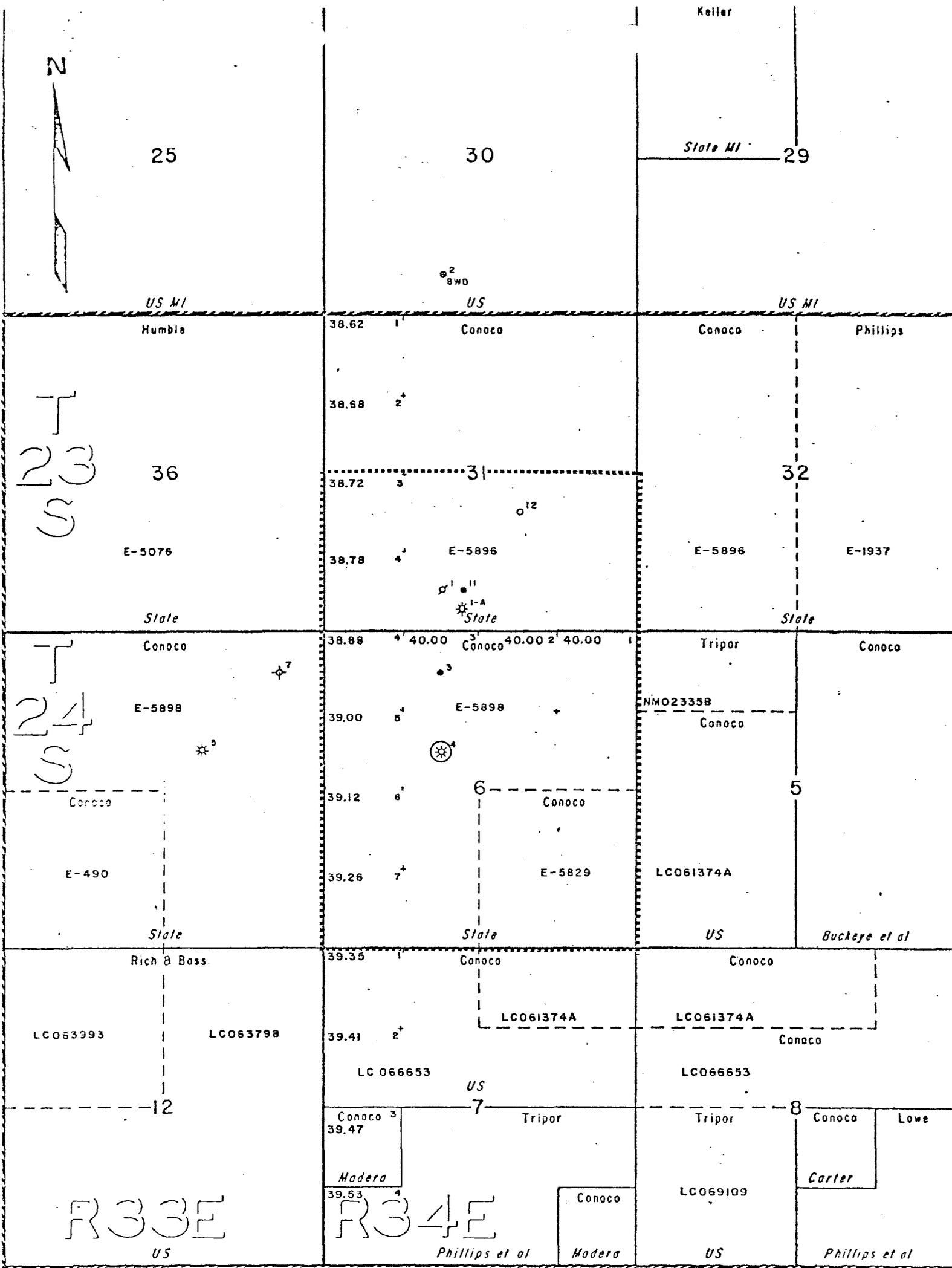
Date

Commissioner of Public Lands

Date


New Mexico Oil Conservation Commission

July 22, 1974
Date



- - - - - BOUNDARY BELL LAKE UNIT
 DEVONIAN PARTICIPATING AREA "A"
 PROPOSED INITIAL ATOKA
 PARTICIPATING AREA
 (⊛) ATOKA COMPLETION

PRODUCTION DEPARTMENT
HOBBS DIVISION

BELL LAKE UNIT
 LEA COUNTY, NEW MEXICO
 ATOKA PARTICIPATING AREA
 EXHIBIT A

SCALE

VTL I-73
BTW

EXHIBIT "B"

BELL LAKE UNIT - LEA COUNTY, NEW MEXICO
INITIAL PARTICIPATING AREA FOR ATOKA FORMATION

TRACT 1	Serial Number:	E-5829
	Acreage:	160.00 Acres
	Description:	SE/4 Section 6, Township 24 South, Range 34 East
	Working Interest Owner:	Continental Oil Company
	Royalty Interest Owner:	State of New Mexico
TRACT 2	Serial Number:	E-5896
	Acreage:	317.50 Acres
	Description:	Lots 3 and 4, E/2 SW/4 and SE/4 Section 31, Township 23 South, Range 34 East
	Working Interest Owner:	Continental Oil Company
	Royalty Interest Owner:	State of New Mexico
TRACT 3	Serial Number:	E-5898
	Acreage:	476.24 Acres
	Description:	Lots 1 thru 7, S/2 NE/4, SE/4 NW/4 and E/2 SW/4, Section 6, Township 24 South, Range 34 East
	Working Interest Owner:	Continental Oil Company
	Royalty Interest Owner:	State of New Mexico

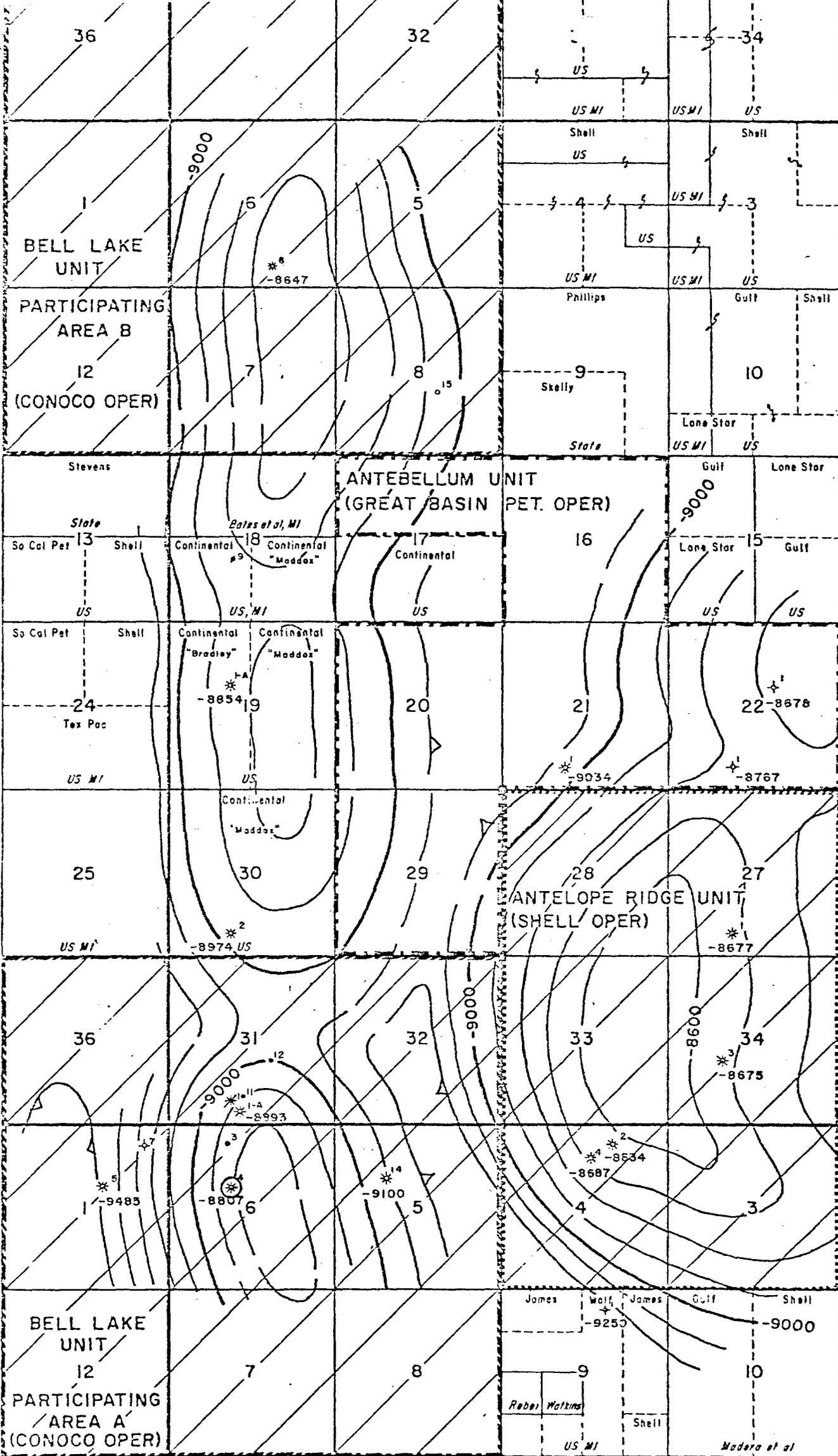
PARTICIPATION

TRACT 1	16.77606%
TRACT 2	33.29000%
TRACT 3	49.93394%

22
US

23
US

24
US



R33E R34E

EXHIBIT "C"

CONOCO

PRODUCTION DEPARTMENT HOBBS DIVISION

BELL LAKE PENN POOL
STRUCTURE MAP
TOP OF ATOKA LIME
CI-100'

SCALE

0 2000' 4000'

N30 3 74

CONTINENTAL OIL CO.
BELL LAKE UNIT 1 NO. 4
1980 FN & WL
Sec. 6-T24S-R34E
Elev., KB 3627

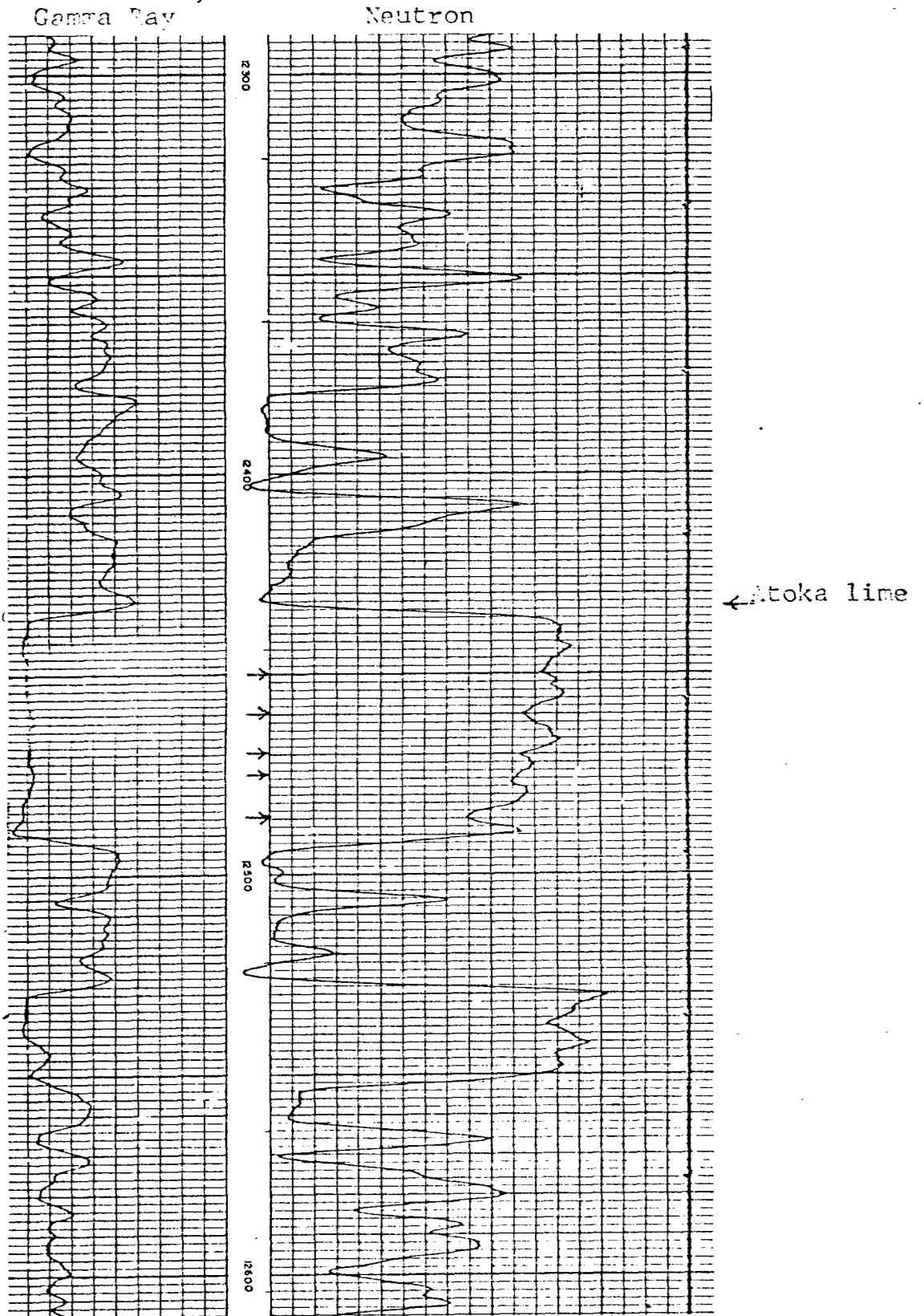


Exhibit "E"
Engineering and Geological Report
Atoka Pennsylvanian Reservoir of Bell Lake Unit Area

Set forth below is a summary of geological and engineering information pertinent to the establishment of a participating area for the Atoka member of the Pennsylvanian formation in the Bell Lake Unit Area.

General

The first indication of gas production possibilities in the Atoka member of the Pennsylvanian was found in Bell Lake Unit Well No. 1 when it blew out and burned at a total depth of 12,616'. The well was P&A at that TD. Well No. 2 was drilled one mile north of Well No. 1 and completed in the Atoka member of the Pennsylvanian formation for an openflow potential of 13,100 MCFPD. This well was used to provide drilling rig fuel during the drilling of Bell Lake Unit Wells Nos. 3, 4, 5 and 6. Well No. 2 went to 100% water production before a gas connection was available to any of the wells in the unit. It has now been recompleted as a salt water disposal well for other wells in the Bell Lake Unit area. This was the only Atoka production in the Bell Lake Unit until the recompletion of Bell Lake Unit No. 4 on July 6, 1973.

Geology

The Bell Lake Atoka reservoir is described as a north-south trending series of anticlinal closures. (See Exhibit "C"). The Atoka Lime thins to the north pinching out by the time it reaches the Bell Lake Unit No. 6, Section 6, T-23S, R-34E. The reservoir lithology, based on a description of a core (12,551-12,699) taken from the Bell Lake Unit No. 1-A, located in SE/4 SW/4, Section 31, T-23S, R-34E, is as follows:

Limestone, gray tan to dark brown-black at base with some shale partings; cryptocrystalline to finely crystalline; slight to moderately fossiliferous; trace to very vuggy porosity with some vugs to one inch diameter; trace of glauconite and white or brown calcite as fossil casts. Some fracturing evident and some dark gray-black micaceous shale breaks and trace of limey sand, very fine-grained and glauconitic. Porosity generally increases downward from pin-point and small vugs to good large vuggy porosity. Strong gas odor in core. Basal limestone is dark brown to black, fine to cryptocrystalline, shaly, tight and pyritic.

Bell Lake Unit No. 4

Bell Lake Unit No. 4 was spudded January 29, 1956. At a depth of 12,773' the well began to experience gas-cutting of the mud so that mud weight had to be increased. On July 22, 1956 the well blew out at a total depth of 13,393' and flowed out of control until August 23, 1956. After control of the well was regained, drilling resumed and continued to a total depth of 15,566'. The well was completed May 10, 1957 for a calculated openflow potential of 32.9 MMCFPD in the interval 14,736 to 14,938' of the Devonian formation.

Despite several attempts to stimulate production and/or reduce water production, the well became increasingly marginal to operate and, just prior to being plugged back, produced 790 MCF and 1,380 barrels water per day. On May 22, 1973, Well No. 4 was entered and a cast iron bridge plug was set at 14,000'. The well was perforated with two shots at each of 5 points within the interval 12,450' to 12,486' and completed natural for a calculated absolute openflow of 69,000 MCFPD. Since recompletion Well No. 4 has produced 2,004,921 MCF and 9,864 barrels condensate from the Atoka through April 30, 1974. During April it produced at an average rate of 8,280 MCF with 48 barrels condensate per day. At the present rate of production and current prices of gas and oil the well is expected to generate revenue sufficient to repay the cost of drilling, completing and equipping a well to this depth by September 1, 1974.

Bell Lake Unit No. 4 is considered to have discovered an entirely new reservoir of gas from the Atoka formation. The nearest wells which have been drilled and completed to this formation have exhibited considerably lower initial bottomhole pressures than did Bell Lake Unit NO. 4 as shown by the tabulation below:

<u>Well</u>	<u>Initial BHP</u>	<u>Latest BHP</u>	<u>Remarks</u>
Bell Lake Unit No. 2	6,120	--	Recompleted for SWD
Antelope Ridge Unit #4	5,914	5,162	March 8, 1966
Bell Lake Unit No. 4	8,602	--	No subsequent pressure

State-wide rules for wells at this depth call for 320-acre spacing in the

absence of special pool rules. At this time there appears to be no reason to request special pool rules; however, further development of the Atoka is expected to be conducted on the basis of 640-acres per well. Based on the attached structure map and the well's performance it is estimated that the area reasonably proven to be commercially productive of gas in the Atoka member of the Pennsylvanian formation is the area shown on Exhibit "A".

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

563

January 18, 1974

C
O
P
Y

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Re: 1974 Plan of Operation/Development
Bell Lake Unit, Lea County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1974 Plan of Operation/Development dated December 15, 1973, for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

U. S. G. S
Box 1857
Roswell, New Mexico



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

563
January 17, 1974

Continental Oil Company
Attention: Mr. L. P. Thompson
P.O. Box 460
Hobbs, New Mexico 88240

Gentlemen:

Four approved copies of your 1974 plan of development for the Bell Lake unit area, Lea County, New Mexico, proposing the submittal of an application for the establishment of an initial Atoka participating area based on the commercial completion of unit well No. 4 and the drilling of a confirmation Atoka well in the NW $\frac{1}{4}$ sec. 5, T. 24 S., R. 34 E., are enclosed. Such plan was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. FILED)

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
Hobbs (w/cy plan)
✓ NMOCC, Santa Fe (ltr only)
Com. Pub. Lands, Santa Fe (ltr only)

JAGillham:ds

State of New Mexico



TELEPHONE
505-827-2748

Commissioner of Public Lands

December 26, 1973

P. O. BOX 1148
SANTA FE, NEW MEXICO

ALEX J. ARMIJO
COMMISSIONER

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Re: 1974 Plan of Development
Bell Lake Unit
Lee County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

The Commissioner of Public Lands has this date approved your 1974 Plan of Development for the Bell Lake Unit, whereby you propose the drilling of an Atoka-Pennsylvanian confirmation well. This approval is subject to like approval by the United States Geological Survey.

Enclosed is one approved copy of the plan.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

KAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/rz

Enclosure

cc:

OCC-Santa Fe, New Mexico
USGS-Roswell, New Mexico



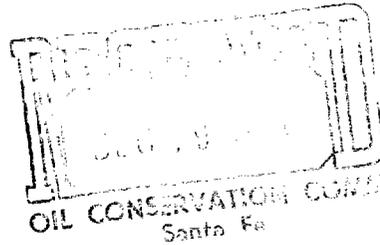
L. P. Thompson
Division Manager
Production Department
Hobbs Division

Western Hemisphere Petroleum Division
Continental Oil Company
P. O. 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

December 17, 1973

Oil & Gas Supervisor
United States Geological Survey
Box 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Box 1148
Santa Fe, New Mexico 87501



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

Gentlemen:

1974 Plan of Operation/Development - Bell Lake Unit

Enclosed for your consideration and approval is our proposed Plan of Operation/Development for the Bell Lake Unit for the calendar year 1974.

Yours very truly,

rah
Enc
CC:
RLA: CES: HMM

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1974
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 1857
ROSWELL, NEW MEXICO 88201

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

OIL CONSERVATION COMMISSION (2)
STATE OF NEW MEXICO
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Operation/Development for the year 1974. Under date of December 15, 1972, the Plan of Operation/Development covering calendar year 1973 was submitted and subsequent approval was received from your offices.

SUMMARY OF 1973 DEVELOPMENT

Bone Spring Lime Participating Area

Well No. 12 was drilled and completed January 28, 1973, for IP 240 BOPD. Wells Nos. 13 and 13Y were drilled to the Bone Spring Lime but failed to find commercial production.

Devonian Participating Area

Well No. 4 was plugged back from the Devonian formation for recompletion. Devonian Participating Area "A" no longer has production.

Atoka (Pennsylvanian)

Well No. 4 was re-completed in the Atoka section of the Pennsylvanian for initial flow rate of 5,500 MCF/day with tubing pressure of 6720 psi. It is anticipated that a participating area will be established for this formation.

OTHER OPERATIONS DURING 1973

Development of the Bone Spring formation has given justification for sale of casinghead gas. Compression facilities were installed for boosting the low pressure gas into Transwestern Gas Pipeline Company's gathering line.

DEVELOPMENT

A confirmation Atoka-Pennsylvanian well is proposed to be drilled during 1974 in SE/4 NW/4, Section 5, Township 24 South, Range 34 East. Additional development of Bone Spring formation is being evaluated.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Bell Lake Unit Agreement, or pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 18 of said Agreement.

MODIFICATION

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

EFFECTIVE DATE

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

Date: December 15, 1973.

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1974. Prior to that date, another Plan of Operation/Development will be submitted for approval.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

BY *L. P. Thompson*
L. P. Thompson

Approved _____
Department of the Interior

DATE _____

Approved _____
Commissioner of Public Lands

DATE _____

Approved *A. K. Carter I*
New Mexico Oil Conservation
Commission

DATE January 18, 1974



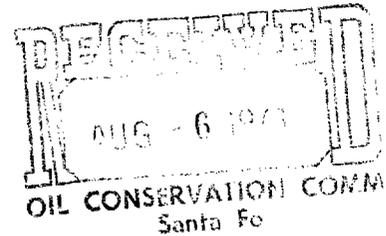
United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

August 2, 1973

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240



Gentlemen:

Our letter of July 31, 1973, transmitted approved copies of your application for the first revision of the Bone Spring Line participating area for the Bell Lake unit agreement. Such letter incorrectly advised that the participating area revision was effective as of January 28, 1973. Inasmuch as unit well No. 12, the control well upon which the revision is based, was completed on January 28, 1973, the first revision must be effective as of January 1, 1973, pursuant to section 11 of the Bell Lake unit agreement.

Accordingly, our letter of July 31 is hereby corrected to the extent necessary to establish the effective date of the above described first participating area revision as January 1, 1973.

Sincerely yours,

(S)

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
Hobbs
BLM, Santa Fe
Com. Pub. Lands, Santa Fe
✓ NMOCC, Santa Fe
Accounts

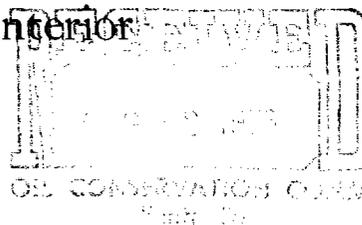
JAMonro:CCTraywick:ds



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201



July 31, 1973

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240

Gentlemen:

The first revision of the Bone Spring Lime participating area for the Bell Lake unit agreement, Lea County, New Mexico, was approved on July 31, 1973, by the Acting Area Oil and Gas Supervisor, U. S. Geological Survey, effective as of January 28, 1973.

The first revision participating area embraces 475.36 acres, as described on page one of the attached application, and is based on the information contributed by the completion of unit well No. 12 in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 31, T. 23 S., R. 34 E., N.M.P.M. Such well was completed January 28, 1973, for an initial production rate of 240 BOPD from the Bone Spring Lime interval 8,697 to 8,794 feet.

Copies of the approved applications are being distributed to the appropriate Federal offices and three approved copies are returned herewith. You are requested to furnish all interested parties with appropriate evidence of this approval.

Sincerely yours,

(ORIGINAL)
CARL C. TRAYWICK
Acting Area Oil & Gas Supervisor

cc:
Hobbs (w/cy appln)
BLM, Santa Fe (ltr only)
Com. Pub. Lands, Santa Fe (ltr only)
✓NMOCC, Santa Fe (ltr only)

JAMonro:ds

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 27, 1973

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Re: First Enlargement of the Bone
Spring Participating Area,
Bell Lake Unit, Lea County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the First Enlargement of the Bone Spring Participating Area for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the application is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe
U. S. Geological Survey - Roswell

State of New Mexico

TELEPHONE
305-827-2748



Commissioner of Public Lands

June 15, 1973

ALEX J. ARMIGO
COMMISSIONER

P. O. Box 1148
SANTA FE, NEW MEXICO

Continental Oil Company
P. O. Box 460
1001 North Turner
Robbs, New Mexico 88240

Re: Application for First Enlargement of
the Bone Spring Participating Area,
Bell Lake Unit
Lea County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

The Commissioner of Public Lands has this date given approval to the First Enlargement of the Bone Spring Participating Area, for the Bell Lake Unit, Lea County, New Mexico. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

The effective date of this enlargement to be as of January 28, 1973.

One approved copy of the application is enclosed.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s
encl.
cc:

USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico

L. P. Thompson
Division Manager
Production Department
Hobbs Division

Western Hemisphere Petroleum Division
Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

June 13, 1973

Regional and Gas Supervisor
United States Geological Survey
P. O. Box 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

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

Gentlemen:

Application for First Enlargement of the Bone Spring Participating Area -
Bell Lake Unit

We attach for your review, consideration and approval the subject application.
We should appreciate your early favorable consideration of the application.

Yours very truly,



br
Enc
Copy + Enc;
RLA: HMN: CES: JWM

APPLICATION FOR APPROVAL OF THE FIRST ENLARGEMENT OF THE
PARTICIPATING AREA FOR THE BONE SPRING LIME FORMATION
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

Director, United States Geological Survey (6)
C/O Regional Oil and Gas Supervisor
P. O. Box 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

New Mexico Oil Conservation Commission (2)
P. O. Box 2088
Santa Fe, New Mexico 87501

In conformance with the provisions of Section II, of the Unit Agreement dated May 12, 1953, affecting lands in the Bell Lake Unit, Lea County, New Mexico, Continental Oil Company, Unit Operator, hereby submits for your approval a schedule of acreage which, upon your respective approvals, will constitute the first enlargement of the Participating Area for the Bone Spring Lime Formation. Completion of Bell Lake Unit Well No. 12 has extended the commercially proven area of the Bell Lake Bone Spring Lime reservoir to include SE/4 Section 31, Township 23 South, Range 34 East.

The schedule of lands regarded as reasonably proven to be productive of unitized substances and so to constitute the first enlarged Participating Area for said Bone Spring Lime Formation is as follows:

Township 23 South, Range 34 East: Lots 3 and 4, E/2 SW/4 and SE/4
Section 31;

Township 24 South, Range 34 East: Lots 3, 4, and 5, and SE/4 NW/4
Section 6, Lea County, New Mexico.

In support of this application, operator attaches hereto and hereby makes a part of this application the following:

1. A map marked Exhibit "A" showing thereon the Bell Lake Unit Devonian, Participating Area "A", the Initial Participating Area for the Bone Spring Lime Formation, and the area of the proposed first enlargement.

2. A schedule marked Exhibit "B" showing the participating percentage of each lease included or partially included in the proposed enlarged Participating Area.
3. A structure map marked Exhibit "C" contoured on top of the Bone Spring Lime Formation based on well data and seismic interpretation.
4. A log marked Exhibit "D" of Bell Lake Unit Well No. 12 showing the Bone Spring Lime Formation penetrated, perforated, and tested.
5. Engineering and geological report marked Exhibit "E" describing pertinent information and the reservoir data in regard to the Bone Spring Lime reservoir as found in Well No. 12.

Unit Operator respectfully requests that the Director of the United States Geological Survey, the Commissioner of Public Lands, State of New Mexico, and the Oil Conservation Commission, State of New Mexico, approve this schedule of acreage to constitute the first enlargement of the Participating Area, to be effective as of January 28, 1973, the date of completion of said Well No. 12.

Respectfully submitted,
CONTINENTAL OIL COMPANY

L. P. Thompson
Division Manager

br

APPROVED:

United States Geological Survey

Date

Commissioner of Public Lands

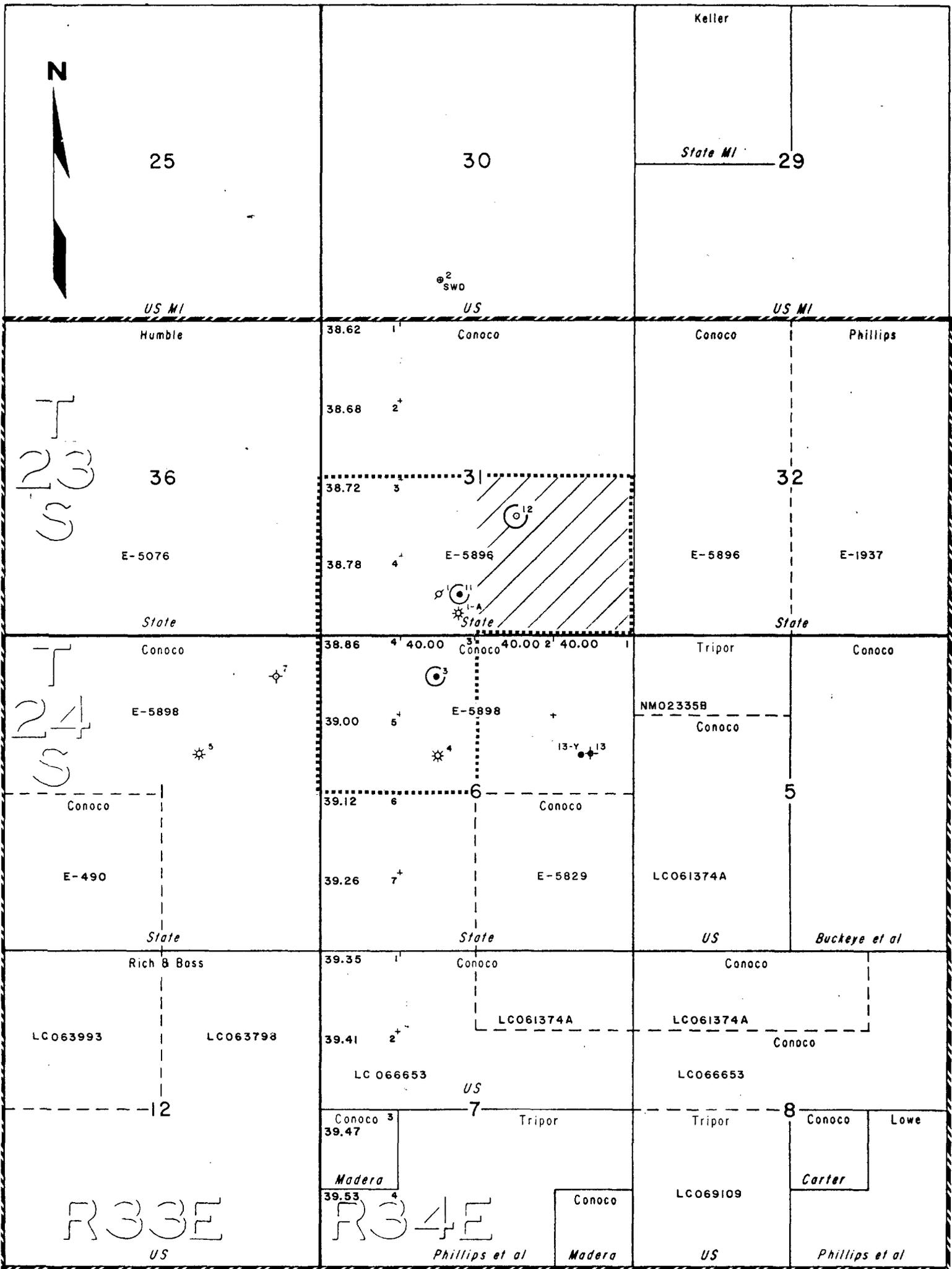
Date

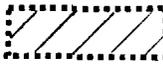
A. L. Porter

New Mexico Oil Conservation Commission

June 27, 1973

Date



-  BOUNDARY BELL LAKE UNIT DEVONIAN PARTICIPATING AREA "A"
-  INITIAL BONE SPRING PARTICIPATING AREA
-  PROPOSED FIRST ENLARGEMENT OF BONE SPRING PARTICIPATING AREA
-  BONE SPRING COMPLETION

CONOCO

PRODUCTION DEPARTMENT HOBBS DIVISION

BELL LAKE UNIT
LEA COUNTY, NEW MEXICO

BONE SPRING PARTICIPATING AREA
EXHIBIT A

SCALE

0' 1000' 2000'

VTL I-73 Rev. 6-73 erw

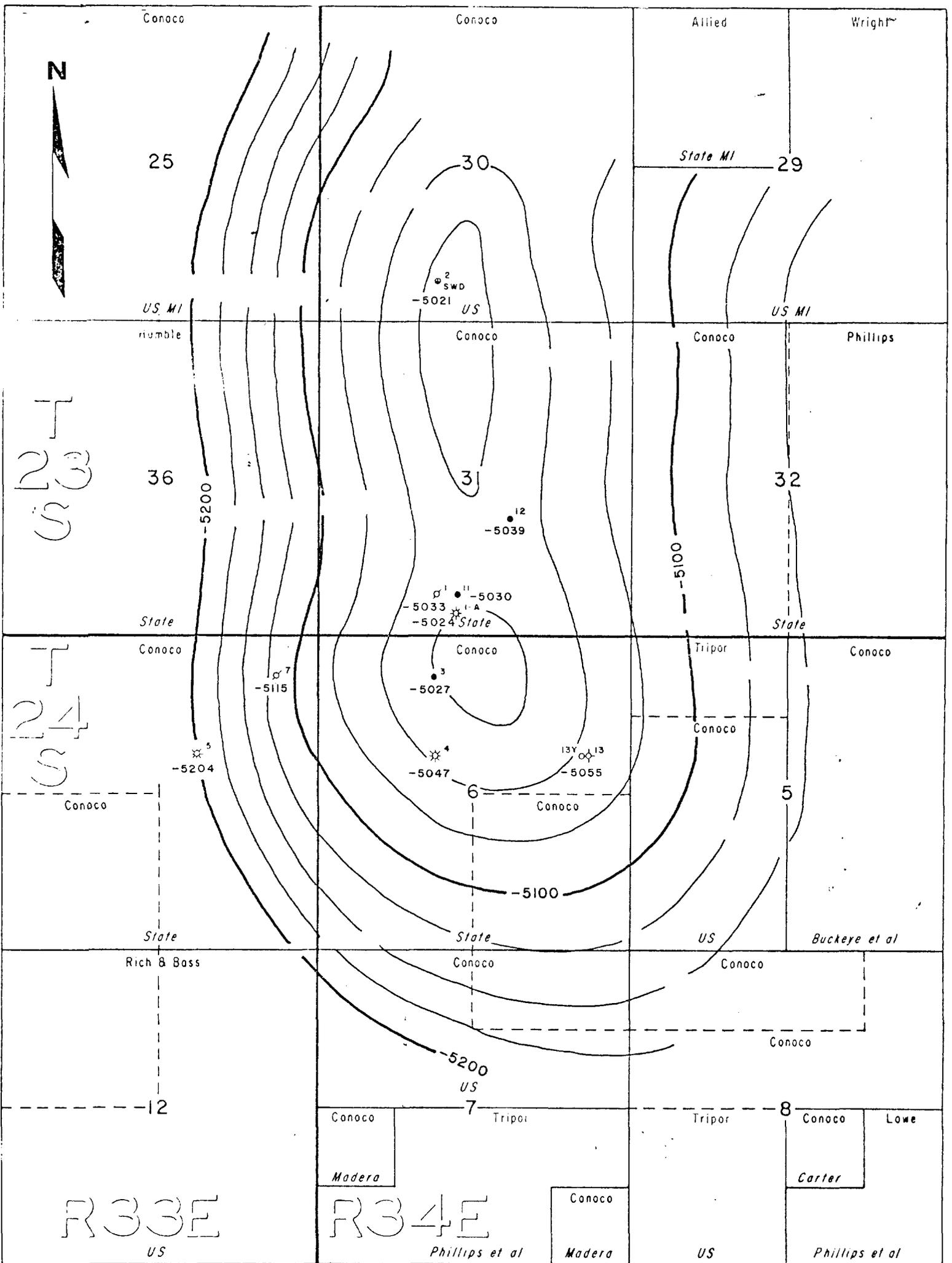
EXHIBIT "B"

BELL LAKE UNIT - LEA COUNTY, NEW MEXICO
PARTICIPATING AREA FOR BONE SPRING LIME FORMATION
AS FIRST ENLARGED

TRACT 1.	Serial Number:	E-5896
	Acreage:	317.50 Acres
	Description:	Lots 3 and 4, E/2 SW/4 and SE/4 Section 31, Township 23 South, Range 34 East
	Working Interest Owner:	Continental Oil Company
	Royalty Interest Owner:	State of New Mexico
TRACT 2.	Serial Number:	E-5898
	Acreage:	157.86 Acres
	Description:	Lots 3, 4, and 5, SE/4 NW/4 Section 6, Township 24 South, Range 34 East
	Working Interest Owner:	Continental Oil Company
	Royalty Interest Owner:	State of New Mexico

PARTICIPATION

TRACT 1.	66.79148
TRACT 2.	33.20852



CONOCO

PRODUCTION DEPARTMENT HOBBS DIVISION

LEA COUNTY, NEW MEXICO
STRUCTURE
TOP-BONE SPRING LIME
CT: 25'

SCALE

0' 1000' 2000'

EXHIBIT "C"

NGC 4-73 ERW

CONTINENTAL OIL COMPANY
BELL LAKE UNIT NO. 12
1980 FS & EL
Sec. 31-T23S-R34E
Elev., KB 3622

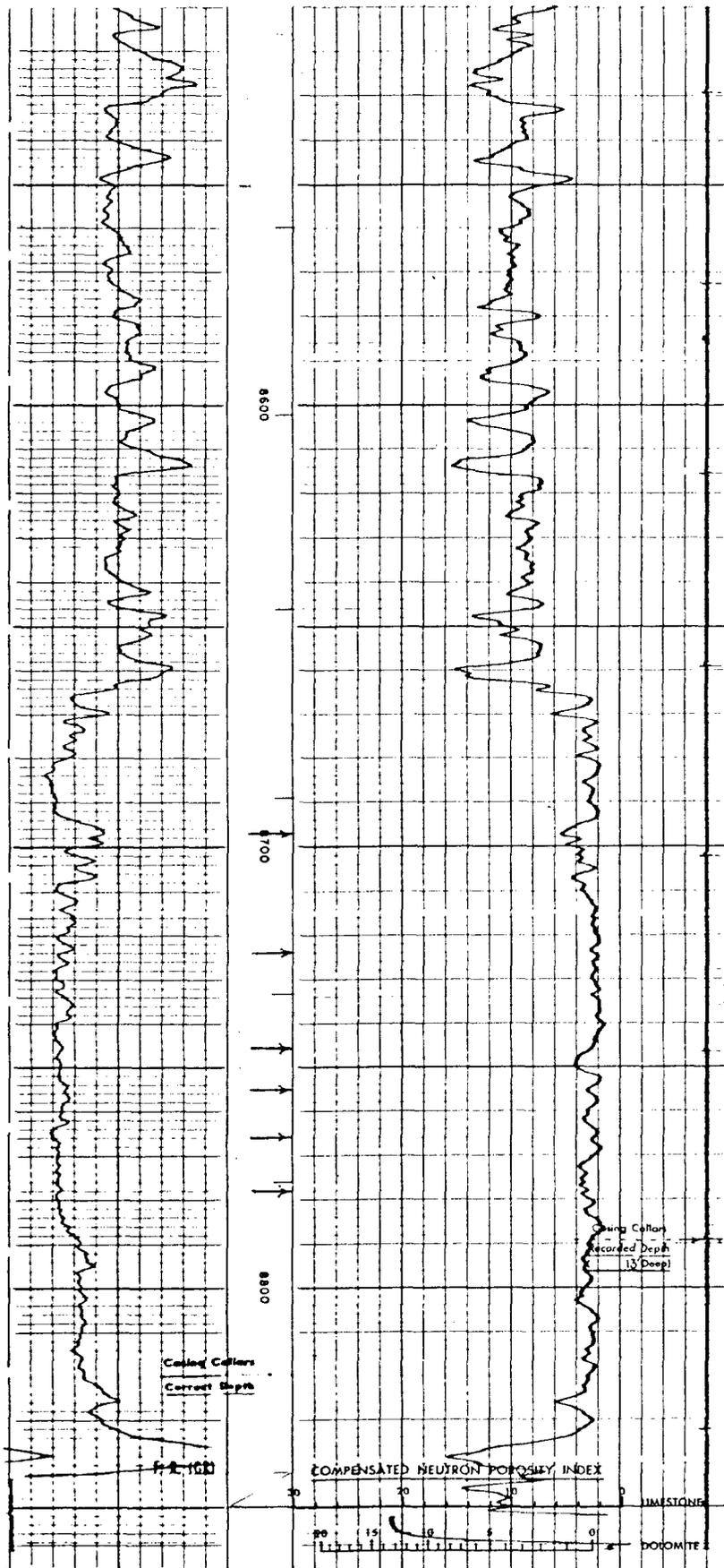


EXHIBIT "E"

ENGINEERING AND GEOLOGICAL REPORT
BONE SPRING LIME RESERVOIR OF BELL LAKE UNIT AREA

Set forth below is a summary of geological and engineering information relative to Bell Lake Unit Well No. 12, justifying the first enlargement of the Participating Area for the Bone Spring Lime formation of the Bell Lake Unit Area.

Well Completion Data

Bell Lake Unit Well No. 12 is located 1980' from the South and East lines of Section 31, T-23S, R-34E, Lea County, New Mexico. The well was spudded on December 30, 1972 and was completed with first oil to the tanks on January 28, 1973. Perforations 8697, 8724, 8746, 8755, 8766 and 8778 (1 jet each) were treated with 7200 gallons 28% acid and 4000 gallons of gelled water. Initial Potential taken February 1, 1973 was 240 barrels oil, 3 barrels water, 598 MCF gas per day on a 14/64" choke, tubing pressure 1,025 lbs. The well has since produced at approximately its allowable rate of 230 barrels per day. Cumulative production through March 31, 1973 was 11,790 barrels oil. The well has been tested at various rates since the promulgation of 160 acre spacing units and consequent increased allowable to 470 barrels oil per day, effective June 1, 1973. On June 6, 1973 the well flowed 501 barrels oil, 33 barrels water, and 807 MCF gas in 24 hours on a 24/64" choke, tubing pressure 910 psi.

Estimated Reserves for Bell Lake Unit No. 12

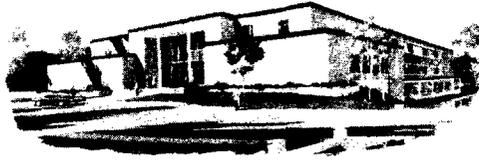
A comparison of the potential rates of Well No. 12 and the indicated porosity shown on the log would indicate that the well is producing from a well developed fracture system. Estimated ultimate recovery of the well is 207,700 barrels based on the data shown below:

Net Effective Pay	97'
Average Porosity	2.3%
Interstitial Water Saturation	25%
Reservoir Volume Factor	1.5
Estimated Recovery Efficiency	15%

State of New Mexico

TELEPHONE

505-827-2748



Commissioner of Public Lands

April 26, 1973

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Continental Oil Company
P. O. Box 460
1001 North Turner
Hobbs, New Mexico 88240

Re: Application for Approval of Initial
Participating Area for the Bone Spring
Lime Formation, Bell Lake Unit,
Lea County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

We are in receipt of your letter dated April 23, 1973, whereby you submitted the corrected effective date of the Participating Area to be November 30, 1973, instead of November 1, 1973, also corrected Exhibits "A" and "B" correcting a slight error on the original Exhibits.

The Commissioner of Public Lands has this date approved your corrected Exhibits and effective date, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Enclosed is one approved copy for your records.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/e
encs.
cc:

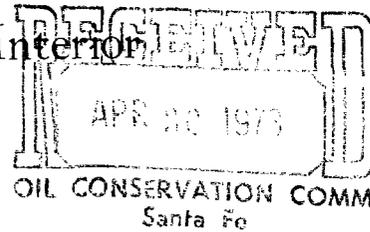
USGS-Roswell, New Mexico
OCC-Santa Fe, New Mexico



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201



April 26, 1973

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240

Gentlemen:

The initial Bone Spring Line participating area for the Bell Lake unit agreement, Lea County, New Mexico, was approved on April 26, 1973, by the Acting Area Oil and Gas Supervisor, U. S. Geological Survey, effective as of November 30, 1972.

The initial participating area embraces 315.36 acres, as described on page one of the attached application, and is based on the information contributed by the completion of unit well No. 11 in the SE 1/4 sec. 31, T. 23 S., R. 34 E., N.M.P.M. Such well was completed November 30, 1972, for an initial production rate of 123 BOPD from the Bone Spring Line interval 8,658 to 8,825 feet.

Copies of the approved applications are being distributed to the appropriate Federal offices and two approved copies are returned herewith. You are requested to furnish all interested parties with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil & Gas Supervisor

cc:
Washington (thru Denver) (w/cy appln)
Hobbs (w/cy appln)
BLM, Santa Fe (ltr only)
Com. Pub. Lands, Santa Fe (ltr only)
✓ NMCC, Santa Fe (ltr only)

JMonro:ds

OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

April 26, 1973

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Attention: Mr. L. P. Thompson

Re: Bell Lake Unit
Initial Participating Area
Bone Spring Formation

Gentlemen:

The New Mexico Oil Conservation Commission approved the Initial Participating Area for the Bone Spring Lime Formation for the Bell Lake Unit, Lea County, New Mexico, on March 26, 1973. The effective date of the Initial Participating Area was approved as of November 1, 1972; inasmuch as the effective date is in error, the Commission hereby approves the application to amend the effective date to November 30, 1972. This approval is granted subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: U. S. Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

L. P. Thompson
Division Manager
Production Department
Hobbs Division

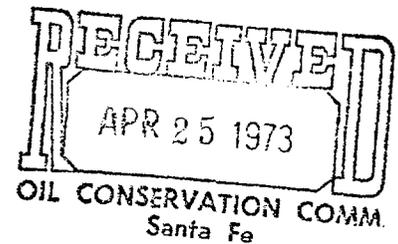
Western Hemisphere Petroleum Division
Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

April 23, 1973

United States Geological Survey
P. O. Box 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

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



Gentlemen:

Initial Participating Area - Bell Lake Unit - Bone Spring Lime Formation

It has been called to our attention that the unit agreement provides that participating areas shall be formed effective the date on which the production began. Consequently, the proposed Initial Participating Area should be effective on the date of completion of Well No. 11, November 30, 1972, rather than on November 1, as provided in our application. We enclose corrected copies of the signature page showing the effective date of November 30, 1972. We also enclose corrected copies of Exhibits "A" and "B" to correct a slight error which has been called to our attention. Both exhibits showed Lot 4, Section 6, Township 24 South, Range 34 East, to contain 38.88 acres when in actuality the lot contains 38.86 acres. Please substitute these exhibits for those which were previously furnished you.

It is respectfully requested that you approve the amended application forwarded herewith.

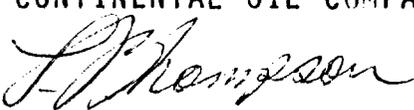
Yours very truly,

A handwritten signature in cursive script, appearing to read "L. P. Thompson".

rw
Enc
Copy + enc:
RLA: HMN: CES: JWM:

2. A schedule marked Exhibit "B" showing the participating percentage of each lease included or partially included in the proposed Participating Area.
3. A structure map marked Exhibit "C" contoured on top of the Bone Spring Lime Formation based on well data and seismic interpretation.
4. A log comparison marked Exhibit "D" of Bell Lake Unit Wells Nos. 3 and 11 showing the Bone Spring Lime Formation penetrated, perforated, and tested.
5. Engineering and geological report marked Exhibit "E" describing pertinent information and the reservoir data in regard to the Bone Spring Lime Reservoir.

Unit Operator respectfully requests that the Director of the United States Geological Survey, the Commissioner of Public Lands, State of New Mexico, and the Oil Conservation Commission, State of New Mexico, approve this schedule of acreage to constitute the Initial Participating Area, to be effective as of November 30, 1972, thereby including all of the month in which occurred the date of completion of the first confirmatory well, and requesting further that this application be acted upon as promptly as possible since storage equipment must be installed adequately to handle production from the Bone Spring wells.

Respectfully submitted,
 CONTINENTAL OIL COMPANY

 L. P. Thompson
 Division Manager

j11
 APPROVED:

 United States Geological Survey

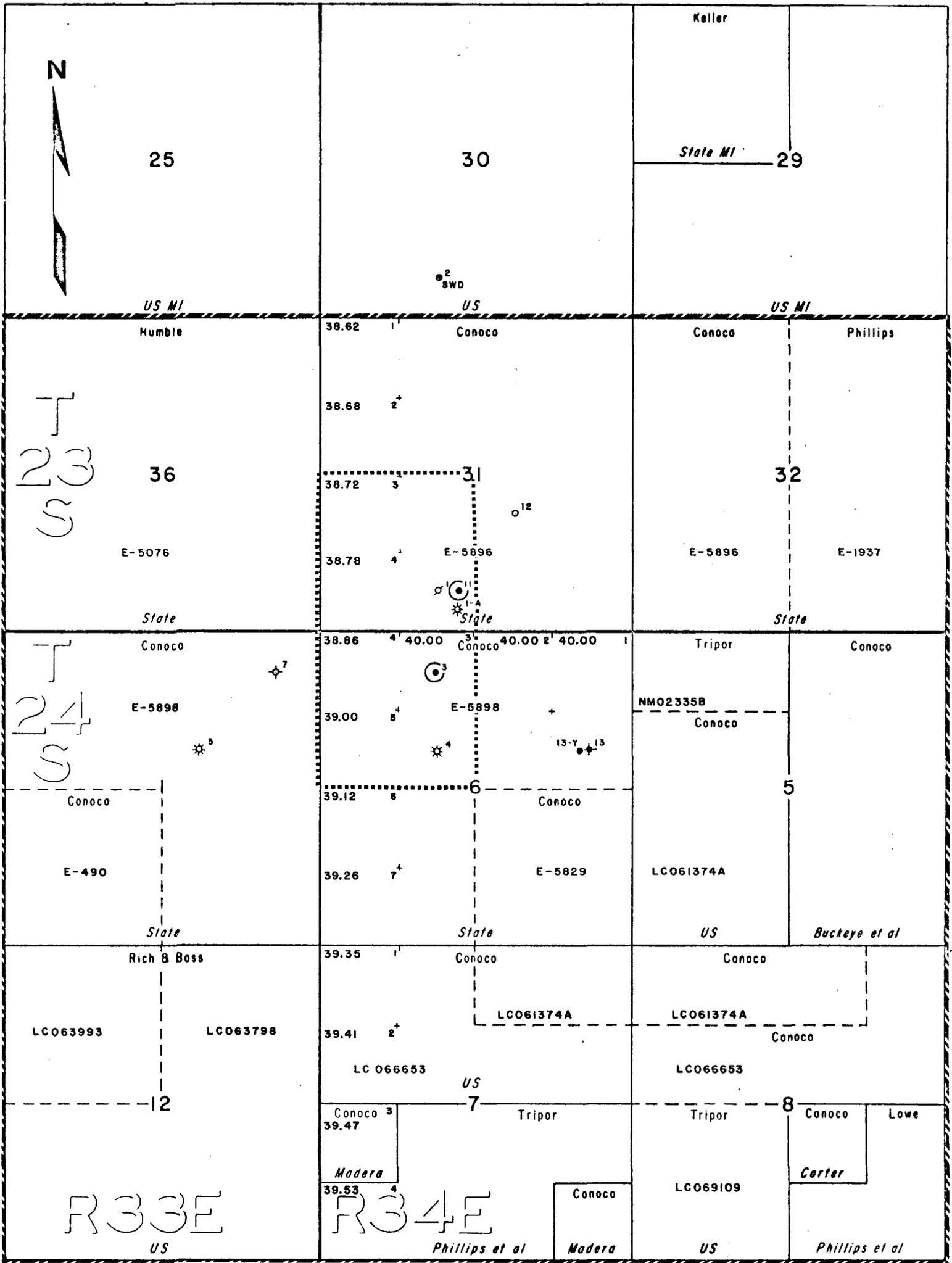
 Date

 Commissioner of Public Lands

 New Mexico Oil Conservation Commission

 Date
 April 26, 1973

 Date



--- BOUNDARY BELL LAKE UNIT
DEVONIAN PARTICIPATING AREA "A"

..... PROPOSED INITIAL BONE SPRING
PARTICIPATING AREA

⊙ BONE SPRING COMPLETION

CONOCO

PRODUCTION DEPARTMENT HOBBS DIVISION

BELL LAKE UNIT
LEA COUNTY, NEW MEXICO

BONE SPRING PARTICIPATING AREA
EXHIBIT A

SCALE
0' 1000' 2000'

VTL I-73 Rev. 4-73 erw

EXHIBIT 'B'

BELL LAKE UNIT - LEA COUNTY, NEW MEXICO
INITIAL PARTICIPATING AREA FOR BONE SPRING LIME FORMATION

TRACT 1.	Serial Number:	E-5896
	Acreage:	157.50 Acres
	Description:	Lots 3 and 4, E/2 SW/4 Section 31, Township 23 South, Range 34 East
	Working Interest Owner:	Continental Oil Company
	Royalty Interest Owner:	State of New Mexico
TRACT 2.	Serial Number:	E-5898
	Acreage:	157.86 Acres
	Description:	Lots 3, 4, and 5, SE/4 NW/4 Section 6, Township 24 South, Range 34 East
	Working Interest Owner:	Continental Oil Company
	Royalty Interest Owner:	State of New Mexico

PARTICIPATION

TRACT 1.	49.94292%
TRACT 2.	50.05708%

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

[Handwritten signature]
March 26, 1973

563
Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Attention: Mr. L. P. Thompson

Re: Initial Bond Spring Participating
Area, Bell Lake Unit, Lea County,
New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Initial Participating Area for the Bone Spring Lime Formation for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands for the State of New Mexico.

One approved copy of the application is returned herewith.

Very truly yours,

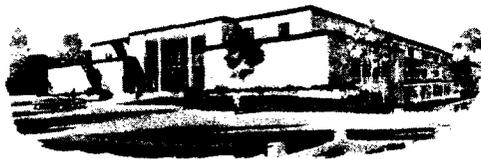
A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey - Roswell
State Land Office - Santa Fe

State of New Mexico

TELEPHONE
505-827-2748



Commissioner of Public Lands

ALEX J. ARMIGO
COMMISSIONER

March 22, 1973

P. O. BOX 1148
SANTA FE, NEW MEXICO

Continental Oil Company
P. O. Box 460
1001 North Turner
Hobbs, New Mexico 88240

Re: Application for Approval of Initial
Participating Area for the Bone Spring
Lime Formation, Bell Lake Unit,
Lea County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

This is to advise that the Commissioner of Public Lands has this date approved the Initial Participating Area for the Bone Spring Lime Formation, Bell Lake Unit, Lea County, New Mexico. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the application is returned herewith.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s

encl.

cc: USGS-Roswell, New Mexico
OCC-Santa Fe, New Mexico ✓



L. P. Thompson
Division Manager
Production Department
Hobbs Division

Western Hemisphere Petroleum Division
Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

March 20, 1973

Regional Oil and Gas Supervisor
P. O. Box 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

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

Gentlemen:

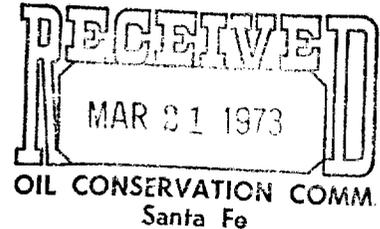
Application for Approval of Initial Participating Area for the Bone Spring Lime Formation, Bell Lake Unit, Lea County, New Mexico

Attached are copies of the subject application for your review and appropriate action. We have filed with the New Mexico Oil Conservation Commission, an application for Special Pool Rules for the Bell Lake Bone Spring Oil Pool including provisions for 160 acre spacing. The hearing on this matter is expected to be held on April 11, 1973.

Wells Nos. 12 and 13 have been located on a spacing which is consistent with the proposed Special Pool Rules. We expect to file an application for first enlargement of the Bone Spring Lime Participating Area for Well No. 12 at an early date. Your early approval of this application for Initial Participating Area will be of assistance in proceeding with the development and consequent enlargements of the Participating Area.

Yours very truly,

rw
Copy + enc:
RLA: HMN: CES: JWM:



APPLICATION FOR APPROVAL OF THE INITIAL PARTICIPATING AREA
FOR THE BONE SPRING LIME FORMATION
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

Director, United States Geological Survey (6)
C/O Regional Oil and Gas Supervisor
P. O. Box 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

New Mexico Oil Conservation Commission (2)
P. O. Box 2088
Santa Fe, New Mexico 87501

In conformance with the provisions of Section 11, of the Unit Agreement dated May 12, 1953, affecting lands in the Bell Lake Unit, Lea County, New Mexico, Continental Oil Company, Unit Operator, hereby submits for your approval, a schedule of acreage which, upon your respective approvals, will constitute the Initial Participating Area for the Bone Spring Lime Formation. The Bone Spring Lime Formation is defined as that section found between the depths of 8658' and 8825' on the Bore-Hole Compensated Gamma Ray-Sonic Log run on October 7, 1972, in the Bell Lake Unit Well No. 11 located 790' FSL and 2265' FWL Section 31, Township 23 South, Range 34 East, Lea County, New Mexico.

The schedule of lands regarded as reasonably proven to be productive of unitized substances and so to constitute the Initial Participating Area for said Bone Spring Lime Formation is as follows:

Township 23 South, Range 34 East: Lots 3 and 4, and E/2 SW/4 Section 31;
Township 24 South, Range 34 East: Lots 3, 4, and 5, and SE/4 NW/4 Section 6,
Lea County, New Mexico

In support of this application, operator attaches hereto and hereby makes a part of this application the following:

1. A map marked Exhibit 'A' showing thereon the Bell Lake Unit, Participating Area 'A', and the proposed Initial Participating Area for the Bone Spring Lime Formation.

2. A schedule marked Exhibit "B" showing the participating percentage of each lease included or partially included in the proposed Participating Area.
3. A structure map marked Exhibit "C" contoured on top of the Bone Spring Lime Formation based on well data and seismic interpretation.
4. A log comparison marked Exhibit "D" of Bell Lake Unit Wells Nos. 3 and 11 showing the Bone Spring Lime Formation penetrated, perforated, and tested.
5. Engineering and geological report marked Exhibit "E" describing pertinent information and the reservoir data in regard to the Bone Spring Lime Reservoir.

Unit Operator respectfully requests that the Director of the United States Geological Survey, the Commissioner of Public Lands, State of New Mexico, and the Oil Conservation Commission, State of New Mexico, approve this schedule of acreage to constitute the Initial Participating Area, to be effective as of November 1, 1972, thereby including all of the month in which occurred the date of completion of the first confirmatory well, and requesting further that this application be acted upon as promptly as possible since storage equipment must be installed adequately to handle production from the Bone Spring wells.

Respectfully submitted,

CONTINENTAL OIL COMPANY



L. P. Thompson
Division Manager

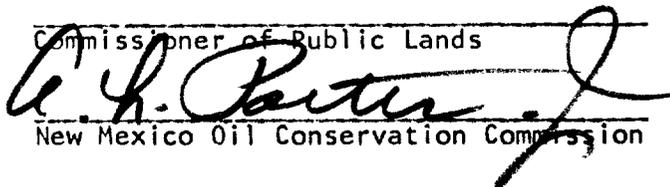
rw

APPROVED:

United States Geological Survey

Date

Commissioner of Public Lands



New Mexico Oil Conservation Commission

Date

March 26, 1973
Date

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 11, 1973

563

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Re: 1973 Plan of Development
Bell Lake Unit, Lea
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Plan of Development for the calendar year 1973 for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

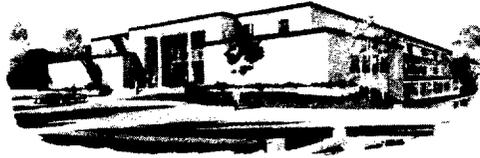
A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

C
O
P
Y

State of New Mexico



Commissioner of Public Lands

December 27, 1972

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Re: Bell Lake Unit
1973 PLAN OF DEVELOPMENT
Lea County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

The Commissioner of Public Lands has this date approved your 1973 Plan of Development for the Bell Lake Unit, whereby you propose the drilling of a Bone Spring confirmation well and finalization of Bone Spring commercial determination of unit well No. 11. This approval is subject to like approval by the United States Geological Survey.

Enclosed is one approved copy of the plan surplus to our need.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s

encs.

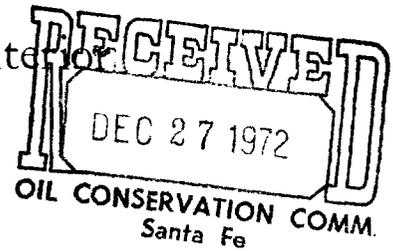
cc: OCC-Santa Fe, New Mexico
USGS-Roswell, New Mexico



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201



December 26, 1972

Continental Oil Company
P.O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Gentlemen:

On this date, your 1973 plan of development for the Bell Lake unit area, Lea County, New Mexico, wherein you propose the drilling of a Bone Spring confirmation well and finalization of Bone Spring commercial determination of unit well No. 11, was approved. Such approval is subject to like approval by the appropriate officials of the State of New Mexico.

Three approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
Washington (w/cy plan)
Hobbs, (w/cy plan)
NMOCC, Santa Fe (ltr only)
Com. Pub. Lands, Santa Fe (ltr only)

JAGillham:ds

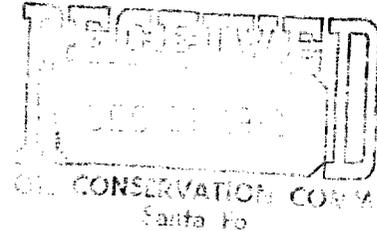


L. P. Thompson
Division Manager
Production Department
Hobbs Division

Western Hemisphere Petroleum Division
Continental Oil Company
P. O. 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

December 15, 1972

Regional Oil & Gas Supervisor
United States Geological Survey
P. O. Box 1857
Roswell, New Mexico 88201



Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

New Mexico Oil Conservation Commission
Mr. A. L. Porter, Jr.
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Plan of Development/Operation, Bell Lake Unit, Lea County, New Mexico

Forwarded herewith for your approval are copies of the Plan of Development/Operation for the Bell Lake Unit for the year 1973.

Yours very truly,

rw
Enc
Copies to:
RLA: HMN: CES:
GAD: JWM:

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1973
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 1857
ROSWELL, NEW MEXICO 88201

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

OIL CONSERVATION COMMISSION (2)
STATE OF NEW MEXICO
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Operation/Development for the year 1973. Under date of December 15, 1971, the Plan of Operation/Development covering calendar year 1972 was submitted and subsequent approval was received from your offices.

HISTORY OF PAST DEVELOPMENT

Since the formation of the Unit, Operator has drilled the following wells within the original Unit Area:

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake State 1 No. 1 SE/4 SE/4 Section 31 T-23S, R-34E	Devonian	Abandoned Devonian Producer, Participating Area "A", recompleted in Morrow.
Bell Lake Unit No. 2 SE/4 SW/4 Section 30 T-23S, R-34E	Pennsylvanian (Atoka)	Atoka Depleted. Deepened to Morrow (Non-productive). Plugged back for SWD use.
Bell Lake State 2 No. 3 NE/4 SW/4 Section 6 T-24S, R-34E	Bone Spring	Producing from Bone Spring (Non-commercial).
Bell Lake Unit 1 No. 4 SE/4 NW/4 Section 6 T-24S, R-34E	Devonian	Producing from Devonian Participating Area "A".
Bell Lake State 3 No. 5 SW/4 NE/4 Section 1 T-24S, R-33E	Devonian	Devonian Non-Productive. Completed in Morrow. Shut-in, pending lower sales line pressure.

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit 2 No. 6 SW/4 SE/4 Section 6 T-23S, R-34E	Ellenburger	Producing from Devonian Participating Area "B".
Bell Lake Unit No. 7 NE/4 NE/4 Section 1 T-24S R-33E	Bone Spring	Water Disposal Well.
Bell Bell Lake Unit No. 8 SW/4 SW/4 Section 7 T-22S, R-34E	Cherry Canyon (Delaware)	Plugged and Abandoned.
Bell Lake Unit No. 9 NE/4 SW/4 Section 18 T-23S, R-34E	Bone Spring	Plugged and Abandoned.
Bradley "A" No. 1 (Bell Lake Unit No. 10) SE/4 NW/4 Section 19 T-23S, R-34E	Devonian	Temporarily shut-in, pending lower line pressure.

On September 30, 1968, the Unit Area was contracted to the then existing participating areas, Devonian Participating Area "A", and Devonian Participating Area "B". Transwestern Pipeline Company has been connected to the Bell Lake Unit gas wells and purchasing gas since August 1961.

OPERATIONS DURING 1972

Bell Lake Unit No. 11, located 790' FSL, 2265' FWL, Section 31, Township 23 South, Range 34 East, was drilled and completed October 24, 1972 in the Bone Spring formation for an IP of 86 BO, 151 BWP, GOR nil. The well was drilled to a total depth of 8900', perforated 8739-72' and stimulated with 1,000 gallons acid, followed by 4,000 gallons treated water and 5,000 gallons 28% acid. Production history is being gathered to evaluate whether the well can be classified as a valuable discovery of unitized hydrocarbons.

DEVELOPMENT

A confirmation Bone Spring well is proposed to be drilled during 1973 in NW/4 SE/4 of Section 31, Township 23 South, Range 34 East.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Bell Lake Unit Agreement, or pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 18 of said Agreement.

MODIFICATION

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

EFFECTIVE DATE

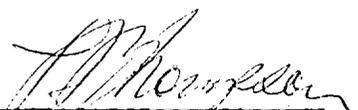
This Plan of Operation/Development shall be effective upon approval by the Supervisor, Commissioner, and Commission.

Date: December 15, 1972.

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1973. Prior to that date, another Plan of Operation/Development will be submitted for approval.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

BY 
L. P. Thompson

Approved _____
Department of the Interior

DATE _____

Approved _____
Commissioner of Public Lands

DATE _____

Approved 
New Mexico Oil Conservation Commission

DATE January 11, 1973

RECEIVED

MAR 7 1972

NEW MEXICO DEPARTMENT OF ENERGY

PHONE
827-2748

March 6, 1972

563

Continental Oil Company
P. O. 460
1001 North Turner
Hobbs, New Mexico 88240

Re: Bell Lake Unit
Well No. 1 A (Morrow)
Lea County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

Your notice of February 25, 1972 advises that Continental Oil Company as unit operator of the Bell Lake Unit agreement, Lea County, New Mexico, has determined unit well No. 1 A in the SE/4SW/4, Section 31, Township 23 South, Range 34 East, to be incapable of producing unitized substances in paying quantities from the Morrow formation. The well was completed on July 30, 1968, in the Morrow Formation for an initial potential of 1,700 MCFGPD. A four-point back pressure test, conducted May 14, 1969, indicated a calculated open flow potential of 1,989 MCFGPD.

This office concurs with your determination that unit well No. 1 A is incapable of producing unitized substances in paying quantities under existing conditions.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico ✓



L. P. Thompson
Division Manager
Production Department
Hobbs Division

Western Hemisphere Petroleum Division
Continental Oil Company
P. O. 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

RECEIVED
FEB 28 1972
OIL CONSERVATION COMM.
SANTA FE

563

February 25, 1972

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Gentlemen:

Commercial/Non-Commercial Determination, Bell Lake Unit No. 1 A (Morrow),
Lea County, New Mexico

The Regional Supervisor of the United States Geological Survey in Roswell has requested that we make a determination as to the commercial nature of the subject well. This well is located on state land and therefore this determination is directed to your office.

Bell Lake Unit Well No. 1 A is located in the SE/4 SW/4, Section 31, Township 23 South, Range 34 East, Lea County, New Mexico. It was completed April 26, 1955, in the Devonian Formation. The well was recompleted on July 30, 1968, in the Morrow Formation for an initial potential of 1,700 MCFGPD. A four-point back pressure test, conducted May 14, 1969, indicated a calculated open flow potential of 1,989 MCFGPD.

There is no indication of water influx and consequently, this reservoir gives every indication of being a depletion-type reservoir. Thus, the reservoir lends itself to evaluation by a P/Z versus cumulative production analysis. The attached graff shows the data obtained by three bottom hole pressure surveys versus cumulative production. Imperfect point alignment permits at least two interpretations ranging from 2.19 to 2.315 MMMCF ultimate recovery. Applying current gas prices, which are still subject to FPC approval, to the most optimistic estimated recovery will not provide sufficient revenue to pay the estimated costs of drilling and completing a well to this depth which is in the order of \$500,000. The above calculation does not deduct royalty and operating expenses.

It is quite obvious that, based on today's gas prices, estimated reserves will not justify the drilling of additional wells. Consequently, it is recommended that the Morrow completion in Bell Lake Unit Well No. 1 A (currently designated State MM No. 1) be designated as a non-commercial producer.

Commissioner of Public Lands
Page 2
February 25, 1972

Yours very truly,



rw

Enc

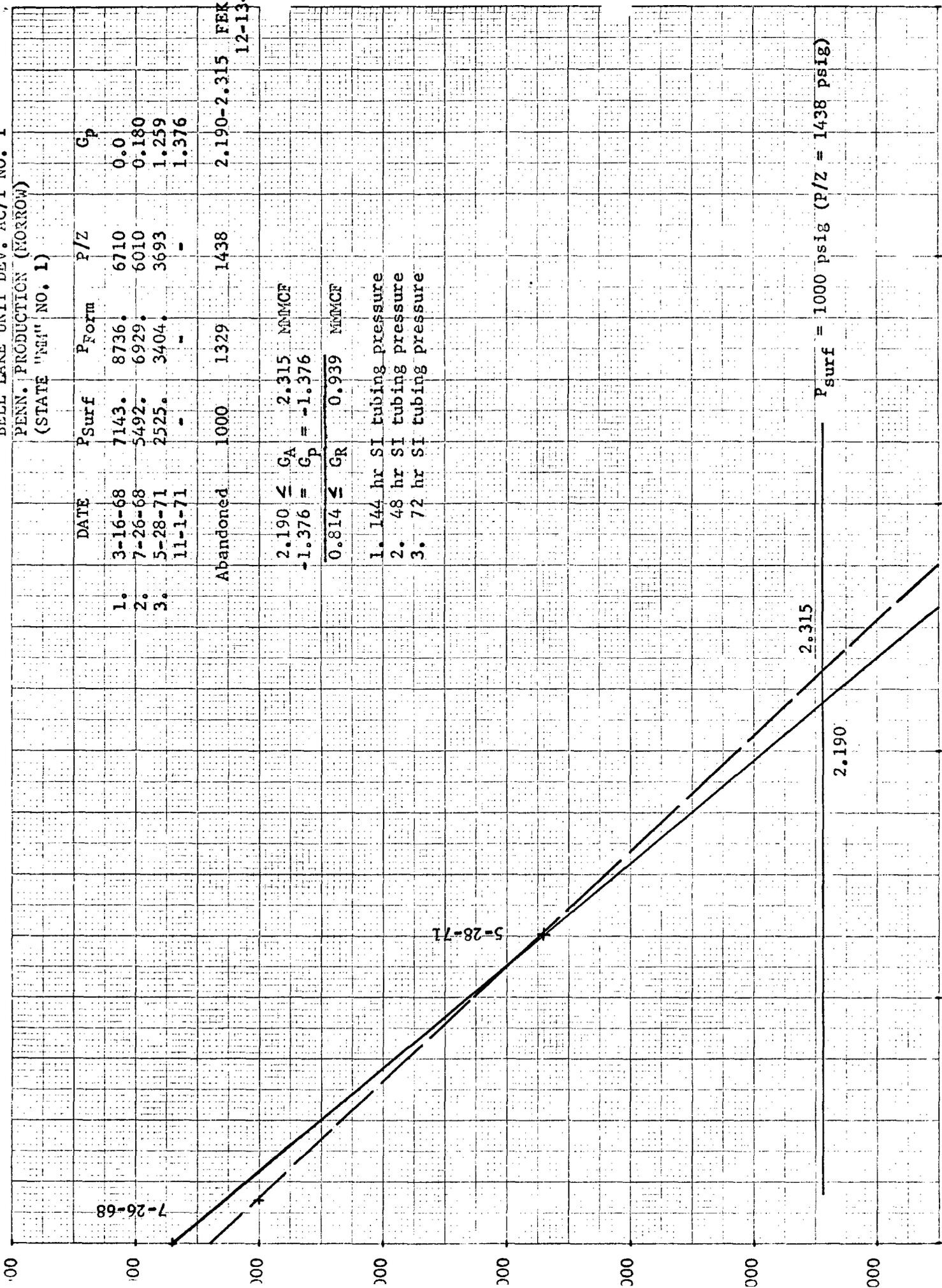
Copies to:
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

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

Working Interest Owners
(Devonian Participating Area "A")

RLA: JJB: CES: NEL: HMN:

BELL LAKE UNIT DEV. AC/1 NO. 1
 PENN. PRODUCTION (MORROW)
 (STATE "SI" NO. 1)



RECEIVED

FEB-1 1972

OIL CONSERVATION COMM.
SANTA FE

Drawer 1857
Roswell, New Mexico 88201

January 28, 1972

563

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. G. C. Jamieson

Gentlemen:

Your plan of development dated December 15, 1971, for Calendar Year 1972, for the Bell Lake unit area, Lea County, New Mexico, has been approved on this date subject to like approval by the appropriate State officials.

Three approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) N. O. FREDERICK

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington (w/cy plan)
Hobbs (w/cy plan)
NMOCC, Santa Fe (ltr. only) ✓
Com. of Pub. Lands, Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

January 10, 1972

563

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. G. C. Jamieson

Re: 1972 Plan of Operation and
Development, Bell Lake Unit,
Lea County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Plan of Operation and Development for the calendar year 1972 for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: U. S. G. S., Roswell, New Mexico
Commissioner of Public Lands - Santa Fe, New Mexico

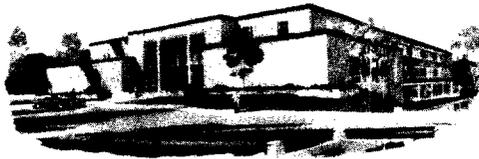
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State of New Mexico

RECEIVED

JAN - 7 1972

CONSERVATION COMM.
SANTA FE



Commissioner of Public Lands

January 6, 1972

P. O. BOX 1148
SANTA FE, NEW MEXICO

ALEX J. ARMIJO
COMMISSIONER

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Re: Bell Lake Unit
Plan of Operation for the
Year 1972

ATTENTION: Mr. L. P. Thompson

Gentlemen:

The Commissioner of Public Lands has this date approved your Plan of Operation for the year 1972, for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Enclosed is one approved copy of the plan surplus to our need.

Please remit a three (\$3.00) Dollar filing fee.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s
encs.

cc: USGS-Roswell, New Mexico
DCC-Santa Fe, New Mexico,

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1972
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 1857
ROSWELL, NEW MEXICO

RECEIVED
DEC 17 1971

COMMISSIONER OF PUBLIC LANDS (3)
STATE OF NEW MEXICO
P. O. BOX 791
SANTA FE, NEW MEXICO

OIL CONSERVATION COMM.

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
P. O. BOX 2088
SANTA FE, NEW MEXICO

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Operation/Development for the year 1972. Under date of April 30, 1971, the Plan of Operation/Development covering the remainder of calendar year 1971 was submitted and subsequent approval was received from your offices.

HISTORY OF PAST DEVELOPMENT

Since the formation of the Unit, Operator has drilled the following wells within the original Unit Area:

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
State LL (Formerly BLU #1) Acct. 2, No. 3 SE/4 SE/4 Sec. 31 T-23S, R-34E	Devonian	Abandoned Devonian Producer, Participating Area "A", recompleted in Morrow
Bell Lake Unit No. 2 SE/4 SW/4 Sec. 30 T-23S, R-34E	Pennsylvanian (Atoka)	Atoka Depleted. Deepened to Morrow (Non-productive) Plugged back for SWD use.
State LL Acct. 1, No. 1 (Bell Lake Unit No. 3) NE/4 SW/4 Sec. 6 T-24S, R-34E	Bone Spring	Producing from Bone Spring (Non-Commercial)
Bell Lake Unit No. 4 SE/4 NW/4 Sec. 6 T-24S, R-34E	Devonian	Producing from Devonian Part. Area "A"
State LL Acct. 2, No. 2 (Bell Lake Unit No. 5) SW/4 NE/4 Sec. 1 T-24S, R-33E	Devonian	Devonian non-pro- ductive. Completed in Morrow. Shut-in pending lower sales line pressure

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit No. 6 SW/4 SE/4 Sec. 6 T-23S, R-34E	Ellenburger	Producing from Devonian Part. Area "B"
Bell Lake Unit No. 7 NE/4 NE/4 Sec. 1 T-24S, R-33E	Bone Spring	Water disposal well
Bell Lake Unit No. 8 SW/4 SW/4 Sec. 7 T-22S, R-34E	Cherry Canyon	Plugged and Abandoned
Bell Lake Unit No. 9 NE/4 SW/4 Sec. 18 T-23S, R-34E	Bone Spring	Plugged and Abandoned
Bradley "A" No. 1 (Bell Lake Unit No. 10) SE/4 NW/4 Sec. 19 T-23S, R-34E.	Devonian	Producing from Devonian

On September 30, 1968, the Unit Area was contracted to the then existing participating areas, Devonian Participating Area "A", and Devonian Participating Area "B". Transwestern Pipeline Company has been connected to the Bell Lake Unit gas wells and purchasing gas since August 1961.

OPERATIONS DURING 1971

Bell Lake Unit No. 6, in Devonian Participating Area "B" had encountered increasing water production. In September 1971, the well was entered and a through-tubing bridge plug was set at 14,750' and cement dumped above to 14,743', plugging off the lower two sets of perforations. Water production was reduced slightly. The well was placed back on production as before and it is planned to continue Devonian production as long as it remains profitable.

DEVELOPMENT

It is planned to continue producing operations in all Unit Wells, Nos. 4 (Dev. Part. Area "A") and No. 6 (Dev. Part. Area "B") as at present.

During 1968, Bell Lake Unit No. 1 was entered in an attempt to shut-off water. The Devonian section was lost during this operation and the well was recompleted in the Morrow section July 30, 1968, for an IP of 1,700 MCFG/day, FTP 3428 psi. On May 14, 1969, a four-point back pressure test showed a calculated open flow potential of 1989 MCF/day. Data to date indicates that Morrow reserves do not justify drilling to this formation for

further development. It is planned, however, to use the well bore of Bell Lake Unit No. 4 to further develop the Morrow section. Data from this recompletion may provide justification for further development and establishment of a Morrow Participating Area.

Within 90 days after cessation of Devonian production from Well No. 4, Operator will begin actual work to recomplete the well in the Morrow formation and diligently evaluate reserves in that formation for further development and establishment of a participating area.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Bell Lake Unit Agreement, or pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 18 of said agreement.

MODIFICATION

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

EFFECTIVE DATE

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

Date: December 15, 1971

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1972. Prior to that date, another Plan of Operation/Development will be submitted for approval.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

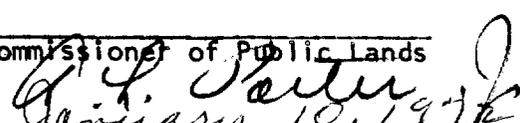
BY 
G. C. Jamieson

Approved _____
Department of the Interior

Date _____

Approved _____
Commissioner of Public Lands

Date _____

Approved 
Oil Conservation Commission

Date January 10, 1972

Drawer 1857
Roswell, New Mexico 88201

71 JUL 19 AM 8 1-

July 16, 1971

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

463

Attention: Mr. L. P. Thompson

Gentlemen:

Your plan of development dated April 30, 1971, for the period from April 30, 1971, to January 1, 1972, for the Bell Lake unit area, Lea County, New Mexico, has been approved on this date subject to like approval by the appropriate State officials.

Three approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SENT TO N. O. FREDERICK
N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington (w/cy plan)
Hobbs (w/cy plan)
NMOCC, Santa Fe (ltr. only)
Com. of Pub. Lands, Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 28, 1971

563

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Attention: Mr. L. P. Thompson

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

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Plan of Operation/Development dated April 30, 1971, for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

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PLAN OF OPERATION/DEVELOPMENT
FOR THE REMAINDER OF CALENDAR YEAR 1971
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

OCT 19 10 21 AM '71

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 1857
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS (3)
STATE OF NEW MEXICO
P. O. BOX 791
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
P. O. BOX 2088
SANTA FE, NEW MEXICO

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Operation/Development for the remainder of the year 1971. Under date of July 15, 1970, the Plan of Operation covering the remainder of calendar year 1970 was submitted and subsequent approval was received from your offices.

HISTORY OF PAST DEVELOPMENT

Since the formation of the Unit, Operator has drilled the following wells within the original Unit Area:

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
State LL (Formerly BLU #1) Acct. 2, No. 3 SE/4 SE/4 Sec. 31 T-23S, R-34E	Devonian	Abandoned Devonian Producer, Partici- Recompleted in Morrow
Bell Lake Unit No. 2 SE/4 SW/4 Sec. 30 T-23S, R-34E	Pennsylvanian (Atoka)	Atoka Depleted. Deepened to Morrow (Non-productive)
State LL Acct. 1, No. 1 (Bell Lake Unit No. 3) NE/4 NW/4 Sec. 6 T-24S, R-34E	Bone Spring	Producing from Bone Spring (Non- Commercial)
Bell Lake Unit No. 4 SE/4 NW/4 Sec. 6 T-24S, R-34E	Devonian	Producing from Devonian Part. Area "A"
State LL Acct. 2, No. 2 (Bell Lake Unit No. 5) SW/4 NE/4 Sec. 1 T-24S, R-33E	Devonian	Devonian non-pro- ductive. Completed in Morrow. Shut-in pending lower sales line pressure

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit No. 6 SW/4 SE/4 Sec. 6 T-23S, R-34E	Ellenburger	Producing from Devonian Part. Area 'B'
Bell Lake Unit No. 7 NE/4 NE/4 Sec. 1 T-24S, R-33E	Bone Spring	Water disposal well
Bell Lake Unit No. 8 SW/4 SW/4 Sec. 7 T-22S, R-34E	Cherry Canyon	Plugged and Abandoned
Bell Lake Unit No. 9 NE/4 SW/4 Sec. 18 T-23S, R-34E	Bone Spring	Plugged and Abandoned
Bradley 'A' No. 8 (Bell Lake Unit No. 10) SE/4 NW/4 Sec. 19 T-23S, R-34E	Devonian	Producing from Devonian

On September 30, 1968, the Unit area was contracted to the then existing participating areas, Devonian Participating Area 'A', and Devonian Participating Area 'B'. Transwestern Pipeline Company has been connected to the Bell Lake Unit gas wells and purchasing gas since August, 1961.

OPERATIONS DURING 1970

Bell Lake Unit No. 4, in Devonian Participating Area 'A' has encountered increasingly serious water production. Late in 1970, the well was entered, tubing pulled and extensive testing was done attempting to locate water entry. These tests indicated all perforated intervals were contributing water. The well was placed back on production as before and it is planned to continue Devonian production as long as it remains profitable.

DEVELOPMENT

It is planned to continue producing operations in all Unit Wells, Nos. 4 (Dev. Part. Area 'A') and No. 6 (Dev. Part. Area 'B') as at present.

During 1968, Bell Lake Unit No. 1 was entered in an attempt to shut-off water. The Devonian section was lost during this operation and the well was recompleted in the Morrow section July 30, 1968 for an IP of 1,700 MCFG/day, FTP 3428 psi. On May 14, 1969, a four-point back pressure test showed a calculated open flow potential of 1989 MCF/day. Data to date indicate that Morrow reserves do not justify drilling to this formation for further development. It is planned, however, to use the well bore of Bell Lake Unit No. 4 to further develop the Morrow section. Data from this recompletion may provide justification for further development and es-

establishment of a Morrow Participating Area.

Within 90 days after cessation of Devonian production from Well No. 4, Operator will begin actual work to recomplete the well in the Morrow formation and diligently evaluate reserves in that formation for further development and establishment of a participating area.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Bell Lake Unit Agreement, or pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 18 of said agreement.

MODIFICATION

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

EFFECTIVE DATE

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

Date: April 30, 1971

TERM

This plan of Operation/Development is submitted for the period ending December 31, 1971. Prior to that date, another Plan of Operation/Development will be submitted for approval.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

BY *L. P. Thompson*
L. P. Thompson

Approved _____
Department of the Interior

Date _____

Approved _____
Commissioner of Public Lands

Date _____

Approved *W. H. Carter*
Oil Conservation Commission

Date May 28 1971

May 19, 1971

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Re: Bell Lake Unit
Plan of Operation for the
remainder of 1971

ATTENTION: Mr. L. P. Thompson

Gentlemen:

The Commissioner of Public Lands has this date approved your Plan of Operation for the remainder of year 1971, for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Enclosed is one approved copy of the plan surplus to our need.

Please remit a three (\$3.00) Dollar filing fee.

Sincerely yours,

GORDON G. MARCUM, II, Director
Oil and Gas Department

AJA/GGM/s
encls.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88261

IN REPLY REFER TO:

70 AUG 3 AM 8 1

563

July 30, 1970

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Gentlemen:

Your plan of development, dated July 15, 1970, for the period from July 15, 1970, to January 1, 1971, for the Bell Lake unit area, Lea County, New Mexico, has been approved on this date subject to like approval by the appropriate State officials.

Three approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

cc:
Washington (w/cy plan)
Hobbs (w/cy plan)
NMOCC, Santa Fe (ltr. only) ✓
Com. of Pub. Lands, Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 23, 1970

563

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Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Attention: Mr. L. P. Thompson

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

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Plan of Operation dated July 15, 1970, for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

An approved copy of page 3 of the application is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

MAIL ROOM

10 JUL 22 AM 8

July 20, 1970

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Re: Bell Lake Unit Agreement
Plan of Operation for the
remainder of 1970.

ATTENTION: Mr. L. P. Thompson

Gentlemen:

The Commissioner of Public Lands has this date approved your Plan of Operation for the remainder of the year 1970, for the Bell Lake Unit, Lea County, New Mexico.

We are returning two approved copies for your files and retaining two copies for us.

Very truly yours,

GORDON G. MARCUM II, Director
Oil and Gas Department

GGM/ML/s
cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico

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CONTINENTAL OIL COMPANY

P. O. Box 460
HOBBS, NEW MEXICO 88240

July 15, 1970

PRODUCTION DEPARTMENT
HOBBS DIVISION
L. P. THOMPSON
Division Manager
G. C. JAMIESON
Assistant Division Manager

1001 NORTH TURNER
TELEPHONE 393-4141

70 JUL 17 AM 8 38

Oil and Gas Supervisor
United States Geological Survey
P. O. Box 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

✓ Oil Conservation Commission
State of New Mexico
P. O. Box 2988
Santa Fe, New Mexico

Gentlemen:

We forward herewith the Plan of Operation for the Bell Lake Unit for the remainder of 1970. Your further handling and approval will be sincerely appreciated.

Yours very truly,

LPT:JM

PLAN OF OPERATION
FOR THE REMAINDER OF CALENDAR YEAR 1970
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

70 JUL 17 AM 8 39

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 1857
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS (3)
STATE OF NEW MEXICO
P. O. BOX 791
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
P. O. BOX 2088
SANTA FE, NEW MEXICO

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Operation for the remainder of the year 1970. Under date of December 15, 1967, the final Plan of Development covering the calendar year 1968 was submitted and subsequent approval was received from your offices.

HISTORY OF PAST DEVELOPMENT

Since formation of the Unit, Operator has drilled the following wells within the original Unit Area:

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit No. 1 (Being redesignated State LL Acct 2, No. 3) SE/4 SW/4 Sec. 31 T-23S, R-34E	Devonian	Abandoned Devonian Producer, Participating Area "A". Recompleted in Morrow
Bell Lake Unit No. 2 SE/4 SW/4 Sec. 30 T-23S, R-34E	Pennsylvanian (Atoka)	Atoka Depleted. Deepened to Morrow (Non-productive)
State LL Acct 1, No. 1 (Bell Lake Unit No. 3) NE/4 NW/4 Sec. 6 T-24S, R-34E	Bone Spring	Producing from Bone Spring (Non- Commercial)
Bell Lake Unit No. 4 SE/4 NW/4 Sec. 6 T-24S, R-34E	Devonian	Producing from Devonian Part. Area "A"
State LL Acct 2, No. 2 (Bell Lake Unit No. 5) SW/4 NE/4 Sec. 1 T-24S, R-33E	Devonian	Devonian non-pro- ductive. Completed in Morrow. Shut in pending lower sales line pressure

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit No. 6 SW/4 SE/4 Sec. 6 T-23S, R-34E	Devonian	Producing from Devonian Part. Area "B"
Bell Lake Unit No. 7 NE/4 NE/4 Sec. 1 T-24S, R-33E	Bone Spring	Plugged and Abandoned
Bell Lake Unit No. 8 SW/4 SW/4 Sec. 7 T-22S, R-34E	Cherry Canyon	Plugged and Abandoned
Bell Lake Unit No. 9 NE/4 SW/4 Sec. 18 T-23S, R-34E	Bone Spring	Plugged and Abandoned
Bradley "A" No. 1 (Bell Lake Unit No. 10) SE/4 NW/4 Sec. 19 T-23S, R-34E	Devonian	Producing from Devonian

On September 30, 1968 the Unit area was contracted to the then existing participating areas, Devonian Participating Area "A", and Devonian Participating Area "B". Transwestern Pipeline Company has been connected to the Bell Lake Unit gas wells and purchasing gas since August, 1961.

OPERATIONS DURING 1970

Bell Lake Unit No. 4, in Devonian Participating Area "A" has encountered increasingly serious water production, such that its ability to produce into the sales line is threatened. On May 19, 1970 the well tested 1.7 MMcf gas and 1782 bbls water in 24 hours. In the near future, operator plans to enter the well and attempt to shut off the water. A successful operation should extend the producing life indefinitely.

Due to complex mechanical problems it is entirely possible that our objective cannot be accomplished in the intended manner. It is also possible that the Devonian section of the well bore will be lost as it was in Well No. 1. In the event of either of these situations it will be necessary to study all data available and determine the practicability of restoring production by additional work in this well or by drilling another well to the Devonian formation. The study, preparation of recommendation and securing of approval by working interest owners is likely to require 90 days, or more. Rig availability may cause some further delay.

Within six months after cessation of operations on Well No. 4, if unsuccessful in restoring production from the Devonian, Operator will begin actual work to restore Devonian production within Devonian Participating Area 'A' either by additional work in an existing well or by the drilling of a new well to the Devonian formation.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Bell Lake Unit Agreement, or pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 18 of said agreement.

MODIFICATION

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

EFFECTIVE DATE

This Plan of Operation shall be effective upon approval by the Director, Commissioner and Commission.

Date: July 15, 1970

CONTINENTAL OIL COMPANY
UNIT OPERATOR

BY 
L. P. Thompson

Approved _____
Department of the Interior

Date _____

Approved _____
Commissioner of Public Lands

Date _____

Approved 
Oil Conservation Commission

Date July 23, 1970



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

563

April 9, 1968

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Gentlemen:

Your letter of April 2 advises that as operator of the Bell Lake unit, Eddy County, New Mexico, you have determined that unit well No. 10 in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 19, T. 23 S., R. 34 E., N.M.P.M., lease Las Cruces 065194, is not capable of producing unitized substances in paying quantities from the Devonian formation.

Unit well No. 10 was completed on March 6, 1965, for an initial potential of 3,200 MCF per day from the Devonian 14,747 to 14,811 feet. Subsequent workovers have failed to increase the gas productive capacity or decrease the water production. The well has produced a total of 578,437 MCF of gas through January 1968.

This office concurs with your determination that unit well No. 10 is not capable of producing unitized substances in paying quantities from the Devonian under existing conditions.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil & Gas Supervisor

cc:
Washington (w/cy. ltr.)
Artesia (w/cy. ltr.)
Com. of Pub. Lands (ltr. only)
NMOCC - Santa Fe (ltr. only) ✓
Accounts

MAIN OFFICE

'68 APR 11 PM 1 11

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

563

January 12, 1968

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. G. C. Jamieson

Re: 1968 Plan of Development
Bell Lake Unit, Lea County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1968 Plan of Development dated December 28, 1967, for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Only one copy of plan of development was received by the Commission, therfor, a Xerox copy of the signature page is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEX/og

cc: Commissioner of Public Lands - Santa Fe

U. S. Geological Survey - Roswell

C
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IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

MAIL ROOM 000
JAN 13 8 06 AM '68
Drawer 1857
Roswell, New Mexico 88201

567

January 11, 1968

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. G. C. Jamieson

Gentlemen:

Your plan of development for the period January 1, 1968, to September 30, 1968, for the Bell Lake unit area, Lea County, New Mexico, has been approved on this date subject to like approval by the appropriate State officials. The plan proposes the testing of the Morrow formation in unit well No. 1. The effective date of automatic elimination is September 30, 1968, for the Bell Lake unit.

Three approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil & Gas Supervisor

cc:
Washington (w/cy plan)
Hobbs (w/cy plan)
NMOCC - Santa Fe (ltr. only)
Com. of Pub. Lands - Santa Fe (ltr. only)

State of New Mexico



Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

January 11, 1968

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Re: Bell Lake Unit
1968 Plan of Development
Lea County, New Mexico

ATTENTION: Mr. G. C. Jamieson

Gentlemen:

The Commissioner of Public Lands approves your 1968 Plan of Development for the Bell Lake Unit, Lea County, New Mexico. Approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the plan is enclosed herewith.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Eddy Lopez, Supervisor
Unit Division

GBH/TB/EL/s
encl.

cc: USGS-Roswell, New Mexico
OCC-Santa Fe, New Mexico

SEARCHED INDEXED

'68 JAN 12 AM 10 39



CONTINENTAL OIL COMPANY

P. O. Box 460

HOBBS, NEW MEXICO 88240

PRODUCTION DEPARTMENT
HOBBS DIVISION

L. P. THOMPSON
Division Manager

G. C. JAMIESON
Assistant Division Manager

1001 NORTH TURNER
TELEPHONE 393-4141

December 28, 1967

Oil and Gas Supervisor (6)
United States Geological Survey
P. O. Box 1857
Roswell, New Mexico

Commissioner of Public Lands (3)
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Re: 1968 Plan of Development
Bell Lake Unit - Lea County,
New Mexico

Gentlemen:

Forwarded herewith is our proposed Plan of
Development for the Bell Lake Unit, Lea County, New Mexico,
for the calendar year 1968.

Yours very truly,

GCJ-JS
cc: RLA CES HMN

MAIN OFFICE

'68 JAN 2 AM 8 10

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1968
BELL LAKE UNIT (No. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

MAIL OFFICE

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. Box 1857
ROSWELL, NEW MEXICO

'68 JAN 2 AM 8 10

COMMISSIONER OF PUBLIC LANDS (3)
STATE OF NEW MEXICO
P. O. BOX 791
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
P. O. BOX 2088
SANTA FE, NEW MEXICO

Gentlemen:

In compliance with Section 10 of the Bell Lake Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Development for the year 1968. Under date of December 15, 1966, a Plan of Development covering the calendar year 1967 was submitted and subsequent approval was received from your offices.

HISTORY OF PAST DEVELOPMENT

Since formation of the Unit, Operator has drilled the following wells within the Unit Area:

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit No. 1 SE/4 SW/4 Sec. 31 T-23S, R-34E	Devonian	Abandoned Devonian Producer, Partici- pating Area "A"
Bell Lake Unit No. 2 SE/4 SW/4 Sec. 30 T-23S, R-34E	Pennsylvanian (Atoka)	Atoka Depleted. Deepened to Morrow (Non-productive)
Bell Lake Unit No. 3 NE/4 NW/4 Sec. 6 T-24S, R-34E	Bone Spring	Producing from Bone Spring (Non-Commercial)
Bell Lake Unit No. 4 SE/4 NW/4 Sec. 6 T-24S, R-34E	Devonian	Producing from Devonian Part. Area "A"
Bell Lake Unit No. 5 SW/4 NE/4 Sec. 1 T-24S, R-33E	Devonian	Devonian non-produc- tive. Producing from Morrow (Non-Commercial)

Bell Lake Unit No. 6 SW/4 SE/4 Sec. 6 T-23S, R-34E	Devonian	Producing from Devonian Part. Area "B"
Bell Lake Unit No. 7 NE/4 NE/4 Sec. 1 T-24S, R-33E	Bone Spring	Plugged and Abandoned
Bell Lake Unit No. 8 SW/4 SW/4 Sec. 7 T-22S, R-34E	Cherry Canyon	Plugged and Abandoned
Bell Lake Unit No. 9 NE/4 SW/4 Sec. 18 T-23S, R-34E	Bone Spring	Plugged and Abandoned
Bell Lake Unit No. 10 SE/4 NW/4 Sec. 19 T-23S, R-34E	Devonian	Producing from Devonian

DEVELOPMENT

Transwestern Pipeline Company connected to the Bell Lake Unit gas wells and limited gas sales began in August, 1961. During the sixth contract year, August 1, 1966, through July 31, 1967, the gas sales from the Bell Lake Unit were 6,838,044 MCF. Cumulative production to August 1, 1967, is 21,225,616 MCF.

The Plan of Development for 1967 called for the testing of the Pennsylvanian in Well No. 4 and the drilling of a Devonian test on the North structure. Neither test was accomplished. After further seismic evaluation, no prospective location that was not being drained by existing Devonian wells could be determined.

Before well No. 4 could be entered to test the Morrow, Well No. 1 began making excessive water. Due to impending reserve determinations in connection with the gas sales contract, it was determined that first priority should be given to returning No. 1 to commercial production. No. 1 was entered to accomplish this end but the project was found to be impracticable due to mechanical trouble. The well was cleaned out to sufficient depth to test the Morrow and this test will be conducted during the remainder of 1967 or early 1968. This project is waiting only on approval by working interest owners.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Bell Lake Unit Agreement, or pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 18 of said agreement.

FURTHER DEVELOPMENT

This Plan of Development shall constitute the drilling obligations of the Unit Operator under the terms of the Bell Lake Unit Agreement for the period ending September 30, 1968, which is the date of automatic contraction to the Participating Areas provided in the Unit Agreement, as amended.

MODIFICATION

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

EFFECTIVE DATE

This Plan of Development shall be effective January 1, 1968.

Date: December 15, 1967

CONTINENTAL OIL COMPANY
UNIT OPERATOR

BY 
G. C. Jamieson

G CJ-JS

Approved _____

Date _____

Approved _____

Date _____

Commissioner of
Public Lands

Approved 
Oil Conservation
Commission

Date Jan. 12, 1968



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

February 1, 1967

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Gentlemen:

Your 1967 plan of development dated December 15, 1966, for the Bell Lake unit area, Lea County, New Mexico, has been approved on this date subject to like approval by the appropriate State officials. The plan proposes the testing of the Pennsylvanian formation in unit well No. 4 and the drilling of a Devonian well.

Three approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Washington (w/cy plan)
Hobbs (w/cy plan)
NMOCC - Santa Fe (ltr. only) ✓
Com. of Pub. Lands - Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

563

January 24, 1967

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O
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Y

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Re: 1967 Plan of Development
Bell Lake Unit, Lea County
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1967 Plan of Development dated December 15, 1966, for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

87-111-1-111
January 9, 1967

Continental Oil Company
Production Department
P. O. Box 460
Hobbs, New Mexico, 88240

Re: Bell Lake Unit
Lea County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

We have received your Plan of Development, dated December 15, 1966, for the 1967 Plan of Development, Bell Lake Unit.

Your 1966 Plan of Development provided for the reworking of the Nos 4 and 10 Wells, however, there was no work done on the No 4 well during this period.

The 1967 Plan of Development provides for the working of Well No 4 and in addition it is proposed to drill a well to the Devonian Formation during 1967.

The Commissioner of Public Lands approves the 1967 Plan of Development, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are returning one approved copy.

Continental Oil Company
Mr. L. P. Thompson
January 9, 1967
Page -2-

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil and Gas Department

GBH/MMR/s
encl. 1.

cc: United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

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

JAN 3 11 06 AM '67

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1967
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 1857
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS (3)
STATE OF NEW MEXICO
P. O. BOX 791
SANTA FE, NEW MEXICO

✓ OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
P. O. BOX 2088
SANTA FE, NEW MEXICO

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Development for the year 1967. Under date of May 15, 1966, a Plan of Development covering the calendar year 1966 was submitted and subsequent approval was received from your offices.

HISTORY OF PAST DEVELOPMENT

Since formation of the Unit, Operator has drilled the following wells within the Unit Area:

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit No. 1 SE/4 SW/4 Sec. 31 T-23S, R-34E	Devonian	Producing from Devonian Part. Area "A"
Bell Lake Unit No. 2 SE/4 SW/4 Sec. 30 T-23S, R-34E	Pennsylvanian (Atoka)	Atoka Depleted. Deepened to Morrow (Non-Productive)
Bell Lake Unit No. 3 NE/4 NW/4 Sec. 6 T-24S, R-34E	Bone Spring	Producing from Bone Spring (Non-Commercial)
Bell Lake Unit No. 4 SE/4 NW/4 Sec. 6 T-24S, R-34E	Devonian	Producing from Devonian Part. Area "A"
Bell Lake Unit No. 5 SW/4 NE/4 Sec. 1 T-24S, R-33E	Devonian	Devonian non-productive. Producing from Morrow (Non-Commercial)
Bell Lake Unit No. 6 SW/4 SE/4 Sec. 6 T-23S, R-34E	Devonian	Producing from Devonian Part. Area "B"

3. Serial Number: IC-066438
 Acreage: 479.85 acres
 Acreage Description: Lots 3 & 4, S $\frac{1}{2}$ NW $\frac{1}{4}$, & S $\frac{1}{2}$ Sec. 1, T23S-R33E
 Per Cent Participation: 8.37788%
 Working Interest Owner: Hudson & Hudson, Inc.
 Royalty Interest Owner: United States of America
9. Serial Number: NM-01244-A
 Acreage: 634.35 acres
 Acreage Description: Lots 3 & 4, S $\frac{1}{2}$ NW $\frac{1}{4}$, & SE $\frac{1}{4}$ Sec. 5 & Lots 3,4, & 5, SE $\frac{1}{2}$ NW $\frac{1}{4}$, & SE $\frac{1}{4}$ Sec. 6, T23S-R34E
 Per cent Participation: 11.07535%
 Working Interest Owner: Continental Oil Company
 Royalty Interest Owner: United States of America
 O.R.R.I. Owner: Esther L. Kelly & husband, John M. Kelly (\$1,000 p.a. out of 4%)
10. Serial Number: NM-0587
 Acreage: 634.55 acres
 Acreage Description: Lots 1 & 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, & SW $\frac{1}{4}$ Sec. 5, & Lots 1,2, 6 & 7, S $\frac{1}{2}$ NE $\frac{1}{4}$, & E $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 6, T23S-R34E
 Per Cent Participation: 11.07885%
 Working Interest Owner: Signal Oil and Gas Company
 Royalty Interest Owner: United States of America
 O.R.R.I. Owner: Allan McLellan 1.3%
 George H. Hunker, Jr. 0.5%
 Wm. A. Schulte 0.2%
11. Serial Number: E-5999
 Acreage: 320 acres
 Acreage Description: W $\frac{1}{2}$ Sec. 12, T23S-R33E
 Per Cent Participation: 5.58700%
 Working Interest Owner: Union Oil Company of California
 Royalty Interest Owner: State of New Mexico
12. Serial Number: E-1935
 Acreage: 320 acres
 Acreage Description: E $\frac{1}{2}$ Sec. 12, T23S-R33E
 Per Cent Participation: 5.58700%
 Working Interest Owner: Phillips Petroleum Company
 Royalty Interest Owner: State of New Mexico
13. Serial Number: IC-065194
 Acreage: 274.57 acres
 Acreage Description: Lots 1 & 2, E $\frac{1}{2}$ NW $\frac{1}{4}$, & S $\frac{1}{2}$ NE $\frac{1}{4}$, & NW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 7, T23S-R34E
 Per Cent Participation: 4.79383%
 Working Interest Owner: Continental Oil Company
 Royalty Interest Owner: United States of America
 O.R.R.I. Owner: R. S. Magruder, Est. 1.0%
 Helen Magruder Kolliker 1.0%
 E. L. Bradley 0.5%
 L. B. Hodges, et ux 0.5%
14. Serial Number: IC-064881
 Acreage: 200 acres
 Acreage Description: NE $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 7, & NW $\frac{1}{4}$ Sec. 8, T23S-R34E
 Per Cent Participation: 3.49187%
 Working Interest Owner: Continental Oil Company
 Royalty Interest Owner: United States of America
 O.R.R.I. Owner: Bonnie H. Matlock (\$750 p.a. out of 3%)
15. Serial Number: E-1933
 Acreage: 314.99 acres
 Acreage Description: Lots 3 & 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, & SE $\frac{1}{4}$ Sec. 7, T23S-R34E
 Per Cent Participation: 5.49954%
 Working Interest Owner: Phillips Petroleum Company
 Royalty Interest Owner: State of New Mexico

16. Serial Number: NM-039
 Acreage: 80 acres
 Acreage Description: E $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 8, T23S-R34E
 Per Cent Participation: 1.39675%
 Working Interest Owner: Hondo Oil & Gas Company
 Royalty Interest Owner: United States of America
 O.R.R.I. Owner: John S. Harris1.75%
 Bonnie Matlock Morrison.0.25%
17. Serial Number: NM-0279
 Acreage: 80 acres
 Acreage Description: W $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 8, T23S-R34E
 Per Cent Participation: 1.39675%
 Working Interest Owner: Shell Oil Company
 Royalty Interest Owner: United States of America
 O.R.R.I. Owner: John S. Harris5.0%
18. Serial Number: E-9458
 Acreage: 320 acres
 Acreage Description: S $\frac{1}{2}$ Sec. 8, T23S-R34E
 Per Cent Participation: 5.58700%
 Working Interest Owner: Skelly Oil Company
 Royalty Interest Owner: State of New Mexico
19. Serial Number: B-10752
 Acreage: 200 acres
 Acreage Description: NE $\frac{1}{4}$ & NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 36, T22S-R33E
 Per Cent Participation: 3.49189%
 Working Interest Owner: Superior Oil Company
 Royalty Interest Owner: State of New Mexico

The Working Interest Ownership is as follows:

Continental Oil Company	38.12674%
Hudson & Hudson, Inc.	8.37788%
Humble Oil & Refining Company	12.47385%
Hondo Oil & Gas Company	1.39675%
Phillips Petroleum Company.	12.48329%
Shell Oil Company	1.39675%
Signal Oil and Gas Company.	11.07885%
Skelly Oil Company.	5.58700%
Superior Oil Company.	3.49189%
Union Oil Company of California . . .	5.58700%

	ACRES	PERCENTAGE
Total Federal Lands	3,172.59	55.39145%
Total State Lands	<u>2,554.99</u>	<u>44.60855%</u>
	5,727.58	100.00000%

As to each tract the lessee of record is the same as the working interest owner.

BELL LAKE NO. 6

14,564' (-11,079) - 14,825' (-11,340)	Pay Interval
14,825' (-11,340) - 14,859' (-11,374)	No test
14,859' (-11,374) - 14,935' (-11,450)	Packer failure. Tested 372' salty sulphur water
14,935' (-11,450) - 14,941' (-11,456)	No test
14,941' (-11,456) - 15,056' (-11,571)	Tested 13,750' salty sulphur water

Electric log calculations indicate high percentages of water at 14,954 (-11,469).

Control in the area is limited. As is mentioned above, the closest Devonian well, Bell Lake Unit No. 1-A is located five miles south. It is believed that every developable sub-division of the nine-section area proposed for the Second participating Area for the Devonian Formation has reasonably been proved to be productive of gas.

Seismic and subsurface information indicates two "highs" located as shown on Exhibit "C". These "highs" may be separated by an apparent restriction of the Bell Lake Unit structure. The structural high area to the south has been designated as the Initial Participating Area for the Devonian formation, Bell Lake Unit. This area encompasses nine sections, (Exhibit "A"). The acreage proposed for the Second Participating Area for the Devonian formation, Bell Lake Unit, comprises nine sections located on a similar structural high to that approved for the Initial Participating Area and located to the north of this restriction.

Additional acreage at this time cannot be included within the bounds of the Second Participating Area. However, at such time as additional development proves adjoining properties, applications will be submitted for the enlargement of these Participating Area.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

263

July 20, 1966

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Attention: Mr. L. P. Thompson

Re: 1966 Plan of Development,
Bell Lake Unit, Lea County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1966 Plan of Development for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/og
cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico

MAIL OFFICE 0110

IN REPLY REFER TO:

'66 JUN 22 PM 33

June 20, 1966

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Gentlemen:

Your 1966 plan of development, dated May 15, 1966, for the Bell Lake unit area, Lea County, New Mexico, proposing the testing of the Pennsylvanian formation in unit wells No. 4 and 10, has been approved on this date subject to like approval by the appropriate State officials.

Three approved copies of the plan are enclosed.

Sincerely yours,
(Orig. Snd) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

cc:
Washington (w/cy plan)
Hobbs (w/cy plan)
NMOCC - Santa Fe (ltr. only) ✓
Com. of Pub. Lands - Santa Fe (ltr. only)

RECEIVED
1966 JUN 16 AM 7 11

June 15, 1966

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Re: Bell Lake Unit
Lea County, New Mexico

ATTENTION: Mr. L.P. Thompson

Gentlemen:

The Commissioner of Public Lands approves the Plan of Development for the Calendar Year 1966, for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

This Plan provides for testing the Pennsylvanian Formation in Wells No. 4 and 10 during 1966.

We are returning one approved copy of this Plan of Development.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS
BY:
Ted Bilberry, Director
Oil and Gas Department

GBH/MMR/s
cc: United States Geological
Survey
Roswell, New Mexico

Oil Conservation Commission ✓
Santa Fe, New Mexico

CONTINENTAL OIL COMPANY

P. O. BOX 460
HOBBS, NEW MEXICO

PRODUCTION DEPARTMENT
HOBBS DISTRICT

L. P. THOMPSON
DISTRICT MANAGER
G. C. JAMIESON
ASSISTANT DISTRICT MANAGER

June 2, 1966

1001 NORTH TURNER
TELEPHONE: EX 3-4141

OFFICE
'66 JUN 6 AM 7 42

Oil and Gas Supervisor
United States Geological Survey
P. O. Box 1857
Roswell, New Mexico

Commissioner of Public Lands
P. O. Box 791
Santa Fe, New Mexico

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

Gentlemen:

Attached for your consideration and approval is
our proposed Plan of Development for the calendar year 1966
for the Bell Lake Unit, Lea County, New Mexico.

Yours very truly,



LPT-JS
Attach

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1966
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

MAIL OFFICE 000
JUN 6 AM 7 42

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 1857
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS (3)
STATE OF NEW MEXICO
P. O. BOX 791
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
P. O. BOX 2088
SANTA FE, NEW MEXICO

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Development for the year 1966. Under date of January 19, 1965, a Plan of Development covering the calendar year 1965 was submitted and subsequent approval was received from your offices.

HISTORY OF PAST DEVELOPMENT

Since formation of the Unit, Operator has drilled the following wells within the Unit Area:

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit No. 1 SE/4 SW/4 Sec. 31 T-23S, R-34E	Devonian	Producing from Devonian Part. Area "A"
Bell Lake Unit No. 2 SE/4 SW/4 Sec. 30 T-23S, R-34E	Pennsylvanian (Atoka)	Atoka Depleted. Deepened to Morrow (Non-Productive)
Bell Lake Unit No. 3 NE/4 NW/4 Sec. 6 T-24S, R-34E	Bone Spring	Producing from Bone Spring (Non-Commercial)
Bell Lake Unit No. 4 SE/4 NW/4 Sec. 6 T-24S, R-34E	Devonian	Producing from Devonian Part. Area "A"
Bell Lake Unit No. 5 SW/4 NE/4 Sec. 1 T-24S, R-33E	Devonian	Devonian non-productive. Producing from Morrow (Non-Commercial)
Bell Lake Unit No. 6 SW/4 SE/4 Sec. 6 T-23S, R-34E	Devonian	Producing from Devonian Part. Area "B"
Bell Lake Unit No. 7 NE/4 NE/4 Sec. 1 T-24S, R-33E	Bone Spring	Plugged and Abandoned

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit No. 8 SW/4 SW/4 Sec. 7 T-22S, R-34E	Cherry Canyon	Plugged and Abandoned
Bell Lake Unit No. 9 NE/4 SW/4 Sec. 18 T-23S, R-34E	Bone Spring	Plugged and Abandoned
Bell Lake Unit No. 10 SE/4 NW/4 Sec. 19 T-23S, R-34E	Devonian	Producing from Devonian (No determination of commercial status made)

DEVELOPMENT

Transwestern Pipeline Company connected to the Bell Lake Unit gas wells and limited gas sales began in August, 1961. During the fourth contract year, August 1, 1964, through July 31, 1965, the gas sales from the Bell Lake Unit were 2,772,587 MCF. Cumulative production to August 1, 1965, is 8,869,265 MCF. Gas sales from August 1, 1965 to January 1, 1966, totalled 1,772,296 MCF bringing the cumulative gas sales to that date to 10,641,561 MCF. The fact that additional Devonian wells would not increase gas sales from the Unit makes the drilling of additional Devonian wells in the Unit Area economically unattractive at this time. Reserves from other horizons, however, would enhance our marketing position. In response to this situation, it is planned to test the Pennsylvanian formation in wells Nos. 4 and 10 during 1966. This procedure will involve plugging off the Devonian formation during the process of testing. The advisability of dual completions will be determined from the results of the testing. Complementing this production testing, it is proposed to conduct a seismic survey covering a majority of the Unit Area which will provide information for our drilling program for 1967.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Bell Lake Unit Agreement, or pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 18 of said agreement.



512

MAR 22 1966

CONTINENTAL OIL COMPANY

P. O. Box 431
Midland, Texas
March 22, 1966

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Contract 7881 - Bell Lake Unit,
Lea County, New Mexico

Gentlemen:

Pages 17 and 19 of Exhibit "B" to the Bell Lake Unit show Capitol Oil Company owning basic royalty under Tracts 68 and 72 in the unit. All of this interest in Tract 72 and a part in Tract 68 is now owned by Ervin J. Levers, Laverne C. Levers and Forest E. Levers dba The Levers Oil Company, and we are attaching one copy of revised pages 17 and 19 for Exhibit "B".

The Levers would like to ratify the unit and we are enclosing one copy of their Consent and Ratification and one copy of Commitment of Oil and Gas Leasehold Interest signed by Continental Oil Company. Please process these new instruments in the usual manner.

Today we are also submitting copies of each of these enclosures to the United States Geological Survey and the Commissioner of Public Lands.

Yours very truly,
B. R. Marshall
B. R. Marshall
General Landman
Midland Division

BRM:MB
Enclosures

MAIN OFFICE 000

MAR 23 PM 1 05

CONSENT TO AND RATIFICATION OF
THE UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
BELL LAKE UNIT AREA
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

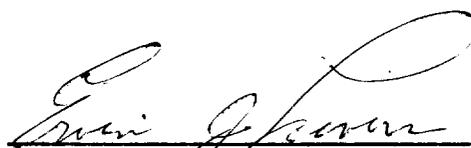
WHEREAS, on May 12, 1953, an agreement was entered into by the owners of certain oil and gas leases for the development and operation of the Bell Lake Unit Area, embracing 37,177.86 acres, more or less, in Townships 22, 23 and 24 South, Ranges 33 and 34 East, N.M.P.M., Lea County, New Mexico, which said agreement was approved by the New Mexico Oil Conservation Commission on August 28, 1953, by the Commissioner of Public Lands of the State of New Mexico on September 9, 1953, and by the Director of the United States Geological Survey on September 30, 1953, which said agreement is hereinafter referred to as "Unit Agreement"; and,

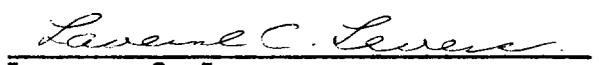
WHEREAS, the Continental Oil Company, a corporation with offices at Fort Worth, Texas, is designated as the Unit Operator in said Unit Agreement and the same is in full force and effect; and,

WHEREAS, the undersigned are the owners of an undivided one-thirty second (1/32) interest in and to all of the oil, gas and other minerals in and under and that may be produced from Tract 72 and an undivided one-fourth (1/4) interest in and to all of the oil, gas and other minerals in and under and that may be produced from Tract 68 shown on Supplemental Exhibit "B" filed in connection with said Unit Agreement, above referred, being Lots 1 & 2, S/2 NE/4 and SE/4 of Section 5 (Tract 72) and Lot 3, the SE/4 SE/4 of Section 7, T24S-R34E, NMPM, containing 399.23 acres, more or less, subject to a certain oil and gas lease held by Continental Oil Company and the undersigned are desirous of committing their mineral interests to said Unit Agreement as provided by Section 30 thereof with the consent of the said Continental Oil Company as working interest owner and unit operator.

NOW, THEREFORE, the undersigned, in consideration of the premises and the benefits to be derived therefrom, does hereby commit its mineral interest above described to said Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if it had executed the original of said Unit Agreement or conterpart thereof.

IN WITNESS WHEREOF, this consent and ratification is executed this the 28th day of February, 1966.


Ervin J. Levers


Laverne C. Levers


Forest E. Levers
dba The Levers Oil Company

STATE OF NEW MEXICO I

COUNTY OF CHAVES I

On this 28th day of February, 1966, before me personally appeared Ervin J. Levers and Laverne C. Levers, his wife; Forest E. Levers dba The Levers Oil Company, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal the day and year last above written.



My commission expires 4/10/69

Alma Hill
Notary Public in and for Chaves
County, New Mexico

ACCEPTANCE AND APPROVAL OF
COMMITMENT BY UNIT OPERATOR

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, Continental Oil Company, being the owner of oil and gas leasehold interests covering the mineral interest of Ervin J. Levers and wife, Laverne C. Levers and Forest E. Levers dba The Levers Oil Company, in and to Lots 1, 2 S/2 NE/4, SE/4 of Section 5; Lot 3, SE/4 SE/4 of Section 7, T24S-R34E, N.M.P.M., Lea County, New Mexico, and also as Unit Operator under the terms of said Unit Agreement, does hereby acknowledge and approve the above and foregoing consent and ratification of Ervin J. Levers and wife, Laverne C. Levers, Forest E. Levers dba The Levers Oil Company, for the purpose of fully committing all of the right, title and interest of Ervin J. Levers and wife, Laverne C. Levers and Forest E. Levers dba The Levers Oil Company in and to the above described property to said Unit Agreement.

DATED this the 3rd day of March, 1966.

CONTINENTAL OIL COMPANY

By *M.B. [Signature]*
Attorney-in-Fact

FORM APPROVED
[Signature]
ATTORNEY

MAR 28 1966
MAR 28 PM 1 05

COMMITMENT OF OIL AND GAS
LEASEHOLD INTEREST BY
CONTINENTAL OIL COMPANY TO
BELL LAKE UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, on May 12, 1953, an agreement was entered into by the owners of certain oil and gas leases for the development and operation of the Bell Lake Unit Area, embracing 37,177.86 acres, more or less, in Townships 22, 23 and 24 South, Ranges 33 and 34 East, N.M.P.M., Lea County, New Mexico, which said agreement was approved by the New Mexico Oil Conservation Commission on August 28, 1953, by the Commissioner of Public Lands of the State of New Mexico on September 9, 1953, and by the Director of the United States Geological Survey on September 30, 1953, which said agreement is hereinafter referred to as "Unit Agreement"; and,

WHEREAS, the Continental Oil Company, a corporation with offices at Fort Worth, Texas, is designated as the Unit Operator in said Unit Agreement and the same is in full force and effect; and,

WHEREAS, the undersigned are the owners of an undivided one-thirty second (1/32) interest in and to all of the oil, gas and other minerals in and under and that may be produced from Tract 72 and an undivided one-fourth (1/4) interest in and to all of the oil, gas and other minerals in and under and that may be produced from Tract 68 shown on Supplemental Exhibit "B" filed in connection with said Unit Agreement, above referred, being Lots 1 & 2, S/2 NE/4 and SE/4 of Section 5 (Tract 72) and Lot 3, the SE/4 SE/4 of Section 7, T24S-R34E, NMPM, containing 399.23 acres, more or less, and is desirous of committing said leasehold interest to the Bell Lake Unit Agreement in accordance with the provisions thereof,

NOW, THEREFORE, the undersigned, on consideration of the premises and the benefits to be derived therefrom, does hereby commit all of its right, title and interest in and to the oil and gas leasehold interest hereinabove described to said Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, and does hereby also consent to and ratify the Unit Operating Agreement executed in connection with said Unit Agreement insofar as the commitment of said leasehold interest is concerned, it being the intention hereof that said leasehold interest shall be subject to all of the terms and provisions of said Unit Agreement and the Unit Operating Agreement executed in connection therewith, the same as if said leasehold interest had been owned by the undersigned at the time said Unit Agreement and Unit Operating Agreement were originally executed by the undersigned.

IN WITNESS WHEREOF, this instrument is executed this the 28 day of March, 1966.

CONTINENTAL OIL COMPANY

By [Signature]
Attorney-in-Fact

FORM APPROVED
[Signature]
ATTORNEY

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me this 27th day of March, 1966, by W. R. Hall, Attorney-in-Fact, Continental Oil Company, a Delaware corporation, on behalf of said corporation.

Malcolm P. Biscoe
Notary Public
Midland County, Texas

My Commission Expires:

August 1, 1967

67	<u>T24S-R33E</u> Sec. 13: W2SW Sec. 14: E2E	320	4-11-66	Jesse Beck Lottie Beck Mrs. Ora Coogler	34.375% 15.625% 50.000%	Continental Oil Co.	None	Continental Oil Co.
68	<u>T24S-R35E</u> Sec. 13: SE4NW4 Sec. 24: NE4NE4 SW4SE4	239.06	2-12-62	Ervin J. Levers, Lavertine C. Levers & Forest E. Levers dba The Levers Oil Co.		Continental Oil Co. (Fowler Hair Int. only)	None	Continental Oil Co.
69	<u>T24S-R34E</u> Sec. 7: E2SE4 , NW4SE4 , W2NE4 , SE4NE4 <u>T24S-R34E</u> Sec. 7: N2SE4 , SW4SE4 , Lot 4, E2SW4	479.53	3-18-62 3-18-67	Howell Spear G. T. Hanners Est. Leo V. Sims Winnie Sims Bertha E. Sims Ellie Sims Spear G. P. Sims Dan Brynnin Gee. R. Locker Buckeye Oil Co. Red Head Oil Prod. Co. Kempco Co. Walter A. Lecker, Sr. Ada Oil Co. Phillips Patr.	.714% .714% 1.607% 1.607% 1.607% 1.607% 1.607% 6.429% 2.041% 3.699% 10.331% 4.082% 14.541% 1.020% 25.000% 25.000%	Shell Oil Company	None	Shell Oil Co.
	<u>T24S-R34E</u> Sec. 7: Lot 3, SE4SE4 Sec. 18: Lot 2			*Rubert Madera *Capitol Oil Co. (Remainder of Tr. 68)	75.000% 25.000%			

72 T24S-R34E
Sec. 5: E2

319.76 2-1-62

Vera Mae
Flinnome 16.667%

Continental Oil Co.

None

Continental
Oil Co.

73 ** T24S-R34E
Sec. 8: NW1/4SE1/4

40 2-12-63

Clark Dale Drilling
Co. 1.562%
Buckeye Oil Co. 31.234%
Kempow Co. 23.750%
Fredrick L.
Stead 1.562%
John Grappe 2.344%
J. G. Thornhill 6.255%
J. Penrod Toles 1.250%
Robert Hopkins Jr. 2.502%
Lawrence C. Harris 2.502%
Walter Locker, Sr. .625%
Geo. R. Locker .625%
Wm. I. Lee .784%
L. C. Jones .005%
*Rubert Madera 9.375%
*Ruford Madera 6.250%
Mildred A.
*Broman 6.250%
*Buckeye Oil Co. .016%
Ervin J. Levers,
Laverne C. Levers &
Forest E. Levers dba
The Levers Oil Co. 3.109%

Powhatan Carter 50.000%
Jr.
Anderson Carter 50.000%

Vendetta, Inc.

None

Vendetta, Inc.

*Unleased

10 FEE TRACTS, CONTAINING 2,712.93 ACRES, OR 7.30% OF UNIT AREA
TOTAL 73 TRACTS, CONTAINING 37,177.86 ACRES, BEIT LAKE UNIT AREA

**Tract 73 is additional Tract out of original Tract No. 70.
REVISED 3-10-66

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

563

February 24, 1966

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Attention: Mr. L. P. Thompson

Re: 1966 Plan of Development
Time Extension, Bell
Lake Unit, Lea County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the requested extension of time to July 1, 1966 in which to file a plan of development covering the calendar year 1966 for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

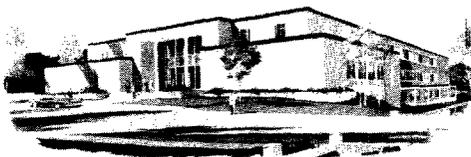
ALP/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

U. S. Geological Survey
Roswell, New Mexico

C
O
P
Y

State of New Mexico



MAIN OFFICE 000

FEB 22 PM 1:41

Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

February 21, 1966

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Re: Bell Lake Unit
Lea County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

Reference is made to your letter of February 15, 1966, regarding a six month extension of time in which to file a Plan of Development for the year 1966, the Commissioner of Public Lands has this date approved your request, subject to like approval by the United States Geological Survey.

The Plan of Development for the last six months of 1966 should provide for further development within the Unit Area.

We are returning one approved copy of your application for extension of time.

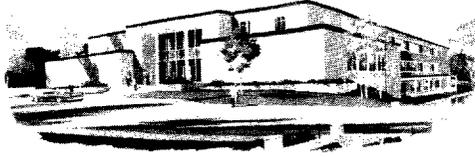
Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY: Ted Bilberry, Director
Oil and Gas Department

GBH/TB/MMR/s

State of New Mexico



Commissioner of Public Lands



GUYTON B. HAYS
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

February 21, 1966
Page 2.

cc: Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

United States Geological Survey
P. O. Box 1857
Roswell, New Mexico



MAIN OFFICE OF

CONTINENTAL OIL COMPANY

FEB 17 AM 10 February 15, 1966

Oil and Gas Supervisor
United States Geological Survey
P. O. Box 1857
Roswell, New Mexico

Commissioner of Public Lands
P. O. Box 791
Santa Fe, New Mexico

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

Re: Bell Lake Unit
Lea County, New Mexico

Gentlemen:

By letter dated December 13, 1965, a proposed Plan of Development was forwarded for your consideration. By letter dated January 28, 1966, the Commissioner of Public Lands has advised that they cannot accept this plan.

At the present time there has not been agreement among the working interest owners in regard to additional development in this unit. Studies are being conducted at this time which will enable us to better evaluate the prospect of conducting additional development. Upon completion of the studies it should be possible for the working interest owners to present a concrete Plan of Development.

In view of this situation, it is respectfully requested that an extension of time, until July 1, 1966, be granted for the filing of a Plan of Development for this calendar year.

Yours very truly,

LPT-JS

cc: Working Interest Owners
(Addressee List Attached)

263

CONTINENTAL OIL COMPANY

P. O. BOX 460
HOBBS, NEW MEXICO

December 13, 1965

1001 NORTH TURNER
TELEPHONE: EX 3-4141

PRODUCTION DEPARTMENT
HOBBS DISTRICT
L. P. THOMPSON
DISTRICT MANAGER
G. C. JAMIESON
ASSISTANT DISTRICT MANAGER

Oil and Gas Supervisor
United States Geological Survey
P. O. Box 1857
Roswell, New Mexico

Commissioner of Public Lands
P. O. Box 791
Santa Fe, New Mexico

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

Gentlemen:

Attached for your consideration and approval is our proposed Plan of Development for the calendar year 1966 for the Bell Lake Unit, Lea County, New Mexico.

Yours very truly,



LPT-DFW

Enc.

*1 copy of this to be sent to you
I would appreciate your time by 1/1/66
want to file another one*

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1966
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 1857
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS (3)
STATE OF NEW MEXICO
P. O. BOX 791
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
P. O. BOX 2088
SANTA FE, NEW MEXICO

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Development for the year 1966. Under date of January 19, 1965, a Plan of Development covering the calendar year 1965 was submitted and subsequent approval was received from your offices.

HISTORY OF PAST DEVELOPMENT

Since formation of the Unit, Operator has drilled the following wells within the Unit Area:

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit No. 1 SE/4 SW/4 Sec. 31 T-23S, R-34E	Devonian	Producing from Devonian Part. Area "A"
Bell Lake Unit No. 2 SE/4 SW/4 Sec. 30 T-23S, R-34E	Pennsylvanian (Atoka)	Atoka Depleted. Deepened to Morrow (Non-Productive)
Bell Lake Unit No. 3 NE/4 NW/4 Sec. 6 T-24S, R-34E	Bone Spring	Producing from Bone Spring (Non-Commercial)
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Bell Lake Unit No. 5 SW/4 NE/4 Sec. 1 T-24S, R-33E	Devonian	Devonian non-productive. Producing from Morrow (Non-Commercial)
Bell Lake Unit No. 6 SW/4 SE/4 Sec. 6 T-23S, R-34E	Devonian	Producing from Devonian Part. Area "B"
Bell Lake Unit No. 7 NE/4 NE/4 Sec. 1 T-24S, R-33E	Bone Spring	Plugged and Abandoned

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit No. 8 SW/4 SW/4 Sec. 7 T-22S, R-34E	Cherry Canyon	Plugged and Abandoned
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Bell Lake Unit No. 10 SE/4 NW/4 Sec. 19 T-23S, R-34E	Devonian	Producing from Devonian (No determination of commercial status made)

DEVELOPMENT

Transwestern Pipeline Company connected to the Bell Lake Unit gas wells and limited gas sales began in August, 1961. During the fourth contract year, August 1, 1964, through July 31, 1965, the gas sales from the Bell Lake Unit were 2,772,587 MCF. Cumulative production to August 1, 1965, is 8,869,265 MCF. The uncertainties of the present market situation, and the limited production from the present producing wells in the Unit, make the drilling of additional wells in the Unit Area economically unattractive at this time; therefore, no further development wells are proposed for drilling during 1966.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Bell Lake Unit Agreement, or pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 18 of said agreement.

FURTHER DEVELOPMENT

This Plan of Development shall constitute the drilling obligations of the Unit Operator under the terms of the Bell Lake Unit Agreement for the period ending December 31, 1966. Before this plan expires, another plan for further development of the Unit Area will be submitted.

MODIFICATION

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

EFFECTIVE DATE

This Plan of Development shall be effective January 1, 1966.
Dated November 4, 1965.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

By *L. P. Thompson*
L. P. THOMPSON

LPT-DFW

Approved _____ DATE _____
Supervisor, United States
Geological Survey

Approved _____ DATE _____
Commissioner of Public Lands

Approved _____ DATE _____
Oil Conservation Commission

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1966
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 1857
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS (3)
STATE OF NEW MEXICO
P. O. BOX 791
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
P. O. BOX 2088
SANTA FE, NEW MEXICO

Gentlemen:

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EFFECTIVE DATE

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Dated November 4, 1965.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

By *L. P. Thompson*
L. P. THOMPSON

LPT-DFW

Approved _____ DATE _____
Supervisor, United States
Geological Survey

Approved _____ DATE _____
Commissioner of Public Lands

Approved _____ DATE _____
Oil Conservation Commission

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1966
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 1857
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS (3)
STATE OF NEW MEXICO
P. O. BOX 791
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
P. O. BOX 2088
SANTA FE, NEW MEXICO

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HISTORY OF PAST DEVELOPMENT

Since formation of the Unit, Operator has drilled the following wells within the Unit Area:

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit No. 1 SE/4 SW/4 Sec. 31 T-23S, R-34E	Devonian	Producing from Devonian Part. Area "A"
Bell Lake Unit No. 2 SE/4 SW/4 Sec. 30 T-23S, R-34E	Pennsylvanian (Atoka)	Atoka Depleted. Deepened to Morrow (Non-Productive)
Bell Lake Unit No. 3 NE/4 NW/4 Sec. 6 T-24S, R-34E	Bone Spring	Producing from Bone Spring (Non-Commercial)
Bell Lake Unit No. 4 SE/4 NW/4 Sec. 6 T-24S, R-34E	Devonian	Producing from Devonian Part. Area "A"
Bell Lake Unit No. 5 SW/4 NE/4 Sec. 1 T-24S, R-33E	Devonian	Devonian non-productive. Producing from Morrow (Non-Commercial)
Bell Lake Unit No. 6 SW/4 SE/4 Sec. 6 T-23S, R-34E	Devonian	Producing from Devonian Part. Area "B"
Bell Lake Unit No. 7 NE/4 NE/4 Sec. 1 T-24S, R-33E	Bone Spring	Plugged and Abandoned

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit No. 8 SW/4 SW/4 Sec. 7 T-22S, R-34E	Cherry Canyon	Plugged and Abandoned
Bell Lake Unit No. 9 NE/4 SW/4 Sec. 18 T-23S, R-34E	Bone Spring	Plugged and Abandoned
Bell Lake Unit No. 10 SE/4 NW/4 Sec. 19 T-23S, R-34E	Devonian	Producing from Devonian (No determination of commercial status made)

DEVELOPMENT

Transwestern Pipeline Company connected to the Bell Lake Unit gas wells and limited gas sales began in August, 1961. During the fourth contract year, August 1, 1964, through July 31, 1965, the gas sales from the Bell Lake Unit were 2,772,587 MCF. Cumulative production to August 1, 1965, is 8,869,265 MCF. The uncertainties of the present market situation, and the limited production from the present producing wells in the Unit, make the drilling of additional wells in the Unit Area economically unattractive at this time; therefore, no further development wells are proposed for drilling during 1966.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Bell Lake Unit Agreement, or pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 18 of said agreement.

FURTHER DEVELOPMENT

This Plan of Development shall constitute the drilling obligations of the Unit Operator under the terms of the Bell Lake Unit Agreement for the period ending December 31, 1966. Before this plan expires, another plan for further development of the Unit Area will be submitted.

MODIFICATION

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

EFFECTIVE DATE

This Plan of Development shall be effective January 1, 1966.
Dated November 4, 1965.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

By *L. P. Thompson*
L. P. THOMPSON

LPT-DFW

Approved _____ DATE _____
Supervisor, United States
Geological Survey

Approved _____ DATE _____
Commissioner of Public Lands

Approved _____ DATE _____
Oil Conservation Commission



CONTINENTAL OIL COMPANY

P. O. BOX 460
HOBBS, NEW MEXICO

PRODUCTION DEPARTMENT
HOBBS DISTRICT

L. P. THOMPSON
DISTRICT MANAGER
G. C. JAMIESON
ASSISTANT DISTRICT MANAGER

1001 NORTH TURNER
TELEPHONE: EX 3-4141

December 28, 1965

Oil & Gas Supervisor
U. S. Geological Survey
P. O. Box 1857
Roswell, New Mexico

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

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

Gentlemen:

Pursuant to the provisions of the Unit Agreement dated May 12, 1953, affecting lands in the Bell Lake Unit, Lea County, New Mexico, Continental Oil Company, as Operator, has consulted the Working Interest Owners in regard to the proper classification of Bell Lake Unit No. 10. The Working Interest Owners are unable to agree on this point at this time. The facts relating to the well are summarized as follows:

Bell Lake Unit No. 10 is located 1980' from the north line and 1650' from the west line of Section 19, T-23S, R-34E, Lea County, New Mexico. It was drilled to a total depth of 14,930' and completed as a gas well in the Devonian formation between the depths of 14,747' and 14,811'. Initial test on the well was 3,200 MCF gas per day.

The attached well data sheet shows a portion of the gamma-ray neutron log and the data in regard to the well's completion and subsequent remedial work to date. As indicated on this data sheet, efforts to place the well in a condition so that it

Joint Letter
Page 2

is clearly capable of producing gas in commercial quantities have been unsuccessful.

Efforts to secure concurrence of the Working Interest Owners in regard to an enlargement of the Second Participating Area for the Devonian formation, likewise, have been unsuccessful. Continental Oil Company, as Operator, believes that the well has clearly shown that the north structure is productive of gas in the Devonian formation at this location. In view of this fact, together with the fact that the well is of doubtful economic quality, it is respectfully requested that an additional extension of time be granted for the classification of Bell Lake Unit Well No. 10 until January 1, 1967, at which time additional producing history and other data should permit a better evaluation of the well.

Yours very truly,



LPT-DFW

cc: Working Interest Owners
(Address List Attached)

RGP

WELL DATA PLAT

WELL NAME & LOCATION

Continental Oil Company
 Bell Lake Unit No. 10
 1980' FNL & 1650' FWL Sec. 19-23-34
 Lea County, New Mexico
 TD - 14,930' ELEV. 3554' (DF)

IP DATE 3-15-65

LATEST TEST

Gas 3200 MCFGPD
 Water 160 BPD

Date 10-19-65
 Gas 934 MCFGPD
 Water 240 BPD

CHK. 18/64"
 TP 2600
 CP Pkr.

Allowable
 Chk. Adjustable
 TP 1800 psi
 CP Pkr.

CASING RECORD

Size/Depth/No. Sx./C'mt. Top
 9 5/8"/12,172'/2664 sx/4200'
 5 1/2"/11,918-14,930'/280 sx.

CUMULATIVE PRODUCTION 11-1-65

143,719 MCFG (15.025 psia)
 27,900 bbls. wtr.

COMPLETION INTERVAL

Perf. 14,747;14,749;14,754;14,758;
 14,768;14,772;14,783;14,801; & 14,811
 w/2 JSPF.

INITIAL TREATMENT

Acidized perfs. w/15,000 gals.

PAST REMEDIAL WORK

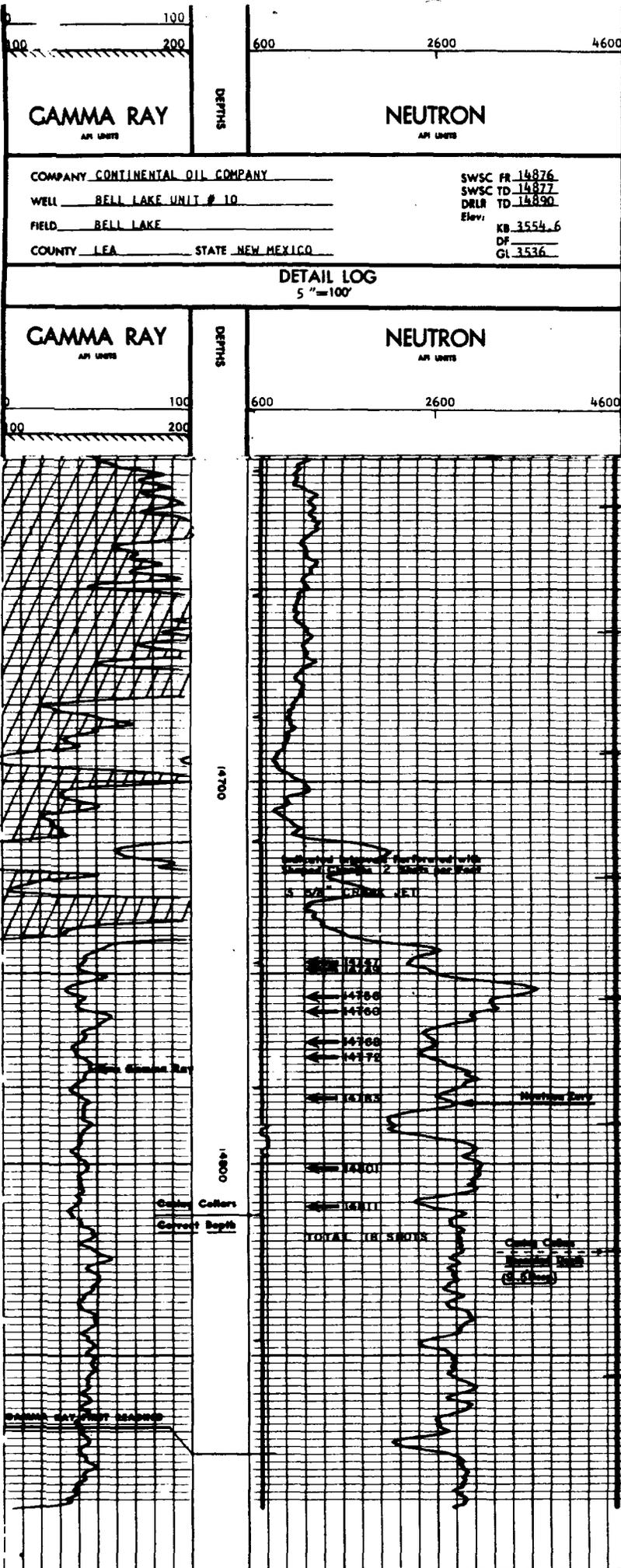
7-10-65 Sqd perfs 14,747-14,811
 Reperf. 14,747;14,749;14,756;14,760;
 14,768;14,772;14,783 w/4 JSPF Acidized
 perfs. w/1000 gal.. Before: Flwd 1400
 MCFGPD w/310 BWPD. After: Flwd 500
 MCFGPD w/39 BWPD.
 9-30-65 Reacidize perfs. 14,747-14,783
 w/5000 gals. After: Flwd 934 MCFGPD
 w/240 BWPD.

BHP Data

3-9-65 (Initial) 6296 psig @-11,200',
 72 hrs. SI.
 10-11-65 6397 psig @-11,200', 72 hrs.
 SI.

Drill Stem Test Data

No. 1 14,820-14,890, Open 1 hr. 30 min
 Rec. 990' GCDM 2540' GCSW, FSIP: 6291
 psi.
 No. 2 14,729-14,890, Open 4 hrs. 25 mi
 GTS 2 hrs. 15 min. @ 211 MCFGPD, Rec.
 2220' GCSW, FSIP: 6336/1 hr.



BELL LAKE UNIT
MAILING ADDRESS LIST

L. P. Thompson
Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Howard W. Jennings
Ferry R. Bass
1117 Fort Worth Nat'l Bank Bldg.
Fort Worth 2, Texas

A. D. Kloxin
The Atlantic Refining Company
P. O. Box 1978
Roswell, New Mexico

Edward R. Hudson
Hudson & Hudson
1510 First Nat'l Bldg.
Fort Worth, Texas

William A. Hudson
Hudson & Hudson
1510 First Nat'l Bldg.
Fort Worth, Texas

J. S. Bottler, Jr.
Humble Oil & Refining Co.
P. O. Box 1600
Midland, Texas

C. F. Miller
Kerr-McGee Oil Industries
Kerr McGee Bldg.
Oklahoma City, Oklahoma

M. H. McConnell
Phillips Petroleum Company
Phillips Bldg.
Odessa, Texas

J. E. R. Sheeler
Shell Oil Company
P. O. Box 1509
Midland, Texas

A. C. Ambler
Signal Oil & Gas Company
509 West Texas Ave.
Midland, Texas

B. W. Plock
Skelly Oil Company
P. O. Box 1650
Tulsa, Oklahoma

Mr. R. G. Hiltz
Skelly Oil Company
P. O. Box 1650
Tulsa, Oklahoma

Leon S. Ditzell
Skelly Oil Company
P. O. Box 993
Midland, Texas

William H. Mannon
Scope Industries
4250 Wilshire Blvd.
Los Angeles 5, California

W. T. Wells, Jr.
Tenneco Oil Company
P. O. Box 1031
Midland, Texas

L. J. Willis
The Superior Oil Company
P. O. Box 1521
Houston 11, Texas

J. H. Doughman
Texas Pacific Oil Company
P. O. Box 747
Dallas, Texas

C. W. Browning
Union Oil Company of California
619 West Texas Avenue
Midland, Texas

Anderson Carter
Vendetta, Inc.
P. O. Box 725
Lovington, New Mexico

Allan Hargrave
Harper Star Route
Kerrville, Texas

Brady M. Lowe
1512 Great Plains Bldg.
Lubbock, Texas

H. S. Montgomery
P. O. Box 296
Ruidoso, New Mexico

Ralph L. Gray
302 Carper Bldg.
Artesia, New Mexico

OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO

563

March 23, 1965

C
O
P
Y

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Attention: Mr. Jack Marshall

Re: 1965 Plan of Development.
Bell Lake Unit, Lea County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1965 Plan of Development for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico



MAY
'65 F

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

February 23, 1965

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Attention: Mr. Jack Marshall

Gentlemen:

Your 1965 plan of development for the Bell Lake unit area, Lea County, New Mexico, proposing the completion of unit well No. 10 in the SE 1/4 sec. 19, T. 23 S., R. 34 E., N.M.P.M., has been approved on this date subject to like approval by the appropriate State officials.

Three approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Enclosures 3

cc:
Washington (w/cy of plan)
Hobbs (w/cy of plan)
NMOCC, Santa Fe (ltr only) ✓
Com. of Pub. Lands, Santa Fe (ltr only)

February 3, 1965

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Attention: Mr. Jack Marshall

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

Gentlemen:

The Commissioner of Public Lands approves, as of February 3, 1965, your 1965 Plan of Development, subject to like approval by the United States Geological Survey. This plan covers the drilling of Bell Lake Unit, Well No. 10, which was commenced on October 30, 1964, and is to be drilled approximately 15,000 feet to the Devonian formation.

We are returning one approved copy of this plan.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
(Mr.) Ted Bilberry, Director
Oil and Gas Department

GBH/tb/nmr/d
Enclosure

cc: United States Geological Survey
P. O. Box 1857
Roswell, New Mexico
Attention: Mr. John Anderson



CONTINENTAL OIL COMPANY

P. O. BOX 460
HOBBS, NEW MEXICO

PRODUCTION DEPARTMENT
HOBBS DISTRICT
JACK MARSHALL
DISTRICT MANAGER
G. C. JAMIESON
ASSISTANT DISTRICT MANAGER

1001 NORTH TURNER
TELEPHONE: EX 3-4141

January 19, 1965

OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 1857
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS (3)
P. O. BOX 791
SANTA FE, NEW MEXICO

~~OIL CONSERVATION COMMISSION~~
P. O. BOX 2088
SANTA FE, NEW MEXICO

Gentlemen:

Attached for your consideration and approval
is our proposed Plan of Development for the calendar
year 1965 for the Bell Lake Unit, Lea County, New Mexico.

Yours very truly,

A handwritten signature in cursive script that reads "Jack Marshall".

JM-DFW

cc: Mr. R. G. Parker
Bell Lake Unit Working Interest Owners

PLAN OF DEVELOPMENT
FOR THE CALENDAR YEAR 1965
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

TO THE OIL AND GAS SUPERVISOR (6)
UNITED STATES GEOLOGICAL SURVEY
P. O. BOX 1857
ROSWELL, NEW MEXICO

COMMISSIONER OF PUBLIC LANDS (3)
STATE OF NEW MEXICO
P. O. BOX 791
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
P. O. BOX 2088
SANTA FE, NEW MEXICO

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Development for the year 1965. Under date of December 27, 1963, a Plan of Development covering the calendar year 1964 was submitted and subsequent approval was received from your offices.

HISTORY OF PAST DEVELOPMENT

Since formation of the Unit, Operator has drilled the following wells within the Unit Area:

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit No. 1 SE/4 SW/4 Sec. 31 T-23S, R-34E	Devonian	Producing from Devonian Part. Area "A"
Bell Lake Unit No. 2 SE/4 SW/4 Sec. 30 T-23S, R-34E	Pennsylvanian (Atoka)	Atoka Depleted. Deepened to Morrow (Non-Productive)
Bell Lake Unit No. 3 NE/4 NW/4 Sec. 6 T-24S, R-34E	Bone Spring	Producing from Bone Spring (Non-Commercial)
Bell Lake Unit No. 4 SE/4 NW/4 Sec. 6 T-24S, R-34E	Devonian	Producing from Devonian Part. Area "A"
Bell Lake Unit No. 5 SW/4 NE/4 Sec. 1 T-24S, R-33E	Devonian	Devonian non-productive. Producing from Morrow (Non-Commercial)
Bell Lake Unit No. 6 SW/4 SE/4 Sec. 6 T-23S, R-34E	Devonian	Producing from Devonian Part. Area "B"
Bell Lake Unit No. 7 NE/4 NE/4 Sec. 1 T-24S, R-33E	Bone Spring	Plugged and Abandoned

<u>Well and Location</u>	<u>Objective Formation</u>	<u>Status</u>
Bell Lake Unit No. 8 SW/4 SW/4 Sec. 7 T-22S, R-34E	Cherry Canyon	Plugged and Abandoned
Bell Lake Unit No. 9 NE/4 SW/4 Sec. 18 T-23S, R-34E	Bone Spring	Abandoned, but not plugged

On October 30, 1964, the Bell Lake Unit No. 10, located in the SE/4 of NW/4 Section 19, T-23S, R-34E, commenced drilling to the Devonian formation. This well is expected to reach the objective formation and test same by June 1, 1965.

DEVELOPMENT

Transwestern Pipeline Company connected to the Bell Lake Unit gas wells and limited gas sales began in August, 1961. During the third contract year, August 1, 1963, through July 31, 1964, the gas sales from the Bell Lake Unit was 2,784,222 MCF. Cumulative production to August 1, 1964, is 6,096,678 MCF. Because of the lack of sales markets, Transwestern has curtailed the gas purchases from the Bell Lake Unit wells. This situation will prevail for an indefinite period. The uncertainties of the present market situation, and the limited production from the present producing wells in the Unit, make the drilling of additional wells in the Unit area economically unattractive at this time; therefore, no further development wells are proposed for drilling during 1965.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Bell Lake Unit Agreement, or pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 18 of said agreement.

FURTHER DEVELOPMENT

This Plan of Development shall constitute the drilling obligations of the Unit Operator under the terms of the Bell Lake Unit

Agreement for the period ending December 31, 1965. Before this plan expires, another plan for further development of the Unit Area will be submitted.

MODIFICATION

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

EFFECTIVE DATE

This Plan of Development shall be effective January 1, 1965.
Dated January 12, 1965.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

By *Jack Marshall*
JACK MARSHALL

Approved _____
Supervisor, United States
Geological Survey

DATE _____

Approved _____
Commissioner of Public Lands

DATE _____

Approved *A. H. Carter*
Oil Conservation Commission

DATE *March 23, 1965*

BELL LAKE UNIT OPERATING COMMITTEE
ADDRESSEE LIST

Mr. Jack Marshall
Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Mr. Howard W. Jennings (2)
Perry R. Bass
1117 Ft. Worth Nat'l Bank Bldg.
Fort Worth 2, Texas

Mr. A. D. Kloxin (3)
Hondo Oil & Gas Company
P. O. Box 1978
Roswell, New Mexico

Mr. Edward R. Hudson (2)
Hudson & Hudson
1510 First National Bldg.
Fort Worth, Texas

Mr. William A. Hudson (2)
Hudson & Hudson
1510 First National Bldg.
Fort Worth, Texas

Mr. R. R. McCarty (6)
Humble Oil & Refining Company
P. O. Box 1600
Midland, Texas

Mr. C. F. Miller
Kerr-McGee Oil Industries, Inc.
Kerr-McGee Building
Oklahoma City, Oklahoma

Mr. R. H. Jukes
Phillips Petroleum Company
Exploration & Production Dept.
Bartlesville, Oklahoma

Mr. T. H. Dwyer (2)
Shell Oil Company
P. O. Box 1858
Roswell, New Mexico

Mr. J. V. Pollock (3)
Signal Oil & Gas Company
509 West Texas Avenue
Midland, Texas

Mr. Leon S. Ditzell (3)
Skelly Oil Company
312-14 North Big Spring
Midland, Texas

Mr. William H. Mannon (2)
Southern Calif. Petr. Corp.
4250 Wilshire Blvd.
Los Angeles 5, California

Mr. W. T. Wells, Jr. (3)
Tenneco Oil Company
P. O. Box 1031
Midland, Texas

Mr. L. J. Willis (5)
The Superior Oil Company
P. O. Box 1521
Houston 1, Texas

Mr. M. M. Slagle, Jr.
Texas Pacific Oil Company
P. O. Box 2110
Fort Worth 1, Texas

Mr. G. W. Coombes (2)
Union Oil Company of Calif.
619 W. Texas Avenue
Midland, Texas

Mr. Anderson Carter
Vendetta, Inc.
P. O. Box 725
Lovington, New Mexico

Mr. Allan Hargrave
Harper Star Route
Kerrville, Texas

Mr. Brady M. Lowe
1512 Great Plains Bldg.
Lubbock, Texas

Mr. H. S. Montgomery
P. O. Box 1351
San Angelo, Texas

1-12-65

INDIVIDUAL ACKNOWLEDGMENT

STATE OF ~~NEW MEXICO~~ } ss.
County of TEXTAS }
ECTOR

The foregoing instrument was acknowledged before me this 4th day of March,
19 61 by Rufus E. Mize and wife, Mathilda Mize; Hoyt T. Mize and wife, Ruth Mize; Mary
Violet McKandles and husband, William A. McKandles; and Vera Mae Timmons and husband,
Sam Timmons.

My Commission expires

5-30-

1961

Geordie D. Johnson

Notary Public Ector County, Texas

ACCEPTANCE AND APPROVAL BY
WORKING INTEREST OWNER AND UNIT OPERATOR

The undersigned, Humble Oil & Refining Company, Working Interest Owner with respect to the above committed interest insofar as it covers Tract 71, and Continental Oil Company as Unit Operator, do hereby accept and approve the above and foregoing Consent and Ratification.

Unit Operator:
CONTINENTAL OIL COMPANY

By [Signature]

Working Interest Owner
Tract 71:
HUMBLE OIL & REFINING COMPANY

By [Signature]

APPROVED
[Signature]

[Signature]
acc



563

1964 AUG 12 PM 1 09

CONTINENTAL OIL COMPANY

P. O. Box 1377
Roswell, New Mexico
August 11, 1964

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

Gentlemen:

Re: C-7881, Bell Lake Unit,
Lea County, New Mexico

We are returning the enclosed Consent and Ratification Agreement of the offered Alfred S. Blauw interest, with Continental's acceptance and approval attached. Mr. Blauw is the owner of a .1250% overriding royalty in Tract 23 of the Bell Lake Unit. He now elects to commit his interest and one copy of the Ratification signed by him and his wife is attached.

We are today furnishing copies to the United States Geological Survey and the Commissioner of Public Lands.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Sam Gardiner".

SAM GARDINER
Associate Landman
Roswell Division

SG/jr
Encls:
cc - WRH

CONSENT AND RATIFICATION OF
BELL LAKE UNIT AGREEMENT

1964 AUG 12 PM 1:09

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the Bell Lake Unit Area dated the 12th day of May, 1953, embracing lands situated in Lea County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the Bell Lake Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments, but effective as of the date of the first runs from Devonian Participating Area "B".

ALFRED S. BLAUW

JUNE BLAUW

STATE OF NEW MEXICO)
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 30th day of June, 1964, by ALFRED S. BLAUW AND JUNE BLAUW, HUSBAND AND WIFE

My Commission Expires:
5-11-68

Nettie Silverman
Notary Public, Chaves county,
New Mexico

STATE OF

ACCEPTANCE AND APPROVAL
BY WORKING INTEREST OWNER

The undersigned, Continental Oil Company, working interest owner of the above committed interest, does hereby accept and approve the above and foregoing consent and ratification.

DATED this 6th day of August, 1964.

CONTINENTAL OIL COMPANY

By A. L. Adams
Attorney-in-Fact

J
802



563
MAIN OFFICE OCC

1964 JUL 17 PM 1:24

CONTINENTAL OIL COMPANY

P. O. Box 1377
Roswell, New Mexico
July 16, 1964

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

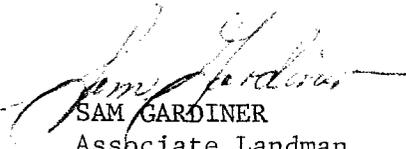
Gentlemen:

Re: Contract 7881 - Bell Lake
Unit - Lea County, New Mexico

Alfred S. Blauw and wife, June Blauw, are the owners of a .1250% overriding royalty interest in Tract 23 of the Bell Lake Unit. They now elect to commit this interest and one copy of a ratification signed by him and his wife is attached.

We are also furnishing copies to the United States Geological Survey and the Commissioner of Public Lands.

Yours very truly,


SAM GARDINER
Associate Landman
Roswell Division

SG-sw

Attach

cc - WRH

CONSENT AND RATIFICATION OF
BELL LAKE UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the Bell Lake Unit Area dated the 12th day of May, 1953, embracing lands situated in Lea County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the Bell Lake Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments, but effective as of the date of the first runs from Devonian Participating Area "B".

ALFRED S. BLAUW

JUNE BLAUW

June Blauw

STATE OF NEW MEXICO)
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 30th day of June, 19 64, by ALFRED S. BLAUW AND JUNE BLAUW, HUSBAND AND WIFE

My Commission Expires:

5-11-68

Notary Public
Notary Public, Chaves county,
New Mexico

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19 _____, by _____

My Commission Expires:

Notary Public, _____ County,

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

563

June 2, 1964

C
O
P
Y

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Attention: Mr. A. B. Slaybaugh

Re: Bell Lake Unit Well No.
5, Non-Commercial
Determination

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission concurs with the determination that Bell Lake Unit Well No. 5 located in Unit G of Section 1, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico, is a non-commercial well.

Two approved copies of request of the determination are returned.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/eg

cc: United States Geological Survey
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

1964 APR 21 W 9 30

April 22, 1964

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Re: Bell Lake Unit
Lea County, New Mexico
Well No. 5

Attention: Mr. A. B. Slaybaugh

Gentlemen:

The Commissioner of Public Lands concurs with your determination that the Bell Lake Unit Well No. 5 is a non-commercial well under the terms of the Unit Agreement.

We are returning one approved copy of this request.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mm/v

cc: United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

563

April 8, 1964

Continental Oil Company
P.O. Box 460
Hobbs, New Mexico

Re: 1964 Plan of Development
Bell Lake Unit
Lea County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1964 Plan of Development for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

If approved copy of the plan of development is desired, please supply additional copy.

Very truly yours,

A. L. Fortar, Jr.
Secretary-Director

ALF:JEX:eg

cc: Commissioner of Public Lands - Santa Fe
United States Geological Survey - Roswell

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CONTINENTAL OIL COMPANY

P. O. Box 1377
Roswell, New Mexico
April 7, 1964

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

Gentlemen:

Re: Contract 7881 - Bell Lake
Unit - Lea County, New Mexico

Charles E. Montgomery and wife, Dorilynn, is the owner of a .0625% overriding royalty interest in Tract 23 of the Bell Lake Unit. He now has elected to commit his interest and one copy of the ratification, signed by him and his wife, is attached.

We are also today furnishing copies to the U.S. Geological Survey and the Commissioner of Public Lands.

Yours very truly,


SAM D. GARDINER
Scout & Leaseman
Roswell Division

SDG-SR

Attach.

cc - WRH

CONSENT AND RATIFICATION OF
BELL LAKE UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the Bell Lake Unit Area dated the 12th day of May, 1953, embracing lands situated in Lea County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the Bell Lake Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____	<u>Charles E. Montgomery</u> CHARLES E. MONTGOMERY
_____	<u>Dorilynn Montgomery</u> Dorilynn MONTGOMERY
_____	_____

STATE OF NEW MEXICO)
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 23RD day of MARCH, 19 64, by Charles E. Montgomery and wife, Dorilynn MONTGOMERY

Handa J. Price
Notary Public, Chaves county,
New Mexico

My Commission Expires:
3-29-67

ACCEPTANCE AND APPROVAL
BY WORKING INTEREST OWNER

The undersigned, Continental Oil Company, working interest owner of the above committed interest, does hereby accept and approve the above and foregoing consent and ratification.

DATED this 7th day of April, 1964.

CONTINENTAL OIL COMPANY

By W. C. Hall



CONTINENTAL OIL COMPANY

P. O. BOX 460
HOBBS, NEW MEXICO

1001 NORTH TURNER
TELEPHONE: EX 3-4141

PRODUCTION DEPARTMENT
HOBBS DISTRICT
A. B. SLAYBAUGH
DISTRICT MANAGER
G. C. JAMIESON
ASSISTANT DISTRICT MANAGER

March 30, 1964

Commissioner of Public Lands (3)
State of New Mexico
Santa Fe, New Mexico

Dear Sir:

Bell Lake Unit No. 5 was drilled as a Devonian test in the Bell Lake Unit in the SW/4 NE/4 of Section 1, T-24S, R-33E, Lea County, New Mexico, and found the Devonian production non-commercial. Subsequent to this date, this well was plugged back and completed in the fourth Morrow sand (Pennsylvanian) with an initial calculated open flow potential of 7,625 MCFG per day. Subsequently, production and pressure history of the well indicate the well to be non-commercial.

To support this conclusion we submit the following information:

Initial Drilling Cost to Devonian	\$1,013,059
Estimated Cost - Morrow Only	840,000
Cumulative Production to 12-1-63	764,341 MCF
Estimated Ultimate Recovery	2,890,000 MCF

As justification for the ultimate recovery, we have attached a p/z versus cumulative production curve as Exhibit 1. Based on this ultimate recovery and the current gas price of \$.16 per MCF, a total estimated ultimate revenue to the working interest owners of \$404,600 is obtained.

Continental Oil Company, as operator of the Bell Lake Unit, respectfully requests your concurrence and determination of this well as non-commercial.

Approved June 2 1964
A. B. Slaybaugh
Secretary-Director

Yours very truly

SIGNED: A. B. SLAYBAUGH

NEW MEXICO OIL CONSERVATION COMMISSION
cc: USGS (6) NMOCC (3)
All Working Interest Owners

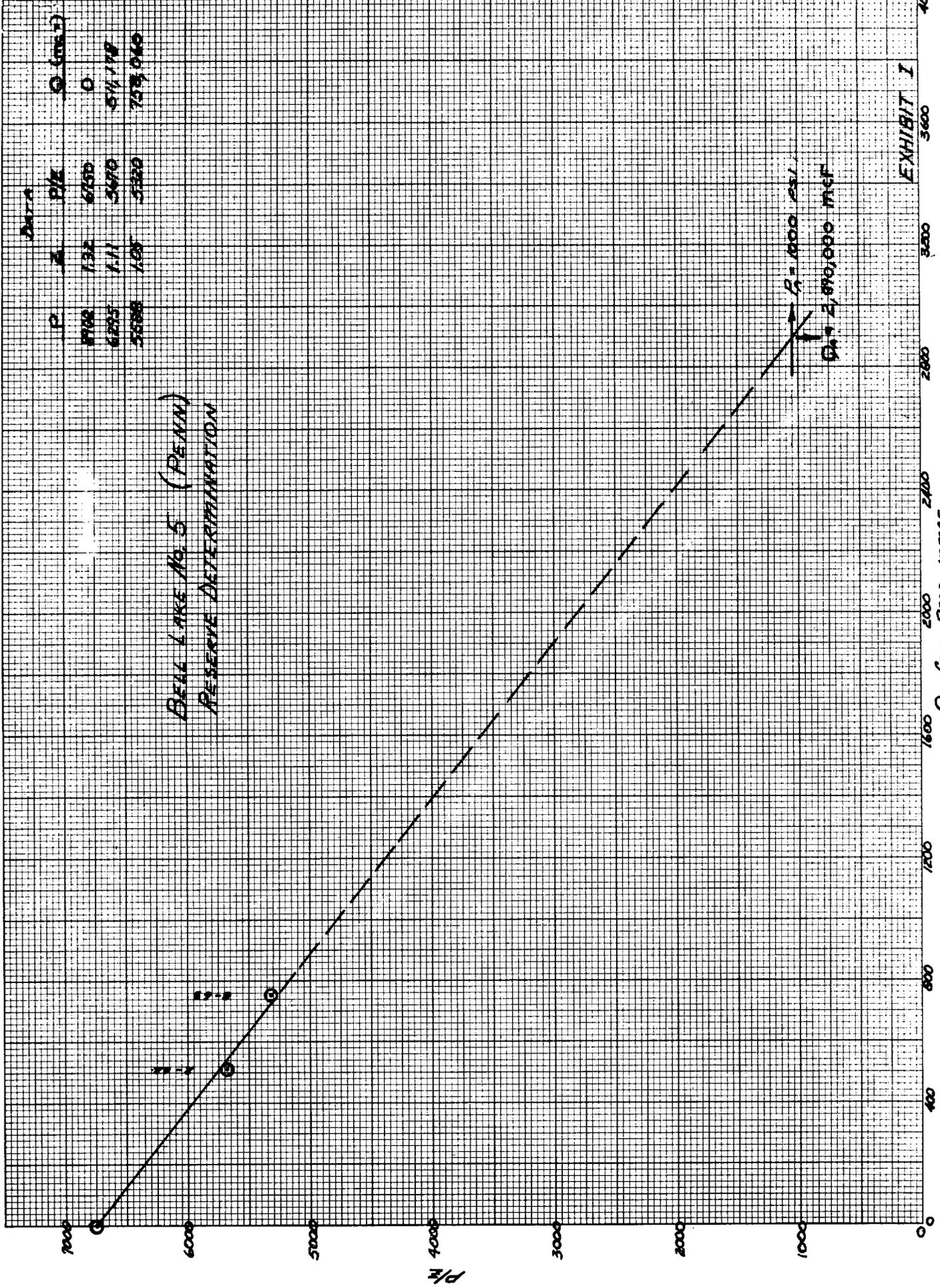


EXHIBIT I