

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/380-8400

March 3, 2000

U.S. MAIL & VIA FACSIMILE (505) 887-0589

IMC Kalium Carlsbad Potash Company
P. O. Box 71
Carlsbad, New Mexico 88221-0071

Attn: Mr. John Purcell

Re: Proposed Wells in James Ranch Federal Unit
Section 36, T22S-R30E (State Lease No. E-5229)
Section 1, T23S-R30E (Fed. Lease No. NM 02884, LC 0543280)
Section 6, T23S-R31E (Fed. Lease No. NM 02887, LC 071988)
James Ranch Unit Well Nos. 33, 34, 35, 62, 66, 68, 74, 75, 81, 82,
Hudson "1" Federal Well Nos. 2, 3, 4, 5, 6
Eddy County, New Mexico

Dear Mr. Purcell:

Bass Enterprises Production Co. has plans to drill fifteen (15) wells within the James Ranch Federal Unit area in the Eddy County, New Mexico. Provided below are the well names, locations, and projected depths for these vertical wells.

<u>Well Name</u>	<u>Proposed Depth</u>	<u>Proposed Location</u>
JRU No. 33	7,810' (Delaware)	660' FNL, 1,880' FEL, Section 1, T23S-R30E
JRU No. 34	7,840' (Delaware)	660' FSL, 660' FEL, Section 36, T22S-R30E
JRU No. 35	7,830' (Delaware)	660' FNL, 660' FEL, Section 1, T23S-R30E
JRU No. 62	7,830' (Delaware)	1,200' FSL, 2,080' FEL, Section 1, T23S-R30E
JRU No. 66	7,775' (Delaware)	660' FSL, 990' FWL, Section 36, T22S-R30E
JRU No. 68	11,380' (Wolfcamp)	1,980' FNL, 660' FEL, Section 6, T23S-R31E
JRU No. 74	7,860' (Delaware)	330' FNL, 660' FWL, Section 6, T23S-R31E
JRU No. 75	7,920' (Delaware)	1,980' FSL, 1,650' FWL, Section 6, T23S-R31E
JRU No. 81	7,780' (Delaware)	560' FNL, 990' FWL, Section 1, T23S-R30E