

PATRICK H. LYONS COMMISSIONER

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

May 18, 2007

Bass Enterprises Production Co. 201 Main Street, Suite 2900 Fort Worth, Texas 76102-3131

Attention: Mr. Forest K. Naylor

Re:

Big Eddy Unit Well No. 149 Commercial Determination

Morrow Formation

Eddy County, New Mexico

Dear Mr. Naylor:

Thank you for your letter of March 16, 2007, together with data that supports your commercial determination regarding the Big Eddy Unit Well No. 149, located in the SE/4NE/4 of Sec. 32-21S-28E.

The Commissioner of Public Lands concurs with your determination that the Big Eddy Unit Well No. 149 is capable of producing unitized substances in paying quantities from the Morrow formation and should be included in the Morrow participating area. This action is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS

COMMISSIONER OF PUBLIC LANDS

JAMI BAILEY, Director Oil, Gas and Minerals Division

PL/JB/pm

pc: Reader File,

> BLM-Roswell Attn: Ms. Alexis Swoboda a Fe Attn: Mr. David Catanach

TRD-Attn: Mr. Valdean Severson

RMD-Attn: Mr. Kurt McFall