

AFFIDAVIT OF PUBLICATION

Ad No. 55252

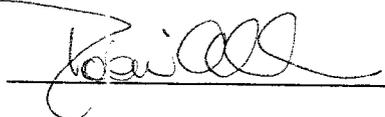
STATE OF NEW MEXICO  
County of San Juan:

COPY OF PUBLICATION

ROBIN ALLISON, being duly sworn says:  
That she is the CLASSIFIED MANAGER of  
THE DAILY TIMES, a daily newspaper of  
general circulation published in English at  
Farmington, said county and state, and that  
the hereto attached Legal Notice was  
published in a regular and entire issue of the  
said DAILY TIMES, a daily newspaper duly  
qualified for the purpose within the meaning of  
Chapter 167 of the 1937 Session Laws of the  
State of New Mexico for publication and  
appeared in the Internet at The Daily Times  
web site on the following day(s):

Thursday, June 14, 2007

And the cost of the publication is \$141.51

  
\_\_\_\_\_

ON 6/15/07 ROBIN ALLISON  
appeared before me, whom I know personally  
to be the person who signed the above  
document.

  
\_\_\_\_\_ My Commission Expires November 17, 2008

NOTICE

To: Emil Mosbacher III, John David Mosbacher, James B. Fullerton,  
and Henry G. Robledo: Devon Energy Production Company, L.P. has  
filed an application with the New Mexico Oil Conservation Division  
(Case No. 13899) seeking order approving the following non-standard  
gas spacing and proration units in the Basin-Dakota Gas Pool:

(a) Township 31 North, Range 7 West, N.M.P.M.

Section 19: Lots 5-8 and E/2W/2  
Section 30: Lot 5 and NE/4NW/4

Containing 259.82 acres.

(b) Township 31 North, Range 7 West, N.M.P.M.

Section 30: Lots 6, 9, 10, SE/4NW/4, and E/2SW/4  
Section 31: Lots 7, 8, and E/2NW/4

Containing 250.65 acres.

(c) Township 31 North, Range 7 West, N.M.P.M.

Section 31: Lots 11, 12, and E/2SW/4

Township 30 North, Range 7 West, N.M.P.M.  
Section 6: Lots 10, 11, 12, 17, 18, 19, SE/4NW/4, NE/4SW/4,  
and 6.58 acres out of Tract 40

Containing 296.02 acres.

(d) Township 30 North, Range 7 West, N.M.P.M.

Section 7: Lots 6-9, 12-15, and 38.52 acres out of Tract 40  
Section 18: Lots 7, 8, and E 1/2 NW 1/4

Containing 298.90 acres.

(e) Township 30 North, Range 7 West, N.M.P.M.

Section 18: Lots 12, 13, and E/2SW/4  
Section 19: Lots 6, 7, 12, 13, and E/2W/2

Containing 307.44 acres.

The application is scheduled to be heard at 8:15 a.m. on Thursday,  
July 12, 2007 at the Division's offices at 1220 South St. Francis Drive,  
Santa Fe, New Mexico 87505. As an offset working interest owner,  
you have the right to enter an appearance and participate in the case.  
Failure to appear will preclude you from contesting this matter at a  
later date. The units are located approximately 21 miles east of Aztec,  
New Mexico.

Legal No. 55252 published in The Daily Times, Farmington, New  
Mexico on Thursday June 14, 2007

Oil Conservation Division  
Case No. \_\_\_\_\_  
Exhibit No. 12

Township 20 South, Range 29 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the East Burton Flat-Strawn Gas Pool, West Parkway-Atoka Gas Pool, and East Burton Flat-Morrow Gas Pool. The unit is to be dedicated to the proposed Sharps 3 Fed. Com. Well No. 1, to be drilled at an orthodox location in the NW/4 SW/4 of Section 3. 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 applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 21 miles east of Seven Rivers, New Mexico.

**CASE 13951:** **Application of U.S. Enercorp, Ltd. for a non-standard oil spacing and proration unit and an unorthodox oil well location, Rio Arriba County, New Mexico.** Applicant seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) of Section 2, and Lots 1, 2, S/2 NE/4, and SE/4 of Section 3 (the E/2), in Township 23 North, Range 1 West, NMPM, to form a non-standard 644.28-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 640-acre spacing within that vertical extent, including the West Puerto Chiquito-Mancos Pool. The unit is to be dedicated to the Laguna Colorado 2/3 Well No. 1, a directional well to be drilled at a surface location 3250 feet from the South line and 1220 feet from the East line of Section 3, with a terminus 2180 feet from the South line and 1870 feet from the West line of Section 2. Applicant also requests approval of an unorthodox location for the well. The unit is located approximately 4 miles west-northwest of Gallina, New Mexico.

**CASE 13952:** **Application of Magnum Hunter Production, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 9, Township 17 South, Range 30 East, NMPM, and in the following manner: The W/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Loco Hills-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the SE/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the Stewart "9" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SW/4 of Section 9. 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 Cimarex Energy Co. of Colorado 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 north of Loco Hills, New Mexico.

**CASE. 13899:** ***Continued from the June 21, 2007 Examiner Hearing***  
***Application of Devon Energy Production Company, L.P. for approval of five non-standard gas spacing and proration units, San Juan and Rio Arriba Counties, New Mexico.*** Applicant seeks approval of the following non-standard gas spacing and proration units for production from the Basin-Dakota Gas Pool:

- (a) Township 31 North, Range 7 West, N.M.P.M.  
Section 19: Lots 5-8 and E/2 W/2  
Section 30: Lot 5 and NE/4 NW/4

Containing 259.82 acres.

- (b) Township 31 North, Range 7 West, N.M.P.M.  
Section 30: Lots 6, 9, 10, SE/4 NW/4, and E/2 SW/4  
Section 31: Lots 7, 8, and E/2 NW/4

Containing 250.65 acres.

- (c) Township 31 North, Range 7 West, N.M.P.M.  
Section 31: Lots 11, 12, and E/2 SW/4

Township 30 North, Range 7 West, N.M.P.M.  
Section 6: Lots 10, 11, 12, 17, 18, 19, SE/4 NW/4, NE/4 SW/4, and  
6.58 acres out of Tract 40

Containing 296.02 acres.

- (d) Township 30 North, Range 7 West, N.M.P.M.  
Section 7: Lots 6-9, 12-15, and 38.52 acres out of Tract 40  
Section 18: Lots 7, 8, and E/2 NW/4

Containing 298.90 acres.

- (e) Township 30 North, Range 7 West, N.M.P.M.  
Section 18: Lots 12, 13, and E/2 SW/4  
Section 19: Lots 6, 7, 12, 13, and E/2 W/2

Containing 307.44 acres.

*The units are located approximately 21 miles east of Aztec, New Mexico.*

**CASE 13929:** *Continued from the June 21, 2007 Examiner Hearing*

**Application of Encore Operating, L.P. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 12, Township 21 South, Range 23 East, NMPM, to form a 320-acre gas spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Southwest Indian Basin-Morrow Gas Pool. The unit is to be dedicated to the Encore Indian Com. Well No. 1, to be drilled at an orthodox location in the SE/4 NE/4 of Section 12. 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 applicant as operator of the well, a 200% charge for the risk involved in drilling and completing the well, and a provision for additional operations on the well unit pursuant to NMAC 19.15.1.36. The unit is located approximately 10-1/2 miles southwest of Seven Rivers, New Mexico.

**CASE 13953:** **Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 24, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico: the S/2 to form a standard 320-acre gas spacing and proration unit for any production for any and all formations/pools developed on 320-acre spacing within that vertical extent, including but not limited to the Quail Ridge-Morrow Gas Pool. This unit is to be dedicated to its Afton "24" Federal Com Well No. 1 (API No. 30-025-38388) to be drilled at a standard well location in Unit P of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cimarex Energy Co. of Colorado as the operator of the well and, pursuant to Commission Order No. R-11992, a risk charge of 200% for the risk involved in this well. This unit is located approximately 9 miles Northeast of the intersection of State Road 176 and US Highways 62 and 180, New Mexico.

**CASE 13940:** *Continued from the June 21, 2007 Examiner Hearing*

**Application of Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Corporation and MYCO Industries, Inc. for an order directing Pride Energy Company to plug and abandon the State "X" Well No. 1, Lea County, New Mexico.** Applicants seek an order directing Pride Energy Company to plug and abandon the State "X" Well No. 1 (API No. 30-025-01838) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico. Said well and spacing unit are located approximately 12 miles west-northwest of Tatum, New Mexico.

**CASE 13945:** *Continued from the June 21, 2007 Examiner Hearing*

**Application of Occidental Permian LTD. for cancellation of a drilling permit, for determination of the right to drill, and approval of a drilling permit, Lea County, New Mexico.** Applicant seeks an order canceling the drilling permit for the EOG Resources, Inc. Cimarron "17" State Well No. 1 located 1650 feet from the North line and 330 feet from the West line (Unit E) of Section 17, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant also seeks a determination of its right to drill on the S/2 N/2, N/2 SW/4 and NE/4 NW/4 of Section 17, Township 18 South, Range 34 East, NMPM and approval of its drilling permit for the OPL Desert Bighorn 17 State Well No. 1 to be drilled to the Bone Spring formation at a standard location in the SW/4 NW/4 (Unit E) of said Section 17 T-

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

CONTINUED AND DISMISSED CASES

REPORTER'S TRANSCRIPT OF PROCEEDINGS

2007 JUN 29 PM 3 32  
RECEIVED

BEFORE: DAVID K. BROOKS, Jr., Legal Examiner  
RICHARD EZEANYIM, Technical Examiner

June 21st, 2007

ORIGINAL

Santa Fe, New Mexico

These matters were dismissed or continued to future hearing dates by DAVID K. BROOKS, Jr., Legal Examiner, and RICHARD EZEANYIM, Technical Examiner, New Mexico Oil Conservation Division, on Thursday, June 21st, 2007, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

\* \* \*

I N D E X

June 21st, 2007  
Continued and Dismissed Cases

REPORTER'S CERTIFICATE

PAGE

6

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2 8:17 a.m.:

3           EXAMINER BROOKS: Good morning, ladies and  
4 gentlemen. For some reason the gavel doesn't seem to have  
5 gotten down here, but this doesn't look like a particularly  
6 disorderly crowd. Presumably we won't need it.

7           Going on the record, this is Docket Number 18-07  
8 of the New Mexico Oil Conservation Division. I am David  
9 Brooks. I'm the Presiding Examiner, Oil Conservation  
10 Division's Legal Examiner.

11           With me this morning as Technical Examiner is the  
12 Chief Engineer, Richard Ezeanyim, and of course the court  
13 reporter, Steve Brenner.

14           We have also with us today two new attorneys that  
15 have recently been engaged by the Oil Conservation  
16 Division. Bill Carr will be glad to know that it now takes  
17 four people to do the job he used to do by himself. But I  
18 will at this time ask the new attorneys to stand and  
19 introduce themselves.

20           MR. SWAZO: I'm Sonny Swazo.

21           MS. ALTOMARE: Mikal Altomare.

22           EXAMINER BROOKS: Okay, the Chief Engineer has  
23 requested that the new attorneys come up at sit at the  
24 dais.

25           Okay, at this time we will call the continuances

1 and dismissals. There are none on the first page, so I  
2 will call your attention to the second page.

3 On the second page, Case Number 13,937 is  
4 continued to July the 12th; Case Number 13,900 is continued  
5 to July the 26th; Case Number 13,901 is continued to July  
6 the 26th; Case Number 13,902 is continued to July the 26th;  
7 Case Number 13,903 is continued to July 26th; Case Number  
8 13,904 is continued to July the 26th.

9 On page 3, Case Number 13,905 is continued to  
10 July the 26th; Case Number 13,906 is continued to July the  
11 26th; Case Number ~~13,899~~ is continued to July the 12th.

12 On page 4, Case Number 13,929 is continued to  
13 July the 12th; Case Number 13,938 is dismissed.

14 On page 5, Case Number 13,940 is continued to  
15 July the 12th; Case Number 13,923 is continued to July the  
16 12th; Case Number 13,865 is continued to July the 26th.

17 On page 6, Case 13,891 is continued to July the  
18 26th; Case Number 13,941 is dismissed; Case Number 13,942  
19 is continued to July the 26th; Case Number 13,943 is  
20 continued to July the 12th.

21 On page 7, Case Number 13,945 is continued to  
22 July the 12th; Case Number 13,912 is continued to July the  
23 12th; Case Number 13,853 is continued to July the 12th;  
24 Case Number 13,856 is continued to July the 12th.

25 Are there any errors or additional continuances

1 or dismissals?

2 MR. HALL: Mr. Examiner --

3 EXAMINER BROOKS: Mr. Hall?

4 MR. HALL: -- Case Number 13,944 --

5 EXAMINER EZEANYIM: Page -- ?

6 MR. HALL: -- we request that that be dismissed.

7 EXAMINER EZEANYIM: Page what?

8 EXAMINER BROOKS: Which page?

9 MR. HALL: I'm sorry, page 6, bottom of page 6.

10 EXAMINER BROOKS: 13,944 shall be dismissed.

11 Any others? Well, the docket is much shorter  
12 than we had anticipated.

13 (Thereupon, these proceedings were concluded at  
14 8:20 a.m.)

15 \* \* \*

16  
17  
18  
19 I do hereby certify that the proceedings to  
20 the Board of Environmental Appeals were  
21 heard by June 21, 2007  
David K. Beale Examiner  
22 Oil Conservation Division  
23  
24  
25

CERTIFICATE OF REPORTER

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

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL June 22nd, 2007.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2010