

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF BEACH EXPLORATION, INC.
FOR APPROVAL OF A WATERFLOOD PROJECT
AND TO QUALIFY THE PROJECT FOR THE
RECOVERED OIL TAX RATE, EDDY COUNTY,
NEW MEXICO.

Case No. 12,685

AFFIDAVIT REGARDING NOTICE

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

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

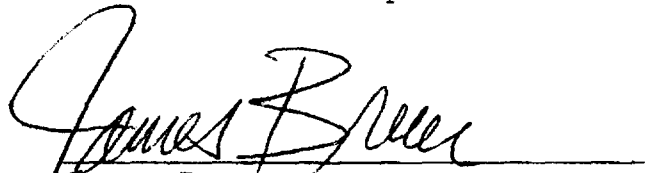
1. I am over the age of 18, and have personal knowledge of the matters set forth herein.

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 11th day of July, 2001, by James Bruce.


Notary Public

My Commission Expires:

3/14/2005

OIL CONSERVATION DIVISION

CASE NUMBER _____

Beach EXHIBIT 12