

AFFIDAVIT OF PUBLICATION

COPY OF PUBLICATION

Ad No. 69159

**STATE OF NEW MEXICO
County of San Juan:**

JOHN ELCHERT, being duly sworn says:
That HE is the PUBLISHER 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):

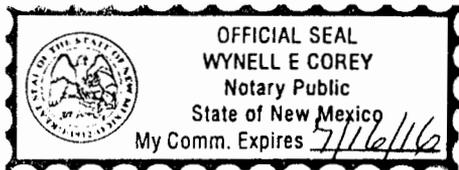
Wednesday, June 19, 2013

And the cost of the publication is \$98.55



ON 6/24/13 JOHN ELCHERT
appeared before me, whom I know personally
to be the person who signed the above
document.





NOTICE

To: Sabiano Lobato, Jr., Veronica E. Lobato, Dawn M. Torres, Colby D. Cockrell, Sunny L. Cockrell, and James Thomas Robbins, or your heirs, devisees, or successors: KTO Energy Inc. has filed an application with the New Mexico Oil Conservation Division seeking an order: (i) contracting the Cha Cha Gaitup Pool by deleting the S/2NW/4 of Section 16, Township 29 North, Range 14 West, NMPM from the pool, (ii) expanding the Basin-Mancos Pool by adding the S/2NW/4 of Section 16, Township 29 North, Range 14 West, NMPM to the pool, (iii) approving a 480 acre non-standard spacing and proration unit (project area) in the Basin-Mancos Pool comprised of the N/2 of Section 16 and the NE/4 of Section 17, Township 29 North, Range 14 West, NMPM, and (iv) pooling all mineral interests in the Mancos formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the Rocco 16 Well No. 1H, a horizontal well with a surface location in the NE/4NE/4 of Section 16, and a terminus in the SW/NE/4 of Section 17. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The application is scheduled to be heard at 8:15 a.m. on Thursday, July 11, 2013 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 attorney for applicant is James Bruce, P.O. Box 1026, Santa Fe, New Mexico 87504. The unit is located approximately 2 miles southeast of Kirtland, New Mexico.

Legal No. 69159 published in The Daily Times on June 19, 2013.

Oil Conservation Division
Case No. 15020
Exhibit No. 10