

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA  
HYDE PARK ESTATES  
SANTA FE, NEW MEXICO 87501

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

100-100000-1  
OCT-9 PM 12:54

October 9, 2001

**Hand Delivered**

Lori Wrotenbery  
Oil Conservation Commission  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

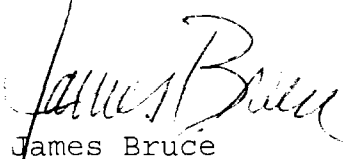
Re: Case Nos. 12535, 12567, 12569, and 12590 *de novo*, and  
Case No. 12738 (Ocean Energy Resources, Inc./Yates  
Petroleum Corporation)

Hearing scheduled for October 12, 2001

Dear Ms. Wrotenbery:

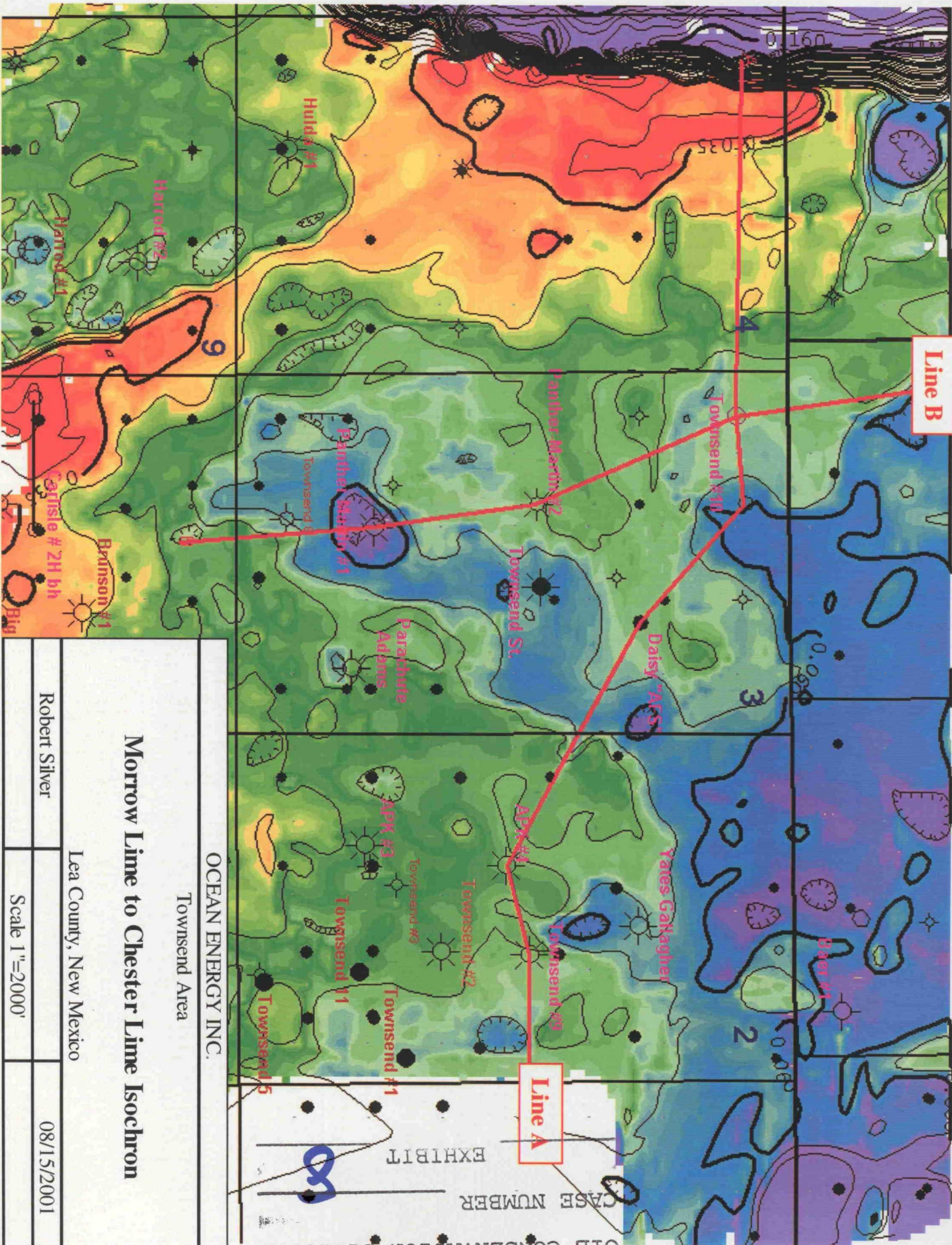
Enclosed are five copies of Ocean's exhibits 8 and 9, which should  
be inserted in the exhibit packages provided to the Commission last  
Friday.

Very truly yours,

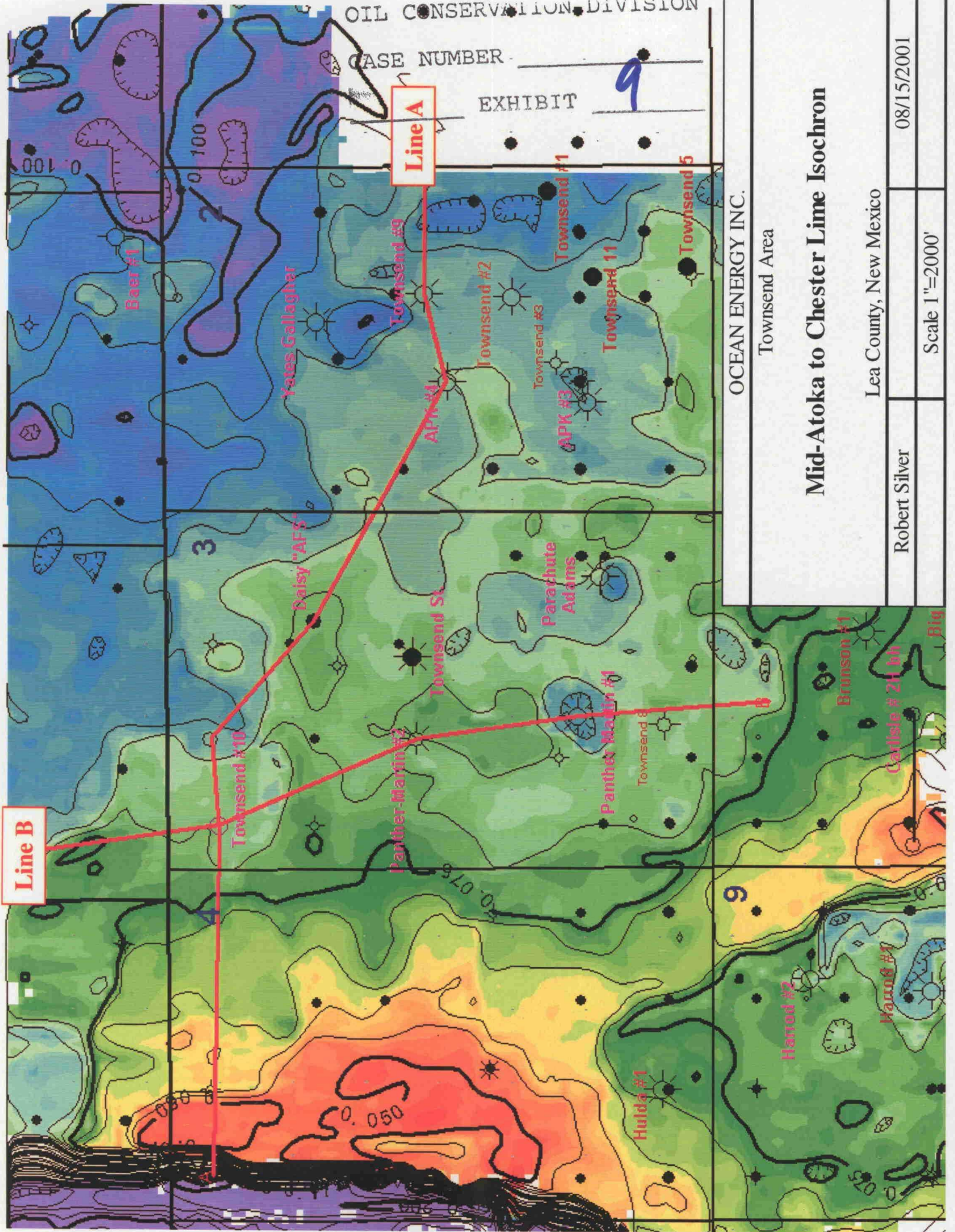
  
James Bruce

Attorney for Ocean Energy Resources, Inc.

cc: William F. Carr w/exhibits







OIL CONSERVATION DIVISION

CASE NUMBER \_\_\_\_\_

EXHIBIT **9**

**Line A**

**Line B**

OCEAN ENERGY INC.

Townsend Area

# Mid-Atoka to Chester Lime Isochron

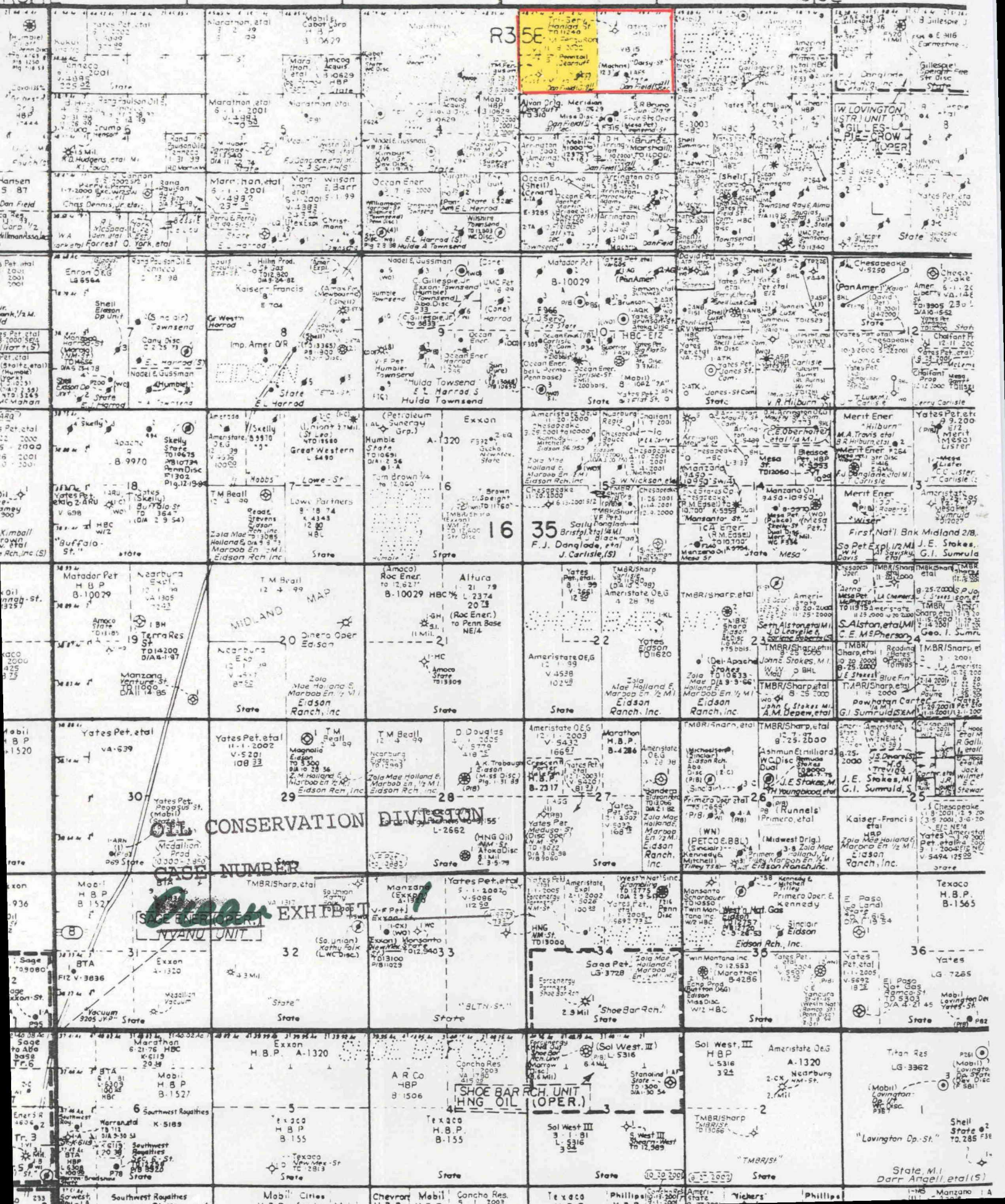
Lea County, New Mexico

Robert Silver

08/15/2001

Scale 1"=2000'







OCEAN ENERGY RESOURCES, INC.  
EXHIBIT 2  
CASE NOS. 12535 AND 12567

<u>Owner</u>	<u>Lands</u>	<u>Interest in Well Unit</u>
Ocean Energy Resources, Inc.	Lots 3-6	41.072056%
Yates Petroleum Corporation	Lots 1, 2, 7, 8	35.135750%
Yates Drilling Company	Lots 1, 2, 7, 8	5.019393%
Abo Petroleum Corporation	Lots 1, 2, 7, 8	5.019393%
Myco Industries, Inc.	Lots 1, 2, 7, 8	<u>5.019393%</u>
		50.193929%
David H. Arrington Oil & Gas Inc.	Lots 3-6	5.331300%
Tom R. Cone (Unleased)	Lot 3-6	1/5 x 11/384
Marilyn Cone, Trustee		
of the D.C. Trust (Unleased)	Lots 3, 4, 6 <sup>1</sup>	1/5 x 11/384
LWJ Partnership (Unleased)	Lots 3, 4, 6	1/5 x 11/384
Kenneth G. Cone (Unleased)	Lot 3-6	1/5 x 11/384
Kenneth G. Cone, Trustee		
of the Kenneth G. Cone		
Children's Trust U/W/O		
Kathleen Cone (Unleased)	Lot 3-6	1/5 x 11/384
Clifford Cone (Unleased)	Lots 3, 4, 6	1/5 x 11/384
Clifford Cone, Trustee		
of the Clifford Cone		
Family Trust U/W/O		
Kathleen Cone (Unleased)	Lots 3, 4, 6	1/5 x 11/384
The Long Trusts (Unleased)	Lot 5 <sup>2</sup>	4/5 x 11/384
The Blanco Company (Unleased)	Lot 5	1/16
Keith Pratt Daniels (Unleased)	Lot 5	1/32
Lynda Pratt Rast (Unleased)	Lot 5	<u>1/32</u>
		3.402715%
	Total:	100.000000%

Sonic Oil & Gas, L.P. (Unleased)	Lots 3-6	4/5 x 11/384
	(Wolfcamp formation only)	

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<sup>1</sup>The interests of Marilyn Cone, Trustee, LWJ Partnership, Clifford Cone, and Clifford Cone, Trustee in Lots 3-6 cover all depths except the Wolfcamp formation.

<sup>2</sup>The interest of The Long Trusts in Lot 5 covers all depths except the Wolfcamp formation.



May 31, 2000

VIA FAX (915) 682-4139 & US MAIL

David H. Arrington Oil & Gas, Inc.  
P.O. Box 2071  
Midland, Texas 79702

Attn: Mr. David H. Arrington

OIL CONSERVATION DIVISION

Re: Proposed 12,950' Morrow Test Well  
Townsend St. COM #10 Well  
660' FWL and 800' FNL  
Section 3, T16S, R35E  
Lea County, New Mexico

CASE NUMBER

Ocean EXHIBIT 3A

Dear Mr. Arrington:

Ocean Energy Resources, Inc. hereby proposes to drill at 12,950' Morrow Test at a location 660' FWL and 800' FNL of Section 3, T16S, R35E, Lea County, New Mexico. If the well is successfully completed in the Morrow formation, a 320-acre proration unit consisting of the N/3 of said Section 3 would be established. Based upon our most current title information, David H. Arrington Oil & Gas, Inc. (DHA) appears to own leasehold interest in the NW/4 of said Section 3. Please advise if this is incorrect.

Ocean respectfully requests that DHA either participate for its proportionate interest in the proposed well, or in the alternative, grant Ocean a term assignment covering all of DHA interest in the NW/4 of Section 3, T16S, R35E, Lea County, New Mexico, based upon the following general terms:

1. \$100.00 per mineral acre
2. One year primary term
3. Your reservation of a proportionally reduced overriding royalty interest equal to the difference between 20% and existing lease burdens

Enclosed for your review and execution are two (2) copies of the AFE for the above captioned well. You will be provided an operating agreement covering the N/3 of said Section 3 within the next few days. Should DHA elect to participate in the proposed well, please execute and return one (1) copy of this letter, one (1) AFE well cost estimate, and one (1) copy of the Operating Agreement. Also, please provide your well information requirements and the names of personnel to receive reports. Should DHA elect to grant

Ocean a term assignment, please make the appropriate election in the space provided below, and return one (1) fully executed copy of this letter to the undersigned. Upon receipt of your election a term assignment will be prepared and forwarded for your execution, along with a draft for the appropriate bonus amount.

Thanks for your consideration of this proposal, and if you have any questions please call me at (713) 265-6897.

Yours very truly,

OCEAN ENERGY RESOURCES, INC.,  
a subsidiary of OCEAN ENERGY, INC.



Derold Maney  
Senior Staff Landman

☐ DAVID H. ARRINGTON OIL & GAS, INC.  
**ELECTS TO PARTICIPATE** in the Townsend St. COM #10 Well

☐ DAVID H. ARRINGTON OIL & GAS, INC.  
**ELECTS NOT TO PARTICIPATE** in the Townsend St. COM #10 Well

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

☐ DAVID H. ARRINGTON OIL & GAS, INC., hereby **elects to grant** Ocean Energy Resources, Inc. a term assignment covering Yates interest in the NE/4 of Section 3, T16S R35E, Lea County, New Mexico based upon the above mentioned terms.

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

May 31, 2000

**Ocean Energy**  
VIA FAX (505) 748-4572 & US MAIL

Yates Petroleum Corporation  
Yates Drilling Company  
Abo Petroleum Corporation  
Myco Industries, Inc.  
105 S. Fourth Street  
Artesia, New Mexico 88210—2118

Attn: Mr. Robert Bullock

Re: Proposed 12,950' Morrow Test Well  
Townsend St. COM #10 Well  
660' FWL and 800' FNL  
Section 3, T16S, R35E  
Lea County, New Mexico

Dear Mr. Arrington:

Ocean Energy Resources, Inc. hereby proposes to drill at 12,950' Morrow Test at a location 660' FWL and 800' FNL of Section 3, T16S, R35E, Lea County, New Mexico. If the well is successfully completed in the Morrow formation, a 320-acre proration unit consisting of the N/3 of said Section 3 would be established. Based upon our most current title information, Yates Petroleum Corporation et al (Yates) appears to own leasehold interest in the NE/4 of said Section 3. Please advise if this is incorrect.

Ocean respectfully requests that Yates either participate for its proportionate interest in the proposed well, or in the alternative grant Ocean a term assignment covering all of Yates's interest in the NE/4 of Section 3, T16S, R35E, Lea County, New Mexico, based upon the following general terms:

1. \$100.00 per mineral acre
2. One year primary term
3. Your reservation of a proportionally reduced overriding royalty interest equal to the difference between 20% and existing lease burdens

Enclosed for your review and execution are two (2) copies of the AFE for the above captioned well. You will be provided an operating agreement covering the N/3 of said Section 3 within the next few days. Should Yates elect to participate in the proposed well, please execute and return one (1) copy of this letter, one (1) AFE well cost estimate, and one (1) copy of the Operating Agreement. Also, please provide your well information requirements and the names of personnel to receive reports. Should Yates elect to grant Ocean a term assignment, please make the appropriate election in the space provided



May 31, 2000

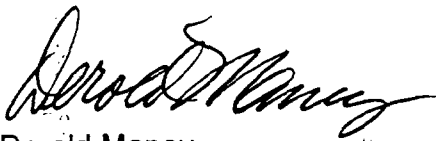
Page 2

below, and return one (1) fully executed copy of this letter to the undersigned. Upon receipt of your election a term assignment will be prepared and forwarded for your execution, along with a draft for the appropriate bonus amount.

Thanks for your consideration of this proposal, and if you have any questions please call me at (713) 265-6897.

Yours very truly,

OCEAN ENERGY RESOURCES, INC.,  
a subsidiary of OCEAN ENERGY, INC.



Derold Maney  
Senior Staff Landman

☐ YATES PETROLEUM CORPORATION  
ELECTS TO PARTICIPATE in the Townsend St. COM #10 Well

☐ YATES PETROLEUM CORPORATION  
ELECTS NOT TO PARTICIPATE in the Townsend St. COM #10 Well

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

☐ YATES PETROLEUM CORPORATION, hereby **elects to grant** Ocean Energy Resources, Inc. a term assignment covering Yates interest in the NE/4 of Section 3, T16S R35E, Lea County, New Mexico based upon the above mentioned terms.

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



June 26, 2000

Yates Petroleum Corporation  
Yates Drilling Company  
Abo Petroleum Corporation  
Myco Industries, Inc.  
105 S. Fourth Street  
Artesia, New Mexico 88210-2118

David H. Arrington Oil & Gas, Inc.  
P.O. Box 2071  
Midland, TX 79702

Attn: David H. Arrington

Attn: Mr. Robert Bullock

Re: Townsend State Com #10 Well  
Section 3, T16S, R35E  
Lea County, New Mexico

Gentlemen:

Enclosed for your review is a copy of the proposed Operating Agreement covering the above referenced well. Please review the Agreement and advise whether or not it is acceptable.

Ocean is interested in drilling this well as soon as possible. Therefore, your prompt attention in this matter is greatly appreciated.

If you have any questions or comments, please give me a call at (713) 265-6897,

Yours very truly,

OCEAN ENERGY RESOURCES, INC.,  
a subsidiary of OCEAN ENERGY, INC.

A handwritten signature in cursive script, reading "Derold Maney".

Derold Maney  
Senior Staff Landman

Enclosure



214 West Texas  
Suite 400 (Zip 79701)  
P.O. Box 2071  
Midland, Texas 79702

DAVID H. ARRINGTON OIL & GAS, INC.

Area Code: 915  
Phone : 682-6685  
Fax: 682-4139

September 29, 2000

CERTIFIED MAIL RETURN RECEIPT REQUESTED: 70943220 000511836002

Ocean Energy Resources, Inc.  
Attn: Mr. Derold Maney  
1001 Fannin, Suite 1600  
Houston, TX 77002

Re: B.B. Skunk State Com #1 Well  
660' FNL and 1980' FWL  
Section 3, T16S, R35E  
Lea County, NM  
Our North, North Airport

Ladies and Gentlemen:

David H. Arrington Oil & Gas, Inc., PO Box 2071, Midland, Texas 79702 hereby proposes the drilling of the captioned well at the location referenced above to test the Mississippian formations. This well will be drilled to an approximate depth of 13,100'. You will find enclosed an AFE for the drilling and completion of this well which sets forth the anticipated costs. We intend to commit Lots 1,2,3,4,5,6,7, and 8 (being the N/2) of said Section 3 to the spacing unit for this well.

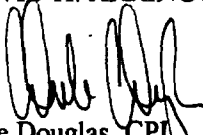
In the event you should desire to participate in the drilling of this test well, please so indicate by signing and returning one copy of the AFE to my attention as soon as possible. In the event you should elect to participate, we will forward for your review and execution a Joint Operating Agreement.

In the alternative, in the event you should wish to not participate in this test well, we would request that you grant a term assignment of your interest in your leasehold position in the in this proposed spacing unit, pursuant to the following terms and conditions: (i) \$100.00 per acre bonus, (ii) deliver an 80% NRI, retaining as an ORRI the difference if any between 20% and current leasehold burdens, and (iii) one (1) year primary term.

Should there be any questions or comments regarding this matter, please advise.

Yours very truly,

DAVID H. ARRINGTON OIL & GAS, INC.

  
Dale Douglas, CPL

Enclosure

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

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO  
ROBERT J. SUTPHIN, JR.

JACK M. CAMPBELL  
1916-1999



December 21, 2000

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: law@westofpecos.com

12-28-00

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO: AFFECTED INTEREST OWNERS

Re: Application of Yates Petroleum Corporation for compulsory pooling and three non-standard oil and gas spacing and proration units, Lea County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Yates Petroleum Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the compulsory pooling of certain spacing and proration units in Lots 1 through 8 of Irregular Section 3, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico. Said units will be dedicated to a well which Yates Petroleum Corporation proposes to drill at a standard location 660 feet from the North and East lines of said Section 3 to test all formations from the surface to the base of the Morrow formation.

This application has been set for hearing before a Division Examiner on January 11, 2001. 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 are required by Division Rule 1208.B to file a Prehearing Statement three days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

William F. Carr  
ATTORNEY FOR YATES  
PETROLEUM CORPORATION

Enc.



MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986

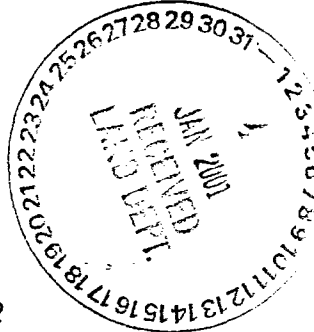


105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (505) 748-1471

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

December 27, 2000

Working Interest Owners  
Addressee List Attached



Via Certified Mail

Re: **AFE**  
**Daisy AFS St #2**  
**Township 16 South, Range 35 East**  
**Section 3: 660' FNL & 660' FEL**  
**Lea County, New Mexico**

Ladies and Gentlemen:

Please find enclosed our AFE proposing the drilling of the captioned well to test the Morrow/Mississippian formation at approximately 13,100'.

The proposed proration unit located in irregular Section 3 is Lots 1 through 8 which forms a non-standard 355.80 acre spacing unit.

We will forward our Joint Operating Agreement for your review as soon as you have indicated your desire to participate in this proposed test.

Please call me at (505) 748-4351 if you have any questions regarding this proposal.

Thank you.

Very truly yours,

**YATES PETROLEUM CORPORATION**

Robert Bullock  
Landman

RB:bn

DAISY AFS ST #2  
ADDRESSEE LIST

Tom R. Cone  
PO Box 778  
Jay, OK 74346

Kenneth G. Cone  
PO Box 11310  
Midland, TX 79702

Kenneth G. Cone, Trustee  
Kenneth G. Cone Children's Trust  
PO Box 11310  
Midland TX 79702

Marilyn Cone, Trustee  
of the D.C. Trust  
PO Drawer 1629  
Lovington, NM 88260

Clifford Cone  
PO Drawer 1629  
Lovington, NM 88260

Clifford Cone, Trustee of the  
Clifford Cone Family Trust U/W/O  
Kathleen Cone  
PO Drawer 1629  
Lovington, NM 88260

Keith Pratt Daniels  
PO Box 190766  
Dallas, TX 75219

Lynda Pratt Rast  
1202 Marlee Lane  
Arlington, TX 76014

Phillip L. White  
The Blanco Company  
PO Box 2168  
Santa FE, NM 87504-2168

The Long Trusts  
PO Box 3096  
Kilgore, TX 75663

LWJ Partnership  
PO Box 64244  
Lubbock, TX 79424

Ocean Energy Resources, Inc.  
1001 Fannin, Suite 1600  
Houston, TX 77002-6794

David H. Arrington Oil & Gas, Inc.  
214 West Texas, Suite 400  
Midland, TX 79701

Yates Petroleum Corporation  
Yates Drilling Company  
Abo Petroleum Corporation  
Myco Industries, Inc.  
105 South Fourth Street  
Artesia, NM 88210



Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 27, 2000

Mr. Tom R. Cone  
Post Office Box 778  
Jay, Oklahoma 74346

Re: Oil and Gas Lease Acquisition,  
Lots 3, 4, 5, of Section 3-All Depths  
Lot 6 of Section 3-All Depths, Save & Except  
The Depths between 10,394 feet and 10,442 feet  
T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico  
Containing 177.21 gross acres  
And 1.015266 net acres, more or less

Dear Mr. Cone:

By virtue of my letter of September 27, 2000 (see copy attached), I mailed you the oil and gas lease covering the captioned lands. In addition, I said I would mail you a check in the amount of \$152.19 representing the bonus consideration due upon receipt of the lease.

Since, the present plans our to drill a well at a location on the captioned lands early next year, I have enclosed my check in the amount \$152.19 representing the bonus consideration due for the two (2) year paid up oil and gas lease.

Please forward the fully executed lease to me at the captioned address as soon as possible. Should you have any questions, please call me at the captioned phone number. Thank you for your prompt attention to this matter.

Yours truly,

Blaine Hess

Bh/arh  
Enclosure

OIL CONSERVATION DIVISION

CASE NUMBER \_\_\_\_\_

Ocean EXHIBIT 3B

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

Ms. Marilyn Cone,  
Trustee of the D.C. Trust  
Post Office Drawer 1629  
Lovington, New Mexico 88260

Re: Oil and Gas Lease Offering,  
Lots 3, 4, 6 of Section 3, All Depths,  
Save & Except the depths between  
10,394 feet and 10,442 feet  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 137.21 gross acres  
And .786099 net acres, more or less

Dear Ms. Cone:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4th) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

LWJ Partnership  
Post Office Box 64244  
Lubbock, Texas 79424

Re: Oil and Gas Lease Offering,  
Lots 3, 4, 6 of Section 3, All Depths,  
Save & Except the depths between  
10,394 feet and 10,442 feet  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 137.21 gross acres  
And .786099 net acres, more or less

Gentlemen:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4th) royalty interest on production.

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Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

Mr. Kenneth G. Cone  
Post Office Box 11310  
Midland, Texas 79702

Re: Oil and Gas Lease Offering,  
Lots 3, 4, 5, of Section 3-All Depths  
Lot 6 of Section 3-All Depths, Save & Except  
The Depths between 10,394 feet and 10,442 feet.  
T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico  
Containing 177.21 gross acres  
And 1.015266 net acres, more or less

Dear Mr. Cone:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, our plans are to drill a Morrow Test well at a location on the captioned lands.

Therefore, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh



Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000.

Mr. Kenneth G. Cone  
Trustee of the Kenneth  
G. Cone Children's Trust  
Post Office Box 11310  
Midland, Texas 79702

Re: Oil and Gas Lease Offering,  
Lots 3, 4, 5, of Section 3-All Depths  
Lot 6 of Section 3-All Depths, Save & Except  
The Depths between 10,394 feet and 10,442 feet  
T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico  
Containing 177.21 gross acres  
And 1.015266 net acres, more or less

Dear Mr. Cone:

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Therefore, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

Mr. Clifford Cone  
Post Office Drawer 1629  
Lovington, New Mexico 88260

Re: Oil and Gas Lease Offering,  
Lots 3, 4, 6 of Section 3, All Depths,  
Save & Except the depths between  
10,394 feet and 10,442 feet  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 137.21 gross acres  
And .786099 net acres, more or less

Dear Mr. Cone:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4th) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

Mr. Clifford Cone,  
Trustee of the Clifford Cone  
Family Trust U/W/O Kathleen Cone  
Post Office Drawer 1629  
Lovington, New Mexico 88260

Re: Oil and Gas Lease Offering,  
Lots 3, 4, 6 of Section 3, All Depths,  
Save & Except the depths between  
10,394 feet and 10,442 feet  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 137.21 gross acres  
And .786099 net acres, more or less

Dear Mr. Cone:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4th) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

The Long Trusts  
Post Office Box 3096  
Kilgore, Texas 75663

Re: Oil and Gas Lease Offering,  
Lot 5 of Section 3-All Depths,  
Save & Except the depths between  
10,394 feet and 10,442 feet  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 40.00 gross acres  
And .916667 net acres, more or less

Gentlemen:

Lot 4 — We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, our plans are to drill a Morrow Test well at a location on the captioned lands.

Therefore, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh



Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

Mr. Philip L. White  
The Blanco Company  
Post Office Box 2168  
Santa Fe, New Mexico 87504-2168

Re: Oil and Gas Lease Offering,  
Lot 5 of Section 3,  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 40.00 gross acres  
And 2.5 net acres, more or less

Dear Philip:

Lot 4  
— We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, our plans are to drill a Morrow Test well at a location on the captioned lands.

Therefore, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 15, 2000

Mr. Philip L. White  
The Blanco Company  
Post Office Box 2168  
Santa Fe, New Mexico 87504-2168

Re: Oil and Gas Lease Offering,  
Lot 5 of Section 3,  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 40.00 gross acres  
And 2.5 net acres, more or less

Dear Philip:

In reference to our conversation of today, I am sending this letter to clarify that the proposed location of the Morrow Test well is located on Lot 4 of Section 3 instead of Lot 5 as described in my letter of September 12, 2000.

Also, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year paid up oil and gas lease that provides for a one-quarter (1/4) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 15, 2000

Ms. Keith Pratt Daniels  
Post Office Box 190766  
Dallas, Texas 75219

Re: Oil and Gas Lease Offering,  
Lot 5 of Section 3,  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 40.00 gross acres  
And 1.25 net acres, more or less

Dear Ms. Daniels:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year paid up oil and gas lease that provides for a one-quarter (1/4) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 15, 2000

Ms. Lynda Pratt Rast  
1202 Marlee Lane  
Arlington, Texas 76014

Re: Oil and Gas Lease Offering,  
Lot 5 of Section 3,  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 40.00 gross acres  
And 1.25 net acres, more or less

Dear Ms. Rast:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year paid up oil and gas lease that provides for a one-quarter (1/4) royalty interest on production.

Please consider this proposal, as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

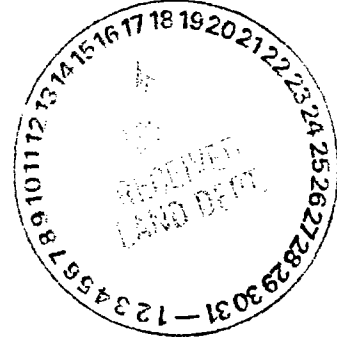
Yours truly,

Blaine Hess

Bh/arh



Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*



November 8, 2000

Mr. Tom R. Cone  
Post Office Box 778  
Jay, Oklahoma 74346

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Dear Mr. Cone:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000  
cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

November 8, 2000

Ms. Marilyn Cone  
Trustee of the D.C. Trust  
Post Office Drawer 1629  
Lovington, New Mexico 88260

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Dear Ms. Cone:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000  
cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

**Blaine Hess**  
***Oil Properties***  
**Post Office Box 326**  
**Roswell, New Mexico 88202-0326**  
**(505) 623-5400**  
**(505) 623-4916 *facsimile***

November 8, 2000

LWJ Partnership  
Post Office Box 64244  
Lubbock, Texas 79424

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Gentlemen:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000

cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

November 8, 2000

Mr. Kenneth G. Cone, Individually  
And as Trustee of the Kenneth G.  
Cone Children's Trust  
Post Office Box 11310  
Midland, Texas 79702

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Dear Mr. Cone:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000

cc: Mr. Derold Maney, Ocean Energy Resources, Inc.



Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

November 8, 2000

Mr. Clifford Cone, Individually  
And as Trustee of the Clifford  
Cone Family Trust  
Post Office Drawer 1629  
Lovington, New Mexico 88260

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Dear Mr. Cone:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000

cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

**Blaine Hess**  
***Oil Properties***  
**Post Office Box 326**  
**Roswell, New Mexico 88202-0326**  
**(505) 623-5400**  
**(505) 623-4916 *facsimile***

November 8, 2000

The Long Trusts  
Post Office Box 3096  
Kilgore, Texas 75663

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Gentlemen:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000

cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

**Blaine Hess**  
***Oil Properties***  
**Post Office Box 326**  
**Roswell, New Mexico 88202-0326**  
**(505) 623-5400**  
**(505) 623-4916 *facsimile***

November 8, 2000

Mr. Philip L. White  
The Blanco Company  
Post Office Box 2168  
Santa Fe, New Mexico 87504-2168

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Dear Mr. White:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10-well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000

cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

November 8, 2000

Ms. Keith Pratt Daniels  
Post Office Box 190766  
Dallas, Texas 75219

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Dear Ms. Daniels:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

- Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000  
cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

**Blaine Hess  
Oil Properties  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile***

November 8, 2000

Ms. Lynda Pratt Rast  
1202 Marlee Lane  
Arlington, Texas 76014

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Dear Ms. Rast:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000

cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

**Blaine Hess  
Oil Properties  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400**

November 8, 2000

Sonic Oil & Gas, L.P.  
Post Office Box 1240  
Graham, Texas 76450

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Gentlemen:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

In this respect, we submit an offer to lease your mineral interest in Lots 3, 4, 5 of Section 3 at \$50.00 per net mineral acre bonus consideration for a two (2) oil and gas lease that provides for a one-fifth (1/5<sup>th</sup>) royalty interest on production.

In the event you decide not to lease your mineral interest, we request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000  
cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

### EXPLORATORY DRILLING / COMPLETION

*Ocean* EXHIBIT 4



BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF OCEAN ENERGY RESOURCES,  
INC. FOR COMPULSORY POOLING AND FOUR  
NON-STANDARD OIL AND GAS SPACING AND  
PRORATION UNITS, LEA COUNTY, NEW MEXICO.

Case No. 12,535

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.

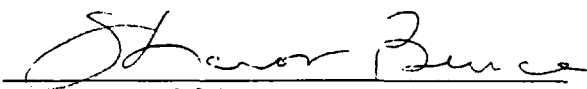
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the Application filed herein.

4. Notice of the Application was provided to the interest owners at their correct addresses by certified mail. Copies of the notice letter and certified return receipts 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 10th day of January, 2001, by James Bruce.

  
Notary Public

My Commission Expires:  
3/14/2001

OIL CONSERVATION DIVISION

CASE NUMBER

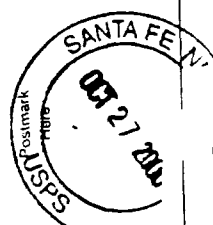
Ocean EXHIBIT 5A

# U.S. Postal Service CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

6678 227E 4200 0090 0002  
6678 227E 4200 0090 0002

Postage	\$ 0.55
Certified Fee	1.40
Return Receipt Fee (Endorsement Required)	1.25
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 3.20</b>



Recipient's Name (Please Print Clearly)  
 David H. Arrington Oil & Gas, Inc.  
 Street, Apt. P.O. Box 2071  
 Midland, Texas 79702  
 City, State, ZIP+4

PS Form 3800, February 2000 See Reverse for Instructions

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, 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  
 Yates Drilling Company  
 Abo Petroleum Corporation  
 Myco Industries, Inc.  
 105 South Fourth Street  
 Artesia, New Mexico 88210  
 Attention: Chuck Moran

2. Article Number (Copy from service label)

7000 0600 0024 3122 8186

PS Form 3811, July 1999

Domestic Return Receipt

107595-00-M-0952

## COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Name) DAVID H. ARRINGTON Date of Delivery 10-30-00
- C. Signature [Signature]
- D. Is delivery address different from item 1? ☒ Yes ☐ No  
 If YES, enter delivery address below:

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

## SENDER: COMPLETE THIS SECTION

- 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:

David H. Arrington Oil & Gas, Inc.  
 P.O. Box 2071  
 Midland, Texas 79702

2. Article Number (Copy from service label)  
 7000 0600 0024 3122 8193

PS Form 3811, July 1999

Domestic Return Receipt

107595-00-M-0952

## COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Name) S. Slough Date of Delivery 10-31-00
- C. Signature [Signature]
- D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

# U.S. Postal Service CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

6678 227E 4200 0090 0002

Postage	\$ 0.55
Certified Fee	1.40
Return Receipt Fee (Endorsement Required)	1.25
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 3.20</b>



Recipient: Yates Petroleum Corporation  
 Yates Drilling Company  
 Abo Petroleum Corporation  
 Myco Industries, Inc.  
 105 South Fourth Street  
 Artesia, New Mexico 88210

PS Form 3800, February 2000 See Reverse for Instructions

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF OCEAN ENERGY RESOURCES,  
INC. FOR COMPULSORY POOLING AND FOUR  
NON-STANDARD OIL AND GAS SPACING AND  
PRORATION UNITS, LEA COUNTY, NEW MEXICO.

Case No. 12,567

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.

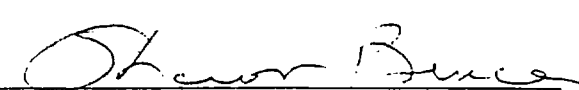
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the Application filed herein.

4. Notice of the Application was provided to the interest owners at their correct addresses by certified mail. Copies of the notice letter and certified return receipts 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 10th day of January, 2001, by James Bruce.

  
Notary Public

My Commission Expires:  
3/14/2001

OIL CONSERVATION DIVISION

CASE NUMBER

Ocean EXHIBIT SB

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA  
HYDE PARK ESTATES  
SANTA FE, NEW MEXICO 87501

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

December 19, 2000

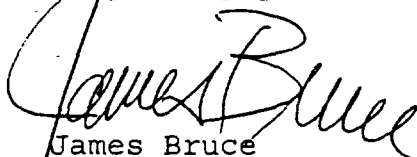
**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

To: Persons on Exhibit A

Ladies and Gentlemen:

Enclosed is a copy of an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Ocean Energy Resources, Inc., regarding Lots 1-8 of Section 3, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico. This application is scheduled to be heard at 8:15 a.m. on Thursday, January 11, 2001 at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico 87505. As an interest owner in the proposed well, 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.

Very truly yours,

  
James Bruce

Attorney for Ocean  
Energy Resources, Inc.



EXHIBIT A

Kenneth G. Cone, individually and  
as Trustee of the Kenneth G. Cone  
Children's Trust U/W/O Kathleen Cone  
P.O. Box 11310  
Midland, Texas 79702

Sonic Oil & Gas, L.P.  
P.O. Box 1240  
Graham, Texas 76450

The Blanco Company  
P.O. Box 2168  
Santa Fe, New Mexico 87504

Keith Pratt Daniels  
P.O. Box 190766  
Dallas, Texas 75219

Lynda Pratt Rast  
1202 Marlee Lane  
Arlington, Texas 76014

The Long Trusts  
P.O. Box 3096  
Kilgore, Texas 75663

Marilyn Cone, Trustee  
of the D.C. Trust  
P.O. Drawer 1629  
Lovington, New Mexico 88260

LWJ Partnership  
P.O. Box 64244  
Lubbock, Texas 79424

Clifford Cone, individually and  
as Trustee of the Clifford Cone  
Family Trust  
P.O. Drawer 1629  
Lovington, New Mexico 88260

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT  
(Domestic Mail Only: No Insurance Coverage Provided)**

Article Sent To:

Postage	\$ 55
Certified Fee	1.40
Return Receipt Fee (Endorsement Required)	1.25
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 3.20

Name (Please Print Clearly) (To be completed by mailer)

Keith Pratt Daniels  
P.O. Box 190766  
Dallas, Texas 75219

City, State, ZIP+ 4

PS Form 3800, July 1999

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- 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:

Keith Pratt Daniels  
P.O. Box 190766  
Dallas, Texas 75219

2. Article Number (Copy from service label)

7099 3220 0005 9418 9114

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

OEI

**SENDER: COMPLETE THIS SECTION**

- 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:

The Long Trusts  
P.O. Box 3096  
Kilgore, Texas 75663

2. Article Number (Copy from service label)

7099 3220 0005 9418 9130

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

OEI

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT  
(Domestic Mail Only: No Insurance Coverage Provided)**

Article Sent To:

Postage	\$ 55
Certified Fee	1.40
Return Receipt Fee (Endorsement Required)	1.25
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 3.20

Name (Please Print Clearly) (To be completed by mailer)

The Long Trusts  
P.O. Box 3096  
Kilgore, Texas 75663

City, State, ZIP+ 4

PS Form 3800, July 1999

See Reverse for Instructions

7099 3220 0005 9418 9130

# U.S. Postal Service CERTIFIED MAIL RECEIPT

(Domestic Mail Only: No Insurance Coverage Provided)

Article Sent to:

Postage

Certified Fee

Return Receipt Fee  
(Endorsement Required)

Restricted Delivery Fee  
(Endorsement Required)

Total Postage & Fees

Name (Please Print Clearly) (If no name is printed, the mail will be returned to the sender.)

Sonic Oil & Gas, L.P.

P.O. Box 1240

Graham, Texas 76450

City, State, ZIP+4

PS Form 3800, July 1989

See Reverse for Instructions

## SENDER: COMPLETE THIS SECTION

- 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:

Sonic Oil & Gas, L.P.  
P.O. Box 1240  
Graham, Texas 76450

2. Article Number (Copy from service label)

1099 3220 0005 9418 9198

PS Form 3811, July 1989

Domestic Return Receipt

102595-00-M-0952

061

## SENDER: COMPLETE THIS SECTION

- 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:

The Blanco Company  
P.O. Box 2168  
Santa Fe, New Mexico 87504

2. Article Number (Copy from service label)

1099 3220 0005 9418 9181

PS Form 3811, July 1989

Domestic Return Receipt

102595-00-M-0952

061

## U.S. Postal Service CERTIFIED MAIL RECEIPT

(Domestic Mail Only: No Insurance Coverage Provided)

Article Sent to:

C. Signature

X Wclust

D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

3. Service Type

☒ Certified Mail ☐ Express Mail

☐ Registered ☒ Return Receipt for Merchandise

☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

Postage

\$ 5.55

Certified Fee

1.40

Return Receipt Fee  
(Endorsement Required)

1.25

Restricted Delivery Fee  
(Endorsement Required)

\$ 3.20

Total Postage & Fees

Name (Please Print Clearly) (If no name is printed, the mail will be returned to the sender.)

The Blanco Company

P.O. Box 2168

Santa Fe, New Mexico 87504

City, State, ZIP+4

PS Form 3800, July 1989

See Reverse for Instructions

## COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

X P. Wclust

D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

3. Service Type

☒ Certified Mail ☐ Express Mail

☐ Registered ☒ Return Receipt for Merchandise

☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

7099 3220 0005 9418 9181



**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Postage	\$ 5.50
Certified Fee	1.50
Return Receipt Fee (Endorsement Required)	1.25
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 3.20</b>

Name: Kenneth G. Cone, individually and  
as Trustee of the Kenneth G. Cone  
Children's Trust U/W/O Kathleen Cone  
Street: P.O. Box 11310  
Midland, Texas 79702  
City, State, ZIP+4

PS Form 3800, July 1989

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- 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:

Kenneth G. Cone, individually and  
as Trustee of the Kenneth G. Cone  
Children's Trust U/W/O Kathleen Cone  
P.O. Box 11310  
Midland, Texas 79702

2. Article Number (Copy from service label)

1099 3220 0005 9418 9804

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- 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:

Marilyn Cone, Trustee  
of the D.C. Trust  
P.O. Drawer 1629  
Lovington, New Mexico 88260

2. Article Number (Copy from service label)

1099 3220 0005 9418 9743

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- 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:

Kenneth G. Cone, individually and  
as Trustee of the Kenneth G. Cone  
Children's Trust U/W/O Kathleen Cone  
P.O. Box 11310  
Midland, Texas 79702

2. Article Number (Copy from service label)

1099 3220 0005 9418 9804

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

See Reverse for Instructions

**COMPLETE THIS SECTION ON DELIVERY**

- A. Received by (Please Print Clearly) B. Date of Delivery
- C. Signature
- D. Is delivery address different from item 1? Yes ☐ No ☐

- 3. Service Type
  - ☒ Certified Mail
  - ☐ Registered
  - ☐ Insured Mail
  - ☐ Express Mail
  - ☒ Return Receipt for Merchandise
  - ☐ C.O.D.

- 4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Postage	\$ 5.50
Certified Fee	1.50
Return Receipt Fee (Endorsement Required)	1.25
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 3.20</b>

Name (Please Print) Marilyn Cone, Trustee  
of the D.C. Trust  
Street: P.O. Drawer 1629  
Lovington, New Mexico 88260  
City, State, ZIP+4

PS Form 3800, July 1999

See Reverse for Instructions

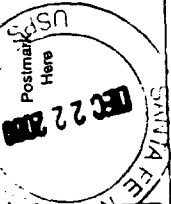
102595-00-M-0952

See Reverse for Instructions

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Postage	\$ 5.50
Certified Fee	1.40
Return Receipt Fee (Endorsement Required)	1.25
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 3.20</b>



Name (Please Print Clearly)  
Clifford Cone, individually and  
as Trustee of the Clifford Cone  
Family Trust  
P.O. Drawer 1629  
Lovington, New Mexico 88260  
City, State, ZIP+

See Reverse for Instructions

PS Form 3800, July 1999

**SENDER: COMPLETE THIS SECTION**

- 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:

Clifford Cone, individually and  
as Trustee of the Clifford Cone  
Family Trust  
P.O. Drawer 1629  
Lovington, New Mexico 88260

2. Article Number (Copy from service label)

1099 3220 0005 9418

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

☐ Agent

☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

3. Service Type

☒ Certified Mail

☐ Registered

☐ Insured Mail

☐ Express Mail

☒ Return Receipt for Merchandise

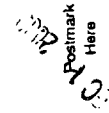
☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Postage	\$ 5.50
Certified Fee	1.40
Return Receipt Fee (Endorsement Required)	1.25
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 3.20</b>



Name (Please Print)  
Lynda Pratt Rast  
1202 Marlee Lane  
Arlington, Texas 76014  
Street, Apt. No.,  
City, State, ZIP+

PS Form 3800, July 1999

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- 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:

LWJ Partnership  
P.O. Box 64244  
Lubbock, Texas 79424

2. Article Number (Copy from service label)

7099 3220 0005 9418 9136

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

OEI

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

☐ Agent

☐ Addressee

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Registered

☐ Insured Mail

☐ C.O.D.

☐ Express Mail

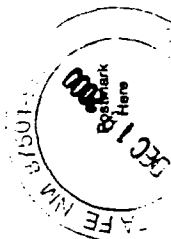
☒ Return Receipt for Merchandise

4. Restricted Delivery? (Extra Fee) ☐ Yes

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT  
(Domestic Mail Only; No Insurance Coverage Provided)**

Article Sent To:

Postage	\$ 4.55
Certified Fee	1.00
Return Receipt Fee (Endorsement Required)	1.25
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 3.20</b>



Name (Please Print) LWJ Partnership

P.O. Box 64244

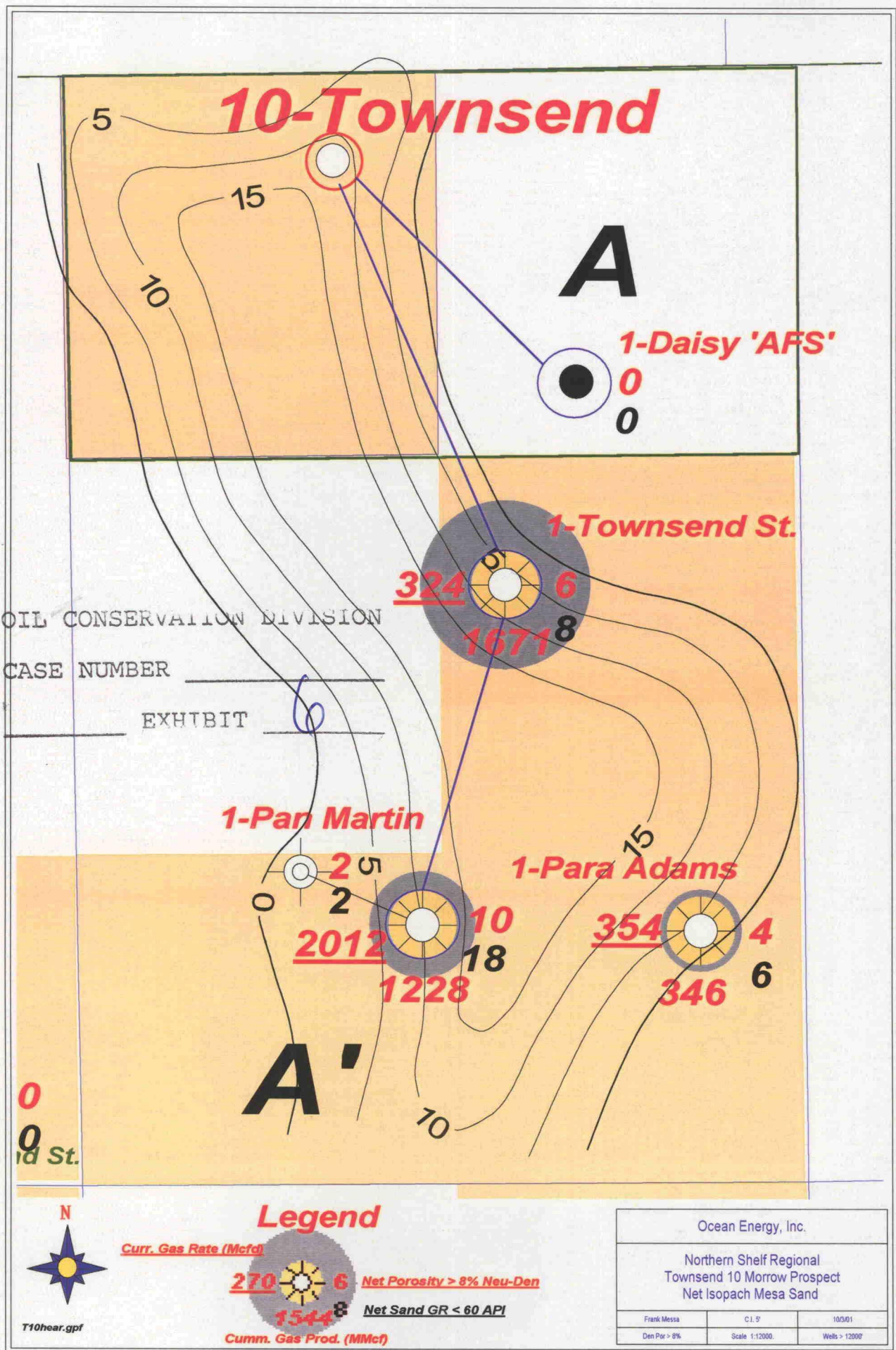
Street Apt. No.: Lubbock, Texas 79424

City, State, ZIP+4

PS Form 3800, July 1999

See Reverse for Instructions

7099 3220 0005 9418 9136





**BAKER HUGHES** COMPENSATED NEUTRON LITHO DENSITY

WELL: W. 1000000 State Co #1  
 FIELD: Townsend  
 COUNTY: Lea STATE: New Mexico

DATE: 3/10/53 TIME: 3:00 PM

LOGGERS: W. 1000000  
 SURVEYOR: W. 1000000  
 CHECKED BY: W. 1000000

WELL DEPTH: 10000 FEET  
 CASING DEPTH: 10000 FEET  
 LOG DEPTH: 10000 FEET

WELL TYPE: Oil  
 LOG TYPE: Oil  
 LOG SCALE: Oil

WELL STATUS: Active  
 LOG STATUS: Active  
 LOG SCALE: Oil

**Schlumberger** COMPENSATED NEUTRON LITHO DENSITY

WELL: W. 1000000 State Co #1  
 FIELD: Townsend  
 COUNTY: Lea STATE: New Mexico

DATE: 3/10/53 TIME: 3:00 PM

LOGGERS: W. 1000000  
 SURVEYOR: W. 1000000  
 CHECKED BY: W. 1000000

WELL DEPTH: 10000 FEET  
 CASING DEPTH: 10000 FEET  
 LOG DEPTH: 10000 FEET

WELL TYPE: Oil  
 LOG TYPE: Oil  
 LOG SCALE: Oil

WELL STATUS: Active  
 LOG STATUS: Active  
 LOG SCALE: Oil

**YATES PETROLEUM CORPORATION** COMPENSATED NEUTRON LITHO DENSITY

WELL: DASH 'A' STATE 01  
 FIELD: RESON  
 COUNTY: LEA STATE: NEW MEXICO

DATE: 10/20/50 TIME: 10:00 AM

LOGGERS: W. 1000000  
 SURVEYOR: W. 1000000  
 CHECKED BY: W. 1000000

WELL DEPTH: 10000 FEET  
 CASING DEPTH: 10000 FEET  
 LOG DEPTH: 10000 FEET

WELL TYPE: Oil  
 LOG TYPE: Oil  
 LOG SCALE: Oil

WELL STATUS: Active  
 LOG STATUS: Active  
 LOG SCALE: Oil

TOWNSEND #10

OIL CONSERVATION DIVISION

CASE NUMBER

EXHIBIT

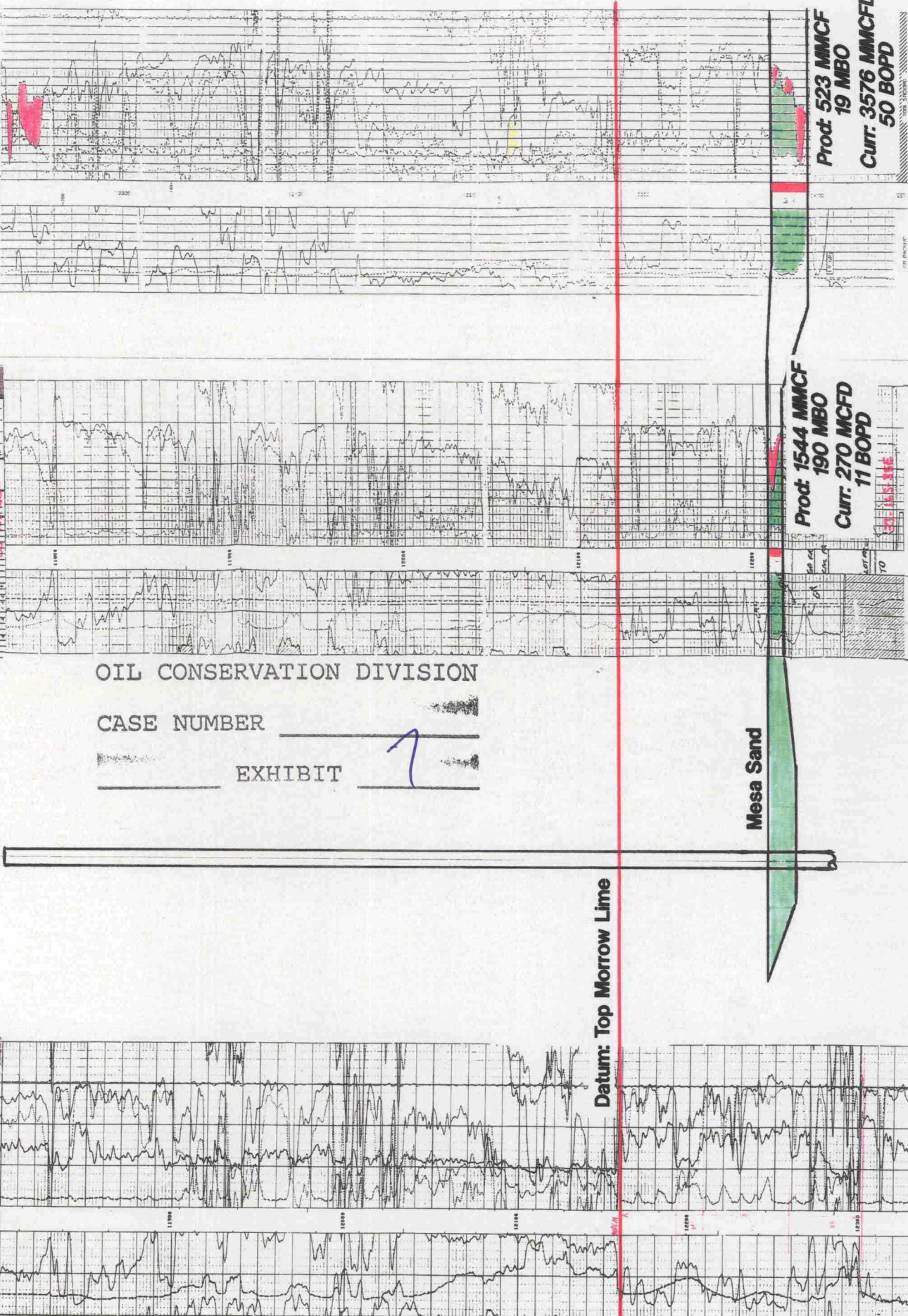
7

Datum: Top Morrow Line

Mesa Sand

Prod: 523 MMCF  
 19 MBO  
 Curr: 3576 MMCFD  
 50 BOPD

Prod: 1544 MMCF  
 190 MBO  
 Curr: 270 MMCFD  
 11 BOPD





## CASE NUMBER



## Mesa Sand Event

OCEAN ENERGY INC.

Townsend Area

## Seismic Line A

Lea County, New Mexico

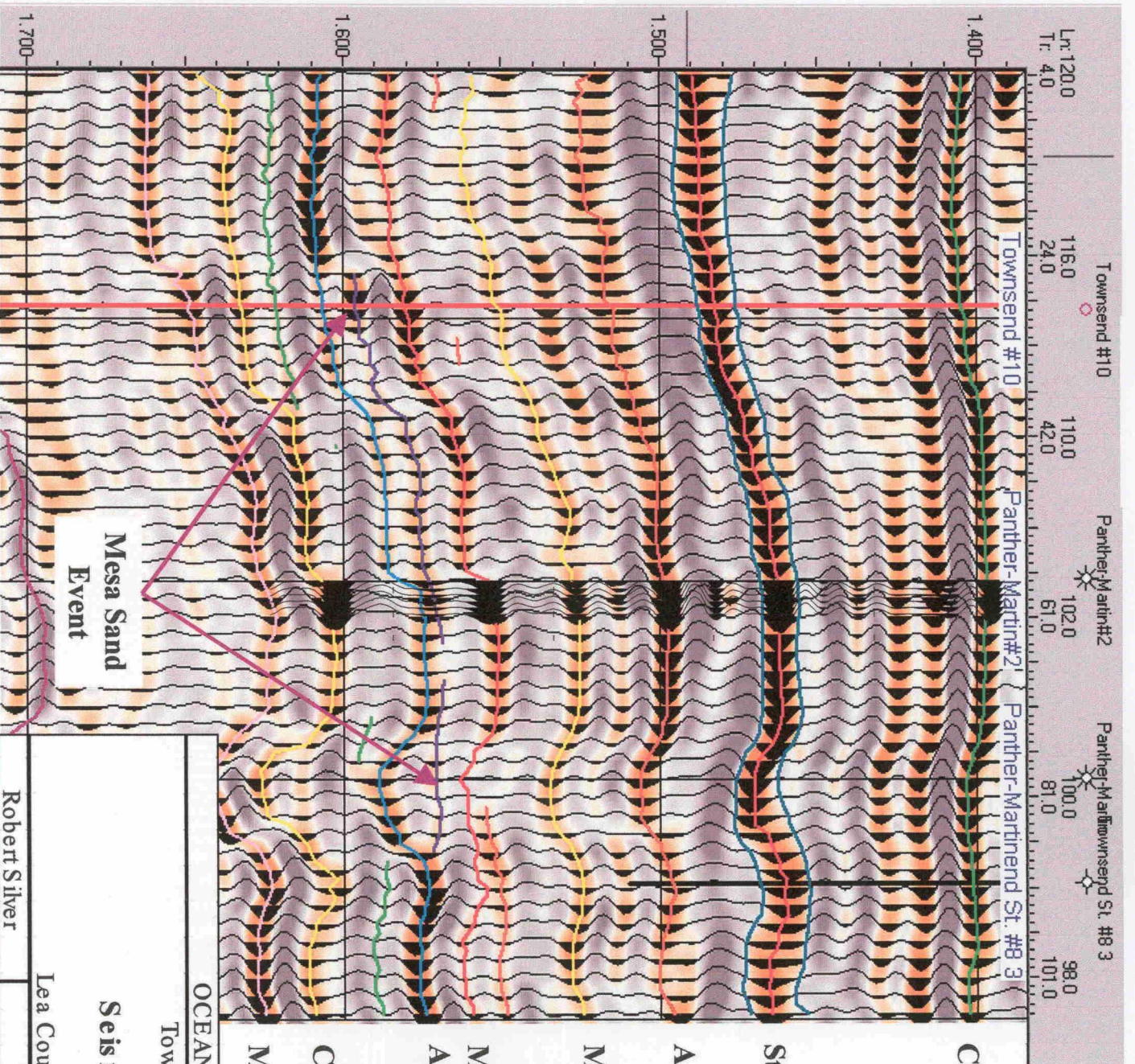
Robert Silver

08/15/2001

Scale 20"/second



# Line B



OIL CONSERVATION DIVISION  
CASE NUMBER  
EXHIBIT

OCEAN ENERGY INC.

Townsend Area

Seismic Line B

Lea County, New Mexico

Robert Silver

Scale 20"/second

08/15/2001