

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

APPLICATION OF YATES PETROLEUM CORPORATION FOR APPROVAL OF A WATERFLOOD PROJECT AND FOR QUALIFICATION OF THE PROJECT FOR THE RECOVERED OIL TAX RATE PURSUANT TO THE ENHANCED OIL RECOVERY ACT, EDDY COUNTY, NEW MEXICO.

CASE NO. 13228

AFFIDAVIT

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

William F. Carr, attorney in fact and authorized representative of Yates Petroleum Corporation, the Applicant herein, being first duly sworn, upon oath, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

William F. Carr  
William F. Carr

SUBSCRIBED AND SWORN to before me this 27 day of February 2004 by William F.

Carr.



OFFICIAL SEAL  
LISAMARIE ORTIZ  
NOTARY PUBLIC-STATE OF NEW MEXICO  
My commission expires 01/14/07

[Handwritten Signature]  
Notary Public

My Commission Expires: 01/14/07

HOLLAND & HART



William F. Carr  
wcarr@hollandhart.com

February 12, 2004

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

**TO: SURFACE OWNERS AND LEASEHOLD OPERATORS WITHIN 1/2 MILE OF EACH PROPOSED INJECTION WELL IN THE NORTH DAGGER DRAW-UPPER PENNSYLVANIAN UNIT, EDDY COUNTY, NEW MEXICO.**

**Re: Application of Yates Petroleum Corporation for approval of a waterflood project, and for qualification of the project for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act, Eddy County, New Mexico.**

Ladies and Gentlemen:

Enclosed is a copy of the application of Yates Petroleum Corporation (Oil Conservation Division Form C-108) in the above-referenced case for approval of a waterflood project in the proposed North Dagger Draw-Upper Pennsylvanian Unit Area. Water will be injected into the unitized interval of the Canyon formation and the waterflood project will be expanded as additional injection wells are added until it includes the entire Unit Area as fully described in the application.

This application has been set for hearing before a Division Examiner on March 4, 2004 at the Oil Conservation Division Hearing Room in its Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, NM 87505. You are not required to attend this hearing, but as an owner of the surface of the land upon which the injection well will be located, 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 Pre-hearing Statement three days in advance of a scheduled hearing at the Oil Conservation Division's Santa Fe Office. 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

Enclosure

cc: Mr. Randy Patterson

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C.

**Application of Yates Petroleum Corporation  
for Approval of a Waterflood Project  
and for Qualification of the Project  
for the Recovered Oil Tax Rate  
Pursuant to the Enhanced Oil Recovery Act  
Eddy County, New Mexico**

**EXHIBIT A**

**NOTICE LIST**

Bureau of Land Management  
P. O. Box 1778  
620 E. Greene Street  
Carlsbad, NM 88220-6292

Ross Ranch  
205 Indian Trail  
Searcy, AZ 72143

Harold N. Houghtaling  
P. O. Box 234  
Artesia, NM 88211-0234

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

OFFICIAL U.S. MAIL

44519-0051 Postage \$ 2.21  
 WFC Certified Fee 2.30  
 Return Receipt Fee (Endorsement Required) 1.75  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$ 6.26



Sent To Bureau of Land Management  
 P. O. Box 1778  
 620 E. Greene Street  
 Carlsbad, NM 88220-0178

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:  
 Bureau of Land Management  
 P. O. Box 1778  
 620 E. Greene Street  
 Carlsbad, NM 88220-6292

2. Article Number (Copy from service label) 7001 1140 0002 5602 0205

PS Form 3811, July 1999 Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) INA ABLE B. Date of Delivery 2-17  
 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

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

OFFICIAL U.S. MAIL

44519-0051 Postage \$ 2.21  
 WFC Certified Fee 2.30  
 Return Receipt Fee (Endorsement Required) 1.75  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$ 6.26



Sent To Harold N. Houghtaling  
 P. O. Box 234  
 Artesia, NM 88211-0234

PS Form 3800, July 1999

- 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:  
 Harold N. Houghtaling  
 P. O. Box 234  
 Artesia, NM 88211-0234

2. Article Number (Copy from service label) 7001 1140 0002 5602 0236

PS Form 3811, July 1999 Domestic Return Receipt

Harold Houghtaling  
 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

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

OFFICIAL U.S. MAIL

44519-0051 Postage \$ 2.21  
 WFC Certified Fee 2.30  
 Return Receipt Fee (Endorsement Required) 1.75  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$ 6.26



Sent To Ross Ranch  
 205 Indian Trail  
 Searcy, AZ 72143

PS Form 3800, July 1999

- 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:  
 Ross Ranch  
 205 Indian Trail  
 Searcy, AZ 72143

2. Article Number (Copy from service label) 7001 1140 0002 5602 0243

PS Form 3811, July 1999 Domestic Return Receipt

Gary W Ross FEB 14  
 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