

RAY POWELL, M.S., D.V.M. COMMISSIONER

State of New Mexico Commissioner of Jublic Lands

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August 22, 1996

Bass Enterprises Production Company Post Office Box 2760 Midland, Texas 79702

Attn: Mr. John R. Smitherman

Re:

Application for Surface Commingling Off-Lease Storage & Measurement

Poker Lake Unit Delaware "B" Participating Area

Poker Lake Unit #98 Battery Eddy County, New Mexico

Dear Mr. Smitherman:

We have received your application of August 7, 1996, requesting approval of off-lease storage and for measurement and surface commingling of the production from the Poker Lake Unit Delaware "B" Participating Area and the Poker Lake Unit Well #98.

We understand that the production from the subject unit will be metered separately at the Poker Lake Unit #98 battery prior to being commingled.

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Please remit a filing fee in the amount of \$30.00.

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

Very truly yours,

RAY POWELL, M.S., D.V.M.

COMMISSIONER OF PUBLIC LANDS

LARRY KEHOE, Director

Oil, Gas and Minerals Division

(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File

OCD--Attention: David Catanach and Ben Stone

Commissioner's File

BLM--Attention: Armando Lopez