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

IN THE MATTER OF THE APPLICATION OF NEARBURG PRODUCING COMPANY FOR DESIGNATION OF A NON-STANDARD OIL SPACING AND PRORATION UNIT, AN UNORTHODOX SURFACE LOCATION AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 14836

AFFIDAVIT

STATE OF NEW MEXICO)

) ss.

COUNTY OF SANTA FE

J. SCOTT HALL, attorney and authorized representative Nearburg Producing Company, the Applicant herein, being first duly sworn, upon oath, states that he sent copies of this Application to the parties as specified on the attached Exhibit A:

1. Swin Hall

J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this <u></u>day of June, 2012.

Notary Public

My Commission Expires: <u>////</u> ^C U B L V ^C F N E W W ^{ST9503}

> NMOCD CASE NO. 14836 JUNE 7, 2012 NEARBURG EX. 9

EXHIBIT A

Alliance Income Fund P.O. Box 670249 Dallas, TX 75367-0249

3MG Corporation c/o Mewbourne Oil Company 500 W. Texas, Suite 1020 Midland, TX 79701

CWM 2000-B II, Ltd. c/o Mewbourne Oil Company 500 W. Texas, Suite 1020 Midland, TX 79701

Mewbourne Oil Company 500 W. Texas, Suite 1020 Midland, TX 79701

CWM 2000-B, Ltd. c/o Mewbourne Oil Company 500 W. Texas, Suite 1020 Midland, TX 79701

Mewbourne Development Corp. c/o Mewbourne Oil Company 500 W. Texas, Suite 1020 Midland, TX 79701

Stringer Family Interests, L.P. P.O. Box 3037 San Angelo, TX 76902

Pete and Kaye Gifford Trust c/o Kaye Manley Gifford 9106 Esplanade Dallas, TX 75220 Fred M. Allison, III c/o George A. Karahal 12001 N. Central Expswy Suite 500 Dallas, TX 75243-3794

Elizabeth Ellen Stringer P.O. Box 3037 San Angelo, TX 76902

Lamar B. Roemer 35 N. Wynden Drive Houston, TX 77056

Loin Energy Corporation P.O. Box 309 La Grange, TX 78945

J. P. Morgan Chase Bank Account of Gary L. Richards 712 Main Houston, TX 77002-8074

B & L Oil Company, Inc. 4323 Trailwood Drive Sugarland, TX 77479-5149

Blackstone Nat'l Resources IV-B, LP 1001 Fannin Street, Suite 2020 Houston, TX 77002

Unit Petroleum Company 407 N. big Spring Street Midland, TX 79701-4326 Gary L. Richards 4106 Waynesboro Court Fort Collins, CO 80525

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Challenger Crude, Ltd. 3300 North "A" Street Building 8-110 Midland, TX 79705

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CASE NO. 14836

AFFIDAVIT

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J. SCOTT HALL, attorney and authorized representative Nearburg Producing Company, the Applicant herein, being first duly sworn, upon oath, states that he sent copies of this Application to the parties as specified on the attached Exhibit A:

1. Juny

JUNE 7, 2012

NEARBURG EX.

J. SCOTT HALI

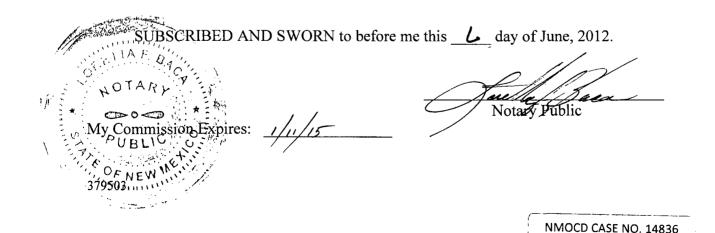


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Stringer Family Interests, L.P. P.O. Box 3037 San Angelo, TX 76902

Unit Petroleum Company 407 N. big Spring Street Midland, TX 79701-4326



April 24, 2012

3MG Corporation c/o Mewbourne Oil Company 500 W. Texas, Suite 1020 Midland, TX 79701

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Re: NMOCD Case No. _____: In the Matter of the Application of Nearburg Producing Company for Designation of a Non-Standard Oil Spacing Unit, a Non-Standard Project Area, an Unorthodox Surface Location and Compulsory Pooling, Eddy County, New Mexico

Dear Sir or Madam:

This will advise that Nearburg Producing Company has filed an Application with the New Mexico Oil conservation Division for an order consolidating the 40-acre spacing units within the S/2 SW/4 & SW/4 SE/4 of Section 34, Township 19 South Range 25 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit in the Glorieta-Yeso formation, North Seven Rivers-Yeso pool (97565), for Applicant's horizontal drilling project area. Nearburg further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the S/2 SW/4 & SW/4 SE/4 of Section 34 to be dedicated to its Irami MO Fed Com No. 1-H Well to be drilled horizontally from a surface location 330' from the South line and 165' from the West line to a standard bottom hole location 330' from the South line and 165' from the East line of Section 34, to a depth sufficient to test the Glorieta-Yeso formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator and a charge for risk involved in drilling the well.

A copy of the Application for hearing is enclosed.

REPLY TO: 325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307 Santa Fe, New Mexico 87504-2307 6301 Indian School Road NE, Suite 400 Albuquerque, New Mexico 87110 Telephone (505) 884-4200 • Fax (505) 888-8929

3MG Corporation April 24, 2012 Page 2

This Application will be set for hearing before a Division Examiner on May 24, 2012, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

MONTGOMERY & ANDREWS, P.A.

1. I wan dell

J. Scott Hall

JSH:kw Enclosure



J. SCOTT HALL (505) 986-2646 Office: shall@montand.com Email: Reply To: Santa Fe Office www.montand.com

April 24, 2012

IONTGOMERY

Alliance Income Fund P.O. Box 670249 Dallas, TX 75367-0249

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Re: NMOCD Case No. _____: In the Matter of the Application of Nearburg Producing Company for Designation of a Non-Standard Oil Spacing Unit, a Non-Standard Project Area, an Unorthodox Surface Location and **Compulsory Pooling, Eddy County, New Mexico**

Dear Sir or Madam:

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Alliance Income Fund April 24, 2012 Page 2

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MONTGOMERY & ANDREWS, P.A.

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J. Scott Hall

JSH:kw Enclosure



Office: (505) 986-2646 shall@montand.com Email: Reply To: Santa Fe Office www.montand.com

April 24, 2012

Fred M. Allison, III c/o George A. Karahal 12001 N. Central Expressway, Suite 500 Dallas, TX 75243-3794

IONTGOMERY

ANDREWS

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Re: NMOCD Case No. : In the Matter of the Application of Nearburg Producing Company for Designation of a Non-Standard Oil Spacing Unit, a Non-Standard Project Area, an Unorthodox Surface Location and **Compulsory Pooling, Eddy County, New Mexico**

Dear Mr. Allison:

This will advise that Nearburg Producing Company has filed an Application with the New Mexico Oil conservation Division for an order consolidating the 40-acre spacing units within the S/2 SW/4 & SW/4 SE/4 of Section 34, Township 19 South Range 25 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit in the Glorieta-Yeso formation, North Seven Rivers-Yeso pool (97565), for Applicant's horizontal drilling project area. Nearburg further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the S/2 SW/4 & SW/4 SE/4 of Section 34 to be dedicated to its Irami MO Fed Com No. 1-H Well to be drilled horizontally from a surface location 330' from the South line and 165' from the West line to a standard bottom hole location 330' from the South line and 1650' from the East line of Section 34, to a depth sufficient to test the Glorieta-Yeso formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator and a charge for risk involved in drilling the well.

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Fred M. Allison, III April 24, 2012 Page 2

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Very truly yours,

MONTGOMERY & ANDREWS, P.A.

1. I wan yall

J. Scott Hall

JSH:kw Enclosure



April 24, 2012

B & L Oil Company, Inc. 4323 Trailwood Drive Sugarland, TX 77479-5149

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Attn: Zane Reynolds, President

Re: NMOCD Case No. _____: In the Matter of the Application of Nearburg Producing Company for Designation of a Non-Standard Oil Spacing Unit, a Non-Standard Project Area, an Unorthodox Surface Location and Compulsory Pooling, Eddy County, New Mexico

Dear Mr. Reynolds:

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B & L Oil Company, Inc. April 24, 2012 Page 2

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MONTGOMERY & ANDREWS, P.A.

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J. Scott Hall

JSH:kw Enclosure



April 24, 2012

Blackstone Natural Resources IV-B, L.P. 1001 Fannin Street, Suite 2020 Houston, TX 77002

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

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Blackstone Natural Resources IV-B, L.P. April 24, 2012 Page 2

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MONTGOMERY & ANDREWS, P.A.

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J. Scott Hall

JSH:kw Enclosure



April 24, 2012

CWM 2000-B II, Ltd. c/o Mewbourne Oil Company 500 W. Texas, Suite 1020 Midland, TX 79701

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CWM 2000-B II, Ltd. April 24, 2012 Page 2

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J. Scott Hall

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April 24, 2012

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CWM 2000-B Ltd. April 24, 2012 Page 2

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MONTGOMERY & ANDREWS, P.A.

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J. Scott Hall

JSH:kw Enclosure



April 24, 2012

Challenger Crude, Ltd. 3300 North "A" Street Building 8, Suite 110 Midland, TX 79705

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MONTGOMERY & ANDREWS, P.A.

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J. Scott Hall

JSH:kw Enclosure



April 24, 2012

Pete and Kaye Gifford Trust c/o Kaye Manley Gifford 9106 Esplanade Dallas, TX 75220

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Re: NMOCD Case No. _____: In the Matter of the Application of Nearburg Producing Company for Designation of a Non-Standard Oil Spacing Unit, a Non-Standard Project Area, an Unorthodox Surface Location and Compulsory Pooling, Eddy County, New Mexico

Dear Ms. Gifford:

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Post Office Box 2307 Santa Fe, New Mexico 87504-2307 6301 Indian School Road NE, Suite 400 Albuquerque, New Mexico 87110 Telephone (505) 884-4200 • Fax (505) 888-8929

Pete and Kaye Gifford Trust April 24, 2012 Page 2

This Application will be set for hearing before a Division Examiner on May 24, 2012, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

MONTGOMERY & ANDREWS, P.A.

1. I way yall

J. Scott Hall

JSH:kw Enclosure



April 24, 2012

Loin Energy Corporation P.O. Box 309 La Grange, TX 78945

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Re: NMOCD Case No. _____: In the Matter of the Application of Nearburg Producing Company for Designation of a Non-Standard Oil Spacing Unit, a Non-Standard Project Area, an Unorthodox Surface Location and Compulsory Pooling, Eddy County, New Mexico

Dear Sir or Madam:

This will advise that Nearburg Producing Company has filed an Application with the New Mexico Oil conservation Division for an order consolidating the 40-acre spacing units within the S/2 SW/4 & SW/4 SE/4 of Section 34, Township 19 South Range 25 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit in the Glorieta-Yeso formation, North Seven Rivers-Yeso pool (97565), for Applicant's horizontal drilling project area. Nearburg further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the S/2 SW/4 & SW/4 SE/4 of Section 34 to be dedicated to its Irami MO Fed Com No. 1-H Well to be drilled horizontally from a surface location 330' from the South line and 165' from the West line to a standard bottom hole location 330' from the South line and 1650' from the East line of Section 34, to a depth sufficient to test the Glorieta-Yeso formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator and a charge for risk involved in drilling the well.

A copy of the Application for hearing is enclosed.

REPLY TO: 325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307 Santa Fe, New Mexico 87504-2307 6301 Indian School Road NE, Suite 400 Albuquerque, New Mexico 87110 Telephone (505) 884-4200 • Fax (505) 888-8929

Loin Energy Corporation April 24, 2012 Page 2

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Very truly yours,

MONTGOMERY & ANDREWS, P.A.

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J. Scott Hall

JSH:kw Enclosure



April 24, 2012

Mewbourne Development Corporation c/o Mewbourne Oil Company 500 W. Texas, Suite 1020 Midland, TX 79701

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Re: NMOCD Case No. _____: In the Matter of the Application of Nearburg Producing Company for Designation of a Non-Standard Oil Spacing Unit, a Non-Standard Project Area, an Unorthodox Surface Location and Compulsory Pooling, Eddy County, New Mexico

Dear Sir or Madam:

This will advise that Nearburg Producing Company has filed an Application with the New Mexico Oil conservation Division for an order consolidating the 40-acre spacing units within the S/2 SW/4 & SW/4 SE/4 of Section 34, Township 19 South Range 25 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit in the Glorieta-Yeso formation, North Seven Rivers-Yeso pool (97565), for Applicant's horizontal drilling project area. Nearburg further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the S/2 SW/4 & SW/4 SE/4 of Section 34 to be dedicated to its Irami MO Fed Com No. 1-H Well to be drilled horizontally from a surface location 330' from the South line and 165' from the West line to a standard bottom hole location 330' from the South line and 1650' from the East line of Section 34, to a depth sufficient to test the Glorieta-Yeso formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator and a charge for risk involved in drilling the well.

A copy of the Application for hearing is enclosed.

REPLY TO:

325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307 Santa Fe, New Mexico 87504-2307 6301 Indian School Road NE, Suite 400 Albuquerque, New Mexico 87110 Telephone (505) 884-4200 • Fax (505) 888-8929

Mewbourne Development Corp. April 24, 2012 Page 2

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Very truly yours,

MONTGOMERY & ANDREWS, P.A.

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J. Scott Hall

JSH:kw Enclosure



April 24, 2012

Mewbourne Oil Company 500 W. Texas, Suite 1020 Midland, TX 79701

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Re: NMOCD Case No. _____: In the Matter of the Application of Nearburg Producing Company for Designation of a Non-Standard Oil Spacing Unit, a Non-Standard Project Area, an Unorthodox Surface Location and Compulsory Pooling, Eddy County, New Mexico

Dear Sir or Madam:

This will advise that Nearburg Producing Company has filed an Application with the New Mexico Oil conservation Division for an order consolidating the 40-acre spacing units within the S/2 SW/4 & SW/4 SE/4 of Section 34, Township 19 South Range 25 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit in the Glorieta-Yeso formation, North Seven Rivers-Yeso pool (97565), for Applicant's horizontal drilling project area. Nearburg further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the S/2 SW/4 & SW/4 SE/4 of Section 34 to be dedicated to its Irami MO Fed Com No. 1-H Well to be drilled horizontally from a surface location 330' from the South line and 165' from the West line to a standard bottom hole location 330' from the South line and 1650' from the East line of Section 34, to a depth sufficient to test the Glorieta-Yeso formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator and a charge for risk involved in drilling the well.

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Post Office Box 2307 Santa Fe, New Mexico 87504-2307 6301 Indian School Road NE, Suite 400 Albuquerque, New Mexico 87110 Telephone (505) 884-4200 • Fax (505) 888-8929

Mewbourne Oil Company April 24, 2012 Page 2

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Very truly yours,

MONTGOMERY & ANDREWS, P.A.

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J. Scott Hall

JSH:kw Enclosure



April 24, 2012

J. P. Morgan Chase Bank Account of Gary L. Richards 712 Main Houston, TX 77002-8074

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Attn: Terri Bellow

Re: NMOCD Case No. _____: In the Matter of the Application of Nearburg Producing Company for Designation of a Non-Standard Oil Spacing Unit, a Non-Standard Project Area, an Unorthodox Surface Location and Compulsory Pooling, Eddy County, New Mexico

Dear Mr. Richards:

This will advise that Nearburg Producing Company has filed an Application with the New Mexico Oil conservation Division for an order consolidating the 40-acre spacing units within the S/2 SW/4 & SW/4 SE/4 of Section 34, Township 19 South Range 25 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit in the Glorieta-Yeso formation, North Seven Rivers-Yeso pool (97565), for Applicant's horizontal drilling project area. Nearburg further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the S/2 SW/4 & SW/4 SE/4 of Section 34 to be dedicated to its Irami MO Fed Com No. 1-H Well to be drilled horizontally from a surface location 330' from the South line and 165' from the West line to a standard bottom hole location 330' from the South line and 165' from the East line of Section 34, to a depth sufficient to test the Glorieta-Yeso formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator and a charge for risk involved in drilling the well.

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REPLY TO:

325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307 Santa Fe, New Mexico 87504-2307 6301 Indian School Road NE, Suite 400 Albuquerque, New Mexico 87110 Telephone (505) 884-4200 • Fax (505) 888-8929

J. P. Morgan Chase Bank April 24, 2012 Page 2

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Very truly yours,

MONTGOMERY & ANDREWS, P.A.

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J. Scott Hall

JSH:kw Enclosure



April 24, 2012

IONTGOMERY

Gary L. Richards 4106 Waynesboro Court Fort Collins, CO 80525

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Re: NMOCD Case No. : In the Matter of the Application of Nearburg Producing Company for Designation of a Non-Standard Oil Spacing Unit, a Non-Standard Project Area, an Unorthodox Surface Location and Compulsory Pooling, Eddy County, New Mexico

Dear Mr. Richards:

This will advise that Nearburg Producing Company has filed an Application with the New Mexico Oil conservation Division for an order consolidating the 40-acre spacing units within the S/2 SW/4 & SW/4 SE/4 of Section 34, Township 19 South Range 25 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit in the Glorieta-Yeso formation. North Seven Rivers-Yeso pool (97565), for Applicant's horizontal drilling project area. Nearburg further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the S/2 SW/4 & SW/4 SE/4 of Section 34 to be dedicated to its Irami MO Fed Com No. 1-H Well to be drilled horizontally from a surface location 330' from the South line and 165' from the West line to a standard bottom hole location 330' from the South line and 1650' from the East line of Section 34, to a depth sufficient to test the Glorieta-Yeso formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator and a charge for risk involved in drilling the well.

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Post Office Box 2307 Santa Fe, New Mexico 87504-2307 6301 Indian School Road NE. Suite 400 Albuquerque, New Mexico 87110 Telephone (505) 884-4200 • Fax (505) 888-8929

Gary L. Richards April 24, 2012 Page 2

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Very truly yours,

MONTGOMERY & ANDREWS, P.A.

1. I win yol

J. Scott Hall

JSH:kw Enclosure



April 24, 2012

IONTGOMERY

Elizabeth Ellen Stringer P.O. Box 3037 San Angelo, TX 76902

CERTIFIED MAIL/ **RETURN RECEIPT REQUESTED**

NMOCD Case No. : In the Matter of the Application of Nearburg Re: Producing Company for Designation of a Non-Standard Oil Spacing Unit, a Non-Standard Project Area, an Unorthodox Surface Location and **Compulsory Pooling, Eddy County, New Mexico**

Dear Ms. Stringer:

This will advise that Nearburg Producing Company has filed an Application with the New Mexico Oil conservation Division for an order consolidating the 40-acre spacing units within the S/2 SW/4 & SW/4 SE/4 of Section 34, Township 19 South Range 25 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit in the Glorieta-Yeso formation, North Seven Rivers-Yeso pool (97565), for Applicant's horizontal drilling project area. Nearburg further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the S/2 SW/4 & SW/4 SE/4 of Section 34 to be dedicated to its Irami MO Fed Com No. 1-H Well to be drilled horizontally from a surface location 330' from the South line and 165' from the West line to a standard bottom hole location 330' from the South line and 1650' from the East line of Section 34, to a depth sufficient to test the Glorieta-Yeso formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator and a charge for risk involved in drilling the well.

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REPLY TO: 325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 · Fax (505) 982-4289

Post Office Box 2307 Santa Fe, New Mexico 87504-2307 6301 Indian School Road NE, Suite 400 Albuquerque, New Mexico 87110 Telephone (505) 884-4200 • Fax (505) 888-8929

Elizabeth Ellen Stringer April 24, 2012 Page 2

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Very truly yours,

MONTGOMERY & ANDREWS, P.A.

1. I win - dall

J. Scott Hall

JSH:kw Enclosure



April 24, 2012

Stringer Family Interests, L.P. P.O. Box 3037 San Angelo, TX 76902

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Re: NMOCD Case No. _____: In the Matter of the Application of Nearburg Producing Company for Designation of a Non-Standard Oil Spacing Unit, a Non-Standard Project Area, an Unorthodox Surface Location and Compulsory Pooling, Eddy County, New Mexico

Dear Sir or Madam:

This will advise that Nearburg Producing Company has filed an Application with the New Mexico Oil conservation Division for an order consolidating the 40-acre spacing units within the S/2 SW/4 & SW/4 SE/4 of Section 34, Township 19 South Range 25 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit in the Glorieta-Yeso formation, North Seven Rivers-Yeso pool (97565), for Applicant's horizontal drilling project area. Nearburg further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the S/2 SW/4 & SW/4 SE/4 of Section 34 to be dedicated to its Irami MO Fed Com No. 1-H Well to be drilled horizontally from a surface location 330' from the South line and 165' from the West line to a standard bottom hole location 330' from the South line and 1650' from the East line of Section 34, to a depth sufficient to test the Glorieta-Yeso formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator and a charge for risk involved in drilling the well.

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Post Office Box 2307 Santa Fe, New Mexico 87504-2307 6301 Indian School Road NE, Suite 400 Albuquerque, New Mexico 87110 Telephone (505) 884-4200 • Fax (505) 888-8929

Stringer Family Interests, L.P. April 24, 2012 Page 2

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Very truly yours,

MONTGOMERY & ANDREWS, P.A.

1. Swan yall

J. Scott Hall

JSH:kw Enclosure

369856



J. SCOTT HALL Office: (505) 986-2646 Email: shall@montand.com Reply To: Santa Fe Office www.montand.com

May 21, 2012

Unit Petroleum Company 407 N. Big Spring Street Midland, TX 79701-4326

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Re: NMOCD Case No. 14836: In the Matter of the Application of Nearburg Producing Company for Designation of a Non-Standard Oil Spacing Unit, a Non-Standard Project Area, an Unorthodox Surface Location and Compulsory Pooling, Eddy County, New Mexico

Dear Sir or Madam:

This will advise that Nearburg Producing Company has filed an Application with the New Mexico Oil conservation Division for an order consolidating the 40-acre spacing units within the S/2 SW/4 & SW/4 SE/4 of Section 34, Township 19 South Range 25 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit in the Glorieta-Yeso formation, North Seven Rivers-Yeso pool (97565), for Applicant's horizontal drilling project area. Nearburg further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the S/2 SW/4 & SW/4 SE/4 of Section 34 to be dedicated to its Irami MO Fed Com No. 1-H Well to be drilled horizontally from a surface location 330' from the South line and 165' from the West line to a standard bottom hole location 330' from the South line and 1650' from the East line of Section 34, to a depth sufficient to test the Glorieta-Yeso formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator and a charge for risk involved in drilling the well.

A copy of the Application for hearing is enclosed.

REPLY TO: 325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307 Santa Fe, New Mexico 87504-2307 6301 Indian School Road NE, Suite 400 Albuquerque, New Mexico 87110 Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210 Albuquerque, New Mexico 87176-6210 Unit Petroleum Company May 21, 2012 Page 2

You are being notified as an offsetting operator. If you do not object to SM Energy Company's Application, we would appreciate your acknowledgement by signing the enclosed copy of this letter and returning the same to us at your earliest convenience.

This Application will be set for hearing before a Division Examiner on May 24, 2012, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

MONTGOMERY & ANDREWS, P.A.

1. Scong-dall

J. Scott Hall

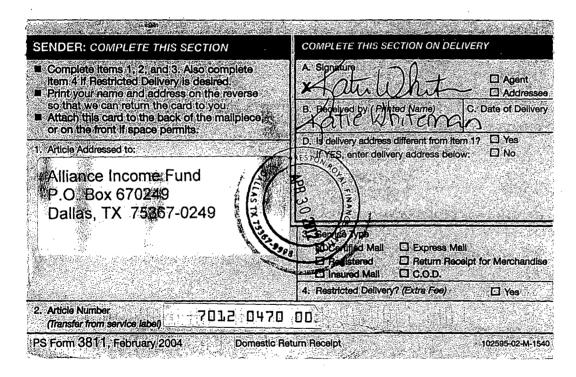
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Unit Petroleum Company

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	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
	 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the maliplece, or on the front if space permits. 	A. Signature X A. Addressee B. Received by (Printed Name) C. Date of Delivery 4 < 26 D. is delivery address different from item 12 Yes	
_	1. Article Addressed to:	D. Is delivery address different from Item 1?	
· .	3MG Corporation c/o Mewbourne Oil Company 500 W. Texas, Suite 1020		
	Midland, TX 79701	3. Service Type 2 Certified Mail 2 Express Mall 2 Registered 3 Return Receipt for Merchandise 1 Insured Mail 3 C.O.D.	• •
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	U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Pro	vided)
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	street, c/o George A. Karahal	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits. 	A. Signature X. D. Jlague Agent B. Received by (Printed Name) D. Thas up 4-26-12
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Fred M. Allison, III c/o George A. Karahal 12001 N. Central Expswy	
Suite 500 Dallas IX 75243-3794	3. Service Type Certified Mail Registered Registered Insured Mail C.O.D.
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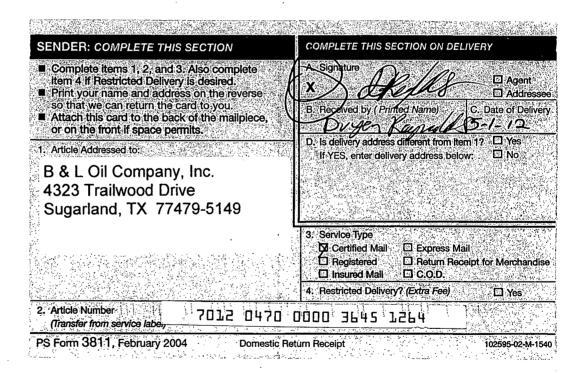
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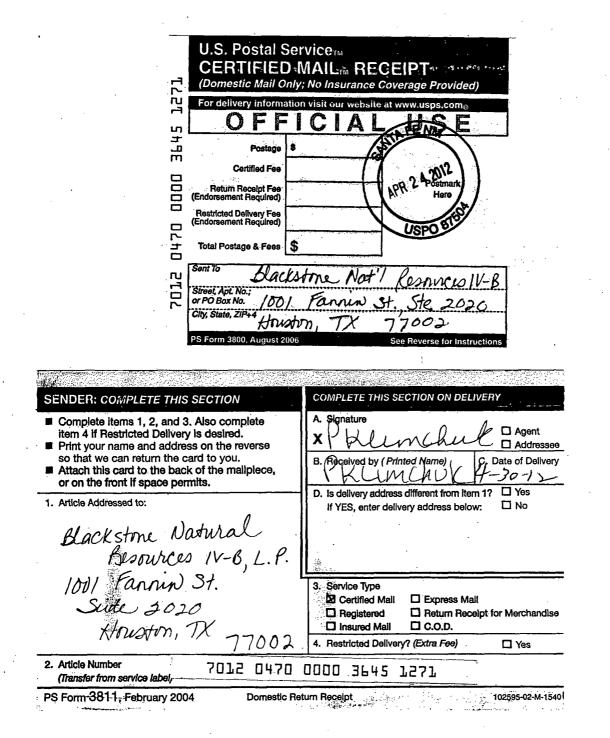
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COMPLETE THIS SECTION ON DELIVERY
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PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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(Domestic Mail Only; For delivery information OFFI Postage Certified Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Econ Sent To CVVM 200 Street, Ap	AIL TH RECEIPT No Insurance Coverage Provided) visit our website at www.usps.com CALUSE USPOBIO rostmark Here 0-B, Ltd. purne Oil Company exas, Suite 1020
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mallplece, or on the front if space permits. 	A. Signature
1. Article Addressed to:	D. Is delivery address different from Item 1? Ses If YES, enter delivery address below: No
CWM 2000-B, Ltd. c/o Mewbourne Oil Company 500 W. Texas, Suite 1020	
Midland, TX 79701	3. Service Type D Gertified Mail Express Mail I Registered Receipt for Merchandise I insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

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Domestic Return Receipt

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102595-02-M-1540

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2. Article Number

(Transfer from service label, PS Form 3811, February 2004



 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: A. Signature B. Received by (Printed If YES, enter delivery 	
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3300 NOUTR H ST.	
Midland TX Begistered [Express Mail Express Mail Return Receipt for Merchanc C.O.D.
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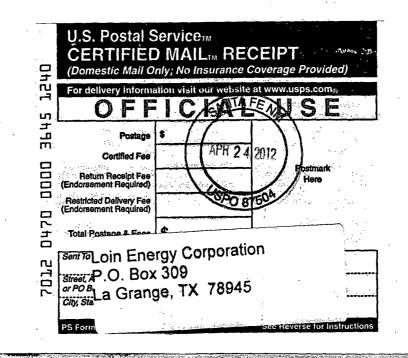


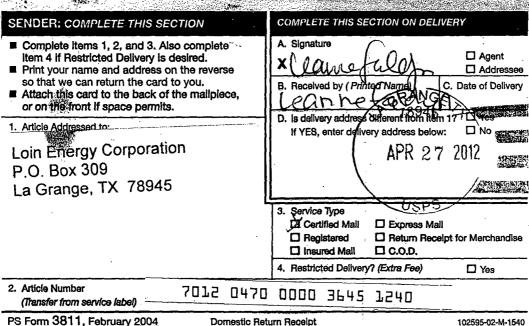
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits. Article Addressed to: Pete and Kaye Gifford Trust c/o Kaye Manley Gifford 9106 Esplanade 	A. Signature X Carry John C. Agent B. Received by (Printed Name) = C. Date C. Date C. Date C. Date C. Date
Dallas, TX 75220	3. Service Type D Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D. 4. Restricted Delivery? (Extra Fee) Yes
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PS Form 3811, February 2004

Domestic Return Receipt

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סראם בנטק	Total Pr Sent To C/O Mewbourne Development Corp. C/O Mewbourne Oil Company Street, Al or PO Bc 500 W. Texas, Suite 1020 City, Star Midland, TX 79701	
	PS Form	ictions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits. 	A. Signature	
 Article Addressed to: Mewbourne Development Corp. c/o Mewbourne Oil Company 500 W. Texas, Suite 1020 	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No	
Midland, TX 79701	3. Service Type Ø Certified Mail Express Mail Registered Return Receipt for Merchandls Insured Mail C.O.D. 4. Restricted Delivery? (Extra Fee) Yes	
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PS Form 3811, February 2004

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U.S. Postal Service: Use Postal Service: Certified Mail Only; No Insurance Coverage Provided) For delivery information visit our vs.5st:c.cl vwww.isps.coms OFFIC:// Coverage Provided Postage Postage Certified Fee Postage Certified Fee Postage Certified Fee Restricted Delivery Fee Restricted Delivery Fee Total P Sent To Mewbourne Oil Company Street, Aj Son W. Texas, Suite 1020 Midland, TX 79701	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the maliplece, or on the front if space permits. 	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D, is delivery address different from item 1? Yes If YES, enter delivery address below: No
Mewbourne Oil Company 500 W. Texas, Suite 1020 Midland, TX 79701	
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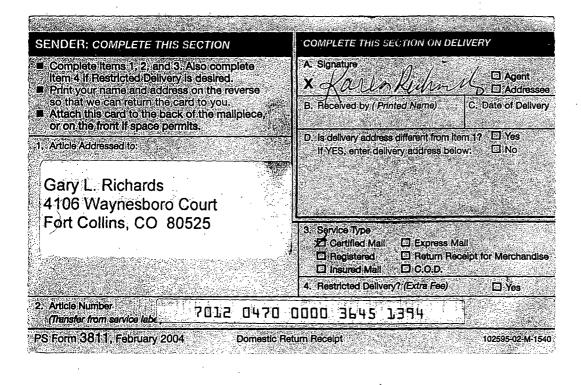
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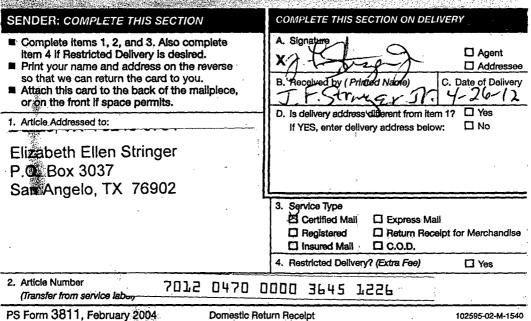


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 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature
1. Article Addressed to:	D, is delivery address different from item 1? If YES, enter delivery address below: No
J. P. Morgan Chase Bank Account of Gary L. Richards 712 Main	
Houston, TX 77002-8074	3. Service Type SCertified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.
	4. Restricted Delivery? (Extra Fee)
2. Article Number 7012 0470 (Transfer from service labely	0000 3645 1257
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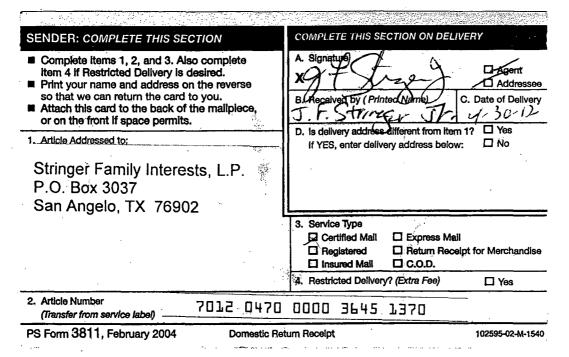


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