

BASS ENTERPRISES PRODUCTION CO. 472

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

April 17, 2007

**EXPRESS MAIL/
Return Receipt Requested**

2007 APR 23 AM 11 59

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attention: Mr. Doug Burger

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Ms. Jami Bailey

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: Mr. William Jones

Re: 2007 Plan of Development
James Ranch Unit
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the James Ranch Unit Agreement dated April 22, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the James Ranch Unit for the year 2007.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

2006 ACTIVITY

No wells were drilled during calendar year 2006.

PARTICIPATING AREAS

Bass Enterprises Production Co. has submitted all wells drilled to date where adequate information is available for commercial determination and participating areas. In the event you have not received commercial determinations for the wells that have been drilled and completed and are currently producing, please advise at your earliest convenience and we will submit same to you.

FUTURE DEVELOPMENT

James Ranch No. 62, Eddy County, New Mexico - This well will be drilled at a legal location being 1200' FSL & 2080' FEL, Sec.1, T23S-R30E, Eddy County, New Mexico to a proposed depth of 7,830' to test the Delaware Formation.

James Ranch No. 85, Eddy County, New Mexico - This well will be drilled at a legal location being 2180' FSL & 350' FWL, Sec. 6, T23S-R31E, Eddy County, New Mexico to a proposed depth of 7,800' to test the Delaware Formation.

James Ranch No. 101 - This well will be drilled at a legal location being 1,980' FNL & 1,965' FWL, Section 8, T23S-R31E, Eddy County, New Mexico to a proposed depth of 14,700' to test the Morrow Formation.

James Ranch No. 102 - This well will be drilled at a legal location being 660' FSL & 1,980' FWL, Section 8, T23S-R31E, Eddy County, New Mexico to a proposed depth of 14,700' to test the Morrow Formation.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands within the James Ranch Unit area or pursuant to applicable regulations. Mediation

MODIFICATIONS

In accordance with the terms and provisions of the James Ranch Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

EFFECTIVE DATE

This Plan of Development became effective on January 1, 2007.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Very truly yours,


Wayne Bailey
Division Landman

JWB:ca

ACCEPTED AND AGREED this _____ day of _____, 2007.

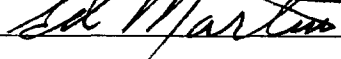
BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By:  _____