BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR EXTENSION OF THE VERTICAL LIMITS OF THE SAND SPRINGS-ATOKA GAS POOL AND FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.

CASE NO. 12128

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR AN UNORTHODOX GAS WELL LOCATION TO ACCOMMODATE THE REDEDICATION OF ACREAGE FOR GEOLOGIC REASONS, LEA COUNTY, NEW MEXICO.

CASE NO. 12130

AFFIDAVIT

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

William F. Carr, attorney in fact and authorized representative of Yates Petroleum Corporation, the Applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested persons entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit "A" attached hereto.

William F. Carr

SUBSCRIBED AND SWORN to before me this 31 day of March, 1999.

Notary Public

My Commission Expires:

EXHIBIT A

Manzano Oil Corporation 1801 West Second Street Roswell, NM 88201

Featherstone Development Corporation 1801 West Second Street Roswell, NM 88201

Chi Energy, Inc. Post Office Box 1799 Midland, TX 79702

Bogle Farms Ltd. Post Office Box 398 Tatum, NM 88267

for Oil Conservation Division Case 12128

Manzano Oil Corporation 1801 West Second Street Roswell, NM 88201

Featherstone Development Corporation 1801 West Second Street Roswell, NM 88201

Chi Energy, Inc.
Post Office Box 1799
Midland, TX 79702

for Oil Conservation Division Case 12130

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case Nos. 12128 and 12130 Exhibit No. 2

Submitted by: Yates Petroleum Corporation

Hearing Date: April 1, 1999

AFFIDAVIT, Page 2

CAMPBELL, CARR, BERGE 8 SHERIDAN, P.A.

LAWYERS

MICHAEL B CAMPBELL
WILLIAM F CARR
BRADFORD C BERGE
MARK F SHERIDAN
MICHAEL H FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE I - HO NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043

E-MAIL. ccbspa@ix.netcom.com

January 28, 1999

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS

Application of Yates Petroleum Corporation for Extension of the Vertical Limits of the Sand Springs-Atoka Gas Pool and for Special Pool Rules, Lea County, New

Mexico

Gentlemen:

This letter is to advise you that Yates Petroleum Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order expanding the vertical limits of the Sand Springs-Atoka Gas pool to include the Atoka and Morrow formations and promulgating special pool rules and regulations for the expanded pool to provide for a second well on each standard spacing and proration unit.

This application has been set for hearing before a Division Examiner on February 18, 1999. 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 have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR YATES PETROLEUM CORPORATION

WFC:mlh

Enc.

cc:

Mr. Randy Patterson

Mr. Dave Pearson

US Postal Service
Receipt for Certified Mail

Manzano Oil Corporation 1801 West Second Street Roswell, NM 88201

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US Postal Service Receipt for Certified Mail

Featherstone Development Corporation 1801 West Second Street Roswell, NM 88201

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Chi Energy, Inc. Post Office Box 1799 Midland, TX 79702

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CAMPBELL, CARR, BERGE 8 SHERIDAN, P.A.

LAWYERS

MICHAEL B CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F MEDEIROS
PAUL R OWEN
KATHERINE M. MOSS

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE I - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

February 18, 1999

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Bogle Farms Ltd. Post Office Box 398 Tatum, NM 88267

Re:

Application of Yates Petroleum Corporation for Extension of the Vertical Limits of the Sand Springs-Atoka Gas Pool and for Special Pool Rules, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Yates Petroleum Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order expanding the vertical limits of the Sand Springs-Atoka Gas pool to include the Atoka and Morrow formations and promulgating special pool rules and regulations for the expanded pool to provide for a second well on each standard spacing and proration unit.

This application had been set for hearing before a Division Examiner for February 18, 1999 but has been continued to March 18, 1999. 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 have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR YATES PETROLEUM CORPORATION

WFC:mlh

Enc.

cc:

Mr. Randy Patterson Mr. Dave Pearson

Z 559 572 323 US Postal Service Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse) Bogle Farms Ltd.
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& SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R OWEN
KATHERINE M MOSS

JACK M CAMPBELL

OF COUNSEL

JEFFERSON PLACE
SUITE I - 110 NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043

E-MAIL: ccbspa@ix.netcom.com

February 16, 1999

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS

Re: Amended Application of Yates Petroleum Corporation for an Unorthodox Gas Well

Location to Accommodate the Rededication of Acreage for Geologic Reasons, Lea

County, New Mexico

Gentlemen:

This letter is to advise you that Yates Petroleum Corporation has filed the enclosed amended application with the New Mexico Oil Conservation Division seeking an exception to the provisions of General Rule 104.C(2)(b) for an unorthodox gas well location for its Sand Spring State Well No. 1, 330 feet from the North line and 1650 feet from the West line which it has reentered and drilled to a depth of approximately 13,000 feet and recompleted in the Atoka and Morrow formations. The N/2 of said Section 11 has been dedicated to this well and Yates proposes to rededicate the W/2 of Section 11 to the well.

This application has been set for hearing before a Division Examiner on March 18, 1999. You are not required to attend this hearing, but as an owner of an interest that may be affected by the unorthodox well location, 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 have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR YATES PETROLEUM CORPORATION

WFC:mlh

Enc.

cc: Mr. Randy Patterson

Mr. Dave Pearson

US Postal Service
Receipt for Certified Mail

Manzano Oil Corporation 1801 West Second Street Roswell, NM 88201

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US Postal Service
Receipt for Certified Mail

Chi Energy, Inc. Post Office Box 1799 Midland, TX 79702

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