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

APPLICATION OF APACHE CORPORATION FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 15217

AFFIDAVIT OF NOTICE

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

Candace H. Callahan, being duly sworn upon her oath, deposes and states:

- 1. I am over the age or 18, and have personal knowledge of the matters stated herein.
- 2. I am an attorney for Apache Corporation.
- Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
- 4. Notice of the application was provided to the interest owners, at their correct addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A.
- 5. Applicant has complied with the notice provisions of Division Rules NMAC 19.15.4.9 and 19.15.4.12.C.

Candace H. Callahan

SUBSCRIBED AND SWORN TO before me this 29th day of October, 2014, by Candace H. Callahan.

My Commission Expires: June 12, 2017

OFFICIAL SEAL

Mary L. Finney

NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: (2/12/2017)

Exhibit 2

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW

500 Don Gaspar Avenue Santa Fe, New Mexico87505-2626 Telephone (505) 983-8545 Facsimile (505) 983-8547 www.bwenergylaw.com

CASPER

CHEYENNE

DENVER

SALT LAKE CITY

SANTA FE

CANDACE CALLAHAN

DIRECT: (505) 983-8764

E-MAIL: CCALLAHAN@BWENERGYLAW.COM

September 17, 2014

VIA CERTIFIED MAIL-RETURN RECEIPT

To: Persons on Exhibit A

Re: NMOCD Compulsory Pooling Application for Case #15217

Dear Ladies and Gentlemen:

Enclosed is a copy of an application for compulsory pooling filed with the New Mexico Oil Conservation Division by Apache Corporation regarding the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico. This matter is scheduled for hearing at 8:15 a.m. on Thursday, October 16, 2014, at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit, you have the right to enter an appearance and participate in the case. Failure to appear will proclude you from contesting this matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, October 9, 2014. This statement must be filed with the Divisions' Santa Fe office at the above address and should include: the names of the party and its attorney; a concise statement of the case; the names of the 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 need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned and to the persons listed on Exhibit A.

Very truly yours,

Candace H. Callahan

Attorney for Apache Corporation

Exhibit A

EXHIBIT A

A&P Family Limited Partnership P.O. Box 1046 Eunice, NM 88231

The Allar Company P.O. Box 1567 Graham, TX 76450

Pat Alston Ward 207 Porr Drive Ruidoso, NM 88355

Bank of America, N.A., Trustee of the Myrtle L. Davis Trust P.O. Box 830308 Dallas, TX 85283-0308

Burlington Resources Oil & Gas Company, L.P. c/o ConocoPhillips Company
Attn: Ashley Manning-Duke
600 N. Dairy Ashford, 2WL-15060
Houston, TX 77252-2197

Sally Rogers 152b Arroyo Hondo Road Santa Fe, 87508

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

2014 SEP 16 A 7: 54

APPLICATION OF APACHE CORPORATION FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 15217

APPLICATION

Apache Corporation ("Apache") applies for an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, NMPM, and in support hereof, states:

- 1. Apache (OGRID 873) is a working interest owner in the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Pinot #003 and Pinot #006 Wells, at an orthodox location, to a depth sufficient to test the Abo formation, and seeks to dedicate the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interest to the well, certain interest owners have failed or refused to join in dedicating their interests.

Therefore, applicant seeks an order pooling all mineral interest owners in the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interest in the SE/4NW/4 of Section 2, Township 20 South,

 Range 38 East, from the surface to the base of the Abo formation;
- B. Designating applicant as operator of the well;
- Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the drilling of the well.

Respectfully submitted,

BEATTY & WOZMIAK, P.C.

Ву:

Candace H. Callahan 500 Don Gaspar Avenue

Santa Fe, New Mexico 87505

(505) 983-8545

<u>ccallahan@bwenergylaw.com</u> ATTORNEY FOR APACHE CORPORATION

PERSONS NOTIFIED OF APPLICATION

- * C. S. Daley
- * The Heirs or Devisees of J. Kenneth Fasken, Deceased
- * The Heirs or Devisees of Harry Levy, Deceased
- * Beverly B. Nelson
- * Joseph Nelson
- * Gertrude Soper
- * Bernice Wade
- * John Lutrell
- * Robert Joe Reichert
- * Pat Farris
- * Cheryl Menz
- * Douglas Menz
- * The Colorado Corporation

A&P Family Limited Partnership P.O. Box 1046 Eunice, NM 88231

The Allar Company P.O. Box 1567 Graham, TX 76450

Pat Alston Ward 207 Porr Drive Ruidoso, NM 88355

Bank of America, N.A., Trustee of the Myrtle L. Davis Trust P.O. Box 830308 Dallas, TX 85283-0308

Burlington Resources Oil & Gas Company, L.P. c/o ConocoPhillips Company Attn: Ashley Manning-Duke 600 N. Dairy Ashford, 2WL-15060 Houston, TX 77252-2197

Sally Rogers 152b Arroyo Hondo Road Santa Fe, 87508

^{*} Indicates Unleased Mineral Interest Owners that cannot be located or are in suspense due to invalid address.

9/17 mailed 1/23 received 24 days

	MAIL: REC	overage Provided)
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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 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. Article Addressed to: 	A. Signature Algert Addressee B. Received by (Printed Name) D. Is delivery address different from Jenson If YES, enter delivery address below:
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Finney, Mary

From: US_Postal_Service@usps.com

Sent: Wednesday, October 29, 2014 9:21 AM

To: Finney, Mary

Subject: USPS Shipment Info for 70120470000201958369

This is a post-only message. Please do not respond.

Mary has requested that you receive the current USPS Tracking™ information, as shown below.

Current USPS Tracking™ e-mail information provided by the U.S. Postal Service.

Label Number: 70120470000201958369

Service Type: Certified Mail™

Shipment Activity	Location	Date & Time
Forwarded	RUIDOSO, NM	October 22, 2014 9:01 am
Notice Left (No Authorized Recipient Available)	RUIDOSO, NM 88345	October 22, 2014 8:56 am
Departed USPS Facility	EL PASO, TX 79910	October 21, 2014 11:05 pm
Arrived at USPS Facility	EL PASO, TX 79910	October 16, 2014 9:29 pm
Arrived at USPS Facility	NORTH HOUSTON, TX 77315	October 11, 2014 8:24 pm
Forwarded	RUIDOSO, NM	October 7, 2014 9:00 am
Departed USPS Facility	EL PASO, TX 79910	October 6, 2014 9:40 am
Arrived at USPS Facility	EL PASO, TX 79910	October 5, 2014 9:46 pm
Arrived at USPS Facility	NORTH HOUSTON, TX 77315	October 3, 2014 7:03 pm
Forwarded	RUIDOSO, NM	September 29, 2014 9:30 am
Undeliverable as Addressed	RUIDOSO, NM 88345	September 29, 2014 9:17 am
Departed USPS Facility	EL PASO, TX 79910	September 28, 2014 11:46 pm
Arrived at USPS Facility	EL PASO, TX 79910	September 27, 2014 11:24 pm
Departed USPS Facility	COPPELL, TX 75099	September 27, 2014 12:56 am
Arrived at USPS Facility	COPPELL, TX 75099	September 26, 2014 2:20 pm
Forwarded	RUIDOSO, NM	September 19, 2014 9:04 am
Undeliverable as Addressed	RUIDOSO, NM 88345	September 19, 2014 9:00 am
Arrived at Unit	RUIDOSO, NM 88345	September 19, 2014 8:28 am
Departed USPS Facility	EL PASO, TX 79910	September 19, 2014 12:54 am
Arrived at USPS Facility	EL PASO, TX 79910	September 18, 2014 9:48 pm
Departed USPS Facility	ALBUQUERQUE, NM 87101	September 18, 2014 3:26 am
Arrived at USPS Facility	ALBUQUERQUE, NM 87101	September 17, 2014 10:28 pm

USPS has not verified the validity of any email addresses submitted via its online USPS Tracking™ tool.

For more information, or if you have additional questions on USPS Tracking™ services and features, please visit the Frequently Asked Questions (FAQs) section of our USPS Tracking™ site at http://www.usps.com/shipping/trackandconfirm.htm

Want to Track on the go?

You can track your packages using USPS Text Tracking™ by texting your tracking number to 28777 (2USPS™) or

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Burlington Resources Oil & Gas Company, L.F. c/o Conoco Phillips Company Attn: Ashley Manning-Dyke 600 N. Dairy Ashford, 2WL-15060 Houston, TX 77252-2197	3. Service Type Certified Mall Registered Return Receipt for Merchandise C.O.D.
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