

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

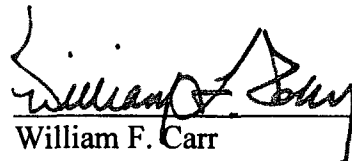
**IN THE MATTER OF THE APPLICATION OF
GRUY PETROLEUM MANAGEMENT COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION
AND SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.**

CASE NO. 13571

AFFIDAVIT

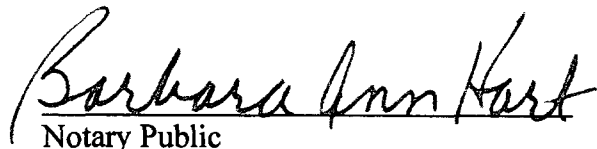
STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE) ss.

William F. Carr, attorney in fact and authorized representative of Gruy Petroleum Management Company, the Applicant herein, being first duly sworn, upon oath, states that notice of the above-referenced Application was mailed to the addresses shown on Exhibit "A" attached hereto, and that true and correct copies of the notice letter and proof of receipt are attached hereto.



William F. Carr

SUBSCRIBED AND SWORN to before me this 21st day of September 2005 by William F. Carr.



Notary Public

My Commission Expires:

March 28, 2008

3453877_1.DOC

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13567-13572 Exhibit No. 8
Submitted by:
GRUY PETROLEUM MANAGEMENT CO.
Hearing Date: October 20, 2005

EXHIBIT A

NOTIFICATION LIST

APPLICATION OF GRUY PETROLEUM MANAGEMENT COMPANY
FOR SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

Rhodes Federal Unit Wells No. 153 and 159

Offset Operators:

Doyle Hartman
Post Office Box 10426
Midland, Texas 79702

Patterson Operating and Pumping, Inc.
DBA Penergy
Post Office Box 50076
Midland, Texas 79710

Gruy Petroleum Management Co.
Post Office Box 140907
Irving, Texas 75014-0907

Leasehold Owner SW/4 Section 11, T-26S, R-37-E

Ricky Patterson
Post Office Box 50076
Midland, Texas 79702



September 15, 2005

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS:

Re: Application of Gruy Petroleum Management Company for Simultaneous Dedication, Lea County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Gruy Petroleum Management Company has filed the enclosed application with the New Mexico Oil Conservation Division seeking authorization to simultaneously dedicate the non-standard spacing and proration unit comprised of the SE/4 SE/4 of Section 10 and the NE/4 NE/4 and the S/2 NE/4 of Section 15, Township 26 South, Range 37 East, NMPM, in the Rhodes Yates-Seven Rivers Gas Pool to its Rhodes Federal Unit Well No. 153 and its Rhodes Federal Unit Well No. 159.

This application has been set for hearing before a Division Examiner on October 6, 2005. The hearing will be held in Porter Hall at the 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 with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing. This statement must 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.

Very truly yours,

WILLIAM F. CARR
ATTORNEY FOR GRUY PETROLEUM MANAGEMENT COMPANY

Enc.

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

**IN THE MATTER OF THE APPLICATION OF
GRUY PETROLEUM MANAGEMENT COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION
AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

GRUY PETROLEUM MANAGEMENT COMPANY ("Gruy"), through its undersigned attorneys, pursuant to Oil Conservation Division Rule 104.D (3), hereby makes application for an order authorizing the simultaneous dedication of the following two wells located in the previously approved non-standard 160-acre gas spacing unit comprised of SE/4 SE/4 of Section 10 and The NE/4 NE/4, S/2 NE/4 of Section 15, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico to the 160-acre non-standard spacing and proration unit in the Rhodes Yates-Seven Rivers Gas Pool comprised of said acreage in Sections 10 and 15:

- A. Rhodes Federal Unit Well No. 153 (API No. 30-025-31797) ("RFU Well No. 153") located in Unit A at a standard gas well location 990 feet from the North line and 660 feet from the East line; and
- B. Rhodes Federal Unit Well No. 159 (RFU Well No. 159") which Gruy proposes to drill in Unit H at an unorthodox gas well location 2110 feet from the North line and 460 feet from the East line.

In support of its application, Gruy states:

1. Gruy is the operator of a standard 160-acre gas spacing and proration unit in the Rhodes Yates-Seven Rivers Gas Pool comprised of the SE/4 SE/4 of Section 10 and the NE/4 NE/4 and the S/2 NE/4 of Section 15, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico.
2. Gruy's RFU Well No. 153, located in Unit A of said Section 15, currently produces from the Yates Seven-Rivers formation, Rhodes Yates-Seven Rivers Gas Pool.
3. Gruy's RFU Well No. 153 is not efficiently producing the reserves under this spacing unit.
4. To produce the reserves under this spacing unit, Gruy seeks an exception to the provisions of Division Rule 104.D(3) for its RFU Well No. 159 which it proposes to drill at an unorthodox location in H of Section 15 for the production hydrocarbons from the Yates-Seven Rivers formation.

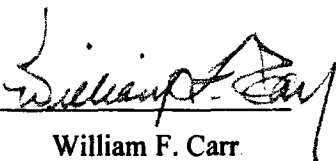
5. The simultaneous dedication of this non-standard spacing unit comprised of the SE/4 SE/4 of Section 10 and the NE/4 NE/4 and the S/2 NE/4 of Section 15 to the RFU Well No. 153 and the RFU Well No. 159 will afford Gruy the opportunity to efficiently produce the Yates-Seven Rivers formation under this spacing and proration unit, thereby protecting its correlative rights. The correlative rights of no other owner in this reservoir will be adversely affected.

6. Notice of this application has been provided to those affected parties identified on the Notification List marked Exhibit A and attached hereto.

7. Approval of this application will result in the efficient recovery of hydrocarbons from the Rhodes Yates-Seven Rivers Gas Pool, thereby preventing waste, and will otherwise be in the best interest of conservation.

WHEREFORE, Gruy Petroleum Management Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 6, 2005 and, after notice and hearing as required by law, the Division enter its order approving the simultaneous dedication of the this non-standard spacing unit comprised of acreage in Sections 10 and 15, Township 26 South, Range 37 East, NMPM, to the RFU Well No. 153 and the RFU Well No. 159, and approving an unorthodox gas well location for the RFU Well No. 159, 2110 feet from the North line and 460 feet from the East line of said Section 15.

Respectfully submitted,
HOLLAND & HART LLP

By: 
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR GRUY PETROLEUM
MANAGEMENT COMPANY

CASE____: **Application of Gruy Petroleum Management Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico.** Applicant in the above-styled cause seeks authorization to simultaneously dedicate the non-standard 160-acre gas spacing and proration unit comprised of the SE/4 SE/4 of Section 10 and the NE/4 NE/4, and the S/2 NE/4 of Section 15, Township 26 South, Range 37 East, NMPM, to its Rhodes Federal Unit Well No. 153 (API No. 30-025-31797) located in Unit A at a standard location 990 feet from the North line and 660 feet from the East line of said Section 15 and its Rhodes Federal Unit Well No. 159 which it proposes to drill at an unorthodox gas well location 2110 feet from the North line and 460 feet from the East line (Unit H) of said Section 15. Said unit is located approximately 3 miles south of Jal, New Mexico.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

WFC
Gruy
153,159
Return Receipt Fee
(Endorsement Required)
Restricted Delivery Fee
(Endorsement Required)
Total Postage & Fees \$ 4.65

Postage \$ 1.60
Certified Fee 2.30
Return Receipt Fee 1.75

SEP 15 2005
Postmark Here
USPS

Sent To Gruy Petroleum Management Co.
Street, Apt. No., or PO Box No. P. O. Box 140907
City, State, ZIP+ Irving, Texas 75014-0907
PS Form 3800

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 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.

1. Article Addressed to:

Gruy Petroleum Management Co.
P. O. Box 140907
Irving, Texas 75014-0907

2. Article Number (Copy from 7001 1140 0002 9558 4133)

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

Received by (Please Print Clearly) B. Date of Delivery
9-19-05
C. Signature
Rudy Maldonado
Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

WFC
Gruy
153,159
Return Receipt Fee
(Endorsement Required)
Restricted Delivery Fee
(Endorsement Required)
Total Postage & Fees \$ 4.65

Postage \$ 1.60
Certified Fee 2.30
Return Receipt Fee 1.75

SEP 15 2005
Postmark Here
USPS

Sent To Doyle Hartman
Street, Apt. No., or PO Box No. P. O. Box 10426
City, State, ZIP+ Midland, TX 79702
PS Form 3800

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 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.

1. Article Addressed to:

Doyle Hartman
P. O. Box 10426
Midland, TX 79702

2. Article Number (Copy from 7001 1140 0002 9558 4119)

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

Received by (Please Print Clearly) B. Date of Delivery
Doyle Hartman 9-21-05
C. Signature
Doyle Hartman
Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only, No Insurance Coverage Provided)

WFE	Postage	\$ 1.60
Gray	Certified Fee	2.30
153,154	Return Receipt Fee	1.75
(Endorsement Required)		
	Restricted Delivery Fee	4.65
	(Endorsement Required)	
Total Postage & Fees		\$ 10.30

Sent To Patterson Operating and

Pumping, Inc.

DBA Penery

P. O. Box 50076

Midland, TX 79710

PS Form 3800, 1-99

7002 1140 0002 9556 8521

U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only, No Insurance Coverage Provided)

WFE	Postage	\$ 1.60
Gray	Certified Fee	2.30
153,154	Return Receipt Fee	1.75
(Endorsement Required)		
	Restricted Delivery Fee	4.65
	(Endorsement Required)	
Total Postage & Fees		\$ 10.30

Sent To Ricky Patterson

P. O. Box 50076

Midland, TX 79702

PS Form 3800, 1-99

7002 1140 0002 9556 8521

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 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.

1. Article Addressed to:

Patterson Operating and
Pumping, Inc.
DBA Penery
P. O. Box 50076
Midland, TX 79710

2. Article Number (Copy 1)

7001 1140 0002 9556 4126

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

DANNE EDWARD

C. Signature

☒ Agent
☐ Addressee

D. Is delivery address different from item 1?

☐ Yes
☐ No

If YES, enter delivery address below:

3. Service Type

☒ Certified Mail
☐ Registered
☐ Insured Mail
☐ Express Mail

☐ Return Receipt for Merchandise
☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

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 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.

1. Article Addressed to:

Ricky Patterson
P. O. Box 50076
Midland, TX 79702

2. Article Number (Copy from)

7001 1140 0002 9556 4140

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

DANNE EDWARD

C. Signature

☒ Agent
☐ Addressee

D. Is delivery address different from item 1?

☐ Yes
☐ No

If YES, enter delivery address below:

3. Service Type

☒ Certified Mail
☐ Registered
☐ Insured Mail
☐ Express Mail

☐ Return Receipt for Merchandise
☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON DAILY LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Notice Of Publication

was published in a regular and entire issue of **THE LOVINGTON DAILY LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of September 18, 2005 and ending with the issue of September 18, 2005.

And that the cost of publishing said notice is the sum of \$ 53.01 which sum has been (Paid) as Court Costs.

Joyce Clemens
Subscribed and sworn to before me this 19th day of October 2005.

Debbie Schilling
Debbie Schilling

Notary Public, Lea County, New Mexico
My Commission Expires June 22, 2006

LEGAL NOTICE
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

and Regulations of the Oil Conservation Commission at Santa Fe, New Mexico on this 18th day of September 2005. In the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, attached sign language interpreter or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Florane Davidson at 505-476-3456 or through the New Mexico Relay Network: 1-800-652-1779 by September 26, 2005. Public documents including the agenda and minutes can be provided in various accessible forms. Please contact Florane 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:

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

CASE 13571

Application of G. W. Petroleum Management Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant in the above styled cause seeks authorization to simultaneously dedicate the non-standard 160-acre gas spacing and proration unit comprised of the SE 1/4, SE 1/4, of Section 10 and the NE 1/4, NE 1/4, and the S 1/2 NE 1/4 of Section 15, Township 28 South, Range 37 East, N10PM, to its Rhodes

Federal Unit Well No. 153 (API No. 30-025-31787) located in Unit A at a standard location 1890 feet from the North line and 660 feet from the East line of said Section 15 and its Rhodes Federal Unit Well No. 156 which it proposes to drill at an unorthodox gas well location 2110 feet from the North line and 480 feet from the East line (Unit H) of said Section 15. Said Unit is located approximately 3 miles south of Jar, New Mexico.

Given under the Seal of