

7-6-05

7-7-05

DATE IN 6-6-05	SUSPENSE	ENGINEER Stogner	LOGGED IN 6-7-05	TYPE NSL	APP NO. PSEM0518828400
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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



2005 JUL 6 PM 2 43

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST 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
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ~~X~~ 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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

WILLIAM F. CARR William F. Carr ATTORNEY 7/6/05
 Print or Type Name Signature Title Date
wcarr@hollandhart.com
 e-mail Address

July 6, 2005

HAND-DELIVERED

Mark E. Fesmire, P. E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of H. L. Brown Operating, L.L.C. administrative approval of an unorthodox gas well location for its Federal "27" Well No. 4, to be drilled at an unorthodox oil well location 2415 feet from the South line and 287 feet from the West line of Section 27, Township 7 South, Range 37 East, N.M.P.M., Roosevelt County, New Mexico.

Dear Mr. Fesmire:

H. L. Brown Operating, L.L.C. hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2)-(4) adopted on August 12, 1999, of an unorthodox well location for its Federal "27" Well No. 4 to drilled at a surface location 2415 feet from the South line and 287 feet from the West line of Section 27, Township 7 South, Range 37 East, N.M.P.M., Roosevelt County, New Mexico. This well will be drilled to a depth of approximately 9,000 feet to test the Devonian formation, North Bluit Siluro-Devonian Pool. Pursuant to the Special Rules and Regulations for this pool, adopted by Division Order No. R-8586, a standard 80-acre spacing and proration unit comprised of the N/2 SW/4 of Section 27 will be dedicated to the well.

This well location in the Devonian formation is unorthodox because the Special Rules and Regulations for the North Bluit Siluro-Devonian Pool provide for wells to be located within 150 feet of the center of a governmental quarter-quarter section or lot. (Rule 4). The proposed unorthodox well location is 175 feet from the southern boundary of the dedicated N/2 SW/4 spacing unit and also unorthodox toward the western boundary of the dedicated unit. The acreage dedication plat for the well (Division Form C-102) is attached hereto as **Exhibit A**.

This well will be drilled as a replacement for the Federal "27" Well No. 2 that was drilled at an unorthodox well location approved by Order No. R-9935 on August 9, 1993. Although the Federal "27" Well No. 2 was drilled to the Devonian formation,



due to completion problems economic production was not obtained from that formation and the well was completed in the Wolfcamp formation. H. L. Brown Operating, L.L.C. now plans to twin that well and again attempt a well in the Devonian formation. The current location was selected because it is between a road and a pipeline as shown on the topographic map attached hereto as **Exhibit B**.

H. L. Brown's location for the Federal "27" Well No. 4 is in a position to effectively recover hydrocarbons from this N/2 SW/4 spacing unit.

Attached hereto as **Exhibit C** is a plat that shows the subject area, the 80-acre spacing unit comprised of the N/2 SW/4 of Section 27, the proposed unorthodox location and the adjoining spacing units and wells. The acreage shaded yellow is operated by H. L. Brown Operating, L.L.C. and the working interest in all of the shaded acreage is identical. This well encroaches on the N/2 of Section 27 and the E/2 of Section 28, Township 27 South, Range 7 East. NMPM. Since the offsetting tracts are operated by H. L. Brown and the working interest and royalty interest is identical in the dedicated spacing unit and in all offsetting tracts, there are no affected parties to whom notice of this application must be provided pursuant to Division Rule 1207(A).

Enclosed is a proposed administrative order of the Division.

Your attention to this application is appreciated.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr".

William F. Carr

Attorney for H. L. Brown Operating, L.L.C.

Enclosures

cc: Peter Courtney
H. L. Brown Operating, L.L.C.

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

DISTRICT II
611 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	Pool Code	Pool Name
Property Code	Property Name FEDERAL "27"	Well Number 4
OGRID No.	Operator Name H.L. BROWN OPERATING L.L.C.	Elevation 4056'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	27	7 S	37 E		2415	SOUTH	287	WEST	ROOSEVELT

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.

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

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____

Printed Name _____

Title _____

Date _____

SURVEYOR CERTIFICATION

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.

Date Surveyed: JUNE 08, 2005

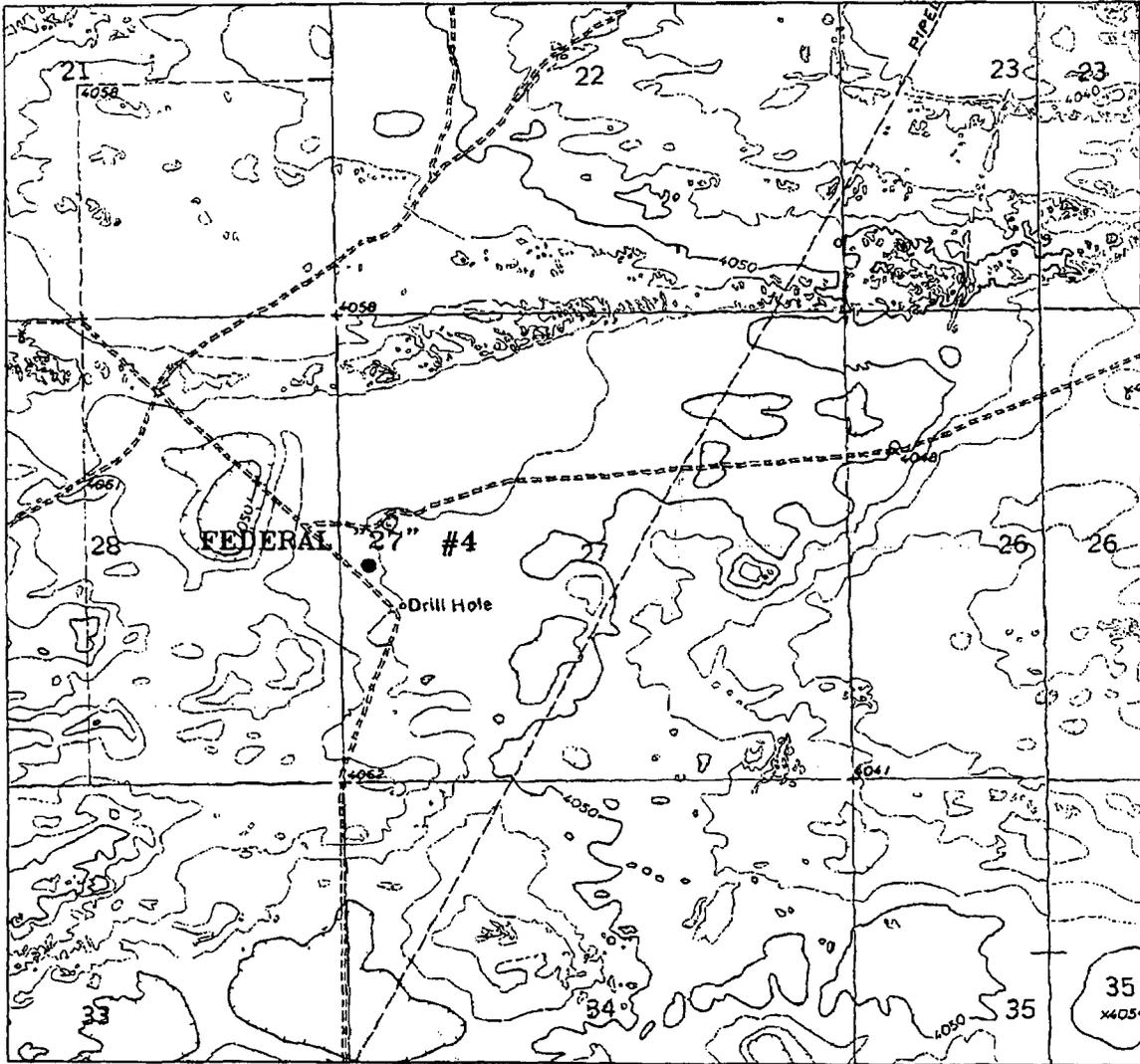
Signature: [Signature] Jones
Professional Surveyor

W.C. No. 5687

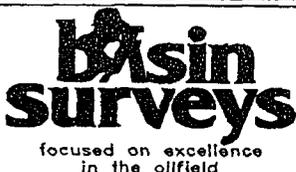
Certificate No. 7977 Jones

BASIN SURVEYS

Standard 640-acre Section



FEDERAL "27" #4
 Located at 2415' FSL and 287' FWL
 Section 27, Township 7 South, Range 37 East,
 N.M.P.M., Roosevelt County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 5487AA - KJG #1

Survey Date: 06-08-2005

Scale: 1" = 2000'

Date: 06-10-2005

**H.L. BROWN
 OPERATING L.L.C.**

EXHIBIT B

July __, 2005

H.L.Brown Operating, L.L.C.
c/o Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 88501-2208

Attention: William F. Carr

Administrative Order NSL-_____

Dear Mr. Carr:

Reference is made to the following: (i) your application dated June 30, 2005 on behalf of the operator, H. L. Brown, L.L.C.. ("H. L. Brown"); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning H. L. Brown's request for an unorthodox gas well location to be applicable to the Devonian formation, Bluit Siluro-Devonian Pool, that is:

- (1) developed on 80-acre spacing; and
- (2) governed by the Special Rules and Regulations for the North Bluit Siluro-Devonian Pool which provide for wells on 80-spacing units to be located within 150 feet of the center of a governmental quarter-quarter section or lot. (Rule 4). The proposed unorthodox well location is 175 feet from the southern boundary of the dedicated N/2 SW/4 spacing unit and also unorthodox toward the western boundary of the dedicated unit.

The N/2 SW/4 of Section 27, Township 7 South, Range 37 East, NMPM, Roosevelt County, New Mexico is to be dedicated to this well in order to form a standard 80-acre lay-down spacing and proration unit.

This application has been duly filed under the provisions of Rule 5 of the Special Rules and Regulations for the North Bluit Siluro-Devonian Pool.

This well will be drilled as a replacement for the Federal "27" Well No. 2 that was drilled at an unorthodox well location (approved by Order No. R-9935 dated August 9, 1993). H. L. Brown Operating, L.L.C. now plans to twin that well and again attempt a well in the Devonian formation. The current location was selected because it is between a road and a pipeline.

By the authority granted me under the provisions of Rule 5 of the Special Rules and Regulations for the North Bluit Siluro-Devonain Pool, the following described well to be drilled at an unorthodox gas well location within this 80-acre unit is hereby approved:

**Federal "27" Well No. 4
2415' FSL & 287' FWL (Unit L)**

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

Sincerely,

Mark E. Fesmire
Director

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management - Carlsbad

Mack Kizer, etal (S)

J.D. Weaver (S) all sec.

Carla & Douglas
Salmon
4-1-90
01539

Roy Barton, etal
W A Yeager Group

R G Barton, Jr
C R Smith

Low Partners
4-1-95
83626
41300

L.E. Opperman
9-1-93
77122
5400

Mack
Kizer,
etal (S)

J.D.
Weaver (S)

L.E. Opperman
9-1-93
77122
5400

F.J.
Schlicher, etal.
1-6-91

H.L Brown, Jr.
8-1-95
62249

U.S.
Mack
Kizer, etal (S)

Griffith E,
Stone Roy, 9/2 M.I
Chisos, Ltd.
Wanda McCormack

Betty
Hawkins, etal

U.S.
J.D.
Weaver (S)

Sool Ltd. etal
7-1-88
33205

H.L. Brown
Jr. 8-1-95
61249

(H.L. Brown, Jr.)
Fed.
Sil Dev. Disc.
F202
"Fed."

H.L. Brown Op
(Sool Ltd.)
12852

H.L. Brown
Op.
Federal 28 Com. #3 Unit
Sool Ltd.
54450

H.L.
Brown Op.
(Sool Ltd.)

28

27

Proposed
Federal 28 Com. #3 Unit
CDquiro
Cities Fed
TO 9244
DIA 3-30-75

Proposed
Fed. 28
H.L.
Brown Jr.
CSO-Fed
TO 8242
DIA 11-27-57

H.L. Brown
Bluff-Fed
(Bluff Unit)
TO 9265
(DIA 11-27-57)
Pg 7-22-70
"Fed."

(Holly Emer.)
Holly-Fed.
TO 9202
P/B 4561
C 5-90
SA Disc

U.S.
P.M. Kizer, etal (S)

P.M.
Kizer, etal (S) U.S.

(Davoil)
35540

Future Acquis. (Sool Ltd., etal)
Sool Ltd., etal (Felmont)
HBP
0474
021097

Sool Ltd. Four Mile
etal
13740
HBP
0557843

Yates Per., etal
9-1-93
77123
2800

Sool Ltc. Sool Ltd.
etal etal
HBP 3-1-85
0474 24495

U.S.

33

34

H.L. Brown Operating L.L.C.
North Bluff Area
Roosevelt Co., New Mexico

Federal 28 Com. #3 Location
Federal 27-4 Location

1"=1,000'

5/05

EXHIBIT C

H.L.
Brown, Op.
E.C. George
Fed.

1.2 Mil. H.L. Brown Oper.
+ FIB Fed

W.L.
Beggs
(S)

1.3 Mil. U.S.
J.D.
Weaver

Sool Ltd. U.S.
etal etal
13740 J.D. Weaver (S)

Brown
Fed.