

BASS ENTERPRISES PRODUCTION CO. # 365

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

April 17, 2003

**EXPRESS MAIL/**

**Return Receipt Requested**

Bureau of Land Management  
Roswell District Office  
2909 W. 2<sup>nd</sup> Street  
Roswell, New Mexico 88201  
Attn: Mr. Ed L. Roberson

New Mexico State Land Office  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501  
Attention: Ms. Jami Bailey

New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87504  
Attention: Roy Johnson

Re: 2003 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 2003.

**HISTORY OF PAST DEVELOPMENT**

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

**2002 ACTIVITY**

No wells were drilled for the calendar year 2002. However, Bass will continue to evaluate product prices, geophysical data and other subsurface information for future drilling opportunities in the Big Eddy Unit. It should be noted that the BLM denied Bass' APD for the drilling of the Big Eddy No. 138 well in Sec. 18-20S-31E. Bass filed an appeal of this denial to the IBLA in 1997; however, no decision has been rendered.

**PARTICIPATING AREAS**

Bass Enterprises Production Co. has submitted all wells drilled to date where adequate information is available for commercial determination and participating areas. In the event you have not received commercial determinations for the wells that have been drilled and completed and are currently producing, please advise at your earliest convenience and we will submit same to you.

**FUTURE DEVELOPMENT**

**Big Eddy Unit No. 143** - This is well planned to be drilled at a legal location being 660' FSL, 1,980' FWL, Section 19, T21S-R28E to total depth of 12,300' to test the Morrow Formation.

**Big Eddy Unit No. 144** - This well is planned to be drilled at a legal location being 660' FNL, 660' FWL, Section 30, T21S-R28E, Eddy County, New Mexico to a total depth of 12,300' to test the Morrow Formation.

**Big Eddy Unit No. 145** - This well is planned to be drilled a legal location being 1,980' FSL, 660' FWL, Section 31, T21S-R28E, Eddy County, New Mexico to a total depth of 12,300' to test the Morrow Formation.

Plan of Development - BEU

April 17, 2003

Page 2

Big Eddy Unit No. 146 - This well is planned to be drilled at a legal location being 1,980' FNL, 660' FEL, Section 31, T21S-R28E, Eddy County, New Mexico to a total depth of 12,300' to test the Morrow Formation.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands within the Big Eddy Unit area, or pursuant to applicable regulations.

MODIFICATIONS

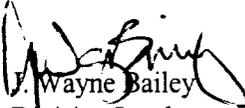
In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

EFFECTIVE DATE

This Plan of Development shall become effective January 1, 2003.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Sincerely,

  
J. Wayne Bailey  
Division Landman

JWB:ca

ACCEPTED AND AGREED this 22nd day of April, 2003.

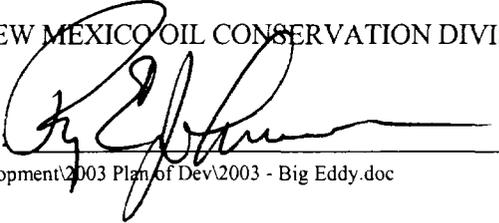
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

By: 

**COMMISSIONER'S OFFICE**

Phone (505) 827-5760  
Fax (505) 827-5766

**ADMINISTRATION**

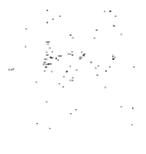
Phone (505) 827-5700  
Fax (505) 827-5853

**GENERAL COUNSEL**

Phone (505) 827-5713  
Fax (505) 827-4262

**PUBLIC AFFAIRS**

Phone (505) 827-1245  
Fax (505) 827-5766



**New Mexico State Land Office  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.**

**COMMERCIAL RESOURCES**

Phone (505) 827-5724  
Fax (505) 827-6157

**MINERAL RESOURCES**

Phone (505) 827-5744  
Fax (505) 827-4739

**ROYALTY MANAGEMENT**

Phone (505) 827-5772  
Fax (505) 827-4739

**SURFACE RESOURCES**

Phone (505) 827-5793  
Fax (505) 827-5711

365

June 3, 2002

Bass Enterprises Production Company  
201 Main Street  
Ft. Worth, Texas 76102-3131

Attn: Mr. J. Wayne Bailey

2002 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Dear Mr. Bailey:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

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

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

A handwritten signature in cursive script, appearing to read "Jami Bailey".

BY:  
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm  
xc: Reader File

OCD

BLM

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

April 3, 2002

**EXPRESS MAIL/**  
**Return Receipt Requested**

Bureau of Land Management  
2909 West 2<sup>nd</sup> Street  
Roswell, New Mexico 88201

Attention: Mr. Ed L. Roberson

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Ms. Jami Bailey

New Mexico Oil Conservation Division  
1220 S. St. Francis  
Santa Fe, New Mexico 87505

Attention: Mr. Roy Johnson

Re: 2002 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 2002.

**HISTORY OF PAST DEVELOPMENT**

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

**2001 ACTIVITY**

**Big Eddy Unit No. 61 A** – This well was drilled as a reentry of Big Eddy Unit No. 61 at a location being 1,980' FSL, 1,980' FWL, Section 15, T21S-R29E, Eddy County, New Mexico. This well was drilled to the Strawn Formation at a total depth of 11,750' and was plugged and abandoned as a dry hole.

**PARTICIPATING AREAS**

Bass Enterprises Production Co. has submitted all wells drilled to date where adequate information is available for commercial determination and participating areas. In the event you have not received commercial determinations for the wells that have been drilled and completed and are currently producing, please advise at your earliest convenience and we will submit same to you.

**FUTURE DEVELOPMENT**

No wells are planned for calendar year 2002. However, Bass will continue to evaluate product prices, geophysical data and other subsurface information for future drilling opportunities in the Big Eddy Unit. It should be noted that the BLM denied Bass' APD for the drilling of the Big Eddy NO. 138 well in Sec. 18-20S-31E. Bass filed an appeal of this denial to the IBLA in 1997; however, no decision has been rendered.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands within the Big Eddy Unit area, or pursuant to applicable regulations.

MODIFICATIONS

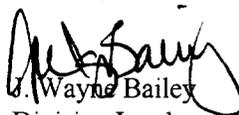
In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

EFFECTIVE DATE

This Plan of Development shall become effective January 1, 2002.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Sincerely,

  
J. Wayne Bailey  
Division Landman

JWB/WWC:ca

ACCEPTED AND AGREED this 8<sup>th</sup> day of April, 2002.

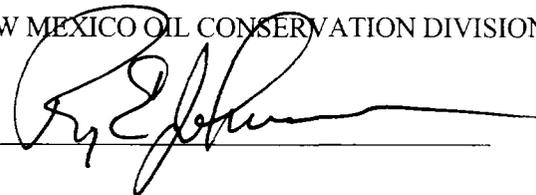
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

March 20, 2001

**EXPRESS MAIL/  
Return Receipt Requested**

Bureau of Land Management  
2909 West 2<sup>nd</sup> Street  
Roswell, New Mexico 88201

Attention: Mr. Ed L. Roberson

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Ms. Jami Bailey

New Mexico Oil Conservation Division  
1220 S. St. Francis  
Santa Fe, New Mexico 87505

Attention: Mr. Steven Ross

Re: 2001 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952. Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 2001.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

2000 ACTIVITY

Big Eddy Unit No. 38 – This well was drilled at a location being 660' FNL, 1,980' FWL, Section 34, T21S-R29E, Eddy County, New Mexico. This well was completed in the Bone Spring Formation as an oil well in the interval between 10,164' - 10,176'.

PARTICIPATING AREAS

Bass Enterprises Production Co. has submitted all wells drilled to date where adequate information is available for commercial determination and participating areas. In the event you have not received commercial determinations for the wells that have been drilled and completed and are currently producing, please advise at your earliest convenience and we will submit same to you.

FUTURE DEVELOPMENT

Big Eddy Unit No. 61 A – This well will be drilled as a reentry of Big Eddy Unit No. 61 at a location being 1,980' FSL, 1,980' FWL, Section 15, T21S-R29E, Eddy County, New Mexico to a proposed depth of 11,700' to test the Strawn Formation.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands within the Big Eddy Unit area, or pursuant to applicable regulations.

MODIFICATIONS

In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

EFFECTIVE DATE

This Plan of Development shall become effective January 1, 2001.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Sincerely,



J. Wayne Bailey  
Division Landman

JWB/WWC:ca

ACCEPTED AND AGREED this 28<sup>th</sup> day of March, 2001.

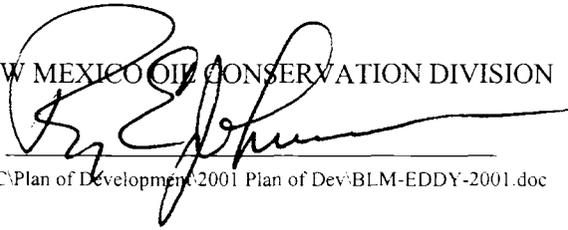
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

July 25, 2000

Page 31

**EXPRESS MAIL/  
Return Receipt Requested**

Bureau of Land Management  
2909 West 2nd Street  
Roswell, New Mexico 88201

Attention: Mr. Ed L. Roberson

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Ms. Jami Bailey

New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico

Attention: Ms. Lori Wrotenberry

Re: Amended 2000 Plan of Development  
James Ranch Unit  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the James Ranch Unit Agreement dated April 22, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits an Amended Plan of Development for the James Ranch Unit for the year 2000. This amendment is being filed specifically for the addition of the following proposed wells:

FUTURE DEVELOPMENT

James Ranch Unit Well No. 20 – This well will be drilled at a legal surface location being 200' FNL, 1,320' FWL, Section 6 T23S-R31E and bottom hole location being 660' FSL, 660' FWL, Section 31, T22S-R31E, Eddy County, New Mexico to a proposed depth of 11,250' TVD (11,406' MD) to test the Wolfcamp Formation.

James Ranch Unit Well No. 21 – This well will be drilled at a legal surface location being 200' FNL, 1,380' FWL, Section 6, T23S-R31E and bottom hole location being 660' FSL, 1,980' FWL, Section 31, T22S-R31E, Eddy County, New Mexico to a proposed depth of 11,287' TVD (11,426' MD) to test the Wolfcamp Formation.

James Ranch Unit Well No. 22 – This well will be drilled at a legal surface location being 200' FNL, 1,320' FEL, Section 6, T23S-R31E and bottom hole location being 660' FSL, 1,980' FEL, Section 31, T22S-R31E Eddy County, New Mexico to a proposed depth of 11,400' TVD (11,547' MD) to test the Wolfcamp Formation.

James Ranch Unit Well No. 23 – This well will be drilled at a legal surface location being 200' FNL, 1,270' FEL, Section 6, T23S-R31E and bottom hole location being 660' FSL, 660' FEL, Section 31, T22S-R31E, Eddy County, New Mexico to a proposed depth of 11,380' TVD (11,522' MD) to test the Wolfcamp Formation.

James Ranch Unit Well No. 24 – This well will be drilled at a legal location being 200' FNL, 1,295' FEL, Section 6, T23S-R31E and bottom hole location being 1,980' FEL, 660' FEL, Section 31, T22S-R31E, Eddy County, New Mexico to a proposed depth of 11,382' TVD, (11,840' MD) to test the Wolfcamp Formation.

James Ranch Unit Well No. 25 – This well will be drilled at a legal surface location being 200' FNL, 1,355' FEL, Section 6, T23S-R31E and bottom hole location being 1,980' FSL, 1,980' FEL, Section 31, T22S-R31E, Eddy County, New Mexico to a proposed depth of 11,350' TVD (11,797' MD) to test the Wolfcamp Formation.

James Ranch Unit Well No. 2501 – This well will be drilled at a legal surface location being 200' FNL, 1,380' FEL, Section 6, T23S-R31E and bottom hole location being 1,980' FSL, 1,980' FEL, Section 31, T22S-R31E, Eddy County, New Mexico to a proposed depth of 7,864' TVD (8,909' MD) to test the Delaware Formation.

James Ranch Unit Well No. 26 – This well will be drilled at a legal surface location being 200' FNL, 1,355' FWL, Section 6, T23S-R31E and bottom hole location being 1,980' FSL, 1,980' FWL, Section 31, T22S-R31E, Eddy County, New Mexico to a proposed depth of 11,310' TVD (11,730' MD) to test the Wolfcamp Formation.

James Ranch Unit Well No. 2601 – This well will be drilled at a legal surface location being 200' FNL, 1,295' FWL, Section 6, T23S-R31E and bottom hole location being 1,980' FSL, 1,980' FWL, Section 31, T22S-R31E, Eddy County, New Mexico to a proposed depth of 7,812' TVD (8,880' MD) to test the Delaware Formation.

James Ranch Unit Well No. 27 – This well will be drilled at a legal surface location being 1,780' FSL, 200' FEL, Section 36, T22S-R30E and bottom hole location being 1,980' FSL, 660' FWL, Section 31, T22S-R31E, Eddy County, New Mexico to a proposed depth of 11,272' TVD (11,365' MD) to test the Wolfcamp Formation.

James Ranch Unit Well No. 33 – This well will be drilled at a legal location being 660' FNL, 1,813' FEL, Section 1, T23S-R30E, Eddy County, New Mexico to a proposed depth of 7,810' to test the Delaware - Lower Brushy Canyon Formation.

James Ranch Unit Well No. 35 – This well will be drilled at a legal location being 660' FNL, 660' FEL, Section 1, T23S-R30E, Eddy County, New Mexico to a proposed depth of 7,830' to test the Delaware - Lower Brushy Canyon Formation.

James Ranch Unit Well No. 38 – This well will be drilled at a legal location being 1,980' FSL, 660' FEL, Section 1, T23S-R30E, Eddy County, New Mexico to a proposed depth of 7,810' to test the Delaware - Lower Brushy Canyon Formation.

James Ranch Unit Well No. 62 – This well will be drilled at a legal location being 1,200' FSL, 2,080' FEL, Section 1, T23S-R30E, Eddy County, New Mexico to a proposed depth of 7,830' to test the Delaware - Lower Brushy Canyon Formation.

James Ranch Unit Well No. 74 – This well will be drilled at a legal location being 330' FNL, 430' FWL, Section 6, T23S-R31E, Eddy County, New Mexico to a proposed depth of 7,860' to test the Delaware - Lower Brushy Canyon Formation.

James Ranch Unit Well No. 79 – This well will be drilled at a legal location being 330' FNL, 990' FEL, Section 6, T23S-R31E, Eddy County, New Mexico to a proposed depth of 11,500' to test the Delaware Formation.

James Ranch Unit Well No. 80 – This well will be drilled at a legal location being 330' FNL, 1,650' FEL, Section 36, T22S-R30E, Eddy County, New Mexico to a proposed depth of 11,250' to test the Delaware Formation.

James Ranch Unit Well No. 81 – This well will be drilled at a legal location being 560' FNL 990' FWL, Section 1, T23S-R30E, Eddy County, New Mexico to a proposed depth of 7,780' to test the Delaware - Lower Brushy Canyon Formation.

James Ranch Unit Well No. 82 – This well will be drilled at a legal location being 1,200' FSL, 760' FEL, Section 1, T23S-R30E, Eddy County, New Mexico to a proposed depth of 7,840' test the Delaware - Lower Brushy Canyon Formation.

James Ranch Unit Well No. 83 – This well will be drilled at a legal location being 2,080' FSL, 1,780' FEL, Section 1, T23S-R30E, Eddy County, New Mexico to a proposed depth of 7,820' test the Delaware - Lower Brushy Canyon Formation.

James Ranch Unit Well No. 84 – This well will be drilled at a legal location being 1,980' FNL, 760' FEL, Section 1, T23S-R30E, Eddy County, New Mexico to a proposed depth of 7,820' test the Delaware - Lower Brushy Canyon Formation.

James Ranch Unit Well No. 85 – This well will be drilled at a legal location being 2,180' FSL, 350' FWL, Section 6, T23S-R31E, Eddy County, New Mexico to a proposed depth of 7,860' test the Delaware - Lower Brushy Canyon Formation.

James Ranch Unit Well No. 86 – This well will be drilled at a legal location being 760' FSL, 760' FWL, Section 6, T23S-R31E, Eddy County, New Mexico to a proposed depth of 7,900' test the Delaware - Lower Brushy Canyon Formation.

James Ranch Unit Well No. 87 – This well will be drilled at a legal location being 660' FSL, 1,980' FWL, Section 6, T23S-R31E, Eddy County, New Mexico to a proposed depth of 11,300' test the Wolfcamp Formation.

James Ranch Unit Well No. 88 – This well will be drilled at a legal location being 660' FSL, 1,980' FWL, Section 8, T23S-R31E, Eddy County, New Mexico to a proposed depth of 8,090' test the Delaware Formation.

James Ranch Unit Well No. 89 – This well will be drilled at a legal location being 660' FSL, 660' FWL, Section 8, T23S-R31E, Eddy County, New Mexico to a proposed depth of 8,050' test the Delaware Formation.

James Ranch Unit Well No. 90 – This well will be drilled at a legal location being 660' FNL, 660' FWL, Section 17, T23S-R31E, Eddy County, New Mexico to a proposed depth of 8,050' test the Delaware Formation.

EFFECTIVE DATE

This Plan of Development shall become effective on July 21, 2000.

If this Amended Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Very truly yours,

  
J. Wayne Bailey  
Division Landman

JWB:ca

ACCEPTED AND AGREED this 7<sup>th</sup> day of August, 2000.

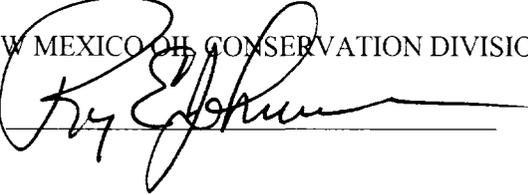
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

By: 

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

31

July 25, 2000

**EXPRESS MAIL/  
Return Receipt Requested**

Bureau of Land Management  
2909 West 2nd Street  
Roswell, New Mexico 88201

Attention: Mr. Ed L. Roberson

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Ms. Jami Bailey

New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Attention: Ms. Lori Wrotenberry

Re: Amended 2000 Plan of Development  
Poker Lake Unit  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Poker Lake Unit Agreement dated March 18, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits an Amended Plan of Development for the Poker Lake Unit for the year 2000. This amendment is being filed specifically for the addition of the following proposed wells:

**FUTURE DEVELOPMENT**

Poker Lake Unit No. 141 - This well will be drilled at a legal location being 1,980' FSL & 660' FWL Section 32, T23S-R30E, Eddy County, New Mexico to a proposed depth 7,550' to test the Delaware - Lower Brushy Canyon Formation.

Poker Lake Unit No. 142 - This well will be drilled at a legal location being 1,980' FNL & 1,950' FWL Section 31, T23S-R30E, Eddy County, New Mexico to a proposed depth 7,530' to test the Delaware - Lower Brushy Canyon Formation.

Poker Lake Unit No. 147 - This well will be drilled at a legal location being 660' FNL & 1,650' FEL, Section 5, T23S-R30E, Eddy County, New Mexico to a proposed depth 13,200' to test the Wolfcamp Formation.

Poker Lake Unit No. 148 - This well will be drilled at a legal location being 1,750' FNL & 750' FEL Section 32, T23S-R30E, Eddy County, New Mexico to a proposed depth 13,170' to test the Wolfcamp Formation.

Poker Lake Unit No. 149 - This well will be drilled at a legal location being 660' FSL & 2,130' FEL, Section 31, T23S-R30E, Eddy County, New Mexico to a proposed depth 7,490' to test the Delaware - Lower Brushy Canyon Formation.

Poker Lake Unit No. 150 - This well will be drilled at a legal location being 510' FNL & 1,980' FEL, Section 6, T23S-R30E, Eddy County, New Mexico to a proposed depth 7,530' to test the Delaware - Lower Brushy Canyon Formation.

Poker Lake Unit No. 151 - This well will be drilled at a legal location being 760' FNL & 810' FEL, Section 6, T23S-R30E, Eddy County, New Mexico to a proposed depth 7,590' to test the Delaware – Lower Brushy Canyon.

Poker Lake Unit No. 152 - This well will be drilled at a legal location being 1,980' FNL & 660' FEL, Section 6, T23S-R30E, Eddy County, New Mexico to a proposed depth 7,560' to test the Delaware - Lower Brushy Canyon Formation.

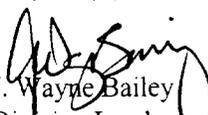
Poker Lake Unit No. 153 - This well will be drilled at a legal location being 1,830' FNL & 1,980' FEL Section 31, T23S-R30E, Eddy County, New Mexico to a proposed depth 14,750' to test the Morrow Formation.

EFFECTIVE DATE

This Amended Plan of Development shall become effective on July 21, 2000.

If this Amended Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Very truly yours,

  
J. Wayne Bailey  
Division Landman

JWB/WWC:ca  
ACCEPTED AND AGREED this 7<sup>th</sup> day of August, 2000.

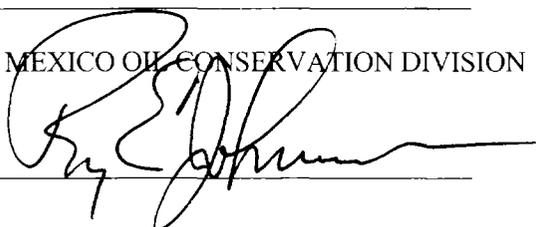
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

By: 

365

BASS ENTERPRISES PRODUCTION CO.

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

July 25, 2000

**EXPRESS MAIL/**  
**Return Receipt Requested**

Bureau of Land Management  
2909 West 2nd Street  
Roswell, New Mexico 88201

Attention: Mr. Ed L. Roberson

New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Attention: Ms. Lori Wrotenberry

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Ms. Jami Bailey

Re: Amended 2000 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952. Bass Enterprises Production Co., Operator of the referenced unit, hereby submits an Amended Plan of Development for the Big Eddy Unit for the year 2000. This amended plan is being filed specifically for the addition of the following well to our original Plan of Development.

2000 ACTIVITY

Big Eddy No. 141 – This well will be drilled 330' FSL & 1,980' FEL, Section 15, T21S-R29E, Eddy County, New Mexico to a proposed total depth of 11,750 to test the Strawn Formation. This well is located in the Potash Enclave. Bass has received a waiver of objection from the potash Lessee (Mississippi Chemical), and is now awaiting BLM approval.

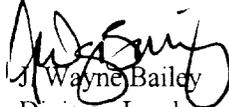
EFFECTIVE DATE

This Amended Plan of Development shall become effective July 21, 2000.

Plan of Development - BEU  
July 25, 2000  
Page 2

If this Amended Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Sincerely,

  
J. Wayne Bailey  
Division Landman

JWB/WWC:ca

ACCEPTED AND AGREED this 7<sup>th</sup> day of August, 2000.

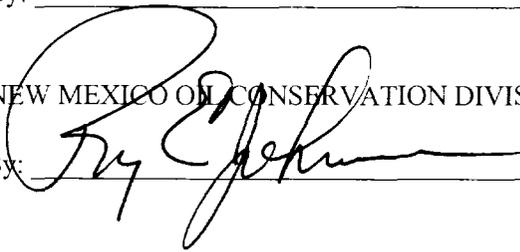
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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

BASS ENTERPRISES PRODUCTION CO.

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

April 26, 2000

**EXPRESS MAIL/  
Return Receipt Requested**

Bureau of Land Management  
2909 West 2nd Street  
Roswell, New Mexico 88201

Attention: Mr. Ed L. Roberson

New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Attention: Ms. Lori Wrotenberry

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Ms. Jami Bailey

Re: 2000 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 2000.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

2000 ACTIVITY

Bass continued to evaluate recently acquired 3-D seismic data covering a portion of the Unit Area in an effort to develop drilling locations outside the potash enclave.

PARTICIPATING AREAS

Bass Enterprises Production Co. has submitted all wells drilled to date where adequate information is available for commercial determination and participating areas. In the event you have not received commercial determinations for the wells that have been drilled and completed and are currently producing, please advise at your earliest convenience and we will submit same to you.

FUTURE DEVELOPMENT

Bass' plans for 2000 are to continue to evaluate recently acquired 3-D geophysical data and other subsurface data for future drilling purposes.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands within the Big Eddy Unit area, or pursuant to applicable regulations.

MODIFICATIONS

In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

EFFECTIVE DATE

This Plan of Development shall become effective January 1, 2000.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Sincerely,

  
J. Wayne Bailey  
Division Landman

JWB/WWC:ca

ACCEPTED AND AGREED this 4<sup>th</sup> day of May, 2000.

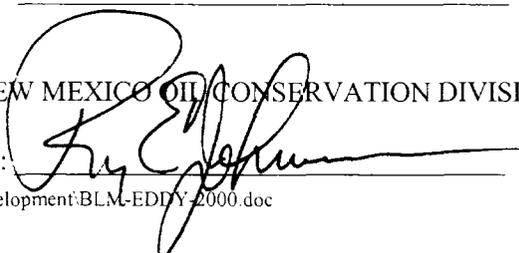
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

By: 

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

March 10, 1999

**CERTIFIED MAIL/**  
**Return Receipt Requested**

Bureau of Land Management  
2901 West 2nd Street  
Roswell, New Mexico 88201

Attention: Mr. Edwin L. Roberson

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Ms. Jami Bailey

New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Attention: Ms. Lori Wrotenberry

Re: 1999 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952. Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1999.

**HISTORY OF PAST DEVELOPMENT**

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

**1998 ACTIVITY**

Bass has re-processed recently acquired 3-D seismic data covering a portion of the Unit Area.

**PARTICIPATING AREAS**

Bass Enterprises Production Co. has submitted all wells drilled to date where adequate information is available for commercial determination and participating areas. In the event you have not received commercial determinations for the wells that have been drilled and completed and are currently producing, please advise at your earliest convenience and we will submit same to you.

FUTURE DEVELOPMENT

Bass' plans for 1999 are to continue to evaluate recently acquired 3-D geophysical data and other subsurface data for future drilling purposes.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands within the Big Eddy Unit area, or pursuant to applicable regulations.

MODIFICATIONS

In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

EFFECTIVE DATE

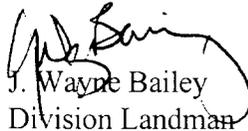
This Plan of Development shall become effective January 1, 1999.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

MARKET CONDITIONS

Bass' 1998 Activity and our 1999 Planned Activities are considerably modest compared to previous years. This is a result of a decrease in product price being as much as a 36% decline in oil prices and a 25% decline in natural gas prices over the past 12 months. Most of the oil and gas operators operating in Southeastern New Mexico are affected by the declining product prices which has resulted in a substantial decrease in drilling activity. In the event our drilling plans for 1999 are revised, we will provide for your approval an amended Plan of Development accordingly.

Sincerely,

  
J. Wayne Bailey  
Division Landman

JWB:ca

ACCEPTED AND AGREED this 18<sup>th</sup> day of March, 1999.

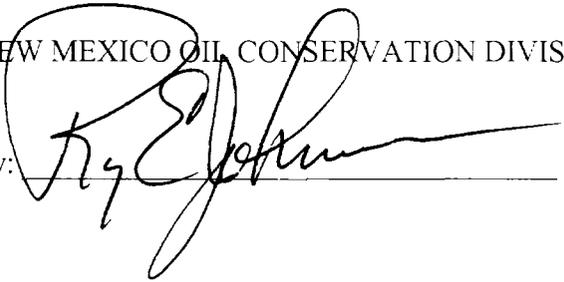
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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



**COMMERCIAL RESOURCES**  
(505)-827-5724

**SURFACE RESOURCES**  
(505)-827-5795

**MINERAL RESOURCES**  
(505)-827-5744

**ROYALTY**  
(505)-827-5772

**State of New Mexico**  
**Commissioner of Public Lands**

**Ray Powell, M.S., D.V.M.**  
310 Old Santa Fe Trail, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

**PUBLIC AFFAIRS**  
(505)-827-5765

**ADMINISTRATIVE MGMT.**  
(505)-827-5700

**LEGAL**  
(505)-827-5715

**PLANNING**  
(505)-827-5752

December 29, 1998

Bass Enterprises Production Company  
201 Main Street  
Ft. Worth, Texas 76102-3131

Attn: Mr. J. Wayne Bailey

Re: 1998 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Dear Mr. Bailey:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

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

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

A handwritten signature in cursive script, appearing to read "Jami Bailey".

BY:  
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm  
xc: Reader File

OCD

BLM

BASS ENTERPRISES PRODUCTION CO.

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

FILE

#365

May 15, 1998

**CERTIFIED MAIL/  
Return Receipt Requested**

Bureau of Land Management  
2901 West 2nd Street  
Roswell, New Mexico 88201

Attention: Mr. Edwin L. Roberson

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Ms. Jami Bailey

New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Attention: Ms. Lori Wrotenberry

Re: 1998 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1998.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

### 1997 Drilling Activity

Big Eddy Unit Well No. 122 - Completed in August 1993, this well, formerly completed in the Strawn Formation, was deepened to a depth of 12,850' and completed as a gas well in the Morrow Formation. This well is located 1980' FNL & 1980' FWL, Section 4, T20S-R31E, Eddy County, New Mexico.

Big Eddy Unit Well No. 137 - Chi Energy, Inc. drilled this well at a location being 2,310' FNL, 1,650' FEL, Section 16, T21S-R29E, Eddy County, New Mexico. This well was completed as a gas well in the Morrow Formation.

### Denied Drilling Applications:

Big Eddy Unit Well No. 91 A - With the potash Lessee's approval, Bass submitted an APD on this well to be drilled directionally with a surface location of 253' FNL, 1,600' FWL, Section 5, T21S-R30E, and a projected bottom hole location of 825' FSL, 1,980' FEL, Section 31, T20S-R31E. The projected total vertical depth is 14,400' with a measured depth of 14,532' to test the Morrow Formation.

Big Eddy Unit Well No. 138 - With the potash Lessee's approval, Bass submitted an APD on this well to be drilled at a location of 660' FNL, 660' FEL, Section 18, T20S-R31E with a proposed depth of 5,500' to test the Delaware Formation.

### PARTICIPATING AREAS

Bass Enterprises Production Co. has submitted all wells drilled to date where adequate information is available for commercial determination and participating areas. In the event you have not received commercial determinations for the wells that have been drilled and completed and are currently producing, please advise at your earliest convenience and we will submit same to you.

### FUTURE DEVELOPMENT

Bass' plans for 1998 are to continue to evaluate recently acquired 3-D geophysical data and other subsurface data for future drilling purposes. Bass has been precluded from drilling at several locations due to potash restrictions, both at the two locations stated above and other locations in prior years.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands within the Big Eddy Unit area, or pursuant to applicable regulations.

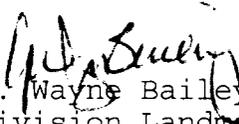
MODIFICATIONS

In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

EFFECTIVE DATE

This Plan of Development shall become effective January 1, 1998. If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Sincerely,

  
J. Wayne Bailey  
Division Landman

JWB:ca

ACCEPTED AND AGREED this 18<sup>th</sup> day of May, 1998.

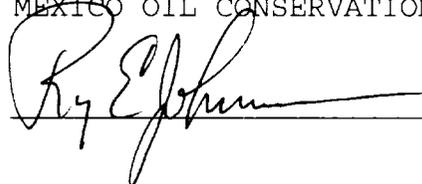
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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



COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5793

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

State of New Mexico  
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.  
310 Old Santa Fe Trail, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS  
(505)-827-5765

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5713

PLANNING  
(505)-827-5752

February 2, 1998

Chi Energy, Inc.  
P.O. Box 1799  
Midland, Texas 79702

Attn: Mr. John W. Qualls

Re: Designation of Agent  
Big Eddy Unit Well No. 140  
Eddy County, New Mexico

Dear Mr. Qualls:

We are in receipt of your letter of January 25, 1998, wherein Bass Enterprises Production Company has designated Chi Energy, Inc. as its agent to drill, test and complete the Big Eddy Unit Well No. 140 in the NW/4 of Section 16-21S-29E.

Your designation of agent is hereby approved. Our approval is subject to like approval by the Bureau of Land Management.

This designation of agent does not relieve the unit operator of the responsibility for compliance with the terms of the unit agreement and applicable state regulations.

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

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

  
BY:  
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm  
Enclosure

xc: Reader File

OCD

TRD

Bass Enterprises Production Company



COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5793

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

State of New Mexico  
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.  
310 Old Santa Fe Trail, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS  
(505)-827-5765

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5713

PLANNING  
(505)-827-5752

August 28, 1997

Chi Energy, Inc.  
P.O. Box 1799  
Midland, Texas 79702

Attn: Mr. John W. Qualls

Re: Designation of Agent  
Big Eddy Unit Well No. 137  
Eddy County, New Mexico

Dear Mr. Qualls:

We have received your designation of agent application, wherein Bass Enterprises Production Company has designated Chi Energy, Inc. as its agent to drill, test and complete the Big Eddy Unit Well No. 137.

Your designation of agent is hereby approved. Our approval is subject to like approval by the Bureau of Land Management.

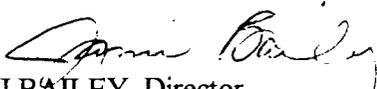
This designation of agent does not relieve the unit operator of the responsibility for compliance with the terms of the unit agreement and applicable state regulations.

Chi Energy, Inc.  
August 28, 1997  
Page 2

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

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744  
RP/JB/cpm  
xc: Reader File

OCD

Bass Enterprises

BLM



COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5795

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

State of New Mexico  
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.  
310 Old Santa Fe Trail, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS  
(505)-827-5765

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5715

PLANNING  
(505)-827-5752

February 17, 1997

Bass Enterprises Production Company  
201 Main Street  
Ft. Worth, Texas 76102-3131

Attn: Mr. J. Wayne Bailey

Re: 1997 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Dear Mr. Bailey:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

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

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:  
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm

cc: Reader File

OCD

BLM

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8-00

January 30, 1997

**CERTIFIED MAIL/  
Return Receipt Requested**

Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

Attention: Mr. Tony Ferguson

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Ms. Mr. Larry Kehoe

New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Attention: Mr. William LeMay

Re: 1997 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1997.

**HISTORY OF PAST DEVELOPMENT**

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

PARTICIPATING AREAS

Bass Enterprises Production has submitted all wells drilled to date where adequate information is available for commercial determination and participating areas. In the event you have not received commercial determinations for the wells that have been drilled and completed and are currently producing, please advise at your earliest convenience and we will submit same to you.

FUTURE DEVELOPMENT

Big Eddy Unit Well No. 122 - Completed in August 1993, this well, formerly completed in the Strawn Formation will be deepened to a depth of 12,800' to test the Morrow Formation. This well is located 1980' FNL & 1980' FWL, Section 4, T20S-R31E, Eddy County, New Mexico.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands within the Big Eddy Unit area, or pursuant to applicable regulations.

MODIFICATIONS

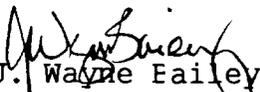
In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

EFFECTIVE DATE

This Plan of Development shall become effective January 1, 1997.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Sincerely,

  
J. Wayne Failey  
Division Landman

JWB:pb

ACCEPTED AND AGREED this 12<sup>th</sup> day of Feb,  
1997.

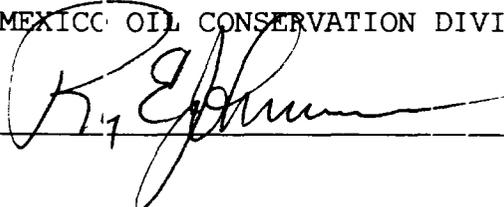
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

365

February 2, 1996

**CERTIFIED MAIL/  
Return Receipt Requested**

Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

Attention: Mr. Tony Ferguson

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Ms. Jami Bailey

New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Attention: Mr. William LeMay

Re: 1996 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1996.

**HISTORY OF PAST DEVELOPMENT**

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

February 2, 1996  
Page 2

### 1995 ACTIVITY

Big Eddy Unit Well No. 131 - This well was drilled at a location 2,310' FNL and 2,310' FWL in Section 11, T21S-R28E, Eddy County, New Mexico and was drilled to a total depth of 6,454' to the Delaware Formation. The well was a dry hole and was plugged and abandoned.

### PARTICIPATING AREAS

Bass Enterprises Production has submitted all wells drilled to date where adequate information is available for commercial determination and participating areas. In the event you have not received commercial determinations for the wells that have been drilled and completed and are currently producing, please advise at your earliest convenience and we will submit same to you.

### FUTURE DEVELOPMENT

Bass' plans for 1996 are to continue to evaluate geophysical and other subsurface data for future drilling purposes. Bass' drilling activity level for 1996 will be largely dictated upon the gas market and gas price levels, which presently have been much lower than expected.

### OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands within the Big Eddy Unit area, or pursuant to applicable regulations.

### MODIFICATIONS

In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

### EFFECTIVE DATE

This Plan of Development shall become effective January 1, 1996.

February 2, 1996  
Page 3

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Sincerely,

  
J. Wayne Bailey  
Division Landman

JWB:ca

ACCEPTED AND AGREED this 7<sup>th</sup> day of Feb., 1996.

BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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

BASS ENTERPRISES PRODUCTION CO.

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

NEW MEXICO  
BUREAU OF LAND MANAGEMENT  
SANTA FE, NEW MEXICO 87504

June 16, 1995

Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

New Mexico Oil Conversation Divison  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Attention: Mr. Les Babyak

Attention: Mr. William LeMay

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Mr. Floyd Prando

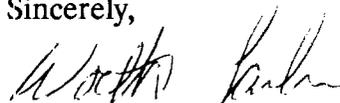
Re: Big Eddy Unit No. 127 Well  
2,080' FSL & 1,980' FWL  
Section 16, T21S-R29E  
Eddy County, New Mexico

Gentlemen:

Bass Enterprises Production Co. as Unit Operator of the Big Eddy Unit, in conjunction with Enron Oil & Gas Company, as Operator of the Big Eddy Unit No. 127 Well, have completed its evaluation of the production history to determine the economic liability of the Delaware formation in the Big Eddy Unit No. 127 Well. The Delaware formation in the Big Eddy Unit No. 127 Well does not meet the BLM criteria for classification as a commercial well. In support of this determination, please find enclosed the data which was utilized in the analysis of this well.

Based upon the foregoing information, Bass recommends that the Big Eddy Unit No. 127 Well be produced on a lease basis from the Delaware formation, and therefore, not be included in a participating area. Should you have any questions or need additional information in relation to this matter, please feel free to contact me a (817) 390-8568.

Sincerely,

  
Worth Carlin

WWC:ca

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

**WELL DATA**

WELL	Big Eddy Unit #127			FORMATION	Delaware					
LOCATION	K	UNIT,	2080	FEET FROM	S	LINE &	1980	FEET FROM	W	LINE
SECTION	16	TOWNSHIP	21S	RANGE	29E	COUNTY	Eddy	NEW MEXICO		
SPUD DATE	9/17/93	COMPLETION DATE	11/10/93	INITIAL PRODUCTION	11/14/93					
PERFORATIONS	6740-6750, 6609-6631, 5930-5940, 3185-3226									

STIMULATION:

ACID \_\_\_\_\_

FRACTURE 24,000 gals Viking I-300 & 36,000# 20/40 Brady Sand

POTENTIAL (P) 202 BOPD + 136 MCFD + 202 BWPD. FTP 230 (11/25/93)

(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	40	
Porosity (por), %	18%	
Water saturation (Sw), %	39%	
Net Thickness (h)	8	
Temperature (T), Fahrenheit	115	
Bottom Hole pressure (P), psia	2673	
Recovery factor (RF), %	18%	
Recoverable oil, BBLS *(See eq. below)	30,666	

Formula = 
$$\frac{(7758) (por) (1-Sw) (A) (h) (RF)}{FVF}$$

FVF = 1.6 rb/STB

**PERFORMANCE DATA**

---

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

CUMULATIVE PRODUCTION TO	<u>3/1/95</u> ; <u>25,560</u> BBLs.
INITIAL RATE (qi)	<u>350</u>
ECONOMIC LIMIT (qe)	<u>90</u>
DECLINE RATE, dv	<u>Hyperbolic d = 90%, n = 1</u>
REMAINING OIL (Q) =	<u>2,455</u>
ULTIMATE RECOVERABLE OIL	<u>27,000</u>

(Attach plot showing proration unit and participating area.)

**ECONOMIC**

---

WELL COST \$ 601,000 (to the depth of formation completed)

RECOMPLETION COST \$ \_\_\_\_\_

TOTAL COST \$ 601,000

<u>YEAR</u>	<u>GROSS OIL</u>	<u>NET INCOME</u>	<u>OPERATING COST</u>	<u>10% NET BFIT DISCOUNTED CASH FLOW</u>
ZERO	<u>0</u>	<u>0</u>	<u>0</u>	<u>-601,000</u>
1	<u>24,500</u>	<u>472,700</u>	<u>128,400</u>	<u>332,900</u>
2	<u>2,400</u>	<u>51,600</u>	<u>40,200</u>	<u>2,900</u>
3	<u>100</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>
4	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
REMAINDER	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**WELL IS NOT COMMERCIAL**

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
 DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210

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

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-105  
 Revised 1-1-89

**OIL CONSERVATION DIVISION**  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

WELL API NO.  
 30 015 37635

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.  
 B 11556-5

**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 RELVTR  OTHER \_\_\_\_\_

7. Lease Name or Unit Agreement Name  
 Big Eddy Unit

2. Name of Operator  
 Enron Oil & Gas Company

8. Well No.  
 127

3. Address of Operator  
 P. O. Box 2267, Midland, Tx 79702

9. Pool name or wildcat  
 Und. Delaware

4. Well Location  
 Unit Letter K : 2080 Feet From The south Line and 1980 Feet From The west Line  
 Section 16 Township 21S Range 29E NMPM Eddy County

10. Date Spudded 9-17-93 | 11. Date T.D. Reached 9-30-93 | 12. Date Compl. (Ready to Prod.) 11-10-93 | 13. Elevations (DF & RKB, RT, GR, etc.) 3386.7' GR | 14. Elev. Casinghead 3386.7'

15. Total Depth 7000 | 16. Plug Back T.D. 6907 | 17. If Multiple Compl. How Many Zones? \_\_\_\_\_ | 18. Intervals Drilled By: Rotary Tools X | Cable Tools \_\_\_\_\_

19. Producing interval(s), of this completion - Top, Bottom, Name  
5930-5940 (Delaware) | 20. Was Directional Survey Made  
No

21. Type Electric and Other Logs Run  
GR, Spec. Density, Dual Spaced Neutron, Dual Laterolog | 22. Was Well Cored  
Yes

**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
11-3/4	42#	610	14-3/4	200 PSL C & 200 C1 C	Circulated
8-5/8	32#	3052	11	1800 PSL C & 200 C1 C	Circulated
5-1/2	15.5#	7000	7-7/8	470 PSL & 365 C1 H	TOC at 2300'

**24. LINER RECORD** | **25. TUBING RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8	5996	

26. Perforation record (interval, size, and number)

6740-6750	(.40" 20)
6609-6631	(.40" 13)
5930-5940	(.40" 20)
3185-3226	(.40" 28)

27. ACID. SHOT. FRACTURE CEMENT. SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
6609-6750	CIBP at 6570' + 2 sx cmt on top
5930-5940	24,000 cals Viking I-300 & 1-36,000# 20/40 Brady Sand

**28. PRODUCTION 3185-3226 Squeezed w/75 sx CT C-Tagged @**

Date First Production 11-14-93 | Production Method (Flowing, gas lift, pumping - Size and type pump) 2-1/2 x 1-1/2 x 6 x 26 Insert Pump | Well Status (Prod. or Shut-in) 3130'

Date of Test	Hours Tested	Choke Size	Prod's For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl	Gas - Oil Ratio
11-25-93	24	-		202	136	202	673

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl	Gas - MCF	Water - Bbl	Oil Gravity - API - (Corr.)
230	60					42.0

29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
Vented | Test Witnessed By \_\_\_\_\_

30. Log Attachments  
Logs, Inclination Report, C104

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Betty Gildon Printed Betty Gildon Regulatory Analyst 12/1/93

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-86

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Ed., Artec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

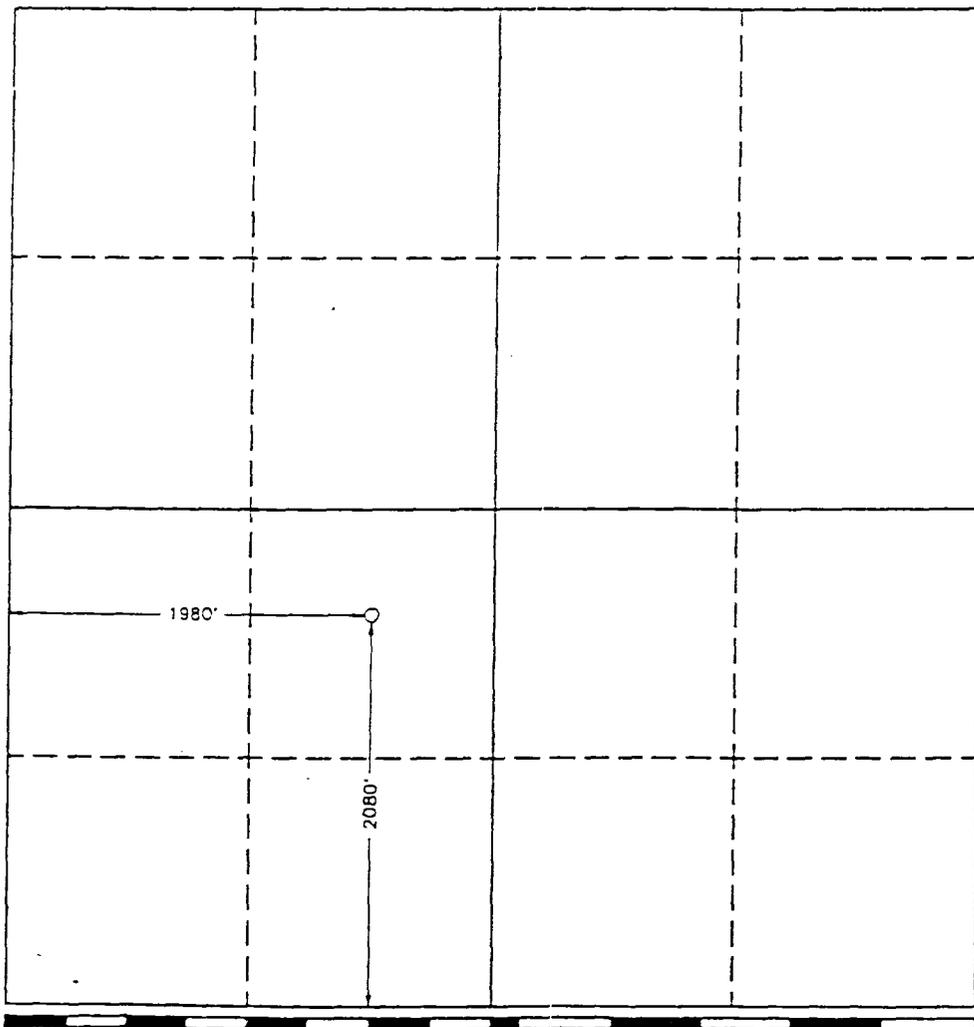
Operator ENRON OIL & GAS COMPANY		Lease BIG EDDY UNIT		Well No. 127
Unit Letter K	Section 16	Township 21 SOUTH	Range 29 EAST NMPM	County EDDY
Actual Footage Location of Well: 2080 feet from the SOUTH line and 1980 feet from the WEST line				
Ground Level Elev. 3386.7'	Producing Formation Und. Delaware	Pool Und.	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 

Yes       No      If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

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

Signature: *Betty Gildon*

Printed Name: Betty Gildon

Position: Regulatory Analyst

Company: Enron Oil & Gas Company

Date: 9/20/93

---

**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 knowledge and belief.

Date Surveyed: September 10, 1993

Signature & Seal of Professional Surveyor:

*Cary L. Jones*

CARY L. JONES  
NEW MEXICO  
REGISTERED SURVEYOR

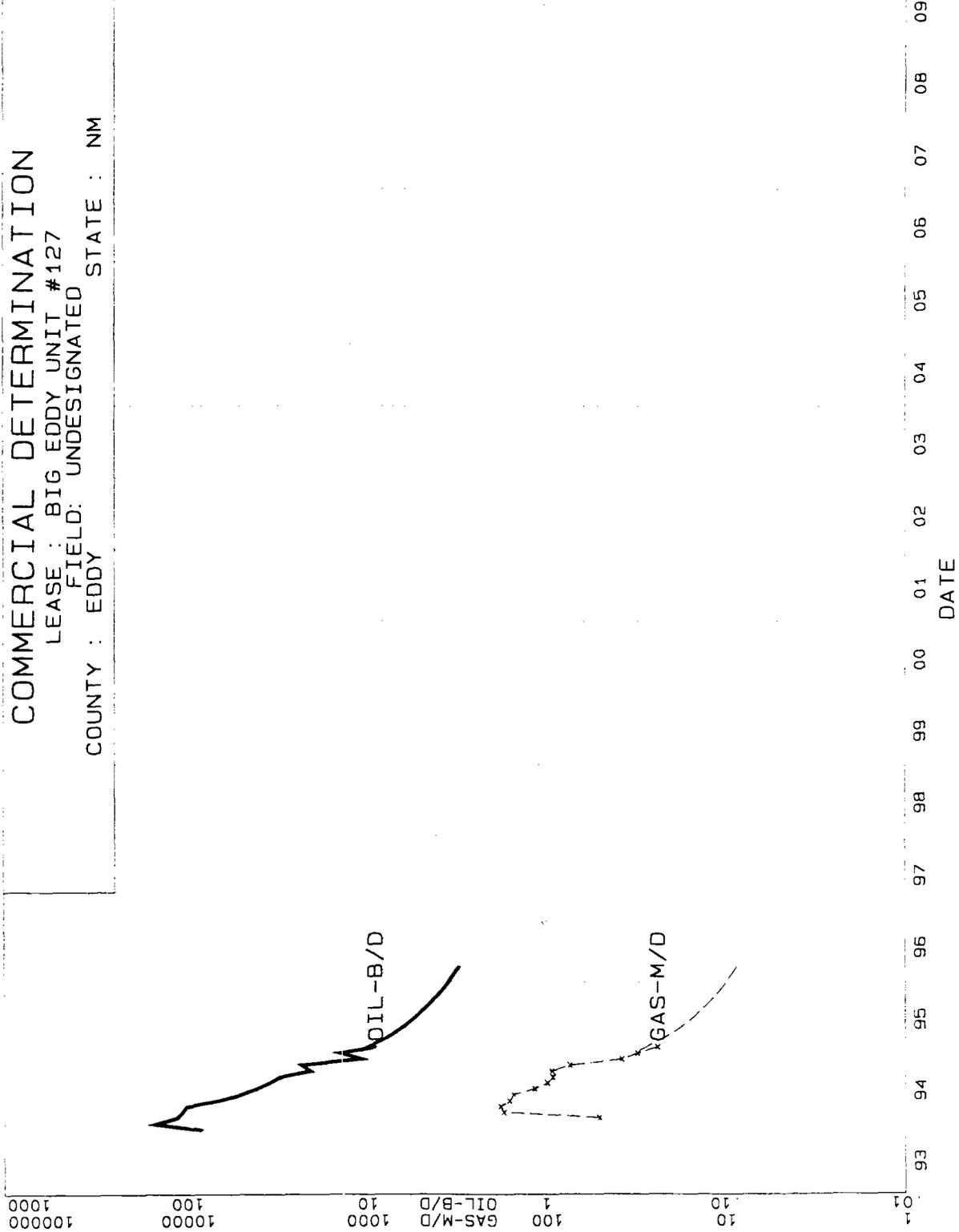
Certificate No. JOHN W. WEST. 878  
RONALD J. EDSON. 3239  
CARY L. JONES 7077

# COMMERCIAL DETERMINATION

LEASE : BIG EDDY UNIT #127

COUNTY : EDDY FIELD: UNDESIGNATED STATE : NM

<b>OIL</b>	
Gal=DEL	01/95
Ref=	25.560
Cum=	22.455
Rem=	28.015
EUR=	1.250
Yrs=	349.8
Gi=	90.097
De=	.980
n=	90.0
Qab=	
<b>GAS</b>	
Gal=DEL	01/95
Ref=	38.083
Cum=	6.874
Rem=	44.957
EUR=	1.250
Yrs=	0
Gi=	.000
De=	.000
n=	.000
Qab=	.0



BIG BDDY UNIT #127  
 DELAWARE STUDY  
 BRUSHY CANYON  
 K.R. BIRKBL0

DATE : 05/18/95  
 TIME : 07:46:08  
 DBS FILE : DAILYJ  
 SETUP FILE : COMDET  
 SEQ NUMBER : 30

I N P U T   D A T A										C A L C U L A T E D   D A T A												
ITEM	SCHEDULING RATES	SCHEDULE UNTIL	PROCEDURE	ULTIMATE	LAST	BFF. DECL	INIT. RATE	FINAL RATE			ITEM	SCHEDULE UNTIL	PROCEDURE	ULTIMATE	LAST	BFF. DECL	INIT. RATE	FINAL RATE				
105	START	01/95																				
110	OIL	349.80	X	YRS	H/0.980	90.10	28.015	3/96	90.10	350.											89.	
115	START	01/95																				
120	GAS/OIL	2.80		AD	01/2079																	
125	START	01/95																				
130	WTR	3376.30	X	YRS	EXP	10.00	50.398	4/96	10.00	3376.											2934.	
35	START	11/93																				
16	FRI/OIL	18.2400		LIFE	SCH	OIL		3/96		18.920											18.920	
21	PRI/GAS	2.1500		LIFE	SCH	GAS		3/96		2.150											2.150	
26	PRI/WTR	1.5000	X	AD	4/95			3/95		1.500											1.500	
27	"	.25	X	AD	4/95			3/96		.250											.250	
32	OPC/T	2500.00	X	MOS	2.00					2500.000												2500.000
40	OPC/T	1500.00	X	MOS	2.00					1500.000												1500.000
45	STX/OIL	7.08	X	%				3/96		.071											.071	
50	STX/GAS	7.93	X	%				3/96		.079											.079	
55	ATX	1.00	X	%				3/96		.010											.010	
60	NET/WI	100.0000	D	%				3/96		1.000											1.000	
70	NET/NIC	87.5000	D	%				3/96		.875											.875	
80	NET/NIG	87.5000	D	%				3/96		.875											.875	
/ERLAYS    SCHEDULING RATES    SCHEDULE UNTIL    PROCEDURE    ULTIMATE    LAST    BFF. DECL    INIT. RATE    FINAL RATE																						
95	LOAD	P.OIL OIL 11/93 #						2/95		25.560												
10	LOAD	P.GAS GAS 11/93 #						2/95		38.083												
5	LOAD	P.WATER WTR 11/93 #						2/95		54.973												
INVESTMENT    TANGIBLES & INTANGIBLES    TIME    PROCEDURE    TOTAL T&I    MONTH    RISK INV.    TOT. T&I&R    ESC. T&I&R																						
0	DRILL	233.00	350.00	M\$G	AD			11/93		583.000											583.0	
1	SALVAGE	-23.00	.00	M\$G	LIFE			3/96		-23.000											-23.0	
2	CAPITAL	9.00	9.00	M\$G	AD			4/95		18.000											18.0	
SERVE PARAMETERS    ITEM																						
1	LOSS	NO																				
5	CUM0, MB	25.56	CUMG, MMF	38.08	CUWL, MB																	
OBJECT ASSUMPTIONS																						
SS DATE	: 11/93	TIME FRAMES	: 38*12 1*600																			
W. DATE	: 11/93	PW %-AGE	: 10.0	DISC. FREQUENCY	: MO																	
PORT DATE	: 11/93	PROD QUAL	: DEL	OWNER QUAL	: BASE																	OTHER QUAL :

DATE : 05/18/95  
 TIME : 07:46:08  
 DBS FILE : DAILYJ  
 SETUP FILE : COMDET  
 SEQ NUMBER : 30

BIG EDDY UNIT #127  
 DELAWARE STUDY  
 BRUSHY CANYON  
 R.R. BIRKELO

R E S E R V E S A N D E C O N O M I C S  
 AS OF DATE: 11/93

PERIOD ENDING 10/94 10/95 10/96  
 2.1 YR TOTAL

OWNERSHIP

1) WORKING INTEREST, % 100.000 100.000 100.000 100.000  
 2) REVENUE INTEREST, % 87.500 87.500 87.500 87.500

INVESTMENTS, M\$

3) BORROWED CAPITAL .0 .0 .0 .0  
 4) EQUITY INVESTMENTS 583.0 18.0 -23.0 578.0  
 5) RISK .0 .0 .0 .0  
 7) TOTAL 583.0 18.0 -23.0 578.0

OIL PHASE

8) GROSS OIL, MB 24.5 2.4 .1 27.0  
 9) NET OIL, MB 21.5 2.1 .1 23.6  
 0) OIL REVENUE, M\$ 406.2 39.3 1.9 447.4  
 1) OIL PRICE, \$/B 18.92 18.92 18.92 18.92

AS PHASE

2) GROSS GAS, MMF 35.3 6.6 .3 42.2  
 3) NET GAS, MMF 30.9 5.7 .3 36.9  
 4) GAS REVENUE, M\$ 66.4 12.3 .6 79.4  
 5) GAS PRICE, \$/MCF 2.150 2.150 2.150 2.150

WATER PHASE

6) GROSS WATER, MB 44.7 35.9 3.1 83.7  
 7) NET WATER, MB 44.7 35.9 3.1 83.7  
 8) WATER PRICE, \$/B 1.500 .250 .250 .918

ECONOMICS, M\$

9) GROSS REV. TO INTR. 472.7 51.6 2.5 526.8  
 0) - SEV. TAX 34.0 3.8 .2 38.0  
 2) - AD VALOREM TAX 4.4 .5 .0 4.9  
 3) - OPERATING COSTS 23.0 35.0 1.5 59.5  
 1) - SWD 67.0 9.0 .8 76.8  
 5) - CAPITAL REPAYMENT .0 .0 .0 .0  
 5) - INTEREST PAID .0 .0 .0 .0  
 7) + NET OWNED - PAID .0 .0 .0 .0  
 3) = NET INCOME 344.2 3.4 .0 347.7  
 1) - INVESTMENTS & RISK 583.0 18.0 -23.0 578.0  
 1) = BFIT NET -238.8 -14.6 23.0 -230.3

ESSENT WORTH @ 10.00 %

0) NET INCOME 332.9 2.9 .0 335.8  
 1) INVESTMENTS & RISK 583.0 15.7 -19.0 579.7  
 1) BFIT NET -250.1 -12.8 19.0 -243.9  
 1) CUM BFIT NET -250.1 -262.9 -243.9 243.9

G EDDY UNIT #127  
 LAWAKE STUDY  
 USHY CANYON  
 R. BIRKELO

DATE : 05/18/95  
 TIME : 07:46:08  
 DBS FILE : DAILYJ  
 SETUP FILE : COMDET  
 SEQ NUMBER : 30

A F T E R T A X E C O N O M I C S

AS OF DATE: 11/93

2.1 YR  
 TOTAL

RIOD ENDING 10/94 10/95 10/96

X TREATMENT OF INVESTMENTS, M\$

) EXP, RISK & CAP INT 350.0 9.0 .0 359.0  
 ) DEPLETABLE .0 .0 .0 .0  
 ) DEPRECIABLE 233.0 9.0 -23.0 219.0

X CALCULATIONS, M\$

) GROSS REV. TO INTR. 472.7 51.6 2.5 526.8  
 ) - SEVERANCE TAX 34.0 3.8 .2 38.0  
 ) - WPT TAX NET .0 .0 .0 .0  
 ) - OPR. COSTS & ATX 94.4 44.4 2.3 141.1  
 ) + NPI OWNED - PAID .0 .0 .0 .0  
 ) - OVERHEAD .0 .0 .0 .0  
 ) - EXPENSED INV. 350.0 9.0 .0 359.0  
 ) - DEPRECIATION 33.3 58.3 150.4 242.0  
 ) = NET -39.1 -63.9 -150.4 -253.3  
 ) - DEPLETION .0 .0 .0 .0  
 ) - INTEREST PD & CAP .0 .0 .0 .0  
 ) = TAXABLE -39.1 -63.9 -150.4 -253.3  
 ) \* TAX RATE, % 35.0 35.0 35.0 35.0  
 ) - TAX CREDIT .0 .0 .0 .0  
 ) - WPT REFUND .0 .0 .0 .0  
 ) = F.I.T. -13.7 -22.4 -52.6 -88.7

) REVENUE-SEV-WPT 438.6 47.9 2.3 488.8  
 ) - OPR. COSTS & ATX 94.4 44.4 2.3 141.2  
 ) + NPI OWNED - PAID .0 .0 .0 .0  
 ) - F.I.T. -13.7 -22.4 -52.6 -88.7  
 ) = A.F.I.T. 357.9 25.8 52.7 436.3  
 ) - LOAN REPAYMENT .0 .0 .0 .0  
 ) - INTEREST PAID .0 .0 .0 .0  
 ) = NET INCOME 357.9 25.8 52.7 436.3  
 ) - INVESTMENTS & RSK 583.0 18.0 -23.0 578.0  
 ) = A.F.I.T. NET -225.1 7.8 75.7 -141.7

3SENT WORTH @ 10.00 %

) NET INCOME 341.2 22.4 43.3 406.9  
 ) INVESTMENTS & RISK 583.0 15.7 -19.0 579.7  
 ) A.F.I.T. NET -241.8 6.6 62.3 -172.8  
 ) CUM. A.F.I.T. NET -241.8 -235.1 -172.8 -172.8

IG EDDY UNIT #127  
 DELAWARE STUDY  
 RUSHY CANYON  
 R. BIRKELO

DATE : 05/18/95  
 TIME : 07:46:08  
 DBS FILE : DAILYJ  
 SETUP FILE : COMDET  
 SEQ NUMBER : 30

E C O N O M I C I N D I C A T O R S

AS OF DATE: 11/93

	B.F.I.T. WORTH M\$-----	A.F.I.T. WORTH M\$-----	A.F.I.T. BONUS M\$-----
0.	-230.337	-141.669	-217.953
2.	-233.246	-148.432	-226.929
4.	-236.051	-154.907	-235.406
6.	-238.758	-161.114	-243.424
8.	-241.373	-167.069	-251.020
10.	-243.902	-172.789	-258.223
20.	-255.395	-198.318	-289.303
30.	-265.305	-219.698	-313.997
40.	-273.973	-237.911	-334.087
50.	-281.643	-253.650	-350.757
60.	-288.499	-267.418	-364.819
70.	-294.680	-279.586	-376.850
80.	-300.293	-290.438	-387.269
90.	-305.422	-300.192	-396.388
100.	-310.137	-309.021	-404.443

PRESENT WORTH PROFILE AND  
 RATE-OF-RETURN VS. BONUS TABLE

RATE OF RETURN, PCT.	.0	.0
UNDISCOUNTED PAYOUT, YRS.	2.08	2.08
DISCOUNTED PAYOUT, YRS.	2.08	2.08
UNDISCOUNTED NET/INVEST.	.60	.75
DISCOUNTED NET/INVEST.	.58	.70

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

June 16, 1995

Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

New Mexico Oil Conversation Divison  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Attention: Mr. Les Babyak

Attention: Mr. William LeMay

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Mr. Floyd Prando

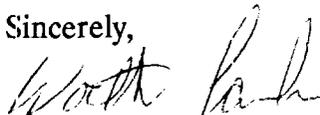
Re: Big Eddy Unit No. 132 Well  
1,980' FSL & 1,980' FEL  
Section 16, T21S-R29E  
Eddy County, New Mexico

Gentlemen:

Bass Enterprises Production Co. as Unit Operator of the Big Eddy Unit, in conjunction with Enron Oil & Gas Company, as Operator of the Big Eddy Unit No. 132 Well, have completed its evaluation of the production history to determine the economic liability of the Delaware formation in the Big Eddy Unit No. 132 Well. The Delaware formation in the Big Eddy Unit No. 132 Well does not meet the BLM criteria for classification as a commercial well. In support of this determination, please find enclosed the data which was utilized in the analysis of this well.

Based upon the foregoing information, Bass recommends that the Big Eddy Unit No. 132 Well be produced on a lease basis from the Delaware formation, and therefore, not be included in a participating area. Should you have any questions or need additional information in relation to this matter, please feel free to contact me a (817) 390-8568.

Sincerely,



Worth Carlin

WWC:ca

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

**WELL DATA**

WELL Big Eddy Unit #132 FORMATION Delaware  
 LOCATION J UNIT, 1980 FEET FROM S LINE & 1980 FEET FROM E LINE  
 SECTION 16 TOWNSHIP 21S RANGE 29E COUNTY Eddy NEW MEXICO  
 SPUD DATE 3/16/94 COMPLETION DATE: 4/15/94 INITIAL PRODUCTION 4/30/94  
 PERFORATIONS 5675-5685'

STIMULATION:

ACID 3780 gals 7-1/2% NEFE HCL

FRACTURE Frac w/ 6,000 gals 30 lb brine gel and 10,000# 100 mesh sand;

9,000 gals Vik I-25 gel w/ 12,000# 20/40 sand and 30,000# 16/30 RC sand.

POTENTIAL (5/2/94) 197 BOPD + 84 MCFPD + 178 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	<u>40</u>	
Porosity (por), %	<u>17%</u>	
Water saturation (Sw), %	<u>48%</u>	
Net Thickness (h)	<u>10</u>	
Temperature (T), Fahrenheit	<u>115</u>	
Bottom Hole pressure (P), psia	<u>3234</u>	
Recovery factor (RF), %	<u>18%</u>	
Recoverable oil, BBLS *(See eq. below)	<u>30,861</u>	

Formula = 
$$\frac{(7758) (por) (1-Sw) (A) (h) (RF)}{FVF}$$

FVF = 1.6 rb/STB

**PERFORMANCE DATA**

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

CUMULATIVE PRODUCTION TO	<u>3/1/95</u>	:	<u>13,180</u>	BBLs.
INITIAL RATE (qi)	<u>910</u>			
ECONOMIC LIMIT (ql)	<u>90</u>			
DECLINE RATE, dv	<u>Hyperbolic d = 66%, n = 1</u>			
REMAINING OIL (Qi) =	<u>22,775</u>			
ULTIMATE RECOVERABLE OIL	<u>34,300</u>			

(Attach plot showing proration unit and participating area.)

**ECONOMIC**

WELL COST \$ 568,000 (to the depth of formation completed)

RECOMPLETION COST \$ \_\_\_\_\_

TOTAL COST \$ 568,000

<u>YEAR</u>	<u>GROSS OIL</u>	<u>NET INCOME</u>	<u>OPERATING COST</u>	<u>10% BFIT DISCOUNTED CASH FLOW</u>
ZERO	<u>0</u>	<u>0</u>	<u>0</u>	<u>-568,000</u>
1	<u>13,900</u>	<u>256,900</u>	<u>60,400</u>	<u>189,600</u>
2	<u>6,200</u>	<u>114,100</u>	<u>28,400</u>	<u>74,800</u>
3	<u>3,800</u>	<u>69,700</u>	<u>24,300</u>	<u>35,900</u>
4	<u>2,700</u>	<u>50,200</u>	<u>22,600</u>	<u>19,900</u>
5	<u>2,100</u>	<u>39,200</u>	<u>21,600</u>	<u>11,500</u>
REMAINDER	<u>5,500</u>	<u>102,100</u>	<u>79,900</u>	<u>12,500</u>

**WELL IS NOT COMMERCIAL**

Submit to Appropriate District Office  
 State Leases - 6 copies  
 Fee Leases - 5 copies  
**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-103  
 Revised 1-1-89

**OIL CONSERVATION DIVISION**  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

**DISTRICT II**  
 P.O. Drawer 00, Artesia, N.M. 88210

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

WELL APT. NO.  
 30 015 27778

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.  
 B 11556-5

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well:  
 OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

1b. Type of Completion:  
 NEW WELL  WORK OVER  EXTENSION  PLUG BACK  NEW RESERVE  OTHER \_\_\_\_\_

7. Lease Name or Unit Agreement Name  
 Big Eddy Unit

2. Name of Operator  
 Enron Oil & Gas Company

8. Well No.  
 132

3. Address of Operator  
 P. O. Box 2267, Midland, Texas 79702

9. Post name or window  
 Und Delaware

4. Well Location  
 Unit Letter J : 1980 Feet From The south Line and 1980 Feet From The east Line

Section 16 Township 21S Range 29E NMPM Eddy County

10. Date Spudded 3-16-94 | 11. Date T.D. Reached 4-2-94 | 12. Date Compl. (Ready to Prod.) 4-15-94 | 13. Elevations (DF & RCB, RT, GR, etc.) 3367.4' GR | 14. Elev. Casinghead 3367.4'

15. Total Depth 6900 | 16. Plug Back T.D. 6108 | 17. If Multiple Compl. How Many Leases? | 18. Intervals Drilled By Rotary Tools  Cable Tools

19. Producing interval(s) of this completion - Top, Bottom, Name 5675'-5685' (Delaware) | 20. Was Directional Survey Made? No

21. Type Electric and Other Logs Run GR-DLL-Micro-SFL-Spectral Density-Dual Spaced Neutron | 22. Was Well Cased? Yes

**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
11-3/4	42	676	14-3/4	425 C1 C	CIRCULATED
8-5/8	32	3039	11	1050 PSL C	CIRCULATED
5-1/2	15.5	6156	7-7/8	875 PSL C	TOG @ 1600'
					per Temp Survey

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number)  
 5675-5685 (.38" 40)

27. ACID, SHOT, FRACTURE CEMENT, SQUEEZE, ETC.  
 DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED  
 5675-5685 | 2000 gal 30# brine gel prepared  
 6000 gals 30# brine gel 100 mesh sand, 9000 gals VIK I-25

**28. PRODUCTION** RC Sand

Date First Production 4-30-94		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping (2-1/2" X 1-3/4" X 30' RHBC)				Well Status (Prod. or Shut-in) Producing	
Date of Test 5-2-94	Hours Tested 24	Choke Size -	Prod's For Test Period	Oil - Bbl 197	Gas - MCF 84	Water - Bbl 178	Gas - Oil Ratio 426
Flow Tubing Press. 60	Casing Pressure 60	Calculated 24-Hour Rate	Oil - Bbl	Gas - MCF	Water - Bbl	Oil Gravity - API - (Corr.) 40.0	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) | Test Witnessed By

30. List Attachments  
 Inclination Report, C-104

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quadruplicate except on state land, where six copies are required. See Rule 1105.

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

### Southeastern New Mexico

### Northwestern New Mexico

T. Anhy _____	T. <sup>Cherry</sup> Canyon M-kr 4176 _____	T. Ojo Alamo _____	T. Perm. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Perm. "C" _____
B. Salt _____	T. Azoka _____	T. Picured Chfs _____	T. Perm. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Monroya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Otze _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Padlock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinberry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Delaware Sand 3178 _____	T. Todilko _____	T. _____
T. Drinkard _____	T. Bone Springs 6788 _____	T. Estrada _____	T. _____
T. Abo _____	T. Delaware Line 3020 _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Perm "A" _____	T. _____

### OIL OR GAS SANDS OR ZONES

No. 1, from 5675 to 5685  
 No. 2, from \_\_\_\_\_ to \_\_\_\_\_  
 No. 3, from \_\_\_\_\_ to \_\_\_\_\_  
 No. 4, from \_\_\_\_\_ to \_\_\_\_\_

### IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from None to \_\_\_\_\_ feet  
 No. 2, from \_\_\_\_\_ to \_\_\_\_\_ feet  
 No. 3, from \_\_\_\_\_ to \_\_\_\_\_ feet

### LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0	685	685	Redbed				CORED: 5976, 5974, 5890, 5876, 5870, 5865, 5750, 5730, 5712, 5708, 5702, 5690, 5686, 5682, 5678, 3252, 3218, 3216, 3200, 3188
685	1449	764	Salt, Anhy				
1449	1902	453	Anhy				
1902	2961	1059	Anhy, Salt				
2961	3045	84	Limestone, Chert				
3045	5656	2611	Sand, Lime				
5656	6900	1244	Sand, Shale, Lime				

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

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer 80, Artesa, NM 88210

DISTRICT III 1000 Rio Grande Rd., Artesa, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

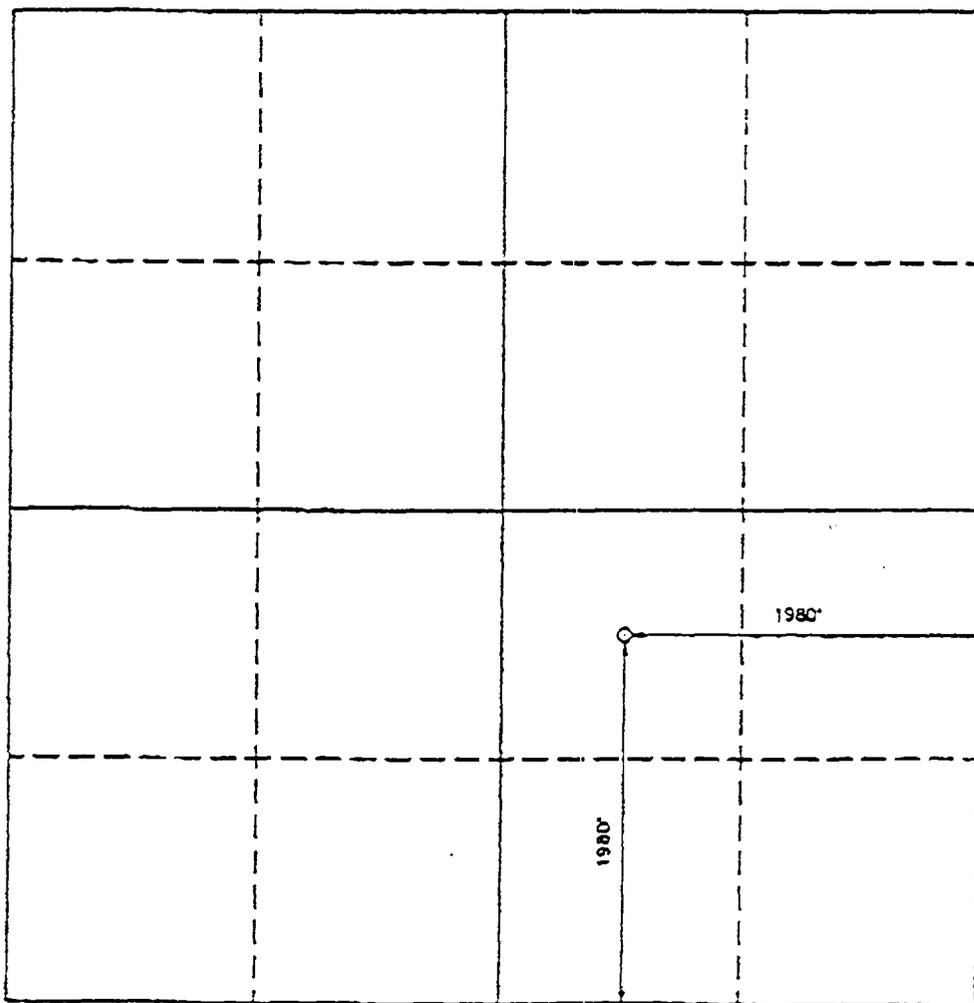
All Distances must be from the outer boundaries of the section

Operator: ENRON OIL & GAS Company; Lease: BIG EDDY UNIT; Well No.: 132; Unit Letter: J; Section: 16; Township: 21 SOUTH; Range: 29 EAST; County: EDDY; Actual Footage Location of Well: 1980 feet from the SOUTH; 1980 feet from the EAST; Ground Level Elev.: 3367.4'; Producing Formation: Delaware; Pool: Undesignated; Dedicated Acreage: 40 Acres

- 1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature: Betty Gildon; Printed Name: Betty Gildon; Position: Regulatory Analyst; Company: Enron Oil & Gas Company; Date: 12/6/93

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 knowledge and belief.

Date Surveyed: NOVEMBER 8, 1993

Signature & Seal of Professional Surveyor: GARY L. JONES, NEW MEXICO, 1977

# BIG EDDY UNIT NO. 132

LOCATION: 1980' FSL, 1980' FEL, SEC 16, T21S, R29E  
ELEVATIONS: 3367.4' GL  
SPUD DATE: 3/16/94 COMP DATE: 4/27/94

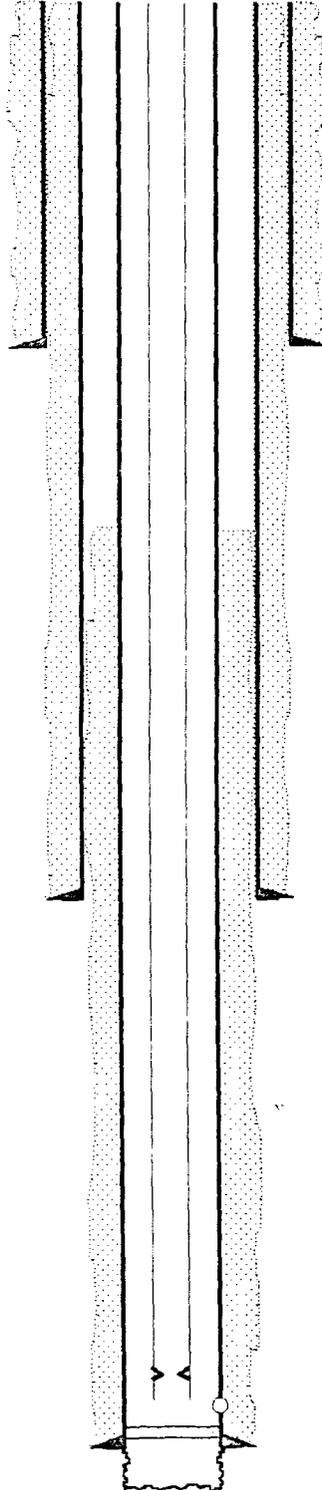
ENRON OIL AND GAS  
UNDESIG. DELAWARE FIELD  
EDDY COUNTY, NM  
DATE: 11/14/94; LAH; BEU132

11-3/4" CSA 676'  
CMTD W/597 SX  
CIRC TO SURFACE  
14-3/4" HOLE

8-5/8" CSA 3040'  
CMTD W/1050 SX  
CIRC TO SURFACE  
11" HOLE

5-1/2" 15.5# J-55 LT&C CSA 6156'  
CMTD W/670 SX, TOC @ 1600'  
7-7/8" HOLE

4-3/4" OH 6156-6900'



## WELLBORE INFORMATION

TOC @ 1600'

TUBING STRING: (5614.34')

PERF SUB  
SN @ 5578'  
2-7/8" J-55 TUBING

PERFS: 5675-5685' (4 SPF - 40 HOLES)

CMT PLUG @ 6108'  
PBSD: 6108'  
OH: 6108-6900'  
TD: 6900'

# COMMERCIAL DETERMINATION

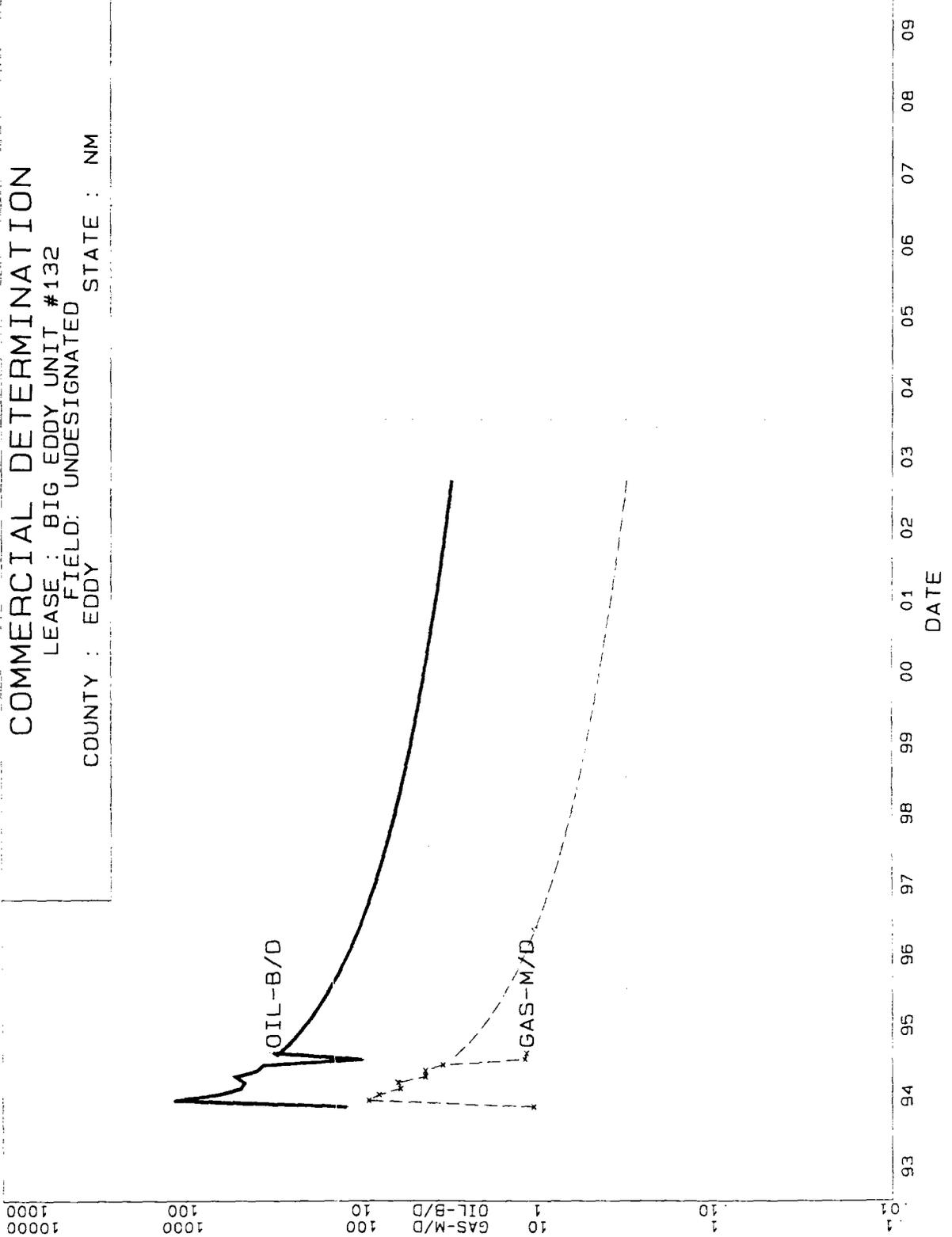
LEASE : BIG EDDY UNIT #132

FIELD: UNDESIGNATED

COUNTY : EDDY STATE : NM

OIL=DEL  
 Gal= 01/95  
 Cum= 13.184  
 Rem= 22.775  
 EUR= 35.959  
 Yrs= 8.167  
 Q1= 909.5  
 Q2= 66.205  
 n= 980  
 Qab= 90.0

GAS=DEL  
 Gal= 01/95  
 Cum= 13.283  
 Rem= 22.775  
 EUR= 36.058  
 Yrs= 8.167  
 Q1= .0  
 Q2= .000  
 n= .000  
 Qab= .0





BIG EDDY UNIT #132  
 UNDESIGNATED  
 ENRON OIL & GAS COMPANY  
 Area: RBU

DATE : 05/18/95  
 TIME : 07:47:56  
 DBS FILE : DAILYJ  
 SETUP FILE : COMDET  
 SEQ NUMBER : 31

R E S E R V E S A N D E C O N O M I C S  
 AS OF DATE: 4/94

	3/95	3/96	3/97	3/98	3/99	3/00	3/01	3/02	3/03	8.9 YR TOTAL
OWNERSHIP										
1) WORKING INTEREST, \$	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
2) REVENUE INTEREST, \$	87.500	87.500	87.500	87.500	87.500	87.500	87.500	87.500	87.500	87.500
INVESTMENTS, M\$										
3) BORROWED CAPITAL	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4) EQUITY INVESTMENTS	550.0	18.0	.0	.0	.0	.0	.0	.0	-20.0	548.0
5) RISK	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7) TOTAL	550.0	18.0	.0	.0	.0	.0	.0	.0	-20.0	548.0
OIL PHASE										
8) GROSS OIL, MB	13.9	6.2	3.8	2.7	2.1	1.7	1.5	1.3	1.0	34.3
9) NET OIL, MB	12.2	5.4	3.3	2.4	1.9	1.5	1.3	1.1	.9	30.0
0) OIL REVENUE, M\$	230.5	102.5	62.6	45.1	35.2	28.9	24.4	21.2	17.2	567.5
1) OIL PRICE, \$/B	18.92	18.92	18.92	18.92	18.92	18.92	18.92	18.92	18.92	18.92
GAS PHASE										
2) GROSS GAS, MMF	14.0	6.2	3.8	2.7	2.1	1.7	1.5	1.3	1.0	34.4
3) NET GAS, MMF	12.3	5.4	3.3	2.4	1.9	1.5	1.3	1.1	.9	30.1
4) GAS REVENUE, M\$	26.4	11.6	7.1	5.1	4.0	3.3	2.8	2.4	2.0	64.7
5) GAS PRICE, \$/MCF	2.150	2.150	2.150	2.150	2.150	2.150	2.150	2.150	2.150	2.150
WATER PHASE										
6) GROSS WATER, MB	11.1	4.3	2.6	1.9	1.5	1.2	1.0	.9	.7	25.3
7) NET WATER, MB	11.1	4.3	2.6	1.9	1.5	1.2	1.0	.9	.7	25.3
8) WATER PRICE, \$/B	1.500	.250	.250	.250	.250	.250	.250	.250	.250	.797
ECONOMICS, M\$										
9) GROSS REV. TO INTR.	256.9	114.1	69.7	50.2	39.2	32.1	27.2	23.6	19.2	632.2
0) - SEV. TAX	18.4	8.2	5.0	3.6	2.8	2.3	2.0	1.7	1.4	45.3
1) - AD VALOREM TAX	2.4	1.1	.6	.5	.4	.3	.3	.2	.2	5.9
2) - OPERATING COSTS	23.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	16.5	165.5
3) - SWD	16.6	1.1	.7	.5	.4	.3	.3	.2	.2	20.2
4) - CAPITAL REPAYMENT	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5) - INTEREST PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7) = NET INCOME	196.5	85.8	45.4	27.6	17.6	11.2	6.8	3.5	.9	395.4
8) - INVESTMENTS & RSK	550.0	18.0	.0	.0	.0	.0	.0	.0	-20.0	548.0
9) = BPIT NET	-353.5	67.8	45.4	27.6	17.6	11.2	6.8	3.5	20.9	-152.6
ESSENT WORTH @ 10.00 %										
0) NET INCOME	189.6	74.8	35.9	19.9	11.5	6.7	3.7	1.7	.4	344.2
1) INVESTMENTS & RISK	550.0	16.4	.0	.0	.0	.0	.0	.0	-8.6	557.7
2) BPIT NET	-360.4	58.5	35.9	19.9	11.5	6.7	3.7	1.7	9.0	-213.5
3) CUM BPIT NET	-360.4	-301.9	-266.0	-246.1	-234.6	-227.9	-224.3	-222.6	-213.5	-213.5

318 BDDY UNIT #132  
 UNDESIGNATED  
 SIRON OIL & GAS COMPANY  
 Area: BEU

DATE : 05/18/95  
 TIME : 07:47:56  
 DBS FILE : DAILYJ  
 SETUP FILE : COMDRT  
 SEQ NUMBER : 31

A F T E R T A X E C O N O M I C S

AS OF DATE: 4/94

PERIOD ENDING	3/95	3/96	3/97	3/98	3/99	3/00	3/01	3/02	3/03	8.9 YR TOTAL
TAX TREATMENT OF INVESTMENTS, M\$										
1) EXP, RISK & CAP INT	350.0	9.0	.0	.0	.0	.0	.0	.0	.0	359.0
2) DEPLETABLE	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3) DEPRECIABLE	200.0	9.0	.0	.0	.0	.0	.0	.0	-20.0	189.0
TAX CALCULATIONS, M\$										
4) GROSS REV. TO INTR.	256.9	114.1	69.7	50.2	39.2	32.1	27.2	23.6	19.2	632.2
5) - SEVERANCE TAX	18.4	8.2	5.0	3.6	2.8	2.3	2.0	1.7	1.4	45.3
6) - WPT TAX NET	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7) - OPR. COSTS & ATPX	42.0	20.1	19.3	18.9	18.7	18.5	18.5	18.4	16.9	191.5
8) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9) - OVERHEAD	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0) - EXPENSED INV.	350.0	9.0	.0	.0	.0	.0	.0	.0	.0	359.0
1) - DEPRECIATION	28.6	50.3	37.2	26.6	19.0	18.7	18.7	9.7	.4	209.0
2) = NET	-182.0	26.5	8.2	1.1	-1.3	-7.4	-11.9	-6.3	.5	-172.6
3) - DEPLETION	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4) - INTEREST PD & CAP	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5) = TAXABLE	-182.0	26.5	8.2	1.1	-1.3	-7.4	-11.9	-6.3	.5	-172.6
6) * TAX RATE, %	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
7) - TAX CREDIT	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8) - WPT REFUND	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9) = F.I.T.	-63.7	9.3	2.9	.4	-1.5	-2.6	-4.2	-2.2	.2	-60.4
1) REVENUE-SEV-WPT	238.5	105.9	64.7	46.6	36.4	29.8	25.3	21.9	17.8	586.9
) - OPR. COSTS & ATPX	42.0	20.1	19.3	18.9	18.7	18.6	18.5	18.4	16.9	191.5
) + NPI OWNED - PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
) - F.I.T.	-63.7	9.3	2.9	.4	-1.5	-2.6	-4.2	-2.2	.2	-60.4
) = A.F.I.T.	260.2	76.5	42.5	27.3	18.1	13.8	10.9	5.7	.8	455.8
) - LOAN REPAYMENT	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
) - INTEREST PAID	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
) = NET INCOME	260.2	76.5	42.5	27.3	18.1	13.8	10.9	5.7	.8	455.8
) - INVESTMENTS & RSK	550.0	18.0	.0	.0	.0	.0	.0	.0	-20.0	548.0
) = A.F.I.T. NET	-289.8	58.5	42.5	27.3	18.1	13.8	10.9	5.7	20.8	-92.2
ESSENT WORTH @ 10.00 %										
) NET INCOME	248.1	66.3	33.5	19.5	11.8	8.2	5.9	2.8	.3	396.4
) INVESTMENTS & RISK	550.0	16.4	.0	.0	.0	.0	.0	.0	-8.6	557.7
) A.F.I.T. NET	-301.9	50.0	33.5	19.5	11.8	8.2	5.9	2.8	9.0	-161.3
) COM. A.F.I.T. NET	-301.9	-251.9	-218.4	-198.9	-187.1	-178.9	-173.0	-170.3	-161.3	-161.3

BIG EDDY UNIT #132  
 UNDESIGNATED  
 ENRON OIL & GAS COMPANY  
 Area: BEU

DATE : 05/18/95  
 TIME : 07:47:56  
 DBS FILE : DAILYJ  
 SETUP FILE : COMDET  
 SSQ NUMBER : 31

E C O N O M I C I N D I C A T O R S

AS OF DATE: 4/94

B.F.I.T. WORTH M\$-----	A.F.I.T. WORTH M\$-----	A.F.I.T. BONUS M\$-----
0.	-152.640	-92.216
2.	-167.424	-109.942
4.	-180.708	-123.998
6.	-192.705	-137.621
8.	-203.592	-150.007
10.	-213.516	-161.319
20.	-252.390	-205.907
30.	-279.510	-237.391
40.	-299.666	-261.103
50.	-315.348	-279.812
60.	-327.975	-295.088
70.	-338.411	-307.889
80.	-347.218	-318.834
90.	-354.773	-328.342
100.	-361.344	-336.710

PRESENT WORTH PROFILE AND  
 RATE-OF-RETURN VS. BONUS TABLE

RATE OF RETURN, PCT.	.0
DISCOUNTED PAYOUT, YRS.	8.92
DISCOUNTED PAYOUT, YRS.	8.92
DISCOUNTED NET/INVEST.	.72
DISCOUNTED NET/INVEST.	.62

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

#365

March 7, 1995

Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

Attention: Mr. Armando Lopez

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  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Attention: Mr. William LeMay

Re: 1995 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1995.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

1994 ACTIVITY

Big Eddy Unit Well No. 133 - This well was drilled at a location 1,980' FNL and 1,780' FWL in Section 27, T21S-R29E, Eddy County, New Mexico and was drilled to a total depth

March 7, 1995

Page 2

of 7,150'. The well was completed as an oil well in the Delaware formation in the interval 6,970' - 6,990'. This well will be submitted during the calendar year 1995, for commercial determination and a participating area.

Big Eddy Unit Well No. 132 - This well was drilled at a location 1,980' FSL and 1,980' FEL in Section 16, T21S-R29E, Eddy County, New Mexico. The well was drilled to a total depth of 6,900' and was completed in the Delaware formation as a oil well in the intervals 5,675' - 5,685'. This well will be submitted during the calendar year 1995 for commercial determination, and a participating area.

Big Eddy Unit Well No. 127 - This well was drilled at a location 2,080' FSL & 1,980' FWL, Section 16, T21S-R29E, Eddy County, New Mexico. This well was drilled to a total depth of 7,000' and completed in the Delaware formation in the interval 5,930' - 5,940'. This well will be submitted during the calendar year 1995 for commercial determination, and a participating area.

#### PARTICIPATING AREAS

Bass Enterprises Production has submitted all wells drilled to date where adequate production information is available for commercial determination and participating areas. In the event you have not received commercial determinations for the wells that have been drilled and completed and are currently producing, please advise at your earliest convenience and we will submit same to you.

#### FUTURE DEVELOPMENT

Big Eddy Unit Well No. 131 - This well will be drilled at a location 1,980' FNL and 1,980' FWL, Section 11, T21S-R28E to a proposed total depth of 6,700' to test the Delaware Formation. The results of this well will be reported on the 1996 Plan of Development.

#### OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands within the Big Eddy Unit area, or pursuant to applicable regulations.

#### MODIFICATIONS

In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

March 7, 1995

Page 3

EFFECTIVE DATE

This Plan of Development shall become effective January 1, 1995.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to us for our records.

Sincerely,

  
J. Wayne Bailey  
Division Landman

JWB:ca

ACCEPTED AND AGREED this 10<sup>th</sup> day of March, 1994.

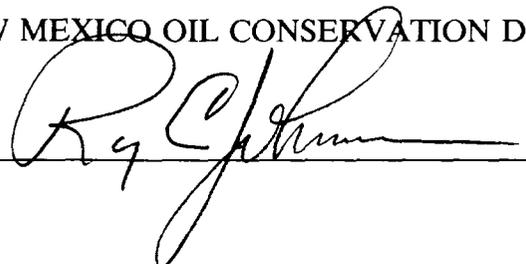
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

By: 



State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
FAX (505) 827-5766

SLO REF NO. OG-1372

March 21, 1994

Bass Enterprises Production Company  
1st City Bank Tower  
201 Main Street  
Ft. Worth, Texas 76102

Attn: Mr. Jens Hansen

Re: 1994 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You will be contacted at a later date regarding these possibilities.

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

Very truly yours,

RAY B. POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

RBP/FOP/pm  
cc: OCD -Roy Johnson  
BLM

BASS ENTERPRISES PRODUCTION CO.

FIRST CITY BANK TOWER

201 MAIN ST.

FORT WORTH, TEXAS 76102

817/390-8400

365

February 9, 1994

Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

Attention: Mr. Armando Lopez

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

FEB 1 1994

Attention: Mr. Jim Baca

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico

Attention: Mr. William LeMay

Re: 1994 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1994.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

1993 ACTIVITY

Big Eddy Unit Well No. 117 - This well was drilled at a location 330' FSL and 330' FWL in Section 25, T22S-R28E, Eddy County, New Mexico and was drilled to a total depth of 6,484'. The well was completed in the Delaware formation in the interval 6,012' - 6,093' and produced oil for a very short time before the producing interval was abandoned as non-commercial. This well is currently under consideration for conversion to a saltwater disposal well.

Big Eddy Unit Well No. 121 - This well was drilled at a location 990' FSL and 660' FWL, Section 12, T21S-R28E. The well was drilled to a total depth of 6,560' and tested the Delaware formation. The well was plugged and abandoned as a dry hole.

Big Eddy Unit Well No. 122 - This well was drilled at a location 1,980' FNL and 1,980' FWL in Section 4, T20S-R31E, Eddy County, New Mexico. The well was drilled to a total depth of 11,600' and was completed in the Strawn formation as a oil well in the intervals 11,368' - 11,412'. This well will be submitted during the calendar year 1994 for commercial determination.

Big Eddy Unit Well No. 127 - This well is being drilled at a location in the NE/4 of the SW/4 of Section 16, T21S-R29E, Eddy County, New Mexico to test unitized substances. The result of this well will be reported on the 1995 Plan of Development.

Big Eddy Unit Well No. 116 - The well designation for the well drilled in the W/4 of Section 25, T22S-R28E, was the Big Eddy Unit No. 117. As a result, well designation 116 will be reassigned to a future well.

#### PARTICIPATING AREAS

Bass Enterprises Production has submitted all wells drilled to date where adequate production information is available for commercial determination and participating areas. In the event you have not received commercial determinations for our wells, please advise us at your convenience.

#### FUTURE DEVELOPMENT

Big Eddy Unit Well No. 123 - This well will be drilled in Section 7, T20S-R31E to a depth necessary to test unitized substances. The specific well location and the depth to be drilled will be provided on the application for permit to drill.

#### OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to Big Eddy Unit area.

#### MODIFICATIONS

In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

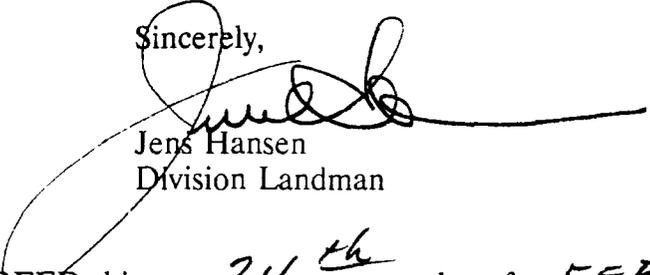
#### EFFECTIVE DATE

February 9, 1994  
Page 3

This Plan of Development shall become effective January 1, 1994.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to us for our records.

Sincerely,

  
Jens Hansen  
Division Landman

JH:ca

ACCEPTED AND AGREED this 24<sup>th</sup> day of FEB, 1994.

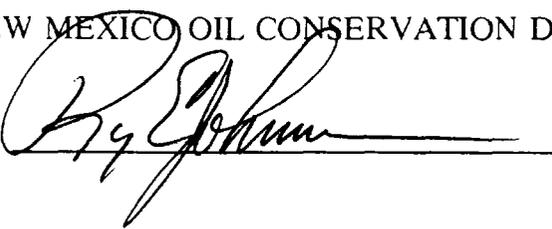
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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



# United States Department of the Interior



## BUREAU OF LAND MANAGEMENT

Roswell District Office

P.O. Box 1397

Roswell, New Mexico 88202-1397

IN REPLY  
REFER TO:

14-08-00-1326  
3180 (065)

CERTIFIED MAIL--RETURN RECEIPT REQUESTED  
P 665 381 017

Bass Enterprises  
Attention: Jens Hansen  
First City Bank Tower  
Ft. Worth, Texas 76102

Re: Request a Commercial Well Determination on your Golden 8 Federal No. 4 in the Big Eddy Unit located in Sec. 8, T. 21 S., R. 29 E., Eddy County, New Mexico

Gentlemen:

A review of our records indicates that your Golden 8 Federal No. 4 located 990' FSL and 990' FWL in Sec. 8, T. 21 S., R. 29 E., Eddy County, New Mexico was completed as of February 5, 1993, and is producing from the Delaware. Pursuant to the unit agreement, you are required to submit information as to whether or not this is a commercial well and entitled to a participating area. As of this date, we have not received this information. Please submit the required information within 60 days from the receipt of this letter.

If you have any questions, please contact Gary Gourley at the Division of Minerals, at (505) 622-9042.

Sincerely,

**(ORIG. SGD.) ARMANDO A. LOPEZ**

Armando A. Lopez  
Assistant District Manager,  
Minerals

cc:  
Commissioner of Public Lands (P. Martinez)  
MMS Denver (3240)  
✓NMOCD (Artesia)

BASS ENTERPRISES PRODUCTION CO.

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

December 15, 1992

Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

Attention: Mr. Armando Lopez

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Mr. Jim Baca

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico

Attention: Mr. William LeMay

Re: 1993 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1993.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

1992 ACTIVITY

Big Eddy Well No. 113 - This well was drilled at a location 2,180' FWL and 1,660' FSL in Section 8, T21S-R29E, and drilled to a total depth of 6,800' that tested the Bone Springs Formation. The well was subsequently plugged back to a total depth of 6,465' and completed in the depth intervals 4,238' - 4,252'. Inasmuch as the completion interval is not in the unitized depths, the well name was changed to the Golden 8 Federal No. 1.

December 15, 1992

Page 2

Big Eddy Unit Well No. 116 - This well is currently drilling to projected depth of 6,650' to test the Delaware formation at a location in the SW/4 of Section 25, T22S-R28E, Eddy County, New Mexico. The results of this well will be reported on the 1994 Plan of Development.

### PARTICIPATING AREAS

According to our records, Bass Enterprises Production Co. has submitted all wells drilled to date where adequate production information is available for commercial determination and participating areas. In the event you have not received commercial determinations for all of our wells drilled to date and proposed participating areas when appropriate, please advise us at your convenience and we will submit same to you.

### FUTURE DEVELOPMENT

Big Eddy Unit Well No. 117 - This well will be drilled to a sufficient depth to test unitized substances. A specific well location and the depth to be drilled will be provided at a later date.

### OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to Big Eddy Unit Agreement or pursuant to applicable regulations.

### MODIFICATIONS

In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

### EFFECTIVE DATE

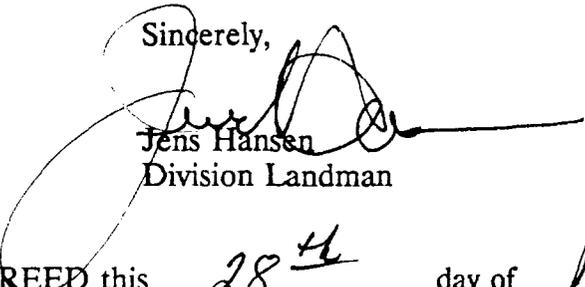
This Plan of Development shall become effective from January 3, 1992 to December 31, 1993.

December 15, 1992

Page 3

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to us for our records.

Sincerely,

  
Jens Hansen  
Division Landman

JH:ca

ACCEPTED AND AGREED this 28<sup>th</sup> day of Dec., 1992

BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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



JIM BACA  
COMMISSIONER

State of New Mexico  
OFFICE OF THE  
Commissioner of Public Lands  
Santa Fe

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

November 5, 1992

Bass Enterprises Production Company  
First City Bank Tower  
201 Main Street  
Ft. Worth, Texas 76102

Attention: Mr. Curtis D. Smith

Re: Commercial Well Determination  
Big Eddy Unit Well No. 92  
NW $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 14-21S-28E  
Eddy County, New Mexico

Dear Mr. Smith:

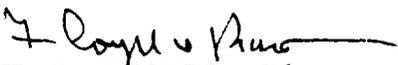
The Bureau of Land Management by their letter of October 29, 1992, has notified this office that they agree with your letter July 7, 1986, that the Big Eddy Unit Well No. 92 has been determined non-commercial in the Atoka Formation.

The Commissioner of Public Lands concurs with the Bureau of Land Management's determination that the above captioned well is non-commercial in the Atoka Formation and will not receive an Atoka Participating Area.

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

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
JB/FOP/pm  
encls.  
cc: Reader File



JIM BACA  
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

November 5, 1992

Bass Enterprises Production Company  
First City Bank Tower  
201 Main Street  
Ft. Worth, Texas 76102

Attention: Mr. Curtis D. Smith

Re: Commercial Well Determination  
Big Eddy Unit Well No. 97  
SE $\frac{1}{4}$ NW $\frac{1}{4}$  Sec. 35-21S-29E  
Eddy County, New Mexico

Dear Mr. Smith:

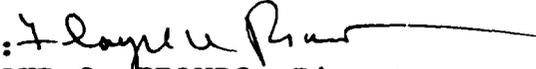
The Bureau of Land Management by their letter of October 29, 1992, has notified this office that they agree with your letter July 7, 1986, that the Big Eddy Unit Well No. 97 has been determined non-commercial in the Morrow Formation.

The Commissioner of Public Lands concurs with the Bureau of Land Management's determination that the above captioned well is non-commercial in the Morrow Formation and will not receive a Morrow Participating Area.

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

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
JB/FOP/pm  
encls.  
cc: Reader File



JIM BACA  
COMMISSIONER

State of New Mexico  
OFFICE OF THE  
Commissioner of Public Lands  
Santa Fe

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

November 2, 1992

Bass Enterprises Production Company  
First City Bank Tower  
201 Main Street  
Ft. Worth, Texas 76102

Attention: Mr. Curtis D. Smith

Re: Commercial Well Determination  
Big Eddy Unit Well No. 87  
NE $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 28-21S-28E  
Eddy County, New Mexico

Dear Mr. Smith:

The Bureau of Land Management by their letter of October 28, 1992, has notified this office that the Big Eddy Unit Well No. 87 has been determined non-commercial in the Atoka formation.

We cannot find this application in our files. Please submit a copy of this application for our review and approval.

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

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
JB/FOP/pm  
encls.  
cc: Reader File



JIM BACA  
COMMISSIONER

State of New Mexico  
OFFICE OF THE  
Commissioner of Public Lands  
Santa Fe

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

SLO REF NO. OG-1130

June 5, 1992

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

Attn: Mr. Jens Hansen

Re: 1992 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

RECEIVED

JUN 6 1992  
OIL CONSERVATION DIVISION

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You will be contacted at a later date regarding these possibilities.

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

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

JB/FOP/pm  
cc: OCD  
BLM



JIM BACA  
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

# 365

June 3, 1992

Bass Enterprises Production Company  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Attn: Mr. Curtis D. Smith

Re: Commercial Well Determination  
Big Eddy Unit Well No. 94  
SW/4NW/4 Sec. 20-21S-29E  
Eddy County, New Mexico

Dear Mr. Smith:

The Bureau of Land Management by their letter of May 13, 1992 has advised this office that they agree with your letter of July 7, 1986, that the Big Eddy Unit Well No. 94 is noncommercial in the Morrow Formation.

The Commissioner of Public Lands concurs with the Bureau of Land Management's determination that the above captioned well is noncommercial in the Morrow Formation and will not receive a Morrow Participating area.

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

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
JB/FOP/pm  
encls.

cc: Reader File  
OCD-Santa Fe  
BLM-Roswell  
TRD-Santa Fe

**BASS ENTERPRISES PRODUCTION CO.**

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

NEW MEXICO OIL CONSERVATION DIVISION  
SANTA FE, NEW MEXICO

APR 10 1992

April 10, 1992

4-20-92

Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

Attention: Armando Lopez

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Jim Boca

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Bill LeMay

*D- Unit letter  
4-20-92*

Re: Big Eddy Unit Well No. 114  
E/2 Section 21, T21S-R29E  
Eddy County, New Mexico

Gentlemen:

Bass Enterprises Production Co., as Unit Operator for the Big Eddy Unit Agreement, pursuant to the provisions of Section 11, thereof, respectively submits for your approval the selection of the following described lands to constitute Participating Area "L" for the Morrow formation to wit:

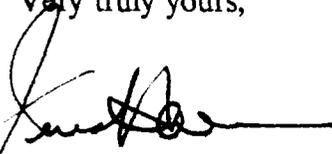
E/2 Section 21, T21S-R29E and containing 320 acres of land

In support of this application the following items are attached hereto and made a part hereof.

- A. An ownership map showing the boundaries of the unit area and the proposed Participating Area.
- B. A schedule showing the lands entitled to participation in the unitized substances produced from the Morrow formation, with the percentage of participation of each lease or tract indicated thereon.

- C. This proposed Participating Area "L" is predicated upon the knowledge and information first obtained upon the completion in paying quantities under the terms of the Unit Agreement on April 11, 1990, of Unit, Well No. 114 in the NE/4 of NE/4, Section 21, T21S-R29E with an initial rate of 5.5 MMCFPD from the Morrow formation at a depth of 12,792' to 12,801'. Effective date of this Morrow "L" Participating Area shall be May 1, 1990, pursuant to Section 11 of the Unit Agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jens Hansen', with a long horizontal stroke extending to the right.

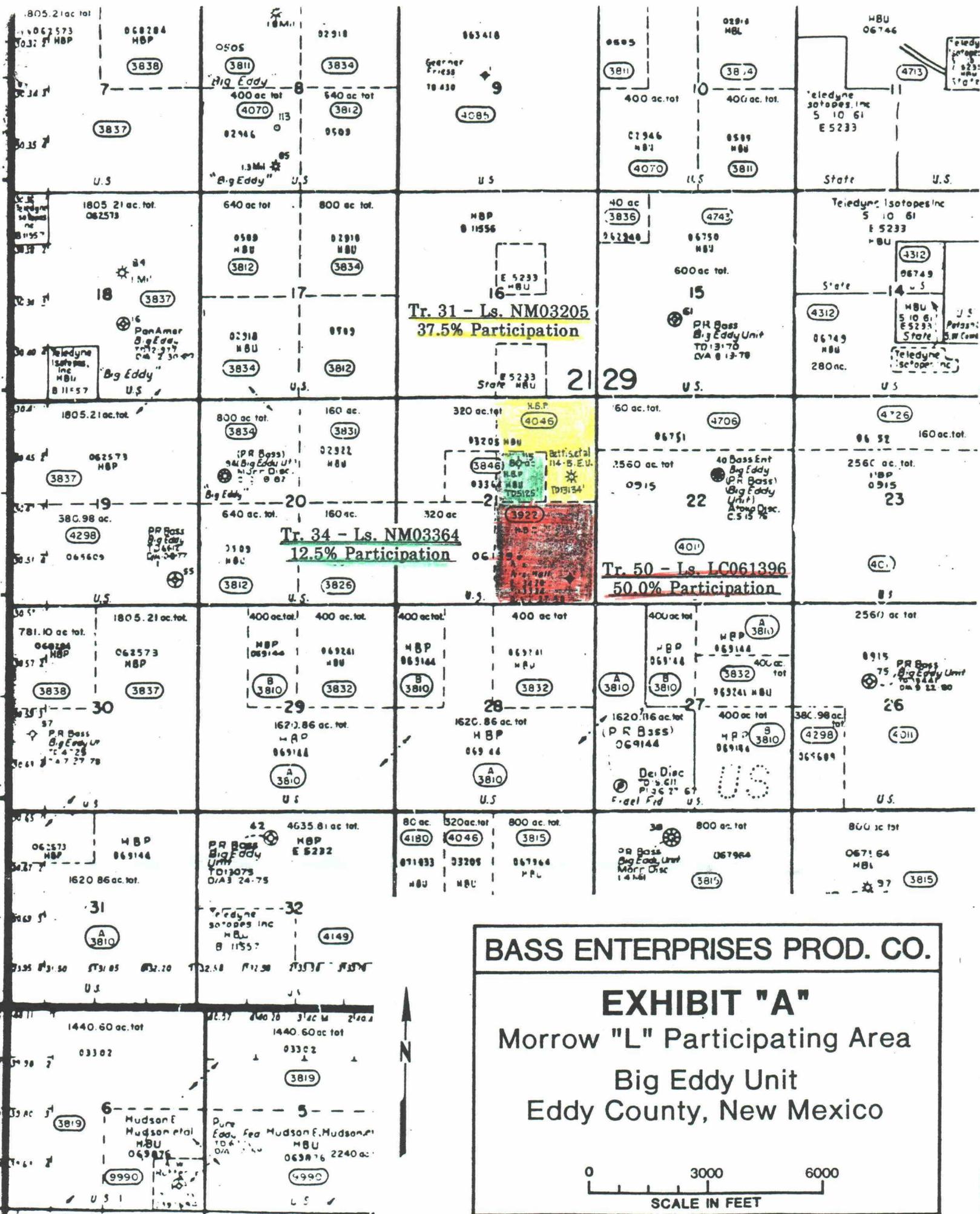
Jens Hansen  
Division Landman

JH:ca

**EXHIBIT "B"**  
**Morrow "L" Participating Area**  
**Big Eddy Unit**  
**Eddy County, New Mexico**

<u>Tract No.</u>	<u>Lease No.</u>	<u>Description</u>	<u>Participating Acres</u>	<u>Percent of Participation</u>	<u>Working Interest Owner</u>
31	NM03205	N/2 NE/4 SE/4 NE/4 Sec. 21	120	37.5%	Bettis Brothers
34	NM03364	SW/4 NE/4 Sec. 21	40	12.5%	Bettis Brothers
50	LC061396	SE/4 Sec. 21	160	50.0%	Bettis Brothers

**Total Federal Lands 320**



**BASS ENTERPRISES PROD. CO.**

**EXHIBIT "A"**

Morrow "L" Participating Area  
Big Eddy Unit  
Eddy County, New Mexico

0                      3000                      6000  
SCALE IN FEET



JIM BACA  
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

April 7, 1992

Bass Enterprises Production Company  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Attn: Mr. R. Andrew Maxwell

Re: Commercial Well Determination  
Big Eddy Unit Well No. 114  
SE/4NE/4 Sec. 21-21S-29E  
Eddy County, New Mexico

Dear Mr. Maxwell:

This office is in receipt of the letter of March 16, 1992 from Bettis, Boyle, and Stovall along with additional information that supports their recommendation that the Big Eddy Unit Well No. 114 be determined commercial.

The Bureau of Land Management, by their letter of March 31, 1992, has advised this office that the Big Eddy Unit Well No. 114 is a commercial well in the Morrow formation.

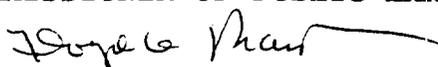
Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management's decision that the Big Eddy Unit Well No. 114 is commercial in the Morrow Formation. In addition, please submit an application for the Morrow "L" Participating Area to this office for approval.

Please also be advised that this office has also accepted, for record, the designation of agent form wherein Bettis, Boyle & Stovall has been designated as an agent to drill, test and complete the Big Eddy Unit Well No. 114.

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

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
JB/FOP/pm  
encls.

cc: Reader File  
BLM-Roswell



JIM BACA  
COMMISSIONER

State of New Mexico  
OFFICE OF THE  
Commissioner of Public Lands  
Santa Fe

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

April 1, 1992

Bass Enterprises Production Company  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Attn: Mr. Curtis D. Smith

Re: Non-Commercial Well Determination  
Big Eddy Unit Well No. 70  
NW $\frac{1}{4}$ NE $\frac{1}{4}$  Sec. 26, T. 21 S., R. 28 E.  
Eddy County, New Mexico

Dear Mr. Smith:

The Bureau of Land Management has advised this office that the above captioned well has been determined non-commercial and therefore not entitled to receive a participating area.

Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management's determination that the Big Eddy Unit Well No. 70 is non-commercial and production should be reported on a lease basis.

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

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
JB/FOP/pm  
encls.

cc: Reader File  
BLM  
OCD  
TRD



JIM BACA  
COMMISSIONER

State of New Mexico  
OFFICE OF THE  
Commissioner of Public Lands  
Santa Fe

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

April 1, 1992

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Attn: Ms. Janet Richardson

Re: Non-Commercial Well Determination  
Big Eddy Unit Well No. 109Y  
SW $\frac{1}{4}$ SE $\frac{1}{4}$  Sec. 21, T. 21 S., R. 28 E.  
Eddy County, New Mexico

Dear Ms. Richardson:

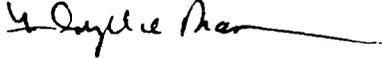
The Bureau of Land Management has advised this office that the above captioned well has been determined non-commercial in the Delaware Formation and, therefore, not entitled to receive a participating area.

Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management's determination that the Big Eddy Unit Well No. 109Y is non-commercial in the Delaware Formation and production should be reported on a lease basis.

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

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
JB/FOP/pm  
encls.

cc: Reader File  
BLM  
OCD  
TRD



JIM BACA  
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

April 1, 1992

Bass Enterprises Production Company  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Attn: Mr. Curtis D. Smith

Re: Non-Commercial Well Determination  
Big Eddy Unit Well No. 93  
NW $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 36, T. 21 S., R. 28 E.  
Eddy County, New Mexico

Dear Mr. Smith:

We are in receipt of your letter of March 5, 1992 requesting our concurrence that the above captioned well has been determined non-commercial in the Atoka Formation and, therefore, not entitled to receive a participating area.

Please be advised that the Commissioner of Public Lands concurs with your determination that the Big Eddy Unit Well No. 93 is non-commercial and production should be reported on a lease basis.

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

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
JB/FOP/pm  
encls.

cc: Reader File  
BLM  
OCD  
TRD

**BASS ENTERPRISES PRODUCTION CO.**

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

March 5, 1992

Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

Attention: Mr. Armando Lopez

Commissioner of Public Lands  
State of New Mexico  
P.O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Mr. Jim Baca

New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Bill LeMay

Re: Big Eddy Unit Well No. 70  
660' FNL & 1,980' FEL  
Section 26, T21S-R28E  
Eddy County, New Mexico

Gentlemen:

Bass Enterprises Production Co., Operator of the Big Eddy Unit, has completed its evaluation of the production history of the Atoka Formation in the Big Eddy Unit Well No. 70, and does hereby submit this commercial determination. This well was recompleted to the Atoka Formation in February, 1988. Cumulative production to date is 26,146 MCF and 38 BO.

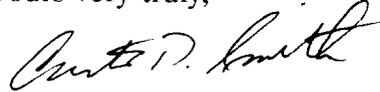
Based upon the enclosed evaluation, the Big Eddy Unit Well No. 70 is not a commercial producer in the Atoka Formation. Accordingly, Bass respectfully requests that

March 5, 1992  
Page 2

the Big Eddy Unit Well No. 70, insofar as it produces from the Atoka Formation, be deemed a lease well and not receive a participating area under the terms of the Big Eddy Unit Agreement.

Should you have any questions, or need additional information in relation to this matter, please feel free to call me at (817)390-8584, or John Smitherman at (915)683-2277.

Yours very truly,

A handwritten signature in black ink, appearing to read "Curtis D. Smith". The signature is written in a cursive style with a large initial 'C' and a long horizontal stroke at the end.

Curtis D. Smith  
Landman

CDS:lah

Attachments

cc: George Teer

BIG EDDY UNIT #70  
 INDIAN FLATS  
 EDDY, NM  
 BEPCO

DATE: 02/20/92  
 TIME: 07:52:39  
 PAGE: 1

DATE	P R O D U C T I O N							L E D G E R	CUM OIL, BBL	CUM GAS, MCF
	OIL, BBL	GAS, MCF	WATER, BBL	GOR, CF/BBL	WATER CUT, %	CUM OIL, BBL	CUM GAS, MCF			
PRIOR	0	0	0	0	0	0	0	0	0	0
1/88	14	4667	131	333357	90.34	14	4,667			
2/88	7	3947	317	563857	97.84	21	8,614			
3/88	0	0	0	0	0.00	21	8,614			
4/88	0	0	0	0	0.00	21	8,614			
5/88	0	0	0	0	0.00	21	8,614			
6/88	0	0	0	0	0.00	21	8,614			
7/88	0	0	0	0	0.00	21	8,614			
8/88	0	0	0	0	0.00	21	8,614			
9/88	0	0	0	0	0.00	21	8,614			
10/88	0	0	0	0	0.00	21	8,614			
11/88	0	0	0	0	0.00	21	8,614			
12/88	0	0	0	0	0.00	21	8,614			
TOT/88	21	8614	448	410190		21	8,614			
1/89	0	0	0	0	0.00	21	8,614			
2/89	0	0	0	0	0.00	21	8,614			
3/89	0	0	0	0	0.00	21	8,614			
4/89	0	0	0	0	0.00	21	8,614			
5/89	0	0	0	0	0.00	21	8,614			
6/89	0	0	0	0	0.00	21	8,614			
7/89	0	0	0	0	0.00	21	8,614			
8/89	0	0	0	0	0.00	21	8,614			
9/89	0	0	0	0	0.00	21	8,614			
10/89	0	0	0	0	0.00	21	8,614			
11/89	2	13834	2543	6917000	99.92	23	22,448			
12/89	12	3456	723	288000	98.37	35	25,904			
TOT/89	14	17290	3266	1235000		35	25,904			
1/90	3	186	0	62000	0.00	38	26,090			
2/90	0	56	0	0	0.00	38	26,146			
3/90	0	0	0	0	0.00	38	26,146			
4/90	0	0	0	0	0.00	38	26,146			
5/90	0	0	0	0	0.00	38	26,146			
6/90	0	0	0	0	0.00	38	26,146			
7/90	0	0	0	0	0.00	38	26,146			
8/90	0	0	0	0	0.00	38	26,146			
9/90	0	0	0	0	0.00	38	26,146			
10/90	0	0	0	0	0.00	38	26,146			
11/90	0	0	0	0	0.00	38	26,146			
12/90	0	0	0	0	0.00	38	26,146			
TOT/90	3	242	0	80667		38	26,146			
TOTAL	38	26146	3714	688053		38	26,146			

BIG EDDY UNIT #70  
 INDIAN FLATS  
 EDDY, NM  
 BEPCO

DATE: 02/20/92  
 TIME: 07:52:41  
 PAGE: 2

DATE	P R O D U C T I O N					L E D G E R			CUM GAS, MCF
	OIL, BBL	GAS, MCF	WATER, BBL	GOR, CF/BBL	WATER CUT, %	CUM OIL, BBL	CUM GAS, MCF	CUM GAS, MCF	
PRIOR	38	26146	3714	688053	98.99	38	26,146	26,146	
1/91	0	0	0	0	0.00	38	26,146	26,146	
2/91	0	0	0	0	0.00	38	26,146	26,146	
3/91	0	0	0	0	0.00	38	26,146	26,146	
4/91	0	0	0	0	0.00	38	26,146	26,146	
5/91	0	0	0	0	0.00	38	26,146	26,146	
6/91	0	0	0	0	0.00	38	26,146	26,146	
7/91	0	0	0	0	0.00	38	26,146	26,146	
8/91	0	0	0	0	0.00	38	26,146	26,146	
9/91	0	0	0	0	0.00	38	26,146	26,146	
10/91	0	0	0	0	0.00	38	26,146	26,146	
11/91	0	0	0	0	0.00	38	26,146	26,146	
12/91	0	0	0	0	0.00	38	26,146	26,146	
TOT/91	0	0	0	688053		38	26,146	26,146	
TOTAL	38	26146	3714	688053		38	26,146	26,146	

**BASS ENTERPRISES PRODUCTION CO.**

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

RECEIVED  
BUREAU OF LAND MANAGEMENT  
MARCH 10 1992

March 5, 1992

Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

Attention: Mr. Armando Lopez

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Mr. Jim Baca

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico

Attention: Mr. William LeMay

Re: Big Eddy Unit Well No. 93  
1,980' FSL & 1,980' FWL  
Section 36, T21S-R28E  
Eddy County, New Mexico

Gentlemen:

Bass Enterprises Production Co., Operator of the Big Eddy Unit, has completed its evaluation of the production history of the Atoka Formation in the Big Eddy Unit Well No. 93, and does hereby submit this commercial determination. This well was recompleted to the Atoka Formation in March, 1988. Cumulative production to date for this well is 445 MCF and 3 BO.

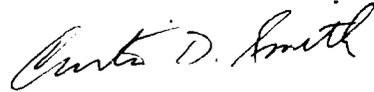
Based upon the enclosed evaluation, the Big Eddy Unit Well No. 93 is not a commercial producer in the Atoka Formation. Accordingly, Bass respectfully requests that

March 5, 1992  
Page 2

the Big Eddy Unit Well No. 93, insofar as it produces from the Atoka Formation, be deemed a lease well and not receive a participating area under the terms of the Big Eddy Unit Agreement.

Should you have any questions, or need additional information in relation to this matter, please feel free to call me at (817)390-8584, or John Smitherman at (915)683-2277.

Yours very truly,

A handwritten signature in cursive script that reads "Curtis D. Smith".

Curtis D. Smith  
Landman

CDS:lah

Attachments

cc: George Teer

PRODUCTION LEDGER

DATE	OIL, BBL	GAS, MCF	WATER, BBL	GOR, CF/BBL	WATER CUT, %	CUM OIL, BBL	CUM GAS, MCF
PRIOR	0	0	0	0	0.00	0	0
1/88	3	180	6	60000	66.67	3	180
2/88	0	0	0	0	0.00	3	180
3/88	0	0	0	0	0.00	3	180
4/88	0	0	0	0	0.00	3	180
5/88	0	0	0	0	0.00	3	180
6/88	0	0	0	0	0.00	3	180
7/88	0	0	0	0	0.00	3	180
8/88	0	0	0	0	0.00	3	180
9/88	0	0	0	0	0.00	3	180
10/88	0	0	0	0	0.00	3	180
11/88	0	0	0	0	0.00	3	180
12/88	0	0	0	0	0.00	3	180
TOT/88	3	180	6	60000		3	180
1/89	0	0	0	0	0.00	3	180
2/89	0	0	0	0	0.00	3	180
3/89	0	0	0	0	0.00	3	180
4/89	0	265	0	0	0.00	3	445
5/89	0	0	0	0	0.00	3	445
6/89	0	0	0	0	0.00	3	445
7/89	0	0	0	0	0.00	3	445
8/89	0	0	0	0	0.00	3	445
9/89	0	0	0	0	0.00	3	445
10/89	0	0	0	0	0.00	3	445
11/89	0	0	0	0	0.00	3	445
12/89	0	0	0	0	0.00	3	445
TOT/89	0	265	0	0		3	445
1/90	0	0	0	0	0.00	3	445
2/90	0	0	0	0	0.00	3	445
3/90	0	0	0	0	0.00	3	445
4/90	0	0	0	0	0.00	3	445
5/90	0	0	0	0	0.00	3	445
6/90	0	0	0	0	0.00	3	445
7/90	0	0	0	0	0.00	3	445
8/90	0	0	0	0	0.00	3	445
9/90	0	0	0	0	0.00	3	445
10/90	0	0	0	0	0.00	3	445
11/90	0	0	0	0	0.00	3	445
12/90	0	0	0	0	0.00	3	445
TOT/90	0	0	0	0		3	445
TOTAL	3	445	6	148333		3	445

BIG EDDY UNIT #93  
 INDIAN FLATS  
 EDDY, NM  
 BEPCO

P R O D U C T I O N L E D G E R

DATE	OIL, BBL	GAS, MCF	WATER, BBL	GOR, CF/BBL	WATER CUT, %	CUM OIL, BBL	CUM GAS, MCF
PRIOR	3	445	6	148333	66.67	3	445
1/91	0	0	0	0	0.00	3	445
2/91	0	0	0	0	0.00	3	445
3/91	0	0	0	0	0.00	3	445
4/91	0	0	0	0	0.00	3	445
5/91	0	0	0	0	0.00	3	445
6/91	0	0	0	0	0.00	3	445
7/91	0	0	0	0	0.00	3	445
8/91	0	0	0	0	0.00	3	445
9/91	0	0	0	0	0.00	3	445
10/91	0	0	0	0	0.00	3	445
11/91	0	0	0	0	0.00	3	445
12/91	0	0	0	0	0.00	3	445
TOT/91	0	0	0	0		3	445
TOTAL	3	445	6	148333		3	445

**BASS ENTERPRISES PRODUCTION CO.**

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

December 23, 1991

Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

Attention: Mr. Armando Lopez

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Mr. Jim Baca

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico

Attention: Mr. William LeMay

Re: 1992 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1992.

**HISTORY OF PAST DEVELOPMENT**

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

December 23, 1991

Page 2

### 1991 ACTIVITY

Big Eddy Unit Well No. 113 - This well is currently drilling in the NE/4 SW/4 of Section 8, T21S-R29E to a projected total depth of 6,700' to test the Bone Springs formation. The results of this well will be given in the 1993 Plan of Development.

### PARTICIPATING AREAS

According to our records, Bass Enterprises Production Co. has submitted all wells drilled to date where adequate production information is available for commercial determination and participating areas. In the event you have not received commercial determinations for all of our wells drilled to date, and participating areas where appropriate, please advise us at your convenience and we will submit same to you.

### FUTURE DEVELOPMENT

Big Eddy Unit Well No. 116 - This well will be drilled to a sufficient depth to test unitized depths on unit lands. A specific well location will be provided at a later date.

The well drilled under the 1991 Plan of Development was designated the Big Eddy Unit No. 113 because that number had not been utilized. Therefore, the Big Eddy Unit Well No. 116 has been assigned to the well to be drilled in 1992.

### OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to Big Eddy Agreement or pursuant to applicable regulations.

### ADDITIONAL DEVELOPMENT

This Plan of Development will constitute the activity to be conducted under the terms of the Big Eddy Unit Agreement for the period ending December 31, 1992.

### MODIFICATIONS

In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

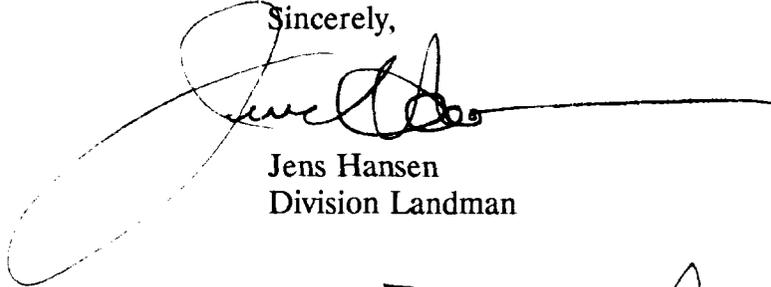
### EFFECTIVE DATE

This Plan of Development shall be effective from January 1, 1992 to December 31, 1992.

December 23, 1991  
Page 3

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed copy to us for our records.

Sincerely,



Jens Hansen  
Division Landman

JH:lah

ACCEPTED AND AGREED this 30 day of Dec., 1991.

BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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

#365

State of New Mexico



JIM BACA  
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

January 7, 1991

Bass Enterprises Production Company  
First City Bank Tower  
201 Main Street  
Fort Worth, TX 76102

Attn: Jens Hansen, Division Landman

Re: Big Eddy Unit  
Eddy and Lea Counties, New Mexico  
1991 Plan of Development

Dear Mr. Hansen:

The Commissioner of Public Lands has this date approved the 1991 Plan of Development for the Big Eddy Unit. Our approval is subject to like approval by all other appropriate agencies.

There is a possibility of drainage by wells outside the Unit Area and the need for further development may exist.

If we may be of further assistance please contact Clyde Langdale at (505) 827-5791.

Sincerely,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

By: *Floyd O. Prando*  
Floyd O. Prando, Director  
Oil, Gas & Minerals Division

JB/FOP/CL/dm

cc: OCD  
Unit POD File  
Unit Correspondence File

BASS ENTERPRISES PRODUCTION CO.

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

December 26, 1990

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

Attention: Mr. Bill LeMay

Re: 1991 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1991.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

### 1990 ACTIVITY

Big Eddy Unit Well No. 114 - This well is located 2,080' FNL and 660' FEL in Section 21, T21S-R29E. This well was drilled to a total depth of 13,134' and completed in the Morrow formation in the intervals 12,792' through 12,801'. A commercial determination will be submitted for this well when the data to determine same becomes available.

Big Eddy Unit Well No. 115 - This well was drilled at a location 16,050' FNL and 1,980', Section 21, T21S-R29E, to a total depth of 5,100' where it tested the Delaware formation. The well was plugged and abandoned as a dryhole.

### PARTICIPATING AREAS

According to our records, Bass Enterprises Production Co. has submitted all wells drilled to date where adequate production information is available for commercial determination and participating areas. In the event you have not received commercial determinations for all of our wells drilled to date, as well as proposed participating areas when appropriate, please advise us at your convenience and we will submit same to you.

### FUTURE DEVELOPMENT

We plan to drill the following test well during the year 1991 at the following locations:

Big Eddy Unit Well No. 116 - This well will be drilled to a sufficient depth to test unitized depths on unit lands. A specific well location will be provided at a later date.

### OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to Big Eddy Agreement or pursuant to applicable regulations.

### ADDITIONAL DEVELOPMENT

This Plan of Development will constitute the activity to be conducted under the terms of the Big Eddy Unit Agreement for the period ending December 31, 1991. Due to the depressed price for natural gas, there are currently nineteen (19) gas wells shut-in in this unit with four (4) gas wells producing. At present, the price we receive from gas marketed from this unit has a BTU equivalent oil price of \$11.00 per barrel. Based upon the average well performance for the production of gas from wells in this unit, it is not feasible to explore for natural gas in the formations that require in excess of a million dollars per well to reach and produce. As a result, Bass will continue to monitor gas prices so that when same have improved to allow additional development, Bass will amend its Plan of Development to provide for additional wells.

MODIFICATIONS

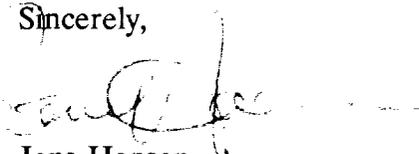
In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

EFFECTIVE DATE

This Plan of Development shall be effective from January 1, 1991 to December 31, 1991.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to us for our records.

Sincerely,



Jens Hansen  
Division Landman

JH:ca

ACCEPTED AND AGREED this 2<sup>nd</sup> day of Jan, 1991.

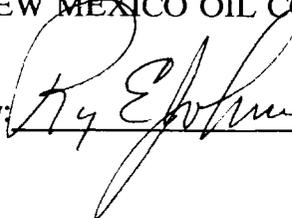
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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

**NORTHWEST PIPELINE CORPORATION**  
ONE OF THE WILLIAMS COMPANIES 

348-90

LAND DEPARTMENT

P.O. BOX 58900  
SALT LAKE CITY, UTAH 84158-0900  
801-584-7215

June 8, 1990

#361

State of New Mexico  
Commissioner of Public Lands  
Attn: Mr. Floyd O. Prando  
P.O. Box 1148  
Santa Fe, NM 87504-1148

State of New Mexico  
Oil Conservation Commission  
Attn: Mr. William J. LeMay  
310 Old Santa Fe Trail, Room 206  
Santa Fe, NM 87503

Re: Cox Canyon Unit I, Sec. No. 946  
San Juan County, New Mexico  
Supplemental 1990 Plan of Development

Gentlemen:

The Supplemental 1990 Plan of Development filed by letter dated April 26, 1990 for the Cox Canyon Unit has been approved by the Bureau of Land Management May 11, 1990.

Copies of this letter are being sent to the Working Interest Owners shown on the attached sheet.

Sincerely,

NORTHWEST PIPELINE CORPORATION

  
Darrell L. Gillen  
Land Manager

DLG:cg  
Attachment

cc: Working Interest Owners  
W. O. Curtis  
P. C. Thompson

U56N2650  
06/08/90

WORKING INTEREST OWNERS  
COX CANYON UNIT

AMOCO PRODUCTION COMPANY  
SOUTHERN DIVISION, PRODUCTION MGR.  
1670 BROADWAY  
P.O. BOX 800  
DENVER, CO 80201

ATLANTIC RICHFIELD COMPANY  
ATTN: JOINT INTEREST SUPERINTENDENT  
P.O. BOX 1610  
MIDLAND, TX 79702

COASTAL OIL & GAS CORP.  
ATTN: MR. JOHN R. KENNEDY  
P.O. BOX 749  
DENVER, CO 80201 0749

CONOCO, INC.  
P.O. BOX 460  
HOBBS, NM 88241 0460

RECEIVED  
DIVISION

'90 MAY 14 AM 9 01

Cox Canyon Unit (POD)  
3180 (019)

MAY 11 1990

Northwest Pipeline Corporation  
P. O. Box 58900  
Salt Lake City, UT 84158-0900

Gentlemen:

One approved copy of your supplemental 1990 Plan of Development for the Cox Canyon Unit area, San Juan County, New Mexico is enclosed. Such plan, proposing the drilling of two additional Fruitland coal wells and revising the well numbers of the six Fruitland wells proposed under the original Plan of Development, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

The possibility of drainage by wells outside of the unit boundary may exist. You will be contacted at a later date about this possibility.

If you have any questions, please contact Kenny Howell, Petroleum Engineer, at the above address or telephone (505) 327-5344.

Sincerely,

/s/ John L. Keller

John Keller  
Chief, Branch of Minerals

Enclosures

cc: New Mexico Oil Conservation Division, State Land Office Building,  
P. O. Box 2088, Santa Fe, NM 87504  
Commissioner of Public Lands, State of New Mexico, P. O. Box 1148,  
Santa Fe, NM 87504

LAND DEPARTMENT

APR 26 1990

P.O. BOX 58900  
SALT LAKE CITY, UTAH 84158-0900  
801-584-7215

April 26, 1990

Assistant District Manager, Minerals  
Bureau of Land Management  
Farmington Resource Area  
1235 La Plata Highway  
Farmington, NM 87401

State of New Mexico  
Commissioner of Public Lands  
Attn: Mr. Floyd O. Prando  
P.O. Box 1148  
Santa Fe, NM 87504-1148

State of New Mexico  
Oil Conservation Commission  
Attn: Mr. William J. LeMay  
310 Old Santa Fe Trail, Room 205  
Santa Fe, NM 87503

Re: Cox Canyon Unit I, Sec. No. 946  
San Juan County, New Mexico  
Supplemental 1990 Plan of Development

Gentlemen:

By letter dated February 26, 1990, Northwest Pipeline Corporation, as Unit Operator, filed the 1990 Plan of Development for the referenced unit.

Subsequent to filing the 1990 Plan of Development it has been proposed that 2 new wells be drilled in the Cox Canyon Unit during 1990.

The proposed wells are as follows:

<u>Well No.</u>	<u>Drilling Block</u>	<u>Formation</u>
Cox Canyon Unit #203	E/2 Sec. 17, T32N, R11W	Fruitland Coal
Cox Canyon Unit #204	W/2 Sec. 17, T32N, R11W	Fruitland Coal

Northwest Pipeline Corporation also requests approval to revise the well numbers of the six Fruitland Coal wells proposed under the 1990 Original Plan of Development for the Cox Canyon Unit as follows:

Assistant District Manager, Minerals  
Commissioner of Public Lands  
Oil Conservation Commission  
April 26, 1990  
Page 2

<u>Original Well No.</u>	<u>Revised Well No.</u>	<u>Drilling Block</u>
Cox Canyon Unit #29	Cox Canyon Unit #200	All Sec. 9, T32N, R11W
Cox Canyon Unit #31	Cox Canyon Unit #201	E/2 Sec. 16, T32N, R11W
Cox Canyon Unit #32	Cox Canyon Unit #202	W/2 Sec. 16, T32N, R11W
Cox Canyon Unit #36	Cox Canyon Unit #205	E/2 Sec. 20, T32N, R11W
Cox Canyon Unit #38	Cox Canyon Unit #206	E/2 Sec. 21, T32N, R11W
Cox Canyon Unit #39	Cox Canyon Unit #207	W/2 Sec. 21, T32N, R11W

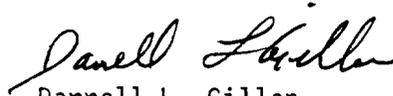
Northwest Pipeline Corporation, as Unit Operator, will drill any offset wells that may be required to prevent drainage of unitized substances and any other wells deemed necessary or which are requested by the Unit Operator or the Working Interest Owners.

If this Supplemental Plan of Development is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to Northwest Pipeline Corporation.

Copies of this Supplemental Plan of Development are being sent to the Working Interest Owners as shown on the attached sheet.

Sincerely,

NORTHWEST PIPELINE CORPORATION



Darrell L. Gillen  
Land Manager

DLG:cg  
Attachment

cc: Working Interest Owners  
W. O. Curtis  
P. C. Thompson

Assistant District Manager, Minerals  
Commissioner of Public Lands  
Oil Conservation Commission  
April 26, 1990  
Page 3

APPROVED \_\_\_\_\_ DATE \_\_\_\_\_  
Assistant District Manager, Minerals  
Bureau of Land Management  
Subject to like approval by the  
Commissioner of Public Lands and the  
Oil Conservation Commission

APPROVED \_\_\_\_\_ DATE \_\_\_\_\_  
Commissioner of Public Lands  
Subject to like approval by the  
Area Oil and Gas Supervisor and  
the Oil Conservation Commission

APPROVED  \_\_\_\_\_ DATE 4-9-90  
Oil Conservation Commission  
Subject to like approval by the  
Area Oil and Gas Supervisor and  
the Commissioner of Public Lands

The foregoing approvals are for the Supplemental 1990 Plan of Development for  
the Cox Canyon Unit I, Sec. No. 946, San Juan County, New Mexico.

U56N2650  
04/26/90

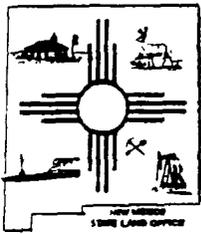
WORKING INTEREST OWNERS  
COX CANYON UNIT

AMOCO PRODUCTION COMPANY  
SOUTHERN DIVISION, PRODUCTION MGR.  
1670 BROADWAY  
P.O. BOX 800  
DENVER, CO 80201

ATLANTIC RICHFIELD COMPANY  
ATTN: JOINT INTEREST SUPERINTENDENT  
P.O. BOX 1610  
MIDLAND, TX 79702

COASTAL OIL & GAS CORP.  
ATTN: MR. JOHN R. KENNEDY  
P.O. BOX 749  
DENVER, CO 80201-0749

CONOCO, INC.  
P.O. BOX 460  
HOBBS, NM 88241-0460



State of New Mexico  
Commissioner of Public Lands

April 2, 1990

W. R. Humphries  
COMMISSIONER

Advisory Board

George Clark  
Chairman

Kristin Conniff  
Vice Chairman

Melvin Cordova  
Joe Kelly

Robert Portillos

Nancy Lynch Vigil

Rex Wilson

Bass Enterprises Production Co.  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

ATTN: Mr. Jens Hansen

RE: **Big Eddy Unit**  
Eddy and Lea Counties, New Mexico  
1990 Plan of Development

Gentlemen:

The Commissioner of Public Lands has this date approved the 1990 Plan of Development for the Big Eddy Unit. Our approval is subject to like approval by all other appropriate agencies.

In our letter to you, dated January 3, 1990, we requested information about the Unit that we did not receive in the Plan of Development that you submitted. Attached is a checklist that identifies the information that was omitted. Please submit this information at your earliest convenience.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the Unit may exist. You will be contacted at a later date regarding these possibilities.

Enclosed is an approved copy of the 1990 Plan of Development for your files. If we may be of further help, please do not hesitate to contact Susan Howarth at (505) 827-5791.

Very truly yours,

W.R. HUMPHRIES,  
COMMISSIONER OF PUBLIC LANDS

BY:

*Floyd O. Prando*

FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5749

cc: OCD - Santa Fe, New Mexico  
BLM  
Unit Correspondence File  
Unit P.O.D. File

WRH/FOP/SMH

P.O. Box 1148 Santa Fe, NM 87504-1148 (505) 827-5760

BASS ENTERPRISES PRODUCTION CO.

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

#365

December 11, 1989

Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

Attn: Mr. Joe Lara

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Sante Fe, New Mexico 87504-1148

Attn: Mr. Floyd Prando

New Mexico Oil Conservation Division  
P. O. Box 2088  
Sante, Fe New Mexico

Attn: Mr. Bill LeMay

Re: 1990 Plan of Development  
**Big Eddy Unit**  
Eddy and Lea Counties, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1990.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

1989 ACTIVITY

Big Eddy Unit No. 114 -

This well is to be drilled by Bettis Brothers, Inc., as designated agent for Bass on or before December 25, 1989, at a location 2080' FNL and 660' FEL in Section 21, T21S-R29E, Eddy County, New Mexico. The drilling of this well will comply with the 1989 Plan of Development.

### PARTICIPATING AREAS

According to our records, Bass Enterprises Production Co. has submitted all wells drilled to date where adequate production information is available for commercial determinations and participating areas. In the event you have not received commercial determinations for all of our wells drilled to date, as well as proposed participating areas when appropriate, please advise us at your convenience and we will submit same to you.

### FUTURE DEVELOPMENT

Big Eddy Well No. 115 -                      This well will be drilled to a sufficient depth to test the Delaware Formation in the unitized depths. A specific well location will be provided at a later date.

### OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from the lands subject to the Big Eddy Unit Agreement or pursuant to applicable regulations.

### ADDITIONAL DEVELOPMENT

This Plan of Development will constitute the activity to be conducted under the terms of the Big Eddy Unit Agreement for the period ending December 31, 1990. In the event economic conditions should change, resulting in the improvement of marketing oil and gas from this unit area, the Operator will modify this plan of development to provide for additional activity. Presently, sixteen (16) gas wells are shut-in in the Big Eddy Unit due to the poor gas market. Gas sales will resume from these wells when prices will justify additional development.

### MODIFICATIONS

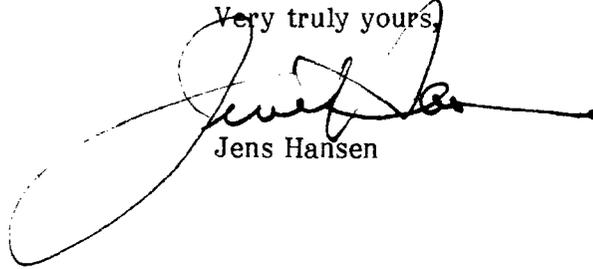
In accordance with the terms and provisions of the Big Eddy Unit Agreement, this plan of development may be modified from time to time as a result of changing conditions.

EFFECTIVE DATE

This plan of development shall be effective from January 1, 1990, to December 31, 1990.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one signed copy of the letter to Bass for its records.

Very truly yours,



Jens Hansen

RAM/JH/tlo

ACCEPTED TO AND AGREED this 26 day of Dec, 1989.

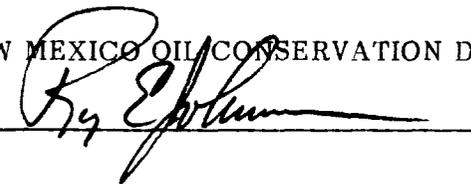
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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

State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER



#365

Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

SLO REF NO. OG-990

January 3, 1989

Bass Enterprises Production Co.  
Attn: Mr. Jens Hansen  
First City Bank Tower, 201 Main St  
Fort Worth, Texas 76102

Re: 1989 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development.

Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

cc: OCD  
BLM

BASS ENTERPRISES PRODUCTION CO.

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

December 12, 1988

Bureau of Land Management  
P. O. Box 1397  
Roswell, New Mexico 88201

Attn: Mr. Joe Lara

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Sante Fe, New Mexico 87504-1148

Attn: Mr. Floyd Prando

New Mexico Oil Conservation Division  
P. O. Box 2088  
Sante, Fe New Mexico

Attn: Mr. Bill LeMay

Re: 1989 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1989.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

1988 ACTIVITY

Big Eddy Unit No. 102 - This well was drilled at a location 1,980' FSL and 1,980' FWL in Section 30, T21S-R28E, Eddy County, New Mexico. The well was drilled to the Morrow Formation to a total depth of 12,093' and was plugged and abandoned as a dry hole.

PARTICIPATING AREAS

According to our records, Bass Enterprises Production Co. has submitted all wells drilled to date for commercial determinations and participating areas. In the event you have not received commercial determinations for all of our wells drilled to date, as well as proposed participating areas when appropriate, please advise us at your convenience and we will submit same to you.

FUTURE DEVELOPMENT

Big Eddy Well No. 103 -                      This well will be drilled to a depth sufficient to test the Strawn formation. A specific well location will be given at a later date.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from the lands subject to the Big Eddy Unit Agreement or pursuant to applicable regulations.

ADDITIONAL DEVELOPMENT

This Plan of Development will constitute the activity to be conducted under the terms of the Big Eddy Unit Agreement for the period ending December 31, 1989. In the event economic conditions should change, resulting in the improvement of marketing oil and gas from the unit area, the Operator will modify this Plan of Development to provide for additional activity. Presently, twenty-four (24) gas wells are shut-in in the Big Eddy Unit due to the poor gas market. Gas sales from these wells will resume when prices will justify additional development.

MODIFICATIONS

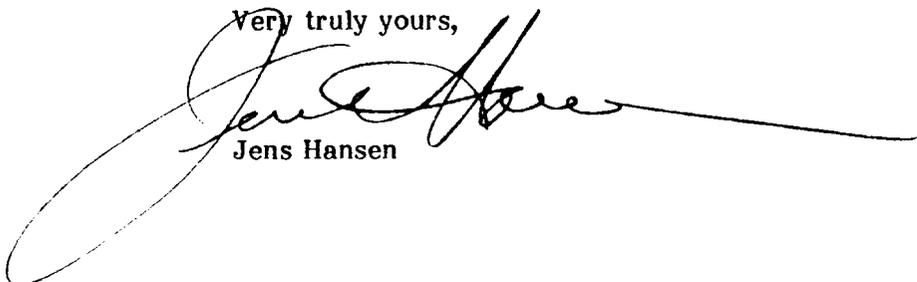
In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

EFFECTIVE DATE

This Plan of Development shall be effective from January 1, 1989, to December 31, 1989.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one signed copy of the letter to Bass for its records.

Very truly yours,

  
Jens Hansen

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
December 12, 1988  
Page 3

ACCEPTED TO AND AGREED this 28<sup>th</sup> day of Dec, 1988.

BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

By: Ray Johnson

**BASS ENTERPRISES PRODUCTION CO.**

FIRST CITY BANK TOWER  
201 MAIN ST.  
FORT WORTH, TEXAS 76102  
817/390-8400  
April 21, 1988

# 305

**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

**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:

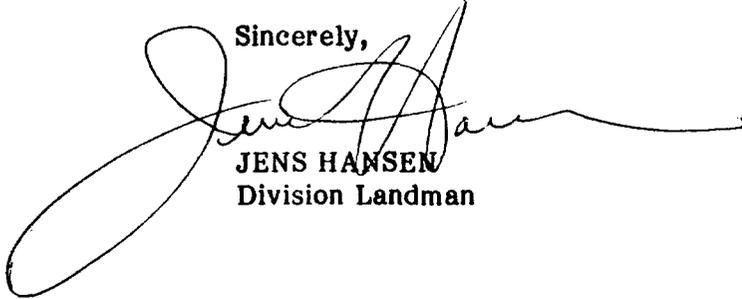
Big Eddy Unit Well No. 102 - Our Plan of Development listed this as a Delaware test to be drilled at an unspecified location. Drilling plans have now been made to drill this well to a depth of 12,100' as a Morrow test at a location 1980' FW&SL in Section 30, T21S-R28E, Eddy County, New Mexico.

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.

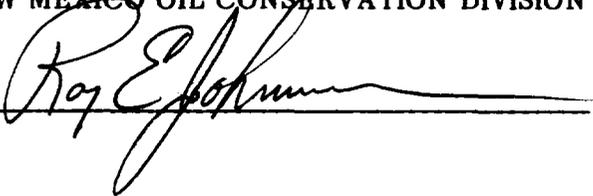
BUREAU OF LAND MANAGEMENT

By \_\_\_\_\_

COMMISSIONER OF PUBLIC LANDS

By \_\_\_\_\_

NEW MEXICO OIL CONSERVATION DIVISION

By 

State of New Mexico

365



SLO REF NO. OG-659

W.R. HUMPHRIES  
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

February 3, 1988

Bass Enterprises Production Company  
ATTENTION: Mr. Jens Hansen  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Re: Big Eddy Unit  
1988 Plan of Development  
Eddy County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1988 Plan of Development for the Big Eddy Unit Area, Eddy County, New Mexico. Such plan calls for the drilling of the Big Eddy Well 102 to test the Delaware formation.

Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*

FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

WRH/FOP/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez  
Gulram, Inc.



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
ROSSELL DISTRICT OFFICE  
P.O. BOX 1397  
ROSSELL, NEW MEXICO 88201

3180 (065)

JAN 15 1988

Bass Enterprises Production Company  
Attention: Jens Hansen  
First City Bank Tower  
201 Main Street  
Fort Worth, TX 76102

Re: 1988 Plans of Development - Big Eddy, James Ranch  
and Poker Lake Unit Areas.

Gentlemen:

We are in receipt of your 1988 Plans of Development for the Big Eddy, James Ranch and Poker Lake Unit Areas.

Such plans describing proposed activities for the 1988 calendar year are approved on this date. In addition to this approval, this office requests that Bass Enterprises Production Company express their full cooperation in the approval of Farm-outs with all interested parties as discussed with this office during the 1987 calendar year.

If you have any questions please feel free to call the Branch of Fluid Minerals at (505) 622-9042.

Sincerely,

(ORIG. SGD.) JOE G. LARA

Joe G. Lara  
Assistant District Manager,  
Minerals

1 Enclosure:

1 - Approved POD's

cc:

Commissioner of Public Lands

NMOCD

NM (065, B. Lopez)

NM (067)

BASS ENTERPRISES PRODUCTION CO.

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

December 15, 1987

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

RE: 1988 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1988.

History of Past Development

We refer to our previous Plans of Development for a detailed description of the operations conducted in this unit in prior years.

1987 Activity

Big Eddy Unit Well No. 112 - Carried as Well No. 102 under the 1987 Plan of Development, was actually drilled under a #112 designation. The well was drilled 460' FSL and 330' FWL in Section 6, T21S, R28E, to a total depth of 5770' to test the Delaware formation. The well was plugged and abandoned as a dry hole on November 11, 1987.

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
December 15, 1987  
Page 2

### Participating Areas

According to our records, Bass Enterprises Production Co. has submitted all wells drilled to date for commercial determinations and participating areas. In the event you have not received commercial determinations for all of the wells drilled to date as well as proposed participating areas when appropriate, please advise us at your convenience and we will submit same to you.

### Future Development

Big Eddy Well No. 102 - Delaware Test Well to be drilled to a depth below 5000'. A specific location will be given at a later date.

- In March of 1983, the Bureau of Land Management, Commissioner of Public Lands and the New Mexico Oil Conservation Division granted the operator, who represents the other working interest owners in the unit, relief from drilling several wells previously approved under the 1983 Plan of Development due to the deteriorating gas market in the Southeastern New Mexico area.

Since 1983, the gas marketing problems in Southeastern New Mexico have grown progressively worse. During 1987, the 15 unit wells produced a total of 72.763 MMCFG and 253 barrels of oil over a production period of 399 days. Each well produced at an average rate of 14 MCFGD, which will not even pay operation costs.

As a result operator's plans for 1988, in addition to drilling the Big Eddy Unit Well No. 102, are to continue evaluating seismic and other subsurface data for future drilling when gas prices, as well as the gas market, improve to provide adequate economic incentives for the investment of additional capital.

### Offset Obligations

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from the lands subject to the Big Eddy Unit Agreement or pursuant to applicable regulations.

### Additional Development

This Plan of Development will constitute the activity to be conducted under the terms of the Big Eddy Unit Agreement for the period ending December 31, 1988. In the event economic conditions should change, resulting in the improvement of gas marketing and the price of oil and gas in this unit area, the operator will modify this Plan of Development to provide for additional activity.

### Modifications

In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

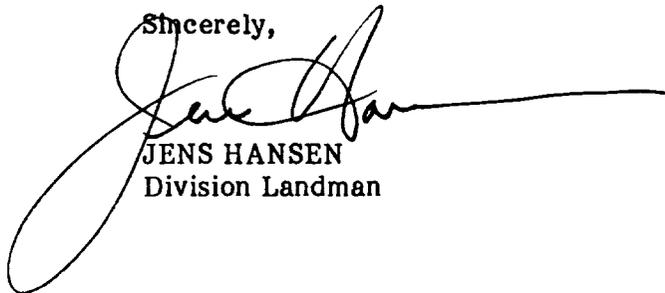
Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
December 15, 1987  
Page 3

Effective Date

This Plan of Development shall be effective from January 1, 1988 to December 31, 1988.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one signed signature letter to Bass for its records.

Sincerely,



JENS HANSEN  
Division Landman

JH:jh

AGREED TO AND ACCEPTED this 15th day of January, 1988.

BUREAU OF LAND MANAGEMENT

By J. W. Lara

COMMISSIONER OF PUBLIC LANDS

By \_\_\_\_\_

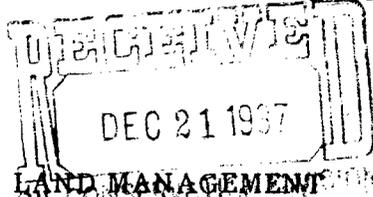
NEW MEXICO OIL CONSERVATION DIVISION

By \_\_\_\_\_

BASS ENTERPRISES PRODUCTION CO.

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

December 15, 1987



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

RE: 1988 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1988.

History of Past Development

We refer to our previous Plans of Development for a detailed description of the operations conducted in this unit in prior years.

1987 Activity

Big Eddy Unit Well No. 112 - Carried as Well No. 102 under the 1987 Plan of Development, was actually drilled under a #112 designation. The well was drilled 460' FSL and 330' FWL in Section 6, T21S, R28E, to a total depth of 5770' to test the Delaware formation. The well was plugged and abandoned as a dry hole on November 11, 1987.

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
December 15, 1987  
Page 2

### Participating Areas

According to our records, Bass Enterprises Production Co. has submitted all wells drilled to date for commercial determinations and participating areas. In the event you have not received commercial determinations for all of the wells drilled to date as well as proposed participating areas when appropriate, please advise us at your convenience and we will submit same to you.

### Future Development

Big Eddy Well No. 102 - Delaware Test Well to be drilled to a depth below 5000'. A specific location will be given at a later date.

In March of 1983, the Bureau of Land Management, Commissioner of Public Lands and the New Mexico Oil Conservation Division granted the operator, who represents the other working interest owners in the unit, relief from drilling several wells previously approved under the 1983 Plan of Development due to the deteriorating gas market in the Southeastern New Mexico area.

Since 1983, the gas marketing problems in Southeastern New Mexico have grown progressively worse. During 1987, the 15 unit wells produced a total of 72.763 MMCFG and 253 barrels of oil over a production period of 399 days. Each well produced at an average rate of 14 MCFGD, which will not even pay operation costs.

As a result operator's plans for 1988, in addition to drilling the Big Eddy Unit Well No. 102, are to continue evaluating seismic and other subsurface data for future drilling when gas prices, as well as the gas market, improve to provide adequate economic incentives for the investment of additional capital.

### Offset Obligations

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from the lands subject to the Big Eddy Unit Agreement or pursuant to applicable regulations.

### Additional Development

This Plan of Development will constitute the activity to be conducted under the terms of the Big Eddy Unit Agreement for the period ending December 31, 1988. In the event economic conditions should change, resulting in the improvement of gas marketing and the price of oil and gas in this unit area, the operator will modify this Plan of Development to provide for additional activity.

### Modifications

In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

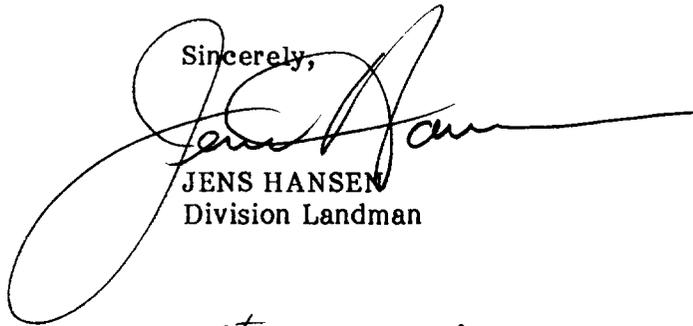
Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
December 15, 1987  
Page 3

Effective Date

This Plan of Development shall be effective from January 1, 1988 to December 31, 1988.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one signed signature letter to Bass for its records.

Sincerely,



JENS HANSEN  
Division Landman

JH:jh

AGREED TO AND ACCEPTED this 21<sup>st</sup> day of Dec., 198~~7~~<sup>7</sup>.

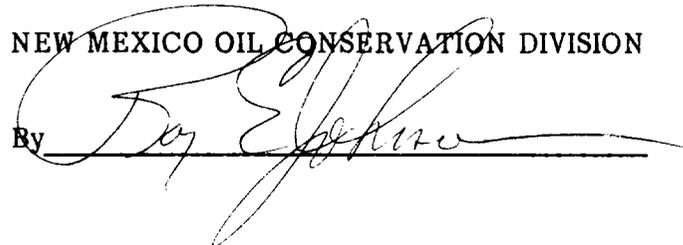
BUREAU OF LAND MANAGEMENT

By \_\_\_\_\_

COMMISSIONER OF PUBLIC LANDS

By \_\_\_\_\_

NEW MEXICO OIL CONSERVATION DIVISION

By 

BASS ENTERPRISES PRODUCTION CO.

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

#365

December 2, 1986

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. Richard Stamets

RECEIVED  
DECEMBER 2 1986  
OIL CONSERVATION DIVISION

RE: 1987 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1987.

History of Past Development

We refer to our previous Plans of Development for a detailed description of the operations conducted in this unit in prior years.

1986 Activity

Seismic and other subsurface evaluations were made during 1986 for future drilling operations. No unit wells were drilled during the year 1986 pursuant to the 1986 Plan of Development for the Big Eddy Unit.

Participating Areas

According to our records, Bass Enterprises Production Co. has submitted all wells drilled to date for commercial determinations and participating areas. In the event you have not received commercial determinations for all of the wells drilled to date as well as proposed participating areas when appropriate, please advise us at your convenience and we will submit same to you.

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
December 2, 1986  
Page Two

### Future Development

In March of 1983, the Bureau of Land Management, Commissioner of Public Lands and the New Mexico Oil Conservation Division granted the operator, who represents the other working interest owners in the unit, relief from drilling several wells previously approved under the 1983 Plan of Development due to the deteriorating gas market in the Southeastern New Mexico area. In a letter dated March 15, 1983, Bass reported that it had invested in excess of \$81,000,000 in drilling capital and equipment in new wells and workovers since 1977. That has increased from 1982, through November of 1986, to approximately \$91,000,000 (see attached graph). When added to the money spent by other working interest owners in the Big Eddy, James Ranch and Poker Lake Units, the total expenditure since 1977 is well in excess of \$100,000,000, which does not include lease operating expenses, major maintenance or production taxes. It is our belief that the \$100,000,000 expenditure in the exploration and production of hydrocarbons from these federal units, notwithstanding the amount spent prior to 1977, demonstrates a diligent and good faith effort to develop these units.

Since 1983, the gas marketing problems in Southeastern New Mexico have grown progressively worse. Currently, the gas wells in this unit, at most, are only producing 10% of their deliverability due to gas company curtailments. This economic situation extends payout on our investments beyond the acceptable range. And when the poor oil and gas price factor is included, it becomes prohibitive to drill exploratory or development wells for oil or gas.

As a result, operator's plans for 1987 are to continue evaluating seismic and other subsurface data for future drilling when oil and gas prices, as well as the gas market, improve to provide adequate economic incentives for the investment of additional capital.

### Offset Obligation

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from the lands subject to the Big Eddy Unit Agreement or pursuant to applicable regulations.

### Additional Development

This Plan of Development will constitute the activity to be conducted under the terms of the Big Eddy Unit Agreement for the period ending December 31, 1987. In the event economic conditions should change, resulting in the improvement of gas marketing and the price of gas in this unit area, the operator will modify this Plan of Development to provide for additional activity.

### Modifications

In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

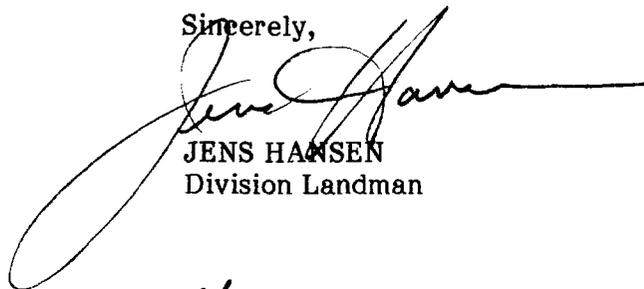
Bureau of Land Management  
Commissioner of Public Land  
New Mexico Oil Conservation Division  
December 2, 1986  
Page Three

Effective Date

This Plan of Development shall be effective from January 1, 1987 to December 31, 1987.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one signed signature letter to Bass for its records.

Sincerely,



JENS HANSEN  
Division Landman

JH:jh

AGREED TO AND ACCEPTED this 12<sup>th</sup> day of December, 1986.

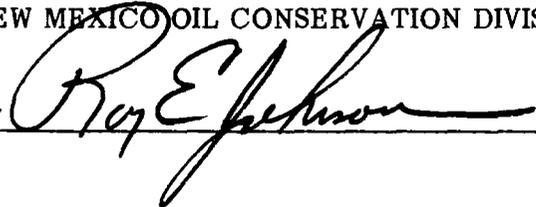
BUREAU OF LAND MANAGEMENT

By \_\_\_\_\_

COMMISSIONER OF PUBLIC LANDS

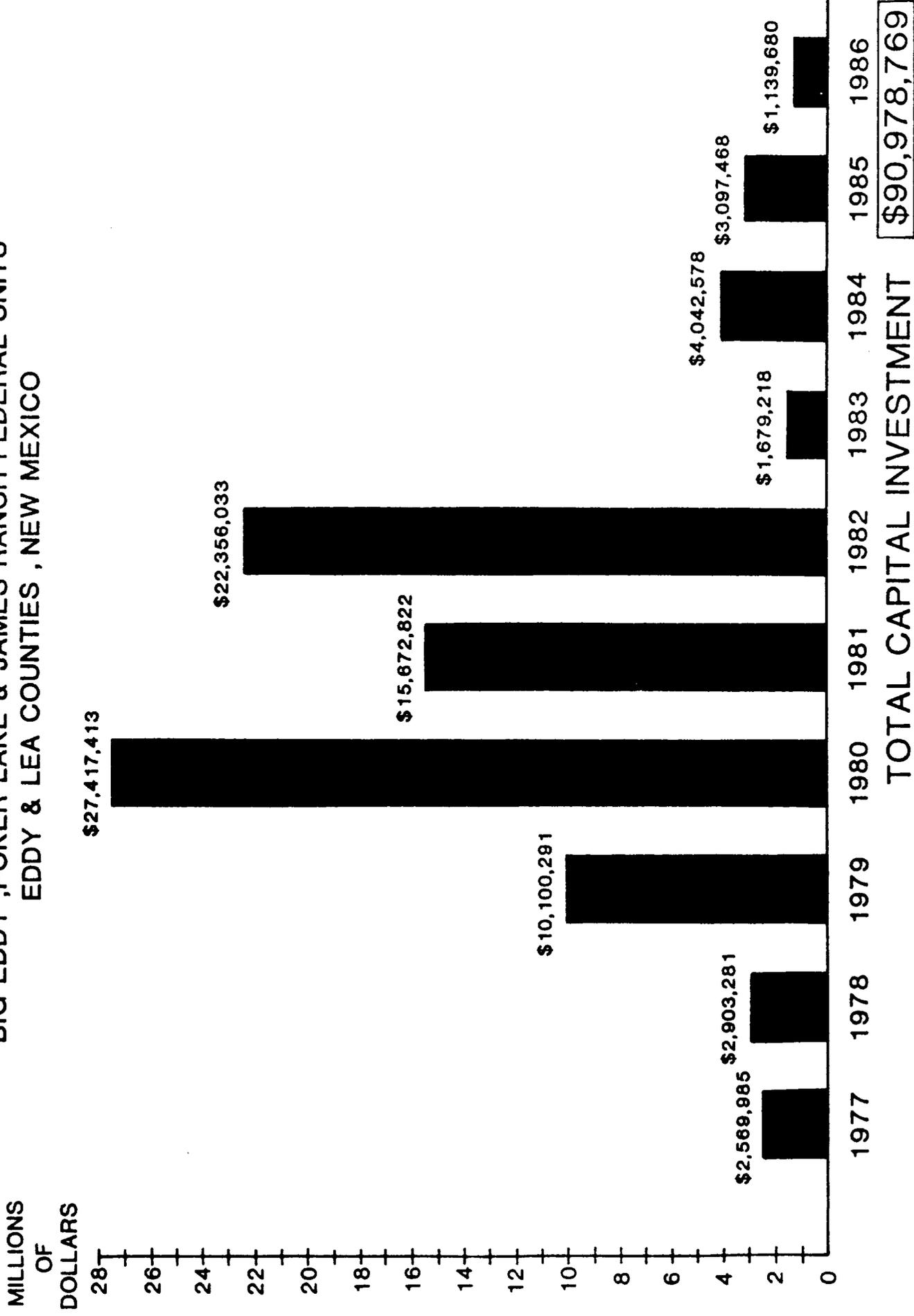
By \_\_\_\_\_

NEW MEXICO OIL CONSERVATION DIVISION

By  \_\_\_\_\_

# CAPITAL INVESTMENT

BIG EDDY ,POKER LAKE & JAMES RANCH FEDERAL UNITS  
EDDY & LEA COUNTIES , NEW MEXICO





JIM BACA  
COMMISSIONER

State of New Mexico  
OFFICE OF THE  
Commissioner of Public Lands  
Santa Fe

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

December 16, 1986

Bass Enterprises Production Company  
ATTENTION: Mr. Jens Hansen  
201 Main Street  
Fort Worth, Texas 76102

Re: 1987 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1987 Plan of Development for the Big Eddy Unit Area, Eddy and Lea Counties, New Mexico. Such plan proposes to continue seismic and other subsurface evaluations of the unit area.

Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

JB/FOP/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Box 1397, Roswell, New Mexico - 88201

IN REPLY  
REFER TO:

3180 (065)

SEP 2 1986

Rass Enterprises Production Company  
Attn: Mark Chambers  
First City Bank Tower  
201 Main Street  
Fort Worth, TX 76102

Re: Commercial Well Determinations  
Big Eddy Unit Wells Nos. 98, 99, 100, 103  
Eddy County, New Mexico

Gentlemen:

We have received reservoir and economic data from Exxon Company, USA in support of a non-commercial determination on the Big Eddy Unit No. 103 well, located in Section 10, T. 21 S., R. 28 E., NMPM, Eddy County, New Mexico. It is our decision that Big Eddy Unit No. 103 is not capable of producing unitized substances in commercial quantities and therefore is not entitled to a participating area. This well should be produced on a lease basis.

According to our log analysis, Big Eddy Unit Well No. 98, located in Section 7, T. 21 S., R. 28 E., Big Eddy Unit Well No. 99, located in Section 16, T. 21 S., R. 28 E., and Big Eddy Unit Well No. 100, located in Section 8, T. 21 S., R. 28 E., were completed in the non-unitized Bell Canyon (Delaware) formation and therefore are not unit wells. The above three wells should also be produced on a lease basis.

Sincerely,

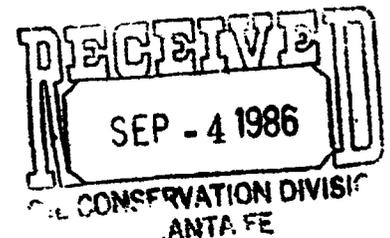
~~Off.~~ Sgt. David L. M

FOR

Francis R. Cherry, Jr.  
District Manager

cc:

Commissioner of Public Lands, Santa Fe  
NMOCD, Santa Fe





# United States Department of the Interior

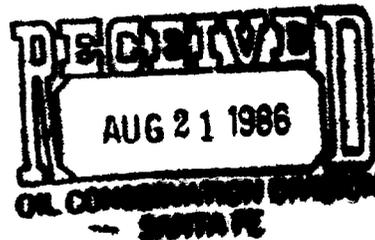
## BUREAU OF LAND MANAGEMENT

Box 1397, Roswell, New Mexico - 88201

IN REPLY  
REFER TO:

3180 (065)

Bass Enterprises Production Company  
Attn: Mark Chambers  
First City Bank Tower  
201 Main Street  
Fort Worth, TX 76102



AUG 18 1986

Re: Commercial Well Determinations  
Big Eddy Unit Wells Nos. 98, 99, 100, 103  
Eddy County, New Mexico

Gentlemen:

We have received reservoir and economic data from Exxon Company, USA in support of a non-commercial determination on the Big Eddy Unit No. 103 well, located in Section 10, T. 21 S., R. 28 E., NMPM, Eddy County, New Mexico. It is our decision that Big Eddy Unit No. 103 is not capable of producing unitized substances in commercial quantities and therefore is not entitled to a participating area. This well should be produced on a lease basis.

According to our log analysis, Big Eddy Unit Well No. 98, located in Section 7, T. 21 S., R. 28 E., Big Eddy Unit Well No. 99, located in Section 16, T. 21 S., R. 28 E., and Big Eddy Unit Well No. 100, located in Section 8, T. 21 S., R. 28 E., were completed in the non-unitized Bell Canyon (Delaware) formation and therefore are not unit wells. The above three wells should also be produced on a lease basis.

Sincerely,

Orig. Sgd. David L. Mari

FOR Francis R. Cherry, Jr.  
District Manager

cc:

Commissioner of Public Lands, Santa Fe

✓NMOCD, Santa Fe

State of New Mexico



JIM BACA  
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

July 14, 1986

Bass Enterprises Production Company  
ATTENTION: Mr. Mark D. Chambers  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Re: Commercial Determinations  
Big Eddy Unit Well Nos. 98.99.100  
and 103. Eddy County, New Mexico

Gentlemen:

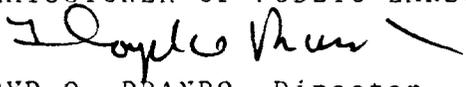
This office is in receipt of your letter of April 3, 1986, wherein you have advised this office that the Big Eddy Unit Well Nos. 98.99 and 100 were completed in the non-unitized Delaware formation. This office concurs with your determination and has this date filed this information in our files.

We will also be awaiting your non-commercial determination on the Big Eddy Unit Well No. 103.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

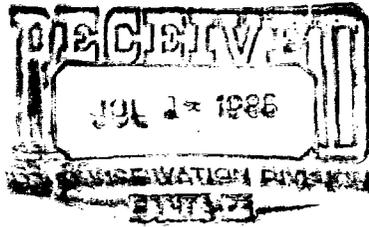
BY:   
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

JB/FOP/pm

cc: OCD-Santa Fe, New Mexico  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

ILLEGIBLE

July 9, 1986



TO: Janet Richardson

FROM: Dave Boneau *Dave Boneau*

SUBJECT: Big Eddy Unit #109-Y

This note explains why the Big Eddy Unit #109-Y is not capable of producing oil in commercial quantities. The well was spudded on March 13, 1985, and reached TD of 6037' on April 7, 1985. The well was completed on July 2, 1985, from Delaware perforations between 3552 and 5951'. Initial potential was 29 BOPD, 265 BWPD and 7 Mcf/D and the well is assigned to the Fenton Delaware pool.

The well produced approximately 20 BOPD and 230 BWPD from July through October of 1985. Since November, production has been curtailed until a salt water disposal facility can be constructed in the area. In my analysis, I assumed that the salt water disposal facility is operational when the Big Eddy Unit #109-Y begins to produce. Attachments 1 and 2 show estimates of future production of oil and water from the Big Eddy Unit #109-Y. I estimate that full-time production will resume on January 1, 1987.

Attachment 3 shows the economic parameters used in evaluating the Big Eddy Unit #109-Y. In the evaluation, I pretend the well begins to produce on July 1, 1986 and use the first six months of actual production to represent production during the last half of 1986. Starting in 1987, the well produces 20 BOPD and 230 BWPD and declines 10% per year as shown in Attachments 1 and 2. Operating costs are \$1000/month plus \$0.25 per BW sent to the disposal facility. The oil price is assumed to be \$14 per barrel and increases 4% per year. Drilling costs are \$675,000 based on actual cost to drill the Big Eddy Unit #109-Y. Attachment 4 details the actual cost to drill this well. The drilling costs are rather high for a 6000-ft well because of lost circulation problems in penetrating the Capitan Reef.

Attachment 5 shows the computer output from this economic analysis. Over 20 years, total revenue is \$1,034,000 less expenses of \$460,000. Thus, cash flow from production is \$574,000. This comes \$51,000 short of covering the cost to drill the well. At a discount rate of 10% per year, the present value of the well is -\$338,000. The well does not payout and there is no rate of return on the initial investment.

Janet Richardson

July 9, 1986

-2-

The Big Eddy Unit #109-Y is a non-commercial well. The economic analysis described above is probably optimistic. It is very possible that oil production will decline faster than 10% per year. Water production could easily increase instead of decline. The well does not payout even when I assume it can produce 55,000 BO over the next 20 years. Once the SWD facilities are installed, the well will produce significant amounts of oil; but the Big Eddy Unit #109-Y must be considered non-commercial at this point.

cc: Eddie Mahfood  
Mike Slater

Attachment 1

YATES PETROLEUM CORPORATION

BIG EDDY UNIT 109-Y

UNIT 0 SECTION 21-21S-28E

47 6843

BARRELS  
OF OIL  
per Month

1000

9  
8  
7  
6  
5  
4  
3  
2

100

9  
8  
7  
6  
5  
4  
3  
2  
1

19 85 86 87 88 89 90 91 92 93 94

10% per year

PRODUCTION CURTAILED IN  
ANTICIPATION OF SWD FACILITIES  
BY 1-1-87

K&E 20 YEARS BY MONTHS X 3 LCM CYCLES  
KLUFFEL & ESSER CO. MAP N 6.1

YATES PETROLEUM CORPORATION

BIG EDDY UNIT 109-Y

UNIT O SECTION 21-21S-20E

47 6843

BARRELS OF WATER  
PER MONTH

10,000

9

8

7

6

5

4

3

2

1

0

1000

9

8

7

6

5

4

3

2

1

0

1000

9

8

7

6

5

4

3

2

1

0

1000

9

8

7

6

5

4

3

2

1

0

1000

9

8

7

6

5

4

3

2

1

0

1000

9

8

7

6

5

4

3

2

1

0

10% per year

PRODUCTION CURTAILED SINCE 11-85  
IN ANTICIPATION OF SWD FACILITIES

19 85 19 86 19 87 19 88 19 89 19 90 19 91 19 92 19 93 19 94

KOE 20 YEARS BY MONTHS X 3 LOG CYCLES  
KEUFFEL & ESSER CO. MADE IN U.S.A.

Attachment 3

Economic Parameters

1. Completion Date = 7-1-86
2. 1986 Production = Actual Production for first 6 months
3. Future Production = 20 BOPD + 230 BWPD Declining 10% per year
4. WI = 100%
5. NRI = 87.5%
6. Oil Production Taxes = 8.1%
7. Operating Costs = \$1000 per month plus \$0.25 per BW
8. Oil Price = \$14 per BO increasing 4% per year
9. Well Costs = \$625,000 based on actual costs

AFER32 YATES PETROLEUM CORPORATION  
 AFE BUDGET / COST COMPARISON  
 NEW DRILLING WELLS  
 ACTUAL COSTS THROUGH 3/31/86

LAST UPDATE 3/31/86 LEASE-WELL-SUB 12989-02-1 AFE# 850490 WELL NAME BIG EDDY UNIT #109-Y YPC  
 OWNER NUMBER 99990 OWNER NAME YATES PETROLEUM CORPORATION

AFE BEGINING DATE 3/01/85 ESTIMATED AFE TYPE 1 NEW DRILLING HORIZON 125 DELAWARE TD 06030  
 AFE ENDING DATE 12/31/99 DRILLING TYPE 2 EXPLORATORY FIELD 000 P8TD 05987  
 SPUD DATE 3/13/85 ACTUAL TYPE OF WELL O OIL CONTRACIOR 00000  
 COMPLETION DATE 7/02/85 ACTUAL LOCATION 21S 28E 021 OPERATOR 99990 YATES PETROLEUM CORPORATION  
 RIG RELEASE DATE 4/10/85 EDD NM

ACCT	DESCRIPTION	DRY BUDGET	COMPLETION BUDGET	ACTUAL COST FISCAL	ACTUAL COST CUMULATIVE	VARIANCE (MINUS OVER BUDGET)
9210	STAKING PERMIT & LEGAL FEES	1,000	1,000	.00	.00	1,000.00
9211	LOCATION, RIGHT-OF-WAY	10,000	10,000	.00	.00	10,000.00
9212	DRILLING FOOTAGE	109,800	109,800	112,479.53	112,479.53	2,679.53
9213	DRILLING DAYWORK	0	0	8,039.02	8,039.02	8,039.02
9214	DRILLING WATER	12,000	12,000	23,026.12	23,026.12	11,026.12
9215	DRILLING MUD & ADDITIVES	9,000	9,000	16,772.14	16,772.14	7,772.14
9216	MUD LOGGING	2,000	2,000	4,649.85	4,649.85	2,649.85
9217	CMT. CMT TOOLS&SERV. TEMP. SURVEY	5,000	5,000	20,656.96	20,656.96	15,656.96
9219	ELECTRIC LOGS	18,000	18,000	15,785.23	15,785.23	2,214.77
9220	TOOL & EOP RNTL. TRUCKING & WLDG	25,000	25,000	15,562.09	15,562.09	9,437.91
9221	SUPERVISION & OVERHEAD	2,700	2,700	3,667.80	3,667.80	967.80
9222	CONTINGENCY	19,000	20,000	22,036.38	22,036.38	2,036.38
9224	BITS, TOOL & SUPPLIES PURCHASE	500	500	140.17	140.17	359.83
9235	CMT. CMT TLS. SVC. IMP SUR-PRD SV	0	7,000	13,568.55	13,568.55	6,568.55
9241	RIG EXPENSE	0	7,200	32,666.24	32,666.24	25,466.24
9242	WATER	0	1,500	5,832.06	5,832.06	4,332.06
9243	MUD & ADDITIVES	0	800	1,676.84	1,676.84	876.84
9244	CEMENT, TOOL & SERV. TEMP. SURVEY	0	2,500	.00	.00	2,500.00
9245	ELEC. LOGS, TESTING & PERFORATING	0	2,800	9,729.99	9,729.99	6,929.99
9246	TOOL & EQUIP. RENTAL, TRKG & WLDG.	0	5,000	19,647.63	19,647.63	14,647.63
9247	STIMULATION	0	32,000	69,677.88	69,677.88	37,677.88
9248	SUPERVISION & OVERHEAD	0	1,700	17,605.87	17,605.87	15,905.87
9249	DIRTY WORK & DAMAGES	0	1,600	1,681.14	1,681.14	81.14
9250	CONTINGENCY	0	6,400	.00	.00	6,400.00

YATES PETROLEUM CORPORATION  
AFE BUDGET / COST COMPARISON  
NEW DRILLING WELLS  
ACTUAL COSTS THROUGH 3/31/86

LAST UPDATE 3/31/86 LEASE-WELL-SUB 12989-02-1 AFE# 850490 WELL NAME BIG EDDY UNIT #109-Y YPC  
##CONT.## OWNER NUMBER 99990 OWNER NAME YATES PETROLEUM CORPORATION

AFE BEGINING DATE 3/01/85 ESTIMATED AFE TYPE 1 NEW DRILLING HORIZON 125 DELAWARE TD 06030  
AFE ENDING DATE 12/31/99 DRILLING TYPE 2 EXPLORATORY FIELD 000 PBDT 05987  
SPUD DATE 3/13/85 ACTUAL TYPE OF WELL 0 OIL CONTRACTOR 00000  
COMPLETION DATE 7/02/85 ACTUAL LOCATION 21S 28E 021 OPERATOR 99990 YATES PETROLEUM CORPORATION  
RIG RELEASE DATE 4/10/85 EDD NM

ACCT	DESCRIPTION	DRY BUDGET	COMPLETION BUDGET	ACTUAL COST FISCAL	ACTUAL COST CUMULATIVE	VARIANCE (MINUS OVER BUDGET)
9251	BITS, TOOLS & SUPPLIES PURCHASE	0	500	1,900.56	1,900.56	1,400.56-
	TOTAL INTANGIBLE	214,000	284,000	416,802.05	416,802.05	132,802.05-
9301	CHRISTMAS TREE & WELLHEAD	1,700	5,400	3,822.12	3,822.12	1,577.88
9302	CASING	38,300	82,600	70,215.50	70,215.50	12,384.50
9303	TUBING	0	17,700	16,761.41	16,761.41	938.59
9304	PACKER & SPECIAL EQUIPMENT	0	1,500	.00	.00	1,500.00
9320	USED EQUIPMENT	0	0	18.50-	18.50-	18.50
9350	CONTINGENCY	0	800	.00	.00	800.00
	TOTAL WELL EQUIPMENT	40,000	108,000	90,780.53	90,780.53	17,219.47
9401	PUMPING EQUIPMENT	0	48,000	89,337.30	89,337.30	41,337.30-
9402	STORAGE FACILITIES	0	10,400	.00	.00	10,400.00
9403	SEPARATION Eqp., FLOWLNS, MISC VL	0	11,900	11,747.53	11,747.53	152.47
9404	TRUCKING & CONSTRUCTION COSTS	0	5,700	16,059.83	16,059.83	10,359.83-
	TOTAL LEASE AND BATTERY	0	76,000	117,144.66	117,144.66	41,144.66-
	TOTALS FOR WELL	254,000	468,000	624,727.24	624,727.24	156,727.24-

PRESENT WORTH \$

BIG CDDY UNIT 109Y	10.0 : -338.11	40.0 : -536.17	70.0 : -579.60	ASSUME COMPLETE 7-1-86
SWD = 80.25 PER BW	20.0 : -450.30	50.0 : -556.08	80.0 : -586.99	10 % DECLINE
	30.0 : -504.93	60.0 : -569.74	90.0 : -592.70	
OIL PROD. TAX (\$/BBL) : 0.00	OIL SEVERANCE TAX (DEC.) : .0810	STARTING YEAR : 1986	PRIMARY DISC. RATE : .100	
GAS PROD. TAX (\$/MCF) : .15	GAS SEVERANCE TAX (DEC.) : .0440	NO. MONTHS, 1ST YEAR : 6.	INT RATE-OF-RETURN : 0.0000	
INIT. WORKING INT. : 1.0000	INIT. NET REV. INT. : .8750	FIN. WORKING INT. : 1.0000	FIN. NET REV. INT. : .8750	

Y E A R	NO. WELLS	GROSS GAS PRODUCTION -MMCF-	GROSS OIL PRODUCTION -MBBL-	NET GAS PRODUCTION -MMCF-	NET OIL PRODUCTION -MBBL-	GAS PRICE -\$/MCF-	OIL PRICE -\$/BBL-	GAS REVENUE -M\$-	OIL REVENUE -M\$-	TOTAL REVENUE -M\$-
1986.00	1.000	0.000	3.000	0.000	2.625	0.000	14.000	0.000	36.750	36.750
1987.00	1.000	0.000	7.000	0.000	6.125	0.000	14.560	0.000	89.180	89.180
1988.00	1.000	0.000	6.300	0.000	5.513	0.000	15.142	0.000	83.472	83.472
1989.00	1.000	0.000	5.670	0.000	4.961	0.000	15.748	0.000	78.130	78.130
1990.00	1.000	0.000	5.103	0.000	4.465	0.000	16.378	0.000	73.130	73.130
1991.00	1.000	0.000	4.593	0.000	4.019	0.000	17.033	0.000	68.450	68.450
1992.00	1.000	0.000	4.133	0.000	3.617	0.000	17.714	0.000	64.069	64.069
1993.00	1.000	0.000	3.720	0.000	3.255	0.000	18.423	0.000	59.968	59.968
1994.00	1.000	0.000	3.348	0.000	2.930	0.000	19.160	0.000	56.130	56.130
1995.00	1.000	0.000	3.013	0.000	2.637	0.000	19.926	0.000	52.538	52.538
1996.00	1.000	0.000	2.712	0.000	2.373	0.000	20.723	0.000	49.176	49.176
1997.00	1.000	0.000	2.441	0.000	2.136	0.000	21.552	0.000	46.028	46.028
1998.00	1.000	0.000	2.197	0.000	1.922	0.000	22.414	0.000	43.083	43.083
1999.00	1.000	0.000	1.977	0.000	1.730	0.000	23.311	0.000	40.325	40.325
2000.00	1.000	0.000	1.779	0.000	1.557	0.000	24.243	0.000	37.744	37.744
2001.00	1.000	0.000	1.601	0.000	1.401	0.000	25.213	0.000	35.329	35.329
2002.00	1.000	0.000	1.441	0.000	1.261	0.000	26.222	0.000	33.068	33.068
2003.00	1.000	0.000	1.297	0.000	1.135	0.000	27.271	0.000	30.951	30.951
2004.00	1.000	0.000	1.167	0.000	1.021	0.000	28.361	0.000	28.971	28.971
2005.00	1.000	0.000	1.051	0.000	.919	0.000	29.496	0.000	27.116	27.116
TOTALS		0.000	63.544	0.000	55.601	0.000	18.590	0.000	1033.609	1033.609

Y E A R	WPT TAX -M\$-	NET SEV. & PROD TAXES -M\$-	DIRECT OPR. EXP -M\$-	TOTAL OPR. EXP. + TAXES -M\$-	OPERATING REVENUE -M\$-	TOTAL INVESTMENTS -M\$-	BFIIT CASHFLOW -M\$-	CUM BFIIT CASHFLOW -M\$-	DISCOUNTED BFIIT C.F. -M\$-	CUM DISC BFIIT C.F. -M\$-
INITIAL						625.000	-625.000	-625.000	-625.000	-625.000
1986.00	0.000	2.977	16.580	19.477	17.273	0.000	17.273	-607.727	16.431	-608.569
1987.00	0.000	7.224	31.020	38.244	50.936	0.000	50.936	-556.790	43.841	-564.728
1988.00	0.000	6.761	29.159	35.920	47.552	0.000	47.552	-509.238	37.034	-527.694
1989.00	0.000	6.329	27.409	33.738	44.392	0.000	44.392	-464.846	31.283	-496.411
1990.00	0.000	5.924	25.765	31.688	41.442	0.000	41.442	-423.404	26.424	-469.987
1991.00	0.000	5.544	24.219	29.763	38.686	0.000	38.686	-384.717	22.320	-447.667
1992.00	0.000	5.190	22.766	27.955	36.114	0.000	36.114	-348.604	18.853	-428.814
1993.00	0.000	4.857	21.400	26.257	33.711	0.000	33.711	-314.893	15.924	-412.890
1994.00	0.000	4.547	20.116	24.662	31.468	0.000	31.468	-283.425	13.450	-399.440
1995.00	0.000	4.256	18.909	23.164	29.374	0.000	29.374	-254.051	11.360	-388.080
1996.00	0.000	3.983	17.774	21.758	27.418	0.000	27.418	-226.633	9.595	-378.485
1997.00	0.000	3.728	16.708	20.436	25.592	0.000	25.592	-201.041	8.103	-370.382
1998.00	0.000	3.490	15.705	19.195	23.888	0.000	23.888	-177.153	6.844	-363.538
1999.00	0.000	3.266	14.763	18.029	22.296	0.000	22.296	-154.857	5.780	-357.758
2000.00	0.000	3.057	13.877	16.935	20.810	0.000	20.810	-134.047	4.881	-352.876
2001.00	.055	2.862	13.045	15.961	19.368	0.000	19.368	-114.680	4.111	-348.766
2002.00	.283	2.678	12.262	15.224	17.844	0.000	17.844	-96.835	3.427	-345.339
2003.00	.474	2.507	11.526	14.507	16.444	0.000	16.444	-80.391	2.858	-342.481
2004.00	.631	2.347	10.835	13.812	15.158	0.000	15.158	-65.233	2.383	-340.098
2005.00	.760	2.196	10.185	13.141	13.976	0.000	13.976	-51.257	1.988	-338.109
TOTALS	2.203	83.722	373.942	459.866	573.743	625.000	-51.257	-51.257	-338.109	-338.109

**BASS ENTERPRISES PRODUCTION CO.**

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

July 7, 1986

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

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. Richard Stamets

RE: Commercial Determinations  
Big Eddy Unit Wells No. 84, 92, 94 and 97  
Eddy County, New Mexico

Gentlemen:

In accordance with the provisions of Section 11 of the Big Eddy Unit Agreement dated April 10, 1952, we hereby submit the attachments hereto covering the wells listed below to support our recommendation that each of the following wells be determined to be non-commercial, and thereby not receive participating areas:

Big Eddy Unit Well No. 84 - Wolfcamp - located 1980' FNL and 1980' FEL, Section 18, T21S-R29E, Eddy County, New Mexico

Big Eddy Unit Well No. 92 - Atoka - located 1980' FSL and 660' FWL, Section 14, T21S-R28E, Eddy County, New Mexico

Big Eddy Unit Well No. 94 - Morrow - located 1980' FNL and 660' FWL, Section 20, T21S-R29E, Eddy County, New Mexico

Big Eddy Unit Well No. 97 - Morrow - located 1980' FNL and 1980' FWL, Section 35, T21S-R29E, Eddy County, New Mexico

Additional Big Eddy Unit Wells which are not submitted have not yet provided enough data to reach a conclusive determination whether such wells are commercial. We anticipate obtaining necessary data for such determinations in the very near future and at such time as such data is obtained we will submit commercial determinations for such wells.

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
July 7, 1986  
Page 2

If you should have any questions regarding the data submitted for the commercial determinations on the above named wells, please contact John Rodgers in our Midland office at (915) 688-3300.

Sincerely,

A handwritten signature in cursive script that reads "Mark D. Chambers". The signature is written in black ink and is positioned above the printed name.

MARK D. CHAMBERS  
Landman

MDC:jh  
Attachments

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

-----  
 WELL Big Eddy Unit No. 84 FORMATION Wolfcamp  
 LOCATION G UNIT, 1980 FEET FROM N LINE & 1980 FEET FROM E LINE,  
SECTION 18, RANGE 29E, TOWNSHIP 21S, COUNTY Eddy NEW MEXICO  
 SPUD DATE 11/19/81 COMPLETION DATE 3/9/83 INIT. PROD. DATE 12/2/83  
 PERFORATIONS 10041, 42, 43, 44, 10134, 35, 36, 37, 38, 39, 40, 41, 42, 43,  
44, 45, 46, 47, 48, 49' (20 holes)

STIMULATION:

ACID \_\_\_\_\_  
 \_\_\_\_\_  
 FRACTURE 10,248 gallons of 28% gelled acid  
5124 gallons CO<sub>2</sub> x 24,192 lbs 100 mesh sand  
 \_\_\_\_\_  
 \_\_\_\_\_

POTENTIAL CAOF 1022 MCFGPD

(ATTACH COPY OF C-122. ATTACH COPY OF WELLBORE SKETCH OF COMPLETED WELL.)

VOLUMETRIC CALCULATION

-----

	FORMATION	
	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>320</u>	
*Porosity ( $\phi$ ), %	<u>6.2</u>	
*Water Saturation ( $S_w$ ), %	<u>15.8</u>	
*Net thickness (h) >3% $\phi$ & <40% $S_w$ , ft	<u>11</u>	
Temperature (T), °F	<u>173</u>	

\*See attached calculation sheets.

(2)

Bottomhole pressure (P), psia 4788  
 NOTE: 62 hour final buildup @ mid-perf  
 Recovery factor (RF), (80% assumed) 80  
 Recoverable gas, MCF (See eq. below) 1,820,544

\*Recoverable gas, MCF = (43,560)(Ø)(1-Sw)(A)(h)(RF)(Bgi) where

\*  $Bgi = 0.03535 \frac{P}{ZT} \frac{MSCF}{Cu Ft}$

PERFORMANCE DATA

-----  
 If sufficient history exists, attach plot of gas production rate vs time.

(Cumulative production to 3 / 1 /86 ; 13,055 MCF. (SI 7/85)

Initial rate (qi), 0 MCF/mo

Economic limit (ql), \_\_\_\_\_ MCF/mo NOTE: Well has reached economic limit; no remaining reserves.  
 Decline rate, dy \_\_\_\_\_ %

Remaining gas (Q) = 0 MCF

Ultimate recoverable gas 13055 MCF

$Q = \frac{(qi - ql) 12 \text{ mo/yr}}{-\ln(1-dy)}$

Attach plat showing proration unit and participating area.

<u>RECOVERABLE GAS</u>	<u>GAS (MCF)</u>	<u>COND (BBLS)</u>
Gas sand previously produced	<u>0</u>	<u>0</u>
Sand perforated	<u>13055 (1)</u>	<u>2873</u>
Sand not perforated, but potentially productive	<u>NA (2)</u>	<u>NA</u>
Total recoverable gas	<u>13055</u>	<u>2873</u>

(1) performance recoverable gas if available

(2)  $\frac{\text{performance sand perforated}}{\text{volumetric sand perforated}} \times \text{volumetric sands not perforated} = \text{performance sands not perforated}$

Participating area size based on ratio of production history and volumetrics

320 acres---minimum area is proration unit.

(3)

ECONOMIC

---

\*Well Cost \$ 698,173 (to the depth of formation completed)

Recompletion Cost \$ 0

TOTAL COST \$ 698,173

(Gas Price)(Net Revenue Interest)(1-Ad Valorem Taxes) - Production Tax + [(Oil Price)(Net Revenue Interest)(Cond. Yield, bbl/MCFG)(1 -Production and Ad Valorem Taxes)] - [(Oil Price - Base Price) WFPT %] NRI

\*Net Gas Price = \$5.98

Operating Cost \$1500/Month

BEPCO Net Income = (Gross Gas)(Net Gas Price)

YEAR	GROSS GAS	BEPCO NET INCOME	OPERATING COST	15% DISCOUNT FACTOR	DISCOUNTED CASH FLOW
Zero	---	---	---	1.0000	-698,173
1983	3,422	20,464	18,000	0.9325	2,298
1984	6,973	41,699	18,000	0.81087	19,217
1985	2,660	15,907	9,000	0.70511	4,870

Remainder 0  
-671,788

If payout is five years or less, well is considered economical.

(BEPCO Net Income - Operating Expense) discount factor = -\$671,788

discounted cash flow. UNECONOMICAL

BIG EDDY UNIT NO. 84  
PERFORATED SANDS

---

INTERVALS	h	ØD	ØN	ØXP	Øh
10041'-42'	1	8	8	8	8
42'-44'	2	11.5	11	11.3	22.6
10136'-38'	2	5.5	3	4.5	9
* 38'-40'	2	3.5	2	2.7	
40'-42'	2	6	3	4.4	8.8
42'-44'	2	6.4	3.5	4.7	9.4
44'-46'	2	7	3	5	10
* 46'-48'	<u>2</u>	2	1	1.4	<u>        </u>
TOTAL h	11			TOTAL Øh	67.8

$$\text{AVERAGE } \emptyset = \frac{\text{TOTAL } \emptyset h}{\text{TOTAL h}} = \frac{67.8}{11} = 6.2\% \emptyset \text{ above } 3\% \emptyset$$

\*These intervals have been eliminated from the calculations due to ØXP being 3% or less.

BIG EDDY UNIT NO. 84  
PERFORATED SANDS

INTERVALS	LLD	LLS	MSFL	Rt	(Sw)(ØXP)(h) = Sw WEIGHTED
10041'-42'	560	520	200	616	(.142)(.080)(1)=.0114
42'-44'	500	450	400	550	(.107)(.113)(2)=.0240
10136'-38'		] Rt = or > 1000			(.199)(.045)(2)=.0179
* 38'-40'					(.203)(.044)(2)=.0179
40'-42'					(.190)(.047)(2)=.0179
42'-44'					(.179)(.050)(2)=.0179
* 44'-46'					
* 46'-48'					

TOTAL Sw WEIGHTED .1070

$$\text{AVERAGE Sw} = \frac{\sum(h)(\emptyset)(Sw)}{(\emptyset)(h)} = \frac{0.107}{0.678} = 15.8\% \text{ below } 40\% \text{ Sw}$$

\*These intervals have been eliminated from the calculations due to ØXP being 3% or less.

VOLUMETRIC CALCULATIONS  
RECOVERABLE GAS  
PERFORATED SANDS

---

Bgi CALCULATION

$$Z = 0.9405$$

$$B_{gi} = 0.03535$$

$$\frac{4788}{(0.9405)(173+460)}$$

$$B_{gi} = 0.2843$$

VOLUME CALCULATION

$$MCF = (43560)(\emptyset)(1-S_w)(A)(h)(RF)(B_{gi})$$

$$MCF = (43560)(0.062)(1-0.158)(320)(11)(0.80)(0.2843)$$

$$MCF = 1,820,544$$

ECONOMIC

-----

Drilling cost to 10,252'	\$425,603
Logging, casing & cement cost	218,570
Wolfcamp completion cost	<u>54,000</u>
<b>TOTAL COST TO DEPTH OF FORMATION COMPLETED</b>	<b>\$698,173</b>

Gas Price = December 1985 LIOR      Production Tax =  $\frac{\text{Prod \& Severance Taxes Net}}{\text{Total Bass Gross Revenue}}$

Oil Price = \$15.00      Ad Valorem Tax = 2%

WPT = 0

Net Gas Price =  $\left| (4.27)(0.845)(1-0.02) - \left( \frac{1641.43}{21593.21} \right) \right| + \left| (\$15.00)(0.845) \right|$

$\left( \frac{2873}{13055} \right) (1-0.02 - \frac{1641.43}{21593.21}) \right|$

Net Gas Price = \$5.98

**NEW MEXICO OIL CONSERVATION COMMISSION**  
**MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL**

Form C-122  
 Revised 9-1-83

Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special		Test Date 3/11/83	
Company <b>PERRY R. BASS</b>		Correlation <b>AIR</b>	
Pool		Formation <b>WOLFCAMP</b>	
Completion Date 3/9/83		Total Depth 12721	Plug back To 11691
		Elevation 3308.3 GL	
Csg. Size 5 1/2		wt. 17	Set At 11691
Fig. Size 2 3/8		wt.	Set At 9930
		Perforations: From 10041 To 10149	
		Perforations: From To	
Type Well - Single - Prodenhead - G.G. or G.O. Multiple <b>SINGLE GAS</b>		Packer Set At 9930	Unit G
Producing Thru TBC.		Reservoir Temp. °F 173 @ 9915	Mean Annual Temp. °F 60
		Buro. Press. - P <sub>g</sub> 13.2	Form of Lease <b>BIG EDDY UNIT</b>
L 9915	H 9915	Gg .8432	Well No. 84
		% CO <sub>2</sub> 3.238	Unit Sec. Twp. Rge. G 18 21S 29E
		% N <sub>2</sub> 1.000	County <b>EDDY</b>
		% H <sub>2</sub> S	State <b>NEW MEXICO</b>
		Prover	Meter Run 4"
			Surf. <b>FLG.</b>

FLOW DATA							TUBING DATA		CASING DATA		Duration of Flow
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. hw	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.	Temp. °F	
SI							2682				34 hrs.
1.	4 X 1,000			450	3.25	70	2230				1 hr.
2.	4 X 1,000			445	10.00	110	1980				1 hr.
3.	4 X 1,000			450	23.00	88	1760				1 hr.
4.	4 X 1,000			450	33.00	98	1460				1 hr.
5.	4 X 1,000			450	36.00	95	940				4 hrs.

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P <sub>m</sub>	Flow Temp. Factor Ft.	Gravity Factor Fg	Super. Compens. Factor, Fpv	Rate of Flow O. Meid
1	4.753	38.80	463.2	.9905	1.089	1.076	214
2	4.753	67.69	458.2	.9551	1.089	1.056	353
3	4.753	103.22	463.2	.9741	1.089	1.067	555
4	4.753	123.63	463.2	.9653	1.089	1.062	656
5	4.753	129.13	463.2	.9680	1.089	1.064	688

NO.	P <sub>g</sub>	Temp. °R	T <sub>r</sub>	Z	Gas Liquid Hydrocarbon Ratio _____ Mcl/lbl.
1	.69	530	1.23	.864	A.P.I. Gravity of Liquid Hydrocarbons _____ Deg.
2	.68	570	1.33	.896	Specific Gravity Separator Gas _____ XXXXXX XXXX
3	.69	548	1.27	.879	Specific Gravity Flowing Fluid _____ XXXXX 1.962
4	.69	558	1.30	.887	Critical Pressure _____ 675 P.S.I.A. _____ P.S.I.A.
5	.69	555	1.29	.884	Critical Temperature _____ 430 _____ R _____ H

NO.	HHP	P <sub>w</sub>	P <sub>w</sub> <sup>2</sup>	P <sub>w</sub> <sup>2</sup> - P <sub>w</sub> <sup>2</sup>	(1) $\frac{P_c^2}{P_w^2 - P_w^2} = 2.621$	(2) $\left[ \frac{P_c^2}{P_w^2 - P_w^2} \right]^n = 1.842$
1	4822.2		23253.6	2089.6		
2	4539.2		20604.3	4738.9		
3	3959.2		15675.3	9667.9		
4	3524.2		12420.0	12923.2	ADP = 0	$\left[ \frac{P_c^2}{P_w^2 - P_w^2} \right]^n = 1.022$
5	2518.2		6341.3	19001.9		

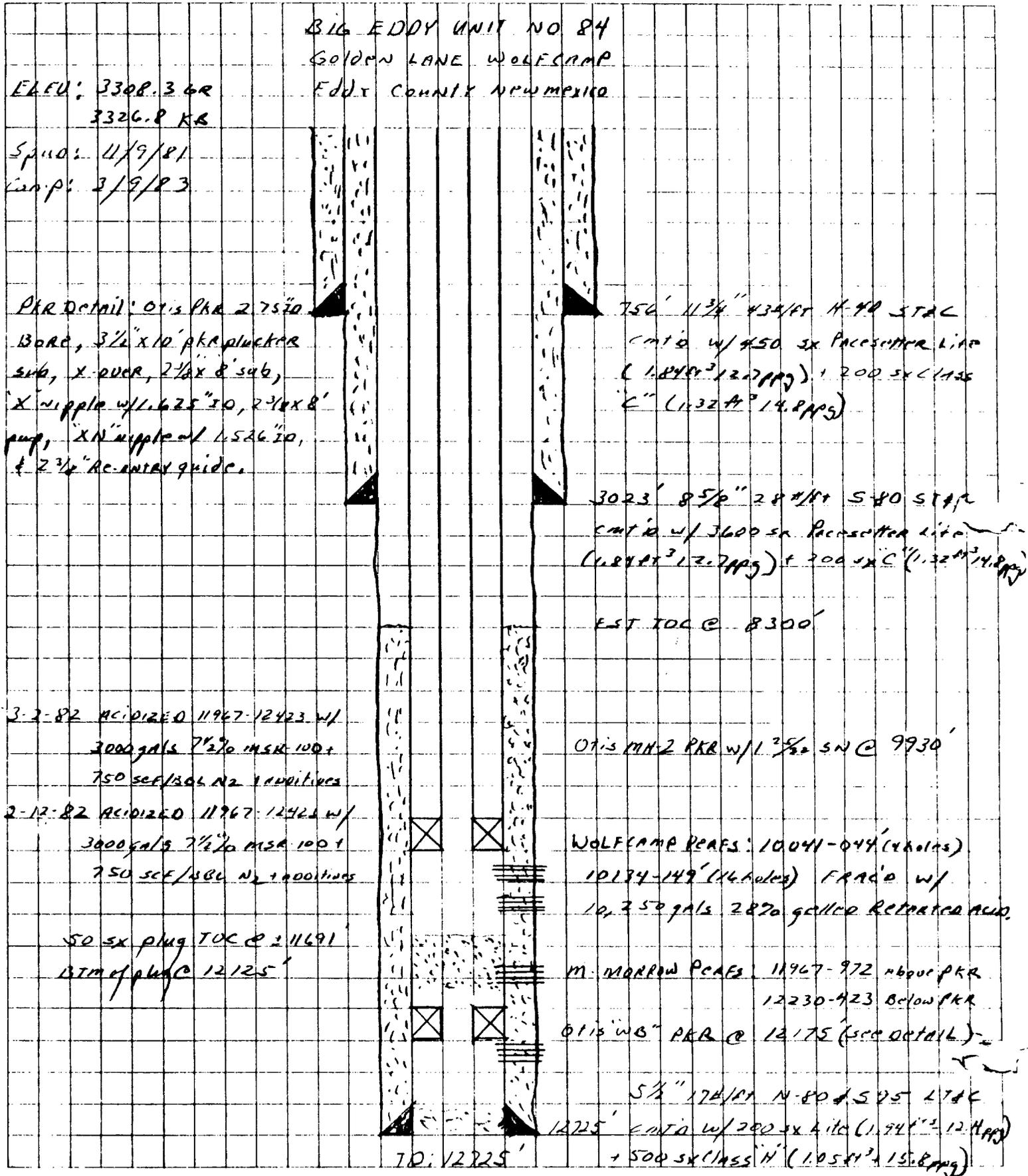
  

Absolute Open Flow _____ 1,022 _____ Mcl @ 15.025	Angle of Slope α _____ 57.5°	Slope, n _____ .634
---	------------------------------	---------------------

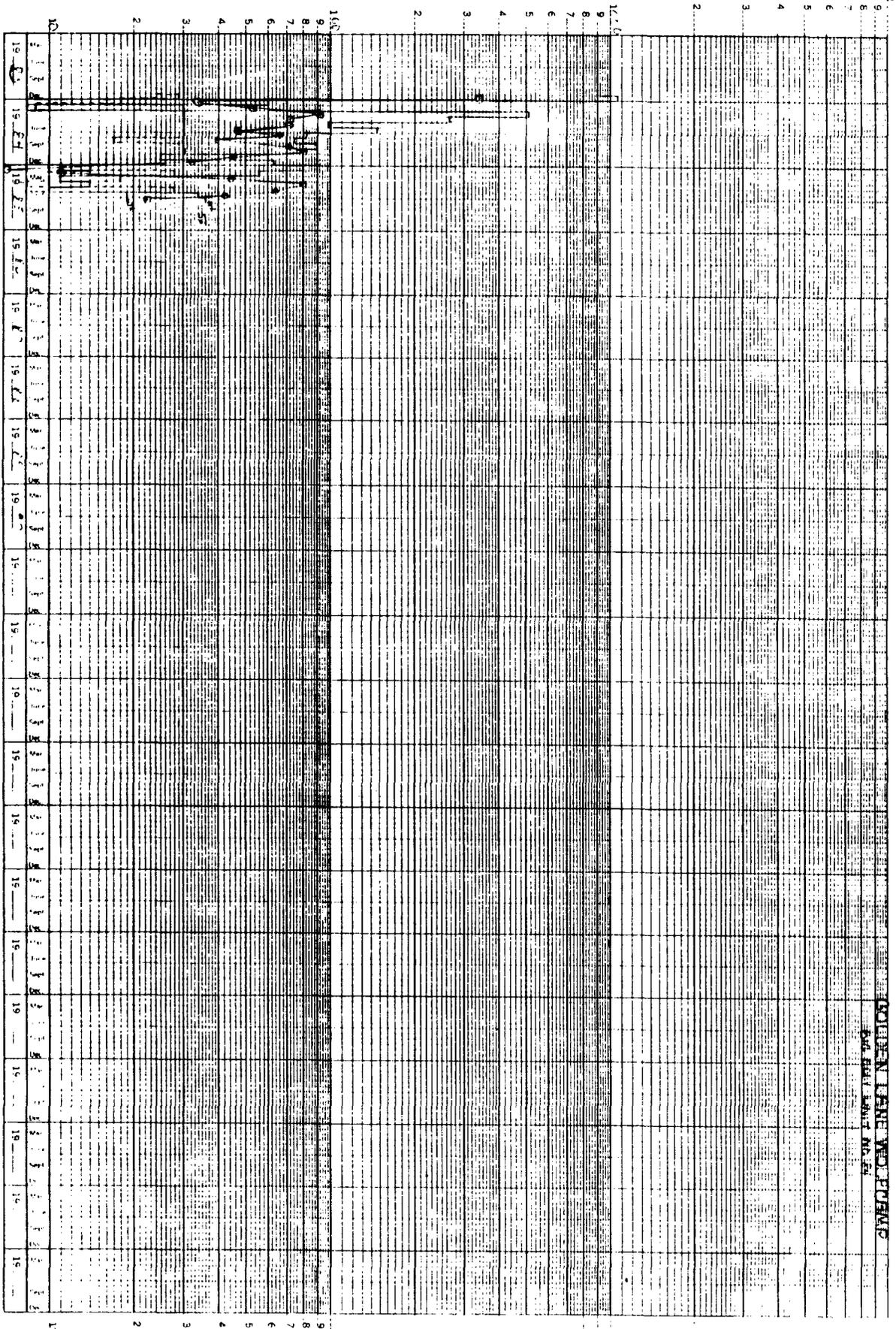
Remarks: Produced 91.26 bbls. of distillate during the test.  
 Test calculated from bottom-hole pressures due to low GOR.

Approved By Commission:	Conducted By: <b>DAVIS SERVICES, INC.</b>	Calculated By: <b>RICK PAGAN</b>	Checked By:
-------------------------	--	-------------------------------------	-------------

SUBJECT Well Bore Sketch	DATE 1/19/83	DEPARTMENT PROD	PREPARED BY COB
-----------------------------	-----------------	--------------------	--------------------



3000 - 1000



CORRECTION FACTOR  
EPA FIELD LABORATORY

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION STATEMENT

Form No. 1  
Revised 1-1-79  
Oil Conservation Division

All distances must be from the outer boundaries of the well.

PERRY R. BASS			P.O. BOX 84	
Well Letter	Section	Township	Range	County
G	18	21 N 06 E	29 W	Hidalgo

Actual Footage Location of Well:

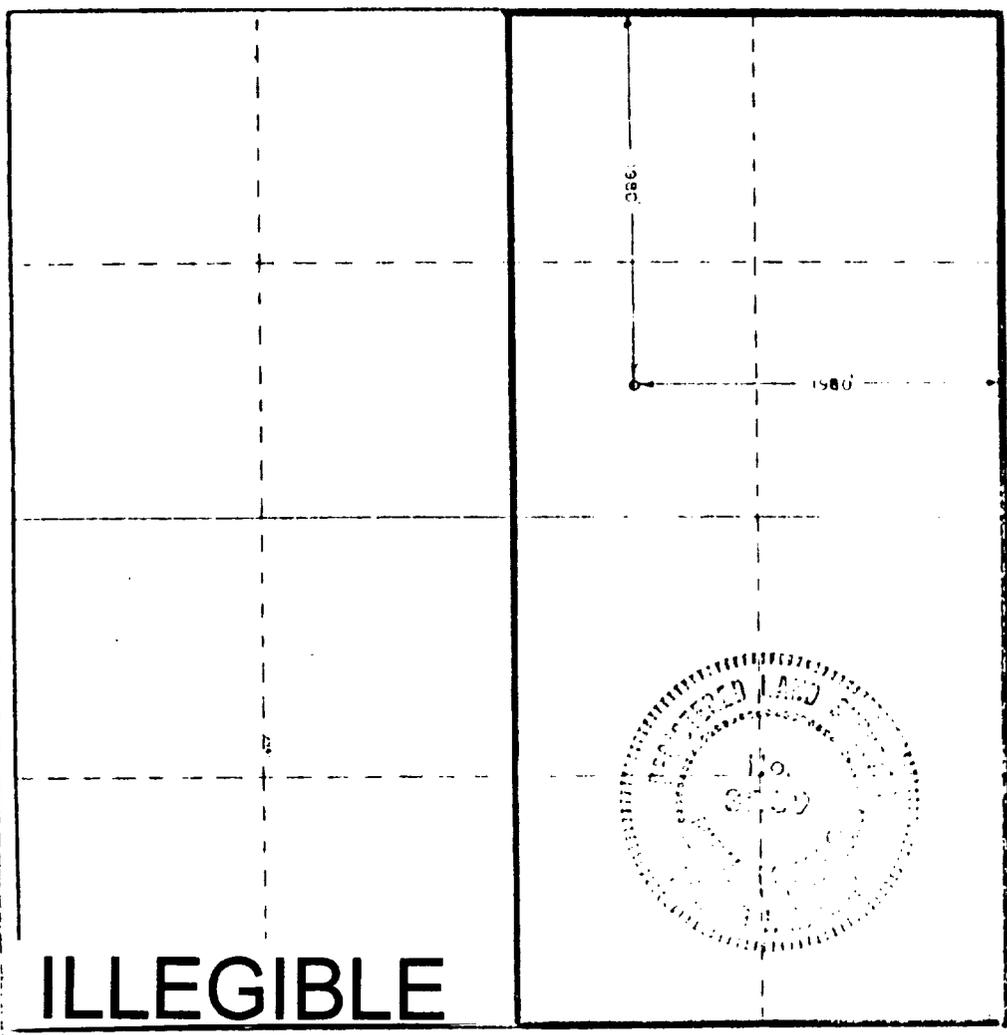
1980 feet from the EAST	1980	
Well Level Elev.	Producing Formation	Well Name
3308.3'	Morrow	Golden Lane Morrow 320

1. Outline the acreage dedicated to the subject well by colored pencil or other marks on the plat.
2. If more than one lease is dedicated to the well, outline each and list the ownership (including mineral, interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, are there any interests that have been consolidated by communitization, unitization, forced-pooling, etc?

Yes     No    If answer is "yes," type of consolidation: Unit

If answer is "no," list the owners and tract descriptions which have been consolidated (attach separate sheets if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating the well, has been approved by the Commission.



STATE OF NEW MEXICO

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

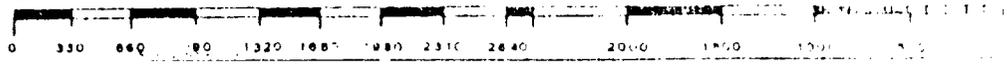
*Stephen Smith*  
\_\_\_\_\_  
Stephen Smith  
Engineering Assistant  
Perry R. Bass

September 18, 1981

I hereby certify that the registration of this well is complete to the best of my knowledge and belief.

September 18, 1981

*Ronald J. Edison*  
\_\_\_\_\_  
Ronald J. Edison  
Oil Conservation Division  
PATRICK A. ROMERO 6665  
Ronald J. Edison 3232



WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

-----  
 WELL Big Eddy Unit No. 92 FORMATION Atoka  
 LOCATION L UNIT, 1980 FEET FROM S LINE & 660 FEET FROM W LINE,  
 SECTION 14, RANGE 28E, TOWNSHIP 21S, COUNTY Eddy NEW MEXICO  
 SPUD DATE 5-3-82 COMPLETION DATE 9-21-82 INIT. PROD. DATE 10-5-83  
 PERFORATIONS 11383, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94,  
11416, 17, 18, 19, 20, 11490, 91, 92, 93, 94' (22 holes)

STIMULATION:

ACID 7000 gallons 7-1/2% HCl acid

FRACTURE \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

POTENTIAL CAOF 2144 MCFGPD

(ATTACH COPY OF C-122. ATTACH COPY OF WELLBORE SKETCH OF COMPLETED WELL.)

VOLUMETRIC CALCULATION

	FORMATION	
	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	320	
*Porosity ( $\phi$ ), %	9.4	
*Water saturation ( $S_w$ ), %	28.9	
*Net thickness (h) > 6% $\phi$ & <40% $S_w$ , ft	11	
Temperature (T), °F	187°	

\*See attached calculation sheets

(2)

Bottomhole pressure (P), psia 6687  
 NOTE: 74.75 hr final buildup press @ 11295'  
 Recovery factor (RF), (80% assumed) 80  
 Recoverable gas, MCF (See eq. below) 2,693,105

\*Recoverable gas, MCF = (43,560)(Ø)(1-Sw)(A)(h)(RF)(Bgi) where

\*  $Bgi = 0.03535 \frac{P}{ZT} \frac{MSCF}{Cu Ft}$

PERFORMANCE DATA

If sufficient history exists, attach plot of gas production rate vs time.

(Cumulative production to 3 / 1 /86 ; 166,598 MCF.

Initial rate (qi), 3700 MCF/mo

Economic limit (ql), 481 MCF/mo

Decline rate, dy 31 %

\*Remaining gas (Q) = 104,101 MCF

Ultimate recoverable gas 270,699 MCF

$$Q = \frac{(qi - ql) 12 \text{ mo/yr}}{-\ln(1-dy)}$$

Attach plat showing proration unit and participating area.

<u>RECOVERABLE GAS</u>	<u>GAS (MCF)</u>	<u>COND (BBLS)</u>
Gas sand previously produced	<u>0</u>	<u>0</u>
Sand perforated	<u>270,699</u>	<u>(1)</u>
Sand not perforated, but potentially productive	<u>NA</u>	<u>(2)</u>
Total recoverable gas	<u>270,699</u>	<u>0</u>

(1) performance recoverable gas if available

(2)  $\frac{\text{performance sand perforated}}{\text{volumetric sand perforated}} \times \text{volumetric sands not perforated} = \text{performance sands not perforated}$

Participating area size based on ratio of production history and volumetrics

320 acres---minimum area is proration unit.

## ECONOMIC

\*Well Cost \$ 1,037,310 (to the depth of formation completed)

Recompletion Cost \$ 0

TOTAL COST \$ 1,037,310

(Gas Price)(Net Revenue Interest)(1-Ad Valorem Taxes) - Production Tax + [(Oil Price)(Net Revenue Interest)(Cond. Yield, bbl/MCFG)(1 -Production and Ad Valorem Taxes)] - [(Oil Price - Base Price) WFPT %] NRI

\*Net Gas Price = \$3.12

Operating Cost \$1500/Month

BEPCO Net Income = (Gross Gas)(Net Gas Price)

YEAR	GROSS GAS	BEPCO NET INCOME	OPERATING COST	15% DISCOUNT FACTOR	DISCOUNTED CASH FLOW
Zero	---	---	---	1.0000	-1,037,310
1983	39,737	123,979	18,000	0.9325	98,825
1984	85,242	265,955	18,000	0.81087	201,059
1985	36,194	112,925	18,000	0.70511	66,933
1986	30,660	95,659	18,000	0.61314	47,616
1987	30,660	95,659	18,000	0.53316	41,405
Remainder	48,206	150,403	28,302	0.46362	56,608
					-524,864

If payout is five years or less, well is considered economical.

(BEPCO Net Income - Operating Expense) discount factor = -\$524,864

discounted cash flow. UNECONOMICAL

BIG EDDY UNIT NO. 92  
PERFORATED SANDS

---

INTERVALS	h	ØD	ØN	ØXP	Øh
11383'-84'	1	9	6.5	7.8	7.8
84'-86'	2	10.5	6.5	8.5	17
86'-88'	2	12.5	7.5	10.5	21
88'-90'	2	12	8	10	20
90'-92'	2	15	9	12.4	24.8
** 92'-94'	2	12.5	9	11	
11416'-18''	2	7.5	5.5	6.5	13
*11489'-90'	1	4	2	3	
* 90'-92'	2	6.5	2	4	
* 92'-94'	<u>2</u>	5.5	2	3.5	<u>        </u>
TOTAL h	11			TOTAL Øh	103.6

$$\text{AVERAGE } \emptyset = \frac{\text{TOTAL } \emptyset h}{\text{TOTAL h}} = \frac{103.6}{11} = 9.4\% \emptyset \text{ above } 6\% \emptyset$$

\*These intervals have been eliminated from the calculations due to ØXP being 6% or less.

\*\*This interval has been eliminated from the calculations due to Sw being 40% or greater.

BIG EDDY UNIT NO. 92  
PERFORATED SANDS

INTERVALS	LLD	LLS	MSFL	Rt	(Sw)(ØXP)(h) = Sw WEIGHTED
11383'-84'	60	30	20	101.6	(.257)(.078)(1)=.0223
84'-86'	90	60	20	119.3	(.216)(.085)(2)=.0367
86'-88'	25	19	10	34.6	(.320)(.105)(2)=.0672
88'-90'	23	13	8	33.1	(.345)(.100)(2)=.0690
90'-92'	13	8	6	22.7	(.331)(.124)(2)=.0821
** 92'-94'	10	7	4.2	14.7	(.467)
11416'-18'	220	120	60	325.3	(.175)(.065)(2)=.0228
*11489'-90'	]		Rt = or >	1000	(1)
* 90'-92'				1000	(2)
* 92'-94'				1000	(2)

TOTAL Sw WEIGHTED .3001

$$\text{AVERAGE Sw} = \frac{\sum(h)(\emptyset)(Sw)}{(\emptyset)(h)} = \frac{.3001}{1.036} = 28.9\% \text{ Sw below } 40\% \text{ Sw}$$

\*These intervals have been eliminated from the calculations due to ØXP being 6% or less.

\*\*This interval has been eliminated from the calculation due to Sw being 40% or greater.

VOLUMETRIC CALCULATIONS  
RECOVERABLE GAS  
PERFORATED SANDS

---

Bgi CALCULATION

$$Z = 1.1123$$
$$B_{gi} = 0.03535 \frac{6687}{(1.1123)(187+460)}$$

$$B_{gi} = 0.3285$$

VOLUME CALCULATION

$$MCF = (43560)(\emptyset)(1-S_w)(A)(h)(RF)(B_{gi})$$
$$MCF = (43560)(0.094)(1-0.289)(320)(11)(0.80)(0.3285)$$
$$MCF = 2,693,105$$

PERFORMANCE DATA

---

REMAINING GAS CALCULATION

$$Q = \frac{(q_i - q_l)12 \text{ mo/yr}}{-\ln(1-dy)}$$
$$Q = \frac{(3700-481)12}{-\ln(1-0.31)}$$
$$Q = 104,101 \text{ MCF}$$

ECONOMIC

Drilling cost to 11,534'	\$605,000
Logging, casing & cement cost	380,000
Atoka completion cost	<u>52,370</u>
TOTAL COST TO DEPTH OF FORMATION COMPLETED	\$1,037,310

Gas Price = December 1985 LIOR      Production Tax =  $\frac{\text{Prod \& Severance Taxes Net}}{\text{Total Bass Gross Revenue}}$

Oil Price = \$15.00      Ad Valorem Tax = 2%

WPT = 0

Net Gas Price =  $\left| (4.22)(0.77125)(.98) - \left( \frac{9595.87}{127375.01} \right) \right| + \left| (\$15.00)(0.7712) \right|$

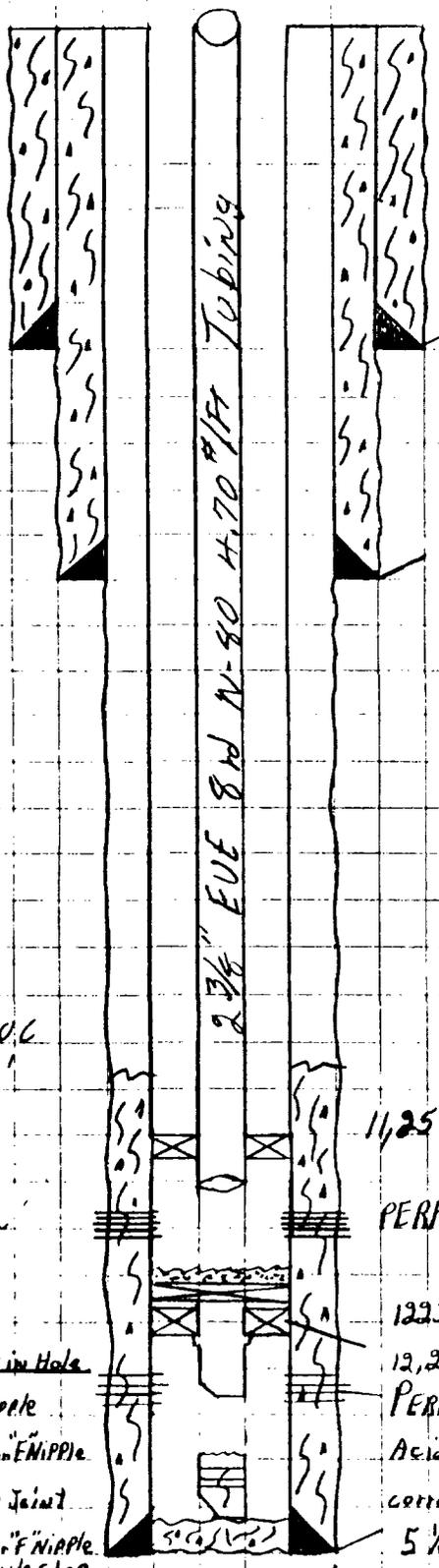
$\left( \frac{113}{166598} \right) (1 - 0.02 + \frac{9595.87}{127375.01}) \right|$

Net Gas Price = \$3.12

Type Test <input checked="" type="checkbox"/> Partial <input type="checkbox"/> Annual <input type="checkbox"/> Special		Date 9-11-82									
Company Perry R. Bass		Fluid AIR									
Pool ATOKA		Unit Big Eddy Unit									
Completion Date	Total Depth	Flow Pressure	Elevation								
		12230	3279								
Casing Size		Perforations									
2 3/8		From 11383 To 11494									
Type Well - Single - Horizontal - G.G. or G.O. Multiple		Pressure at At									
SINGLE GAS		11300									
Producing thru		Date, Month - Year									
TBG.		13.2									
Reservoir Temp. °F		Mean Annual Temp. °F									
187 @ 11300		60°									
L	H	Gg	% CO <sub>2</sub>								
11300	11300	.5969	.575								
			% H <sub>2</sub>								
			1.146								
			% H <sub>2</sub> S								
		Prover	Meter Run								
			4"    FLG.								
FLOW DATA											
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h <sub>w</sub>	Temp. °F	TUBING DATA		CASING DATA		Duration of Flow
							Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.	Temp. °F	
1	4 x 1.000			500	3.5	96	5410				72 hrs.
2	4 x 1.000			503	14.0	99	5280				1 hr.
3	4 x 1.000			700	56.0	98	5000				1 hr.
4	4 x 2.000			690	7.0	100	3400				1 hr.
5	4 x 2.000			500	5.0	102	1975				4 hrs.
RATE OF FLOW CALCULATIONS											
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P <sub>m</sub>	Flow Temp. Factor Ft.	Gravity Factor Fg	Super. Compens. Factor F <sub>sp</sub>	Rate of Flow O. Field				
1	4.753	42.38	513.2	.9671	1.294	1.036	261				
2	4.753	85.01	516.2	.9645	1.294	1.035	522				
3	4.753	199.85	713.2	.9653	1.294	1.048	1243				
4	19.81	70.16	703.2	.9636	1.294	1.048	1816				
5	19.81	50.66	513.2	.9619	1.294	1.034	1292				
NO.		γ <sub>l</sub>	Temp. °R	γ <sub>g</sub>	Z	Gas Liquid Hydrocarbon Sol. (LHS)		McFool			
1		.76	556	1.55	.932	268.155					
2		.77	559	1.56	.933	61.6 @ 60					
3		1.06	558	1.56	.910	.5969		X X X X X X X X X X			
4		1.05	560	1.56	.911	Specific Gravity Flowing Fluid		6.08			
5		.76	562	1.57	.936	Critical Pressure 671		671 P.S.I.A.			
						Critical Temperature 358		358 °R			
P <sub>1</sub>		P <sub>2</sub>		P <sub>3</sub>		P <sub>4</sub>		P <sub>5</sub>			
5423.2		29411.1		6635.2		6635.2		6635.2			
NO. BHP		P <sub>1</sub>		P <sub>2</sub>		P <sub>3</sub>		P <sub>4</sub>			
1	6466.2	5258.3	27650.0	1761.1							
2	6180.2	5001.7	25016.9	4394.2							
3	4688.2	3696.7	13665.3	15745.8							
4	3043.2	2344.9	5499.0	23912.1							
5	1659.2	1290.5	1665.4	27745.7							
6635.2 S.I.P.		2,114		6635.2		6635.2		6635.2			
Absolute Open Flow		2,114		6635.2		6635.2		6635.2			
Angle of Slope α		53.75°		6635.2		6635.2		6635.2			
Slope β		.734		6635.2		6635.2		6635.2			
Remarks: BOTTOM-HOLE PRESSURES TAKEN FROM AN INSTRUMENT SET AT 11300 FT. THE WELL PRODUCED 1.4 bbls. of DISTILLATE AND 9.8 bbls. of H <sub>2</sub> O.											
Approved By Company			Conducted By			Checked By			Cased By		
DAVIS SERVICES, INC			RICK PAGAN								

SUBJECT Indian Flats/Atoka Big Eddie Unit No. 92	DATE 9-6-83	DEPARTMENT Production	PREPARED BY M.J.F.
--	----------------	--------------------------	-----------------------

LOCATION  
EDDY County New Mexico  
1980 FSL, 660 FWH  
SEC 14, T21S, R28E  
ELEV. 3279' GL



11 3/4" 42# H-40 ST+C csg @ 800' (5-5-82)  
CMT w/ 650 SX Lite + Class C"

8 5/8" 32# S-80 ST+C csg @ 2700' (5-10-82)  
CMT w/ 2700 SX Lite + Class C"

Calc. TOC @ 10,000'

11,259' - 5 1/2" 13#, 17# Outer "W.B." PKR

PERFS: 11383'-94', 11416'-20', 11490'-94'  
Acidize w/ 7000 gal

12230' 5 1/2" 17# BAKER CIBP w/ 2 SX cmt

12,240' 5 1/2" 17# BOT BD, Perm PKR  
PERFS 12312'-14, 22, 31, 61, 72, 25 & 77'

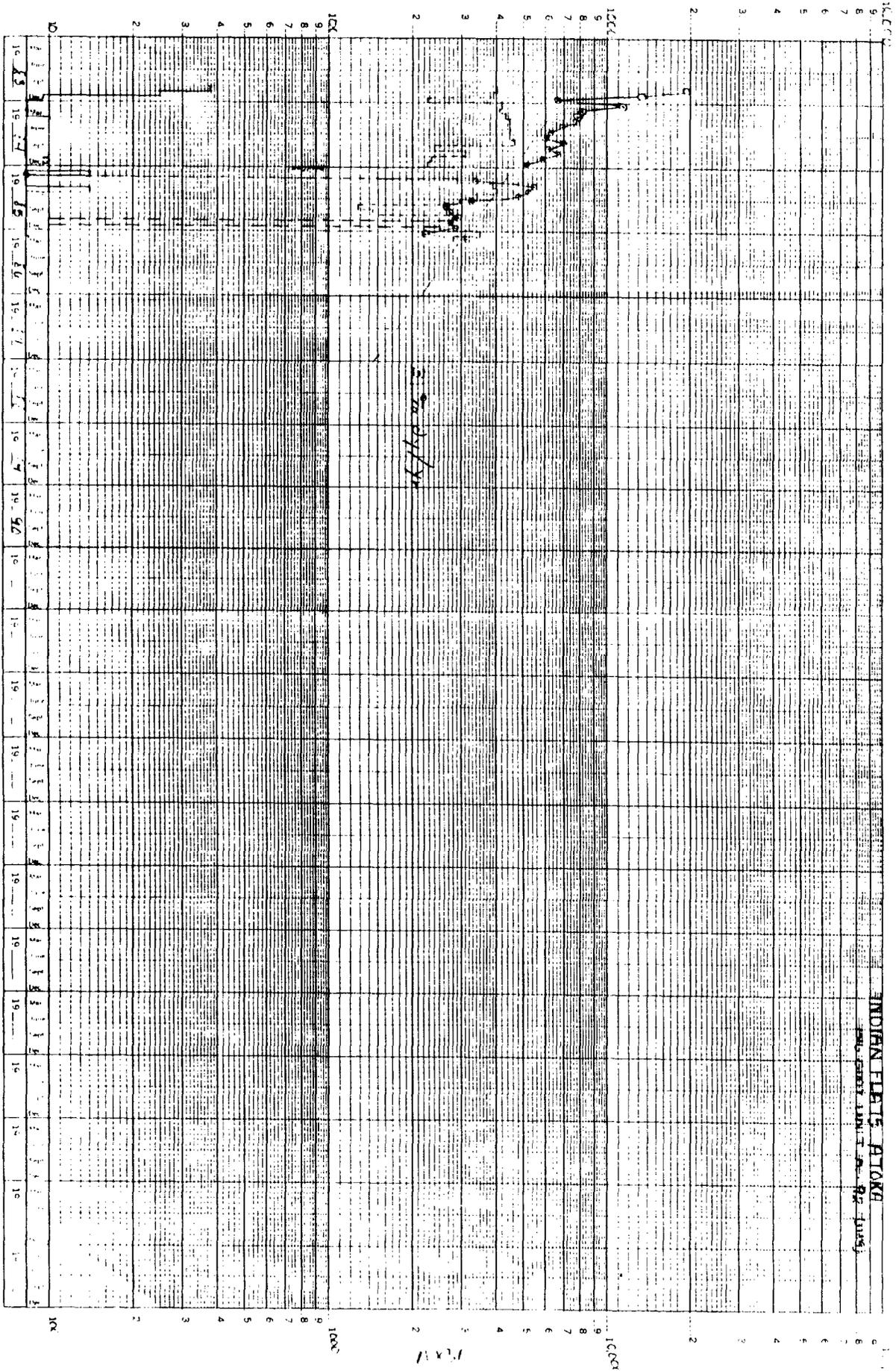
Acidized w/ 2000 gals 7 1/2% MSR-100 Acid containing 4/1000 A-100  
corrosion inhibitor, 2/1000 J-321 Friction Reducer, 750 SCF of Nitrogen

5 1/2" 17# S-95 & N-80 LT+C @ 12,519'  
CMT w/ 400 SX Class H"

- Junk left in Hole
- 2' x 2 3/8" nipple
- 1.87' x 1' Baker ENIPPLE
- 2 3/8" x 8" PUP Joint
- 1.81' x 1' Baker F NIPPLE
- Mule shoe
- 2 3/8" x 1' Re-entry Guide
- 2' swab line in pipe

P.D.T.D. 12-4-87

BRAIN  
BUNAL



MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

PERRY R. BASS		BIG EDDY UNIT		Well No.	92
Lease	Section	Township	Range	County	
L	14	21 SOUTH	28 EAST	EDDY	
Date of Location of Well: 1980					
feet from the SOUTH line and		660	feet from the WEST line		
Producing Formations	Eddy Undesignated		Total Acreage		320
3279	Morrow				Area

Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

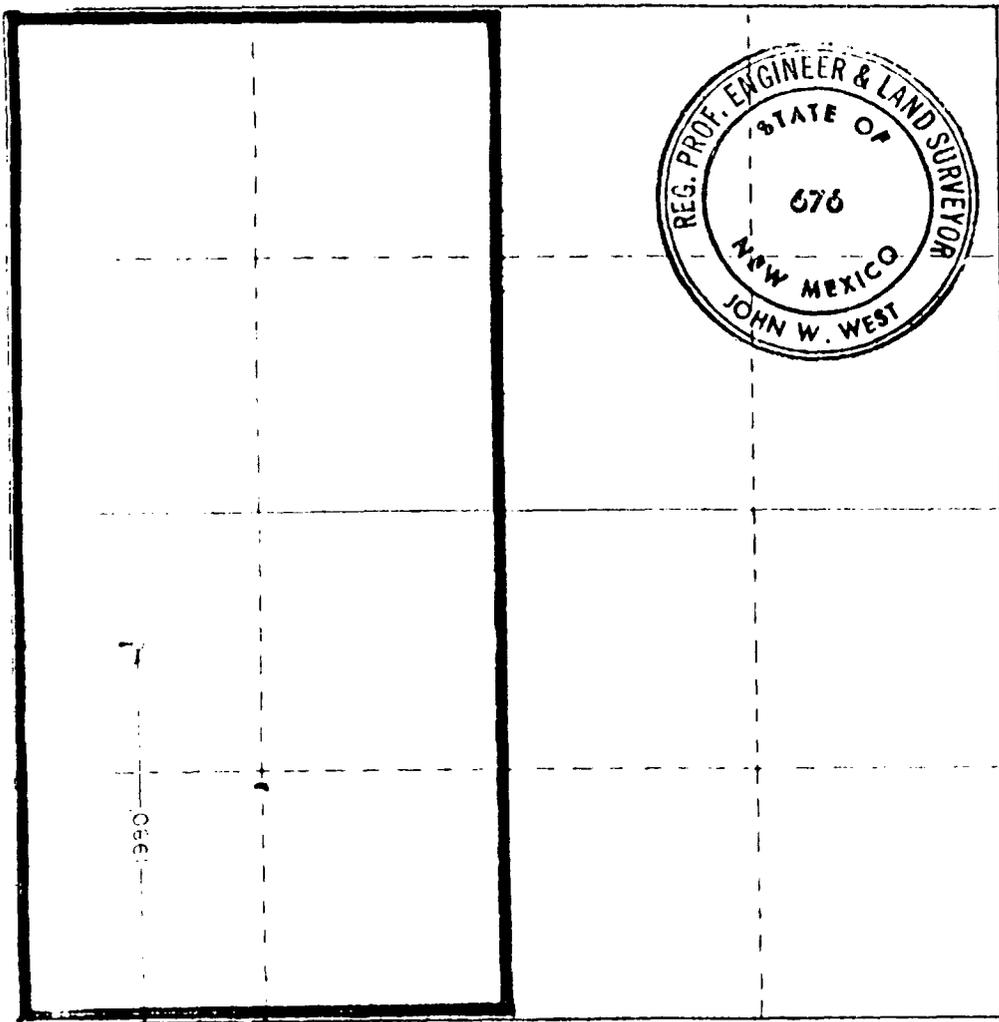
If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

XX Yes  No  If answer is "yes," type of consolidation Unit

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

*Stephen Smith*

Name: Stephen Smith

Position: Engineering Assistant

Company: Perry R. Bass

Date: January 5, 1982

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 knowledge and belief.

Date Surveyed: 12-29-81

Registered Professional Engineer in the State of New Mexico

*John W. West*

Certificate No. JOHN W. WEST 676  
PATRICK A. ROMERO 6668  
Ronald J. Eidson 3239



WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

-----  
 WELL Big Eddy Unit No. 94 FORMATION Morrow  
 LOCATION E UNIT, 1980 FEET FROM N LINE & 660 FEET FROM W LINE,  
 SECTION 20, RANGE 29E, TOWNSHIP 21S, COUNTY Eddy NEW MEXICO  
 SPUD DATE 6-24-82 COMPLETION DATE 12-18-82 INIT. PROD. DATE 12-2-83  
 PERFORATIONS 12477, 79, 81, 507, 09, 13, 14, 15, 37, 39, 41 (11 holes)

STIMULATION:

ACID 2100 gallons 7-1/2% acid

FRACTURE 15,500 gallons gelled fluid x 5000# 100 mesh and 10,000#  
20-40 mesh sand

POTENTIAL CAOF 791 MCFGPD

(ATTACH COPY OF C-122. ATTACH COPY OF WELLBORE SKETCH OF COMPLETED WELL.)

VOLUMETRIC CALCULATION

-----

	FORMATION	
	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	320	320
*Porosity ( $\phi$ ), %	7.7	7.5
*Water saturation ( $S_w$ ), %	21.1	22.3
*Net thickness (h) > 6% $\phi$ & < 40% $S_w$ , ft	13	25
Temperature (T), °F	199	198

\* See attached calculation sheets

(2)

Bottomhole pressure (P), psia	4879	4879
NOTE: Mid PF 138 hrs final buildup press		
Recovery factor (RF), (80% assumed)	80	80
Recoverable gas, MCF (See eq. below)	2,346,072	4,383,208

\*Recoverable gas, MCF = (43,560)(Ø)(1-Sw)(A)(h)(RF)(Bgi) where

$$* \quad Bgi = 0.03535 \frac{P}{ZT} \frac{MSCF}{Cu Ft}$$

PERFORMANCE DATA

If sufficient history exists, attach plot of gas production rate vs time.

(Cumulative production to 3 / 1 /86 ; 239,591 MCF.

Initial rate (qi), 5300 MCF/mo

Economic limit (ql), 473 MCF/mo

Decline rate, dy 40 %

\*Remaining gas (Q) = 113,393 MCF

Ultimate recoverable gas 352,984 MCF

$$Q = \frac{(qi - ql) 12 \text{ mo/yr}}{-\ln(1-dy)}$$

Attach plat showing proration unit and participating area.

<u>RECOVERABLE GAS</u>	<u>GAS (MCF)</u>	<u>COND (BBLS)</u>
Gas sand previously produced	<u>0</u>	<u>0</u>
Sand perforated	<u>352,984</u>	<u>(1) 2</u>
*Sand not perforated, but potentially productive	<u>659,486</u>	<u>(2) 0</u>
Total recoverable gas	<u>1,012,470</u>	<u>2</u>

(1) performance recoverable gas if available

(2)  $\frac{\text{performance sand perforated}}{\text{volumetric sand perforated}} \times \frac{\text{volumetric sands not perforated}}{\text{performance sands not perforated}}$

Participating area size based on ratio of production history and volumetrics

320 acres---minimum area is proration unit.

## ECONOMIC

\*Well Cost \$ 1,200,900 (to the depth of formation completed)

Recompletion Cost \$ 49,000

TOTAL COST \$ 1,249,900

(Gas Price)(Net Revenue Interest)(1-Ad Valorem Taxes) - Production Tax + [(Oil Price)(Net Revenue Interest)(Cond. Yield, bbl/MCFG)(1 -Production and Ad Valorem Taxes)] - [(Oil Price - Base Price) WFPT %] NRI

\*Net Gas Price = \$3.17/MCF

Operating Cost \$1500/Month

BEPCO Net Income = (Gross Gas)(Net Gas Price)

YEAR	GROSS GAS	BEPCO NET INCOME	OPERATING COST	15% DISCOUNT FACTOR	DISCOUNTED CASH FLOW
Zero	---	---	---	1.0000	-1,200,900
1983	15,413	48,859	1,500	0.9325	44,162
1984	144,325	457,510	18,000	0.81087	356,386
1985	70,951	224,915	15,000	0.70511	148,013
1986	52,560	166,615	18,000	0.61314	91,122
1987	52,560	166,615	18,000	0.53316	79,236
Recompletion Cost					-49,000
Remainder	676,661	2,145,015	231,738	0.46362	887,033
					+356,052

If payout is five years or less, well is considered economical.

(BEPCO Net Income - Operating Expense) discount factor = \$356,052

discounted cash flow. UNECONOMICAL

BIG EDDY UNIT NO. 94  
PERFORATED SANDS

INTERVALS	h	ØD	ØN	ØXP	Øh
12476'-78'	2	8	7.5	7.7	15.4
12506'-08'	2	10.5	5.5	8.5	17
08'-10'	2	9	6	8	16
12511'-13'	2	9.5	6	7	14
13'-15'	2	10.5	3.5	7.2	14.4
15'-17'	2	9	5	7.5	15
*12535'-37'	2	6.5	3.5	5	10
* 37'-39'	2	8	3	5.5	11
* 39'-41'	2	9.5	2.5	6	12
41'-42'	<u>1</u>	11	5	8.2	<u>8.2</u>
TOTAL h	13			TOTAL Øh	100

$$\text{AVERAGE } \emptyset = \frac{\text{TOTAL } \emptyset h}{\text{TOTAL h}} = \frac{100}{13} = 7.7\% \emptyset \text{ above } 6\% \emptyset$$

\*These intervals have been eliminated from the calculations due to ØXP being 6% or less.

BIG EDDY UNIT NO. 94  
PERFORATED SANDS

INTERVALS	LLD	LLS	MSFL	Rt	(Sw)(ØXP)(h) = Sw WEIGHTED
12476'-78'	48	44	22	52.8	(.362)(.077)(2) = .0557
12506'-08'	200	150	100	300	(.136)(.085)(2) = .0231
08'-10'	300	250	75	380	(.129)(.080)(2) = .0206
12511'-13'	60	50	45	110	(.277)(.070)(2) = .0388
13'-15'	190	160	70	246.8	(.179)(.072)(2) = .0258
15'-17'	160	140	65	176	(.204)(.075)(2) = .0306
*12535'-37'	60	50	20		
* 37'-39'	120	90	15		
* 39'-41'	200	120	22		
41'-42'	120	100	25	150.7	(.200)(.082)(1) = .0164

TOTAL Sw WEIGHTED .2110

$$\text{AVERAGE Sw} = \frac{\sum(h)(\emptyset)(Sw)}{(\emptyset)(h)} = \frac{0.211}{1.00} = 21.1\% \text{ below } 40\% \text{ Sw}$$

\*These intervals have been eliminated from the calculations due to ØXP being 6% or less.

VOLUMETRIC CALCULATIONS  
RECOVERABLE GAS  
PERFORATED SANDS

---

Bgi CALCULATION

$$Z = 0.96984$$

$$B_{gi} = 0.03535 \frac{4879}{(0.96984)(199+460)}$$

$$B_{gi} = 0.2698$$

VOLUME CALCULATION

$$MCF = (43560)(\emptyset)(1-S_w)(A)(h)(RF)(B_{gi})$$

$$MCF = (43560)(0.077)(1-0.211)(320)(13)(0.80)(0.2698)$$

$$MCF = 2,346,072$$

PERFORMANCE DATA

---

REMAINING GAS CALCULATION

$$Q = \frac{(q_i - q_l)12 \text{ mo/yr}}{-\ln(1-dy)}$$

$$Q = \frac{(5300-473)12}{-\ln(1-0.40)}$$

$$Q = 113,393$$

BIG EDDY UNIT NO. 94  
SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE

INTERVALS	h	ØD	ØN	ØXP	Øh
12134'-36'	2	7	6.5	6.8	13.6
* 36'-38'	2	7	4	5.5	11
12158'-60'	2	8	3.5	6.2	12.4
62'-64'	2	7.5	5	6.5	13
64'-66'	2	7.5	5	6.5	13
66'-68'	2	7.5	5.5	6.8	13.6
12175'-77'	2	7	5	6.4	12.8
12326'-28'	2	12	11	11.5	23
12357'-58	1	8	3.5	6.2	6.2
58'-60'	2	11	3	7.2	14.4
60'-62'	2	10.5	2.5	6.5	13
62'-64'	2	10	3.5	7	14
* 64'-66'	2	9	2	6	12
66'-68'	2	11	6	8.5	17
68'-70'	<u>2</u>	11.5	9.5	10.5	<u>21</u>
TOTAL h	25			TOTAL Øh	187

$$\text{AVERAGE } \emptyset = \frac{\text{TOTAL } \emptyset h}{\text{TOTAL h}} = \frac{187}{25} = 7.5\% \emptyset \text{ above } 6\% \emptyset$$

\*These intervals have been eliminated from the calculations due to ØXP being 6% or less.

BIG EDDY UNIT NO. 94  
SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE

INTERVALS	LLD	LLS	MSFL	Rt	(Sw)(ØXP)(h) = Sw WEIGHTED
12134'-36'	150	80	50	242.4	(.193)(.068)(2)=.0262
* 36'-38'	110	65	40	172.4	
12158'-60'	170	140	80	232.1	(.218)(.062)(2)=.0270
62'-64'	220	160	150	488.5	(.143)(.065)(2)=.0186
64'-66'	180	100	97	461.6	(.147)(.065)(2)=.0191
66'-68'	150	90	60	243.6	(.193)(.068)(2)=.0262
12175'-77'	120	80	70	240.9	(.206)(.064)(2)=.0263
12326'-28'	80	60	16	102.3	(.169)(.115)(2)=.0389
12357'-58'	300	280	80	330	(.183)(.062)(1)=.0113
58'-60'	70	65	22	77	(.322)(.072)(2)=.0464
60'-62'	90	85	45	99	(.317)(.065)(2)=.0412
62'-64'	100	95	48	110	(.278)(.070)(2)=.0389
* 64'-66'	95	80	40	125.4	
66'-68'	100	90	25	110	(.225)(.085)(2)=.0382
68'-70'	40	35	15	44	(.284)(.105)(2)=.0596
TOTAL Sw WEIGHTED					<u>.4179</u>

$$\text{AVERAGE Sw} = \frac{(h)(\emptyset)(Sw)}{(\emptyset)(h)} = \frac{.4179}{1.87} = 22.3\% \text{ Sw below } 40\% \text{ Sw}$$

\*These intervals have been eliminated from the calculations due to ØXP being 6% or less.

VOLUMETRIC CALCULATIONS  
RECOVERABLE GAS

SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE

VOLUME CALCULATION

Bgi = 0.2698

MCF = (43560)(Ø)(1-Sw)(A)(h)(RF)(Bgi)

MCF = 43560)(.075)(1-0.223)(320)(25)(0.80)(0.2698)

MCF = 4,383,208

PERFORMANCE DATA

Ultimate recoverable gas for sands not perforated

$$\frac{\text{PERFORMANCE SAND PERFORATED}}{\text{VOLUMETRIC SAND PERFORATED}} \times \frac{\text{VOLUMETRIC SANDS NOT PERFORATED}}{\text{NOT PERFORATED}} = \frac{\text{PERFORMANCE SANDS NOT PERFORATED}}{\text{NOT PERFORATED}}$$

$$\frac{352,984}{2,346,072} \times 4,383,208 = \underline{659,486} \text{ MCF}$$

ECONOMIC

Drilling Cost to 12,545'	\$788,500
Logging, Casing & Cement Cost	287,000
Morrow Completion Cost	125,400
TOTAL COST TO DEPTH OF FORMATION COMPLETED	\$1,200,900
Recompletion Cost in Same Formation	49,000

Gas Price = December LIOR      Production Tax =  $\frac{\text{Production \& Severance Taxes, Net}}{\text{Total Bass Gross Revenues}}$

Oil Price = \$15.00      Ad Valorem Tax = 2%      WPT = 0

Net Gas Price =  $[(4.20)(0.78875)(0.98) - (\frac{1928.14}{255,416.32})]$

+  $[(15.00)(0.78875)(\frac{2}{239,591})(1-0.02-0.075)]$

Net Gas Price = \$3.17



SUBJECT	DATE	DEPARTMENT	PREPARED BY
Well Bore Sketch	12/8/83	Production	CDB

BIG EDDY UNIT NO 94  
 GOLDEN LANE (MORROW)  
 EDDY COUNTY NEW MEXICO

ELEVATIONS: 3301.5' GA  
 3319.5' RAB

SPURRED: 6/24/82  
 Completion: 12/18/82

Location:  
 1800 ENL 1660 FNL, SEC 20,  
 T-21S, R-29E

505' 1 1/4" 42 1/2# 11-40 STAC CSJ  
 CMTD W/ 400SX CLASS C + 4 YEARS  
 READY MIX.

2,221' 8 5/8" 28 1/2# 520 STAC CSJ  
 CMTD W/ 1250 SX LITE + 300SX CLASS C  
 CURE 200SX

M. MORROW PERIS: 12, 516, 547, 557, 551,  
 352, 358, 360, 362, 364, 506, 508, 497,  
 479, 481, 527, 505, 513, 514, 515, 522,  
 539, 541 (22 shots) JWC 33.5% premium  
 charges

M. MORROW PERIS: 124115-425 (12 holes)  
 SPURRED W/ 100 SX

L. MORROW PERIS (2659-266 (1 hole))  
 ACIDIZED W/ 4200 gals 7 1/2% HCl

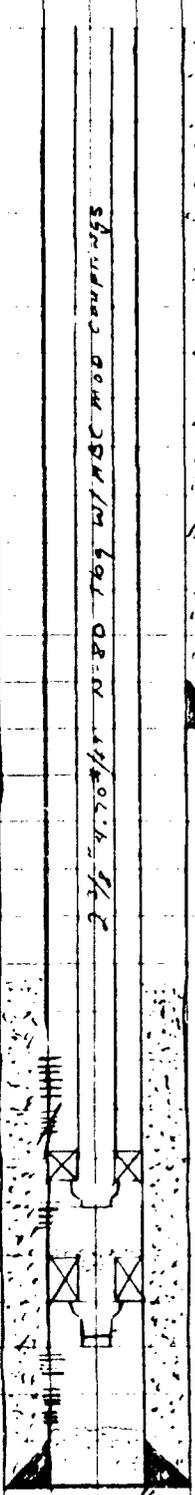
ACIDIZED AT MORROW PERIS 12477-541' IN 2100,  
 GAS 7 1/2% MISR 100 HClO FENCE OF 6000 gals  
 3% MS. gel + CO2

OTIS WB 17" PRR @ 12436' w/ plucker, w. upper 8' sub  
 5" nipple 1875' ED, 8' sub, XN nipple 1791' IR, 1 hole shot  
 Dump 1000 25X cement on top of PRR

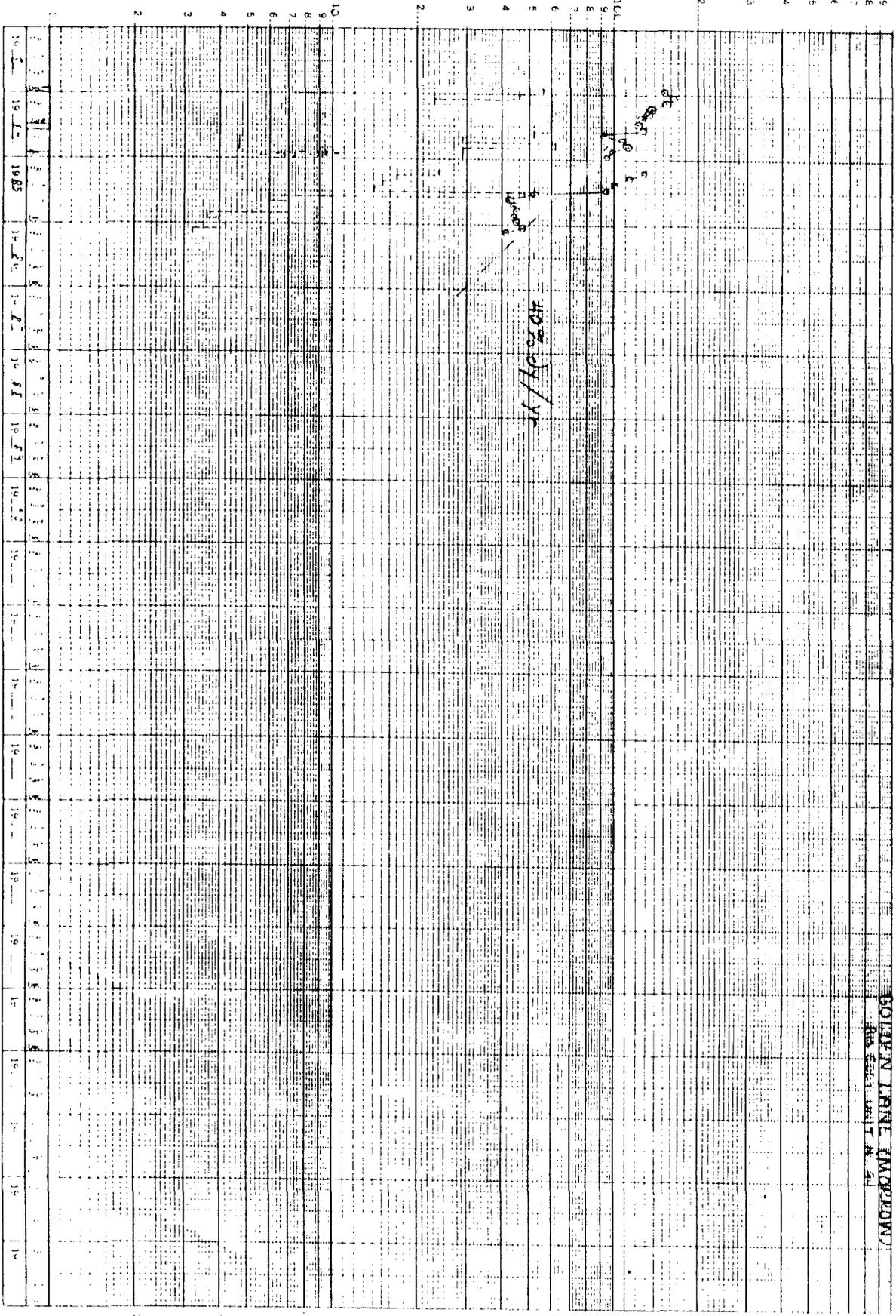
OTIS WB PRR @ 12600'  
 1.79" otis XN plug IN XN nipple @ 12429'

FRTO @ 1225 (1 hole)

3 1/2" 17 1/2# N-80 + 5-75 LIAC CSJ @ 12040'  
 12040' (LOGGERS TO)  
 12010' (ORIGINS TO) CMTD W/ 700 SX CLASS H



1000  
10000



BOULEVARD (MORNING)  
RHS. EIGHT (MORNING)

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-11  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

PERRY R. BASS		BIG EDDY UNIT		94
E	20	21 SOUTH	29 EAST	EDDY
1480	feet to the NORTH	660	feet to the WEST	
3301.5	Morrow	Eddy Undesignated	320	

Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

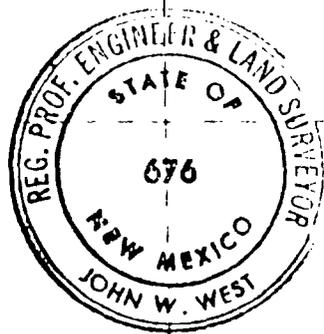
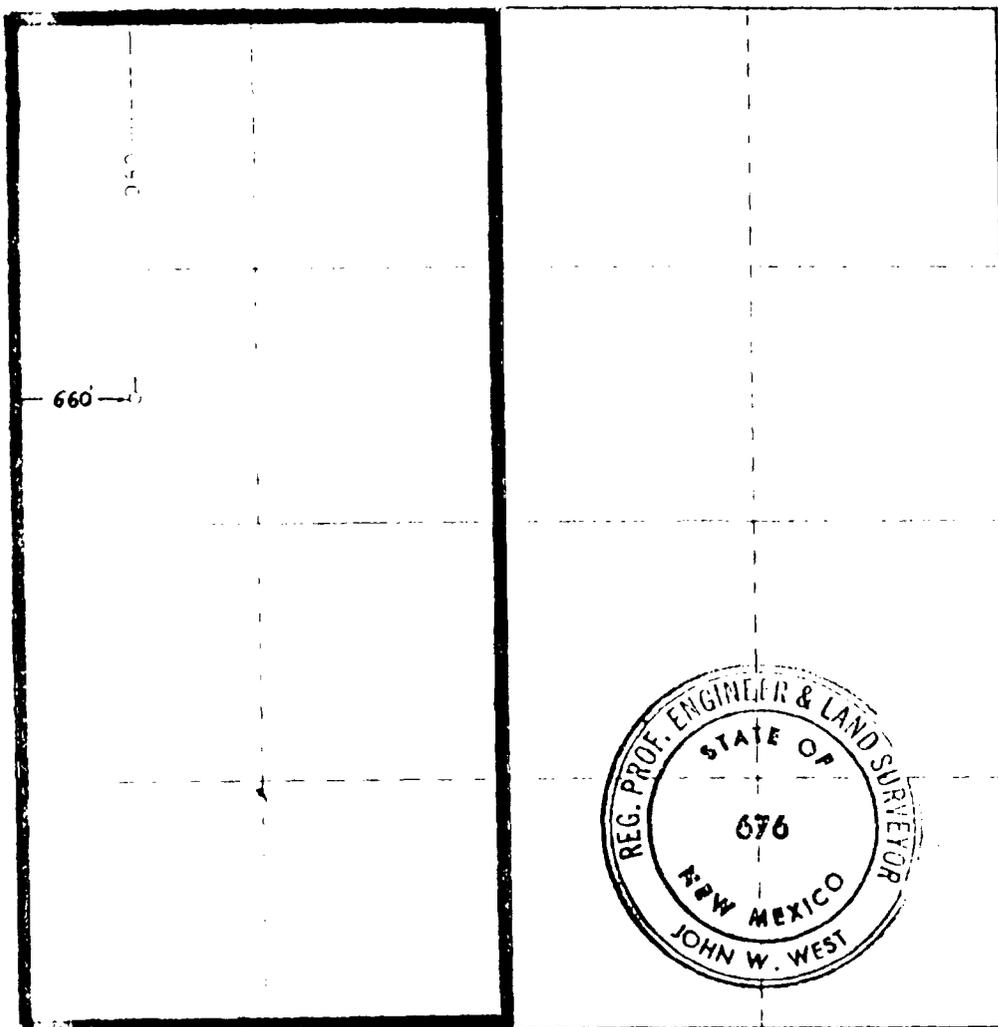
If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty)

If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

X Yes  No  If answer is "yes," type of consolidation Unit

If answer is "no," list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary)

If allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

*Stephen Smith*

Stephen Smith

Engineering Assistant

Perry R. Bass

January 5, 1982

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 knowledge and belief

Date surveyed

12-31-81

Registered Professional Engineer  
in the State of New Mexico

*John W. West*

Certificate No. JOHN W. WEST 676  
PATRICK A. ROMERO 6666

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

-----  
 WELL Big Eddy Unit No. 97 FORMATION Morrow  
 LOCATION F UNIT, 1980 FEET FROM N LINE & 1980 FEET FROM W LINE,  
 SECTION 35, RANGE 29E, TOWNSHIP 21S, COUNTY Eddy NEW MEXICO  
 SPUD DATE 4-27-82 COMPLETION DATE 7-1-83 INIT. PROD. DATE 2-9-84  
 PERFORATIONS 12918, 20, 25, 28, 32, 51, 13004, 06, 07, 08, 10, 12, 14, 15,  
37, 39, 53, 55, 57, 64, 66' (21 holes)

STIMULATION:

ACID 3000 gallons 7-1/2% acid  
6100 gallons 7-1/2% acid  
 FRACTURE 54,000 gallons x 9,400# 100 mesh & 28,640# 20-40 sand  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

POTENTIAL CAOF 767 MCFGPD

(ATTACH COPY OF C-122. ATTACH COPY OF WELLBORE SKETCH OF COMPLETED WELL.)

VOLUMETRIC CALCULATION

-----

	FORMATION	
	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	320	320
*Porosity ( $\emptyset$ ), %	10.7	8.4
*Water saturation (Sw), %	17.8	18.0
*Net thickness (h) > 6% $\emptyset$ & :40% Sw, ft	38	13
Temperature (T), °F	200	198

\* See attached calculations  
 \*\*Shut in due to gas curtailment

(2)

Bottomhole pressure (P), psia	3835	3835
NOTE: Mid-perf 83 hour final buildup press		
Recovery factor (RF), (80% assumed)	80	80
Recoverable gas, MCF (See eq. below)	8,284,894	2,219,649

\*Recoverable gas, MCF = (43,560)(Ø)(1-Sw)(A)(h)(RF)(Bgi) where

$$* \quad Bgi = 0.03535 \frac{P}{ZT} \frac{MSCF}{Cu Ft}$$

PERFORMANCE DATA

If sufficient history exists, attach plot of gas production rate vs time.

(Cumulative production to 3 / 1 /86 ; 45,157 MCF. (SI 7/85)

Initial rate (qi), 2100 MCF/mo

Economic limit (ql), 485 MCF/mo

Decline rate, dy 29 %

\*Remaining gas (Q) = 56586 MCF

Ultimate recoverable gas 101743 MCF

$$Q = \frac{(qi - ql) 12 \text{ mo/yr}}{-\ln(1-dy)}$$

Attach plat showing proration unit and participating area.

RECOVERABLE GAS	GAS (MCF)	COND (BBLS)
Gas sand previously produced	0	0
Sand perforated	101743 (1)	2
*Sand not perforated, but potentially productive	27258 (2)	0
Total recoverable gas	129001	2

(1) performance recoverable gas if available

(2)  $\frac{\text{performance sand perforated}}{\text{volumetric sand perforated}} \times \frac{\text{volumetric sands not perforated}}{\text{performance sands not perforated}} = \text{performance sands not perforated}$

Participating area size based on ratio of production history and volumetrics

320 acres---minimum area is proration unit.

## ECONOMIC

\*Well Cost \$ 1,341,100 (to the depth of formation completed)

Recompletion Cost \$ 49,000

TOTAL COST \$ 1,390,100

(Gas Price)(Net Revenue Interest)(1-Ad Valorem Taxes) - Production Tax + [(Oil Price)(Net Revenue Interest)(Cond. Yield, bbl/MCFG)(1 -Production and Ad Valorem Taxes)] - [(Oil Price - Base Price) WFPT %] NRI

\*Net Gas Price = \$3.09

Operating Cost \$1500/Month

BEPCO Net Income = (Gross Gas)(Net Gas Price)

YEAR	GROSS GAS	BEPCO NET INCOME	OPERATING COST	15% DISCOUNT FACTOR	DISCOUNTED CASH FLOW
Zero	---	---	---	1.0000	-1,341,100
1984	32,330	99,900	16,500	0.9325	77,770
1985	12,827	39,635	7,500	0.81087	26,058
1986	0**			0.70511	0
1987	0**			0.61314	0
1988	15,695	48,498	18,000	0.53316	16,260
Remainder Perf. Sands	40,891	126,353	46,897	0.46362	36,837
Recomp. Cost					-49,000
Sands Not Perf	27,258	84,227	31,262	0.46362	24,556
					-1,208,619

If payout is five years or less, well is considered economical.

(BEPCO Net Income - Operating Expense) discount factor = -\$1,208,619

discounted cash flow. UNECONOMICAL

BIG EDDY UNIT NO. 97  
PERFORATED SANDS

INTERVALS	h	ØD	ØN	ØXP	Øh
12,917'-19'	2	17	16	16.2	32.4
19'-20'	1	14.5	13	13.5	13.5
20'-22'	2	13	10	11.5	23
23'-24'	1	11	9	10	10
24'-26'	2	16	11	14	28
26'-28'	2	13	9.5	11.5	23
28'-29'	1	12.5	11	11.7	11.7
31'-33'	2	11	9.5	10	20
50'-52'	2	9.5	7	8.5	17
*13,002'-04'	2	11	5.5	8.5	
04'-06'	2	13	5	9.4	18.8
06'-08'	2	13	5.5	9.6	19.2
08'-10'	2	12.5	5.5	9.4	18.8
10'-12'	2	12.5	7	10	20
12'-14'	2	11	7	9.2	18.4
14'-16'	2	10.5	9	9.8	19.6
* 36'-38'	2	9	5	7	
52'-54'	2	13	11	12	24
54'-56'	2	12.5	8.5	10.5	21
56'-58'	2	12	8	10	20
58'-59'	1	11	9	10	10
63'-65'	2	11	7	9	18
65'-67'	<u>2</u>	11	8	9.5	<u>19</u>
TOTAL h	38				TOTAL Øh 405.4

$$\text{AVERAGE } \emptyset = \frac{\text{TOTAL } \emptyset h}{\text{TOTAL h}} = \frac{405.4}{38} = 10.7\% \emptyset \text{ above } 6\% \emptyset$$

\*These intervals have been eliminated from the calculations due to Sw being 40% or greater.

BIG EDDY UNIT NO. 97  
PERFORATED SANDS

INTERVALS	LLD	LLS	MSFL	Rt	(Sw)(ØXP)(h) = Sw WEIGHTED
12917'-19'	110	100	10	121	(.107)(.162)(2)=.0347
19'-20'	50	45	12	55	(.194)(.135)(1)=.0262
20'-22'	30	28	25	33	(.297)(.115)(2)=.0683
23'-24'	60	55	43	66	(.244)(.100)(1)=.0244
24'-26'	90	70	5	110.8	(.131)(.140)(2)=.0367
26'-28'	95	85	3	104.5	(.167)(.115)(2)=.0384
28'-29'	85	70	30	111	(.159)(.117)(1)=.0186
31'-33'	70	60	45	102.6	(.196)(.100)(2)=.0392
50'-52'	40	38	17	44	(.356)(.085)(2)=.0605
*13002'-04'	20	15	7	27.12	(.453)(.085)(2)
04'-06'	270	150	130	564.5	(.089)(.094)(2)=.0167
06'-08'	270	150	75	397.9	(.104)(.096)(2)=.01197
08'-10'	100	65	25	135.6	(.182)(.094)(2)=.0342
10'-12'	140	80	50	222.8	(.133)(.100)(2)=.0266
12'-14'	200	130	70	291.3	(.127)(.092)(2)=.0234
14'-16'	170	110	90	316.1	(.114)(.098)(2)=.0223
* 36'-38'	25	20	18	47.6	(.422)(.070)(2)
52'-54'	17	15	9	18.7	(.377)(.120)(2)=.0905
54'-56'	70	60	50	111.4	(.178)(.105)(2)=.0374
56'-58'	210	150	130	403	(.099)(.100)(2)=.0198
58'-59'	150	120	110	297.7	(.115)(.100)(1)=.0115
63'-65'	30	20	18	63.1	(.279)(.090)(2)=.0502
65'-67'	200	150	90	287.9	(.124)(.095)(2)=.0236

TOTAL Sw WEIGHTED .72317

$$\text{AVERAGE Sw} = \frac{\sum(h)(\emptyset)(Sw)}{(\emptyset)(h)} = \frac{0.72317}{4.054} = 17.8\% \text{ Sw below } 40\% \text{ Sw}$$

\*These intervals have been eliminated from the calculations due to Sw being 40% or greater.

VOLUMETRIC CALCULATIONS  
RECOVERABLE GAS

PERFORATED SANDS

---

Bgi CALCULATION

$$Z = 0.92405$$

$$Bgi = 0.03535$$

$$\frac{3835}{(0.92405)(200+460)}$$

$$Bgi = 0.22229$$

VOLUME CALCULATION

$$MCF = (43560)(\emptyset)(1-S_w)(A)(h)(RF)(Bgi)$$

$$MCF = (43560)(0.107)(1-0.178)(320)(38)(0.80)(0.22229)$$

$$MCF = 8,284,894$$

PERFORMANCE DATA

---

REMAINING GAS CALCULATION

$$Q = \frac{(q_i - q_l)12 \text{ mo/yr}}{-\ln(1-dy)}$$

$$Q = \frac{(2100-485)12}{-\ln(1-0.29)}$$

$$Q = 56,586$$

BIG EDDY UNIT NO. 97  
SANDS NOT PERFORATED

---

INTERVALS	h	ØD	ØN	ØXP	Øh
12568'-70'	2	12	5	9	18
70'-71'	1	14	9	11.8	11.8
12612'-14'	2	12	4.5	8.5	17
12824'-26'	2	9	7	8	16
26'-28'	2	10.5	7	9	18
28'-30'	2	9.5	5	7.5	15
30'-32'	<u>2</u>	9	4	6.8	<u>13.6</u>
TOTAL h	13			TOTAL Øh	109.4

$$\text{AVERAGE } \emptyset = \frac{\text{TOTAL } \emptyset h}{\text{TOTAL h}} = \frac{109.4}{13} = 8.4\% \emptyset \text{ above } 6\% \emptyset$$

BIG EDDY UNIT NO. 97  
SANDS NOT PERFORATED

---

INTERVALS	LLD	LLS	MSFL	Rt	(Sw)(ØXP)(h) = Sw WEIGHTED
12568'-70'	40	20	4.5	52.5	(.306)(.090)(2)=.0550
70'-71'	160	110	5	196.7	(.118)(.118)(1)=.0139
12612'-14'	700	450	100	900.4	(.079)(.085)(2)=.0134
12824'-26'	150	120	100	254.2	(.158)(.080)(2)=.0253
26'-28'	200	150	70	271.2	(.135)(.090)(2)=.0243
28'-30'	100	70	20	129.7	(.237)(.075)(2)=.0356
30'-32'	150	130	50	191.1	(.217)(.068)(2)=.0295
TOTAL Sw WEIGHTED					0.1970

$$\text{AVERAGE Sw} = \frac{(h)(\emptyset)(Sw)}{(\emptyset)(h)} = \frac{0.197}{1.094} = 18.0\% \text{ Sw below } 40\% \text{ Sw}$$

VOLUMETRIC CALCULATIONS  
RECOVERABLE GAS

SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE

VOLUME CALCULATION

$$B_{gi} = 0.22229$$

$$MCF = (43560)(\emptyset)(1-S_w)(A)(h)(RF)(B_{gi})$$

$$MCF = (43560)(.084)(1-0.18)(320)(13)(0.80)(0.22229)$$

$$MCF = 2,219,649$$

PERFORMANCE DATA

Ultimate recoverable gas for sands not perforated

PERFORMANCE SAND PERFORATED X VOLUMETRIC SANDS = PERFORMANCE SANDS  
VOLUMETRIC SAND PERFORATED NOT PERFORATED NOT PERFORATED

$$\frac{101,743}{8,284,894} \times 2,219,649 = \underline{27,258} \text{ MCF}$$

ECONOMIC

Drilling Cost to 13,190'	\$737,000
Logging, Casing & Cement Cost	388,800
Morrow Completion Cost	215,300
TOTAL COST TO DEPTH OF FORMATION COMPLETED	<u>\$1,341,100</u>
Recompletion Cost in Same Formation	49,000

Gas Price = December LIOR      Production Tax =  $\frac{\text{Production \& Severance Taxes, Net}}{\text{Total Bass Gross Revenues}}$

Oil Price = \$15.00      Ad Valorem Tax = 2%      WPT = 0

$$\text{Net Gas Price} = [(4.10)(0.78875)(0.98) - (\frac{3700}{48,778.87})]$$

$$+ [(15.00)(0.78875)(\frac{2}{45,157})(1-0.02-0.075)]$$

Net Gas Price = \$3.09

NEW MEXICO OIL CONSERVATION COMMISSION  
 MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Form C-122  
 Revised 9-1-65

Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special			Test Date 12-6-83		
Company PERRY R. BASS			Connection AIR NEW WELL		
Pool UNDESIGNATED			Formation MORROW		
Completion Date 7-1-83		Total Depth 13422		Plug Hole 1 13123	
Elevation 3409		Farm or Lease Name BIG EDDY UNIT			
Perforations: From 5.500 To 17.0	Well No. 97	Perforations: From 12918 To 13066			
Perforations: From 2.375 To 4.7	Unit F	Perforations: From 0 To 0		Sec. 35	Top. 215
Type Well - Single - Floodhead - G.O. or G.O. Multiple SINGLE			Packer Set At 12865		County EDDY
Producing thru TUBING		Reervoir Temp. °F 200 @ 12992		Bottom Temp. °F 0	
Baro. Press. - P <sub>b</sub> 13.2		State NEW MEXICO			
L 12992	M 12992	Q <sub>g</sub> 0.592	% CO <sub>2</sub> 2.	% N <sub>2</sub> 1.25	% H <sub>2</sub> S 0
Prevent 0		Water Run 4.0		Type FLANGE	

FLOW DATA						TUBING DATA		B.H.P. DATA		Duration of Flow	
NO	Prevent Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. In. H <sub>2</sub> O	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.		CHOKE
SI							2748		3733		96.0
1	4.03 X 0.750			450	2.0	99	2552	99	3522	1/64	1.0
2	4.03 X 0.750			520	6.0	107	2257	107	3164	2/64	1.0
3	4.03 X 0.750			490	12.0	105	2091	105	2998	3/64	1.0
4	4.03 X 0.750			430	24.5	94	1814	94	2736	4/64	1.0
5											

RATE OF FLOW CALCULATIONS							
NO	Coefficient (34 Hour)	$\sqrt{P_m}$	Pressure P <sub>m</sub>	Flow Temp. Factor F <sub>t</sub>	Gravity Factor F <sub>g</sub>	Super Compress. Factor F <sub>sp</sub>	Rate of Flow O. McM
1	2.66	30.44	463.2	0.9645	1.2997	1.0278	104.
2	2.66	56.56	533.2	0.9577	1.2997	1.0301	193.
3	2.66	77.71	503.2	0.9594	1.2997	1.0289	265.
4	2.66	104.20	443.2	0.9688	1.2997	1.0278	359.
5							

NO	R	Temp. °R	q	Z	Gas Liquid Hydrocarbon Ratio _____ Mcf/bbl.
1	0.68	559.	1.60	0.947	DRY
2	0.78	567.	1.62	0.942	
3	0.73	565.	1.61	0.945	
4	0.65	554.	1.58	0.947	
5					

NO	P <sub>1</sub> <sup>2</sup>	P <sub>2</sub>	R <sub>1</sub> <sup>2</sup>	R <sub>2</sub> <sup>2</sup> - R <sub>1</sub> <sup>2</sup>	(1) $\frac{P_0^2}{R_2^2 - R_1^2} = 2.1377$	(2) $\left[ \frac{R_2^2}{R_2^2 - R_1^2} \right]^n = 2.1377$
1	12498	2651	7028	904		
2	10095	2376	5646	2287		
3	9067	2250	5063	2870		
4	7558	2055	4221	3711		
5						

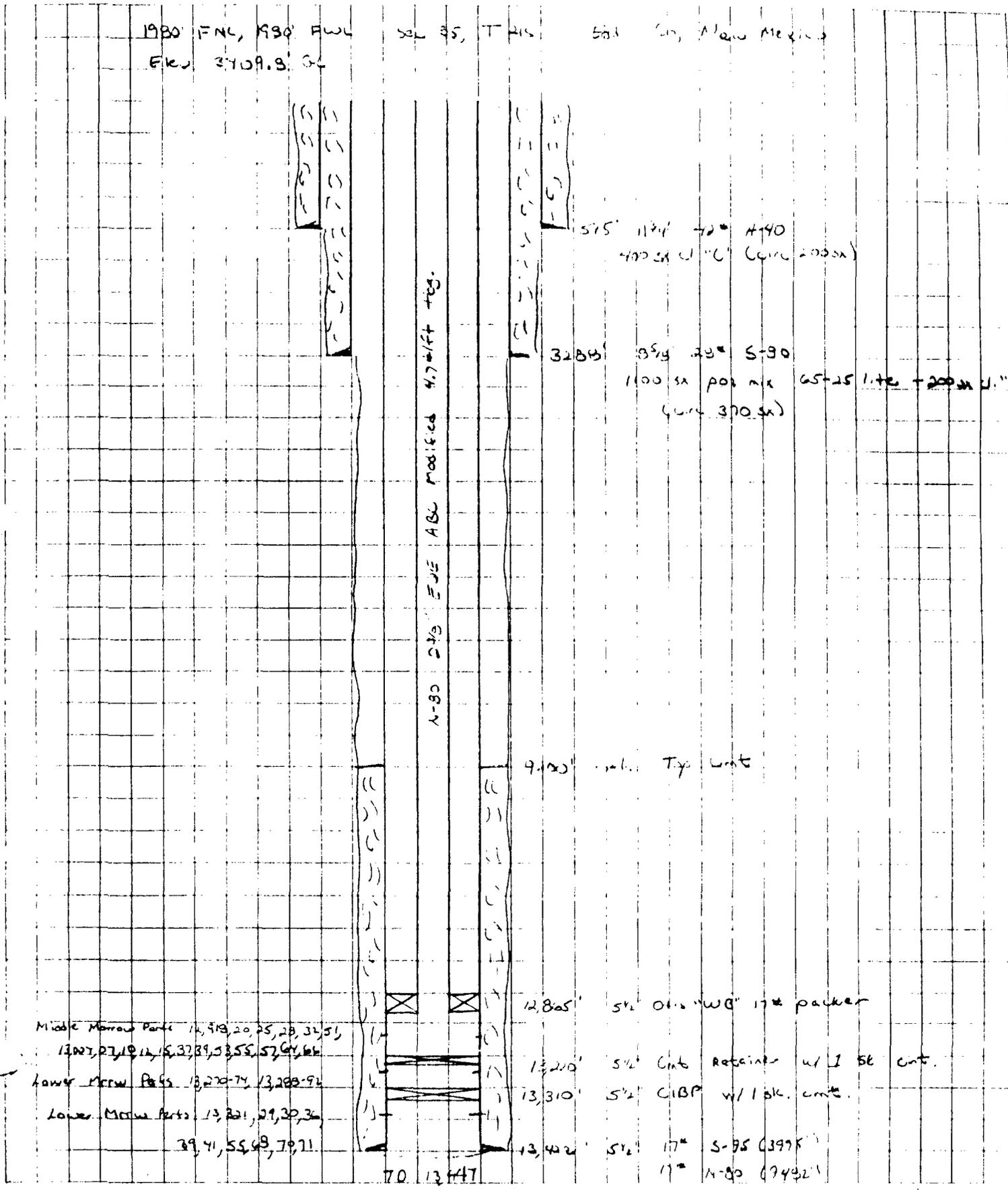
  

Absolute Open Flow _____ 767 _____ McM @ 15.025	Angle of Slope @ _____ 45°	Slope, n _____ 1.000
Remarks: _____ BOTTOM HOLE PRESSURE MEASURED WITH AMERADA PRESSURE ELEMENTS		

Approved By Commission:	Conducted By: RICHARD TOWNLEY	Calculated By: BENNETT & CATHEY	Checked By:
-------------------------	----------------------------------	------------------------------------	-------------

SUBJECT BEU # 97	DATE 1/6/87 <del>1/2/87</del>	DEPARTMENT	PREPARED BY HMM
---------------------	-------------------------------------	------------	--------------------





NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-100  
Superseded O-128  
Effective 1-1-75

All distances must be from the meter boundaries of the Section

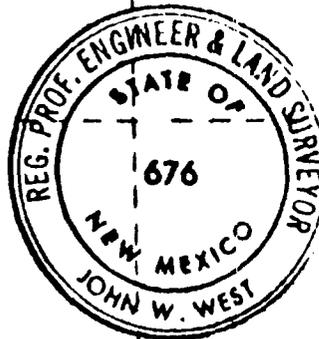
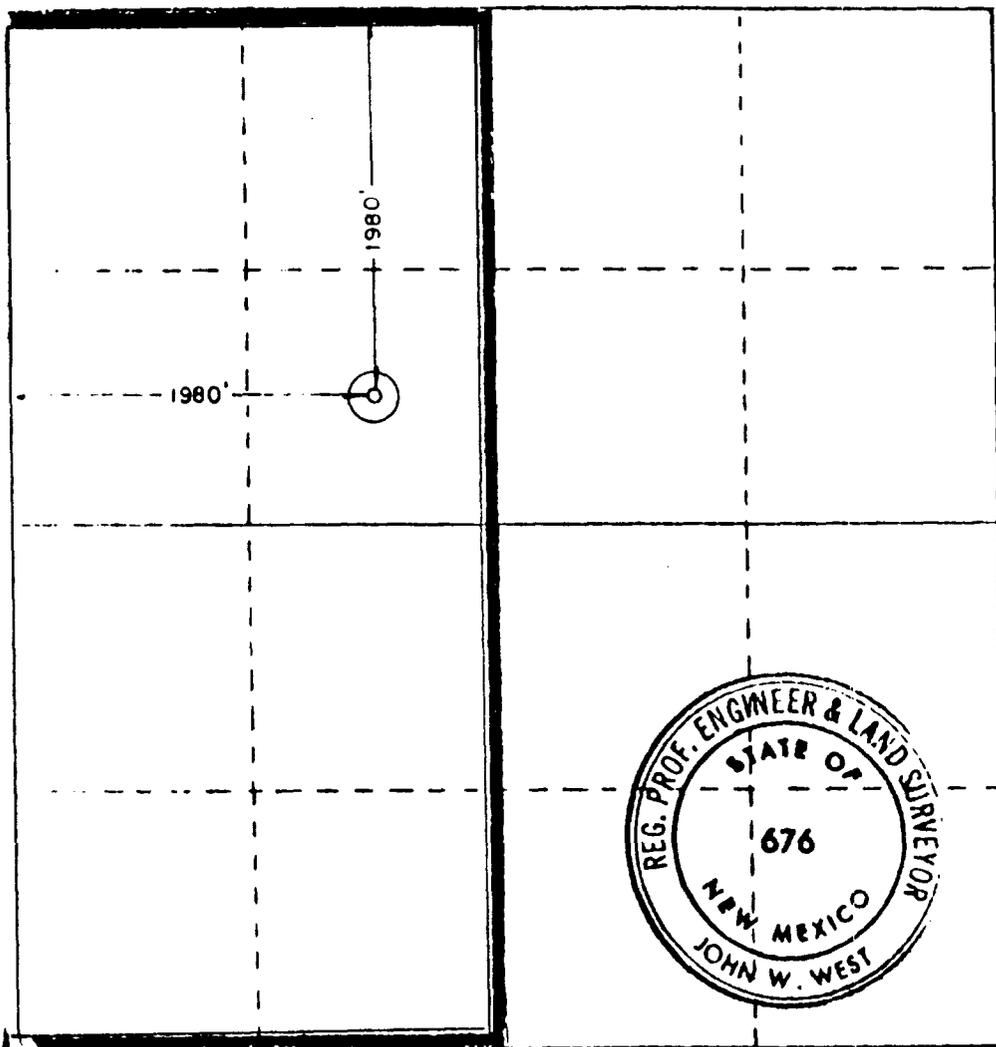
Perry R. Bass		Big Eddy Unit		97
P	Section 35	Traverse 21 South	Range 29 East	County Eddy
Date of location of well: 1980				
1980 feet from the north		1980 feet from the west		
3409.0'	Producing formation: Morrow	Local: Quahada Ridge	Sectional Acreage: 320	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation Unit

If answer is "no," list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

*Stephen D. Smith*

Name: Stephen Smith

Position: Engineering Assistant

Company: Perry R. Bass

Date: February 9, 1982

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 knowledge and belief.

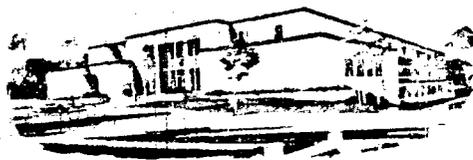
Date Surveyed: 1-28-82

Signature of Professional Engineer and/or Land Surveyor

*John W. West*

Certificate No. JOHN W. WEST 67

State of New Mexico



\*

JIM BACA  
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

May 23, 1986

MYCO INDUSTRIES, INC.  
Attention: Mr. Frank W. Yates, Jr.  
207 South Fourth Street  
Artesia, New Mexico 88210

Re: Commercial Determination  
Big Eddy Unit Well Nos. 105, 106,  
107, and 110  
Eddy County, New Mexico

Gentlemen:

This office is in receipt of your letter of April 29, 1986, together with your economic evaluations for the Big Eddy Unit Wells No. 105, 106, 107 and 110, wherein you have requested our concurrence of your non-commercial determination for these wells.

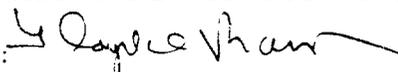
The Commissioner of Public Lands has this date concurred with your determination that these wells are non-commercial and should be produced on a lease basis from the Delaware formation.

This action is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

JB/FOP/pm

cc: OCD-Santa Fe, New Mexico

BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



MYCO INDUSTRIES, INC.  
Oil Producers

ARTESIA, NEW MEXICO 88210

YATES BLDG. - 207 SOUTH 4TH  
PHONE: (505) 746-3558

April 29, 1986

New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Stamets:

Enclosed is information regarding the economical feasibility of the Unitized Delaware oil production operated by Myco Industries, Inc., of Artesia. This production is located in Section 9 & 10 of T. 22S, R28E. This information has also been received and reviewed by the BLM and Bass Interprises, Inc., as seen in the accompanying correspondence.

Sincerely,  
Frank W. Yates, Jr.

Engineer

FWY,jr/mlh

Enclosures

BASS ENTERPRISES PRODUCTION CO.

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

April 23, 1986

MYCO INDUSTRIES, INC.  
207 South 4th  
Artesia, New Mexico 88210

Attention: Mr. Frank Yates, Jr.

RE: Commercial Determinations  
Big Eddy Unit Well Nos. 105, 106, 107  
and 110  
Eddy County, New Mexico

Gentlemen:

Thank you for providing this office with your economic evaluations for the above referenced wells. Although the Bureau of Land Management has concurred with your recommendation that the subject wells are not capable of producing unitized substances in commercial quantities, you still need to submit your evaluations to the following parties:

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. Richard Stamets

Upon receiving decisions from the CPL and NMOCD, please provide this office with copies of the approval correspondence to complete our records. Should you have any questions, please advise.

Sincerely,



MARK D. CHAMBERS  
Landman

MDC:jh



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office

P. O. Box 1397

Roswell, New Mexico 88201

IN REPLY  
REFER TO:

14-08-001-326  
3180 (065)

MAR 21 1986

Myco Industries, Inc.  
Attention: Frank W. Yates, Jr.  
207 South 4th. Street  
Artesia, New Mexico 88210

Re: Commercial Well Determinations Big Eddy  
Wells Nos. 105, 106, 107, 110 Eddy County, NM

Gentlemen:

We are in receipt of your report "Economic Evaluations for Unitized Production from Big Eddy Wells No. 105, 106, 107 and 110" and other pertinent data and agree with your findings that the above Big Eddy Wells are not capable of producing unitized substances in commercial quantities.

Therefore, no land can be included in a Delaware participating area for these wells and all production will be allocated on a lease basis.

We appreciate your detailed economic study and volumetric calculations for the above Big Eddy Wells.

Sincerely,

for Francis R. Cherry, Jr.  
District Manager

BIG EDDY UNIT  
Volumetric Calculations  
for Unitized Production

Well name	Big Eddy Unit #105
Proration Unit	40
Pay Interval	5548-5608
Net Pay (ft)	8
Porosity %	0.21
Recovery Factor	0.3
Rw	0.035
Rt	1.8
Water saturation	0.664015
Barrels recoverable oil	52687.68
$Ax\Phi(1-S_w)hxRF/5.6$	

BIG EDDY UNIT  
Volumetric Calculations  
for Unitized Production

Well name	Big Eddy Unit #110
Proration Unit	40
Pay Interval	5908-5915
Net Pay (ft)	14
Porosity %	0.15
Recovery Factor	0.3
Rw	0.035
Rt	5
Water saturation	0.557773
Barrels recoverable oil	86685.26
$AxPHI(1-Sw)hxRF/5.6$	

BIG EDDY UNIT  
Volumetric Calculations  
for Unitized Production

Well name	Big Eddy Unit #106
Proration Unit	40
Pay Interval	5543-5598
Net Pay (ft)	14
Porosity %	0.18
Recovery Factor	0.3
Rw	0.035
Rt	2.1
Water saturation	0.717219
Barrels recoverable oil	66516.84
$AxPHI(1-Sw)hxRF/5.6$	

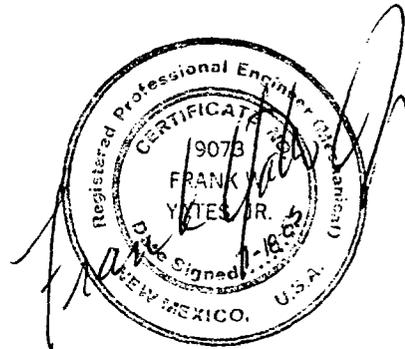
BIG EDDY UNIT  
Volumetric Calculations  
for Unitized Production

Well name	Big Eddy Unit #107
Proration Unit	40
Pay Interval	5879-5903
Net Pay (ft)	6
Porosity %	0.17
Recovery Factor	0.3
Rw	0.035
Rt	3.5
Water saturation	0.588235
Barrels recoverable oil	39204
$Ax\Phi(1-S_w)h_xRF/5.6$	

ECONOMIC EVALUATIONS  
FOR  
UNITIZED PRODUCTION  
FROM  
BIG EDDY WELLS # 105, 106, 107, and 110  
OPERATED BY  
MYCO INDUSTRIES, INC.  
207 S. 4th, Artesia, NM 88210

CONTENTS

	page
I. Summary .....	1
II. Economic Evaluations BE 105, 106, 107, 110 .....	2
III. Data Input Sheets .....	6
IV. Production and Expense Calculations .....	10
V. Back Up Materials	
1. C-115's Monthly Production .....	14
2. Crude Oil Price Bulletins .....	17
3. Expense Billing for BE 106 .....	19
4. Engine Maintenance Invoice .....	20
5. Example EFE .....	21
6. Field Notes .....	22
7. Drilling Reports.....	24



I.

SUMMARY

This analysis presents the economics of producing unitized substances in the BE 105, 106, 107, and 110. These wells are located in Sections 9 and 10, Township 22S, Range 28E, Eddy County, New Mexico. In these wells, a unitized substance is any substance below 5,000 feet.

In our estimation, it would not be economical to drill below 5,000 feet for the purpose of producing only unitized substances. The following analysis show a 0% rate of return for developing unitized substances in the Big Eddy 105, 107, and 110, and a 4% rate of return for the Big Eddy 106.

ECONOMIC EVALUATIONS  
BIG EDDY 105, 106, 107, 110

	PRESENT WORTH M\$				
MYCO IND INC	10.0 : -389.88	40.0 : -417.95	70.0 : -431.27	BE105	
ECON EVAL	20.0 : -401.91	50.0 : -423.40	80.0 : -434.19	UNIT PROD	
	30.0 : -410.98	60.0 : -427.74	90.0 : -436.63		

OIL PROD. TAX (\$/BBL) : 0.00    OIL SEVERANCE TAX (DEC.) : .0800    STARTING YEAR : 1985    PRIMARY DISC. RATE : .130  
 GAS PROD. TAX (\$/MCF) : 0.00    GAS SEVERANCE TAX (DEC.) : 0.0000    NO. MONTHS, 1ST YEAR : 12.    INT RATE-OF-RETURN : 0.0000  
 INIT. WORKING INT. : 1.0000    INIT. NET REV. INT. : .8750    FIN. WORKING INT. : 1.0000    FIN. NET REV. INT. : .8750

Y E A R	GROSS NO. WELLS	GROSS GAS PRODUCTION -MCF-	GROSS OIL PRODUCTION -MBBL-	NET GAS PRODUCTION -MCF-	NET OIL PRODUCTION -MBBL-	GAS PRICE -\$/MCF-	OIL PRICE -\$/BBL-	GAS REVENUE -M\$-	OIL REVENUE -M\$-	TOTAL REVENUE -M\$-
1985.00	1.000	0.000	4.362	0.000	3.817	0.000	26.000	0.000	99.236	99.236
1986.00	1.000	0.000	3.926	0.000	3.435	0.000	26.780	0.000	91.991	91.991
1987.00	1.000	0.000	3.533	0.000	3.092	0.000	27.583	0.000	85.276	85.276
1988.00	1.000	0.000	3.180	0.000	2.782	0.000	28.411	0.000	79.051	79.051
1989.00	1.000	0.000	2.862	0.000	2.504	0.000	29.263	0.000	73.280	73.280
1990.00	1.000	0.000	2.576	0.000	2.254	0.000	30.141	0.000	67.931	67.931
1991.00	1.000	0.000	2.318	0.000	2.028	0.000	31.045	0.000	62.972	62.972
1992.00	1.000	0.000	2.086	0.000	1.826	0.000	31.977	0.000	58.375	58.375
1993.00	1.000	0.000	1.878	0.000	1.643	0.000	32.936	0.000	54.113	54.113
TOTALS		0.000	26.721	0.000	23.381	0.000	28.751	0.000	672.224	672.224

Y E A R	WPT TAX -M\$-	NET SEV. & PROD TAXES -M\$-	DIRECT OPR. EXP -M\$-	TOTAL OPR. EXP. + TAXES -M\$-	OPERATING REVENUE -M\$-	TOTAL INVESTMENTS -M\$-	BFIT CASHFLOW -M\$-	CUM BFIT CASHFLOW -M\$-	DISCOUNTED BFIT. C.F. -M\$-	CUM DISC BFIT. C.F. -M\$-
INITIAL						460.000	-460.000	-460.000	-460.000	-460.000
1985.00	4.740	7.939	61.716	74.395	24.840	0.000	24.840	-435.160	23.277	-436.723
1986.00	4.110	7.359	60.482	71.951	20.040	0.000	20.040	-415.119	16.490	-420.233
1987.00	3.541	6.822	59.272	69.635	15.641	0.000	15.641	-399.479	11.301	-408.932
1988.00	3.029	6.324	58.087	67.439	11.612	0.000	11.612	-387.867	7.367	-401.565
1989.00	2.282	5.862	56.925	65.070	8.211	0.000	8.211	-379.657	4.574	-396.991
1990.00	1.436	5.434	55.786	62.656	5.274	0.000	5.274	-374.382	2.580	-394.411
1991.00	0.000	5.038	54.671	59.708	3.263	0.000	3.263	-371.119	1.402	-393.009
1992.00	0.000	4.670	53.577	58.247	.128	0.000	.128	-370.991	.048	-392.961
1993.00	0.000	4.329	52.506	56.835	-2.721	0.000	-2.721	-373.713	-.901	-393.862
TOTALS	19.138	53.778	513.021	585.937	86.287	460.000	-373.713	-373.713	-393.862	-393.862

MYCO IND INC  
 ECONOMIC EVALUATION  
 OIL PROD. TAX (\$/BBL) : 0.00  
 GAS PROD. TAX (\$/MCF) : 0.00  
 INIT. WORKING INT. : 1.0000

PRESENT WORTH M\$  
 10.0 : -96.64  
 20.0 : -187.88  
 30.0 : -244.46  
 40.0 : -282.62  
 50.0 : -310.06  
 60.0 : -330.78  
 70.0 : -347.01  
 80.0 : -360.09  
 90.0 : -370.88

BIG EDDY 106  
 UNIT PRODUCTION  
 STARTING YEAR : 1985  
 NO. MONTHS, 1ST YEAR : 12.  
 FIN. WORKING INT. : 1.0000

PRIMARY DISC. RATE : .130  
 INT RATE-OF-RETURN : .0409  
 FIN. NET REV. INT. : .8750

Y E A R	GROSS NO. WELLS	GROSS GAS PRODUCTION -MCF-	GROSS OIL PRODUCTION -MBBL-	NET GAS PRODUCTION -MCF-	NET OIL PRODUCTION -MBBL-	GAS PRICE -\$/MCF-	OIL PRICE -\$/BBL-	GAS REVENUE -M\$-	OIL REVENUE -M\$-	TOTAL REVENUE -M\$-
1985.00	1.000	0.000	6.602	0.000	5.777	0.000	26.250	0.000	151.640	151.640
1986.00	1.000	0.000	5.942	0.000	5.199	0.000	24.500	0.000	127.377	127.377
1987.00	1.000	0.000	5.348	0.000	4.679	0.000	23.000	0.000	107.621	107.621
1988.00	1.000	0.000	4.813	0.000	4.211	0.000	22.000	0.000	92.648	92.648
1989.00	1.000	0.000	4.332	0.000	3.790	0.000	21.500	0.000	81.488	81.488
1990.00	1.000	0.000	3.898	0.000	3.411	0.000	21.500	0.000	73.339	73.339
1991.00	1.000	0.000	3.509	0.000	3.070	0.000	22.000	0.000	67.540	67.540
1992.00	1.000	0.000	3.158	0.000	2.763	0.000	23.100	0.000	63.825	63.825
1993.00	1.000	0.000	2.842	0.000	2.487	0.000	24.255	0.000	60.315	60.315
1994.00	1.000	0.000	2.558	0.000	2.238	0.000	25.468	0.000	56.998	56.998
1995.00	1.000	0.000	2.302	0.000	2.014	0.000	26.741	0.000	53.863	53.863
1996.00	1.000	0.000	2.072	0.000	1.813	0.000	28.078	0.000	50.900	50.900
1997.00	1.000	0.000	1.865	0.000	1.632	0.000	29.482	0.000	48.101	48.101
1998.00	1.000	0.000	1.678	0.000	1.468	0.000	30.956	0.000	45.455	45.455
1999.00	1.000	0.000	1.510	0.000	1.322	0.000	32.504	0.000	42.955	42.955
2000.00	1.000	0.000	1.359	0.000	1.189	0.000	34.129	0.000	40.593	40.593
TOTALS		0.000	53.786	0.000	47.063	0.000	24.747	0.000	1164.657	1164.657

Y E A R	WPT TAX -M\$-	NET SEV. & PROD TAXES -M\$-	DIRECT OPR. EXP -M\$-	TOTAL OPR. EXP. + TAXES -M\$-	OPERATING REVENUE -M\$-	TOTAL INVESTMENTS -M\$-	BIT CASHFLOW -M\$-	CUM BIT CASHFLOW -M\$-	DISCOUNTED BIT. C.F. -M\$-	CUM DISC BIT. C.F. -M\$-
INITIAL						470.000	-470.000	-470.000	-470.000	-470.000
1985.00	7.474	12.131	28.032	47.637	104.003	0.000	104.003	-365.997	97.458	-372.542
1986.00	3.767	10.190	28.593	42.550	84.828	0.000	84.828	-281.169	69.799	-302.743
1987.00	.920	8.610	29.164	38.694	68.927	0.000	68.927	-212.243	49.801	-252.942
1988.00	0.000	7.412	29.748	37.160	55.488	0.000	55.488	-156.755	35.204	-217.738
1989.00	0.000	6.519	30.343	36.862	44.626	0.000	44.626	-112.129	24.861	-192.876
1990.00	0.000	5.867	30.958	36.817	36.522	0.000	36.522	-75.607	17.866	-175.010
1991.00	0.000	5.403	31.569	36.972	30.568	0.000	30.568	-45.038	13.131	-161.879
1992.00	0.000	5.106	32.200	37.306	26.519	0.000	26.519	-18.519	10.003	-151.876
1993.00	0.000	4.825	32.844	37.669	22.646	0.000	22.646	4.127	7.501	-144.376
1994.00	0.000	4.560	33.501	38.061	18.937	0.000	18.937	23.064	5.508	-138.868
1995.00	0.000	4.309	34.171	38.480	15.383	0.000	15.383	38.447	3.928	-134.940
1996.00	0.000	4.072	34.854	38.926	11.974	0.000	11.974	50.421	2.685	-132.254
1997.00	0.000	3.848	35.551	39.399	8.701	0.000	8.701	59.122	1.713	-130.541
1998.00	0.000	3.636	36.262	39.899	5.556	0.000	5.556	64.678	.961	-129.580
1999.00	0.000	3.436	36.988	40.424	2.531	0.000	2.531	67.209	.384	-129.196
2000.00	0.000	3.247	37.727	40.975	-.382	0.000	-.382	66.827	-.051	-129.247
TOTALS	12.161	93.173	522.496	627.830	536.827	470.000	66.827	66.827	-129.247	-129.247

RS OF : 7-15-85

RESERVES AND ECONOMICS

DATA FILENAME : BE107

		PRESENT WORTH M\$					
MYCO IND INC	10.0 :	-471.72	40.0 :	-470.08	70.0 :	-468.68	BE107
ECON EVAL	20.0 :	-471.14	50.0 :	-469.59	80.0 :	-468.26	UNIT PROD
	30.0 :	-470.60	60.0 :	-469.12	90.0 :	-467.85	

OIL PROD. TAX (\$/BBL) : 0.00    OIL SEVERANCE TAX (DEC.) : .0800    STARTING YEAR : 1985    PRIMARY DISC. RATE : .130  
 GAS PROD. TAX (\$/MCF) : 0.00    GAS SEVERANCE TAX (DEC.) : 0.0000    NO. MONTHS, 1ST YEAR : 12.    INT RATE-OF-RETURN : 0.0000  
 INIT. WORKING INT. : 1.0000    INIT. NET REV. INT. : .8750    FIN. WORKING INT. : 1.0000    FIN. NET REV. INT. : .8750

Y E A R	GROSS NO. WELLS	GROSS GAS PRODUCTION -MMCF-	GROSS OIL PRODUCTION -MBBL-	NET GAS PRODUCTION -MMCF-	NET OIL PRODUCTION -MBBL-	GAS PRICE -\$/MCF-	OIL PRICE -\$/BBL-	GAS REVENUE -M\$-	OIL REVENUE -M\$-	TOTAL REVENUE -M\$-
1985.00	1.000	0.000	.414	0.000	.362	0.000	26.000	0.000	9.419	9.419
TOTALS		0.000	.414	0.000	.362	0.000	26.000	0.000	9.419	9.419

Y E A R	WPT TAX -M\$-	NET SEV. & PROD TAXES -M\$-	DIRECT OPR. EXP -M\$-	TOTAL OPR. EXP. + TAXES -M\$-	OPERATING REVENUE -M\$-	TOTAL INVESTMENTS -M\$-	BFIT CASHFLOW -M\$-	CUM BFIT CASHFLOW -M\$-	DISCOUNTED BFIT. C.F. -M\$-	CUM DISC BFIT. C.F. -M\$-
INITIAL						460.000	-460.000	-460.000	-460.000	-460.000
1985.00	.450	.753	20.532	21.735	-12.317	0.000	-12.317	-472.317	-11.542	-471.542
TOTALS	.450	.753	20.532	21.735	-12.317	460.000	-472.317	-472.317	-471.542	-471.542

		PRESENT WORTH M\$					
MYCO IND INC	10.0 :	-271.20	40.0 :	-375.08	70.0 :	-409.79	BE110
ECON EVAL	20.0 :	-322.11	50.0 :	-390.09	80.0 :	-416.59	UNIT PROD
	30.0 :	-353.87	60.0 :	-401.22	90.0 :	-422.12	

OIL PROD. TAX (\$/BBL) : 0.00    OIL SEVERANCE TAX (DEC.) : .0800    STARTING YEAR : 1985    PRIMARY DISC. RATE : .130  
 GAS PROD. TAX (\$/MCF) : 0.00    GAS SEVERANCE TAX (DEC.) : 0.0000    NO. MONTHS, 1ST YEAR : 12.    INT RATE-OF-RETURN : 0.0000  
 INIT. WORKING INT. : 1.0000    INIT. NET REV. INT. : .8750    FIN. WORKING INT. : 1.0000    FIN. NET REV. INT. : .8750

Y E A R	GROSS NO. WELLS	GROSS GAS PRODUCTION -MMCF-	GROSS OIL PRODUCTION -MMBL-	NET GAS PRODUCTION -MMCF-	NET OIL PRODUCTION -MMBL-	GAS PRICE -\$/MCF-	OIL PRICE -\$/BBL-	GAS REVENUE -M\$-	OIL REVENUE -M\$-	TOTAL REVENUE -M\$-
1985.00	1.000	0.000	5.040	0.000	4.410	0.000	26.000	0.000	114.660	114.660
1986.00	1.000	0.000	4.536	0.000	3.969	0.000	26.780	0.000	106.290	106.290
1987.00	1.000	0.000	4.082	0.000	3.572	0.000	27.583	0.000	98.531	98.531
1988.00	1.000	0.000	3.674	0.000	3.215	0.000	28.411	0.000	91.338	91.338
1989.00	1.000	0.000	3.307	0.000	2.893	0.000	29.263	0.000	84.670	84.670
1990.00	1.000	0.000	2.976	0.000	2.604	0.000	30.141	0.000	78.489	78.489
1991.00	1.000	0.000	2.678	0.000	2.344	0.000	31.045	0.000	72.760	72.760
1992.00	1.000	0.000	2.411	0.000	2.109	0.000	31.977	0.000	67.448	67.448
1993.00	1.000	0.000	2.170	0.000	1.898	0.000	32.936	0.000	62.524	62.524
1994.00	1.000	0.000	1.953	0.000	1.709	0.000	33.924	0.000	57.960	57.960
1995.00	1.000	0.000	1.757	0.000	1.538	0.000	34.942	0.000	53.729	53.729
1996.00	1.000	0.000	1.582	0.000	1.384	0.000	35.990	0.000	49.807	49.807
1997.00	1.000	0.000	1.423	0.000	1.246	0.000	37.070	0.000	46.171	46.171
1998.00	1.000	0.000	1.281	0.000	1.121	0.000	38.182	0.000	42.800	42.800
TOTALS		0.000	38.870	0.000	34.011	0.000	30.201	0.000	1027.178	1027.178

Y E A R	UPT TAX -M\$-	NET SEV. & PRDD TAXES -M\$-	DIRECT OPR. EXP -M\$-	TOTAL OPR. EXP. + TAXES -M\$-	OPERATING REVENUE -M\$-	TOTAL INVESTMENTS -M\$-	BFTT CASHFLOW -M\$-	CUM BFTT CASHFLOW -M\$-	DISCOUNTED BFTT. C.F. -M\$-	CUM DISC BFTT. C.F. -M\$-
INITIAL						470.000	-470.000	-470.000	-470.000	-470.000
1985.00	5.477	9.173	51.612	66.262	48.398	0.000	48.398	-421.602	45.352	-424.648
1986.00	4.749	8.503	50.580	63.832	42.458	0.000	42.458	-379.144	34.936	-389.712
1987.00	4.092	7.882	49.568	61.542	36.989	0.000	36.989	-342.155	26.725	-362.987
1988.00	3.499	7.307	48.577	59.383	31.955	0.000	31.955	-310.201	20.274	-342.713
1989.00	2.637	6.774	47.605	57.016	27.654	0.000	27.654	-282.546	15.406	-327.307
1990.00	1.659	6.279	46.653	54.591	23.898	0.000	23.898	-258.648	11.691	-315.616
1991.00	0.000	5.821	45.720	51.541	21.219	0.000	21.219	-237.429	9.115	-306.501
1992.00	0.000	5.396	44.806	50.202	17.247	0.000	17.247	-220.183	6.505	-299.996
1993.00	0.000	5.002	43.910	48.912	13.613	0.000	13.613	-206.570	4.509	-295.487
1994.00	0.000	4.637	43.031	47.668	10.292	0.000	10.292	-196.278	2.993	-292.494
1995.00	0.000	4.298	42.171	46.469	7.260	0.000	7.260	-189.018	1.854	-290.640
1996.00	0.000	3.985	41.327	45.312	4.495	0.000	4.495	-184.523	1.008	-289.632
1997.00	0.000	3.694	40.501	44.194	1.976	0.000	1.976	-182.546	.389	-289.242
1998.00	0.000	3.424	39.691	43.115	-.314	0.000	-.314	-182.861	-.054	-289.297
TOTALS	22.112	82.174	635.752	740.038	287.139	470.000	-182.861	-182.861	-289.297	-289.297

**DATA INPUT SHEETS**

FILENAME: BE105

1ST TITLE LINE: MYCO IND INC

2ND TITLE LINE: BE105

3RD TITLE LINE: ECON EVAL

4TH TITLE LINE: UNIT PROD

AS-OF-DATE: 6-24-85

OIL PRODUCTION TAX (\$/STB) : 0

GAS PRODUCTION TAX (\$/MCF) : 0

OIL SEVERANCE TAX (DEC.) : .08

GAS SEVERANCE TAX (DEC.) : 0

STARTING YEAR : 1985

MO. OF MONTHS IN FIRST YEAR : 12

PRIMARY DISCOUNT FACTOR (DEC.) : .13

INITIAL INVESTMENT (MM) : 460

YEAR	WI	NRI	OIL PROD	GAS PROD	GOR	YIELD	NO. WELLS
1985.000	1.000	.875	4.362	0.000	0.000	0.000	1.000
1986.000	1.000	.875	3.926	0.000	0.000	0.000	1.000
1987.000	1.000	.875	3.533	0.000	0.000	0.000	1.000
1988.000	1.000	.875	3.180	0.000	0.000	0.000	1.000
1989.000	1.000	.875	2.862	0.000	0.000	0.000	1.000
1990.000	1.000	.875	2.576	0.000	0.000	0.000	1.000
1991.000	1.000	.875	2.318	0.000	0.000	0.000	1.000
1992.000	1.000	.875	2.086	0.000	0.000	0.000	1.000
1993.000	1.000	.875	1.878	0.000	0.000	0.000	1.000
1994.000	1.000	.875	1.690	0.000	0.000	0.000	1.000
1995.000	1.000	.875	1.521	0.000	0.000	0.000	1.000
1996.000	1.000	.875	1.369	0.000	0.000	0.000	1.000
1997.000	1.000	.875	1.232	0.000	0.000	0.000	1.000
1998.000	1.000	.875	1.109	0.000	0.000	0.000	1.000
1999.000	1.000	.875	.998	0.000	0.000	0.000	1.000
2000.000	1.000	.875	.898	0.000	0.000	0.000	1.000
2001.000	1.000	.875	.808	0.000	0.000	0.000	1.000
2002.000	1.000	.875	.727	0.000	0.000	0.000	1.000
2003.000	1.000	.875	.655	0.000	0.000	0.000	1.000
2004.000	1.000	.875	.589	0.000	0.000	0.000	1.000

YEAR	OP. COST	OIL PRICE	GAS PRICE	INVEST.	WPT. BASE	WPT. RATE
1985.000	5143.000	26.000	0.000	0.000	20.000	.225
1986.000	5040.140	26.780	0.000	0.000	21.000	.225
1987.000	4939.337	27.583	0.000	0.000	22.050	.225
1988.000	4840.550	28.411	0.000	0.000	23.153	.225
1989.000	4743.739	29.263	0.000	0.000	24.310	.200
1990.000	4648.865	30.141	0.000	0.000	25.526	.150
1991.000	4555.887	31.045	0.000	0.000	26.802	0.000
1992.000	4464.770	31.977	0.000	0.000	28.142	0.000
1993.000	4375.474	32.936	0.000	0.000	29.549	0.000
1994.000	4287.965	33.924	0.000	0.000	31.027	0.000
1995.000	4202.205	34.942	0.000	0.000	32.578	0.000
1996.000	4118.161	35.990	0.000	0.000	34.207	0.000
1997.000	4035.798	37.070	0.000	0.000	35.917	0.000
1998.000	3955.082	38.182	0.000	0.000	37.713	0.000
1999.000	3875.981	39.327	0.000	0.000	39.599	0.000
2000.000	3798.461	40.507	0.000	0.000	41.579	0.000
2001.000	3722.492	41.722	0.000	0.000	43.657	0.000
2002.000	3648.042	42.974	0.000	0.000	45.840	0.000
2003.000	3575.081	44.263	0.000	0.000	48.132	0.000
2004.000	3503.579	45.591	0.000	0.000	50.539	0.000

FILENAME: 8E106

1ST TITLE LINE: MYCO IND INC  
 3RD TITLE LINE: ECONOMIC EVALUATION  
 AS-OF-DATE: 7-15-85  
 OIL PRODUCTION TAX (\$/STB) : 0  
 OIL SEVERANCE TAX (DEC.) : .08  
 STARTING YEAR : 1985  
 PRIMARY DISCOUNT FACTOR (DEC.) : .13

2ND TITLE LINE: BIG EDDY 106  
 4TH TITLE LINE: UNIT PRODUCTION  
 GAS PRODUCTION TAX (\$/MCF) : 0  
 GAS SEVERANCE TAX (DEC.) : 0  
 NO. OF MONTHS IN FIRST YEAR : 12  
 INITIAL INVESTMENT (M\$) : 470

YEAR	WI	NRI	OIL PROD	GAS PROD	GOR	YIELD	NO. WELLS
1985.000	1.000	.875	6.602	0.000	0.000	0.000	1.000
1986.000	1.000	.875	5.942	0.000	0.000	0.000	1.000
1987.000	1.000	.875	5.348	0.000	0.000	0.000	1.000
1988.000	1.000	.875	4.813	0.000	0.000	0.000	1.000
1989.000	1.000	.875	4.332	0.000	0.000	0.000	1.000
1990.000	1.000	.875	3.898	0.000	0.000	0.000	1.000
1991.000	1.000	.875	3.509	0.000	0.000	0.000	1.000
1992.000	1.000	.875	3.158	0.000	0.000	0.000	1.000
1993.000	1.000	.875	2.842	0.000	0.000	0.000	1.000
1994.000	1.000	.875	2.558	0.000	0.000	0.000	1.000
1995.000	1.000	.875	2.302	0.000	0.000	0.000	1.000
1996.000	1.000	.875	2.072	0.000	0.000	0.000	1.000
1997.000	1.000	.875	1.865	0.000	0.000	0.000	1.000
1998.000	1.000	.875	1.678	0.000	0.000	0.000	1.000
1999.000	1.000	.875	1.510	0.000	0.000	0.000	1.000
2000.000	1.000	.875	1.359	0.000	0.000	0.000	1.000
2001.000	1.000	.875	1.223	0.000	0.000	0.000	1.000
2002.000	1.000	.875	1.101	0.000	0.000	0.000	1.000
2003.000	1.000	.875	.991	0.000	0.000	0.000	1.000
2004.000	1.000	.875	.892	0.000	0.000	0.000	1.000

YEAR	OP. COST	OIL PRICE	GAS PRICE	INVEST.	WPT. BASE	WPT. RATE
1985.000	2336.000	26.250	0.000	0.000	20.000	.225
1986.000	2382.720	24.500	0.000	0.000	21.000	.225
1987.000	2430.374	23.000	0.000	0.000	22.050	.225
1988.000	2478.982	22.000	0.000	0.000	23.153	.225
1989.000	2528.562	21.500	0.000	0.000	24.310	.200
1990.000	2579.133	21.500	0.000	0.000	25.526	.150
1991.000	2630.715	22.000	0.000	0.000	26.802	0.000
1992.000	2683.330	23.100	0.000	0.000	28.142	0.000
1993.000	2736.996	24.255	0.000	0.000	29.549	0.000
1994.000	2791.736	25.468	0.000	0.000	31.027	0.000
1995.000	2847.571	26.741	0.000	0.000	32.578	0.000
1996.000	2904.522	28.078	0.000	0.000	34.207	0.000
1997.000	2962.613	29.482	0.000	0.000	35.917	0.000
1998.000	3021.865	30.956	0.000	0.000	37.713	0.000
1999.000	3082.302	32.504	0.000	0.000	39.599	0.000
2000.000	3143.948	34.129	0.000	0.000	41.579	0.000
2001.000	3206.827	35.836	0.000	0.000	43.657	0.000
2002.000	3270.964	37.627	0.000	0.000	45.840	0.000
2003.000	3336.383	39.509	0.000	0.000	48.132	0.000
2004.000	3403.111	41.484	0.000	0.000	50.539	0.000

FILENAME: BE107

1ST TITLE LINE: MYCO IND INC

2ND TITLE LINE: BE107

3RD TITLE LINE: ECON EVAL

4TH TITLE LINE: UNIT PROD

AS-OF-DATE: 7-15-85

OIL PRODUCTION TAX (\$/STB) : 0

GAS PRODUCTION TAX (\$/MCF) : 0

OIL SEVERANCE TAX (DEC.) : .08

GAS SEVERANCE TAX (DEC.) : 0

STARTING YEAR : 1985

NO. OF MONTHS IN FIRST YEAR : 12

PRIMARY DISCOUNT FACTOR (DEC.) : .13

INITIAL INVESTMENT (M\$) : 460

YEAR	UI	HRI	OIL PROD	GAS PROD	GOR	YIELD	NO. WELLS
1985.000	1.000	.875	.414	0.000	0.000	0.000	1.000
1986.000	1.000	.875	.373	0.000	0.000	0.000	1.000
1987.000	1.000	.875	.335	0.000	0.000	0.000	1.000
1988.000	1.000	.875	.302	0.000	0.000	0.000	1.000
1989.000	1.000	.875	.272	0.000	0.000	0.000	1.000
1990.000	1.000	.875	.244	0.000	0.000	0.000	1.000
1991.000	1.000	.875	.220	0.000	0.000	0.000	1.000
1992.000	1.000	.875	.198	0.000	0.000	0.000	1.000
1993.000	1.000	.875	.178	0.000	0.000	0.000	1.000
1994.000	1.000	.875	.160	0.000	0.000	0.000	1.000
1995.000	1.000	.875	.144	0.000	0.000	0.000	1.000
1996.000	1.000	.875	.130	0.000	0.000	0.000	1.000
1997.000	1.000	.875	.117	0.000	0.000	0.000	1.000
1998.000	1.000	.875	.105	0.000	0.000	0.000	1.000
1999.000	1.000	.875	.095	0.000	0.000	0.000	1.000
2000.000	1.000	.875	.085	0.000	0.000	0.000	1.000
2001.000	1.000	.875	.077	0.000	0.000	0.000	1.000
2002.000	1.000	.875	.069	0.000	0.000	0.000	1.000
2003.000	1.000	.875	.062	0.000	0.000	0.000	1.000
2004.000	1.000	.875	.056	0.000	0.000	0.000	1.000

YEAR	OP. COST	OIL PRICE	GAS PRICE	INVEST.	WPT. BASE	WPT. RATE
1985.000	1711.000	26.000	0.000	0.000	20.000	.225
1986.000	1676.780	26.780	0.000	0.000	21.000	.225
1987.000	1643.244	27.583	0.000	0.000	22.050	.225
1988.000	1610.380	28.411	0.000	0.000	23.153	.225
1989.000	1578.172	29.263	0.000	0.000	24.310	.200
1990.000	1546.608	30.141	0.000	0.000	25.526	.150
1991.000	1515.676	31.045	0.000	0.000	26.802	0.000
1992.000	1485.363	31.977	0.000	0.000	28.142	0.000
1993.000	1455.656	32.936	0.000	0.000	29.549	0.000
1994.000	1426.542	33.924	0.000	0.000	31.027	0.000
1995.000	1398.012	34.942	0.000	0.000	32.578	0.000
1996.000	1370.051	35.990	0.000	0.000	34.207	0.000
1997.000	1342.650	37.070	0.000	0.000	35.917	0.000
1998.000	1315.797	38.182	0.000	0.000	37.713	0.000
1999.000	1289.481	39.327	0.000	0.000	39.599	0.000
2000.000	1263.692	40.507	0.000	0.000	41.579	0.000
2001.000	1238.418	41.722	0.000	0.000	43.657	0.000
2002.000	1213.650	42.974	0.000	0.000	45.840	0.000
2003.000	1189.377	44.263	0.000	0.000	48.132	0.000
2004.000	1165.589	45.591	0.000	0.000	50.539	0.000

FILENAME: BE110

1ST TITLE LINE: MYCO IND INC

2ND TITLE LINE: BE110

3RD TITLE LINE: ECON EVAL

4TH TITLE LINE: UNIT PROD

AS-OF-DATE: 7-15-85

OIL PRODUCTION TAX (\$/STB) : 0

GAS PRODUCTION TAX (\$/MCF) : 0

OIL SEVERANCE TAX (DEC.) : .08

GAS SEVERANCE TAX (DEC.) : 0

STARTING YEAR : 1985

NO. OF MONTHS IN FIRST YEAR : 12

PRIMARY DISCOUNT FACTOR (DEC.) : .13

INITIAL INVESTMENT (M\$) : 470

YEAR	UI	NRI	OIL PROD	GAS PROD	GOR	YIELD	NO. WELLS
1985.000	1.000	.875	5.040	0.000	0.000	0.000	1.000
1986.000	1.000	.875	4.536	0.000	0.000	0.000	1.000
1987.000	1.000	.875	4.082	0.000	0.000	0.000	1.000
1988.000	1.000	.875	3.674	0.000	0.000	0.000	1.000
1989.000	1.000	.875	3.307	0.000	0.000	0.000	1.000
1990.000	1.000	.875	2.976	0.000	0.000	0.000	1.000
1991.000	1.000	.875	2.678	0.000	0.000	0.000	1.000
1992.000	1.000	.875	2.411	0.000	0.000	0.000	1.000
1993.000	1.000	.875	2.170	0.000	0.000	0.000	1.000
1994.000	1.000	.875	1.953	0.000	0.000	0.000	1.000
1995.000	1.000	.875	1.757	0.000	0.000	0.000	1.000
1996.000	1.000	.875	1.582	0.000	0.000	0.000	1.000
1997.000	1.000	.875	1.423	0.000	0.000	0.000	1.000
1998.000	1.000	.875	1.281	0.000	0.000	0.000	1.000
1999.000	1.000	.875	1.153	0.000	0.000	0.000	1.000
2000.000	1.000	.875	1.038	0.000	0.000	0.000	1.000
2001.000	1.000	.875	.934	0.000	0.000	0.000	1.000
2002.000	1.000	.875	.841	0.000	0.000	0.000	1.000
2003.000	1.000	.875	.756	0.000	0.000	0.000	1.000
2004.000	1.000	.875	.681	0.000	0.000	0.000	1.000

YEAR	OP. COST	OIL PRICE	GAS PRICE	INVEST.	WPT. BASE	WPT. RATE
1985.000	4301.000	26.000	0.000	0.000	20.000	.225
1986.000	4214.980	26.780	0.000	0.000	21.000	.225
1987.000	4130.680	27.583	0.000	0.000	22.050	.225
1988.000	4048.067	28.411	0.000	0.000	23.153	.225
1989.000	3967.105	29.263	0.000	0.000	24.310	.200
1990.000	3887.763	30.141	0.000	0.000	25.526	.150
1991.000	3810.008	31.045	0.000	0.000	26.802	0.000
1992.000	3733.808	31.977	0.000	0.000	28.142	0.000
1993.000	3659.132	32.936	0.000	0.000	29.549	0.000
1994.000	3585.949	33.924	0.000	0.000	31.027	0.000
1995.000	3514.230	34.942	0.000	0.000	32.578	0.000
1996.000	3443.946	35.990	0.000	0.000	34.207	0.000
1997.000	3375.067	37.070	0.000	0.000	35.917	0.000
1998.000	3307.565	38.182	0.000	0.000	37.713	0.000
1999.000	3241.414	39.327	0.000	0.000	39.599	0.000
2000.000	3176.586	40.507	0.000	0.000	41.579	0.000
2001.000	3113.054	41.722	0.000	0.000	43.657	0.000
2002.000	3050.793	42.974	0.000	0.000	45.840	0.000
2003.000	2989.777	44.263	0.000	0.000	48.132	0.000
2004.000	2929.982	45.591	0.000	0.000	50.539	0.000

**PRODUCTION AND EXPENSE CALCULATIONS**

COMPANY MYCO  
 LEASE & WELL NO. BE 105  
 FORMATION Delaware Unit Production  
 COUNTY & STATE \_\_\_\_\_



**CARDINAL SURVEYS COMPANY**  
 "FLUID MOVEMENT SPECIALISTS"  
 P. O. BOX 74 BUS. (915) 683-8667  
 MIDLAND, TX 79702 563-4017

Oil Production BE 105 from 24 hr.  
 Potential Test 1-8-85 (see drlg rept.) ----- 102 BOPD

Oil Production from unit (drlg rept  
 fm 11-7 & 11-9) = .8 + .7 = 1.5 BOPH x 24 = ----- 36 BOPD

Ave total monthly Production from C-115's  
 $856 + 1370 + 865 / 3 =$  ----- 1030 BOPM  
 Est. 1985 Production:  $1030 \times 12 =$  ----- 12,360 BOPY

Est. Yearly UNIT Production:  
 $(36 \text{ BOPD} / 102 \text{ BOPD}) \times 12,360 =$  ----- 4362 BOPY

### OPERATING EXPENSES

Water Production from 24hr Test 1-8-85 ----- 200 BWPD

Water Production from Unit (tested 11-7-84  
 & 11-9-84 see drlg rept) ----- 103 BWPI

Ave total monthly water production from C-115  
 $8025 + 8025 + 9300 / 3 =$  ----- 8450 BWP.

Monthly water production from Unit  $103/200 \times 8450 =$  ----- 4352 BWP

Disposal cost for Utilized water  $4352 \times \$.86/\text{bbl} =$  ----- \$3743/mo

Engine rental (see sample HHH invoice) ----- \$1050/mo

Misc, overhead, maint, pumper, etc. (est) ----- \$350/mo

Total monthly expenses ----- \$5143/mo

Total capital expenditure ----- \$460,000

f = .98  
 \$/bbl = 1.03

#### CONVERSION FACTORS

MULTIPLY	By	TO OBTAIN
Barrels	5.6146	Cubic Feet
Cubic Feet	7.4806	Gallons
Gallons	0.1337	Cubic Feet
Pounds/gal.	7.4806	Pounds/Cu. Ft.

#### PIPE VOLUMES

0.00545 x I.D. <sup>2</sup> in inches =	Cu. Ft./Ft.
0.0407 x I.D. <sup>2</sup> in inches =	Gals./Ft.
0.00097 x I.D. <sup>2</sup> in inches =	Bbls./Ft.

#### HYDROSTATIC PRESSURE

FOR WATER:	
0.434 x Depth in Feet =	PSI.
FOR OTHER FLUIDS:	
0.434 x Depth x Sp. Gr. =	PSI.

COMPANY MYCO  
 LEASE & WELL NO. BE 106  
 FORMATION Delaware Unit Production  
 COUNTY & STATE \_\_\_\_\_



**CARDINAL SURVEYS COMPANY**  
 "FLUID MOVEMENT SPECIALISTS"  
 P. O. BOX 74      BUS. (915) 683-8667  
 MIDLAND, TX 79702      563-4017

Oil Production BE 106 from 24hr  
 Test 2-28-85 ----- 118 BOPE  
 Oil Production from Unit (Test 1-30-85) ----- 26 BOPE  
 Ave total Monthly Production (C-115's)  
 3817 + 1935 + 1739 / 3 ----- 2497 BOPM  
 Est 1985 Production ----- 29,964 BOP  
 Est 1985 Unit Production  $26/118 \times 29,964 =$  ----- 6602 BO

OPERATING EXPENSES

Water Production from 24hr test 2-28-85 ----- 300 BWPD  
 Water Production from Unit tested 1-30-85 ----- 22 BWPD  
 Ave monthly Water Production from C-115's  
 2895 + 6500 + 11198 / 3 ----- 6864 BWPM  
 Monthly Water disposal cost  
 from Unit  $(22/300) \times .62^* \times \$10,447^{**}$  ----- \$475/mo  
 Engine rental ----- \$1089/mo  
 Misc, OH, maint, pumper fuel ----- \$772/mo  
 Total Monthly Expenses ----- \$2336  
 Total Capital Expenditure ----- \$470,000

CONVERSION FACTORS

MULTIPLY	By	TO OBTAIN
Barrels	5.6146	Cubic Feet
Cubic Feet	7.4806	Gallons
Gallons	0.1337	Cubic Feet
Pounds/gal.	7.4806	Pounds/Cu. Ft.

PIPE VOLUMES

0.00545 x I.D.<sup>2</sup> in inches = Cu. Ft./Ft.  
 0.0407 x I.D.<sup>2</sup> in inches = Gals./Ft.  
 0.00097 x I.D.<sup>2</sup> in inches = Bbls./Ft.

HYDROSTATIC PRESSURE

FOR WATER:  
 0.434 x Depth in Feet = PSI.  
 FOR OTHER FLUIDS:  
 0.434 x Depth x Sp. Gr. = PSI.

COMPANY MYCO  
 LEASE & WELL NO. BE 107  
 FORMATION Delaware Unit Production  
 COUNTY & STATE \_\_\_\_\_



**CARDINAL SURVEYS COMPANY**  
 "FLUID MOVEMENT SPECIALISTS"

P. O. BOX 74      BUS. (915) 683-8667  
 MIDLAND, TX 79702      563-4017

Oil Production from 24hr Test  
 BE 107 4-26-85 ----- 65 BOPD

Oil Production from Unit. (3-5-85) ----- 2 BOPD

Ave Total Monthly Production. (C-115's)  
 $1186 + 1056 / 2$  ----- 1121 BOPM  
 Est 1985 Production ----- 13,452 BOPY

Est 1985 Unit Production  $2/65 \times 13452 =$  ----- 414 BOPY

**OPERATING EXPENSES**

Water Production from 24hr Test 4-26-85 ----- 350 BWPD  
 Water Production from Unit (tested 3-5-85) ----- 19 BWPD  
 Ave monthly Water Production (from C115's)  
 $6500 + 6802 / 2 =$  ----- 6651 BWPM

Monthly Water Production from Unit.  
 $(19/350) \times 6651 =$  ----- 361 BWPM

Disposal Cost for Unitized Water  $361 \times \$86/61 =$  ----- \$311/mo  
 Engine Rental ----- \$1050/mo  
 Misc, OH, maint, pumpup, etc ----- \$350/mo

Total Monthly Expenses ----- \$1711/mo.

Total Capital Expenditure ----- 460,000

**CONVERSION FACTORS**

MULTIPLY	By	TO OBTAIN
Feet	5.6146	Cubic Feet
Cubic Feet	7.4806	Gallons
Feet	0.1337	Cubic Feet
lbs/gal.	7.4806	Pounds/Cu. Ft.

**PIPE VOLUMES**

0.00545 x I.D.<sup>2</sup> in inches = Cu. Ft./Ft.  
 0.0407 x I.D.<sup>2</sup> in inches = Gals./Ft.  
 0.00097 x I.D.<sup>2</sup> in inches = Bbls./Ft.

**HYDROSTATIC PRESSURE**

FOR WATER:  
 0.434 x Depth in Feet = PSI.  
 FOR OTHER FLUIDS:  
 0.434 x Depth x Sp. Gr. = PSI.

COMPANY MYCO  
 LEASE & WELL NO. BE 110  
 FORMATION Delaware Unit Production  
 COUNTY & STATE \_\_\_\_\_



CARDINAL SURVEYS COMPANY  
 "FLUID MOVEMENT SPECIALISTS"

P. O. BOX 74      BUS. (915) 683-8667  
 MIDLAND, TX 79702      563-4017

BE 110 Daily oil Production from Unit.  
 (tested 4 day to 4-27-85) ----- 20 BOP

Ave Unit Monthly Production  
 20 x 30 days/mo. x .7 (downtime factor) ----- 420 BOP

Est. 1985 Unit Production  
 12 x 420 = ----- 5040 BOP

OPERATING EXPENSES

Daily Water Production from Unit. ----- 160 BWPL

Monthly Unit Water Production  
 160 x 30 x .7 = ----- 336 OBWP

Monthly Water disposal cost, 3360 x \$.86/bbl ----- \$2891/mo

Engine Rental ----- \$1050/mo

Misc., OH, maint., pumper, etc. ----- \$360/mo

Total Monthly Expenses ----- \$4301/mo

Total Capital Expenditure ----- \$470,000

CONVERSION FACTORS

MULTIPLY	By	TO OBTAIN
Barrels	5.6146	Cubic Feet
Cubic Feet	7.4806	Gallons
Gallons	0.1337	Cubic Feet
Pounds/gal.	7.4806	Pounds/Cu. Ft.

PIPE VOLUMES

0.00545 x I.D. <sup>2</sup> in inches =	Cu. Ft./Ft.
0.0407 x I.D. <sup>2</sup> in inches =	Gals./Ft.
0.00097 x I.D. <sup>2</sup> in inches =	Bbls./Ft.

HYDROSTATIC PRESSURE

FOR WATER:	
0.434 x Depth in Feet =	PSI.
FOR OTHER FLUIDS:	
0.434 x Depth x Sp. Gr. =	PSI.

BACK UP MATERIALS

1.	C-115's Monthly Production .....	14
2.	Crude Oil Price Bulletins .....	17
3.	Expense Billing for BE 106 .....	19
4.	Engine Maintenance Invoice .....	20
5.	Example EFE .....	21
6.	Field Notes .....	22
7.	Drilling Reports .....	24

MYCO INDUSTRIES, INC. (Address) 207 S. 4th - Artesia, New Mexico (City) 88210 (State) March 1985 Page 1 of 1

WELL NAME (Underline) * Lease Name WELL NO. UNIT SEC TWP R1G	STATE	INJECTION		TOTAL LIQUIDS PRODUCED		GAS PRODUCED (MCF)	DAYS PROD.	DISPOSITION OF GAS			DISPOSITION OF OIL								
		VOLUME	PRESS.	MONTHLY OIL ALLOWABLE PRODUCED	ACTUAL BARRELS OF WATER PRODUCED			BARRELS TO TRANS-PORTER	OTHER	SOLD	TRANS-PORTER	OTHER	OIL ON HAND AT BEG. OF MONTH	OIL ON HAND AT END OF MONTH					
<u>EAST INDIAN DRAW DELAWARE</u>																			
Hole in the Ground 1 G 10 22 28	P			LC-060613		2480	1052	8025	150	31	V		211	1073	NRC		19		
Eddy Unit 105 H 10 22 28	P			LC-060613		2480	856	8025	150	31	V		212	877	NRC		19		
Eddy Unit 106 A 10 22 28 107 B 10 22 28 Lease Total				LC-060613		3317	3817	2895	107	31	*WELL IS STILL BEING COMPLETED.			3393	NRC		42		
<u>SOUTH LEO-7R-GN-GB-SA</u>																			
Gopher Gulch St. 1 P 36 18 29	P			B-6811		2480	576	150		31			130	532	NRC		174		
drumner Fed. 1 J 25 18 29 2 F 25 18 29	P			LC-062029		2139	860	1055		31			354	882	NRC		332		
<u>UNDESIGNATED MORROW</u>																			
Longway Draw 1 J 25 34	S			NM-19625															
								OTHER OIL DISPOSITION CODE C.....CIRCULATING OIL L.....LOST S.....SEDIMENTATION (BSW) E.....EXPLANATION ATTACHED				OTHER GAS DISPOSITION CODE X.....USED OFF LEASE D.....USED FOR DRILLING G.....GAS LIFT L.....LOST (MCF ESTIMATED) E.....EXPLANATION ATTACHED R.....REPRESSURING OR P.....PRESSURE MAINTENANCE Y.....VENTED U.....USED ON LEASE				STATUS CODE F.....FLOWING P.....PUMPING G.....GAS LIFT S.....SHUT IN T.....TEMP ABANDONED I.....INJECTION D.....DISCONTINUED			
								I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETS TO THE BEST OF MY KNOWLEDGE				Shari Brewer (505) 748-1331 Production Clerk							



OPERATOR'S MONTHLY REPORT

MYCO INDUSTRIES, INC. (operator) 207 S. 4th - Artesia, New Mexico (oil) 88210 (land) May Page 1

WELL NO	UNIT	SEC	TWP	RNG	INJECTION		TOTAL LIQUIDS PRODUCED		GAS PRODUCED (MCF)	DAYS PROD.	DISPOSITION OF GAS		DISPOSITION OF OIL				
					VOLUME	PRESS.	MONTHLY OIL ALLOWABLE	ACTUAL BARRELS OF WATER PRODUCED			BARRELS OF WATER PRODUCED	SOLD	TRANS-PORTER	OTHER	OIL ON HAND AT BEG. OF MONTH	BARRELS TO TRANS-PORTER	TRANS-PORTER
<b>EAST INDIAN DRAW DELAWARE</b>																	
Hole in the Ground																	
1	G	10	22	28		IC-060613	1984	1132	9300	150	31	V	319	1286	NRC		
Big Eddy Unit																	
105	H	10	22	28		IC-060613	2480	865	9300	150	31	V	319	1018	NRC		
Big Eddy Unit																	
106	A	10	22	28		IC-060613	3317	1739	11198		31		440	1901			
107	B	10	22	28			2015	1056	6802		31		240	1192			
Lease Total																	
Big Eddy unit																	
110	H	9	22	28		IC-060613	5332	2795	18000				708	3153	NRC		
*WELL IS BEING COMPLETED.																	
<b>SOUTH LEO-7R-GN-GB-SA</b>																	
Gopher Gulch St.																	
1	P	36	18	29		B-6811	2480	531	150		31		253	708	NRC		
Roadrunner Fed.																	
	J	35	18	29		IC-062029	2139	625	300		31		524	723	NRC		
Roadrunner Fed.																	
2	F	35	18	29		IC-062029											
Roadrunner Fed.																	
3	L	35	18	29		IC-062029											
Roadrunner Fed.																	
4	E	35	18	29		IC-062029											

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE

NAME: Shari Brewer (505) 748-133  
POSITION: Production Clerk

STATUS CODE: F.....FLOPPING  
P.....PUMPING  
G.....GAS LIFT  
S.....SHUT III  
T.....TEMP ABANDONED  
I.....INJECTION  
D.....DISCONTINUED

"OTHER" GAS DISPOSITION CODE  
X.....USED OFF LEASE  
D.....USED FOR DRILLING  
G.....GAS LIFT  
L.....LOST (MCF ESTIMATED)  
E.....EXPLANATION ATTACHED  
R.....REPRESSURING OR PRESSURE MAINTENANCE  
V.....VENTED  
U.....USED ON LEASE

"OTHER" OIL DISPOSITION CODE  
C.....CIRCULATING OIL  
L.....LOST  
S.....SEDIMENTATION (BSEW)  
E.....EXPLANATION ATTACHED

6/18



## REFINING COMPANY

501 EAST MAIN STREET • P. O. DRAWER 159

ARTESIA, NEW MEXICO 88210

March 29, 1985

### CRUDE OIL PRICE BULLETIN 85-4

#### TO CRUDE OIL SUPPLIERS:

Effective 7:00 A.M., April 1, 1985, subject to change without notice and subject to its division orders as amended and supplemented, and other agreements and contracts, Navajo Refining Company will pay the following prices per net barrel of 42 U.S. gallons for crude oil purchased and delivered into its pipeline or other pipelines and facilities authorized by Navajo Refining Company.

All West Texas/New Mexico intermediate and sour pipeline connected leases except as noted below: \$27.65 per barrel for 40 degree gravity and above with a reduction of \$0.015 per 1/10 degree below 40 degree gravity and a reduction of \$0.015 per 1/10 degree above 45.0 degree gravity.

All West Texas/New Mexico intermediate and sour trucked leases except as noted below: \$26.90 per barrel for 40 degree gravity and above with a reduction of \$0.015 per 1/10 degree below 40 degree gravity and a reduction of \$0.015 per 1/10 degree above 45.0 degree gravity.

New Mexico sour pipeline connected leases North of Township 10S, West of Range 34E, and East of Range 20E: \$27.05 per barrel for 40 degree gravity up to 45.0 degree gravity with a reduction of \$0.015 per 1/10 degree below 40.0 degree gravity and a reduction of \$0.015 per 1/10 degree above 45.0 degree gravity.

New Mexico sour trucked leases North of Township 10S, West of Range 34E, and East of Range 20E: \$26.30 per barrel for 40 degree gravity up to 45.0 degree gravity with a reduction of \$0.015 per 1/10 degree below 40.0 degree gravity and a reduction of \$0.015 per 1/10 degree above 45.0 degree gravity.

West Texas/New Mexico intermediate is any crude oil with a sulfur content of 0.5% by weight or below and West Texas/New Mexico sour is any crude oil with a sulfur content in excess of 0.5% by weight.

In the event government statutes, regulations, or rulings require adjustments in the prices paid, Navajo Refining Company reserves the right to amend these postings. Recovery for excess payments may be made by either withholding an amount equal to the excess or by directly invoicing the Seller.

NAVAJO REFINING COMPANY  
TRANSPORTATION & SUPPLY



# REFINING COMPANY

501 EAST MAIN STREET • P. O. DRAWER 159

ARTESIA, NEW MEXICO 88210

July 03, 1985

## CRUDE OIL PRICE BULLETIN 85-5

### TO CRUDE OIL SUPPLIERS:

Effective 7:00 A.M., July 3, 1985, subject to change without notice and subject to its division orders as amended and supplemented, and other agreements and contracts, Navajo Refining Company will pay the following prices per net barrel of 42 U.S. gallons for crude oil purchased and delivered into its pipeline or other pipelines and facilities authorized by Navajo Refining Company.

All West Texas/New Mexico intermediate and sour pipeline connected leases except as noted below: \$27.25 per barrel for 40 degree gravity and above with a reduction of \$0.015 per 1/10 degree below 40 degree gravity and a reduction of \$0.015 per 1/10 degree above 45.0 degree gravity.

All West Texas/New Mexico intermediate and sour trucked leases except as noted below: \$26.50 per barrel for 40 degree gravity and above with a reduction of \$0.015 per 1/10 degree below 40 degree gravity and a reduction of \$0.015 per 1/10 degree above 45.0 degree gravity.

New Mexico sour pipeline connected leases North of Township 10S, West of Range 34E, and East of Range 20E: \$26.65 per barrel for 40 degree gravity up to 45.0 degree gravity with a reduction of \$0.015 per 1/10 degree below 40.0 degree gravity and a reduction of \$0.015 per 1/10 degree above 45.0 degree gravity.

New Mexico sour trucked leases North of Township 10S, West of Range 34E, and East of Range 20E: \$25.90 per barrel for 40 degree gravity up to 45.0 degree gravity with a reduction of \$0.015 per 1/10 degree below 40.0 degree gravity and a reduction of \$0.015 per 1/10 degree above 45.0 degree gravity.

West Texas/New Mexico intermediate is any crude oil with a sulfur content of 0.5% by weight or below and West Texas/New Mexico sour is any crude oil with a sulfur content in excess of 0.5% by weight.

In the event government statutes, regulations, or rulings require adjustments in the prices paid, Navajo Refining Company reserves the right to amend these postings. Recovery for excess payments may be made by either withholding an amount equal to the excess or by directly invoicing the Seller.

NAVAJO REFINING COMPANY  
TRANSPORTATION & SUPPLY

*An Independent Refinery Serving . . . NEW MEXICO • ARIZONA • WEST TEXAS*

MYCO INDUSTRIES, INC.  
 207 SOUTH FOURTH STREET  
 ARTESIA, NEW MEXICO 88210  
 PHONE 505 745-3558



PROPERTY NUMBER 13018-01-0  
 PROPERTY NAME BIG EDDY 106 MYCO  
 LOCATION 22S 28E 010 EDDY NM

DATE	ACCT	DESCRIPTION	VENDOR/INVOICE	GROSS AMOUNT
5/30/85	5106	PUMPER 5/85		60.0'
3/27/85	5199	PUT UP FENCE	BOYCE LEASE 85-0223	70.4
4/15/85	5199	INSTALLED GAS LINES, WASH TANK	BOYCE LEASE 85-0252	819.8'
5/02/85	5199	HOT WATERED CASING	G & S INC. 002323	142.8
5/01/85	5199	DISPOSAL WATER	JIM'S WATER 2-16533	2,516.4
4/18/85	5199	DISPOSAL WATER	JIM'S WATER 2-16388	7,930.5
0/04/85	5199	PROPANE	RILEY OIL CO	230.0
5/13/85	5199	ENGINE RENTAL	TRIPLE H ENG 24808	1,089.3
5/30/85	5312	ADMN UM 5/85		340.0
TOTAL LEASE OPERATING EXPENSE				13,199.4
4/26/85	9249	INSTALLED GUYLINE ANCHORS	T & C RENTAL NMA4-165	198.6'
TOTAL INTANGIBLE DRILLING COSTS				198.6'
TOTAL GROSS JOINT INTEREST BILLING COSTS				13,398.0

OWNER #-----OWNERS NAME-----*	INTEREST	SHARE AMOUNT
12011 BREWER, STANLEY	.02000000	267.97
12939 B-Y OIL	.01500000	200.98
99091 YATES, FRANK JR.	.02000000	267.97
99170 YATES, FRANK	.05000000	669.90
99430 YATES, MARTIN III	.41000000	5,493.20
64001 MYCO INDUSTRIES, INC.	.48500000	6,498.05
TOTALS	1.00000000	13,398.07 **

TRIT "H" ENGINE SERVICE

P. O. Box 565 — Phone 505 396-2104  
 LOVINGTON, NEW MEXICO 88260

This Is Your Invoice No. 241 B  
 (Unless Otherwise Requested)

DATE 2-11-85

MYCO INDUSTRIES, INC.  
 207 S. 4TH  
 ARTESIA, NM 88210

LEASE *Big Edley*  
 WELL NO. *1066*  
 RIG NO.

P.O. NO. REG. NO.

QUANTITY	STOCK NUMBER	DESCRIPTION	UNIT PRICE	TOTAL	LABOR DESCRIPTION
1	MISC	GAS HOSE CLAMPS MINOR ELS		25.00	20 Leavelle - <i>Guix Edley</i>
1	30 GAL	OL BARRIL & STAND		139.00	Drive belts - hookups
5	GAL	OIL	7.00	35.00	volume tank & oil
1	FABRICATED	SKINE SKID		525.00	barrel. Ready for
5	Q360	DIKE BELTS	139.41		operation
		Leavelle	521.6		
			78.25	391.25	
					425 M/14
					Mechanic <i>For</i>
					Special Labor Description:
					<i>Engine recital</i>
					<i>6 DAYS @ 350.00 = 2100.00</i>
					<i>2-11-85 TRAIL 4-11-85</i>
					Labor 5 Hrs. @ 25.00 = 125.00
					( Men Hrs. Each) Total Parts = 1115.25
					Pickup Mlg. 150 M. @ 75c = 112.50
					Truck Mlg. M. @ c =
					Sub Total = 3457.75
					Tax = 129.48
					TOTAL = 3587.23

TOTAL PARTS

1115.25

TOTAL 3587.23

—THANK YOU—

By *Nancy Roberts*

DATE 20 1985



**YATES  
PETROLEUM  
CORPORATION**

AUTHORITY FOR EXPENDITURE

*NYCO Ind. Inc.*

AFE # \_\_\_\_\_

REVISION # \_\_\_\_\_

DATE \_\_\_\_\_

207 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210

LEASE NAME Big Eddie Unit 106  
COUNTY Eddy STATE N.M.  
HORIZON DeTawara EST. T. D. 6/00  
EST. COMPLETION DATE \_\_\_\_\_

LOCATION 990FNL 990FEL 10-225-2E  
FIELD \_\_\_\_\_  
EST. SPUD DATE \_\_\_\_\_  
DRILLING CONTRACTOR \_\_\_\_\_

PRIMARY OBJECTIVE:  OIL  GAS  OIL AND/OR GAS  
PURPOSE :  DRILLING-NEW  RECOMPLETION  OTHER (SUPPLEMENTAL AFE, ETC.)  
TYPE WELL :  DEVELOPMENT  EXPLORATION

INTANGIBLE COSTS:

		DRY HOLE	COMPLETION
9210	STAKING PERMIT & LEGAL FEES	\$ 1000	\$ 1000
9211	LOCATION, RIGHT-OF-WAY	12000	12000
9212	DRILLING, FOOTAGE <u>6200'</u> @ <u>\$12.75/ft</u>	79000	79000
9213	DRILLING, DAYWORK <u>36 hr</u> @ <u>184.4/hr</u>	6500	6500
9214	DRILLING WATER	4100	4100
9215	DRILLING MUD & ADDITIVES	7800	7800
9216	MUD LOGGING UNIT	2100	2100
9217	SURFACE & INT. CEMENT, CSG., TOOLS & SERVICES	6200	6200
9218	DRILL STEM TESTING	-	-
9219	ELECTRIC LOGS - OPEN HOLE	24000	24000
9220	TOOL & EQUIP. RENTAL, TRUCKING, WELDING	900	900
9221	SUPERVISION & OVERHEAD <u>2000 @ 2000</u>	2900	3200
9223	CORING, TOOLS & SERVICES	3200	3200
9224	BITS, TOOLS & SUPPLIES	300	300
9235	PRODUCTION CEMENT, CASING, TOOLS & SERVICES	-	14900
9222	CONTINGENCY <u>10%</u>	14800	16200
9241	COMPLETION UNIT	-	9000
9242	WATER FOR COMPLETION	-	1400
9243	MUD ADDITIVES FOR COMPLETION	-	-
9244	CEMENT, TOOLS, SERVICES & TEMP. SURV. FOR COMP.	-	2400
9245	ELECTRIC LOGS, PERFORATION TEST FOR COMPLETION	-	6300
9246	TOOLS, TRUCK, WELD. & EQUIP. RENTAL FOR COMP.	-	5300
9247	STIMULATION - COMPLETION	-	43000
9248	SUPERVISION & OVERHEAD - COMPLETION	-	3000
9249	ADDT'L LOCATION, ROAD WORK & SURFACE DAMAGES	-	-
9251	BITS, TOOLS, ETC. PURCHASED FOR COMPLETION	-	600
9250	CONTINGENCY - COMPLETION	-	6900
	<u>TOTAL INTANGIBLES</u>	<u>162300</u>	<u>257200</u>

EQUIPMENT COSTS:

9301	CHRISTMAS TREE AND WELL HEAD	1000	3600
9302	CASING <u>5 5/8" 24" J-55 1375'</u>	4600	4600
9302	<u>5 1/2" 15.5" J-55 6200'</u>		33000
9302			
9303	TUBING <u>2 3/8" 6 1/2" J-55</u>		12000
9304	PACKER & SPECIAL EQUIPMENT <u>rented (see 9246) for anchor</u>		-
9350	CONTINGENCY	700	6400
	<u>WELL EQUIPMENT</u>	<u>6300</u>	<u>70600</u>

LEASE & BATTERY EQUIPMENT COSTS:

9401	PUMPING EQUIPMENT		52000
9402	STORAGE		5200
9403	SEPARATION EQUIP., FLOWLINES, VALVES, FITTINGS		6000
9404	TRUCKING & CONSTRUCTION COSTS		12200
	<u>TOTAL LEASE &amp; BATTERY EQUIP.</u>	<u>12600</u>	<u>76000</u>
	TOTALS	<u>172100</u>	<u>429000</u>

Correction to 11-7-84 report  
Total fluid 4BPH not 8BPH

Thurs 11-8 cont

HIG #1 14% oil

\* Take HIG #1 info to mtg  
in AM

HIG #2 5610' 4 bl/hr

@ 25% oil

4:00 PM Stonewall 2616

\* Get Freddie's jacket

15.3 gal 232 402086

\* CD to some extent

\* Grade 1.59 checks  
+ mtg 20 cash

Fri 11-9 Stonewall

Tide daily 3213' 588'

2 1/2 hrs to TD - 11 on site

\* Call Jim O'Connell

1-3 PM get

9A-2P Sun

1:45 PM 344.2 WL 30

MTW 8.8 vto 30

solids 1.4% dcr 3/4"

Sat 11-10

Stonewall

3:15 PM 411

vto 31 WL 35

Sun 11-11

HIG 2 open to

flowed 8 bl/hr

made 4 runs

1:30 2 1/2 bl 25

3:30 5 bl/hr 2

Tot 1300 + 50

Mon 11-12

7:00 A 4829 1

Leslie informs  
to call logs

3:25 15

5 4890' 18'

solids 2%

WL 14 MW 8.9

Tue 11-13

Stonewall

TDC @ 1:15 AM

5100'

6:45 A 1/2 way out

total fluid 150' / hr = .87 bl / hr

@ 10% oil

.09 x 24 = 2 BOPD

.8 x 24 = 19 BOPD

3-5 Goph Gulch

for 7-rivers 20 bbls oil  
1 bl water

BE 106 140 oil 450 wtr

BE 107 150' fl/hr 10% oil.

3-6

\* med unit on 101

\* procedure on RR

\* reports

\* elec line to BE.

4 well MCO

6 wells Base.

9:52A called Dan Reddy

& approved for surveying  
B.E. utility lines

9 PM Carrey Jettson

HIGH 1 of BE 105:

30-60 MCFD

BE 106: 80-150 MCFD:

1/10" of 100' of 10 oil.

rec'd ~ 110 bbls 12 bl/hr

3-8 BE 107

60 psi tag on 1/10"

110 sand, flowing  
made ~ 160 bbls overn

\* Kufkin unit <sup>by We</sup>

Keith Walters Midlar

915-563-0363

\* Brunson - George Sw

393-6169

\* Pick up leased eng

✓ HHH, Jimmy Ho

396-2104

well pmp jack sheave size

SPM.

Molten 425-50hp

- Rod design fibert

\* Weed for pump

polish rod liner & p

\* Well head hook up

scrap & dust pk barrels still

Check for tubing &

in BE 105 Mon 3

\* broke shear pin

BE 107 80 bl

of to 2:30

110 oil.

DRILLING REPORT

BE 105

4  
Juanita  
1 Sharon S.  
B.M. - Rawliff  
E.M. - Carlisle  
Page 3:

Myco Industries, Inc. - Hole in the Ground ~~Ed #2~~ (Unit H) 10-22S-28E

11-4-5-84 Overnight SITP 20#. Fluid level 4800'. On 1st swab run, recovered 5 bbls 7% oil, 2nd run dry to seating nipple. Made hourly swab runs, recovered 1/2 bbl/run. On 7th run, gas increased. Total swabbed 9 bbls, total load recovered 49 bbls. BLTR 26 bbls. WATER ANALYSIS: 11-3-84  
 Sp. Gravity 1.165 @ 75° Sod & Pot 31731  
 pH 7.0 Resistivity 0.06 @ 75°  
 Iron faint Sulfate 378  
 Hydrogen Sulfide 0 Bicarbonate 209  
 Calcium 34334 Chloride 128755  
 Magnesium 6675

11-6-84 TD 6135'. Overnight SITP 90#. Fluid level 4300'. Made 2 swab runs, recovered 9 bbls (3 gals oil). Dry to seating nipple. Load recovered 58 bbls. ~~17~~ BLTR. Set C73P 5800' with 30' cement cap. Top of cement 5770'. WIH on pipeline 4" Select Fire gun and perforated 5548-5608' with 15 .42" holes as follows: 5548, 49, 50, 53, 55, 57, 92, 94, 96, 98, 5600, 02, 04, 06 and 08'. GIH with tubing, packer and RBP to acidize.

11-7-84 TD 6135'. Acidized perforations 5592-5608' with 1500 gallons 7-1/2% NEFE acid with 4 ball drops of 3 each. Spot acid over perforations and broke down at 2900#. Rate 2 BPM at 2000#; ISDP 1200#. Spot acid at end of tubing and acidized. 1st set of balls saw # increase; 2nd set of balls 1200# increase; 3rd set of balls balled out; 4th set of balls 0# increase. Max 2400#; Min 2000#; Avg 4.4 BPM at 2000#; ISDP 1200#; 5 min 1100#; 10 min 1050#. Flowed back and swabbed. Flowed 11 bbls. Made 7 swab runs - recovered 36 bbls. Dry to seating nipple. On last swab run good oil show. 20% oil. Made ~~6~~ hourly swab runs. 24 bbls total (4 bbls each run). ~~20 bbls water & 4 bbls oil~~ Total flowed and swabbed - 71 bbls. ~~1~~ short of load. DC \$3626.12; TC \$30,475.04

5916-29  
M.A.

4 BPM  
20% oil  
5592-5608  
.8 BPM  
3.2 BPM W

WATER ANALYSIS: Taken 11-6-84  
 Sp Grav 1.185 @ 73° Resistivity 0.05  
 PH 6.5 Sulfate 641  
 Iron Very strong Bicarbonate 515  
 H<sub>2</sub>S 0 Chloride 144,304  
 Calcium 20,590 Magnesium 4306  
 Sod & Pot 62,314

11-8-84 TD 6135'. Overnight SITP 550#. Flowed 2 bbls oil. Fluid level 3000'. Made 3 swab runs, recovered 22 bbls (6 bbls oil and 16 water). Dry to seating nipple. Total flowed and swabbed recovered 95 bbls (83 water & 12 oil). Prep to acidize perforations 5548, 49, 50, 53, 55 and 57'. Pull RBP, reset and test to 2000# - OK. Spot 1.5 bbls acid over perforations and break down. Acidized with 1000 gals 7-1/2% NEFE acid and 9 RCN ball sealers in 3 drops of 3 each. Formation broke down @ 1900#. On 1st set of balls 200#, 2nd 500# and 3rd balled out. Treating pressures: Max 2350#; Min 1500#; Avg 1900# @ 4.5 BPM. ISDP 1000#, 5 min 1000#, 10 min 990#. Flowed back and swabbed. Load recovered 71 bbls. Flowed 4 bbls. Made 6 swab runs, 30 bbls oil. Rainbow on last swab run, dry to seating nipple. Shut in. Water analysis showed acid. EDC \$3039.15; ETCTD \$33,514.79

11-9-84 TD 6135'. Overnight SITP 275#. Made 2 swab runs, recovered 8 bbls (4 oil and 4 water), dry to seating nipple. Made 11-hourly swab runs, recovered 20 bbls (12 water and 8 oil). Over load 9 bbls. Good gas on swab runs. EDC \$1050; ETCTD \$34564.79 WATER ANALYSIS: 11-8-84 5548-5557'  
 Sp. Gravity 1.175 @ 74° Resistivity .058 @ 74°  
 pH 6.7 Sulfate 1200  
 Iron Strong Bicarbonate 671  
 Hydro. Sulfide 0 Chloride 166000  
 Hardness 127000 Sod. Chloride 27070  
 Calcium 10000 Sodium 49933  
 Magnesium 24786 Potassium 0  
 Sod & Pot 49933

1.8 BPM  
40% oil  
5548-57  
.7 BPM  
1.1 BPM W

9-85

y

2  
1 Quanta  
1 Sharon S.

DRILLING REPORT

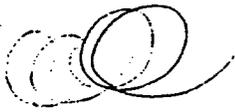
Page 1:

MYCO - Bia Eddy Unit #105 (Unit H) 10-22S-28E Eddy Co., NM

RECOMPLETION

1-8-85

Originally the Hole in the Ground Federal #2.  
TD 6135'; PBD 5770'. On a 24 hour Official Potential test  
taken 12-23-84, pumped 102 BOPD, 75 (est) MCFGPD, 200 BWP  
at a GOR 735/1 with gravity 42° thru perforations 3631-  
3862' and 5548-5608' Delaware. FINAL REPORT.



1 Blm - Carisbas  
1 Blm - Roswell  
1 Guaranta  
1 Sharon S.  
Page 2:

DRILLING REPORT

MYCO - Big Eddy Unit #106 (Unit A) 10-22S-28E Eddy County, NM

- 1-19-85 Drilling 5294' sand and shale. Made 268'. TMC \$1944.31; TWC \$6796 NOTE 8-5/8" DETAILED CASING REPORT: Ran 9 joints 8-5/8" 24# J-55 ST&C (378') casing, set 376'. 1-Texas Pattern notched guide shoe set 376'. Insert float set 334'. Cemented with 100 sacks Pacesetter Lite with 7#/sack hi-seal, 1/4#/sack cello-seal and 2% CaCl<sub>2</sub> and 100 sacks Pacesetter Lite with 2% CaCl<sub>2</sub>. Tailed in with 100 sacks Class "C" with 2% CaCl<sub>2</sub>. Compressive strength of cement 1250 psi in 12 hours. PD 3:45 AM 1-4-85. Bumped plug to 1000 psi, released pressure and float held okay. Lost circulation at 170', 25% returns at 200' and 75% returns at TD. After plug was bumped, cement fell back to 68'. Ready mix to surface. Cement circulated 15 sacks to pit. WOC. Drilled out 2:00 AM 1-6-85. WOC 46 hours and 15 minutes. Nipped up and tested to 1000# for 30 minutes, OK. Reduced hole to 7-7/8". Drilled plug and resumed drilling.
- 1-20-85 Drilling 5623' sand and shale. Made 329'. MW 10.1, Vis 29, WL 17. Deviation 5511' 3/4°. TMC \$2154; TWC \$7012
- 1-21-85 TD 5896' sand and shale. Fishing. Made 273'. MW 10.1, Vis 29, WL 20. Fishing for 14 stands drill collars.
- 1-22-85 Drilling 5992' sand and shale. Made 96'. MW 10.1. Vis 29, WL 25. TMC \$2434; TWC \$7012
- 1-23-85 TD 6135' sand and shale. Logging. Made 143'. MW 10, Vis 29, WL 12. Deviation 6135' 3/4°. Reached TD 7:30 PM 1-22-85. First logs went to 6134'. TMC \$3057; TWC \$7538
- 1-24-85 TD 6135'. Running casing. Detailed casing report to follow.
- 1-25-85 TD 6135'. Reached TD 7 15 PM 1-22-85. Ran 147 joints 5-1/2" 15.5# J-55 (6145') casing, set 6135'. Regular guide shoe set 6135'. Float collar set 6093'. Cemented with 1100 sacks Class "C" with .6% CF-1 and .2% AFS. Compressive strength of cement 950 psi in 12 hours. PD 1:30 PM 1-24-85. Bumped plug to 1000# for 30 minutes, released pressure, float and casing held okay. Cement did not circulate. Estimated top of cement 2600'. WOC.
- 1-26-27-85 TD 6135'. Waiting on completion unit.
- 1-28-85 TD 6135'. Ran bond log, found top of cement 3100'. Good bond across pay zone. only Utilized Zone.
- 1-29-85 Rigged up BOP. WIH on wireline with Select Fire guns and perforated 5543-5598' with 17 .42" holes. POH. TIH with compression packer to 5600'. Opened by-pass. Spotted 1-1/2 bbls acid. Pulled up and set packer 5475'. Broke down perforations at 2000 psi. Pumped away 1-1/2 bbls acid. Opened by-pass. Spotted 30 bbls acid and 3 set of ball sealers (22 ball sealers total) to within a bbl of packer. Closed by-pass. Finished acid job. Total 2000 gals 7-1/2% NEFE acid and 30 ball sealers used in acid job. Good ball action. Treating pressures: max 3400# Avg 1550#. ISDP 850#, 15 min 810#. Total of 49 bbls load in formation, 34.5 bbls in tubing. Opened tubing up. Swabbed 45 bbls load. 39 bbls short of load. Shut down for night.
- 1-30-85 Finished swabbing at 12:00 midnight 1-28-85 Swabbed 22 bbls oil and 25 bbls water. Total load is recovered. Fluid level 2300', tubing pressure 250 psi. Making hourly swab runs. recovering 2 bbls per hour (55% oil). Finished swabbing at 3:00 PM 1-29-85. TOH with tubing and packer. Prep to frac.

2BPH  
1.1 BOPH  
.9 BWP

7 BU Carlslao  
1 BU Russell  
1 Quanta  
1 Chauens.  
Page 4:

DRILLING REPORT

MYCO - Big Eddy Unit #106 (Unit A) 10-22S-28E Eddy County, NM

2-16-18-85 No report.  
2-16-85 Flowed 500 bbls fluid, approx 50% oil in 3 hours. Shut in waiting on tank battery.  
2-17-19-85 Shut in waiting on tank battery.  
2-20-85 Shut in. Changing surface stroke on pumping unit.  
2-21-85 Shut in waiting on tank battery.  
2-22-85 Shut in waiting on tank battery.  
2-23-25-85 Flowed 220 bbls oil and estimated 350 bbls water overnight. Shut in.  
2-26-85 Shut in.  
2-27-85 Pumping, made 118 bbls oil and 300 bbls water.  
2-28-85 TD 6135'; PBTD 6095'. On a 24' hour Official Potential test taken 2-26-85, pumped 118 BOPD, 125 MCFGPD, 300 BWPD at GOR 1059/1 and gravity 42° thru perforations 3664-5598' Delaware. FINAL REPORT.

Clm Russell  
Blk Carsbad  
Juanton  
Sharon Sadi

LOG REPORT

J - Big Eddy Unit #107 (Unit A) 10-22S-28E Eddy Co., NM

- 12-85 TD 6110' shale. Rigging down loggers. Made 110'. MW 10.1, Vis 30, pH 9.5, WL 15. Reached TD 5:30 PM 2-11-85. Loggers TD 6108'. TMC \$4096.07
- 2-13-85 TD 6110'. Rigging down. Ran 143 joints 5-1/2" 15.5# J-55 (6114.14') casing, set 6110'. 1-Regular guide shoe set 6100'. Float collar set 6068'. Cemented with 900 sacks Class "C" with .3% Halad-4 and .2% CFR-2. Compressive strength of cement 700 psi in 12 hours. PD 12:15 AM 2-13-85. Bumped plug to 1000 psi for 30 minutes, released pressure, float and casing held okay. WOC. (900 sacks).
- 2-14-85 TD 6110'. Waiting on completion unit.
- 2-15-85 TD 6110'. Waiting on completion unit. Prep to run bond log on 2-17-85.
- 2-16-18-85 TD 6110'. Waiting on completion unit.
- 2-19-85 TD 6110'. WIH with tubing open ended. Circulate with 2% KCL w/ser. WIH on wireline with 3-1/2" Select Fire perf gun and perforated 5879-5970' with 32 .42" holes as follows: 5970, 68-1/2, 69, 68-1/2, 68, 67-1/2, 67, 47, 46, 45, 42, 41-1/2, 41, 40-1/2, 03, 02-1/2, 02, 01-1/2, 01, 5900-1/2, 5900, 5899-1/2, 5899, 96, 95, 94, 91-1/2, 81, 80-1/2, 80, 79-1/2 and 79'.
- 2-20-85 TD 6110'. No report.
- 2-20-85 TD 6110'. Set bridge plug at 6010' and packer 5910'. Acidized perforations 5879-5970' with 1000 gals 15% NEFE acid with 28 ball sealers. Had good ball action. Treating pressures: Min 1500#; Max 4400#. Injection rate 2.2 BPM, rate of flush 3.3 BPM, a vg rate 3.3 BPM. ISIP 1150#, FSIP 1050#. Started swabbing. Swabbed back 53 bbls. Overnight SITP 0#. Fluid level 5600'. Pulled 300' of acid water.
- 2-21-85 TD 6110'. Bridge plug set 5903', packer set 5811'. Spot 1 bbls acid. Acidized perforations 5879-5903' with 1500 gals 15% NEFE acid with ball sealers. Treating pressures: Max 4400#; Avg 1400# @ 3.3 BPM. Flushed rate 3.6 BPM. ISIP 1050#, 15 min 1000#. Had good ball action. In formation with 36 bbls. After shut in, pulled 300' of acid water. CORRECTION ON 2-20-85 REPORT: Acidized lower perforations.
- 2-23-85 TD 6110'. TP 0 psi. Fluid level 3500'. Made 2 swab runs, swabbed dry. Swabbed perforations 5879-5903'. Made swab run every 2 hours, recovered 25-50' fluid each run with slight show of oil and gas.
- 2-24-25-85 Swabbing perforations 5879-5903'. TP 0 psi, fluid level 5500'. Swabbed tubing dry. Made 1 run every 2 hours, recovered 25-50' fluid each run with slight show of oil and gas.
- 2-26-85 TD 6110'. No report.
- 2-26-85 TD 6110'. Frac'd (via casing) 5879-5970' with 80000 gals 20# gelled water and 123000# 20/40 sand. Treating pressure: Min 1600#; Max 4900#; Avg 2100# @ 53 BPM. ISDP 950#, 15 min 820#.
- 2-27-85 SICP 725#. Opened to pit. Started flowing on 14/64" choke, cut back to 8/64" choke to keep from flowing sand. Left flowing on 8/64" choke overnight. Recovered 360 bbls frac load, 1405 bbls short of load.
- 2-28-85 TD 6110'. No report.
- 3-1-85 TD 6110'. WIH open ended with tubing. Circulated sand from 5867-6065'. TOH with tubing. WIH with bridge plug and packer. Set bridge plug 6047', packer 5912'. Start swabbing. Recovered 45 bbls water. No show oil. Load to recover 1300 bbls. Shut down for night.
- 3-2-4-85 TD 6110'. Swabbed 300 bbls water. No show oil or gas.
- 3-2-85 TD 6110'. SITP 10#. Fluid level 500'. Swabbed perforations 5940-70'. Swabbed total 125 bbls fluid, no show of oil.
- 3-3-85 TD 6110'. Shut down.
- 3-4-85 TD 6110'. Swabbing perforations 5940-70'. Fluid level 1000'. SITP 0#. Swabbed 120 bbls, no show of oil. Moved bridge plug up and set at 5911'. Moved packer to 5819' to swab perforations 5879-5903'.
- 3-5-85 TD 6110'. SITP 60#. Swabbing perforations 5879-5903'. Fluid level 450'. Swabbing 10% oil.

03 2004  
75 E WCH

4  
1 BLM Roswell  
1 BLM Carlsbad  
1- Juanita  
1- Sharon S.

LING REPORT

Page 4:

CO - Big Eddy Unit #107 (Unit A) 10-22S-28E Eddy Co., NM

4-11-85	TD 6110'. No report.
4-12-85	TD 6110'. No report.
4-13-15-85	TD 6110'. No report.
4-16-85	TD 6110'. No report.
4-17-85	TD 6110'. No report.
4-18-85	TD 6110'. Pumping.

Combine production for Big Eddy Units #106 & #107:  
Made 160 bbls oil and 450 bbls water.

4-19-85 TD 6110'; PBT 5926'. On a 24 hour Official test taken  
4-18-85, pumped 65 BOPD, 90 (est) MCFGPD, 350 BWPD at GOR  
1385 and gravity 42° thru perforations 3655 - 3864-1/2'  
Delaware. FINAL REPORT.

CORRECTED REPORT

4-26-85 TD 6110'; PBT 5921'. On a 24 hour Official Potential test  
taken 4-18-85, pumped 65 BOPD, 90 (est) MCFGPD, 350 BWPD at  
GOR 1385/1 with gravity 42° thru perforations 5879-5903'  
and 3655-3864-1/2' Delaware. FINAL REPORT.

18cm Bowls  
18cm Carbons  
19cm units  
1 Sharon S  
Page 3:

ILLING REPORT

MYCO - Big Eddy Unit #110 (Unit H) 9-22S-28E Eddy Co., NM

- 4-6-85 TD 6075'. Opened on 15/64" choke. Flowed back frac load. Flowed 90 bbls.
- 4-7-85 TD 6075'. Flowed 40 bbls frac load.
- 4-8-85 TD 6075'. Flowed 20 bbls frac load, short of load 210 bbls.
- 4-9-85 TD 6075'. Swabbed 110 bbls fluid, averaged 7% oil.
- 4-10-85 TD 6075'. SITP 240#. Fluid level 1700', swabbed until noon. Swabbed 50 bbls water and 10 bbls oil. Shut down overnight. Prep to move up hole.
- 4-11-85 TD 6075'. SITP 330#. Opened and flowed 1/2 bbl oil. First swab recovered 1200' fluid. WIH on wireline with 4" Hollow Steel Carrier gun and perforated in 2 stages 4151-57' (5 holes) and 4079-88' (9 holes) with 14 .42" holes as follows: Stage #1 - 4151, 52, 53, 56 and 57'; Stage #2 - 4079, 80, 81, 82, 83, 84, 86, 87 and 88'. Treated perforations with 500 gallons 7-1/2% HCL and 1000 gallons KCL. Breakdown pressure 1900#. Pumped 32 seconds at 13 BPM, Avg treating pressure 3300#. Total load to recover 36 bbls. Flowed and swabbed 26 bbls.
- 4-12-85 TD 6075'. Acidized 2nd stage perforations 4079-4088' with 35 bbls 7-1/2% HCL + 25 bbls KCL for total of 60 bbls. Breakdown pressure 2900#. Treating Pressures: Max 1800#; Avg 1300# at 5.5 BPM. ISDP 900#, 15 min 900#. Swabbed back 31 bbls with 15% oil show.
- 4-13-15-85 TD 6075'. No report.
- 4-16-85 TD 6075'. No report.
- 4-16-85 TD 6075'. Squeezed perforations 4151, 52, 53, 56 and 57' with 50 sacks Class "C" at 1500# pressure. Reversed out 23 sacks cement.
- 4-17-85 TD 6075'. Pulling unit broke down. Prep to drill out 80' cement and RIH with tubing and rods.
- 4-18-85 TD 6075'. Drilled cement retainer and cement. Circulated 15 minutes, got sand off RBP. TOH. PU retrieving head, TIH. Retrieved RBP and TOH. TIH with packer. Prep to run rod string.
- 4-19-85 TD 6075'. Ran rods and pump. Pumping into tank battery.
- 4-20-22-85 TD 6075'. Pumping.
- 4-23-85 TD 6075'. Pumping.
- CORRECTED REPORTS:**
- 4-20-22-85 TD 6075'. Pumped 15 bbls oil and 150 bbls water.
- 4-23-85 TD 6075'. Pumped 18 bbls oil and 150 bbls water.
- 4-25-85 TD 6075'. Pumped 20 bbls oil and 200 bbls water.
- 4-26-85 TD 6075'. Pumping.
- 4-27-85 TD 6075'. Pumped perforations 5908-5915'. Made 28 bbls oil and 150 bbls water. *ave 20% BPD #160BWP.*
- 4-28-29-85 TD 6075'. Pumping unit down.
- 4-30-85 TD 6075'. POH with rods and tubing. WIH on wireline with .5" Dual Fire gun and perforated 3884-3921' with 10 .42" holes as follows: 3884, 85, 86, 90, 91, 3917, 18,19, 20 and 3921'. WIH with RBP (3966') and packer (3950') and tested. PU packer to 3823'. Treated perforations with 1000 gallons HCL. Flushed with 23 bbls 2% KCL. Treating Pressures: Max 3100#, Avg 1600# at 4 BPM. ISDP 950#. Load to recover 47 bbls.
- 5-1-85 TD 6075'. Overnight SITP 80#. Swabbed back 41 bbls. Had 1000' fluid in hole. On 1st swab run had 50% oil. Recovered 18 bbls this AM with 4% oil cut.
- 5-2-85 TD 6075'. Moved packer between 3917-3891'. Swabbed 1-1/2 bbls water per hour. Prep to move up hole and test upper perforations 3891-84'.
- 5-3-85 TD 6075'. Testing upper perforations 3891-84'. Details to follow.

50 YEARS



TONEY ANAYA  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION



1935 - 1985

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

April 14, 1986

Bass Enterprises Production Co.  
First City Bank Tower  
201 Main St.  
Fort Worth, Texas 76102

Attention: Mark D. Chambers

Re: Non-Commercial Determination  
Big Eddy Unit Well No. 95  
NW/4 NE/4 Section 33, T-21-S, R-28-E  
Poker Lake Unit Well No. 57  
NE/4 NW/4 Section 20, T-25-S, R-31-E  
Poker Lake Unit Well No. 60  
SE/4 NW/4 Section 33, T-25-S, R-30-E  
Eddy County, New Mexico

Gentlemen:

The above-referenced submittal has been approved by the New Mexico Oil Conservation Division effective this date. Such approval is contingent upon like approval by the New Mexico Commissioner of Public Lands and the Bureau of Land Management.

Sincerely,

A handwritten signature in cursive script, appearing to read "Roy E. Johnson".

ROY E. JOHNSON,  
Senior Petroleum Geologist

REJ/dr

cc: Commissioner of Public Lands - Santa Fe  
Bureau of Land Management - Albuquerque  
OCD District Office - Artesia

BASS ENTERPRISES PRODUCTION CO.

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

April 3, 1986

#365

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

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. Richard Stamets

RE: Commercial Determinations  
Big Eddy Unit Well No. 98, 99, 100 and 103  
Eddy County, New Mexico

Gentlemen:

The above referenced wells were drilled pursuant to the 1984 Plan of Development for the Big Eddy Unit. The results of the wells were contained in our 1985 Plan of Development.

As you know, the Big Eddy Unit Well No. 98, 99 and 100 were completed in the non-unitized Delaware formation at depths of approximately 3,000 feet. Completion reports of the subject wells are attached for your records. Insofar as the production from the subject wells does not comply with the definition of unitized substances as recited in Section 3 of the Big Eddy Unit Agreement, it is our understanding that a commercial determination is not required for these wells.

The Big Eddy Unit Well No. 103 was drilled to a total depth of 9,225' and was completed as an oil well in the Bone Springs formation from the interval of 6,276'-6,296'. The Bone Springs formation was depleted before sufficient data was available to make a commercial determination. This office is currently gathering all available data to support our recommendation that the Big Eddy Unit Well No. 103 be determined to be non-commercial. We will provide you with same in the near future. Should you require any additional information, please contact the undersigned at (817) 390-8584.

Sincerely,



MARK D. CHAMBERS  
Landman

MDC:jh  
Attachments

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(New other information on reverse side)

Form approved.  
Budget Bureau No. 1004-0137  
Expires August 31, 1985

1. LEASE DESIGNATION AND SERIAL NO.

LC-060572-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Big Eddy Unit

8. FARM OR LEASE NAME

Big Eddy

9. WELL NO.

98

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., N., OR BLOCK AND SURVEY OR AREA

Sec. 7, T21S, R28E, NMPM

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL  GAS WELL  DEV  Other \_\_\_\_\_

1b. TYPE OF COMPLETION: NEW WELL  WORK OVER  REPER- EN  PFG BACK  DIFF. REPER.  Other \_\_\_\_\_

2. NAME OF COMPANY  
Ammax Petroleum, Inc.

3. ADDRESS OF OPERATOR  
Box 10507 Midland, TX 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface 2180 FWL & 1980 FWL, 7-21S-28E  
At top prod. interval reported below SAME  
At total depth SAME

14. PERMIT NO. \_\_\_\_\_ DATE ISSUED 11/30/83

12. COUNTY OR PARISH Eddy 13. STATE NM

15. DATE STOPPED 1/18/84 16. DATE T.D. REACHED 2/11/84 17. DATE COMPL. (Ready to prod.) 3/28/84 18. ELEVATIONS (DF, RKB, ST, GR, ETC.)\* 3159.6' GR 19. ELEV. CASINGHEAD 3159.6' GR

20. TOTAL DEPTH, MD & TVD 9050' 21. PAID, BACK T.D., MD & TVD 3311' 22. NO MULTIPLE COMPL. NOW MADE? n/a 23. INTERVALS DRILLED BY \_\_\_\_\_ ROTARY TOOLS 0 - TD CABLE TOOLS none

24. PRODUCING INTERVAL(S) OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* 2942' - 2976' Delaware 25. WAS SECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN GR-CCJ 27. WAS WELL CURED NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8	48#	359	17 1/2"	430 sx "C" + 2% CaCl circ.	
8 5/8	24#	2450	11"	1400 sx LW, 150 sx "C"	
				+ 2% CaCl, circ 500 sx	
5 1/2	15.5#	3357	7 7/8"	250 sx 50/50 POZ	

29. LINES RECORD

LINE	TOP (MD)	BOTTOM (MD)	BACKED CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8	3004	3004

30. ACID, SHOT, FRACTURE CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
2942 - 2976	1000 gal 15% acid + 20 bs
	1500 gal 15% acid + 45 bs
	20000 gal MIII-40, 30000#
	20/40 sand + 20 bs

31. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
3/22/84	pumping (2 x 1 1/2 x 16 rod pump)	producing					
DATE OF TEST	WELLS TESTED	CUMUL. PROD.	TRAP. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
4/6/84	24	---	---	54	41	65	759.26
FLOW. TESTING METHOD	CASING PRODUCER	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-LBT (CORR.)	
---	18#	---	54	41	65	32.5	

34. DESCRIPTION OF LOG (SOL, used for fuel, vented, etc.) vented TEST WITNESSED BY \_\_\_\_\_

35. LIST OF ATTACHMENTS  
2 copies of electrical logs and 1 copy of drilling log

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records  
SIGNED: *William E. Lewis* TITLE: Operations Manager DATE: 4/10/84

37. SUMMARY OF POROUS ZONES: (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)

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.

38.

**GEOLOGIC MARKERS**

NAME	HEAD. DEPTH	TOP TEST. VEST. DEPTH
1st Delaware Sand	2590	
Cherry Canyon	3113	
Bone Springs	5495	
Wolfcamp	8996	

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

Form C-105  
Revised 8-84

1. Lease No. Type of Lease  
 2. Lease No. of Oil & Gas Lease No.  
**B-9960**

10. TYPE OF WELL  
 OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_  
 11. TYPE OF COMPLETION  
 NEW WELL  WORK OVER  SLEEPER  PLUG BACK  DIFF. RESVR.  OTHER \_\_\_\_\_

3. Well Name  
**Big Eddy**  
 4. Name of Lease Name  
**Big Eddy**

5. Name of Operator  
**Annex Petroleum, Inc.**  
 6. Address of Operator  
**P.O. Box 10507 Midland, TX 79702**

7. Acct. No.  
**99**  
 8. Field No. (or, if different)  
**Wildcat**

9. Location of Well  
 SURF LETTER **F** LOCATED **1980** FEET FROM THE **North** LINE AND **2080** FEET FROM THE **WEST** LINE OF SEC. **16** TWP. **21S** RGE. **28E**

12. Field No. (or, if different)  
**Eddy**

13. Date Spudded **3/29/84** 16. Date T.D. Reached **4/7/84** 17. Date Compl. (Ready to Prod.) **4/20/84** 18. Elevations (D.F., R.A.B., R.F., GR., etc.) **3259.3' GL** 19. Elev. Casinghead **3259.3'**

20. Total Depth **5250'** 21. Plug Back T.D. **3645'** 22. If Multiple Compl., How Many \_\_\_\_\_ 23. Intervals Drilled By: Rotary Tools **5250'** Cable Tools **none**

24. Producing Interval(s), of this completion - Top, Bottom, Name  
**2904'-2924' Delaware** 25. Was Directional Survey Made **NO**

26. Type Elevator and Other Logs Run  
**GR-DLL-MSFL, GR-CNL-LDT, HDT** 27. Was Well Cased **NO**

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	54.5#	396'	17 1/4"	425 sx "C" + 2% CaCl	
8 5/8"	32# & 24#	2631'	12 1/2"	800 sx LW, 375 sx "C"	
5 1/2"	15.5# & 17#	5211'	7 7/8"	1st & 2nd stage 230 sx ea.	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP	BOTTOM	SACK CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8"	2757'	2757'

31. Performance Record (Interval, size and number) 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
2904'-2924'	1500 gal 15% HCl

33. PRODUCTION

Date First Production <b>4/21/84</b>	Production Method (Flowing, and lift, pumping - Size and type pump) <b>flow &amp; swab</b>	Well Status (Prod. or Shut-in) <b>shut in</b>					
Date of Test <b>4/21/84</b>	Minimum Tested <b>10</b>	Choke Size <b>open</b>	Fract. For Test Period <b>→</b>	Oil - Bbl. <b>31</b>	Gas - MCF <b>29</b>	Water - Bbl. <b>26</b>	Gas-Oil Ratio <b>965</b>
Flow Tubing Press. <b>15#</b>	Casing Pressure <b>0</b>	Calculated 24-Hour Rate <b>→</b>	Oil - Bbl. <b>74</b>	Gas - MCF <b>69.6</b>	Water - Bbl. <b>62</b>	Oil Gravity - API (Corr.) <b>35.5</b>	

34. Disposition of Gas (held, used for fuel, vented, etc.) **vented** Test Witnesses By **W. A. Merrick**

35. List of Attachments  
**1 copy of daily drilling report log**

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.  
 Operator's Clerk **4/21/84**

**INSTRUCTIONS**

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths recorded shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 1) through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

**INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE**

**Southeastern New Mexico**

**Northwestern New Mexico**

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "D" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
D. Salt _____	T. Anoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Muncos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Qtzite _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Padlock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Dinwry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Todilte _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abe _____	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn. _____	T. _____	T. Permian _____	T. _____
T. Class (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

**OIL OR GAS SANDS OR ZONES**

No. 1, from _____ 2904' _____ to _____ 2924' _____	No. 4, from _____ to _____
No. 2, from _____ 3514' _____ to _____ 3520' _____	No. 5, from _____ to _____
No. 3, from _____ to _____	No. 6, from _____ to _____

**IMPORTANT WATER SANDS**

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet _____
No. 2, from _____ to _____ feet _____
No. 3, from _____ to _____ feet _____
No. 4, from _____ to _____ feet _____

**FORMATION RECORD (Attach additional sheets if necessary)**

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
2683'	3509'		Delaware				
3509'	4513'		Cherry Canyon				
4513'			Brushy Canyon				

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE  
(See other instructions on reverse side)

Form approved.  
Budget Bureau No. 1004-0137  
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. <b>LC-060572-A</b>	
2. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PILE BACK <input type="checkbox"/> DEEP. REPAIR <input type="checkbox"/> Other _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME _____	
3. NAME OF OPERATOR <b>Annex Petroleum, Inc.</b>		7. UNIT AGREEMENT NAME <b>Big Eddy Unit</b>	
3. ADDRESS OF OPERATOR <b>Box 10507 Midland, TX 79702</b>		8. FARM OR LEASE NAME <b>Big Eddy</b>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface <b>2291' FSL &amp; 483' FWL NW/4 NW/4 Unit L</b> At top prod. interval reported below <b>SAME</b> At total depth <b>SAME</b>		9. WELL NO. <b>100</b>	
14. PERMIT NO. _____ DATE ISSUED <b>3/22/84</b>		10. FIELD AND POOL OR WILDCAT <b>Undesignated - Bone Spring</b>	
15. DATE SPUNDED <b>4/3/84</b> 16. DATE T.D. REACHED <b>4/23/84</b> 17. DATE COMPL. (Ready to prod.) <b>5/1/84</b>		11. SEC., T., R., M., OR BLOCK AND SUBVEY OR AREA <b>Sec. 8, T21S, R28E</b>	
18. ELEVATIONS (OF. S.M.B. ST. OR, ETC.)* <b>3178.0 GR</b>		12. COUNTY OR PARISH <b>Eddy</b>	
19. ELEV. CASINGHEAD		13. STATE <b>NM</b>	
20. TOTAL DEPTH, MD & TVD <b>9200</b> 21. PLUG BACK T.D., MD & TVD <b>3830'</b>		24. INTERVALS DRILLED BY ROTARY TOOLS <b>0 - TD</b> CABLE TOOLS <b>none</b>	
22. IF MULTIPLE COMPL., HOW MANY* _____		25. WAS DIRECTIONAL SURVEY MADE <b>no</b>	
24. PRODUCING INTERVAL(S) OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* <b>3197 - 3210 (Delaware)</b>			26. TYPE ELECTRIC AND OTHER LOGS RUN <b>CCL, GR, Temp.</b>
27. WAS WELL CORDED <b>no</b>			
29. CASING RECORD (Report all strings set in well)			
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE
<b>13 3/8</b>	<b>54.5#</b>	<b>347'</b>	<b>17 1/2"</b>
<b>8 5/8"</b>	<b>24, 28, 32#</b>	<b>2579'</b>	<b>11"</b>
<b>5 1/2"</b>	<b>17, 15.5, 14#</b>	<b>3712'</b>	<b>7 7/8"</b>
CEMENTING RECORD		AMOUNT PULLED	
<b>400 ex "C" +2% CaCl</b>			
<b>1500 ex light, 150 ex "C"</b>		<b>17 CaCl</b>	
<b>250 ex 50/50 &amp; 100 ex "H"</b>			
29. LINER RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*
30. TUBING RECORD			
SIZE	DEPTH SET (MD)	PACKER SET (MD)	
<b>2 3/8"</b>	<b>3072</b>	<b>3072</b>	
31. PRODUCTION LOGS (Interval, size and number) <b>3197 - 3210' 1 jspf</b>			
32. ACID, SHOT, FRACTURE CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED	
<b>3197 - 3210</b>		<b>1500 gal 15% acid + 30 BS</b>	
<b>3197 - 3210</b>		<b>20,000 gal foam w/merhanol wrt sys. &amp; 16,000# sand &amp; 259,360 scf N<sub>2</sub></b>	
33. PRODUCTION			
DATE FIRST PRODUCTION <b>5/1/84</b>	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) <b>flow &amp; swab</b>		WELL STATUS (Producing or shut-in) <b>producing</b>
DATE OF TEST <b>5/1/84</b>	INCHES TESTING <b>10</b>	CHOKES SIZE <b>18/64</b>	PROD'H. FOR TEST PERIOD
			OIL—BBL <b>19</b> GAS—MCF <b>20</b> WATER—BBL <b>36</b> GAS-OIL RATIO <b>1053</b>
FLOW TUBING PRESS. <b>10#</b>	FACING PRESSURE <b>pkr</b>	CALCULATED 24-HOUR RATE <b>45.6</b>	OIL—BBL <b>48</b> GAS—MCF <b>86.4</b> WATER—BBL <b>38</b> OIL GRAVITY-APT (CORR.)
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) <b>vented</b>			TEST WITNESSED BY
35. LIST OF ATTACHMENTS <b>2 copies of all electrical logs and 1 copy of drilling log</b>			
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records			
SIGNED <b>William J. [Signature]</b>	TITLE <b>Operations Manager</b>		DATE <b>5/2/84</b>

**MARY OF POROUS ZONES:** (Show all important zones of porosity and contents thereof; cored intervals; and all stems, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and meters):

**38. GEOLOGIC MARKERS**

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Bone Spring	5720	

**BASS ENTERPRISES PRODUCTION CO.**

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

APR 1 1986  
April 3, 1986

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

COMMISSIONER OF PUBLIC LANDS  
P. O. Bpx 1148  
Santa Fe, New Mexico 87501  
Attention: Mr. Floyd D. Prando

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

*Non-Commercial determination*

RE: Big Eddy Unit Well No. 95  
NW/4 NE/4 Section 33, T21S-R28E  
Poker Lake Unit Well No. 57  
NE/4 NW/4 Section 20, T25S-R31E  
Poker Lake Unit Well No. 60  
SE/4 NW/4 Section 33, T25S-R30E  
Eddy County, New Mexico

Gentlemen:

By letter dated April 2, 1984 and May 23, 1984, copies attached, you were furnished with materials to support our recommendation that the subject wells be determined to be non-commercial, and thereby not receive participating areas. We have reviewed our records which do not indicate that we have received a reply regarding commercial determinations for the subject wells. In the event our records are incomplete, please provide this office with a copy of your previous correspondence and decision regarding commercial determinations for the subject wells.

Should you have any questions or require any additional information, please contact the undersigned at (817) 390-8584.

Sincerely,



MARK D. CHAMBERS  
Landman

MDC:jh  
Attachment

**BASS ENTERPRISES PRODUCTION CO.**

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

April 2, 1984

**BUREAU OF LAND MANAGEMENT**  
P. O. Box 1397  
Roswell, New Mexico 88201

**COMMISSIONER OF PUBLIC LANDS**  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

**NEW MEXICO OIL CONSERVATION DIVISION**  
P. O. Box 2088  
Santa Fe, New Mexico 87501

RE: **Big Eddy Unit No. 95 Well**  
**660' FNL & 1980' FEL**  
**Section 33, T21S-R28E**  
**Eddy County, New Mexico**  
**Lease No. 4801**

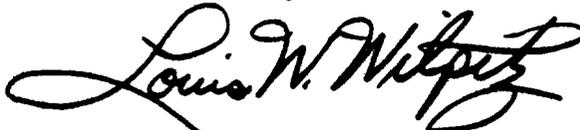
Gentlemen:

Bass, operator of the captioned well, has completed its evaluation of production history to determine the economic viability of the Atoka Formation in the Big Eddy Unit No. 95 Well. The Atoka Formation in the Big Eddy Unit No. 95 Well does not qualify under Bureau of Land Management criteria for classification as a commercial well. In this regard, enclosed is data which was utilized in the analysis of the Big Eddy Unit No. 95 Well.

Based upon the foregoing information, Bass recommends that the Big Eddy Unit No. 95 Well be produced on a lease basis in the Atoka Formation, and therefore, not be included in a participating area.

Should you have any questions or need additional information in relation to this matter, please feel free to contact me at 817/390-8585.

Sincerely,



LOUIS W. WILPITZ  
Landman

LWW:jh  
Enclosures

H-300

BASS ENTERPRISES PRODUCTION CO.

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

May 23, 1984

BUREAU OF LAND MANAGEMENT  
P. O. Box 1397  
Roswell, New Mexico 88201

COMMISSIONER OF PUBLIC LANDS  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

NEW MEXICO OIL CONSERVATION DIVISION  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Poker Lake Unit No. 57 Well  
330' FSL & 1980' FWL  
Section 28, T25S-R31E  
Eddy County, New Mexico  
Bass Lease No. 4029

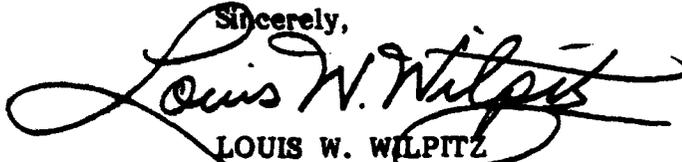
Gentlemen:

Bass, operator of the captioned well, has completed its evaluation of production history to determine the economic viability of the Delaware Formation in the Poker Lake Unit No. 57 Well. The Delaware Formation in the Poker Lake Unit No. 57 Well does not qualify under Bureau of Land Management criteria for classification as a commercial well. In this regard, enclosed is the data which was utilized by Bass in the analysis of the Poker Lake Unit No. 57 Well.

Based upon the foregoing information, Bass recommends that the Poker Lake Unit #57 Well be produced on a lease basis in the Delaware Formation, and therefore, not be included in a Participating Area.

Should you have any questions or need additional information which would assist you in making a decision relative to this matter, please feel free to contact me at (817) 390-8585.

Sincerely,

  
LOUIS W. WILPITZ  
Landman

LWW:ep  
Enclosures

**BASS ENTERPRISES PRODUCTION CO.**

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

May 23, 1984

**BUREAU OF LAND MANAGEMENT**  
P. O. Box 1397  
Roswell, New Mexico 88201

**COMMISSIONER OF PUBLIC LANDS**  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

**NEW MEXICO OIL CONSERVATION DIVISION**  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Poker Lake Unit No. 60 Well  
1980' FNL & 1980' FWL  
Section 33, T25S-R30E  
Eddy County, New Mexico  
Bass Lease No. 3918-B

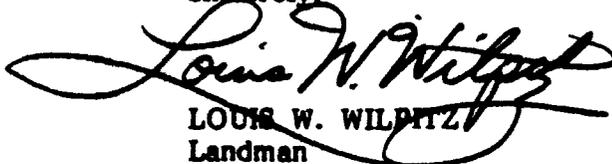
Gentlemen:

Bass, operator of the captioned well, has completed its evaluation of production history to determine the economic viability of the Delaware Formation in the Poker Lake Unit No. 60 Well. The Delaware Formation in the Poker Lake Unit No. 60 Well does not qualify under Bureau of Land Management criteria for classification as a commercial well. In this regard, enclosed is data which was utilized by Bass in its analysis of the Poker Lake Unit No. 60 Well.

Based upon the foregoing information, Bass recommends that the Poker Lake Unit No. 60 Well be produced on a lease basis in the Delaware Formation, and therefore, not be included in a Participating Area.

Should you have any questions or need any additional information which would assist you in making a decision relative to this matter, please feel free to contact me at (817) 390-8585.

Sincerely,

  
LOUIS W. WILPITZ  
Landman

LWW:ep  
Enclosures

**BASS ENTERPRISES PRODUCTION Co.**

FIRST CITY BANK TOWER

201 MAIN ST.

FORT WORTH, TEXAS 76102

817/390-8400

February 5, 1986

**BUREAU OF LAND MANAGEMENT**

P. O. Box 26124

Albuquerque, New Mexico 87125

Attention: Mr. Joe Lara

**NEW MEXICO OIL CONSERVATION DIVISION**

P. O. Box 2088

Santa Fe, New Mexico 87501

Attention: Mr. Roy E. Johnson

RE: Big Eddy Unit Well No. 83  
Atoka and Morrow  
1980' FWL and 990' FNL  
Section 10, T21S-R28E  
Big Eddy Unit Well No. 85  
Morrow Formation  
1980' FWL and 660' FSL  
Section 8, T21S-R29E  
Eddy County, New Mexico

Gentlemen:

By letter dated February 10, 1983, copy attached, you were furnished with materials to support our recommendation that the subject wells be determined to be non-commercial, and thereby, not receive participating areas. We have reviewed our records which do not indicate that we have received a reply regarding commercial determinations for the subject wells. In the event our records are incomplete, please provide this office with a copy of your previous correspondence. Attached please find correspondence dated February 28, 1983, from the Commissioner of Public Lands concurring with Bass' recommendation that the subject wells be determined to be non-commercial.

Should you have any questions or require any additional information, please contact the undersigned at (817) 390-8584.

Sincerely,



MARK D. CHAMBERS

Landman

MDC:jh

Attachments

cc: Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87501  
Attention: Oil and Gas Division  
(with attachments)



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office

P. O. Box 1397

Roswell, New Mexico 88201

IN REPLY  
REFER TO:  
3180 (065)  
14-08-001-326



Bass Enterprises Production Company  
Attention: Jens Hansen  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

DEC 6 1985

RE: 1986 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

We are in receipt of your letter dated November 11, 1985 which describes your 1986 Plan of Development for the Big Eddy Unit, Eddy and Lea counties, New Mexico.

Such plan proposes to conduct seismic operations and re-evaluate existing seismic in an attempt to further develop the unit area when gas marketing conditions improve.

This plan is approved effective for the period January 1, 1986 through December 31, 1986 and is subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely,

Orig. Sgd. Francis R. Cherry, Jr.

Francis R. Cherry, Jr.  
District Manager

✓ cc: NMOCD, Santa Fe

# State of New Mexico



JIM BACA  
COMMISSIONER



## Commissioner of Public Lands

December 2, 1985

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery Uses:  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Bass Enterprises Production Co.  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Re: 1986 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

ATTENTION: Mr. Jens Hansen

Gentlemen:

The Commissioner of Public Lands has this date approved your 1986 Plan of Development for the Big Eddy Unit Area, Eddy and Lea Counties, New Mexico. Such plan proposes to Drill the Unit Well Nos. 105, 106, 107, 108, 109, 110 and 111. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Albuquerque, New Mexico Attn: Fluids Branch  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

State of New Mexico



Commissioner of Public Lands

November 26, 1985

JIM BACA  
COMMISSIONER

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery Uses  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Bass Enterprises Production Co.  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Re: 1985 and 1986 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

ATTENTION: Mr. Jens Hansen

Gentlemen:

This office is in receipt of your letter dated November 12, 1985 wherein you have advised this office that under your letter dated November 6, 1985, the Bureau of Land Management rejected your Fourth Amendment to the 1985 Plan of Development which changed the location of the Big Eddy Unit Well No. 108.

Please be advised that in view of the above, the Commissioner of Public Lands has this date declared our approval of your Fourth Amendment to the 1985 Plan of Development dated October 21, 1985 null and void.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Albuquerque, New Mexico Attn: Fluids Branch  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



TONY ANNE  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

50 YEARS



1935 - 1985

POST OFFICE BOX 2000  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

November 18, 1985

Bass Enterprises Production Co.  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Attention: Jens Hansen

Re: 1986 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, NM

Gentlemen:

Enclosed please find an approved copy of the material referenced above. Such approval is contingent upon like approval by the Commissioner of Public Lands and the Bureau of Land Management.

Sincerely,



ROY E. JOHNSON  
Senior Petroleum Geologist

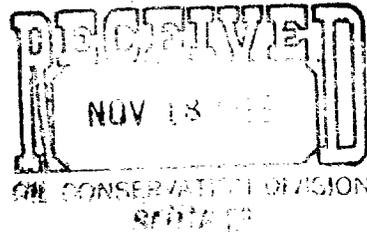
REJ/dp

cc: Commissioner of Public Lands - Santa Fe  
Bureau of Land Management - Albuquerque  
OCD District Office - Artesia and Hobbs

**BASS ENTERPRISES PRODUCTION CO.**

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

November 12, 1985



**COMMISSIONER OF PUBLIC LANDS**  
State of New Mexico  
P.O. Box 1148  
Sante Fe, New Mexico 87504-1148

**NEW MEXICO OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Sante Fe, New Mexico 87501

Re: 1985 and 1986 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

Under letter dated November 6, 1985, copy attached, the Bureau of Land Management rejected our Fourth Amendment to the 1985 Plan of Development which changed the location of the Big Eddy Unit No. 108. As a result, we hereby withdraw our Fourth Amendment to the 1985 Plan of Development which will reinstate the Big Eddy Unit Well No. 108 at the original location under the 1985 Plan of Development.

As a result of this change, we are re-submitting our 1986 Plan of Development for the Big Eddy Unit which should be substituted for the 1986 Plan of Development for the Big Eddy Unit which we recently sent you.

If you should have any questions regarding this matter please advise at your convenience.

Cordially,

A large, stylized handwritten signature in black ink, appearing to read "Jens Hansen".

JENS HANSEN  
Division Landman

JH:dc

OK  
11-18-85



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

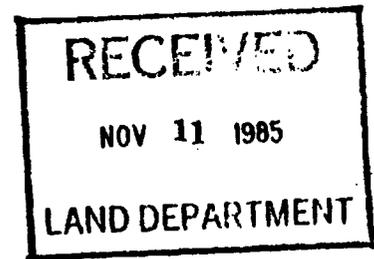
Roswell District Office

P. O. Box 1397

Roswell, New Mexico 88201

IN REPLY  
REFER TO:

14-08-001-326  
3180 (065)



Bass Enterprises Production Company  
Attention: Jens Hansen  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

NOV 6 1985

Re: Fourth Amendment to the 1985 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

We are in receipt of your Fourth Amendment to the 1985 plan of development for the Big Eddy Unit, Eddy and Lea Counties, New Mexico.

Such plan of development proposing to change the location of the Big Eddy Unit No. 108 well from 1980' FSL and 1650' FEL, Sec. 26, T. 21 S., R. 28 E., N.M.P.M., Eddy County to 660' FWL and 1980' FSL, Sec. 13, T. 20 S., R. 31 E., N.M.P.M., Eddy County is hereby disapproved due to the presence of mineable potash deposits and close proximity to potash mine workings.

Sincerely,

Francis R. Cherry, Jr.  
District Manager, Roswell

**BASS ENTERPRISES PRODUCTION CO.**

FIRST CITY BANK TOWER  
201 MAIN ST.  
FORT WORTH, TEXAS 76102  
817/590-8400

November 11, 1985

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. Ray Graham

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

RE: 1986 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1986.

History of Past Development - We refer to our previous Plans of Development for a detailed description of the operations conducted in this unit in prior years.

1985 Activity

Big Eddy Unit Well No. 105 - Located 2310' FNL and 990' FEL, Section 10, T22S-R28E, Eddy County, New Mexico. Myco Industries Inc. drilled and completed this well in the Delaware formation under the 1984 Plan of Development and will submit the completion information directly to you.

Big Eddy Unit Well No. 106 - Located in the NE/4 NE/4 of Section 10, T22S-R28E, Eddy County, New Mexico. Myco Industries, Inc. drilled and completed this well in the Delaware formation and will submit the completion information directly to you.

Big Eddy Unit Well No. 107 - Located in the NW/4 NE/4 of Section 10, T22S-R28E, Eddy County, New Mexico. Myco Industries, Inc. has drilled and completed this well in the Delaware formation and will submit the completion information directly to you.

Big Eddy Unit Well No. 108 - Proposed at a location of 1980' FSL and 650' FEL, Section 26, T21S-R28E, Eddy County, New Mexico, to be drilled to a depth of 12,600' to test the Morrow formation. The drilling of this well is being indefinitely deferred until such time as economic conditions change resulting in the improvement of gas marketing and the price of gas in this area.

Big Eddy Unit Well No. 109 - Located in the SW/4 SE/4 of Section 21, T21S-R28E, Eddy County, New Mexico. Yates Petroleum Corporation drilled and completed this well in the Delaware formation and will submit the completion information directly to you.

Big Eddy Unit Well No. 110 - Located in the SE/4 NE/4 of Section 9, T22S-R28E, Eddy County, New Mexico. Myco Industries, Inc. drilled and completed this well in the Delaware formation and will submit the completion information directly to you.

Big Eddy Unit Well No. 111 - Located in the NE/4 NE/4 of Section 9, T22S-R28E, Eddy County, New Mexico. Myco Industries, Inc. drilled and completed this well in the Delaware formation and will submit the completion information directly to you.

#### Participating Areas

Bass will submit during the year 1986 its recommendations for commercial determination and participating areas when sufficient production and engineering data is available. Myco Industries, Inc. and Yates Petroleum Corporation have expressed an interest in submitting this data directly to you with a copy to the operator. Bass does not object to this procedure so long as you are in agreement.

#### Future Development

During the year 1986, we plan to conduct seismic operations and re-evaluate existing seismic in an endeavor to high grade portions of this unit area for future drilling when the gas market and the price of gas improve to provide adequate economic incentive for the investment of capital.

#### Offset Obligations

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from the lands subject to the Big Eddy Unit Agreement or pursuant to applicable regulations.

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
November 11, 1985  
Page 3 of 4

Additional Development

This Plan of Development will constitute the activity to be conducted under the terms of the Big Eddy Unit Agreement for the period ending December 31, 1986. In the event economic conditions should change resulting in the improvement of gas marketing and the price of gas in this unit area, the operator will modify this Plan of Development to provide for additional activity.

Modifications

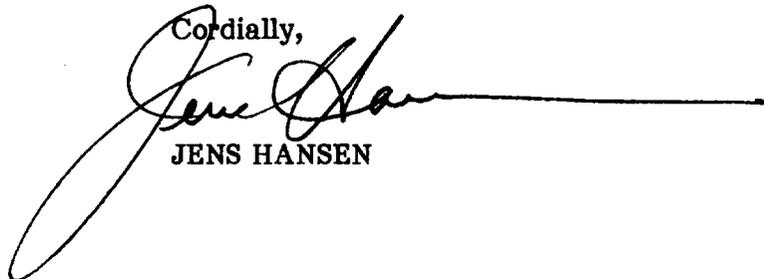
In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

Effective Date

This Plan of Development shall be effective from January 1, 1986 to December 31, 1986.

If this Plan of Development 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.

Cordially,



JENS HANSEN

JH:jh

AGREED AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 1985.

BUREAU OF LAND MANAGEMENT

By \_\_\_\_\_

AGREED AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 1985.

COMMISSIONER OF PUBLIC LANDS

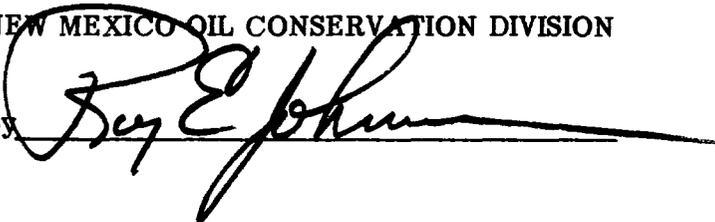
By \_\_\_\_\_

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
November 11, 1985  
Page 4 of 4

AGREED AND ACCEPTED this 18<sup>th</sup> day of November, 1985.

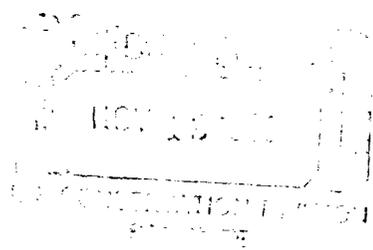
NEW MEXICO OIL CONSERVATION DIVISION

By

A handwritten signature in black ink, appearing to read "Roy E. Johnson", is written over a horizontal line. The signature is fluid and cursive, with a large initial "R" and "J".

**BASS ENTERPRISES PRODUCTION CO.**

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



November 5, 1985

#365

**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. Ray Graham

**NEW MEXICO OIL CONSERVATION DIVISION**  
P. O. Box 2088  
Santa Fe, New Mexico 87501  
Attention: Mr. Richard Stamets

RE: 1986 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1986.

History of Past Development - We refer to our previous Plans of Development for a detailed description of the operations conducted in this unit in prior years.

1985 Activity

Big Eddy Unit Well No. 105 - Located 2310' FNL and 990' FEL, Section 10, T22S-R28E, Eddy County, New Mexico. Myco Industries Inc. drilled and completed this well in the Delaware formation under the 1984 Plan of Development and will submit the completion information directly to you.

Big Eddy Unit Well No. 106 - Located in the NE/4 NE/4 of Section 10, T22S-R28E, Eddy County, New Mexico. Myco Industries, Inc. drilled and completed this well in the Delaware formation and will submit the completion information directly to you.

Big Eddy Unit Well No. 107 - Located in the NW/4 NE/4 of Section 10, T22S-R28E, Eddy County, New Mexico. Myco Industries, Inc. has drilled and completed this well in the Delaware formation and will submit the completion information directly to you.

Big Eddy Unit Well No. 108 - This well location was relocated under the Fourth Amendment to the 1985 Plan of Development to a location 660' FWL and 1980' FSL, Section 13, T20S-R31E, Eddy County, New Mexico. The well is scheduled to be drilled to a depth of 13,400' to the Morrow formation. At the present time, objections to this location by potash operators will delay the drilling of this well until 1986.

Big Eddy Unit Well No. 109 - Located in the SW/4 SE/4 of Section 21, T21S-R28E, Eddy County, New Mexico. Yates Petroleum Corporation drilled and completed this well in the Delaware formation and will submit the completion information directly to you.

Big Eddy Unit Well No. 110 - Located in the SE/4 NE/4 of Section 9, T22S-R28E, Eddy County, New Mexico. Myco Industries, Inc. drilled and completed this well in the Delaware formation and will submit the completion information directly to you.

Big Eddy Unit Well No. 111 - Located in the NE/4 NE/4 of Section 9, T22S-R28E, Eddy County, New Mexico. Myco Industries, Inc. drilled and completed this well in the Delaware formation and will submit the completion information directly to you.

#### Participating Areas

Bass will submit during the year 1986 its recommendations for commercial determination and participating areas when sufficient production and engineering data is available. Myco Industries, Inc. and Yates Petroleum Corporation have expressed an interest in submitting this data directly to you with a copy to the operator. Bass does not object to this procedure so long as you are in agreement.

#### Future Development

We plan to drill or cause to be drilled the following test well during the year 1986:

Big Eddy Unit Well No. 108 - 660' FWL and 1980' FSL, Section 13, T20S-R31E, Eddy County, New Mexico, to be drilled to a depth of 13,400' to test the Morrow formation.

#### Offset Obligations

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from the lands subject to the Big Eddy Unit Agreement or pursuant to applicable regulations.

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
November 5, 1985  
Page 3 of 4

Additional Development

This Plan of Development will constitute the activity to be conducted under the terms of the Big Eddy Unit Agreement for the period ending December 31, 1986. In the event economic conditions should change resulting in the improvement of gas marketing and the price of gas in this unit area, the operator will modify this Plan of Development to provide for additional activity.

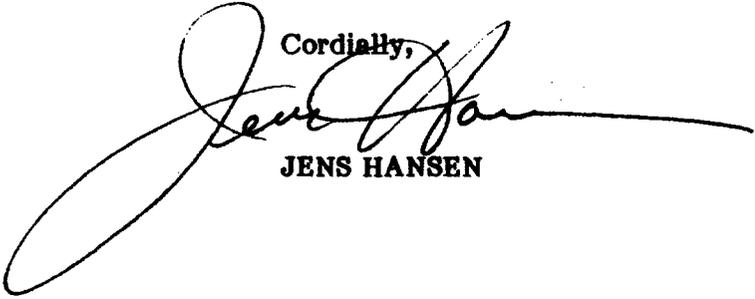
Modifications

In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

Effective Date

This Plan of Development shall be effective from January 1, 1986 to December 31, 1986.

If this Plan of Development 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.

Cordially,  
  
JENS HANSEN

JH:jh

AGREED AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 1985.

BUREAU OF LAND MANAGEMENT

By \_\_\_\_\_

AGREED AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 1985.

COMMISSIONER OF PUBLIC LANDS

By \_\_\_\_\_

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
November 5, 1985  
Page 4 of 4

AGREED AND ACCEPTED this 12<sup>th</sup> day of November, 1985.

NEW MEXICO OIL CONSERVATION DIVISION

By Ray E Johnson

# State of New Mexico



JIM BACA  
COMMISSIONER



## Commissioner of Public Lands

October 21, 1985

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery Uses  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Bass Enterprises Production Company  
201 Main Street  
Fort Worth, Texas 76102

Re: Fourth Amendment to the 1985 Plan of  
Development for the Big Eddy Unit Area,  
Eddy and Lea Counties, New Mexico

ATTENTION: Mr. Jens Hansen

Gentlemen:

The Commissioner of Public Lands has this date approved your fourth Amendment to the 1985 Plan of Development for the Big Eddy Unit Area, Eddy and Lea Counties, New Mexico. Your Fourth Amendment advises that you have changed the location of the proposed Big Eddy Unit Well No. 108 to 660' FWL, 1980' FSL of Section 13, Township 20 South, Range 31 East, N.M.P.M to test the Morrow formation. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

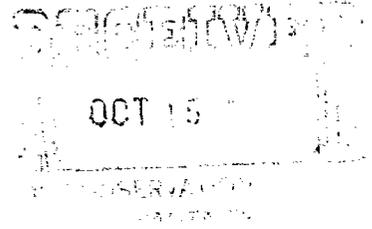
BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Albuquerque, New Mexico  
BLM-Roswell, New Mexico

**BASS ENTERPRISES PRODUCTION CO.**

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



October 11, 1985

**BUREAU OF LAND MANAGEMENT**  
P. O. Box 1397  
Roswell, New Mexico 88201

**COMMISSIONER OF PUBLIC LANDS**  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

**NEW MEXICO OIL CONSERVATION DIVISION**  
P. O. Box 2088  
Santa Fe, New Mexico 87501

**RE: Fourth Amendment to the 1985 Plan of  
Development for the 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 to amend the 1985 Plan of Development for the Big Eddy Unit by changing the location for the proposed Big Eddy Unit Well No. 108 to 660' FWL, 1980' FSL of Section 13, T20S-R31E, N.M.P.M., Eddy County, New Mexico and drill same to a depth of 13,400' as a Morrow test well.

If this, the fourth amendment to the 1985 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.

Should there be any questions in regard to this matter, please feel free to contact me at (817) 390-8568.

Yours very truly,

**JENS HANSEN**  
Division Landman

JH:jh

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
October 11, 1985  
Page 2

AGREED AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 1985.

BUREAU OF LAND MANAGEMENT

By \_\_\_\_\_

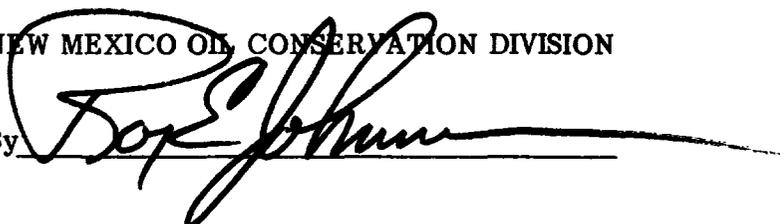
AGREED AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 1985.

COMMISSIONER OF PUBLIC LANDS

By \_\_\_\_\_

AGREED AND ACCEPTED this 15<sup>th</sup> day of October, 1985.

NEW MEXICO OIL CONSERVATION DIVISION

By 



TONY ANAYA  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

August 12, 1985

50 YEARS



1935 - 1985



POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Bass Enterprises Production Co.  
First City Bank Tower  
201 Main St.  
Fort Worth, Texas 76102

Attention: Louis W. Wilpitz

Re: Change of Operator for  
Big Eddy, James Ranch and Poker Lake  
Units; Eddy and Lea Counties, New Mexico

Gentlemen:

Enclosed please find an approved copy of the material referenced above. Such approval is contingent upon like approval by the Commissioner of Public Lands and the Bureau of Land Management.

Sincerely,

ROY E. JOHNSON  
Senior Petroleum Geologist

REJ/dr

cc: Commissioner of Public Lands - Santa Fe  
Bureau of Land Management - Albuquerque  
OCD District Office - Artesia and Hobbs



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office

P. O. Box 1387

Roswell, New Mexico 88201

IN REPLY  
REFER TO:

14-08-001-326  
3180 (065)

September 10, 1985



Bass Enterprises Production Company  
Attention: Mr. Louis W. Wilpitz  
First City Bank Tower  
201 Main Street  
Fort Worth, TX 76102

Gentlemen:

The change in unit operator by assignment submitted to this office for the ~~Big~~  
~~Eddy~~ Contract Number 14-08-001-326, Eddy and Lea Counties, New Mexico,  
has been received and was approved effective this date.

Enclosed are two copies of the approved change in unit operator by assignment  
for your files. Please furnish all interested principles with appropriate  
evidence of this approval.

Sincerely,

*David L. Mari*

*for* Francis R. Cherry, Jr.  
District Manager

Enclosures

State of New Mexico



JIM BACA  
COMMISSIONER

Commissioner of Public Lands

August 9, 1985

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

Express Mail Delivery Use:  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Bass Enterprises Production Company  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Re: Big Eddy Unit  
Change of Unit Operator  
Eddy County, New Mexico

ATTENTION: Mr. Louis W. Wilpitz

Gentlemen:

This office is in receipt of your letter of August 2, 1985 together with a document entitled Change of Unit Operator, Big Eddy Unit Area, Lea and Eddy Counties New Mexico.

The Commissioner of Public Lands has this date accepted and approved Bass Enterprises Production Co. to succeed Perry R. Bass as Unit Operator for the Big Eddy Unit Area Lea and Eddy Counties, New Mexico.

Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Albuquerque, New Mexico Attn: Fluids Branch  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

CHANGE OF UNIT OPERATOR  
BIG EDDY UNIT AREA  
COUNTIES OF LEA AND EDDY, STATE OF NEW MEXICO  
CONTRACT NO. 14-08-001-326

This indenture, dated as of the 18th day of July, 1985, by and between Perry R. Bass, hereinafter designated as "First Party," and Bass Enterprises Production Co., hereinafter designated as "Second Party".

WITNESSETH

WHEREAS, under the provisions of the Act of February 25, 1920, 41 STAT. 437, 30 U.S.C. Section 81, et seq., as amended by the Act of August 8, 1946, 60 STAT. 950, the Secretary of the Interior, on the first day of October, 1952, approved a unit agreement for the Big Eddy Unit Area, wherein the First Party is presently designated as Unit Operator; and

WHEREAS, the First Party desires to transfer, assign, release, and quitclaim, and the Second Party desires to assume all the rights, duties and obligations of the Unit Operator under the unit agreement; and

NOW, THEREFORE, in consideration of the premises hereinbefore set forth, the First Party does hereby transfer, assign, release, and quitclaim unto the Second Party all of the First Party's rights, duties, and obligations as Unit Operator under said unit agreement; and

Second Party hereby accepts this assignment and hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all of the terms of said Unit Agreement to the full extent set forth in this assignment, effective upon approval of this indenture by the Bureau of Land Management, Commissioner of Public Lands, and the New Mexico Oil Conservation Division; said Unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

FIRST PARTY:

  
\_\_\_\_\_  
Perry R. Bass



SECOND PARTY:

BASS ENTERPRISES PRODUCTION CO.

By   
\_\_\_\_\_  
Vice President

AGREED AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

BUREAU OF LAND MANAGEMENT

By \_\_\_\_\_

AGREED AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

COMMISSIONER OF PUBLIC LANDS

By \_\_\_\_\_

AGREED AND ACCEPTED this 12<sup>th</sup> day of August, 1985.

NEW MEXICO OIL CONSERVATION  
DIVISION

By 

BASS ENTERPRISES PRODUCTION CO.

FIRST CITY BANK TOWER  
201 MAIN ST.  
FORT WORTH, TEXAS 76102  
817/390-8400  
August 2, 1985

BUREAU OF LAND MANAGEMENT  
P. O. Box 1397  
Roswell, New Mexico 88201

Attention: Joe Lara

COMMISSIONER OF PUBLIC LANDS  
P.O. Box 1148  
Santa Fe, New Mexico 87504

Attention: Ray Graham

NEW MEXICO OIL CONSERVATION DIVISION  
P.O. Box 3088  
Santa Fe, New Mexico 87501

Attention: Richard Stamets

RE: Big Eddy, James Ranch and Poker Lake  
Units  
Eddy and Lea Counties, New Mexico

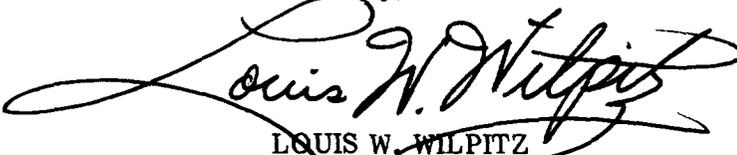
Gentlemen:

Enclosed herewith for your execution are agreements for each of the three referenced units which provide for Bass Enterprises Production Co. to succeed Perry R. Bass as unit operator for the Big Eddy, James Ranch and Poker Lake Units.

Please signify your acceptance of this change in operator by executing the agreement in the space provided and return one executed, original agreement to the attention of the undersigned.

Should there be any questions in regard to this matter, please feel free to contact me at (817) 390-8585.

Sincerely,

  
LOUIS W. WILPITZ  
Landman

LWW:jh  
Enclosure

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
August 2, 1985  
Page 2

AGREED AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

BUREAU OF LAND MANAGEMENT

By \_\_\_\_\_

AGREED AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

COMMISSIONER OF PUBLIC LANDS

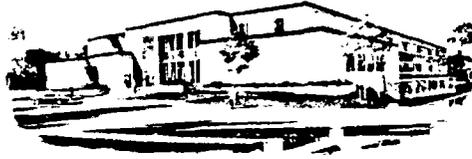
By \_\_\_\_\_

AGREED AND ACCEPTED this 12<sup>th</sup> day of August, 19 85.

NEW MEXICO OIL CONSERVATION DIVISION

By 

State of New Mexico



Commissioner of Public Lands

June 4, 1985

JIM BACA  
COMMISSIONER

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery Used  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

MYCO Industries, Inc.  
207 South Fourth Street  
Artesia, New Mexico 88210

Re: Designation of Agent  
Big Eddy Unit Well No. 111  
Eddy County, New Mexico

ATTENTION: Ms. Kathy H. Colbert

Gentlemen:

This office is in receipt of your letter dated May 20, 1985, together with a copy of an instrument entitled Designation of Agent, covering the Big Eddy Unit Well No. 111 to be drilled in the NE/4NE/4 of Sec. 9-22S-28E, Eddy County, New Mexico. This instrument has been executed by Perry R. Bass as Big Eddy Unit Operator on behalf of MYCO Industries, Inc., as Agent.

These documents have this date been accepted and filed in our unit files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.  
cc:

OCD-Santa Fe, New Mexico  
BLM-Albuquerque, New Mexico Attn: Fluids Branch  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy Unit unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: MYCO INDUSTRIES, INC,  
ADDRESS: 207 South Fourth Street  
Artesia, New Mexico 88216

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 111 in the NE/4 NE/4 Sec. 9, T22S -R28E, Eddy County, New Mexico.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

PERRY R. BASS

By *Perry R. Bass*  
Unit Operator



\_\_\_\_\_  
Date

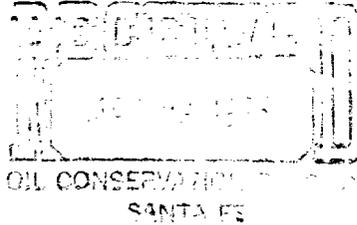
\*This Designation of Agent is subject to the terms, provisions and requirements attached hereto and made a part hereof.



MYCO INDUSTRIES, INC.  
Oil Producers

ARTESIA, NEW MEXICO 88210

YATES BLDG. - 207 SOUTH 4TH  
PHONE: (505) 746-3558



May 20, 1985

Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Richard L. Stamets

Re: Big Eddy Unit #111  
Township 22 South, Range 28 East  
Section 9: NE/4NE/4  
Eddy County, New Mexico

Gentlemen:

Enclosed for your files is a copy of Designation of Agent from Perry R. Bass to Myco Industries, Inc., covering the captioned well.

Please advise should you require anything further.

Thank you.

Very truly yours,

MYCO INDUSTRIES, INC.

*Kathy H. Colbert*  
Kathy H. Colbert  
Landman

KHC/mw

Enclosure

(Submit in Quadruplicate)

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy Unit unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: MYCO INDUSTRIES, INC,  
ADDRESS: 207 South Fourth Street  
Artesia, New Mexico 88216

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 111 in the NE/4 NE/4 Sec. 9, T 22S -R 28E, Eddy County, New Mexico.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

PERRY R. BASS

By *Perry R. Bass*  
Unit Operator



\_\_\_\_\_  
Date

\*This Designation of Agent is subject to the terms, provisions and requirements attached hereto and made a part hereof.

State of New Mexico



JIM BACA  
COMMISSIONER



Commissioner of Public Lands

May 10, 1985

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery Use:  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Myco Industries, Inc.  
207 South Fourth Street  
Artesia, New Mexico 88210

Re: Designation of Agent  
Big Eddy Unit Well No. 105  
Eddy County, New Mexico

ATTENTION: Ms. Kathy H. Colbert

Gentlemen:

This office is in receipt of your letter dated May 7, 1985, together with two copies of an instrument entitled Designation of Agent, covering the Big Eddy Unit Well No. 105 to be drilled in the SE $\frac{1}{4}$ NE $\frac{1}{4}$  of Sec. 20-22S-28E, Eddy County, New Mexico. These forms have been executed by Perry R. Bass as Big Eddy Unit Operator on behalf of Myco Industries, Inc., as Agent.

These documents have this date been approved and filed in our unit files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.

cc: OCD-Santa Fe, New Mexico Attn: Mr. Michael Stogner  
BLM-Albuquerque, New Mexico Attn: Fluids Branch  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



MYCO INDUSTRIES, INC.  
Oil Producers

ARTESIA, NEW MEXICO 88210

YATES BLDG. - 207 SOUTH 4TH  
PHONE: (505) 746-3558

May 7, 1985

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Ray Graham

Re: Big Eddy Unit #105  
Township 22 South, Range 28 East  
Section 10: SE/4 NE/4  
Eddy County, New Mexico

Gentlemen:

Enclosed for your files is a copy of the Designation of Agent covering the captioned, which has been executed on behalf of Bass Enterprises Production Company and Myco Industries, Inc.

Please advise should you require anything else.

Thank you.

Very truly yours,

MYCO INDUSTRIES, INC.

*Kathy H. Colbert*  
Kathy H. Colbert  
Landman

KHC/dw

Enclosure

OCD

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: Myco Industries, Inc.  
ADDRESS: 207 South Fourth Street  
Artesia, New Mexico 88210

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 105 in the SE/4 NE/4 Sec. 10, T 22S -R 28E, Eddy County, New Mexico.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

PERRY R. BASS



April 15, 1985  
Date

By *Perry R. Bass*  
Unit Operator

\*This Designation of Agent is subject to the terms, provisions and requirements attached hereto and made a part hereof.

Approved..... 5/10/85 .....

*Jim Baca*  
COMMISSIONER OF PUBLIC LANDS

## **SUPPLEMENTARY PROVISIONS TO DESIGNATION OF AGENT**

1. Compliance with Laws. Agent agrees to perform all work hereunder in compliance with applicable Federal and State laws, orders, rules and regulations.
  
2. Indemnity By Agent. Agent agrees to assume all liability therefor and to indemnify and save harmless Unit Operator and its affiliated companies and their agents, servants, directors, officers and employees (collectively "Indemnitees") from and against any and all liabilities, damages, claims (including claims under any bond), suits, costs (including court costs, attorneys' fees and costs of investigations) and actions of any kind arising out of or alleged to arise by reason of injury to or death of any person or damage to or loss of property, including consequential damages arising therefrom, or by reason of any other claim whatsoever of any person or party arising out of, incident to, or in connection with any operation hereunder of Agent or of any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent, or by reason of any breach, violation or nonperformance by Agent or any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent of any covenant, duty, obligation, provisions or condition, express or implied, contained in the Big Eddy Unit Agreement or any associated agreements covering operations in said Big Eddy Unit, excluding only any damage or injury attributed solely to the negligence of any Indemnitee.
  
3. Insurance. Prior to commencement of any work pursuant hereto and in compliance with the Indemnity paragraph above, Agent shall secure and maintain in force and effect at all times during the terms of this agreement, the following insurance:
  - a. Statutory Workers' Compensation Insurance in full compliance with all applicable state and federal laws and regulations and Employers' Liability Insurance in the minimum limits of \$500,000.

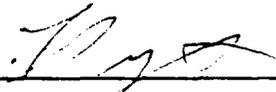
- b. Comprehensive General Liability Insurance, including Broad Form Contractual coverage insuring the Indemnity Section of this Agreement, with minimum limits of \$300,000 combined single limit each occurrence (or equivalent) covering bodily injury, personal injury and property damage and naming Unit Operator as Additional Insured.
- c. Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Agent with minimum limits of liability of \$250,000 per person, \$500,000 per accident and \$100,000 Property Damage per accident.
- d. Umbrella Liability Insurance with minimum limits of \$2,000,000.
- e. Contractors' and Subcontractors' Insurance - Agent shall require all its contractors and their subcontractors to obtain, maintain and keep in force throughout their performance of any work arising from this Designation similar insurance coverage and, upon request, furnish Unit Operator acceptable evidence of insurance.
- f. Agent's, Agent's Contractors' and their Subcontractor's equipment or rented equipment - all equipment, supplies and materials belonging to or used by these referenced parties shall be brought to and kept at the site at Agent's sole cost, risk and expense and Unit Operator shall not be liable for loss or damage thereto. Should any of the referenced parties choose to insure such a risk, their carrier will be required to waive all rights against Unit Operator.

Agent shall provide Unit Operator with a valid certificate of insurance evidencing such coverages in their entirety along with a thirty (30) day notice of cancellation and Unit Operator shall be listed as an Additional Insured on the certificate. All policies mentioned above shall be endorsed to provide that the underwriters and insurance companies shall not have a right of subrogation against the Unit Operator or its affiliates, subsidiaries and employees. This waiver shall be shown on the certificate of insurance provided.

It is further understood that any coverage provided Unit Operator by Agent or their contractors or subcontractors is primary insurance and shall not be considered contributory insurance with any insurance policies of Unit Operator.

AGENT:

MYCO INDUSTRIES, INC.

By   
Its: **ATTORNEY - IN - FACT**

Approved 5/10/85  
  
COMMISSIONER OF PUBLIC LANDS

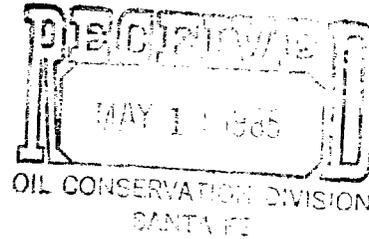


MYCO INDUSTRIES, INC.  
Oil Producers

ARTESIA, NEW MEXICO 88210

YATES BLDG. - 207 SOUTH 4TH  
PHONE: (505) 746-3558

May 7, 1985



New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Dick Stamets

Re: Big Eddy Unit #105  
Township 22 South, Range 28 East  
Section 10: SE/4 NE/4  
Eddy County, New Mexico

Gentlemen:

Enclosed for your files is a copy of the Designation of Agent covering the captioned, which has been executed on behalf of Bass Enterprises Production Company and Myco Industries, Inc.

Please advise should you require anything else.

Thank you.

Very truly yours,

MYCO INDUSTRIES, INC.

*Kathy H. Colbert*  
Kathy H. Colbert  
Landman

KHC/dw

Enclosure

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: Myco Industries, Inc.  
ADDRESS: 207 South Fourth Street  
Artesia, New Mexico 88210

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 105 in the SE/4 NE/4 Sec. 10, T 22S -R 28E, Eddy County, New Mexico.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

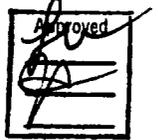
This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

PERRY R. BASS



April 15, 1985

Date

By

Perry R. Bass  
Unit Operator

\*This Designation of Agent is subject to the terms, provisions and requirements attached hereto and made a part hereof.

(Designation of Agent-p.2)

## **SUPPLEMENTARY PROVISIONS TO DESIGNATION OF AGENT**

1. **Compliance with Laws.** Agent agrees to perform all work hereunder in compliance with applicable Federal and State laws, orders, rules and regulations.
  
2. **Indemnity By Agent.** Agent agrees to assume all liability therefor and to indemnify and save harmless Unit Operator and its affiliated companies and their agents, servants, directors, officers and employees (collectively "Indemnitees") from and against any and all liabilities, damages, claims (including claims under any bond), suits, costs (including court costs, attorneys' fees and costs of investigations) and actions of any kind arising out of or alleged to arise by reason of injury to or death of any person or damage to or loss of property, including consequential damages arising therefrom, or by reason of any other claim whatsoever of any person or party arising out of, incident to, or in connection with any operation hereunder of Agent or of any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent, or by reason of any breach, violation or nonperformance by Agent or any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent of any covenant, duty, obligation, provisions or condition, express or implied, contained in the Big Eddy Unit Agreement or any associated agreements covering operations in said Big Eddy Unit, excluding only any damage or injury attributed solely to the negligence of any Indemnitee.
  
3. **Insurance.** Prior to commencement of any work pursuant hereto and in compliance with the Indemnity paragraph above, Agent shall secure and maintain in force and effect at all times during the terms of this agreement, the following insurance:
  - a. Statutory Workers' Compensation Insurance in full compliance with all applicable state and federal laws and regulations and Employers' Liability Insurance in the minimum limits of \$500,000.

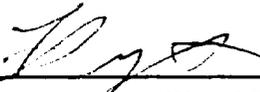
- b. Comprehensive General Liability Insurance, including Broad Form Contractual coverage insuring the Indemnity Section of this Agreement, with minimum limits of \$300,000 combined single limit each occurrence (or equivalent) covering bodily injury, personal injury and property damage and naming Unit Operator as Additional Insured.
- c. Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Agent with minimum limits of liability of \$250,000 per person, \$500,000 per accident and \$100,000 Property Damage per accident.
- d. Umbrella Liability Insurance with minimum limits of \$2,000,000.
- e. Contractors' and Subcontractors' Insurance - Agent shall require all its contractors and their subcontractors to obtain, maintain and keep in force throughout their performance of any work arising from this Designation similar insurance coverage and, upon request, furnish Unit Operator acceptable evidence of insurance.
- f. Agent's, Agent's Contractors' and their Subcontractor's equipment or rented equipment - all equipment, supplies and materials belonging to or used by these referenced parties shall be brought to and kept at the site at Agent's sole cost, risk and expense and Unit Operator shall not be liable for loss or damage thereto. Should any of the referenced parties choose to insure such a risk, their carrier will be required to waive all rights against Unit Operator.

Agent shall provide Unit Operator with a valid certificate of insurance evidencing such coverages in their entirety along with a thirty (30) day notice of cancellation and Unit Operator shall be listed as an Additional Insured on the certificate. All policies mentioned above shall be endorsed to provide that the underwriters and insurance companies shall not have a right of subrogation against the Unit Operator or its affiliates, subsidiaries and employees. This waiver shall be shown on the certificate of insurance provided.

It is further understood that any coverage provided Unit Operator by Agent or their contractors or subcontractors is primary insurance and shall not be considered contributory insurance with any insurance policies of Unit Operator.

AGENT:

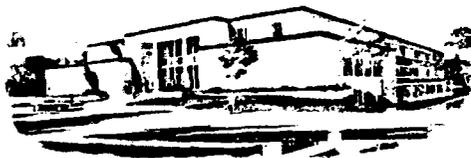
MYCO INDUSTRIES, INC.

By   
Its: **ATTORNEY - IN - FACT**

# State of New Mexico



JIM BACA  
COMMISSIONER



## Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery Used  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Bass Enterprises Production Co.  
First City Bank Tower, 201 Main Street  
Fort Worth, Texas 76102

Re: Third Amendment to 1985  
Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

ATTENTION: Mr. Louis W. Wilpitz

Gentlemen:

The Commissioner of Public Lands has this date approved your Third Amendment to your 1985 Plan of Development for the Big Eddy Unit Area, Eddy and Lea Counties, New Mexico. Such amendment proposes to drill the Unit Well No. 111, in the NE/4NE/4 of Sec. 9-22S-28E, by MYCO Industries, Inc. to a depth of 6100' as a Delaware Test. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Albuquerque, New Mexico Attn: Fluids Branch  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



TONEY ANAYA  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION.



1935 - 1985

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

May 6, 1985

#365

Bass Enterprises Production Co.  
First City Bank Tower  
201 Main St.  
Fort Worth, Texas 76102

Attention: Louis W. Wilpitz

Re: Third Amendment to the  
1985 Plan of Development  
for the Big Eddy Unit  
Eddy and Lea Counties,  
New Mexico

Dear Mr. Wilpitz:

Enclosed please find an approved copy of the material referenced above. Such approval is contingent upon like approval by the Commissioner of Public Lands and the Bureau of Land Management.

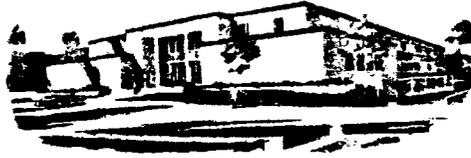
Sincerely,

ROY E. JOHNSON  
Senior Petroleum Geologist

REJ/dp

cc: Commissioner of Public Lands - Santa Fe  
Bureau of Land Management - Albuquerque  
OCD District Office - Artesia and Hobbs

State of New Mexico



Commissioner of Public Lands

March 28, 1985

JIM BACA  
COMMISSIONER

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery User  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Bass Enterprises Production Co.  
First City Bank Tower, 201 Main Street  
Fort Worth, Texas 76102

Re: Second Amendment to 1985  
Plan of Development for the  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

ATTENTION: Mr. Louis W. Wilpitz

Gentlemen:

The Commissioner of Public Lands has this date approved your Second Amendment to your 1985 Plan of Development for the Big Eddy Unit, Eddy and Lea Counties, New Mexico. Such plan proposes to add the Unit Well No. 110 to the 1985 Plan of Development. This well will be drilled by Myco Industries, Inc. in the SE/4NE/4 of Section 9, Township 22 South, Range 28 East, to a proposed depth of approximately 6100' as a Delaware Test, at a location of 2310' FNL and 330' FEL of Section 9. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Albuquerque, New Mexico Attn: Fluids Branch  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

BASS ENTERPRISES PRODUCTION CO.

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

May 1, 1985

BUREAU OF LAND MANAGEMENT  
P. O. Box 1449  
Santa Fe, New Mexico 87501

COMMISSIONER OF PUBLIC LANDS  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

NEW MEXICO OIL CONSERVATION DIVISION  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Third Amendment to the  
1985 Plan of Development  
for the Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

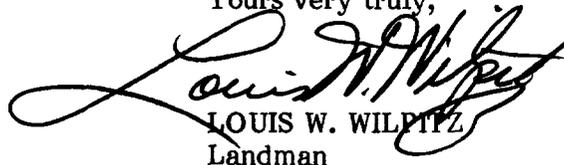
In accordance with the terms and provisions of Section 10 of the Big Eddy Unit Agreement, dated April 10, 1952, which provides that the Plan of Development may be modified, from time to time, when necessary to meet changing conditions, we propose to add the following well to the 1985 Plan of Development for the Big Eddy Unit:

Big Eddy Unit Well No. 111 - NE/4 NE/4 Section 9, T22S-R28E, Eddy County, New Mexico. Myco Industries, Inc. has proposed to drill this well to a depth of approximately 6100' as a Delaware Test, at a location of 990' FNL and 330' FEL of Section 9, T22S-R28E.

Bass will own no interest in this well and is making this Application for Amendment to the 1985 Plan of Development for the Big Eddy Unit in its capacity as Unit Operator, and therefore, will not be responsible for assuring that Myco Industries, Inc. drilling of the subject well.

If this the Third Amendment to the 1985 Plan of Development 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. Should there be any questions in regards to this matter, please feel free to contact me at (817) 390-8585.

Yours very truly,

  
LOUIS W. WILPITZ  
Landman

LWW:ep

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
May 1, 1985  
Page 2

AGREED AND ACCEPTED this \_\_\_ day of \_\_\_\_\_, 1985.

BUREAU OF LAND MANAGEMENT

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

AGREED AND ACCEPTED this \_\_\_ day of \_\_\_\_\_, 1985.

COMMISSIONER OF PUBLIC LANDS

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

AGREED AND ACCEPTED this 6<sup>th</sup> day of May, 1985.

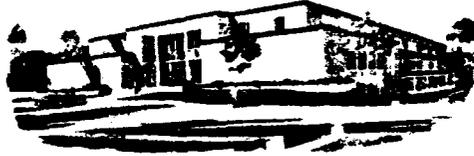
NEW MEXICO OIL CONSERVATION DIVISION

By: 

# State of New Mexico



JIM BACA  
COMMISSIONER



## Commissioner of Public Lands

March 8, 1985

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

Express Mail Delivery Uses  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Bass Enterprises Production Co.  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Re: First Amendment to the 1985  
Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

ATTENTION: Mr. Louis W. Wilpitz

Gentlemen:

The Commissioner of Public Lands has this date approved your First Amendment to the 1985 Plan of Development for the Big Eddy Unit Area, Eddy and Lea Counties, New Mexico. Such plan proposes to add the following well to the 1985 Plan of Development.

Big Eddy Unit Well No. 109 - SW/4SE/4, Sec. 21-21S-28E, Eddy County, New Mexico. Yates Petroleum Corp. proposes to drill this well to an approximate depth of 6,100' as a Delaware Test at a location of 990' FLS and 1930' FEL of Section 21.

Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Albuquerque, New Mexico  
BLM-Roswell, New Mexico

M.S.

State of New Mexico



Commissioner of Public Lands

March 5, 1985

JIM BACA  
COMMISSIONER

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery User  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Yates Petroleum Corporation  
207 South Fourth Street  
Artesia, New Mexico 88210

Re: Designation of Agent  
Big Eddy Unit  
Eddy County, New Mexico

ATTENTION: Ms. Janet Richardson

Gentlemen:

This office is in receipt of your letter of February 27, 1985, together with copies of an instrument entitled Designation of Agent covering the Big Eddy Unit Well No. 109 to be drilled on the SW/4SE/4 of Sec. 21, Township 21 South, Range 28 East. Said forms have been executed by Perry R. Bass as Big Eddy Unit Operator and on behalf of Yates Petroleum Corporation., as Agent.

The documents have this date been accepted and filed in our unit files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.

cc: OCD-Santa Fe, New Mexico Attn: Mr. Michael Stogner  
BLM-Albuquerque, New Mexico Attn: Fluids Branch  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

(Submit in Quadruplicate)

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: Yates Petroleum Corporation  
ADDRESS: 207 South Fourth Street  
Artesia, New Mexico 88210

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 109 in the SW/4 SE/4 Sec. 21, T 21S -R 28E, Eddy County, New Mexico.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

0CD

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

PERRY R. BASS



January 16, 1985  
Date

By *Perry R. Bass*  
Unit Operator

\*This Designation of Agent is expressly subject to the additional terms attached hereto and which are made a part hereof for all intents and purposes.

## **SUPPLEMENTARY PROVISIONS TO DESIGNATION OF AGENT**

1. **Compliance with Laws.** Agent agrees to perform all work hereunder in compliance with applicable Federal and State laws, orders, rules and regulations.
  
2. **Indemnity By Agent.** Agent agrees to assume all liability therefor and to indemnify and save harmless Unit Operator and its affiliated companies and their agents, servants, directors, officers and employees (collectively "Indemnitees") from and against any and all liabilities, damages, claims (including claims under any bond), suits, costs (including court costs, attorneys' fees and costs of investigations) and actions of any kind arising out of or alleged to arise by reason of injury to or death of any person or damage to or loss of property, including consequential damages arising therefrom, or by reason of any other claim whatsoever of any person or party arising out of, incident to, or in connection with any operation hereunder of Agent or of any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent, or by reason of any breach, violation or nonperformance by Agent or any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent of any covenant, duty, obligation, provisions or condition, express or implied, contained in the Big Eddy Unit Agreement or any associated agreements covering operations in said Big Eddy Unit, excluding only any damage or injury attributed solely to the negligence of any Indemnitee.
  
3. **Insurance.** Prior to commencement of any work pursuant hereto and in compliance with the Indemnity paragraph above, Agent shall secure and maintain in force and effect at all times during the terms of this agreement, the following insurance:
  - a. Statutory Workers' Compensation Insurance in full compliance with all applicable state and federal laws and regulations and Employers' Liability Insurance in the minimum limits of \$500,000.

- b. **Comprehensive General Liability Insurance, including Broad Form Contractual coverage insuring the Indemnity Section of this Agreement, with minimum limits of \$300,000 combined single limit each occurrence (or equivalent) covering bodily injury, personal injury and property damage and naming Unit Operator as Additional Insured.**
- c. **Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Agent with minimum limits of liability of \$250,000 per person, \$500,000 per accident and \$100,000 Property Damage per accident.**
- d. **Umbrella Liability Insurance with minimum limits of \$2,000,000.**
- e. **Contractors' and Subcontractors' Insurance - Agent shall require all its contractors and their subcontractors to obtain, maintain and keep in force throughout their performance of any work arising from this Designation similar insurance coverage and, upon request, furnish Unit Operator acceptable evidence of insurance.**
- f. **Agent's, Agent's Contractors' and their Subcontractor's equipment or rented equipment - all equipment, supplies and materials belonging to or used by these referenced parties shall be brought to and kept at the site at Agent's sole cost, risk and expense and Unit Operator shall not be liable for loss or damage thereto. Should any of the referenced parties choose to insure such a risk, their carrier will be required to waive all rights against Unit Operator.**

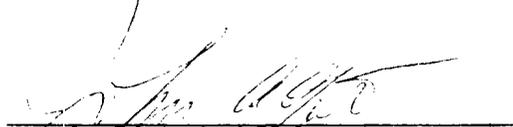
Agent shall provide Unit Operator with a valid certificate of insurance evidencing such coverages in their entirety along with a thirty (30) day notice of cancellation and Unit Operator shall be listed as an Additional Insured on the certificate. All policies mentioned above shall be endorsed to provide that the underwriters and insurance companies shall not have a right of subrogation against the Unit Operator or its affiliates, subsidiaries and employees. This waiver shall be shown on the certificate of insurance provided.

It is further understood that any coverage provided Unit Operator by Agent or their contractors or subcontractors is primary insurance and shall not be considered contributory insurance with any insurance policies of Unit Operator.

AGENT:

YATES PETROLEUM CORPORATION

By

  
Its: VICE PRESIDENT

ms  
State of New Mexico



JIM BACA  
COMMISSIONER



Commissioner of Public Lands

March 5, 1985

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery "see"  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Bass Enterprises Production Co.  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Re: Designation of Agent  
Big Eddy Unit  
Eddy County, New Mexico

ATTENTION: Mr. Louis W. Wilpitz

Gentlemen:

This office is in receipt of your letter of February 6, 1985, together with copies of an instrument entitled Designation of Agent covering the Big Eddy Unit Well No. 107 to be drilled on the NW/4NE/4 of Section 10, Township 22 South, Range 28 East. This well is to be drilled under the 1985 Plan of Development for the Big Eddy Unit.

These documents have this date been accepted and filed in our unit files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.

cc: OCD-Santa Fe, New Mexico Attn: Mr. Michael Stogner  
BLM-Albuquerque, New Mexico, Attn: Fluids Branch  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

BASS ENTERPRISES PRODUCTION CO.

FIRST CITY BANK TOWER  
201 MAIN ST.  
FORT WORTH, TEXAS 76102  
817/380-8400

February 6, 1985

MYCO INDUSTRIES, INC.  
Yates Building  
207 South 4th  
Artesia, New Mexico 88210

Attention: Kathy H. Colbert, Landman

Re: Bass Lease No. 4136 - Federal  
Big Eddy Unit Well No. 107  
990' FNL & 1650' FEL  
Section 10, T22S-R28E  
Eddy County, New Mexico  
Big Eddy Unit

Dear Kathy:

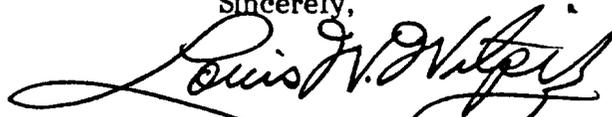
As per your earlier request, attached hereto are Designation of Agent forms for the drilling of the Big Eddy Unit Well No. 107 in the NW/4 NE/4 of Section 10, T22S-R28E. This well is to be drilled under the 1985 Plan of Development for the Big Eddy Unit.

In order for Bass to properly perform as unit operator for the Big Eddy Unit, it will be necessary for Bass to receive all information, logs and tests from the Big Eddy Unit Well No. 107. Please send the well information to Bass as it becomes available.

It is requested that you return one (1) signed Designation of Agent along with the information requested therein at your earliest opportunity.

Should anything further be needed, please advise.

Sincerely,



LOUIS W. WELPITZ  
Landman

LWW:ep  
Attachments

cc: Commissioner of Public Lands

(Submit in Quadruplicate)

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy Unit unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: Myco Industries, Inc.  
ADDRESS: Yates Bldg., 207 South 4th  
Artesia, New Mexico 88210

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 107 in the NW/4 NE/4 Sec. 10, T 22S -R 28E, Eddy County, New Mexico

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

PERRY R. BASS



January 16, 1985

By

*Perry R. Bass*

Unit Operator

Date

\*This Designation of Agent is subject to the terms and provisions attached hereto and made a part hereof.

## **SUPPLEMENTARY PROVISIONS TO DESIGNATION OF AGENT**

1. **Compliance with Laws.** Agent agrees to perform all work hereunder in compliance with applicable Federal and State laws, orders, rules and regulations.
  
2. **Indemnity By Agent.** Agent agrees to assume all liability therefor and to indemnify and save harmless Unit Operator and its affiliated companies and their agents, servants, directors, officers and employees (collectively "Indemnitees") from and against any and all liabilities, damages, claims (including claims under any bond), suits, costs (including court costs, attorneys' fees and costs of investigations) and actions of any kind arising out of or alleged to arise by reason of injury to or death of any person or damage to or loss of property, including consequential damages arising therefrom, or by reason of any other claim whatsoever of any person or party arising out of, incident to, or in connection with any operation hereunder of Agent or of any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent, or by reason of any breach, violation or nonperformance by Agent or any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent of any covenant, duty, obligation, provisions or condition, express or implied, contained in the Big Eddy Unit Agreement or any associated agreements covering operations in said Big Eddy Unit, excluding only any damage or injury attributed solely to the negligence of any Indemnitee.
  
3. **Insurance.** Prior to commencement of any work pursuant hereto and in compliance with the Indemnity paragraph above, Agent shall secure and maintain in force and effect at all times during the terms of this agreement, the following insurance:
  - a. Statutory Workers' Compensation Insurance in full compliance with all applicable state and federal laws and regulations and Employers' Liability Insurance in the minimum limits of \$500,000.

- b. **Comprehensive General Liability Insurance, including Broad Form Contractual coverage insuring the Indemnity Section of this Agreement, with minimum limits of \$300,000 combined single limit each occurrence (or equivalent) covering bodily injury, personal injury and property damage and naming Unit Operator as Additional Insured.**
- c. **Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Agent with minimum limits of liability of \$250,000 per person, \$500,000 per accident and \$100,000 Property Damage per accident.**
- d. **Umbrella Liability Insurance with minimum limits of \$2,000,000.**
- e. **Contractors' and Subcontractors' Insurance - Agent shall require all its contractors and their subcontractors to obtain, maintain and keep in force throughout their performance of any work arising from this Designation similar insurance coverage and, upon request, furnish Unit Operator acceptable evidence of insurance.**
- f. **Agent's, Agent's Contractors' and their Subcontractor's equipment or rented equipment - all equipment, supplies and materials belonging to or used by these referenced parties shall be brought to and kept at the site at Agent's sole cost, risk and expense and Unit Operator shall not be liable for loss or damage thereto. Should any of the referenced parties choose to insure such a risk, their carrier will be required to waive all rights against Unit Operator.**

**Agent shall provide Unit Operator with a valid certificate of insurance evidencing such coverages in their entirety along with a thirty (30) day notice of cancellation and Unit Operator shall be listed as an Additional Insured on the certificate. All policies mentioned above shall be endorsed to provide that the underwriters and insurance companies shall not have a right of subrogation against the Unit Operator or its affiliates, subsidiaries and employees. This waiver shall be shown on the certificate of insurance provided.**

**It is further understood that any coverage provided Unit Operator by Agent or their contractors or subcontractors is primary insurance and shall not be considered contributory insurance with any insurance policies of Unit Operator.**

**AGENT:**

**MYCO INDUSTRIES, INC.**

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

**BASS ENTERPRISES PRODUCTION CO.**

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

March 4, 1985

STATE OF NEW MEXICO  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Richard Stamets

RE: Morrow "D" Participating Area for the  
Big Eddy Unit  
Big Eddy Unit No. 70 Well  
Eddy County, New Mexico

Gentlemen:

Attached hereto for your files is a copy of a letter dated February 27, 1985 from the Bureau of Land Management approving application dated October 31, 1983, for the first revision to the Morrow "D" Participating Area.

Should any additional information be needed, please advise.

Sincerely,



LOUIS W. WILPITZ  
Landman

LWW:jh  
Attachment



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Roswell District Office

P. O. Box 1397

Roswell, New Mexico 88201

IN REPLY  
REFER TO:  
14-08-001-326

February 27, 1985

Bass Enterprises Production Company  
Attention: Louis W. Wilpitz  
First City Bank Tower  
201 Main Street  
Fort Worth, TX 76102

Gentlemen:

Your application of October 31, 1983, requesting approval of the 1st revision, Morrow "D" Participating Area, Big Eddy Unit, Eddy County, New Mexico, is approved on this date and effective February 12, 1982.

The 1st revision of the Morrow "D" Participating Area embraces 320.00 acres described as the N $\frac{1}{2}$ , section 26, T. 21 S., R. 28 E., N.M.P.M.. Such participating area is based on the completion of unit well No. 70 in the NE $\frac{1}{4}$  of section 26 on December 14, 1981. The well was determined to be a paying well pursuant to section 9 of the unit agreement by letter of February 11, 1983.

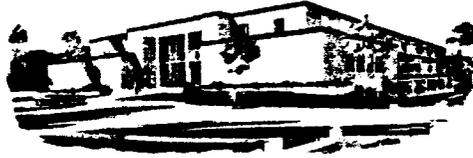
Copies of the approved application are being distributed to the appropriate Federal offices. You are requested to furnish the State of New Mexico and interested parties with evidence of this approval.

Sincerely yours,

District Manager

State of New Mexico

#365



JIM BACA  
COMMISSIONER

Commissioner of Public Lands  
March 4, 1985

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery Uses  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Bass Enterprises Production Company  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Re: First Revision to Morrow "D"  
Participating Area,  
Big Eddy Unit  
Eddy County, New Mexico

ATTENTION: Mr. Louis W. Wilpitz

Gentlemen:

The Commissioner of Public Lands has this date approved the First Revision of the Morrow "D" Participating Area for the Big Eddy Unit, Eddy County, New Mexico. The First Revision of the Morrow "D" Participating area embraces 320.00 Acres described as the N/2 of Section 26, Township 21 South, Range 28 East and is based upon the completion of the Unit Well No. 70.

Our approval is subject to like approval by the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
OGAD-Santa Fe, New Mexico  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez  
BLM-Albuquerque, New Mexico Attn: Fluids Branch

State of New Mexico

*M.S.*



JIM BACA  
COMMISSIONER

Commissioner of Public Lands

February 26, 1985

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery Used  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Yates Petroleum Corporation  
207 South Fourth Street  
Artesia, New Mexico 88210

Re: Designation of Agent  
Big Eddy Unit  
Eddy County, New Mexico

ATTENTION: Ms. Kathy Colbert

Gentlemen:

This office is in receipt of your letter of February 19, 1985, together with copies of instruments entitled Designation of Agent, covering the Big Eddy Unit Well No. 106 to be drilled on the NE/4NE/4, Section 10, Township 22 South, Range 28 East; Big Eddy Unit Well No. 107 to be drilled on the NW/4NE/4 of Section 10, Township 22 South, Range 28 East and the Big Eddy Unit Well No. 110 to be drilled on the SE/4NE/4 of Section 9, Township 22 South, Range 28 East, Eddy County, New Mexico. Said forms have been executed by Perry R. Bass as Big Eddy Unit Operator and on behalf of Myco Industries, Inc., as Agent.

These documents have this date been accepted and filed on our unit files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm

cc: OCD-Santa Fe, New Mexico *MIKE STOGNER*  
BLM-Albuquerque, New Mexico  
BLM-Roswell, New Mexico  
Bass Enterprises Production Co.



207 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1331

S. P. YATES  
PRESIDENT  
MARTIN YATES, III  
VICE PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. TREAS.

February 19, 1985

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Ray Graham

Re: Big Eddy Unit #106  
NE/4 NE/4 Sec. 10-T22S-R28E  
Big Eddy Unit #107  
NW/4 NE/4 Sec. 10-T22S-R28E  
Big Eddy Unit #110  
SE/4 NE/4 Sec. 9-T22S-R28E  
Eddy County, New Mexico

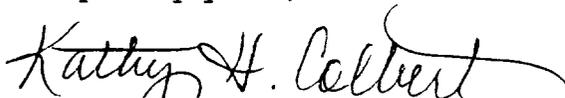
Gentlemen:

As per the February 18, 1985 request of Bass Enterprises Production Company, enclosed for your files are copies of Designation of Agent forms covering the captioned wells. Said forms have been executed by Perry R. Bass, Big Eddy Unit Operator and on behalf of Myco Industries, Inc., Agent.

Please advise should you require anything further.

Thank you.

Very truly yours,

  
Kathy Colbert  
Landman

KHC/dw

Enclosures

(Submit in Quadruplicate)

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: Myco Industries, Inc.  
ADDRESS: 207 South Fourth Street  
Artesia, New Mexico 88210

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 110 in the SE/4 NE/4 Sec. 9, T 22S -R 28E, Eddy County County, New Mexico.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

Perry R. Bass



By

*Perry R. Bass*  
Unit Operator

January 30, 1985  
Date

\*This Designation of Agent is subject to the terms, provisions and requirements attached hereto and made a part hereof.

## **SUPPLEMENTARY PROVISIONS TO DESIGNATION OF AGENT**

1. **Compliance with Laws.** Agent agrees to perform all work hereunder in compliance with applicable Federal and State laws, orders, rules and regulations.
  
2. **Indemnity By Agent.** Agent agrees to assume all liability therefor and to indemnify and save harmless Unit Operator and its affiliated companies and their agents, servants, directors, officers and employees (collectively "Indemnitees") from and against any and all liabilities, damages, claims (including claims under any bond), suits, costs (including court costs, attorneys' fees and costs of investigations) and actions of any kind arising out of or alleged to arise by reason of injury to or death of any person or damage to or loss of property, including consequential damages arising therefrom, or by reason of any other claim whatsoever of any person or party arising out of, incident to, or in connection with any operation hereunder of Agent or of any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent, or by reason of any breach, violation or nonperformance by Agent or any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent of any covenant, duty, obligation, provisions or condition, express or implied, contained in the Big Eddy Unit Agreement or any associated agreements covering operations in said Big Eddy Unit, excluding only any damage or injury attributed solely to the negligence of any Indemnitee.
  
3. **Insurance.** Prior to commencement of any work pursuant hereto and in compliance with the Indemnity paragraph above, Agent shall secure and maintain in force and effect at all times during the terms of this agreement, the following insurance:
  - a. **Statutory Workers' Compensation Insurance** in full compliance with all applicable state and federal laws and regulations and **Employers' Liability Insurance** in the minimum limits of \$500,000.

It is further understood that any coverage provided Unit Operator by Agent or their contractors or subcontractors is primary insurance and shall not be considered contributory insurance with any insurance policies of Unit Operator.

AGENT:

MYCO INDUSTRIES, INC.

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

- b. **Comprehensive General Liability Insurance, including Broad Form Contractual coverage insuring the Indemnity Section of this Agreement, with minimum limits of \$300,000 combined single limit each occurrence (or equivalent) covering bodily injury, personal injury and property damage and naming Unit Operator as Additional Insured.**
- c. **Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Agent with minimum limits of liability of \$250,000 per person, \$500,000 per accident and \$100,000 Property Damage per accident.**
- d. **Umbrella Liability Insurance with minimum limits of \$2,000,000.**
- e. **Contractors' and Subcontractors' Insurance - Agent shall require all its contractors and their subcontractors to obtain, maintain and keep in force throughout their performance of any work arising from this Designation similar insurance coverage and, upon request, furnish Unit Operator acceptable evidence of insurance.**
- f. **Agent's, Agent's Contractors' and their Subcontractor's equipment or rented equipment - all equipment, supplies and materials belonging to or used by these referenced parties shall be brought to and kept at the site at Agent's sole cost, risk and expense and Unit Operator shall not be liable for loss or damage thereto. Should any of the referenced parties choose to insure such a risk, their carrier will be required to waive all rights against Unit Operator.**

**Agent shall provide Unit Operator with a valid certificate of insurance evidencing such coverages in their entirety along with a thirty (30) day notice of cancellation and Unit Operator shall be listed as an Additional Insured on the certificate. All policies mentioned above shall be endorsed to provide that the underwriters and insurance companies shall not have a right of subrogation against the Unit Operator or its affiliates, subsidiaries and employees. This waiver shall be shown on the certificate of insurance provided.**

## **SUPPLEMENTARY PROVISIONS TO DESIGNATION OF AGENT**

1. **Compliance with Laws.** Agent agrees to perform all work hereunder in compliance with applicable Federal and State laws, orders, rules and regulations.
  
2. **Indemnity By Agent.** Agent agrees to assume all liability therefor and to indemnify and save harmless Unit Operator and its affiliated companies and their agents, servants, directors, officers and employees (collectively "Indemnitees") from and against any and all liabilities, damages, claims (including claims under any bond), suits, costs (including court costs, attorneys' fees and costs of investigations) and actions of any kind arising out of or alleged to arise by reason of injury to or death of any person or damage to or loss of property, including consequential damages arising therefrom, or by reason of any other claim whatsoever of any person or party arising out of, incident to, or in connection with any operation hereunder of Agent or of any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent, or by reason of any breach, violation or nonperformance by Agent or any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent of any covenant, duty, obligation, provisions or condition, express or implied, contained in the Big Eddy Unit Agreement or any associated agreements covering operations in said Big Eddy Unit, excluding only any damage or injury attributed solely to the negligence of any Indemnitee.
  
3. **Insurance.** Prior to commencement of any work pursuant hereto and in compliance with the Indemnity paragraph above, Agent shall secure and maintain in force and effect at all times during the terms of this agreement, the following insurance:
  - a. **Statutory Workers' Compensation Insurance in full compliance with all applicable state and federal laws and regulations and Employers' Liability Insurance in the minimum limits of \$500,000.**

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

Perry R. Bass



By

  
Unit Operator

January 30, 1985  
Date

\*This Designation of Agent is subject to the terms, provisions and requirements attached hereto and made a part hereof.

(Submit in Quadruplicate)

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: Myco Industries, Inc.  
ADDRESS: 207 South Fourth Street  
Artesia, New Mexico 88210

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 110 in the SE/4 NE/4 Sec. 9, T 22S -R 28E, Eddy County County, New Mexico.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

## DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Las Cruces  
SERIAL No.: LC-060613

and hereby designates

NAME: Myco Industries, Inc.  
ADDRESS: 207 South Fourth Street  
Artesia, New Mexico 88210

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

NE/4 Section 9, T22S-R28E, Eddy County, New Mexico

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

Bass Brothers Enterprises, Inc.



By: Wm. Arthur Hamilton

(Signature of lessee)

Its Vice President  
201 Main Street  
Fort Worth, Texas 76102

(Address)

January 30, 1985

(Date)

U.S. GOVERNMENT PRINTING OFFICE: 1984 O-728-1054

Perry R. Bass  
Perry R. Bass

**BASS ENTERPRISES PRODUCTION Co.**

FIRST CITY BANK TOWER

201 MAIN ST.

FORT WORTH, TEXAS 76102

817/390-8400

February 12, 1985

MYCO INDUSTRIES, INC.  
207 South Fourth Street  
Artesia, New Mexico 88210

Attention: Kathy H. Colbert, Landman

Re: Bass Lease No. 4316 - Federal  
Big Eddy Unit Well No. 110  
SE/4 NE/4 Section 9, T22S-R28E  
Eddy County, New Mexico

Dear Kathy:

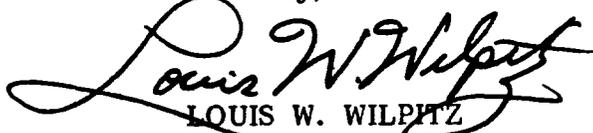
As per your request of January 22, 1985, attached hereto are Designation of Agent and Designation of Operator forms for the Big Eddy Unit Well No. 110 to be drilled in the SE/4 NE/4 Section 9, T22S-R28E, Eddy County, New Mexico.

Please return a signed Designation of Agent to Bass at your earliest opportunity.

As you know, it will be necessary for Bass to receive copies of all logs and tests obtained from the drilling of the well.

Should you have any questions, please feel free to contact me.

Sincerely,

  
LOUIS W. WILPITZ  
Landman

LWW:ep  
Attachments

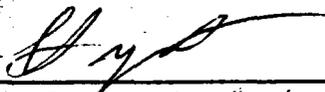
cc: Commissioner of Public Lands

It is further understood that any coverage provided Unit Operator by Agent or their contractors or subcontractors is primary insurance and shall not be considered contributory insurance with any insurance policies of Unit Operator.

AGENT:

MYCO INDUSTRIES, INC.

By

  
\_\_\_\_\_  
Its: *Attorney-in-Fact*

- b. **Comprehensive General Liability Insurance, including Broad Form Contractual coverage insuring the Indemnity Section of this Agreement, with minimum limits of \$300,000 combined single limit each occurrence (or equivalent) covering bodily injury, personal injury and property damage and naming Unit Operator as Additional Insured.**
- c. **Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Agent with minimum limits of liability of \$250,000 per person, \$500,000 per accident and \$100,000 Property Damage per accident.**
- d. **Umbrella Liability Insurance with minimum limits of \$2,000,000.**
- e. **Contractors' and Subcontractors' Insurance - Agent shall require all its contractors and their subcontractors to obtain, maintain and keep in force throughout their performance of any work arising from this Designation similar insurance coverage and, upon request, furnish Unit Operator acceptable evidence of insurance.**
- f. **Agent's, Agent's Contractors' and their Subcontractor's equipment or rented equipment - all equipment, supplies and materials belonging to or used by these referenced parties shall be brought to and kept at the site at Agent's sole cost, risk and expense and Unit Operator shall not be liable for loss or damage thereto. Should any of the referenced parties choose to insure such a risk, their carrier will be required to waive all rights against Unit Operator.**

Agent shall provide Unit Operator with a valid certificate of insurance evidencing such coverages in their entirety along with a thirty (30) day notice of cancellation and Unit Operator shall be listed as an Additional Insured on the certificate. All policies mentioned above shall be endorsed to provide that the underwriters and insurance companies shall not have a right of subrogation against the Unit Operator or its affiliates, subsidiaries and employees. This waiver shall be shown on the certificate of insurance provided.

## **SUPPLEMENTARY PROVISIONS TO DESIGNATION OF AGENT**

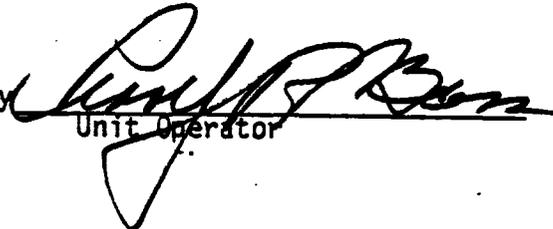
1. **Compliance with Laws.** Agent agrees to perform all work hereunder in compliance with applicable Federal and State laws, orders, rules and regulations.
  
2. **Indemnity By Agent.** Agent agrees to assume all liability therefor and to indemnify and save harmless Unit Operator and its affiliated companies and their agents, servants, directors, officers and employees (collectively "Indemnitees") from and against any and all liabilities, damages, claims (including claims under any bond), suits, costs (including court costs, attorneys' fees and costs of investigations) and actions of any kind arising out of or alleged to arise by reason of injury to or death of any person or damage to or loss of property, including consequential damages arising therefrom, or by reason of any other claim whatsoever of any person or party arising out of, incident to, or in connection with any operation hereunder of Agent or of any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent, or by reason of any breach, violation or nonperformance by Agent or any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent of any covenant, duty, obligation, provisions or condition, express or implied, contained in the Big Eddy Unit Agreement or any associated agreements covering operations in said Big Eddy Unit, excluding only any damage or injury attributed solely to the negligence of any Indemnitee.
  
3. **Insurance.** Prior to commencement of any work pursuant hereto and in compliance with the Indemnity paragraph above, Agent shall secure and maintain in force and effect at all times during the terms of this agreement, the following insurance:
  - a. Statutory Workers' Compensation Insurance in full compliance with all applicable state and federal laws and regulations and Employers' Liability Insurance in the minimum limits of \$500,000.

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

PERRY R. BASS

January 16, 1985  
Date

By   
Unit Operator



\*This Designation of Agent is subject to the terms and provisions attached hereto and made a part hereof.

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy Unit  
unit agreement, Eddy County, New Mexico  
No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: Myco Industries, Inc.  
ADDRESS: Yates Bldg., 207 South 4th  
Artesia, New Mexico 88210

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 107 in the NW/4  
NE/4 Sec. 10, T 22S -R 28E, Eddy  
County, New Mexico

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

certificate. All policies mentioned above shall be endorsed to provide that the underwriters and insurance companies shall not have a right of subrogation against the Unit Operator or its affiliates, subsidiaries and employees. This waiver shall be shown on the certificate of insurance provided.

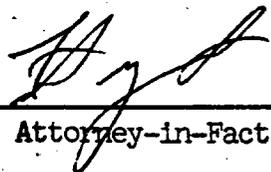
It is further understood that any coverage provided Unit Operator by Agent or their contractors or subcontractors is primary insurance and shall not be considered contributory insurance with any insurance policies of Unit Operator.

AGENT:

MYCO INDUSTRIES, INC.

By

Its:

  
\_\_\_\_\_  
Attorney-in-Fact

- b. **Comprehensive General Liability Insurance, including Broad Form Contractual coverage insuring the Indemnity Section of this Agreement, with minimum limits of \$300,000 combined single limit each occurrence (or equivalent) covering bodily injury, personal injury and property damage and naming Unit Operator as Additional Insured.**
- c. **Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Agent with minimum limits of liability of \$250,000 per person, \$500,000 per accident and \$100,000 Property Damage per accident.**
- d. **Umbrella Liability Insurance with minimum limits of \$2,000,000.**
- e. **Contractors' and Subcontractors' Insurance - Agent shall require all its contractors and their subcontractors to obtain, maintain and keep in force throughout their performance of any work arising from this Designation similar insurance coverage and, upon request, furnish Unit Operator acceptable evidence of insurance.**
- f. **Agent's, Agent's Contractors' and their Subcontractor's equipment or rented equipment - all equipment, supplies and materials belonging to or used by these referenced parties shall be brought to and kept at the site at Agent's sole cost, risk and expense and Unit Operator shall not be liable for loss or damage thereto. Should any of the referenced parties choose to insure such a risk, their carrier will be required to waive all rights against Unit Operator.**

**Agent shall provide Unit Operator with a valid certificate of insurance evidencing such coverages in their entirety along with a thirty (30) day notice of cancellation and Unit Operator shall be listed as an Additional Insured on the**

## **SUPPLEMENTARY PROVISIONS TO DESIGNATION OF AGENT**

1. **Compliance with Laws.** Agent agrees to perform all work hereunder in compliance with applicable Federal and State laws, orders, rules and regulations.
  
2. **Indemnity By Agent.** Agent agrees to assume all liability therefor and to indemnify and save harmless Unit Operator and its affiliated companies and their agents, servants, directors, officers and employees (collectively "Indemnitees") from and against any and all liabilities, damages, claims (including claims under any bond), suits, costs (including court costs, attorneys' fees and costs of investigations) and actions of any kind arising out of or alleged to arise by reason of injury to or death of any person or damage to or loss of property, including consequential damages arising therefrom, or by reason of any other claim whatsoever of any person or party arising out of, incident to, or in connection with any operation hereunder of Agent or of any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent, or by reason of any breach, violation or nonperformance by Agent or any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent of any covenant, duty, obligation, provisions or condition, express or implied, contained in the Big Eddy Unit Agreement or any associated agreements covering operations in said Big Eddy Unit, excluding only any damage or injury attributed solely to the negligence of any Indemnitee.
  
3. **Insurance.** Prior to commencement of any work pursuant hereto and in compliance with the Indemnity paragraph above, Agent shall secure and maintain in force and effect at all times during the terms of this agreement, the following insurance:
  - a. **Statutory Workers' Compensation Insurance** in full compliance with all applicable state and federal laws and regulations and **Employers' Liability Insurance** in the minimum limits of \$500,000.

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

Perry R. Bass

12/18/84  
Date



By Perry R. Bass  
Unit Operator

\* This Designation of Agent is subject to the terms, provisions and requirements attached hereto and made a part hereof.

(Designation of Agent-p.2)

**SUPERVISOR, OIL AND GAS OPERATIONS:**

**DESIGNATION OF AGENT**

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

**NAME:** Myco Industries, Inc.  
**ADDRESS:** 207 South 4th Street  
Artesia, New Mexico 88210

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 106 in the NE/4 NE/4 Sec. 10, T 22S -R 28E, Eddy County, New Mexico

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

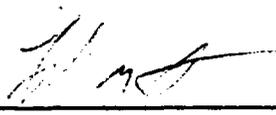
This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

It is further understood that any coverage provided Unit Operator by Agent or their contractors or subcontractors is primary insurance and shall not be considered contributory insurance with any insurance policies of Unit Operator.

AGENT:

MYCO INDUSTRIES, INC.

By

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

- b. **Comprehensive General Liability Insurance, including Broad Form Contractual coverage insuring the Indemnity Section of this Agreement, with minimum limits of \$300,000 combined single limit each occurrence (or equivalent) covering bodily injury, personal injury and property damage and naming Unit Operator as Additional Insured.**
- c. **Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Agent with minimum limits of liability of \$250,000 per person, \$500,000 per accident and \$100,000 Property Damage per accident.**
- d. **Umbrella Liability Insurance with minimum limits of \$2,000,000.**
- e. **Contractors' and Subcontractors' Insurance - Agent shall require all its contractors and their subcontractors to obtain, maintain and keep in force throughout their performance of any work arising from this Designation similar insurance coverage and, upon request, furnish Unit Operator acceptable evidence of insurance.**
- f. **Agent's, Agent's Contractors' and their Subcontractor's equipment or rented equipment - all equipment, supplies and materials belonging to or used by these referenced parties shall be brought to and kept at the site at Agent's sole cost, risk and expense and Unit Operator shall not be liable for loss or damage thereto. Should any of the referenced parties choose to insure such a risk, their carrier will be required to waive all rights against Unit Operator.**

**Agent shall provide Unit Operator with a valid certificate of insurance evidencing such coverages in their entirety along with a thirty (30) day notice of cancellation and Unit Operator shall be listed as an Additional Insured on the certificate. All policies mentioned above shall be endorsed to provide that the underwriters and insurance companies shall not have a right of subrogation against the Unit Operator or its affiliates, subsidiaries and employees. This waiver shall be shown on the certificate of insurance provided.**



207 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

S. P. YATES  
PRESIDENT  
MARTIN YATES, III  
VICE PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. TREAS.

February 19, 1985

Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Attention: R. L. Stamets

Re: Big Eddy Unit #106  
NE/4 NE/4 Sec. 10-T22S-R28E  
Big Eddy Unit #107  
NW/4 NE/4 Sec. 10-T22S-R28E  
Big Eddy Unit #110  
SE/4 NE/4 Sec. 9-T22S-R28E  
Eddy County, New Mexico

Gentlemen:

As per the February 18, 1985 request of Bass Enterprises Production Company, enclosed for your files are copies of Designation of Agent forms covering the captioned wells. Said forms have been executed by Perry R. Bass, Big Eddy Unit Operator and on behalf of Myco Industries, Inc., Agent.

Please advise should you require anything further.

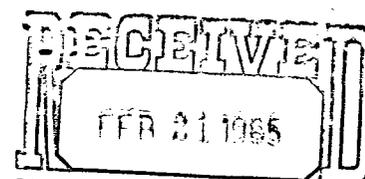
Thank you.

Very truly yours,

Kathy Colbert  
Landman

KHC/dw

Enclosures



OIL CONSERVATION DIVISION  
SANTA FE

(Submit in Quadruplicate)

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: Myco Industries, Inc.  
ADDRESS: 207 South Fourth Street  
Artesia, New Mexico 88210

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 110 in the SE/4 NE/4 Sec. 9, T 22S -R 28E, Eddy County County, New Mexico.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

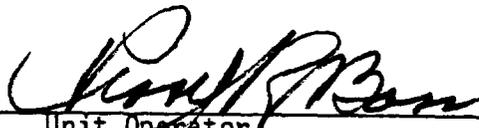
required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

Perry R. Bass



By

  
Unit Operator

January 30, 1985  
Date

\*This Designation of Agent is subject to the terms, provisions and requirements attached hereto and made a part hereof.

## **SUPPLEMENTARY PROVISIONS TO DESIGNATION OF AGENT**

1. **Compliance with Laws.** Agent agrees to perform all work hereunder in compliance with applicable Federal and State laws, orders, rules and regulations.
  
2. **Indemnity By Agent.** Agent agrees to assume all liability therefor and to indemnify and save harmless Unit Operator and its affiliated companies and their agents, servants, directors, officers and employees (collectively "Indemnitees") from and against any and all liabilities, damages, claims (including claims under any bond), suits, costs (including court costs, attorneys' fees and costs of investigations) and actions of any kind arising out of or alleged to arise by reason of injury to or death of any person or damage to or loss of property, including consequential damages arising therefrom, or by reason of any other claim whatsoever of any person or party arising out of, incident to, or in connection with any operation hereunder of Agent or of any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent, or by reason of any breach, violation or nonperformance by Agent or any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent of any covenant, duty, obligation, provisions or condition, express or implied, contained in the Big Eddy Unit Agreement or any associated agreements covering operations in said Big Eddy Unit, excluding only any damage or injury attributed solely to the negligence of any Indemnitee.
  
3. **Insurance.** Prior to commencement of any work pursuant hereto and in compliance with the Indemnity paragraph above, Agent shall secure and maintain in force and effect at all times during the terms of this agreement, the following insurance:
  - a. Statutory Workers' Compensation Insurance in full compliance with all applicable state and federal laws and regulations and Employers' Liability Insurance in the minimum limits of \$500,000.

- b. Comprehensive General Liability Insurance, including Broad Form Contractual coverage insuring the Indemnity Section of this Agreement, with minimum limits of \$300,000 combined single limit each occurrence (or equivalent) covering bodily injury, personal injury and property damage and naming Unit Operator as Additional Insured.
- c. Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Agent with minimum limits of liability of \$250,000 per person, \$500,000 per accident and \$100,000 Property Damage per accident.
- d. Umbrella Liability Insurance with minimum limits of \$2,000,000.
- e. Contractors' and Subcontractors' Insurance - Agent shall require all its contractors and their subcontractors to obtain, maintain and keep in force throughout their performance of any work arising from this Designation similar insurance coverage and, upon request, furnish Unit Operator acceptable evidence of insurance.
- f. Agent's, Agent's Contractors' and their Subcontractor's equipment or rented equipment - all equipment, supplies and materials belonging to or used by these referenced parties shall be brought to and kept at the site at Agent's sole cost, risk and expense and Unit Operator shall not be liable for loss or damage thereto. Should any of the referenced parties choose to insure such a risk, their carrier will be required to waive all rights against Unit Operator.

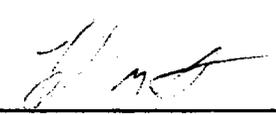
Agent shall provide Unit Operator with a valid certificate of insurance evidencing such coverages in their entirety along with a thirty (30) day notice of cancellation and Unit Operator shall be listed as an Additional Insured on the certificate. All policies mentioned above shall be endorsed to provide that the underwriters and insurance companies shall not have a right of subrogation against the Unit Operator or its affiliates, subsidiaries and employees. This waiver shall be shown on the certificate of insurance provided.

It is further understood that any coverage provided Unit Operator by Agent or their contractors or subcontractors is primary insurance and shall not be considered contributory insurance with any insurance policies of Unit Operator.

AGENT:

MYCO INDUSTRIES, INC.

By

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

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: Myco Industries, Inc.  
ADDRESS: 207 South 4th Street  
Artesia, New Mexico 88210

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 106 in the NE/4 NE/4 Sec. 10, T 22S -R 28E, Eddy County, New Mexico

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

Perry R. Bass

12/18/84  
Date



By: Perry R. Bass  
Unit Operator

\* This Designation of Agent is subject to the terms, provisions and requirements attached hereto and made a part hereof.

## **SUPPLEMENTARY PROVISIONS TO DESIGNATION OF AGENT**

1. Compliance with Laws. Agent agrees to perform all work hereunder in compliance with applicable Federal and State laws, orders, rules and regulations.
  
2. Indemnity By Agent. Agent agrees to assume all liability therefor and to indemnify and save harmless Unit Operator and its affiliated companies and their agents, servants, directors, officers and employees (collectively "Indemnitees") from and against any and all liabilities, damages, claims (including claims under any bond), suits, costs (including court costs, attorneys' fees and costs of investigations) and actions of any kind arising out of or alleged to arise by reason of injury to or death of any person or damage to or loss of property, including consequential damages arising therefrom, or by reason of any other claim whatsoever of any person or party arising out of, incident to, or in connection with any operation hereunder of Agent or of any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent, or by reason of any breach, violation or nonperformance by Agent or any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent of any covenant, duty, obligation, provisions or condition, express or implied, contained in the Big Eddy Unit Agreement or any associated agreements covering operations in said Big Eddy Unit, excluding only any damage or injury attributed solely to the negligence of any Indemnitee.
  
3. Insurance. Prior to commencement of any work pursuant hereto and in compliance with the Indemnity paragraph above, Agent shall secure and maintain in force and effect at all times during the terms of this agreement, the following insurance:
  - a. Statutory Workers' Compensation Insurance in full compliance with all applicable state and federal laws and regulations and Employers' Liability Insurance in the minimum limits of \$500,000.

- b. **Comprehensive General Liability Insurance, including Broad Form Contractual coverage insuring the Indemnity Section of this Agreement, with minimum limits of \$300,000 combined single limit each occurrence (or equivalent) covering bodily injury, personal injury and property damage and naming Unit Operator as Additional Insured.**
- c. **Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Agent with minimum limits of liability of \$250,000 per person, \$500,000 per accident and \$100,000 Property Damage per accident.**
- d. **Umbrella Liability Insurance with minimum limits of \$2,000,000.**
- e. **Contractors' and Subcontractors' Insurance - Agent shall require all its contractors and their subcontractors to obtain, maintain and keep in force throughout their performance of any work arising from this Designation similar insurance coverage and, upon request, furnish Unit Operator acceptable evidence of insurance.**
- f. **Agent's, Agent's Contractors' and their Subcontractor's equipment or rented equipment - all equipment, supplies and materials belonging to or used by these referenced parties shall be brought to and kept at the site at Agent's sole cost, risk and expense and Unit Operator shall not be liable for loss or damage thereto. Should any of the referenced parties choose to insure such a risk, their carrier will be required to waive all rights against Unit Operator.**

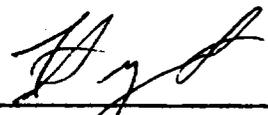
**Agent shall provide Unit Operator with a valid certificate of insurance evidencing such coverages in their entirety along with a thirty (30) day notice of cancellation and Unit Operator shall be listed as an Additional Insured on the**

certificate. All policies mentioned above shall be endorsed to provide that the underwriters and insurance companies shall not have a right of subrogation against the Unit Operator or its affiliates, subsidiaries and employees. This waiver shall be shown on the certificate of insurance provided.

It is further understood that any coverage provided Unit Operator by Agent or their contractors or subcontractors is primary insurance and shall not be considered contributory insurance with any insurance policies of Unit Operator.

AGENT:

MYCO INDUSTRIES, INC.

By   
Its: Attorney-in-Fact

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy Unit unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: Myco Industries, Inc.  
ADDRESS: Yates Bldg., 207 South 4th  
Artesia, New Mexico 88210

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 107 in the NW/4 NE/4 Sec. 10, T 22S -R 28E, Eddy County, New Mexico.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

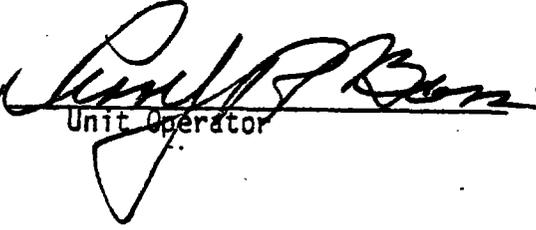
And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

PERRY R. BASS

January 16, 1985

Date

By

  
Unit Operator



\*This Designation of Agent is subject to the terms and provisions attached hereto and made a part hereof.

(Designation of Agent-p.2)

## SUPPLEMENTARY PROVISIONS TO DESIGNATION OF AGENT

1. Compliance with Laws. Agent agrees to perform all work hereunder in compliance with applicable Federal and State laws, orders, rules and regulations.
  
2. Indemnity By Agent. Agent agrees to assume all liability therefor and to indemnify and save harmless Unit Operator and its affiliated companies and their agents, servants, directors, officers and employees (collectively "Indemnitees") from and against any and all liabilities, damages, claims (including claims under any bond), suits, costs (including court costs, attorneys' fees and costs of investigations) and actions of any kind arising out of or alleged to arise by reason of injury to or death of any person or damage to or loss of property, including consequential damages arising therefrom, or by reason of any other claim whatsoever of any person or party arising out of, incident to, or in connection with any operation hereunder of Agent or of any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent, or by reason of any breach, violation or nonperformance by Agent or any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent of any covenant, duty, obligation, provisions or condition, express or implied, contained in the Big Eddy Unit Agreement or any associated agreements covering operations in said Big Eddy Unit, excluding only any damage or injury attributed solely to the negligence of any Indemnitee.
  
3. Insurance. Prior to commencement of any work pursuant hereto and in compliance with the Indemnity paragraph above, Agent shall secure and maintain in force and effect at all times during the terms of this agreement, the following insurance:
  - a. Statutory Workers' Compensation Insurance in full compliance with all applicable state and federal laws and regulations and Employers' Liability Insurance in the minimum limits of \$500,000.

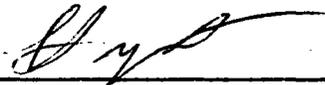
- b. Comprehensive General Liability Insurance, including Broad Form Contractual coverage insuring the Indemnity Section of this Agreement, with minimum limits of \$300,000 combined single limit each occurrence (or equivalent) covering bodily injury, personal injury and property damage and naming Unit Operator as Additional Insured.
- c. Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Agent with minimum limits of liability of \$250,000 per person, \$500,000 per accident and \$100,000 Property Damage per accident.
- d. Umbrella Liability Insurance with minimum limits of \$2,000,000.
- e. Contractors' and Subcontractors' Insurance - Agent shall require all its contractors and their subcontractors to obtain, maintain and keep in force throughout their performance of any work arising from this Designation similar insurance coverage and, upon request, furnish Unit Operator acceptable evidence of insurance.
- f. Agent's, Agent's Contractors' and their Subcontractor's equipment or rented equipment - all equipment, supplies and materials belonging to or used by these referenced parties shall be brought to and kept at the site at Agent's sole cost, risk and expense and Unit Operator shall not be liable for loss or damage thereto. Should any of the referenced parties choose to insure such a risk, their carrier will be required to waive all rights against Unit Operator.

Agent shall provide Unit Operator with a valid certificate of insurance evidencing such coverages in their entirety along with a thirty (30) day notice of cancellation and Unit Operator shall be listed as an Additional Insured on the certificate. All policies mentioned above shall be endorsed to provide that the underwriters and insurance companies shall not have a right of subrogation against the Unit Operator or its affiliates, subsidiaries and employees. This waiver shall be shown on the certificate of insurance provided.

It is further understood that any coverage provided Unit Operator by Agent or their contractors or subcontractors is primary insurance and shall not be considered contributory insurance with any insurance policies of Unit Operator.

AGENT:

MYCO INDUSTRIES, INC.

By   
Its: *Attorney-in-Fact*

(Submit in Quadruplicate)

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: Yates Petroleum Corporation  
ADDRESS: 207 South Fourth Street  
Artesia, New Mexico 88210

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 109 in the SW/4 SE/4 Sec. 21, T 21S -R 28E, Eddy County, New Mexico.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

PERRY R. BASS



January 16, 1985  
Date

By

*Perry R. Bass*  
Unit Operator

\*This Designation of Agent is expressly subject to the additional terms attached hereto and which are made a part hereof for all intents and purposes.

## **SUPPLEMENTARY PROVISIONS TO DESIGNATION OF AGENT**

1. **Compliance with Laws.** Agent agrees to perform all work hereunder in compliance with applicable Federal and State laws, orders, rules and regulations.
  
2. **Indemnity By Agent.** Agent agrees to assume all liability therefor and to indemnify and save harmless Unit Operator and its affiliated companies and their agents, servants, directors, officers and employees (collectively "Indemnitees") from and against any and all liabilities, damages, claims (including claims under any bond), suits, costs (including court costs, attorneys' fees and costs of investigations) and actions of any kind arising out of or alleged to arise by reason of injury to or death of any person or damage to or loss of property, including consequential damages arising therefrom, or by reason of any other claim whatsoever of any person or party arising out of, incident to, or in connection with any operation hereunder of Agent or of any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent, or by reason of any breach, violation or nonperformance by Agent or any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent of any covenant, duty, obligation, provisions or condition, express or implied, contained in the Big Eddy Unit Agreement or any associated agreements covering operations in said Big Eddy Unit, excluding only any damage or injury attributed solely to the negligence of any Indemnitee.
  
3. **Insurance.** Prior to commencement of any work pursuant hereto and in compliance with the Indemnity paragraph above, Agent shall secure and maintain in force and effect at all times during the terms of this agreement, the following insurance:
  - a. Statutory Workers' Compensation Insurance in full compliance with all applicable state and federal laws and regulations and Employers' Liability Insurance in the minimum limits of \$500,000.

- b. **Comprehensive General Liability Insurance, including Broad Form Contractual coverage insuring the Indemnity Section of this Agreement, with minimum limits of \$300,000 combined single limit each occurrence (or equivalent) covering bodily injury, personal injury and property damage and naming Unit Operator as Additional Insured.**
- c. **Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Agent with minimum limits of liability of \$250,000 per person, \$500,000 per accident and \$100,000 Property Damage per accident.**
- d. **Umbrella Liability Insurance with minimum limits of \$2,000,000.**
- e. **Contractors' and Subcontractors' Insurance - Agent shall require all its contractors and their subcontractors to obtain, maintain and keep in force throughout their performance of any work arising from this Designation similar insurance coverage and, upon request, furnish Unit Operator acceptable evidence of insurance.**
- f. **Agent's, Agent's Contractors' and their Subcontractor's equipment or rented equipment - all equipment, supplies and materials belonging to or used by these referenced parties shall be brought to and kept at the site at Agent's sole cost, risk and expense and Unit Operator shall not be liable for loss or damage thereto. Should any of the referenced parties choose to insure such a risk, their carrier will be required to waive all rights against Unit Operator.**

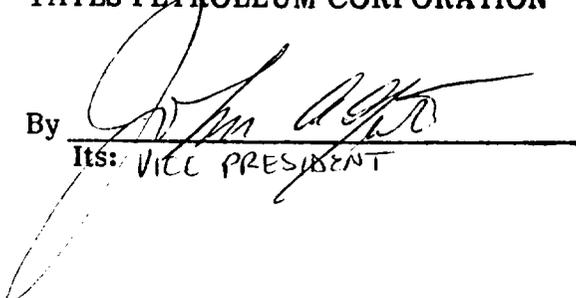
**Agent shall provide Unit Operator with a valid certificate of insurance evidencing such coverages in their entirety along with a thirty (30) day notice of cancellation and Unit Operator shall be listed as an Additional Insured on the certificate. All policies mentioned above shall be endorsed to provide that the underwriters and insurance companies shall not have a right of subrogation against the Unit Operator or its affiliates, subsidiaries and employees. This waiver shall be shown on the certificate of insurance provided.**

It is further understood that any coverage provided Unit Operator by Agent or their contractors or subcontractors is primary insurance and shall not be considered contributory insurance with any insurance policies of Unit Operator.

AGENT:

YATES PETROLEUM CORPORATION

By

  
Its: VICE PRESIDENT



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

TONY ANAYA  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

February 19, 1985

Bass Enterprises Production Co.  
First City Bank Tower  
201 Main St.  
Fort Worth, Texas 76102

Attention: Louis W. Wilpitz

Re: Second Amendment to the  
1985 Plan of Development  
for the Big Eddy Unit  
Eddy and Lea Counties,  
New Mexico

Dear Mr. Wilpitz:

Enclosed please find an approved copy of the material referenced above. Such approval is contingent upon like approval by the Commissioner of Public Lands and the Bureau of Land Management.

Sincerely,

A handwritten signature in black ink, appearing to read "Roy E. Johnson".

ROY E. JOHNSON  
Senior Petroleum Geologist

REJ/dp

cc: Commissioner of Public Lands - Santa Fe  
Bureau of Land Management - Albuquerque  
OCD District Office - Artesia and Hobbs

BASS ENTERPRISES PRODUCTION CO.

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

February 12, 1985



MYCO INDUSTRIES, INC.  
207 South Fourth Street  
Artesia, New Mexico 88210

Attention: Kathy H. Colbert, Landman

Re: Bass Lease No. 4316 - Federal  
Big Eddy Unit Well No. 110  
SE/4 NE/4 Section 9, T22S-R28E  
Eddy County, New Mexico

Dear Kathy:

As per your request of January 22, 1985, attached hereto are Designation of Agent and Designation of Operator forms for the Big Eddy Unit Well No. 110 to be drilled in the SE/4 NE/4 Section 9, T22S-R28E, Eddy County, New Mexico.

Please return a signed Designation of Agent to Bass at your earliest opportunity.

As you know, it will be necessary for Bass to receive copies of all logs and tests obtained from the drilling of the well.

Should you have any questions, please feel free to contact me.

Sincerely,

LOUIS W. WILPITZ  
Landman

LWW:ep  
Attachments

cc: ~~New Mexico~~ Oil Conservation Division

## DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Las Cruces  
SERIAL NO.: LC-060613

and hereby designates

NAME: Myco Industries, Inc.  
ADDRESS: 207 South Fourth Street  
Artesia, New Mexico 88210

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

NE/4 Section 9, T22S-R28E, Eddy County, New Mexico

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

Bass Brothers Enterprises, Inc.



By:

*Wm. Arthur Hamilton*

(Signature of lessee)

Its Vice President  
201 Main Street  
Fort Worth, Texas 76102

January 30, 1985

(Date)

(Address)

U.S. GOVERNMENT PRINTING OFFICE: 1984 O-729-234

*Perry R. Bass*  
Perry R. Bass

(Submit in Quadruplicate)

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: Myco Industries, Inc.  
ADDRESS: 207 South Fourth Street  
Artesia, New Mexico 88210

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 110 in the SE/4 NE/4 Sec. 9, T. 22S -R 28E, Eddy County County, New Mexico.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

Perry R. Bass



January 30, 1985  
Date

By   
Unit Operator

\*This Designation of Agent is subject to the terms, provisions and requirements attached hereto and made a part hereof.

## **SUPPLEMENTARY PROVISIONS TO DESIGNATION OF AGENT**

1. **Compliance with Laws.** Agent agrees to perform all work hereunder in compliance with applicable Federal and State laws, orders, rules and regulations.
  
2. **Indemnity By Agent.** Agent agrees to assume all liability therefor and to indemnify and save harmless Unit Operator and its affiliated companies and their agents, servants, directors, officers and employees (collectively "Indemnitees") from and against any and all liabilities, damages, claims (including claims under any bond), suits, costs (including court costs, attorneys' fees and costs of investigations) and actions of any kind arising out of or alleged to arise by reason of injury to or death of any person or damage to or loss of property, including consequential damages arising therefrom, or by reason of any other claim whatsoever of any person or party arising out of, incident to, or in connection with any operation hereunder of Agent or of any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent, or by reason of any breach, violation or nonperformance by Agent or any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent of any covenant, duty, obligation, provisions or condition, express or implied, contained in the Big Eddy Unit Agreement or any associated agreements covering operations in said Big Eddy Unit, excluding only any damage or injury attributed solely to the negligence of any Indemnitee.
  
3. **Insurance.** Prior to commencement of any work pursuant hereto and in compliance with the Indemnity paragraph above, Agent shall secure and maintain in force and effect at all times during the terms of this agreement, the following insurance:
  - a. **Statutory Workers' Compensation Insurance** in full compliance with all applicable state and federal laws and regulations and **Employers' Liability Insurance** in the minimum limits of \$500,000.

- b. Comprehensive General Liability Insurance, including Broad Form Contractual coverage insuring the Indemnity Section of this Agreement, with minimum limits of \$300,000 combined single limit each occurrence (or equivalent) covering bodily injury, personal injury and property damage and naming Unit Operator as Additional Insured.
- c. Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Agent with minimum limits of liability of \$250,000 per person, \$500,000 per accident and \$100,000 Property Damage per accident.
- d. Umbrella Liability Insurance with minimum limits of \$2,000,000.
- e. Contractors' and Subcontractors' Insurance - Agent shall require all its contractors and their subcontractors to obtain, maintain and keep in force throughout their performance of any work arising from this Designation similar insurance coverage and, upon request, furnish Unit Operator acceptable evidence of insurance.
- f. Agent's, Agent's Contractors' and their Subcontractor's equipment or rented equipment - all equipment, supplies and materials belonging to or used by these referenced parties shall be brought to and kept at the site at Agent's sole cost, risk and expense and Unit Operator shall not be liable for loss or damage thereto. Should any of the referenced parties choose to insure such a risk, their carrier will be required to waive all rights against Unit Operator.

Agent shall provide Unit Operator with a valid certificate of insurance evidencing such coverages in their entirety along with a thirty (30) day notice of cancellation and Unit Operator shall be listed as an Additional Insured on the certificate. All policies mentioned above shall be endorsed to provide that the underwriters and insurance companies shall not have a right of subrogation against the Unit Operator or its affiliates, subsidiaries and employees. This waiver shall be shown on the certificate of insurance provided.

It is further understood that any coverage provided Unit Operator by Agent or their contractors or subcontractors is primary insurance and shall not be considered contributory insurance with any insurance policies of Unit Operator.

AGENT:

MYCO INDUSTRIES, INC.

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

# State of New Mexico



JIM BACA  
COMMISSIONER



## Commissioner of Public Lands

February 7, 1985

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery Uses  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Bass Enterprises Production Co.  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Re: 1985 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

ATTENTION: Mr. Jens Hansen

Gentlemen:

The Commissioner of Public Lands has this date approved your 1985 Plan of Development for the Big Eddy Unit Area, Eddy and Lea Counties, New Mexico. Such plan proposes to drill the Unit Well Nos. 106 and 107 to test the Delaware zone and the 108 to test the Morrow zone. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Albuquerque, New Mexico Attn: Fluids Branch  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

**BASS ENTERPRISES PRODUCTION CO.**

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

February 6, 1985



MYCO INDUSTRIES, INC.  
Yates Building  
207 South 4th  
Artesia, New Mexico 88210

Attention: Kathy H. Colbert, Landman

Re: Bass Lease No. 4136 - Federal  
Big Eddy Unit Well No. 107  
990' FNL & 1650' FEL  
Section 10, T22S-R28E  
Eddy County, New Mexico  
Big Eddy Unit

Dear Kathy:

As per your earlier request, attached hereto are Designation of Agent forms for the drilling of the Big Eddy Unit Well No. 107 in the NW/4 NE/4 of Section 10, T22S-R28E. This well is to be drilled under the 1985 Plan of Development for the Big Eddy Unit.

In order for Bass to properly perform as unit operator for the Big Eddy Unit, it will be necessary for Bass to receive all information, logs and tests from the Big Eddy Unit Well No. 107. Please send the well information to Bass as it becomes available.

It is requested that you return one (1) signed Designation of Agent along with the information requested therein at your earliest opportunity.

Should anything further be needed, please advise.

Sincerely,

A handwritten signature in cursive script that reads "Louis W. Wilpitz".

LOUIS W. WILPITZ  
Landman

LWW:ep  
Attachments

cc: ~~New~~ Mexico Oil Conservation Division

(Submit in Quadruplicate)



SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the Big Eddy Unit unit agreement, Eddy County, New Mexico No. 14-08-001-326, approved October 1, 1952

and hereby designates

NAME: Myco Industries, Inc.  
ADDRESS: Yates Bldg., 207 South 4th  
Artesia, New Mexico 88210

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 107 in the NW/4 NE/4 Sec. 10, T 22S -R 28E, Eddy County, New Mexico.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the unit operator will make full and prompt compliance with all regulations, lease terms or orders of the Secretary of the Interior or his representative.

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

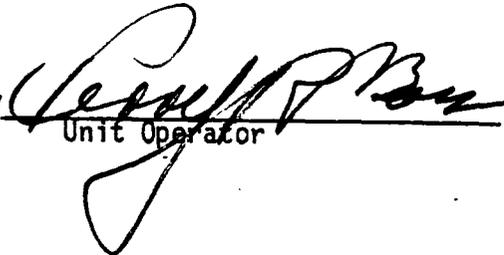
This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the U. S. Geological Survey a completed file of all

required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

PERRY R. BASS

By   
Unit Operator



January 16, 1985  
Date

\*This Designation of Agent is subject to the terms and provisions attached hereto and made a part hereof.

## **SUPPLEMENTARY PROVISIONS TO DESIGNATION OF AGENT**

1. Compliance with Laws. Agent agrees to perform all work hereunder in compliance with applicable Federal and State laws, orders, rules and regulations.
  
2. Indemnity By Agent. Agent agrees to assume all liability therefor and to indemnify and save harmless Unit Operator and its affiliated companies and their agents, servants, directors, officers and employees (collectively "Indemnitees") from and against any and all liabilities, damages, claims (including claims under any bond), suits, costs (including court costs, attorneys' fees and costs of investigations) and actions of any kind arising out of or alleged to arise by reason of injury to or death of any person or damage to or loss of property, including consequential damages arising therefrom, or by reason of any other claim whatsoever of any person or party arising out of, incident to, or in connection with any operation hereunder of Agent or of any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent, or by reason of any breach, violation or nonperformance by Agent or any invitee, licensee, employee, director, officer, servant, contractor or subcontractor of Agent of any covenant, duty, obligation, provisions or condition, express or implied, contained in the Big Eddy Unit Agreement or any associated agreements covering operations in said Big Eddy Unit, excluding only any damage or injury attributed solely to the negligence of any Indemnitee.
  
3. Insurance. Prior to commencement of any work pursuant hereto and in compliance with the Indemnity paragraph above, Agent shall secure and maintain in force and effect at all times during the terms of this agreement, the following insurance:
  - a. Statutory Workers' Compensation Insurance in full compliance with all applicable state and federal laws and regulations and Employers' Liability Insurance in the minimum limits of \$500,000.

- b. **Comprehensive General Liability Insurance, including Broad Form Contractual coverage insuring the Indemnity Section of this Agreement, with minimum limits of \$300,000 combined single limit each occurrence (or equivalent) covering bodily injury, personal injury and property damage and naming Unit Operator as Additional Insured.**
- c. **Automobile Liability Insurance covering owned, hired and non-owned vehicles used by Agent with minimum limits of liability of \$250,000 per person, \$500,000 per accident and \$100,000 Property Damage per accident.**
- d. **Umbrella Liability Insurance with minimum limits of \$2,000,000.**
- e. **Contractors' and Subcontractors' Insurance - Agent shall require all its contractors and their subcontractors to obtain, maintain and keep in force throughout their performance of any work arising from this Designation similar insurance coverage and, upon request, furnish Unit Operator acceptable evidence of insurance.**
- f. **Agent's, Agent's Contractors' and their Subcontractor's equipment or rented equipment - all equipment, supplies and materials belonging to or used by these referenced parties shall be brought to and kept at the site at Agent's sole cost, risk and expense and Unit Operator shall not be liable for loss or damage thereto. Should any of the referenced parties choose to insure such a risk, their carrier will be required to waive all rights against Unit Operator.**

**Agent shall provide Unit Operator with a valid certificate of insurance evidencing such coverages in their entirety along with a thirty (30) day notice of cancellation and Unit Operator shall be listed as an Additional Insured on the certificate. All policies mentioned above shall be endorsed to provide that the underwriters and insurance companies shall not have a right of subrogation against the Unit Operator or its affiliates, subsidiaries and employees. This waiver shall be shown on the certificate of insurance provided.**

It is further understood that any coverage provided Unit Operator by Agent or their contractors or subcontractors is primary insurance and shall not be considered contributory insurance with any insurance policies of Unit Operator.

AGENT:

MYCO INDUSTRIES, INC.

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

State of New Mexico



Commissioner of Public Lands

January 31, 1985

JIM BACA  
COMMISSIONER

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery Uses  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Bass Enterprises Production Co.  
First City Bank Tower  
Fort Worth, Texas 76102

Re: Big Eddy Unit Well No. 95  
Commercial Determination  
Eddy County, New Mexico

ATTENTION: Mr. Louis W. Wilpitz

Gentlemen:

This office is in receipt of your letter dated April 2, 1984, wherein as unit operator of the Big Eddy Unit you recommend that the Big Eddy Unit Well No. 95 Well be produced on a lease basis in the Atoka Formation, and therefore, not be included in a participating area.

According to the data submitted, this office concurs with your determination that the Big Eddy Unit Well No. 95 is noncommercial according to BLM criteria and should not be included in a participating area. This concurrence is subject to like concurrence by the Bureau of Land Management.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*  
RAY D. GRAMAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm

cc: ~~OCD~~ Santa Fe, New Mexico  
BLM-Albuquerque, New Mexico  
BLM-Roswell, New Mexico



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

TONEY ANAYA  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

January 31, 1985

Bass Enterprises Production Co.  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Attention: Louis W. Wilpitz

Re: First Amendment to the  
1985 Plan of Development  
for the Big Eddy Unit  
Eddy and Lea Counties, NM

Dear Mr. Wilpitz:

Enclosed please find an approved copy of the material referenced above. Such approval is contingent upon like approval by the Commissioner of Public Lands and the Bureau of Land Management.

Sincerely,

A handwritten signature in cursive script, appearing to read "Roy E. Johnson".

ROY E. JOHNSON  
Senior Petroleum Geologist

REJ/dp

cc: Commissioner of Public Lands - Santa Fe  
Bureau of Land Management - Albuquerque  
OCD District Office - Artesia and Hobbs

**BASS ENTERPRISES PRODUCTION CO.**

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

January 30, 1985

BUREAU OF LAND MANAGEMENT  
P. O. Box 1397  
Roswell, New Mexico 88201

COMMISSIONER OF PUBLIC LANDS  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

NEW MEXICO OIL CONSERVATION DIVISION  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Second Amendment to the  
1985 Plan of Development for the  
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 to add the following well to the 1985 Plan of Development for the Big Eddy Unit:

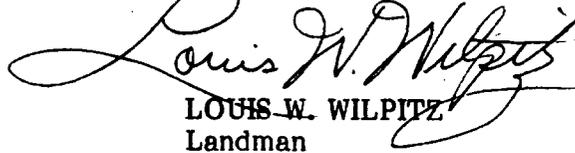
Big Eddy Unit Well No. 110 - SE/4 NE/4, Section 9, T22S-R28E, Eddy County, New Mexico. Myco Industries, Inc. has proposed to drill this well to a depth of approximately 6100' as a Delaware Test, at a location of 2310' FNL and 330' FEL of Section 9, T22S-R28E.

Bass will own no interest in this well and is making this application for Amendment to the Plan of Development for the Big Eddy Unit in its capacity as Unit Operator, and therefore, should not be held responsible to insure that Myco Industries, Inc. drills the subject well.

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
January 30, 1985  
Page 2

If this the Second Amendment to the 1985 Plan of Development 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. Should there be any questions, please feel free to contact me at (817) 390-8585.

Very truly yours,

  
LOUIS W. WILPITZ  
Landman

LWW:ep  
Enclosure

cc: Myco Industries, Inc.  
207 South 4th Street  
Artesia, New Mexico 88210  
Attention: Kathy Colbert

AGREED AND ACCEPTED this 19 of Feb, 1985.

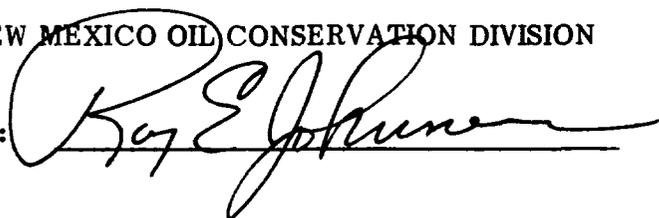
BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

By: 

BASS ENTERPRISES PRODUCTION CO.

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

January 14, 1985

BUREAU OF LAND MANAGEMENT  
P. O. Box 1397  
Roswell, New Mexico 88201

COMMISSIONER OF PUBLIC LANDS  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

NEW MEXICO OIL CONSERVATION DIVISION  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: First Amendment to the 1985  
Plan of Development for the  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

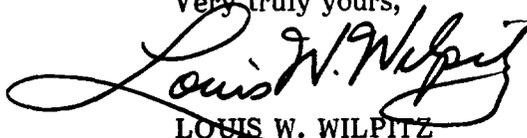
Gentlemen:

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 to add the following well to the 1985 Plan of Development for the Big Eddy Unit:

Big Eddy Unit Well No. 109 - SW/4 SE/4, Section 21, T21S-R28E, Eddy County, New Mexico. Yates Petroleum Corporation proposes to drill this well to an approximate depth of 6,100' as a Delaware Test at a location of 990' FSL and 1930' FEL of Section 21, T21S-R28E.

If this the First Amendment to the 1985 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. Should there be any questions, please feel free to contact me at (817) 390-8585.

Very truly yours,

  
LOUIS W. WILPITZ  
Landman

LWW:ep  
Enclosure

cc: Yates Petroleum Corp.  
207 South 4th Street  
Artesia, New Mexico 88210

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
January 14, 1985  
Page 2 of 2

AGREED AND ACCEPTED this \_\_\_ day of \_\_\_\_\_, 1985.

BUREAU OF LAND MANAGEMENT

By \_\_\_\_\_

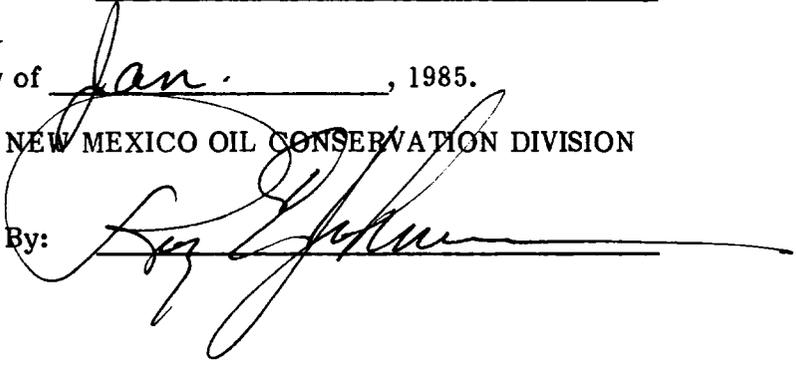
AGREED AND ACCEPTED this \_\_\_ day of \_\_\_\_\_, 1985.

COMMISSIONER OF PUBLIC LANDS

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

AGREED AND ACCEPTED this <sup>25<sup>th</sup></sup> day of Jan., 1985.

NEW MEXICO OIL CONSERVATION DIVISION

By: 

BASS ENTERPRISES PRODUCTION CO.

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

December 19, 1984

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

#365

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

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

Re: 1985 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, Perry R. Bass, Operator of said unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 1985.

History of Past Development - We refer to our previous Plans of Development for a detailed description of the operations conducted in this unit in prior years.

1984 Activity - the following are the results of wells drilled during the year 1984, and wells drilled prior to 1984, the results of which were not included in the 1984 Plan of Development:

Big Eddy Unit Well No. 91 - located 250' FNL and 1600' FWL, Section 5, T21S-R30E, Eddy County, New Mexico. This well, which has been carried over from the 1983 Plan of Development for the Big Eddy Unit, is currently being drilled to a projected total depth of 13,400' as a Morrow Test Well. The results of this well will be reported on the 1986 Plan of Development.

Big Eddy Unit Well No. 98 - located 2180' FNL and 1980' FWL, Section 7, T21S-R28E, Eddy County, New Mexico. This well was drilled to a total depth of 9,050' as a Bone Springs test well and was perforated between the depths of 2,942' to 2,976'. This well was completed as an oil well in the Delaware Formation.

Big Eddy Unit Well No. 99 - located 1980' FNL and 2080' FWL, Section 16, T21S-R28E, Eddy County, New Mexico. This well was drilled to a total depth of 5,250' as a Delaware test well and was perforated between the depths of 2,904' to 2,924'. This well was completed as an oil well in the Delaware Formation.

Big Eddy Unit Well No. 100 - located 2291' FSL and 483' FWL, Section 8, T21S-R28E, Eddy County, New Mexico. This well was drilled to a total depth of 9,200' as a Bone Springs test well and was perforated between the depths of 3,197' to 3,210'. This well was completed as an oil well in the Delaware Formation.

Big Eddy Unit Well No. 101 - located 2280' FNL and 1980' FWL, Section 27, T20S-R31E, Eddy County, New Mexico. This well was drilled to a total depth of 5,820' as a Delaware test well and was plugged and abandoned as a dry hole.

Big Eddy Unit Well No. 102 - located 400' FEL and 330' FSL, Section 7, T20S-R31E, Eddy County, New Mexico. This well is located within the potash area, and as a result, Bass has temporarily suspended its plans to drill this well until the conclusion of negotiations with potash operators in this area.

Big Eddy Unit Well No. 103 - located 660' FSL and 1980' FWL, Section 10, T21S-R28E, Eddy County, New Mexico. This well was drilled to a total depth of 9,225' as a Bone Springs test well and was perforated between the depths of 6,276' to 6,296'. This well was completed as an oil well in the Bone Springs Formation.

Big Eddy Unit Well No. 104 - located 2130' FNL and 2130' FEL, Section 10, T22S-R28E, Eddy County, New Mexico. This well was drilled by Myco Industries, Inc. to a depth of approximately 6,200' as a Delaware test well and has been completed as a Delaware oil well in a non-unitized zone.

Big Eddy Unit Well No. 105 - located 2310' FNL and 990' FEL, Section 10, T22S-R28E, Eddy County, New Mexico. Myco Industries, Inc. has drilled this well to an approximate total depth of 6,200' as a Delaware test well and is currently attempting a completion in a unitized zone.

#### Participating Areas

Bass will submit during the year 1985 its recommendations for commercial determinations and participating areas when sufficient production and engineering data is available.

#### Future Development

We plan to drill or cause to be drilled the following test wells during the year 1985:

Big Eddy Unit Well No. 106 - NE/4 NE/4 Section 10, T22S-R28E, Eddy County, New Mexico, a 6,200' Delaware test well which Myco Industries, Inc. has advised the operators it plans to drill.

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
December 19, 1984  
Page 3 of 4

Big Eddy Unit Well No. 107 - NW/4 NE/4 Section 10, T22S-R28E, Eddy County, New Mexico, to be drilled to a depth of 6,200' as a Delaware test well which Myco Industries, Inc. has advised operator it plans to drill.

Big Eddy Unit Well No. 108 - 1980' FSL and 1650' FEL, Section 26, T21S-R28E, Eddy County, New Mexico, to be drilled as a 12,600' Morrow Test.

Offset Obligations

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from the lands subject to the Big Eddy Unit Agreement or pursuant to applicable regulations.

Additional Development

This Plan of Development shall constitute the drilling obligations of the Unit Operator under the terms of the Big Eddy Unit Agreement for the period ending December 31, 1985.

Modifications

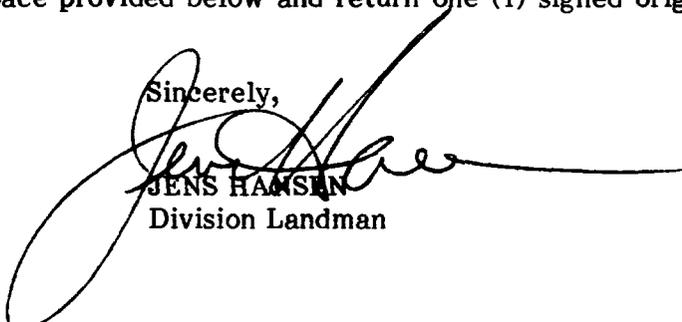
In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

Effective Date

This Plan of Development shall be effective from the first date shown above.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to us for our records.

Sincerely,

  
JENS HANSEN  
Division Landman

JH/LWW:ep

AGREED AND ACCEPTED this \_\_\_ day of \_\_\_\_\_, 1984.

BUREAU OF LAND MANAGEMENT

By \_\_\_\_\_

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
December 18, 1984  
Page 4 of 4

AGREED AND ACCEPTED this \_\_\_ day of \_\_\_\_\_, 1984.

COMMISSIONER OF PUBLIC LANDS

By \_\_\_\_\_

AGREED AND ACCEPTED this 26 day of December, 1984.

NEW MEXICO OIL CONSERVATION DIVISION

By 

State of New Mexico



JIM BACA  
COMMISSIONER



Commissioner of Public Lands

December 14, 1984

Bass Enterprises Production Co.  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

#365

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery Uses  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Re: Third Amendment to the 1984  
Plan of Development for the  
Big Eddy Unit  
Eddy County, New Mexico

ATTENTION: Mr. Louis W. Wilpitz

Gentlemen:

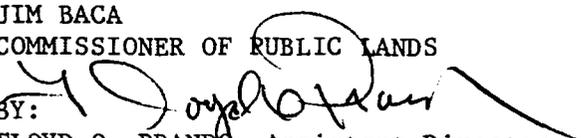
This office is in receipt of your Third Amendment to the 1984 Plan of Development for the Big Eddy Unit, dated December 3, 1984 and your subsequent letter of December 12, 1984.

The Commissioner of Public Lands has this date approved your Third Amendment to the 1984 Plan of Development for the Big Eddy Unit Area, Eddy County, New Mexico. Such amended plan proposes to drill the Unit Well No. 105 to test the Delaware Formation. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

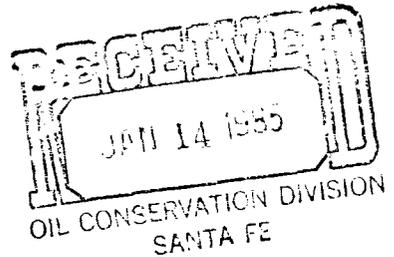
Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Assistant Director  
Oil and Gas Division  
AC 505/827-5744

JB/FOP/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Albuquerque, New Mexico  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



14-08-001-326

January 10, 1985

Bass Enterprises Production Co.  
Attn: Jens Hansen  
First City Bank Tower  
201 Main St.  
Fort Worth, TX 76102

RE: 1985 Plan of Development  
Big Eddy Unit  
Eddy and Lea Counties, New  
Mexico

Gentlemen:

One approved copy of your 1985 Plan of Development is enclosed. Such plan proposes the drilling of the following wells during the 1985 calendar year:

Big Eddy Unit Well No. 106 - NE $\frac{1}{4}$ NE $\frac{1}{4}$ , sec. 10, T. 22 S., R. 28 E., N.M.P.M., Eddy County, a 6200' Delaware Test Well which Myco Industries, Inc. plans to drill.

Big Eddy Unit Well No. 107 - NW $\frac{1}{4}$ NE $\frac{1}{4}$ , sec. 10, T. 22 S., R. 28 E., N.M.P.M., Eddy County, a 6200' Delaware Test Well which Myco Industries, Inc. plans to drill.

Big Eddy Unit Well No. 108 - 1980' FSL and 1650' FEL, sec. 26, T. 21 S., R. 28 E., Eddy county, to be drilled to 12,600' as a Morrow Test Well.

Approval of this plan is subject to like approval by the New Mexico Oil Conservation Division and the Commissioner of Public Lands.

We would also like to have, at your earliest convenience, and in subsequent Plans of Development, decline curves showing the performance of all unit wells by formation.

Sincerely yours,

District Manager

cc: Commissioner of Public Lands, Santa Fe  
— NMOCD, Santa Fe  
GRA  
NMSO, Micrographics (943B)  
POD File

**BASS ENTERPRISES PRODUCTION CO.**

FIRST CITY BANK TOWER

201 MAIN ST.

FORT WORTH, TEXAS 76102

817/390-8400

December 12, 1984

#365

**BUREAU OF LAND MANAGEMENT**

P. O. Box 1397

Roswell, New Mexico 88201

Attention: Mr. Armando Lopez

**COMMISSIONER OF PUBLIC LANDS**

State of New Mexico

P. O. Box 1148

Santa Fe, New Mexico 87504-1148

Attention: Mr. Ray Graham

**NEW MEXICO OIL CONSERVATION DIVISION**

P. O. Box 2088

Santa Fe, New Mexico 87501

Attention: Mr. Richard Stamets

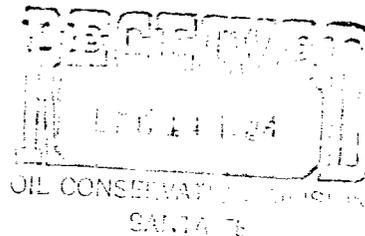
Re: Third Amendment to the  
1984 Plan of Development for the  
Big Eddy Unit  
Eddy County, New Mexico

Gentlemen:

Under letter dated December 3, 1984, Bass made application for the Third Amendment to the 1984 Plan of Development for the Big Eddy Unit.

Included in the application was the addition of the Big Eddy Unit Well No. 106, located in the NE/4 NE/4 of Section 10, T22S-R28E. This well is to be drilled by Myco Industries, Inc. to an approximate depth of 6200' as a Delaware Test Well. However, it has become apparent to Bass that it will not be possible to have this well drilled in 1984. In light of this situation, Bass hereby requests that the Big Eddy Unit Well No. 106 be removed from the Third Amendment to the 1984 Plan of Development for the Big Eddy Unit inasmuch as the Big Eddy Unit Well No. 106 will be proposed under the 1985 Plan of Development.

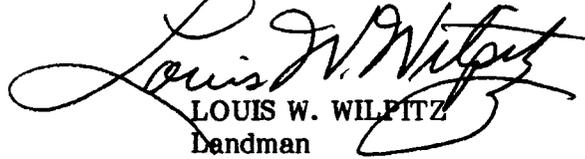
If the foregoing meets with your approval, please so indicate by signing in the space provided below and return one (1) signed original of this letter to Bass for its records.



Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
December 12, 1984  
Page 2

Should you have any questions concerning this matter, please feel free to contact me at (817) 390-8585.

Sincerely,

  
LOUIS W. WILPITZ  
Landman

LWW:ep  
Enclosure

AGREED AND ACCEPTED this \_\_\_ day of \_\_\_\_\_, 1984.

BUREAU OF LAND MANAGEMENT

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

AGREED AND ACCEPTED this \_\_\_ day of \_\_\_\_\_, 1984.

COMMISSIONER OF PUBLIC LANDS

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

AGREED AND ACCEPTED this 17<sup>th</sup> day of December, 1984.

NEW MEXICO OIL CONSERVATION DIVISION

By: 

BASS ENTERPRISES PRODUCTION CO.

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

December 3, 1984

#365

BUREAU OF LAND MANAGEMENT  
P. O. Box 1397  
Roswell, New Mexico 88201

COMMISSIONER OF PUBLIC LANDS  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

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

Re: Third Amendment to the 1984  
Plan of Development for the  
Big Eddy Unit  
Eddy County, 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 to add the following wells to the 1984 Plan of Development for the Big Eddy Unit:

Big Eddy Unit Well No. 105 - SE/4 NE/4 Section 10, T22S-R28E. Myco Industries, Inc. has drilled this well to an approximate depth of 6200' and is at present attempting to complete this well at a unitized depth in the Delaware Formation.

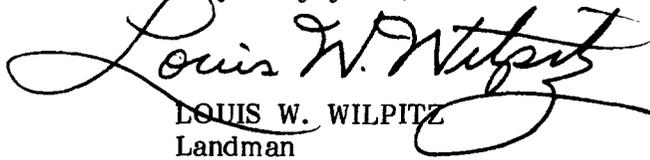
Big Eddy Unit Well No. 106 - NE/4 NE/4 Section 10, T22S-R28E. This well is to be drilled by Myco Industries, Inc. to an approximate depth of 6200' as a Delaware Test Well.

If the proposed Third Amendment to the 1984 Plan of Development for the Big Eddy Unit meets with your approval, please so indicate by signing in the

Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
December 3, 1984  
Page 2

appropriate space provided below and return one (1) original of this letter to Bass for record keeping purposes.

Very truly yours,

  
LOUIS W. WILPITZ  
Landman

LWW:ep  
Enclosure

cc: Myco Industries, Inc.

AGREED AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 1984.

BUREAU OF LAND MANAGEMENT

By \_\_\_\_\_

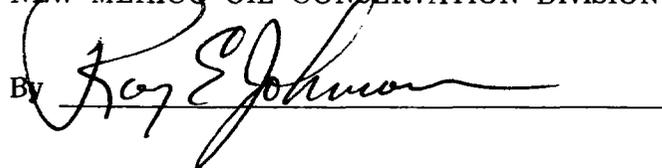
AGREED AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 1984.

COMMISSIONER OF PUBLIC LANDS

By \_\_\_\_\_

AGREED AND ACCEPTED this 10<sup>th</sup> day of December, 1984.

NEW MEXICO OIL CONSERVATION DIVISION

By 

#365

14-008-001-326

November 23, 1984

Bass Enterprises Production Company  
Attn: Louis W. Wilpitz  
First City Bank Tower  
201 Main Street  
Fort Worth, TX 76102

RE: Commercial Determination Big  
Eddy Unit Well No. 95, Eddy  
County, New Mexico

Gentlemen:

We are in receipt of your letter dated April 2, 1984 concerning the economic evaluation of the Big Eddy Unit Well No. 95. Based on this evaluation, Bass recommends that the Big Eddy Unit Well No. 95 be produced on a lease basis in the Atoka Formation, and therefore, not be included in a participating area.

We have analyzed the economic/engineering data presented and agree with your determination that the Big Eddy Unit Well No. 95 is noncommercial according to ELM criteria and should not be included in a participating area.

Sincerely yours,

*S/Richard Bastin*

District Manager

Associate

cc: Commissioner of Public Lands, Santa Fe  
✓NMOCD, Santa Fe  
NMSO, Micrographics (943B)  
CRA  
Unit File  
BABYAK/dlf/11-21-84/1005M

State of New Mexico



JIM BACA  
COMMISSIONER



Commissioner of Public Lands

August 1, 1984

#365

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery Uses  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501.

Bass Enterprises Production Co.  
First City Bank Tower  
201 Main Street  
Fort Worth, Texas 76102

Re: Second Amendment to the  
1984 Plan of Development  
Big Eddy Unit Agreement  
Eddy County, New Mexico

ATTENTION: Mr. Louis W. Wilpitz

Gentlemen:

The Commissioner of Public Lands has this date approved your Second Amendment to the 1984 Plan of Development for the Big Eddy Unit area Eddy County, New Mexico. Such amended plan provides for the additional drilling of the unit well Nos. 102, 103 and 104. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

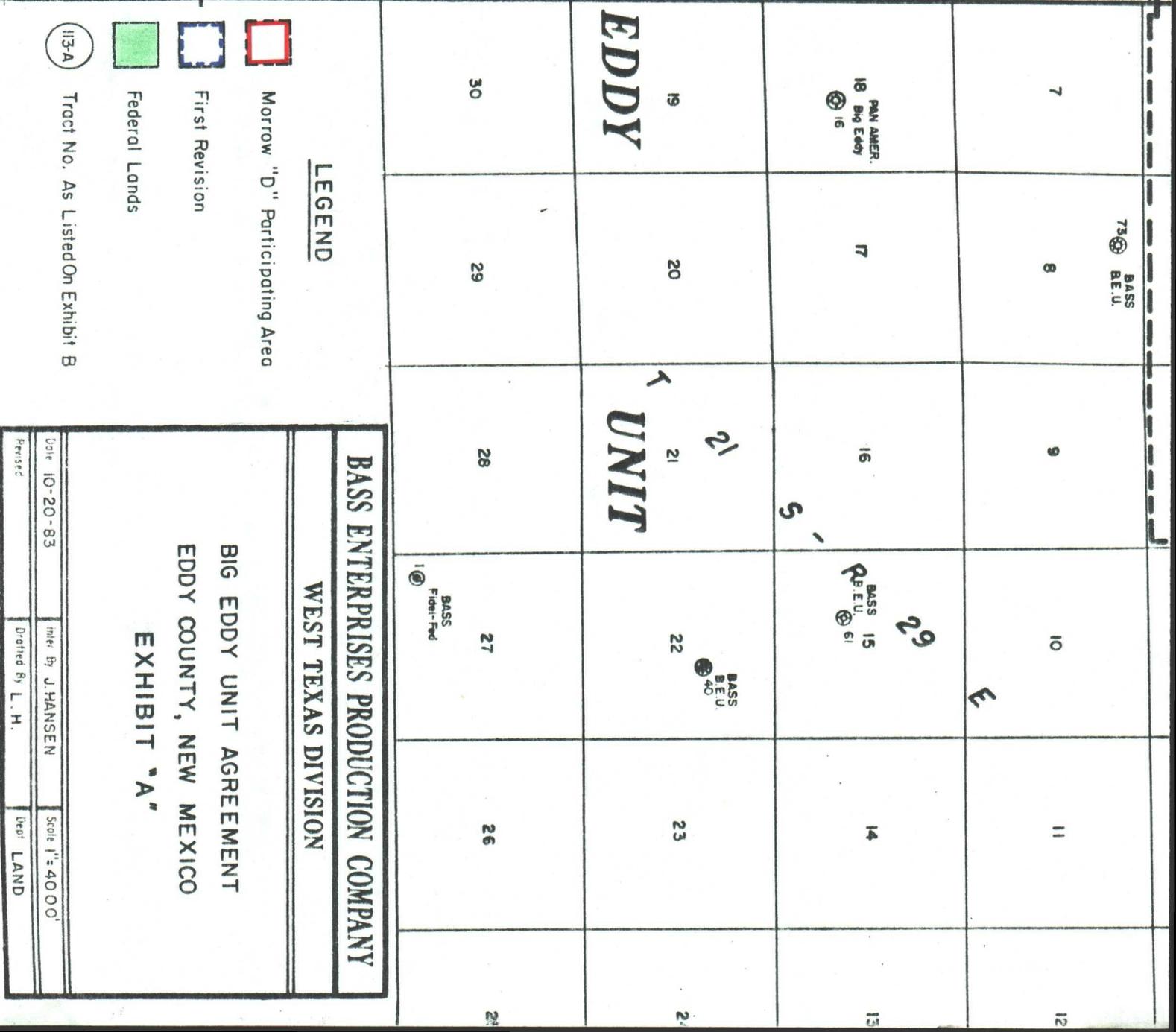
Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Albuquerque, New Mexico  
BLM-Roswell, New Mexico



**LEGEND**

-  Morrow "D" Participating Area
-  First Revision
-  Federal Lands
-  Tract No. As Listed On Exhibit B

<b>BASS ENTERPRISES PRODUCTION COMPANY</b>	
<b>WEST TEXAS DIVISION</b>	
<b>BIG EDDY UNIT AGREEMENT</b>	
<b>EDDY COUNTY, NEW MEXICO</b>	
<b>EXHIBIT "A"</b>	
Date: 10-20-83	Scale: 1" = 4000'
Revised:	Drawn By: L. H. LAND
Prepared:	Checked By: J. HANSEN

EXHIBIT "B"

<u>TRACT #</u>	<u>LEASE #</u>	<u>DESCRIPTION</u>	<u>PARTICIPATING ACRES</u>	<u>PARTICIPATING AREA</u>	<u>WORKING INTEREST</u>	<u>EXCESS BURDENS</u>	<u>ROYALTY</u>
113-B	LC-069219	T21S-R28E Section 23: E/2	320	50 %	BEP-75 PRB-25	2.7 - Hanlad .3 - Stoltz & Co.	12.5 - U.S.A.
113-B	LC-069219	Section 26: NW/4	160	25	BEP-75 PRB - 25	1.35 - Hanlad PPI .15 - Stoltz & Co. PPI .15 - Stoltz & Co. ORRI	12.5 - U.S.A.
113-A	LC-069219	Section 26: NE/4	160	25	BEP-75 PRB-25	1.35 - Hanlad PPI .15 - Stoltz & Co. PPI .15 - Stoltz & Co. ORRI	12.5 - U.S.A.

Exhibit C

BIG EDDY UNIT NO. 70

Big Eddy Unit No. 70 has had its only completion in the Morrow formation. This well was completed without stimulation in December, 1981, and potentialled at 6077 MCFGPD. This well is currently producing 658 MCFGPD + 1 BCPD.

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICULATE AREA IN FEDERAL UNITS

WELL DATA

WELL Big Eddy Unit #70 FORMATION Morrow

LOCATION B UNIT, 1980 FEET FROM E LINE & 660 FEET FROM N LINE,

SECTION 26, RANGE 28E, TOWNSHIP 21S, COUNTY Eddy NEW MEXICO.

SPUD DATE 10-1-81 COMPLETION DATE 12-14-81 WELL PROD. DATE 2-12-82

PERFORATIONS 12,096', 12,099', 12,106', 12,110', 12,192', 12,194', 12,196',

12,198', 12,207', 12,208', 12,255', 12,257', 12,259'

STIMULATION:

ACID Natural

FRACTURE

POTENTIAL CAOF 6,077 MCFGPD

(ATTACH COPY OF C-122. ATTACH COPY OF WELLBORE SKETCH OF COMPLETED WELL.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	FORMATION SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	320	
Porosity ( $\phi$ ), %	8.6	
Water saturation ( $S_w$ ), %	29	
Net thickness (h) > 6% $\phi$ & 14% $S_w$ , ft	28	
Temperature (T), °F	194	

Bottomhole pressure (P<sub>1</sub>), psia 5140  
 Recovery factor (RF), % 0.8  
 Recoverable gas, MCF (see exp. permit) 5,166,685  
 Recoverable Gas, MCF = (volume of oil) (1 - w<sub>g</sub>)

$$B_{gr} = 0.03535 \frac{P_1}{P_2} \left( \frac{MCF}{cu ft} \right) = \frac{5140}{1.025} 654 = .271$$

PPC=672 PPC=7.65 z = 1.025  
 PTC=354 PTC=1.85

PERFORMANCE

If sufficient history exists, attach plot of production rate vs. time.

(Cumulative production to 10 / 31 / 82 = 337,096 MCF)

Initial rate (q<sub>i</sub>), 25,500 MCF/D  
 Economic limit (q<sub>l</sub>), 1500 MCF/D  
 Decline rate, dy 55  
 Remaining gas (Q) = 360,673 MCF  
 Ultimate Recoverable Gas 697,769 MCF

$$Q = (q_i - q_l) \frac{P_1}{P_2} \frac{1}{- \ln (1 - dy)}$$

Attach plot showing proration unit and participating area.

RECOVERABLE GAS	PERFORMING SANDS	(MCF PER YEAR)
Gas sand previously produced	-	-
Sand perforated	697,769	1047
Sand not perforated, but potentially productive	-	-
Total recoverable gas	697,769	1047

(1) performance recoverable gas if available

(2)  $\frac{\text{performance sand perforated}}{\text{volumetric sand perforated}} \times \frac{\text{volumetric sands not perforated}}{\text{performance sands not perforated}}$

Participating area size based on ratio of production history and volumetrics

320 acres---minimum area is proration unit.

**ILLEGIBLE**

ECONOMIC

Well Cost \$1,163,830 (to the depth of formation completed)

Recompletion Cost \$ -

TOTAL COST \$ 1,163,830

(Gas Price)(Net Revenue Interest)(1-Ad Valorem Taxes) - Production Tax + [(Oil Price)(Net Revenue Interest)(Cond. Yield, bbl/BblG)(1 -Production and Ad Valorem Taxes)] - [(Oil Price - Base Price) WFPI %] NRI

Net Gas Price = Gas Price (.845)(1-.025) - .139 + [32(1-.07) - (32-19)(.775)] (.845)(Cond. Yield, bbls/MCF)

Operating Cost \$1500/Month 82 3.46(.345)-.129+32.04(.845-.275)(.965)(.0015)=2.82 83 82x1.05=2.96

BEPCO Net Income = (Gross Gas)(Net Gas Price)

YEAR	GROSS GAS	BEPCO NET INCOME	OPERATING COST	15% DISCOUNT FACTOR	DISCOUNTED CASH FLOW
Zero	---	---	---	1.0000	-1,163,830
1982	380,000	1,071,600	15,000	0.9325	985,279
1983	171,000	506,160	18,000	0.81087	395,834
				0.70511	217,283
				0.61314	
				0.53316	
Remainder	3, 8 & 3			0.46362	

*ok*  
*Don*  
*Weller*

If payout is five years or less, well is considered economical.

(BEPCO Net Income - Operating Expense) discount factor =

discounted cash flow. Economical

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE (See other instructions on reverse side)

Form approved. Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*

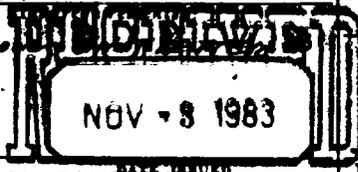
TYPE OF WELL: OIL WELL [ ] GAS WELL [X] DRY [ ] TYPE OF COMPLETION: NEW WELL [X] WORK OVER [ ] DEEP-EN [ ] PLUG BACK [ ] DIFF. REVR. [ ] Other DEC 24 1981

NAME OF OPERATOR PERRY R. BASS

ADDRESS OF OPERATOR Box 2760, MIDLAND, TX 79702-2760

LOCATION OF WELL (Report location clearly and in accordance with any At surface 1980' FLY 660' FNL OF SECTION

At top prod. interval reported below At total depth



5. LEASE DESIGNATION AND SERIAL NO. LC-069219 6. IF INDIAN, ALLOTTEE OR TRIBE NAME 7. UNIT AGREEMENT NAME BIG EDDY UNIT 8. FARM OR LEASE NAME BIG EDDY UNIT 9. WELL NO. 70 10. FIELD AND POOL, OR WILDCAT UNDER MORROW 11. SEC. T. R. M., OR BLOCK AND SURVEY OR AREA SEC. 26, T. 15, R. 28E

14. PERMIT NO. OIL CONSERVATION DIVISION SANTA FE 12. COUNTY OR PARISH EDDY 13. STATE N. MEX.

DATE SPUNDED 10-1-81 16. DATE T.D. REACHED 11-11-81 17. DATE COMPL. (Ready to prod.) 12-14-81 18. ELEVATIONS (DP, RKB, BT, CR, ETC.) 3214' CL 3237' KB 19. ELEV. CASINGHEAD -

TOTAL DEPTH, MD & TVD 12,635' 21. PLUG BACK T.D., MD & TVD 12,575' 22. IF MULTIPLE COMPL., HOW MANY? SINGLE 23. INTERVALS DRILLED BY ROTARY TOOLS 0-12,635' CABLE TOOLS -

PRODUCING INTERVAL(S), OF THIS COMPLETION TOP, BOTTOM, NAME (MD AND TVD) 12,096' - 12,259' MORROW 25. WAS DIRECTIONAL SURVEY MADE NO

TYPE ELECTRIC AND OTHER LOGS RUN DLL-MSFL & CNFD 27. WAS WELL CORED YES

CASING RECORD (Report all strings set in well) Table with columns: CASING SIZE, WEIGHT, LB./FT., DEPTH SET (MD), HOLE SIZE, CEMENTING RECORD, AMOUNT FULLED

LINER RECORD and TUBING RECORD Tables with columns: SIZE, TOP (MD), BOTTOM (MD), SACKS CEMENT, SCREEN (MD), SIZE, DEPTH SET (MD), PACKER SET (MD)

PERFORATION RECORD (Interval, size and number) 1" SAFETY FIRE GUN - ONE (1) SHOT AT EACH DEPTH: 12,096', 12,099', 12,106', 12,110', 12,142', 12,146', 12,146', 12,198', 12,207', 12,255', 12,257', 12,259'. 13 SHOTS 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. NONE - CAME IN NATURAL

PRODUCTION Table with columns: DATE FIRST PRODUCTION, PRODUCTION METHOD, WELL STATUS, DATE OF TEST, HOURS TESTED, CHOKER SIZE, PROD'N. FOR TEST PERIOD, OIL-BBL., GAS-MCF., WATER-BBL., GAS-OIL RATIO

LIST OF ATTACHMENTS TWO (2) EACH ADJAC LOGS

I hereby certify that the foregoing and attached information is complete and correct as determined from all available records SIGNED H. J. Hurst, Jr. TITLE Sr. Prod. Clerk DATE Dec. 23, 1981

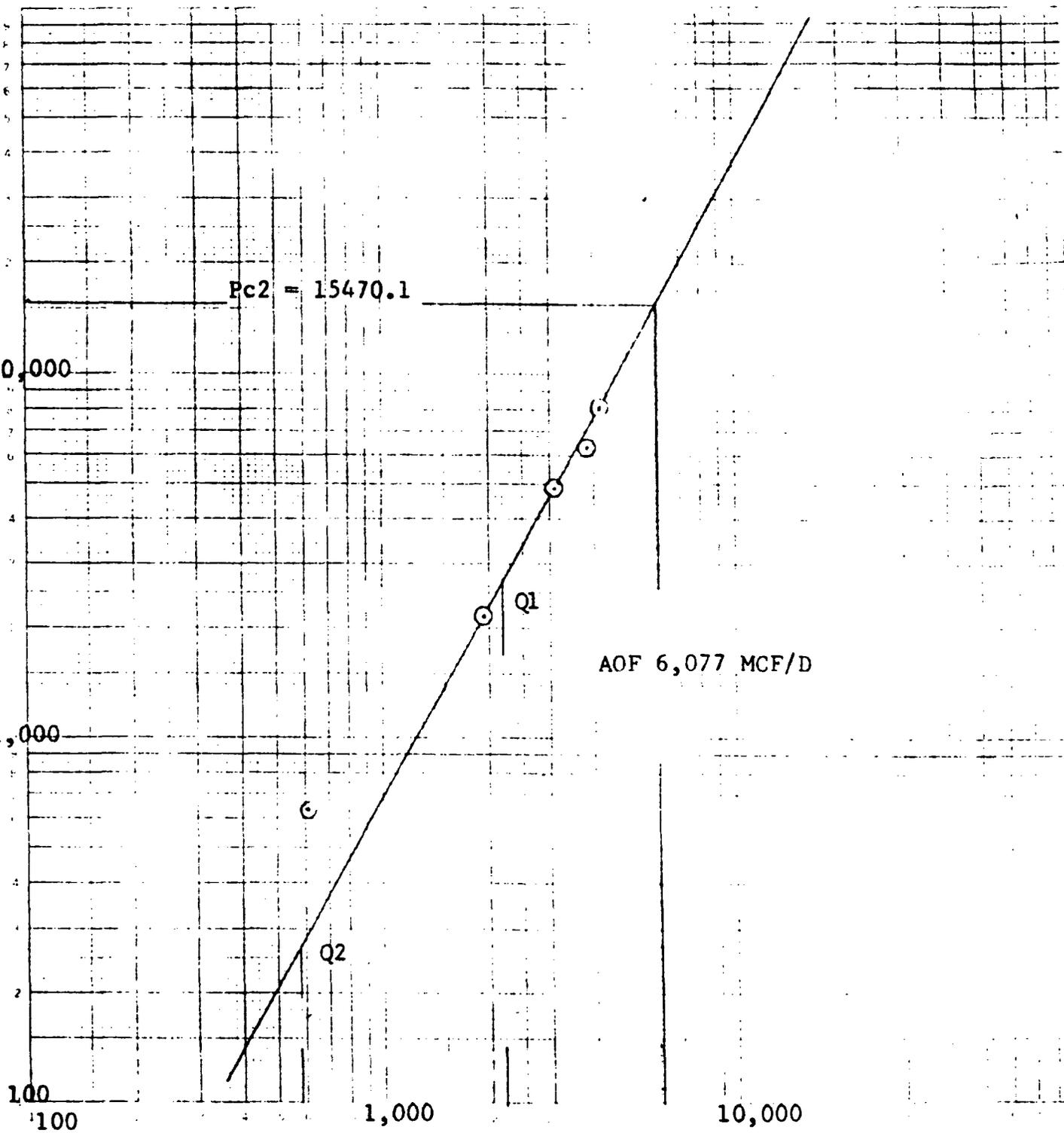
\*(See Instructions and Spaces for Additional Data on Reverse Side)

Type well <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special		Date 12-14-81						
Company Bass, PERRY K.		Fluid Air						
Field Indian Flats		Location Morrow						
Completion Date 12-12-81	Total Length 12635	Depth 12575	Production 3218.6 GL					
Completion Unit Big Eddy Unit								
Well No. 70								
Log Size 5 1/2	Well No. 17	Set At 12635	From 12096 To 12259					
Log Size 2 3/8	Well No. 47E	Set At 12055	From To					
Type well - Casing - Production - G.O. or C.O. Multiple Single gas		Depth Set At 12055	County Eddy					
Producing thru Tbg.	Reservoir Temp. °F 194°	Mean Annual Temp. °F 60°	Bar. Press. - P <sub>0</sub> 13.2					
L *12045	H 12045	G <sub>v</sub> .593	% CO <sub>2</sub> 1.133					
			% H <sub>2</sub> .341					
			Flow 4"    Flg.					
FLOW DATA								
NO.	Flow Line Size	Press. psia	Diff. In.    Temp. °F					
51								
1.	4 X 1.750	480	2.0    98					
2.	4 X 1.750	480	21.0    112					
3.	4 X 2.250	480	17.0    80					
4.	4 X 2.250	490	26.0    90					
5.	4 X 2.250	485	32.0    98					
RATE OF FLOW CALCULATIONS								
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P <sub>m</sub>	Flow Temp. Factor Ft.	Gravity Factor G <sub>v</sub>	Super. Compens. Factor, F <sub>sc</sub>	Rate of Flow Q, bbl/d	
1	14.93	31.41	493.2	.9653	1.299	1.031	606	
2	14.93	101.77	493.2	.9535	1.299	1.028	1935	
3	25.64	91.57	493.2	.9813	1.299	1.036	3100	
4	25.64	114.38	503.2	.9723	1.299	1.035	3834	
5	25.64	126.26	498.2	.9653	1.299	1.031	4185	
NO.	P <sub>1</sub>	Temp. °F	T <sub>1</sub>	Z	Gas-Liquid Hydrocarbon Ratio	1085.979	Method	
1	.73	558	1.58	.940	A.P.L. Gravity of Liquid Hydrocarbon	47 @ 60	Den.	
2	.73	572	1.62	.946	Specific Gravity Separator Gas	.593	XXXXXX	
3	.73	540	1.53	.931	Specific Gravity Flowing Liquid	XXXXXX	.596	
4	.75	550	1.55	.934	Critical Pressure	672	PSIA	
5	.74	558	1.58	.940	Critical Temperature	354	°F	
	3933.2	15470.1						
NO.	*BHP	P <sub>1</sub>	P <sub>2</sub>	P <sub>1</sub> <sup>2</sup> - P <sub>2</sub> <sup>2</sup>	(1) $\frac{P_1^2}{P_2^2 - P_1^2}$	1.905	(2) $\left[ \frac{P_1^2}{P_2^2 - P_1^2} \right]^2$	1.452
1	4960.2	3850.2	14824.0	646.1				
2	4655.2	3646.6	13297.4	2172.7				
3	4193.2	3258.9	10620.4	4849.7				
4	3893.2	3012.8	9077.2	6392.9				
5	3519.2	2710.6	7347.2	8122.9				
5075.2 S.I.P.		6,077		60°		.579		
Remarks: Produced 1 bbl. distillate during the test.								
* Pressures taken from a bottom-hole instrument set at 12045 ft.								
Approved by	Conducted by	Davis Services, Inc.		Rick Pagan				

WELL NO: : 70  
 UNIT : B/sec. 26/t.p. 21s/Rge. 28e  
 COUNTY : EDDY  
 STATE : NEW MEXICO  
 DATE : 12-14-81

467403

PC2 = PWZ (UUU'S)  
LOG(PWZ) X 10^4 / QCLIFS  
PULLEN ENERCO



Q = MCF/D  
 Q1 = 2200; Log of Q1 = 3.342423  
 Q2 = 580; Log of Q2 = 2.763428  
 $N = \frac{.579}{\theta}$   
 $\theta = 60^\circ$

**NEW MEXICO OIL CONSERVATION COMMISSION**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form O-11  
 Supersedes C-128  
 Effective 1-1-65

All distances must be from the outer boundaries of the Section

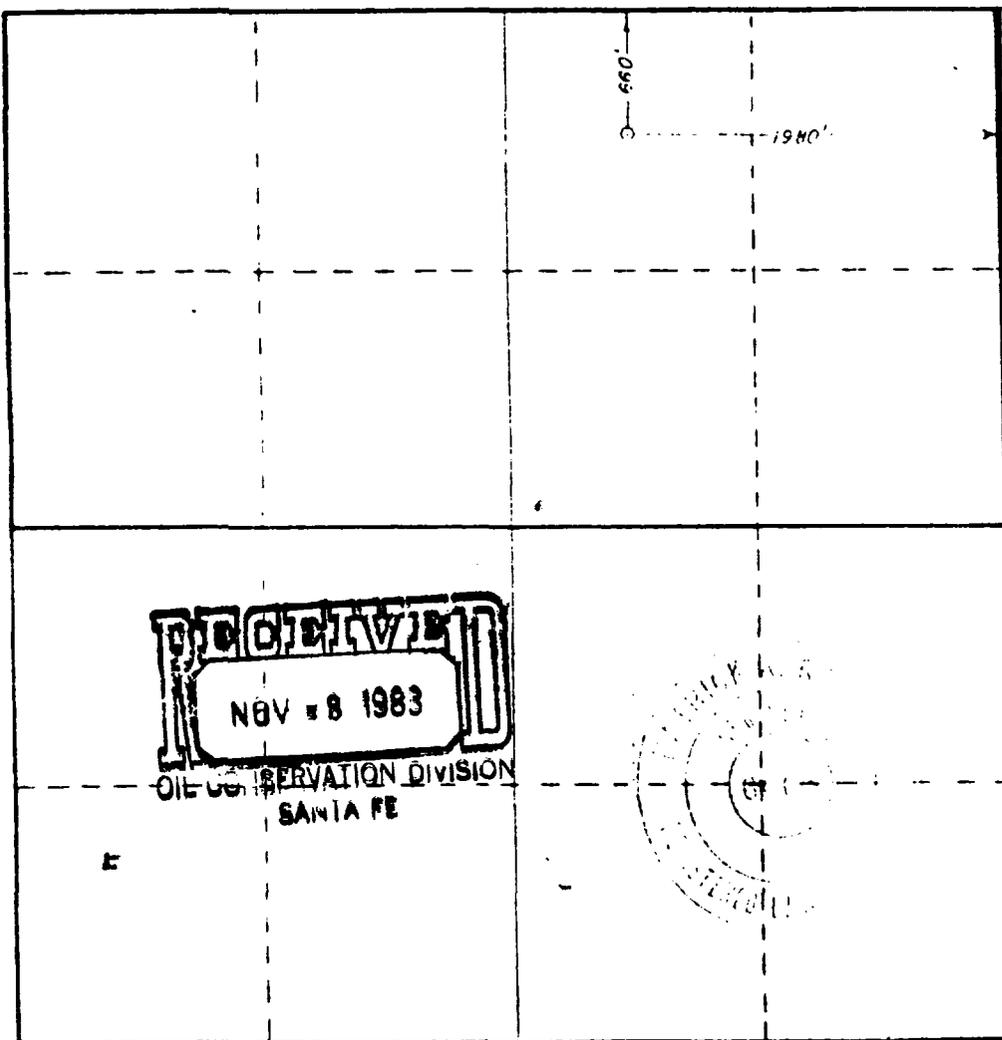
Operator <b>PERRY R. BASS</b>		Lease <b>BIG EDDY UNIT</b>			Well No. <b>70</b>
Unit Letter <b>B</b>	Section <b>26</b>	Township <b>21 SOUTH</b>	Range <b>28 EAST</b>	County <b>EDDY</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>1980</b> feet from the <b>EAST</b> line					
Ground Level Elev. <b>3218.6</b>	Producing Formation <b>MORROW</b>		Pool <b>INDIAN FLATS</b>		Dedicated Acreage: <b>320</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes     No    If answer is "yes," type of consolidation Unit

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

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

*Mike Waygood*  
 Mike Waygood

Name  
 Engineering Assistant

Position  
 Bass Enterprises Prod. Co.

Company  
 August 13, 1980

Date

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 knowledge and belief.

Date Surveyed  
**JULY 22, 1980**

Registered Professional Engineer and/or Land Surveyor

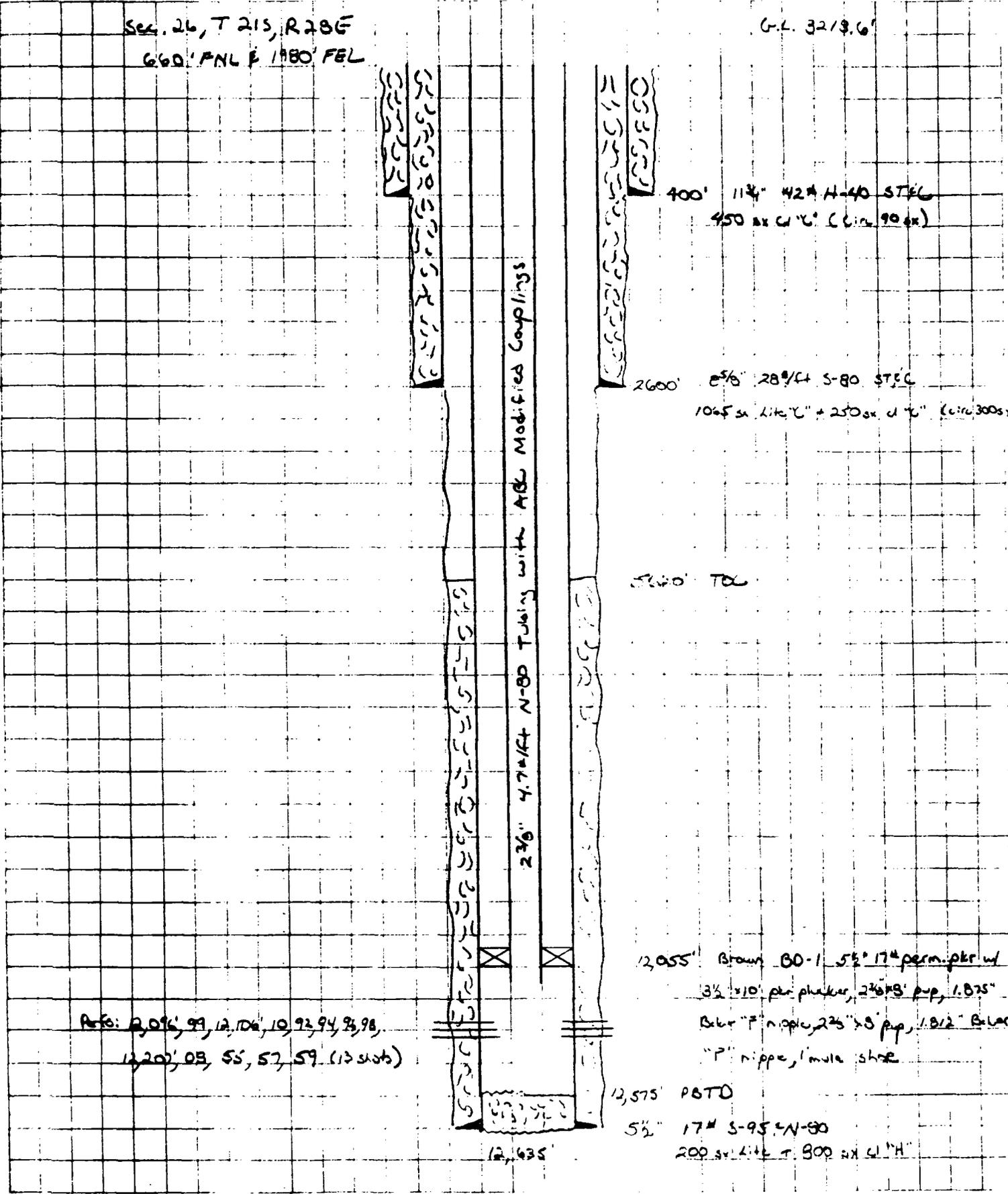
*Patrick A. Romero*

Certificate No. **JOHN W. WEST 878**  
**PATRICK A. ROMERO 858**  
**Ronald J. Eidson 37**





SUBJECT BEU #70	DATE 12/28/82	DEPARTMENT Prod	PREPARED BY HHM
--------------------	------------------	--------------------	--------------------



Sec. 26, T 21S, R 28E  
660' PNL & 1780' FEL

C.L. 3213.6'

400' 11 1/4" 42# N-40 STEEL  
450' 8" 42# N-40 STEEL (Circ. 90' ex)

2 3/8" 4.7# / ft N-80 Tubing with AGL Modified Couplings

2600' 8 5/8" 28 3/4# S-80 STEEL  
1005' 5" 28 3/4# S-80 STEEL + 250' 4" 28 3/4# S-80 STEEL (Circ. 300' ex)

5600' TO

12,055' Brown 60-1 5 1/2" 17# perm. pipe w/  
3 1/2" x 10' per packer, 2 1/2" x 8' pup, 1.875"  
Baker "P" nipple, 2 1/2" x 8' pup, 1.875" Baker  
"P" nipple, 1' metal shoe

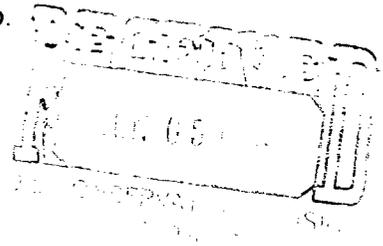
Refs: 12,096', 99, 12,104', 10,93,94, 95,98,  
12,200', 03, 55, 57, 59. (13 slots)

12,575' PBTD  
5 1/2" 17# S-95 N-80  
200' 5" 28 3/4# S-80 STEEL (Circ. 300' ex)

12,635'

BASS ENTERPRISES PRODUCTION CO.

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



May 31, 1984

#365

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

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

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

Re: Second Amendment to the  
1984 Plan of Development for the  
Big Eddy Unit  
Eddy County, New Mexico

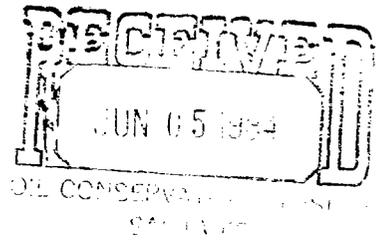
Gentlemen:

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 to add the following wells to the 1984 Plan of Development for the Big Eddy Unit:

Big Eddy Unit Well No. 102 - SE/4 SE/4 Section 7, T20S-R31E, to be drilled to an approximate depth of 5300' as a Delaware Formation Test.

Big Eddy Unit Well No. 103 - SE/4 SW/4 Section 10, T21S-R28E, to be drilled to an approximate depth of 9650' as a Bones Springs Formation Test.

Big Eddy Unit Well No. 104 - SW/4 NE/4 Section 10, T22S-R28E, to be drilled to an approximate depth of 5800' as a Delaware Formation Test.



Bureau of Land Management  
Commissioner of Public Lands  
New Mexico Oil Conservation Division  
May 31, 1984  
Page 2

If the proposed Amendment to the 1984 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 of this letter to Bass for record keeping purposes.

Very truly yours,

*Louis W. Wilpitz*  
LOUIS W. WILPITZ

LWW:ep  
Enclosure

AGREED TO AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 1984.

BUREAU OF LAND MANAGEMENT

By \_\_\_\_\_

AGREED TO AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 1984.

COMMISSIONER OF PUBLIC LANDS

By \_\_\_\_\_

AGREED TO AND ACCEPTED this 8<sup>th</sup> day of June, 1984.

NEW MEXICO OIL CONSERVATION DIVISION

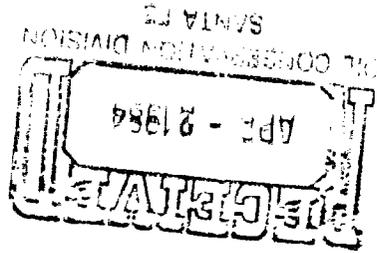
By *Ray E. Johnson*

BASS ENTERPRISES PRODUCTION CO.

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

March 29, 1984

# 365



NEW MEXICO OIL CONSERVATION DIVISION  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Joe Ramey

Re: Potash Agreement

Dear Joe:

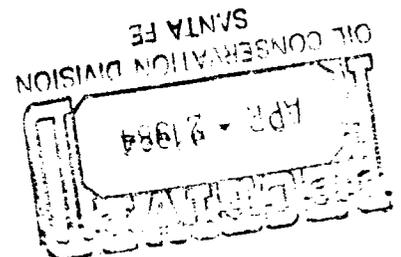
Pursuant to your request, we are enclosing two (2) copies of the Agreement dated February 27, 1984, between Mississippi Chemical Corporation and Bass. If you should need anything additional regarding this matter, please advise and we will surely accommodate you.

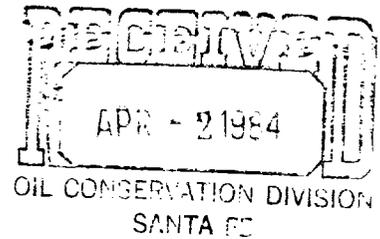
Cordially,

JENS HANSEN  
Division Landman

JH:ep  
Enclosures

Mr. Dan Nutter w/encl.





A G R E E M E N T

THIS AGREEMENT, made and entered into this 27th day of February, 1984, among Mississippi Chemical Corporation (hereinafter referred to as "MCC") and Perry R. Bass, Trustee, and Bass Enterprises Production Co., a division of Bass Brothers Enterprises, Inc. (hereinafter collectively referred to as "Bass").

W I T N E S S E T H:

WHEREAS, MCC is the holder of certain state and federal potassium leases covering potassium deposits underlying certain real property located in Eddy and Lea Counties, New Mexico; and

WHEREAS, Bass is the holder of interests in certain state and federal oil and gas leases covering hydrocarbons underlying certain real property located in Eddy and Lea Counties, New Mexico; and

WHEREAS, various disputes have arisen between the parties hereto concerning the rights of the parties under their respective leases, and concerning the rights of Bass, as a lessee and as operator of the Big Eddy Unit, to explore for and produce oil and gas in areas covered under this Agreement; and

WHEREAS, Bass and MCC mutually desire to resolve such disputes by entering into this Agreement on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the mutual promises set forth herein, the parties hereby agree as follows:

ARTICLE I - DEFINITIONS

Except where the context otherwise dictates another or different meaning or intent, the following words and terms as used herein shall be construed to have the meanings indicated:

1.1 "Bass Leases" shall mean all of the oil and gas leases embracing the "Contract Area" as herein defined, in which Bass, as of the date of this Agreement, has any interest, whether as

lessee, or other oil and gas interest holder, or as operator of the Big Eddy Unit, as hereinafter defined.

1.2 "Well(s)" shall mean an orifice in the ground made by drilling, boring or in any other manner, from which any oil or gas is obtained or is obtainable or which is being so made for the purpose of obtaining any oil or gas.

1.3 "Shallow Well(s)" shall mean a Well which is not drilled to a depth below the base of the Strawn Formation.

1.4 "Deep Well(s)" shall mean any Well drilled below the base of the Strawn Formation.

1.5 "Drilling Island(s)" shall mean duly approved drilling locations by appropriate governmental authorities from which multiple Wells can be drilled. Unless otherwise expressly herein provided, Drilling Islands shall be circular in form and shall have a radius of not more than 240'.

1.6 "Contract Area" shall mean the area identified and delineated in red markings on the map which is attached hereto as Exhibit A and made a part hereof.

1.7 "Big Eddy Unit" shall mean the areas within the Contract Area identified and described in that certain instrument filed for record in Book 59 at page 507 of the Oil and Gas records of Eddy County, New Mexico. The areas included in the Big Eddy Unit are further identified and delineated in green markings on the map attached hereto as Exhibit A.

1.8 The "Potash Area" is the area within the Contract Area currently designated by the U.S. Geological Survey on Exhibit A as "Measured Potash Reserves, Indicated Potash Reserves, Unevaluated Potash Areas, First Mined Areas and Second Mined Areas." The foregoing identification of the Potash Area shall not, for purposes of this Agreement, be subject to adjustment in accordance with future designations by the U.S. Geological Survey or any successor authority. The areas within the Contract Area but outside the Potash Area are identified and delineated in orange markings on the map attached hereto as Exhibit A.

1.9 "FNL" shall mean from north line.

1.10 "FSL" shall mean from south line.

1.11 "FEL" shall mean from east line.

1.12 "FWL" shall mean from west line.

1.13 "Regulation R-111-A" shall mean Regulation R-111-A as promulgated by the New Mexico Oil Conservation Commission as presently in effect.

ARTICLE II - ESTABLISHMENT OF DRILLING ISLAND

2.1 During the term of this Agreement, MCC agrees not to oppose applications filed by Bass with the appropriate governmental and regulatory authorities to establish within the Contract Area Drilling Islands having a center point at the locations set forth below.

Drilling Island center point locations for Shallow Wells are as follows:

- (1) 2280' FNL and 1980' FWL Section 27, T20S-R31E;
- (2) 1980' FSL and 1680' FWL Section 27, T20S-R31E;
- (3) 400' FEL and 330' FSL Section 7, T20S-R31E;
- (4) 660' FWL and 900' FSL Section 8, T20S-R31E;
- (5) 330' FEL and 2970' FNL Section 26, T20S-R31E;
- (6) 660' FNL and 660' FEL Section 18, T20S-R31E;
- (7) 1980' FEL and 990' FNL Section 27, T20S-R31E.

Drilling Island center point locations for Deep Wells are as follows:

- (8) 1500' FWL and 1500' FNL Section 19, T20S-R31E;
- (9) 660' FSL and 660' FEL Section 35, T20S-R31E;
- (10) 3000' FWL and 2000' FSL Section 30, T20S-R31E;
- (11) 2000' FEL and 2000' FNL Section 21, T20S-R31E;
- (12) West 4620' of Section 3, T21S-R29E;
- (13) 660' FNL and 660' FWL Section 11, T21S-R29E;
- (14) 1320' FNL and 660' FEL Section 24, T21S-R29E;
- (15) 2000' FWL and 1000' FSL Section 16, T21S-R30E;
- (16) 660' FEL and 1800' FNL Section 9, T21S-R30E;
- (17) East 3780' of Section 2, T21S-R30E;
- (18) 1600' FWL and 250' FNL Section 5, T21S-R30E.

The above-specified Drilling Islands, with exceptions of Nos. 12 and 17, will be in the form of a circle the center of which will be the locations described above. The radius of Drilling Islands will not exceed 240'. Drilling Island No. 12 will consist of Section 3, save and except the most easterly 660', to the effect that a Well may not be drilled closer than 660' FEL of said Section 3. Drilling Island No. 17 will consist of the east 3780' of Section 2.

2.2 Bass shall promptly advise MCC in writing of any intention it has to drill any Well in the Contract Area and shall provide MCC with notice and copies of any applications to state or federal authorities concerning proposed oil and gas operations in the Contract Area. MCC will, upon the written request of Bass, provide Bass with a letter to be submitted with the Application to Drill, advising the appropriate authorities that it does not object to the establishment of Drilling Islands at the locations specified in Article 2.1 above.

2.3 In consideration of MCC's agreement and undertaking not to oppose the establishment of Drilling Islands at the locations specified and set forth in Article 2.1 above, Bass hereby agrees, subject to the provisions of 2.4 below, that during the term of this Agreement it will not apply for authority to drill nor will it drill any Well at any location within the Contract Area other than locations lying within the boundaries of the Drilling Islands identified in Article 2.1. Bass agrees that it will not assign or otherwise transfer to any third party any interest (including any farm-out areas) it may have in the Bass Leases unless it shall first obtain the written agreement of such third party to be bound by the terms and conditions of this Agreement. With respect to areas which lie within both the Contract Area and the Big Eddy Unit, Bass hereby represents that it is the authorized operator under the Big Eddy Unit and Unit Operating Agreement, and Bass further represents, warrants and guarantees that it will, at its sole expense, as unit operator to the full limits of its authority, oppose, resist and make all attempts to prevent

the drilling of any well(s) not lying within the boundaries of Drilling Islands identified in Article 2.1. In this regard, Bass will seek the assistance of the Department of Interior, if necessary, to prevent such drilling operations from occurring.

2.4 Bass shall be entitled to seek necessary governmental and regulatory approval to conduct oil and gas operations at locations within the Contract Area, but outside the bounds of the Potash Area (excluding areas outside the Potash Area as indicated in solid brown markings on Exhibit A hereto); provided, however, that Bass shall not drill any Well any closer to "Commercial Potassium Deposits" than a distance equal to the depth of the base of such deposits, plus ten percent (10%) of such depth. Commercial Potassium Deposits shall be areas reasonably demonstrated by MCC to contain deposits of potash of a thickness of at least 4' and a concentration of at least ten percent (10%) potassium oxide ( $K_2O$ ). If Bass determines that its interests are served by drilling a Well at a location inside the Contract Area, but outside the bounds of the Potash Area, and subject to the further restrictions of this Article 2.4, it shall notify MCC of its decision to conduct such drilling and shall enter into good-faith negotiations concerning the locations of such Wells.

2.5 All proposed drilling activity by Bass outside the Contract Area but within 1500' of the boundaries of the Contract Area shall be subject to MCC's prior review and approval, which shall not be unreasonably withheld. Approval shall be deemed reasonably withheld if such proposed drilling operations will occur closer to "Commercial Potassium Deposits," as defined in 2.4 hereof, than a distance equal to the depth of the base of such deposits, plus ten percent (10%) of such depth or if, in MCC's sole reasonable judgment, such proposed activities will otherwise adversely impact MCC's properties or its proposed operations. The restrictions of this Article 2.5 shall not apply to areas outside the Contract Area and within 1500' of the boundaries of the Contract Area lying in Section 4, T20S, R31E; Section 5, T20S, R31E; Section 9, T20S, R31E; Section 16, T20S,

R31E; Section 22 (except the SW $\frac{1}{4}$  of the SW $\frac{1}{4}$  of said Section), T20S, R31E; Section 23, T20S, R31E; Section 24, T20S, R31E; Section 25 (except the SW $\frac{1}{4}$  of the SW $\frac{1}{4}$  of said Section), T20S, R31E; and Section 26, T20S, R31E.

ARTICLE III - WELL CASING AND ABANDONMENT REQUIREMENTS

3.1 Well Requirements. All oil and/or gas drilling operations from duly approved Drilling Islands shall be conducted by Bass in accordance with the following:

(a) Each Deep Well shall be drilled substantially vertical until it has completely penetrated the Salado interval after which it may be deviated to the effect that the Well bore will have completely penetrated the salt interval when the Well bore exceeds the boundary of any Drilling Island. A sufficient number of deviation surveys shall be conducted to assure substantially vertical penetration through the Salado interval.

(b) A sufficient number of directional surveys shall be conducted to prove the hole location throughout the salt interval and such surveys shall be provided to MCC.

(c) A test or observation well will be drilled between any Well and open-mine workings if such Well (i) is drilled below the Strawn Formation; (ii) is completed as a gas well; and (iii) is located within one-half mile of open-mine workings existing at the time of Well completion. The test and observation well(s) will be drilled into the top of salt and cased and cemented to surface. The test and observation well will then be drilled through the bottom potash ore zone, cored through the potash ore horizons, and left open as an observation well. The locations of test and observation wells shall be at locations determined by MCC within 100' of the Well closest to open-mine workings in each Drilling Island. MCC will drill such test and observation wells on a competitive bid basis, with Bass to pay actual drilling costs. Bass shall not be responsible for monitoring the observation well nor shall Bass be responsible for the cost of more than one test or observation well per Drilling Island.

3.2 Casing Requirements. All casing with respect to each Well shall be in accordance with applicable rules and regulations of authorities having jurisdiction thereof. Casing and cementing of a Well shall be in accordance with Regulation R-111-A. In addition to the foregoing, Bass hereby undertakes to perform the following additional tasks with respect to the casing of all Wells drilled within the Contract Area.

(a) Bass will set a stage cementing tool in the production casing string of Deep Wells at a point below the depth of the intermediate casing and cement the production-intermediate casing annulus up to a depth near the setting depth of the salt protection string.

(b) Bass agrees to run tests or surveys on all strings of casing to determine the height of cement in the annulus and to report the results of such tests to MCC.

(c) Bass agrees to utilize drill pipe protection rubbers on every other joint of drill pipe.

(d) Bass will evaluate the intermediate casing string to determine whether or not it has sufficient strength to withstand surface pressures exerted by Morrow formation pressures under gas column conditions.

(e) Bass agrees to use an epoxy seal at or near the shoe of the salt protection casing string.

(f) The parties agree that for purposes of this Agreement Article IV, DRILLING AND CASING PROGRAM, paragraph (2) (a), of Regulation R-111-A shall be amended by deleting therefrom the words "'Red Bed' section of the."

(g) The parties agree that for purposes of this Agreement Article IV, DRILLING AND CASING PROGRAM, paragraph (4) (a), of Regulation R-111-A shall be amended to read in its entirety as follows:

"In the drilling of oil and gas exploratory test wells to the deep zone, the operator shall run an intermediate string of pipe."

3.3 Abandonment Procedures. All abandonment and plugging procedures shall be conducted in accordance with Regulation R-111-A.

3.4 Right of Inspection. MCC or MCC's representatives shall have the right to inspect the progress of the drilling, casing and abandonment of any Well at all reasonable times during the performance of such work. Bass agrees to provide MCC or its designated representative at least 48 hours' prior notice of all crucial operations, including but not limited to the following:

- (a) The staking of each Well location.
- (b) The spudding of any Well.
- (c) The running, cementing, and testing of all casing strings. Such test results shall be provided to MCC.
- (d) The running of all directional surveys to prove hole location with respect to any Well. Copies of such surveys shall be provided to MCC.
- (e) The running of bond log and temperature surveys or such other tests utilized to prove the location of cement behind the pipe.
- (f) Conduct of log runs through the base of the salt interval. Copies shall be provided to MCC.
- (g) Completion and testing operations, including logging, perforation, stimulation and acidizing.
- (h) The conduct of any electronic inspections of casings. Copies of all such reports shall be provided to MCC. The submission of daily drilling

reports shall suffice as notice of the conduct of electronic inspections of casings.

3.5 No inspection by MCC, or any failure to inspect, shall relieve Bass of any responsibility with respect to any Well.

3.6 Bass's obligations hereunder shall include the obligation to conduct all aspects of its operations in good faith in accordance with prudent oil and gas practices as utilized in the Permian Basin so as to provide optimum levels of safety and Well integrity.

3.7 Bass further agrees, with respect to each and every Well drilled in the Contract Area, to promptly notify MCC of any detectable abnormality or hazard encountered in down-hole conditions which Bass reasonably deems as a potential danger to other operations in the area, including but not limited to lost circulation, stuck drill pipe, and suspension of normal drilling due to high pressures.

#### ARTICLE IV

4.1 MCC and Bass believe that no authority for approval of this Agreement is required from any governmental entity or any agency thereof and no authority or approval will be sought. The parties further believe that this Agreement is consistent with current laws, regulations and policies regarding mineral development within the Contract Area and the Potash Area. In the event that any governmental authority or other third party attempts to prevent the parties hereto from fully performing their obligations hereunder, then the parties hereto will oppose such action

by all legal means available to either or both of them. If such opposition involves or requires the retention of outside counsel or the acquisition of other outside services, the costs thereof shall be borne by the party whose interests are adversely affected by such third-party attempt to prevent the operation of this Agreement.

4.2 The parties hereto do hereby express their intention to be fully bound by the terms of this Agreement notwithstanding any change in current law, regulations or policy concerning mineral development in the areas affected by this Agreement.

4.3 If any clause, sentence, or other provision of the terms, conditions, covenants, and restrictions of this Agreement become illegal, null, or void for any reason, or be held by any governmental agency or any court of competent jurisdiction to be so, the remaining portions will remain in full force and effect.

#### ARTICLE V - TERM

5.1 This Agreement shall be effective as of the date hereof and shall remain in full force and effect for a term of fifteen (15) years. The parties hereby agree that upon the expiration of eight (8) years from the date of this Agreement, they will enter into good-faith negotiations to determine what, if any, additional Drilling Islands can be established within the Contract Area.

ARTICLE VI - COVENANTS TO RUN WITH LAND

6.1 The covenants and agreements herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this Agreement terminates, and any grant, transfer, or conveyance of any land or leases or interest in same subject hereto shall be and hereby is conditioned upon the assumption of all rights and obligations hereunder by the grantee, transferee or other successor in interest.

ARTICLE VII - REMEDIES

7.1 All parties to this Agreement have the right to protect and enforce its rights either by suit in equity and/or by action at law, or by other appropriate proceedings. In the event litigation is resorted to by one of the parties, the successful litigant shall be entitled to receive a reasonable attorney fee from the unsuccessful litigant as determined by the court or agency assuming jurisdiction.

ARTICLE VIII - CONFIDENTIALITY

8.1 The parties each agree that each such party shall use its best lawful efforts to hold in strict confidence all data and information obtained from any party to this Agreement or otherwise, except to the extent such data is required to be revealed by law.

ARTICLE IX - GOVERNING LAW

9.1 This Agreement shall be interpreted in accordance with the laws of the State of New Mexico.

ARTICLE X - NOTICES

10.1 Notices required under Article III hereof shall be by telephone communication, confirmed in writing, to MCC or its designated representative. All other notices and communications hereunder shall be in writing and may be given by telegram, telex or TWX; postage prepaid by certified mail, return receipt requested; or by personal delivery. All notices shall be effective upon mailing to the following addresses, or, if given by telegram, telex or TWX, when dispatched to the following addresses, provided that such telegram, telex or TWX shall be confirmed in writing and mailed on the day of such dispatch:

Mississippi Chemical Corporation  
Attention: Corporate Secretary  
Post Office Box 388  
Yazoo City, Mississippi 39194

Bass Enterprises Production Co.  
Attention: Jens Hansen  
First City Bank Tower  
201 Main  
Fort Worth, Texas 76102

ARTICLE XI - MISCELLANEOUS

11.1 No waiver by either party hereto of any default of the other party under this Agreement shall operate as a waiver of any subsequent default, whether of alike or different character.

ARTICLE XII - HEADINGS

12.1 The headings contained in this Agreement are solely for convenience and do not constitute a part of the Agreement between the parties hereto and should not be used to aid in any manner in construing this Agreement. This Agreement, together with any other legal instruments executed contemporaneously herewith, constitute the entire agreement between the parties hereto, superseding and nullifying all prior representations and understandings, whether oral or written, signed between the parties on the subject matter hereof.

IN WITNESS WHEREOF, this Agreement is executed as of the date first above written.

ATTEST:

MISSISSIPPI CHEMICAL CORPORATION

By: *Sue Tatum*  
Sue Tatum, Secretary  
(SEAL)

By: *Tom C. Parry*  
Tom C. Parry, President

WITNESS:

PERRY R. BASS, TRUSTEE

By: *Janet R. Hibler*  
Signature  
Janet R. Hibler  
Typed Name

*Perry R. Bass*

Title: \_\_\_\_\_



ATTEST:

BASS ENTERPRISES PRODUCTION CO.,  
A Division of Bass Brothers  
Enterprises, Inc.

By: *James M. Deacon, Jr.*  
Signature  
James M. Deacon, Jr.  
Typed Name

By: *Wm. Arthur Hamilton*  
Signature  
Wm. Arthur Hamilton  
Typed Name

Title: Assistant Secretary

Title: Vice President

STATE OF MISSISSIPPI  
COUNTY OF YAZOO

I, the undersigned notary public in and for said County and State, hereby certify that Tom C. Parry and Sue Tatum, whose names as President and Secretary, respectively, of Mississippi Chemical Corporation, a corporation, are signed to the foregoing Agreement and who are known to me, acknowledge before me on this day that, being informed of the contents of said Agreement, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation on the date and year therein set forth.

Given under my hand this the 27<sup>th</sup> day of February, 1984.

  
Notary Public

My Commission Expires:

My Commission Expires January 15, 1987

---

STATE OF TEXAS

COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared PERRY R. BASS, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL of office, this the 5<sup>th</sup> day of March, 1984.

Emily J. Price  
Notary Public in and for Tarrant County, Texas

My commission expires:

10-5-85

\*\*\*\*\*

STATE OF TEXAS

COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Wm. Arthur Hamilton, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said BASS ENTERPRISES PRODUCTION CO., a division of Bass Brothers Enterprises, Inc., a Texas corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 5<sup>th</sup> day of March, 1984.

Emily J. Price  
Notary Public in and for Tarrant County, Texas

My commission expires:

10-5-85