

# Affidavit of Publication

State of New Mexico,  
County of Eddy, ss.

Dawn Higgins, being first duly sworn, on oath says:

That she is Business Manager of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

January 30	2005
	2005
	2005
	2005

That the cost of publication is \$ 80.52

and that payment thereof has been made and will be assessed as court costs.

Dawn Higgins

Subscribed and sworn to before me this

31 day of January, 2005  
Stephen D. Dwan

My commission expires 12-13-05  
Notary Public

January 30, 2005

## NOTICE

To: Richard A. Smead, B.V. Ballard, James B. Garrett, Clinton J. Coleman, Margaret Keeling Cuanerich, Donna Croley Laman, Dorothy Croley, Kathy Faye Croley, Ethelyn Louise Croley Sheuy, Emma Irene Blackwell, Albert H. Fisher, Lena L. Fisher, Cotton Growers, Inc. Elvira Murphy, Robert Wilson Finley, Jr., Nancy Finley Rodekohr, Nora Finley Cook, C.E. Wheeler, Heirs of Elsie M. Weldon, Heirs of Albert C. Boeglin, Phillips Marketing properties, Marla Holder Parker, Brenda Holder Stockton, William N. Holder, Lois Holder, Dorothy Holder Roberts, Mary Holder Stahl, Faith Holder Paddock, Betty Holder Hackler, Raymond C. Foreman, Bobbie Javine Smith, Gary L. Roberts, Billy Lee Croley, Linda S. Crowley, and Steven Fischer, or your successors-in-interest: Chi Energy, Inc. has filed an application with the New Mexico Oil Conservation Division, seeking an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 17, Township 22 South, Range 27 East, N.M.P.M. and in the following manner: To S1/2 to form a stand-

ing and proration unit for any and all formations developed on 320-acre spacing; the SE1/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing; and the NE1/4SE1/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre spacing. The units are to be dedicated to the proposed Kodiak Well No. 1, to be drilled at an orthodox location in the NE1/4 SE1/4 of Section 17. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Chi Operating, Inc. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 2 miles south-southwest of Otis, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

OIL CONSERVATION DIVISION

CASE NUMBER

EXHIBIT NUMBER

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