



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 18, 1995

Losee, Carson, Haas & Carroll
Attn: Ernest L. Carroll
P. O. Box 239
Artesia, New Mexico 88211-0239

Campbell, Carr, Berge & Sheridan, P. A.
Attn: William F. Carr
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Re: Case Nos. 11,602 and 11,603, Applications of Bass
Enterprises Production Company For Approval of the
Expansion of the Atoka Participation Area in the James
Ranch Unit, Eddy County, New Mexico.

Dear Messrs. Carroll and Carr:

An Examiner's Hearing to consider this matter is hereby set for 9:00 a.m.,
Monday, May 5, 1997 in Room 318 at the New Mexico State Capitol Building in Santa
Fe, New Mexico.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: Oil Conservation Division - Artesia
William J. LeMay, Director - OCD, Santa Fe
Rand Carroll, Counsel - OCD, Santa Fe
Florene Davidson - OCD, Santa Fe

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

July 17, 1995

Bureau of Land Management
Department of Interior
P. O. Box 1397
Roswell, New Mexico 88201

Attention: Mr. Tony Ferguson

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

Attention: Floyd Prando

New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. Roy Johnson

Re: Initial Atoka "A" Participating Area
James Ranch Unit No. 70
James Ranch Unit
Eddy County, New Mexico

Gentlemen:

Bass Enterprises Production Co., as Unit Operator of the Poker Lake Unit Agreement, pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the attached commercial determination for the James Ranch Unit No. 70 Well and selection of the following described lands to comprise the Initial Participating Area for the Atoka "A" Formation:

S/2 Section 12, T22S-R30E containing 320.00 acres of land.

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

1. An ownership map (Exhibit "A") depicting the boundaries of the proposed initial participating area for the Atoka "A" Formation.
2. A schedule (Exhibit "B") identifying the lands entitled to participation in the unitized substances produced from the Atoka "A" Formation with the percentage of participation of each lease or tract indicated thereon.

July 17, 1995
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3. A completed worksheet for Commercial Determination with various supporting documentation regarding the JRU No. 70 Well.
4. A geological discussion regarding the characteristics of the Atoka Formation with six attachments thereto.
5. An engineering analysis regarding reservoir and well performance of the Atoka Formation with eight attachments thereto.
6. One (1) copy of that certain Communitization Agreement dated to be effective January 22, 1995, communitizing all federal leases comprising the S/2 of Section 12, T22S-R30E.

It should be noted that the No. 70 Well has been evaluated by Bass as capable of producing in commercial quantities. The proposed initial participating area is predicated upon the knowledge and information first obtained upon the completion of Unit Well No. 70 (located in the SW/4 SE/4 of Section 12, T22S-R30E) on January 22, 1995. According to the Unit Agreement it is our understanding that the effective date of this initial participating area will be January 22, 1995. Therefore, Bass respectfully requests your approval of the hereinabove selection of lands to constitute the Initial Atoka "A" Participating Area to be effective January 22, 1995. Thank you very much for your cooperation in this regard and should you require additional information concerning same, please don't hesitate to contact the undersigned.

Very truly yours,


J. Wayne Bailey

JWB:ca

ACCEPTED AND AGREED this _____ day of _____, 1995.

BUREAU OF LAND MANAGEMENT NEW MEXICO OIL CONSERVATION DIVISION

By: _____ By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

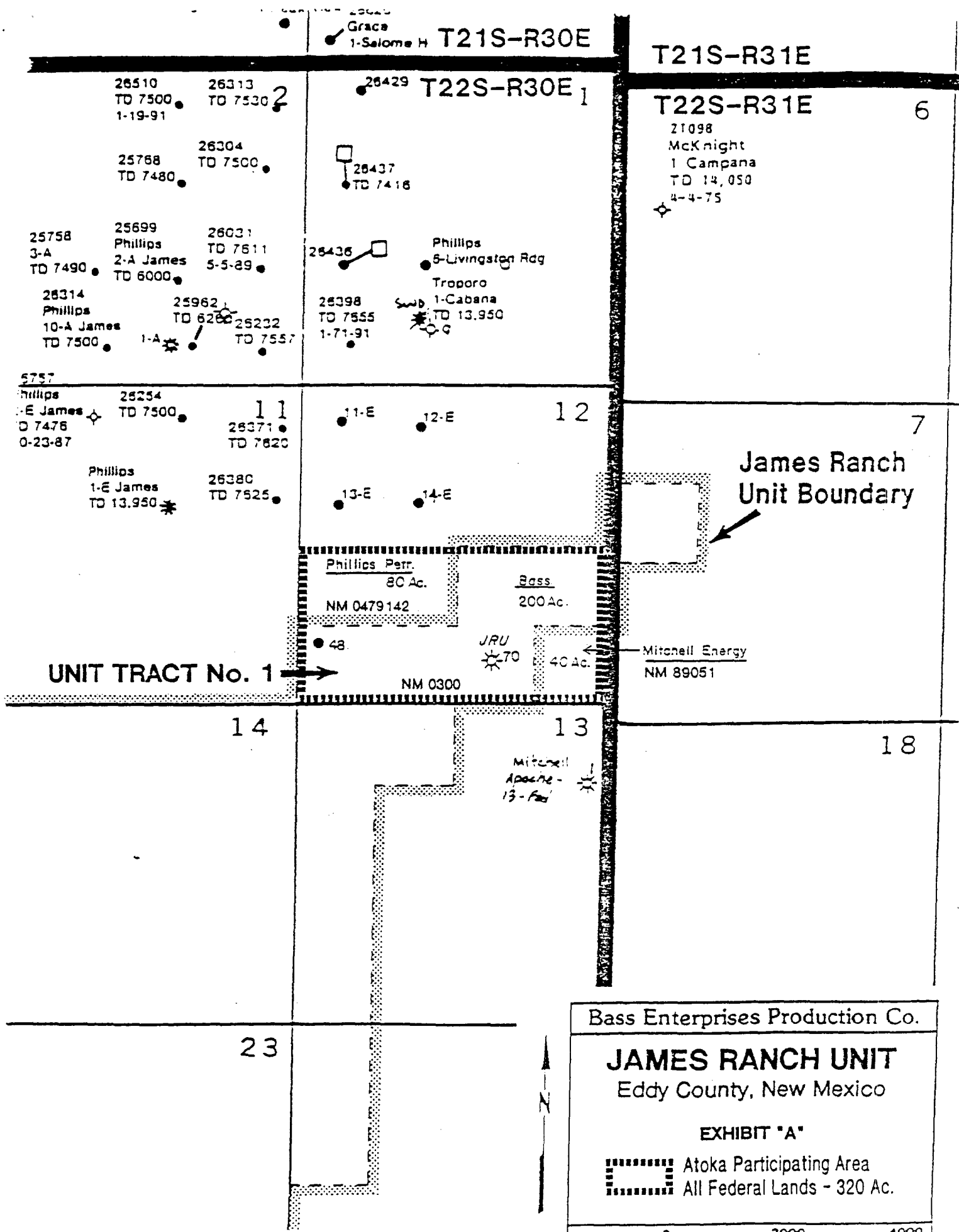


EXHIBIT "B"

Initial Atoka "A" Participating Area
James Ranch Unit
Eddy County, New Mexico

<u>Unit Tract No.</u>	<u>Lease No.</u>	<u>Description</u>	<u>Acres</u>	<u>Percentage of Participation Interest</u>	<u>Working Owner</u>
NA*	NM 89051	Sec. 12, T22S-R30E: SE/4 SE/4	40.00	-0-	Mitchell Energy - 100%
NA*	NM 0479142	Sec. 12, T22S-R30E: N/2 SW/4	80.00	-0-	Phillips Petroleum - 100%
1	NM 0300	Sec. 12, T22S-R30E: S/2 SW/4, N/2 SE/4, SW/4 SE/4	<u>200.00</u>	<u>100.00%</u>	Bass Enterprises - 100%
Totals			320.00	100.00%	
Total Federal Lands:		320.00 ac.			
Total Unit Lands:		200.00 ac.			

* These tracts are not located within the James Ranch Unit boundary.

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL James Ranch Unit #70 FORMATION Altoona

LOCATION O UNIT, 660 FEET FROM S LINE & 1980 FEET FROM E LINE

SECTION 12 TOWNSHIP 22S RANGE 30E COUNTY Eddy NEW MEXICO

SPUD DATE 10/15/94 COMPLETION DATE 1/22/95 INITIAL PRODUCTION 1/22/95

PERFORATIONS 12742-55'

STIMULATION:

ACID Acid wash 1bg w/ 200 gals 15% HCL then 500 gals

Pump 1000 gals 50/50 mixture 7-1/2% HCL and methanol. Displace acid from 1.25" tbq with 25,000 SCF N2

FRACTURE _____

POTENTIAL (PI) 54 BCPD + 9534 MCFD + 10 BWPD. FTP 430 (3/10/95)

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>320</u>	
Porosity (por), %	<u>11.2%</u>	
Water saturation (Sw), %	<u>10%</u>	
Net Thickness (h), ft.	<u>5</u>	
Temperature (T), Fahrenheit	<u>190</u>	
Bottom Hole pressure (P), psia	<u>3,100</u>	
Recovery factor (RF), %	<u>95%</u>	
Recoverable gas, MCF *(See eq. below)	<u>1,500,257</u>	

*Unable to match performance due to net pay uncertainty.

Formula = $(43,560) (A) (h) (por) (1-Sw) (Bgi) (RF)$

$Bgi = 0.03535 P/zT (MSCF/cu.ft.) = 0.1873$

James Ranch Unit #70
Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 4/1/95 ; 324,800 MCF.
INITIAL RATE (q_i) 7.713
ECONOMIC LIMIT (q_e) 100 MCFPD
DECLINE RATE, d_y Hydraulic d=96% n=.5
REMAINING GAS (Q) = 2,020,000
ULTIMATE RECOVERABLE GAS 2,344,400

(Attach plot showing proration unit and participating area.)

ECONOMIC

WELL COST \$ 1,453,000 (to the depth of formation completed)

RECOMPLETION COST \$ _____

TOTAL COST \$ 1,453,000

YEAR	GROSS GAS	NET INCOME	OPERATING COST	10% NET 3FET DISCOUNTED CASH FLOW
ZERO	<u>0</u>	<u>0</u>	<u>0</u>	<u>-1,453,000</u>
1	<u>1,347,900</u>	<u>1,921,500</u>	<u>196,900</u>	<u>1,351,100</u>
2	<u>430,600</u>	<u>534,700</u>	<u>74,700</u>	<u>402,500</u>
3	<u>175,700</u>	<u>219,100</u>	<u>46,800</u>	<u>135,900</u>
4	<u>95,400</u>	<u>118,500</u>	<u>38,000</u>	<u>58,000</u>
5	<u>59,900</u>	<u>74,400</u>	<u>34,200</u>	<u>26,400</u>
REMAINDER	<u>35,200</u>	<u>43,700</u>	<u>25,200</u>	<u>10,100</u>

WELL IS COMMERCIAL

Form C-10
Revised February 10, 1977
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fed Lease - 3 Copies

DISTRICT II
P.O. Graver 22, Arden, NM 38210

DISTRICT III
1000 Elm Street, 2nd Floor, New York, NY 10010

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

C AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		LIVINGSTON RIDGE NE
Property Code	Property Name	Well Number
	JAMES RANCH UNIT	70
OGWD No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION CO.	3329'

Surface Location

CL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	12	22S	30E		660	SOUTH	1960	EAST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Dedicated Acres	Joint or Lease	Conservation Code	Order No.
320	N	U	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div>ILLEGIBLE</div>				<div>OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <div>William R. Dannels</div> <div>Signature</div> <div>William R. Dannels</div> <div>Printed Name</div> <div>Division Drilling Supt.</div> <div>Title</div> <div>4-10-90</div> <div>Date</div>	
				<div>SURVEYOR CERTIFICATION</div> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <div>March 28, 1990</div> <div>Date Surveyed</div> <div>W.D. Dannels</div> <div>Signature & Seal of Professional Surveyor</div> <div>7957</div> <div>W.D. Dannels</div> <div>W.D. Dannels</div> <div>Certificate No.</div> <div>7957</div>	

3350.5'

3352.5'

1980'

3329.5'

3332.5'

600'

JAMES RANCH UNIT NO. 70

LOC: 660' FSL & 1980' FEL, UNIT O, SEC 12, T22S, R30E

API NO: 30-015-28012

ELEVS: GL 3331.1' DF 3356.7' KB 3358.7'

SPUD DATE: 10/15/94

BASS ENTERPRISES
LIVINGSTON RIDGE NE
EDDY COUNTY, NM
DATE: 3/22/95; LAH; JRU70

16" 65# H-40 BUTTRESS CSA 718'.
CMT W/420 SX CL C. CMT CIRC.
20" HOLE 0-718'.

10-3/4" 45.5 LT&C BUTTRESS HC-55
CSA 3840'. CMTD W/2350 SX.
CMT CIRC. 14-3/4" HOLE 718-3840'.

7-5/8" 29.7 M-95 LTC CSA 12,000'.
CMTD W/1360 SX. DV TOOL @ 7806'.
CIRC 40 SX OUT DV TOOL. CMTD 2ND
STAGE W/1700 SX. TOC 3404' (TS).
9-7/8" HOLE 3840-12,000'.

5-1/2" 20# S-95 LSA 11,654-14,139'.
CMT W/350 SX. CMT CIRC.
6-1/2" HOLE 12,000-14,139'.

WELLBORE INFORMATION

TOC 3404' (TS)

TUBING STRING:

DUAL 2-3/8" X 7-5/8" WELLHEAD

LONG STRING

2-3/8" 4.7# N-80 TBG TO 12,656'
'F' NIPPLE 12,656-57'
2-3/8" 4.7# N-80 TBG 12,657-88'
XL ON/OFF TOOL OVERSHOT 12,688-90'
OPEN SPACE BETWEEN PKR & TBG 12,690-94'
XL ON/OFF TOOL W/'F' PROFILE 12,694-96'
5-1/2" UNI-8 PKR 12,696-702'
2-3/8" 4.7# N-80 TBG 12,702-33'
'R' NIPPLE W/NO-GO 12,733-34'
2-3/8" WL ENTRY GUIDE 12,734-35'

SHORT STRING (NOT IN USE)

2-3/8" 4.7# N-80 TBG TO 59'
2-3/8" STANDARD SN 59-60'

LNR LAP ISOL PKR & TIE-BACK RECEPTACLE
@ 11,666'. TOL @ 11,654'.

PERF 12,748-56', 4 SPF (1/14/95)

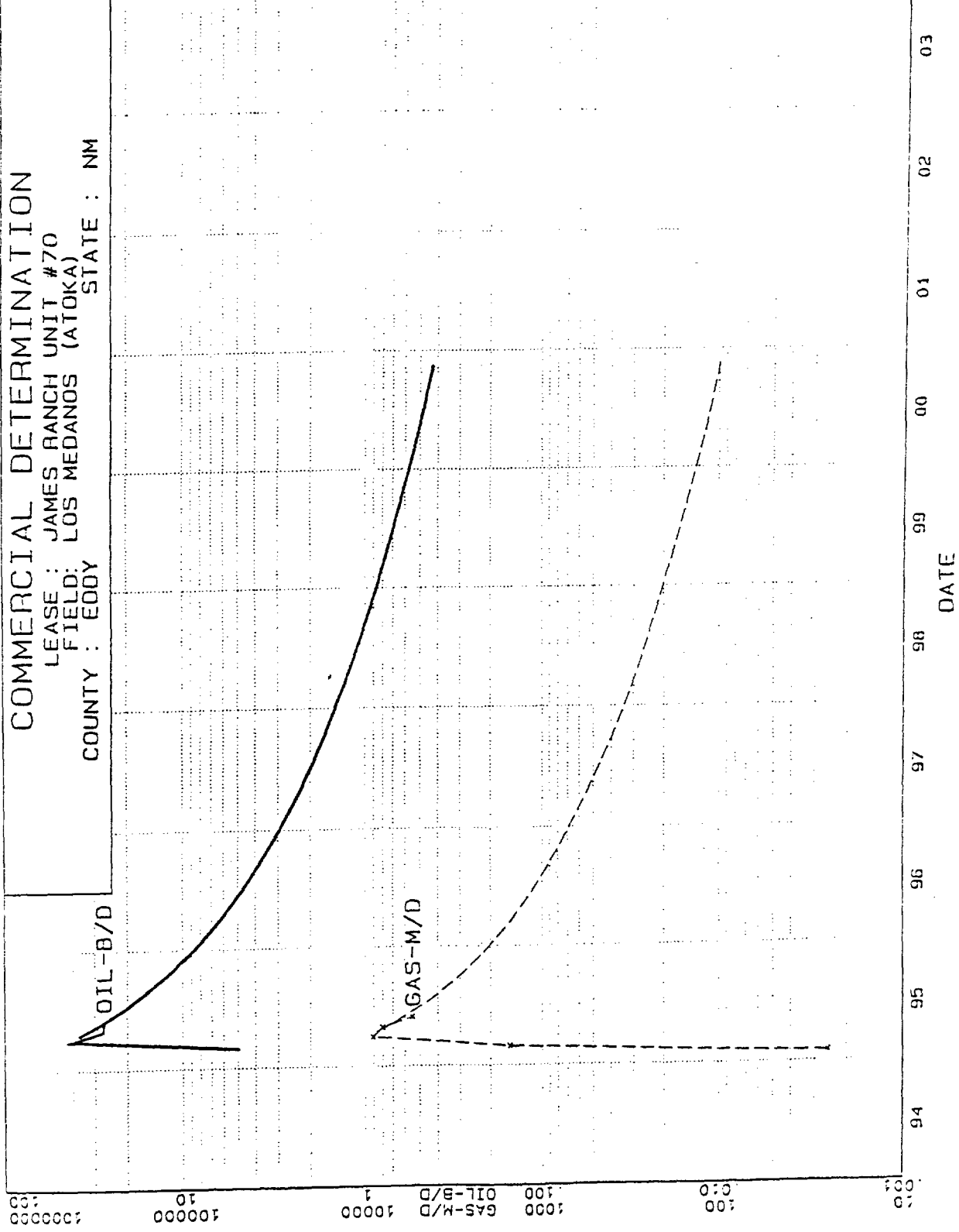
PBTD: 14,139' (1/95)
TD: 14,139'

COMMERCIAL DETERMINATION

LEASE : JAMES RANCH UNIT #70
 FIELD: LOS MEDANOS (ATOKA)
 COUNTY : EDDY STATE : NM

OIL - ATOKA
 Ref = 04/95
 Cum = 1.386
 Rem = 8.730
 EUR = 10.116
 Yrs = 5.667
 Qi = .0
 De = .000
 n = .000
 Qab = .0

GAS - ATOKA
 Ref = 04/95
 Cum = 324.602
 Rem = 2020.000
 EUR = 2344.602
 Yrs = 5.667
 Qi = 298183.8
 De = 95.862
 n = .500
 Qab = 3041.8



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY
FOR APPROVED
OMB NO. 1004-0137
Expires December 31, 1991

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other ☐
2. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ REPAIR ☐ PLUG ☐ DIFF. CENVR. ☐ Other ☐

3. NAME OF OPERATOR
Bass Enterprises Production Co.

4. ADDRESS AND TELEPHONE NO.
P O Box 2760 Midland, Tx 79702-2760 (915)683-2277

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements):
At surface 660' FSL & 1980' FEL Unit Letter O
At top prod. interval reported below
At total depth same as above

6. LEASE DESIGNATION AND SERIAL NO.
NNMM0300

7. IF INDIAN, ACHTETEE OR TRIBE NAME

8. UNIT AGREEMENT NAME
James Ranch Unit

9. FARM OR LEASE NAME, WELL NO.
James Ranch Unit #70

10. API WELL NO.
30-015-23012

11. FIELD AND POOL OR WILDCAT
Livingston Ridge NE Atoka

12. SURV. T. A. M. OR BLOCK AND SURVEY OR AREA

Section 12, T22S, R30E

13. COUNTY OR PARISH
Eddy

14. STATE
N.M.

15. DATE SPUDDED 10-15-94 16. DATE T.D. REACHED 12-8-94 17. DATE COMPL. (Ready to prod.) 1-22-95 18. ELEVATIONS (ST. AND RT. 21, ETC.)* 3331.1' GR 3358.7' RKB 19. ELEV. CASINGHEAD ---

20. TOTAL DEPTH, MD & TVD 14,139' 21. PLUG, SACK, ETC. MD & TVD 14,026' 22. IF MULTIPLE COMPL., HOW MANY* single 23. INTERVALS DRILLED BY 10-14,139' 24. ROTARY TOOLS CABLE TOOLS

25. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 12,748-12,756' (36 holes) Atoka - Gas 26. WAS DIRECTIONAL SURVEY MADE no

27. TYPE ELECTRIC AND OTHER LOGS RUN GR-CNL-LDT, Phasor Dual Induction & Dual Laterolog/Micro-SFL 28. WAS WELL COILED no

CASING RECORD (Report all strings set in well)					
CASING HSG. GRADE	WEIGHT, LB/FT.	DEPTH SET (MD)	HOLES SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
16"	65#	712'	20"	Circ 720 sx CI "C"	none
10 3/4"	45.5#	3840'	14 3/4"	Circ 2350 sx Hall-L Prem	none
7 5/8"	29.7#	12,000'	9 7/8"	TS 3404-3060 sx Hall-L Po	none
DVT 7606'					

LINER RECORD				TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)
5 1/2"	11,667'	14,139'	350 sx		2 3/8"	12,702'
						12,702'

PERFORATION RECORD (Interval, size and number)		ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
perfs: 3 3/8" csg gun 4 JSPF 90% phased 12,748-12,756' (36 holes)		DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
		12,748-12,756'	700 gal 15% Hcl acid & 1000 gal 50/50 mixture 7 1/2% Hcl methanol w/additives

PRODUCTION							
1. FIRST PRODUCTION 1-22-95		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) flowing				WELL STATUS (Producing or shut-in) producing	
2. OF TEST 3-10-95	HOURS TESTED 24	CHOKE SIZE w/o	PROD'N. FOR TEST PERIOD	OIL—BSL. 54	GAS—MCF. 9524	WATER—BSL. 10	GAS-OIL RATIO 177481
W. TONGUE PUMP	CASING PRESSURE 430	PACKER	CALCULATED 24-HOUR RATE	OIL—BSL. 54	GAS—MCF. 9524	WATER—BSL. 10	OIL GRAVITY-API (CO2L) 59.6

DISPOSITION OF GAS (Solid, used for fuel, vented, etc.) Sales & Lease Use ACCEPTED FOR RECORD TEST WITNESSED BY Pro Well Tester

LIST OF ATTACHMENTS 2 each of above logs

I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED [Signature] TITLED Sr.—Production Clerk DATE 3-22-95

ANCH UNIT #70
FOM RIDGE NE (ATOKA)

RU
J by: R.R. BIRKELO

DATE : 05/15/95
TIME : 11:04:53
DBS FILE : DAILYJ
SETUP FILE : CORDET
SEQ NUMBER : 14

INPUT DATA
SCHEDULING RATES
SCHEDULE UNTIL
PROCEDURE
ULTIMATE
LAST
BPP, DRCL
INIT. RATE
FINAL RATE

CALCULATED DATA

RT 04/95
298183.80 X M/M 2020.00 IMU H/O.500 95.86 2344.602 11/00 95.86 298184. 3042.

RT 04/95

GAS .00 .00 B/M 01/2080 AD LIN TIME 12/79
RT 01/95

GAS 1.3500 X \$/M TO LIFR SCH GAS 11/00 1.350 1.350
OIL 16.0000 X \$/B TO LIFR SCH OIL 11/00 16.000 16.000

T 2300.00 X \$/M TO LIFR PC .00 11/00 2300.000 2300.000

OIL 7.08 X % TO LIFR PC .00 11/00 .071 .071
GAS 7.93 X % TO LIFR PC .00 11/00 .079 .079

1.00 X % TO LIFR PC .00 11/00 .010 .010

WT 100.0000 D % TO LIFR FLAT .00 11/00 1.000 1.000
HIC 87.5000 D % TO LIFR FLAT .00 11/00 .875 .875
NIG 87.5000 D % TO LIFR FLAT .00 11/00 .875 .875

3 SCHEDULING RATES
ULTIMATE
LAST
BPP, DRCL
INIT. RATE
FINAL RATE
P.GAS GAS 1/95 \$ 324.602 3/95
P.OIL OIL 1/95 \$ 1.386 3/95

RT TANGIBLES & INTANGIBLES
TIME
PROCEDURE
TOTAL TAI
MONTH
RISK INV.
TOT. TAIAR
ESC. TAIAR
L 581.00 872.00 M\$G 1/95 AD 1453.000 1/95 1453.0 1453.0
HEAD .00 160.00 M\$G 1/95 AD 160.000 1/95 160.0 160.0
ACR -58.10 .00 M\$G TO LIFR -58.100 11/0 160.0 160.0
-58.1

PARAMETERS
ITEM
ITEM
NO
MB
1.39
CUMG, MHP
324.60
CUML, MB

ASSUMPTIONS

TS : 1/95 TIME FRAMES : 38*12 1*600
TS : 1/95 PW A-AGR : 10.0 DISC. FREQUENCY : MO
DATE : 1/95 PROD QUAL : ATOKA OWHR QUAL :
OTHER QUAL :

RANCH UNIT #70
STON RIDGE NE (ATOKA)

IRU
ad by: R.R. BIRKBELO

DATE : 05/15/95
TIME : 11:04:53
DBS FILE : DAILYJ
SETUP FILE : COMDET
SBQ NUMBER : 14

ILLEGIBLE

R E S E R V E S A N D E C O N O M I C S

ENDING 12/95 12/96 12/97 12/98 12/99 12/00 TOTAL 5.8 YR

IIP -----

AKING INTEREST, \$ 100.000 100.000 100.000 100.000 100.000 100.000 100.000
/RNUH INTEREST, \$ 87.500 87.500 87.500 87.500 87.500 87.500 87.500

AGENTS, M\$

GROWED CAPITAL
JITY INVESTMENTS
SK
TOTAL

ASB

OIL, MB
F OIL, MB
L REVENUE, M\$
L PRICE, \$/B

ASB

GAS, MHP
F GAS, MHP
S REVENUE, M\$
I PRICE, \$/MCF

ICS, M\$

REV. TO INTR.
REV. TAX
AD VALOREM TAX
OPERATING COSTS
SWD
CAPITAL REPAYMENT
INTEREST PAID
NET OWNED - PAID
NET INCOME
INVESTMENTS & RSK
BIT NET
F WORTH @ 10.00 %

F INCOME
VESTMENTS & RISK
IT NET
4 BIT NET

RANCH UNIT #70
STON RIDGE NE (ATOKA)

JRU

ed by: R.R. BIRKEL

DATE : 05/15/95
TIME : 11:04:53
DBS FILE : DAILYJ
SETUP FILE : CONDET
SRQ NUMBER : 14

AFTER TAX ECONOMICS

ENDING 12/95 12/96 12/97 12/98 12/99 12/00 5.8 YR TOTAL

STATEMENT OF INVESTMENTS, M\$

1, RISK & CAP INT 1032.0 .0 .0 .0 .0 .0 1032.0
PLETABLE .0 .0 .0 .0 .0 .0
RECIABLE 581.0 .0 .0 .0 .0 -581.1 522.9

CULATIONS, M\$

SS REV. TO INTR. 1921.5 534.7 218.1 118.5 74.4 43.7 2910.9
REVENANCE TAX 151.6 42.2 17.2 9.3 5.9 3.4 229.6
IPT TAX NET .0 .0 .0 .0 .0 .0
PR. COSTS & ATX 45.3 32.5 29.6 28.7 28.3 23.4 187.8
PI OWNED - PAID .0 .0 .0 .0 .0 .0
VERHEAD .0 .0 .0 .0 .0 .0
XPENSED INV. 1032.0 .0 .0 .0 .0 .0 1032.0
APRECIATION 83.0 142.3 101.6 72.6 51.9 129.7 581.0
LET 609.6 317.7 69.7 7.9 -11.6 -112.8 880.5
PLETION .0 .0 .0 .0 .0 .0
INTEREST PD & CAP .0 .0 .0 .0 .0 .0
AXABLE 609.6 317.7 69.7 7.9 -11.6 -112.8 880.5
AX RATE, % 35.0 35.0 35.0 35.0 35.0 35.0
AX CREDIT .0 .0 .0 .0 .0 .0
UT REFUND .0 .0 .0 .0 .0 .0
J.T. 213.4 111.2 24.4 2.8 -4.1 -39.5 308.2

ENUE-SRV-NPT 1769.9 492.5 200.9 109.1 68.5 40.3 2681.3
PR. COSTS & ATX 45.3 32.5 29.6 28.7 28.3 23.4 187.8
PI OWNED - PAID .0 .0 .0 .0 .0 .0
I.T. 213.4 111.2 24.4 2.8 -4.1 -39.5 308.2
P.I.T. 1511.2 348.8 146.9 77.7 44.3 56.3 2185.3
OAN REPAYMENT .0 .0 .0 .0 .0 .0
INTEREST PAID .0 .0 .0 .0 .0 .0
ET INCOME 1511.2 348.8 146.9 77.7 44.3 56.3 2185.3
IVESTMENTS & RSK 1613.0 .0 .0 .0 .0 -58.1 1554.9
P.I.T. NET -101.8 348.8 146.9 77.7 44.3 114.4 630.4

WORTH @ 10.00 %

INCOME 1440.9 302.3 115.8 55.6 28.9 33.6 1977.1
ESTMENTS & RISK 1613.0 .0 .0 .0 .0 -33.6 1579.4
I.T. NET -172.1 302.3 115.8 55.6 28.9 67.2 397.7
A.F.I.T. NET -172.1 130.2 246.0 301.7 330.5 397.7 397.7

ILLEGIBLE

DATE : 05/15/95
 TIME : 11:04:53
 DBS FILE : DAILY
 SETUP FILE : COMDET
 SEQ NUMBER : 14

RANCH UNIT #70
 BOSTON RIDGE NE (ATOKA)
 JR
 Prepared by: R.R. BIRKHO

ECONOMIC INDICATORS

AS OF DATE: 1/95

B.F.I.T. WORTH M\$-----	A.F.I.T. WORTH M\$-----	A.F.I.T. BONUS M\$-----
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NET WORTH PROFILE AND OP-RETURN VS. BONUS TABLE

0.	938.571	630.406	959.856
2.	885.649	577.247	877.708
4.	836.087	527.758	793.754
6.	789.558	481.557	716.941
8.	745.775	438.312	646.387
10.	704.489	397.733	581.349
20.	528.547	226.943	319.577
30.	390.382	95.086	130.134
40.	278.228	-10.682	-14.293
50.	184.827	-98.053	-128.784
60.	105.459	-171.898	-222.308
70.	36.910	-235.458	-300.523
80.	-23.087	-290.974	-367.176
90.	-76.185	-340.054	-424.855
100.	-123.620	-383.883	-475.405

OP RETURN, PCT.	76.2	39.0
COUNTED PAYOUT, YRS.	.94	1.29
NTED PAYOUT, YRS.	.98	1.57
COUNTED NET/INVEST.	1.60	1.41
NTED NET/INVEST.	1.45	1.25

ILLEGIBLE

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto".

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

S/2 Section 12, T22S-R30E, NMPM, Eddy County, New Mexico

containing 320 acres, and this agreement shall include only the Wolfcamp, Atoka, and Morrow Formations underlying said lands and the hydrocarbons, hereinafter referred to as "communitized substances", producible from such formations. This agreement shall apply separately to the Wolfcamp, Atoka, and Morrow formations in the same manner as though a separate agreement for each formation had been entered into.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands

within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the communitized area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized leases production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operations, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is January 22, 1995 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earliest upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior or by his duly authorized representative, and shall remain in force and effect as to the Wolfcamp, Atoka and Morrow formations individually for a period of two (2) years and for as long thereafter as communitized substances are, or can be, produced in paying quantities from communitized formations or formation. Provided that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may terminate at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of non-production. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

BASS ENTERPRISES PRODUCTION CO., OPERATOR
PERRY R. BASS, INC.
SID R. BASS, INC.
LEE M. BASS, INC.
THRU LINE INC.
KEYSTONE, INC.

By: W. Frank McCreight
W. Frank McCreight
Vice President of all above corporations

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 6th day of March, 1995, by W. FRANK MCCREIGHT, the VICE PRESIDENT of BASS ENTERPRISES PRODUCTION CO., PERRY R. BASS, INC., SID R. BASS, INC., LEE M. BASS, INC., KEYSTONE, INC., and THRU LINE INC., all Texas corporations, on behalf of said corporations.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 6th day of March, 1995.

Shirlyn A. Ford
Notary Public, State of Texas

My commission expires:

9/30/96

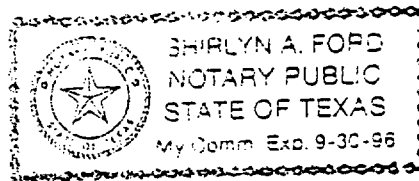


EXHIBIT "A"

Plat of communitized area covering S/2 Section 12. T22S-R30E. N.M.P.M.,

Livingston Ridge N.E. Field, Eddy County, New Mexico.

Phillips Petroleum Company Tr. No. ① 80.00 Acres NM 0479142	Perry R. Bass, Inc. Sid R. Bass, Inc. Lee M. Bass, Inc. Keystone, Inc. Thru Line, Inc. Tr. No. ② 200.00 Acres NM 0300
BEPCo. James Ranch Unit #70 TD 14139'	Mitchell Energy Corporation Tr. No. ③ 40.00 Acres NM 89051



Scale: 1" = 1000'

EXHIBIT "B"

To Communitization Agreement dated January 22, 1995 embracing 320 acres.

Operator of Communitized Area: Bass Enterprises Production Co.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial No.: NM 0479142

Lease Date: January 1, 1964

Lease Term: 10 years

Lessor: United States of America

Lessee on effective date of agreement if different from present lessee: Mrs. Bonnie J. Andrikopoulos

Present Lessee: Phillips Petroleum Company

Description of Land Committed:

Township 22 South Range 30, East N.M.P.M.

N/2 SW/4 Section 12

Number of Acres: 80.00

Royalty Rate: 12-1/2 percent

Name and Percent ORRI Owners:

John G. Andrikopoulos & Judy K. Andrikopoulos	0.0781%
A. G. Andrikopoulos Resources, Inc.	4.4531%
Dorothy J. Tucker, Trustee of	1.5625%
Dorothy J. Tucker Trust	
Gale Kelly & Patsy R. Kelly	1.5625%
Estelle C. Haefele & James W. Haefele	1.5625%

Name and Percent WI Owners: Phillips Petroleum Company 100%

Tract No. 2

Lease Serial No.: NM 0300

Lease Date: November 1, 1951

Lease Term: 5 years

Lessor: United States of America

Lessee on effective date of agreement if different from present lessee: Allie V. Tapp

Present Lessee: Perry R. Bass, Inc., Sid R. Bass, Inc., Keystone, Inc., Thru Line Inc.,
Lee M. Bass, Inc.

Description of Land Committed:

Township 22 South Range 30, East N.M.P.M.

N/2 SE/4, SW/4 SE/4, S/2 SW/4 Section 12

Number of Acres: 200.00

Royalty Rate: 12-1/2 percent

Name and Percent ORRI Owners:

Paul Slayton	2.70%
M. C. Jones	0.30%

Name and Percent WI Owners:

Perry R. Bass, Inc.	25.00%
Sid R. Bass, Inc.	18.75%
Keystone, Inc.	18.75%
Thru Line Inc.	18.75%
Lee M. Bass, Inc.	18.75%

Tract No. 3

Lease Serial No.: NM 89051

Lease Date: June 1, 1992

Lease Term: 5 years

Lessor: United States of America

Lessee on effective date of agreement if different from present lessee: Not applicable

Present Lessee: Mitchell Energy Corporation

Description of Land Committed:

Township 22 South Range 30 East N.M.P.M.

SE/4 SE/4 Section 12

Number of Acres: 40.00

Royalty Rate: 12-1/2 percent

Name and Percent ORRI Owners: Not Applicable

Name and Percent WI Owners: Mitchell Energy Corporation 100.00%

RECAPITULATION

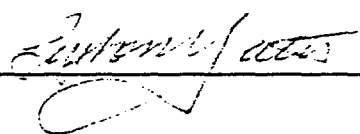
<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80.00	25.000000%
2	200.00	62.500000%
3	<u>40.00</u>	<u>12.500000%</u>
	320.00	100.000000%

CONSENT AND RATIFICATION OF
COMMUNITIZATION AGREEMENT
S/2 SECTION 12,
TOWNSHIP 22 SOUTH, RANGE 30 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledge receipt of a copy of that certain Communication Agreement between BASS ENTERPRISES PRODUCTION CO., as Operator, and YATES PETROLEUM CORPORATION, ET AL, as Non-Operators, dated as of January 22, 1995, covering gas and associated liquid hydrocarbons producible from the WOLFCAMP, ATOKA and MORROW formations in the S/2 of Section 12, Township 22 South, Range 30 East, N.M.P.M., Eddy County, New Mexico (the "Communitized Area") and acknowledge that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of leasehold, royalty of interest in the lands or minerals embraced in said Communitized Area, as indicated on the schedule attached to the Communitization Agreement as Exhibit "B", does hereby authorize the communitization or pooling of all of its interest in said Communitized Area pursuant to said Communitization Agreement, does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Communitization Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in its respective acknowledgement.

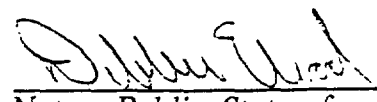
YATES PETROLEUM CORPORATION

By:  (NY)

STATE OF NEW MEXICO

COUNTY OF EDDY

This instrument was acknowledged before me on the 1st day of May, 1991⁵, by Peyton Yates, ~~the Vice President~~ Attorney-
of in-Fact for Yates Petroleum Corp., a New Mexico corporation, on behalf of said corporation.


Notary Public, State of NEW MEXICO

My commission expires:

10-7-96

June 19, 1995

BASS ENTERPRISES PRODUCTION CO.
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102

Attn: Mr. Worth Carlin



RE: JAMES RANCH UNIT WELL NO. 70
S/2 Section 12, T22S - R30E
Eddy County, New Mexico

Dear Mr. Carlin:

Reference is made to your request for Mitchell to execute a Communitization Agreement for the captioned well. You may simply file a copy of the Compulsory Pooling Order No. R-10171 with the BLM and they will approve your Communitization Agreement.

Very truly yours,

MITCHELL ENERGY CORPORATION

Larry D. Cunningham
District Landman

LDC/mkb
A:LDC035.LTR

MITCHELL ENERGY CORPORATION 2001 TIMBERLOCH PLACE
P.O. BOX 4000 THE WOODLANDS TEXAS 77387-4000 713/377-5500



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office
1717 West Second Street
Roswell, New Mexico 88201-2019

IN REPLY REFER TO:

NMNM70965X
1408001558
3180 (06557)

Bass Enterprises Production Co.
Attn: J. Wayne Bailey
201 Main Street
Fort Worth, Texas 76102-3131

JUL 27 1995

Re: James Ranch Unit No. 11
Section 36, T.22 S., R.30 E.
Eddy County, New Mexico
Commercial Well Determination

Pursuant to your letter dated June 17, 1995, it has been determined by this office that under existing conditions the James Ranch Unit No. 11, 1980' FNL and 920' FWL, Section 36, T. 22 S., R. 30 E., Eddy County, New Mexico, is not capable of producing unitized substances from the Atoka formation in paying quantities as defined in Section 11 of the James Ranch unit agreement. This well is therefore not entitled to be part of a Atoka participating area and production from this well shall be handled and reported on a lease basis.

Please contact Alexis Swoboda, P.E., or the Division of Minerals at 505-627-0272 if you have any questions.

Our mailing address has been updated as noted in the letterhead of this document.

Sincerely,

Tony L. Ferguson
Assistant District Manager
Minerals

CC:
MMS - Denver (3240)

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL	James Ranch Unit #11				FORMATION	Atoka				
LOCATION	E	UNIT,	920	FEET FROM	W	LINE &	1980	FEET FROM	N	LINE
SECTION	35	TOWNSHIP	22S	RANGE	30E	COUNTY	Eddy	NEW MEXICO		
SPUD DATE	9/19/80	COMPLETION DATE	5/15/81	INITIAL PRODUCTION	5/15/81					
PERFORATIONS	13038-48'									

STIMULATION:

ACID _____

FRACTURE _____

POTENTIAL (PI) 18 BOPD + 2350 MCFD + 1 SWPD. FTP 1350 (5/30/81)

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	320	
Porosity (por), %	9.7%	
Water saturation (S _w), %	34%	
Net Thickness (h)	7	
Temperature (T), Fahrenheit	180	
Bottom Hole pressure (P), psia	2,500	
Recovery factor (RF), %	90%	
Recoverable gas, MCF *(See eq. below)	862,583	

Formula = $(43,550) (A) (h) (por) (1-S_w) (B_{gi}) (RF)$

$B_{gi} = 0.03535 P/zT \text{ (MSCF/cu.ft.)} = 0.1534$

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 2/1/95 ; 1,102,116 MCF.
INITIAL RATE (qi) 203 MCFPD
ECONOMIC LIMIT (qi) 100 MCFPD
DECLINE RATE, dy Exponential d=4.737%
REMAINING GAS (Q) = 773,325
ULTIMATE RECOVERABLE GAS 1,869,353

(Attach plot showing proration unit and participating area.)

ECONOMIC

WELL COST \$ 2,513,000 (to the depth of formation completed)

RECOMPLETION COST \$ _____

TOTAL COST \$ 2,513,000

YEAR	GROSS GAS	NET INCOME	OPERATING COST	10% NET BFIT DISCOUNTED CASH FLOW
ZERO	<u>0</u>	<u>0</u>	<u>0</u>	<u>-2,513,000</u>
1	<u>81,000</u>	<u>228,500</u>	<u>114,900</u>	<u>113,600</u>
2	<u>96,800</u>	<u>269,000</u>	<u>133,100</u>	<u>116,200</u>
3	<u>89,600</u>	<u>255,300</u>	<u>77,000</u>	<u>140,400</u>
4	<u>72,200</u>	<u>213,200</u>	<u>65,400</u>	<u>106,600</u>
5	<u>18,700</u>	<u>54,700</u>	<u>46,600</u>	<u>6,000</u>
6	<u>21,500</u>	<u>65,700</u>	<u>28,700</u>	<u>20,500</u>
7	<u>94,000</u>	<u>285,600</u>	<u>44,500</u>	<u>130,100</u>
8	<u>107,100</u>	<u>320,900</u>	<u>59,000</u>	<u>128,100</u>
9	<u>103,300</u>	<u>246,900</u>	<u>53,000</u>	<u>84,600</u>
10	<u>111,900</u>	<u>164,600</u>	<u>60,900</u>	<u>41,900</u>
REMAINDER	<u>932,700</u>	<u>1,257,400</u>	<u>837,000</u>	<u>117,600</u>

WELL IS NOT COMMERCIAL

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

Form G-103
Revised 11-84

NEW MEXICO OIL CONSERVATION COMMISSION WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fed <input type="checkbox"/>
2. State Oil & Gas Lease No.	
E-5229	

10. TYPE OF WELL		11. Unit Agreement Name	
OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> GRY <input type="checkbox"/> OTHER <u>Condensate</u>		James Ranch	
5. TYPE OF COMPLETION		8. Farm or Lease Name	
NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. REVEN. <input type="checkbox"/> OTHER <input type="checkbox"/>		James Ranch	
2. Name of Operator		9. Well No.	
Belco Petroleum Corporation		11	
3. Address of Operator		10. Field and Pool, or Wildcat	
10,000 Old Katy Road, Suite 100, Houston, Texas 77055		Los Medanos (Atoka)	
4. Location of Well		12. County	
UNIT LETTER <u>E</u> LOCATED <u>920</u> FEET FROM THE <u>West</u> LINE AND <u>1980</u> FEET FROM		Eddy	
THE North LINE OF SEC. 36 TWP. 22-S RGE. 30-E		13. Date Spudded	
15. Date T.D. Reached		16. Date Complet. (Ready to Prod.)	
9-19-80		2-13-81	
20. Total Depth		21. Plug Back T.D.	
14,600'		13,235'	
22. If Multiple Complet., How Many		23. Intervals Drilled By	
-		Rotary Tools	
24. Producing Interval(s), of this completion - Top, Bottom, Name		25. Was Directional Survey Made	
13044-48'		Yes	
26. Type Electric and Other Logs Run		27. Was Well Cored	
Compensated Neutron-Formation Density-Gamma Ray		No	

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULL
16"	65	450'	20"	750'	-
10-3/4"	40.5-45.3	3800'	14-3/4"	2300'	-
7-5/8"	29.7-33.7	11933'	9-7/8"	1040'	-

29. LINER RECORD				30. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET
5"	10,795'	13,881'	350		2-7/8"	10,674'
2-7/8"	13,515'	14,599'	180			10,674'

31. Perforation Record (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.					
13,048-44' w/4 SPF		<table border="1"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>13,044-48'</td> <td>Not treated</td> </tr> </table>		DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	13,044-48'	Not treated
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED						
13,044-48'	Not treated						

33. PRODUCTION							
Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)				Well Status (Prod. or Shut-in)	
5-16-81		Flowing				Producing	
Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
5-30-81	24	17/64"		18	2350	1	130,555
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API (Corr.)	
1350#	Pkr		18	2350	1	55.5	

34. Disposition of Gas (Sold, used for fuel, vented, etc.)	Test Witnessed By
Sold to pipeline except for 3 hr cleanup period.	Belco Petroleum Corp.

35. List of Attachments
2 copies CNL-DL & Deviation Survey

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.		
SIGNED <u>Carl M. Hager</u>	TITLE <u>Production Superintendent</u>	DATE <u>June 2, 1981</u>

OIL CONSERVATION DIVISION

P. O. BOX 2000

SANTA FE, NEW MEXICO 87501

Form C-104
Revised 10-1-78

NAME OF OPERATOR	
DATE OF FILING	
FILE	
W.D.P.	
LOCAL OFFICE	
TRANSPORTER	
OPERATION	
PERMITS OFFICE	

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Operator

Belco Petroleum Corporation

Address

10,000 Old Katy Road, Suite 100, Houston, Texas 77055

Reason(s) for filing (Check proper box)

New Well ☒

Recompletion ☐

Change in Ownership ☐

Change in Transporter of:

Oil ☐

Casinghead Gas ☐

Dry Gas ☐

Condensate ☒

Other (Please explain)

If change of ownership give name
and address of previous owner

DESCRIPTION OF WELL AND LEASE

Lease Name James Ranch	Well No. 11	Pool Name, including Formation Los Medanos (Atoka)	Kind of Lease State, Federal or Free State	Lease E-522
Location				
Unit Letter E	920	Feet From The West	Line and 1980	Feet From The North
Line of Section 36	T. and S. 22-S	Range 30-E	, N.M.P.D., Eddy	

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
NAVAJO CRUDE OIL PURCHASING COMPANY	P.O. DRAWER 175, ARTESIA, NEW MEXICO 88210
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Natural Gas Pipeline Co. of America	P. O. Box 283, Houston, Texas 77001
If well produces oil or liquids, give location of tanks.	Unit, Sec., Twp., Rge. E 36 22-S 30-E
Is gas actually connected?	When Yes 5-27-81

If this production is commingled with that from any other lease or pool, give commingling order number:

COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'n.	Diff. P.
		X	X					
Date Spudded 9-19-80	Date Compl. Ready to Prod. 5-16-81	Total Depth 14600'	P.B.T.D. 13235'					
Elevations (DF, RKB, RT, CR, etc.) 3324' KB	Name of Producing Formation Atoka	Top Oil/Gas Pay 13037'	Tubing Depth 10674'					
Perforations 13044-48'			Depth Casing Shoe					

TUBING, CASING, AND CEMENTING RECORD

CASING & TUBING SIZE

DEPTH SET

SACKS CEMENT

E MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION . AT

Form C-102
Supersedes C-1
Effective 1-1-5.

All distances must be from the outer boundaries of the Section.

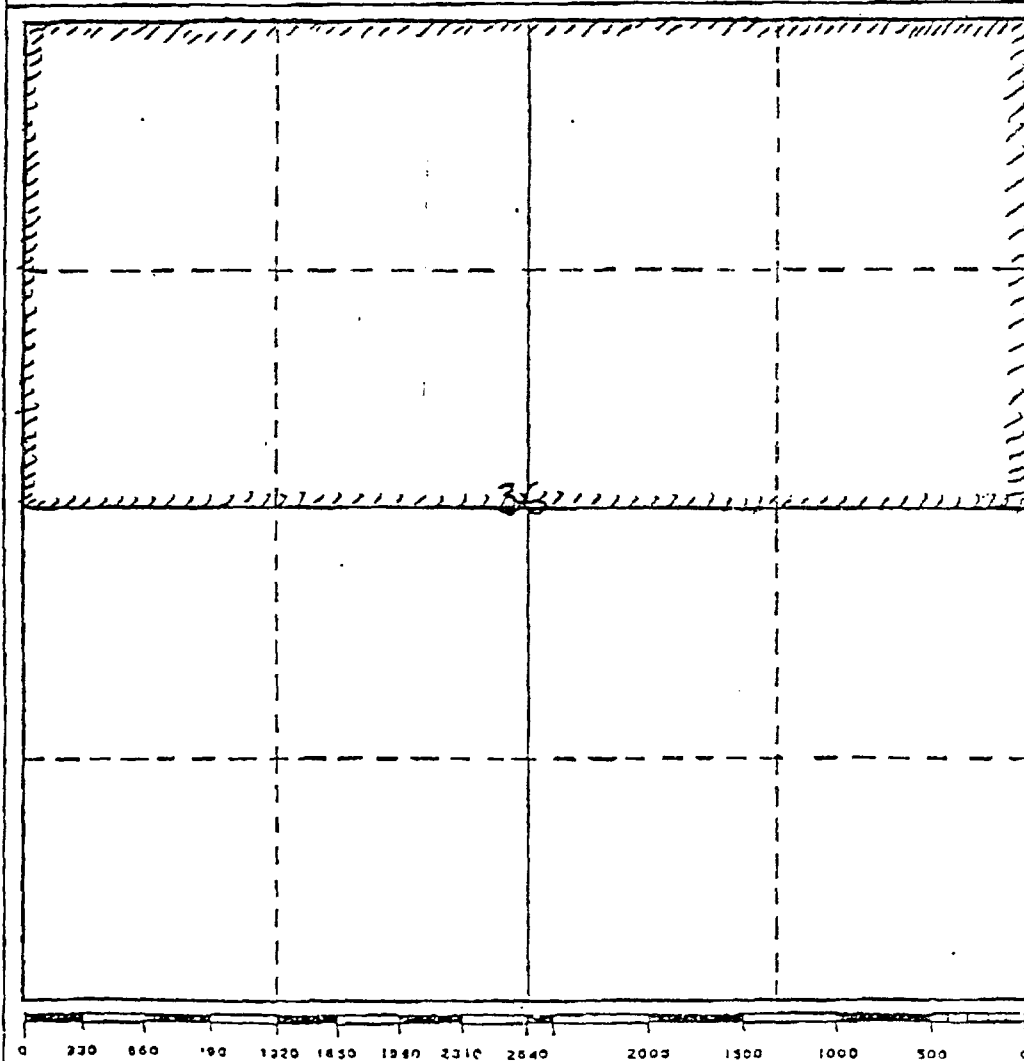
Operator BELCO PETROLEUM CORPORATION			Lease JAMES RANCH		Well No. 11
Unit Letter E	Section 36	Township 22-S	Range 30-E	County EDDY	
Actual Footage Location of Well: 1980 feet from the NORTH line and 920 feet from the WEST line					
Ground Level Elev: 3306	Producing Formation ATOKA		Pool LOS MEDANOS	Dedicated Acreage: 320	Actual

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Carl M. Houser
Name

CARL M. HOUSER

Position
PRODUCTION SUPERINTENDENT

Company
BELCO PETROLEUM CORPORATION

Date
June 2, 1981

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

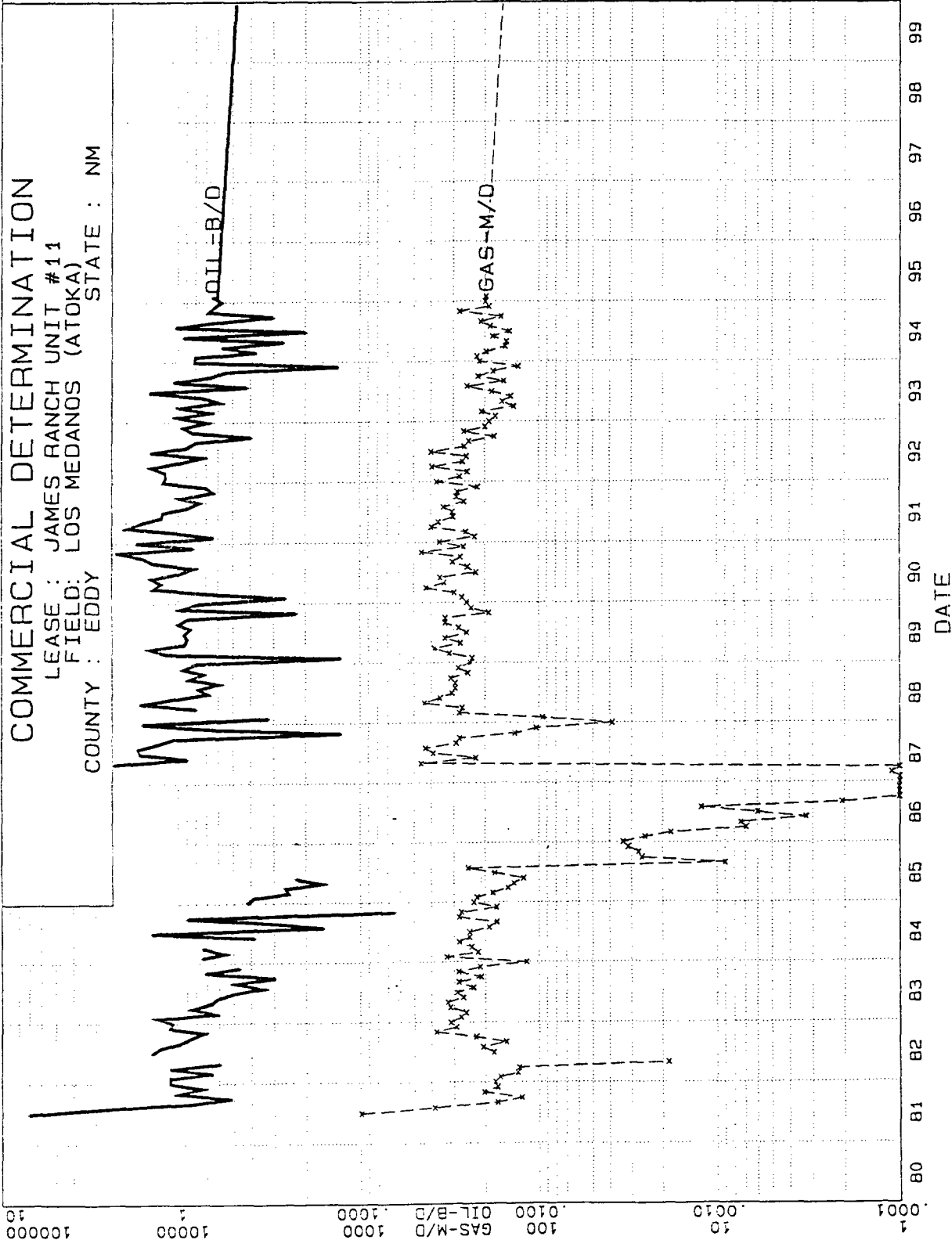
Certificate No.

COMMERCIAL DETERMINATION

LEASE : JAMES RANCH UNIT #11
 FIELD: LOS MEDANOS (ATOKA)
 COUNTY : EDDY STATE : NM

OIL--ENRON
 Gal= 01/95
 Cum= 3.827
 Rem= 2.328
 EUR= 6.155
 Yrs= 14.583
 Qi= 0
 De= .000
 n= .000
 Qab= .0

GAS--ENRON
 Gal= 01/95
 Cum= 1096.028
 Rem= 773.325
 EUR= 1869.353
 Yrs= 14.583
 Qi= 6165.6
 De= 4.737
 n= .000
 Qab= 3042.0




```

DATE      : 05/15/95
TIME      : 09:37:38
DBS FILE  : DAILYJ
SETUP FILE : COMDET
SEQ NUMBER : 224

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I N P U T D A T A				C A L C U L A T E D D A T A							
ITEM	SCHEDULING RATES	SCHEDULE UNTIL	PROCEDURE	ULTIMATE	LAST	RFP, DBCL	INIT. RATE	FINAL RATE			
<hr/>											
405 START	01/95										
410 GAS	6165.60	3042.00 M/M	X	YRS	EXP	4.74	1869.353	7/09	4.74	6166.	3038.
415 START	01/95										
420 OIL/GAS	.00	.00 B/M	01/2080 AD	LIN	TIME			12/79			
425 START	6/81										
516 PRI/OIL	33.0000	X	\$/B	1/82	AD	PC	.00	7/09	33.000		33.000
517 "	32.77	X	\$/B	1/83	AD	PC	.00	7/09	32.770		32.770
518 "	29.99	X	\$/B	1/84	AD	PC	.00	7/09	29.990		29.990
519 "	29.87	X	\$/B	1/85	AD	PC	.00	7/09	29.870		29.870
520 "	28.03	X	\$/B	1/86	AD	PC	.00	7/09	28.030		28.030
521 "	26.18	X	\$/B	1/87	AD	PC	.00	7/09	26.180		26.180
522 "	24.35	X	\$/B	1/88	AD	PC	.00	12/87	24.350		24.350
523 "	22.64	X	\$/B	1/89	AD	PC	.00	12/88	22.640		22.640
524 "	21.06	X	\$/B	1/90	AD	PC	.00	12/89	21.060		21.060
525 "	19.61	X	\$/B	1/91	AD	PC	.00	12/90	19.610		19.610
526 "	20.31	X	\$/B	1/92	AD	PC	.00	12/91	20.310		20.310
527 "	18.88	X	\$/B	1/93	AD	PC	.00	12/92	18.880		18.880
528 "	17.08	X	\$/B	1/94	AD	PC	.00	12/93	17.080		17.080
529 "	13.54	X	\$/B	1/95	AD	PC	.00	12/94	13.540		13.540
530 "	16.00	X	\$/B	TO	LIFE	PC	.00	7/09	16.000		16.000
535 PRI/GAS	3.0000	X	\$/M	1/82	AD	PC	.00	7/09	3.000		3.000
536 "	3.02	X	\$/M	1/83	AD	PC	.00	7/09	3.020		3.020
537 "	3.11	X	\$/M	1/84	AD	PC	.00	7/09	3.110		3.110
538 "	3.32	X	\$/M	1/85	AD	PC	.00	7/09	3.320		3.320
539 "	3.31	X	\$/M	1/86	AD	PC	.00	7/09	3.310		3.310
540 "	3.51	X	\$/M	1/87	AD	PC	.00	7/09	3.510		3.510
541 "	3.38	X	\$/M	1/88	AD	PC	.00	12/87	3.380		3.380
542 "	3.38	X	\$/M	1/89	AD	PC	.00	12/88	3.380		3.380
543 "	3.34	X	\$/M	1/90	AD	PC	.00	12/89	3.340		3.340
544 "	1.64	X	\$/M	1/91	AD	PC	.00	12/90	1.640		1.640
545 "	1.53	X	\$/M	1/92	AD	PC	.00	12/91	1.530		1.530
546 "	1.90	X	\$/M	1/93	AD	PC	.00	12/92	1.900		1.900
547 "	1.97	X	\$/M	1/94	AD	PC	.00	12/93	1.970		1.970
548 "	1.69	X	\$/M	1/95	AD	PC	.00	12/94	1.690		1.690
549 "	1.35	X	\$/M	TO	LIFE	PC	.00	7/09	1.350		1.350
554 OPC/T	5000.00	X	\$/M	1/82	AD	PC	.00	7/09	5000.000		5000.000
555 "	11956.00	X	\$/M	1/83	AD	PC	.00	7/09	11956.000		11956.000
556 "	5141.00	X	\$/M	1/84	AD	PC	.00	7/09	5141.000		5141.000
557 "	3681.00	X	\$/M	1/85	AD	PC	.00	7/09	3681.000		3681.000
558 "	4153.00	X	\$/M	1/86	AD	PC	.00	7/09	4153.000		4153.000
559 "	2550.00	X	\$/M	1/87	AD	PC	.00	7/09	2550.000		2550.000
560 "	1003.00	X	\$/M	1/88	AD	PC	.00	12/87	1003.000		1003.000
561 "	2459.00	X	\$/M	1/89	AD	PC	.00	12/88	2459.000		2459.000
562 "	2680.00	X	\$/M	1/90	AD	PC	.00	12/89	2680.000		2680.000
563 "	3493.00	X	\$/M	1/91	AD	PC	.00	12/90	3493.000		3493.000
564 "	4397.00	X	\$/M	1/92	AD	PC	.00	12/91	4397.000		4397.000
565 "	4096.00	X	\$/M	1/93	AD	PC	.00	12/92	4096.000		4096.000

566 "	5280.00	X	\$/M	1/94	AD	PC	.00	12/93	5280.000	5280.000
567 "	3903.00	X	\$/M	1/95	AD	PC	.00	12/94	3903.000	3903.000
568 "	4000.00	X	\$/M	TO	LIFE	PC	.00	7/09	4000.000	4000.000
573 STX/OIL	7.08	X	¢	TO	LIFE	PC	.00	7/09	.071	.071
578 STX/GAS	7.93	X	¢	TO	LIFE	PC	.00	7/09	.079	.079
583 ATX	1.00	X	¢	TO	LIFE	PC	.00	7/09	.010	.010
700 NET/WI	100.0000	D	¢	TO	LIFE	FLAT	.00	7/09	1.000	1.000
720 NET/NIC	87.5000	D	¢	TO	LIFE	FLAT	.00	7/09	.875	.875
740 NET/NIG	87.5000	D	¢	TO	LIFE	FLAT	.00	7/09	.875	.875

OVERLAYS	SCHEDULING RATES	SCHEDULE UNTIL	PROCEDURE	ULTIMATE	LAST	EFF. DRCL	INIT. RATE	FINAL RATE
905 LOAD	P.GAS GAS 6/81 #			1102.116	1/95			
910 LOAD	P.OIL OIL 6/81 #			3.847	1/95			

INVESTMENT	TANGIBLES & INTANGIBLES	TIME	PROCEDURE	TOTAL T&I	MONTH	RISK INV.	TOT. T&I&R	RSC. T&I&R
800 DRILL	1005.00 1508.00 M\$G	6/81 AD		2513.000	6/81	.	2513.0	2513.0
801 SALVAGE	-100.50 .00 M\$G	6/81 AD		-100.500	6/81	.	-100.5	-100.5

RESERVE PARAMETERS	ITEM	ITEM
201 LOSS	NO	
205 CUMO, MB	3.83	CUMUL, MB

PROJECT ASSUMPTIONS

BASE DATE	: 6/81	TIME FRAMES	: 38*12 1*600	DISC. FREQUENCY	: MO
P.W. DATE	: 6/81	PW & AGE	: 10.0	OWNER QUAL	:
REPORT DATE	: 6/81	PROD QUAL	: ENRON	OTHER QUAL	:

JAMES RANCH UNIT #11
LOS MEDANOS (ATOKA)
0833102
R.R. BIRKELO

DATE : 05/15/95
TIME : 09:37:38
DBS FILE : DAILYJ
SETUP FILE : COMDET
SEQ NUMBER : 224

R E S E R V E S A N D E C O N O M I C S
AS OF DATE: 6/81

PERIOD ENDING	5/82	5/83	5/84	5/85	5/86	5/87	5/88	5/89	5/90	5/91	S TOT	AFTER	24.8 YR TOTAL
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OWNERSHIP

1) WORKING INTEREST, %	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
2) REVENUE INTEREST, %	87.500	87.500	87.500	87.500	87.500	87.500	87.500	87.500	87.500	87.500	87.500	87.500	87.500

INVESTMENTS, M\$

3) BORROWED CAPITAL	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4) EQUITY INVESTMENTS	2412.5	.0	.0	.0	.0	.0	.0	.0	.0	.0	2412.5	.0	2412.5
5) RISK	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7) TOTAL	2412.5	.0	.0	.0	.0	.0	.0	.0	.0	.0	2412.5	.0	2412.5

OIL PHASE

8) GROSS OIL, MB	.5	.4	.2	.1	.0	.1	.4	.3	.3	.5	2.8	3.0	5.7
9) NET OIL, MB	.5	.3	.1	.1	.0	.1	.3	.3	.3	.4	2.4	2.6	5.0
10) OIL REVENUE, M\$	15.5	9.9	4.2	3.6	.2	2.1	7.6	5.8	5.8	8.5	63.3	42.9	106.2
11) OIL PRICE, \$/B	32.95	31.80	29.93	29.35	27.62	24.35	23.80	21.92	20.38	19.89	25.96	16.55	21.11

GAS PHASE

12) GROSS GAS, MMP	81.1	96.8	89.6	72.2	18.7	21.5	94.0	107.1	108.3	111.9	801.1	932.7	1733.8
13) NET GAS, MMP	70.9	84.7	78.4	63.2	16.4	18.8	82.2	93.7	94.8	97.9	701.0	816.1	1517.1
14) GAS REVENUE, M\$	213.0	259.1	251.1	209.6	54.5	63.6	277.9	315.0	241.1	156.1	2041.0	1214.5	3255.5
15) GAS PRICE, \$/MCF	3.003	3.060	3.203	3.317	3.329	3.384	3.380	3.363	2.543	1.594	2.912	1.488	2.146

ECONOMICS, M\$

19) GROSS REV. TO INTR.	228.5	269.0	255.3	213.2	54.7	65.7	285.6	320.9	246.9	164.6	2104.3	1257.4	3361.7
20) - SEV. TAX	18.0	21.2	20.2	16.9	4.3	5.2	22.6	25.4	19.5	13.0	166.3	99.3	265.7
22) - AD VALOREM TAX	2.1	2.5	2.4	2.0	.5	.6	2.6	3.0	2.3	1.5	19.4	11.6	31.0
23) - OPERATING COSTS	94.8	109.4	54.4	46.5	41.8	22.9	19.3	30.6	36.2	46.4	502.4	726.1	1228.5
24) - SWD	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
25) - CAPITAL REPAYMENT	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
26) - INTEREST PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
27) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
28) = NET INCOME	113.6	135.8	178.4	147.8	8.0	37.0	241.1	261.9	188.8	103.7	1416.2	420.3	1836.5
29) - INVESTMENTS & RSK	2412.5	.0	.0	.0	.0	.0	.0	.0	.0	.0	2412.5	.0	2412.5
30) = BPIT NET	-2298.9	135.8	178.4	147.8	8.0	37.0	241.1	261.9	188.8	103.7	-996.3	420.3	-576.0

PRESENT WORTH @ 10.00 %

31) NET INCOME	113.6	116.2	140.4	106.6	6.0	20.5	130.1	128.1	84.6	41.9	888.0	117.6	1005.6
32) INVESTMENTS & RISK	2412.5	.0	.0	.0	.0	.0	.0	.0	.0	.0	2412.5	.0	2412.5
33) BPIT NET	-2298.9	116.2	140.4	106.6	6.0	20.5	130.1	128.1	84.6	41.9	-1524.5	117.6	-1406.9
34) CUM BPIT NET	-2298.9	-2182.7	-2042.3	-1935.7	-1929.7	-1909.2	-1779.1	-1651.0	-1566.4	-1524.5	-1406.9	-1406.9	-1406.9

JAMES RANCH UNIT #11
LOS MEDANOS (AYOKA)
0833102
R.R. BIRKELO

DATE : 05/15/95
TIME : 09:37:38
DBS FILE : DAILYJ
SETUP FILE : COMDET
SRQ NUMBR : 224

A P T E R T A X E C O N O M I C S

AS OF DATE: 6/81

PERIOD ENDING	5/82	5/83	5/84	5/85	5/86	5/87	5/88	5/89	5/90	5/91	S TOT	AFTER	24.8 YR TOTAL
TAX TREATMENT OF INVESTMENTS, M\$													
1) EXP, RISK & CAP INT	1508.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	1508.0	.0	1508.0
2) DEPLETABLE	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3) DEPRECIABLE	904.5	.0	.0	.0	.0	.0	.0	.0	.0	.0	904.5	.0	904.5
TAX CALCULATIONS, M\$													
4) GROSS REV. TO INTR.	228.5	269.0	255.3	213.2	54.7	65.7	285.6	320.9	246.9	164.6	2104.3	1257.4	3361.7
5) - SEVERANCE TAX	18.0	21.2	20.2	16.9	4.3	5.2	22.6	25.4	19.5	13.0	166.3	99.3	265.7
6) - WPT TAX NET	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7) - OPR. COSTS & AVX	96.9	111.9	56.7	48.5	42.3	23.5	21.9	33.6	38.5	48.0	521.8	737.7	1259.5
8) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9) - OVERHEAD	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10) - EXPENSED INV.	1508.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	1508.0	.0	1508.0
11) - DEPRECIATION	143.5	246.1	175.8	125.5	89.7	89.7	89.7	44.8	.0	.0	1005.0	.0	1005.0
12) = NET	-1537.9	-110.3	2.6	22.3	-81.7	-52.7	151.3	217.1	188.8	103.7	-1096.8	420.3	-676.5
13) - DEPLETION	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14) - INTEREST PD & CAP	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15) = TAXABLE	-1537.9	-110.3	2.6	22.3	-81.7	-52.7	151.3	217.1	188.8	103.7	-1096.8	420.3	-676.5
16) * TAX RATE, %	46.0	46.0	46.0	46.0	46.0	43.5	37.5	34.0	34.0	34.0	52.6	34.7	63.8
17) - TAX CREDIT	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
18) - WPT REFUND	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19) = F.I.T.	-707.4	-50.7	1.2	10.3	-37.6	-22.9	56.7	73.8	64.2	35.3	-577.2	145.7	-431.5
20) REVENUE-SRV-WPT	210.5	247.7	235.1	196.3	50.4	60.5	263.0	295.5	227.3	151.6	1937.9	1158.0	3096.0
21) - OPR. COSTS & AVX	96.9	111.9	56.7	48.5	42.3	23.5	21.9	33.6	38.5	48.0	521.8	737.7	1259.5
22) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
23) - F.I.T.	-707.4	-50.7	1.2	10.3	-37.6	-22.9	56.7	73.8	64.2	35.3	-577.2	145.7	-431.5
24) = A.F.I.T.	821.1	186.6	177.2	137.6	45.6	59.9	184.3	188.1	124.6	68.4	1993.4	274.6	2268.0
25) - LOAN REPAYMENT	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
26) - INTEREST PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
27) = NET INCOME	821.1	186.6	177.2	137.6	45.6	59.9	184.3	188.1	124.6	68.4	1993.4	274.6	2268.0
28) - INVESTMENTS & RSK	2412.5	.0	.0	.0	.0	.0	.0	.0	.0	.0	2412.5	.0	2412.5
29) = A.F.I.T. NET	-1591.4	186.6	177.2	137.6	45.6	59.9	184.3	188.1	124.6	68.4	-419.1	274.6	-144.5

PRESENT WORTH @ 10.00 %

30) NET INCOME	782.9	161.7	139.6	98.5	29.7	35.5	99.2	92.0	55.4	27.7	1522.3	76.7	1598.9
31) INVESTMENTS & RISK	2412.5	.0	.0	.0	.0	.0	.0	.0	.0	.0	2412.5	.0	2412.5
32) A.F.I.T. NET	-1629.6	161.7	139.6	98.5	29.7	35.5	99.2	92.0	55.4	27.7	-890.2	76.7	-813.6
33) CUM. A.F.I.T. NET	-1629.6	-1467.9	-1328.3	-1229.8	-1200.1	-1164.6	-1065.4	-973.3	-917.9	-890.2	-890.2	-813.6	-813.6

JAMES RANCH UNIT #11
LOS MEDANOS (ATOKA)
0833102
R.R. BIRKBELO

DATE : 05/15/95
TIME : 09:37:38
DES FILE : DAILYJ
SETUP FILE : COMDET
SEQ NUMBER : 224

E C O N O M I C I N D I C A T O R S

AS OF DATE: 6/81

B.P.I.T. WORTH M\$-----	A.P.I.T. WORTH M\$-----	A.P.I.T. BONUS M\$-----
-------------------------------	-------------------------------	-------------------------------

PRESENT WORTH PROFILE AND
RATE-OF-RETURN VS. BONUS TABLE

0.	-575.975	-144.482	-230.204
2.	-815.516	-330.599	-474.943
4.	-1009.003	-484.157	-648.456
6.	-1167.153	-612.466	-780.519
8.	-1297.824	-720.918	-885.778
10.	-1406.859	-813.553	-972.375
20.	-1750.559	-1125.645	-1251.595
30.	-1922.244	-1303.013	-1406.945
40.	-2019.975	-1418.022	-1507.687
50.	-2081.235	-1499.757	-1579.483
60.	-2122.563	-1561.760	-1634.104
70.	-2152.075	-1611.066	-1677.658
80.	-2174.111	-1651.662	-1713.608
90.	-2191.154	-1685.971	-1744.064
100.	-2204.711	-1715.555	-1770.384

RATE OF RETURN, PCT. .0

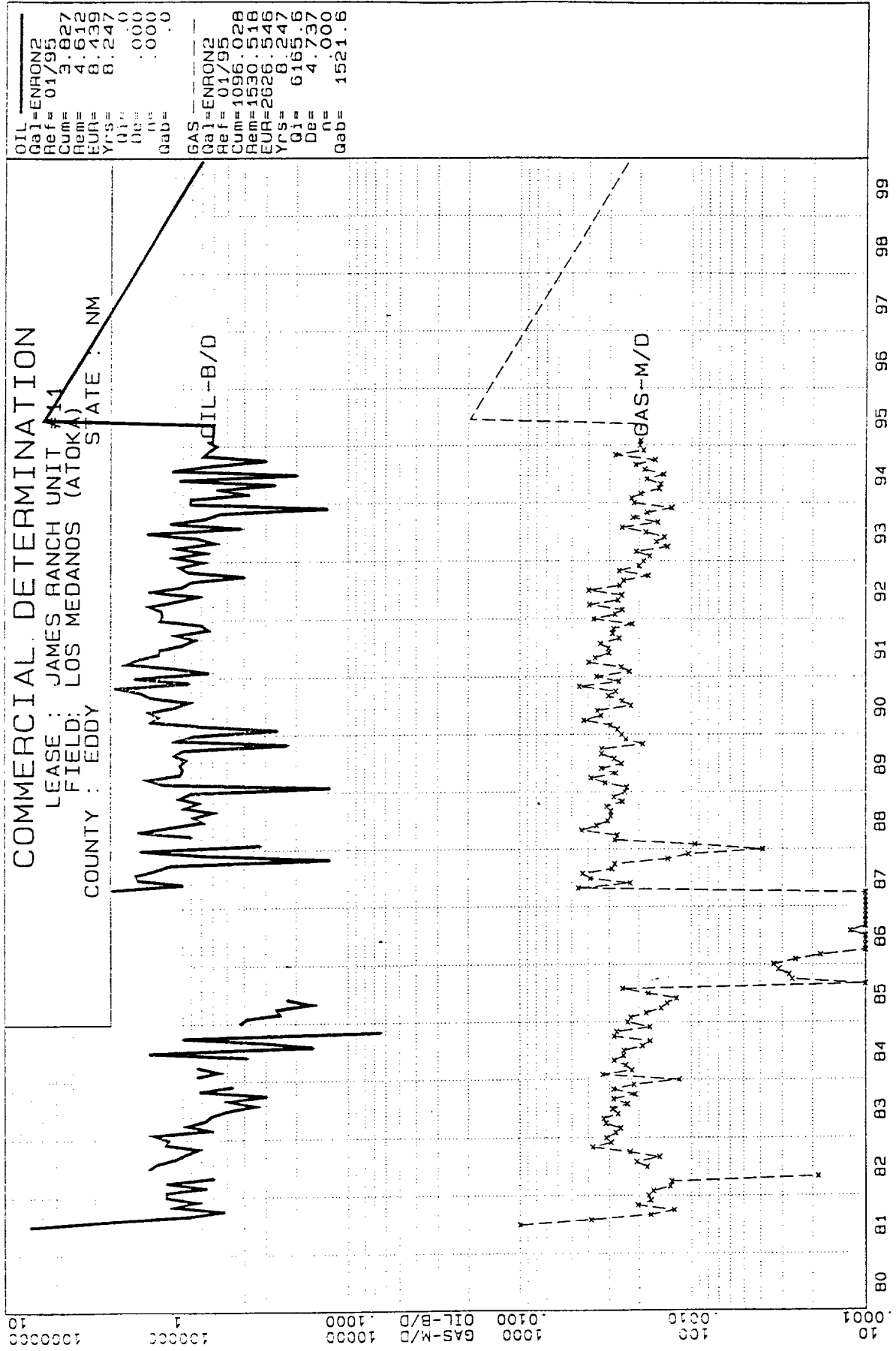
UNDISCOUNTED PAYOUT, YRS. 24.75 24.75

DISCOUNTED PAYOUT, YRS. 24.75 24.75

UNDISCOUNTED NET/INVEST. .76 .94

DISCOUNTED NET/INVEST. .42 .66

Hypothetical Case!



JAMES RANCH UNIT #11
LOS MEDANOS (ATOKA)
0833102

Hypothetical Workover in June 95

DATE : 05/15/95
TIME : 10:17:34
DMS FILE : DAILYJ
SETUP FILE : COMDET
SEQ NUMBER : 224

I N P U T D A T A				C A L C U L A T E D D A T A			
ITEM	SCHEDULING RATES	SCHEDULE UNTIL	PROCEDURE	ULTIMATE	LAST	EFF. DBCL	INIT. RATE FINAL RATE
405 START	01/95						
410 GAS	6165.60 X M/M	06/95 AD	EXP	4.74	1126.546	5/95	6166. 6042.
415 "	60833.30 X M/M	1500.00 INU	EXP	37.78	2626.547	3/03	60833. 1522.
420 START	01/95						
425 OIL/GAS	.00	-00 B/M	LIN	TIME	12/78		
430 START	6/81						
516 PRI/OIL	33.0000	1/82 AD	PC	.00	3/03	33.000	33.000
517 "	32.77	1/83 AD	PC	.00	3/03	32.770	32.770
518 "	29.99	1/84 AD	PC	.00	3/03	29.990	29.990
519 "	29.87	1/85 AD	PC	.00	3/03	29.870	29.870
520 "	28.03	1/86 AD	PC	.00	3/03	28.030	28.030
521 "	26.18	1/87 AD	PC	.00	3/03	26.180	26.180
522 "	24.35	1/88 AD	PC	.00	12/87	24.350	24.350
523 "	22.64	1/89 AD	PC	.00	12/88	22.640	22.640
524 "	21.06	1/90 AD	PC	.00	12/89	21.060	21.060
525 "	19.61	1/91 AD	PC	.00	12/90	19.610	19.610
526 "	20.31	1/92 AD	PC	.00	12/91	20.310	20.310
527 "	18.88	1/93 AD	PC	.00	12/92	18.880	18.880
528 "	17.08	1/94 AD	PC	.00	12/93	17.080	17.080
529 "	13.54	1/95 AD	PC	.00	12/94	13.540	13.540
530 "	16.00	TO LIFE	PC	.00	3/03	16.000	16.000
535 PRI/GAS	3.0000	1/82 AD	PC	.00	3/03	3.000	3.000
536 "	3.02	1/83 AD	PC	.00	3/03	3.020	3.020
537 "	3.11	1/84 AD	PC	.00	3/03	3.110	3.110
538 "	3.32	1/85 AD	PC	.00	3/03	3.320	3.320
539 "	3.31	1/86 AD	PC	.00	3/03	3.310	3.310
540 "	3.51	1/87 AD	PC	.00	3/03	3.510	3.510
541 "	3.18	1/88 AD	PC	.00	12/87	3.380	3.380
542 "	3.38	1/89 AD	PC	.00	12/88	3.380	3.380
543 "	3.34	1/90 AD	PC	.00	12/89	3.340	3.340
544 "	1.64	1/91 AD	PC	.00	12/90	1.640	1.640
545 "	1.53	1/92 AD	PC	.00	12/91	1.530	1.530
546 "	1.90	1/93 AD	PC	.00	12/92	1.900	1.900
547 "	1.97	1/94 AD	PC	.00	12/93	1.970	1.970
548 "	1.69	1/95 AD	PC	.00	12/94	1.690	1.690
549 "	1.35	TO LIFE	PC	.00	3/03	1.350	1.350
554 OPC/T	5000.00	1/82 AD	PC	.00	3/03	5000.000	5000.000
555 "	11956.00	1/83 AD	PC	.00	3/03	11956.000	11956.000
556 "	5141.00	1/84 AD	PC	.00	3/03	5141.000	5141.000
557 "	3681.00	1/85 AD	PC	.00	3/03	3681.000	3681.000
558 "	4153.00	1/86 AD	PC	.00	3/03	4153.000	4153.000
559 "	2550.00	1/87 AD	PC	.00	3/03	2550.000	2550.000
560 "	1003.00	1/88 AD	PC	.00	12/87	1003.000	1003.000
561 "	2459.00	1/89 AD	PC	.00	12/88	2459.000	2459.000
562 "	2680.00	1/90 AD	PC	.00	12/89	2680.000	2680.000
563 "	3493.00	1/91 AD	PC	.00	12/90	3493.000	3493.000
564 "	4397.00	1/92 AD	PC	.00	12/91	4397.000	4397.000

565 *	4096.00	X	\$/M	1/93	AD	PC	.00	12/92	4096.000	4096.000
566 *	5280.00	X	\$/M	1/94	AD	PC	.00	12/93	5280.000	5280.000
567 *	3903.00	X	\$/M	1/95	AD	PC	.00	12/94	3903.000	3903.000
568 *	4000.00	X	\$/M	TO	LIFE	PC	.00	3/03	4000.000	4000.000
573 STX/OIL	7.08	X	\$	TO	LIFE	PC	.00	3/03	.071	.071
578 STX/GAS	7.93	X	\$	TO	LIFE	PC	.00	3/03	.079	.079
583 ATX	1.00	X	\$	TO	LIFE	PC	.00	3/03	.010	.010
700 NET/WI	100.0000	D	\$	TO	LIFE	FLAT	.00	3/03	1.000	1.000
720 NET/NIC	87.5000	D	\$	TO	LIFE	FLAT	.00	3/03	.875	.875
740 NET/NIG	87.5000	D	\$	TO	LIFE	FLAT	.00	3/03	.875	.875

OVERLAYS	SCHEDULING RATES	SCHEDULE UNTIL	PROCEDURE	ULTIMATE	LAST	BPP. DECL	INIT. RATE	FINAL RATE
905 LOAD	P.GAS GAS 6/81 #			1102.116	1/95			
910 LOAD	P.OIL OIL 6/81 #			3.847	1/95			

INVESTMENT	TANGIBLES & INTANGIBLES	TIME	PROCEDURE	TOTAL T&I	MONTH	RISK INV.	TOT. T&I&R	ESC. T&I&R
800 DRILL	1005.00 1508.00 M&G	6/81 AD		2513.000	6/81		2513.0	2513.0
801 SALVAGE	-100.50 .00 M&G	6/81 AD		-100.500	6/81		-100.5	-100.5

RESERVE PARAMETERS	ITEM	ITEM
201 LOSS	NO	
205 CUMO, MB	3.83	CUMUL, MB

PROJECT ASSUMPTIONS

BASE DATE : 6/81 TIME FRAMES : 38*12 1*600

P.W. DATE : 6/81 PW &-AGE : 10.0 DISC. FREQUENCY : MO

REPORT DATE : 6/81 PROD QUAL : ENRON2 OWNER QUAL :

OTHER QUAL :

JAMES RANCH UNIT #11
LOS MEDANOS (ATOKA)
0833102

Hypothetical Workover in June 95

DATE : 05/15/95
TIME : 10:17:34
DBS FILE : DAILYJ
SETUP FILE : CONDET
SEQ NUMBER : 224

RESERVES AND ECONOMICS

AS OF DATE: 6/81

PERIOD ENDING	5/82	5/83	5/84	5/85	5/86	5/87	5/88	5/89	5/90	5/91	9 TOT	AFTER	20.0 YR TOTAL
OWNERSHIP													

1) WORKING INTEREST, % 100.000 100.000 100.000 100.000 100.000 100.000 100.000 100.000 100.000 100.000 100.000 100.000 100.000 100.000
2) REVENUE INTEREST, % 87.500 87.500 87.500 87.500 87.500 87.500 87.500 87.500 87.500 87.500 87.500 87.500 87.500 87.500

INVESTMENTS, M\$

3) BORROWED CAPITAL	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4) EQUITY INVESTMENTS	2412.5	.0	.0	.0	.0	.0	.0	.0	.0	.0	2412.5	.0	2412.5
5) RISK	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7) TOTAL	2412.5	.0	.0	.0	.0	.0	.0	.0	.0	.0	2412.5	.0	2412.5

OIL PHASE

8) GROSS OIL, MB	.5	.4	.2	.1	.0	.1	.4	.3	.3	.5	2.0	5.5	8.3
9) NET OIL, MB	.5	.3	.1	.1	.0	.1	.3	.3	.3	.4	2.4	4.8	7.2
10) OIL REVENUE, M\$	15.5	9.9	4.2	3.6	.2	2.1	7.6	5.8	5.8	8.5	63.3	78.4	141.7
11) OIL PRICE, \$/B	32.95	31.80	29.93	29.35	27.62	24.35	23.80	21.92	20.38	19.89	25.96	16.30	19.55

GAS PHASE

12) GROSS GAS, MMF	81.1	96.8	89.6	72.2	18.7	21.5	94.0	107.1	108.3	111.9	801.1	1774.6	2575.7
13) NET GAS, MMF	70.9	84.7	78.4	63.2	16.4	18.8	82.2	93.7	94.8	97.9	701.0	1552.8	2253.7
14) GAS REVENUE, M\$	213.0	259.1	251.1	209.6	54.5	63.6	277.9	315.0	241.1	156.1	2041.0	2209.0	4250.0
15) GAS PRICE, \$/MCF	3.003	3.060	3.203	3.317	3.329	3.384	3.380	3.363	2.543	1.594	2.912	1.423	1.886

ECONOMICS, M\$

19) GROSS REV. TO INTR.	228.5	269.0	255.3	213.2	54.7	65.7	285.6	320.9	246.9	164.6	2104.3	2287.4	4391.7
20) - SEV. TAX	18.0	21.2	20.2	16.9	4.3	5.2	22.6	25.4	19.5	13.0	166.3	180.7	347.1
22) - AD VALOREM TAX	2.1	2.5	2.4	2.0	.5	.6	2.6	3.0	2.3	1.5	19.4	21.1	40.4
23) - OPERATING COSTS	94.8	109.4	54.4	46.5	41.8	22.9	19.3	30.6	36.2	46.4	502.4	498.1	1000.5
24) - SWD	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
25) - CAPITAL REPAYMENT	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
26) - INTEREST PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
27) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
28) = NET INCOME	113.6	135.8	178.4	147.8	8.0	37.0	241.1	261.9	188.8	103.7	1416.2	1587.5	3003.6
29) - INVESTMENTS & RSK	2412.5	.0	.0	.0	.0	.0	.0	.0	.0	.0	2412.5	.0	2412.5
30) = BPIT NET	-2298.9	135.8	178.4	147.8	8.0	37.0	241.1	261.9	188.8	103.7	-996.3	1587.5	591.1

PRESENT WORTH @ 10.00 %

31) NET INCOME	113.6	116.2	140.4	106.6	6.0	20.5	130.1	128.1	84.6	41.9	888.0	392.3	1280.4
32) INVESTMENTS & RISK	2412.5	.0	.0	.0	.0	.0	.0	.0	.0	.0	2412.5	.0	2412.5
33) BPIT NET	-2298.9	116.2	140.4	106.6	6.0	20.5	130.1	128.1	84.6	41.9	-1524.5	392.3	-1132.1
34) CUM BPIT NET	-2298.9	-2182.7	-2042.3	-1935.7	-1929.7	-1909.2	-1779.1	-1651.0	-1566.4	-1524.5	-1132.1	-1132.1	-1132.1

JAMES RANCH UNIT #11
LOS MEDANOS (ATOKA)
0833102

Hypothetical Workover in June 95

DATE : 05/15/95
TIME : 10:17:34
DBS FILE : DAILYJ
SETUP FILE : COMDET
SEQ NUMBER : 224

A P T R R T A X E C O N O M I C S

AS OF DATE: 6/81

PERIOD ENDING	5/82	5/83	5/84	5/85	5/86	5/87	5/88	5/89	5/90	5/91	S TOT	AFTER	20.0 YR TOTAL
TAX TREATMENT OF INVESTMENTS, M\$													
1) EXP, RISK & CAP INT	1508.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	1508.0	.0	1508.0
2) DEPLETABLE	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3) DEPRECIABLE	904.5	.0	.0	.0	.0	.0	.0	.0	.0	.0	904.5	.0	904.5
TAX CALCULATIONS, M\$													
4) GROSS REV. TO INTR.	228.5	269.0	255.3	213.2	54.7	65.7	285.6	320.9	246.9	164.6	2104.3	2287.4	4391.7
5) - SEVERANCE TAX	18.0	21.2	20.2	16.9	4.3	5.2	22.6	25.4	19.5	13.0	166.3	180.7	347.1
6) - WPT TAX NET	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7) - OPR. COSTS & ATX	96.9	111.9	56.7	48.5	42.3	23.5	21.9	33.6	38.5	48.0	521.8	519.2	1040.9
8) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9) - OVERHEAD	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10) - EXPENSED INV.	1508.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
11) - DEPRECIATION	143.5	246.1	175.8	125.5	89.7	89.7	89.7	44.8	.0	.0	1508.0	.0	1508.0
12) = NET	-1537.9	-110.3	2.6	22.3	-81.7	-52.7	151.3	217.1	188.8	103.7	-1096.8	1587.5	490.6
13) - DEPLETION	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14) - INTEREST PD & CAP	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15) = TAXABLE	-1537.9	-110.3	2.6	22.3	-81.7	-52.7	151.3	217.1	188.8	103.7	-1096.8	1587.5	490.6
16) * TAX RATE, %	46.0	46.0	46.0	46.0	46.0	43.5	37.5	34.0	34.0	34.0	52.6	34.9	-4.7
17) - TAX CREDIT	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
18) - WPT REFUND	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19) = P.I.T.	-707.4	-50.7	1.2	10.3	-37.6	-22.9	56.7	73.8	64.2	35.3	-577.2	554.2	-23.0
20) REVENUE-SEV-WPT	210.5	247.7	235.1	196.3	50.4	60.5	263.0	295.5	227.3	151.6	1937.9	2106.7	4044.6
21) - OPR. COSTS & ATX	96.9	111.9	56.7	48.5	42.3	23.5	21.9	33.6	38.5	48.0	521.8	519.2	1040.9
22) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
23) - P.I.T.	-707.4	-50.7	1.2	10.3	-37.6	-22.9	56.7	73.8	64.2	35.3	-577.2	554.2	-23.0
24) = A.P.I.T.	821.1	186.6	177.2	137.6	45.6	59.9	184.3	188.1	124.6	68.4	1993.4	1033.2	3026.6
25) - LOAN REPAYMENT	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
26) - INTEREST PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
27) = NET INCOME	821.1	186.6	177.2	137.6	45.6	59.9	184.3	188.1	124.6	68.4	1993.4	1033.2	3026.6
28) - INVESTMENTS & RSK	2412.5	.0	.0	.0	.0	.0	.0	.0	.0	.0	2412.5	.0	2412.5
29) = A.P.I.T. NET	-1591.4	186.6	177.2	137.6	45.6	59.9	184.3	188.1	124.6	68.4	-419.1	1033.2	614.1

PRESENT WORTH @ 10.00 %

30) NET INCOME	782.9	161.7	139.6	98.5	29.7	35.5	99.2	92.0	55.4	27.7	1522.3	254.3	1776.6
31) INVESTMENTS & RISK	2412.5	.0	.0	.0	.0	.0	.0	.0	.0	.0	2412.5	.0	2412.5
32) A.P.I.T. NET	-1629.6	161.7	139.6	98.5	29.7	35.5	99.2	92.0	55.4	27.7	-890.2	254.3	-635.9
33) CUM. A.P.I.T. NET	-1629.6	-1467.9	-1328.3	-1229.8	-1200.1	-1164.6	-1065.4	-973.3	-917.9	-890.2	-890.2	-635.9	-635.9

JAMES RANCH UNIT #11
 LOS MEDANOS (ATOKA)
 0833102
 Hypothetical Workover in June 95

DATE : 05/15/95
 TIME : 10:17:34
 DBS FILE : DAILYJ
 SETUP FILE : COMDET
 SEQ NUMBER : 224

E C O N O M I C I N D I C A T O R S

AS OF DATE: 6/81

B.F.I.T. WORTH M\$-----	A.F.I.T. WORTH M\$-----	A.F.I.T. BONUS M\$-----
-------------------------------	-------------------------------	-------------------------------

PRESENT WORTH PROFILE AND RATE-OF-RETURN VS. BONUS TABLE

0.	591.148	614.148	967.255
2.	48.394	230.361	325.310
4.	-365.711	-66.882	-87.678
6.	-685.374	-300.278	-373.423
8.	-934.995	-486.050	-581.616
10.	-1132.138	-635.902	-739.353
20.	-1676.907	-1078.261	-1167.120
30.	-1900.204	-1288.907	-1360.016
40.	-2012.734	-1413.412	-1473.655
50.	-2078.657	-1498.124	-1551.302
60.	-2121.579	-1561.140	-1609.284
70.	-2151.676	-1610.816	-1655.116
80.	-2173.940	-1651.555	-1692.781
90.	-2191.077	-1685.924	-1724.607
100.	-2204.675	-1715.533	-1752.066

RATE OF RETURN, PCT. 2.2 3.5

UNDISCOUNTED PAYOUT, YRS. 15.39 14.64

DISCOUNTED PAYOUT, YRS. 20.00 20.00

UNDISCOUNTED NET/INVEST. 1.25 1.25

DISCOUNTED NET/INVEST. .53 .74

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

August 7, 1995

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

New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attention: Jami Bailey

Attention: Roy Johnson

Re: Commercial Determination
James Ranch Unit No. 11
James Ranch Unit
Eddy County, New Mexico

Gentlemen:

Bass Enterprises Production Co., as Unit Operator of the Poker Lake Unit Agreement, pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the attached commercial determination for the James Ranch Unit No. 11 Well.

It should be noted that the subject well has been evaluated by Bass as a non-commercial producer, and attached hereto is one (1) copy of the BLM's determination of non-commerciality. Please verify your acceptance hereof and the designation of the James Ranch No. 11 as a non-commercial well by executing this letter below and returning one (1) signed copy to the undersigned. Thank you very much for your cooperation in this regard and should you require additional information concerning same, please don't hesitate to contact the undersigned.

Very truly yours,


J. Wayne Bailey

JWB:ca

ACCEPTED AND AGREED this 14th day of August, 1995.

COMMISSIONER OF PUBLIC LANDS NEW MEXICO OIL CONSERVATION DIVISION

By: _____

By:  _____

OIL CONSERVATION DIVISION
RECEIVED

95 AUG 28 AM 8 52



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

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

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

August 25, 1995

Bass Enterprises Production Company
201 Main Street
Fort Worth, Texas 76102-3121

Attn: Mr. J. Wayne Bailey

Re: Non-Commercial Determination
James Ranch Unit Well No. 11
Eddy County, New Mexico

Dear Mr. Bailey:

This office is in receipt of your letter of August 7, 1995 together with the data to support your non-commercial well determination of the James Ranch Unit Well No. 11-E located in Section 35, Township 22 South, Range 30 East.

The Bureau of Land Management by their letter of July 27, 1995 has advised this office that the James Ranch Unit Well No. 11 is not capable of producing unitized substances from the Atoka formation in paying quantities.

Pursuant to Article 11 of the James Ranch unit, please be advised that the Commissioner of Public Lands concurs with Bass Enterprises Production Company and the Bureau of Land Management's determination that the James Ranch Unit Well No. 11 is non-commercial in the Atoka formation and production should be reported on a lease basis.

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, Deputy Director
Oil, Gas and Minerals Division
(505) 827-5745

RP/JB/pm

cc: Reader File

OCD-Santa Fe Attn: Mr. Roy Johnson
BLM-Roswell Attn: Ms. Alexis Swoboda
TRD-Santa Fe Attn: Mr. Valdean Severson

From the desk of
J. WAYNE BAILEY

Ray - Sorry for the mix up,
but this should have been
attached to the letter I
wrote to you + Pete Martinez
about the James Ranch
No. 70. Call me if you have
any questions 817/390-8671
Wayne Bailey



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office
1717 West Second Street
Roswell, New Mexico 88201-2019

RECEIVED

SEP 6 1995

W. TEX. / S.E. N.M.
EXPLORATION DEPT

IN REPLY REFER TO:
14-08-001558
3130 (06200)

CERTIFIED MAIL RETURN RECEIPT REQUESTED
P 392 286 425

AUG 30 1995

Bass Enterprises Production Company
Attention: George A. Hillis
First City Bank Tower
201 Main St.
Ft. Worth, TX 76102

Re: Commercial Well Determination for the James Ranch Unit No. 70 located
660'/S & 1980'/E Sec. 12, T. 22 S., R. 30 E., N.M.P.M., Eddy County,
New Mexico

Gentlemen:

Your letter of July 17, 1995, indicates that as unit operator of the James Ranch Unit No. 70, Eddy County, New Mexico, you have determined that unit well No. 70 is capable of producing unitized substances in paying quantities and is entitled to receive a participating area.

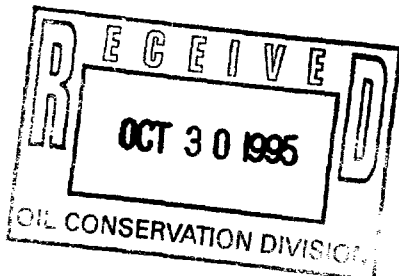
This office concurs with your determination that such well is capable of producing unitized substances in paying quantities from the Atoka formation pursuant to Section 9 of the unit agreement. Therefore, according to Section 11 of the unit agreement, the commercial well is entitled to receive a participating area. Any questions regarding the participating area should be directed to John Simitz at the Division of Minerals.

Should you have any questions regarding this matter, please contact Gary Gourley at the Division of Minerals at 505-627-0249.

Sincerely,

Tony L. Ferguson

Tony L. Ferguson
Assistant District Manager,
Minerals Support Team



X. W. Bailey - F. McCaright
S. Nense - J. Garve
Bill Lancaster - S. Henery 9/7.
John Smitheman.

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

October 26, 1995

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

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. Pete Martinez

Attention: Mr. Roy Johnson

RE: Commercial Determination
James Ranch Unit No. 70
Initial Atoka "A" Participating Area
James Ranch Unit
Eddy County, New Mexico

Dear Mr. Martinez:

Pursuant to our recent conversation concerning the drilling and completion of the James Ranch Unit No. 70 Well, please find attached hereto copies of correspondence submitted to the Bureau of Land Management requesting a commercial determination and initial Atoka "A" Participating Area consisting of the S/2 of Section 12, T22S-R30E, containing 320 acres. Only 200 acres of the 320 acres allocated to the above well are located within the James Ranch Unit boundary, therefore the attached Exhibit "B" defines only 200 acres as participating acreage. Also, it should be noted that all acreage allocated to the well consists of Federal Leases identified on Exhibit "B".

Although the James Ranch Unit No. 70 Well has been shut-in for gas marketing purposes since August 1, 1995, prior performance as indicated its capability of production in commercial quantities. Therefore, Bass respectfully requests your verification of the James Ranch Unit No. 70 Well as a commercial producer. Upon our further discussions with the Bureau of Land Management concerning the initial Participating Area, you will be advised accordingly. In the event your office concurs that the James Ranch Unit No. 70 Well is a commercial producer, please so signify in the space provided below and return one (1) original to the undersigned at your earliest convenience. If you have any questions or comments in the above regard, please advise.

Very truly yours,


J. Wayne Bailey

Commissioner Of Public Lands

New Mexico Oil Conservation Division

By: _____

By:  _____



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

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

December 19, 1995

SANTA FE, NEW MEXICO 87504-1148

DEC 21 1995

Bass Enterprises Production Company
201 Main Street, 1st City Bank Tower
Ft. Worth, Texas 76102

Attn: Mr. J. Wayne Bailey

Re: James Ranch Unit--Commercial Determinations, Atoka Formation Well No. 70
Eddy County, New Mexico

Dear Mr. Bailey:

We received your letters of July 17, 1995, and October 26, 1995, together with data that supports your commercial determinations regarding the James Ranch Unit Well No. 70.

By their letter of August 30, 1995, the Bureau of Land Management advised this office that they concur with your determination that the James Ranch Unit Well No. 70 is capable of producing unitized substances in paying quantities from the Atoka Formation.

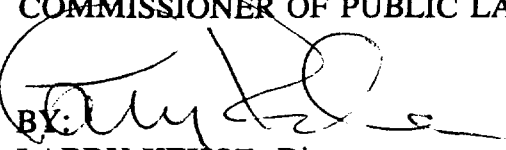
The Commissioner of Public Lands concurs with Bass Enterprises Production Company's and the Bureau of Land Management's determinations that the James Ranch Unit Well No. 70 is commercial in the Atoka Formation, and entitled to participate in the Atoka Participating Area.

Your application for the Initial Atoka "A" Participating Area is on hold, pending approval by the Bureau of Land Management.

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

Very truly yours,

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

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

RP/LK/cpm
cc: Reader File

BLM

OCD

TRD

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

February 2, 1996

**CERTIFIED MAIL/
Return Receipt Requested**

Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

Attention: Mr. Tony Ferguson

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

Attention: Mr. Jami Bailey

New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico

Attention: Mr. William LeMay

Re: 1996 Plan of Development
James Ranch Unit
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the James Ranch Unit Agreement dated April 22, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the James Ranch Unit for the year 1996.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

RECEIVED
FEB 7 1996
Oil Conservation Division

1995 ACTIVITY

James Ranch Unit Well No. 16 - This well was drilled at a location of 1,980' FNL & 330' FEL in Section 36, T22S-R30E, Eddy County, New Mexico. The well was drilled to a total depth of 11,250', and is presently being tested in the Wolfcamp Formation.

James Ranch Unit Well No. 70 - This well was drilled at a location 660' FSL and 1,980' FEL in Section 12, T22S-R30E, Eddy County, New Mexico. The well was completed in the Atoka Formation as a gas well in the interval 12,748' - 12,756'. This well will be submitted during the calendar year 1996, for commercial determination and inclusion into a participating area.

PARTICIPATING AREAS

Bass Enterprises Production has submitted all wells drilled to date where adequate information is available for commercial determination and participating areas. In the event you have not received commercial determinations for the wells that have been drilled and completed and are currently producing, please advise at your convenience and we will submit same to you.

FUTURE DEVELOPMENT

James Ranch Unit Well No. 65 - This well will be drilled at a location being 330' FNL & 2,310' FEL in Section 6, T23S-R31E, Eddy County, New Mexico to a proposed depth of 11,500' to test the Wolfcamp formation.

James Ranch Unit Well No. 66 - This well will be drilled at a location being 990' FWL & 660' FSL in Section 36, T22S-R30E, Eddy County, New Mexico to a proposed depth of 7,750' to test the Brushy Canyon formation.

James Ranch Unit Well No. 67 - This well will be drilled at a location being 900' FWL & 1,980' FSL in Section 36, T22S-R30E, Eddy County, New Mexico to a proposed depth of 11,225' to test the Wolfcamp formation.

James Ranch Unit Well No. 73 - This well will be drilled at a location being 330' FNL & 1,980' FWL in Section 6, T23S-R31E, Eddy County, New Mexico to a proposed depth of 11,500' to test the Wolfcamp formation.

February 2, 1996

Page 3

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands within the James Ranch Unit area or pursuant to applicable regulations.

MODIFICATIONS


In accordance with the terms and provisions of the James Ranch Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

EFFECTIVE DATE

This Plan of Development shall become effective on January 1, 1996.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Very truly yours,


J. Wayne Bailey
Division Landman

JWB:ca

ACCEPTED AND AGREED this 7th day of Feb., 1996.

BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By:  _____

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

February 8, 1996

Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

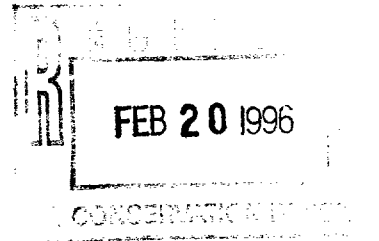
Attention: Mr. Tony Ferguson

New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. William LeMay

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

Attention: Ms. Jami Bailey



Re: Application for Approval of the Fourth Revision of the
Initial Atoka Participating Area
James Ranch Unit, No. 14-08-001-558
Eddy County, New Mexico

Gentlemen:

Bass Enterprises Production Co., as unit operator of the James Ranch Unit Agreement pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the selection of the following described lands to constitute the fourth revision to the Initial Atoka Participating Area. The revised participating area consists of 2,844.50 acres to be comprised of the lands indicated on the plat attached hereto and further described as follows:

SW/4 NW/4 Section 7, T22S-R31E
N/2 SE/4, SW/4 SE/4, S/2 SW/4 Section 12, T22S-R30E
E/2 Section 35, S/2 Section 36, T22S-R30E
S/2 Section 31, T22S-R31E
E/2, NE/4 NW/4 Section 1, T23S-R30E
W/2 W/2 Section 5, Section 6, W/2 Section 8, SW/4 Section 17, T23S-R31E

All in Eddy County, New Mexico and containing exactly 2,844.50 acres of land.

February 8, 1996
Page 2


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

1. An ownership map (Exhibit "A") depicting the boundaries of the proposed fourth revision to the Initial Atoka Participating Area.
2. A schedule (Exhibit "B") identifying the lands entitled to participation in the revised participating area with the percentage of participation of each lease or tract indicated thereon.
3. A geological report with accompanying geological maps supporting and justifying the proposed selection of the revised area based on the results obtained from the Mitchell Energy-Apache Federal 13 No. 1.

This proposed fourth revision to the Initial Atoka Participating Area is predicated upon the knowledge and information first obtained from the Mitchell Energy-Apache Federal 13 No. 1 located in SE/4 NE/4 Section 13, T22S-R30E in July, 1993. According to Section 11 of the Unit Agreement, the effective date of the subject revision should be the first of the month in which the above information was obtained or July 1, 1993. Therefore, Bass respectfully requests your approval of the hereinabove described 2,844.50 acres of land to constitute the fourth revision of the Initial Atoka Participating Area, to be effective July 1, 1993.

Thank you very much for your cooperation in this regard and should you have any questions or comments concerning same, please do not hesitate to contact the undersigned.

Very truly yours,


J. Wayne Bailey
Division Landman

JWB/WWC:sd

ACCEPTED AND AGREED this 22nd day of Feb., 1996.

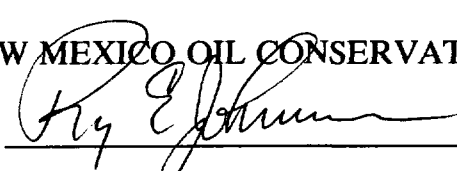
BUREAU OF LAND MANAGEMENT

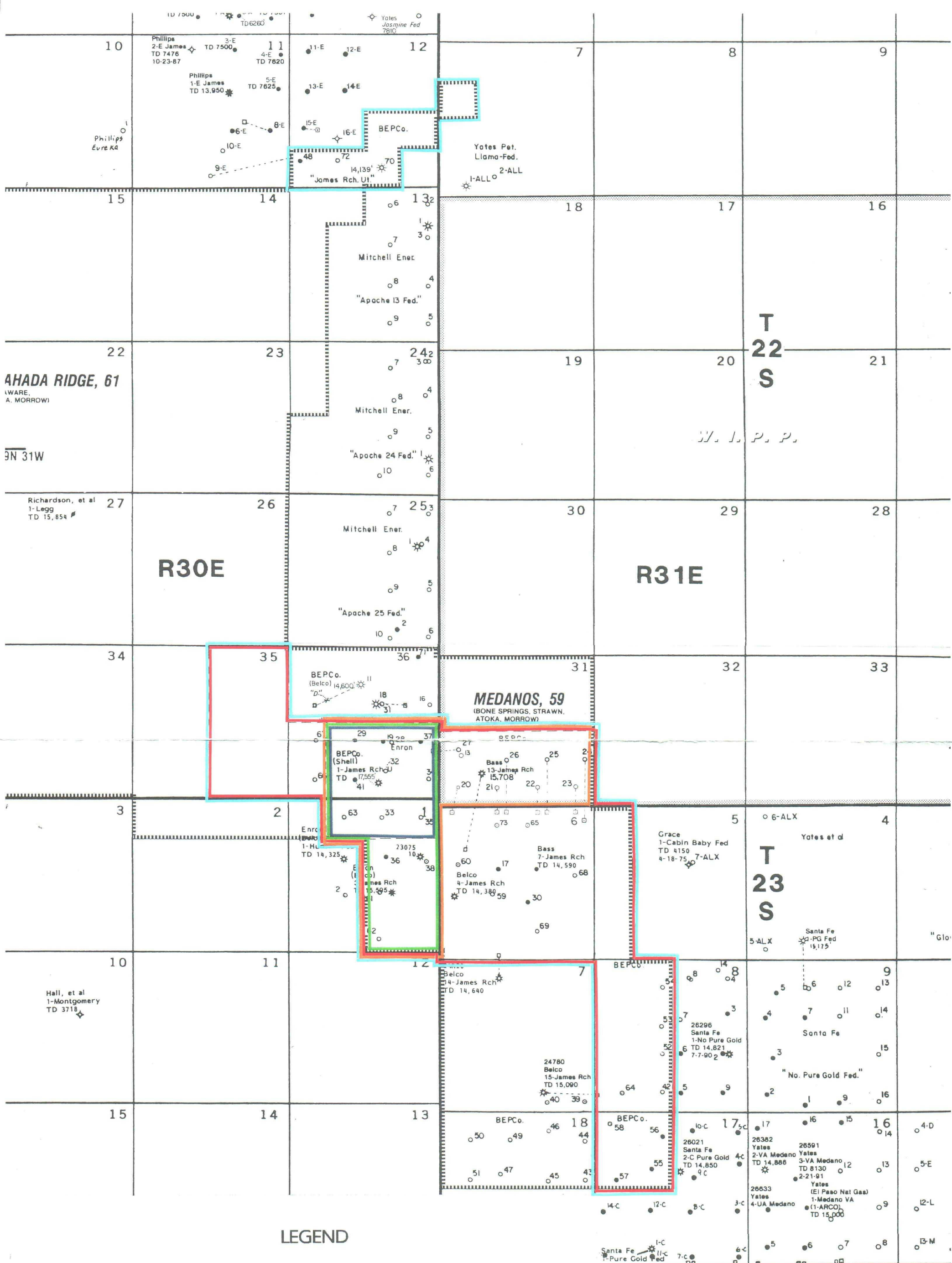
By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By:  _____



Bass Enterprises Production Co.

JAMES RANCH UNIT
Eddy County, New Mexico

EXHIBIT "A"

2/96
SCALE IN FT. 0 3000 6000

EXHIBIT "B"
Fourth Revision to Initial Atoka Participating Area
James Ranch Unit
Eddy County, New Mexico

<u>Tract Lease No.</u>	<u>Description</u>	<u>Participating Acres</u>	<u>Percentage of Participation</u>	<u>Working Interest Owners</u>
1	NM 0300 Section 12, T22S-R30E; N/2SE/4, SW/4 SE/4, S/2 SW/4	200.00	7.0311	Bass Enterprises Production Co. - 100%
2	NM 02883-A Section 5, T23S-R31E; SW/4 NW/4, W/2 SW/4	120.00	4.2187	Bass Enterprises Production Co. - 100%
3	NM 02884-A Section 1, T23S-R30E; Lot 3	40.30	1.4168	Bass Enterprises Production Co. - 50% Enron Oil & Gas Co. - 50%
3-A	NM 02884-B Section 1, T-23S-R30E; Lots 1&2, S/2 NE/4, SE/4	320.24	11.2582	Bass Enterprises Production Co. - 37.5093% Enron Oil & Gas Co. - 62.4906%
4	NM 02887-A Section 6, T23S-R31E; Lots 1&2,S/2 NE/4, NE/4 SE/4	199.92	7.0283	Bass Enterprises Production Co. - 74.9937% Enron Oil & Gas Co. - 25.0063%
4	NM 02887-D Section 6, T23S-R31E; Lots 3, 4, 5, SE/4 NW/4	161.08	5.6629	Bass Enterprises Production Co. - 33.3333% Enron Oil & Gas Co. - 66.6667%
4-A	NM 02887-B Section 5, T23S-R31E; Lot 4	39.98	1.4055	Bass Enterprises Production Co. - 100%
6	NM 02952-C Section 35, T22S-R30E; NE/4	160.00	5.6249	Bass Enterprises Production Co. - 100%

EXHIBIT "B"
Fourth Revision to Initial Atoka Participating Area
Page 2

<u>Tract Lease No. No.</u>	<u>Description</u>	<u>Participating Acres</u>	<u>Percentage of Participation</u>	<u>Working Interest Owners</u>
6-A NM 02952-A	Section 35, T22S-R30E; SE/4	160.00	5.6249	Bass Enterprises Production Co. - 100%
7 NM 02953-C	Section 31, T22S-R31E; S/2	320.98	11.2842	Bass Enterprises Production Co. - 33.3333% Enron Oil & Gas Co. - 66.6667%
8 NM 04473	Section 6, T23S-R31E; Lots 6, 7, E/2 SW/4, W/2 SE/4, SE/4 SE/4	282.15	9.9191	Bass Enterprises Production Co. - 51.0554% Enron Oil & Gas Co. - 48.9445%
18 NM 69509	Section 7, T22S-R31E; SW/4 NW/4	39.85	1.4009	Bass Enterprises Production Co. - 100%
20 LC 071988-B	Section 8, T23S-R31E; W/2 Section 17, T23S-R31E; NW/4	480.00	16.8747	Bass Enterprises Production Co. - 100%
21 E-5229-1	Section 36, T22S-R30E; SW/4	160.00	5.6249	Bass Enterprises Production Co. - 75% Enron Oil & Gas Co. - 25%
21 E-5229-2	Section 36, T22S-R30E; SE/4	160.00	5.6249	Bass Enterprises Production Co. - 50% Enron Oil & Gas Co. - 50%
	TOTALS:	2844.50	100%	
Total Federal Lands:		2524.50 Acres		
Total State Lands:		320.00 Acres		
Total Fee Lands:		<u>0.00 Acres</u>		
Total:		2844.50 Acres		

BASS ENTERPRISES PRODUCTION COMPANY

ATOKA PARTICIPATING AREA

JAMES RANCH UNIT, EDDY CO., NM

PROPOSED P.A. REVISION

Based upon BEPCo's commercial completion of the James Ranch Unit No. 70 (12-T22S-R30E) in the Atoka Sand within Livingston Ridge N.E. Field, it is recognized by BEPCo that this well, although on non-continuous acreage, should be included in the existing P.A. located ± 4 miles to the south and currently inclusive of Atoka Sand completions in the J.R.U. No. 1 (1958), the J.R.U. No. 10 (1980) and the J.R.U. No. 13 (1982) of the Los Medanos Field. Also in light of additional data identified earlier from wells located south and southeast of the existing P.A., BEPCo recommends that the existing P.A. be enlarged to include acreage adjacent to the west and southeast of the current defined P.A. area. The attached porosity-H maps for the Atoka Sand (no porosity cut-off, 7% porosity cut-off and 10% porosity cut-off) illustrate BEPCo's interpretation of the reservoir, and reflect the pressure communication existing between the Livingston Ridge N.E. and Los Medanos Fields. Furthermore, they reflect the pressure communication between the existing P.A. with both unit and non-unit wells to the southeast in Sections 6 & 17, T23S- R31E, specifically the J.R.U. No. 7 (1974) and the Pure Gold "C" No. 1 (1982).

The recommended enlargement of the existing P.A. will most accurately reflect the area of commercial production from this unique reservoir

AREA OF REVISED P.A.

A review of BEPCo's geological study and petrophysical analysis for the wells in the Atoka Sand reservoir demonstrates that based on well character and performance along the sand fairway one needs to have some footage $\geq 10\%$ porosity at the wellbore to at least have a chance of making a commercial well. Gas is contained in sand with $< 10\%$ porosity but if not at the wellbore, commerciality cannot be attained. Examination of the porosity-H maps shows that a well needs to be "inside" the 0.5 (porosity-H, no cut-off) and/or the 0.4 (7% porosity cut-off) contours level to have a chance of being commercial. Based on this and utilization of the fact that $\geq 50\%$ of a 320 acre proration unit must be within the area of commerciality, the following unit acreage (from north to south) is recommended for inclusion in the revised participating area. This acreage is also illustrated on each of the porosity-H maps. It is recommended that the acreage in the southern area (3 thru 10 below) is included in a 12/82 revision date, with the acreage in the northern area (1 thru 2) being included in a later revision date of 7/93.

1. SW/4 of NW/4, Section 7, T22S-R31E (39.85 acres)
2. N/2 and SW/4 of SE/4, S/2 of SW/4, Section 12-T22S-R30E (200 acres).
3. E/2, Section 35, T22S-R30E (320 acres)
4. S/2, Section 36, T22S-R30E (320 acres) - note that the eastern 240 acres of this area is within the current P.A.
5. E/2, Section 1, and NE of NW/4, Section 1, T23S-R30E (360.54 acres) - note that all of this area is within the current P.A. However in order to adapt to proper P.A. guidelines, the NE of the NW/4 (Sec. 1) probably should be excluded.
6. S/2, Section 31, T22S-R31E (320.98 acres) - note that all of this area is within the current P.A.
7. Section 6, T23S-R31E (643.15 acres)
8. W/2 of W/2, Section 5, T23S-R31E (159.98 acres)
9. W/2 of Section 8, T23S-R31E (320 acres)
10. NW/4 of Section 17, T23S-R31E (160 acres).

This revised P.A. would thus encompass 2,844.50 acres of unit acreage. Areas not recommended for inclusion but adjacent to the proposed boundary are discussed as follows:

- a) Unit acreage within Sections 13 and 24 of T22S-R30E—in both instances, less than 50% of the 320 (W/2) acre proration unit is commercial.
- b) N/2 Section 36, T22S-R30E—less than 50% of the 320 acre proration unit is commercial. This tract contains two tests, the J.R.U. 11 and 18, both judged as non-commercial in the Atoka Sand. The J.R.U. No. 11 although it has some footage greater than 10% porosity is located within a “sweet” spot with very limited areal extent. The well averaged around 1 MMCFPD during the first month of production (7/81) and then, due to “blow-down” of the sweet spot, production fell dramatically to below 200 MCFPD. During the period 1982-present, the No. 11 has flowed at rates of 150-400 MCFPD. In 1/95 the average flow rate was 196 MCFPD. It also must be stressed that the No. 11 was drilled at a time when commercial rates could have been attained in the Atoka Sand if the well was in a commercial location within the reservoir. Therefore, the No. 11 is not non-commercial due to drainage. This is well exemplified by the fact that the J.R.U. No. 13 was also completed around this time (1982), and in spite of reservoir pressure at that time was able to accomplish commerciality. The J.R.U. No. 10 in 1980 also demonstrated this fact. When the P.A. was revised for the Nos. 10 and 13 in 1982 it was correct for the B.L.M. to exclude the J.R.U. No. 11. This is further supported by geological mapping of the reservoir and confirmed by the B.L.M.’s 1995 recognition of the No. 11 being a non-commercial well. Production records (attached) for the Nos. 1, 10, & 13 also support this in the context that the No. 11 coming on line in the fall of ‘81, did not influence production from these wells. The decline in production noted by the B.L.M. from the Hudson Federal (W/2 Sec. 1, T23S-R30E) is in fact not related to the J.R.U. No. 11 coming on line. Rather the production decline from the Hudson Federal in 1981 was due to the fact that the Atoka Bank, productive since 1974, watered out. The dramatic decline in production (graph attached) is actually the plugging back from the Atoka Bank to the Atoka Sand in 6/81. Since the re-completion to the Sand in mid-’81 until a re-completion to the Brushy Canyon in 1993, the Atoka

Sand could only make 4-5 MCFPD. This is 0.3% of the flow rates during that period from the Nos. 1, 10, & 13, illustrating the Hudson Federal was not in communication with those wells (reference-attachment No. 8, 7/95 data base to B.L.M.). It is of interest to also note that when the No. 11 came on line, the flow rate for the first two years was only 10-12% of the rates from the Nos. 1 & 10. Moreover, no skin damage exists in the No. 11. In conclusion neither the Hudson Federal nor the No. 11, by geology and production records, are in commercial communication with the Atoka Sand reservoir.

Finally, the other well in the N/2 Sec. 36, the J.R.U. No. 18, when drilled in 1993 supported the fact that the No. 11 had been drilled in a "sweet" spot with limited areal extent. The No. 18 log profile shows that commercial flow could not be achieved (avg. porosity = 6.6%) and shows that the porosity at the J.R.U. No. 11 wellbore does not go very far at all.

- c) E/2, Section 7, T23S-R31E—less than 50% of the 320 acre proration unit is commercial. Neither well in Section 7, the J.R.U. 14 or 15, is judged commercial in the Atoka Sand by electric logs and mudlogs.

DATES OF REVISION

1. Southern Enlargement

The most recent revision of the current Atoka P.A. was the second revision which was effective 9/1/82 (921.52 ac.). Production from the J.R.U. No. 1 totaled approximately 23.0 BCF at the time of the revision in 1982 for the J.R.U. No 13. This production volume alone shows that the above revision should have been significantly enlarged at that time. Supporting evidence was the reverse drilling break encountered in 1974 by the J.R.U. 7 (E/2, Sec. 6, T23S-R31E)--see attachment #6 and related log/mudlog enclosures previously submitted. Subsequently, the DST taken in 6/82 on the Pure Gold C #1 (SW/4, Sec. 17, T23S-R31E) supported BEPCO's mapping of late 1982 in that the reduced pressure on the Atoka Sand test confirmed the regional extent of the reservoir. On this basis we recommend that this proposed revision be effective back to 12/1982.

Of interest, the pressure data on the Pure Gold C #1 was further confirmed in 10/89 on a drill stem test in the Pure Gold C #2 (NE/4, Sec. 17, T23S-R31E). Not only was the pressure again reduced from virgin, the FSIP was 403 psi less than the 1982 FSIP on the Pure Gold C #1. Then again in 4/90, a drill stem test on the Pure Gold 8 #1 (E/2, Sec. 8, T23S-R31E), found a FSIP 379 psi less than that measured in the C #2, and 782 psi less than that recorded in the C #1.

2. Northern Enlargement

The reservoir extension to the north was not recognized until 7/93 when the Mitchell 13 #1 (13-22S-30E) was drill stem tested. The unit acreage to the north involved in the overall proposed revision covers only 8.4% of the area of revision, but to be

correct, BEPCo acknowledges this sector should not be included in a 1982 revision. Rather, the southern area should have a revision date of 12/82, with a further revision date of 7/93 to include the acreage in the north part of the reservoir. As such the area involved in the revision to the west and south of the original P.A. makes up the significant percentage of the revision and thus a revision date referenced to 12/1982 is proper.

THE ATOKA BANK

As we all agree, the Atoka Sand reservoir at James Ranch Unit is extremely unique. So unique in fact that one doubts if we will ever again see a thin reservoir like this productive over such a large area. Although the Atoka Bank, in the southern part of the proposed Atoka P.A., essentially follows a similar fairway to the sand, it can however be clearly demonstrated that the Atoka Bank in the J.R.U. 70 is not in communication with the Bank to the south. Thus when the time comes to re-complete the J.R.U. 70 to the Atoka Bank (the Bank in the No. 70 is actually a clastic facies stratigraphically equivalent to but disconnected from the "carbonate" Bank to the south) it is recommended that J.R.U. No. 70 be removed from the Atoka P.A.

BEPCo realizes this has been a long process for P.A. revision and acknowledges the B.L.M. for their patience and understanding. It is, as we both agree, a unique case and thus it is important to "get it right." If there are any additional questions or data needed please feel free to call me.

George A. Hillis

817/390-8661

COMPANY: Bass Enterprises Production Company

WELL: James Ranch Unit #70

FIELD: Livingston Ridge North East Field

COUNTY: Eddy STATE: New Mexico

COUNTY: Eddy
Field: Livingston Ridge North East Field
Location: 660' FSL and 1980' FEL
Well: James Ranch Unit #70
Company: Bass Enterprises Production Co

Schlumberger	Litho Density Compensated Neutron			
	660' FSL and 1980' FEL	Elev.: K.B. 3358.7 F G.L. 3331.1 F D.F. 3356.7 F		
	Permanent Datum: Ground Level	Elev.: 3331.1 F		
	Log Measured From: Kelly Bushing	27.6 F above Perm. Datum		
Drilling Measured From: Kelly Bushing				
API Serial No. N/A		SECTION 12	TOWNSHIP 22-S	RANGE 30-E

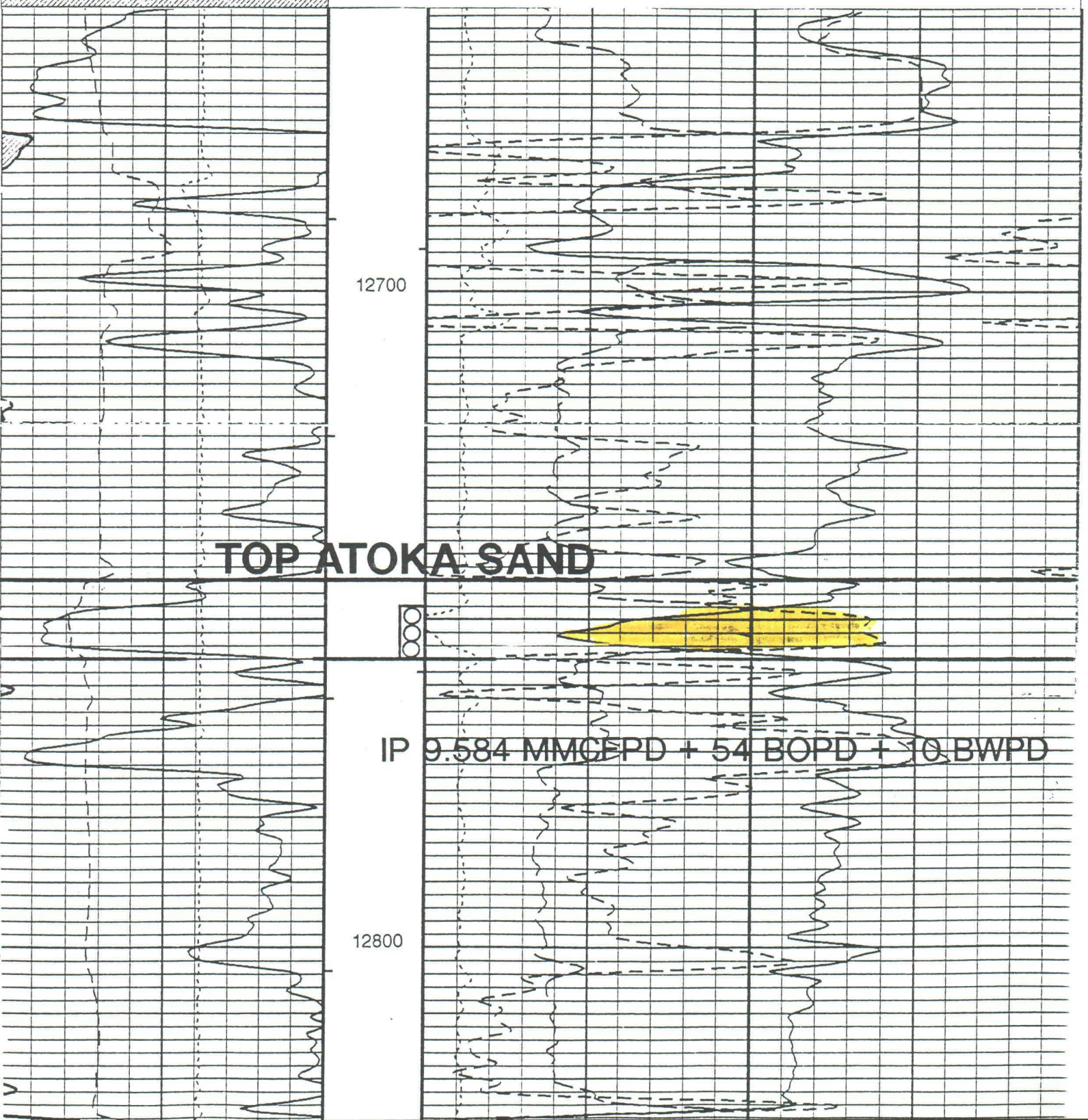
MUD	Logging Date		December 9, 1994	
	Run Number		Three	
	Depth Driller		14139 F	
	Schlumberger Depth		14139 F	
	Bottom Log Interval		14136 F	
	Top Log Interval		11800 F	
	Casing Driller Size @ Depth		7.625 IN @ 12000 F	
	Casing Schlumberger		11998 F	
	Bit Size		6.500 IN	
	Type Fluid In Hole		PAC/KCL	
	Density	Viscosity	10 LB/G	32 S
	Fluid Loss	PH	7.2 C3	10.5
	Source Of Sample		Shaker	
	RM @ Measured Temperature		0.053 OHMM @ 79 DEGF	
	RMF @ Measured Temperature		0.049 OHMM @ 79 DEGF	
	RMC @ Measured Temperature		@	
	Source RMF	RMC	Measured	
	RM @ MRT	RMF @ MRT	0.023 @ 191	0.021 @ 191
	Maximum Recorded Temperatures		191 DEGF	
	Circulation Stopped	Time	12-9-1994	04:30
	Logger On Bottom		12-9-1994	
	Unit Number	Location	3015	Roswell
	Recorded By		Mark Lieberenz	
	Witnessed By		G. Hillis	

Logging Date	
Run Number	
Depth Driller	
Schlumberger Depth	
Bottom Log Interval	
Top Log Interval	
Casing Driller Size @ Depth	
Casing Schlumberger	
Bit Size	
Type Fluid In Hole	
MUD	Density
	Viscosity
	Fluid Loss
	PH
Source Of Sample	
RM @ Measured Temperature	
RMF @ Measured Temperature	
RMC @ Measured Temperature	
Source RMF	
RMC	
RM @ MRT	
RMF @ MRT	
Maximum Recorded Temperature	
Circulation Stopped	
Logger On Bottom	
Unit Number	
Location	
Recorded By	
Witnessed By	

Caliper (CALI)		
(IN)		14
Gamma Ray (GR)		
(GAPI)		100
Tension (TENS)		
(LBF)		0
Gamma Ray 1 (GR)		
(GAPI)		200

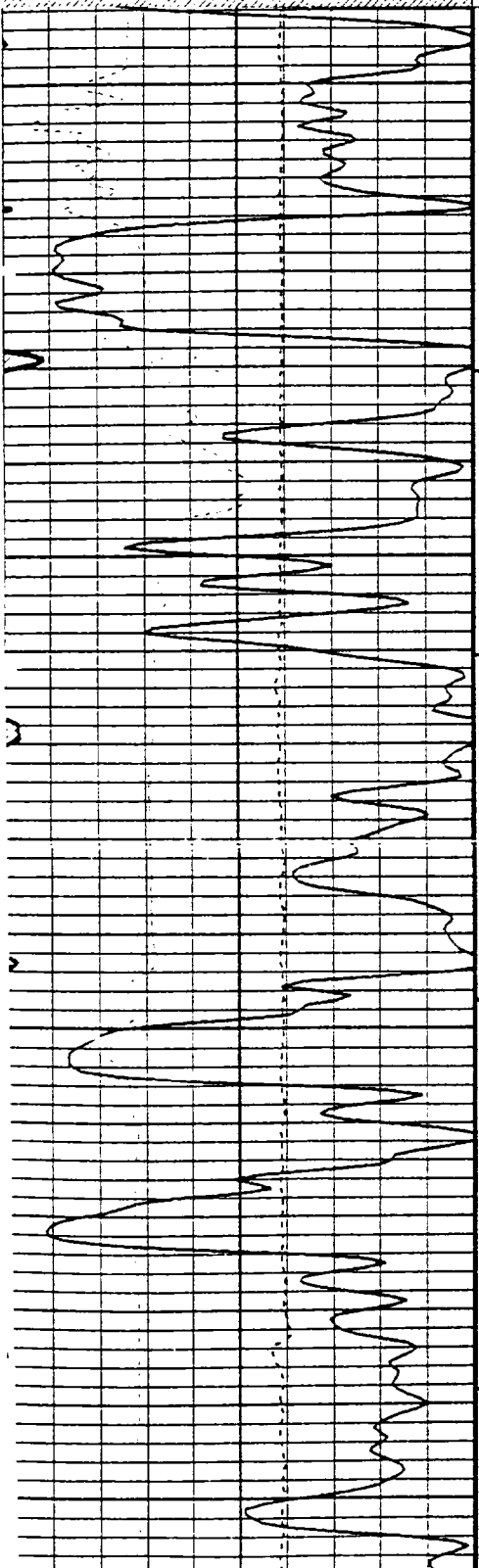
GR BACKUP
From T1 to GR1

Bulk Density Correction (DRHO)		
(G/C3)		0.45
Density Porosity (DPHI)		
(V/V)		-0.1
Neutron Porosity (NPHI)		
(V/V)		-0.1
PhotoElectric Factor (PEF)		
(----		10

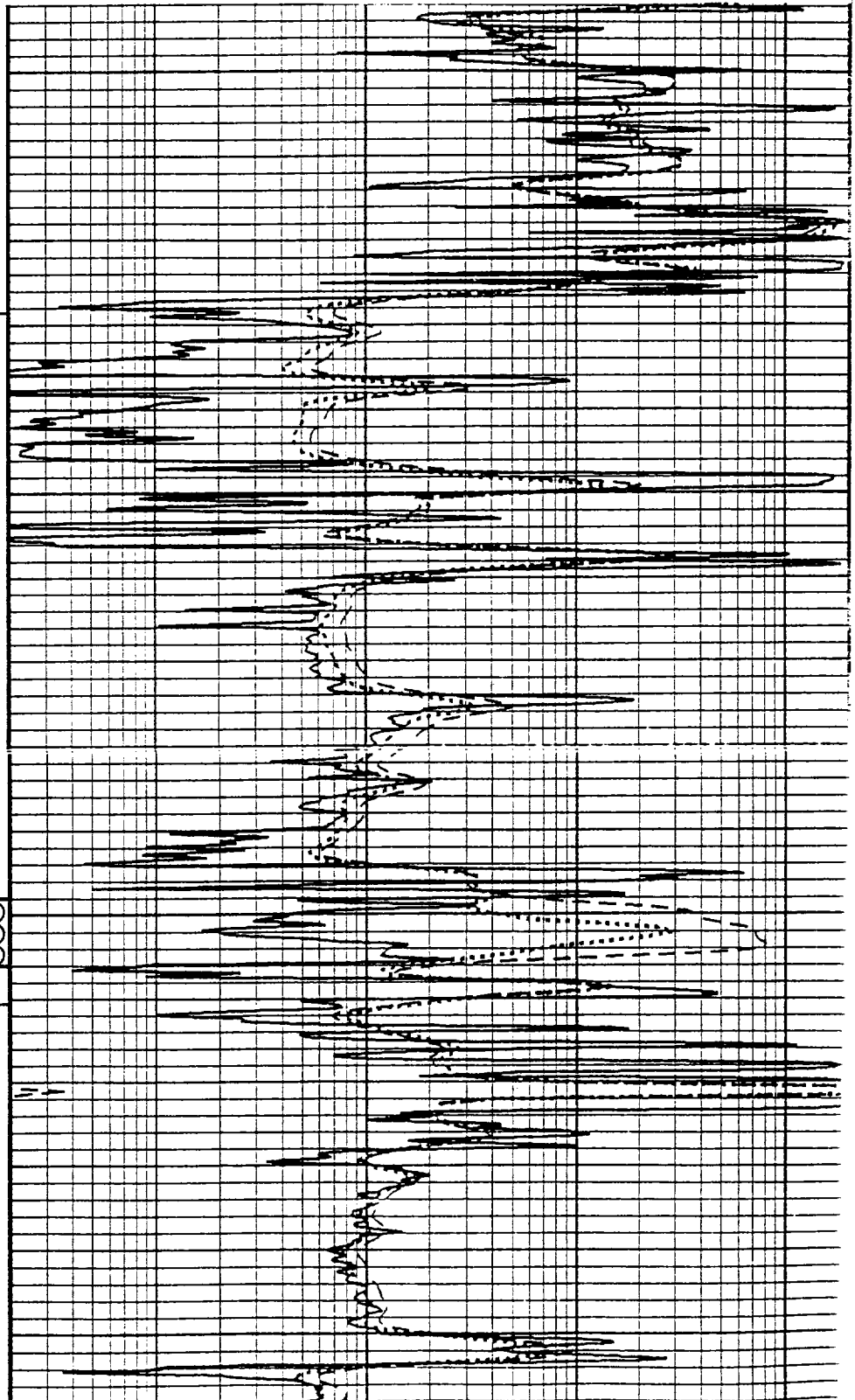


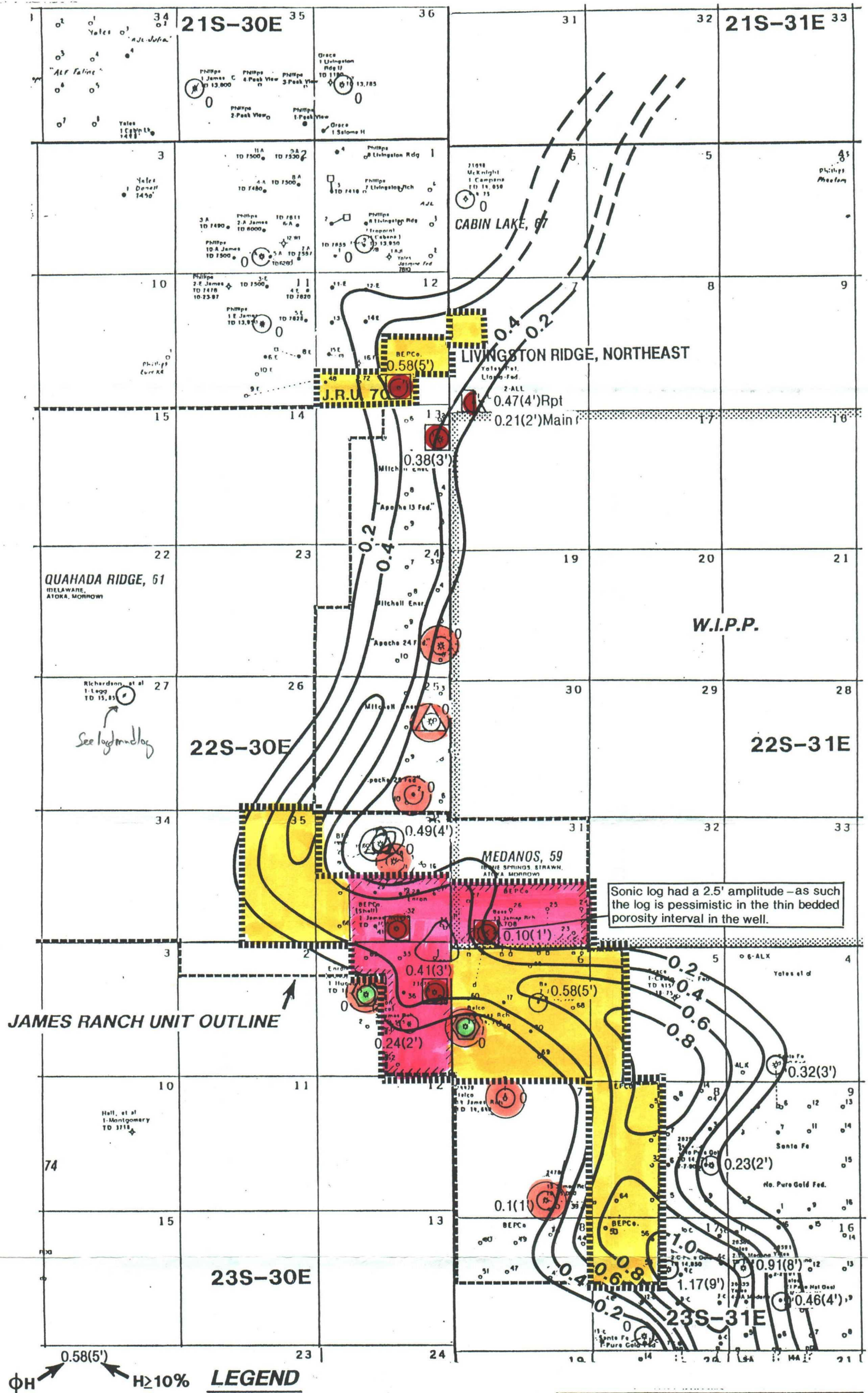
Caliper (CALS) (IN)	14
Gamma Ray (GR) (GAPI)	100
Tension (TENS) (LBF)	0
Gamma Ray 1 (GR) (GAPI)	200

GR BACKUP
From T1 to GR1



Laterolog Deep Resistivity (LLD) (OHMM)	2000
Laterolog Shallow Resistivity (LLS) (OHMM)	2000
Micro SFL Resistivity (MSFL) (OHMM)	2000





ϕ_H \rightarrow $H \geq 10\%$ **LEGEND**

- ATOKA SAND PRODUCER-COMMERCIAL**
- ATOKA SAND PRODUCER-NON COMMERCIAL**
- ATOKA SAND TESTED NON COMMERCIAL RATES THRU PERFORATIONS DURING WELL COMPLETION**
- ATOKA SAND APPARENTLY NON COMMERCIAL BY LOGS**
- PROPOSED PARTICIPATING AREA REVISION**

Bass Enterprises Production Co.

**LIVINGSTON RIDGE, N.E.-
LOS MEDANOS FIELDS**

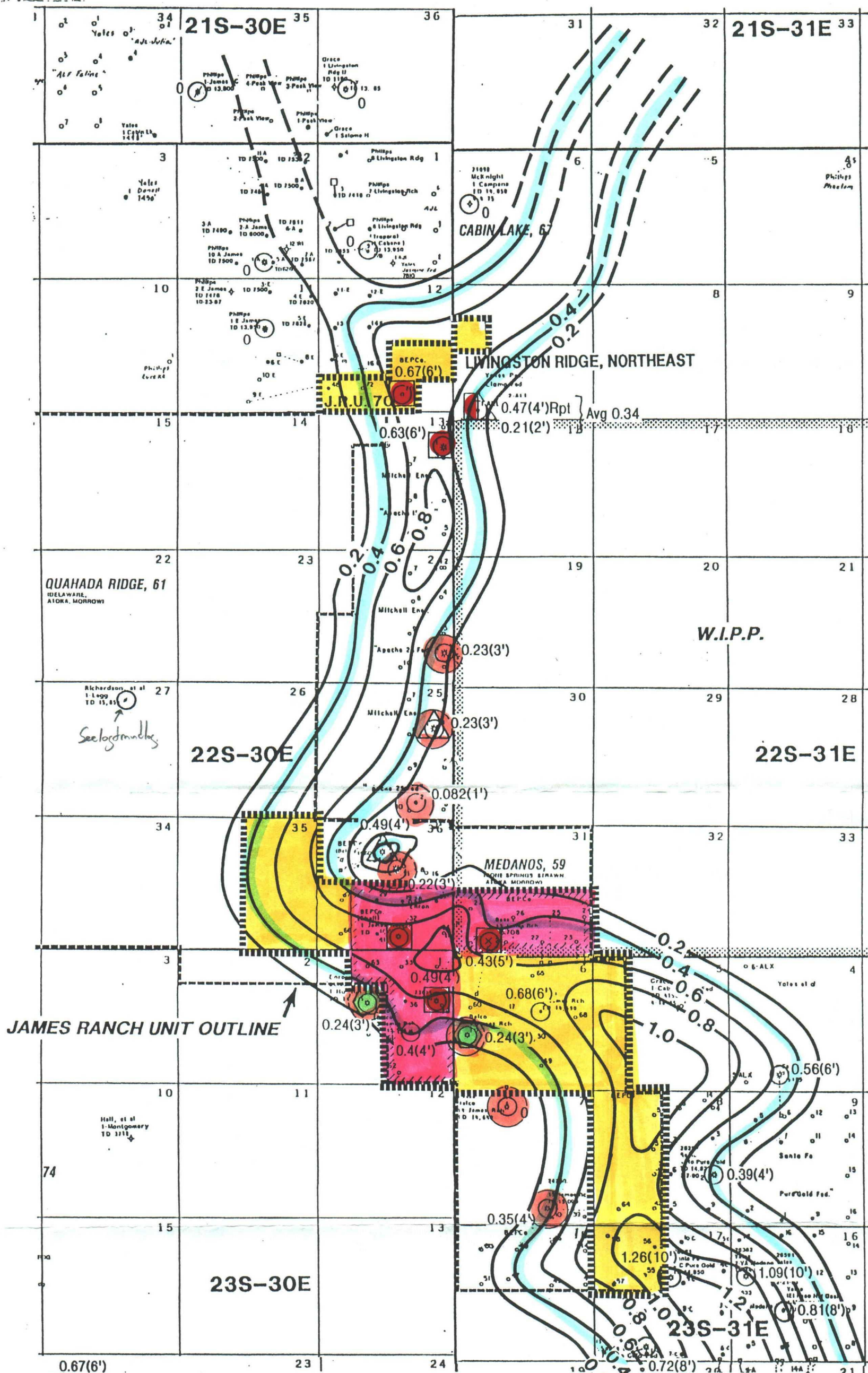
Eddy Co., New Mexico

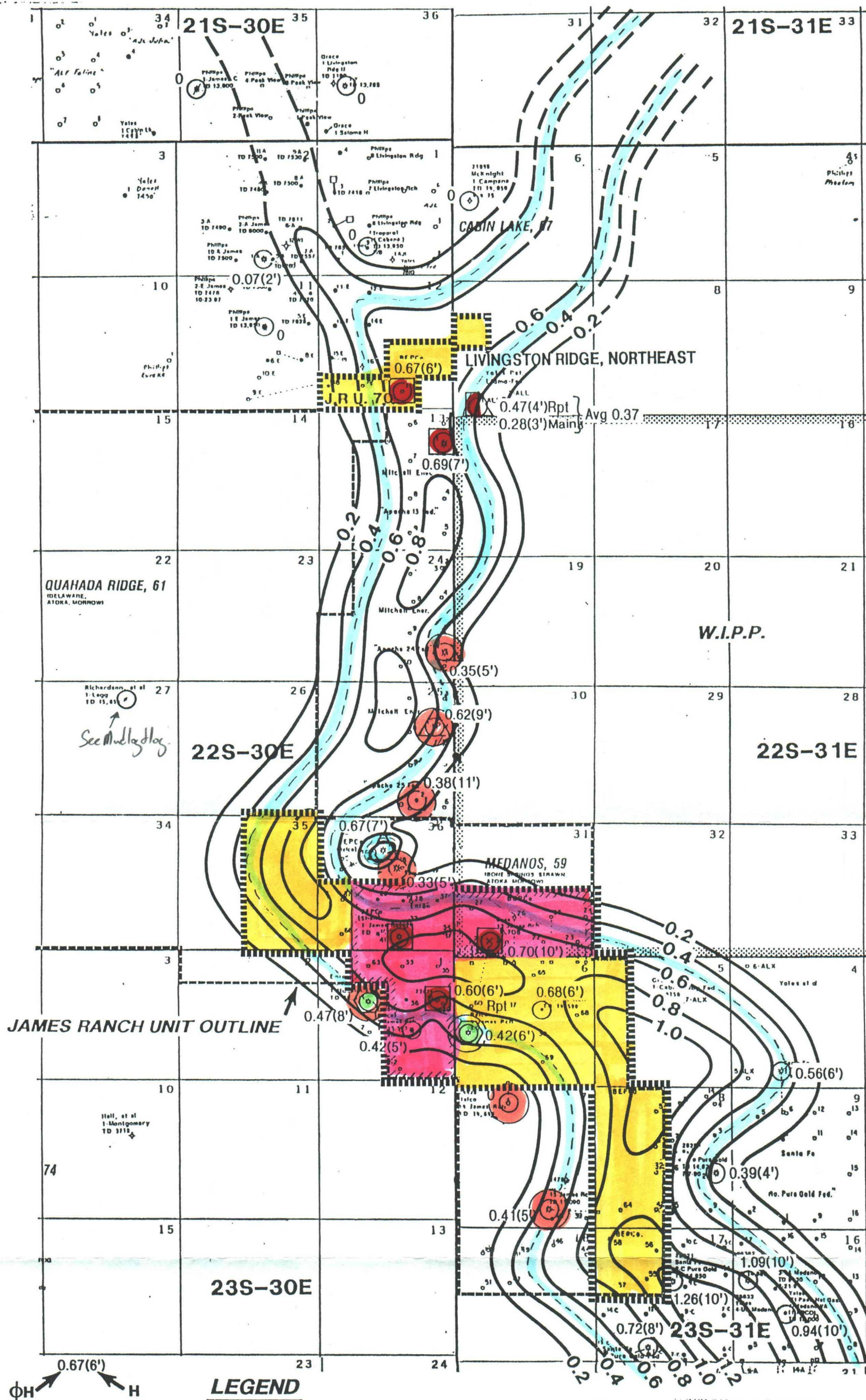
ATOKA SAND

**Porosity-H Isopach
(for porosity $\geq 10\%$)**

Scale: 1"=4000'

C.I. = 0.2





ϕ_H \rightarrow \rightarrow H

LEGEND

- **ATOKA SAND PRODUCER-COMMERCIAL**
- △ **ATOKA SAND PRODUCER-NON COMMERCIAL**
- ⬡ **ATOKA SAND TESTED NON COMMERCIAL RATES THRU PERFORATIONS DURING WELL COMPLETION**
- **ATOKA SAND APPARENTLY NON COMMERCIAL BY LOGS**
- PROPOSED PARTICIPATING AREA REVISION**

Bass Enterprises Production Co.

**LIVINGSTON RIDGE, N.E.-
LOS MEDANOS FIELDS**

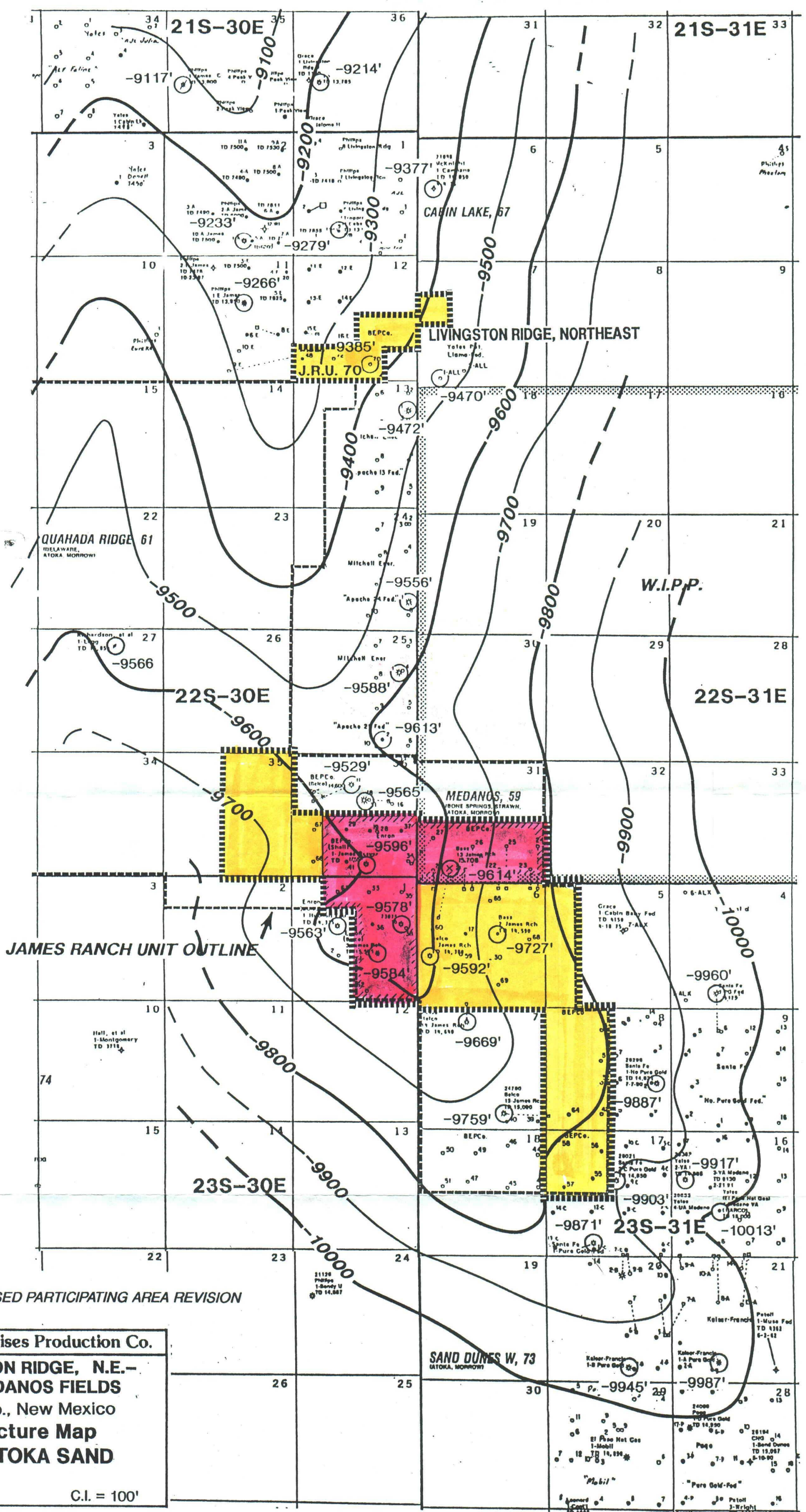
Eddy Co., New Mexico

ATOKA SAND

**Porosity-H Isopach
(no porosity cut-off)**

Scale: 1"=4000'

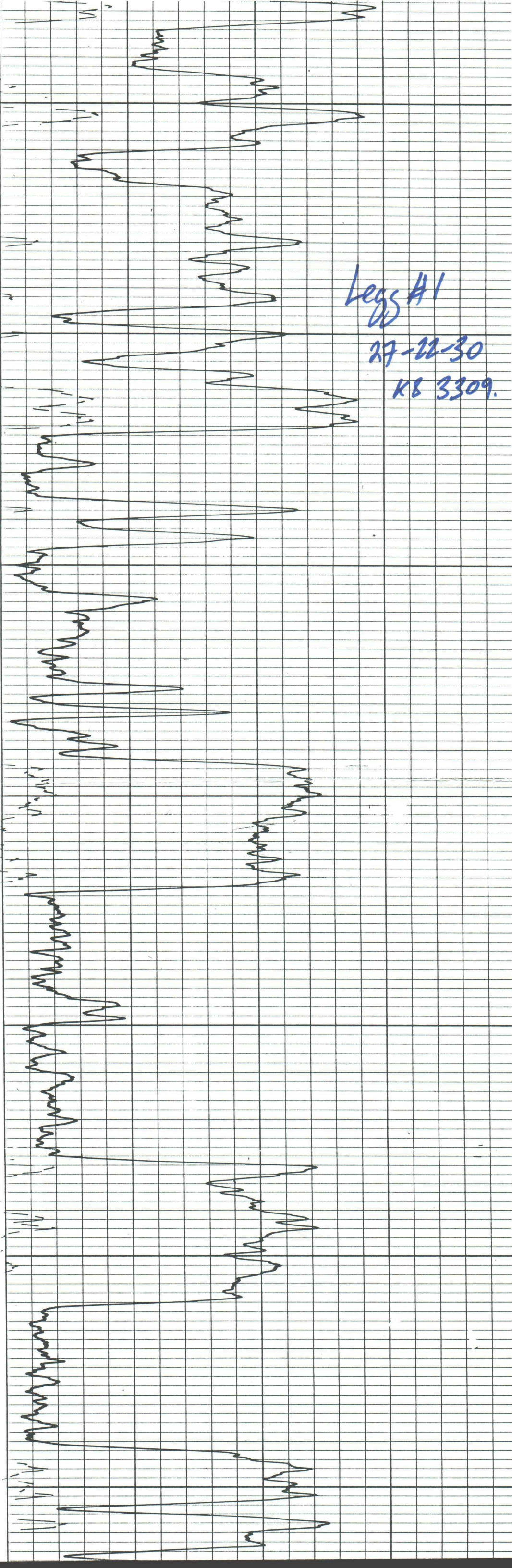
C.I. = 0.2



Legs #1

27-12-30

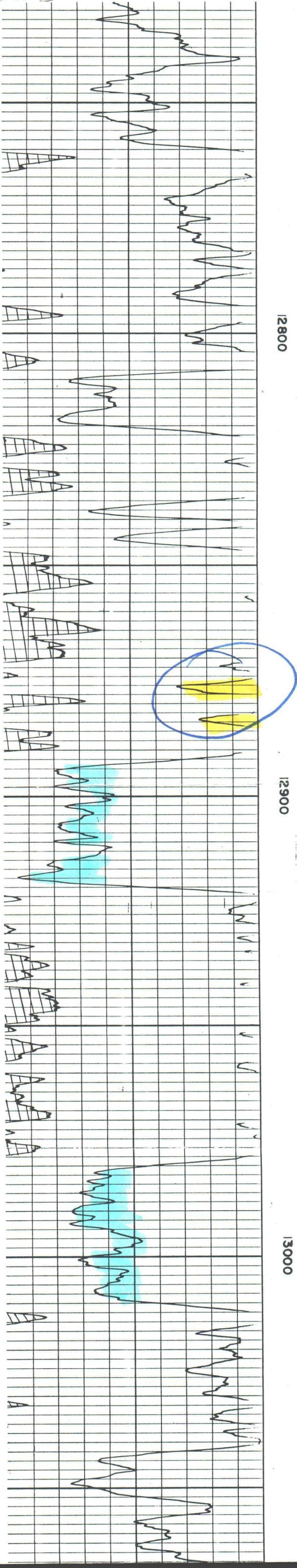
KB 3309.

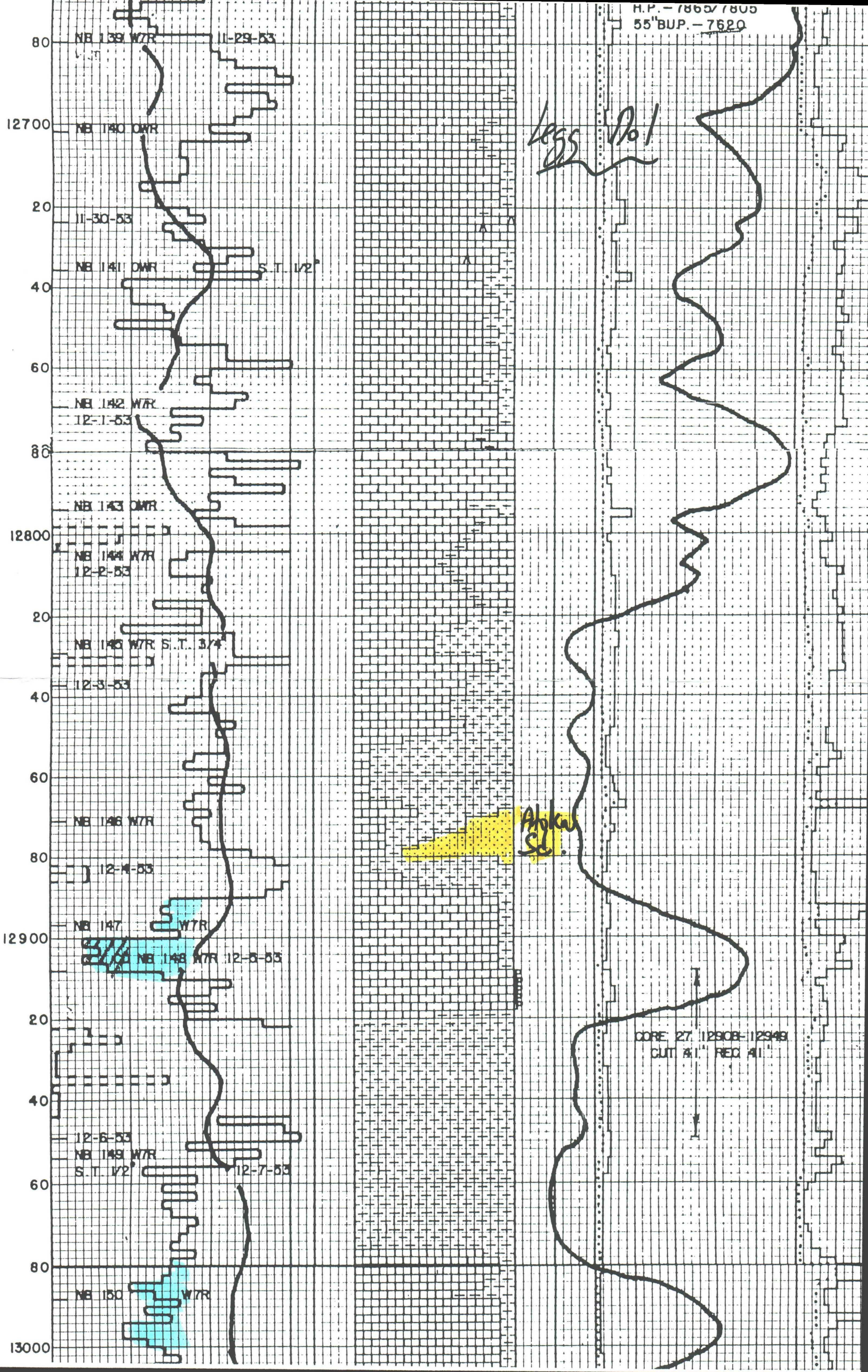


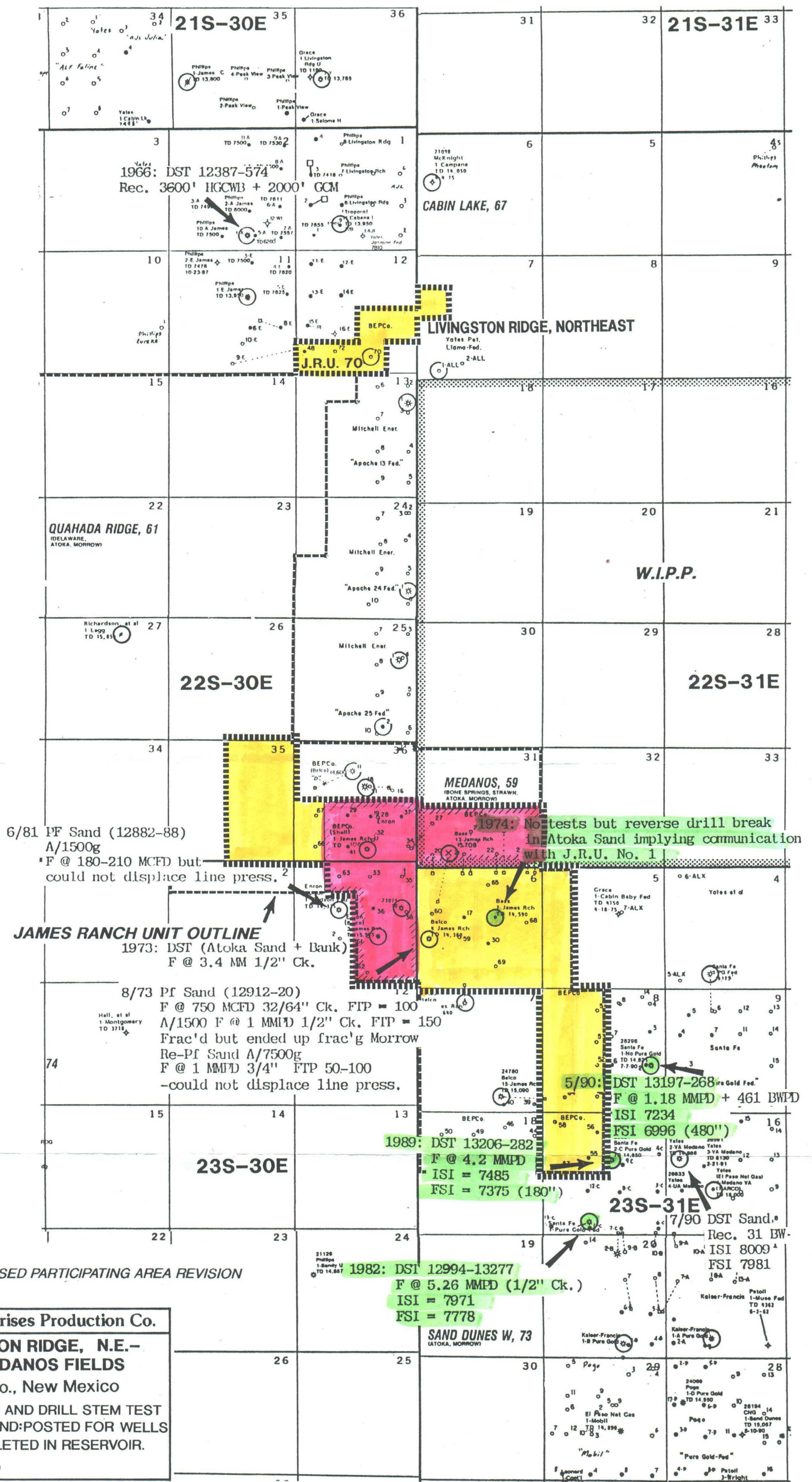
12800

12900

13000





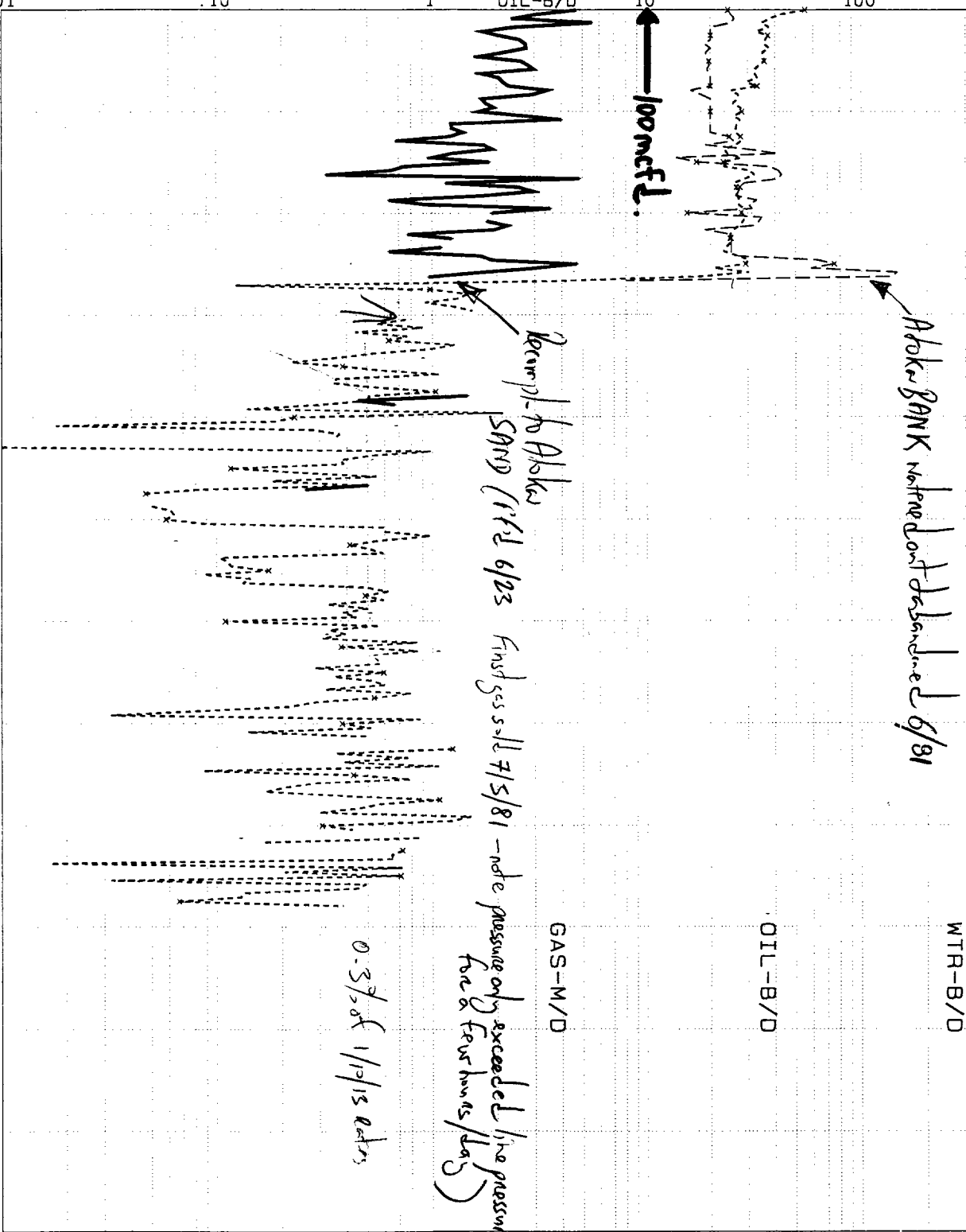


Attachment No 6

HUDSON FEDERAL COM #1 LOS MEDANOS (ATOKA) EDDY COUNTY, NM

OIL-B/D ———
Ref = 12/93
Cum = 8.282
GAS-M/D -----
Ref = 12/93
Cum = 914.036
WTR-B/D -----
Ref = 12/93
Cum = 77.365

1000 10000 1000
100 1000 100
10 100 10
1 10 1
WTR-B/D
GAS-M/D
OIL-B/D
100mcf/d

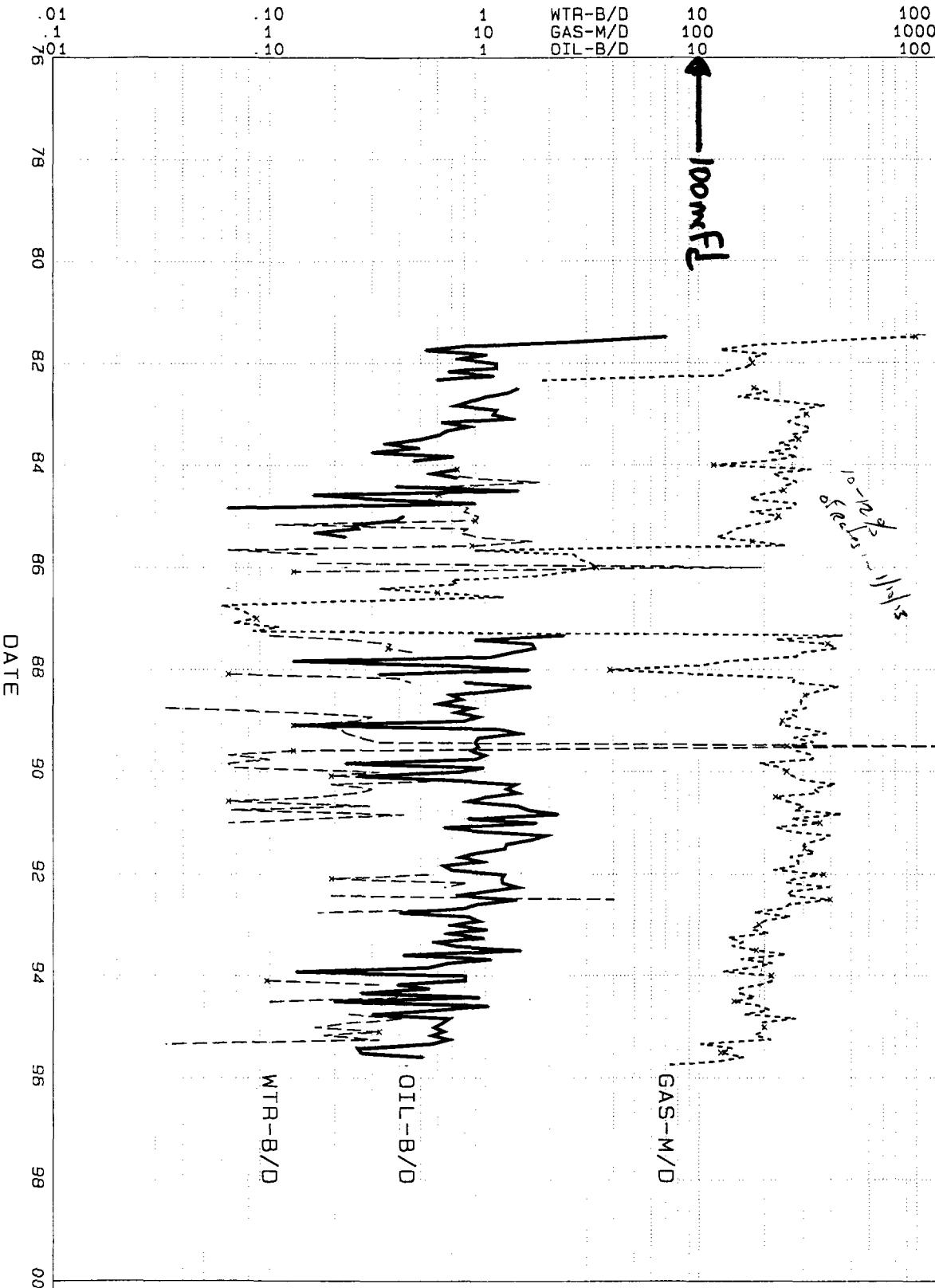


DATE

76 78 80 82 84 86 88 90 92 94 96 98 00

JAMES RANCH UNIT #11 LOS MEDANOS (ATOKA) EDDY COUNTY, NM

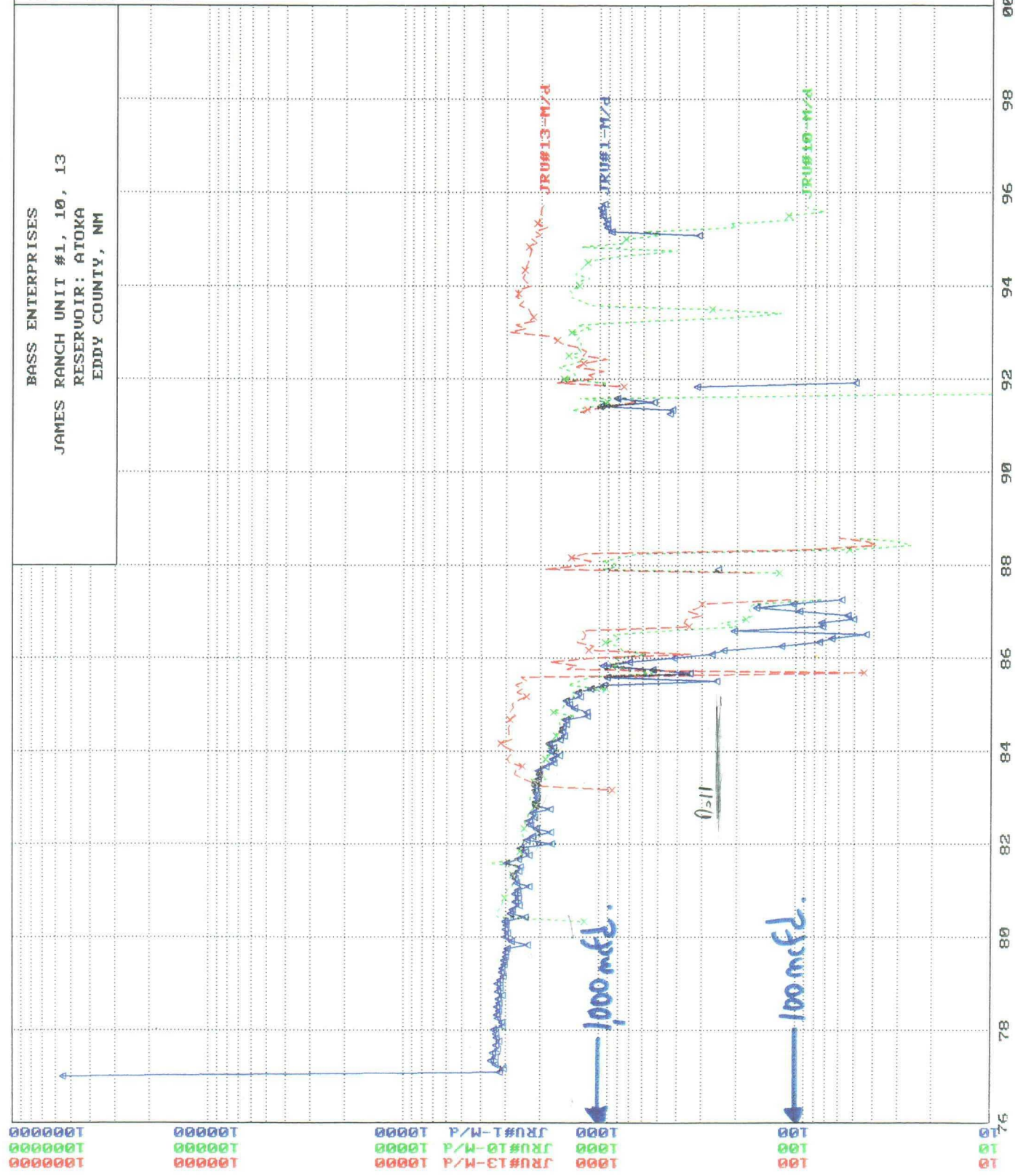
OIL-B/D ---
Ref= 09/95
Cum= 3.946
GAS-M/D -----
Ref= 09/95
Cum=1136.015
WTR-B/D ---
Ref= 09/95
Cum= 5.595



0.01	.10	1	WTR-B/D	10	100	1000
.1	1	10	GAS-M/D	100	1000	10000
1	10	1	OIL-B/D	10	100	1000

JRU #1 —△—
 Ref = 09/95
 Cum = 25184
 JRU #10 -.-x-.-
 Ref = 09/95
 Cum = 6214.274
 JRU #13 -.-x-.-
 Ref = 09/95
 Cum = 6140.214

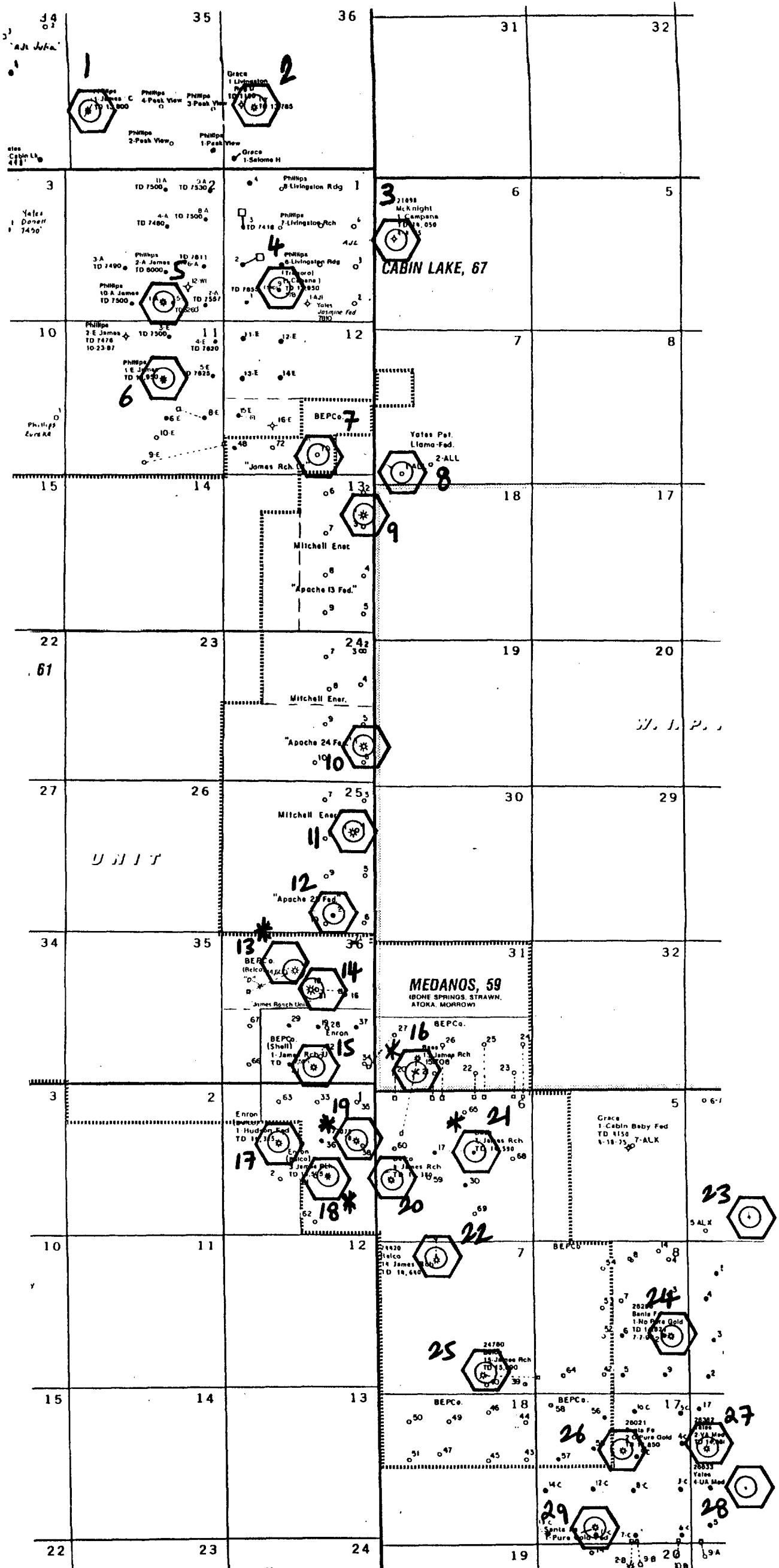
BASS ENTERPRISES
 JAMES RANCH UNIT #1, 10, 13
 RESERVOIR: ATOKA
 EDDY COUNTY, NM



DATE

Hudson Feb 1

Hudson Feb 1



#1
~

Schlumberger		COMPENSATED NEUTRON- FORMATION DENSITY	
COUNTY <u>EDDY</u>	FIELD or LOCATION <u>WILDCAT</u>	COMPANY <u>PHILLIPS PETROLEUM CO.</u>	
COMPANY <u>PHILLIPS PETROLEUM COMPANY</u>			
WELL <u>JAMES "C" #1</u>			
FIELD <u>WILDCAT</u>			
COUNTY <u>EDDY</u> STATE <u>NEW MEXICO</u>			
Location: <u>API Serial No. 30-015-20879</u>		Other Services	
<u>1980' FSL & 660' FWL</u>		<u>DLL, BHC,</u>	
Sec. <u>35</u> Twp. <u>21-S</u> Rge. <u>30-E</u>		<u>M.L. CALIPER</u>	
Permanent Datum: <u>G.I.</u> Elev.: <u>3196</u>		Elev.: <u>K.B. 3218</u>	
Log Measured From <u>K.B.</u> <u>22</u> Ft. Above Perm. Datum		D.F. <u>3217</u>	
Drilling Measured From <u>K.B.</u>		G.I. <u>3196</u>	
Date	<u>10-4-73</u>		
Run No.	<u>ONE</u>		
Depth-Driller	<u>13800</u>		
Depth-Logger	<u>13801</u>		
Bit Log Interval	<u>13800</u>		
Top Log Interval	<u>11292</u>		
Casing-Driller	<u>7 7/8 @ 11294</u>	@	@
Casing-Logger	<u>11292</u>		
Bit Size	<u>6 3/4</u>		
Type Fluid in Hole	<u>SALT MUD</u>		
Fluid Level	<u>FULL</u>		
Dens. Visc.	<u>10 34</u>		
pH Fluid Los	<u>6 4.4 ml</u>	ml	ml
Source of Sample	<u>CIRC</u>		
Rmt @ Meas. Temp.	<u>.0466 @ 75 °F</u>	@ °F	@ °F
Rmt @ Meas. Temp.	<u>.048 @ 70 °F</u>	@ °F	@ °F
Rmc @ Meas. Temp.	<u>@ °F</u>	@ °F	@ °F
Source: Rmt Rmc	<u>M</u>		
Rm @ BHT	<u>.0195 @ 193 °F</u>	@ °F	@ °F
Time Since Circ.	<u>6 HOURS</u>		
Max. Rec. Temp.	<u>193 °F</u>	°F	°F
Equip. Location	<u>7645 HOBBS</u>		
Recorded By	<u>J.B. WILSON</u>		
Witnessed By	<u>PORTER</u>		

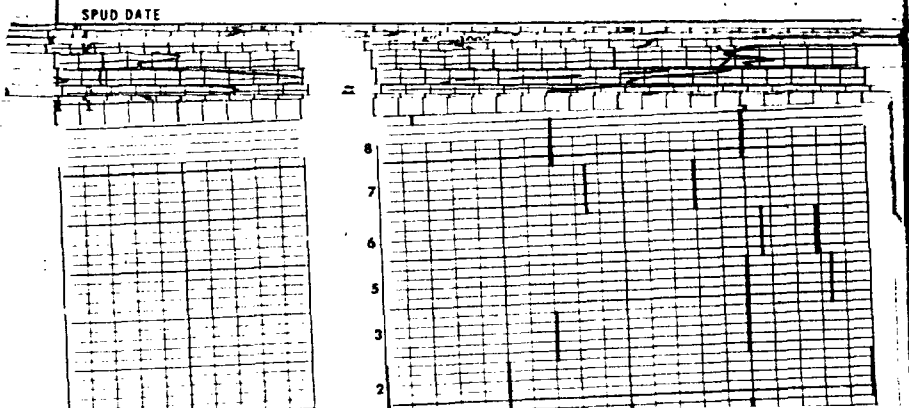
The well name, location and borehole reference data were furnished by the customer.

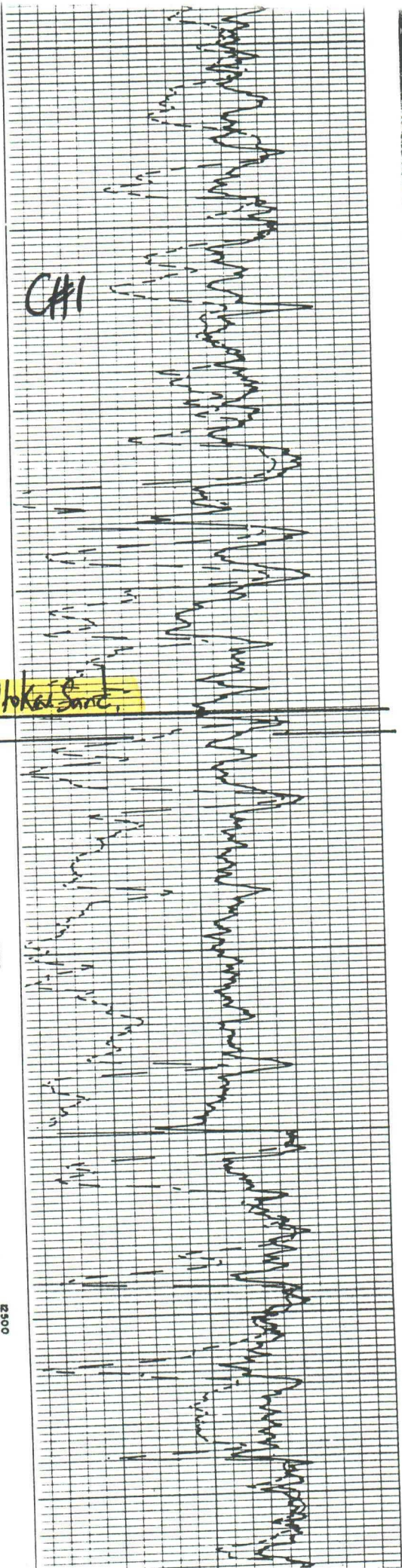
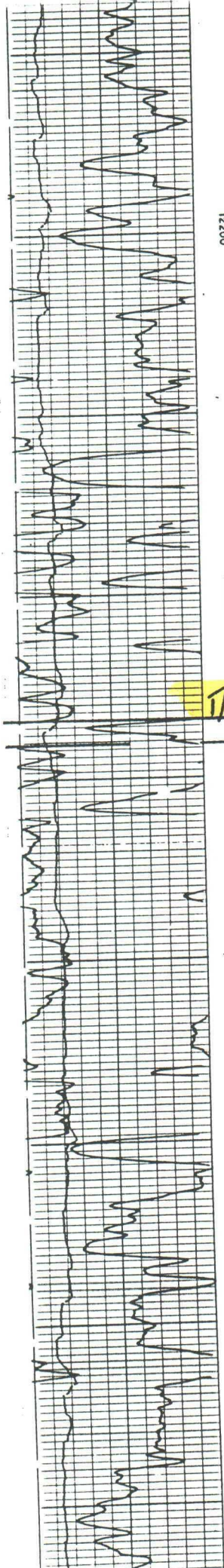
Reproduced By
Electrical Log Services
Midland, Texas 79701

REFERENCE W 8702F



★ COMPLETION RECORD





T/A to K&S Sand

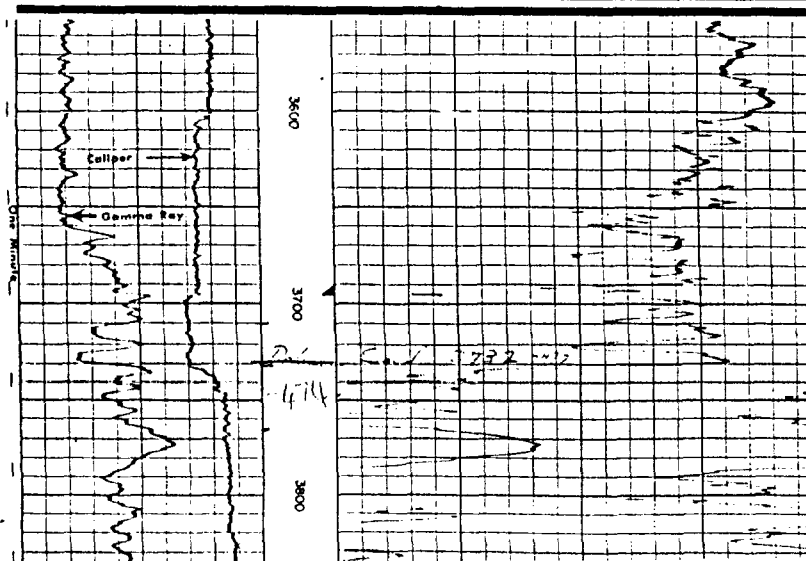
Dresser Atlas

BHC
Accounting

[illegible]

REMARKS										Equipment Used									
PIT SIZE-RUN 1-12" TO 7500 @ 3" TO T.D.																			
SERIES 625R 422 625										Serial No. 626 1305 1603									
Run No. ONE ONE										Run No. TWO TWO TWO									
S.O. No. 10241										S.O. 90275									
Tool No. 26499 12810 15287										Tool No. 15292 30415 31036									
Elec. No.										Elec. No.									
Panel No. 27050 5179 26540										Panel No. 32536 32536 31052									
Changes in Mud Type or Additional Samples										Scale Change									
Date, Sample No										Type Log									
Depth, Driller										Depth									
Type Fluid in Hole										Scale Up Hole									
										Scale Down Hole									
Dens. 1. Visc.																			
pH Fluid Loss																			
Source of Sample										Equipment Data									
Run @ Meas Temp										Run No. Tool Type Pad Type Tool Position Other									
Run @ Meas Temp										ONE SEE ABOVE CENTRALIZED									
Run @ Meas Temp										TWO SEE ABOVE CENTRALIZED									
Source, Run @ Meas Temp																			
Run @ RHT																			
Run @ RHT																			
Run @ RHT																			

S.P. or G/R & Caliber	DEPTH	BASS	ACOUSTOLOG T ₁ —S ₁ —T ₂ —R ₂ —T ₃
Millivolts 10 API/CD — + 0 API API UNITS 100 API	F.W. OFFICE		SPECIFIC ACOUSTIC TIME Micro Seconds Per Foot
HOLE SIZE - INCHES 7 9 11 13 15			



L 36-21-30

L. Ridge 1-9

12400

Apoka Sand (terrestrial)

12500

100

DT

40

12600

7.0


13.1

12700

7.8

13.6

#3

		COMPENSATED NEUTRON FORMATION DENSITY	
COMPANY <u>Byron McKnight</u> <u>Ex. pro Oil & Gas Co.</u> WELL <u>Campana #1</u> FIELD <u>Cabin Lake</u> COUNTY <u>Eddy</u> STATE <u>N. Mex.</u>		LOCATION <u>1980' EAL</u> <u>660' EAL</u> API SERIAL NO. <u>14</u> TEST NO. <u>5</u> DATE <u>11/1</u> Other Services: <u>XL/R+0</u> <u>HDT</u>	
Permanent Datum: <u>GL</u> Elev. <u>3358.5</u> Log Measured From: <u>KB</u> 11 ft. Above Perm. Datum Drilling Measured From: <u>KB</u>		Elev.: <u>K.B. 3375.5</u> <u>D.F. 3374</u> <u>G.I. 3358.5</u>	
Date	<u>10-13-74</u>		
Run No.	<u>TWO</u>		
Depth-Driller	<u>13998</u>		
Depth-Logger	<u>13994</u>		
Arm Log Interval	<u>13993</u>		
Top Log Interval	<u>11403</u>		
Casing-Driller	<u>756 @ 10400</u>	@	@
Casing-Logger	<u>---</u>		
Bit Size	<u>6 1/2</u>		
Type Fluid in Hole	<u>SELF MIXED</u>		
Dens.	<u>9.6</u>	<u>30</u>	
pH	<u>9.8</u>	<u>5.4 ml</u>	
Fluid Loss	<u>---</u>		
Source of Sample	<u>CIRC</u>		
Rm @ Meas. Temp.	<u>0.53 @ 67 F</u>	@	F
Rm @ Meas. Temp.	<u>0.51 @ 67 F</u>	@	F
Rmc @ Meas. Temp.	<u>---</u>	@	F
Source Rm	<u>---</u>		
Rm @ BHT	<u>0.50 @ 200 F</u>	@	F
Circulation Stopped	<u>10-11 @ 2100</u>		
Logger on Bottom	<u>10-12 @ 9700</u>		
Max. Rec. Temp.	<u>190</u>		
Equip. Location	<u>7679 HALLS</u>		
Recorded by	<u>WALLS</u>		
Witnessed by	<u>McKnight</u>		

Reproduced By
Electrical Log Services
 Mesquite, Texas 79701

REFERENCE W 1136X



15 COMPLETION RECORD

SPUD DATE	
COMP DATE	
DST RECORD	
API NO.	
CASING RECORD	
PERFORATING RECORD	
ACID. FRAC SHOT	

A to Rec
12346

2800

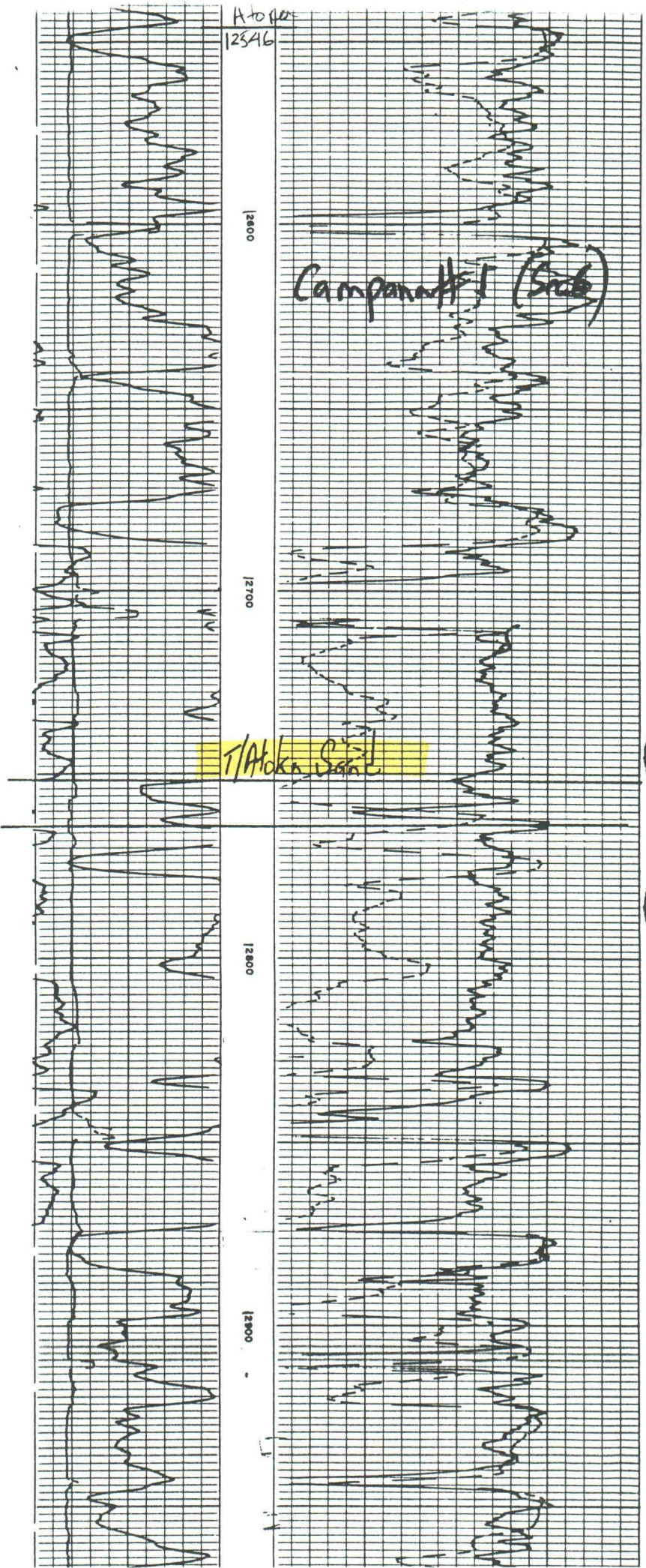
2700

T/Alaka Saini

2800

2800

Campana #1 (Sub)



#4
~BASS
F.W. OFFICE

Sonlumberger		COMPOSITE - BOREHOLE COMPENSATED SONIC LOG - GAMMA RAY, COMPEN- SATED NEUTRON-FORMATION DENSITY	
COUNTY FIELD or LOCATION WELL COMPANY	EDDY CABIN LAKE CABANA #1 TROPORO OIL & GAS	COMPANY WELL FIELD COUNTY STATE	TROPORO OIL & GAS COMPANY CABANA #1 EDDY NEW MEXICO
LOCATION 990' FSL. & 1980' FWL.		Other Services DLL, MLL	
Sec. 1 Twp. 22-S Rge. 30-E		Permanent Datum: G.L. Elev. 3337 Log Measured From: K.B. 20 Ft. Above Perm. Datum Drilling Measured From: K.B.	
Elev. K.B. 3357 D.P. 3356 G.L. 3337			
Date	5-4-74	6-10-11-74	6-12-74
Run No.	ONE (BUC)	TWO (CNL/IDC)	THREE (CNL/IDC)
Depth-Driller	10250	13892	13950
Depth-Logger	10256	13881	13940
Bit. Log Interval	10253	13880	13939
Top Log Interval	3355	10253	13880
Casing-Driller	10 3/4" 3748	7" 40350	7" 40350
Casing-Logger	8756	10346	10346
Bit Size	9 1/2	6 1/2	6 1/2
Type Fluid in Hole	WATER	SALT MOD	SALT MOD
Dens. Visc.	8.6 28	10.3 30	10.3 30
pH Fluid Loss	10.5 NA ml	10.0 3.5 ml	10 3.6 ml
Source of Sample	PFT	CIRC.	CIRC.
R ₁₀ @ Meas. Temp.	16 @ 70 °F	041 @ 85 °F	037 @ 94 °F
R ₁₀₀ @ Meas. Temp.	0 @ °F	038 @ 80 °F	035 @ 94 °F
R ₁₀₀₀ @ Meas. Temp.	0 @ °F	06 @ 85 °F	058 @ 94 °F
Source: Roof Ring		H E	H I C
R ₁₀ @ BHT	08 @ 143 °F	019 @ 184 °F	018 @ 190 °F
Circulation Stopped	5 HOURS	6 HOURS	6 HOURS
Logger on Bottom			
Max. Rec. Temp.	143 °F	184 °F	190 °F
Equip. Location	7679 HORRIS	7645 HORRIS	7645 HORRIS
Recorded by	CLEMENT	J R WILSON	J R WILSON
Witnessed by	MCKNIGHT	MCKNIGHT	MCKNIGHT

Reproduced By
Electrical Log Services
Midland, Texas 79701

REFERENCE W 754X



50 COMPLETION RECORD

SPUD DATE

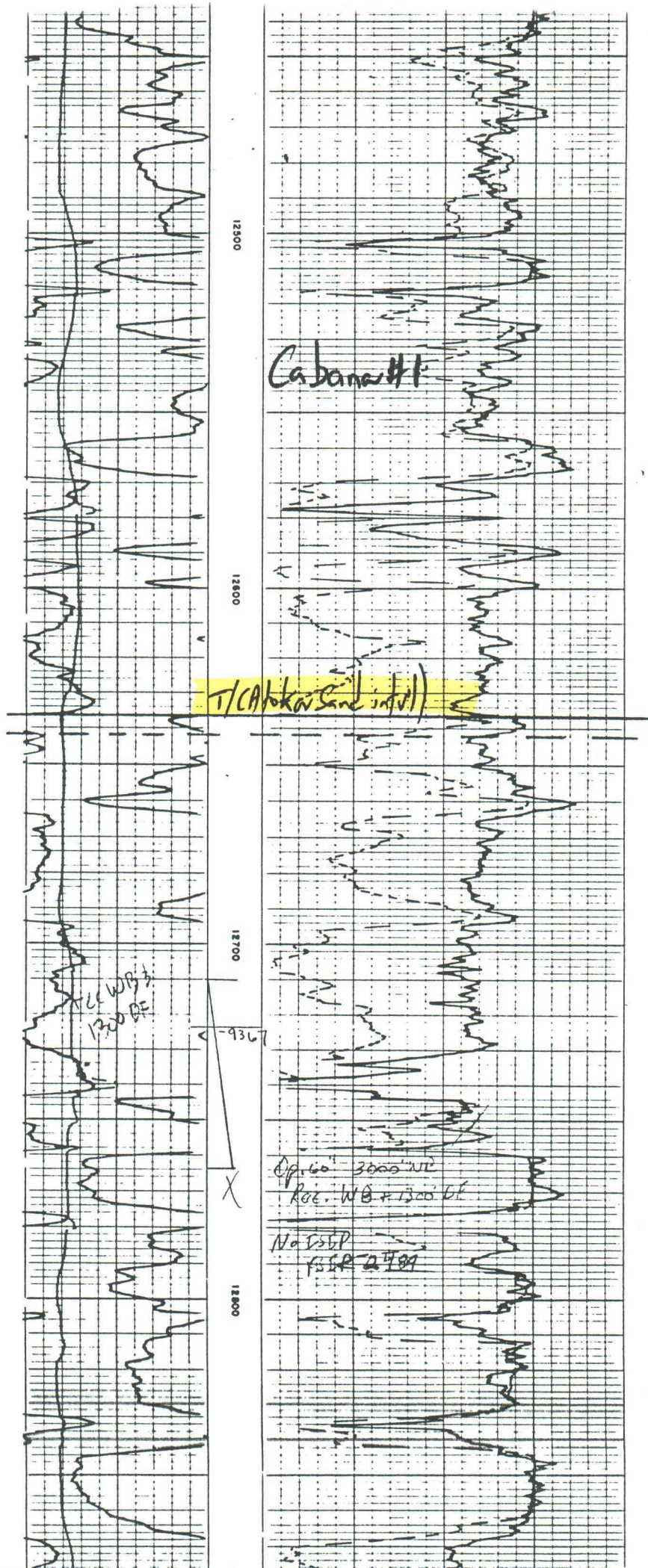
COMP DATE

DST RECORD

API NO.

CASING RECORD

PERFORATING RECORD



#5

SCHLUMBERGER		BOREHOLE COMPENSATED SONIC LOG - GAMMA RAY				
COUNTY FIELD WELL COMPANY CORPORATION	EDDY	COMPANY PHILLIPS PETROLEUM COMPANY				
	WILDCAT	WELL JAMES "A" #1				
	JAMES "A" #1	FIELD WILDCAT				
	PHILLIPS PETRO	COUNTY EDDY STATE NEW MEXICO				
	PETRO	LOCATION 2006' FROM E/L 665' FROM S/L				
Sec. 2 Twp. 22S Rge. 30E		Other Services M.L., C.D., C.L., COMP. N.S., ML				
Permanent Datum: CHF, Elev. 3169		Elev.: K.B. 3193				
Log Measured From KB, 24 Ft. Above Perm. Datum		D.F. 3191				
Drilling Measured From KB		G.I. 3175				
Date	6-14-66	7-1-66	7-11-66	8-26-66	10-23-66	11-18-66
Run No.	ONE	TWO	THREE	FOUR	FIVE	SIX
Depth-Driller	405	3657	7490	12,205	14259	14924
Depth-Logger	399	3657	7501	12,204	14258	14919
Stm. Log Interval	394	3652	7492	12,195	14250	14914
Top Log Interval	0	394	3652	4,380	12162	14250
Coring-Driller	- @ -	20" @ 406	13 3/8 @ 3657	13 3/8 @ 3657	7 3/8 @ 12202	5 1/2 @ 14572
Coring-Logger	-	-	-	3655	-	-
Bit Size	22" SURF-3137"	9 7/8	9 7/8	6 1/2	6 1/2	6 1/2
Type Fluid in Hole	FRESH WTR.	BRINE	BRINE	CAUSTIC	CHEM. CAUSTIC	CHEM. GEI
Dens. Visc.	-	-	9.0	11.9	12.8	14.8
pH Fluid Loss	-	10.7	9.0	11.9	12.8	14.8
Source of Sample	-	-	-	11.9	12.8	14.8
PLT	-	-	-	11.9	12.8	14.8
Temp. @ Meas. Temp.	47 @ 88°F	0.17 @ 80°F	0.05 @ 81°F	0.47 @ 68°F	0.47 @ 68°F	0.47 @ 65°F
Temp. @ Meas. Temp.	- @ -°F	0.17 @ 80°F	0.05 @ 81°F	0.37 @ 74°F	0.24 @ 75°F	0.15 @ 65°F
Temp. @ Meas. Temp.	- @ -°F	- @ -°F	- @ -°F	0.85 @ 74°F	- @ -°F	0.62 @ 65°F
Source of Fluid	-	-	-	MEAS. INCAS.	MEAS. INCAS.	MEAS. INCAS.
Time Since Circ.	1 HOUR	3 HOURS	3 HOURS	4 HOURS	4 HOURS	4 HOURS
Max. Rec. Temp.	-	7100	7120	7176	7190	7212
Equip. Location	3518 HOBBBS	3701 HOBBBS	3722 HOBBBS	3720 HOBBBS	3722 HOBBBS	3720 HOBBBS
Recorded By	CARNAHAN	WILSON	LEFLER	TILLY	WILSON, FRITMAN	TILLY
Witnessed By	MR. BROWN**	MR. STRINGER	MR. STRINGER	MR. MUELLER	MR. MUELLER	MR. MUELLER

Reproduced By
West Texas Electrical Log Service
McMURDO, TEXAS 79701

REFERENCE W9100G



66 COMPLETION RECORD

SPUD DATE

COMP DATE

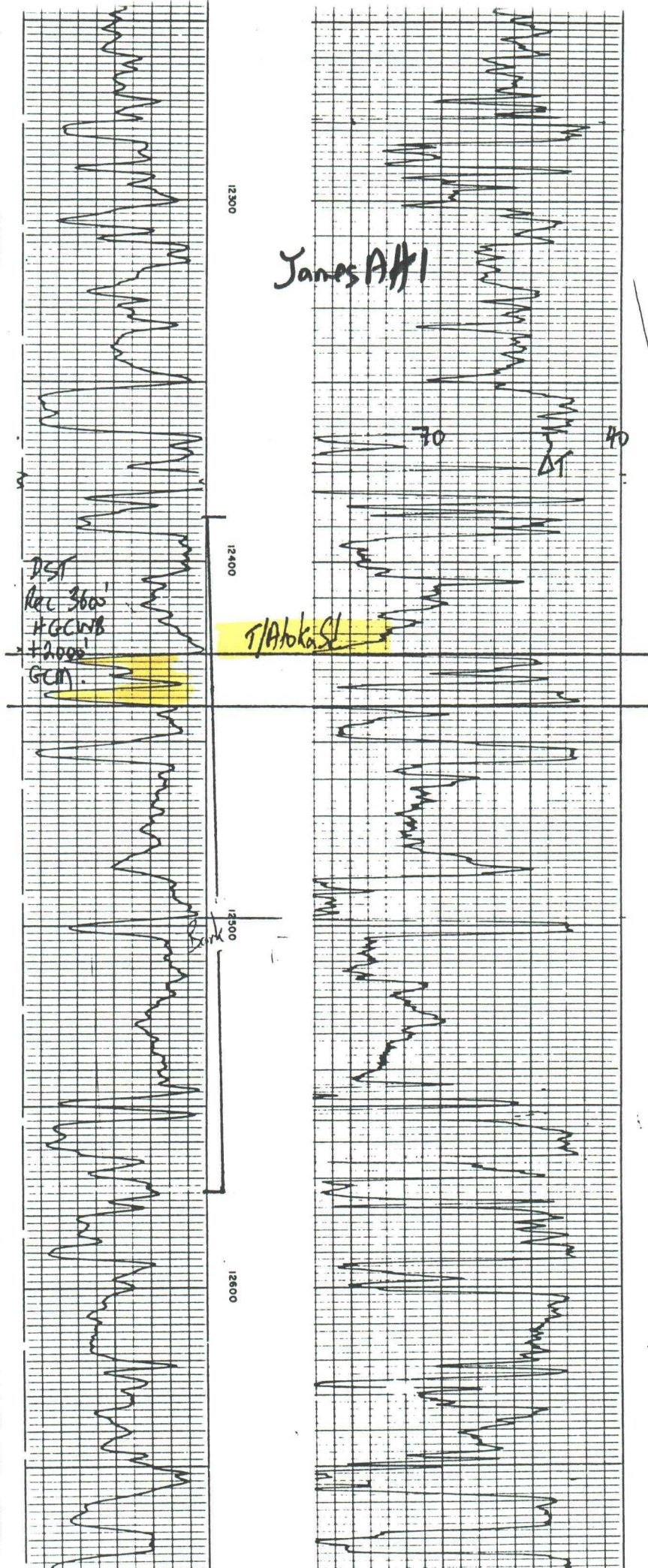
DST RECORD

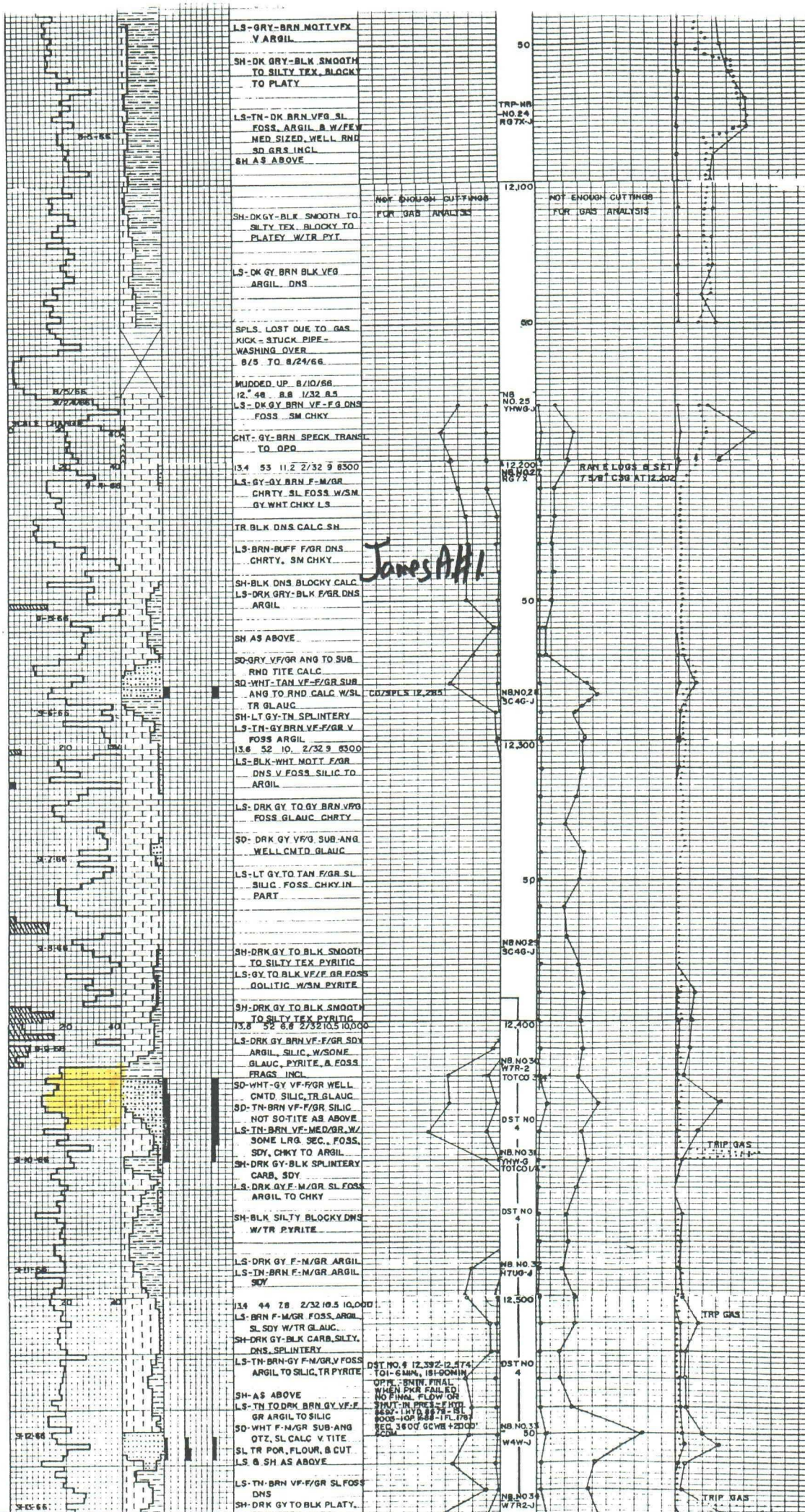
CASING RECORD

PERFORATING RECORD

ACID. FRAC SHOT

Janes AH1





#6
~

1 copy

Schlumberger		MULTANEUS COMPENSATED NEUTRON- FORMATION DENSITY	
COUNTY EDDY FIELD or CABIN LAKE LOCATION JAMES "E" #1 WELL JAMES "E" #1 COMPANY PHILLIPS PETR. CO.	COMPANY PHILLIPS PETROLEUM COMPANY		
	WELL JAMES "E" #1		
	FIELD CABIN LAKE (MORROW)		
	COUNTY EDDY STATE NEW MEXICO		
Location: 1980' FNL & 1980' FEL, SEC 11, TWP 22-S, RGE 30-E		Other Services: BHC, DLL, MLL-MLL/ML	
Permanent Datum G.L. Elev. 3198		Elev. K.B. 3221	
Log Measured From R.K.B. 23 Ft. Above Perm. Datum		D.F. 3220	
Drilling Measured From R.K.B.		G.L. 3198	
Date	1-9-74		
Run No.	ONE		
Depth-Driller	13875		
Depth-Logger	13875		
Btm. Log Interval	13874		
Top Log Interval	11404		
Casing-Driller	7 5/8 @ 11405	@	@
Casing-Logger	11404		
Bit Size	6 3/4		
Type Fluid in Hole	SALT GEL		
Fluid Level			
Dens.	10.6	37	
pH	6	3 ml	
Source of Sample	PIT		
R _{mf} @ Meas. Temp.	.062 @ 77 °F	(a) °F	(a) °F
R _{mf} @ Meas. Temp.	.057 @ 77 °F	(a) °F	(a) °F
R _{mc} @ Meas. Temp.	(a) °F	(a) °F	(a) °F
Source: R _{mf}	M		
R _m @ BHT	.026 @ 187°F	(a) °F	(a) °F
Time Since Circ.	20 HOURS		
Max. Rec. Temp.	182 °F		
Equip. Location	7627 HOBBS		
Recorded By	BIRKHEAD		

The well name, location and borehole reference data were furnished by the customer.

Reproduced By
Electrical Log Services
Midland, Texas 79701

REFERENCE W 8848P



12 COMPLETION RECORD

SPUD DATE	
COMP DATE	
DST RECORD	
API NO.	30-015-20996
CASING RECORD	
PERFORATING RECORD	
ACID. FRAC SHOT	

12300

12400

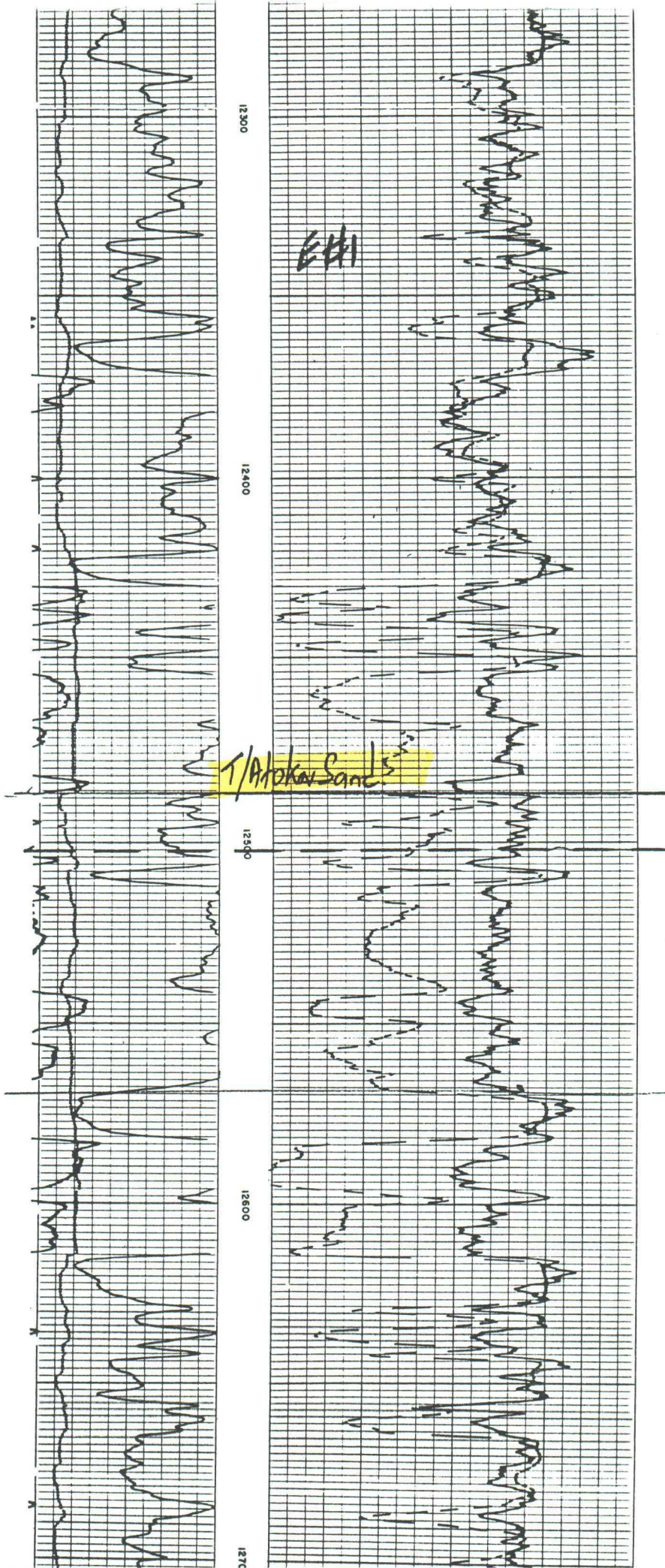
12500

12600

12700

E#1

T/A. Okav Sand



#7 ATTACHMENT ONE

COMPANY: Bass Enterprises Production Company

WELL: James Ranch Unit #70

FIELD: Livingston Ridge North East Field

COUNTY: Eddy

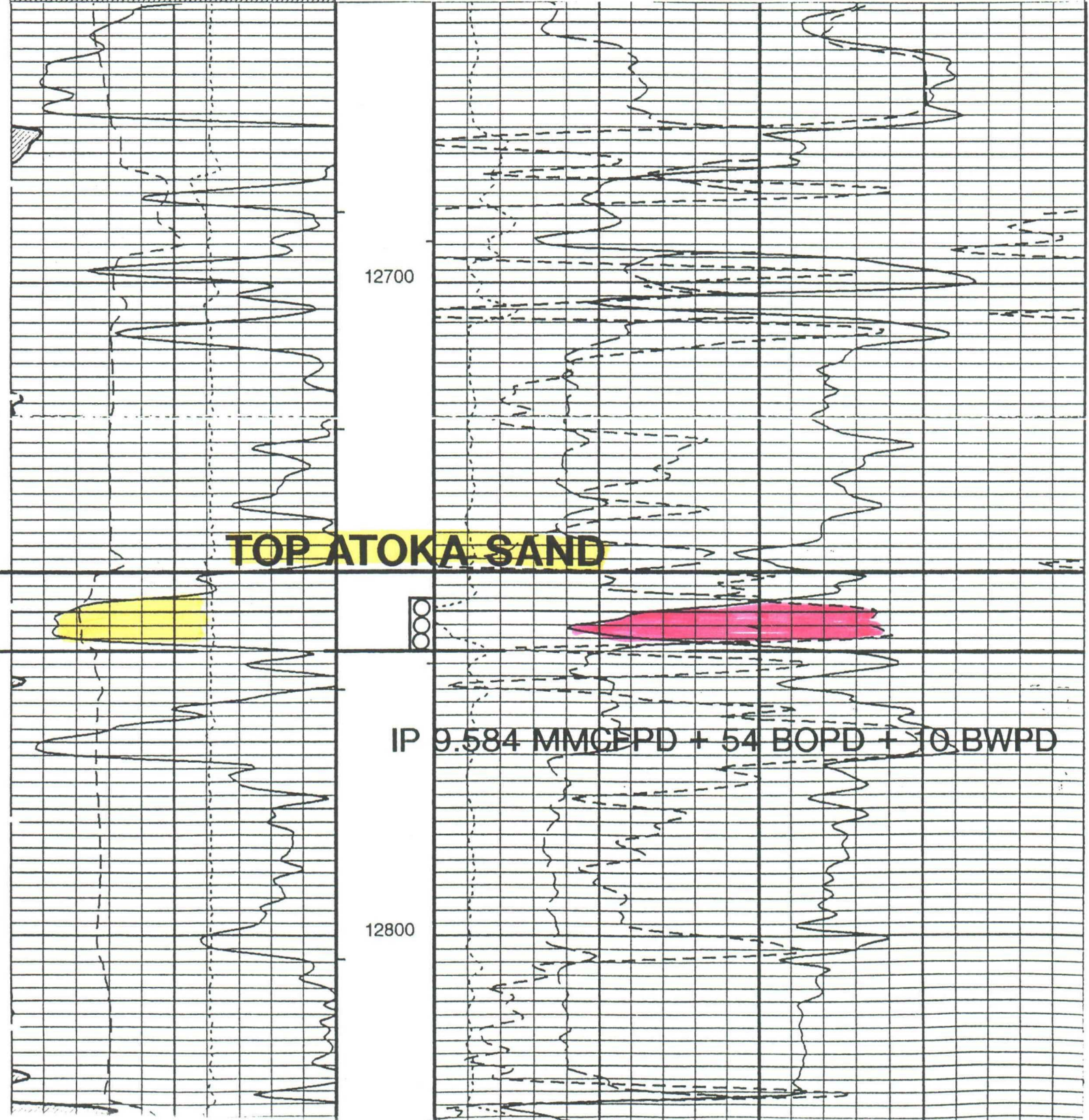
STATE: New Mexico

COUNTY: Eddy Field: Livingston Ridge North East Field Location: 660' FSL and 1980' FEL Well: James Ranch Unit #70 Company: Bass Enterprises Production Co	LOCATION	<div style="background-color: black; color: white; padding: 5px; display: inline-block;">Schlumberger</div>		Litho Density Compensated Neutron	
		660' FSL and 1980' FEL		Elev.: K.B. 3358.7 F G.L. 3331.1 F D.F. 3356.7 F	
		Permanent Datum: <u>Ground Level</u>		Elev.: <u>3331.1 F</u> 27.6 F above Perm. Datum	
		Log Measured From: <u>Kelly Bushing</u>			
		Drilling Measured From: <u>Kelly Bushing</u>			
API Serial No. N/A		SECTION 12	TOWNSHIP 22-S	RANGE 30-E	

Logging Date	December 9, 1994				Logging Date			
Run Number	Three				Run Number			
Depth Driller	14139 F				Depth Driller			
Schlumberger Depth	14139 F				Schlumberger Depth			
Bottom Log Interval	14136 F				Bottom Log Interval			
Top Log Interval	11800 F				Top Log Interval			
Casing Driller Size @ Depth	7.625 IN	@	12000 F		Casing Driller Size @ Depth		@	
Casing Schlumberger	11998 F				Casing Schlumberger			
Bit Size	6.500 IN				Bit Size			
Type Fluid In Hole	PAC/KCL				Type Fluid In Hole			
MUD Density	Viscosity	10 LB/G	32 S		MUD Density	Viscosity		
Fluid Loss	PH	7.2 C3	10.5		Fluid Loss	PH		
Source Of Sample	Shaker				Source Of Sample			
RM @ Measured Temperature	0.053 OHMM	@	79 DEGF		RM @ Measured Temperature		@	
RMF @ Measured Temperature	0.049 OHMM	@	79 DEGF		RMF @ Measured Temperature		@	
RMC @ Measured Temperature		@			RMC @ Measured Temperature		@	
Source RMF	RMC	Measured			Source RMF	RMC		
RM @ MRT	RMF @ MRT	0.023 @ 191	0.021 @ 191		RM @ MRT	RMF @ MRT		
Maximum Recorded Temperatures	191 DEGF				Maximum Recorded Temperatures			
Circulation Stopped	Time	12-9-1994	04:30		Circulation Stopped	Time		
Logger On Bottom	Time	12-9-1994			Logger On Bottom	Time		
Unit Number	Location	3015	Roswell		Unit Number	Location		
Recorded By	Mark Lieberenz				Recorded By			
Witnessed By	G. Hillis				Witnessed By			

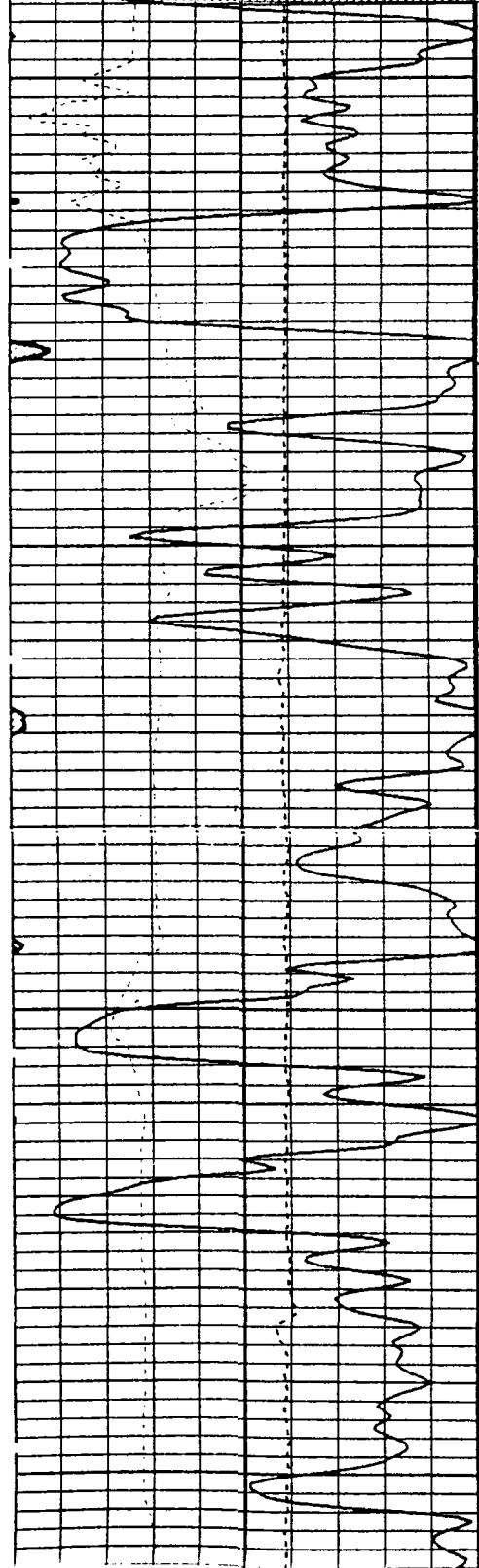
4	Caliper (CALI)	14
	(IN)	
0	Gamma Ray (GR)	100
	(GAPI)	
10000	Tension (TENS)	0
	(LBF)	
100	Gamma Ray 1 (GR)	200
	(GAPI)	
GR BACKUP From T1 to GR1		

-0.05	Bulk Density Correction (DRHO)	0.45
	(G/C3)	
0.3	Density Porosity (DPHI)	-0.1
	(V/V)	
0.3	Neutron Porosity (NPHI)	-0.1
	(V/V)	
0	PhotoElectric Factor (PEF)	10
	(----	



Caliper (CALS)		
4	(IN)	14
Gamma Ray (GR)		
0	(GAPI)	100
Tension (TENS)		
10000	(LBF)	0
Gamma Ray 1 (GR)		
100	(GAPI)	200

GR BACKUP
From T1 to GR1

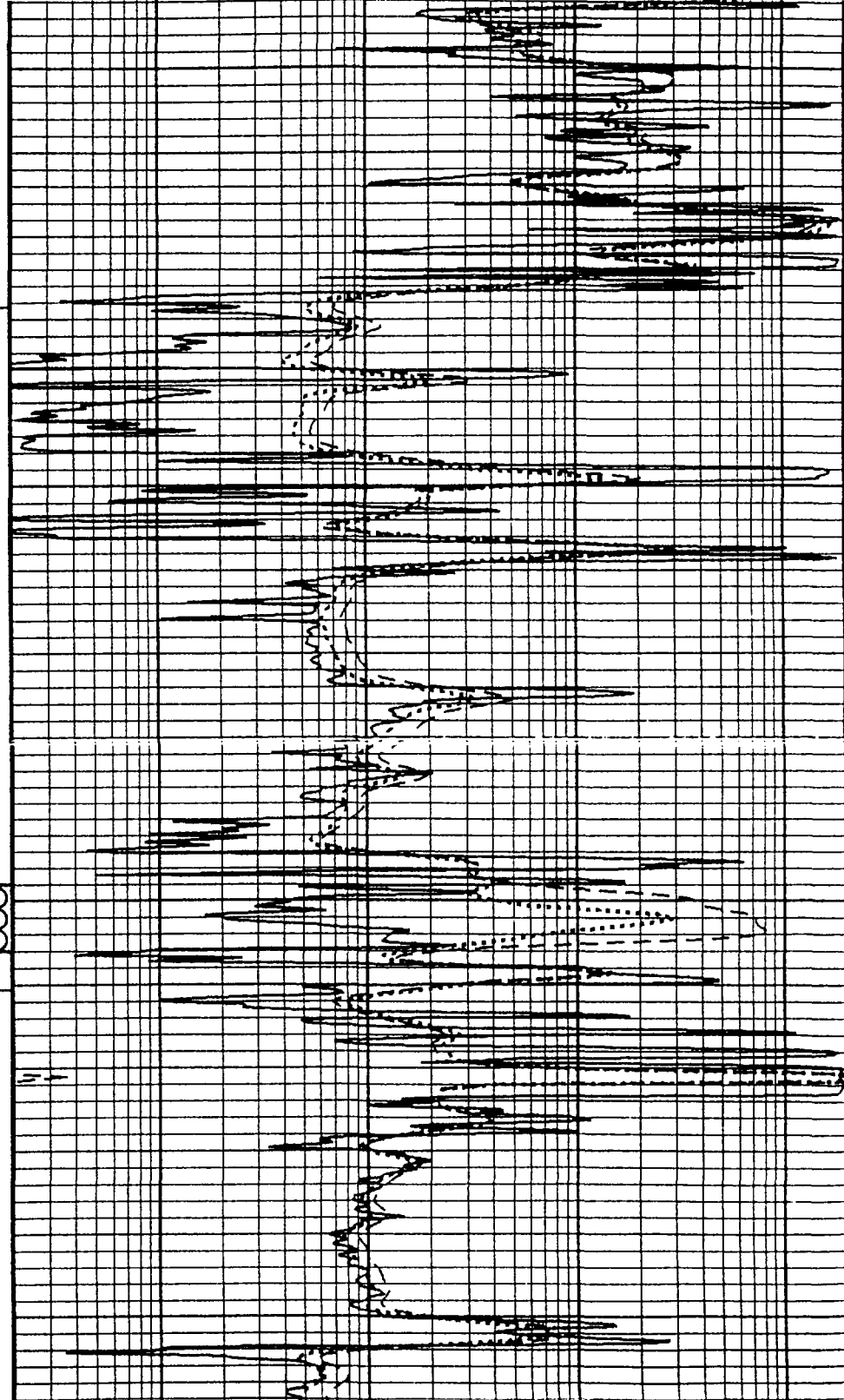


Laterolog Deep Resistivity (LLD)		
0.2	(OHMM)	2000
Laterolog Shallow Resistivity (LLS)		
0.2	(OHMM)	2000
Micro SFL Resistivity (MSFL)		
0.2	(OHMM)	2000

12700



12800



#8

COMPANY: Yates Petroleum Corporation

WELL: Llama 'All' Federal #1

FIELD: Wildcat

COUNTY: Eddy

STATE: New Mexico

Schlumberger

Litho Density
Compensated Neutron

330' FSL and 950' FWL

Elev.: K.B. 3378.3 F
G.L. 3351 F
D.F. 3377.3 F

Permanent Datum: Ground Level

Elev.: 3351 F

Log Measured From: Kelly Bushing

27.3 F above Perm. Datum

Drilling Measured From: Kelly Bushing

API Serial No.
N/ASECTION
7TOWNSHIP
22-SRANGE
31-ECOUNTY: Eddy
Field: Wildcat
Location: 330' FSL and 950' FWL
Well: Llama 'All' Federal #1
Company: Yates Petroleum Corporation

LOCATION

MUD	Logging Date		October 31, 1994				Logging Date	
	Run Number		Two				Run Number	
MUD	Depth Driller		14300 F				Depth Driller	
	Schlumberger Depth		14298 F				Schlumberger Depth	
MUD	Bottom Log Interval		14265 F				Bottom Log Interval	
	Top Log Interval		11249 F				Top Log Interval	
MUD	Casing Driller Size @ Depth		7.000 IN @ 11252 F				Casing Driller Size @ Depth	
	Casing Schlumberger		11249 F				Casing Schlumberger	
MUD	Bit Size		6.125 IN				Bit Size	
	Type Fluid In Hole		Brine XC				Type Fluid In Hole	
MUD	Density	Viscosity	10.9 LB/G	36 S			Density	Viscosity
	Fluid Loss	PH	14 C3	10			Fluid Loss	PH
MUD	Source Of Sample		Flowline				Source Of Sample	
	RM @ Measured Temperature		0.061 OHMM @ 58 DEGF		@		RM @ Measured Temperature	
MUD	RMF @ Measured Temperature		0.053 OHMM @ 58 DEGF		@		RMF @ Measured Temperature	
	RMC @ Measured Temperature		@		@		RMC @ Measured Temperature	
MUD	Source RMF	RMC	Measured				Source RMF	RMC
	RM @ MRT	RMF @ MRT	0.021 @ 182	0.018 @ 182	@		RM @ MRT	RMF @ MRT
MUD	Maximum Recorded Temperatures		182 DEGF				Maximum Recorded Temperatures	
	Circulation Stopped	Time	10-30-1994	2230			Circulation Stopped	Time
MUD	Logger On Bottom	Time	10-31-1994	0800			Logger On Bottom	Time
	Unit Number	Location	3015	Roswell			Unit Number	Location
MUD	Recorded By		Ken Morgan				Recorded By	
	Witnessed By		Brent May				Witnessed By	

Llama Fed!

Note: Higher ϕ on repeat run. Resist. log profile is more in support of ϕ on main run.

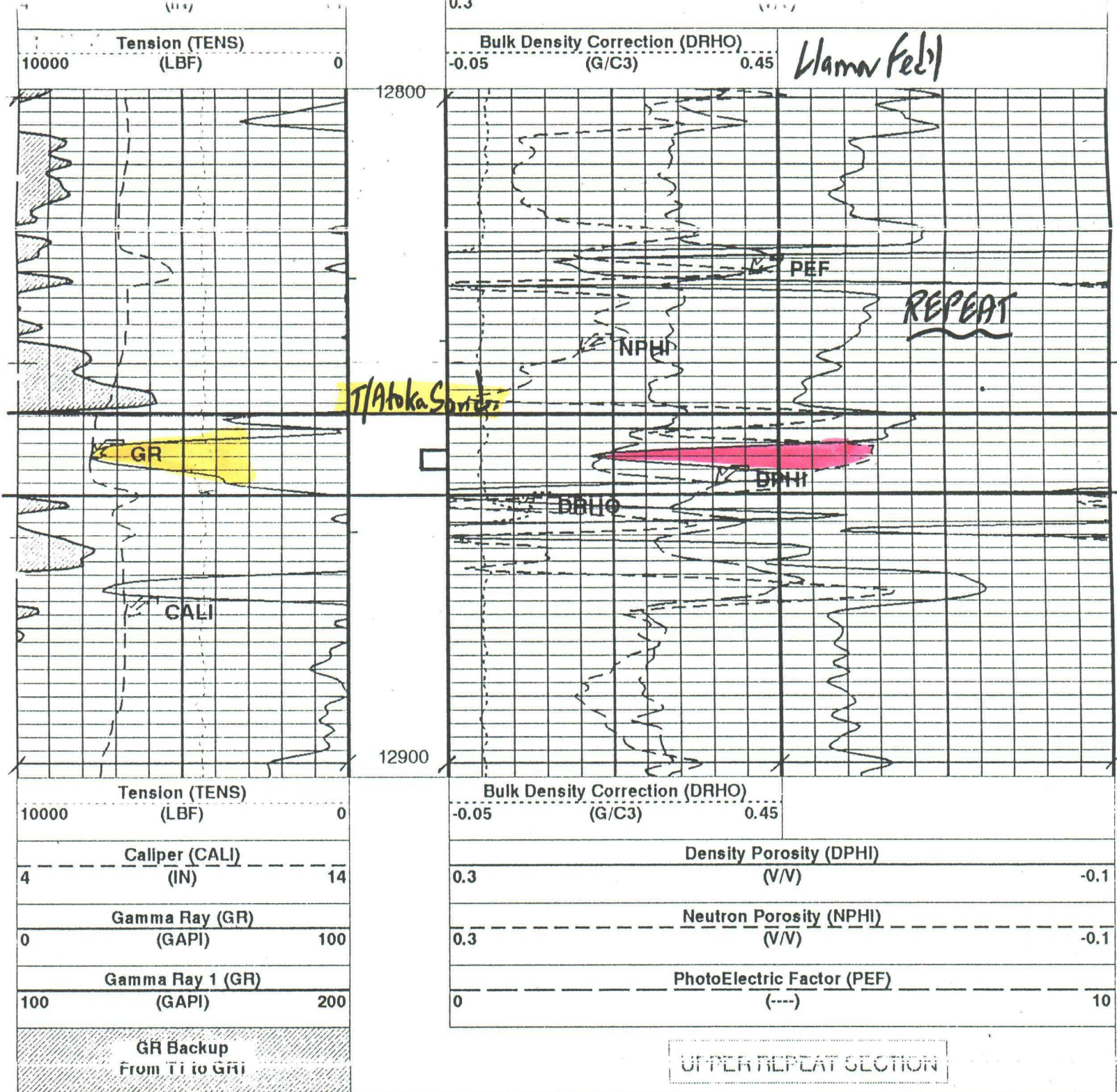
A/1000 g. 7 1/2%
FW/31,000 g foam
+ 30,000 #40 $\frac{20}{40}$
IP 1.77 mm
 $\frac{32}{64}$

T/Atoka Sand

MAIN RUN

12800

12900



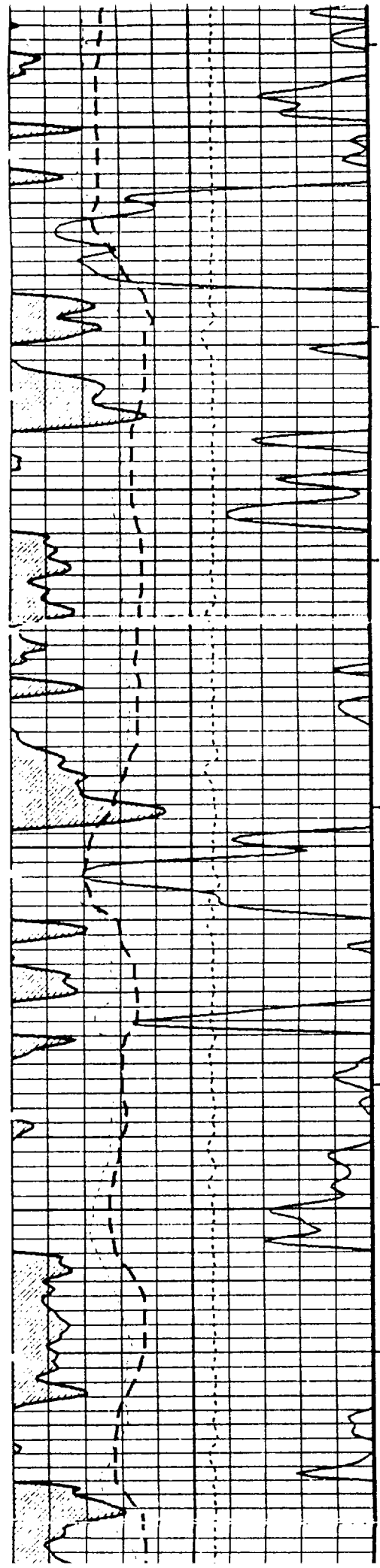
PIP SUMMARY

- └ Integrated Hole Volume Minor Pip Every 10 F3
- └ Integrated Hole Volume Major Pip Every 100 F3
 - └ Integrated Cement Volume Minor Pip Every 10 F3
 - └ Integrated Cement Volume Major Pip Every 100 F3

Time Mark Every 60 S

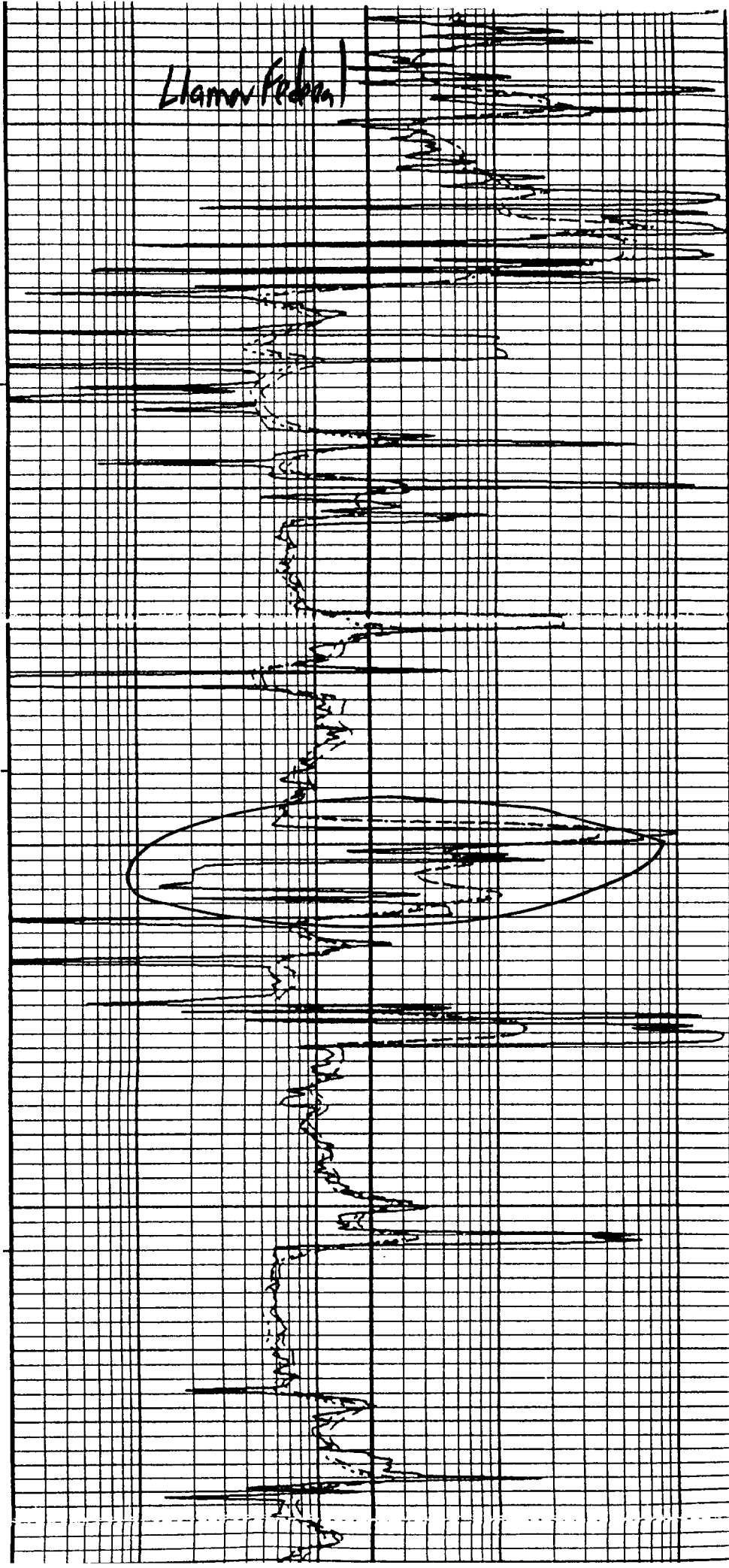
Parameters

DLIS Name	Description	Value
BFM	Borehole Fluid Medium	LIQUID
BHS	Bore Hole Status	OPEN
BS	Bit Size	6.125 IN
DHC	Density Hole Correction	BS
DO	Depth Offset	0.0 FT
DPPM	Density Porosity Processing Mode	HIRS
FD	Fluid Density	1.1 G/C3
CCSE	Generalized Caliper Selection	CALI



12800

12900



#9

Schlumberger

COMPENSATED NEUTRON

FINAL COMPOSITE

County: EDDY Field: WILDCAT Location: 1330 FNL & 330 FEL Well: APACHE "13" FEDERAL #1 Company: MITCHELL ENERGY CORP	Company: MITCHELL ENERGY CORPORATION Well: APACHE "13" FEDERAL #1 Field: WILDCAT County: EDDY State: NEW MEXICO				
	LOCATION 1330 FNL & 330 FEL E2, NE/4				Other Services: AIT/DLL/MSFL ML MSCT
	API SERIAL NO.	SECTION 13	TOWNSHIP 22-S	RANGE 30-E	
	Permanent Datum G.L. Elevation: 3342 F Log Measured From RKB 18.5 Ft. above Perm. Datum Drilling Measured From RKB				Elevations: KB: 3360.5 F DF: 3356.5 F GL: 3342 F

	28-MAY-83	22-JUL-83
Run No.	1	2
Depth-Driller	7790.1	14181
Depth-Logger	7793	14174
Blm. Log Interval	7790	14171
Top Log Interval	180	7400
Casing-Driller	8.623 @ 3818	7 @ 11936
Casing-Logger	3813	11928
Bit Size	8.75	8
Fluid Type	FRESH	BRINE
Dens. Visc.	8.8 LB/G / 34 S	10.1 LB/G / 43 S
pH - Fluid Loss	10 / 15 C3	10.5 / 6 C3
Source of Sample	FLOWLINE	STEEL TANK
Rm @ Meas Temp	1.07 @ 116	.054 @ 78
Rmf @ Meas Temp		.041 @ 78
Rmc @ Meas Temp		
Source: Rmf Rmc		MEAS /
Rm @ BHT	.982 @ 127	.023 @ 190
Time Circ. Stopped	0900 5-29	2030 7-21
Logger on Blm.	1956 5-29	0859 7-22
Max. Rec. Temp.	127	190
Equip. Location	2033 / HOBBS	2033 / HOBBS
Recorded By	HOLT	DAVIS
Witnessed By	GAWLOSKI	GAWLOSKI

Output DLS Files

30-MAY-1993 00:51

FIELD

.051

1110

Output

Integrated Hole/Cement Volume Summary

13#1

12800

DST F29.5mm

T/Atoka Sand

peak
slow

9/93 SPF 4.343mm

0.21
64

12900

#10

LITHO DENSITY/ COMPENSATED NEUTRON

Schlumberger

LITHO COMPOSITE

WILDCAT
Location: 1200' FSL & 330' FEL
Well: APACHE "24" FEDERAL #1
Company: MITCHELL ENERGY CORP

Company: MITCHELL ENERGY CORPORATION

Well: APACHE "24" FEDERAL #1

Field: WILDCAT

County : EDDY

State: NEW MEXICO

LOCATION 1200' FSL & 330' FEL

SERIAL NO.

SECTION

TOWNSHIP

RANGE

24

22-S

30-E

Other Services:

DLL/MSFL

BHC

MSCT

Perforation Datum

G.L.

Elevation: 3407 F

Measured From

RKB

18.4 Ft above Perm. Datum

Log Measured From

RKB

Elevations:

KB: 3425.4 F

DF: 3424.4 F

GL: 3407 F

	15-AUG-1993	29-AUG-1993	04-OCT-1993
Log Interval	1	2	3
Log Interval	7850	12412	14525
Log Interval	7850	12394	14502
Log Interval	7847	12391	14499
Log Interval	210	7500	12200
Log-Driller	9.625 @ 3840	9.625 @ 3840	7.0 @ 12400
Log-Logger	3847	3837	12374
Log-Driller	8.75	8.75	6.0
Log-Logger	XH/PAC	XH/PAC	R.T.M.-MF55
Log-Driller	8.4 LB/G / 33 S	10 LB/G / 33 S	12 LB/G / 43 S
Log-Logger	10 / 15 C3	9.5 / 12 C3	10 / 11 C3
Log-Driller	CIRC	MUD PIT	CIRC
Log-Logger	2.260 @ 81	0.047 @ 92	0.024 @ 80
Log-Driller	1.680 @ 81	0.043 @ 79	0.018 @ 80
Log-Logger	MEAS /	PRESS /	MEAS /
Log-Driller	1.494 @ 126	0.027 @ 168	0.010 @ 198
Log-Logger	0730 8/15	1100 8/29	1300 10/4
Log-Driller	1749 8/15	1932 8/29	0518 10/4
Log-Logger	126	168	198
Log-Driller	2033 / HOBBS	2033 / HOBBS	2033 / HOBBS
Log-Logger	DAVIS	HOLT	DAVIS
Log-Driller	PETRAITIS	GAWLOSKI	STEWART

The well name, location and borehole reference data were furnished by the customer.

All interpretations are opinions based on information from electrical logs and measurements and we cannot, and do not guarantee the accuracy or correctness of any interpretations, and we shall not, except in the case of gross or willful negligence on our part, be liable or responsible for any loss, costs, damages or expenses incurred or sustained by anyone resulting from any interpretations made by any of our officers, agents or employees. These interpretations are also subject to Clause 4 of our General Terms and Conditions as set out in our current Price Schedule.

Run No.

1

2

3

Service Order No.

632405

632318

632418

Revision Number

5CO-423

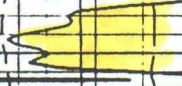
5CO-423

5CO-423

24#1

24#1

T/Atoka Sand



13000

Atoka Bk
13055

Completed 11/10/94
IPF 1.983 mmpd
IBHP = 2465 psi
producing from
sand



13084

13100

#11
~

COMPANY: MITCHELL ENERGY CORPORATION

WELL: APACHE #25 FED. #1

FIELD: WILDCAT

COUNTY: EDDY STATE: NEW MEXICO

COUNTY: EDDY		Field: WILDCAT		Location: 1730' FNL & 880' FEL		Well: APACHE #25 FED. #1		Company: MITCHELL ENERGY CORPORATION		LOCATION		COMPENSATED NEUTRON LITHOLOGY DENSITY GAMMA RAY			
												1730' FNL & 880' FEL S25, T22-S, R30-E		Elev.: K.B. 3391 : G.L. 3366 : D.F. 3390 :	
												Permanent Datum: GROUND LEVEL		Elev.: 3366 F	
												Log Measured From: KELLY BUSHING		25.0 F above Perm. Datum	
												Drilling Measured From: KELLY BUSHING			
												API Serial No. N/A		SECTION 25	
												TOWNSHIP 22-S		RANGE 30-E	
Logging Date		29-JUN-1993													
Run Number		THREE													
Depth Driller		14500 F													
Schlumberger Depth		14494 F													
Bottom Log Interval		14491 F													
Top Log Interval		11775 F													
Casing Driller Size @ Depth		7.000 IN @ 12310 F													
Casing Schlumberger		12308 F													
Bit Size		6.000 IN													
Type Fluid In Hole		XCD/DRISPAC/KCL													
Density		Viscosity		10.1 LB/G 42 S											
Fluid Loss		PH		6.5 C3 9											
Source Of Sample		FLOWLINE													
RM @ Measured Temperature		0.044 OHMM @ 85 DEGF													
RMF @ Measured Temperature		0.047 OHMM @ 76 DEGF													
RMC @ Measured Temperature		@													
Source RMF		RMC		PRESS N/A											
RM @ BHT		RMF @ BHT		0.018 @ 223 0.017 @ 223											
Maximum Recorded BHT		223 DEGF													
Circulation Stopped Time		29-JUN-1993 02:30													
Logger On Bottom Time		29-JUN-1993 16:27													
Unit Number		Location		2033 HOBBS											
Recorded By		GERALD HOLT													
Witnessed By		TED GALOWSKI													

25H1

DST 12910-13068

Test 1392 #
2283 #
Test 2301 #
2409.

WTS 80" RO 2.4mm.
100' total fluid
10' free oil
100' WB
Spl. Chamber
3.69 Cfg.

12900

RO 2.4mm
Test 2392 #
Test 2409 #

THATOKSL

-9588

13000

A/2500g
P/W 15,000
+ 1,000
RO 1.9mm
BHS 1580
(0.12)

#12
~

Schlumberger
FINAL COMPOSITE

**LITHO DENSITY/
COMPENSATED NEUTRON**

County: EDDY Field: WILDCAT Location: 880' FSL & 1310' FEL Well: APACHE "25" FEDERAL COM #2 Company: MITCHELL ENERGY CORP	Company: MITCHELL ENERGY CORPORATION			
	Well: APACHE "25" FEDERAL COM #2			
	Field: WILDCAT			
	County : EDDY		State: NEW MEXICO	
LOCATION 660' FSL & 1310' FEL		Other Services: AIT/DLL/MSFL BHC.FMI MSCT		
API SERIAL NO.		SECTION 25	TOWNSHIP 22-S	RANGE 30-E
Permanent Datum G.L.		Elevation: 3336 F		Elevations:
Log Measured From RKB		26 Ft. above Perm. Datum		KB: 3362 F
Drilling Measured From RKB				DF: 3361 F
				GL: 3336 F
Date	02-SEPT-1993	17-SEPT-1993	12-OCT-1993	
Run No.	1	2	3	
Depth-Driller	7825	12418	14568	
Depth-Logger	7825	12411	14560	
Btm. Log Interval	7822	12408	14558	
Top Log Interval	200	7650	12404	
Casing-Driller	9.625 @ 3869	9.625 @ 3869	7.000 @ 12408	
Casing-Logger	3870	3870	12404	
Bit Size	8.750	8.750	6.0	
Fluid Type	MF/AQUA PAC/GEL	SALT GEL/STARCH	XCD-AQUA PAC-MF	
Dens. / Visc.	8.7 LB/G / 32 S	10.3 LB/G / 50 S	10.4 LB/G / 44S	
pH / Fluid Loss	9 / 14.4 C3	10 / 10.4 C3	10 / 8 C3	
Source of Sample	FLOWLINE	FLOWLINE	FLOWLINE	
Rm @ Meas Temp	0.467 @ 76	0.056 @ 82	0.041 @ 88	
Rmf @ Meas Temp	0.406 @ 76	0.048 @ 82	0.038 @ 88	
Rmc @ Meas Temp			0.110 @ 88	
Source: Rmf/Rmc	MEAS /	MEAS /	MEAS / PRESS	
Rm @ BHT	0.291 @ 126	0.028 @ 168	0.019 @ 199	
Time Circ. Stopped	0100 9:3	1400 9:17	0600 10/12	
Logger on Btm.	0013 9:4	0232 9:18	1927 10/12	
Max. Rec. Temp.	126	168	199	
Equip. / Location	2020 / ROSWELL	2020 / ROSWELL	2020 / ROSWELL	
Recorded By:	CAWLEY	LIEBERENZ	SULLIVAN	
Witnessed By:	STEWART	FEDRO	FEDRO	

The well name, location and borehole reference data were furnished by the customer.

FOLD HERE

All interpretations are opinions based on inferences from electrical or other measurements and we cannot, and do not guarantee

12900

25-2

See resis. log
→ Vytite w/ poss 1/4
@ very top w/ some perm.

S/S. -9613

-9613

13000

1/Atokan Bank

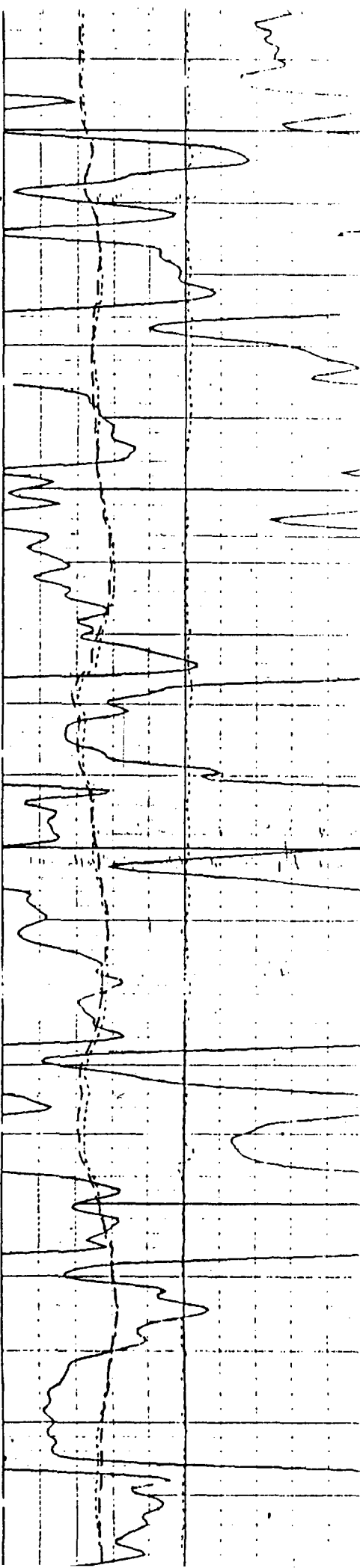
13057

-9695

13086

13100

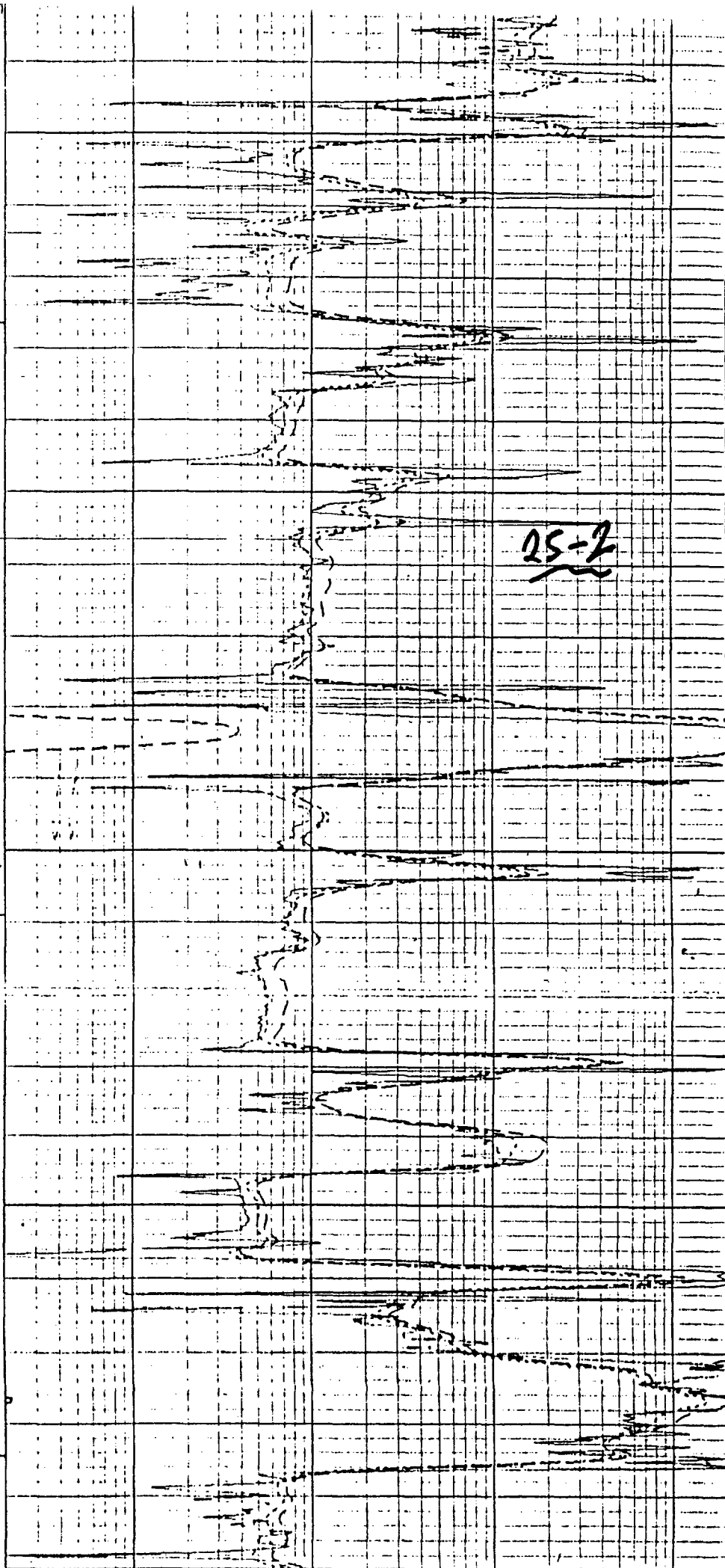
Shaded
of limited
and resis. log



12900

13000

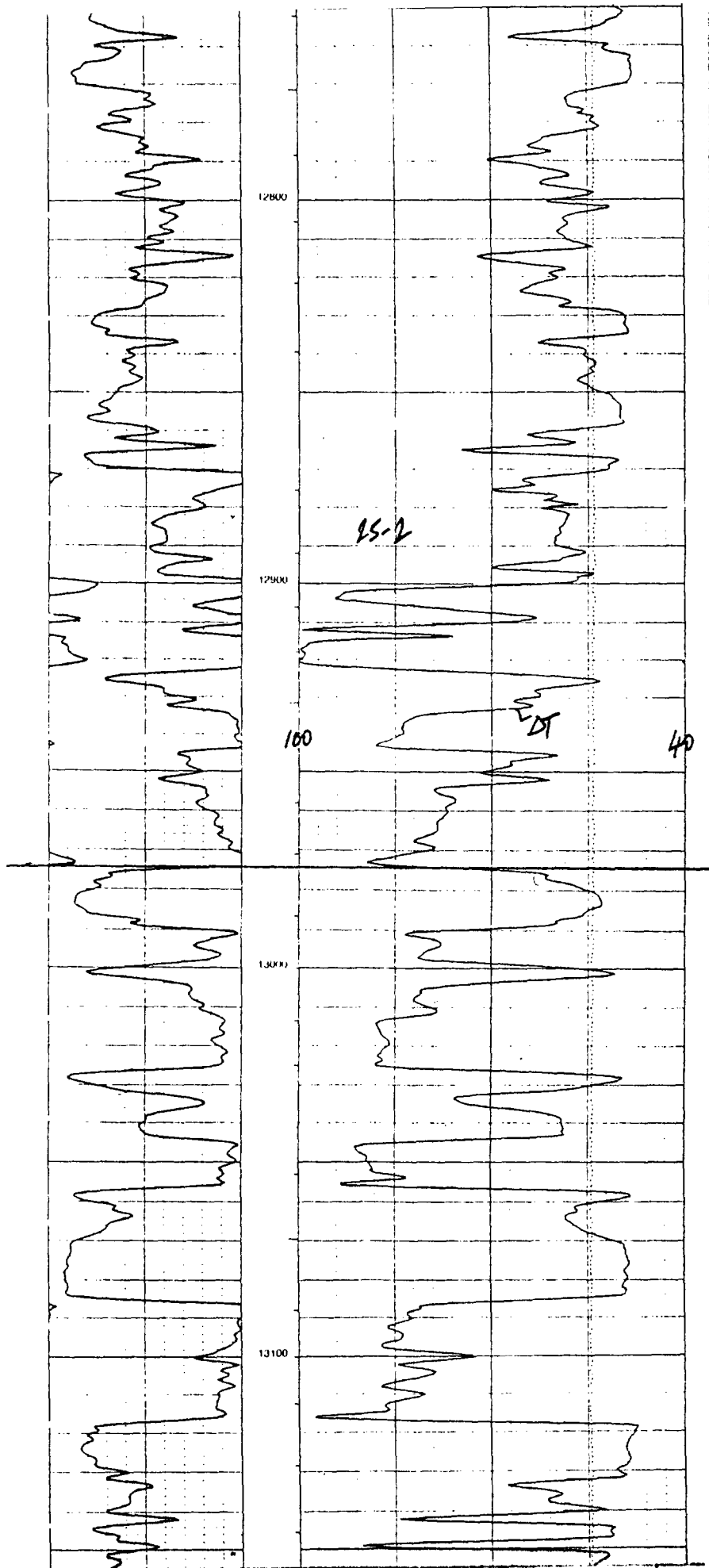
13100



25-2

NM-412748

[illegible]



#13
2

Schlumberger

SIMULTANEOUS
COMPENSATED NEUTRON-
FORMATION DENSITY

COUNTY	EDDY	COMPANY	BELCO PETROLEUM CORPORATION
FIELD	LOS MEDANOS	WELL	JAMES RANCH #11
LOCATION	JAMES RANCH #11	FIELD	LOS MEDANOS
WELL	JAMES RANCH #11	COUNTY	EDDY STATE NEW MEXICO
COMPANY	BELCO PETRO. CO.	LOCATION	920' FWL & 1980' FNL,
		API SERIAL NO.	SEC. 36 TWP. 22-S RANGE 30-E
		Other Services: CALIPER DLL	
Permanent Datum: G. L. ; Elev.: 3300		Elev.: K.B. 3324	
Log Measured From K.B. , 18 Ft. Above Perm. Datum		D.F.	
Drilling Measured From K.B.		G.L. 3306	
Date	9-26-80	2-2-80	2-7-81
Run No.	ONE (GR-N)	TWO	THREE
Depth-Driller	3840	11932	14600
Depth-Logger	3840	11935	14601
Btm. Log Interval	3838	11934	14599
Top Log Interval	SURF	3838	11802
Casing-Driller	@	10 3/4 @ 3839	7 7/8 @ 11933
Casing-Logger		3838	11930
Bit Size		9 7/8	6 1/2
Type Fluid in Hole	BRINE	::	BRINE
Dens.	Visc.	10.9 47	12.8 39
pH	Fluid Loss	9 ml	9.3 5 ml
Source of Sample		PIT	MUD PIT
Rm @ Meas. Temp.	@ °F	.071 @ 70 °F	.120 @ 60 °F
Rmf @ Meas. Temp.	@ °F	.053 @ 68 °F	.067 @ 60 °F
Rmc @ Meas. Temp.	@ °F	@ °F	.407 @ 60 °F
Source: Rmf Rmc		M	M
Rm @ BHT	@ °F	.030 @ 168 °F	.039 @ 124 °F
TIME	Circulation Stopped	1600 12-1	0500
	Logger on Bottom	0630 12-2	2030
Max. Rec. Temp.	°F	168 °F	124 °F
Equip. Location	8185 HOBBS	8042 HOBBS	8045 MID-0H
Recorded By	CAMPAIGN	MOBARAK	FIALA/WAGNER
Witnessed By	HENDERSON	PARROTT	PARROTT

The well name, location and borehole reference data were furnished by the customer.

FOLD HERE

THREE

TWO

ONE

JRU 11

13000

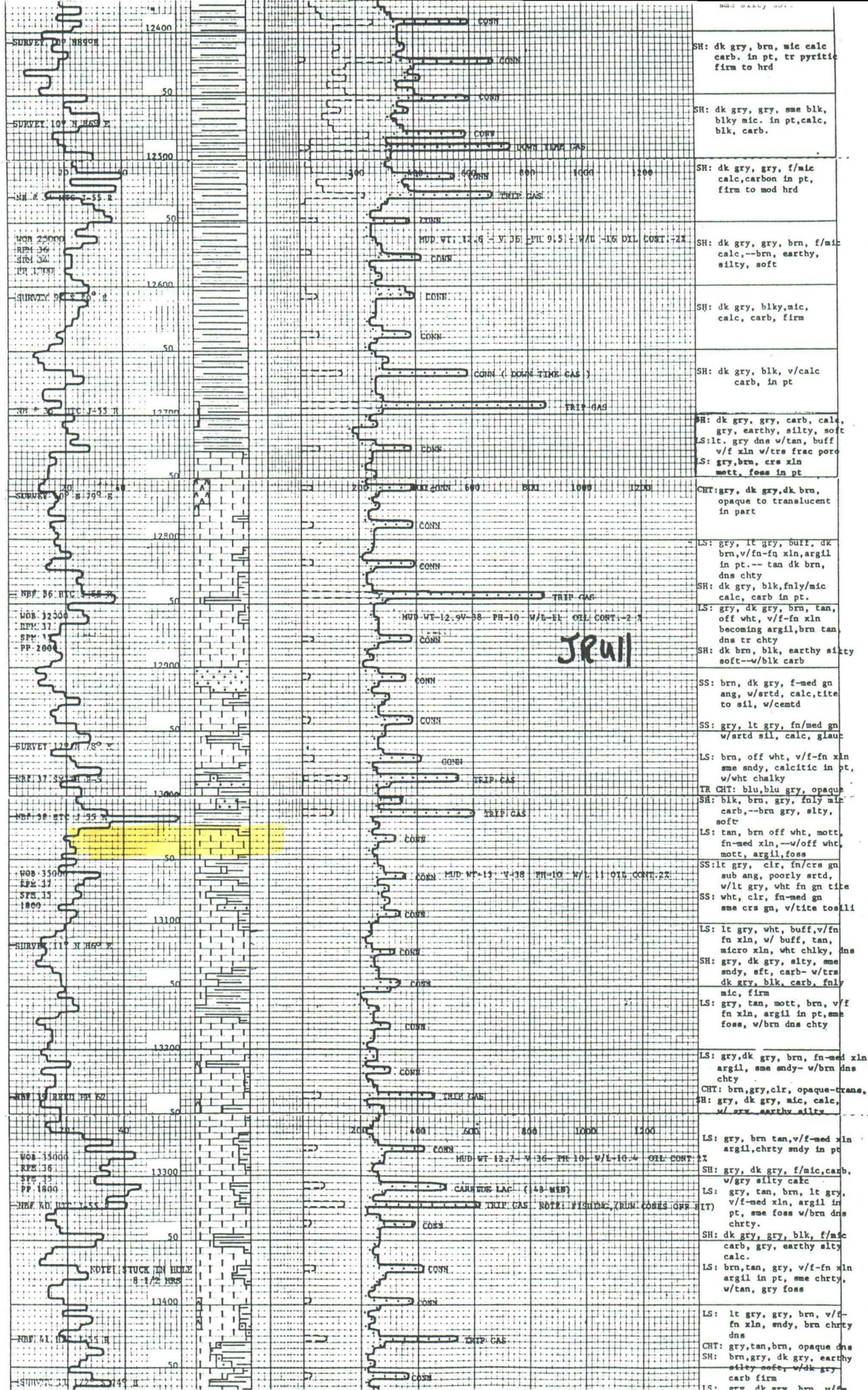
S/81
2.35 mm HIBBORD

T/Ato ka Sand



See Δ RHO
Dens. Int. due
to mud cake

13100



#14
124



SPECTRAL DENSITY DUAL SPACED NEUTRON LOG

COMPANY ENRON OIL AND GAS WELL JAMES RANCH UNIT NO. FIELD LOS MEDANOS MORROW COUNTY EDDY STATE NM	COMPANY ENRON OIL AND GAS			
	WELL JAMES RANCH UNIT NO. 18			
	FIELD LOS MEDANOS MORROW			
	COUNTY EDDY		STATE NM	
	API NO NA LOCATION 1980 FNL AND 1980 FEL		OTHER SERVICES DLL-MSFL	
SECT 36 TWP 22-S RGE 33-E				
PERMANENT DATUM G.L. ELEV. 3316.5 LOG MEASURED FROM K.B. OR 28 FT. ABOVE PERM DATUM DRILLING MEASURED FROM K.B. ELEV.: K.B. 3344.5 D.F. 3343.5 G.L. 3316.5				
DATE	12/27/92	01/23/93	02/21/93	
RUN NO.	ONE	TWO	THREE	
DEPTH-DRILLER	7916	11801	14511	
DEPTH-LOGGER	7910	11780	14440	
BTH. LOG INTER	7865	11775	14438	
TOP LOG INTER	SURFACE	3804	11590	
CASING DRILLER	9.625#3810	9.625#3810	7.0 #11602	
CASING-LOGGER	3804	3804	11590	
BIT SIZE	8.5 INCH	8.5 INCH	6.0 INCH	
TYPE FLUID IN HOLE	SALT MUD	SALT MUD	SALT MUD	
DENS. & VISC.	8.7 :28	9.1 :39	10.0 :37	
PH & FLUID LOSS	9.0 :NA	9.0 :115.0	9.5 :8.2	
SOURCE OF SAMPLE	CIRCULATED	CIRCULATED	CIRCULATED	
RM # MEAS. TEMP.	.34 #59	.33 #65	.15 #63	
RHF # MEAS. TEMP.	.30 #60	.28 #65	.11 #64	
RMC # MEAS. TEMP.	NA #NA	.45 #65	NA #NA	
SOURCE RHF/RMC	MEAS :NA	MEAS :MEAS	MEAS :NA	
RM #BHT	.16 #126	.13 #162	.05 #207	
TIME SINCE CIRC.	9 HOURS	11 HOURS	12.5 HOURS	
TIME ON BOTTOM	18:57 HR8.	05:00 HR8	5 HR8.	
MAX. REC TEMP.	126 #8.H.	162 #8.H.	207 #8.H.	
EQUIP. & LOCATION	7670 :H0888	52555:H0888	7670 :H0888	
RECORDED BY	R. RANNEY	K. DRAKE	R. RANNEY	
WITNESSED BY	INSALACO	PARROTT	FEDRO	

FOLD HERE

PGM VERSION: 2.25

SERVICE TICKET NO.: 88649 API SERIAL NO.: NA

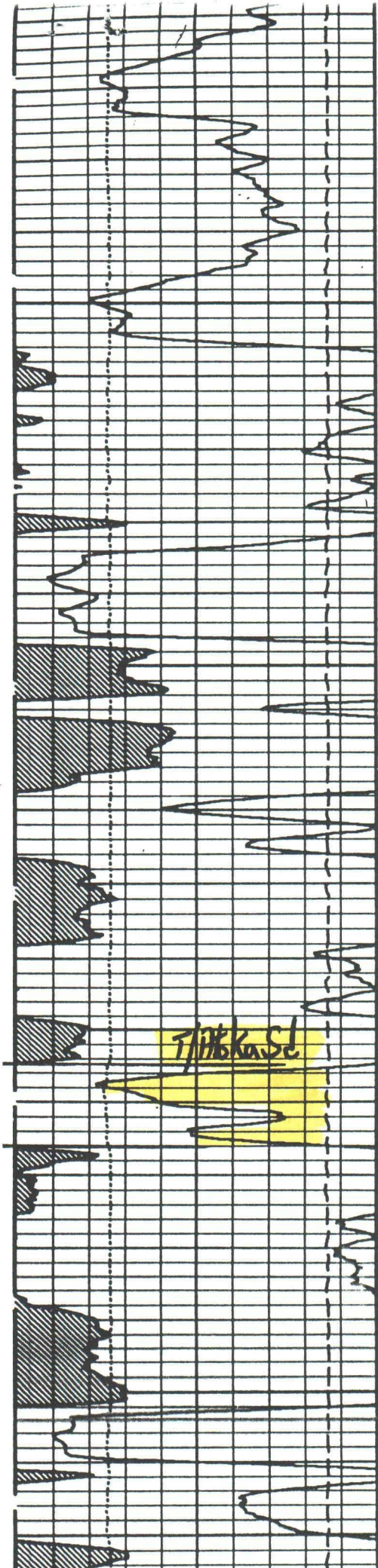
CHANGE IN MUD TYPE OR ADDITIONAL SAMPLES

RESISTIVITY SCALE CHANGES

DATE: SAMPLE NO. / / ; TYPE LOG DEPTH SCALE UP HOLE SCALE DOWN HOLE

DEPTH-DRILLER

TYPE FLUID



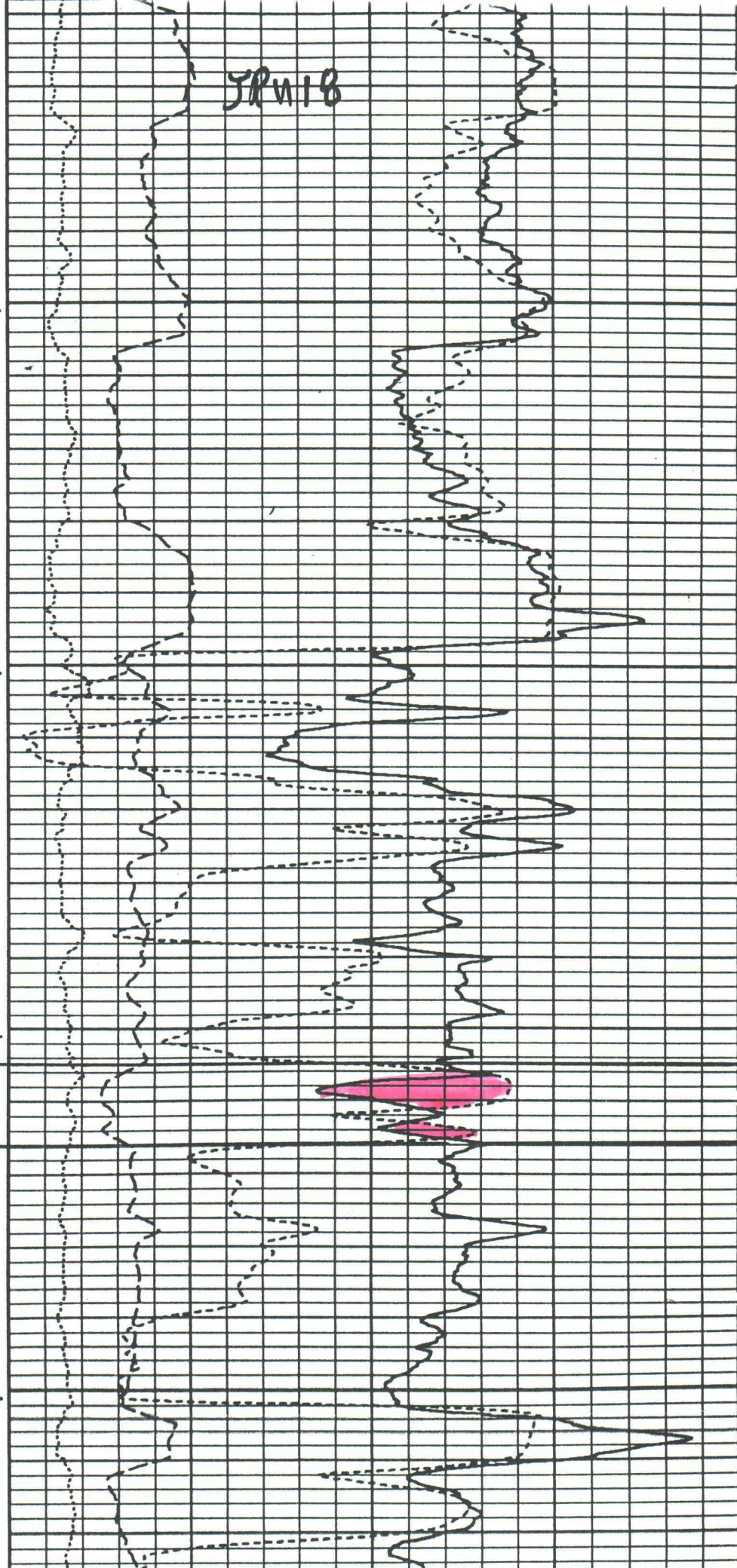
12950.

13000.

13050.

13100.

JRW18



#15

-9503
3327
20

Radiation Log

Delaware Correlation

LOG NO. 16263 16354 16550
16599 17493 17498

COMPANY SHELL OIL COMPANY

STATION HOSBS

WELL JAMES RANCH # 1

TRUCK NO. GR-22 GR-22 GR-24
GR-24 GR-24 GR-24

FIELD W/C

COUNTY

STATE EDDY, NEW MEXICO

LOCATION 660' FSL, 2009' FEL, SEC. 36,
TWP. 22-S RGE. 30-E

LOG MEAS. FROM 1' ABOVE R.T. ELEV. 3327

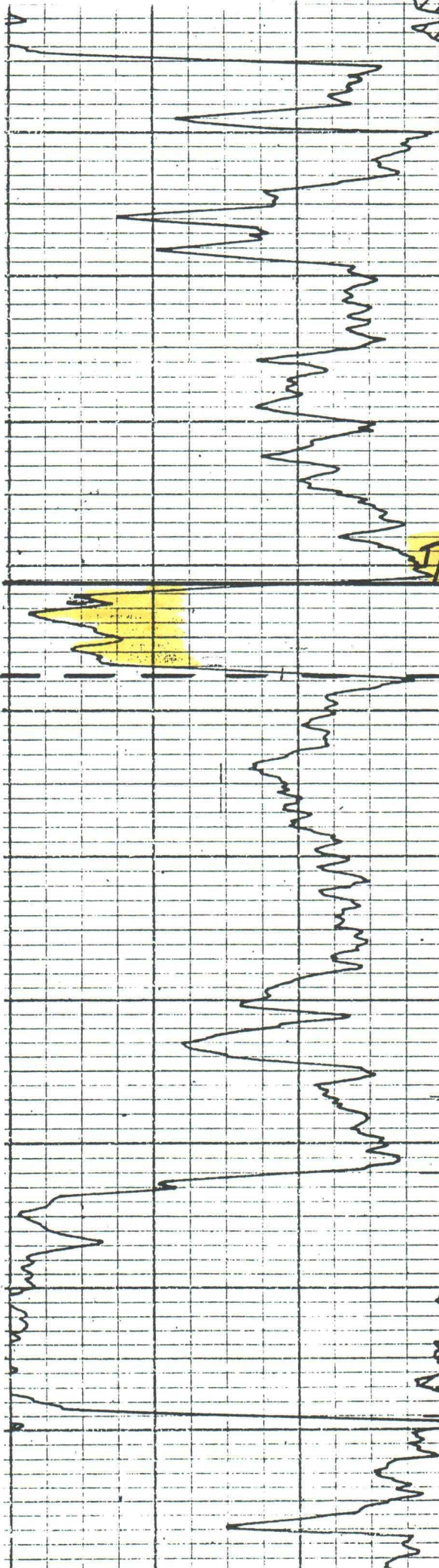
DRLG. MEAS. FROM SAME ELEV. 3327

PERMANENT DATUM 19.1' ABOVE G.L. ELEV. 3307.9

CASING RECORD			BORE HOLE RECORD		
SIZE "-WT. #	FROM	TO	BIT SIZE -"	FROM	TO
24	SURF	20	-	-	-
16	"	549	-	-	-
10 3/4	"	3849	-	-	-
7 5/8	"	12,065	9 5/8	-	-
5 1/2	"	14,917	6 5/8	12,065	15,506
			4 1/2	15,506	16,271

TYPE OF LOG	GAMMA RAY	NEUTRON	GAMMA RAY	NEUTRON
RUN NO.	ONE	TWO	THREE	FOUR
DATE	2-13-57	3-28-57	5-9-57	8-12-57
TOTAL DEPTH - DRILLER	9032	12,055	13,310	15,505
TOTAL DEPTH - P.G.A.C.	9038	12,066	13,313	15,506
FLUID IN HOLE	MUD - 9.4	MUD - 11.7	MUD - 14	MUD - 13
FLUID LEVEL				
MAXIMUM TEMPERATURE °F.				
INSTRUMENT O.D. AND NO.	3 5/8 - 207	3 5/8 - 206	3 5/8 - 207	3 5/8 - 211
INSTRUMENT TYPE	F - PH - 125	TA - PH - 125	TA - PH - 125	TA - PH - 125
NEUTRON SOURCE TYPE	RB - 600	RB - 600	RB - 600	RB - 600
CPS FOR CALIB. STD. - GR	80	100	100	100
- N	210	195	220	220
RECD'R. SENS. 4"/100 SNU	190	208	170	187

RECORDED BY	J. BRAWNER	J. MILLER	J. BRAWNER	J. BRAWNER
WITNESSED BY	M. ASHLEY	M. ASHLEY	M. ASHLEY	M. ASHLEY
TYPE OF LOG	GAMMA RAY	NEUTRON	GAMMA RAY	NEUTRON
RUN NO.	FIVE	SIX		
DATE	4-12-57	5-21-57		
TOTAL DEPTH - DRILLER	15,937	16,250		
TOTAL DEPTH - P.G.A.C.	15,941	16,271		
FLUID IN HOLE	MUD - 9.5	MUD - 9.5		
FLUID LEVEL	FULL			
MAXIMUM TEMPERATURE °F.				
INSTRUMENT O.D. AND NO.	1 3/4	1 3/4		
INSTRUMENT TYPE	YB - YPE	YB - YPE		
NEUTRON SOURCE TYPE	RB - 300	RB - 300		
CPS FOR CALIB. STD. - GR	100	100		
- N				



12,900

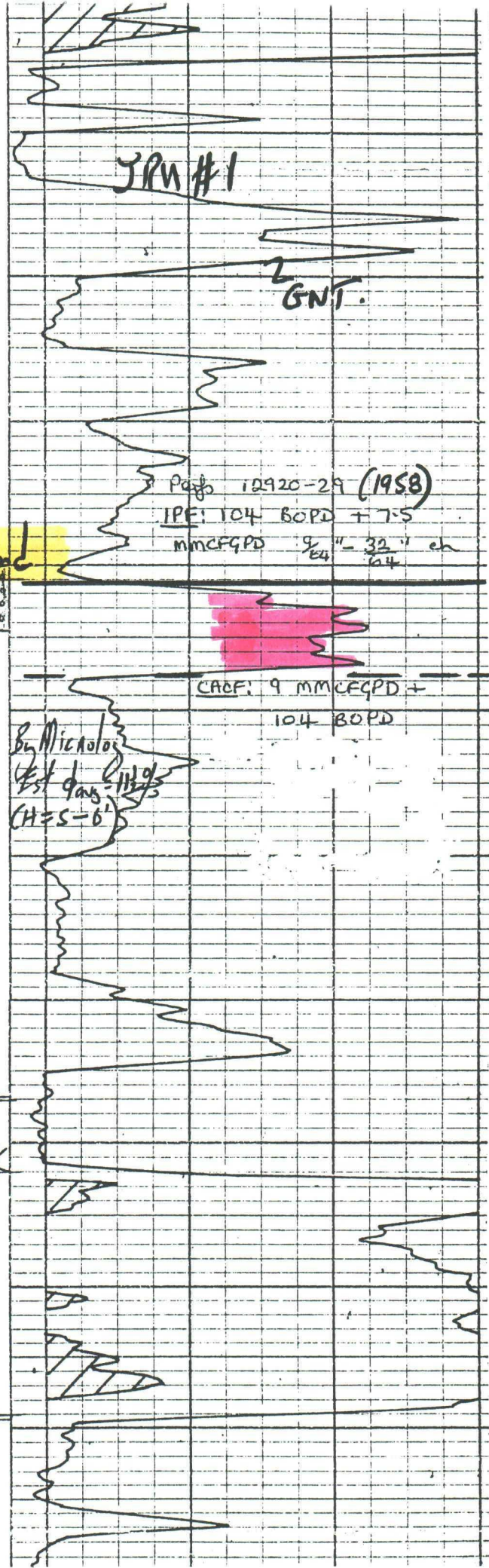
I/AthokwSand



PB

13,000
7/Bark
-9677

H=34



JRN #1

2 GNT.

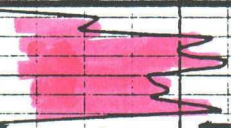
Page 12920-29 (1958)

IPE: 104 BOPD + 7.5

mmcfGPD $\frac{9}{64}'' = \frac{32}{64}''$ in

CACF: 9 mmcfGPD +
104 BOPD

B. Nichols
Est. days - 11 9/13
(H=5-6')



SCHLUMBERGER WELL SURVEYING CORPORATION

HOUSTON, TEXAS



MICROLOGGING®

COUNTY <u>Eddy</u> FIELD or LOCATION <u>Wildcat</u> WELL <u>Jones Ranch</u> Unit # <u>1</u> COMPANY <u>Shell Oil</u>	COMPANY <u>SHELL OIL</u>		Other Surveys
	COMPANY		ES <u>II</u> <u>II</u>
	WELL <u>JAMES RANCH</u>		Location of Well
	UNIT # <u>1</u>		660' f S/L 2009' f E/L
	FIELD <u>WILDCAT</u>		Elevation: D.F.: 3326 K.B.: 3327 or G.L.: 3306
	LOCATION <u>SEC. 36 T22S R30E</u>		FILING No. <u> </u>
COUNTY <u>EDDY</u>			
STATE <u>NEW MEXICO</u>			

RUN No.	1	2	3	4	5
Date	1-28-57	2-13-57	3-29-57	5-9-57	8-13-57
First Reading	7673	9033	12057	13307	15503
Last Reading	3849	6600	3849	12059	12059
Feet Measured	3824	2433	8208	1248	3444
Depth Reached	7676	9036	12060	13309	15504
Bottom Driller	7674	9032	12055	13310	15505
Depth Datum	KB 19'	Abv. GL		KB 19'	Abv. GL
Mud Nat.	Chem.	Chem.	Chem.	Queb-Drs-C	S.-Gel
Dens. Visc.	9.4 41	9.4 41	11.6 44	13.7 47	13.8 110
Mud Resist.	.8 @ 64 °F	.55 @ 78 °F	.92 @ 62 °F	.74 @ 72 °F	.8 @ 95 °F
" Res. BHT	.49 @ 110 °F	.35 @ 120 °F	.36 @ 154 °F	.3 @ 176 °F	.35 @ 212 °F
" pH	11.50 °F	12 @ °F	12 @ °F	12 @ °F	12.5 @ °F
" Wtr. Loss	7.6 CC 30 min	7.2 CC 30 min	8.2 CC 30 min	6 CC 30 min	2.6 CC 30 min
" Rmf	.48 @ 110 °F	.36 @ 120 °F	.33 @ °F	.21 @ 176 °F	.18 @ 212 °F
" Rmc	.77 @ 110 °F	.64 @ 120 °F	.82 @ °F	.76 @ 176 °F	2.1 @ 87 °F
ud Log: Rm	.49	.35			.40 @ 196
Limit	Upper				Upper
Depth	7416				15432
Size	9 5/8"	9 5/8"	9 5/8"	6 5/8"	6 5/8"
Band Type	WRS-P	WRS-P	WRS-P	WRS-P	POWERED
Band Type	H	H	H	H	H
Dr. Rig Time	3 Hrs.	4 Hrs.	4 Hrs.	2-Hrs.	3 Hrs.
Truck No.	1760 - Hobbs	1759 - Hobbs	1760 - Hobbs	1758 - Hobbs	
Recorded By	Maxwell	Geisel	Howe	Howe	Maxwell
Witness	Ashley	Ashley	Ashley	Ashley	Ashley

TOLO HERE

REMARKS

Shell No. 1 SW.

Microlog.

10

5.12
12

12900

13000

10
9
8
7
6
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3
2
1

Schlumberger

BOREHOLE COMPENSATED SONIC LOG

COUNTY <u>EDDY</u> FIELD <u>LOS MEDANOS</u> LOCATION <u>JAMES RANCH</u> WELL <u>NO. 13</u> COMPANY <u>BASS ENTERPRISES</u>	COMPANY <u>BASS ENTERPRISES</u> WELL <u>JAMES RANCH NO. 13</u> FIELD <u>LOS MEDANOS</u> COUNTY <u>EDDY</u> STATE <u>NEW MEXICO</u>																																																																																																																									
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Recorded By	<u>RIES</u>																																																																																																																									
Witnessed By	<u>TUJAGUE</u>																																																																																																																									

The well name, location and borehole reference data were furnished by the customer.

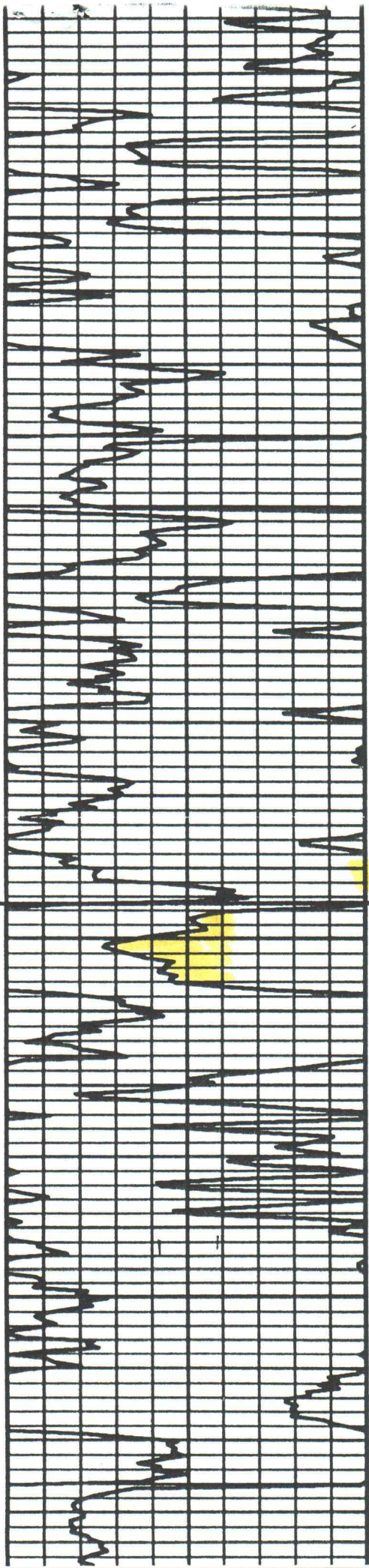
FULL NAME

SCALE CHANGES

EQUIPMENT DATA			SCALE CHANGES			
Run No.	Service Order No.	Fluid Level	Type Log	Depth	Scale Up Hole	Scale Down Hole
ONE	279622					
EQUIPMENT DATA						
Sonic Panel No.	1347					
FACTOR	1.000					

EQUIPMENT DATA

Sonic Panel No.



12900

TVD
log.

T/Atoka Sand.

9/82



13000

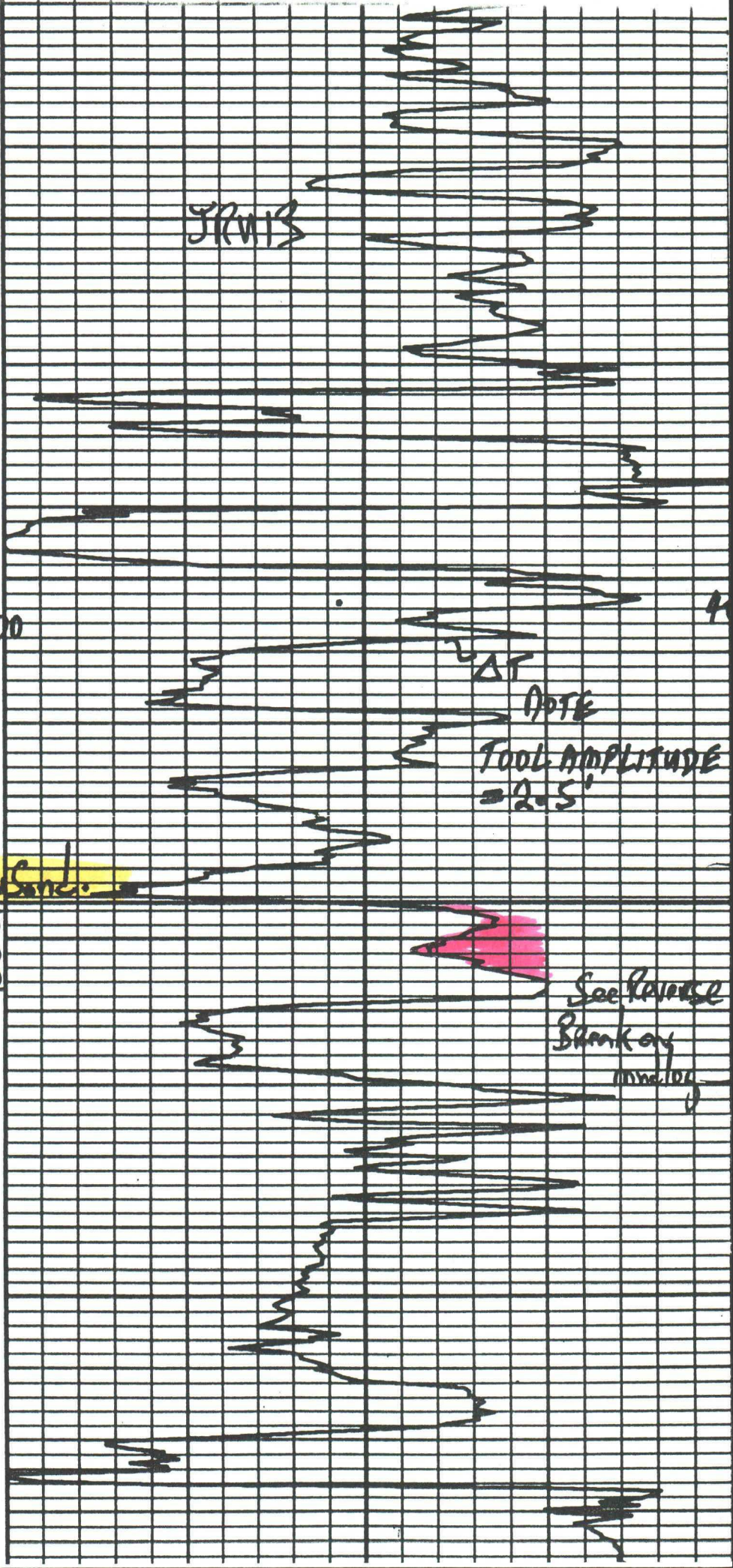
JRWIS

100

ΔT

NOTE
TOOL AMPLITUDE
= 2.5'

See Reverse
Bank log
mme log



#17

Welex		ACOUSTIC VELOCITY NEUTRON LOG	
COMPANY <u>BELCO PETROLEUM CORPORATION</u> WELL <u>HUDSON FEDERAL # 1</u> FIELD <u>LOS MEDANOS</u> COUNTY <u>EDDY</u> STATE <u>NEW MEXICO</u>		Location <u>1830' FNL & 1980' FWL</u> Sec. <u>1</u> Twp <u>23-S</u> Rge <u>30-E</u>	
COMPANY <u>BELCO PETROLEUM CORPORATION</u> WELL <u>HUDSON FEDERAL # 1</u> FIELD <u>LOS MEDANOS</u> COUNTY <u>EDDY</u> STATE <u>N.M.</u>		Other Services: <u>Guard Forxo</u>	
Permanent Datum <u>Ground Level</u> Elev. <u>3298'</u> Log Measured From <u>K. B. - 20</u> Ft. Above Perm. Datum Drilling Measured From <u>Kelly Bushing</u>		Elev.: K.B. <u>3318'</u> D.F. <u></u> G.L. <u>3298'</u>	
Date	4/1/74	5/9/74	
Run No.	- One	- Two -	
Depth-Driller	11,800	14,312	
Depth-Welex	11,807	14,302	
Btm. Log Inter.	11,803	14,296	
Top Log Inter.	Surface	11,803	
Casing-Driller	10-3/4" @ 3,782	7-5/8" @ 11,800	@
Casing-Welex			
Bit Size	9-1/2"	6-1/2"	
Type Fluid in Hole	Brine	Brine	
Dens. Visc.	9.2	10.3 37	
pH Fluid Loss	10.5 ml	10.0 16.4 ml	ml
Source of Sample	Circulated	Circulated	
R _m @ Meas. Temp.	.060 @ 72°F	.053 @ 86°F	@ °F
R _{mt} @ Meas. Temp.	.058 @ 68°F	.044 @ 86°F	@ °F
R _{mc} @ Meas. Temp.	@ °F	@ °F	@ °F
Source R _{mt} R _{mc}	Measured	Measured	
R _m @ BHT	.028 @ 171°F	.025 @ 203°F	@ °F
Time Since Circ.			
Max. Rec. Temp.	171°F @	205°F @ B.H.	°F @
Equip. Location	8443 Hobbs	8443 Hobbs	
Recorded By	Harrison &	Kidwell	
Witnessed By	Mr. Boundy &	Mr. Henry	

Fold Here

Remarks: Ticket Nos Run 1-082274; Run 2-081963

Service Ticket No.

Change in Mud Type or Additional Samples

SCALE CHANGES

Scale Down Hole

Scale Up Hole

Depth

Type Log

Date Sample No.

Depth-Driller

Hudson Fed'l

800

12850

100

T/Atoke Sand

12900

12950

13000

6/81

PG 12884-88

A/1500g

Put to sales to 180-210 mfd
but could not produce due to line press.

40

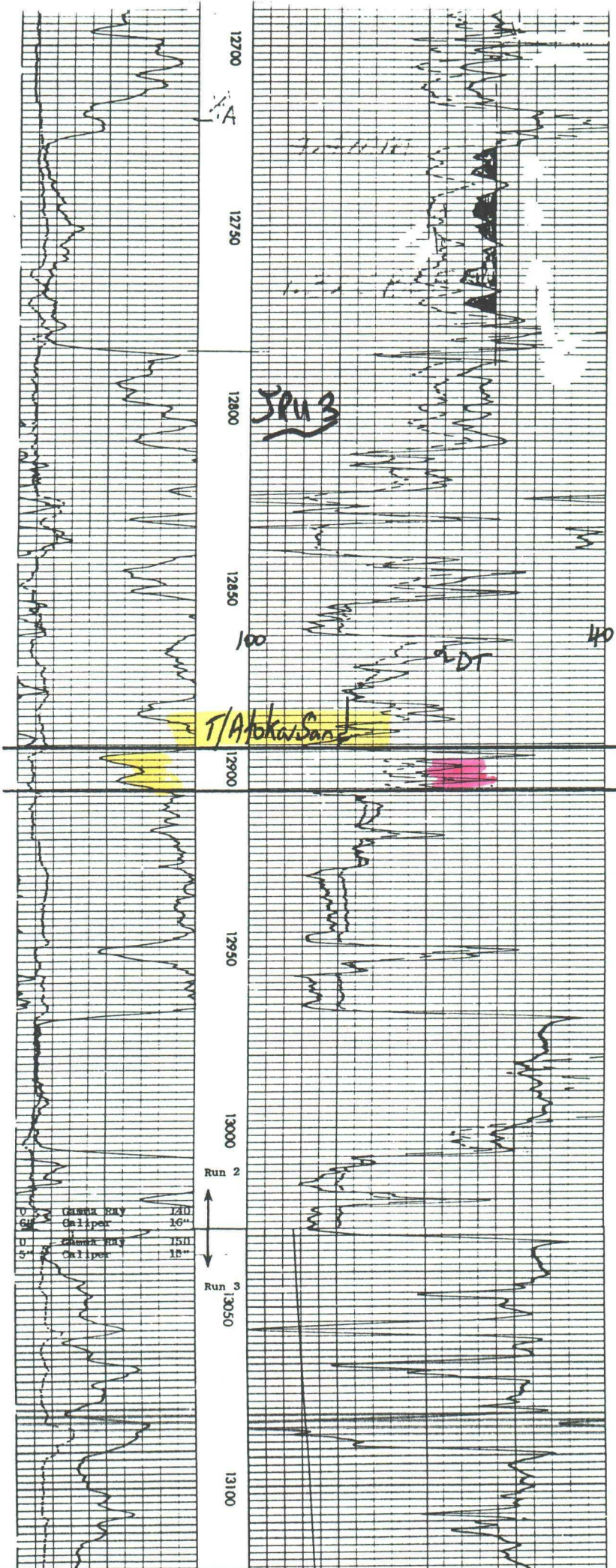
①



BELOCC PETROLEUM CORPORATION COMPANY _____ WELL JAMES RANCH UNIT # 3 FIELD LOS MEDANOS COUNTY EDDY STATE NEW MEXICO Location 1980' FSL & 1657' FEL Sec. 1 Twp 23-S Rge 30-E		Other Services: Elev.: K.B. 3311' D.F. 3310' G.L. 3288'		
Permanent Datum Ground Level Elev. 3288' Log Measured From K. B. - 23 Fr. Above Perm. Datum Drilling Measured From Kelly Bushing				
Date	10/25/71	11/19/71	1/10/72	
Run No.	- One -	- Two -	- Three -	
Depth - Driller	12,038	13,086	15,398	
Uppth - Welox	12,043	13,090	15,396	
B.m. Log Inter.	12,012	13,084	15,390	
Cop Log Inter.	Surface	12,012	13,026	
Casing - Driller	10-3/4" @ 3,880	7-5/8" @	12,037 @	
Casing - Welox	3,885			
Bit Size	9-1/2"	G-1/2"	6-1/2"	
Type Fluid in Hole	Brine	Mud	Mud	
	Water			
Dens. Visc.	9.5 l	13.6 l 42	12.9 l 54	
pH Fluid Loss	10.0 l ml	18.2 ml	9.5 l 7.2 ml	m
Source of Sample		Circulated	Circulated	
R. @ Meas. Temp.	.075 @ 71°F	.90 @ 84°F	1.0 @ 84°F	@ °F
R. @ Meas. Temp.	@ °F	.56 @ 66°F	0.5 @ 68°F	@ °F
R. @ Meas. Temp.	@ °F	@ °F	1.2 @ 84°F	@ °F
Source R.	l	Measured	Measured	l
R. @ BHT	.034 @ 165°F	.40 @ 180°F	.42 @ 215°F	@ °F
Time Since Circ.				
Vac. Rec. Temp.	165°F @	186°F @	215°F @ B.H.	°F @
Equip. Location	8443 Hobbs	8444 Hobbs	8642 Hobbs	l
Recorded By	J.S. Cauble	B. Stroud	G.E. Ayres	
Witnessed By	Mr. Boundy	Mr. Boundy	Mr. Boundy	

[illegible]

PERFORATING RECORD



12700

12750

12800

12850

12900

12950

13000

13050

13100

A

SPU 3

100

40

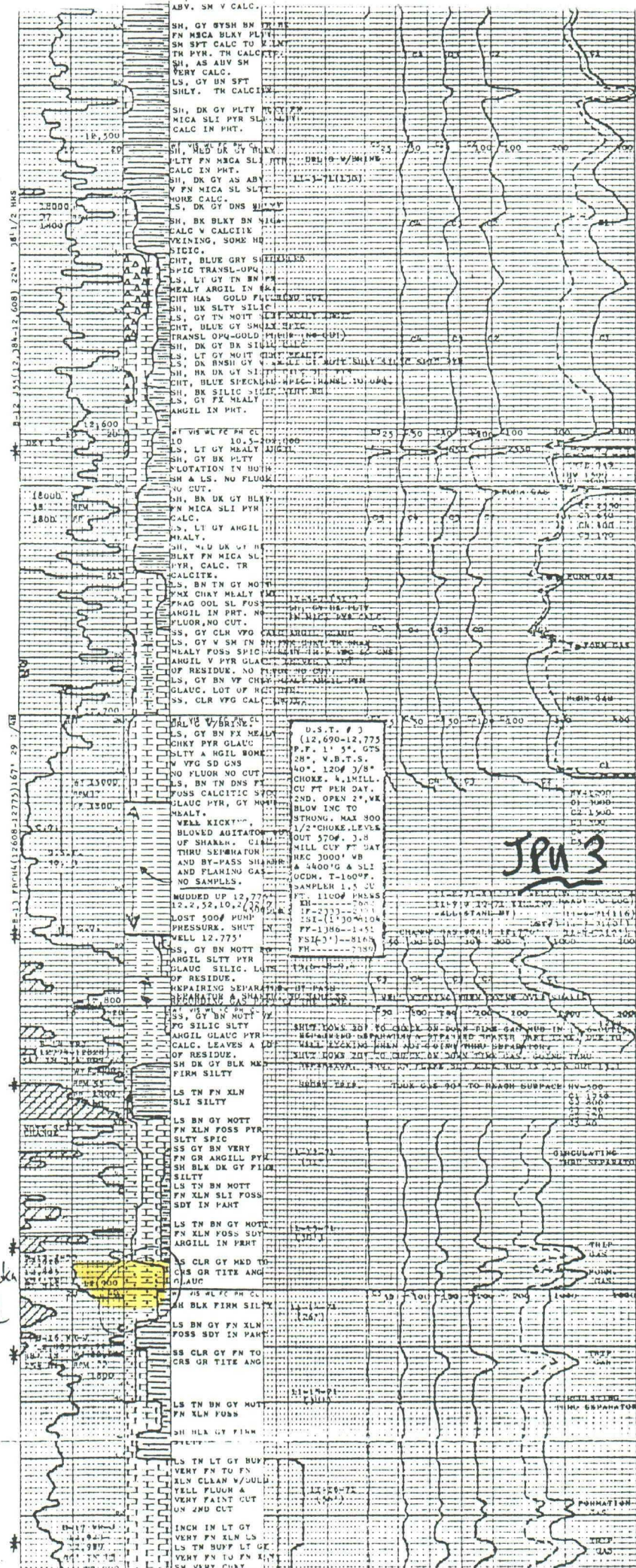
DT

T/Alokas Sand

Run 2

Run 3

0	Caliper	140
5	Caliper	16"
0	Caliper	150
5	Caliper	18"



#19

WORK COPY
Schlumberger

SIMULTANEOUS
COMPENSATED NEUTRON-
FORMATION DENSITY

COUNTY	FIELD	LOCATION	WELL	COMPANY	COMPANY <u>BELCO PETROLEUM CORPORATION</u>
					WELL <u>JAMES RANCH NO. 10</u>
					FIELD <u>LOS MEDANOS</u>
					COUNTY <u>EDDY</u> STATE <u>N.M.</u>
					LOCATION <u>1980 FNL + 660 FEL</u> <u>SEC 1, TWP 23S, R1G 30E</u>
					API SERIAL NO. <u>1</u> SEC. <u>1</u> TWP. <u>23S</u> RANGE <u>30E</u>
					Permanent Datum: <u>GL</u> ; Elev.: <u>3299</u> Log Measured From <u>KB</u> , <u>16</u> Ft. Above Perm. Datum Drilling Measured From <u>KB</u> Elev.: K.B. <u>3215</u> D.F. <u>-</u> G.L. <u>3299</u>
Date	<u>3-21-80</u>				
Run No.	<u>THREE</u>				
Depth-Driller	<u>14335</u>				
Depth-Logger	<u>14324</u>				
Btm. Log Interval	<u>14322</u>				
Top Log Interval	<u>11800</u>				
Casing-Driller	<u>75/8 @ 11800</u>				
Casing-Logger	<u>11792</u>				
Bit Size	<u>6 1/2</u>				
Type Fluid in Hole	<u>BRINE CHEM</u>				
Dens.	Visc.	<u>10.7</u> <u>37</u>			
pH	Fluid Loss	<u>10.5</u> <u>2.0</u> ml			
Source of Sample	<u>PIT</u>				
Rm @ Meas. Temp.	<u>1080 @ 75°F</u>	@	°F	@	°F
Rmf @ Meas. Temp.	<u>1060 @ 75°F</u>	@	°F	@	°F
Rmc @ Meas. Temp.	<u>1120 @ 75°F</u>	@	°F	@	°F
Source: Rmf	<u>M</u>				
Rm @ BHT	<u>1031 @ 197°F</u>	@	°F	@	°F
Circulation Stopped	<u>2400</u>				
Logger on Bottom	<u>0800</u>				
Max. Rec. Temp.	<u>197</u> °F		°F		°F
Equip.	<u>8016</u>				
Location	<u>MONA</u>				
Recorded By	<u>MCKNIGHT</u>				
Witnessed By Mr.	<u>COOPER/ROGERS</u>				

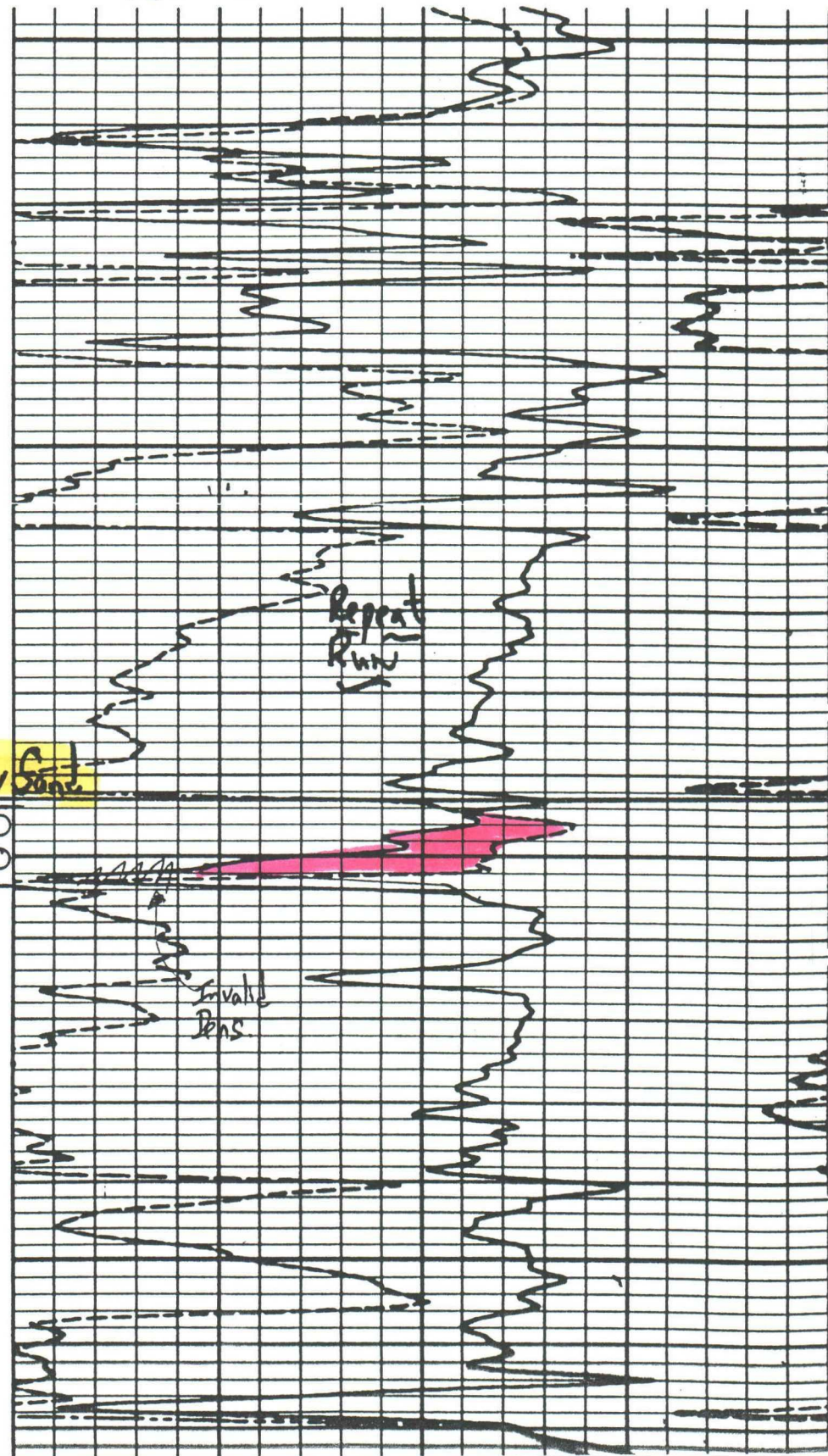
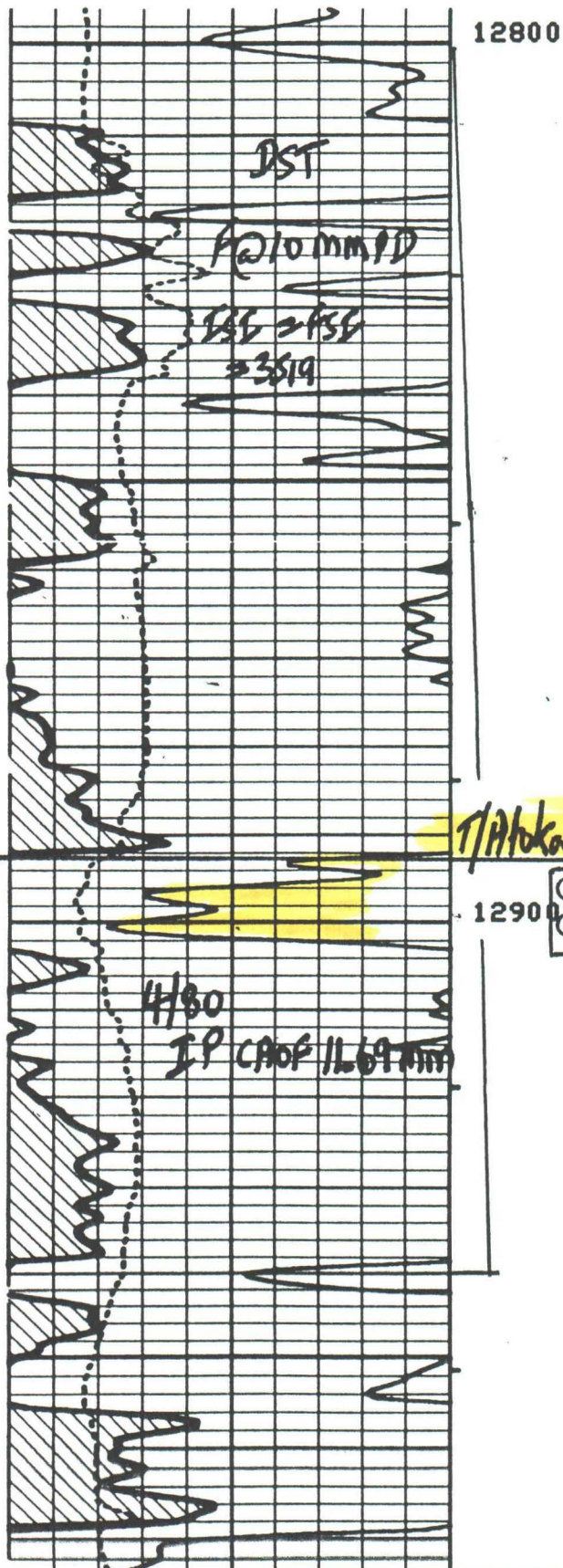
The well name, location and borehole reference data were furnished by the customer.

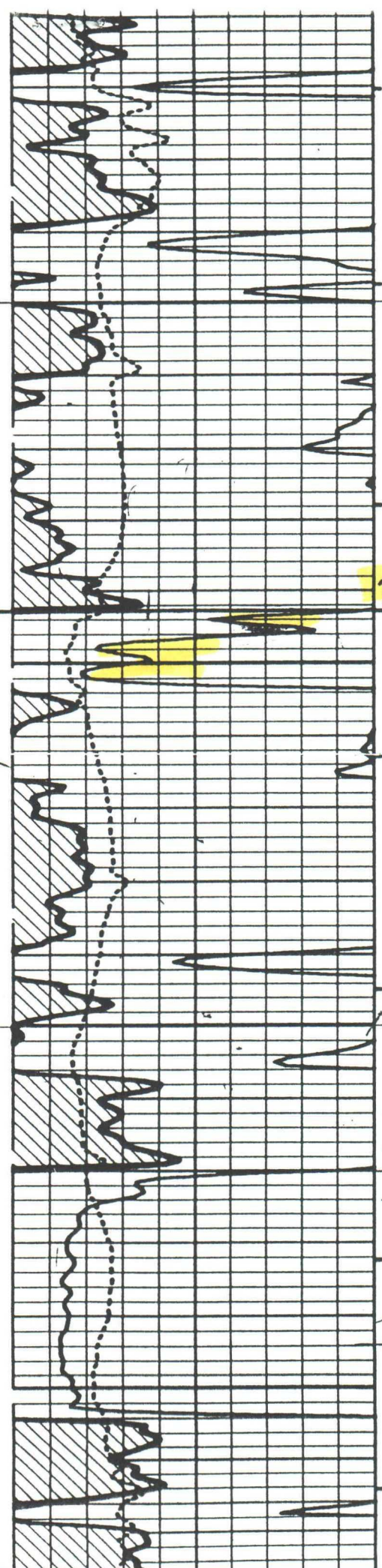
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RUN NO.	Service Order No.	Fluid Level	Salinity, PPM CL.
<u>THREE</u>	<u>113101</u>	<u>FULL</u>	<u>86,000</u>
Type Log	Depth		

JRU10

REPEAT





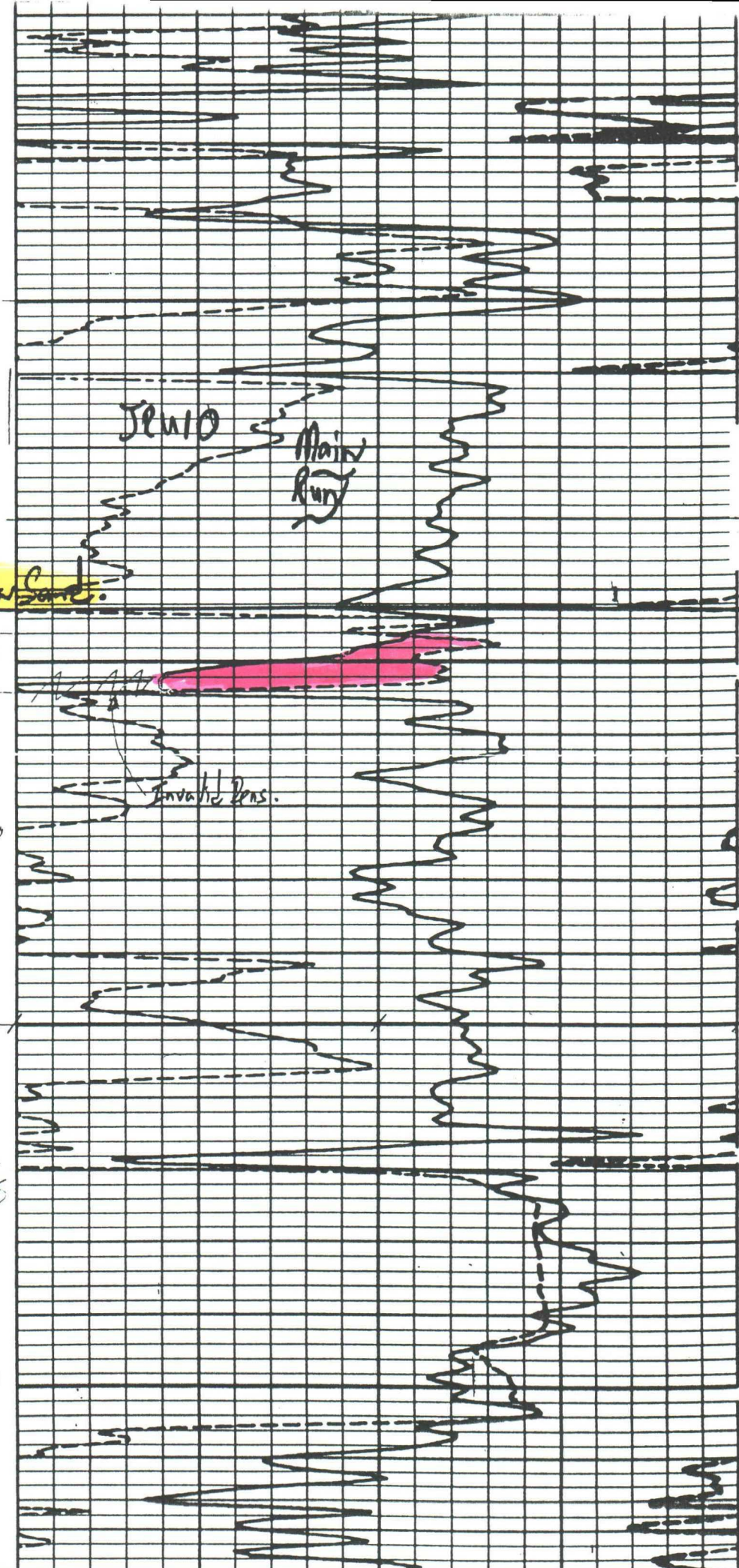
T/Atoka Sand.

12900

T/Loaf
-9655

-9679

13000

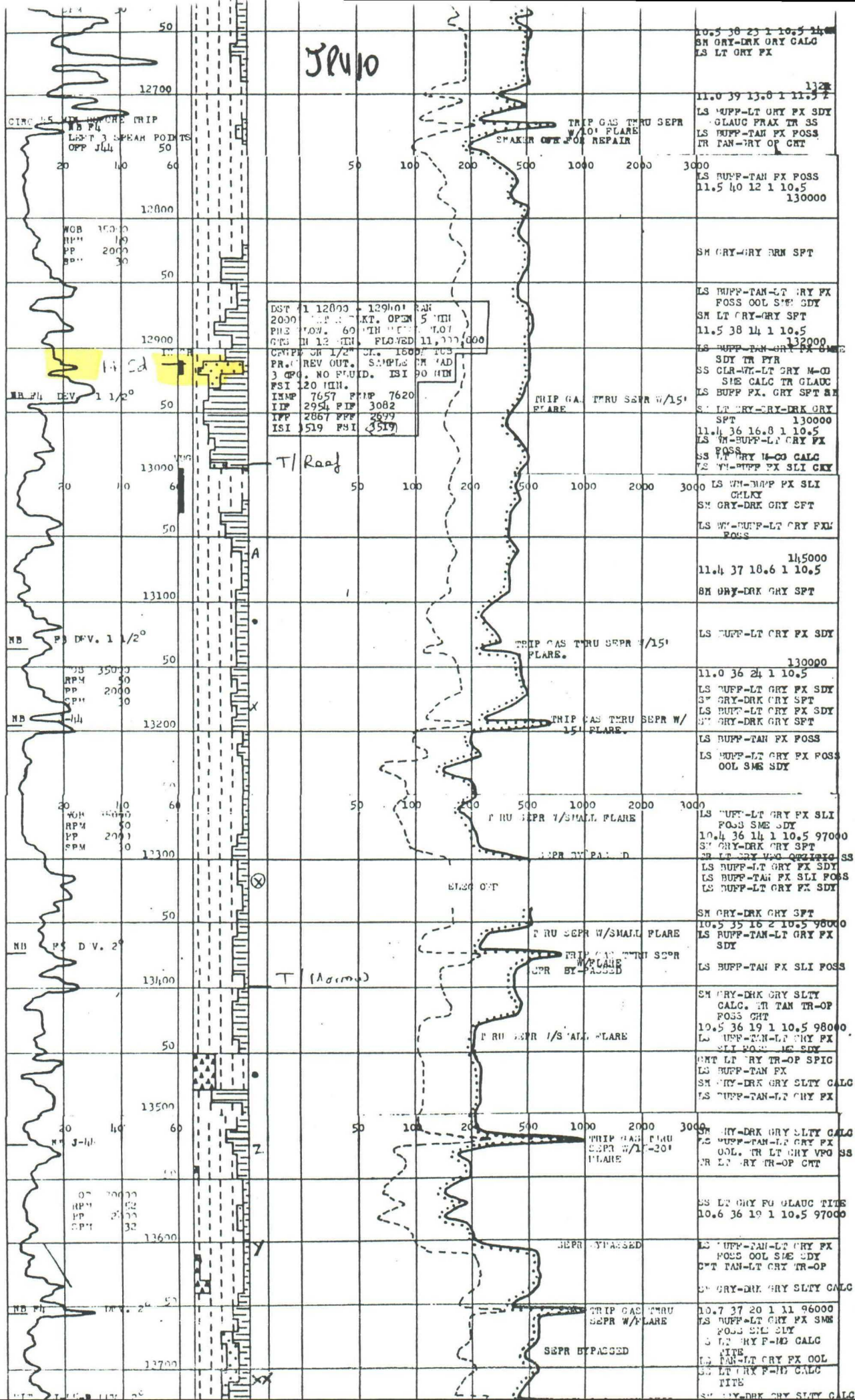


Jewio

Main Run

AA

Invaded Pns.



Bill Scales Water 74 Worth



ACOUSTIC VELOCITY NEUTRON LOG

COMPANY **Belco Petroleum Corporation**

WELL **James Ranch Unit # 4**

FIELD **Los Medanos**

County **Eddy** State **N.M.**

COMPANY **BELCO PETROLEUM CORPORATION**

Petrophysical Copy

WELL **JAMES RANCH UNIT # 4**

FIELD **LOS MEDANOS**

COUNTY **EDDY** STATE **NEW MEXICO**

Location **2180' FSL & 330' FWL**

Sec. **6** Twp **23-S** Rge **31-E**

Other Services:

Guard Forxo

Permanent Datum **Ground Level** Elev. **3296'**

Log Measured From **K. B. - 23** Ft. Above Perm. Datum

Drilling Measured From **Kelly Bushing**

Elev.: K.B. **3319'**

D.F. **3318'**

G.I. **3296'**

Date	6/17/73	7/17/73	8/8/73	
Run No.	- One -	- Two -	- Three -	
Depth-Driller	11,800	13,243	14,380	
Depth-Welex	11,809	13,239	14,377	
Btm. Log Inter.	11,781	12,709	14,371	
Top Log Inter.	Surface	11,781	12,709	
Casing-Driller	10-3/4" @ 3,890	7-5/8" @	11,800	
Casing-Welex				
Bit Size	9-1/2"	6-1/2"	6-1/2"	
Type Fluid in Hole	Brine	Mud	Mud	
Dens. Visc.	9.6	12 39	11 24	
pH Fluid Loss	9.5 ml	9.0 16.0 ml	15.2 ml	
Source of Sample	Circulated	Circulated	Circulated	
R _{int} @ Meas.Temp.	.052 @ 92°F	.044 @ 85°F	.050 @ 108°F	@ °F
R _{int} @ Meas.Temp.	.052 @ 92°F	.039 @ 81°F	.046 @ 86°F	@ °F
R _{int} @ Meas.Temp.	@ °F	@ °F	@ °F	@ °F
Source R _{int} R _{int}	Measured	Measured	Measured	°F
R _{int} @ BHT	.030 @ 167°F	.022 @ 182°F	.030 @ 190°F	@ °F
e Since Circ.				
x. Rec. Temp.	167°F @	182°F @	190°F @	°F @
Location	8444 Hobbs	8443 Hobbs	8444 Hobbs	
rded By	B.H. Stroud	J.S. Cauble	B.H. Stroud	
essed By	Mr. Boundy	Mr. Henry	Mr. Henry	

PROPERTY OF
 BASS ENTERPRISES PRODUCTION CO.
 ENGINEERING SECTION

Ticket Nos 1-69363, 2-69699, 3-69939

Remarks:

Service Ticket No. _____

[illegible]

1280C

1285C

1290C

1295C

1300C

JRU 4

DST #

12734 - 13079

Flow 3.4 M2

SIP 5166 - 5126

8/73 PF 12912-20

Flow 750 mcf 32" / 64"

FTP 100

A/1300 7 1/2" flow 1 min 1/2" FTP 150

Fract. attempted but ended up
fract. the Morrow

Re PF Sand

A/1300g

Flow 1 min 3/4" FTP 50-100ft

T/Phokar Sand

12

20

SS 1" 91" / 64" 30" 44"

2694

lumberger

SIMULTANEOUS COMPENSATED NEUTRON- FORMATION DENSITY

EDDY
COUNTY _____
FIELD LOS MEDANOS
LOCATION _____
WELL JAMES RANCH UNIT #7
COMPANY CONTINENTAL OIL CO.

COMPANY CONTINENTAL OIL COMPANY

De la Roche Correlat
PROPERTY OF
WELL PRODUCTION
JAMES RANCH UNIT #7

LOS MEDANOS

COUNTY EDDY STATE NEW MEXICO

LOCATION	1980' FNL & 1980' FEL,		
API SERIAL NO	SEC	TWP	RANGE
	6	23-S	31-E

Other Services:

DLL

Permanent Datum: G.L.; Elev.: 3319
Log Measured From K.B., 19 Ft. Above Perm. Datum
Drilling Measured From K.B.

Elev.: K.B. 338
D.F. 337
G.L. 319

Date	7-30-74	9-27-74
Run No.	ONE	TWO
Depth—Driller	11913	14569
Depth—Logger	11896	14567
Btm. Log Interval	11895	14566
Top Log Interval	0	11895
Casing—Driller	10 34 @ 3942	7 @ 11912
Casing—Logger	3940	11920
Bit Size	9 1/2	6 1/4
Type Fluid in Hole	BRINE WTR.	SALTY MUD
Dens.	10	10.6
Visc.	28	36
pH	7.5	9
Fluid Loss	ml	ml
Source of Sample	FLOWLINE	FLOWLINE
Rm @ Meas. Temp.	.042 @ 90 °F	.044 @ 84 °F
Rmf @ Meas. Temp.	.038 @ 90 °F	.042 @ 84 °F
Rmc @ Meas. Temp.	@ °F	@ °F
Source: Rmf Rmc	M	M
Rm @ BHT	.023 @ 170 °F	@ °F
Circulation Stopped	1000	0530
Logger on Bottom	2200	2000
Max. Rec. Temp.	170 °F	°F
Equip.	7646	7627
Location	HOBBS	HOBBS
Recorded By	CREEK	BIRKHEAD, REED
Witnessed By Mr.	PRYDE	PRYDE

The well name, location and borehole reference data were furnished by the customer.

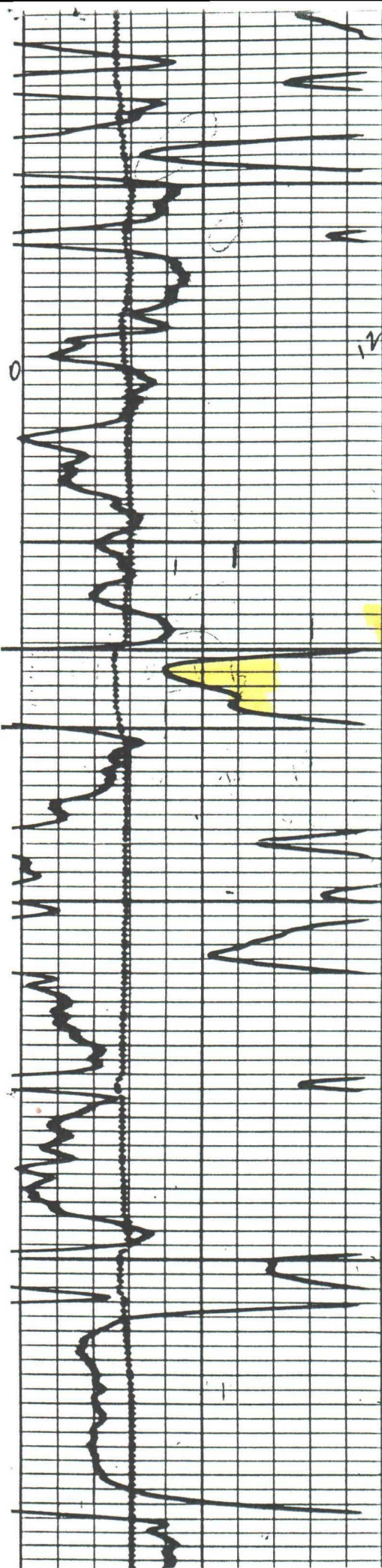
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SCALE CHANGES

OM 1

33

RUN NO.



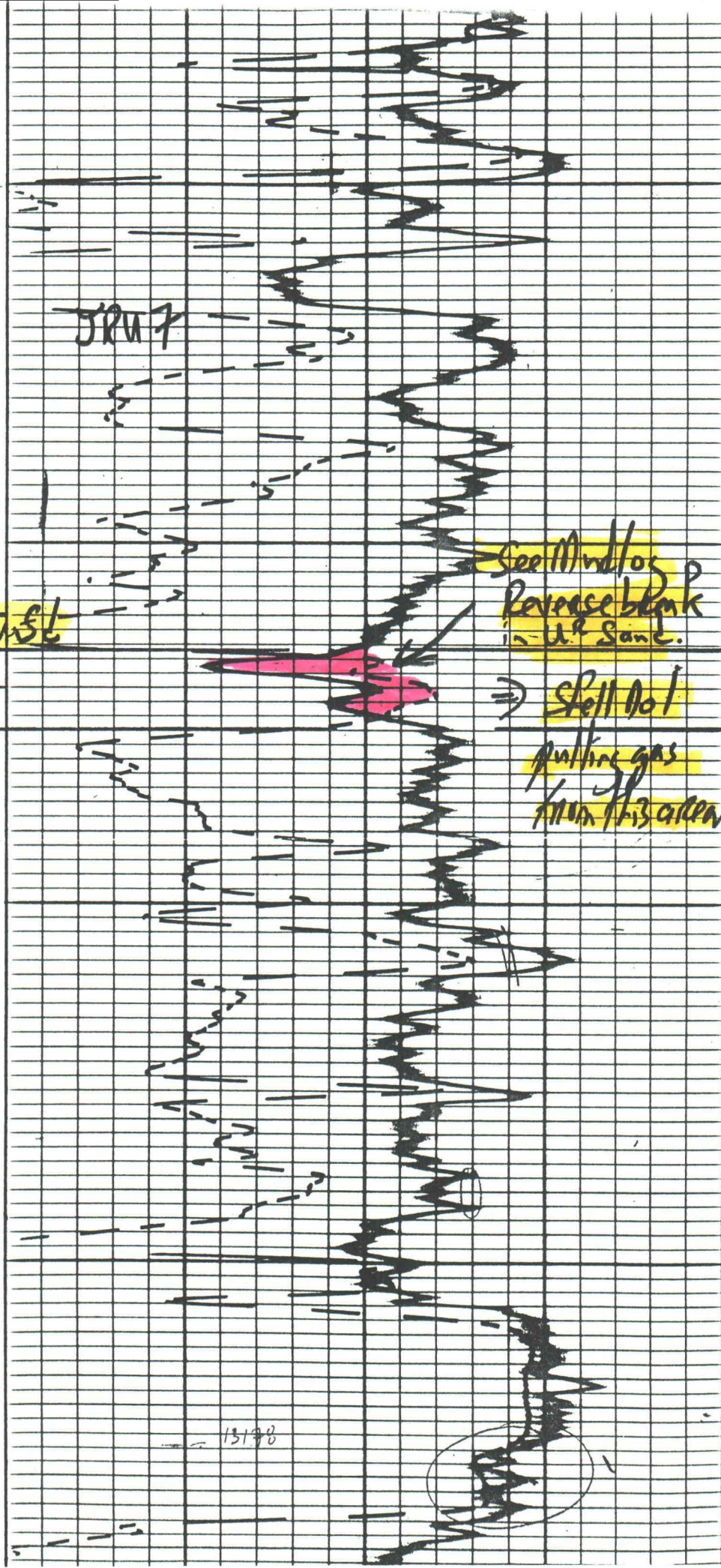
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125

T/A/okw/SL

00081

5



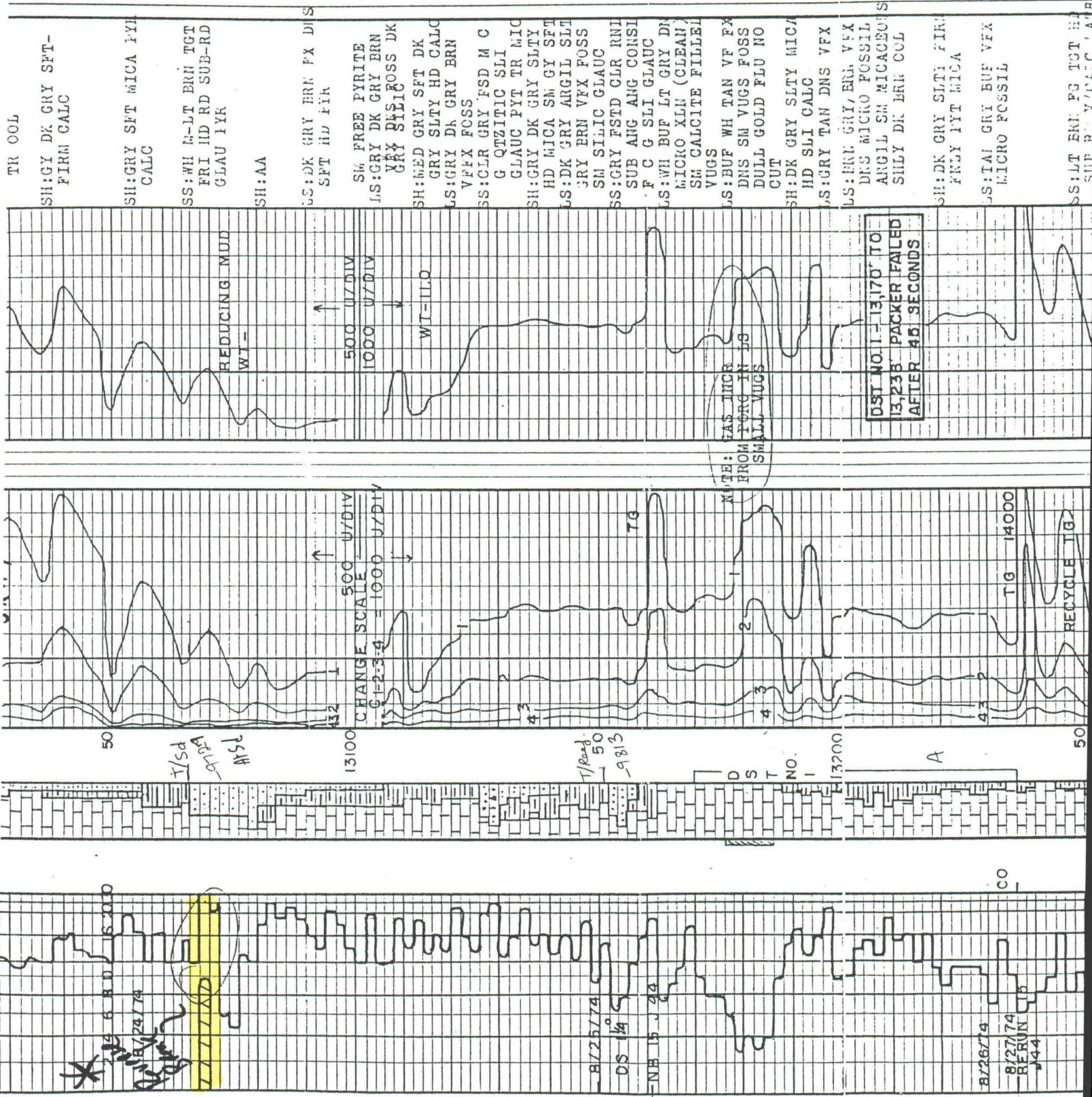
JRU 7

See Mnd/og
Reverse blank
in U² Sunc.

⇒ Still No!
pulling gas
from this area

13198

JPM7.



DST NO. 1 - 13170' TO 13238' PACKER FAILED AFTER 46 SECONDS

NOTE: GAS INCR FROM 10% IN 18 SMALL VUGS

RECYCLE TIG

TG 14000

A

13200

D S T NO. 1

13100

1300

50

CO

8/26/74

8/27/74

8/28/74

8/25/74

DS 1/4

NE 15 24

8/24/74

8/25/74

8/26/74

8/27/74

8/28/74

8/29/74

8/30/74

8/31/74

9/1/74

9/2/74

9/3/74

9/4/74

9/5/74

9/6/74

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9/30/74

10/1/74

10/2/74

10/3/74

10/4/74

10/5/74

10/6/74

10/7/74

#22



DIGITAL LOGGING SYSTEM

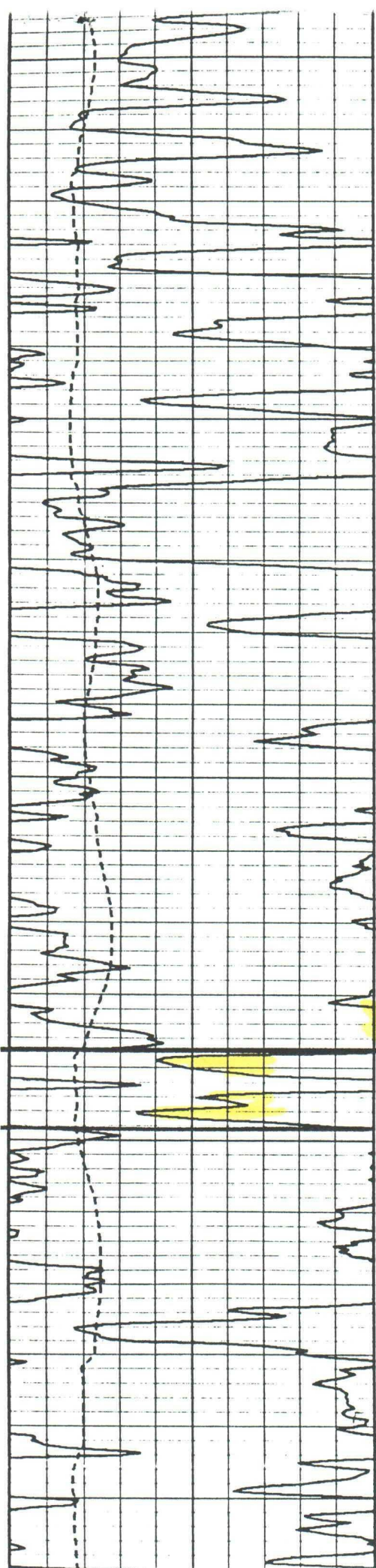
COMPENSATED DENSITY DUAL SPACED NEUTRON LOG

COMPANY Belco-Petroleum Corporation WELL James Ranch Unit # 14 FIELD Los Medanos County Eddy State N.M.	COMPANY <u>BELCO PETROLEUM CORPORATION</u>			
	WELL <u>JAMES RANCH UNIT - 14</u>			
	FIELD <u>LOS MEDANOS</u>			
	COUNTY <u>EDDY</u> STATE <u>NEW MEXICO</u>			
Location		Other Services:		
SURF: 1980' FWL & 100' FSL of Sec. 6		Dual Guard-Forxo		
BTM : 1980' FWL & 660' FNL of Sec. 7				
Sec. _____ Twp <u>23-S</u> Rge <u>31-E</u>				
Permanent Datum <u>Ground Level</u> Elev. <u>3300'</u>		Elev.: K. B. <u>3327'</u>		
Log Measured From <u>K. B. - 27</u> Ft. Above Perm. Datum		D. F. <u>3326'</u>		
Drilling Measured From <u>Kelly Bushing</u>		G. L. <u>3300'</u>		
Date	<u>6-5-83</u>	<u>7-12-83</u>		
Run No.	<u>- One -</u>	<u>- Two -</u>		
Depth-Driller	<u>12,058</u>	<u>14,640</u>		
Depth-Welex	<u>12,058</u>	<u>14,645</u>		
Btm. Log. Inter	<u>11,850</u>	<u>14,644</u>		
Top Log Inter.	<u>60</u>	<u>11,850</u>		
Casing-Driller	<u>13-3/8" @ 3,930</u>	<u>7-5/8" @ 12,058</u>		<u>@</u>
Casing-Welex	<u>3,915</u>	<u>12,046</u>		
Bit Size	<u>9-7/8"</u>	<u>6-1/2"</u>		
Type Fluid in Hole	<u>Salt Mud</u>	<u>Salt Mud</u>		
Dens. I Visc.	<u>9.1 29</u>	<u>10.9 34</u>		
pH I Fluid Loss	<u>9</u> <u>ml</u>	<u>9.5 6.4</u> ml		
Source of Sample	<u>Pit</u>	<u>Circulated</u>		
R _m @ Meas. Temp.	<u>.08 @ 82 °F</u>	<u>.06 @ 82 °F</u>	<u>@ °F</u>	<u>@ °F</u>
R _m @ Meas. Temp	<u>.09 @ 79 °F</u>	<u>.04 @ 100 °F</u>	<u>@ °F</u>	<u>@ °F</u>
R _m @ Meas. Temp.	<u>.10 @ 70 °F</u>	<u>.10 @ 92 °F</u>	<u>@ °F</u>	<u>@ °F</u>
Source R _m R _m	<u>Measured</u>	<u>Measured</u>		
R _m @ BHT	<u>.04 @ 154 °F</u>	<u>.022 @ 222 °F</u>	<u>@ °F</u>	<u>@ °F</u>
Time Since Circ.	<u>8 Hours</u>	<u>8 Hours</u>		
Max. Rec. Temp.	<u>154 °F @ -</u>	<u>222 °F @ B.H.</u>	<u>°F @</u>	<u>°F @</u>
Equip. I Location	<u>3414 Hobbs</u>	<u>4551 Hobbs</u>		
Recorded By	<u>Kveton</u>	<u>Campbell & Baeza</u>		
Witnessed By	<u>Mr. Parrott</u>	<u>Mr. Parrott</u>		

Fold Here

EQUIPMENT DATA

GAMMA		ACOUSTIC		DENSITY		NEUTRON	
Run No.	- 1&2 -	Run No.	- 1&2 -	Run No.	- 1&2 -	Run No.	- 1&2 -
Tool Model No.	265&265A	Tool Model No.	Density	Log Type	N - N	Log Type	N - N
Diameter	3-3/8"	Serial No.	127	Tool Model No.	265 A	Tool Model No.	265 A
Detecter Model No.	102						



13000.

SRU14

13050.

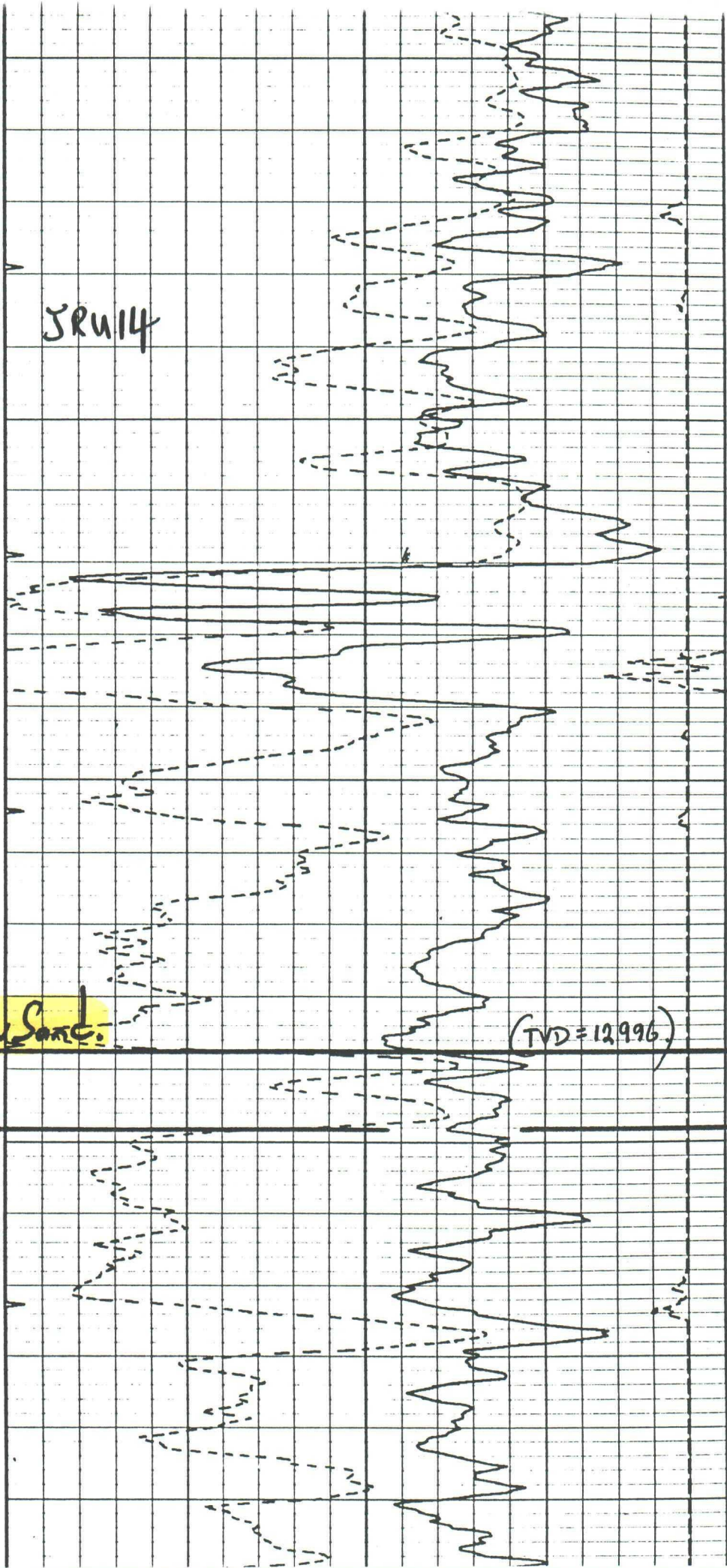
13100.

IT/Abaka Sand.

(TVD = 12996.)

13150.

13200.



#23
≈

DENVER, COLORADO 80201

42

API NO. 30-015-26509

REPRODUCTION FOR RESALE IN WHOLE OR PART PROHIBITED

Schlumberger									
COMPENSATED NEUTRON- FORMATION DENSITY									
COMPANY SANTA FE ENERGY OPERATING PART., LP. P. Q. # 4 th FEDERAL NO. 1		WELL FIELD WEST SAND DUNES (MORROW) COUNTY EDDY STATE NEW MEXICO							
LOG LOCATION 900' FUL. 980' FUL. SEC 8 SURF. LOCATION		Other Formations LITHOLOGY DRAINAGE 3372'							
LOG SERIAL NO. 4-394		SEC. 23-S		RANGE 31-E		LOG 3372'		DATE 11/15/78	
LOG DEPTH 30.0 F		LOG DEPTH 30.0 F		LOG DEPTH 30.0 F		LOG DEPTH 30.0 F		LOG DEPTH 30.0 F	
LOG DEPTH 30.0 F		LOG DEPTH 30.0 F		LOG DEPTH 30.0 F		LOG DEPTH 30.0 F		LOG DEPTH 30.0 F	
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LOG DEPTH 30.0 F		LOG DEPTH 30.0 F		LOG DEPTH 30.0 F		LOG DEPTH 30.0 F		LOG DEPTH 30.0 F	
LOG DEPTH 30.0 F		LOG DEPTH							

DE 441

13500

13600

T/Aloka Sand TVD -9960

USF 12674 13732
pump stand
2200 75N WE
Rec. 15.7 CFG
V 5845 ft
151P 5845

13700

T/Bank
19342 (M)

10032 TVD

Rec. 30 no data

A/3000 gals
Flow 2.43 MMCFD
SLP 5.64 MMCFD


Rec. 6
no data

BHSLP 2957

13800

Work Copy S.A.H. 7/90.

#24

 ATLAS WIRELINE SERVICES		COMPENSATED Z-DENSILOG GAMMA RAY		COMPENSATED NEUTRON	
FILE NO.	COMPANY <u>SANTA FE ENERGY OPERATING PARTNERS, L.P.</u>				
API NO.	WELL <u>NORTH PURE GOLD "8" FEDERAL NO. 1</u>				
	FIELD <u>WEST SAND DUNES - MORROW</u>				
CONFIDENTIAL	COUNTY <u>EDDY</u> STATE <u>NEW MEXICO</u>				
	LOCATION: <u>1900' FSL & 660' FEL</u>			OTHER SERVICES DLL/MLL/GR	
	<u>SEC 8 1 TWP 23 S RGE 31 E</u>				
PERMANENT DATUM		GROUND LEVEL		ELEV. <u>3333.7</u>	
LOGGING MEASURED FROM		<u>K.B 26.5</u>		FT. ABOVE P.D.	
DRILLING MEASURED FROM		<u>KELLY BUSHING</u>			
DATE	<u>16 APRIL, 1990</u>		<u>25 MAY, 1990</u>		
RUN	<u>2</u>		<u>3</u>		
SERVICE ORDER	<u>42799</u>		<u>59589</u>		
DEPTH-DRILLER	<u>11,718'</u>		<u>14,825'</u>		
DEPTH-LOGGER	<u>11,716'</u>		<u>14,807'</u>		
BOTTOM LOGGED INTERVAL	<u>11,713'</u>		<u>14,804'</u>		
TOP LOGGED INTERVAL	<u>SURFACE</u>		<u>11,660'</u>		
CASING - DRILLER	<u>9 5/8" @ 4125'</u>		<u>7.0" @ 11,718'</u>		
CASING - LOGGER	<u>4117'</u>		<u>11,709'</u>		
BIT SIZE	<u>8 1/2"</u>		<u>6.0"</u>		
TYPE FLUID IN HOLE	<u>GEL/CAUSTIC</u>		<u>GEL/POLYMER/BARITE</u>		
DENSITY / VISCOSITY	<u>8.5 PPG 28</u>		<u>12.8 PPG 39</u>		
PH / FLUID LOSS	<u>10</u>		<u>9.5 26</u>		
SOURCE OF SAMPLE	<u>CIRCULATION TANK</u>		<u>FLOW LINE</u>		
RM AT MEAS. TEMP.	<u>0.208 @ 81 DEG.F</u>		<u>0.094 @ 90 DEG.F</u>		
RMF AT MEAS. TEMP.	<u>0.208 @ 81 DEG.F</u>		<u>0.072 @ 85 DEG.F</u>		
RMC AT MEAS. TEMP.	<u>@</u>		<u>@</u>		
SOURCE OF RMF / RMC	<u>MEASURED</u>		<u>MEASURED</u>		
RM AT BHT	<u>0.105 @ 161 DEG.F</u>		<u>0.042 @ 202</u>		
TIME SINCE CIRCULATION	<u>4.5 HOURS</u>		<u>7 HOURS</u>		
MAX. REC. TEMP. DEG. F	<u>161 DEG.F</u>		<u>202</u>		
EQUIP. NO. / LOC.	<u>HL 6364 HOBBS N.M.</u>		<u>HL 6433 HOBBS N.M.</u>		
RECORDED BY	<u>S. HOWELL/W. ROQUEMORE</u>		<u>ZANE REYNOLDS</u>		
WITNESSED BY	<u>MR. DOUGLAS/MR. MACHO</u>		<u>PAUL BAUERNFEIND</u>		

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BY

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Page 5.1d 8 Feb 1 #1.

5/90 DSI 13197-268

EQ 1.18MM +461BWPD

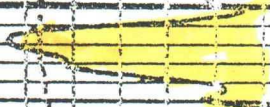
SSI 7234

SSI 6996 (480")

PT 7168

13200

T/Atoka SE



13300

25
11



COMPENSATED DENSITY DUAL SPACED NEUTRON LOG

COMPANY <u>Belco Development Corporation</u> WELL <u>James Ranch</u> FIELD <u>Unit No. 15</u> COUNTY <u>Los Medanos</u> STATE <u>Eddy</u>	COMPANY <u>BELCO DEVELOPMENT CORPORATION</u> WELL <u>JAMES RANCH UNIT NO. 15</u> FIELD <u>LOS MEDANOS</u> COUNTY <u>EDDY</u> STATE <u>NEW MEXICO</u>	
	API No.: _____ Location: BHL: 1924' FEL & 791' FSL Sec. 7 SL : 660' FSL & 100' FWL Sec. 8 Sec. _____ Twp <u>23-S</u> Rge <u>31-E</u>	
	Other Services: Dual Guard- Forxo	
	Permanent Datum <u>Ground Level</u> Elev. <u>3311'</u> Log Measured From <u>K. B. - 28</u> Ft. Above Perm. Datum Drilling Measured From <u>Kelly Bushing</u>	
Date <u>6-1-84</u> <u>9-5-84</u> Run No. <u>One</u> <u>Two</u> Depth—Driller <u>12,265</u> <u>15,100</u> Depth—Welex <u>12,267</u> <u>15,092</u> Btm. Log Inter. <u>12,250</u> <u>15,091</u> Top Log Inter. <u>50</u> <u>12,250</u> Casing—Driller <u>13-3/8" @ 4,012</u> <u>7-7/8" @ 12,236</u> Casing—Welex <u>4,008</u> <u>12,260</u> Bit Size <u>9-7/8"</u> <u>6-1/2"</u> Type Fluid in Hole <u>Salt Mud</u> <u>Salt Mud</u> Dens. I Visc. <u>9.2</u> <u>130</u> <u>12.1</u> <u>19.5</u> pH I Fluid Loss <u>9.5</u> <u>1</u> <u>ml</u> <u>46</u> <u>15.6</u> <u>ml</u> Source of Sample <u>Pit</u> <u>Pit</u> R _m @ Meas. Temp. <u>.10 @ 84 °F</u> <u>.18 @ 74 °F</u> <u>@ °F</u> <u>@ °F</u> R _{my} @ Meas. Temp. <u>.08 @ 84 °F</u> <u>.14 @ 70 °F</u> <u>@ °F</u> <u>@ °F</u> R _{mx} @ Meas. Temp. <u>.12 @ 84 °F</u> <u>.23 @ 68 °F</u> <u>@ °F</u> <u>@ °F</u> Source R _{my} R _{mx} <u>Measured</u> <u>Measured</u> <u>I</u> <u>I</u> R _m @ BHT <u>.055 @ 154°F</u> <u>@ 203 °F</u> <u>@ °F</u> <u>@ °F</u> Time Since Circ. <u>6 Hours</u> <u>10 Hours</u> Time On Bottom <u>20:45</u> <u>10:30</u> Max. Rec. Temp. <u>154 °F @ 12265</u> <u>203 °F @ B.H.</u> <u>°F @</u> <u>°F @</u> Equip. I Location <u>3414 I Hobbs</u> <u>3414 I Hobbs</u> <u>I</u> <u>I</u> Recorded By <u>Kveton</u> <u>Kveton & Sexton</u> Witnessed By <u>Mr. Parrott</u> <u>Mr. Parrott</u>		

Part Number 26000

PGM Version: V1.71 3-12-84
V1.72 7-20-84

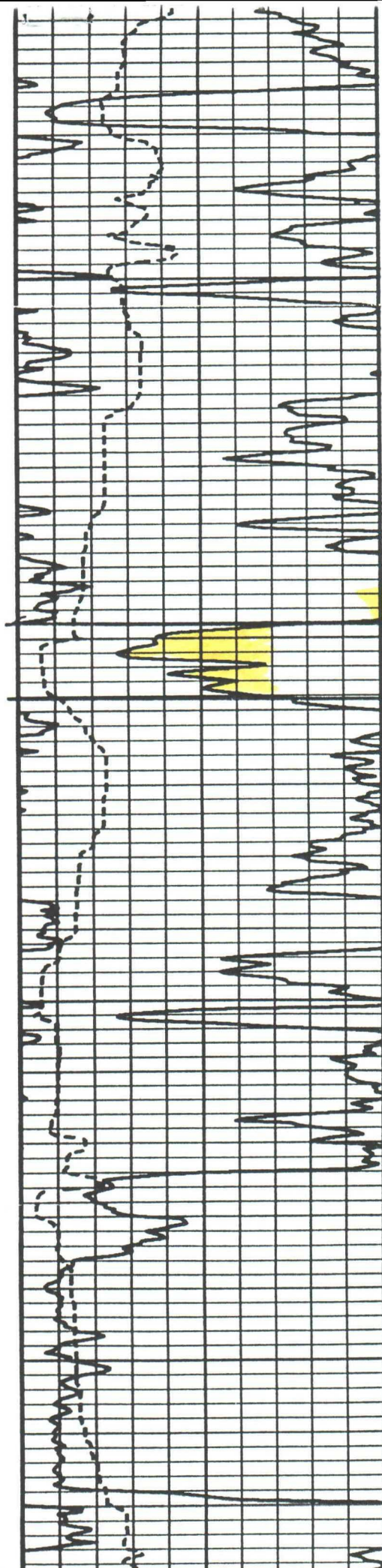
Service Ticket No.: 181608(1) 191649(2) API Serial No.: _____

Change in Mud Type or Additional Samples

Date	Sample No.	Type Log	Depth	Scale Up Hole	Scale Down Hole

COMPUTED FROM

Fold Here



13050.

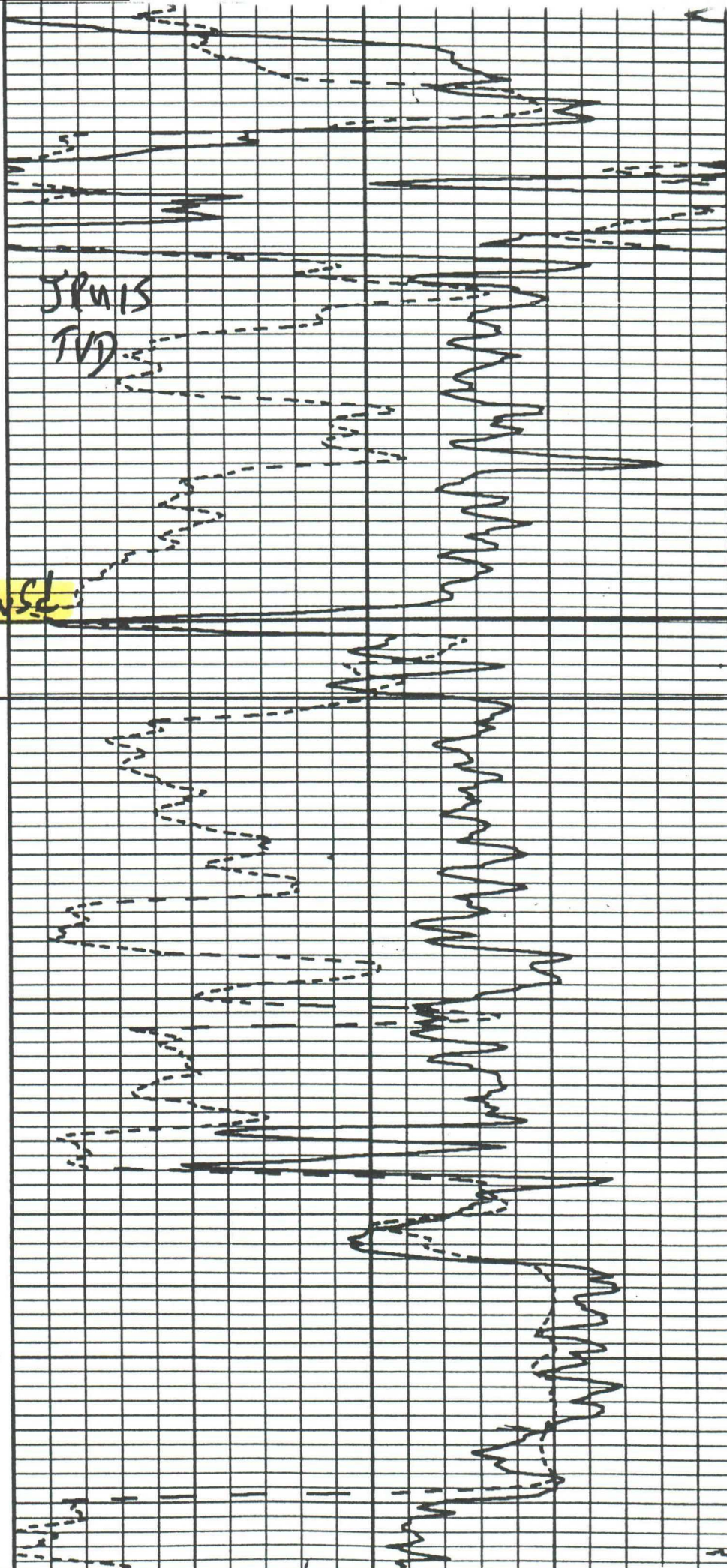
JRNIS
TVD

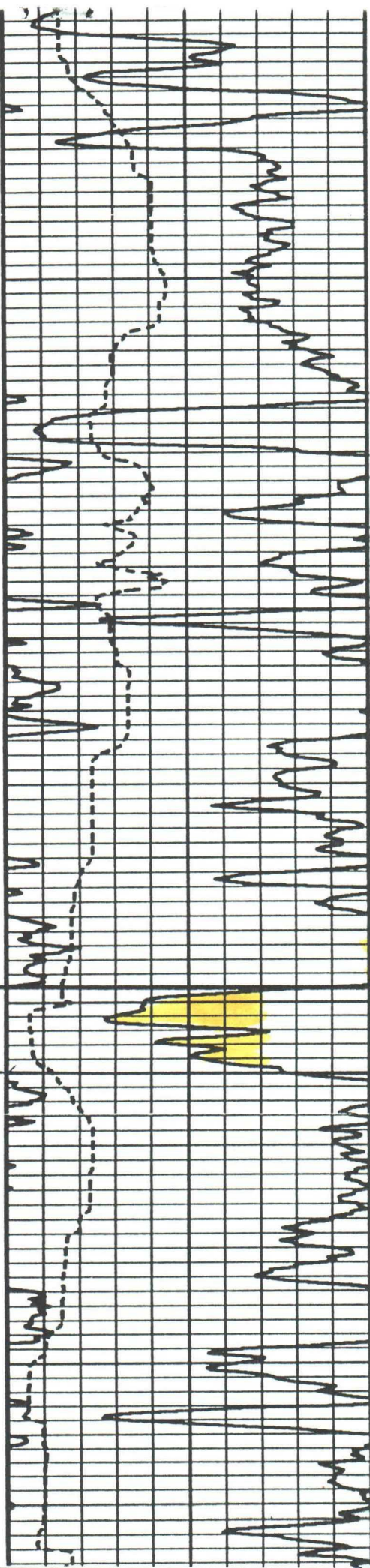
T/A to k/S

13100.

13150.

13200.





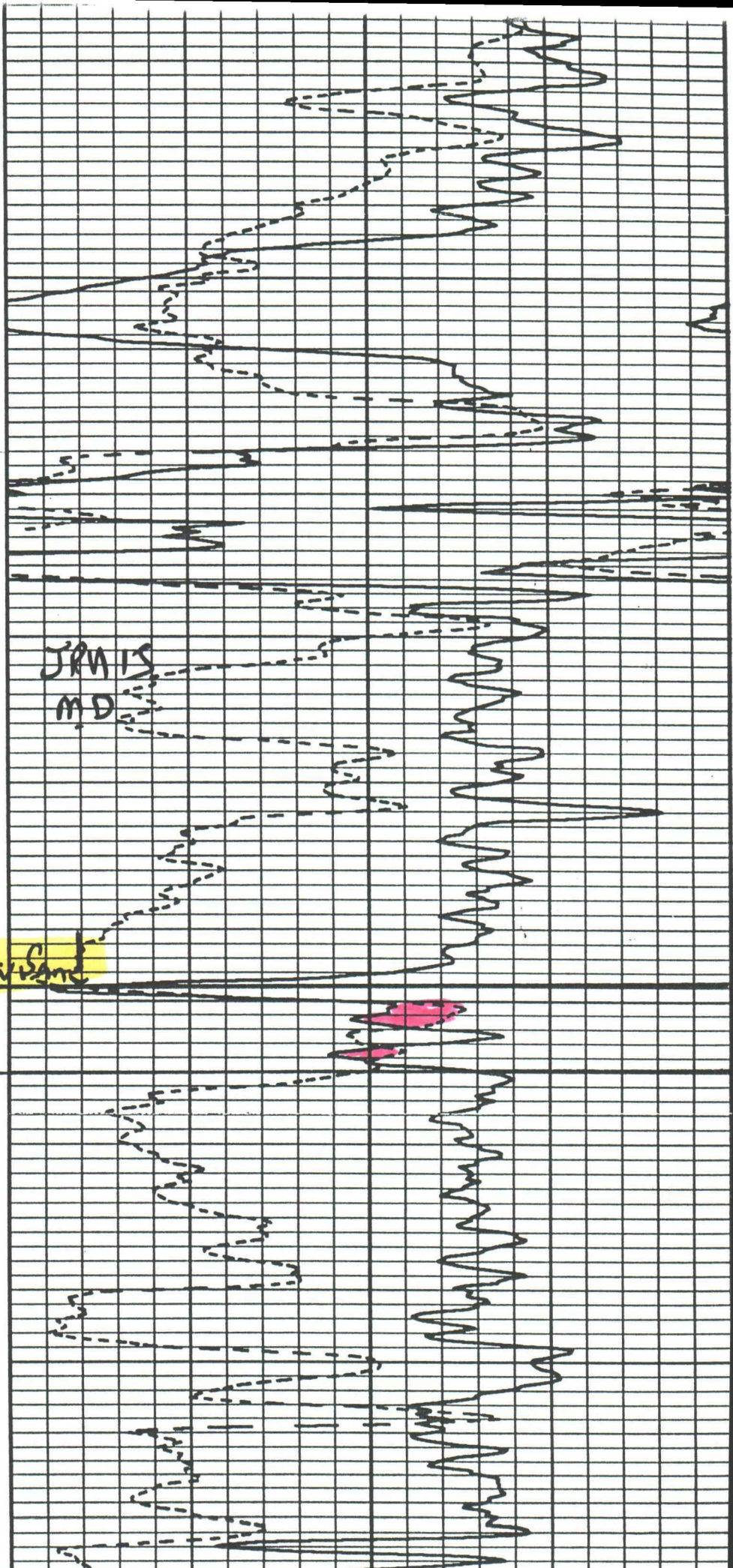
13300.

13350.

T/Atoka Sand

13400.

13450.



#26
2

Schlumberger

SIMULTANEOUS
COMPENSATED NEUTRON-
LITHO DENSITY

COUNTY EDDY, NM	FIELD WEST SAND DUNES	LOCATION PURE GOLD C-17	WELL FEDERAL NO. 2	COMPANY SANTA FE ENERGY	COMPANY	SANTA FE ENERGY OPERATING
						PARTNERS
					WELL	PURE GOLD C-17 FEDERAL NO. 2
					FIELD	WEST SAND DUNES
					COUNTY	EDDY STATE NEW MEXICO
LOCATION					1980' FNL & 2310' FEL	
API SERIAL NO.					SEC.	TWP.
					17	23-S
					RANGE 31-E	
					Other Services:	
					DIL	
					BHC	
					EPT	

Permanent Datum: G.L. 3320.0
 K.B. 26.5; Elev.:
 Log Measured From K.B. Ft. Above Perm. Datum
 Drilling Measured From

Elev.: 3347.5
 K.B. 3346.0
 D.F. 3321.0
 G.L.

Date	20-OCT-89	23-NOV-89		
Run No.	ONE (LDT)	TWO (FDC)		
Depth-Driller	11820	14850		
Depth-Logger	11819	14845		
Btm. Log Interval	11817	14842		
Top Log Interval	SURF	11816		
Casing-Driller	9 5/8 @ 4100	7 @ 11820	@	@
Casing-Logger	4100	11816		
Bit Size	8 1/2	6		
Type Fluid in Hole	WATER	XL		
Dens.	8.50	28.0	12.70	44.0
pH	10.0	ml	9.5	4.0 ml
Fluid Loss				
Source of Sample	PIT	PIT		
Rm @ Meas. Temp.	.298 @ 56 °F	.083 @ 66 °F	@ °F	@ °F
Rmf @ Meas. Temp.	@ °F	.063 @ 66 °F	@ °F	@ °F
Rmc @ Meas. Temp.	@ °F	@ °F	@ °F	@ °F
Source: Rmf		MEAS		
Rm @ BHT	.121 @ 148 °F	.032 @ 180 °F	@ °F	@ °F
Circulation Stopped	1900	1900 11-22		
Logger on Bottom	SEE LOG	SEE LOG		
Max. Rec. Temp.	148 °F	180 °F	°F	°F
Equip.	8234 RSWL	8502 RSWL		
Location				
Recorded By	SULLIVAN	RUSHING		
Processed By	DUGAN	BAUERNFEIND		

The well name, location and borehole reference data were furnished by the customer.

FOLD HERE

RUN NO.	ONE	TWO
	521740	563325
Service Order No.		
Program Tape No.		
Fluid Level		
Type Log		
Depth		

C#2

A30
-9816

13200

1989 DST 13206-282
H242mm
ISS 7485
FSS 7575 (180°)

T/Atoke Sand

13300

T/Bank
-9987

#27
≈

REFERENCE **Y** 4256P

56 API NO. 31-015-26382

+

[illegible]

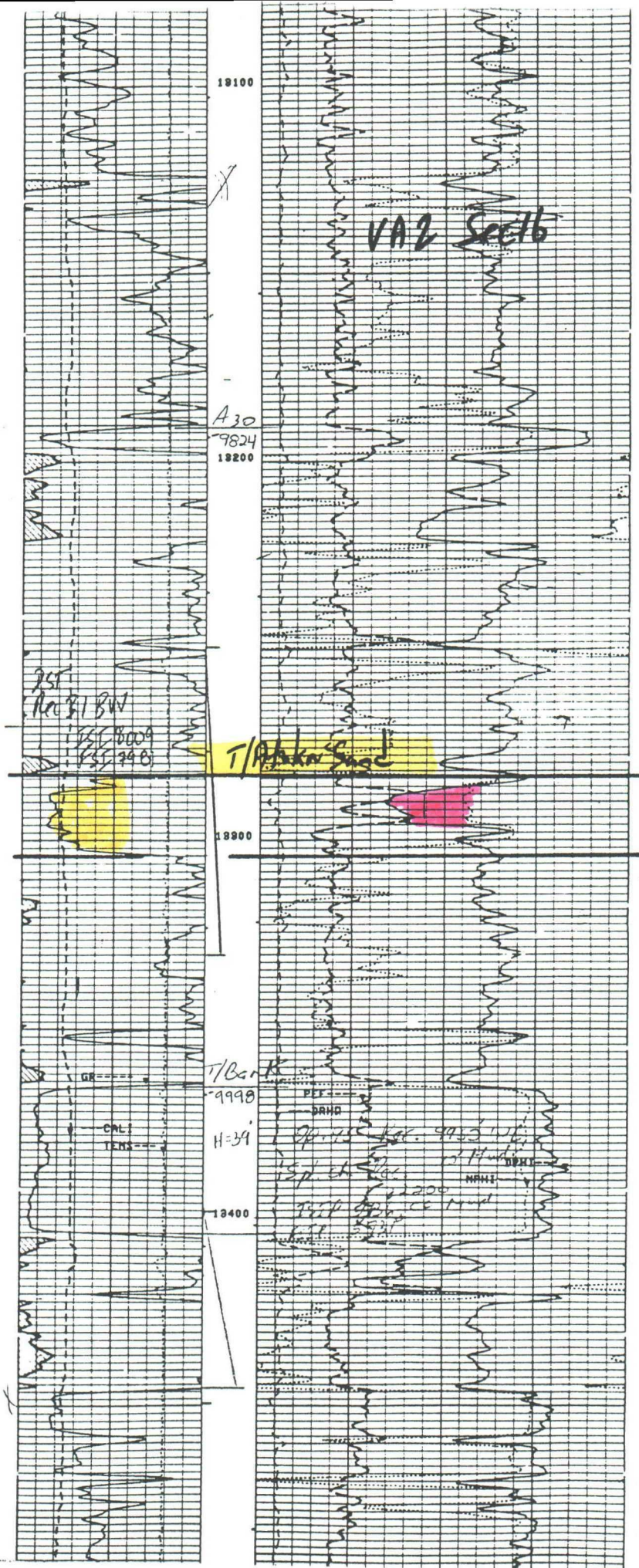
All Interpretations are opinions based on information provided or other management and we cannot, and do not guarantee the accuracy or correctness of any Interpretation, and we shall not, except in the case of gross or willful negligence on our part, be liable or responsible, for any losses, costs, damages or expenses incurred or sustained by anyone relying on any Interpretation made by any of our officers, directors, or employees. These Interpretations are also subject to Change 5 of our General Terms and Conditions as set out in our current Price Schedule.

Part No.	ONE	
Part/Kit Order No.	875078	
Shipping PO# Level		
Quantity	880008 PWA	
Part # Qty	0448 0448M	0 ONE DISC
Part # Qty		0 ONE DISC
Shipping Speed		
SHIPPING MAYA		
Test Number 1	BLJ 7H	
Test Number 2	SLC 8H	
Test Number 3	WMS 807	
Test Number 4	YCC 428	
Test Number 5	SSC 878	
Test Number 6	ONE 8801	
Test Number 7	MSC 8818	
Test Number 8	PSN 88	
Test Number 9	PSD 8884	
Test Number 10	CHCA88	
Test Number 11	TCM 8891	
Test Number 12	LCM 898	

THE LOT/OIL & OIL/WATER WERE LOGGED IN COMBINATION.
ICV - 84W MERE 7" CASING VOLUME
THE OIL IS OCCENTRALIZED WITH A BOWSPRING & THE LOT'S
CALIFOR. THE OIL IS CENTRALIZED WITH A CHIEF & THE
MERE'S CALIFOR.

Run No.	1700	
Barcode Order No.	878222	
Shipping Method Label		
Quantity	334405 PMA	
Order # MYT	1287 05AM	U OLC DRG
Order # MYT	1287 05AM	U OLC DRG
Shipping Speed	2000.0 PMA	
SHIPMENT DATA		
Test Number 1	ONE-8 3044	
Test Number 2	ONE-2 2280	
Test Number 3	ONE-8 2718	
Test Number 4	ONE-J 7148	
Test Number 5	ONE-MA 288	
Test Number 6	ONE-P 308	
Test Number 7	ONE-ON 4128	
Test Number 8	ONE-SA 208	
Test Number 9	ONE-S 378	
Test Number 10	ONE-T 318	
Test Number 11		
Test Number 12		
Test Number 13		
Test Number 14		
Test Number 15		
Test Number 16		
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Test Number 92		
Test Number 93		
Test Number 94		
Test Number 95		
Test Number 96		
Test Number 97		
Test Number 98		
Test Number 99		
Test Number 100		

ICV - 84V - 4.5" CASING
ONE RUN WITHOUT BOWING



x Sec

#28

Welex		COMPENSATED ACOUSTIC VELOCITY LOG	
COMPANY	EL PASO NATURAL GAS COMPANY	(Now Yates Pet.)	
WELL	ARCO STATE # 1-16	#1 Medano	
FIELD	WILDCAT	"VA" State.	
COUNTY	EDDY	STATE	NEW MEXICO
Location	1980' FSL & 1980' FWL	Other Services:	
Sec.	16	Twp	23-S
Rge	31-E		
Permanent Datum	Ground Level	Elev.	3358
Log Measured From	K. B. 23	Ft. Above Perm. Datum	
Drilling Measured From	Kelly Bushing	Elev.	K.B. 3381
			D.F. 3380
			O.L. 3358
Date	4-26-71	5-28-71	7-2-71
Run No.	- One -	- Two -	- Three -
Depth-Driller	4,180	12,465	14,155
Depth-Welex	4,178	12,459	14,160
Btm. Log Inter.	4,156	12,440	14,132
Top Log Inter.	Surf.	4,156	12,440
Casing-Driller	20" @ 627	3-3/8 @ 4167	9-5/8 @ 2,444
Casing-Welex			7-5/8 @ 1415
Bit Size	17-1/2"	12-1/4"	8-1/2"
Type Fluid in Hole	Brine	Water	Mud
Dens. & Visc.	10.2 l	8.8 l 28	12.9 l 51
pH & Fluid Loss	10.5 l ml	1	10.0 16.2 ml
Source of Sample	Circ.	Circ.	Circ.
R. @ Meas. Temp.	@ °F	.102 @ 80 °F	.69 @ 102 °F
R. @ Meas. Temp.	@ °F	@ °F	.45 @ 81 °F
R. @ Meas. Temp.	@ °F	@ °F	.042 @ 78 °F
Source R. & V.	l	l	l
R. @ BHT	@ °K	@ °F	Measured
Time Since Circ.			Measured
Max. Rec. Temp.	108°F @ BH	170°F @ BH	200°F @ BH
Equip. Location	8642 Hobbs	8444 Hobbs	8443 Hobbs
Recorded By	Whiteacre	Stroud	Cable
Witnessed By	Mr. Plotte	Mr. Sheldon	Stroud

Reproduced By

Electrical Log Services

Midland, Texas 79701

REFERENCE W 5399F



47 COMPLETION RECORD

SPUD DATE

COMP DATE

DST RECORD

API NO. 30-015-20423

CASING RECORD

PERFORATING RECORD

ACID. FRAC SHOT

I P

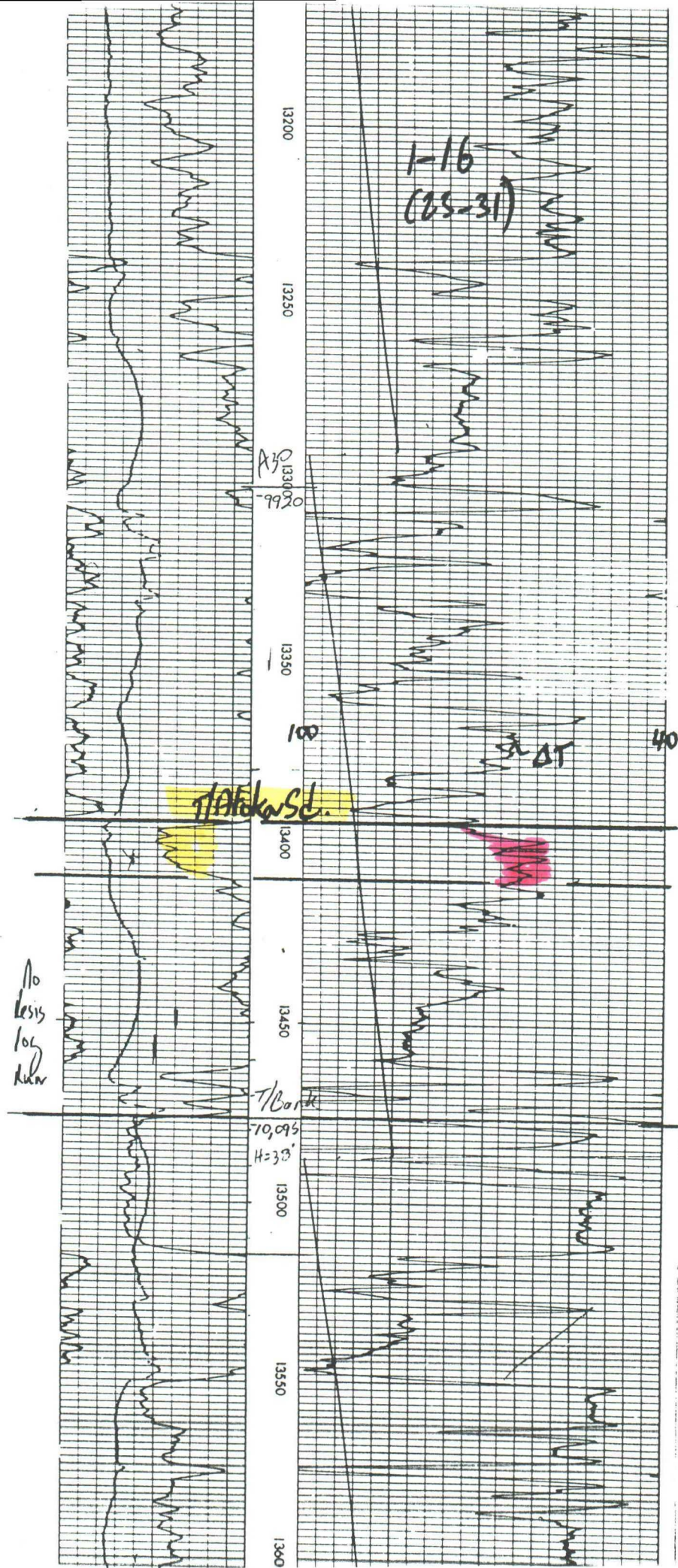
GOR

GR

T P

C P

REMARKS



29

Schlumberger

SIMULTANEOUS COMPENSATED-NEUTRON FORMATION DENSITY

PURE GOLD PROSPECT
PURE GOLD "C"
FED NO. 1
COQUINA OIL CORP.

COMPANY COQUINA OIL CORPORATION
WORK COPY
WELL PURE GOLD "C" FED NO. 1/
FIELD PURE GOLD PROSPECT
COUNTY EDDY STATE NEW MEXICO

LOCATION 660' FSL & 1980' FWL
API SERIAL NO SEC TWP RANGE
17 23-S 31-E
Other Services:
DLL/MSFL
BHC

Permanent Datum: G.L. ; Elev.: 3327
Log Measured From K.B. 26 Ft. Above Perm. Datum
Drilling Measured From K.B. Elev.: K.B. 3353
D.F.
G.L. 3327

Date	7-3-82	7-21-82		
Run No.	ONE	TWO		
Depth-Driller	14246	14850		
Depth-Logger	14244	14838		
Btm Log Interval	14220	14835		
Top Log Interval	SURF	14227		
Casing-Driller	9 5/8 12429	7 5/8 14237	@	@
Casing-Logger	12400	14227		
Bit Size	8 1/2	6.5		
Type Fluid in Hole	::	SALT GEL		
De vis.	13	39	9.9	29
pH	9	9 ml	9.5	8 ml
Source of Sample	CIRC	MUD PIT		
R. u Meas. Temp.	.045 @ 98 F	.064 @ 87 F	@	@
R. u Meas. Temp.	@ F	@ F	@	@
R. u Meas. Temp.	a F	@ F	@	@
Source Rmf				
R. u BHT	.024 @ 194 F	.028 @ 204 F	@	@
Circulation Stopped	1300	0300		
Logger on Bottom	2130	1030		
Max Rec. Temp.	194 F	204 F	F	F
Equip Location	8141 RSWL	8141 RSWL		
Recorded By	MURRAY	JENSEN		
Witnessed By	WILLIS	WILLIS		

PROPERTY OF
BASS ENTERPRISES PRODUCTION CO.
ENGINEERING SECTION

The well name, location and borehole reference data were furnished by the customer.

FOLD HERE

RUN NO.	ONE	TWO		
Service Order No.	293132			
Fluid Level	FULL	FULL		
Solids PPM CL	151000	160000		
Type Log				
Depth				

13100

Pure Gold 6-1

A30

-9789

9789

13200

T/A to be Sample

-9871

DSF 12994-13017

Ra 5.258 mm 2.1 k

ISIP 7971

PSIP 7778

CAMPBELL, CARR & BERGE, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE

MICHAEL H. FELDEWERT
TANNIS L. FOX
TANYA M. TRUJILLO
PAUL R. OWEN

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

March 19, 1996

BY FACSIMILE AND MAIL

Bureau of Land Management
Post Office Box 1397
Roswell, New Mexico 88201
ATTENTION: Mr. Tony Ferguson

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

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87504-1148
ATTENTION: Ms. Jami Bailey

Re: **Application for Approval of the Third and Fourth Revisions of the Initial Atoka Participating Area; James Ranch Unit; Eddy County, New Mexico**

Gentlemen and Ms. Bailey:

On behalf of Enron Oil & Gas Company ("Enron"), please accept this letter in protest of Bass Enterprises Production Co.'s ("Bass") referenced application.

Pursuant to "Article 11 of the James Ranch Unit Agreement dated April 22, 1953 no participating area shall be revised without the consent of the owners of all working interests within the participating area. Enron is the largest and, except for Bass, the only working interest owner in the current Atoka Participating Area. Bass has not given Enron any information concerning these applications. Enron has not consented to the third or fourth revisions proposed by Bass. Until March 14, 1996 Enron did not even know Bass was proposing these revisions. Enron has previously requested that Bass involve Enron in this process (orally and by letter) (see letter of April 10, 1995) before submission of revisions to government agencies. However, these requests have been ignored.

Bureau of Land Management
New Mexico Oil Conservation Division
Commissioner of Public Lands
March 19, 1996
Page 2

Enron received the legal description of what Bass proposes to include in the participating area, from the BLM on March 14. Based on this description, and a review of its own geological and engineering data, Enron does not concur with the revisions proposed by Bass.

Much of the land included in these revisions has not been developed. In addition, the data currently available on this area does not support the conclusion that it has reasonably been proved to be productive of unitized substances in paying quantities. Furthermore, the proposed revision is inconsistent with the record made by Bass in Oil Conservation Case No. 11019, which was heard on September 22, 1994. In that case, the testimony of Bass' own expert witnesses appears inconsistent with these applications.

Enron requests that approval of the Application of Bass for the Third and Fourth Expansions of the Atoka Participating Area in the James Ranch Unit be withdrawn. Enron further requests that the Bureau of Land Management, the Commissioner of Public Lands, and the Oil Conservation Division return to Bass its applications with instructions to comply with the James Ranch Unit Agreement and obtain the consent of Enron prior to filing these requests for revisions. In the event Enron and Bass have not come to a mutually agreeable resolution of this matter within sixty (60) days of the date the application is returned to Bass, Enron requests that a hearing be set before agency representatives and the parties be given an opportunity to present technical data in support of appropriate Atoka participating area boundaries.

Your attention of this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", with a stylized flourish at the end.

WILLIAM F. CARR
ATTORNEY FOR ENRON OIL & GAS COMPANY

WFC:mlh
Enclosures as indicated
cc: Patrick J. Tower

ENRON

Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

April 10, 1995

Mr. John Smitherman
Bass Enterprises
P.O. Box 2760
Midland, Texas 79702

Re: **Recent Developments and
Proposal Plan of Action
James Ranch Unit Atoka PA
Eddy County, New Mexico**

Dear John:

Bass, Mitchell and Yates recently made Atoka sand completions to the north of the James Ranch Unit Atoka PA. Geologic mapping and bottomhole pressure information concludes that the new completions and existing PA wells are producing gas from the same reservoir. Competition between wells for the remaining reserves is obvious; although, the magnitude of drainage effects was not agreed upon by Enron and Bass engineering personnel in a meeting on Thursday, March 30, 1995.

Current Atoka PA daily production is estimated to be 4.5 MMCFD with non-PA wells producing 18 to 20 MMCFD. Mapping and pressure data show these wells to be producing from the same reservoir as the current Atoka PA wells, and that reserves are being lost to the newly drilled wells. To prevent further loss of reserves to the PA wells, Enron proposes the following program be initiated immediately:

- No. 1 Expand the James Ranch Unit Atoka PA to include the S/2 of Section 12-23S-31E, containing the Bass, James Ranch Unit No. 70 and to include the James Ranch Unit No. 11.
- No. 2 Fracture-stimulate the James Ranch Unit Nos. 10, 11 and 13 with Alco-foam within 90 days (AFE's for these jobs are attached). Install compression as soon as stabilized rates are achieved.

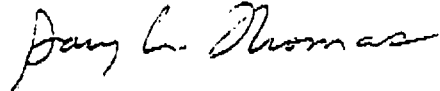
James Ranch Unit Atchafalaya PA
April 10, 1995
Page 2

Enron anticipates that it will soon be a working interest owner in the James Ranch Unit No. 70 and thereby requests that Bass provide a copy of all drilling, completion and test information on the well.

Enron views the above request to be top priority due to the potential for additional lost reserves. Enron also has plans to recomplete the James Ranch Unit No. 17 and perform additional work as outlined in our meeting with you last week. The AFEs will be sent to you later this week. Please respond to this proposal at your earliest convenience.

Sincerely,

ENRON OIL & GAS COMPANY

A handwritten signature in cursive script that reads "Gary L. Thomas".

Gary L. Thomas
Vice President & General Manager

CAMPBELL, CARR & BERGE, P.A.
LAWYERSMICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGEMICHAEL H. FELDHEIM
TANNIS L. FOR
TANYA M. TRUJILLO
PAUL R. OWENJACK M. CAMPBELL
OF COUNSELJEFFERSON PLAZA
SUITE 1110 NORTH GUADALUPE
POST OFFICE BOX 8200
SANTA FE, NEW MEXICO 87504-8200
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 988-4443**TELECOPIER COVER SHEET**Date: 3-21-96TO: Bill LeMayFROM: Paul OwenTELECOPIER NUMBER: 827-8177TOTAL PAGES (including this cover sheet): 3

DOCUMENT: _____

OPERATOR: Manita CLIENT/MATTER #: 185

PLEASE CALL:

☐ TO CONFIRM RECEIPT☐ AFTER REVIEW

MESSAGE: _____

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PLEASE CALL OPERATOR AT (505) 988-4421****THIS DOCUMENT IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHOM
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DOCUMENT.**

THANK YOU

CAMPBELL, CARR & BERGE, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN

MICHAEL H. FELDEWERT
TANNIS L. FOX
TANYA M. TRUJILLO
PAUL R. OWEN

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 866-4421
TELECOPIER: (505) 866-8044

March 21, 1996

VIA FACSIMILE

Bureau of Land Management
Post Office Box 1397
Roswell, New Mexico 88201
ATTENTION: Mr. Tony Ferguson

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505
ATTENTION: Mr. William J. LeMay

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87504-1148
ATTENTION: Ms. Jami Bailey

**Re: *Third and Fourth Revisions to the Atoka Participating Area, James Ranch
Unit Area, Eddy Count, New Mexico.***

Gentlemen and Ms. Bailey:

In further support of the March 19, 1996 protest of Enron Oil & Gas Company ("Enron") of Bass Enterprises Production Co.'s ("Bass") referenced application, we submit the following information. We previously advised you that Bass failed to comply with Article 11 of the James Unit Agreement dated April 22, 1953.

As we previously advised, Article 11 of the Unit Agreement requires that participating areas may only be revised "with the consent of the owners of all working interests in the lands within the participating areas" to be revised. Enron's consent to the revisions was never sought or obtained.

March 21, 1996

Page 2

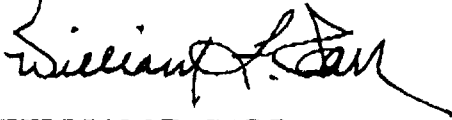
Furthermore, Article 25 of the Unit Agreement requires that Bass, as the Unit Operator, must provide notice to any party whose interest may be affected by an agency action prior to appearing before the Department of the Interior, the Commissioner of Public Lands, and the New Mexico Oil Conservation Division. In order to obtain approval of the revisions, Bass appeared before all three of those agencies. Paragraph 26 of the Unit Agreement provides specific methods of providing notice. Enron did not receive notice of the application for the revisions. In fact, it is our understanding that Bass did not provide notice to any party whose interest would be affected by the revisions.

As we indicated in our letter to you of March 19, 1996, Enron is the largest, and except for Bass, the only working interest owner in the current Atoka Participating Area. Enron's interests are severely affected by the revisions. Therefore, Bass was required to provide notice to, and obtain consent from, Enron, prior to applying for approval of the revisions. Bass did neither.

Enron requests that you consider Bass's failure to notify Enron of the requests for approval of the revisions of the participating area in light of the requirements imposed upon Bass by Articles 25 and 11 of the Unit Agreement. Once again, Enron requests that you rescind any approval that has been issued and return Bass's application for approval of the revisions with instructions to Bass to provide notice to Enron of the proposed revisions and to obtain Enron's consent to the revisions as stated in the March 19, 1996 letter.

Thank you for your attention to this matter. We anticipate your response.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr", with a stylized flourish at the end.

WILLIAM F. CARR

/mb

CAMPBELL, CARR & BERGE, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN

MICHAEL H. FELDEWERT
TANNIS L. FOX
TANYA M. TRUJILLO
PAUL R. OWEN

JACK M. CAMPBELL
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JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 968-4481
TELECOPIER: (505) 968-6043

March 25, 1996

VIA FACSIMILE AND U.S. MAIL

Bass Enterprises Production Co.
Attention: Mr. Wayne Bailey
201 Main Street
Fort Worth, Texas 76102-3131

**Re: *Third and Fourth Revisions to the Atoka Participating Area,
James Ranch Unit Area, Eddy Count, New Mexico.***

Dear Mr. Bailey:

On behalf of Enron Oil and Gas Company, we hereby demand that you withdraw the third and fourth revisions ("revisions") to the Atoka Participating Area, James Ranch Unit Area, Eddy County, New Mexico, which were approved by the Bureau of Land Management (BLM) on March 4, 1996. We also demand that you immediately provide Enron with all data supporting your application for the above revisions, specifically including any data that supports the effective dates of December 1, 1982, and July 1, 1993 for the revisions.

These demands are made because the process by which you requested approval of the above revisions is in violation of the provisions of the James Ranch Unit Agreement ("Unit Agreement"), entered into as of April 22, 1953. In order that any revisions to the Atoka Participating Area may be accomplished in compliance with the explicit terms and requirements of the Unit Agreement, you must immediately withdraw the revisions, provide Enron with the requested data, and obtain the concurrence of all interest owners who will be affected by any revision.

Mr. Wayne Bailey
March 25, 1996
Page 2

Enron is the largest and, except for Bass, the only working interest owner in the current Atoka Participating Area. The revisions seriously injure Enron's interests. Paragraph 11 of the Unit Agreement requires that participating areas may only be revised "with the consent of the owners of all working interests in the lands within the participating areas" to be revised. Enron's consent to the revisions was never sought or obtained.

Furthermore, paragraph 25 of the Unit Agreement requires that Bass, as the Unit Operator, must provide notice to any party whose interest may be affected by an agency action prior to appearing before the Department of the Interior, the Commissioner of Public Lands, and the New Mexico Oil Conservation Division. In order to obtain approval of the revisions, Bass appeared before all three of those agencies. Paragraph 26 of the Unit Agreement provides specific methods of providing notice. Enron did not receive notice of the application for the revisions. In fact, it is our understanding that Bass did not provide notice to any party whose interest would be affected by the revisions.

Enron has previously requested that Bass involve Enron in the process of expanding participating areas, before any request is submitted to any governmental agency. Bass has ignored those requests. Therefore, Bass's failure to provide notice to, and obtain consent of, Enron, prior to submitting any request to any governmental agency, appears to be willful and will be so considered in any further proceedings regarding this matter. Additionally, we renew Enron's request, and right provided by the Unit Agreement, to be apprised of, and consent to, any action regarding the Unit that will affect Enron's interests in any way. You must involve Enron in the process before any requests to governmental agencies are submitted.

The Unit Agreement further provides that the approval of the BLM, the New Mexico Commissioner of Public Lands, and the New Mexico Oil Conservation division is required for any establishment or expansion of participating areas. The BLM's approval of Bass's application is explicitly "conditioned upon conditional approval from the New Mexico Oil Conservation Division and the New Mexico Commissioner of Public Lands." We are advised that the Commissioner of Public Lands has not yet extended approval. Therefore, Bass may still cure any defects by withdrawing the current requests for approval of the revisions and then providing notice to, and obtaining the consent of, Enron, prior to submitting a new request for approval of the revisions.

Enron would like to cooperatively review Bass's data concurrently with data developed by Enron in order to develop a participating area that is mutually satisfactory. However, should

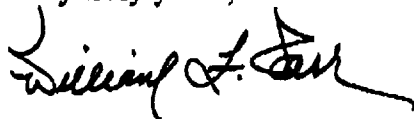
Mr. Wayne Bailey

March 25, 1996

Page 3

Bass fail to withdraw the revisions by Friday, March 30, 1996, Enron will consider that lack of response a refusal to comply, and will take appropriate action to protect its interests.

Very truly yours,



WILLIAM F. CARR

/mb

cc: Tony Ferguson
Jami Bailey
William J. LeMay
Pat Tower

**CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS**

**MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN**

**MICHAEL H. FELDEWERT
TANNIS L. FOX
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PAUL R. OWEN**

**JACK M. CAMPBELL
OF COUNSEL**

**JEFFERSON PLACE
SUITE 1 -110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043**

TELECOPIER COVER SHEET

March 27, 1996

To: William J. LeMay
NM Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Fax: (505) 827-8177

Re: *Application for Approval of Third and Fourth Revisions of Initial
Atoka Participating Area; James Ranch Unit*

FROM: William F. Carr/Paul R. Owen

TOTAL PAGES (including this cover sheet): 5

DOCUMENT:

OPERATOR: Marita

CLIENT/MATTER # 185

PLEASE CALL: ☐ TO CONFIRM RECEIPT ☐ AFTER REVIEW

IF THERE ARE ANY PROBLEMS WITH OUR TRANSMISSION,
PLEASE CALL OPERATOR AT (505) 988-4421.

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CAMPBELL, CARR & BERGE, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM P. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN

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TELEPHONE: (505) 998-4421
TELECOPIER: (505) 993-8043

March 27, 1996

VIA FACSIMILE AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William C. Calkins, State Director
United States Department of the Interior
Bureau of Land Management
Post Office Box 27115
Santa Fe, New Mexico 87502

**Re: *Third and Fourth Revisions to the Atoka Participating Area, James Ranch
Unit Area, Eddy Count, New Mexico. BLM # 3180 (06200) 14-08-001-5558***

Dear Mr. Calkins:

Pursuant to 43 C.F.R. §§ 3185.1 and 3165.3(b), Enron Oil & Gas Company ("Enron"), a party adversely affected by an action taken by the United States Department of the Interior, Bureau of Land Management, (the "Department") under 43 C.F.R. §3183.5, hereby requests administrative review of the decision of the Department to approve the application of Bass Enterprises Production Co. for approval of the third and fourth revisions of the Atoka Participating Area, James Ranch Unit (the "Revisions"). The approval of the Department was issued on March 4, 1996.

William C. Calkins

March 27, 1996

Page 2

Propriety of this appeal.

Enron is the largest, and except for Bass, the only working interest owner in the current Atoka Participating Area. Enron's interests are severely affected by the revisions. Therefore, Enron may properly seek review of the Department's approval of Bass' application for approval of the Revisions. 43 C.F.R. §§ 3185.1 and 3165.3(b) (1995). This appeal, taken pursuant to 43 C.F.R. §§ 3185.1 and 3165.3(b), is timely, being submitted to the Department within twenty working days of March 4, 1996, the date of the Department's approval of Bass' application. Enron was not notified of the Department's approval, and did not learn of this action, until March 14, 1996.

Basis of request for State Director review.

This is the whole deal!

The basis for this request for State Director review is Bass' failure to comply with the explicit provisions of the James Ranch Unit Agreement, which governs all revisions of participating areas within the Unit and Bass' misinterpretation of the data which it presented in support of its proposed revision of the Atoka Participating Area in the James Ranch Unit. The process by which Bass applied for and obtained approval of the Revisions violated several provisions of the Unit Agreement. Accordingly, the Department should have denied approval of the Revisions and directed Bass to comply with the Unit Agreement prior to re-submitting any application for approval of the Revisions.

Article 11 of the Unit Agreement provides that participating areas shall be revised "whenever such action appears proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities . . ." Enron contends that the Revisions do not meet this criteria. Enron proposes to present to the State Director documentation and data that supports this contention. Enron's preliminary review of the relevant data indicates that Bass' contrary position is patently wrong.

Article 11 of the Unit Agreement requires that participating areas may only be revised "with the consent of the owners of all working interests in the lands within the participating areas" to be revised. Enron's consent to the revisions was never sought or obtained.

Article 25 of the Unit Agreement requires that Bass, as the Unit Operator, must provide notice to any party whose interest may be affected by an agency action prior to appearing before the Department of the Interior, the Commissioner of Public Lands, and the New

William C. Calkins

March 27, 1996

Page 3

Mexico Oil Conservation Division. As stated above, Enron is the largest, and except for Bass, the only working interest owner in the current Atoka Participating Area. In order to obtain approval of the revisions, Bass appeared before all three of the above agencies. Paragraph 26 of the Unit Agreement provides specific methods of providing notice. Enron did not receive notice of the application for the revisions. In fact, it is our understanding that Bass did not provide notice to any party whose interest would be affected by the revisions. Therefore, Bass was required to provide notice to, and obtain consent from, Enron, prior to applying for approval of the revisions. Bass did neither.

Request for extension to submit supporting data.

Pursuant to 43 C.F.R. § 3165.3(b), Enron requests that the State Director grant an extension of time in which Enron may submit supporting data supporting Enron's contention that the Revisions are not proper under the explicit requirements of the Unit Agreement, and that the lands sought to be included have not been proved, as a result of further drilling operations or otherwise, to be reasonably proved to be productive in paying quantities.

Prior to filing its application for approval of the Revisions, Bass had a long period of time to compile and interpret its supporting data. 43 C.F.R. § 3183.5 (1995) requires that applications for approval of revisions of participating areas be supported by "[t]wo counterparts of a substantially geologic report, including structure-counter map, cross sections, and pertinent data." To the extent that Bass contends that the data supports the revisions, Enron states that such data cannot support the Revisions. Enron has unsuccessfully sought to obtain the data submitted by Bass. Enron anticipates that it will require sixty additional business days to compile the data necessary to support this contention. Therefore, Enron requests that the State Director allow Enron until June 19, 1996, to submit such data.

Enron requests that the Director inform Enron whether the requested extension is granted as soon as possible.

Request for hearing before the State Director.

Pursuant to 43 C.F.R. § 3165.3(b), Enron requests that it be allowed to submit an oral presentation in support of the State Director's review. Enron states that the technical data and conclusions to be presented will likely substantially differ from that presented by Bass in support of its application for approval of the Revisions. Therefore, an oral presentation will greatly assist the State Director in his review.

William C. Calkins

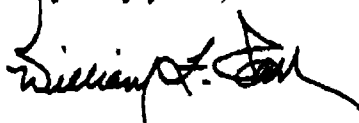
March 27, 1996

Page 4

Request for relief.

Enron requests that the State Director review the Department's approval of Bass' application for approval of the Revisions. Enron requests that the Director rescind the Department's approval and direct the Department to return Bass' application for approval of the revisions with instructions to Bass to provide notice to Enron of the proposed revisions and to obtain Enron's consent to the revisions.

Very truly yours,



WILLIAM F. CARR

PAUL R. OWEN

/mb

cc: Patrick Tower (by facsimile)
Rick Weimer (by facsimile)
Wayne Bailey (by facsimile)
Jami Bailey (by facsimile)
William LeMay (by facsimile)
Tony Ferguson (by facsimile)
Solicitor's Office (by facsimile)
U.S. Dept. of the Interior
Bureau of Land Management



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office
1717 West Second Street
Roswell, New Mexico 88201

RECEIVED
MAR 28 1996
MAR 8 52

IN REPLY REFER TO:

James Ranch Unit
NM-70965

Mr. William F. Carr
Campbell, Carr & Berge, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

MAR 28 1996

Dear Mr. Carr:

We have received your letters on behalf of Enron Oil and Gas Company (Enron) dated March 19, 1996, and March 21, 1996, protesting the Application for Approval of the Third and Fourth Revisions of the Initial Atoka Participating Area as submitted by Bass Enterprises Company (Bass). We have also received the copy of your correspondence with Bass dated March 25, 1996. After a thorough review, which included coordination with the BLM Solicitor's Office, we have the following information to report regarding your protests.

Article 11 of the James Ranch Unit Agreement dated April 22, 1953 states that:

Upon completion of a well capable of producing unitized substances in paying quantities or as soon thereafter as required by the Supervisor or the Commissioner, the Unit Operator shall submit for approval by the Director, the Commissioner and the Commission a schedule, based on sub-divisions of the public land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all land in said schedule on approval of the Director, the Commissioner and the Commission to constitute a participating area, effective as of the date of first production. Said schedule also shall set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area so established, and shall govern the allocation of production from and after the date the participating area becomes effective. A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone, and any two or more participating areas so established may be combined into one with the consent of the owners of all working interests in the lands within the participating areas so to be combined, on approval of the Director, the Commissioner and the Commission. The participating area or areas so established shall be revised from time to time, subject to like approval, whenever such action appears proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities, and the percentage of allocation shall also be revised accordingly. ...

Your protest states that "Pursuant to Article 11 of the James Ranch Unit Agreement dated April 22, 1953, no participating area shall be revised without the consent of the owners of all working interests within the participating area." The consent of the owners of all working interests in the lands within the participating areas is only required when two or more participating areas so established are being combined. The consent of the working interest owners should not be confused with like approval. The language in Article 11 regarding approval is specific to the Director, the

Commissioner and the Commission. The language is also specific to when two or more existing participating areas are proposed for combining. This is clearly not the case in regard to the Third and Fourth Revisions of the Initial Atoka. Therefore, the Third and Fourth Revisions of the Initial Atoka Participating Area do not require consent of the working interests since they are not combining two or more existing participating areas.

Your letter of March 21, 1996, added an additional protest under Article 25 of the Unit Agreement that requires Bass, as the Unit Operator, provide notice to any party whose interest may be affected by an agency action prior to appearing before the Department of the Interior, the Commissioner of Public Lands, and the New Mexico Oil Conservation Division. Article 25 states that:

Unit Operator shall, after notice to other parties affected, have the right to appear for or on behalf of any and all interests affected before the Department of the Interior, the Commissioner of Public Lands and the New Mexico Oil Conservation Commission and to appeal from orders under the regulations of said Department, the Commissioner or Commission, or to apply for relief from any of said regulations or in any proceedings relative to operations before the Department of the Interior, the Commissioner or Commission, or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his own expense to be heard in any such proceedings.

The Bureau of Land Management (BLM) recognizes that notice to other parties affected is required under Article 25 of the James Ranch Unit Agreement. The BLM also recognizes that the Unit Operating Agreement specifically addresses the notification and approval of actions involving the Unit Operator and Working Interest Owners. The BLM, therefore believes that sufficient controls are in place to address operational conflicts between the working interest owners and the Unit Operator.

In response to your protest, we have notified Bass of their responsibilities as Unit Operator under Articles 25 and 26. We are also enclosing a copy of our correspondence and instructions to Bass for your records. One of the major benefits of unitization is the streamlining of the approval process and the ability to work exclusively with and through the Unit Operator. Finally, the BLM requests that Enron and Bass work out an agreement to follow for future revisions that will allow for a more mutually beneficial approach to approval actions.

If you have any questions, please feel free to give me a call at (505) 627-0298.

Sincerely,



Tony L. Ferguson
Assistant District Manager,
Minerals Support Team

Enclosure

1 - Copy of Bass Letter Dated March 28, 1996 (2 pages)

cc:

Bass Enterprises Production Co.
Attention: Mr. Wayne Bailey
201 Main Street
Fort Worth, Texas 76102-3131

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office
1717 West Second Street
Roswell, New Mexico 88201

OIL CONSERVATION DIVISION
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IN REPLY REFER TO:

James Ranch Unit
NM-70965

CERTIFIED--RETURN RECEIPT REQUESTED
P 392 286 011

MAR 28 1996

Mr. Wayne Bailey
Bass Enterprises Production Company
201 Main Street
Fort Worth, Texas 76102-3131

Dear Mr. Bailey:

The Bureau of Land Management (BLM) has received a formal protest regarding the Third and Fourth Revisions to the Atoka Participating Area, James Ranch Unit Area, Eddy County, New Mexico from Enron Oil and Gas Company (Enron). Enron is a working interest owner in the James Ranch Unit and as such is recognized as an affected party.

Based upon information supplied by Enron and in accordance with Article 25 of the James Ranch Unit Agreement entered into as of April 22, 1953, Bass Enterprises Production Company (Bass) is required to adhere to the following:

Unit Operator shall, after notice to other parties affected, have the right to appear for or on behalf of any and all interests affected hereby before the Department of the Interior, the Commissioner of Public Lands and the New Mexico Oil Conservation Commission and to appeal from orders issued under the regulations of said Department, the Commissioner or Commission, or to apply for relief from any of said regulations or in any proceedings relative to operations before the Department of the Interior, the Commissioner or Commission, or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his own expense to be heard in any such proceeding.

Enron claims that Bass failed to provide notice of the proposed Third and Fourth Revisions to the Atoka Participating Area, prior to submittal of applications to the BLM, New Mexico Oil Conservation Division, and the Commissioner of Public Lands.

Therefore, the BLM hereby orders the following:

- (1) That Bass contact Enron and provide notice as specifically addressed under Articles 25 and 26 of the James Ranch Unit Agreement.
- (2) That Bass provide a statement to BLM within 15 days of receipt of this letter, specifically documenting that notification was served to Enron as per the James Ranch Unit Agreement.

(3) That Bass follow the notification procedures as outlined in Articles 25 and 26 on all future proposed revisions to the James Ranch Unit Area.

The Third and Fourth Revisions to the Atoka Participating Area, requires approval by the BLM, the Commissioner, and the Commission. The BLM and the New Mexico Oil Conservation Commission have approved the proposed revisions. The Commissioner of Public Lands, however, has not formally approved the revisions, thus final approval has not been issued. The BLM has contacted the Commissioner and has requested that final approval action be withheld until this issue between Bass and Enron has been resolved.

One of the major benefits of unitization is the streamlining of the approval process and the ability to work exclusively with and through the Unit Operator. It is advantageous to all affected parties that this dispute be resolved as soon as possible. As Unit Operator, it is Bass' responsibility to follow all requirements of the Unit Agreement.

If BLM does not receive the documentation as requested in item (2) above within the specified time frames, we will rescind the BLM approval and return the proposed revision package to Bass.

If you have any questions, please feel free to give me a call at (505) 627-0298.

Sincerely,



Tony L. Ferguson
Assistant District Manager,
Minerals Support Team

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

SDR 96-013
3165.3 (NM 93200)

APR 1 1996

Mr. William Carr
Campbell, Carr, Berge & Sheridan
P.O. Box 2208
Santa Fe, NM 87504-2208

Re: State Director Review, Third and Fourth Revisions to the Atoka Participating Area,
James Ranch Unit, Eddy, County, New Mexico

Dear Mr. Carr:

We received your request for the subject State Director Review on March 27, 1996. It is our understanding that our Roswell District Office (RDO) is in the process of following up on written protests filed by Enron Oil and Gas Company. We hereby grant your request for an extension of time until June 19, 1996, to submit your statement of reasons. This extension should allow sufficient time to prepare your case, as well as give RDO a chance to pursue Enron's protests.

Please contact Rick Wymer at (505) 438-7411 to make arrangements for an oral presentation or for answers to questions concerning this appeal. Our review should be completed within ten (10) business days after receipt of your written and oral arguments.

Sincerely,

Stephen D. Salzman

Acting

Richard A. Whitley
Deputy State Director
Resource Planning, Use and Protection

cc:

Enron Oil and Gas Company
Attention: Mr. Patrick Tower
P.O. Box 2267
Midland, TX 79702

Bass Enterprises Production Company
Attention: Mr. Wayne Bailey
201 Main Street
Fort Worth, TX 76102-3131

NM060 (Minerals Support Team - NMNM70965)

022.DAWYMER-04/01/96:312:SDR.96.13.LTR

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

APR 11 1996
11 6 52

April 2, 1996

CERTIFIED EXPRESS MAIL

Enron Oil and Gas Company
P.O. Box 2267
Midland, Texas 79702

Attention: Mr. Patrick Tower

Re: Notice of Participating Area Revisions
Third and Fourth Revisions
Atoka Participating Area
James Ranch Unit
Eddy County, New Mexico

Gentlemen:

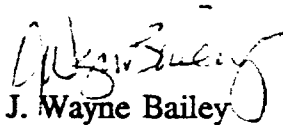
As you are aware, as a result of the drilling and completion of the James Ranch Unit No. 70 Well, Bass, as Operator of the James Ranch Unit, on July 18, 1995 submitted an application for creation of an Atoka Participating Area around said well. Subsequent to the filing of said application, on November 2, 1995 Enron made an appearance before the BLM in opposition to Bass' plan and proposed changes which involved revisions and expansions of the existing Atoka Participating Area in the unit. Subsequently, in accordance with the BLM's guidelines, Bass revised its application to provide for the Third and Fourth Revisions of the Atoka Participating Area in the James Ranch Unit, copies of which are attached herewith for your reference. The Bureau of Land Management and the New Mexico Oil Conservation Division have approved the above revisions and a final approval is pending before the Commissioner of Public Lands.

As you also aware, by letter dated March 28, 1996, the BLM requested that Bass provide Enron formal written notice of its revised proposal with respect to the Third and Fourth Revisions of the Atoka Participating Area in accordance with Articles 25 and 26 of the Unit Agreement. This letter shall constitute formal written notice in accordance with the BLM's letter dated March 28, 1996 and specifically notice of the Third and Fourth Revisions to the Atoka Participating Area which was submitted by Bass to the BLM by letter dated February 8, 1996, copy of which is attached herewith. Further, Bass will notify Enron in accordance with Articles 25 and 26 on future revisions to the James Ranch Unit Area as provided in the BLM's letter of March 28, 1996.

Letter to Enron Oil and Gas Company
April 2, 1996
Page 2

If you have any questions, please call the undersigned at (817) 390-8671.

Very truly yours,


J. Wayne Bailey

JWB:sd

cc: Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504-1148
Attn: Mr. Pete Martinez

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

Bureau of Land Management
1717 W. 2nd Street
Roswell, NM 88201
Attn: Mr. Tony Ferguson

William F. Carr
Campbell, Carr & Berge
P.O. Box 2208
Santa Fe, NM 87504-2208

Losee, Carson, Haas & Carroll
311 W. Quay Ave.
Artesia, NM 88211-1720



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office
1717 West Second Street
Roswell, New Mexico 88201

LAND RECEIVED		
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WRS _____	Jwb <input checked="" type="checkbox"/>	TCS _____
DDC _____	HBF _____	WWC _____
HCM _____	JTW _____	SF _____

IN REPLY REFER TO:

James Ranch Unit
NM-70965

MAR 28 1996

CERTIFIED--RETURN RECEIPT REQUESTED
P 392 286 011

Mr. Wayne Bailey
Bass Enterprises Production Company
201 Main Street
Fort Worth, Texas 76102-3131

Dear Mr. Bailey:

The Bureau of Land Management (BLM) has received a formal protest regarding the Third and Fourth Revisions to the Atoka Participating Area, James Ranch Unit Area, Eddy County, New Mexico from Enron Oil and Gas Company (Enron). Enron is a working interest owner in the James Ranch Unit and as such is recognized as an affected party.

Based upon information supplied by Enron and in accordance with Article 25 of the James Ranch Unit Agreement entered into as of April 22, 1953, Bass Enterprises Production Company (Bass) is required to adhere to the following:

Unit Operator shall, after notice to other parties affected, have the right to appear for or on behalf of any and all interests affected hereby before the Department of the Interior, the Commissioner of Public Lands and the New Mexico Oil Conservation Commission and to appeal from orders issued under the regulations of said Department, the Commissioner or Commission, or to apply for relief from any of said regulations or in any proceedings relative to operations before the Department of the Interior, the Commissioner or Commission, or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his own expense to be heard in any such proceeding.

Enron claims that Bass failed to provide notice of the proposed Third and Fourth Revisions to the Atoka Participating Area, prior to submittal of applications to the BLM, New Mexico Oil Conservation Division, and the Commissioner of Public Lands.

Therefore, the BLM hereby orders the following:

- (1) That Bass contact Enron and provide notice as specifically addressed under Articles 25 and 26 of the James Ranch Unit Agreement.
- (2) That Bass provide a statement to BLM within 15 days of receipt of this letter, specifically documenting that notification was served to Enron as per the James Ranch Unit Agreement.

(3) That Bass follow the notification procedures as outlined in Articles 25 and 26 on all future proposed revisions to the James Ranch Unit Area.

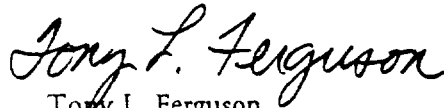
The Third and Fourth Revisions to the Atoka Participating Area, requires approval by the BLM, the Commissioner, and the Commission. The BLM and the New Mexico Oil Conservation Commission have approved the proposed revisions. The Commissioner of Public Lands, however, has not formally approved the revisions, thus final approval has not been issued. The BLM has contacted the Commissioner and has requested that final approval action be withheld until this issue between Bass and Enron has been resolved.

One of the major benefits of unitization is the streamlining of the approval process and the ability to work exclusively with and through the Unit Operator. It is advantageous to all affected parties that this dispute be resolved as soon as possible. As Unit Operator, it is Bass' responsibility to follow all requirements of the Unit Agreement.

If BLM does not receive the documentation as requested in item (2) above within the specified time frames, we will rescind the BLM approval and return the proposed revision package to Bass.

If you have any questions, please feel free to give me a call at (505) 627-0298.

Sincerely,

A handwritten signature in black ink that reads "Tony L. Ferguson". The signature is written in a cursive, flowing style.

Tony L. Ferguson
Assistant District Manager,
Minerals Support Team

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

February 8, 1996

Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

Attention: Mr. Tony Ferguson

New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. William LeMay

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

Attention: Ms. Jami Bailey

Re: Application for Approval of the Third Revision of the
Initial Atoka Participating Area
James Ranch Unit, No. 14-08-001-558
Eddy County, New Mexico

Gentlemen:

Bass Enterprises Production Co., as unit operator of the James Ranch Unit Agreement pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the selection of the following described lands to constitute the third revision to the Initial Atoka Participating Area. The revised participating area consists of 2,604.65 acres to be comprised of the lands indicated on the plat attached hereto and further described as follows:

E/2 Section 35, S/2 Section 36, T22S-R30E
S/2 Section 31, T22S-R31E
E/2, NE/4 NW/4 Section 1, T23S-R30E
W/2 W/2 Section 5, Section 6, W/2 Section 8, SW/4 Section 17, T23S-R31E

All in Eddy County, New Mexico and containing exactly 2,604.65 acres of land.

February 8, 1996

Page 2


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

1. An ownership map (Exhibit "A") depicting the boundaries of the proposed third revision to the Initial Atoka Participating Area.
2. A schedule (Exhibit "B") identifying the lands entitled to participation in the revised participating area with the percentage of participation of each lease or tract indicated thereon.
3. A geological report with accompanying geological maps supporting and justifying the proposed selection of the revised area based on the results obtained from the Santa Fe 1-C Pure Gold Federal.

This proposed third revision to the Initial Atoka Participating Area is predicated upon the knowledge and information first obtained from the the Santa Fe 1-C Pure Gold Federal Well located in SE/4 SW/4 Section 17, T23S-R31E in December, 1982. According to Section 11 of the Unit Agreement, the effective date of the subject revision should be the first of the month in which the above information was obtained or December 1, 1982. Therefore, Bass respectfully requests your approval of the hereinabove described 2,604.65 acres of land to constitute the third revision of the Initial Atoka Participating Area, to be effective December 1, 1982.

Thank you very much for your cooperation in this regard and should you have any questions or comments concerning same, please do not hesitate to contact the undersigned.

Very truly yours,


J. Wayne Bailey
Division Landman

JWB/WWC:sd

ACCEPTED AND AGREED this _____ day of _____, 1996.

BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By: _____

EXHIBIT "B"
Third Revision to Initial Atoka Participating Area
James Ranch Unit
Eddy County, New Mexico

<u>Tract Lease No. No.</u>	<u>Description</u>	<u>Participating Acres</u>	<u>Percentage of Participation</u>	<u>Working Interest Owners</u>
2 NM 02883-A	Section 5, T23S-R31E; SW/4 NW/4, W/2 SW/4	120.00	4.6071	Bass Enterprises Production Co. - 100%
3 NM 02884-A	Section 1, T23S-R30E; Lot 3	40.30	1.5472	Bass Enterprises Production Co. - 50% Enron Oil & Gas Co. - 50%
3-A NM 02884-B	Section 1, T-23S-R30E; Lots 1 & 2, S/2 NE/4, SE/4	320.24	12.2949	Bass Enterprises Production Co. - 37.5093% Enron Oil & Gas Co. - 62.4906%
4 NM 02887-A	Section 6, T23S-R31E; Lots 1 & 2, S/2 NE/4, NE/4 SE/4	199.92	7.6755	Bass Enterprises Production Co. - 74.9937% Enron Oil & Gas Co. - 25.0063%
4 NM 02887-D	Section 6, T23S-R31E; Lots 3, 4, 5, SE/4 NW/4	161.08	6.1843	Bass Enterprises Production Co. - 33.3333% Enron Oil & Gas Co. - 66.6667%
4-A NM 02887-B	Section 5, T23S-R31E; Lot 4	39.98	1.5350	Bass Enterprises Production Co. - 100%
6 NM 02952-C	Section 35, T22S-R30E; NE/4	160.00	6.1429	Bass Enterprises Production Co. - 100%
6-A NM 02952-A	Section 35, T22S-R30E; SE/4	160.00	6.1429	Bass Enterprises Production Co. - 100%

EXHIBIT "B"
Third Revision to Initial Atoka Participating Area
Page 2

<u>Tract Lease No. No.</u>	<u>Description</u>	<u>Participating Acres</u>	<u>Percentage of Participation</u>	<u>Working Interest Owners</u>
7 NM 02953-C	Section 31, T22S-R31E; S/2	320.98	12.3233	Bass Enterprises Production Co. - 33.3333% Enron Oil & Gas Co. - 66.6667%
8 NM 04473	Section 6, T23S-R31E; Lots 6, 7, E/2 SW/4, W/2 SE/4, SE/4 SE/4	282.15	10.8325	Bass Enterprises Production Co. - 51.0554% Enron Oil & Gas Co. - 48.9445%
20 LC 071988-B	Section 8, T23S-R31E; W/2 Section 17, T23S-R31E; NW/4	480.00	18.4286	Bass Enterprises Production Co. - 100%
21 E-5229-1	Section 36, T22S-R30E; SW/4	160.00	6.1429	Bass Enterprises Production Co. - 75% Enron Oil & Gas Co. - 25%
21 E-5229-2	Section 36, T22S-R30E; SE/4	160.00	6.1429	Bass Enterprises Production Co. - 50% Enron Oil & Gas Co. - 50%
TOTALS:		2604.65	100%	
Total Federal Lands:	2284.65 Acres			
Total State Lands:	320.00 Acres			
Total Fee Lands:	<u>0.00 Acres</u>			
Total:	2604.65 Acres			

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

February 8, 1996

Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

Attention: Mr. Tony Ferguson

New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. William LeMay

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

Attention: Ms. Jami Bailey

Re: Application for Approval of the Fourth Revision of the
Initial Atoka Participating Area
James Ranch Unit, No. 14-08-001-558
Eddy County, New Mexico

Gentlemen:

Bass Enterprises Production Co., as unit operator of the James Ranch Unit Agreement pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the selection of the following described lands to constitute the fourth revision to the Initial Atoka Participating Area. The revised participating area consists of 2,844.50 acres to be comprised of the lands indicated on the plat attached hereto and further described as follows:

SW/4 NW/4 Section 7, T22S-R31E
N/2 SE/4, SW/4 SE/4, S/2 SW/4 Section 12, T22S-R30E
E/2 Section 35, S/2 Section 36, T22S-R30E
S/2 Section 31, T22S-R31E
E/2, NE/4 NW/4 Section 1, T23S-R30E
W/2 W/2 Section 5, Section 6, W/2 Section 8, SW/4 Section 17, T23S-R31E

All in Eddy County, New Mexico and containing exactly 2,844.50 acres of land.


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

1. An ownership map (Exhibit "A") depicting the boundaries of the proposed fourth revision to the Initial Atoka Participating Area.
2. A schedule (Exhibit "B") identifying the lands entitled to participation in the revised participating area with the percentage of participation of each lease or tract indicated thereon.
3. A geological report with accompanying geological maps supporting and justifying the proposed selection of the revised area based on the results obtained from the Mitchell Energy-Apache Federal 13 No. 1.

This proposed fourth revision to the Initial Atoka Participating Area is predicated upon the knowledge and information first obtained from the Mitchell Energy-Apache Federal 13 No. 1 located in SE/4 NE/4 Section 13, T22S-R30E in July, 1993. According to Section 11 of the Unit Agreement, the effective date of the subject revision should be the first of the month in which the above information was obtained or July 1, 1993. Therefore, Bass respectfully requests your approval of the hereinabove described 2,844.50 acres of land to constitute the fourth revision of the Initial Atoka Participating Area, to be effective July 1, 1993.

Thank you very much for your cooperation in this regard and should you have any questions or comments concerning same, please do not hesitate to contact the undersigned.

Very truly yours,


J. Wayne Bailey
Division Landman

JWB/WWC:sd

ACCEPTED AND AGREED this _____ day of _____, 1996.

BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By: _____

EXHIBIT "B"
Fourth Revision to Initial Atoka Participating Area
James Ranch Unit
Eddy County, New Mexico

<u>Tract Lease No. No.</u>	<u>Description</u>	<u>Participating Acres</u>	<u>Percentage of Participation</u>	<u>Working Interest Owners</u>
1	NM 0300 Section 12, T22S-R30E; N/2SE/4, SW/4 SE/4, S/2 SW/4	200.00	7.0311	Bass Enterprises Production Co. - 100%
2	NM 02883-A Section 5, T23S-R31E; SW/4 NW/4, W/2 SW/4	120.00	4.2187	Bass Enterprises Production Co. - 100%
3	NM 02884-A Section 1, T23S-R30E; Lot 3	40.30	1.4168	Bass Enterprises Production Co. - 50% Enron Oil & Gas Co. - 50%
3-A	NM 02884-B Section 1, T-23S-R30E; Lots 1&2, S/2 NE/4, SE/4	320.24	11.2582	Bass Enterprises Production Co. - 37.5093% Enron Oil & Gas Co. - 62.4906%
4	NM 02887-A Section 6, T23S-R31E; Lots 1&2, S/2 NE/4, NE/4 SE/4	199.92	7.0283	Bass Enterprises Production Co. - 74.9937% Enron Oil & Gas Co. - 25.0063%
4	NM 02887-D Section 6, T23S-R31E; Lots 3, 4, 5, SE/4 NW/4	161.08	5.6629	Bass Enterprises Production Co. - 33.3333% Enron Oil & Gas Co. - 66.6667%
4-A	NM 02887-B Section 5, T23S-R31E; Lot 4	39.98	1.4055	Bass Enterprises Production Co. - 100%
6	NM 02952-C Section 35, T22S-R30E; NE/4	160.00	5.6249	Bass Enterprises Production Co. - 100%

EXHIBIT "B"
Fourth Revision to Initial Atoka Participating Area
Page 2

<u>Tract Lease No. No.</u>	<u>Description</u>	<u>Participating Acres</u>	<u>Percentage of Participation</u>	<u>Working Interest Owners</u>
6-A NM 02952-A	Section 35, T22S-R30E; SE/4	160.00	5.6249	Bass Enterprises Production Co. - 100%
7 NM 02953-C	Section 31, T22S-R31E; S/2	320.98	11.2842	Bass Enterprises Production Co. - 33.3333% Enron Oil & Gas Co. - 66.6667%
8 NM 04473	Section 6, T23S-R31E; Lots 6, 7, E/2 SW/4, W/2 SE/4, SE/4 SE/4	282.15	9.9191	Bass Enterprises Production Co. - 51.0554% Enron Oil & Gas Co. - 48.9445%
18 NM 69509	Section 7, T22S-R31E; SW/4 NW/4	39.85	1.4009	Bass Enterprises Production Co. - 100%
20 LC 071988-B	Section 8, T23S-R31E; W/2 Section 17, T23S-R31E; NW/4	480.00	16.8747	Bass Enterprises Production Co. - 100%
21 E-5229-1	Section 36, T22S-R30E; SW/4	160.00	5.6249	Bass Enterprises Production Co. - 75% Enron Oil & Gas Co. - 25%
21 E-5229-2	Section 36, T22S-R30E; SE/4	160.00	5.6249	Bass Enterprises Production Co. - 50% Enron Oil & Gas Co. - 50%
TOTALS:		2844.50	100%	
Total Federal Lands:	2524.50 Acres			
Total State Lands:	320.00 Acres			
Total Fee Lands:	<u>0.00</u> Acres			
Total:	2844.50 Acres			

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN

MICHAEL H. FELDEWERT
TANNIS L. FOX
TANYA M. TRUJILLO
PAUL R. OWEN

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 3, 1996

HAND-DELIVERED

New Mexico Department of Energy,
Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Attn: Mr. Roy E. Johnson

Re: **Application of Bass Enterprises Production Company for Approval of the
Third and Fourth Revisions to the Atoka Participating Area, James
Ranch Unit Area, Eddy County, New Mexico**

Dear Mr. Johnson:

By letters dated March 19, 1996 and March 21, 1996 to the Bureau of Land Management, the Commissioner of Public Lands and the Oil Conservation Division, Enron Oil & Gas Company ("Enron"), protested the above-referenced applications of Bass Enterprises Production Company ("Bass").

The Bureau of Land Management has concurred with Enron that Article 25 of the James Ranch Unit Agreement ("the Unit Agreement") requires Bass to notify Enron of proposed revisions to the Atoka Participating Area in this unit prior to submission of applications for approval of revisions to governmental authorities. The BLM wrote Bass on March 28, 1996, directing Bass to formally provide notice to Enron of the proposed revisions under Articles 25 and 26 of the Unit Agreement and to otherwise comply with the terms of this agreement.

The BLM and OCD have approved the Third and Fourth Revisions. However, the State Land Office has not given its approval and the BLM has contacted the Commissioner of Public Lands and requested that his final approval be withheld until this issue between Bass

Mr. Roy E. Johnson
New Mexico Department of Energy,
Minerals and Natural Resources
Oil Conservation Division
April 3, 1996
Page 2

and Enron has been resolved.

Enron does not agree with the Third and Fourth Revisions proposed by Bass and has requested review by the BLM's State Director of the technical data supporting these proposed expansions. Enron requested sixty (60) working days (until June 19, 1996) to prepare and submit its data and recommendations. This request was granted on this date.

It is Enron's hope that Bass will comply with the provisions of the Unit Agreement and that the parties will be able to agree on revisions to the Atoka Participating Area. If this does not occur, Enron will oppose the current proposed revisions before the State Director.

The James Ranch Unit Agreement was accepted and approved by the Oil Conservation Commission by Order No. R-2979. By its approval, the Commission has endorsed this unit contract as being consistent with its statutory duties: the prevention of waste and the protection of correlative rights. Not only do parties to these contracts, like Enron, rely on that approval, but their property rights are protected by the provisions in the Unit Agreement which require OCD approval of revisions of participating areas.

Although Bass filed its applications in early February, 1996, it was not until March 14, 1996 that Enron learned that Bass was proposing revisions to the Atoka Participating Area in this unit. Articles 25 and 26 of the Unit Agreement entitle Enron to notice of these applications, and Enron's approval of the proposed revisions is required prior to submission of an application to the Oil Conservation Division. These procedures were not followed. Therefore, Division approval of these revisions violates the Unit Agreement, impairs the correlative rights of Enron, will lead to waste, and violates Enron's due process rights. The only way this can be corrected is for the Division to withdraw its approval of these revisions until Enron has been given notice of the proposed changes and an opportunity to have a hearing on them.

Enron requests that the Oil Conservation Division withdraw its approval of Bass's application for the Third and Fourth Revisions of the Atoka Participating Area of the James Ranch Unit Area. If the Division does not withdraw its approval of this application, Enron

Mr. Roy E. Johnson
New Mexico Department of Energy,
Minerals and Natural Resources
Oil Conservation Division
April 3, 1996
Page 3

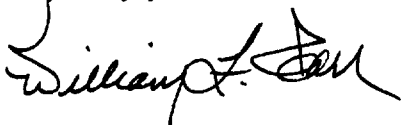
requests that it be set for hearing before a Division Examiner to permit Enron an opportunity to present its evidence in opposition to this application. Since notice was not given to Enron of this application as provided in Article 25 of the Unit Agreement, Enron's request for hearing is timely. Furthermore, no Division rule provides less than twenty days afforded to a party adversely affected by a Division decision to seek further review of that action.

When the Division sets this matter for hearing, to protect Enron's due process rights the Division must also allow Enron adequate time to prepare its case. The BLM has agreed to extend the time for filing of Enron's technical data to June 19, 1996 and Enron hereby requests that any hearing on this matter be scheduled after that date.

Enclosed for your review is the James Ranch Unit Agreement and Enron's March 19th and 21, 1996 letters and the responses of the BLM dated March 28th and April 2, 1996.

Your attention to this matter is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", with a stylized flourish at the end.

WILLIAM F. CARR
ATTORNEY FOR ENRON OIL & GAS COMPANY

WFC:mlh
Enclosures as indicated

Mr. Roy E. Johnson
New Mexico Department of Energy,
Minerals and Natural Resources
Oil Conservation Division
April 3, 1996
Page 4

cc: Bureau of Land Management
Post Office Box 1397
Roswell, New Mexico 88201
ATTENTION: Mr. Tony Ferguson

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87504-1148
ATTENTION: Ms. Jami Bailey

Mr. Patrick J. Tower
Enron Oil & Gas Company
Post Office Box 2267
Midland, TX 79702

Ernest L. Carroll, Esq.
Losee, Carson, Haas & Carroll, P.A.
Post Office Box 1720
Artesia, NM 88211-1720
Attorney for Bass Enterprises Production Company

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

APR 11 1996
FBI - DALLAS
APR 11 1996

April 4, 1996

Bureau of Land Management
1717 West 2nd Street
Roswell, New Mexico 88201

Attn: Mr. Tony Ferguson

Re: Affidavit of Notice
Third & Fourth Revisions
Atoka Participating Area
James Ranch Unit
Eddy County, New Mexico

Dear Mr. Ferguson:

Pursuant to the second requirement contained in your letter dated March 28, 1996, please find attached hereto one (1) original copy of that certain Affidavit of Notice whereby the undersigned has stated that Enron Oil & Gas was provided with notice regarding the Third and Fourth Revisions of the Atoka Participating Area of the James Ranch Unit by certified express mail on April 2, 1996. It is Bass' understanding that the BLM's requirements in this regard have now been met. Thank you very much for your cooperation in this regard and should you have any questions or comments concerning same, please do not hesitate to contact the undersigned.

Very truly yours,


J. Wayne Bailey

JWB:sd

C:\LMH\JWB\BLM8

Letter to Bureau of Land Management
April 4, 1996
Page 2

cc: Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504-1148
Attn: Mr. Pete Martinez

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

William F. Carr
Campbell, Carr & Berge
P.O. Box 2208
Santa Fe, NM 87504-2208

Losee, Carson, Haas & Carroll
311 W. Quay Ave.
Artesia, NM 88211-1720

Enron Oil and Gas Company
P.O. Box 2267
Midland, Texas 79702
Attn: Mr. Patrick Tower

c:\lmh\jwb\blm7

AFFIDAVIT OF NOTICE

The undersigned, J. Wayne Bailey, upon being duly sworn, deposes and states that:


1. My name is J. Wayne Bailey, and I am Division Landman of Bass Enterprises Production Co. of Fort Worth, Texas.
2. I caused the attached Notice regarding the Third and Fourth Revisions of the Atoka Participating Area, James Ranch Unit, Eddy County, New Mexico, mailed by Certified Express Mail, return receipt requested, to Enron Oil & Gas Company on April 2, 1996. A copy of said notice is attached hereto as Exhibit "A" and contains the undersigned's signature thereon.

Further affiant sayeth not.



J. WAYNE BAILEY
Bass Enterprises Production Co.

J. WAYNE BAILEY, being first duly sworn, states on oath that all of the representations in this affidavit are true as far as affiant knows or is informed, and that such affidavit is true, accurate and complete to the best of affiant's knowledge and belief.



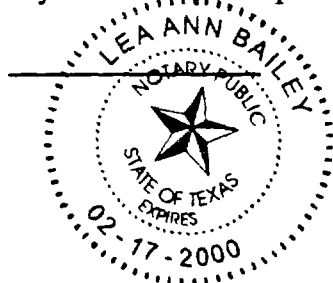
J. Wayne Bailey

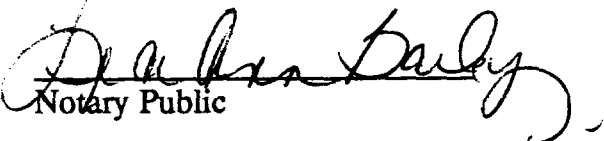
STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on April 4, 1996, by J. Wayne Bailey, Division Landman of Bass Enterprises Production Co., a Texas Corporation, on behalf of said corporation.

My Commission expires:





Notary Public

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

April 2, 1996

CERTIFIED EXPRESS MAIL

Enron Oil and Gas Company
P.O. Box 2267
Midland, Texas 79702

Attention: Mr. Patrick Tower

Re: Notice of Participating Area Revisions
Third and Fourth Revisions
Atoka Participating Area
James Ranch Unit
Eddy County, New Mexico

Gentlemen:

As you are aware, as a result of the drilling and completion of the James Ranch Unit No. 70 Well, Bass, as Operator of the James Ranch Unit, on July 18, 1995 submitted an application for creation of an Atoka Participating Area around said well. Subsequent to the filing of said application, on November 2, 1995 Enron made an appearance before the BLM in opposition to Bass' plan and proposed changes which involved revisions and expansions of the existing Atoka Participating Area in the unit. Subsequently, in accordance with the BLM's guidelines, Bass revised its application to provide for the Third and Fourth Revisions of the Atoka Participating Area in the James Ranch Unit, copies of which are attached herewith for your reference. The Bureau of Land Management and the New Mexico Oil Conservation Division have approved the above revisions and a final approval is pending before the Commissioner of Public Lands.

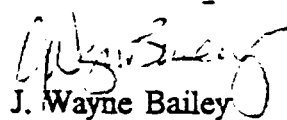
As you also aware, by letter dated March 28, 1996, the BLM requested that Bass provide Enron formal written notice of its revised proposal with respect to the Third and Fourth Revisions of the Atoka Participating Area in accordance with Articles 25 and 26 of the Unit Agreement. This letter shall constitute formal written notice in accordance with the BLM's letter dated March 28, 1996 and specifically notice of the Third and Fourth Revisions to the Atoka Participating Area which was submitted by Bass to the BLM by letter dated February 8, 1996, copy of which is attached herewith. Further, Bass will notify Enron in accordance with Articles 25 and 26 on future revisions to the James Ranch Unit Area as provided in the BLM's letter of March 28, 1996.

EXHIBIT "A"

Letter to Enron Oil and Gas Company
April 2, 1996
Page 2

If you have any questions, please call the undersigned at (817) 390-8671.

Very truly yours,


J. Wayne Bailey

JWB:sd

cc: Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504-1148
Attn: Mr. Pete Martinez

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

Bureau of Land Management
1717 W. 2nd Street
Roswell, NM 88201
Attn: Mr. Tony Ferguson

William F. Carr
Campbell, Carr & Berge
P.O. Box 2208
Santa Fe, NM 87504-2208

Losee, Carson, Haas & Carroll
311 W. Quay Ave.
Artesia, NM 88211-1720



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office
1717 West Second Street
Roswell, New Mexico 88201

LAND RECEIVED		
APR 01 1996		
WRS _____	Jwd <input checked="" type="checkbox"/>	TCS _____
DDC _____	HBF _____	WWC _____
HCM _____	JTW _____	SF _____

IN REPLY REFER TO:

James Ranch Unit
NM-70965

MAR 28 1996

CERTIFIED--RETURN RECEIPT REQUESTED
P 392 286 011

Mr. Wayne Bailey
Bass Enterprises Production Company
201 Main Street
Fort Worth, Texas 76102-3131

Dear Mr. Bailey:

The Bureau of Land Management (BLM) has received a formal protest regarding the Third and Fourth Revisions to the Atoka Participating Area, James Ranch Unit Area, Eddy County, New Mexico from Enron Oil and Gas Company (Enron). Enron is a working interest owner in the James Ranch Unit and as such is recognized as an affected party.

Based upon information supplied by Enron and in accordance with Article 25 of the James Ranch Unit Agreement entered into as of April 22, 1953, Bass Enterprises Production Company (Bass) is required to adhere to the following:

Unit Operator shall, after notice to other parties affected, have the right to appear for or on behalf of any and all interests affected hereby before the Department of the Interior, the Commissioner of Public Lands and the New Mexico Oil Conservation Commission and to appeal from orders issued under the regulations of said Department, the Commissioner or Commission, or to apply for relief from any of said regulations or in any proceedings relative to operations before the Department of the Interior, the Commissioner or Commission, or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his own expense to be heard in any such proceeding.

Enron claims that Bass failed to provide notice of the proposed Third and Fourth Revisions to the Atoka Participating Area, prior to submittal of applications to the BLM, New Mexico Oil Conservation Division, and the Commissioner of Public Lands.

Therefore, the BLM hereby orders the following:

- (1) That Bass contact Enron and provide notice as specifically addressed under Articles 25 and 26 of the James Ranch Unit Agreement.
- (2) That Bass provide a statement to BLM within 15 days of receipt of this letter, specifically documenting that notification was served to Enron as per the James Ranch Unit Agreement.

(3) That Bass follow the notification procedures as outlined in Articles 25 and 26 on all future proposed revisions to the James Ranch Unit Area.

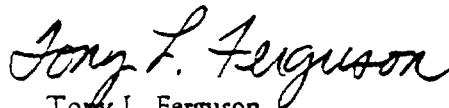
The Third and Fourth Revisions to the Atoka Participating Area, requires approval by the BLM, the Commissioner, and the Commission. The BLM and the New Mexico Oil Conservation Commission have approved the proposed revisions. The Commissioner of Public Lands, however, has not formally approved the revisions, thus final approval has not been issued. The BLM has contacted the Commissioner and has requested that final approval action be withheld until this issue between Bass and Enron has been resolved.

One of the major benefits of unitization is the streamlining of the approval process and the ability to work exclusively with and through the Unit Operator. It is advantageous to all affected parties that this dispute be resolved as soon as possible. As Unit Operator, it is Bass' responsibility to follow all requirements of the Unit Agreement.

If BLM does not receive the documentation as requested in item (2) above within the specified time frames, we will rescind the BLM approval and return the proposed revision package to Bass.

If you have any questions, please feel free to give me a call at (505) 627-0298.

Sincerely,



Tony L. Ferguson
Assistant District Manager,
Minerals Support Team

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

February 8, 1996

Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

Attention: Mr. Tony Ferguson

New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. William LeMay

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

Attention: Ms. Jami Bailey

Re: Application for Approval of the Third Revision of the
Initial Atoka Participating Area
James Ranch Unit, No. 14-08-001-558
Eddy County, New Mexico

Gentlemen:

Bass Enterprises Production Co., as unit operator of the James Ranch Unit Agreement pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the selection of the following described lands to constitute the third revision to the Initial Atoka Participating Area. The revised participating area consists of 2,604.65 acres to be comprised of the lands indicated on the plat attached hereto and further described as follows:

E/2 Section 35, S/2 Section 36, T22S-R30E
S/2 Section 31, T22S-R31E
E/2, NE/4 NW/4 Section 1, T23S-R30E
W/2 W/2 Section 5, Section 6, W/2 Section 8, SW/4 Section 17, T23S-R31E

All in Eddy County, New Mexico and containing exactly 2,604.65 acres of land.

February 8, 1996

Page 2


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

1. An ownership map (Exhibit "A") depicting the boundaries of the proposed third revision to the Initial Atoka Participating Area.
2. A schedule (Exhibit "B") identifying the lands entitled to participation in the revised participating area with the percentage of participation of each lease or tract indicated thereon.
3. A geological report with accompanying geological maps supporting and justifying the proposed selection of the revised area based on the results obtained from the Santa Fe 1-C Pure Gold Federal.

This proposed third revision to the Initial Atoka Participating Area is predicated upon the knowledge and information first obtained from the the Santa Fe 1-C Pure Gold Federal Well located in SE/4 SW/4 Section 17, T23S-R31E in December, 1982. According to Section 11 of the Unit Agreement, the effective date of the subject revision should be the first of the month in which the above information was obtained or December 1, 1982. Therefore, Bass respectfully requests your approval of the hereinabove described 2,604.65 acres of land to constitute the third revision of the Initial Atoka Participating Area, to be effective December 1, 1982.

Thank you very much for your cooperation in this regard and should you have any questions or comments concerning same, please do not hesitate to contact the undersigned.

Very truly yours,


J. Wayne Bailey
Division Landman

JWB/WWC:sd

ACCEPTED AND AGREED this _____ day of _____, 1996.

BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By: _____

EXHIBIT "B"
Third Revision to Initial Atoka Participating Area
James Ranch Unit
Pddy County, New Mexico

<u>Tract Lease No. No.</u>	<u>Description</u>	<u>Participating Acres</u>	<u>Percentage of Participation</u>	<u>Working Interest Owners</u>
2 NM 02883-A	Section 5, T23S-R31E; SW/4 NW/4, W/2 SW/4	120.00	4.6071	Bass Enterprises Production Co. - 100%
3 NM 02884-A	Section 1, T23S-R30E; Lot 3	40.30	1.5472	Bass Enterprises Production Co. - 50% Enron Oil & Gas Co. - 50%
3-A NM 02884-B	Section 1, T-23S-R30E; Lots 1 & 2, S/2 NE/4, SE/4	320.24	12.2949	Bass Enterprises Production Co. - 37.5093% Enron Oil & Gas Co. - 62.4906%
4 NM 02887-A	Section 6, T23S-R31E; Lots 1 & 2, S/2 NE/4, NE/4 SE/4	199.92	7.6755	Bass Enterprises Production Co. - 74.9937% Enron Oil & Gas Co. - 25.0063%
4 NM 02887-D	Section 6, T23S-R31E; Lots 3, 4, 5, SE/4 NW/4	161.08	6.1843	Bass Enterprises Production Co. - 33.3333% Enron Oil & Gas Co. - 66.6667%
4-A NM 02887-B	Section 5, T23S-R31E; Lot 4	39.98	1.5350	Bass Enterprises Production Co. - 100%
6 NM 02952-C	Section 35, T22S-R30E; NE/4	160.00	6.1429	Bass Enterprises Production Co. - 100%
6-A NM 02952-A	Section 35, T22S-R30E; SE/4	160.00	6.1429	Bass Enterprises Production Co. - 100%

EXHIBIT "B"
Third Revision to Initial Atoka Participating Area
 Page 2

Tract Lease No. No.	Description	Participating Acres	Percentage of Participation	Working Interest Owners
7 NM 02953-C	Section 31, T22S-R31E; S/2	320.98	12.3233	Bass Enterprises Production Co. - 33.3333% Enron Oil & Gas Co. - 66.6667%
8 NM 04473	Section 6, T23S-R31E; Lots 6, 7, E/2 SW/4, W/2 SE/4, SE/4 SE/4	282.15	10.8325	Bass Enterprises Production Co. - 51.0554% Enron Oil & Gas Co. - 48.9445%
20 LC 071988-B	Section 8, T23S-R31E; W/2 Section 17, T23S-R31E; NW/4	480.00	18.4286	Bass Enterprises Production Co. - 100%
21 E-5229-1	Section 36, T22S-R30E; SW/4	160.00	6.1429	Bass Enterprises Production Co. - 75% Enron Oil & Gas Co. - 25%
21 E-5229-2	Section 36, T22S-R30E; SE/4	160.00	6.1429	Bass Enterprises Production Co. - 50% Enron Oil & Gas Co. - 50%
TOTALS:		2604.65	100%	
Total Federal Lands: 2284.65 Acres				
Total State Lands: 320.00 Acres				
Total Fee Lands: 0.00 Acres				
Total: 2604.65 Acres				

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

February 8, 1996

Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201

Attention: Mr. Tony Ferguson

New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. William LeMay

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

Attention: Ms. Jami Bailey

Re: Application for Approval of the Fourth Revision of the
Initial Atoka Participating Area
James Ranch Unit, No. 14-08-001-558
Eddy County, New Mexico

Gentlemen:

Bass Enterprises Production Co., as unit operator of the James Ranch Unit Agreement pursuant to the provisions of Section 11 thereof, respectfully submits for your approval the selection of the following described lands to constitute the fourth revision to the Initial Atoka Participating Area. The revised participating area consists of 2,844.50 acres to be comprised of the lands indicated on the plat attached hereto and further described as follows:

SW/4 NW/4 Section 7, T22S-R31E
N/2 SE/4, SW/4 SE/4, S/2 SW/4 Section 12, T22S-R30E
E/2 Section 35, S/2 Section 36, T22S-R30E
S/2 Section 31, T22S-R31E
E/2, NE/4 NW/4 Section 1, T23S-R30E
W/2 W/2 Section 5, Section 6, W/2 Section 8, SW/4 Section 17, T23S-R31E

All in Eddy County, New Mexico and containing exactly 2,844.50 acres of land.

February 8, 1996

Page 2


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

1. An ownership map (Exhibit "A") depicting the boundaries of the proposed fourth revision to the Initial Atoka Participating Area.
2. A schedule (Exhibit "B") identifying the lands entitled to participation in the revised participating area with the percentage of participation of each lease or tract indicated thereon.
3. A geological report with accompanying geological maps supporting and justifying the proposed selection of the revised area based on the results obtained from the Mitchell Energy-Apache Federal 13 No. 1.

This proposed fourth revision to the Initial Atoka Participating Area is predicated upon the knowledge and information first obtained from the Mitchell Energy-Apache Federal 13 No. 1 located in SE/4 NE/4 Section 13, T22S-R30E in July, 1993. According to Section 11 of the Unit Agreement, the effective date of the subject revision should be the first of the month in which the above information was obtained or July 1, 1993. Therefore, Bass respectfully requests your approval of the hereinabove described 2,844.50 acres of land to constitute the fourth revision of the Initial Atoka Participating Area, to be effective July 1, 1993.

Thank you very much for your cooperation in this regard and should you have any questions or comments concerning same, please do not hesitate to contact the undersigned.

Very truly yours,


J. Wayne Bailey
Division Landman

JWB/WWC:sd

ACCEPTED AND AGREED this _____ day of _____, 1996.

BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By: _____

EXHIBIT "B"
Fourth Revision to Initial Atoka Participating Area
James Ranch Unit
Eddy County, New Mexico

<u>Tract Lease No.</u>	<u>No.</u>	<u>Description</u>	<u>Participating Acres</u>	<u>Percentage of Participation</u>	<u>Working Interest Owners</u>
1	NM 0300	Section 12, T22S-R30E; N/2SE/4, SW/4 SE/4, S/2 SW/4	200.00	7.0311	Bass Enterprises Production Co. - 100%
2	NM 02883-A	Section 5, T23S-R31E; SW/4 NW/4, W/2 SW/4	120.00	4.2187	Bass Enterprises Production Co. - 100%
3	NM 02884-A	Section 1, T23S-R30E; Lot 3	40.30	1.4168	Bass Enterprises Production Co. - 50% Enron Oil & Gas Co. - 50%
3-A	NM 02884-B	Section 1, T-23S-R30E; Lots 1&2, S/2 NE/4, SE/4	320.24	11.2582	Bass Enterprises Production Co. - 37.5093% Enron Oil & Gas Co. - 62.4906%
4	NM 02887-A	Section 6, T23S-R31E; Lots 1&2, S/2 NE/4, NE/4 SE/4	199.92	7.0283	Bass Enterprises Production Co. - 74.9937% Enron Oil & Gas Co. - 25.0063%
4	NM 02887-D	Section 6, T23S-R31E; Lots 3, 4, 5, SE/4 NW/4	161.08	5.6629	Bass Enterprises Production Co. - 33.3333% Enron Oil & Gas Co. - 66.6667%
4-A	NM 02887-B	Section 5, T23S-R31E; Lot 4	39.98	1.4055	Bass Enterprises Production Co. - 100%
6	NM 02952-C	Section 35, T22S-R30E; NE/4	160.00	5.6249	Bass Enterprises Production Co. - 100%

EXHIBIT "B"
Fourth Revision to Initial Atoka Participating Area
Page 2

<u>Tract Lease No. No.</u>	<u>Description</u>	<u>Participating Acres</u>	<u>Percentage of Participation</u>	<u>Working Interest Owners</u>
6-A NM 02952-A	Section 35, T22S-R30E; SE/4	160.00	5.6249	Bass Enterprises Production Co. - 100%
7 NM 02953-C	Section 31, T22S-R31E; S/2	320.98	11.2842	Bass Enterprises Production Co. - 33.3333% Enron Oil & Gas Co. - 66.6667%
8 NM 04473	Section 6, T23S-R31E; Lots 6, 7, E/2 SW/4, W/2 SE/4, SE/4 SE/4	282.15	9.9191	Bass Enterprises Production Co. - 51.0554% Enron Oil & Gas Co. - 48.9445%
18 NM 69509	Section 7, T22S-R31E; SW/4 NW/4	39.85	1.4009	Bass Enterprises Production Co. - 100%
20 LC 071988-B	Section 8, T23S-R31E; W/2 Section 17, T23S-R31E; NW/4	480.00	16.8747	Bass Enterprises Production Co. - 100%
21 E-5229-1	Section 36, T22S-R30E; SW/4	160.00	5.6249	Bass Enterprises Production Co. - 75% Enron Oil & Gas Co. - 25%
21 E-5229-2	Section 36, T22S-R30E; SE/4	160.00	5.6249	Bass Enterprises Production Co. - 50% Enron Oil & Gas Co. - 50%
	TOTALS:	2844.50	100%	

Total Federal Lands: 2524.50 Acres
Total State Lands: 320.00 Acres
Total Fee Lands: 0.00 Acres
Total: 2844.50 Acres

CAMPBELL, CARR & BERGE, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN

MICHAEL H. FELDEWERT
TANNIS L. FOX
TANYA M. TRUJILLO
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JACK M. CAMPBELL
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POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 8, 1996

VIA FACSIMILE AND U.S. MAIL

United States Department of the Interior
Bureau of Land Management
Post Office Box 1397
Roswell, New Mexico 88201

Attn.: Mr. Tony Ferguson

Re: *Application of Bass Enterprises Production Company for Approval of the
Third and Fourth Revisions to the Atoka Participating Area, James Ranch
Unit Area, Eddy County, New Mexico*

Dear Mr. Ferguson:

This letter is in further protest of Bass Enterprises Production Co. ("Bass")'s application for approval of the third and fourth revisions (the "Revisions") to the Atoka Participating Area in the James Ranch Unit, Eddy County, New Mexico. Enron's due process rights have been violated by the proceedings to date. Enron requests that the United States Department of the Interior, Bureau of Land Management ("BLM") rescind its approval of the Revisions so that Bass might provide Enron notice *prior to* any consideration of the Revisions, and so that the BLM might provide Enron an opportunity to be heard in connection with the proposed Revisions.

On April 5, 1996, Enron Oil & Gas Company received a letter, dated April 2, 1996, from Bass, informing Enron that Bass was in the process of obtaining approval for the Revisions. Bass sent that letter to Enron in an attempt to comply with the BLM's March 28, 1996 order to Bass to comply with Articles 25 and 26 of the James Ranch Unit Agreement. It is our understanding that a copy of that letter was provided to you. We emphasize to you that the

Mr. Tony Ferguson
April 8, 1996
Page 2

letter merely provided Enron with a legal description of the lands at issue. Despite Enron's repeated requests, the formal Requests and Bass's supporting data have never been provided to Enron.

The April 5, 1996 letter from Bass to Enron is insufficient to cure Bass's failure to notify Enron *prior to* seeking approval for the Revisions. Article 25 of the Unit Agreement provides that the unit operator may have the right to appear before the Department of the Interior, the New Mexico Commissioner of Public Lands, and the New Mexico Oil Conservation Commission (the "OCD") "*after notice to other parties.*" Instead of appearing after giving notice, Bass gave notice after appearing. Article 25 of the Unit Agreement further provides that Enron has a right to appear at any hearing in which Bass appears.

You have already issued approval to the Revisions, which approval is contingent to like approval from the State Land Office and the OCD. The OCD has likewise issued its approval. You have asked the State Land Office to withhold approval until the matter of Bass's failure to give notice to Enron is resolved.

Enron has a Constitutionally-protected property interest in its holdings in the James Ranch Unit. *Uhden v. N.M. Oil Conservation Comm'n*, 112 N.M. 528, 530, 817 P.2d 721, 723 (1991). The Revisions severely affect Enron's interests. Before an administrative agency such as the BLM may affect Enron's interest, it must afford Enron notice and the opportunity to be heard. *Id.* The right to be heard includes the right to present evidence and cross-examine the opposing party's witnesses. *Id.* Articles 25 and 26 of the James Ranch Unit Agreement are merely embodiments of Enron's due process rights, and the BLM still has the burden of ensuring that Enron's property interests are not affected without due process.

Bass has already made several appearances before the BLM and has provided its data supporting the Revisions to the BLM. Enron was not provided notice prior to those appearances and did not have the opportunity to present its own data concurrent with Bass's presentation or to critically examine Bass's supporting data. The decision to issue approval has already been made, and any presentation which Enron would make at this point would be insufficient to protect its property interests.

At this point, the only way that the BLM may provide Enron due process is to rescind its approval and order Bass to provide notice to Enron *prior to* submitting any additional requests for approval. Although it is likely that Enron will still be opposed to the proposed Revisions, Enron will at that point be able to appear before the BLM and make its case

Mr. Tony Ferguson

April 8, 1996

Page 3

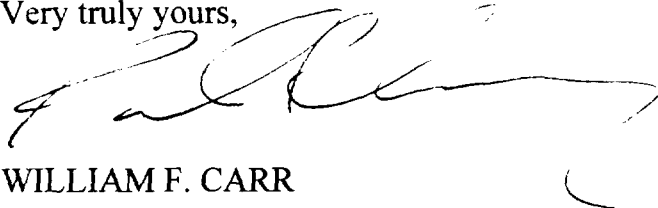
against the proposed Revisions.

In its letter to Enron, a copy of which was provided to you, Bass states that "on November 2, 1995, Enron made an appearance before the BLM in opposition to Bass' [sic] plan and proposed changes which involved revisions and expansions of the existing Atoka Participating Area in the unit." This statement leads the reader to believe that Enron has been aware of the proposed Revisions and has already appeared before the BLM in connection with those Revisions.

In fact, Bass did not apply for approval of the Revisions until February 8, 1996, over two months *after* Bass represents that Enron appeared before the BLM in connection with the proposed Revisions. Enron has never appeared before the BLM in connection with the proposed Revisions. The November 2, 1995 appearance before the BLM, to which Bass refers, was made to repudiate Bass's efforts to establish a stand-alone 320-acre participating area for its James Ranch Unit #70 well. At no time were the boundaries of the proposed Revisions discussed, and no technical data which Bass has submitted in support of the proposed Revisions has ever been provided to Enron, despite Enron's repeated requests for that data.

Concurrent with this correspondence, we are requesting that the State Land Office continue to withhold approval of the Revisions until this matter is resolved.

Very truly yours,



WILLIAM F. CARR

PAUL R. OWEN

/mb

cc: Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87504-1148
ATTENTION: Ms. Jami Bailey

Mr. Tony Ferguson

April 8, 1996

Page 4

New Mexico Department of Energy,
Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
ATTENTION: Mr. Roy E. Johnson

Mr. Patrick J. Tower
Enron Oil & Gas Company
Post Office Box 2267
Midland, Texas 79702

Ernest L. Carroll, Esq.
Losee, Carson, Haas & Carroll, P.A.
Post Office Box 1720
Artesia, New Mexico 88211-1720
Attorneys for Bass Enterprises Production Co.

CAMPBELL, CARR & BERGE, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN

MICHAEL H. FELDEWERT
TANNIS L. FOX
TANYA M. TRUJILLO
PAUL R. OWEN

JACK M. CAMPBELL
OF COUNSEL

ENCLOSURE DIVISION
APR 8 1996
103 HP 110 NORTH GUADALUPE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 8, 1996

VIA FACSIMILE AND U.S. MAIL

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, new Mexico 87504-1148

Attn.: Ms. Jami Bailey

Dear Ms. Bailey:

Enclosed please find Enron's further protest to the United States Department of the Interior, Bureau of Land Management ("BLM") of the application of Bass Enterprises Production Co. ("Bass")'s application for approval of the third and fourth revisions (the "Revisions") to the Atoka Participating Area in the James Ranch Unit, Eddy County, New Mexico.

The BLM and the New Mexico Oil Conservation Division ("OCD") have already issued approval to the Revisions, which approval is conditioned upon like approval from the New Mexico State Land Office. The due process concerns which Bass has with the proceedings to date also apply to any approval from the State Land Office. The administrative proceedings by which the State Land Office might approve the proposed revisions must afford Enron due process. *Uhden v. N.M. Oil Conservation Comm'n*, 112 N.M. 528, 530, 817 P.2d 721, 723 (1991).

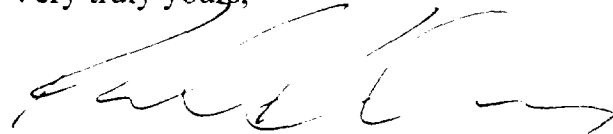
Ms. Jami Bailey

April 8, 1996

Page 2

We request that you continue to withhold approval of the proposed revisions until Enron's due process rights are satisfied.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", with a long horizontal stroke extending to the right.

WILLIAM F. CARR

PAUL R. OWEN

/mb

Enclosure

cc: New Mexico Department of Energy,
Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
ATTENTION: Mr. Roy E. Johnson

United States Department of the Interior
Bureau of Land Management
Post Office Box 1397
Roswell, New Mexico 88201
ATTENTION: Mr. Tony Ferguson

Mr. Patrick J. Tower
Enron Oil & Gas Company
Post Office Box 2267
Midland, Texas 79702

Ernest L. Carroll, Esq.
Losee, Carson, Haas & Carroll, P.A.
Post Office Box 1720
Artesia, New Mexico 88211-1720
Attorneys for Bass Enterprises Production Co.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSSELL DISTRICT OFFICE
1717 West Second Street
Roswell, New Mexico 88202



IN REPLY REFER TO:

James Ranch Unit
NM-70965

APR 16 1996

Mr. Paul Owen
Campbell, Carr & Berge, P.A.
P.O. Box 2208
Santa Fe, New Mexico 87504-2208

Dear Mr. Owen:

We received your letter on behalf of Enron Oil and Gas Company (Enron) dated April 8, 1996 regarding the continued protest of the application of Bass Enterprises Production Company (BEPCO) for approval of the Third and Fourth Revisions to the Atoka Participating Area in the James Ranch Unit. After careful review and coordination with our solicitor, we would like to respond to the following issues that have been raised:

(1) Due process rights

The James Ranch Unit Agreement is viewed as a contract between the Bureau of Land Management and the Unit Operator. In this case, the Unit Operator (BEPCO) is totally responsible for meeting all the requirements of the Unit Agreement. Any technical or philosophical differences between the Unit Operator and working interest owners must be resolved outside the Unit Agreement. The Unit Agreement contains no provisions for resolution of differences. This matter is normally addressed through a Unit Operating Agreement of which the BLM is not a party. Therefore, the issue of due process rights will not be considered by the BLM and we recommend that a solution be sought outside of the Unit Agreement arguments.

(2) Notification requirements

As per the Unit Agreement language, there are no requirements for the Unit Operator to provide working interests owners any supporting data when notification is served. If there are no objections from BEPCO, the BLM will allow Enron to review the technical data that has been submitted thus far. If Enron wishes to pursue this, please provide the BLM with some type of approval from BEPCO or have BEPCO contact the BLM by telephone.

(3) Approval conditions and rescinding of BLM approval

We are enclosing a copy of the approval letter that was sent to BEPCO from the BLM dated March 4, 1996, which states "...This approval is conditioned on concurrent approval from the New Mexico Oil Conservation Division and the New Mexico Commissioner of Public Lands." This statement is consistent with the Unit Agreement language in Article 11 regarding approvals and the BLM's approval in this situation, is not viewed as a final agency decision until all approving offices have approved. As you are aware, the BLM has requested the Commissioner of Public Lands to suspend any additional processing on this application. The BLM ordered BEPCO to notify Enron and BEPCO has provided documentation of this to the BLM. As per the language in Article 25 on

appearances, we will allow Enron to make a presentation to all three agencies regarding the proposed Third and Fourth Revisions to the Atoka Participating Area. This presentation, however, will not afford Enron the opportunity to cross-examine BEPCO, but to present technical data only. Therefore the BLM will not reconsider its approval dated March 4, 1996, until after such appearance, at which time we will review the information presented and allow the approval to stand or amend as necessary.

(4) Clarification of prior meetings with Enron

A review of BLM records indicates that representatives from Enron appeared before the BLM on November 2, 1995, regarding proposed revisions to the Atoka Participating Area. In fact, Enron left geological maps including structural interpretations of the area with BLM which are consistent with the proposed revisions as presented by BEPCO. These maps had also been utilized in a hearing before the New Mexico Oil Conservation Division. Enron contacted BLM personnel requesting a status report on the Atoka Participating Area and were fully informed of the proposed revisions. Enron requested that BLM allow them an opportunity to present technical data and BLM allowed Enron to appear. Your statements on page 3 of the letter dated April 8th are correct in that the actual applications from BEPCO for the Revisions were submitted on February 8, 1996. Your statements, however, are incorrect in that the previous meeting on November 2, 1995, with BEPCO and Enron involved proposed revisions to the Atoka Participating Area for the James Ranch Unit #70 well.

(5) State Director Review

The Roswell District Office of the BLM has the delegated authority to approve and administer the Unitization program for the Roswell District. By this letter, we are requesting that the New Mexico State Office of the BLM reconsider its acceptance of your appeal and request for a State Director Review dated March 27, 1996. We feel that an appeal and request for State Director Review by Enron is premature at this time in that the approval is not final until all three agencies grant approval. We deem that to date there has been no affect on Enron and any appeal rights would only be appropriate after the approval is finalized by the office of the Commissioner of Public Lands. Enron would then have the opportunity, if so chosen, to file an appeal asking for a State Director Review.

If there are any questions or you would like to schedule a time for appearing as addressed in issue (4) please give me a call at 505-627-0298.

Sincerely,

(Orig Sdg) Tony L. Ferguson

Tony L. Ferguson
Assistant District Manager,
Minerals Support Team

Enclosure

CC:

Commissioner of Public Lands
State of New Mexico
Attn: Mr. Pete Martinez
P.O. Box 1148
Santa Fe, NM 87504-1148

New Mexico Oil Conservation Division
Attn: Mr. Bill LeMay
2040 South Pacheco Street
Santa Fe, NM 87505

Enron Oil & Gas Company
Attn: Mr. Patrick Tower
P.O. Box 1720
Midland, TX 79702

Bass Enterprises Production Co.
Attn: Mr. Wayne Bailey
201 Main Street
Fort Worth, TX 76102-3131

Losee, Carson, Haas & Carroll, P.A.
Attn: Mr. Jim Haas
P.O. Box 1720
Artesia, NM 88211-1720

NM(93200, R. Wymer)

H. J. Gibson 3/4/96



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSSELL DISTRICT OFFICE
1717 West Second Street
Roswell, New Mexico 88202



J. Smith 3/4/96

IN REPLY REFER TO:

3180 (06200)
14-08-001-5558

MAR 4 1996

Bass Enterprises Production Co.
Attention: Mr. Wayne Bailey
201 Main Street
Fort Worth, TX 76102-3131

Re: Third and Fourth Revisions to the Atoka Participating Area, James Ranch
Unit Area, Eddy County, New Mexico

Gentlemen:

Your application of February 8, 1996, requesting approvals of the Third and Fourth Revision of the Atoka Participating Area, James Ranch Unit, are hereby approved on this date and are effective December 1, 1982, and July 1, 1993, respectively. This approval is conditioned on concurrent approval from the New Mexico Oil Conservation Division and the New Mexico Commissioner of Public Lands.

The Third Revision of the Atoka Participating Area contains 1,683.13 acres more or less and is described as follows:

T. 22 S., R. 30 E., NMPM, Eddy County, New Mexico

sec. 35, E $\frac{1}{2}$;
sec. 36, W $\frac{1}{2}$ SW $\frac{1}{4}$.

T. 23 S., R. 31 E., NMPM, Eddy County

sec. 5, Lot ⁴ 8; SW $\frac{1}{4}$ NW $\frac{1}{4}$ and W $\frac{1}{2}$ SW $\frac{1}{4}$;
sec. 6, all;
sec. 8, W $\frac{1}{2}$;
sec. 17, NW $\frac{1}{4}$.

The third revision is based on DST data from the Pure Gold "C" No. 1 well and well data from the James Ranch Unit No. 7 well located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$, sec. 17, and the SW $\frac{1}{4}$ NE $\frac{1}{4}$, sec. 7, T. 23 R., 31 E., NMPM, Eddy County, respectively. The DST data from the Pure Gold "C" No. 1 well, provided positive data as to the extent of the reservoir as did the well data from the J. R. U. no. 7 well. This data supported BEPCO's mapping of the reservoir in late 1982.

The Fourth Revision of the Atoka Participating Area contains 238.54 acres more or less and is described as follows:

T. 22 S., R. 30 E., NMPM, Eddy County

sec. 12, S $\frac{1}{2}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$

T. 22 S., R. 31 E., NMPM, Eddy County

sec. 7, lot 2.

The fourth revision is based on well log correlations and DST data obtained from the drilling of the Apache "13" No. 1 well located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$, sec 13, T. 22 S., R. 30 E., NMPM. The date of the DST was July 23, 1993, and the DST provided positive data as to the extent of the reservoir.

Copies of the approved applications are being distributed to the appropriate offices and one copy is returned herewith. You are requested to furnish all interested principals with the appropriate evidence of this approval.

If you have any questions please contact John S. Simitz at (505) 627-0288 or the Division of Minerals at (505) 627-0272.

Sincerely,

~~(Long Sig)~~ Tony L. Ferguson

Tony L. Ferguson
Assistant District Manager,
Minerals Support Team

Enclosure

cc:

Commissioner of Public Lands

MMS (3110)

NM (94354)

NM (06200, B. Lopez)

NM (06780, E. Inman)

MARY LYNN BOGLE
ERNEST L. CARROLL
JOEL M. CARSON
DEAN B. CROSS
JAMES E. HAAS

OF COUNSEL
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TELEPHONE
(505) 746-3505
FACSIMILE
(505) 746-6316

April 17, 1996

VIA FACSIMILE AND FIRST CLASS MAIL

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

Attn: Mr. Pete Martinez, Oil and Gas Division

Re: Application of Bass Enterprises Production Co. for Approval of
the Third and Fourth Revisions to the Atoka Participating
Area, James Ranch Unit Area, Eddy County, New Mexico

Dear Mr. Martinez:

Please be advised that this firm represents Bass Enterprises Production Co. ("Bass") with respect to the referenced matter. By letter dated April 8, 1996, Mr. Paul R. Owen of Campbell, Carr and Berge, P. A. wrote to Jami Bailey on behalf of Enron Oil and Gas Company enclosing a copy of their protest to the United States Department of Interior, Bureau of Land Management. Mr. Owen further made certain representations concerning the process by which Bass Enterprises Production Co. has followed in the processing of the referenced matters. Additionally, in that letter Mr. Owen requested that the Commissioner continue to withhold approval of the proposed revisions until Enron's due process rights are satisfied.

To date, there has been a flurry of letter-writing on behalf of Enron by various members of the Campbell, Carr and Berge law firm. Attached hereto is a copy of a letter addressed to Mr. Roy E. Johnson of the New Mexico Department of Energy, Minerals, and Natural Resources, Oil Conservation Division. Said letter deals with the many misrepresentations made in the various letters written to date and should adequately address all but the issue raised in the April 8, 1996, letter to you concerning the applicability of the Uhden v. N.M. Oil Conservation Comm'n case. 112 N.M. 528, 530, 817 P.2d 721, 723 (1991). As you should well understand, the only obligations and rights of the parties in this situation stem from the unit agreement itself. This is a contractual situation. Approval by the Commissioner is not an exercise of the rule-making authority or adjudicatory authority of either the Oil Conservation Commission or the Commissioner of Public Lands. Rather, the

Commission is being asked to approve or disapprove in its role as an interested contracting party. Uhden v. N.M. Oil Conservation Comm'n has no applicability to the issues at hand, based upon that one factual distinction. It is apparent from the attempt by Enron's lawyers to inundate the Commissioner, the Commission and the BLM with letters that Enron is trying to create rights where it has none and its only hope at success is by the mass confusion that it can create.

Even if the Uhden case were applicable, under the factual situation existing, Enron would have lost all claim of any further redress of its rights. A reading of the Uhden case shows that once Ms. Uhden became aware of the proceeding and had a chance to contest the proceeding, the decision made by the Oil Conservation Division was found binding against her from the date of her actual notice. On November 2, 1995, Enron was fully aware of the fact that new information had become available and that the unit agreement required the operator to submit that information to the appropriate authorities. In fact, on that very day Enron appeared at the offices of the BLM to discuss the very matters raised by the referenced applications. Enron, like Ms. Uhden, has no further claim for redress for the notice issue once it became aware of the proceedings involved.

Once you sit back and let the smoke clear, it becomes apparent that this is not an issue of notice, but rather an attempt by Enron to influence the information the operator is required under the unit agreement to submit to the three governmental authorities. Enron's real complaint is that it has no right to dictate the content of the information to be considered by those governmental authorities. As operator, Bass has a duty to submit the data. The governmental authorities then must make their decisions based on that data. Enron would have a right to appeal those decisions once they are made. It is quite apparent that Enron knows that the information submitted requires changes in the participation areas and allocation formulas. What Enron wants to do is to unduly influence those changes by controlling the information submitted prior to action by the three governmental authorities. That is improper under the terms of the unit agreement and Bass stands by its actions as being in strict compliance with the unit agreement.

Because the procedural claims of Enron are inappropriate under the terms of the unit agreement and the Uhden case has no applicability, Enron's request for the Commissioner to withhold a decision on this matter is insupportable. In fact, there is no good reason why the Commissioner should withhold its approval of the subject revisions. The Commissioner has a contractual obligation to render his approval upon the submission of technical data by the operator. There is no obligation of the operator to seek an agreement from the other working interest owners as to the meaning of that data prior to

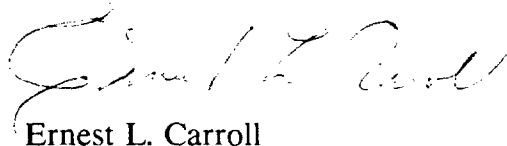
Commissioner of Public Lands
April 17, 1996
Page 3

the submission to the BLM, the Commission and the Commissioner. Bass has met the strict guidelines of the contractual wording of the Unit Agreement; now the Commissioner must likewise act in conformance with the strict guidelines of the unit agreement and render its approval based upon the technical data submitted to it. Since the Commissioner has before him all of the data required under the Unit Agreement, it is now necessary that he make his decision as a party to that Unit Agreement, as both the BLM and the Oil Conservation Commission have done. Bass requests that the Commissioner expedite his approval so that rights of appeal which any of the parties, including Enron, might have may attach and that this matter be finally resolved so that the proper allocations can be made.

Your consideration of these matters is appreciated.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth

xc: United States Department of the Interior
Bureau of Land Management
P. O. Box 1397
Roswell, NM 88201
Attn: Mr. Tony Ferguson

Mr. Roy E. Johnson
New Mexico Department of Energy
Minerals and Natural Resources
Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, NM 87505

Commissioner of Public Lands
April 17, 1996
Page 4

Mr. J. Wayne Bailey
Bass Enterprises Production Co.
First City Bank Tower
201 Main St., Suite 2900
Fort Worth, TX 76102

Mr. William F. Carr
Campbell, Carr & Berge, P. A.
P. O. Box 2208
Santa Fe, NM 87504-2208

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

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FACSIMILE
(505) 746-6316

OF COUNSEL
A. J. LOSEE

April 17, 1996

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. Roy E. Johnson
New Mexico Department of Energy
Minerals and Natural Resources
Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, NM 87505

Re: Application of Bass Enterprises Production Co. for Approval of
the Third and Fourth Revisions to the Atoka Participating
Area, James Ranch Unit Area, Eddy County, New Mexico

Dear Mr. Johnson:

Please be advised that this firm represents Bass Enterprises Production Co. with respect to the referenced matter. By letter dated April 3, 1996, Mr. William F. Carr wrote to you on behalf of Enron Oil & Gas Company making certain representations concerning the process by which Bass Enterprises Production Co. has followed in the processing of the referenced application and further requested that the Oil Conservation Division withdraw its approval of Bass' application.

A number of the representations made in that letter which are argued as support for the withdrawal of the OCD's approval are, at best, misrepresentations of not only the content of the unit agreement but also of the facts concerning the occurrences that have transpired up to this date. Although it seems apparent from the various actions taken by Enron in their protestations to the various administrative agencies that Enron had actual knowledge of the proposed revisions, Bass is willing to send notice to Enron of the proposed revisions. In the interim, we also plan to offer to Enron the opportunity to review the pertinent geological data upon which the proposed revisions are based. It is our firm belief that the geological data indicates that the proposed revisions are totally appropriate and required under the language of the Unit Agreement.

It should not be forgotten that what we are dealing with here is a situation controlled by contract. This is not a hearing pursuant to some rule, statute, OCD or Commission order or other governmental edict which calls into play the whole gamut of procedural requirements. Bass' obligations and Enron's rights stem solely from a contract, that being

Mr. Roy Johnson
April 17, 1996
Page 2

the unit agreement. A determination of what is proper can only come from within the four corners of that document.

Paragraph 11, entitled, "Participation After Discovery," states the following:

...The Unit Operator shall submit for approval by the Director, the Commissioner and the Commission a schedule.... Said schedule also shall set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area so established, and shall govern the allocation of production from and after the date the participating area becomes effective.... The participating area or areas so established shall be revised from time to time, subject to like approval, whenever such action appears proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities, and the percentage of allocation shall also be revised accordingly.

The above quoted language is the sum total of pertinent language in the unit agreement which addresses this issue. Nowhere in the unit agreement is there a contractual requirement that the unit operator give notice to any of the other working interest owners, lessees or lessors who might be affected. Furthermore, there is no requirement that any of the information so submitted be first submitted to the other working interest owners, lessees or lessors. Lastly, nowhere in paragraph 11 are the working interest owners, lessees or lessors given a contractual right to a hearing before the Director, the Commissioner or the Commission prior to their approval or disapproval. For Enron to be able to assert rights to such, those rights must be granted to them in the unit agreement. They are not granted in the unit agreement, therefore Enron has no claim to them. It is a basic premise of law, not only in New Mexico but throughout the United States, that a party cannot rewrite a contract at some later date just because he finds out at that later date he may have made a deal which is not advantageous to him, nor can he unilaterally add burdens and responsibilities to the other contracting parties at that later date.

Much to-do has been made about paragraph 25 and the notice provision therein. The very first thing that should be looked at is the title of paragraph 25. The title is "APPEARANCES." It is extremely important to note what this paragraph is about, and it deals only with appearances and not notices. The unit operator may not at any hearings before the BLM, the Commissioner, or the Commission appear on behalf of other parties

Mr. Roy Johnson
April 17, 1996
Page 3

unless and until it has given notice to the other parties that it intends to do so. Paragraph 25, however, does not nullify Bass' obligations as an operator to submit information when it is discovered which should or could lead to changes in the participating areas or allocations of costs within those areas. If Bass is not appearing on behalf of anyone other than itself, no notice is required under paragraph 25.

The most interesting aspect of this case is the fact that Enron had actual notice of the fact that information would be submitted to the BLM and, in fact, on November 2, 1995, Enron themselves met with the BLM concerning these very same matters. The lack of formal written notice is at best a technicality; nonetheless, Bass has complied with the BLM's directive to provide Enron with written notice of these revisions and future revisions in the James Ranch Unit. It should not take one long to realize that in matters concerning the participating areas and participation formulas dealing with lands belonging to the United States and the State of New Mexico, those who negotiated the unit agreement on behalf of the governmental entities did not desire to create a situation wherein the working interest owners who were developing these properties would be required to meet and arrive at decisions concerning information to be submitted to the governmental areas where that information could be compromised. The unit agreement provides a procedure whereby the information is to be submitted, unadulterated and uncompromised, for their review and action. Once the initial decisions were made by the governmental entities with respect to that information, then any of the parties would have a right to appeal those decisions, and under the terms of the unit operating agreement the unit operator could only represent those working interest owners they gave notice to that they were going to so represent them.

Enron has tried to raise much smoke concerning the violation of its rights. Once you blow all that smoke away and analyze the true situation, Enron's real claim of damage here is that it envisions that it has lost the right to influence the information required to be submitted by the operator prior to that information going to the BLM, the Commissioner and the Commission. Enron does not have that right and the Commission should see through those attempts and deny Enron's request to withdraw its approval and grant a hearing. If Enron has a legitimate complaint, once all three of the entities have made their decision it may then appeal such decision to the BLM State Director. It is hoped after the statements made in this letter are reflected upon, Enron's real motive will be detected, and that is that it wants to influence the evidence prior to the submission to the governmental entities. The unit agreement does not give Enron that right and in fact, Bass would be derelict in its duties as unit operator if it acceded to such demands. It is regretted that Bass' actions in following the strict letter of the unit agreement and the guidance of the BLM has

Mr. Roy Johnson
April 17, 1996
Page 4

created such a furor and avalanche of letters, however, Bass maintains the propriety of the Commission's actions and intends to defend those actions.

Your consideration of the matters contained in this letter are appreciated.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth

xc: United States Department of the Interior
Bureau of Land Management
P. O. Box 1397
Roswell, NM 88201
Attn: Mr. Tony Ferguson

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, NM 87504-1148
Attn: Mr. Pete Martinez

Mr. J. Wayne Bailey
Bass Enterprises Production Co.
First City Bank Tower
201 Main St., Suite 2900
Fort Worth, TX 76102

Mr. William F. Carr
Campbell, Carr & Berge, P. A.
P. O. Box 2208
Santa Fe, NM 87504-2208

APR 24 11 16 52

SDR 96-13
3165.3 (932)

APR 25 1996

Mr. William Carr
Campbell, Carr, Berge & Sheridan
P.O. Box 2208
Santa Fe, NM 87504-2208

Re: State Director Review, Appeal by Enron Oil and Gas Company, Third and Fourth
Revisions to the Atoka Participating Area, James Ranch Unit, Eddy, County, New
Mexico

Dear Mr. Carr:

Within the last few days, you should have received a letter from our Roswell District Office (RDO) dated April 16, 1996. In that letter our RDO requests we reconsider our acceptance of Enron Oil and Gas Company's (Enron) appeal to our State Director. The RDO argues that Enron's appeal was prematurely filed because RDO's approval does not become final until all of the required agencies (State Land Office (SLO), NM Oil Conservation Division (NMOCD) and RDO) have agreed to the participating area revisions.

A recent conversation with a representative of the SLO confirms that they are withholding approval pending protests filed at their office, NMOCD and RDO. Enron's protest to NMOCD may lead to a formal hearing by that agency. We believe that Enron has not yet been adversely affected by RDO's approval and that RDO would be a better venue for the Bureau to hear Enron's protest. Should NMOCD grant a hearing, the RDO may consider evidence submitted at such a hearing. The overall goal is a unified decision that meets the terms and conditions expressly written in participating area revision clause (Section 11) of the James Ranch Unit Agreement.

Based on the preceding determinations, we hereby dismiss Enron's appeal as premature. Enron would certainly have the right of appeal to the State Director, when a unified decision is made by all three agencies. Please direct any questions concerning this action to Rick Wymer at (505) 438-7411.

Sincerely,

/s/ ROBERT E. ARMSTRONG

Richard A. Whitley
Deputy State Director
Resource Planning, Use and
Protection

cc:

Enron Oil and Gas Company
Attention: Mr. Patrick Tower
P.O. Box 2267
Midland, TX 79702

Bass Enterprises Production Company
Attention: Mr. Wayne Bailey
201 Main Street
Fort Worth, TX 76102-3131

Commissioner of Public Lands
State of New Mexico
Attention: Mr. Pete Martinez
P.O. Box 1148
Santa Fe, NM 87504-1148

✓ New Mexico Oil Conservation Commission
Attention: Mr. Bill LeMay
2040 South Pacheco Street
Santa Fe, NM 87505

NM060 (Minerals Support Team - NMNM70965)

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

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WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN

MICHAEL H. FELDEWERT
TANNIS L. FOX
TANYA M. TRUJILLO
PAUL R. OWEN
JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
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POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

May 6, 1996

VIA FACSIMILE AND U.S. MAIL

Ernest L. Carroll, Esq.
Losee, Carson, Haas & Carroll, P.A.
311 West Quay Avenue
Post Office Box 1720
Artesia, New Mexico 88211-1720

Re: ***Application of Bass Enterprises Production Company for Approval of the
Third and Fourth Revisions to the Atoka Participating Area, James Ranch
Unit Area, Eddy County, New Mexico***

Dear Mr. Carroll:

We are in receipt of several of your letters to the various governmental agencies regarding the referenced dispute.

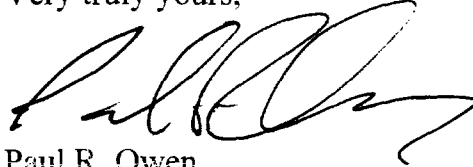
In your April 17, 1996 letter to Mr. Roy E. Johnson, you state that you plan to offer to Enron the opportunity to review the data upon which the proposed revisions are based. On several occasions, Enron has requested that Bass allow them to review that data. We request that you immediately send us copies of all data which Bass submitted in support of the proposed revisions to the Department of the Interior, Bureau of Land Management, the State Land Office, or the New Mexico Oil Conservation Division.

We anticipate that Enron will have completed its preparation for a presentation to the BLM in opposition to the proposed revisions by the last week of June. Accordingly, we expect that hearing to take place at that time.

Ernest L. Carroll, Esq.
May 6, 1996
Page 2

We anticipate your response.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Paul R. Owen', with a stylized, flowing script.

Paul R. Owen

PRO:mb

cc: Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87504-1148
ATTENTION: Ms. Jami Bailey

New Mexico Department of Energy,
Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
ATTENTION: Mr. Roy E. Johnson

Mr. Patrick J. Tower
Enron Oil & Gas Company
Post Office Box 2267
Midland, Texas 79702

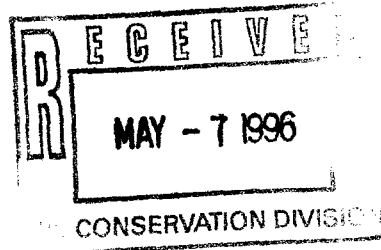
United States Department of the Interior
Bureau of Land Management
Post Office Box 1397
Roswell, New Mexico 88201
ATTENTION: Mr. Tony Ferguson

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

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TELECOPIER: (505) 983-6043

May 6, 1996

United States Department of the Interior
Bureau of Land Management
Post Office Box 1397
Roswell, New Mexico 88201

Attn.: Mr. Tony Ferguson

Re: *Application of Bass Enterprises Production Company for Approval of the
Third and Fourth Revisions to the Atoka Participating Area, James Ranch
Unit Area, Eddy County, New Mexico*

Dear Mr. Ferguson:

We are in receipt of your letter of April 16, 1996, in which you respond to several issues that have been raised in this dispute. We appreciate your prompt response to our inquiries. There are several issues that need to be discussed at this point.

First, Enron is in the process of compiling the data needed to support a presentation in opposition to Bass's proposed revisions to the Atoka Participating Area in the James Ranch Unit. Enron anticipates that it will be ready to present this data in the last week in June. We trust that this timeframe for a presentation by Enron will be acceptable to you. We will contact you in order to arrange the date for the presentation. Because Enron has not yet reviewed the relevant information in Bass's possession or that which Bass submitted to you, we are not yet sure how long that presentation will last.

Second, we are in the process of attempting to review the data upon which Bass has based its applications for referenced revisions to the Atoka Participating Area in the James Ranch Unit. We would also like to review the documents and data that were submitted by Bass to you. We will arrange for representatives from Enron to review that data at your convenience.

Mr. Tony Ferguson
May 6, 1996
Page 2

Third, as to the format of the presentation in which Enron will present data in opposition to the proposed revisions, we emphasize that when Bass presented its data, Enron was not present and was not allowed the opportunity to critically examine Bass's data. We trust that the upcoming presentation will be consistent with Bass's presentation in that Bass will not be allowed to cross-examine Enron.

Fourth, we wish to respond to your statement of your understanding of the November 2, 1995 meeting in which representatives from both Bass and Enron were present. While you are correct in your statement that revisions to the Atoka Participating Area were discussed generally at that meeting, we emphasize that the specific proposed revisions were not discussed. At no time were the boundaries of the proposed Revisions discussed, and no technical data which Bass has submitted in support of the proposed Revisions was discussed. Enron has never had the opportunity to present any information in opposition to the proposed revisions.

Finally, we reiterate the point that Enron's due process rights must be protected by all governmental agencies that are charged with authority over the proposed revisions. Enron's property rights are severely affected by the proposed revisions. Neither the Department of the Interior nor any other governmental agency may affect those rights without affording Enron due process of law. While the James Ranch Unit Agreement makes those due process rights a contractual obligation of Bass, it does not and cannot abrogate the government's constitutional duties.

We will contact you soon in order to arrange a date and time for Enron's presentation. Please contact us with any concerns or questions that this letter raises.

Very truly yours,



WILLIAM F. CARR
PAUL R. OWEN

/mb

Mr. Tony Ferguson

May 6, 1996

Page 3

cc: Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87504-1148
ATTENTION: Ms. Jami Bailey

New Mexico Department of Energy,
Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
ATTENTION: Mr. Roy E. Johnson

Mr. Patrick J. Tower
Enron Oil & Gas Company
Post Office Box 2267
Midland, Texas 79702

Ernest L. Carroll, Esq.
Losee, Carson, Haas & Carroll, P.A.
Post Office Box 1720
Artesia, New Mexico 88211-1720
Attorneys for Bass Enterprises Production Co.

RECEIVED

MAY 23 1996



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSWELL DISTRICT OFFICE
1717 West Second Street
Roswell, New Mexico 88201



IN REPLY REFER TO:
James Ranch Unit
NM-70965

MAY 21 1996

Mr. Paul Owen
Campbell, Carr & Berge, P.A.
P.O. Box 2208
Santa Fe, New Mexico 87504-2208

Dear Mr. Owen:

We received your letter on behalf of Enron Oil and Gas Company (Enron) dated May 6, 1996, and would ask that all future correspondence be addressed as indicated above on the letterhead. Several issues have been raised and we would like to address each issue.

First, in response to your proposed time frame for a presentation of the data, BLM is concerned with the amount of time requested for preparation and presentation of the data. This issue has been on-going since November 1995 with very little, if any, new data becoming available. In light of the longevity of this issue we are requesting that any presentation be scheduled and completed by June 19, 1996. This date is consistent with the notification dated April 1, 1996 by our New Mexico State Office in response to your request for State Director Review. If this request is not honored, we will proceed by requesting that the Commissioner of Public Lands approve the proposed revisions to the Atoka Participating Area in the James Ranch Unit as submitted by Bass Enterprises Production Company (BEPCO).

Second, in response to your continued reference to inspection of data and documents submitted by Bass, the BLM has not received any authorization from BEPCO as specifically addressed in item #2 of the BLM letter of April 16, 1996 to Enron. The BLM position has not changed in this area and we will not allow an inspection of data and records without the requested approval documents.

Third, the BLM has no objections or concerns with the format of the presentation as proposed by Enron.

Fourth, we agree that Enron has never had a formal opportunity to present any information in opposition to the proposed revisions. We do, however, feel that ample time has been allowed and as referenced above the opportunity to present opposing data and interpretations should occur in a timely manner.

Finally, the issue of due process rights has been previously addressed in the BLM letter of April 16, 1996 to Enron.

If there are any questions or you would like to schedule a time prior to June 19, 1996 for your presentation, please give me a call at (505) 627-0298.

Sincerely,

(Orig Sdg) Tony L. Ferguson

Tony L. Ferguson
Assistant District Manager,
Minerals Support Team

cc: Commissioner of Public Lands
State of New Mexico
Attn: Mr. Pete Martinez
P.O. Box 1148
Santa Fe, NM 87504-1148

✓ New Mexico Oil Conservation Division
Attn: Mr. Bill LeMay
2040 South Pacheco Street
Santa Fe, NM 87505

Mr. Patrick Tower
Enron Oil & Gas Company
P.O. Box 1720
Midland, TX 79702

Mr. Wayne Bailey
Bass Enterprises Production Co.
201 Main Street
Fort Worth, TX 76102-3131

Mr. Jim Haas
Losee, Carson, Haas & Carroll, P.A.
P.O. Box 1720
Artesia, NM 88211-1720

NM(93200, R. Wymer)

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TELEPHONE: (505) 988-4421
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June 3, 1996

VIA FACSIMILE
AND U.S. MAIL

James E. Haas, Esq.
Losee, Carson, Haas & Carroll, P.A.
311 West Quay Avenue
P.O. Box 1720
Artesia, New Mexico 88211-1720

Re: ***Application of Bass Enterprises Production Company for Approval of the
Third and Fourth Revisions to the Atoka Participating Area, James Ranch
Unit Area, Eddy County, New Mexico***

Dear Mr. Haas:

We are in receipt of your May 20, 1996 letter. In that letter, you address several pending issues regarding the above-referenced dispute. In particular, you state that "Bass would be happy to provide Enron any well or production information which Enron has been unable to locate through public records or conventional sources." We appreciate Bass's willingness to provide that data to Enron.

Pursuant to your May 20 letter, Randy Cate from Enron has attempted to obtain from Bass production data relating to the James Ranch Unit No. 70 Well. Representatives from Bass requested that this firm make a formal request for that data. Accordingly, we request that Bass provide to Enron by Friday, June 7, 1996, the following data, relating to the James Ranch Unit No. 70 Well:

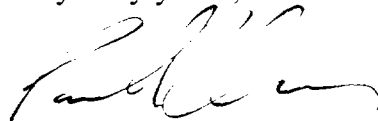
James E. Haas, Esq.
Artesia, New Mexico
Page -2-

1. A complete set of logs, including mud logs and any cased-hole logs;
2. Any pressure build-up data, or static pressure recordings;
3. A history of flowing-tubing pressure and shut-in pressures during curtailment periods; and
4. The drilling and completion report.

We understand that the above data is available in Bass's Midland, Texas office. Enron will send representatives to review that data as soon as it is made available.

We anticipate your response.

Very truly yours,



Paul R. Owen

cc: Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87504-1148
ATTENTION: Ms. Jami Bailey

New Mexico Department of Energy,
Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
ATTENTION: Mr. Roy E. Johnson

Mr. Patrick J. Tower
Enron Oil & Gas Company
Post Office Box 2267
Midland, Texas 79702

James E. Haas, Esq.
Artesia, New Mexico
Page -3-

Ernest L. Carroll, Esq.
Losee, Carson, Haas & Carroll, P.A.
Post Office Box 1720
Artesia, New Mexico 88211-1720
Attorneys for Bass Enterprises Production Co.

United States Department of the Interior
Bureau of Land Management
Post Office Box 1397
Roswell, New Mexico 88201
ATTENTION: Mr. Tony Ferguson

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& SHERIDAN, P.A.
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TELEPHONE: (505) 988-4421
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June 11, 1996

**VIA HAND DELIVERY OR
FEDERAL EXPRESS**

Bureau of Land Management
1717 West 2nd Street
Roswell, New Mexico 88201
Attn: Mr. Tony Ferguson

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

Commissioner of Public Lands
State of New Mexico
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: *Application for Approval of the Third and Fourth Revisions of the Initial
Participation Area James Ranch Unit, No. 14-08-001-558, Eddy County*

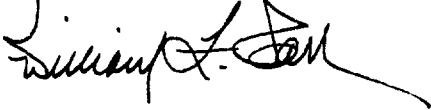
Gentlemen:

Enclosed is a summary of the information Enron Oil and Gas Company will present in opposition to the above-referenced expansion of the Initial Atoka Participating Area in the James Ranch Unit.

Bureau of Land Management
Attn: Mr. Tony Ferguson
New Mexico Oil Conservation Division
Attn: Mr. William J. LeMay
Commissioner of Public Lands
State of New Mexico
June 11, 1996
Page 2

We look forward to our meeting with you at 10:30 a.m. on June 17, 1996.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", with a long, sweeping horizontal stroke extending to the right.

WILLIAM F. CARR
ATTORNEY FOR ENRON OIL AND GAS COMPANY

WFC:mlh

Enclosures

cc: Jim Haas, Esq. (w/o enclosures)

James Ranch Unit Atoka PA Revision

INTRODUCTION:

Enron Oil & Gas has performed a detailed geologic and engineering study of the James Ranch Atoka sand to determine which acreage should rightfully be included in the Atoka Participating Area and at what date any revision should occur.

Normally Bass Enterprises performs this duty as outlined in the Unit Operating Agreement and did in fact propose the third and fourth revisions to the Atoka PA by letter dated February 22 1996 after their attempt to create a 320 acre PA around the JRU No. 70 was rejected by the BLM. Enron was compelled to perform its study because it was clear that Bass had grossly misinterpreted the commercial extent of the sand by excluding critical Atoka sand tests, basic log calculations showing high water saturations in the southern portion of the field, and seismic data showing Section 35-20S-30E faulted down, which would separate any Atoka sand, if present, from the main Atoka sand reservoir. Bass also made an erroneous assumption that pressure communication implies commerciality. Had Bass considered Enron's findings prior to filing its proposed revisions perhaps the matter could have been resolved before involving the regulatory agencies.

Enron presents the following data and conclusions and believes it will be clear that the Bass proposals are without merit. Enron offers the appropriate "Third Revision" based on all knowledge and information that we have acquired to date.

GEOLOGIC EXHIBITS AND DISCUSSION:

The Atoka sand reservoir of Pennsylvanian age in the James Ranch/Los Medanos area is interpreted as a marine sand body whose trend and producibility was influenced by structural movement during Pennsylvanian time. Three maps being a net Atoka sand isopach, an Atoka sand porosity isopach and a structure map on the Atoka sand were prepared using digitized log analysis data, conventional log correlations and seismic. Also included is Table 1 which outlines the digital data that was used in the geologic maps and other maps used in the engineering discussion.

As interpreted, the Atoka sand lies on the up-thrown side of a faulted structural ridge and follows the fault trend south-southeast. Several lines of seismic were incorporated in defining the fault trace and one line (E72 GSI * JRH-2) through Section 35-23S-30E shows that section down faulted (refer to structure map). The net sand map for the Atoka identifies a continuous sand body from north to south attaining a maximum thickness of 16'. The

Atoka porosity isopach is based on a cut-off of 4% in the sand and illustrates the variability within the reservoir. Based on the two isopach maps there is not a clear correlation between sand thickness and porosity.

ENGINEERING DISCUSSION:

The Engineering portion of the Atoka sand study centered on verifying the geologic interpretation and determining commercial production qualifications.

Table 2 shows the well tests and production to date for the Atoka sand study area. The northern portion of the reservoir is characterized by high flow rate drill stem tests and subsequent proven commercial production. The southern region is characterized by relatively low DST flow rates, produced water, and subsequent proven non-commercial production. Bass reasons that pressure communication between the northern and southern regions proves commerciality. A closer look shows that the communication that does exist is minor. For example, the Pure Gold C-17 No. 1 recorded a FSIP of approximately 7800 psia in 8/82 when the Atoka PA wells were showing pressures of 2,500 - 2,800 psia. When the C-17 No. 1 was production tested in 8/93 it still had over 7,000 psia bottom hole based on recorded SITP of 4,580 psig. This is not significant depletion. After 2.5 years the well has only produced 0.1 BCF and 20,000 BBL water; clearly non-commercial. Very low reservoir permeabilities (< 0.2 md) calculated from build-up tests explains the production results. It should be noted that the C-17 No. 1 calculates 54% water saturation and is directly offset by other water production tests. Had the southern region of the sand had a high mobile gas saturation, the pressures would have been much lower in the south.

The high water saturation portion of the reservoir was first tested in 1973 and 1974 with the drilling of the JRU Nos. 4 and 7. Both calculate above 50% water saturations. The wells are over 150' updip to the Pure Gold C-17 No. 1, the well which Bass credits with proving the area to be commercial 10 years later. As one would expect, given the high water saturations in the No. 4 well, tests failed to establish commercial production. Yet, Bass has deemed this well commercial.

By contrast the northern portion of the field was proven to be effectively communicated with the PA wells by the drilling of the Apache "25" No. 1, Apache "13" No. 1, and JRU No. 70. The pressure differential was less than 1,200 psia over 4 miles away. This is the result of a high mobile gas saturation between the areas. Clearly these pressures, and the subsequent proven commercial production, indicate the direction of effective communication.

A three-dimensional simulation model of the field was developed to validate the above

conclusions and to investigate the limits of commercial production within the Atoka sand. The model was based upon the Atoka sand structure, isopach and porosity maps described earlier.

The data in Table 1 show that there is a good correlation of higher calculated water saturations with increasing depth. Based on this information, a water saturation map was prepared and is shown in Figure 1. Analysis and modeling of initial four-point flow tests from Atoka sand wells showed a good correlation of reservoir permeability to porosity. Using this correlation, a map of reservoir permeability was constructed for the Atoka sand and used in the simulation model. A comparison of the porosity and permeability distributions for the sand is shown in Figure 2.

The key to constructing a rigorous simulation model of the James Ranch Atoka sand is being able to successfully match:

- 1) The historical pressure performance in the following areas,
 - current Atoka PA (JRU 1, JRU 10, JRU 13 wells)
 - Apache "25" No. 1 and Apache "13" No. 1 region to the north of the Participating Area
 - area of high water saturation to the south of the Participating Area
- 2) Historical well performance in the same three regions

Figure 3 shows the comparison of predicted pressures (model) and actual pressures measured in the current Atoka Participating Area. In all three wells the match is quite good. Notice that from about 1987 onward, reservoir pressures were approximately 2000 psia or less.

Figure 4 shows a comparison of model predicted reservoir pressure and the actual measured pressures upon initial completion and testing for the Mitchell Apache 13 and 25 wells. These wells are located in the region to the north of the current Atoka Participating Area. Again the match is very good. The reservoir pressure in 1993 is in the range of 2500-3000 psia. This confirms the existence of a high mobile gas saturation and good pressure communication between the current Atoka Participating Area region and this area to the north.

Listed below is the comparison of model and actual pressures for the high water saturation area located to the south of the current Atoka Participating Area. Much of this region is included in the Third and Forth revisions to the Atoka Participating Area proposed by Bass.

<u>Date</u>	<u>Well</u>	<u>Measured (psia)</u>	<u>Model Predicted (psia)</u>
6/82	P.G. C-17 No. 1	FSIP = 7781	7604
10/89	P.G. C-17 No. 2	FSIP = 7356 P* = 7425	7629
4/90	P.G. 8 No. 1	FSIP = 6899	7170
9/93	P.G. C-17 No. 1	P _{est} = 6425	6490

Once again, the model is in excellent agreement with the actual measured data. Of particular importance is the fact that the pressures are significantly higher than the other regions, as discussed earlier. In fact, the pressures are much closer to virgin reservoir pressure than they are to current pressures in the current Atoka Participating Area. This behavior confirms the interpretation that this southern region is an area of high water saturations (> 50%) and low mobile gas saturations. Enron does not dispute the fact that there is some limited pressure communication to the south. However, if the southern area had higher mobile gas saturations, such as those necessary for commercial production, the measured reservoir pressures would be much lower and closer to the pressure in the current Atoka Participating Area.

Finally, the issue of well productivity and commerciality in the area to the south of the Atoka Participating Area needs to be addressed. Clearly, commercial production has been established in the current Atoka Participating Area and the area to the north in the vicinity of the Apache 13 No. 1 and JRU No. 70. These productive rates were matched in the simulation model.

Figure 5 shows a comparison of model predicted and actual data for the Pure Gold C-17 No. 1 well. Notice that the model was able to duplicate the instantaneous 5000 Mcfd rate obtained on the 1982 DST. However, when put on long term production in 1993, the model and the actual field data show the well to be non-commercial. A projected EUR for this well is less than 0.5 Bcf.

Figure 5 also shows that the C-17 No. 1 well produces approximately 30 B/D of water. The simulation model confirms this. This is consistent with the behavior we would expect for a well completed in a transition zone with high water saturations. While the instantaneous DST flow rate is impressive, because of the multi-phase production, the long term performance is very poor. This behavior is shown repeatedly in actual well tests in this southern area.

The reservoir simulation model was also used to investigate well commerciality in the entire region to the south of the current Atoka Participating Area. These tests showed that there is no justification to extend the Participating Area to the south. Calculated water saturations throughout this area are approximately 50% and predicted well performance is non-commercial.

CONCLUSION:

Enron believes the Atoka sands (and similarly Morrow sands) are very risky as a drilling prospect due to the high variation of thickness, porosity, and water saturation in this reservoir. One cannot reasonably quantify undrilled spacing units as proven commercial until they are completed with long term production rates. There are several undrilled spacing units in the southern portion of the field that Bass believes to be commercial. Enron recommends that Bass first drill these spacing units to prove them commercial. There is still approximately 4,000 - 7,000 psig reservoir pressure remaining in that area which is more than adequate to yield commercial production if gas saturated. At that time a PA revision to include that acreage would be warranted.

Enron believes that the only unit acreage justified to be added in the Third Revision is that from the 320 acre spacing unit around the James Ranch Unit No. 70. The date of first production from the JRU No. 70 is the only appropriate date of revision and follows the unit agreement guidelines. Enron appreciates having the opportunity to present its findings and conclusions.

Questions or request for additional data may be addressed to the following Enron personnel:

Geological	Barry Zinz	(915) 686-3732
Land	Patrick Tower	(915) 686-3758
Reservoir Model	Tim Hower	(303) 628-2529
Engineering	Randall Cate	(915) 686-3698

Table 1**James Ranch Unit Atoka PA Revision
Digitized Log Analyses Values; Depth of Top of Sand**

<u>Well Name</u>	<u>H (ft.)</u>	<u>ø (%)</u>	<u>SW (%)</u>	<u>Top sand</u>
James "A" No. 1	0.5	5	72	-9,234
James "E" No. 1	0	-	-	-9,265
Troporo Campana No. 1	0	-	-	-9,280
McKnight Campana No. 1	2	-	-	-9,378
JRU No. 70	7.25	11	16	-9,394
Llama "ALL No. 1	5.5	9	34	-9,474
Apache "13" No. 1	8.50	9	7	-9,475
JRU No. 11	10.25	11	33	-9,537
Apache "24" No 1	6.75	6	44	-9,560
Hudson Fed. No. 1	1.0	5	36	-9,564
JRU No. 18	6.25	7	45	-9,568
JRU No. 10	5.5	10	27	-9,582
JRU No. 3	2	8	40	-9,585
Apache "25" No. 1	10.75	7	22	-9,589
JRU No. 4	3.75	6	53	-9,593
JRU No. 1	10.75	11	NA	-9,596
JRU No. 13	6.0	6	NA	-9,613
Apache "25" No. 2	6.0	7	26	-9,614
JRU No. 14	1.0	5	35	-9,676
JRU No. 7	7.75	11	55	-9,727
JRU No. 15	6.0	8	46	-9,765
Pure Gold "C" 17 No. 1	12.5	8	54	-9,879
North Pure Gold "8" No. 1	6.0	9	79	-9,892
Pure Gold "C" 17 No. 2	11.5	13	54	-9,909
Pure Gold "B" No. 2	8.25	13	42	-9,916
Medano "VA" No. 2	14.75	9	53	-9,917
Pure Gold "4" No 1	15.75	7	52	-9,959
Arco St. "16" No. 1	11	8	NA	-10,014

Table 2**Comparison of Commercial vs
Non-commercial Well Tests**

<u>Well Name</u>	<u>Date</u>	<u>Type</u>	<u>MCFPD</u>	<u>Prod, MMCF as of 11/1/95</u>
<u>PROVEN COMMERCIAL</u>				
JRU No. 70	3/95	Compl.	9,584	1,058
Apache "13" No. 1	8/93	DST	9,500	--
	9/93	Compl.	10,514	3,718
JRU No. 1	3/58	Compl.	8,945	25,985
JRU No. 10	3/80	DST	10,000	--
	4/80	Compl.	3,948	6,250
JRU No. 13	9/82	Compl.	3,000	6,119
<u>POSSIBLE COMMERCIAL</u>				
Apache "25" No. 1	10/93	Comp.	1,900	575
	8//93	DST	2,400	--
Llama Fed. No. 1	12/94	Compl.	1,772	296
JRU No. 11	6/81	Compl.	2,100	1,177
<u>PROVEN NON-COMMERCIAL</u>				
Hudson Fed. No. 1	6/81	Compl.	100-200	0; abandoned
JRU No. 4	7/73	DST	3,400	--
	8/73	Compl.	1,000	0; abandoned

**Comparison of Commercial vs
Non-commercial Well Tests**

Page 2

<u>Well Name</u>	<u>Date</u>	<u>Type</u>	<u>MCFPD</u>	<u>Prod. MMCF as of 11/1/95</u>
<u>PROVEN NON COMMERCIAL</u>				
Pure Gold C-17 No.	16/82	DST	5,258	--
	9/93	Compl.	367 + 31 BW	82 MMCF + 19 MBW
Pure Gold "8" No. 1	4/90	DST	1,182 MCF + 461 BW	--
Pure Gold B No. 2	9/93	Compl.	1,000 MCF + 90 BW	248 abandoned 4/95
Medano VA No. 2	8/90	DST	31 BW	--