

ABOVE THIS LINE FOR DIVISION USE ONLY

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



API: 5986  
 FEDERAL 27 #06  
 H.L. BROWN  
 OPERATING LLC 213179

## 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 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.**

Carlton Wheeler	See Letter	Operations Manager	1/5/09
Print or Type Name	Signature	Title	Date
e-mail Address			

H.L. Brown Operating, L.L.C.

P.O. BOX 2237

Midland, TX 79702

432.683.5216

RECEIVED

2009 JAN 7 PM 1 19

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January 5, 2009

Director  
Oil Conservation Division  
New Mexico Energy, Mineral and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

**RE: Non Standard Location Order**

To Whom It May Concern;

H.L. Brown Operating, L.L.C., P.O. Box 2237, Midland, Texas 79702, pursuant to Rule 104 of the Oil Conservation Division's Rules and Regulations, hereby makes application for an unorthodox oil well location in Roosevelt County, New Mexico.

H.L. Brown Operating, L.L.C. respectfully request approval for the unorthodox location of Well No. 6 Federal "27" to be drilled 1600 feet from the North line and 1710 feet from the West line of Section 27, Township 7 South, Range 27 East, Bluit, N. (Siluro-Devonian), the S/2 of the NW/4 of Section 27 to be dedicated to the well.

A plat showing wells in the Bluit, N. (Siluro-Devonian), dedicated acreage, and the proposed well location is attached.

If there are any questions concerning this application, or if any additional information is needed, please let me know.

Sincerely,

*Carlton Wheeler*

Carlton Wheeler  
Operations Manager  
H.L. Brown Operating, L.L.C.

attachments

File

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

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

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

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

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

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 06910	Pool Name Bluitt, N. (Siluro-Devonian)
Property Code NM 1285254449	Property Name FEDERAL "27"		Well Number 6
OGRID No. 213179	Operator Name H.L. BROWN OPERATING, LLC		Elevation 4058'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	27	7 S	37 E		1600	NORTH	1710	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

<p>LAT N.: 33°40'55.78" LONG W.: 103°08'38.22" NMSPCE- 977820.823 903152.399 (NAD-83)</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</p> <p><u>Carlton Wheeler</u> Signature <span style="float: right;">9-30-08 Date</span></p> <p><u>CARLTON WHEELER</u> Printed Name</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 style="text-align: center;">JUNE 17, 2008</p> <p>Date Surveyed <u>June 17, 2008</u> Signature <u>Gary L. Jones</u> Professional Seal of <u>Gary L. Jones</u> No. <u>9876</u></p> <p>Certificate No. <u>Gary L. Jones 7977</u></p> <p style="text-align: center;"><b>Basin Surveys</b></p>

**H.L. Brown Operating, L.L.C.**

**P.O. BOX 2237  
Midland, TX 79702  
432.683.5216**

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January 30, 2009

New Mexico Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
ATTN: David Brooks  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87505

**Federal 27 Well No. 6  
1600 FNL and 1710 FWL  
Unit F, Section 27-7S-37E  
Roosevelt County, New Mexico**

Dear Mr. Brooks,

In reference to your fax, please note the following:

- The reason we are requesting approval of a non-standard location for the referenced well is for geological considerations. The pool rules require the well to be 150' from the center of the quarter quarter section.
- There are no offsetting parties other than H.L. Brown Operating, L.L.C.
- Working interest ownership of the offsetting unit is identical to the ownership of the well unit. Furthermore the Federal 27-1 is now completed in a new zone and application for a new reservoir has been made.

Should you have any further questions or concerns please feel free to contact me.

Sincerely,



Carlton Wheeler  
Operations Manager  
H.L. Brown Operating, L.L.C.

(432) 683-5216 Telephone

300 West Louisiana

(432) 688-3737 Fax

District I  
1525 N. French Dr., Healdsburg, NM 88240  
District II  
1301 W. Grand Avenue Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-123  
Revised June 10, 2003

Submit 2 Copies  
to appropriate  
District Office

## REQUEST FOR THE CREATION OF A NEW POOL

Date Jan 5, 2009

The H.L. Brown Operating, L.L.C. Federal 27  
Name of Operator Name of Lease

1 Located 1650 feet from the North line and 660 feet  
Well No.

from the West line of 27 7-S 37-E  
Section Township Range

is outside the boundaries of any pool producing from the same formation. On the basis of the information submitted herewith on form C-105, we hereby request that a new pool be created to include the following described area.

Suggested name: Bluff, N. (Penn)

Name of Producing Formation PENNSYLVANIAN

H.L. Brown Operating, L.L.C. P.O. Box 2237 Midland, TX 79702  
Operator Name and Address

Carton Wheeler  
Signature

ccw@hlboperating.com  
E-mail Address

Operations Manager Jan 5, 2009  
Title Date

For OCD use only:

Pool Contained \_\_\_\_\_

Placed in \_\_\_\_\_ Pool.

Order No. \_\_\_\_\_ Date \_\_\_\_\_



New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



January 29, 2009

Mr. Carlton Wheeler  
H.L. Brown Operating, L.L.C.  
P.O. Box 2237  
Midland, TX 79702  
FAX No. 432-688-3737

**Re: Federal 27 Well No. 6  
1600 feet FNL and 1710 FWL  
Unit F, Section 27-7S-37E  
Roosevelt County, New Mexico**

Dear Mr. Wheeler:

We have received your application for approval of a non-standard location for the referenced well.

The application does not state the reason why you are requesting a non-standard location for this well.

In addition, your application does not identify the party or parties who may be affected, or include proof of notice to such parties. This information is required unless you own 100% of the working interest in the offsetting unit encroached upon (here, the N/2 NW/4 of Section 27), or working interest ownership of the offsetting unit is identical to the ownership of the well unit.

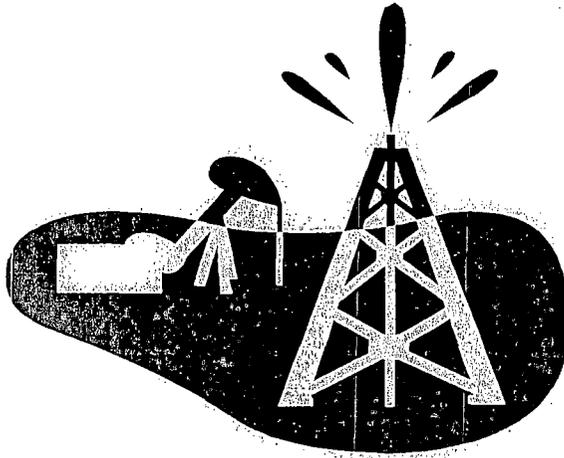
Please furnish the requested information so that we can proceed with processing this application.

If you have questions or other concerns, please feel free to contact the undersigned.

Very truly yours,

David K. Brooks  
Legal Examiner  
505-476-3450  
david.brooks@state.nm.us





TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION  
1220 S. ST. FRANCIS DRIVE  
SANTA FE, NM 87505  
(505) 476-3440  
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: Carlton Wheeler 432-688-3737

FROM: David Brooks

DATE: 2-3-09

PAGES: 2

SUBJECT: Federal 27 #6

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IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE  
NUMBER ABOVE.



New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



February 3, 2008

Mr. Carlton Wheeler  
H.L. Brown Operating, L.L.C.  
P.O. Box 2237  
Midland, TX 79702  
FAX No. 432-688-3737

**Re: Federal 27 Well No. 6  
1600 feet FNL and 1710 feet FWL  
Unit F, Section 27-7S-37E  
Roosevelt County, New Mexico**

Dear Mr. Wheeler:

Your letter of January 30 answered my previous questions, but raised additional questions.

Are you now seeking non-standard location approval for this well in both the Siluro-Devonian and the Pennsylvanian?

Is the Pennsylvanian oil or gas? If it is oil, NSL approval will be required, since the location is more than 330 feet from the north quarter-quarter section line. If it is gas, the location would be standard.

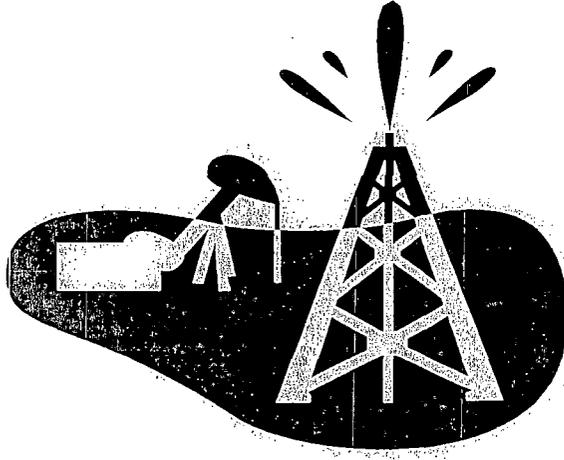
Please answer the above questions, and I will then prepare an order granting this applications.

If you have questions or other concerns, please feel free to contact the undersigned.\

Very truly yours,

David K. Brooks  
Legal Examiner  
505-476-3450  
david.brooks@state.nm.us





TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION  
1220 S. ST. FRANCIS DRIVE  
SANTA FE, NM 87505  
(505) 476-3440  
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: Carlton Wheeler  
432-688-3737

FROM: David Brooks

DATE: 1-29-08

PAGES: 2

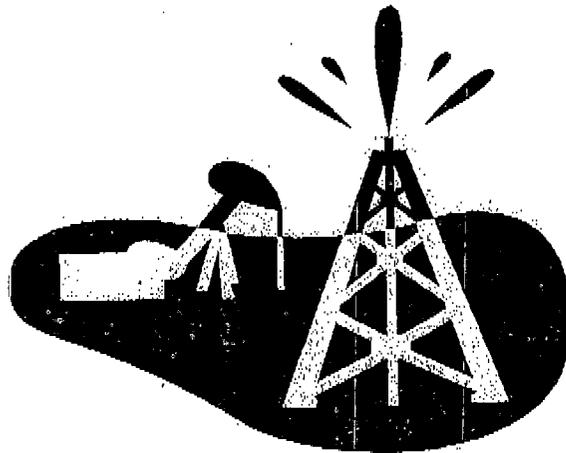
SUBJECT: Federal 27 Well #6

IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE  
NUMBER ABOVE.

TRANSMISSION VERIFICATION REPORT

TIME : 01/29/2009 17:19  
NAME : EMF/D SSB  
FAX : 5054763274  
TEL : 5054763276

DATE, TIME	01/29 17:18
FAX NO. /NAME	914326883737
DURATION	00:00:40
PAGE(S)	02
RESULT	OK
MODE	STANDARD



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION  
1220 S. ST. FRANCIS DRIVE  
SANTA FE, NM 87505  
(505) 476-3440  
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO:

*Carlton Wheeler*  
*432-688-3737*

FROM:

*David Brooks*

DATE:

*1-29-08*

**Brooks, David K., EMNRD**

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**From:** Carlton Wheeler [ccw@hlboperating.com]  
**Sent:** Tuesday, February 03, 2009 10:19 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** Fw: Federal 27 No.6

----- Original Message -----

**From:** Carlton Wheeler  
**To:** david\_brooks@state.nm.us  
**Sent:** Tuesday, February 03, 2009 11:16 AM  
**Subject:** Federal 27 No.6

Re: Feb 3 fax

Mr. Brooks,

The Federal 27-6 is to be a Devonian oil test; we expect to establish production in the lower Devonian section. If unsuccessful, then we would try a Pennsylvanian gas completion. We are awaiting new field designation for the Federal 27 No.1 that was recently re-completed in a previous untested gas zone in the Pennsylvanian section. Please advise if you need any further information.

Carlton Wheeler  
Operations Manager  
H L Brown Operating, L.L.C.

CONFIDENTIAL NOTICE: This electronic transmission and any documents or other writings sent with it constitute confidential information which is intended only for the named recipient and which may be legally privileged. If you have received this communication in error, do not read it. Please reply to the sender at H.L. Brown Operating, L.L.C. that you have received the message in error. Then delete it. Any disclosure, copying, distribution or the taking of any action concerning the contents of this communication or any attachment(s) by anyone other than the named recipient is strictly prohibited.

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