



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

February 21, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Bass Enterprises Production Company

c/o **James Bruce**

P. O. Box 1056

Santa Fe, New Mexico 87504

Division Administrative Order NSL-5050-A

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pMES0-605248091*) dated December 18 (date on the "Administrative Application Checklist") and 19 (date of your cover letter), 2005 on behalf of the operator Bass Enterprises Production Company ("Bass") that was initially received by telefax on February 17, 2006; (ii) your voice message for and subsequent telephone conversation with Mr. Michael E. Stogner, Engineer with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on Tuesday, February 14, 2006 concerning this matter; (iii) an e-mail from Mr. Brad Glasscock, Landman with Bass in Fort Worth, Texas on Monday morning, February 13, 2006 check on the status of this application; and (iv) the Division's records in Santa Fe, including the file on Division Administrative Order NSL-5106, dated May 4, 2004, as corrected by order dated February 14, 2006: all concerning Bass's request to amend this order by expanding the vertical limits to include both the shallower Undesignated Los Medanos-Bone Spring Pool (40295) and deeper Undesignated South Los Medanos-Wolfcamp Pool (96336) within the well bore of its existing James Ranch Unit Well No. 87 (API No. 30-015-34277), located at an unorthodox oil location 250 feet from the South line and 1980 feet from the West line (Unit N) of Section 6, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

By Division Administrative Order NSL-5050, as amended, Bass received authorization to drill and complete its James Ranch Unit Well No. 87 in either the Undesignated Southeast Quahada Ridge-Delaware Pool (50443) or Undesignated Los Medanos-Delaware Pool (40297) at the above-described unorthodox oil well location within the SE/4 SW/4 (Unit N) of Section 6, being a standard 40-acre oil spacing and proration unit for the Bone Spring interval.

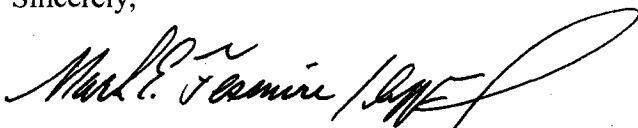
Your request to include the Delaware and Wolfcamp intervals for oil production within the same 40-acre spacing unit has been duly filed under the provisions of Division Rules 104.F and 1207.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well location in the Undesignated Los Medanos-Bone Spring and Undesignated South Los Medanos-Wolfcamp Pools is hereby approved.

Furthermore, the provisions of Division Administrative Order NSL-5050, as amended/corrected, shall remain in full force and affect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Carlsbad
Mr. Brad Glasscock, Bass Enterprises Production Company – Fort Worth, TX (bglasscock@basspet.com)
File: NSL-5050 (*pSEM0-412437820*)
NSL-5050 (Corrected) – (*pMES0-604531028*)