

**Fasken Oil and Ranch, Ltd.**  
**303 West Wall Avenue, Suite 1800**  
**Midland, Texas 79701**  
**Phone 915/687-1777**  
**Fax 915/687-0669**



Thursday, June 08, 2000

JUN 12 2000

TO: State of New Mexico  
Department of Energy, Minerals and Natural Resources  
Oil Conservation Division  
2040 S. Pacheco Street  
Santa Fe, New Mexico 87505

RE: Case 12396  
Nearburg Exploration Company, LLC  
White Tip "12" Federal Com. #1 Well  
SE/4 (Unit P) of Section 12, T-22-S, R-26-E,  
Eddy County, New Mexico  
White Tip Prospect

Gentlemen:

Fasken Land and Minerals, Ltd. has been identified in the captioned Compulsory Pooling Application as a party which has not voluntarily agreed for the development of the spacing and proration units identified in the Application. Fasken disagrees with this characterization, and directs your attention to the enclosed letter and signed AFE which document Fasken's election to participate in Nearburg's proposal for the drilling of the captioned well.

In addition, Fasken has not been presented with a Joint Operating Agreement for this Prospect. However, we have recently successfully negotiated a JOA covering lands one mile East of the captioned Prospect, and Fasken stands ready to execute an identical form covering this Prospect. A copy of the previously executed JOA is enclosed herein for your referral.

In summary, Fasken does not believe that it should be named in this Compulsory Pooling Application, and we respectfully request that our name be removed from the Application.

Should you have any questions or comments in this regard, please give me a call.

Sincerely,



Craig Hubbard

cc: Bob Shelton  
Nearburg Exploration Company, L.L.C.  
330 North A Street  
Building 2, Suite 120  
Midland, Texas 79705

CEH/cg