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William F. Carr

wcarr@hollandhart.com

September 3, 2003

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Yates Drilling Company
ABO Petroleum Corp.
Myco Industries, Inc.
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Chesapeake Exploration Limited Partnership
Post Office Box 18496
Oklahoma City, Oklahoma 73154-0496

Permian Resources, Inc.
Post Office Box 590
Midland, Texas 79702-0590

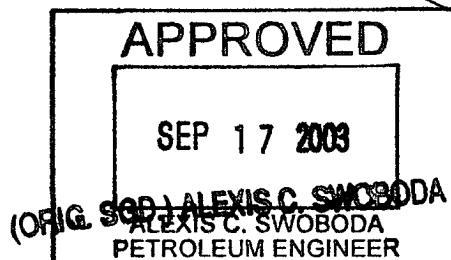
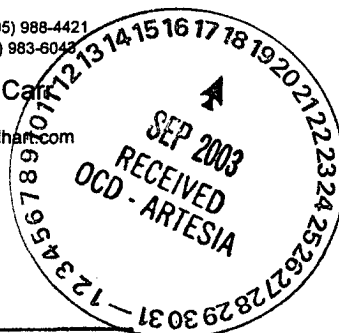
Jeanne Fields Shelby
5535 Yale Blvd, Suite 200
Dallas, Texas 75206-5015

Bureau of Land Management
Carlsbad Field Office
620 E. Greene Street
Carlsbad, New Mexico 88221-1778

Re: Application of Nearburg Exploration Company, L.L.C. for
Administrative Approval of Salt Water Disposal
Eddy County, New Mexico
M-H Prospect

Ladies and Gentlemen:

This letter is to advise you that Nearburg Exploration Company, L.L.C. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authorization to dispose of produced water in its McKittrick "14" Federal Well No. 1 located 2390 feet from the North line and 830 feet from the East line of Section 14, Township 22 South, Range 24 East, NMPM, Eddy County, New Mexico. Nearburg Exploration Company, L.L.C. proposes to inject into the Devonian formation through an injection interval from 11,500 feet to 12,300 feet. The initial



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NM 53219

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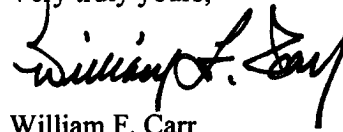
Notice Letter
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injection will be by vacuum and a maximum surface injection pressure of 2300 pounds is proposed by Nearburg Exploration Company, L.L.P. The average daily injection rate will be 10,000 barrels of water and the maximum daily injection rate will be 20,000 barrels of water.

If you have questions concerning this application, you may contact Clyde Findlay at 432-686-8235, ext. 207 or at Nearburg Exploration Company, L.L.C., 3300 North "A" Street, Building 2, Suite 120, Midland, Texas 79705.

Objections to this application or requests for hearing must be filed with the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within 15 days of the date of this letter.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large, stylized "W" and "C".

William F. Carr
Attorney for Nearburg Exploration
Company, L.L.C.

Enclosure

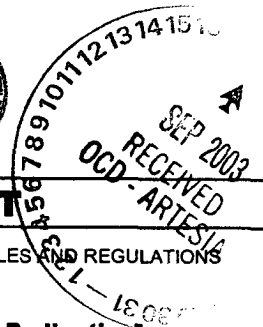
DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS
WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]

[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]

[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]

[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]

[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]

[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
 [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

William F. Carr
Print or Type Name

Signature

ANDRELY
Title

9-3-03
Date

wearr@hollandhart.com
e-mail Address