



NSL-601

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

December 19, 2003

Lori Wrotenbery
Director
Oil Conservation Division

Bass Enterprises Production Company
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Administrative Order NSL-601-A

Dear Mr. Bruce:

Reference is made to the following: (i) your application on behalf of the operator, Bass Enterprises Production Company ("Bass") dated December 1, 2003 (*administrative application reference No. pMES0-335332283*); (ii) your letter dated December 4, 2003 with supplemental data attached; and (iii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file on Division Administrative Orders NSL-601 and DHC-3214: all concerning Bass's request for an unorthodox Morrow infill gas well location for its existing James Ranch Unit Well No. 4 (API No. 30-015-20803), located 2180 feet from the South line and 330 feet from the West line (Lot 6/Unit L) of Section 6, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

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.

Lots 3 through 7, the SE/4 NW/4, and the E/2 SW/4 (W/2 equivalent) of Section 6, being a standard 323.23-acre stand-up gas spacing unit for Atoka production in either the Undesignated Los Medanos-Atoka Gas Pool (80560) or Undesignated West Sand Dunes-Atoka Gas Pool (84640), is to be dedicated to this well.

The Division's records indicate that by Division Administrative Order NSL-601, dated May 4, 1973, Belco Petroleum Corporation received authorization to drill to and complete the above-described James Ranch Unit Well No. 4 in the Los Medanos-Morrow Gas Pool (80560) at an unorthodox gas well location within this same standard 323.23-acre stand-up gas spacing unit comprising the W/2 equivalent of Section 6.

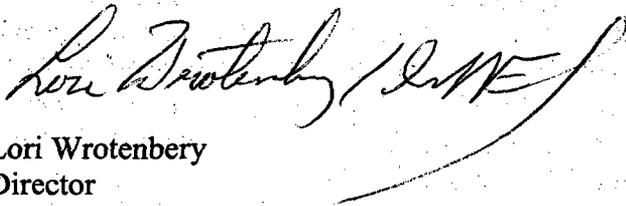
It is our understanding that Bass now indents to perforate the shallower Atoka interval and recomplete the well such that production from both the deeper Morrow and Atoka formations will be commingled within the wellbore (as referenced by Division Administrative Order DHC-3214, dated November 17, 2003). The location of this well within the Atoka formation is also considered to be unorthodox, pursuant to Division Rule 104.C (2) (a), as revised.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox Atoka gas well location for Bass's James Ranch Unit Well No. 4 is hereby approved.

Further all provisions of Division Administrative Orders NSL-601 and DHC-3214 shall remain in full force and affect until further notice.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

LW/mes

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: DHC-3214
NSL-601