



GREAT WESTERN DRILLING COMPANY
Post Office Box 1686 • Midland, Texas 79702 • 215-682-5241

January 24, 2001

Mr. Bob Shelton
Nearburg Exploration Company, L. L. C.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705


ILLEGIBLE

RE: State of New Mexico Oil and Gas Lease, V-5683
NE/4 Section 34, T21S-R34E,
NMPM, Lea County, New Mexico

Gentlemen,

The undersigned owners of overriding royalty interest in the oil gas and leasehold estate covering the NE/4 of Section 34, T21S-R34E, Lea Co., NM. have no objection to your proposal to create two 160 acre non-standard spacing and proration units in the E/2 of Section 34, T21S-R34E, NMPM, Lea Co., New Mexico, provided however, our approval of this proposal is conditioned upon: 1.) approval of the proposal by all owners of working and overriding royalty interest in the subject lands and 2.) such application not changing any current ownership of the Grana Ridge State "34" #1 well. If you have any questions in this matter, please contact the undersigned at your earliest opportunity.

Yours truly,


Wayne Newkumel

James D. Brown

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E/2 Sec 34, T21S-R34E, Lea Co., NM

Brent D. Hilliard

Wendel R. Creech

David F. Alderks

ILLEGIBLE

CONTINENTAL LAND & FUR CO., INC.

2 GREENSPRING PLAZA, SUITE 1225

16825 NORTHCHASE DRIVE

HOUSTON, TEXAS 77060-2544

TELEPHONE 281/873-9378

TELECOPIER 281/872-4398

*Granna
Ridge
East
"Gas Storage
Unit"*

December 15, 2000

Nearburg Exploration Company, L.L.C.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Re: State of New Mexico Oil and Gas Lease
Serial No. V-5683

Gentlemen:

Continental Land & Fur Co., Inc., being a working interest owner in the referenced Oil and Gas Lease, would not object to the formation of two (2) non-standard, 160-acre spacing and proration units for the E/2 of Section 34-T21S-R34E, Lea County, New Mexico.

Respectfully,



Gary A. Dobbs
Land Manager