

15	Alison Fed	Notes Pet	22	Notes Pet	23	Notes Pet	24	Notes Pet	25	Notes Pet	26	Notes Pet	27	Notes Pet	28	Notes Pet	29	Notes Pet	30	Notes Pet	31	Notes Pet	32	Notes Pet	33	Notes Pet	34	Notes Pet	35	Notes Pet	36	Notes Pet	37	Notes Pet	38	Notes Pet	39	Notes Pet	40	Notes Pet	41	Notes Pet	42	Notes Pet	43	Notes Pet	44	Notes Pet	45	Notes Pet	46	Notes Pet	47	Notes Pet	48	Notes Pet	49	Notes Pet	50	Notes Pet	51	Notes Pet	52	Notes Pet	53	Notes Pet	54	Notes Pet	55	Notes Pet	56	Notes Pet	57	Notes Pet	58	Notes Pet	59	Notes Pet	60	Notes Pet	61	Notes Pet	62	Notes Pet	63	Notes Pet	64	Notes Pet	65	Notes Pet	66	Notes Pet	67	Notes Pet	68	Notes Pet	69	Notes Pet	70	Notes Pet	71	Notes Pet	72	Notes Pet	73	Notes Pet	74	Notes Pet	75	Notes Pet	76	Notes Pet	77	Notes Pet	78	Notes Pet	79	Notes Pet	80	Notes Pet	81	Notes Pet	82	Notes Pet	83	Notes Pet	84	Notes Pet	85	Notes Pet	86	Notes Pet	87	Notes Pet	88	Notes Pet	89	Notes Pet	90	Notes Pet	91	Notes Pet	92	Notes Pet	93	Notes Pet	94	Notes Pet	95	Notes Pet	96	Notes Pet	97	Notes Pet	98	Notes Pet	99	Notes Pet	100	Notes Pet
----	------------	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	-----	-----------

NMOCD Case No. 11548

Exhibit No. _____

*No
More
Production*

Township 19 South, Range 25 East
Eddy County, New Mexico

29	28
Yates Petroleum Corporation	Yates Petroleum Corporation
32 Conoco Inc.	33 Newbourne Oil Company
Nearburg Exploration Company	D. Schutz Perry & Perry Inc. J.M. Huber Corporation

*No
production*

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 2

CASE NO. 11548

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

Case No. 11548

AFFIDAVIT REGARDING NOTICE

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

James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Applicant.
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the Application filed herein.
4. Notice of the Application was provided to the interest owners at their correct addresses by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A.
5. Applicant has complied with the notice provisions of Division Rule 1207.


James Bruce

SUBSCRIBED AND SWORN TO before me this 3rd day of June, 1996, by James Bruce.



My Commission Expires:

9.7.99

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 3

CASE NO. 11548

HINKLE, COX, EATON, COFFIELD & HENSLEY,
L.L.P.

ATTORNEYS AT LAW

218 MONTEZUMA POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504-2068
(505) 982-4884 FAX (505) 982-8623

LEWIS C. COX, JR. DEBARRAS
CLARENCE E. HINKLE DEBARRAS
OF COUNSEL
G. M. CALHOUN* JOE W. WOOD
RICHARD L. CAZZELL* RAY W. RICHARDS*

AUSTIN AFFILIATION
HOFFMAN & STEPHENS, P.C.
KIMMETH R. HOFFMAN*
TON D. STEPHENS*
RONALD C. SCHULTZ, JR.*
JOSE CANO*

THOMAS E. HOOD*
REBECCA NICHOLS JOHNSON
STANLEY K. KOTOVSKY, JR.
ELLEN S. CASEY
MARGARET CARTER LUDWIGS
S. BARRY PAMBER
WYATT L. BROOKS*
DAVID M. RUSSELL*
ANDREW J. CLOUTIER
STEPHANNE LANGRY
KRYE E. HOELLING*
DIANE FISHER
JULIE R. NICKERSON
WILLIAM F. SLATTERY
CHRISTOPHER M. MOODY
JOHN D. PHILLIPS
EARL R. NORRIS
JAMES A. GILLESPIE
MARGARET R. MENETT

GARY W. LARSON
LISA K. SMITH*
NORMAN D. EDWART
DARRIN T. GROCE*
MOLLY MONTGOM
MARCIA B. LINCOLN
SCOTT A. SHILANT*
FRANK G. NASON
AMY C. WRIGHT*
BRADLEY G. BISHOP*
KAROLYN KING NELSON
ELLEN T. LOUDERBOUGH
JAMES H. WOOD*
NANCY L. STRATTON
TIMOTHY R. BROWN
JAMES C. MARTIN

*NOT LICENSED IN NEW MEXICO

PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
BRUNF O. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
ROBERT F. TRINER, JR.
KENNETH G. MARTIN
NATHAN C. COURTNEY*
DEN L. PATTENSON*
DORCAS L. LINSFORD
NICHOLAS J. HOEDING
T. CALDER KEEZELL, JR.
WILLIAM S. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
THOMAS J. HEBBROCK
NANCY S. CLIBACK
JEFFREY L. FORNACIARI

JEFFREY D. HENETT
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
WILLIAM F. COUNTISS*
MICHAEL J. CANON
ALBERT L. FITTS
THOMAS M. HENNING
JOHN C. CHAMBERS*
GARY D. COMPTON*
W. H. STRAIN, JR.*
RUSSELL J. BAILEY*
CHARLES R. WATSON, JR.*
STEVEN D. ARNOLD
THOMAS D. HANES, JR.
GREGORY J. NISBETT
FRED W. SCHWENDELMANN
JAMES M. HUDSON
JEFFREY S. BAIRD*

May 17, 1996

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: PERSONS ON EXHIBIT A

Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division for approval of an unorthodox gas well location for its proposed State "B" Com. Well No. 4, located 1650 feet from the North line and 660 feet from the West line of Section 33, Township 19 South, Range 25 East, Eddy County, New Mexico. The well will be drilled to test the Morrow formation (Cemetery-Morrow Gas Pool), and the N $\frac{1}{2}$ of Section 33 will be dedicated to the well. The application will be heard at 8:15 a.m. on Thursday, June 13, 1996 at the Division's office at 2040 South Pacheco, Santa Fe, New Mexico 87505. Failure to appear at that time will preclude you from objecting to the location at a later date.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.

James Bruce
James Bruce

Attorneys for Mewbourne Oil Company

JB/bc



POST OFFICE BOX 10
ROSWELL, NEW MEXICO 84202
(505) 622-6810
FAX (505) 623-9332

POST OFFICE BOX 3580
MOLAND, TEXAS 78702
(512) 683-4681
FAX (512) 683-6818

POST OFFICE BOX 9838
AMARILLO, TEXAS 79105
(806) 372-3568
FAX (806) 372-8781

POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

401 W. 15TH STREET, SUITE 800
AUSTIN, TEXAS 78701
(512) 478-7137
FAX (512) 478-5431

EXHIBIT A

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attention: Mecca Mauritsen

Conoco Inc.
10 Desta Drive
Suite 100 West
Midland, Texas 79705-4500
Attention: Carl Sherrill

Schutz Abstract Company
Post Office Box 973
Santa Fe, New Mexico 87504
Attention: Doug Schutz

Nearburg Producing Company
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
Attention: Bob Shelton

Perry & Perry, Inc.
Post Office Box 371
Midland, Texas 79702

J. M. Huber Corporation
1900 West Loop South
Suite 1600
Houston, Texas 77027
Attention: Barbara Oldham

P. 023 913 288

Receipt for Certified Mail



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

Sent to	Carl Shewill / Conoco Inc
Street and No.	10 Desta Dr. Ste 100 W
P.O. / City and ZIP Code	Midland TX 79705-4500
Postage	\$.30
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom it Was Delivered	1.10
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 2.50
Postmark or Date	MAY 17 1996

PS Form 3800, June 1991

USPS-87501

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and 2 and any additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also want to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Carl Shewill Conoco, Inc. 10 Desta Drive Suite 100 West Midland, TX 79705-4500	4a. Article Number P 023 913 288
5. Received By (Print Name) Anita Gonzalez	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
6. Signature: (Addressee or Agent) X	7. Date of Delivery 5-20-96
	8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 023 913 289

Receipt for Certified Mail

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



Sent to	Doug Schutz / Schutz Abstract
Street/old No.	PO Box 973
P.O. State and ZIP Code	Santa Fe, NM 87504
Postage	\$.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	SANTA FE, NM 87504
Return Receipt Showing to Whom, Date, and Address	5-22-1996
TOTAL Postage & Fees	\$ 1.42
Postmark or Date	10501 USPS - 87501

PS Form 3800, June 1991

is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also will receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Doug Schutz
Schutz Abstract Co.
P.O. Box 973
Santa Fe, NM 87504

4a. Article Number

P 023 913 289

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

7. Date of Delivery

5-22-

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X [Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P. 023 913 290

Receipt for Certified Mail

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



Send To Bob Shelton / Newburg Prod.	
Street and No. 3300 N. A. St., Bldg 2, Ste 120	
P.O., State and Zip Code Midland, TX 79705	
Postage	\$ - 30
Certified Fee	110
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	110
Return Receipt Showing Date, and Addressee's Address (If Different)	
TOTAL Postage & Fees	\$ 250
Postmark	MAY 17 1996
USPS-81501	

PS Form 3800, June 1991

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/ additional services.
- Complete items 3, 4a, & 2
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Bob Shelton
Newburg Producing Co.
3300 North "A" Street
Building 2, Suite 120
Midland, TX 79705

4a. Article Number
P 023 913 290

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
5-20

5. Received By: (Print Name)

D. Walton

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X D. Walton

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 023 913 291

Receipt for Certified Mail

No Insurance Coverage Permitted
Do not use for International mail
(See Reverse)



Sent to	Perry & Perry, Inc
Street and Apt. No.	PO Box 371
P.O., State and ZIP Code	Midland TX 79702
Postage	\$.33
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	LD
Return Receipt Showing Where, Date, and Address	Midland TX 79702
TOTAL Postage & Fees	\$ 1.43
Postmark of Date	MAY 17 1996

PS Form 3800, June 1991



Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Perry & Perry, Inc
P.O. Box 371
Midland, TX 79702

4a. Article Number
P023 913 291

4b. Service Type

<input type="checkbox"/> Registered	<input checked="" type="checkbox"/> Certified
<input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured
<input type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> COD

7. Date of Delivery
MAY 20 1996

5. Received By: (Print Name)
Chana Castle

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)
X Chana Castle

Thank you for using Return Receipt Service.

PS Form 3811, December 1994

Domestic Return Receipt

P 023 913 292

Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for international mail
(See Reverse)



Sent to	Barbara Oldham/Huber Corp.
Street and No.	1900 W. Loop S. Ste 1600
P.O. State and ZIP Code	Houston TX 77027
Postage	\$.32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 1.42
Postmark	MAY 17 1996

PS Form 3800, June 1991

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also will receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Barbara Oldham
J.M. Huber Corporation
1900 West Loop South
Suite 1600
Houston, TX 77027

4a. Article Number
P 023 913 292

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
5-20-96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

Thank you for using Return Receipt Service.

PS Form 3811, December 1994

Domestic Return Receipt

P 023 919 414

Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for international mail (See Reverse)



Sent to	Mecca Mauwitsen / Yates Petrol
Street and No.	105 S. 4th St.
P.O. Stage and ZIP Code	Artesia NM 88210
Postage	\$ 30
Certified Fee	110
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1-10
Return Receipt to Whom, Date, and Address (If Different)	
TOTAL Postage & Fees	\$ 25
Postmark Date	MAY 17 1996



PS Form 3800, June 1991

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mecca Mauwitsen
Yates Petroleum Corp.
105 South Fourth Street
Artesia, NM 88210

4a. Article Number

P 023 919 414

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

MAY 20 1996

5. Received By: (Print Name)

X KATHARUN PARSONS

6. Signature: (Addressee or Agent)

X Katharun Parsons

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3811, December 1994

Domestic Return Receipt

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715

FAX (915) 685-4170

May 8, 1996

Post-It™ brand fax transmittal memo 7671		# of pages	1
To	CARL SHERRILL		
From	PAUL HADEN		
Co.	CONOCO		
Dept.	MOC		
Phone #			
Fax #	686-5468		

Conoco Inc.
10 Deata Drive, Suite 100W
Midland, Texas 79705-4500

Attn: Carl Sherrill

Re: MOC's Application for an Unorthodox Location;
MOC State "B" Com. #4 Well,
1650' FNL & 660' FWL of Sec. 33, T19S, R25E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company has applied for the captioned unorthodox location for the captioned well to test the Morrow formation. Such proposed location is due to geological considerations.

In exchange for Conoco waiving all objections to our application, Mewbourne agrees to provide Conoco one (1) copy of all logs and test information on such well within thirty (30) days of Mewbourne's acquisition of same.

If Conoco accepts the above proposed agreement, please signify by signing and returning the duplicate original of this letter to the undersigned.

Sincerely,

MEWBOURNE OIL COMPANY

D. Paul Haden
Landman

DPH/tp

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 4
CASE NO. 11548

AGREED and ACCEPTED this 29th day of May, 1996.

CONOCO INC.

By: Carl E. Sherrill

Name: CARL E. SHERRILL

Title: SR. LAND ADVISOR

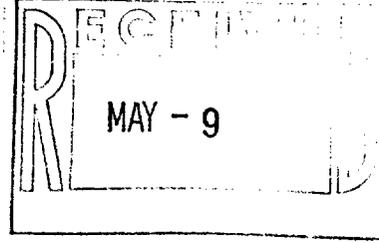
MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715
FAX (915) 685-4170

May 8, 1996

Nearburg Producing Company
3300 N. "A" St., Bldg. 2, Ste. 120
Midland, Texas 79705



Attn: Bob Shelton

Re: MOC's Application for an Unorthodox Location;
MOC State "B" Com. #4 Well,
1650' FNL & 660' FWL of Sec. 33, T19S, R25E
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company has applied for the captioned unorthodox location for the captioned well to test the Morrow formation. Such proposed location is due to geological considerations.

In exchange for Conoco waiving all objections to our application, Mewbourne agrees to provide Conoco one (1) copy of all logs and test information on such well within thirty (30) days of Mewbourne's acquisition of same.

If Conoco accepts the above proposed agreement, please signify by signing and returning the duplicate original of this letter to the undersigned.

Sincerely,

MEWBOURNE OIL COMPANY

D. Paul Haden
Landman

DPH/gb

AGREED and ACCEPTED this 8th day of May, 1996.

NEARBURG PRODUCING COMPANY

By: Bob Shelton

Name: _____

Title: Land manager

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(915) 682-3715
FAX (915) 685-4170

May 20, 1996

J. M. Huber Corporation
1900 West Loop South, Suite 1600
Houston, Texas 77027

Attn: ~~Barbara Oldham~~ *Bill Lawrence*

Re: MOC's Application for an Unorthodox Location;
MOC State "B" Com. #4 Well,
1650' FNL & 660' FWL of Sec. 33, T19S, R25E
Eddy County, New Mexico

Ladies and Gentlemen:

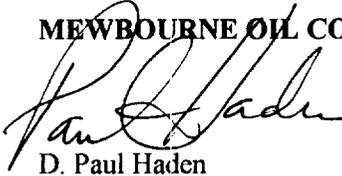
Mewbourne Oil Company has applied for the captioned unorthodox location for the captioned well to test the Morrow formation. Such proposed location is due to geological considerations.

In exchange for Huber's waiving all objections to our application, Mewbourne agrees to provide Huber one (1) copy of all logs and test information on such well within thirty (30) days of Mewbourne's acquisition of same.

If Huber accepts the above proposed agreement, please signify by signing and returning the duplicate original of this letter to the undersigned.

Sincerely,

MEWBOURNE OIL COMPANY



D. Paul Haden
Landman

DPH/gb

AGREED and ACCEPTED this 3rd day of June, 1996.

J. M. HUBER CORPORATION

By: 

Name: Robert R. Glenn

Title: V.P., Oil & Gas Div.

JUN 04 1996

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

June 3, 1996

Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Attention: Paul Haden

RE: MOC's STATE B COM #4
Township 19 South, Range 25 East
Section 33: N/2
1650 FNL and 660 FWL
Eddy County, New Mexico

Dear Paul:

Yates Petroleum Corporation waives any objection to the drilling of the captioned well at the proposed unorthodox location. In exchange for this waiver, Mewbourne Oil Company agrees not to object to if Yates Petroleum Corporation decides to drill a like test on the off-setting acreage.

If Mewbourne Oil Company accepts the above proposed, please indicate by signing and returning one (1) copy of this letter to my attention.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Mecca Mauritsen

Mecca Mauritsen
Landman

MM:bn
enclosure(s)

AGREED TO AND ACCEPTED THIS 4th DAY OF June, 1996

MEWBOURNE OIL COMPANY

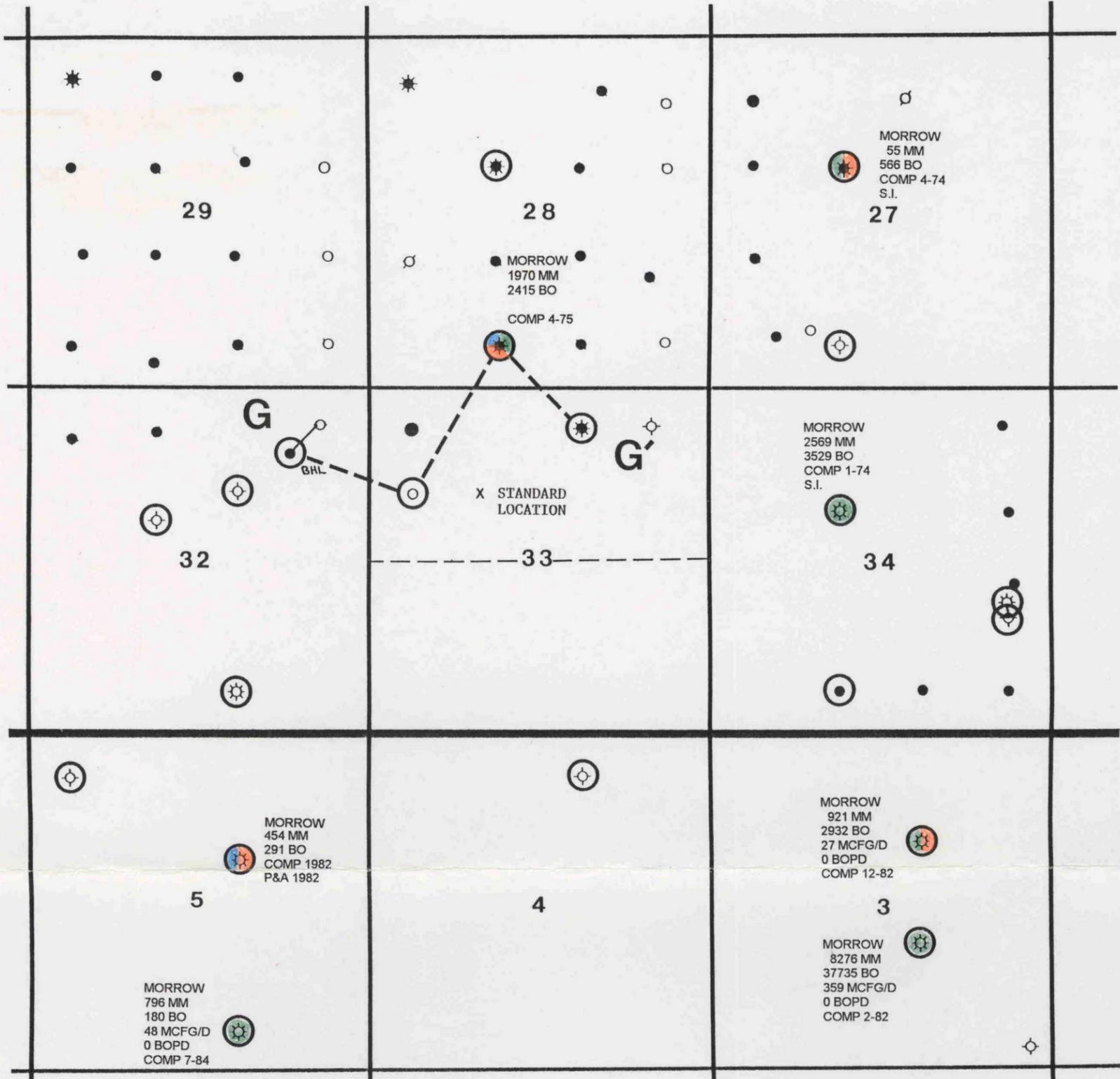
By: *Ralph P. Moore*
Name: RALPH P. MOORE
Title: DIST. EXPL. MGR.

PH

R 25 E

T
19
S

T
20
S



- MORROW PENETRATION
- MORROW BLUE SAND PRODUCER
- MORROW GREEN SAND PRODUCER
- MORROW ORANGE SAND PRODUCER

NEW MEXICO
OIL CONSERVATION DIVISION
EXHIBIT 5
CASE NO. 11548



MEWBOURNE OIL COMPANY

MIDLAND, TEXAS DISTRICT

CEMETARY PROSPECT

EDDY COUNTY, NEW MEXICO

PRODUCTION STUDY

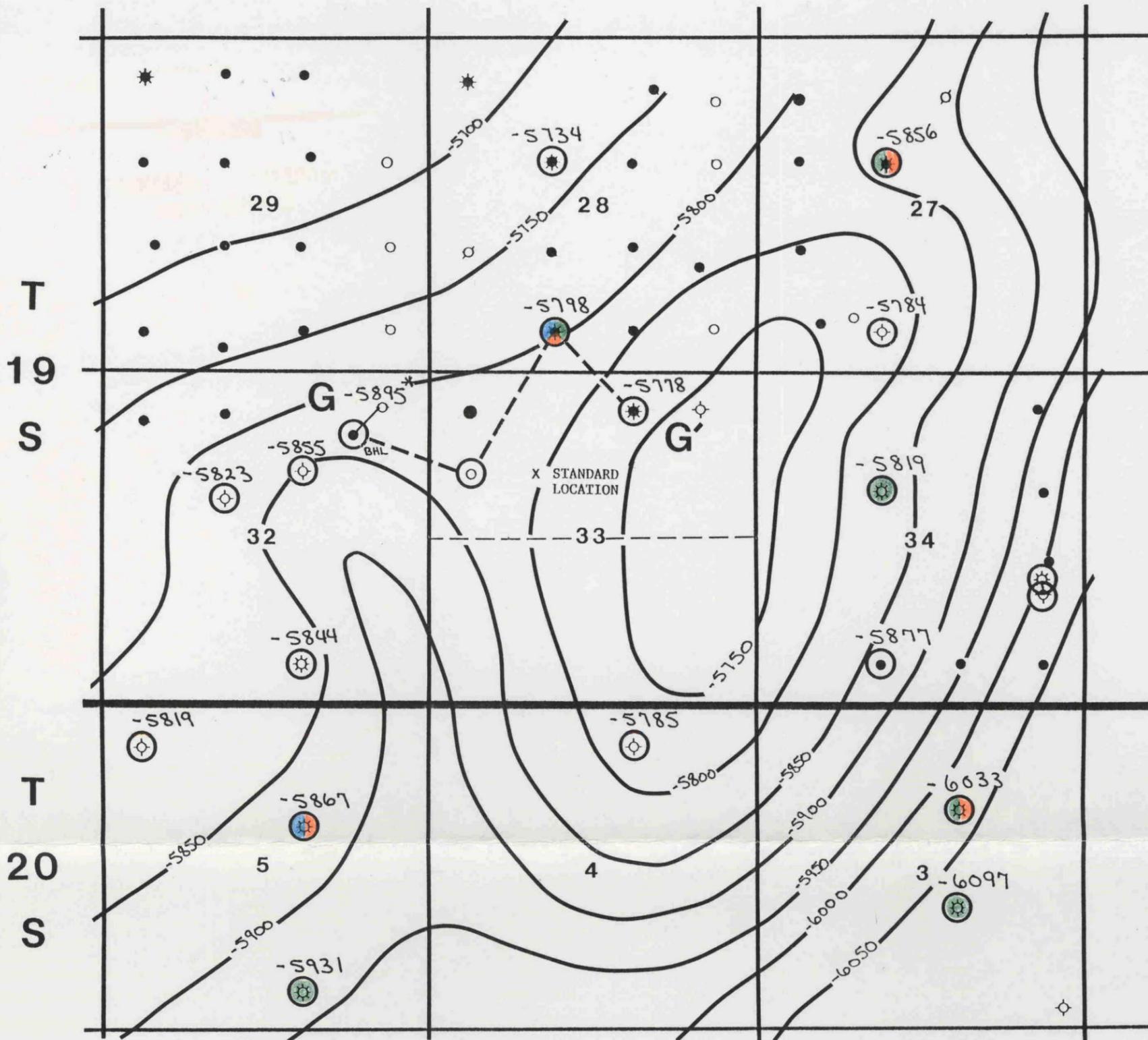
CUMULATIVE PRODUCTION
DAILY RATE
(as of September 1995)

JUNE 1996

SCALE 1" = 2000'

RALPH MOORE

R 25 E



○ MORROW PENETRATION

5895* DEVIATED HOLE (NOT CONSIDERED)

● MORROW BLUE SAND PRODUCER

● MORROW GREEN SAND PRODUCER

● MORROW ORANGE SAND PRODUCER



MEWBOURNE OIL COMPANY

MIDLAND, TEXAS DISTRICT

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 6

CASE NO. 11548

CEMETARY PROSPECT
EDDY COUNTY, NEW MEXICO

BASE/LOWER MORROW SHALE
STRUCTURE MAP

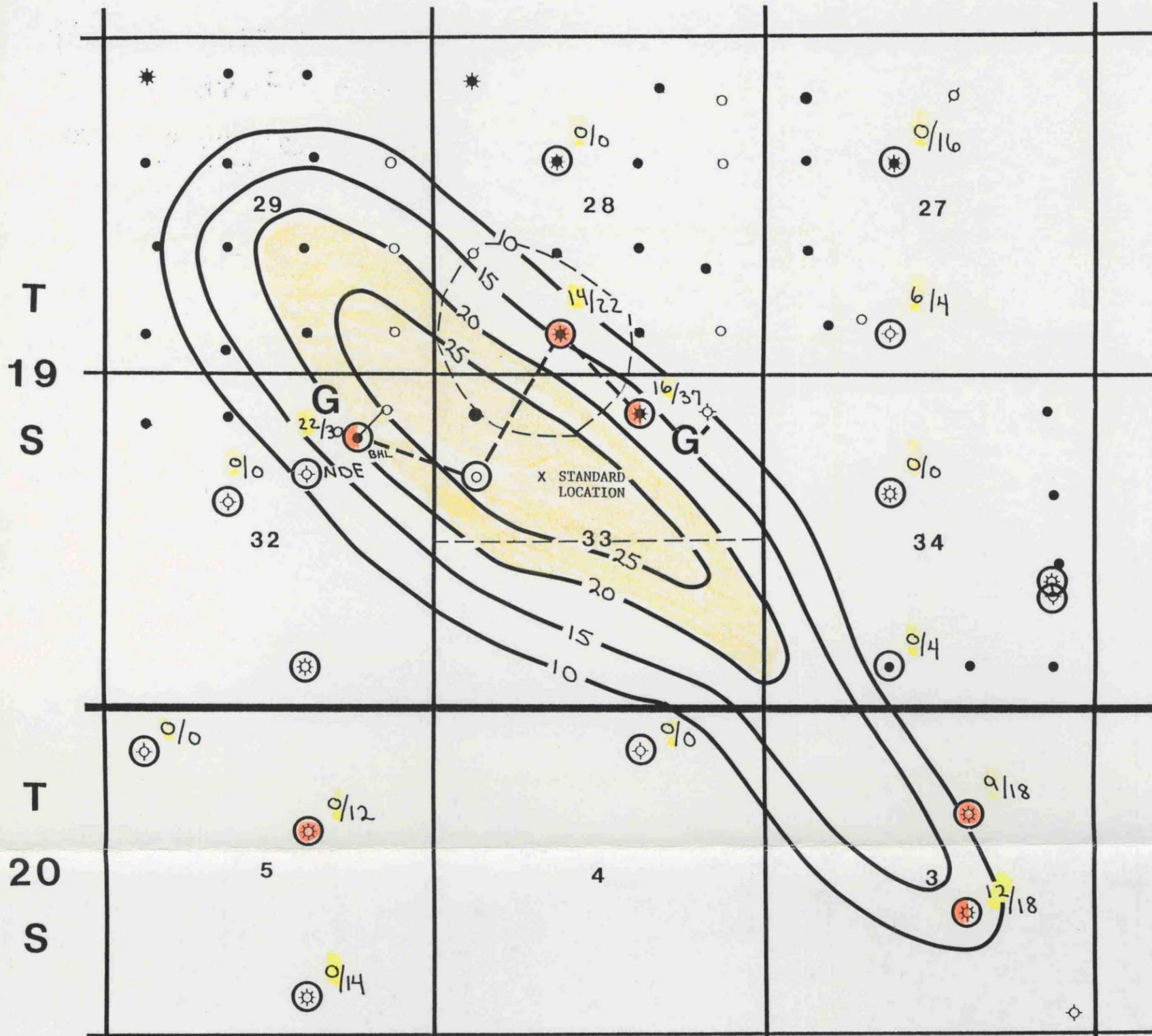
C.I. = 50'

JUNE 1996

SCALE 1" = 2000'

RALPH MOORE

R 25 E



- MORROW PENETRATION
- ORANGE SAND PRODUCTION
- ORANGE SAND, DRAINAGE AREA



MEWBOURNE OIL COMPANY
MIDLAND, TEXAS DISTRICT

CEMETARY PROSPECT
EDDY COUNTY, NEW MEXICO

LOWER MORROW ORANGE SAND
NET SAND ISOPACH

NET $\phi \geq 7\%$
GROSS SAND

C.I. = 5'

JUNE 1996

SCALE 1" = 2000'

RALPH MOORE

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 8

CASE NO. 11548

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE