FORM APPROVED UNITED STATE Mexico Oil Conservation Division, D. MB No 1004-0137 DEPARTMENT OF THE INTERIOR 1625 N. French Drivease Serial No. BUREAU OF LAND MANAGEMENT Hobbs, NM 88240 NMNM54449 RRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7 If Unit of CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well Well Name and No. Federal "27" No.6 Oil Well Gas Well Other API Well No 30-041-20937 Name of Operator H.L.Brown Operating, L.L.C. 10. Field and Pool or Exploratory Area 3b. Phone No (include area code) P. O Box 2237 Bluitt, N (Siluro-Devonian) (432) 683-5216 . - - - - -Midland, TX 79702 Location of Well (Footage, Sec., T.R.,M., or Survey Description) 11 County or Parish, State Unit Roosevelt County, NM T-7S, R-37E 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Production (Start/Resume) Deepen Water Shut-Off Acidize Notice of Intent Fracture Treat Reclamation Well Integrity Alter Casing Other Production test Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Plug Back Water Disposal Final Abandonment Notice Convert to Injection 13 Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.) In response to Written Order 12KSB19I dated April 9, 2012, H.L. Brown Operating, L.L.C. ("HLB") has requested the required testing equipment from numerous third party service providers, but has been told that equipment is in use and not presently available. As indicated in the attached letter dated June 5, 2012 from Tom Duncan, Hobbs Office of Metering and Testing Services, HLB is on the "waiting list" for the equipment and tests. HLB will provide notice to BLM upon notification of availability of equipment. In the interim, to the extent BLM seeks immediate testing, the well at issue produces to a dedicated tank battery. A third party can test the well using equipment presently existing at the well. DENIED - for the use of existing well equipment 60 day extension ending August 17, 2012 for third party testing using independent well

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Carlton Wheeler Title Operations Manager Carton Wheeler Date 06/05/2012 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify

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that the applicant holds legal or equitable title to the entitle the applicant to conduct operations thereon \[\begin{align*} \begin{align*} \lambda \\ \end{align*}

Title

ROSWELL FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction



To: Mr. C. Wheeler HL Brown Operating

At this point in time Metering & Testing Services does not have any available test equipment (Low pressure 3 phase test units) for rental. HL Brown Operating has inquired about testing wells in Roosevelt county NM, and has been put on a list for next available test equipment. However, due to the lack of availability of equipment Metering & Testing cannot give a time frame for this to happen.

Tom Duncan, Metering and Testing Services

