

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

December 8, 1999

Post-it® Fax Note	7671	Date	12-8-99	# of pages ▶	4
To	Gary Lang	From	Duke Roush		
Co./Dept.		FAXED			
Phone #	originals	Phone #		in the	
Fax #		Fax #		Mail.	

Pogo Producing Company
P. O. Box 10340
Midland, Texas 79702-7340

ATTN: Gary Lang

Re: T-18-S, R-26-E
Section 24: E/2
Section 19: W/2
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Pursuant to our telephone conversation of this date, Nearburg Exploration Company, L.L.C. (NEC) would like to exchange our 17.5 acres located in the S/2 of Section 18, T-20-S, R-25-E (Tract 1) for acreage Pogo Producing Company (Pogo) owns in the captioned acreage (Tract 2) on the following basis:

- 1) NEC shall assign to Pogo the 17.5 acres it owns in Tract 1 in exchange for an assignment of 17.5 acres that Pogo owns in the W/2 of Section 19.
- 2) The parties agree to equalize NRI's on the acreage exchanged.
- 3) NEC agrees to pay Pogo \$125.00 per net acre owned in the balance of Tract 2 for a two (2) year Term Assignment of said interest delivering NEC a 77.5% NRI.
- 4) Said Term Assignment shall contain a 180 day continuous drilling provision.
- 5) Should Pogo not wish to grant a Term Assignment, NEC would be willing to acquire a Farmout of the balance of the acreage in Tract 2 on the following basis.
 - a) On or before April 30, 2000, NEC agrees to spud a 9,600' Morrow test at a legal location in Tract 2.
 - b) Pogo shall reserve an ORRI equal to the difference between existing burdens and 22.5%, proportionately reduced.
 - c) Upon payout of the initial well, Pogo shall have the option to convert said ORRI to a 25% W.I., proportionately reduced.

Mr. Gary Lang
Pogo Producing Company
December 8, 1999
Page Two

- d) NEC would have a 180 day continuous drilling option to develop the balance of the acreage not committed to a producing proration unit.

This offer shall expire on its own terms unless accepted by Pogo in writing prior to 5:00 p.m. CST on December 22, 1999.

If we can be of any further assistance, please advise.

Yours very truly,



Duke Roush
Senior Landman

DR/dw

Nearburg Exploration Company, L.L.C.

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

December 16, 1999

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Pogo Producing Company
P. O. Box 10340
Midland, Texas 79702-7340

Attn: Mr. Gary Lang

Re: Letter Agreement to Trade
Acreage and set Farmout Terms
New Cemetery Prospect and
Rio Pecos Prospect
Eddy County, New Mexico

Dear Gary:

Pursuant to your recent telephone conversations with Duke Roush of our office, please consider this letter as Pogo's and Nearburg's agreement to trade the following described acreage in our New Cemetery Prospect and set forth mutual agreements concerning Pogo's further participation or farmout to Nearburg under our Rio Pecos Prospect.

Nearburg hereby agrees to trade our leasehold (17.5 net acres) under the Partridge and Fry leases in the E/2 SW/4 and W/2 SE/4 of Section 18, T-20-S, R-25-E, NMPM, Eddy County, New Mexico for an undivided 17.5 net acres of Pogo's leasehold in the W/2 of Section 19, T-18-S, R-27-E, NMPM, Eddy County, New Mexico. The net revenue interests delivered by both parties shall be 80%, proportionately reduced to the leasehold interest conveyed.

As to the remainder of Pogo's leasehold interest in the W/2 of Section 19 and the E/2 of Section 24, T-18-S, R-26-E, NMPM, Eddy County, New Mexico, Nearburg is agreeable to presenting its geological presentation to Pogo in your offices, if Pogo is agreeable to either of the following:

1. Pogo elects to participate with its remaining leasehold interest in said sections by executing Nearburg's AFE and a mutually acceptable joint operating agreement (naming Nearburg as operator) within 15 days of Nearburg's geological presentation; or,
2. Pogo agrees to farmout its remaining leasehold interest in said sections, executing a mutually acceptable farmout agreement, delivering a 77.5% net revenue interest proportionately reduced, with the right for Pogo to convert all

its retained overriding royalty interest to a proportionately reduced 25% working interest after payout of the initial test well.

If the above meets with Pogo's approval, please so indicate by signing and returning one copy of this agreement to the undersigned at your earliest convenience. Should you have any questions, please feel free to contact me.

Sincerely,

Mark Wheeler, CPL
Senior Landman

AGREED TO AND ACCEPTED this _____ day
of December, 1999.

POGO PRODUCING COMPANY

By: _____
Name: _____
Title: _____

P 497 369 864

/cmw:rio pecos(1m)

US Postal Service
FIRST CLASS

New Cemetery Rio Pecos

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.

3. Article Addressed to:

Pogo Producing Company
P. O. Box 10340
Midland, Texas 79702-7340

4a. Article Number
P 497 369 864

4b. Service Type

Registered
 Express Mail
 Return Receipt for Merchandise

Certified
 Insured
 COD

7. Date of Delivery

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

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
X *Patty J. Morgan*

102595-98-B-0229

PS Form 3811, December 1994

Thank you for using Return Receipt Service.

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

Post-it® Fax Note 7671		Date 1-5-00	# of pages 3
To Gary Lang	From Mark Wheeler		
Co./Dept.	Co.		
Phone #	FAXED		
Fax # 685-8151	Fax #		

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Pogo Producing Company
P. O. Box 10340
Midland, Texas 79702-7340
Attn: Mr. Gary Lang

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Gary:

Please find enclosed Nearburg's AFE to drill the captioned well for Pogo's review and approval. If Pogo desires to participate with its leasehold interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we would be agreeable to taking a farmout of your interest as we outlined in my letter to you on December 16th. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Yates Brothers, A Partnership
105 S. Fourth St.
Artesia, New Mexico 88210

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Nearburg Exploration Company, L.L.C.

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Yates Petroleum Corporation
105 S. Fourth St.
Artesia, New Mexico 88210

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

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Sincerely,



Mark Wheeler, CPL
Senior Landman

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December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

George Lundblade
c/o Dr. Chamber Loughridge, Inc. Exec.,
3901 River Drive
Alexandria, VA 22309-3053

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Dr. Loughridge:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Nearburg Exploration Company, L.L.C.

Exploration and Production
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December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Ruby Rogers
c/o Ron Rogers
Rural Route 4
Abilene, KS 67410

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Rogers:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Nearburg Exploration Company, L.L.C.

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Building 2, Suite 120
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December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Jesma Hopper for the Estates of
Pauline R. Swearingen and
Homer A. Swearingen Dec.
2364 N. Richmond St.
Wichita, KS 67204-5538

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Hopper:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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3300 North "A" Street
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Midland, Texas 79705
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Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

First National Bank of Topeka
Bank of America
Trustee of the Julie J. Martin Living Trust dated 4/28/80
P. O. Box 88
Topeka, KS 66601

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Nearburg Exploration Company, L.L.C.

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Flora Jane Hopkins
2149 San Anseline Ave.
Long Beach, CA 90815

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Hopkins:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Stella P. Herrell
1003 Lynda Lane
Arlington, TX 76103

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Herrell:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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*

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Craig Collins and Sheryl Collins
3209 SW Belle Ave.
Topeka, KS 66614-4027

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. and Ms. Collins:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Sheryl S. Johnson
3209 SW Belle Ave.
Topeka, KS 66614-4027

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Johnson:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Bank of America, Trustee for the
Birdie F. Coryell Rev. Trust dated 10/2/85
P. O. Box 830308
Dallas, Texas 75283-0308

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

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Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Kenneth W. Brown, Ind. Exe. of the
Estate of Gleason Brown, Dec.
756 Bacon Road
Hinesville, GA 31313

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Brown:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Nearburg Exploration Company, L.L.C.

Exploration and Production
3300 North "A" Street
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December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

James A. and Judith A. Brown
RR 2
Miller, MO 65707-9802

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. and Mrs. Brown:

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Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Louise M. Richardson, Dec.
c/o Mary Harris
P. O. Box 53
Richmond, KS 66080

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Harris:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Marjorie Moran, PR of the Est. of
Ernest L. Redford Dec.
111 Nara Vista
Albuquerque, New Mexico 87107

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Moran:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Edna Mae Watt
400 Holland Drive
Broderick, CA 95605

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Watt:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

The Estate of James A. Collier
c/o Greg Collier and James Collier, Jr.
1113 Shady Oak
McKinney, TX 75070

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Collier:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

**John Collier Major and
Stephen Alfred Major, Trustee UWO
John Charles Major
P. O. Box 250
Reydon, OK 73660**

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Major:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

James Mayberry
3426 Eastern SE Ave., Apt. #4
Albuquerque, NM 87106

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Mayberry:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Chase Bank of Texas
Trustee for Anglea Leigh Simpson Starrett and
UWO R.E. Boyle
500 W. Texas
Midland, Texas 79702

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Feagan Energy, Inc.
P. O. Box 50307
Midland, Texas 79710

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 1/5th royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Rockhill Royalty Partnership
P. O. Box 1981
Midland, Texas 79702

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 1/5th royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Winnie Dill Knox, Dec.
300 Crescent Court, Suite 1630
Dallas, Texas 75201

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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*

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Winnie Dill Knox, Trustee UWO
T. B. Knox Dec.
300 Crescent Court, Suite 1630
Dallas, Texas 75201

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Jack Dill Knox
300 Crescent Court, Suite 1630
Dallas, Texas 75201

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Knox:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Therylene Knox Helm
4401 Edmonson
Dallas, Texas 75205

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Helm:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Texaco Oil and Gas, Inc.
4299 McArthur Blvd.
New Port Beach, CA 92660

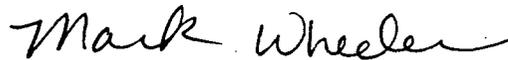
Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19.
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

William J. McCaw
1106 W. Main
Artesia, New Mexico 88210

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. McCaw:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$200.00 per net mineral acre, for a 3 year primary term, with a 1/4th royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Ralph Nix, A Partnership
P. O. Box 440
Artesia, New Mexico 88210

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Nix:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$200.00 per net mineral acre, for a 3 year primary term, with a 1/4th royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 29, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Martin Yates III
105 S. Fourth St.
Artesia, New Mexico 88210

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

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Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark Wl
Rio Pecos

Z 236 366 905
US Postal Service
19 Com. #1

/cmw:rio pecos afe(1m)

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:

4a. Article Number
Z 236 366 905

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 Certified
 Insured
 COD

7. Date of Delivery
12-29-99

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

5. Received By: (Print Name)
JOANN GRIGGS

6. Signature: (Addresser or Agent)
Joann Griggs

X

102595-98-B-0229 Domestic Return Receipt
PS Form 3811, December 1994

Thank you for using Return Receipt Service.

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

December 29, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Mariene Counts
3217 N. Halstade Street
Hutchison, KS 67501

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

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Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark Wheeler

/cmw:rio pecos afe(1m)

M: PS Form 3800, April 1995
Se

Z 236 367 602

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

ST	
Pr	
Pc	Mariene Counts
Ca	3217 N. Halstade Street Hutchison, KS 67501
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	Rio Pecos 19 Dec. #1

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

December 29, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Frank Lee Muncy
 7750 E. Broadway #513
 Mesa, AZ 85208

Re: AFE to drill Rio Pecos "19" Com. #1 Well
 1980' FNL & 660' FWL of Section 19,
 T-18-S, R-27-E, NMPM
Eddy County, New Mexico
 Rio Pecos Prospect

Gentlemen:

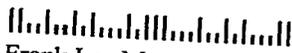
Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

M. L. Muncy
 Rio Pecos 19 Com. #1

/cmw:rio pecos afe(1)

Is your RETURN ADDRESS completed on the reverse side? 3. Article Addressed to:  Frank Lee Muncy 7750 E. Broadway #513 Mesa, AZ 85208	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. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
	4a. Article Number 2 236 367 604	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
5. Received By: (Print Name) 6. Signature: (Addressee or Agent) X <i>Frank Muncy</i>	7. Date of Delivery 1-5-00	8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

15 Postal Service

Z 236 367 604

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

December 29, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Richard D. Jones, Jr.
 Route 2, Box 57B
 Cedar Creek, TX 78612

Re: AFE to drill Rio Pecos "19" Com. #1 Well
 1980' FNL & 660' FWL of Section 19,
 T-18-S, R-27-E, NMPM
Eddy County, New Mexico
 Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

7 236 367 601

M.A. Jones, Jr.
 Rio Pecos 19 Com. #1

US Postal Service

/cmw:rio pecos afe(1m)

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. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
	3. Article Addressed to:  Richard D. Jones, Jr. Route 2, Box 57B Cedar Creek, TX 78612		4a. Article Number 2 236 367 601
	5. Received By: (Print Name) Patrick Higgins		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
	6. Signature: (Addressee or Agent) X <i>Patrick Higgins</i>		7. Date of Delivery 1-4-00 8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

Nearburg Producing Company

Exploration and Production
Dallas, Texas

11111 copy
cc to TRM

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Pogo Producing Company 47.006429%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

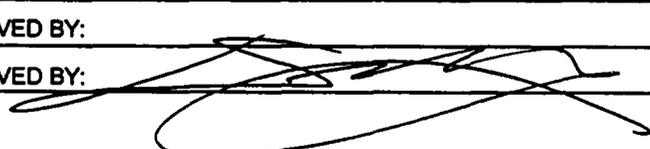
AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
 LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
 FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
 DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Yates Brothers, A Partnership 1.809438%
 BY _____
 TITLE _____
 DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
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DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Yates Petroleum Corporation .63714%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

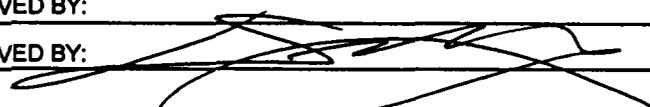
AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
 LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
 FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
 DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY George Lundblade .020267%
 BY _____
 TITLE _____
 DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Ruby Rogers Estate .040534%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
 LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
 FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
 DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,787	224,687
ESTIMATED TOTAL WELL COSTS			470,406	331,888	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

Jesma Hopper for the Estates of Pauline R.
and Homer A. Swearingen - .162132%

WI APPROVAL: COMPANY _____
 BY _____
 TITLE _____
 DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

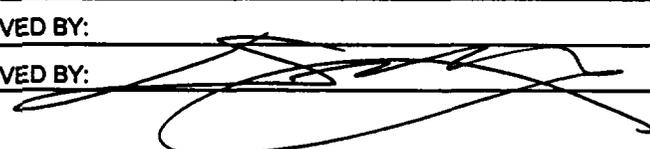
AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
 LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
 FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
 DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL:

COMPANY

BY

TITLE

DATE

First National Bank of Topeka - .054042%
 Trustee of the Julie J. Martin Living Trust dated 4/28/80

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Flora Jane Hopkins .032426%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

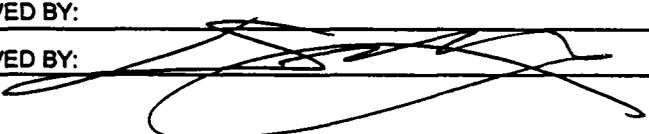
AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,800	10,800
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,408	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Stella P. Herrell .032426%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Craig and Sheryl Collins .01351%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Sheryl S. Johnson 0.01351%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

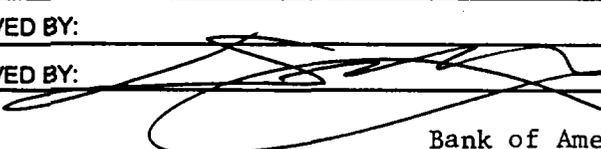
LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,850	2,850
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

Bank of America, Trustee for the
Birdie F. Coryell Rev. Trust
dated 10/2/85 .032426%

WI APPROVAL: COMPANY _____
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
 LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
 FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
 DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

Kenneth W. Brown, Ind. Exe. of the
Estate of Gleason Brown, Dec. .032426%

WI APPROVAL: COMPANY _____
 BY _____
 TITLE _____
 DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY James A. and Judith A. Brown .016211%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

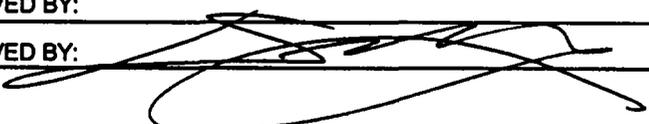
AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Louise M. Richardson, Deceased
BY c/o Mary Harris .040534%
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

Marjorie Moran, Personal Representative
of the Estate of Ernest L. Redford Deceased .040534%

WI APPROVAL: COMPANY _____
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Edna Mae Watt .040534%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
 LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
 FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
 DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY The Estate of James A. Collier .032426%
 BY _____
 TITLE _____
 DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:		TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @ 0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @ 24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @ 0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @ 0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @ 10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @ 0.00 \$/Ft	0		0	0
Production Liner	0 Ft @ 0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @ 3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @ 0.00 \$/Ft	0		0	0
Artificial Lift Equipment		0		0	0
Tank Battery		0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO		0		12,720	12,720
* Well Head Equipment & Christmas Tree		2,500		11,500	14,000
Subsurface Well Equipment		0		6,148	6,148
Flow Lines		0		13,250	13,250
Saltwater Disposal Pump		0		0	0
Gas Meter		0		1,484	1,484
Lact Unit		0		0	0
Vapor Recovery Unit		0		0	0
Other Well Equipment		0		0	0
ROW and Damages		0		2,650	2,650
Surface Equipment Installation Costs		0		9,540	9,540
Elect. Installation		0		0	0
ESTIMATED TOTAL TANGIBLES		28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS		470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

John Collier Major and Stephen Alfred Major,
Trustee UWO John Charles Major
.032426%

WI APPROVAL: COMPANY _____
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,800	10,800
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY James Mayberry .03278%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

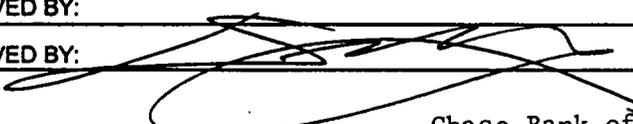
LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

Chase Bank of Texas, Trustee for
Anglea Leigh Simpson Starrett and
UWO R.E. Boyle, Dec. .520833%

WI APPROVAL: COMPANY _____
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Feagan Energy, Inc. .159285%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

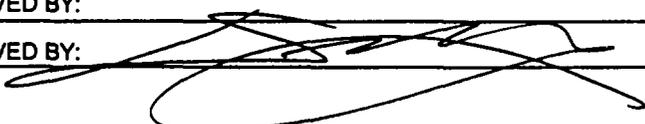
LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL:

COMPANY
BY
TITLE
DATE

Rockhill Royalty Partnership .477855%

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	28,400		0	28,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,408		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Winnie Dill Knox, Dec. .708042%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

Winnie Dill Knox, Trustee UWO.
T.B. Knox Dec. .550699%

WI APPROVAL: COMPANY _____
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

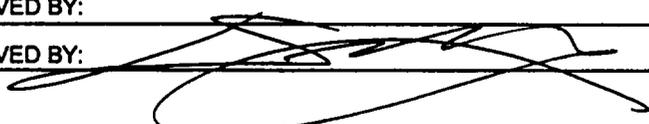
AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
 LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
 FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
 DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Jack Dill Knox .052447%
 BY _____
 TITLE _____
 DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,800	10,800
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Therylene Knox Helm .052447%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

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DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Texacal Oil and Gas, Inc. .052447%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

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DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 8/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY William J. McCaw .183568%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
 LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
 FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
 DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Ralph Nix, A Partnership .183568%
 BY _____
 TITLE _____
 DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBD: 9,700'
LOCATION: 1,980' FNL & 860' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,800	0	10,800
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,284	15,284
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

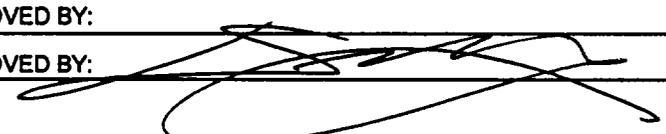
AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Spear Brothers Sheep & Cattle 1.554001%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,784	0	174,784
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Martin Yates III .786712%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

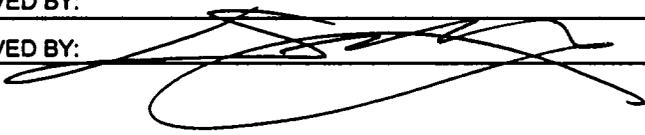
AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:		TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @ 0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @ 24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @ 0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @ 0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @ 10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @ 0.00 \$/Ft	0		0	0
Production Liner	0 Ft @ 0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @ 3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @ 0.00 \$/Ft	0		0	0
Artificial Lift Equipment		0		0	0
Tank Battery		0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO		0		12,720	12,720
* Well Head Equipment & Christmas Tree		2,500		11,500	14,000
Subsurface Well Equipment		0		6,148	6,148
Flow Lines		0		13,250	13,250
Saltwater Disposal Pump		0		0	0
Gas Meter		0		1,484	1,484
Lact Unit		0		0	0
Vapor Recovery Unit		0		0	0
Other Well Equipment		0		0	0
ROW and Damages		0		2,650	2,650
Surface Equipment Installation Costs		0		9,540	9,540
Elect. Installation		0		0	0
ESTIMATED TOTAL TANGIBLES		28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS		470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Richard D. Jones .173611%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
 LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
 FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,800	0	10,800
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,284	15,284
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

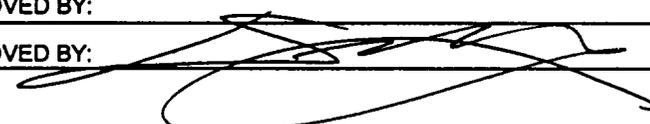
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Mariene Counts .20979%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
 LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
 FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,800	0	10,800
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

Eddie V. Peoples .094405%

WI APPROVAL: COMPANY _____
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

<u>INTANGIBLE COSTS:</u>	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,284	15,284
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY L.N. Muncy Heirs .629371%
BY _____
TITLE _____
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

cc to TRM

January 19, 2000

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Larry L. Redford
2608 Pearl
Odessa, Texas 79760

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Redford:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Rio Pecos 19 Com. #1

/cmw:rio pecos afe(1m)

your RETURN ADDRESS completed on the reverse side?	SENDER: <input type="checkbox"/> Complete items 1 and/or 2 for additional services. <input type="checkbox"/> Complete items 3, 4a, and 4b. <input type="checkbox"/> Print your name and address on the reverse of this form so that we can return this card to you. <input type="checkbox"/> Attach this form to the front of the mailpiece, or on the back if space does not permit. <input type="checkbox"/> Write "Return Receipt Requested" on the mailpiece below the article number. <input type="checkbox"/> 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. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
	3. Article Addressed to:  Larry L. Redford 2608 Pearl Odessa, Texas 79760	4a. Article Number 2 236 367 619
5. Received By: (Print Name) 	7. Date of Delivery 2/19/2000	8. Addressee's Address (Only if requested and fees paid)
6. Signature: (Addressee or Agent) X Virginia Redford	PS Form 3811, December 1994 302595-96-8-0229 Domestic Return Receipt	

Thank you for using Return Receipt Service.

679 29E 9E2 Z

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
 LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
 FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

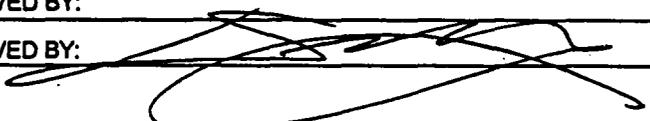
AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NBC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

Larry L. Redford, Heir to the Estate
of Ernest L. Redford, Deceased

.01351134%

WI APPROVAL: COMPANY _____
BY _____
TITLE _____
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

cc to YRM

January 19, 2000

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Diana Peace
12512 Monarch Dr. NE
Albuquerque, New Mexico 87123

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Peace:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Rio Pecos 19 Com. #1

/cmw:rio pecos afe(1m

Is your RETURN ADDRESS completed on the reverse side?	SENDER: <ul style="list-style-type: none">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. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
	3. Article Addressed to: ██ Diana Peace 12512 Monarch Dr. NE Albuquerque, New Mexico 87123	4a. Article Number 2236 367 620 4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD 7. Date of Delivery 1/22/00
	5. Received By: (Print Name) DIANA L. PEACE 6. Signature: (Addressee or Agent) X Diana L. Peace	8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

029 29E 9E2 Z

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
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COMMUNICATIONS ACCOUNT NUMBER:

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Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
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Nearburg Producing Company

Exploration and Production
Dallas, Texas

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Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,408	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

Diana Peace, Heir to the Estate of Ernest L. Redford, Deceased

.01351133%

WI APPROVAL: COMPANY _____
BY _____
TITLE _____
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

CC: TRM

January 19, 2000

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Sonja Lopez
4006 San Andres NE
Albuquerque, New Mexico 87110

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Lopez:

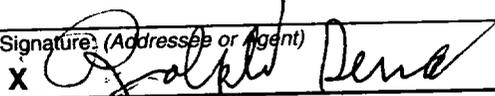
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Sincerely,

Rio Pecos 19 Com. #1

/cmw:rio pecos afe(1)

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	3. Article Addressed to:  Sonja Lopez 4006 San Andres NE Albuquerque, New Mexico 87110	4a. Article Number 2 236 367 621
	4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	<input checked="" type="checkbox"/> Certified <input type="checkbox"/> Insured <input type="checkbox"/> COD
	5. Received By: (Print Name) 6. Signature: (Addressee or Agent) <input checked="" type="checkbox"/> 	7. Date of Delivery 1/21/00 8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

129 29E 9E2 Z

Nearburg Producing Company

Exploration and Production
Dallas, Texas

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LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
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Nearburg Producing Company

Exploration and Production
Dallas, Texas

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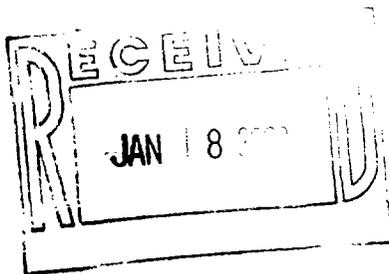
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Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
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Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
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Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
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APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Sonja Lopez, Heir to the Estate of Ernest L. Redford, Deceased .01351133%
BY _____
TITLE _____
DATE _____

December 29, 1999



HEARBUZG EXPLORATION CO., LLC
3300 NORTH "A" STREET
BUDG 2, SR 120
MIDLAND, TX 79705

Re:

Dear Sir or Madam:

Thank you for your interest in the above referenced property. Ernest L. Redford is deceased and his heirs prefer that they are contacted on an individual basis and therefore all correspondence needs to be redirected to their attention. Their names and addresses are listed below:

Larry L. Redford
2608 Pearl
Odessa, TX 79760

Diana Peace
12512 Monarch Dr NE
Albuquerque, NM 87123

Sonja Lopez
4006 San Andres NE
Albuquerque, NM 87110

*resent
AFE'S 1-19-00*

Sincerely,

Marjorie M. Moran

*cc: Kathie Craft
Jim Macdonald*

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Marjorie Moran, PR of the Est. of
Ernest L. Redford Dec.
111 Nara Vista
Albuquerque, New Mexico 87107

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Moran:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

February 17, 2000

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Jack Dill Knox
300 Crescent Court, Suite 1630
Dallas, Texas 75201

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Knox:

Please find enclosed Nearburg's revised AFE to drill the captioned well for your review and approval. We have revised this AFE to reflect the correct interest for you, Gwendolyn Knox and Therylene Knox.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

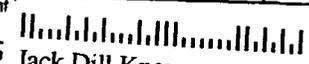
Sincerely,


Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Z 236 366 990

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent	
Str	Jack Dill Knox
Pos	300 Crescent Court, Suite 1630 Dallas, Texas 75201
Pos	
Certified Fee	11
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	Rio Pecos "19" Com #1

PS Form 3800, April 1995

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

February 17, 2000

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Therylene Knox Helm
4401 Edmonson
Dallas, Texas 75205

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Helm:

Please find enclosed Nearburg's revised AFE to drill the captioned well for your review and approval. We have revised this AFE to reflect the correct interest for you, Gwendolyn Knox and Jack D. Knox.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,


Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Z 236 366 989

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
Stre	Therylene Knox Helm
Pos	4401 Edmonson
Pos	Dallas, Texas 75205
Certified fee	
Special Delivery Fee	\$
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
Rio Pecos "19" Com. #1	

PS Form 3800, April 1995

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

February 18, 2000

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Gwendolyn Knox
P. O. Box 9026
Dallas, Texas 75209

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Knox:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we would like to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next few weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Z 236 366 988
US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
Gwendolyn Knox	
P. O. Box 9026	
Dallas, Texas 75209	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
Rio Pecos "19" Com. #1	

PS Form 3800, April 1995

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:		TO CSG PT		COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft		174,794		0	174,794
Drilling Daywork 2 2 5,800 \$/day		12,296		12,296	24,592
Drilling Turnkey		0		0	0
Rig Mobilization and Demobilization		0		0	0
Road & Location Expense		18,815		2,120	20,935
Damages		5,000		0	5,000
Directional Drilling - Tools and Service		0		0	0
Drilling Fluids		26,500		0	26,500
Fuel, Power, and Water		12,720		0	12,720
Supplies - Bits		0		795	795
Supplies - Casing Equipment		1,060		4,240	5,300
Supplies - Liner Equipment		0		0	0
Supplies - Miscellaneous		0		0	0
Cement and Cmt. Services - Surface Csg		10,600		0	10,600
Cement and Cmt. Services - Int. Csg		0		0	0
Cement and Cmt. Services - Prod. Csg		0		21,200	21,200
Cement and Cmt. Services - Other		0		0	0
Rental - Drilling Tools and Equipment		0		0	0
Rental - Misc.		19,716		3,180	22,896
Testing - Drill Stem / Production		4,770		2,650	7,420
Open Hole Logging		31,800		0	31,800
Mudlogging Services		11,925		0	11,925
Special Services		0		0	0
Plug and Abandon		12,000		(12,000)	0
Pulling and/or Swabbing Unit		0		15,264	15,264
Reverse Equipment		0		5,300	5,300
Wireline Services		0		19,080	19,080
Stimulation		0		12,720	12,720
Pump / Vacuum Truck Services		0		6,075	6,075
Transportation		1,590		2,650	4,240
Tubular Goods - Inspection & Testing		1,961		5,300	7,261
Unclassified		530		0	530
Telephone and Radio Expense		954		318	1,272
Engineer / Geologist / Landman		22,500		3,000	25,500
Company Labor - Field Supervision		13,250		6,500	19,750
Contract Labor / Roustabout		1,590		9,540	11,130
Legal and Professional Service		5,000		0	5,000
Insurance		4,998		0	4,998
Overhead		7,000		3,500	10,500
SUBTOTAL		401,369		123,728	525,097
Contingencies (10%)		40,137		12,373	52,510
ESTIMATED TOTAL INTANGIBLES		441,506		136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Gwendolyn Knox .590625%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Therylene Knox Helm 1.8984375%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Jack Dill Knox 1.8984375%
BY _____
TITLE _____
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

February 21, 2000

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Mr. Doug Hurlbut
Yates Petroleum Corporation
Sharbro Oil Ltd. Co.
Estate of Lillie M. Yates
105 S. Fourth St.
Artesia, New Mexico 88210

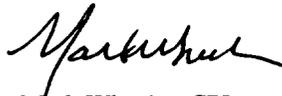
Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Hurlbut:

Please find enclosed Nearburg's amended AFE to drill the captioned well for your review and approval. This AFE has been amended to reflect the correct Yates entities and percentages. The Ralph Nix, A Partnership, interest has also been taken into account with regard to these percentages. Please execute one copy of the enclosed AFE.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Z 236 366 996

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Yates Petroleum Corporation
105 S. 4th Street
Artesia, New Mexico 88210

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	Rio Pecos 19 Com. #1

PS Form 3800, April 1995

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,850	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

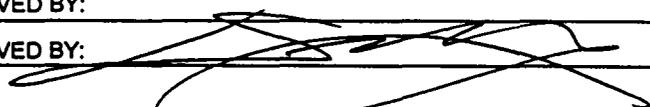
LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Yates Petroleum Corporation 2.630146%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
 LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
 FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
 DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Estate of Lillie M. Yates 0.393356%
 BY _____
 TITLE _____
 DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
 LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
 FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
 DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
 DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT		COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0		0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400		0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0		0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0		0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0		97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0		0	0
Production Liner	0 Ft @	0.00 \$/Ft	0		0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0		30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0		0	0
Artificial Lift Equipment			0		0	0
Tank Battery			0		10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0		12,720	12,720
* Well Head Equipment & Christmas Tree			2,500		11,500	14,000
Subsurface Well Equipment			0		6,148	6,148
Flow Lines			0		13,250	13,250
Saltwater Disposal Pump			0		0	0
Gas Meter			0		1,484	1,484
Lact Unit			0		0	0
Vapor Recovery Unit			0		0	0
Other Well Equipment			0		0	0
ROW and Damages			0		2,650	2,650
Surface Equipment Installation Costs			0		9,540	9,540
Elect. Installation			0		0	0
ESTIMATED TOTAL TANGIBLES			28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406		331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Sharbro Oil Ltd. Co. 0.393356%
 BY _____
 TITLE _____
 DATE _____

CERTIFIED

Nearburg Exploration Company, L.L.C.

Z 236 366 766

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

HAPPY HOLIDAYS

MAIL

James A. and Judith A. Brown
Miller, MO 65707-9802

RETURN RECEIPT REQUESTED

Insufficient Address

RECEIVE
JAN - 6 2000

79705/3421

CERTIFIED

Nearburg Exploration Company, L.L.C.

Z 236 367 603

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

MAIL

MIDLAND TEXAS TX
DEC 30
P M
1999
797

Eddie V. Peoples
N. Browning
Carthage, TX 75633

RETURN RECEIPT REQUESTED

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JAN - 7 2000
RETURN RECEIPT REQUEST

CERTIFIED

Nearburg Exploration Company, L.L.C.

Z 236 367 602

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

MAIL

MIDLAND TEXAS TX
DEC 30
HOLIDAYS 797-12-28-99

LN
2+31 MN
1-3-00

RETURN RECEIPT REQUESTED
CLAIMED 1-18

UNCLAIMED
Marian County
3217 N. Highway 30 East
Hutchison, KS 67501

RETURN RECEIPT REQUEST
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JAN

CERTIFIED

Nearburg Exploration Company, L.L.C.

Z 236 366 758

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

HAPPY HOLIDAYS 797 12 28 99

MAIL

Tommy Rogers
c/o Tom Rogers
Rural Route 4
Abilene, KS 67410

- Insufficient Address
 - Moved, Not in Address
 - Undelivered - Refused
 - Undelivered - Unknown
 - Undelivered - Vacant
 - Undelivered - Neighbor
 - Undelivered - No
 - Undelivered - No
- As Addressed Unable To Forward

RETURN RECEIPT REQUESTED
Name _____
1st Notice _____
2nd Notice _____
Return _____

RETURN RECEIPT REQUESTED

JAN 4 2000

CERTIFIED

Nearburg Exploration Company, L.L.C.

Z 236 366 763

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

HAPPY HOLIDAYS 797 12 28 99

MAIL

Stella P. Herrell
1003 Lynda Lane
Arlington, TX 76103

RECEIVED
JAN 26 2000

RETURN RECEIPT REQUESTED
LW
1336
CA
12-30-99

RETURN RECEIPT REQUESTED

CERTIFIED

Nearburg Exploration Company, L.L.C.

Z 236 366 765

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

HAPPY HOLIDAYS 797 12 28 99

MAIL

Kenneth W. Brown, Ind. Exe. of the
Estate of Gleason Brown, Dec.
756 Bacon Road
Hinesville, GA

RECEIVED
JAN 27 2000

RETURN RECEIPT REQUEST
NRLL
1/5/2/3/1
R1/14

RETURN RECEIPT REQUESTED

421