


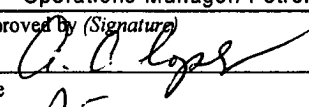
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. NM 0474
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator H.L. Brown Operating L.L.C # 213179		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 2237, Midland, Texas 79702		8. Lease Name and Well No. <u><29858></u> Federal 'A' #1
3b. Phone No. (include area code) 432-688-3726		9. API Well No. 30 - 041 - 00048
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 990' FSL & 990' FEL, Unit P At proposed prod. zone 990' FSL, 1650' FEL, Unit O		10. Field and Pool, or Exploratory Bluitt Wolfcamp <u><72640></u>
14. Distance in miles and direction from nearest town or post office* 10 miles east of Milnesand, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 33, T-7 -S, R-37 -E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 990'	16. No. of Acres in lease 320	17. Spacing Unit dedicated to this well 320
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. na	19. Proposed Depth 8250'	20. BLM/BIA Bond No. on file 0679788
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4044' GL	22. Approximate date work will start 02 - 15 - 06	23. Estimated duration 14 days
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Robert McNaughton	Date 12-12-05
Title Operations Manager/ Petroleum Engineer		
Approved by (Signature) 	Name (Printed/Typed) Armando A. Lopez	Date 12/27/01
Title PE	Office RFO	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

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.

*(Instructions on reverse)

Kz

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128
 Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

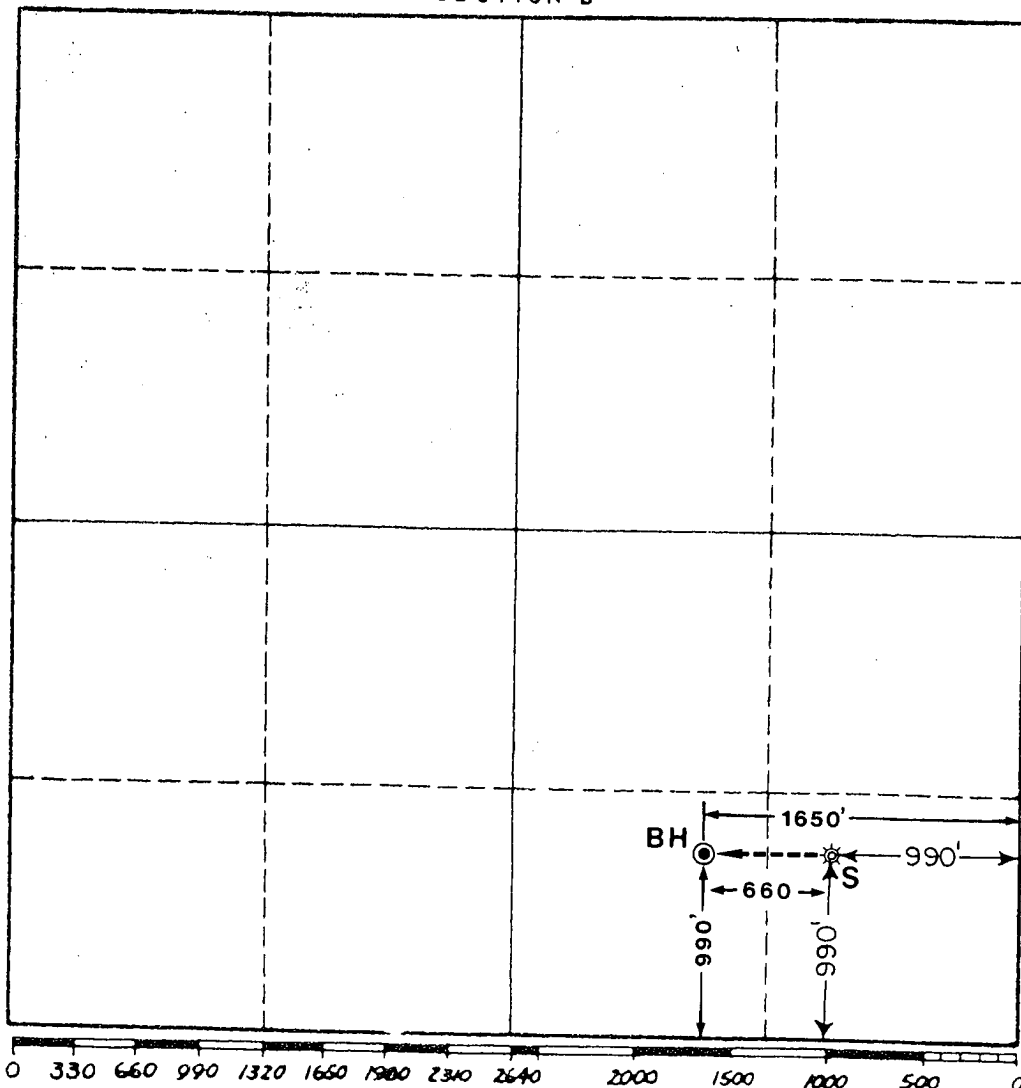
SECTION A

Operator H.L. Brown & Clem E. George			Lease Federal "A"		Well No. 1
Unit Letter P	Section 33	Township 7 South	Range 37 East	County Roosevelt	
Actual Footage Location of Well: 990 feet from the East line and 990 feet from the South line					
Ground Level Elev. 4044.3	Producing Formation Wolfcamp		Pool Bluff-Gas	Dedicated Acreage: Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES _____ NO ☒. ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☒ NO _____. If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner Bottom hole location: 990' FSL &	Land Description 1650' FEL, Unit 0, sec 33
--	--

SECTION B



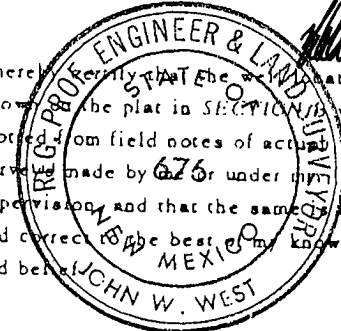
CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name: **H.L. Brown, Jr.**
 Position: **Partner**
 Company: **H.L. Brown, Jr. & Clem E. George**
 Date: **March 20, 1961**

Amended: Robert McNaughton

I hereby certify that the information shown on the plat in SECTION B was plotted from field notes of actual survey made by **676** or under my supervision and that the same is true and correct to the best of my knowledge and belief.



Date Surveyed: **2-28-61**
 Registered Professional Engineer and/or Land Surveyor, **JOHN W. WEST**
 Certificate No. **N.M. - P.E. & L.S. NO. 676**

H.L. Brown Operating, L.L.C.

Federal A #1
990' FSL & 990' FEL, Unit P, Sec 33, T-7S, R-37E, Roosevelt Co, NM
Field: North Bluiitt Wolfcamp **API # 30-041-00048**

Elev: 4044', KB = 4055'

Status : TA 03-03-05

Spud: 03/27/61
 Completed: 05/22/61
 Last Workover: 09/08/04

13-3/8", 48#, H-40 @ 318'
 300 sx, cement circulated
 17-1/2" hole

Salt: 2100' - 2490'

8-5/8", 24/32#, J-55 @ 4009'
 850 sx, TOC @ 1000' by temp
 11" hole

Tested 8-5/8" casing to 500 psi - OK

100 sx plug: 3711' - 4137', tagged
 Cut casing at 4102'
 Top of stub is 93' below the 8-5/8" shoe

Pump 100 sx plug: 4138' - 5652', tagged

Baker model R packer set at 7924'

Wolfcamp Perfs: 7994' - 8030'
 @ 2 SPF, 2000 gals acid, 5000 gals DS-30 (2/65)

Baker Model "C" RBP at 8105'

Wolfcamp Perfs: 8143' - 8146'
 Sandrilled with 500 gals Western SLT acid (wet)

4-1/2", 9.5/11.6#, J-55 @ 8336'
 175 sx, TOC @ 7600' by temp.
 7-7/8" Hole

11.6# surface to 1988'
 9.5# 1988' to 5874'
 11.6# 5874' to 8336'

PBTD @ 8105'

TD @ 8790'

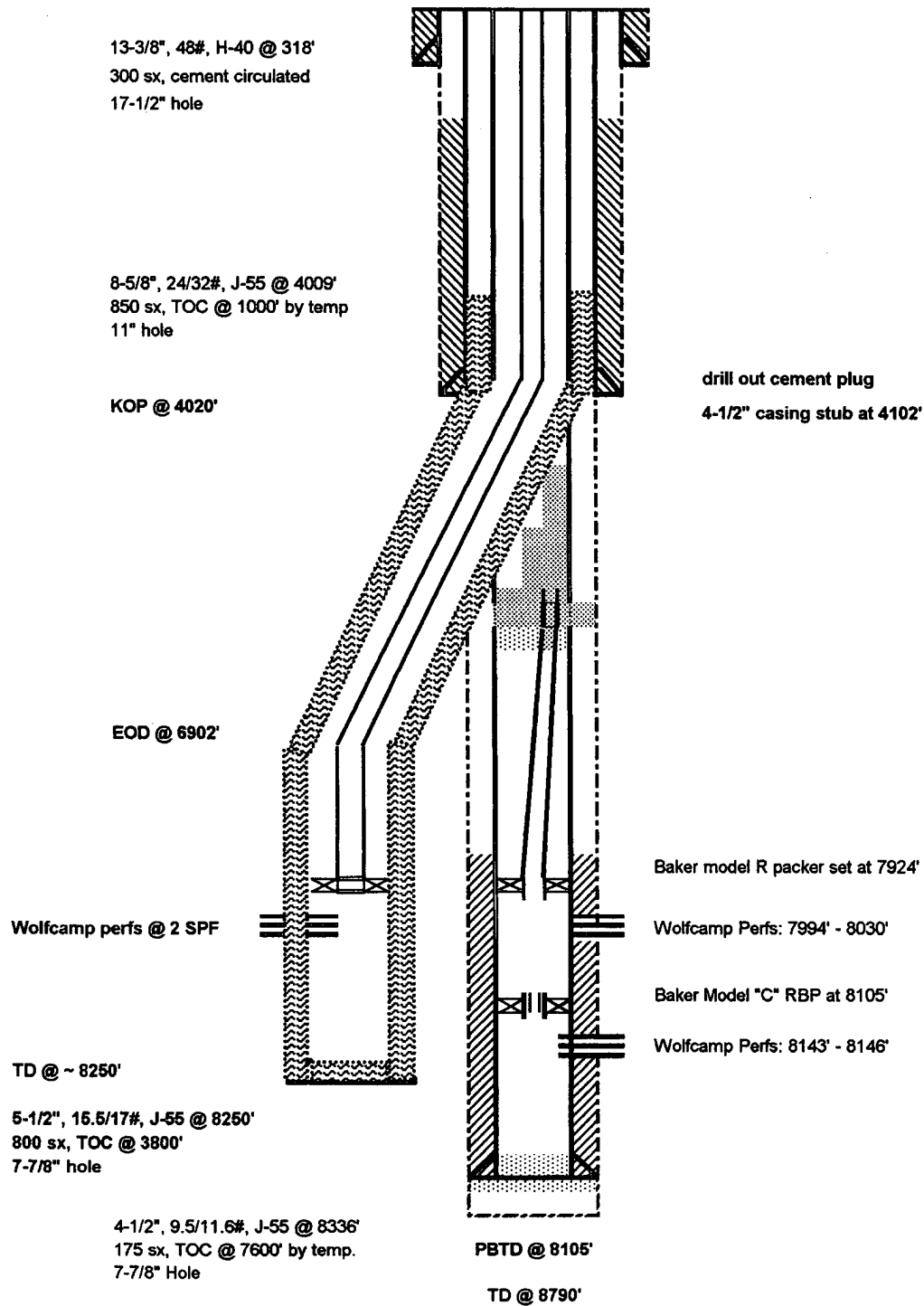
H.L. Brown Operating, L.L.C.

Federal A #1	
990' FSL & 990' FEL, Unit P, Sec 33, T-7S, R-37E, Roosevelt Co, NM	
Field: North Bluit Wolfcamp	API # 30-041-00048

Elev: 4044', KB = 4055'

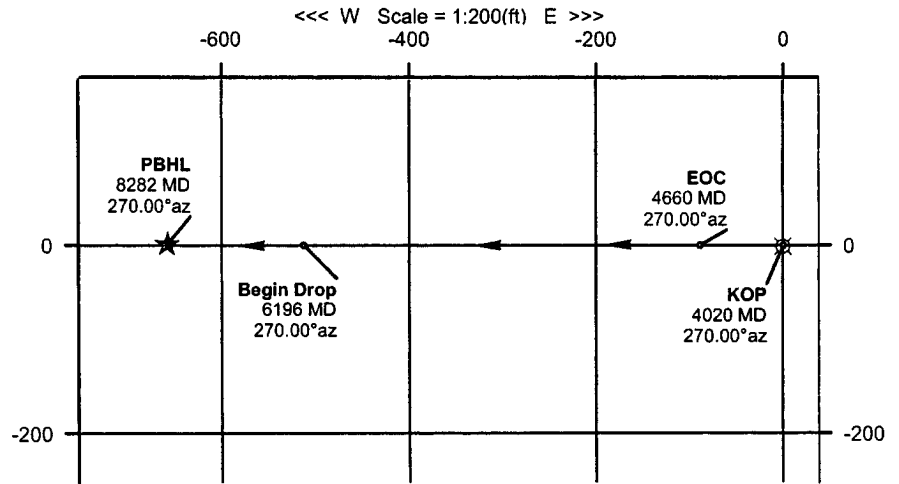
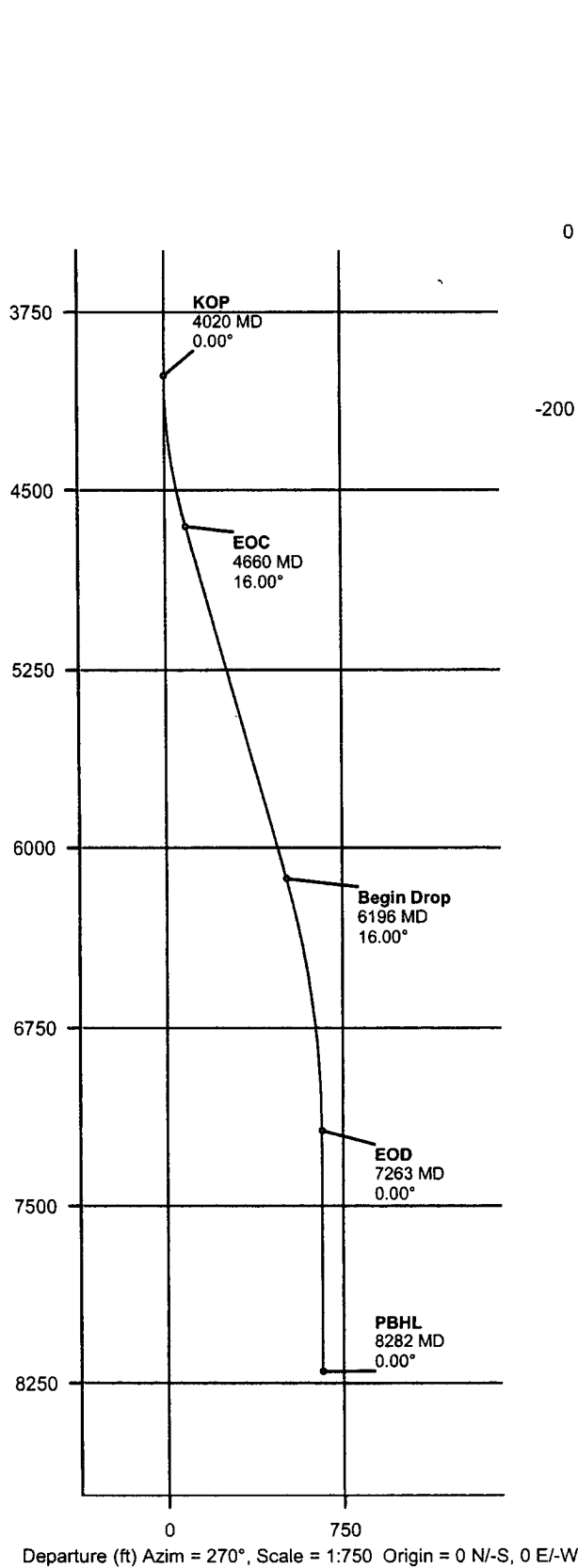
Proposed Sidetrack

Spud: 03/27/61
Completed: 05/22/61
Last Workover: 09/08/04



H.L. Brown Operating, L.L.C.

WELL	Federal A#1	FIELD	Roosevelt County, NM	STRUCTURE	Federal A#1
Magnetic Parameters		Surface Location		Miscellaneous	
Model:	IGRF 2005	Dip:	82.00°	Date:	June 10, 2005
Mag Dec:	-8.400°	FS:	50356.0 nT	Lat:	N34 1 8.708
		Lon:	W103 28 48.072	North:	1099177.07 RUS
				Grid Conv:	-0.47742011°
				Scale Fact:	0.9999856342
				Plan:	Federal A#1 / 2
				TVD Ref:	RKB (0.00 ft above)
				Srvy Date:	Thu 02:19 PM October 20, 2005



Critical Points								
Critical Point	MD	INCL	AZIM	TVD	YSEC	N(+) / S(-)	E(+) / W(-)	DLS
Tie-In	0.00	0.00	270.00	0.00	0.00	0.00	0.00	0.00
KOP	4020.00	0.00	270.00	4020.00	0.00	0.00	0.00	0.00
EOC	4659.84	16.00	270.00	4651.56	88.74	-0.00	-88.74	2.50
Begin Drop	6196.16	16.00	270.00	6128.40	512.10	-0.00	-512.10	0.00
EOD	7262.56	0.00	270.00	7181.00	660.00	-0.00	-660.00	1.50
PBHL	8281.56	0.00	270.00	8200.00	660.00	-0.00	-660.00	0.00

INTREPID
Directional Drilling Specialists



Proposal

Report Date: October 20, 2005 Client: H.L. Brown Operating, L.L.C. Field: Roosevelt County, NM Structure / Slot: Federal A#1 / Federal A#1 Well: Federal A#1 Borehole: Federal A#1 UWI/API#: Survey Name / Date: Federal A#1_r2 / October 20, 2005 Tort / AHD / DDI / ERD ratio: 31.992° / 660.00 ft / 4.329 / 0.080 Grid Coordinate System: NAD27 New Mexico State Planes, Eastern Zone, US Feet Location Lat/Long: N 34 1 6.708, W 103 28 48.072 Location Grid N/E Y/X: N 1099177.066 RUS, E 758568.241 RUS Grid Convergence Angle: +0.47742011° Grid Scale Factor: 0.99998563	Survey / DLS Computation Method: Minimum Curvature / Lubinski Vertical Section Azimuth: 270.000° Vertical Section Origin: N 0.000 ft, E 0.000 ft TVD Reference Datum: RKB TVD Reference Elevation: 0.0 ft relative to Sea Bed / Ground Level Elevation: 0.000 ft relative to Magnetic Declination: 8.400° Total Field Strength: 50356.024 nT Magnetic Dip: 62.009° Declination Date: June 10, 2005 Magnetic Declination Model: IGRF 2005 North Reference: Grid North Total Corr Mag North -> Grid North: +7.923° Local Coordinates Referenced To: Well Head
---	---

Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Tool Face (deg)
Tie-In	0.00	0.00	270.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-90.00M
KOP	4020.00	0.00	270.00	4020.00	0.00	0.00	0.00	0.00	0.00	0.00	-90.00M
	4100.00	2.00	270.00	4099.98	1.40	-0.00	-1.40	1.40	270.00	2.50	-90.00M
	4200.00	4.50	270.00	4199.82	7.06	-0.00	-7.06	7.06	270.00	2.50	-90.00M
	4300.00	7.00	270.00	4299.30	17.08	-0.00	-17.08	17.08	270.00	2.50	0.00G
	4400.00	9.50	270.00	4398.26	31.43	-0.00	-31.43	31.43	270.00	2.50	0.00G
	4500.00	12.00	270.00	4496.50	50.08	-0.00	-50.08	50.08	270.00	2.50	0.00G
	4600.00	14.50	270.00	4593.83	73.00	-0.00	-73.00	73.00	270.00	2.50	0.00G
EOC	4659.84	16.00	270.00	4651.56	88.74	-0.00	-88.74	88.74	270.00	2.50	0.00G
Begin Drop	6196.16	16.00	270.00	6128.40	512.10	-0.00	-512.10	512.10	270.00	0.00	180.00G
	6200.00	15.94	270.00	6132.09	513.16	-0.00	-513.16	513.16	270.00	1.50	180.00G
	6300.00	14.44	270.00	6228.59	539.36	-0.00	-539.36	539.36	270.00	1.50	180.00G
	6400.00	12.94	270.00	6325.75	563.02	-0.00	-563.02	563.02	270.00	1.50	180.00G
	6500.00	11.44	270.00	6423.49	584.13	-0.00	-584.13	584.13	270.00	1.50	180.00G
	6600.00	9.94	270.00	6521.75	602.68	-0.00	-602.68	602.68	270.00	1.50	180.00G
	6700.00	8.44	270.00	6620.47	618.65	-0.00	-618.65	618.65	270.00	1.50	180.00G
	6800.00	6.94	270.00	6719.57	632.03	-0.00	-632.03	632.03	270.00	1.50	180.00G
	6900.00	5.44	270.00	6818.98	642.81	-0.00	-642.81	642.81	270.00	1.50	180.00G
	7000.00	3.94	270.00	6918.64	650.98	-0.00	-650.98	650.98	270.00	1.50	-90.00M
	7100.00	2.44	270.00	7018.48	656.54	-0.00	-656.54	656.54	270.00	1.50	-90.00M
	7200.00	0.94	270.00	7118.44	659.49	-0.00	-659.49	659.49	270.00	1.50	-90.00M
EOD	7262.56	0.00	270.00	7181.00	660.00	-0.00	-660.00	660.00	270.00	1.50	-90.00M
PBHL	8281.56	0.00	270.00	8200.00	660.00	-0.00	-660.00	660.00	270.00	0.00	0.00M

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

**H. L. BROWN OPERATING, L.L.C.
Federal "A" No. 1
990' FSL & 990' FEL, Sec. 33, Unit P, T-07-S, R-37-E
Roosevelt County, New Mexico
New Mexico Lease NM - 0474**

This plan is submitted with the Application for Permit to Re-enter the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbances involved, and the procedures to be followed in rehabilitating the surface after completion of the operations so that a complete appraisal can be made of the environmental effects associated with the operation.

1. **EXISTING ROADS:**

Figure No.1 is a portion of a USGS contour map showing the location of the existing well. The location is approximately 9 miles East of Milnesand, NM on State Highway 262. Go straight east one mile on lease road where highway makes a 90 corner south. Go north 1/3 mile just past the compressor station to a tee, go north and then go 1/2 mile to the northeast (**Figure 2**).

Federal A #1 is located west of a large gravel pit and west of the main lease road. The existing roads will be maintained as needed for both drilling and production by offset lease operators. No new roads will be needed although some caliche will be added to shore up the existing access road.

2. **LOCATION OF EXISTING WELLS:**

- Existing wells within a one-mile (plus) radius are shown on **Figure No. 1**.

3. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:**

- Gas will be produced through the existing flow line and separator. This well flow naturally through the existing low pressure gathering system.

4. **SOURCE OF CONSTRUCTION MATERIALS AND WATER:**

The well pad and access road are already in place. Caliche may be added to the edges of the present location to reinforce it. If needed, additional caliche will be transported from a privately owned pit located in the SW/4 of Section 6, T-8-S, R-37-E. Water will be purchased and trucked to location.

5. **ANCILLARY FACILITIES:** None required.

6. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings: will be disposed of in the drilling pits. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry. Water produced during tests will be disposed of in the drilling pits or hauled off to a water disposal facility. Oil produced during tests will be stored in test tanks until sold.
- B. Trash and Waste: Current laws and regulations pertaining to the disposal of human waste will be complied with. Trash and junk will be discarded in a trash trailer and hauled to a state approved garbage disposal facility. All waste material will be contained within the trailer to prevent scattering by the wind. All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations.

7. WELLSITE LAYOUT:

- A. **Figure No. 3** shows the general layout and dimensions of the well pad. We will confine all drilling and production activities to the existing well pad.
- B. A new reserve pit will be dug into the old reserve pit, but will be much smaller. The reserve pit will be plastic lined as per current BLM and NMOCD regulations.

8. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operation will be removed. Pits will be filled as soon as they dry. The location will be cleaned of all trash and junk to leave the well site as aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. After abandonment of the well, surface restoration will be in accordance with the agreement with the surface lessee and the BLM. The pit area, well pad, and all unneeded access road will be ripped to promote re-vegetation. Rehabilitation should be accomplished within 90 days after abandonment.

9. OTHER INFORMATION:

- A. Topography: Land surface is relatively level with small to moderate sand dunes.
- B. Soil: Soil is predominantly sand and sandy loam underlain by caliche.
- C. Flora and Fauna: The vegetative cover moderate and includes range grasses, weeds, scrub oak and mesquite bushes. Local Wildlife is typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove, quail and hawks.
- D. Ponds and Streams: There are no rivers, lakes, or ponds in the area.

- E. Residences and Other Structures: There are no occupied dwellings or other structures within or near the proposed area of the well site. The pumper's residence is located next to the compressor station about one mile away. There are a few ranch houses several miles to the north.
- F. Archeological, Historical and Cultural Sites: None observed in the area.
- G. Land Use: Grazing, oil and gas production and wildlife habitat.
- H. Surface Ownership: The surface that the well site and road are on is owned by Mack Kizer, P.O. Box 27, Pep, New Mexico 88126.

10. OPERATORS' REPRESENTATIVES:

The field representatives responsible for assuring compliance with the approved surface use and operations plan is:

Robert McNaughton.....	(432) 688-3726 (office)
Operations Manager/ Petroleum Engineer	(432) 694-2553 (residence)
	(432) 559-9307 (cell)
Greg McWilliams.....	(806) 790-1332 (mob)
Operations Foreman	

H. L. Brown Operating, L. L. C. office is located at 300 W. Louisiana, Midland, Texas, 79701.

11. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by H. L. Brown Operating, L. L. C. and it's contractors and subcontractors in conformity with this plan and terms and conditions under which is approved. This statement is subject to provisions of 18 U.P.S. 1001 for the filing of false statement.

12-12-05

Date



Robert McNaughton

Operations Manager/ Petroleum Engineer

H. L. Brown Operating, L .L. C.

Enclosures

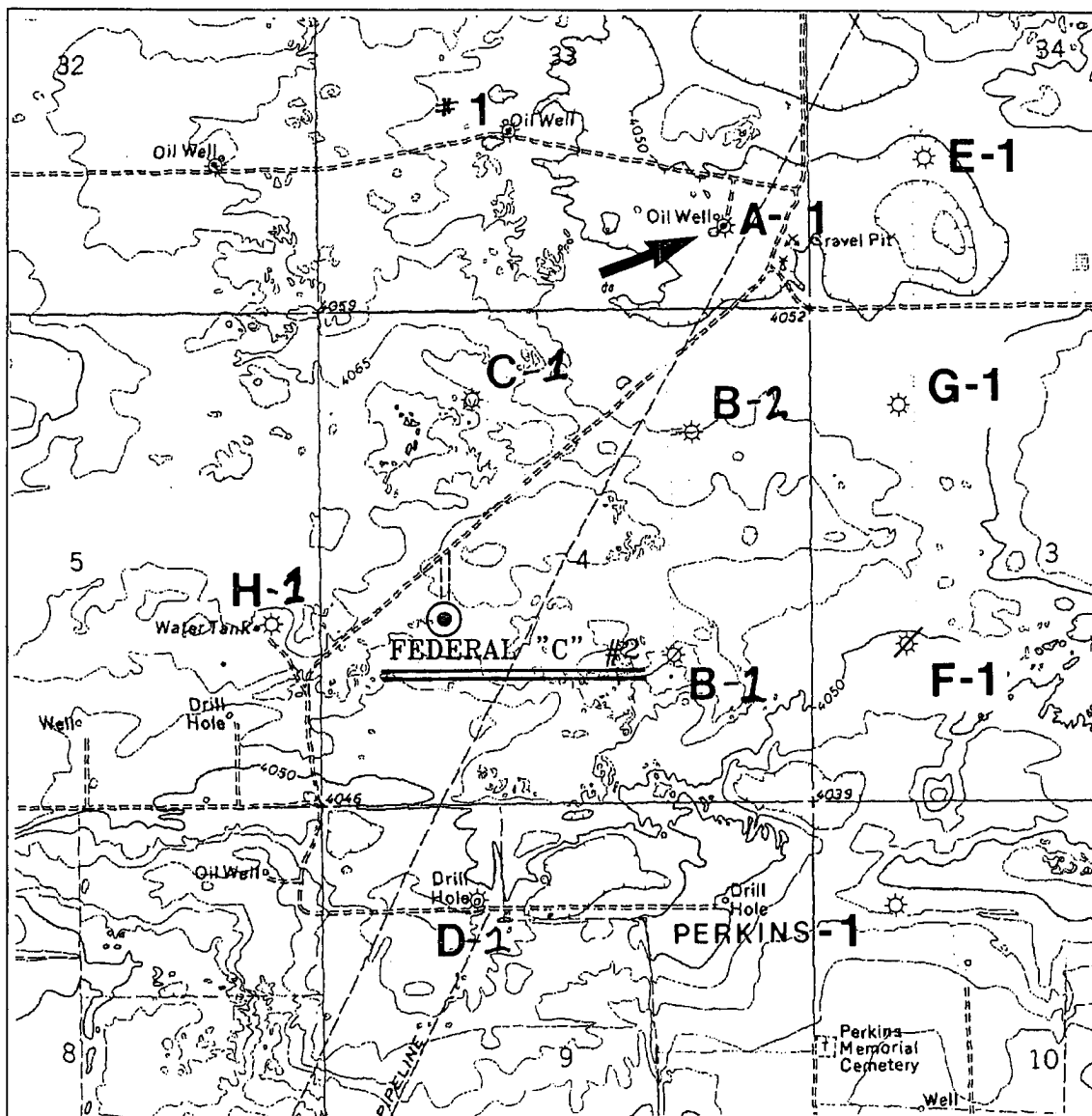


Figure No. 1

<p>Roads and Offset Wells</p> <p>Worksheet supplement for "Application for Permit to Drill or Deepen a Well"</p>	<p>Applicant H.L. Brown Operating L.L.C P.O. Box 2237, Midland Texas 79702</p>
<p>Location: 990' FSL & 990' FEL Unit P, Section 33, T- 7-S, R- 37-E Roosevelt Co, NM</p>	<p>Well name and number Federal A No. 1</p>

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W.O. Number:

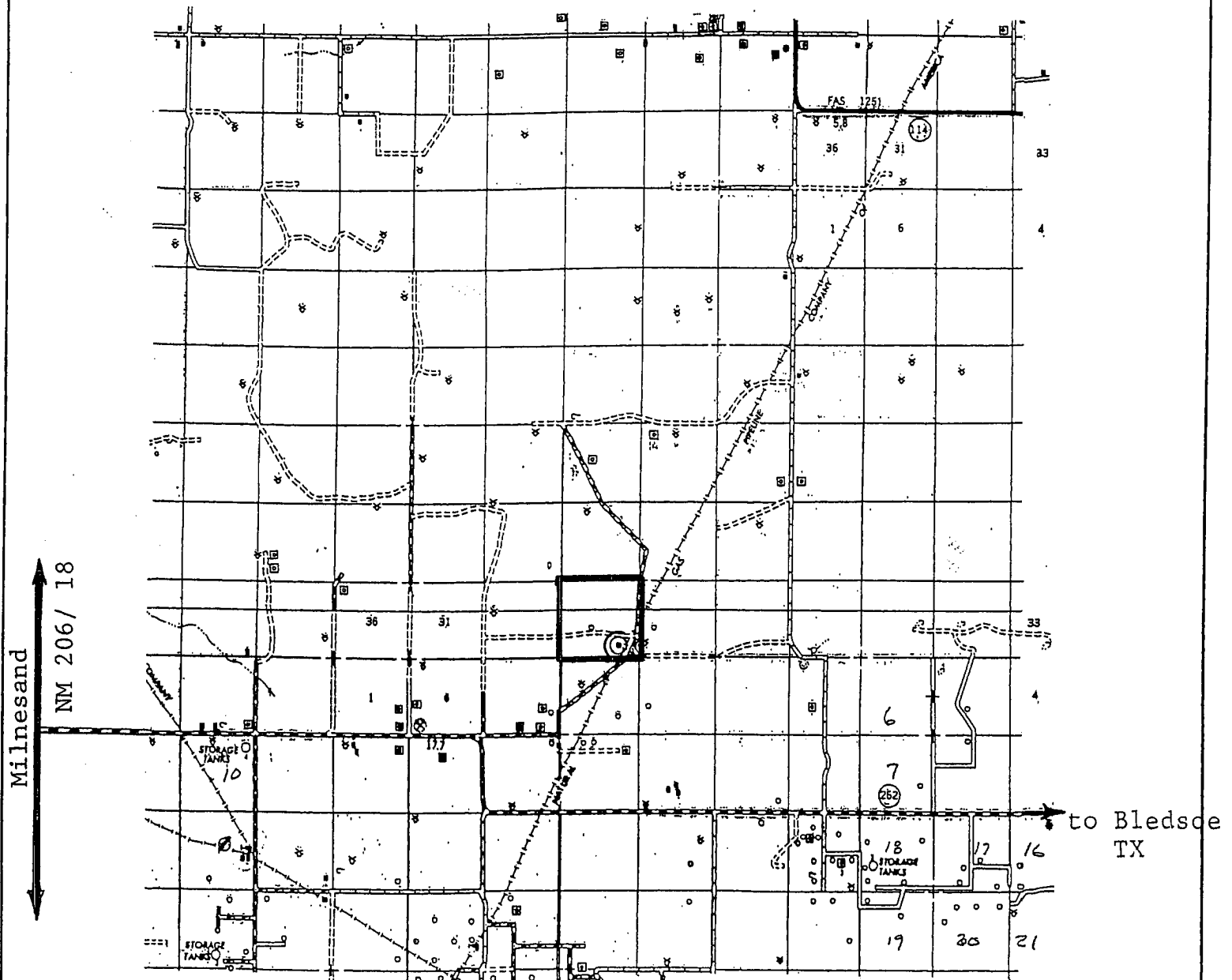
Survey Date:

Scale: 1" = 2000'

Date:

H.L. BROWN
OPERATING L.L.C.

Figure No. 2



Location and Road Map

Worksheet supplement for "Application for Permit to Drill or Deepen a Well"

Applicant

H.L. Brown Operating L.L.C

P.O. Box 2237, Midland Texas 79702

Well name and number

Location: 990' FSL & 990' FEL
Unit P, Section 33, T- 7-S, R- 37-E
Roosevelt Co, NM

Federal A No. 1

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W.O. Number:

Survey Date:

Scale: 1" = 2 MILES

Date:

H.L. BROWN
OPERATING L.L.C.

<p>DRILLING RIG & RESERVE PIT LAYOUT</p> <p>Worksheet supplement for "Application for Permit to Drill or Deepen a Well"</p>	<p>Applicant H.L. Brown Operating L.L.C P.O. Box 2237, Midland Texas 79702</p>
<p>Location: 990' FSL & 990' FEL Unit P, Section 33, T- 7-S, R- 37-E Roosevelt Co, NM</p>	<p>Well name and number Federal A No. 1</p>

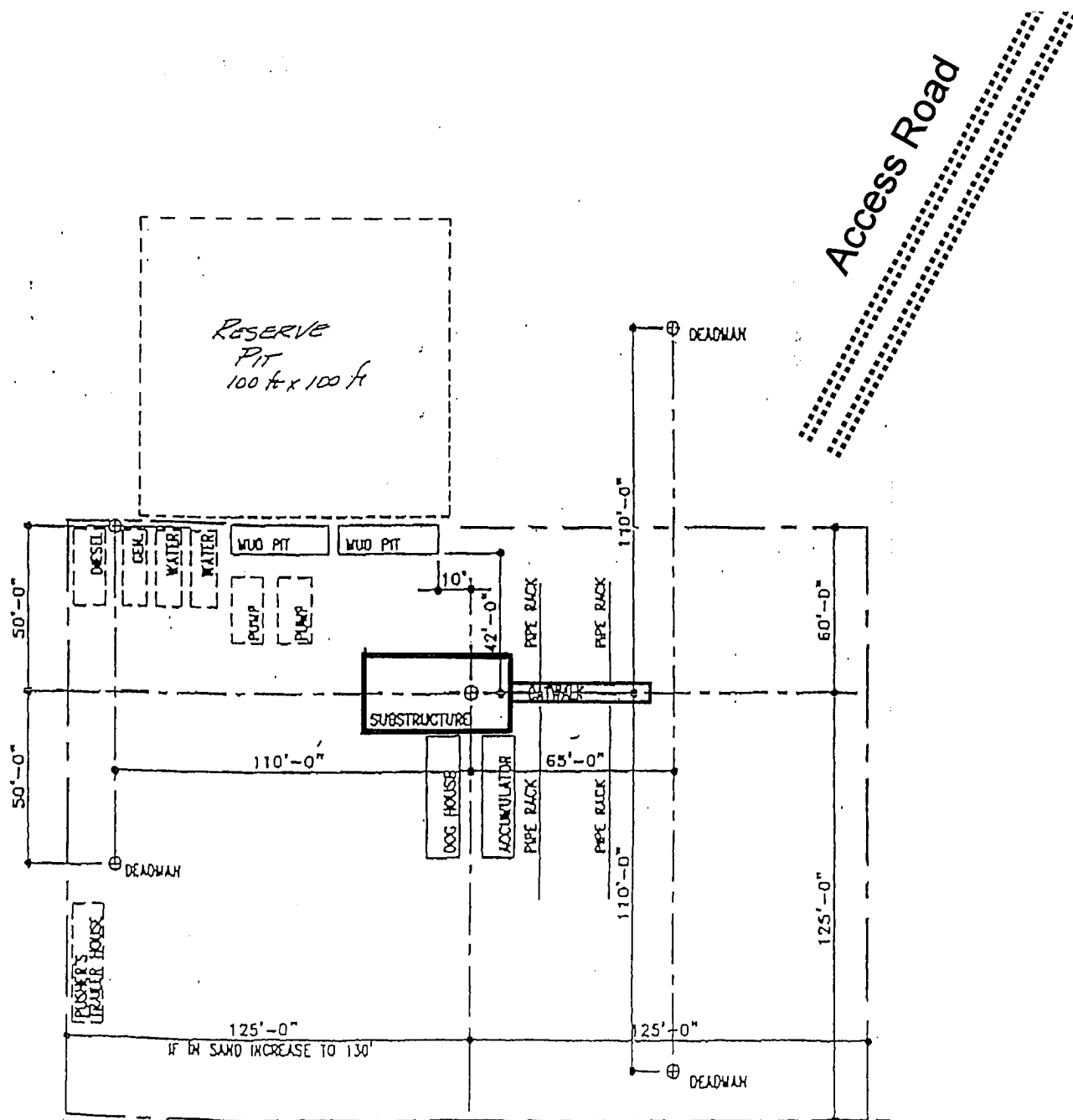


Figure No. 3

Supplemental Drilling Data

H. L. BROWN OPERATING, L. L. C.
Federal "A" No. 1
990' FSL & 990' FEL, Sec. 33, Unit P, T-07-S, R-37-E
Roosevelt County, New Mexico
New Mexico Lease NM - 0474

The following items supplement Form 3160-3 in accordance with instructions contained in onshore Oil and Gas Order No.1:

Overview of Well:

The proposed well will be reentered and sidetracked to about 8250' to restore production from the Wolfcamp formation. 8-5/8" intermediate pipe is set at 4009' and 5-1/2" production casing will be set at 8250'. The Wolfcamp will be perforated and acid stimulated.

1.) Surface Formation: Ogallala

2.) Measured Tops of Geologic Markers:

Yates	2498'
San Andres	3660'
Abo	7000'
Wolfcamp	7990'

3.) Estimated Depths Water, Oil, Gas or Other Mineral Bearing Formations:

Water	None Anticipated
Oil/ Gas	Wolfcamp carbonates at 7995'
Other Minerals	None Anticipated

4.) Proposed Casing and Cementing Program:

Hole Size, in.	Casing Data				Depth, ft	Cement	Expected Top of Cement
	Size	Wt. #/ft	Grade	Thread			
7-7/8"	5-1/2"	17.0	J-55	LT&C	0' – 80'	Lead: 1200 sx "H" Poz + 10% gel + 5% salt Tail: 400 sx "H" w/ FLA	3700'
		15.5	J-55	LT&C	80' – 6900'		** tie into
		17.0	J-55	LT&C	6900' – 8250'		8-5/8" casing

The intermediate casing plug will be dressed as necessary and a whip stock will be landed (see Intrepid Directional Proposal). The bit will drill out from under the 8-5/8" shoe and new hole will be drilled at a 16° inclination. The new hole will be drilled to a bottom hole location 660' to the west using a 7-7/8" bit. 5-1/2" casing will be tested to 2000 psi and run to TD. All casing will be new or used, inspected yellow-band or better.

5.) Pressure Control Equipment:

Pressure control equipment will include a 3000 psi WP blowout preventer stack, sour trim, with both pipe rams and blind rams. Above BOP stack will be an annular BOP, 3000 psi WP with sour trim. Below the double BOP stack will be an adapter spool, 3000 psi WP. On one side of the adapter spool will be a kill line with a check valve and a ball valve. The other side will be a choke manifold with a bleed off line. Hydraulic BOP controls will be operated daily (**Figures No.4 and No.5**).

6.) Circulating Medium:

Depth	Mud Type	Wt. lb/gal	Viscosity sec/1000cc	Filtrate cc/30min	Remarks
4009' - 6800'	FW	8.4-9.2	29-30	NC	
6800' - 7800'	SW-Gel	9.2-10.3	38-40	NC	Add 5% - 6% oil
7800' - 8200'	SW-Gel	9.2-10.3	38-40	10	Mud up for logs

No abnormal pressures are anticipated. Mud is used for borehole stability and filtrate control and will not be needed for formation pressure control.

7.) Auxiliary Equipment:

- a.) Kelly cock: in mud line above swivel.
- b.) Floats at bit: none planned.
- c.) Mud system monitoring equipment: No automatic equipment planned; will use visual testing and inspection by rig and mud company personnel.

8.) Testing, Logging and Coring Program:

- a.) Samples: Drilling samples will be caught at 10' intervals below 3750'.
- b.) DST and Cores: none planned
- c.) Logging: GR/CNL will be run from surface to TD and the GR/CNL/SDL and DLL/MLL will be run from TD to ~3700' (minimum +).

9.) Abnormal Pressures, Temperature or Hydrogen Sulfide:

None Anticipated.

10.) Completion Equipment:

The completed well will be a flowing gas well (**Figure No. 6**) with a stack pack for flow control.

11.) Anticipated Starting Date:

Drilling operations are expected to commence February 15, 2005 and are expected to last 14 days.
Completion operations are expected to last 8 days.

12.) Special Stipulations:

- ◆ No new archaeological survey was run because the proposed re-entry will not affect any surface lands or roads other than those in use by the existing well. The new drilling pit will be dug out of the remains of the old drilling pit .
- ◆ The surface is owned by Mack Kizer of Pep, New Mexico. A surface use agreement that governs operations is in effect.
- ◆ H.L. Brown Operating L. L. C. is the designated operator. A statewide plugging bond is in effect.

WELLHEAD BLOWOUT CONTROL SYSTEM Worksheet supplement for "Application for Permit to Drill or Deepen a Well"	Applicant H.L. Brown Operating L.L.C P.O. Box 2237, Midland Texas 79702
Location: 990' FSL & 990' FEL Unit P, Section 33, T- 7-S, R- 37-E Roosevelt Co, NM	Well name and number <div style="text-align: center;">Federal A No. 1</div>

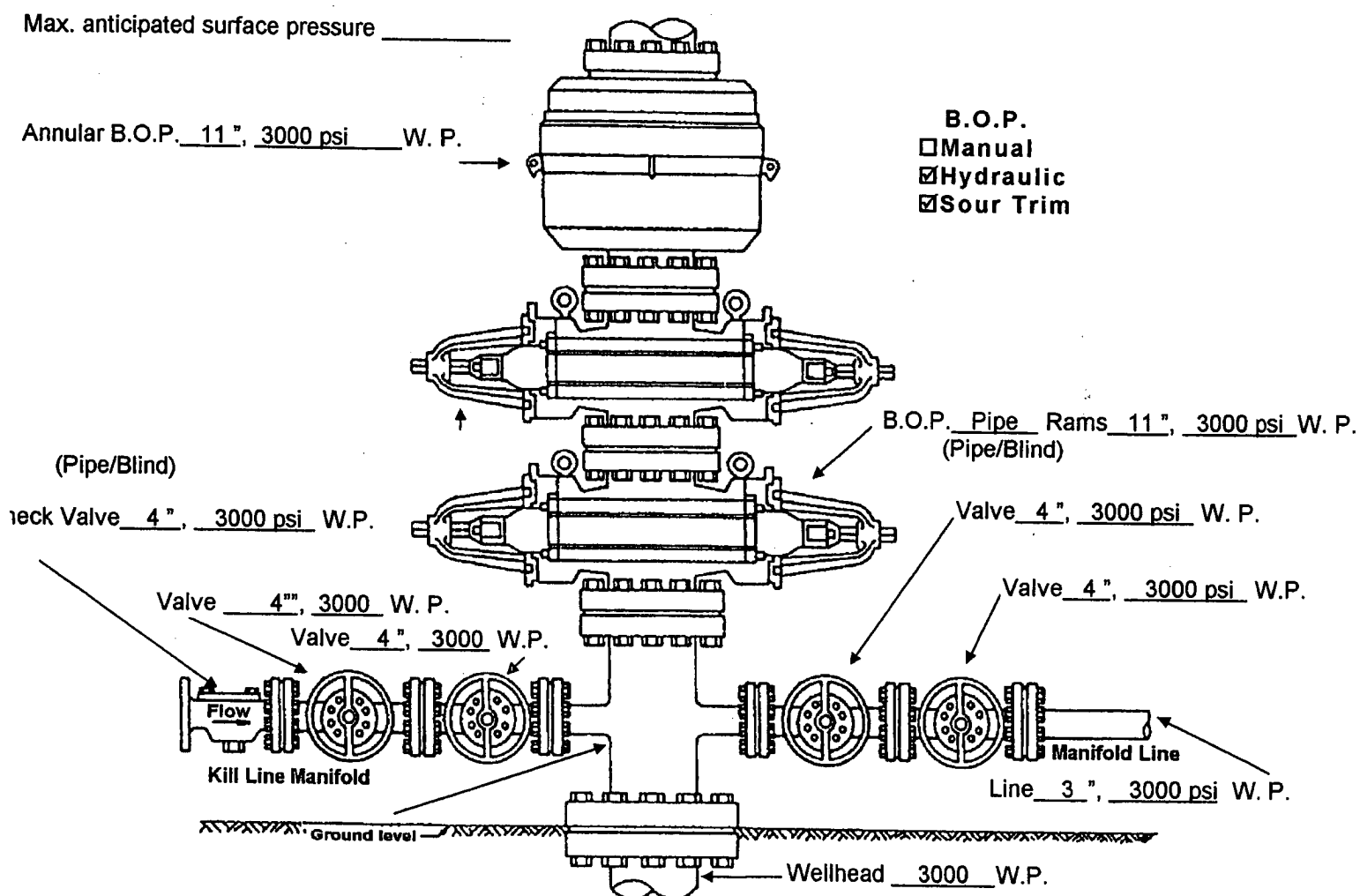


Figure No. 4

<p align="center">CHOKE MANIFOLD DIAGRAM</p> <p>Worksheet supplement for "Application for Permit to Drill or Deepen a Well"</p>	<p>Applicant H.L. Brown Operating L.L.C P.O. Box 2237, Midland Texas 79702</p>
<p>Location: 990' FSL & 990' FEL Unit P, Section 33, T- 7-S, R- 37-E Roosevelt Co, NM</p>	<p>Well name and number <p align="center">Federal A No. 1</p></p>

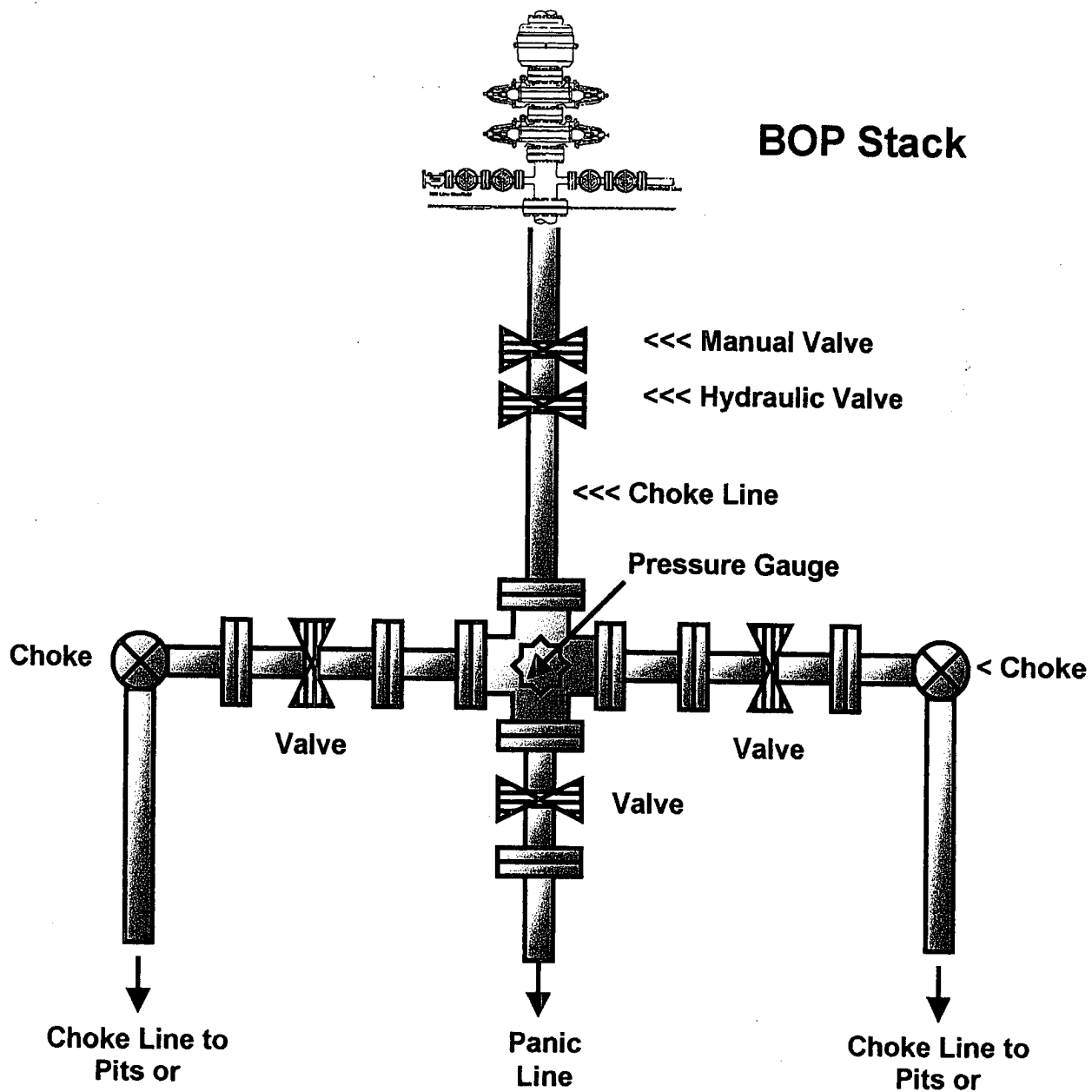


Figure No. 5

WELLHEAD DIAGRAM

Worksheet supplement for "Application for Permit to Drill or Deepen a Well"

Applicant

H.L. Brown Operating L.L.C

P.O. Box 2237, Midland Texas 79702

Well name and number

Location: 990' FSL & 990' FEL

Unit P, Section 33, T- 7-S, R- 37-E

Roosevelt Co, NM

Federal A No. 1

13 3/8" X 8 5/8" X 5 1/2" X 2 3/8" 3000psi WP

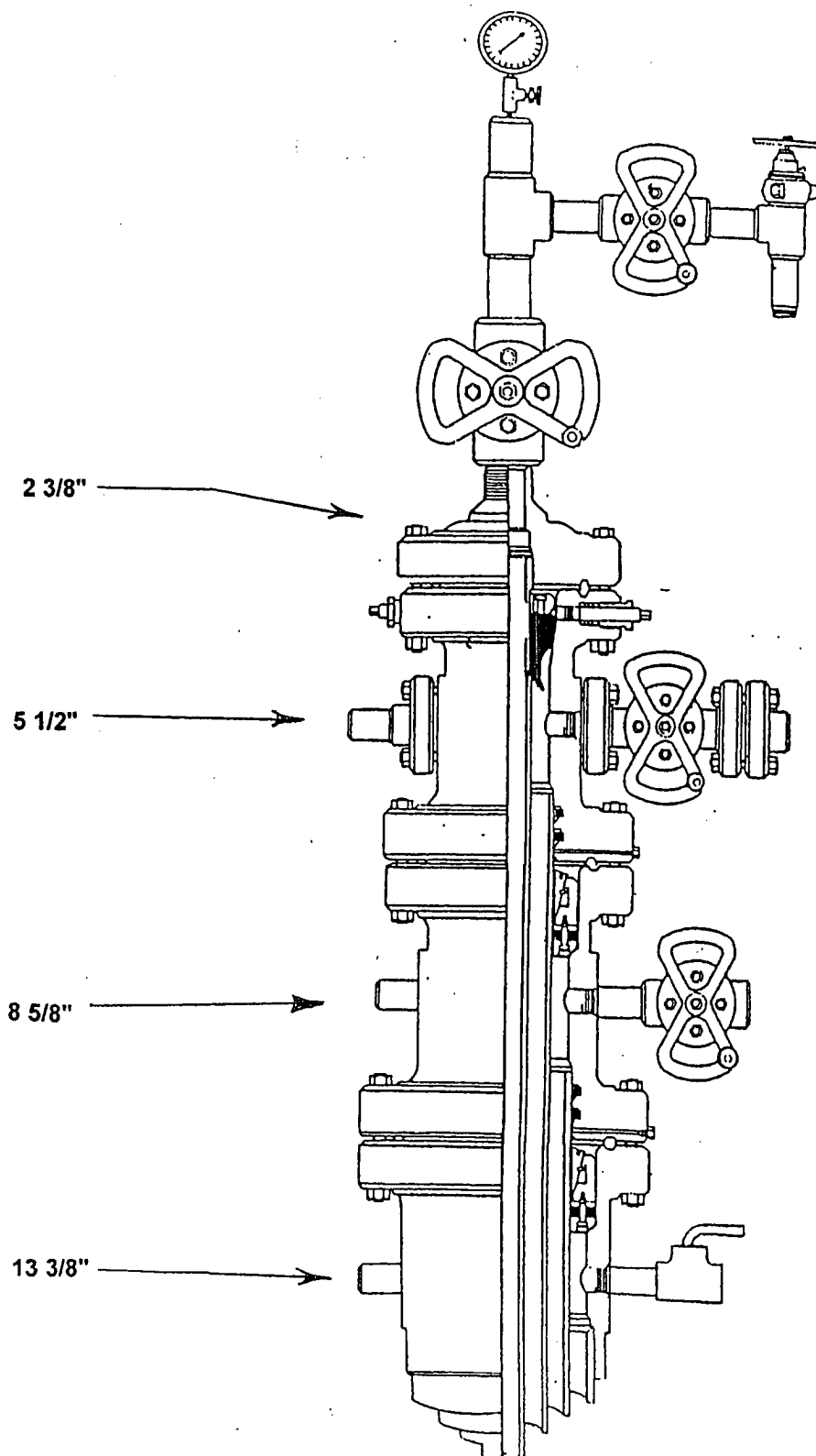


Figure No. 6

UNITED STATES DEPARTMENT OF THE INTERIOR

**Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287**

Statement Accepting Responsibility for Operations

Operator Name: H.L. Brown Operating L.L.C.
Address: 300 West Louisiana
City, State: Midland, Texas
Zip Code: 79702

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land, or portion thereof, as described below:

Lease Name: **Federal "A" #1**

Lease Number: **NM – 0474**

Legal Description of Land: **E/2 of Section 33, T-7-S, R-37-E, NMPM, Roosevelt County, New Mexico.**

Formations: **All uncommitted mineral interests from the surface to total depth.**

Bond Coverage: **Statewide**

BLM Bond File Number: **#0679788**

Authorized Signature: 

Name: Robert McNaughton

Title: Operations Manager/ Engineer

Date: December 13, 2005

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103

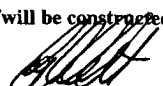
March 4, 2004

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30 - 041 - 00048
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FED <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator H.L. Brown Operating L.L.C		6. Federal Oil & Gas Lease No. NM - 0474
3. Address of Operator 300 West Louisiana, Midland, Texas 79702		7. Lease Name or Unit Agreement Name Federal 'A'
4. Well Location Unit Letter: P : 990' feet from the South line and 990' feet from the West line Section 33 Township T -7 Range R-37-E NMPM Roosevelt County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4044' GL		9. OGRID Number 213179
Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)		
Pit Location: UL P Sect 33 Township 7-S Range 37-E Pit type drilling - reentry Depth to Groundwater 176' Distance from nearest fresh water well 1 mile SW Distance from nearest surface water 1 mile SW Below-grade Tank Location UL P Sect 33 Twp 7-S Rng 37-E : 990' feet from the South line and 990' feet from the West line		
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Construct reserve pit for drilling rig <input checked="" type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.		

According to the State Land Office files, the closest water depth measurement is in Section 5, T-8-S, R-37-E, at 176'.

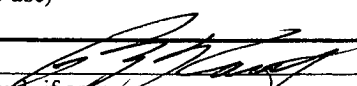
Will use a single layer - 12 mil liner as per BLM and NMOCD requirements.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE  TITLE Operations Manager/ Petroleum Engineer DATE 12-13-05

Type or print name Robert McNaughton E-mail address: robertm@hlboperating.com Telephone No. 432-688-3726

(This space for State use)

APPROVED BY  TITLE PETROLEUM ENGINEER DATE 12-13-05

PETROLEUM ENGINEER

JAN 04 2006