

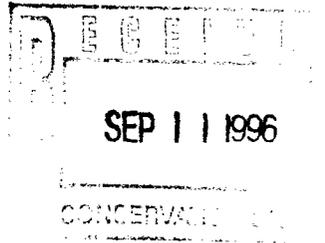
CTB

10/1/96
438

Nearburg Producing Company

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
915 686-8235
Fax 915 686-7806

September 9, 1996



Mr. Ben Stone
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504-2088

Re: Lease Commingling
Section 15, T-19-S, R-25-E,
NMPM, Eddy County, New Mexico
Dagger Draw, Upper Penn, North
Osage Boyd, Northwest and Southwest

Dear Mr. Stone:

Nearburg Producing Company hereby requests administrative approval for Lease Commingling of the production from the wells listed on Attachment I. The common tank battery for said wells is located in Unit E, SW/4 NW/4 of Section 15, T-19-S, R-25-E, NMPM, Eddy County, New Mexico. All of the subject wells and leases are depicted on Attachment II hereof.

All production will be metered on each individual well. All meters will be calibrated on a regular basis. The subject wells all produce from the same zone, that being the Cisco/Canyon.

The purpose of the Lease Commingling is to reduce facility and operating costs thereby increasing the economic life of the wells.

In accordance with the Oil Conservation Division's Rule 309-B, the following diagram and list of owners notified by Certified mail are enclosed: Attachment III, a diagram of the measurement equipment, separators and storage tanks in accordance with the "Manual for Installation and Operation of Commingling Facilities"; Attachment IV, notification of interest owners and purchaser. All required notices pursuant to Rule 309-B have been mailed to these owners and purchaser with instructions that any objection must be filed within twenty (20) days.

Thank you for your cooperation in this matter. If you have any questions please feel free to contact the undersigned.

Very truly yours,

Van N. Rodgers
Production Landman

Attachment I

Osage Boyd "15" #2

Unit K

1980' FSL & 1980' FWL Sec. 15, T19S, R25E, Eddy County, New Mexico

Osage Boyd "15" Fed Com #3

Unit D

660' FNL & 660' FWL Sec. 15, T19S, R25E, Eddy County, New Mexico

Osage Boyd "15" #4

Unit N

660' FSL & 1980' FWL Sec. 15, T19S, R25E, Eddy County, New Mexico

Osage Boyd "15" #5

Unit M

660' FSL & 660' FWL Sec. 15, T19S, R25E, Eddy County, New Mexico

Osage Boyd "15" Fed Com #6

Unit C

660' FNL & 1980' FWL Sec. 15, T19S, R25E, Eddy County, New Mexico

Osage Boyd "15" #7

Unit L

1980' FSL & 660' FWL Sec. 15, T19S, R25E, Eddy County, New Mexico

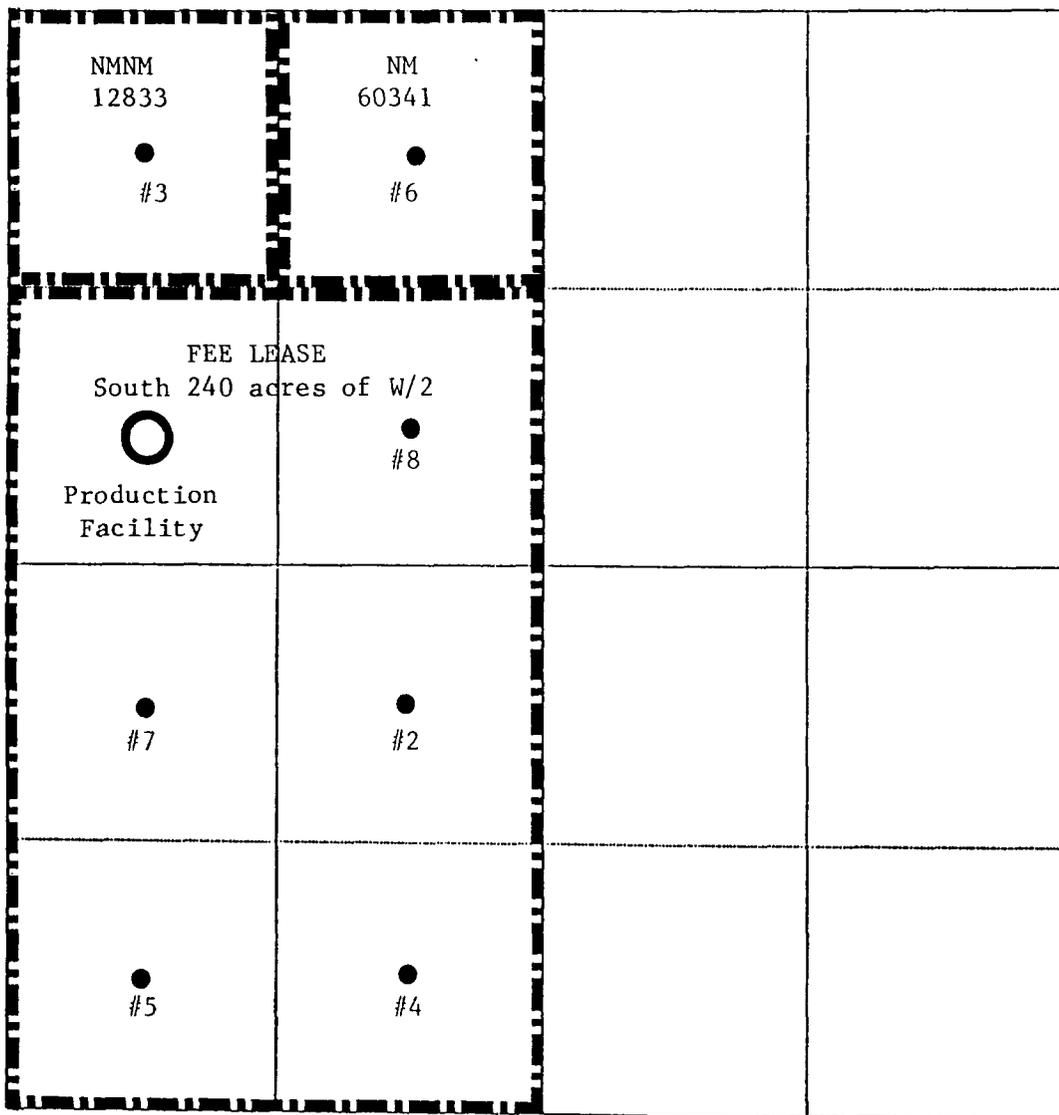
Osage Boyd "15" #8

Unit F

1980' FNL & 1980' FWL Sec. 15, T19S, R25E, Eddy County, New Mexico

Section 15, T19S, R25E

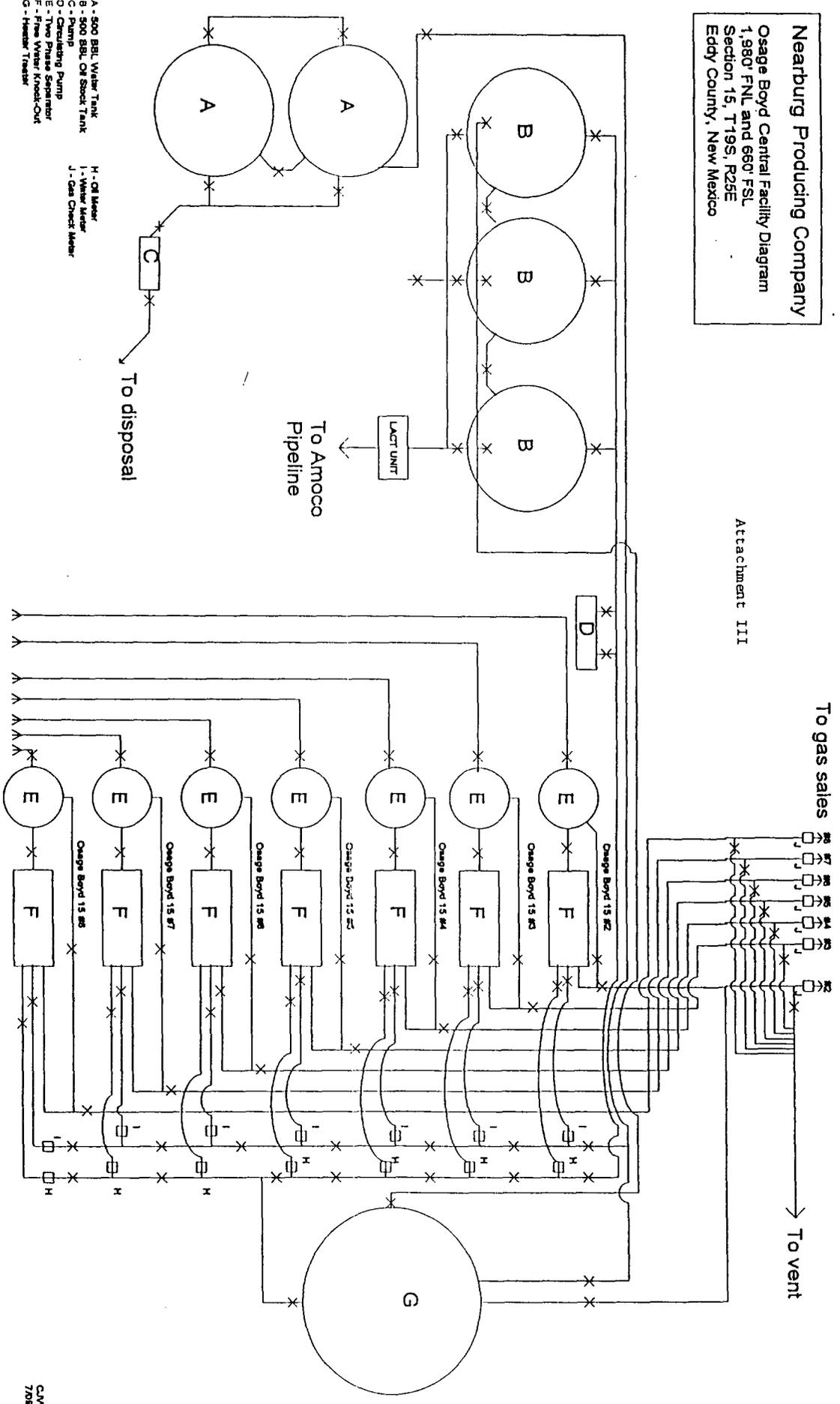
Attachment II



ALL WELLS ARE COMPLETED IN THE CISCO/CANYON

Nearburg Producing Company
 Osage Boyd Central Facility Diagram
 1,980' FNL and 660' FSL
 Section 15, T19S, R25E
 Eddy County, New Mexico

Attachment III



- A - 500 BBL Water Tank
- B - 900 BBL Oil Stock Tank
- C - Pump
- D - Circulating Pump
- E - Two Phase Separator
- F - Five Water Knock-Out
- G - Header Treater

- H - Oil Meter
- I - Water Meter
- J - Gas Check Meter

Nearburg Producing Company

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
915/686-8235
Fax 915/686-7806

Attachment IV

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 6, 1996

TO: INTEREST OWNERS AND PURCHASER
(List attached)

Re: Notification of Application of Nearburg Producing Company
for Administrative Approval for Lease Commingling
Section 15, T-19-S, R-25-E, NMPM, Eddy Co., N. M.

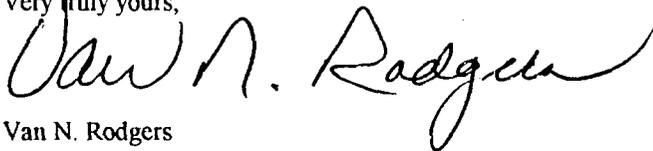
Dear Interest Owner or Purchaser:

Nearburg Producing Company hereby notifies you that it is seeking approval to first meter and then commingle production from wells listed on Attachment I. The common tank battery for said wells is located in Unit E, SW/4 NW/4 of Section 15, T-19-S, R-25-E, NMPM, Eddy County, New Mexico.

If you have any objection to this request, then it is necessary for you to file a written objection within twenty (20) days of September 6, 1996, with the Oil Conservation Division of the State of New Mexico. If you have no objection, then it is not necessary to do anything.

Please feel free to call if I can be of any assistance.

Very truly yours,



Van N. Rodgers
Production Landman

Attachment

Attachment IV (con't)

Distribution List

Amoco Production Company
P. O. Box 3092
Houston, Texas 77253

Atwood, Malone, Mann and Turner
P. O. Box 26900
Albuquerque, New Mexico 87125

Central Southwest Oil Corporation
5347 Hunters Court
Las Cruces, New Mexico 88012

Loneta S. Curtis
605 South 15th Street
Artesia, New Mexico 88210

Challenger Crude, Inc.
400 West Illinois, Suite 1210
Midland, Texas 79701

W. E. and Mary L. Farha
P. O. Box 1080
Bristow, Oklahoma 74010

Kerr-McGee Corporation
P. O. Box 25861
Oklahoma City, Oklahoma 73125

Mr. & Mrs. Ralph Nix
P. O. Box 440
Artesia, New Mexico 88211-0440

Panhandle Royalty Company
5400 N. W. Grand Blvd.
Grand Centre, Suite 210
Oklahoma City, Oklahoma 73112

R. B. Rodke
8910 North Leisure Lane
Florence, Arizona 85232

Fred M. Allison, III
C/O John L. Morrison
618 Meadows Bldg.
Dallas, Texas 75206

Bill Allison
10 E. Independence
Shawnee, Oklahoma 74801

Joel S. Castello Profit Sharing
P. O. Box 1192
Gulf Breeze, Florida 32562

Mary L. Chambers
Ind. Exec. of the Est. of C. H. Chambers
#2 Stonecreek Circle
Brownwood, Texas 76801

Flynt Chancellor
P. O. Box 1821
Midland, Texas 79702

Burton P. Crain
307 Erin
Kerrville, Texas 78028

Bobby M. Gleason
4004 87th Street
Lubbock, Texas 79423

Al Mersiovsky
3906 85th Street
Lubbock, Texas 79423

W. Bruce Monroe and Lee West Monroe
P. O. Box 1168
Blanket, Texas 76432

Wayne Newkumet Profit Sharing Plan
P. O. Box 11330
Midland, Texas 79702

Texaco Trading and Transportation, Inc.
P. O. Box 5568
Denver, Colorado 80217

Z 740 463 200



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Wayne Newkumet Profit Sharing Plan
P. O. Box 11330
Midland, Texas 79702

PS Form 3800, March 1993

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date Wayne Newkumet 9-6-96 <i>Osage Boyd</i>	

Z 740 463 202



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to
Fred M. Allison, III
C/O John L. Morrison
618 Meadows Bldg.
Dallas, Texas 75206

PS Form 3800, March 1993

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date Wayne Newkumet 9-6-96 <i>Osage Boyd</i>	

Z 740 463 201



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to
W. Bruce Monroe and Lee West Monroe
P. O. Box 1168
Blanket, Texas 76432

PS Form 3800, March 1993

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date Wayne Newkumet 9-6-96 <i>Osage Boyd</i>	

Z 740 463 203



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to
Street or P.O., St
R. B. Rodke
8910 North Leisure Lane
Florence, Arizona 85232

PS Form 3800, March 1993

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date Wayne Newkumet 9-6-96 <i>Osage Boyd</i>	

Z 740 463 204



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Street	Al Mersiovsky
P.O.	3906 85 th Street
	Lubbock, Texas 79423
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ Osage Boyd
Postmark or Date Osage Boyd 9-6-96	

PS Form 3800, March 1993

Z 740 463 206



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Street	Burton P. Crain
P.O.	307 Erin
	Kerrville, Texas 78028
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date Osage Boyd 9-6-96	

PS Form 3800, March 1993

Z 740 463 205



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Street	Bobby M. Gleason
P.O.	4004 87 th Street
	Lubbock, Texas 79423
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date Osage Boyd 9-6-96	

Form 3800, March 1993

Z 740 463 207



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Street and	Flynt Chancellor
P.O., Sta	P. O. Box 1821
	Midland, Texas 79702
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date Osage Boyd 9-6-96	

PS Form 3800, March 1993

Z 740 463 208



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

Sent to	
Street and No.	
P.O., State and ZIP Code	
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
Osage Bayd 9-6-96	

Mary L. Chambers
Ind. Exec. of the Est. of C. H. Chambers
#2 Stonewood Circle
Brownwood, Texas 76801

Z 740 463 210



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

Sent to	
Street and No.	
P.O., State and ZIP Code	
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
Osage Bayd 9-6-96	

Bill Allison
10 E. Independence
Shawnee, Oklahoma 74801

Z 740 463 209



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

Sent to	
Street and No.	
P.O., State and ZIP Code	
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
Osage Bayd 9-6-96	

Joel S. Castello Profit Sharing
P.O. Box 1192
Gulf Breeze, Florida 32562

P 046 794 723



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, June 1991

Sent to	
Street and No.	
P.O., State and ZIP Code	
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
Osage Bayd 9-6-96	

Panhandle Royalty Company
5400 N. W. Grand Blvd.
Grand Centre, Suite 210
Oklahoma City, Oklahoma 73112

P 046 794 724



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Amoco Production Company
P. O. Box 3092
Houston, Texas 77253

PS Form 3800, June 1991

Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Osage Bay, MO</i> <i>9-6-96</i>	

Z 740 463 181



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to
Loneta S. Curtis
605 South 15th Street
Artesia, New Mexico 88210

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Osage Bay, MO</i> <i>9-6-96</i>	

PS Form 3800, March 1993

P 046 794 725



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to
Atwood, Malone, Mann and Turner
P. O. Box 26900
Albuquerque, New Mexico 87125

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Osage Bay, MO</i> <i>9-6-96</i>	

PS Form 3800, June 1991

Z 740 463 180



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to
Central Southwest Oil Corporation
5347 Hunters Court
Las Cruces, New Mexico 88012

Certified Fee	\$
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Osage Bay, MO</i> <i>9-6-96</i>	

PS Form 3800, March 1993

Z 740 463 182



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

Sent to	
Challenger Crude, Inc. 400 West Illinois, Suite 1210 Midland, Texas 79701	
	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Osage Boyal</i> <i>9-6-96</i>	

Z 740 463 185



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

Sent to	
Kerr-McGee Corporation P. O. Box 25861 Oklahoma City, Oklahoma 73125	
	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Osage Boyal</i> <i>9-6-96</i>	

Z 740 463 184



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

Sent to	
Mr. & Mrs. Ralph Nix P. O. Box 440 Artesia, New Mexico 88211-0440	
	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Osage Boyal</i> <i>9-6-96</i>	

Z 740 463 183



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

Sent to	
W. E. and Mary L. Farha P. O. Box 1080 Bristow, Oklahoma 74010	
	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>Osage Boyal</i> <i>9-6-96</i>	

Z 740 463 199



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Street and No.	
City and ZIP Code	
	\$
Special U.S.	
Restricted Delivery	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
<i>Osage Boyd</i> 9-6-96	

PS Form 3800, March 1993

Texaco Trading and Transportation, Inc.
P. O. Box 5568
Denver, Colorado 80217