

May 26, 2000

Bass Enterprises Production Company
c/o Ernest L. Carroll
P. O. Box 1720
Artesia, New Mexico 88211-1720

Telefax No. (505) 746-6316

*Administrative Order NSL-******

Dear Mr. Carroll:

Reference is made to the following: (i) your application on behalf of the operator, Bass Enterprises Production Company ("Bass") dated May 18, 2000; and (ii) the New Mexico oil Conservation Division's ("Division") records in Santa Fe: all concerning Bass' request for authorization to drill its James Ranch Unit Well No. 82 into the Delaware formation at an unorthodox oil well location 1200 feet from the South line and 760 feet from the East line (Unit P) of Section 1, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico. The SE/4 SE/4 of Section 1 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for the Undesignated Southeast Quahada Ridge-Delaware Pool.

It is our understanding the proposed James Ranch Unit Well No. 82 is within the Oil/Potash "R-111-P" area, and is therefore subject to all applicable restrictions and rules therein. Further, it is our understanding that this location was mutually acceptable by the potash lessee, IMC Kalium Carlsbad Potash Company and Bass.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well location for the Undesignated Southeast Quahada Ridge-Delaware Pool is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad

U. S. Bureau of Land Management - Roswell