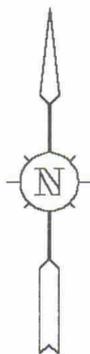
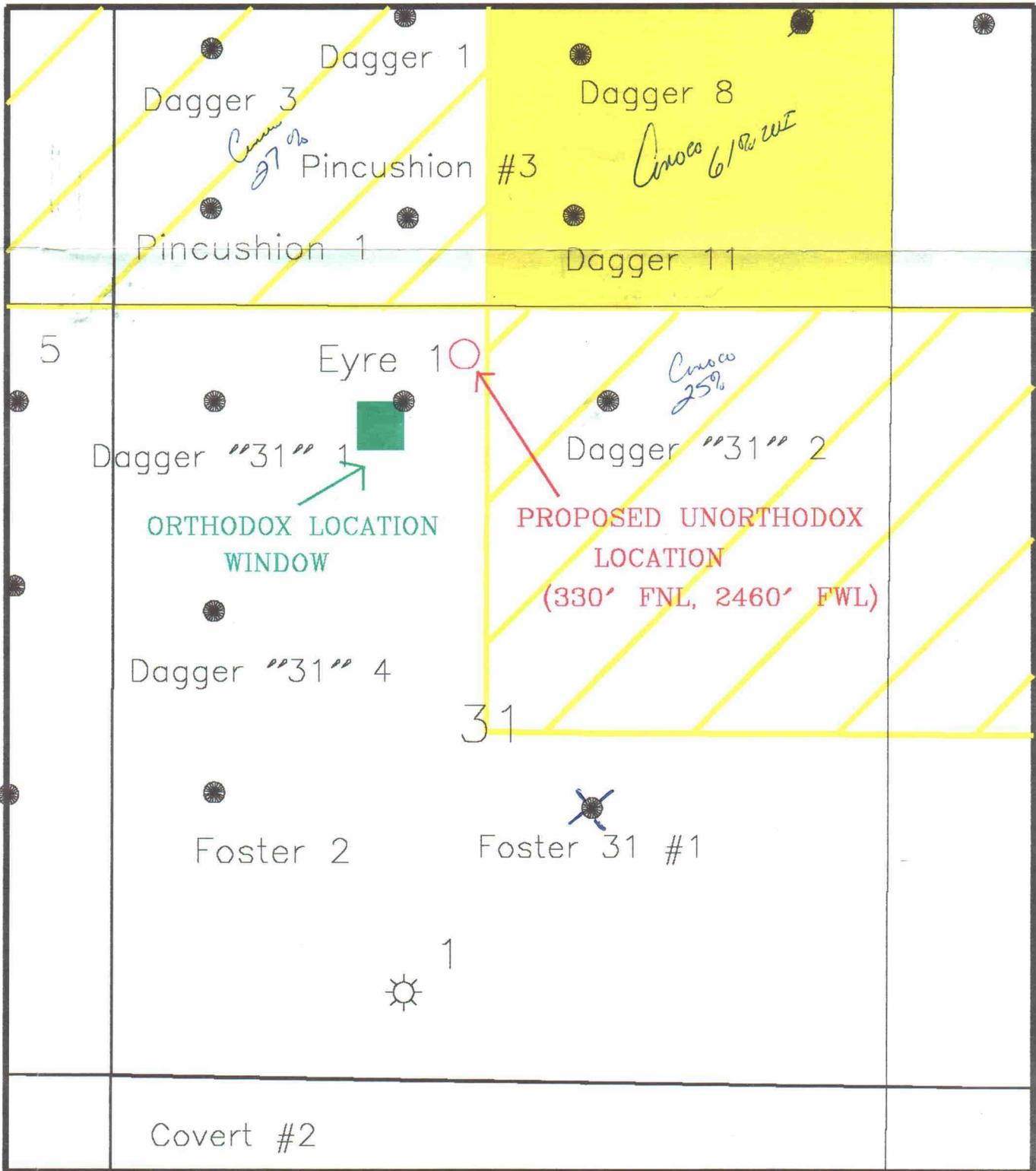


Conuco Exhibits 1 through
Complete² set



CONOCO MIDLAND DIVISION

PLAT MAP

SHOWING DAGGER DRAW "31" #5 LOCATION

SCALE 1" = 1000'

DRAWN MAJCHER

DRAWN

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

CASE NO.: 10731

Submitted by: Conoco Inc.

Hearing Date: June 17, 1993

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT
DAVID B. LAWRENZ

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 27, 1993

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Conoco, Inc.
10 Desta Drive West, Suite 100-W
Midland, Texas 79705
Attn: David Twomey

Re: Application of Nearburg Producing Company for Administrative Approval of an Unorthodox Location for its Dagger Draw 31 Federal Well No. 5, located 660 feet from the North line and 2310 feet from the West line (Unit C) of Section 31, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico

Gentlemen:

Enclosed is a copy of the above-referenced application of Nearburg Producing Company for administrative approval of an unorthodox well location in the North Dagger Draw-Upper Pennsylvanian Pool for its Dagger Draw 31 Federal Well No. 5. Due to topographical conditions Nearburg is proposing to locate this well at a point 660 feet from the North line and 2310 feet from the West line in Unit C of Section 31, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

You are being notified of this application as the operator of a proration unit offsetting the above-referenced unorthodox location in the North Dagger Draw-Upper Pennsylvanian Pool. If you have no objection to the drilling of this well, please execute one copy of this letter and forward it to me at the above-referenced address. An additional copy of the letter is enclosed for your files.

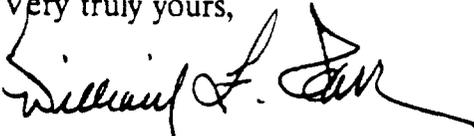
**BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION**

EXHIBIT NO. 2
CASE NO.: 10731
Submitted by: Conoco Inc.
Hearing Date: June 17, 1993

Conoco, Inc.
Attn: David Twomey
April 27, 1993
Page 2

Your consideration of this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY

WFC:mlh

WAIVER OF OBJECTION

Title

Conoco, Inc.

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF NEARBURG PRODUCING COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

CASE NO. _____

APPLICATION

COMES NOW NEARBURG PRODUCING COMPANY, through its undersigned attorneys, and hereby makes application to the Oil Conservation Division for an order approving an unorthodox gas well location and in support of this application states:

1. Applicant is the operator of the NW/4 of Section 31, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and proposes to drill its Dagger Draw 31 Federal Well No. 5 as a gas well in the North Dagger Draw-Upper Pennsylvanian Pool at an unorthodox location 660 feet from the North line and 2310 feet from the West line in Unit C of said Section 31.

2. Applicant seeks an exception to Rule 4 of the Special Rules and Regulations for the North Dagger Draw-Upper Pennsylvanian Pool to permit the drilling of this well in the Upper Pennsylvanian formation at the above-described location.

3. A standard 160-acre proration unit comprised of the NW/4 of said Section 31 should be dedicated to the well.

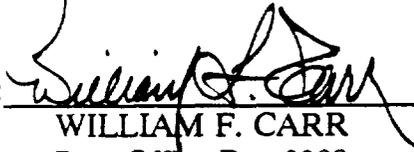
4. Approval of this application will afford applicant the opportunity to produce its just and equitable share of the gas in the Upper Pennsylvanian formation and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on May 20, 1993, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting this application and providing such other relief as is proper.

Respectfully submitted,

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

By:



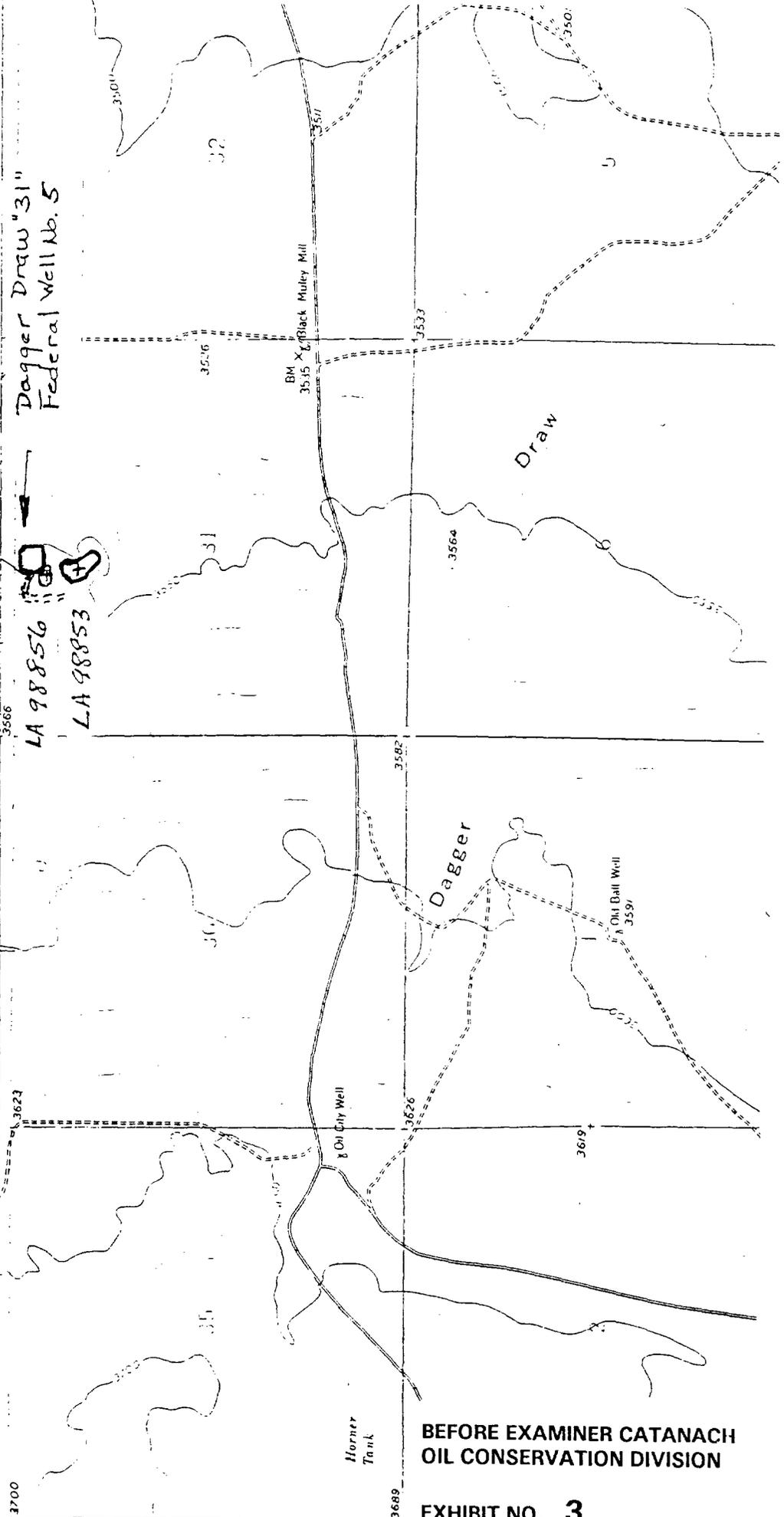
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR NEARBURG
PRODUCING COMPANY

FOSTER RANCH QUADRANGLE
 NEW MEXICO-EDDY CO.

7.5 MINUTE SERIES (TOPOGRAPHIC)

5049 1/4 NE (PARISH RANCH) 3700 3623 3666 440 000 FEET 545 546 10



BEFORE EXAMINER CATANACH
 OIL CONSERVATION DIVISION

EXHIBIT NO. 3
 CASE NO.: 10731
 Submitted by: Conoco Inc.
 Hearing Date: June 17, 1993

Fig. 1. USGS FOSTER RANCH QUADRANGLE, 7.5 Minute Series, 1:24,000, 1957, showing NEARBURG PRODUCING COMPANY's proposed Dagger Draw "31" Federal Well No. 5, 330' FNL, 2460' FWL, and access road, Section 31, T19S, R25E, NMPM, Eddy County, New Mexico, vis à vis LA 98853 and LA 98856.

FRY 18 '93 12123 NPPSINC

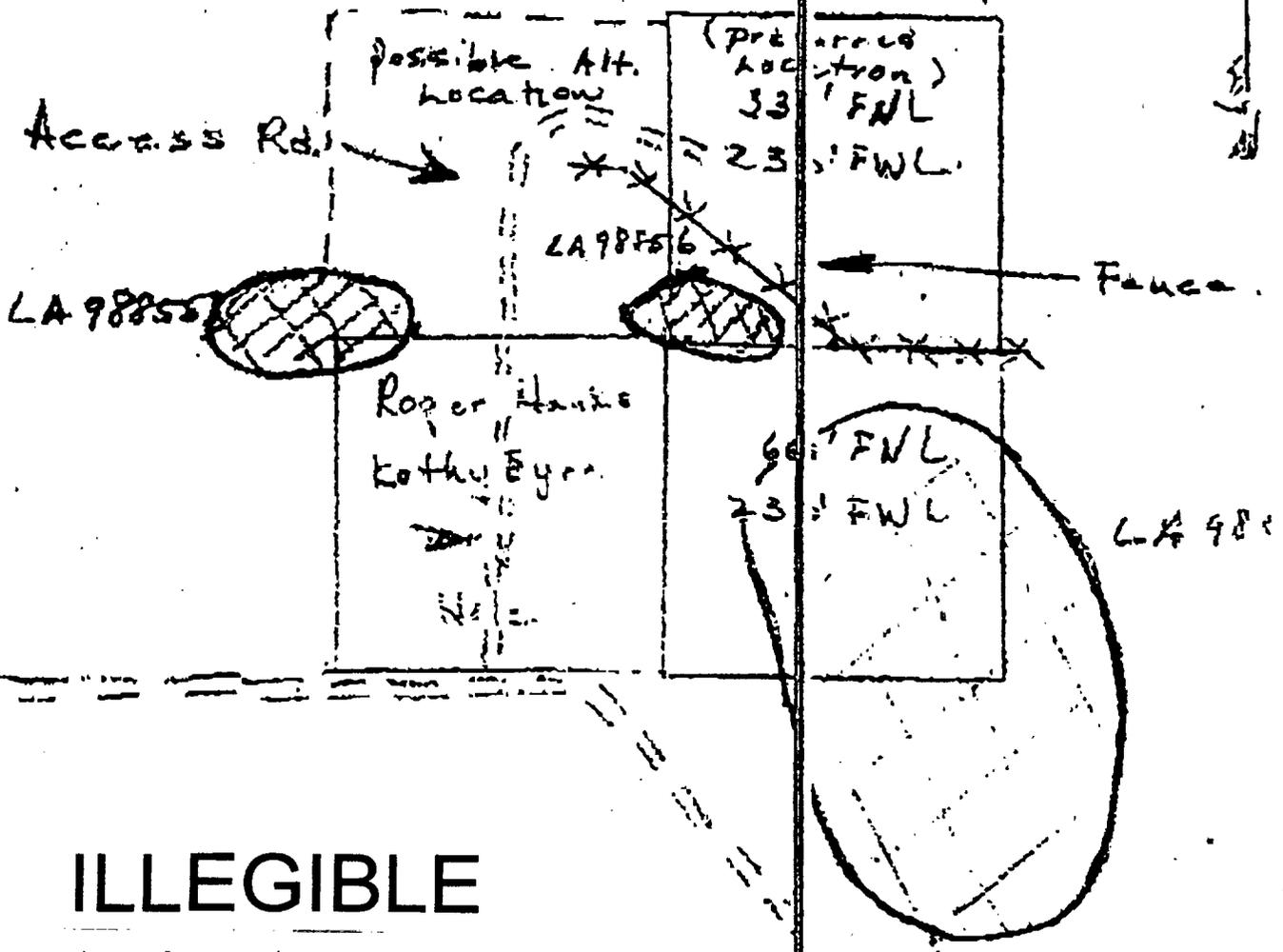
P.25

T-19-S
R-25-E

Attn:
Bob
Shelton

Dagger Draw "31"
Fed. # 5

Sec. 30
Sec. 31



ILLEGIBLE

Scott Kimbrough

Nearburg Prod. BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

7 MAY 1993

JUN 8 '93 14:67

EXHIBIT NO. 4

CASE NO.: 10731

Submitted by: Conoco Inc.

Hearing Date: June 17, 1993

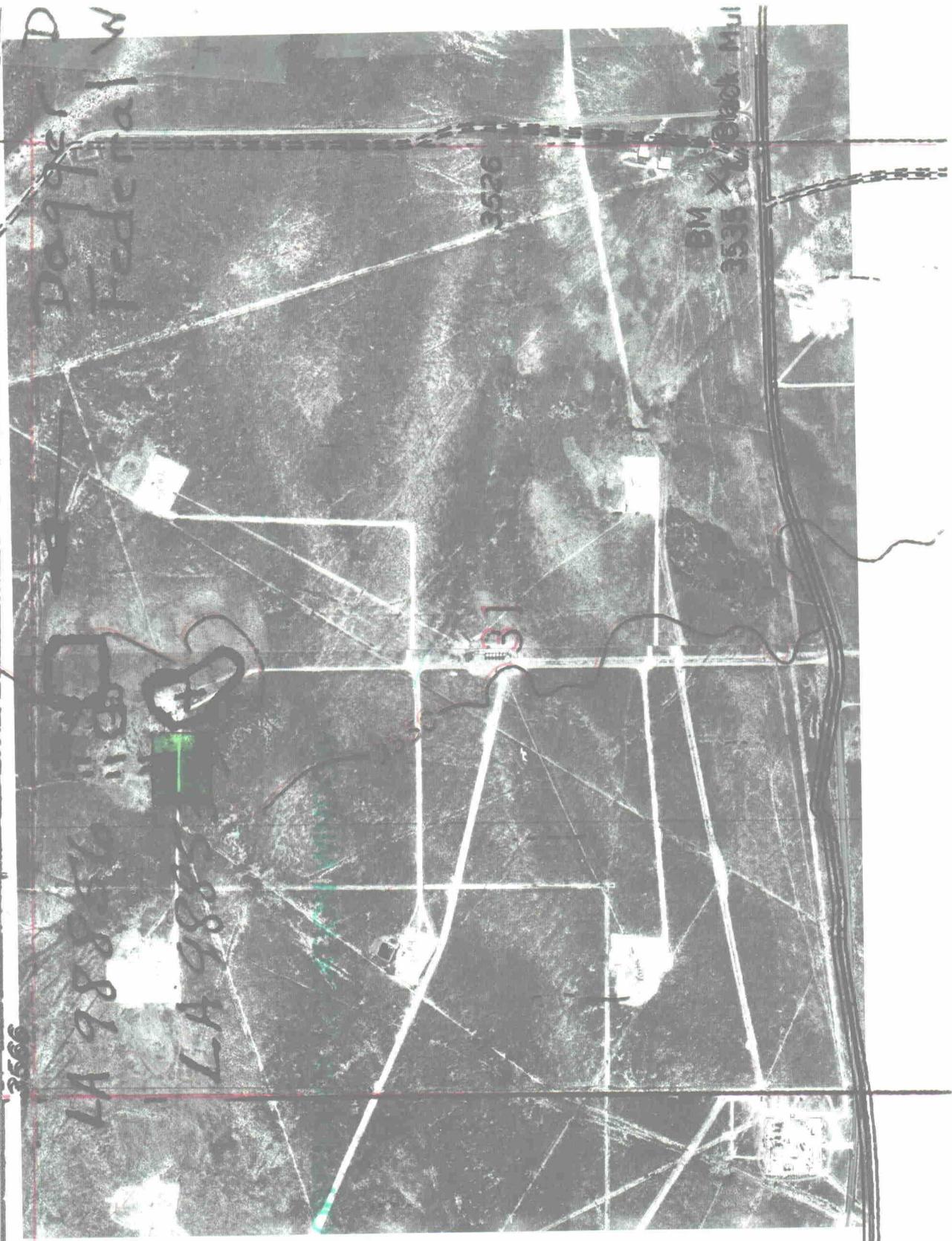
N

7.5 MIN

545

440 000 FEET

R 24 E R 25 E



BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION ...

EXHIBIT NO. 5
CASE NO.: 10731
Submitted by: Conoco Inc.
Hearing Date: June 17, 1993