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

IN THE MATTER OF THE ADMINISTRATIVE APPLICATION OF H. L. BROWN, JR. FOR APPROVAL OF AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO

ADMINISTRATIVE APPLICATION

Comes now H. L. BROWN, JR., by and through its attorneys, Kellahin and Kellahin, and in accordance with Division General Rule 104.F applies to the New Mexico Oil Conservation Division for approval of an unorthodox gas well location for any and all gas production below the top of the Wolfcamp formation for its proposed North Feather State Unit Well No. 2 to be drilled at an unorthodox gas well location 990 feet from the East line and 1340 feet from the South line (Unit I) of Section 9, T15S, R32E, NMPM, Lea County, New Mexico and to be dedicated to a 320 acre spacing unit consisting of the S/2 of Section 9, and in support states:

(1) H. L. Brown, Jr. ("Brown") is the proposed operator of the subject well and is a working interest owner in the S/2 of Section 9. (See Exhibit 1 enclosed).

(2) Brown proposes to drill its North Feather State Unit Well No. 2 at an unorthodox gas well location 990 feet from the East line and 1340 feet from the South Line of Section 9, T15S, R32E, NMPM < Lea County, New Mexico.

(3) The subject well will be a north offset to the H. L. Brown, Jr. North Feather State Unit Well No. 1 in Unit H of Section 16 which was drilled in 1993 and has a gas-oil ratio of 79,200 to 1.

(4) The subject well is to be drilled at an unorthodox well location in an attempt to locate one of the elongated Morrow sand bodies containing hydrocarbons. (See Exhibit 2 enclosed).

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