

# Affidavit of Publication

State of New Mexico,  
County of Eddy, ss.

**Dawn Higgins**, being first duly sworn, on oath says:

That she is Business Manager of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

<u>December 29</u>	<u>2004</u>
_____	<u>2004</u>
_____	<u>2004</u>
_____	<u>2004</u>

That the cost of publication is \$ 56.73

and that payment thereof has been made and will be assessed as court costs.

Dawn Higgins

Subscribed and sworn to before me this

29 day of December, 2004

Stephanie Gibson

My commission expires 12-13-05

Notary Public

December 29, 2004

## NOTICE

To: Eulalio Medrano and Lee Roy Lujan, or their successors: Chi Energy, Inc. has filed an application with the New Mexico Oil Conservation Division (Case No. 13380) seeking an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N1/2 of Section 33, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent. The unit will be dedicated to the Otis 33 Well No. 2, to be re-entered at a previously approved unorthodox gas well location in the NE1/4 NW1/4 (Unit C) of Section 33. Also to be considered will be the cost of re-entering and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Chi Operating, Inc. as operator of the well, and a 200% charge for the risk involved in re-entering and completing the well. This matter will be heard at 8:15 a.m. on Thursday, January 6, 2005 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 enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date. The unit is located approximately 1 1/2 miles west of Otis, New Mexico.

OIL CONSERVATION DIVISION  
CASE NUMBER  
EXHIBIT NUMBER B