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4/6/00

PLC 167

BASS ENTERPRISES PRODUCTION CO.

6 DESTA DRIVE, SUITE 3700
P.O. BOX 2760
MIDLAND, TEXAS 79702

FAX (915) 687-0329

February 23, 2000

(915) 683-2277

Re: Proposed Off-Lease Storage and/or
Measurement and Surface Commingling
James Ranch Unit
Well No. 36 (NM-02884-B)
Section 1, T23S-R30E; Unit Letter G
Well No. 38 (NM-02884-B)
Section 1, T23S-R30E; Unit Letter I
Well No. 63 (NM-02884-A)
Section 1, T23S-R30E; Unit Letter C
Eddy County, New Mexico
FILE: 400-WF: 002UJR63.CMG

001 MAR 17 AM 11:08
OL OPERATIONS FILE

Lori Wrotenbery
New Mexico Oil Conservation
P. O. Box 2088
Santa Fe, New Mexico 87501

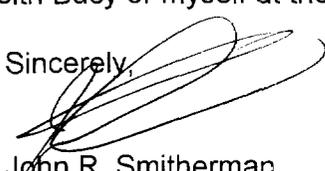
Dear Ms. Wrotenbery:

Bass Enterprises Production Company respectfully requests approval of off-lease storage and/or measurement of production into the existing tank battery. Production from the James Ranch Unit #63 lease will be metered separately at the James Ranch Unit #36 battery prior to being commingled. Approval of this request for off-lease storage and measurement will allow for more efficient operations with a consolidated battery by reducing the number of stock tanks (2) and water tanks (1). Also, gas sales and SWD connections are available at the existing battery. Surface disturbance will also be minimized by using the existing facility.

Full wellstream production will be transported via flowline to a three phase heater treater. Oil, Water, and Gas will be separated at this vessel. The oil will be metered prior to being stored in the commingled stock tanks. The gas will be metered via a separate sales meter. James Ranch Unit #36 Lease produces approximately 13 BO, 10 BW, 24 MCF per day. James Ranch Unit #38 Lease produces approximately 110 BO, 200 BW, 100 MCF per day. Estimated production from the James Ranch Unit #63 Lease will be 250 BO, 200 BW, 200 MCF per day. The API oil gravity for the subject leases is 42.9 (sweet). Current posted price is \$26.75 per barrel. The total value will improve by commingling. As revenue will increase due to gas sales vs. venting and operating expenses will be reduced by pipelining produced water to disposal vs. trucking.

If you have any questions please contact Keith Bucy or myself at the letterhead address.

Sincerely,



John R. Smitherman
Division Production Manager

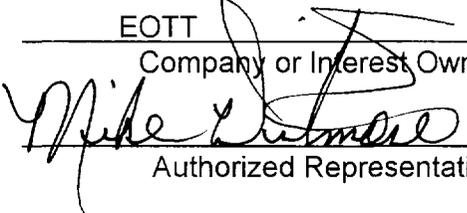

JRS:tlw

February 22, 2000

Re: Proposed Off-Lease Storage and/or
Measurement and Surface Commingling
James Ranch Unit
Well No. 36 (NM-02884-B)
Section 1, T23S-R30E; Unit Letter G
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WAIVER OF OBJECTION

EOTT Energy Corporation does not object to the attached application by Bass Enterprises
Production Co. For Surface Commingling and/or Off-Lease Measurement and Storage.

EOTT
Company or Interest Owner

Authorized Representative
Mike Dittmore, Area Manager
Title

February 22, 2000
Date

\$ 500 BBL OIL
 \$ 500 BBL OIL
 \$ 500 BBL OIL
 \$ 500 BBL WATER
 \$

WATER TRANSFER LINE TO JRU #29

ALL VALVES ON PRODUCTION TANKS ARE SEALED
 AT ALL TIMES. SEAL IS BROKEN ONLY WHEN
 TANK IS SOLD OR TANK IS BEING PRODUCED
 INTO.

NORTH

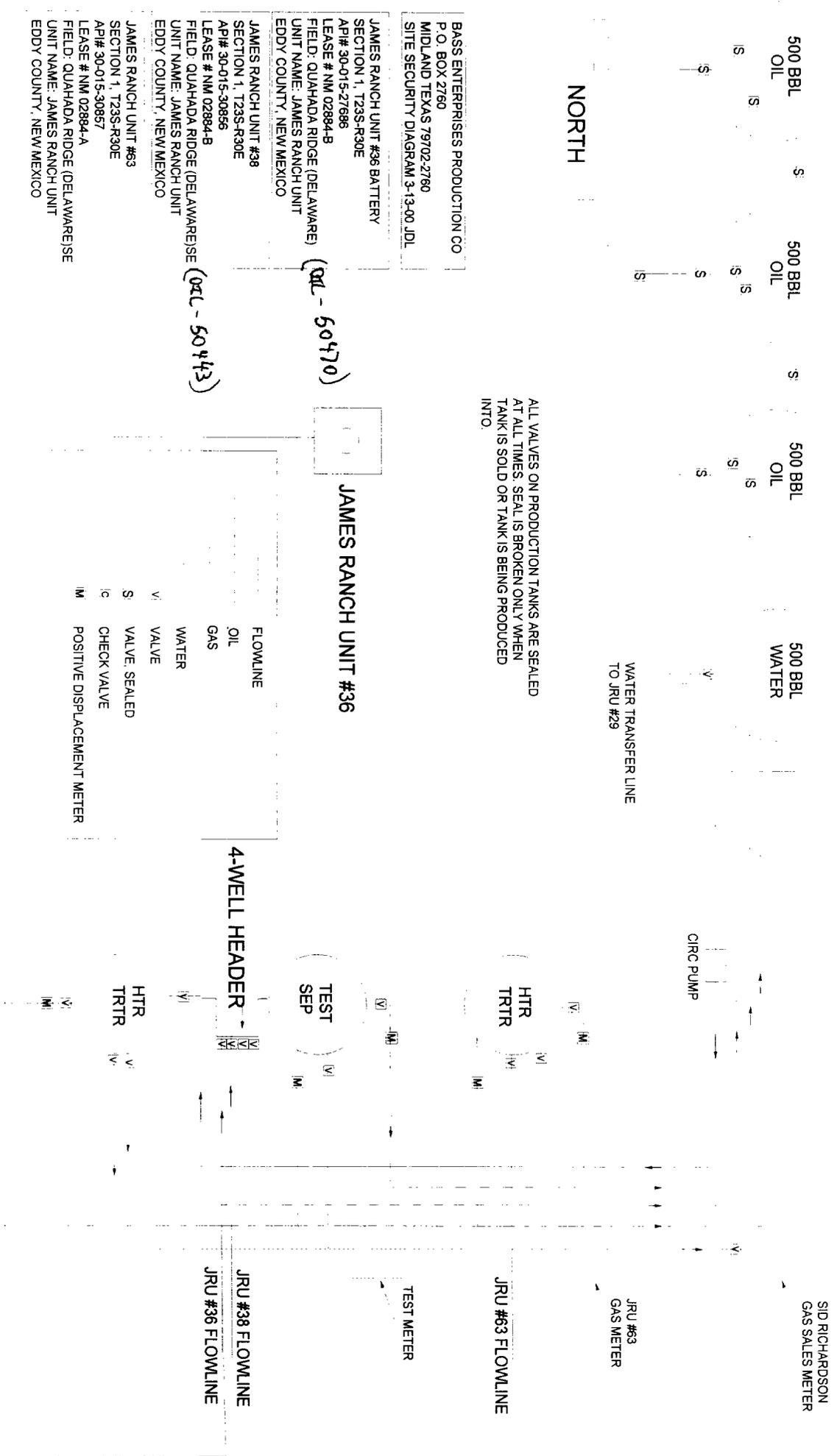
BASS ENTERPRISES PRODUCTION CO
 P.O. BOX 2760
 MIDLAND TEXAS 79702-2760
 SITE SECURITY DIAGRAM 3-13-00 JDL

JAMES RANCH UNIT #36 BATTERY
 SECTION 1, T23S-R30E
 API# 30-015-27686
 LEASE # NM 02884-B
 FIELD: QUAHADA RIDGE (DELAWARE)
 UNIT NAME: JAMES RANCH UNIT
 EDDY COUNTY, NEW MEXICO

JAMES RANCH UNIT #38
 SECTION 1, T23S-R30E
 API# 30-015-30856
 LEASE # NM 02884-B
 FIELD: QUAHADA RIDGE (DELAWARE)
 UNIT NAME: JAMES RANCH UNIT
 EDDY COUNTY, NEW MEXICO

JAMES RANCH UNIT #63
 SECTION 1, T23S-R30E
 API# 30-015-30857
 LEASE # NM 02884-A
 FIELD: QUAHADA RIDGE (DELAWARE)
 UNIT NAME: JAMES RANCH UNIT
 EDDY COUNTY, NEW MEXICO

JAMES RANCH UNIT #36 BATTERY



(OIL - 50470)

JAMES RANCH UNIT #36

4-WELL HEADER

JRU #38 FLOWLINE
JRU #36 FLOWLINE

JRU #63 FLOWLINE

TEST METER

JRU #63 GAS METER

SID RICHARDSON GAS SALES METER

CIRC PUMP

HTR TRTR

TEST SEP

HTR TRTR

- V VALVE
- S VALVE SEALED
- C CHECK VALVE
- M POSITIVE DISPLACEMENT METER