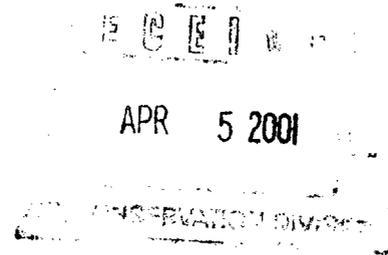


2641 Cody Circle
Las Cruces, NM 88011
April 2, 2001



**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Ms. Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: *Application of Nearburg Exploration Company, L.L.C. for
Administrative Approval of an Unorthodox Well Location for its
Poco Mesa "26" State Com Well No. 1, located 1980 feet from
the South line and 2400 feet from the West line of
Section 26, Township 18 South, Range 24 East, N.M.P.M.,
Eddy County, New Mexico*

Dear Ms. Wrotenbery:

I am the owner of an Overriding Royalty Interest (ORRI), which will be affected by the proposed well described in the application referenced above.

I **object** to the unorthodox well location Nearburg Exploration Company, L.L.C. is proposing for its Poco Mesa "26" State Com Well No. 1 as requested of you from Mr. Michael H. Feldewert, Attorney at Law, until such time as my ORRI as shown on Exhibit "C" is corrected.

I **strongly object** to Exhibit "C" attached to the approval request. My objection is to my ORRI being limited to production from ONLY the depth of 5000 feet to 6,673 feet. (See attached Exhibit "C", which is part of Mr. Feldewert's letter.)

I acquired my interest to this property from the U. S. Department of the Interior, Bureau of Land Management on July 15, 1974. (See attached BLM document.)

This lease was later assigned to Gulf Oil Company and subsequently Chevron USA. (See letter of offer and our acceptance of terms contained in the attached letter dated July 15, 1974, from Gulf Oil Company.) These documents indicate my brother, Edward Hooper, and I retaining an **ORRI totaling five percent (5%)**.

As you can clearly see, our ORRI is not limited to any specific depth or any other limitations, and thus our objection to Feldewert's Exhibit "C", which is incorrect.

Ms. Lori Wrotenbery
Page 2

If "Nearburg" obtains production from this proposed well, we will expect to be paid an ORRI from any and all production.

For this reason, Feldewert's Exhibit "C", as written and submitted is UNACCEPTABLE as well as the proposed plan to cut royalty owners out of any production to which they are legally and rightfully entitled to under this proposed well.

My overriding royalty is now 1.25%, as my former spouse (Shirley Hooper-Garcia, 2651 Camino Chueco, Santa Fe, NM 87501) has the remaining 1.25%.

I would also request that you please note in your records my new address.

Very truly yours,



Gailen H. Hooper
2641 Cody Circle
Las Cruces, NM 88011
(505) 521-0203

Encls. - Exhibit "C" attached to Michael Feldewert's letter
of March 27, 2001
Dept. of Interior; Bureau of Land Management's document
Gulf Oil letter dated July 15, 1974

cc: Michael H. Feldewert via Certified Mail, Return Receipt Requested
Attorney at Law
Campbell & Carr
P. O. Box 2208
Santa Fe, NM 87504-2208

New Mexico State Land Office via Certified Mail, Return Receipt Requested
Oil & Gas Division
310 Old Santa Fe Trail
Santa Fe, NM 87502

Ms. Lori Wrotenbery
Page 3

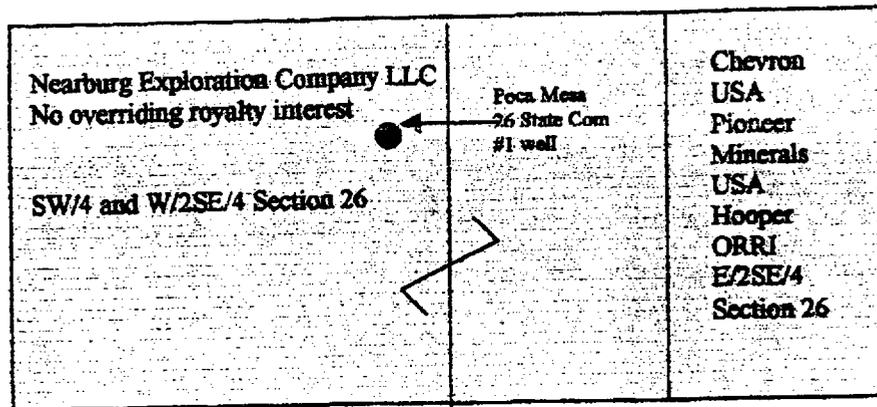
Chevron, USA, Inc. via Certified Mail, Return Receipt Requested
Division Order Dept.
P. O. Box 4538
Houston, Texas 77210

Mr. Edward Hooper
P. O. Box 1538
Loveland, CO 80539

Duke Roush via Certified Mail, Return Receipt Requested
Nearburg Production Co.
3300 N. A Street
Building 2, Suite 120
Midland, TX 79705

Exhibit "C"

**Poca Mesa 26 State Com #1 well
2,400' FWL and 1,980' FSL of Section 26
T-18-S, R-24-E, Eddy County, New Mexico**



E/2SE/4 Surface to 5,000' and below 6,673' to all depths
Chevron USA, Inc. - 100%
No Override

E/2SE/4 From 5,000' to 6,673'
Chevron USA, Inc. - 50%
Pioneer Natural Resources, USA, Inc. - 50%
Edward and Darlene Hooper (ORRI) - 2.5%
Gailen and Shirley Hooper (ORRI) - 2.5%



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
STATE OFFICE

Oil & Gas

943b

Gailen H. Hooper
Edward R. Hooper
2651 Camino Chueco
Santa Fe, New Mexico 87501

P. O. Box 1449
Santa Fe, New Mexico 87501

August 8, 1974

NOTICE OF BOND REQUIREMENT

Serial Number

NM 22616

The above-numbered oil and gas lease embraces lands, in whole or in part, as indicated below which were patented subject to a reservation of the oil and gas therein to the United States under the Act of July 17, 1914 (38 Stat. 500, 50 U.S.C. 121).

All of the lands Part of the lands described as follows:

T. 18 S., R. 24 E., NMPM
Sec. 26: SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$
 35: N $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$
T. 18 S., R. 25 E., NMPM
Sec. 19: NE $\frac{1}{4}$ NE $\frac{1}{4}$

If the lessee is not maintaining a statewide or nationwide bond, You are hereby notified that in accordance with 43 CFR 3104.1(c) a bond in the amount of \$1,000 must be filed in this office on Form 3104-1 for the protection of surface owners prior to any entry on the and if lands indicated above under authority of this lease. Failure to furnish the bond when required may result in cancellation of the lease.

STATE OF NEW MEXICO } ss.
County of Eddy

Raul E. Martinez
Chief, Minerals Section

FILED AUG 26 1974 FOR RECORD

at 8:30 o'clock A. and was duly recorded in Book 117 of Records of Misc. Pages 223
Geraldine Mahaffey, County Clerk
Carrie M. Lawrence Deputy

Gulf Oil Company - U.S.

EXPLORATION DEPARTMENT
MIDLAND DISTRICT

July 15, 1974

P. O. Drawer 1150
Midland, Texas 79701

J. A. Hord
DISTRICT EXPLORATION MANAGER
R. E. Griffith
DISTRICT LANDMAN
Y. B. Newsom
DISTRICT EXPLORATION GEOLOGIST

RE: Unissued Federal Oil & Gas Lease
(Parcel No. 52) covering SE/4 NE/4,
E/2 SE/4 of Section 26 and N/2 NE/4,
NE/4 NW/4, N/2 SE/4 of Section 35,
T-18-S, R-24-E; and NE/4 NE/4 of
Section 19, T-18-S, R-25-E, EDDY
COUNTY, New Mexico (360 Net acres)

*Letter Mailed to Gulf
Certified Mail Return Receipt
Requested 9-6-74
Cert. #*

Mr. G. Hooper
2651 Camino Chueco
Santa Fe, NM 87501

Dear Mr. Hooper:

The results of the Public Drawing held July 15, 1974 in Santa Fe, New Mexico, indicate that you were the successful applicant and are now the owner of the captioned lease. Gulf Oil Corporation is interested in acquiring an assignment of this lease for a bonus consideration of \$75.00 per net acre plus an overriding royalty totalling 5%.

Please advise us whether or not the above offer is acceptable and, if so, we will need to be furnished with your wife's name, if married, your Social Security Number and a copy of the lease, when issued, in order that we may prepare the assignment for your execution. If you have any questions concerning this proposal, please contact Mr. E. L. Orrell of this office at Area Code 915, 682-7301.

This offer may be withdrawn by Gulf without further notice if not accepted by August 15, 1974.

Thank you for your cooperation in this matter.

Yours very truly,

R. E. Griffith

R. E. GRIFFITH

ELO:ds

Mr. Orrell:

I accept your offer as stated above. However, in accordance with our telephone conversation, the assignment to Gulf will not be made until March 6, 1975, which you indicated would be agreeable.

*Phone call to Mr. Orrell
9-6-74*

Very truly yours,

Gailen H. Hooper
Gailen H. Hooper

