



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

May 17, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Bass Enterprises Production Company
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Administrative Order NSL-4734 (NSBHL)

Dear Mr. Bruce:

Reference is made to the following: (i) your application on behalf of the operator, Bass Enterprises Production Company ("Bass") submitted to the New Mexico Oil Conservation Division ("Division") on April 17, 2002 (*application reference No. pKRV0-211331546*); and (ii) the Division's records in Santa Fe: all concerning Bass's request for an unorthodox subsurface Morrow gas well location within a standard 322.72-acre stand-up gas spacing and proration unit comprising Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 31, Township 23 South, Range 30 East, NMPM, Undesignated Dog Town Draw Gas Pool (76082), Eddy County, New Mexico.

It is our understanding when Bass drilled its Remuda Basin "31" State Com. Well No. 1 (API No. 30-015-31774) at a standard surface location 660 feet from the South and West lines (Lot 4/Unit M) of Section 31 last summer, that the wellbore deviated from natural drift in a southwesterly direction. The directional survey of this wellbore indicates the subsurface location at a depth of 11,065 feet (MD) is 397 feet from the South line and 517 feet from the West line of Section 31 (Lot 4/Unit M) of Section 31. At total depth (14,175 feet TVD) the wellbore is within a radius of 220 feet of this last known measured subsurface depth (11,065 feet MD).

This request 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 Division Rule 111.C (2).

By the authority granted me under the provisions of Division Rule 104.F (2) the above-described non-standard deep gas well location within the W/2 equivalent of Section 31 and subsurface path of the Remuda Basin "31" State Com. Well No. 1 is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe

