

**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

Mike  
glad we could  
work out a  
compromise.

January 20, 1998

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

Shari  
JAN 26 1998

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

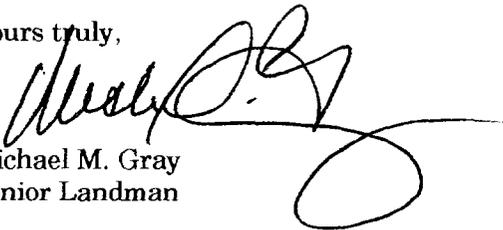
Gentlemen:

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.

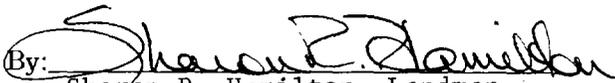
Yours truly,

  
Michael M. Gray  
Senior Landman

MMG/dw

I/we waive objections to the proposed unorthodox location.

**YATES ENERGY CORPORATION**

By:   
Sharon R. Hamilton, Landman  
Date: January 22, 1998

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

Case No. 11902 Exhibit No. 4

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

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

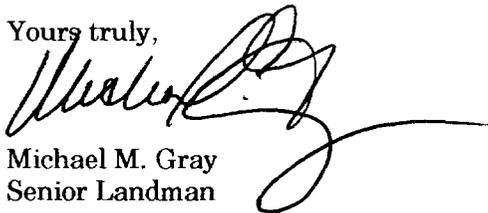
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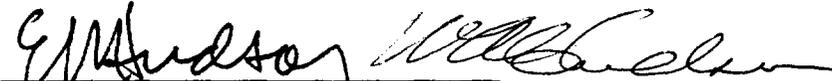


Michael M. Gray  
Senior Landman

MMG/dw

I/we waive objections to the proposed unorthodox location.

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

By:   
Date: 1-22-98 

JAN 29 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

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

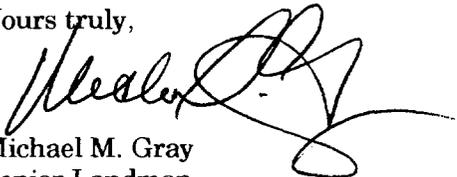
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Senior Landman

MMG/dw

I/we waive objections to the proposed unorthodox location.

**HARVEY E. YATES COMPANY**

By: Steve M. Yates

Date: 1/26/98

**JAN 23 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

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

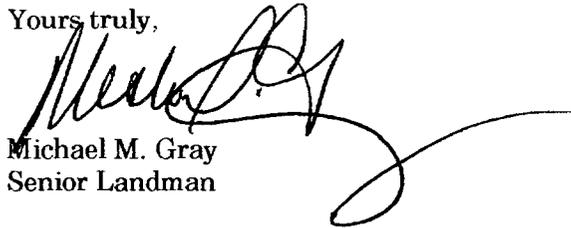
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Michael M. Gray  
Senior Landman

MMG/dw

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**EXPLORERS PETROLEUM CORP.**

By: S. M. J. [Signature]  
Date: 1/26/98

**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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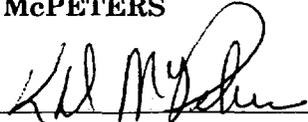
Yours truly,

  
Michael M. Gray  
Senior Landman

MMG/dw

I/we waive objections to the proposed unorthodox location.

**KEN D. McPETERS**

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

Date: 1-23-98

JAN 26 1998

**JAN 22 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

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

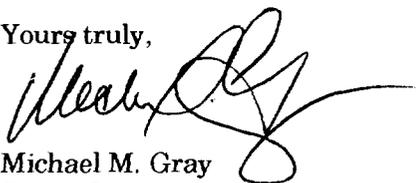
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Michael M. Gray  
Senior Landman

MMG/dw

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**HEYCO EMPLOYEES, LTD.**

By: St M. Yates

Date: 1/26/98

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

Exploration and Production  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79706  
915/686-8235  
Fax 915/686-7806

January 20, 1998

Harvey E. Yates Company  
Post Office Box 1983  
Roswell, New Mexico 88202-1933

RE: Lone Ranger "16" State Com. #1 Well  
T-19-S, R-38-E, Section 16: E/2  
Lea County, New Mexico  
Kimo Sabe Prospect

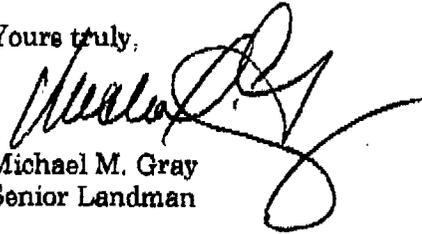
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**HARVEY E. YATES COMPANY**

By: 15/ Steven M. Yates

Date: 1/26/98

**CONTRACT**

**NO. 9801004-L**