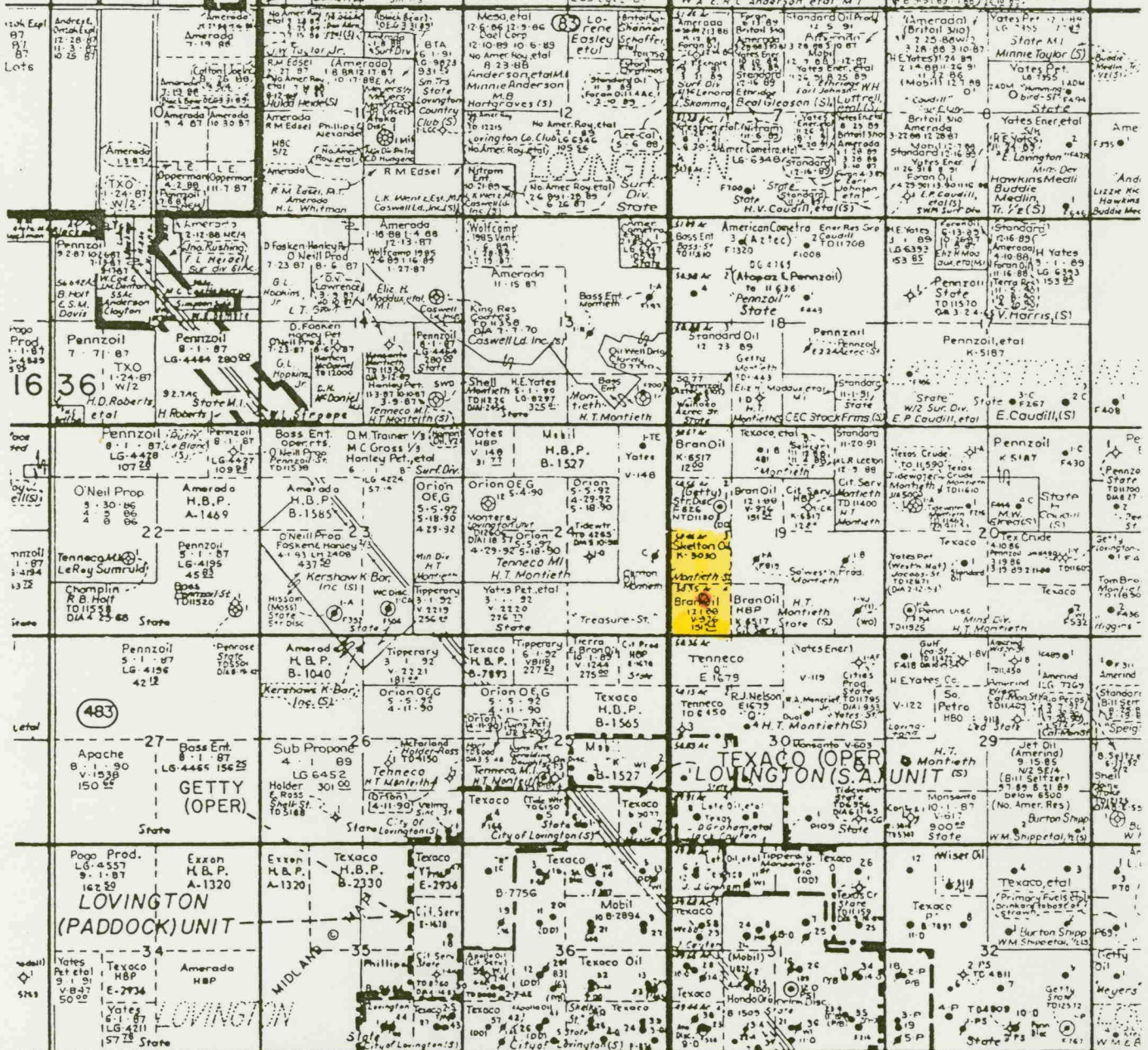
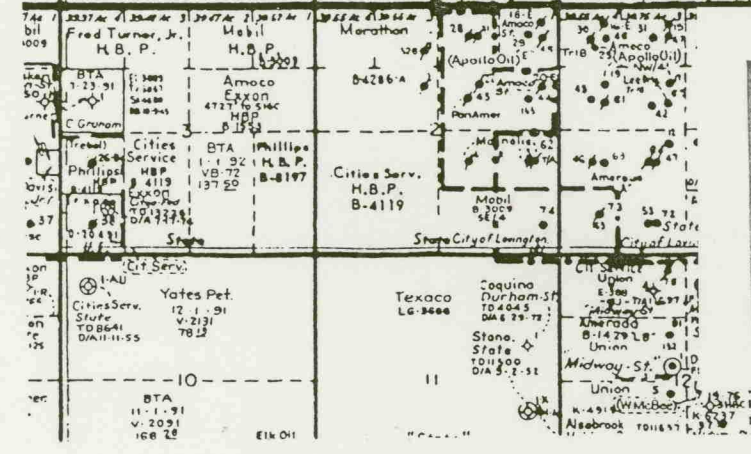


LOVINGTON

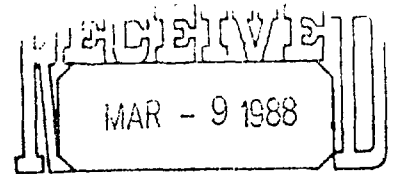


BEFORE EXAMINER CATANACH
 OIL CONSERVATION DIVISION
 NEARBOREX EXHIBIT NO. 1
 CASE NO. 9376



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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:



CAMPBELL AND BLACK

CASE NO. 9312
Order No. R-8605

APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AN UNORTHODOX OIL WELL
LOCATION AND A NON-STANDARD OIL
PRORATION UNIT, LEA COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 17, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 8th day of March, 1988, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Nearburg Producing Company, seeks approval to drill its Soledad "19M" Well No. 1 at an unorthodox oil well location 1000 feet from the South and West lines (Unit M) of irregular Section 19, Township 16 South, Range 37 East, NMPM, Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico.

(3) The applicant further seeks approval of a non-standard oil spacing and proration unit consisting of 50.35 acres and comprising Lot 4 of said irregular Section 19, said proration unit to be dedicated to the above described well.

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
NEARBURG	EXHIBIT NO. <u>1A</u>
CASE NO.	<u>9376</u>

(4) The proposed well location is situated within the pool boundaries of the Northeast Lovington-Pennsylvanian Pool which is governed by Special Rules and Regulations as promulgated by Division Order No. R-3816, which require 80-acre spacing and proration units with wells to be located within 150 feet of the center of either quarter-quarter section or lot.

(5) The applicant testified that according to geologic data in this area, a well at the proposed location should penetrate the Strawn formation at a more structurally advantageous position than a well drilled at a standard location, thereby reducing the inherent risk of drilling a dry hole or non-commercial well in this area, and that a well drilled at the proposed location would likely increase the ultimate recovery of oil underlying the proration unit.

(6) The applicant presented as evidence in this case a waiver of objection to the proposed unorthodox location and non-standard proration unit from Cities Service Oil and Gas Corporation, the only affected offset operator.

(7) The proposed non-standard proration unit is necessitated in part by a variation in the legal subdivision of the U.S. Public Lands Survey.

(8) The entire non-standard proration unit may reasonably be presumed productive of oil from the Northeast Lovington-Pennsylvanian Pool and the entire non-standard proration unit can be efficiently and economically drained and developed by the aforesaid well.

(9) Approval of the subject unorthodox well location and non-standard proration unit will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

-3-
Case No. 9312
Order No. R-8605

(10) For purposes of assigning allowable, the subject well should be assigned an acreage factor of 0.629 in the Northeast Lovington-Pennsylvanian Pool.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Nearburg Producing Company, is hereby authorized to drill its Soledad "19M" Well No. 1 at an unorthodox location 1000 feet from the South and West lines (Unit M) of Section 19, Township 16 South, Range 37 East, NMPM, Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico.

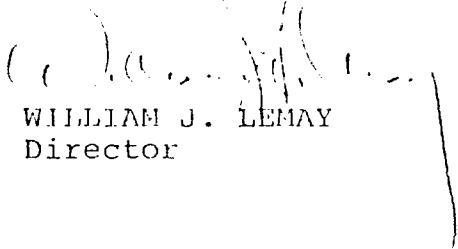
(2) A non-standard oil proration unit, also hereby approved, consisting of 50.35 acres and comprising Lot 4 of irregular Section 19, Township 16 South, Range 37 East, NMPM, shall be dedicated to the above described well.

(3) For purposes of assigning allowable, the subject well shall be assigned an acreage factor of 0.629 in the Northeast-Lovington-Pennsylvanian Pool.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinaabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

SUBSCRIBED AND SWORN to before me this 7th day of
June, 1988.

Frankel Zimm
Notary Public

My Commission Expires:

August 19, 1991

EXHIBIT A

Yates Petroleum Corporation
207 4th Street
Artesia, New Mexico 88210

Cities Service Oil & Gas Corp.
Post Office Box 50250
Midland, Texas 79705
Attn: Ed Taylor

Tenneco Oil Company
7990 IH 10 West
San Antonio, Texas 78230
Attn: Rex Bourland, Landman

W. A. Moncrief, Jr.
Moncrief Building
Ninth & Commerce
Fort Worth, Texas 76102
Attn: Land Department

Harvey E. Yates Company
Post Office Box 1933
Roswell, New Mexico 88201
Attn: Robert H. Bell, Landman

Primary Fuels Inc.
415 West Wall Avenue
Suite 1300
Wilco Building
Midland, Texas 79701-4410
Attn: Don Thompson

Harvard Exploration Company Inc.
Post Office Box 936
Roswell, New Mexico 88201
Attn: Bill Milstead

Texas Crude Oil, Inc.
2100 Texas Crude Building
801 Travis
Houston, Texas 77002
Attn: K. C. Weiner

Arthur and Gullan Petroleum
Holdings Inc.
760 U.S. Highway No. 1
Suite 203
North Palm Beach, Florida 33408
Attn: Allan Stone

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

May 3, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Arthur and Gullan Petroleum
Holdings Inc.
760 U.S. Highway No. 1
Suite 203
North Palm Beach, Florida 33408

Attn: Allan Stone

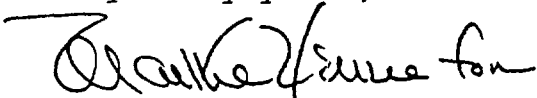
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Amendment of Oil Conservation Division Order No. R-8605
and for Retroactive Allowables, Lea County, New Mexico

Gentlemen:

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This application has been set for hearing before a Division Examiner on May 25, 1988. You are not required to attend this hearing, but as an owner of an interest that may be subject to the non-standard proration unit or affected by the unorthodox well location, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter 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 boxes for additional service(s) requested.

1. <input checked="" type="checkbox"/> Show to whom delivered, date, and addressee's address.		2. <input type="checkbox"/> Restricted Delivery.	
3. Article Addressed to: Arthur and Gullan Petroleum Holdings Inc. 760 U.S. Highway No. 1 Suite 203 North Palm Beach, Florida 33408 Attn: Allan Stone		4. Article Number P 112 385 174	
5. Signature - Addressee <input checked="" type="checkbox"/> <i>Allan Stone</i>		Type of Service: <input checked="" type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input checked="" type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD	
6. Signature - Agent <input checked="" type="checkbox"/>		Always obtain signature of addressee or agent and DATE DELIVERED.	
7. Date of Delivery <input checked="" type="checkbox"/> <i>5/1 5/88</i>		8. Addressee's Address (ONLY if requested and fee paid)	

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

Attn: Allan Stone
 Arthur & Gullan Petro Holdings Inc.
 760 U.S. Highway #1
 North Palm Beach, FL
 33408

.25
.85
.90
2.00

May 3, 1988

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

May 3, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Texas Crude Oil, Inc.
2100 Texas Crude Building
801 Travis
Houston, Texas 77002

Attn: K. C. Weiner

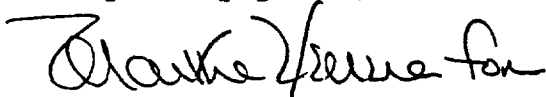
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Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY

WFC:mlh

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1. <input checked="" type="checkbox"/> Show to whom delivered, date, and addressee's address.		2. <input type="checkbox"/> Restricted Delivery.	
3. Article Addressed to: Texas Crude Oil, Inc. 2100 Texas Crude Building 801 Travis Houston, Texas 77002 Attn: K. C. Weiner		4. Article Number P 112 385 215	
5. Signature - Addressee <input checked="" type="checkbox"/> <i>K.C. Weiner</i>		Type of Service: <input checked="" type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	
6. Signature - Agent <input checked="" type="checkbox"/>		<input type="checkbox"/> Insured <input type="checkbox"/> COD	
7. Date of Delivery <input checked="" type="checkbox"/>		Always obtain signature of addressee or agent and DATE DELIVERED. 8. Addressee's Address (ONLY if requested and fee paid)	

PS Form 3871, Feb. 1986

DOMESTIC RETURN RECEIPT

Attn: K.C. Weiner
 Texas Crude Oil, Inc.
 2100 TX Crude Bldg.
 801 Travis
 Houston, Texas 77002

.25
 .85
 .90
 2.00

May 3, 1988

9 112 385 215

CAMPBELL & BLACK, P.A.

LAWYERS

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

May 3, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Harvard Exploration Company, Inc.
Post Office Box 936
Roswell, New Mexico 88201

Attn: Bill Milstead

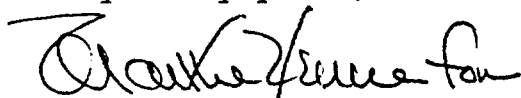
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WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY

WFC:mlh

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

3. Article Addressed to: Harvard Exploration Company Inc. Post Office Box 936 Roswell, New Mexico 88201 Attn: Bill Milstead

4. Article Number P 112 385 216
Type of Service: Registered Insured Certified COD Express Mail

5. Signature - Addressee X
Always obtain signature of addressee or agent and DATE DELIVERED.

6. Signature - Agent X *William K. Bogard*
8. Addressee's Address (ONLY if requested and fee paid)

7. Date of Delivery *5-4-88*
DOMESTIC RETURN RECEIPT

PS Form 3811, Feb. 1986

Harvard Exploration Company, Inc.
P. O. Box 936
Roswell, NM 88201

Attn: Bill Milstead

9771 399 911 0
25
85
90
2.00
May 3, 1988

CAMPBELL & BLACK, P.A.

LAWYERS

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

GUADALUPE PLACE
SUITE 1110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

May 3, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Primary Fuels Inc.
415 West Wall Avenue
Suite 1300
Wilco Building
Midland, Texas 79701-4410

Attn: Don Thompson

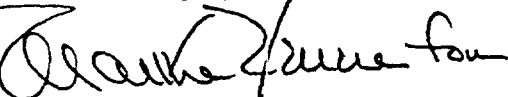
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WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY

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

3. Article Addressed to:
 Primary Fuels Inc.
 415 West Wall Avenue
 Suite 1300
 Wilco Building
 Midland, Texas 79701-4410
 Attn: Don Thompson

4. Article Number D 112 385 424
 Type of Service:
 Registered Certified Express Mail
 Insured COD
 Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature of Addressee
 Don Thompson

6. Signature of Agent
 Ray A. ...

7. Date of Delivery
5-3

8. Addressee's Address (ONLY if requested and fee paid)
115 W. Wall St 1300

PS Form 3811, Feb. 1986

Attn: Don Thompson Primary Fuels, Inc.	
Street and ZIP Code	1300 415 W. Wall Ave., Suite
P.O. State and ZIP Code	Midland, Texas 79701
Postage	³ .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	³ 2.00

Postmark or Date
May 3, 1988

U.S.G.P.O. 1984-418-014 * U.S. and 3300, Feb. 1982

P 102 545 424

(See Reverse)

CAMPBELL & BLACK, P.A.

LAWYERS

LACK 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

May 3, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Harvey E. Yates Company
Post Office Box 1933
Roswell, New Mexico 88201

Attn: Robert H. Bell, Landman

Re: Application of Nearburg Producing Company for
Amendment of Oil Conservation Division Order No. R-8605
and for Retroactive Allowables, Lea County, New Mexico

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ATTORNEY FOR NEARBURG PRODUCING COMPANY

WFC:mlh

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1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address.		2. <input type="checkbox"/> Restricted Delivery.	
3. Article Addressed to: Harvey E. Yates Company Post Office Box 1933 Roswell, New Mexico 88201 Attn: Robert H. Bell, Landma		4. Article Number P 112 385 423	
5. Signature - Addressee X		Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD	
6. Signature - Agent X		8. Addressee's Address (ONLY if requested and fee paid)	
7. Date of Delivery 5-3-88			

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

Attn: Robert Bell,
Harvey E. Yates Co.
P. O. Box 1933
Roswell, NM 88201

9224333333

.25
.85
.90
2.00

May 3, 1988

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

May 3, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Yates Petroleum Corporation
207 4th Street
Artesia, New Mexico 88210

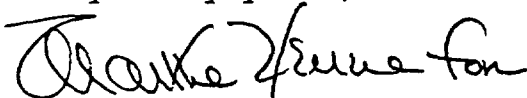
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WFC:mlh

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3. Article Addressed to: Yates Petroleum Corporation
207 4th Street
Artesia, New Mexico 88210

4. Article Number
P 112 385 418

5. Signature -- Addressee
X

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD

6. Signature of Agent
X *P. Bullard*

7. Date of Delivery
05-04-88

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

PS Form 3811, Feb. 1986 DOMESTIC RETURN RECEIPT

P 112 385 418

RECEIPT FOR CERTIFIED MAIL
 U.S. AIR MAIL PERMITTED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to Yates Petroleum Corp.	
Street and No. 207 4th Street	
P. O., State and ZIP Code Artesia, NM 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 <i>May 3, 1988</i>	

PS Form 3800, Feb. 1982 P.O. 445014

CAMPBELL & BLACK, P.A.

LAWYERS

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

May 3, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

W. A. Moncrief, Jr.
Moncrief Building
Ninth & Commerce
Ft. Worth, Texas 76102

Attn: Land Department

Re: Application of Nearburg Producing Company for
Amendment of Oil Conservation Division Order No. R-8605
and for Retroactive Allowables, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Nearburg Producing Company has filed an application with the New Mexico Oil Conservation Division seeking an amendment to Order No. R-8605 entered by the Division on March 8, 1988 approving an unorthodox location for the Nearburg Producing Company Soledad "19M" Well comprised of Lot 4 located 1000 feet from the South and West lines of Section 19, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico. The Soledad "19M" Well was drilled and completed in the Northeast Lovington-Pennsylvanian Pool. Nearburg Producing Company also seeks approval to create a non-standard proration unit comprised of Lot 3 of said Section 19.

This application has been set for hearing before a Division Examiner on May 25, 1988. You are not required to attend this hearing, but as an owner of an interest that may be subject to the non-standard proration unit or affected by the unorthodox well location, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter 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 boxes for additional service(s) requested.

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

3. Article Addressed to:
 W. A. Moncrief, Jr.
 Moncrief Building
 Ninth & Commerce
 Fort Worth, Texas 76102
 Attn: Land Department

4. Article Number
 P 112 385 422

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 *W. A. Moncrief, Jr.*

7. Date of Delivery
 May 3, 1988

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

Attn: Land Dept.
 W.A. Moncrief, Jr.
 Moncrief Building
 Ninth & Commerce

Ft. Worth, Texas 76102

.25
 .85

.90
 2.00

May 3, 1988

0 1 2 3 4 5 6 7 8 9

CAMPBELL & BLACK, P.A.

LAWYERS

LACK 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

May 3, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Tenneco Oil Company
7990 IH 10 West
San Antonio, Texas 78230

Attn: Rex Bourland, Landman

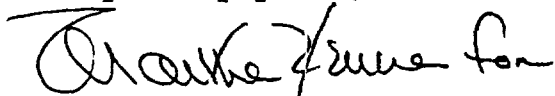
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Amendment of Oil Conservation Division Order No. R-8605
and for Retroactive Allowables, Lea County, New Mexico

Gentlemen:

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Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY

WFC:mlh

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

3. Article Addressed to: Tenneco Oil Company
7990 IH 10 West
San Antonio, Texas 78230
Attn: Rex Bourland, Landman

4. Article Number
P 112 385 421

Type of Service:
 Registered Certified Express Mail
 Insured COD

Always obtain signature of addressee or agent and **DATE DELIVERED**.

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

5. Signature - Addressee
 X

6. Signature - Agent
 X *Rex Bourland*

7. Date of Delivery
 5-5-88

PS Form 3811, Feb. 1986 **DOMESTIC RETURN RECEIPT**

Attn: Rex Bourland, Landman
 Tenneco Oil Company
 7990 IH 10 West
 San Antonio, TX 78230
 .25
 .85
 .90
 2.00

May 3, 1988

P 112 385 421

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
ERADFORD C. BERGIE
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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

May 3, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Cities Service Oil & Gas Corp.
Post Office Box 50250
Midland, Texas 79705

Attn: Ed Taylor

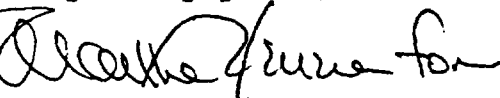
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Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY

WFC:mlh

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

3. Article Addressed to:

Cities Service Oil & Gas Corp.
 Post Office Box 50250
 Midland, Texas 79705
 Attn: Ed Taylor

4. Article Number

P 112 385 420

Type of Service:

Registered
 Certified
 Insured
 Express Mail
 COD

Always obtain signature of addressee or agent and DATE DELIVERED.

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

5. Signature - Addressee

6. Signature - Agent

Date of Delivery

Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

Attn: Ed Taylor

Gas Corp.
 Cities Service Oil &
 Post Office Box 50250
 Midland, Texas 79705

52.
 85.
 90.
 2.00

May 3, 1988

000000000000

TOP OF STRAWN
LIMESTONE
C.I.: 50 ft.

- STRAWN WELL
- POROSITY "FAIRWAY"



BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
NEARBURG EXHIBIT NO. 3
CASE NO: 9376

