



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

May 4, 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 87504

Administrative Order NSL-5050

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pSEM0-412437820*) dated April 30, 2004 on behalf of the operator Bass Enterprises Production Company ("Bass"); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Bass's request to drill its James Ranch Unit Well No. 87 at an unorthodox Delaware oil well location 250 feet from the South line and 1980 feet from the West line (Lot 7/Unit M) of Section 6, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. Lot 7 (SW/4 SW/4 equivalent) of Section 6 is to be dedicated to this well in order to form a standard 41.13-acre oil spacing and proration unit in the Undesignated Southeast Quahada Ridge-Delaware Pool (50443).

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.

It is the Division's understanding the proposed James Ranch Unit Well No. 87 is within the Oil/Potash "R-111-P" area, and is therefore subject to all applicable restrictions and rules therein.

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,

Michael E. Stogner
Engineer/Hearing Officer

MES/ms

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