

**Nearburg Exploration Company, L.L.C.**

Exploration and Production  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79705  
915/686-8235  
Fax 915/686-7806

January 7, 1997

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

TO: WORKING INTEREST OWNERS  
(Distribution list attached)

RE: Well Proposal; Tomahawk "28" Fed. Com. #1  
660' FEL, 1980' FSL of Section 28,  
T-20-S, R-33-E, Lea County, New Mexico  
Tomahawk Prospect

Dear Working Interest Owner:

Nearburg Exploration Company, L.L.C. (Nearburg) proposes the drilling of the captioned well at the above location to the Morrow formation, estimated to require drilling to 14,300'. Enclosed with this well proposal letter is Nearburg Producing Company's AFE reflecting a casing point cost of \$699,220 and a completed well cost of \$1,159,273. Nearburg Producing Company will be the operator of the well which we anticipate being commenced by April 1, 1997. Also enclosed with this proposal is Nearburg's form of Operating Agreement designating Nearburg Producing Company as Operator.

We invite you to participate in the drilling of this well, or, in the alternative, to either grant Nearburg an acceptable farmout of a term assignment of your interest to be included in said unit. The spacing unit for the well will be the E/2 of Section 28. If you elect to participate in the drilling of the well, please execute the extra set of signature pages and a copy of the enclosed AFE, and return to Nearburg at the letterhead address. Nearburg has an expiring lease and will institute a force pooling leasing on the next available docket.

If you have any questions, please feel free to contact the undersigned.

Yours very truly,



Bob Shelton  
Land Manager

BS/dw  
encl.

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 11722 Exhibit No. 4  
Submitted By:  
**Nearburg Exploration Co.**  
Hearing Date: March 20, 1997