

Yates	42.8%	Bourne
SW/4 Conoco	27.5%	inson
30 Nearburg	0.0%	CPH
Yates	9.3%	on, III
SE/4 Conoco	61.0%	(Yates)
30 Nearburg	25.0%	wbourne O
Yates	25.0%	R. Nixon, Jr.
NE/4 Conoco	25.0%	Collier
31 Nearburg	50.0%	ster (S)
Yates	0.0%	6.0%
NW/4 Conoco	0.0%	A. Osage
31 Nearburg	100.0%	U.S.
● 330/N 2460/W		

BEFORE EXAMINER CATANACH
 NMOCD CASE NO. 10731
 DATE: 07/17/93
 EXHIBIT NO.

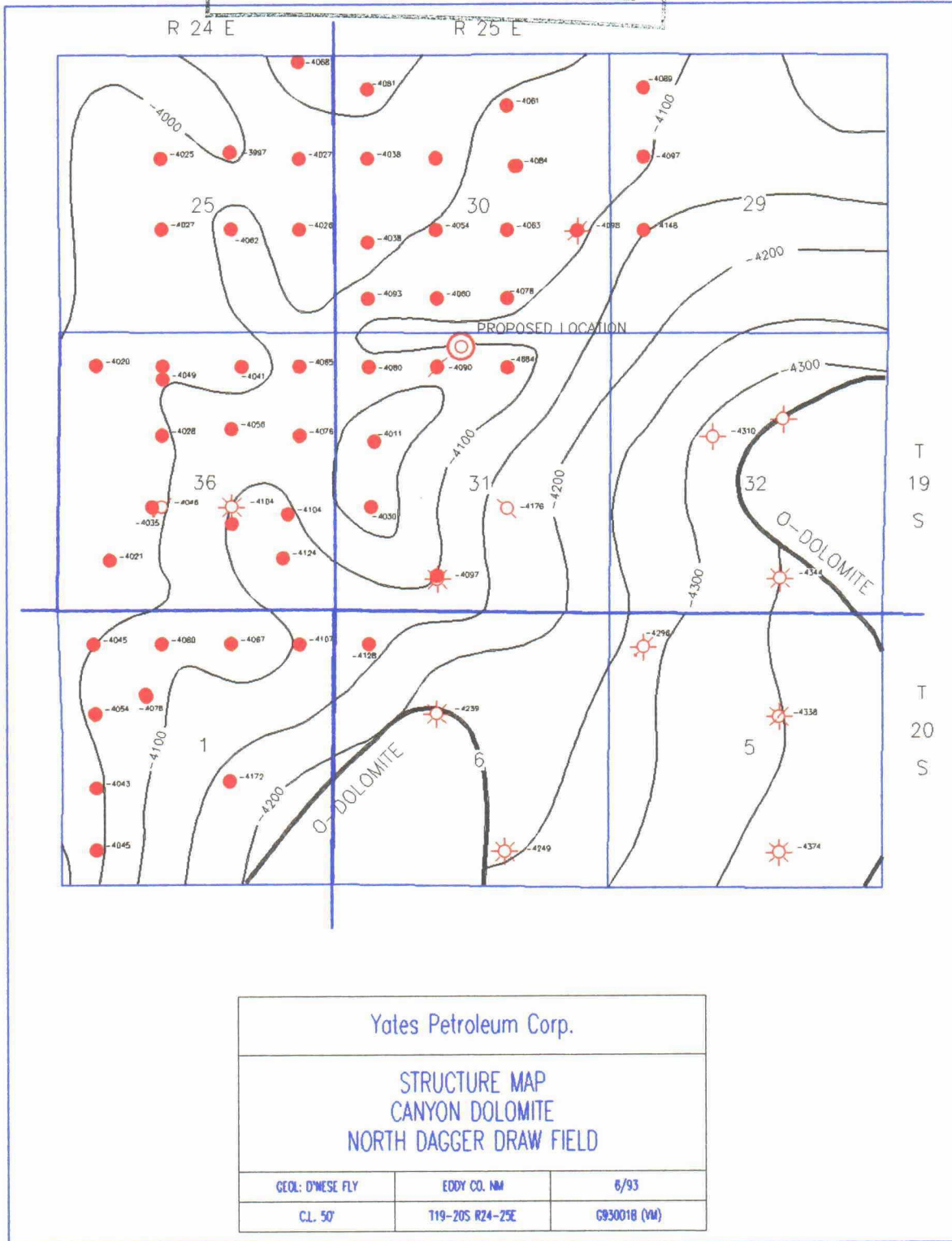
W. Buchanan, et al

Nearburg Expl. (Mobil) HBP 064348
 MGF HBP Read E. Stevens Mobil Fed TD9700
 Nearburg Expl. No. Nat. Gas 08386 Monsanto Dagger Draw
 Mobil HBC 10.1.69 (2) HBP 064348

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

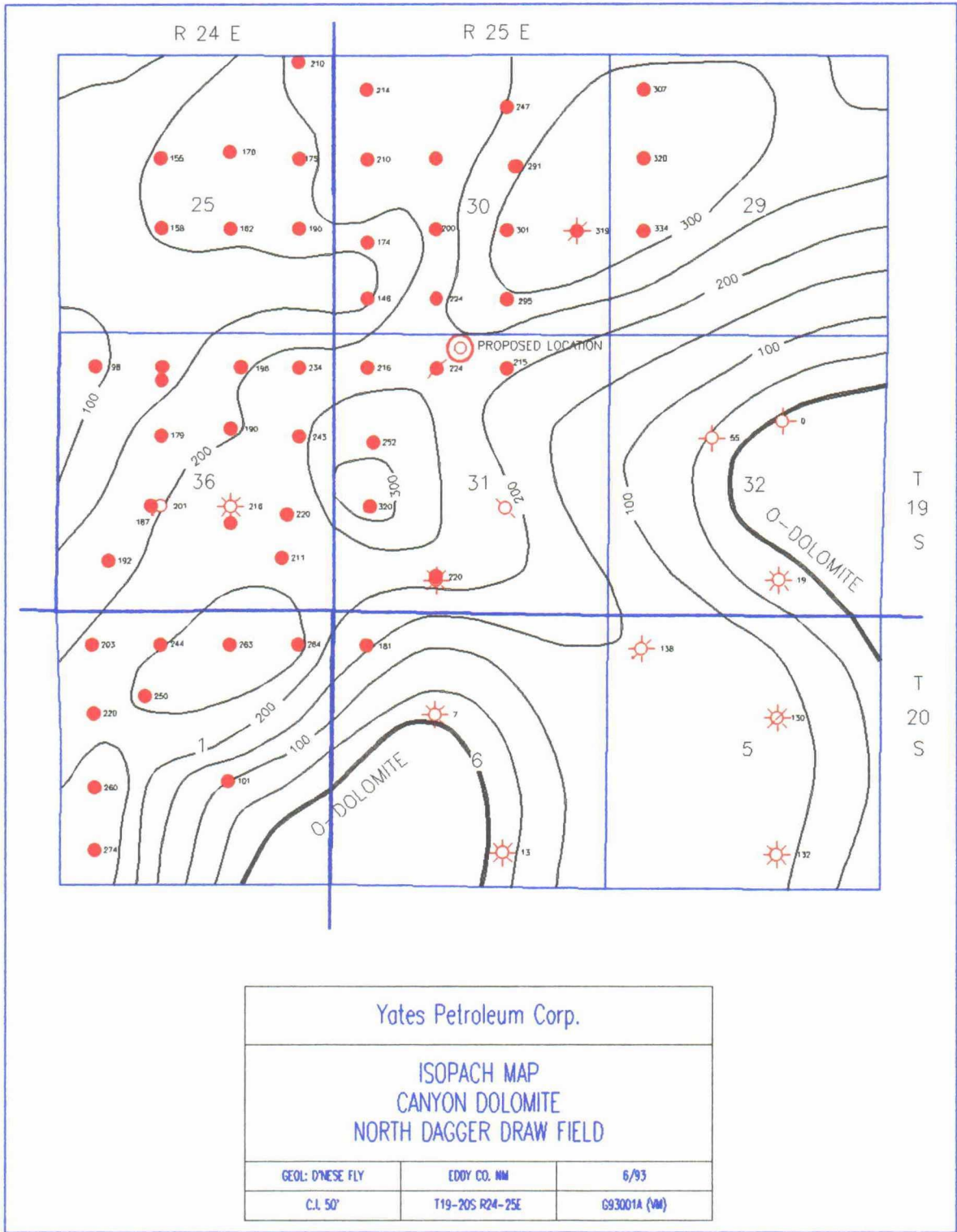
Yates EXHIBIT NO. 3

CASE NO. 10 731



Yates Petroleum Corp.		
STRUCTURE MAP CANYON DOLOMITE NORTH DAGGER DRAW FIELD		
GEOL: D'NESE FLY	EDDY CO. NM	6/93
C.L. 50	T19-20S R24-25E	G930018 (VM)

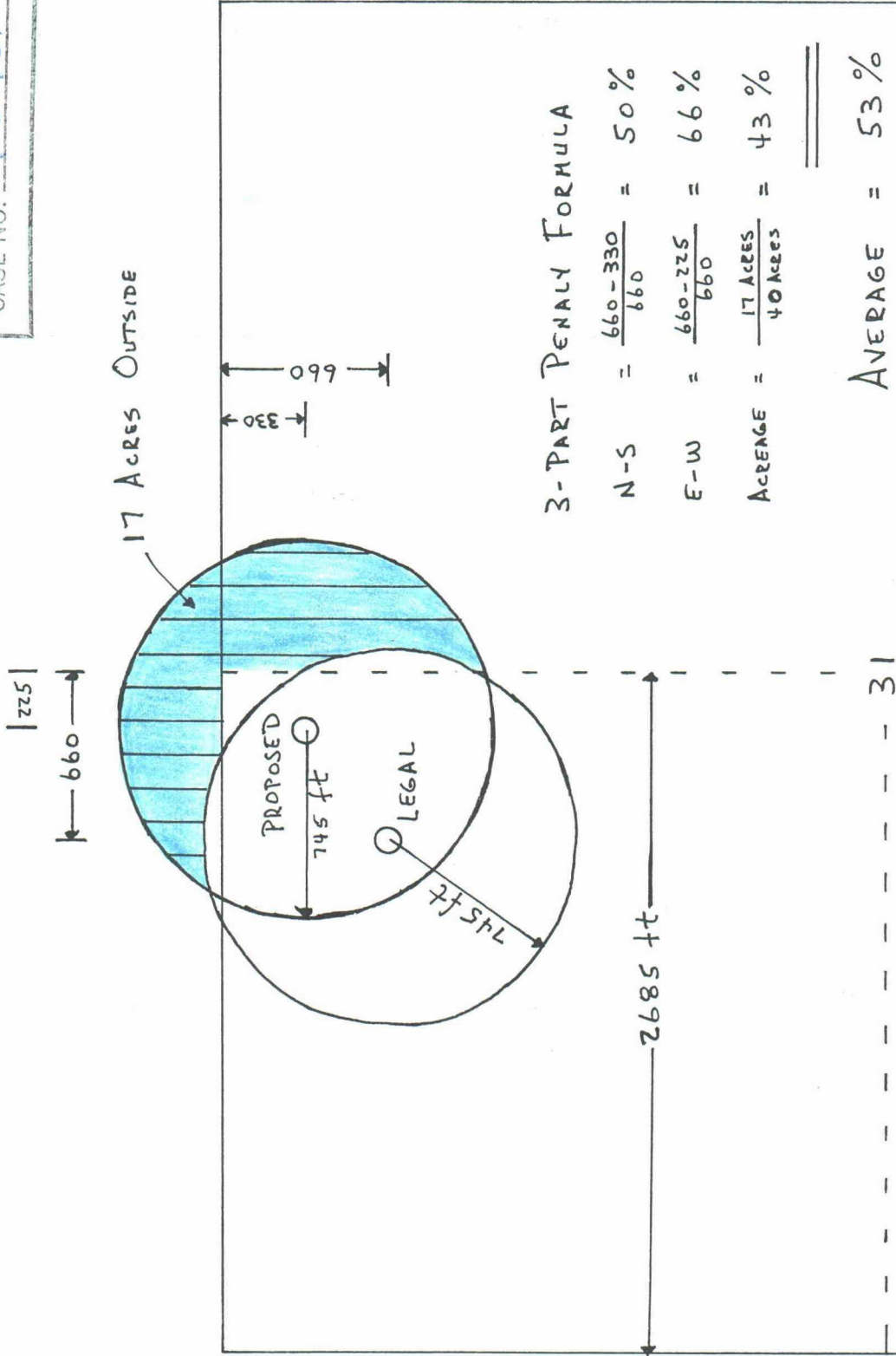
BEFORE THE STATE ENGINEER
 OIL CONSERVATION DIVISION
Yates EXHIBIT NO. 4
 CASE NO. 10931



Yates Petroleum Corp.		
ISOPACH MAP CANYON DOLOMITE NORTH DAGGER DRAW FIELD		
GEOL: D'NESE FLY	EDDY CO. NM	6/93
C.I. 50'	T19-20S R24-25E	G93001A (VM)

PENALTY -- THREE - PART FORMULA

BEFORE EXAMINER CATANACH
 OIL CONSERVATION DIVISION
 Yates EXHIBIT NO. 5
 CASE NO. 10731



3-PART PENALTY FORMULA

$$N-S = \frac{660 - 330}{660} = 50\%$$

$$E-W = \frac{660 - 225}{660} = 66\%$$

$$AVERAGE = \frac{17 \text{ ACRES}}{40 \text{ ACRES}} = 43\%$$

$$AVERAGE = 53\%$$

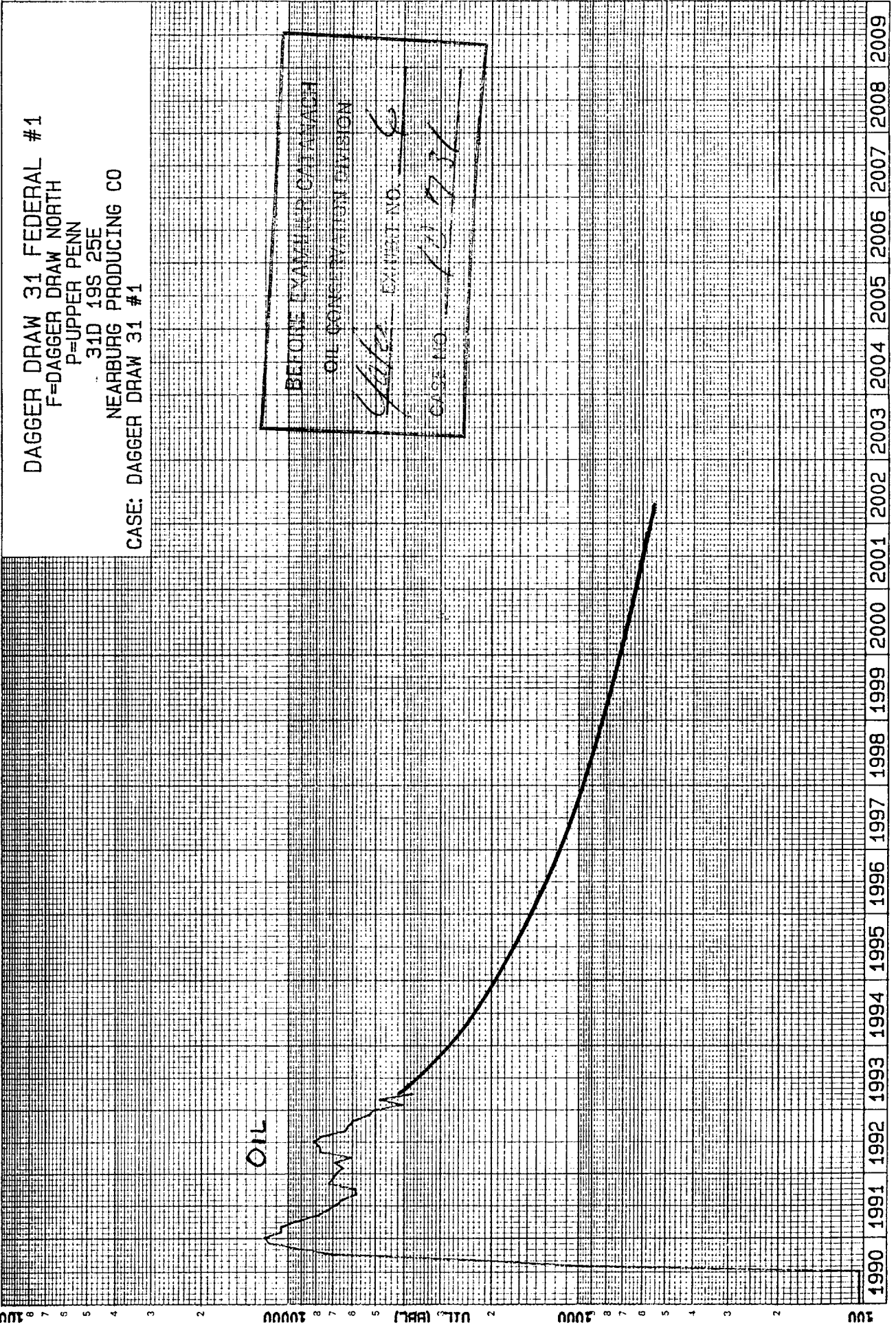
PENALTY

Date: 6/16/93
Time: 14:33:55

PRODUCTION HISTORY

File: NEARBURG.DSF
Get#: 3

DAGGER DRAW 31 FEDERAL #1
F=DAGGER DRAW NORTH
P=UPPER PENN
31D 19S 25E
NEARBURG PRODUCING CO
CASE: DAGGER DRAW 31 #1



CUMULATIVE OIL (BBL) = 219945.

DPC & A YEARS

SL 20 3 3

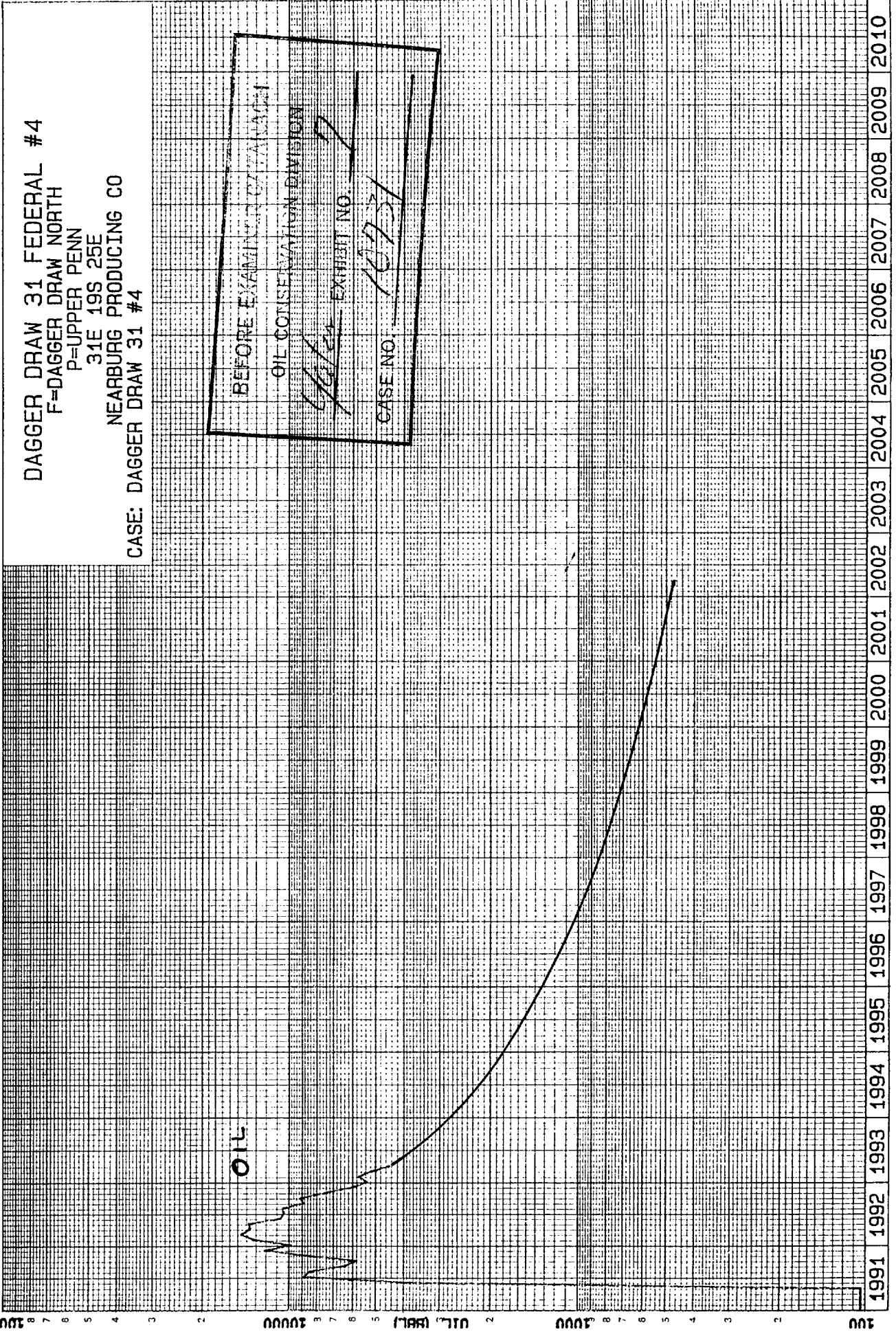
CUMULATIVE GAS (MCF) =

Date: 6/16/93
Time: 14:33:55

PRODUCTION HISTORY

File: NEARBURG.DSF
Get#: 4

DAGGER DRAW 31 FEDERAL #4
F=DAGGER DRAW NORTH
P=UPPER PENN
31E 19S 25E
NEARBURG PRODUCING CO
CASE: DAGGER DRAW 31 #4



BEFORE EXAMINATION OF RECORDS
OIL CONSERVATION DIVISION
40765 EXHIBIT NO. 7
CASE NO. 10731

CUMULATIVE OIL (BBL) = 195533.

DPC & A

YEARS

SL 20 3 3

CUMULATIVE GAS (MCF) =

Oil Allowable Under Penalty -- NW/4 of Section 31

	<u>31 #1</u> <u>BOPD</u>	<u>31 #4</u> <u>BOPD</u>	<u>Total</u> <u>BOPD</u>	Available to 31 #5 <u>BOPD</u> <u>53%</u>	<u>BOPD</u> <u>66%</u>
July 93	120	125	245	84	-7
Jan 94	95	90	185	144	53
July 94	75	70	145	184	93
Jan 95	65	60	125	204	113
July 95	55	70	105	224	133
Jan 96	50	45	95	234	143

BEFORE EXAMINATION BY DIVISION
 OIL CONSERVATION DIVISION
 6/6/92 EXHIBIT NO. 8
 CASE NO. 10751

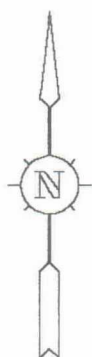
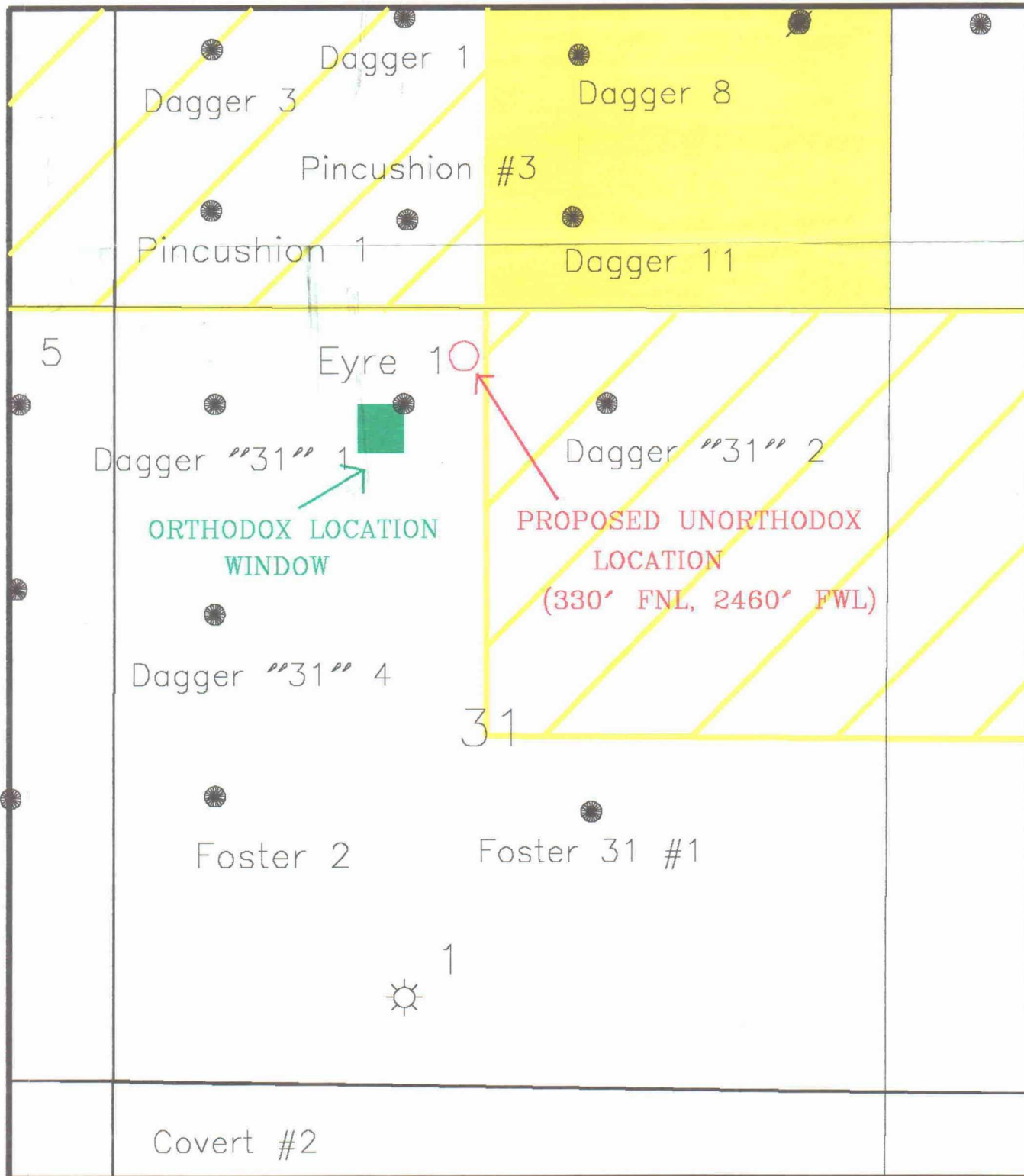
DESCRIPTION				M	OIL ALLOWABLE	M	S	E	OIL PRODUCTION	CSG HD ALLOWABLE	GAS PRODUCTION	WATER PRODUCTION	DAYS PROD	GAS DISPOSITION		E	CUMULATIVE GAS O/P
WELL	U	S	T											R	VOLUME		
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																	
CONOCO COM																	
1A	18	19S	25E		21700P				3892	217000	2242	9380	31	2210	COI		10112
														32	VNT		
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																	
DAGGER DRAW																	
1D	30	19S	25E		21700P				794	217000	4251	1350	30				
9E	30	19S	25E		21700P				6521	217000	8323	9782	31				
11O	30	19S	25E		21700P				20033	217000	27404	14223	31				
13F	30	19S	25E		21700P				1546	217000	19287	3370	30				
LEASE TOTAL					86800				28894	868000	59265	28725		58432	COI		80894
														833	VNT		
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																	
DAGGER DRAW A																	
1G	17	19S	25E		21700P					217000	NO REPORT						
DAGGER DRAW COM																	
4L	19	19S	25E		21700F				2864	217000	9065		31				
5B	30	19S	25E		21700F				2954	217000	11035	31549	16				
8J	30	19S	25E		21700PS					217000	LAST PROD. DATE 03/92						
10M	19	19S	25E		21700P				8694	217000	14920	348	30				
LEASE TOTAL					86800				14512	868000	35020	31897		34527	COI		37172
														493	VNT		
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																	
DAGGER DRAW COM																	
12G	30	19S	25E		21700P				7085	217000	19945	4038	31	19664	COI		18193
														281	VNT		
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																	
DEE STATE COM																	
1J	36	19S	24E		21700PS					217000	LAST PROD. DATE 04/92						
2M	36	19S	24E		21700F				5311	217000	18640	584	30				
3J	36	19S	24E		21700PS					217000	LAST PROD. DATE 03/92						
5P	36	19S	24E		21700P				4208	217000	8698	17084	26				
6I	36	19S	24E		21700P				1278	217000	5933	8780	30				
LEASE TOTAL					108500				10797	1085000	33271	26448		32803	COI		34756
														468	UNK		
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																	
JENNY COM																	
1E	17	19S	25E		21700F				211	217000	574	1559	31				
2C	17	19S	25E		21700P				294	217000	2728	362	25				
LEASE TOTAL					43400				505	434000	3302	1921		3256	COI		602
														46	VNT		
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																	
JULIE COM																	
2B	17	19S	25E		21700P				6500	217000	5706		31	5625	COI		12331
														81	VNT		
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																	
LEHMAN FEDERAL																	
1M	18	19S	25E		21700P				1750	217000	5595	2853	30	5516	COI		4737
														79	VNT		
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																	
LODEWICK A																	
1C	19	19S	25E		21700F				161	217000	6014	979	27				
2E	19	19S	25E		21700P				510	217000	15036	1168	31				
3D	19	19S	25E		21700P				215	217000	11657	327	31				
LEASE TOTAL					65100				886	651000	32707	2474		32245	COI		12047
														462	VNT		
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																	
COMPANY TOTAL																	
					596750				87957	6076000	223014	138773					
NEARBURG PRODUCING COMPANY												*****					
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																	
B AND B																	
1G	22	19S	25E	2	21700PS					217000	LAST PROD. DATE 12/92						
COVERT COM																	
2D	6	20S	25E		21700P				8748	217000	11055	39842	31	11055	GPM		26333
DAGGER DRAW 31 FEDERAL																	
1D	31	19S	25E		21700F				4684	217000	11241	45755	31				
2B	31	19S	25E		21700P				11335	217000	13038	31348	31				
4E	31	19S	25E		21700F				5006	217000	9278	415	25				
LEASE TOTAL					65100				21025	651000	33557	77518		33557	GPM		65282

BEFORE EXAMINER CATAWACH

OIL CONSERVATION DIVISION

Adler EXHIBIT NO. 9

CASE NO. 10137



CONOCO MIDLAND DIVISION

PLAT MAP

SHOWING DAGGER DRAW "31" #5 LOCATION

SCALE 1" = 1000'
DRAWN MAJCHER

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 1
CASE NO.: 10731
Submitted by: Conoco Inc.
Hearing Date: June 17, 1993

**CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS**

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT
DAVID B. LAWRENZ

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 27, 1993

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Conoco, Inc.
10 Desta Drive West, Suite 100-W
Midland, Texas 79705
Attn: David Twomey

Re: Application of Nearburg Producing Company for Administrative Approval of an Unorthodox Location for its Dagger Draw 31 Federal Well No. 5, located 660 feet from the North line and 2310 feet from the West line (Unit C) of Section 31, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico

Gentlemen:

Enclosed is a copy of the above-referenced application of Nearburg Producing Company for administrative approval of an unorthodox well location in the North Dagger Draw-Upper Pennsylvanian Pool for its Dagger Draw 31 Federal Well No. 5. Due to topographical conditions Nearburg is proposing to locate this well at a point 660 feet from the North line and 2310 feet from the West line in Unit C of Section 31, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

You are being notified of this application as the operator of a proration unit offsetting the above-referenced unorthodox location in the North Dagger Draw-Upper Pennsylvanian Pool. If you have no objection to the drilling of this well, please execute one copy of this letter and forward it to me at the above-referenced address. An additional copy of the letter is enclosed for your files.

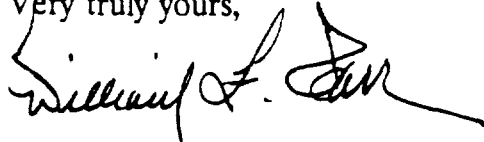
**BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION**

EXHIBIT NO. 2
CASE NO.: 10731
Submitted by: Conoco Inc.
Hearing Date: June 17, 1993

Conoco, Inc.
Attn: David Twomey
April 27, 1993
Page 2

Your consideration of this request is appreciated.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY

WFC:mlh

WAIVER OF OBJECTION

Title

Conoco, Inc.

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

IN THE MATTER OF THE APPLICATION
OF NEARBURG PRODUCING COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

CASE NO. _____

APPLICATION

COMES NOW NEARBURG PRODUCING COMPANY, through its undersigned attorneys, and hereby makes application to the Oil Conservation Division for an order approving an unorthodox gas well location and in support of this application states:

1. Applicant is the operator of the NW/4 of Section 31, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and proposes to drill its Dagger Draw 31 Federal Well No. 5 as a gas well in the North Dagger Draw-Upper Pennsylvanian Pool at an unorthodox location 660 feet from the North line and 2310 feet from the West line in Unit C of said Section 31.

2. Applicant seeks an exception to Rule 4 of the Special Rules and Regulations for the North Dagger Draw-Upper Pennsylvanian Pool to permit the drilling of this well in the Upper Pennsylvanian formation at the above-described location.

3. A standard 160-acre proration unit comprised of the NW/4 of said Section 31 should be dedicated to the well.

4. Approval of this application will afford applicant the opportunity to produce its just and equitable share of the gas in the Upper Pennsylvanian formation and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on May 20, 1993, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting this application and providing such other relief as is proper.

Respectfully submitted,

CAMPBELL, CARR, BERGE &
SHERIDAN, P.A.

By:



WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR NEARBURG
PRODUCING COMPANY

FOSTER RANCH QUADRANGL
 NEW MEXICO-EDDY CO.
 7.5 MINUTE SERIES (TOPOGRAPHIC)

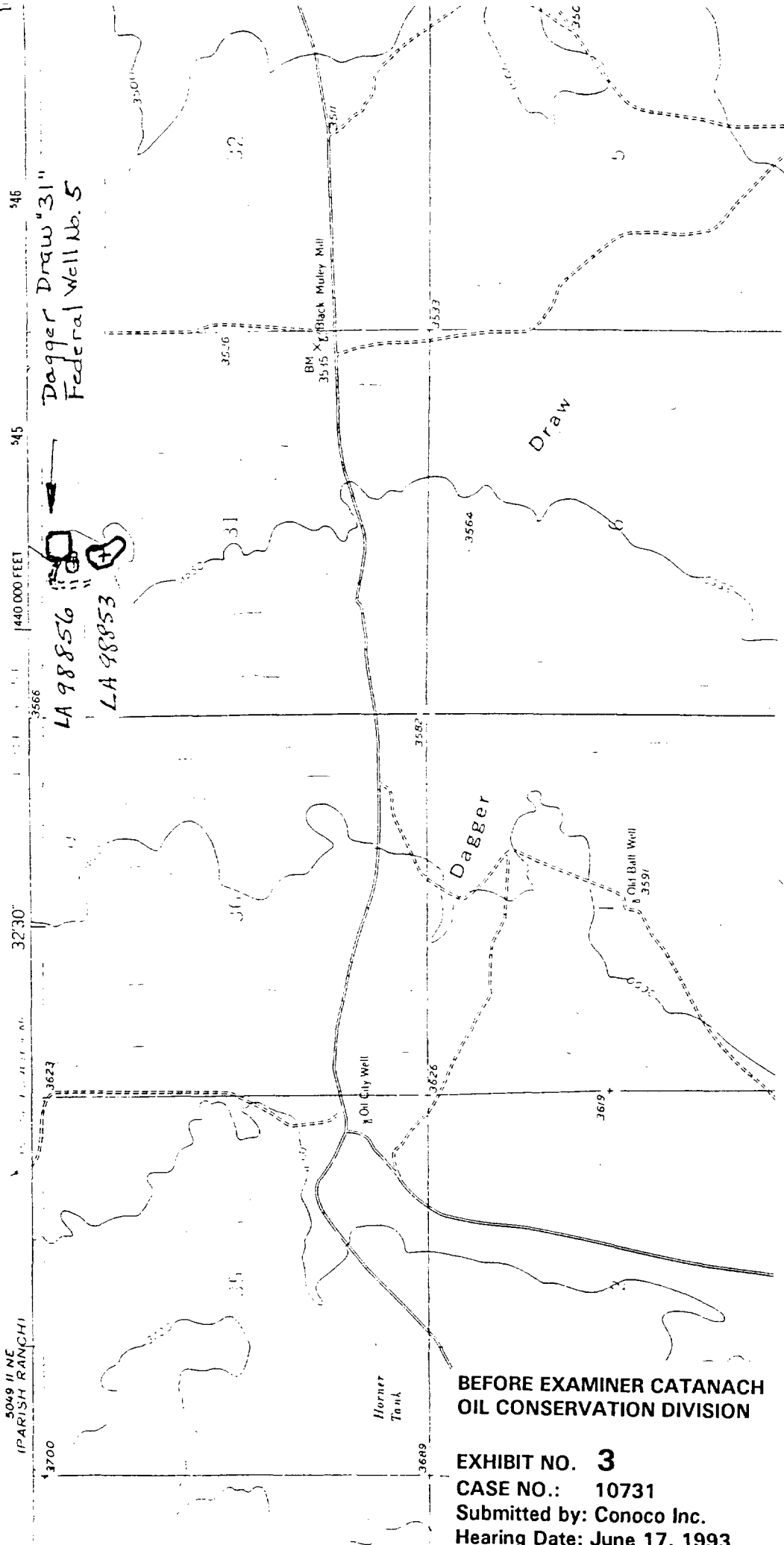


Fig. 1. USGS FOSTER RANCH QUADRANGLE, 7.5 Minute Series, 1;24,000, 1957, showing NEARBURG PRODUCING COMPANY's proposed Dagger Draw "31" Federal Well No. 5, 330' FNL, 2460' FWL, and access road, Section 31, T19S, R25E, NMPM, Eddy County, New Mexico, vis à vis LA 98853 and LA 98856.

BEFORE EXAMINER CATANACH
 OIL CONSERVATION DIVISION

EXHIBIT NO. 3
 CASE NO.: 10731
 Submitted by: Conoco Inc.
 Hearing Date: June 17, 1993

MAY 18 '93 12:23 NPSINC

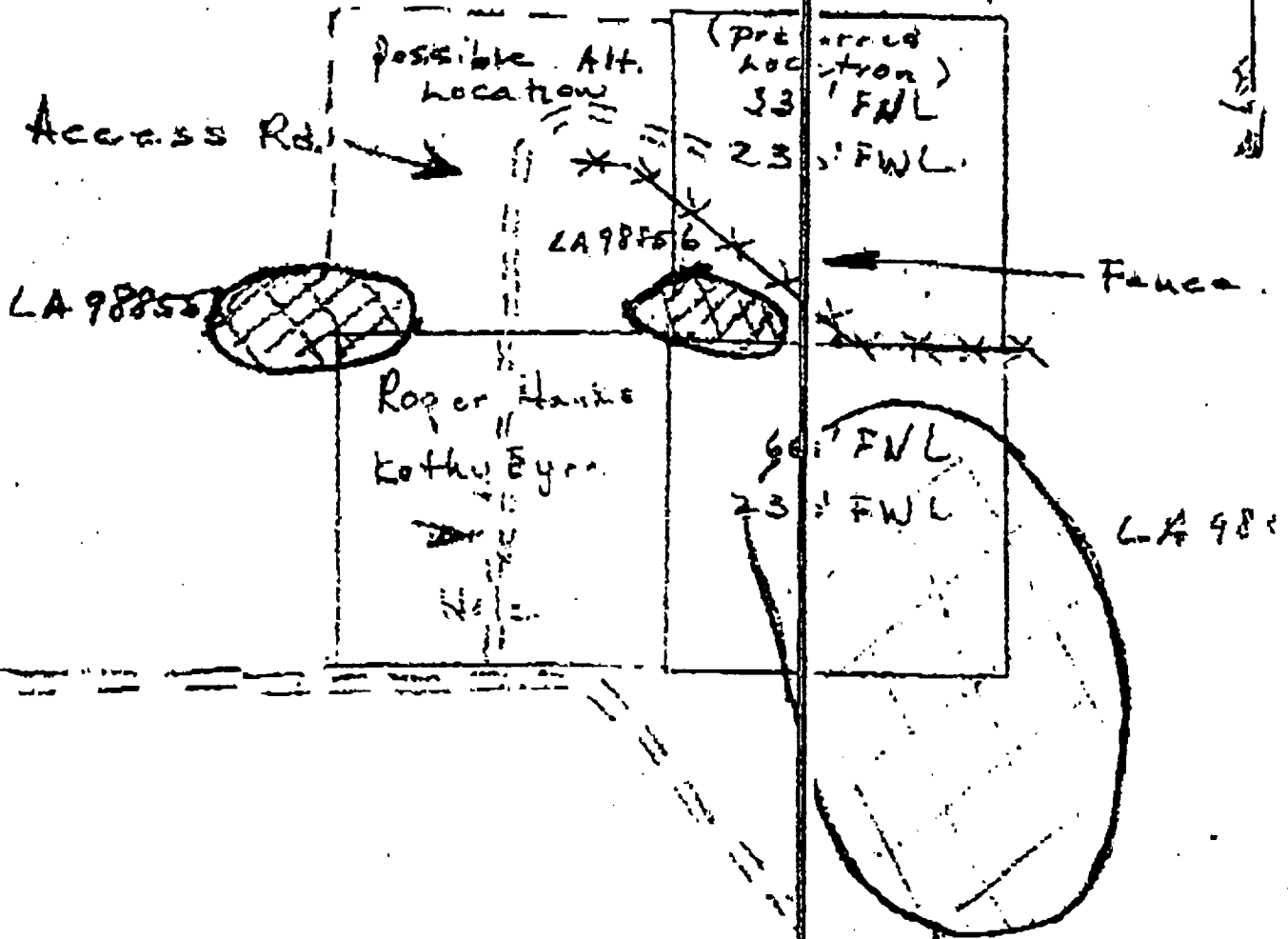
P.25

T-19-S
R-25-E

Attr:
Bob
Shelton

Dagger Draw "31"
Fed. # 5

Seal. 30
Seal 31



Scott Kimbrough

Nearburg Prod. BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

7 MAY 1993

JUN 8 '93 14:07

EXHIBIT NO. 4
CASE NO.: 10731
Submitted by: Conoco Inc.
Hearing Date: June '7, 1993

7.5 MIN

R. 24 E R. 25 E 440 000 FEET 545



BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 5
CASE NO.: 10731
Submitted by: Conoco Inc.
Hearing Date: June 17, 1993