

EUR'S SHOWN IN RED

CONOCO MIDLAND DIVISION

"BUBBLE MAP"
SHOWING DRAINAGE RADII

SCALE 1" = 1000'
DRAWN MAJCHER

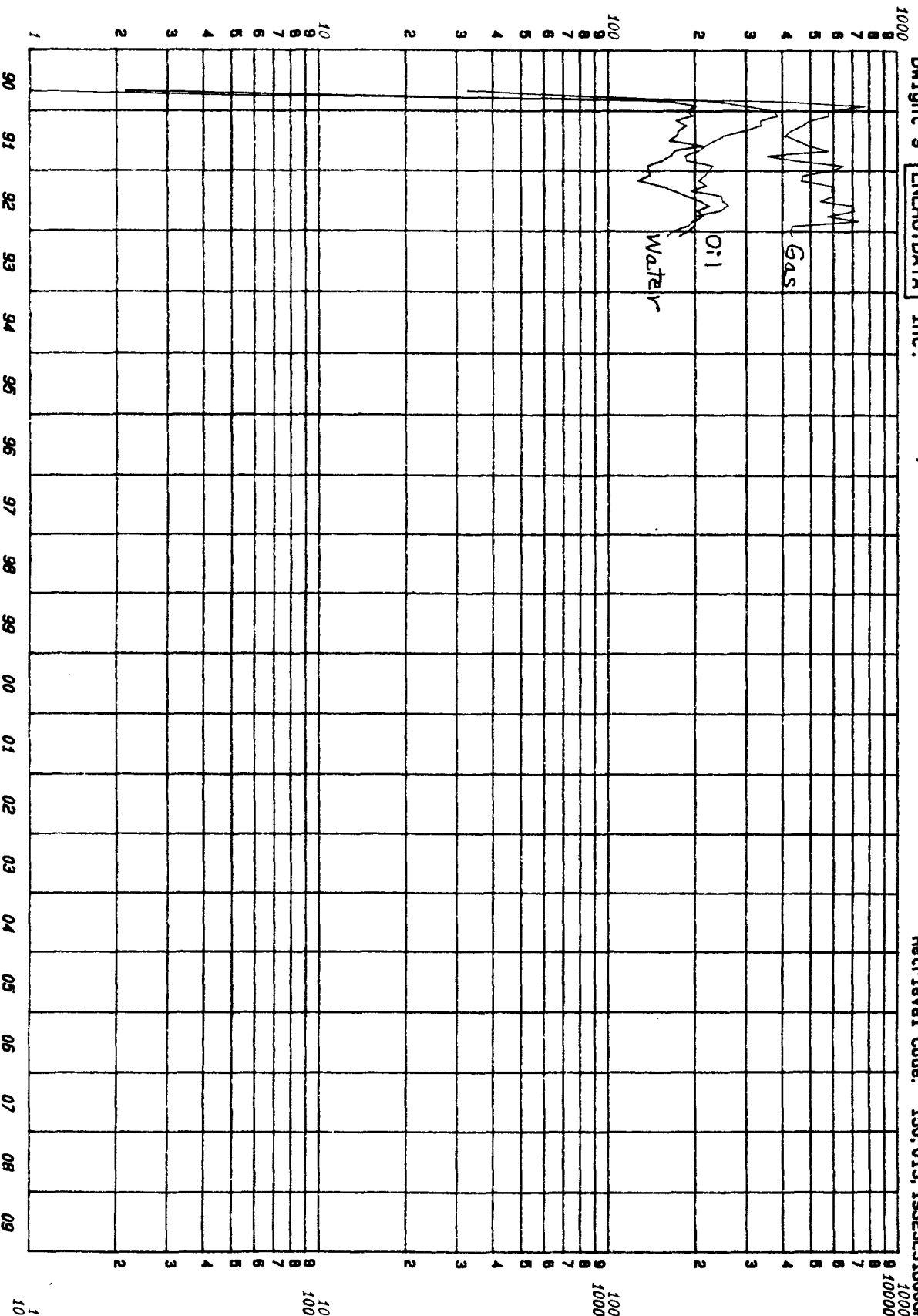
BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 9
CASE NO.: 10731
Submitted by: Conoco Inc.
Hearing Date: June 17, 1993

DAILY OIL PRODUCTION (BBL/DAY)

Dwight's **ENERGYDATA** Inc. Oil, Gas and Water vs Time

Retrieval Code: 150, 015, 19S25E31D00UP



LEGEND

UI ☒
 GA ☒
 WA ☒
 3 ER ☒

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 10

CASE NO.: 10731

Submitted by: Conoco Inc.

Updated Date: June 17, 1993

Lease: DAGGER DRAW 31 FEDERAL
Well # 000001

Operator: NEARBURG PRODUCING CO

Field: DAGGER DRAW NORTH (UPPER PENN)

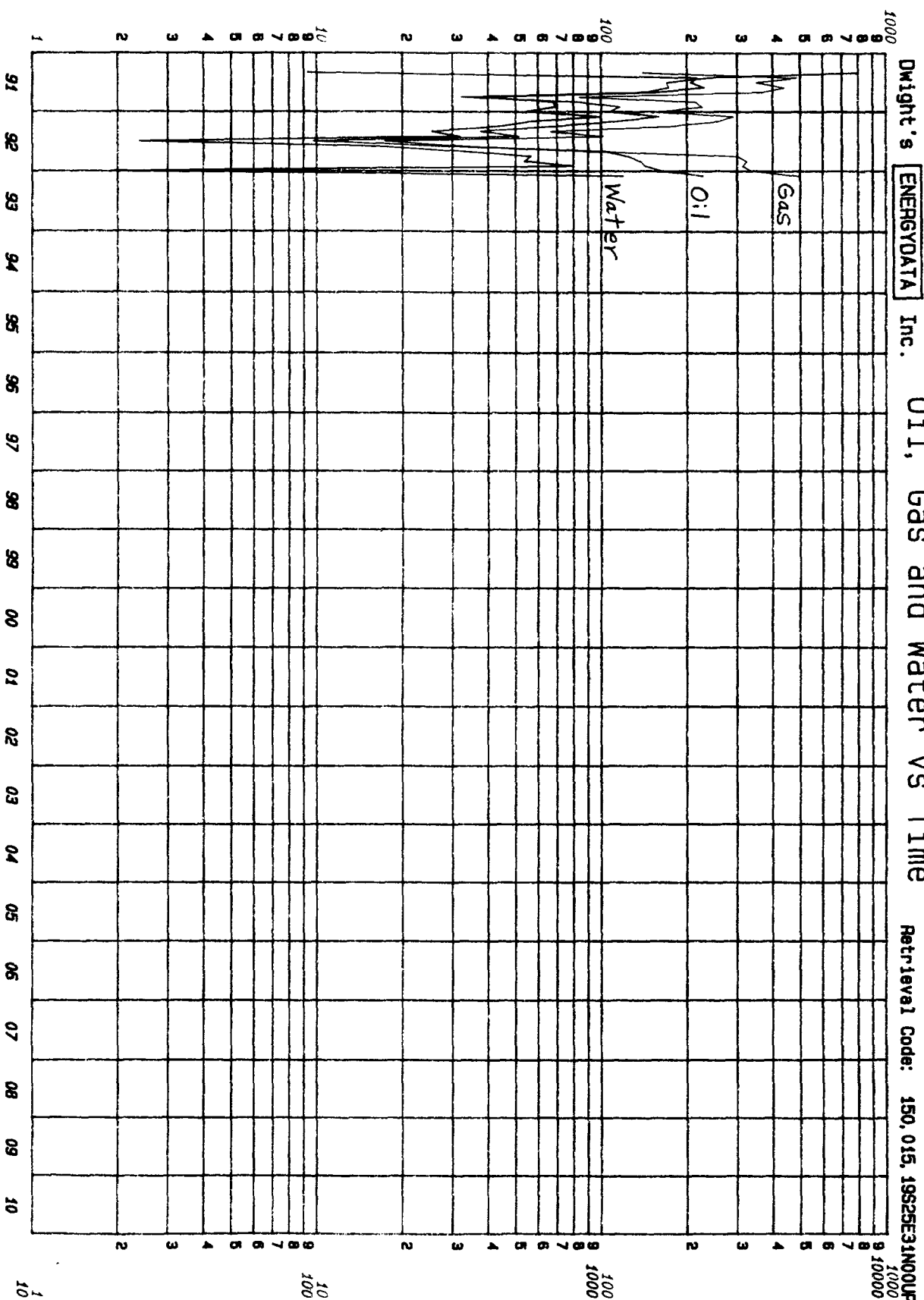
Reservoir: UPPER PENN

County: EDDY

Location: 31D 19S 25E NM

UP

DAILY OIL PRODUCTION (BBL/DAY)



Dwight's ENERGYDATA Inc.

Oil, Gas and Water vs Time

Retrieval Code: 150, 015, 19S25E31N00UP

LEGEND

OIL
GAS
WATER

Lease: FOSTER 31 FEDERAL

Well # 000001

Operator: NEARBURG PRODUCING CO

Field: DAGGER DRAW NORTH (UPPER PENN)

Reservoir: UPPER PENN

County: EDDY

NM

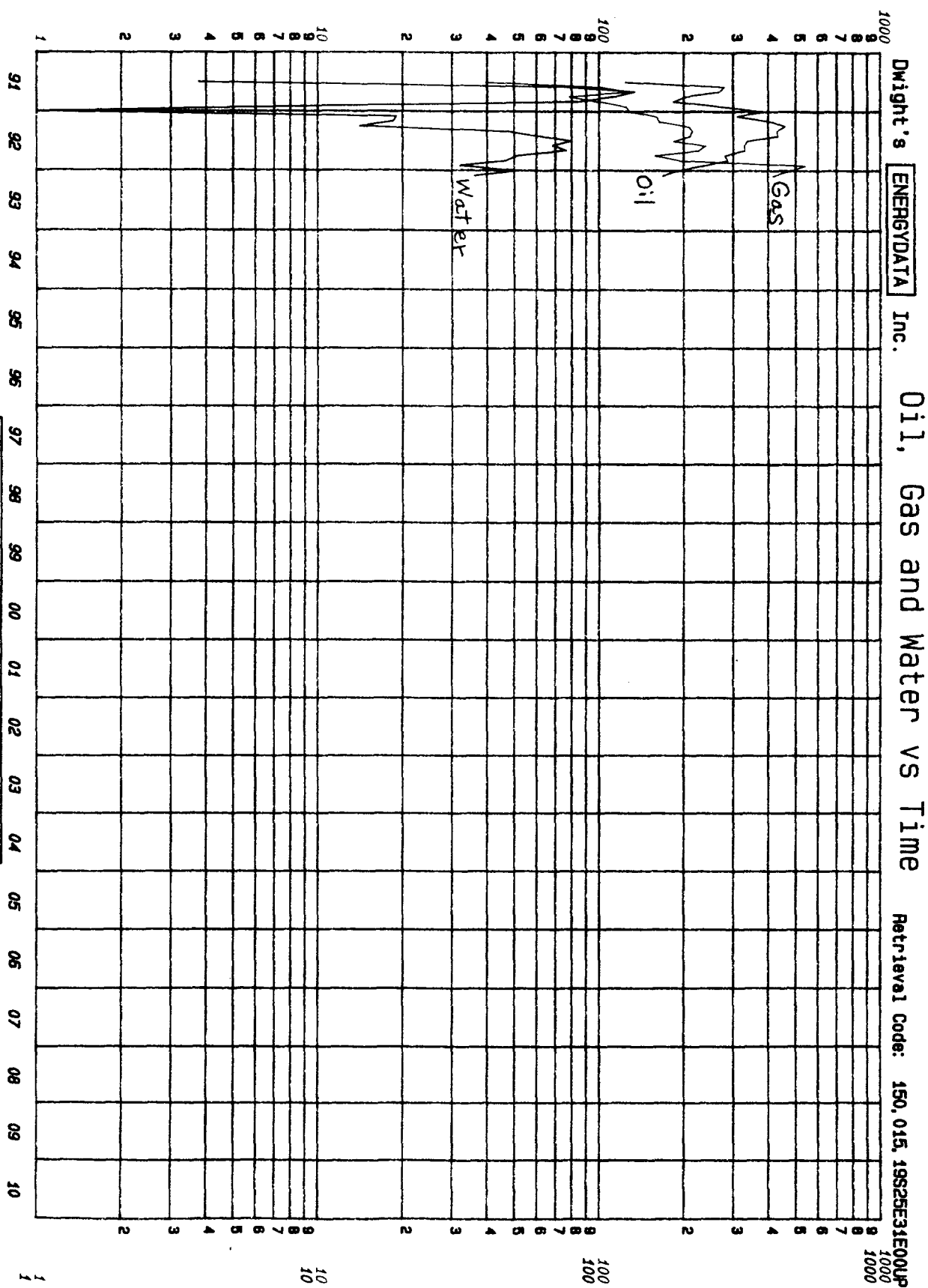
Location: 31N 19S 25E

UP

DAILY WATER PRODUCTION (BBL/DAY) DAILY GAS PRODUCTION (MCF/DAY)

DAILY OIL PRODUCTION (BBL/DAY)

LEGEND	
OIL	—
GAS	—
WATER	—

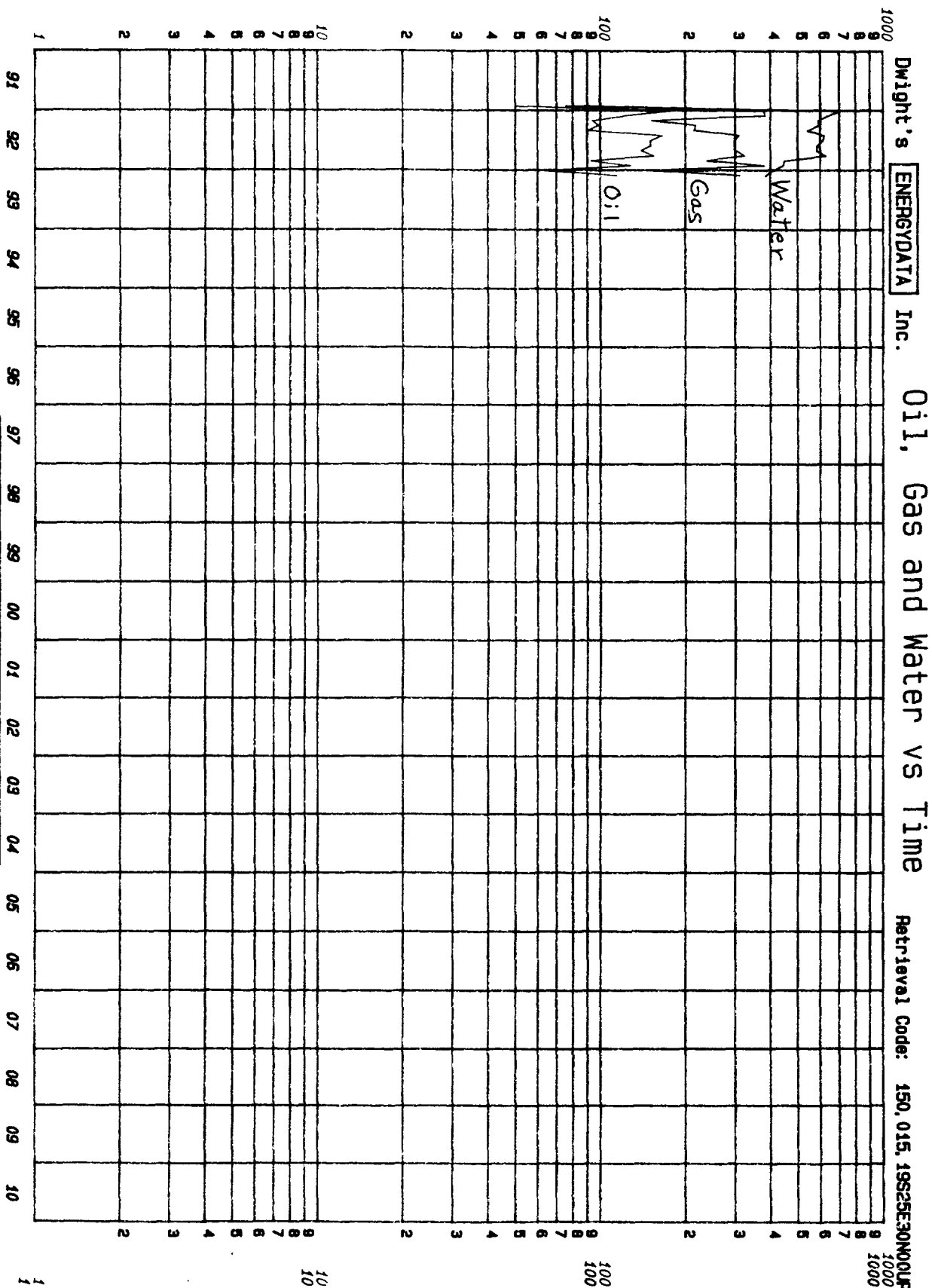


Lease: DAGGER DRAW 31 FEDERAL
Well # 000004
Operator: NEARBURG PRODUCING CO
Field: DAGGER DRAW NORTH (UPPER PENN)
Reservoir: UPPER PENN
County: EDDY
Location: 31E 19S 25E NM

UP

DAILY OIL PRODUCTION (BBL/DAY)

LEGEND	
OIL	_____
GAS	_____
WATER	_____



Lease: PINCUSHTON AHN
 Well # 000003
 Operator: YATES PETROLEUM CORP
 Field: DAGGER DRAW NORTH (UPPER PENN)
 Reservoir: UPPER PENN
 County: EDDY NM
 Location: 30N 19S 25E

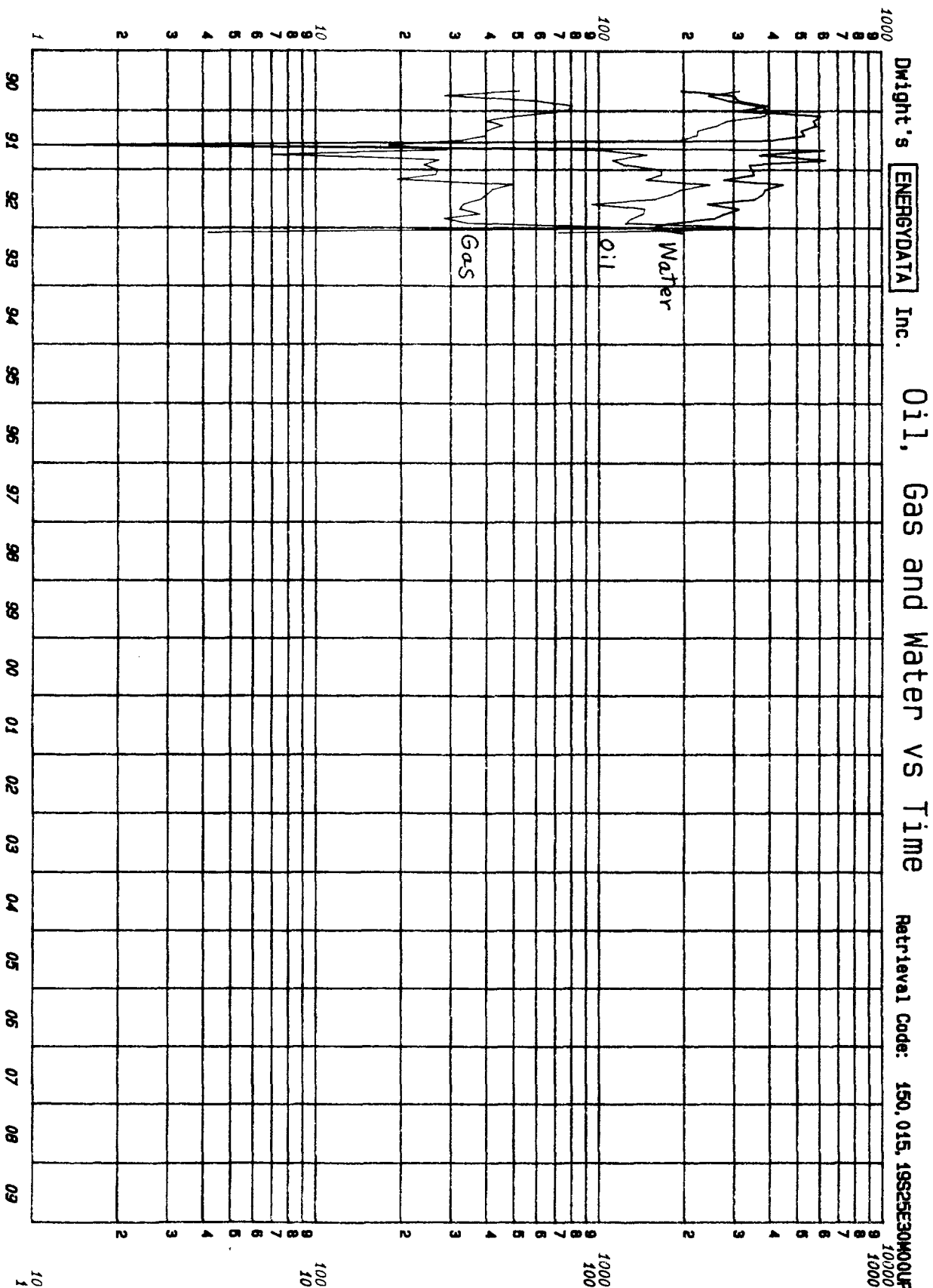
UP

Date: 06-15-03

DAILY WATER PRODUCTION (BBL/DAY) DAILY GAS PRODUCTION (MCF/DAY)

DAILY OIL PRODUCTION (BBL/DAY)

LEGEND	
OIL	—
GAS	—
WATER	—



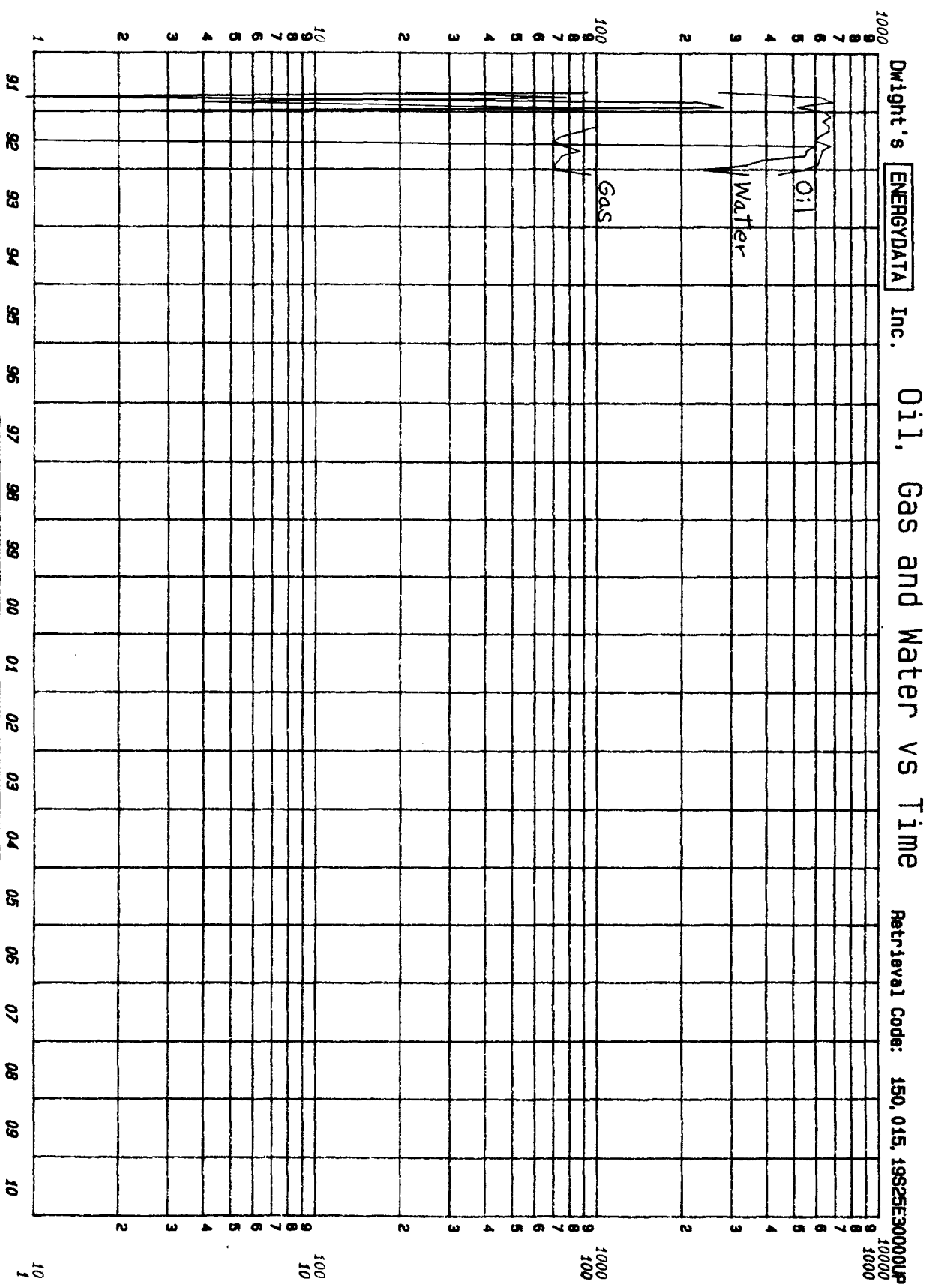
Lease:	PINCUSHION AHN
Well #	000001
Operator:	YATES PETROLEUM CORP
Field:	DAGGER DRAW NORTH (UPPER PENN)
Reservoir:	UPPER PENN
County:	EDDY
Location:	30W 19S 25E NM

UP

DAILY WATER PRODUCTION (BBL/DAY) DAILY GAS PRODUCTION (MCF/DAY)

DAILY OIL PRODUCTION (BBL/DAY)

LEGEND	
OIL	_____
GAS	_____
WATER	_____



Dwight's ENERGY DATA

Inc.

Oil, Gas and Water vs Time

Retrieval Code: 150, 015, 19825E3000UP

Lease:	DAGGER DRAW
Well #	000011
Operator:	CONOCO INC
Field:	DAGGER DRAW NORTH (UPPER PENN)
Reservoir:	UPPER PENN
County:	EDDY
Location:	300 19S 25E
	NM

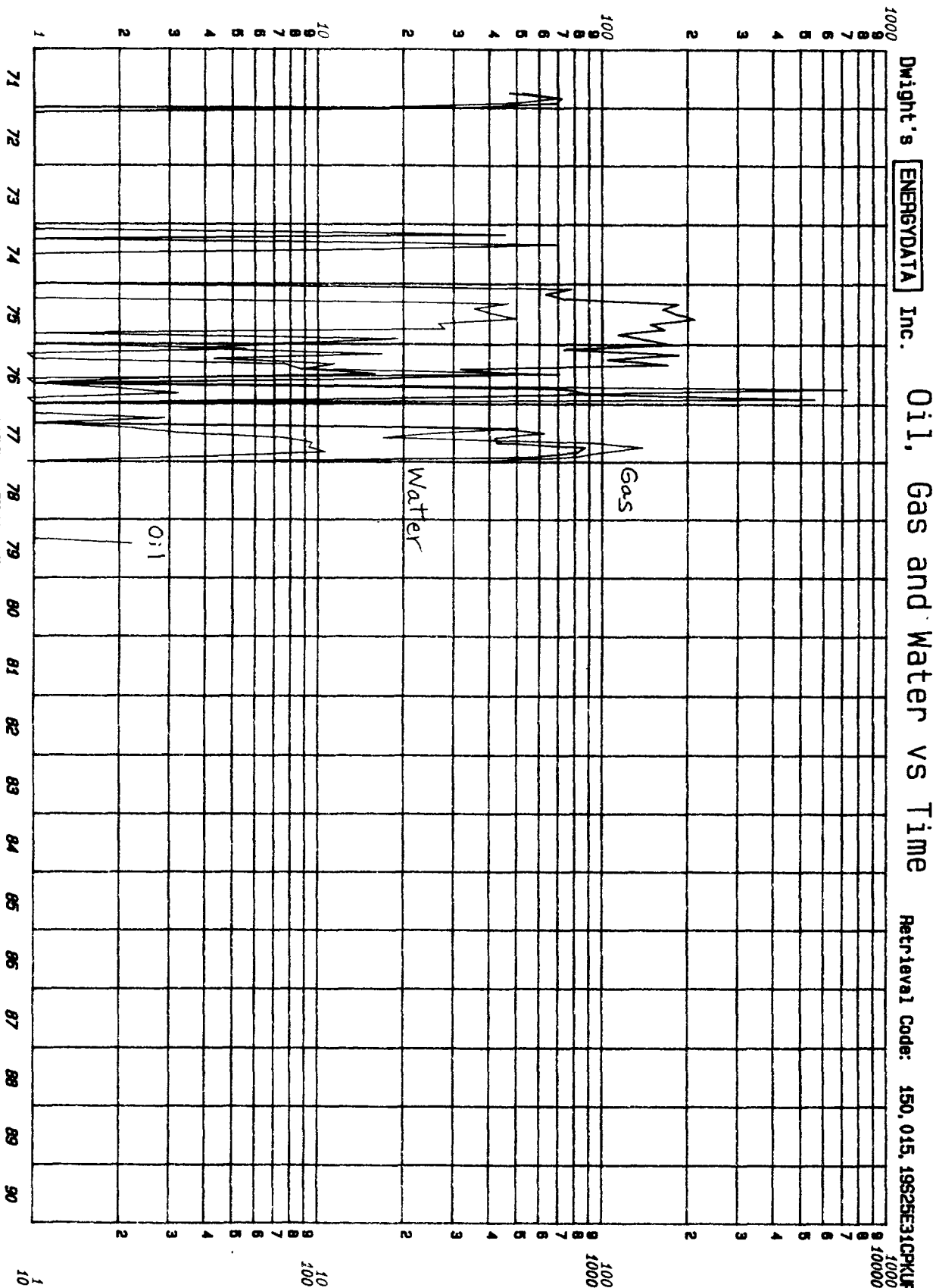
UP

DAILY WATER PRODUCTION (BBL/DAY) DAILY GAS PRODUCTION (MCF/DAY)

Date: 05-15-02

DAILY OIL PRODUCTION (BBL/DAY)

LEGEND	
OIL	—
GAS	—
WATER	—



Dwight's ENERGYDATA Inc.

Oil, Gas and Water vs Time

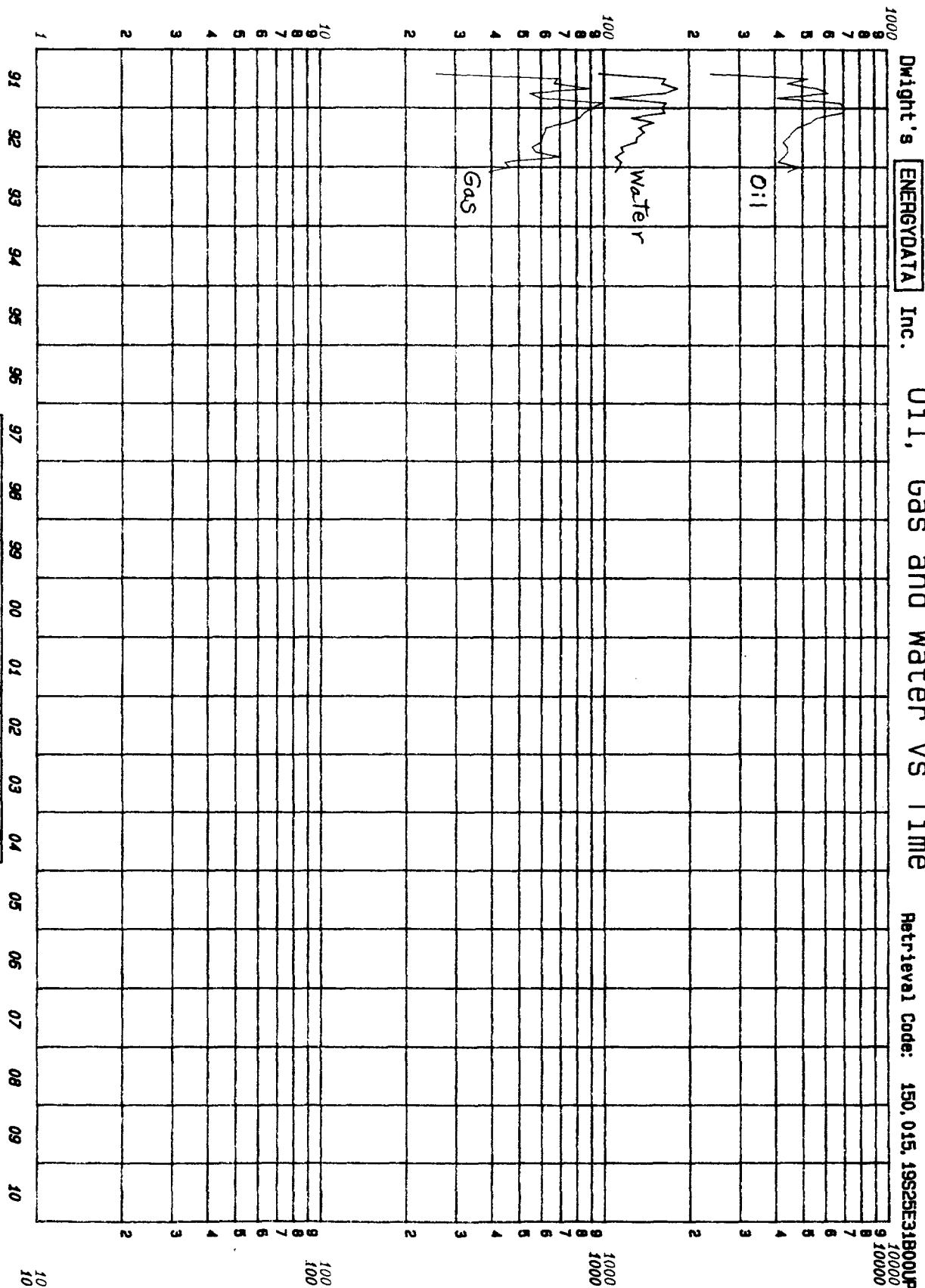
Retrieval Code: 150,015,1982E31CUP

Lease:	KATHY EYRE FEDERAL
Well #	000001
Operator:	HANKS ROGER C INC LTD
Field:	DAGGER DRAW NORTH (UPPER PENN)
Reservoir:	UPPER PENN
County:	EDDY
Location:	31C 19S 25E NM

UP

DAILY WATER PRODUCTION (BBL/DAY) DAILY GAS PRODUCTION (MCF/DAY)

DAILY OIL PRODUCTION (BBL/DAY)



Dwight's ENERGYDATA Inc.

Oil, Gas and Water vs Time

Retrieval Code: 150, 015, 19S25E31B00UP

LEGEND

OIL
GAS
WATER

Lease: DAGGER DRAW 31 FEDERAL

Well # 000002

Operator: NEARBY PRODUCTIONS CO

Field: DAGGER DRAW NORTH (UPPER PENN)

Reservoir: UPPER PENN

County: EDDY NM

Location: 31B 19S 25E

UP

DAILY WATER PRODUCTION (BBL/DAY) DAILY GAS PRODUCTION (MCF/DAY)

**DAGGER DRAW AREA - CISCO CANYON DEVELOPMENT WELL
MINIMUM ECONOMIC RESERVES ESTIMATE**

ECONOMIC PARAMETERS

- * \$780,000 Completed Well Costs (inc. beam pump P&I)
- * \$150,000/year Operating Costs
- * 2100 SCF/STB Gas-Oil Ratio
- * 18% Rate-of-Return used as hurdle
- * \$19.00/STB Oil Price (1993) escalated at 4.5% annually
- * \$1.92/MSCF Gas Price (1993) escalated at 4.5% annually
- * 25% Annual Production Decline Rate

Economic Results

- * Economic I.P. Rates = 93 BOPD, 195 MCFGD
- * Economic Reserves = 102 MBO, 210 MMCFG
- * Rate of Return = 18%
- * Discounted Payback Period = 4 years
- * Net Present Value = \$78,000

**BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION**

EXHIBIT NO. 11
CASE NO.: 10731
Submitted by: Conoco Inc.
Hearing Date: June 17, 1993

**DAGGER DRAW AREA - CISCO CANYON DEVELOPMENT WELL
AVERAGE WELL ECONOMIC ESTIMATE - S/2 SEC 30**

ECONOMIC PARAMETERS

- * 381 MBO, 800 MMCFG Reserves
- * 425 BOPD, 890 MCFD 1st Year Ave Rates
- * \$660,000 Completed Well Costs
- * \$200,000/year Operating Costs
- * 2100 SCF/STB Gas-Oil Ratio
- * 87.5% Working Interest
- * \$17.78/STB Oil Price (1993), \$20.83/STB Ave over Project Life
- * \$2.00/MSCF Gas Price (1993), \$2.63/MSCF Ave over Project Life
- * 36% Annual Production Decline Rate

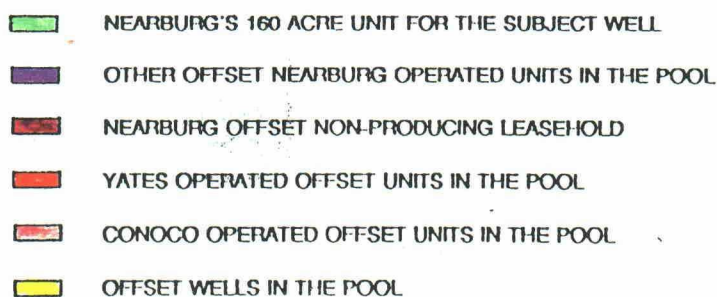
Economic Results

- * Rate of Return = + 200 %
- * Net Present Value = \$2,872,000
- * Profitability Index = 5.35
- * Discounted Payback Period = 0.42 years
- * Project Life = 8 years

**BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION**

EXHIBIT NO. 12
CASE NO.: 10731
Submitted by: Conoco Inc.
Hearing Date: June 17, 1993

**NEARBURG'S DAGGER DRAW 31 FED #5
330' FNL & 2460' FWL, SEC. 31, T-19-S, R-25-E**



BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

Abel EXHIBIT NO. 1

CASE NO. 10731



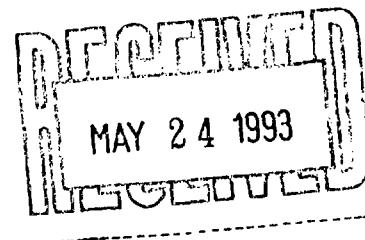
NMAS
New Mexico Archaeological Services, Inc.

P.O. Box 1341
Carlsbad, New Mexico 88221-1341
(505) 887-7646 • FAX (505) 885-2587

Reconnaissance
Excavation
Analysis
Explanation
Curation

20 May 1993

Mr. E. Scott Kimbrough
NEARBURG PRODUCING COMPANY
419 West Cain
Hobbs, New Mexico 88240



Dear Mr. Kimbrough:

Enclosed please find NMAS' Archaeological Survey Report for NEARBURG PRODUCING COMPANY's proposed Dagger Draw Federal Well No. 5 and its associated access road in Eddy County, New Mexico. Previously recorded LA 98853 and LA 98856 were encountered during these surveys. NMAS is suggesting clearance for this project provided the archaeological sites are avoided.

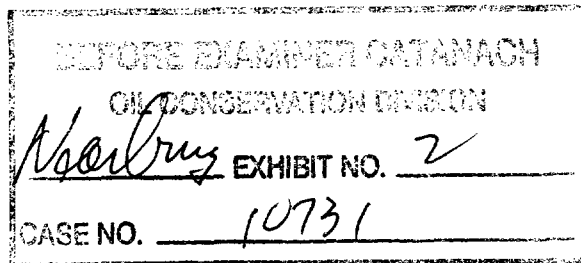
If you have any questions pertaining to this report, please call my office. Thank you for asking NMAS to do these surveys.

Yours sincerely,

J. Loring Haskell
Dr. J. Loring Haskell
Principal Investigator

Enclosure

as



ARCHAEOLOGICAL SURVEY OF NEARBURG PRODUCING COMPANY's Dagger
Draw "31" Federal Well No. 5, 330' FNL, 2460' FWL, and access
road, Section 31, T19S, R25E, NMPM, Eddy County, NM

FEDERAL LAND SURFACE

MAP REFERENCE: USGS FOSTER RANCH QUADRANGLE, 7.5 Minute Series,
1957.

REPORT NUMBER: 93-NMAS-12-MY

by Dr. J. Loring Haskell, Principal Investigator

NEW MEXICO ARCHAEOLOGICAL SERVICES, INC.
P.O. Box 1341, Carlsbad, New Mexico 88221-1341
(505) 887-7646

PERMIT NUMBER: 14-2920-93-N

20 May 1993

Prepared for: NEARBURG PRODUCING COMPANY
419 West Cain
Hobbs, NM 88240

Attention: E. SCOTT KIMBROUGH

Distribution: NEARBURG PRODUCING COMPANY (1)
Bureau of Land Management (2)

NEW MEXICO ARCHAEOLOGICAL SERVICES, INC.
 PERMIT NUMBER: 14-2920-93-N

CULTURAL RESOURCES EXAMINATION
 REPORT NUMBER: NMAS-93-12-MY

ABSTRACT: CLASS III SURVEY OF NEARBURG PRODUCING COMPANY's proposed Dagger Draw "31" Federal Well No. 5, 400' X 400', 4.44 acres, and access road, 100' X 900', 2.07 acres. TOTAL SURVEYED AREA 6.51 ACRES. Previously recorded LA 98853 and LA 98856 were encountered during these surveys. Clearance is suggested provided they are avoided.

LEGAL LOCATION: NE $\frac{1}{4}$ NW $\frac{1}{4}$, (330' FNL, 2460' FWL), and access road, NE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 31, T19S, R25E, NMPM, Eddy County, NM

MAP REFERENCE: USGS FOSTER RANCH QUADRANGLE, 7.5 Minute Series, 1957.

LAND STATUS: BLM, Roswell District, Carlsbad Resource Area, NM

PROJECT DESCRIPTION: Location, 400' X 400', 4.44 acres, and access road, 100' X 900', 2.07 acres.

TOPOGRAPHY/FLORAL FORMATION: The proposed location will be situated on the shoulder of a low, truncated, limestone eminence. Attendant soils host a grassland/desert scrub formation. ELEVATION: 3660'. EXAMINATION PROCEDURE: Zigzag transects, 8.0 m wide, close interval (15° or less). The access road was walked in two, 15 m wide, zigzag transects. FIELD TIME: 5 $\frac{1}{2}$ hours. AREA DELINEATION: Staked by client. VISIBILITY: 75 to 90%. WEATHER: Sunny, partly cloudy conditions, 27 April 1993; clear, sunny conditions, 7 May 1993; mostly cloudy conditions 19 May 1993.

FINDINGS: BLM Records, Arita K. Slate, 20 April 1993, Section 31 (six archaeological sites), T19S, R25E, NMPM, Eddy County, NM

**LA 98856 will be impacted by the proposed location.*

**LA 98853 is situated no closer than 300' of the proposed location.*

LA 98855 is situated no closer than 200' of the proposed location's access road.

LA 98854 is situated no closer than 1400' of the proposed location.

NMAS 5900 is situated no closer than 4200' of the proposed location.

NMAS 5514 is situated no closer than 4500' of the proposed location.

Previously recorded LA 98853 and LA 98856 were encountered during these surveys.

ARCHAEOLOGICAL SITES

LA 98853 Category 2

LOCATION: SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 31, T19S, R25E, NMPM, Eddy County, NM

UTM: Zone 13, N3, 609,300; E544,580

MAP REFERENCE: USGS FOSTER RANCH QUADRANGLE, 7.5 Minute Series, 1957.

OWNERSHIP: Bureau of Land Management Administration

DIMENSION OF RESOURCES: 120 m (E-W) X 180 m (N-S)

TYPOLOGICAL DESIGNATION: Task Locus

AUTHORSHIP/TEMPORALITY: Unknown/Historic Anglo

NATURE OF CULTURAL RESOURCES: LA 98853, a task locus, is situated on the crest of a low, truncated, erosional remnant which is marked by a series of knob-like projections. Overall, the coeval surface is marked by limestone outcroppings and often-dense, limestone screes of highly weathered, angular, cobbles and gravels. Nodular, San Andres chert occurs naturally in the limestone and is subject to potlidding. Elevation is 3510'. Slope is 1°. Aspect is multiple (360°). Drainage is by sheet-wash. Associated soils host a grassland/desert scrub formation.

Observed cultural properties include cryptocrystalline chert and San Andres chert, small angular debris, multidirectional- and tested- cores, secondary- and tertiary- decortication flakes, a blade, three bifaces and a chopper. Additionally, the site's historic component is made up of three soldered tin cans, manganese glass sherds, scraps of non-diagnostic metal and a metal bucket. (On the far north, the site is strewn with recent trash dating from oil field operations of the mid-1960's and early 1970's.) The historic component predates WW I. Prehistoric activities, focused exclusively on lithic reduction, was brief and diurnal in nature. Reusage of the site prehistorically, however, is likely given its overall spatiality which for all intents and purposes is coterminous with the eminence. San Andres cherts run the gamut from dark gray through grayish black types. Cryptocrystalline cherts, while never prevalent, do occur sporadically throughout the site's universe. More importantly, however, they were brought here by manuport in the form of cores for expedient flake production. These cherts include light gray - dark gray - pale olive - dusky yellow - and grayish red - varieties. Site density ranges between two to five pieces per square meter, where concentrated, to one to two pieces per 15 m square elsewhere.

LA 98853 has not been impacted by mechanical means. Owing to colluvial movement, there is a high probability for some burial of material cultural remains given the somewhat undulating character of the crest of the eminence as well as the recurrent presence of silty clay loam deposits. No collection was made.

LA 98853 is important as it relates to prehistoric usage on the Sacramento Pediment.

LA 98856 Category 2
LOCATION: SW¼NE¼NE¼NW¼, SE¼NE¼NE¼NW¼, Section 31, T19S, R25E,
NMPM, Eddy County, NM
UTM: Zone 13, N3,609,420; E544,530
MAP REFERENCE: USGS FOSTER RANCH QUADRANGLE, 7.5 Minute Series, 1957.
OWNERSHIP: Bureau of Land Management Administration
DIMENSION OF RESOURCES: 60 m (N-S) X 90 m (E-W)
TYPOLOGICAL DESIGNATION: Task Locus
AUTHORSHIP/TEMPORALITY: Unknown/Historic Anglo
NATURE OF CULTURAL RESOURCES: LA 98856, a task locus, is situ-
ated on a knob-like, limestone eminence which is marked by a

dense scree of angular cobbles and gravels. Nodular San Andres chert occurs in the limestone. Elevation is 3560'. Slope is 2°. Aspect is multiple (360°). Associated soils are supportive of a desert scrub/grassland formation. The surface overall, is subject to the combined effects of colluvial movement and ephemeral sheetwash.

Observed cultural properties include San Andres chert, small angular debris, tested cores, a biface, three historic soldered tin cans, non-diagnostic metal scraps and manganese glass sherds. (No cryptocrystalline cherts were noted.) Historic- and prehistoric- cultural properties, coterminus with one another, occur in the form of a light- and broken scatter. Occupancy was brief. LA 98856 has been impacted by a pipeline and by a dry hole. No collection was made.

LA 98856 is important as it relates to land usage on the Sacramento Pediment.

RECOMMENDATIONS: NMAS suggests clearance for NEARBURG PRODUCING COMPANY's Dagger Draw "31" Federal Well No. 5 and access road provided LA 98856 and LA 98853 are avoided (Fig. 1). LA 98853 is not threatened by the proposed project. *As for LA 98856, NMAS suggests that the southwestern quadrant of the location be eliminated from the project area altogether i.e., that point beginning 120' north of the southwestern corner of the location and running from there on a diagonal to a point 150' south of the center of the location and thence east. NMAS suggests that this area, marking the southwestern- and southern- borders of the location be fenced. In addition, this fence should be extended around the northern- and western- margins of the site. Location of the fence is indicated in the field by orange-glow and blue flags.*

TIME AND DATE OF INVESTIGATION: Late morning, 27 April 1993; morning and early afternoon, 7 May 1993, and early afternoon; 19 May 1993.

FOSTER RANCH QUADRANGLE
NEW MEXICO-EDDY CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)

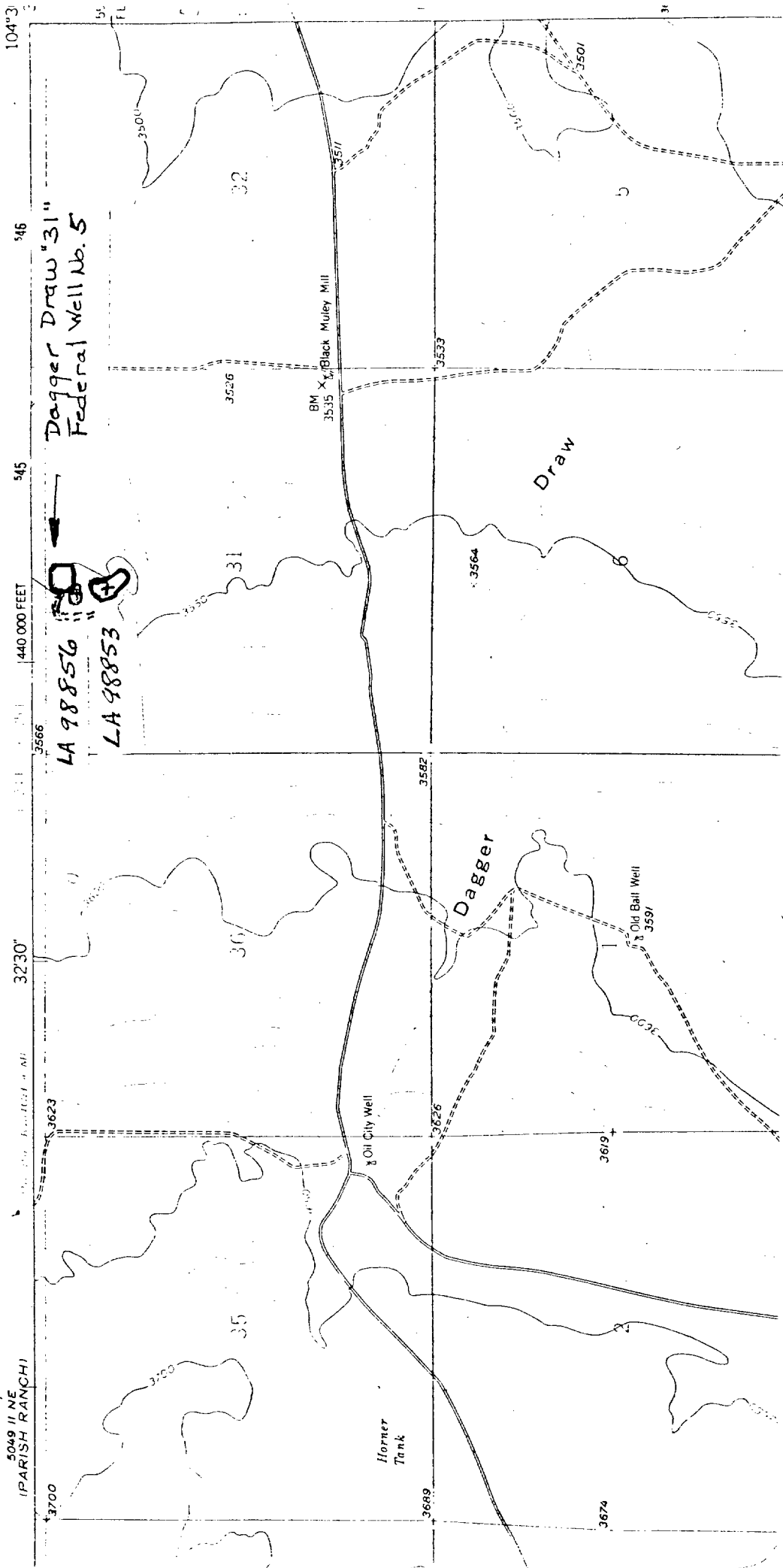


Fig. 1. USGS FOSTER RANCH QUADRANGLE, 7.5 Minute Series, 1:24,000, 1957, showing NEARBURG PRODUCING COMPANY's proposed Dagger Draw "31" Federal Well No. 5, 330' FWL, 2460' FNL, and access road, Section 31, T19S, R25E, NMPM, Eddy County, New Mexico, vis à vis LA 98853 and LA 98856.

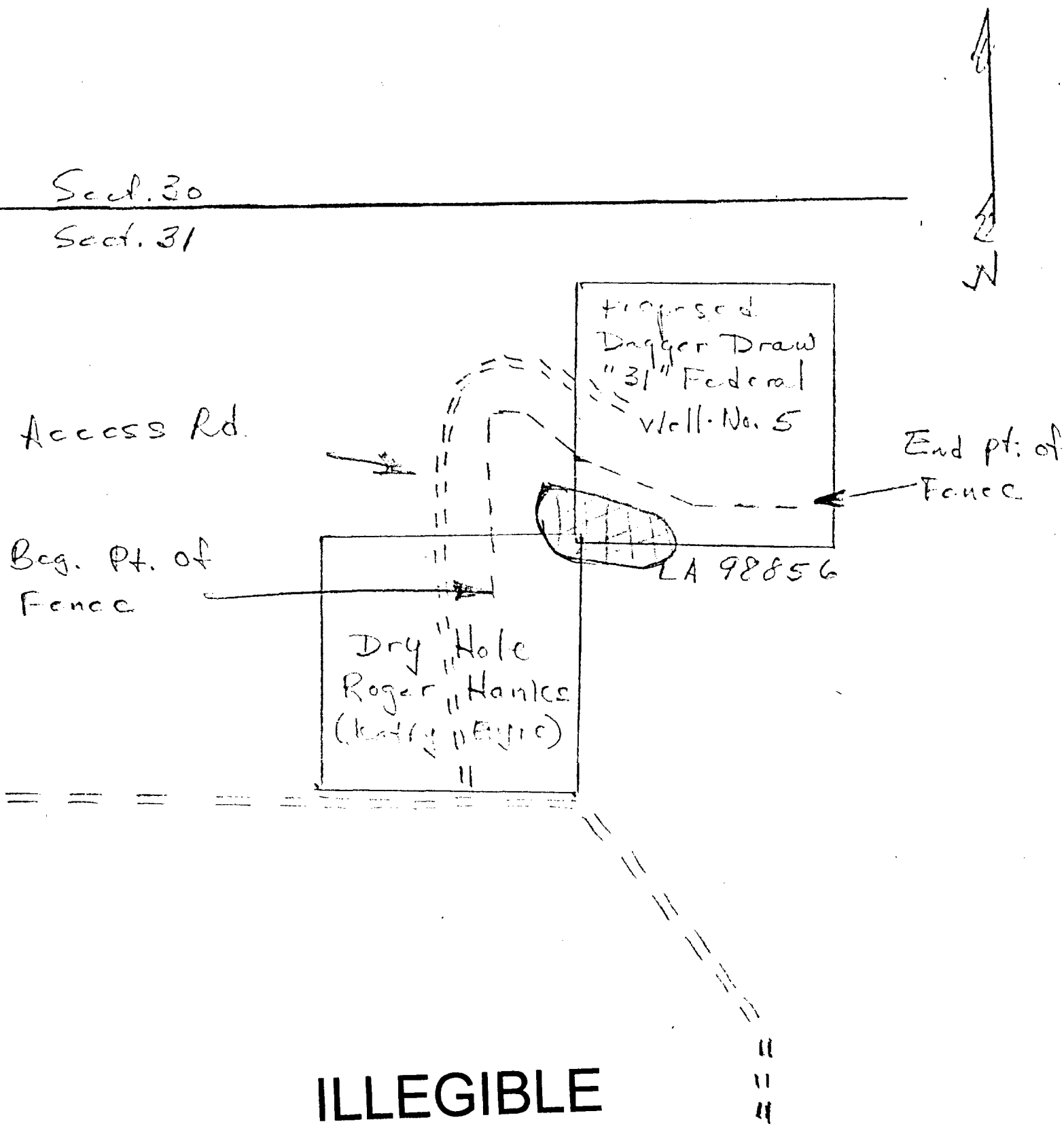
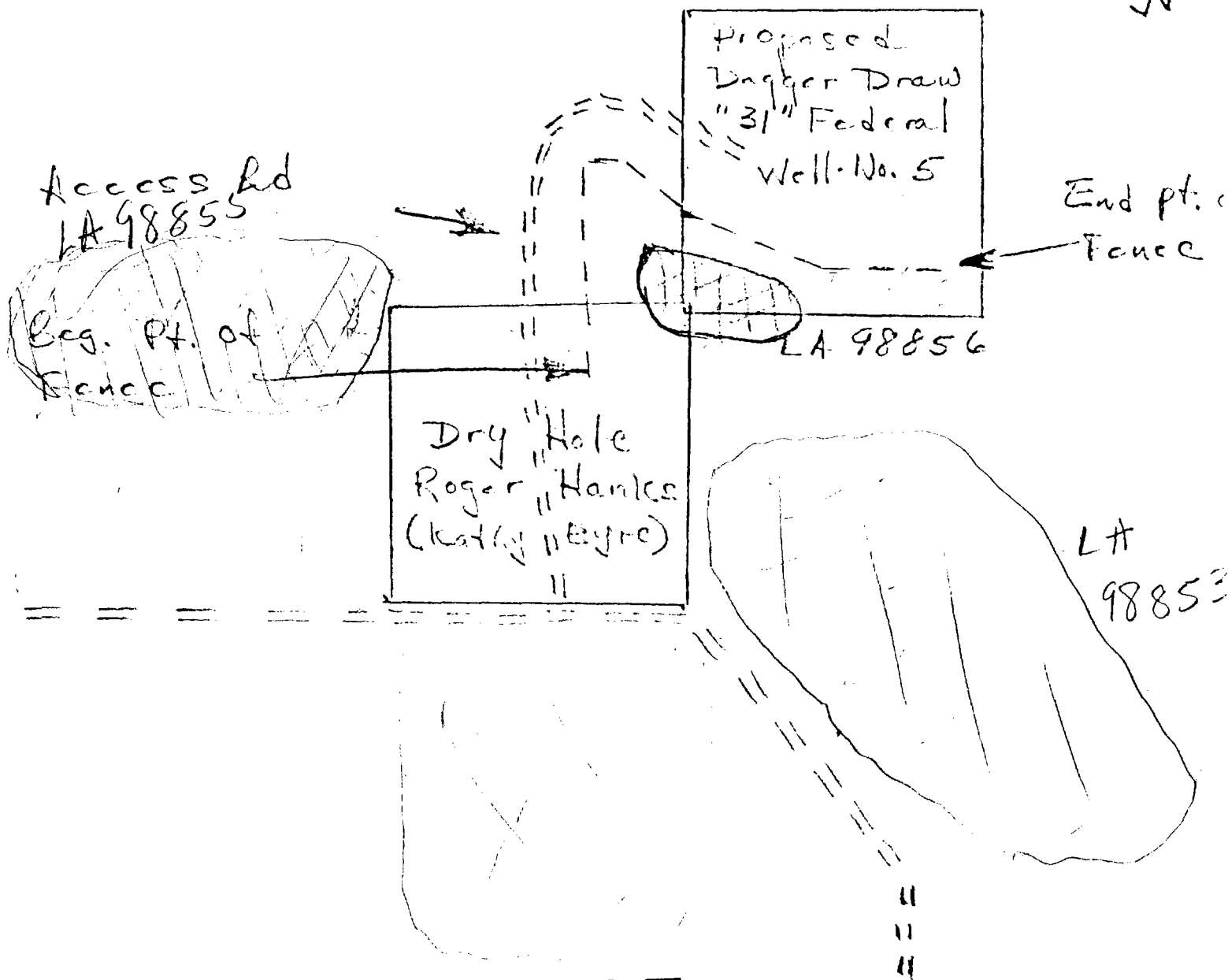


Fig. 2. Schematic representation showing NEARBURG PRODUCING COMPANY's proposed Dagger Draw "31" Federal Well No. 5, 2460' FWL, 330' FNL, and access road, Section 31, T19S, R25E, NMPM, Eddy County, New Mexico, vis à vis, LA 98856 and suggested location of fence.

Nearburg 3
10731

Sect. 30

Sect. 31



ILLEGIBLE

Fig. 2. Schematic representation showing NEARBURG PRODUCING COMPANY's proposed Dagger Draw "31" Federal Well No. 5, 2460' FWL, 330' FNL, and access road, Section 31, T19S, R25E, NMPM, Eddy County, New Mexico, vis à vis, LA 98856 and suggested location of fence.

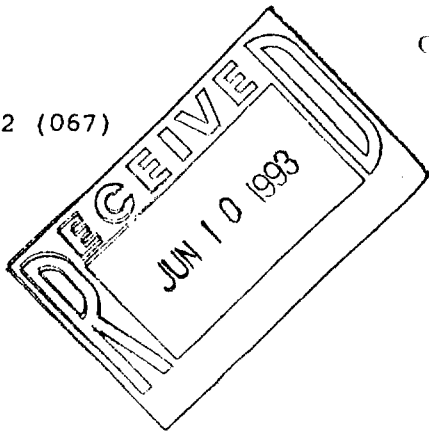


United States Department of the Interior

TAKE
PRIDE IN
AMERICA

BUREAU OF LAND MANAGEMENT
Carlsbad Resource Area Headquarters
P.O. Box 1778
Carlsbad, New Mexico 88221-1778

3162 (067)



JUN 09 1993

Nearburg Producing Company
Attention: Bob Shelton
3300 North A Street, Suite 8100
Midland, TX 79705

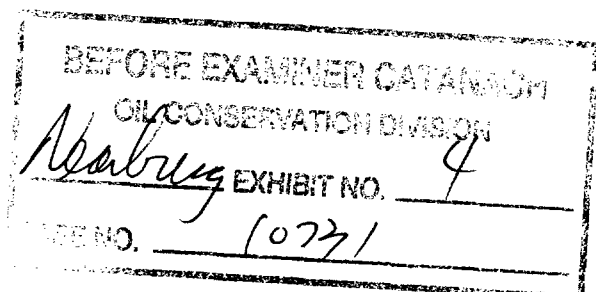
Dear Mr. Shelton:

As per your request on June 3, 1993, this letter is in regards to the relocation of the Dagger Draw 31 Fed. #5, proposed well location. The original location at 660 feet FNL and 2310 feet FWL, impacted an archaeological site and all combinations of moves to 330 feet south and 660 feet west, to keep the location at an orthodox location, impacted an archaeological site. The unorthodox location at 330 feet FNL and 2460 feet FWL, is the only option, other than possibly a spot at 990 feet FNL and somewhere between 1,320 and 1,650 feet FWL, to drill a vertical well within this 40 acre area.

I hope this letter will assist in your hearing with the NMOCD. Please let us know if we can be of any other assistance.

Sincerely,

Richard L. Manus
Area Manager



BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AN UNORTHODOX WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

NO. 10,731

AFFIDAVIT REGARDING NOTICE

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

James Bruce, being duly sworn upon his oath, deposes and states:

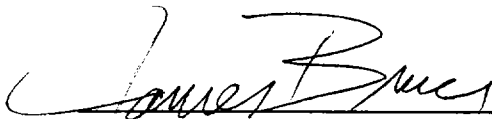
1. I am over the age of 18 and have personal knowledge of the matters stated herein.

2. I am an attorney for Applicant herein.

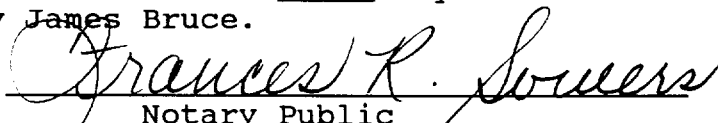
3. Applicant has conducted a good faith, diligent effort to find the correct addresses of interest owners entitled to receive notice of the Application herein.

4. Notice of the Application was provided to the interest owners at their correct addresses by mailing each of them, by certified mail, a copy of the Application. Copies of the notice letters and certified return receipts are attached hereto.

5. The notice provisions of Rule 1207 have been complied with.


James Bruce

SUBSCRIBED AND SWORN TO before me this 16th day of June, 1993, by James Bruce.


Notary Public

My commission expires:
September 25, 1994.

JGB5\93A91.d

NEW MEXICO
OIL CONSERVATION DIVISION
Nearburg EXHIBIT 5
CASE NO. 10731

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT
DAVID B. LAWRENZ

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

May 11, 1993

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Conoco, Inc.
10 Desta Drive West, Suite 100-W
Midland, Texas 79705
Attn: David Twomey

Re: Amended Application of Nearburg Producing Company for an Unorthodox
Well Location, Eddy County, New Mexico

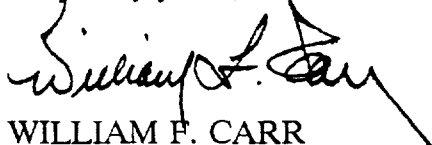
Dear Mr. Twomey:

This letter is to advise you that Nearburg Producing Company has filed the enclosed amended application with the New Mexico Oil Conservation Division seeking approval to drill its Dagger Draw 31 Federal Well No. 5 in the North Dagger Draw-Upper Pennsylvanian Pool, at an unorthodox well location 330 feet from the North line and 2460 feet from the West line of Section 31, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. The NW/4 of Section 31 will be dedicated to this well.

This amended application has been set for hearing before an Examiner of the Oil Conservation Division on June 3, 1993. You are not required to attend this hearing, but as an owner of an interest that may be affected by the unorthodox well location, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY
WFC:mlh
Enclosure

P 087 492 190



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to Attn: David Twomey Conoco, Inc.	
Street and No. 10 Desta Drive West, Suite 100-W	
P.O., State and ZIP Code Midland, TX 79705	
Postage	\$
Certified Fee	
Special Delivery Fee	
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Return Receipt Showing to Whom & Date Delivered	
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3. Article Addressed to Conoco, Inc. 10 Desta Drive West, Suite 100-W Midland, TX 79705 Attn: David Twomey	4. Article Number P 087 492 190
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified <input type="checkbox"/> Express Mail	
Always obtain signature of addressee or agent and DATE DELIVERED . 5. Addressee's Address (ONLY if requested and fee paid)	
6. Signature - Agent Debbie Vaughn	
7. Date of Delivery 5-14-93	

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
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May 11, 1993

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Janet Richardson

Re: Amended Application of Nearburg Producing Company for an Unorthodox
Well Location, Eddy County, New Mexico

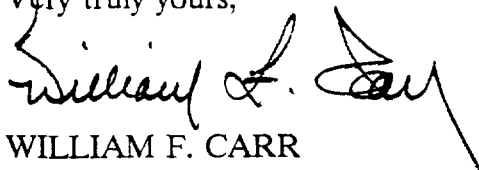
Dear Ms Richardson:

This letter is to advise you that Nearburg Producing Company has filed the enclosed amended application with the New Mexico Oil Conservation Division seeking approval to drill its Dagger Draw 31 Federal Well No. 5 in the North Dagger Draw-Upper Pennsylvanian Pool, at an unorthodox well location 330 feet from the North line and 2460 feet from the West line of Section 31, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. The NW/4 of Section 31 will be dedicated to this well.

This amended application has been set for hearing before an Examiner of the Oil Conservation Division on June 3, 1993. You are not required to attend this hearing, but as an owner of an interest that may be affected by the unorthodox well location, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR NEARBURG PRODUCING COMPANY
WFC:mlh
Enclosure

P 087 492 191



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to Attn: Janet Richardson Yates Petroleum Corporation	
Street and City 105 South Fourth Street	
P.O., State and ZIP Code Artesia, NM 88210	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date May 11, 1993	

PS Form 3800, June 1991

<p>● SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.</p> <p>Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.</p> <p>1. <input checked="" type="checkbox"/> Show to whom delivered, date, and addressee's address. 2. <input type="checkbox"/> Restricted Delivery (Extra charge)</p>		<p>4. Article Number P 087 492 191</p>	
<p>3. Article Addressed to:</p> <p>Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210 Attn: Janet Richardson</p>		<p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail</p> <p>Always obtain signature of addressee or Agent and DATE DELIVERED.</p>	
<p>5. Signature Address</p> <p><i>[Signature]</i></p>		<p>6. Addressee's Address (ONLY if requested and fee paid)</p>	
<p>6. Signature - Agent</p> <p><i>[Signature]</i></p>			
<p>7. Date of Delivery</p> <p>5-13-93</p>			

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