



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

EC

OPERATOR'S COPY

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM04473	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator BASS ENTERPRISES PRODUCTION CO		7. If Unit or CA Agreement, Name and No. NMNM70965X	
3a. Address P. O. BOX 2760 MIDLAND, TX 79702		8. Lease Name and Well No. JAMES RANCH UNIT 87	
3b. Phone No. (include area code) Ph: 915.683.2277 Fx: 915.687.0329		9. API Well No. 30-015-34277	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface: SESW 250FSL 1980FWL At proposed prod. zone: SESW 250FSL 1980FWL		10. Field and Pool, or Exploratory LOS MEDANOS	
14. Distance in miles and direction from nearest town or post office* 16 MILES EAST FROM LOVING NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 6 T23S R31E Mer NMP SME: FEE	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 250		12. County or Parish EDDY	
16. No. of Acres in Lease 282.09		13. State NM	
17. Spacing Unit dedicated to this well 40.00		18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 150	
19. Proposed Depth 11300 MD		20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3311 GL		21. Estimated duration	

RECEIVED
 NOV 18 2003
 RECEIVED

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | <ol style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the authorized officer. |
|--|--|

25. Signature (Electronic Submission)	Name (Printed/Typed) TAMI WILBER	Date 06/16/2003
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) 	Name (Printed/Typed) Carsten F. Goff	Date 11
Title STATE DIRECTOR	Office NM STATE OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #22180 verified by the BLM Well Information System
For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad
Committed to AFMSS for processing by Armando Lopez on 06/19/2003 (03AL0322AE)

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

Carlsbad Controlled Water Basin

** BLM REVISED **

Additional Operator Remarks:

Surface casing to be set +/- 100' above the salt.
Intermediate casing to be set in the top of the Lamar Lime
Production casing cement to tie 300' into intermediate casing.
Drilling procedure, BOPE Diagram, Anticipated Tops and Surface Use plans attached.

This well is located inside the R-111 Potash Area. This well will be an unorthodox location. Upon approval, unorthodox procedure will be filed. Attached is IMC Kalium's response to Bass' drilling notification. This locations has been moved as close as practical to our existing JRU #14 wellhead.

Completions will be made in the Delaware, Bone Spring & Wolfcamp Pools.

Revisions to Operator-Submitted EC Data for APD #22180

Operator Submitted

Lease: NM04473
Agreement: NMNM70965X
Operator: BASS ENTERPRISES PRODUCTION CO
P. O. BOX 2760
MIDLAND, TX 79702
Ph: 915.683.2277
Fx: 915.687.0329

Admin Contact: TAMI WILBER
AUTHORIZED REPRESENTATIVE
P. O. BOX 2760
MIDLAND, TX 79702
Ph: 915.683.2277
Fx: 915.687.0329
E-Mail: twilber@basspet.com

Tech Contact:

Well Name: JAMES RANCH UNIT
Number: 87
Location:
State: NM
County: EDDY
S/T/R: Sec 6 T23S R31E Mer NMP
Surf Loc: SESW 250FSL 1980FWL
Field/Pool: LOS MEDANOS
Bond: NM2204

BLM Revised (AFMSS)

NMNM04473
NMNM70965X
BASS ENTERPRISES PRODUCTION CO
P. O. BOX 2760
MIDLAND, TX 79702
Ph: 432.683.2277
Fx: 915.687.0329

TAMI WILBER
AUTHORIZED REPRESENTATIVE
P. O. BOX 2760
MIDLAND, TX 79702
Ph: 915.683.2277
Fx: 915.687.0329
E-Mail: twilber@basspet.com

JAMES RANCH UNIT
87
NM
EDDY
Sec 6 T23S R31E Mer NMP
SESW 250FSL 1980FWL
LOS MEDANOS

DISTRICT I

1000 N. Fourth St., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 1/2 S. Broadway, Artesia, NM 87410

DISTRICT IV

2040 South Parkman, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 5 Copies

OIL CONSERVATION DIVISION

2040 South Parkman
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

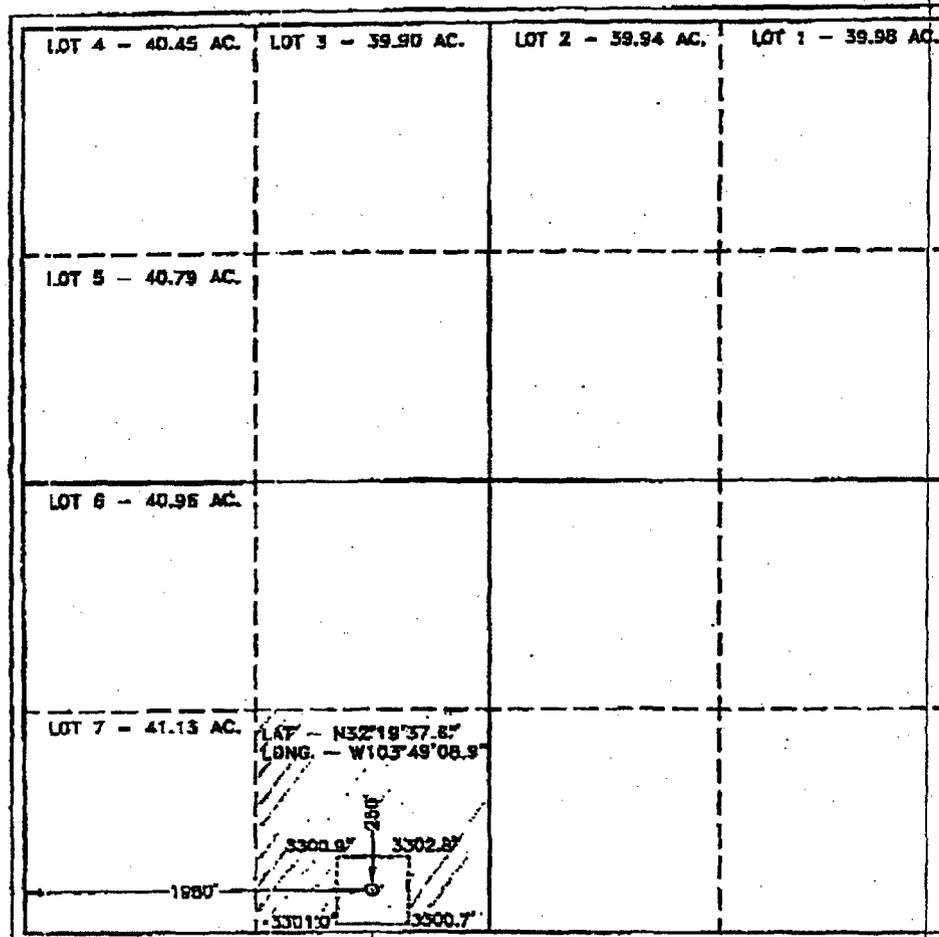
AFT Number	Pool Code	Pool Name Los Medanos (Delaware, Bone Spring, Wolfcamp)
Property Code	Property Name JAMES RANCH UNIT	Well Number 87
OGED No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3301'

Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	6	23 S	31 E		250	SOUTH	1980	WEST	ELDY

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 40	Joint or Infill N	Consolidation Code	Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

William R. Dannels
Signature

William R. Dannels
Printed Name

Division Drilling Supt.
Title

12-12-2000
Date

SURVEYOR CERTIFICATION

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 are true and correct to the best of my belief.

July 28, 2000
Date Surveyed

MARY L. JONES
Signature

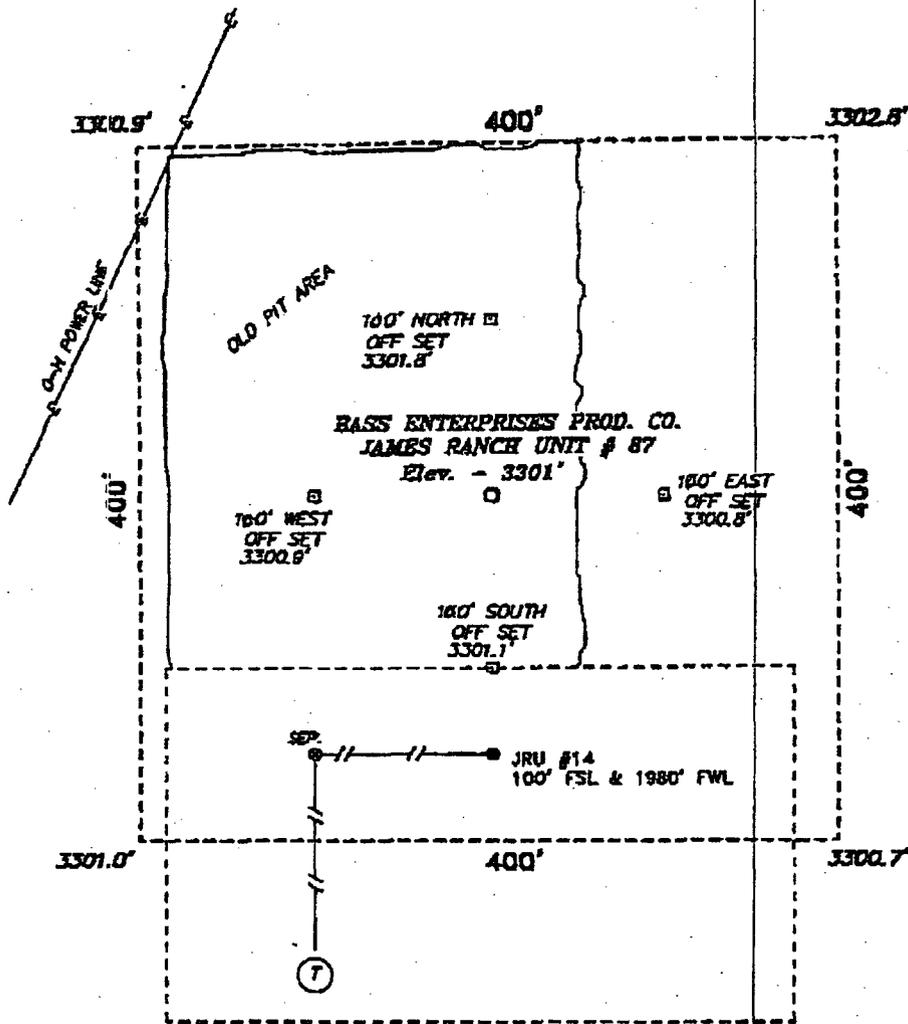
MARY L. JONES
Professional Surveyor

7977
C.O. No. 9425

7977
Certification No.

BASS SURVEYS

SECTION 6, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS:
From the intersection to State Hwy #128 and WIPP Road, go East of State Hwy 128; Thence east approx. 3000 feet to a point which lies south 900 feet of this location.

BASS ENTERPRISES PRODUCTION CO.

REF: JAMES RANCH Unit No. 87 / Well Paa Topo

THE JAMES RANCH UNIT No. 87 LOCATED 250' FROM THE SOUTH LINE AND 1980' FROM THE WEST LINE OF SECTION 6, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. 90X 1788-HOBBS, NEW MEXICO

W.O. Number: 0426

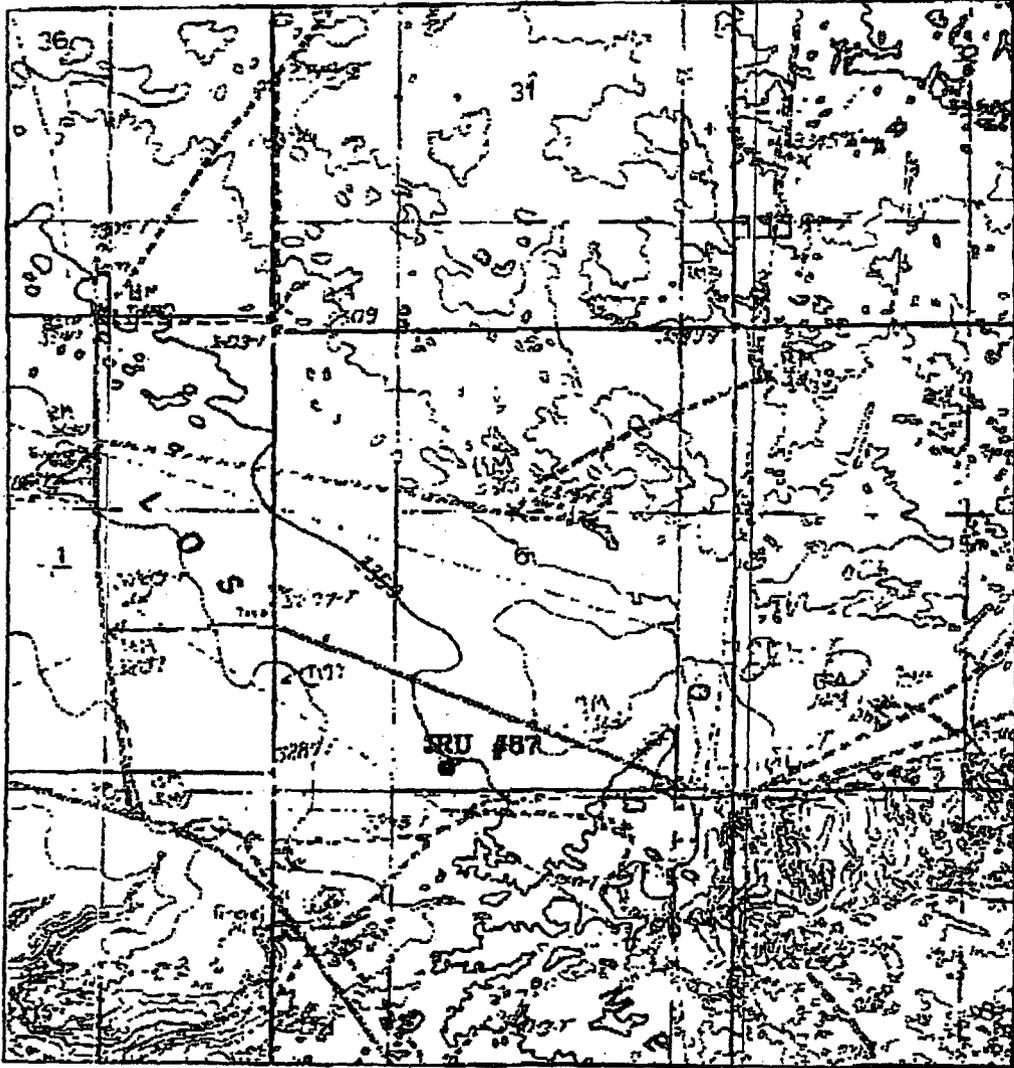
Drawn By: K. GOAD

Date: 08-01-2000

Disk: KJG #123 -- 0426A.DWG

Survey Date: 07-28-2000

Sheet 1 of 1 Sheets



JAMES RANCH UNIT # 87
 Located at 250' FSL and 1980' FWL
 Section 6, Township 23 South, Range 31 East,
 N.M.P.M., Eddy County, New Mexico.



focused on excellence
in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7318 - Office
 (505) 392-3074 - Fax
 basin-surveys.com

W.O. Number: 0426AA - XJG #1

Survey Date: 07-28-2000

Scale: 1" = 2000'

Date: 08-01-2000

**BASS ENTERPRISES
 PRODUCTION CO.**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB NO. 1004-0115
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM04473
2. Name of Operator BASS ENTERPRISES PRODUCTION CO		6. If Indian, Allottee or Tribe Name
3a. Address P O BOX 2760 MIDLAND, TX 79702		7. If Unit or CA/Agreement, Name and/or NMNM70965A
3b. Phone No. (include area code) Ph: 432-683-2277		8. Well Name and No. JAMES RANCH UNIT 87
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 6 T23S R31E SESW 250FSL 1980FWL		9. API Well No. 30-015-34277
		10. Field and Pool, or Exploratory LOS MEDANOS
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other

13. Describe Proposed or Completed Operation (Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BLA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed on testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Bass Enterprises Production Co. wishes to extend this application to drill for another 12 months from 11/12/04 to 11/12/05.

APPROVED FOR 12 MONTH PERIOD
ENDING 11/13/05

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #50806 verified by the BLM Well Information System
For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad
Committed to AFSS for processing by LINDA ASKWIG on 11/10/2004 (05LA0087SE)

Name (Printed/Typed) CINDI GOODMAN	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 11/08/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>Russ Johnson</u>	Acting Title FIELD MANAGER	Date <u>12/8/2</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** BLM REVISED **

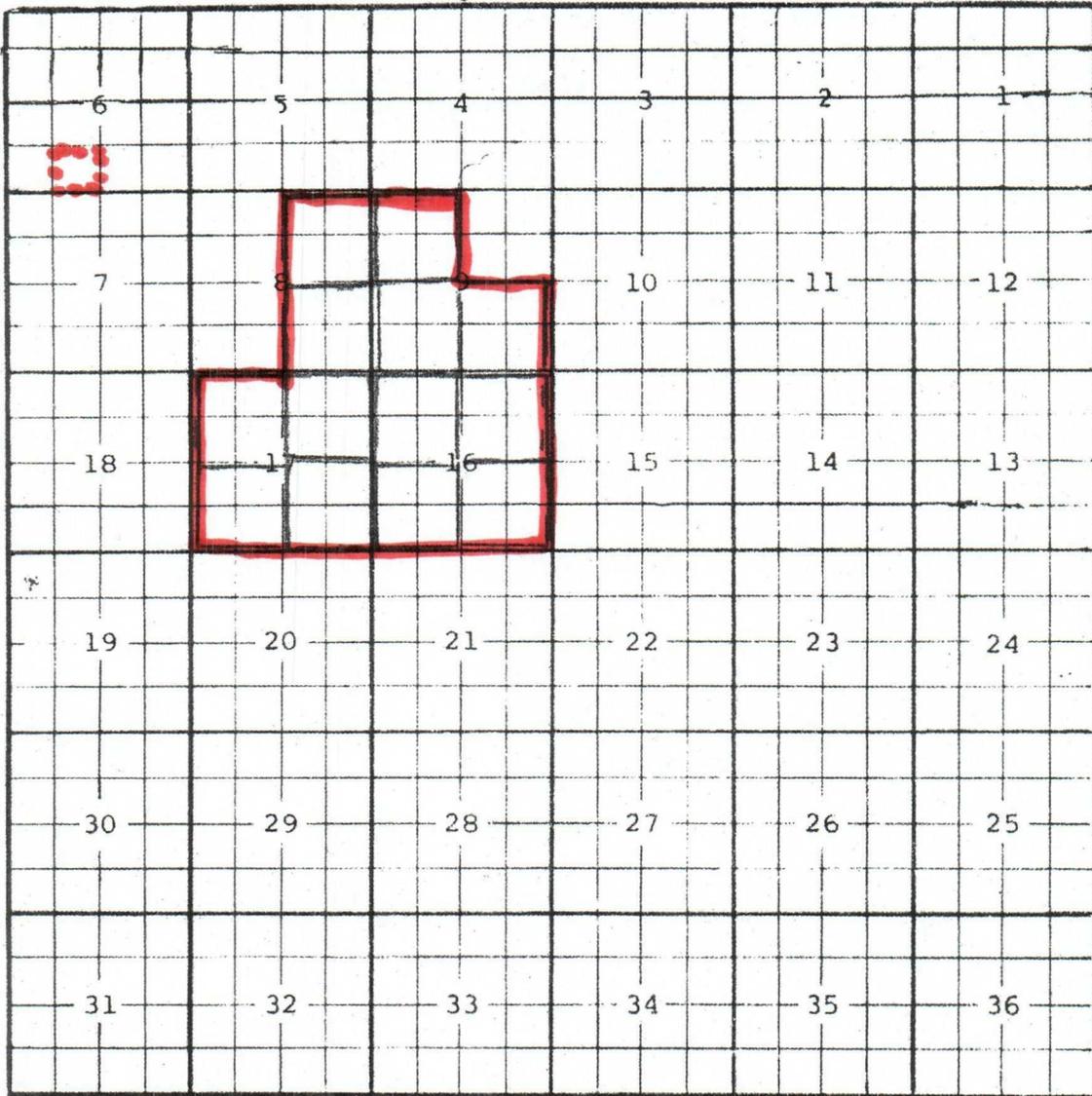
County EDDY

Pool LOS MEDANOS - DELAWARE

TOWNSHIP 23 SOUTH

Range 31 EAST

NMPM



DESC: SW/4 Sec 16 (R-9473, 4-1-91)

Ext: NW/4 Sec. 16 (R-9545, 7-1-91) Ext: NE/4 Sec. 17 (R-9844, 2-8-93)

Ext: SW/4 Sec. 9 (R-9884, 4-26-93) Ext: SE/4 Sec. 17 (R-9938, 8-17-93)

Ext: SW/4 Sec. 17 (R-9963, 9-20-93) Ext: NW/4 Sec. 9 (R-9981, 10-1-93)

Ext: NW/4 Sec. 9 (R-9981, 10-1-93) Ext: SE/4 Sec. 8, NE/4 Sec. 16 (R-10042, 12-28-93)

Ext: SE/4 Sec. 9 (R-10124, 5-31-94) Ext: NE/4 Sec. 8, NW/4 Sec. 17 (R-10159, 7-26-94)

Ext: SE/4 Sec. 16 (R-12066, 12-9-03)

Sec : 06 Twp : 23S Rng : 31E Section Type : NORMAL

4 40.45 Federal owned U R A C A	3 39.90 Federal owned U R A C C	2 39.94 Federal owned U R A C C	1 39.98 Federal owned U R C C A
5 40.79 Federal owned U R A A	F 40.00 Federal owned U R A	G 40.00 Federal owned U R A	H 40.00 Federal owned U R
6 40.96 Federal owned U R A C	K 40.00 Federal owned U R C C A	J 40.00 Federal owned U R A	I 40.00 Federal owned U R
7 41.13 Federal owned U R	N 40.00 Federal owned U R A C A	O 40.00 Federal owned U R	P 40.00 Federal owned U R