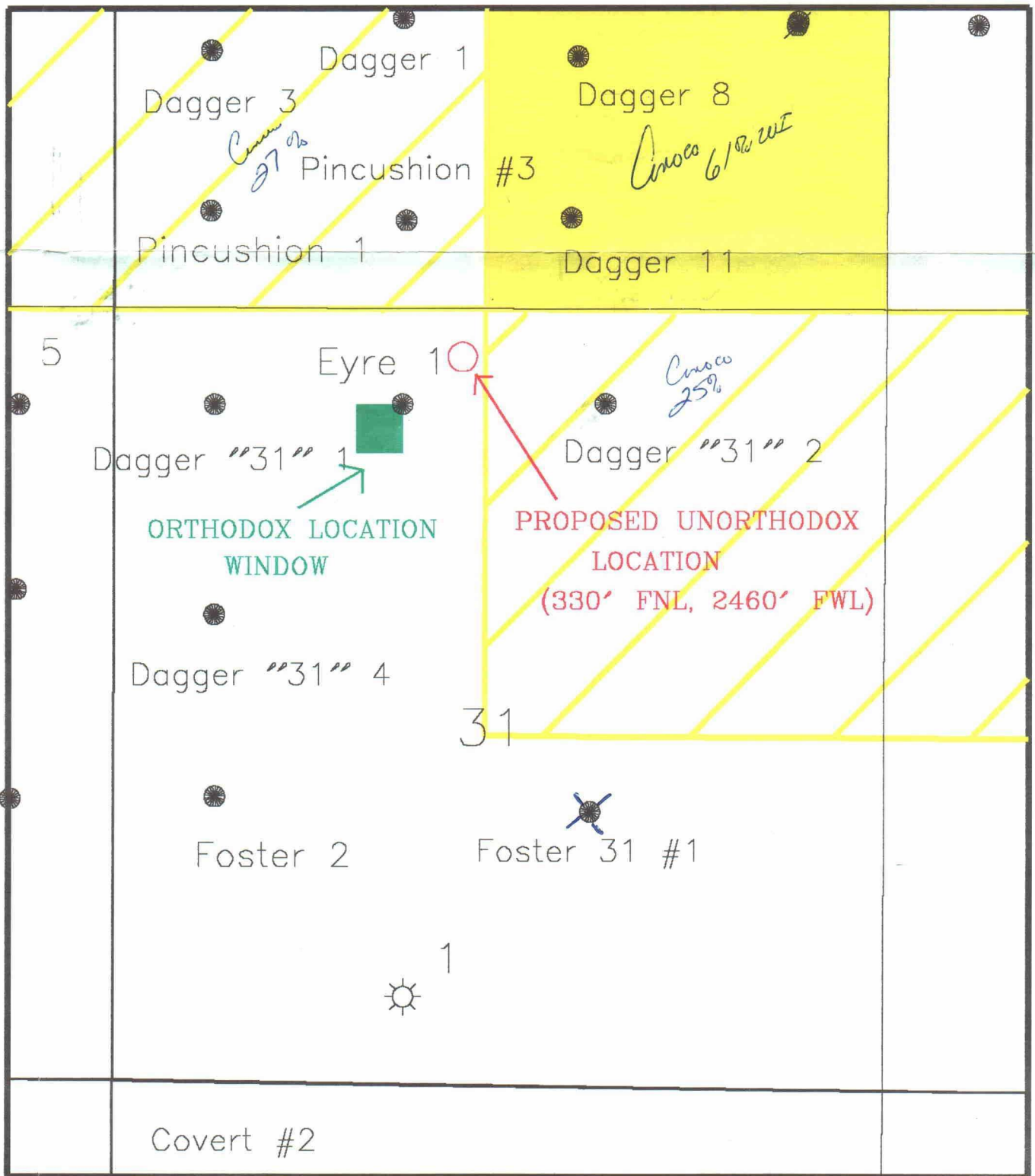


Conoco Exhibits 1 through  
Complete<sup>2</sup> set



CONOCO MIDLAND DIVISION

PLAT MAP

SHOWING DAGGER DRAW "31" #5 LOCATION

SCALE 1" = 1000'

DRAWN MAJCHER

DRAWN

BEFORE EXAMINER CATANACH  
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

CASE NO.: 10731

Submitted by: Conoco Inc.

Hearing Date: June 17, 1993

**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

April 27, 1993

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

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

Re: Application of Nearburg Producing Company for Administrative Approval of an Unorthodox Location for its Dagger Draw 31 Federal Well No. 5, located 660 feet from the North line and 2310 feet from the West line (Unit C) of Section 31, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico

Gentlemen:

Enclosed is a copy of the above-referenced application of Nearburg Producing Company for administrative approval of an unorthodox well location in the North Dagger Draw-Upper Pennsylvanian Pool for its Dagger Draw 31 Federal Well No. 5. Due to topographical conditions Nearburg is proposing to locate this well at a point 660 feet from the North line and 2310 feet from the West line in Unit C of Section 31, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

You are being notified of this application as the operator of a proration unit offsetting the above-referenced unorthodox location in the North Dagger Draw-Upper Pennsylvanian Pool. If you have no objection to the drilling of this well, please execute one copy of this letter and forward it to me at the above-referenced address. An additional copy of the letter is enclosed for your files.

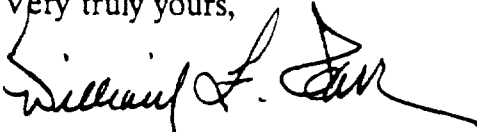
**BEFORE EXAMINER CATANACH  
OIL CONSERVATION DIVISION**

**EXHIBIT NO. 2**  
**CASE NO.: 10731**  
**Submitted by: Conoco Inc.**  
**Hearing Date: June 17, 1993**

Conoco, Inc.  
Attn: David Twomey  
April 27, 1993  
Page 2

Your consideration of this request is appreciated.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

WILLIAM F. CARR  
ATTORNEY FOR NEARBURG PRODUCING COMPANY

WFC:mlh

**WAIVER OF OBJECTION**

---

---

**Title**

Conoco, Inc.

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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

CASE NO. \_\_\_\_\_

APPLICATION

COMES NOW NEARBURG PRODUCING COMPANY, through its undersigned attorneys, and hereby makes application to the Oil Conservation Division for an order approving an unorthodox gas well location and in support of this application states:

1. Applicant is the operator of the NW/4 of Section 31, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and proposes to drill its Dagger Draw 31 Federal Well No. 5 as a gas well in the North Dagger Draw-Upper Pennsylvanian Pool at an unorthodox location 660 feet from the North line and 2310 feet from the West line in Unit C of said Section 31.

2. Applicant seeks an exception to Rule 4 of the Special Rules and Regulations for the North Dagger Draw-Upper Pennsylvanian Pool to permit the drilling of this well in the Upper Pennsylvanian formation at the above-described location.

3. A standard 160-acre proration unit comprised of the NW/4 of said Section 31 should be dedicated to the well.

4. Approval of this application will afford applicant the opportunity to produce its just and equitable share of the gas in the Upper Pennsylvanian formation and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on May 20, 1993, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting this application and providing such other relief as is proper.

Respectfully submitted,

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

By: 

WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR NEARBURG  
PRODUCING COMPANY

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

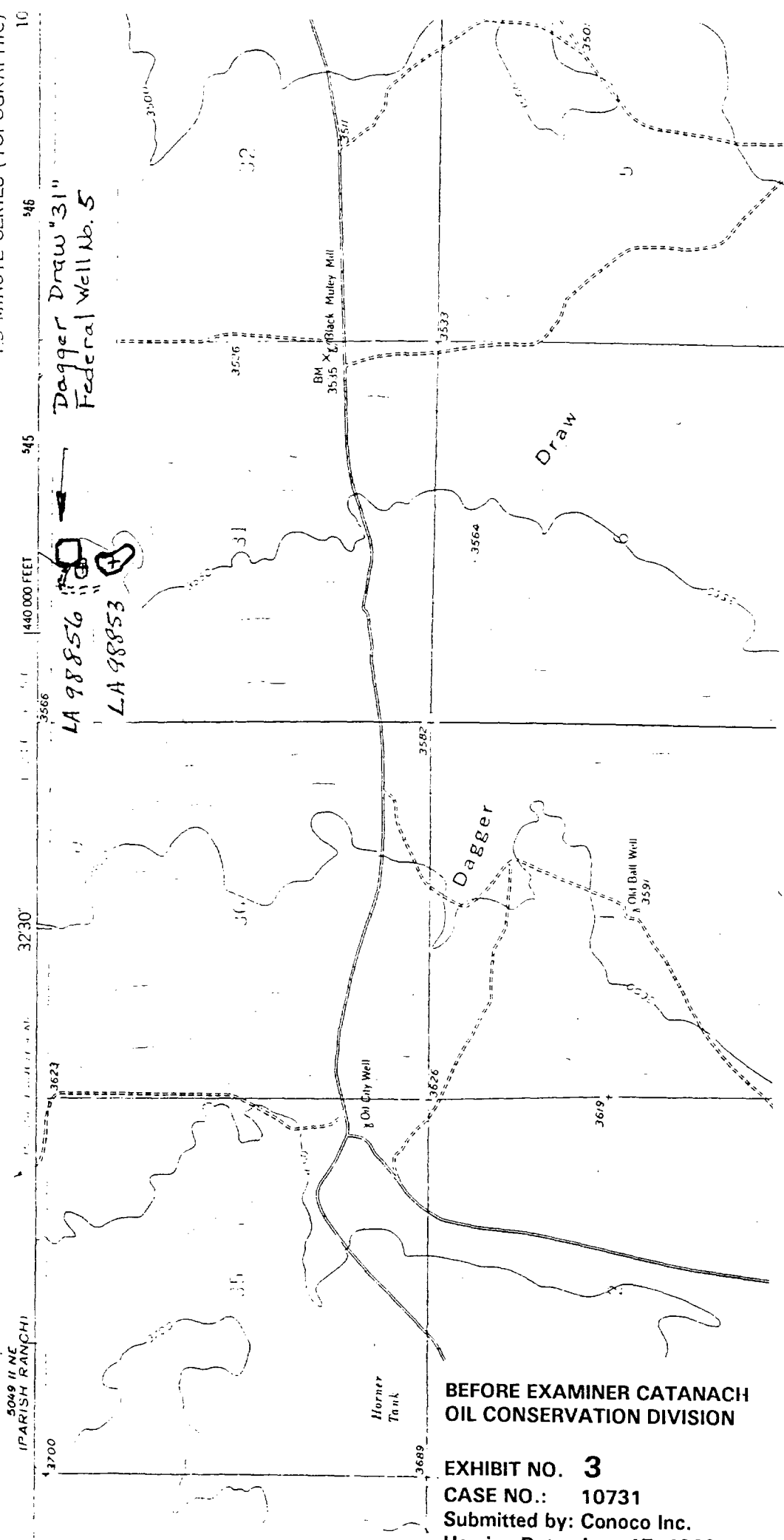


Fig. 1. USGS FOSTER RANCH QUADRANGLE, 7.5 Minute Series, 1:24,000, 1957, showing NEARBURG PRODUCING COMPANY's proposed Dagger Draw "31" Federal Well No. 5, 330' FNL, 2460' FWL, and access road, Section 31, T19S, R25E, NMPM, Eddy County, New Mexico, vis à vis LA 98853 and LA 98856.

BEFORE EXAMINER CATANACH  
OIL CONSERVATION DIVISION

EXHIBIT NO. 3  
CASE NO.: 10731  
Submitted by: Conoco Inc.  
Hearing Date: June 17, 1993

05/09/93 18:21  
05/10/93 18:09

FAX 915 686 7806  
2566 297 3066

NPC Midland  
NEARBURG PROD CO NPC Midland

0005  
0001

FRY 18 '93 17:23 NMRINC

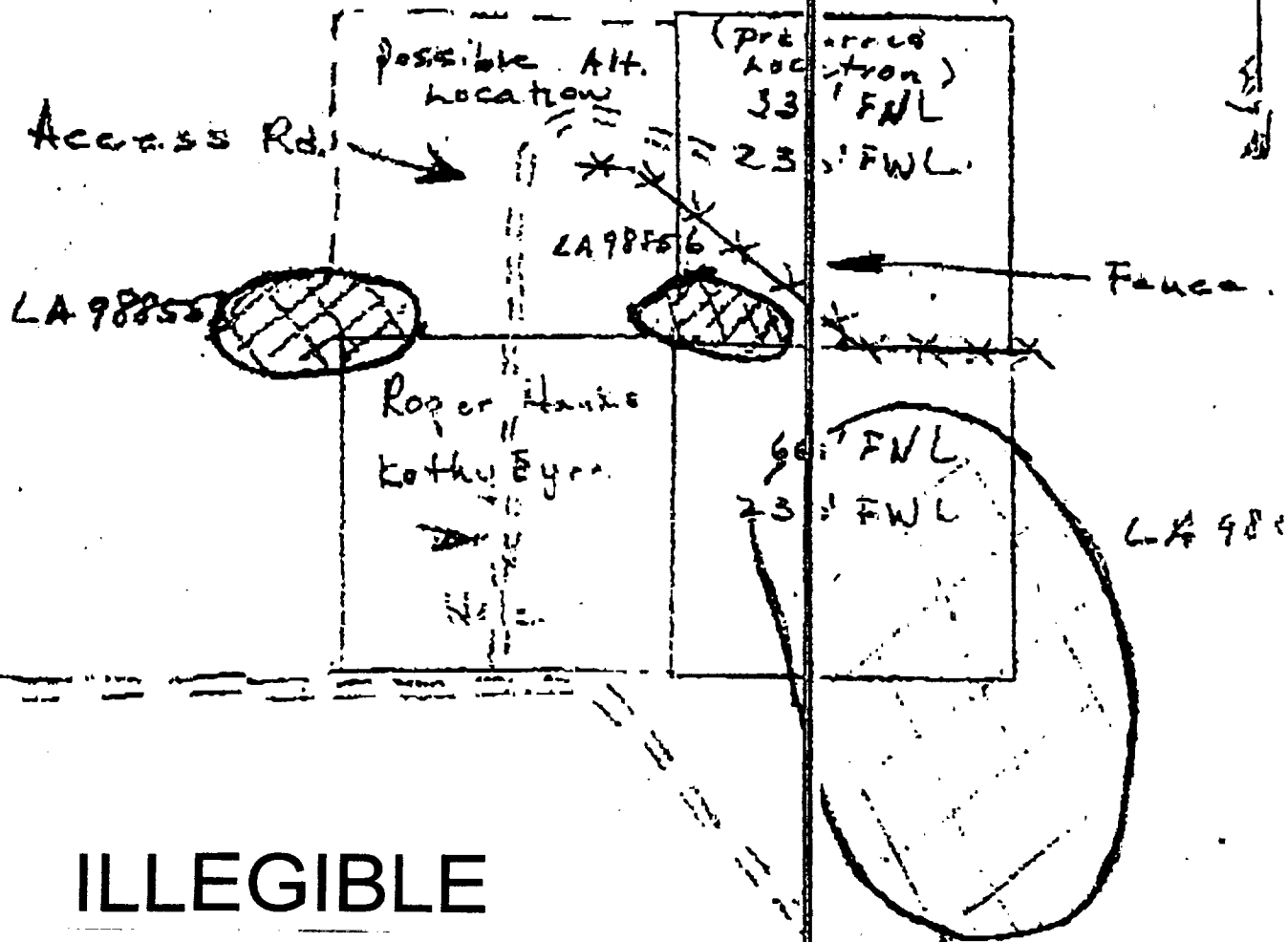
P.25

T-19-S  
R-25-E

Attn:  
Bob  
Shelton

Dagger Draw "31"  
Fed. # 5

Seal. 30  
Seal 31



ILLEGIBLE

Scott Kimbrough

Nearburg Prod. BEFORE EXAMINER CATANACH  
OIL CONSERVATION DIVISION

7 MAY 1993

JUN 8 '93 14:07

EXHIBIT NO. 4  
CASE NO.: 10731  
Submitted by: Conoco Inc.  
Hearing Date: June 17, 1993

915 686 7806 PAGE.005



EXHIBIT NO. 5  
CASE NO.: 10731  
Submitted by: Conoco Inc.  
Hearing Date: June 17, 1993