BEFORE THE OIL CONSERVATION DIVISION NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

IN THE MATTER OF THE APPLICATION OF SEELY OIL COMPANY FOR STATUTORY UNITIZATION, LEA COUNTY, NEW MEXICO.

		CASE NO.
	<u>AFFIDAVIT</u>	
STATE OF NEW MEXICO)) ss.	
COUNTY OF SANTA FE)	

William F. Carr, attorney in fact and authorized representative of Seely Oil

Company, the applicant herein, being first duly sworn, upon oath, states that notice has
been given to all interested parties entitled to receive notice of this application under Oil

Conservation Division rules, and that notice has been given at the addresses shown on

Exhibit "A" attached hereto.

William F Carr

SUBSCRIBED AND SWORN to before this 28 day of January 2005 by William F. Carr.



OFFICIAL SEAL
LISAMARIE ORTIZ
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires 01/14/07

My Commission Expires:

01/14/07

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13406 Exhibit No. 5
Submitted by:

Seely Oil Company
Hearing Date: February 17, 2005

IN THE MATTER OF THE APPLICATION OF SEELY OIL COMPANY FOR STATUTORY UNITIZATION LEA COUNTY, NEW MEXICO CASE NO. 13406

EXHIBIT A

Notice List

BP America 501 Westlake Park Boulevard Houston, TX 77253 Kaiser Francis Box 21468 Tulsa, Oklahoma 74121-1468

Devon SFS Operating, Inc. P. O. Box 730292 Dallas, TX 75373-0292

McElvain Oil & Gas Ltd. 1050 7th Street, Suite 1800 Denver, Colorado 80265

Concho Oil & Gas Corp. 110 West Louisiana, Suite 420 Midland, TX 79701 Roberta M. Regan Trust Bank of America NA, Trustee P. O. Box 830308 Dallas, TX 75283-0308

C. W. Trainer P. O. Box 754 Midland, Texas 79702 Kenneth Smith 267 Smith Ranch Road Hobbs, NM 88240-8514

BTA Oil Producers 104 S. Pecos Midland, Texas 79701 Commissioner of Public Lands New Mexico State Land Office Attn: Pete Martinez Post Office Box 1148 Santa Fe, NM 87504-1148

Rhombus Energy 200 N. Lorraine, Suite 1270 Midland, Texas 79701 Bureau of Land Management Attn: Armando Lopez 2909 W. 2nd Street Roswell, NM 88201

Yates Petroleum Corporation 105 S. Fourth Street Artesia, NM 88210



William F. Carr wcarr@hollandhart.com

January 13, 2005

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL AFFECTED INTEREST OWNERS

Re: Application of Seely Oil Company for amendment of the remedial cementing requirements of Division Order No. R-11929 which approved waterflood operations on the EK Penrose Sand Unit, Lea County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Seely Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order amending Order No. R-11929 to delete the remedial cementing requirements for the McElvain Federal Well No. 3 (API No. 30-025-28557) located in the SW/4 SW/4 of Section 30, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

This application has been set for hearing before a Division Examiner on February 3, 2003, 2004. 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 lat 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.

William F Carr

ATTORNEY FOR SEELY OIL

COMPANY

cc:

Clarence Stumhoffer Seely Oil Company

Enclosure

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION 2005 JHN 11 PM 3

APPLICATION OF SEELY OIL COMPANY FOR AMENDMENT OF THE REMEDIAL CEMENTING REQUIREMENTS OF DIVISION ORDER NO. R-11929 WHICH APPROVED WATERFLOOD OPERATIONS IN THE EK PENROSE SAND UNIT, LEA COUNTY, NEW MEXICO.

CASE NO._

APPLICATION

SEELY OIL COMPANY ("Seely"), through its undersigned attorneys, hereby makes application for an order amending Order No. R-11929 to eliminate the cementing requirements for the McElvain Federal Well No. 3 located in the SW/4 SW/4 of Section 30, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico and in support of its application states:

1. Seely is the operator of the EK Penrose Sand Unit that is located in the following described acreage located in Lea County, New Mexico:

Township 18 South, Range 33 East, NMPM

Section 24:

SE/4

Section 25:

NE/4

Township 18 South, Range 34 East, NMPM

Section 19:

10

Section 20:

W/2 SW/4, SE/4, SW/4

Section 29:

NW/4, N/2 SW/4

Section 30:

N/2, N/2 SE/4, E/2 SW/4

The proposed Unit Area consists of 1469.75 acres, more or less, of Federal and Fee lands, situated in Lea County, New Mexico.

2. By Order No. R-11929, entered on April 16, 2003, the Division authorized Seely to conduct waterflood operations in the EK Penrose Unit Area but made remedial action on certain wells a condition precedent to the commencement of these operations.

3. Finding 16, and Order Paragraph No. 9 of Order No. R-11929, requires that prior to

injection into the Yates Petroleum Corporation Howe "TG" Federal Well No. 1 ("Howe Well"),

Seely must perform remedial cementing operations on the C. W. McElvain Federal Well No. 3

(API No. 30-025-28557) ("the McElvain Well No. 3") as well as another well, to isolate the

Penrose Sand member of the Queen formation within that wellbore.

4. Information now available on the McElvain Well No. 3 shows that there is no

porosity development in this Penrose Sand in the McElvain Well No. 3.and this sand therefore

does not exist at this location.

5. Seely Oil Company therefore requests that Order No. R-11929 be amended to

authorize the injection into the Howe Well without first performing remedial cementing work

on the McElvain Well No. 3.

6. Approval of this application will eliminate remedial actions that are unnecessary

and will other wise be in the best interest of conservation, the prevention of waste and the

protection of correlative rights.

WHEREFORE, Seely Oil Company requests that this application be set for

hearing before an Examiner of the Oil Conservation Division on March 3, 2005, that notice be

given as required by law and the rules of the Division, and that Order No. R-11929 be amended

to eliminate the remedial cementing requirements for the McElvain Federal Well No. 3.

Respectfully submitted,

HOLLAND & HART, LLP

William F Car

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR SEELY OIL COMPANY

CASE NO. _____: Application of Seely Oil Company for amendment of the remedial cementing requirements of Division Order No. R-11929 which approved waterflood operations in the EK Penrose Sand Unit, Lea County, New Mexico. Applicant seeks an order amending Order No. R-11929 to eliminate the cementing requirements for the McElvain Federal Well No. 3 (API No. 30-025-28557) located in the SW/4 SW/4 of Section 30, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Said well is located approximately 14 miles southwest of Lovington, New Mexico.

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Seely Postage \$,60 Certified Fee 2.30 Posts	··//	
Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 1.75		
Sent To BP America Street, Apt. No.; or PO Box No. City, State, ZIP+ 4 Houston, TX 77253	evard	
PS Form 3800, Ja	<u></u>	
	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage P	 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. 	A. Received by (Please Print Clearly) B. Date of Delive 1 5 5 C. Signature Addresse
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Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees Sent To	BTA Oil Producers 104 S. Pecos Midland, Texas 79701	3. Service Type Certified Mail
Street, Apt. No.; or PO Box No. 104 S. Pecos	2. Article Number (Copy	4. Restricted Delivery? (Extra Fee) Yes
City, State, ZIP+ Midland, Texas 79701	7001 1140 0002	9557 7906
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(Endorsement Required) Total Postage & Fees \$ # 65	i	☐ Insured Mail ☐ C.O.D.
Bureau of Land Manageme		4. Restricted Delivery? (Extra Fee) Yes
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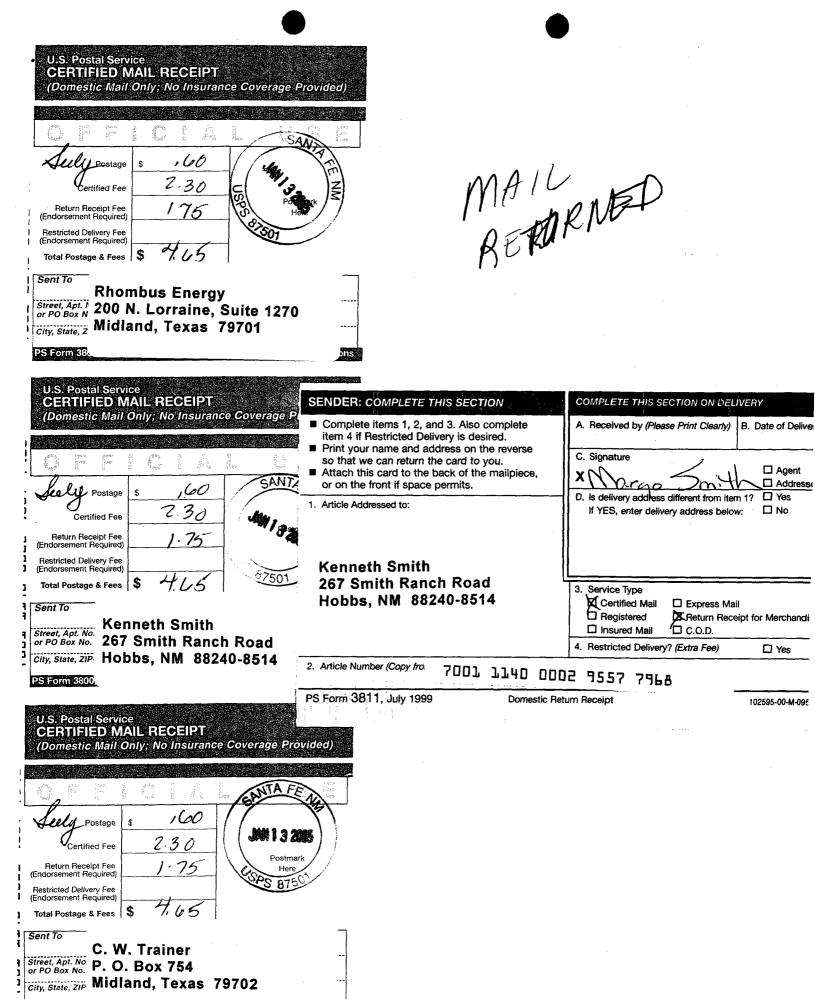
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Concho Oil & Gas Corp. Street, Apt. No.; or PO Box No. City, State, ZIP+ Midland, TX 79701	e 420	
PS Form 3800, 3	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
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Certified Fee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees Sent To	Devon SFS Operating, Inc. P. O. Box 730292 Dallas, TX 75373-0292	3. Service Type Certified Mail
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Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ #.65 Sent To Kaiser Francis Street, Apt. No.; or PO Box No. City, State, ZiP+ PS Form 3800.	Kaiser Francis Box 21468 Tulsa, Oklahoma 74121-1468	3. Service Type Certified Mail
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Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees Sent To McElvain Oil & Gas Ltd	McElvain Oil & Gas Ltd. 1050 7th Street, Suite 1800 Denver, Colorado 80265	3. Service Type Certified Mail
Street, Apt. No. 1050 7th Street, Suite 180 or PO Box No. Denver, Colorado 80265		4. Restricted Delivery? (Extra Fee)
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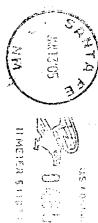
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HOLLAND&HART.

110 North Guadalupe Suite 1 Santa Fe, NM 87501 P.O. Box 2208 Santa Fe, NM 87504-2208







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Rhombus Energy 200 N. Lorraine, Suite 1270 Midland, Texas 79701



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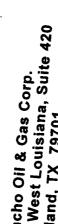
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110 West Louisiana, Suite 420 Midland, TX 79701



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Concho Oil & Gas Corp.

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110 North Guadalupe Suite 1 Santa Fe, NM 87501 P.O. Box 2208 Santa Fe, NM 87504-2208



Affidavit of Pulication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)
Joyce Clemens being first duly so says that she is Advertisting Direction published in the English lar County, New Mexico; that said new lished in such county continuously period in excess of Twenty-six (26 prior to the first publication of the hereinafter shown; and that said duly qualified to publish legal notion Chapter 167 of the 1937 Session Mexico.	ector of THE LOVINGTON per of general paid circulanguage at Lovington, Lea wspaper has been so puby and uninterruptedly for a 6) consecutive weeks next notice hereto attached as newspaper is in all things ices within the meaning of
That the notice which is hereto at	tached, entitled
Legal Notice	
was published in a regular and e	entire issue of THE LOV-
INGTON DAILY LEADER and not	in any supplement there-
of, for one (1) day, b	eginning with the issue of
<u>January 16</u> , 2005 a	and ending with the issue
of_ January 16	, 2005.
And that the cost of publishing sai \$_48.79 which so Court Costs.	id notice is the sum of um has been (Paid) as

Subscribed and sworn to before me this

Notary Public, Lea County, New Mexico

My Commission Expires June 22, 2006

January 2005

Debbie Schilling

iary 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 January 24 2005 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.

Published in thi

Daily Leader Jab 2005:

STATE OF NEW MEXICO TO: All hamed parties and persons having varry, right, stitle, interest or claim in the following cases and notice to the public.

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

CASE 13406:

Application of Seely Oil Company for amendment of the remedial cementing requirements of Division Order No. R-11929 which approved waterflood operations in the EK Penrose Sand Unit, Lea County, New Mexico. Applicant seeks an order amending Order No. R 11929 to eliminate the cementing requirements for the McElvain Federal Well No. 3 (API No. 30-025-28557) located in the SW/4 SW/4 of Section 30, Township 18 South, Range 34 East NMPM, Lea County, New Mexico. Said well is located approximately 14 miles southwest of Lovington, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 14th day of January 2005.

> STATE OF NEW MEXICO OIL CONSERVATION DIVISION

> > Mark E. Fesmire, P.E., Director

LEGAL NOTICE NOTICE OF PUBLICATION

STATE OF NEW MEXIGO 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 February 3, 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 auxil-

21st day of