



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director

Oil Conservation Division

January 2, 2008

Texland Petroleum, L.P.
Attn: Ms. Vickie Smith
777 Main St, Suite 3200
Fort Worth, TX 76102

Administrative Order NSL-5745

Re: Dobry Well No. 1
API No. 30-025-38602
Unit B, Section 33-16S-38E
Lea County

Dear Ms Smith:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR07-31330362**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Texland Petroleum - Hobbs, LLC (Texland) on November 8, 2007, and

(b) the Division's records pertinent to this request.

Texland has requested to drill the above-referenced well at an unorthodox Devonian oil well location, 1165 feet from the North line and 2175 feet from the East line (Unit B) of Section 33, Township 16 South, Range 38 East, N.M.P.M., in Lea County, New Mexico. The NW/4 NE/4 of Section 33 will be dedicated to this well in order to form a standard 40-acre spacing unit in the undesignated West Knowles -Devonian Pool (96394). This pool is governed by statewide Rule 104.B(1), which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the southern unit boundary.

Your application on behalf of Texland has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

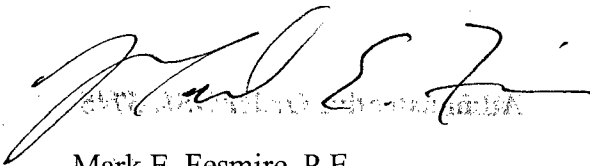
It is our understanding that Texland seeking this location because its geologic interpretation indicates that this is the most favorable location for developing an economic well.

It is also understood that notice of this application to offsetting operators or owners is unnecessary because working interest ownership in the unit towards which this location encroaches is identical to the proposed unit.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs