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

BEFORE THE
OIL CONSERVATION DIVISION

Case No.13391 Exhibit No. Submitted By:
San Juan Resources
Hearing Date: January 6, 2005

APPLICATION OF SAN JUAN RESOURCES OF COLORADO, INC. TO AMEND DIVISION ORDER R-11926 TO INCLUDE SUBSEQUENT OPERATIONS AND AN OPTIONAL INFILL GAS WELL PROVOISIONS (COMPULSORY POOLING) SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 13391

CERTIFICATE OF MAILING AND COMPLIANCE WITH ORDER R-8054

STATE OF NEW MEXICO)

) SS.

COUNTY OF SANTA FE)

W. Thomas Kellahin, being first duly sworn, hereby certifies that he is an attorney for the Applicant and responsible for notification in this matter and that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on November 17, 2004, he caused to be mailed by certified mail return-receipt requested the attached notice of this hearing and a copy of the application for the above referenced case, at least twenty days prior to the hearing of this case set for December 16, 2004 that was continued and hear on January 6, 2005 to the parties shown in said application and as evidenced by the attached copies of return receipt cards and/or receipts of certified mailing, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.

Thomas Kellahin

OFFICIAL SEAL Lynda Kellahin

SUBSCRIBED AND SWORN to before me this 4th day of January 2005, by W. Thomas Kellahin.

Lynda Kellahin, Notary Public

My Commission Expires: June 18, 2008

KELLAHIN & KELLAHIN Attorney at Law

W. Thomas Kellahin Recognized Specialist in the Area of Natural Resources-oil and gas law-New Mexico Board of Legal Specialization P.O. Box 2265 Santa Fe, New Mexico 87504 117 North Guadalupe Santa Fe, New Mexico 87501

Telephone 505-982-4285 Facsimile 505-982-2047 kellahin@earthlink.net

November 17, 2004

CERTIFIED MAIL-RETURN RECEPT REQUESTED

TO: NOTICE OF THE HEARING OF THE FOLLOWING NEW MEXICO OIL CONSERVATION DIVISION CASE:

Re: Application of San Juan Resources Of Colorado, Inc. to amended Division Order R-11926 to include subsequent operations and an optional infill gas well (compulsory pooling), San Juan County, New Mexico

On behalf of San Juan Resources of Colorado, Inc., please find enclosed our application to add its Tecumseh Well No. 1-E to Order R-11926 for compulsory pooling order for the S/2 of Section 18, T30N, R11W currently dedicated to its Tecumseh Well No. 1. This application will be set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for December 16, 2004. The hearing will be held at the Division hearing room located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505.

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division Rule 1280.B, you are further notified that if you desire to appear in this case or to oppose the proposed risk charge, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, December 10, 2004, with a copy delivered to the undersigned.

Thomas Kellahin

thuly yours,

TECUMSEH #1E PROSPECT T30N-R11W, NMPM

Section 18: S/2, well located in NWSW, (UL "L") San Juan County, New Mexico Working Owners List

Dec 16, 2004 Force Pooling Hearing

Party	Working Interest	Party	Working Interest
James H. Reedy 45 Brewster Road Scarsdale, N Y 10583-3001	6.36910%	John C. Simpson, Jr. c/o J. Simpson 404 Cheswick Pl Bryn Mawr, PA 19010-1251	0.79614%
H. A. Arnold 460 Park Avenue New York, NY 10022-1906	2.38841%	Raymond A. Townley 532 Avonwood Road Haverford, PA 19041-1603	0.39820%
St. Francis Xavier Church 524 9 th Street Wilmette, Illinois 60091	0.79614%	W.B & L. 900 Wilshire Los Angeles, CA 90017-4701	1.59228%
Church of the Redeemer 5700 Forbes Avenue Pittsburg, PA 15127-1526	0.79614%	Charles T. Zaoral 230 Park Avenue New York, NY 10169-0005	0.79614%
St. John Parish in the Town of Lewisboro P.O. Box 224 South Salem, NY 10590	0.79614%	Raymond S. Page, Jr. Mill Creek Terrance Gladwyne PA 19035-1544	0.79614%
Mr. Fred H. Gowan 551 Fifth Avenue, Suite 1920 New York, NY	1.59228%	Peter B. Ruffin 753 Forest Hills Dr WILMINGTON, NC 28403	0.79614%
Arthur Levey 45 East End Avenue New York, NY 10028-7953	0.39280%	Murray Shields 551 Fifth Avenue, Suite 1920 New York, NY 10176-0001	0.79614%
Gilbert MacKay 551 Fifth Avenue, Suite 1920 New York, NY 10176-0001	1.59228%	Gustave Simons 515 Madison Avenue New York, NY 10022	0.79614%
Driscoll Estate c/oSteven McManus 3605 Rosedale Avenue Dallas, TX 75205	15.90467%		EXHIBIT
Driscoll Estate c/o Michael Silverman 2100 McKinney Ave., #707 Dallas, TX 75201			
total column	30.62796%	total column	6.76732%

37.39528%

Total uncommitted WI Owners

San Juan Resources of Colorado, Inc. TECUMSEH #1E PROSPECT T30N-R11W, NMPM

Section 18: S/2, NWSW well location (UL "L")
San Juan County, New Mexico
Minerals Owners List
December 16, 2004 Force Pooling Hearing

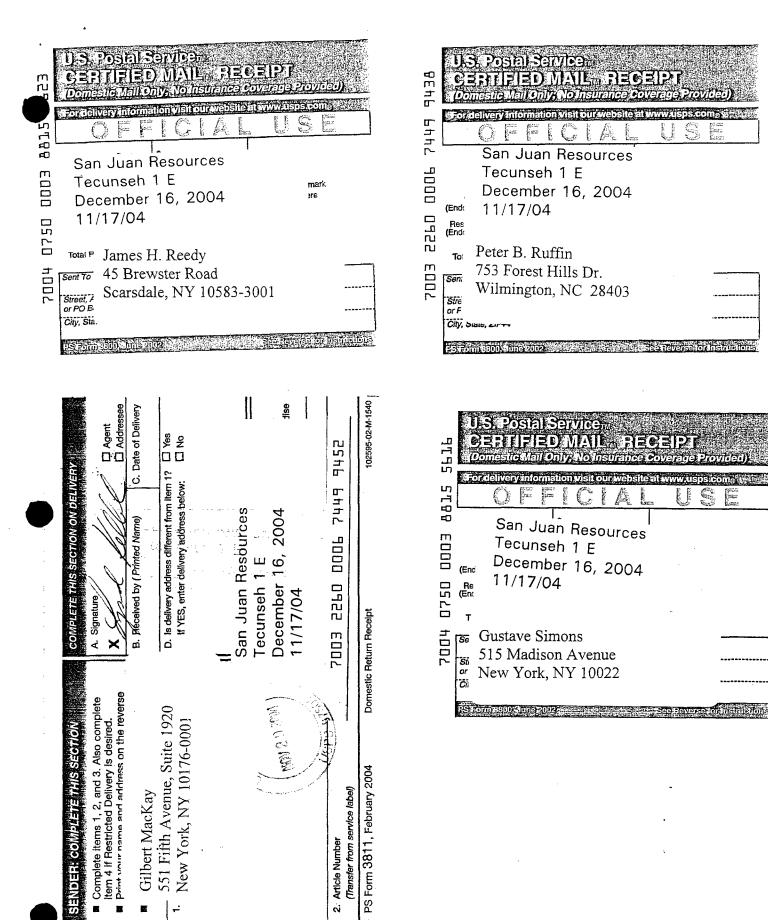
Party	Mineral Interest
O. Leonard Mosley, & Leona M. P.O. Box 4401 Gillette, WY 82727	1.00470%
George A. Mosley & Janet R. 42307 N. Newport Hwy. Elk, WA 99009	1.00470%
Bob L. Mosley 701 E. Zia P.O. Box 1653 Aztec, NM 87410	1.00470%
Mary Gwendolyn Mosley P.O. Box 9201 Brooks, OR 97305	1:00470%
Betty A. Nelms PO Box 737 Newport, WA 99156-0737	1.00470%
Total Uncommitted Min Owners	5.02350%

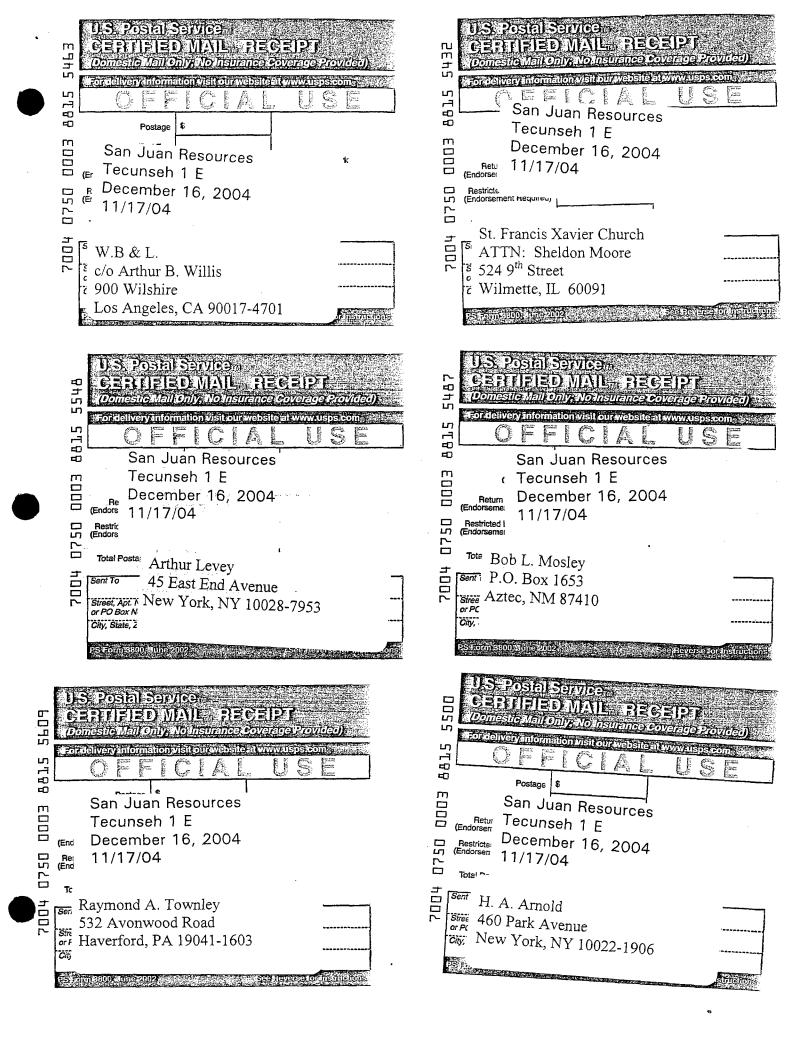
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Domestic Return Receipt	PS Form 3811, February 2004 Domestic B	Domestic Return Receipt 102595-02-M-1540	3S Form 3811, February 2004 Domestic F
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COMPLETE THIS SECTION ON DELIVERY A. Signature X. MOLLY C. Delivery address below: No	SENDER: Complete THIS SECTION Complete items 1, 2, and 3. Also complete Mary Gwendolyn Mosley P.O. Box 9201 Brooks, OR 97305	A. Signature A. Signature A. Signature A. Signature C. Date of Delivery D. Is delivery address different from item 1? D. Is delivery address below:	**Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. **Fred H. Gowen 551 Fifth Avenue, Suite 1920 **New York, NY 10176-0001
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	South Salem, NY 10590	Tecunseh 1 E December 16, 2004	
A. Signature X. Curu. Cod. B. Received by (Printed Name) D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No	Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse St. Johns Parish in the Town of Lewisboro ATTN: Stephen Maltby P.O. Box 224 South Salem, NY 10500	一/3/ 棚	TEST JAM CS
COMPLETE THE SECTION ON DELIGHED.	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELINERY	Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

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San Juan R Tecunseh 1 December 11/17/04		7 7 7
1. Artil New York, NY 10176-0001 Is delivery address different from item 17 🗆 Yes If YES, enter delivery address below: 🗆 No	D. Is delivery address different from Item 17 1 yes If YES, enter delivery address below:	Steven and Elizabeth McManus 3605 Rosedale Avenue Dallas, TX 75205
lete	A Signature CoMPLEYENTIS SECTION ON DELIVERY A Signature A Signature A Signature A Signature A Signature B Septimed by (Printed Name) C. Date of Deliyery	Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
SENDER: COMPLETE THIS SECTION COMPLETE THIS SECTION ON DELIVERY		

4. Signal/fre A. Signal/fre Addres Addres A. Signal/fre Addres Addres Addres A Signal/fre A Signal/fre Addres A Signal/fre A	San Juan Resources Tecunseh 1 E December 16, 2004	700년 미구50 미미3 6615 5494 Domestic Return Receipt	Complete Tris Section on Delivery lete A. Signature Accelved by (Printed Name) Secender Section address different from Item 1? □ Yes A4 Yes, enter delivery address below: □ No Tecunseh 1 E December 16, 2004 11/17/04 Competition Resources Tecunseh 1 E December 16, 2004 11/17/04 Competition Receipt Competition Respectively Competition Receipt Competition Research Competition Research
SENDER: COMPLETE THIS SECTION Cr B Cr B Cr B Betty A. Nelms P DO Box 737 O Newport, WA 99156-0737		2. Article Number (Transfer from service label) PS Form 3811, February 2004 Domestit	SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complitem 4 if Restricted Delivery is desired. Print your name and address on the revision to a so that we can return the cert 1. Atta or o Raymond S. Page, Jr. or o Raymond S. Page, Jr. Gladwyne, PA 19035-15 Gladwyne, PA 19035-15 Gladwyne, PA 19035-15 Gladwyne, PA 19035-15 Particle Number (Transfer from service label) PS Form 3811, February 2004
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SENDER COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. O. Leonard & Leona M. Mosley P.O. Box 4401 Rozet, WY 82727		2. Article Number 7004 073 (Transfer from service label) 3S Form 3811, August 2001 Domestic Return Receipt	SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. But your name and address on the reverse George A. Mosiey 1. 42307 N. Newport Hwy Elk, WA 99009





COMPLETE THIS SECTION ON DELIVERY	X Signature MM	9. Received by (Printed Name) C. Date of Delivery sequences different from item 1? If YES, enter delivery address below:	San Juan Resources Tecunseh 1 E December 16, 2004	7004 0750 0003 881.5 5593	Domestic Return Receipt 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 	charles T. Zoaral 1. A 230 Park Avenue New York, NY 10169-0005	(Mary 2 5 May)	2. Article Number (Transfer from service label)	PS Form 3811, February 2004 Domestic

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AFFIDAVIT OF PUBLICATION

Ad No. 50843

STATE OF NEW MEXICO County of San Juan:

CONNIE PRUITT, 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):

Monday, December 6, 2004.

And the cost of the publication is \$127.65.

ON 12/9/04 CONNIE PRUITT appeared before me, whom I know personally to be the person who signed the above document.

My Commission Expires November 17/2008.

COPY OF PUBLICATION

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 2, 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. The Division requires that if you intend to participate at this hearing, you must file a pre-hearing statement not later than December 31, 2004. If you are an individual with a disability who is in need of a reader, amplifier, gulified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by December 31, 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, including the following:

O. Leonard Mosley, George A. Mosley, Bob L. Mosley, May G. Mosley, Betty A. Nelms, Joseph Driscoll Estate, James H. Reedy, H. A. Arnold, Gilbert Mackay, WH&L, Fred H. Gowen, St. Francis Xavier Church, Church of the Redeemer, St. Johns Parish, Charles T. Zoardl, Raymond S. Page, Jr., Peter B. Ruffin, Murray. Shields, Gustave Simons, John C. Simpson, Jr., Arthur Levey and Raymond A. Townley

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

CASE 13391: Application of San Juan Resources of Colorado, Inc. to amend Division Order R-11926 to include subsequent operations and an optional "infill" gas well provisions (compulsory pooling), San Juan County, New Mexico. Applicant, in accordance with Division Rule 1207. A(1) (b), seeks an order amending this compulsory pooling order to provide for subsequent operations and the inclusion of its Tecumseh Well No. 1-E, to be located in Unit L as a well subject to this compulsory pooling order that pooled all mineral interests from the based of the Pictured Cliffs formation to the base of the Dakota formation underlying the S/2 of Irregular Section 18, T30N, R11W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any production, Also to be considered will be the subsequent operations provisions and the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, and the continuing the designation of San Juan Resources of Colorado, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 2 miles East from Flora Visto, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Mark E. Fesmire, P.E., Director

Legal No. 50843 published in The Daily Times, Farmington, New Mexico on Monday, December 6, 2004.

BEFORE THE
OIL CONSERVATION DIVISION
Case No.13391 Exhibit No.—
Submitted By:
San Juan Resources
Hearing Date: January 6, 2005