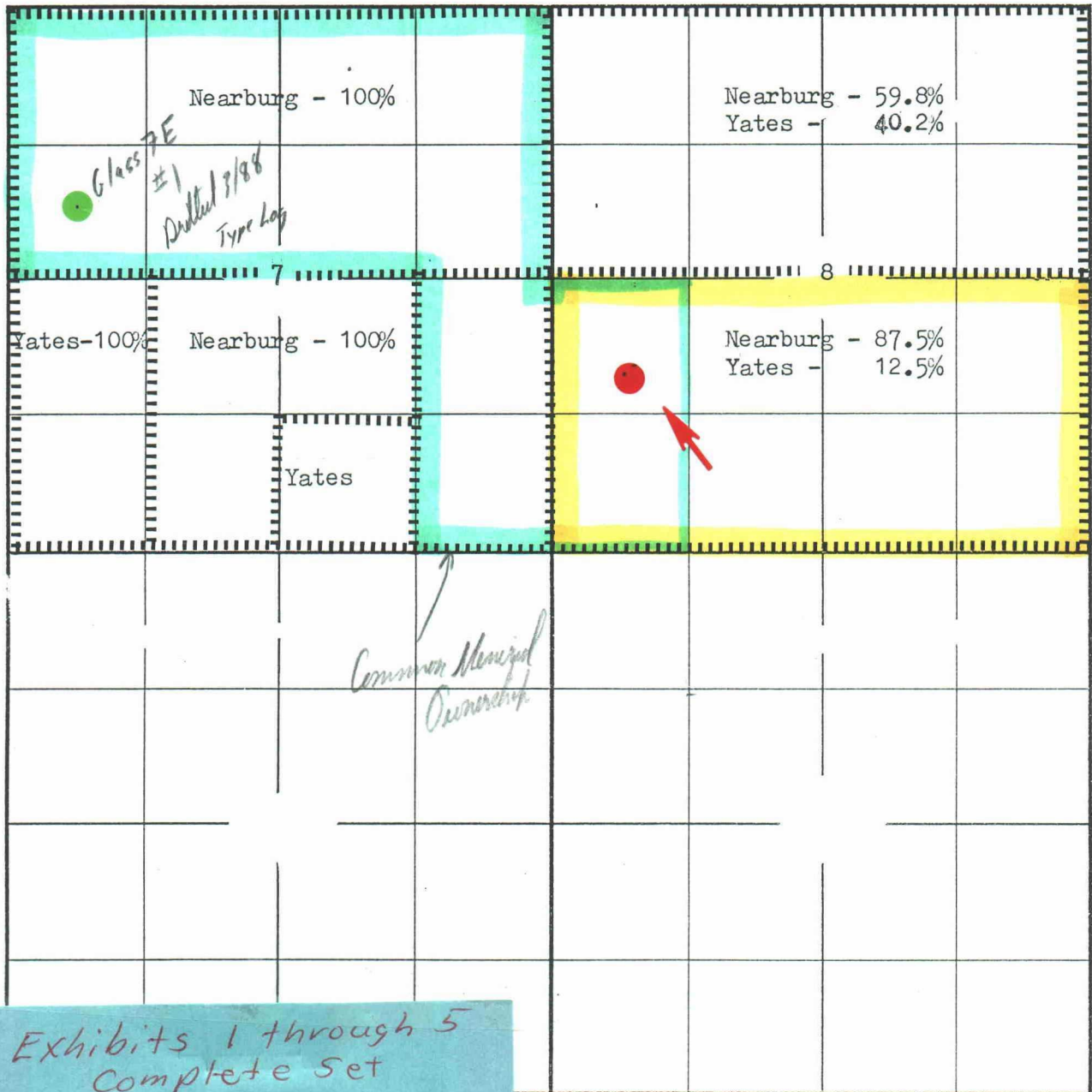


Scale 1" to 800'

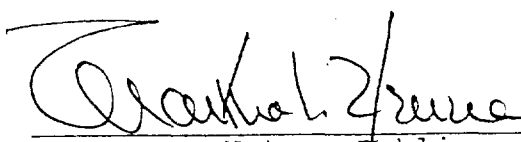


Exhibits 1 through 5 Complete Set

BEFORE EXAMINER STOGNER  
 Oil Conservation Division  
 NEARBURG Exhibit No. 1  
 Case No. 9436



SUBSCRIBED AND SWORN to before me this 19th day of July,  
1988.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:  
August 19, 1991

EXHIBIT A

Ralph Nix  
101 South 7th Street  
Artesia, New Mexico 88201

Yates Petroleum Corp.  
105 South 4th Street  
Artesia, New Mexico 88210

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
J. SCOTT HALL  
PETER N. IVES  
JOHN H. BEMIS  
MARTE D. LIGHTSTONE

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

June 29, 1988

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Ralph Nix  
101 South 7th Street  
Artesia, New Mexico 88210

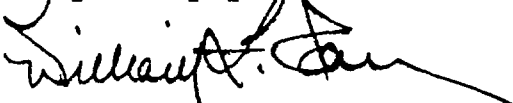
Re: Application of Nearburg Producing Company for an  
Unorthodox Gas Well Location, Eddy County, New Mexico

Dear Mr. Nix:

This letter is to advise you that Nearburg Producing Company has filed an application with the New Mexico Oil Conservation Division seeking approval of an unorthodox gas well location for its Muchas Hombres 8 L Well #1 to be drilled at a location 1340 feet from the South line and 660 feet from the West line of Section 8, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. This well will be drilled in the Pennsylvanian formation, Undesignated Four Mile Draw-Morrow Gas Pool, the S/2 of said Section 8 will be dedicated to the well.

This application has been set for hearing before a Division Examiner on July 20, 1988. You are not required to attend this hearing, but as an offsetting interest owner, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later date.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR NEARBURG PRODUCING COMPANY

WFC:mlh

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery.

3. Article Addressed to: Ralph Nix  
101 S. 7th Street  
Artesia, New Mexico 88210

4. Article Number: P 112 385 324

Type of Service:  Registered  Insured  
 Certified  COD  
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee: X

6. Signature - Agent: X *Shirley H. Hest*

7. Date of Delivery: *7-1-88*

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

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

P 112 385 324  
RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

Sent to Ralph Nix	
Street and No. 101 S. 7th Street	
P.O., State and ZIP Code Artesia, New Mexico 88210	
Postage	\$ 1.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	.90
TOTAL Postage and Fees	\$ 2.00
Postmark or Date <i>JUNE 30, 1988</i>	

PS Form 3800, Feb. 1982 \* U.S.G.P.O. 1984-446-014

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
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SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 963-8043

June 29, 1988

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Yates Petroleum Corp.  
105 South 4th Street  
Artesia, New Mexico 88210

Re: Application of Nearburg Producing Company for an  
Unorthodox Gas Well Location, Eddy County, New Mexico

Dear Sirs:

This letter is to advise you that Nearburg Producing Company has filed an application with the New Mexico Oil Conservation Division seeking approval of an unorthodox gas well location for its Muchas Hombres 8 L Well #1 to be drilled at a location 1340 feet from the South line and 660 feet from the West line of Section 8, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. This well will be drilled in the Pennsylvanian formation, Undesignated Four Mile Draw-Morrow Gas Pool, the S/2 of said Section 8 will be dedicated to the well.

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Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR NEARBURG PRODUCING COMPANY

WFC:mlh

**SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.**  
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.  
 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery.

3. Article Addressed to:  
 Yates Petroleum Corp.  
 105 South 4th Street  
 Artesia, New Mexico 88210

4. Article Number  
 P 112 385 325  
 Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD

5. Signature — Addressee  
 X

8. Addressee's Address (ONLY if requested and fee paid)  
 Always obtain signature of addressee or agent and DATE DELIVERED.

6. Signature — Agent  
 X

105 S. 4th

7. Date of Delivery  
 X

ARTESIA NM 88210

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 112 385 325

REGISTERED MAIL  
 RETURN RECEIPT FEE PAID  
 POSTAGE WILL BE PAID BY ADDRESSEE

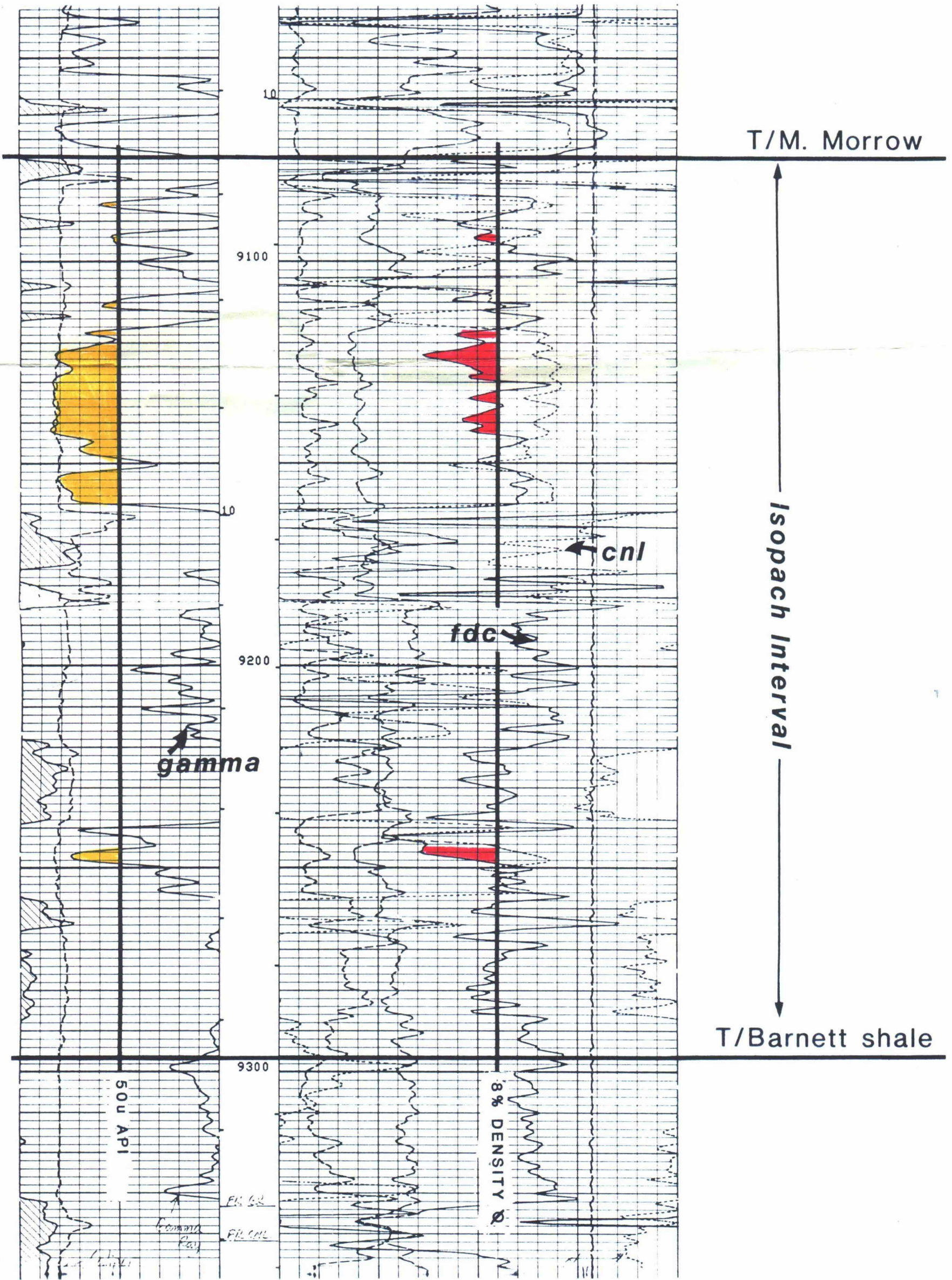
To: Yates Petroleum Corp.	
Street and No. 105 South 4th Street	
P.O., State and ZIP Code Artesia, New Mexico 88210	
Postage	.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom and Date Delivered	
Return Receipt Showing to Whom, Date, and Address of Delivery	.90
TOTAL Postage and Fees	2.00

Postmark or Date  
 June 30, 1988

PS Form 3811, Feb. 1986



**TYPE LOG**  
NEARBURG #7E-1 GLASS



BEFORE EXAMINER STOGNER  
OIL CONSERVATION DIVISION  
NEARBURG EXHIBIT NO. 3  
CASE NO. 9436