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

IN THE MATTER OF THE APPLICATION OF ENERQUEST RESOURCES, LLC, FOR APPROVAL OF A WATERFLOOD PROJECT, LEA COUNTY, NEW MEXICO.

CASE NO. 1304/

<u>AFFIDAVIT</u>

) ss.

STATE OF NEW MEXICO COUNTY OF SANTA FE

William F. Carr, attorney in fact and authorized representative of Energuest

Resources, LLC, the applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested parties 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 this 6th day of Mareh 2003 by William F. Carr.

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Notary

My Commission Expires: 3056446_1.DOC

14 January 2007



BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Case No. <u>13041/13042</u> Exhibit No. 7 Submitted by: <u>ENERQUEST RESOURCES, L.L.C.</u> Hearing Date: <u>March 27, 2003</u>



DENVER • ASPEN BOULDER • COLORADO SPRINGS DENVER TECH CENTER BILLINGS • BOISE CHEYENNE • JACKSON HOLE SALT LAKE CITY • SANTA FE WASHINGTON, D.C. P.O. BOX 2208 SANTA FE, NEW MEXICO 87504-2208 110 NORTH GUADALUPE, SUITE 1 SANTA FE, NEW MEXICO 87501-6525 TELEPHONE (505) 988-4421 FACSIMILE (505) 983-6043

William F. Carr wcarr@hollandhart.com

March 6, 2003

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO: SURFACE OWNERS AND LEASEHOLD OPERATORS WITHIN 1/2 MILE OF EACH PROPOSED INJECTION WELL IN THE EAST HOBBS (SAN ANDRES) UNIT AREA.

Re: Application of EnerQuest Resources, LLC 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, Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the application of EnerQuest Resources, LLC (Oil Conservation Division Form C-108) in the above-referenced case for approval of a waterflood project in the proposed East Hobbs (San Andres) Unit Area. Water will be injected into the unitized interval of the San Andres and Grayburg formations 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 27, 2003. 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 located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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.

Verly truly yours

William F. Carr Attorney for EnerQuest Resources, LLC

Enclosure 3055019 1.DOC













