

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

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

General

In the South Bell Lake Unit area the Pennsylvanian Morrow sands are encountered at depths from 13,000 feet to 14,500 feet below the surface. The Morrow section is present over the entire unit area, but the gas reservoirs occur in four major sands.

The first gas production in the Morrow was found in the Bell Lake State 3 #5, located approximately 4000 feet west of the Bell Lake Unit #1-4. The #5 well was plugged back from the Devonian and completed in the 1st and 4th Morrow sands in November 1958 by Conoco. The well had an initial calculated open flow potential of 7625 MCF of gas per day and produced 2.7 BCF of gas before being P&A'd.

The second well completed in the Morrow sand was the Bell Lake State #1-A, located approximately 2500 feet north of the Bell Lake Unit #1-4. The #1-A well was plugged back from the Devonian and completed in the 1st and 2nd Morrow sands in July 1968 by Conoco. The well had a calculated absolute open flow potential of 1989 MCF of gas per day and produced 2.3 BCF of gas prior to being P&A'd.

The Bell Lake Unit #14 well caused the initial Morrow Participating Area. The #14 well produced 33.4 BCF of gas from the 4th Morrow and is currently TA'd. The completion of the Bell Lake Unit #18 well caused the first expansion of the initial Morrow Participating Area. The #18 has a cumulative production from the 3rd and 4th Morrow of 22.0 BCF of gas, and currently produces 1160 MCF of gas per day.

Geology

The South Bell Lake Unit area is described as a series of north-south trending anticlinal closures. (See Exhibit "C") The Morrow sands are present over the entire area, occurring in four generalized zones. Reservoir quality, thickness, and areal distribution vary widely in each of the zones. The 2nd Morrow sand is the productive zone in the Bell Lake Unit #1-4. The Morrow reservoir rock is described as light gray to clear sandstone, composed of medium to coarse grained angular quartz sand.

Bell Lake Unit #1-4

Bell Lake Unit #1-4, located 1980 feet FNL and 1980 feet FWL, Sec. 6, T24S-R34E, was drilled to a total depth of 15,566 feet in the Devonian Formation. The well was initially completed in the Devonian from perforations at 14,736-14,938 for a calculated absolute open flow potential of 64 MMCF of gas per day on 5-13-57. The well produced 13.7 BCF of gas from the Devonian.

The well was recompleted in the Atoka from perforations at 12,450-486 for a calculated absolute open flow potential of 5000 MCF of gas per day on 7-7-73. The well produced 13.6 BCF of gas from the Atoka.

Beginning on 3-31-97, the Atoka perforations were squeeze cemented and the wellbore cleaned out with a CIBP set at 13,515 feet with 20 feet of cement on top. The 3rd and 4th Morrow sands were tested without success and the 2nd Morrow sand was perforated from 13,261-64, 13,267-69, 13,281-84, 13,288-90, and 13,292-94 using 2 JSPF. The 2nd Morrow was tested without stimulation on 5-1-97 for 2057 MCF of gas per day, and had a calculated absolute open flow of 5220 MCF of gas per day on 4-19-97. The zone had a measured bottom hole pressure on 4-21-97 of 5314 psi at 13,277 feet. The well averaged 2384 MCF of gas per day for May 1997, the first full month of production.



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)-827-5713

PLANNING
(505)-827-5752

March 12, 1997

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

Attn: Mr. Robert 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
cc: Reader File

OCD

BLM



563

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

February 22, 1996

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

Attention: Mr. Robert Major

Re: 1996 Plan of Development
Bell Lake Unit
Lea County, New Mexico

Dear Mr. Major:

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

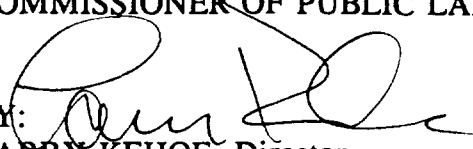
The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

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:


LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File

OCD-Roy Johnson

BLM

TRD

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1996
SOUTH BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

DEPARTMENT OF THE INTERIOR
P.O. BOX 1397
ROSWELL, NEW MEXICO 88201
ATTN: AGREEMENTS UNIT

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 1996.

SUMMARY OF 1995 OPERATIONS

The participating area "A" produced gas and liquids during 1995 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	76	0	.21	0
Morrow	377,108	458	1,033	1.3
Bone Springs	3,735	2,402	10.2	6.6
Cherry Canyon	0	0	0	0

Plan of Operation/Development
For Calendar Year 1996
South Bell Lake Unit (No. 14-08-001-1066)
Page 2

ACTIVITY IN 1995

No activity was undertaken

DEVELOPMENT IN 1996

A geological and seismic evaluation is still in progress. Depending on the results of these studies, a Devonian or Ellenburger well may be drilled in the last half of 1996.

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 12, 1996

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1996. Subsequent to that date, another Plan of Operation/Development will be submitted for approval.

Plan of Operation/Development
For Calendar Year 1996
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

[Signature]

New Mexico Oil Conservation Division

2-19-96

Date

PLAN OF OPERATION/DEVELOPMENT

OIL CONSERVATION DIVISION
RECEIVED

FOR CALENDAR YEAR 1995

1995 APR 27 PM 8 52

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

LEA COUNTY, NEW MEXICO

DEPARTMENT OF THE INTERIOR
P. O. BOX 1397
ROSWELL, NEW MEXICO 88201
ATTN: AGREEMENTS UNIT

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

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 Operations/Development for the year 1995.

SUMMARY OF 1994 OPERATIONS

The participating area "A" produced gas and liquids during 1994 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	2,681	0	7	0
Morrow	408,820	365	1,120	1.0
Bone Springs	1,417	893	4	2.5
Cherry Canyon	549	786	2	2.2

ACTIVITY IN 1994

During 1994, the Bell Lake S. #1 and #12 became uneconomical to operate and were shut down. A workover to repair a casing leak was performed on the Bell Lake S. #3, and the well was restored to production. Also during 1994, a 3-D seismic survey was conducted in the Bell Lake S. area. The interpretation of this data is in progress, and depending on the results of this interpretation, a Devonian well may be drilled in the 4th quarter of 1995.

DEVELOPMENT IN 1995

No changes in operations and no workovers or recompletions are planned for 1995.

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 4, 1995

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1995. 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

[Signature]

New Mexico Oil Conservation Division

Date

4/18/95

Date



563

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

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

SANTA FE, NEW MEXICO 87504-1148

CERTIFIED LETTER - RETURN RECEIPT REQUESTED

March 18, 1994

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

Attn: Mr. James A. Willis

Re: Bell Lake Unit
Bell Lake Cherry Canyon Well
Section 31-23S-34E
Lea County, New Mexico

Dear Mr. Willis:

We have been notified by the Taxation and Revenue Division that Kaiser-Francis Oil Company has applied for a Production Unit Number for the Bell Lake State Well No. 12-J. This well is located in Section 31, Township 23 South, Range 34 East and lies within the boundaries of the Bell Lake Unit Agreement.

Since the Bell Lake State (Unit) Well No. 12-J lies within the unit boundaries, a commercial well determination for this well should be submitted. If this well is a commercial well you will also be required to submit an application for the first expansion of the Cherry Canyon Participating Area and change the name to the Bell Lake Unit Well No. 12-J.

Our records show that our previous letter of March 16, 1993, is still unanswered. You are requested to submit this data within 30 days from the date of this letter.

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

BY:

Floyd O. Prando
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744

JB/FOF/pm

encls.

cc: Reader File

BLM

OCD

PLAN OF OPERATION/DEVELOPMENT

FOR CALENDAR YEAR 1994

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

LEA COUNTY, NEW MEXICO

DEPARTMENT OF THE INTERIOR
P.O. BOX 1397
ROSWELL, NEW MEXICO 88201
ATTN: AGREEMENTS UNIT

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

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 1994.

SUMMARY OF 1993 OPERATIONS

The participating area "A" produced gas and liquids during 1993 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	422,265	10,177	1,157	27.9
Morrow	649,030	693	1,778	1.9
Bone Springs	6,993	1,413	19	3.9
Cherry Canyon	5,046	1,520	14	4.2

ACTIVITY IN 1993

No activity was undertaken.

D-
Unit letter
Tx

RECEIVED
OIL CONSERVATION DIVISION
MAY 8 1994

Plan of Operation/Development
For Calendar Year 1994
South Bell Lake Unit (No. 14-08-001-1066)
Page 2

DEVELOPMENT IN 1994

Based on a geologic and engineering review of the South Bell Lake Unit area, a 3-D seismic survey will be conducted over the Unit. Additional development will be contingent upon evaluation of the seismic survey.

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: March 15, 1994

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1994. Subsequent to that date, another Plan of Operation/Development will be submitted for approval.

Plan of Operation/Development
For Calendar Year 1994
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

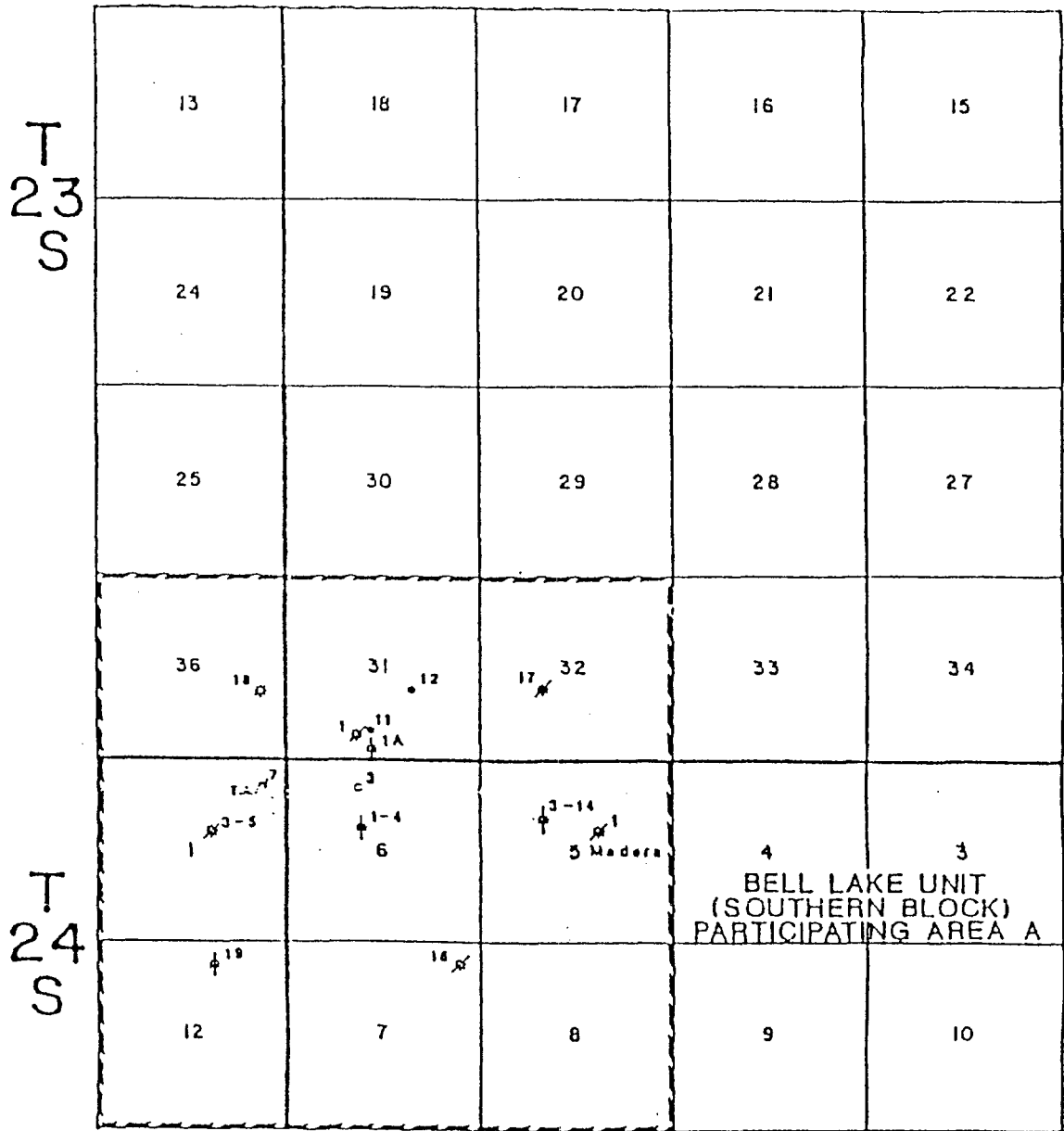
Date

[Signature]

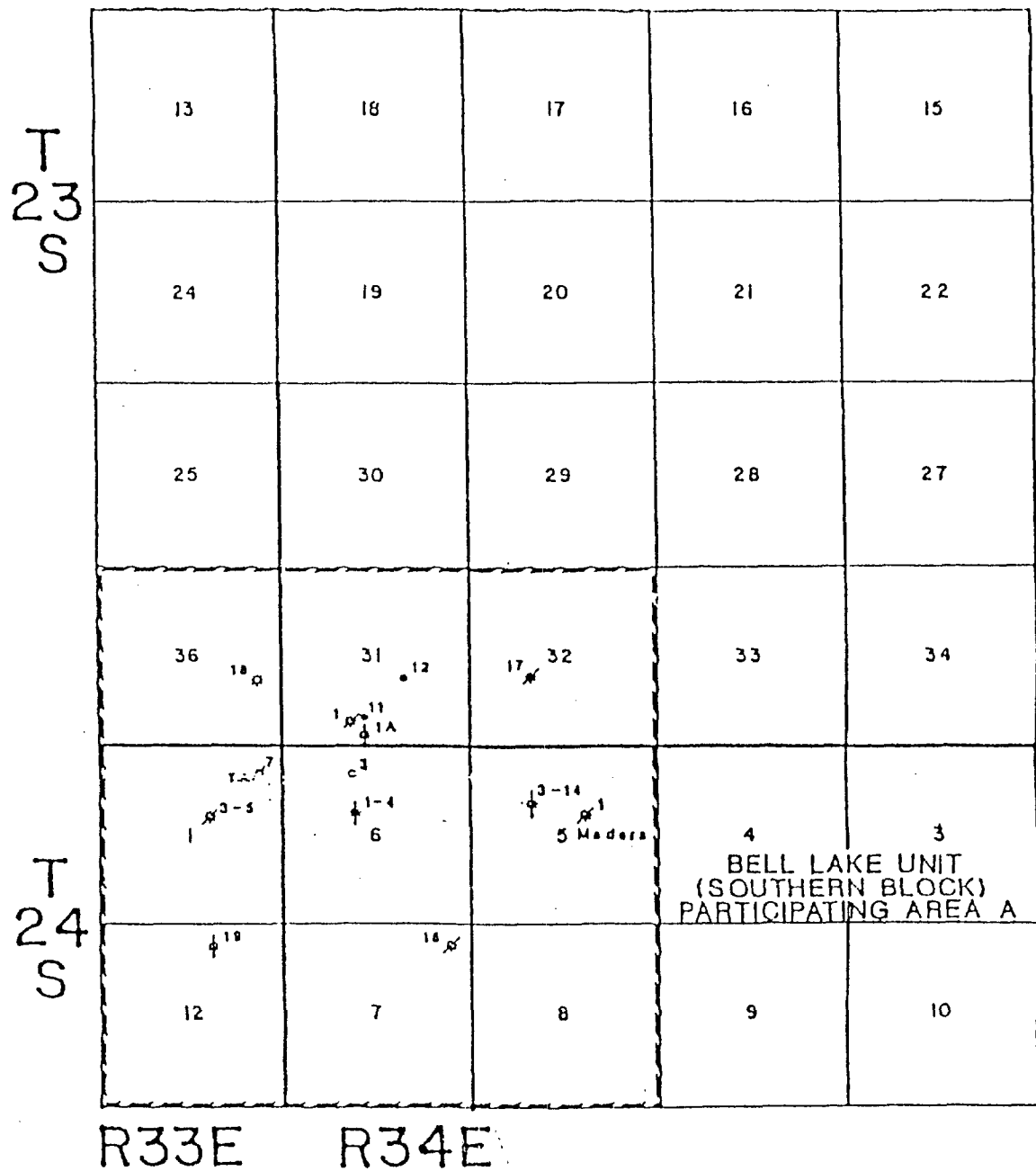
New Mexico Oil Conservation Division

3/14/94

Date



KAISER FRANCIS OIL CO.
SOUTH BELL LAKE UNIT Lea County, New Mexico
LOCATION MAP

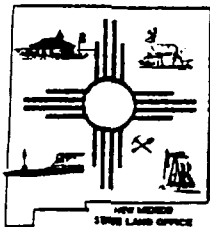


KAISER FRANCIS OIL CO.

SOUTH BELL LAKE UNIT

Lea County, New Mexico

LOCATION MAP



State of New Mexico
Commissioner of Public Lands

#563

W. R. Humphries
COMMISSIONER

Advisory Board

George Clark
Chairman

Kristin Conniff
Vice Chairman

Melvin Cordova
Joe Kelly

Robert Portillos

Nancy Lynch Vigil

Rex Wilson

April 23, 1990

Conoco Inc.
P.O. Box 460
Hobbs, New Mexico 88241

ATTN: Mr. David Strople

RE: Bell Lake Unit
1990 Plan of Development

Gentlemen:

The Commissioner of Public Lands has this date approved the 1990 Plan of Development for the Bell Lake Unit. 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 will be contacted at a later date regarding these possibilities.

Enclosed is an approved copy of the 1990 Plan of Development for your files. If we may be of further help, please do not hesitate to contact this office at (505) 827-5746.

Very truly yours,

W.R. HUMPHRIES,
COMMISSIONER OF PUBLIC LANDS

BY:

F. Coyote Prando

FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5746

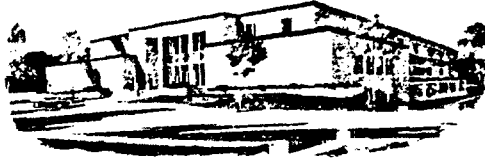
cc: OCD - Santa Fe, New Mexico
BLM
Unit Correspondence File
Unit P.O.D. File

WRH/FOP/SMH

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

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

April 4, 1989

563

Conoco Inc.
P.O. Box 460
Hobbs, New Mexico 88240

ATTN: D.L. Wacker

RE: 1989 Plan of Development
Bell Lake Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned 1989 Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

Enclosed is a copy for your files.

If we may be of further help, please do not hesitate to contact us.

Very truly yours,

W.R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

cc:OCD
BLM

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1989
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

DEPARTMENT OF THE INTERIOR
P. O. BOX 1397
ROSWELL, NEW MEXICO 88201
ATTN: AGREEMENTS UNIT

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

Gentlemen:

In compliance with Section 10 of the Bell Lake Agreement dated May 12, 1953, Conoco, as Unit Operator, hereby submits for approval a Plan of Operation/Development for the year 1989.

SUMMARY OF 1988 OPERATIONS

The participating areas produced gas and liquids during 1988 as shown below:

<u>Participating Area</u>	<u>For Year Through 12/31</u>		<u>Daily Average</u>	
<u>Area "A"</u>	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Morrow	330,631	250	1276	.96
Bone Springs	3,380	1,868	10	5.60
Cherry Canyon	9,915	1,663	27	4.60
<u>Area "B"</u>				
Devonian	351,929	237	1,026	.69

ACTIVITY IN 1988

Cherry Canyon

After a successful Cherry Canyon recompletion in 1987, production declined significantly in the #11 well due to wellbore damage. During remedial operations in April, 1988, the casing collapsed forcing the

Plan of Operation/Development
For Calendar Year 1989
Bell Lake Unit (No. 14-08-001-1066)
Page 2

wellbore to be plugged and abandoned. In November, 1988, work was begun on the Bell Lake State 1 No. 1A (loc. Sec. 31, T-23S, R-34E) to recomplate to the "G" Sand of the Cherry Canyon. This recompletion was designed to access the reserves lost when the #11 well was PA'd.

Morrow

In May, 1988, an attempt was begun to return the No. 14 well to production by plugging out of the lower Morrow and perforating the upper Morrow. The upper Morrow was wet and the well is currently SI.

Devonian

A Devonian/Ellenburger test well was evaluated at a location 1 mile NE of the Bell Lake Unit 2 No. 6 (Sec. 6, T-23S, R-34E). This project was submitted to partners. Due to project disapproval or no response from all partners, the project was cancelled.

DEVELOPMENT IN 1989

Work is currently underway to recomplate the Bell Lake State 1 No. 1A to the Cherry Canyon as discussed in the Activity in 1988 section.

No other activity is planned in 1989.

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 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.

Plan of Operation/Development
For Calendar Year 1989
Bell Lake Unit (No. 14-08-001-1066)
Page 3



EFFECTIVE DATE

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

Date: March 15, 1989

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1989. Subsequent to that date, another Plan of Operation/Development will be submitted for approval.


D. L. Wacker
Division Manager
Conoco Inc.
Hobbs, New Mexico 

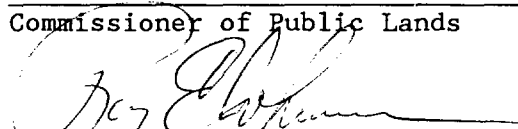
Approved:

Bureau of Land Management

Date

Commissioner of Public Lands

Date



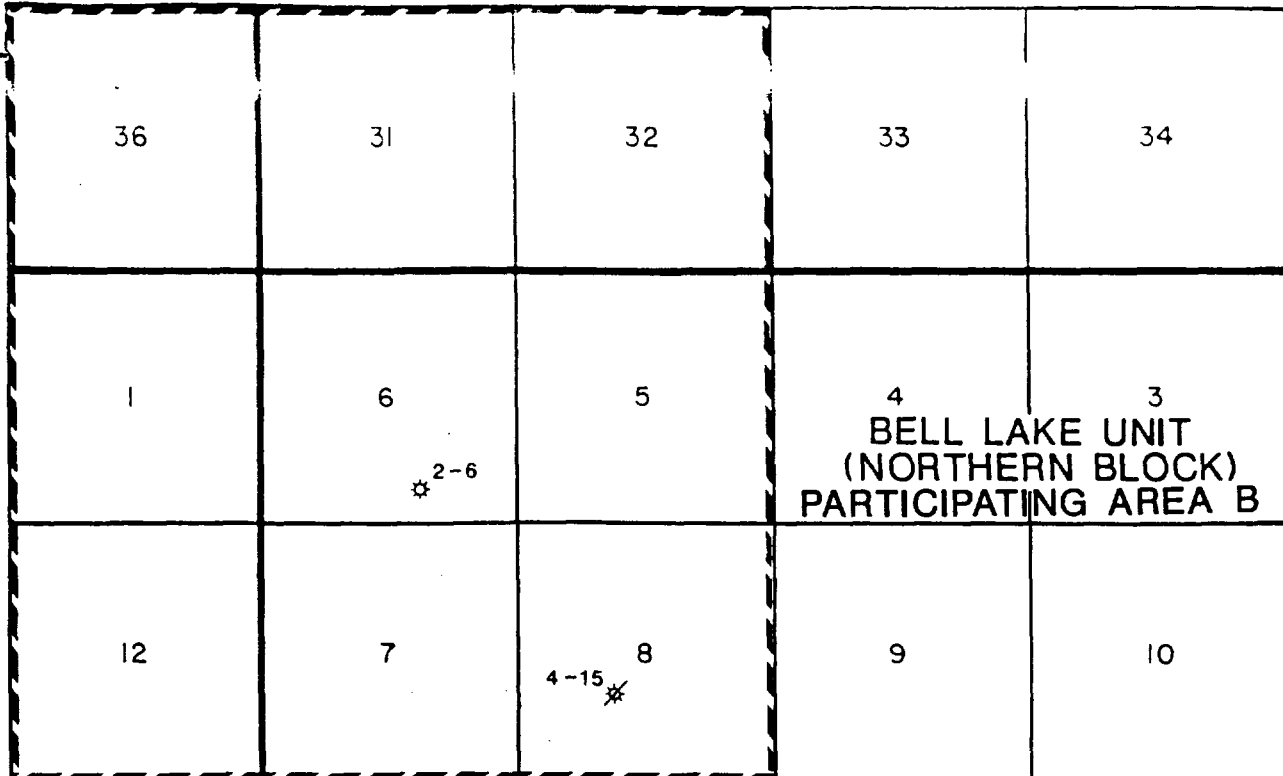
New Mexico Oil Conservation Division

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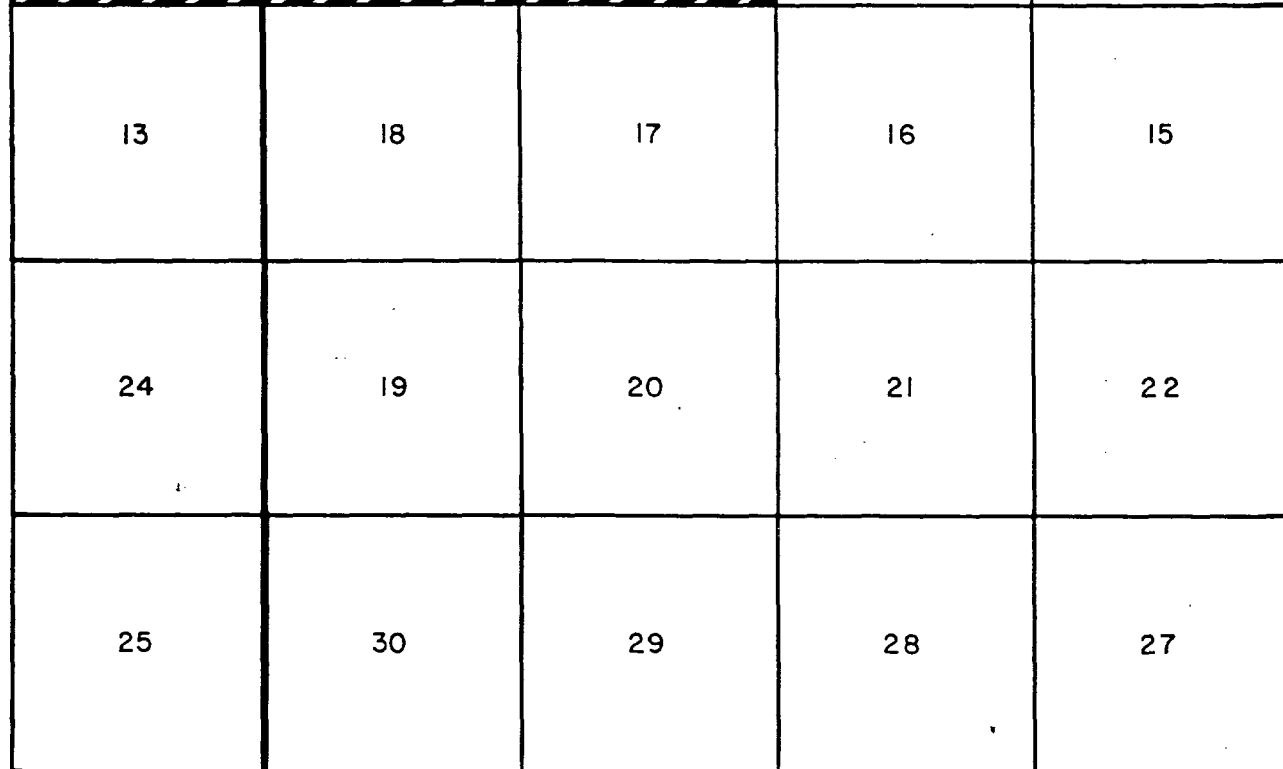
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BELAKEPL

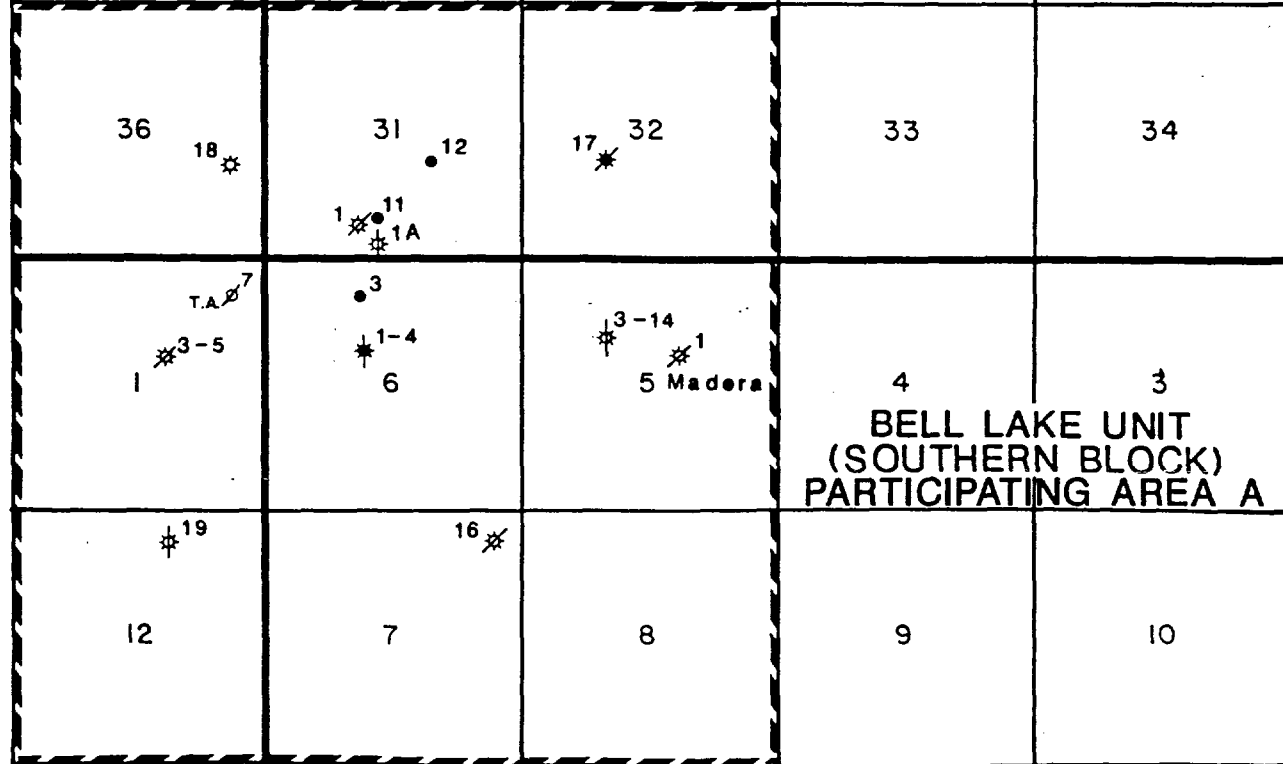
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PRODUCTION
DEPARTMENT

CONOCO

HOBBS
DIVISION

BELL LAKE UNIT
LOCATION MAP

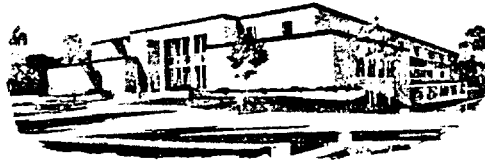
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S.B.



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO OG-724

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

March 24, 1988

Conoco, Inc.
Attn: Mr. D. L. Wacker
P. O. Box 460
Hobbs, New Mexico 88241-0460

Re: 1988 Plan of Development
Bell Lake Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1988 Plan of Development for the above captioned unit area.

Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.
cc: OCD
BLM

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1988
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

DEPARTMENT OF THE INTERIOR
P. O. BOX 1397
ROSWELL, NEW MEXICO 88201
ATTN: AGREEMENTS UNIT

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

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Conoco, as Unit Operator, hereby submits for approval a Plan of Operation/Development for the year 1988.

SUMMARY OF 1987 OPERATIONS

The participating areas produced gas and liquids during 1987 as shown below:

<u>Participating Area</u>	<u>For Year Through 12/31</u>		<u>Daily Average</u>	
<u>Area "A"</u>	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Morrow	394,782	309	1,082	1
Bone Springs	2,003	3,354	5	9
Cherry Canyon	7,881	2,314	22	58
<u>Area "B"</u>				
Devonian	417,170	859	1,143	2

Remedial - Recompletion Work During 1987

Cherry Canyon

The Bell Lake Unit No. 11 located in Section 31, T-23S, R-34-E (see attached plat) was recently recompleted to the Cherry Canyon as a Wildcat discovery (2-87). The Bell Lake Unit No. 12 was also recompleted from the Bone Springs to the Cherry Canyon with limited success. Recompletion of the BLU No. 3 is pending further evaluation of this newly established pool, and may be carried out in 1988.

Morrow

Several recompletions are planned in the southern participating area, beginning with the Bell Lake Unit No. 14. The existing depleted production interval will be plugged back and additional pay in the Morrow will be tested. We will begin recompletion operations on the BLU No. 14 located in Section 5, T-24-S, R-34-E during April, 1988. Partner approval has already been received for this work. Similar work will be performed in the BLU No's 4, 19, and 18.

Devonian

Pending the completion of the above recompletion plan, the BLU 2 No. 6, located in Section 6, T-23-S, R-34-E, will be considered for recompletion to the Morrow Formation. This work depends on a number of factors, i.e.: profitability, and the gas market, etc.

Proposed Development During 1988

A Devonian well with a deep test to the Ellenburger is proposed for the northern block in Section 6 of T-23-S, R-34-E. Pending sufficient partner approval we plan to spud this well in September, 1988, and be ready to produce the dual gas well by April, 1989. Additionally, depending upon further evaluation of the above mentioned Cherry Canyon recompletions, consideration will be given to drilling offsets to the existing BLU No's 3, 11 and 12.

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 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

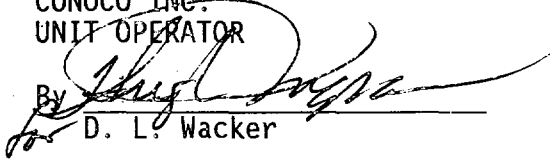
This Plan of Operation/Development shall be effective upon approval by the Supervisor, Commissioner, and Division.

Date: March 15, 1988

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1988. Subsequent to that date, another Plan of Operation/Development will be submitted for approval.

CONOCO INC.
UNIT OPERATOR

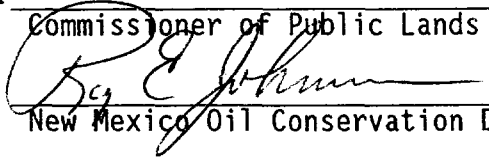
By 
D. L. Wacker

APPROVED _____
Bureau of Land Management

DATE _____

APPROVED _____
Commissioner of Public Lands

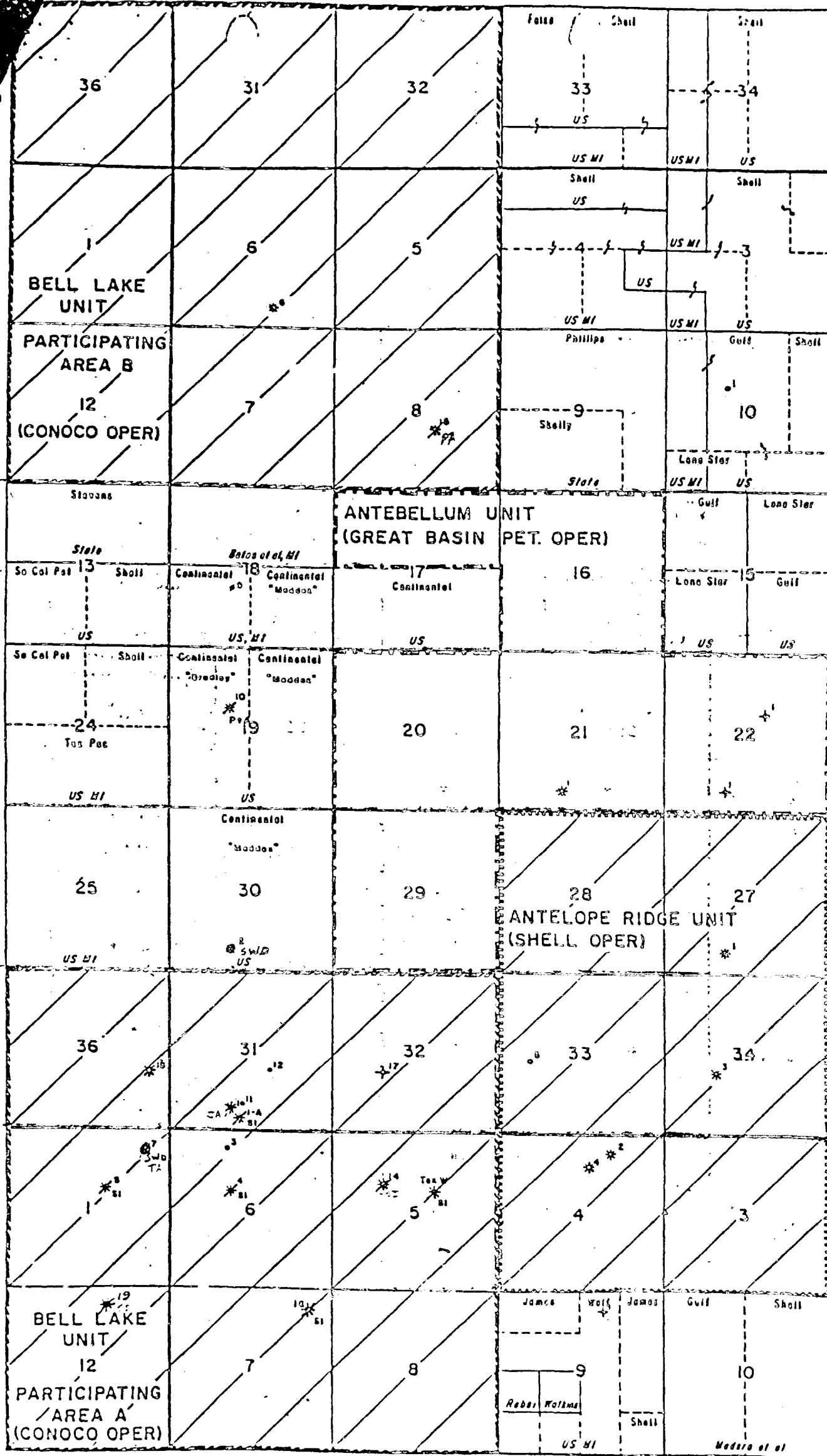
DATE _____

APPROVED 
New Mexico Oil Conservation Division

DATE 3/21/88

HAI:mgt
3/15/88

133
134



R33E R34E

CONOCO	
PRODUCTION DEPARTMENT	HOBBS DIVISION
SCALE	

Bell Lake Area
Production History - 1987

Bone Spring

Well No.

JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

3 Oil 89 246 299 274 116 171 185 150 60 283 191 203
Gas 76 246 17 26 123 171 107 112 59 182 48 103
Wat 45 86 105 96 78 205 220 180 72 201 109 116

11 Oil 50
Gas 73 Recompleted
Wat 267 to Cherry Canyon

12 Oil 224 129 134 119 272 120 183 150 60 283 191 203
Gas 171 42 42 66 369 258 107 112 59 182 48 103
Wat 448 415 431 383 854 360 Recompleted to Cherry Canyon

Lease Total Oil 363 375 433 393 388 291 183 150 60 283 191 203
Gas 320 501 59 92 492 429 107 112 59 182 48 103
Wat 760 536 479 932 565 220 220 72 201 109 116

Morrow

18 Oil 32 4 6 F 23 19 30 24 52 65 46 8
Gas 28491 16195 23346 25495 41836 39580 37538 48366 48418 55867 13205
Wat 96 12 18 69 57 90 72 156 195 138 24

Lease Total Oil 32 4 6 F 23 19 30 24 52 65 46 8
Gas 28491 16195 23346 25495 41836 39580 37538 48366 48418 55867 13205
Wat 96 12 18 69 57 90 72 156 195 138 24

Devonian

2 #6 Oil 98 71 110 86 106 91 84 92 7 3 52 59
Gas 26348 28904 36695 34752 39662 36170 38099 35219 32093 37707 37340 34181
Wat 9164 9828 10824 13555 17374 12611 13216 19616 13053 12981 16225 11332

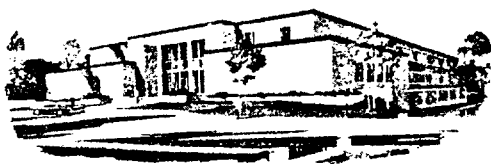
Lease Total Oil 98 71 110 86 106 91 84 92 7 3 52 59
Gas 26348 28904 36695 34752 39662 36170 38099 35219 32093 37707 37340 34181
Wat 9164 9828 10824 13555 17374 12611 13216 19616 13053 12981 16225 11332

Well No.		<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>
<u>Cherry Canyon</u>													
11	Oil					2214	1964	1526	1390	832	360	343	378
	Gas					802	1332	674	1069	918	309	394	870
	Wat					3626	454	2671	2433	4992	3654	3481	3837
12	Oil							151	SI	153	200	184	204
	Gas										61	75	167
	Wat							1057		1071	1542	1787	1981
Lease Total	Oil					2214	1964	1677	1390	985	560	527	582
	Gas					802	1332	674	1069	918	370	469	1037
	Wat					3626	454	3728	2433	6063	5596	5268	5818

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO. OG-647

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

January 14, 1988

Conoco, Inc.
ATTENTION: Mr. R. E. Ireland
P. O. Box 460
Hobbs, New Mexico 88240

Re: Bell Lake Unit, Initial Cherry
Canyon Participating Area, Lea
County, New Mexico

Gentlemen:

This office is in receipt of your application wherein as operator of the Bell Lake Unit, Lea County, New Mexico, you have determined that the Bell Lake Unit Well No. 11 is commercially productive and have requested our approval of the Initial Participating Area for the Cherry Canyon Formation.

The Commissioner of Public Lands concurs with your commercial determination, and has this date approved your request.

The Initial Cherry Canyon Participating Area is effective March 1, 1987, and covers the S/2SW/4 of Section 31, Township 23 South, Range 34 East, 80.00 acres. Our approval is subject to like approval by the Bureau of Land Management.

Please submit a revised Exhibit "B" Schedule of the above mentioned participating area. The correct description should be S/2SW/4 Section 31, T-23-S, R-34-E.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

WILLIAM R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

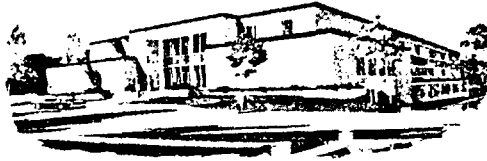
WRH/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez
GULRAM
TRD-Oil and Gas Processing

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO. OG-589

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

November 23, 1987

Conoco, Inc.
ATTENTION: Mr. R. E. Ireland
P. O. Box 460
Hobbs, New Mexico 88240

Re: Bell Lake Unit
Termination of Devonian Participating Area "A"

Gentlemen:

The Bureau of Land Management has advised this office that the Devonian Formation Participating Area "A" for the Bell Lake Unit was terminated effective as of July 31, 1973.

The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date also terminated the above mentioned Participating Area. The effective date is July 31, 1973, being the date the Devonian Zone was abandoned.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

WILLIAM R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Roswell, New Mexico
GULRAM
TRD-Oil and Gas Processing

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

January 6, 1988

SLO REF NO. OG-638

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

Conoco, Inc.
ATTENTION: Mr. R. E. Ireland
P. O. Box 460
Hobbs, New Mexico 88240

Re: Bell Lake Unit Termination of
Devonian Participating Area "A"
Lea County, New Mexico

Gentlemen:

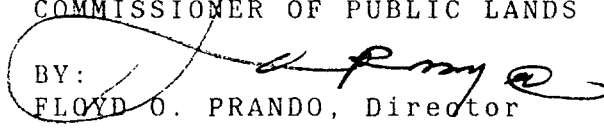
This office is in receipt of your letter of December 4, 1987, together with additional correspondence between Conoco, Inc. and the Bureau of Land Management concerning the Devonian "A" Participating Area.

The Commissioner of Public Lands concurs with the Bureau of Land Management and your interpretation of the unit agreement, that any active well at any depth within the participating areas will maintain your rights and obligations to the Bell Lake Unit, and keep this unit in an active status.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

WILLIAM R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Roswell, New Mexico

APPLICATION FOR APPROVAL OF THE INITIAL PARTICIPATING
AREA FOR THE CHERRY CANYON FORMATION, BELL LAKE UNIT
LEA COUNTY, NEW MEXICO

Bureau of Land Management
1717 W. Second Street
P.O. Box 1397
Roswell, New Mexico 88201
Attn: Armando Lopez

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

New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico
Attn: William J. LeMay

In conformance with the provisions of Section 11 of the Unit Agreement dated May 12, 1953, affecting lands in the Bell Lake Unit, Lea County, New Mexico, Conoco Inc., Unit Operator, hereby submits for your approval a schedule of acreage which, upon your respective approvals, will constitute the initial Participating Area for the Cherry Canyon Formation of Delaware sand. Recompletion of the Bell Lake Unit Well No. 11 has shown the Cherry Canyon Formation to be commercially productive of oil and gas. The proven area is considered to include the S/2 SW/4 of Section 31, T-23-S, R-34-E, Lea County, New Mexico.

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

1. A map marked Exhibit "A" showing the Bell Lake Unit Devonian Participating Area "A", and the area of the proposed Cherry Canyon Participating Area.
2. A schedule marked Exhibit "B" showing the participating percentage of each lease included in the proposed initial Participating Area.
3. A structure map marked Exhibit "C" contoured on top of the shale marker directly above the pay zone.
4. A copy of a part of the log marked Exhibit "D" showing the Cherry Canyon Formation penetrated, perforated, and tested.
5. Engineering and Geologic report marked Exhibit "E" describing pertinent information and reservoir data in regard to the Cherry Canyon reservoir as found in Well No. 11.

Unit operator respectfully requests that the Supervisor of the Bureau of Land Management, the Commissioner of Public Lands, and the Oil Conservation Commission, State of New Mexico, approve this schedule of acreage to constitute the initial Cherry Canyon Participating Area, to be effective March 1, 1987, the first of the month following the date of recompletion of said Well No. 11.

Respectfully submitted,
Conoco Inc.



R. E. Irelan
Division Manager

Approved:

Bureau of Land Management

Date

Commissioner of Public Lands

Date

New Mexico Oil Conservation Commission

Date

HAI/tm

<p>25</p> <p>US MI</p> <p>Humble</p> <p>36</p> <p>E-5076</p> <p>State</p>	<p>30</p> <p>US</p> <p>Conoco</p> <p>31</p> <p>E-5896</p> <p>State</p>	<p>29</p> <p>State MI</p> <p>US MI</p> <p>Conoco</p> <p>Phillips</p> <p>32</p> <p>E-5896</p> <p>E-1937</p> <p>State</p>
<p>23</p> <p>3</p> <p>Conoco</p> <p>E-5898</p> <p>Conoco</p> <p>E-490</p> <p>State</p>	<p>38.62</p> <p>38.68</p> <p>38.72</p> <p>38.78</p> <p>39.00</p> <p>39.12</p> <p>39.26</p> <p>39.35</p> <p>39.41</p> <p>39.47</p> <p>39.53</p> <p>Conoco</p> <p>E-5898</p> <p>E-5829</p> <p>LC061374A</p> <p>LC066653</p> <p>US</p> <p>Phillips et al</p>	<p>Tripor</p> <p>Conoco</p> <p>NMO2335B</p> <p>Conoco</p> <p>5</p> <p>LC061374A</p> <p>US</p> <p>Buckeye et al</p> <p>Conoco</p> <p>LC066653</p> <p>Tripor</p> <p>8</p> <p>Conoco</p> <p>Lowe</p> <p>Carter</p> <p>Phillips et al</p>
<p>24</p> <p>3</p> <p>Conoco</p> <p>E-490</p> <p>State</p>	<p>39.35</p> <p>39.41</p> <p>39.47</p> <p>39.53</p> <p>Conoco</p> <p>E-5898</p> <p>E-5829</p> <p>LC061374A</p> <p>LC066653</p> <p>US</p> <p>Phillips et al</p>	<p>Tripor</p> <p>Conoco</p> <p>NMO2335B</p> <p>Conoco</p> <p>5</p> <p>LC061374A</p> <p>US</p> <p>Buckeye et al</p> <p>Conoco</p> <p>LC066653</p> <p>Tripor</p> <p>8</p> <p>Conoco</p> <p>Lowe</p> <p>Carter</p> <p>Phillips et al</p>



	
PRODUCTION DEPARTMENT	HOBBS DIVISION
<p>BELL LAKE UNIT</p> <p>LEA COUNTY, NEW MEXICO</p> <p>ATOKA PARTICIPATING AREA</p> <p>EXHIBIT A</p>	
<p>SCALE</p>  <p>0' 1000' 2000'</p>	
VTL I-73	erw

EXHIBIT "A"

EXHIBIT "B"
BELL LAKE UNIT - LEA COUNTY, NEW MEXICO
INITIAL PARTICIPATING AREA FOR THE CHERRY CANYON FORMATION

Tract 1	Serial Number:	E-5896
	Acreage:	80 acres
	Description:	S/2 SW/4 Section 31, T-24-S, R-34-E
	Working Interest:	Conoco Inc. 100%
	Royalty Interest:	State of New Mexico

PARTICIPATION

Tract 1	100%
---------	------

COMPANY CONTINENTAL OIL COMPANY
WELL BELL LAKE UNIT NO. 11
LOCALITY BELL LAKE
COUNTY LEA STATE NEW MEXICO

EXHIBIT "D"

SCHL. FR 8881
SCHL. TD 8893
DRLR TD 8900
Elev: KB 3629
DF 3627
GL 3617

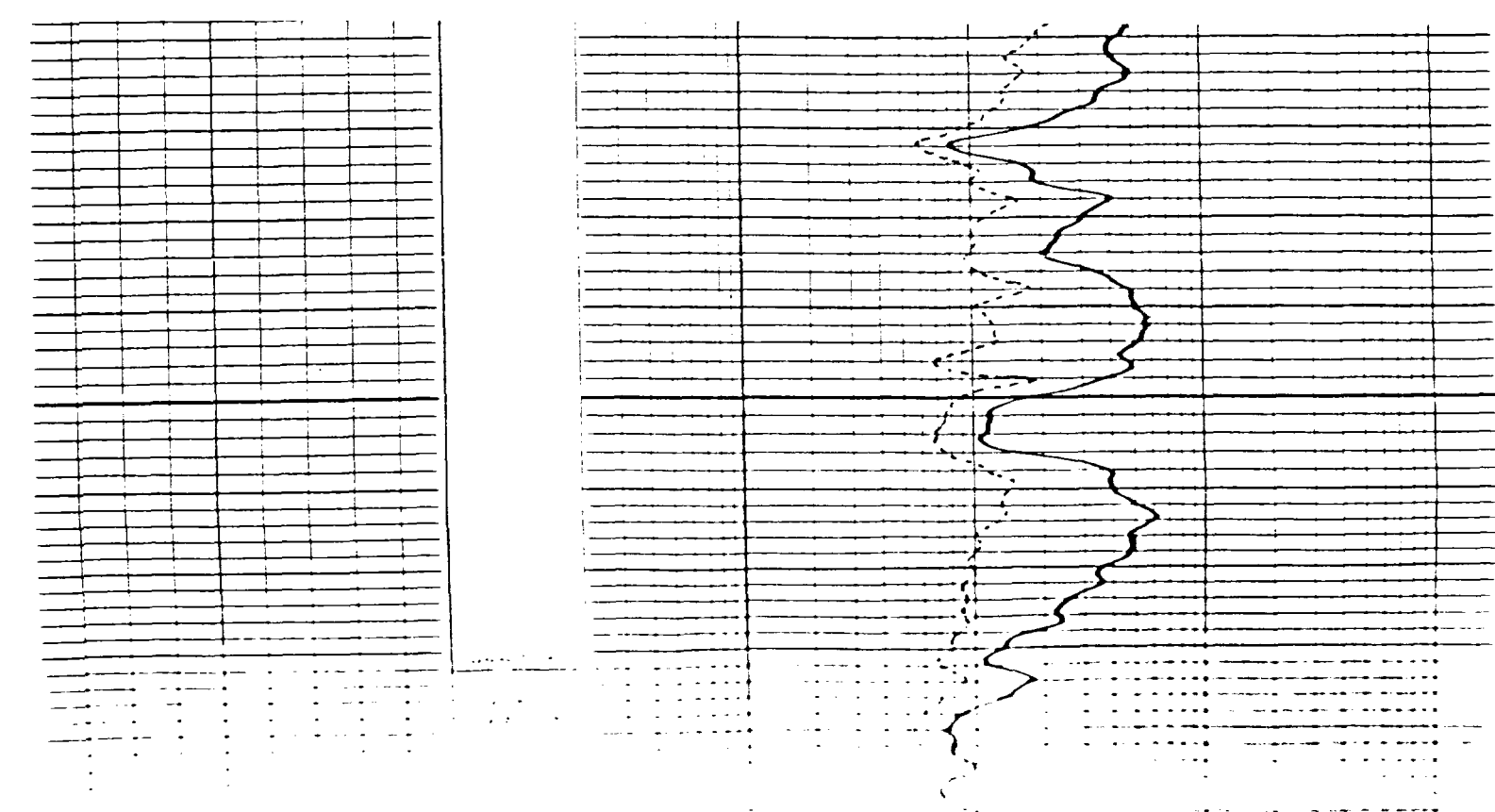
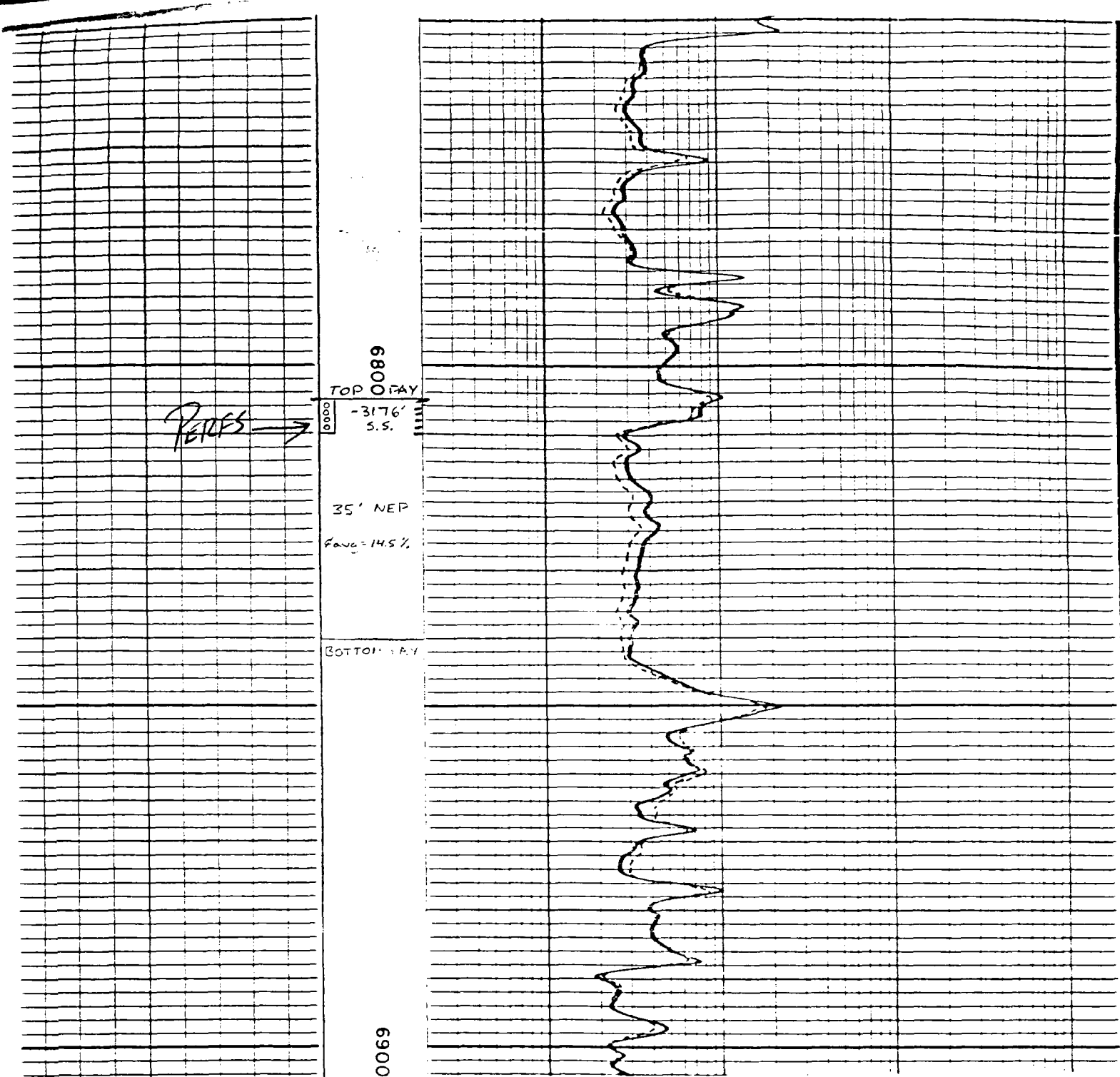
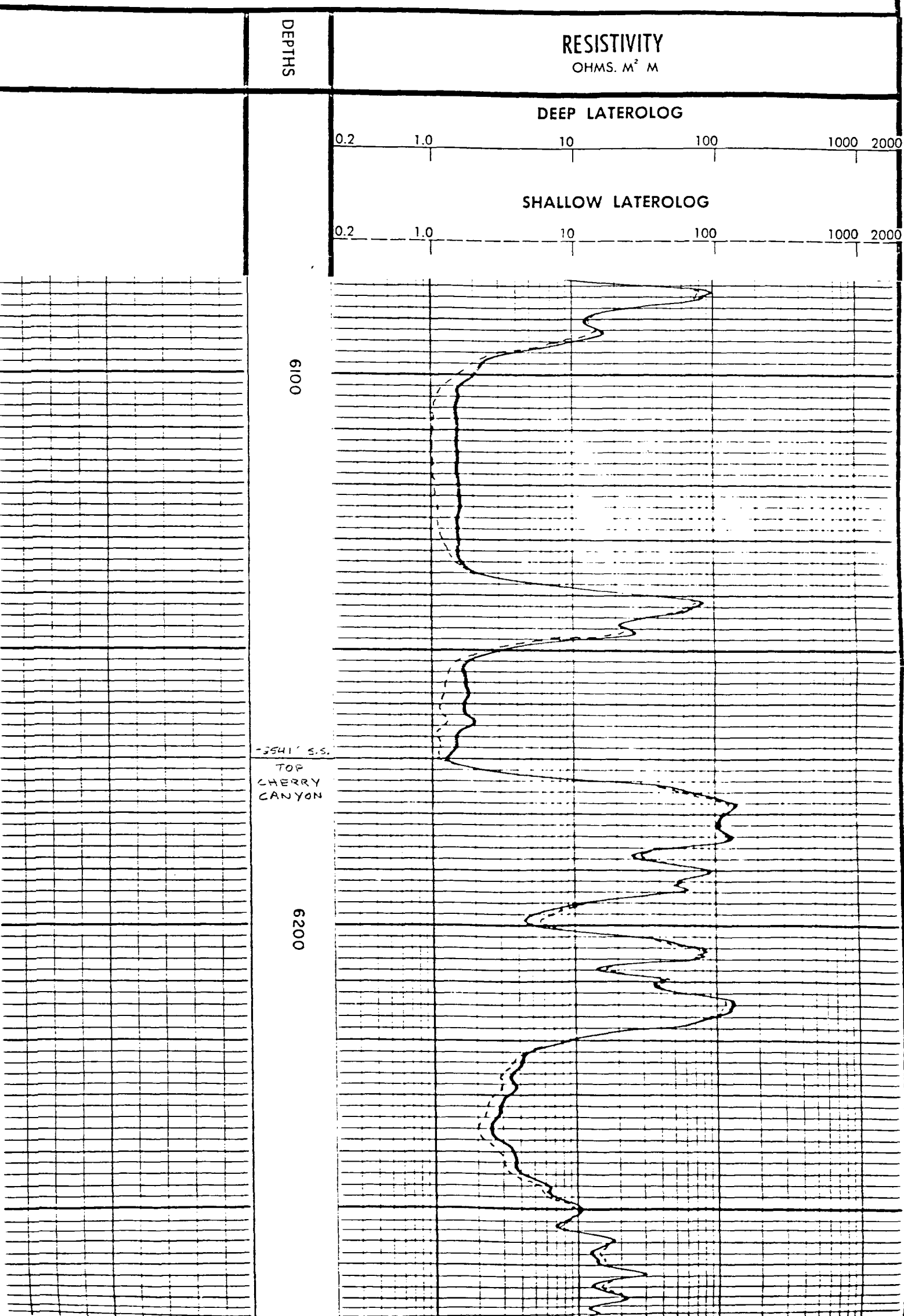


Exhibit "E"
Engineering and Geological Report
Cherry Canyon Delaware Reservoir of the Bell Lake Unit Area

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

General

The first indication of oil production possibilities in the Cherry Canyon member of the Delaware formation was found in the Bell Lake Unit No. 1 when it was DST'd across this interval. This well later blew out in the Atoka and was junked and abandoned. This DST was not believed to be very encouraging, and as a result the Cherry Canyon interval was not tested again until a recompletion of the Bell Lake Unit No. 11 was attempted. This well was a Pine Spring Completion in the same quarter quarter section as the J&A'd Bell Lake Unit No. 1. On February 14, 1987 this well was recompleted to the Cherry Canyon formation for an IP of 263 BOPD, 250 MCFPD and 182 BWPD. This well still represents the only commercial Cherry Canyon production in the Bell Lake Unit. A similar test in the Bell Lake Unit No. 12 proved to be unsuccessful.

Geology

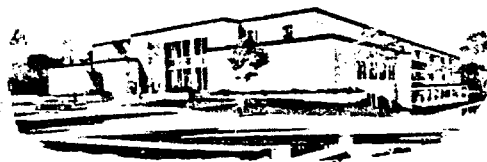
The Bell Lake Cherry Canyon reservoir is described as a submarine channel deposit with a north-south orientation. The productive Cherry Canyon interval has been designated the "G" Sand. The "G" Sand connotation was derived from regionally correlative shale markers within the Cherry Canyon section. The "G" Shale Marker represents the seventh shale marker below the top of the Manzanita Lime.

The "G" Sand is productive within the South Bell Lake Unit, Bell Lake No. 11, because it is draping over a lower-Paleozoic structural nose. This draping produces three-way structural closure within the "G" Sand. Four-way closure is provided by the up-dip stratigraphic pinchout of the reservoir quality "G" Sand. Reservoir quality sands are described as having greater than 15% porosity and less than 50 A.P.I. Gamma Ray deflection. The reservoir lithology, based on a description of samples in the Bell Lake Unit No. 2, located in SE/4 SW/4, Section 30, T23S, R34E, is described as very fine grained sand (silt), light grey to green in color, micaceous, and laminated with black shales.



State of New Mexico

#563



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

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

March 30, 1987

Conoco, Inc.
ATTENTION: Mr. H. A. Ingram
P. O. Box 460
Hobbs, New Mexico 88240

Re: Bell Lake Unit
Lea County, New Mexico
1986-1987 Plan of Development

Gentlemen:

The Commissioner of Public Lands has this date approved your 1986-1987 Plan of Development for the Bell Lake Unit Area, Lea County, New Mexico. Such plan provides for evaluating a Devonian-Morrow prospect in the S/2 of Section 7, T-23-S, R-34-E (Participating Area "B"), for the drilling in late 1986 or early 1987.

Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours.

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prado*

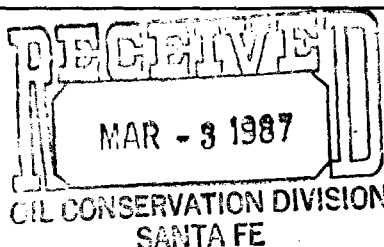
FLOYD O. PRADO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
Gulram, Inc.



Production Department
Hobbs Division
North American Production



Conoco Inc.
P.O. Box 460
726 East Michigan
Hobbs, NM 88240
(505) 393-4141

February 27, 1987

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

Attention Bill LeMay

Gentlemen:

PLAN OF OPERATION/DEVELOPMENT - BELL LAKE UNIT, LEA COUNTY, NEW MEXICO

Attached for your approval are copies of the subject Plan for the years 1986 and 1987. Please return one approved copy for our file.

Yours very truly,

H. A. Ingram
Conservation Coordinator

tr

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDER YEAR, 1986
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

DEPARTMENT OF THE INTERIOR
P.O. BOX 1397
ROSWELL, NEW MEXICO 88201
ATTN: AGREEMENTS UNIT

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

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Conoco., as Unit Operator, hereby submits for approval a Plan of Operation/Development for the year 1986.

SUMMARY OF 1985 OPERATIONS

The participating areas produced gas and liquids during 1985 as shown below:

<u>Participating Area</u>	<u>For Year Through 12-31</u>		<u>Daily Average</u>	
<u>Area "A"</u>	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Bone Spring	6,467	6,699	18	18
Morrow	337,135	423	924	1
<u>Area "B"</u>				
Devonian	366,753	920	1,005	3

REMEDIAL - RECOMPLETION WORK DURING 1986

A recompletion of the Bell Lake Unit 4 No. 15, located in Section 8, T-23S, R-34E, was attempted from the Morrow formation to the Bone Springs. However, this zone was determined to be non-commercial and the well was P & A'd. A disposition/reservoir study will be initiated during the 3rd quarter of 1986, with the intent of evaluating the current profitability of the unit and its future potential. We are evaluating a Devonian-Morrow prospect in the S/2 Section 7, T-23-S, R-34-E (Participating Area "B"), for drilling in late 1986 or early 1987.

Plan of Operation/Development
For Calender Year 1985
Bell Lake Unit (No. 14-08-001-1066)

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 Bell Lake Unit.

MODIFICATION

It is understood that portions of this 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/Develoment shall be effective upon approval by the Supervisor, Commissioner, and Division.

Date:

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1986. Subsequent to that date, another Plan of Operation/Development will be submitted for approval.

CONOCO INC.
UNIT OPERATOR

By 
for R. E. Irelan

APPROVED _____
Bureau of Land Management

Date _____

APPROVED _____
Commissioner of Public Lands

Date _____

APPROVED 
New Mexico Oil Conservation Division

Date 3-4-87

HAI:tm 2-27-87

Bell Lake Area 1985 Production - Oil (bbl)

Well Name/No.	January	February	March	April	May	June	July	August	September	October	November	December	Total
Bell Lake Unit 3	179	201	137	0	330	231	154	218	190	216	224	192	2272
Bell Lake Unit 11	90	146	164	103	120	19	142	218	147	123	149	192	1613
Bell Lake Unit 12	247	10	384	285	300	290	202	261	219	246	187	183	2814
Total Bone Spring	516	357	685	388	750	540	498	697	556	585	560	567	6699
Bell Lake Unit 18	29	20	70	70	19	0	0	33	55	35	37	55	423
Total Morrow	29	20	70	70	19	0	0	33	55	35	37	55	423
Bell Lake Unit 2	6	9	46	90	171	99	83	93	35	100	114	80	920
Total Devonian	0	9	46	90	171	99	83	93	35	100	114	80	920

Bell Lake Area 1985 Production - Gas (mcf)

Well Name/No.	January	February	March	April	May	June	July	August	September	October	November	December	Total
Bell Lake Unit 3	2	2	79	0	248	198	90	183	108	180	343	175	1608
Bell Lake Unit 11	2	5	115	32	322	63	316	144	93	203	343	175	1819
Bell Lake Unit 12	4	0	97	32	421	440	210	275	243	406	514	404	3046
Total Bone Spring	8	7	291	64	991	701	616	602	444	789	1200	754	6467
Bell Lake Unit 18	26552	11248	49937	46384	26369	0	1292	28913	46102	98	32843	41597	337135
Total Morrow	26552	11248	49937	46384	26369	0	1292	28913	46102	98	32843	41597	337135
Bell Lake Unit 2 6	27985	7269	34330	29944	35780	36497	30718	31801	30091	35699	35473	31166	366753
Total Devonian	27985	7269	34330	29944	35780	36497	30718	31801	30091	35699	35473	31166	366753

Bell Lake Area 1985 Production - Water (bbl)

Well Name/No.	January	February	March	April	May	June	July	August	September	October	November	December	Total	
Bell Lake Unit 3	90	76	82	0	119	58	39	44	38	30	38	33	647	
Bell Lake Unit 11	383	340	410	464	540	114	852	1090	735	461	372	33	5794	
Bell Lake Unit 12	383	15	603	727	810	725	505	653	438	524	710	60	6153	
Total Bone Spring	856	431	1095	1191	1469	897	1396	1787	1211	1015	1120	126	12,594	
Bell Lake Unit 18	10	10	20	20	6	0	0	7	17	12	12	16	130	
Total Morrow	10	10	20	20	6	0	0	7	17	12	12	16	130	
Bell Lake Unit 2	6	16156	1017	452	1380	11399	13430	9546	10624	9346	12121	13193	11687	110351
Total Devonian	16156	1017	452	1380	11399	13430	9546	10624	9346	12121	13193	11687	110351	

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1987
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

DEPARTMENT OF THE INTERIOR
P. O. BOX 1397
ROSWELL, NEW MEXICO 88201
ATTN: AGREEMENTS UNIT

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

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Conoco., as Unit Operator, hereby submits for approval a Plan of Operation/Development for the year 1987.

SUMMARY OF 1986 OPERATIONS

The participating areas produced gas and liquids during 1986 as shown below:

<u>Participating Area</u>	<u>For Year Through 12/31</u>		<u>Daily Average</u>	
<u>Area "A"</u>	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Morrow	296,867	328	813	1
Bone Springs	9,796	6298	27	17
<u>Area "B"</u>				
Devonian	318,061	862	871	2

Remedial - Recompletion Work During 1987

Bone Springs

The Bell Lake Unit No. 11 located in Section 31, T-23-S, R-34-E (see attached plat) was recently recompleted to the Cherry Canyon as a Wildcat discovery. We plan to recomplete the BLU No's 3 and 12 to this formation also. This work will be completed by the 2nd quarter of 1987. If successful recompletions are not obtained, the wells will be P&A'd.

Morrow

Several recompletions are planned in the southern participating area, however, due to the current status of the gas market and the absence of a gas contract for this area, these projects are on hold. We expect to have a new rollover gas contract negotiated by April, 1987. At that point we will begin recompletion operations on the BLU No. 14 located in Section 5, T-24-S, R-34-E. Partner approval has already been received to open additional pay in the Morrow formation. Similar work will be performed in the BLU No's 4, 19 and 18.

Devonian

Pending the completion of the above recompletion plan, the BLU 2 No. 6, located in Section 6, T-23-S, R-34-E, will be recompleted to the Morrow Formation. This work depends on a lot of factors, ie: profitability, lease hold status and the gas market. Therefore, it is likely that this work will not be performed in 1987.

Proposed Development During 1987

Depending upon the success of the above mentioned Cherry Canyon recompletions, several wells may be proposed on forty acre offsets to the existing BLU No's 3, 11 and 12. Additionally, a Devonian well with a deep test to the Ellenburger is still being evaluated for the northern block in either Section 7 or 8 of T-23-S, R-34-E. However, the current state of the gas market will probably delay this project for at least another year.

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 Bell Lake Unit.

MODIFICATION

It is understood that portions of this 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 24, 1987

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1987. Subsequent to that date, another Plan of Operation/Development will be submitted for approval.

CONOCO INC.
UNIT OPERATOR

By


R. E. Irelan

APPROVED

Bureau of Land Management

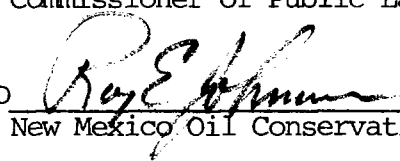
Date

APPROVED

Commissioner of Public Lands

Date

APPROVED


New Mexico Oil Conservation Division

Date

3-4-87

Bell Lake Area 1986 Production - Oil (bbl)

Well Name/No.	January	February	March	April	May	June	July	August	September	October	November	December	Total
Bell Lake Unit 3	175	218	217	190	177	193	135	164	194	181	150	115	2109
Bell Lake Unit 11	117	97	108	114	105	113	135	66	56	77	112	86	1186
Bell Lake Unit 12	292	194	232	266	213	265	215	256	250	208	324	228	3003
Total Bone Spring	584	509	557	570	495	571	485	486	500	466	586	489	6298
Bell Lake Unit 18	40	15	15	6	42	29	42	14	19	39	30	37	328
Total Morrow	40	15	15	6	42	29	42	14	19	39	30	37	328
Bell Lake Unit 2 6	73	40	70	70	94	55	89	80	40	94	90	67	862
Total Devonian	73	40	70	70	94	55	89	80	40	94	90	67	862

Bell Lake Area 1986 Production - Gas (mcf)

Well Name/No.	January	February	March	April	May	June	July	August	September	October	November	December	Total
Bell Lake Unit 3	169	43	333	321	185	312	131	96	84	276	201	28	2179
Bell Lake Unit 11	180	100	355	322	206	372	130	76	66	276	252	36	2371
Bell Lake Unit 12	370	231	762	785	427	710	384	321	324	490	379	63	5246
Total Bone Spring	719	374	1450	1428	818	1394	645	493	474	1042	832	127	9796
Bell Lake Unit 18	27128	11200	5488	17470	37348	40831	33204	23604	14140	36202	22178	28074	296867
Total Morrow	27128	11200	5488	17470	37348	40831	33204	23604	14140	36202	22178	28074	296867
Bell Lake Unit 2 6	30100	17063	28295	27771	31936	27273	31638	25013	14221	30933	27959	25859	318061
Total Devonian	30100	17063	28295	27771	31936	27273	31638	25013	14221	30933	27959	25859	318061

Bell Lake Area 1986 Production - Water (bbl)

Well Name/No.	January	February	March	April	May	June	July	August	September	October	November	December	Total
Bell Lake Unit 3	30	-	-	38	-	39	81	98	138	78	75	58	635
Bell Lake Unit 11	585	461	513	684	630	27	27	561	476	385	597	458	6092
Bell Lake Unit 12	672	510	258	609	283	644	458	684	665	416	648	576	6423
Total Bone Spring	12879	971	771	1331	913	1398	566	1343	1279	879	1320	1092	13150
Bell Lake Unit 18	-	-	-	-	-	15	42	14	19	117	90	111	408
Total Morrow	-	-	-	-	-	15	42	14	19	117	90	111	408
Bell Lake Unit 2 6	17332	7729	8267	9167	10845	10166	10621	9267	6922	6812	10173	8774	116075
Total Devonian	17332	7729	8267	9167	10845	10166	10621	9267	6922	6812	10173	8774	116075



IN REPLY REFER TO

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Box 1397, Roswell, New Mexico - 88201

14-08-001-1066
3180(060)

June 17, 1985

#563

Conoco, Inc.
Attention: Donald W. Johnson
P.O. Box 460
726 East Michigan
Hobbs, NM 88240

Re: 1985 Plan of Operation
Bell Lake Unit, Lea County, New Mexico

Gentlemen:

Enclosed is an approved copy of your 1985 Plan of Development for the Bell Lake Unit, Lea County, New Mexico.

Such plan proposes drilling a unit well in the NW $\frac{1}{4}$, Section 31, T. 23 S., R. 34 E., N.M.P.M. to the Bone Springs Formation and evaluating a Devonian-Morrow prospect in the S $\frac{1}{2}$, Section 7, T. 23 S., R. 34 E., N.M.P.M. for drilling in late 1985 or early 1986, and is hereby approved effective as of January 1, 1985.

Sincerely,

Orig. Sgd. David L. Mari

FOR Francis R. Cherry, Jr.
District Manager

cc:
Commissioner of Public Lands, Santa Fe
✓ NMOCD, Santa Fe



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

#563

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

May 13, 1985

Conoco Inc.
P.O. Box 460
Hobbs, NM 88240

Attention: D. W. Johnson

Re: Plan of Operation/
Development for
Calendar Year 1985
Bell Lake Unit
(No. 14-08-001-1066)
Lea County, NM

Dear Mr. Johnson:

The above referenced submittal has been approved by the New Mexico Oil Conservation Division effective this date. Such approval is contingent upon like approval by the New Mexico Commissioner of Public Lands and the Bureau of Land Management.

Sincerely,

ROY E. JOHNSON
Senior Petroleum Geologist

REJ/dp

cc: Commissioner of Public Lands - Santa Fe
Bureau of Land Management - Albuquerque
OCD District Office - Hobbs

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1985
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

DEPARTMENT OF THE INTERIOR
P.O. BOX 1397
ROSWELL, NEW MEXICO 88201
ATTN: AGREEMENTS UNIT

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

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Conoco., as Unit Operator, hereby submits for approval a Plan of Operation/Development for the year 1985.

SUMMARY OF 1984 OPERATIONS

The participating areas produced gas and liquids during 1984 as shown below:

<u>Participating Area</u>	<u>For Year Through 12-31</u>		<u>Daily Average</u>	
<u>Area "A"</u>	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Bone Spring	6,986	7,916	19	22
Morrow	868,494	543	2,379	1
<u>Area "B"</u>				
Devonian	485,234	599	1,332	2

REMEDIAL - RECOMPLETION WORK DURING 1985

We have proposed to other working interest owners that a re-completion attempt be made on the Bell Lake Unit 4 well No. 15 located in Section 8, T-22-S, R-34-E (see attached plat). This well was drilled to the Morrow Formation in 1975 and was uneconomical to produce. If sufficient approval is received from partners, we plan to attempt recompletion of this well in the Bone Springs Formation during the second quarter 1985.

PROPOSED DEVELOPMENT DURING 1985

One well is planned for drilling to the Bone Springs formation in the NW/4 Section 31, T-23-S, R-34E (Participating Area "A"), probably during the

Plan of Operation/Development
For Calendar Year 1985
Bell Lake Unit (No. 14-08-001-1066)
Page 2

fourth quarter of 1985. We are also evaluating a Devonian-Morrow prospect in the S/2 Section 7, T-23-S, R-34-E (Participating Area "B"), for drilling in late 1985 or early 1986.

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 Bell Lake Unit.

MODIFICATION

It is understood that portions of this 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 17, 1985

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1985. Subsequent to that date, another Plan of Operation/Development will be submitted for approval.

APPROVED _____
Bureau of Land Management

APPROVED _____
Commissioner of Public Lands

APPROVED Stacy Johnson
New Mexico Oil Conservation Division

CONOCO INC.
UNIT OPERATOR

By D. W. Johnson
Date _____

Date _____

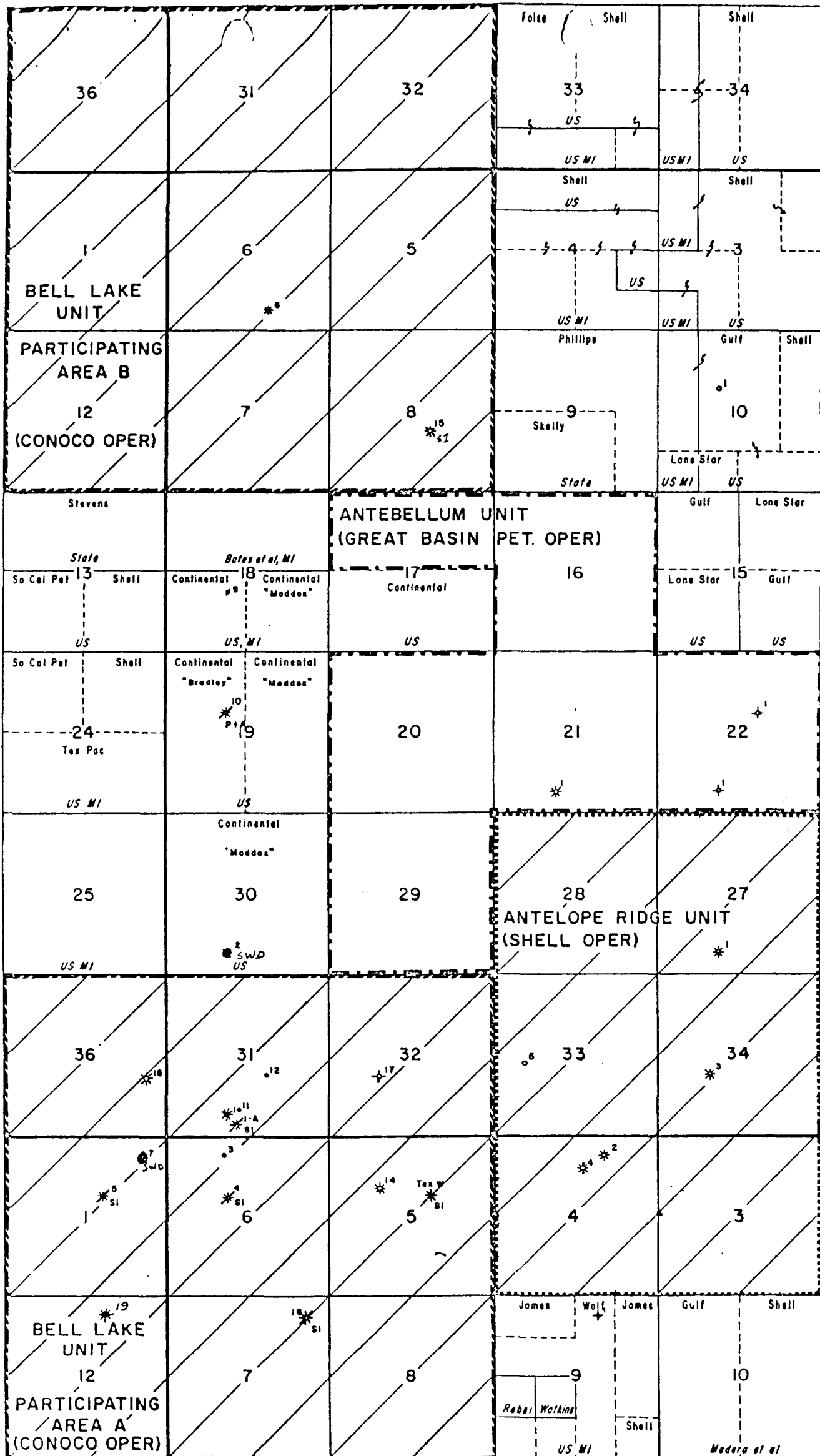
Date 5-13-85
HAI:tr 4-17-85

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R33E R34E

conoco	
PRODUCTION DEPARTMENT HOBBS DIVISION	

Bell Lake Area 1984 Production -- Oil (bbl)

Well Name/No.	January	February	March	April	May	June	July	August	September	October	November	December	Total
Bell Lake Unit 3	242	136	228	172	209	83	206	253	130	252	86	259	2256
Bell Lake Unit 11	268	136	228	394	142	166	172	211	156	168	115	173	2329
Bell Lake Unit 12	299	294	355	295	285	310	99	294	311	168	202	419	3331
Total Bone Spring	809	566	811	861	636	559	477	758	597	588	403	851	7916
Bell Lake Unit 19	—	—	—	—	—	—	—	—	—	—	—	—	—
Bell Lake Unit 14	—	—	—	—	—	—	—	—	—	85	—	—	85
Bell Lake Unit 18	45	45	48	40	—	38	65	7	19	—	78	73	458
Total Morrow	45	45	48	40	—	38	65	7	19	85	78	73	543
Bell Lake Unit 2	6	19	—	177	82	75	27	40	—	73	38	22	599
Total Devonian	46	19	—	177	82	75	27	40	—	73	38	22	599

Bell Lake Area 1984 Production - Gas (mcf)

Well Name/No.	January	February	March	April	May	June	July	August	September	October	November	December	Total
Bell Lake Unit 3	—	—	—	—	213	289	206	303	361	209	33	—	1614
Bell Lake Unit 11	—	—	—	—	67	92	515	866	285	376	156	—	2357
Bell Lake Unit 12	—	—	—	—	366	472	135	325	951	585	181	—	3015
Total Bone Spring	—	—	—	—	646	853	856	1494	1597	1170	370	—	6986
Bell Lake Unit 19	—	—	—	—	—	—	—	—	—	—	—	—	—
Bell Lake Unit 14	84967	59320	48025	32672	13680	23844	63415	22706	51771	28561	—	—	428961
Bell Lake Unit 18	23575	53595	24092	36842	34905	33732	62128	11617	48961	—	52865	57221	439533
Total Morrow	108542	112915	72117	69514	48585	57576	125543	34323	100732	28561	52865	57221	868494
Bell Lake Unit 2	6	22194	30741	54572	43177	38460	40942	49984	32892	27476	45761	46615	485234
Total Devonian	22194	30741	54572	43177	38460	40942	52420	49984	32892	27476	45761	46615	485234

Warren Unit Dry Gas Production MCF for 1984

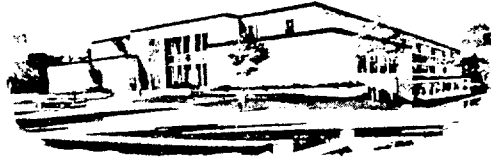
Well Name/Ac.	January	February	March	April	May	June	July	August	September	October	November	December	Total
Warren Tubb 8	—	—	—	300	133	131	9	—	125	89	8	14	809
Warren Tubb 9	—	—	—	—	—	—	—	—	—	—	—	—	—
Warren Tubb 10	—	—	—	—	—	—	—	5	—	—	—	1	6
Warren Tubb 26	—	583	588	842	312	315	249	358	240	90	299	566	4442
Warren Tubb 35	309	1750	828	1157	862	563	340	335	718	1141	1039	674	9716
Warren Tubb 42	124	127	193	112	151	111	56	60	27	19	1	—	981
Warren Blinbery 8	48	670	1	886	870	591	1009	1146	746	987	1085	964	9003
Warren Blinbery 35	479	152	600	607	309	7	347	636	623	682	644	748	5834
Total	960	3282	2210	3904	2637	1718	2010	2540	2479	3008	3076	2967	30791
Total Warren Unit Gas-													
Gross MCFD													
Fisher	80	131	118	112	115	127	121	108	87	55	125	144	1323
Blinbery	3372	3278	3371	3222	3676	3009	4613	5587	4833	4257	4227	3798	47243
Drinkard	136	93	145	123	108	121	271	121	135	231	182	74	1740
McKee	13	—	—	42	45	80	46	37	169	126	79	23	660
Tubb	1402	3649	2977	3736	2699	2195	1851	2160	2664	2723	2768	2318	31142
Abc	0	—	—	—	1	1	1	1	1	—	1	1	1
Burger	3	17	13	17	17	17	17	27	30	26	20	16	220
Totals	5006	7168	6624	7252	6661	5550	6920	8041	7919	7418	7402	6374	82335

Bell Lake Area 1984 Production - Water (bbl)

Well Name/No.	January	February	March	April	May	June	July	August	September	October	November	December	Total
Bell Lake Unit 3	80	91	25	74	19	21	—	—	—	—	—	174	484
Bell Lake Unit 11	563	23	759	666	426	498	791	971	—	756	546	822	6821
Bell Lake Unit 12	723	68	710	640	362	391	264	41	491	798	376	587	5451
Total Bone Spring	1366	182	1494	1380	807	910	1055	1012	491	1554	922	1583	12756
Bell Lake Unit 19	—	—	—	—	—	—	—	—	—	—	—	—	—
Bell Lake Unit 14	—	—	—	110	80	126	168	72	182	—	—	—	738
Bell Lake Unit 18	15	15	16	—	—	—	—	—	—	82	—	—	128
Total Morrow	15	15	16	110	80	126	168	72	182	82	—	—	866
Bell Lake Unit 2 6	8586	3547	—	106200	49200	45000	16200	19400	10433	16023	13518	15838	303945
Total Devonian	8586	3547	—	106200	49200	45000	16200	19400	10433	16023	13518	15838	303945

State of New Mexico

#563



JIM BACA
COMMISSIONER

Commissioner of Public Lands

May 8, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Used
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Re: 1985 Plan of Development
Bell Lake Unit
Lea County, New Mexico

ATTENTION: Mr. H. A. Ingram

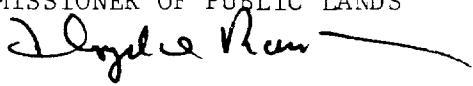
Gentlemen:

The Commissioner of Public Lands has this date approved your 1985 Plan of Development for the Bell Lake Unit Area, Lea County, New Mexico. Such plan proposes to drill a Bone Springs well in the NW/4 of Section 31, T23S-34E during the fourth quarter of 1985 and evaluate a Devonian-Morrow prospect in the S/2 of Sec. 7-23S-34E, for drilling in late 1985 or early 1986. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

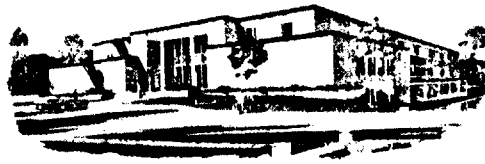
BY: 
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
AC 505/827-5744

JB/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

#563

State of New Mexico



JIM BACA
COMMISSIONER

Commissioner of Public Lands

April 9, 1984

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Re: 1983 Plan of Development
Bell Lake Unit Agreement
Lea County, New Mexico

ATTENTION: Mr. H. A. Ingram

Gentlemen:

The Commissioner of Public Lands has this date approved your 1983 Plan of Development and Operation for the Bell Lake Unit, Lea County, New Mexico. Such plan calls for the drilling of no additional wells during 1983. Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division

Enclosed is an approved copy of your plan for your files.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.
cc:

OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico
BLM-Roswell, New Mexico Attention: Mr. Armando Lopez

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

March 15, 1982

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

Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Re: Bell Lake Unit
Lea County, New Mexico
1982 Plan of Development

ATTENTION: Mr. Mark K. Mosley

Gentlemen:

The Commissioner of Public Lands has this date approved your 1982 Plan of Development for the Bell Lake Unit, Lea County, New Mexico. Such plan proposes the drilling of no wells during 1982. Our approval is subject to like approval by the United States Minerals Management Service.

Enclosed is one approved copy for your files, along with a receipt for the filing fee in the amount of Three (\$3.00) Dollars.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-2748

AJA/RDG/pm
encls.
cc:

OCD-Santa Fe, New Mexico
USMMS-Albuquerque, New Mexico



United States Department of the Interior

OFFICE OF THE SECRETARY

Minerals Management Service
South Central Region
P. O. Box 26124
Albuquerque, New Mexico 87125

MAILED 1982

Conoco, Inc.
Attention: M. K. Mosley
P. O. Box 460
Hobbs, New Mexico 88240

563

Gentlemen:

Four approved copies of your 1982 plan of development for the Bell Lake Unit Area, Lea County, New Mexico, are enclosed. Such plan, proposing not to drill any additional wells in 1982, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

FOR THE SECRETARY

for Gene F. Daniel
Deputy Minerals Manager
Oil and Gas

Enclosures

cc:
Comm. of Public Lands, Santa Fe
NMOCD, Santa Fe

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1982
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

FEB 11 1982
OIL COUNTY
SANTA FE

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

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

OIL CONSERVATION DIVISION (2)
DEPARTMENT OF ENERGY & MINERALS
STATE OF NEW MEXICO
P.O. BOX 2088
SANTA FE, NEW MEXICO 87501

563

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Conoco., as Unit Operator, hereby submits for approval a Plan of Operation/Development for the year 1982.

SUMMARY OF 1981 OPERATIONS

The three participating areas produced gas and liquids during 1981 as shown below:

<u>Participating Area</u>	<u>For Year Through 10-31</u>		<u>Daily Average</u>	
	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
<u>Area "A"</u>				
Bone Spring	50,013	6,868	165	23
Morrow	1,211,338	679	3,984	2
<u>Area "B"</u>				
Devonian	428,872	555	1,411	2

SUMMARY OF 1981 DEVELOPMENT

No wells were drilled in the Bell Lake Unit during 1981. One well was scheduled for drilling during 1981, the Bell Lake Unit 2 Well No. 20 in Section 7, T-23S, R-34E, Lea County, New Mexico, to test the Devonian Formation. However, due to the performance of TBA Oil Producers' well in Section 18, being less than expected and due to a very substantial increase in drilling costs, the drilling of the proposed well was cancelled.

PROPOSED DEVELOPMENT DURING 1982

No wells are proposed for drilling during 1982.

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.

MODIFICATION

It is understood that portions of this Plan of Operation/Development outlined above are dependent upon certain formation 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: January 10, 1982

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1982. Prior to that date, another Plan of Operation/Development will be submitted for approval.

CONOCO INC.
UNIT OPERATOR

By D. L. Wacker
for M. K. Mosley

APPROVED _____
United States Geological Survey

DATE _____

APPROVED _____
Commissioner of Public Lands

DATE _____

APPROVED W. Perry Seavey
New Mexico Oil Conservation
Division

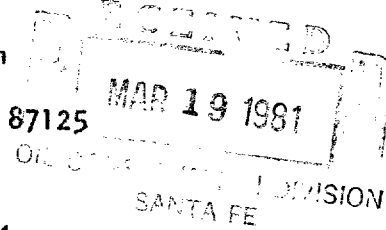
DATE 2/19/82



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
South Central Region
P. O. Box 26124
Albuquerque, New Mexico 87125



17 MAR 1981

563

Conoco, Inc.
Attention: John R. Kemp
P. O. Box 460
Hobbs, New Mexico 88240

Gentlemen:

Four approved copies of your 1981 plan of development for the Bell Lake unit area, Lea County, New Mexico, are enclosed. Such plan, proposing the drilling of Bell Lake Unit 2 well No. 20 in section 7, T. 23 S., R. 34 E., N.M.P.M., Lea County, New Mexico, to test the Devonian formation, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

ORIGINAL SIGNED BY:

Gene F. Daniel
Deputy Conservation Manager
Oil and Gas

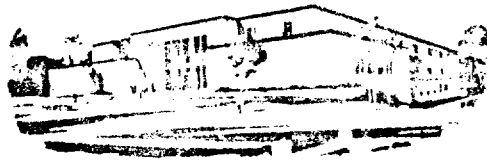
Enclosures 4

cc:
NMOCD, Santa Fe
Comm. Public Lands, Santa Fe

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

February 18, 1981

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

Conoco, Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Re: Bell Lake Unit
Lea County, New Mexico
1981 PLAN OF DEVELOPMENT

ATTENTION: Mr. John R. Kemp

Gentlemen:

The Commissioner of Public Lands has this date approved your 1981 Plan of Development, for the Bell Lake Unit, Lea County, New Mexico. Such plan proposes the drilling of Well No. 20. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Enclosed is one approved copy for your files.

Please be advised that your timely attention to our request for additional information is regard to this plan of development has greatly facilitated our review of same. Your cooperation in this matter is appreciated.

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

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505-827-2748

AJA/RDG/s
encls.
cc:

OCD-Santa Fe, New Mexico
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 17, 1981

Conoco Inc.
Box 460
Hobbs, New Mexico 88240

Attention: L. P. Thompson

Re: Case No. 563
Bell Lake Unit
1981 Plan of Operation/
Development

Gentlemen:

We hereby approve the 1981 Plan of Operation/Development for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

One approved copy of the Plan of Operation/Development is returned herewith.

Yours very truly,

JOE D. RAMEY
Director

JDR/EP/fd
enc.

cc: U.S.G.S. - Albuquerque
Commissioner of Public Lands

C

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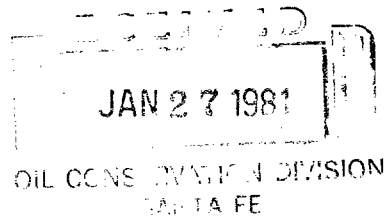
563

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1981
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

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

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

OIL CONSERVATION DIVISION (2)
DEPARTMENT OF ENERGY & MINERALS
STATE OF NEW MEXICO
P.O. BOX 2088
SANTA FE, NEW MEXICO 87501



OK
E/H
2/6/81

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Conoco Inc., as Unit Operator, hereby submits for your approval a Plan of Operation/Development for the year 1981. Under date December 19, 1979, the Plan of Operation/Development covering calendar year 1980 was submitted and subsequent approval was received from your offices.

SUMMARY OF 1979 OPERATIONS

The four participating areas produced gas and liquids during 1980 as shown below:

<u>Participating Area</u>	<u>For Year Through 10-31</u>		<u>Daily Average</u>	
<u>Area "A"</u>	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Atoka	0	0	0	0
Bone Spring	21,701	9,748	71	32
Morrow	4,298,554	2,711	14,094	9
<u>Area "B"</u>				
Devonian	619,392	887	2,031	3

SUMMARY OF 1980 DEVELOPMENT

No wells were drilled in the Bell Lake Unit during 1980.

PROPOSED DEVELOPMENT DURING 1981

One well is scheduled for drilling during 1981. We plan to drill the Bell Lake Unit 2 Well No. 20 in Section 7, T-23S, R-34E, Lea County, New Mexico, and test the Devonian formation.

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.

MODIFICATION

It is understood that portions of this 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: December 22, 1980

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1981. Prior to that date, another Plan of Operation/Development will be submitted for approval.

CONOCO INC.
UNIT OPERATOR

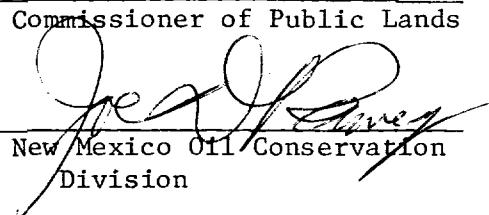
By 
L. P. Thompson

APPROVED _____
United States Geological
Survey

DATE _____

APPROVED _____
Commissioner of Public Lands

DATE _____

APPROVED 
New Mexico Oil Conservation
Division

DATE 2/17/81



United States Department of the Interior

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

563

FEB 07 1980

Conoco, Inc.
Attention: John R. Kemp
P. O. Box 460
Hobbs, New Mexico 88240

Gentlemen:

On this date, your 1980 plan of development and operation for the Bell Lake unit area, Lea County, New Mexico, wherein you propose no drilling during 1980, was approved. Such approval is subject to like approval by the appropriate State officials. Four approved copies are enclosed.

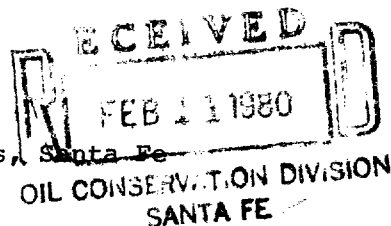
Sincerely yours,

(ORIG. SCD.) JAMES W. SUTHERLAND

James W. Sutherland
Oil and Gas Supervisor, SRMA

Enclosures 4

cc:
NMOCD, Santa Fe/
Comm. Public Lands, Santa Fe



ONE HUNDRED YEARS OF EARTH SCIENCE IN THE PUBLIC SERVICE

State of New Mexico



Commissioner of Public Lands

January 8, 1980

ALEX J. ARMIJO
COMMISSIONER

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

563

Conoco Inc.
P. O. Box 460
1001 North Turner
Hobbs, New Mexico 88240

Re: Bell Lake Unit
Lea County, New Mexico
1980 PLAN OF DEVELOPMENT

ATTENTION: Mr. John R. Kemp

Gentlemen:

The Commissioner of Public Lands has this date approved your 1980 Plan of Operation and Development for the Bell Lake Unit, Lea County, New Mexico. Such plan calls for the drilling of no wells during 1980. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

The Three (\$3.00) Dollar filing fee has been received. We are sending the receipt for the \$3 filing fee to Mr. Hugh Ingram, as per your request.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505-827-2748

AJA/RDG/s

encl.

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

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 7, 1980

Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Attention: John R. Kemp

Re: Case No. 563
Bell Lake Unit
1980 Plan of Development

Gentlemen:

We hereby approve the 1980 Plan of Development for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

One approved copy of the Plan of Development is returned herewith.

Yours very truly,

JOE D. RAMEY
Director

JDR/EP/fd
enc.

cc: U.S.G.S. - Roswell
Commissioner of Public Lands

C
O
P
Y

L. P. Thompson
Division Manager

John R. Kemp
Assistant Division Manager

Production Department
Hobbs Division
North American Production

Conoco Inc.
P. O. Box 460
1001 North Turner
Hobbs, NM 88240
(505) 393-4141

563

December 28, 1979

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

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

Oil Conservation Division
Department of Energy and Minerals
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501

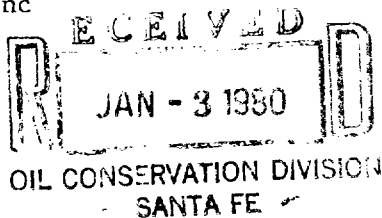
Gentlemen:

Attached is our Plan of Operation/Development for the calendar year 1980 on the Bell Lake Unit, Lea County, New Mexico.

Very truly yours,

John R. Kemp

HAI:rej
Enc



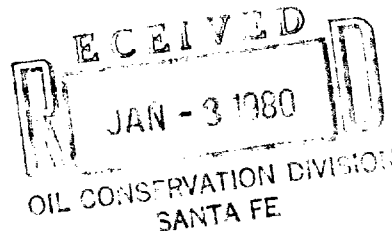
563

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1980
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

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

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

OIL CONSERVATION DIVISION (2)
DEPARTMENT OF ENERGY & MINERALS
STATE OF NEW MEXICO
P.O. BOX 2088
SANTA FE, NEW MEXICO 87501



Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Conoco Inc., as Unit Operator, hereby submits for your approval a Plan of Operation/Development for the year 1980. Under date December 29, 1978, the Plan of Operation/Development covering calendar year 1979 was submitted and subsequent approval was received from your offices.

SUMMARY OF 1979 OPERATIONS

The four participating areas produced gas and liquids during 1979 as shown below:

<u>Participating Area</u>	<u>For Year Through 10-31</u>		<u>Daily Average</u>	
	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
<u>Area "A"</u>				
Atoka	0	0	0	0
Bone Spring	8,336	8,600	27	28
Morrow	5,808,890	19,106	5,885	19
<u>Area "B"</u>				
Devonian	524,444	1,725	823	3

SUMMARY OF 1979 DEVELOPMENT

Bell Lake Unit No. 19 was completed in the Morrow in September 1979. On IP the well flowed 1.5 MMCF. Ultimate recovery is estimated to be about 300 MMCF. Although this well has been determined to be noncommercial, we do plan to place the well on sales stream soon.

PROPOSED DEVELOPMENT DURING 1980

Present plans are to drill no wells during 1980 inside the Bell Lake Unit.

OFFSET OBLIGATIONS

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

MODIFICATION

It is understood that portions of this Plan of Operation/Development outlined above are dependent upon certain information to be obtained 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: December 28, 1979

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1980. Prior to that date, another Plan of Operation/Development will be submitted for approval.

CONOCO INC.
UNIT OPERATOR

By John R. Kemp
John R. Kemp

APPROVED _____
United States Geological
Survey

DATE _____

APPROVED _____
Commissioner of Public Lands

DATE _____

APPROVED James H. King
New Mexico Oil Conservation
Division

DATE 1/7/80



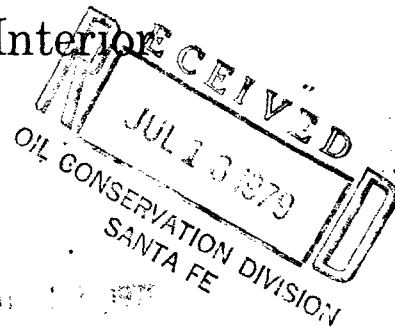
United States Department of the Interior

GEOLOGICAL SURVEY

Conservation Division

P. O. Box 26124

Albuquerque, New Mexico 87125



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

Dear Mr. Thompson:

On May 7 - 11, 1979, Mr. Jimmy Triviso of this office conducted an audit of leases LC-061374-A and NM-02335-B in your headquarters office in Ponca City, Oklahoma. During his audit which includes the Morrow Participating Area, Bell Lake Unit, he discovered that such participating area has received no proceeds from royalty from the Texas West Oil and Gas Corporation No. 1 well in the SW 1/4 NE 1/4 sec. 5, T. 24 S., R. 34 E., Lea County, New Mexico. For the purposes of drilling and distributing the proceeds from the well, the New Mexico Oil Conservation Division, by Order No. R-5039-A, formed a spacing unit covering the E 1/2 sec. 5, T. 24 S., R. 34 E., Lea County, New Mexico.

Our records show that Continental Oil Company has operating rights to 25/32 of the interests in the E 1/2 sec. 5 which are committed to the Bell Lake Unit Agreement. We believe that the royalty attributed to the lands committed to the Bell Lake Unit Agreement in the E 1/2 sec. 5 should be distributed on an acreage basis to all tracts committed thereto within the Morrow Participating Area. Accordingly, please provide this office with an accounting of the production and gross proceeds from Texas West Oil and Gas Corporation well No. 1.

Sincerely yours,

(ORIG. SGD.) GENE F. DANIEL

Gene F. Daniel
Acting Oil and Gas Supervisor, SRMA

cc:
NMOCD, Santa Fe ✓
Attn: Joe Ramey

Commissioner of Public Lands
Attn: Ray Graham

ONE HUNDRED YEARS OF EARTH SCIENCE IN THE PUBLIC SERVICE
Hobbs District





United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124
Albuquerque, New Mexico 87125

JAN 11 1979

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

Mo. 56³

Gentlemen:

Four approved copies of your 1979 plan of development for the Bell Lake unit area, Lea County, New Mexico, proposing the drilling of unit well No. 19 to test the Morrow Sand, are enclosed. Such plan was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

Oil and Gas Supervisor, SRMA

Enclosures (4)

CC:
NMOCD, Santa Fe (ltr. only)
Com. Pub. Lands, Santa Fe (ltr. only)

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 5, 1979

C
O
P
Y

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

Attention: Mr. L. P. Thompson

Re: Case No. 563
Bell Lake Unit
1979 Plan of Development

Gentlemen:

We hereby approve the 1979 Plan of Operation/Development for the Bell Lake Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

One approved copy of the Plan of Operation/Development is returned herewith.

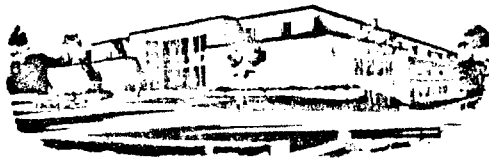
Yours very truly,

JOE D. RAMEY
Director

JDR/LT/fd
enc.

cc: U.S.G.S. - Roswell
Commissioner of Public Lands

State of New Mexico



Commissioner of Public Lands

January 4, 1979

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

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

No. 503

Re: Bell Lake Unit
Lea County, New Mexico
1979 PLAN OF DEVELOPMENT

ATTENTION: L. P. Thompson

Gentlemen:

The Commissioner of Public Lands has this date approved your 1979 Plan of Development for the Bell Lake Unit, Lea County, New Mexico. Such plan provides for the drilling of one well during 1979, the Bell Lake Unit No. 19. This approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

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

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

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

AJA/RDG/s
encls.
cc:

OCD-Santa Fe, New Mexico ✓
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico



L. P. Thompson
Division Manager
Production Department
Hobbs Division

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

December 29, 1978

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

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

✓ Oil Conservation Division
Department of Energy & Minerals
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501

No. 563
Approved

Gentlemen:

Attached is our Plan of Operation/Development for the calendar year 1979 on the Bell Lake Unit, Lea County, New Mexico.

Yours very truly,


L. P. Thompson

HAI/jj
enc

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1979
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

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

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

OIL CONSERVATION DIVISION (2)
DEPARTMENT OF ENERGY & MINERALS
STATE OF NEW MEXICO
P.O. BOX 2088
SANTA FE, NEW MEXICO 87501

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Operation/Development for the year 1979. Under date of December 27, 1977, the Plan of Operation/Development covering calendar year 1978 was submitted and subsequent approval was received from your offices.

SUMMARY OF 1978 OPERATIONS

The four participating areas produced gas and liquids during 1978 as shown below:

<u>Participating Area</u>	<u>For Year Through 10-31</u>		<u>Daily Average</u>	
<u>Area "A"</u>	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Atoka*	-0-	-0-	-0-	-0-
Bone Spring	11,775	10,284	39	34
Morrow	18,487,872	15,973	60,815	53

*The Bell Lake Unit Well No. 4 was shut-in due to water encroachment in October 1977.

Area "B"

Devonian	599,912	1,579	1,973	5
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SUMMARY OF 1978 DEVELOPMENT

Bell Lake Unit No. 19 was proposed for drilling in 1978. However, due to delays in obtaining partner approvals this project has been rescheduled in 1979.

PROPOSED DEVELOPMENT DURING 1979

Present plans are to drill the following wells during 1979:

Bell Lake Unit No. 19, 1980' FNL and 660' FWL, Section 12, T-24-S, R-33-E --
to the Morrow Sand.

OFFSET OBLIGATIONS

Appropriate measures will be taken to prevent, by means within the control of unit owners, drainage of unitized substances from lands subject to the Bell Lake Unit Agreement or, pursuant to applicable regulations, fair and reasonable compensatory

royalty will be paid as provided in Section 18 of said Agreement.

MODIFICATION

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

EFFECTIVE DATE

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

Date: December 29, 1978

TERM

This Plan of Operation/Development is submitted for the period ending December 31, 1979. Prior to that date, another Plan of Operation/Development will be submitted for approval.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

BY


L. P. Thompson

APPROVED

Department of the Interior

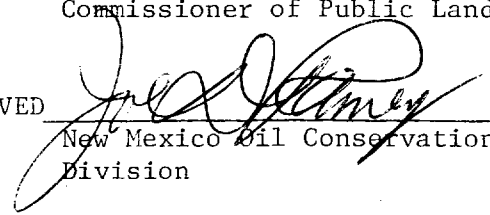
DATE

APPROVED

Commissioner of Public Lands

DATE

APPROVED


New Mexico Oil Conservation
Division

DATE

1/5/79



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124
Albuquerque, New Mexico 87125

JAN 18 1978

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

No. 563

Gentlemen:

Four approved copies of your 1978 plan of development for the Bell Lake unit area, Lea County, New Mexico, are enclosed. Such plan, proposing the drilling of unit well No. 19 to the Bone Spring formation on lands outside the Bone Spring participating area, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

AREA OIL AND GAS SUPERVISOR, SRMA

Enclosures

cc:
NMOCC, Santa Fe (1tr. only)
Com. Pub. Lands, Santa Fe (1tr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 5, 1978

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

Attention: L. P. Thompson

Re: Case No. 563
Bell Lake Unit
1978 Plan of Operation/Development

Gentlemen:

We hereby approve the 1978 Plan of Operation/
Development for the Bell Lake Unit, Lea County, New
Mexico, subject to like approval by the United States
Geological Survey and the Commissioner of Public Lands.

Two approved copies of the Plan are returned
herewith.

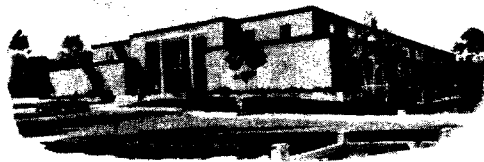
Very truly yours,

JOE D. RAMEY
Secretary-Director

JDR/LT/fd
enc.

cc: U.S.G.S. - Roswell
Commissioner of Public Lands

State of New Mexico



Commissioner of Public Lands

PHIL R. LUCERO
COMMISSIONER

December 28, 1977

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

Continental Oil Company
P. O. Box 480
1001 North Turner
Hobbs, New Mexico 88240

700.543

Re: Bell Lake Unit
Lea County, New Mexico
PLAN OF OPERATION/DEVELOPMENT
FOR 1978

ATTENTION: Mr. L. F. Thompson

Gentlemen:

The Commissioner of Public Lands has this date approved the Plan of Development and Operation for the Bell Lake Unit, Lea County, New Mexico, for the calendar year 1978. Your plan calls for the drilling of well no. 19. This approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Enclosed is one approved copy of the plan for your records.

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

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

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

PRM/RDG/s
encls.
cc:

OCG-Santa Fe, New Mexico ✓
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

RECEIVED
JAN 3 - 1978
Oil Conservation Commission



L. P. Thompson
Division Manager

E. L. Oshlo
Assistant Division Manager

Production Department
Hobbs Division
North American Production

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

DEC 27 1977

December 27, 1977

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

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

40.50 2

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

Gentlemen:

Attached is our Plan of Operation/Development for the calendar year 1978
for the Bell Lake Unit, Lea County, New Mexico.

Yours very truly,

VTL/jj
Enc

PLAN OF OPERATION/DEVELOPMENT
FOR CALENDAR YEAR 1978
BELL LAKE UNIT (NO. 14-08-001-1066)
LEA COUNTY, NEW MEXICO

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

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

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

Gentlemen:

In compliance with Section 10 of the Bell Lake Unit Agreement dated May 12, 1953, Continental Oil Company, as Unit Operator, hereby submits for your approval a Plan of Operation/Development for the year 1978. Under date of December 27, 1976, the Plan of Operation/Development covering calendar year 1977 was submitted and subsequent approval was received from your offices. Undated revised plan was submitted July 28, 1977 and subsequently approved by each of you.

SUMMARY OF 1977 OPERATIONS

The four participating areas produced gas and liquids during 1977 as shown below:

<u>Participating Area</u>	<u>For Year Through 10-31</u>		<u>Daily Average</u>	
<u>Area "A"</u>	<u>MCF</u>	<u>Bbls</u>	<u>MCF</u>	<u>Bbls</u>
Atoka	1,950,420	10,016	6,416	33
Bone Spring	44,320	13,566	146	45
Morrow	8,592,192	18,999	28,264	62

<u>Area "B"</u>				
Devonian	685,127	1,131	2,254	4

Bell Lake Unit Wells Nos. 5 and 15 have been plugged and abandoned.

SUMMARY OF 1977 DEVELOPMENT

Bell Lake Unit No. 17 was drilled at a located 1980' FSL and 1650' FWL, Section 32, Township 23 South, Range 34 East, and was condemned in the Morrow formation by log analysis. After plug-back the Atoka was tested at a rate of 4.3 MMCF/D. The well was placed on production and produced 53,729 MCF, 402 bbls. liquids, before depletion and abandonment of the zone. The well is obviously non-commercial in the Atoka Formation.

Bell Lake Unit No. 18 was spudded September 18, 1976 at a location 1980' from south and 660' from east lines of Section 36, Township 23 South, Range 33 East. It was drilled to the Morrow and was completed February 11, 1977 in the Morrow 13,762-13,828' for CAOF of 76.6 MMCF/D. The initial Morrow Participating Area was enlarged as a result of this well.

PROPOSED DEVELOPMENT DURING 1978

Present plans are to drill the following well during 1978:

Bell Lake Unit No. 19, 1980' FNL and 660' FWL, Section 32, T-23-S, R-34-E -- to the Bone Spring Sand.

OFFSET OBLIGATIONS

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

MODIFICATION

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

EFFECTIVE DATE

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

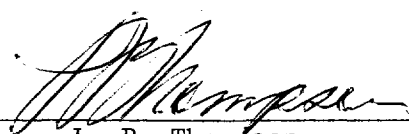
Date: December 27, 1977.

TERM

This Plan of Operation/Development is submitted for the period ending
December 31, 1978. Prior to that date, another Plan of Operation/Develop-
ment will be submitted for approval.

CONTINENTAL OIL COMPANY
UNIT OPERATOR

BY


L. P. Thompson

APPROVED

Department of the Interior

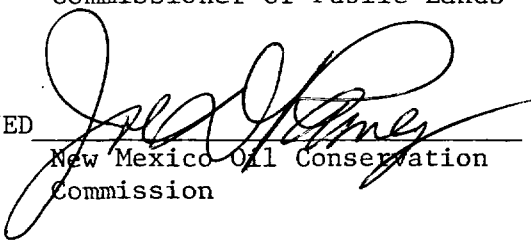
DATE

APPROVED

Commissioner of Public Lands

DATE

APPROVED


New Mexico Oil Conservation
Commission

DATE

1/6/78



United States Department of the Interior

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

11 1977

NOV 11 1977

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

No. 563

Gentlemen:

Your application for approval of the first revision of the Morrow participating area of the Bell Lake unit agreement, Lea County, New Mexico, was approved on this date effective as of February 1, 1977.

The first revision adds 594.80 acres to the Morrow participating area, thereby enlarging it to 2,034.48 acres, based on information gained by the completion of unit well No. 18 in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 36, T. 23 S., R. 33 E., N.M.P.M. Unit well No. 18 was completed on February 10, 1977, for an initial flow rate of 3,000 MCF of gas per day from the Morrow intervals 13,762 to 13,776 feet and 13,822 to 13,828 feet. During the period from completion through August 1977, unit well No. 18 has produced 2,882,927 MCF of gas and 13,360 barrels of condensate.

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

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

Area Oil and Gas Supervisor

Enclosure

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

← This Copy for

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Case 563
October 18, 1977

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

Re: First Expansion, Morrow Participating
Area, Bell Lake Unit, Lea County,
New Mexico

O
Gentlemen:

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

Very truly yours,

Y
JOE D. RAMEY
Secretary-Director

JDR/DSN/og

cc: Commissioner of Public Lands
Land Office Building
Santa Fe, New Mexico

U. S. Geological Survey
Box 1857
Roswell, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

October 18, 1977

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

No. 563

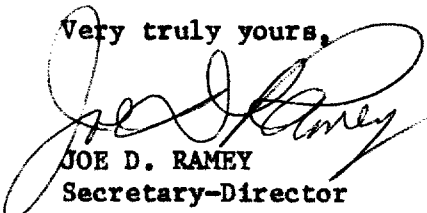
Attention: Mr. L. P. Thompson

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

Gentlemen:

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

Very truly yours,


JOE D. RAMEY
Secretary-Director

JDR/DSN/og

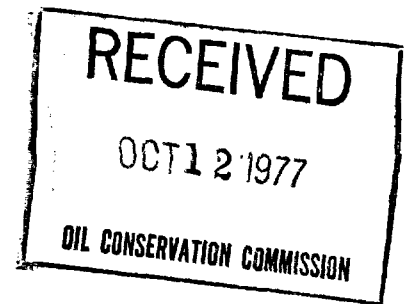
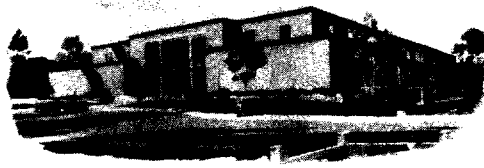
cc: Commissioner of Public Lands
Land Office Building
Santa Fe, New Mexico

U. S. Geological Survey
Box 1857
Roswell, New Mexico

C
O
P
Y



State of New Mexico



Commissioner of Public Lands

PHIL R. LUCERO
COMMISSIONER

October 11, 1977

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

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

Re: Application for First
Expansion of Morrow
Participating Area-
BELL LAKE UNIT
Lea County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

The Commissioner of Public Lands has this date approved the First Expansion of Morrow Participating Area for the Bell Lake Unit, Lea County, New Mexico. The first expansion covers the E/2 of Sec. 36-T23S-R33E, and Lots 1, 2, 3, 4, E/2NW/4 and NE/4SW/4 Section 31, T23S, R 34 East. This approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Enclosed is one approved copy for your files.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

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

PRL/RDG/s
encls.
cc:

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

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

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

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

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

03 1977

In conformance with the provisions of Section 11, of the Unit Agreement dated May 12, 1953, affecting lands in the Bell Lake Unit, Lea County, New Mexico, Continental Oil Company, Unit Operator, hereby submits for your approval a schedule of acreage which, upon your respective approvals, will constitute the First Expansion of the Participating Area for the Morrow Formation of Pennsylvanian age. Completion of Bell Lake Unit Well No. 18 has shown the Morrow Formation to be commercially productive of gas in the area of the proposed expansion. Additional proven area is considered to include East half Section 36, T-23-S, R-33-E, and Lots 1, 2, 3, 4, East half of Northwest quarter and Northeast quarter of Southwest quarter Section 31, T-23-S, R-34-E.

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

1. A map marked Exhibit "A" showing thereon the Bell Lake Unit South Area, and the area of the proposed first expanded Morrow Participating Area.
2. A schedule marked Exhibit "B" showing the participating percentage of each lease included or partially included in the proposed expanded participating area.
3. A structure map marked Exhibit "C" contoured on top of the Fourth Morrow Zone based on well data and seismic interpretation.
4. A cross-section marked Exhibit "D" drawn through Bell Lake Unit Wells Nos. 1-A, 14, and 18 showing the Morrow Formation penetrated, perforated, and tested.

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

5. Engineering and Geological Report marked Exhibit "E" describing
pertinent information and the reservoir data in regard to the
Morrow reservoir as found in Well No. 18.

Unit Operator respectfully requests that the Director of the United States
Geological Survey, the Commission of Public Lands, State of New Mexico, and
the Oil Conservation Commission, State of New Mexico, approve this schedule
of acreage to constitute the First Expansion of the Morrow Participating Area,
to be effective as of February 1, 1977, the first day of the month during which
said Well No. 18 was completed.

Respectfully submitted,

CONTINENTAL OIL COMPANY



L. P. Thompson
Division Manager

jj

APPROVED:

United States Geological Survey

Date

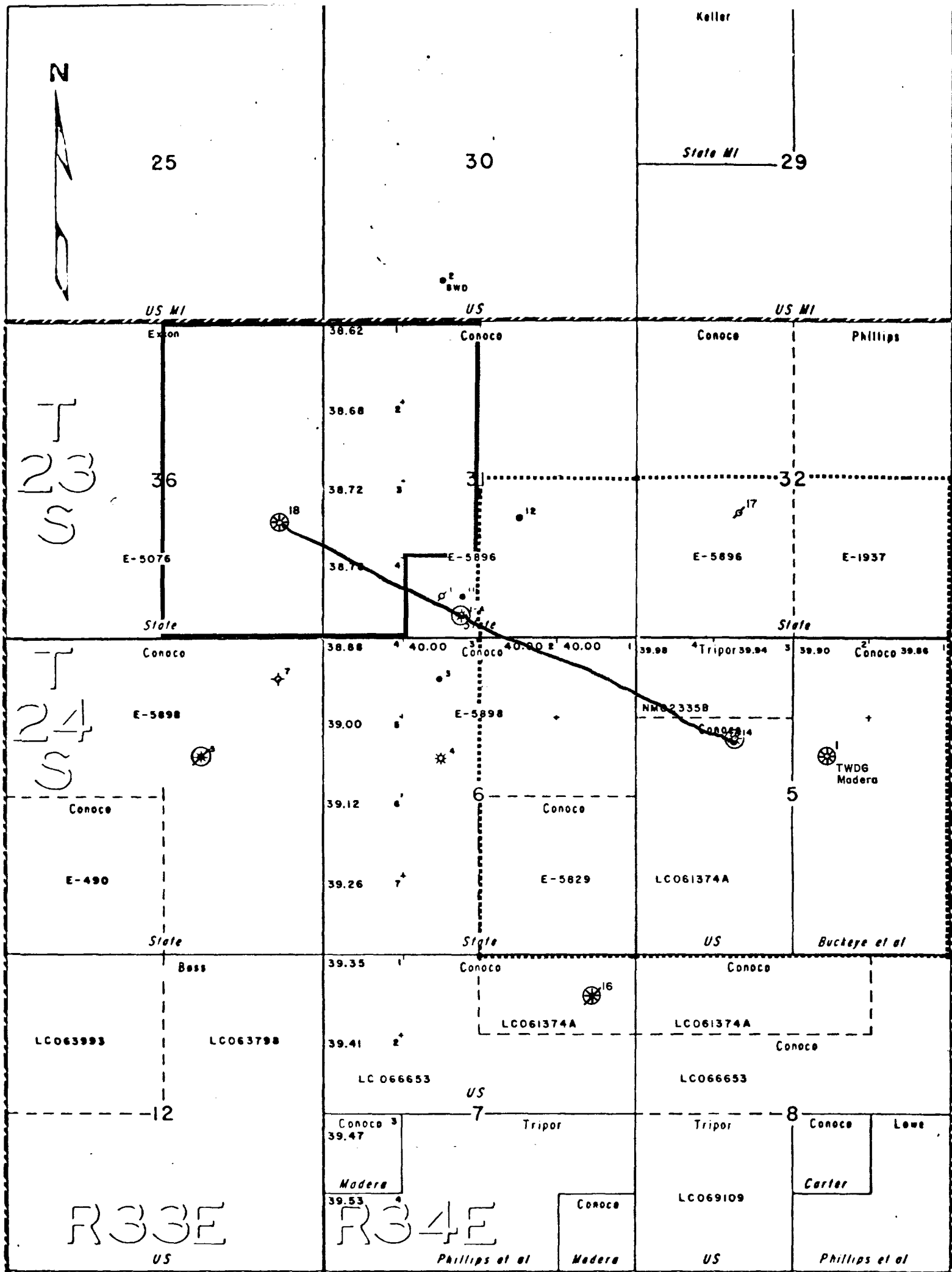
Commissioner of Public Lands

Date

X

New Mexico Oil Conservation Commission

Date



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

..... INITIAL MORROW
PARTICIPATING AREA

— PROPOSED FIRST EXPANSION



MORROW COMPLETION

CONOCO	
PRODUCTION DEPARTMENT	HOBBS DIVISION
BELL LAKE UNIT LEA COUNTY, NEW MEXICO	
MORROW PARTICIPATING AREA EXHIBIT A	
SCALE 0' 1000' 2000'	
VTL 1-75	GFW

EXHIBIT "B"

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

TRACT 1 (tract 8)	Serial Number:	NM-02335-B		
	Acreage:	79.92 acres		
	Description:	Lots 3, 4, Section 5, T-24-S, R-34-E		
	Working Interest Owner:	Tripior Resources Oil & Gas Fund*		
	Royalty Interest Owner:	U.S.A. - All		
	Overriding Royalty Owner:	Pearl O. Pipkin	5.000	%**
TRACT 2 (part of tract 18)	Serial Number:	LC-061374-A		
	Acreage:	240.00 acres		
	Description:	SW/4, S/2 NW/4, Section 5, T-24-S, R-34-E		
	Working Interest Owner:	Continental Oil Company*		
	Royalty Interest Owner:	U.S.A. - All		
	Overriding Royalty Owner:	Channing Brown	0.5	%
		J. G. Thornhill	.75	%
		Lawrence C. Harris	.21875	%
		Donald T. Desmond	.17045	%
		Autrey & Collins		
		Const. Company,		
		a partnership	.14205	%
		Small Business Admin.		
		Rcvr. for Roswell		
		SBIC	.21875	%
		R. H. Hannifin	.25	%
		D. L. Hannifin	.25	%
		Ralph Nix	.25	%
		Ralph Nix, Jr.	.25	%
TRACT 3 (part of tract 52)	Serial Number:	E-1937		
	Acreage:	160.00 acres		
	Description:	SE/4 Section 32, T-23-S, R-34-E		
	Working Interest Owner:	Phillips Petroleum 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 Section 36, T-23-S, R-33-E		
	Working Interest Owner:	Exxon Company, U.S.A.*		
	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 Section 6, T-24-S, R-34-E		
	Working Interest Owner:	Continental Oil Company*		
	Royalty Interest Owner:	State of New Mexico - All		
	Overriding Royalty Owner:	None		

EXHIBIT "B"
Page 2

TRACT 6

(part of tract 58) Serial Number: E-5896
Acreage: 594.80 acres
Description: Lots 1, 2, 3, 4, E/2 NW/4, NE/4 SW/4,
SE/4 Section 31, SW/4 Section 32,
T-23-S, R-34-E
Working Interest Owner: Continental 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: 160.00 acres
Description: NE/4 Section 6, T-24-S, R-34-E
Working Interest Owner: Continental 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,
Section 5, T-24-S, R-34-E
Working Interest Owner: Continental Oil Company*
Royalty Owners:
Mary E. Thompson, Ind. Exec. of
Estate of Dale M. Thompson 0.781
Buckeye Oil Company 31.234
Leo J. Klise 11.875
John J. Klise, Jr. 11.875
Fredrick L. Stead 1.562
John Grappe 2.344
J. G. Thornhill 6.255
J. Penrod Toles 1.250
Small Business 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 0.781
Rubert Madera*** Uncommitted 9.375
Ruford Madera*** Uncommitted 6.250
Mildred A. Browman*** Uncommitted 6.250

TRACT PARTICIPATION

<u>Tract Number</u>	<u>Gross Acres</u>	<u>Committed Acres</u>	<u>Participation - %</u>
1	79.92	79.92	4.06815
2	240.00	240.00	12.21665
3	160.00	160.00	8.14443
4	320.00	320.00	16.28886
5	160.00	160.00	8.14443
6	320.00	594.80	30.27692
7	160.00	160.00	8.14443
8	<u>319.76</u>	<u>249.8125</u>	<u>12.71613</u>
	2,034.48	1,964.5325	100.00000

* 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
Continental Oil Company	61.23319
Exxon Company, U.S.A.	11.33196
Brady Lowe	1.94768
Phillips Petroleum Co.	5.66598
Tripur Resources Oil & Gas Fund	8.48923

** Production Payment

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

LAKE UNIT

T
23
S

25

-10,382

30

29

"Haddock"

-10,214

US MI

-10,108 US

36

31

32

18
10,159

17
-10,286

-9945 * 1-A

8
-10,761

-10,000

14
-10,235

5
-10,340

BELL LAKE UNIT

12 22

PARTICIPATING
/ AREA A'
(CONOCO OPER)

16
-10,388

-10,500

7 -11,000

-11,500

8 20

Bennett

Superior

Conoco

Conoco

So. Fuels

Holland MI

Richardson

US, MI
Madera S

Miz

CONOCO

PRODUCTION DEPARTMENT

HOBBS DIVISION

4th ZONE MORROW
LEA COUNTY, NEW MEXICO
100' C.I.

EXHIBIT 'C'

SCALE
0' 1000' 2000'

R33F

R34F