



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Bass Enterprises Production Company

c/o **James Bruce**

P. O. Box 1056

Santa Fe, New Mexico 87501

March 31, 2004

Joanna Prukop

Cabinet Secretary

Acting Director

Oil Conservation Division

Administrative Order NSL-4978-A

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pLR0-406352404*) on behalf of the operator, Bass Enterprises Production Company ("Bass"), submitted to the New Mexico Oil Conservation Division ("Division") on March 3, 2004; and (ii) the Division's records in Santa Fe and Artesia, including the file on Administrative Order NSL-4978: all concerning Bass's request for an unorthodox Wolfcamp gas well location for its existing Poker Lake Unit Well No. 196 (API No. 30-015-33164), recently drilled 2055 feet from the South line and 2335 feet from the West line (Unit K) of Section 29, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico. The S/2 of Section 29, being a standard 320-acre lay-down gas spacing unit in the Undesignated Big Sinks-Wolfcamp Gas Pool (72122), is to be dedicated to this well.

Your 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.

Division Administrative Order NSL-4978, dated January 8, 2004, authorized Bass to drill its Poker Lake Unit Well No. 96 at an unorthodox deep gas well location to test the Undesignated Poker Lake-Morrow Gas Pool (82960) within the S/2 of Section 29. It is the Division's understanding however that Bass drilled this well only to (and completed in) the Wolfcamp formation. Pursuant to Division Rule 104.C (2) (a), as revised, this location is also unorthodox for the Undesignated Big Sinks-Wolfcamp Gas Pool.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox Wolfcamp gas well location within this 320-acre unit comprising the S/2 of Section 29 is hereby approved.

Further, Division Administrative Order NSL-4978 shall be placed in abeyance until further notice.

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

Sincerely,

Michael E. Stogner

Engineer/Hearing Officer

MES/ms

cc: New Mexico Oil Conservation Division – Artesia

U. S. Bureau of Land Management – Carlsbad

File: NSL-4978