



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

September 30, 2004

Bass Enterprises Production Company

P.O. Box 2760

Midland, TX 79702

Attn: Cindi Goodman or To Whom It May Concern

RE: Shut in order for Bass Enterprises Production Company: James Ranch Unit # 75, located in Unit K, 1980' FSL & 2130' FWL Township 23 South, Range 26 East, Eddy County, New Mexico, API # 30-015-33144

Dear Ms. Goodman or To Whom It may Concern,

In regards to the above referenced well, the New Mexico Oil Conservation Division (NMOCD) at the Artesia office has received in part regulatory information, specifically down hole commingling (DHC) information for the Los Medanos; Wolfcamp Oil Pool and the Los Medanos; Bone Spring Oil Pool. As of this date NMOCD records show that the application to DHC these zones has not yet been approved.

Please refer to NMOCD rules 303A(1) and 303C (1) that approval to DHC is prohibited until application is approved.

Therefore, said well is to be shut in immediately.

Respectfully yours,

Bryan G. Arrant

PES

CC: Tim Gum, District Supervisor-Artesia
David Catanach, Hearing Examiner-Santa Fe

Arrant, Bryan

From: KENT ADAMS [kaadams@basspet.com]
Sent: Friday, October 01, 2004 8:04 AM
To: BARRANT@state.nm.us
Subject: James Ranch Unit #75 Shut-In Notice

Brian,

We got your notification to shut-in the James Ranch Unit #75 yesterday. I wanted to let you know that the Bone Spring and Wolfcamp formations are currently shut-in under a bridge plug and we have come up the hole and are testing the Delaware. We will test the Delaware for about one month then file the paperwork to down hole commingle it with the Bone Spring and Wolfcamp.

This is the method we have used to complete the last 4 wells that we drilled to the Wolfcamp (JRU #79, JRU #27, JRU #80, JRU #75). We complete the Wolfcamp and Bone Spring together with a limited entry fracture treatment in order to make it economic to add the Wolfcamp.

I will be leaving soon to travel to Santa Fe for NMOGA. Please call me on my cell phone if you would like to discuss this (432) 687-0329.

Thank you,

Kent A. Adams
Division Production Superintendent
Bass Enterprises Prod Co.
(432) 683-2277

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

10/6/2004

JAMES RANCH UNIT #75
BASS ENTERPRISES PRODUCTION COMPANY

The 3rd Bone Spring and the Wolfcamp intervals were treated and flow tested together. In order to determine how much production should be attributed to each of the two zones an allocation formula, based on log calculated pay, was developed. The following table shows this breakdown:

	<u>3rd BONE SPRING</u>	<u>WOLFCAMP</u>
Net Pay	22	9
Average Porosity	10%	10%
ΦH	2.2	0.9
Allocation Percentage	71.0%	29.0%