

Belco Petroleum Corporation

January 20, 1983

Minerals Management Service
Department of Interior
Federal Building
Roswell, NM 88202

RE: Proposed Belco Petroleum Corporation
James Ranch Unit No. 14
SL: 1980' FWL & 100' FSL, Sec. 6
BHL: 1980' FWL & 660' FNL, Sec. 7
T-23-S, R-31-E, Eddy County, New Mexico
NM-02887

Gentlemen:

Please find enclosed ten copies of Belco's Application to Drill the proposed Belco James Ranch Unit No. 14 well. This is a directional well to be drilled from a surface location in Section 6 to bottom in Section 7. Each application consists of the following data:

1. Federal Form 9-331C & Pertinent information
2. Two-page NTL-6 Narrative and 2-page drilling program summary
3. Direction Plat
4. NMOCD Form C-102 (Two. One each show the surface & the bottom hole location.)
5. Exhibit "A" Area Map
6. Exhibit "B" Topographic Map
7. Exhibit "C" Field Map
8. Exhibit "D" BOP Schematic
9. Exhibit "E" Pad Layout
10. Exhibit "F" Lease Road
11. Exhibit "G" Topographic Cross Section at surface location
12. Copy of letter from New Mexico Archaeological Services with archaeological report attached.

We are simultaneously applying to the New Mexico Oil Conservation Commission in Santa Fe, N.M., for approval of the unorthodox surface location.

We are obtaining a "Designation of Operator" letter from Bass Enterprises Production Company, Fort Worth, Texas, and a "Designation of Agent" letter from Perry R. Bass. These will be forwarded to you upon receipt.

As per the farmout agreement dated August 18, 1971, between Bass Enterprises and Belco, it is required of Belco to spud a well within 180 days of completion of the James Ranch Unit Well #13. The 180-day period ends March 21, 1983. Belco, therefore, requests that the approval to drill the above referenced well be granted as early as possible.

Yours very truly,

P. E. Ilavia
P. E. Ilavia
Division Drilling Engineer