

Nearburg Exploration Company, L.L.C.

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

September 13, 1996

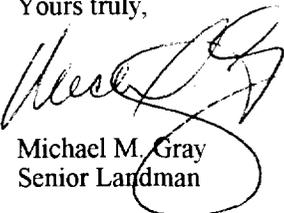
State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Case #11563, Order #1-0637
Nike "3" #1 Well
Section 3, T-16-S, R-35-E
Lea County, New Mexico

Gentlemen:

Enclosed is a copy of the estimated well cost for the captioned well. Estimated well costs were furnished to the parties subject to the order by certified mail on August 7, 1996. Copies of those letters are enclosed for your files.

Yours truly,



Michael M. Gray
Senior Landman

MMG/dw
nike.msc

SEP 18 1996
CONSERVATION DIVISION

Attanach
JJC
FILE
11563

Nearburg Exploration Company, L.L.C.

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

August 7, 1996

A.L. Cone Partnership
 12 Briercroft Office Park
 Lubbock, Texas 79412-3002

CERTIFIED RETURN RECEIPT

ATTN: Mr. Larry Petrie

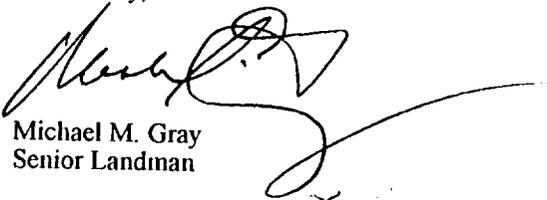
RE: Nike "3" #1 Well
 T-16-S, R-35-E, Section 3
 3,070' FSL/330' FEL
 Lea County, New Mexico

Gentlemen:

Order No. R-10637 has been issued for Case #11563 by the Oil Conservation Division of the State of New Mexico. Pursuant to that order, we are enclosing our Authority for Expenditure setting forth the estimated cost of drilling and completing the well. Under the terms of the order, you have 30 days from receipt of this letter and AFE to elect to participate or not to participate in the captioned well.

As we have indicated to you in the past, we would welcome and prefer that you join under the terms of our proposed Operating Agreement or we would still be willing to consider leasing from you under mutually acceptable terms.

Yours truly,



Michael M. Gray
 Senior Landman

MMG/dw
 encl.

CONE 8696

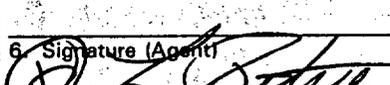
Z 740 463 190



Receipt for Certified Mail

No Insurance Coverage Provided
 Do not use for International Mail

Nike "3" #1

your RETURN ADDRESS completed on the reverse side?	SENDER: • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered.	I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
	3. Article Addressed to: Mr. Larry Petrie A.L. Cone Partnership 12 Briercroft Office Park Lubbock, TX 79412-3002	4a. Article Number Z 740 463 190
4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Return Receipt for Mail and/or Signature <input type="checkbox"/> Express Mail	8. Addressee's Address (if requested and fee is paid)	
5. Signature (Addressee)	6. Signature (Agent) 	

Thank you for using Return Receipt Service.

Nearburg Exploration Company, L.L.C.

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

August 7, 1996

CERTIFIED RETURN RECEIPT

Enserch Exploration, Inc.
 4849 Greenville Ave., Suite 1200
 Dallas, Texas 75206

ATTN: Mr. Jerry R. Anderson

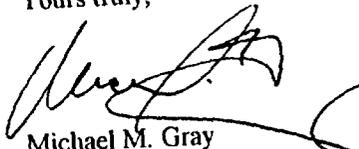
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 Lea County, New Mexico

Gentlemen:

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As we have indicated to you in the past, we would welcome and prefer that you join under the terms of our proposed Operating Agreement.

Yours truly,


 Michael M. Gray
 Senior Landman

MMG/dw
 encl.

ENSERCH 8696

Z 740 463 189



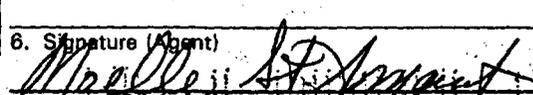
Receipt for Certified Mail

No Insurance Coverage Provided
 Do not use for International Mail
 (See Reverse)

Sent to
Jerry Anderson

Nike "3" #1

Is your RETURN ADDRESS completed on the reverse side?

SENDER: • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Mr. Jerry R. Anderson Enserch Exploration, Inc. 4849 Greenville Ave., S-1200 Dallas, TX 75206		4a. Article Number Z 740 463 189	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
5. Signature (Addressee)		7. Date of Delivery 8/9/96	
6. Signature (Agent) 		8. Addressee's Address (Only if requested and fee is paid)	

