District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. Francis Dr., Santa Fe, NM 87505

State of New Mexico **Energy Minerals and Natural Resources**

Form C-101 Revised March 17, 1999

Oil Conservation Division RECEIVE Phit to appropriate District Office 1220 S. St. Francis Dr.

State Lease - 6 Copies

AUG 1 8 71114 Santa Fe, NM 87505

Fee Lease - 5 Copies

											•	ENDED REPOR	
APPLI	CATIO		PERMIT Deperator Name a			-ENTE	R, DEI	EPEN.	, PLUGB	ACK,	OR ADI) A ZONE	
Bass Ente	rprises Pr	oduction C	•						00	1801	PI Number		
		lland, Texa	s 79702						30 - C		33619		
⁴ Proper 001786	y Code	.	James Ranch	n Unit	⁵ Proper	ty Name					⁶ Well	No.	
		 			⁷ Surfac	e Locatio	on			!	- 1		
UL or lot no.	Section 7	Township 23S	Range 31E	Lot I		ect from the	North/S North	outh line	Feet from the	ne Ea	ast/West line	County Eddy	
		8	Proposed E	ottom I	Hole Loc	ation If I	Differe	nt Fro	m Surface				
UL or lot no.	Section	Township	Range	Lot I		eet from the		outh line	Feet from the		ast/West line	County	
	1		oposed Pool 1	<u></u>			Atol	ca Wolfe	camp,Bone	Proposed P			
	Les	166	janes,	Mon	row			va, vvoii	- Camp, Bone	Spring,	Delaware		
	Type Code N		¹² Well Type Co G	de	13	Cable/Rotary R		Ţ,	Lease Type Co	ode		nd Level Elevation 3295'	
¹⁶ M	ultiple N		¹⁷ Proposed Dep 14800	oth		Formation Morrow			¹⁹ Contractor Unknown			²⁰ Spud Date 7/01/04	
				Propose	L	and Cen	nent Pi	rogram	1		1		
Hole S	ize	Casii	ng Size		weight/foor	<u> </u>	Setting D	_	1 '	of Cemen	t	Estimated TOC	
17 1/2"		13 3/8"	-	54.50 600'		565		,	Sur	Surface			
12 1/4"		9 5/8"		40.0		4040'			1175		Surface		
8 3/4"		7"		26.0 12000		00' 950			Sur	face			
6 1/8"		4 1/2"		13.50 14800		350			117	700'			
												W-81111	
Describe the to The properties the time equipment	lowout prevoosed we of APD Sent as in d	vention progra Il will be the Submittal; he liagram1 wi	nis application is um, if any. Use e second pro- owever, a ce ill be the mini the 7" casing	additional s ducer in a rtified lan imum req	sheets if nec a already o d survey p uirement	essary. established plat will be until the 7"	l N/2 pr submitt	oration ed unde	unit. The we	ell has no cover. 5	ot been sta	OP	
23						Ba	<u> </u>						
best of my kno	-	_	iven above is tr	ue and com	piete to the		(OIL C	ONSERV	ATION	N DIVISI	ON	
Signature:	ind	<u> </u>	1000		WNN	Appro	ved by:	-			W. GL		
Printed name:	Cindi Go		1			Title:			DIST	* ***	<u> </u>	ERVISOR	
Title: Pro	duction C	ierk	T				val Da S	-	5 2004	Expira	tion Date:	EP 1 5 20	
Date: 04/14	/04		Phone: (43	2) 683-2	277	i	tions of A	pprov ·		~			
<u> </u>						Attach	ed \square	— N	OTIFY	OCD	יועע חיד	TNECC	

ALL CASING STRINGS R-111-P

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II 811 South First, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

2040 South Pacheco, Santa Fe, NM 87505

DISTRICT III

DISTRICT IV

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 - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	Pool Name	
	MORROW	
Prop	erty Name	Well Number
JAMES R	RANCH UNIT	93
Opera	ator Name	Elevation
BASS ENTERPRISES	PRODUCTION COMPANY	329 5 ¹
_	JAMES F	Property Name JAMES RANCH UNIT Operator Name BASS ENTERPRISES PRODUCTION COMPANY

Surface Location

1	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	Α	7	23 S	31 E		660	NORTH	660	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section '	Township	Range	Lot Idi	Peet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres Joint or Infill		Infill Con	nsolidation C	ode	Order No.				
320	Υ								

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

///////////////////////////////////////	3296.0 3 330370	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the
	2295-62 2509-94	best of my knowledge and betief. William R. Sunnell
LOT 1 - 41.24 AC.	LAT - N32°19'78.0" LONG - W102 48'38.0"	Signature W.R. DANNELS Printed Name
		DIVISION DRILLING SUPT. Title 04/14/04 Date
LOT 2 - 11.29 AC. 300 AC	Storation Unit	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 supervison, and that the same is true and correct to the best of my belief.
LOT 3 - 41.33 AC.		Date Surveyed L. JONAS
		Professional Surveyor
		Certificate No. Gary 15 Jones 7977
LOT 4 - 41.38 AC.		BASIN SURVEYS

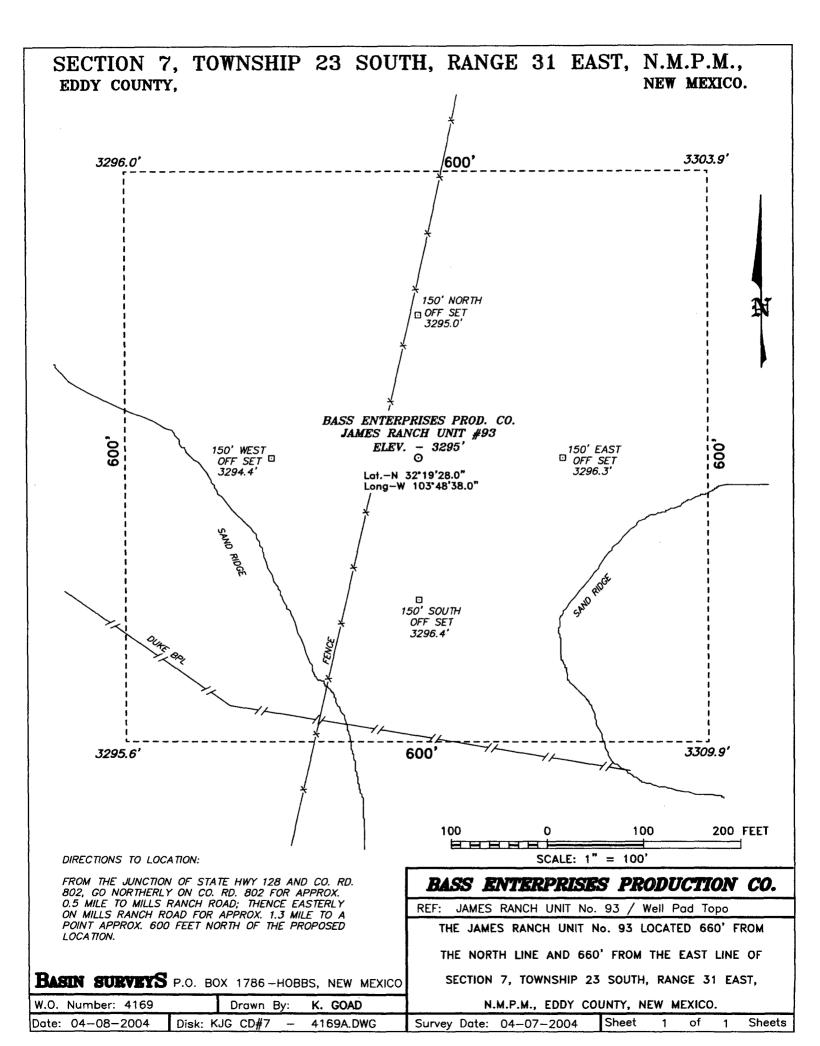
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec; NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

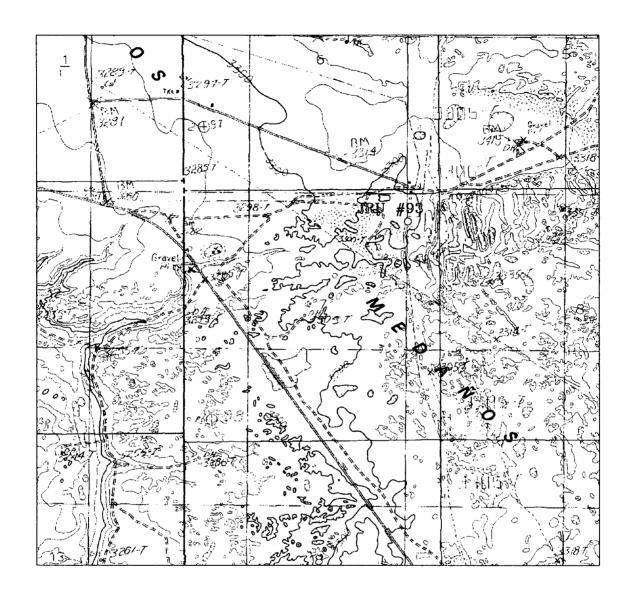
State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Pit or Below-Grade Tank Registration or Closure

	below-grade tank Costre of a pit or below-grade	tank 🗆	
Operator: BASS Extenprises Prod. Co. Telephone: Address: P.O. Box 2760, M. Lland, TX 1970 Facility or well name: James Rouch Unit # 93 API#:	433/683-2077 mail address: Cd good MAN 6	26455 pet. CON	1.
County: Eddy Latitude N32°19' Longitude (103°4)	Surface Owner Federal L State X Private L	Indian 🛘	
Pit	Relow-grade tank		
Type: Drilling N Production Disposal	Volume:bbl Type of fluid:		
Workover Emergency	Construction material:		_
Lined Unlined	Double-walled, with leak detection? Yes I If no	ot, explain why not.	
Liner type: Synthetic ☑ Thickness 20 mil Clay ☐ Volume			
bbl			•
	Less than 50 feet	(20 points)	
Depth to ground water (vertical distance from bottom of pit to seasonal high	50 feet or more, but less than 100 feet	(10 points)	
water elevation of ground water.) webside Notup	100 feet or more	(0 points)	
	Yes	(20 points)	
Wellhead protection area: (Less than 200 feet from a private domestic	(No)	(20 points)	RECEIVED
water source, or less than 1000 feet from all other water sources.)		(v posic,	
Distance to surface water: (horizontal distance to all wetlands, playas,	Less than 200 feet	(20 points)	AUG 1 3 2004
irrigation canals, ditches, and perennial and ephemeral watercourses.)	200 feet or more, but less than 1000 feet	(10 points)	OPP ARTERIA
ипдания санах, спинся, ани регения ани средным часовомом.	1000 feet or more	(0 points)	re that the tax
	Ranking Score (Total Points)	10	
If this is a pit closure:			
(1) attach a diagram of the facility showing the pit's relationship to of			
(2) Indicate disposal location: onsite offsite If offsite, name (· — — — — — — — — — — — — — — — — — — —		
(3) Attach a general description of remedial action taken including re			
(4) Groundwater encountered: No 🗆 Yes 🖸 If yes, show depth be		ple results.	
(5) Attach soil sample results and a diagram of sample locations and ex	cavations.		
I hereby certify that the information above is true and complete to the best of a been constructed or closed according to NMOCD guidelines. Date: 414/04 Printed Name/Title William R. Dawnels — Div. Date: Your certification and NMOCD approval of this application/closure does not a otherwise endanger public health or the environment. Nor does it relieve the cregulations.	Signature William R January relieve the operator of liability should the contents of	f the pit or tank contar	minate ground water or
ApprovAUG 20 2004 Seld Sep &		20	
Printed Name/Title	Signature UCC	5	





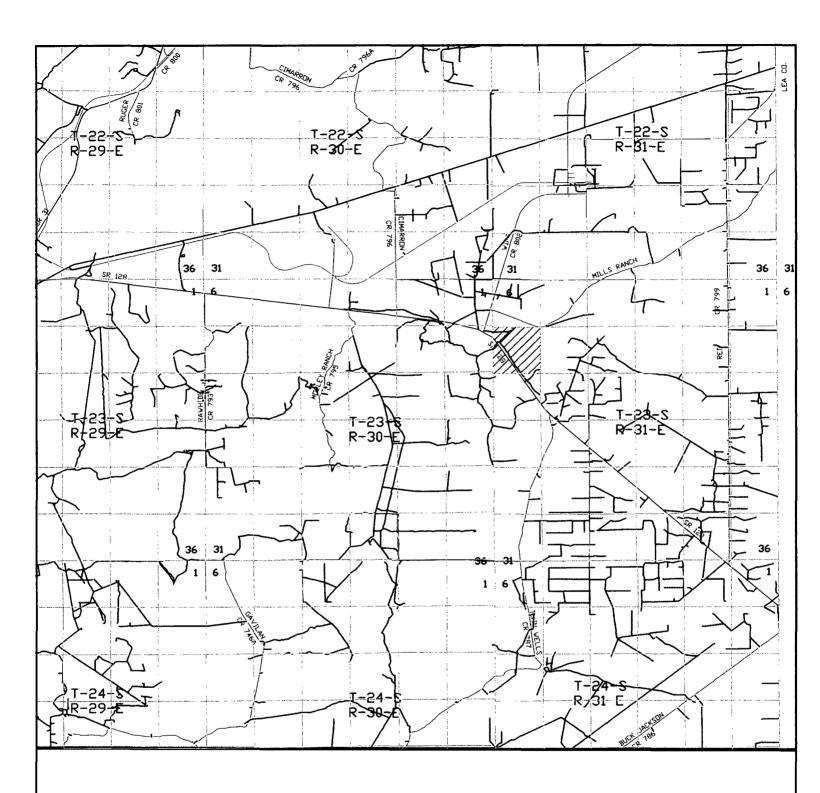
JAMES RANCH UNIT #93 Located at 660' FNL and 660' FEL Section 7, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 — Office (505) 392-3074 — Fax basinsurveys.com

W.O. Number:	4169AA - KJG #7
Survey Date:	04-07-2004
Scale: 1" = 20	000'
Date: 04-08-	-2004

BASS ENTERPRISES PRODUCTION CO.



JAMES RANCH UNIT #93 Located at 660' FNL and 660' FEL Section 7, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393—7316 — Office (505) 392—3074 — Fax basinsurveys.com

W.O. Number:	4169AA - KJG #7
Survey Date:	04-07-2004
Scale: 1" = 2	miles
Date: 04-08-	-2004

BASS ENTERPRISES PRODUCTION CO.

EIGHT POINT DRILLING PROGRAM BASS ENTERPRISES PRODUCTION CO.

NAME OF WELL: JAMES RANCH UNIT #93

LEGAL DESCRIPTION - SURFACE: 660' FNL & 660' FEL, Section 7, T23S, R31E, Eddy County, New Mexico.

POINT 1: ESTIMATED FORMATION TOPS

(See No. 2 Below)

POINT 2: WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS

Anticipated Formation Tops: KB 3320' (est)

GL 3295'

<u>FORMATION</u>	ESTIMATED TOP FROM KB	ESTIMATED SUB SEATOP	BEARING
T/Rustier	338'	+2,982'	Barren
T/Salt	658'	+2,662'	Barren
T/Lamar Lime	4,020'	- 700'	Barren
T/Delaware Sands	4,060'	- 740'	Oil/Gas
T/Bone Spring	7,885'	- 4,565'	Oil/Gas
T/Wolfcamp	11,110'	- 7,790'	Oil/Gas
T/Strawn	12,632'	- 9,312'	Oil/Gas
T/Atoka	12,848'	- 9,528'	Oil/Gas
T/Atoka Sand	13,060'	- 9,740'	Oil/Gas
T/Atoka Bank	13,140'	- 9,820'	Oil/Gas
T/Morrow	13,680'	-10,360'	Oil/Gas
T/Middle Morrow	14,050'	-10,730'	Oil/Gas
T/Lower Morrow	14,410'	-11,090'	Oil/Gas
TD	14,800'	-11,480'	

POINT 3: CASING PROGRAM

TYPE	INTERVALS	<u>PURPOSE</u>	CONDITION
20"	0' - 40'	Conductor	New
13-3/8", 54.5#, J-55, STC	0' - 600'	Surface	New
9-5/8", 40#, N-80, LTC	0' - 4,040'	Intermediate	New
7", 26#, HCP-110, LTC	0' - 12,000'	Intermediate	New
4-1/2", 13.50#, HCP-110, STL	12,700' - TD	Production Liner	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAMS)

BOPE equivalent to Diagram 1(minimum requirement) will be nippled up on the surface and first intermediate casings. Bass requests a waiver on Onshore Order #2 which states the BOPs and associated equipment must be tested to the rated working pressure or 70% of the internal yield pressure. Our plans are to test the BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. hydrostatically to 1,000 psi on the surface installation and 5,000 psi on the first intermediate. A 10,000 psi BOPE equivalent to Diagram 2 will be nippled up on the second intermediate string. The annular will be tested to 2500 psi. In addition to the high pressure test, a low pressure (250 psi) test will be required. These tests will be performed:

- a) Upon installation
- b) After any component changes
- c) Fifteen days after a previous test
- d) As required by well conditions

A function test to insure that the preventers are operating correctly will be performed on each trip. See attached Diagram 1 for the minimum criteria for the choke manifold.

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT	<u>FV</u>	<u>PV</u>	<u>YP</u>	FL_	<u>Ph</u>
0' - 600'	FW	8.5 - 9.2	45-35	NC	NC	NC	9.5
600' - 4,040'	CBW	9.8 - 10.0	28-30	NC	NC	NC	9.5
4,040' - 12,000'	FW	8.6 - 8.9	28-30	4	2	NC	9.5
12,000' - 12,700'	CBW	8.6 - 9.5	28-30	6	4	NC	9.5
12,700' - TD	CBW/Polymer	9.8 – 11.0	32-55	12-20	12-22	15-6	9.5 - 10.0

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING

Dill stem test may be performed on significant shows in zones of interest, but none are anticipated.

B) LOGGING

Run #1:

GR-CNL-LDT-LLD run from 12,700' to 1st ICP, GR-CLN to surface. May run logging suite across Delaware prior to drilling below 8000' if mud log shows warrant.

Run #2:

GR-CNL-LDT-LLD run from Liner TD to second ICP.

C) CORING

No cores are anticipated.

D) CEMENT:

INTERVAL SURFACE	AMOUNT SXS	FT OF FILL	ТҮРЕ	GALS/SX	PPG	FT³/SX
Lead 0'-300' (100% excess) Tail	225	300	Permian Basin Critical Zone + 1/8#/sx Pol-e-flake	10.30	12.80	1.89
300'-600' (100% excess)	340	300	Premium Plus + 2% CaCl ₂ + 1/8#/sx Pol-e-flake	6.32	14.80	1.34
INTERMEDIATE						
INTERVAL Lead	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	<u>PPG</u>	FT3/SX
0'-3540' (100% excess)	925	3540	Interfill C + 1/8#/sx Pol-e-flake	14.10	11.90	2.45
Tail 3540'-4040' (100% excess)	250	500	Premium Plus + 2% CaCl ₂	6.34	14.80	1.34
PRODUCTION (Tw	o stage w/DV too AMOUNT	ol @ 8000' ar FT OF	nd circulate cement to surface)			
INTERVAL 1 st Stage	SXS	FILL	TYPE	GALS/SX	<u>PPG</u>	FT3/SX
Lead 8000'-10,000' (50% excess)	200	2000	Interfill H + 5 pps Gilsonite + 0.5% Halad 9 + 1/8 pps Pol-e-flake	13.61	11.90	2.46
Tail 10,000'-12,000' (50% excess)	270	2000	Super H + 0.5% Halad 344 + 0.4% CFR3 + 5 pps Gilsonite + 1 pps Salt + 0.2% HRT	8.20	13.00	1.67
2 nd Stage Lead						
0'-6000' (50% excess) Tail	900	6000	Premium Plus + 2% Zone Seal N ₂ rates range 318-633 scf/bbl		11.90 -9.0	1.757 -2.319
(50% excess)	270	2000	Super H + 0.5% Halad 344 + 0.4% CFR3 + 5 pps Gilsonite + 1 pps Salt + 0.2% HRT	8.20	13.00	1.67
PRODUCTION LIN 11,700'-14,800' (25% excess 300' o	350	3100	Class H + 0.8% Halad 322 + 0.6% Halad 344 + 0.2% HR-7 + 5 pps Microbond M	5.68	15.40	1.28

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout the Delaware and Bone Spring. The Lower Wolfcamp may be slightly abnormally pressured with a BHP of 5200 psi or an equivalent mud weight of 9.0 ppg. The Atoka may be abnormally pressured with expected BHP of 6100 psi (max) or an equivalent mud weight of 9.0 ppg. The Morrow expected BHP is 7280 (max) or an equivalent mud weight of 10.0 ppg @ the base of the zone. Due to the tight nature of the reservoir rock (high pressure, low volume), the well will be drilled under balanced utilizing a rotating head. No H2S is anticipated.

POINT 8: OTHER PERTINENT INFORMATION

A) Auxiliary Equipment

Upper and lower kelly cocks. Full opening stab in valve on the rig floor.

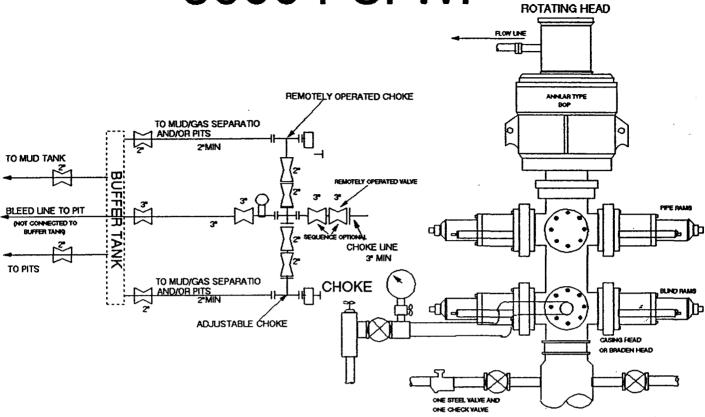
B) Anticipated Starting Date

Upon approval

60 days drilling operations

25 days completion operations

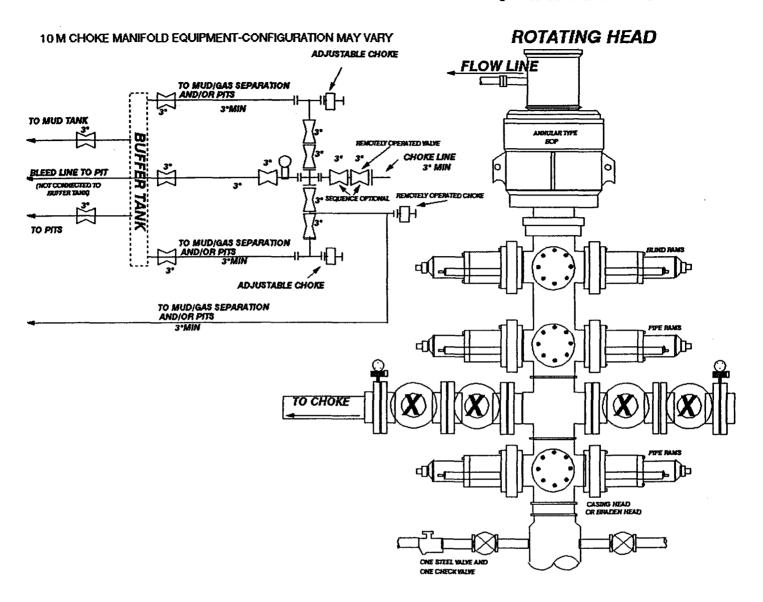
WRD/mac March 29, 2004 **5000 PSI WP**



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- A. One double gate blowout preventer with lower rams for pipe and upper rams blind, all hydraulically controlled.
- B. Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.
- C. All connections from operating manifold to preventers to be all steel hose or tube a minimum of one inch in diameter.
- D. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate (close, open, and re-close) the preventers.
- E. All connections to and from preventers to have a pressure rating equivalent to that of the BOP's.
- F. Manual controls to be installed before drilling cement plug.
- G. Valve to control flow through drill pipe to be located on rig floor.
- H. All chokes will be adjustable. Choke spool may be used between rams.

10-M. WP BOPE WITH 5-M WP ANNULAR



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS:

- A. Opening between the ram to be flanged, studded, or clamped.
- B. All connections from operating manifolds to preventers to be all steel hose or tube a minimum of one inch diameter.
- C. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate (close, open, and re-close) the preventors.
- D. ALL connections to and from preventer to have a pressure rating equivalent to that of the BOPs.
- E. Manual controls to be installed before drilling cement plug.
- F. Kelly cock to be installed on kelly.
- G. Inside blowout preventer to be available on rig floor.
- H. Dual operating controls: one located by drillers position and the other located a safe distance from the rig floor.
- I. All chokes will be adjustable.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

August 18, 2004
Bureau of Land Management
620 East Greene St.
Carlsbad, N.M. 88220-6292
Attn: Craig Cranston or To Whom It May Concern

AUG 2 0 2004

RECEIVED

Carlsbad, N.M. 882 Attn: Craig Cransto	220-6292 n or To Whom It May Co	ncern				
RE: APPLICAT	TION FOR PERMIT TO	DRILL IN POTASE	I AREA			
OPERATOR: LEASE NAME: LOCATION:	Bass Enterprises Production Company James Ranch Unit # 93 SEC. 7 TOWNSHIP 23 SOUTH, RANGE 31 EAST, 660' FNL & 660' FEL EDDY COUNTY, NM, NMPM					
PROPOSED DEP Dear Craig or To	ГН: 14,800' Whom It May Concern,					
Mexico Oil Conser 111-P, please advis Mine Reserve area	r permit to drill identifice vation Division. Pursuit se this office whether or a filed with and approved one established by this our assistance.	to the provisions of C not this application is I by your office. If no	Dil Conservation I within an establi	Division Order R shed Life-of		
Sincerely,						
Bryan G. Arrant PES, District II A	tesia NMOCD					
In LMR In Buffer Zone	YesYes	No				
Comments:) In IMC:	LMR			
Signature:	E. C. Crein	relow	Date:	8-19-09		
	ing John Brand Standard	** 184233.45				



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

RE:

Mark E. Fesmire, P.E. Director Oil Conservation Division

August 18, 2004 New Mexico State Land Office Oil, Gas and Minerals Division 310 Old Santa Fe Trail P.O. Box 1148 Santa Fe, NM 87504-1148 Attn: Joe Mraz or To Whom It May Concern

RECEIVED

AUG 2 3 2004 OCD-AH I ESIA

APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

LEASE NAME: James Ranch Unit #93

OPERATOR: Bass Enterprises Production Company

LOCATION:

SEC. 7 TOWNSHIP 23 SOUTH, RANGE 31 EAST,

660' FNL & 660' FEL

EDDY COUNTY, NM, NMPM

PROPOSED DEPTH: 14,800'

Dear Mr. Mraz or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order. Thank you for your assistance.

Sincerely,			\sim
			JRM 7AM 8-19-04
Bryan G. Arrant			1Am
PES, District II Artesia NMOCD			8'-19-04
In LMR In Buffer Zone	YesYes	No No	,
Comments:			
_	80		
	, phy		Signature:
	<u>'</u>		_ Date: <u>8/19/04</u>

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST. FORT WORTH, TEXAS 76102-3131

817/390-8400

August 16, 2004

RECEIVED

AUG 2'6 2004

989:ARTESIA

EXPRESS MAIL/Return Receipt Requested

IMC Potash Carlsbad Inc. P. O. Box 71 1361 Potash Mines Rd. Carlsbad, New Mexico 88221-0071

Attn: Mr. Dan Morehouse

Re:

Proposed James Ranch Unit No. 93 NE/4 NE/4 Section 7, T23S-R31E

660' FNL and 660' FEL Eddy County, New Mexico

Dear Mr. Morehouse:

Please find attached a copy of the application which Bass Enterprises Production Co. has filed with the NMOCD to drill the James Ranch No. 93 Well at the above location to a total depth of 14,610' to the Lower Morrow Formation.

Bass requests a waiver of any objection IMC may have for the drilling of the above described well. Please evidence such waiver by signing this letter in the space provided below and returning one (1) executed original to the undersigned at your earliest convenience. Thank you very and should you have any questions or comments in the above regard, please don't hesitate to contact the undersigned at (817) 390-8568.

Very truly yours,

Ryan H. Dobbs RDP:mc AGREED and ACCEPTED this _____ day of IMC POTASH CARLSBAD INC.

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

August 12, 2004

RECEIVED

AUG 1 3 7004

ORP APTESIA

FEDERAL EXPRESS

New Mexico Oil Conservation Division 1301 W. Grand Aveue Artesia, New Mexico Attention: Bryan Arrant

Re:

Application for Permit

Bass- James Ranch Unit No. 93 NE/4 NE/4 Section 7, T23S-R31E Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) original and five (5) copies of the permit for the above well which is located on fee lands. Included in the package is a letter to IMC Potash Carlsbad, Inc. requesting its waiver for the drilling of the subject well. Please approve the attached permit at your earliest convenience. Should you have any questions or comments in the above regard, please don't hesitate to contact the undersigned at (817) 390-8568 or Bill Dannels at (432) 683-2277. Thank you very much.

Very truly yours,

Ryan P. Dobbs

RDP:mc

cc: Bill Dannels - Midland Office

BASS ENTERPRISES PRODUCTION Co. 201 Main Street, Sulto 3100 Ft. Worth. Texas 76102-3131

FAX 817-339-7109

817-390-8400

September 15, 2004

RE:

PERMIT TO DRILL

BASS - JAMES RANCH UNIT #93 NENE SEC. 7, T-23-S, R-31-E EDDY COUNTY, NEW MEXICO

FILE: WF: JRU93 DRLG PERMIT JWB

VIA FAX - 505-748-9720

Mr. Bryan Arrant New Mexico Oil Conservation Division 1301 W. Grand St. Artesla, New Mexico 88210

Dear Mr. Arrant.

Pursuant to our conversation of this date, this will verify that Bass Enterprises Production Co. has notified all potash lessees of its intent to permit and drill the referenced well. This notice was delivered by certified mail and received by the potash lessee, IMC Potash Carlsbad Company on August 19, 2004. As of this date, Bass has received no reply to the above notice.

Thank you very much and should you require further information in the above regard, please advise.

Sincerely.

JWB/gr