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

CASE NO. 15487

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION THROUGH THE SUPERVISOR OF DISTRICT II FOR AN EMERGENCY ORDER SUSPENDING CERTAIN APPROVED APPLICATIONS FOR PERMITS TO DRILL, AND FOR ADOPTION OF SPECIAL RULES FOR DRILLING IN CERTAIN AREAS FOR THE PROTECTION OF FRESH WATER, CHAVES AND EDDY COUNTIES, NEW MEXICO

AFFIDAVIT OF NOTICE

I, David K. Brooks, attorney for the New Mexico Oil Conservation Division, hereby certify that, on Thursday, May 5, 2016 notice of the hearing to be held in this case on Tuesday, May 10, 2016, was duly give in accordance with Division Rules 19.15.4.9 and 19.15.4.12 NMAC, as modified by Emergency Order E-42-A, issued by the Director of the Division on Wednesday, May 4, 2016. Order E-42-A shortened the time for notice provided in Divisions rules so that notice on or before Thursday, May 5, 2016 would be timely.

On the stated date, du notice of the time, place and purpose of the said hearing, a copy of which is attached hereto as Exhibit "B" was:

- [1] posted on the Division's website for all the world to see, as required by Division Rule 19.15.4.9.B(1) NMAC;
- [2] delivered by electronic mail to each person who has requested in writing to be notified of such hearings, as required by Division Rule 19.15.4.9.B(2) NMAC;
- [3] mailed by certified mail, return receipt requested, and delivered by electronic mail, to each operator of any well located in, or within one mile of, any pool that includes any part of the Designated Area identified in Exhibit "A" hereto; in compliance with Division Rule 19.15.4.12.A(4)(b) NMAC and Emergency Order E-42-A.

Exhibit "C" hereto is a list of the names and addresses of each person to whom notice was sent. The address for each such person is that correct address required by Division Rule 19.15.4.9 NMAC. Proof of receipt is not now available.

David K. Brooks

Case No. 15487 May 10, 2016 OCD EXHIBIT 1 Further affiant sayeth not.

Subscribed and sworn to before me this 10th day of May, 2016.

[Seal]

Notary Public
State of New Mexico
County of Santa Fe

My commission expires May 97, 20 14.

EXHIBIT A

T 7S R21E - All, T 7S R22E - All, T7S R23E - All, T7S R24E - Sec 4-9, 16-21, 27-34

T 8S R21E - All, T 8S R22E - All, T8S R23E - All, T8S R24E - Sec 2-11, 13-36, T8S R25E - Sec 30 & 31

T 9S R21E - All, T 9S R22E - All, T9S R23E - All, T9S R24E - Sec 6-8, 18-20, 29-33

T 10S R21E - All, T 10S R22E - All, T10S R23E - All, T10S R24E - All, T10S R25E Sec 4-10, 14-24, 26-35

T11S R21E - All, T11S R22E - All, T11S R23E - All, T11S R24E - All, T11S R25E - Sec 2-11, 14-23, 26-36

T12S R21E - All, T12S R22E - All, T12S R23E - All, T12S R24E - All, T12 R25E - All, T12S- R26E Sec 5-8, 16-20, 26-35

T13S R21E - All, T13S R22E - All, T13S R23E - All, T13S R24E - All, T13S R25E - All, T13S R26E - Sec 2-11, 14-23, 27-35

T14S R21E - All, T14S R22E - All, T14S R23E - All, T14S R24E - All, T14S R25E - All, T14S R26E - All

T15S R21E - All, T15S R22E - All, T15S R23E - All, T15S R24E - All, T13S R25E - All, T13S R26E Sec 1-11, 14-23, 27-33

T16S R21E - All, T16S R23E - All, T16S R24E - All, T16S R25E - All, T16S R26E - All, T13S R27E Sec 19 & 30

T17S R21E - All, T17S R23E - All, T17S R24E - All, T17S R25E - All, T17S R26E - All, T17S R27E Sec 5-8, 18, 19, 30, 31

T18S R23E - All, T18S R24E - All, T18S R25E - All T18S R26E - All, T18S R27E - Sec 6,7, 18, 19, 30, 31

T19S R23E - All, T19S R24E - All, T19S R25E - All T19S R26E - All, T19S R27E - Sec 5-8, 18,19

T20S R23E - All, T20S R24E - All, T20S R25E - All, T20S R26E - Sec 1-12, 14-23, 28-32

T20.5S R22E - All, T20.5S R23E - All

Exhibit B NOTICE OF HEARING

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 May 10, 2016, in the Oil Conservation Division Hearing Room at 1220 South St. Francis Drive, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. The hearing will concern only the Division's request for temporary relief as described below. 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 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 May 1, 2016. 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. A party who plans on using projection equipment at a hearing must contact Florene Davidson the day prior to the hearing requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer.

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.

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

<u>Case No. 15487</u>: The Oil Conservation Division, by its Second Amended Application (Application) in this case, seeks a temporary order suspending all heretofore approved Applications for Permits to Drill (APDs) for wells not yet drilled that are affected by the Application, until a full hearing is had on the merits and an Order issued thereon. The wells affected by the Application are wells to be located in the Designated Area, as described in Exhibit "A" hereto. The pools, or common sources of supply that may be affected by the granting of the application in this case are listed in Exhibit "B" attached hereto.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 4th day of May, 2016.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

David R. Catanach Director, Oil Conservation Division

Exhibit C

Operator Name(s)	Address	E-mail Address
ABO PETROLEUM CORP	PO BOX 900 ARTESIA, NM 88211-0900	cmoran@yatespetroleum.com
BC DEVELOPMENT, LP	PO BOX 50820 MIDLAND, TX 79710	kwidner@usaonline.net
BC OPERATING, INC.	P O Box 50820	
BC OPERATING, INC.	MIDLAND, TX 79701	kwidner@usaonline.net
CFM OIL, LLC	PO BOX 1176	
	ARTESIA, NM 88211	cfmoilcomp1176@hotmail.com
CHEVRON U S A INC	1400 Smith HOUSTON, TX 77002 Attn: Sandy Stedman-Daniel	lindamcmurray@chevron.com
CHI OPERATING INC	P. O. Box 1799 MIDLAND, TX 79702	johnq@chienergyinc.com
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SOUTHWEST ROYALTIES INC	6 Desta Drive, Suite 3700 MIDLAND, TX 79705	ghays@claytonwilliams.com
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