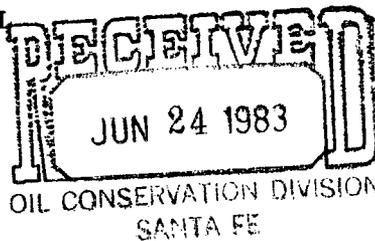


C. MELVIN NEAL (1907-1968)

J. W. NEAL
JAMES P. SAUNDERS, JR.
W. A. MCBEE
~~JOHN B. MOYER~~

NEAL & NEAL
LAWYERS
NEAL BUILDING - P. O. BOX 278
HOBBS, NEW MEXICO
88240

June 22, 1983



TELEPHONE
AREA 505 397-3614

Mr. Joe D. Ramey, Director
State of New Mexico
Oil Conservation Division
Santa Fe, New Mexico 87501

Re: SW/4 SE/4 Section 28-T19S-R38E
Lea County, New Mexico

Dear Mr. Ramey:

I represent Muriel McNeill and Ruth Furneaux, surface and mineral owners under the above described property. At the time Morris R. Antweil filed the application, the parties were in good faith negotiating for leasing of the mineral rights. As far as the royalty and terms of the lease and bonus, there was no problem. The only problem was an agreement as to surface damages. Based upon indications by Antweil's representatives that this would be worked out, no protest was filed by my clients, nor were we furnished a copy of the order until June 17, 1983.

I would like you to consider this letter a motion to re-open the hearing as it is our position that until such time as an agreement is made with the surface and mineral owners that the Division does not have authority to authorize the drilling of a well. A formal motion will be forwarded to you within the next few days.

Very truly yours

A handwritten signature in cursive script, appearing to read "J. W. Neal".

J. W. Neal

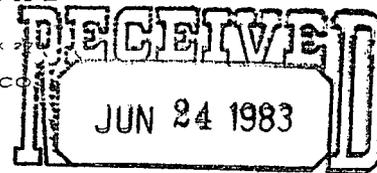
JWN/b

cc: Alan Antweil
Muriel McNeill
Ruth Furneaux

C. MELVIN NEAL (1907-1968)
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88240

TELEPHONE
AREA 505 397-3614



OIL CONSERVATION DIVISION
SANTA FE

June 22, 1983

Mr. Alan Antweil
Morris R. Antweil
Oil Operator
Post Office Box 2010
Hobbs, New Mexico 88240

Re: SW/4 SE/4, Section 28-T19S-R38E
Lea County, New Mexico

Dear Alan:

On behalf of Murier McNeill and Ruth Furneaux, mineral owners under the above described property, I hereby acknowledge receipt of your letter dated June 17, 1983 together with enclosures. By copy of this letter to the Oil Conservation Division, please be advised that we are notifying them that we are in the process of filing a motion to set aside the order in case number 7887 on the grounds of bad faith negotiations between your company, Muriel McNeill and Ruth Furneaux. As you know as far as the oil and gas lease was concerned, we had basically agreed upon the terms with the exception of surface damages. As the owners of the surface and minerals, it is our position that you do not have the right, nor does the Oil Conservation Division have the authority to give you the right to enter upon the surface, without the consent of the landowner, who is also a mineral owner. We will be pleased to discuss this matter with you, however, if we have not heard from you within five (5) days from the date of this letter we will have no alternative but to take such actions as we deem necessary to protect the interest of our clients.

Very truly yours,

NEAL & NEAL

ORIGINAL SIGNED BY

J. W. NEAL

J. W. NEAL

JWN/cs

cc: Oil Conservation Division
Muriel McNeill
Ruth Furneaux