

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

April 30, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

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

Administrative Order NSL-5048

Dear Mr. Bruce:

Reference is made to the following: (i) your application (administrative application reference No. pMES0-412051612) dated April 26, 2004 on behalf of the operator Bass Enterprises Production Company ("Bass"); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Bass's request to drill its Poker Lake Unit Well No. 205 at an unorthodox Delaware oil well location 160 feet from the North line and 1650 feet from the East line (Unit B) of Section 18, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico. The NW/4 NE/4 of Section 18 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit in the Undesignated Nash Draw-Delaware Pool (47545).

This application has been duly filed under the provisions of Division Rule 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.

It is the Division's understanding the proposed Poker Lake Unit Well No. 205 is within the Oil/Potash "R-111-P" area, and is therefore subject to all applicable restrictions and rules therein.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well location for the Undesignated Nash Draw-Delaware Pool is hereby approved.

Sincerely,

Michael E. Stogner

Engineer/Hearing Officer

MES/ms

cc:

New Mexico Oil Conservation Division - Artesia

U. S. Bureau of Land Management - Carlsbad