

Yates Exhibits 1 through
Complete Set



YATES PETROLEUM CORP.
BEFORE EXAMINER CATANACH
NMOCD CASE NO. 10731
DATE: 07/17/93
EXHIBIT NO. 26

S 6-16-93 CEN
From E. of Rd HP



YATES PETROLEUM CORP.
BEFORE EXAMINER CATANACH
NMOCD CASE NO. 10731
DATE: 07/17/93
EXHIBIT NO. 21

6-16-93
Looking North

Kp CR2



YATES PETROLEUM CORP.
BEFORE EXAMINER CATANACH
NMCD CASE NO. 10731
DATE: 07/17/93
EXHIBIT NO. 25

LOOKING South
6-16-93 Kp CRM



YATES PETROLEUM CORP.
BEFORE EXAMINER CATANACH
NMOCD CASE NO. 10731
DATE: 07/17/93
EXHIBIT NO. 21

6-16-93
hooking SW

Kp

com



YATES PETROLEUM CORP.
BEFORE EXAMINER CATANACH
NMOCD CASE NO. 10731
DATE: 07/17/93
EXHIBIT NO. 2C

LOOKING WEST 6-16-93
Kp CRM



YATES PETROLEUM CORP.
BEFORE EXAMINER CATANACH
NMOCD CASE NO. 10731
DATE: 07/17/93
EXHIBIT NO. 2 B

SW 6-16-93

From Edge/Ped

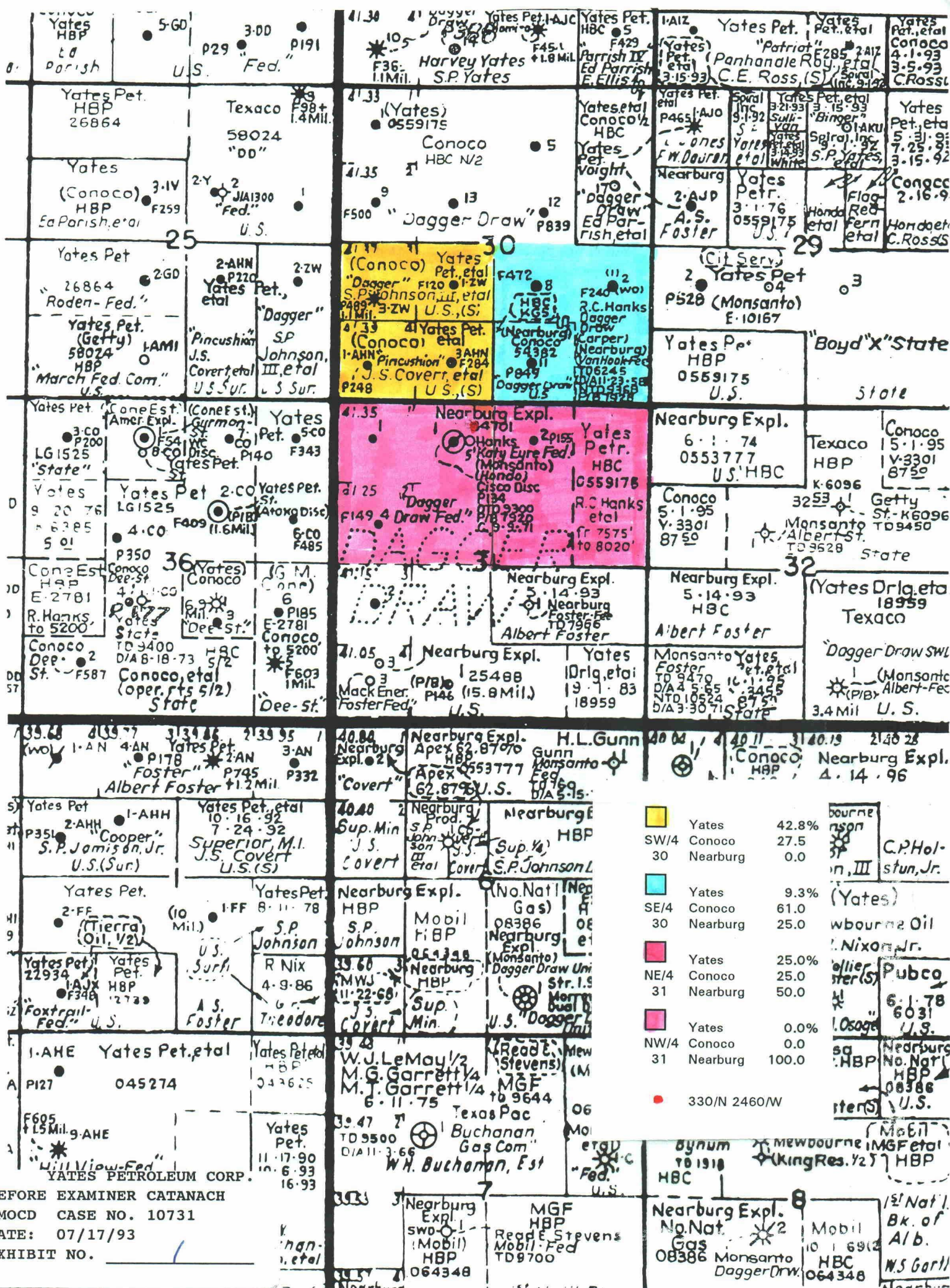
Kp ^{oem} 2



YATES PETROLEUM CORP.
BEFORE EXAMINER CATANACH
NMOCD CASE NO. 10731
DATE: 07/17/93
EXHIBIT NO. 2 A

S 3W 6-16-93 *den*

From Edge/Pad *1p*



BEFORE EXAMINER CATANACH
 NMOC CASE NO. 10731
 DATE: 07/17/93
 EXHIBIT NO. 1

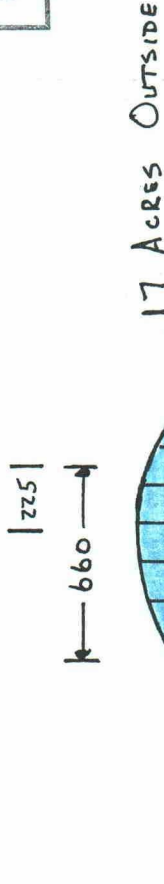
PENALTY -- THREE - PART FORMULA

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

Water EXHIBIT NO. 5

CASE NO. 10731



3-PART PENALTY FORMULA

$$N-S = \frac{660 - 330}{660} = 50\%$$

$$E-W = \frac{660 - 225}{660} = 66\%$$

$$AVERAGE = \frac{17 \text{ ACRES}}{40 \text{ ACRES}} = 43\%$$

$$AVERAGE = 53\%$$

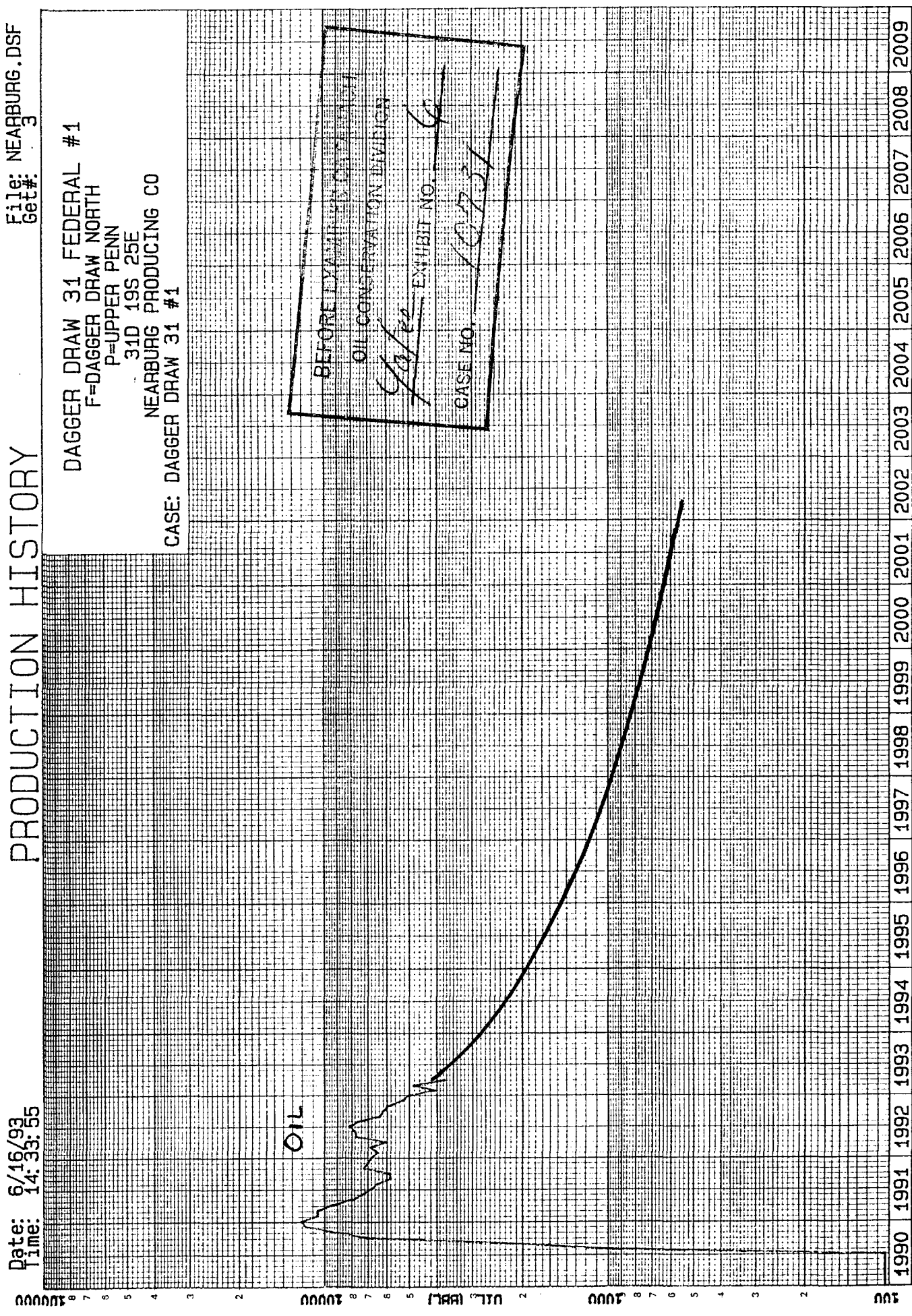
PENALTY

Date: 6/16/93
Time: 14:33:55

PRODUCTION HISTORY

File: NEARBURG.DSF
Get#: 3

DAGGER DRAW 31 FEDERAL #1
F=DAGGER DRAW NORTH
P=UPPER PENN
31D 19S 25E
NEARBURG PRODUCING CO
CASE: DAGGER DRAW 31 #1



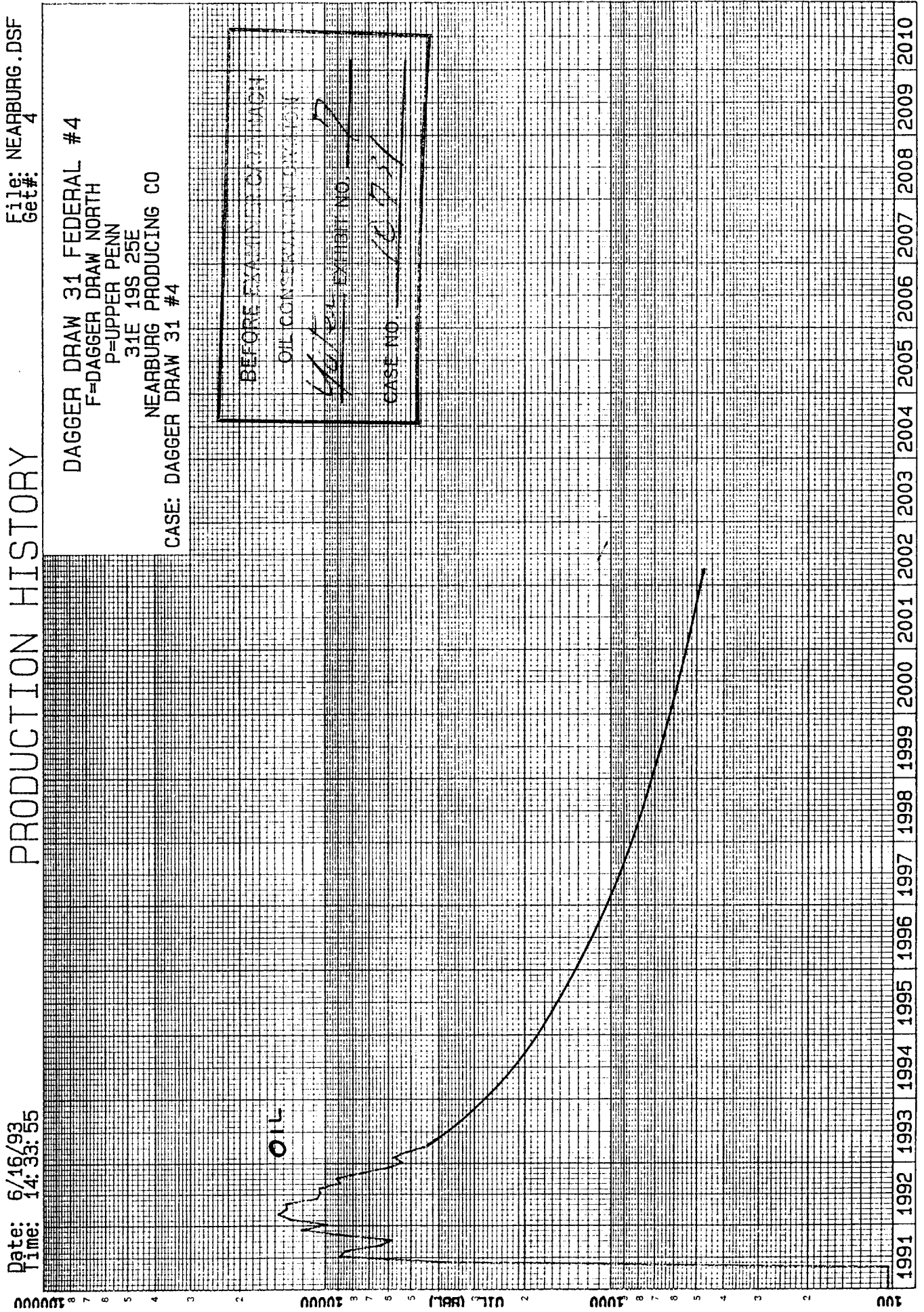
1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009										
										CUMULATIVE OIL (BBL) = 219945.										CUMULATIVE GAS (MCF) =									

Date: 6/16/93
Time: 14:33:55

PRODUCTION HISTORY

File: NEARBURG.DSF
Get#: 4

DAGGER DRAW 31 FEDERAL #4
F=DAGGER DRAW NORTH
P=UPPER PENN
31E 19S 25E
NEARBURG PRODUCING CO
CASE: DAGGER DRAW 31 #4



BEFORE EXAMINING CUMULATIVE
OIL CONSERVATION FLOW
CASE NO. 10737

CUMULATIVE OIL (BBL) = 195533.

DPC & A

YEARS

SL 20 3 3

CUMULATIVE GAS (MCF) =

Oil Allowable Under Penalty -- NW/4 of Section 31

Handwritten notes:
 July 93 120
 Jan 94 95
 July 94 75
 Jan 95 65
 July 95 55
 Jan 96 50
 128
 138
 148

	31 #1 BOPD	31 #4 BOPD	Total BOPD	Available to 31 #5 BOPD 53%	BOPD 66%
July 93	120	125	245	84	-7
Jan 94	95	90	185	144	53
July 94	75	70	145	184	93
Jan 95	65	60	125	204	113
July 95	55	70	105	224	133
Jan 96	50	45	95	234	143

REPORT OF OIL ALLOWABLE UNDER PENALTY
 OIL COMPANY: UPPER MERIDIAN OIL CO.
 REPORT NO. 10731
 CASE NO. 10731

MARCH, 1993 MONTHLY STATISTICAL REPORT SOUTHEAST OIL & GAS
CONTINUED, DAGGER DRAW UPPER PENN NORTH (YR TO DATE LSE OIL PROD IN CUML G

DESCRIPTION					M	OIL ALLOWABLE	M	S	E	OIL PRODUCTION	CSG HD ALLOWABLE	GAS PRODUCTION	WATER PRODUCTION	DAYS PROD	GAS DISPOSITION		E	CUMULATIVE GAS O/P
WELL	U	S	T	R											VOLUME	DISP		
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																		
CONOCO COM																		
1A	18	19S	25E		21700P				3892	217000	2242	9380	31	2210COI			10112	
														32VNT				
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																		
DAGGER DRAW																		
1D	30	19S	25E		21700P				794	217000	4251	1350	30					
9E	30	19S	25E		21700				6521	217000	8323	9782	31					
11O	30	19S	25E		21700P				20033	217000	27404	14223	31					
13F	30	19S	25E		21700P				1546	217000	19287	3370	30					
LEASE TOTAL					86800				28894	868000	59265	28725		58432COI			80894	
														833VNT				
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																		
DAGGER DRAW A																		
1G	17	19S	25E		21700P					217000	NO REPORT							NO
DAGGER DRAW COM																		
4L	19	19S	25E		21700F				2864	217000	9065		31					
5B	30	19S	25E		21700F				2954	217000	11035	31549	16					
8J	30	19S	25E		21700PS					217000	LAST PROD. DATE 03/92							
10M	19	19S	25E		21700				8694	217000	14920	348	30					
LEASE TOTAL					86800				14512	868000	35020	31897		34527COI			37172	
														493VNT				
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																		
DAGGER DRAW COM																		
12G	30	19S	25E		21700				7085	217000	19945	4038	31	19664COI			18193	
														281VNT				
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																		
DEE STATE COM																		
1J	36	19S	24E		21700PS					217000	LAST PROD. DATE 04/92							
2M	36	19S	24E		21700F				5311	217000	18640	584	30					
3J	36	19S	24E		21700PS					217000	LAST PROD. DATE 03/92							
5P	36	19S	24E		21700P				4208	217000	8698	17084	26					
6I	36	19S	24E		21700P				1278	217000	5933	8780	30					
LEASE TOTAL					108500				10797	1085000	33271	26448		32803COI			34756	
														468UNK				
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																		
JENNY COM																		
1E	17	19S	25E		21700F				211	217000	574	1559	31					
2C	17	19S	25E		21700P				294	217000	2728	362	25					
LEASE TOTAL					43400				505	434000	3302	1921		3256COI			602	
														46VNT				
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																		
JULIE COM																		
2B	17	19S	25E		21700P				6500	217000	5706		31	5625COI			12331	
														81VNT				
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																		
LEHMAN FEDERAL																		
1M	18	19S	25E		21700P				1750	217000	5595	2853	30	5516COI			4737	
														79VNT				
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																		
LODEWICK A																		
1C	19	19S	25E		21700F				161	217000	6014	979	27					
2E	19	19S	25E		21700				510	217000	15036	1168	31					
3D	19	19S	25E		21700P				215	217000	11657	327	31					
LEASE TOTAL					65100				886	651000	32707	2474		32245COI			12047	
														462VNT				
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																		
COMPANY TOTAL					596750				87957	6076000	223014	138773						
NEARBURG PRODUCING COMPANY *****																		
B AND B																		
1G	22	19S	25E	2	21700PS					217000	LAST PROD. DATE 12/92							
COVERT COM																		
2D	6	20S	25E		21700P				8748	217000	11055	39842	31	11055GPM			26333	
FOR RUNS AND STORAGE SEE COMMINGLED SECTION (CST)																		
DAGGER DRAW 31 FEDERAL																		
1D	31	19S	25E		21700F				4684	217000	11241	45755	31					
2B	31	19S	25E		21700P				11335	217000	13038	31348	31					
4E	31	19S	25E		21700F				5006	217000	9278	415	25					
LEASE TOTAL					65100				21025	651000	33557	77518		33557GPM			65282	

BEFORE EXAMINED COMMISSION
OIL COMBUSTION DIVISION

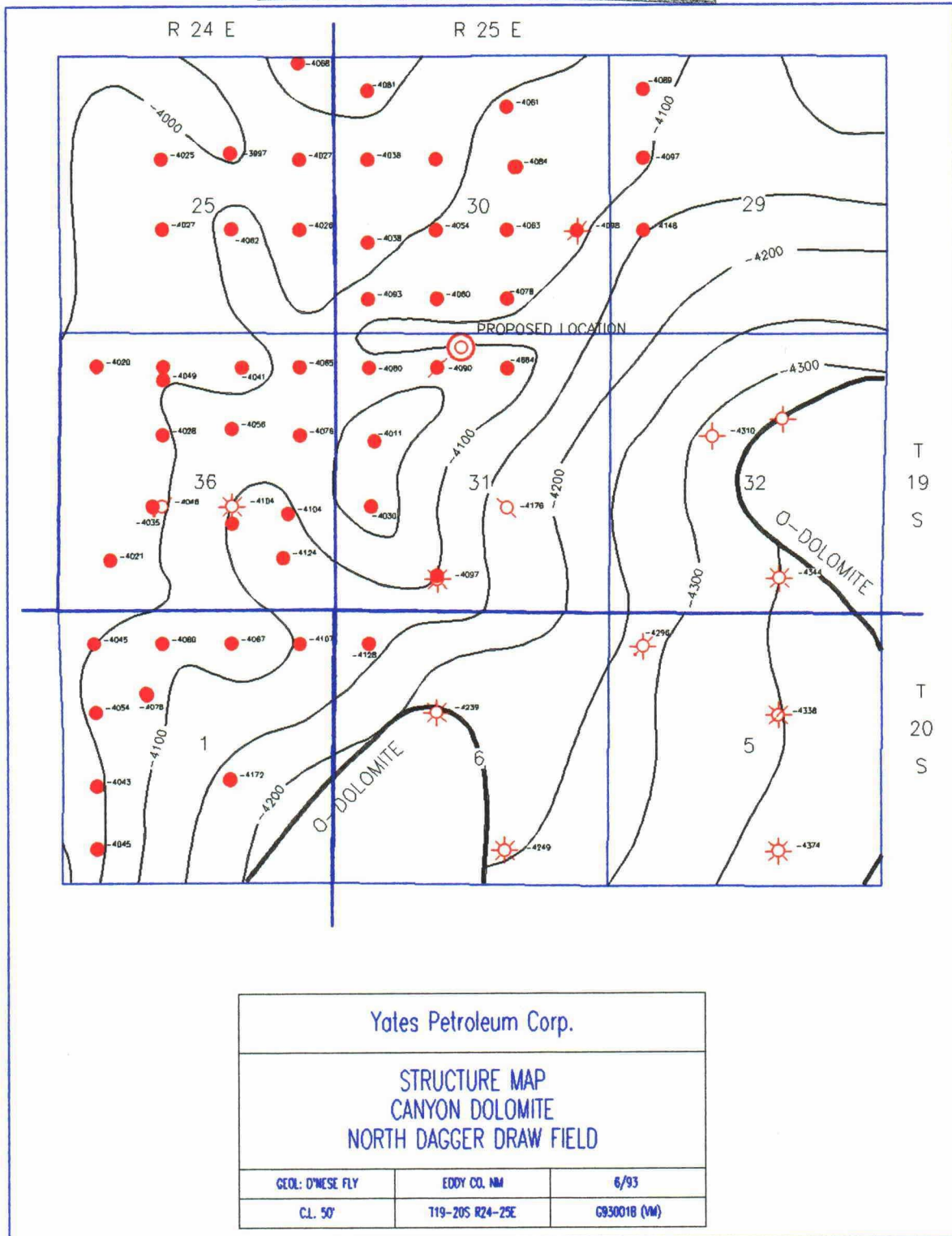
Helix PATENT NO. 9

CASE NO. 111751

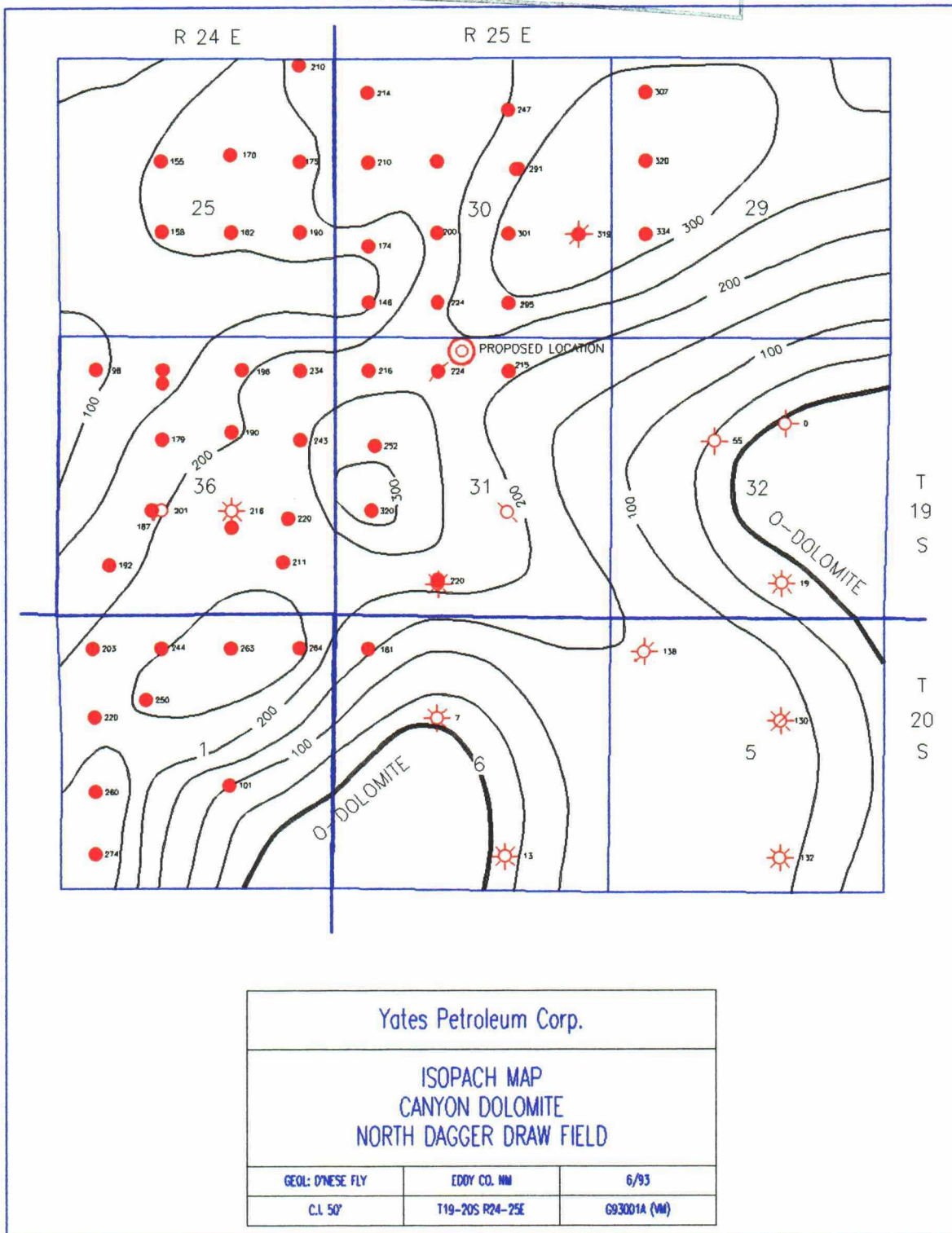
BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

Yates EXHIBIT NO. 5

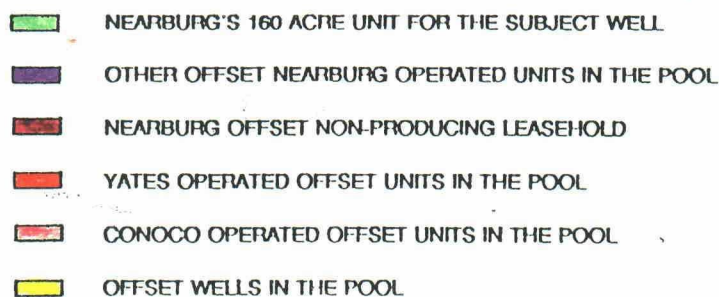
CASE NO. 10 731



BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
Uater EXHIBIT NO. 4
CASE NO. 10 731



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



87.5-Neander
12.5%-Yates

REPORTED BY: Harburg
OF NO. 10731



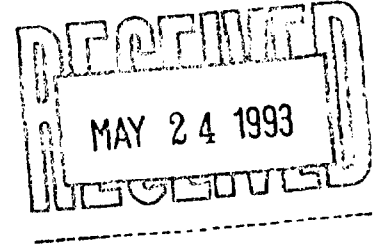
NMAS
New Mexico Archaeological Services, Inc.

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.

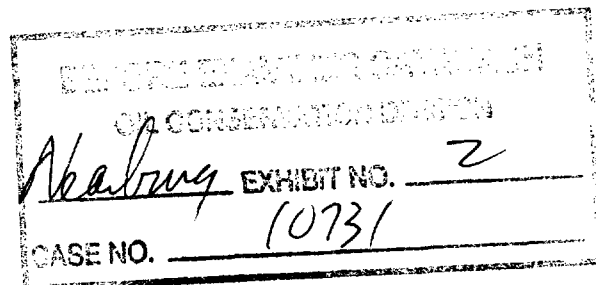
If you have any questions pertaining to this report, please call my office. Thank you for asking NMAS to do these surveys.

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)

TYPOLGICAL 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)

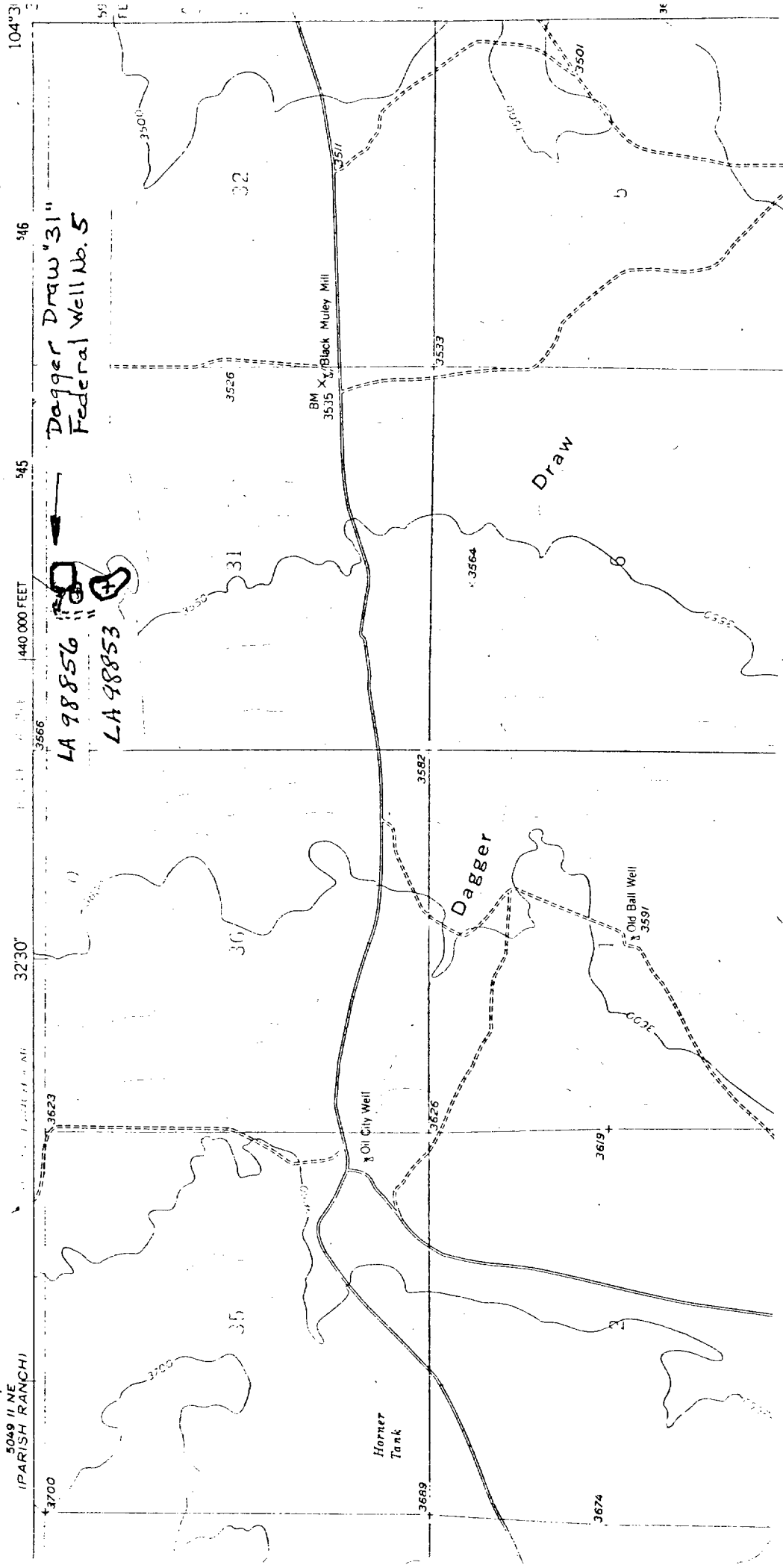


Fig. 1. USGS FOSTER RANCH QUADRANGLE, 7.5 Minute Series, 1:24,000, 1957, showing NEARBURG PRODUCING COMPANY's proposed Dagger Draw "31" Federal Well No. 5, 330' FNL, 2460' FWL, and access road, Section 31, T19S, R25E, NMPM, Eddy County, New Mexico, vis à vis LA 98853 and LA 98856.

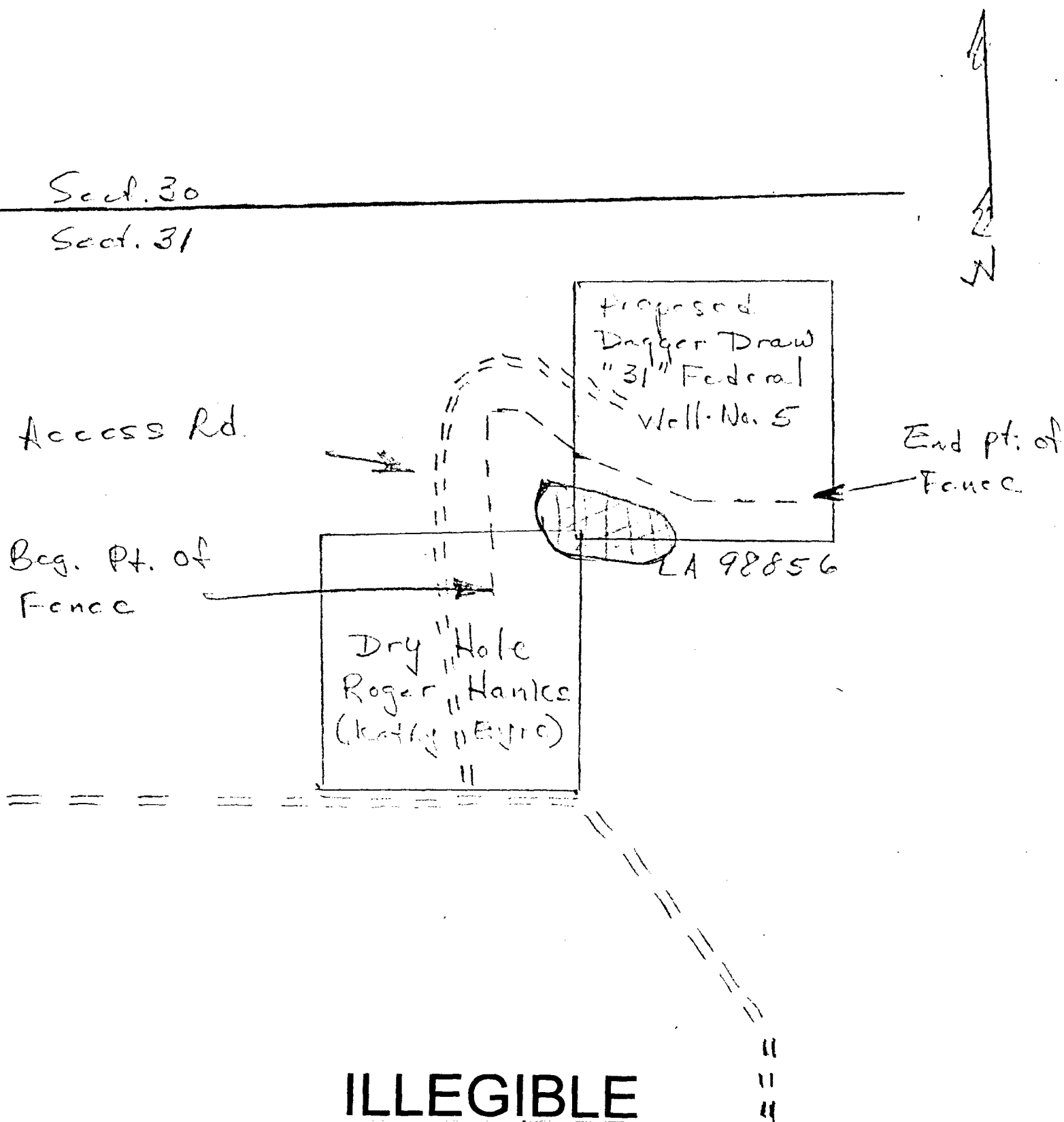


Fig. 2. Schematic representation showing NEARBURG PRODUCING COMPANY's proposed Dagger Draw "31" Federal Well No. 5, 2460' FWL, 330' FNL, and access road, Section 31, T19S, R25E, NMPM, Eddy County, New Mexico, vis à vis, LA 98856 and suggested location of fence.



United States Department of the Interior



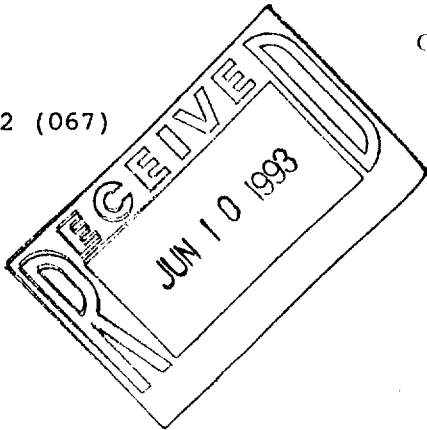
BUREAU OF LAND MANAGEMENT

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

Nearburg 4
10731

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

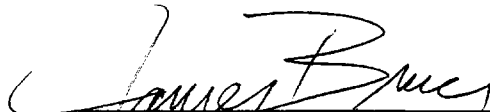
NO. 10,731

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

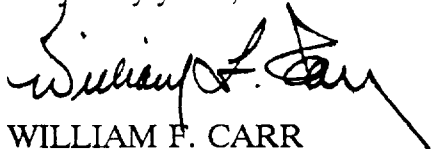
Dear Mr. Twomey:

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	
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	

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

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 boxes for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra Charge)

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:
☐ Registered ☐ Insured ☐ COD
☐ Certified ☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Agent
X

6. Signature - Addressee
X *Debbie Vaughn*

7. Date of Delivery
5-14-93

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

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
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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

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

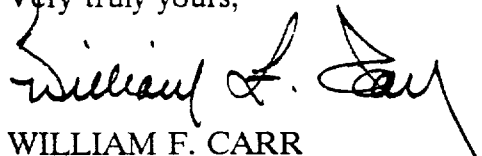
Dear Ms Richardson:

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.

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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 No.: 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>3. Article Addressed to: Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210 Attn: Janet Richardson</p>	<p>4. Article Number P 087 492 191</p>
<p>Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or Agent and DATE DELIVERED.</p>	
<p>5. Addressee's Address (ONLY if requested and fee paid) Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210 Attn: Janet Richardson</p>	
<p>6. Signature - Agent <i>[Signature]</i></p>	<p>7. Date of Delivery 5-13-93</p>

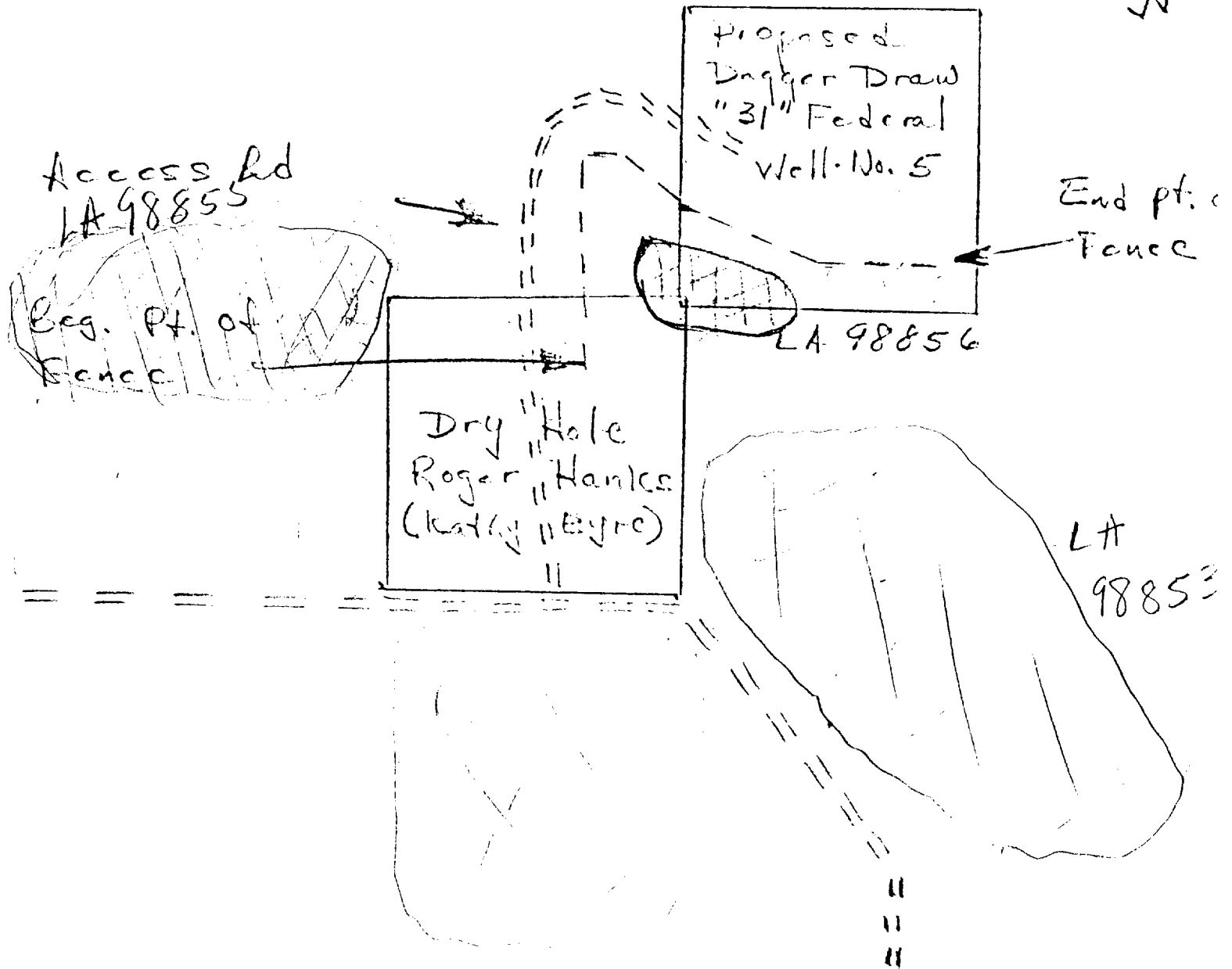
PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-805 DOMESTIC RETURN RECEIPT

BEFORE EXAMINER CATANACH
 OIL CONSERVATION DIVISION
Nearburg EXHIBIT NO. 3
 CASE NO. 10731

Sect. 30

Sect. 31

N
E
S



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.