

365

BEPCO, L.P.
201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8408

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July 18, 2007

FEDERAL EXPRESS

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attn: Ms. Alexis Swoboda

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones

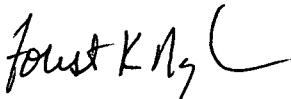
Re: Commercial Determination
Big Eddy Unit #66
Atoka Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a **non-commercial** well in the Atoka Formation. Please indicate your concurrence to the above Non-Commercial Determination.

Thank you very much and should you have any questions or comments in regard to the attached non-commercial determination, please don't hesitate to contact the undersigned.

Sincerely,


Forest K. Naylor

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL _____ BIG EDDY UNIT #66 _____ FORMATION _____ ATOKA _____

LOCATION _____ UNIT, _____ 2130' FEET FROM WEST LINE & _____ 1980 FEET FROM SOUTH LINE

SECTION _____ 25 _____ TOWNSHIP _____ 21S _____ RANGE _____ 28E _____ COUNTY _____ EDDY _____ NEW MEXICO

SPUD DATE _____ 10/18/1978 _____ COMPLETION DATE _____ 04/06/1979 _____ INITIAL PRODUCTION _____ 04/07/1979 _____

PERFORATIONS _____ 11,480-44,490' (4/1995) _____

_____ 11650-11658', 11661-11666' (Behind CIBP) _____ 100 GALS 10% ACETIC SPOT ACID _____

STIMULATION:

ACID _____ 500 gal 10% acetic acid _____

FRACTURE _____

POTENTIAL _____ (2/27/1988): 0 BOPD, 1196 MCFPD, & 0 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	320	
Porosity (por), %	7%	
Water saturation (Sw), %	23%	
Net Thickness (h), ft.	13	
Temperature (T), Fahrenheit	210	
Bottom Hole pressure (P), psia	5,009	
Recovery factor (RF), %	45%	
Recoverable gas, BCF *(See eq. below)	1.0	

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (h) (por) (1-Sw)(RF)/Bg_i$

Bgi = 0.61 RB/MCF

Continued

PERFORMANCE DATA

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

CUMULATIVE PRODUCTION TO CURRENT 379,194 MCF Gas 1,260 BBL Oil

INITIAL RATE (qi) 1,196

ECONOMIC LIMIT (ql) 3

HYPERBOLIC DECLINE RATE, dy Well SI

REMAINING GAS (Q) = 0

ULTIMATE RECOVERABLE GAS (mcf) 379,194

(Attach plot showing proration unit and participating area.)

ECONOMICGROSS WELL COST \$ \$3,200,000 (to the depth of formation completed)

COMPLETION COST \$ _____

GROSS TOTAL COST \$ \$3,200,000

YEAR	GROSS GAS MMCF	BFIT NET REVENUE (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	15.7	63.7	21.8	-3,158.5
2	134.2	544.4	63.7	407.6
3	37.7	153.0	30.8	101.8
4	10.7	43.2	21.6	14.9
5	13.5	54.6	22.6	21.4
6	12.5	50.7	22.3	17.7
7	7.7	31.2	20.6	6.2
8	106.1	430.4	54.1	193.2
9	35.5	143.8	17.7	62.9
10				
REMAINDER	0	0.0	0.0	0.0
TOTAL	374	1,515.0	275.2	-2,332.7

WELL IS NOT COMMERCIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. OIL CONS. COMMISSION *dst*
P.O. BOX 1980
HOBBS, NEW MEXICO 88240

Eddy FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

LC-067144

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

NM-061P3587C440

8. Well Name and No.

Big Eddy #66

9. API Well No.

30-015-22682

10. Field and Pool, or Exploratory Area

Indian Flats

11. County or Parish, State

Eddy, N.M.

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Bass Enterprises Production Co.

3. Address and Telephone No.

P O Box 2760 Midland, Tx 79702-2760 (915)683-2277

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2130' FWL & 1980' FSL of unit letter K
Section 25, T21S, R28E

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Perforate up hole
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Rig up pump truck & kill well w/35 bbls 10# BW. PU 5 1/2" CIBP. RIH & set @ 11,540'.
Dump bail 35' cement to seal off old perf @ 11,650'-11,666'. PBTd est 11,505'.
RIH & perforated @ 11,480-11,490', 4 JSFP, total 41 holes @ 180° phasing.
Acidized w/500 gal 10% acetic w/additives. Swabbed to clean up. Return to production. Clean around location.

RECEIVED

JUN 10 1993

OIL CON. DIV.
DIST. 2

AE

14. I hereby certify that the foregoing is true and correct

Signed Keith E. Bucy Title Div. Production Supt. Date 5-10-95

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*

(See other in-
structions on
reverse side)Form approved.
Budget Bureau No. 42-R365.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other _____		5. LEASE DESIGNATION AND SERIAL NO. LC 067144	
1b. TYPE OF COMPLETION: NEW WELL ☐ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☒ DIFF. REVRIL ☒ Other _____		6. IF INDIAN, ALLOTTED OR TRIBE NAME ---	
2. NAME OF OPERATOR BASS ENTERPRISES PRODUCTION CO.		7. UNIT AGREEMENT NAME ---	
3. ADDRESS OF OPERATOR P.O. BOX 2760 MIDLAND, TX. 79702-2760		8. FARM OR LEASE NAME BIG EDDY	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 2130' FWL & 1980' FSL UNIT LETTER K At top prod. interval reported below At total depth SAME AS ABOVE		9. WELL NO. 66	
14. PERMIT NO. API-30-015-22682		12. COUNTY OR PARISH EDDY	
DATE ISSUED MAR 1 1988		13. STATE NEW MEXICO	
15. DATE SPUNDED 10-18-78	16. DATE T.D. REACHED 12-18-78	17. DATE COMPL. (Ready to prod.) RE COMP. 2-27-88	18. ELEVATIONS (OF, RKB, RT, GR, ETC.)* 3217' GL 3235' KB
19. ELEV. CASINGHEAD ---	20. TOTAL DEPTH, MD & TVD 12,700'		
21. PLUG, BACK T.D., MD & TVD 11,960'		22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY ---
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 11,650 - 11,666' ATOKA (60 HOLES)			25. WAS DIRECTIONAL SURVEY MADE NO
26. TYPE ELECTRIC AND OTHER LOGS RUN NONE THIS COMPLETION			27. WAS WELL CORED NO
28. CASING RECORD (Report all strings set in well)			
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE
11 3/4'	42#	330'	15#
8 5/8'	24# & 28#	2778'	11#
5 1/2'	17#	12,688'	7 7/8"
CEMENTING RECORD			
490 SK CLASS "C"			
1150 SK IN TWO STAGES			
1100 SK LITE & CLASS "H"			
AMOUNT PULLED NONE NONE NONE			
29. LINER RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*
NONE			
30. TUBING RECORD			
SIZE	DEPTH SET (MD)	PACKER SET (MD)	
2 3/8"	11,550'	11,550'	
31. PERFORATION RECORD (Interval, size and number)			
11,650 - 11,658' (36 HOLES)			
11,661 - 11,666' (24 HOLES)			
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED	
11,650-11,666'		100 gals 10% acetic spot ac	
33.* PRODUCTION			
DATE FIRST PRODUCTION 2-27-88		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing	
WELL STATUS (Producing or shut-in) Shut-in			
DATE OF TEST 2-27-88	HOURS TESTED 12-1/2	CHOKE SIZE Various	PROD'N. FOR TEST PERIOD ---
FLOW, TUBING PRESS. 4878	CASING PRESSURE 0	CALCULATED 24-HOUR RATE ---	OIL—BBL. 0
GAS—MCF. 1196		WATER—BBL. 0	
OIL GRAVITY-API (CORR.) N/A		GAS—MCF. CAOF 2304 (6740)	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold			
TEST WITNESSED BY C.K. Jenkins			
35. LIST OF ATTACHMENTS None			
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records			
SIGNED <i>P.C. Hartshorn</i>		TITLE Sr. Prod. Clerk	
DATE 2-29-88			

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on Items 22 and 24, and 83, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see Item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. **Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in Item 22, and in Item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in Item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for Items 22 and 24 above.)

7. SUMMARY OF POROUS ZONES:

SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF: CORDED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH, INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

POS- ITION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	38. GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH
			NONE THIS COMPLETION	T/SALT	450'	450'
				B/SALT	2415'	2415'
				DELAWARE	2794'	2794'
				RAMSEY	2812'	2812'
				BONE SPRING	6362'	6362'
				WOLFCAMP	9740'	9740'
				STRAWN	11,015'	11,015'
				ATOKA	11,377'	11,377'

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

FEB 26 '88

All distances must be from the outer boundaries of the Section.

Operator Bass Enterprises Production Co.			Lease Big Eddy		C. D. C. D.	Well No. 66
Section K	Section 25	Township 21 South	Range 28 East	County Eddy		

Actual Enclosure Location of Well:

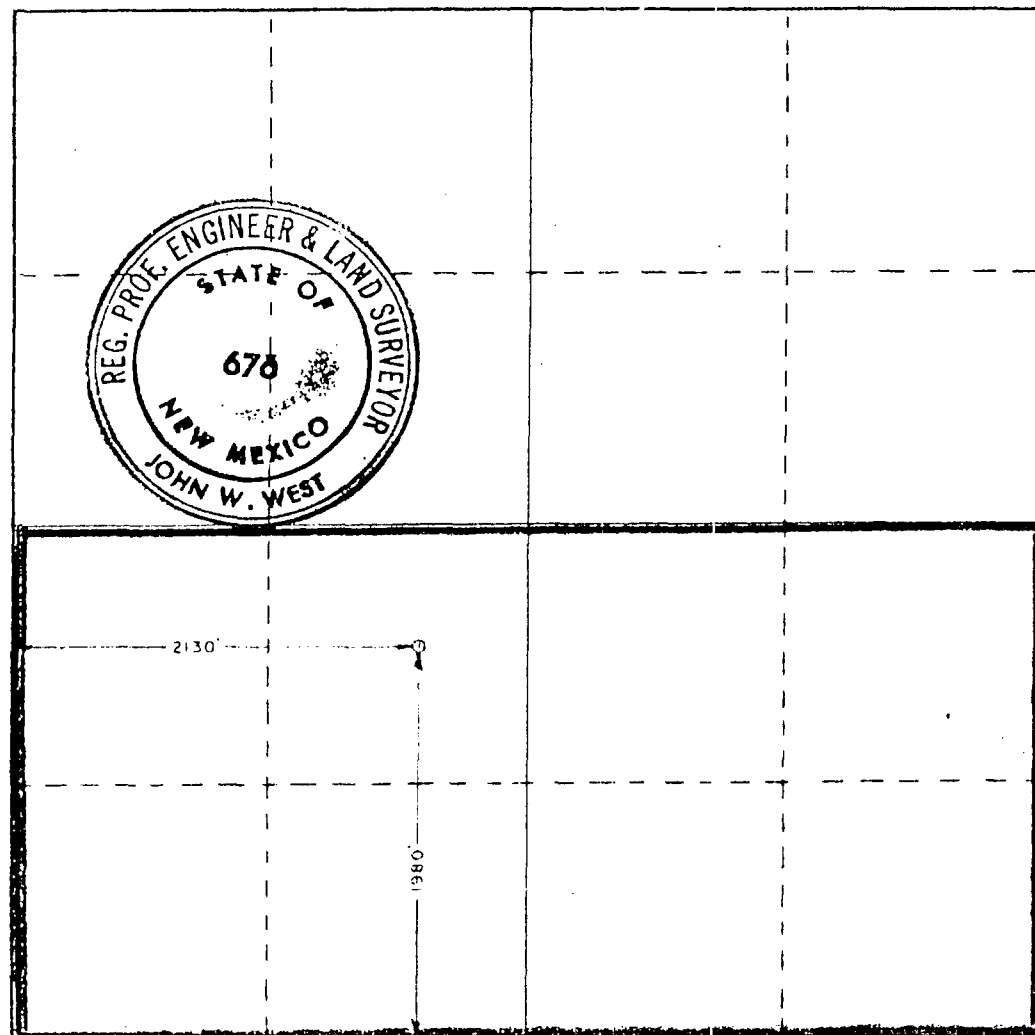
1980	feet from the	South	line and	2130	feet from the	West	line
Ground Level Elev. 3214.7	Producing Formation Atoka		Pool Indian Flats - Atoka		Dedicated Acreage: 320		

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 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.

Troy L. Bevers
Name

Troy L. Bevers
Position

Engineer Assistant
Company

Bass Enterprises Prod Co.
Date

February 25, 1988

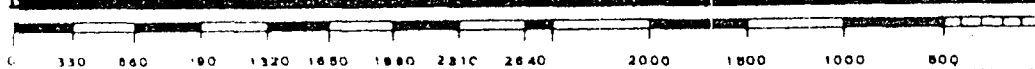
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
August 19, 1978

Registered Professional Engineer
and/or Land Surveyor

John W. West
Certificate No. John W. West 676

Ronald J. Eidson 3239



ECONOMIC PROJECTION

Date : 7/13/2007

Lior: 1189003

7:06:43AM

Project Name : PROPZONE2
Partner : 99999
Case Type : LEASE CASE
Archive Set : CURRENT

As Of Date : 01/01/1988
Discount Rate (%) : 9.00
1189003/BIG EDDY/ATO

Lease Name : 1189003/BIG EDDY/ATO
Reserv Cat. : Proved Shut-In
Field : INDIAN FLATS ATOKA
Operator : BEPCO
Reservoir : ATOKA
Co., State : EDDY, NM

Cum Oil (mbbls) : 0.00
Cum Gas (mmcf) : 0.00

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMCF)	Dry Gas (MMCF)	NGL (MGal)	Oil (Mbbbl)	Gas (MMCF)	NGL (MGal)
1988	0.060	15.703	15.703	0.000	0.051	13.269	0.000
1989	0.191	134.232	134.232	0.000	0.161	113.426	0.000
1990	0.032	37.723	37.723	0.000	0.027	31.876	0.000
1991	0.010	10.654	10.654	0.000	0.008	9.003	0.000
1992	0.007	13.454	13.454	0.000	0.006	11.369	0.000
1993	0.000	12.496	12.496	0.000	0.000	10.559	0.000
1994	0.005	7.697	7.697	0.000	0.004	6.504	0.000
1995	0.816	106.108	106.108	0.000	0.690	89.661	0.000
1996	0.104	35.430	35.430	0.000	0.088	29.938	0.000

Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	1.225	373.497	373.497	0.000	1.035	315.605	0.000
Ult.	1.225	373.497					

Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
1988	0.00	4.80	0.00	0.000	63.691	0.000	63.691
1989	0.00	4.80	0.00	0.000	544.445	0.000	544.445
1990	0.00	4.80	0.00	0.000	153.004	0.000	153.004
1991	0.00	4.80	0.00	0.000	43.213	0.000	43.213
1992	0.00	4.80	0.00	0.000	54.569	0.000	54.569
1993	0.00	4.80	0.00	0.000	50.684	0.000	50.684
1994	0.00	4.80	0.00	0.000	31.219	0.000	31.219
1995	0.00	4.80	0.00	0.000	430.374	0.000	430.374
1996	0.00	4.80	0.00	0.000	143.704	0.000	143.704
Rem	0.00	0.00	0.00	0.000	0.000	0.000	0.000
Total	0.00	4.80	0.00	0.000	1,514.904	0.000	1,514.904

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 9.00 % (M\$)	Cum. Disc. CF 9.00 % (M\$)
1988	5.216	0.127	3,200.000	16.500	-3,158.152	-3,158.152	-3,158.495	-3,158.495
1989	44.590	1.089	0.000	18.000	480.766	-2,677.386	407.645	-2,750.850
1990	12.531	0.306	0.000	18.000	122.167	-2,555.219	101.832	-2,649.018
1991	3.539	0.086	0.000	18.000	21.587	-2,533.632	14.932	-2,634.086
1992	4.469	0.109	0.000	18.000	31.991	-2,501.641	21.358	-2,612.728
1993	4.151	0.101	0.000	18.000	28.431	-2,473.209	17.677	-2,595.051
1994	2.557	0.062	0.000	18.000	10.600	-2,462.610	6.201	-2,588.850
1995	35.248	0.861	0.000	18.000	376.266	-2,086.344	193.186	-2,395.664
1996	11.769	0.287	0.000	5.612	126.035	-1,960.309	62.919	-2,332.745
Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	124.071	3.030	3,200.000	148.112	-1,960.309	-1,960.309	-2,332.745	-2,332.745

Major Phase : Gas
Perfs : 0
Initial Rate : 0.12 mmcf/month
Abandonment : 0.12 mmcf/month
Initial Decline : 66.27 % year b = 0.000
Beg Ratio : 0.00 bbl/mmcf
End Ratio : 0.00

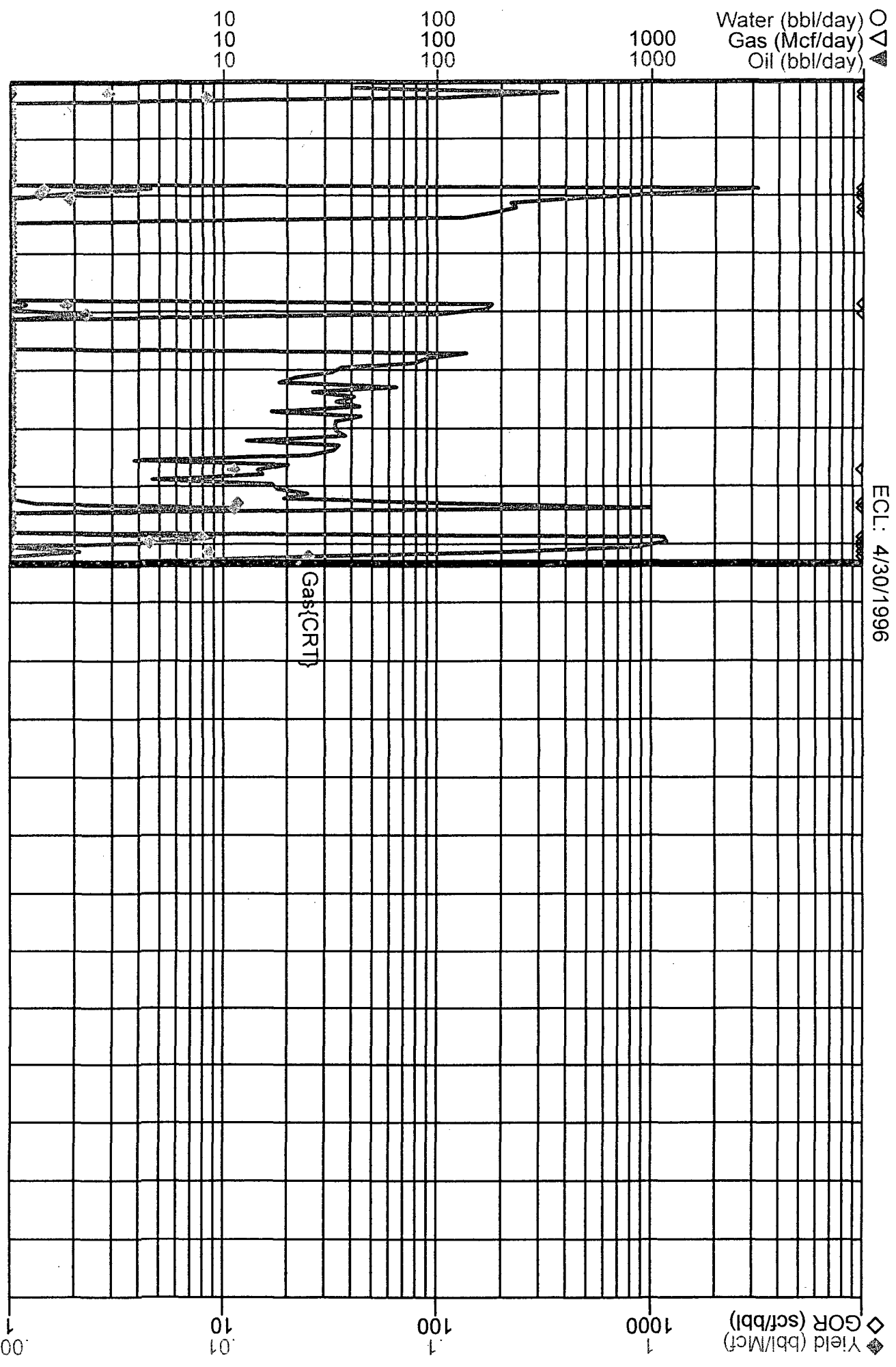
Working Int : 1.00000000
Revenue Int : 0.84500000
Disc. Initial Invest. (m\$) : 3,200.000
Internal ROR (%) : >1000.0
ROI Investment (disc/undisc) : 0.27 / 0.39
Years to Payout : 0.00
Abandonment Date : 04/24/1996

Present Worth Profile (M\$)

5.00% :	-2,194.71
8.00% :	-2,301.49
10.00% :	-2,362.11
12.00% :	-2,415.75
15.00% :	-2,485.31
20.00% :	-2,578.53
30.00% :	-2,708.38
40.00% :	-2,793.51
50.00% :	-2,853.37
60.00% :	-2,897.79

	Initial	1st Rev.	2nd Rev.
Working Interest :	1.00000000	0.00000000	0.00000000
Revenue Interest :	0.84500000	0.00000000	0.00000000
Rev. Date :			

ECL: 4/30/1996



Hist Gas Cum: 0.00 MMcf
Gas Rem: 373.52 MMcf
Gas EUR: 373.52 MMcf

Hist Gas Cum: 0.00 MMcf
Oil Rem: 1.23 Mbbl
Oil EUR: 1.23 Mbbl

CURRENT WELLBORE DIAGRAM

Lease: **BIG EDDY UNIT** Well No.: **66**
 Field: **INDIAN FLATS ATOKA**
 Location: **2130 FWL & 1980 FSL Sec. 25, T21S, R28E**
 County: **Eddy** St: **NM** API: **30-015-22682**

Surface Csg.

Size: **11 3/4**
 Wt: **42**
 Grd: **H40**
 Set @: **330**
 Sxs cmt: **490**
 Circ: **N**
 TOC: **23**
 Hole Size: **15** to **400**

Intermediate Csg.

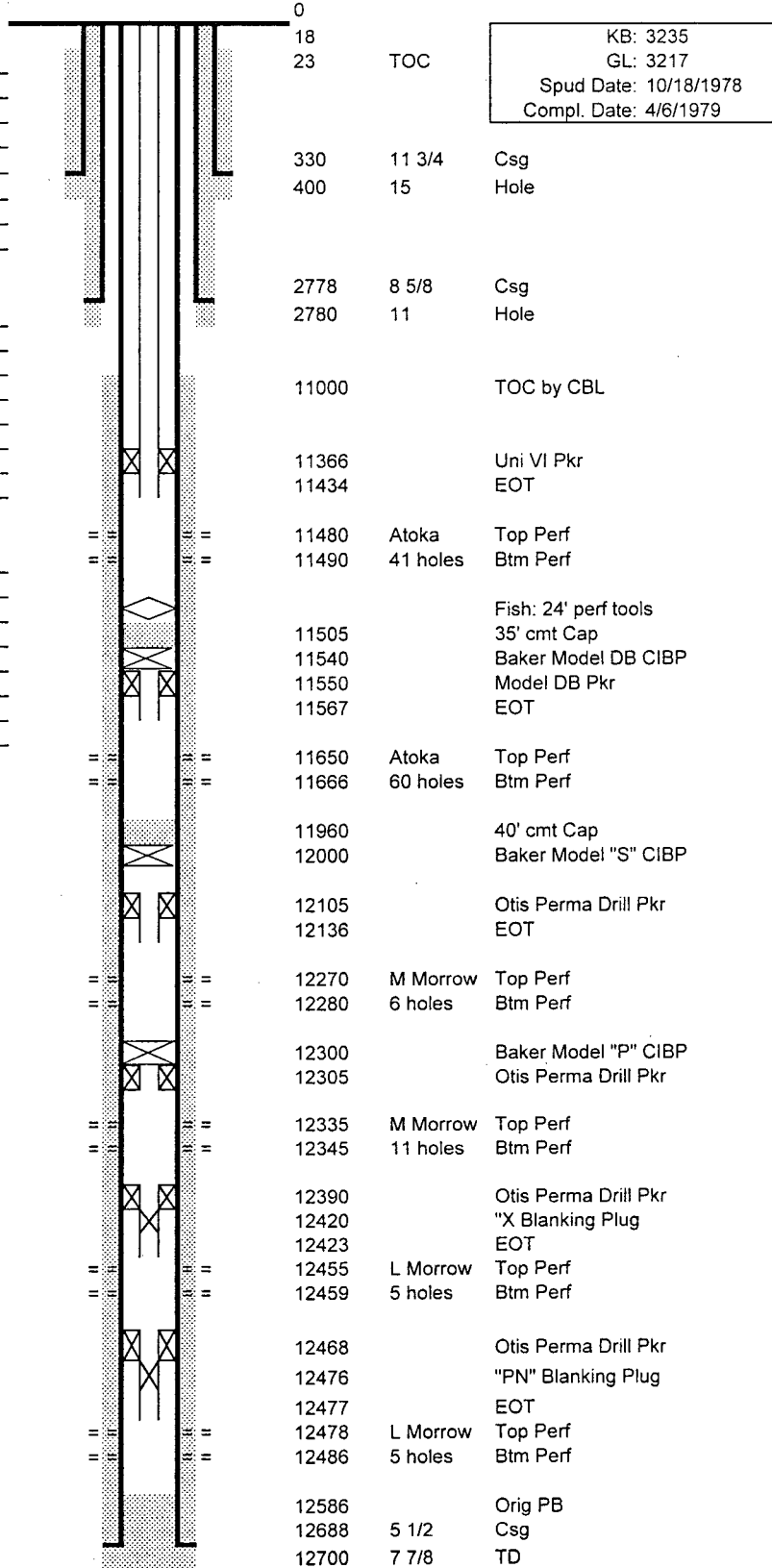
Size: **8 5/8**
 Wt: **24/28**
 Grd: **J55/S80**
 Set @: **2778**
 Sxs Cmt: **1150**
 Circ: **Y**
 TOC: **Surf**
 Hole Size: **11** to **2780**

Production Csg.

Size: **5 1/2**
 Wt: **17**
 Grd: **N80/S95**
 Set @: **12688**
 Sxs Cmt: **1100**
 Circ: **N**
 TOC: **11000** by CBL
 Hole Size: **7 7/8** to **12700**

Tubing

369 jts 2 3/8" 4.7# N-80



PBTD: **11505**
 TD: **12700**

Updated: **7/16/2004**
 Author: **ELE**
 Engr: **MWD**