

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



March 17, 2008

Texland Petroleum-Hobbs, LLC
Attn: Ms. Vickie Smith
777 Main St, Suite 3200
Fort Worth, TX 76102

Administrative Order NSL-5802

30-025-39750
Re: Bowers A Federal Well No. 41
Unit P, Section 30-18S-38E
Lea County

Dear Ms Smith:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-05636266**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 22, 2008,

(b) your telephone advice on March 21, 2008, that this request is limited to the Upper Blinerbry, and

(c) the Division's records pertinent to this request.

Texland Petroleum-Hobbs, LLC (Texland) has requested to drill the above-referenced well at an unorthodox oil well location, 1294 feet from the South line and 533 feet from the East line (Unit P) of Section 30, Township 18 South, Range 38 East, N.M.P.M., in Lea County, New Mexico. The SE/4 SE/4 of Section 30 will be dedicated to this well in order to form a standard 40-acre spacing unit in the Hobbs-Upper Blinerbry (31680) Pools. This pool is governed by statewide Rule 104.B(1), which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the northern unit boundary.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that you are seeking this location for geologic reasons.



March 24, 2008

Page 2

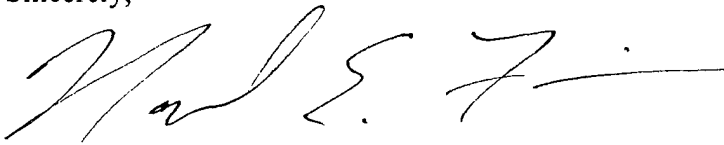
It is also understood that notice of this application to offsetting operators or owners is unnecessary because of identical ownership.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
United States Bureau of Land Management - Carlsbad