

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:

APPLICATION OF NEARBURG EXPLORATION
COMPANY, L.L.C. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. 13,967 (reopened)

AFFIDAVIT OF LINDA H. HICKS

Linda H. Hicks, being duly sworn upon her oath, deposes and states:

1. I am the Land Manager for Nearburg Exploration Company, L.L.C., and have personal knowledge of the matters stated herein.

2. The Cone 30 Fee Well No. 1 was originally proposed as an 8700 foot Garrett/Drinkard test in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30, Township 16 South, Range 39 East, NMPM, Eddy County, New Mexico, forming a standard 40 acre oil and spacing and proration unit for all pools or formations developed on 40-acre spacing within that vertical extent.

3. The actual deepest formation to be tested by the well is the Abo formation. The top of the Abo is approximately 8530 feet.

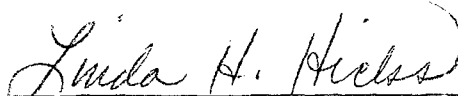
4. The party being pooled, his working interest in the well unit, and his address, are as follows:

Kenneth Cone
P.O. Box 11310
Midland, Texas 79702

2.8125 %

The address is current and correct.

5. Copies of the re-proposal letter sent to the uncommitted working interest owner is attached hereto as Exhibit A.


Linda H. Hicks

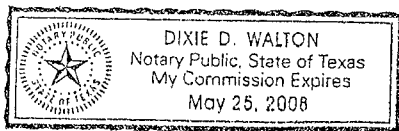
Oil Conservation Division
Case No. _____
Exhibit No. 1

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

SUBSCRIBED AND SWORN TO before me this 20th day of September, 2007 by
Linda H. Hicks.

My Commission Expires: 5-25-08

Dixie D. Walton
Notary Public



Nearburg Exploration Company, L.L.C.

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
432/686-8235
FAX: 432/686-7806

August 28, 2007

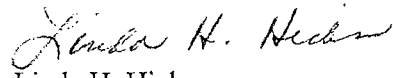
Mr. Kenneth Cone
P.O. Box 11310
Midland, Texas 79702

Re: Cone 30 Fee Well #1
SW/4SW/4 Section 30
Township-16-South, Range-39-East
Lea County, New Mexico

Dear Mr. Cone:

An AFE was previously sent to you via letter dated June 6, 2007. Enclosed is a revised AFE with the well test changed from a Garrett Drinkard test to an Abo test. Other than that, the AFE remains unchanged.

Sincerely yours,
Nearburg Exploration Company, L.L.C.


Linda H. Hicks
Land Manager
Lhh/s
Enclosure

EXHIBIT

A

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Dallas, Texas

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AUTHORITY FOR EXPENDITURE

LEASE: Cone 30 Fee

WELL NUMBER: 1

PBTD: 8,700'

LOCATION: 330' FSL & FWL, Section 30, T16S, R39E, Lea County, NM

FIELD: Abo Test

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill to 8,700' and complete as a pumping oil producer.

DATE PREPARED: 6/6/07

EST. START DATE: 2007

EST. COMPLETION DATE: 2007

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Drilling Footage 9,000 Ft @ 0.00 \$/Ft	1514.101	0	N/A	0	0
Drilling Daywork 18 1 14,000 \$/day	1514.105	267,120	1515.105	15,900	283,020
Drilling Turnkey	1514.110	0	1515.110	0	0
Rig Mobilization and Demobilization	1514.115	47,700	1515.115	0	47,700
Road & Location Expense	1514.120	62,752	1515.120	5,300	68,052
Damages	1514.125	15,000	1515.125	0	15,000
Directional Drilling - Tools and Service	1514.130	0	1515.130	0	0
Drilling Fluids	1514.135	31,800	1515.135	0	31,800
Fuel, Power, and Water	1514.140	45,580	1515.140	2,120	47,700
Supplies - Bits	1514.145	33,920	1515.145	1,060	34,980
Supplies - Casing Equipment	1514.150	1,272	1515.150	7,420	8,692
Supplies - Liner Equipment	1514.155	0	1515.155	0	0
Supplies - Miscellaneous	1514.160	0	1515.160	0	0
Cement and Cmt. Services - Surface Csg	1514.165	0	N/A	0	0
Cement and Cmt. Services - Int. Csg	1514.170	42,400	N/A	0	42,400
Cement and Cmt. Services - Prod. Csg	N/A	0	1515.172	53,000	53,000
Cement and Cmt. Services - Other	1514.175	0	1515.175	0	0
Rental - Drilling Tools and Equipment	1514.180	13,250	1515.180	0	13,250
Rental - Misc.	1514.185	20,750	1515.185	3,710	24,460
Testing - Drill Stem / Production	1514.195	15,900	1515.195	5,300	21,200
Open Hole Logging	1514.200	31,800	N/A	0	31,800
Mudlogging Services	1514.210	21,200	N/A	0	21,200
Special Services	1514.190	0	1515.190	0	0
Plug and Abandon	1514.215	10,000	1515.215	(10,000)	0
Pulling and/or Swabbing Unit	N/A	0	1515.217	63,600	63,600
Reverse Equipment	N/A	0	1515.219	5,300	5,300
Wireline Services	1514.205	0	1515.205	15,900	15,900
Stimulation	N/A	0	1515.221	132,500	132,500
Pump / Vacuum Truck Services	1514.220	0	1515.220	5,944	5,944
Transportation	1514.225	5,300	1515.225	6,360	11,660
Tubular Goods - Inspection & Testing	1514.230	4,770	1515.230	5,300	10,070
Unclassified	1514.245	0	1515.245	0	0
Telephone and Radio Expense	1514.240	1,060	1515.240	795	1,855
Engineer / Geologist / Landman	1514.250	6,000	1515.250	2,000	8,000
Company Labor - Field Supervision	1514.265	26,500	1515.265	15,000	41,500
Contract Labor / Roustabout	1514.285	15,900	1515.285	15,900	31,800
Legal and Professional Service	1514.270	5,000	1515.270	0	5,000
Insurance	1514.275	7,997	1515.275	0	7,997
Overhead	1514.280	7,000	1515.280	3,500	10,500
SUBTOTAL		739,971		355,909	1,095,880
Contingencies (5%)		36,999		17,795	54,794
ESTIMATED TOTAL INTANGIBLES		776,970		373,704	1,150,674

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Dallas, Texas

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AUTHORITY FOR EXPENDITURE

LEASE: Cone 30 Fee WELL NUMBER: 1 PBTD: 8,700'
LOCATION: 330' FSL & FWL, Section 30, T16S, R39E, Lea County, NM
FIELD: Abo Test EXPLORATORY DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill to 8,700' and complete as a pumping oil producer.
0

DATE PREPARED: 6/6/07 EST. START DATE: 2007 EST. COMPLETION DATE: 2007
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	1520.305	0	NA	0	0
Surface Csg	0 Ft @	0.00 \$/Ft	1520.310	0	NA	0	0
Intermediate Csg	2,200 Ft @	23.00 \$/Ft	1520.315	50,600	NA	0	50,600
Protection Csg	0 Ft @	0.00 \$/Ft	1520.320	0	NA	0	0
Production Csg	8,700 Ft @	11.00 \$/Ft	NA	0	1522.305	95,700	95,700
Protection Liner	0 Ft @	0.00 \$/Ft	1520.330	0	NA	0	0
Production Liner	0 Ft @	0.00 \$/Ft	NA	0	1522.315	0	0
Tubing	8,400 Ft @	5.50 \$/Ft	NA	0	1522.340	46,200	46,200
Rods	8,400 Ft @	3.00 \$/Ft	NA	0	1522.345	25,200	25,200
Artificial Lift Equipment			NA	0	1522.350	63,600	63,600
Tank Battery			NA	0	1522.355	47,700	47,700
Separators/Heater Treater/Gas Units/FWKO			NA	0	1522.360	10,070	10,070
* Well Head Equipment & Christmas Tree			1520.365	3,500	1522.365	5,000	8,500
Subsurface Well Equipment			NA	0	1522.370	7,420	7,420
Flow Lines			NA	0	1522.375	4,240	4,240
Saltwater Disposal Pump			NA	0	1522.381	0	0
Gas Meter			NA	0	1522.385	0	0
Lact Unit			NA	0	1522.397	0	0
Vapor Recovery Unit			NA	0	1522.389	0	0
Other Well Equipment			NA	0	1522.390	0	0
ROW and Damages			NA	0	1522.392	5,300	5,300
Surface Equipment Installation Costs			NA	0	1522.393	31,800	31,800
Elect. Installation			NA	0	1522.397	15,900	15,900
ESTIMATED TOTAL TANGIBLES				54,100		358,130	412,230
ESTIMATED TOTAL WELL COSTS				831,070		731,834	1,562,904

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	06/06/07
REVIEWED BY:	
APPROVED BY:	
APPROVED BY:	

WI APPROVAL:

COMPANY

BY

TITLE

DATE