

365

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

RECEIVED  
2007 JUN 22 AM 10 31

June 19, 2007

**FEDERAL EXPRESS**

Bureau of Land Management  
Roswell District Office  
2909 W. 2<sup>nd</sup> 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

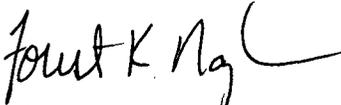
Re: Commercial Determination  
Big Eddy Unit #151  
Strawn Formation  
Eddy County, New Mexico

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 Strawn 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 #151 \_\_\_\_\_ FORMATION \_\_\_\_\_ STRAWN \_\_\_\_\_  
 LOCATION \_\_\_\_\_ H \_\_\_\_\_ UNIT, \_\_\_\_\_ 1650 FEET FROM NORTH LINE & \_\_\_\_\_ 991 FEET FROM EAST LINE  
 SECTION \_\_\_\_\_ 30 TOWNSHIP \_\_\_\_\_ 21S RANGE \_\_\_\_\_ 28E COUNTY \_\_\_\_\_ EDDY \_\_\_\_\_ NEW MEXICO  
 SPUD DATE \_\_\_\_\_ 8/6/2006 COMPLETION DATE \_\_\_\_\_ 04/20/2007 INITIAL PRODUCTION \_\_\_\_\_ 04/27/2007  
 PERFORATIONS \_\_\_\_\_ 10,607'-617', 10,714'-742' \_\_\_\_\_

STIMULATION:

ACID \_\_\_\_\_ 10,607-617' 2000 GAL 15% HCL \_\_\_\_\_  
 \_\_\_\_\_ 10,714-742' 2000 GAL 15% HCL \_\_\_\_\_

FRACTURE \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

POTENTIAL \_\_\_\_\_ (4/29/2007) FLOWING 0 BW 100 MCF 0 BO 10/64" CK 24 HR \_\_\_\_\_

(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), %	25%	
Net Thickness (h), ft.	3	
Temperature (T), Fahrenheit	175	
Bottom Hole pressure (P), psia	4,561	
Recovery factor (RF), %	15%	
Recoverable gas, BCF *(See eq. below)	0.04	

\*Sometimes unable to match performance due to volumetric uncertainty.

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

Bgi = 0.61 RB/MCF

Continued

## PERFORMANCE DATA

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

CUMULATIVE PRODUCTION TO 04/30/2007 0 MCF Gas 0 BBL OilINITIAL RATE (qi) 28ECONOMIC LIMIT (qi) 3HYPERBOLIC DECLINE RATE, dy b = 0, d = 14.31REMAINING GAS (Q) = 48,109ULTIMATE RECOVERABLE GAS (mcf) 48,109

(Attach plot showing proration unit and participating area.)

## ECONOMIC

GROSS WELL COST \$ \$2,026,539 (to the depth of formation completed)COMPLETION COST \$ 362,000GROSS TOTAL COST \$ \$2,388,539

YEAR	GROSS GAS MMCF	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	6.9	36.1	14.2	-2,329.7
2	8.6	45.3	18.3	23.5
3	7.3	35.7	17.1	14.6
4	6.3	30.6	16.4	10.1
5	5.4	26.2	15.8	6.7
6	4.6	22.5	15.2	4.3
7	4.0	19.2	14.8	2.4
8	3.4	16.5	14.4	1.0
9	1.7	8.1	7.7	0.2
10	0.0	0.0	0.0	0.0
REMAINDER	0	0.0	0.0	0.0
TOTAL	48	240.1	133.8	-2,266.9

WELL IS NOT COMMERCIAL

# ECONOMIC PROJECTION

Date : 5/31/2007

Lior: 1189070

8:19:55AM

Project Name : INDWELLS Extract-Creating new PHDWi  
 Partner : ALL CASES  
 Case Type : LEASE CASE  
 Archive Set : default

As Of Date : 02/01/2007  
 Discount Rate (%) : 10.00  
 1189070/BIG EDDY UNIT/151/STR

Lease Name : 1189070/BIG EDDY UNIT/151/STR  
 Reserv Cat. : Proved Producing  
 Field : CARLSBAD, E. (STRAWN)  
 Operator : BEPCO  
 Reservoir :  
 Co., State : EDDY, NM

Cum Oil (mbls) : 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)
2007	0.000	6.916	6.916	0.000	0.000	5.705	0.000
2008	0.000	8.578	8.578	0.000	0.000	7.076	0.000
2009	0.000	7.329	7.329	0.000	0.000	6.046	0.000
2010	0.000	6.281	6.281	0.000	0.000	5.181	0.000
2011	0.000	5.382	5.382	0.000	0.000	4.440	0.000
2012	0.000	4.624	4.624	0.000	0.000	3.814	0.000
2013	0.000	3.951	3.951	0.000	0.000	3.259	0.000
2014	0.000	3.386	3.386	0.000	0.000	2.793	0.000
2015	0.000	1.661	1.661	0.000	0.000	1.370	0.000

Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	0.000	48.109	48.109	0.000	0.000	39.684	0.000
Ult.	0.000	48.109					

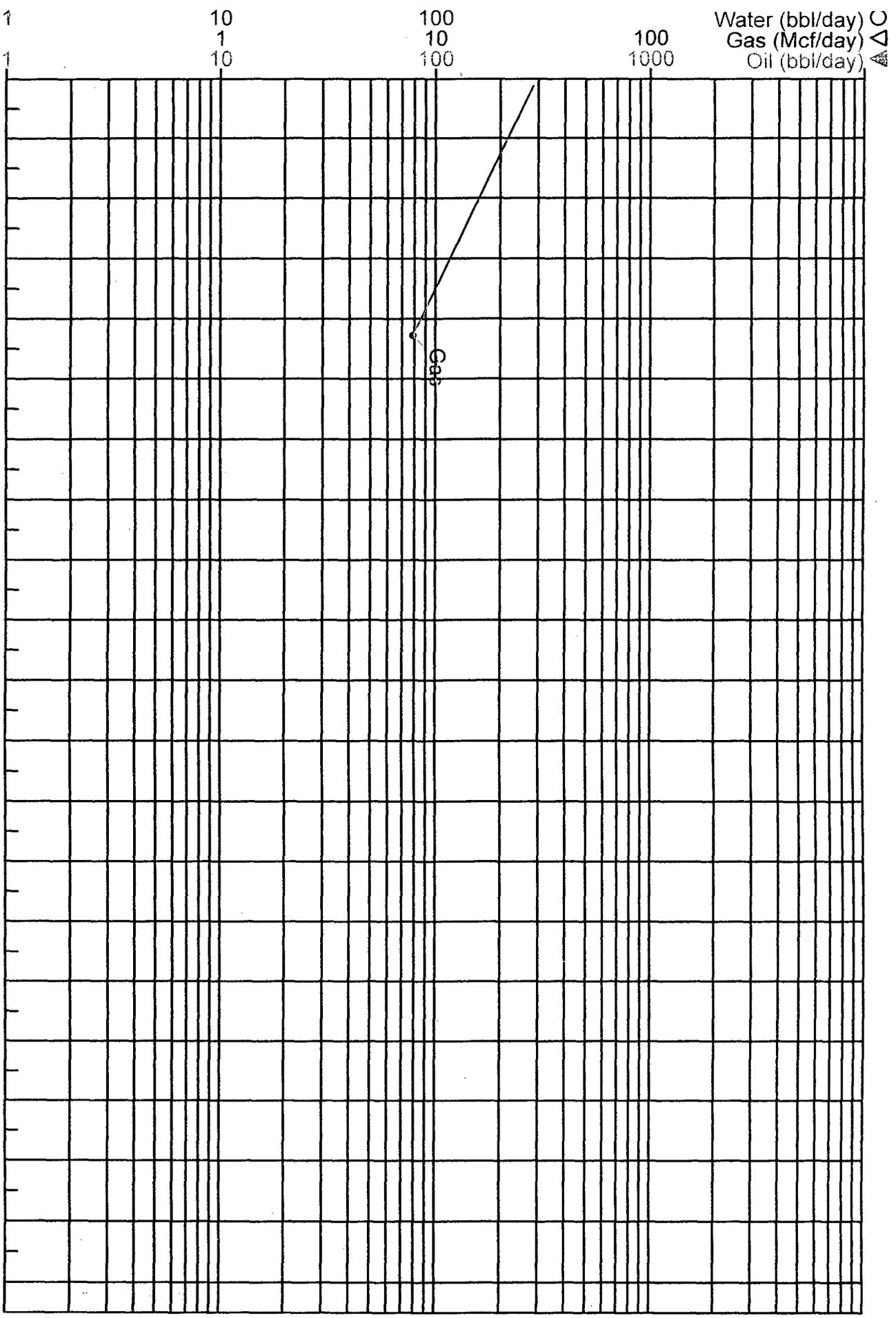
Year	Average Price			Net Revenue			
	Oil \$/BBL	Gas \$/MCF	NGL \$/Gal	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2007	0.00	6.32	0.00	0.000	36.078	0.000	36.078
2008	0.00	6.40	0.00	0.000	45.284	0.000	45.284
2009	0.00	5.90	0.00	0.000	35.676	0.000	35.676
2010	0.00	5.90	0.00	0.000	30.573	0.000	30.573
2011	0.00	5.90	0.00	0.000	26.200	0.000	26.200
2012	0.00	5.90	0.00	0.000	22.509	0.000	22.509
2013	0.00	5.90	0.00	0.000	19.233	0.000	19.233
2014	0.00	5.90	0.00	0.000	16.482	0.000	16.482
2015	0.00	5.90	0.00	0.000	8.085	0.000	8.085

Rem	0.00	0.00	0.00	0.000	0.000	0.000	0.000
Total	0.00	6.05	0.00	0.000	240.119	0.000	240.119

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 10.00% (M\$)	Cum. Disc. CF 10.00% (M\$)
2007	2.955	0.072	2,388.539	11.167	-2,366.655	-2,366.655	-2,329.736	-2,329.736
2008	3.709	0.091	0.000	14.488	26.997	-2,339.658	23.497	-2,306.239
2009	2.922	0.071	0.000	14.125	18.557	-2,321.101	14.622	-2,291.617
2010	2.504	0.061	0.000	13.821	14.186	-2,306.915	10.121	-2,281.496
2011	2.146	0.052	0.000	13.561	10.441	-2,296.474	6.745	-2,274.751
2012	1.844	0.045	0.000	13.341	7.280	-2,289.195	4.260	-2,270.491
2013	1.575	0.038	0.000	13.146	4.473	-2,284.721	2.372	-2,268.119
2014	1.350	0.033	0.000	12.982	2.117	-2,282.604	1.019	-2,267.100
2015	0.662	0.016	0.000	7.050	0.357	-2,282.248	0.159	-2,266.941
Rem	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	19.666	0.480	2,388.539	113.682	-2,282.248	-2,282.248	-2,266.941	-2,266.941

Major Phase :	Gas	Working Int :	1.00000000	Present Worth Profile (M\$)	
Perfs :	0 0	Revenue Int :	0.82487639	1.00% :	-2,281.09
Initial Rate :	0.87 mmcf/month	Disc. Initial Invest. (m\$) :	2,350.423	5.00% :	-2,275.55
Abandonment :	0.24 mmcf/month	Internal ROR (%) :	>1000.0	10.00% :	-2,266.94
Initial Decline :	14.31 % year b = 0.000	ROI Investment (disc/undisc) :	0.04 / 0.04	12.00% :	-2,263.06
Bcg Ratio :	0.00 bbl/mmcf	Years to Payout :	0.00	15.00% :	-2,256.86
End Ratio :	0.00	Abandonment Date :	07/21/2015	20.00% :	-2,245.65
				30.00% :	-2,220.82
				40.00% :	-2,193.94
				50.00% :	-2,165.89
				60.00% :	-2,137.25

	Initial	1st Rev.	2nd Rev.
Working Interest :	1.00000000	0.00000000	0.00000000
Revenue Interest :	0.82487639	0.00000000	0.00000000
Rev. Date :			



Hist Gas Cum: 0.00 MMcf  
Gas EUR: 48.11 MMcf  
Gas Rem: 48.11 MMcf

Hist Oil Cum: 0.00 Mbbl  
Oil EUR: 0.00 Mbbl  
Oil Rem: 0.00 Mbbl

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.  
NMLC-059365

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
NMNM-68294X

8. Well Name and No.  
BIG EDDY UNIT #151

9. API Well No.  
30-015-33157

10. Field and Pool, or Exploratory Area  
Carlsbad, East (Strawn)

11. County or Parish, State  
Eddy County, N.M.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
BEPCO, L.P.

3a. Address  
P.O. BOX 2760 MIDLAND TX 79702-2760

3b. Phone No. (include area code)  
(432)683-2277

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1650' FNL & 990' FEL  
SEC 30, T21S, R28E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

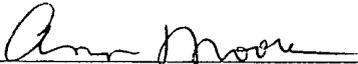
A CIBP was set in the tail pipe of the existing packer @ 11645' to temporarily abandon the Morrow formation. The Strawn formation was perforated from 10607-10617' w/ 31 holes and 10714-10742' w/85 holes. Each perded zone was acidized with 2000 gallons 15% NEFE HCL.

RIH with 2-3/8" L-80 tubing with SN @ 10473' and 2-3/8" X 5-1/2" Hornet packer @ 10516'. Pressure tested packer to 2,000 psi, held ok.

Well on production from Strawn with 24 hr. test flowing at 0 BO + 0 BW + 100 MCF, TP - 40, CP-O on 10/64" choke.

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

Name (Printed/Typed)  
ANN MOORE

Signature 

Title PRODUCTION CLERK

Date 04/30/2007

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office \_\_\_\_\_

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

365

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

2007 JUN 12 AM 9 36

June 11, 2007

**FEDERAL EXPRESS**

Bureau of Land Management  
Roswell District Office  
2909 W. 2<sup>nd</sup> 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

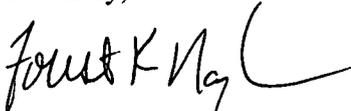
Re: Commercial Determination  
Big Eddy Unit #151  
Morrow Formation  
Eddy County, New Mexico

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 Morrow 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 #151 \_\_\_\_\_ FORMATION \_\_\_\_\_ MORROW \_\_\_\_\_  
 LOCATION \_\_\_\_\_ H \_\_\_\_\_ UNIT, \_\_\_\_\_ 1650 FEET FROM NORTH LINE & \_\_\_\_\_ 991 FEET FROM EAST LINE  
 SECTION \_\_\_\_\_ 30 \_\_\_\_\_ TOWNSHIP \_\_\_\_\_ 21S \_\_\_\_\_ RANGE \_\_\_\_\_ 28E \_\_\_\_\_ COUNTY \_\_\_\_\_ EDDY \_\_\_\_\_, NEW MEXICO  
 SPUD DATE \_\_\_\_\_ 8/6/2006 \_\_\_\_\_ COMPLETION DATE \_\_\_\_\_ 02/03/2007 \_\_\_\_\_ INITIAL PRODUCTION \_\_\_\_\_ 02/06/2007  
 PERFORATIONS \_\_\_\_\_ 11,705-718', 11744-756', 11782-802'  
 \_\_\_\_\_ 11,938-12,076' (wet - under CIBP)

STIMULATION:

ACID \_\_\_\_\_

FRACTURE \_\_\_\_\_ Frac 11705-802 w/ 23386 gals 40# 70Q Binary Foam + 58,596# of 18/40 Ultraprop

\_\_\_\_\_ Frac 11938-12076 w/ 22208gals 40# 70Q Binary Foam + 26,240# of 18/40 Ultraprop (CIBP)

POTENTIAL \_\_\_\_\_ (02/06/2007): 0 BOPD, 46 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), %	6%	
Water saturation (Sw), %	20%	
Net Thickness (h), ft.	11.5	
Temperature (T), Fahrenheit	200	
Bottom Hole pressure (P), psia	5,100	
Recovery factor (RF), %	10%	
Recoverable gas, BCF *(See eq. below)	0.2	

\*Sometimes unable to match performance due to volumetric uncertainty.

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

Bgi = 0.61 RB/MCF

Continued

PERFORMANCE DATA

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

CUMULATIVE PRODUCTION TO	<u>04/30/2007</u>	<u>5,199</u>	MCF Gas	<u>0</u>	BBL Oil
INITIAL RATE (qi)		<u>46</u>			
ECONOMIC LIMIT (qi)		<u>2</u>			
HYPERBOLIC DECLINE RATE, dy		<u>b = 0, d = 68.18</u>			
REMAINING GAS (Q) =		<u>14,091</u>			
ULTIMATE RECOVERABLE GAS (mcf)		<u>19,290</u>			

(Attach plat showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$ \$2,398,206 (to the depth of formation completed)

COMPLETION COST \$ 1,756,588

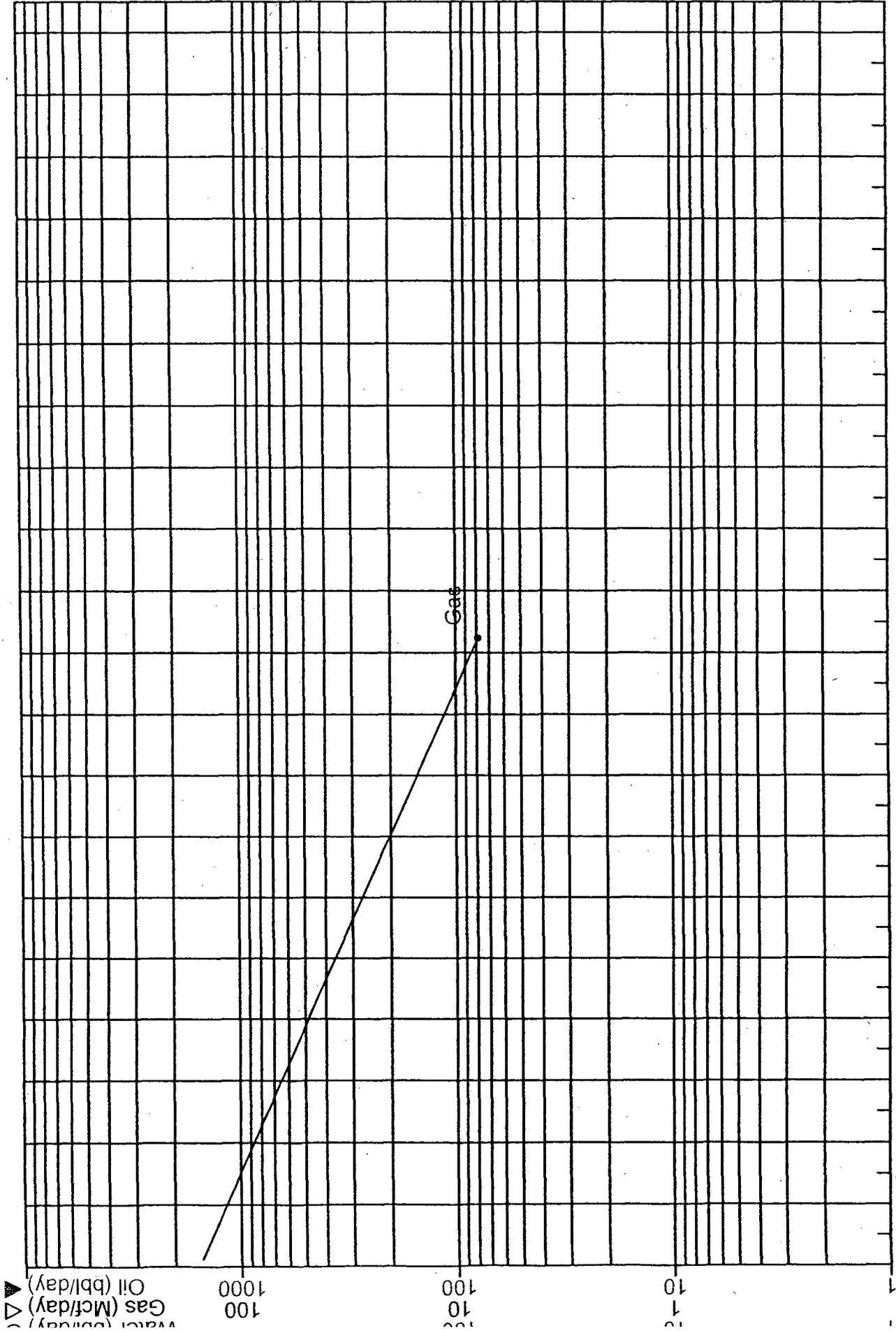
GROSS TOTAL COST \$ \$4,154,794

YEAR	GROSS GAS MMCF	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	10% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	<u>14.0</u>	<u>75.5</u>	<u>10.4</u>	<u>-4,095.2</u>
2	<u>5.2</u>	<u>29.1</u>	<u>13.0</u>	<u>12.8</u>
3	<u>0.1</u>	<u>0.6</u>	<u>0.5</u>	<u>0.0</u>
4				
5				
6				
7				
8				
9				
10				
REMAINDER				
<b>TOTAL</b>	<b>19</b>	<b>105.2</b>	<b>23.9</b>	<b>-4,082.3</b>

WELL IS NOT COMMERCIAL

Field: CARLSBAD, E. (STRAWN)  
EDDY, NM

189070/BIG EDDY UNIT/151/STR  
per: BEPCO

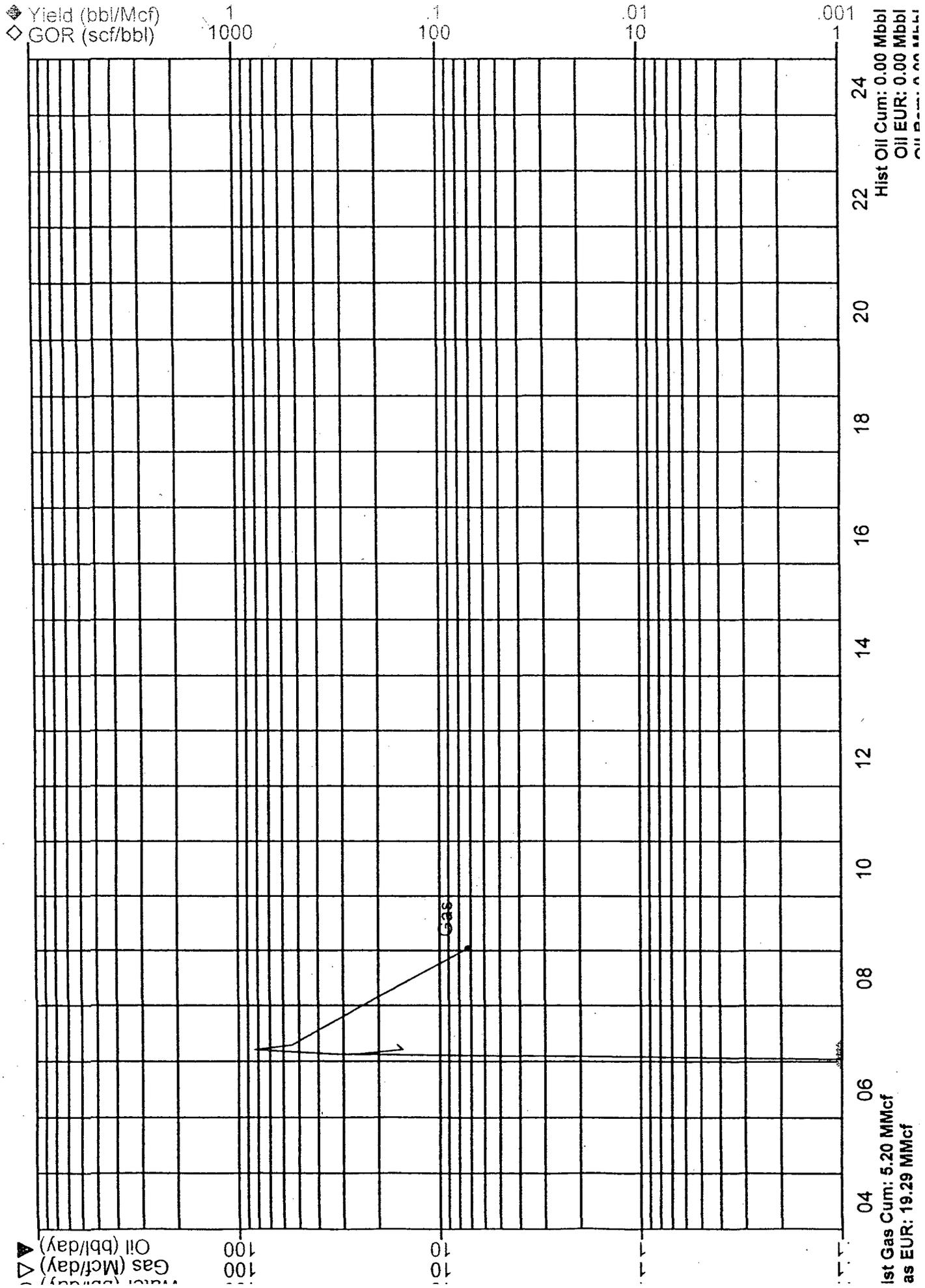


07 11 15 19 23 27 31 35 39 43 47  
Hist Gas Cum: 0.00 MMcf  
Gas EUR: 351.82 MMcf  
Hist Oil Cum: 0.00 Mbbl  
Oil EUR: 0.00 Mbbl



Field: CARLSBAD, E. (MORROW)  
EDDY,NM

189070/BIG EDDY UNIT/151/MOR  
per: BEPCO



1st Gas Cum: 5.20 MMcf  
as EUR: 19.29 MMcf

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

**CONFIDENTIAL**

FORM APPROVED  
OMB NO. 1004-0137  
Expires: March 31, 2007

100 WF

WELL COMPLETION OR RECOMPLETION REPORT

1a. Type of Well  Oil Well  Gas Well  Dry  Other  
 b. Type of Completion  New Well  Work Over  Deepen  Plug Back  Diff. Resrv.  
 Other \_\_\_\_\_

2. Name of Operator  
BEP CO, L.P.

3. Address P.O. BOX 2760 MIDLAND TX 79702-2760  
 3.a Phone No. (Include area code) (432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*

At Surface 1650' FNL, 990' FEL

At top prod. interval reported below

At total depth

14. Date Spudded 08/06/2006  
 15. Date T.D. Reached 09/20/2006  
 16. Date Completed  D & A  Ready to Prod. 02/03/2007

18. Total Depth: MD 12,201' TVD  
 19. Plug Back T.D.: MD 11,860' TVD  
 20. Depth Bridge Plug Set: MD 11895' TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)  
LDT-CNL-GR; HLA-CFL-GR  
 22. Was well cored?  No  Yes (Submit analysis)  
 Was DST run?  No  Yes (Submit analysis)  
 Directional Survey?  No  Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17-1/2"	13-3/8"	48/54.5#	0'	660'		1485		0'	
12-1/4"	9-5/8"	36#	0'	2923'		1890		0'	
8-3/4"	5-1/2"	17#	0'	12,200'		2110		4552' CBL	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	11,648							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MORROW	11705'	12076'	11705' - 11718'	0.380	14	PRODUCING
B)			11744' - 11756'	0.380	13	PRODUCING
C)			11782' - 11802'	0.380	11	PRODUCING
D)			SEE REMARKS			

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
11705' - 11802'	23,386 GALS 40# 70Q BINARY FOAM + 58,596# OF 18/40 ULTRA PROP.
11938' - 12076'	22,208 GALS 40# 70Q BINARY FOAM + 68,240# OF 18/40 ULTRA PROP.

**BEP CO - WID PRODUCTION**

MAR 29 2007

RECEIVED

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
02/03/07	02/06/07	24	→	0	46	0			Flowing
Choice Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
WO	SI 600	50	→	0	46	0		Producing	

ACCEPTED FOR RECO

MAR 26 2007

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
	SI		→						

WESLEY W. INGRAM  
PETROLEUM ENGINEER

OPERATORS - FOR WELL  
COMPLETIONS SUBMIT 1  
ORIGINAL AND 7 COPIES

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or 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.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				T/REEF	810'
				T/DELAWARE LIME	2900'
				T/DELAWARE SAND	2945'
				T/BONE SPRING LIME	5756'
				T/WOLFCAMP	9236'
				T/STRAWN	10,426'
				T/ATOKA	10,827'
				T/MORROW	11,340'
				T/LOWER MORROW	11,922'
				T/BARNETT	12,110'

32. Additional remarks (include plugging procedure):

11,938' - 11,942' (9 HOLES) 0.380 - BEHIND CIBP @ 11,895' W/35' CMT  
 11,960' - 11,966' (19 HOLES) 0.380 - BEHIND CIBP  
 11,988' - 12,002' (35 HOLES) 0.380 - BEHIND CIBP  
 12,020' - 12,026' (11 HOLES) 0.380 - BEHIND CIBP  
 12,056' - 12,076' (41 HOLES) 0.380 - BEHIND CIBP

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd.)  
  Geological Report  
  DST Report  
  Directional Survey  
 Sundry Notice for plugging and cement verification  
  Core Analysis  
  Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) Ann Moore Title PRODUCTION CLERK

Signature *Ann Moore* Date 03/19/2007

Title 18 U.S.C. Section 101 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I  
1625 N. French St., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

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

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

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

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33157	Pool Code 73920	Pool Name Carlsbad; Morrow, EAST
Property Code	Property Name BIG EDDY UNIT	Well Number 151
DEKID No.	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3178'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	30	21 S	28 E		1650	NORTH	990	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Same									

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>W.R. Dannels</i> Signature</p> <p>W.R. DANNELS Printed Name</p> <p>DIVISION DRILLING SUPT. Title</p> <p>12/12/05 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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 belief.</p> <p>OCTOBER 30, 2003 Date Surveyed</p>
	<p>319.98 Acres Measured</p>
	<p>Professional Seal of GARY L. JONES Professional Surveyor NEW MEXICO 1977 No. 3745 Certification No. Gary L. Jones 7977</p>



365

State of New Mexico  
Commissioner of Public Lands

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

RECEIVED

JUN 25 2007

PM 12 27

COMMISSIONER'S OFFICE

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

PATRICK H. LYONS  
COMMISSIONER

June 21, 2007

Bass Enterprises Production Co.  
201 Main Street, Suite 2900  
Fort Worth, Texas 76102-3131

Attention: Mr. Forest K. Naylor

Re: Big Eddy Unit Well No. 151  
SE/4NE/4 Sec. 30-21S-28E  
Non-Commercial Determination  
Morrow Formation  
Eddy County, New Mexico

Dear Mr. Naylor:

Thank you for your letter of June 11, 2007, together with data that supports your non-commercial determination regarding the Big Eddy Unit Well No. 151, located in the SE/4NE/4 of Sec. 30-21S-28E.

The Commissioner of Public Lands concurs with your determination that the Big Eddy Unit Well No. 151 is not capable of producing unitized substances in paying quantities from the Morrow formation and should be produced on a lease basis. This action is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

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  
PL/JB/pm

pc: Reader File,  
BLM-Roswell Attn: Mr. John Simitz  
OCD-Santa Fe Attn: Mr. David Catanach  
TRD-Attn: Mr. Valdean Severson  
RMD-Attn: Mr. Kurt McFall

-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