

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

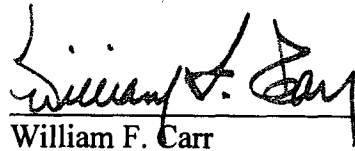
**IN THE MATTER OF THE APPLICATION OF
GRUY PETROLEUM MANAGEMENT COMPANY
FOR SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.**

CASE NO. 13567

AFFIDAVIT

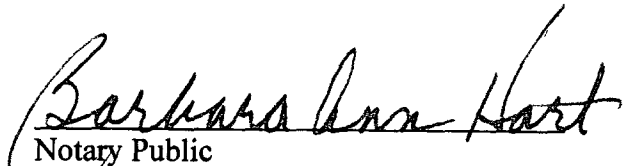
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

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 2nd day of September 2005 by William F. Carr.



Notary Public

My Commission Expires: March 8, 2008

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13567-13572 Exhibit No. 4
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. 221 and 227

Offset Operators:

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

Leasehold owners SE/4 Section 21, T-36-S, R-37-E

Magnum Hunter Production, Inc.
Post Office Box 140907
Irving, Texas 75014-0907

Crown Oil Partners III, LP
Post Office Box 50820
Midland, Texas 79710

Charles D. Ray
Post Office Box 51608
Midland, Texas 79710

Ronald Jackson Erwin
Post Office Box 50820
Midland, Texas 79710

Jerry Vavrek
Post Office Box 50820
Midland, Texas 79710

Jesse A. Faight, Jr.
Post Office Box 51206
Midland, Texas 79710

Kevin L. Widner
Post Office Box 4925 Rustic Trail
Midland, Texas 79707



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 a standard 160-acre spacing or proration unit in the Rhodes Yates-Seven Rivers Gas Pool comprised of the NW/4 of Section 22, Township 26 South, Range 37 East, NMPM, to its Rhodes Federal Unit Wells No. 221 and 227.

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 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 NW/4 of Section 22, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico to the 160-acre spacing and proration unit in the Rhodes Yates-Seven Rivers Gas Pool comprised of the NW/4 of said Section 22:

- A. Rhodes Federal Unit Well No. 221 (API No. 30-025-12742) ("RFU Well No. 221") located in Unit C at a standard gas well location 990 feet from the North line and 2310 feet from the West line; and
- B. Rhodes Federal Unit Well No. 227 (RFU Well No. 227") located in Unit E at an standard gas well location 1980 feet from the North line and 990 feet from the West 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 NW/4 of Section 22, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico. Gruy's RFU Well No. 221 located in Unit C of said Section 22 currently produces from the Yates Seven-Rivers formation, Rhodes Yates-Seven Rivers Gas Pool.
- 2. Gruy's RFU Well No. 221 is not efficiently producing the reserves under this spacing unit.

3. 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. 227 which it proposes to drill at a standard location in Unit E of Section 22 for the production of hydrocarbons from the Yates-Seven Rivers formation.

4. The simultaneous dedication of the NW/4 of said Section 22 to the RFU Wells No. 221 and 227 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.

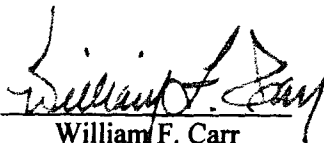
5. Notice of this application has been provided to those affected parties identified on the Notification List marked Exhibit A and attached hereto.

6. 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 NW/4 of Section 22, Township 26 South, Range 37 East, NMPM, to the Rhodes Federal Unit Wells No. 221 and 227.

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 simultaneous dedication, Lea County, New Mexico. Applicant in the above-styled cause seeks authorization to simultaneously dedicate the standard 160-acre gas spacing unit in the Rhodes formation, Rhodes Yates-Seven Rivers Gas Pool, to its Rhodes Federal Unit Well No. 221 (API No. 30-025-12742) located in Unit C at a previously approved unorthodox well location 990 feet from the North line and 2310 feet from the West line of said Section 22 and its Rhodes Federal Unit Well No. 227 located in Unit E at an standard gas well location 1980 feet from the North line and 990 feet from the West line of said Section 22, Township 26 South, Range 37 East, NMPM. Said unit is located approximately 3 miles south of Jal, New Mexico.

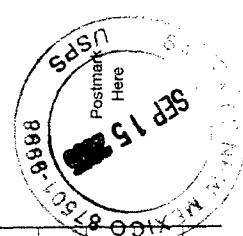
U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only - No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$ 1.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65



Sent To
 Jesse A. Faught, Jr.
 Post Office Box 51206
 Midland, TX 79710

PS Form 381

7001 1140 0002 9558 3976

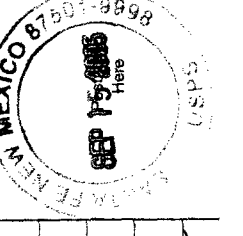
U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only - No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$ 1.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65



Sent To
 Gruy Petroleum Management
 Co.
 Post Office Box 140907
 Irving, TX 75014-0907

PS Form 381

7001 1140 0002 9558 4034

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:

Jesse A. Faught, Jr.
 Post Office Box 51206
 Midland, TX 79710

2. Article Number (Copy from 7001 1140 0002 9558 3976)

PS Form 381, July 1989

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

Jesse Faught 9-19-85

C. Signature *Jesse Faught* Agent Addressee

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

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

4. Restricted Delivery? (Extra Fee) Yes No

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.
 Post Office Box 140907
 Irving, TX 75014-0907

PS Form 381, July 1989

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

J. Faught 9-19-85

C. Signature *J. Faught* Agent Addressee

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

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

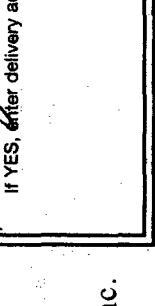
4. Restricted Delivery? (Extra Fee) Yes No

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

OFFICIAL USE

Postage	\$ 1.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

Sent To
 Street, Apt. No.
 or PO Box No.
 City, State, ZIP
 PS Form 3800



Magnum Hunter Production, Inc.
 Post Office Box 140907
 Irving, TX 75014-0907

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

OFFICIAL USE

Postage	\$ 1.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

Sent To
 Street, Apt. No.
 or PO Box No.
 City, State, ZIP
 PS Form 3800



Magnum Hunter Production, Inc.
 Post Office Box 140907
 Irving, TX 75014-0907

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

OFFICIAL USE

Postage	\$ 1.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

Sent To
 Street, Apt. No.
 or PO Box No.
 City, State, ZIP
 PS Form 3800



Magnum Hunter Production, Inc.
 Post Office Box 140907
 Irving, TX 75014-0907

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

OFFICIAL USE

Postage	\$ 1.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

Sent To
 Street, Apt. No.
 or PO Box No.
 City, State, ZIP
 PS Form 3800

Magnum Hunter Production, Inc.
 Post Office Box 140907
 Irving, TX 75014-0907

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:

 Magnum Hunter Production, Inc.
 Post Office Box 140907
 Irving, TX 75014-0907

2. Article Number (Copy from 7001 1140 0002 9558 4027)

PS Form 3811, July 1999 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
R. Macario 9-19-05

C. Signature
R. Macario

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

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

4. Restricted Delivery? (Extra Fee) Yes No

102585-00-M-0952

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

OFFICIAL RECEIPT

Postage	\$.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

Sent To: Jerry Vavrek
 Street, Apt. No. or PO Box No. Post Office Box 50820
 City, State, ZIP, Midland, TX 79710

PS Form 3800

EXICO 8750-1-9898
 5637 Postmark
 10/23

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

OFFICIAL RECEIPT

Postage	\$.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

Sent To: Kevin L. Widner
 Street, Apt. No. or PO Box No. 4925 Rustic Trail
 City, State, Zi Midland, Texas 79707

PS Form 3800

EXICO 8750-1-9898
 5637 Postmark
 10/23

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:
 Jerry Vavrek
 Post Office Box 50820
 Midland, TX 79710

2. Article Number (Cop) 7001 1140 0002 9558 3783

PS Form 3811, July 1999 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Rita Cox B. Date of Delivery 9-19-05

C. Signature *Rita Cox* Agent Addressee

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

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

4. Restricted Delivery? (Extra Fee) Yes

102595-00-M-0952

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:
 Kevin L. Widner
 4925 Rustic Trail
 Midland, Texas 79707

2. Article Number (Cop) 7001 1140 0002 9558 3767

PS Form 3811, July 1999 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Kevin Widner B. Date of Delivery 9-30-05

C. Signature *Kevin Widner* Agent Addressee

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

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

4. Restricted Delivery? (Extra Fee) Yes

102595-00-M-0952

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 \$ 52.08 _____ 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

or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florence Davidson at 505-476-3458 or through the New Mexico Relay Network 1-800-668-1779 by September 25, 2005. Public documents including the agenda and minutes can be provided in various accessible forms. Please contact Florence 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 13667
Application of Guy Petroleum Management Company for amending oil production Lease County, New Mexico Applicant in the above styled cause seeks authorization to amend the standard 180 acre gas storage unit in the Rhodes formation Rhodes, Lea County, New Mexico River Gas Pool in the Rhodes Federal Unit Well No. 221 (AF) No. 30-025 (2742) located in Unit C, a previously approved

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 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 October 6, 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

unitization well located 500 feet from the North line and 2310 feet from the West line of said Section 22 and in Rhodes Federal Unit Well No. 221 located in Unit E, a standard gas well located 1500 feet from the North line and 540 feet from the West line of said Section 22, Township 28 South Range 37 East, NMPM said unit is located approximately 3.1 miles south of La, New Mexico.

Given Under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 18th day of September 2005.
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Mark E. Pezura, P.E.
Director
Published in the Lovington Daily Leader September 18, 2005