

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



June 30, 2009

Techsys Resource, LLC
Attn: Mr. Brad D. Bliss
P.O. Box 19465
Houston, TX 77024

Administrative Order SD-200904

**Re: Techsys Resource, LLC
W.T. Grimes NCT-A Well No. 4
API No. 30-025-07522
Unit C, Section 32, Twsp 18S, Range 38E
Lea County, New Mexico**

**HRC, Inc.
W.T. Grimes NCT-A Well No. 1
API No. 30-025-07519
Unit D, Section 32, Twsp 18S, Range 38E
Lea County, New Mexico**

Dear Mr. Bliss:

Reference is made to the following:

(a) your application (**administrative simultaneous dedication application reference No. pKAA09-15949566**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on June 8, 2009, and

(b) the Division's records pertinent to your request, including, but not limited to, the well files concerning the above-described wells and the record of the hearing held in Case No. 14271 on April 16, 2009.

Techsys Resource, LLC [OGRID] (Techsys) has requested approval of the simultaneous dedication of the two above-described wells (the subject wells) to a standard, 160-acre, more or



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less, gas spacing unit comprising the NW/4 of Section 32, Township 18 South, Range 38 East, in the Byers Queen Gas Pool (73600).

Your application has been duly filed under the provisions of Division Rules 15.11.C and 4.12.A.

It is our understanding that you are seeking simultaneous dedication of this unit to the two subject wells to maintain the status quo, in that both of these wells have produced from the Byers Queen formation continuously since 2000, and at various time before then.

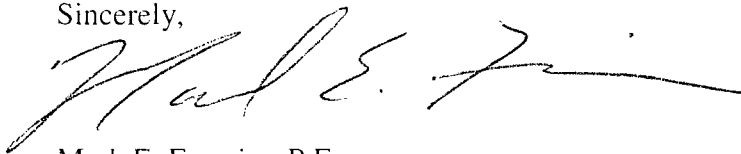
We also understand that you have given due notice of this application to all offsetting operators with wells completed in the Byers Queen formation.

Pursuant to the authority conferred by Division Rule 15.11.C, the above-described simultaneous dedication 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 40.

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

HRC, Inc.
P.O. Box 1606
Hobbs, NM 88241