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

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

CASE NO. 12330

AFFIDAVIT

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

William F. Carr, attorney in fact and authorized representative of Ameristate Oil and 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. Car

SUBSCRIBED AND SWORN to before this 18th day of January, 2000, by William F. Carr.



Mara Dalton, Notary Public

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Case No. <u>12330</u> Exhibit No. <u>5</u> Submitted by: <u>Ameristate Oil & Gas, Inc.</u> Hearing Date: <u>January 20, 2000</u>

EXHIBIT A

J. F. Rusnak Marathon Oil Company P.O. Box 552 Midland, TX 79702-0552

Diane Thompkins Phillips 66 4001 Penbrook Odessa, TX 79762 Chad Shaw El Paso Gas Marketing Company P.O. Box 2511 Houston, TX 77252-2511

Thomas M. Beall Fuel Products, Inc. P.O. Box 3098 Midland, TX 79702 Jeff Phillips TMBR/Sharp Drilling Co. P.O. Box 10970 Midland, TX 79702

Sam Thompson and Jim Dewbre Southwestern Energy Production 2350 N. Sam Houston Pkwy Houston, TX 77032

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& SHERIDAN, P.A.

MICHAEL 8, CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN MICHAEL H. FELDEWERT PAUL R. OWEN ANTHONY F. MEDEIROS JACK M. CAMPBELL

1916-1999

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

December 29, 1999

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

J. F. Rusnak Marathon Oil Company P.O. Box 552 Midland, TX 79702-0552

TO AFFECTED INTEREST OWNERS:

Re:

Application of Ameristate Oil & Gas, Inc. for Compulsory Pooling, Lea County, New Mexico

Ladies and 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 top of the Mississippian formation or 12,900 feet, whichever is lesser, in certain spacing and proration units in the E/2 of Section 13, Township 17 South, Range 35 East, NMPM., Lea County, New Mexico. Ameristate proposes to dedicate the referenced pooled units to its State 13 Well No. 1 to be drilled at a standard location in the NE/4 NE/4 of said Section 13.

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, selland C

William F. Carr ATTORNEY FOR AMERISTATE OIL & GAS, INC.

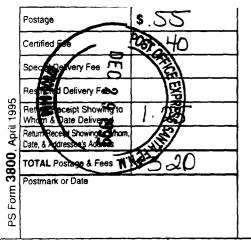
WFC/md

Enclosure

Z 559 572 369

US Postal Service Receipt for Certified Mail

J. F. Rusnak Marathon Oil Company P.O. Box 552 Midland, TX 79702-0552



NDER: omplete items 1 and/or 2 for additional services. omplete items 3, 4a, and 4b. rint your name and address on the reverse of this form so 1 and to you. ttach this form to the front of the mailplecs, or on the back ermit. //ite "Return Receipt Requestsd" on the mailplece below th he Return Receipt Will show to whom the article was delive elivered.	if space does not 1. Addressee's Address e article number. 2. Restricted Delivery		
Article Addressed to:	4a. Article Number Z 559 572 369		
J. F. Rusnak	4b. Service Type		
Marathon Oil Company	Registered Certified		
P.O. Box 552	Express Mail Insured		
Midland, TX 79702-0552	Return Receipt for Merchandise 🔲 COD		
	7. Date of Delivery JAN 0 3 200		
Received By: (Print Name)	8. Addressee's Address (Only if requested and fee is paid)		
Signature: (Addressee or Agent)	F)		
Form 3811, December 1994	102595-96-8-0229 Domestic Return Receip		

& SHERIDAN, P.A.

MICHAEL S. CAMPBELL WILLIAM F. CARR BRAOFORD C. BERGE MARK F. SHERIDAN MICHAEL H. FELDEWERT PAUL R. OWEN ANTHONY F. MEDEIROS JACK M. CAMPBELL 1918-1999 JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 FACSIMILE: (505) 988-6043 E-MAIL: ccbsps@k.netcom.com

December 29, 1999

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

Thomas M. Beall Fuel Products, Inc. P.O. Box 3098 Midland, TX 79702

TOFFECTED INTEREST OWNERS:

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

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Very truly yours,

William F. Carr / ATTORNEY FOR AMERISTATE OIL & GAS, INC.

WFC/md

Enclosure

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US Postal Service Receipt for Certified Mail

Thomas M. Beall Fuel Products, Inc. P.O. Box 3098 Midland, TX-THEO Postage 12 Certified elivery Fee y Special d Restricted 1995 Return Receipt Shi Whom & Date Del April Return Receipt Showing to W Date, & Addressee's Address 3800 \$ 3.20 TOTAL Postage & Fees Postmark or Date Form PSI

ENDER: I Complete items 1 and/or 2 for additional services. I 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. I Attach this form to the front of the malipiece, or on the back if space does not permit. I Write "Return Receipt Requested" on the malipiece below the article number. I 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.	
Thomas M. Beall Fuel Products, Inc. P.O. Box 3098 Midland, TX 79702		ber	Certified
i. Signature: (Addressee of Agent)	and	AVE 7 CLUB	1
'S Form 3811, December 1994	102596-98-8-0228	Domestic Ret	urn Receipt

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ACK M. CAMPBEL 1916-1999 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

December 29, 1999

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Diane Thompkins Phillips 66 4001 Penbrook Odessa, TX 79762

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William F. Carr ATTORNEY FOR AMERISTATE OIL & GAS, INC.

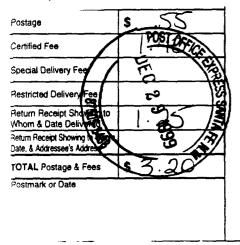
WFC/md

Enclosure

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December 29, 1999

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Jeff Phillips TMBR/Sharp Drilling Co. P.O. Box 10970 Midland, TX 79702

TOFFECTED INTEREST OWNERS:

Re:

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Mian/

William F. Carr ATTORNEY FOR AMERISTATE OIL & GAS, INC.

WFC/md

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Z 559 572 372 SENDER: I also wish to receive the The 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 following services (for an **US Postal Service Receipt for Certified Mail** extra fee): Service 1. Addressee's Address 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. eff Phillips 2. C Restricted Delivery MBR/Sharp Drilling Co. Consult postmaster for fee. Selpt 3. Article Addressed to: 4a. Artic' 2 559 572 372 .O. Box 10970 Bec lidland, TX 79702 **Jeff Phillips** 5 4b. Service Type FFICF TMBR/Sharp Drilling Co. ž Registered Certified Postage P.O. Box 10970 Express Mail Insured Quisu Return Receipt for Merchandise Certified Fee Midland, TX 79702 7. Date of Delivery, 2 Special Deliver You 5. Received By: (Print Name) 8. Addressee's Address (Only if requested **Restricted Deli Thank** and fee is paid) Return Receipt Sh Whom & Date Delive 6-Signature: (Addressee or/Agent) Return Receipt Showing to Wi Date, & Addressee's Address 3.<u>20</u> 102595-98-8-0229 Domestic Return Receipt 23 Form 3811, December 1994 \$ TOTAL Postage & Fees Postmark or Date

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

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December 29, 1999

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

Chad Shaw El Paso Gas Marketing Company P.O. Box 2511 Houston, TX 77252-2511

TO AFFECTED INTEREST OWNERS:

Re:

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William F. Carr ATTORNEY FOR AMERISTATE OIL & GAS, INC.

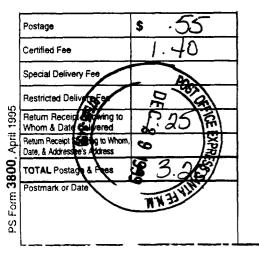
WFC/md

Enclosure

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US Postal Service Receipt for Certified Mail

Chad Shaw El Paso Gas Marketing Company P.O. Box 2511 Houston, TX 77252-2511



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 ANTHONY F. MEDEIROS

ACK M. CAMPBEL

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December 29, 1999

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Sam Thompson Jim Dewbre Southwestern Energy Production Company 2350 N. Sam Houston Pkwy, East, Ste. 300 Houston, TX 77032

TO AFFECTED INTEREST OWNERS:

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Dillian &. Sal

William F. Carr ATTORNEY FOR AMERISTATE OIL & GAS, INC.

WFC/md

Enclosure

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April

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Z 559 572 374 US Postal Service ENDER: also wish to receive the **Receipt for Certified Mail** ms 1 and/or 2 for additional service Comol following services (for an plete items 3, 4e, and 4b. your name and address on the revers extra fee): of this form so that v Print Sam Thompson and Jim Dewbre uch this for 1. Addressee's Address the front of the mail Southwestern Energy Production Co. emil 2. C Restricted Delivery 2350 N. Sam Houston Pkwy, East, The Re sum Receipt will show to whom the article was delh ered and the date Consult postmaster for fee. ·-- 300 Article Addressed to: 4a. A Z 559 572 374 Houston, TX 77032 DIM. ξ Sam Thompson and Jim Dewore 4b. Service Type Postage Certified Southwestern Energy Production Co. Registered Certifie_ 2350 N. Sam Houston Pkwy, East Insured Express Mail Dulau Suite 300 Return Receipt for Merchandise ry Fee Special . 5 Houston, TX 77032 7. Date of Delivery NO Restricted Delivery Fee ş 1-4-200 Return Receipt Showing to 8. Addressee's Address (Only if requested Thank Whom & Date Deliver and fee is paid) Return Receipt Showing to V Date, & Addressee's Address 2 S 20 TOTAL Postage & Fees 3 Form 3811, December 1994 102505-88-8-0228 Domestic Return Receipt Postmark or Date



P.O. Box 552 Midland, TX 79702-0552 Telephone 915/682-1626

January 14, 2000

Mark K. Nearburg AMERISTATE EXPLORATION, LLC. 211 Ranch Road 620 South Austin, TX 78734

Re: State 13 #1 Well 660 FNL & 660 FEL Section 13, T-17-S, R-35-E, Lea County, New Mexico

Dear Mark:

Marathon has received and reviewed your letter dated December 15, 1999 pertaining to the above referenced. At the present time Marathon is agreeable to the following:

- 1. Joining Ameristate and the other owners in Section 13 in forming a 640 acre working interest unit to explore the Permian and the Pennsylvanian formation.
- 2. Joining Ameristate in the formation of a 480 acre working interest unit comprised of the E/2 and SW/4 of Section 13. Assuming Phillips/Southwestern participate in the E/2 this would give Marathon and Ameristate et al each a 43.75% working interest in the E/2 and 50% working interest in the SW/4.
- 3. Participate in the referenced well as to our interest in the E/2 of Section 13 (25%).

The above options are listed in the order of Marathon's preference. Once a Joint Operating Agreement has been prepared, please send it to my attention for review. If anything further is needed please give me a call at (915) 687-8480. Thank you.

Yours very truly,

J. F. Rusnak Advanced Landman