

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

APPLICATION OF MCELVAIN OIL & GAS
PROPERTIES, INC., FOR COMPULSORY
POOLING, RIO ARriba COUNTY, NEW
MEXICO

CASE NO. 13693

AFFIDAVIT

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

Ocean Munds-Dry, attorney in fact and authorized representative of McElvain Oil & Gas Properties, Inc., the Applicant herein, being first duly sworn, upon oath, states that notice of the above-referenced 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.

Ocean Munds-Dry
Ocean Munds-Dry

SUBSCRIBED AND SWORN to before me this 16th day of March 2006.



OFFICIAL SEAL
LISAMARIE ORTIZ
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires 9/14/07

[Signature]
Notary Public

My Commission Expires:

January 14, 2007



March 16, 2006

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

Re: Application of McElvain Industries, Inc. for compulsory pooling, Rio Arriba County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that McElvain Oil & Gas Properties, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the surface to the base of the Blanco-Mesaverde formation in a certain spacing and proration unit in the W/2 of Section 14, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico. McElvain proposed to drill the Badger 14 Well No. 1A at a standard location 2120 feet from the South line and 660 feet from the West line to a depth of approximately 5832 feet to test the Blanco-Mesaverde formation. This well will be dedicated to an existing 320-acre spacing or proration unit as the first optional infill well under the Special Pool Rules and Regulations for the Blanco-Mesaverde Gas Pool.

This application has been set for hearing before a Division Examiner on April 13, 2006. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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 four days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should 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.

Sincerely,

Ocean Munds-Dry
ATTORNEY FOR MCELVAIN OIL & GAS
PROPERTIES, INC.

Holland & Hart LLPPhone (505) 988-4421 Fax (505) 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address PO Box 1208 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. ☪

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Total Postage & Fees
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 SAN JUAN PHILLOVER, OKLAHOMA

Sent To
 Mr. Alex Phillips
 San Juan Gas Corporation
 1318 Phillover Building
 Tulsa, OK 74101-3100

PS Form 3800

U.S. Postal Service
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Post Office Here
 SAN JUAN PHILLOVER, OKLAHOMA

Sent To
 Mr. Christopher Phillips
 c/o Natural Evolutions, Inc.
 5719 E. 13th Street #B
 Tulsa, OK 74112

PS Form 3800

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- 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:

Mr. Alex Phillips
 San Juan Gas Corporation
 1318 Phillover Building
 Tulsa, OK 74101-3100

COMPLETE THIS SECTION ON DELIVERY

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

C. Signature
Chris Phillips Agent-Addressee

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

3. Service Type

- Certified Mail
- Registered
- Insured Mail
- Express Mail
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4. Restricted Delivery? (Extra Fee) Yes No

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Christopher Phillips
 c/o Natural Evolutions, Inc.
 5719 E. 13th Street #B
 Tulsa, OK 74112

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) _____ B. Date of Delivery _____
Chris Phillips 7/20/98

C. Signature
Chris Phillips Agent-Addressee

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

3. Service Type

- Certified Mail
- Registered
- Insured Mail
- Express Mail
- Return Receipt for Merchandise
- C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

2. Article Number (Cop) 7001 1140 0002 9557 9238

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