

## **Reasons to Deny Nearburg Application**

1. Proposed location on Yates lease.
2. Section naturally divides into:
  - N/2 Yates 320 acres
  - S/2 Nearburg 320 acres
3. Yates Experience - Dagger Draw Upper Penn  
Indian Basin Upper Penn Associated
4. Gas, water and electricity systems.  
Yates capable of developing its own acreage.
5. Different from Morrow 320's.

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YATES PETROLEUM CORP.  
BEFORE EXAMINER CATANACH  
NMOCD CASE NO. 10823  
DATE: 09/09/93  
EXHIBIT NO. 7