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

APPLICATION OF MCQUADRANGLE, LC, FOR STATUTORY UNITIZATION OF THE SOUTH REDLAKE II UNIT AREA, EDDY COUNTY, NEW MEXICO.

CASE NO. 13489

AFFIDAVIT

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

William F. Carr, attorney in fact and authorized representative of McQuadrangle, LC, the Applicant herein, being first duly sworn, upon oath, states that notice of the abovereferenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

SUBSCRIBED AND SWORN to before me this 15 day of June 2005 by William F. Carr. OFFICIAL SEAL LISAMARIE ORTIZ NOTARY PUBLIC-STATE OF NEL My commission expire Notary Public anuar My Commission Expires:

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Case No. <u>13489</u> Exhibit No. 11 Submitted by: <u>MCQUADRANGLE, LC</u> Hearing Date: <u>June 16, 2005</u>

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APPLICATION OF MCQUADRANGLE, LC FOR STATUTORY UNITIZATION EDDY COUNTY, NEW MEXICO

EXHIBIT A

NOTICE LIST

Yates Brothers 105 South Fourth Artesia, NM 88210

Johney Cockburn Estate Maggie Suetta Cockburn c/o Thomas Cockburn P. O. Box 50013 Austin, TX 78763

Colaro Corporation 400 One Energy Square 4925 Greenville Avenue Dallas, Texas 75206-4012

Everett R. Jones, Jr. 8080 North Central Expressway Suite 1420 LB #12 Dallas, TX 75206

Florence Dooley Estate Patrick T. Dooley, Personal Rep. 1006 S. 2nd Street Artesia, NM 88210

Mary Dorothea Duggan 15 E. Greenway Plaza #12G Houston, TX 77046-1504

Francis F. Hawley, successor in title for Frank E. Hawley Life Est. 21 Goldenridge Court San Mateo, CA 94402-3717

Myrna Sue Zumwalt 101 N. Filmore Street Cortez, CO 81321-3311 Jack Funk (Ruth O. Hill Trust Successor) 10679 Nathanson Avenue Cupertino, CA 95014-1330

54

Leland Price Inc. P. O. Box 508 Artesia, NM 88210-0508

John W. Gates LLC 706 W. Grand Avenue Artesia, NM 88210-1935

Thomas W. Pettit 151 W. Trinity Road Glen Ellen, CA 95442

Joan Hudson Moore 81 North Street Naples, FL 34108

Jonel Susan Grasso 11 Ocean Ridge Laguna Niguel, CA 92677

Jane Ann Hudson Davis 6770 Wolf Creek Court Rio Rancho, NM 87124

John Bedingfield P. O. Box 630 Artesia, NM 88211-0630 Judy N. Deans 409 Commerce Road Artesia, NM 88210-9432

Everett R. Jones c/o Everett R. Jones, Jr. 8080 North Central Expressway Suite 1420 LB #12 Dallas, TX 75206

Marbob Oil Corporation 2208 West Main Street P. O. Box 227 Artesia, NM 88211-0227

Rockwell Energy Corporation Jon J. Nelson, interest P. O. Box 885 Seguin, TX 78156-0885

Rockwell Energy Corporation Jon J. Nelson, Jr., interest P. O. Box 885 Seguin, TX 78156-0885

Trigg Oil & Gas Limited Partnership P. O. Box 520 Roswell, NM 88202-0520

Sandra Terry Tolliver P. O. Box 12617 El Paso, TX 79912-0617

Sue Lynn Terry 6112 N. Mesa PMB 216 El Paso, TX 79912-4516 PAM Inc. P. O. Box 508 Artesia, NM 88211-0508

Paul Slayton P. O. Box 2035 Roswell, NM 88202-2035

M. L. Boling Development LLC P. O. Box 768 Artesia, NM 88211-0768 Lillie M. Yates Estate S.P. Yates, Frank Yates Jr., and B. W. Harper Co., Personal Representatives P. O. Box 840 Artesia, NM 88211-0840

William P. Dooley Estate Patrick Dooley, Personal Representative 1006 S. 2nd Street Artesia, NM 88210-2808

Jim and Pearl Hawley Family Living Trust 5857 Westhaven Drive Fort Worth, TX 76132

Katherine K. McIntyre 620 Camino Real Avenue El Paso, TX 79922-2008

Summit Overseas Exploration Inc. Post Office Box 260590 Lakewood, CO 80226-0590

Michael McDowell 326 South 5th Shelton, WA 98584

Sharbro Oil Ltd. Co. P. O. Box 840 Artesia, NM 88211-0840

Nancy King P. O. Box 385 Artesia, NM 88210

Edward B. Stewart 2005 Hessian Road Charlottesville, VA 22903 Boling Enterprises Ltd. Robert Michael Boling Manager P. O. Box 2563 Roswell, NM 88202

Randolph M. Richardson P. O. Box 2423 Roswell, NM 88202-2423

Rolla R. Hinkle III P. O. Box 2292 Roswell, NM 88202-2292

Madison M. Hinkle P. O. Box 2292 Roswell, NM 88202-2292

Morris E. Schertz Post Office Drawer 2588 Roswell, NM 88202-2588

Howard B. Wright Estate B. Kent Pomeroy Anc. Pr. Ste 101, 3839 N. 3rd Street Phoenix, AZ 85012-2068

Wilma Donohue Moleen Foundation Chase Bank, NA, Trustee

El Paso, TX 79702-0966

Pitch Energy Corp. P. O. Box 304 Artesia, NM 88211-0304

David W. Jamison 418 73rd NE Olympia, WA 98506-9707

Barbara Kruse Frankenfield 12 Laura Elizabeth Court Mansfield, TX 76063 Frank C. Miller and Mary Russell Miller Revocable Living Trust P. O. Box 203 Roswell, NM 88202-0203

Steve Fitt 1180 Mercury Drive Lafayette, Colorado 80026

Pamela June Krueger Post Office Box 551023 Jacksonville, FL 32255-1023

James F. Roberts Post Office Box 504 Key Colony, FL 33051

TMTM Joint Venture 7008 Salem Avenue Lubbock, Texas 79424

Losee Investments LLC P. O. Box 1720 Artesia, NM 88211-1720

Fenix Royalty, LLC

Commissioner of Public Lands P. O. Box 1148 Santa Fe, NM 87504-1148

Bureau of Land Management 2909 West Second Street Roswell, NM 88201 14

HOLLAND&HART

William F. Carr wcarr@hollandhart.com

April 28, 2005

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

TO: ALL AFFECTED INTEREST OWNERS IN THE SOUTH REDLAKE II UNIT AREA.

Re: Application of McQuadrangle, LC for statutory unitization of the South RedLake II Unit Area, Eddy County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that McQuadrangle, LC has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order statutorily unitizing for the purpose of a secondary recovery project, and at a later date a tertiary recovery project, all mineral interests from an upper limit described as 100 feet below mean sea level or at the top of the Grayburg formation, whichever is higher, to a lower limit at the base of the San Andres formation; the geologic markers having been previously found to occur at 1,430 feet and the base of the San Andres which is found at 1,762 feet in the Carper-Sivley Joint Account Magruder Well No. 13, located 330 feet from the South line and 480 feet from the East line of Section 35, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico, as recorded on Welex Electric log taken on March 28, 1960, said log being measured form a kelly bushing elevation of 3,654 feet above sea level, underlying 961.61 acres, more or less, of Federal, and State of New Mexico lands comprised of the following described acreage:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 35: E/2, E/2 SW/4, SE/4 NW/4, Section 36: W/2, SW/4 NE/4

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 1: Lot 4 Section 2: Lots 1, 2, 3

A copy of the proposed Unit Agreement and Operating Agreement are enclosed. Said unit is to be designated the South RedLakes II Unit.

Among the matters to be considered at the hearing on this application will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the

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. 🙃



April 28, 2005

HOLLAND&HART

various owners in the unit area for their investments in wells and equipment; a non-consent penalty for risk to be charged against carried working interest owners within the unit area upon such terms and conditions to be determined by the Division as just and reasonable; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including, but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations.

This application has been set for hearing before a Division Examiner on May 19, 2005 at the Oil Conservation Division Hearing Room in its Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, NM 87505. You are not required to attend this hearing but, as the 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 this matter at a later date.

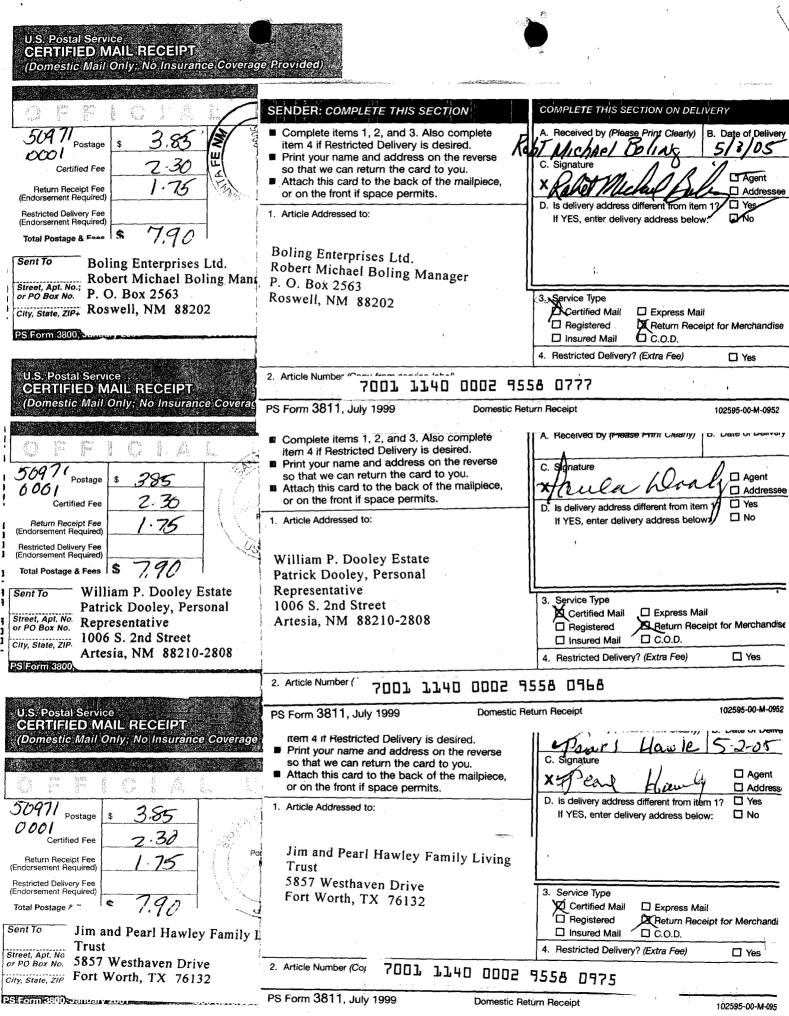
Parties appearing in cases are required by Division Rule 1208.B to file a **Pre-hearing** Statement four days in advance of a scheduled hearing at the Division's Santa Fe Office. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all 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.

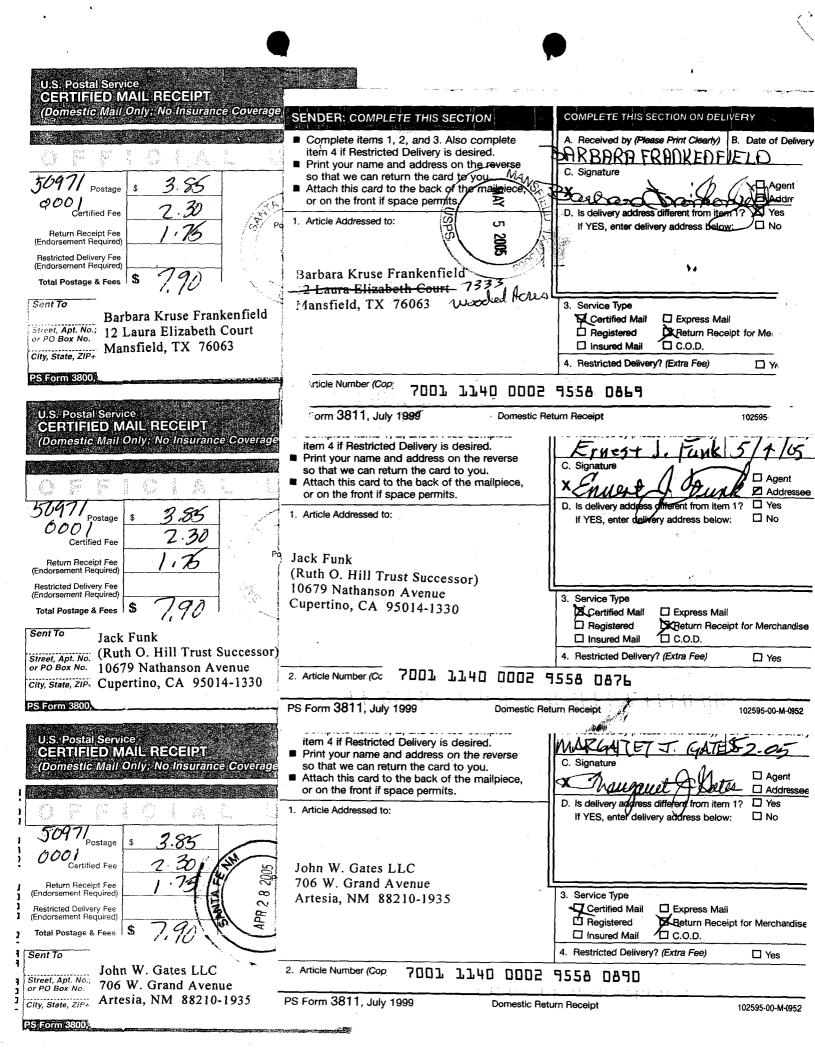
Very truly yours,

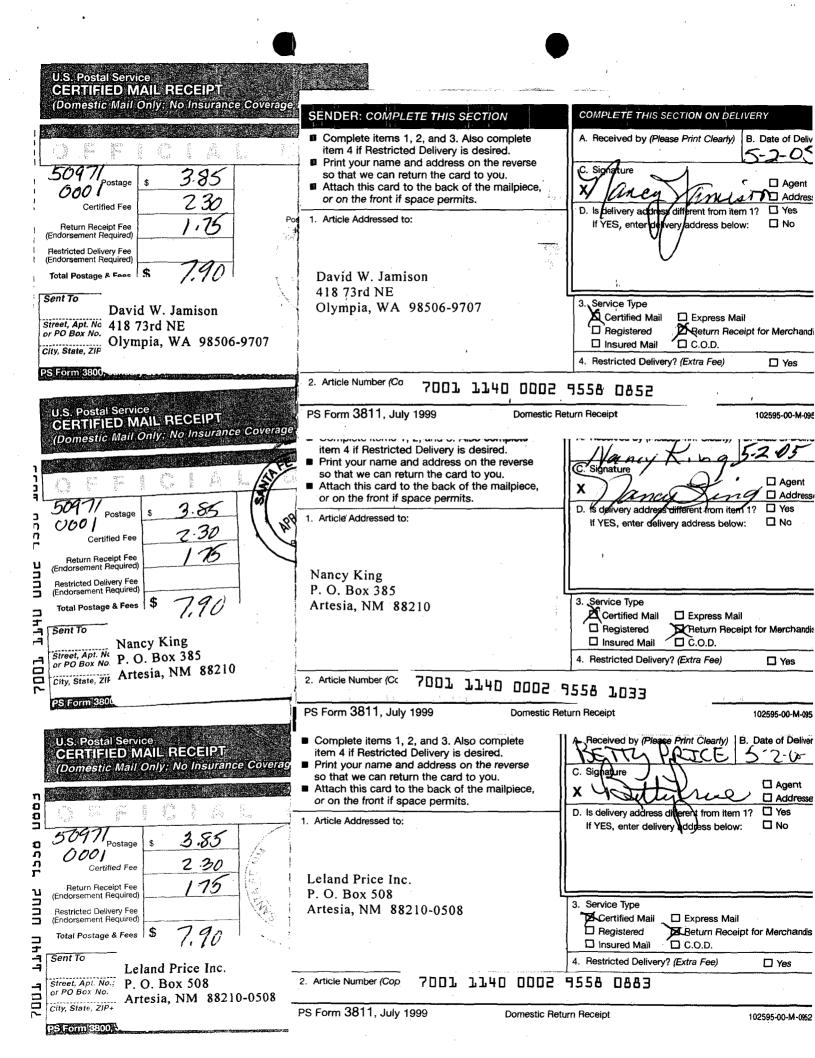
William F. Carr Attorney for McQuadrangle, LC

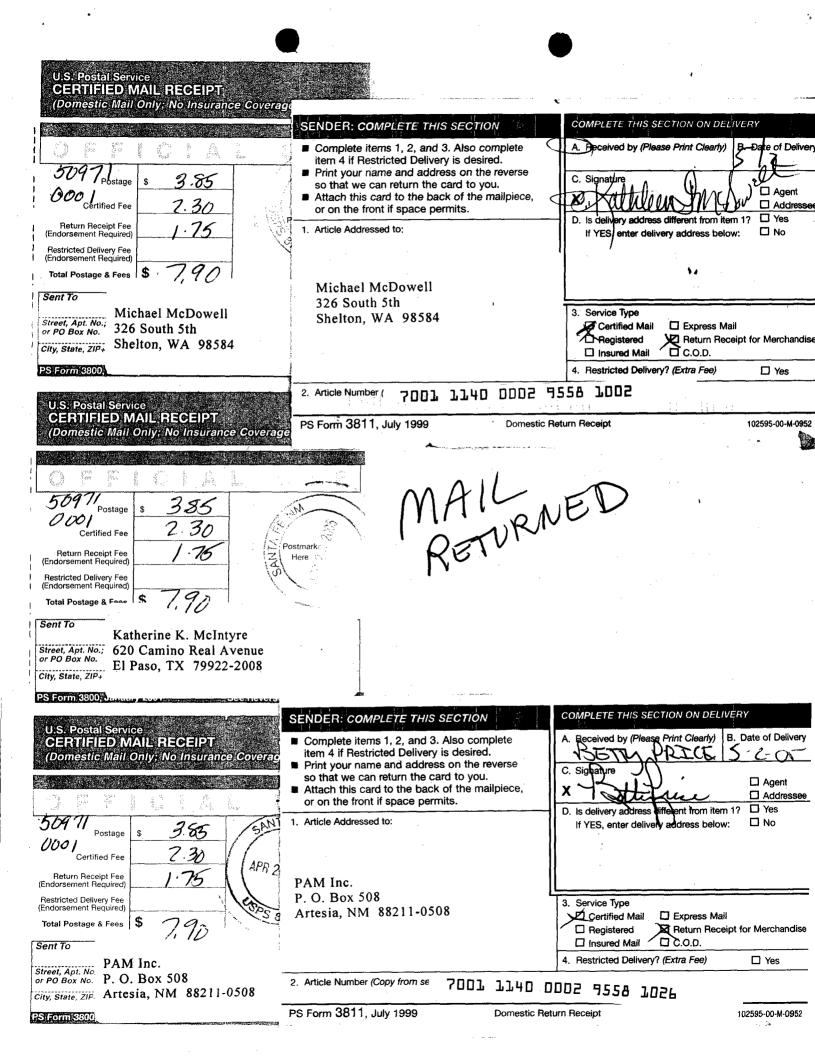
Enclosure

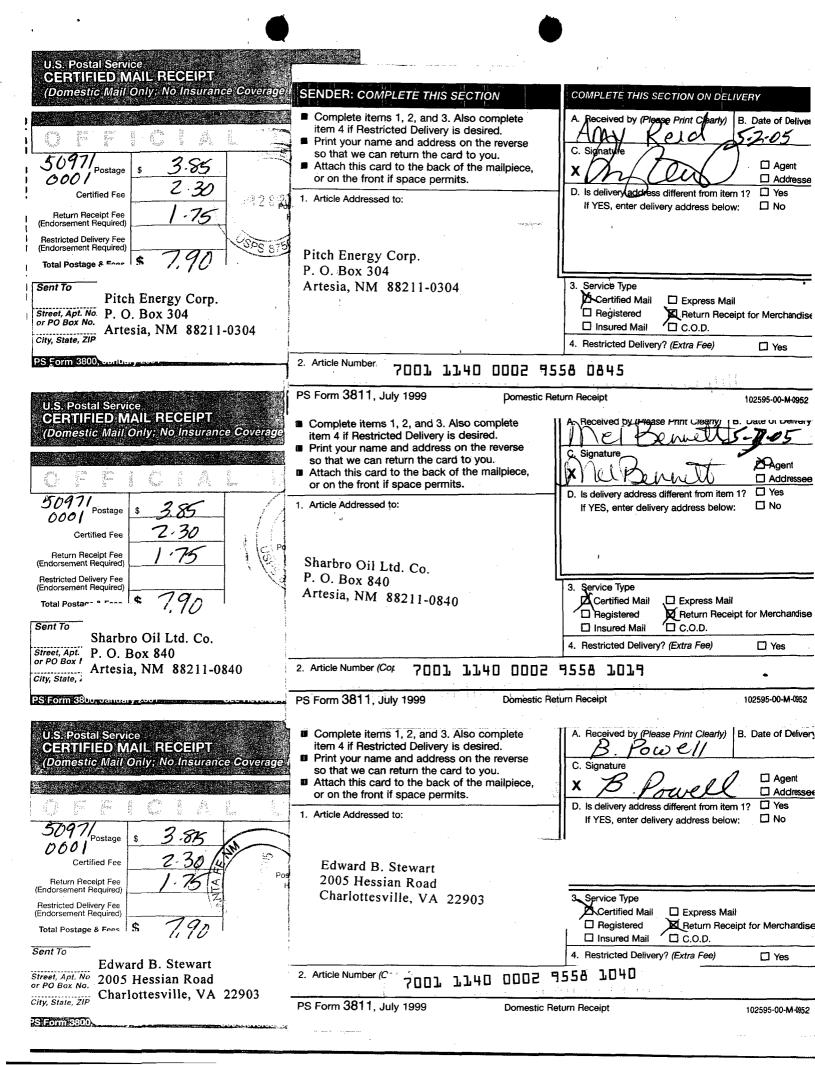
cc: Mr. Delbert McDougal Mr. Jim Pierce David R. Vandiver, Esq.











| U.S. Postal Service CERTIFIED MAIL RECEIPT | SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY | | |
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| (Domestic Mail Only, No Insurance Coverage | 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, the mailpiece permittee. | A. Received by (Please Print Clearly) B. Date of Delivery | | |
| 570971/ Postage \$ 3.85 000/Certified Fee 7.30 | or on the front if space permits. 1. Article Addressed to: | b. Is delivery address differentiation, item 1? Yes If YES, enter address below: No | | |
| Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 7,977 | Summit Overseas Exploration Inc. Post Office Box 260590 Lakewood, CO 80226-0590 | 3. Service Type | | |
| Sent To Summit Overseas Exploration 1 | | Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D. Restricted Delivery? (Extra Fee) Yes | | |
| Street, Apr. N. Post Office Box 260590 city, State, Zij Lakewood, CO 80226-0590 Stomsen. | 2. Article Number (Copy from service label) 7001 | 1140 0002 9558099 | | |
| PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952 | | | | |
| U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage) | 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 malipiece, or on the front if space permits. | A Received by (Please Print Clearly) B. Date of Delivery Del Pennett 5-3-05 C. Signature X Del Remett DAgent Addressee | | |
| | 1. Article Addressed to: | D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No | | |
| 304 footage \$ 3.85 000 Certified Fee 2.30 Return Receipt Fee 1.75 Pool | | | | |
| Restricted Delivery Fee Endorsement Required) Total Postage & Fees \$ 7.90 | Harper Co., Personal Representatives P. O. Box 840 Artesia, NM 88211-0840 | 3. Service Type Certified Mail Express Mail Registered Insured Mail C.O.D. | | |
| ent To Lillie M. Yates Estate | | 4. Restricted Delivery? (Extra Fee) | | |
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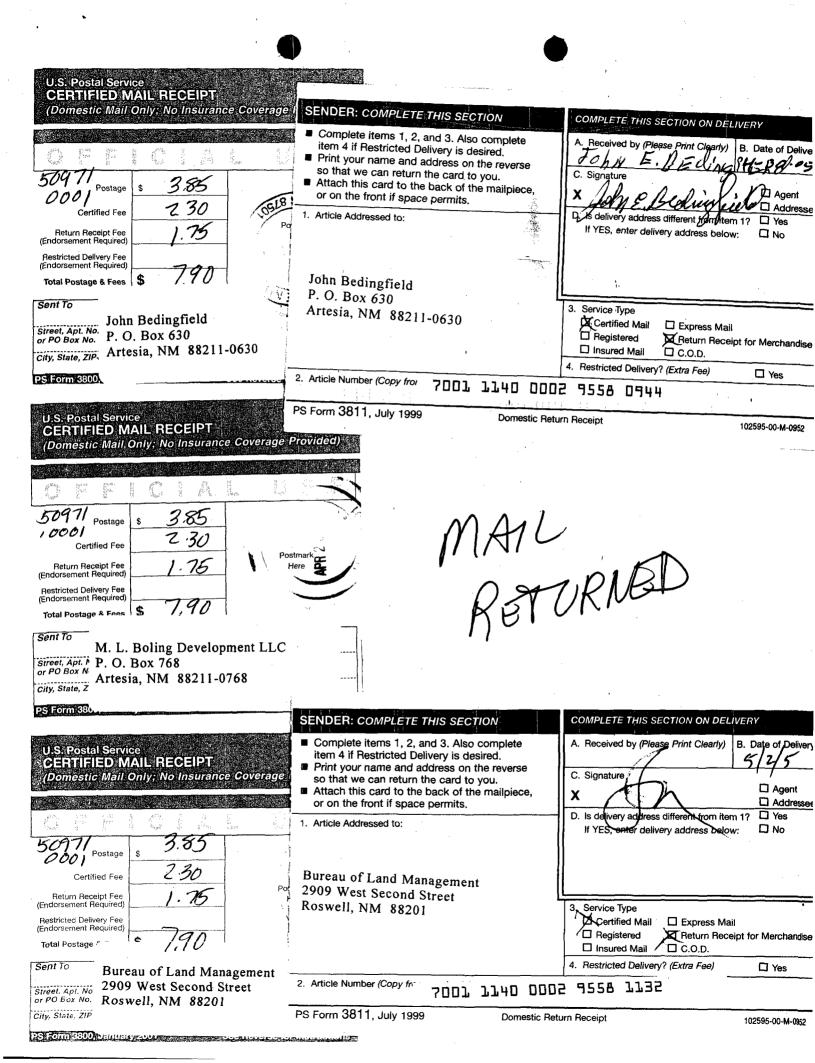
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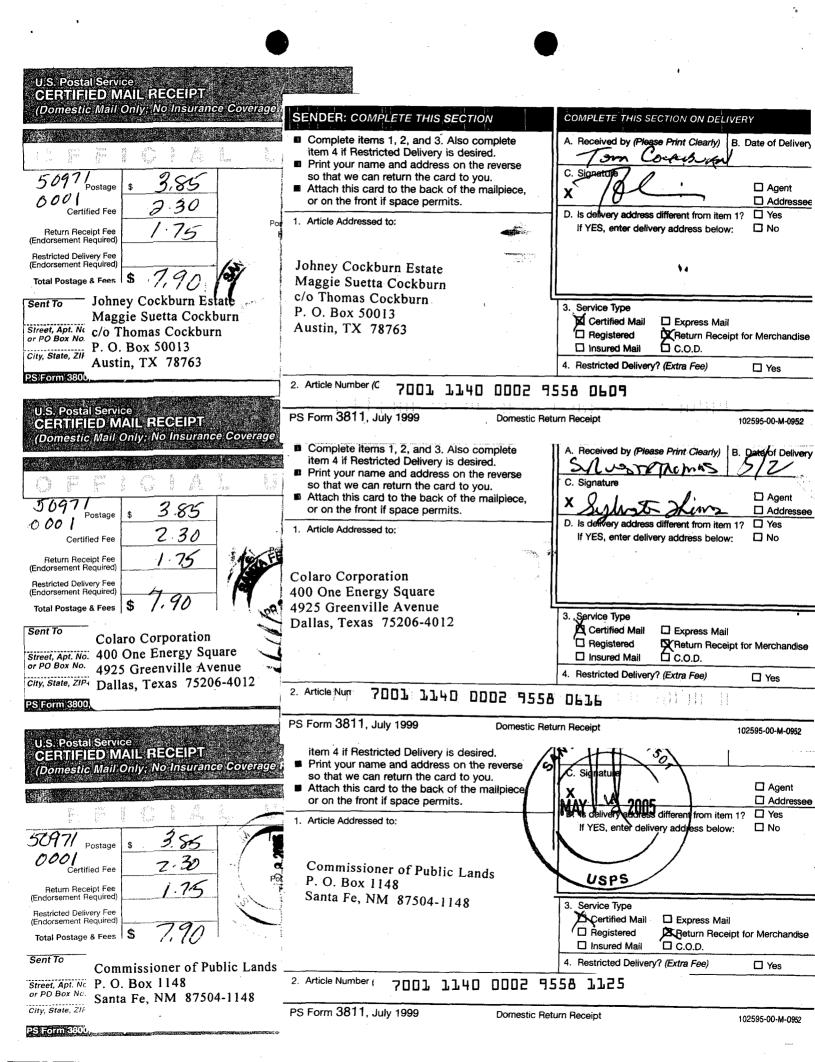
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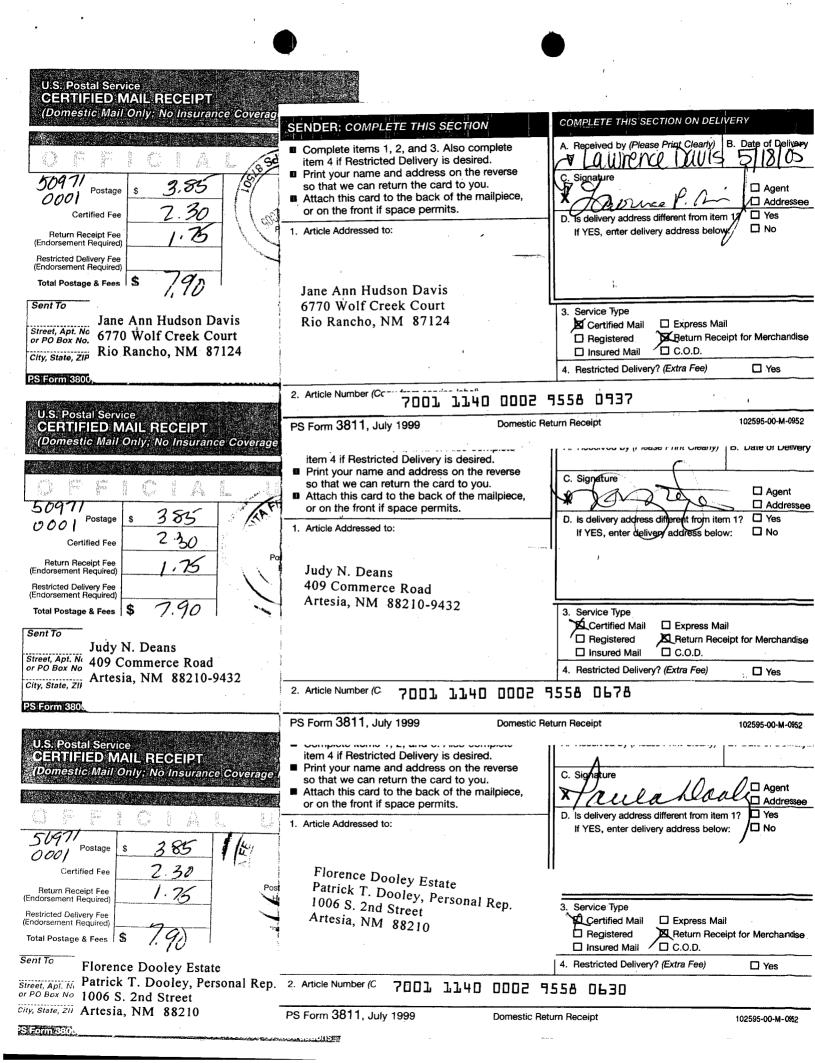
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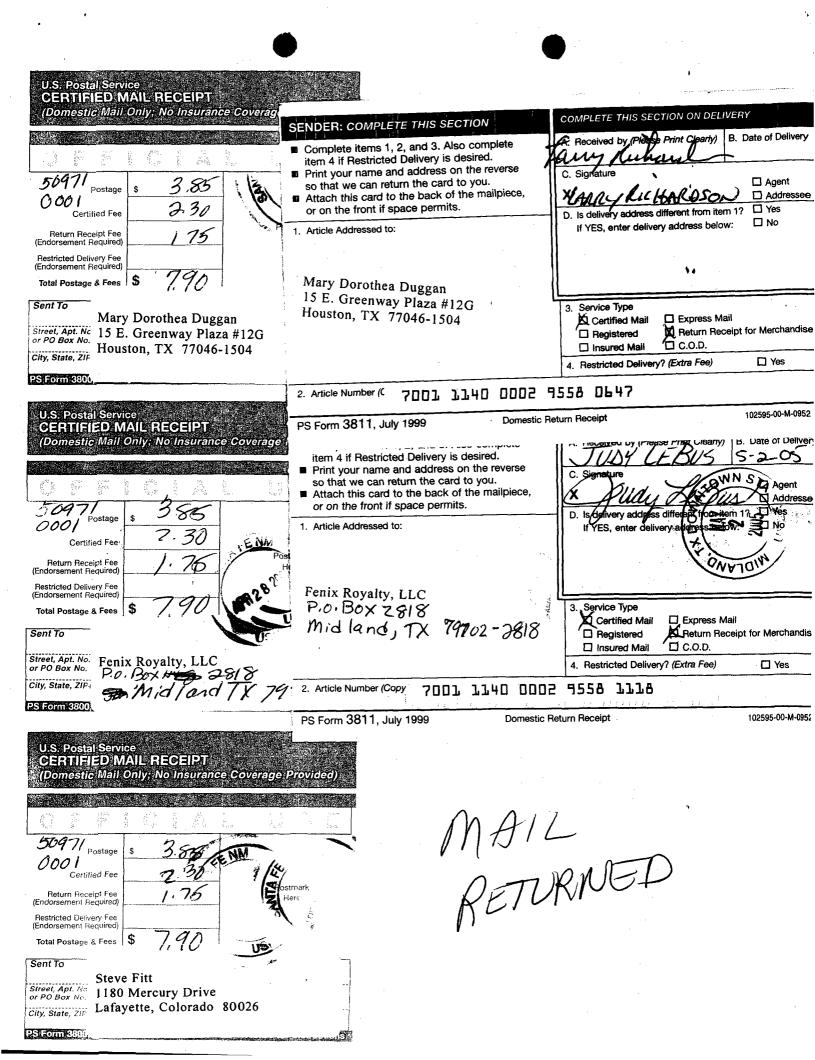
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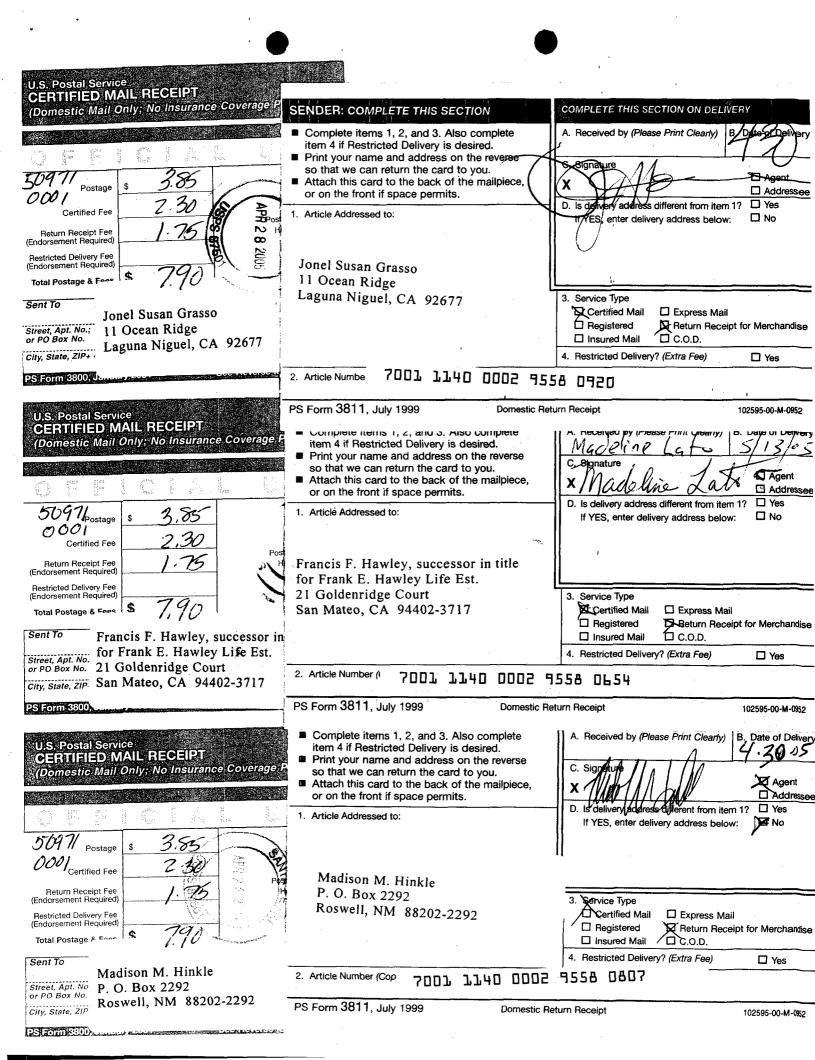
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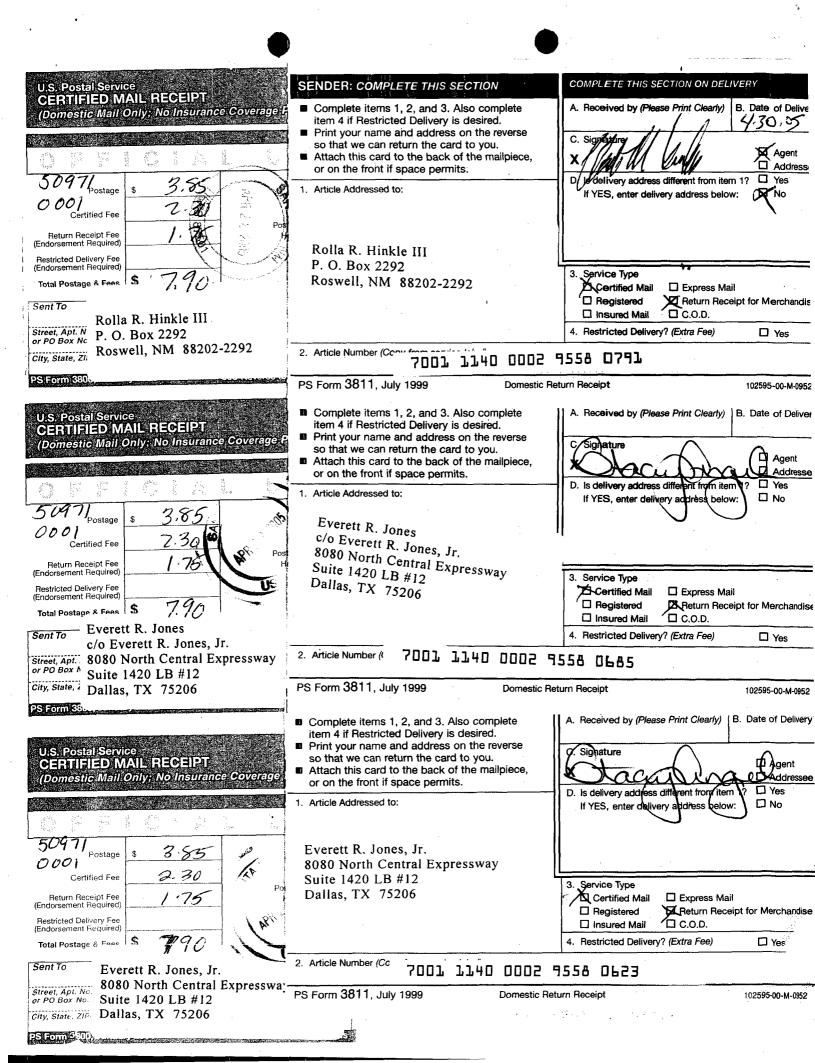




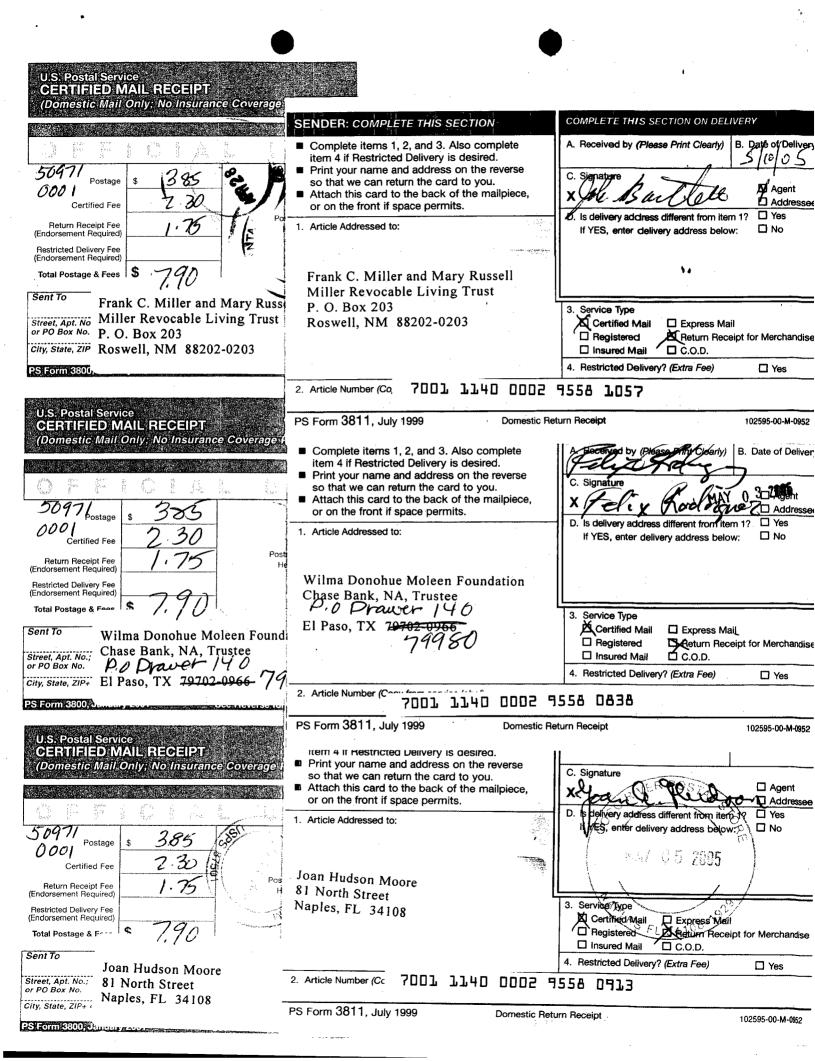


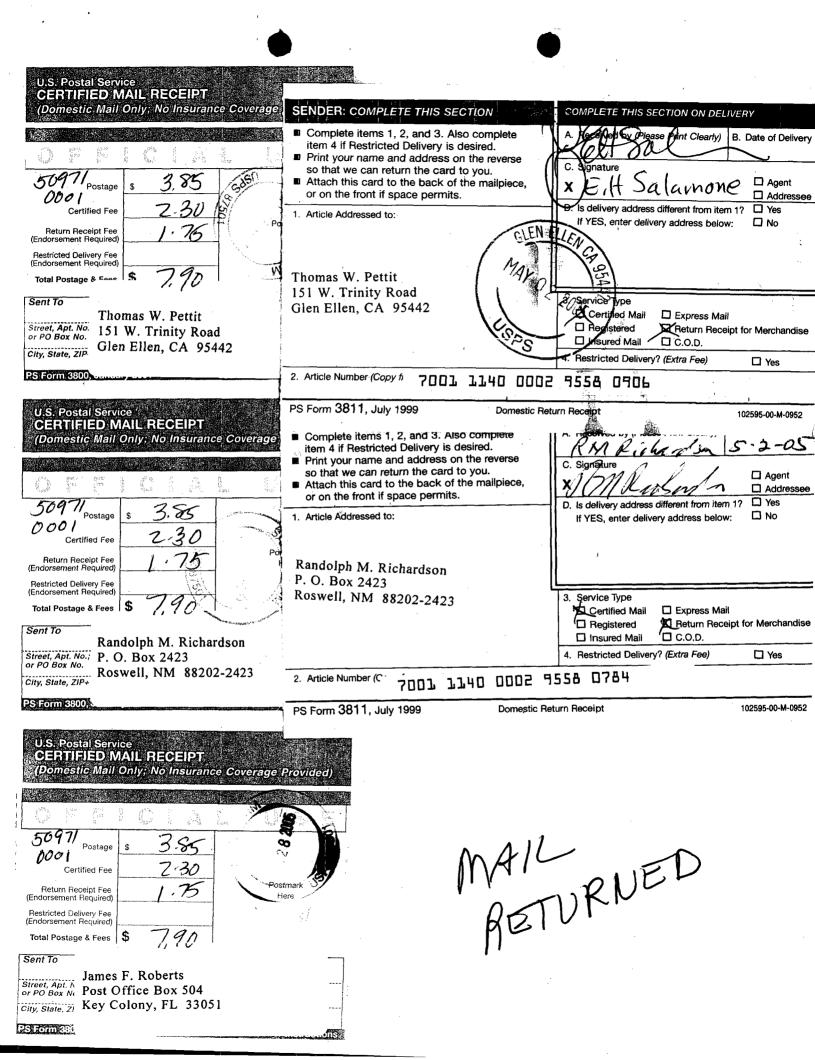


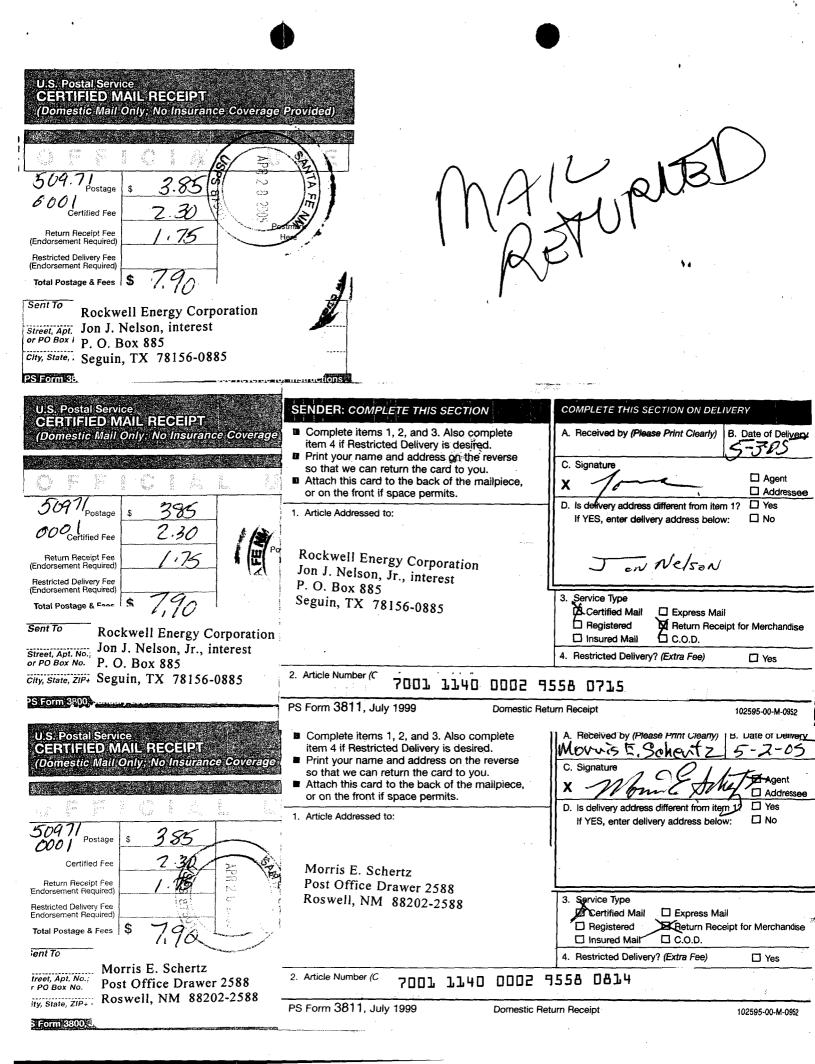


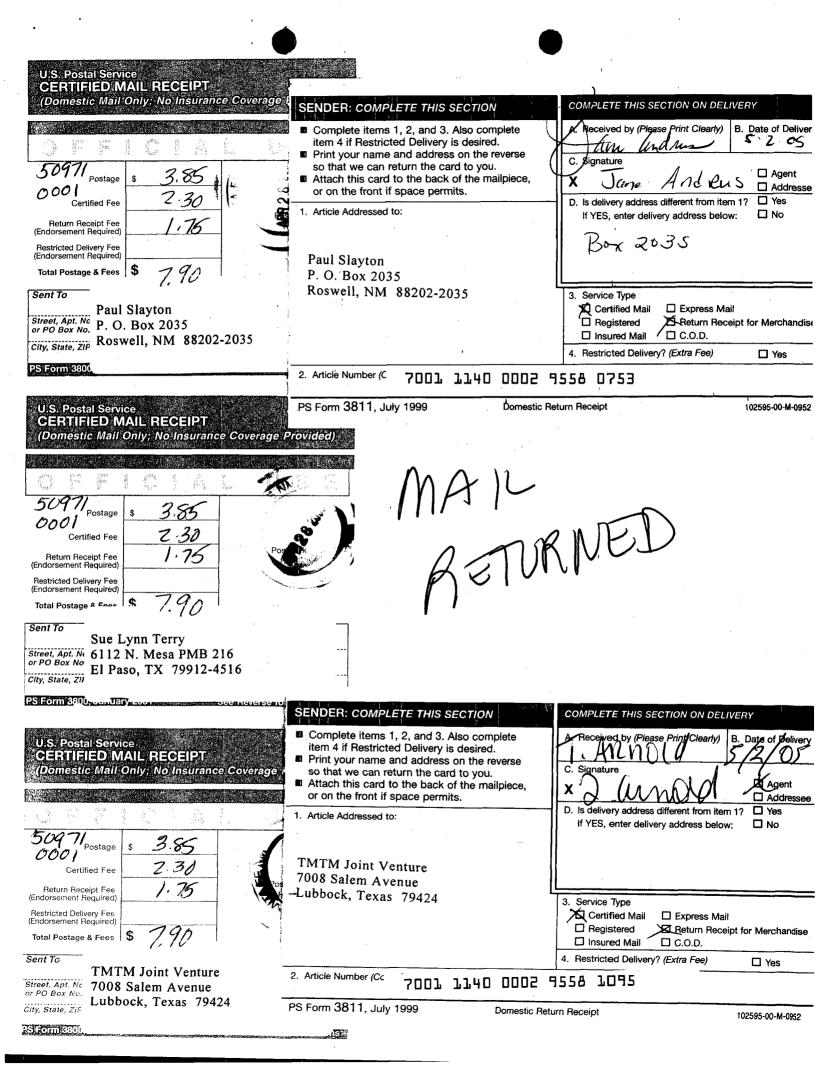


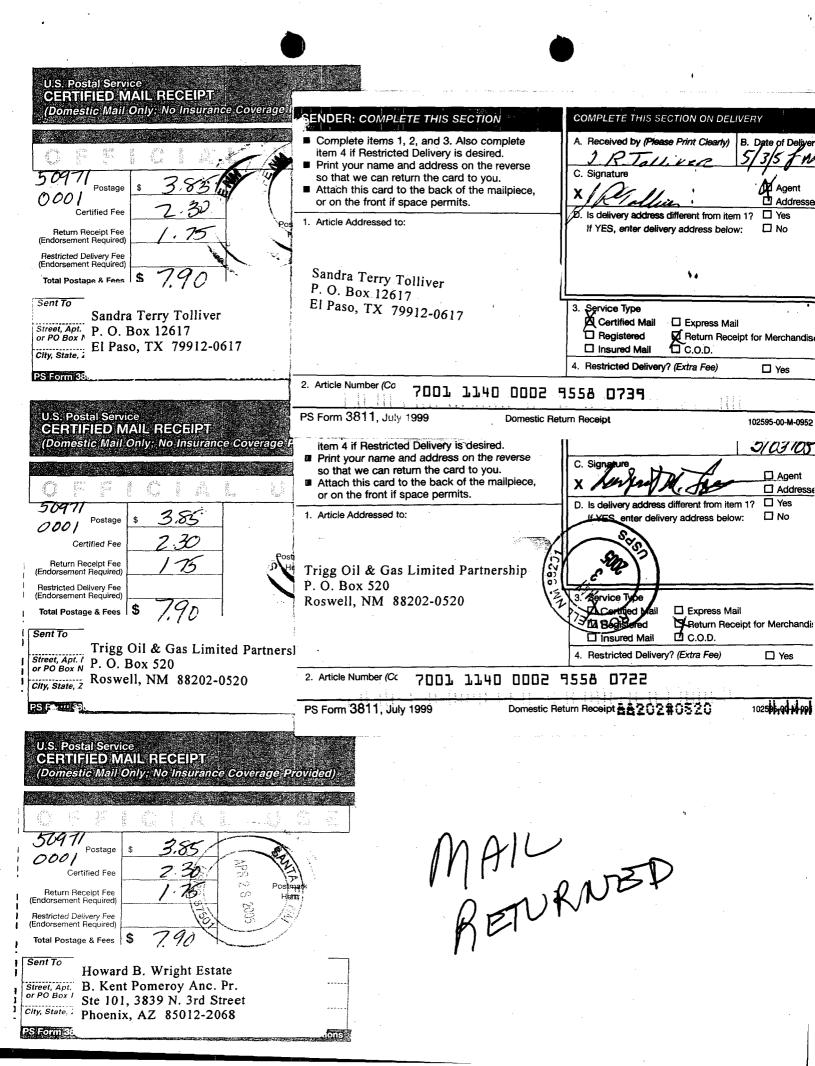
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| Sent To Pamela June Krueger Street, Apt. Nc or PO Box No. Jacksonville, FL 32255-1023 City, State, Zif | | þ. |
| PS Form 3800 | | \$1.5 M |
| U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage F | SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complete | COMPLETE THIS SECTION ON DELIVERY A. Received by (Please Print Clearly) B. Date of Delivery |
| 570971/ Postage \$ 3.86 | 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: | X Eliza Juni ddressee |
| Certified Fee 7.30 Return Receipt Fee 1.75 (Endorsement Required) Restricted Delivery Fee (Endorsement Required) | Losee Investments LLC P. O. Box 1720 Artesia, NM 88211-1720 | 3. Service Type |
| Total Postage & Fees \$ 7.90 Sent To Losee Investments LLC Street, Apt. No.; P. O. Box 1720 or PO Box No. | | Certified Mail Express Mail Registered Insured Mail C.O.D. Sector Content of the cont |
| City, State, ZIP+ | 2. Article Number (7001 1140 0002 9 | 1558 1101 |
| IS FORMERBOD | PS Form 3811, July 1999 Domestic Re | eturn Receipt 102595-00-M-0952 |
| U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage F | 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. | A. Received by (Please Print Clearly) B. Date of Delivery C. Signature A. Received by (Please Print Clearly) B. Date of Delivery C. Signature Agent Addressee D. Is delivery address different from item 1? Yes |
| $50971 _{Postage} \$ 3.85 \\ \widehat{0}601 \\ Certified Fee 2.30 \\ Postage 8 \\ \widehat{0}601 \\ Certified Fee 8 \\ \widehat{0}601 \\ \widehat{0}601$ | Article Addressed to: Marbob Oil Corporation | If YES, enter delivery address below: |
| Return Receipt Fee Endorsement Required) Restricted Delivery Fee Endorsement Required) Total Postage & Fees \$ 7,90 | 2208 West Main Street P. O. Box 227 Artesia, NM 88211-0227 | 3. Service Type Certified Mail Express Mail Registered Return Receipt for Merchandise |
| Marbob Oil Corporation Treet, Apt. No. PO Box No. P. O. Box 227 | 2. Article Number (C 7001 1140 0002 | 4. Restricted Delivery? (Extra Fee) □ Yes 9558 □692 |
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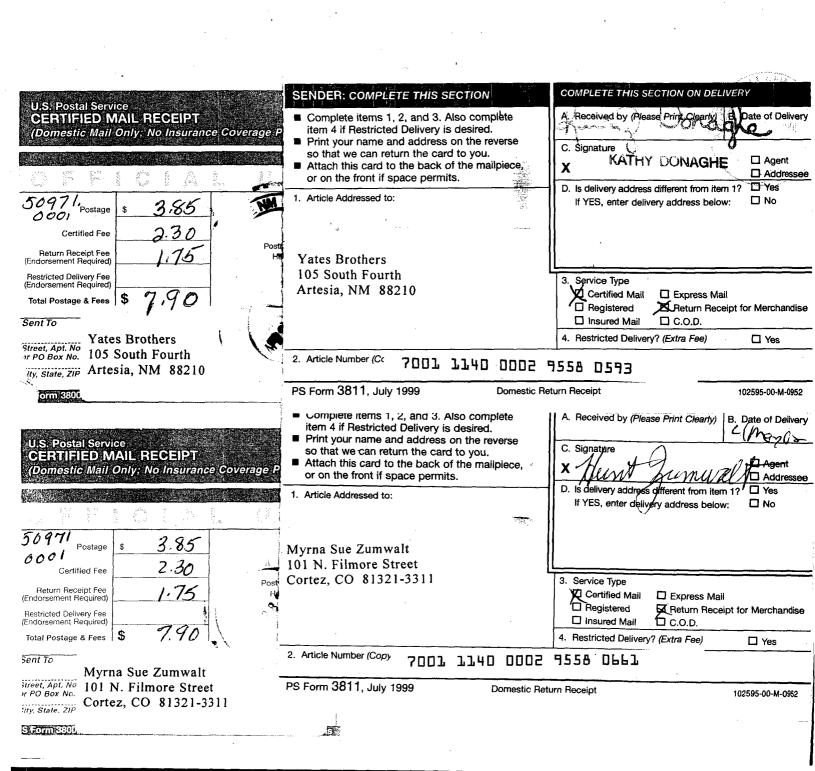


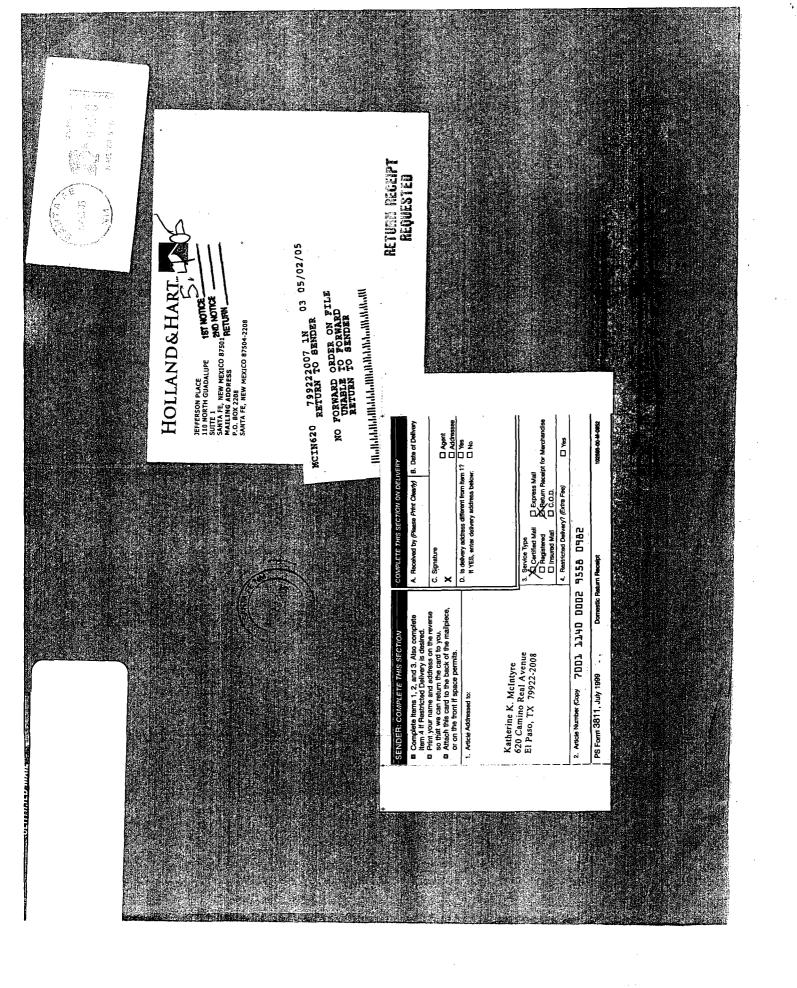


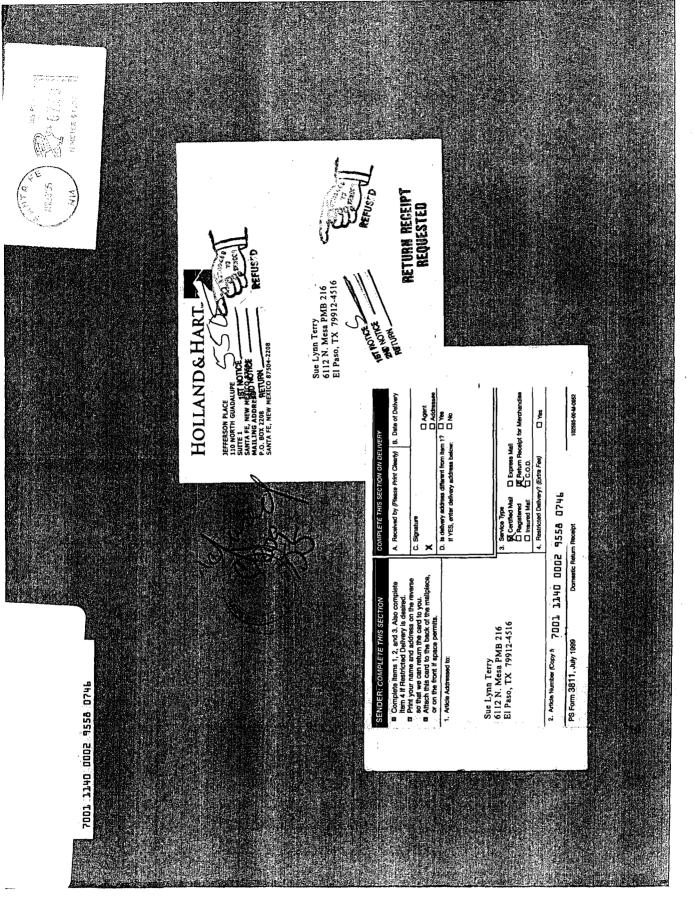


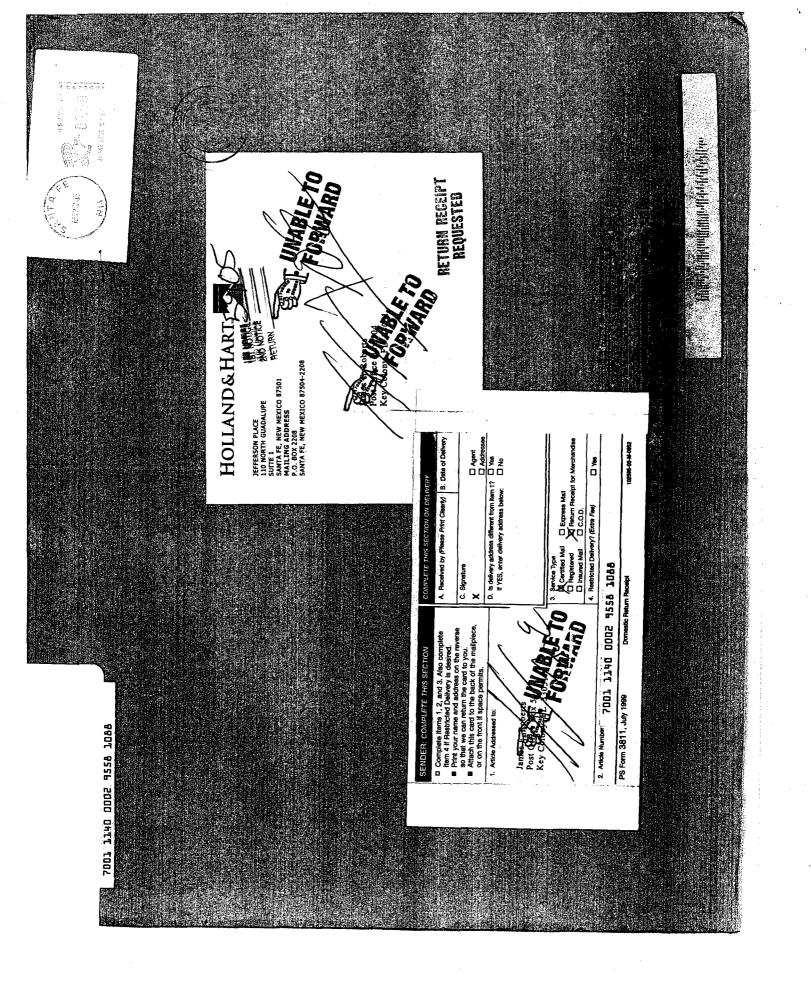


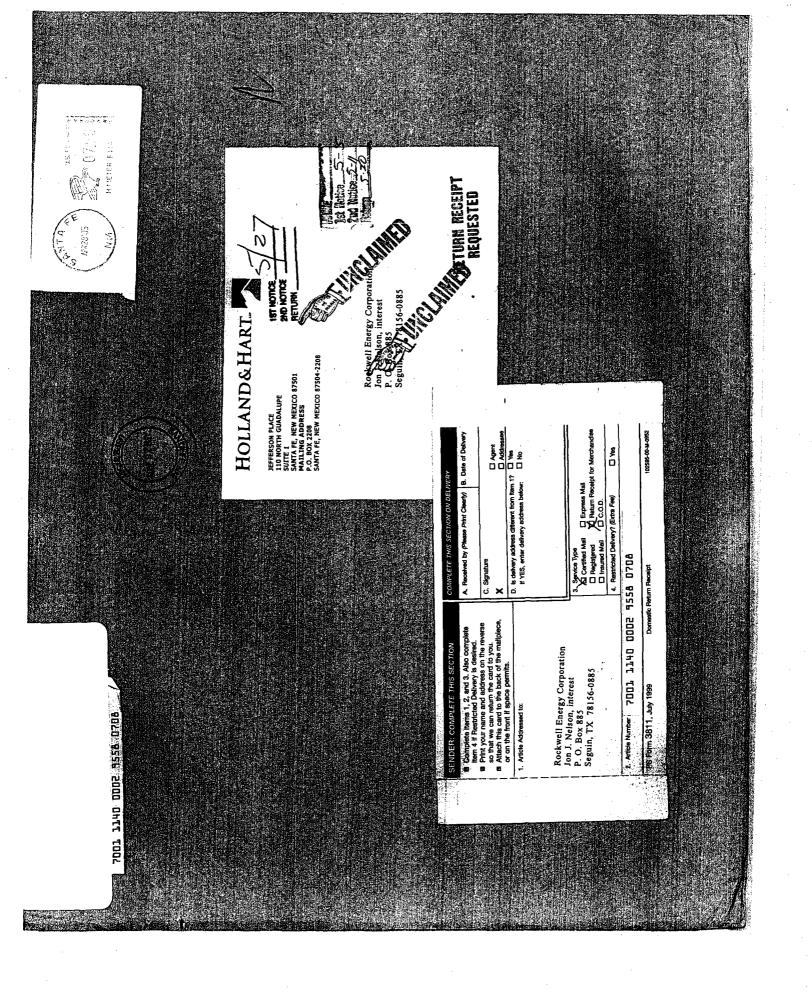






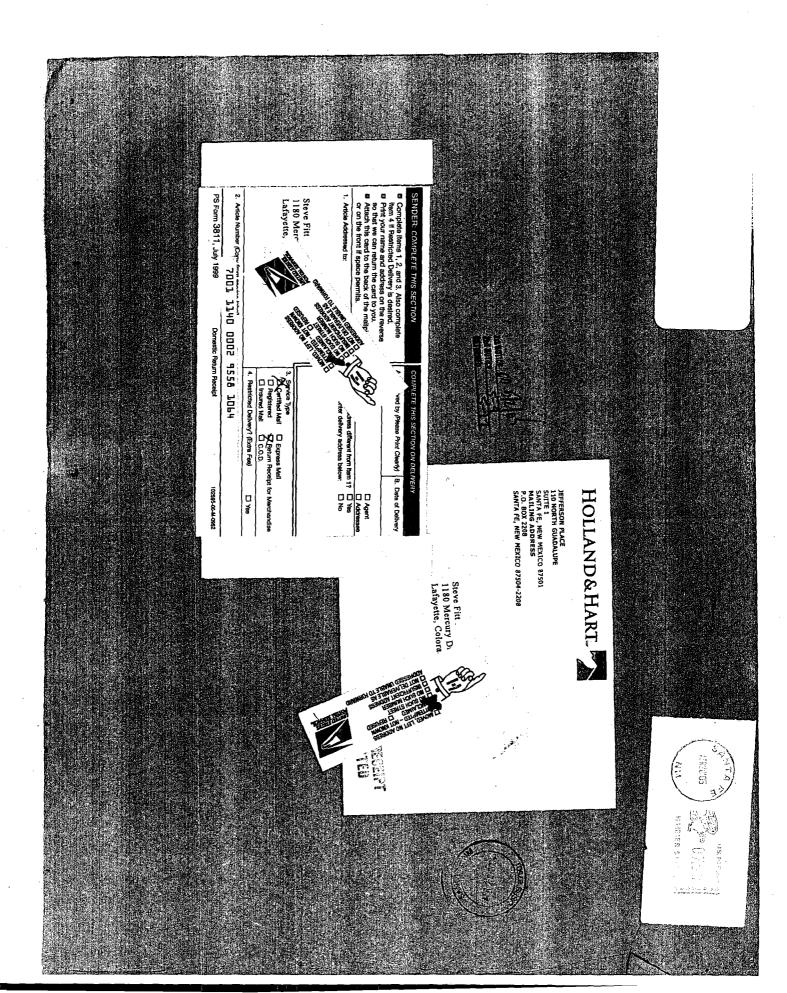


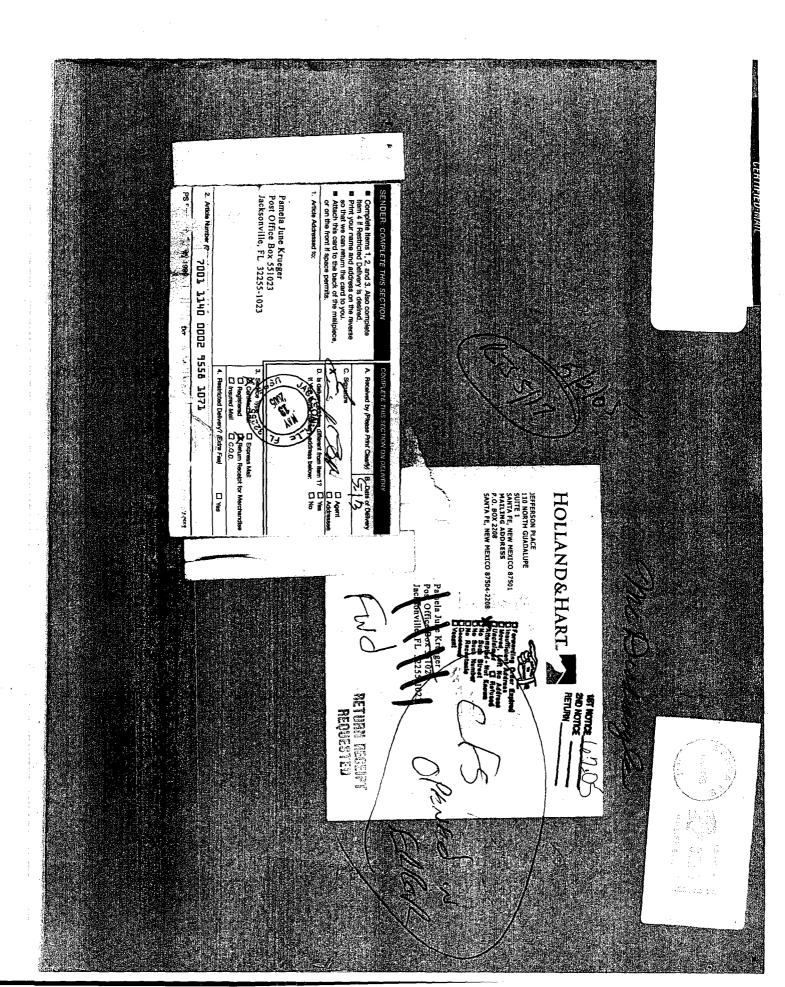


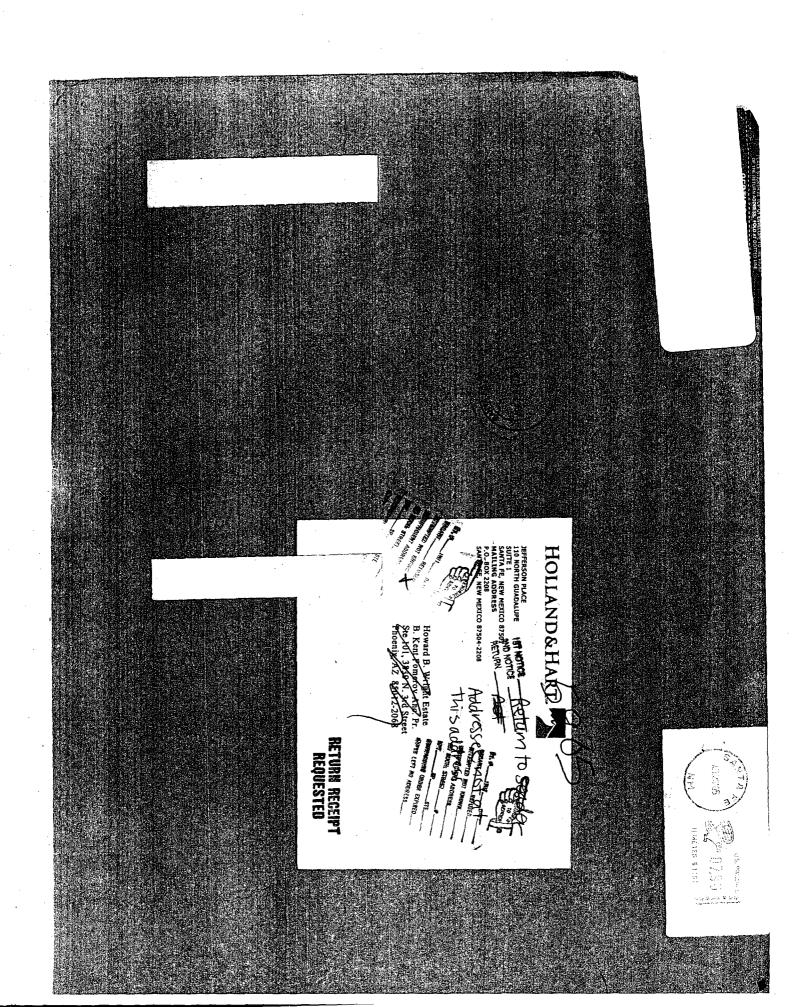


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| | HOLLAND&H | T NOTICE | |
| | MATIA FE, NEW MEXICO 87501 R MILLING CORESS P.Q. BOX 208 SANTA FE, INEW MEXICO 87504-2208 M. L. Bolinin P. O. Box 73 Artesia | DEVELOPMENT LLC Box Order Box Order Development LLC Box Order Box Order | |
| SENDER: COMPLETE THIS SECTION 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 malipiece, or on the front if space permits. Article Addressed to: M. L. Boling Development LLC P. O. Box 768 | COMPLETE THIS SECTION ON DELIVERY | RETURN RECEIPT REQUESTED | |
| 2. Arice Number 2 JOL 1140 0002 95 | 3. Service Type 9. Registered 1. Respiration 1. Restricted Delivery? (Extra Fee) 1. Restricted Delivery? (Extra Fee) 5.8 0.7 LD num Receipt 102505-00-04-0552 | | |
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| Affidavit of Publication NO. 18853 | | | | |
|---|--|--|--|--|
| STATE OF NEW MEXICO | | | | |
| County of Eddy: | | | | |
| Gary D. Scott being du | | | | |
| sworn,says: That he is the Publisher of The | | | | |
| Artesia Daily Press, a daily newspaper of general | | | | |
| circulation, published in English at Artesia, said county | | | | |
| and county and state, and that the here to attached | | | | |
| Legal Notice | | | | |
| was published in a regular and entire issue of the said | | | | |
| Artesia Daily Press, a daily newspaper duly qualified | | | | |
| for that purpose within the meaning of Chapter 167 of | | | | |
| the 1937 Session Laws of the state of New Mexico for | | | | |
| 1 consecutive week/days on the same | | | | |
| day as follows: | | | | |
| First Publication May 3 2005 | | | | |
| Second Publication | | | | |
| Third Publication | | | | |
| Fourth Publication | | | | |
| X/1 Sitt | | | | |
| 11 mg 10 Wear | | | | |
| Subscribed and sworn to before me this | | | | |
| 9th Day May 2005 | | | | |
| Notary Public, Eddy County, New Mexico | | | | |
| My Commission expires September : 23, 2007 | | | | |

Copy of Publicatio

NOTICE OF PUBLICATION STATE OF NEW MEXICO **ENERGY, MINERALS** AND NATURAL RESOURCES DEPARTMENT **OIL CONSERVATION** DIVISION SANTA FE NEW MEXICO The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on May 19, 2005, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qulified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network. 1-800-659-1779 by May 9, 2005. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed. STATE OF NEW **MEXICO TO:** All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

McQuadrangle, LC for statutory unitization of. the South RedLake II Unit Area, Eddy County, New Mexico. Applicant in the above-styled cause, seeks an order unitizing, for the purpose of establishing an en hanced recovery project, all mineral interest in the San Grayburg and Andres formations, Red k 8 Queen-Grayburg-San Andres Pool, underlying 961.61 acres, more or less, of Federal and State lands in the following acreage: TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM EAST, E/2, Section 35: 2 F SW/4. SE/4 NW/4, Section 36: W :::4 NE/4 substitution of unit TOWNSHIP 18 SOUTH, Prator, and time of co **NE/4** RANGE EAST, 27 NMPM Section 1: Section 2: 1.2.3

CASE 13489:

Application

of

nated the RedLake II Unit.

Among the matters considered at hearing will be the cessity of unit o tions; the designati a unit operator; the ignation of horizonta vertical limits of the area; the determin of the fair, reason and equitable alloc of production and of production, inclu capital investment each of the various ti in the unit area; the termination of credits charges to be m among the various c ers in the unit area their investment in y and equipment and s other matters as may necessary and ap priate for carrying on cient unit operations; ... cluding but not limited W/2, unit voting procedur selection, removal mencement and termi Lot 4 Applicant also reque Lot s hat any such order sued in this case inclu Said unit to be desig- 1 non-consent pena South or risk to be chargingainst carried work interests within the u area upon such terr and conditions to be d termined by the Divisio

as just and reasonabl Said unit area is locate approximately 16 mile southeast of Artesia New Mexico. Given under the Seal of the State of New Mex co Oll Conservation **Commission** at Sant Fe, New Mexico on this 29th day of April. 2005,

STATE OF NEW MEXICO **OIL CONSERVATION**

DIVISION Mark E. Fesmire, P.E. Directo

Published in the Artesia Daily Press, Artesia N.M. May 3, 2005. Legal 1885: