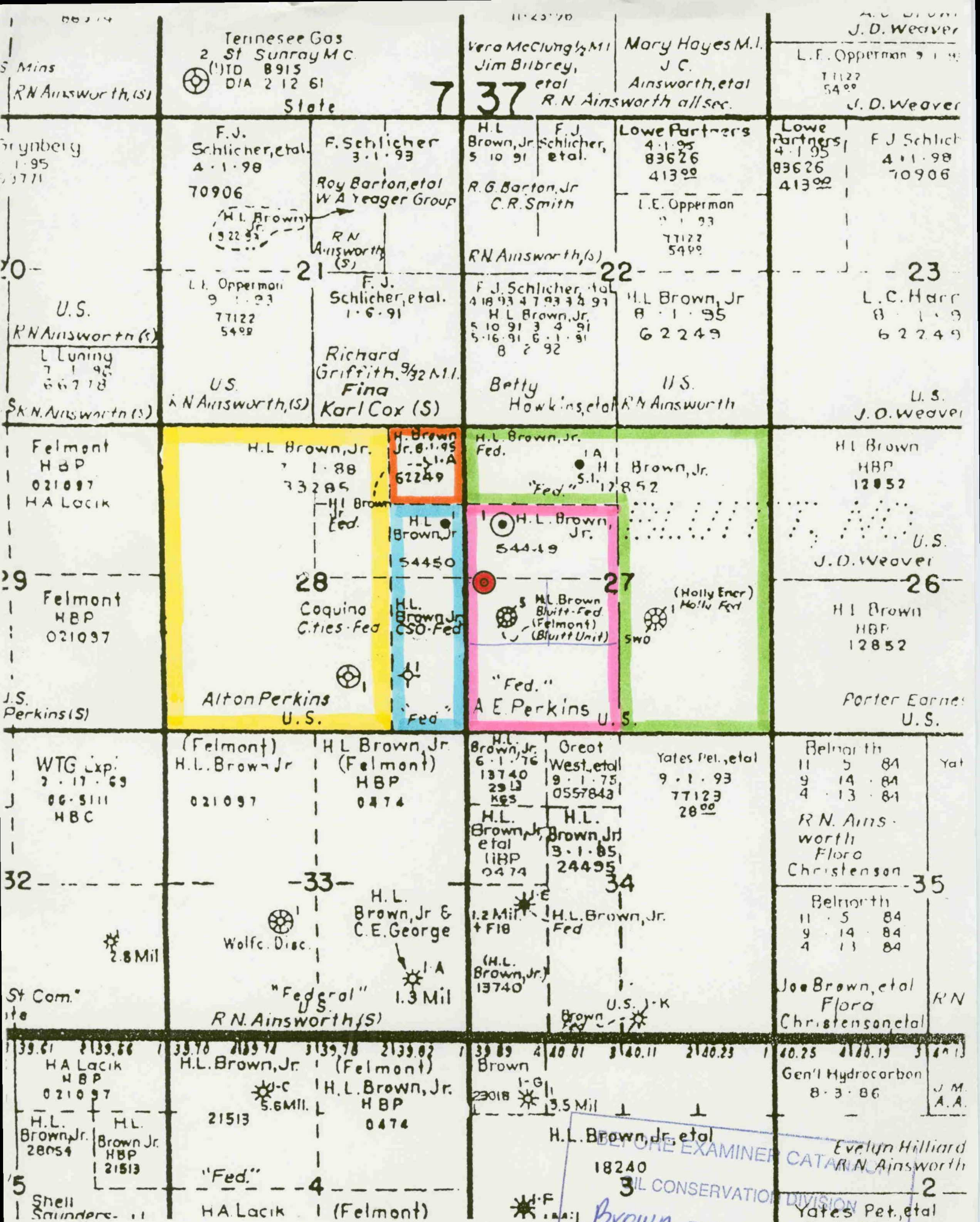




LEASE #

DESCRIPTION

1. FEDERAL LEASE #54450

T7S-R37E, SECTION 28: SE/4 NE/4, E/2 SE/4
ROOSEVELT COUNTY, NEW MEXICO

2. FEDERAL LEASE #33285

T7S-R37E, SECTION 28: W/2 E/2, W/2
ROOSEVELT COUNTY, NEW MEXICO

3. FEDERAL LEASE #NM-5449

T7S-R37E, SECTION 27: S/2 NW/4 AND SW/4
ROOSEVELT COUNTY, NEW MEXICO

4. FEDERAL LEASE #12852

T7S-R37E, SECTION 27: N/2 NW/4, E/2
ROOSEVELT COUNTY, NEW MEXICO

5. FEDERAL LEASE #69680

T7S-R37E, SECTION 28: NE/4 NE/4
ROOSEVELT COUNTY, NEW MEXICO

NOTE: ALL WORKING INTEREST OWNED IDENTICAL IN ALL LEASES.

H. L. BROWN, JR.

BLUITT "21" AREA

ROOSEVELT CO., NEW MEXICO

LAND PLAT

7-93

1" = 2000'

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION
FOR THE PURPOSE OF CONSIDERING:

CASE NO. 10769

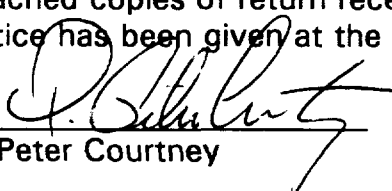
APPLICATION OF H.L. BROWN JR.
FOR AN UNORTHODOX OIL WELL LOCATION
ROOSEVELT COUNTY, NEW MEXICO.

CERTIFICATE OF MAILING

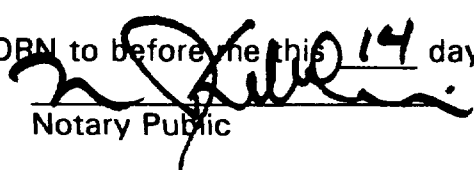
AND

COMPLIANCE WITH ORDER R-8054

Q PETER COURTNEY, Landman and authorized representative of H. L. Brown Jr. Inc., states that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on June 23, 1993, I caused to be mailed by certified mail return-receipt requested notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for July 15, 1993, to the parties shown in the application as evidenced by the attached copies of return receipt cards, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.

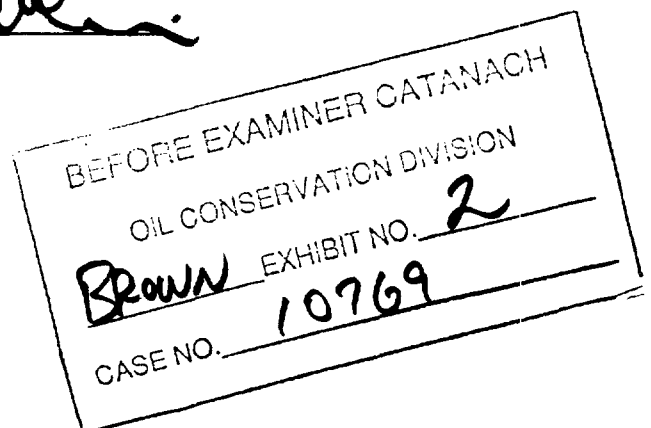

Q. Peter Courtney

SUBSCRIBED AND SWORN to before me this 14 day of JULY, 1993.


Notary Public

My Commission Expires:

April 17, 1996



KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAWTELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

JASON KELLAHIN (RETIRED 1991)

June 23, 1993

CERTIFIED MAIL-RETURN RECEIPTTo Offsetting Interest Owners
(Address List attached)

Re: H. L. Brown's Federal #27-2 Well
330 feet FWL and 2590 feet FSL
Section 27, T7S, R37E, NMPM
North Bluit Siluro-Devonian Pool
Roosevelt County, New Mexico

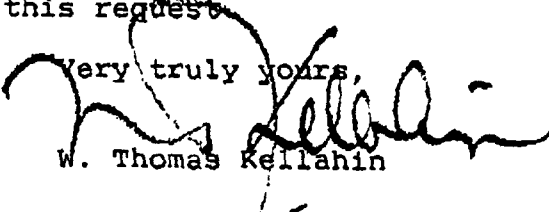
Dear Interest Owner:

I wish to notify you that H. L. Brown has made application to the New Mexico Oil Conservation Division for approval of the unorthodox well location for the referenced well. This application is scheduled for hearing at 8:15 AM, July 15, 1993 at the Division offices in Santa Fe, New Mexico.

H. L. Brown proposes to drill the referenced well at the described unorthodox well location to be dedicated to a spacing and proration unit consisting of the N/2SW/4 of said Section 27. Our information is that each of you has an interest in this spacing unit and a similar interest in each of the offsetting spacing units towards which this well encroaches.

This location is projected by Mr. Brown's geologist to be at the highest point on structure and will provide the best opportunity to maximize oil recovery from the pool. While it is not necessary to do so, each of you is entitled to attend this hearing either in support of or in opposition to this request.

Very truly yours,


W. Thomas Kellahin

FEDERAL #27-2 WELL ADDRESS LIST

CERTIFIED RECEIPT NO.

Clem E. George
401 W. Texas, Suite 501
Midland, Texas 79701

P 085 747 353

Betty S. George
c/o Clem E. George
401 W. Texas, Suite 501
Midland, Texas 79701

P 085 747 354

Estate of Vivian L. Smith
Attention: Ms. Suzanne Benson
Suite 1050
1900 West Loop South
Houston, Texas 77027

P 085 747 355

R. E. Smith Trust
Attention: Ms. Suzanne Benson
Suite 1050
1900 West Loop South
Houston, Texas 77027

P 085 747 356

Engineer's Trust #1
P. O. Box 2237
Midland, Texas 79702-2237

Minerals Management
Service Royalty
Box 5810
Denver, CO 80217-5810

P 085 747 358

B. A. O'Brien &
E. O. O'Brien
5461 West Kent Place
Denver, CO 80235-2928

P 085 747 359

Seabrook Corporation
555 17th Street, Suite 1000
Denver, CO 80202-3910

P 894 882 091

Sheep Mountain Royalty Company
P. O. Box 2237
Midland, Texas 79702-2237

Ronadero Company, Inc.
P. O. Box 430
Roswell, NM 88202-0430

P 894 882 092

James H. Shaw
2501 Cimmaron
Midland, Texas 79705-7304

P 894 882 093

delivered.

3. Article Addressed to:

Seabrook Corporation
555 17th Street, Suite 1000
Denver, CO 80202-3910

4a. Article Number
1894 882091

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
6/28/93

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 * U.S.G.P.O.: 1992-307-530 DOMESTIC RETURN RECEIPT

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

R. E. Smith Trust
Attention: Ms. Suzanne Be
Suite 1050
1900 West Loop South
Houston, Texas 77027

4a. Article Number
1085 747356

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
6/28/93

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 * U.S.G.P.O.: 1992-307-530 DOMESTIC RETURN RECEIPT

SENDER:

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I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Minerals Management Service
Box 5810
Denver, CO 80217-5810

4a. Article Number
1085 747358

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
6/28/93

5. Signature (Addressee)
CHAMPION MESSENGER
6954

6. Signature (Agent)
DENVER

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 * U.S.G.P.O.: 1992-307-530 DOMESTIC RETURN RECEIPT

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
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I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

B. A. O'Brien & E. O. O'Brien
5461 West Kent Place
Denver, CO 80235-2928

4a. Article Number
1085 747359

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 * U.S.G.P.O.: 1992-307-530 DOMESTIC RETURN RECEIPT

2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:

Estate of Vivian L. Smith
Attention: Ms. Suzanne Be
Suite 1050
1900 West Loop South
Houston, Texas 77027

4a. Article Number
P085747355

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
DEC 11 1991

5. Signature (Addressee)

6. Signature (Agent)
P. O. Smith

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 * U.S.G.P.O. : 1992-307-630 DOMESTIC RETURN RECEIPT

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Ronadero Company, Inc.
P. O. Box 430
Roswell, NM 88202-0430

4a. Article Number
P894882092

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)
C. Henry

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 * U.S.G.P.O. : 1992-307-630 DOMESTIC RETURN RECEIPT

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Betty S. George
c/o Clem E. George
401 W. Texas, Suite 501
Midland, Texas 79701

4a. Article Number
P085747354

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
DEC 11 1991

5. Signature (Addressee)
Betty S. George

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 * U.S.G.P.O. : 1992-307-630 DOMESTIC RETURN RECEIPT

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Clem E. George
401 W. Texas, Suite 501
Midland, Texas 79701

4a. Article Number
P085747353

4b. Service Type
☐ Registered ☒ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery
DEC 11 1991

5. Signature (Addressee)
Clem E. George

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 * U.S.G.P.O. : 1992-307-630 DOMESTIC RETURN RECEIPT

Completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

James H. Shaw
2501 Timmaron
Midland, Texas 79705-7304

4a. Article Number

1894 882093

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

Victoria L. Shaw

6. Signature (Agent)

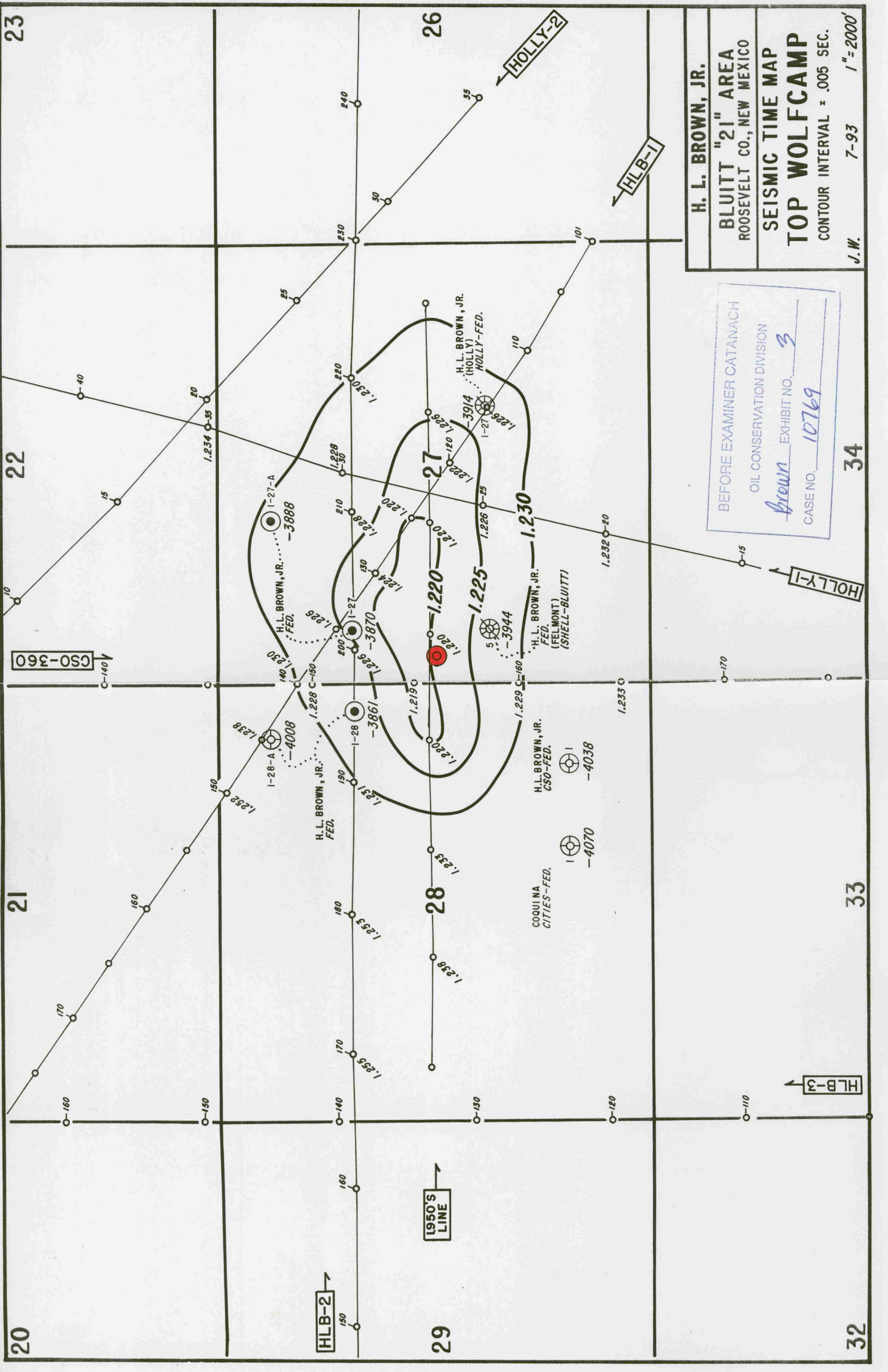
10-25-93

8. Addressee's Address (Only if request and fee is paid)

Is your RETURN

PS Form 3811, December 1991 • U.S.G.P.O. : 1992-307-530

DOMESTIC RETURN RECEIPT



H. L. BROWN, JR.
BLUITT "21" AREA
ROOSEVELT CO., NEW MEXICO
SEISMIC TIME MAP
TOP WOLFCAMP
CONTOUR INTERVAL = .005 SEC.
J.W. 7-93 1" = 2000'

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
Brown EXHIBIT NO. 3
CASE NO. 10769

34

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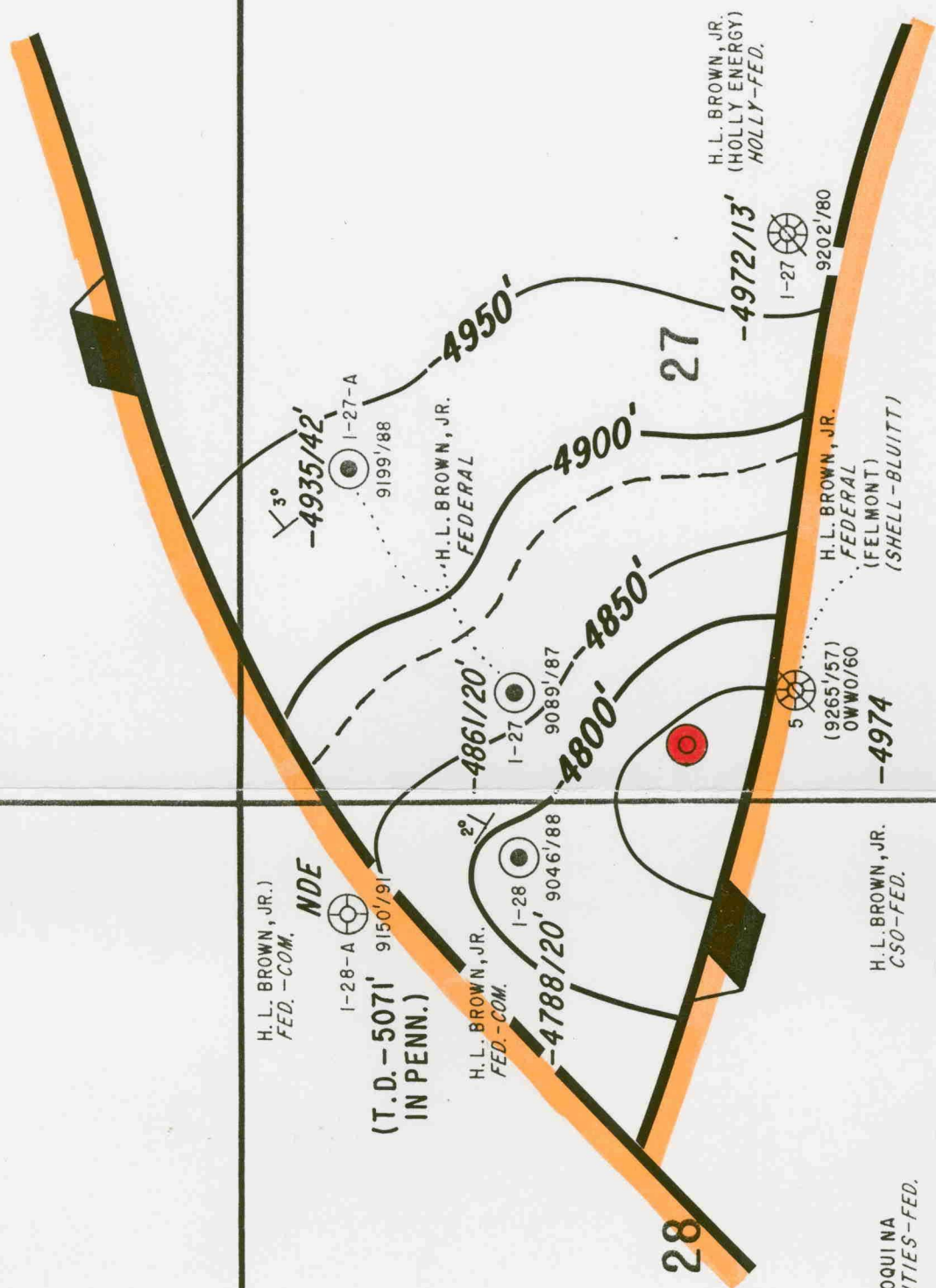
28

27

26

32

33



BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
Brown EXHIBIT NO. 4
CASE NO. 10769

H. L. BROWN, JR.
BLUITT "21" AREA
ROOSEVELT CO., NEW MEXICO
STRUCTURE MAP
DEVONIAN - ZONE 3
(OIL ZONE)
CONTOUR INTERVAL = 50 FEET
J.W. 7-93 1"=1000'

----- OIL/WTR. CONTACT (-4880').
-4972/13' TOP ZONE 3 - SUBSEA.
-4972/13' ZONE 3 POROSITY.