

*Reader*

**Nearburg Producing Company**

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Exploration and Production  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79705  
915/686-8235  
Fax 915/686-7806

December 5, 1994

Mr. Tim Gum  
New Mexico Oil Conservation Division  
811 South 1st Street  
Artesia, New Mexico 88210

Re: Ross Ranch 22 #2 Well; 1980' FNL  
and 660' FWL of Section 22, T-19-S,  
R-25-E, Eddy County, New Mexico  
Ross Ranch, N. W. Prospect

Dear Mr. Gum:

Enclosed herewith please find Nearburg Producing Company's ("NPC") form C-104 (Request for Allowable and Authorization to Transport) with regard to the NPC Ross Ranch 22 #2 well located as captioned. The well was tested on December 1, 1994 at a rate of 67 BOPD, 4624 BW, and 364 MCFGPD. Please accept the enclosed as our C-104 filing. The required additional copies will be forwarded from our Hobbs, New Mexico office.

As we discussed at our November 8, 1994 meeting, the Ross Ranch 22 #2 well is offset by an Anadarko Petroleum Corporation ("Anadarko") operated salt water disposal well. As evidenced at our meeting, NPC and Yates Petroleum Corporation believe the continued injection of salt water by Anadarko into a known productive formation puts at risk, may possibly damage, or may have damaged, the ultimate oil and gas recovery of the productive formation. We believe it is a priority for the productive formation to be protected from any possible damage and NPC, as Operator, requests that the New Mexico Oil Conservation Division ("NMOCD") require Anadarko to cease its disposal operations in the Cisco/Canyon formation. If you feel the evidence is not strong enough to justify shutting in the salt water disposal well, then interference tests are clearly warranted to prove whether communication exists between the NPC and the Anadarko well.

NPC would appreciate your review of our request and your response to same. We believe this issue can be addressed at the district office promptly without the need to reopen the NMOCD case.

Thank you for your cooperation.

Yours very truly,

  
Bob Shelton  
Consulting Landman

cc: Mr. Dave Boneau, Yates Petroleum Corporation  
Mr. Bill Carr  
Mr. Scott Kimbrough  
Ms. Wanda Tucker, Panhandle Royalty Company