## EFFORTS TO OBTAIN VOLUNTARY PARTICIPATION

## Jetta X-2, L.P.

6/2/04	Well Proposal
6/16/04	Discussions on well with Joe Glazner
6/23/04	Discussions on well with Joe Glazner
7/12/04	Discussions on well with Joe Glazner
7/16/04	Sent new AFE (for directional well)
7/22/04	Discussions with Joe Wynn - advised they have this in much
	larger sales package
7/29/04	Discussions with Joe Wynn; management will not pull this out of sales package; did not want to jeopardize sale – hands are tied; advised EOG to go ahead and force pool Jetta
8/9/04	Discussion with Joe Glazner – again advised nothing changed; advised EOG to go ahead and force pool
8/17/04	Discussion with Joe Glazner – again advised nothing changed; advised EOG to go ahead and force pool

## Nadel and Gussman Permian, L.L.C.

6/2/04	Well Proposal
6/16/04	Discussions with Sam Jolliffe
6/23/04	Discussions with Sam Jolliffe
7/12/04	Discussions with Sam Jolliffe
7/16/04	Sent new AFE (for directional well)
7/17/04	Discussion with Frank Wolfe
7/22/04	Discussion with Sam Jolliffe
7/27/04	Discussion with Sam Jolliffe
7/30/04	Discussion with Sam Jolliffe
8/9/04	Discussion with Sam Jolliffe
8/10/04	Discussion with Sam Jolliffe
8/17/04	Discussion with Sam Jolliffe

## SDX Properties, Inc.

6/2/04	Well Proposal
6/16/04	Discussions with John Poole
6/23/04	Discussions with John Poole
7/12/04	Discussions with John Poole
7/13/04	Discussions with John Poole
7/14/04	Discussions with John Poole and Chuck Morgan
7/15/04	Discussions with John Poole
7/16/04	Sent new AFE (for directional well)
7/17/04	Discussions with John Poole
7/23/04	Discussions with Steve Sell

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. <u>13324</u> Exhibit No. 4
Submitted by:
<u>EOG Resources, Inc.</u>

Hearing Date: August 19, 2004

7/29/04	Discussions with John Poole and Steve Sell
8/9/04	Discussions with John Poole and Steve Sell
8/10/04	Discussions with John Poole
8/12/04	Discussions with John Poole
8/16/04	Came to terms on deal. Agreed to name SDX but dismiss them
	once paperwork signed



**EOG Resources, Inc.** P.O. Box 2267 Midland, TX 79702 (432) 686-3600

#### **CERTIFIED MAIL**

July 16, 2004

Working Interest Owners (See Addressee List Attached)

Re:

State "32" Com No. 2 Well N/2 of Section 32, T19S-R28E, Eddy County, New Mexico

#### Gentlemen:

In reference to our previous proposal letter in June for the State "32" Com No. 2 well, please be advised that the surface location was moved due to archaeological considerations. The new surface location will be 2404' FNL and 1083' FWL, with the bottomhole location remaining the same at 1980' FNL and 660' FWL in Section 32, Township 19 South, Range 28 East to a depth of approximately 11,250' to test the Morrow, Atoka and Strawn formations.

In this regard enclosed please find two (2) copies of EOG's revised AFE for the drilling of the subject well as a directional well. If you elect to participate in the drilling of the proposed well, please execute and return one (1) copy of the AFE to the undersigned at your earliest convenience. Upon receipt of your executed AFE, we will forward an Operating Agreement covering the N/2 of Section 32 for your review and execution.

Again, in the event you do not wish to participate in the drilling of the subject well, EOG is agreeable to purchasing a term assignment or obtaining a farmout covering your leasehold interests in the N/2 of Section 32 under mutually acceptable terms. If you have any questions concerning this matter, do not hesitate to contact the undersigned at (432) 686-3758.

Very truly yours,

EOG RESOURCES, INC.

Patrick J. Tower

Division Land Specialist

## Working Interest Owners State "32" Com No. 2 Well Addressee List

Jetta X-2, L.P. 777 Taylor St., PI-D Fort Worth, Texas 76102-4919

SDX Properties, Inc. Attn: Mr. Steve Sell P. O. Box 5061 Midland, Texas 79704

Yates Petroleum Corporation Attn: Ms. Janet Richardson 105 South 4<sup>th</sup> Street Artesia, New Mexico 88210

Nadel and Gussman Permian, L.L.C. Attn: Mr. Sam Jolliffe, IV 601 N. Marienfeld, Suite 508 Midland, Texas 79701

U.S. Postal Service™ RTIFIED MAIL... RECEIPT 5912 0.60 1000 Certified Fee 2.30 Return Reciept Fee (Endorsement Required) 2470 Restric (Endorse SDX Properties, Inc. Attn: Mr. Steve Sell-P. O. Box 5061 Total F 2007 Midland, Texas 79704 Sent To Street, A or PO Box No. --City, State, ZIP+4

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
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  Do Turne	
Article Addressed to:     SDX Properties, Inc.	D. Is delivery address different from item 1?	
Attn: Mr. Steve Sell P. O. Box 5061	State 32 Com#20	
Midland, Texas 79704	3. Service Type  Certified Mail	
	4. Restricted Delivery? (Extra Fee)	
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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:  Nadel and Gussman Permian, L.L.C.  Attn: Mr. Sam Jolliffe, IV  601 N. Marienfeld, Suite 508  Midland, Texas 79701  B Received by (Printed Name)  O Date of Della Mail	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
1. Article Addressed to:  Nadel and Gussman Permian, L.L.C.  Attn: Mr. Sam Jolliffe, IV  601 N. Marienfeld, Suite 508  Midland, Texas 79701  3. Service Type  Certified Mail	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 mallplece,	B. Received by (Printed Name) O pale of Delivity	
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		Certified Mail	
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<ul> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the maliplece,</li> </ul>	B. Received by (Printed Name) C. Date of Deliver 2: 0: 2004
or on the front if space permits,  1. Article Addressed to:	D. is delivery address different from item 1?  Yes
Jetta X-2, L.P. 777 Taylor St., PI-D Fort Worth, Texas 76102-4919	State Com 32#2.
	3. Service Type  Certified Mail

# E.G. L. Resources Inc.

508 W. Wall St., Suite 1250 P.O. Box 10886 Midland, Texas 79702 Tel. (432) 687-6560 Fax. (432) 682-5852

### FACSIMILE TRANSMITTAL SHRET

TO: Mike Mullins COMPANY:		FROM: DATE:	
PHONE NUMB	ER:	RE;	
CC:	CC FAX #:	CC TEL #:	,
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NOTES / COMMENTS:

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EOG Resources, Inc. P.O. Box 2267 Midland, TX 79702 (432) 686-3600

#### **CERTIFIED MAIL**

June 2, 2004

EGL Resources, Inc.

Attn: Mr. Mike Newman -> SOLD to SDX

P. O. Box 10886

Midland, Texas 79702

Re:

State "32" Com No. 2 Well N/2 of Section 32, T19S-R28E, Eddy County, New Mexico

#### Gentlemen:

According to our information, EGL Resources, Inc. owns a 23.9583% leasehold interest or 57.50 net leasehold acres in the oil and gas lease covering the N/2 N/2, SE/4 NW/4 and SW/4 NE/4 of Section 32, T19S-R28E, Eddy County, New Mexico, limited to depths from 500' below the top of the San Andres formation down to 11,236'.

EOG Resources, Inc. hereby proposes the drilling of the State "32" Com No. 2 well, to be located 1,980' FNL and 660' FWL of said Section 32, scheduled to be drilled to a depth of approximately 11,250' to test the Morrow, Atoka and Strawn formations. The N/2 of Section 32 will be dedicated as the proration unit for the subject well.

Attached are two (2) copies of our AFE for the drilling of the subject well. If you elect to participate in the drilling of the proposed well, please execute and return one (1) copy of the AFE to the undersigned at your earliest convenience. Upon receipt of your executed AFE, we will forward an Operating Agreement covering the N/2 of Section 32 for your review and execution.

In the event you do not wish to participate in the drilling of the subject well, EOG is agreeable to purchasing a term assignment or obtaining a farmout covering your leasehold interests in the N/2 of Section 32 under mutually acceptable terms. If you have any questions concerning this matter, do not hesitate to contact the undersigned at 686-3702.

Very truly yours,

Mike Mullen-

Mike Mullins
Project Landman

SCANNED



EOG Resources, Inc. P.O. Box 2267 Midland, TX 79702 (432) 686-3600

#### **CERTIFIED MAIL**

June 2, 2004

Jetta X-2, L.P. 777 Taylor St., PI-D Fort Worth, TX 76102-4919

Re:

State "32" Com No. 2 Well N/2 of Section 32, T19S-R28E, Eddy County, New Mexico

#### Gentlemen:

According to our information, Jetta X-2, L.P. owns a 25% leasehold interest or 60 net leasehold acres in the oil and gas lease covering the N/2 N/2, SE/4 NW/4 and SW/4 NE/4 of Section 32, T19S-R28E, Eddy County, New Mexico, limited to depths from 500' below the top of the San Andres formation down to 11,236'.

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Very truly yours,

Mike Mulling

Mike Mullins
Project Landman



**EOG Resources, Inc.** P.O. Box 2267 Midland, TX 79702 (432) 686-3600

#### **CERTIFIED MAIL**

June 2, 2004

Nadel and Gussman Permian, L.L.C. Attn: Mr. Sam Jolliffe, IV 601 N. Marienfeld, Suite 508 Midland, TX 79701

Re:

State "32" Com No. 2 Well N/2 of Section 32, T19S-R28E, Eddy County, New Mexico

#### Gentlemen:

According to our information, Nadel and Gussman Permian, L.L.C. owns a full leasehold interest or 80 net leasehold acres in the oil and gas lease covering the SW/4 NW/4 and SE/4 NE/4 of Section 32, T19S-R28E, Eddy County, New Mexico.

EOG Resources, Inc. hereby proposes the drilling of the State "32" Com No. 2 well, to be located 1,980' FNL and 660' FWL of said Section 32, scheduled to be drilled to a depth of approximately 11,250' to test the Morrow, Atoka and Strawn formations. The N/2 of Section 32 will be dedicated as the proration unit for the subject well.

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Very truly yours,

(Whe Wallans

Mike Mullins
Project Landman

Attachments

SCANNE portunity growth



EOG Resources, Inc P.O. Box 2267 Midland, TX 79702 (432) 686-3600

#### **CERTIFIED MAIL**

June 7, 2004

SDX Properties, Inc. Attn: Mr. Steve Sell P. O. Box 5061 Midland, Texas 79704

Re:

State "32" Com No. 2 Well N/2 of Section 32, T19S-R28E, Eddy County, New Mexico

#### Gentlemen:

According to our information, SDX Properties, Inc. owns a 23.9583% leasehold interest or 57.50 net leasehold acres in the oil and gas lease covering the N/2 N/2, SE/4 NW/4 and SW/4 NE/4 of Section 32, T19S-R28E, Eddy County, New Mexico, limited to depths from 500' below the top of the San Andres formation down to 11,236'.

EOG Resources, Inc. hereby proposes the drilling of the State "32" Com No. 2 well, to be located 1,980' FNL and 660' FWL of said Section 32, scheduled to be drilled to a depth of approximately 11,250' to test the Morrow, Atoka and Strawn formations. The N/2 of Section 32 will be dedicated as the proration unit for the subject well.

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Very truly yours,

Make Mulho

Mike Mullins
Project Landman

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777 TAYLOR St, PI-D 77. Worth, TX 76102-	3. Service Type  DE Certified Mail
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Mioland TX 79701	3. Service Type  □ Certified Mail □ Express Mail □ Registered □ Return Receipt for Merchandise □ Insured Mail □ C.O.D.	
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U.S. Postal Service™ CERTIFIED MAIL RECEIPT 8734 5912 Postage 1000 Certified Fee Return Reciept Fee (Endorsement Required) Here 2410 Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 7002 SDX Properties, Inc. Street, Apt. No.: or PO Box NoAttn: Steve Sell Chip State 219 Box 5061 Midland, Texas 79704 PS Form 3800, June 2002 Z (Vorume X (UU) o X )

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so that we can return the card to you.  Attach this card to the back of the mallplece, or on the front if space permits.	B. Received by (Printed Name) G. Date of Delivery  Donnie H-Luater G-9-04  D. is delivery address different from item 1?   Types	
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Attn. Bobye Self P. 06. Box 5061 Midland, Texas 79704 RECEL 2004 JUN 2004 LAND. DEPT.	3. Service Type    Signature   Continued	
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