Exhibits 1 through 6 Complete Set

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BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION Nearburg_ EXHIBIT NO. 1 CASE NO. 1993

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Nearburg Producing Company

Exploration and Production

AUTHORITY FOR EXPENDITURE

LEASE: East Pearl 31J

PROPOSED TOTAL DEPTH: 12,500'

WELL #: 1 LOCATION: Section 31 T-19-S R-36-E Lea County, New Mexico

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow Sand gas producer.

DATE PREPARED: 09/07/90 AFE NUMBER: EPP1.4

EST. SPUD DATE: 9/20/90 EST. COMPLETION DATE: 11/20/90

INTANGIBLE COSTS:	CODE	TO CSG PT	CODE CO	MPLETION	TOTAL WELL
Drilling Footage - 12,500'@ \$18.50 /Ft	701	231,250	761		231,250
Drilling Daywork - 5 Days @ \$ 4000/Day	702	15,000	762	5,000	20,000
Drilling Turnkey	703		783		0
Bits, Stabilizers, Reamers Etc.	704	8,500	784		8,500
Directional Services	705		755		0
Mud & Chemicals	706	35,000	756		35,000
Fresh Water	707	4,000	757	1,500	5,500
Brine	708	12,000	768		12,000
	709		759		0
Cement Surface Casing	710	5,500	760		5,500
Cement Intermediate Casing	711	12,000	751		12,000
Cement Production Casing	712		762	15,000	15,000
Cement - Other	713	10,000	763		10,000
Plug and Abandon	714	10,000	784	(10,000)	0
Road & Location	715	12,000	785	500	12,500
Survey	715	750	766		750
Damages	717	7,500	767		7,500
Open Hole Logging	718	65,000	758		65,000
	719	14,000	769		14,000
Testing	720	14,000	770		
Coring & Analysis			771	6,000	6,000
Pulling and/or Swabbing Unit Case Hole Perforate & Wireline	721 722		772	12,000	12,000
Acidizing and Fracturing	723		773	10,000	10,000
Field Supervision	724	15,000	774	4,500	19,500
1	725	9,000	775	4,000	9,000
Mudlogging Unit	728	3,500	776	1,000	4,500
Geologist			777	2,500	5,500
	727	3,000			25,000
Equipment Rental	728	23,000	778	2,000	
Misc Labor	729	1,500	779	1,500	3,000
Tubular Inspection and Testing	730	500	780	6,100	6,600
Roustabout Labor	731		781		
Supplies	732	250	782	250	500
Insurance	733	3,300	783	750	4,050
Overhead	734	8,200	744	1,000	9,200
Title Opinion	735	4,000	785	1,500	5,500
Legal and Professional	736	2,500	788	1,000	3,500
	737	100	787	50	150
Hauling and Trucking	738	5,000	768	2,000	7,000
Fishing Tools	739		789		0
Mud Engineer	740	8,000	790		6,000
Csg Crew and LD Mach.	741		791	8.000	8,000
Mudlogger	742	5,000	792		5,000
Reverse Unit and Tools	743		793	2,000	2,000
SUBTOTAL		532,350		74,150	608,500
Contingencies (10%)		53,235		7,415	60,650
ESTIMATED TOTAL INTANGIBLES		586,585		81,585	667,150

BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION NEARBURG EXHIBIT NO. 2 10093 CASE NO.

Page 1 of 2

Nearburg Producing Company

Exploration and Production

AUTHORITY FOR EXPENDITURE

PROPOSED TOTAL DEPTH: 12,500' LEASE: East Pearl 31J WELL #: 1 LOCATION: Section 31 T-19-S R-36-E Lea County, New Mexico DESCRIPTION OF WORK: Drill and complete as a flowing Morrow Sand gas producer.

DATE PREPARED: 09/07/90	EST. SI	PUD DATE: 9/20/90	EST. C	OMPLETION DATE	: 11/20/90
AFE NUMBER: EPP1.4					
TANGIBLE COSTS:	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Surface Casing 13-3/8" 400' @ \$21.00/Ft	201	8,400	201		8,400
Intermediate Casing 9-5/8" 5500' @ \$15.0	202	82,500	202		82,500
Protection Casing 7" 11400' @ \$14.00/Ft	203	159,600	203		159,600
Production Liner 4-1/2" 2000' @ \$7.50/Ft	205		205	15,000	15,000
Tubing 12300' @ \$2.90/Ft	208		208	35,670	35,670
Rods	207		207		C
Pumping Unit	208		208		
Tanks	209		209	3,000	3,000
Separators & Heater Treat.	210		210	5,000	5,000
Well Head - Csg	211	2,500	211		2,500
Flow Lines	212		212	2,500	2,500
Valves, Fittings & Connections	213		213	2,500	2,500
Packer	214		214	4,000	4,000
Subsurface Pump	218		215		(
Gas Meter	218		218	2,500	2,500
Artificial Lift Equipment	217		217		(
Compressor	218		238		(
Production Unit	219		279	6,000	5,000
Installation Costs	225		.225	15,000	15,000
Lact Unit	228		228		
Vapor Recovery Unit	227		227		(
Well Head - Tog	221		221	10,000	10,000
Elect. installation	229		229		
ESTIMATED TOTAL TANGIBLES		253,000		101,170	354,170
ESTIMATED TOTAL WELL COSTS		838,585		182,735	1,021,32

APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF THE OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE, OR LESS, UNLESS THE NON-OPERATOR GIVES NOTIFICATION ON THIS FORM OF HIS INTENT TO FURNISH HIS PROPORTIONATE SHARE IN KIND. THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL BY	DATE
LAND:	
DRLG / PROD:	
ENGINEERING:	
EXECUTIVE:	

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Page 2 of 2

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 COMPULSORY POOLING AND A NON-STANDARD GAS PRORATION UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 10093

<u>AFFIDAVIT</u>

STATE OF NEW MEXICO))ss. COUNTY OF SANTA FE)

WILLIAM F. CARR, attorney in fact and authorized representative of Nearburg Producing Company, the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.

SUBSCRIBED AND SWORN to before me this 18th day of September, 1990.

The Malleria

My Commission Expires:

Notar	v Public
BEFORE EXAMI	NER CATANACH
NEARBURG EXHI	BIT NO
CASE NO. 1009	3

EXHIBIT A

Kenneth G. Cone Post Office Box 11310 Midland, Texas 79702

Clifford Cone Post Office Box 6010 Lubbock, Texas 79413

Douglas L. Cone Post Office Box 6217 Lubbock, Texas 79413

Ruth Elaine Welch, Trustee Ruth Elaine Welch Trust 22719 Stagg Street Canoga Park, CA 91304

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LAWYERS

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN WILLIAM P. SLATTERY PATRICIA A. MATTHEWS JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

August 24, 1990

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

Kenneth G. Cone Post Office Box 11310 Midland, Texas 79702

> Re: Application of Nearburg Producing Company for Compulsory Pooling, Lea County, New Mexico

Dear Mr. Cone:

This letter is to advise you that Nearburg Producing Company has filed an application with the New Mexico Oil Conservation Division seeking an order force pooling of all mineral interests to the base of the Morrow formation for any and all formations and/or pools developed on 640-acre spacing, in and under Section 31, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Nearburg Producing Company proposes to dedicate the referenced pooled unit to a well to be located at a standard location in said Section 31.

This application has been set for hearing before a Division Examiner on September 19, 1990. You are not required to attend this hearing, but as an owner of an interest that may be subject to pooling, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR ATTORNEY FOR NEARBURG PRODUCING COMPANY WFC:mlh

P-106 679 5 RECEIPT FOR CERTIFIE NO INSURANCE COMPANE THOM NOT FOR INTERNATIONAL MAN (See Reverse)	050	٦	PS Form 3811, Mar. 1988	7. Date of Delivery	6. Signature – Agent	5. Signature - Address ().		and, TX 797	Kenneth G. Cone Post Office Box 11	3. Article Addressed to:	X Show to w	ress in the "RE ng returned to y the of delivery. F
Sent to Kenneth G. Cone Street and No Post Office Box 113 PO. State and ZIP Code Midland, TX 79702 Postage	s 5		★ U.S.G.P.O. 1988-212-865			ine			11310			RN TO" Space on the revo . The return receipt fee will p additional fees the following
Special Delivery Fee Restricted Delivery Fee Return Receipt showing to whom and Date Delivered Return Receipt showing to whom. Date, and Address of Delivery TOTAL Postage and Fees					Con ut	8. Addrossee's Address requested and fee paid)	Always obtain signature of addressee or egent and DATE DELIVERED.		ered	4. Article Number	tdross, 2. 🗆	rso side. Failure to do rovide you the name o l sorvicos are available tod
Postmark or Date AUG 2 4 1990		i and a second se	DOMESTIC RETURN RECEIPT) 	id)/	ature of addressee DELIVERED.	COD Roturn Receipt for Merchandise	Insured		Restricted Delivery (Extra charge)	this will prevent this f the person delivered . Consult postmaster

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PS Form 3600, June 1985

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LAWYERS

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN WILLIAM P. SLATTERY PATRICIA A. MATTHEWS JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

August 24, 1990

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

Douglas L. Cone Post Office Box 6217 Lubbock, Texas 79413

> Re: Application of Nearburg Producing Company for Compulsory Pooling, Lea County, New Mexico

Dear Mr. Cone:

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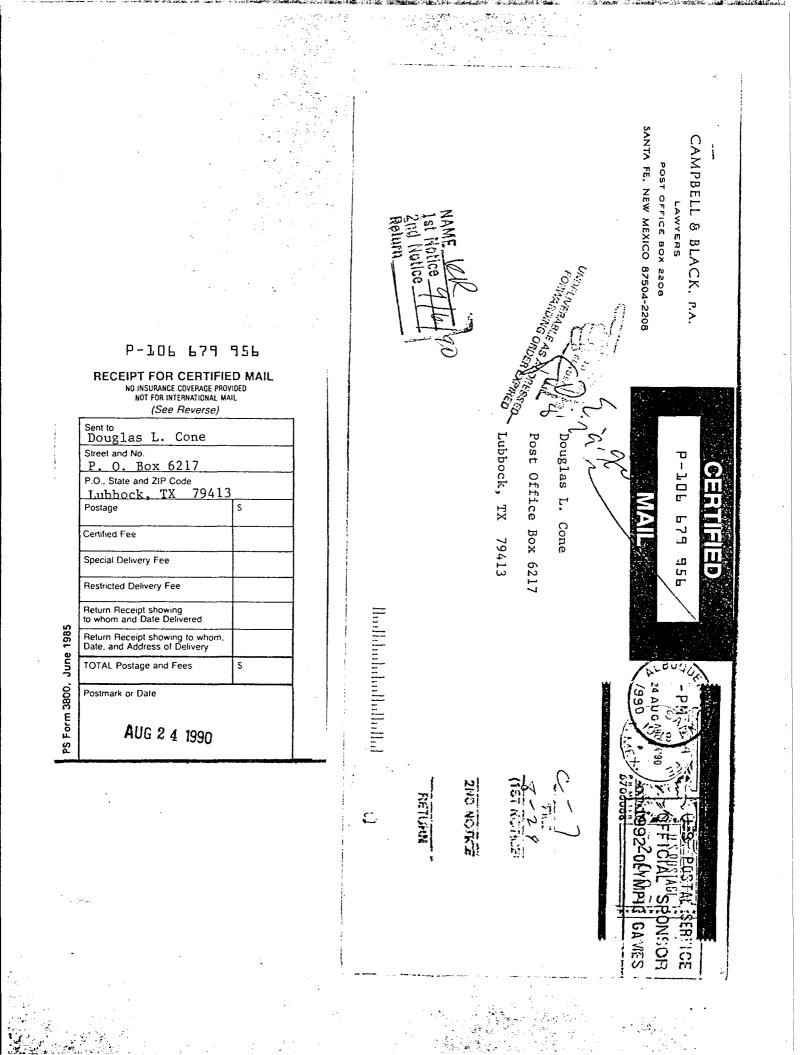
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V¢ry truly yours,

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WILLIAM F. CARR ATTORNEY FOR NEARBURG PRODUCING COMPANY WFC:mlh



LAWYERS

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WILLIAM F. CARR

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LAWYERS

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August 27, 1990

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Ruth Elaine Welch, Trustee Ruth Elaine Welch Trust 22719 Stagg Street Canoga Park, CA 91304

Re: Application of Nearburg Producing Company for Compulsory Pooling, Lea County, New Mexico

Dear Ms Welch:

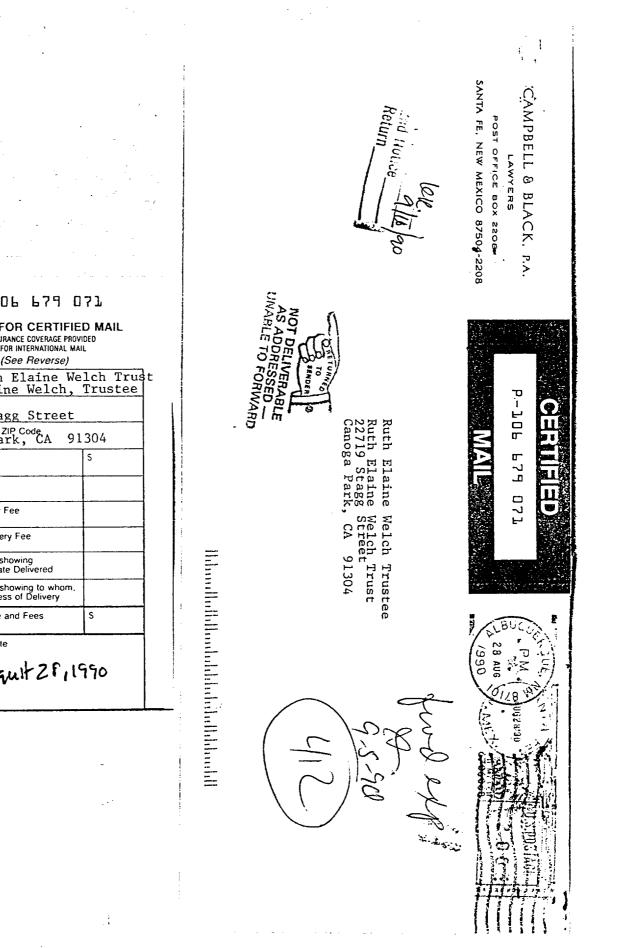
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Very truly yours,

WILLIAM F. CARR ATTORNEY FOR NEARBURG PRODUCING COMPANY WFC:mlh



P-106

	RECEIPT FOR CERTIFIE NO INSURANCE COVERAGE PROVI NOT FOR INTERNATIONAL MAI (See Reverse)	DED
	Sent to Ruth Elaine We Ruth Elaine Welch,	lch Trus Trustee
	Street and No. 22719 Stagg Street	
	P.O., State and ZIP Code Canoga Park, CA 91	304
	Postage	S
	Certified Fee	
	Special Delivery Fee	
	Restricted Delivery Fee	
	Return Receipt showing to whom and Date Delivered	
1985	Return Receipt showing to whom, Date, and Address of Delivery	
June	TOTAL Postage and Fees	S
PS Form 3800, June 1985	Postmark or Date Anguit 2F,19	190

Douglas L. Cone

P.O. Box 64244 Lubbock, Texas 79464 (806) 795-8827

September 7, 1990

DIA CONTRACTOR

Mark Nearburg Nearburg Production**\$** 401 E. Illinios, Ste. 300 Midland, Texas 79701

Re: Morrow Test Well; 195-36E Sec 31. LEA Co, NEW MEXICO

Dear Mark:

As per our conversation yesterday, I am choosing to go non-consent on the captioned well. Furthermore, prior to making any deals on my interest in the NW quarter, I have agreed to give you the first right of refusal. I apologize, it has been hectic, but I have enjoyed doing business with you.

Yours truly,

Doer

Douglas L. Cone

cd/DLC

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
NEARBURG EXHIBIT NO. 4
CASE NO. 10093

Douglas L. Cone

P.O. Box 64244 Lubbock, Texas 79464 (806) 795-8827

September 7, 1990

Mark Nearburg Nearburg Production& 401 E. Illinios, Ste. 300 Midland, Texas 79701

Re: Morrow Test Well; 195-36E Sec 31. LEA Co, NEW MEXICO

Dear Mark:

As per our conversation yesterday, I am choosing to go non-consent on the captioned well. Furthermore, prior to making any deals on my interest in the NW quarter, I have agreed to give you the first right of refusal. I apologize, it has been hectic, but I have enjoyed doing business with you.

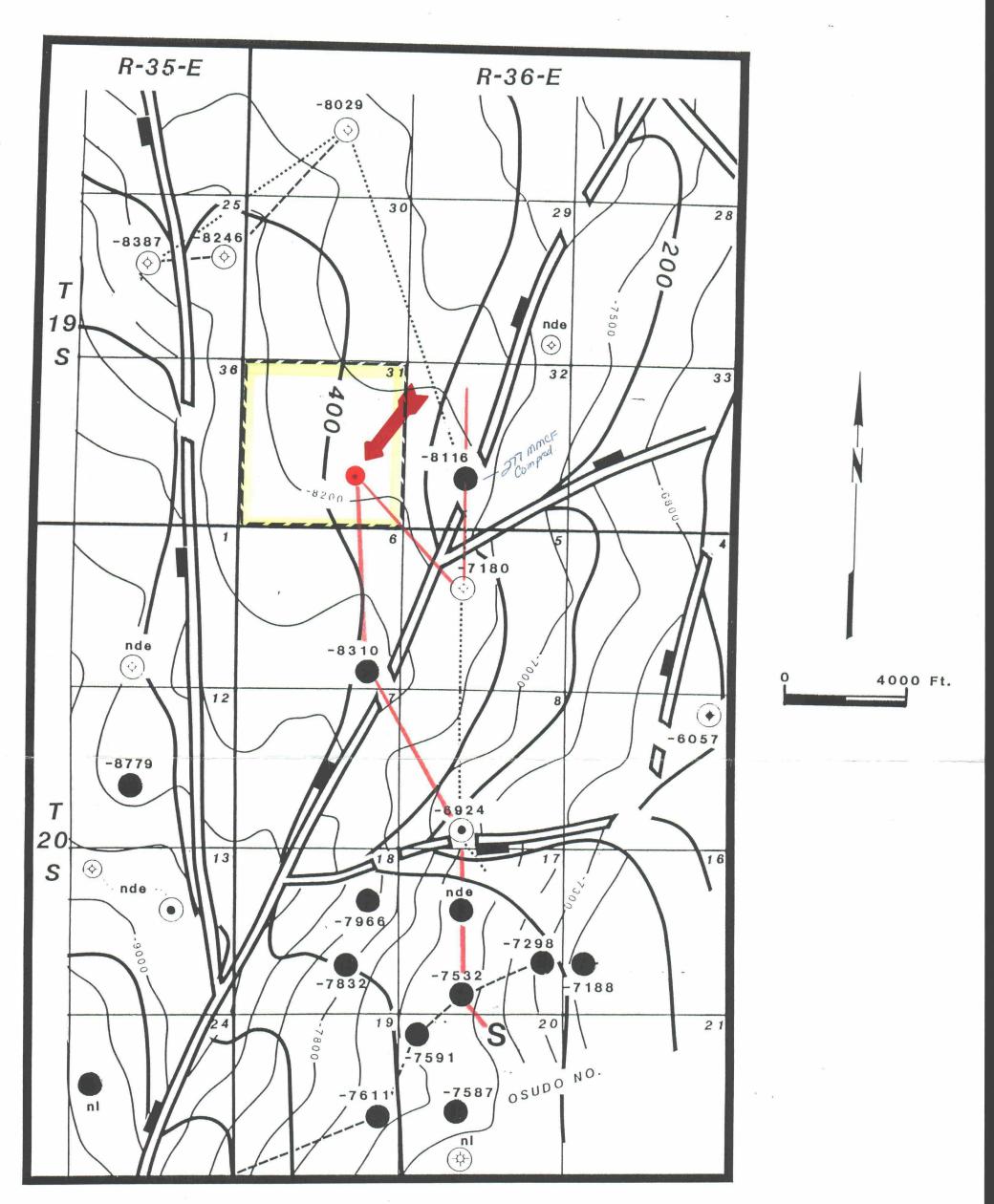
Yours truly,

Dov

Douglas L. Cone

cd/DLC

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
JEAPOJEC EXHIBIT NO4
CASE NO



EAST PEARL PROSPECT Lea County, New Mexico

STRUCTURE, T/MIDDLE MORROW (BOLD LINES SHOW THICKNESS OF MIDDLE AND LOWER MORROW)

C.I.: 100 FT.



GEOLOGY BY: Louis J. Mazzullo 7/24/90

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
NEARBURGE EXHIBIT NO 5
CASE NO: _/0093