



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

July 20, 2005

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

**Read & Stevens, Inc.**  
P. O. Box 1518  
Roswell, New Mexico 88202

**Attention: John C. Maxey, Jr.**  
Operations Manager

Case 13538

**Re:** *Administrative application (application reference No. pMES0-520152307) submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 13, 2005 for a non-standard 53.64-acre, more or less, wildcat San Andres oil spacing and proration unit to comprise Lot 4 (consisting of 27.28 acres) and the east 26.36 acres of the SE/4 SW/4 (Unit N) of Irregular Section 17, Township 19 South, Range 39 East, NMPM, Lea County, New Mexico, to be dedicated to Read & Stevens, Inc.'s proposed Brumley "17" Federal Com. Well No. 1 to be drilled at a standard oil well location 330 feet from the South line and 485 feet from the East line (Lot 4/Unit O) of Irregular Section 17.*

Dear Mr. Maxey:

Due to the following extenuating circumstances associated with your application, the Division is unable to administratively address this matter under the provisions of Division Rule 104.D (2):

- (a) The proposed non-standard oil spacing unit does not lay wholly within a single quarter section [see Division Rule 104.D (2) (b)] and severs a quarter-quarter section that is a legal subdivision of the U. S. Public Land Surveys.
- (b) The Division received an objection from a party that received notice of this application (see copy of Ms. Mary Brady's letter of objection filed on June 29, 2005).

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for August 11, 2005. To help expedite this matter I have prepared the following advertisement:

**"Application of Read & Stevens, Inc. for a non-standard oil proration unit, Lea County, New Mexico.** Applicant seeks to establish a non-standard oil spacing and proration unit for wildcat San Andres oil production to comprise 53.64 acres, more or less, by combining Lot 4 (consisting of 27.28 acres) and the easterly most 26.36 acres of the SE/4 SW/4 (Unit N) of Irregular Section 17, Township 19 South, Range 39 East, which is located on the Texas/New Mexico state line approximately four-and-a-half miles southeast of Hobbs, New Mexico. This unit to be dedicated to its proposed Brumley "17" Federal Com. Well No. 1 to be drilled at a standard oil well location 330 feet from the South line and 485 feet from the East line (Lot 4/Unit O) of Irregular Section 17".

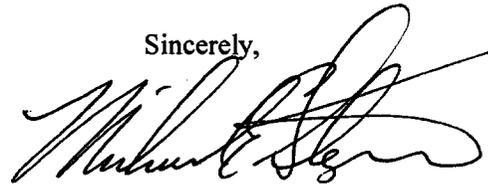
Read & Stevens, Inc.  
July 20, 2005  
Page 2

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Division Administrative Application Reference No. pMES0-520152307

Should you have any questions concerning this matter, please contact your legal counsel, Mr. James Bruce in Santa Fe at (505) 982-2043.

Sincerely,



Michael E. Stogner  
Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Carlsbad  
U. S. Bureau of Land Management - Roswell  
Ms. Florene Davidson, NMOCD Staff Specialist - Santa Fe  
Mr. James Bruce, Legal Counsel for Read & Stevens, Inc. - Santa Fe  
Ms. Mary D. Brady - Plano, Texas

RECEIVED

JUN 29 2005

OIL CONSERVATION  
DIVISION

1804 Lake Crest Lane  
Plano, TX 75023-7442  
June 24, 2005

Mr. Michael Stogner  
Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Re: Objection  
Application for Non-Standard Spacing Unit  
Read & Stevens Brumley 17 Fed. Com #1  
330' FSL & 485' FEL  
Section 17, T19S-R39E  
Lea County, New Mexico

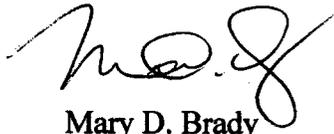
Dear Mr. Stogner:

I was recently given notice of the captioned application as a mineral owner in East Half Section 18, immediately west of the captioned property. Please accept this as my objection to the application for non-standard spacing unit in Section 17. I need more information about this project to alleviate my concerns regarding drainage, dilution and the impact on my property should a good producer be drilled. When I called Read & Stevens, there was no information forthcoming. Further, some of the exhibits purportedly enclosed with the application were either missing or unclear.

As per our recent telephone conversation on this subject, you informed me that by putting this objection in the mail by June 27 as I am doing, that I would be within the twenty-day filing deadline, which did not begin until you had received the application.

I appreciate your attention to this matter and look forward to working on it further. Thank you.

Sincerely,



Mary D. Brady  
972-985-8280 (telephone)

Cc: Read & Stevens

UNITED BANK PLAZA  
400 N. PENN, SUITE 1000

CHARLES B. READ  
PRESIDENT

PHONE 505 622-3770  
FAX 505 622-8643

*Read & Stevens, Inc.*

*Oil Producers  
P. O. Box 1518  
Roswell, New Mexico 88202*

*PMES0-520152307*

*Susp: 7-5-2005*

June 1, 2005

CERTIFIED MAIL #7099.3400 0018 5405 5314  
RETURN RECEIPT REQUESTED

Oil Conservation Division  
Attn: Mr. Michael Stogner  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

*Case 13538*

2005 JUN 13 PM 1 12

RE: Administrative Application for a Non-Standard Spacing Unit  
Brumley 17 Federal Com #1  
330' FSL & 485' FEL  
Section 17 T19S-R39E  
Lea County, New Mexico

Dear Mr. Stogner:

The subject well is a proposed 4,800' San Andres oil test that would normally be drilled under statewide rules, 40 acre spacing. However, due to the variation in the legal subdivision of the U.S. Public Land Surveys, Read & Stevens is submitting this Administrative Application for Non-Standard Spacing Units in the subject section. Pursuant to Subsection D, Paragraph (2), Subparagraph (b) of 19.15.3.104 NMAC, please find attached:

- 1) Form C-102 plat illustrating the spacing unit for the subject well, the remaining non-standard spacing units for the section, and the standard governmental quarter-quarter division lines.
- 2) Exhibit "A", a lease plat outlining the blocks of Fee and Federal ownership.
- 3) Exhibit "B", a legal description of each Fee block and the ownership there in, the Federal block being owned 100% by the United States.
- 4) Exhibit "C", a list of affected persons/parties as defined in Rule 1207.A(2).
- 5) Exhibit "D", a statement discussing the reasons for the formation of the non-standard spacing units.
- 6) Exhibit "E", a copy of a notification letter sent to all affected persons, with a copy of the application, prior to actual submission of this application. The notification letter was sent return receipt requested. Since time is of the essence, any waivers signed by any affected persons will be sent in at a later date.

*Read & Stevens, Inc.*

Page 2  
Oil Conservation Division  
Brumley 17 Federal Com #1  
Lea County, New Mexico

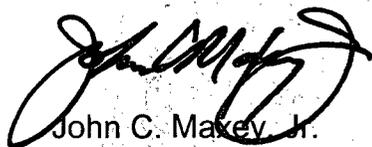
7) Exhibit "F", an affidavit of publication for this administrative application.

It is my understanding that the division may approve the application upon receipt of waivers from all notified persons or if no person has filed an objection within 20 days from the date the division receives this application. If you have any questions please call me at 505/622-3770 Ext. 224 or e-mail [read@lookingglass.net](mailto:read@lookingglass.net).

Thank you for your consideration.

Sincerely,

READ & STEVENS, INC.



John C. Maxey, Jr.  
Operations Manager

JCM/sr/word/jcmltrs/ocdbrumley17FC#1



State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised JUNE 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name Wildcat
Property Code	Property Name BRUMLEY 17 FEDERAL COM	Well Number 1
OGRID No. 018917	Operator Name READ & STEVENS, INC.	Elevation 3564'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	17	19-S	39-E		330	SOUTH	485	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
53.64	N	P							

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=603917.0 N X=890126.5 E</p> <p>LAT.=32°39'13.92" N LONG.=103°03'56.90" W</p> <p>DETAIL</p>	LOT 1 26.76 AC	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature John C. Maxey, Jr. Printed Name Operations Manager Title 5-25-05 Date</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MAY 13, 2005 Date Surveyed JR</p> <p>Signature &amp; Seal of Professional Surveyor GARY EIDSON NEW MEXICO 05.11.06318 Certificate No. GARY EIDSON 12641</p>
	LOT 2 26.94 AC	
	LOT 3 27.10 AC	
	LOT 4 27.28 AC	
<p>Standard governmental quarter-quarter division lines.</p> <p>Nonstandard spacing lines. 53.64 acres</p>	<p>415'</p> <p>SEE DETAIL</p> <p>485'</p> <p>330'</p> <p>2900'</p>	

Wallen State line TD 4800  
 10 19 2009  
 Humble Oil  
 Dalmont TD 4815  
 Gene Dalmont, et al  
 J.A. Banks, Tr

HBP  
 McClure Oil  
 Ameco  
 HBP Foster TD 4550  
 J. Wright, et al

BLK.

Gerónimo Hldg., et al  
 9 1 2007  
 99057  
 10000  
 L. Wise  
 Wilson Fed (Leede)  
 TD 8828 (5 30 2005)  
 DIA 2-9-54 w/2

Midwest Carter  
 TO 6895  
 DIA 2 7 57  
 Leede Oper.  
 2 25 2006  
 4 14 2005 2 23 2007  
 9 5 2006 8/2  
 10 3 2006  
 Yates Pet., et al  
 12 10 2009

Leede Oper.  
 3 19 2005  
 Pennzoil  
 (3-1-82 14921)  
 Leede Oper.  
 3 14 2007  
 3 18 2005  
 4 19 2005

Brumley 17 Federal Com #1  
 Exhibit "A"  
 Lease Plat  
 Section 17 T19S-R39E  
 Lea County, New Mexico  
 (See accompanying Exhibit "B"  
 N½, NW¼ for ownership)

Samedan Federal  
 TD 8859  
 DIA 3 27 58  
 U.S. M.I.

Leede Oper.  
 10 3 2006  
 10 11 2005 12 23 2007

Leede Oper.  
 3 12 2005  
 A.T. Moore M.  
 Lowe Ld. Co.  
 Leede Oper.  
 4 30 2005 4 2 2007  
 Fay Dorsey, M.I.  
 J.A. Banks, Tr

N½, NW¼  
 S½, NW¼  
 N½, SW¼  
 S½, SW¼  
 Federal Tract

Marlo  
 Wolfson Fed  
 TD 104395  
 DIA 7 30 03  
 J.A. Banks, Tr.

Granville C. Nash, et al, M.I.  
 Arnold Banks

Leede Oper.  
 3 12 2005  
 JW Klip - Stine (S)  
 Leede Oper.  
 10 2 2005 6 4 2006  
 10 1 2005

32°40'

Trilogy  
 1 28 2006  
 1 22 2006 12 17 2005  
 (N¼ 1/4)  
 J.A. Selman  
 B.B. Stringer, et al

JTD Res.  
 11 10 2005  
 4 15 2006 (NE/4)  
 Read E. Stevens  
 11 14 2006

Leede Oper.  
 5 30 2006  
 1 29 2005  
 12 4 2006

10047-A-E

Trilogy  
 1 29 2006 7 24 2006  
 J.A. Selman  
 Continental M.I.

ARCO O&G  
 Selman  
 TD 32400  
 DIA 8 27 92  
 10068

Leede Oper.  
 5 30 2006  
 1 29 2005  
 12 4 2006

10046-A-Z

10046-AA-AF

Trilogy  
 1 24 2006  
 3 1 2005  
 9 15 2004  
 Heirs of Saml Lowenthal  
 Frank Selman, et al

(Read E. Stevens)  
 1 28 2007  
 Bess Adkins  
 Lucy, et al, M.I.  
 S&H Ent

Read E. Stevens  
 10 29 2006 5 22 2006  
 (Read E. Stevens)  
 10 29 2006 5 22 2006  
 10 29 2006 5 22 2006  
 Yvonne Johnson  
 Bonnie Criswell  
 Bonnie Barnett  
 Mike Sims  
 J.V. Target (S)

T  
 19  
 S

Trilogy  
 12 1 2006  
 11 20 2006 11 17 2006  
 (Pet Tech. Serv)  
 Phillips  
 (TD 7760)  
 Mor Easley, Est. et al  
 S&H Ent.

10057  
 A-E  
 O-E  
 F

10063 Matrix  
 7 25 2006  
 A-B H S I R S  
 D-G S I R S  
 Read E. Stevens  
 12 23 2006 } w/2  
 12 23 2006 } w/2

Trilogy  
 2 7 2006  
 11 4 2005 9 1 2004  
 (Stand)  
 Pearl Jones  
 TD 10 530  
 Paula Huber, M.I.  
 Clara Wright

Strata Ld. Serv.  
 12 1 2004

JTD Res  
 12 2 2006 w/2  
 25 2006 NW/4  
 R.L. Cain (S)  
 Yates Pet. et al  
 12 10 2009  
 Frank Selman  
 DIA 2 10 63 + V

JTD Res.  
 11 25 2006

LLC

BRUMLEY 17 FEDERAL COM #1  
EXHIBIT "B"

## OWNERSHIP REPORT

PROSPECT: NW Brumley  
RECORD DATE: May 6, 2003  
REPORT DATE: August 12, 2003

LANDMAN: Jeff Votow  
Revised: Randy V. Watts

COUNTY OF: Lea

STATE OF: New Mexico

SECTION: 17  
TOWNSHIP: 19 South

RANGE: 39 East N.M.P.M.

DESCRIPTION: S $\frac{1}{2}$ SW $\frac{1}{4}$

ACRES: 80.00

MINERAL OWNERSHIP

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
✓ Bank of America, Trustee of the Selma Andrews Trust and the Selma Andrews Perpetual Charitable Trust P.O. Box 930308 Dallas, TX 75283 Tax ID# 75-6327535 Tax ID# 75-6327536	53.705% x $\frac{1}{4}$	10.7410	<del>OPEN</del> Leased Last lease: 370-226 Date: 3-26-84 Lessee: Alan Antweil Term: 3yrs. Royalty: 1/4 Lease covers: S $\frac{1}{2}$ SW $\frac{1}{4}$ only <i>Offered \$100 - 1/4</i>
Braille Institute of America % Bank of America P.O. Box 830308 Dallas, TX 75283 Tax ID# 95-1641426 <i>T.F. Office Veresa Grafton</i>	46.295% x $\frac{1}{4}$	9.2590	OPEN <i>Wkg Teresa Grafton</i> Last lease: 371-259 Date: 3-26-84 Lessee: Alan Antweil Term: 3yrs. Royalty: 1/4 Lease covers: S $\frac{1}{2}$ SW $\frac{1}{4}$ only
S. Javaid Anwar, Trustee (Deed out of the Estate of Christopher Mullin, deceased) P.O. Box 3082 Midland, TX 79702	25.000000%	20.0000	OPEN <i>Wkg</i> Last lease: 373-650 Date: 8-1-84 Lessee: Alan Antweil Term: 3yrs. Royalty: 3/16 Lease covers: S $\frac{1}{2}$ SW $\frac{1}{4}$ only <i>RW offered 75-3/16-3yrs. prints 3-6 mos / 1/4 / no bonus</i>
June Douglas Peebles 1405 South Okfuskee Wewoka, Ok. SS# 442-14-9550	6.250000%	5.0000	OPEN Last lease: 373-242 Date: 6-9-83 Lessee: Russell Ward Term: 3yrs. Royalty: 1/6 Lease covers: S $\frac{1}{2}$ SW $\frac{1}{4}$ only <i>RW - Last Owner</i>
✓ Richard Dean Hazelrigg 720 South Ashby Chanute, KS 66720	1.562500%	1.2500	Leased Read & Stevens, Inc. Royalty: 3/16 Expires 7/11/06 <i>RW offered 75-3/16-3yrs.</i>
✓ Genevieve Nolen, SSP 721 West Cherry Street Okemah, OK 74859	12.500000%	10.0000	Leased Read & Stevens, Inc. Royalty: 3/16 Expires 5/13/06 <i>RW Leased 75-3/16-3yrs.</i>
Marjorie Aubrey Jobe 412 North Goddard Goddard, KS 67052 SS# 443-40-3801	0.781250%	0.6250	OPEN Last lease: 364-889 Date: 9-19-83 Lessee: Tenneco Oil Term: 3yrs. Royalty: 1/5 Lease covers: S $\frac{1}{2}$ SW $\frac{1}{4}$ only <i>RW offered 158-3/16-3yrs. Lost Owner</i>
✓ Cayla Aubrey Tracy P.O. Box 1571 Ada, OK 74820	0.781250%	0.6250	Leased Read & Stevens, Inc. Royalty: 3/16 Expires 5/22/06 <i>RW Leased 158-3/16-3yrs</i>

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
✓ Chris Aubrey Purcell P.O. Box 1571 Ada, OK 74820 SS# 447-52-0724	0.781250%	0.6250	Leased Read & Stevens, Inc. Royalty: 3/16 Expires 5/22/06 <i>R/W Lsd. 158-3/16-3yrs</i>
✓ Bob Dee Aubrey P.O. Box 1571 Ada, OK 74820 SS# 447-52-0727	0.781250%	0.6250	Leased Read & Stevens, Inc. Royalty: 3/16 Expires 5/22/06 <i>R/W Lsd 158-3/16-3yrs</i>
Michael Johnson, Trustee (Deed out of the V.V. Criswell Estate) P.O. Box 470 Edmund, OK 73083	1.562500%	1.2500	OPEN Last lease: 379-252 Date: 9-11-84 Lessee: Hubbard Bros. Term: 3yrs. Royalty: 3/16 Lease covers: S½SW¼ only <i>R/W - Lost Owner</i>
✓ Kay Rakestraw 308 North Fourth Okemah, OK 74859 918/623-1089	6.250000%	5.0000	Leased Read & Stevens, Inc. Royalty: 3/16 Expires 5/13/06
✓ Jonnie Gwen Kennedy 650 Macbrey Las Vegas, NV 89123 702/263-4692	6.250000%	5.0000	Leased Read & Stevens, Inc. Royalty: 3/16 Expires 5/13/06
✓ LDL Lowe Family Partnership, Ltd. 308 Comet Austin, TX 78734	0.8371% x 1/8	0.0837	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ The Farley Ranch Lowe Partnership 308 Comet Austin, TX 78734 Tax ID# 74-2792350	0.8371% x 1/8	0.0837	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Odell L. Lowe % 8200 "C" Nashville Ave. Lubbock, TX 79423 SS# 462-24-5704	1.7136% x 1/8	0.1714	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/30/06
Coy S. Lowe 3301 -42 <sup>nd</sup> Street Lubbock, TX 79413	4.1363% x 1/8	0.4136	OPEN UNLEASED SINCE ACQUIRING
✓ M. Dion Lowe 2306 Cypress Point West Austin, TX 78746	5.06007% x 1/8	0.5061	Leased Read & Stevens, Inc. Royalty: 3/16 Expires 5/30/06
✓ Larry K. Lowe 2313 Broadway Lubbock, TX 79401	10.6932% x 1/8	1.0693	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Loretta D. Lowe 7235 Villa Maria Lane Austin, TX 78759 SS# 455-78-8852	10.6932% x 1/8	1.0693	<del>OPEN</del> <i>Leased</i> UNLEASED SINCE ACQUIRING
✓ Nell P. Lowe % 8200 "C" Nashville Ave. Lubbock, TX 79423 SS# 451-82-9011	0.5909% x 1/8	0.0591	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Shana Lowe Conine 5605 Equistrain Court Granbury, TX 76049	10.37817% x 1/8	1.0378	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
✓ Vivian Lowe Anselmi % 8200 "C" Nashville Ave. Lubbock, TX 79423	<del>6.30821%</del> x 1/8 7.342285%	<del>0.6308</del> .7342	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Ronny P. Lowe P.O. Box 1381 Wolfforth, TX 79382	<del>6.30821%</del> x 1/8 7.342285%	<del>0.6308</del> .7342	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Kay Lowe Atcheson aka Kay Lowe Huges % 8200 "C" Nashville Ave. Lubbock, TX 79423 SS# 451-76-7992	<del>6.30822%</del> x 1/8 7.342285%	<del>0.6308</del> .7342	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Teddy L. Hartley P.O. Box 845 Clovis, N.M. 88102	10.338520x1/8	1.0339	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/18/06
✓ Robert T. Hartley P.O. Box 1024 Clovis, N.M. 88102	10.338520x1/8	1.0339	OPEN UNLEASED SINCE ACQUIRING
✓ Debra Lowe Finn % 8200 "C" Nashville Ave. Lubbock, TX 79423 SS# 527-72-7600	5.06007% x 1/8	0.5060	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Denise Lowe % 8200 "C" Nashville Ave. Lubbock, TX 79423	3.3484% x 1/8	0.3348	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Haley Lowe % 8200 "C" Nashville Ave. Lubbock, TX 79423 SS# 451-61-1047	2.34326% x 1/8	0.2343	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Kelly Lowe Read % 8200 "C" Nashville Ave. Lubbock, TX 79423 SS# 463-57-3440	2.34326% x 1/8	0.2343	Leased Read & Stevens, Inc. Royalty: 1/4 Expires 7/25/06
✓ Lauren Lowe % 8200 "C" Nashville Ave. Lubbock, TX 79423 SS# 462-57-9798	2.34325% x 1/8	0.2343	OPEN UNLEASED SINCE ACQUIRING
<b>Totals for Mineral Ownership:</b>	100.000000%	80.0000	

LLC

BRUMLEY 17 FEDERAL COM #1  
EXHIBIT "B"

OWNERSHIP REPORT

PROSPECT: NW Brumley LANDMAN: Jeff Votow  
 RECORD DATE: May 6, 2003 Revised: Randy V. Watts  
 REPORT DATE: August 12, 2003  
 COUNTY OF: Lea STATE OF: New Mexico  
 SECTION: 17  
 TOWNSHIP: 19 South RANGE: 39 East N.M.P.M.  
 DESCRIPTION: N½SW¼ ACRES: 80.00

**MINERAL OWNERSHIP**

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
✓ June Danglade Speight P.O. Drawer 1687 Lovington, N. M. 88260 SS# 131-24-4837	6.250000%	5.0000	Leased Read & Stevens, Inc. Royalty: 1/4 Expires: 7/17/06
✓ Western Commerce Bank, Trustee of the W. T. Reed Trust P.O. Box 1627 Lovington, N. M. 88260 Tax ID #85-6094548	3.125000%	2.5000	Leased Read & Stevens, Inc. Royalty: 1/5 Expires: 7/29/06
✓ James Reed McCrory P.O. Box 25764 Albuquerque, N.M. 87125-0764 505/247-8883 505/259-4480	3.125000%	2.5000	Leased Read & Stevens, Inc. Royalty: 1/5 Expires: 7/29/06
20 ✓ Michael L. Klipstine as P.R. of the Estate of Frances L. Klipstine, deceased Katy Klipstine his Att-in-Fact 3501 Claremont Drive Midland, TX 79707 Tax ID #75-6592409	11.111111%	8.8889	Leased Book 1129/ Page 620 Leede Operating, LLC Royalty: 3/16 Expires: 12/4/06 Lease covers: N½SW¼ only <i>does not cover N½SW¼ Sec 17 according to la Co Ord</i>
✓ The Sims Family Trust deed from Mike & Darnell Sims U/A/D 2-16-99 1011 Kiowa Hobbs, N. M. 88240	33.333333%	26.6667	UNLEASED SINCE ACQUIRING <i>Leased to R&amp;S</i>
✓ Erica Jacobs 10746 Francis Place, Apt. #302 Los Angeles, CA 90034 SS# 568-40-3174 Pho: 760/341-0019	6.250000%	5.0000	UNLEASED <i>Leased to R&amp;S</i> Last Lease: 374-44 Date: 6-14-84 Lessee: Alan Antweil Term: 3yrs. Royalty: 3/16 Lease covers: N½SW¼ only
✓ Milton Wolff 6240 South Knoxville Tulsa, OK 74136 SS# 442-36-7078	6.250000%	5.0000	Leased Read & Stevens, Inc. Royalty: 3/16 Expires: 5/13/06

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
✓ Lazare Bernhard 1901 Avenue of the Stars Suite 700 Los Angeles, CA 90036 Tax ID# 13-0434195 Pho: 310/553-8431 310/473-4446 310/734-5254	6.250000%	5.0000	Leased Read & Stevens, Inc. Royalty: 3/16 Expires: 5/22/06
✓ American Technion Society 5979 West Third Street Los Angeles, CA 90036 Tax ID# 13-0434195	18.750000%	15.0000	Leased Read & Stevens, Inc. Royalty: 3/16 Expires: 5/22/06
✓ Rebel Oil Co. P.O. Box 788 Hobbs, N.M. 88241 Tax ID# 85-0459397	5.555556%	4.4444	<del>UNLEASED</del> Leased to RAS Last Lease: 374-44 Date: 5-31-84 Lessee: Alan Antweil Term: 3yrs. Royalty: 1/4 Lease covers: S½NW¼ & N½SW1/4
<b>Totals for Mineral Ownership:</b>	<b>100.000000%</b>	<b>80.0000</b>	

, LLC

BRUMLEY 17 FEDERAL COM #1  
EXHIBIT "B"

08/11/05 12:48pm P. 001

Revised 3/11/05

Page 1 of 1

, LLC

OWNERSHIP REPORT

PROSPECT: NW Brumley LANDMAN: Jeff Votow  
 RECORD DATE: May 6, 2003 Revised: Randy V. Watts  
 REPORT DATE: August 12, 2003  
 COUNTY OF: Lea STATE OF: New Mexico  
 SECTION: 17  
 TOWNSHIP: 19 South RANGE: 39 East N.M.P.M.  
 DESCRIPTION: S $\frac{1}{2}$ NW $\frac{1}{4}$  ACRES: 80.00

MINERAL OWNERSHIP

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
Michael L. Klipstine as P.R. of the Estate of Frances L. Klipstine, deceased Katy Klipstine his Att-in-Fact 3501 Claremont Drive Midland, TX 79707 Tax ID #75-6592409	55.555556%	44.4444	Leased Book 1129/ Page 620 Leede Operating, LLC Royalty: 3/16 Expires: 12/4/06 Lease covers: S $\frac{1}{2}$ NW $\frac{1}{4}$ only
The Sims Family Trust deed from Mike & Darnell Sims U/A/D 2-16-99 1011 Kiowa Hobbs, N. M. 88240	33.333333%	26.6667	Leased Book 1087/ Page 376 Leede Operating, LLC Royalty: 3/16 Expires: 5/30/06 Lease covers: S $\frac{1}{2}$ NW $\frac{1}{4}$ only
Rebel Oil Co. P.O. Box 788 Hobbs, N.M. 88241 Tax ID #85-0459397	11.111111%	8.8889	Leased Book 1131/ Page 749 Leede Operating, LLC Royalty: 1/4 Expires: 1/29/05 Lease covers: S $\frac{1}{2}$ NW $\frac{1}{4}$ only
<b>Totals for Mineral Ownership:</b>	<b>100.000000%</b>	<b>80.0000</b>	

Post-it™ Fax Note	7671	Date	3/11/05	# of pages	1
To	Bob Watson	From	Randy Watts		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #	622-8643	Fax #	623-5556		

LLC

BRUMLEY 17 FEDERAL COM #1  
EXHIBIT "B"*Leede - 51 net ac./leasehold*

## OWNERSHIP REPORT

PROSPECT: NW Brumley  
RECORD DATE: May 6, 2003  
REPORT DATE: August 12, 2003LANDMAN: Jeff Votow  
Revised: Randy V. Watts

COUNTY OF: Lea

STATE OF: New Mexico

SECTION: 17  
TOWNSHIP: 19 South

RANGE: 39 East N.M.P.M.

DESCRIPTION: N $\frac{1}{2}$ NW $\frac{1}{4}$ 

ACRES: 80.00

**MINERAL OWNERSHIP**

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
OXY USA WTP, Ltd. P.O. Box 50250 Midland, TX. 79710	50.000000%	40.0000	Leased Book 1185/ Page 695 Leede Operating, LLC Royalty: $\frac{1}{4}$ Expires: 10/01/05 Lease covers: N $\frac{1}{2}$ NW $\frac{1}{4}$ only
Tina Gaugh, deceased Last known address 22314 Saticoy Canoga Park, CA 91303 SS# 526-20-4476	2.500000%	2.0000	UNLEASED <i>RW</i> Last lease: 379-685 Date: 8-16-84 Leesee: Hubbard Bros. Term : 3 yrs. Royalty: 1/5 Lease covers: N $\frac{1}{2}$ NW $\frac{1}{4}$ only
<i>Sister's</i> Mary Charlene Buller 4568 Royal Oak Drive Oceanside, CA 92056 SS# 550-48-7790 Pho: 760/758-8794	1.250000%	1.0000	Leased Book 1112/ Page 346 Leede Operating, LLC Royalty: 3/16 Expires: 10/02/06 Lease covers: N $\frac{1}{2}$ NW $\frac{1}{4}$ only
William John Smolenske % Betty Zina Nelson 1627 Via Tropico Santa Maria, CA 93454-2615	1.250000%	1.0000	Leased Book 1134/ Page 799 Leede Operating, LLC Royalty: 3/16 Expires: 08/14/06 Lease covers: N $\frac{1}{2}$ NW $\frac{1}{4}$ only
Barry Lee Smolenske 3793 Hummingbird Circle Meade, CO. 80542 SS# 545-92-7883	1.250000%	1.0000	Leased Book 1125/ Page 825 Leede Operating, LLC Royalty: 3/16 Expires: 08/14/06 Lease covers: N $\frac{1}{2}$ NW $\frac{1}{4}$ only
Jean Vera Baker 340 Old Mill Read #85 Santa Barbara, CA 93110 Pho: 805/964-7044	2.500000%	2.0000	UNLEASED SINCE ACQUIRING <i>RW</i>
Alene Elizabeth Nickels & Teresa L. Nickels JTWS 2001 Hartwright Road #24 A Vista, CA 92084 SS# 490-34-2990 SS# 559-41-8678	10.000000%	8.0000	Leased Book 1091/ Page 120 Leede Operating, LLC Royalty: 3/16 Expires: 8/4/06 Lease covers: N $\frac{1}{2}$ NW $\frac{1}{4}$ only

Name of Mineral Owners	Interest	Net Acres	Status / Last Lease
Leonir Moon Roberts, widow of R. L. Roberts, deceased other heirs? John Duncan Roberts wife: Amy James Roberts Notary for Lenoir in McKinley Co., N.M. Notary for John in Kerrville, TX. (They do not appear in County Records again)	25.000000%	20.0000	UNLEASED Last lease: Book 169/ Page 35 Lessee: Rebel Oil Co. Term: 5 years Royalty: 1/8 Lease covers: N $\frac{1}{2}$ NW $\frac{1}{4}$ only <span style="float: right;">RVW</span>
Paul Henderson (Deed returned to Los Angeles, Ca 1934) ( He never appears in the County Records after the Deed into Dr. E. D. Abraham)	3.125000%	2.5000	UNLEASED SINCE ACQUIRING
Dr. E.D. Abraham 104 West Manchester Los Angeles, CA 1939 (He never appears in the County Records again)	3.125000%	2.5000	UNLEASED SINCE ACQUIRING
<b>Totals for Mineral Ownership:</b>	100.000000%	80.0000	

**BRUMLEY 17 FEDERAL COM. #1**  
**APPLICATION FOR NON-STANDARD PRORATION UNIT**  
**LIST OF AFFECTED PERSONS/PARTIES**  
**EXHIBIT "C"**

Leede Operating Company, LLC (lessee)  
2100 Plaza Tower One  
6400 South Fiddler's Green Circle  
Englewood, Colorado 80111

JTD Resources, LLC (lessee)  
P.O. Box 3422  
Midland, TX 79702

DOH Oil Company (lessee)  
P.O. Box 1342  
Sweetwater, TX 79556

**Unleased Mineral Owners/Sec. 17, T19S-R39E**

Michael Johnson, Trustee (S/2W/4)  
P.O. Box 470  
Edmund, OK 73083

Tina Gaugh (N/2NW/4)  
22314 Saticoy  
Canoga Park, CA 91303

Jean Vera Baker (N/2NW/4)  
340 Old Mill Road #85  
Santa Barbara, CA 93110

Leonir Moon Roberts (N/2NW/4)  
No address

Paul Henderson (N/2NW/4)  
No address

E.D. Abraham (N/2NW/4)  
No address

**Unleased Mineral Owners – E/2 Sec. 18, T19S-R39E, Lea County, NM**

Ryan P. Hatch  
14140 Saddle River Drive  
Gaithersburg, MD 20878

Carl F. Hatch  
1616 South Monroe  
San Angelo, TX 76901

Jeannie H. Collins  
3500 D. Enfield  
Austin, TX 78703

Glen F. Leet, Jr.  
2 Briar Oak Drive  
Weston, CT 06883

**BRUMLEY 17 FEDERAL COM #1  
EXHIBIT "C"**

Victoria Hatch Perejra  
Rua Mauro D'Araujo Ribeiro 485  
Jaraqua Cidade Abril  
05182 San Paulo, S.P. Brazil

Frank Hatch  
5011 F. Street  
Sacramento, CA 95819

The First National Bank at  
Lubbock, Texas, Successor  
Trustee of the Testamentary Trust  
Under the will of J.E. Simmons and  
Beulah H. Simmons, deceased  
P.O. Box 1241  
Lubbock, TX 79408

Joan Gentry  
2725 East 22<sup>nd</sup> Street  
Tulsa, OK 74114

Fred C. Woodson and  
Eloise P. Woodson, as  
Co-Trustees of the  
Woodson Revocable Trust  
2324 Sunnyview Lane  
Billings, MT 59102

Hunter L. Martin, Jr.  
10134 Memorial Drive  
Houston, TX 77024

Patricia M. Corey  
1207 East 31<sup>st</sup> St.  
Tulsa, OK 74105

Phillip R. Grant, Jr.  
1101 Rock Point Court  
Albuquerque, NM 87123

Noel Wood, a widow  
P.O. Box 9637  
Santa Fe, NM 87504

Jon F. Coll  
P.O. Box 1818  
Roswell, NM 88202-1818

Melanie Coll DeTempe  
5653 Tobias Avenue  
Van Nuys, CA 91411

Max W. Coll, III  
Bingham, NM 87815

Lillian Hinkle Coll  
Chaves County, NM

R.R. Culbertson  
Address unknown

**BRUMLEY 17 FEDERAL COM #1  
EXHIBIT "C"**

Carolyn R. Diamond  
5022 Columbia  
El Paso, TX 79922

J.U. Cone, Trustee for  
"Five Cone Trusts"  
Douglas Cone Trust  
Clifford Cone Trust  
Thomas Cone Trust  
Cathie Cone Trust  
Kenneth Cone Trust  
P.O. Box 1148  
Lovington, NM

Cheedle Caviness and  
Elizabeth Caviness, J/T  
7505 Derickson Avenue NE  
Albuquerque, NM 87109

The Regents of the University  
of New Mexico, Carl A. Hutch  
Professorship of Law and Public  
Administration Fund  
Albuquerque, NM 87131

Harriet Hatch Trapani  
42 Hubbard Avenue  
Cambridge, MA 02140

Carla Leet-Asaf  
3224 Timmons Lane, No. 168  
Houston, TX 77027

Frederika A. Leet  
2 Briar Oak Drive  
Weston, CT 06883

Round Hill Royalty  
P.O. Box 25128  
Dallas, TX

David Cullum Miller  
Russell Bryan Miller  
P.O. Box One  
Tulsa, OK 74103

Barbara Jane Dewey  
5220 West 102 Street  
Suite 321-B  
Bloomington, Minnesota 55437

Norma W. Brady, widow  
Life Estate interest  
P.O. Box 583  
Jenks, OK 74037

L. Brady Myers  
5004 West 79 Street  
Prairie Village, KS 66208

**BRUMLEY 17 FEDERAL COM #1  
EXHIBIT "C"**

Wyatt T. Brady  
P.O. Box 6034  
Springdale, AR 72766

Mary Debra Brady  
1804 Lake Crest Lane  
Plano, TX 75023

Clarke C. Coll  
P.O. Box 1818  
Roswell, NM 88202-1818

Eric J. Coll  
P.O. Box 1818  
Roswell, NM 88202-1818

**Unleased Mineral Owners under the N/2 Section 19, T19S-R39E, Lea County, NM**

Virginia S. Peacock, and  
J. Hoke Peacock II, as  
Successor Trustee under  
The will of James L. Peacock  
C/o Tony Peacock  
1511 South Jackson  
Jacksonville, TX

Tony Peacock, as Guardian of  
Jerry Peacock Shinalt  
1511 South Jackson  
Jacksonville, TX

Phillip H. Peacock  
C/o Tony Peacock  
1511 South Jackson  
Jacksonville, TX

Phillip H. Peacock,  
Trustee under the Will of  
Inez Lester Peacock  
C/o Tony Peacock  
1511 South Jackson  
Jacksonville, TX

J. Hoke Peacock II, Successor  
Trustee under the Will of  
Inez Lester Peacock  
C/o Tony Peacock  
1511 South Jackson  
Jacksonville, TX

Fortson Oil Company  
300 Commerce Street  
Fort Worth, TX 76102

Life Royalties, Inc.  
1300 South University #306  
Fort Worth, TX 76107

Ethleen McDavid, a widow  
901 Briarwood  
Arlington, TX 76013

BRUMLEY 17 FEDERAL COM #1  
EXHIBIT "C"

Lois Whitley and et vir  
W.F. Whitley  
1016 West Custer  
Seymour, TX 76380

**Unleased Mineral Owners under the NW/4 Section 20, T19S-R39E, Lea County, NM**

Conoco Phillips Company  
P.O. Box 2197  
Houston, TX 77252-2197

Cecile Marie Dreessen  
P.O. Box 1696  
Paoulsbo, WA 98370

Carlsbad Nat'l Bank, Trustee  
Of the Nelle G. Scheurich Trust  
P.O. Box 1359  
Carlsbad, NM 88220

Noble Energy, Inc.  
Successor to Samedan Oil  
12600 Northborough D 250  
Houston, TX 77067-3299

Wells Fargo Bank Texas, Trustee  
of the Frances Snyder Flood Testamentary Trust – 7/1536  
of the Dick Snyder Testamentary Trust – 7/1536  
of the Anne Snyder Testamentary Trust – 4/1536  
P.O. Box 1959  
Midland, TX 79702

Cathie Cusack  
10908 Mahlon, N.E.  
Albuquerque, NM 87112

Karen Cusack Gordon  
9108 Princess Jeanne, N.E.  
Albuquerque, NM 87112

Timothy J. Cusack  
P.O. Box 250  
Roswell, NM 88202-0250

Maj. John Cusack  
6 Lake Lorraine Drive  
Belleville, IL 62221

Craig Cusack  
2001 East Lohman 110, Suite 304  
Las Cruces, NM 88001

Chris Cusack  
10677 Wilkens No. 2  
Los Angeles, CA 90024

Mike Cusack, Jr.  
6003 Valkeith  
Houston, TX 77096-3832

BRUMLEY 17 FEDERAL COM #1  
EXHIBIT "C"

Cheedle Caviness & Elizabeth  
Caviness as joint tenants with  
right of survivorship  
7505 Dedrickson Ave., N.E.  
Albuquerque, NM 87109

The Regents of the University of  
New Mexico, Carl A. Hatch  
Professorship of Law and Public  
Administration Fund  
227 Scholes Hall University NE  
Albuquerque, NM 87131

Carl F. Hatch  
1616 South Monroe  
San Angelo, TX 76901

Jeannie H. Collins  
3500 D. Enfield  
Austin, TX 78703

Victoria Hatch Pereira  
Rua Mauro D'Araujo Ribeiro 485  
Jaragua Cidade Abrill  
05182 Sao Paulo, S.P. Brazil

Frank Hatch  
5011 F. Street  
Sacramento, CA 95819

Harriet Hatch Trapani  
42 Hubbard Ave.  
Cambridge, MA 02140

Glen F. Leet, Jr.  
2 Briar Oak Drive  
Weston, CT 06883

Carla Leet-Assaf  
3224 Timmons Lane, No. 168  
Houston, TX 77027

Frederika A. Leet  
2 Briar Oak Drive  
Weston, CT 06883

**Unleased Mineral Owners under the South 64 acres, more or less, of Section 8,  
T19S, R39E, in Lea County, New Mexico.**

W.N. Duncan  
1067 S. Goodwin  
Vinton, LA 70668

Annie Lavetus Duncan  
212 N. 9<sup>th</sup>  
Carlsbad, NM 88220

Elzie Wallie Duncan, dealing in his ssp.  
1005 Blazick SW  
Albuquerque, NM 87105

**BRUMLEY 17 FEDERAL COM #1  
EXHIBIT "C"**

Edgar J. Wuest

Max S. Thacker, dealing in his ssp.  
C/o Joe Thacker  
P.O. Box 360  
Roaring Springs, TX 79256

Joe M. Thacker and Joyce T. Thacker,  
each dealing in their ssp.  
P.O. Box 360  
Roaring Springs, TX 79256

Maudie L. Williams, Indiv. and as Ind.  
Exec. of the Estate of Owen L. Williams  
124 E. 22<sup>nd</sup> St.  
Clovis, NM 88101

Margaret Gabriel, Trustee, u/w/o  
George Gabriel  
1701 W. 5<sup>th</sup>  
Plainview, TX 79705

Anne Hughes Innes and Mona Hughes  
Sherwood, each dealing in their ssp.  
124 W. 1<sup>st</sup>  
Spur, TX

Lila Wersell  
P.O. Box 666  
Carlsbad, NM 88220

BRUMLEY 17 FEDERAL COM #1  
EXHIBIT "C"

Edgar J. Wuest

Max S. Thacker, dealing in his ssp.  
C/o Joe Thacker  
P.O. Box 360  
Roaring Springs, TX 79256

Joe M. Thacker and Joyce T. Thacker,  
each dealing in their ssp.  
P.O. Box 360  
Roaring Springs, TX 79256

Maudie L. Willians, Individ. and as Ind.  
Exec. of the Estate of Owen L. Williams  
124 E. 22<sup>nd</sup> St.  
Clovis, NM 88101

Margaret Gabriel, Trustee, u/w/o  
George Gabriel  
1701 W. 5<sup>th</sup>  
Plainview, TX 79705

Anne Hughes Innes and Mona Hughes  
Sherwood, each dealing in their ssp.  
124 W. 1<sup>st</sup>  
Spur, TX

Lila Wersell  
P.O. Box 666  
Carlsbad, NM 88220

**Unleased Mineral Owners under the SE/4 Sec. 7, T19S-R39E, Lea County, NM**

Susan W. Bartosch,  
separate property  
#5 The Knolls  
Creve Coeur, MO 63141

Zanna A. Traweek  
separate property  
HCR 1 Box 217  
Plains, TX 79355

Clara E. Burress  
separate property  
3 Maxwell Lane  
Plano, TX 75094

Ramona Curry Roberts  
separate property  
P.O. Box 460  
Plainview, TX 79073

Howell Spear  
separate property  
P.O. Box 30169  
Pensacola, FL 32503-1169

Sun-West Oil & Gas, Inc.  
P.O. Box 788  
Hobbs, NM 88241

BRUMLEY 17 FEDERAL COM #1  
EXHIBIT "C"

J. Pat Corrigan, Trustee of the  
C.E. Corrigan Trust f/b/o  
James Patrick Corrigan, Jr.  
P.O. Box 690068  
Vero Beach, FL 32969

Hugh Daniels Corrigan  
P.O. Box 690068  
Vero Beach, FL 32969

Eleanor Christie Corrigan  
P.O. Box 690068  
Vero Beach, FL 32969

Pat Corrigan, Trustee  
of the Pat Corrigan Trust  
P.O. Box 690068  
Vero Beach, FL 32969

Hugh Corrigan, III, Trustee of the  
C.E. Corrigan Trust f/b/o  
Patrick Edward Corrigan  
P.O. Box 690068  
Vero Beach, FL 32969

Hugh Corrigan, III, Trustee of the  
C.e. Corrigan Trust f/b/o  
Hugh Corrigan, IV  
P.O. Box 50280  
Midland, TX 79710

Howard Payne College f/b/o  
McArthur Academy of Freedom  
1601 Elm Street, Ste. 1700  
Dallas, TX 75201-7241

Howard Payne  
C/o Bruce Payne  
Suite 600  
1 Dearborn Square  
Kankakee, IL 60901

Granville C. Nash and  
wife Vesta Nash  
No known address

Francis Daughterty C de Baca  
and husband F. C de Baca, Jr.  
No known address

Marion Daughterty Torres  
No known address

Robert W. Stotler  
No known address

Clara Stotler, Individually, and  
Clara Stotler and Peoples State  
Bank of Bloomington, Trustees  
Suite 301  
1 Brickyard Drive  
Bloomington, IL 61701

## Brumley 17 Federal Com #1

### Exhibit "D" Discussion

This application for a non-standard spacing unit is necessitated by a variation in the legal subdivision of the U.S. Public Land Surveys. Section 17 T19S-R39E as shown on the attached C-102 contains approximately 428 total acres. Per Exhibit "A" the mineral ownership is divided into 4 equal subdivisions running from the west side of the section to the east side. By dividing these subdivisions in half, the entire section can be divided into 8 equal proration units approximately 53.6 acres each, slightly larger than the standard 40 acre proration unit.

On the east half of the section you will notice a federal lease that runs north/south along the extreme east side of the section. Because of the equal ownership among the 4 eastern most proposed proration units between federal and fee acreage, a communitization agreement will be utilized to pool the mineral acreage in the east half proration units. The west half proration units will be all fee minerals.

Dividing this unorthodox section in this equitable manner will prevent the waste of oil and gas resources, and protect the correlative rights of all the mineral and leasehold owners involved.

UNITED BANK PLAZA  
400 N. PENN, SUITE 1000

CHARLES B. READ  
PRESIDENT

PHONE 505 622-3770  
FAX 505 622-8643

*Read & Stevens, Inc.*

*Oil Producers*

*P. O. Box 1518*

*Roswell, New Mexico 88202*

May 27, 2005

**Brumley 17 Federal Com #1  
Exhibit "E"**

See Attached Address List  
Affected Working Interest/Mineral Owners

Re: Brumley 17 Federal Com. #1  
Section 17, T19S-R39E  
Lea County, NM

Dear Owner:

READ & STEVENS, INC., as Operator, proposes to drill the captioned 4800' San Andres test well on a non-standard 53.64 acre proration unit comprised of Lot 4 and the East 26.36 acres of the S/2SW/4 of Section 17, T19S-R39E. We will make application to the New Mexico Oil Conservation Division for a total of eight (8) non-standard proration units and request administrative approval for this application. The non-standard locations are necessary due to the fact that Section 17 is a truncated section containing a total of 428.08 total acres and the section can be subdivided into eight (8) equally sized proration units.

Enclosed is a copy of our application, which will be filed with the NMOCD on June 1, 2005. In accordance with NMOCD Rule 19.15.14.1207 you are the owner of an interest that may be affected by this well. Objections must be filed in writing at the NMOCD Santa Fe office, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty (20) days of the filing date. If no objection is received within this twenty-day period, this application may be approved.

If you have no objection to this application, please sign and date one (1) copy of this letter and either FAX to my attention at 505-622-8643 or mail to this office at the letterhead address.

Should you have any questions, please contact me at 505-622-3770 x 209.

Respectfully,

READ & STEVENS, INC.



Robert H. Watson  
Land Manager

*Read & Stevens, Inc.*

Page 2  
May 27, 2005

The undersigned Owner hereby waives any objections to the READ & STEVENS, INC. Application to the NMOCD for a non-standard proration unit.

Owner: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

BW: mp  
Enclosure

AFFIDAVIT OF PUBLICATION

Brumley 17 Federal Com #1  
Exhibit "F"

State of New Mexico,  
County of Lea.

RECEIVED JUN 08 2005

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1 weeks.

Beginning with the issue dated May 28 2005 and ending with the issue dated

May 28 2005

Kathi Bearden  
Publisher

Sworn and subscribed to before

me this 31st day of

May 2005

Notary Public.

My Commission expires February 07, 2009 (Seal)



OFFICIAL SEAL  
DORA MONTZ  
NOTARY PUBLIC  
STATE OF NEW MEXICO

My Commission Expires: \_\_\_\_\_

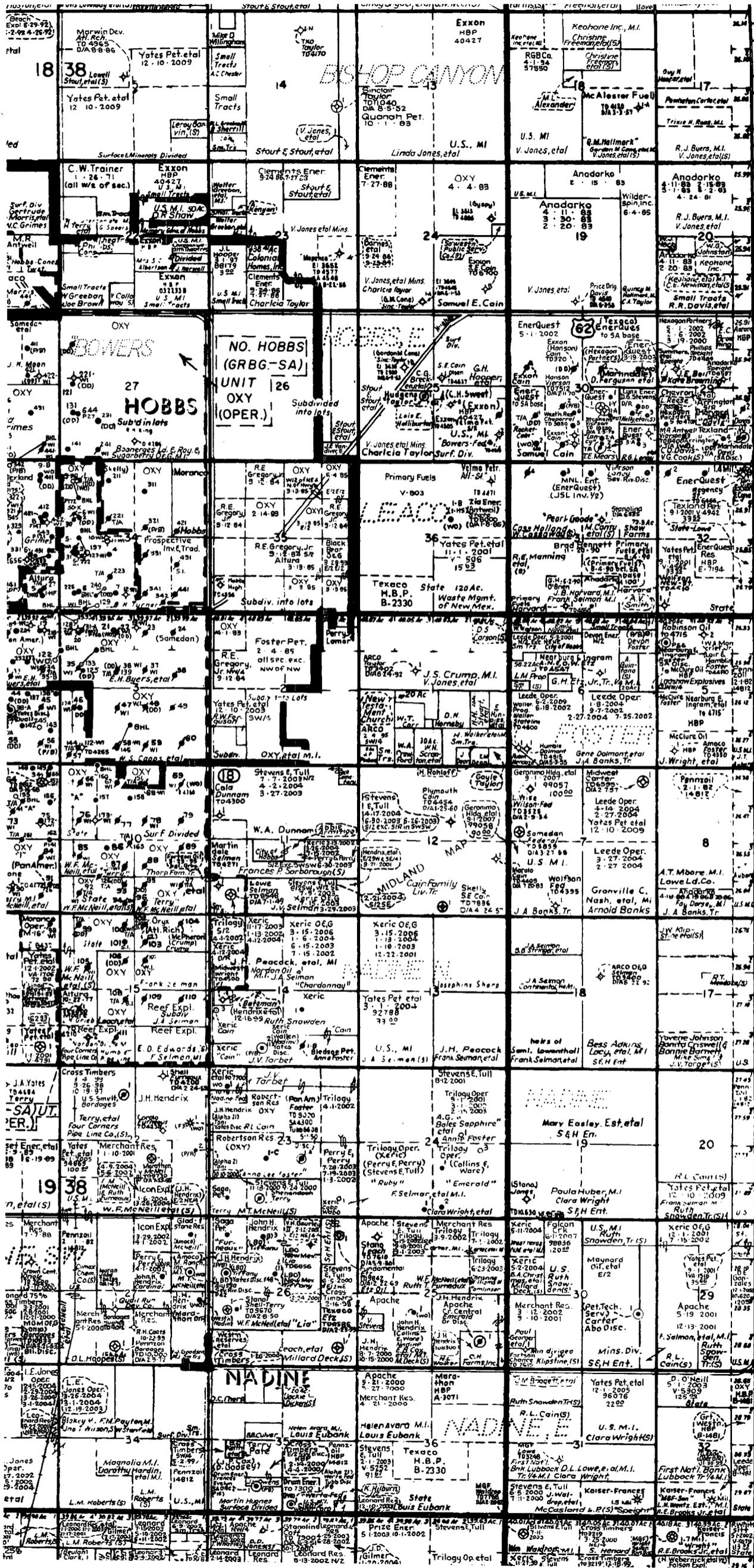
This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE  
May 28, 2005

Read & Stevens, Inc., 400 Penn Plaza, Suite 1000, Roswell, New Mexico 88201, Attn: Mr. John Maxey, Operations Manager, Phone #505/622-3770 is making application to the New Mexico Oil Conservation Division for non-standard spacing units in connection with the drilling of the Brumley 17 Federal Com #1 located 485' FEL & 330' FSL, Section 17, T19S-R39E, Lea County, New Mexico. The non-standard spacing units are necessitated by a variation in the legal subdivision of the U. S. Public Land Surveys.

Interested parties must file objections or request a hearing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 within 20 days.  
#21556

a0107570000 67530763  
Read & Stevens, Inc.  
P.O. Box 1518  
ROSWELL, NM 88202



32°45'

T 18 S

GAINES COUNTY

To Seminole

TEXLINE

ROSE

BLK. A-10

32°40'

T 19 S

BLK. A-12