



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 28, 2000

**Bass Enterprises Production Company
c/o Ernest L. Carroll
P. O. Box 1720
Artesia, New Mexico 88211-1720**

Telefax No. (505) 746-6316

Administrative Order NSL-4394

Dear Mr. Carroll:

Reference is made to the following: (i) your application on behalf of the operator, Bass Enterprises Production Company ("Bass") dated January 19, 2000; (ii) your telephone conversation with Mr. Michael E., Stogner, Engineer with the New Mexico Oil Conservation Division ("Division") on Wednesday, January 26, 2000; and (iii) the Division's records of in Santa Fe: all concerning Bass' request for authorization to drill its James Ranch Unit Well No. 67, to test both the shallower Southeast Quahada Ridge-Delaware Pool and deeper Undesignated Los Medanos-Bone Spring Pool, at an unorthodox oil well location 1874 feet from the South line and 1096 feet from the West line (Unit L) of Section 36, Township 22 South, Range 30 East, NMPM, Eddy County, New Mexico. The NW/4 SW/4 of Section 36 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for both intervals.

It is our understanding the proposed James Ranch Unit Well No. 67 is within the Oil/Potash "R-111-P" area, and is therefore subject to all applicable restrictions and rules therein. Further, it is our understanding the original location proposed by Bass for this well, which was to be at a standard oil well location 1980 feet from the South line and 990 feet from the West line of Section 36, was unacceptable to IMC Kalium Carlsbad Potash Company and requested Bass move to an acceptable alternate location 150 feet to the southeast to diminish the impact on potash recovery.

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.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well location for both the Southeast Quahada Ridge-Delaware Pool and Undesignated Los Medanos-Bone Spring Pool is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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