

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON DAILY LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Legal Notice

was published in a regular and entire issue of **THE LOVINGTON DAILY LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of January 7, 2006 and ending with the issue of January 7, 2006.

And that the cost of publishing said notice is the sum of \$ 36.42 which sum has been (Paid) as Court Costs.

Joyce Clemens
Subscribed and sworn to before me this 11th day of January 2006

Debbie Schilling
Debbie Schilling
Notary Public, Lea County, New Mexico
My Commission Expires June 22, 2006

LEGAL NOTICE
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 February 2, 2006, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified 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 January 23, 2006. 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.

Hoyt State Exploratory Unit from the surface the base of the Mississippian formation an area comprising 752 acres of State of New Mexico and Federal land in Sections 8, 9, 10, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, and 24 Township 10 South Range 35 East, NMPN which is located approximately 7 miles southeast of Crossroads, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservator Commission at Santa Fe, New Mexico on this 5th day of January 2006.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION

Mark E. Fesmire, P.E.,
Director

Published in the Lovington Leader January 7, 2006.

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.)

CASE 13638:

Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13638 Exhibit No. 3
Submitted by:
YATES PETROLEUM CORPORATION
Hearing Date: February 2, 2006

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

CASE NO. 13638

**APPLICATION OF YATES PETROLEUM
CORPORATION FOR APPROVAL OF A UNIT
AGREEMENT, LEA COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Mr. Robert Bullock
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118
(505) 748-1471

ATTORNEY

Ocean Munds-Dry, Esq.
William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant seeks approval of the Hoyt State Exploratory Unit from the surface to the base of the Mississippian formation in an area comprising 7320 acres of State of New Mexico and Federal lands in Sections 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, and 24 in Township 10 South, Range 35 East, NMPM, which is located approximately 7 miles southeast of Crossroads, New Mexico.

2006 JUN 25 PM 4 00

WJT 1/26/06

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PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and Expertise)

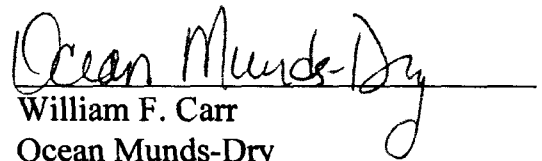
ESTIMATED TIME

EXHIBITS

BY AFFIDAVIT

PROCEDURAL MATTERS

Pursuant to Division policy Yates Petroleum Corporation will present this case by Affidavit.

A handwritten signature in cursive script, appearing to read "Ocean Munds-Dry", is written over a horizontal line.

William F. Carr
Ocean Munds-Dry
Attorneys for Yates Petroleum Corporation