

JAMES BRUCE

ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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(505) 982-2043
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August 8, 2000

David R. Catanach
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

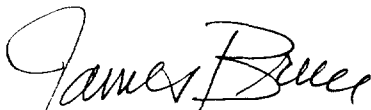
Re: Case No. 12450; application of Ocean Energy Resources,
Inc. for a non-standard oil spacing and proration unit,
Lea County, New Mexico

Dear Mr. Catanach:

As requested at hearing, enclosed is Ocean Energy's affidavit of notice, marked as Exhibit 5A.

Also, I received Mr. Carr's letter of August 1, 2000, stating that Yates could not drill another Strawn well in the N $\frac{1}{2}$ of Section 11 because "it has wells drilled on all available proration units." Division Rule 104.B.(1) expressly allows four oil wells per well unit. Therefore, Yates has the ability, **if it so desires**, of drilling additional Strawn wells in the N $\frac{1}{2}$ of Section 11 without any special permission from the Division. Of course, if Yates does drill additional wells, it will have one well per 40 acres.

Very truly yours,



James Bruce

Attorney for Ocean Energy
Resources, Inc.

cc: Derold Maney w/encl.
William F. Carr w/encl.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF OCEAN ENERGY RESOURCES,
INC. FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT, LEA COUNTY, NEW MEXICO.

Case No. 12,450

AFFIDAVIT REGARDING NOTICE

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

James Bruce, being duly sworn upon his oath, deposes and states:

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

2. I am an attorney for Applicant.

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 the Application filed herein.

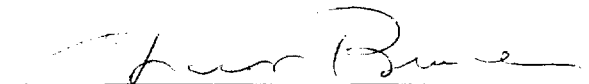
4. Notice of the Application was provided to the proper interest owner at its correct address by certified mail. Copies of the notice letter and certified return receipt are attached hereto as Exhibit A.

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



James Bruce

SUBSCRIBED AND SWORN TO before me this 8th day of August, 2000, by James Bruce.



Notary Public

My Commission Expires:

3/14/2001

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT

CASE NO.

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

June 20, 2000

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Ladies and Gentlemen:

Enclosed is a copy of an application for a non-standard spacing and proration unit regarding the Strawn formation underlying the NW~~SE~~ of Section 2, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico, filed with the New Mexico Oil Conservation Division by Ocean Energy Resources, Inc. This application is scheduled to be heard at 8:15 a.m. on Thursday, July 13, 2000 at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico 87505. As an offset operator, you have the right to appear at the hearing and participate in the case. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

Please note that an administrative application has also been filed on this matter, and if that application is granted this case will be dismissed.

Very truly yours,



James Bruce

Attorney for Ocean Energy
Resources, Inc.

"A"

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

A. Received by (Please Print Clearly)

JOANN GRIGGS 6-22-90

B. Date of Delivery

C. Signature

Joann Griggs

☐ Agent

D. Delivery address different from item 1? ☐ Yes ☒ No

YES, enter delivery address below:

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Insured Mail

☐ Return Receipt for Merchandise

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes ☒ No

2. Article Number (Copy from service label)
Z 461 509 269

PS Form 3811, July 1989 PS Form 3811, July 1989

102595-99-44-1789

PS Form 3800, April 1995

OEI/hearing

US Postal Service
Receipt for Certified Mail
Air Insurance Coverage Provided.

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Post Office, State, & ZIP Code

Postage

\$ 0.55

Certified Fee

1.40

Special Delivery Fee

Restricted Delivery Fee

Return Receipt Showing to Whom & Date Delivered

1.25

Return Receipt Showing to Whom, Date, & Addressee's Address

TOTAL Postage & Fees

Postmark or Date

SANTA FE, NM

Z 461 509 269