BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF CHI ENERGY, INC.
FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

Case No. 13,382

AFFIDAVIT REGARDING NOTICE

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

James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.

2. I am an attorney for Applicant.

3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the Application filed herein.

4. Notice of the Application was provided to the interest owners at their correct addresses by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A.

5. Applicant has complied with the notice provisions of Division Rule 1207.

James Bruce

James Bruce

SUBSCRIBED AND SWORN TO before me this 17th day of November, 2004, by James Bruce.

Notary Public

My Commission Expires:

3/14/05

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
EXHIBIT NO. 4
CASE NO.

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

October 28, 2004

Certified Mail - Return Receipt Requested

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Chi Energy, Inc., regarding the E½ of Section 14, Township 19 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. This application is scheduled to be heard at 8:15 a.m. on Thursday, November 18, 2004 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit, you have the right to appear at the hearing and present evidence. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

You are required to notify the Division, and the undersigned, by Friday, November 12, 2004, if you intend to enter an appearance and participate in the case.

Very truly yours,

James Bruce

Attorney for Chi Energy, Inc.

EXHIBIT
A

EXHIBIT A

Redfern Enterprises, Inc.
P.O. Box 2127
Midland, Texas 79702

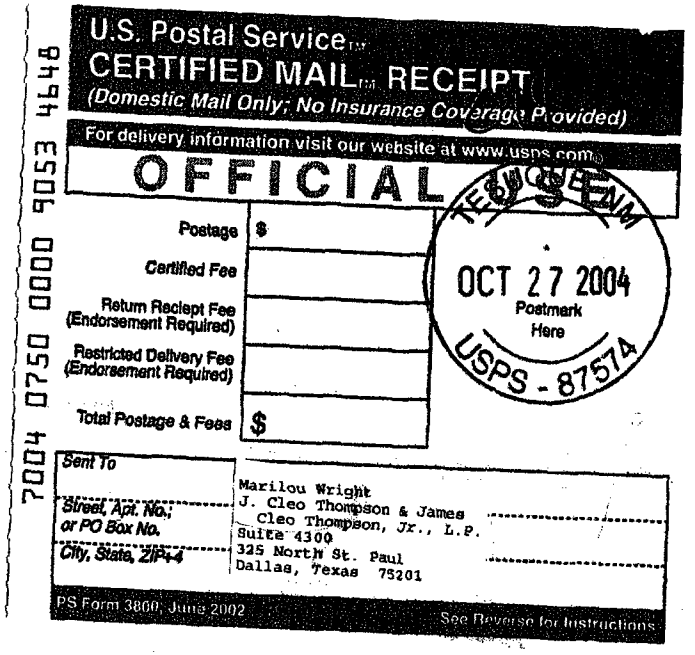
Monte Mount
2611 Ridge Road
Lubbock, Texas 79404

Marilou Wright
J. Cleo Thompson & James
Cleo Thompson, Jr., L.P.
Suite 4300
325 North St. Paul
Dallas, Texas 75201

I & L Development
Suite 720
3500 Oaklawn
Dallas, Texas 75219

Ken Gray
Land Department
Devon Energy Production Company, L.P.
P.O. Box 108838
Oklahoma City, Oklahoma 73101-8838

8 Way Oil & Gas, Inc.
Suite 1250
508 West Wall Street
Midland, Texas 79701



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

For delivery information visit our website at www.usps.com®

OFFICIAL USE

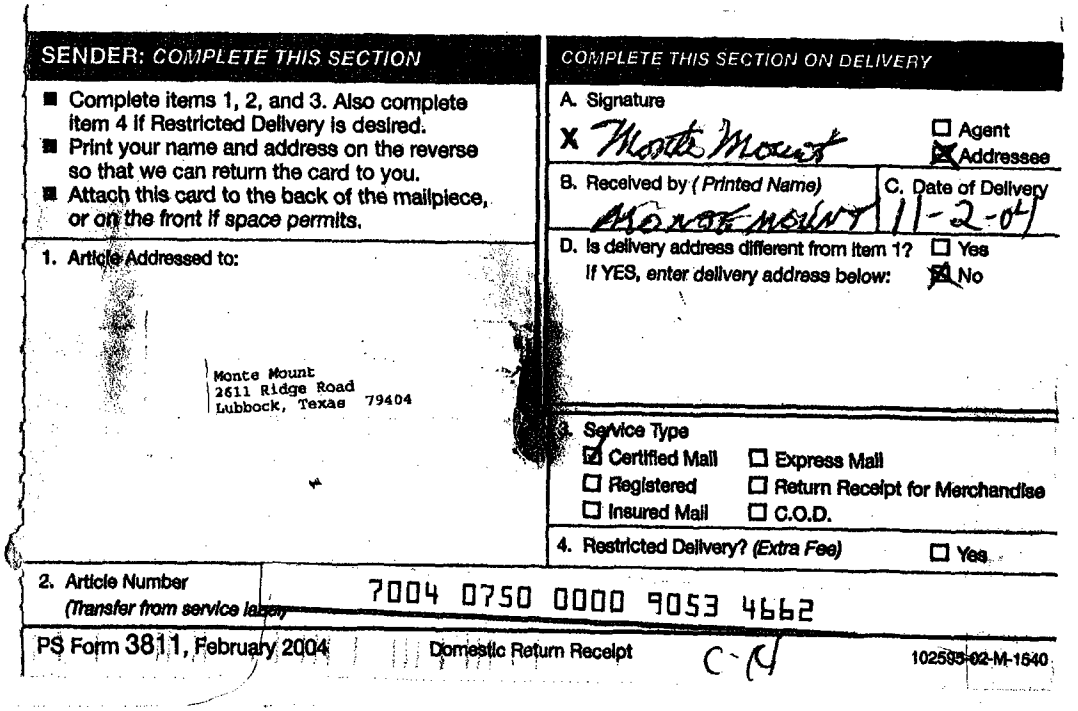
Postage $
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees $

TESUQUE NM
OCT 27 2004
Postmark Here
USPS - 87574

7004 0750 0000 9053 4648

Sent To: Marilou Wright
J. Cleo Thompson & James
Cleo Thompson, Jr., L.P.
Suite 4300
Street, Apt. No.; or PO Box No.: 325 North St. Paul
City, State, ZIP+4: Dallas, Texas 75201

PS Form 3800, June 2002 — See Reverse for Instructions



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:

Monte Mount
2611 Ridge Road
Lubbock, Texas 79404

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Monte Mount ☐ Agent ☒ Addressee

B. Received by (Printed Name): Monte Mount
C. Date of Delivery: 11-2-04

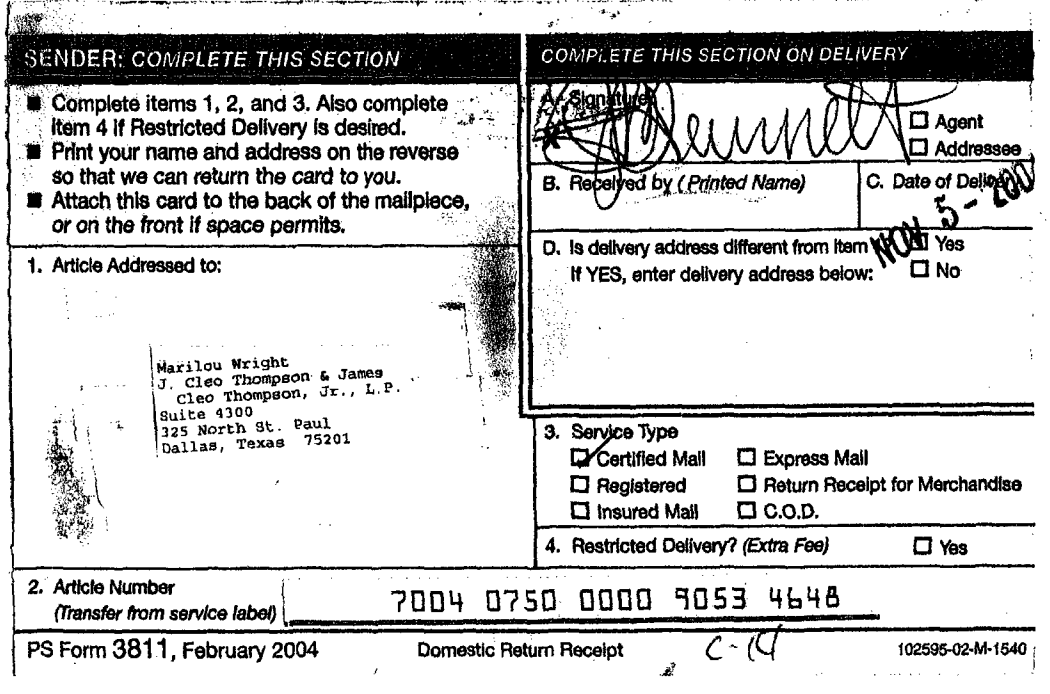
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label): 7004 0750 0000 9053 4662

PS Form 3811, February 2004 — Domestic Return Receipt — C-14 — 102595-02-M-1540



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:

Marilou Wright
J. Cleo Thompson & James
Cleo Thompson, Jr., L.P.
Suite 4300
325 North St. Paul
Dallas, Texas 75201

COMPLETE THIS SECTION ON DELIVERY

A. Signature: ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery: NOV 5 2004

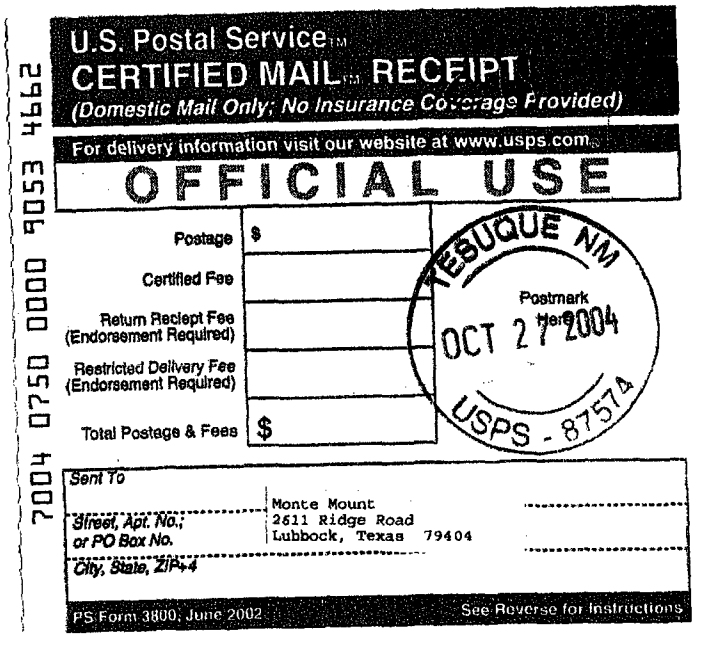
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label): 7004 0750 0000 9053 4648

PS Form 3811, February 2004 — Domestic Return Receipt — C-14 — 102595-02-M-1540



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

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage $
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees $

TESUQUE NM
OCT 27 2004
Postmark Here
USPS - 87574

7004 0750 0000 9053 4662

Sent To: Monte Mount
Street, Apt. No.; or PO Box No.: 2611 Ridge Road
City, State, ZIP+4: Lubbock, Texas 79404

PS Form 3800, June 2002 — See Reverse for Instructions

7004 0750 0000 9053 4679

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

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

TESUQUE NM
OCT 27 2004
Postmark Here
USPS - 87574

Sent To
Street, Apt. No.; or PO Box No.: 8 Way Oil & Gas, Inc.
Suite 1250
508 West Wall Street
City, State, ZIP+4: Midland, Texas 79701

PS Form 3800, June 2002 — See Reverse for Instructions

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:

I & L Development
Suite 720
3500 Oaklawn
Dallas, Texas 75219

COMPLETE THIS SECTION ON DELIVERY

A. Signature — X [signature] — ☐ Agent ☐ Addressee

B. Received by (Printed Name) — C. Date of Delivery: 11-1-04

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

2. Article Number (Transfer from service label): 7004 0750 0000 9053 4655

PS Form 3811, February 2004 — Domestic Return Receipt — C-14 — 102595-02-M-1540

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:

8 Way Oil & Gas, Inc.
Suite 1250
508 West Wall Street
Midland, Texas 79701

COMPLETE THIS SECTION ON DELIVERY

A. Signature — X J. Warrick — ☐ Agent ☐ Addressee

B. Received by (Printed Name): J. WARRICK — C. Date of Delivery: 11.01.04

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

2. Article Number (Transfer from service label): 7004 0750 0000 9053 4679

PS Form 3811, February 2004 — Domestic Return Receipt — C-14 — 102595-02-M-1540

7004 0750 0000 9053 4655

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

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

TESUQUE NM
OCT 27 2004
Postmark Here
USPS - 87574

Sent To
Street, Apt. No.; or PO Box No.: I & L Development
Suite 720
3500 Oaklawn
City, State, ZIP+4: Dallas, Texas 75219

PS Form 3800, June 2002 — See Reverse for Instructions

7004 0750 0000 9053 4624

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

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

TESUQUE NM Postmark Here OCT 27 2004 USPS - 87574

Sent To
Ken Gray
Land Department
Street, Apt. No. or PO Box No. Devon Energy Production Company, L.P.
P.O. Box 108838
City, State, ZIP Oklahoma City, Oklahoma 73101-8838

PS Form 3800, June 2002 See Reverse for Instructions

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:

Redfern Enterprises, Inc.
P.O. Box 2127
Midland, Texas 79702

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Shirley Choate ☐ Agent ☐ Addressee

B. Received by (Printed Name) Shirley Choate C. Date of Delivery 3 Nov

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

MIDLAND TX NOV 3 2004 USPS

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 *(Transfer from service label)* 7004 0750 0000 9053 4631

PS Form 3811, February 2004 Domestic Return Receipt C-14 102595-02-M-1540

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:

Ken Gray
Land Department
Devon Energy Production Company, L.P.
P.O. Box 108838
Oklahoma City, Oklahoma 73101-8838

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Hatfield ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

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

NOV 1 2004 USPS

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 *(Transfer from service label)* 7004 0750 0000 9053 4624

PS Form 3811, February 2004 Domestic Return Receipt C-13 102595-02-M-1540

7004 0750 0000 9053 4631

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

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

TESUQUE NM Postmark Here OCT 27 2004 USPS - 87574

Sent To
Redfern Enterprises, Inc.
Street, Apt. No.; or PO Box No. P.O. Box 2127
Midland, Texas 79702
City, State, ZIP+4

PS Form 3800, June 2002 See Reverse for Instructions