

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF CONCHO OIL & GAS
CORP. AND NEARBURG PRODUCING
COMPANY FOR APPROVAL OF SURFACE
COMMINGLING OF PRODUCTION FROM
WELLS OPERATED BY TWO DIFFERENT
OPERATORS, EDDY COUNTY, NEW MEXICO.

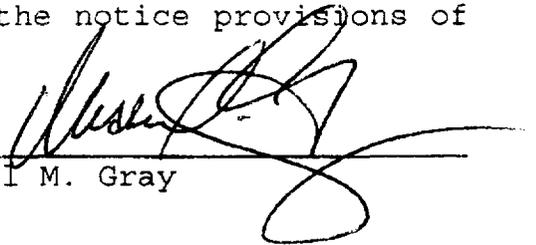
Case No. 12874

AFFIDAVIT REGARDING NOTICE

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

Michael M. Gray, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters set forth herein.
2. I am a landman for Concho Oil & Gas Corp.
3. Concho Oil & Gas Corp. 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. Applicants have complied with the notice provisions of Division Rule 1207.



Michael M. Gray

SUBSCRIBED AND SWORN TO before me this 12th day of June, 2002, by Michael M. Gray.



Notary Public

My Commission Expires:
3/24/05

OIL CONSERVATION DIVISION

CASE NUMBER 12874

EXHIBIT 5

CONCHO OIL & GAS CORP.

Suite 410
110 W. Louisiana
Midland, Texas 79701

(915) 683-7443
FAX 683-7441

Certified/Return Receipt Mail

May 17, 2002

To the Working Interest Owners
shown on the attached Exhibit "A"

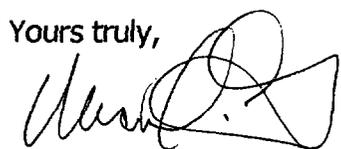
Application to Commingle
Crowflats "3" Federal #1
Crowflats "10" Federal #1
Crowflats "11" Federal #1
Township 16 South, Range 28 East
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed is a copy of an application for commingling of production, filed with the New Mexico Oil Conservation Division by Concho Oil & Gas Corp., regarding three wells in Sections 3, 10 and 11, Township 16 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This application is set to be heard at 8:15 a.m. on Thursday, July 13, 2002, at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the wells, you have the right to appear at the hearing and present evidence. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

You are required to notify the Division, and the undersigned, in writing by Friday, June 7, 2002, if you intend to enter an appearance and participate in the case.

Yours truly,



Michael M. Gray
Senior Landman

Exhibit "A"

**Application to Commingle
Crowflats "3" Federal #1
Crowflats "10" Federal #1
Crowflats "11" Federal #1
Township 16 South, Range 28 East
Eddy County, New Mexico**

Devon Energy Production Company, L.P.
P. O. Box 108838
Oklahoma City, Oklahoma 73101-8838
Attention: Meg Muhlinghouse

Tim McDonald
23 Graham Lane
Lucas, Texas 75002

Bureau of Land Management
2909 West 2nd Street
Roswell, New Mexico 88201

Eland Energy Inc.
8150 N. Central Expressway, Suite 400
Dallas, Texas 75206

Providence Energy Corp.
8150 N. Center Expressway, Suite 400
Dallas, Texas 75206

Penrock Oil Corporation
P. O. Box 5970
Hobbs, New Mexico 88241

Orion Properties, Inc.
11776 S. 76th East Avenue
Bixby, Oklahoma 74008

King Properties, Inc.
P. O. Box 10
Bixby, Oklahoma 74008

John E. Casey
P. O. Box 10533
Midland, Texas 79702-7533

Otto E. Green Living Trust
Craig E. Malmgren, Trustee
24470 Hidden Court
Hayward, California 94541

Nex/George S. Mennen
Revocable Trust
P. O. Box 823085
Dallas, Texas 75382-3085

EXCO Resources, Inc.
6500 Greenville Avenue
Suite 600, LB 17
Dallas, Texas 75206

Hog Partnership LP
P. O. Box 35287
Dallas, Texas 75235-0287

Jerry Elger
P. O. Box 2623
Midland, Texas 79702

AAR Limited Partnership
Attention: Anna Reischman
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Duane A. Davis
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Exhibit "A"(Continued)
Application to Commingle/Crowflats Wells

Holsum, Inc.
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Gretchen Nearburg
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Dean A. Horning
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Roy G. Niederhoffer
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

LJR Resources Ltd. Co.
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

R-N Limited Partnership
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Leesburg Investments, Ltd.
Attention: Mr. Lee Fikes
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Gene Reischman
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Timothy R. MacDonald
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Robert G. Shelton
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Maverick Oil & Gas Corp.
c/o Kimbrough Engineering Co.
Attention: Mr. Scott Kimbrough
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

J. Kenneth Smith
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Menpart Associates
Attention: Mr. William C. Scalia
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Wright Family Living Trust
Attention: Mr. Joe R. Wright
c/o Nearburg Exploration Co.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

End of Exhibit "A"

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF CONCHO OIL & GAS
CORP. AND NEARBURG PRODUCING
COMPANY FOR APPROVAL OF SURFACE
COMMINGLING OF PRODUCTION FROM
WELLS OPERATED BY TWO DIFFERENT
OPERATORS, EDDY COUNTY, NEW MEXICO.

No. _____

APPLICATION

Concho Oil & Gas Corp. ("Concho") and Nearburg Producing Company ("Nearburg") apply for an order approving surface commingling of gas production from three wells, as an exception to Division Rules, and in support thereof, state:

1. Concho is the operator of the Crow Flats 11 Fed. Well No. 1, which has the following acreage dedicated to it:

Township 16 South, Range 28 East, N.M.P.M.
Section 11: $W\frac{1}{2}$

2. Concho is also the operator of the Crow Flats 3 Fed. Well No. 1, which has the following acreage dedicated to it:

Township 16 South, Range 28 East, N.M.P.M.
Section 3: $S\frac{1}{2}$

3. Nearburg is the operator of the Crow Flats 10 Fed. Well No. 1, which has the following acreage dedicated to it:

Township 16 South, Range 28 East, N.M.P.M.
Section 10: $E\frac{1}{2}$

4. All three wells are producing from the Diamond Mound-Morrow Gas Pool.

5. Concho has recently purchased the interests of Nearburg and its affiliates in the Crow Flats 11 Fed. Well No. 1 and Crow Flats 3 Fed. Well No. 1, and has become operator of those wells.

Nearburg has retained ownership and operation of the Crow Flats 10 Fed. Well No. 1.

6. Nearburg is the owner and operator of a gas pipeline servicing the three wells. Nearburg has been surface commingling gas produced from the three wells. All three wells measure production through separate check meters on each of the wellsites, and the gas is then transported through Nearburg's pipeline, to a single sales meter, to a pipeline owned by Duke Energy Field Services LP ("Duke").

7. Applicants request that the Division allow Concho and Nearburg to continue to measure the gas through the check meters as described above and report it to the Division on that basis, to commingle the gas in Nearburg's pipeline, and to sell the gas through the existing sales meter at Duke's pipeline.

8. The Crow Flats 11 Fed. Well No. 1 and Crow Flats 3 Fed. Well No. 1 produce at low rates, and without an exception to Division Rules would be shut-in.

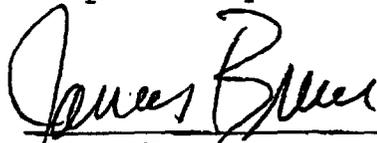
9. Interest ownership among the wells is not common, and notice of this application has been given to all interest owners in three wells.

10. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the relief requested above be granted.

RESERVED PAGE 04

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Applicants,

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**BUREAU OF LAND
MANAGEMENT
2909 WEST 2ND STREET
ROSWELL NM 88201**

2. Article Number (Trace) **7001 0320 0004 1597 7385**

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
X J. Tunnell Addressee

B. Received by (Printed Name) **J. Tunnell** C. Date of Delivery **5/20**

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**NEX/GEORGE S. MENNEN
REVOCABLE TRUST
P O BOX 823085
DALLAS TX 75382-3085**

2. Article Number **7001 0320 0004 1597 7309**

COMPLETE THIS SECTION ON DELIVERY

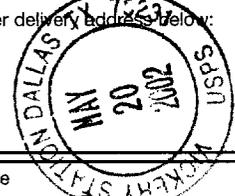
A. Signature Agent
X C Rivera Addressee

B. Received by (Printed Name) **C Rivera** C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**JERRY ELGER
P O BOX 2623
MIDLAND TX 79702**

2. Article Number (Copy from service label) **7001 0320 0003 9458 5465**

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery **5-21-07**

C. Signature Agent
X [Signature] Addressee

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input checked="" type="checkbox"/> <i>Burduy</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Wright Family Living Trust ET AL c/o Nearburg Exploration Co 3300 N "A" Street Bldg 2 Suite 120 Midland TX 79705		B. Received by (Printed Name)	C. Date of Delivery 5-20-02
2. Article (Trans) 7001 0320 0003 9458 5458		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, August 2001		Domestic Return Receipt 102595-01-M-2509	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input checked="" type="checkbox"/> <i>Tim McDonald</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: TIM McDONALD 23 GRAHAM LANE LUCAS TX 75002		B. Received by (Printed Name)	C. Date of Delivery 5-20
2. Article Number (Copy from service label) 7001 0320 0003 9458 4468		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, August 2001		Domestic Return Receipt 102595-01-M-2509	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Received by (Please Print Clearly) B. Date of Delivery S-20-02	
1. Article Addressed to: EXCO RESOURCES INC 6500 GREENVILLE AVENUE SUITE 600 LB 17 DALLAS TX 75206		C. Signature <input checked="" type="checkbox"/> <i>Walker</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
2. Article Number (Copy from service label) 7001 0320 0004 1597 7293		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, July 1999		Domestic Return Receipt 102595-99-M-1	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input checked="" type="checkbox"/> <i>Walker</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: PROVIDENCE ENERGY CORP 8150 N CENTRAL EXPRESSWAY SUITE 400 DALLAS TX 75206		B. Received by (Printed Name) WALKER	C. Date of Delivery 5-20-02
2. Article Number (Copy from service label) 7001 0320 0004 1597 7361		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, July 1999		Domestic Return Receipt 102595-99-M-1	

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

HOG PARTNERSHIP LP
P O BOX 35287
DALLAS TX 75235-0287

A. Received by (Please Print Clearly) B. Date of Delivery

JUN - 1 2002

C. Signature Agent
 Addressee

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from mailpiece)
7001 0320 0003 9458 5472

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

OTTO E GREEN LIVING TRUST
CRAIG E MALMGREN TRUSTEE
24470 HIDDEN COURT
HAYWARD CA 94541

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

5/20/02

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(7001 0320 0004 1597 7316

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

PENROCK OIL CORPORATION
P O BOX 5970
HOBBS NM 88241

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

ROSA SOSA

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Art 7001 0320 0004 1597 7354
(Tr

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ORION PROPERTIES INC
11776 S 76TH EAST AVENUE
BIXBY OK 74008

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

5/22

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Ar 7001 0320 0004 1597 7347
(Tr

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ELAND ENERGY INC
8150 N CENTRAL EXPRESSWAY
SUITE 400
DALLAS TX 75206

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) *CATE* C. Date of Delivery *5-20-02*

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. 7001 0320 0004 1597 7378

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

KING PROPERTIES INC
P O BOX 10
BIXBY OK 74008

COMPLETE THIS SECTION ON DELIVERY

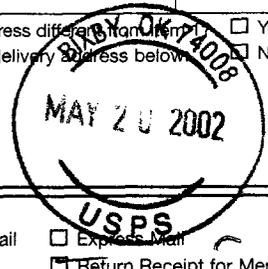
A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



2. Ar 7001 0320 0004 1597 7330

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

DEVON ENERGY PRODUCTION
COMPANY, LP
P. O. BOX 108838
OKLAHOMA CITY OK 73101-8838
ATTN: MEG MUHLINGHAUSE

COMPLETE THIS SECTION ON DELIVERY

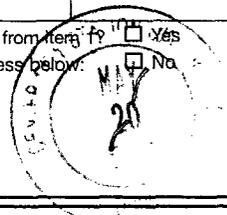
A. Signature Agent
 Addressee

B. Received by (Printed Name) *Goodluck Noki* C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



2. Article N 7001 0320 0003 9458 4475 (Transfer from certified mail)

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

JOHN E CASEY
P O BOX 10533
MIDLAND TX 79702-7533

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery *5-20-02*

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. 7001 0320 0004 1597 7323