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DA
CASE FILE 12684

OCT 16 2001

October 15, 2001

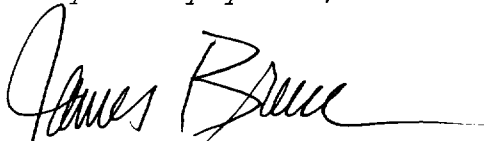
David Catanach
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Cases 12684 and 12685 (Beach Exploration Inc.)

Dear Mr. Catanach:

The BLM changed the tract numbers for the West High Lonesome Unit. Enclosed is a revised Exhibit C to the Unit Agreement, together with the original exhibit. The changes will be included in the documents submitted for final approval to the BLM and Land Office.

Very truly yours,



James Bruce

Attorney for Beach Exploration, Inc.

EXHIBIT "C"

TRACT PARTICIPATION
WEST HIGH LONESOME PENROSE SAND UNIT
Eddy County, New Mexico

UNITIZATION PARAMETER: Ultimate Primary Recovery

<u>TRACT</u>	<u>LEASE NAME</u>	<u>OPERATOR</u>	<u>ULTIMATE RECOVERY (BO)</u>	<u>TRACT PARTICIPATION (%)</u>
5	Exxon Federal "A"	Beach Expl.	34,082	6.132558%
5A	Exxon Federal	Beach Expl.	186,313	33.524305%
1	Renee Federal	Beach Expl.	99,220	17.853191%
8	Big Mac Federal	Beach Expl.	13,004	2.339880%
3	Shiloh Federal #3	Beach Expl.	32,441	5.837284%
3A	Shiloh Federal #4	Beach Expl.	11,033	1.985227%
1A	Iles Federal	Beach Expl.	121,868	21.928368%
2	Federal 19	Beach Expl.	17,924	3.225162%
7	Coastal Federal	Beach Expl.	3,821	0.687533%
4	Ryan Federal	Beach Expl.	9,846	1.771644%
6	M&W Federal	Beach Expl.	25,322	4.556324%
9	Rosewood State	Beach Expl.	881	0.158523%
TOTAL			555,755	100.00000%

* includes 13,880 barrels of reserves for undrilled interior location on west half of the Federal 19 lease.
(Ultimate primary for the eight surrounding wells = 83,809 / 8 wells = 10,476 BO)

EXHIBIT "C"

TRACT PARTICIPATION WEST HIGH LONESOME PENROSE SAND UNIT Eddy County, New Mexico

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