

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

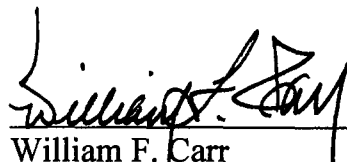
**APPLICATION OF YATES PETROLEUM CORPORATION
FOR COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO.**

CASE NO. 13398

AFFIDAVIT

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

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

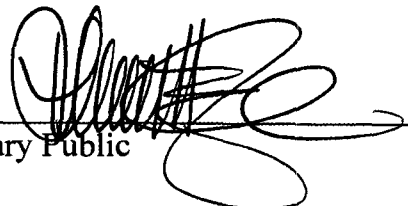
SUBSCRIBED AND SWORN to before me this 29th day of December 2004 by

William F. Carr.



OFFICIAL SEAL
LISAMARIE ORTIZ
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires 01/14/07



Notary Public

My Commission Expires: January 14, 2007

Affidavit of Publication

NO. 18715

Copy of Publication:

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott

being d

sworn,says: That he is the Publisher of The

Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press,a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for

1 consecutive weeks/days on the same

day as follows:

First Publication December 21 2004

Second Publication

Third Publication

Fourth Publication

Subscribed and sworn to before me this

21 Day December 2004

Barbara Ann Beans
Notary Public, Eddy County, New Mexico

My Commission expires September :23, 2007

LEGAL NOTICE

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on January 6, 2005, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene

LEGAL NOTICE

proximate depth of 12,000 feet. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Yates Petroleum Corporation as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 14.5 miles southwest of Carlsbad, New Mexico. Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 17th day of December 2004.

LEGAL NOTICE

Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by December 27, 2004. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 13398:
Application of Yates Petroleum Corporation for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from

LEGAL NOTICE

the surface through the base of the Morrow formation in the following described acreage in Section 17, Township 25 South, Range 26 East, NMPM: N/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Chosa Draw-Morrow Gas Pool, Undesignated Sage Draw-Atoka Gas Pool and the Undesignated Sage Draw-Wolfcamp Pool, NE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and NW/4 NE/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to its Guitar "BFL" Com Well No. 1 to be drilled 990 feet from the North line and 1980 feet from the East line of said Section 17 to an ap-

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Mark E. Fesmire, P.E.,
Director

Published in the Artesia Daily Press, Artesia, N.M. December 21, 2004.

Legal 18715

Exhibit A

**Application of Yates Petroleum Corporation
for compulsory pooling
Eddy County, New Mexico**

(Guitar BFL Com #1)

**Section 17:Unit Letter B
Township 25 South, Range 25 East, NMPM
Eddy County, New Mexico**

1. James Kelly Polk
12 August
Abilene, TX 79606
2. Marilyn Guitar Galusha Trust
Marilyn Guitar Galusha, Trustee
P O Box 1438
Abilene, TX 79604
3. Pressley H. Guitar
P O Box 5383
Abilene, TX 79608
4. Brett Guitar Witherspoon
P O Box 100635
Fort Worth, TX 76185
5. Whitten Guitar Witherspoon
4508 Tall Meadow Lane
Forth Worth, TX 76133
6. Wende Witherspoon Morgan
1720 Southwicke
Flower Mount, TX 75022
7. John Guitar Witherspoon, Jr.
Lemonwood Drive
Forth Worth, TX 76133-7012
8. Jeri Alexander Lott
9102 Vicksburg Ave. #17
Lubbock, TX 79424
9. James M. Alexander
P O Box 58
Abilene, TX 79604
10. Martha Jane Rhodes
P O Box 58
Abilene, TX 79604

CASE 13398:

Application of Yates petroleum corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface through the base of the Morrow formation in the following described acreage in Section 17, Township 25 South, Range 26 East, NMPM: N/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Chosa Draw-Morrow Gas Pool, Undesignated Sage Draw-atoka Gas Pool and the Undesignated Sage Draw-Wolfcamp Pool; NE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and NW/4 NE/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to its Guitar "BFL" Com Well No. 1 to be drilled 990 feet from the North line and 1980 feet from the East line of said Section 17 to an approximate depth of 12,000 feet. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Yates Petroleum Corporation as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 14.5 miles southwest of Carlsbad, New Mexico.

HOLLAND & HART LLP



William F. Carr
wcarr@hollandhart.com

December 16, 2004

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Yates Petroleum Corporation has filed the enclosed 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 in the following described acreage in irregular Section 17, Township 25 South, Range 26 East, NMPM: the N/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Chosa Draw-Morrow Gas Pool; the NE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and the NW/4 NE/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to Yates Guitar "BFL" Com Well No. 1 to be drilled 990 feet from the North line and 1980 feet from the East line of said Section 17 to a depth sufficient to test all formations from the surface through the base of the Morrow formation.

This application has been set for hearing before a Division Examiner on January 6, 2005. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, 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. This statement must be filed at the Division's Santa Fe office at the above specified address and should 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

cc: Susan Vierra
Yates Petroleum Corporation

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

• • • • • Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. • • • • •

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

OFFICIAL

Guitar	Postage	\$.60
	Certified Fee	2.30
	Return Receipt Fee (Endorsement Required)	1.75
	Restricted Delivery Fee (Endorsement Required)	
	Total Postage & Fees	\$ 4.65

Sent To
James M. Alexander
P. O. Box 58
Abilene, TX 79604

PS Form 3800

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

OFFICIAL

Guitar	Postage	\$.60
	Certified Fee	2.30
	Return Receipt Fee (Endorsement Required)	1.75
	Restricted Delivery Fee (Endorsement Required)	
	Total Postage & Fees	\$ 4.65

Sent To
Marilyn Guitar Galusha
Marilyn Guitar Galusha,
P. O. Box 1438
Abilene, TX 79604

PS Form 3800

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

OFFICIAL

Guitar	Postage	\$.60
	Certified Fee	2.30
	Return Receipt Fee (Endorsement Required)	1.75
	Restricted Delivery Fee (Endorsement Required)	
	Total Postage & Fees	\$ 4.65

Sent To
Pressley H. Guitar
P. O. Box 5383
Abilene, TX 79608

PS Form 3800

SENT BY COMPLETE THE FOLLOWING INFORMATION

- 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:

James M. Alexander
P. O. Box 58
Abilene, TX 79604

2. Article Number (Copy from s) 7001 1140 0002 9557 7364

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

- 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:

Marilyn Guitar Galusha Trust
Marilyn Guitar Galusha, Trustee
P. O. Box 1438
Abilene, TX 79604

2. Article Number (Copy from) 7001 1140 0002 9557 7296

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

- 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:

Pressley H. Guitar
P. O. Box 5383
Abilene, TX 79608

2. Article Number (Copy from s) 7001 1140 0002 9557 7302

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETED BY ADDRESSEE ON DELIVERY

A. Received by (Please Print Clearly) B. Date

Ida Hernandez

C. Signature

X Ida Hernandez

D. Is delivery address different from item 1? If YES, enter delivery address below:

DEC 21 2004

3. Service Type

- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☒ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

A. Received by (Please Print Clearly) B. Date of Delivery

BILL GALUSHA DEC 21 2004

C. Signature

X Bill Galusha

D. Is delivery address different from item 1? 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

A. Received by (Please Print Clearly) B. Date of Delivery

Pressley H. Guitar 12/20/04

C. Signature

X Pressley H. Guitar

D. Is delivery address different from item 1? 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)

OFFICIAL

Quitar Postage \$.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65

Sent To
Jeri Alexander Lott
Street, Apt. No. or PO Box No. 9102 Vicksburg Avenue
City, State, ZIP Lubbock, Texas 79424

PS Form 3800

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

OFFICIAL

Quitar Postage \$.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.35

Sent To
Wende Witherspoon Morgan
Street, Apt. No. or PO Box No. 1720 Southwicke
City, State, ZIP Flower Mount, Texas 75022

PS Form 3800

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

OFFICIAL

44519.0014
Quitar Postage \$.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65

Sent To
James Kelly Polk
Street, Apt. No. or PO Box No. 12 August
City, State, ZIP Abilene, TX 79606

PS Form 3800

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:

Jeri Alexander Lott
9102 Vicksburg Avenue #17
Lubbock, Texas 79424

2. Article Number (Copy from s) 7001 1140 0002 9557 7357

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

- 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:

Wende Witherspoon Morgan
1720 Southwicke
Flower Mount, Texas 75022

2. Article Number (Copy from 7001 1140 0002 9557 7333

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

- 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:

James Kelly Polk
12 August
Abilene, TX 79606

2. Article Number (Copy from 7001 1140 0002 9557 7289

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
Jeri Alexander Lott 12/20/04

C. Signature *Jeri Alexander Lott* ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☒ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

A. Received by (Please Print Clearly) B. Date of Delivery
WENDE W. MORGAN 12-21-04

C. Signature *Wende Witherspoon Morgan* ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☒ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

C. Signature *James Kelly Polk* ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

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)

Postage	\$.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

Sent To Martha Jane Rhodes
P. O. Box 58
Abilene, TX 79604

PS Form 3800, J

and 3. Also complete
Delivery is desired.
name and address on the reverse
that we can return the card to you.
Attach this card to the back of the mailpiece,
or on the front if space permits.

Article Addressed to:

Martha Jane Rhodes
P. O. Box 58
Abilene, TX 79604

A. Received by (Please Print Clearly) B. Date of Delivery

Ida Hernandez DEC 21 2004

C. Signature

X Ida Hernandez

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

2. Article Number (Copy from service) 701 1140 0002

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

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:

Brett Guitar Witherspoon
P. O. Box 100635
Fort Worth, Texas 76185

C. Signature

X Brett Witherspoon

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

2. Article Number (Copy from service) 7001 1140 0002 9557 7319

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

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

Postage	\$.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

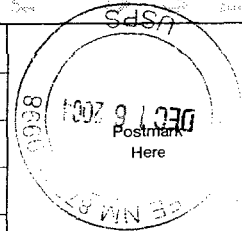
Sent To Brett Guitar Witherspoon
P. O. Box 100635
Fort Worth, Texas 76185

PS Form 3800, J

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

OFFICIAL USE

Hustaw Postage \$ *.80*
 Certified Fee *2.30*
 Return Receipt Fee (Endorsement Required) *1.75*
 Restricted Delivery Fee (Endorsement Required)
 Total Postage & Fees \$ *4.65*



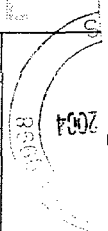
Sent To **John Guitar Witherspoon, Jr.**
 Street, Apt. No., or PO Box No. **Lemonwood Drive**
 City, State, ZIP+ **Fort Worth, Texas 76133-7012**

PS Form 3800, 7-99

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

OFFICIAL USE

Guitar Postage \$ *1.60*
 Certified Fee *2.30*
 Return Receipt Fee (Endorsement Required) *1.75*
 Restricted Delivery Fee (Endorsement Required)
 Total Postage & Fees \$ *4.65*



Sent To **Whitten Guitar Witherspoon**
 Street, Apt. No., or PO Box No. **4508 Tall Meadow Lane**
 City, State, ZIP+ **Fort Worth, Texas 76133**

PS Form 3800, 7-99

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:

Whitten Guitar Witherspoon
4508 Tall Meadow Lane
Fort Worth, Texas 76133

2. Article Number (Copy from)

7001 1140 0002 9557 7326

PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) **WHITTEN WITHERSPOON** B. Date of Delivery **12-20-04**
 C. Signature *[Signature]* ☐ Agent ☐ Addressee
 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

Domestic Return Receipt

102595-00-M-0952