



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

December 14, 2007

Administrative Order NSL-5738

Texland Petroleum, L.P.
777 Main Street
Suite 3200
Fort Worth, TX 76102

Attention: Vickie Smith

TEXLAND's NSL Application: State I-29 Well No. 5 (API No. 30-025-23173)

Vertical Well: 330' FSL, 2218' FEL, Unit O (NON-STANDARD)

Section 29, T18S, R38E, NMPM, Lea County, New Mexico

80 Acre, S/2 SE/4 of Section 29 Oil Spacing and Proration Unit (First Well)

Hobbs-Drinkard Pool (31730)

Reference is made to: Texland Petroleum, L.P.'s ("TEXLAND") application for a non-standard well location (*administrative application reference No. pKVR0734552166*) for the subject well that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on December 12, 2007; and the Division's records pertinent to TEXLAND's request.

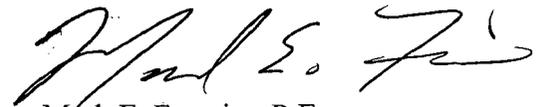
TEXLAND requests authority to re-complete this Blinbry well into the Drinkard formation at a non-standard location shown above. The Hobbs-Drinkard Pool is governed by Special Pool Rules as promulgated in Division Order R-3811 on August 14, 1969. Said rules allow 80 acre spacing and proration units with up to 2 wells per unit, and require each well (see Rule 4) to be located within 150 feet of the center of the quarter-quarter section the well is located in. This location is 238 feet west and 330 feet south of the center of the quarter section in which the well is located and therefore non-standard. This well will be dedicated to the spacing and proration unit specified above and will be the first Drinkard oil well in this unit.

Re-completion of this well will save drilling costs of a new well at a standard location and will prevent waste and protect correlative rights.

It is our understanding that TEXLAND has notified the operators of the affected spacing unit to the west and the south and received waivers from each of them.

Pursuant to the authority granted under the provisions of R-3811 and Division Rule 104, the above-described unorthodox location for the Hobbs-Drinkard Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/wvjj

cc: New Mexico Oil Conservation Division – Hobbs
State Land Office – Oil, Gas, and Minerals Division