

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

1b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Bass Enterprises Production Co.

1801

3. ADDRESS AND TELEPHONE NO.

P.O. Box 2760, Midland, TX 79702-2760

915-683-2277

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *)

At surface

660' FSL & 1813' FEL, Section 1, T23S, R30E

At proposed prod. zone

Unit B Lot 2

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

16 miles East of Loving, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 660'

16. NO. OF ACRES IN LEASE

420

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1153'

19. PROPOSED DEPTH

7850'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3299' GR

22. APPROX. DATE WORK WILL START*

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14-3/4"	11-3/4"	42#	550'	300 sx Cement to surface
11"	8-5/8"	28# & 32#	350'	860 sx Cement to surface
7-7/8"	5-1/2"	15.5# & 17#	7850'	630 sx Tie back 300' into int csg.

CARLSBAD CONTROLLED WATER BASIN

Surface casing to be set +/- 100' above the Salt in the Rustler.

Intermediate casing to be set into the Lamar Lime.

Production casing cement to be tied 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. Attached is our potash notification

letter dated March 3, 2000 along with IMC's response letter dated March 13, 2000 indicating

"no objections".

SECRETARY'S POTASH

R-111-P POTASH

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

William R. Dannels

TITLE

W. R. Dannels

Division Drilling Supt.

DATE

3-27-2000

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY:

Acting

APPROVED BY

S. D. Salzman

TITLE

STATE DIRECTOR

DATE

JUN 19 2000

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

APPROVED FOR 1 YEAR

P-969-424-005 WRD/MAC

RECEIVED
MAR 29 '00
ELM
ROSWELL, NM

1625 N. French Dr., Hobbs, NM 88240

811 South First, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

2040 South Pacheco, Santa Fe, NM 87506

Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1959

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Quahada Ridge (Delaware), SE
Property Code	Property Name	Well Number
	JAMES RANCH UNIT	33
OGRID No.	Operator Name	Elevation
001801	BASS ENTERPRISES PRODUCTION COMPANY	3299'

Surface Location

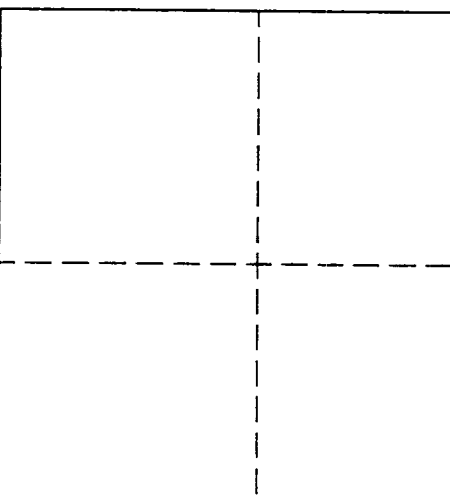
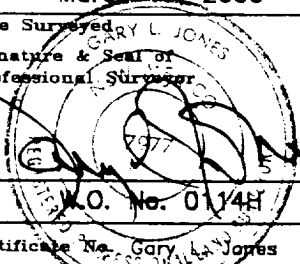
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	1	23 S	30 E		660	NORTH	1813	EAST	EDDY

Bottom Hole Location If Different From Surface

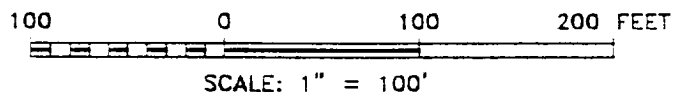
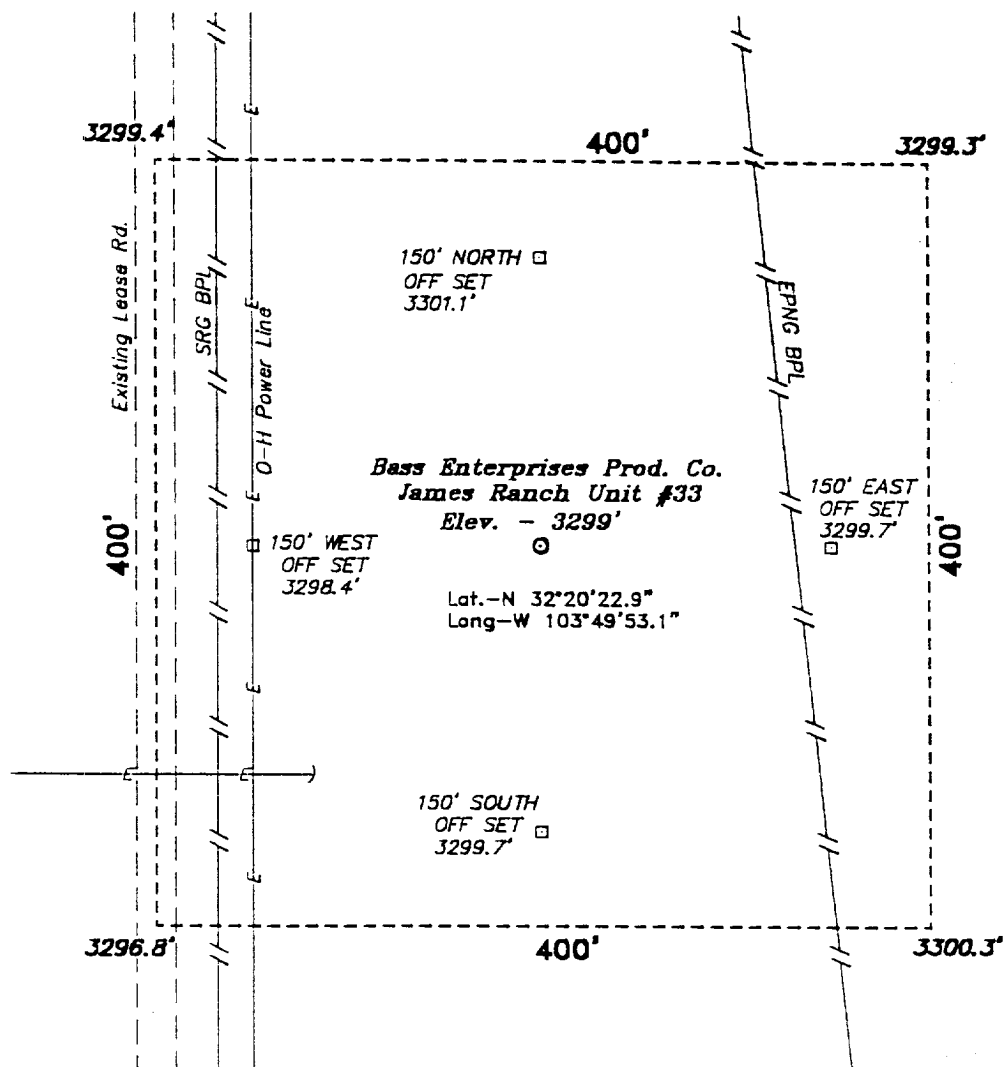
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40	N		

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

 <p> 3299.4' 3299.3' 660' 1813' 3296.8' 3300.3' LAT - N32°20'22.9" LONG - W103°49'53.1" </p>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <h3 style="text-align: center;">OPERATOR CERTIFICATION</h3> <p style="font-size: small;">I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p style="font-size: large; font-family: cursive;">William R. Dannels</p> <p style="font-size: small;">Signature</p> <p style="font-size: large;">William R. Dannels</p> <p style="font-size: small;">Printed Name</p> <p style="font-size: large;">Division Drilling Supt.</p> <p style="font-size: small;">Title</p> <p style="font-size: large;">3-21-2000</p> <p style="font-size: small;">Date</p> </div> <div style="border: 1px solid black; padding: 5px;"> <h3 style="text-align: center;">SURVEYOR CERTIFICATION</h3> <p style="font-size: small;">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 is true and correct to the best of my belief.</p> <p style="text-align: center; font-size: large; font-weight: bold;">March 17, 2000</p> <p style="font-size: small;">Date Surveyed</p> <p style="font-size: large; font-family: cursive;">GARY L. JONES</p> <p style="font-size: small;">Signature & Seal of Professional Surveyor</p> <div style="text-align: center;">  </div> <p style="font-size: small;">Certificate No. Gary L. Jones 7977</p> <p style="text-align: center; font-weight: bold;">BASIN SURVEYS</p> </div>
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SECTION 1, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM JUNCTION CO. RD. 802(WPP ROAD) & STATE HWY 128(JAL HWY), GO WEST ON CO. RD. 802 APPROX. 0.5 MILE TO A LEASE ROAD; THENCE NORTH ON LEASE ROAD APPROX. 1.0 MILE TO A POINT ON THE PROPOSED WELL LOCATION.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 0114

Drawn By: K. GOAD

Date: 03-20-2000

Disk: KJG #122 - 0114H.DWG

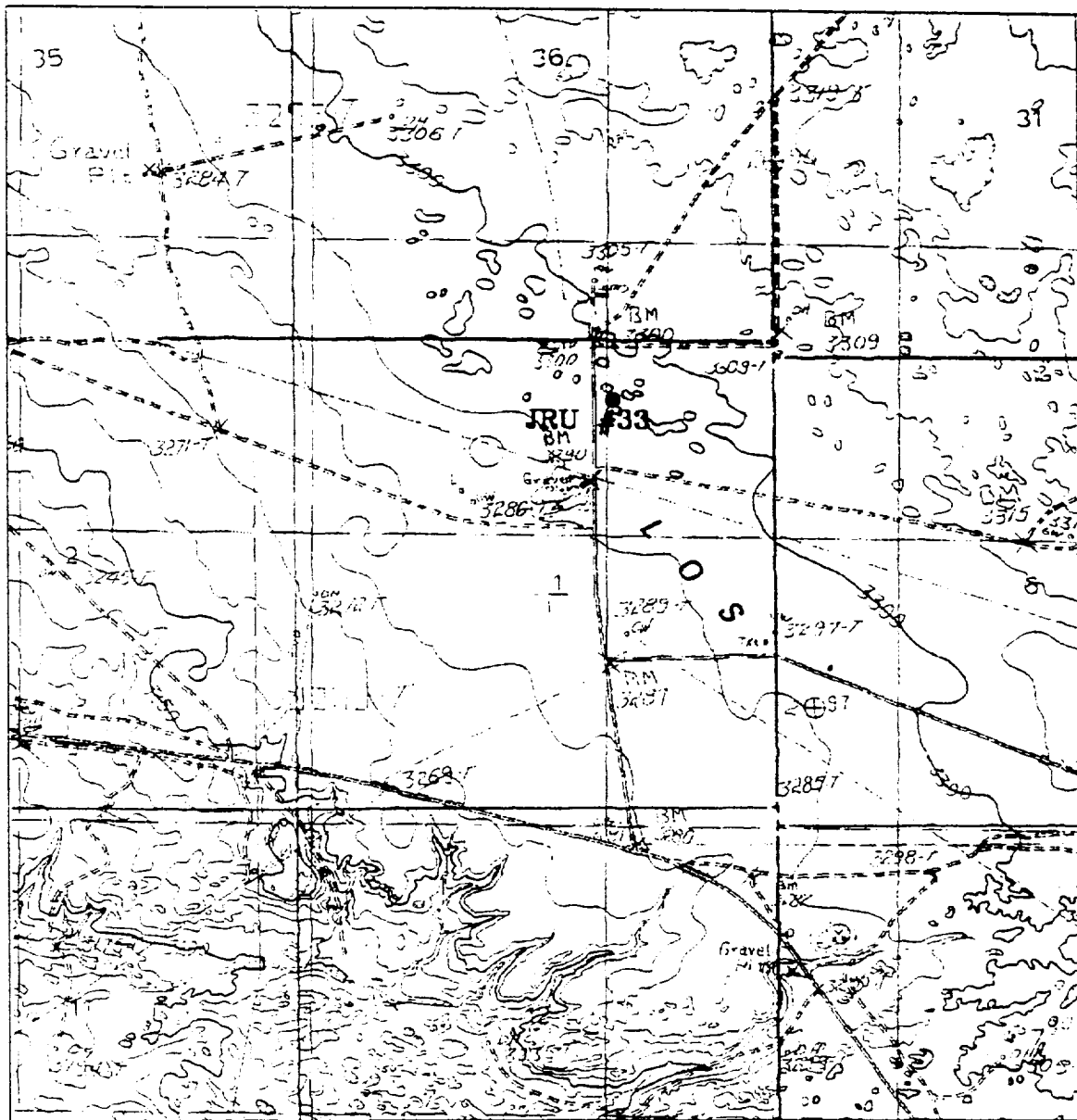
BASS ENTERPRISES PRODUCTION CO.

REF: James Ranch Unit No. 33 / Well Pad Topo

THE JAMES RANCH UNIT No. 33 LOCATED 660' FROM THE NORTH LINE AND 1813' FROM THE EAST LINE OF SECTION 1, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 03-17-2000

Sheet 1 of 1 Sheets



JAMES RANCH UNIT #33

Located at 660' FNL and 1813' FEL
 Section 1, Township 23 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys

focused on excellence
 in the oilfield

P.O. Box 1736
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-5074 - Fax
 basin-surveys.com

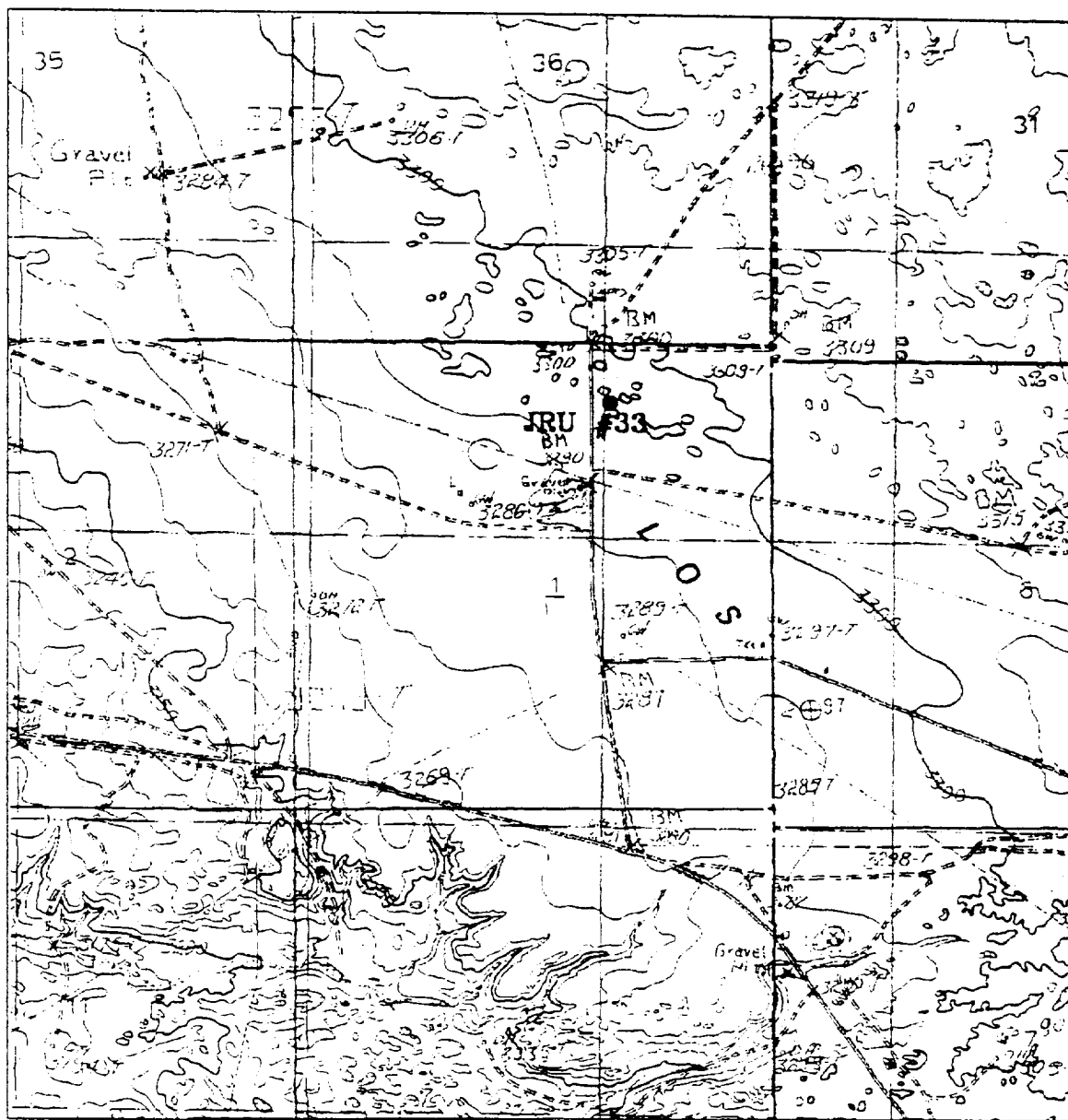
W.C. Number: 0114HH - KUG #122

Survey Date: 03-17-2000

Scale: 1" = 2000'

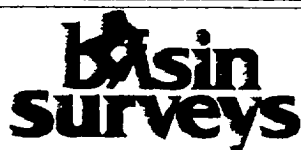
Date: 03-20-2000

BASS ENTERPRISES
PRODUCTION CO.



JAMES RANCH UNIT #33

Located at 660' FNL and 1813' FEL
 Section 1, Township 23 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.



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 in the oilfield

P.O. Box 1796
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7315 - Office
 (505) 392-3074 - Fax
 bassinurveys.com

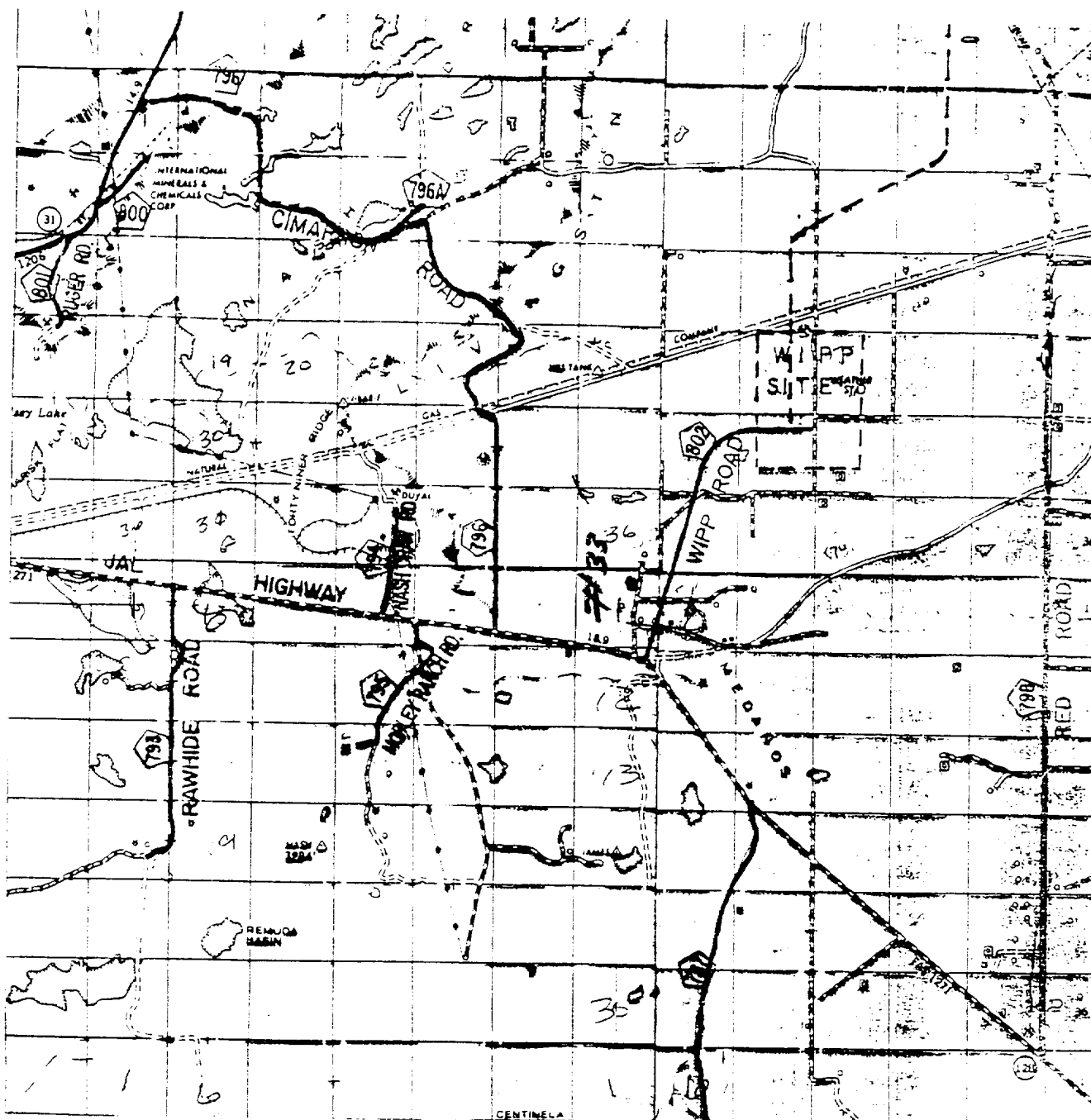
W.O. Number: 0114HH - KUG #122

Survey Date: 03-17-2000

Scale: 1" = 2000'

Date: 03-20-2000

**BASS ENTERPRISES
 PRODUCTION CO.**



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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: 0114HH - KJG #122

Survey Date: 03-17-2000

Scale: 1" = 2 MILES

Date: 03-20-2000

BASS ENTERPRISES
PRODUCTION CO.

**EIGHT POINT DRILLING PROGRAM
BASS ENTERPRISES PRODUCTION CO.**

NAME OF WELL: JAMES RANCH UNIT #33

LEGAL DESCRIPTION - SURFACE: 660' FNL & 1813' FEL, Section 36, T-22-S, R-30-E, 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 3314' (est)
GL 3299'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Rustler	199'	+3115'	Barren
T/Salt	628'	+2686'	Barren
T/Lamar	3839'	- 525'	Barren
T/Delaware Mtn. Group	3874'	- 560'	Oil/Gas
T/8A Lower Brushy Canyon	7378'	- 4064'	Oil/Gas
T/Bone Spring	7667'	- 4353'	Oil/Gas
TD	7850'	- 4536'	

POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
20"	0-40'	Conductor	New
11-3/4", 42#, WC-40, STC	0-550'	Surface	New
8-5/8", 28# & 32#, WC-50, STC	0-3850'	Intermediate	New
5-1/2", 15.50# & 17#, K-55, LTC	0-7850'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nipped up on the surface casing head. When testing, the BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to the lowest rated working pressure of the equipment being tested. In addition to the rated working pressure test, a low pressure (200 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

Con't...

POINT 6: TECHNICAL STAGES OF OPERATION

D) CEMENT Con't...

PRODUCTION - A 2 stage cementing procedure with DV tool @ $\pm 5600'$ will be required.

<u>INTERVAL</u>	<u>AMOUNT SX</u>	<u>FT OF FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT³/SX</u>
2nd Stage						
Lead						
3550'-5200' (50% excess)	175	1650	Interfill C	16.58	11.5	2.77
Tail						
5200'-5600' (50% excess)	75	400	Class C	6.31	14.8	1.34
1st Stage						
5600-7850' (50% excess)	380	2250	Super H + 3#/sx Salt + 4/10% Halad 344 + 3/10% CFR-3	8.67	13.0	1.65

E) DIRECTIONAL DRILLING

No directional services anticipated.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3551 psi (max) or MWE of 8.7 ppg is expected. Lost circulation may exist in the Delaware section from 3874'-7667'. No H₂S is anticipated.

Estimated BHT is 146° F.

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

16 days drilling operations

10 days completion operations

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: JAMES RANCH UNIT #33

LEGAL DESCRIPTION - SURFACE: 660' FNL & 1813' FEL, Section 1, T-23-S, R-30-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit "A".

B) Existing Roads:

Between mile markers 10 & 11 on Highway 128 turn North on WIPP road and go 0.8 mile. Turn West and go 0.4 mile. Turn North and go 500' to location.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "A".

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See Exhibit "A". The new road will be 12' wide and approximately 50' long. The road will be constructed of watered and compacted caliche.

B) Width

Not applicable.

C) Maximum Grade

Not applicable.

D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

None.

POINT 3: LOCATION OF EXISTING WELLS

Exhibit "B" indicates existing wells within the surrounding area.

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES

- A) Existing facilities owned or controlled by lessee/operator:

Bass' facilities located at JRU #36 (1400' South of wellbore).

- B) New Facilities in the Event of Production:

None required.

- C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following flowline construction, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas unnecessary for use will be graded to blend in the surrounding topography - See Point 10.

POINT 5: LOCATION AND TYPE OF WATER SUPPLY

- A) Location and Type of Water Supply

Fresh water will be hauled from Johnson Water Station 27 miles east of Carlsbad, New Mexico or Mills Ranch. Brine water will be hauled from Champion Brine Water Station, 3.5 miles east and 2.5 miles south of Carlsbad, New Mexico.

- B) Water Transportation System

Water hauling to the location will be over the existing and proposed roads.

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

- A) Materials

If not found on location, caliche will be hauled from the nearest BLM approved source.

- B) Land Ownership

Federally owned.

- C) Materials Foreign to the Site

No construction materials foreign to this area are anticipated for this drill site.

- D) Access Roads

See Exhibit "A".

POINT 7: METHODS FOR HANDLING WASTE MATERIAL

A) Cuttings

Cuttings will be contained in the reserve pit.

B) Drilling Fluids

Drilling fluids will be contained in the reserve pit.

C) Produced Fluids

Water production will be contained in the reserve pit.

Hydrocarbon fluid or other fluids that may be produced during testing will be retained in test tanks. Prior to cleanup operations, any hydrocarbon material in the reserve pit will be removed by skimming or burning as the situation would dictate.

D) Sewage

Current laws and regulations pertaining to the disposal of human waste will be complied with.

E) Garbage

Portable containers will be utilized for garbage disposal during the drilling of this well.

F) Cleanup of Well Site

Upon release of the drilling rig, the surface of the drilling pad will be graded to accommodate a completion rig if electric log analysis indicate potential productive zones. The reserve pit will be fenced and bird netted and the fence maintained until the pit is backfilled. Reasonable cleanup will be performed prior to the final restoration of the site.

POINT 8: ANCILLARY FACILITIES

None required.

POINT 9: WELL SITE LAYOUT

A) Rig Orientation and Layout

Exhibit "C" shows the dimensions of the well pad and reserve pits, and the location of major rig components. Only minor leveling of the well site will be required. No significant cuts or fills will be necessary.

B) Locations of Pits and Access Road

See Exhibits "A" and "C".

C) Lining of the Pits

The reserve pit will be lined with plastic.

POINT 10: PLANS FOR RESTORATION OF THE SURFACE

A) Reserve Pit Cleanup

The pits will be fenced immediately after construction and shall be maintained until they are backfilled. Previous to backfill operations, any hydrocarbon material on the pits' surfaces shall be removed. The fluids and solids contained in the pits shall be backfilled with soil excavated from the site and soil adjacent to the reserve pits. The restored surface of the pits shall be contoured to prevent impoundment of surface water flow. Water-bars will be constructed as needed to prevent excessive erosion. Topsoil, as available, shall be placed over the restored surface in a uniform layer. The area will be seeded according to the Bureau of Land Management stipulations during the appropriate season following restoration.

B) Restoration Plans - Production Developed

The reserve pits will be backfilled and restored as described above under Item A. In addition, those areas not required for production will be graded to blend with the surrounding topography. Topsoil, as available, will be placed upon those areas and seeded. The portion of the site required for production will be graded to minimize erosion and provide access during inclement conditions. Following depletion and abandonment of the site, restoration procedures will be those that follow under Item C.

C) Restoration Plans - No Production Developed

The reserve pits will be restored as described above. With no production developed, the entire surface disturbed by construction of the well site will be restored. The site will be contoured to blend with the surrounding topography and provide drainage of surface water. The topsoil, as available, shall be replaced in a uniform layer and seeded according to the Bureau of Land Management's stipulations.

D) Rehabilitation's Timetable

Upon completion of drilling operations, the initial cleanup of the site will be performed as soon as weather and site conditions allow economic execution of the work.

POINT 11: OTHER INFORMATION

A) Terrain

Relatively flat.

B) Soil

Caliche and sand.

C) Vegetation

Sparse, primarily grasses and mesquite with very little grass.

D) Surface Use

Primarily grazing.

E) Surface Water

There are no ponds, lakes, streams or rivers within several miles of the wellsite.

F) Water Wells

One water well is located on Mills Ranch (1.2 mile East of this location).

G) Residences and Buildings

J. C. Mills Ranch House is located 1.2 mile East of this location.

H) Historical Sites

None observed.

I) Archeological Resources

An archeological survey will be obtained for this area. Before any construction begins, a full and complete archeological survey will be submitted to the Bureau of Land Management. Any location or construction conflicts will be resolved before construction begins.

J) Surface Ownership

The well site and new access road is on federally owned land.

K) Well signs will be posted at the drilling site.

L) Open Pits

All pits containing liquid or mud will be fenced and bird-netted.

POINT 12: OPERATOR'S FIELD REPRESENTATIVE

(Field personnel responsible for compliance with development plan for surface use).

DRILLING

William R. Dannels
Box 2760
Midland, Texas 79702
(915) 683-2277

PRODUCTION

Mike Waygood
3104 East Green Street
Carlsbad, New Mexico 88220
(505) 887-7329

Keith E. Bucy
Box 2760
Midland, Texas 79702
(915) 683-2277

POINT 13: CERTIFICATION

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Bass Enterprises Production Co. and it's contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

3-27-2000
Date

William R. Dannels
William R. Dannels

WRD/BGH:mac

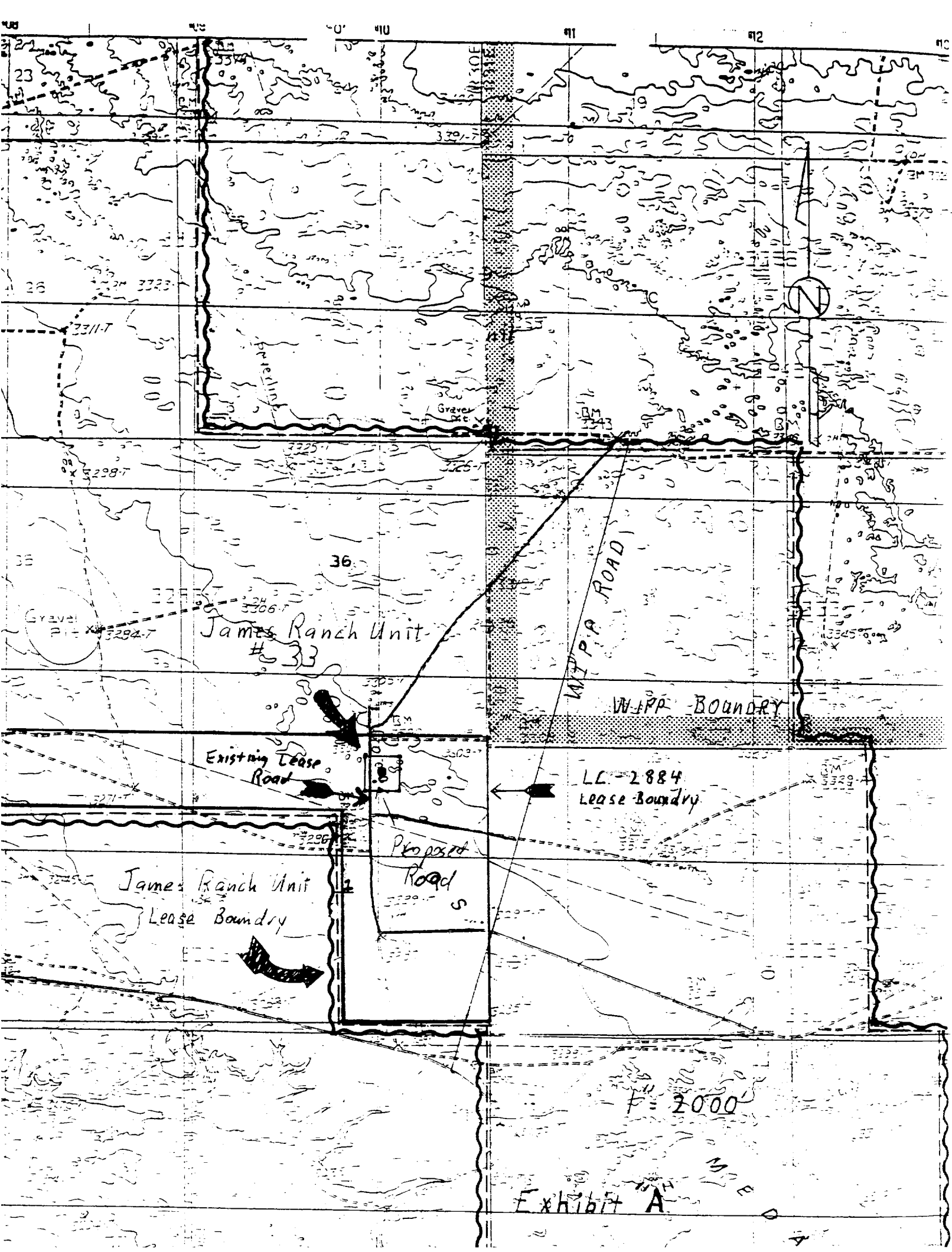


Exhibit A

22S/31E

MITCHELL
APACHE 25 FED
14575

ENRON
JAMES RANCH
11250

ENRON
JAMES RANCH

BEPKO
JAMES RANCH
14600
14530

ENRON
JAMES RANCH

BEPKO
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7850

BEPKO
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31
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32

Condemned fr. Surf. down to 6000'

81 63

35

73 11331

65 11332

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ENRON
HUOSON FED
14325

ENRON
JAMES RANCH
7820

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CONOCO
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GRACE
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JAMES RANCH UNIT No.33

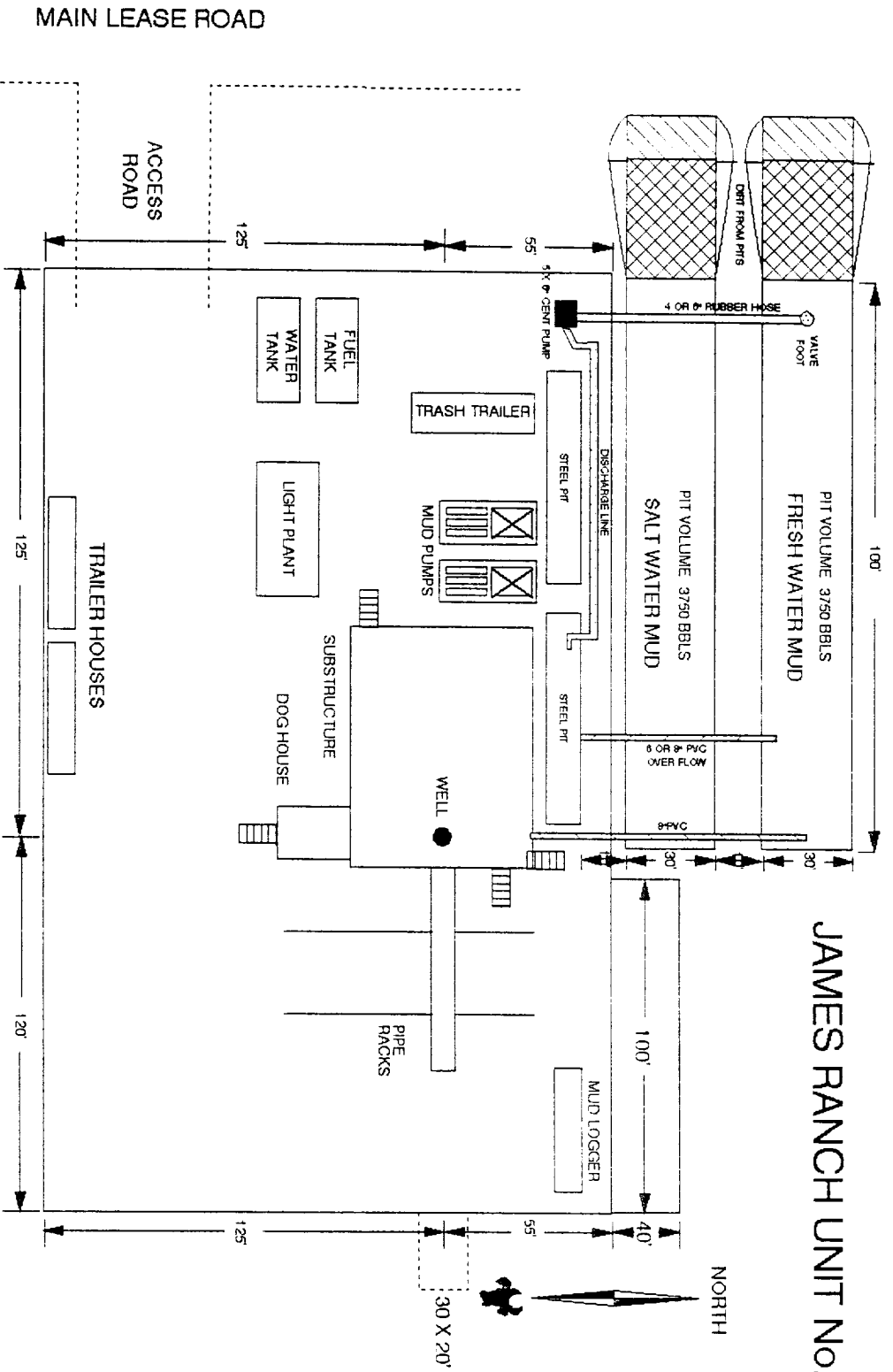
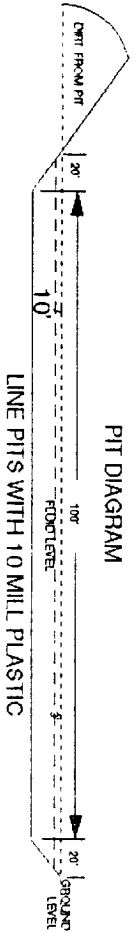
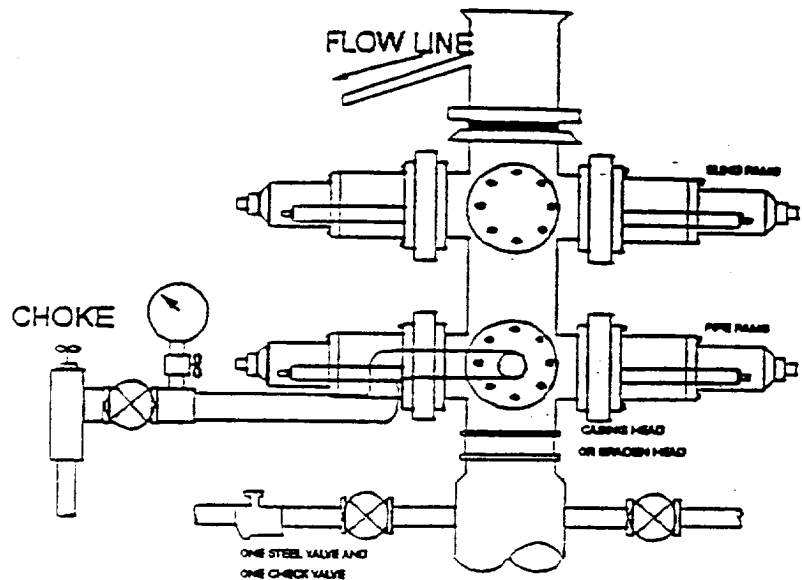
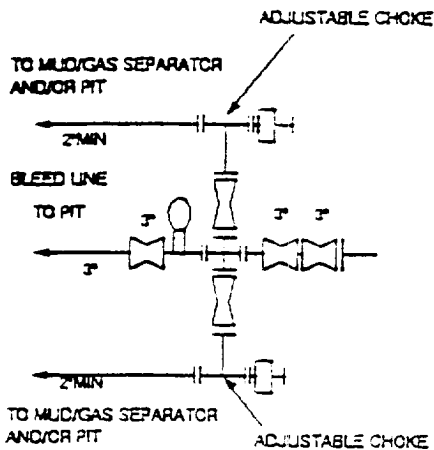


EXHIBIT "C"



3000 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.

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3121
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, 1,380' 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)	530' 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

<u>Well Name</u>	<u>Proposed Depth</u>	<u>Proposed Location</u>
IRU No. 32	7,340' (Delaware)	1,200' FSL, 760' FEL, Section 1, T23S-R30E
Hudson "1" Fed. #2	7,805' (Delaware)	2,310' FSL, 1,980' FWL, Section 1, T23S-R30E
Hudson "1" Fed #3	7,780' (Delaware)	1,980' FNL, 850' FWL, Section 1, T23S-R30E
Hudson "1" Fed #4	7,785' (Delaware)	1,980' FSL, 660' FWL, Section 1, T23S-R30E
Hudson "1" Fed #5	7,780' (Delaware)	990' FSL, 660' FWL, Section 1, T23S-R30E
Hudson "1" Fed. #6	7,800' (Delaware)	1,200' FSL, 1,650' FWL, Section 1, T23S-R30E

Bass hereby request a waiver of any objection IMC Kalium may have for the drilling of the above described wells. In the event IMC Kalium is agreeable to providing such waiver, please sign in the space provided and return one (1) executed original to the undersigned at your earliest convenience. Thank you very much and should you have any questions or comments or require additional information, please don't hesitate to contact the undersigned at (817) 390-8568.

Sincerely,



Worth Carlin

WWC:ca

AGREED and ACCEPTED this _____ day of _____, 2000.

IMC KALIUM CARLSBAD POTASH COMPANY

By: _____

Title: _____



IMC Kalium Carlsbad Potash Company
P. O. Box 71
1361 Potash Mines Road
Carlsbad, New Mexico 88221-0071
505.887.2871
505.887.0589 Fax

March 13, 2000

Mr. Worth Carlin
Bass Enterprises Production Co.
201 Main St.
Fort Worth, Texas 76102-3131

RECEIVED

MAR 15 2000

LAND DEPARTMENT

RE: Proposed Wells in James Ranch Federal Unit
Section 36, T23S-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)
JRU Nos. 33, 34, 35, 62, 66, 68, 74, 75, 81, and 82.
Hudson "1" Federal Well Nos. 2, 3, 4, 5, and 6.
Eddy County, New Mexico

Dear Mr. Carlin:

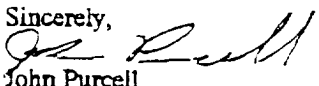
IMC Kalium Carlsbad Potash Company has received your notice that Bass Enterprises Production Company intends to the above referenced wells. IMC Kalium has no objections to Bass drilling wells JRU Well No. 33, JRU Well No. 34, JRU Well No. 35, JRU Well No. 62, JRU Well No. 66, JRU Well No. 74, JRU Well No. 75, JRU Well No. 81, JRU Well No. 82, Hudson "1" Fed. #2, Hudson "1" Fed. #3, and Hudson "1" Fed. #4 to depths no deeper than the base of the Delaware formation at the stated locations. Based on the best available information, the locations of the fore mentioned wells will not interfere with the development of our potash resources.

IMC Kalium does object to the proposed locations for JRU Well No. 68, Hudson "1" Fed. #5, and Hudson "1" Fed. #6. The locations given for Hudson "1" Fed. #5 and Hudson "1" Fed. #6, with a projected final depths in the Delaware formation, are within 1/4 mile of where we expect to mine in the future. If Hudson "1" Fed. #5 well could be moved at least 80 feet to the North and Hudson "1" Fed. #6 well could be moved at least 45 feet to the North; the impact on potash recovery would be greatly diminished. The location given for JRU Well No. 68, with a projected final depth in the Wolfcamp formation is within 1/4 mile of where we expect to mine. Drilled at the proposed location; this well would interfere with the development of potash reserves.

The above considerations are based on the best available information at this time; as more information becomes available our estimates of the extent of the potash resources in the area may change. Therefore, please consider the "objections offered" and "no objection offered" to the well locations to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to, more than one year prior, notify us again at that time so we can make the decision based on current information.

IMC Kalium submits this letter in lieu of the forms requested.

Sincerely,


John Purcell
Chief Mine Engineer

c: Don Purvis Charlie High Leslie Theiss Lori Wroteneery
Dan Morehouse Tim O'Brien Craig Cranston