



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

April 29, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

Bass Enterprises Production Company
c/o **James Bruce**
P. O. Box 1056
Santa Fe, New Mexico 87501

Administrative Order NSL-5047

Dear Mr. Bruce:

Reference is made to the following: (i) your initial application (*administrative application reference No. pMES0-400639218*) on behalf of the operator, Bass Enterprises Production Company ("Bass"), submitted to the New Mexico Oil Conservation Division ("Division") on December 1, 2003; (ii) my letter dated January 27, 2004 dismissing this application; (iii) your amended application resubmitted on March 3, 2004; and (iv) the Division's records in Santa Fe and Artesia: all concerning Bass's request for an exception to Division Rule 104.C (2) (a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for its proposed Poker Lake Unit Well No. 198 to be drilled at an unorthodox deep Wolfcamp gas well location 2310 feet from the South line and 500 feet from the West line (Unit L) of Section 34, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

Lots 1 and 2, the NW/4, and the N/2 SW/4 (W/2 equivalent) of Section 34 is to be dedicated to this well in order to form a standard 314.16-acre stand-up gas spacing unit for the designated and Undesignated Big Sinks-Wolfcamp Gas Pool (72122).

According to the geologic interpretation submitted with your application, a well drilled at the proposed location will be at a more favorable geologic position within the Wolfcamp formation than a well drilled at a location considered to be standard within the proposed 314.16-acre unit.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox deep gas well location within the Undesignated Big Sinks-Wolfcamp Gas Pool for Bass's proposed Poker Lake Unit Well No. 198 is hereby approved.

Sincerely,

Michael E. Stogner
Engineer/Hearing Officer

MS/mes

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