

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13254 Exhibit No. 5
Submitted by:
YATES PETROLEUM CORPORATION
Hearing Date: May 13, 2004

EXHIBIT A

**AMENDED APPLICATION OF
YATES PETROLEUM CORPORATION.
FOR COMPULSORY POOLING
E/2 OF SECTION 2, TOWNSHIP 8 SOUTH, RANGE 26 EAST, N.M.P.M.
CHAVES COUNTY, NEW MEXICO.**

John D. Cadigan
Post Office Drawer F
Cashmere, Washington 98815

Greg Vujocich
100 Mount Highway 287 North
Ennis, Montana 59729-9122

Heirs and Devisees of Linda Cadigan
c/o John D. Cadigan
Post Office Drawer F
Cashmere, Washington 98815

HOLLAND & HART



William F. Carr
wcarr@hollandhart.com

April 13, 2004

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS:

Re: Amended application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Yates Petroleum Corporation has filed the enclosed amended application with the New Mexico Oil Conservation Division seeking the compulsory pooling of certain spacing and proration units in the E/2 of Section 2, Township 8 South, Range 26 East, NMPM, Chaves County, New Mexico. Said units will be dedicated to Yates Petroleum Corporation's proposed Value "BCV" State Com Well No. 1 which it proposes to drill at a standard gas well location in the 990 feet from South line and 1980 feet from East line (Unit O) of said Section 2 to test all formations from the surface to the Pre-Cambrian formation.

This application has been set for hearing before a Division Examiner on May 13, 2004. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, 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 are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, three days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

William F. Carr

ATTORNEY FOR YATES PETROLEUM CORPORATION

cc: Charles Moran
Yates Petroleum Corporation

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C.

5. In order to permit the Yates to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Yates Petroleum Corporation should be designated the operator of the well to be drilled.

WHEREFORE, Yates Petroleum Corporation requests that this amended application be set for hearing before an Examiner of the Oil Conservation Division on May 13, 2004 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Yates Petroleum Corporation operator of these units and the well to be drilled thereon,
- C. authorizing Yates Petroleum Corporation to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by Yates Petroleum Corporation in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,
HOLLAND & HART LLP

By: 

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

ATTORNEYS FOR YATES PETROLEUM CORPORATION

CASE _____:

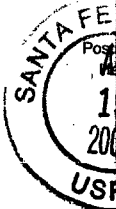
Amended application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Pre-Cambrian formation in all spacing and proration units located in the E/2 of Section 2, Township 8 South, Range 26 East, N.M.P.M., Chaves County, New Mexico for all formations and/or pools developed on 319.89-acre spacing which includes but is not limited to the Undesignated North Foor Ranch-Pre-Permian Gas Pool and the Undesignated South Leslie Spring-Wolfcamp Gas Pool. Said units are to be dedicated to its Value "BCV" State Com Well No. 1 to be drilled at a standard gas well location 990 feet from the South line and 1980 feet from the East line (Unit J) of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Yates Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 26 miles Northeast of Roswell, New Mexico.

U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage)

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44519.
0100 Postage \$.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65



Sent To John D. Cadigan
Post Office Drawer F
Cashmere, Washington 98

City, State, ZIP+ 4

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- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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2. Article Number (Copy from se

7001 1140 0002 5602 3886

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Domestic Return Receipt

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1. Article Addressed to:

Heirs and Devisees of Linda
Cadigan
c/o John D. Cadigan
Post Office Drawer F
Cashmere, Washington 98815

2. Article Number (Copy from serv

7001 1140 0002 5602 3909

PS Form 3811, July 1999

Domestic Return Receipt

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1. Article Addressed to:

Greg Vujocich
100 Mount Highway 287 North
Ennis, Montana 59729-9122

2. Article Number (Copy from service li

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COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
24.19.04

C. Signature
X [Signature]
☐ Agent
☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

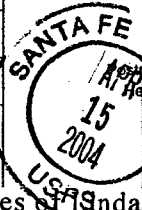
4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service
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44519.
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City, State, ZIP

PS Form 3800,

U.S. Postal Service
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44519.
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Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65



Sent To Greg Vujocich
100 Mount Highway 287 North
Ennis, Montana 59729-9122

City, State, ZIP

PS Form 3800,

A. Received by (Please Print Clearly) B. Date of Delivery
jacqueline vujocich

C. Signature
X [Signature]
☐ Agent
☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes