

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

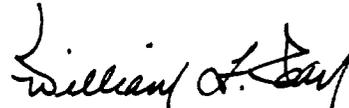
APPLICATION OF SUNVALLEY ENERGY
CORPORATION FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

CASE NO. 12804

AFFIDAVIT

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

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



William F. Carr

SUBSCRIBED AND SWORN to before me this 16th day of January 2002.



Notary Public

My Commission Expires:

Aug 23, 2005

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

45638.0001/w FC / Mon K 1

1.26
 2.10
 1.50
 4.86

SANTA FE NM 87501-99

Recipient's Name
Devon Energy Corporation
 20 North Broadway Ave., Suite
 Oklahoma City, Oklahoma 73102-8296

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:

Devon Energy Corporation
 20 North Broadway Ave., Suite 1500
 Oklahoma City, Oklahoma 73102-8296

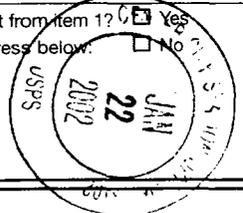
2. Article Number (Copy from service label)
7000 0600 0024 3128 6889

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature
X Goodluck Njoku Agent Addressee

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

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
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TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

January 16, 2002

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Devon Energy Corporation
20 North Broadway Ave., Suite 1500
Oklahoma City, Oklahoma 73102-8296

Re: Application of SunValley Energy Corporation for compulsory pooling, Lea County, New Mexico.

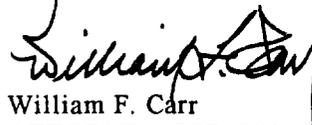
Ladies and Gentlemen:

This letter is to advise you that Sun Valley Energy Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests from the surface through the San Andres formation in a standard oil spacing and proration unit comprised of the SW/4 NW/4 of Section 12 Township 18 South, Range 38 East, N.M.P.M., Lea County, New Mexico. SunValley proposes to dedicate the referenced pooled unit to its Monk Well No. 1 to be drilled at a standard location 1980 feet from the North line and 660 feet from the West line of said Section 12.

This application has been set for hearing before a Division Examiner on February 7, 2002. 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 SUNVALLEY ENERGY
CORPORATION

WFC:keh
Enclosure

cc: Tony Krakauskas
Vice-President
SunValley Energy Corporation
Post Office Box 1000
Roswell, New Mexico 88202