

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

January 20, 1998

Yates Energy Corporation
P. O. Box 2323
Roswell, NM 88202-2323

RE: Lone Ranger "16" State Com. #1 Well
T-19-S, R-33-E, Section 16: E/2
Lea County, New Mexico
Kimo Sabe Prospect

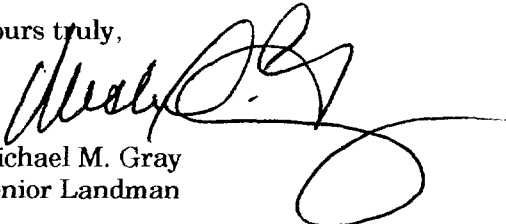
Gentlemen:

Nearburg Exploration Company, L.L.C. desires to drill a 13,650' Morrow test well at a location 990' FSL and 1,980' FEL of Section 16, T-19-S, R-33-E for a unit comprising the E/2 of Section 16. This location will be an unorthodox location under the rules of the New Mexico Oil Conservation Division.

If you have no objection to the drilling of our well at the location set forth above, we request that you waive your objections by executing and returning one (1) copy of this letter in the enclosed envelope, signifying your waiver of objections.

We appreciate your cooperation. If you have any questions, please contact me at the letterhead address and phone number.

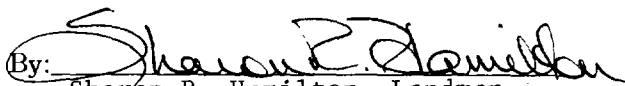
Yours truly,


Michael M. Gray
Senior Landman

MMG/dw

I/we waive objections to the proposed unorthodox location.

YATES ENERGY CORPORATION

By: 
Sharon R. Hamilton, Landman
Date: January 22, 1998

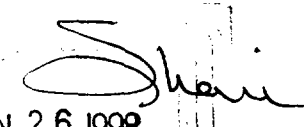
**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11902 Exhibit No. 4

Submitted by: Nearburg Exploration Company, L.L.C.

Hearing Date: February 5, 1998

Mike
glad we could
work out a
compromise.


JAN 26 1998

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

January 20, 1998

Edward R. Hudson Trusts 1,2,3
616 Texas Street
Ft. Worth, Texas 76102-4612

RE: Lone Ranger "16" State Com. #1 Well
T-19-S, R-33-E, Section 16: E/2
Lea County, New Mexico
Kimo Sabe Prospect

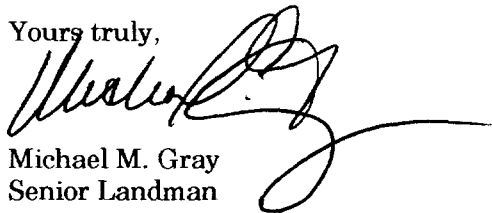
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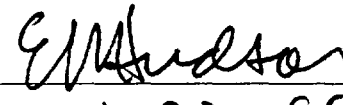
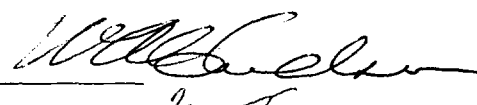
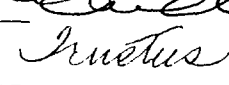


Michael M. Gray
Senior Landman

MMG/dw

I/we waive objections to the proposed unorthodox location.

EDWARD R. HUDSON TRUSTS 1,2,3

By:  
Date: 1-22-98 

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

JAN 22 1998

January 20, 1998

Harvey E. Yates Company
Post Office Box 1933
Roswell, New Mexico 88202-1933

RE: Lone Ranger "16" State Com. #1 Well
T-19-S, R-33-E, Section 16: E/2
Lea County, New Mexico
Kimo Sabe Prospect

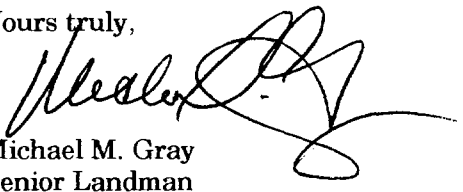
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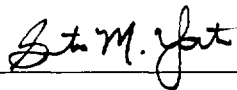
Yours truly,


Michael M. Gray
Senior Landman

MMG/dw

I/we waive objections to the proposed unorthodox location.

HARVEY E. YATES COMPANY

By: 
Date: 1/26/98

JAN 23 1998

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

January 20, 1998

Explorers Petroleum Corp.
P. O. Box 1933
Roswell, NM 88202-1933

RE: Lone Ranger "16" State Com. #1 Well
T-19-S, R-33-E, Section 16: E/2
Lea County, New Mexico
Kimo Sabe Prospect

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Senior Landman

MMG/dw

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EXPLORERS PETROLEUM CORP.

By: St M. yfat
Date: 1/26/98

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

January 20, 1998

Ken D. McPeters
502 W. Gold
Hobbs, New Mexico 88240

RE: Lone Ranger "16" State Com. #1 Well
T-19-S, R-33-E, Section 16: E/2
Lea County, New Mexico
Kimo Sabe Prospect


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Senior Landman

MMG/dw

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KEN D. McPETERS

By: 

Date: 1-23-98

JAN 26 1998

JAN 22 1998

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

January 20, 1998

Heyco Employees, Ltd.
Post Office Box 1933
Roswell, New Mexico 88202-1933

RE: Lone Ranger "16" State Com. #1 Well
T-19-S, R-33-E, Section 16: E/2
Lea County, New Mexico
Kimo Sabe Prospect

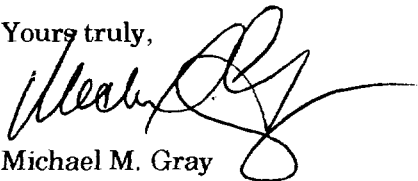
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HEYCO EMPLOYEES, LTD.

By: St M. Yates

Date: 1/26/98

Nearburg Exploration Company, L.L.C.

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79706
915/686-8235
Fax 915/686-7806

January 20, 1998

Harvey E. Yates Company
Post Office Box 1983
Roswell, New Mexico 88202-1933

RE: Lone Ranger "16" State Com. #1 Well
T-19-S, R-38-E, Section 16: E/2
Lea County, New Mexico
Kimo Sabe Prospect

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HARVEY E. YATES COMPANY

By: 151 Steven M. Yates
Date: 1/26/98

CONTRACT

NO. 9801004-L