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June 15, 2009

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 14284/Branex Resources, Inc.

Dear Florene:

Please place the following instruments in the case file for this matter: (1) BLM preliminary approval; (2) Land Office preliminary approval; (3) BLM final approval; (4) Land Office final approval; (5) executed unit agreement; and (6) executed operating agreement.

Thanks.

Very truly yours,



James Bruce

Attorney for Branex Resources, Inc.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-2019
www.nm.blm.gov



In Reply
Refer To:
NMNM122209X
3180 NM (513)

MAR 06 2009

Branex Resources, Inc.
P.O. Box 2990
Ruidoso, New Mexico 88355-2990

Gentlemen:

Your application of February 12, 2009, filed with the BLM requests the designation of the Thunderhead Unit area, embracing 2558.40 acres, more or less, Chaves County New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended

Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked Exhibit "A", Branex Resources, Inc., Thunderhead Unit, Chaves County New Mexico is hereby designated as a logical unit area and has been assigned No. NMNM-122209X. This designation is valid for a period of one year from the date of this letter.

The unit agreement submitted for the area designated should provide for a well to test the Strawn Sandstones or to a depth of 6,500 feet whichever is the lesser. Your proposed use of the Form of Agreement for Unproved Areas will be accepted with the modifications requested in your application and the corrections applied as requested by the Bureau of Land Management and shown in red on the enclosed Form of Agreement.

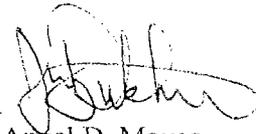
If conditions are such that further modification of said standard form is deemed necessary, three copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

In the absence of any type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

When the executed agreement is transmitted to the BLM for approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the reprint of the aforementioned form.

Inasmuch as this unit agreement involves State land, we are sending a copy of the letter to the Commissioner of Public Lands. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearances from the state.

Sincerely,


For

Angel D. Mayes
Assistant Field Manager,
Lands and Minerals

Enclosures