

Federal "C" No. 2

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240
H. L. Brown Operating, L.L.C.
Post Office Box 2237
Midland, Texas 79702-2237

November 16, 2005

United States Department of Interior
Bureau of Land Management
Roswell District Office
2909 West Second Street
Roswell, NM 88202

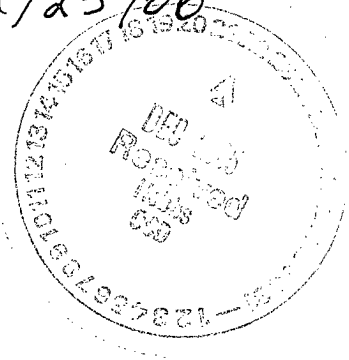
Attn: Larry Bray

RE: Federal "C" No. 2 – extension of drilling permit
1980' FSL & 1330' FWL, Unit K,
Sec. 4, T-8-S, R-37-E
Roosevelt County, New Mexico
New Mexico Lease NM – 24513

021097A

30-041-20910

Expires 11/23/06



Dear Mr. Bray,

The BLM approved our drilling permit on November 23, 2004 with a one-year approval period. We are respectfully asking for a one-year extension of the permit so that we can get a rig moved in. None of the conditions of the permit have changed and we have a location ready for a rig.

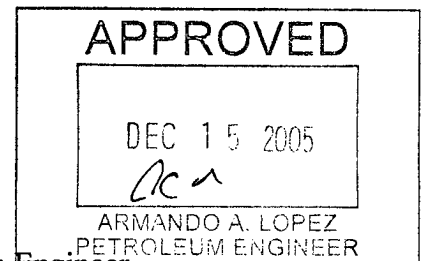
After the permit was approved last November, we were unable to contract a rig before the prairie chicken season started. When the season ended, the rig market had progressively tightened and we were unable to contract a rig for a single well. Since then, we have one more Bluit drilling permit approved, another APD pending plus we will have two sidetracks to drill with the same rig. We hope to have a United rig drilling in the area by early January. Should you need further information, please contact me at 432-688-3726.

Very truly yours,
H. L. Brown Operating, L.L.C.

Robert McNaughton
Operations Manager/ Petroleum Engineer

RTM/
enclosure

LWW



New Mexico Oil Conservation District
1625 N. French Drive
Hobbs, NM 88201

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM 021097A NM 021097A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator H.L. Brown Operating L.L.C # 213179		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 3737, Midland, Texas 79707	3b. Phone No. (include area code) 432-688-3726	8. Lease Name and Well No. Federal 'C' #2
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1980' FSL & 1330' FWL, Unit K At proposed prod. zone		9. API Well No. 30-041-20910
14. Distance in miles and direction from nearest town or post office* 10 miles east of Milnesand, NM		10. Field and Pool, or Exploratory Bluitt Wolfcamp
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1330'		11. Sec., T., R., M., or Blk. and Survey or Area Sec 4, T-8 -S, R-37 -E
16. No. of Acres in lease 320		12. County or Parish Roosevelt
17. Spacing Unit dedicated to this well 320		13. State NM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2332'		20. BLM/BIA Bond No. on file 0679788
19. Proposed Depth 8200'		21. Estimated duration 21 days
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4062' GL		22. Approximate date work will start* 12-01-04
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Robert McNaughton	Date 10-06-04
Title Operations Manager/ Petroleum Engineer		
Approved by (Signature) /s/LARRY D. BRAY	Name (Printed/Typed) /s/LARRY D. BRAY	Date NOV 23 2004
Title Assistant Field Manager, Lands And Minerals		
Office ROSWELL FIELD OFFICE		
APPROVED FOR 1 YEAR		

Application approval 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.

Conditions of approval, if any, are attached.

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.

*(Instructions on reverse)

OPER. OGRID NO. 213179
PROPERTY NO. 29860
POOL 72640
EFF. 11/29/04
API NO. 30-041-20910

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED