

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

RECEIVED

October 26, 2004

OCT 28 2004

OIL CONSERVATION  
DIVISION

FEDERAL EXPRESS

Bureau of Land Management  
Roswell District Office  
2909 W. 2<sup>nd</sup> Street  
Roswell, New Mexico 88201  
Attn: Ms. Alexis Swoboda

New Mexico State Land Office  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501  
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division  
1220 St. Francis  
Santa Fe, New Mexico 87505  
Attention: Roy Johnson

Re: Commercial Determination  
Big Eddy Unit #150  
Strawn Formation  
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Strawn Formation. In the near future, Bass will submit geological information and production data, including subsurface maps in order to create a participating area. Please indicate your concurrence to the above Commercial Determination. Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please don't hesitate to contact the undersigned.

Very truly yours,

  
J. Wayne Bailey

JWB:ca

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

# WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

## WELL DATA

WELL \_\_\_\_\_ BIG EDDY UNIT #150 \_\_\_\_\_ FORMATION \_\_\_\_\_ STRAWN \_\_\_\_\_  
 LOCATION \_\_\_\_\_ UNIT, \_\_\_\_\_ 1980 FEET FROM SOUTH LINE & \_\_\_\_\_ 1980 FEET FROM WEST LINE  
 SECTION \_\_\_\_\_ 17 TOWNSHIP \_\_\_\_\_ 21S RANGE \_\_\_\_\_ 28E COUNTY \_\_\_\_\_ EDDY \_\_\_\_\_ NEW MEXICO  
 SPUD DATE \_\_\_\_\_ 1/28/2004 COMPLETION DATE \_\_\_\_\_ 6/29/2004 INITIAL PRODUCTION \_\_\_\_\_ 6/29/2004  
 PERFORATIONS \_\_\_\_\_ 10710-10814'

### STIMULATION:

Acid - 1000 gals 15% NEFE

POTENTIAL 154 BOPD, 507 BWPD, 4151 MCFPD, 1520 PSIG TP

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

## VOLUMETRIC CALCULATION

		INTERVALS PERFORATED	INTERVALS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	320		
Porosity (por), %	8%		
Water saturation (Sw), %	30%		
Net Thickness (h), ft.	12		
Temperature (T), Fahrenheit	165		
Bottom Hole pressure (P), psia	3,800		
Recovery factor (RF), %	75%		
Recoverable gas, BCF *(See eq. below)	1.7		

\*Sometimes unable to match performance due to volumetric uncertainty.

Formula =  $(7758) (A) (h) (por) (1-Sw) (RF) / B_{gi}$

B<sub>gi</sub> = 0.73 RB/MCF

Continued

## PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO	8/31/2004	368,301	MCF Gas	15,466	BBL Oil
INITIAL RATE (qi)		7,000			
ECONOMIC LIMIT (ql)		100			
HYPERBOLIC DECLINE RATE, dy		b = 0., d = 56.8%/yr			
REMAINING GAS (Q) =		2,595,059			
ULTIMATE RECOVERABLE GAS (mcf)		2,963,360			

(Attach plat showing proration unit and participating area.)

## ECONOMIC

GROSS WELL COST \$ \$1,155,448 (to the depth of formation completed)

RECOMPLETION COST \$ 314,989

GROSS TOTAL COST \$ \$1,470,437

YEAR	GROSS GAS MMCF	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				0.0
1	1,013.5	5,383.3	736.9	2,824.4
2	1,132.4	5,220.0	761.5	3,848.8
3	489.1	2,254.7	328.9	1,504.3
4	211.3	973.9	142.1	588.0
5	91.4	421.4	61.5	230.2
6	25.7	118.7	17.3	59.7
7	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0
REMAINDER	0	0.0	0.0	0.0
<b>TOTAL</b>	<b>2,963</b>	<b>14,372</b>	<b>2,048</b>	<b>9,055</b>

**WELL IS COMMERCIAL**

## DISTRICT I

1825 N. French Dr., Hobbs, NM 88240

## DISTRICT II

511 South First, Artesia, NM 88210

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

BEPKO - WID PRODUCTION

JUL 06 2004

RECEIVED

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33231	Pool Code 24340	Pool Name Fenton Draw - Strawn
Property Code 001776	Property Name BIG EDDY UNIT	Well Number 150
OGRID No. 001801	Operator Name Bass Enterprises Production Co. <del>NADEL AND GUSSMAN PERMIAN, L.L.C.</del>	Elevation 3196'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	17	21 S	28 E		1980	SOUTH	1980	WEST	EDDY

## Bottom Hole Location If Different From Surface

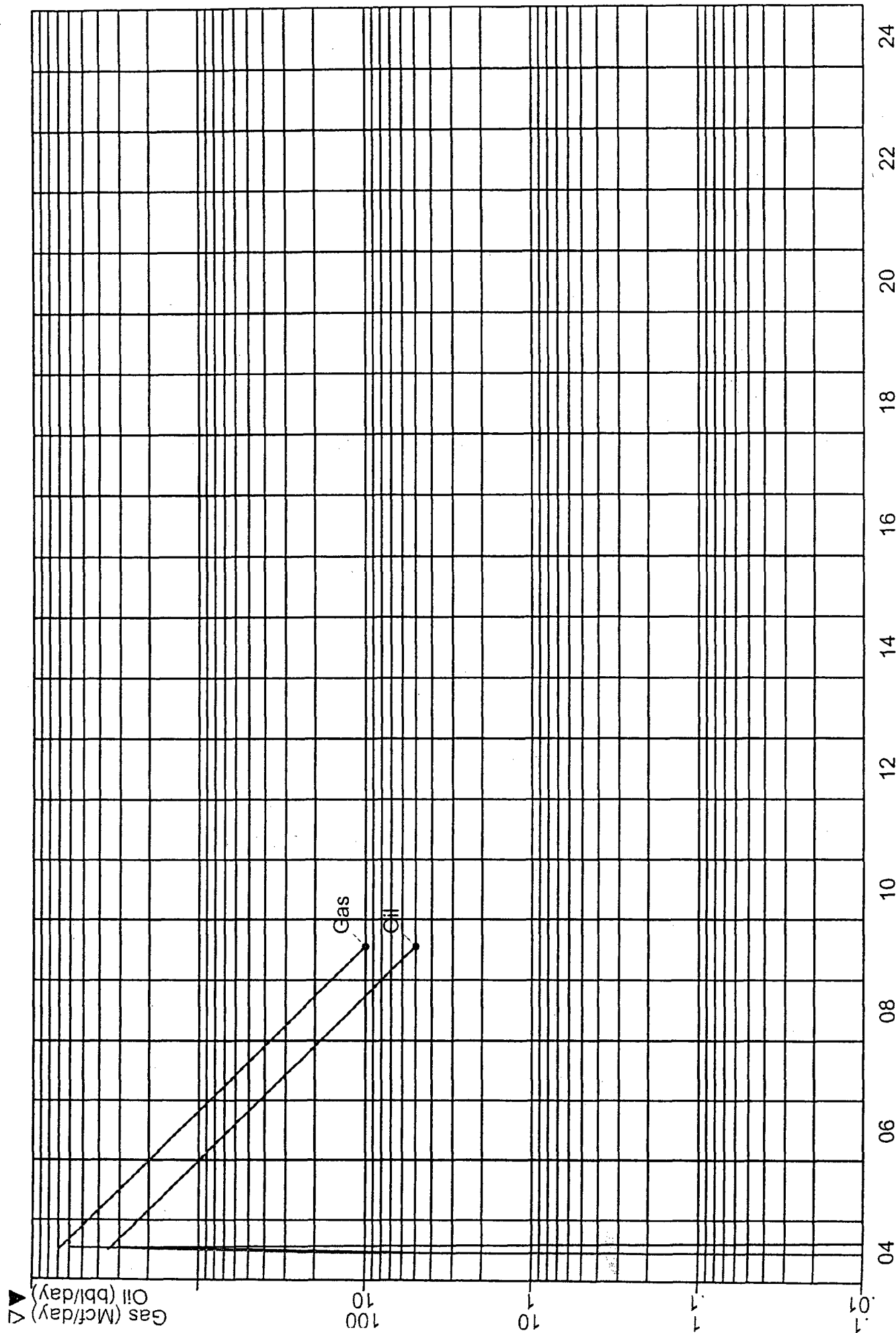
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>OPERATOR CERTIFICATION</b>  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature <u>Gordon Barker</u> Printed Name <u>GORDON BARKER</u> Title <u>OPERATIONS MGR</u> Date <u>12/8/03</u>
	<b>SURVEYOR CERTIFICATION</b>  I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.  Date Surveyed <u>OCTOBER 14, 2003</u> Signature <u>[Signature]</u> Professional Seal of <u>ONE</u> State of <u>NEW MEXICO</u> W.O. No. <u>2742</u> Certificate No. <u>Gary L. Jones</u> 9777

BIG EDDY UNIT #150  
FENTON DRAW (STRAWN).  
STRAWN

BEPCO  
EDDY, NM  
Gas



Hist Gas Cum: 367.84 MMcf  
Gas Rem: 2,595.52 MMcf  
Gas EUR: 2,963.36 MMcf

Hist Oil Cum: 9.48 Mbbl  
Oil Rem: 129.78 Mbbl  
Oil EUR: 139.26 Mbbl

# ECONOMIC PROJECTION

Date : 09/21/2004

Lior: 1189064

4:07:41PM

Project Name : PROPZONE Extract-Creating new PHDWi  
 Partner : All Cases  
 Case Type : LEASE CASE  
 Archive Set : ENGR

As Of Date : 01/01/2004  
 Discount Rate (%) : 10.00  
 1189064/BIG EDDY UNIT/STR

Lease Name : 1189064/BIG EDDY UNIT/STR  
 Reserv Cat : Proved Producing  
 Field : FENTON DRAW (STRAWN)  
 Operator : BEPCO  
 Reservoir : STRAWN  
 Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00  
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
2004	41.766	1,013.519	1,013.519	0.000	31.325	760.139	0.000
2005	56.618	1,132.352	1,132.352	0.000	42.463	849.264	0.000
2006	24.455	489.093	489.093	0.000	18.341	366.819	0.000
2007	10.563	211.252	211.252	0.000	7.922	158.439	0.000
2008	4.570	91.405	91.405	0.000	3.428	68.554	0.000
2009	1.287	25.739	25.739	0.000	0.965	19.305	0.000

SubTotal	139.258	2,963.359					
Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	139.258	2,963.359	2,963.359	0.000	104.444	2,222.519	0.000
Ult.	139.258	2,963.359					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2004	43.68	5.28	0.00	1,368.263	4,015.052	0.000	5,383.315
2005	34.33	4.43	0.00	1,457.795	3,762.239	0.000	5,220.034
2006	34.33	4.43	0.00	629.660	1,625.010	0.000	2,254.671
2007	34.33	4.43	0.00	271.967	701.885	0.000	973.852
2008	34.33	4.43	0.00	117.675	303.692	0.000	421.367
2009	34.33	4.43	0.00	33.137	85.519	0.000	118.656

Rem	0.00	0.00	0.00	0.000	0.000	0.000	0.000
Total	37.13	4.72	0.00	3,878.497	10,493.398	0.000	14,371.895

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2004	423.570	10.713	1,470.437	302.591	3,176.004	3,176.004	2,824.367	2,824.367
2005	411.339	10.440	0.000	339.706	4,458.549	7,634.553	3,848.766	6,673.134
2006	177.668	4.509	0.000	146.728	1,925.765	9,560.318	1,504.290	8,177.424
2007	76.740	1.948	0.000	63.376	831.789	10,392.107	587.952	8,765.375
2008	33.204	0.843	0.000	27.421	359.899	10,752.006	230.177	8,995.552
2009	9.350	0.237	0.000	7.722	101.347	10,853.353	59.670	9,055.222

Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	1,131.871	28.690	1,470.437	887.543	10,853.353	10,853.353	9,055.222	9,055.222

Major Phase : Gas  
 Perfs : 0 0  
 Initial Rate : 183.01 mmcf/month  
 Abandonment : 3.04 mmcf/month  
 Initial Decline : 56.81 % year b = 0.000  
 Beg Ratio : 0.05 bbl/mmcf  
 End Ratio : 0.05

Working Int : 1.00000000  
 Revenue Int : 0.75000000  
 Disc. Initial Invest. (m\$) : 1,470.437  
 Internal ROR (%) : 186.00  
 ROI Investment (disc/undisc) : 7.16 / 8.38  
 Years to Payout : 0.66  
 Abandonment Date : 07/22/2009

## Present Worth Profile (M\$)

2.00% : 10,461.47  
 4.00% : 10,086.64  
 6.00% : 9,727.90  
 8.00% : 9,384.38  
 10.00% : 9,055.22  
 25.00% : 6,974.01  
 40.00% : 5,414.75  
 50.00% : 4,583.64  
 75.00% : 3,011.42  
 100.00% : 1,925.86

Initial 1st Rev. 2nd Rev.  
 Working Interest : 1.00000000 0.00000000 0.00000000  
 Revenue Interest : 0.75000000 0.00000000 0.00000000  
 Rev. Date :

# CURRENT WELLBORE DIAGRAM

Lease: **Big Eddy Unit** Well No.: **150**  
 Field: **Fenton Draw (Strawn)**  
 Location: **1980' FSL & 1980' FWL, SEC 17, T21S, R28E**  
 County: **Eddy** St: **NM** API: **30-015-33231**

KB: 3217.50  
 GL: 3196.00  
 Spud Date: 01/28/2004  
 Compl. Date: 06/29/2004

## Surface Csg.

Size: 13 3/8  
 Wt: 48  
 Grd: H-40  
 Set @: 512  
 Sxs cmt: 450  
 Circ: Y  
 TOC: Surf  
 Hole Size: 17 1/2

## 1st Intermediate Csg.

Size: 9 5/8  
 Wt: Unk  
 Grd: N-80  
 Set @: 3004  
 Sxs Cmt: 1830  
 Circ: No  
 TOC: Surf By Top Off  
 Hole Size: 12 1/4

## Production Csg.

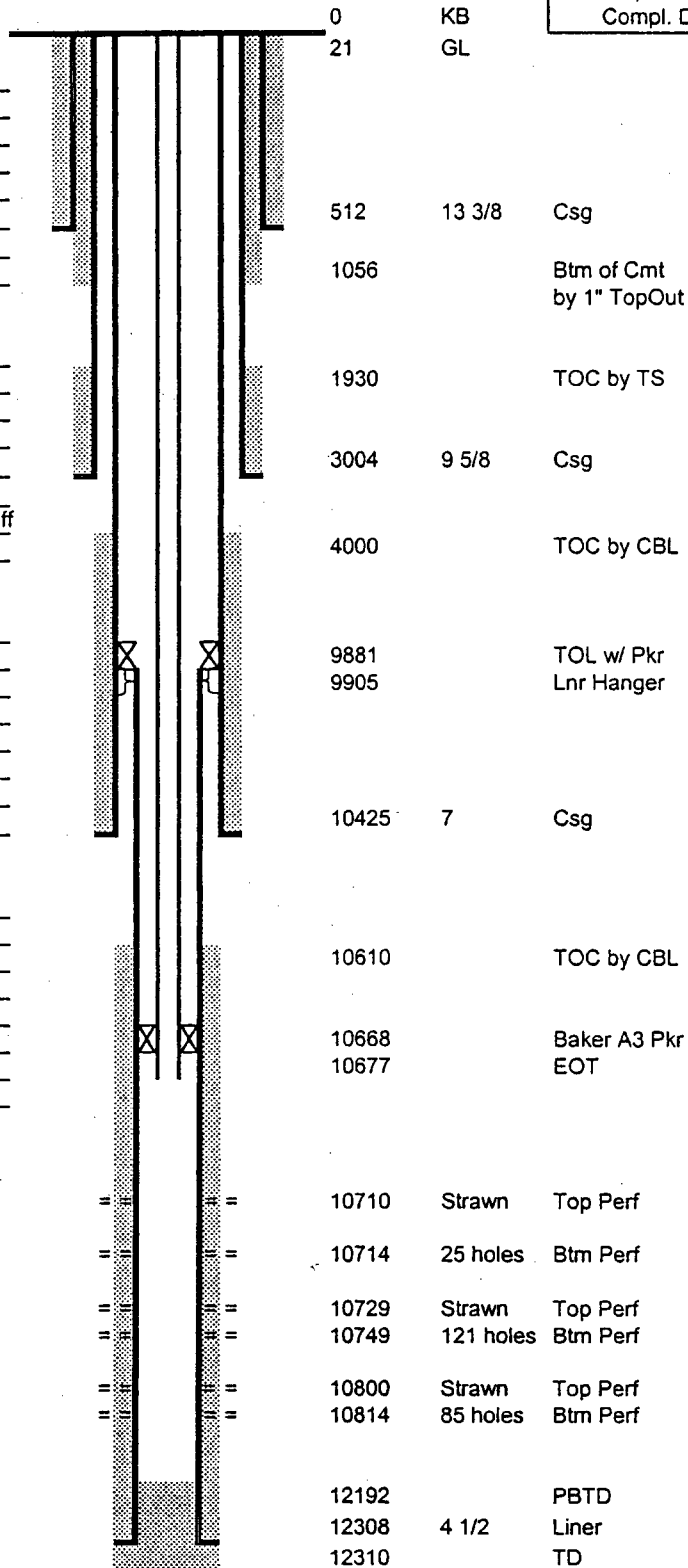
Size: 7  
 Wt: 26  
 Grd: L80/HC80  
 Set @: 10425  
 Sxs Cmt: 795  
 Circ: N  
 TOC: 4000 by CBL  
 Hole Size: 8 3/4

## Liner

Size: 4 1/2  
 Wt: 13.5  
 Grd: L-80  
 Set @: 9881-12308  
 Sxs Cmt: 250  
 Circ: N  
 TOC: 10610 BY CBL  
 Hole Size: 6 1/8 to 12310

## Tubing

295 jts 2 7/8" P-110 6.5#  
 9:1 Cr - Mb Tbg  
 72 jts 2 7/8" 6.4# 85 KSI 13  
 Cr Kawasaki Fox Tbg



PBTD: 12192  
 TD: 12310

Updated: 09/21/2004  
 Author: ELE  
 Engr: MWD

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

CONFIDENTIAL

FORM APPROVED  
OMB No. 1004-0137  
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other  
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.  
Other \_\_\_\_\_

2. Name of Operator BASS ENTERPRISES PRODUCTION CO Contact: CINDI GOODMAN  
E-Mail: cdgoodman@basspet.com

3. Address P. O. BOX 2760 MIDLAND, TX 79702

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
At surface NESW 1980FSL 1980FWL 32.28426 N Lat, 104.06393 W Lon  
At top prod interval reported below NESW 1980FSL 1980FWL 32.28426 N Lat, 104.06393 W Lon  
At total depth NESW 1980FSL 1980FWL 32.28426 N Lat, 104.06393 W Lon

5. Lease Serial No. NMLC066067

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No. NMNM68294X

8. Lease Name and Well No. BIG EDDY UNIT 150

9. Well No. (Include a Production API Well No. 30-015-33231-00-S1)

10. Field and Pool, or Exploratory FENTON DRAW

11. Sec., T., R., M., or Block and Survey or Area Sec 17 T21S R28E Mer NMP

12. County or Parish EDDY

13. State NM

14. Date Spudded 01/28/2004

15. Date T.D. Reached 03/25/2004

16. Date Completed ☐ D & A ☒ Ready to Prod. 06/29/2004

17. Elevations (DF, KB, RT, GL)\* 3196 GL

18. Total Depth: MD 12310 TVD

19. Plug Back T.D.: MD 12172 TVD

20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) GR CNL LDT PE GR LL

22. Was well cored? ☐ No ☒ Yes (Submit analysis)  
Was DST run? ☐ No ☒ Yes (Submit analysis)  
Directional Survey? ☐ No ☒ Yes (Submit analysis)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17.500	13.375 H-40	48.0	0	512		450		0	
12.250	9.625 N-80	40.0	0	3004		1830		0	
8.750	7.000 L-80/HC	26.0	0	10425		795		4000	
6.125	4.500 L80	14.0	9881	12308		250		10610	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875	10677	10668						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) STRAWN	10710	10814	10710 TO 10714	0.470	25	PRODUCING
B)			10729 TO 10749	0.470	121	PRODUCING
C)			10800 TO 10814	0.470	85	PRODUCING
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
10710 TO 10814	2800 GAL 15% DBL INHIBITED NEFE ACID

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
06/30/2004	06/30/2004	24	→	154.0	4151.0	507.0			FLows FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
22/64	1637	100.0	→	154	4151	507		PGW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

ACCEPTED FOR RECORD

JUL 30 2004

ALEXIS C. SWOBODA  
PETROLEUM ENGINEER

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #33058 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*



## 28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

## 28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

29. Disposition of Gas(Sold, used for fuel, vented, etc.)  
CAPTURED

## 30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

## 31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				DELAWARE	2885
				BONE SPRING	5795
				3RD BONE SPRINGS	8821
				WOLFCAMP	9327
				STRAWN	10590
				ATOKA	11070
				MORROW	11200
				MORROW CLASTICS	11450

32. Additional remarks (include plugging procedure):  
NO REMARK PROVIDED

## 33. Circle enclosed attachments:

- |   |                    |               |                       |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.)     | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis   | 7. Other:     |                       |

## 34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #33058 Verified by the BLM Well Information System.  
For BASS ENTERPRISES PRODUCTION CO, sent to the Carlsbad  
Committed to AFMSS for processing by ARMANDO LOPEZ on 07/27/2004 (04AL0297SE)

Name (please print) CINDI GOODMAN

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 07/27/2004

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\*

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.  
FORT WORTH, TEXAS 76102-3131  
817/390-8400

February 1, 2006

**FEDERAL EXPRESS**

Bureau of Land Management  
Roswell District Office  
2909 W. 2<sup>nd</sup> Street  
Roswell, New Mexico 88201  
Attn: Ms. Alexis Swoboda

New Mexico State Land Office  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501  
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division  
1220 St. Francis  
Santa Fe, New Mexico 87505  
Attention: William Jones ✓

Re: Commercial Determination  
Big Eddy Unit #143  
Morrow Formation  
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Morrow Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please do not hesitate to contact the undersigned.

Sincerely,



Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**INTER-OFFICE MEMORANDUM**  
**MIDLAND OFFICE**

January 11, 2006

**TO:** FORT WORTH, FILES  
**FOR:** FRANK McCREIGHT  
**FROM:** KEITH E. BUCY  
**RE:** COMMERCIAL DETERMINATION  
BIG EDDY UNIT #143  
CARLSBAD E. (MORROW)  
BIG EDDY UNIT  
EDDY COUNTY, NEW MEXICO  
FILE: 400-WF, BEU143CD.XLS

Attached are the worksheets and necessary attachments for the subject well to be submitted for commercial determination. The Big Eddy Unit #143 was drilled in 2003 to a TD of 11,994' and was completed in the Morrow zone. The well is producing from perforations 11354'-11985.

The Big Eddy Unit #143 will be a commercial well and should receive a participating area. If additional information is required, please advise.

  
\_\_\_\_\_  
Keith E. Bucy

xc: Wayne Bailey  
George Willis

cdp  
KEB/MWD/CDP



# **WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS**

## **WELL DATA**

WELL	BIG EDDY UNIT #143		FORMATION	MORROW
LOCATION	UNIT, 660	FEET FROM SOUTH LINE &	1896	FEET FROM WEST LINE
SECTION	19	TOWNSHIP 21S	RANGE 28E	COUNTY EDDY, NEW MEXICO
SPUD DATE	8/23/2003	COMPLETION DATE	1/15/2004	INITIAL PRODUCTION 1/15/2004
PERFORATIONS	11354'-11985'			

### **COMPLETION:**

Perforated and Tested several intervals as follows: 12014-20' - Pmpd 378,000 SCFN2, 11,874-96' - 1000 gal 7 1/2" HCL w/ methanol, 325,000 SCFN2. 11753-60' - 212,000 SCFN2, 1000 gal 7 1/2" HCL w/ methanol + 388,300 SCFN2. 11686-706' - Frac w/2000 gal 7 1/2" HCL, 17430 gal + 467 bbl CO2 + 6596 MSCFN2. 11645-664' acid w/ 1000 gal Isosol, 100,000 SCFN2, + 427,000 SCFN2 w/ 2% KCL. 11354-58' - 1000 gal Isosol, 50,000 SCFN2 flush w/ 2% KCL. 11892-96 11874-81', acid w/ 1000 gal 7 1/2" HCL + 325,000 SCFN2. Set CIBP @ 12,004', Pkr @ 11,912' Perf 11970-11985'. No stimulation. (Natural completion).

POTENTIAL IP = 73 BOPD, 8017 MCFPD, 1 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

## **VOLUMETRIC CALCULATION**

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	320	
Porosity (por), %	8%	
Water saturation (Sw), %	30%	
Net Thickness (h), ft.	15	
Temperature (T), Fahrenheit	185	
Bottom Hole pressure (P), psia	5,200	
Recovery factor (RF), %	75%	
Recoverable gas, BCF *(See eq. below)	2.6	

\*Sometimes unable to match performance due to volumetric uncertainty.

Formula =  $(7758) (A) (h) (por) (1-Sw) (RF) / Bgi$

Bgi = 0.61 RB/MCF

Continued

**PERFORMANCE DATA**

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO	<u>11/30/2005</u>	<u>669,266</u>	MCF Gas	<u>4,189</u>	BBL Oil
INITIAL RATE (qi)		<u>2,232</u>			
ECONOMIC LIMIT (ql)		<u>10</u>			
HYPERBOLIC DECLINE RATE, dy		<u>b = 0.7, d = 26%/yr</u>			
REMAINING GAS (Q) =		<u>283,899</u>			
ULTIMATE RECOVERABLE GAS (mcf)		<u>953,165</u>			

(Attach plat showing proration unit and participating area.)

**ECONOMIC**GROSS WELL COST \$ \$1,107,000 (to the depth of formation completed)COMPLETION COST \$ 100,400GROSS TOTAL COST \$ \$1,207,400

<u>YEAR</u>	<u>GROSS GAS MMCF</u>	<u>BFIT NET INCOME (\$M)</u>	<u>OPERATING COST (\$M) INCL SEV &amp; AD VAL TAX</u>	<u>10% NET BFIT DISCOUNTED CASH FLOW</u>
ZERO				0.0
1	2.7	9.2	13.1	-916.0
2	552.0	1,737.5	132.4	1,329.8
3	130.1	911.0	70.0	622.2
4	111.2	606.7	67.2	372.9
5	60.1	327.9	59.6	165.8
6	41.0	182.4	56.8	68.7
7	28.5	126.9	55.0	34.6
8	20.0	82.6	53.7	11.3
9	7.6	31.6	26.3	1.3
10	0.0	0.0	0.0	0.0
REMAINDER	0	0.0	0.0	0.0
<b>TOTAL</b>	<b>953</b>	<b>4,016</b>	<b>534</b>	<b>1,691</b>

**WELL IS COMMERCIAL**

DISTRICT I  
1525 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-32955	73920	Carlsbad; Morrow, East (Gas)
Property Code	Property Name	Well Number
001776	BIG EDDY UNIT	143
OGRID No.	Operator Name	Elevation
001301	BASS ENTERPRISES PRODUCTION COMPANY	3170'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	19	21 S	28 E		660	SOUTH	1896	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
320	N								

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div><p>LOT 1 - 39.06 AC.</p><p>LOT 2 - 38.71 AC.</p><p>LOT 3 - 38.35 AC.</p><p>LOT 4 - 38.00 AC.</p><p>NOTE: TOTAL ACREAGE ESTIMATED FROM US GLO.</p><p>1896'</p><p>3189.2'</p><p>3173.8'</p><p>3168.5'</p><p>3173.8'</p><p>660'</p><p>2547.6'</p><p>LAT - N32°27'37.2"</p><p>LONG - W104°07'41.4"</p></div>	<div><p>OPERATOR CERTIFICATION</p><p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p><p><u>Tami Wilber</u> Signature Tami Wilber Printed Name Production Clerk Title 12/2/03 Date</p><p>SURVEYOR CERTIFICATION</p><p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p><p>MARCH 28, 2003</p><p>Date Surveyed</p><p>Signature &amp; Seal of Professional Surveyor</p><p>NEW MEXICO W.O. No. 3157 Certificate No. Gary L. Jones 7977 REGISTERED PROFESSIONAL LAND SURVEYOR</p></div>
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EC

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: November 30, 2000

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other

b. Type of Completion ☐ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.  
Other

2. Name of Operator **BASS ENTERPRISES PRODUCTION CO** Contact: **CINDI GOODMAN**  
E-Mail: **CDGOODMAN@BASSPET.COM**

3. Address **P O BOX 2760**  
**MIDLAND, TX 79702**

4. Location of Well (Report location clearly and in accordance with Federal requirements)  
At surface **SESW 660FSL 1896FWL**  
At top prod interval reported below **SESW 660FSL 1896FWL**  
At total depth **SESW 660FSL 1896FWL**

5. Lease Serial No.  
**NMLC059365**

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.  
**NMNM111784**

8. Lease Name and Well No.  
**BIG EDDY UNIT 143**

9. API Well No.  
**30-015-32955-00-S1**

10. Field and Pool, or Exploratory  
**UNKNOWN**

11. Sec., T., R., M., or Block and Survey or Area **Sec 19 T21S R28E Mer NMP**

12. County or Parish  
**EDDY**

13. State  
**NM**

14. Date Spudded

15. Date T.D. Reached

16. Date Completed  
☐ D & A ☒ Ready to Prod.  
**08/12/2004**

17. Elevations (DF, KB, RT, GL)\*  
**3171 GL**

18. Total Depth: **MD 12114**  
**TVD**

19. Plug Back T.D.: **MD 11994**  
**TVD**

20. Depth Bridge Plug Set: **MD 12004**  
**TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
**PE:HRLAMCFLGR:P D/M LATERLOG CZ/CN**

22. Was well cored? ☒ No ☐ Yes (Submit analysis)  
Was DST run? ☒ No ☐ Yes (Submit analysis)  
Directional Survey? ☒ No ☐ Yes (Submit analysis)

## 23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17.500	13.375 WC40	48.0	0	516		540		0	0
12.250	9.625 J55	40.0	0	2909		980		0	0
8.750	5.500 HCP110	17.0	0	12114		2615		0	0

## 24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	11912	11912	2.375	11974	11925			

## 25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MORROW	11970	11985	11970 TO 11985	3.380	100	PRODUCING
B) MORROW	11970	11985	12014 TO 12020	3.380	37	PRODUCING
C)						
D)						

## 27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
11970 TO 11985	NO STIMULATION

## 28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
A	11/21/2003	24	→	0.0	36.0	0.0			Flows from well
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
SI 2300	430	0.0	→	0	36	0		PGW	

## 28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
B	07/08/2004	24	→	49.0	5646.0	1.0			Flows from well
Choke size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
20/64	2606	23.0	→	49	5646	1		PGW	

See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #50910 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

# ECONOMIC PROJECTION

Date : 1/11/2006

Lior: 1189062

1:52:31PM

Project Name : PROPZONE  
Partner : 99999  
Case Type : LEASE CASE  
Archive Set : ENGR

As Of Date : 10/01/2003  
Discount Rate (%) : 10.00  
1189062/BIG EDDY UNIT/MOR

Lease Name : 1189062/BIG EDDY UNIT/MOR  
Reserv Cat. : Proved Producing  
Field : CARLSBAD, E. (MORROW)  
Operator : BEPCO  
Reservoir : MORROW  
Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00  
Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbl)	Gas (MMCF)	NGL (MGal)
2003	0.000	2.674	2.674	0.000	0.000	1.666	0.000
2004	3.638	552.027	552.027	0.000	2.266	343.879	0.000
2005	0.773	130.102	130.102	0.000	0.482	81.046	0.000
2006	1.588	111.194	111.194	0.000	0.990	69.267	0.000
2007	0.859	60.098	60.098	0.000	0.535	37.437	0.000
2008	0.585	40.978	40.978	0.000	0.365	25.527	0.000
2009	0.407	28.506	28.506	0.000	0.254	17.757	0.000
2010	0.285	19.959	19.959	0.000	0.178	12.433	0.000
2011	0.109	7.627	7.627	0.000	0.068	4.751	0.000

Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	8.245	953.165	953.165	0.000	5.136	593.764	0.000
Ult.	8.245	953.165					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2003	0.00	5.55	0.00	0.000	9.245	0.000	9.245
2004	41.38	4.78	0.00	93.778	1,643.744	0.000	1,737.521
2005	60.69	10.88	0.00	29.222	881.754	0.000	910.976
2006	58.00	7.93	0.00	57.393	549.289	0.000	606.682
2007	58.00	7.93	0.00	31.020	296.878	0.000	327.898
2008	50.00	6.43	0.00	18.233	164.138	0.000	182.371
2009	50.00	6.43	0.00	12.684	114.180	0.000	126.864
2010	50.00	5.93	0.00	8.881	73.729	0.000	82.610
2011	50.00	5.93	0.00	3.394	28.176	0.000	31.570
Rem	0.00	0.00	0.00	0.000	0.000	0.000	0.000
Total	49.57	6.33	0.00	254.604	3,761.132	0.000	4,015.736

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 10.00 % (M\$)	Cum. Disc. CF 10.00 % (M\$)
2003	0.757	0.018	911.682	13.081	-916.293	-916.293	-916.216	-916.216
2004	141.262	3.475	0.000	132.439	1,460.345	544.052	1,329.846	413.630
2005	74.285	1.822	0.000	69.996	764.874	1,308.926	622.245	1,035.875
2006	49.050	1.213	0.000	67.197	489.221	1,798.146	372.854	1,408.729
2007	26.511	0.656	0.000	59.635	241.096	2,039.243	165.773	1,574.502
2008	14.734	0.365	0.000	56.806	110.467	2,149.709	68.726	1,643.228
2009	10.249	0.254	0.000	54.960	61.401	2,211.110	34.588	1,677.816
2010	6.667	0.165	0.000	53.695	22.082	2,233.192	11.301	1,689.117
2011	2.548	0.063	0.000	26.312	2.646	2,235.839	1.255	1,690.371
Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	326.063	8.031	911.682	534.121	2,235.839	2,235.839	1,690.371	1,690.371

Major Phase : Gas  
Perfs : 0 0  
Initial Rate : 0.22 mmcf/month  
Abandonment : 1.16 mmcf/month  
Initial Decline : 9.21 % year b = 0.700  
Beg Ratio : 0.00 bbl/mmcf  
End Ratio : 0.01

Working Int : 0.75507830  
Revenue Int : 0.62293947  
Disc. Initial Invest. (m\$) : 911.682  
Internal ROR (%) : 79.81  
ROI Investment (disc/undisc) : 2.85 / 3.45  
Years to Payout : 0.91  
Abandonment Date : 07/02/2011

## Present Worth Profile (M\$)

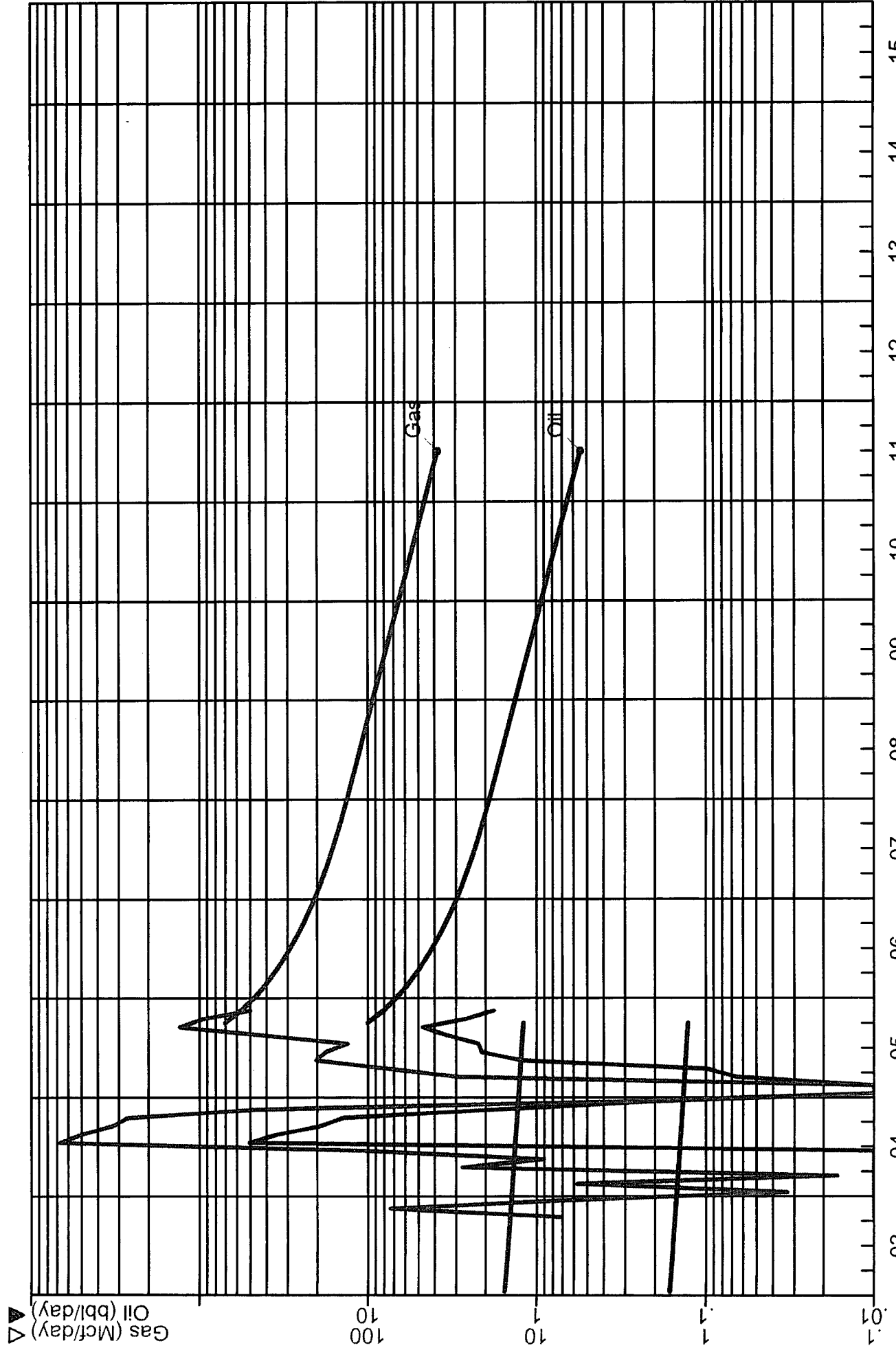
2.00% : 2,114.70  
4.00% : 2,000.01  
6.00% : 1,891.32  
8.00% : 1,788.23  
10.00% : 1,690.37  
25.00% : 1,092.44  
40.00% : 668.38  
50.00% : 450.90  
75.00% : 56.19  
100.00% : -203.16

	Initial	1st Rev.	2nd Rev.
Working Interest :	0.75507830	0.00000000	0.00000000
Revenue Interest :	0.62293947	0.00000000	0.00000000
Rev. Date :			



PROPERTY: BIG EDDY UNIT #143  
Oper: BEPCO  
FIELD\_ONLY: CARLSBAD, E.

CONTROL: 1189062  
County, State: EDDY, NM.  
Reservoir: MORROW :



Hist Gas Cum: 669.27 MMcf  
Gas EUR: 953.17 MMcf  
Gas Rem: 953.17 MMcf

Hist Oil Cum: 4.19 Mbbbl  
Oil EUR: 8.24 Mbbbl  
Oil Rem: 8.24 Mbbbl

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

February 1, 2006

**FEDERAL EXPRESS**

Bureau of Land Management  
Roswell District Office  
2909 W. 2<sup>nd</sup> Street  
Roswell, New Mexico 88201  
Attn: Ms. Alexis Swoboda

New Mexico State Land Office  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501  
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division  
1220 St. Francis  
Santa Fe, New Mexico 87505  
Attention: William Jones /

Re: Commercial Determination  
Big Eddy Unit #144  
Strawn Formation  
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Strawn Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please do not hesitate to contact the undersigned.

Sincerely,



Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

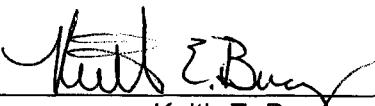
**INTER-OFFICE MEMORANDUM**  
MIDLAND OFFICE

January 11, 2006

**TO:** FORT WORTH, FILES  
**FOR:** FRANK McCREIGHT  
**FROM:** KEITH E. BUCY  
**RE:** COMMERCIAL DETERMINATION  
BIG EDDY UNIT NO. 144  
E CARLSBAD (STRAWN)  
BIG EDDYUNIT  
EDDY COUNTY, NEW MEXICO  
FILE: 400-WF, BEU144CD.XLS

Attached are the worksheets and necessary attachments for the subject well to be submitted for commercial determination. The Big Eddy Unit #144 was drilled in 2003 to a TD of 12,100 and was completed in the Strawn. The well is producing from perforations 10,648-10,659.

The Big Eddy Unit No. 144 will be a commercial well and should receive a participating area. If additional information is required, please advise.

  
\_\_\_\_\_  
Keith E. Bucky

xc: Wayne Bailey  
George Hillis

KEB/MWD/CDP  
  


# WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

## WELL DATA

WELL \_\_\_\_\_ BIG EDDY UNIT # 144 FORMATION \_\_\_\_\_ STRAWN  
 LOCATION \_\_\_\_\_ D \_\_\_\_\_ UNIT, \_\_\_\_\_ 660 FEET FROM NORTH LINE & \_\_\_\_\_ 710 FEET FROM WEST LINE  
 SECTION \_\_\_\_\_ 30 TOWNSHIP \_\_\_\_\_ 21S RANGE \_\_\_\_\_ 28E COUNTY \_\_\_\_\_ EDDY NEW MEXICO  
 SPUD DATE \_\_\_\_\_ 11/20/2003 COMPLETION DATE \_\_\_\_\_ 01/31/2005 INITIAL PRODUCTION \_\_\_\_\_ 02/02/2005  
 PERFORATIONS \_\_\_\_\_ 11744-11752, 11736-11742, 11613-11618 (MORROW PERFS BEHIND PLUG 1/31-05)  
 \_\_\_\_\_ 10,648-659' (STRAWN) Perfed w/ TCP Pure perf gun

### STIMULATION:

**ACID** \_\_\_\_\_  
 Acidize perfs (11736-11752) w/ 1000 gals 7.5% HCL. Acidize perfs (11613-618') w/ 500 gal 7.5% HCL (Morrow)  
**FRACTURE** Frac 11613-11752 w/ 19563gals gel + 21822gals CO2 + 7398 MCF N2 + 60750 lbs 20-40 Interprop. (Morrow)  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

POTENTIAL \_\_\_\_\_ (02/2/2005) 46 BOPD 1641 MCFPD 29 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

## VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	320	
Porosity (por), %	7%	
Water saturation (Sw), %	25%	
Net Thickness (h), ft.	19	
Temperature (T), Fahrenheit	175	
Bottom Hole pressure (P), psia	3,350	
Recovery factor (RF), %	75%	
Recoverable gas, BCF *(See eq. below)	1.7	

\*Sometimes unable to match performance due to volumetric uncertainty.

Formula =  $(7758) (A) (h) (por) (1-Sw)(RF)/Bsi$

Bgi = 0.73 RB/MCF

Continued

**PERFORMANCE DATA**

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 11/30/2005 413,418 MCF Gas 8,430 BBL OilINITIAL RATE (qi) 2,214ECONOMIC LIMIT (qi) 425HYPERBOLIC DECLINE RATE, dy b = .001, d = 25.2REMAINING GAS (Q) = 64,665ULTIMATE RECOVERABLE GAS (mcf) 478,083

(Attach plat showing proration unit and participating area.)

**ECONOMIC**GROSS WELL COST \$ \$1,040,629 (to the depth of formation completed)COMPLETION COST \$ 651,393GROSS TOTAL COST \$ \$1,692,022

YEAR	GROSS GAS MMCF	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	431.9	2,766.0	171.2	782.2
2	46.2	302.3	34.1	218.3
3	0.0	0.0	0.0	0.0
4	0.0	0.0	0.0	0.0
5	0.0	0.0	0.0	0.0
6	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0
REMAINDER	0	0.0	0.0	0.0
<b>TOTAL</b>	<b>478</b>	<b>3,068.3</b>	<b>451.5</b>	<b>1,000.5</b>

**WELL IS COMMERCIAL**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NMLC059365	
b. Type of Completion <input type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. Other _____		6. If Indian, Allottee or Tribe Name	
2. Name of Operator BASS ENTERPRISES PRODUCTION CO		7. Unit or CA Agreement Name and No. NMNM111785	
3. Address P O BOX 2760 MIDLAND, TX 79702		8. Lease Name and Well No. BIG EDDY UNIT 144	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface NWNW 660FNL 710FWL 32.27241 N Lat, 104.07552 W Lon At top prod interval reported below NWNW 660FNL 710FWL 32.27241 N Lat, 104.07552 W Lon At total depth NWNW 660FNL 710FWL 32.27241 N Lat, 104.07552 W Lon		9. API Well No. 30-015-33103-00-S2	
14. Date Spudded		10. Field and Pool, or Exploratory E CARLSBAD STRAWN	
15. Date T.D. Reached		11. Sec., T., R., M., or Block and Survey or Area Sec 30 T21S R28E Mer NMP	
16. Date Completed <input type="checkbox"/> D & A <input type="checkbox"/> Ready to Prod. 02/02/2005		12. County or Parish EDDY	
17. Elevations (DF, KB, RT, GL)* 3168 GL		13. State NM	
18. Total Depth: MD 12100 TVD		19. Plug Back T.D.: MD 11570 TVD	
20. Depth Bridge Plug Set: MD 11570 TVD		21. Type Electric & Other Mechanical Logs Run (Submit copy of each) D/M LATERLOG	
22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)			

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17.500	13.375 H-40	48.0	0	556		540		0	
12.250	9.625 J-55	40.0	0	2900		1080		0	
8.750	5.500 P-110	17.0	0	12093		2135		1966	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	10669	10577						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) STRAWN	10648	10659	10648 TO 10659	0.470	34	PRODUCING
B)						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material

28. Production - Interval A

Date First Produced 02/02/2005	Test Date 02/08/2005	Hours Tested 24	Test Production →	Oil BBL 46.0	Gas MCF 1641.0	Water BBL 29.0	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size 20/64"	Tbg. Press. Flwg. SI 961	Csg. Press. 410.0	24 Hr. Rate →	Oil BBL 46	Gas MCF 1641	Water BBL 29	Gas:Oil Ratio	Well Status PGW	<div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>ACCEPTED FOR RECORD</p> <p>FEB 18 2005</p> <p>LES BABYAK PETROLEUM ENGINEER</p> </div>

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #54283 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88243

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Elie Brazos Rd., Artesia, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33103	Pool Code 73920	Pool Name E CARLSBAD - MORROW
Property Code 001776	Property Name BIG EDDY UNIT	Well Number 144
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3170'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 1	30	21 S	28 E		660	NORTH	710	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 1 - 37.89 AC.			
NOTE: TOTAL ACREAGE ESTIMATED FROM US GLO.			
LOT 2 - 38.03 AC.			
LOT 3 - 38.17 AC.			
LOT 4 - 38.31 AC.			

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

William R. Dannels  
Signature

W.R. DANNELS  
Printed Name

DIVISION DRILLING SUPT.  
Title

3/31/04  
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 28, 2003  
Date Surveyed

Gary L. Jones  
Signature & Seal of Professional Surveyor

NEW MEXICO  
7977  
W.O. No. 3158  
Certificate No. Gary L. Jones 7977  
REGISTERED PROFESSIONAL LAND SURVEYOR  
BASIN SURVEYS

Submit in duplicate to  
appropriate district office.  
See Rule 401 & Rule 1122

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

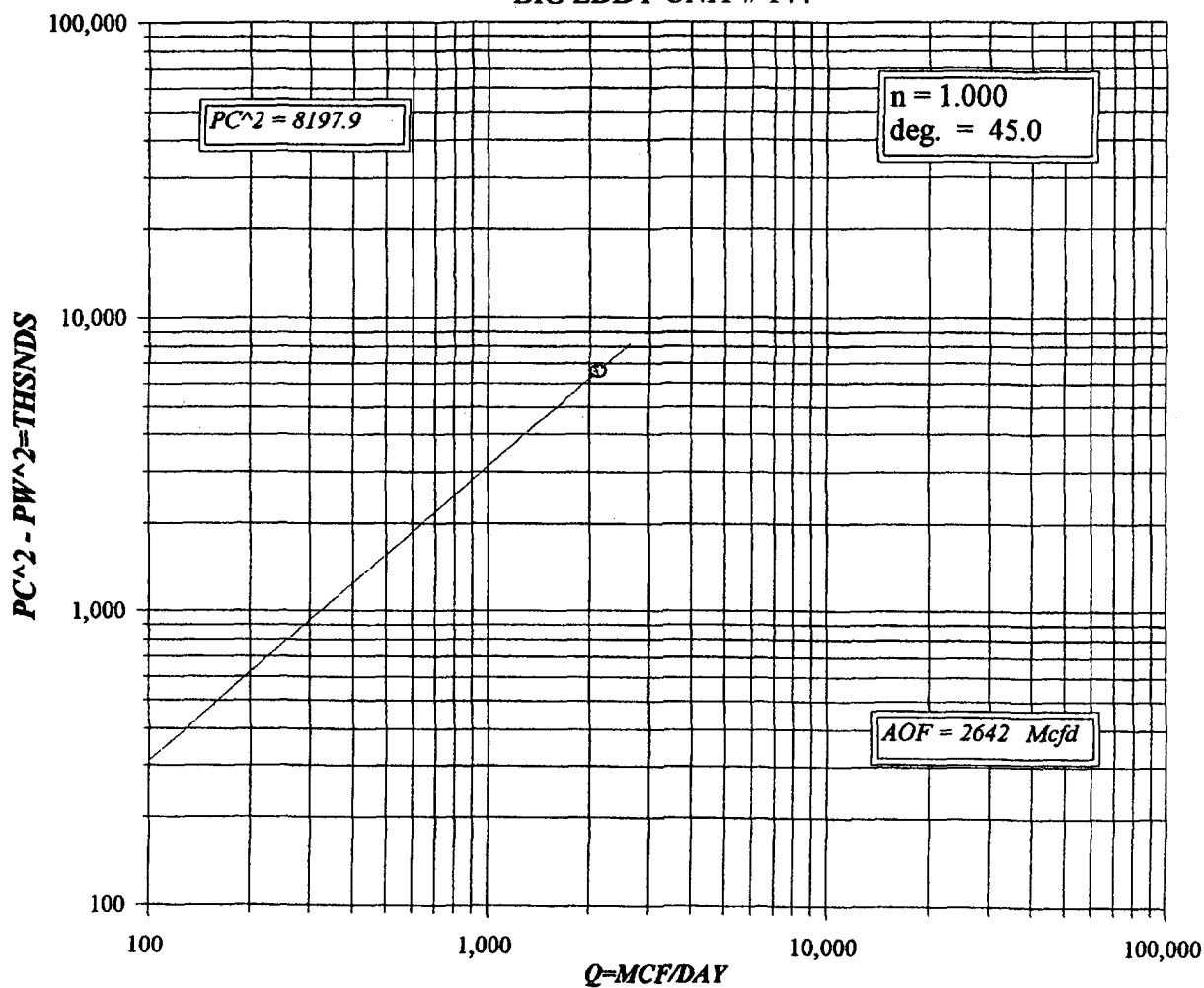
**RECEIVED** Form C-122  
Revised October, 1999  
MAR 21 2005  
SOP-NTESIA

### MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Operator <b>BASS ENTERPRISES PROD CO</b>				Lease or Unit Name <b>BIG EDDY UNIT</b>					
Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special						Test Date 3/1/2005		Well No. 144	
Completion Date 3/9/2004		Total Depth 12093		Plug Back TD 11968		Elevation 3168		Unit Ltr - Sec - TWP - Rge 30 21S 28E	
Csg. Size 5 1/2	Wt. 17	d 4.892	Set At 12093	Perforations: From: 10648 To: 10659				County EDDY	
Tbg. Size 2 3/8	Wt. 4.7	d 1.995	Set At 10669	Perforations: From: To:				Pool	
Type Well-Single-Bradenhead-G.G. or G.O. Multiple <b>SINGLE</b>				Packer Set At 10577				Formation STRAWN	
Producing Thru TUBING		Reservoir Temp. 180.7		Mean Annual Temp. 60		Baro. Press.-P <sub>a</sub> 13.2		Connection SALES	
L 10669	H 10669	Gg 0.674	%CO <sub>2</sub> 0.28	%N <sub>2</sub> 1.85	%H <sub>2</sub> S 0	Prover N/A	Meter Run 3.067	Taps FLG	
FLOW DATA				TUBING DATA			CASING DATA		
No.	Prover Line Size	Orifice x Size	Press p.s.i.g.	Diff. h <sub>w</sub>	Temp.	Press p.s.i.g.	Temp.	Press p.s.i.g.	Temp.
SI						2850			
1	3.067 X 1.000		467	256	85	1200			24 HRS.
2									
3									
4									
5									
<b>RATE OF FLOW CALCULATIONS</b>									
No.	COEFFICIENT (24 Hour)		$\sqrt{h_w P_m}$	Pressure P <sub>m</sub>	Flow Temp. Factor Ft	Gravity Factor F <sub>g</sub>	Super Compress Factor F <sub>pv</sub>	Rate of Flow Q. Mcfd	
1	9.64							2120	
2			TOTAL	FLOW	METER				
3									
4									
5									
No.	P <sub>r</sub>	Temp. R	T <sub>r</sub>	Z	Gas Liquid Hydrocarbon Ratio 2.304 Mcf bbl.				
1					A.P. I. Gravity of Liquid Hydrocarbons 56.5 @60 Deg.				
2	TOTAL	FLOW	METER		Specific Gravity Separator Gas 0.674 XXXXXXXX				
3					Specific Gravity Flowing Fluid XXXXXX GMIX = 1.625				
4					Critical Pressure 672 P.S.I.A. N/A P.S.I.A.				
5					Critical Temperature 378 R. N/A R				
P <sub>c</sub> 2863.2		P <sub>w</sub> 8197.9							
No.	P <sub>t</sub> <sup>2</sup>	P <sub>w</sub>	P <sub>w</sub> <sup>2</sup>	P <sub>c</sub> <sup>2</sup> -P <sub>w</sub> <sup>2</sup>	(1) $\frac{P_c^2}{P_c^2 - P_w^2} = \frac{1.246}{\quad}$ (2) $\left[ \frac{P_c^2}{P_c^2 - P_w^2} \right]^n = \frac{1.246}{\quad}$				
1		1272.5	1471.9	6578.6					
2									
3									
4					AOF = Q $\left[ \frac{P_c^2}{P_c^2 - P_w^2} \right]^n = \frac{2.642}{\quad}$				
5									
Absolute Open Flow		2.642		Mcf/d @ 15.025		Angle of Slope (°):		45	
						Slope, n:		1	
Remarks: * WELL MADE 92 BBLS OF 56.5 API GRAVITY CONDENSATE DURING TEST.									
Approved By Division:			Conducted By: PRO WELL TESTING		Calculated By: MERV BUECKER		Checked By: MB		



**BASS**  
**BIG EDDY UNIT # 144**



# ECONOMIC PROJECTION

Date : 1/11/2006

Lior: 1189063

2:18:09PM

Project Name : PROPZONE  
 Partner : 99999  
 Case Type : LEASE CASE  
 Archive Set : ENGR

As Of Date : 02/01/2005  
 Discount Rate (%) : 10.00  
 1189063/BIG EDDY UNIT/STR

Lease Name : 1189063/BIG EDDY UNIT/STR  
 Reserv Cat. : Proved Producing  
 Field : E CARLSBAD-STRAWN  
 Operator : BEPCO  
 Reservoir : STRAWN  
 Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00  
 Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbl)	Gas (MMCF)	NGL (MGal)
2005	8.799	431.855	431.855	0.000	6.374	312.826	0.000
2006	0.925	46.228	46.228	0.000	0.670	33.486	0.000

Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	9.723	478.083	478.083	0.000	7.043	346.313	0.000
Ult.	9.723	478.083					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2005	53.19	7.76	0.00	338.997	2,427.000	0.000	2,765.997
2006	56.38	7.90	0.00	37.758	264.541	0.000	302.299

Rem	0.00	0.00	0.00	0.000	0.000	0.000	0.000
Total	53.49	7.77	0.00	376.755	2,691.541	0.000	3,068.296

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF (M\$)	Cum. Disc. CF (M\$)
2005	217.257	5.393	1,484.755	171.173	887.418	887.418	782.219	782.219
2006	24.339	0.605	0.000	34.092	243.263	1,130.681	218.302	1,000.521

Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	241.596	5.998	1,484.755	205.265	1,130.681	1,130.681	1,000.521	1,000.521

Major Phase : Gas  
 Perfs : 0 0  
 Initial Rate : 46.61 mmcf/month  
 Abandonment : 11.06 mmcf/month  
 Initial Decline : 87.72 % year b = 0.000  
 Beg Ratio : 0.03 bbl/mmcf  
 End Ratio : 0.02

Working Int : 0.87803398  
 Revenue Int : 0.72437803  
 Disc. Initial Invest. (m\$) : 1,484.755  
 Internal ROR (%) : 124.41  
 ROInvestment (disc/undisc) : 1.67 / 1.76  
 Years to Payout : 0.53  
 Abandonment Date : 04/12/2006

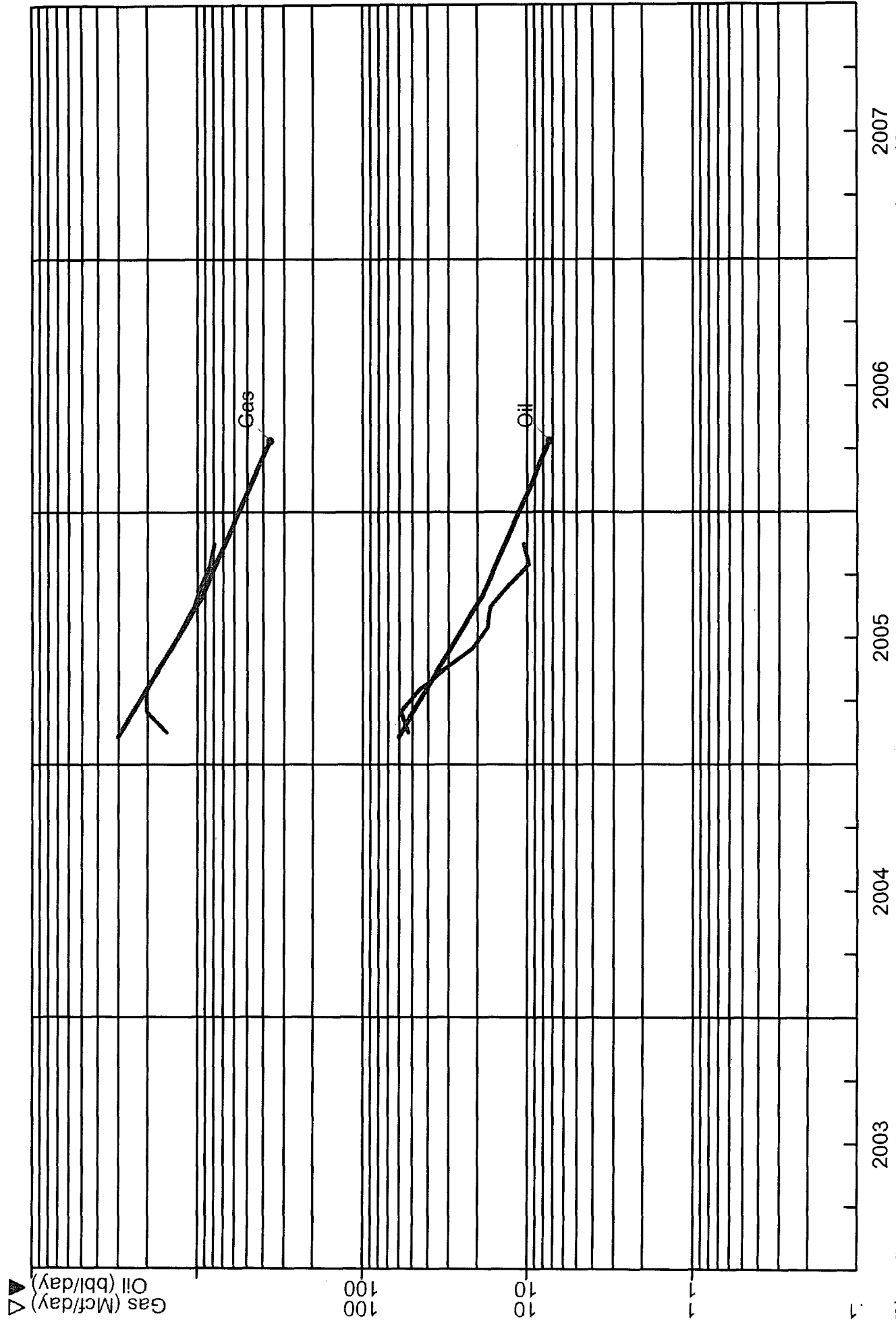
## Present Worth Profile (M\$)

2.00% :	1,103.91
4.00% :	1,077.52
6.00% :	1,051.49
8.00% :	1,025.83
10.00% :	1,000.52
25.00% :	821.48
40.00% :	659.90
50.00% :	560.90
75.00% :	340.17
100.00% :	152.26

	Initial	1st Rev.	2nd Rev.
Working Interest :	0.87803398	0.00000000	0.00000000
Revenue Interest :	0.72437803	0.00000000	0.00000000
Rev. Date :			

PROPERTY: BIG EDDY UNIT #144  
Oper: BEPCO  
FIELD\_ONLY: CARLSBAD, E.

CONTROL: 1189063  
County, State: EDDY, NM  
Reservoir: STRAWN



2003  
Hist Gas Cum: 413.42 MMcf  
Gas EUR: 478.08 MMcf  
Gas Rem: 478.08 MMcf

2007  
Hist Oil Cum: 8.43 Mbbl  
Oil EUR: 9.72 Mbbl  
Oil Rem: 9.72 Mbbl

# CURRENT WELLBORE DIAGRAM

**Lease:** Big Eddy Unit      **Well No.:** 144  
**Field:** Carlsbad E. Strawn  
**Location:** 660' FNL & 710' FWL, SEC 30, T21S, R28E  
**County:** Eddy      **St:** NM      **API:** 30-015-33103

KB: 3197  
 GL: 3168  
 Spud Date: 11/20/2003  
 Compl. Date: 3/9/2004

## Surface Csg.

Size: 13 3/8  
 Wt: 48  
 Grd: H40/WC40  
 Set @: 556  
 Sxs cmt: 540  
 Circ: Y  
 TOC: Surf  
 Hole Size: 17 1/2

## 1st Intermediate Csg.

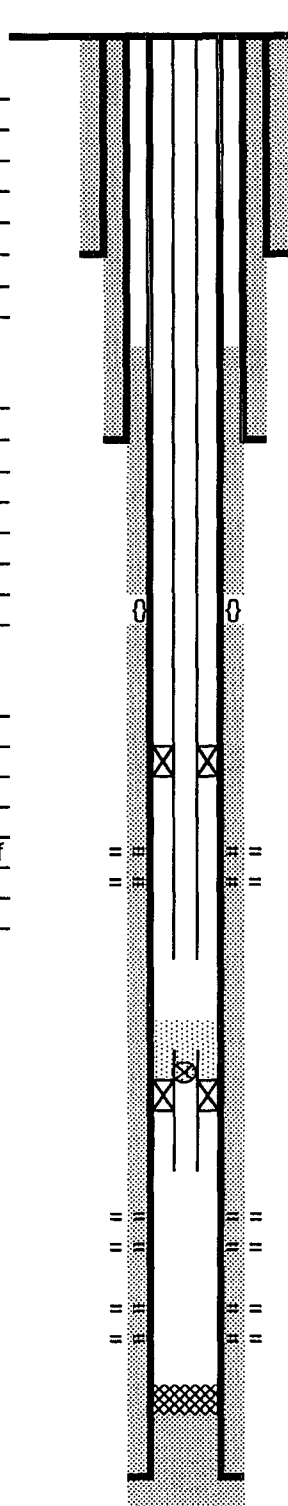
Size: 9 5/8  
 Wt: 40  
 Grd: J55  
 Set @: 2900  
 Sxs Cmt: 1080  
 Circ: Y  
 TOC: Surf  
 Hole Size: 12 1/4

## Production Csg.

Size: 5 1/2  
 Wt: 17  
 Grd: HCP-110  
 Set @: 12093  
 Sxs Cmt: 2135  
 Circ: Y - DVTool; N - Surf  
 TOC: 1966 by TS  
 Hole Size: 8 3/4 to 12100

## Tubing

341 jts 2 3/8, 4.7#, N80



0	KB		
29	GL		
		X = 562285	
		Y = 529884	
		Lat = 32.45655	
		Lng = -104.13154	
556	13 3/8	Csg	
1966	TOC	by TS	
2900	9 5/8	Csg	
8188		DVTool	
10577		10 K Hornet Pkr	
10648	Strawn	Top Perf	
10659	34 shots	Btm Perf	
10669		EOT	
11554 est		Dump Brady Sand	
11568		Plug in "F" nipple	
11570		Packer	
11584		EOT	
11613	M Morrow	Top Perf	10 holes
11618	Sand 2	Btm Perf	
11736	M Morrow	Top Perf	14 holes
11752	Sand 5	Btm Perf	
11832		Top of Sand Fill ( by WL Tag)	
11968	PBTD		
12093	5 1/2	Csg	
12100		TD	

PBTD: 11968  
 TD: 12100

Updated: 4/20/2005  
 Author: ELE  
 Engr: MWD