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November 19, 2001

Ms. Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Oil Conservation Division Case No. 12622. Application of
Nearburg Exploration Company, L.L.C. for two non-standard
Gas spacing and proration units, Lea County, New Mexico

Dear Ms. Wrotenbery:

I am the owner of a .3% overriding royalty interest in State of New Mexico Oil and Gas Lease No. V-5683, which covers the N/2 of Section 34, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico. I along with my partners helped generate and sell this geological prospect and retained this override when I sold this prospect to Great Western Drilling Company who sold a portion of the interest to Nearburg Exploration Company, L.L.C. In 2000, Nearburg drilled the Grama Ridge "34" State Well No. 1 on this lease and dedicated to the well the N/2 of Section 34. I understood that the Oil Conservation Division approved a N/2 unit for this well. The well is a good Morrow producer and I have received royalty payments from Nearburg until the well was shut-in in July of this year.

I am an independent geologist who generates prospects in the Permian Basin of Texas and Southeast New Mexico. Oil and gas production from wells like the "34" State No. 1 is currently my primary source of income. Shutting-in the subject well not only deprives me of needed income, but will very likely permanently reduce the future moneys that I should receive from this well.

I understand from discussions with Nearburg that if the Division now requires them to form a 320-acre unit for the well, which includes acreage from the SE/4 of Section 34, *my interest will be cut in half and I may not receive any more revenue from the well unless and until that proportionate part of any resulting overpayments have been paid to a third party royalty owner who apparently owns an interest in the SE/4 of the Section*. This seems unfair and UNLAWFUL to me since the SE/4 of this section is not productive from the Morrow and will not contribute to the well.

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OIL CONSERVATION

Nearburg has advised me that they are requesting that the well be returned to production pending a decision to allow either a 320-acre N/2 proration unit or a 160-acre NE/4 proration unit for this well. I desire to join this request because I am concerned about offset drainage as well as likely formation damage caused by a loss of permeability in the Morrow sands due to settling of clays in the pore spaces.

Along with Nearburg, Great Western and others, I also have interests in this well. I request that you allow this well to produce so that I can receive my overriding royalty share of production (without reduction) while the underlying issues between Nearburg, the OCD or a court of law. From my understanding of these issues, it seems right and proper that the NE/4 or N/2 of the section be dedicated to this well.

Sincerely,

A handwritten signature in cursive script that reads "Wendell Creech". The ink is dark and the handwriting is fluid, with a prominent loop at the end of the last name.

Wendell Creech