

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF GOTHIC PRODUCTION CORPORATION FOR AN UNORTHODOX INFILL GAS WELL LOCATION, CHAVES COUNTY, NEW MEXICO.

Case No. 12,126

AFFIDAVIT OF JAMES L. SCHULTZ

STATE OF NEW MEXICO)
COUNTY OF CHAVES) ss.

James L. Schultz, being duly sworn upon his oath, deposes and states:

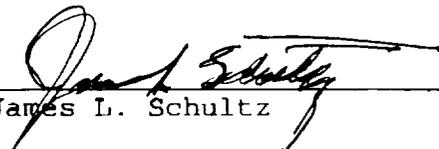
1. I am over the age of 18, and have personal knowledge of the matters stated herein.

2. I am a landman for Gothic Production Corporation.

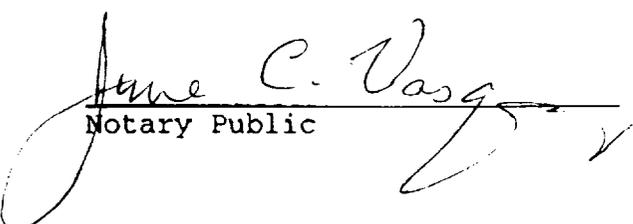
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of this case.

4. Notice of this case was provided to the interest owners at their correct addresses, by certified mail. Copies of the notice letters and certified return receipts are attached hereto as Exhibit A.

5. Applicant has complied with the notice provisions of Division Rule 1207.


James L. Schultz

SUBSCRIBED AND SWORN TO before me this 17th day of February, 1999, by James L. Schultz.


Notary Public

My Commission Expires:
2/9/01

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 3
CASE NO. 12126

**JAMES L. SCHULTZ
INDEPENDENT PETROLEUM LANDMAN
809 TWIN DIAMOND
ROSWELL, NEW MEXICO 88201**

**(505) 622-3615 OFFICE
(505) 622-3615 FAX
(505) 626-6879 MOBILE**

CERTIFIED

January 24, 1999

Yates Petroleum Corporation
105 S. Fourth Street
Artesia, NM 88210

Att: Robert Bullock

RE: New Mexico Oil Conversation Division Hearing
February 18, 1999
Gothic Production Corporation
Unorthodox Location
Penjack Federal #11
2310'FEL & 330'FNL
Sec. 12-T10S-R25E, NMPM
Chaves County, New Mexico

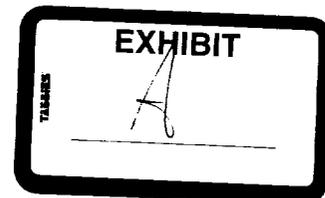
Gentlemen:

As you have previously been advised, Gothic Production Corporation proposes to drill the captioned unorthodox well. Pursuant to Rule 5 of the Special Rules and Regulations for the Pecos Slope-Abo Gas Pool, Division Order No. R-9976-C dated March 19, 1996, Gothic's request for the unorthodox location has been scheduled for hearing on February 18, 1999 before the NMOCD in Santa Fe. According to the Federal Lease Records, Yates Petroleum Corporation is the sole Lessee of record for Lease NM 12687, which includes the W/2 of Section 12, T10S, R25E, NMPM. This letter gives formal notice to Yates Petroleum Corporation of the captioned hearing and matter pursuant to Rule 1207.A(5) of the OCD Rules and Regulations.

Should you have any questions, or if I can be of any assistance to you, please do not hesitate to contact me at the above address or telephone numbers.

Sincerely,

James L. Schultz
Agent for Gothic Production Corp.



**JAMES L. SCHULTZ
INDEPENDENT PETROLEUM LANDMAN
809 TWIN DIAMOND
ROSWELL, NEW MEXICO 88201**

(505) 622-3615 OFFICE

(505) 622-3615 FAX

(505) 626-6879 MOBILE

CERTIFIED

January 29, 1999

Yates Drilling Co.
105 S. Fourth Street
Artesia, NM 88210

Att: Doug Hurlbut

RE: New Mexico Oil Conversation Division Hearing
February 18, 1999
Gothic Production Corporation
Unorthodox Location
Penjack Federal #11
2310'FEL & 330'FNL
Sec. 12-T10S-R25E, NMPM
Chaves County, New Mexico

Gentlemen:

Gothic Production Corporation proposes to drill the captioned unorthodox well. Pursuant to Rule 5 of the Special Rules and Regulations for the Pecos Slope-Abo Gas Pool, Division Order No. R-9976-C dated March 19, 1996, Gothic's request for the unorthodox location has been scheduled for hearing on February 18, 1999 before the NMOCD in Santa Fe. According to the lease records, Yates Drilling Co. is a Lessee of record for Lease NM 17204, which includes the NWSW of Section 1, T10S, R25E, NMPM. This letter gives formal notice to Yates Drilling Co. of the captioned hearing and matter pursuant to Rule 1207.A(5) of the OCD Rules and Regulations.

Should you have any questions, or if I can be of any assistance to you, please do not hesitate to contact me at the above address or telephone numbers.

Sincerely,

James L. Schultz
Agent for Gothic Production Corp.

**JAMES L. SCHULTZ
INDEPENDENT PETROLEUM LANDMAN
809 TWIN DIAMOND
ROSWELL, NEW MEXICO 88201**

**(505) 622-3615 OFFICE
(505) 622-3615 FAX
(505) 626-6879 MOBILE**

CERTIFIED

January 29, 1999

ABO Petroleum Corporation
105 S. Fourth Street
Artesia, NM 88210

RE: New Mexico Oil Conversation Division Hearing
February 18, 1999
Gothic Production Corporation
Unorthodox Location
Penjack Federal #11
2310'FEL & 330'FNL
Sec. 12-T10S-R25E, NMPM
Chaves County, New Mexico

Gentlemen:

Gothic Production Corporation proposes to drill the captioned unorthodox well. Pursuant to Rule 5 of the Special Rules and Regulations for the Pecos Slope-Abo Gas Pool, Division Order No. R-9976-C dated March 19, 1996, Gothic's request for the unorthodox location has been scheduled for hearing on February 18, 1999 before the NMOCD in Santa Fe. According to the lease records, ABO Petroleum Corporation is a Lessee of record for Lease NM 17204, which includes the NWSW of Section 1, T10S, R25E, NMPM. This letter gives formal notice to ABO Petroleum Corporation of the captioned hearing and matter pursuant to Rule 1207.A(5) of the OCD Rules and Regulations.

Should you have any questions, or if I can be of any assistance to you, please do not hesitate to contact me at the above address or telephone numbers.

Sincerely,

James L. Schultz
Agent for Gothic Production Corp.

**JAMES L. SCHULTZ
INDEPENDENT PETROLEUM LANDMAN
809 TWIN DIAMOND
ROSWELL, NEW MEXICO 88201**

**(505) 622-3615 OFFICE
(505) 622-3615 FAX
(505) 626-6879 MOBILE**

CERTIFIED

January 29, 1999

MYCO Industries, Inc.
105 S. Fourth Street
Artesia, NM 88210

RE: New Mexico Oil Conversation Division Hearing
February 18, 1999
Gothic Production Corporation
Unorthodox Location
Penjack Federal #11
2310'FFL & 330'FNL
Sec. 12-T10S-R25E, NMPM
Chaves County, New Mexico

Gentlemen:

Gothic Production Corporation proposes to drill the captioned unorthodox well. Pursuant to Rule 5 of the Special Rules and Regulations for the Pecos Slope-Abo Gas Pool, Division Order No. R-9976-C dated March 19, 1996, Gothic's request for the unorthodox location has been scheduled for hearing on February 18, 1999 before the NMOCD in Santa Fe. According to the lease records, MYCO Industries, Inc. is a Lessee of record for Lease NM 17204, which includes the NWSW of Section 1, T10S, R25E, NMPM. This letter gives formal notice to MYCO Industries, Inc. of the captioned hearing and matter pursuant to Rule 1207.A(5) of the OCD Rules and Regulations.

Should you have any questions, or if I can be of any assistance to you, please do not hesitate to contact me at the above address or telephone numbers.

Sincerely,

James L. Schultz
Agent for Gothic Production Corp.

Penjack Feed #11

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Yates Petroleum Corp.
105 South Fourth St.
Artesia, NM 88210

4a. Article Number

P 391 733 785

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

1-26-99

5. Received By: (Print Name)

JOANN GRIGGS

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

Jo Ann Griggs

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Yates Drilling Co
105 S. Fourth
Artesia, NM 88210

4a. Article Number

2263867441

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

2-1-99

5. Received By: (Print Name)

JOANN GRIGGS

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

Jo Ann Griggs

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Abo Petro, Corp.
105 S. Fourth
Artesia, NM 88210

4a. Article Number

2263867448

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

2-1-99

5. Received By: (Print Name)

JOANN GRIGGS

6. Signature: (Addressee or Agent)

X Joann Griggs

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

MYCO Industries, Inc.
105 S. Fourth
Artesia, NM 88210

4a. Article Number

2263867439

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

2-1-99

5. Received By: (Print Name)

JOANN GRIGGS

6. Signature: (Addressee or Agent)

X Joann Griggs

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.