



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
DISTRICT II ARTESIA
811 S. FIRST ST. ARTESIA, NM 88210
(505) 748-1283
FAX (505) 748-9720

Jennifer A. Salisbury
CABINET SECRETARY

December 21, 1999

CERTIFIED MAIL RETURN RECEIPT # 466 329 243

Bass Enterprises Production Company
P.O. Box 2760
Midland, TX 79702-2760

RE: Applications to Drill:

- 1) *James Ranch Unit Well No. 67*
Unit L, Section 36, Township 22 South, Range 30 East, Eddy Co., NM, NMPM.
- 2) *James Ranch Unit Well No. 80,*
Unit B, Section 36, Township 22 South, Range 30 East, Eddy Co., NM, NMPM.

Dear Sirs/Madams,

In reference to the above, the Oil Conservation Division in District II is unable to approve the Applications to Drill (APDs) for said wells due to a letter of objection from IMC Kalium. I have enclosed a copy of their letter, which was mailed to your office for your reference.

Under Order No. R-111-P, these APDs cannot be approved from this District Office due to the letter of protest from IMC Kalium, the potash lessee. This matter must be resolved by hearing in Santa Fe by the parties affected.

Respectfully Yours,

Bryan G. Arrant
District II Geologist
Artesia, NM

Enclosures: IMC Kalium Potash Letter

Cc: New Mexico Energy Minerals and Natural Resources Department, Bill Mackey
Coordinator of the N.M. Radioactive Waste Consultation Task Force
New Mexico State Land Office & Minerals Division, Joe Mraz-Geologist
U.S. Department of Energy, Doug Lynn-Land Use Coordinator
Bureau of Land Management, Roswell

P 466 329 243

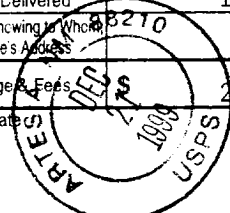
US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
Bass Enterprises Prod. Co.	
Street & Number	
P.O. Box 2760	
Post Office, State, & ZIP Code	
Midland, TX 79702-2760	
Postage	\$.33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.98
Postmark or Date on	



PS Form 3800, April 1995



November 03, 1999

Mr. Worth Crilin
Bass Enterprises Production Co.
201 Main St.
Fort Worth, Texas 76102-7131

RE: Proposed Wells in James Ranch Federal Unit
Section 36, T23S-R30E (State Lease No. U-3229)
Section 1, T23S-R30E (Fed Lease No. NM 02887-D, NM 02884-B)
JRU Nos. 31, 32, 34, 63, 67, and 80.
Hudley County, New Mexico

Dear Mr. Crilin:

IMC Kadium Christad Potash Company has received your notice that Bass Enterprises Production Company intends to drill the above referenced wells. IMC Kadium has no objections to Bass drilling wells JRU Well No. 31, JRU Well No. 32, JRU Well No. 34, and JRU Well No. 63 to depths no deeper than the base of the Delaware formation at the stated locations. Based on the best available information, the locations of the five mentioned wells will not interfere with the development of our potash resources.

IMC Kadium does object to the proposed locations for JRU Well No. 67 and JRU Well No. 80. The location given for Well No. 67, with a projected final depth in the Delaware formation, is within 1/4 mile of where we expect to mine in the future. If this well could be moved at least 150 feet to the Southeast, the impact on potash recovery would be greatly diminished. The location given for Well No. 80, with a projected final depth in the Wolfcamp formation is within 1/2 mile of where we expect to mine. If Well No. 80 could be moved to a location at least 150 feet to the West, the impact on potash recovery would also greatly diminish.

The above considerations are based on the best available information at this time; as more information becomes available our estimates of the extent of the potash resources in the area may change. Therefore, please consider the "objections offered" and "no objection offered" to the well locations to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to, more than one year prior, notify us again at that time so we can make the decision based on current information.

IMC Kadium submits this letter in lieu of the forms requested.

Sincerely,

John Harrell
Chief Mine Engineer

cc: Dan Purvis Charlie High Leslie Theiss William Lemay
Don Monbous Tim O'Brien Craig Cranston

ILLECIBLE

OCD copy