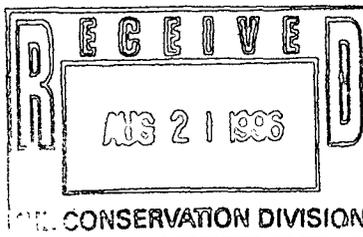


JACK HUFF

Oil and Gas Producer



August 15, 1996

New Mexico Energy Minerals &
Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

Attn: Mr. Michael Stogner
Chief Hearing Officer/Engineer

Re: Administrative application for the formation of a non-standard 40 acre gas proration unit in the Eumont Gas Pool comprising the NE/4 SE/4 (Unit I) of Section 14, T-19-S, R-36-E, NMPM, Lea County, NM for the Jack Huff, Bern -A- #2 at a location of 660' FEL & 1980' FSL of said Section 14.

Dear Mr. Stogner:

In reference to your letter dated August 8, 1996, I provide the following information you requested therein:

- 1) Land plat showing all off-setting Eumont gas spacing and proration units.
- 2) Copy of Administrative Order NSP-1529 establishing the formation of a non-standard GPU in the Eumont Field dated 2-23-88.
- 3) Amended form C-101.
- 4) Amended form C-102.

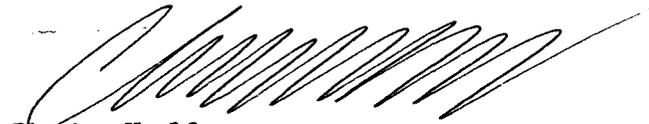
This forty acre tract was included in the 120 acre tract which was, in fact, the subject of the aforementioned Administrative Order NSP-1529.

All offset operators will receive copies of this letter, the amended forms C-101 and C-102, as well as a letter on which they can demonstrate their position with regard to this non-standard producing unit. At such time as I receive these letters back from them, I will forward them to you.

August 15, 1996
New Mexico Energy Minerals &
Natural Resources Department
Oil Conservation Division
Mr. Michael Stogner
Page 2

Please do not hesitate to contact me if you should have any questions or need any further information.

Sincerely,



Chris Huff
Operations Manager

cc: Rhombus Energy Company
200 N. Loraine, Suite 1270
Midland, TX 79701

Oil & Gas Operations, Inc.
Greg Short
HC 31 Box 51V50
Midland, TX 79707

Conoco, Inc.
10 Desta Drive, Ste 100W
Midland, TX 79705-4500
Attn: Mr. Warren Richardson

Texaco Inc.
Box 3109
Midland, TX 79702-3109
Attn: Mr. Ron Lanning

CERTIFIED MAIL # P 268 377 476
RETURN RECEIPT REQUESTED

CH:nr
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Eumont Gas Offset Operators to the
 Jack Huff - Bern -A- #2 Well
 NE/4 SE/4 Section 14, T-19-S, R-36-E
 Lea County, New Mexico

Tr. No.	Operator	Gas Well/Location	Unit Description	No. Acres
1	Texaco	Monstate No. 4 N-13-19s-36e	SW/4 Section 13 T-19-S, R-36-E	160
2	Conoco	State KP-13 No. 1 F-13-19s-36e State KP-13 No. 3 C-13-19s-36e State KP-13 No. 4 E-13-19s-36e	NW/4 Section 13 T-19-S, R-36-E	160
3	Rhombus Energy Company	Northwest Eumont Unit No. 107 H-14-19s-36e	SE/4 NE/4 Section 14 T-19-S, R-36-E	40
4	Rhombus Energy Company	Non-Dedicated to Eumont Gas G-14-19s-36e	Northwest Eumont Unit	40
5	Rhombus Energy Company	Non-Dedicated to Eumont Gas J-14-19s-36e	Northwest Eumont Unit	40
6	Jack Huff	Non-Dedicated O-14-19s-36e	SW/4 SE/4 Section 14 T-19-S, R-36-E	40
7	Oil & Gas Operations, Inc.	Bern -A- No. 1 P-14-19s-36e	SE/4 SE/4 Section 14 T-19-S, R-36-E	40

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

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87500
(505) 827-5800

February 23, 1988

Doyle Hartman
P.O. Box 10426
Midland, TX 79702

Attention: Scott Gutberlet

Administrative Order NSP-1529

Dear Mr. Gutberlet:

Reference is made to your application for a 120-acre non-standard gas proration unit consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 14: E/2 SE/4 and SW/4 SE/4

It is my understanding that this unit is to be dedicated to your Bern "A" Well No. 1 located at a standard location 661 feet from the South line and 660 from the East line (Unit P) of said Section 14.

By authority granted me under the provisions of Rule 2(a)4 of Division Order No. R-8170, as amended, the above non-standard proration unit is hereby approved.

Sincerely,

WJL
for WILLIAM J. LeMAY, DIRECTOR

WJL/MES/dr

cc: Oil Conservation Division - Hobbs
New Mexico Oil and Gas Engineering Committee
State Land Office - Santa Fe

DOYLE HARTMAN
HOBBS OPERATOR
RECEIVED

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-101
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: Jack Huff P.O. Box 50190 Midland, TX 79710-0190		OGRID Number 036472
		API Number 30 - 0
Property Code	Property Name Bern "A"	Well No. 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
"I"	14	19S	36E		1980	South	660	East	Lea

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1					Proposed Pool 2				

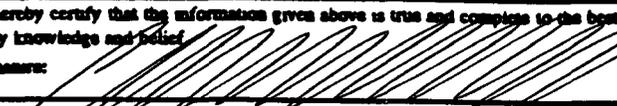
Work Type Code N	Well Type Code Gas	Cable/Rotary Rotary	Lease Type Code S	Ground Level Elevation 3728'
Multiple Y	Proposed Depth 4000'	Formation Penrose/Queen	Contractor	Spud Date July/August

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/2"	8-5/8"	24#	1200'	700sx	Circ to surface
7-7/8"	5 1/2"	15.50#	4000'	850sx	Circ to surface

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.
 Propose to spud the well with a 12 1/2" hole and drill with freshwater gel* to 1200' where 8-5/8" casing will be set. An annular BOP will be installed at this point and a 7-7/8" hole will be drilled to 3600' with brine water. At 3600' hole will be mudded up with MF-55 & starch to TD of 4000'. The Penrose/Queen formation will be perforated and tested after running and cementing 5 1/2" casing.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: 
 Printed Name: Chris Huff
 Title: Operations Manager
 Date: 8/13/96
 Phone: 915-683-9231

OIL CONSERVATION DIVISION

Approved by:
 Title:
 Approval Date:
 Expiration Date:
 Conditions of Approval:
 Attached

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

Operator Jack Huff		Lease Bern "A"		Well No. 2
Unit Letter "I"	Section 14	Township -19-S	Range -36-E	County Lea

Actual Footage Location of Well:
 1980 feet from the South line and 660 feet from the East line

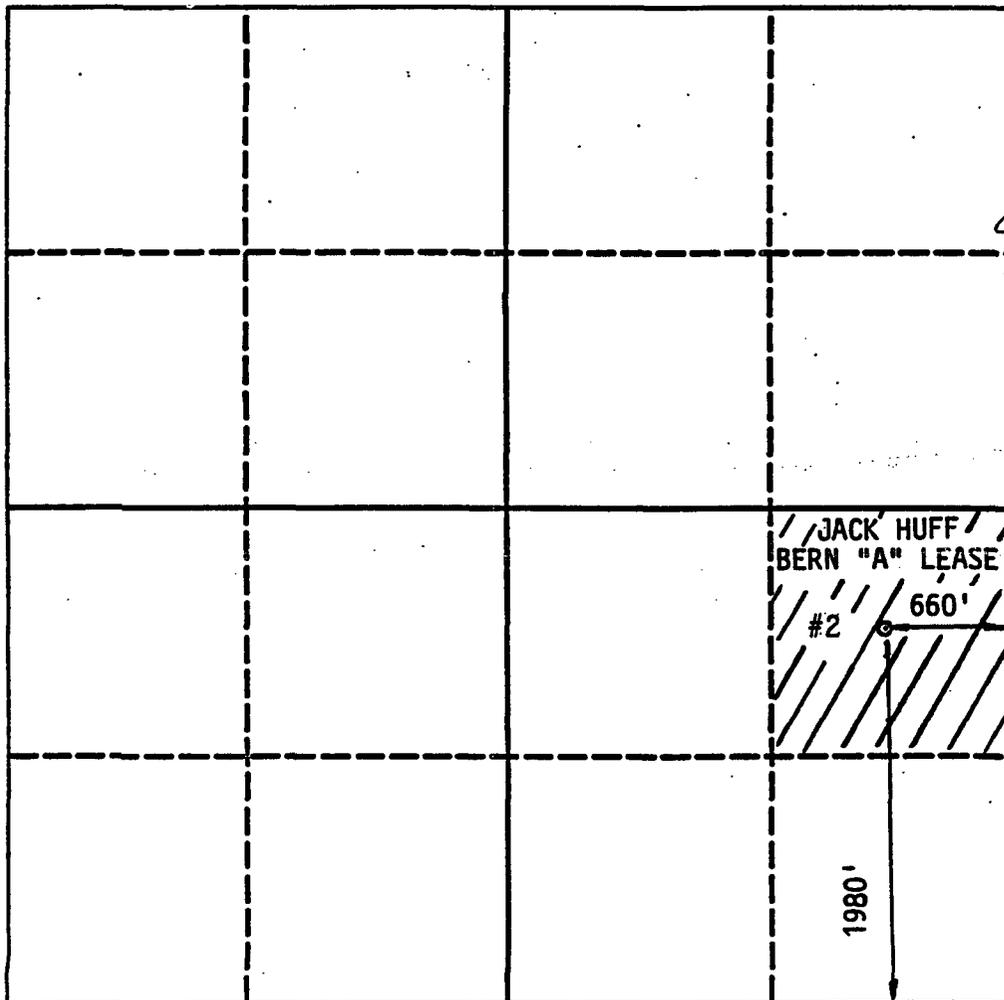
Ground level Elev. 3732'	Producing Formation Eumont Field	Pool Penrose Queen	Dedicated Acreage: 40 Acres
-----------------------------	-------------------------------------	-----------------------	--------------------------------

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *[Handwritten Signature]*

Printed Name: Chris Huff

Position: Operations Manager

Company: Jack Huff

Date: 8/13/96

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

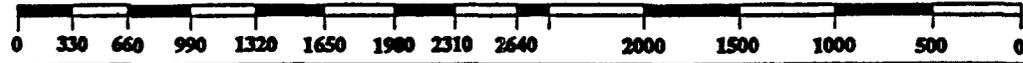
Date Surveyed: August 12, 1996

Signature & Seal of Professional Surveyor: *[Handwritten Signature]*

Max A. Schumann, Jr.

Certificate No. 1510

Job No. 62,035





NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

August 6, 1996

Jack Huff Oil and Gas Operator
P. O. Box 50190
Midland, Texas 79710-0190

Attn: Jack Huff

RE: *Administrative application for the formation of a non-standard 40-acre gas spacing and proration unit ("GPU") in the Eumont Gas Pool comprising the NE/4 SE/4 (Unit I) of Section 14, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, for your proposed Bern "A" Well No. 2 to be drilled at an unorthodox gas well location 1650 feet from the South line and 330 feet from the East line of said Section 14.*

Dear Mr. Huff:

So that I might process the subject application more effectively and efficiently, please provide me a land plat showing the subject 40-acre tract and all off-setting Eumont gas spacing and proration units with the individual units shaded for identification, all wells completed therein, and any references to all previous orders that established any such non-standard GPU. Further, is the subject 40-acre tract currently included within an existing Eumont gas unit or has this 40-acre tract ever been included within a previous Eumont gas unit (please reference any applicable Division order). Also submit a copy of the subject well's APD (form C-101) and accompanying form C-102.

Thank you for your cooperation.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: Oil Conservation Division - Hobbs
William J. LeMay, Director - OCD, Santa Fe

JACK HUFF

Oil and Gas Producer

P.O. BOX 50190
MIDLAND, TEXAS 79710-0190
915-683-9231
FAX 915-683-9255

AUG - 1 1996

July 23, 1996

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mr. Michael Stogner

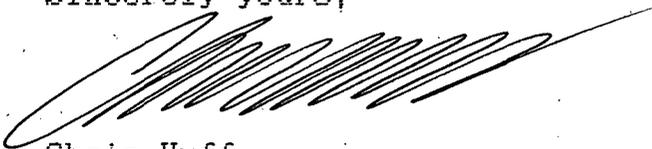
Re: Jack Huff - Bern A #2 Well, Unit letter I, 1650' FSL & 330'
FEL Sec. 14, T-19-S, R-36-E, Lea County, New Mexico.

Dear Mr. Stogner,

Jack Huff has filed an Application for Permit to Drill the above well at the specified location. This well will be situated in the Eumont field and drilled to a depth of 4000' to test the Penrose/Queen formation. The number of acres dedicated to this well is 40 acres. Field rules for the Eumont field require 640 acres for a standard proration unit. We hereby request and apply for a non-standard unit allowing us to drill this well on the referenced 40 acre tract.

In order to notify all offset operators, a copy of this letter is being sent to each of them. Please do not hesitate to contact me if you should have any questions.

Sincerely yours,



Chris Huff
Operations Manager

cc: Rhombus Energy Company
200 N. Loraine, Suite 1270
Midland, TX 79701

Oil & Gas Operations, Inc.
Greg Short
HC 31 Box 51V50
Midland, TX 79707

Conoco, Inc.
1410 N.W. County Road
Hobbs, NM 88240
Attn: Mr. Tom Lentz

Texaco Inc.
204 Bender
Hobbs, NM 88240
Attn: Mr. Terry Frazier

CH/dr
\wp51\corresge\berna

Sec : 14 Twp : 19S Rng : 36E Section Type : NORMAL

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PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

Sec : 14 Twp : 19S Rng : 36E Section Type : NORMAL

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JACK HUFF

Oil and Gas Producer

OIL CONSERVATION DIVISION

SEP 14 1996

P.O. BOX 50190
MIDLAND, TEXAS 79710-0190
915-683-9231
FAX 915-683-9255

NSP 1529.A

September 6, 1996

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mr. Michael Stogner

Re: Jack Huff - Bern A #2 Well, Unit letter I, 1980' FSL & 660'
FEL Sec. 14, T-19-S, R-36-E, Lea County, New Mexico.

Dear Mr. Stogner:

Enclosed are copies of letters notifying the offset operators of the non-standard unit. None of the offset operators have opposed the non-standard unit.

If you should require additional information, please contact our office.

Sincerely,



Nancy Roys
Business Manager

/nr
enclosures
\wp51\corresge\bernastg

JACK HUFF

Oil and Gas Producer

P.O. BOX 50190
MIDLAND, TEXAS 79710-0190
915-683-9231
FAX 915-683-9255

RECEIVED AUG 21 1996

August 15, 1996

TO: All offset operators to the Jack Huff - Bern -A- #2 well,
Unit letter I, 1980' FSL & 660' FEL, Section 14, T-19-S,
R-36-E, Lea County, New Mexico

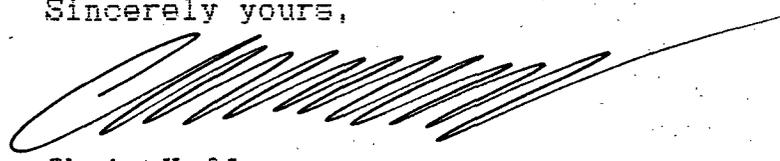
Re: Request for approval for non-standard unit.

Gentlemen:

The above well location was recently amended to 1980' FSL & 660' FEL. Please find enclosed a copy of a letter requesting approval of a non-standard proration unit for this well.

Please indicate in the appropriate space provided below whether or not you are in opposition to this application.

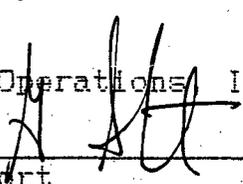
Sincerely yours,



Chris Huff

Oil & Gas Operations, Inc. does not oppose the above non-standard unit.

Oil & Gas Operations, Inc.

By: 
Greg Short

Oil & Gas Operations, Inc. is opposed to the above non-standard unit.

Oil & Gas Operations, Inc.

By: _____
Greg Short

CERTIFIED MAIL #P 268 377 479
RETURN RECEIPT REQUESTED

CH:nr
Enclosure
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TWM

JACK HUFF

Oil and Gas Producer

P.O. BOX 50190
MIDLAND, TEXAS 79710-0190
915-683-9231
FAX 915-683-9255

RECEIVED AUG 23 1996

August 15, 1996

TO: All offset operators to the Jack Huff - Bern -A- #2 well,
Unit letter I, 1980' FSL & 660' FEL, Section 14, T-19-S,
R-36-E, Lea County, New Mexico

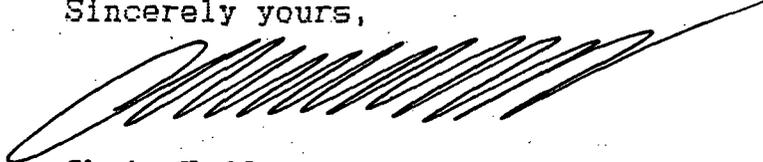
Re: Request for approval for non-standard unit.

Gentlemen:

The above well location was recently amended to 1980' FSL & 660' FEL. Please find enclosed a copy of a letter requesting approval of a non-standard proration unit for this well.

Please indicate in the appropriate space provided below whether or not you are in opposition to this application.

Sincerely yours,



Chris Huff

Texaco Inc. does not oppose the above non-standard unit.

Texaco Inc.

By: Tom W. Moshel - Production Engineer

Texaco Inc. is opposed to the above non-standard unit.

Texaco Inc.

By: _____

CERTIFIED MAIL #P 268 377 480
RETURN RECEIPT REQUESTED

CH:nr
Enclosure
\\wp51\corresge\berna9

CMD :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

11/04/96 15:38:31
OGOMES -EMFG

OGRID Idn : 36472 API Well No: 30 25 33581 APD Status(A/C/P) : A
Opr Name, Addr: JACK HUFF Aprvl/Cncl Date : 09-13-1996
PO BOX 50190
MIDLAND, TX 79710

Prop Idn: 19465 BERN A Well No: 2

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn :	I	14	19S	36E			FTG 1980 F S	FTG 660 F E
OCD U/L :	I		API County :	25				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C) : G Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I) : S Ground Level Elevation : 3728

State Lease No: Multiple Comp (Y/N) : S
Prpsd Depth : 4000 Prpsd Frmtn : QUEEN

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12



November 4, 1996

Mr. William J. Lemay, Division Director
State of New Mexico
Energy, Minerals & Natural Resources Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

RE: Application for Permit to Drill in Accordance with the
State of New Mexico Oil Conservation Division Order No. R-111-P

Nearburg Producing Company
Maverick 16 State No. 1 Well
1,650' FSL & 1,650' FEL
Section 16, T20S, R32E, NMPM
Lea County, New Mexico

Dear Mr. Lemay:

Mississippi Potash Corporation, in conjunction with New Mexico Potash and National Potash, has been contacted by Nearburg Producing Company, an oil and gas producing company based in Midland, Texas, regarding an application to drill an oil and/or gas well (APD) at the location referenced above (APD copy attached).

It is hereby noted that this drilling location is within the Known Potash Area (KPA) as designated by OCD Order R-111-P and is within one mile of the open mine workings of the Mississippi Potash (National Potash) Lea Mine.

Under the provisions set forth in Division Order R-111-P and due to the proximity of our mining operations and future plans to mine potash reserves in this area, Mississippi Potash Corporation, in conjunction with New Mexico Potash and National Potash, formally object to this drilling location.

Please contact me if you have any additional questions.

Sincerely,

Mel Pyeatt
Mine Operations Manager

copies: OCD District 1 Office, P.O. Box 1980, Hobbs, NM 88241
Mr. Van Rodgers, Production Landman
Nearburg Producing Company

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: Nearburg Producing Company P.O. Box 823085 Dallas, TX 75382-3085		OGRID Number 15742
		API Number 30-0
Property Code	Property Name Maverick 16 State	Well No. #1

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
J	16	20S	32E		1,650	South	1,650	East	Lee

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Proposed Pool 1 Wildcat - Delaware	Proposed Pool 2
---------------------------------------	-----------------

Work Type Code N	Well Type Code O	Cable/Rotary Rotary	Lease Type Code S	Ground Level Elevation 3,514'
Multiple NO	Proposed Depth 5,300'	Formation Delaware	Contractor WEK	Spud Date 11/3/96

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	48#	900'	500 sacks	Surface
12-1/4"	9-5/8"	36#	2,400'	600 sacks	Surface
8-3/4"	5-1/2"	17#/K-55	5,300'	800 sacks	Surface

* Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill the well to sufficient depth to evaluate the Delaware formation. After reaching TD, logs will be run and casing set if the evaluation is positive. Perforate, test and stimulate as needed to establish production.

Acreeage Dedication is 40 acres;NWSE/4 of Section 16.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>E. Scott Kimbrough</i>	Approved by:		
Printed name: E Scott Kimbrough	Title:		
Title: Manager of Drilling and Prod	Approval Date:	Expiration Date:	
Date:	Phone: 505/397-4186	Conditions of Approval: Attached <input type="checkbox"/>	

District I
PO Box 1980, Hobbs, NM 87411-1980
District II
PO Drawer DD, Artesia, NM 86211-0719
District III
1000 Rio Grande Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Wildcat - Delaware	
4 Property Code		5 Property Name MAVERICK 16 STATE		6 Well Number 1	
7 OGRD No. 15742		8 Operator Name NEARBURG PRODUCING COMPANY		9 Elevation 3514.	

10 Surface Location

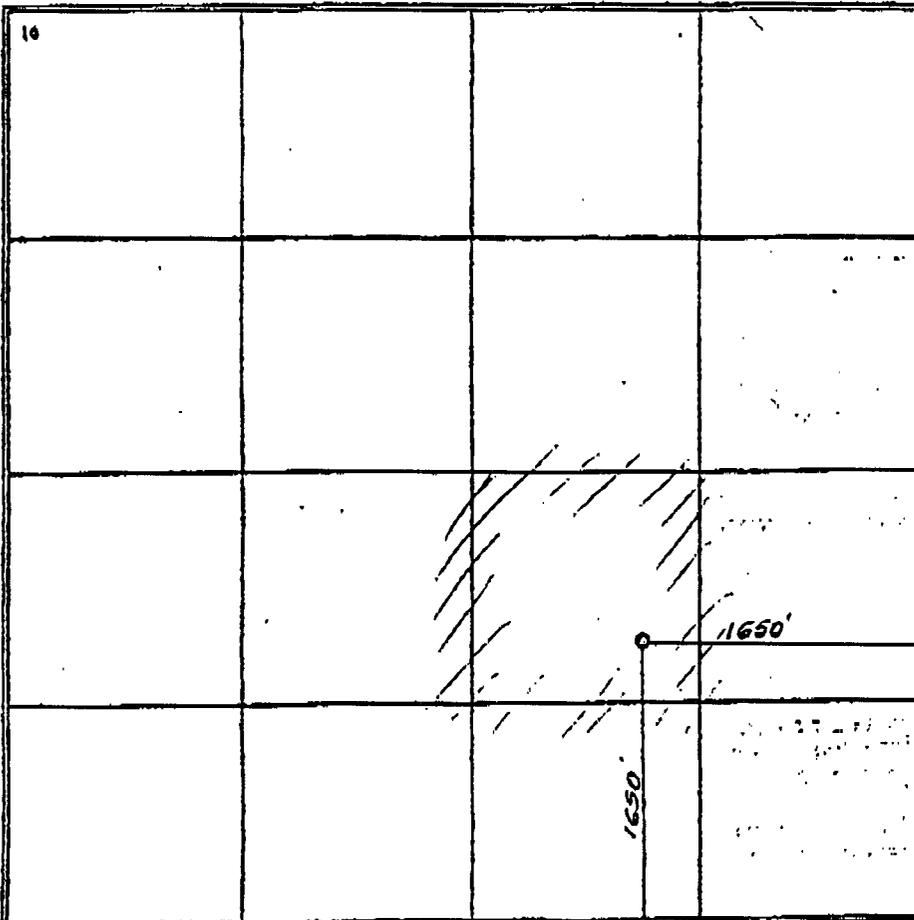
UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
J	16	20-S	32-E		1650	SOUTH	1650	EAST	LEA

11 Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

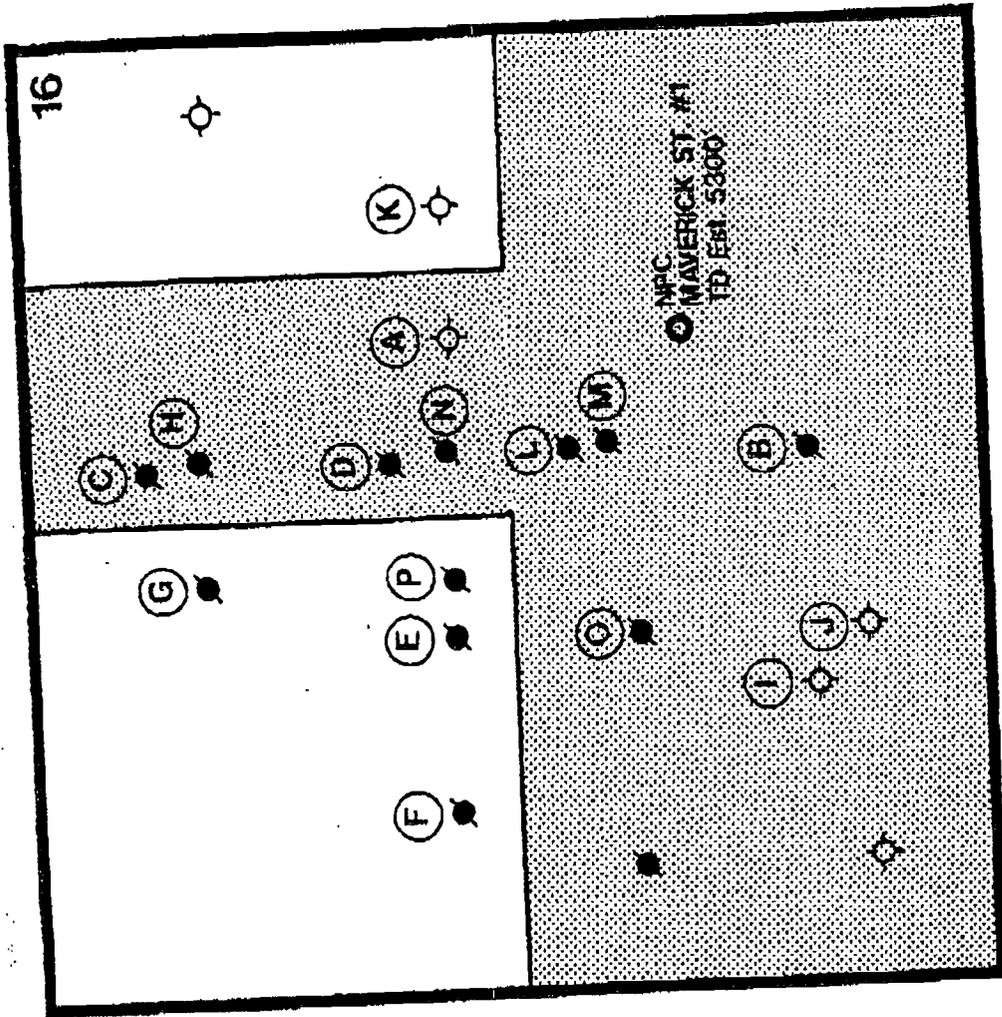


17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

[Signature]
Signature
E. Scott Kimbrough
Printed Name
Mgr Drilling and Prod
Title
[Signature]
Date **10/3/96**

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was placed from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEPTEMBER 24 1996
Date of Survey
Signature of Professional Surveyor
[Signature]
Professional Engineer
5412
REGISTERED LAND SURVEYOR
CERTIFICATE NO. 5412



SEC. 16-20S-32E LEA COUNTY, NEW MEXICO

- (A) (B) (C) (D) (E) (F) (G) (H) (I) (J) (K) (L) (M) (N) (O) (P)

TXO	HALEWAY ST.#1	LOVELADY STOUT ST. #1	ARGO STATE #1	ARGO STATE #2	ARGO STATE #3	ARGO TX.-ST. #2-A	NO. SHORE TX.-ST #1-A	ARGO TX.-ST. #2-A	ARGO TX.-ST. #3-B	NO. SHORE TX.-ST #1-B	SAKIN D. TX.-ST. #4-B	WESTLEA OIL STATE #1-A	WIENER STATE #1	BASS LIL EDDY UT. #16		
TD	CSG 2400	CSG 2755	CSG 2683	CSG 2714	CSG 2672	CSG 2626	CSG 2547	CSG 2484	CSG 2606	CSG 941	CSG 896	CSG 2477	CSG 2490	CSG 2357	CSG 2593	CSG 2546



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 7, 1996

CERTIFIED MAIL

No. P-176-013-145

Oil & Gas Operations, Inc.
Attention: Greg Short
HC "31"
Box 51-V-50
Midland, Texas 79707

RE: Division Administrative Order NSP-1529-A
dated September 6, 1996.

Dear Mr. Short:

Please refer to the subject Division administrative order, see copy attached, which contains the following provisions:

(a) Authorizes Jack Huff, Oil and Gas Producer, of Midland, Texas, to operate the 40 acres, comprising the NE/4 SE/4 (Unit I) of Section 14, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico, as a non-standard gas spacing and proration unit ("GPU") within the Eumont Gas Pool, said GPU to be dedicated to its proposed Jack Huff Bern "A" Well No. 2 (API No. 30-025-33581) to be drilled at a standard gas well location for this 40-acre GPU 1980 feet from the South line and 660 feet from the East line of said Section 14 with an appropriate allowable to be assigned said 40-acre GPU in accordance with Rule 5 of the "*General Rules and for the Prorated Gas Pool of New Mexico/Special Rules and Regulations for the Eumont Gas Pool*", as promulgated by Division Order No. R-8170, as amended;

(b) Grants Greg Short, P.E., dba Oil & Gas Operations, Inc., a temporary 60-day authorization to produce its Bren "A" Well No. 1 (API No. 30-025-04012), located 661 feet from the South line and 660 feet from the East line (Unit P) of said Section 14, with an acreage factor of 0.25 to be ascribed against the Eumont allowable for said well;

Oil & Gas Operations, Inc.

November 7, 1996

Page 2

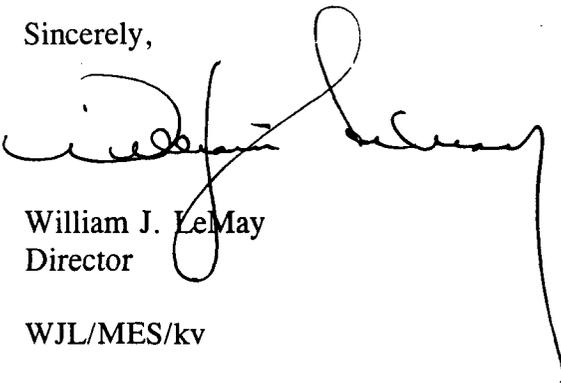
(c) Within this 60-day period of time provides the opportunity to Greg Short, P.E., dba Oil & Gas Operations, Inc., to submit to the Division a proper application pursuant to all applicable rules, regulation, and policies for a similar 40-acre GPU comprising the SE/4 SE/4 of said Section 14 to be dedicated to its aforementioned Bren "A" Well No. 1, thereby establishing proper allowable assignments to Eumont gas production within the SE/4 of said Section 14; and,

(d) Should such application not be submitted to the Division within this 60-day period, the Greg Short Bren "A" Well No. 1 would therefore be subject to "shut-in".

To date no formal application of any kind has been submitted to the Division by Greg Short, P.E., dba Oil & Gas Operations, Inc., therefore Greg Short, P.E., dba Oil & Gas Operations, Inc. of Midland, Texas, is hereby ordered to immediately shut-in and cease production from its Bren "A" Well No. 1 (API No. 30-025-04012), located 661 feet from the South line and 660 feet from the East line (Unit P) of Section 14, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

Failure to abide by this directive shall constitute the classification of any such further production as "illegal" oil and/or gas and could subject those parties involved in such operations to the provisions contained within 70-2-31 NMSA 1978. Said well shall remain shut-in until such time as a formal application by Greg Short, P.E., dba Oil & Gas Operations, Inc. of Midland, Texas has been filed and approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Jerry Sexton, District Supervisor - OCD, Hobbs
Michael E. Stogner, Chief Hearing Officer - OCD, Santa Fe
Rand L. Carroll, Legal Counsel - OCD, Santa Fe
New Mexico State Land Office - Santa Fe
File: NSP-1529
NSP-1529-A
Jack Huff, Oil and Gas Producer - Midland, Texas



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

September 6, 1996

Jack Huff, Oil and Gas Producer
Attention: Chris Huff, Operations Manager
P. O. Box 50190
Midland, Texas 79710

Oil & Gas Operations, Inc.
Attention: Greg Short, P.E.
HC "31"
Box 51-V-50
Midland, Texas 79707

Administrative Order NSP-1529-A

Dear Messrs. Huff and Short:

Reference is made to: (i) the application filed by Mr. Chris Huff by letter dated July 23, 1996; (ii) the Division's initial response to said application from Mr. Michael E. Stogner by letter dated August 6, 1996; and, (iii) to Mr. Chris Huff's second letter concerning this matter dated August 15, 1996; all of which concern the request of Jack Huff, Oil and Gas Producer to detach the 40 acres comprising the NE/4 SE/4 (Unit I) of Section 14, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico, from the existing 120-acre non-standard gas spacing and proration unit ("GPU") in the Eumont Gas Pool comprising the NE/4 SE/4 and S/2 SE/4 of said Section 14. Said 120-acre GPU was authorized by Division Administrative Order NSP-1529, dated February 23, 1988 and had dedicated thereon the Greg Short Bren "A" Well No. 1 (API No. 30-025-04012), located at a standard gas well location for the 120-acre GPU 661 feet from the South line and 660 feet from the East line (Unit P) of said Section 14.

It is our understanding by the subject application and related correspondence that:

- (1) Jack Huff, Oil and Gas Operator now owns the Eumont rights underlying both the NE/4 SE/4 (Unit I) and the SW/4 SE/4 (Unit O) of said Section 14 and is proposing to form a non-standard

40-acre Eumont gas spacing and proration unit comprising the NE/4 SE/4 of said Section 14 for its Bren "A" Well No. 2 to be drilled at a standard gas well location for this 40-acre GPU 1980 feet from the South line and 660 feet from the East line of said Section 14; and,

(2) which would leave the remaining 40 acres comprising the SE/4 SE/4 (Unit P) of said Section 14 to be operated by Greg Short, P.E., dba Oil & Gas Operations, Inc. and have dedicated to it the above-described Bren "A" Well No. 1.

The Division finds at this time that, the subject application of Jack Huff, Oil and Gas Producer has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996 and Rule 2(d) of the *"General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool"*, as promulgated by Division Order No. R-8170, as amended. Pursuant to said rules no objection to the subject application has been received within the required 20-day waiting period. It should be further noted that Greg Short has not responded to Mr. Chris Huff's application, dated July 23, 1996, or to his letter dated August 15, 1996.

It is therefore ordered, by the authority granted me under the provisions of said rules, that Jack Huff, Oil and Gas Producer is hereby authorized to operate the 40 acres, comprising the NE/4 SE/4 (Unit D) of said Section 14, as a non-standard gas spacing and proration unit ("GPU") within the Eumont Gas Pool in which is to be dedicated to the proposed Jack Huff Bren "A" Well No. 2 to be drilled at a standard gas well location for this 40-acre GPU 1980 feet from the South line and 660 feet from the East line of said Section 14 with an appropriate allowable to be assigned said 40-acre GPU in accordance with Rule 1 of said special Eumont Gas Pool rules.

It is further ordered that the 40 acres comprising the SE/4 SE/4 (Unit P) of said Section 14, operated by Greg Short, P.E., dba Oil & Gas Operations, Inc.: (i) is no longer dedicated to producing Eumont acreage; and, (ii) that the existing Bren "A" Well No. 1 is producing without a proper assignment of allowable. It is ordered however that Greg Short be granted a temporary 60-day authorization to produce its Bren "A" Well No. 1 with an acreage factor of 0.25 to be ascribe against the Eumont allowable for said well. If however no formal application from Greg Short has been submitted to the Division within this 60-day period, the temporary allowable shall be canceled and the well ordered to be shut-in until such application has been submitted and approved.

Administrative Order NSP-1529-A
Jack Huff, Oil and Gas Producer
September 6, 1996
Page 3

Said Division Orders NSP-1529 shall be placed in abeyance until further notice.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
Michael E. Stogner, Chief Hearing Officer - OCD, Santa Fe
New Mexico State Land Office - Santa Fe
File: NSP-1529

GREG SHORT, P. E.
HC 31, BOX 51-V-50 • MIDLAND, TEXAS 79707
(915) 563-1358

DATE: 11/18/96

TO: Michael Stogner

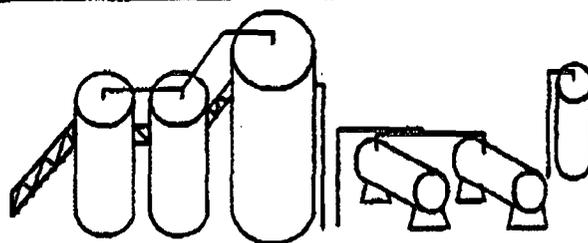
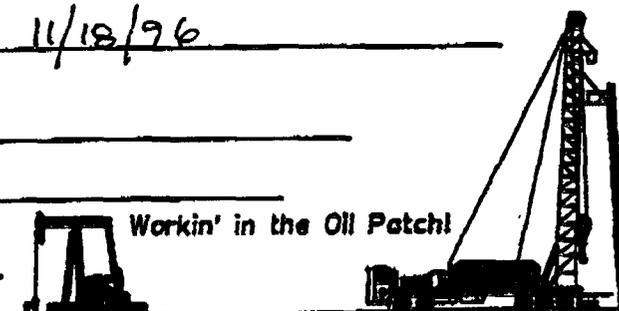
LOCATION: OCD, Santa Fe

FAX NUMBER: _____

FROM: _____

LOCATION: _____ PHONE: _____

NO. OF PAGES (INCLUDING COVER SHEET) 3



Michael

Per your request / our conversation Friday 11/15/96

Since the original proration^{unit} was non-standard 120 acres, since this is part of that approved (NSP-1529) order, since I did not object to Jack's proration proposal, wouldn't it make sense to approve my unit based on this C-102 alone? Please call with your thoughts.

Thanks

GREG SHORT, P. E.

HC 31, BOX 51-V-50 • MIDLAND, TEXAS 79707
(915) 563-1358

Oil & Gas Operations

Monday, November 18, 1996

Mr. Jerry Sexton
District Supervisor
Oil Conservation Division
P. O. Box 1980
Hobbs NM 88241-1980

Re: Bern 'A' Lease, Well #1, Prop #15426
Unit P, Section 14, T-19S, R-36E, Lea Co., NM
Eumont Field, Y-7R-Q, Gas

Dear Mr. Sexton:

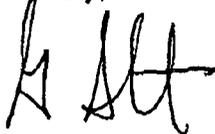
Per our conversation of Friday, November 15, 1996, please find enclosed 5 copies of a completed OCD Form C-102. Please process the request for dedicated acreage for the Bern 'A' #1 well.

This action is a result of the Division administration order NSP-1529-A involving Jack Huff and Greg Short. I was never notified of the administrative order, and, therefore, had no knowledge of this imminent requirement. My first and only notification of the order was by certified letter from the OCD in Santa Fe on Friday, before I talked to you, which letter ordered an immediate shut-in of the subject well.

After visiting with you on Friday, I talked with Michael Stogner and told him of our conversation. He indicated I would need to take further action to bring the matter of dedicated acreage for the Bern 'A' #1 well to conclusion. Mr. Stogner requested that I fax him a copy of this letter and the C-102, which I have done this date.

Thank you for your help.

Sincerely,



District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

8 API Number 30-025-04012		9 Pool Code 76480		7 Pool Name Eumont - Y, 7R, Q (Gas)	
4 Property Code 15426		5 Property Name Bern 'A'			6 Well Number 1
10 GRID No. 127535		11 Operator Name Greg Short, PE dba Oil & Gas Operations			8 Elevation 3733 DF

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	14	19S	36E		661	South	660	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill N	14 Consolidation Code	15 Order No. (Prev. approved as part of NSP-1529) 120 acre pro. unit
--------------------------	-------------------------	-----------------------	--

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief		
	Signature G Short		
	Printed Name Greg Short		
Title Owner			
Date 11/18/96			
18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.			
Date of Survey			
Signature and Seal of Professional Surveyer:			
Certificate Number			



GREG SHORT, P. E.HC 31, BOX 51-V-50 • MIDLAND, TEXAS 79707
(915) 563-1358**Oil & Gas Operations**

Wednesday, November 20, 1996

**Mr. Michael E. Stogner
Chief Hearing Officer
Oil Conservation Division
2040 South Pacheco
Santa Fe NM 87505**

Re: Bern 'A' Lease, Well #1, Prop #15426
Unit P, Section 14, T-19S, R-36E, Lea Co., NM
Eumont Field, Y-7R-Q, Gas
Division Administration Order NSP-1529-A dated September 6, 1996
Request for approval of 40 acre non-standard proration unit

Michael- please
call me & let me
know your thoughts
on acceptability of
this letter.
Thanks

Dear Mr. Stogner:

Per our conversation this date, please consider this formal application for administrative approval of a non-standard proration unit.

I respectfully request the approval of a non-standard proration unit for the subject well. The number of acres dedicated to this well is 40 acres, contrasted to the 640 acre standard proration unit. This 40 acre tract was previously included in Administrative Order NSP-1529 dated 2-23-88 which established a 120 acre non-standard proration unit.

A plat and legend indicating offset operators, as well as an OCD C-102 are enclosed.

A copy of this letter and enclosures is being sent to all offset operators. They will be asked to indicate their position with respect to the subject request. You will be forwarded their responses by me via priority mail.

Thank you for working with me on this important matter.

Sincerely,

