

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF SEELY OIL COMPANY
FOR STATUTORY UNITIZATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 10647

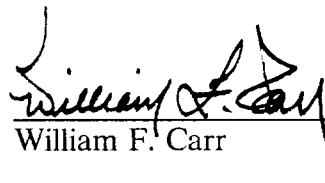
APPLICATION OF SEELY OIL COMPANY
FOR APPROVAL OF A WATERFLOOD
PROJECT AND QUALIFICATION
FOR THE RECOVERED OIL TAX RATE,
LEA COUNTY, NEW MEXICO.

CASE NO. 10648

AFFIDAVIT OF MAILING

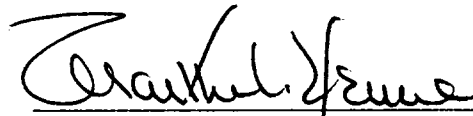
William F. Carr, being duly sworn, states that on November 25, 1992 he provided notice of the above referenced applications by certified mail, return receipt requested, to the persons identified on Exhibit "A" attached hereto in compliance with the provisions of the rules and regulations of the Oil Conservation Division.

Further Affiant sayeth naught.



William F. Carr

SUBSCRIBED AND SWORN to before me this 17th day of March, 1993.



Notary Public

My Commission Expires:

August 19, 1995

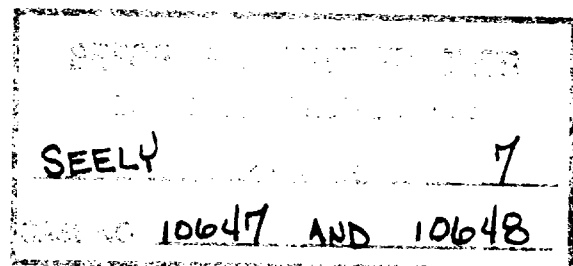


EXHIBIT A

Ray Westall
Box 4
Loco Hills, New Mexico 88255

ORYX Energy Company
Box 1861
Midland, TX 79703

Amoco Production Company
Post Office Box 3092
Houston, TX 77253
Attn: Dan Janik

OXY USA, Inc.
Post Office Box 50250
Midland, TX 79710
Attn: Scott Gengler

Meridian Oil, Inc.
801 Cherry Street, Suite 700
Fort Worth, TX 76102

Maralo Inc.
223 West Wall, 9th Floor
Midland, TX 79702

JFG Enterprises
Box 100
Artesia, NM 88211-0100

Chevron USA Inc.
Permian Basin Production
Business Unit
Post Office Box 1150
Midland, TX 79702

Collins & Ware
Box 2443
Roswell, NM 88202-2443

Marathon Oil Company
P. O. Box 552
Midland, TX 79702
Attn: Tom Hill

Bass Enterprises Production Co.
201 Main Street, Suite 3100
Fort Worth, TX 76102

Patricia Dean Boswell, Trustee
1320 Lake Street
Fort Worth, TX 76102

Santa Fe Exploration Company
Post Office Box 1136
Roswell, NM 88202

J. Cleo Thompson & James
Cleo Thompson, Jr., a Ptr.
325 N. St. Paul, Suite 4500
Dallas, TX 75201-3993

Mobil Producing
Box 633
Midland, TX 79702

John P. Oil Company
1320 Lake Street
Fort Worth, TX 76102

C.E.B. Oil Company
1320 Lake Street
Fort Worth, TX 76102

E.A.B. Oil Company
1320 Lake Street
Fort Worth, TX 76102

P.V.B. Oil Company
1320 Lake Street
Fort Worth, TX 76102

Houston & Emma Hill Tr. Est.
500 Throckmorton, Suite 2803
Fort Worth, TX 76102

Wes-Tex Drilling Company
P. O. Box 3739
Abilene, TX 79604

Express Air Drilling, Inc.
2 Turtle Creek Village,
Suite 1525
Dallas, TX 75219

Northbrook Business Center
506 Fort Worth Club Bldg.
Fort Worth, TX 76102

Burnett Oil Company
801 Cherry Street, Suite 1500
Fort Worth, TX 76102

Merlyn W. Dahlin and wife,
Ruth G. Dahlin
3220 North Freeway
Fort Worth, TX 76111

Charles P. Davis and wife,
Shirley A. Davis
1307 8th Ave., Suite 308
Fort Worth, TX 76104

David L. Henderson and wife,
Dawn Henderson
815 W. 10th Street
Fort Worth, TX 76102

Michael J. Havel and wife,
Kathleen A. Havel
7607 Chalkstone
Dallas, TX 75248

C.W. Stumhoffer and wife,
Frieda T. Stumhoffer
1007 Ridglea Bank Bldg.
Fort Worth, TX 76116

C. W. Seely and wife,
Ina B. Seely
815 W. 10th Street
Fort Worth, TX 76102

Frances Buckler
1809 Aden Road
Fort Worth, TX 76116

Roger W. Moore
8504 Fairway Drive
Fort Worth, TX 76116

J. C. Maddux
1012 Ridglea Bank Bldg.
Fort Worth, TX 76116

Thomas J. Maddux
1012 Ridglea Bank Bldg.
Fort Worth, TX 76116

Bill M. Scales and wife,
Mary T. Scales
500 Throckmorton, Suite 2803
Fort Worth, TX 76102

Marc H. Lowrance Jr., and wife
Mary Anne Lowrance
Post Office Box 9016
Fort Worth, TX 76147

Amoco Production Company
Post Office Box 591
Tulsa, Oklahoma 74102

Bradley A. Pomeroy
7514 East Hinsdale Avenue
Englewood, CO 80112

Thomas R. Smith
1505 S. CR 1130
Midland, TX 79701

Hamon Operating Company
8411 Preston Rd., Suite 800
LB 33
Dallas, TX 75225

John Saleh
502 North 1st Street
Lamesa, TX 79331

State of New Mexico
Commissioner of Public Lands
Post Office Box 1148
Santa Fe, NM 87504-1148

Linda W. Smith
Post Office Box 8974
Midland, TX 79701

Santa Fe Natural Resources, Inc.
Post Office Box 4
Loco Hills, New Mexico 88255

Windell A. Thomason
Post Office Box 411
Midland, TX 79702-0411

Pogo Producing Company
Post Office Box 10340
Midland, TX 79702-7340

David S. Googins, Jr.
Post Office Box 2591
Midland, TX 79702-2591

George Weis
3300 "B" Moss Ct.
Midland, TX 79707-3644

Bobby Hicks
3306 Andrews Hwy.
Midland, TX 79703-5131

Dwight A. Free, Jr.
4356 Edmondson
Dallas, TX 75205

John E. Casey
Post Office Box 10533
Midland, TX 79702

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL
OF COUNSEL

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

November 25, 1992

TO ALL LEASEHOLD OPERATORS WITHIN ONE-HALF MILE OF EACH
PROPOSED INJECTION WELL AND THE OWNER OF THE SURFACE ON WHICH
EACH PROPOSED INJECTION WELL WILL BE LOCATED IN THE CENTRAL EK
QUEEN UNIT AREA

Re: Application of Seely Oil Company for Approval of a Waterflood Project, Lea
County, New Mexico

Gentlemen:

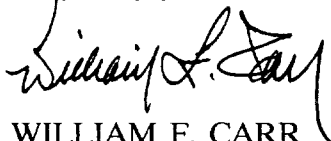
This letter is to advise you that Seely Oil Company has filed an application with the New Mexico Oil Conservation Division seeking authority to institute a waterflood project by injection of water into the Yates, Seven Rivers and Queen formations, EK-Yates Seven Rivers-Queen Unit which is described on Exhibit A hereto.

Attached for your information is a copy of the application filed by Seely Oil Company on OCD Form C-108. All attachments required by this Division Form are attached for your information.

This application has been set for hearing before an Examiner of the Oil Conservation Division on December 17, 1992. As an owner of an interest who may be affected by this application, you may appear at that hearing and present testimony. Failure to appear at that time or otherwise become a party of record will preclude you from challenging this application at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR SEELY OIL COMPANY
Enclosure

Township 18 South, Range 33 East, N.M.P.M.

Section 12: SE/4 NE/4; E/2 SE/4

Township 18 South, Range 34 East, N.M.P.M.

Section 7: S/2, S/2 NW/4, SW/4 NE/4

Section 8: SW/4, S/2 SE/4

Section 9: W/2 SW/4

Section 16: NW/4 NW/4

Section 17: N/2 N/2

Section 18: N/2 NE/4

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
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OF COUNSEL

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POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELEPHONE: (505) 988-4421

TELECOPIER: (505) 983-6043

November 25, 1992

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL WORKING INTEREST OWNERS AND ROYALTY INTEREST OWNERS
IN THE CENTRAL EK QUEEN UNIT AREA

Re: Application of Seely Oil Company for Statutory Unitization, Lea County,
New Mexico

Gentlemen:

This letter is to advise you that Seely Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an order statutorily unitizing for the purpose of establishing a secondary recovery project, all mineral interests in the Yates, Seven Rivers and Queen formations, EK-Yates-Seven Rivers-Queen Pool, underlying 1148.40 acres, more or less, of State lands in portions of Township 18 South, Ranges 33 and 34 East. Said unit is to be designated the Central EK Queen Unit. Among the matters to be considered at the hearing on this application will be the necessity of unit operations; the designation of a unit operator; the determination of the fair reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Attached hereto as Exhibit A is a description of the lands to be included in the proposed unit.

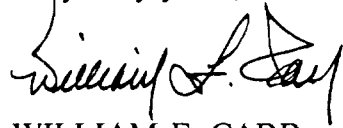
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November 25, 1992

Page 2

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Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr".

WILLIAM F. CARR
ATTORNEY FOR SEELY OIL COMPANY
Enclosure

Township 18 South, Range 33 East, N.M.P.M.

Section 12: SE/4 NE/4; E/2 SE/4

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Section 16: NW/4 NW/4

Section 17: N/2 N/2

Section 18: N/2 NE/4