BASS ENTERPRISES PRODUCTION CO. 6 DESTA DRIVE, SUITE 3700 P.O. BOX 2760 MIDLAND, TEXAS 79702

pril 23, 1996

FAX (915) 687-0329

Re:

OIL CON. DIV. DIST. 2

MAY - 7 1996

Proposed Off-Lease Storage and/or Measurement and Surface Commingling Poker Lake Unit Well No. 123 (NMNM0506-A) Section 22, T24S-R31E; Unit Letter K Well No. 68 (NMLC-061705-B) Section 20, T24S-R31E; Unit Letter B Eddy County, New Mexico FILE: 400-WF: 964KOFSM.LTR

(915) 683-2277

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

Dear Mr. LeMay:

Bass Enterprises Production Company respectfully requests approval of off-lease storage and/or measurement of production into the existing tank battery. Production from the Poker Lake Unit #123 lease will be metered separately at the Poker Lake Unit #68 battery prior to being commingled with production from the Poker Lake Unit #68 lease. Approval of this request for off-lease storage and measurement will allow for more efficient operations with a consolidated battery by reducing the number of stock tanks (2) and water tanks (1). Also, gas sales and SWD connections are available at the existing battery. Surface disturbance will also be minimized by using the existing facility.

Full wellstream production will be transported via flowline to a three phase heater treater. Oil, water, and gas will be separated at this vessel. The oil and water will be metered prior to being stored in the commingled stock tanks and water tank. The gas will be metered via a separate sales meter. Estimated production from the Poker Lake Unit #123 Lease will be 7 BO, 10 BW, 20 MCF per day. Poker Lake Unit #68 Lease produces 16 BO, 35 BW, 32 MCF per day. The API oil gravity for the subject leases is 47 (sweet). Current posted price is \$23.50 per barrel. The total value will improve by commingling as revenue will increase due to gas sales vs. venting and operating expenses will be reduced by pipelining produced water to disposal vs. trucking.

If you have any questions please contact Keith Bucy or myself at the letterhead address.

Sincerely

Jean R. Smitherman Division Production Manager

Form 3160-5 (June 1990)	DEPART	UNITED STATES MENT OF THE IN OF LAND MANA	ITERIOR		B Febr	APPROVED LM - CRA uary 08, 1996
					5. Lease Designa	tion and Serial No.
					NMNM 0506-A	
	form for proposals to dri	•	•	ferent reservoir	6. If Indian, Allote	e or Tribe Name
	Use "APPLICATION FO		n proposais			
	SUBMIT	N TRIPLICATE			7. If Unit or CA, A	greement Designation
1. Type of Well X Oil Well	Gas Well	Oth	સ		Poker Lake Unit	
2. Name of Operator					8. Well Name and	
3. Address and Telephon	prises Production Company				Poker Lake Unit # 9. API Well No.	123
P. O. Box 2					30-015-28526	
	xas 79702-2760		) 683-2277		10. Field and Poo	I, or Exploratory Are
4. Location of Well (Foota	ge, Sec., T., R., M., or Surve	y Description)			South Sand Dune	s (Bone Spring)
1080' ESI &	1980' FWL Unit Letter K				11. County or Par	ish, State
	T24S-R31E				Eddy County, Ne	w Mexico
	APPROPRIATE BOX			ENOTICE REP		
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TYPE OF SUBM	ISSION			TYPE OF ACTION		
X Notice of In	tent	Abandonment		Г	Change of Plans	
		Recompletion			New Construction	1
Subsequent	Report	Plugging Back			Non-Routine Frac	turing
Einal Aband	anmont Notice	Casing Repair		Ļ	Water Shut-Off	
	onment Notice	Altering Casing			Conversion to Inje	ction
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		X Other Insta	II Flowline		Dispose Water	f multiple completion on
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give subsurface locations ar Bass Enterp #68 Battery will follow ex 4. I hereby certify that the Signed <u>Yuyu</u> This space for Federal or S	In measured and true vertical depth prises Production Company p located in Block B, Section 2 isting roads to Poker Lake U isting roads to Poker Lake U foregoing is true and correc <u><u><u></u></u>. <u><u><u></u></u>. <u><u><u></u></u></u></u></u>	rtinent details, and give pertir for all markers and zones pe proposes to install a flow 0, T24S, R31E, Eddy ( nit #68. Surface dama t	ent dates, including trinent to this work filme from the P County, New Mi ge will be minin	)* 'oker Lake Unit #123 tr exico. The flowline wil nal. No archeological :	(Note: Report results o Completion or Recomp any proposed work. If well o the Poker Lake Uni II be laid on the surfac survey is planned.	eletion Report and Log for is directionally drilled, t ce and
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Form 3160-5 (June 1990)		UNITED STA DEPARTMENT OF TH UREAU OF LAND M/	IE INTERIOR		FORM APPROVED BLM - CRA February 08, 1996 5. Lease Designation and Serial No.
SUNDRY NOTICES AND REPORTS ON WELLS					NMNM 0506-A
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir Use "APPLICATION FOR PERMIT" for such proposals					6. If Indian, Allotee or Tribe Name
					7. If Unit or CA, Agreement Designation
		UBMIT IN TRIPLICA	/E		
1. Type of W	ell ] Oil Well	Gas Well	] Other		Poker Lake Unit
2. Name of C		<b>0</b>			8. Well Name and No. Poker Lake Unit #123
2. 4.1.1	Bass Enterprises Production	Company			9. API Well No.
J. Address a	Ind Telephone No. P. O. Box 2760				30-015-28526
	Midland, Texas 79702-2760		(915) 683-2277		10. Field and Pool, or Exploratory Area
4 Location of	of Well (Footage, Sec., T., R., N	A., or Survey Description)	()		South Sand Dunes (Bone Spring)
	<b></b>				11. County or Parish, State
	1980' FSL & 1980' FWL, Uni	t Letter K			
	Section 22, T24S-R31E	· · · · · · · · · · · · · · · · · · ·			Eddy County, New Mexico
12.	CHECK APPROPRIA	FE BOX(s) TO INDIC	ATE NATURE OF NOTICE	E, REPO	RT, OR OTHER DATA
TYF	PE OF SUBMISSION		TYPE OF A	CTION	
X	] Notice of Intent	Abandonme			Change of Plans New Construction
	] Subsequent Report	Plugging Ba	ck		Non-Routine Fracturing Water Shut-Off
	Final Abandonment Notice	Altering Cas	ing		Conversion to Injection
	-	X Other	Off-Lease Storage		Dispose Water
			and/or Measurement		(Note: Report results of multiple completion on Well
		L		·	Completion or Recompletion Report and Log form.)
j. Describe P give subsi	urface locations and measured and true Bass Enterprises Production production into the existing c Production from the Poker La commingled with production measurement will allow for m and water tanks (1). Also ga be minimized by using the ex Full wellstream production w	vertical depths for all markers and Company respectfully reque ommingling tank battery. ake Unit #123 lease will be n from the Poker Lake Unit #6 fore efficient operations with is sales and SWD connection disting facility.	zones pertinent to this work.)* ests approval of off-lease storage a netered separately at the Poker Lak 8 lease. Approval of this request f a consolidated battery by reducing ons are available at the existing batt e to a three phase heater treater. O	nd/or meas the Unit #68 or off-lease the numbe ery. Surfac il, water an	battery prior to being storage and er of stock tanks (2) ce disturbance will also d gas will be separated
	at this vessel. The oil and wa The gas will be metered via a 7 BO, 10 BW, 20 MCF per d subject leases is 47 (sweet).	ater will be metered prior to l a separate sales meter. Esti lay. Poker Lake Unit #68 pr Current posted price \$23.5	being stored in the commingled sto imated production from the Poker L oduces 16 BO, 35 BW, 32 MCF p 50 per barrel. The total value will in expenses will be reduced by pipelin	ck tanks ar .ake Unit # er day. The nprove by c	nd water tank. The 123 Lease well be e API oil gravity for the ommingling as revenue

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14. I hereby certify that the foregoing is true and correct					
Signed Janu G. Luker	Tami L. Wilber	Title	Production Clerk	Date	4/12/96
(This space for Federal or State office use) Approved by		Title_		Date	
Conditions of approval, if any:					

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

## APPLICATION FOR SURFACE COMMINGLING OFF LEASE STORAGE AND MEASUREMENT APPROVAL

This Format Should Be Attached to a Sundry Notice

## To: Bureau of Land Management P. O. Box 1778 Carlsbad, New Mexico 88221-1778

Bass Enterprises Production Company is requesting approval for surface commingling and offlease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NMNM0506-A, Lease Name <u>Poker Lake Unit</u>.

<u>WELL</u> <u>NO.</u>	Loc.	<u>Sec.</u>	Twp.	<u>Rng.</u>	<b>Formation</b>
<u>123</u>	<u>UL K</u>	_22	24S	_31E	Bone Spring
			<u> </u>		<u> </u>
<u> </u>			<u> </u>		·

with hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NMLC061705-B, Lease Name <u>Poker Lake Unit</u>.

<u>WELL</u> <u>NO.</u>	Loc.	<u>Sec.</u>	<u>Twp.</u>	Rng.	Formation
68	<u>UL B</u>		24S	_31E	Delaware
			<u> </u>		
<u></u>					

Production from the wells involved is as follows:

Well Name and No.	BOPD	Oil Gravity	MCFD
Poker Lake Unit #123 Poker Lake Unit # 68	<u> </u>	<u>47</u> 40.7	<u>20</u> 32
			·····

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located at Unit B, Section 20, T24S, R31E, on Lease No. NMLC061705-B, Eddy County, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources is as follows:

Production from	n the Poker Lake Unit #123.	lease will be carried via	a flowline to a three phase
beater treater a	t the Poker Lake Unit #68.	Oil and water will be m	easured through positive
displacement r	neters prior to comminaling.	Gas will be sold throu	gh a separate sales meter.
displacement			

The working interest owners have been notified of the proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal Leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days in application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

Additional wells require additional commingling approvals.

Signature:
Name:
Title:
Date:

L. Wille Juni Tami L. Wilber **Production Clerk** 4-12-96

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POKER LAKE UNIT # 68

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