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February 20, 2007

**HAND DELIVERED**

Mr. Will Jones  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Case No. 13771: (Re-advertised.) Amended Application Of Kaiser-Francis Oil Company For Promulgation Of Special Pool Rules For The East Happy Valley Bone Spring Pool, For An Exception To The Gas-Oil Ratio Limitation, And Assignment Of A Special Depth Bracket Allowable, Eddy County, New Mexico.

Dear Mr. Jones:

Enclosed is the original Affidavit of Publication reflecting that the amended application in this case was advertised in the Carlsbad Current-Argus on October 19, 2006. On behalf of the Applicant, I request that this Affidavit be made part of the record in this matter.

Thank you.

Very truly yours,

MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb  
cc (w/encl.) James Bruce, Esq.  
Ocean Munds-Dry, Esq.  
David Brooks, Esq.

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6/2/07  
WJS

**Case No. 13771: (Re-advertised.) AMENDED APPLICATION OF KAISER-FRANCIS OIL COMPANY FOR PROMULGATION OF SPECIAL POOL RULES FOR THE EAST HAPPY VALLEY BONE SPRING POOL, FOR AN EXCEPTION TO THE GAS-OIL RATIO LIMITATION, AND ASSIGNMENT OF A SPECIAL DEPTH BRACKET ALLOWABLE, EDDY COUNTY, NEW MEXICO.** Applicant seeks an order establishing special pool rules for the East Happy Valley Bone Spring Pool comprised of the W/2 of Section 11, Township 22 South, Range 26 East, NMPM providing for 160-acre spacing and proration units with the option for a second well and designated well locations, including 330' setback requirements. Applicant also seeks an exception from the gas oil ratio limitation under Division Rule 506 A that would permit wells drilled within each proration unit within the pool to produce up to a GOR limitation of four thousand cubic feet of gas for each barrel of oil produced, along with an increase in the depth bracket allowable to 382 under Division Rule 505. Applicant proposes that the applicability of the special pool rules be limited to the W/2 of said Section 11. Applicant is the operator of the Mesa-Grande 11 Well No. 2 (API No. 30-015-3720) completed in the Second Bone Spring formation at a location 2661' FSL and 660' FWL (Unit L) of Section 11, T22S, R26E. The well and lands are located approximately ½ mile southwest of Carlsbad, New Mexico.

**Affidavit of Publication**

State of New Mexico,  
County of Eddy, ss.

**April Hernandez**, being first duly sworn, on oath says:

That she is HR/Administrative Assistant of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

<u>October 19</u>	<u>2006</u>
_____	<u>2006</u>
_____	<u>2006</u>
_____	<u>2006</u>

That the cost of publication is \$57.70 and that payment Thereof has been made and will be assessed as court costs.

*April Hernandez*

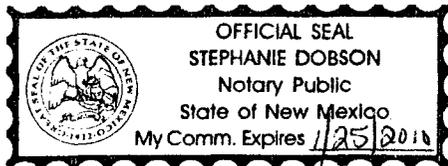
Subscribed and sworn to before me this

23 day of October, 2006

*Stephanie Dobson*

My commission Expires on 1/25/2010

Notary Public



**October 19, 2006**

Case No. 13771: (Re-advertised.) AMENDED APPLICATION OF KAISER-FRANCIS OIL COMPANY FOR PROMULGATION OF SPECIAL POOL RULES FOR THE EAST HAPPY VALLEY BONE SPRING POOL, FOR AN EXCEPTION TO THE GAS-OIL RATIO LIMITATION, AND ASSIGNMENT OF A SPECIAL DEPTH BRACKET ALLOWABLE, EDDY COUNTY, NEW MEXICO. Applicant seeks an order establishing special pool rules for the East Happy Valley Bone Spring Pool comprised of the W/2 of Section 11, Township 22 South, Range 26 East, NMPM providing for 160-acre spacing and proration units with the option for a second well and designated well locations, including 330' setback requirements. Applicant also seeks an exception from the gas oil ratio limitation under Division Rule 506 A that would permit wells drill

ed within each proration unit within the pool to produce up to a GOR limitation of four thousand cubic feet of gas for each barrel of oil produced, along with an increase in the depth bracket allowable to 382 under Division Rule 505. Applicant proposes that the applicability of the special pool rules be limited to the W/2 of said Section 11. Applicant is the operator of the Mesa-Grande 11 Well No. 2 (API No. 30201523720) completed in the Second Bone Spring formation at a location 2661' FSL and 660' FWL (Unit L) of Section 11, T22S, R26E. The well and lands are located approximately 1/2 mile southwest of Carlsbad, New Mexico. This Application is set for hearing before a duly appointed examiner of the Oil Conservation Division on October 26, 2006 at 8:15 a.m.