

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

IN THE MATTER OF THE 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

CASE NO. 13771

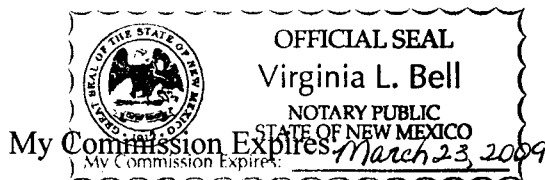
AFFIDAVIT

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

J. SCOTT HALL, attorney and authorized representative of Kaiser-Francis Oil Company, the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1210 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice, as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1210, notice has been given at the correct addresses provided by such rule.

J. Scott Hall
J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this 14th day of March, 2007.



Virginia L. Bell
Notary Public

MILLER STRATVERT

PROFESSIONAL ASSOCIATION

Ranne B. Miller
Alice T. Lorenz
Stephen M. Williams
Stephan M. Vidmar
Seth V. Bingham
Timothy R. Briggs
Rudolph Lucero
Deborah A. Solove
Gary L. Gordon
Lawrence R. White
Virginia Anderman
Marte D. Lightstone
J. Scott Hall*
Thomas R. Mack
Thomas M. Domme

Ruth O. Pregenzer
James J. Widland
Bradley D. Tepper**
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James R. Wood
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Kirk R. Allen
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W. Scott Jaworski
Anita M. Kelley
Elizabeth B. Driggers
Jerome A. O'Connell

Of Counsel
William K. Stratvert
James B. Collins
Sharon P. Gross
Robert D. Taichert

Reply to Santa Fe

150 Washington Ave., Suite 300
Santa Fe, NM 87501

Mailing Address:
P.O. Box 1986
Santa Fe, NM 87504-1986

Telephone: (505) 989-9614
Facsimile: (505) 989-9857

Writer's Direct E-Mail:
shall@mstlaw.com

* Board Certified Specialist: Natural Resources - Oil & Gas Law
** Board Certified Specialist: Real Estate Law

February 22, 2007

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Mr. John Brazeal
Ms. Patricia Brazeal
32 Canyon Drive
Mayhill, NM 88339

Re: NMOCD Case No. 13771; 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. & Ms. Brazeal:

This will advise that Kaiser-Francis Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an order for the promulgation of special pool rules establishing 160-acre spacing and proration units with the option for a second well and designated well locations in the East Happy Valley Bone Spring Pool located in the W/2 of Section 11, T22S, R26E, NMPM, Eddy County, New Mexico. Applicant further seeks an exception from the oil and gas oil ratio limitation under Division Rule 506-A providing for a 4,000:1 gas-oil ration and the establishment of a 382 barrel of oil per day depth bracket allowable. A copy of the application is enclosed.

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EXHIBIT "A"

Mr. John Brazeal
Ms. Patricia Brazeal
February 22, 2007
Page 2

Very truly yours,
MILLER STRATVERT P.A.

A handwritten signature in black ink, appearing to read "J. Scott Hall". The signature is written in a cursive, flowing style with a horizontal line under the "J".

J. Scott Hall

JSH/glb
Enclosure

7161 8863 9710 0000 6636

RETURN RECEIPT SERVICE	POSTAGE	\$0.63	POSTMARK OR DATE FEB 22 2007 SANTA FE NM 501
	RESTRICTED DELIVERY FEE	\$0.00	
	CERTIFIED FEE	\$2.40	
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	TOTAL POSTAGE AND FEE'S	\$4.88	
SENT TO:			
<p>Mr. John Brazeal Ms. Patricia Brazeal 32 Canyon Drive Mayhill, NM 88339</p> <p>2/22/2007 3:06 PM</p>			

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Reply to Santa Fe

150 Washington Ave., Suite 300
Santa Fe, NM 87501

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Santa Fe, NM 87504-1986

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Facsimile: (505) 989-9857

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shall@mstlaw.com

- * Board Certified Specialist: Natural Resources - Oil & Gas Law
- ** Board Certified Specialist: Real Estate Law

February 22, 2007

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Chi Operating
Post Office Box 1799
Midland, Texas 79702

Re: NMOCD Case No. 13771; 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

To Whom It May Concern:

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LAW OFFICES

ALBUQUERQUE
(505) 842-1950

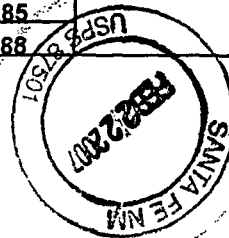
FARMINGTON
(505) 326-4521

LAS CRUCES
(505) 523-2481

SANTA FE
(505) 989-9614

7161 8863 9710 0000 6643

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	RESTRICTED DELIVERY FEE	\$0.00	
	CERTIFIED FEE	\$2.40	
	RETURN RECEIPT FEE	\$1.85	
SENT TO:		TOTAL POSTAGE AND FEE'S	\$4.88
<p>Mr. Sammy J. Miller Ms. Barbara L. Miller 212 Jewel Street Carlsbad, NM 88220</p> <p>2/22/2007 3:08 PM</p>			



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2. Article Number		COMPLETE THIS SECTION ON DELIVERY	
<p>7161 8863 9710 0000 6643</p> <p>1. Article Addressed to:</p> <p>Mr. Sammy J. Miller Ms. Barbara L. Miller 212 Jewel Street Carlsbad, NM 88220</p> <p>2/22/2007 3:08 PM</p>		<p>A. Signature X <i>Barbara L. Miller</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
		<p>B. Received by (Printed Name) <i>Barbara L. Miller</i> C. Date of Delivery</p>	
		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES enter delivery address below:</p>	
		<p>3. Service Type <input checked="" type="checkbox"/> Certified</p>	
		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

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Domestic Return Receipt

February 22, 2007
Page 2

Very truly yours,
MILLER STRATVERT P.A.

A handwritten signature in cursive script, appearing to read "J. Scott Hall".

J. Scott Hall

JSH/glb
Enclosure

MILLER STRATVERT

PROFESSIONAL ASSOCIATION

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Santa Fe, NM 87504-1986

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Writer's Direct E-Mail:
shall@mstlaw.com

* Board Certified Specialist: Natural Resources - Oil & Gas Law
** Board Certified Specialist: Real Estate Law

February 22, 2007

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Mr. Sammy J. Miller
Ms. Barbara L. Miller
212 Jewel Street
Carlsbad, NM 88220

Re: NMOCD Case No. 13771; 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. & Ms. Miller:

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LAW OFFICES

ALBUQUERQUE
(505) 842-1950

FARMINGTON
(505) 326-4521

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SANTA FE
(505) 989-9614

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RETURN RECEIPT SERVICE	POSTAGE	\$0.63	POSTMARK OR DATE USPS FEB 22 2007 SANTA FE NM
	RESTRICTED DELIVERY FEE	\$0.00	
	CERTIFIED FEE	\$2.40	
	RETURN RECEIPT FEE	\$1.85	
SENT TO:		TOTAL POSTAGE AND FEE'S	\$4.88
<p>Ms. Marilyn Brazeal 1202 Maxwell Street Colorado Springs, CO 80906</p> <p>2/22/2007 3:22 PM</p>			

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2. Article Number	COMPLETE THIS SECTION ON DELIVERY	
7161 8863 9710 0000 6667	A. Signature <i>M. Brazeal</i>	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee
	B. Received by (Printed Name) <i>M. Brazeal</i>	C. Date of Delivery <i>24 Feb 07</i>
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input type="checkbox"/> No	
	1. Article Addressed to: Ms. Marilyn Brazeal 1202 Maxwell Street Colorado Springs, CO 80906 2/22/2007 3:22 PM	
3. Service Type		<input checked="" type="checkbox"/> Certified
4. Restricted Delivery? (Extra Fee)		<input type="checkbox"/> Yes

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Domestic Return Receipt

February 22, 2007
Page 2

Very truly yours,
MILLER STRATVERT P.A.

A handwritten signature in black ink, appearing to read "J. Scott Hall". The signature is written in a cursive, flowing style with a horizontal line above the "l" in "Hall".

J. Scott Hall

JSH/glb
Enclosure

MILLER STRATVERT

PROFESSIONAL ASSOCIATION

Ranne B. Miller
Alice T. Lorenz
Stephen M. Williams
Stephan M. Vidmar
Seth V. Bingham
Timothy R. Briggs
Rudolph Lucero
Deborah A. Solove
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Reply to Santa Fe

150 Washington Ave., Suite 300
Santa Fe, NM 87501

Mailing Address:
P.O. Box 1986
Santa Fe, NM 87504-1986

Telephone: (505) 989-9614
Facsimile: (505) 989-9857

Writer's Direct E-Mail:
shall@mstlaw.com

- * Board Certified Specialist: Natural Resources - Oil & Gas Law
** Board Certified Specialist: Real Estate Law

February 22, 2007

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Ms. Marilyn Brazeal
1202 Maxwell St.
Colorado Springs, CO 80906

Re: NMOCD Case No. 13771; 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

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LAW OFFICES

ALBUQUERQUE
(505) 842-1950

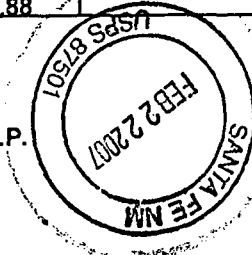
FARMINGTON
(505) 326-4521

LAS CRUCES
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SANTA FE
(505) 989-9614

7161 8863 9710 0000 6674

RETURN RECEIPT SERVICE	POSTAGE	\$0.63	POSTMARK OR DATE
	RESTRICTED DELIVERY FEE	\$0.00	
	CERTIFIED FEE	\$2.40	
	RETURN RECEIPT FEE	\$1.85	
SENT TO:		TOTAL POSTAGE AND FEE'S	\$4.88
<p>Devon Energy Production Co., L.P. 20 N. Broadway, Suite 1500 Oklahoma City, OK 73102</p> <p>2/22/2007 3:24 PM</p>			



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2. Article Number		COMPLETE THIS SECTION ON DELIVERY	
<p>7161 8863 9710 0000 6674</p> <p>1. Article Addressed to:</p> <p>Devon Energy Production Co., L.P. 20 N. Broadway, Suite 1500 Oklahoma City, OK 73102</p> <p>2/22/2007 3:24 PM</p>		A. Signature X <i>M. Vyl</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
		B. Received by (Printed Name)	C. Date of Delivery
		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input type="checkbox"/> No</p>	
		<p>3. Service Type <input checked="" type="checkbox"/> Certified</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

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Domestic Return Receipt

February 22, 2007
Page 2

Very truly yours,
MILLER STRATVERT P.A.

A handwritten signature in black ink, appearing to read "J. Scott Hall". The signature is written in a cursive, flowing style with a horizontal line above the "y" in "Scott".

J. Scott Hall

JSH/glb
Enclosure

Chi Operating
February 22, 2007
Page 2


Very truly yours,
MILLER STRATVERT P.A.

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J. Scott Hall

JSH/glb
Enclosure


6299 0000 0726 E988 1912

RETURN RECEIPT SERVICE	POSTAGE	\$0.63	POSTMARK OR DATE
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	CERTIFIED FEE	\$2.40	
	RETURN RECEIPT FEE	\$1.85	
SENT TO:		TOTAL POSTAGE AND FEES	\$4.88
<p>Chi Operating Post Office Box 1799 Midland, Texas 79702</p> <p>2/22/2007 3:02 PM</p> 			

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2. Article Number	COMPLETE THIS SECTION ON DELIVERY	
7161 8863 9710 0000 6629	A. Signature 	
	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
	B. Received By (Printed Name)	C. Date of Delivery
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input type="checkbox"/> No	
1. Article Addressed to:	3. Service Type <input checked="" type="checkbox"/> Certified	
Chi Operating Post Office Box 1799 Midland, Texas 79702	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2/22/2007 3:02 PM		

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MILLER STRATVERT

PROFESSIONAL ASSOCIATION

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Todd A. Schwarz
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Writer's Direct E-Mail:
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** Board Certified Specialist: Real Estate Law

February 22, 2007

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Devon Energy Production Co.
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

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To Whom It May Concern:

This will advise that Kaiser-Francis Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an order for the promulgation of special pool rules establishing 160-acre spacing and proration units with the option for a second well and designated well locations in the East Happy Valley Bone Spring Pool located in the W/2 of Section 11, T22S, R26E, NMPM, Eddy County, New Mexico. Applicant further seeks an exception from the oil and gas oil ratio limitation under Division Rule 506-A providing for a 4,000:1 gas-oil ration and the establishment of a 382 barrel of oil per day depth bracket allowable. A copy of the application is enclosed.

This application will be set for hearing before a Division Examiner on March 15, 2007, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

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