

**SAGA PETROLEUM**

**DERO FEDERAL  
#3 PROSPECT**

**EDDY COUNTY  
NEW MEXICO**

### **Dero Federal No. 3**

A well at the proposed location should encounter numerous potential pays. The primary target is Lower Strawn algal mounds at a depth of approximately 10,200 feet. Morrow Sands are present at a depth of approximately 11,200 feet and Wolfcamp Carbonates are present at a depth of approximately 9,000 feet. Secondary pay horizons include Atoka Sands at a depth of 10,400 feet, Lower Strawn Sands and conglomerates at 10,100 feet, Bone Spring Sands at a depth of 6,400 feet, and Delaware Sands at depths of 3,000 to 4,500 feet.

#### **LOWER STRAWN ALGAL MOUNDS**

The Dero Federal No. 3 is a direct offset to the Oxy U S A No. 6 DWU . The NO. 6 was completed through perforations 10,203-211, 10,219-29, 10,259-79 and 10, 287-313.

Since completion in May, 1996 the well has produced approximately 2.3 BCFG and 75 MBO. Reservoir rocks in the Oxy well are believed to have formed as algal mounds in a shallow sea. The nature of this depositional environment dictates localized development and rapid facies changes. Porosity occurs in three separate lenses in the pay zone and is associated with low gamma ray readings from mechanical logs. The attached maps of "Net Clean Carbonate" indicate that porosity development occurs along a northeast-southwest stratigraphic trend extending through the proposed location.

#### **MORROW SANDS**

Morrow Sands are gas producers in offset wells. The Penroc (now Saga) Petroleum No. 2 Dero Federal, located approximately 2,000 feet southeast of the proposed location, has produced 562 MMCFG from the Lower Morrow and an additional 1266 MMCFG from Middle Morrow Sands. The attached Net Porosity Thickness Maps show the proposed location to be favorably located to encounter additional Morrow Pay. Cumulative production on a per well basis is shown on the Thickness Maps as well as the attached "Isocum" Map.

## **WOLFCAMP**

Wolfcamp production surrounds the proposed location on all sides except the northwest. Cumulative production varies widely from 57 MMCFG to 1574 MMCFG in the immediate area. The attached Net Porosity Map indicates that proposed location is favorably located to maximize production.

## **SECONDARY RESERVOIRS**

### **ATOKA**

Several wells in the immediate area have encountered thin discontinuous sands of Atoka age. The Cities Service #1 Government AN located one mile southwest of the proposed location produced 215 MMCFG from a thin Atoka sand. Historically, Atoka Sands are developed so erratically as to be unpredictable. It is possible that one of these Sands could be encountered in the subject well.

### **STRAWN SANDS**

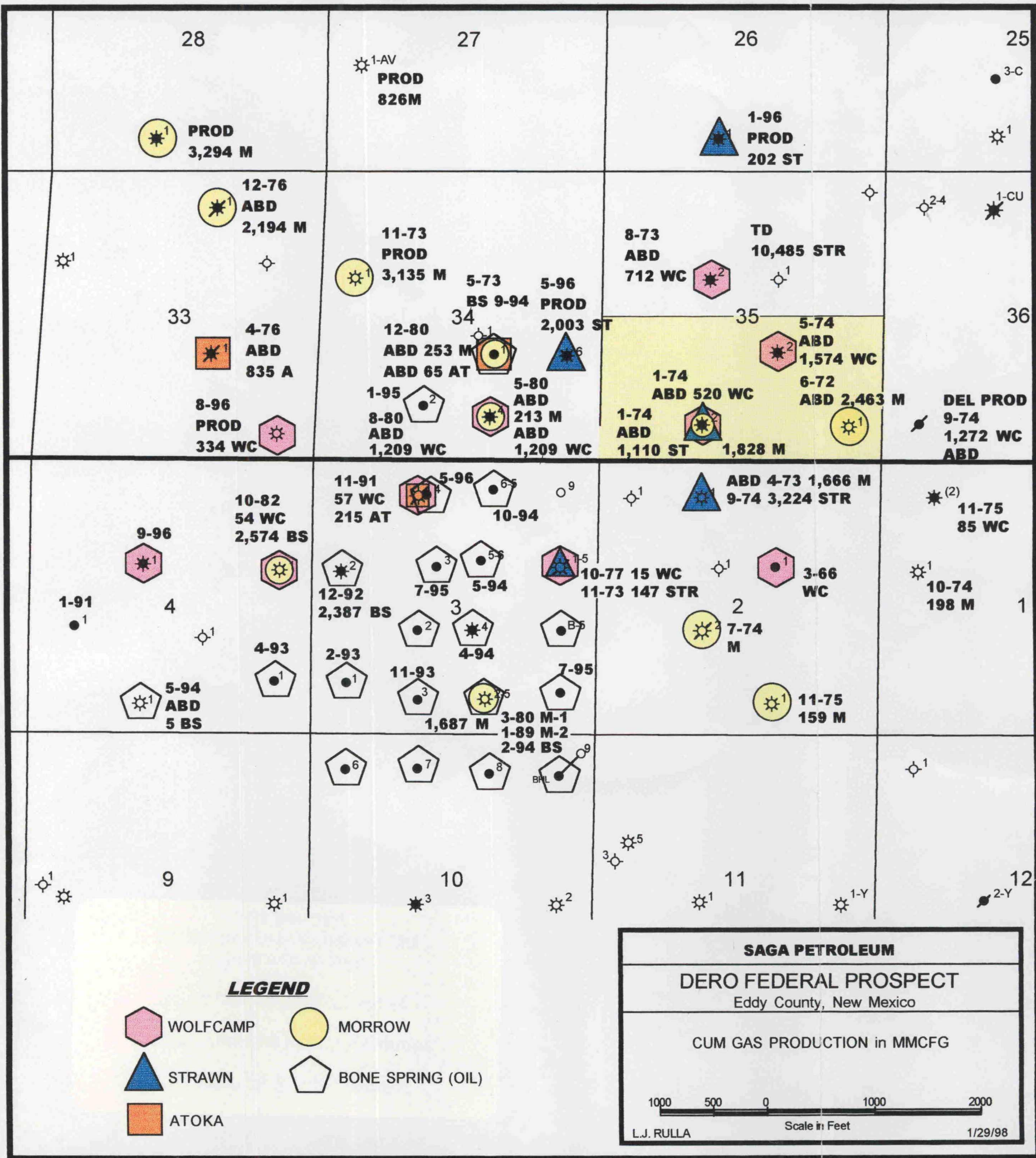
Strawn Sands have produced in the Penroc (now Saga) Dero Federal No. 2 immediately southeast of the proposed location. The No. 2 produced 1110 MMCFG and 31 MBO from this zone. Isopach maps indicate the zone will probably be present at the proposed location, but the presence of porosity in these sands is highly variable.

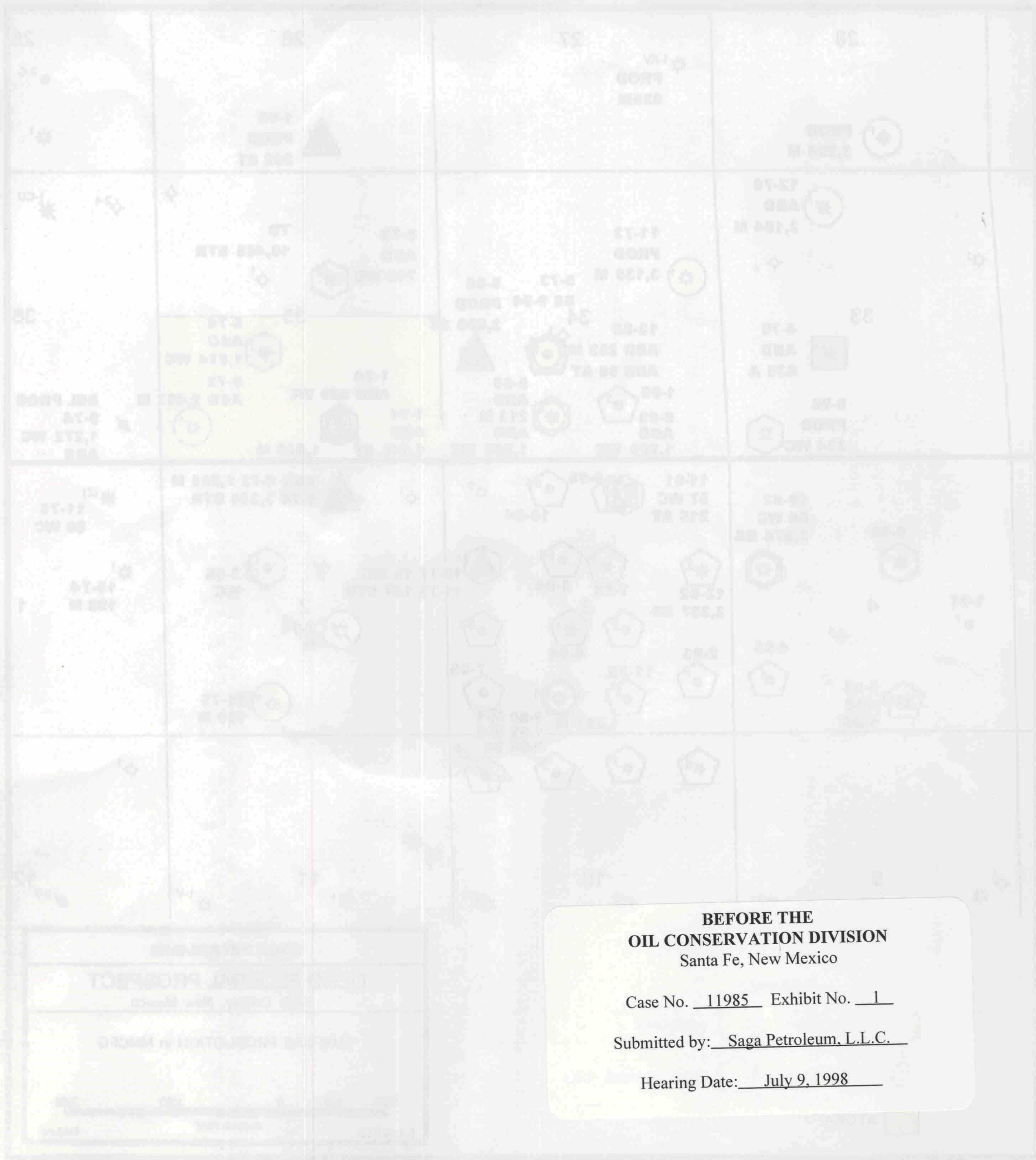
### **BONE SPRING**

Bone Spring Oil production has been established west and southwest of the subject area. The Bone Spring reservoir sands are expected to be present at the proposed location, but production depends upon a favorable structural position.

### **DELAWARE SANDS**

Shows of oil and gas have been encountered in several wells drilled in the immediate area in the Delaware Sands. To date production has not been established. Sand development in the Delaware is known to be very erratic. It is unlikely that pay will be encountered in these zones.





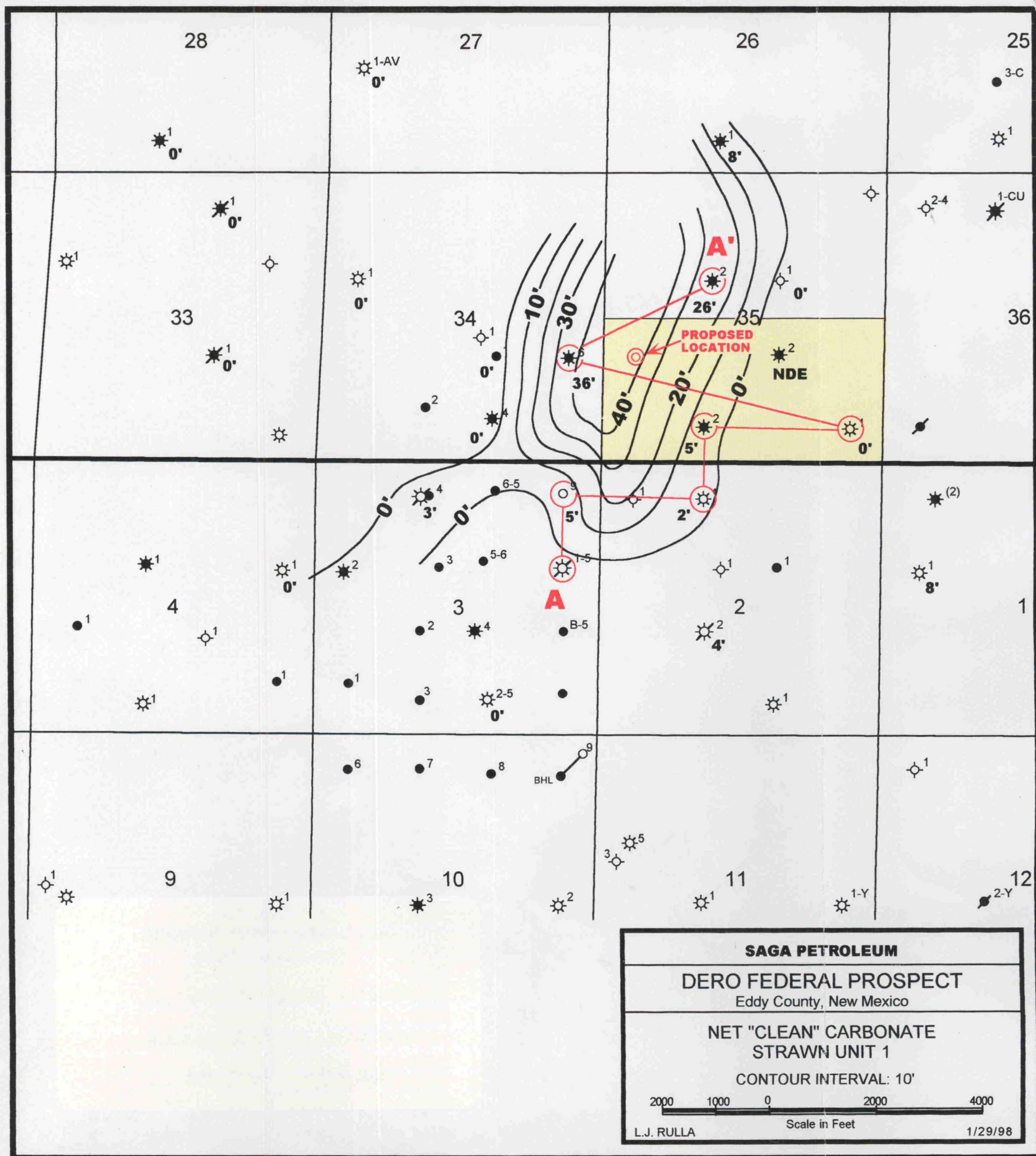
**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

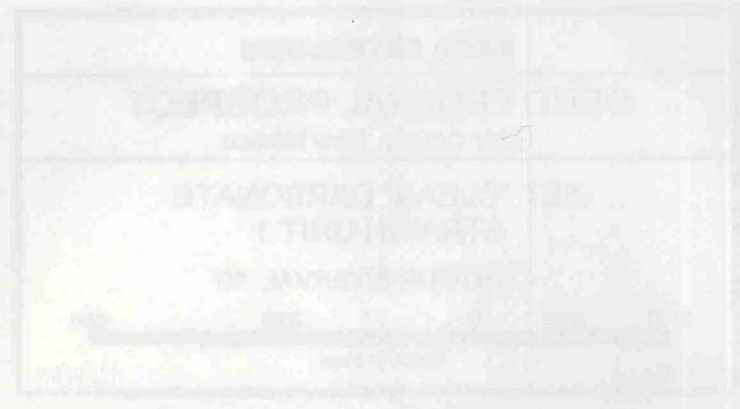
Case No. 11985 Exhibit No. 1

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998







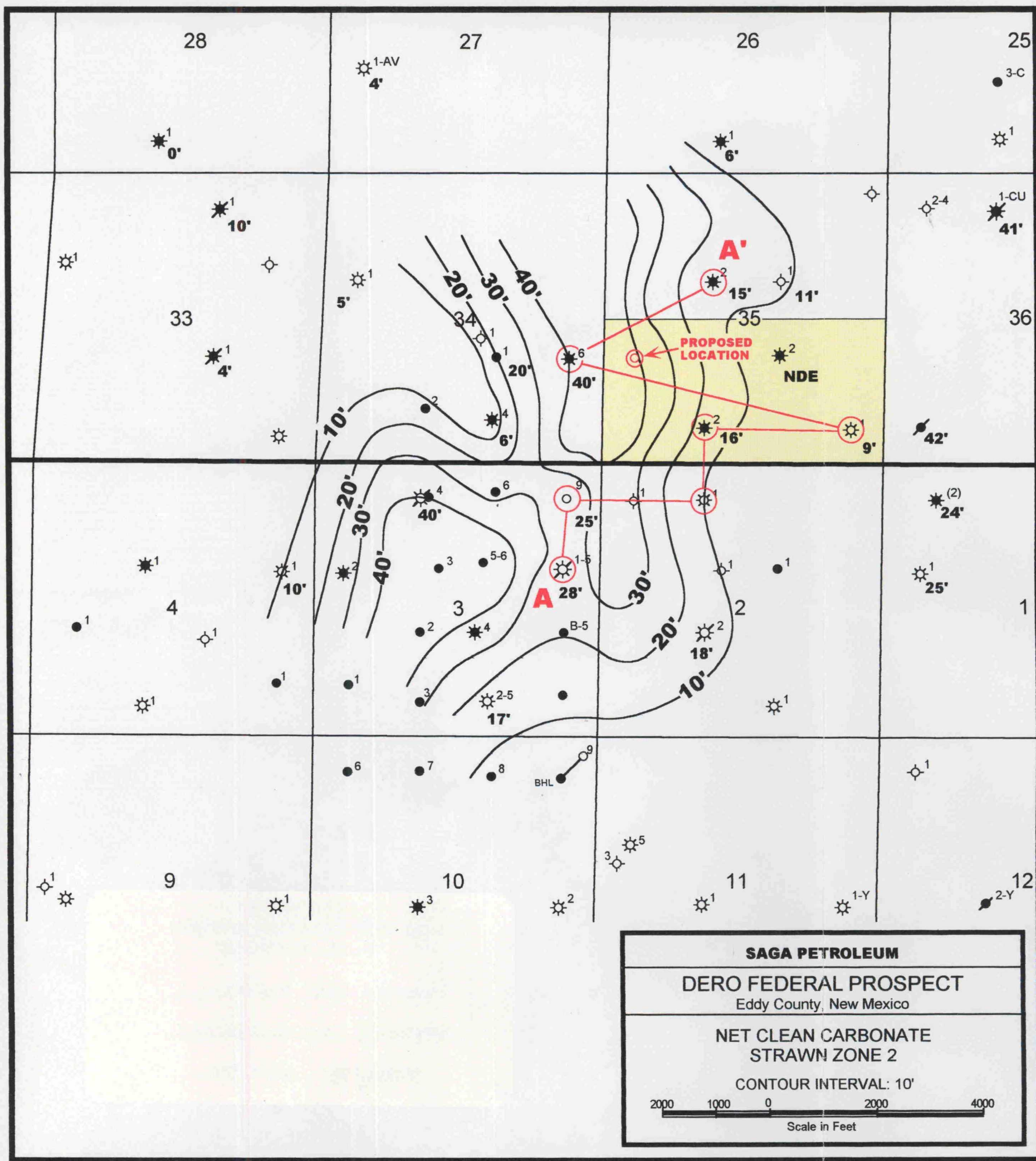
**BEFORE THE  
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Santa Fe, New Mexico

Case No. 11985 Exhibit No. 2

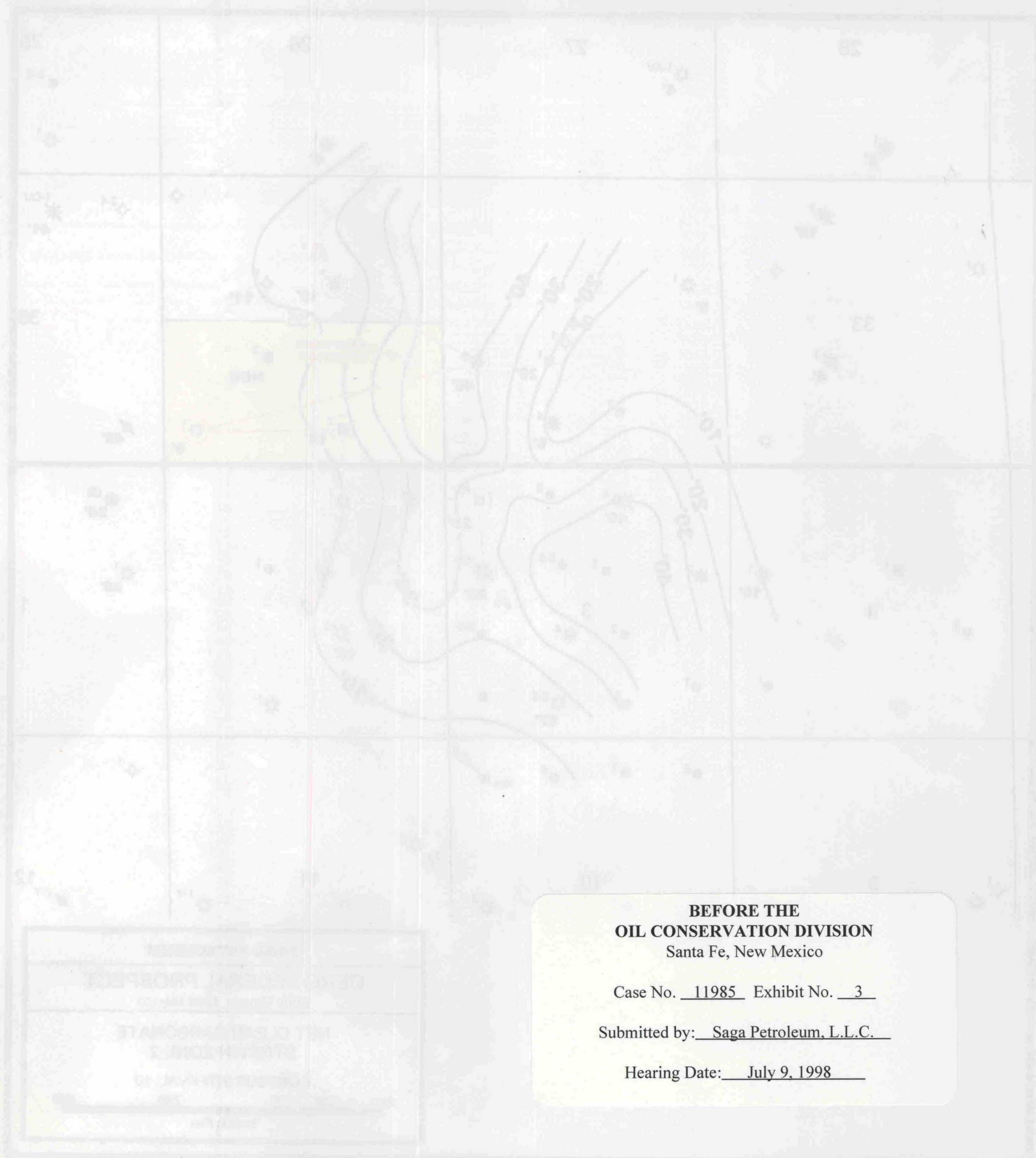
Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998









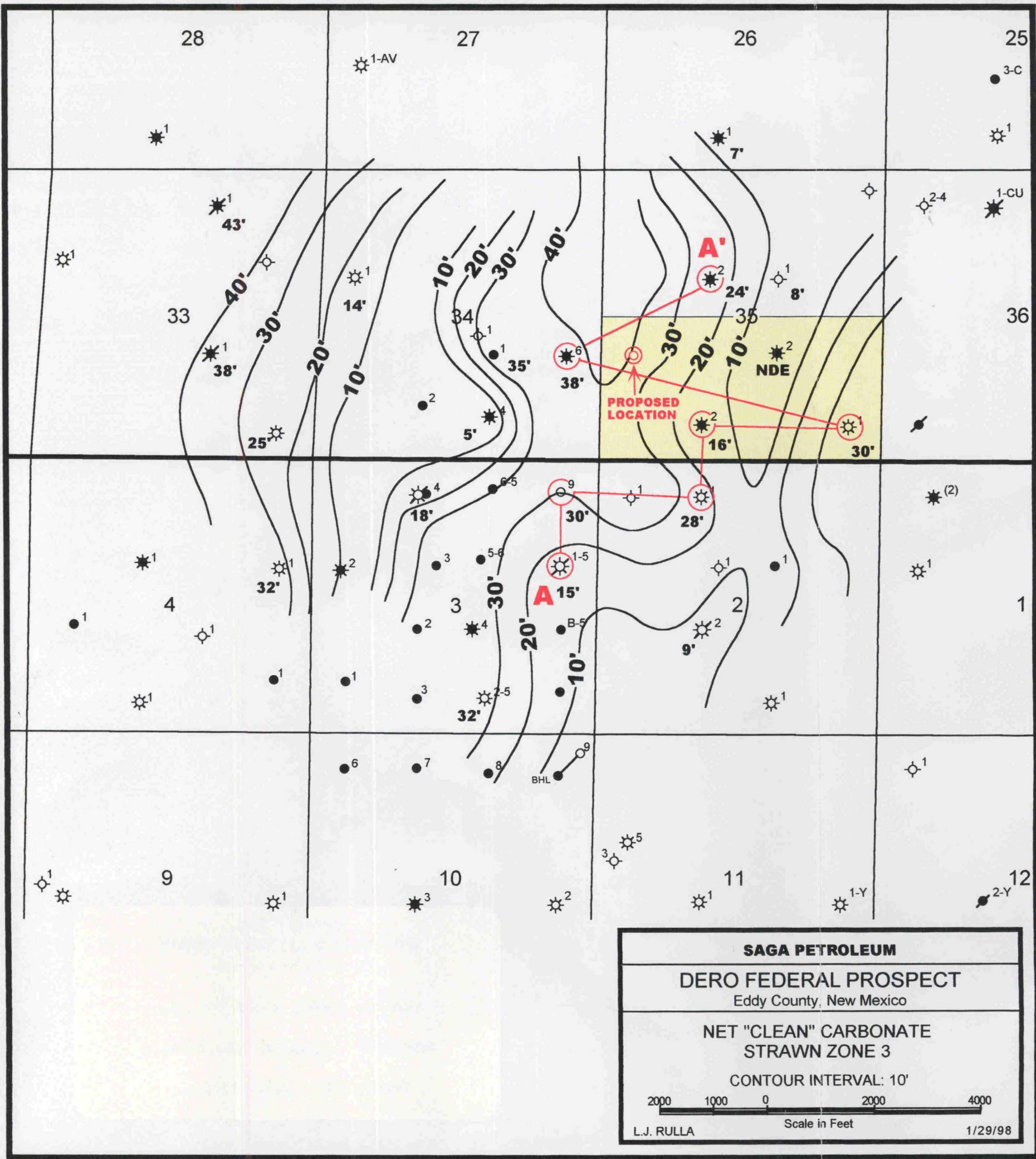
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
NATIONAL SYSTEM OF PUBLIC LANDS  
OFFICE OF LAND ACQUISITION  
WASHINGTON, D.C. 20240

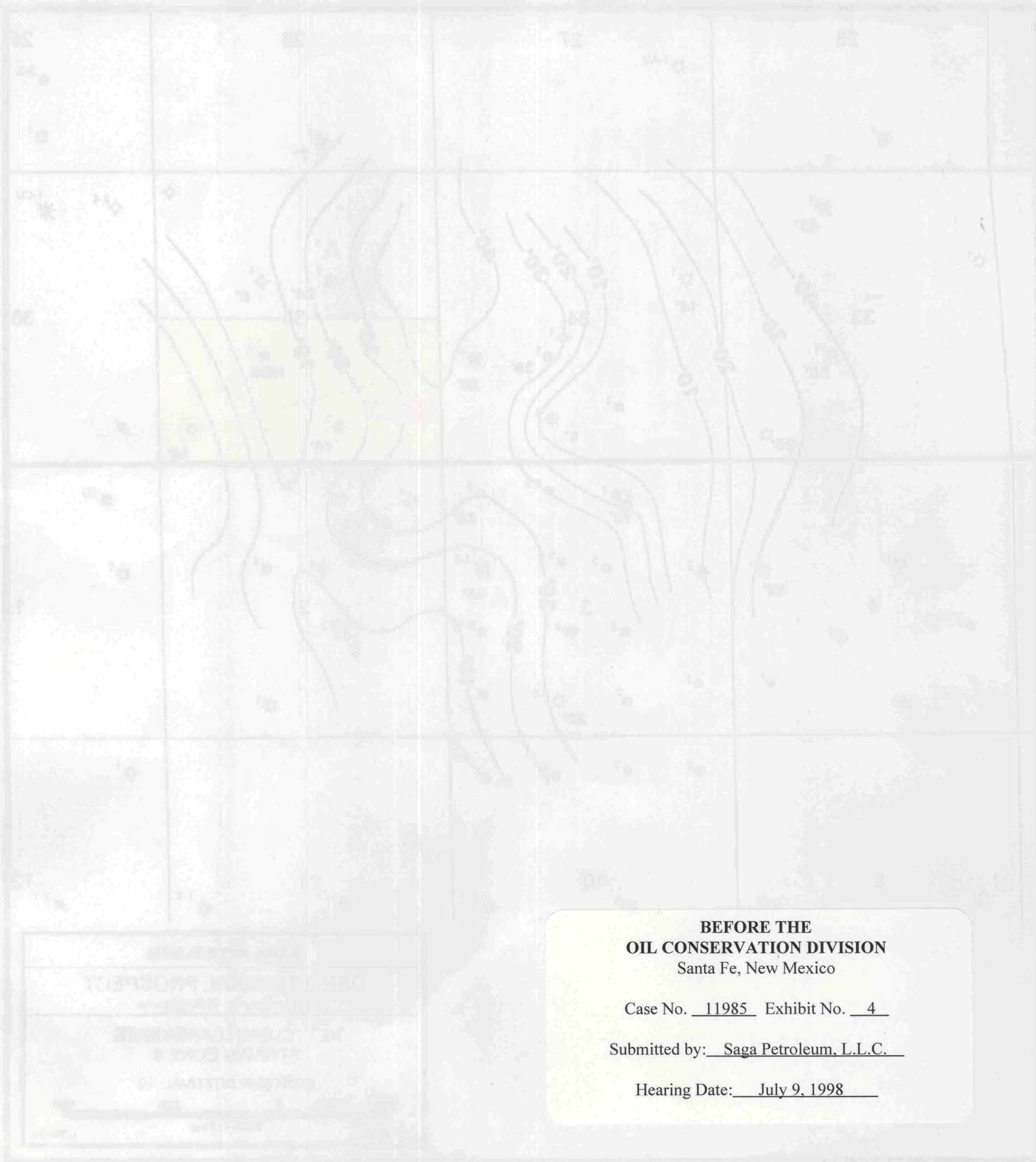
**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11985 Exhibit No. 3

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998





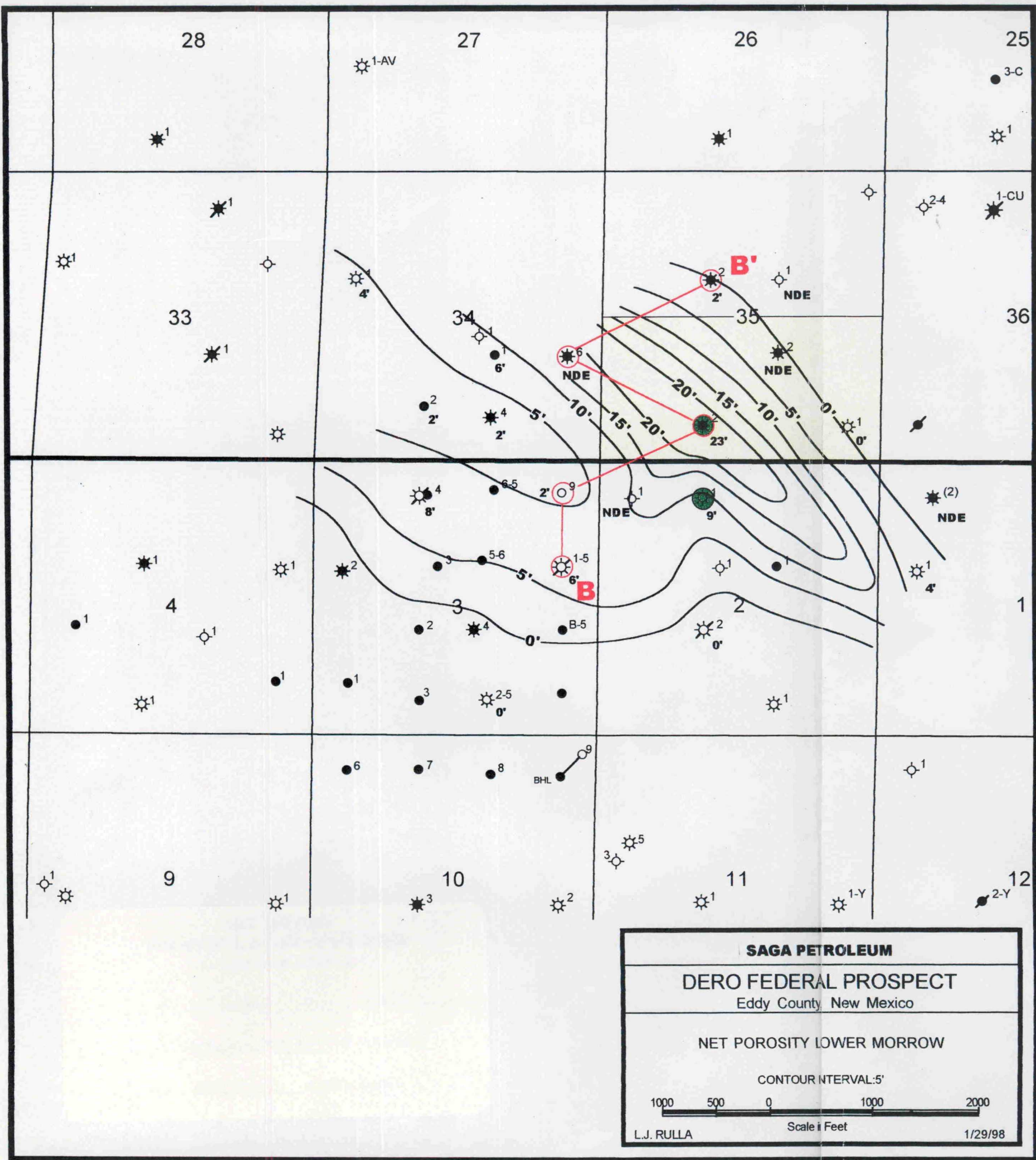
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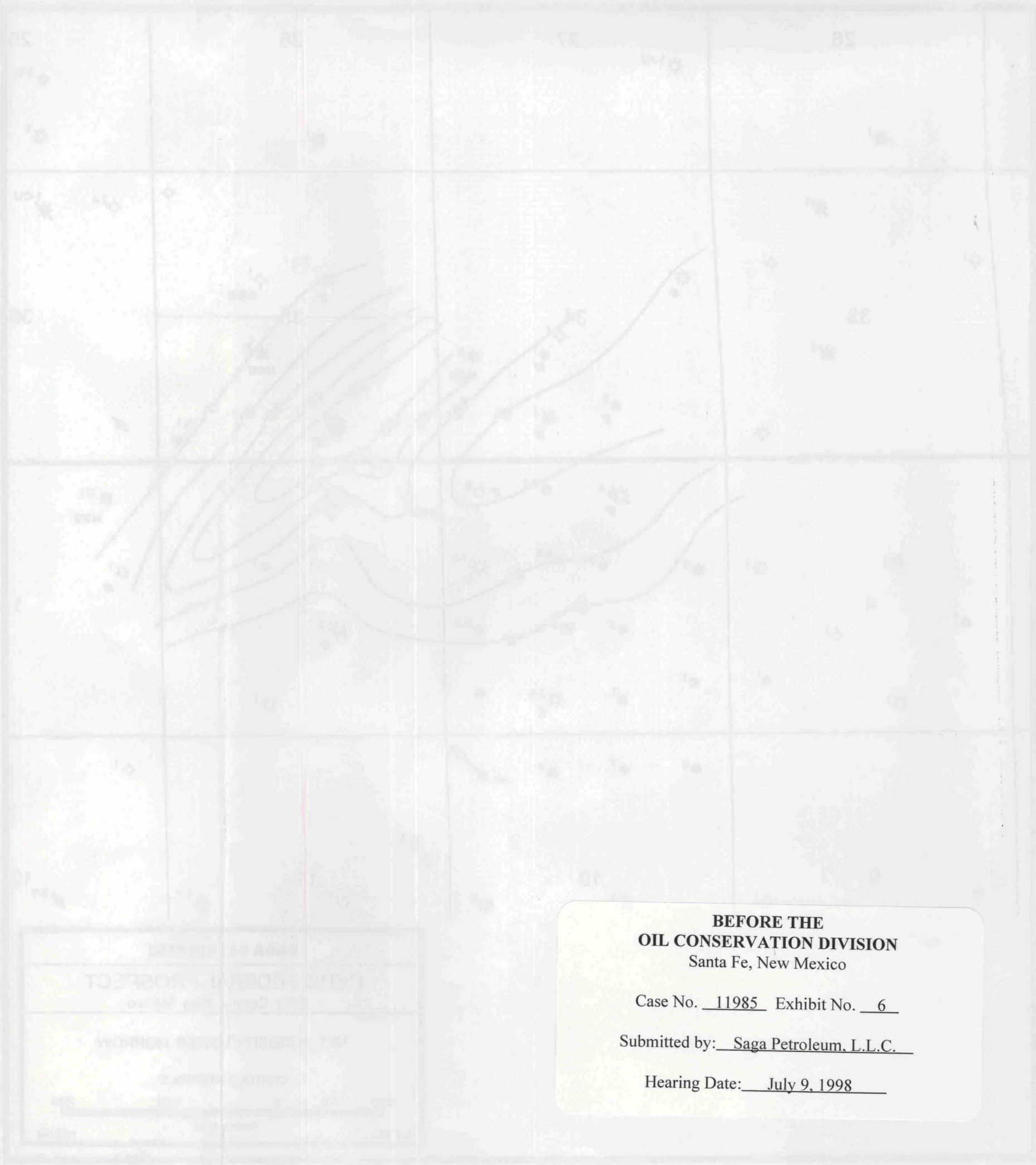
Case No. 11985 Exhibit No. 4

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998







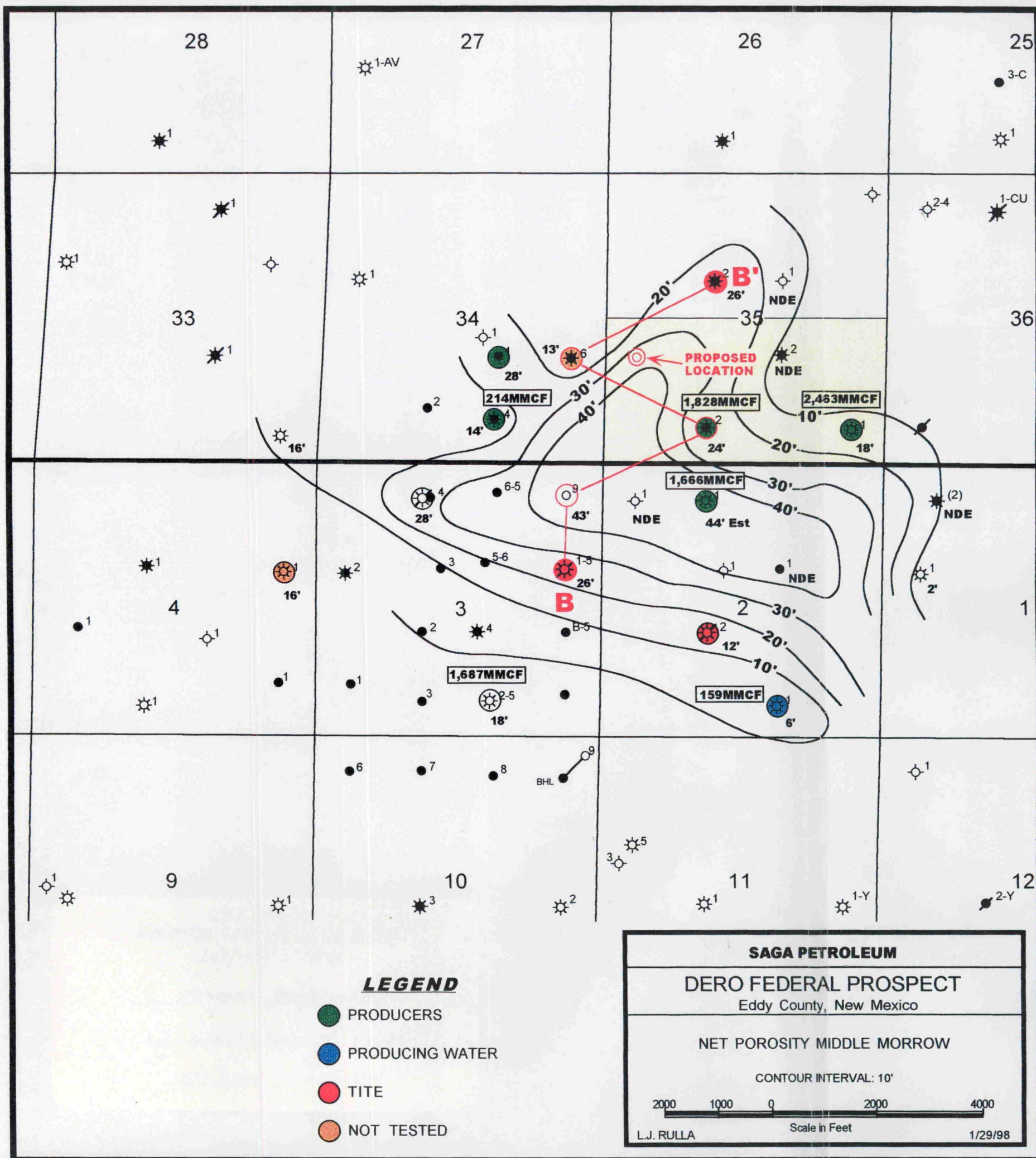
**BEFORE THE  
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Santa Fe, New Mexico

Case No. 11985 Exhibit No. 6

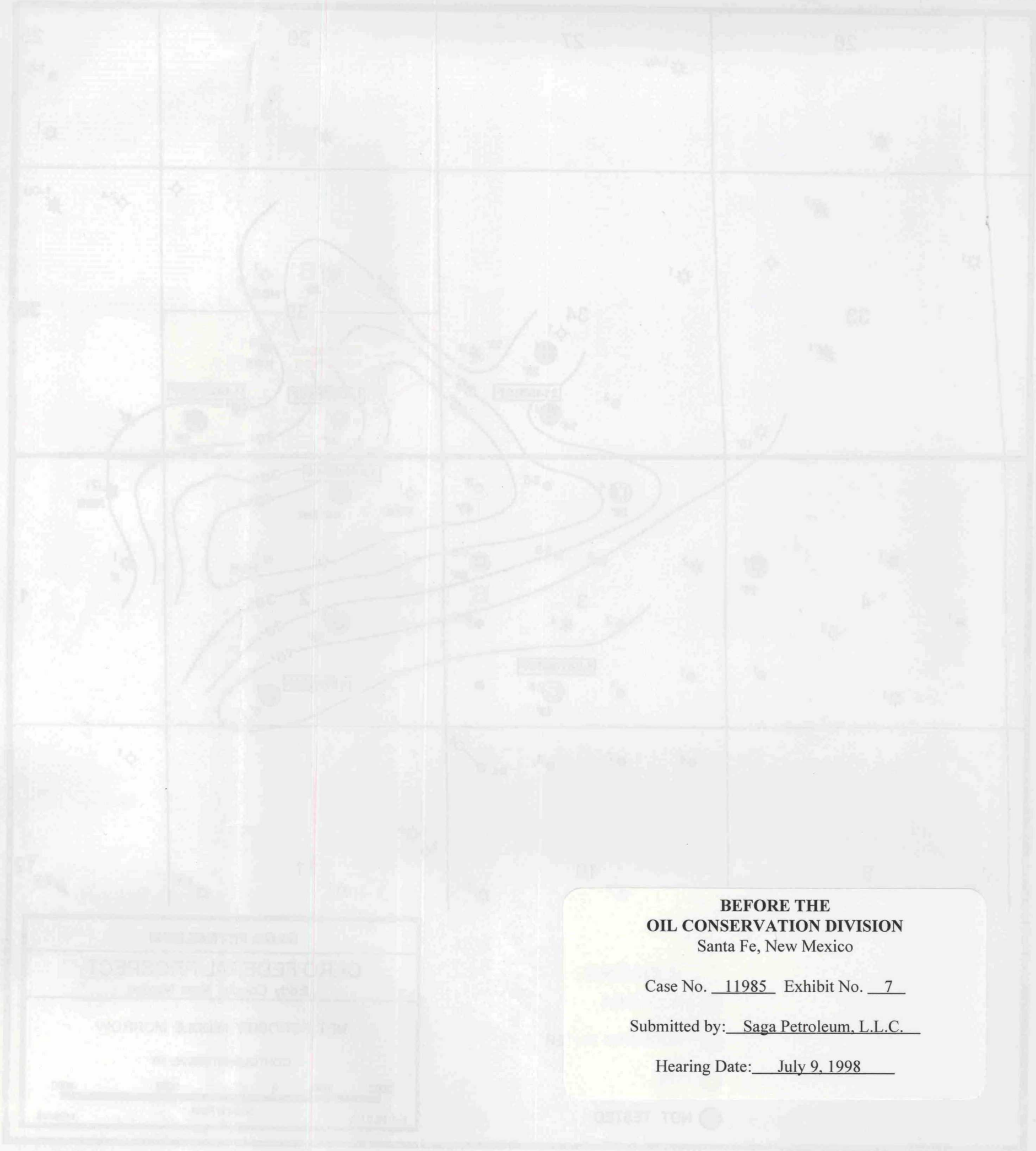
Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998







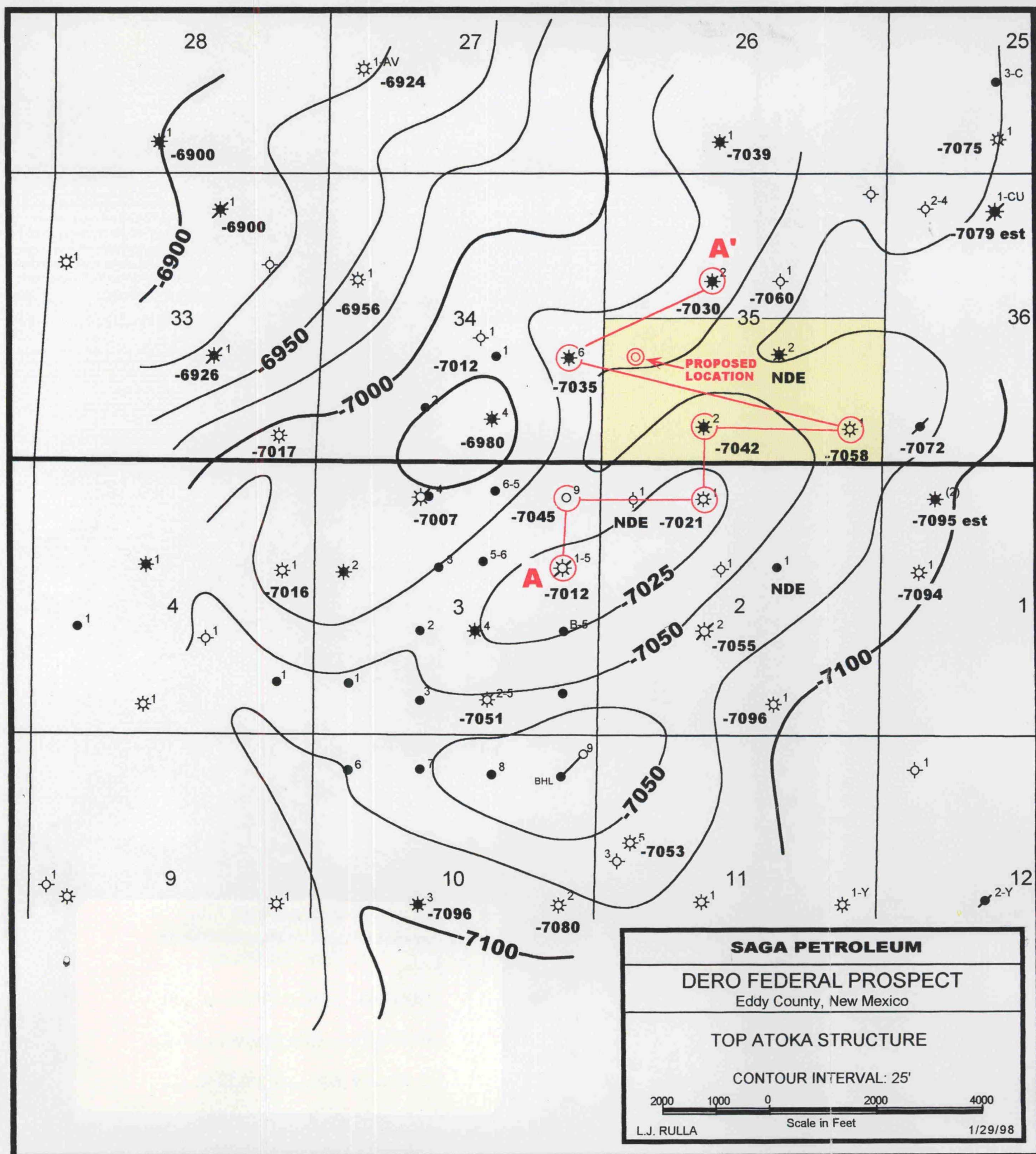


**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

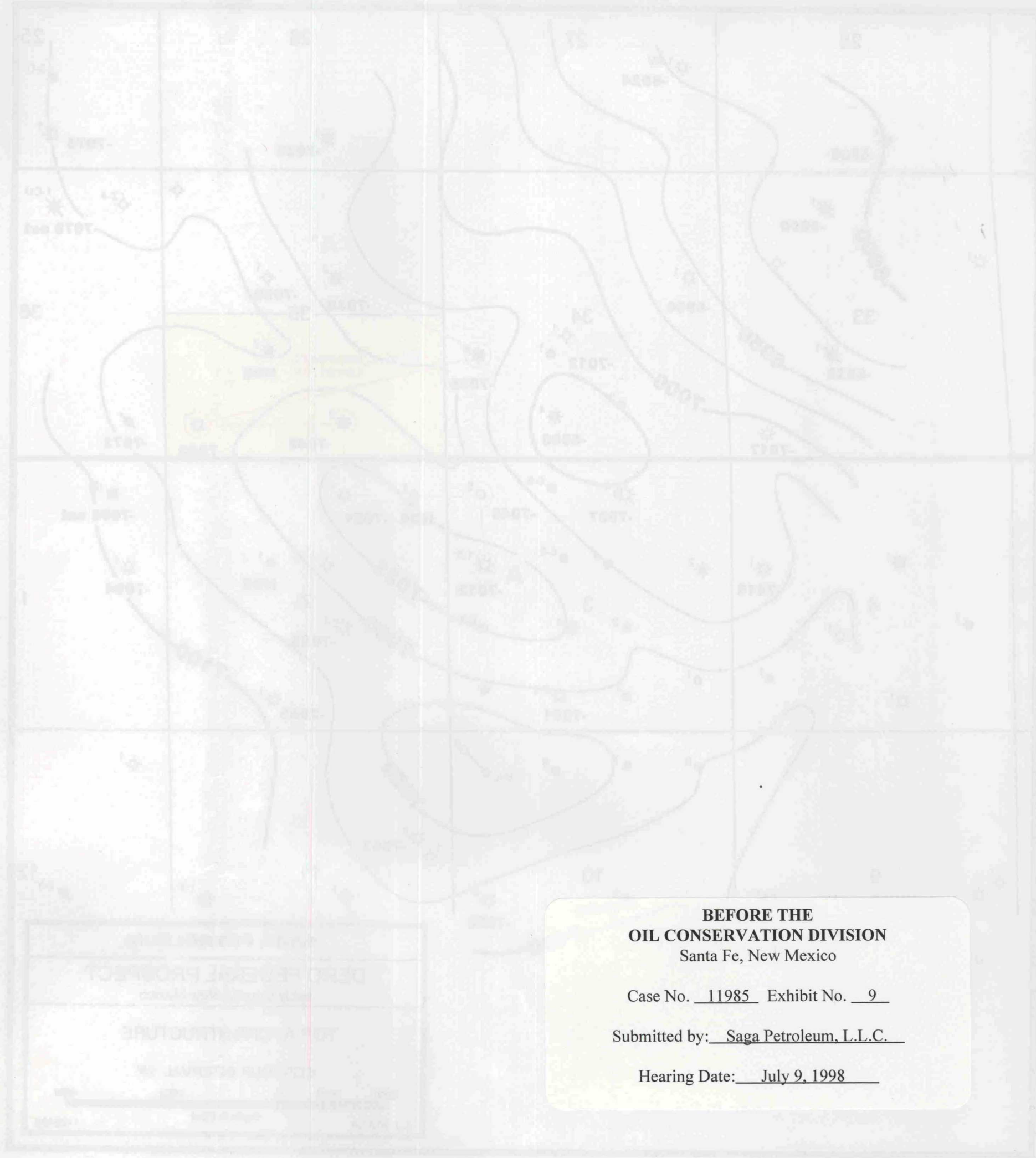
Case No. 11985 Exhibit No. 7

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998







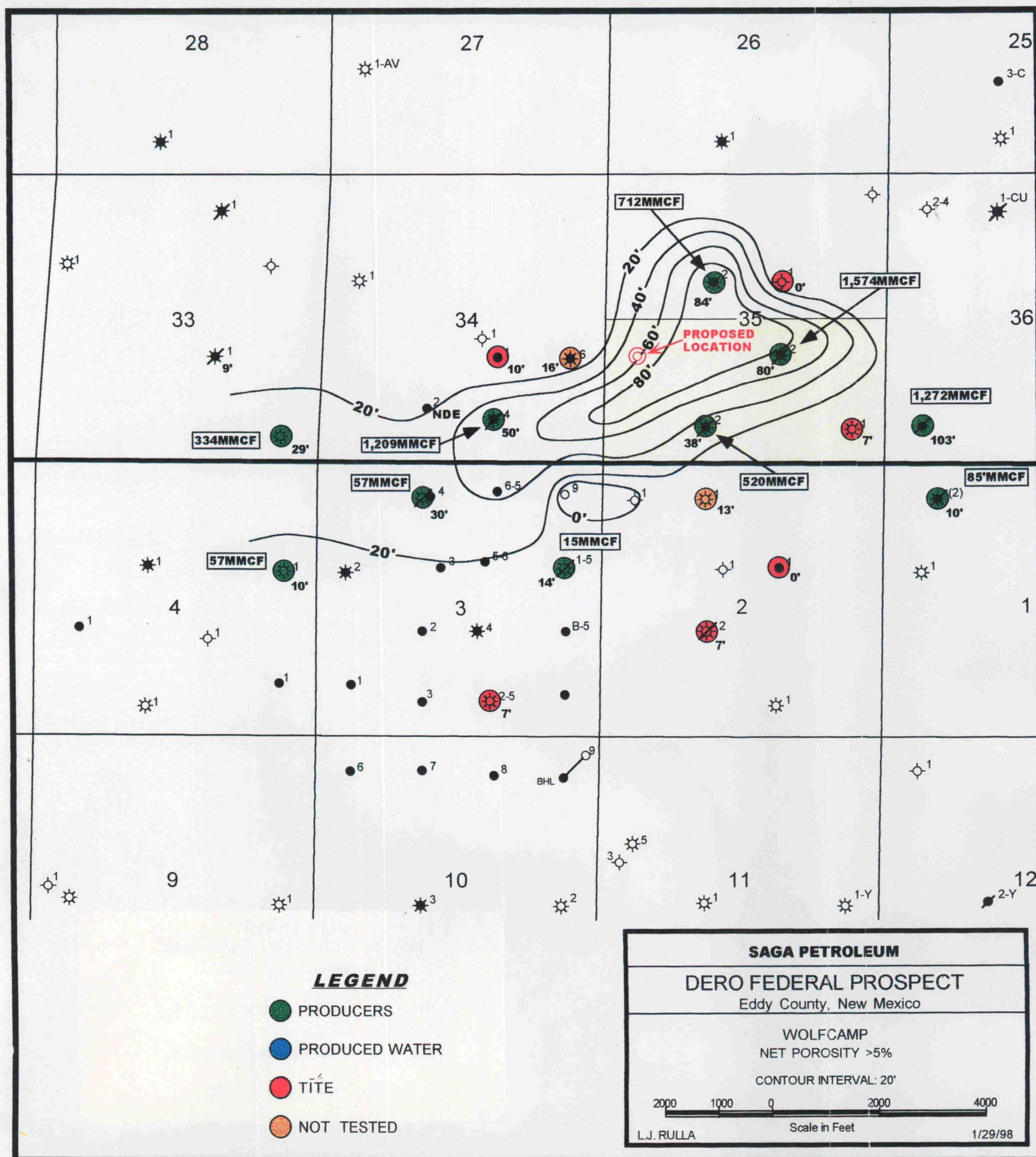
**BEFORE THE  
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Santa Fe, New Mexico

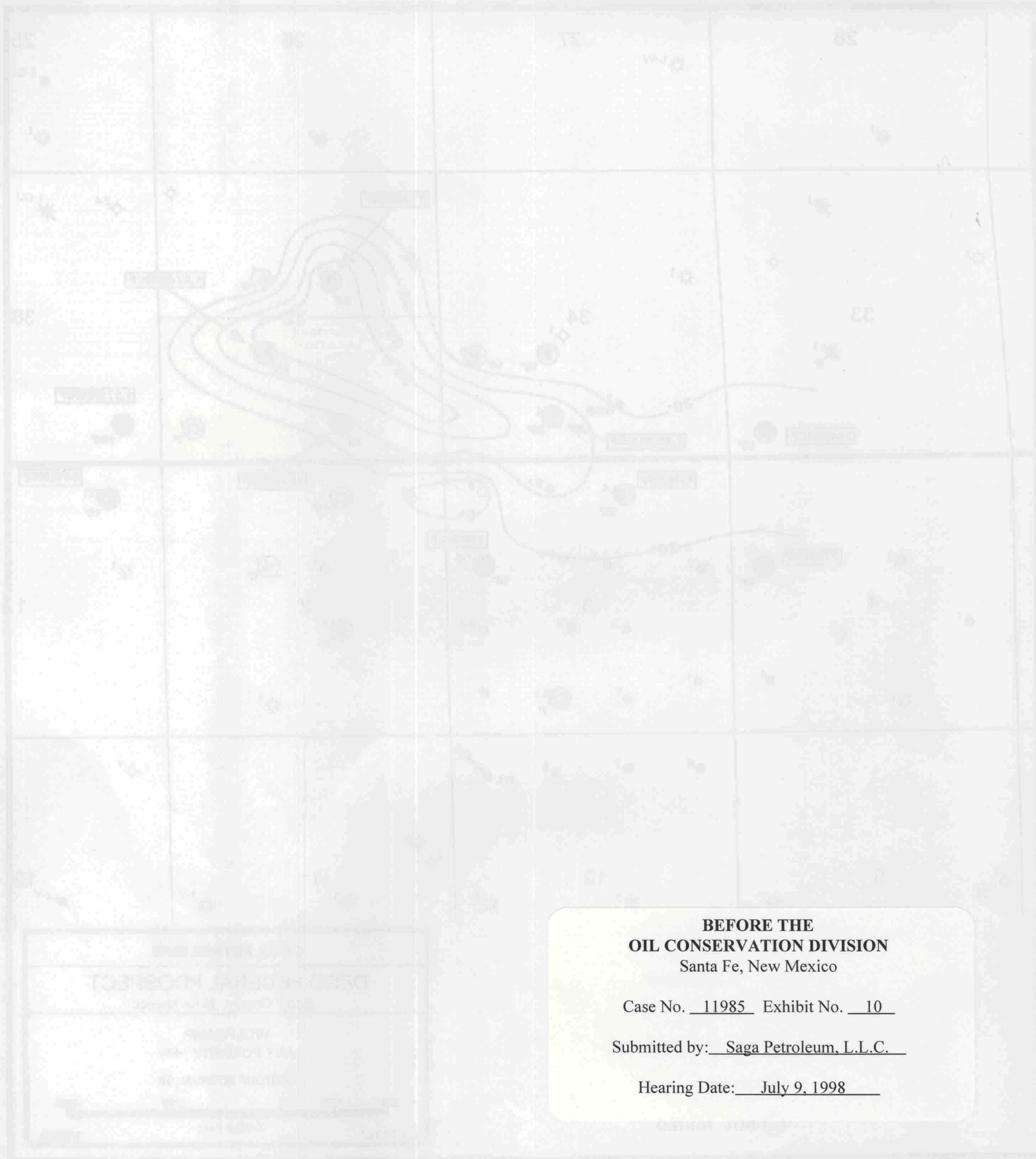
Case No. 11985 Exhibit No. 9

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998







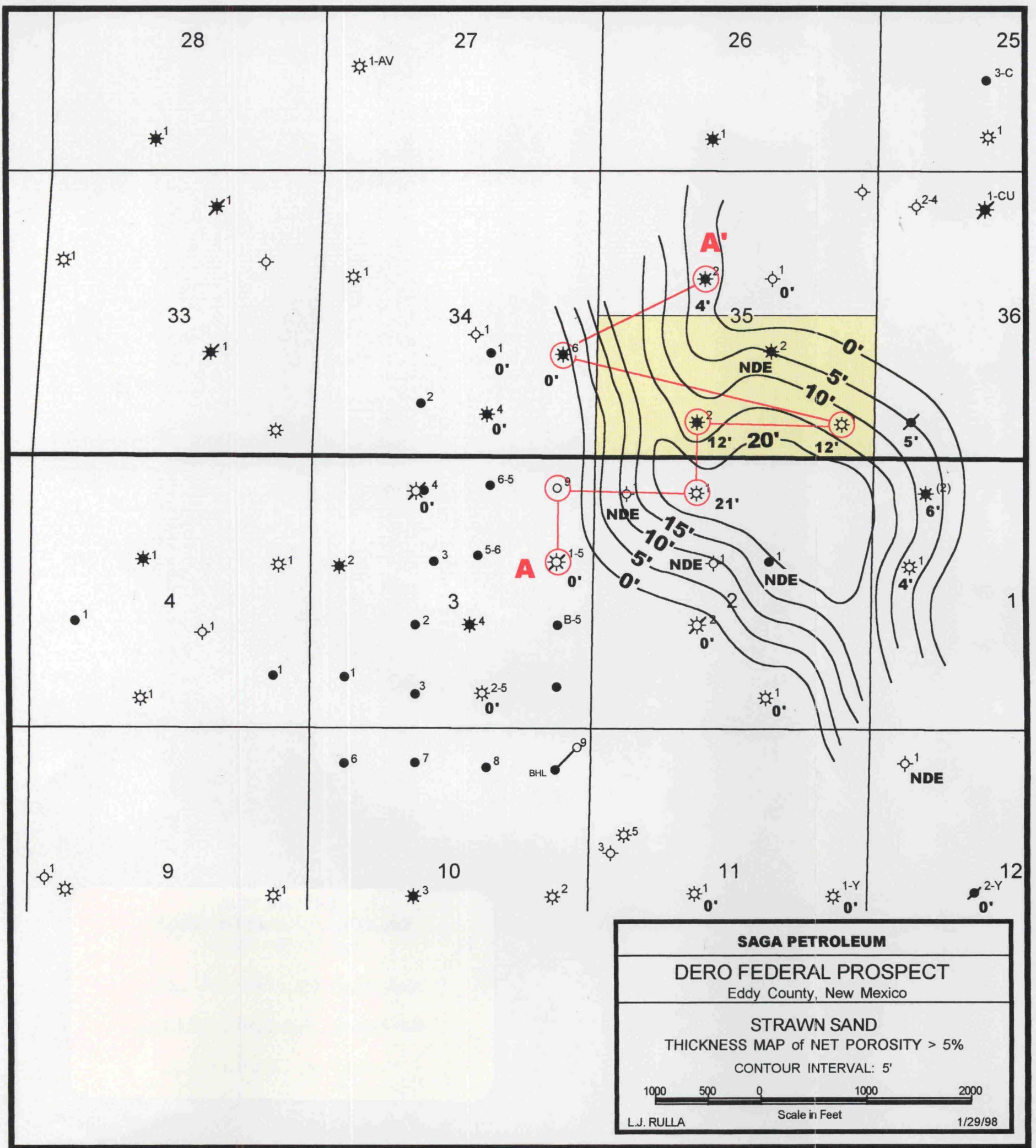
**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11985 Exhibit No. 10

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998









UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
SANTA FE DISTRICT  
SANTA FE, NEW MEXICO  
LAND CLAIM NO. 11985  
EXHIBIT NO. 11  
SUBMITTED BY: SAGA PETROLEUM, L.L.C.  
HEARING DATE: JULY 9, 1998

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

Case No. 11985 Exhibit No. 11

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998

LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE

LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE



BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

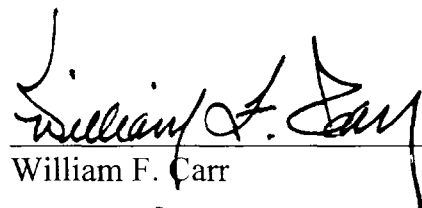
APPLICATION OF SAGA PETROLEUM  
L.L.C. FOR AN UNORTHODOX WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 11985

AFFIDAVIT

STATE OF NEW MEXICO       )  
  ) ss.  
COUNTY OF SANTA FE       )

William F. Carr, attorney in fact and authorized representative of Saga Petroleum L.L.C., the Applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested persons entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit "A" attached hereto.

  
William F. Carr

SUBSCRIBED AND SWORN to before me this 8th day of July, 1998.

  
Notary Public

My Commission Expires:

August 19, 1999

BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Case No. 11985 Exhibit No. 12

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998

**EXHIBIT A**

Russell Cranmer  
Box 8878  
950 St. James Place  
Wichita, KS 67206

Reeves County Systems, Inc.  
Post Office Box 152  
Odessa, TX 79760

John Huffman  
Attn: Jerrell Huffman  
4618 Tryon Road  
Longview, TX 75605

OXY USA Inc.  
Western  
Attn: Western Controller  
Post Office Box 50250  
Midland, TX 79710-0250

Myrlene M. Dillon  
#4 Churchill Way  
Midland, TX 79705

Duer Wagner, Jr.  
3400 City Center Tower II  
301 Commerce Street  
Fort Worth, TX 76102

Robert G. Ettelson  
3037 NW 63rd, Suite 240  
Oklahoma City, OK 73116

Sombrero Associates  
120 N. Robinson, #1913  
Oklahoma City, OK 73102

Marion K. Tullis  
#43 Palisades  
Longview, TX 75605

TDT Diverse LP  
Suite 340  
16414 San Pedro Avenue  
San Antonio, TX 78232

Charles Tullis  
Post Office Box 150122  
Longview, TX 75615

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
ANTHONY F. MEDEIROS  
PAUL R. OWEN  
KATHERINE M. MOSS  
JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Russell Cranmer  
Box 8878  
950 St. James Place  
Wichita, KS 67206

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy  
County, New Mexico

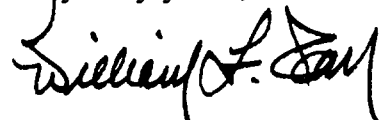
Dear Mr. Cranmer:

This letter is to advise you that Saga Petroleum, L.L.C. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authority to drill its proposed Dero Federal Well No. 3 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line of Section 35, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The S/2 of said Section 35 will be dedicated to this well.

This application has been set for hearing before a Division Examiner on June 25, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR SAGA PETROLEUM, L.L.C.  
Enc.



WFC- 544 502

Reverse side?

- SENDER:**
- ☐ Complete items 1 and/or 2 for additional services.
  - ☐ Complete items 3, 4a, and 4b.
  - ☐ Print your name and address on the reverse of this form so that we can return this card to you.
  - ☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.
  - ☐ Write "Return Receipt Requested" on the mailpiece below the article number.
  - ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

- I also wish to receive the following services (for a extra fee):
- 1. ☐ Addressee's Address
  - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

**Russell Cranmer**  
**Box 8878**  
**950 St. James Place**  
**Wichita, KS 67206**

4a. Article Number  
**Z 211 156 128**

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery  
**6-8-98**

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

PS Form 3811, December 1994

102595-98-B-0229

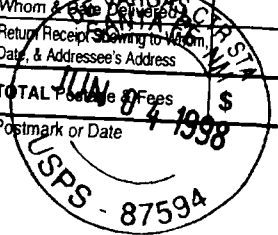
Domestic Return Receipt

Thank you for using Return Receipt Service.

**7 211 156 128**  
US Postal Service  
**Receipt for Certified Mail**  
**Russell Cranmer**  
**Box 8878**  
**950 St. James Place**  
**Wichita, KS 67206**

|                         |              |
|-------------------------|--------------|
| Postage                 | \$ .32       |
| Certified Fee           | 1.35         |
| Special Delivery Fee    |              |
| Restricted Delivery Fee |              |
| Return Receipt (if any) | 1.10         |
| Return Receipt (if any) |              |
| TOTAL Postage & Fees    | \$ 2.77      |
| Postmark or Date        | JUN 8 4 1998 |

PS Form 3800, April 1995



CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
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E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

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**RETURN RECEIPT REQUESTED**

John Huffman  
ATTN: Jerrell Huffman  
4618 Tryon Road  
Longview, TX 75605

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy  
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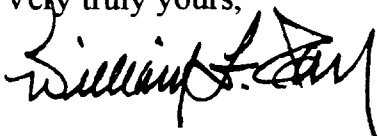
Gentlemen:

This letter is to advise you that Saga Petroleum, L.L.C. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authority to drill its proposed Dero Federal Well No. 3 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line of Section 35, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The S/2 of said Section 35 will be dedicated to this well.

This application has been set for hearing before a Division Examiner on June 25, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR SAGA PETROLEUM, L.L.C.  
Enc.



Is your **RETURN ADDRESS** completed on the reverse side?

**SENDER:**

- ☐ Complete items 1 and/or 2 for additional services.
- ☐ Complete items 3, 4a, and 4b.
- ☐ Print your name and address on the reverse of this form so that we can return this card to you.
- ☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.
- ☐ Write "Return Receipt Requested" on the mailpiece below the article number.
- ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
  - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

**John Huffman**  
**ATTN: Jerrell Huffman**  
**4618 Tryon Road**  
**Longview, TX 75605**

4a. Article Number

**Z 211 156 131**

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☒ Certified
- ☐ Insured
- ☐ COD

7. Date of Delivery

**10-5-98**

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

**X**

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

**Z 211 156 131**

US Postal Service

**Receipt for Certified Mail**

**John Huffman**

**ATTN: Jerrell Huffman**

**4618 Tryon Road**

**Longview, TX 75605**

|  |                    |
|--|--------------------|
| Postage  | \$ .32             |
| Certified Fee                                      | 1.35               |
| Special Delivery Fee                               |                    |
| Restricted Delivery Fee                            |                    |
| Return Receipt Showing to Whom & Date Delivered    | 1.10               |
| Return Receipt Showing Date, & Addressee's Address |                    |
| <b>TOTAL Postage &amp; Fees</b>                    | <b>\$2.77</b>      |
| Postmark or Date                                   | <b>JUN 04 1998</b> |

PS Form 3800, April 1995

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CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
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OF COUNSEL

June 4, 1998

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**RETURN RECEIPT REQUESTED**

Myrlene M. Dillon  
#4 Churchill Way  
Midland, TX 79705

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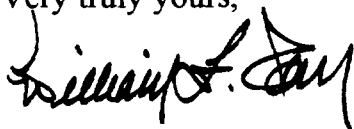
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Enc.



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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

**Myrlene M. Dillon**  
**#4 Churchill Way**  
**Midland, TX 79705**

4a. Article Number  
**Z 211 156 129**

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☒ Certified
- ☐ Insured
- ☐ COD

7. Date of Delivery

**JUN 11 1998**

5. Received By: (Print Name)

*Myrlene M. Dillon*

6. Signature of Addressee or Agent

*X Myrlene M. Dillon*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

**Z 211 156 129**

US Postal Service

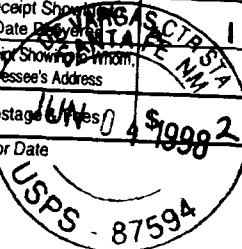
**Receipt for Certified Mail**

**Myrlene M. Dillon**

**#4 Churchill Way**

**Midland, TX 79705**

|   |                    |
|---|--------------------|
| Postage   | \$ .32             |
| Certified Fee   | 1.35               |
| Special Delivery Fee  |                    |
| Restricted Delivery Fee                                     |                    |
| Return Receipt Showing Whom & Date Received                 | 1.10               |
| Return Receipt Showing to Whom, Date, & Addressee's Address |                    |
| <b>TOTAL Postage &amp; Fees</b>                             | <b>\$ 2.77</b>     |
| Postmark or Date  | <b>JUN 11 1998</b> |



PS Form 3800 April 1995

Thank you for using Return Receipt Service.

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

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WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
ANTHONY F. MEDEIROS  
PAUL R. OWEN  
KATHERINE M. MOSS  
JACK M. CAMPBELL  
OF COUNSEL

June 4, 1998

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Robert G. Ettelson  
3037 NW 63rd, Suite 240  
Oklahoma City, OK 73116

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy  
County, New Mexico

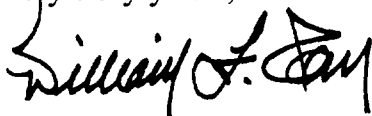
Dear Mr. Ettelson:

This letter is to advise you that Saga Petroleum, L.L.C. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authority to drill its proposed Dero Federal Well No. 3 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line of Section 35, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The S/2 of said Section 35 will be dedicated to this well.

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Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR SAGA PETROLEUM, L.L.C.  
Enc.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- ☐ Complete items 1 and/or 2 for additional services.
- ☐ Complete items 3, 4a, and 4b.
- ☐ Print your name and address on the reverse of this form so that we can return this card to you.
- ☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.
- ☐ Write "Return Receipt Requested" on the mailpiece below the article number.
- ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
  - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

**Robert G. Ettelson**  
**3037 NW 63rd, Suite 240**  
**Oklahoma City, OK 73116**

4a. Article Number

**Z 211 156 130**

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☒ Certified
- ☐ Insured
- ☐ COD

7. Date of Delivery

**6-18-98**

5. Received By: (Print Name)

6. Signature (Addressed or Agent)

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

8. Addressee's Address (Only if requested and fee is paid)

**Z 211 156 130**

US Postal Service

**Receipt for Certified Mail**

**Robert G. Ettelson**  
**3037 NW 63rd, Suite 240**  
**Oklahoma City, OK 73116**

|   |                     |
|---|---------------------|
| Postage   | \$ .32              |
| Certified Fee   | 1.55                |
| Special Delivery Fee  |                     |
| Restricted Delivery Fee                                     |                     |
| Return Receipt Showing to Whom & Date Delivered             | 1.10                |
| Return Receipt Showing to Whom, Date, & Addressee's Address |                     |
| <b>TOTAL Postage &amp; Fees</b>                             | <b>\$ 2.77</b>      |
| Postmark or Date  | <b>164 0 4 1998</b> |

**USPS - 87594**

PS Form 3800, April 1995

Thank you for using Return Receipt Service.



CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
ANTHONY F. MEDEIROS  
PAUL R. OWEN  
KATHERINE M. MOSS  
JACK M. CAMPBELL  
OF COUNSEL

June 4, 1998

JEFFERSON PLACE  
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POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Sombrero Associates  
120 N. Robinson, #1913  
Oklahoma City, OK 73102

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy  
County, New Mexico

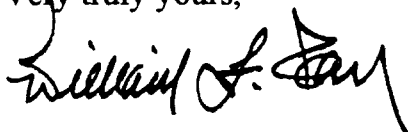
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ATTORNEY FOR SAGA PETROLEUM, L.L.C.  
Enc.

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

LAWYERS

POST OFFICE BOX 2208

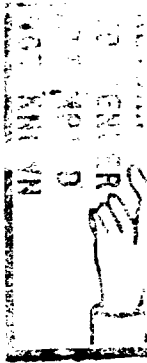
SANTA FE, NEW MEXICO 87504-2208

**CERTIFIED**

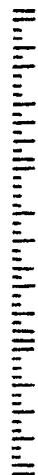
Z 211 156 132

**MAIL**

Sombrero Associates  
120 N. Robinson, #1913  
Oklahoma City, OK 73102



73102 8759A / 8759A



Z 211 156 132

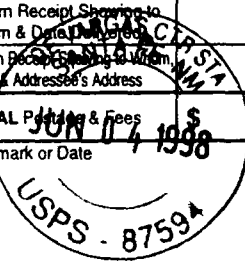
US Postal Service

**Receipt for Certified Mail**

**Sombrero Associates  
120 N. Robinson, #1913  
Oklahoma City, OK 73102**

|   |                |
|---|----------------|
| Postage   | \$ .32         |
| Certified Fee   | 1.35           |
| Special Delivery Fee  |                |
| Restricted Delivery Fee                                     |                |
| Return Receipt Showing to Whom & Date Delivered             | 1.10           |
| Return Receipt Showing to Whom, Date, & Addressee's Address |                |
| <b>TOTAL Postage &amp; Fees</b>                             | <b>\$ 2.77</b> |
| Postmark or Date  | JUN 14 1998    |

PS Form 3800, April 1995



CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

LAWYERS

POST OFFICE BOX 2208

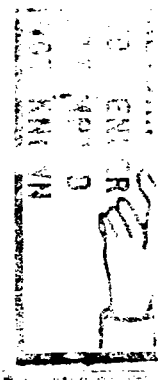
SANTA FE, NEW MEXICO 87504-2208

**CERTIFIED**

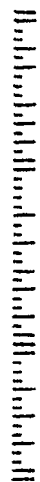
7 211 156 132

**MAIL**

Sombrero Associates  
120 N. Robinson, #1913  
Oklahoma City, OK 73102



73102 27504 / 2208



7 211 156 132

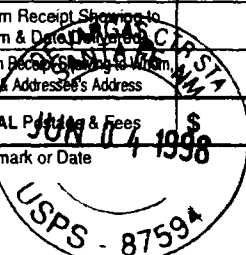
US Postal Service

**Receipt for Certified Mail**

Sombrero Associates  
120 N. Robinson, #1913  
Oklahoma City, OK 73102

|   |             |
|---|-------------|
| Postage   | \$ .32      |
| Certified Fee   | 1.35        |
| Special Delivery Fee  |             |
| Restricted Delivery Fee                                     |             |
| Return Receipt Showing to Whom & Date Delivered             | 1.10        |
| Return Receipt Showing to Whom, Date, & Addressee's Address |             |
| TOTAL Postage & Fees  | \$ 2.77     |
| Postmark or Date  | JUN 07 1998 |

PS Form 3800, April 1995





CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B CAMPBELL  
WILLIAM F CARR  
BRADFORD C BERGE  
MARK F SHERIDAN  
MICHAEL H FELDEWERT  
ANTHONY F MEDEIROS  
PAUL R OWEN  
KATHERINE M. MOSS  
JACK M CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Marion K. Tullis  
#43 Palisades  
Longview, TX 75605

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy  
County, New Mexico

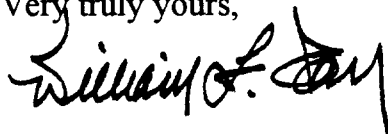
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Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR SAGA PETROLEUM, L.L.C.  
Enc.

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**SENDER:**

- ☐ Complete items 1 and/or 2 for additional services.
- ☐ Complete items 3, 4a, and 4b.
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- ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
  - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

**Marion K. Tullis  
#43 Palisades  
Longview, TX 75605**

4a. Article Number

**Z 211 156 133**

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☒ Certified
- ☐ Insured
- ☐ COD

7. Date of delivery

**6/18/98**

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

**X Marion K. Tullis**

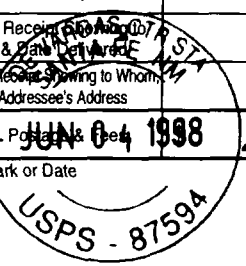
PS Form **3811**, December 1994

102595-98-B-0229

**Domestic Return Receipt**

7 211 156 133  
US Postal Service  
**Receipt for Certified Mail**  
**Marion K. Tullis**  
**#43 Palisades**  
**Longview, TX 75605**

|   |    |                    |
|---|----|--------------------|
| Postage   | \$ | <b>.32</b>         |
| Certified Fee   |    | <b>1.35</b>        |
| Special Delivery Fee                                      |    |                    |
| Restricted Delivery Fee                                   |    |                    |
| Return Receipt Fee (for Whom & Date Delivered)            |    | <b>1.10</b>        |
| Return Receipt Fee (to Whom, Date, & Addressee's Address) |    |                    |
| <b>TOTAL Postage &amp; Fees</b>                           |    | <b>2.77</b>        |
| Postmark or Date  |    | <b>JUN 04 1998</b> |



PS Form **3800**, April 1995

Thank you for using Return Receipt Service.

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

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WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
ANTHONY F. MEDEIROS  
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JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TDT Diverse LP  
Suite 340  
16414 San Pedro Avenue  
San Antonio, TX 78232

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy  
County, New Mexico

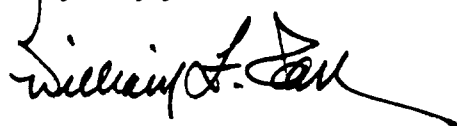
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WILLIAM F. CARR  
ATTORNEY FOR SAGA PETROLEUM, L.L.C.  
Enc.



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3. Article Addressed to:

**TDT Diverse LP**  
**Suite 340**  
**16414 San Pedro Avenue**  
**San Antonio, TX 78232**

4a. Article Number

**Z 211 156 124**

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

**X**

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102505-98-B-0229

Domestic Return Receipt

**Z 211 156 124**  
 US Postal Service  
**Receipt for Certified Mail**  
**TDT Diverse LP**  
**Suite 340**  
**16414 San Pedro Avenue**  
**San Antonio, TX 78232**

|   |                     |
|---|---------------------|
| Postage   | \$ .32              |
| Certified Fee   | 1.35                |
| Special Delivery Fee  |                     |
| Restricted Delivery Fee                                     |                     |
| Return Receipt Showing to Whom & Date Delivered             | 1.10                |
| Return Receipt Showing to Whom, Date, & Addressee's Address |                     |
| <b>TOTAL Postage &amp; Fees</b>                             | <b>2.77</b>         |
| Postmark or Date  | APR 4 1998<br>87594 |

PS Form 3800, April 1995

Thank you for using Return Receipt Service.

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
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FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Charles Tullis  
P.O. Box 150122  
Longview, TX 75615

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy County, New Mexico

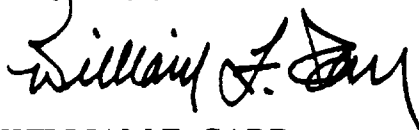
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**Longview, TX 75615**

4a. Article Number

**Z 211 156 134**

4b. Service Type

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- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☒ Certified
- ☐ Insured
- ☐ COD

7. Date of Delivery

**6-15-98**

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

PS Form **3811**, December 1994

102595-98-B-0229

Domestic Return Receipt

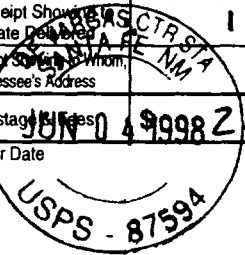
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**Z 211 156 134**

US Postal Service  
**Receipt for Certified Mail**  
**Charles Tullis**  
**P.O. Box 150122**  
**Longview, TX 75615**

|   |             |
|---|-------------|
| Postage   | \$ .32      |
| Certified Fee   | 1.35        |
| Special Delivery Fee  |             |
| Restricted Delivery Fee                                     |             |
| Return Receipt Showing Whom & Date Delivered                | 1.10        |
| Return Receipt Showing to Whom, Date, & Addressee's Address |             |
| <b>TOTAL Postage &amp; Fees</b>                             | <b>2.77</b> |
| Postmark or Date  |             |

PS Form **3800**, April 1995





CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

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BRADFORD C. BERGE  
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TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Reeves County Systems, Inc.  
P.O. Box 152  
Odessa, TX 79760

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy  
County, New Mexico

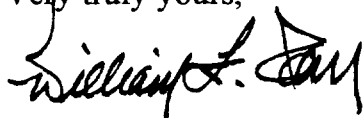
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ATTORNEY FOR SAGA PETROLEUM, L.L.C.  
Enc.

Z 211 156 127  
 US Postal Service  
**Receipt for Certified Mail**  
**Reeves County Systems, Inc.**  
**P.O. Box 152**  
**Odessa, TX 79760**

|   |             |
|---|-------------|
| Postage   | \$ .32      |
| Certified Fee   | 1.35        |
| Special Delivery Fee                                      |             |
| Restricted Delivery Fee                                   |             |
| Return Receipt Showing to Whom Delivered                  | 1.10        |
| Return Receipt Showing to Whom Date & Addressee's Address |             |
| <b>TOTAL Postage &amp; Fees</b>                           | <b>2.77</b> |
| Postmark or Date  | 87594       |

PS Form 3800, April 1995

Is your **RETURN ADDRESS** completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

**Reeves County Systems, Inc.**  
**P.O. Box 152**  
**Odessa, TX 79760**

4a. Article Number

Z 211 156 127

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☒ Certified
- ☐ Insured
- ☐ COD

7. Date of Delivery

6-1-95

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

Robert T. Williams

6. Signature (Addressee or Agent)

X

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
ANTHONY F. MEDEIROS  
PAUL R. OWEN  
KATHERINE M. MOSS  
JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Oxy USA Inc.  
Western  
ATTN: Western Controller  
P.O. Box 50250  
Midland, TX 79710-0250

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy  
County, New Mexico

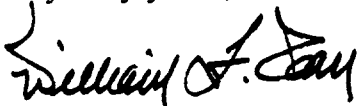
Gentlemen:

This letter is to advise you that Saga Petroleum, L.L.C. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authority to drill its proposed Dero Federal Well No. 3 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line of Section 35, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The S/2 of said Section 35 will be dedicated to this well.

This application has been set for hearing before a Division Examiner on June 25, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR SAGA PETROLEUM, L.L.C.  
Enc.

Is your **RETURN ADDRESS** completed on the reverse side?

**SENDER:**

- ☐ Complete items 1 and/or 2 for additional services.
- ☐ Complete items 3, 4a, and 4b.
- ☐ Print your name and address on the reverse of this form so that we can return this card to you.
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- ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
  - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

**Oxy USA Inc. Western**  
**ATTN: Western Controller**  
**P.O. Box 50250**  
**Midland, TX 79710-0250**

4a. Article Number  
**Z 211 156 126**

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: Addressee Agent

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

7 211 156 126  
 US Postal Service  
**Receipt for Certified Mail**  
**Oxy USA Inc. Western**  
**ATTN: Western Controller**  
**P.O. Box 50250**  
**Midland, TX 79710-0250**

|   |            |
|---|------------|
| Postage   | \$ .32     |
| Certified Fee                                   | 1.35       |
| Special Delivery Fee                            |            |
| Restricted Delivery Fee                         |            |
| Return Receipt Showing to Whom & Date Delivered | 1.10       |
| Return Receipt Showing to Whom & Date Delivered |            |
| TOTAL Postage & Fees                            | 2.77       |
| Postmark or Date                                | APR 1 1998 |

PS Form 3800, April 1995



CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
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ANTHONY F. MEDEIROS  
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SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Duer Wagner, Jr.  
3400 City Center Tower II  
301 Commerce Street  
Fort Worth, TX 76102

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy  
County, New Mexico

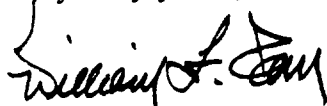
Dear Mr. Wagner:

This letter is to advise you that Saga Petroleum, L.L.C. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authority to drill its proposed Dero Federal Well No. 3 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line of Section 35, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The S/2 of said Section 35 will be dedicated to this well.

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Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR SAGA PETROLEUM, L.L.C.  
Enc.

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I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

**Duer Wagner, Jr.**  
**3400 City Center Tower II**  
**301 Commerce Street**  
**Fort Worth, TX 76102**

4a. Article Number  
**Z 211 156 125**

4b. Service Type.

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☒ Certified
- ☐ Insured
- ☐ COD

7. Date of Delivery  
**APR 1 1998**

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

PS Form **3811**, December 1994

102595-98-B-0229

Domestic Return Receipt

**Z 211 156 125**

US Postal Service

**Receipt for Certified Mail**

**Duer Wagner, Jr.**  
**3400 City Center Tower II**  
**301 Commerce Street**  
**Fort Worth, TX 76102**

|   |                   |
|---|-------------------|
| Postage   | \$ .32            |
| Certified Fee   | 1.35              |
| Special Delivery Fee  |                   |
| Restricted Delivery Fee                                     |                   |
| Return Receipt Showing to Whom & Date Delivered             | 1.10              |
| Return Receipt Showing to Whom, Date, & Addressee's Address |                   |
| <b>TOTAL Postage &amp; Fees</b>                             | <b>2.77</b>       |
| Postmark or Date  | <b>APR 1 1998</b> |

PS Form **3800**, April 1995

Thank you for using Return Receipt Service.