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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

March 26, 2008

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

Attention: Mr. Forest K. Naylor

Re: Big Eddy Unit Well Nos. 54, 66, 73 and 94

Non-Commercial Determinations

Atoka Formation

Eddy County, New Mexico

Dear Mr. Naylor:

Thank you for your letter of July 18, 2007, together with data that supports your non-commercial determinations regarding the following Big Eddy Unit Wells:

Big Eddy Unit Well No. 54, SE/4SW/4 Sec. 29-21S28E. Big Eddy Unit Well No. 66, NE/4SW/4 Sec. 25-21S28E Big Eddy Unit Well No. 73, NE/4NW/4 Sec. 8-21S-29E Big Eddy Unit Well No. 94, SW/4NW/4 Sec. 20-21S-29E

The Commissioner of Public Lands concurs with your determination that the above mentioned Big Eddy Unit Wells are not capable of producing unitized substances in paying quantities from the Atoka formation and should be produced on a lease basis. 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: Mr. John Simitz OCD-Santa Fe Attn: Mr. Ed Martin TRD-Attn: Mr. Valdean Severson RMD-Attn: Mr. Kurt McFall