

BASS ENTERPRISES PRODUCTION CO.

FIRST CITY BANK TOWER
201 MAIN ST.
FORT WORTH, TEXAS 76102
817/390 8400

April 21, 1988

BUREAU OF LAND MANAGEMENT
P. O. Box 1397
Roswell, New Mexico 88201
Attention: Mr. Joe Lara

COMMISSIONER OF PUBLIC LANDS
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Attention: Mr. Floyd Prando

NEW MEXICO OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87501
Attention: Mr. Bill LeMay

Case No. 9374

RE: First Amendment to the 1988 Plan of Development
Big Eddy Unit
Eddy and Lea Counties, New Mexico

Gentlemen:

In accordance with the terms and provisions of Section 10 of the Big Eddy Unit Agreement, dated April 10, 1952, which provides that the Plan of Development may be modified, from time to time, when necessary to meet changing conditions, we propose the following amendment to the 1988 Plan of Development:

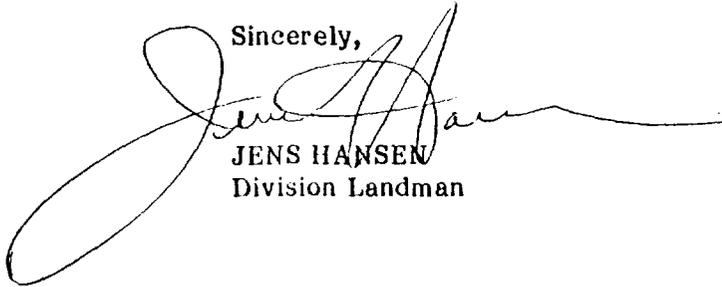
Big Eddy Unit Well No. 102 - Our Plan of Development listed this as a Delaware test to be drilled at an unspecified location. Drilling plans have now been made to drill this well to a depth of 12,100' as a Morrow test at a location 1980' FW&SL in Section 30, T21S-R28E, Eddy County, New Mexico.

Notwithstanding the continuing problems of marketing gas from wells within the Big Eddy Unit, the Big Eddy Unit Well No. 102 will be drilled to primarily test gas bearing formations. The reason the Big Eddy Unit Well No. 102 is being drilled to the Morrow formation is to protect unitized lands within Section 30, T21S-R28E, from being drilled and produced under a plan proposed by the operator of the lands in the SW/4 SW/4 of said Section 30. The SW/4 SW/4 of Section 30 is not dedicated to the Big Eddy Unit, and the lessee under an oil and gas lease covering these lands has proposed the drilling of a well on federal lands at a location in the NW/4 of Section 30 that the unit operator deems imprudent and injurious in (1) the development of unitized lands, and (2) the ultimate recovery of unitized substances. The lands west of and contiguous to Section 30 are not unit lands inasmuch as the west section line of Section 30 is the west boundary of the Big Eddy Unit. The unit operator is scheduled to appear before the New Mexico Oil Conservation Division in order to establish its rights to conduct the necessary operations to protect unitized lands and prevent economic waste.

Bureau of Land Management
Commissioner of Public Lands
New Mexico Oil Conservation Division
April 21, 1988
Page 2

If this First Amendment to the 1988 Plan of Development for the Big Eddy Unit meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) original signed letter to Bass for its records.

Sincerely,



JENS HANSEN
Division Landman

JH:jh

AGREED TO AND ACCEPTED this _____ day of _____, 1988.

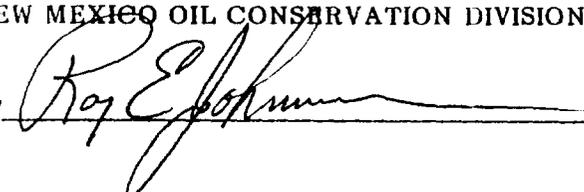
BUREAU OF LAND MANAGEMENT

By _____

COMMISSIONER OF PUBLIC LANDS

By _____

NEW MEXICO OIL CONSERVATION DIVISION

By 

Unit Name: Big Eddy

Contract Number: 14-08-001-326

Automatic Elimination Date: Due - Only on Demand

Operator: Bass Enterprises Production Company

Unitized Interval: All Formations below the base of the Delaware Sand,
or below a Depth of 5,000 feet, whichever is lesser.

PARTICIPATING AREAS (PA)

Name: Initial Strawn

Well Name: Big Eddy Unit No. 4

Location: SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 27, T. 19 S., R. 31 E.

Legal PA Description: SE $\frac{1}{4}$ Sec. 27, T. 19 S., R. 31 E.

Effective Date: July 2, 1965

PA Total Acres: 160.00

Name: 1st Revision Strawn

Well Name: Big Eddy Unit No. 5

Location: NE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 34, T. 19 S., R. 31 E.

Legal PA Description: NW $\frac{1}{4}$ Sec. 34, T. 19 S., R. 31 E. - 160.00 acres

PA Total Acres: 320.00

Name: 2nd Revision Strawn

Well Name: Big Eddy Unit No. 6

Location: NW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 34, T. 19 S., R. 31 E.

Legal PA Description: SW $\frac{1}{4}$ Sec. 27, T. 19 S., R. 31 E. - 160 acres

Effective Date: October 1, 1965

PA Total Acres: 480.00



BIG EDDY UNIT AREA

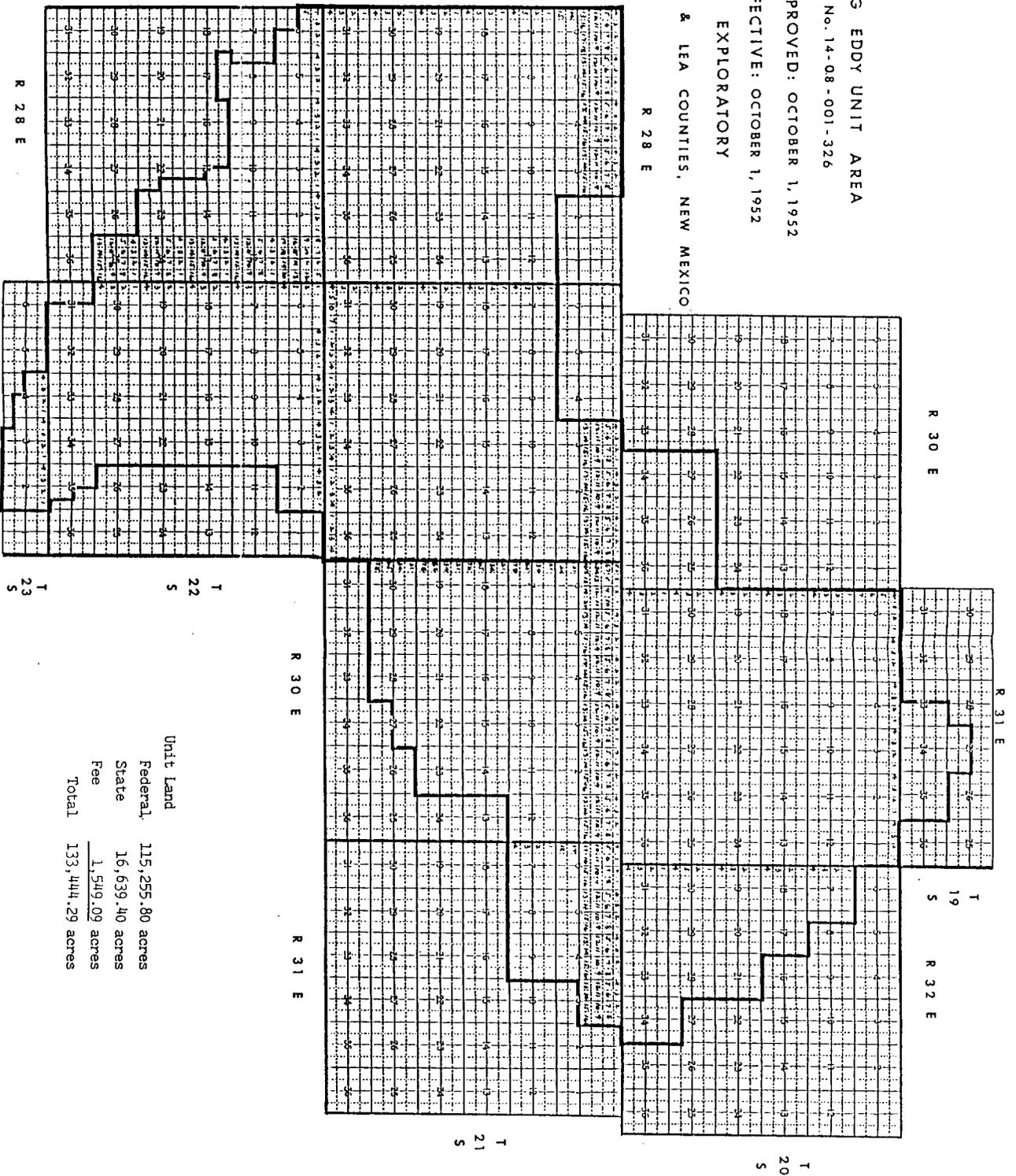
No. 14-08-001-326

APPROVED: OCTOBER 1, 1952

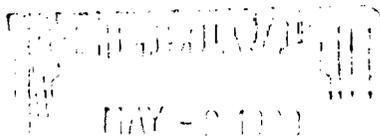
EFFECTIVE: OCTOBER 1, 1952

EXPLORATORY

EDDY & LEA COUNTIES, NEW MEXICO



Unit Land	
Federal	115,255.80 acres
State	16,639.40 acres
Fee	1,549.09 acres
Total	133,444.29 acres



May 2, 1988

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 9372
Santa Fe Energy Operating Partners, L.P.
Township 21 South, Range 28 East, NMPM
Section 30: Lots 1, 2, 3, 4, E/2 W/2
Eddy County, New Mexico

Case No. 9374
Bass Enterprises Production Company
Township 21 South, Range 28 East, NMPM
Section 30: Lots 3, 4, SE/4, E/2 SW/4
Eddy County, New Mexico

Gentlemen:

The undersigned enters his appearance in the captioned cases set for hearing on May 11, 1988, on behalf of Yates Petroleum Corporation, the Estate of Martin Yates, III, Lillie M. Yates, John A. Yates, S. P. Yates and Ralph Nix.

DICKERSON, FISK & VANDIVER

Chad Dickerson

CD:pvw

cc: Mr. James Bruce
Mr. W. Thomas Kellahin
Mr. Randy G. Patterson
Mr. William J. McCaw