

f a c s i m i l e
T R A N S M I T T A L

To: Mr. Mike Stogner

Of: OCD

Fax: 505-827-8177

Pages: **3**, including this cover sheet.

Date: January 27, 2000

Re: Bass Enterprises Production Co.'s Application for an Unorthodox Well Location
for James Ranch Unit Well No. 80.

See attached letters.

From the desk of...

Ernest L. Carroll
LOSEE, CARSON, HAAS & CARROLL, P.A.
P. O. Box 1720
311 W. Quay
Artesia, NM 88210
(505)746-3505
Fax: (505)746-6316

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
R. TRACY SPROULE, LL.M. (TAX)
OF COUNSEL
A. J. LOSEE

311 WEST QUAY AVENUE
P. O. BOX 1720
ARTESIA, NEW MEXICO 88211-1720
PHONE (505) 746-3505
FAX (505) 746-6316

ROSWELL OFFICE
400 N. PENN., SUITE 870
ROSWELL, NM 88201
PHONE (505) 623-5184
PLEASE DIRECT ALL CORRESPONDENCE
TO OUR ARTESIA OFFICE

January 27, 2000

VIA FACSIMILE & MAIL

Mr. Mike Stogner
Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, NM 87505

Re: Bass Enterprises Production Co.'s Application for an Unorthodox
Well Location for James Ranch Unit Well No. 80, Unit B,
Section 36, Township 22 South, Range 30 East, Eddy County,
New Mexico

Dear Mike:

Pursuant to my telephone conversation with you, I am enclosing a facsimile copy of Mitchell Energy Corporation's waiver of any objections to the proposed unorthodox location for the referenced well. As soon as I receive the original copy, I will forward it immediately to you. It is hoped that you will be in a position to waive the twenty day waiting period on this unorthodox well location, as you indicated you would for the James Ranch Unit Well No. 67.

Yours very truly,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:bal
Enclosure

cc: Mr. Worth Carlin

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-5151

817/390-8400

January 12, 2000

VIA FACSIMILE/ U.S. MAIL (713) 377-5949

Mitchell Energy Corp.
P. O. Box 4000
The Woodlands, Texas 77387-4000

Attention: Mr. Ben T. Waller, Jr.

RECEIVED

JAN 14 2000

LAND DEPARTMENT

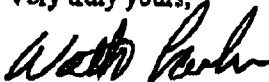
Re: James Ranch Unit Well No. 80
NW/4 NE/4 Section 36, T22S-R30E
James Ranch Federal Unit
Eddy County, New Mexico

Dear Ben:

Pursuant to our recent telephone conversation, Bass Enterprises Production Co. (Bass) plans to drill an 11, 250' Wolfcamp test within its James Ranch Unit, more particularly located in the NW/4 NE/4, Section 36, T22S-30E, Eddy County. Mitchell Energy Corp. (Mitchell) is the operator of the offsetting lease in Section 25, T22S-R30E. In Bass' original drilling permit the subject well, located 330' FNL, 1,650' FEL, Section 36, T22S-R30E, was not favorable to IMC Kalium Carlsbad Potash Company (see attached letter). To accommodate IMC, the location has been moved 150' to the east as shown on the attached plat. As a result of the move, the location is non-standard and requires an application to be submitted to the NMOCDC for an exception location.

Bass hereby requests a waiver from Mitchell whereby Mitchell agrees not to protest the non-standard location application of the Bass-James Ranch Unit Well No. 80, being 330' FNL and 1,500' FEL, Section 36, T22S-R30E. As consideration for Mitchell granting this waiver, Bass agrees to provide Mitchell with a complete set of logs on said well. Should Mitchell be in agreement to granting such waiver as described herein, please designate in the space provided below and return one (1) copy of this letter to the undersigned. Thank you for your cooperation in this matter and should you need any additional information, please advise.

Very truly yours,



Worth Carlin

WWC:ca

Mitchell Energy Corp. hereby agrees to grant Bass Enterprises Production Co. a waiver for a non-standard well location for the James Ranch Well No. 80 located in NW/4 NE/4 Section 36, T22S-R30E, Eddy County, New Mexico.

By: 

Mark W. Stephenson

Title: Manager, Regulatory Affairs

Date: January 26, 2000