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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

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www.nmstatelands.org

July 21, 2009

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

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 -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

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

DATE	OCD 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
T15S-R32E, NMPM,
LEA COUNTY, NEW MEXICO

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SER. NO. & EXP. DATE OF LEASE	BASIC ROYALTY AND OVERSHIP		LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE		WORKING INTEREST AND PERCENTAGE	
				PERCENTAGE	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