

DATE IN <u>11/7/97</u>	SUSPENSE <u>12/1/97</u>	ENGINEER <u>BS</u>	LOGGED BY <u>W</u>	TYPE <u>PLC</u>
------------------------	-------------------------	--------------------	--------------------	-----------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

NOV -7 1997 ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

☐ [NSP-Non-Standard Proration Unit] ☐ [NSL-Non-Standard Location]
☐ [DD-Directional Drilling] ☐ [SD-Simultaneous Dedication]
☐ [DHC-Downhole Commingling] ☐ [CTB-Lease Commingling] ☐ [PLC-Pool/Lease Commingling]
☐ [PC-Pool Commingling] ☐ [OLS - Off-Lease Storage] ☐ [OLM-Off-Lease Measurement]
☐ [WFX-Waterflood Expansion] ☐ [PMX-Pressure Maintenance Expansion]
☐ [SWD-Salt Water Disposal] ☐ [IPI-Injection Pressure Increase]
☐ [EOR-Qualified Enhanced Oil Recovery Certification] ☐ [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
☐ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☒ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Tami L. Wilber
Print or Type Name

Tami L. Wilber
Signature

Production Clerk
Title

10/10/97
Date

BASS ENTERPRISES PRODUCTION CO.

6 DESTA DRIVE, SUITE 3700
P.O. BOX 2760
MIDLAND, TEXAS 79702

FAX (915) 687-0329

October 10, 1997

(915) 683-2277

Re: Add New Well to Existing Commingling
Permit PLC125
Poker Lake Unit #129 (NMLC-061705-B)
Section 20, T24S-R31E; Unit Letter H
Poker Lake Unit #123 (NMNM-0506-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: 97AJ#129.OLS

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 surface commingling of production into an existing tank battery, Commingling Order PLC125. Production from the Poker Lake Unit #129 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 and the Poker Lake Unit #123. Approval of this request for surface commingling of production 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 #129 Lease will be 68 BO, 179 BW, 46 MCF per day, Poker Lake Unit #123 Lease will be 9 BO, 8 BW, 4 MCF per day, Poker Lake Unit #68 Lease produces 8 BO, 24 BW, 18 MCF per day. The API oil gravity for the subject leases is 39.3 (sweet). Current posted price is \$19.75 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,


John R. Smitherman
Division Production Manager


JRS:tlw



BASS ENTERPRISES PRODUCTION CO.

6 DESTA DRIVE, SUITE 3700
P.O. BOX 2760
MIDLAND, TEXAS 79702

FAX (915) 687-0329

October 10, 1997

(915) 683-2277


Re: Add New Well to Existing Commingling
Permit PLC125
Poker Lake Unit #129 (NMLC-061705-B)
Section 20, T24S-R31E; Unit Letter H
Poker Lake Unit #123 (NMNM-0506-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: 97AJ#129.OLS

WAIVER OF OBJECTION

EOTT Energy Corporation does not object to the attached application by Bass Enterprises production Co. For Surface Commingling and/or Off-Lease Measurement and Storage.

EOTT Energy Corporation

Company or Interest Owner


Authorized Representative

Senior Area Manager

Title

10/10/97

Date

BASS ENTERPRISES PRODUCTION CO.

6 DESTA DRIVE, SUITE 3700
P.O. BOX 2760
MIDLAND, TEXAS 79702

FAX (915) 687-0329

October 17, 1997

(915) 683-2277

Re: Add New Well to Existing Commingling
Permit PLC125
Poker Lake Unit #129 (NMLC-061705-B)
Section 20, T24S-R31E; Unit Letter H
Poker Lake Unit #123 (NMNM-0506-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: 97AJ#129.OLS

Ray Powell, Commissioner
New Mexico State Land Office
P. O. Box 1148
Santa Fe, New Mexico 87504

United States Department of the Interior (BLM)
Carlsbad Resource Area Headquarters
620 E. Greene Street
Carlsbad, New Mexico 88220-6292

I, Tami L. Wilber, certify that the above Interest Owners have been notified of this application.

Tami L. Wilber
Bass Enterprises Production Co.
Tami L. Wilber
Production Clerk

10/17/97

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
BLM - CRA
February 08, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NMNM-061705-B
2. Name of Operator Bass Enterprises Production Company	6. If Indian, Allottee or Tribe Name ---
3. Address and Telephone No. P. O. Box 2760 Midland, Texas 79702-2760 (915) 683-2277	7. If Unit or CA, Agreement Designation Poker Lake Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FNL & 660' FEL, Unit Letter H Section 20, T24S-R31E	8. Well Name and No. Poker Lake Unit #129
COPY	9. API Well No. 30-015-29552
	10. Field and Pool, or Exploratory Area Poker Lake (Delaware)
	11. County or Parish, State Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other Surface Commingling PLC125	<input type="checkbox"/> Dispose Water
		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Bass Enterprises Production Company respectfully requests approval of surface commingling of production into an existing commingling tank battery, Commingling Order PLC125.

Production from the Poker Lake Unit #129 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 surface commingling of production 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 #129 Lease will be 68 BO, 179 BW, 46 MCF per day, Poker Lake Unit #123 Lease will be 9 BO, 8 BW, 4 MCF per day, Poker Lake Unit #68 Lease produces 8 BO, 24 BW, 18 MCF per day. The API oil gravity for the subject leases is 39.3 (sweet). Current posted price is \$19.75 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.

14. I hereby certify that the foregoing is true and correct

Signed Tami L. Wilber Tami L. Wilber Title Production Clerk Date 10/10/97

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

CRA BLM FORMAT

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 off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NMNM0506-A & NMLC-061705-B, Lease Name: Poker Lake Unit.

<u>WELL</u> <u>NO.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>123</u>	<u>UL K</u>	<u>22</u>	<u>24S</u>	<u>31E</u>	<u>Delaware</u>
<u>129</u>	<u>UL H</u>	<u>20</u>	<u>24S</u>	<u>31E</u>	<u>Delaware</u>
_____	_____	_____	_____	_____	_____

with hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NMLC-061705-B, Lease Name: Poker Lake Unit.

<u>WELL</u> <u>NO.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>68</u>	<u>UL B</u>	<u>20</u>	<u>24S</u>	<u>31E</u>	<u>Delaware</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFD</u>
<u>Poker Lake Unit #129</u>	<u>68</u>	<u>39.3</u>	<u>46</u>
<u>Poker Lake Unit #123</u>	<u>9</u>	<u>39.3</u>	<u>4</u>
<u>Poker Lake Unit #68</u>	<u>8</u>	<u>39.3</u>	<u>18</u>
_____	_____	_____	_____

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, Sec. 20, T24S-R31E, on Lease NMLC-061705-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 the Poker Lake Unit #123 & #129 lease will be carried via flowline to a three phase heater treater at the Poker Lake Unit #68. Oil and water will be measured through positive displacement meters prior to commingling. Gas will be sold through a separate sales meter.

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.

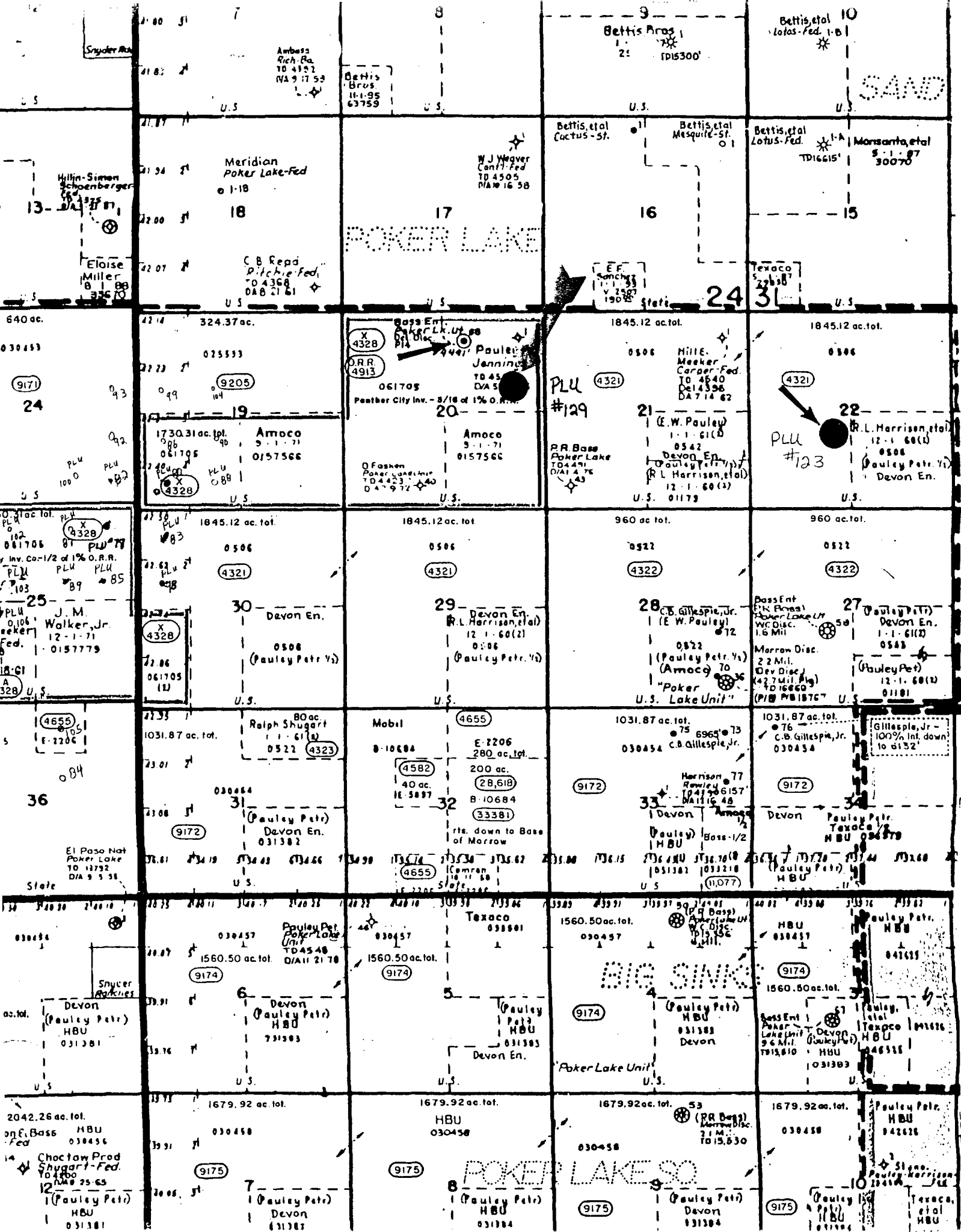
Signature:

Name:

Title:

Date:

Tami L. Wilber
Tami L. Wilber
Production Clerk
10/10/97



BASS ENTERPRISES PRODUCTION CO
P.O. BOX 2760
MIDLAND TEXAS 79702-2760
(WELL SITE DIAGRAM) 10-10-97 JDL

POKER LAKE UNIT #68 BATTERY
LOT LTR B, SECTION 20, T-24-S, R-31-E.

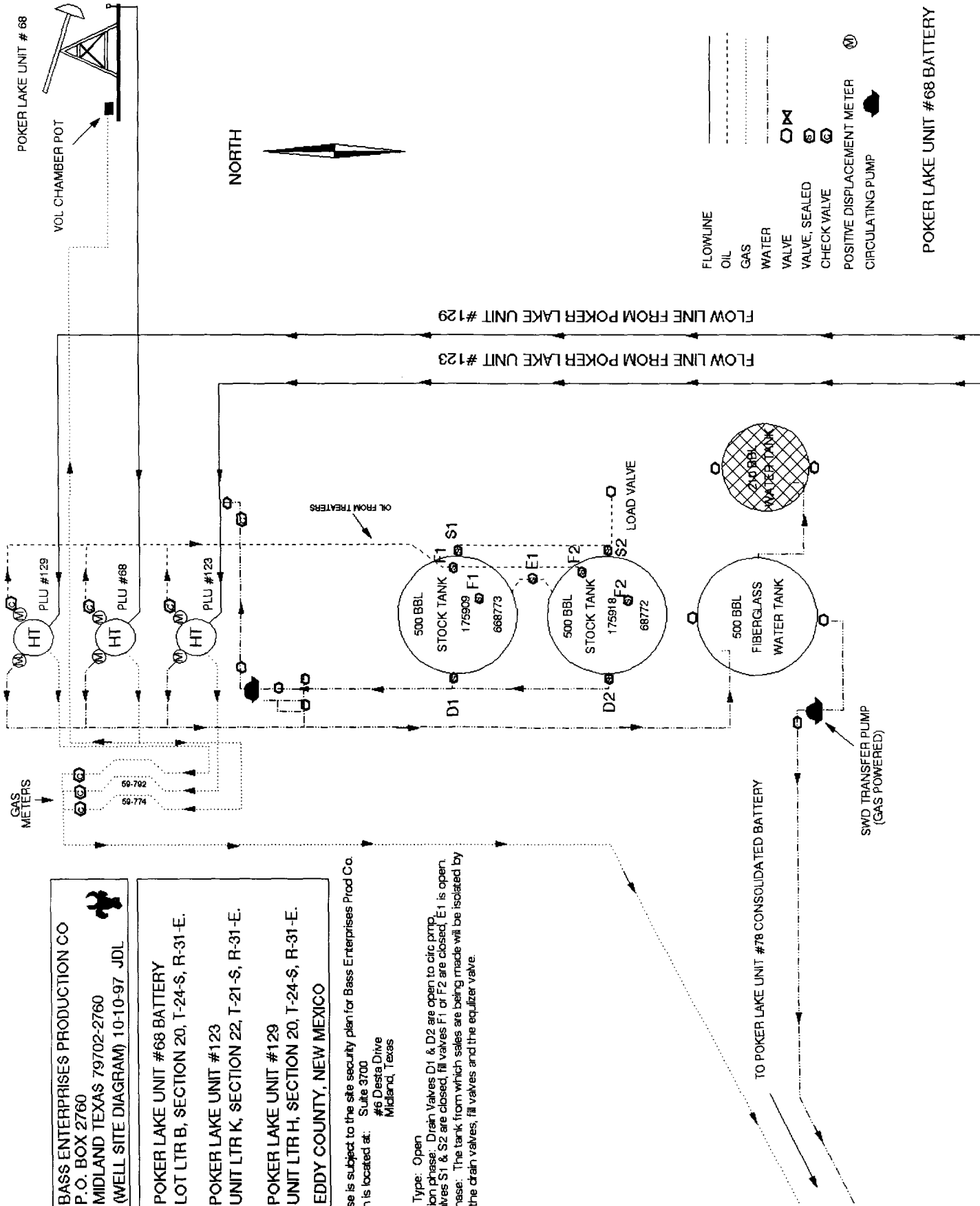
POKER LAKE UNIT #123
UNIT LTR K, SECTION 22, T-21-S, R-31-E.

POKER LAKE UNIT #129
UNIT LTR H, SECTION 20, T-24-S, R-31-E.

EDDY COUNTY, NEW MEXICO

This lease is subject to the site security plan for Bass Enterprises Prod Co.
The plan is located at: Suite 3700
#6 Desta Drive
Midland, Texas

System Type: Open
Production phase: Drain Valves D1 & D2 are open to circ prmp sales valves S1 & S2 are closed, fill valves F1 or F2 are open.
Sales phase: The tank from which sales are being made will be isolated by closing the drain valves, fill valves and the equalizer valve.



POKER LAKE UNIT #68 BATTERY



PLC 125

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

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

October 27, 1997

Bass Enterprises Production Co.
P. O. Box 2760
Midland, Texas 79702

Attn: Mr. John Smitherman

Re: *surface*
~~Downhole~~ Commingling Application
Poker Lake Unit Well Nos. 68, 129 and 123
Poker Lake Delaware Pool
Eddy County, New Mexico

Dear Mr. Smitherman:

We are in receipt of your letter of October 10, 1997 wherein you have notified this office of your plans to surface commingle the production from the above captioned Federal wells.

Since the above captioned wells are not participating wells and are producing on a lease basis we have no objection to your proposed request.

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

A handwritten signature in cursive script, reading "Jami Bailey", is written over the printed name of the Director.

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

RP/JB/pm

cc: Reader File
OCD - Attn: David Catanach ✓
BLM - Roswell