

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDS

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

February 2, 2004

Bass Enterprises Production Company P.O. Box 2760 Midland, TX 79702

Attn: Tami Wilbur or To Whom It May Concern

30-015-23377

RE: Bass Enterprises Production Company's James Ranch Unit # 11, surface location: 1980'FNL & 920' FWL in Unit E of Section 36, Township 22 South-Range 30 East, Eddy County, New Mexico

Dear Ms. Wilber or To Whom It May Concern:

The New Mexico Oil Conservation Division (NMOCD) on January 22nd, 2004 received along with other paperwork, a request for an allowable for a re-completion to the Bone Spring formation for oil production.

Last week during our phone conversation, I requested if a NSL had been approved for this well and why we, the NMOCD Artesia office, had not received a re-completion application to the Bone Spring for oil production on said well.

Since our conversation, I discovered that Bass Enterprises has already filed an application for a non-standard location for Delaware and Bone Spring production. A letter copied to me as received on January 16th, 2004 from Mr. Mike Stogner, Chief Hearing Officer/Engineer in our Santa Fe Office, has asked that your company discuss with me various matters concerning this well.

As of this date, I have not heard from anyone with Bass Enterprises about this matter. Therefore, in violation with NMOCD's rules: 1101, 1102, 1103 and 104.B.(1), the James Ranch Unit # 11 well is to be shut-in until all regulatory matters are met.

Respectfully yours

Bryan G. Arrant

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CC: Mike Stogner, Chief Hearing Officer/Engineer-Santa Fe

Tim Gum, District Supervisor-Artesia

Van Barton, Field Representative II-Artesia

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