

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF AMERISTATE OIL & GAS, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 12247

AFFIDAVIT

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

William F. Carr, attorney in fact and authorized representative of Ameristate Oil & Gas, Inc., the applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested parties 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
William F. Carr

SUBSCRIBED AND SWORN to before this 14th day of September, 1999 by William F. Carr.

Antoinette M. Armijo
Notary Public

My Commission Expires:

05/10/03

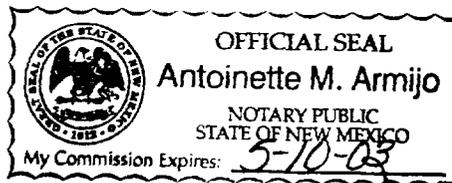


Exhibit "A"

Ms. Corrine Grace
P.O. Box 1418
Carlsbad, NM 88220

Ms. Linda Gomillion
1122 Euclid Street
Santa Monica, CA 90403

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
PAUL R. OWEN

JACK M. CAMPBELL
1916-1999

FILE COPY

JEFFERSON PLACE
SUITE 1 - 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

August 26, 1999

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS:

Re: Application of Ameristate Oil & Gas, Inc. for Compulsory Pooling, Eddy County, New Mexico.

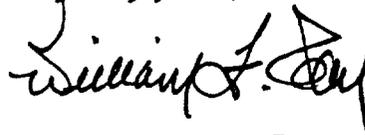
Gentlemen:

This letter is to advise you that Ameristate Oil & Gas, Inc. filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests from the surface to the base of the Morrow formation in certain spacing and proration units in the N/2 of Section 30, Township 17 South, Range 25 East, NMPM., Eddy County, New Mexico. Ameristate proposes to dedicate the referenced pooled units to its Maneater Federal Com Well No. 1 to be drilled at a standard location in the SW/4 NE/4 of said Section 30.

This application has been set for hearing before a Division Examiner on September 16, 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 AMERISTATE OIL & GAS, INC.

Enclosure

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B CAMPBELL
WILLIAM F CARR
BRADFORD C BERGE
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August 24, 1999

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Application of Ameristate Oil & Gas, Inc. for Compulsory Pooling, Eddy
County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in triplicate is an Application of Ameristate Oil & Gas, Inc. in the above-referenced case as well as a copy of a legal advertisement. Ameristate Oil & Gas, Inc. respectfully requests that this matter be placed on the docket for the September 16, 1999 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

Enclosures

cc: Mr. Mark Nearburg
Ameristate Oil & Gas, Inc.
1211 West Texas
Midland, Texas 79701

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

IN THE MATTER OF THE APPLICATION
OF AMERISTATE OIL & GAS, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. _____

OIL CONSERVATION DIV.
99 AUG 24 PM 12:53

APPLICATION

AMERISTATE OIL & GAS, INC. ("Ameristate"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all mineral interests from the surface to the base of the Morrow formation, under the following acreage in Section 30, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico:

- A. the N/2 to form a standard 320-acre gas spacing and proration unit for formations and/or pools developed on 320-acre spacing within that vertical extent which presently include but are not necessarily limited to the Richard Knob Atoka-Morrow Gas Pool;
- B. the NE/4 to form a standard 160-acre spacing and proration unit for formations and/or pools developed on 160-acre spacing within that vertical extent which presently includes but is not limited to the Eagle Creek-Strawn Gas Pool;
- C. the S/2 NE/4 to form a standard 80-acre spacing and proration unit for formations and/or pools developed on 80-acre spacing within that vertical extent; and

- D. the SW/4 NE/4 to form a standard 40-acre gas spacing and proration unit for formations and/or pools developed on 40-acre spacing within that vertical extent which presently includes but is not limited to Undesignated Eagle Creek-San Andres Pool.

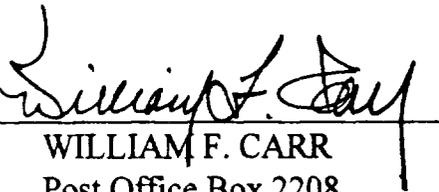
Said spacing and proration units are to be dedicated to a well to be drilled at standard location in the SW/4 NE/4 of said Section 30, and in support of its application states:

1. Ameristate is a working interest owner in said Section 30 and has the right to drill thereon.
2. Ameristate proposes to dedicate the above-referenced spacing or proration units to its Maneater Federal Com. Well No. 1 to be drilled at a standard location in the SW/4 NE/4 of said Section 30, to a depth sufficient to test any and all formations to the base of the Morrow formation.
3. Ameristate has sought and been unable to obtain voluntary agreement for the development of these spacing and proration units from certain interest owners in the SW/4 NE/4 of said Section 30.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.
5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Ameristate Oil & Gas, Inc. should be designated the operator of the well to be drilled.

WHEREFORE, Ameristate Oil & gas, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 16, 1999 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Ameristate operator of these spacing and proration units, and authorizing Ameristate to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, imposing a risk factor for the risk assumed by Ameristate in drilling, completing and equipping the well.

Respectfully submitted,

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

By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR AMERISTATE
OIL & GAS, INC.

CASE _____:

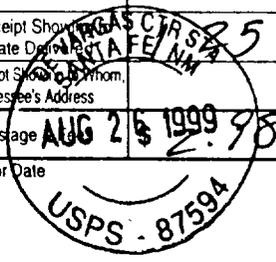
Application of Ameristate Oil and Gas, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, the N/2 for all formations developed on 320-acre spacing including but not limited to the Richard Knob Atoka-Morrow Gas Pool, the NE/4 for all formations developed on 160-acre spacing including but not limited to the Eagle Creek-Strawn Gas Pool, the S/2 NE/4 for all formations developed on 80-acre spacing, and the SW/4 NE/4 for all formations developed on 40-acre spacing including but not limited to the Undesignated Eagle Creek-San Andres, all in Section 30, Township 17 South, Range 25 East, NMPM. Applicant proposes to dedicate these pooled units to its Maneater Federal Com Well No. 1 to be drilled at a standard gas well in the SW/4 NE/4 of said Section 30. Also to be considered will the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately ___ miles _____ of _____, New Mexico.

Z 392 738 016

US Postal Service
Receipt for Certified Mail
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Ms. Corrine Grace	
Street & Number P.O. Box 1418	
Post Office, State, & ZIP Code Carlsbad, NM 88220	
Postage	\$, 33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing Whom & Date Delivered	1.25
Return Receipt Showing Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.98
Postmark or Date	AUG 26 1999

PS Form 3800, April 1995

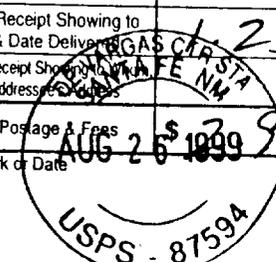


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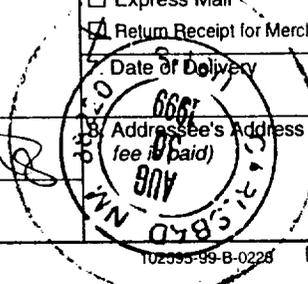
Sent to	
Ms. Linda Gomillion	
Street & Number 1122 Euclid Street	
Post Office, State, & ZIP Code Santa Monica, CA 90403-5405	
Postage	\$, 33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing Whom & Date Delivered	1.25
Return Receipt Showing Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.98
Postmark or Date	AUG 26 1999

PS Form 3800, April 1995



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3. Article Addressed to: Ms. Corrine Grace P.O. Box 1418 Carlsbad, NM 88220		4a. Article Number Z 392 738 016	
		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
		Date of Delivery AUG 26 1999	
5. Received By: (Print Name) Marshall Jenkins		6. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Addressee or Agent) Marshall Jenkins			



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