

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 4, 2009

Mr. Carlton Wheeler
H.L. Brown Operating, L.L.C.
P.O. Box 2237
Midland, TX 79702

Administrative Order NSL-5986

Re: **Federal 27 Well No. 6**
API No. 30-
1600 feet FNL and 1710 feet FWL
Unit F, Section 27-7S-37E
Roosevelt County, New Mexico

Dear Mr. Wheeler:

Reference is made to the following:

(a) your application (**administrative application reference No. pUNK09-00755237**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 7, 2009, and

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

H.L. Brown Operating, L.L.C. (H.L. Brown) has requested to drill the above-referenced well at an unorthodox well location, as described above in the caption of this letter. The S/2 NW/4 of Section 27 will be dedicated to this well in order to form a standard 80-acre spacing and proration unit in the North Bluit Siluro-Devonian Pool (6910). Spacing in this pool is governed by the Special Rules and Regulations for the North Bluit Siluro-Devonian Pool, as adopted in Order R-8586, issued on January 19, 1988, which provide for 80-acre units with wells to be located within 150 feet of the center of a quarter-quarter section. This location is more than 150 feet north and west from the center of the SE/4 NW/4 of Section 27.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).



It is our understanding that you are seeking this location for geologic reasons, in order to optimize the prospects for a successful Siluro-Devonian well.

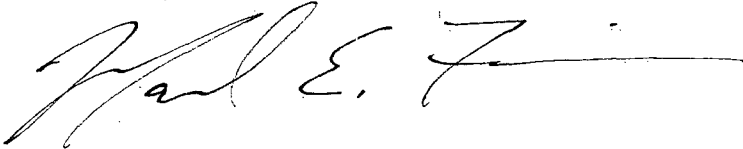
It is also understood that notice of this application to offsetting operators or owners is unnecessary because of common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire", with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

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