

**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 20, 1998

Yates Energy Corporation  
P. O. Box 2323  
Roswell, NM 88202-2323

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

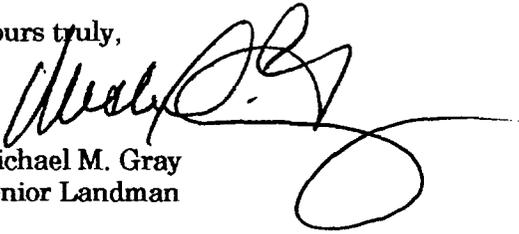
Gentlemen:

Nearburg Exploration Company, L.L.C. desires to drill a 13,650' Morrow test well at a location 990' FSL and 1,980' FEL of Section 16, T-19-S, R-33-E for a unit comprising the E/2 of Section 16. This location will be an unorthodox location under the rules of the New Mexico Oil Conservation Division.

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We appreciate your cooperation. If you have any questions, please contact me at the letterhead address and phone number.

Yours truly,

  
Michael M. Gray  
Senior Landman

MMG/dw

I/we waive objections to the proposed unorthodox location.

**YATES ENERGY CORPORATION**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11902 Exhibit No. 3

Submitted by: Nearburg Exploration Company, L.L.C.

Hearing Date: February 5, 1998

**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 20, 1998

Spiral, Inc.  
P. O. Box 1933  
Roswell, NM 88202-1933

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

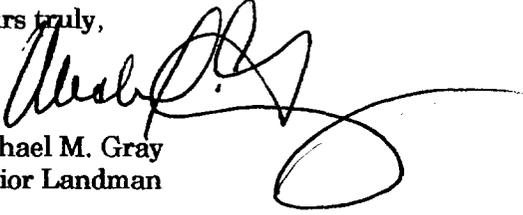
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Yours truly,

  
Michael M. Gray  
Senior Landman

MMG/dw

I/we waive objections to the proposed unorthodox location.

**SPIRAL, INC.**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**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 20, 1998

Delmar Hudson Lewis  
6300 Ridglea Pl., Suite 1005A  
Ft. Worth, Texas 76116

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

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Michael M. Gray  
Senior Landman

MMG/dw

I/we waive objections to the proposed unorthodox location.

**DELMAR HUDSON LEWIS**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**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 20, 1998

Edward R. Hudson Tr. #4  
C/O Mary T. Ard  
4808 Westridge Ave.  
Ft. Worth, Texas 76116

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

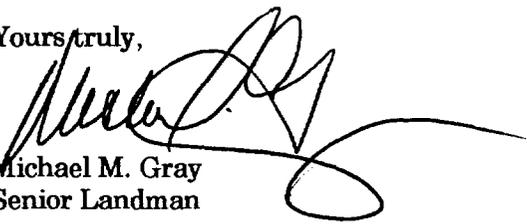
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Michael M. Gray  
Senior Landman

MMG/dw

I/we waive objections to the proposed unorthodox location.

**EDWARD R. HUDSON TR. #4**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**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 20, 1998

Explorers Petroleum Corp.  
P. O. Box 1933  
Roswell, NM 88202-1933

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

Gentlemen:

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Michael M. Gray  
Senior Landman

MMG/dw

I/we waive objections to the proposed unorthodox location.

**EXPLORERS PETROLEUM CORP.**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**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 20, 1998

James H. Yates, Inc.  
906 S. St. Francis Drive, Suite C  
Santa Fe, NM 87501

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

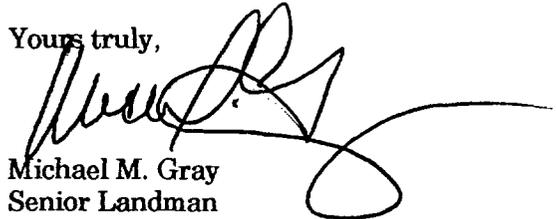
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Yours truly,



Michael M. Gray  
Senior Landman

MMG/dw

I/we waive objections to the proposed unorthodox location.

**JAMES H. YATES, INC.**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**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 20, 1998

Ken D. McPeters  
502 W. Gold  
Hobbs, New Mexico 88240

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

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Michael M. Gray  
Senior Landman

MMG/dw

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**KEN D. McPETERS**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**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 20, 1998

**Jalapeno Corporation**  
P. O. Box 1608  
Albuquerque, New Mexico 87103-1608

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

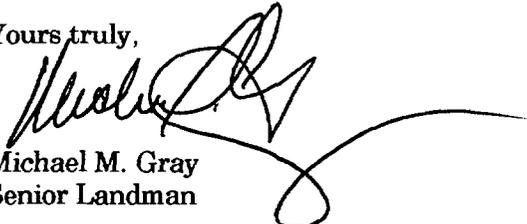
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Michael M. Gray  
Senior Landman

MMG/dw

I/we waive objections to the proposed unorthodox location.

**JALAPENO CORPORATION**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**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 20, 1998

Edward R. Hudson Trusts 1,2,3  
616 Texas Street  
Ft. Worth, Texas 76102-4612

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

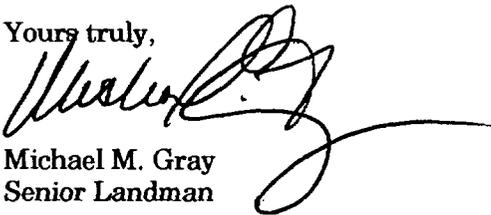
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Michael M. Gray  
Senior Landman

MMG/dw

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**EDWARD R. HUDSON TRUSTS 1,2,3**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**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 20, 1998

Cross Timbers Oil Company  
810 Houston St., Suite 2000  
Ft. Worth, Texas 76102-6298

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

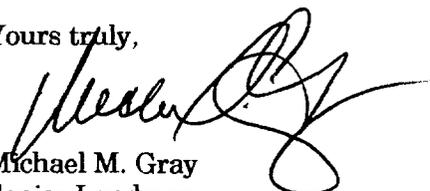
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Michael M. Gray  
Senior Landman

MMG/dw

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**CROSS TIMBERS OIL COMPANY**

By: \_\_\_\_\_

Date: \_\_\_\_\_

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

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

January 20, 1998

Harvey E. Yates Company  
Post Office Box 1933  
Roswell, New Mexico 88202-1933

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

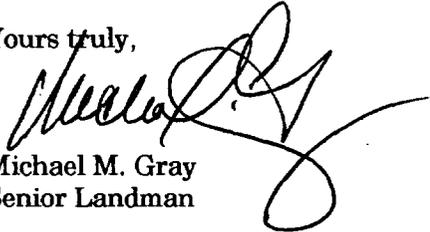
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Yours truly,



Michael M. Gray  
Senior Landman

MMG/dw

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**HARVEY E. YATES COMPANY**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**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 20, 1998

Lindy's Living Trust  
Francis Hudson  
6300 Ridglea Place, Suite 1005A  
Ft. Worth, Texas 76116

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

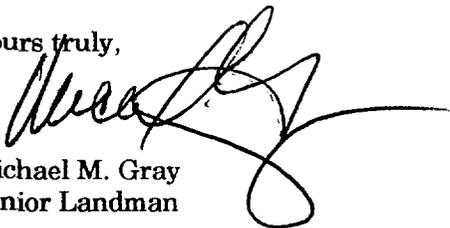
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Michael M. Gray  
Senior Landman

MMG/dw

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**LINDY'S LIVING TRUST**

By: \_\_\_\_\_

Date: \_\_\_\_\_

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

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

January 20, 1998

Moore & Shelton Company, Ltd.  
Post Office Box 3070  
Galveston, Texas 77252

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

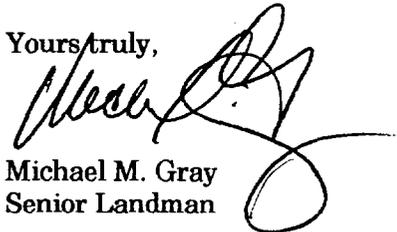
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Senior Landman

MMG/dw

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**MOORE & SHELTON COMPANY, LTD.**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**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 20, 1998

Heyco Employees, Ltd.  
Post Office Box 1933  
Roswell, New Mexico 88202-1933

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

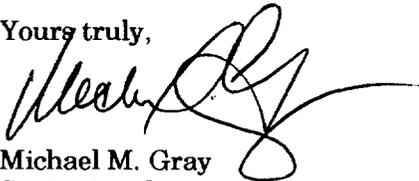
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Senior Landman

MMG/dw

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**HEYCO EMPLOYEES, LTD.**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**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 20, 1998

The Beveridge Company  
Post Office Box 993  
Midland, Texas 79702-0993

ATTN: R. C. Beveridge

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

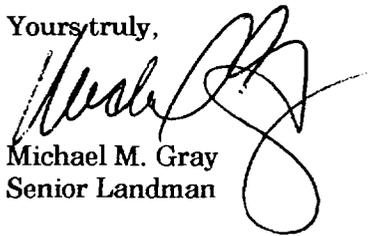
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MMG/dw

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**THE BEVERIDGE COMPANY**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**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 20, 1998

Union Oil Company of California  
P. O. Box 3100  
Midland, Texas 79702

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

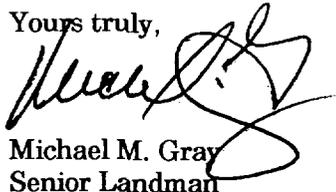
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Michael M. Gray  
Senior Landman

MMG/dw

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**UNION OIL COMPANY OF CALIFORNIA**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**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 20, 1998

Matador Petroleum Corporation  
8340 Meadow Road  
Dallas, Texas 75231

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-33-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

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Senior Landman

MMG/dw

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**MATADOR PETROLEUM CORPORATION**

By: \_\_\_\_\_

Date: \_\_\_\_\_