

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF NEARBURG EXPLORATION
COMPANY, L.L.C. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. 13,967

VERIFIED STATEMENT OF LINDA H. HICKS

Linda H. Hicks, being duly sworn upon her oath, deposes and states:

1. I am the Land Manager for Nearburg Exploration Company, L.L.C., and have personal knowledge of the matters stated herein.

2. Pursuant to Division Rule 1210.A(1), the following information is submitted in support of the compulsory pooling application filed herein:

(a) No opposition is expected because the working interest owner being pooled has been contacted regarding the proposed well, and has simply refused to respond.

(b) A plat outlining the spacing unit being pooled, and marking the location of the subject well, is attached hereto as Exhibit A. Applicant seeks an order pooling all mineral interests from the surface to the base of the Drinkard formation underlying the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30, Township 16 South, Range 39 East, NMPM, Eddy County, New Mexico, to form a standard 40 acre oil and spacing and proration unit for all pools or formations developed on 40-acre spacing within that vertical extent.

The unit is to be designated to the Cone 30 Fee Well No. 1, to be drilled at an orthodox location in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30. The well is expected to be an oil well.

(c) The party being pooled, his working interest in the well unit, and his address, are as follows:

Kenneth Cone
P.O. Box 11310
Midland, Texas 79702

2.8125 %

The address is current and correct.

Oil Conservation Division
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Exhibit No. 1

(d) Copies of the proposal letters sent to the uncommitted working interest owner are attached hereto as Exhibit B.

(e) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against the non-consenting working interest owner.

(f) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit C. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth drilled in this area of Lea County.

(g) Overhead charges of \$6000/month for a drilling well, and \$600/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth. Applicant also requests that the order contain a provision adjusting the rates pursuant to the COPAS accounting procedure.

(h) Applicant requests that Nearburg Producing Company be designated operator of the well.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

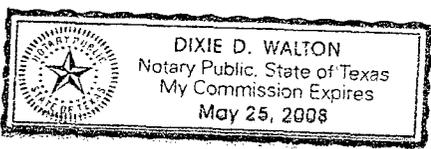
Linda H. Hicks, being duly sworn upon her oath, deposes and states that: She is the Land Manager for Nearburg Exploration Company, L.L.C.; she is authorized to make this verification on its behalf; she has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of her knowledge, information, and belief.

Linda H. Hicks
Linda H. Hicks

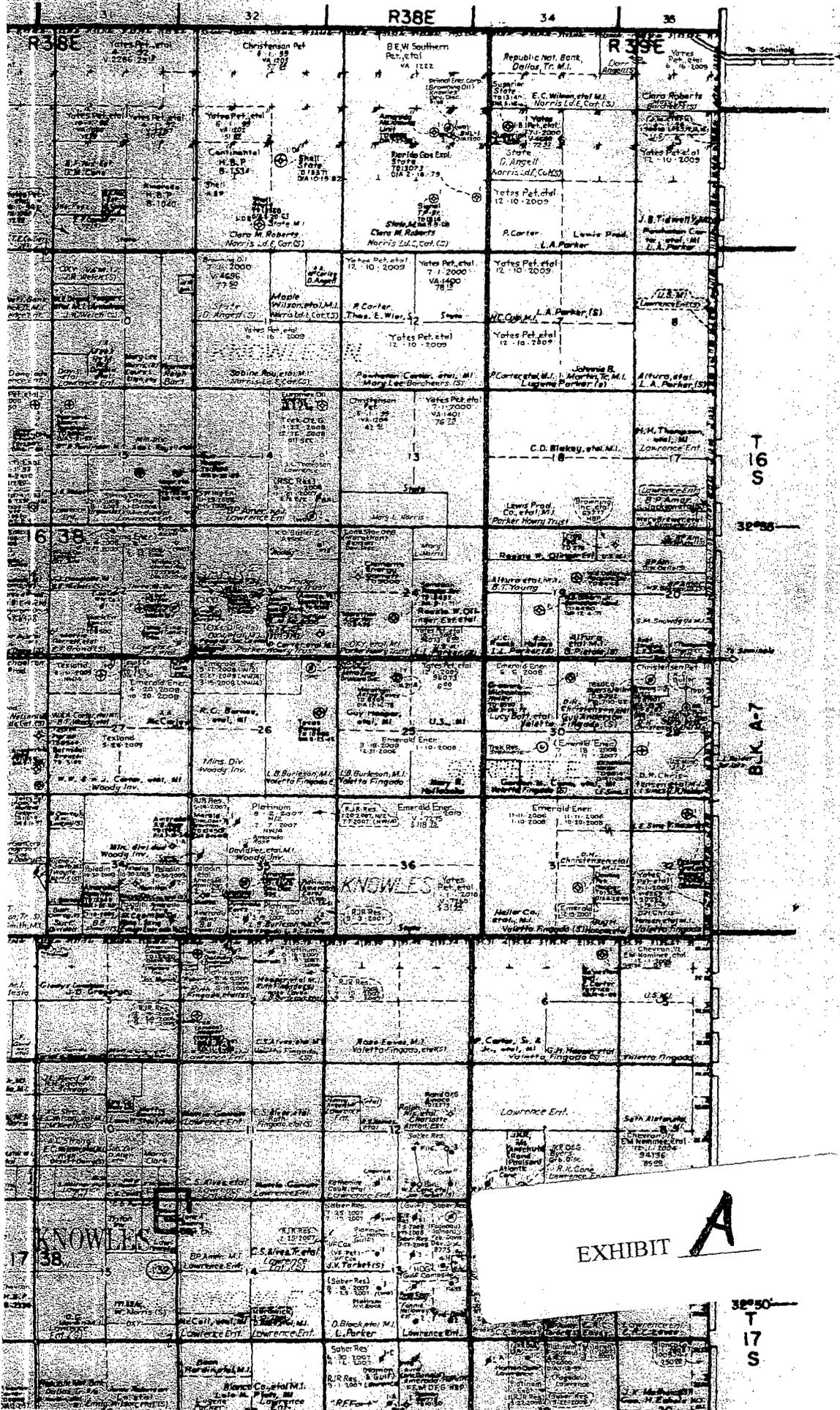
SUBSCRIBED AND SWORN TO before me this 6th day of August, 2007 by Linda H. Hicks.

My Commission Expires: 5-25-08

Dixie D. Walton
Notary Public



LEA, Northeast



GAINES COUNTY

T 16 S

32-38

B.L.K. A-7

T 17 S

EXHIBIT A

Nearburg Exploration Company, L.L.C.

*Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
432/686-8235
FAX: 432/686-7806*

June 6, 2007

Mr. Kenneth Cone
P.O. Box 11310
Midland, Texas 79702

Re: Cone 30 Fee Well #1
SW/4 SW/4 Section 30
Township-16-South, Range-39-East
Lea County, New Mexico

Dear Mr. Cone:

Please find enclosed an AFE to drill the Cone 30 Fee Well #1 well to be drilled at a legal location within the SW/4 SW/4 Section 30, T-16-S, R-39-E, Lea County, New Mexico. The well is to be drilled to an estimated depth of 8,700' to test the Drinkard formation.

Should you not be interested in participating in this well, Nearburg Exploration Company, L.L.C. respectfully requests an oil and gas lease covering your 2.8125% mineral interest in the S/2 Section 30, 9 net acres, for \$150 per acre, 3 year term, 25% royalty.

Please advise me of your election in this matter at your earliest convenience. You can reach me at 432-686-8235 Ext. 214.

Thank you for your cooperation in this matter.

Sincerely yours,
Nearburg Exploration Company, L.L.C.

Linda H. Hicks

Linda H. Hicks
Land Manager
lhh/s
Enclosure

EXHIBIT **B**

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> ■ 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 <input checked="" type="checkbox"/> Addressee <input type="checkbox"/> Agent <i>K. Cone</i>	
	B. Received by (Printed Name) <i>SHAPIRO</i>	C. Date of Delivery <i>6-27-07</i>
1. Article Addressed to: Mr. Kenneth Cone P. O. Box 11310 Midland, Texas 79702	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label)	7005 0390 0002 9891 6315	
PS Form 3811, February 2004	Domestic Return Receipt	1025E 5-02-M-1540