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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

COMMISSIONER'S OFFICE

Phone (505) 827-5760

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310 OLD SANTA FE TRAIL

P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

July 21, 2009

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

10649

Attn: Ms. Debbie Marin

Re: Termination
North Feather State Unit
Lea County, New Mexico

Dear Ms. Marin:

Our records reflect that the North Feather State Unit, Lea County, New Mexico was approved effective January 27, 1993. The term of the agreement is for so long as unitized substances are being produced in paying quantities from the unitized land. Per our conversation with your office on this date, you concurred with our office that the unit was no longer producing.

A review of the production from this unit reflects the following:

- The North Feather State Well No. 1-H Sec. 16-15S-32E was plugged and abandoned on November 19, 2005.
- The North Feather State Well No. 2-P Sec. 9-15S-32E was plugged and abandoned on June 4, 2009.

Please be advised that in view of the above, the Commissioner of Public Lands has this date terminated the North Feather State Unit agreement effective June 4, 2009 being the date the Well No. 2 was plugged and abandoned.

Please notify all interested parties of this action.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

cc: Reader File
OCD-Santa Fe Attention: Mr. Ed Martin
TRD-Santa Fe Attention: Mr. Valdean Severson
RMD-Santa Fe, Attention: Mr. Kurt McFall

-State Land Office Beneficiaries -

UNIT NAME: North Feather State Unit
 OPERATOR: H. L. Brown, Jr.
 COUNTY: Lea

DATE	CCD CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL-INDIAN	FEE	SEG CLAUSE	TERM
1/27/93	10649/R-9830	1/27/93	640.00	640.00	0	0	Strict	5 years

OCD: 1/13/93, Case No. 10649, Order No. R-9830
 CPL: 1/27/93

UNIT AREA:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NPPM

Section 9: S $\frac{1}{2}$
 Section 16: N $\frac{1}{2}$

TERMINATED
 EFFECTIVE DATE 6-4-2009
 APPROVAL DATE 7-21-2009

EXHIBIT "B" SCHEDULE OF OWNERSHIP

Schedule Showing all Lands and Leases
 Within the North Feather State Unit
 T155-R32E, NMPM,
 LEA COUNTY, NEW MEXICO

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SER. NO. & EXP. DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE		LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE		WORKING INTEREST AND PERCENTAGE	
				PERCENTAGE	PERCENTAGE		PERCENTAGE	PERCENTAGE		
1	S/2 SECTION 9	320.00	VA-671 8/1/97	1/8 (12.50%)		H. L. BROWN, JR.	NONE		H. L. BROWN, JR. 100%	
2	NW/4 SECTION 16	160.00	V-2543 3-1-93	1/6 (16.67%)		H. L. BROWN, JR.	NONE		H. L. BROWN, JR. 100%	
3	NW/4 NE/4 SECTION 16	40.00	V-3644 4-1-96	1/6 (16.67%)		H. L. BROWN, JR.	NONE		H. L. BROWN, JR. 100%	
4	NE/4 NE/4 SECTION 16	40.00	VB-189 2-1-93	3/16 (18.75%)		H. L. BROWN, JR.	NONE		H. L. BROWN, JR. 100%	
5	S/2 NE/4 SECTION 16	80.00	V-2999 6-1-94	1/6 (16.67%)		H. L. BROWN, JR.	NONE		H. L. BROWN, JR. 100%	

5 STATE TRACTS TOTALING 640.00 ACRES - 100% UNIT AREA