

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

July 17, 2007

Administrative Order NSL-5666

**Re: Lewis B. Burleson, Inc.
Attn Steven L. Burleson
TC Federal Well No. 3
N-30-20S-39E
Lea County**

Dear Mr. Burleson:

Reference is made to the following:

(a) your application (**administrative application reference No. pCLP07-0717341214**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on June 18, 2007, and

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

Lewis B. Burleson, Inc. (Burleson) has requested to drill its TC Federal Well No. 3 at an unorthodox Abo oil well location, 1153 feet from the South line and 2173 feet from the West line (Unit N) of Section 30, Township 20 South, Range 39 East, N.M.P.M., in Lea County, New Mexico. The SE/4 SW/4 of Section 30 will be dedicated to this well in order to form a standard 40-acre oil spacing unit in the undesignated DK Abo Pool. This pool is governed by statewide Rule 104.B(1), which provides for 40-acres units, with wells located at least 330 feet from a unit outer boundary. This location is approximately 167 feet from the northern unit boundary.

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

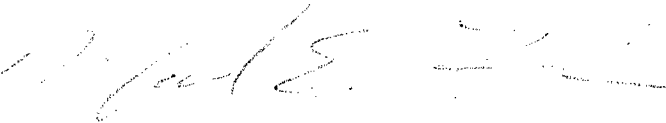
It is our understanding that Burleson is seeking this location to conform to United States Bureau of Land Management surface location requirements.

It is also understood that notice of this application to offsetting operators or owners is unnecessary because Burleson is owner of 100% of the working interest in the offsetting unit to the north.

Pursuant to the authority granted me under the provisions of 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,

A handwritten signature in dark ink, appearing to read 'Mark E. Fesmire', is written over a horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
United States Bureau of Land Management - Hobbs