

**COMMISSIONER'S OFFICE**

Phone (505) 827-5760

Fax (505) 827-5766

**ADMINISTRATION**

Phone (505) 827-5700

Fax (505) 827-5853

**GENERAL COUNSEL**

Phone (505) 827-5713

Fax (505) 827-4262

**PUBLIC AFFAIRS**

Phone (505) 827-1245

Fax (505) 827-5766



**New Mexico State Land Office  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.**

**COMMERCIAL RESOURCES**

Phone (505) 827-5724

Fax (505) 827-6157

**MINERAL RESOURCES**

Phone (505) 827-5744

Fax (505) 827-4739

**ROYALTY MANAGEMENT**

Phone (505) 827-5772

Fax (505) 827-4739

**SURFACE RESOURCES**

Phone (505) 827-5793

Fax (505) 827-5711

March 28, 2002

Devon Energy Corporation  
20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102-8260

Attention: Ms. Shilpa Abitt

Re: Bell Lake Unit Well No. 21  
Morrow Formation  
NW/4SW/4 Sec. 32-22S-34E  
Lea County, New Mexico

Dear Ms. Abitt:

We are in receipt of your letter of January 31, 2002 and data regarding the commercial determination for the above captioned well.

We concur with your determination that the Bell Lake Unit Well No. 21 is a commercial well in the Morrow formation and is entitled to participate in the Morrow participating area. This action is subject to like concurrence by the Bureau of Land Management.

Please submit an application for the appropriate expansion of the Morrow participating area to this office for approval.

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

Very truly yours,

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

BY: 

JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744  
RP/JB/pm

pc: Reader File,  
BLM-Roswell Attn: Mr. Gary Gourley  
OCD-Santa Fe Attn: Mr. Roy Johnson  
TRD-Attn: Mr. Valdean Severson  
RMD-Attn: Ms. Linda Vieira

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**GENERAL COUNSEL**

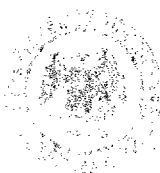
Phone (505) 827-5713

Fax (505) 827-4262

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**SURFACE RESOURCES**

Phone (505) 827-5793

Fax (505) 827-5711

November 25, 2002

Devon Energy Corporation  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260

Attn: Ms. Kelly W. Robertson

Re: Commercial Well Determination  
Bell Lake Unit Well No. 22  
SE/4SE/4 Sec. 31-22S-34E  
Lea County, New Mexico

Dear Ms. Robertson:

We are in receipt of your letter of November 1, 2002, together with data that supports your commercial determination regarding the following Bell Lake Unit Well:

Well Name and Number	Dedication	Completion Date	Formation	Determination
Bell Lake Unit #22	E/2 Sec. 31-22S-34E	7/28/01	Morrow	Commercial

The Bureau of Land Management, by their letter of August 27, 2002 has advised this office that they have concurred with your determination of the commerciality for the above-mentioned Morrow gas well.

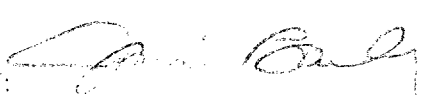
Please be advised that the Commissioner of Public Lands concurs with Devon Energy Production Company, L.P. and the Bureau of Land Management's determinations that the Bell Lake Unit Well No. 22 is a commercial well and entitled to participate in the Morrow participating area. Please submit an application for the Morrow participating area.

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

Very truly yours,

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

BY:

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

RP/JB/pm

pc: Reader File,  
BLM Roswell-Attn.: Mr. Armando Lopez  
OCD-Attn.: Mr. Roy Johnson  
TRD-Attn.: Mr. Valdean Severson  
RMD-Attn.: Ms. Linda Vieira

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**New Mexico State Land Office  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.**

June 5, 2002

Kaiser-Francis Oil Company  
P.O. Box 21468  
Tulsa, Oklahoma 74121-1468

Attn: Mr. Robert Major

Re: 2001 Plan of Development  
Bell Lake Unit  
Lea County, New Mexico

Dear Mr. Major:


The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

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

Very truly yours,

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

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

RP/JB/cpm  
xc: Reader File

OCD

BLM

PLAN OF OPERATION/DEVELOPMENT  
FOR CALENDAR YEAR 2003  
SOUTH BELL LAKE UNIT (NO. 14-08-001-1066)  
LEA COUNTY, NEW MEXICO

RECEIVED

APR 23 2003

OIL CONSERVATION  
DIVISION

BUREAU OF LAND MANAGEMENT  
2909 W. 2<sup>nd</sup> St.  
ROSWELL, NEW MEXICO 88201  
ATTN: MINERALS

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

OIL CONSERVATION DIVISION (2)  
DEPARTMENT OF ENERGY & MINERALS  
STATE OF NEW MEXICO  
1220 S. SAINT FRANCIS DR.  
SANTA FE, NEW MEXICO 87505-4000

Gentlemen:

In compliance with Section 10 of the Bell Lake Agreement dated May 12, 1953, Kaiser-Francis, as Unit Sub-Operator, hereby submits for approval a Plan of Operation/Development for the year 2002.

SUMMARY OF 2002 OPERATIONS

The participating area "A" produced gas and liquids during 2002 as shown below:

<u>Participating Area "A"</u>	<u>For Year Through 12/31</u>	<u>Daily AVG.</u>		
	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Atoka	79,495	2297	217.8	6.3
Morrow	352,920	1416	966.9	3.9
Bone Springs	4872	2015	13.3	5.5
Cherry Canyon	4869	2880	13.3	7.9
Delaware	38,958	10,509	106.7	28.8

Plan of Operation/Development  
For Calendar Year 2003  
South Bell Lake Unit (No. 14-08-001-1066)  
Page 2

#### ACTIVITY IN 2002

No new activity during 2002

#### DEVELOPMENT IN 2003

We are evaluating and, if justifiable, will propose recompleting the Bell Lake S 3 #18 in the Bone Springs or Delaware. We also plan to convert the Bell Lake State #1 to salt water disposal service.

#### OFFSET OBLIGATIONS

Unit owners will take appropriate action within their control 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. There have been no wells drilled in recent years offsetting the South Bell Lake Unit.

#### MODIFICATION

It is understood that portions of the Plan of Operation/Development outlined above are dependent upon certain information to be obtained subsequent to work done in the past 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 Division.

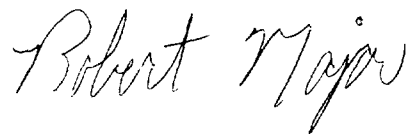
Date: April 18, 2003

#### TERM

This Plan of Operation/Development is submitted for the period ending December 31, 2003. Subsequent to that date, another Plan of Operation/Development will be submitted for approval.

Plan of Operation/Development  
For Calendar Year 2003  
South Bell Lake Unit (No. 14-08-001-1066)  
Page 3

Submitted by:



Robert Major  
Production Records Manager  
Kaiser-Francis Oil Company  
South Bell Lake Unit Sub-Operator  
Tulsa, Oklahoma

Approved:

\_\_\_\_\_  
Bureau of Land Management

\_\_\_\_\_  
Date

\_\_\_\_\_  
Commissioner of Public Lands

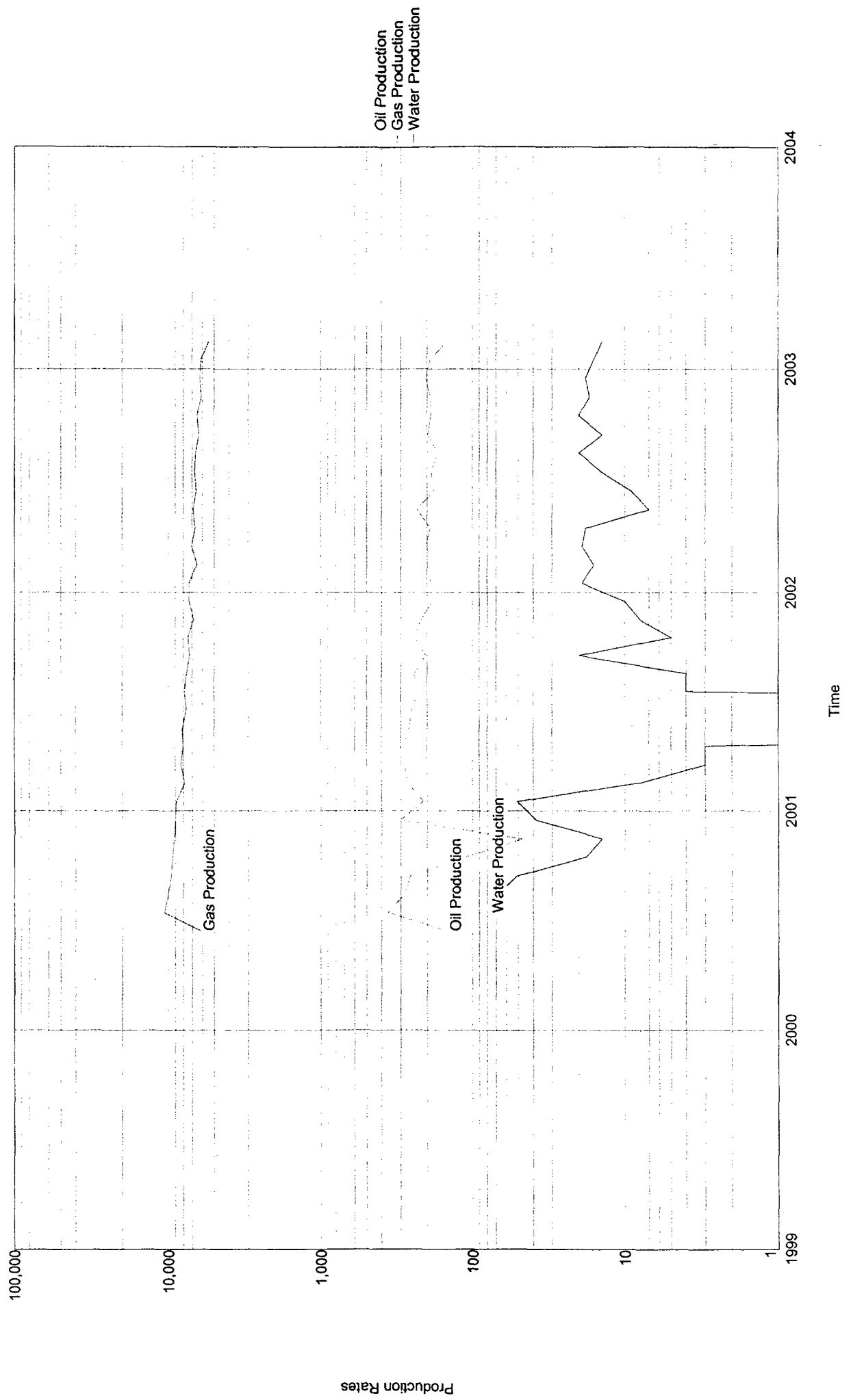
\_\_\_\_\_  
Date

\_\_\_\_\_  
New Mexico Oil Conservation Division

\_\_\_\_\_  
Date

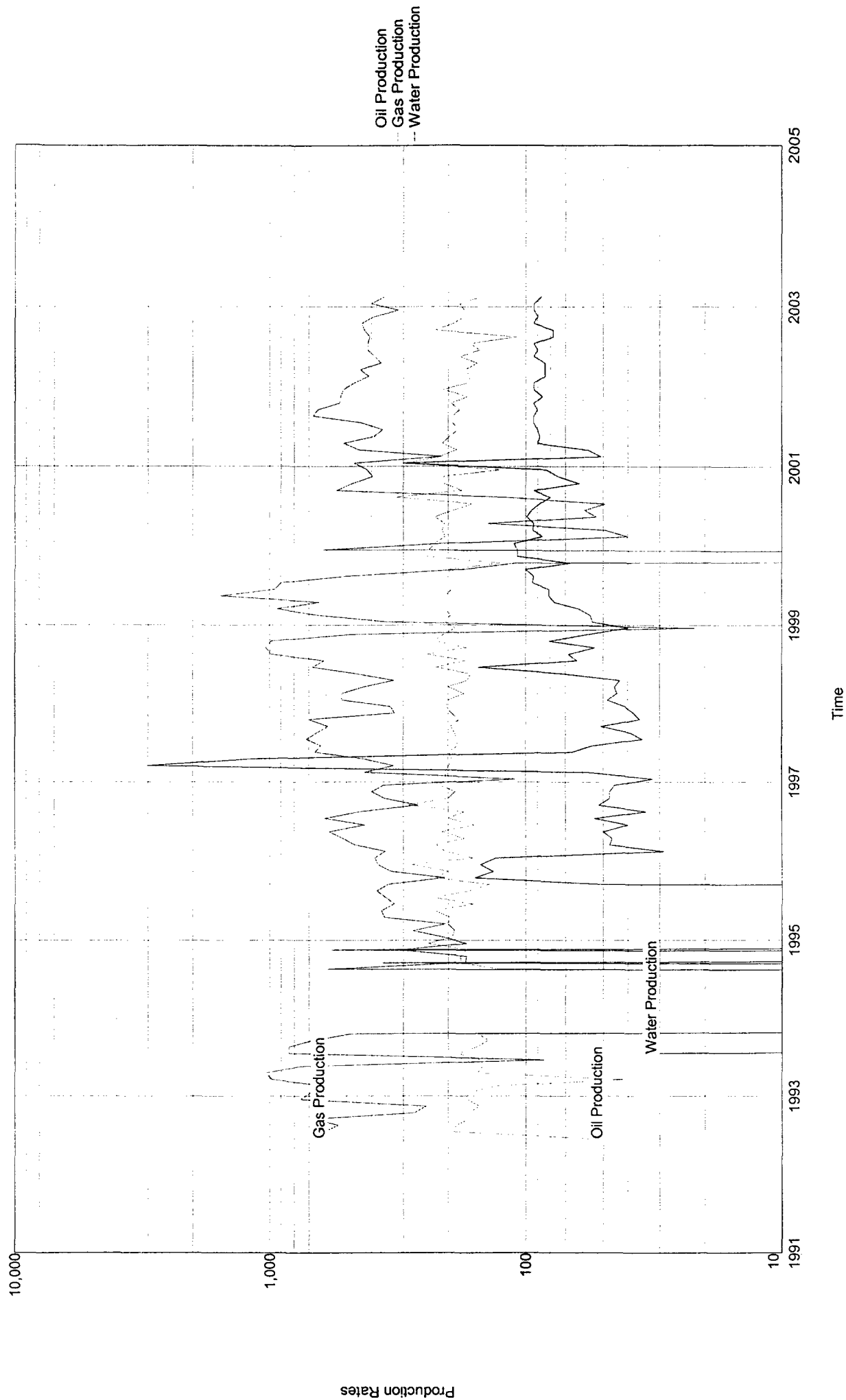
Lease Name: BELL LAKE S 3 14  
County, State: LEA, NM  
Operator: KAISER-FRANCIS  
Field: BELL LAKE  
Reservoir: ATOKA  
Location: 5 24S 34E

BELL LAKE S 3 14 - BELL LAKE



Lease Name: BELL LAKE S 3 (BONE SPRINGS)  
County, State: LEA, NM  
Operator: KAISER-FRANCIS  
Field: BELL LAKE  
Reservoir: BONE SPRINGS  
Location: 6 24S 34E

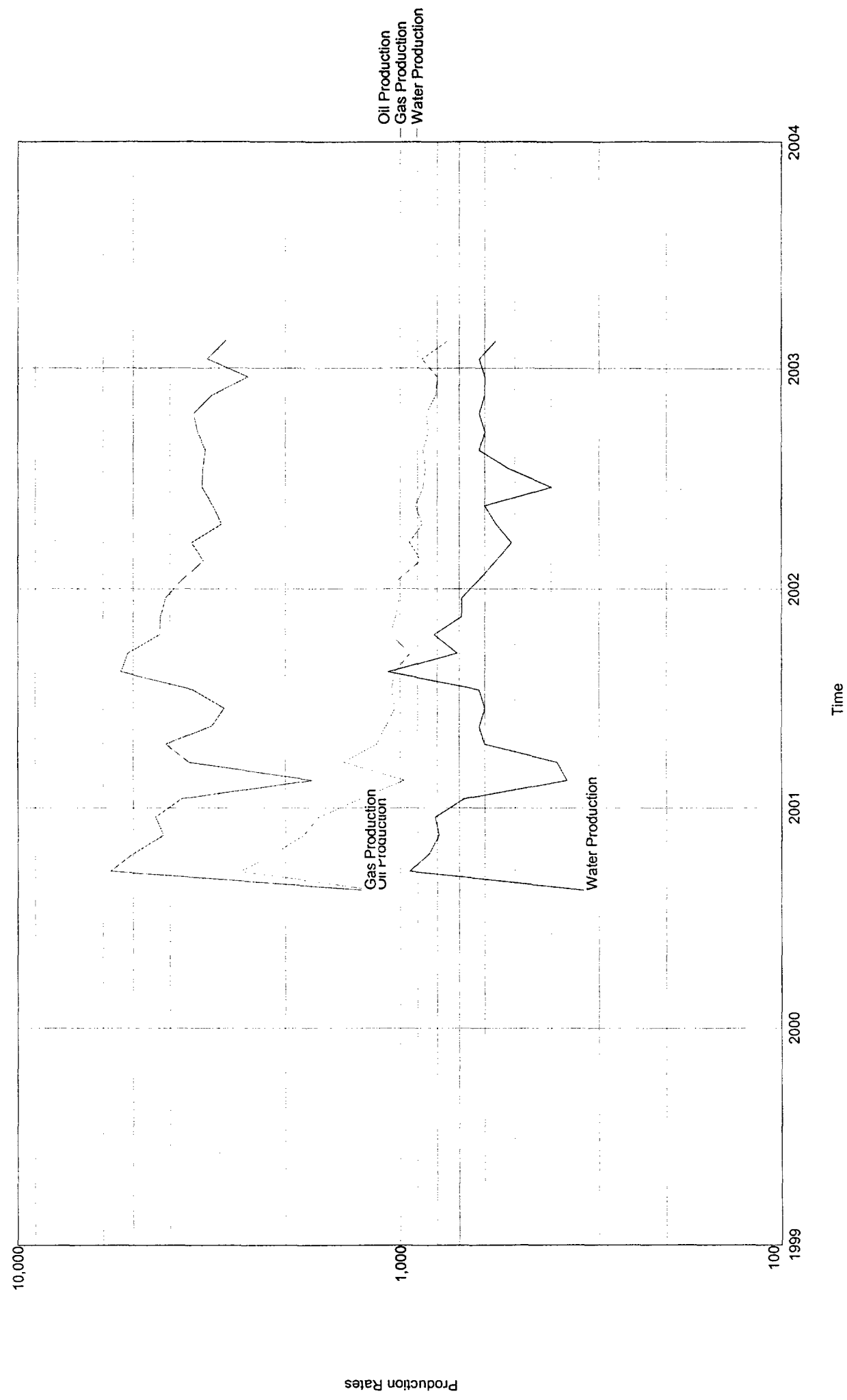
BELL LAKE S 3 (BONE SPRINGS) - BELL LAKE





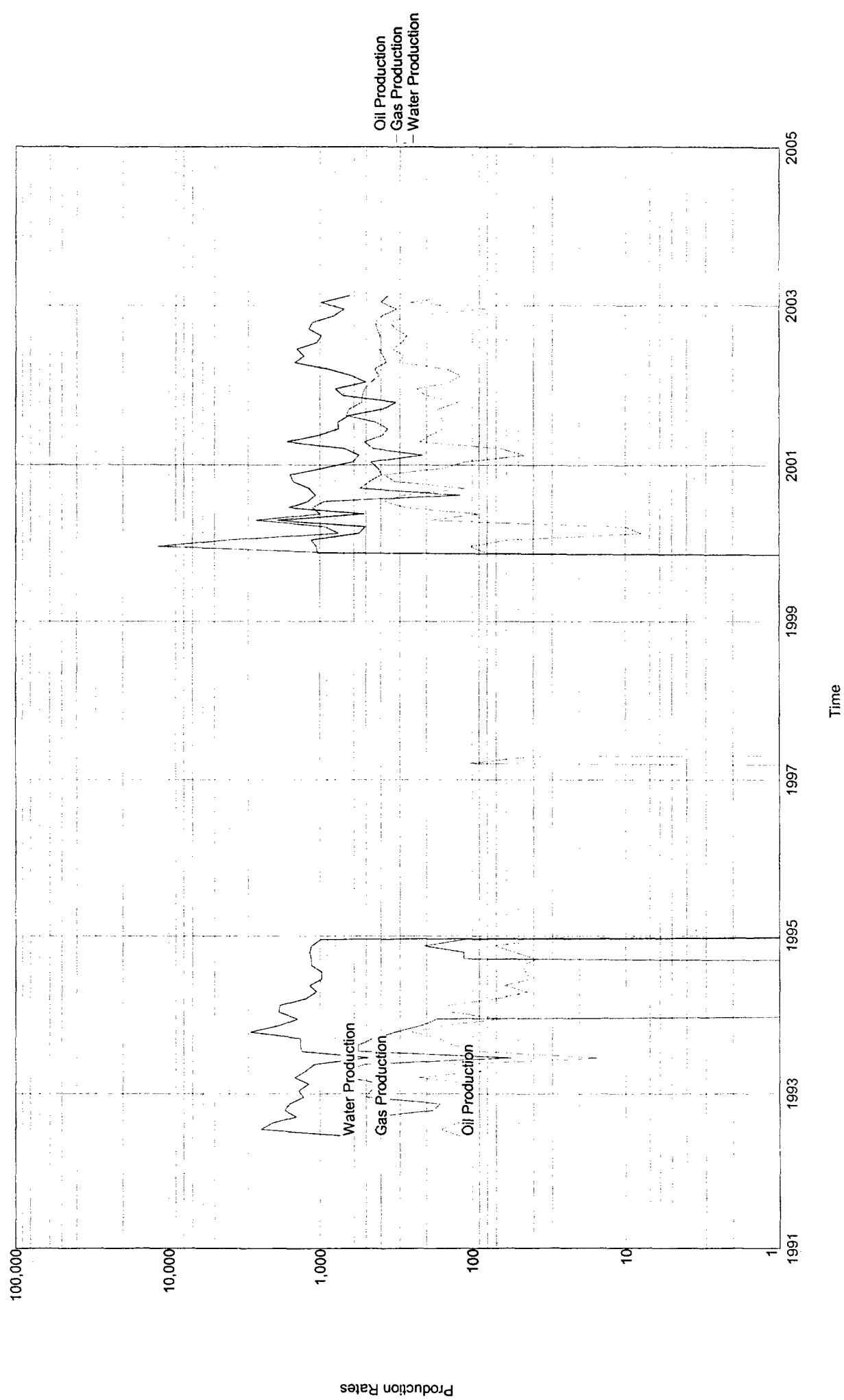
Lease Name: BELL LAKE S 20-6  
County, State: LEA, NM  
Operator: KAISER-FRANCIS  
Field: BELL LAKE  
Reservoir: DELAWARE BRU  
Location: 6 22S 34E

BELL LAKE S 20-6 - BELL LAKE



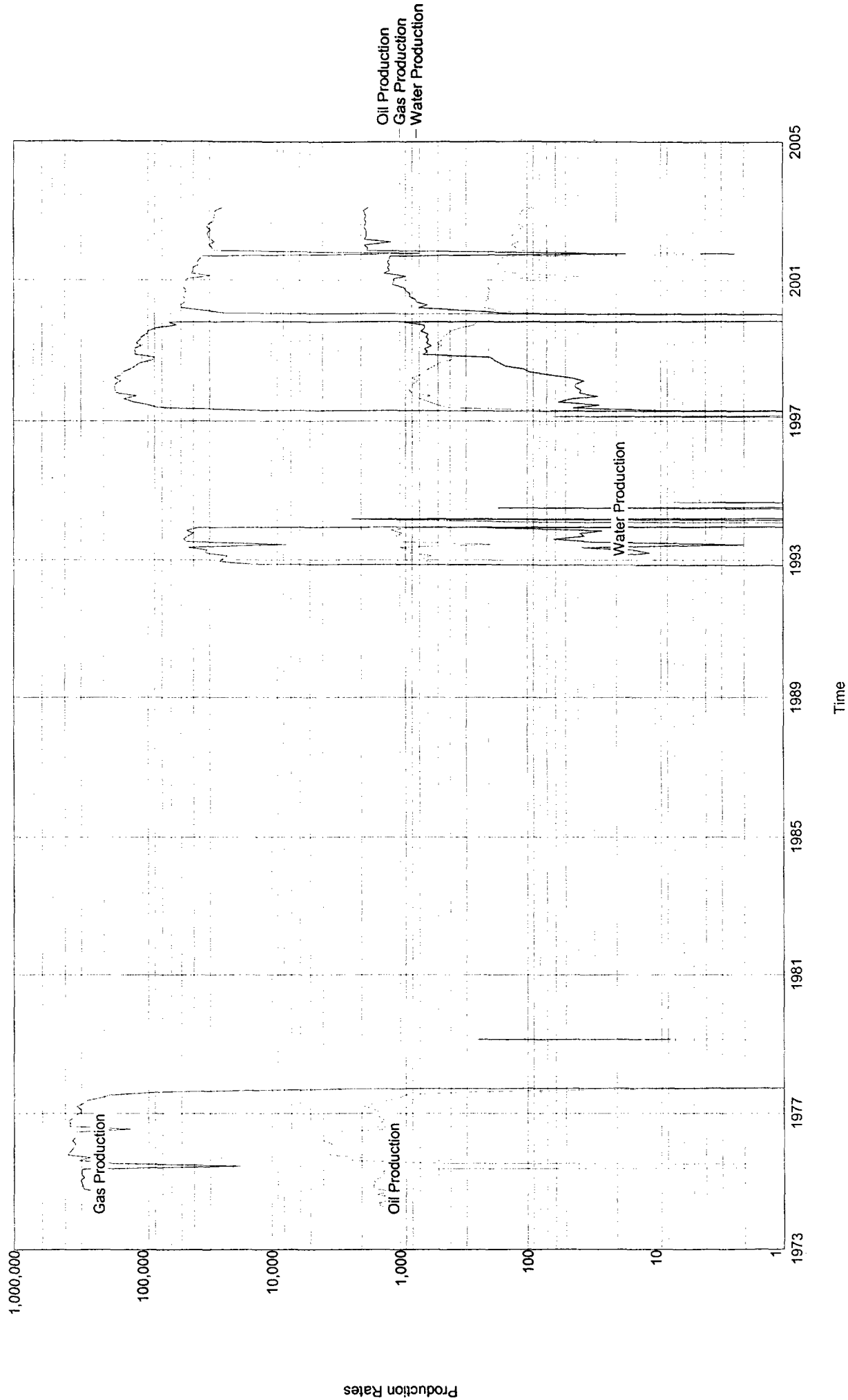
Lease Name: BELL LAKE S 1A&12 (CHERRY CANY  
County, State: LEA, NM  
Operator: KAISER-FRANCIS  
Field: BELL LAKE  
Reservoir: CHERRY CANYO  
Location: 31 23S 34E

BELL LAKE S 1A&12 (CHERRY CANY - BELL LAKE



Lease Name: BELL LAKE S 1 4  
County, State: LEA, NM  
Operator: KAISER-FRANCIS  
Field: BELL LAKE  
Reservoir:  
Location: 6 24S 34E

BELL LAKE S 1 4 - BELL LAKE



FOR CALENDAR YEAR 2002  
SOUTH BELL LAKE UNIT (NO. 14-08-001-1066)  
LEA COUNTY, NEW MEXICO

BUREAU OF LAND MANAGEMENT  
2909 W. 2<sup>nd</sup> St.  
ROSWELL, NEW MEXICO 88201  
ATTN: MINERALS

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

OIL CONSERVATION DIVISION (2)  
DEPARTMENT OF ENERGY & MINERALS  
STATE OF NEW MEXICO  
2040 SOUTH PACHECO  
SANTA FE, NEW MEXICO 87505

Gentlemen:

In compliance with Section 10 of the Bell Lake Agreement dated May 12, 1953, Kaiser-Francis, as Unit Sub-Operator, hereby submits for approval a Plan of Operation/Development for the year 2001.

SUMMARY OF 2001 OPERATIONS

The participating area "A" produced gas and liquids during 2001 as shown below:

<u>Participating Area "A"</u>	<u>For Year Through 12/31</u>		<u>Daily AVG.</u>	
	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Atoka	92,986	2875	254.7	10.8
Morrow	399,567	1559	1094.7	4.3
Bone Springs	5726	2413	15.7	6.6
Cherry Canyon	5724	1815	15.7	5.0
Delaware	45,822	13,033	125.5	35.7

#### ACTIVITY IN 2001

No new activity during 2001

#### DEVELOPMENT IN 2002

We are evaluating and, if justifiable, will propose recompleting the Bell Lake S 3 #18 in the Atoka Lime.

#### OFFSET OBLIGATIONS

Unit owners will take appropriate action within their control 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. There have been no wells drilled in recent years offsetting the South Bell Lake Unit.

#### MODIFICATION

It is understood that portions of the Plan of Operation/Development outlined above are dependent upon certain information to be obtained subsequent to work done in the past 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

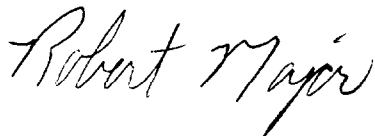
This Plan of Operation/Development shall be effective upon approval by the Supervisor, Commissioner, and Division.

Date: May 7, 2002

#### TERM

This Plan of Operation/Development is submitted for the period ending December 31, 2002. Subsequent to that date, another Plan of Operation/Development will be submitted for approval.

Submitted by:



Robert Major  
Production Records Manager  
Kaiser-Francis Oil Company  
South Bell Lake Unit Sub-Operator  
Tulsa, Oklahoma

Approved:

\_\_\_\_\_  
Bureau of Land Management

\_\_\_\_\_  
Date

\_\_\_\_\_  
Commissioner of Public Lands

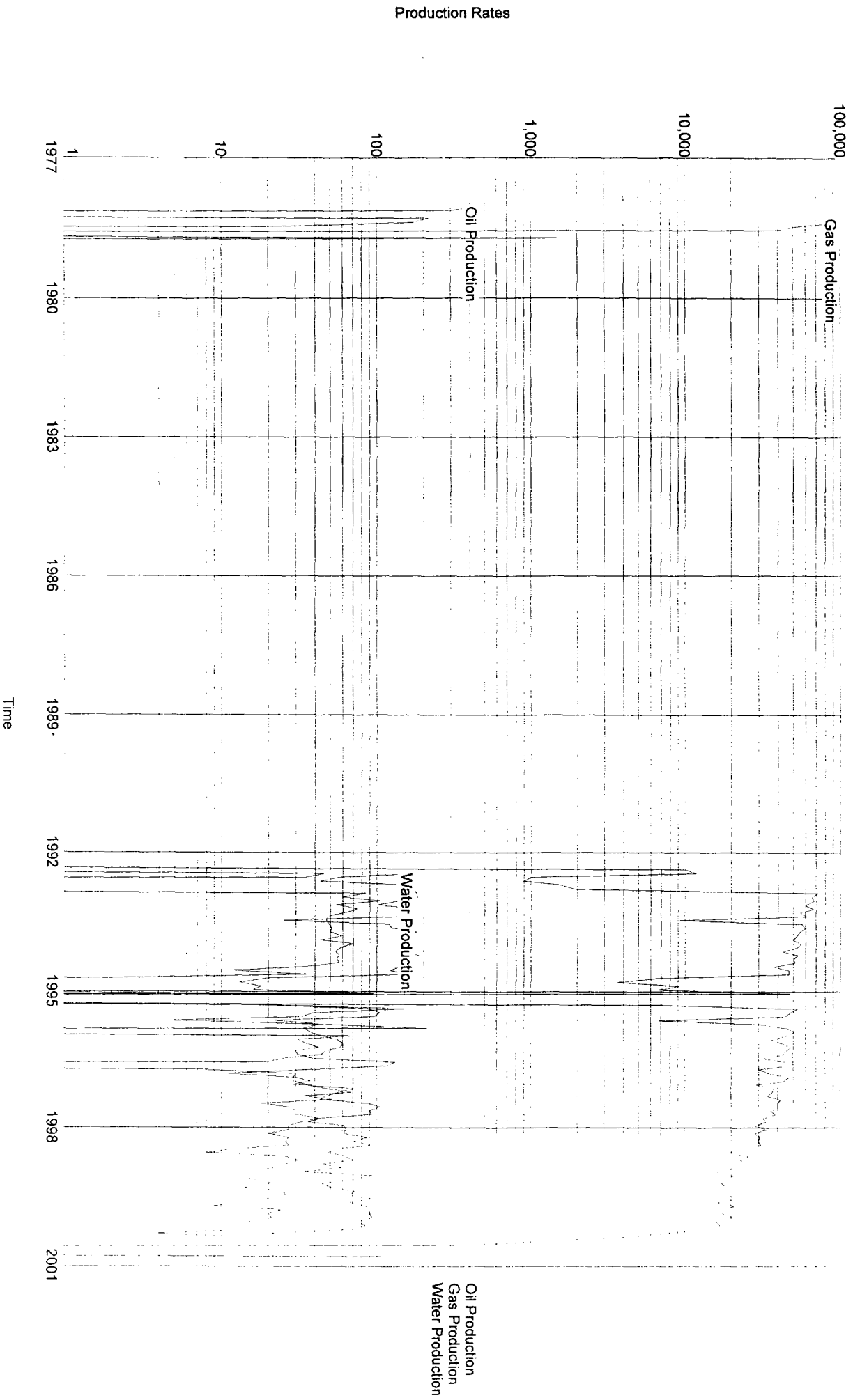
\_\_\_\_\_  
Date

\_\_\_\_\_  
New Mexico Oil Conservation Division

\_\_\_\_\_  
Date

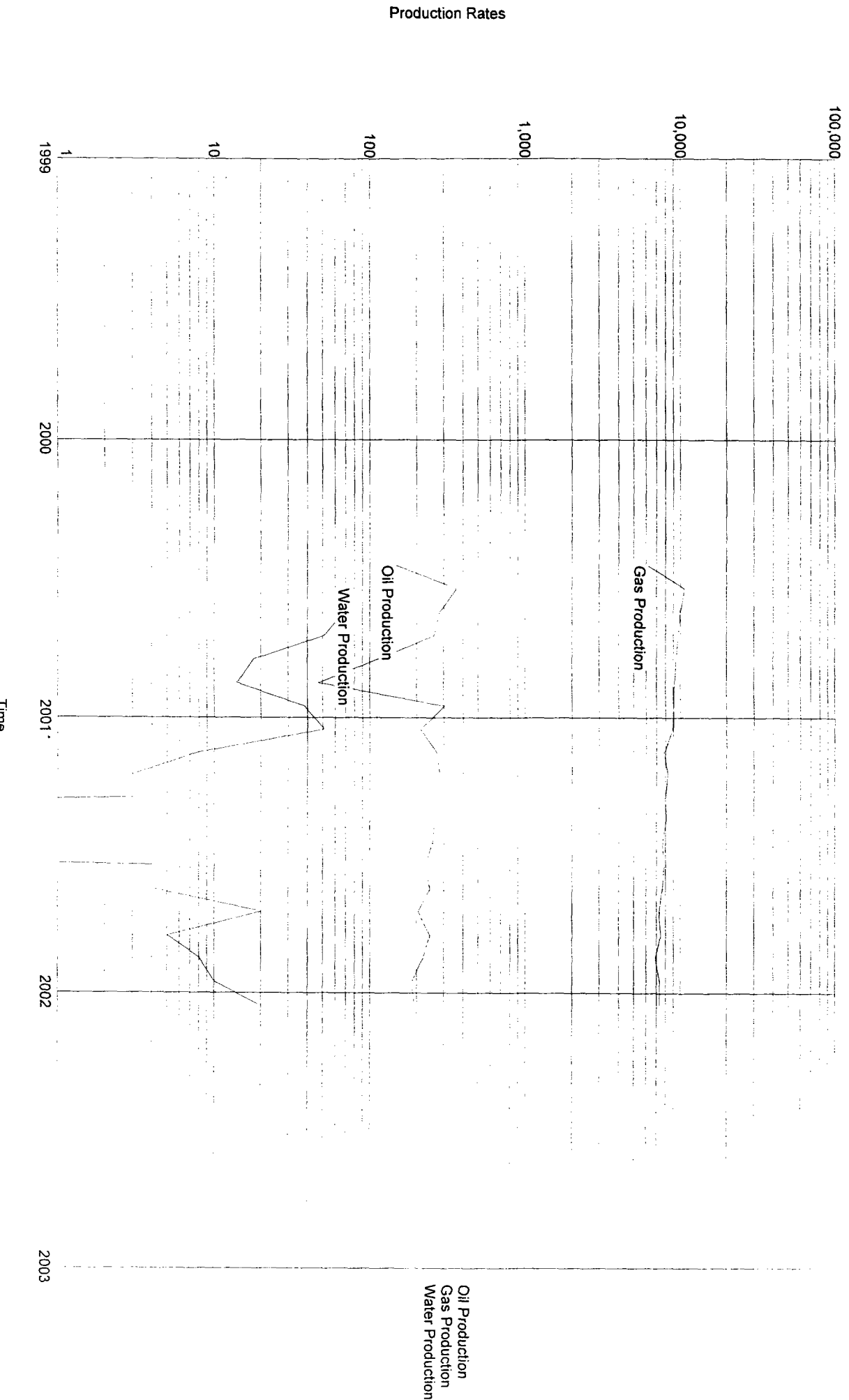
Lease Name: BELL LAKE S 3 18  
County: LEA, NM  
Operator: KAISER-FRANCIS  
Field: Unknown Field  
Reservoir: MORROW  
Location: 36 23S 33E

BELL LAKE S 3 18 - Unknown Field



Lease Name: BELL LAKE S 3 14  
County, State: LEA, NM  
Operator: KAISER-FRANCIS  
Field: Unknown Field  
Reservoir: ATOKA  
Location: 5 24S 34E

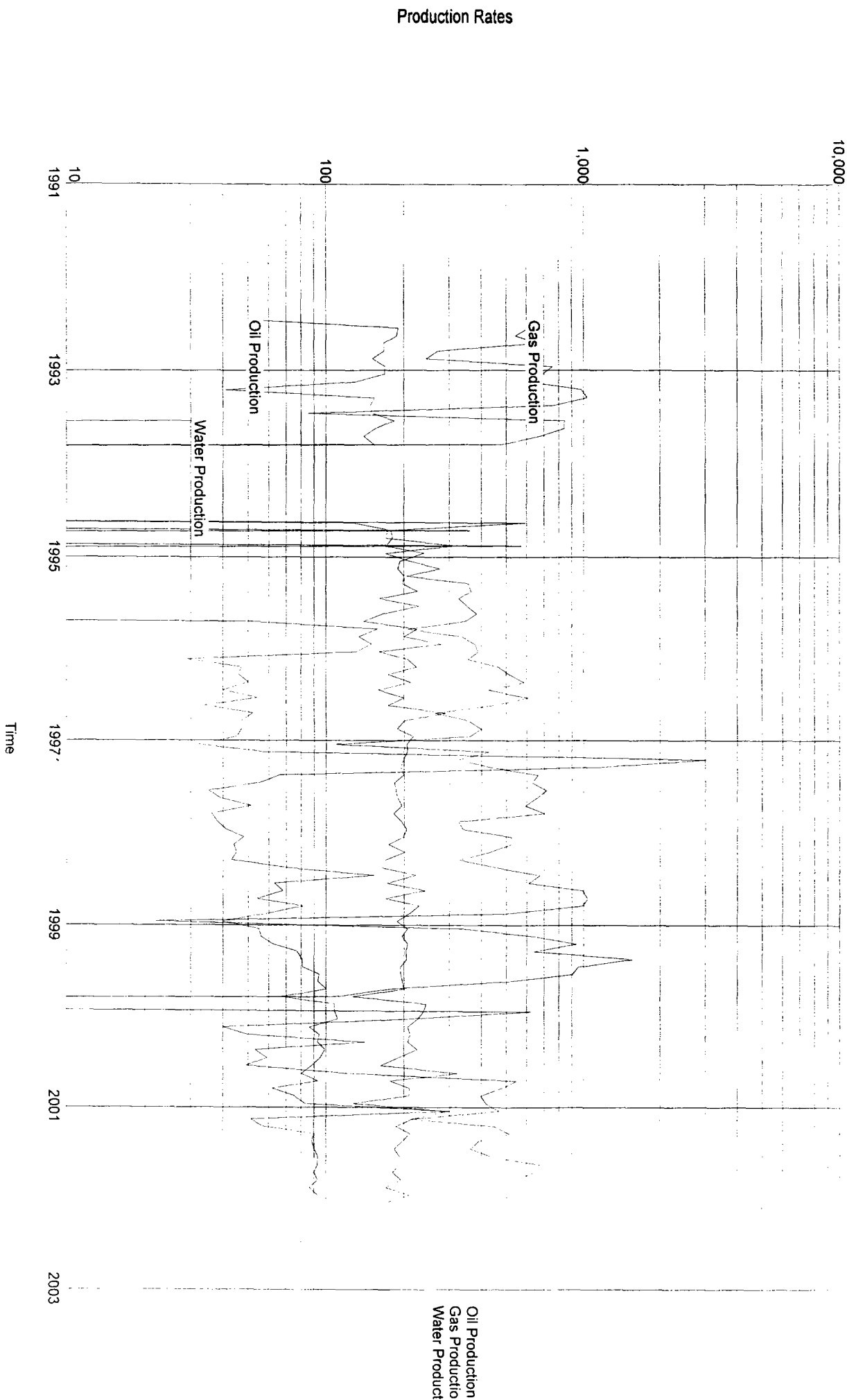
BELL LAKE S 3 14 - Unknown Field





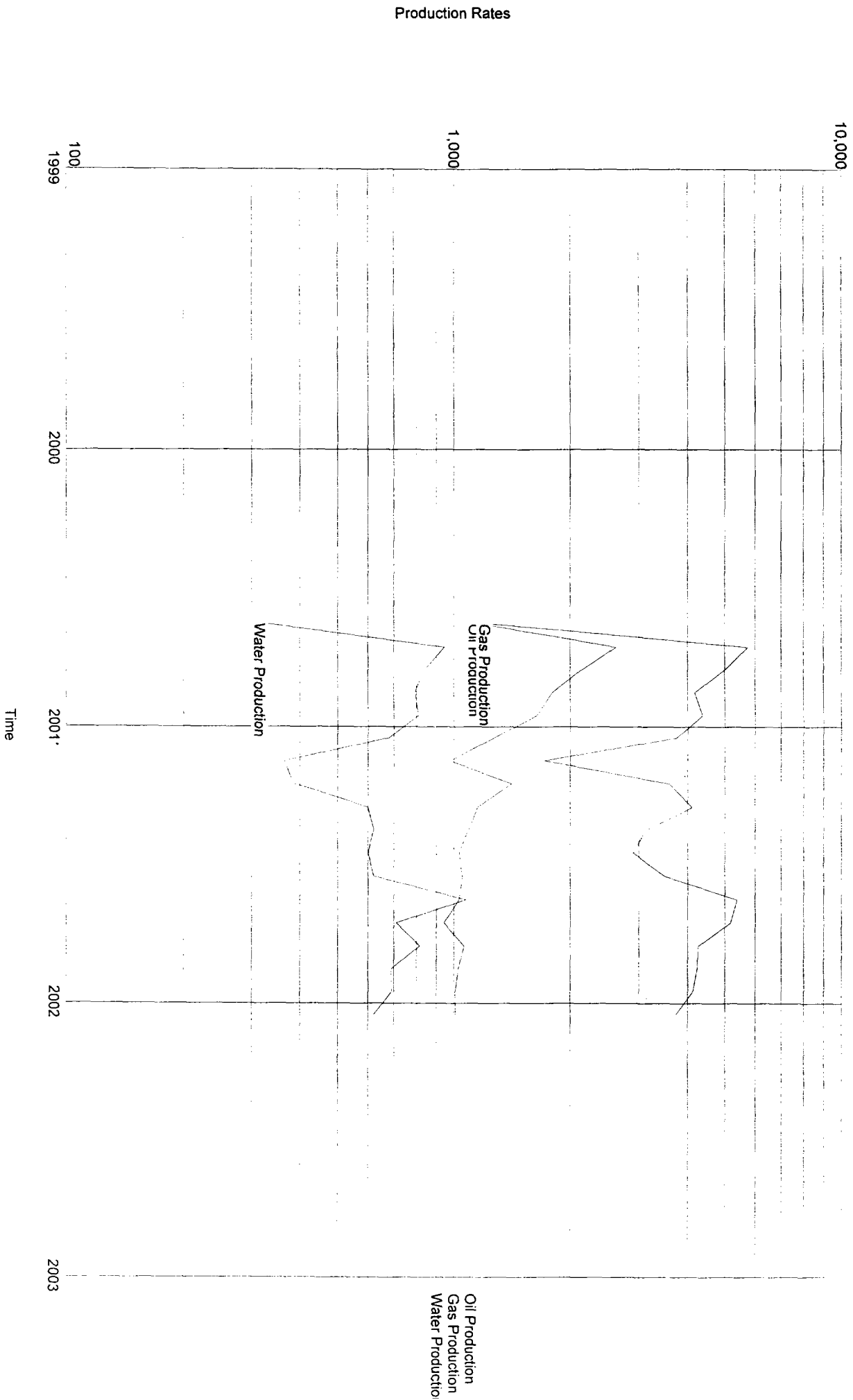
Lease Name: BELL LAKE S 3 (BONE SPRINGS)  
County, State: LEA, NM  
Operator: KAISER-FRANCIS  
Field: Unknown Field  
Reservoir: BONE SPRINGS  
Location: 6 24S 34E

BELL LAKE S 3 (BONE SPRINGS) - Unknown Field



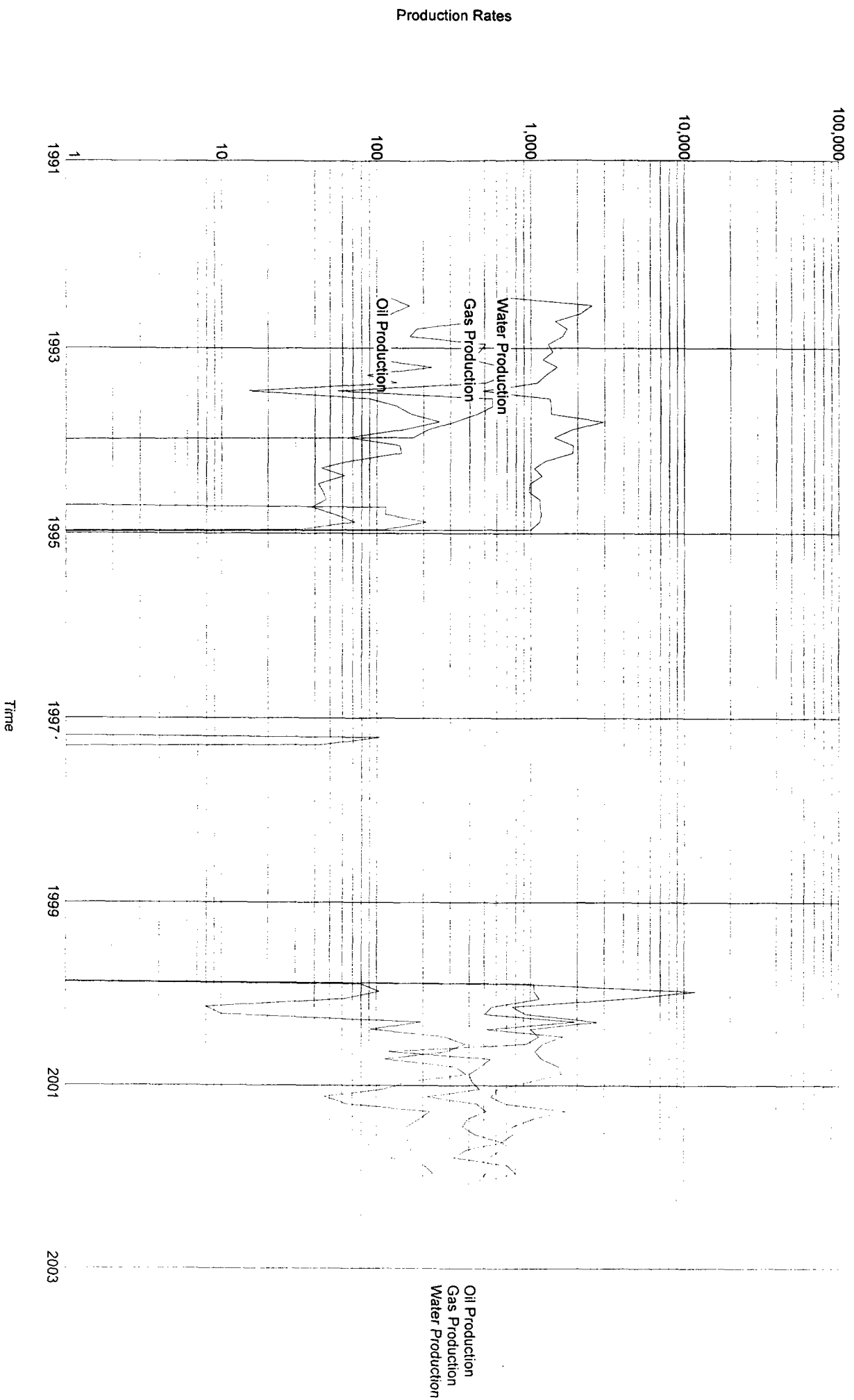
Lease Name: BELL LAKE S 20-6  
County: State: LEA, NM  
Operator: KAISER-FRANCIS  
Field: Unknown Field  
Reservoir: DELAWARE BRU  
Location: 06 22S 34E

BELL LAKE S 20-6 - Unknown Field



Lease Name: BELL LAKE S 1A&12 (CHERRY CANY  
County, State: LEA, NM  
Operator: KAISER-FRANCIS  
Field: Unknown Field  
Reservoir: CHERRY CANYO  
Location: 31 23S 34E

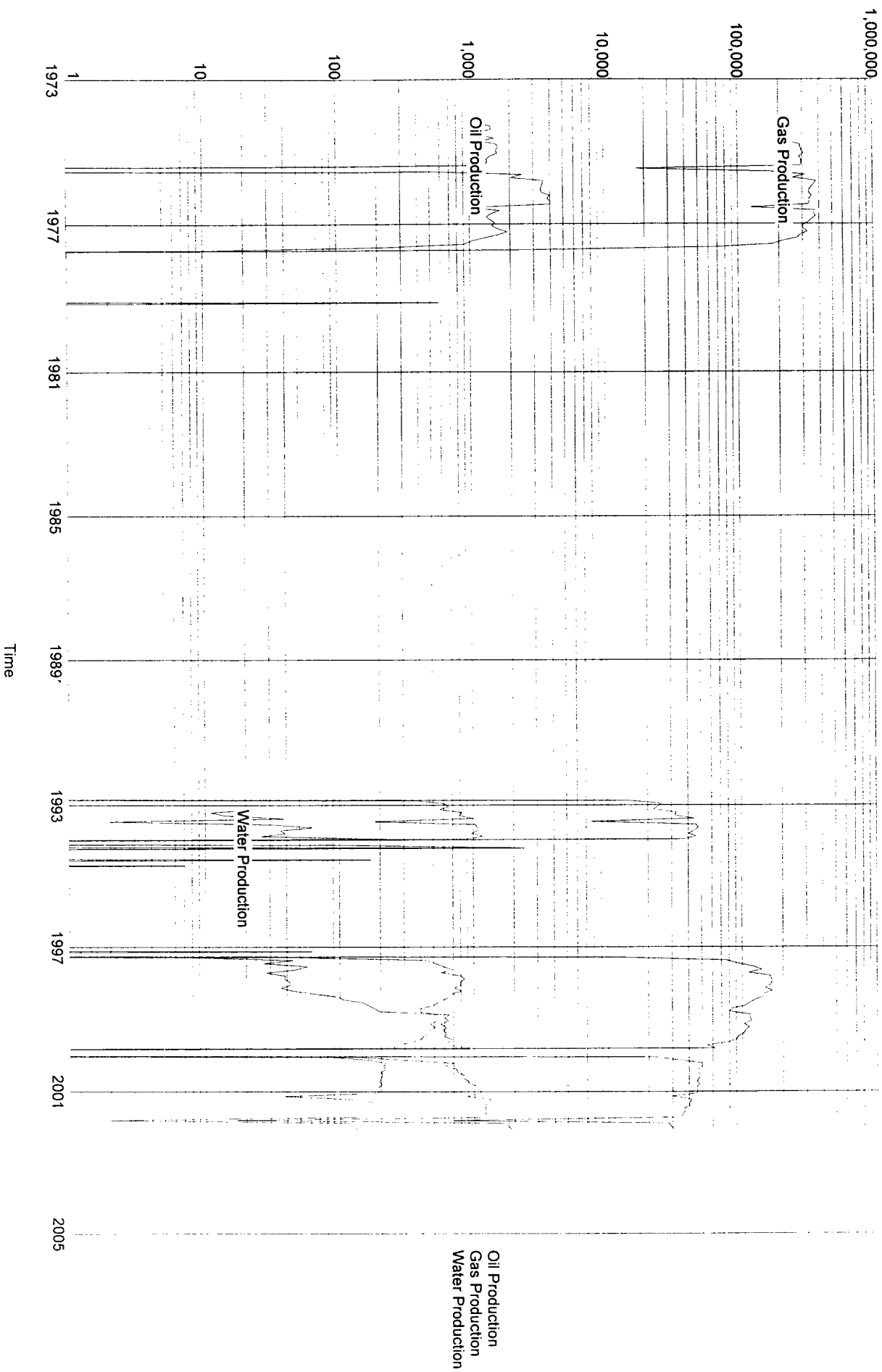
BELL LAKE S 1A&12 (CHERRY CANY - Unknown Field



Lease Name: BELL LAKE S 1 4  
County, State: LEA, NM  
Operator: KAISER-FRANCIS  
Field: Unknown Field  
Reservoir:  
Location: 6 24S 34E

BELL LAKE S 1 4 - Unknown Field

Production Rates



#563

File

LAISER-FRANCIS OIL COMPANY

P.O. BOX 21468

TULSA, OKLAHOMA 74111-0468

6733 South Yale Ave.  
(918) 434-0000

July 17, 2000

Bureau of Land Management  
Attn: Tony Ferguson  
P. O. Box 1397  
Roswell, New Mexico 88201  
CERTIFIED MAIL #Z187657551

JUL 20

New Mexico Oil Conservation Division  
Attn: William J. LeMay  
2040 S. Pacheco  
Santa Fe, New Mexico 87505  
CERTIFIED MAIL #Z187657552

Commissioner of Public Lands  
Attn: Jami Bailey  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
CERTIFIED MAIL #Z187657553

Gentlemen:

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

Enclosed for your further handling is our application for the First Expansion of the Atoka Participating Area for the Bell Lake Unit as result of the completion of Well No. 3-14. Your early review and approval of this application will be sincerely appreciated.

Sincerely,

*Debbie Stout*

Debbie Stout  
Land Assistant

Enc.

xc: Neal DeShazo  
Wayne Fields

KAISER FRANCIS OIL COMPANY

P.O. BOX 21468

TULSA, OKLAHOMA 74112-0468

6733 South York Ave.  
Tulsa, Oklahoma 74112

June 23, 2000

Bureau of Land Management  
Attn: Tony Ferguson  
P. O. Box 1397  
Roswell, New Mexico 88201

New Mexico Oil Conservation Division  
Attn: William J. LeMay  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

JUL 20

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

Re: Application of Kaiser-Francis Oil Company for Approval of the First  
Revision of the Atoka Participating Area, Bell Lake Unit, No. 14-08-  
001-1066, Lea County, New Mexico.

Gentlemen:

Kaiser-Francis Oil Company, as sub-operator, and Conoco Inc. as operator,  
for the South Bell Lake Unit Agreement, approved by the Bureau of Land  
Management, dated May 12, 1953, pursuant to the provisions of Section 11 thereof,  
respectfully submit for your approval the selection of the following described  
land to constitute the first revision of the participating area for the Atoka  
producing zone or formation, to wit:

Township 24 South, Range 34 East, NMPM  
Section 5: W/2  
(Consisting of 319.92 acres, more or less)

In support of this application, the following numbered items are attached  
hereto and made a party hereof:

- (1) An ownership map showing thereon the boundary of the unit area, the  
participating area as heretofore established or revised, and the boundary  
of the proposed revision herein.
- (2) A schedule showing the lands entitled to participation in the unitized  
substances producing from the Atoka formation, with the percentage of  
participation of each lease or tract indicated thereon.

Application for First Expansion of the  
Participating Area, Atoka Formation,  
Bell Lake Unit (No. 14-08-001-1066),  
Lea County, New Mexico  
Page 2

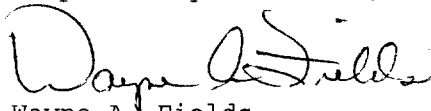
Applicants are submitting separately, in triplicate, a geological and engineering report with accompanying maps supporting and justifying the proposed selection of lands for inclusions by the first revision of the Atoka formation participating area.

This proposed first revision of the participating area is predicated upon the knowledge and information first obtained upon completion in paying quantities under the terms of the unit agreement on April 19, 2000, unit well No. 3-14, in the SE/4 NW/4, Section 5, T24S, R34E, with an initial potential of 636 mcfpd from the Atoka formation at a depth of 12,885 feet to 12,893 feet. The effective date of this first revision shall be pursuant to Section 11 of the unit agreement.

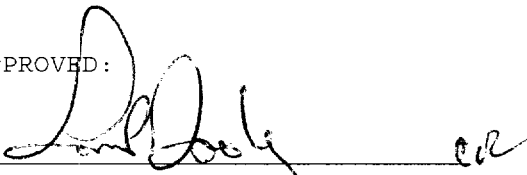
This proposed first revision has been submitted to and approved by all affected working interest owners.


Applicants respectfully request your approval of the hereinabove selection of lands to constitute the first revision of the Atoka formations participating area to be effective

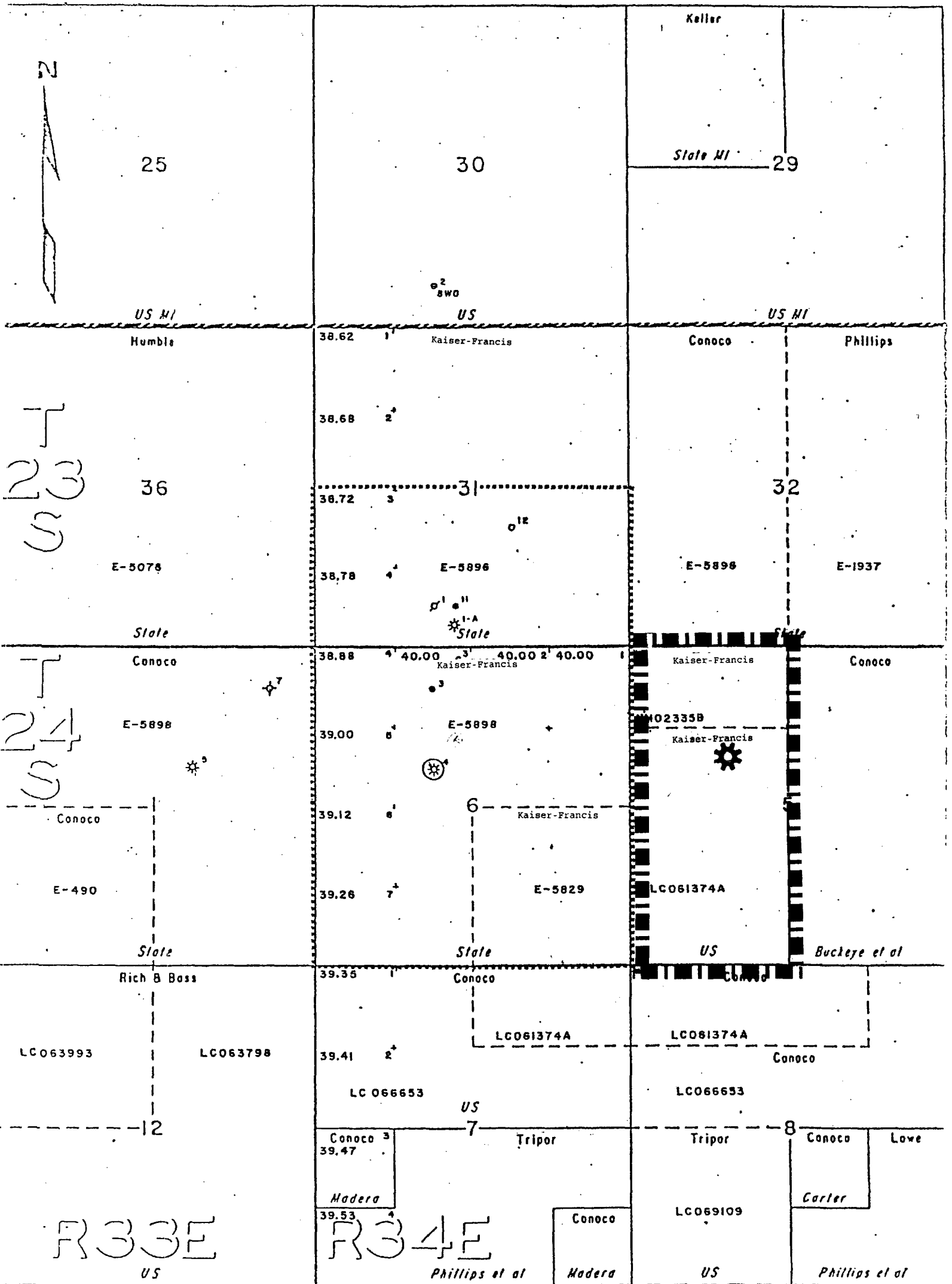
Respectfully submitted,

  
Wayne A. Fields,  
Landman

APPROVED:

  
For CONOCO, INC. as operator

  
For KAISER FRANCIS OIL COMPANY,  
as sub-operator



BOUNDARY BELL LAKE UNIT  
DEVONIAN PARTICIPATING AREA "A"

..... INITIAL ATOKA  
PARTICIPATING AREA

■■■■■ PROPOSED FIRST EXPANSION

⚙ ATOKA COMPLETION

## KAISER-FRANCIS OIL COMPANY

BELL LAKE UNIT  
LEA COUNTY, NEW MEXICO

ATOKA PARTICIPATING AREA  
EXHIBIT A

SCALE  
0' 1000' 2000'



EXHIBIT "B"  
First Revision Atoka Formation  
Participating Area  
Bell Lake Unit Agreement  
Lea County, New Mexico

Tract No.	Lease No. or type of land	Description	Participating acres	Percent of participation	Working interest owner
1	E-5829	Sec. 6: SE/4 T24S-R34E	160.0000	16.77606%	Kaiser-Francis Oil Company *
2	E-5896	Sec. 31: Lots 3 & 4, E/2 SW/4 and SE/4 T23S-R34E	317.5000	33.29000%	Kaiser-Francis Oil Company *
3	E-5898	Sec. 6: Lots 1 thru 7, S/2 NE/4, SE/4 NW/4 and E/2 SW/4 T24S-R34E	476.2400	49.93394%	Kaiser-Francis Oil Company *
4	NM-02335-B	Sec. 5: Lots 3 and 4 T24S-R34E	79.9200		Kaiser-Francis Oil Company *
5	LC-061374-A	Sec. 5: SW/4, S/2 NW/4 T24S-R34E	240.0000		Kaiser-Francis Oil Company *
Total Federal lands		319.9200			
Total State lands		953.7400			
TOTAL		1,273.6600			

\*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 9,000 feet. The working interest owners are shown below:

Perry R. Bass, Inc.	11.33196%
Southwest Royalties, Inc.	5.66598%
Kaiser-Francis Oil Company	81.05438%
Brady M. Lowe	1.94768%

XY:

750200

755200

760200

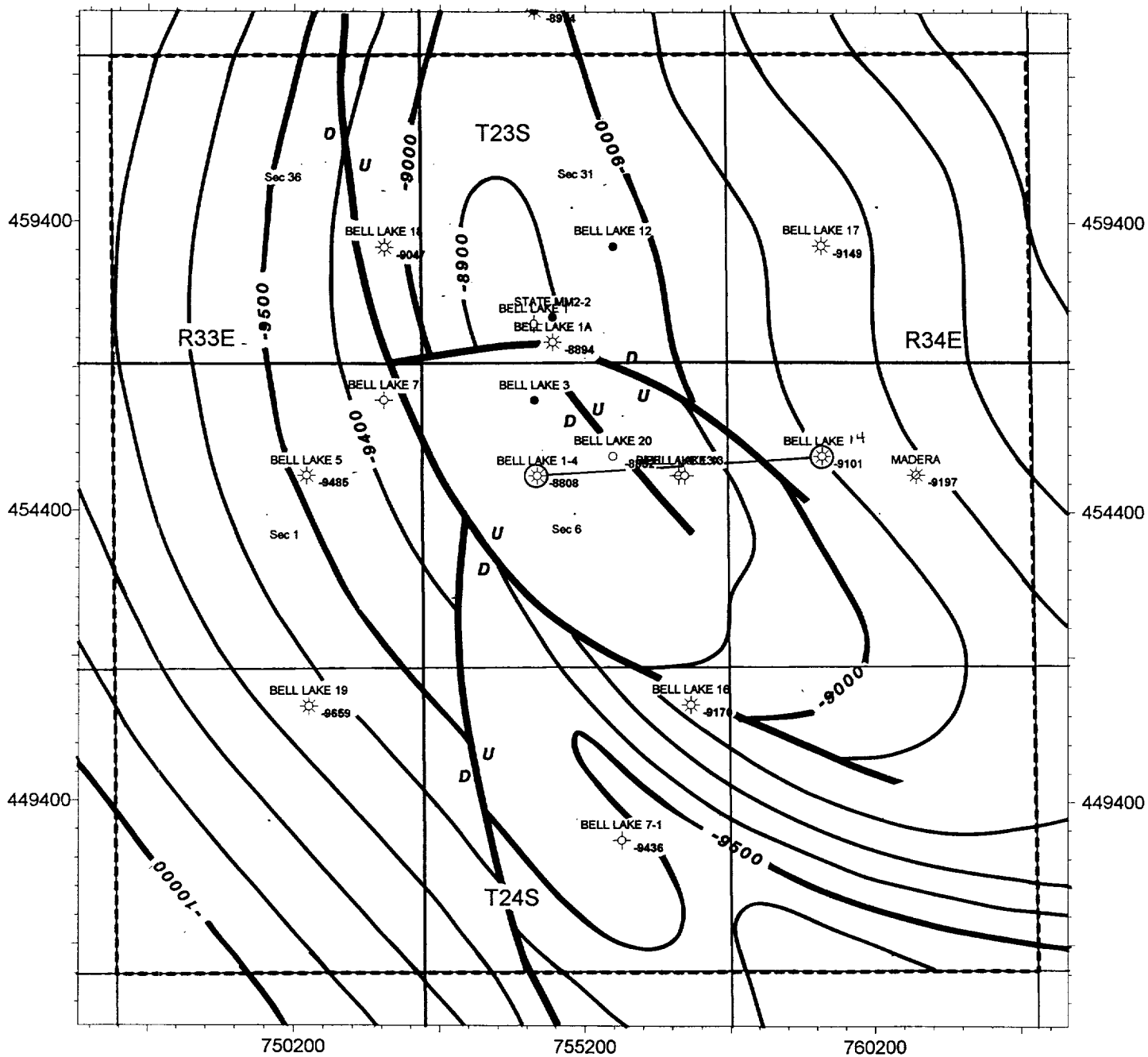


EXHIBIT 'C'

STRUCTURE TOP ATOKA

Kaiser-Francis Oil Company

South Bell Lake Unit

KAISER-FRANCIS OIL CO.  
BELL LAKE #4

KAISER-FRANCIS OIL CO.  
BELL LAKE #14

1880' FNL & 1880' FWL

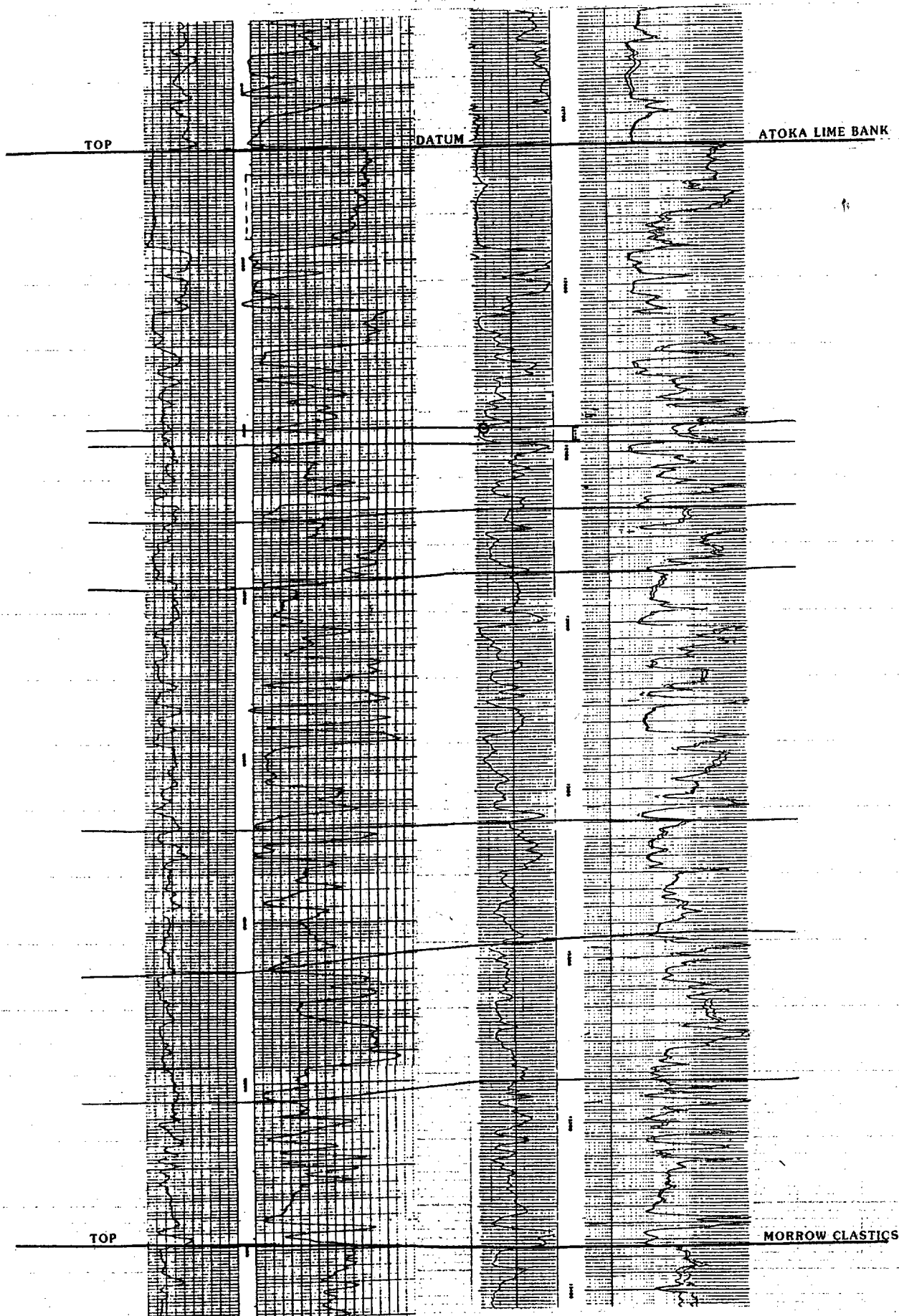
SEC. 6, T24S-R34E

KB: 3027.5'

1850' FNL & 1850' FWL

SEC. 5, T24S-R34E

KB: 3019'



12,160-88 OK W/E 8PF

PERF. 12,885-88 W/A J6PF

IPCAOF: 159,000 MCFD; COMPLETED: 5-26-73

IPCAOF: 635 MCFD; COMPLETED: 4-19-2000

CUMULATIVE PRODUCTION: 19,885 MMCF; 86.5 MBO

CURRENTLY PRODUCING FROM MORROW

PERFORATIONS: 12,160-88

KAISER-FRANCIS OIL CO.

SOUTH BELL LAKE UNIT  
LEA CO., NEW MEXICO

ATOKA  
STRATIGRAPHIC CROSS-SECTION

EXHIBIT 'D'

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

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

General

The first indication of gas production possibilities in the Atoka was found in the Bell Lake Unit Well #1 when it blew out and burned at a total depth of 12,616 feet. The well was P&A'd at that depth. Well #2 was drilled one mile north of Well #1 and completed in the Atoka for an openflow potential of 13.1 MMCFGPD. This well was used to provide drilling rig fuel during the drilling of Bell Lake Unit Wells #3, 4, 5, and 6. Well #2 went to 100% water production before a gas connection was available to any of the wells in the unit. It was recompleted as a saltwater disposal well for the other wells in the Bell Lake Unit area. The Bell Lake Unit Well #4, originally completed in the Devonian formation, was recompleted to the Atoka on June 28,, 1973 for a calculated absolute openflow potential of 69 MMCFGPD. Well #4 has a cumulative production from the Atoka of 13,599 MMCFG and 96.3 MBC. The Well #4 is currently producing from perforations in the Morrow formation.

Bell Lake Unit #14

The Bell Lake Unit #14 was spud on December 12, 1973 and drilled to a total depth of 14,228 feet. The well was completed on May 6, 1974 for a calculated absolute openflow potential of 82 MMCFGPD from the 4<sup>th</sup> Morrow sand perforations at 13,854-923 feet. The Morrow completion has a cumulative production of 33,349 MMCFG and 17.7 MBC. A cast iron bridge plug was set at 13,407 feet in July 1988 and the well was temporarily abandoned.

On April 3, 2000 the well was entered and perforated in the Atoka from 12,885-93 feet and completed on April 19, 2000 for a calculated absolute openflow potential of 636 MCFGPD.

Based on the attached structure map and stratigraphic cross-section it is estimated that the area reasonably proven to be commercially productive of gas in the Atoka is the area shown on Exhibit 'A'.

PLAN OF OPERATION/DEVELOPMENT  
FOR CALENDAR YEAR 2000  
SOUTH BELL LAKE UNIT (NO. 14-08-001-1066)  
LEA COUNTY, NEW MEXICO

BUREAU OF LAND MANAGEMENT  
2909 W. 2<sup>nd</sup> St.  
ROSWELL, NEW MEXICO 88201  
ATTN: MINERALS

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

OIL CONSERVATION DIVISION (2)  
DEPARTMENT OF ENERGY & MINERALS  
STATE OF NEW MEXICO  
2040 SOUTH PACHECO  
SANTA FE, NEW MEXICO 87505

Gentlemen:

In compliance with Section 10 of the Bell Lake Agreement dated May 12, 1953, Kaiser-Francis, as Unit Sub-Operator, hereby submits for approval a Plan of Operation/Development for the year 1999.

SUMMARY OF 1999 OPERATIONS

The participating area "A" produced gas and liquids during 1999 as shown below:

<u>Participating Area "A"</u>	<u>For Year Through 12/31</u>		<u>Daily AVG.</u>	
	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Atoka	0	0	0	0
Morrow	1,140,921	4275	3126	11.7
Bone Springs	7376	2411	20.2	6.6
Cherry Canyon	12,538	180	34.3	.5

#### ACTIVITY IN 1999

The Bell Lake #12 was worked over and restored to production. The wellbore was cleaned out, a plug above the Bone Springs was drilled out, and the Bone Springs and Cherry Canyon were commingled downhole. The Bell Lake #4 went off production due to water problems, and a workover was started in 12/99 to restore production. The 2<sup>nd</sup> Morrow Sand was abandoned, and the well recompleted in the 1<sup>st</sup> Morrow Sand at 13093'-13180'. The well was restored to production.

#### DEVELOPMENT IN 2000

The Bell Lake #14 has been temporarily abandoned since 1988, after testing the upper Morrow sands, we propose to attempt to recomplete the well in the Atoka at 12885-93'. The Bell Lake #20-6 was drilled in 1998 and temporarily abandoned after unsuccessful completions attempts in the Morrow and Atoka. We propose to attempt to recomplete the well in the Bone Springs and Brushy Canyon and commingle the two zones.

#### OFFSET OBLIGATIONS

Unit owners will take appropriate action within their control 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. There have been no wells drilled in recent years offsetting the South Bell Lake Unit.

#### MODIFICATION

It is understood that portions of the Plan of Operation/Development outlined above are dependent upon certain information to be obtained subsequent to work done in the past 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 Division.

Date: February 21, 2000

#### TERM

This Plan of Operation/Development is submitted for the period ending December 31, 2000. Subsequent to that date, another Plan of Operation/Development will be submitted for approval.

PLAN OF OPERATION/DEVELOPMENT  
FOR CALENDAR YEAR 2000  
SOUTH BELL LAKE UNIT (NO. 14-08-001-1066)  
LEA COUNTY, NEW MEXICO

BUREAU OF LAND MANAGEMENT  
2909 W. 2<sup>nd</sup> St.  
ROSWELL, NEW MEXICO 88201  
ATTN: MINERALS

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

OIL CONSERVATION DIVISION (2)  
DEPARTMENT OF ENERGY & MINERALS  
STATE OF NEW MEXICO  
2040 SOUTH PACHECO  
SANTA FE, NEW MEXICO 87505

Gentlemen:

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<u>Participating Area "A"</u>	<u>For Year Through 12/31</u>		<u>Daily AVG.</u>	
	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Atoka	0	0	0	0
Morrow	1,140,921	4275	3126	11.7
Bone Springs	7376	2411	20.2	6.6
Cherry Canyon	12,538	180	34.3	.5

#### ACTIVITY IN 1999

The Bell Lake #12 was worked over and restored to production. The wellbore was cleaned out, a plug above the Bone Springs was drilled out, and the Bone Springs and Cherry Canyon were commingled downhole. The Bell Lake #4 went off production due to water problems, and a workover was started in 12/99 to restore production. The 2<sup>nd</sup> Morrow Sand was abandoned, and the well recompleted in the 1<sup>st</sup> Morrow Sand at 13093'-13180'. The well was restored to production.

#### DEVELOPMENT IN 2000

The Bell Lake #14 has been temporarily abandoned since 1988, after testing the upper Morrow sands, we propose to attempt to recomplete the well in the Atoka at 12885-93'. The Bell Lake #20-6 was drilled in 1998 and temporarily abandoned after unsuccessful completions attempts in the Morrow and Atoka. We propose to attempt to recomplete the well in the Bone Springs and Brushy Canyon and commingle the two zones.

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Plan of Operation/Development  
For Calendar Year 2000  
South Bell Lake Unit (No. 14-08-001-1066)  
Page 3

Submitted by:

*Robert Major*

Robert Major  
Production Records Manager  
Kaiser-Francis Oil Company  
South Bell Lake Unit Sub-Operator  
Tulsa, Oklahoma

Approved:

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Bureau of Land Management

\_\_\_\_\_  
Date

\_\_\_\_\_  
Commissioner of Public Lands

\_\_\_\_\_  
Date

\_\_\_\_\_  
New Mexico Oil Conservation Division

\_\_\_\_\_  
Date

PLAN OF OPERATION/DEVELOPMENT  
FOR CALENDAR YEAR 2000  
SOUTH BELL LAKE UNIT (NO. 14-08-001-1066)  
LEA COUNTY, NEW MEXICO

BUREAU OF LAND MANAGEMENT  
2909 W. 2<sup>nd</sup> St.  
ROSWELL, NEW MEXICO 88201  
ATTN: MINERALS

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

OIL CONSERVATION DIVISION (2)  
DEPARTMENT OF ENERGY & MINERALS  
STATE OF NEW MEXICO  
2040 SOUTH PACHECO  
SANTA FE, NEW MEXICO 87505

Gentlemen:

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Date: February 21, 2000

#### TERM

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Plan of Operation/Development  
For Calendar Year 2000  
South Bell Lake Unit (No. 14-08-001-1066)  
Page 3

Submitted by:

*Robert Major*

Robert Major  
Production Records Manager  
Kaiser-Francis Oil Company  
South Bell Lake Unit Sub-Operator  
Tulsa, Oklahoma

Approved:

\_\_\_\_\_  
Bureau of Land Management

\_\_\_\_\_  
Date

\_\_\_\_\_  
Commissioner of Public Lands

\_\_\_\_\_  
Date

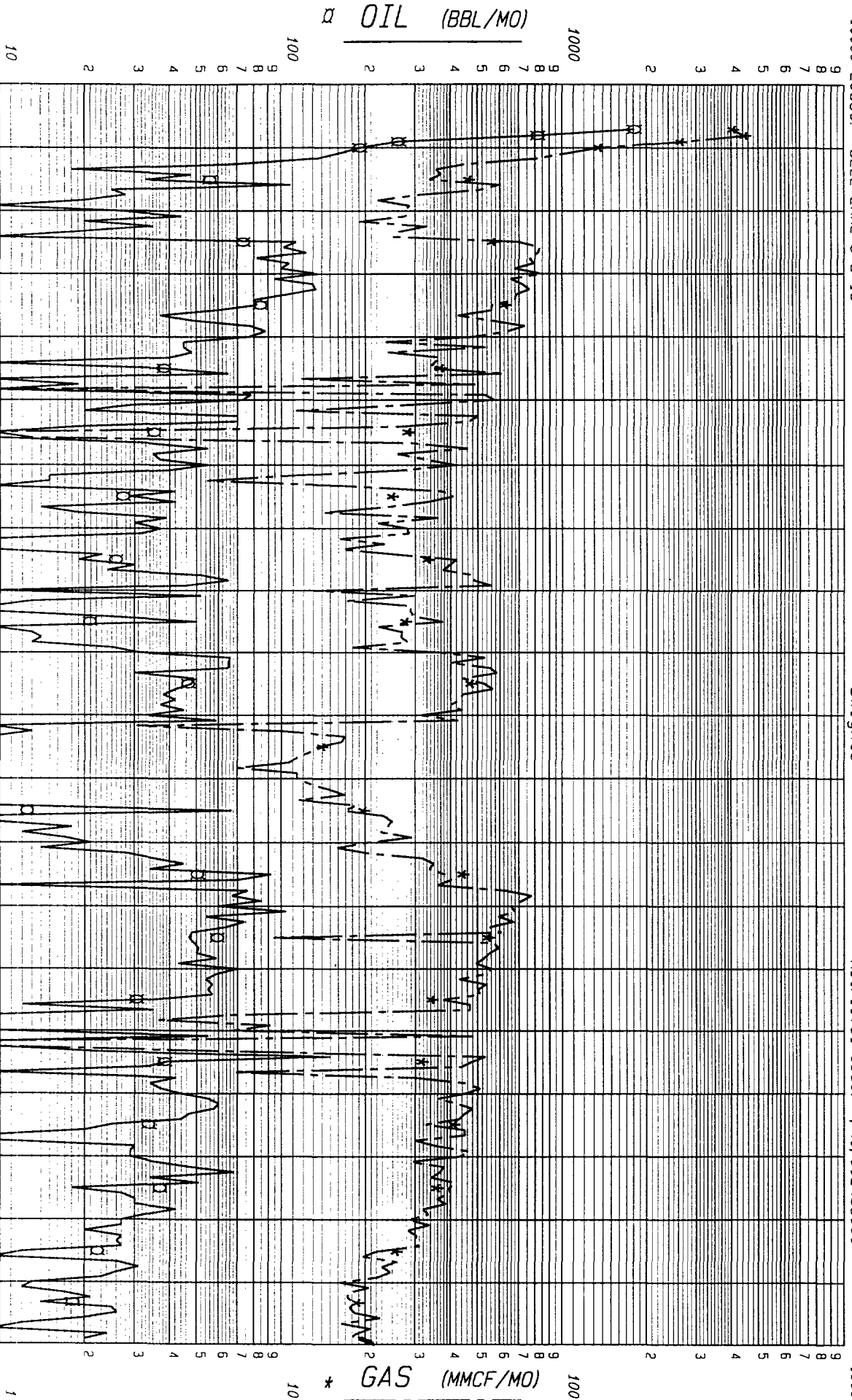
\_\_\_\_\_  
New Mexico Oil Conservation Division

\_\_\_\_\_  
Date

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Dwights

Retrieval Code: . 40. 002435000



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Field: BELL LAKE  
Reservoir: MORROW  
Operator: KAISER-FRANCIS OIL CO  
Oil Cum: 45584  
Gas Cum: 23108785  
Location: 36 23S 33E

State: NM

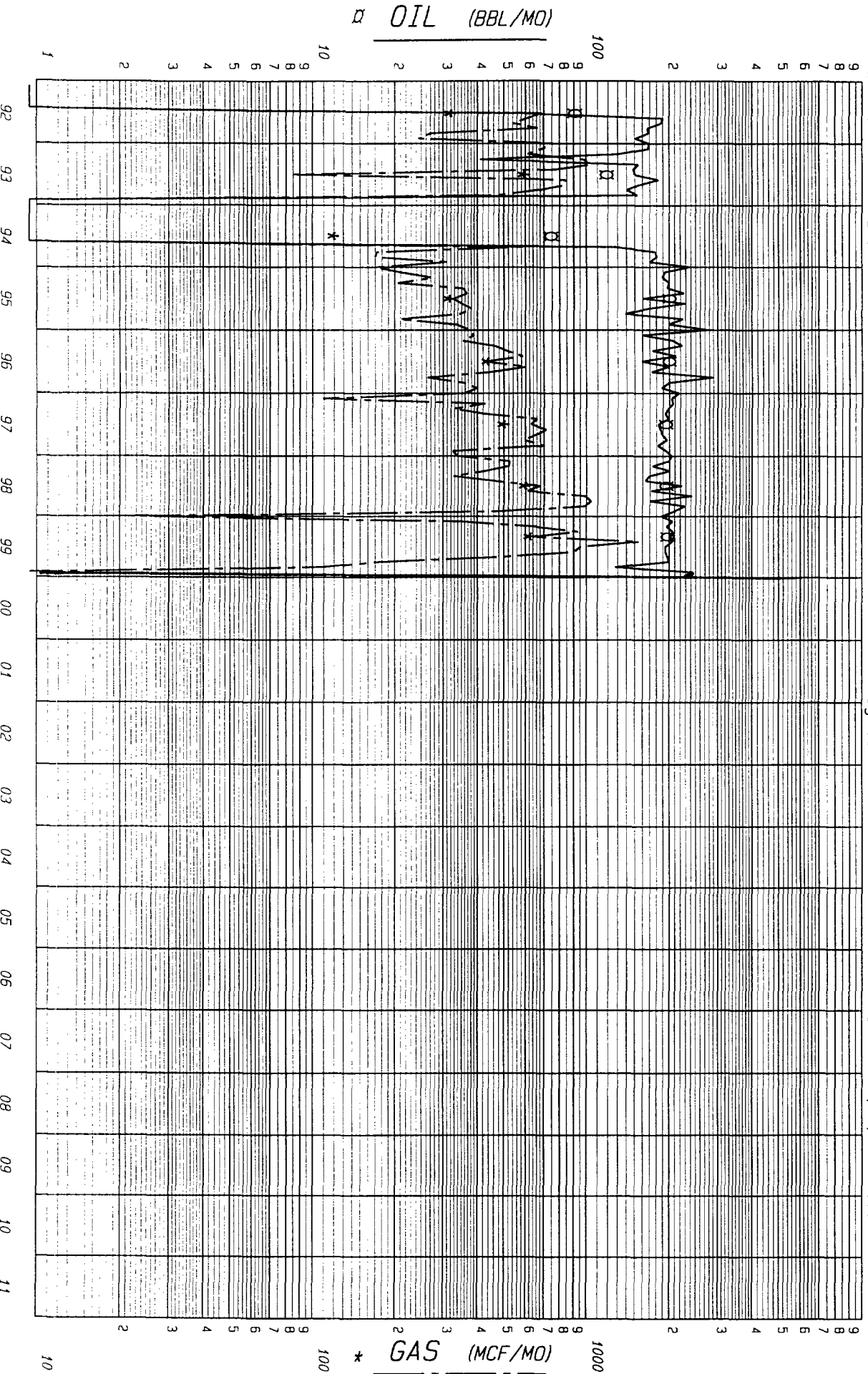
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Date: 02-15-100

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Dwights

Retrieval Code: 40 002434000



F.P. Date

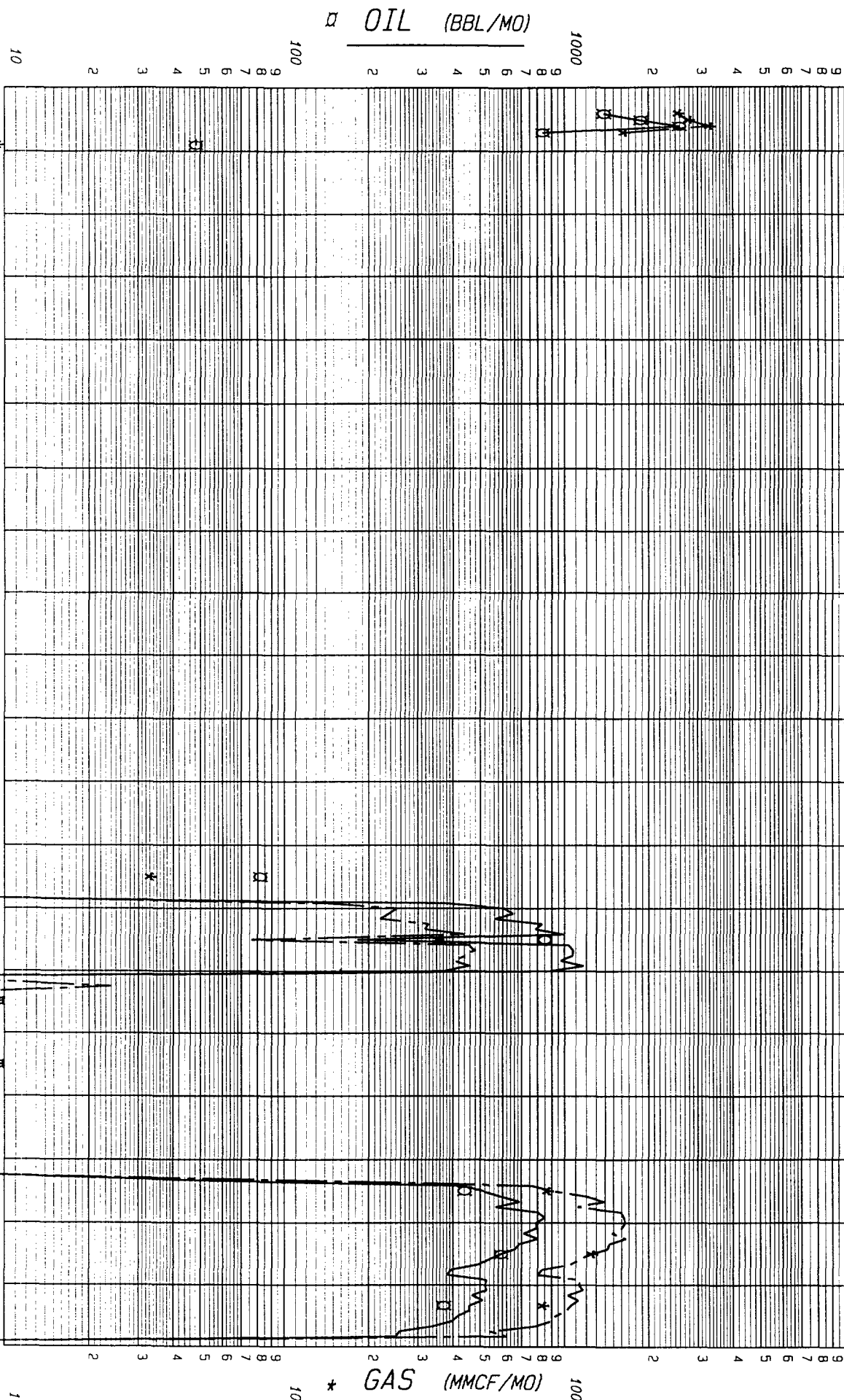
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Field: BELL LAKE  
Reservoir: BONE SPRINGS  
Operator: KAISER-FRANCIS OIL CO  
Oil Cum: 15055  
Gas Cum: 40805  
Location: 0 245 34E

Date: 02-15-100

10000 Lease: BELL LAKE S 1 4

Dwights

Retrieval Code: , 40, 002437000



Annual  
Data

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F.P. Date

County: LEA State: NM  
Field: BELL LAKE  
Reservoir: KAISER-FRANCIS OIL CO  
Operator: 108345 Gas Cum: 16195549  
Location: 6 245 346

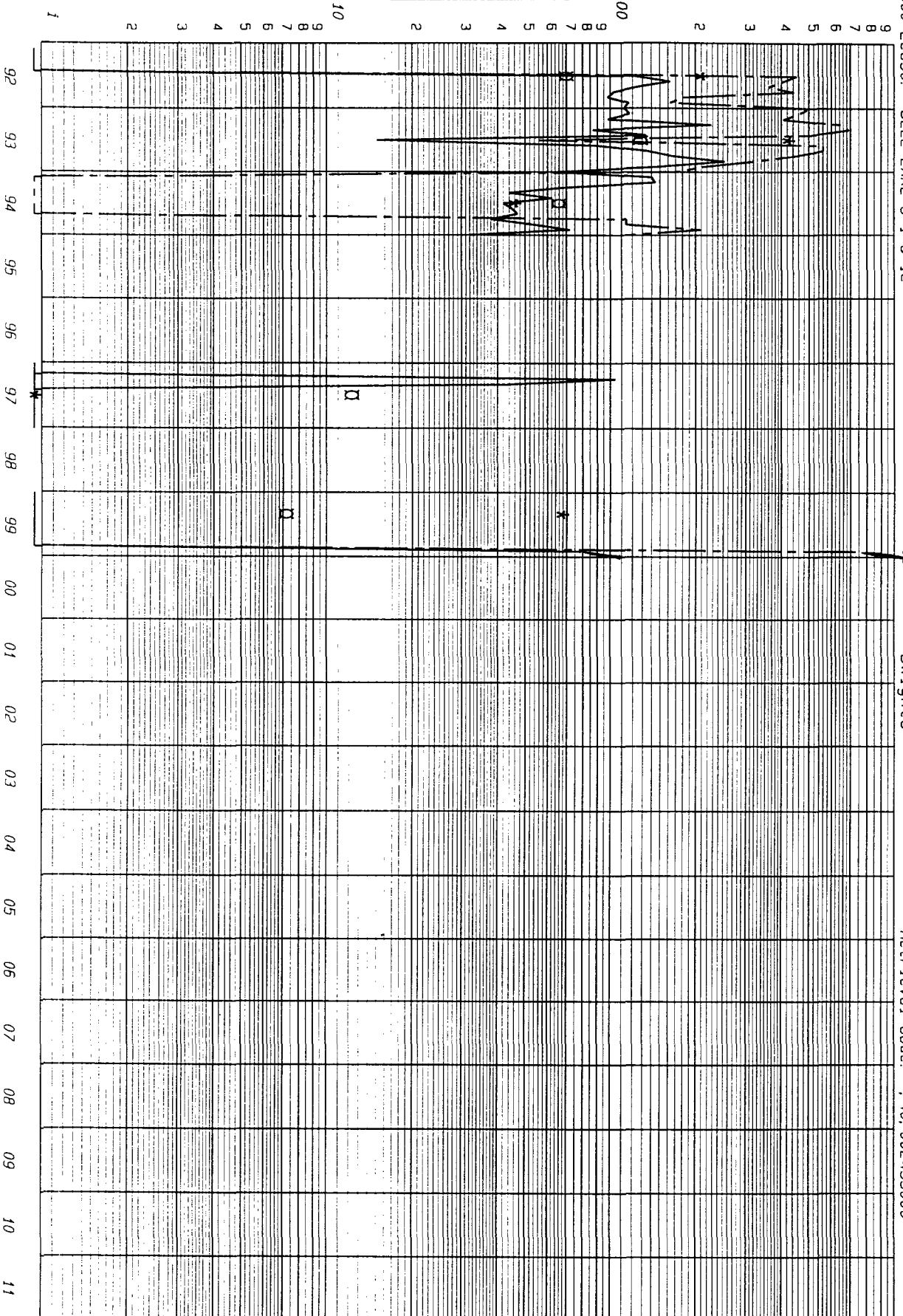
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Oil (BBL/MO)

1000 Lease: BELL LAKE S 1 & 12

Dwights

Retrieval Code: 40, 002433000



F.P. Date

County: LEA  
Field: BELL LAKE  
Reservoir: CHERRY CANYON  
Operator: KAISER-FRANCIS OIL CO  
Oil Cum: 3385  
Gas Cum: 8843  
Location: 31 235 34E

State: NM

Date: 02-15-100



1000 Lease: BELL LAKE S UT 19

Dwights

Retrieval Code: , 40, 002438000

OIL (BBL/MO)												GAS (MCF/MO)											
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F.P. Date

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Reservoir: KAISER-FRANCIS OIL CO  
Operator: Gas Cum: 0  
Location: 12 125 33E

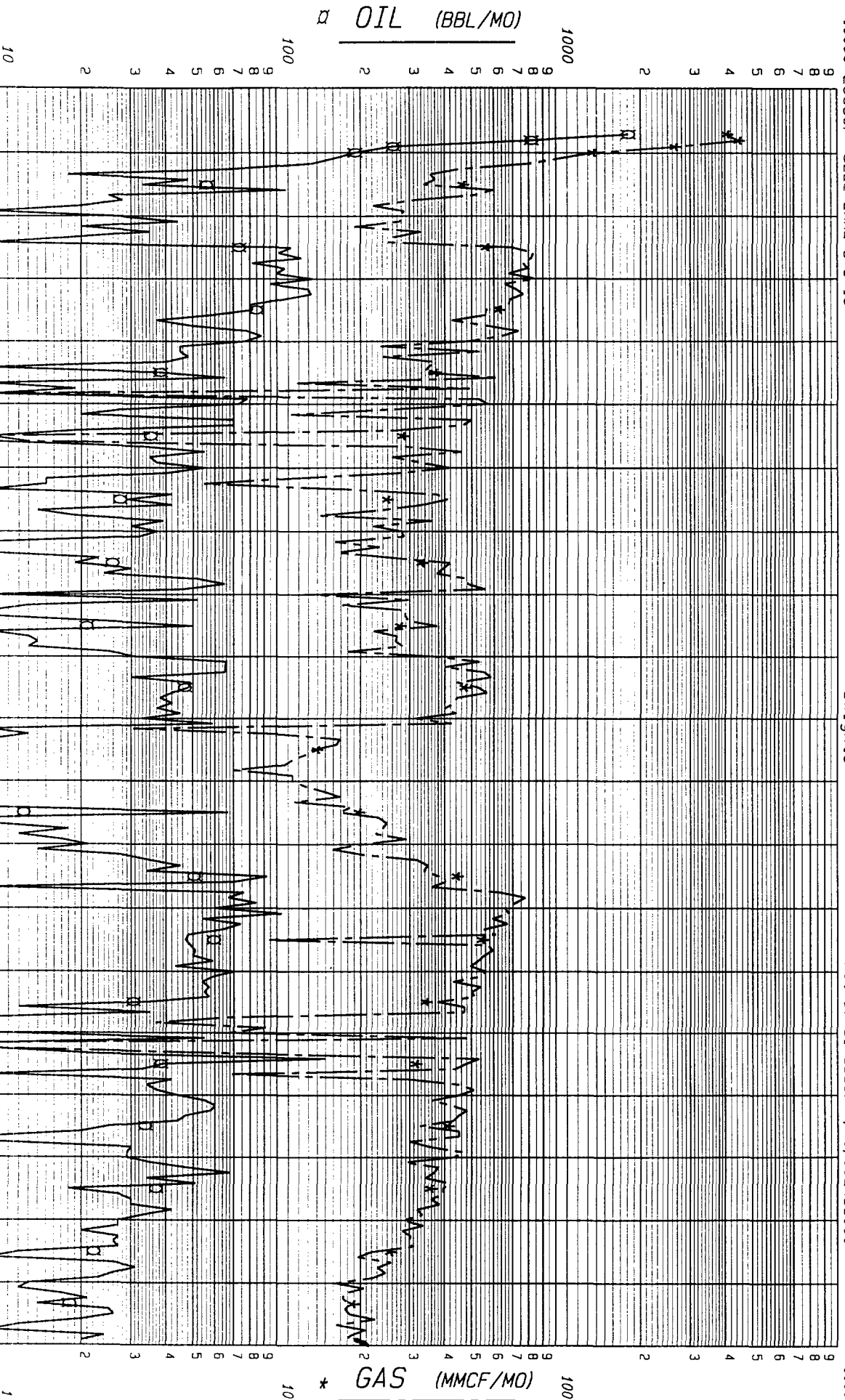
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Date: 02-15-100

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Dwights

Retrieval Code: . 40. 002435000



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Field: BELL LAKE  
Reservoir: MORROW  
Operator: KAISER-FRANCIS OIL CO  
Oil Cum: 45584  
Gas Cum: 23108785  
Location: 36 23S 33E

State: NM

F.P. Date

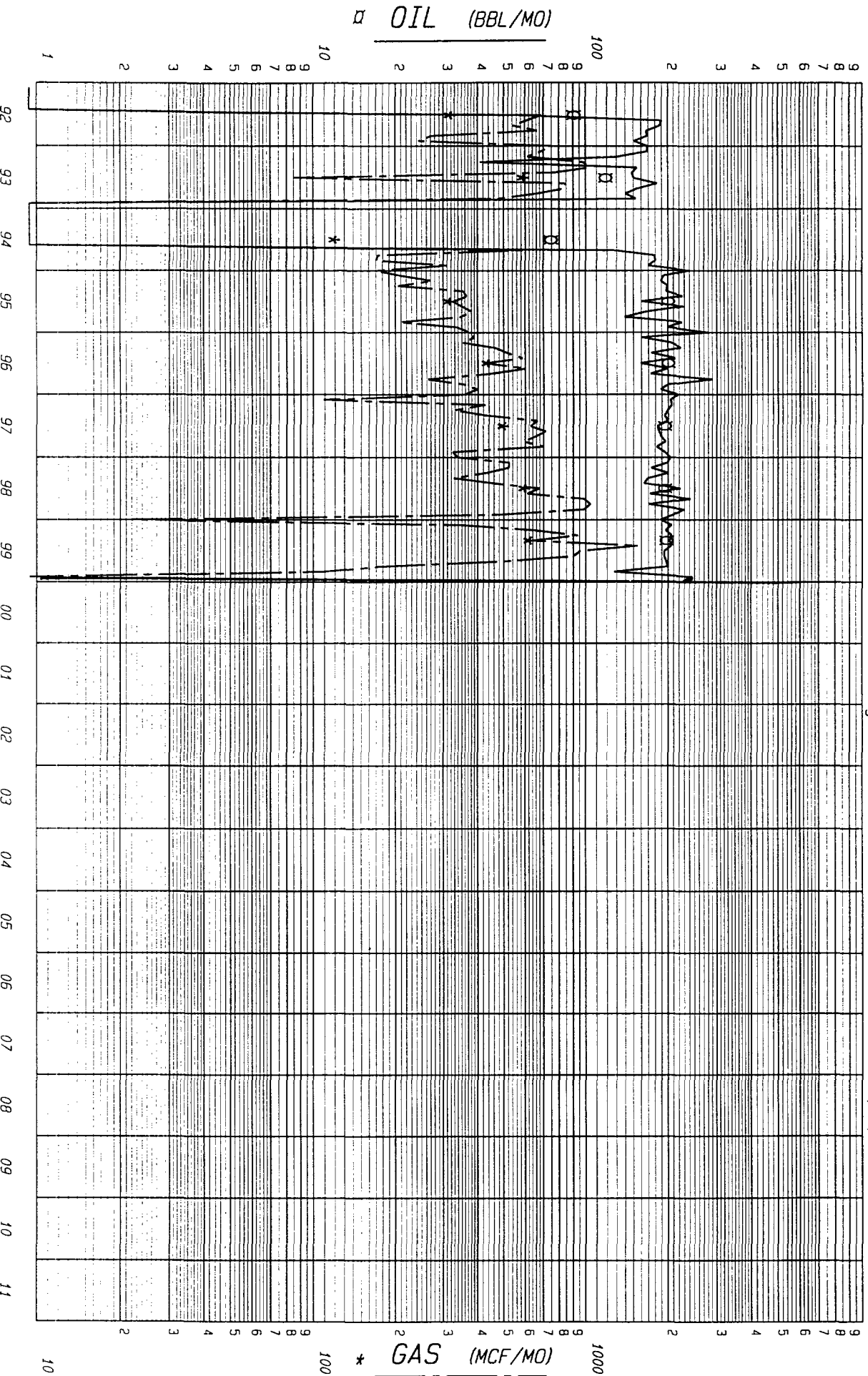
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Dwights

Retrieval Code: , 40, 002434000

10000



F. P. Date

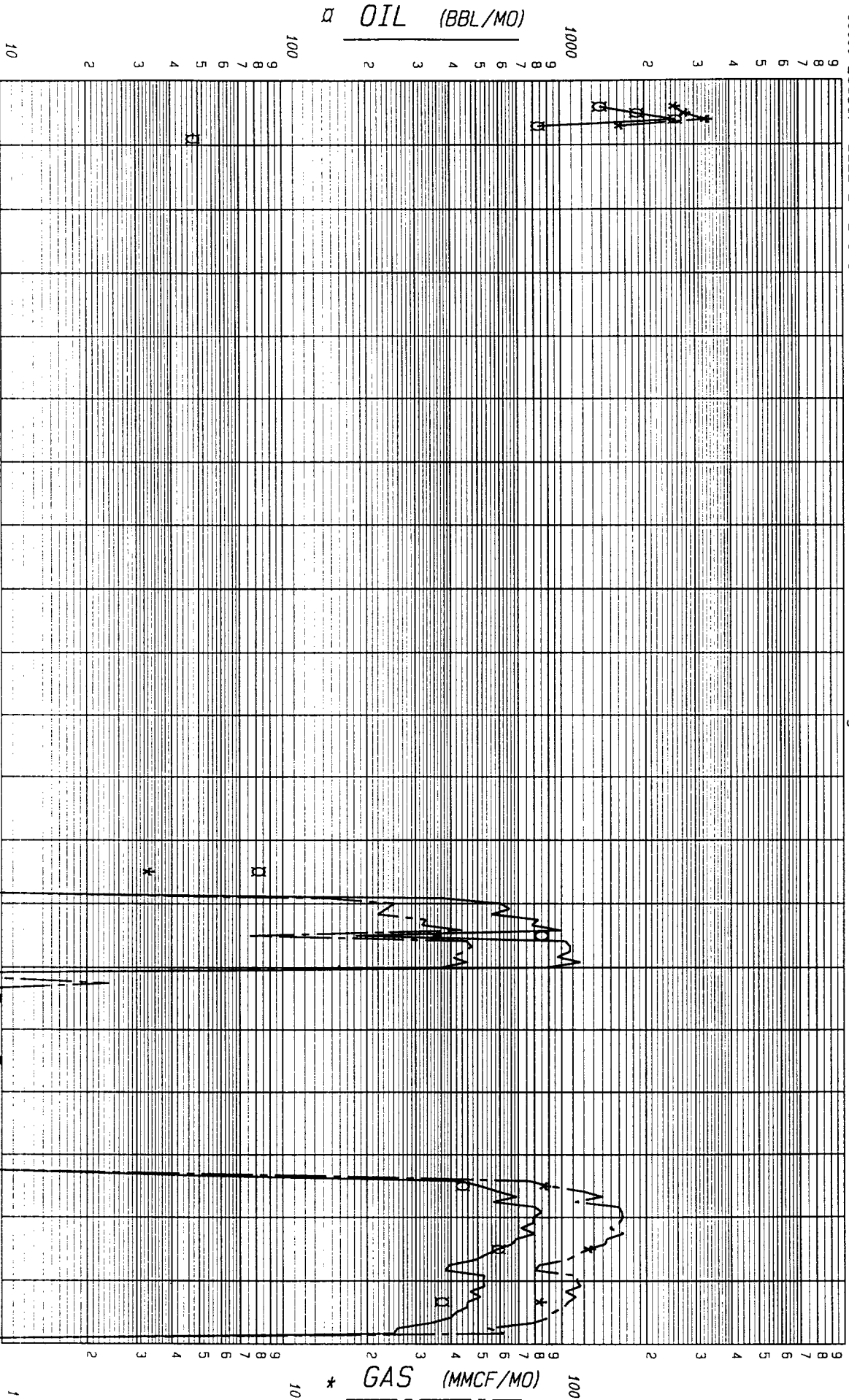
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Field: BELL LAKE  
Reservoir: BONE SPRINGS  
Operator: KAISER-FRANCIS OIL CO  
Oil Cum: 15055  
Gas Cum: 40805  
Location: 6 245 346

Date: 02-15-100

10000 Lease: BELL LAKE S 1 4

Dwights

Retrieval Code: . 40, 002437000



Annual  
Data

71- 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99

F. P. Date

County: LEA  
Field: BELL LAKE  
Reservoir: KAISER-FRANCIS OIL CO  
Operator: 108345 Gas Cum: 16195549  
Location: 0 245 346

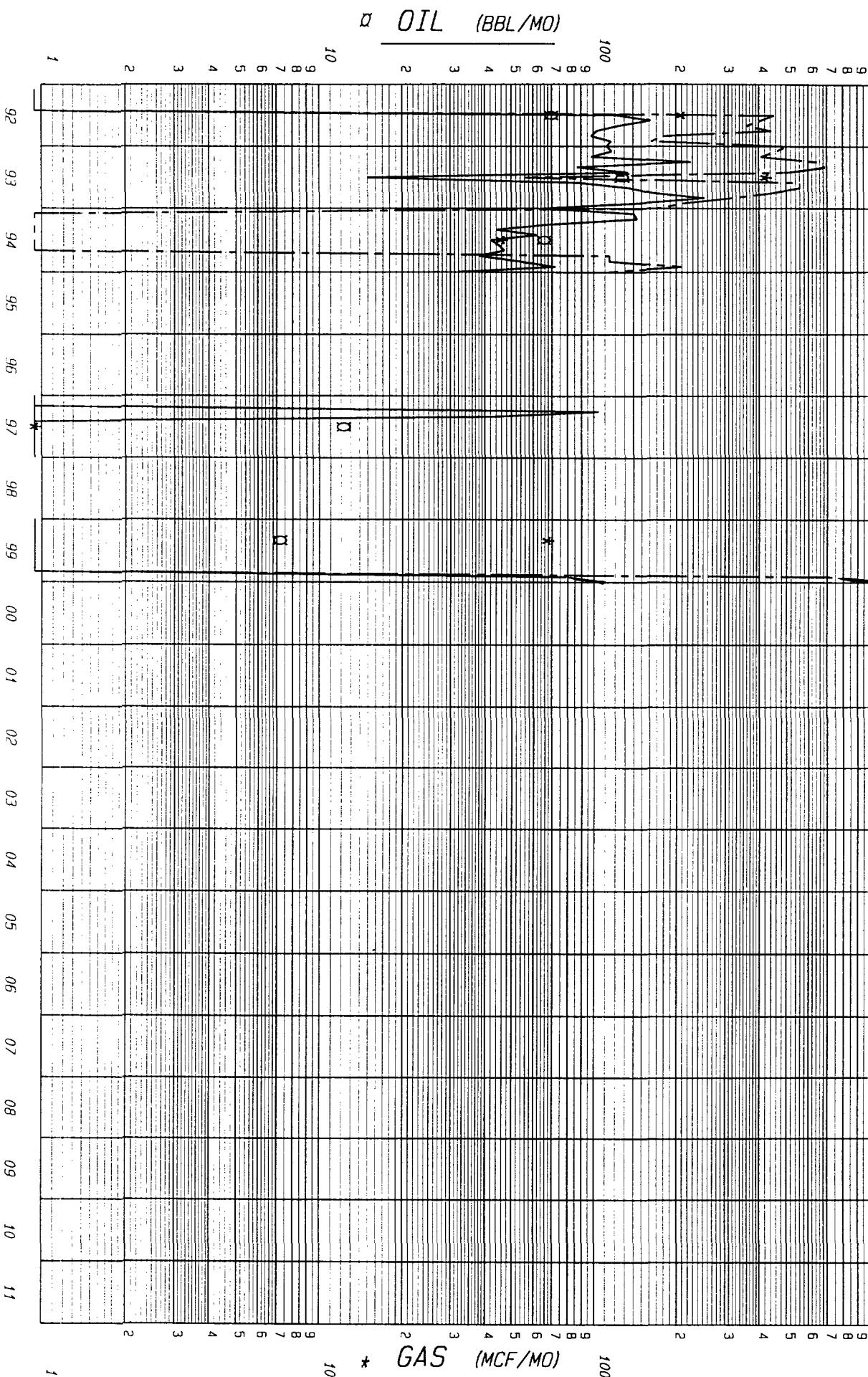
State: NM

Date: 02-15-100

1000 Lease: BELL LAKE S 1 & 12

Dwights

Retrieval Code: . 40, 002433000



F.P. Date

County: LEA  
Field: BELL LAKE  
Reservoir: CHERRY CANYON  
Operator: KAISER-FRANCIS OIL CO  
Oil Cum: 3385  
Gas Cum: 8843  
Location: 31 235 34E

State: NM

Date: 02-15-100

Retrieval Code: , 40, 002438000

\* GAS (MCF/MO)

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Date: 02-15-100

PLAN OF OPERATION/DEVELOPMENT  
FOR CALENDAR YEAR 1999  
SOUTH BELL LAKE UNIT (NO. 14-08-001-1066)  
LEA COUNTY, NEW MEXICO

BUREAU OF LAND MANAGEMENT  
2909 W. 2<sup>nd</sup> St.  
ROSWELL, NEW MEXICO 88201  
ATTN: MINERALS

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

OIL CONSERVATION DIVISION (2)  
DEPARTMENT OF ENERGY & MINERALS  
STATE OF NEW MEXICO  
2040 SOUTH PACHECO  
SANTA FE, NEW MEXICO 87505

Gentlemen:

In compliance with Section 10 of the Bell Lake Agreement dated May 12, 1953, Kaiser-Francis, as Unit Sub-Operator, hereby submits for approval a Plan of Operation/Development for the year 1998.

SUMMARY OF 1998 OPERATIONS

The participating area "A" produced gas and liquids during 1998 as shown below:

<u>Participating Area "A"</u>	<u>For Year Through 12/31</u>		<u>Daily AVG.</u>	
	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Atoka	0	0	0	0
Morrow	1,798,670	7320	4928	20.1
Bone Springs	7059	2318	19.3	6.4
Cherry Canyon	0	0	0	0

#### ACTIVITY IN 1998

The Bell Lake 20-6 was drilled in the NE/4 of section 6-24S-34E and pipe set at a depth of 13,400'. The Morrow and Atoka were tested but did not establish commercial production. The well is currently shut-in. A 6" pipeline was laid from the Bell Lake Unit to NGPL's pipeline in section 24-24S-34E. All gas produced by Kaiser-Francis in the Bell Lake Unit is produced into this pipeline.

#### DEVELOPMENT IN 1999

No changes in operation and no workovers or recompletions are planned for 1999.

#### OFFSET OBLIGATIONS

Unit owners will take appropriate action within their control 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. There have been no wells drilled in recent years offsetting the South Bell Lake Unit.

#### MODIFICATION

It is understood that portions of the Plan of Operation/Development outlined above are dependent upon certain information to be obtained subsequent to work done in the past 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 Division.

Date: February 28, 1999

#### TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1999. Subsequent to that date, another Plan of Operation/Development will be submitted for approval.



Submitted by:

*Robert Major*

Robert Major  
Production Records Manager  
Kaiser-Francis Oil Company  
South Bell Lake Unit Sub-Operator  
Tulsa, Oklahoma

Approved:

\_\_\_\_\_  
Bureau of Land Management

\_\_\_\_\_  
Date

\_\_\_\_\_  
Commissioner of Public Lands

\_\_\_\_\_  
Date

\_\_\_\_\_  
New Mexico Oil Conservation Division

\_\_\_\_\_  
Date

PLAN OF OPERATION/DEVELOPMENT

FOR CALENDAR YEAR 1999

SOUTH BELL LAKE UNIT (NO. 14-08-001-1066)

LEA COUNTY, NEW MEXICO

BUREAU OF LAND MANAGEMENT  
2909 W. 2<sup>nd</sup> St.  
ROSWELL, NEW MEXICO 88201  
ATTN: MINERALS

FEB 18 1999

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

OIL CONSERVATION DIVISION (2)  
DEPARTMENT OF ENERGY & MINERALS  
STATE OF NEW MEXICO  
2040 SOUTH PACHECO  
SANTA FE, NEW MEXICO 87505

Gentlemen:

In compliance with Section 10 of the Bell Lake Agreement dated May 12, 1953, Kaiser-Francis, as Unit Sub-Operator, hereby submits for approval a Plan of Operation/Development for the year 1998.

SUMMARY OF 1998 OPERATIONS

The participating area "A" produced gas and liquids during 1998 as shown below:

<u>Participating Area "A"</u>	<u>For Year Through 12/31</u>		<u>Daily AVG.</u>	
	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Atoka	0	0	0	0
Morrow	1,798,670	7320	4928	20.1
Bone Springs	7059	2318	19.3	6.4
Cherry Canyon	0	0	0	0

#### ACTIVITY IN 1998

The Bell Lake 20-6 was drilled in the NE/4 of section 6-24S-34E and pipe set at a depth of 13,400'. The Morrow and Atoka were tested but did not establish commercial production. The well is currently shut-in. A 6" pipeline was laid from the Bell Lake Unit to NGPL's pipeline in section 24-24S-34E. All gas produced by Kaiser-Francis in the Bell Lake Unit is produced into this pipeline.

#### DEVELOPMENT IN 1999

No changes in operation and no workovers or recompletions are planned for 1999.

#### OFFSET OBLIGATIONS

Unit owners will take appropriate action within their control 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. There have been no wells drilled in recent years offsetting the South Bell Lake Unit.

#### MODIFICATION

It is understood that portions of the Plan of Operation/Development outlined above are dependent upon certain information to be obtained subsequent to work done in the past 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 Division.

Date: February 28, 1999

#### TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1999. Subsequent to that date, another Plan of Operation/Development will be submitted for approval.

Submitted by:

*Robert Major*

Robert Major  
Production Records Manager  
Kaiser-Francis Oil Company  
South Bell Lake Unit Sub-Operator  
Tulsa, Oklahoma

Approved:

\_\_\_\_\_  
Bureau of Land Management

\_\_\_\_\_  
Date

\_\_\_\_\_  
Commissioner of Public Lands

\_\_\_\_\_  
Date

\_\_\_\_\_  
New Mexico Oil Conservation Division

\_\_\_\_\_  
Date

7  
PLAN OF OPERATION/DEVELOPMENT  
FOR CALENDAR YEAR 1998  
SOUTH BELL LAKE UNIT (NO. 14-08-001-1066)  
LEA COUNTY, NEW MEXICO

BUREAU OF LAND MANAGEMENT  
1717 WEST SECOND STREET  
ROSWELL, NEW MEXICO 88202  
ATTN: MINERALS

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

OIL CONSERVATION DIVISION (2)  
DEPARTMENT OF ENERGY & MINERALS  
STATE OF NEW MEXICO  
2040 SOUTH PACHECO  
SANTA FE, NEW MEXICO 87505

Gentlemen:

In compliance with Section 10 of the Bell Lake Agreement dated May 12, 1953, Kaiser-Francis, as Unit Sub-Operator, hereby submits for approval a Plan of Operation/Development for the year 1997.

SUMMARY OF 1997 OPERATIONS

The participating area "A" produced gas and liquids during 1996 as shown below:

<u>Participating Area "A"</u>	<u>For Year Through 12/31</u>		<u>Daily AVG.</u>	
	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Atoka	0	0	0	0
Morrow	1,462,966	5694	4,008	15.6
Bone Springs	5,908	2,318	16.2	6.4
Cherry Canyon	0	0	0	0

#### ACTIVITY IN 1997

Bell Lake #4 - In 1997 the Atoka was squeeze cemented and abandoned. The wellbore was drilled out and cleaned out down to the Morrow, and a Morrow zone at 13261' - 13294' was perforated. The well is currently producing gas from that Morrow zone.

#### DEVELOPMENT IN 1998

In 1998 we propose to drill the Bell Lake #20-6, which will be a 13400' Morrow-Atoka test in Sec. 6-24S-34E. We also propose to lay a 6" pipeline from the Bell Lake Unit and to connect it into NGPL's pipeline in Sec. 24-23S-34E. All gas produced by KFOC in the Bell Lake Unit will be transported through this pipeline.

#### OFFSET OBLIGATIONS

Unit owners will take appropriate action within their control 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. There have been no wells drilled in recent years offsetting the South Bell Lake Unit.

#### MODIFICATION

It is understood that portions of the Plan of Operation/Development outlined above are dependent upon certain information to be obtained subsequent to work done in the past 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 Division.

Date: February 28, 1998

#### TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1998. Subsequent to that date, another Plan of Operation/Development will be submitted for approval.

Submitted by:

*Robert Major*

Robert Major  
Production Records Manager  
Kaiser-Francis Oil Company  
South Bell Lake Unit Sub-Operator  
Tulsa, Oklahoma

Approved:

\_\_\_\_\_  
Bureau of Land Management

\_\_\_\_\_  
Date

\_\_\_\_\_  
Commissioner of Public Lands

\_\_\_\_\_  
Date

\_\_\_\_\_  
New Mexico Oil Conservation Division

\_\_\_\_\_  
Date

#563



COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5793

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

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

PUBLIC AFFAIRS  
(505)-827-5765

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5715

PLANNING  
(505)-827-5752

August 31, 1998

Kaiser-Francis Oil Company  
P.O. Box 21468  
Tulsa, Oklahoma 74121-1468

Attn: Mr. Bob Major

Re: 1998 Plan of Development  
Bell Lake Unit  
Lea County, New Mexico

Dear Mr. Major:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

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

Very truly yours,

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

A handwritten signature in cursive script, appearing to read "Jami Bailey".

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

RP/JB/cpm  
pc: Reader File

OCD

BLM





State of New Mexico  
Commissioner of Public Lands

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

310 OLD SANTA FE TRAIL P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

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

December 11, 1997

Kaiser-Francis Oil Company  
P.O. Box 21468  
Tulsa, Oklahoma 74121-1468

Attn: Mr. Bob Major

Re: 1997 Plan of Development  
Bell Lake Unit  
Lea County, New Mexico

Dear Mr. Major:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

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

Very truly yours,

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

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

RP/JB/cpm  
xc: Reader File

OCD

BLM



COMMERCIAL RESOURCES  
(505)-827-5724

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(505)-827-5793

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

**State of New Mexico  
Commissioner of Public Lands**

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

**PUBLIC AFFAIRS**  
(505)-827-5765

**ADMINISTRATIVE MGMT.**  
(505)-827-5700

**LEGAL**  
(505)-827-5713

**PLANNING**  
(505)-827-5752

September 10, 1997

Kaiser-Francis Oil Company  
Sub-Operator  
P.O. Box 21468  
Tulsa, Oklahoma 74121-1468

Attn: Mr. Bob Major

Re: Revised 1997 Plan of Development  
Bell Lake Unit  
Lea County, New Mexico

Dear Mr. Major:

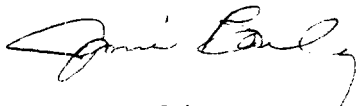
The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

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

Very truly yours,

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

BY: 

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

RP/JB/cpm  
cc: Reader File

OCD

BLM

KAISER-FRANCIS OIL COMPANY

P.O. BOX 21468

TULSA, OKLAHOMA 74121-1468

6733 South Yale Ave.  
(918) 494-0000

August 18, 1997

21

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

Attn: Ms. Jami Bailey

Re: Second Revision of Morrow  
Participating Area C  
Lea County, New Mexico

Dear Ms. Bailey:

We are in receipt of your letter dated July 31, 1997, wherein the State of New Mexico, Commissioner of Public Lands, approves our Application of the Second Revision of the Morrow Participating Area C. In the first paragraph of your letter, the last sentence states that we have requested approval of the Second Revision to the "Cherry Canyon" participating area. The third paragraph states your approval of the Second Revision of the "Morrow Participating" area. Our Application was for the "Morrow Participating" area. Please advise us if the "Cherry Canyon" in your letter was in error or if we are to be concerned with the Cherry Canyon.

We have enclosed herewith a copy of our letter to the Bureau of Land Management with a copy of the Revised Exhibit "B", and a copy of our Application with the signature of Conoco, Inc., the Operator.

Thank you for your help in this matter. If you need anything further, do not hesitate to contact us.

Sincerely,



Debbie Stout  
Land Assistant

Enc.

xc: ✓ New Mexico Oil Conservation Division  
2040 S. Parcheco  
Santa Fe, NM 87505

KFOC Dist: Wayne Fields  
Neal DeShazo

D76:\ltr\bell.sta



RECEIVED

AUG 11 1997

Kaiser Francis Oil Co. PUBLIC AFFAIRS  
Land Department (505)-827-5765

State of New Mexico  
Commissioner of Public Lands

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

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5713

PLANNING  
(505)-827-5752

COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5795

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

July 31, 1997

Kaiser Francis Oil Company  
P.O. Box 21468  
Tulsa, Oklahoma 74121-1468

Attn: Mr. Wayne A. Fields

Re: Bell Lake Unit  
Second Revision of the Morrow Participating Area  
Lea County, New Mexico

Dear Mr. Fields:

We are in receipt of your application of June 11, 1997. As sub-operator of the Bell Lake Unit, Lea County, New Mexico, you have determined that the Bell Lake Unit Well No. 1-4 is commercially productive. In addition, you also requested our approval of the Second Revision to the Cherry Canyon participating area. ← ?

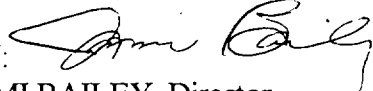
The Commissioner of Public Lands concurs with your determination that the unit well No. 1-4 located in the SE/4NW/4 of Section 6-24S-34E is a commercial well and entitled to be included in the Morrow Participating area.

Also, your application for the Second Revision of the Morrow Participating Area is hereby approved effective April 17, 1997. Our approval is subject to like approval by the Bureau of Land Management.

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

Very truly yours,

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

BY: 

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

RP/JB/cpm

xc: Reader File    OCD--Roy Johnson    BLM--Alexis Swoboda    TRD--Valdean Severson

August 18, 1997

Bureau of Land Management  
Roswell District Office  
2909 W. Second Street  
Roswell, NM 88201

Attn: Ms. Mary Lou Ormseth

Re: Second Revision of Morrow  
Participating Area C  
Lea County, New Mexico

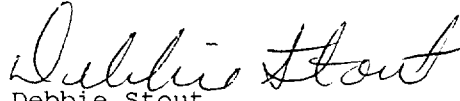
Dear Ms. Ormseth:

Pursuant to our telephone conversation today and the approval of the BLM to our Second Revision of the Morrow Participating Area C, enclosed herewith is the Revised Exhibit "B". We have deleted the Uncommitted acreage designated with the triple asterisk on Page 2, Tract 8.

Also enclosed is a second original of our Application. The original Application did not have the signature of Conoco, Inc., the Operator. This original does have their signature. The approval from the BLM reflects the effective of April 17, 1997, we have added that date to the last sentence of the letter.

Thank you for your help in this matter. If you need anything further, do not hesitate to contact us.

Sincerely,

  
Debbie Stout  
Land Assistant

Enc.

xc: ✓ New Mexico Oil Conservation Division  
2040 S. Parcheco  
Santa Fe, NM 87505

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

KFOC Dist: Wayne Fields  
Neal DeShazo

D76:\ltr\bell.blm

June 11, 1997

Bureau of Land Management  
Attn: Tony Ferguson  
P. O. Box 1397  
Roswell, New Mexico 88201

New Mexico Oil Conservation Division  
Attn: William J. LeMay  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

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

**RECEIVED****AUG 07 1997****Kaiser Francis Oil Co.  
Land Department**

Re: Application of Kaiser-Francis Oil Company for Approval of the Second Revision of the Morrow Participating Area, Bell Lake Unit, No. 14-08-001-1066, Lea County, New Mexico.

Gentlemen:

Kaiser-Francis Oil Company, as sub-operator, and Conoco Inc. as operator, for the South Bell Lake Unit Agreement, approved by the Bureau of Land Management, dated May 12, 1953, pursuant to the provisions of Section 11 thereof, respectfully submit for your approval the selection of the following described land to constitute the second revision of the participating area for the Morrow producing zone or formation, to wit:

Township 24 South, Range 34 East, NMPM  
Section 6: W/2  
(Consisting of 316.26 acres, more or less)

Township 23 South, Range 34 East, NMPM  
Section 31: SE/4 SW/4  
(Consisting of 40 acres, more or less)

In support of this application, the following numbered items are attached hereto and made a party hereof:

- (1) An ownership map showing thereon the boundary of the unit area, the participating area as heretofore established or revised, and the boundary of the proposed revision herein.
- (2) A schedule showing the lands entitled to participation in the unitized substances producing from the Morrow formation, with the percentage of participation of each lease or tract indicated thereon.

Application for Second Expansion of the  
Participating Area, Morrow Formation,  
Bell Lake Unit (No. 14-08-001-1066),  
Lea County, New Mexico  
Page 2

Applicants are submitting separately, in triplicate, a geological and engineering report with accompanying maps supporting and justifying the proposed selection of lands for inclusions by the second revision of the Morrow formation participating area.

This proposed second revision of the participating area is predicated upon the knowledge and information first obtained upon completion in paying quantities under the terms of the unit agreement on April 19, 1997, of unit well No. 1-4, in the SE/4 NW/4, Section 6, T24S, R34E, with an initial potential of 5220 mcfpd from the Morrow formation at a depth of 13,261 feet to 13,294 feet. The effective date of this second revision shall be pursuant to Section 11 of the unit agreement.

This proposed second revision has been submitted to and approved by all affected working interest owners.

Applicants respectfully request your approval of the hereinabove selection of lands to constitute the second revision of the Morrow formations participating area to be effective April 17, 1997.

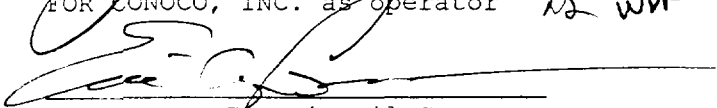
Respectfully submitted,

  
Wayne A. Fields,  
Landman

APPROVED:

  
FOR CONOCO, INC. as operator

WDR

  
For Kaiser Francis Oil Company,  
as sub-operator

**EXHIBIT 'B'**

BELL LAKE UNIT - LEA COUNTY, NEW MEXICO  
SECOND EXPANSION FOR MORROW PARTICIPATING AREA

**TRACT 1**

(tract 8)

Serial Number: NM-02335-B  
Acreage: 79.92 acres  
Description: Lots 3, 4, Sec. 5, T24S-R34E  
Working Interest Owner: Kaiser-Francis Oil Company\*  
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, Sec. 5, T24S-R34E  
Working Interest Owner: Kaiser-Francis Oil Company\*  
Royalty Interest Owner: U.S.A. - All  
Overriding Royalty Owner: Channing Brown .50000%  
J.G. Thornhill .75000%  
Lawrence C. Harris .21875%  
Donald T. Desmond .17045%  
Autrey & Collins Const.  
Company, a partnership .14205%  
Small Business Admin.  
Rcvr. for Roswell SBIC .21875%  
R. H. Hannifin .25000%  
D. L. Hannifin .25000%  
Ralph Nix .25000%  
Ralph Nix, Jr. .25000%

**TRACT 3**

(part of  
tract 52)

Serial Number: E-1937  
Acreage: 160.00 acres  
Description: SE/4 Sec. 32, T23S-R34E  
Working Interest Owner: Kaiser-Francis Oil Company\*  
Royalty Interest Owner: State of New Mexico - All  
Overriding Royalty Owner: None

**TRACT 4**

(part of  
tract 55)

Serial Number: E-5076  
Acreage: 320.00 acres  
Description: E/2 Sec. 36, T23S-R33E  
Working Interest Owner: Kaiser-Francis Oil Company\*  
Royalty Interest Owner: State of New Mexico - All  
Overriding Royalty Owner: None

**TRACT 5**

(tract 56)

Serial Number: E-5829  
Acreage: 160.00 acres  
Description: SE/4 Sec. 6, T24S-R34E  
Working Interest Owner: Kaiser-Francis Oil Company\*  
Royalty Interest Owner: State of New Mexico - All  
Overriding Royalty Owner: None

**TRACT 6**

(part of  
tract 58)

Serial Number: E-5896  
Acreage: 634.80 acres  
Description: Lots 1, 2, 3, 4, E/2 NW/4, E/2 SW/4,  
SE/4 Sec. 31, SW/4 Sec. 32, T23S-R34E  
Working Interest Owner: Kaiser-Francis Oil Company\*  
Royalty Interest Owner: State of New Mexico - All  
Overriding Royalty Owner: None



**TRACT 7**(part of  
tract 59)

Serial Number: E-5898  
 Acreage: 476.26 acres  
 Description: Lots 3 through 7, SE/4 NW/4, E/2  
 SW/4, NE/4 Sec. 6, T24S-R34E  
 Working Interest Owner: Kaiser-Francis Oil Company\*  
 Royalty Interest Owner: State of New Mexico - All  
 Overriding Royalty Owner: None

**TRACT 8**

(tract 72)

Serial Number: Patented  
 Acreage: 319.76 (249.8125 committed)  
 Description: Lots 1, 2, S/2 NE/4, SE/4, Sec. 5,  
 T24S-R34E  
 Working Interest Owner: Kaiser-Francis Oil Company\*  
 Royalty Interest Owner: Mary E. Thompson, Ind.  
     Exec. of Estate of  
     Dale M. Thompson .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 Admin. 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 .781%  
     Rubert Madera 9.375%  
     Ruford Madera 6.250%  
     Mildred A. Browman 6.250%  
 Overriding Royalty Owner: None

**TRACT PARTICIPATION**

<u>Tract Number</u>	<u>Gross Acres</u>	<u>Committed Acres</u>	<u>Participation - %</u>
1	79.92	79.9200	3.44365%
2	240.00	240.0000	10.34130%
3	160.00	160.0000	6.89420%
4	320.00	320.0000	13.78839%
5	160.00	160.0000	6.89420%
6	634.80	634.8000	27.35272%
7	476.26	476.2600	20.52144%
8	319.76	249.8125	10.76410%
	<u>2,390.74</u>	<u>2,320.7925</u>	<u>100.00000%</u>

\* 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 9,000 feet. The working interest owners are shown below:

Perry R. Bass and Bass Enterprises Production Co.	11.33196%
Kaiser-Francis Oil Company	86.72036%
Brady Lowe	1.94768%

\*\* Production Payment



563  
AUG - 5 1997

COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5795

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

State of New Mexico  
Commissioner of Public Lands

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

PUBLIC AFFAIRS  
(505)-827-5765

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5713

PLANNING  
(505)-827-5752

July 31, 1997

Kaiser Francis Oil Company  
P.O. Box 21468  
Tulsa, Oklahoma 74121-1468

Attn: Mr. Wayne A. Fields

Re: Bell Lake Unit  
Second Revision of the Morrow Participating Area  
Lea County, New Mexico

Dear Mr. Fields:

We are in receipt of your application of June 11, 1997. As sub-operator of the Bell Lake Unit, Lea County, New Mexico, you have determined that the Bell Lake Unit Well No. 1-4 is commercially productive. In addition, you also requested our approval of the Second Revision to the Cherry Canyon participating area.

The Commissioner of Public Lands concurs with your determination that the unit well No. 1-4 located in the SE/4NW/4 of Section 6-24S-34E is a commercial well and entitled to be included in the Morrow Participating area.

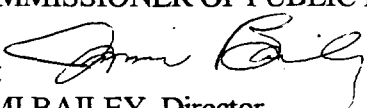
Also, your application for the Second Revision of the Morrow Participating Area is hereby approved effective April 17, 1997. Our approval is subject to like approval by the Bureau of Land Management.

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

Very truly yours,

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

BY:

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

RP/JB/cpm

xc: Reader File    OCD--Roy Johnson    BLM--Alexis Swoboda    TRD--Valdean Severson

KAISER-FRANCIS OIL COMPANY

P.O. BOX 21468

TULSA, OKLAHOMA 74121-1468

6733 South Yale Ave.  
(918) 494-0000

June 11, 1997

Bureau of Land Management  
Attn: Tony Ferguson  
P. O. Box 1397  
Roswell, New Mexico 88201

New Mexico Oil Conservation Division  
Attn: William J. LeMay  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

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

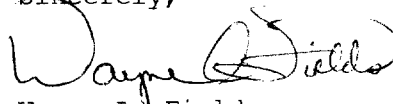
RECEIVED  
JUN 13 1997  
Oil Conservation Council

Gentlemen:

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

Enclosed for your further handling is our application for the Second Expansion of the Morrow Participating Area for the Bell Lake Unit as result of the completion of Well No. 1-4. Your early review and approval of this application will be sincerely appreciated.

Sincerely,

  
Wayne A. Fields,  
Landman

WAF:ds

Enc.

xc: Neal DeShazo

E2681tr\bellapp.dlr

KAISER-FRANCIS OIL COMPANY

P.O. BOX 21468

TULSA, OKLAHOMA 74121-1468

6733 South Yale Ave.  
(918) 494-0000

June 11, 1997

Bureau of Land Management  
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Roswell, New Mexico 88201

New Mexico Oil Conservation Division  
Attn: William J. LeMay  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

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

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Gentlemen:

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Section 6: W/2  
(Consisting of 316.26 acres, more or less)

Township 23 South, Range 34 East, NMPM  
Section 31: SE/4 SW/4  
(Consisting of 40 acres, more or less)

In support of this application, the following numbered items are attached hereto and made a party hereof:

- (1) An ownership map showing thereon the boundary of the unit area, the participating area as heretofore established or revised, and the boundary of the proposed revision herein.
- (2) A schedule showing the lands entitled to participation in the unitized substances producing from the Morrow formation, with the percentage of participation of each lease or tract indicated thereon.

Application for Second Expansion of the  
Participating Area, Morrow Formation,  
Bell Lake Unit (No. 14-08-001-1066),  
Lea County, New Mexico  
Page 2

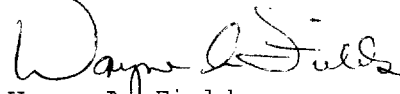
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This proposed second revision of the participating area is predicated upon the knowledge and information first obtained upon completion in paying quantities under the terms of the unit agreement on April 19, 1997, of unit well No. 1-4, in the SE/4 NW/4, Section 6, T24S, R34E, with an initial potential of 5220 mcfpd from the Morrow formation at a depth of 13,261 feet to 13,294 feet. The effective date of this second revision shall be pursuant to Section 11 of the unit agreement.

This proposed second revision has been submitted to and approved by all affected working interest owners.

Applicants respectfully request your approval of the hereinabove selection of lands to constitute the second revision of the Morrow formations participating area to be effective

Respectfully submitted,



Wayne A. Fields,  
Landman

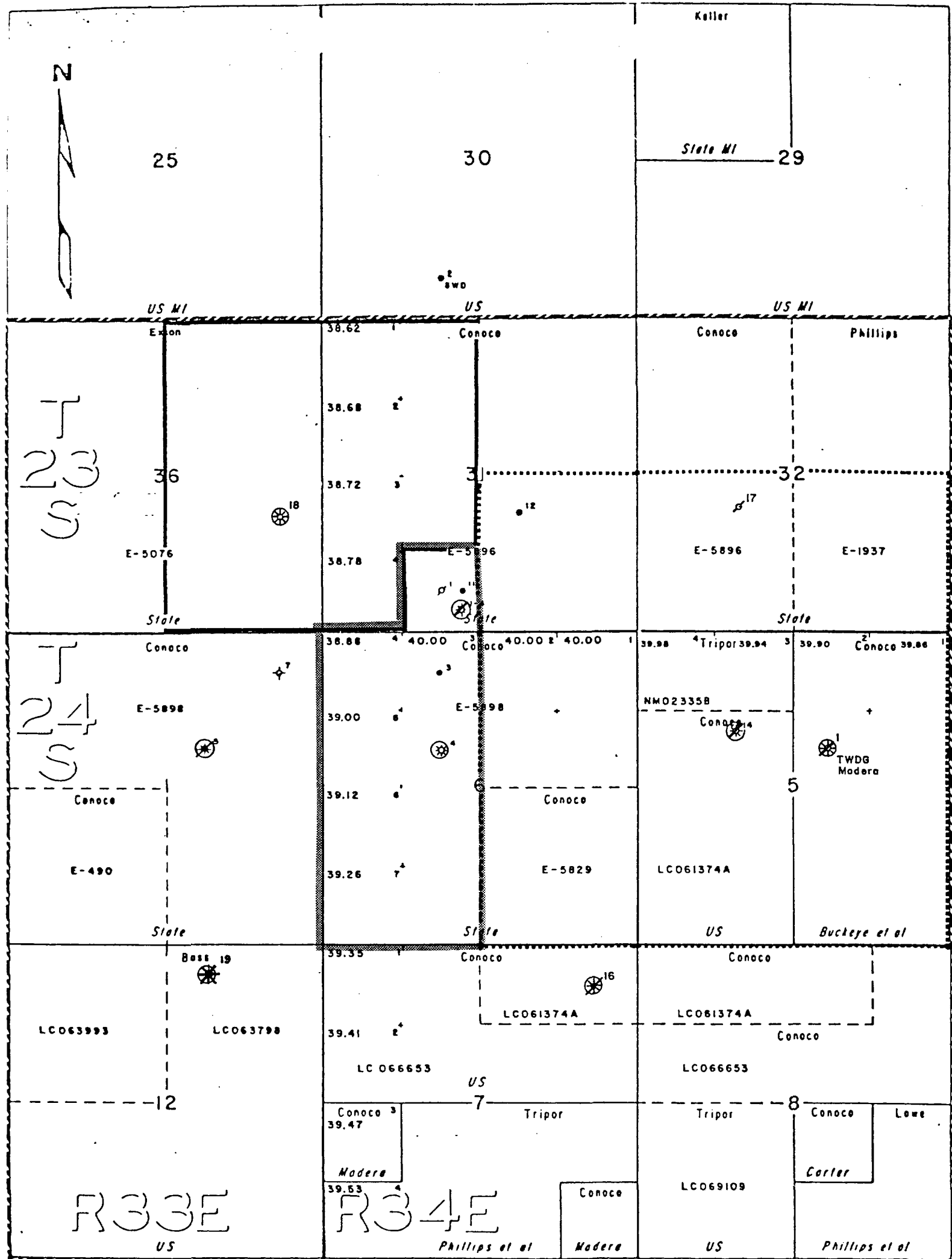
APPROVED:

---

FOR CONOCO, INC. as operator

---

For Kaiser Francis Oil Company,  
as sub-operator



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

..... INITIAL MORROW  
PARTICIPATING AREA

— FIRST EXPANSION

— PROPOSED SECOND EXPANSION

⊗ MORROW COMPLETION

KAISER-FRANCIS OIL COMPANY

BELL LAKE UNIT  
LEA COUNTY, NEW MEXICO

MORROW PARTICIPATING AREA  
EXHIBIT A

SCALE  
0' 1000' 2000'

**EXHIBIT 'B'**  
BELL LAKE UNIT - LEA COUNTY, NEW MEXICO  
SECOND EXPANSION FOR MORROW PARTICIPATING AREA

**TRACT 1**  
(tract 8)

Serial Number:	NM-02335-B	
Acreage:	79.92 acres	
Description:	Lots 3, 4, Sec. 5, T24S-R34E	
Working Interest Owner:	Kaiser-Francis Oil Company*	
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, Sec. 5, T24S-R34E	
Working Interest Owner:	Kaiser-Francis Oil Company*	
Royalty Interest Owner:	U.S.A. - All	.50000%
Overriding Royalty Owner:	Channing Brown	.75000%
	J.G. Thornhill	.21875%
	Lawrence C. Harris	.17045%
	Donald T. Desmond	
	Autrey & Collins Const.	
	Company, a partnership	.14205%
	Small Business Admin.	
	Rcvr. for Roswell SBIC	.21875%
	R. H. Hannifin	.25000%
	D. L. Hannifin	.25000%
	Ralph Nix	.25000%
	Ralph Nix, Jr.	.25000%

**TRACT 3**  
(part of  
tract 52)

Serial Number:	E-1937	
Acreage:	160.00 acres	
Description:	SE/4 Sec. 32, T23S-R34E	
Working Interest Owner:	Kaiser-Francis Oil Company*	
Royalty Interest Owner:	State of New Mexico - All	
Overriding Royalty Owner:	None	

**TRACT 4**  
(part of  
tract 55)

Serial Number:	E-5076	
Acreage:	320.00 acres	
Description:	E/2 Sec. 36, T23S-R33E	
Working Interest Owner:	Kaiser-Francis Oil Company*	
Royalty Interest Owner:	State of New Mexico - All	
Overriding Royalty Owner:	None	

**TRACT 5**  
(tract 56)

Serial Number:	E-5829	
Acreage:	160.00 acres	
Description:	SE/4 Sec. 6, T24S-R34E	
Working Interest Owner:	Kaiser-Francis Oil Company*	
Royalty Interest Owner:	State of New Mexico - All	
Overriding Royalty Owner:	None	

**TRACT 6**  
(part of  
tract 58)

Serial Number:	E-5896	
Acreage:	634.80 acres	
Description:	Lots 1, 2, 3, 4, E/2 NW/4, E/2 SW/4, SE/4 Sec. 31, SW/4 Sec. 32, T23S-R34E	
Working Interest Owner:	Kaiser-Francis Oil Company*	
Royalty Interest Owner:	State of New Mexico - All	
Overriding Royalty Owner:	None	

**TRACT 7**(part of  
tract 59)

Serial Number: E-5898  
 Acreage: 476.26 acres  
 Description: Lots 3 through 7, SE/4 NW/4, E/2  
 SW/4, NE/4 Sec. 6, T24S-R34E  
 Working Interest Owner: Kaiser-Francis Oil Company\*  
 Royalty Interest Owner: State of New Mexico - All  
 Overriding Royalty Owner: None

**TRACT 8**

(tract 72)

Serial Number: Patented  
 Acreage: 319.76 (249.8125 committed)  
 Description: Lots 1, 2, S/2 NE/4, SE/4, Sec. 5,  
 T24S-R34E  
 Working Interest Owner: Kaiser-Francis Oil Company\*  
 Royalty Interest Owner: Mary E. Thompson, Ind.  
 Exec. of Estate of  
 Dale M. Thompson .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 Admin. 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 .781%  
 Rubert Madera\*\*\* Uncommitted 9.375%  
 Ruford Madera\*\*\* Uncommitted 6.250%  
 Mildred A. Browman\*\*\*  
 Uncommitted 6.250%  
 Overriding Royalty Owner: None

**TRACT PARTICIPATION**

<u>Tract Number</u>	<u>Gross Acres</u>	<u>Committed Acres</u>	<u>Participation - %</u>
1	79.92	79.9200	3.44365%
2	240.00	240.0000	10.34130%
3	160.00	160.0000	6.89420%
4	320.00	320.0000	13.78839%
5	160.00	160.0000	6.89420%
6	634.80	634.8000	27.35272%
7	476.26	476.2600	20.52144%
8	319.76	249.8125	10.76410%
	<u>2,390.74</u>	<u>2,320.7925</u>	<u>100.00000%</u>

\* 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 9,000 feet. The working interest owners are shown below:

Perry R. Bass and Bass Enterprises	
Production Co.	11.33196%
Kaiser-Francis Oil Company	86.72036%
Brady Lowe	1.94768%

\*\* Production Payment

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



LAKE UNIT

T  
23  
S

25

-10,382

"Maddox"

30

-10,214

29

US MI

-10,108 US

36

18

-10,159

31

32

17

-10,286

DU

-9945 1-A

N

8

-10,761

4

-9805 6

14

-10,235

5

-10,340

BELL LAKE  
UNIT

12

22

PARTICIPATING  
AREA A  
(KFOC OPER)

-10883 19

-10,388 16

-10500

7 -11,000

8

20

-11,500

Bennett

Superior

Conoco

Conoco

So. Fuels

Holland MI

Richardson

US, MI

Madera S

Miz

KAISER-FRANCIS OIL COMPANY

4th ZONE MORROW  
LEA COUNTY, NEW MEXICO

100' C.I.

EXHIBIT 'C'

SCALE

0 1000' 2000'

R.33F

R.34F