Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Dawn Higgins, being first duly sworn, on oath says:

That she is Business Manager 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:

December 27 2003

2003

2004

2004

That the cost of publication is $ 53.73
and that payment thereof has been made and will be assessed as court costs.

Dawn Higgins

Subscribed and sworn to before me this

29 day of December, 2003

Stephanie Dobson

My commission expires 12-13-05
Notary Public

December 27, 2003

NOTICE

To: Miguel C. Morales, Gladys L. Pryor, John E. Dean and wife Ruth Dean, Wilson L. Akins, as separate property, Theo A. Bennett and wife Maurine Bennett, Richard L. Asbury and wife Debra E. Asbury, Lupe G. Lara and wife Mary V. Lara, John R. Rogers and wife Janet Neosha Rogers, Arinette Cranford, Jerry Cranford, Dale Cranford, Dorothy Debrosse, Penny Ebersbacher, and Debbie Fletcher, T.L. Spoonts, Jr. and wife Hetty G. Spoonts, Kenneth Stiles and wife Earlene Stiles, Ida Norma Ferrero, Johnny M. Hunt and wife Mary P. Hunt, Viola M. Jackson, W.C. Allen and wife Clara Mae Allen, Clarence J. Ramsey and wife Marjorie Ramsey, Casey Foreman, Pete Vaughn, Cleetus C. Vaughn, Delores Stubblefield, Eduvijen Calderon, Yolanda Mendoza, Janet Louise Dewey and husband John E. Dewey, Robert J. Harris and G. Marie Harris, Donald R. Couch and wife Virginia M. Couch, and Michael Lee DeMoss, their heirs, successors, and assigns; Chi Energy, Inc. has filed an application with the Oil Conservation Division for compulsory pooling of the S½ of Section 3, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico. The matter is scheduled to be heard at 8:15 a.m. on Thursday, January 8, 2004 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. Failure to appear at the hearing will preclude you from contesting this matter at a later date. The well unit is located approximately 3 miles west of Carlsbad, New Mexico.

OIL CONSERVATION DIVISION
CASE NUMBER
EXHIBIT NUMBER 1

OIL CONSERVATION DIVISION
CASE NUMBER
EXHIBIT NUMBER

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Dawn Higgins, being first duly sworn, on oath says:

That she is Business Manager 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:

January 10 2004

2004

2004

2004

That the cost of publication is $ 27.32
and that payment thereof has been made and will be assessed as court costs.

Dawn Higgins

Subscribed and sworn to before me this

12 day of January, 2004

Stephanie Dobson

My commission expires 12-13-05
Notary Public

January 10, 2004

NOTICE

TO: Mrs. John W. Armstrong, her heirs, devisees, and successors: Chi Energy, Inc. has filed an application with the Oil Conservation Division for compulsory pooling of the S½ of Section 3, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico. The matter (Case No. 13193) is scheduled to be heard at 8:15 a.m. on Thursday, January 22, 2004 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. Failure to appear at the hearing will preclude you from contesting this matter at later date. The well unit is located approximately 3 miles west of Carlsbad, New Mexico.

OIL CONSERVATION DIVISION

CASE NUMBER

EXHIBIT NUMBER