



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

July 20, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Read & Stevens, Inc.
P. O. Box 1518
Roswell, New Mexico 88202

Attention: John C. Maxey, Jr.
Operations Manager

Case 13538

Re: *Administrative application (application reference No. pMES0-520152307) submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 13, 2005 for a non-standard 53.64-acre, more or less, wildcat San Andres oil spacing and proration unit to comprise Lot 4 (consisting of 27.28 acres) and the east 26.36 acres of the SE/4 SW/4 (Unit N) of Irregular Section 17, Township 19 South, Range 39 East, NMPM, Lea County, New Mexico, to be dedicated to Read & Stevens, Inc.'s proposed Brumley "17" Federal Com. Well No. 1 to be drilled at a standard oil well location 330 feet from the South line and 485 feet from the East line (Lot 4/Unit O) of Irregular Section 17.*

Dear Mr. Maxey:

Due to the following extenuating circumstances associated with your application, the Division is unable to administratively address this matter under the provisions of Division Rule 104.D (2):

- (a) The proposed non-standard oil spacing unit does not lay wholly within a single quarter section [see Division Rule 104.D (2) (b)] and severs a quarter-quarter section that is a legal subdivision of the U. S. Public Land Surveys.
- (b) The Division received an objection from a party that received notice of this application (see copy of Ms. Mary Brady's letter of objection filed on June 29, 2005).

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for August 11, 2005. To help expedite this matter I have prepared the following advertisement:

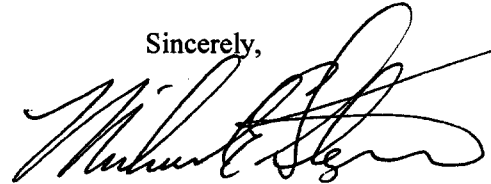
"Application of Read & Stevens, Inc. for a non-standard oil proration unit, Lea County, New Mexico. Applicant seeks to establish a non-standard oil spacing and proration unit for wildcat San Andres oil production to comprise 53.64 acres, more or less, by combining Lot 4 (consisting of 27.28 acres) and the easterly most 26.36 acres of the SE/4 SW/4 (Unit N) of Irregular Section 17, Township 19 South, Range 39 East, which is located on the Texas/New Mexico state line approximately four-and-a-half miles southeast of Hobbs, New Mexico. This unit to be dedicated to its proposed Brumley "17" Federal Com. Well No. 1 to be drilled at a standard oil well location 330 feet from the South line and 485 feet from the East line (Lot 4/Unit O) of Irregular Section 17".

Read & Stevens, Inc.
July 20, 2005
Page 2

Division Administrative Application Reference No. pMES0-520152307

Should you have any questions concerning this matter, please contact your legal counsel, Mr. James Bruce in Santa Fe at (505) 982-2043.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Engineer

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
U. S. Bureau of Land Management - Roswell
Ms. Florene Davidson, NMOCD Staff Specialist - Santa Fe
Mr. James Bruce, Legal Counsel for Read & Stevens, Inc. - Santa Fe
Ms. Mary D. Brady - Plano, Texas

RECEIVED

JUN 29 2005

**OIL CONSERVATION
DIVISION**

1804 Lake Crest Lane
Plano, TX 75023-7442
June 24, 2005

Mr. Michael Stogner
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Objection
Application for Non-Standard Spacing Unit
Read & Stevens Brumley 17 Fed. Com #1
330' FSL & 485' FEL
Section 17, T19S-R39E
Lea County, New Mexico

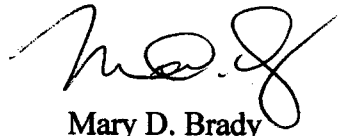
Dear Mr. Stogner:

I was recently given notice of the captioned application as a mineral owner in East Half Section 18, immediately west of the captioned property. Please accept this as my objection to the application for non-standard spacing unit in Section 17. I need more information about this project to alleviate my concerns regarding drainage, dilution and the impact on my property should a good producer be drilled. When I called Read & Stevens, there was no information forthcoming. Further, some of the exhibits purportedly enclosed with the application were either missing or unclear.

As per our recent telephone conversation on this subject, you informed me that by putting this objection in the mail by June 27 as I am doing, that I would be within the twenty-day filing deadline, which did not begin until you had received the application.

I appreciate your attention to this matter and look forward to working on it further. Thank you.

Sincerely,



Mary D. Brady
972-985-8280 (telephone)

Cc: Read & Stevens

UNITED BANK PLAZA
400 N. PENN, SUITE 1000

CHARLES B. READ
PRESIDENT

PHONE 505 622-3770
FAX 505 622-8643

Read & Stevens, Inc.

*Oil Producers
P. O. Box 1518
Roswell, New Mexico 88202*

PMES0-520152307

Susp: 7-5-2005

June 1, 2005

CERTIFIED MAIL #7099 3400 0018 5405 5314
RETURN RECEIPT REQUESTED

Oil Conservation Division
Attn: Mr. Michael Stogner
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 13538

2005 JUN 13 PM 1 12

RE: Administrative Application for a Non-Standard Spacing Unit
Brumley 17 Federal Com #1
330' FSL & 485' FEL
Section 17 T19S-R39E
Lea County, New Mexico

Dear Mr. Stogner:

The subject well is a proposed 4,800' San Andres oil test that would normally be drilled under statewide rules, 40 acre spacing. However, due to the variation in the legal subdivision of the U.S. Public Land Surveys, Read & Stevens is submitting this Administrative Application for Non-Standard Spacing Units in the subject section. Pursuant to Subsection D, Paragraph (2), Subparagraph (b) of 19.15.3.104 NMAC, please find attached:

- 1) Form C-102 plat illustrating the spacing unit for the subject well, the remaining non-standard spacing units for the section, and the standard governmental quarter-quarter division lines.
- 2) Exhibit "A", a lease plat outlining the blocks of Fee and Federal ownership.
- 3) Exhibit "B", a legal description of each Fee block and the ownership there in, the Federal block being owned 100% by the United States.
- 4) Exhibit "C", a list of affected persons/parties as defined in Rule 1207.A(2).
- 5) Exhibit "D", a statement discussing the reasons for the formation of the non-standard spacing units.
- 6) Exhibit "E", a copy of a notification letter sent to all affected persons, with a copy of the application, prior to actual submission of this application. The notification letter was sent return receipt requested. Since time is of the essence, any waivers signed by any affected persons will be sent in at a later date.

Read & Stevens, Inc.

Page 2
Oil Conservation Division
Brumley 17 Federal Com #1
Lea County, New Mexico

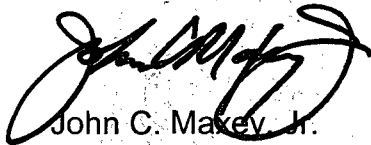
7) Exhibit "F", an affidavit of publication for this administrative application.

It is my understanding that the division may approve the application upon receipt of waivers from all notified persons or if no person has filed an objection within 20 days from the date the division receives this application. If you have any questions please call me at 505/622-3770 Ext. 224 or e-mail read@lookingglass.net.

Thank you for your consideration.

Sincerely,

READ & STEVENS, INC.



John C. Maxey, Jr.
Operations Manager

JCM/sr/word/jcmltrs/ocdbrumley17FC#1

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Case 13538

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☒ NSP ☐ SD
- Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
 [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☒ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached
- [3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Certification

I hereby certify that I, or personnel under my supervision, have reviewed the applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common.

I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

John C. Maxey, Jr.

Print or Type Name

[Signature]
 Signature

Operations Manager

Title

6-1-05

Date

read@lookingglass.net

e-mail Address

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., HOBBES, NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
			Wildcat
Property Code	Property Name		Well Number
	BRUMLEY 17 FEDERAL COM		1
OGRID No.	Operator Name		Elevation
018917	READ & STEVENS, INC.		3564'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	17	19-S	39-E		330	SOUTH	485	EAST	LEA

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
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			
53.64		N		P					

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>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=603917.0 N X=890126.5 E</p> <p>LAT.=32°39'13.92" N LONG.=103°03'56.90" W</p> <p>DETAIL</p> <p>Standard governmental quarter-quarter division lines.</p> <p>Nonstandard spacing lines. 53.64 acres</p>	<p>LOT 1</p> <p>26.76 AC</p> <p>LOT 2</p> <p>26.94 AC</p> <p>LOT 3</p> <p>27.10 AC</p> <p>27.28 AC</p> <p>415'</p> <p>SEE DETAIL</p> <p>485'</p> <p>330'</p> <p>~900'</p>				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature</p> <p>John C. Maxey, Jr.</p> <p>Printed Name</p> <p>Operations Manager</p> <p>Title</p> <p>5-25-05</p> <p>Date</p>
	<p>SURVEYOR CERTIFICATION</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>MAY 13, 2005</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p>GARY EIDSON</p> <p>NEW MEXICO</p> <p>05.11.0631</p> <p>Certificate No. GARY EIDSON 12641</p>				
	<p>DATE SURVEYED</p> <p>DATE OF PLAT</p> <p>DATE OF RECORD</p>				
	<p>DATE OF RECORD</p> <p>DATE OF PLAT</p> <p>DATE OF SURVEY</p>				

Hollen
State line
TD 4600
10 19 2009

Humble
Daimont
TD 4815
Gene Daimont, et al
J.A. Banks, Tr

Gerónimo Hldg., et al
9 1 2007
99057
10000

L. Wise
Wilson Fed (Leede)
TD 8528
DIA 2-9-54 W/2

Samedan
Federal
TD 8859
DIA 3-27-50
U.S. M.I.

Marcelo
Carr
TD 1109
DIA 7-20-03
Wolfson
Fed
TD 4395

J.A. Banks, Tr.

Trilogy
1-28-2006
1-22-2006, 12-17-2005
(NIV/4)
J.A. Semon
B.A. Stringer, et al

Trilogy
1-29-2006, 7-24-2006
J.A. Semon
Continental M.I.

Trilogy
1-24-2006
3-1-2005
9-15-2004

Heirs of
Sam Lowenthal
Frank Semon, et al

Trilogy
Trilogy
(Pet Tech. Serv)
Phillips
(TD 7700)
Mor Easley, Est. et al
S & H Ent.

Trilogy
2-7-2006
11-14-2005, 9-1-2004
(Stone)
Pearl Jones
TD 10,530

Paula Huber, M.I.
Clara Wright

Midwest
Carter
TD 6595
DIA 2-7-57

Leede Oper.
2-25-2006
4-14-2005, 2-23-2007
9-5-2006, 8/2
10-3-2006
Yates Pet. et al
12-10-2009

Leede Oper.
10-3-2006
10-11-2005, 12-23-2007

Granville C.
Nash, et al, M.I.
Arnold Banks

JTD Res.
11-10-2005
4-15-2006 (NE/4)
Read E. Stevens
11-14-2006

ARCO O&G
Semon
TD 3200
DIA 6-22-92

10068
A
(Read E. Stevens)
1-28-2007

Bess Adkins
Lucy, et al, M.I.
S & H Ent

Read E. Stevens
12-1-2006
11-20-2006, 11-12-2006
10057
A-E
S & H Ent.

Strata Ld.
Serv.
12-1-2004

JTD Res.
11-25-2006

HBP
McClure Oil
Amoco
HBP Foster
TD 4550
J. Wright, et al

Leede Oper.
3-19-2005
Pennzoil
(3-1-82, 1-8-92)

Leede Oper.
3-14-2007
3-18-2005
4-19-2005

Leede Oper.
3-12-2005
A.T. Moore M.I.
Lowe Ld. Co.

Leede Oper.
4-30-2005, 4-15-2007
Fay Dorsey, M.I.
J.A. Banks, Tr.

JW Klip-
Stine et al
Leede
10-2-2005, 6-4-2006
10-1-2005

Leede Oper.
5-30-2006
1-29-2005
12-4-2006

Read E. Stevens
1-29-2006, 5-22-2006
(Read E. Stevens)
10047, 30-2005

Yvonne Johnson
Bonnie Criswell
Bonnie Barnett
Mike Sims
J.V. Target (S)

10063
Matrix
1-25-2006
A-B
SIRS
Read E. Stevens
12-23-2006, 12-13-2006

JTD Res
12-2-2006 W/2
25-2006 NW/4
R.L. Cain (S)

Yates Pet. et al
12-10-2009
Frank Semon
DIA 2-10-03

BLK.

Brumley 17 Federal Com #1
Exhibit "A"
Lease Plat
Section 17 T19S-R39E
Lea County, New Mexico
(See accompanying Exhibit "B"
N $\frac{1}{2}$, NW $\frac{1}{2}$ for ownership)
S $\frac{1}{2}$, NW $\frac{1}{2}$
N $\frac{1}{2}$, SW $\frac{1}{2}$
S $\frac{1}{2}$, SW $\frac{1}{2}$
Federal Tract

32°40'

10047-A-I
10046-A-Z
10046-AA-AF

T
19
S

LLC

BRUMLEY 17 FEDERAL COM #1
EXHIBIT "B"

OWNERSHIP REPORT

PROSPECT: NW Brumley
 RECORD DATE: May 6, 2003
 REPORT DATE: August 12, 2003

LANDMAN: Jeff Votow
 Revised: Randy V. Watts

COUNTY OF: Lea

STATE OF: New Mexico

SECTION: 17
 TOWNSHIP: 19 South

RANGE: 39 East N.M.P.M.

DESCRIPTION: S½SW¼

ACRES: 80.00

MINERAL OWNERSHIP

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
✓ Bank of America, Trustee of the Selma Andrews Trust and the Selma Andrews Perpetual Charitable Trust P.O. Box 930308 Dallas, TX 75283 Tax ID# 75-6327535 Tax ID# 75-6327536	53.705% x ¼	10.7410	OPEN <i>Leased</i> Last lease: 370-226 Date: 3-26-84 Lessee: Alan Antweil Term: 3yrs. Royalty: 1/4 Lease covers: S½SW¼ only <i>Offered \$100-1/4</i>
Braille Institute of America % Bank of America P.O. Box 830308 Dallas, TX 75283 Tax ID# 95-1641426 <i>TR. Officer Keresa Grafton</i>	46.295% x ¼	9.2590	OPEN <i>Wkg/Keresa Grafton</i> Last lease: 371-259 Date: 3-26-84 Lessee: Alan Antweil Term: 3yrs. Royalty: 1/4 Lease covers: S½SW¼ only
S. Javaid Anwar, Trustee (Deed out of the Estate of Christopher Mullin, deceased) P.O. Box 3082 Midland, TX 79702	25.000000%	20.0000	OPEN <i>Wkg</i> <i>Rvw offered 75-3/16-3yrs. pays 3-6 mos/1/4/no bonus</i> Last lease: 373-650 Date: 8-1-84 Lessee: Alan Antweil Term: 3yrs. Royalty: 3/16 Lease covers: S½SW¼ only
June Douglas Peebles 1405 South Okfuskee Wewoka, Ok. SS# 442-14-9550	6.250000%	5.0000	OPEN <i>Rvw - Lost Owner</i> Last lease: 373-242 Date: 6-9-83 Lessee: Russell Ward Term: 3yrs. Royalty: 1/6 Lease covers: S½SW¼ only
✓ Richard Dean Hazelrigg 720 South Ashby Chanute, KS 66720	1.562500%	1.2500	Leased <i>Rvw offered 75-3/16-3yrs.</i> Read & Stevens, Inc. Royalty: 3/16 Expires 7/11/06
✓ Genevieve Nolen, SSP 721 West Cherry Street Okemah, OK 74859	12.500000%	10.0000	Leased <i>Rvw Leased 75-3/16-3yrs.</i> Read & Stevens, Inc. Royalty: 3/16 Expires 5/13/06
Marjorie Aubrey Jobe 412 North Goddard Goddard, KS 67052 SS# 443-40-3801	0.781250%	0.6250	OPEN <i>Rvw offered 158-3/16-3yrs. Lost Owner</i> Last lease: 364-889 Date: 9-19-83 Lessee: Tenneco Oil Term: 3yrs. Royalty: 1/5 Lease covers: S½SW¼ only
✓ Cayla Aubrey Tracy P.O. Box 1571 Ada, OK 74820	0.781250%	0.6250	Leased <i>Rvw Leased 158-3/16-3yrs.</i> Read & Stevens, Inc. Royalty: 3/16 Expires 5/22/06

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
✓ Chris Aubrey Purcell P.O. Box 1571 Ada, OK 74820 SS# 447-52-0724	0.781250%	0.6250	Leased Read & Stevens, Inc. Royalty: 3/16 Expires 5/22/06 <i>RW Lsd. 158-3/16-3yrs</i>
✓ Bob Dee Aubrey P.O. Box 1571 Ada, OK 74820 SS# 447-52-0727	0.781250%	0.6250	Leased Read & Stevens, Inc. Royalty: 3/16 Expires 5/22/06 <i>RW Lsd 158-3/16-3yrs</i>
Michael Johnson, Trustee (Deed out of the V.V. Criswell Estate) P.O. Box 470 Edmund, OK 73083	1.562500%	1.2500	OPEN Last lease: 379-252 Date: 9-11-84 Lessee: Hubbard Bros. Term: 3yrs. Royalty: 3/16 Lease covers: S½SW¼ only <i>RW - Lost Owner</i>
✓ Kay Rakestraw 308 North Fourth Okemah, OK 74859 918/623-1089	6.250000%	5.0000	Leased Read & Stevens, Inc. Royalty: 3/16 Expires 5/13/06
✓ Jonnie Gwen Kennedy 650 Macbrey Las Vegas, NV 89123 702/263-4692	6.250000%	5.0000	Leased Read & Stevens, Inc. Royalty: 3/16 Expires 5/13/06
✓ LDL Lowe Family Partnership, Ltd. 308 Comet Austin, TX 78734	0.8371% x 1/8	0.0837	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ The Farley Ranch Lowe Partnership 308 Comet Austin, TX 78734 Tax ID# 74-2792350	0.8371% x 1/8	0.0837	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Odell L. Lowe % 8200 "C" Nashville Ave. Lubbock, TX 79423 SS# 462-24-5704	1.7136% x 1/8	0.1714	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/30/06
Coy S. Lowe 3301 -42 nd Street Lubbock, TX 79413	4.1363% x 1/8	0.4136	OPEN UNLEASED SINCE ACQUIRING
✓ M. Dion Lowe 2306 Cypress Point West Austin, TX 78746	5.06007% x 1/8	0.5061	Leased Read & Stevens, Inc. Royalty: 3/16 Expires 5/30/06
✓ Larry K. Lowe 2313 Broadway Lubbock, TX 79401	10.6932% x 1/8	1.0693	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Loretta D. Lowe 7235 Villa Maria Lane Austin, TX 78759 SS# 455-78-8852	10.6932% x 1/8	1.0693	OPEN <i>Leased</i> UNLEASED SINCE ACQUIRING
✓ Nell P. Lowe % 8200 "C" Nashville Ave. Lubbock, TX 79423 SS# 451-82-9011	0.5909% x 1/8	0.0591	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Shana Lowe Conine 5605 Equistrain Court Granbury, TX 76049	10.37817% x 1/8	1.0378	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
✓ Vivian Lowe Anselmi % 8200 "C" Nashville Ave. Lubbock, TX 79423	6.30821% x 1/8 7.342285%	0.6308 .7342	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Ronny P. Lowe P.O. Box 1381 Wolfforth, TX 79382	6.30821% x 1/8 7.342285%	0.6308 .7342	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Kay Lowe Atcheson aka Kay Lowe Huges % 8200 "C" Nashville Ave. Lubbock, TX 79423 SS# 451-76-7992	6.30822% x 1/8 7.342285%	0.6308 .7342	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Teddy L. Hartley P.O. Box 845 Clovis, N.M. 88102	10.338520x1/8	1.0339	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/18/06
✓ Robert T. Hartley P.O. Box 1024 Clovis, N.M. 88102	10.338520x1/8	1.0339	OPEN UNLEASED SINCE ACQUIRING
✓ Debra Lowe Finn % 8200 "C" Nashville Ave. Lubbock, TX 79423 SS# 527-72-7600	5.06007% x 1/8	0.5060	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Denise Lowe % 8200 "C" Nashville Ave. Lubbock, TX 79423	3.3484% x 1/8	0.3348	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Haley Lowe % 8200 "C" Nashville Ave. Lubbock, TX 79423 SS# 451-61-1047	2.34326% x 1/8	0.2343	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Kelly Lowe Read % 8200 "C" Nashville Ave. Lubbock, TX 79423 SS# 463-57-3440	2.34326% x 1/8	0.2343	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Lauren Lowe % 8200 "C" Nashville Ave. Lubbock, TX 79423 SS# 462-57-9798	2.34325% x 1/8	0.2343	OPEN UNLEASED SINCE ACQUIRING
Totals for Mineral Ownership:	100.000000%	80.0000	

LLC

BRUMLEY 17 FEDERAL COM #1
EXHIBIT "B"

OWNERSHIP REPORT

PROSPECT: NW Brumley
 RECORD DATE: May 6, 2003
 REPORT DATE: August 12, 2003

LANDMAN: Jeff Votow
 Revised: Randy V. Watts

COUNTY OF: Lea

STATE OF: New Mexico

SECTION: 17
 TOWNSHIP: 19 South

RANGE: 39 East N.M.P.M.

DESCRIPTION: N $\frac{1}{2}$ SW $\frac{1}{4}$

ACRES: 80.00

MINERAL OWNERSHIP

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
✓ June Danglade Speight P.O. Drawer 1687 Lovington, N. M. 88260 SS# 131-24-4837	6.250000%	5.0000	Leased Read & Stevens, Inc. Royalty: 1/4 Expires: 7/17/06
✓ Western Commerce Bank, Trustee of the W. T. Reed Trust P.O. Box 1627 Lovington, N. M. 88260 Tax ID #85-6094548	3.125000%	2.5000	Leased Read & Stevens, Inc. Royalty: 1/5 Expires: 7/29/06
✓ James Reed McCrory P.O. Box 25764 Albuquerque, N.M. 87125-0764 505/247-8883 505/259-4480	3.125000%	2.5000	Leased Read & Stevens, Inc. Royalty: 1/5 Expires: 7/29/06
2 0 Michael L. Klipstine as P.R. of the Estate of Frances L. Klipstine, deceased Katy Klipstine his Att-in-Fact 3501 Claremont Drive Midland, TX 79707 Tax ID #75-6592409	11.111111%	8.8889	Leased Book 1129/ Page 620 Leede Operating, LLC Royalty: 3/16 Expires: 12/4/06 Lease covers: N $\frac{1}{2}$ SW $\frac{1}{4}$ only <i>does not cover N$\frac{1}{2}$SW$\frac{1}{4}$ Sec 17 according to la Co Ord</i>
✓ The Sims Family Trust deed from Mike & Darnell Sims U/A/D 2-16-99 1011 Kiowa Hobbs, N. M. 88240	33.333333%	26.6667	UNLEASED SINCE ACQUIRING <i>Leased to R&S</i>
✓ Erica Jacobs 10746 Francis Place, Apt. #302 Los Angeles, CA 90034 SS# 568-40-3174 Pho: 760/341-0019	6.250000%	5.0000	UNLEASED <i>Leased to R&S</i> Last Lease: 374-44 Date: 6-14-84 Lessee: Alan Antweil Term: 3yrs. Royalty: 3/16 Lease covers: N $\frac{1}{2}$ SW $\frac{1}{4}$ only
✓ Milton Wolff 6240 South Knoxville Tulsa, OK 74136 SS# 442-36-7078	6.250000%	5.0000	Leased Read & Stevens, Inc. Royalty: 3/16 Expires: 5/13/06

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
✓ Lazare Bernhard 1901 Avenue of the Stars Suite 700 Los Angeles, CA 90036 Tax ID# 13-0434195 Pho: 310/553-8431 310/473-4446 310/734-5254	6.250000%	5.0000	Leased Read & Stevens, Inc. Royalty: 3/16 Expires: 5/22/06
✓ American Technion Society 5979 West Third Street Los Angeles, CA 90036 Tax ID# 13-0434195	18.750000%	15.0000	Leased Read & Stevens, Inc. Royalty: 3/16 Expires: 5/22/06
✓ Rebel Oil Co. P.O. Box 788 Hobbs, N.M. 88241 Tax ID# 85-0459397	5.555556%	4.4444	UNLEASED Leased to RAS Last Lease: 374-44 Date: 5-31-84 Lessee: Alan Antweil Term: 3yrs. Royalty: 1/4 Lease covers: S½NW¼ & N½SW1/4
Totals for Mineral Ownership:	100.000000%	80.0000	

, LLC

BRUMLEY 17 FEDERAL COM #1
EXHIBIT "B"

08/11/05 12:43pm P. 001

Revised 3/11/05

Page 1 of 1

, LLC

OWNERSHIP REPORT

PROSPECT: NW Brumley LANDMAN: Jeff Votow
RECORD DATE: May 6, 2003 Revised: Randy V. Watts
REPORT DATE: August 12, 2003

COUNTY OF: Lea STATE OF: New Mexico

SECTION: 17
TOWNSHIP: 19 South RANGE: 39 East N.M.P.M.

DESCRIPTION: S½NW¼ ACRES: 80.00

MINERAL OWNERSHIP

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
Michael L. Klipstine as P.R. of the Estate of Frances L. Klipstine, deceased Katy Klipstine his Att-in-Fact 3501 Claremont Drive Midland, TX 79707 Tax ID #75-6592409	55.555556%	44.4444	Leased Book 1129/ Page 620 Leede Operating, LLC Royalty: 3/16 Expires: 12/4/06 Lease covers: S½NW¼ only
The Sims Family Trust deed from Mike & Darnell Sims U/A/D 2-16-99 1011 Kiowa Hobbs, N. M. 88240	33.333333%	26.6667	Leased Book 1087/ Page 376 Leede Operating, LLC Royalty: 3/16 Expires: 5/30/06 Lease covers: S½NW¼ only
Rebel Oil Co. P.O. Box 788 Hobbs, N.M. 88241 Tax ID #85-0459397	11.111111%	8.8889	Leased Book 1131/ Page 749 Leede Operating, LLC Royalty: 1/4 Expires: 1/29/05 Lease covers: S½NW¼ only
Totals for Mineral Ownership:	100.000000%	80.0000	

Post-It™ Fax Note	7671	Date	3/11/05	# of pages	1
To	Bob Watson	From	Randy Watts		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #	622-8643	Fax #	623-5556		

LLC

BRUMLEY 17 FEDERAL COM #1
EXHIBIT "B"*Leede - 51 net ac./leasehold*

OWNERSHIP REPORT

PROSPECT: NW Brumley
RECORD DATE: May 6, 2003
REPORT DATE: August 12, 2003LANDMAN: Jeff Votow
Revised: Randy V. Watts

COUNTY OF: Lea

STATE OF: New Mexico

SECTION: 17
TOWNSHIP: 19 South

RANGE: 39 East N.M.P.M.

DESCRIPTION: N $\frac{1}{2}$ NW $\frac{1}{4}$

ACRES: 80.00

MINERAL OWNERSHIP

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
OXY USA WTP, Ltd. P.O. Box 50250 Midland, TX. 79710	50.000000%	40.0000	Leased Book 1185/ Page 695 Leede Operating, LLC Royalty: $\frac{1}{4}$ Expires: 10/01/05 Lease covers: N $\frac{1}{2}$ NW $\frac{1}{4}$ only
Tina Gaugh, deceased Last known address 22314 Saticoy Canoga Park, CA 91303 SS# 526-20-4476	2.500000%	2.0000	UNLEASED <i>Rvw</i> Last lease: 379-685 Date: 8-16-84 Leesee: Hubbard Bros. Term : 3 yrs. Royalty: 1/5 Lease covers: N $\frac{1}{2}$ NW $\frac{1}{4}$ only
<i>Sister's</i> Mary Charlene Buller 4568 Royal Oak Drive Oceanside, CA 92056 SS# 550-48-7790 Pho: 760/758-8794	1.250000%	1.0000	Leased Book 1112/ Page 346 Leede Operating, LLC Royalty: 3/16 Expires: 10/02/06 Lease covers: N $\frac{1}{2}$ NW $\frac{1}{4}$ only
William John Smolenske % Betty Zina Nelson 1627 Via Tropico Santa Maria, CA 93454-2615	1.250000%	1.0000	Leased Book 1134/ Page 799 Leede Operating, LLC Royalty: 3/16 Expires: 08/14/06 Lease covers: N $\frac{1}{2}$ NW $\frac{1}{4}$ only
Barry Lee Smolenske 3793 Hummingbird Circle Meade, CO. 80542 SS# 545-92-7883	1.250000%	1.0000	Leased Book 1125/ Page 825 Leede Operating, LLC Royalty: 3/16 Expires: 08/14/06 Lease covers: N $\frac{1}{2}$ NW $\frac{1}{4}$ only
Jean Vera Baker 340 Old Mill Read #85 Santa Barbara, CA 93110 Pho: 805/964-7044	2.500000%	2.0000	UNLEASED SINCE ACQUIRING <i>Rvw</i>
Alene Elizabeth Nickels & Teresa L. Nickels JTWS 2001 Hartwright Road #24 A Vista, CA 92084 SS# 490-34-2990 SS# 559-41-8678	10.000000%	8.0000	Leased Book 1091/ Page 120 Leede Operating, LLC Royalty: 3/16 Expires: 8/4/06 Lease covers: N $\frac{1}{2}$ NW $\frac{1}{4}$ only

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
Leonir Moon Roberts, widow of R. L. Roberts, deceased other heirs? John Duncan Roberts wife: Amy James Roberts Notary for Lenoir in McKinley Co., N.M. Notary for John in Kerrville, TX. (They do not appear in County Records again)	25.000000%	20.0000	UNLEASED Last lease: Book 169/ Page 35 Lessee: Rebel Oil Co. Term: 5 years Royalty: 1/8 Lease covers: N $\frac{1}{2}$ NW $\frac{1}{4}$ only
Paul Henderson (Deed returned to Los Angeles, Ca 1934) (He never appears in the County Records after the Deed into Dr. E. D. Abraham)	3.125000%	2.5000	UNLEASED SINCE ACQUIRING
Dr. E.D. Abraham 104 West Manchester Los Angeles, CA 1939 (He never appears in the County Records again)	3.125000%	2.5000	UNLEASED SINCE ACQUIRING
Totals for Mineral Ownership:	100.000000%	80.0000	

Rvw

BRUMLEY 17 FEDERAL COM. #1
APPLICATION FOR NON-STANDARD PRORATION UNIT
LIST OF AFFECTED PERSONS/PARTIES
EXHIBIT "C"

Leede Operating Company, LLC (lessee)
2100 Plaza Tower One
6400 South Fiddler's Green Circle
Englewood, Colorado 80111

JTD Resources, LLC (lessee)
P.O. Box 3422
Midland, TX 79702

DOH Oil Company (lessee)
P.O. Box 1342
Sweetwater, TX 79556

Unleased Mineral Owners/Sec. 17, T19S-R39E

Michael Johnson, Trustee (S/2W/4)
P.O. Box 470
Edmund, OK 73083

Tina Gaugh (N/2NW/4)
22314 Saticoy
Canoga Park, CA 91303

Jean Vera Baker (N/2NW/4)
340 Old Mill Road #85
Santa Barbara, CA 93110

Leonir Moon Roberts (N/2NW/4)
No address

Paul Henderson (N/2NW/4)
No address

E.D. Abraham (N/2NW/4)
No address

Unleased Mineral Owners – E/2 Sec. 18, T19S-R39E, Lea County, NM

Ryan P. Hatch
14140 Saddle River Drive
Gaithersburg, MD 20878

Carl F. Hatch
1616 South Monroe
San Angelo, TX 76901

Jeannie H. Collins
3500 D. Enfield
Austin, TX 78703

Glen F. Leet, Jr.
2 Briar Oak Drive
Weston, CT 06883

**BRUMLEY 17 FEDERAL COM #1
EXHIBIT "C"**

Victoria Hatch Perejra
Rua Mauro D'Araujo Ribeiro 485
Jaraqua Cidade Abril
05182 San Paulo, S.P. Brazil

Frank Hatch
5011 F. Street
Sacramento, CA 95819

The First National Bank at
Lubbock, Texas, Successor
Trustee of the Testamentary Trust
Under the will of J.E. Simmons and
Beulah H. Simmons, deceased
P.O. Box 1241
Lubbock, TX 79408

Joan Gentry
2725 East 22nd Street
Tulsa, OK 74114

Fred C. Woodson and
Eloise P. Woodson, as
Co-Trustees of the
Woodson Revocable Trust
2324 Sunnyview Lane
Billings, MT 59102

Hunter L. Martin, Jr.
10134 Memorial Drive
Houston, TX 77024

Patricia M. Corey
1207 East 31st St.
Tulsa, OK 74105

Phillip R. Grant, Jr.
1101 Rock Point Court
Albuquerque, NM 87123

Noel Wood, a widow
P.O. Box 9637
Santa Fe, NM 87504

Jon F. Coll
P.O. Box 1818
Roswell, NM 88202-1818

Melanie Coll DeTempe
5653 Tobias Avenue
Van Nuys, CA 91411

Max W. Coll, III
Bingham, NM 87815

Lillian Hinkle Coll
Chaves County, NM

R.R. Culbertson
Address unknown

BRUMLEY 17 FEDERAL COM #1
EXHIBIT "C"

Carolyn R. Diamond
5022 Columbia
El Paso, TX 79922

J.U. Cone, Trustee for
"Five Cone Trusts"
Douglas Cone Trust
Clifford Cone Trust
Thomas Cone Trust
Cathie Cone Trust
Kenneth Cone Trust
P.O. Box 1148
Lovington, NM

Cheedle Caviness and
Elizabeth Caviness, J/T
7505 Derickson Avenue NE
Albuquerque, NM 87109

The Regents of the University
of New Mexico, Carl A. Hutch
Professorship of Law and Public
Administration Fund
Albuquerque, NM 87131

Harriet Hatch Trapani
42 Hubbard Avenue
Cambridge, MA 02140

Carla Leet-Asaf
3224 Timmons Lane, No. 168
Houston, TX 77027

Frederika A. Leet
2 Briar Oak Drive
Weston, CT 06883

Round Hill Royalty
P.O. Box 25128
Dallas, TX

David Cullum Miller
Russell Bryan Miller
P.O. Box One
Tulsa, OK 74103

Barbara Jane Dewey
5220 West 102 Street
Suite 321-B
Bloomington, Minnesota 55437

Norma W. Brady, widow
Life Estate interest
P.O. Box 583
Jenks, OK 74037

L. Brady Myers
5004 West 79 Street
Prairie Village, KS 66208

**BRUMLEY 17 FEDERAL COM #1
EXHIBIT "C"**

Wyatt T. Brady
P.O. Box 6034
Springdale, AR 72766

Mary Debra Brady
1804 Lake Crest Lane
Plano, TX 75023

Clarke C. Coll
P.O. Box 1818
Roswell, NM 88202-1818

Eric J. Coll
P.O. Box 1818
Roswell, NM 88202-1818

Unleased Mineral Owners under the N/2 Section 19, T19S-R39E, Lea County, NM

Virginia S. Peacock, and
J. Hoke Peacock II, as
Successor Trustee under
The will of James L. Peacock
C/o Tony Peacock
1511 South Jackson
Jacksonville, TX

Tony Peacock, as Guardian of
Jerry Peacock Shinalt
1511 South Jackson
Jacksonville, TX

Phillip H. Peacock
C/o Tony Peacock
1511 South Jackson
Jacksonville, TX

Phillip H. Peacock,
Trustee under the Will of
Inez Lester Peacock
C/o Tony Peacock
1511 South Jackson
Jacksonville, TX

J. Hoke Peacock II, Successor
Trustee under the Will of
Inez Lester Peacock
C/o Tony Peacock
1511 South Jackson
Jacksonville, TX

Fortson Oil Company
300 Commerce Street
Fort Worth, TX 76102

Life Royalties, Inc.
1300 South University #306
Fort Worth, TX 76107

Ethleen McDavid, a widow
901 Briarwood
Arlington, TX 76013

**BRUMLEY 17 FEDERAL COM #1
EXHIBIT "C"**

Lois Whitley and et vir
W.F. Whitley
1016 West Custer
Seymour, TX 76380

Unleased Mineral Owners under the NW/4 Section 20, T19S-R39E, Lea County, NM

Conoco Phillips Company
P.O. Box 2197
Houston, TX 77252-2197

Cecile Marie Dreessen
P.O. Box 1696
Paoulsbo, WA 98370

Carlsbad Nat'l Bank, Trustee
Of the Nelle G. Scheurich Trust
P.O. Box 1359
Carlsbad, NM 88220

Noble Energy, Inc.
Successor to Samedan Oil
12600 Northborough D 250
Houston, TX 77067-3299

Wells Fargo Bank Texas, Trustee
of the Frances Snyder Flood Testamentary Trust – 7/1536
of the Dick Snyder Testamentary Trust – 7/1536
of the Anne Snyder Testamentary Trust – 4/1536
P.O. Box 1959
Midland, TX 79702

Cathie Cusack
10908 Mahlon, N.E.
Albuquerque, NM 87112

Karen Cusack Gordon
9108 Princess Jeanne, N.E.
Albuquerque, NM 87112

Timothy J. Cusack
P.O. Box 250
Roswell, NM 88202-0250

Maj. John Cusack
6 Lake Lorraine Drive
Belleville, IL 62221

Craig Cusack
2001 East Lohman 110, Suite 304
Las Cruces, NM 88001

Chris Cusack
10677 Wilkens No. 2
Los Angeles, CA 90024

Mike Cusack, Jr.
6003 Valkeith
Houston, TX 77096-3832

**BRUMLEY 17 FEDERAL COM #1
EXHIBIT "C"**

Cheedle Caviness & Elizabeth
Caviness as joint tenants with
right of survivorship
7505 Dedrickson Ave., N.E.
Albuquerque, NM 87109

The Regents of the University of
New Mexico, Carl A. Hatch
Professorship of Law and Public
Administration Fund
227 Scholes Hall University NE
Albuquerque, NM 87131

Carl F. Hatch
1616 South Monroe
San Angelo, TX 76901

Jeannie H. Collins
3500 D. Enfield
Austin, TX 78703

Victoria Hatch Pereira
Rua Mauro D'Araujo Ribeiro 485
Jaragua Cidade Abrill
05182 Sao Paulo, S.P. Brazil

Frank Hatch
5011 F. Street
Sacramento, CA 95819

Harriet Hatch Trapani
42 Hubbard Ave.
Cambridge, MA 02140

Glen F. Leet, Jr.
2 Briar Oak Drive
Weston, CT 06883

Carla Leet-Assaf
3224 Timmons Lane, No. 168
Houston, TX 77027

Frederika A. Leet
2 Briar Oak Drive
Weston, CT 06883

**Unleased Mineral Owners under the South 64 acres, more or less, of Section 8,
T19S, R39E, in Lea County, New Mexico.**

W.N. Duncan
1067 S. Goodwin
Vinton, LA 70668

Annie Lavetus Duncan
212 N. 9th
Carlsbad, NM 88220

Elzie Wallie Duncan, dealing in his ssp.
1005 Blazick SW
Albuquerque, NM 87105

BRUMLEY 17 FEDERAL COM #1
EXHIBIT "C"

Edgar J. Wuest

Max S. Thacker, dealing in his ssp.
C/o Joe Thacker
P.O. Box 360
Roaring Springs, TX 79256

Joe M. Thacker and Joyce T. Thacker,
each dealing in their ssp.
P.O. Box 360
Roaring Springs, TX 79256

Maudie L. Williams, Indiv. and as Ind.
Exec. of the Estate of Owen L. Williams
124 E. 22nd St.
Clovis, NM 88101

Margaret Gabriel, Trustee, u/w/o
George Gabriel
1701 W. 5th
Plainview, TX 79705

Anne Hughes Innes and Mona Hughes
Sherwood, each dealing in their ssp.
124 W. 1st
Spur, TX

Lila Wersell
P.O. Box 666
Carlsbad, NM 88220

**BRUMLEY 17 FEDERAL COM #1
EXHIBIT "C"**

Edgar J. Wuest

Max S. Thacker, dealing in his ssp.
C/o Joe Thacker
P.O. Box 360
Roaring Springs, TX 79256

Joe M. Thacker and Joyce T. Thacker,
each dealing in their ssp.
P.O. Box 360
Roaring Springs, TX 79256

Maudie L. Willians, Indiv. and as Ind.
Exec. of the Estate of Owen L. Williams
124 E. 22nd St.
Clovis, NM 88101

Margaret Gabriel, Trustee, u/w/o
George Gabriel
1701 W. 5th
Plainview, TX 79705

Anne Hughes Innes and Mona Hughes
Sherwood, each dealing in their ssp.
124 W. 1st
Spur, TX

Lila Wersell
P.O. Box 666
Carlsbad, NM 88220

Unleased Mineral Owners under the SE/4 Sec. 7, T19S-R39E, Lea County, NM

Susan W. Bartosch,
separate property
#5 The Knolls
Creve Coeur, MO 63141

Zanna A. Traweek
separate property
HCR 1 Box 217
Plains, TX 79355

Clara E. Burress
separate property
3 Maxwell Lane
Plano, TX 75094

Ramona Curry Roberts
separate property
P.O. Box 460
Plainview, TX 79073

Howell Spear
separate property
P.O. Box 30169
Pensacola, FL 32503-1169

Sun-West Oil & Gas, Inc.
P.O. Box 788
Hobbs, NM 88241

**BRUMLEY 17 FEDERAL COM #1
EXHIBIT "C"**

J. Pat Corrigan, Trustee of the
C.E. Corrigan Trust f/b/o
James Patrick Corrigan, Jr.
P.O. Box 690068
Vero Beach, FL 32969

Hugh Daniels Corrigan
P.O. Box 690068
Vero Beach, FL 32969

Eleanor Christie Corrigan
P.O. Box 690068
Vero Beach, FL 32969

Pat Corrigan, Trustee
of the Pat Corrigan Trust
P.O. Box 690068
Vero Beach, FL 32969

Hugh Corrigan, III, Trustee of the
C.E. Corrigan Trust f/b/o
Patrick Edward Corrigan
P.O. Box 690068
Vero Beach, FL 32969

Hugh Corrigan, III, Trustee of the
C.e. Corrigan Trust f/b/o
Hugh Corrigan, IV
P.O. Box 50280
Midland, TX 79710

Howard Payne College f/b/o
McArthur Academy of Freedom
1601 Elm Street, Ste. 1700
Dallas, TX 75201-7241

Howard Payne
C/o Bruce Payne
Suite 600
1 Dearborn Square
Kankakee, IL 60901

Granville C. Nash and
wife Vesta Nash
No known address

Francis Daughterty C de Baca
and husband F. C de Baca, Jr.
No known address

Marion Daughterty Torres
No known address

Robert W. Stotler
No known address

Clara Stotler, Individually, and
Clara Stotler and Peoples State
Bank of Bloomington, Trustees
Suite 301
1 Brickyard Drive
Bloomington, IL 61701

Brumley 17 Federal Com #1

Exhibit "D" Discussion

This application for a non-standard spacing unit is necessitated by a variation in the legal subdivision of the U.S. Public Land Surveys. Section 17 T19S-R39E as shown on the attached C-102 contains approximately 428 total acres. Per Exhibit "A" the mineral ownership is divided into 4 equal subdivisions running from the west side of the section to the east side. By dividing these subdivisions in half, the entire section can be divided into 8 equal proration units approximately 53.6 acres each, slightly larger than the standard 40 acre proration unit.

On the east half of the section you will notice a federal lease that runs north/south along the extreme east side of the section. Because of the equal ownership among the 4 eastern most proposed proration units between federal and fee acreage, a communitization agreement will be utilized to pool the mineral acreage in the east half proration units. The west half proration units will be all fee minerals.

Dividing this unorthodox section in this equitable manner will prevent the waste of oil and gas resources, and protect the correlative rights of all the mineral and leasehold owners involved.

UNITED BANK PLAZA
400 N. PENN, SUITE 1000

CHARLES B. READ
PRESIDENT

PHONE 505 622-3770
FAX 505 622-8643

Read & Stevens, Inc.

Oil Producers

P. O. Box 1518

Roswell, New Mexico 88202

May 27, 2005

**Brumley 17 Federal Com #1
Exhibit "E"**

See Attached Address List
Affected Working Interest/Mineral Owners

Re: Brumley 17 Federal Com. #1
Section 17, T19S-R39E
Lea County, NM

Dear Owner:

READ & STEVENS, INC., as Operator, proposes to drill the captioned 4800' San Andres test well on a non-standard 53.64 acre proration unit comprised of Lot 4 and the East 26.36 acres of the S/2SW/4 of Section 17, T19S-R39E. We will make application to the New Mexico Oil Conservation Division for a total of eight (8) non-standard proration units and request administrative approval for this application. The non-standard locations are necessary due to the fact that Section 17 is a truncated section containing a total of 428.08 total acres and the section can be subdivided into eight (8) equally sized proration units.

Enclosed is a copy of our application, which will be filed with the NMOCD on June 1, 2005. In accordance with NMOCD Rule 19.15.14.1207 you are the owner of an interest that may be affected by this well. Objections must be filed in writing at the NMOCD Santa Fe office, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty (20) days of the filing date. If no objection is received within this twenty-day period, this application may be approved.

If you have no objection to this application, please sign and date one (1) copy of this letter and either FAX to my attention at 505-622-8643 or mail to this office at the letterhead address.

Should you have any questions, please contact me at 505-622-3770 x 209.

Respectfully,

READ & STEVENS, INC.



Robert H. Watson
Land Manager

Read & Stevens, Inc.

Page 2
May 27, 2005

The undersigned Owner hereby waives any objections to the READ & STEVENS, INC. Application to the NMOCD for a non-standard proration unit.

Owner: _____

By: _____

Date: _____

BW: mp
Enclosure

AFFIDAVIT OF PUBLICATION

Brumley 17 Federal Com #1
Exhibit "F"

State of New Mexico,
County of Lea.

RECEIVED JUN 08 2005

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a
newspaper published at
Hobbs, New Mexico, do solemnly
swear that the clipping attached
hereto was published once a
week in the regular and entire
issue of said paper, and not a
supplement thereof for a period.

of 1
_____ weeks.

Beginning with the issue dated

May 28 2005
and ending with the issue dated

May 28 2005

Kathi Bearden
Publisher

Sworn and subscribed to before

me this 31st day of

May 2005

Notary Public.

My Commission expires
February 07, 2009
(Seal)



OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: _____

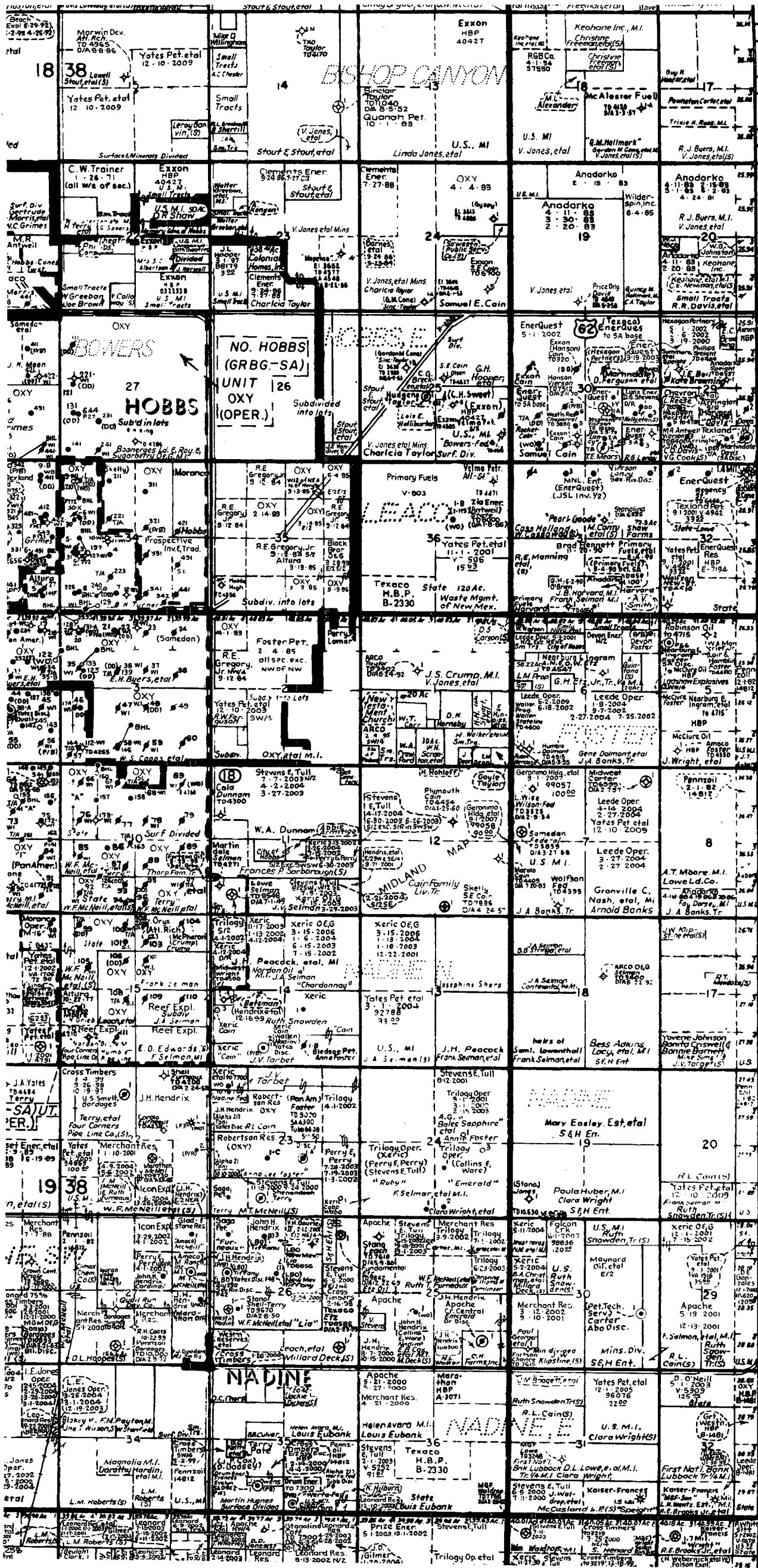
This newspaper is duly qualified
to publish legal notices or adver-
tisements within the meaning of
Section 3, Chapter 167, Laws of
1937, and payment of fees for
said publication has been made.

LEGAL NOTICE
May 28, 2005

Read & Stevens, Inc., 400 Penn Plaza, Suite 1000, Ros-
well, New Mexico 88201, Attn: Mr. John Maxey, Operations
Manager, Phone #505/622-3770 is making application to
the New Mexico Oil Conservation Division for non-standard
spacing units in connection with the drilling of the Brumley,
17 Federal Com #1 located 485' FEL & 330' FSL, Section
17, T19S-R39E, Lea County, New Mexico. The non-stand-
ard spacing units are necessitated by a variation in the legal
subdivision of the U. S. Public Land Surveys.

Interested parties must file objections or request a hearing
with the New Mexico Oil Conservation Division, 1220 South
St. Francis Drive, Santa Fe, New Mexico 87505 within 20
days.
#21556

a0107570000 67530763
Read & Stevens, Inc.
P.O. Box 1518
ROSWELL, NM 88202



32°45'

T 18 S

32°40'

T 19 S

BLK. A-12