

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

December 8, 1999

Post-it® Fax Note 7671		Date 12-8-99	# of pages 4
To Gary Lang	From Duke Roush		
Co./Dept.	FAXED		
Phone #	originals in the		
Fax #	Fax # Mail.		

Pogo Producing Company
P. O. Box 10340
Midland, Texas 79702-7340

ATTN: Gary Lang

Re: T-18-S, R-26-E
Section 24: E/2
Section 19: W/2
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Pursuant to our telephone conversation of this date, Nearburg Exploration Company, L.L.C. (NEC) would like to exchange our 17.5 acres located in the S/2 of Section 18, T-20-S, R-25-E (Tract 1) for acreage Pogo Producing Company (Pogo) owns in the captioned acreage (Tract 2) on the following basis:

- 1) NEC shall assign to Pogo the 17.5 acres it owns in Tract 1 in exchange for an assignment of 17.5 acres that Pogo owns in the W/2 of Section 19.
- 2) The parties agree to equalize NRI's on the acreage exchanged.
- 3) NEC agrees to pay Pogo \$125.00 per net acre owned in the balance of Tract 2 for a two (2) year Term Assignment of said interest delivering NEC a 77.5% NRI.
- 4) Said Term Assignment shall contain a 180 day continuous drilling provision.
- 5) Should Pogo not wish to grant a Term Assignment, NEC would be willing to acquire a Farmout of the balance of the acreage in Tract 2 on the following basis.
 - a) On or before April 30, 2000, NEC agrees to spud a 9,600' Morrow test at a legal location in Tract 2.
 - b) Pogo shall reserve an ORRI equal to the difference between existing burdens and 22.5%, proportionately reduced.
 - c) Upon payout of the initial well, Pogo shall have the option to convert said ORRI to a 25% W.I., proportionately reduced.

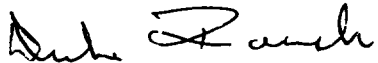
Mr. Gary Lang
Pogo Producing Company
December 8, 1999
Page Two

- d) NEC would have a 180 day continuous drilling option to develop the balance of the acreage not committed to a producing proration unit.

This offer shall expire on its own terms unless accepted by Pogo in writing prior to 5:00 p.m. CST on December 22, 1999.

If we can be of any further assistance, please advise.

Yours very truly,

A handwritten signature in black ink, appearing to read "Duke Roush", is written above the typed name.

Duke Roush
Senior Landman

DR/dw

Nearburg Exploration Company, L.L.C.

*Exploration and Production
3300 North "A" Street
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December 16, 1999

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Pogo Producing Company
P. O. Box 10340
Midland, Texas 79702-7340

Attn: Mr. Gary Lang

Re: Letter Agreement to Trade
Acreage and set Farmout Terms
New Cemetery Prospect and
Rio Pecos Prospect
Eddy County, New Mexico

Dear Gary:

Pursuant to your recent telephone conversations with Duke Roush of our office, please consider this letter as Pogo's and Nearburg's agreement to trade the following described acreage in our New Cemetery Prospect and set forth mutual agreements concerning Pogo's further participation or farmout to Nearburg under our Rio Pecos Prospect.

Nearburg hereby agrees to trade our leasehold (17.5 net acres) under the Partridge and Fry leases in the E/2 SW/4 and W/2 SE/4 of Section 18, T-20-S, R-25-E, NMPM, Eddy County, New Mexico for an undivided 17.5 net acres of Pogo's leasehold in the W/2 of Section 19, T-18-S, R-27-E, NMPM, Eddy County, New Mexico. The net revenue interests delivered by both parties shall be 80%, proportionately reduced to the leasehold interest conveyed.

As to the remainder of Pogo's leasehold interest in the W/2 of Section 19 and the E/2 of Section 24, T-18-S, R-26-E, NMPM, Eddy County, New Mexico, Nearburg is agreeable to presenting its geological presentation to Pogo in your offices, if Pogo is agreeable to either of the following:


1. Pogo elects to participate with its remaining leasehold interest in said sections by executing Nearburg's AFE and a mutually acceptable joint operating agreement (naming Nearburg as operator) within 15 days of Nearburg's geological presentation; or,
2. Pogo agrees to farmout its remaining leasehold interest in said sections, executing a mutually acceptable farmout agreement, delivering a 77.5% net revenue interest proportionately reduced, with the right for Pogo to convert all

Pogo Producing Company
December 16, 1999
Page -2-

its retained overriding royalty interest to a proportionately reduced 25% working interest after payout of the initial test well.

If the above meets with Pogo's approval, please so indicate by signing and returning one copy of this agreement to the undersigned at your earliest convenience. Should you have any questions, please feel free to contact me.

Sincerely,



Mark Wheeler, CPL
Senior Landman

AGREED TO AND ACCEPTED this _____ day
of December, 1999.

POGO PRODUCING COMPANY

By: _____
Name: _____
Title: _____

/cmw:rio pecos(1m)

US Postal Service
P 497 369 864

New Cemetery & Rio Pecos

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.

3. Article Addressed to:
Pogo Producing Company
P. O. Box 10340
Midland, Texas 79702-7340

4a. Article Number
P 497 369 864

4b. Service Type
☐ Registered
☐ Express Mail
☐ Return Receipt for Merchandise

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

☒ Certified
☐ Insured
☐ COD

7. Date of Delivery
DEC 22 1999

8. Addressee's Address (only if requested and fee is paid)
MOUNTAIN TOWN, AR

5. Received By: (Print Name)
Patty J. Thompson

6. Signature: (Addressee or Agent)
X *Patty J. Thompson*

102595-98-B-0229

PS Form 3811, December 1994

Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

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

Post-it® Fax Note 7671		Date 1-5-00	# of pages 3
To Gary Lang	From Mark Wheeler		
Co./Dept.	Co.		
Phone #	FAXED		
Fax # 685-8151	Fax #		

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Pogo Producing Company
P. O. Box 10340
Midland, Texas 79702-7340
Attn: Mr. Gary Lang

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Gary:

Please find enclosed Nearburg's AFE to drill the captioned well for Pogo's review and approval. If Pogo desires to participate with its leasehold interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we would be agreeable to taking a farmout of your interest as we outlined in my letter to you on December 16th. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Nearburg Exploration Company, L.L.C.

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
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December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Yates Brothers, A Partnership
105 S. Fourth St.
Artesia, New Mexico 88210

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Nearburg Exploration Company, L.L.C.

Exploration and Production
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December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Yates Petroleum Corporation
105 S. Fourth St.
Artesia, New Mexico 88210

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
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December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

George Lundblade
c/o Dr. Chamber Loughridge, Inc. Exec.,
3901 River Drive
Alexandria, VA 22309-3053

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Dr. Loughridge:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Nearburg Exploration Company, L.L.C.

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December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Ruby Rogers
c/o Ron Rogers
Rural Route 4
Abilene, KS 67410

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Rogers:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Senior Landman

/cmw:rio pecos afe(1m)

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December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Jesma Hopper for the Estates of
Pauline R. Swearingen and
Homer A. Swearingen Dec.
2364 N. Richmond St.
Wichita, KS 67204-5538

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Hopper:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

First National Bank of Topeka
Bank of America
Trustee of the Julie J. Martin Living Trust dated 4/28/80
P. O. Box 88
Topeka, KS 66601

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

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Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Nearburg Exploration Company, L.L.C.

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
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December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Flora Jane Hopkins
2149 San Anseline Ave.
Long Beach, CA 90815

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Hopkins:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Nearburg Exploration Company, L.L.C.

Exploration and Production
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Building 2, Suite 120
Midland, Texas 79705
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Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Stella P. Herrell
1003 Lynda Lane
Arlington, TX 76103

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Herrell:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Craig Collins and Sheryl Collins

3209 SW Belle Ave.

Topeka, KS 66614-4027

Re: AFE to drill Rio Pecos "19" Com. #1 Well
 1980' FNL & 660' FWL of Section 19,
 T-18-S, R-27-E, NMPM
 Eddy County, New Mexico
 Rio Pecos Prospect

Dear Mr. and Ms. Collins:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Nearburg Exploration Company, L.L.C.

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Fax 915/686-7806

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Sheryl S. Johnson
3209 SW Belle Ave.
Topeka, KS 66614-4027

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Johnson:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Bank of America, Trustee for the
Birdie F. Coryell Rev. Trust dated 10/2/85
P. O. Box 830308
Dallas, Texas 75283-0308

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

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Mark Wheeler, CPL
Senior Landman

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December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Kenneth W. Brown, Ind. Exe. of the
Estate of Gleason Brown, Dec.
756 Bacon Road
Hinesville, GA 31313

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Brown:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

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Mark Wheeler, CPL
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/cmw:rio pecos afe(1m)

Nearburg Exploration Company, L.L.C.

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CERTIFIED MAIL- RETURN RECIEPT REQUESTED

James A. and Judith A. Brown
RR 2
Miller, MO 65707-9802

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

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Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Louise M. Richardson, Dec.
c/o Mary Harris
P. O. Box 53
Richmond, KS 66080

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Harris:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Marjorie Moran, PR of the Est. of
Ernest L. Redford Dec.
111 Nara Vista
Albuquerque, New Mexico 87107

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Moran:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Edna Mae Watt
400 Holland Drive
Broderick, CA 95605

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Watt:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

The Estate of James A. Collier
c/o Greg Collier and James Collier, Jr.
1113 Shady Oak
McKinney, TX 75070

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Collier:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

John Collier Major and
Stephen Alfred Major, Trustee UWO
John Charles Major
P. O. Box 250
Reydon, OK 73660

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Major:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

James Mayberry
3426 Eastern SE Ave., Apt. #4
Albuquerque, NM 87106

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Mayberry:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Chase Bank of Texas
Trustee for Anglea Leigh Simpson Starrett and
UWO R.E. Boyle
500 W. Texas
Midland, Texas 79702

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 1/4th royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Feagan Energy, Inc.
P. O. Box 50307
Midland, Texas 79710

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 1/5th royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Rockhill Royalty Partnership
P. O. Box 1981
Midland, Texas 79702

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 1/5th royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Winnie Dill Knox, Dec.
300 Crescent Court, Suite 1630
Dallas, Texas 75201

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

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Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Winnie Dill Knox, Trustee UWO
T. B. Knox Dec.
300 Crescent Court, Suite 1630
Dallas, Texas 75201

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

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Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Jack Dill Knox
300 Crescent Court, Suite 1630
Dallas, Texas 75201

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Knox:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Therylene Knox Helm
4401 Edmonson
Dallas, Texas 75205

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Helm:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Texacal Oil and Gas, Inc.
4299 McArthur Blvd.
New Port Beach, CA 92660

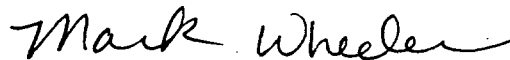
Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

William J. McCaw
1106 W. Main
Artesia, New Mexico 88210

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. McCaw:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$200.00 per net mineral acre, for a 3 year primary term, with a 1/4th royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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*

December 27, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Ralph Nix, A Partnership
P. O. Box 440
Artesia, New Mexico 88210

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Nix:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$200.00 per net mineral acre, for a 3 year primary term, with a 1/4th royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

December 29, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Spear Brothers Sheep & Cattle
P. O. Box 788
Hobbs, New Mexico 88240

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark Wheeler

Rio Pecos 19 Com. #1

/cmw:rio pecos afe(1n

SENDER: <ul style="list-style-type: none">■ 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): <ul style="list-style-type: none">1. <input type="checkbox"/> Addressee's Address2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Spear Brothers Sheep & Cattle P. O. Box 788 Hobbs, New Mexico 88240		4a. Article Number 2236 366 785	
		4b. Service Type <ul style="list-style-type: none"><input type="checkbox"/> Registered<input type="checkbox"/> Registered Mail<input checked="" type="checkbox"/> Return Receipt for Merchandise<input type="checkbox"/> Insured<input type="checkbox"/> COD	
5. Received By: (Print Name)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Addressee or Agent) X [Signature]			

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

2236 366 785

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

December 29, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Martin Yates III
105 S. Fourth St.
Artesia, New Mexico 88210

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark W
Rio Pecos

Z 236 366 905
US Postal Service

19 Com. #1

/cmw:rio pecos afe(1m)

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.

3. Article Addressed to:

|||||
Martin Yates III
105 S. Fourth St.
Artesia, New Mexico 88210

5. Received By: (Print Name)
JOANN GRIGGS

6. Signature: (Addressee or Agent)
Joann Griggs

4a. Article Number
Z 236 366 905

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

7. Date of Delivery
12-29

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

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

102595-98-B-0229 Domestic Return Receipt

PS Form 3811, December 1994

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

December 29, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Mariene Counts
3217 N. Halstade Street
Hutchison, KS 67501

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Mark Wheeler

/cmw:rio pecos afe(1m)

M: PS Form 3800, April 1995
Se

7 236 367 602

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to

Str

Po

Po

Po

Co.

Special Delivery Fee

Restricted Delivery Fee

Return Receipt Showing to Whom & Date Delivered

Return Receipt Showing to Whom, Date, & Addressee's Address

TOTAL Postage & Fees \$

Postmark or Date

Rio Pecos 19 Com. #1

Mariene Counts
3217 N. Halstade Street
Hutchison, KS 67501

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

December 29, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Eddie V. Peoples
214 N. Browning
Carthage, TX 75633

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

PS Form **3800**, April 1995

Sent to		US Postal Service	
No Insurance Coverage Provided.		Do not use for International Mail (See reverse)	
F		Eddie V. Peoples	
F		214 N. Browning	
F		Carthage, TX 75633	
Certified Fee			
Special Delivery Fee			
Restricted Delivery Fee			
Return Receipt Showing to Whom & Date Delivered			
Return Receipt Showing to Whom, Date, & Addressee's Address			
TOTAL Postage & Fees		\$	
Postmark or Date		Rio Pecos 19 Com. #1	

7 236 367 603

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

December 29, 1999

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Frank Lee Muncy
7750 E. Broadway #513
Mesa, AZ 85208

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Gentlemen:

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Sincerely,

Maner Shaw
Rio Pecos 19 Com. #1

/cmw:rio pecos afe(1)

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. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.		
	3. Article Addressed to: ████████████████████ Frank Lee Muncy 7750 E. Broadway #513 Mesa, AZ 85208	4a. Article Number 2236 367604	
		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
		7. Date of Delivery 1-5-00	
	5. Received By: (Print Name)	8. Addressee's Address (Only if requested and fee is paid)	
6. Signature: (Addressee or Agent) X Frank Muncy			
PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt			

Thank you for using Return Receipt Service.

1102595-98-B-0229

2236 367 604

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

December 29, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Richard D. Jones, Jr.
Route 2, Box 57B
Cedar Creek, TX 78612

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

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Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

2 236 367 601

US Postal Service

M.D. Jones
Rio Pecos 19 Com. #1

/cmw:rio pecos afe(1m)

SENDER: <ul style="list-style-type: none">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): <ul style="list-style-type: none"><input type="checkbox"/> Addressee's Address<input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Richard D. Jones, Jr. Route 2, Box 57B Cedar Creek, TX 78612		4a. Article Number 2 236 367 601	
5. Received By: (Print Name) Patrick Higgins		4b. Service Type <ul style="list-style-type: none"><input type="checkbox"/> Registered<input type="checkbox"/> Express Mail<input type="checkbox"/> Return Receipt for Merchandise<input checked="" type="checkbox"/> Certified<input type="checkbox"/> Insured<input type="checkbox"/> COD	
6. Signature: (Addressee or Agent) X Patrick Higgins		7. Date of Delivery 1-4-00	
		8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1994

102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Pogo Producing Company 47.006429%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Yates Brothers, A Partnership 1.809438%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Yates Petroleum Corporation .63714%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

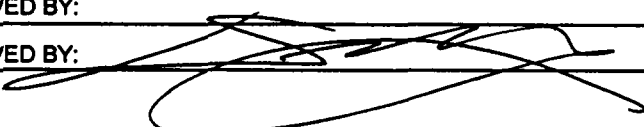
AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY George Lundblade .020267%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

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ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Ruby Rogers Estate .040534%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY
BY
TITLE
DATE

Jesma Hopper for the Estates of Pauline R.
and Homer A. Swearingen - .162132%

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY
BY
TITLE
DATE

First National Bank of Topeka - .054042%
Trustee of the Julie J. Martin Living Trust dated 4/28/80

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Flora Jane Hopkins .032426%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Stella P. Herrell .032426%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Craig and Sheryl Collins .01351%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000


EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

<u>TANGIBLE COSTS:</u>			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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

<u>NPC APPROVAL</u>	<u>DATE</u>
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Sheryl S. Johnson 0.01351%

BY _____

TITLE _____

DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,850	2,850
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

Bank of America, Trustee for the
Birdie F. Coryell Rev. Trust
dated 10/2/85 .032426%

WI APPROVAL: COMPANY BY TITLE DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

Kenneth W. Brown, Ind. Exe. of the
Estate of Gleason Brown, Dec. .032426%

WI APPROVAL: COMPANY
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY,DEVELOPMENT,WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing-	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,800	10,800
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL:

COMPANY

James A. and Judith A. Brown .016211%

BY

TITLE

DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Louise M. Richardson, Deceased
BY c/o Mary Harris .040534%
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

Marjorie Moran, Personal Representative
of the Estate of Ernest L. Redford Deceased .040534%

WI APPROVAL: COMPANY
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY,DEVELOPMENT,WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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		12/28/99
REVIEWED BY: TRM		
APPROVED BY:		
APPROVED BY:		12/28/99

WI APPROVAL:

COMPANY

Edna Mae Watt

.040534%

BY

TITLE

DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY The Estate of James A. Collier .032426%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

John Collier Major and Stephen Alfred Major,
Trustee UWO John Charles Major
.032426%

WI APPROVAL: COMPANY _____
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,800	10,800
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY James Mayberry .03278%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY
BY
TITLE
DATE

Chase Bank of Texas, Trustee for
Anglea Leigh Simpson Starrett and
UWO R.E. Boyle, Dec. .520833%

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBSD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL:

COMPANY

Feagan Energy, Inc. .159285%

BY

TITLE

DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Rockhill Royalty Partnership .477855%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Corn.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY,DEVELOPMENT,WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	28,400	0	28,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL:

COMPANY

Winnie Dill Knox, Dec. .708042%

BY

TITLE

DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

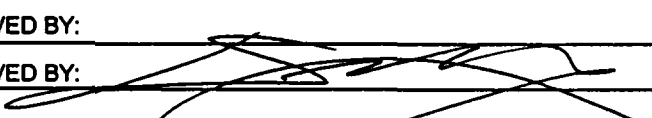
AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 8/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY:	TRM	
APPROVED BY:		
APPROVED BY:		12/28/99

WI APPROVAL: COMPANY BY TITLE DATE
Winnie Dill Knox, Trustee UWO.
T.B. Knox Dec. .550699%

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY BY TITLE DATE
Jack Dill Knox .052447%

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Therylene Knox Helm .052447%
BY
TITLE
DATE

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Texacal Oil and Gas, Inc. .052447%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 8/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY William J. McCaw .183568%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Ralph Nix, A Partnership .183568%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBD: 9,700'
LOCATION: 1,980' FNL & 860' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,284	15,284
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY,DEVELOPMENT,WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Spear Brothers Sheep & Cattle 1.554001%
BY _____
TITLE _____
DATE _____

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBDT: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,784	0	174,784
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL:

COMPANY

Martin Yates III

.786712%

BY

TITLE

DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBDT: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Corn.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY,DEVELOPMENT,WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

<u>TANGIBLE COSTS:</u>			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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

<u>NPC APPROVAL</u>	<u>DATE</u>
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Richard D. Jones .173611%
BY
TITLE
DATE

Nearburg Producing CompanyExploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,800	0	10,800
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,284	15,284
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

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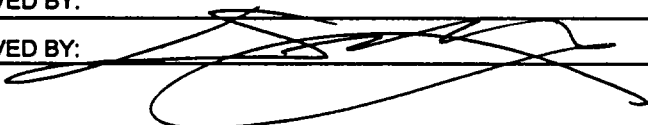
AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

WI APPROVAL: COMPANY Mariene Counts .20979%
BY
TITLE
DATE

Nearburg Producing CompanyExploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY,DEVELOPMENT,WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.
0

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Eddie V. Peoples .094405%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,284	15,284
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY L.N. Muncy Heirs .629371%
BY
TITLE
DATE

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

cc to TRM

January 19, 2000

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Larry L. Redford
2608 Pearl
Odessa, Texas 79760

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Redford:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Rio Pecos 19 Com. #1

/cmw:rio pecos afe(1m)

your RETURN ADDRESS completed on the reverse side?	SENDER: <ul style="list-style-type: none">■ 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. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
	3. Article Addressed to: Larry L. Redford 2608 Pearl Odessa, Texas 79760		4a. Article Number 2 236 367 619	
			4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Insured <input type="checkbox"/> COD	
	5. Received By: (Print Name) X Virginia L. Redford		7. Date of Delivery 2/1/2000	
	6. Signature: (Addressee or Agent) X Virginia L. Redford		8. Addressee's Address (Only if requested and fee is paid) 2608 Pearl Odessa, Texas 79760	

PS Form 3811, December 1994

302595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

679 29E 9E2 Z

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

<u>INTANGIBLE COSTS:</u>	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

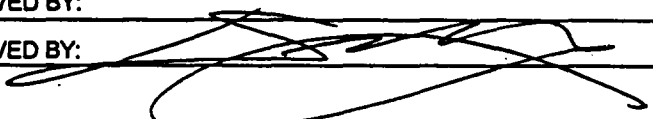
AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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

NBC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY: 	12/28/99

Larry L. Redford, Heir to the Estate
of Ernest L. Redford, Deceased

.01351134%

WI APPROVAL: COMPANY _____
BY _____
TITLE _____
DATE _____

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

cc to YRM

January 19, 2000

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Diana Peace
12512 Monarch Dr. NE
Albuquerque, New Mexico 87123

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Peace:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,

Rio Pecos 19 Com. #1

/cmw:rio pecos afe(1m

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. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
	3. Article Addressed to: Diana Peace 12512 Monarch Dr. NE Albuquerque, New Mexico 87123	4a. Article Number 2236 367 620
	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	7. Date of Delivery 1/22/00
	5. Received By: (Print Name) DIANA L. PEACE	8. Addressee's Address (Only if requested and fee is paid)
	6. Signature: (Addressee or Agent) X Diana L. Peace	

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

029 29E 9E2 Z

Nearburg Producing CompanyExploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

<u>INTANGIBLE COSTS:</u>	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,298	12,298	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,408	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

Diana Peace, Heir to the Estate
of Ernest L. Redford, Deceased

.01351133%

WI APPROVAL: COMPANY
BY
TITLE
DATE

CC: TRM

January 19, 2000

Sonja Lopez
4006 San Andres NE
Albuquerque, New Mexico 87110

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

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Sincerely,

<p>Is your RETURN ADDRESS completed on the reverse side?</p> <p>SENDER:</p> <ul style="list-style-type: none"> ■ 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. 		<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address</p> <p>2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p>	
<p>3. Article Addressed to:</p> <p> </p> <p>Sonja Lopez 4006 San Andres NE Albuquerque, New Mexico 87110</p>		<p>4a. Article Number</p> <p>2236 367 621</p>	
		<p>4b. Service Type</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Insured</p> <p><input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD</p>	
		<p>7. Date of Delivery</p> <p>11/21/00</p>	
<p>5. Received By: (Print Name)</p>		<p>8. Addressee's Address (Only if requested and fee is paid)</p>	
<p>6. Signature: (Addressee or Agent)</p> <p>X <i>[Signature]</i></p>			

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBTD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
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Drilling Daywork 2 2 5,800 \$/day	12,298	12,298	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	28,500	0	28,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
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Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
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Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBDT: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

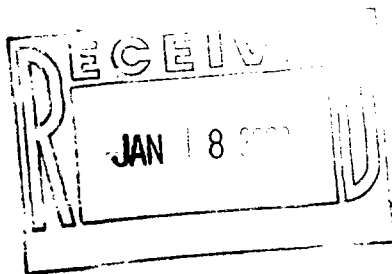
TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Sonja Lopez, Heir to the Estate of Ernest L. Redford, Deceased .01351133%
BY
TITLE
DATE

December 29, 1999



HEARBUZG EXPLORATION CO., LLC
3300 NORTH "A" STREET
BUDG 2, STE 120
MIDLAND, TX 79705

Re:

Dear Sir or Madam:

Thank you for your interest in the above referenced property. Ernest L. Redford is deceased and his heirs prefer that they are contacted on an individual basis and therefore all correspondence needs to be redirected to their attention. Their names and addresses are listed below:

Larry L. Redford
2608 Pearl
Odessa, TX 79760

Diana Peace
12512 Monarch Dr NE
Albuquerque, NM 87123

Sonja Lopez
4006 San Andres NE
Albuquerque, NM 87110

*resent
AFE'S 1-19-00*

Sincerely,

Marjorie M. Moran

*cc: Kathie Craft
Jim Macdonald*

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

December 27, 1999

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Marjorie Moran, PR of the Est. of
Ernest L. Redford Dec.
111 Nara Vista
Albuquerque, New Mexico 87107

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Moran:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we reiterate our offer, made recently by Mr. Maner Shaw of Shaw Interests, Inc., to lease your mineral interest for \$75.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned or Mr. Shaw immediately so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next two weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

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

February 17, 2000

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Jack Dill Knox
300 Crescent Court, Suite 1630
Dallas, Texas 75201


Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Knox:

Please find enclosed Nearburg's revised AFE to drill the captioned well for your review and approval. We have revised this AFE to reflect the correct interest for you, Gwendolyn Knox and Therylene Knox.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,


Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

2 236 366 990

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent	
Str	Jack Dill Knox
Pos	300 Crescent Court, Suite 1630
Pos	Dallas, Texas 75201
Certified Fee	1
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	Rio Pecos "19" Com #1

PS Form 3800, April 1995

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

February 17, 2000

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Therylene Knox Helm
4401 Edmonson
Dallas, Texas 75205

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Helm:

Please find enclosed Nearburg's revised AFE to drill the captioned well for your review and approval. We have revised this AFE to reflect the correct interest for you, Gwendolyn Knox and Jack D. Knox.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,


Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Z 236 366 989

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
Stre	Therylene Knox Helm
Pos	4401 Edmonson
Pos	Dallas, Texas 75205
Certified fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
Rio Pecos "19" Com. #1	

PS Form 3800, April 1995

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

February 18, 2000

CERTIFIED MAIL- RETURN RECIEPT REQUESTED

Gwendolyn Knox
P. O. Box 9026
Dallas, Texas 75209

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Ms. Knox:

Please find enclosed Nearburg's AFE to drill the captioned well for your review and approval. If you desire to participate with your unleased mineral interest, please execute and return one (1) copy of said AFE to the undersigned at your earliest convenience. In the event that you do not wish to participate, we would like to lease your mineral interest for \$150.00 per net mineral acre, for a 3 year primary term, with a 3/16ths royalty on a mutually acceptable lease form. If you wish to lease your interest for said terms, please contact the undersigned so that we may prepare the oil and gas lease and send a collection draft with it. We will be forwarding our proposed Joint Operating Agreement in the next few weeks.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

Z 236 366 988

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
Gwendolyn Knox	
P. O. Box 9026	
Dallas, Texas 75209	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
Rio Pecos "19" Com. #1	

PS Form 3800, April 1995

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Gwendolyn Knox .590625%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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		12/28/99
REVIEWED BY: TRM		
APPROVED BY:		
APPROVED BY:		12/28/99

WI APPROVAL: COMPANY Therylene Knox Helm 1.8984375%
BY
TITLE
DATE

Nearburg Producing CompanyExploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBSD: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

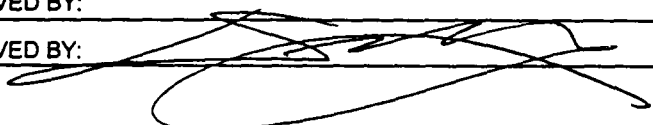
EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TYPE	TO CSG PT	TYPE	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	CON CSG	0	CON CSG	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	CON SFG	26,400	CON SFG	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	CON IFG	0	CON IFG	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	CON PFG	0	CON PFG	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	CON PFG	0	CON PFG	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	CON PLN	0	CON PLN	0	0
Production Liner	0 Ft @	0.00 \$/Ft	CON PLN	0	CON PLN	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	CON TUB	0	CON TUB	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	CON ROD	0	CON ROD	0	0
Artificial Lift Equipment			CON ALE	0	CON ALE	0	0
Tank Battery			CON TB	0	CON TB	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			CON SEP	0	CON SEP	12,720	12,720
* Well Head Equipment & Christmas Tree			CON WHE	2,500	CON WHE	11,500	14,000
Subsurface Well Equipment			CON SWE	0	CON SWE	6,148	6,148
Flow Lines			CON FL	0	CON FL	13,250	13,250
Saltwater Disposal Pump			CON SDP	0	CON SDP	0	0
Gas Meter			CON GM	0	CON GM	1,484	1,484
Lact Unit			CON LU	0	CON LU	0	0
Vapor Recovery Unit			CON VRU	0	CON VRU	0	0
Other Well Equipment			CON OWE	0	CON OWE	0	0
ROW and Damages			CON ROW	0	CON ROW	2,650	2,650
Surface Equipment Installation Costs			CON SEIC	0	CON SEIC	9,540	9,540
Elect. Installation			CON EI	0	CON EI	0	0
ESTIMATED TOTAL TANGIBLES				28,900		195,767	224,667
ESTIMATED TOTAL WELL COSTS				470,406		331,868	802,274

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		12/28/99
REVIEWED BY: TRM		
APPROVED BY:		
APPROVED BY:		12/28/99

WI APPROVAL:

COMPANY

Jack Dill Knox

1.8984375%

BY

TITLE

DATE

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

February 21, 2000

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Mr. Doug Hurlbut
Yates Petroleum Corporation
Sharbro Oil Ltd. Co.
Estate of Lillie M. Yates
105 S. Fourth St.
Artesia, New Mexico 88210

Re: AFE to drill Rio Pecos "19" Com. #1 Well
1980' FNL & 660' FWL of Section 19,
T-18-S, R-27-E, NMPM
Eddy County, New Mexico
Rio Pecos Prospect

Dear Mr. Hurlbut:

Please find enclosed Nearburg's amended AFE to drill the captioned well for your review and approval. This AFE has been amended to reflect the correct Yates entities and percentages. The Ralph Nix, A Partnership, interest has also been taken into account with regard to these percentages. Please execute one copy of the enclosed AFE.

Should you have any questions concerning these matters, please feel free to contact me at the number listed above. Thank you for your immediate attention to this proposal.

Sincerely,



Mark Wheeler, CPL
Senior Landman

/cmw:rio pecos afe(1m)

2 236 366 996

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

|||||

Yates Petroleum Corporation
105 S. 4th Street
Artesia, New Mexico 88210

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	Rio Pecos 19 Com. #1

PS Form 3800, April 1995

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com.

WELL NUMBER: 1

PBDT: 9,700'

LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 12/28/99

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Yates Petroleum Corporation 2.630146%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
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COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
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Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
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Artificial Lift Equipment			0	0	0
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Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

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	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Estate of Lillie M. Yates 0.393356%
BY
TITLE
DATE

Nearburg Producing Company

Exploration and Production
Dallas, Texas

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 19 Com. WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FNL & 660' FWL, Section 19, T18S, R27E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

0
DATE PREPARED: 12/28/99 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
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NPC APPROVAL	DATE
PREPARED BY: HRW	12/28/99
REVIEWED BY: TRM	
APPROVED BY:	
APPROVED BY:	12/28/99

WI APPROVAL: COMPANY Sharbro Oil Ltd. Co. 0.393356%
BY
TITLE
DATE

CERTIFIED

Nearburg Exploration Company, L.L.C.

Z 236 366 766

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

HAPPY HOLIDAYS 797-12-2899

MAIL

James A. and Judith A. Brown
Miller, MO 65707-9802

RETURN RECEIPT REQUESTED

Insufficient
Address

79703/3421

CERTIFIED

Nearburg Exploration Company, L.L.C.

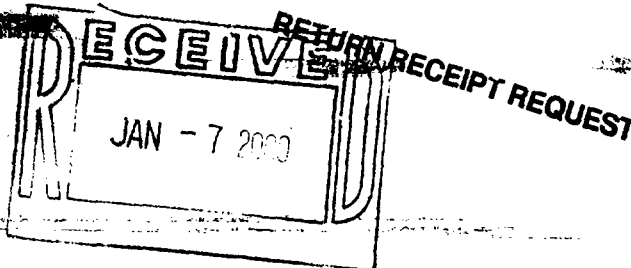
Z 236 367 603

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

MAIL

RETURN RECEIPT REQUESTED

Eddie V. Peoples
N. Browning
Carthage, TX 75633



CERTIFIED

Nearburg Exploration Company, L.L.C.

Z 236 367 602

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

MAIL

RETURN RECEIPT REQUESTED

JAN 11 2000

Marion County
3217 N. Highway 80 East
Hutchison, KS 67501



CERTIFIED

Nearburg Exploration Company, L.L.C.

Z 236 366 758

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

HAPPY HOLIDAYS 797 12/28/99

MAIL

RETURN RECEIPT REQUESTED

Don Rogers
c/o Don Rogers
Rural Route 4
Abilene, KS 67410

☐ Insufficient Address
☐ Moved, Last No Address
☒ Undelivered
☐ Refused
☐ Return to Sender
☐ Vacant
☐ As Addressed
Unable To Forward

1st Notice
2nd Notice
Return

JAN 4 2000

CERTIFIED

Nearburg Exploration Company, L.L.C.

Z 236 366 763

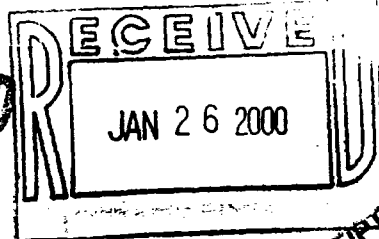
Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

HAPPY HOLIDAYS 797 12/28/99

MAIL

RETURN RECEIPT REQUESTED

Stella P. Herrell
1003 Lynda Lane
Arlington, TX 76103



RETURN RECEIPT REQUESTED

LW
1336
CA
12-30-99

CERTIFIED

Nearburg Exploration Company, L.L.C.

Z 236 366 765

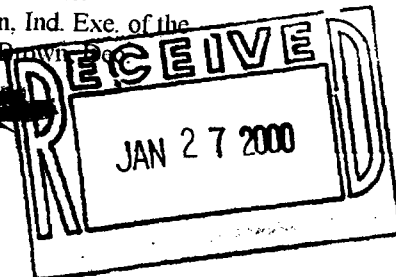
Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

HAPPY HOLIDAYS 797 12/28/99

MAIL

RETURN RECEIPT REQUESTED

Kenneth W. Brown, Ind. Exe. of the
Estate of Gleason Brown
756 Bacon Road
Hinesville, GA 30227



RETURN RECEIPT REQUEST

(B)
NRK
1/5/2/3/
R1/14