

SAGA PETROLEUM

**DERO FEDERAL
#3 PROSPECT**

**EDDY COUNTY
NEW MEXICO**

Dero Federal No. 3

A well at the proposed location should encounter numerous potential pays. The primary target is Lower Strawn algal mounds at a depth of approximately 10,200 feet. Morrow Sands are present at a depth of approximately 11,200 feet and Wolfcamp Carbonates are present at a depth of approximately 9,000 feet. Secondary pay horizons include Atoka Sands at a depth of 10,400 feet, Lower Strawn Sands and conglomerates at 10,100 feet, Bone Spring Sands at a depth of 6,400 feet, and Delaware Sands at depths of 3,000 to 4,500 feet.

LOWER STRAWN ALGAL MOUNDS

The Dero Federal No. 3 is a direct offset to the Oxy U S A No. 6 DWU . The NO. 6 was completed through perforations 10,203-211, 10,219-29, 10,259-79 and 10, 287-313.

Since completion in May, 1996 the well has produced approximately 2.3 BCFG and 75 MBO. Reservoir rocks in the Oxy well are believed to have formed as algal mounds in a shallow sea. The nature of this depositional environment dictates localized development and rapid facies changes. Porosity occurs in three separate lenses in the pay zone and is associated with low gamma ray readings from mechanical logs. The attached maps of "Net Clean Carbonate" indicate that porosity development occurs along a northeast-southwest stratigraphic trend extending through the proposed location.

MORROW SANDS

Morrow Sands are gas producers in offset wells. The Penroc (now Saga) Petroleum No. 2 Dero Federal, located approximately 2,000 feet southeast of the proposed location, has produced 562 MMCFG from the Lower Morrow and an additional 1266 MMCFG from Middle Morrow Sands. The attached Net Porosity Thickness Maps show the proposed location to be favorably located to encounter additional Morrow Pay. Cumulative production on a per well basis is shown on the Thickness Maps as well as the attached "Isocum" Map.

WOLFCAMP

Wolfcamp production surrounds the proposed location on all sides except the northwest. Cumulative production varies widely from 57 MMCFG to 1574 MMCFG in the immediate area. The attached Net Porosity Map indicates that proposed location is favorably located to maximize production.

SECONDARY RESERVOIRS

ATOKA

Several wells in the immediate area have encountered thin discontinuous sands of Atoka age. The Cities Service #1 Government AN located one mile southwest of the proposed location produced 215 MMCFG from a thin Atoka sand. Historically, Atoka Sands are developed so erratically as to be unpredictable. It is possible that one of these Sands could be encountered in the subject well.

STRAWN SANDS

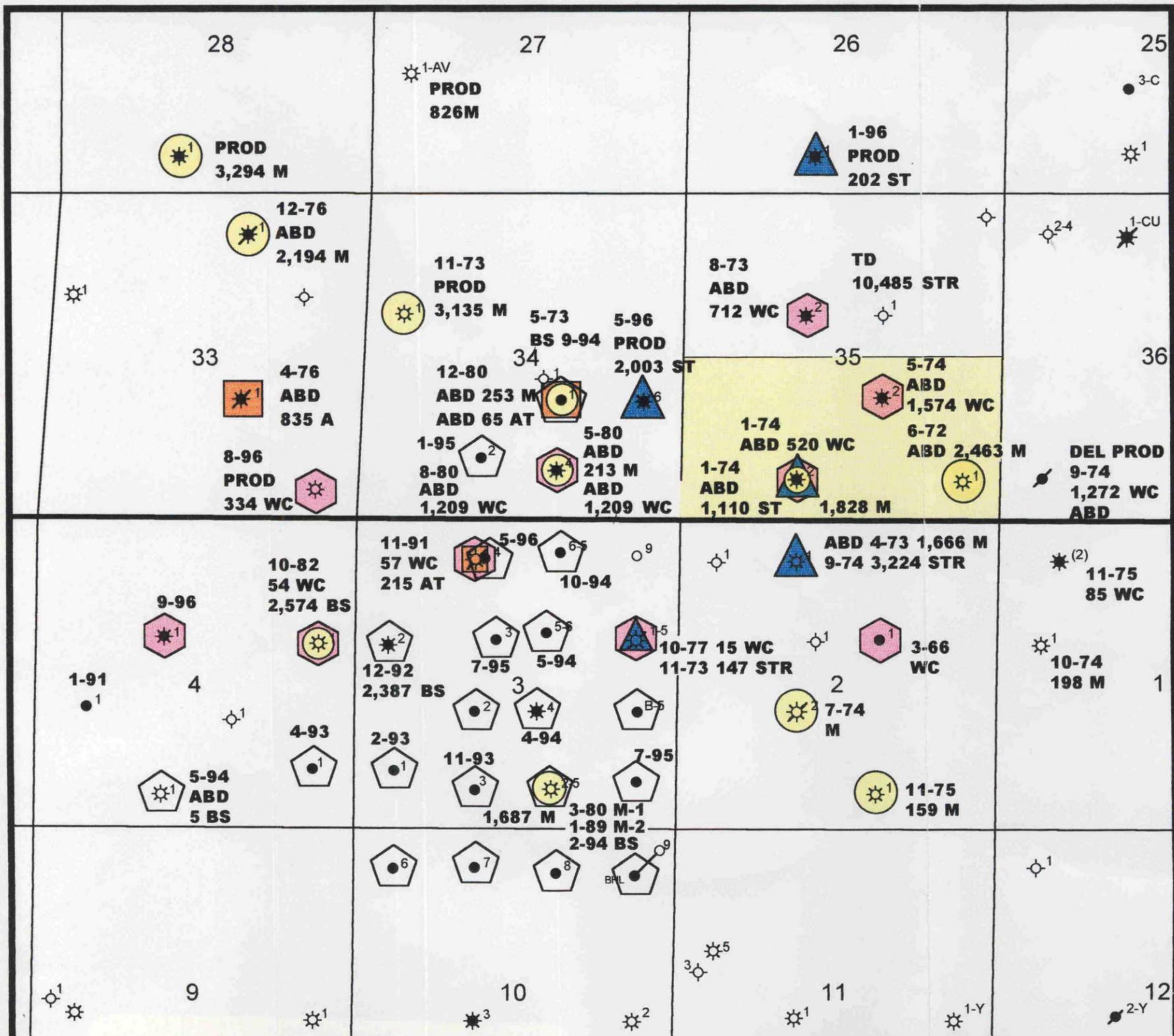
Strawn Sands have produced in the Penroc (now Saga) Dero Federal No. 2 immediately southeast of the proposed location. The No. 2 produced 1110 MMCFG and 31 MBO from this zone. Isopach maps indicate the zone will probably be present at the proposed location, but the presence of porosity in these sands is highly variable.

BONE SPRING

Bone Spring Oil production has been established west and southwest of the subject area. The Bone Spring reservoir sands are expected to be present at the proposed location, but production depends upon a favorable structural position.

DELAWARE SANDS

Shows of oil and gas have been encountered in several wells drilled in the immediate area in the Delaware Sands. To date production has not been established. Sand development in the Delaware is known to be very erratic. It is unlikely that pay will be encountered in these zones.



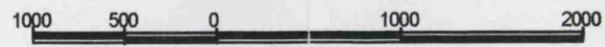
LEGEND

-  WOLFCAMP
-  STRAWN
-  ATOKA
-  MORROW
-  BONE SPRING (OIL)

SAGA PETROLEUM

DERO FEDERAL PROSPECT
Eddy County, New Mexico

CUM GAS PRODUCTION in MMCFG



Scale in Feet

L.J. RULLA 1/29/98



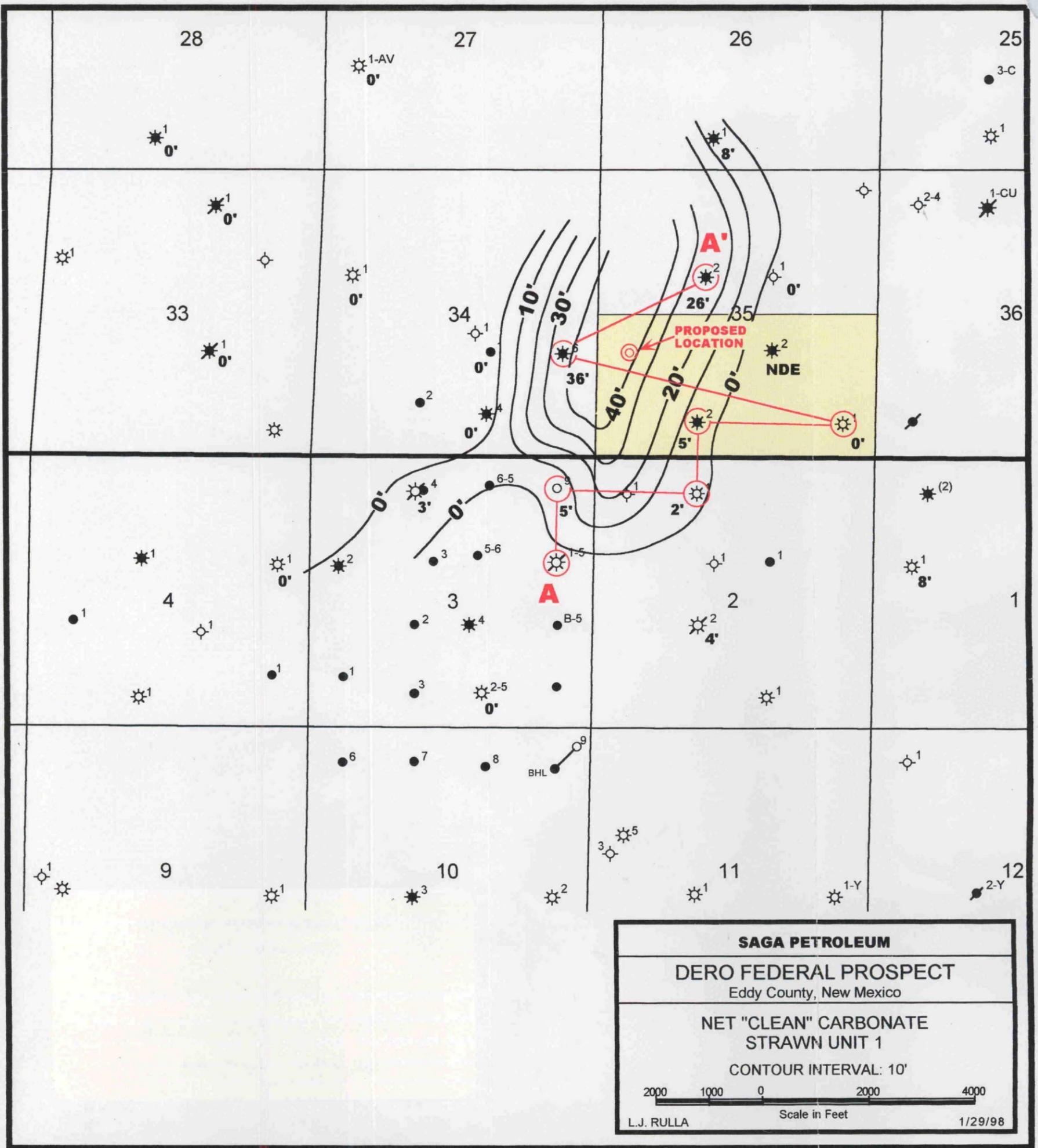
**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11985 Exhibit No. 1

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998

UNIVERSITY OF NEW MEXICO
SANTA FE
SANTA FE, NEW MEXICO



SAGA PETROLEUM

DERO FEDERAL PROSPECT

Eddy County, New Mexico

NET "CLEAN" CARBONATE STRAWN UNIT 1

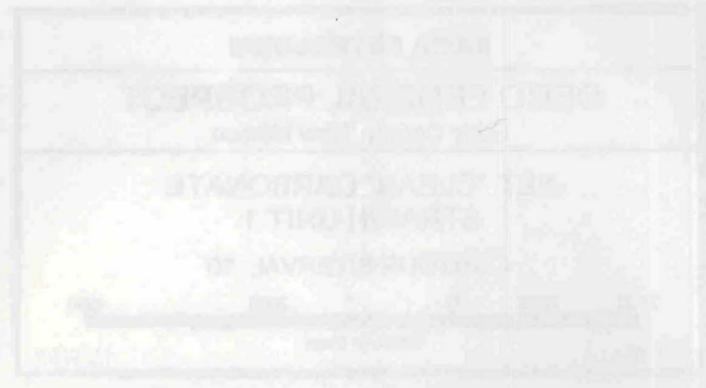
CONTOUR INTERVAL: 10'

2000 1000 0 2000 4000

Scale in Feet

L.J. RULLA

1/29/98

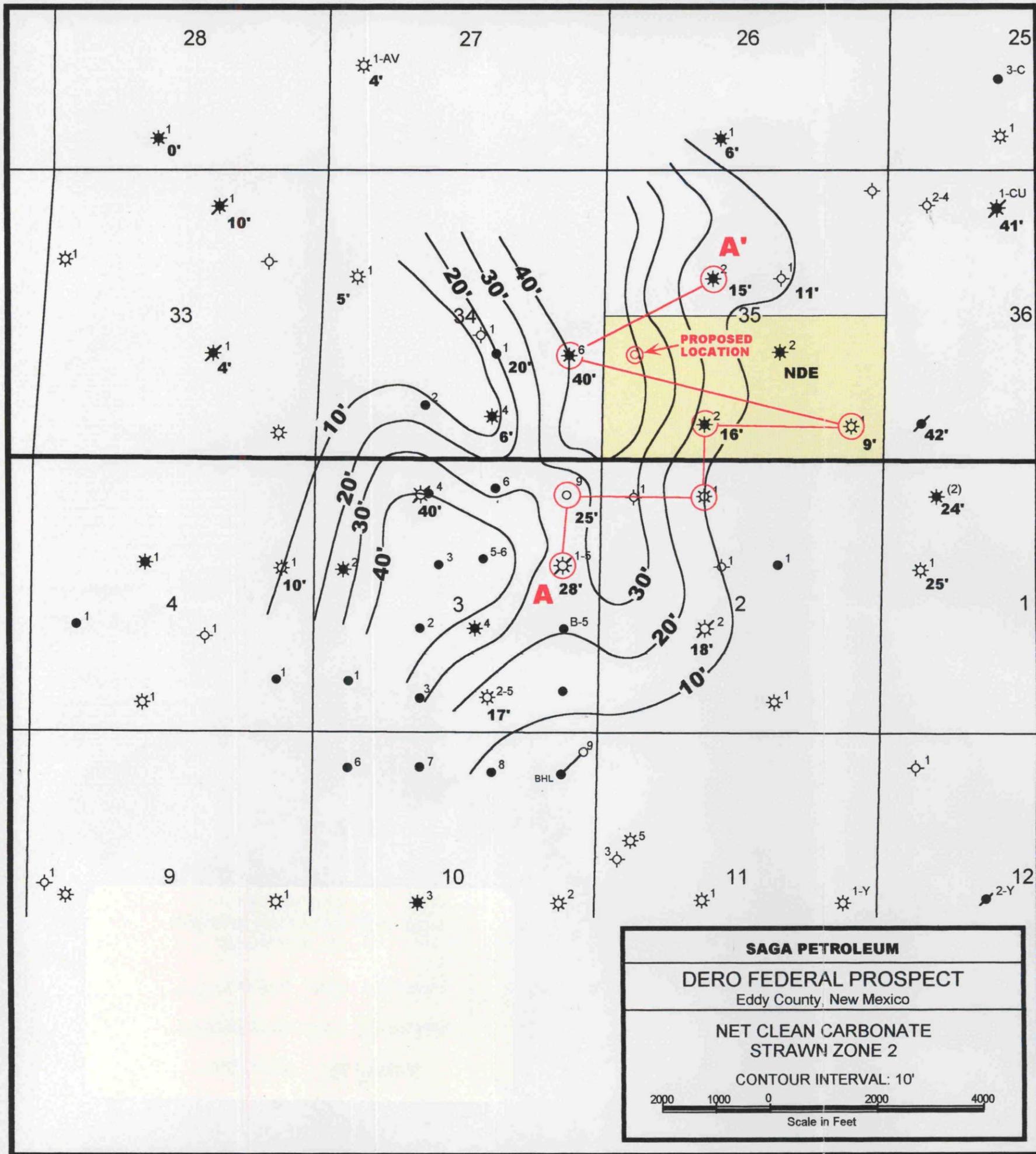


**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11985 Exhibit No. 2

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998





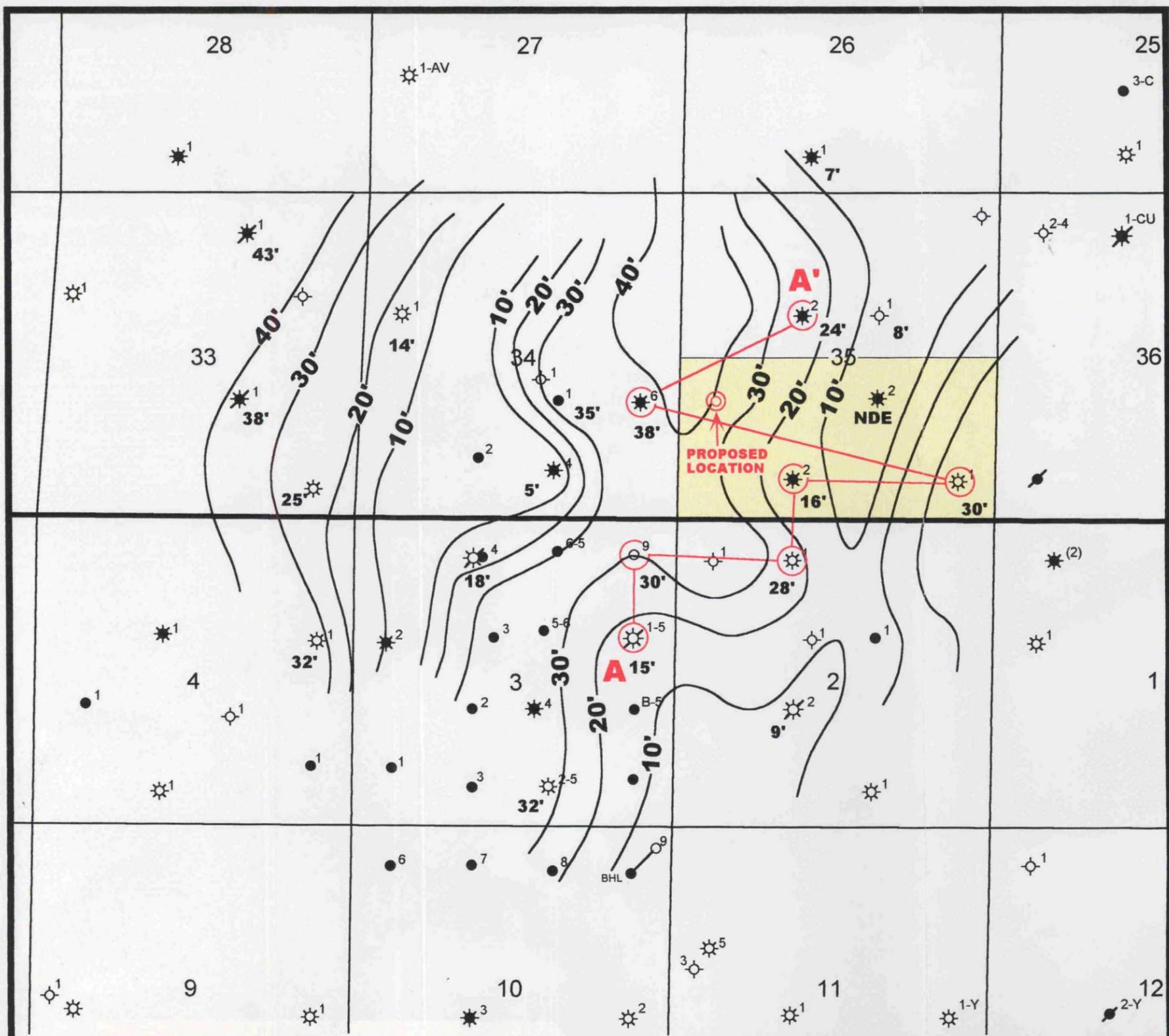
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1615 WEST 10TH AVENUE
DENVER, COLORADO 80202
TELEPHONE (303) 733-8300
FACSIMILE (303) 733-8300

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

Case No. 11985 Exhibit No. 3

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998



SAGA PETROLEUM	
DERO FEDERAL PROSPECT Eddy County, New Mexico	
NET "CLEAN" CARBONATE STRAWN ZONE 3	
CONTOUR INTERVAL: 10'	
L.J. RULLA	Scale in Feet 1/29/98



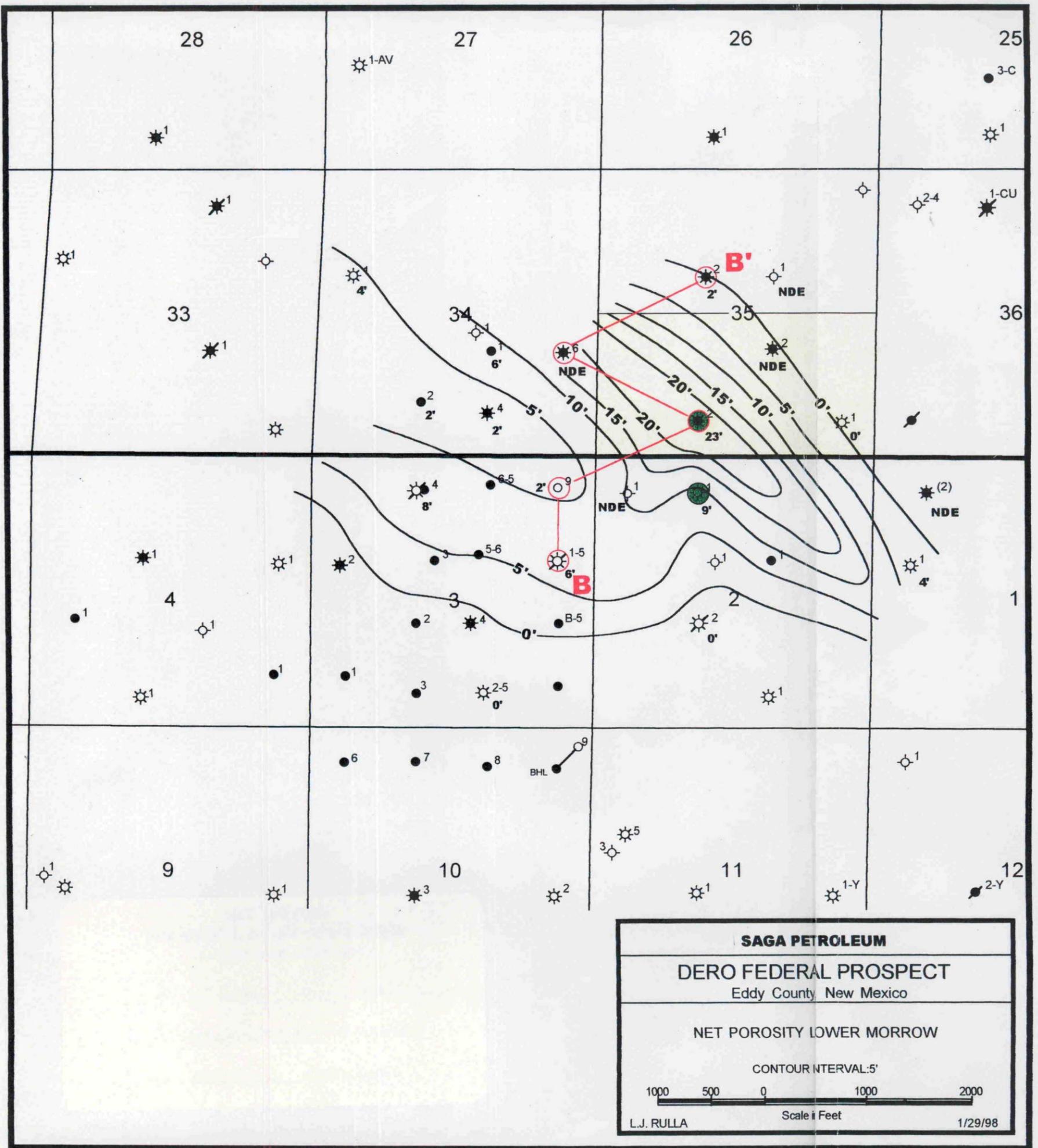
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SANTA FE, NEW MEXICO

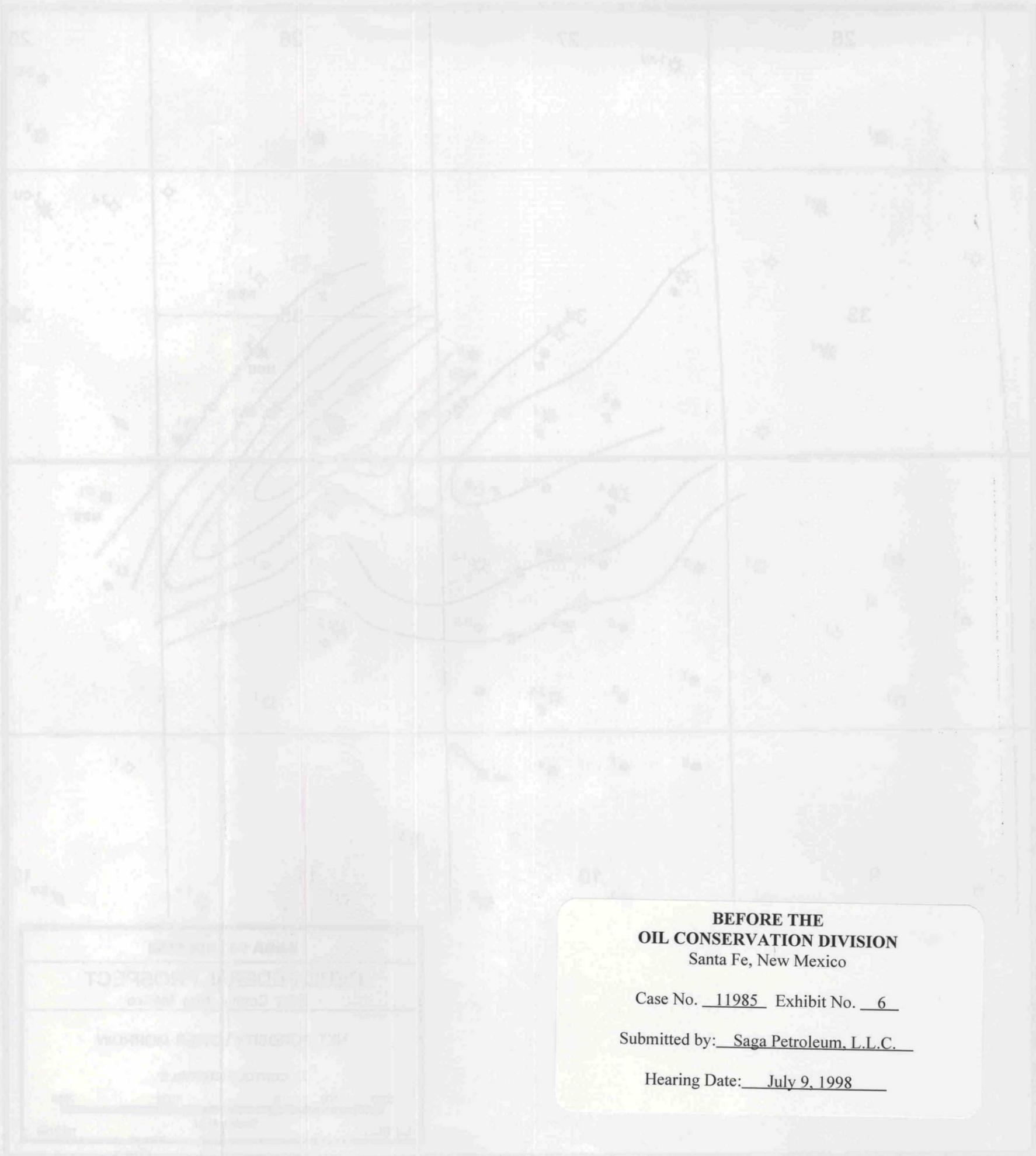
**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11985 Exhibit No. 4

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998





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

Case No. 11985 Exhibit No. 6

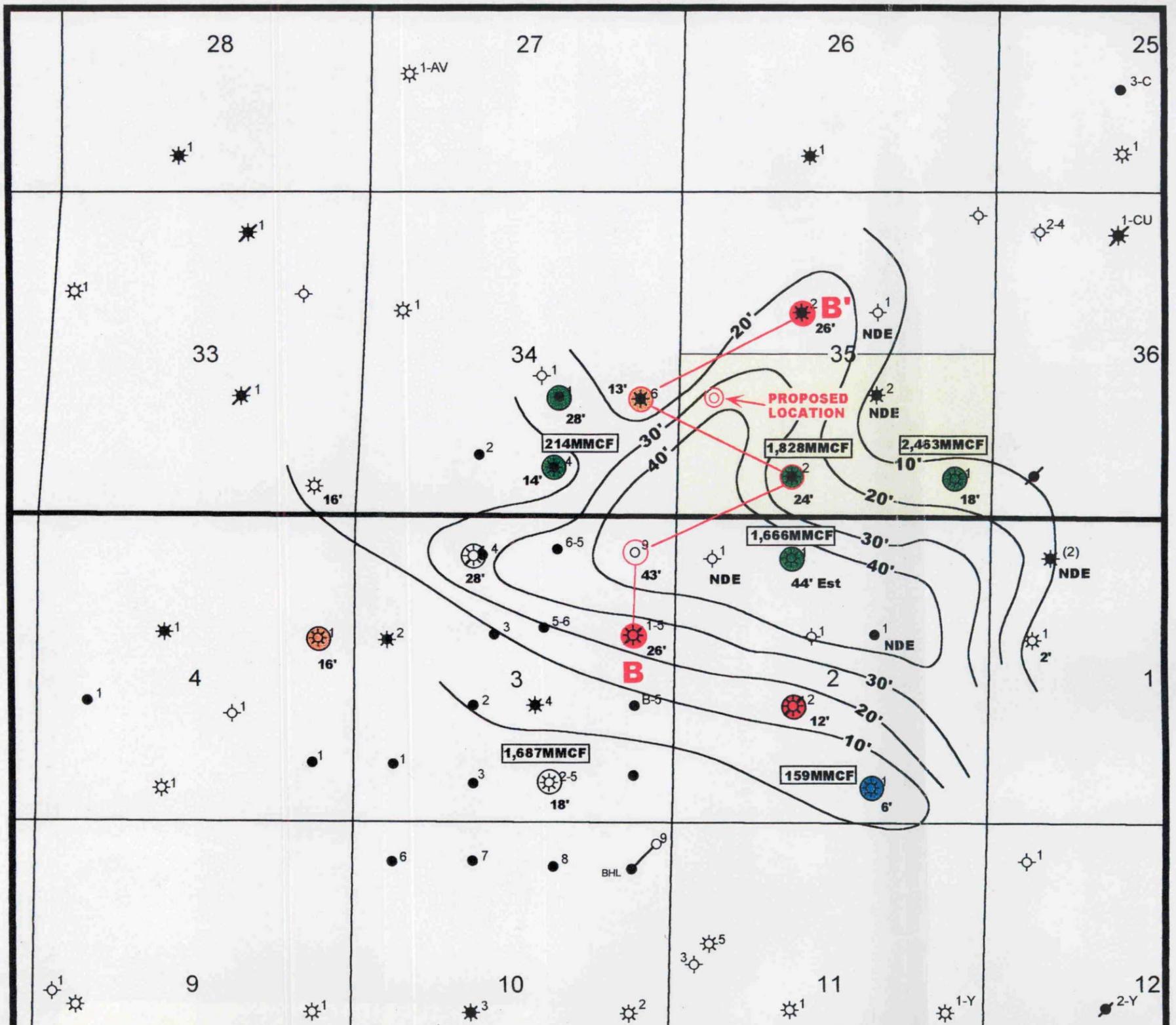
Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SANTA FE, NEW MEXICO

11985-6
SAGA PETROLEUM, L.L.C.

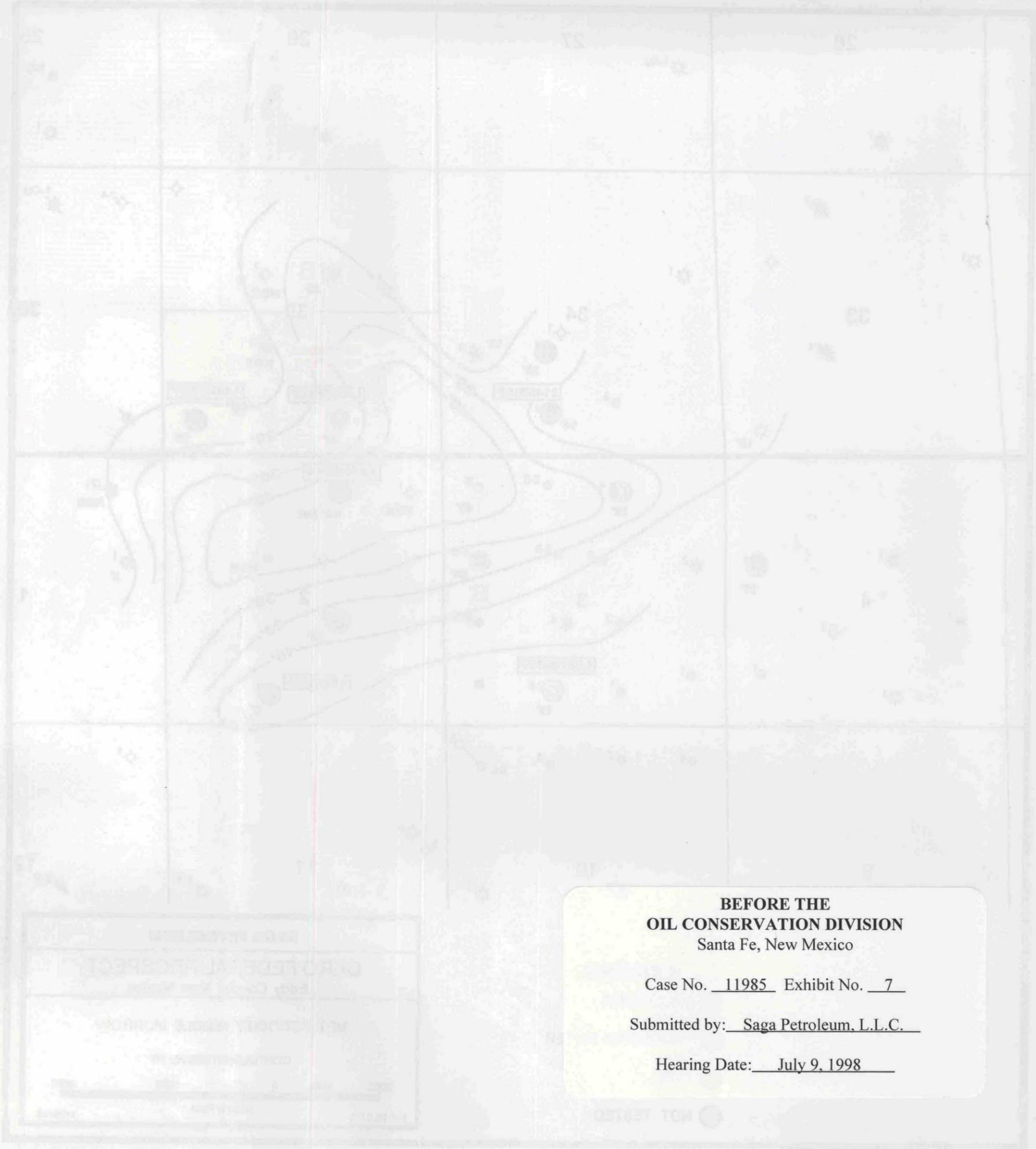
DATE: 7/9/98



LEGEND

- PRODUCERS
- PRODUCING WATER
- TITE
- NOT TESTED

SAGA PETROLEUM	
DERO FEDERAL PROSPECT	
Eddy County, New Mexico	
NET POROSITY MIDDLE MORROW	
CONTOUR INTERVAL: 10'	
L.J. RULLA	1/29/98



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

Case No. 11985 Exhibit No. 7

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998



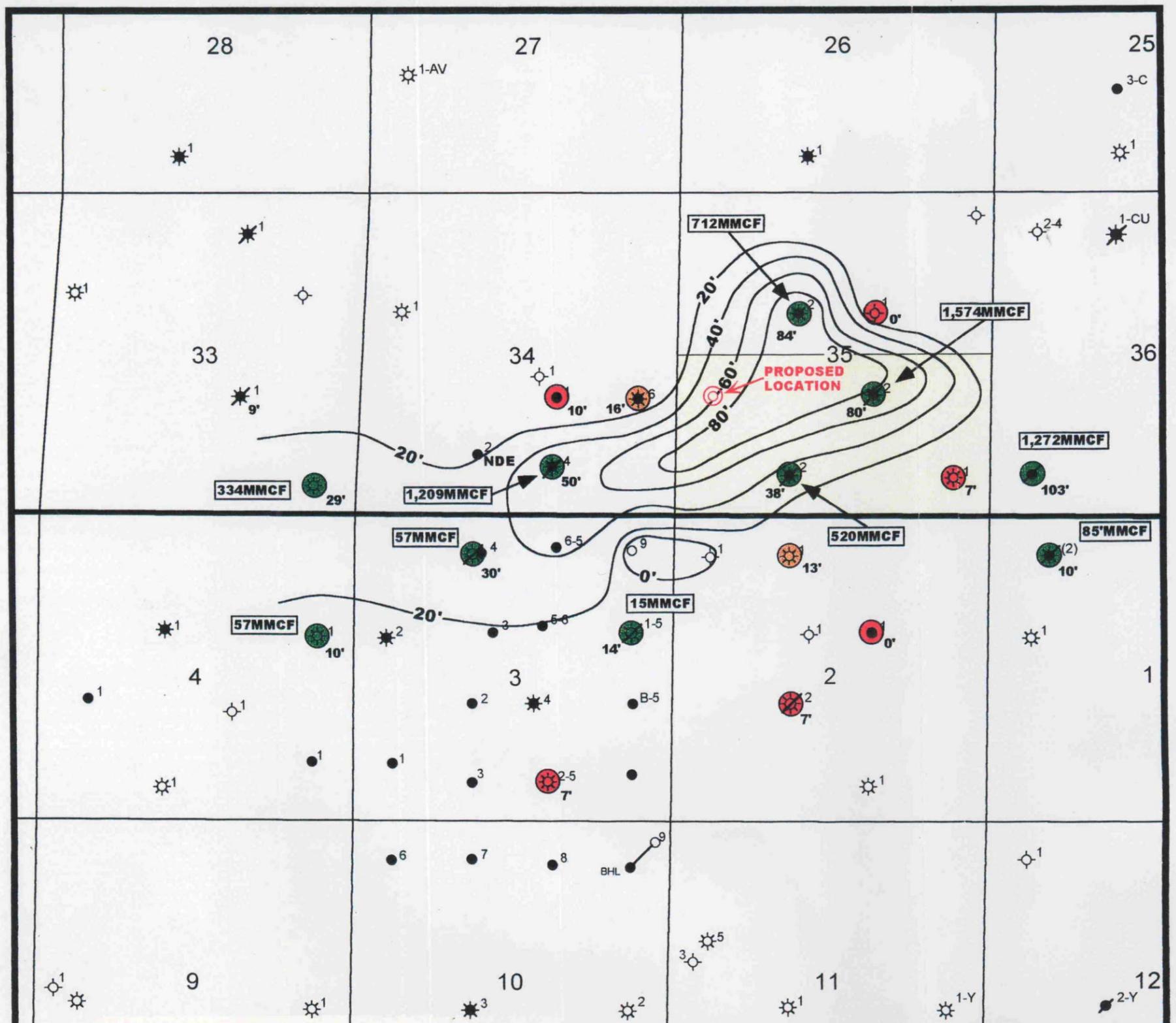
DEPARTMENT OF REVENUE
DEPARTMENT OF REVENUE
FOR A SIGNATURE
BY THE ATTORNEY GENERAL
DATE

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

Case No. 11985 Exhibit No. 9

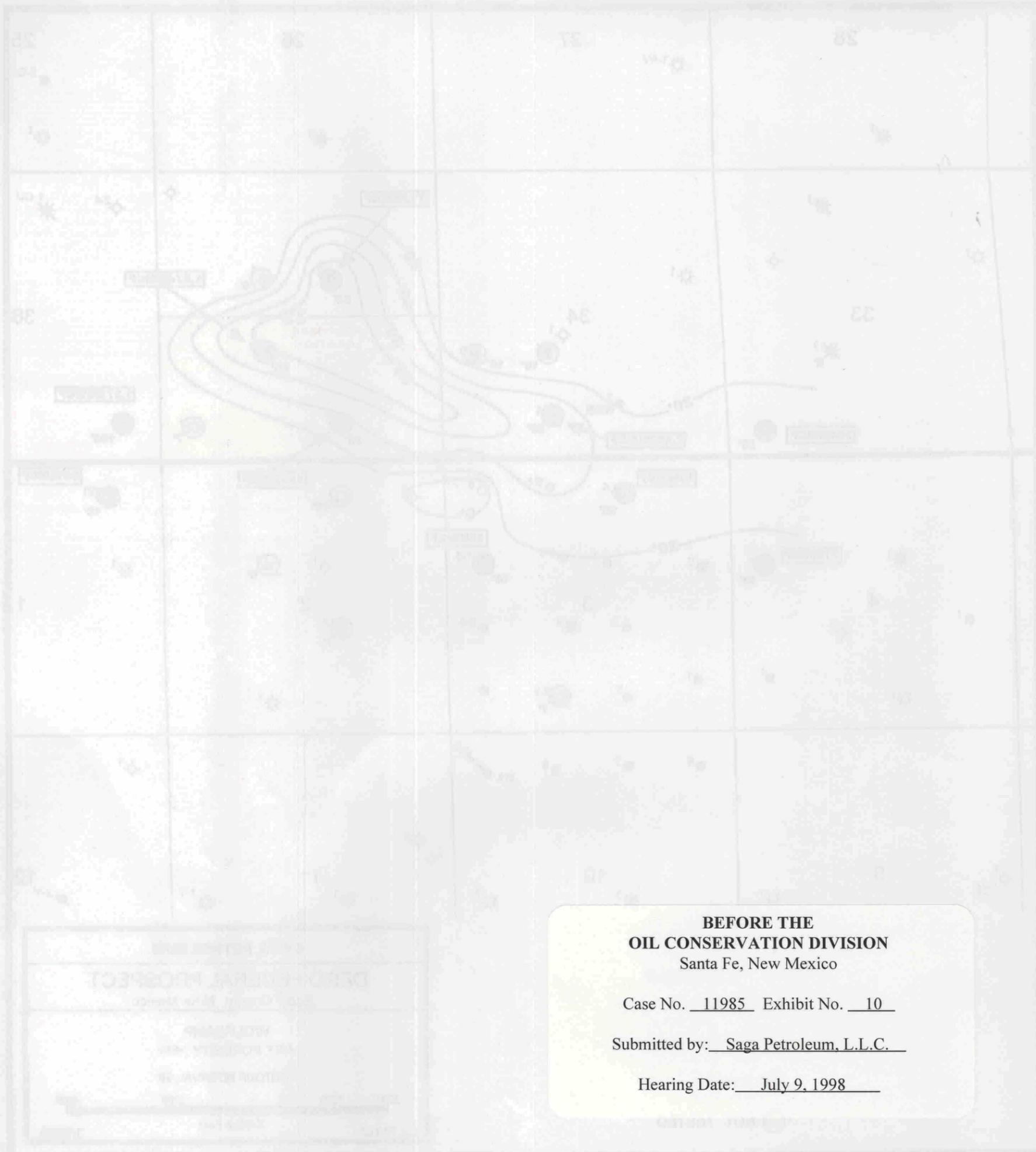
Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998



- LEGEND**
- PRODUCERS
 - PRODUCED WATER
 - TITE
 - NOT TESTED

SAGA PETROLEUM
DERO FEDERAL PROSPECT Eddy County, New Mexico
WOLFCAMP NET POROSITY >5% CONTOUR INTERVAL: 20'
<p>Scale in Feet</p>
L.J. RULLA 1/29/98

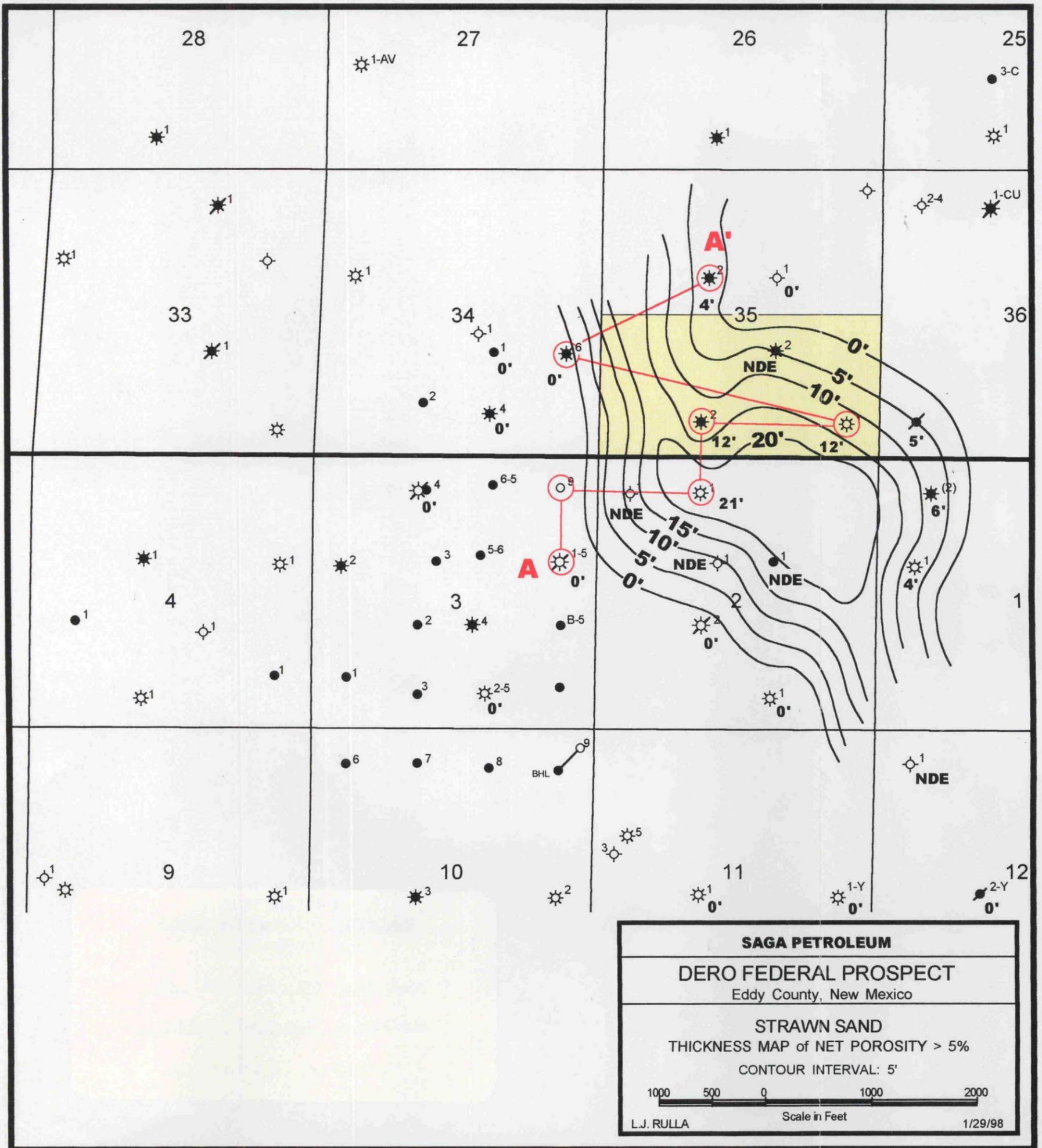


**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11985 Exhibit No. 10

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998





UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SANTA FE, NEW MEXICO

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

Case No. 11985 Exhibit No. 11

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

**LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE**

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

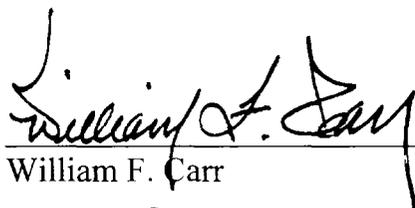
APPLICATION OF SAGA PETROLEUM
L.L.C. FOR AN UNORTHODOX WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11985

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

William F. Carr, attorney in fact and authorized representative of Saga Petroleum L.L.C., the Applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested persons entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit "A" attached hereto.



William F. Carr

SUBSCRIBED AND SWORN to before me this 8th day of July, 1998.



Notary Public

My Commission Expires:

August 19, 1999

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11985 Exhibit No. 12

Submitted by: Saga Petroleum, L.L.C.

Hearing Date: July 9, 1998

EXHIBIT A

Russell Cranmer
Box 8878
950 St. James Place
Wichita, KS 67206

Reeves County Systems, Inc.
Post Office Box 152
Odessa, TX 79760

John Huffman
Attn: Jerrell Huffman
4618 Tryon Road
Longview, TX 75605

OXY USA Inc.
Western
Attn: Western Controller
Post Office Box 50250
Midland, TX 79710-0250

Myrlene M. Dillon
#4 Churchill Way
Midland, TX 79705

Duer Wagner, Jr.
3400 City Center Tower II
301 Commerce Street
Fort Worth, TX 76102

Robert G. Ettelson
3037 NW 63rd, Suite 240
Oklahoma City, OK 73116

Sombrero Associates
120 N. Robinson, #1913
Oklahoma City, OK 73102

Marion K. Tullis
#43 Palisades
Longview, TX 75605

TDT Diverse LP
Suite 340
16414 San Pedro Avenue
San Antonio, TX 78232

Charles Tullis
Post Office Box 150122
Longview, TX 75615

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS
JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Russell Cranmer
Box 8878
950 St. James Place
Wichita, KS 67206

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy County, New Mexico

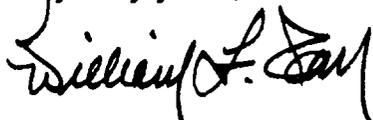
Dear Mr. Cranmer:

This letter is to advise you that Saga Petroleum, L.L.C. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authority to drill its proposed Dero Federal Well No. 3 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line of Section 35, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The S/2 of said Section 35 will be dedicated to this well.

This application has been set for hearing before a Division Examiner on June 25, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR SAGA PETROLEUM, L.L.C.
Enc.

WFE - 544 92

Reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- 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 a extra fee):
 - 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

**Russell Cranmer
Box 8878
950 St. James Place
Wichita, KS 67206**

4a. Article Number

Z 211 156 128

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Insured
- COD

7. Date of Delivery
6-8-98

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

[Handwritten Signature]

PS Form 3811, December 1994

102595-98-B-0229

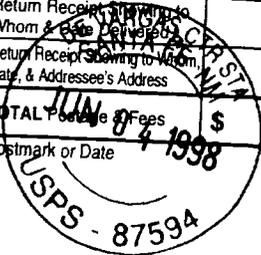
Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 211 156 128

US Postal Service
**Receipt for Certified Mail
Russell Cranmer
Box 8878
950 St. James Place
Wichita, KS 67206**

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt (Showing to Whom & Date Delivered)	1.10
Return Receipt (Showing to Whom, Date, & Addressee's Address)	
TOTAL Postage & Fees	\$ 2.77
Postmark or Date	JUN 8 4 1998



PS Form 3800, April 1995

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B CAMPBELL
WILLIAM F CARR
BRADFORD C. BERGE
MARK F SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F MEDEIROS
PAUL R. OWEN
KATHERINE M MOSS

JACK M CAMPBELL
OF COUNSEL

June 4, 1998

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John Huffman
ATTN: Jerrell Huffman
4618 Tryon Road
Longview, TX 75605

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy
County, New Mexico

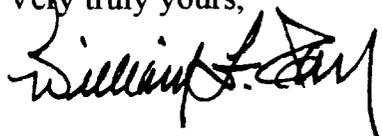
Gentlemen:

This letter is to advise you that Saga Petroleum, L.L.C. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authority to drill its proposed Dero Federal Well No. 3 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line of Section 35, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The S/2 of said Section 35 will be dedicated to this well.

This application has been set for hearing before a Division Examiner on June 25, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR SAGA PETROLEUM, L.L.C.
Enc.

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- 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. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

John Huffman
ATTN: Jerrell Huffman
4618 Tryon Road
Longview, TX 75605

4a. Article Number

Z 211 156 131

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

10-5-98

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *Beth Huffman*

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

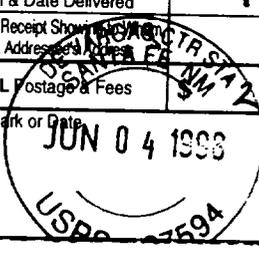
Z 211 156 131

US Postal Service

Receipt for Certified Mail

John Huffman
ATTN: Jerrell Huffman
4618 Tryon Road
Longview, TX 75605

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1-10
Return Receipt Showing Date, & Addressee's Address	
TOTAL Postage & Fees	1.67
Postmark or Date	JUN 04 1998



PS Form 3800, April 1995

Thank you for using Return Receipt Service.

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
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JACK M. CAMPBELL
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TELEPHONE: (505) 988-4421
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E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Myrlene M. Dillon
#4 Churchill Way
Midland, TX 79705

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy County, New Mexico

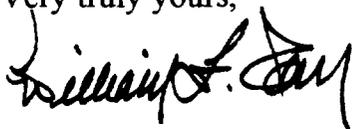
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Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR SAGA PETROLEUM, L.L.C.
Enc.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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- 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. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

**Myrlene M. Dillon
#4 Churchill Way
Midland, TX 79705**

4a. Article Number
Z211 156 129

- 4b. Service Type
- Registered
 - Express Mail
 - Return Receipt for Merchandise
 - Certified
 - Insured
 - COD

7. Date of Delivery
JUN 11 1998

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

Myrlene M. Dillon

6. Signature of Addressee or Agent

Myrlene M. Dillon

PS Form 3811, December 1994

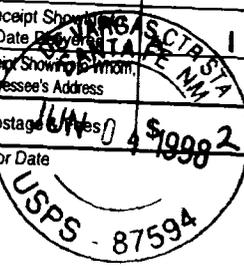
102595-98-8-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

7 211 156 129
US Postal Service
Receipt for Certified Mail
Myrlene M. Dillon
#4 Churchill Way
Midland, TX 79705

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing Whom & Date Received	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage and Fees	\$1.998 2.77
Postmark or Date	JUN 11 1998



PS Form 3800 April 1995

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS
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JEFFERSON PLACE
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FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert G. Ettelson
3037 NW 63rd, Suite 240
Oklahoma City, OK 73116

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy
County, New Mexico

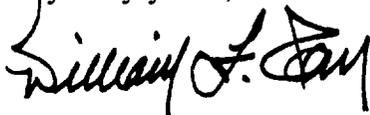
Dear Mr. Ettelson:

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Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR SAGA PETROLEUM, L.L.C.
Enc.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- 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. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Robert G. Ettelson
3037 NW 63rd, Suite 240
Oklahoma City, OK 73116

4a. Article Number
Z 211 156 130

- 4b. Service Type
- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressed or Agent)

PS Form 3871, December 1994

102595-98-B-0229

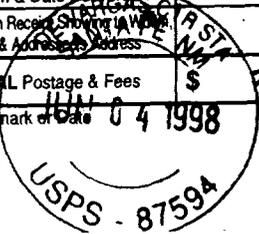
Domestic Return Receipt

Thank you for using Return Receipt Service.

7 211 156 130

US Postal Service
Receipt for Certified Mail
Robert G. Ettelson
3037 NW 63rd, Suite 240
Oklahoma City, OK 73116

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.77
Postmark of Date	DEC 04 1998



CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B CAMPBELL
WILLIAM F CARR
BRADFORD C. BERGE
MARK F SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F MEDEIROS
PAUL R OWEN
KATHERINE M MOSS

JACK M CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Sombrero Associates
120 N. Robinson, #1913
Oklahoma City, OK 73102

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy
County, New Mexico

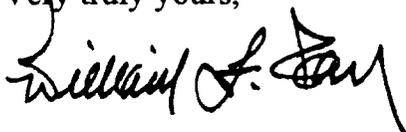
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WILLIAM F. CARR
ATTORNEY FOR SAGA PETROLEUM, L.L.C.
Enc.

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

LAWYERS

POST OFFICE BOX 2208

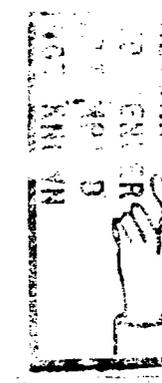
SANTA FE, NEW MEXICO 87504-2208

CERTIFIED

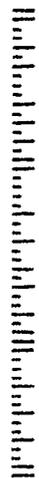
Z 211 156 132

MAIL

Handwritten mark
Sombrero Associates
120 N. Robinson, #1913
Oklahoma City, OK 73102



73102 4759A / 4759A



Z 211 156 132

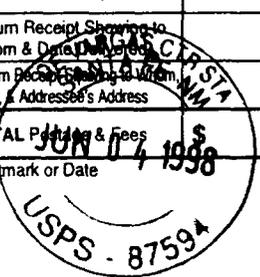
US Postal Service

Receipt for Certified Mail

**Sombrero Associates
120 N. Robinson, #1913
Oklahoma City, OK 73102**

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.77
Postmark or Date	JUN 14 1998

PS Form 3800, April 1995



CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

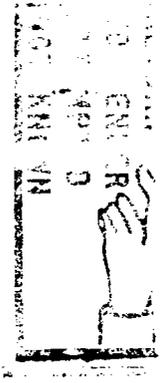
LAWYERS
 POST OFFICE BOX 2208
 SANTA FE, NEW MEXICO 87504-2208

CERTIFIED

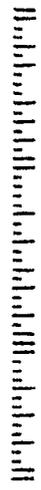
Z 211 156 132

MAIL

Adick
 Sombrero Associates
 120 N. Robinson, #1913
 Oklahoma City, OK 73102



73102 27508 / 2208

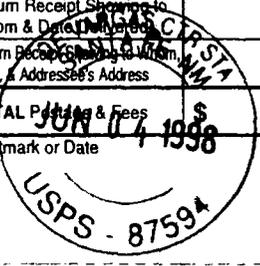


Z 211 156 132

US Postal Service
Receipt for Certified Mail
Sombrero Associates
120 N. Robinson, #1913
Oklahoma City, OK 73102

Postage	\$.32
Certified Fee		1.35
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt Showing to Whom & Date Delivered		1.10
Return Receipt Showing to Whom, Date, & Addressee's Address		
TOTAL Postage & Fees	\$	2.77
Postmark or Date		JUN 07 1998

PS Form 3800, April 1995



CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B CAMPBELL
WILLIAM F CARR
BRADFORD C BERGE
MARK F SHERIDAN
MICHAEL H FELDEWERT
ANTHONY F MEDEIROS
PAUL R OWEN
KATHERINE M MOSS
JACK M CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marion K. Tullis
#43 Palisades
Longview, TX 75605

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy
County, New Mexico

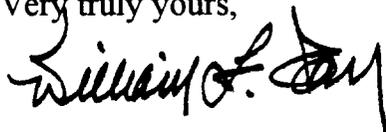
Dear Mr. Tullis:

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Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR SAGA PETROLEUM, L.L.C.
Enc.

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SENDER:

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- Complete items 3, 4a, and 4b.
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- 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. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:

**Marion K. Tullis
 #43 Palisades
 Longview, TX 75605**

4a. Article Number

Z 211 156 133

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Insured
- COD

7. Date of Delivery

11/8/98

8. Addressee's Address (Only if requested and fee is paid)

11/8/98

11/8/98

11/8/98

11/8/98

11/8/98

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *Marion Tullis*

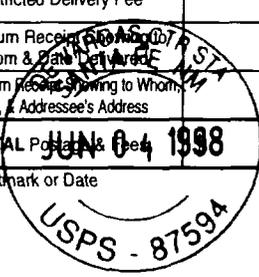
PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Z 211 156 133

US Postal Service
Receipt for Certified Mail
Marion K. Tullis
#43 Palisades
Longview, TX 75605

Postage	\$.32
Certified Fee		1.35
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt Fee		1.10
Return Receipt Fee		
TOTAL Postage & Fees		2.77
Postmark or Date		

PS Form 3800, April 1995

Thank you for using Return Receipt Service.

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS

JACK M. CAMPBELL
OF COUNSEL

June 4, 1998

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TDT Diverse LP
Suite 340
16414 San Pedro Avenue
San Antonio, TX 78232

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy County, New Mexico

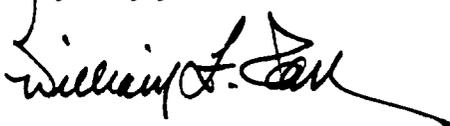
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TDT Diverse LP
Suite 340
16414 San Pedro Avenue
San Antonio, TX 78232

4a. Article Number
Z 211 156 124

- 4b. Service Type
- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

PS Form **3811**, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 211 156 124
 US Postal Service
Receipt for Certified Mail
TDT Diverse LP
Suite 340
16414 San Pedro Avenue
San Antonio, TX 78232

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	2.77
Postmark or Date	APR 4 1998 8759A

PS Form **3800**, April 1995

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Charles Tullis
P.O. Box 150122
Longview, TX 75615

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy County, New Mexico

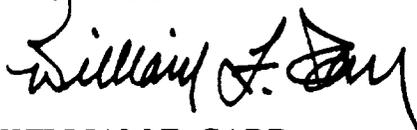
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Charles Tullis
P.O. Box 150122
Longview, TX 75615

4a. Article Number

Z 211 156 134

4b. Service Type

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- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

6-15-98

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

PS Form 3811, December 1994

102595-98-B-0229

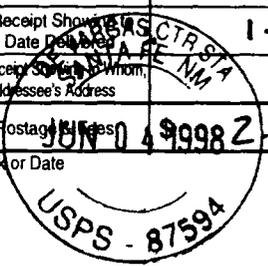
Domestic Return Receipt

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7 211 156 134
 US Postal Service
Receipt for Certified Mail
Charles Tullis
P.O. Box 150122
Longview, TX 75615

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Show Whom & Date Delivered	1-10
Return Receipt Show to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	1.998277
Postmark or Date	

PS Form 3800, April 1995



CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS
JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Reeves County Systems, Inc.
P.O. Box 152
Odessa, TX 79760

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy County, New Mexico

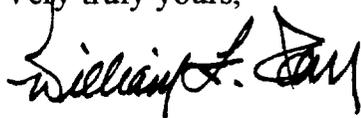
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ATTORNEY FOR SAGA PETROLEUM, L.L.C.
Enc.

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I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Reeves County Systems, Inc.
P.O. Box 152
Odessa, TX 79760

4a. Article Number
Z 211 156 127

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery
6-1-99

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

Robert P. Williams

6. Signature (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Z 211 156 127
 US Postal Service
Receipt for Certified Mail
Reeves County Systems, Inc.
P.O. Box 152
Odessa, TX 79760

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom Delivered	1.10
Return Receipt Showing to Whom Delivered & Addressee's Address	
TOTAL Postage & Fees	2.77
Postmark or Date	87594

PS Form 3800 April 1995

Thank you for using Return Receipt Service.

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
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SUITE 1 - 110 NORTH GUADALUPE
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SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Oxy USA Inc.
Western
ATTN: Western Controller
P.O. Box 50250
Midland, TX 79710-0250

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy County, New Mexico

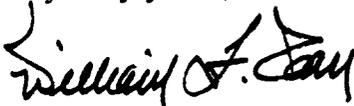
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ATTORNEY FOR SAGA PETROLEUM, L.L.C.
Enc.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- 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. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

**Oxy USA Inc. Western
ATTN: Western Controller
P.O. Box 50250
Midland, TX 79710-0250**

4a. Article Number
Z211 156 126

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

PS Form 3811, December 1994

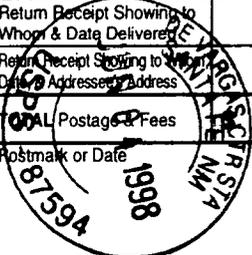
102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 211 156 126

US Postal Service
Receipt for Certified Mail
Oxy USA Inc. Western
ATTN: Western Controller
P.O. Box 50250
Midland, TX 79710-0250

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom & Date Delivered to Addressee's Address	
TOTAL Postage & Fees	2.77
Postmark or Date	

PS Form 3800, April 1995

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

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JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

June 4, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Duer Wagner, Jr.
3400 City Center Tower II
301 Commerce Street
Fort Worth, TX 76102

Re: Application of Saga Petroleum, L.L.C. for an unorthodox well location, Eddy County, New Mexico

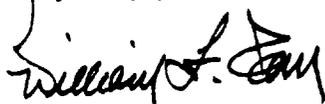
Dear Mr. Wagner:

This letter is to advise you that Saga Petroleum, L.L.C. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authority to drill its proposed Dero Federal Well No. 3 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line of Section 35, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The S/2 of said Section 35 will be dedicated to this well.

This application has been set for hearing before a Division Examiner on June 25, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR SAGA PETROLEUM, L.L.C.
Enc.

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SENDER:

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I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:

**Duer Wagner, Jr.
 3400 City Center Tower II
 301 Commerce Street
 Fort Worth, TX 76102**

4a. Article Number
Z 211 156 125

4b. Service Type:

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery
DOM 1 1 1998

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

PS Form **3811**, December 1994

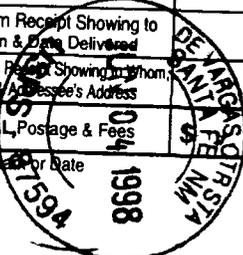
102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 211 156 125
 US Postal Service
Receipt for Certified Mail
Duer Wagner, Jr.
3400 City Center Tower II
301 Commerce Street
Fort Worth, TX 76102

Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1-10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	2.77
Postmark or Date	APR 04 1998



PS Form **3800**, April 1995