

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

March 24, 2006

**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. Larry Bray

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  
1220 St. Francis  
Santa Fe, New Mexico 87505  
Attention: Roy Johnson

Re: 2006 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 2006.

**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.

**2005 ACTIVITY**

Big Eddy Unit No. 149, Eddy County, New Mexico - This well was drilled a legal location being 1,980' FNL, 660' FEL, Section 32, T21S-R28E, Eddy County, New Mexico. This well is being completed as a gas well in the Morrow Formation.

Big Eddy Unit No. 153 - This well was drilled a legal location being 697' FSL, 2,107' FEL, Section 20, T21S-R29E, Eddy County, New Mexico and was completed in the Morrow Formation in the interval of 12,538' - 12,638'. This well is now being horizontally drilled through the Morrow Formation to a final bottom hole location which will be determined pending drilling conditions.

**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.

Plan of Development - BEU  
March 24, 2006  
Page 2

#### FUTURE DEVELOPMENT

Big Eddy Unit Well No. 152, Eddy County, New Mexico – This well will be drilled at a legal location being 1,980' FSL & 1,980' FEL, Section 26, T21S-R28E, Eddy County, New Mexico to a proposed depth of 12,850' to test the Morrow Formation.

Big Eddy Unit No. 154 Well, Eddy County, New Mexico – This well will be drilled at a legal location being 660' FNL & 660' FEL, Section 15, T22S-R28E, Eddy County, New Mexico to a proposed depth of 12,800' 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 became effective January 1, 2006.

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 \_\_\_\_\_ day of \_\_\_\_\_, 2006.

BUREAU OF LAND MANAGEMENT

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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

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Big Eddy Unit  
Eddy County, New Mexico

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**HISTORY OF PAST DEVELOPMENT**

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Division Landman

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

COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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

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COMMISSIONER OF PUBLIC LANDS

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

NEW MEXICO OIL CONSERVATION DIVISION

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



PATRICK H. LYONS  
COMMISSIONER

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

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

April 19, 2006

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

Attn: Mr. J. Wayne Bailey

2006 Plan of Development  
Big Eddy Unit  
Eddy County, New Mexico

Dear Mr. Bailey:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you 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,

PATRICK H. LYONS  
COMMISSIONER OF PUBLIC LANDS

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

PL/JB/cpm  
xc: Reader File

OCD

BLM

**-State Land Office Beneficiaries -**

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University