



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

March 15, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Bass Enterprises Production Company
c/o Ernest L. Carroll
P. O. Box 1720
Artesia, New Mexico 88210

Telefax No. (505) 746-6316

Administrative Order NSL-4563(BHL)

Dear Mr. Carroll:

Reference is made to the following: (i) your application on behalf of the operator, Bass Enterprises Production Company ("Bass") dated February 15, 2001; (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe; and (iii) your telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer with the Division on Thursday, February 15, 2001: all concerning Bass's request for a non-standard subsurface gas producing area/bottomhole gas well location, as defined by Division Rule 111.A (7), within a project area [see Division Rule 111.A (9)] comprising the E/2 of Section 15, Township 21 South, Range 29 East, NMPM, Eddy County, New Mexico, being a standard 320-acre stand-up gas spacing and proration unit for the Strawn formation.

This application has been duly filed under the provisions of Division Rules 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, and 111.C (2).

It is our understanding from Division records that the Big Eddy Unit Well No. 61 (**API No. 30-015-22544**), located 1980, more or less, feet from the South line and 1990 feet, more or less, from the West line (Unit K) of Section 15, was originally drilled at a standard gas well location by Perry R. Bass in 1978 to a total depth of 13,170 feet in order to evaluate the Morrow formation for gas production within the W/2 of Section 15. The Morrow interval tested dry however and was subsequently plugged and abandoned.

Per your application, Bass, at this time, intends to re-enter the wellbore, which is to be redesignated the Big Eddy Unit Well No. 61-A, clean out to a depth of 9,100 feet, kick-off in a southeasterly direction and continue drilling to a depth of 12,657 feet (MD) or 11,600 (TVD) within the Strawn formation at a targeted point that is unorthodox 330 feet from the South line and 1650 feet from the East line (Unit O) of Section 15.

The geologic interpretation submitted therein indicates that a well drilled at the proposed

unorthodox gas well location will be at a more favorable geologic position within the Strawn formation than a well drilled at a location considered to be standard within the SE/4 of Section 15.

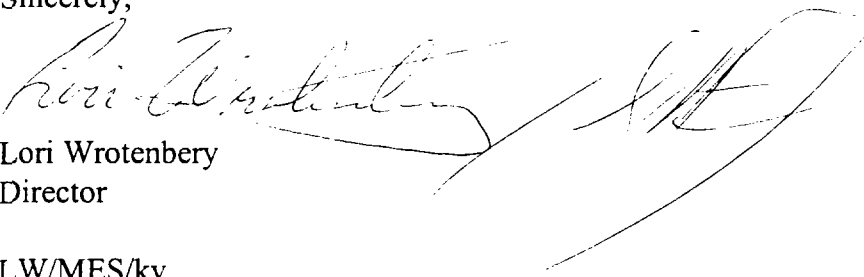
The applicable drilling window or "producing area" within the Strawn formation for this wellbore shall include that area within the subject 320-acre gas spacing and proration unit comprising the E/2 of Section 15 that is:

- (a) no closer than 660 feet to the north, east, west boundaries of the SE/4 of Section 15; and,
- (b) no closer than 330 feet from the South line of Section 15.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described non-standard subsurface gas producing area/bottomhole gas well location within the Strawn formation is hereby approved.

The operator shall comply with all provisions of Division Rule 111 applicable in this matter.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad