

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

APPLICATION OF U.S. ENERCORP, LTD.
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND AN UNORTHODOX
OIL WELL LOCATION, RIO ARRIBA COUNTY,
NEW MEXICO.

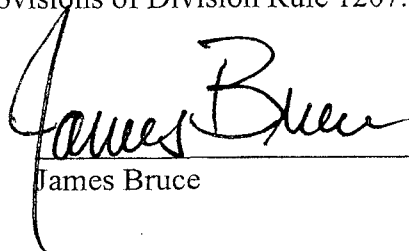
Case No. 13,951

AFFIDAVIT OF NOTICE

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

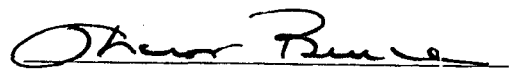
James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for U.S. Enercorp, Ltd.
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their correct addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A.
5. Applicant has complied with the notice provisions of Division Rule 1207.


James Bruce

SUBSCRIBED AND SWORN TO before me this 11th day of July, 2007 by James Bruce.

My Commission Expires: 3/14/09


Notary Public

Oil Conservation Division
Case No. 6
Exhibit No. 6

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

June 21, 2007

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

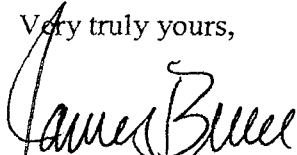
To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by U.S. Enercorp, Ltd., requesting approval of a non-standard oil spacing and proration unit (project area) comprised of Lots 3, 4, S/2NW/4, and SW/4 (the W/2) of Section 2, and Lots 1, 2, S/2NE/4, and SE/4 of Section 3 (the E/2), in Township 23 North, Range 1 West, NMPM, Rio Arriba County, New Mexico, to form a non-standard 644.28-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 640-acre spacing, including the West Puerto Chiquito-Mancos Pool. The unit is to be dedicated to the Laguna Colorado 2/3 Well No. 1, a directional well to be drilled at a surface location 3250 feet from the south line and 1220 feet from the east line of Section 3. **This matter has been scheduled for hearing at 8:15 a.m. on Thursday, July 12, 2007** at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an offset interest owner or operator, 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.

You are required to notify the Division, and the undersigned, by Thursday, July 5, 2007 if you intend to enter an appearance and participate in the case.

Very truly yours,


James Bruce

Attorney for U.S. Enercorp, Ltd.

EXHIBIT



EXHIBIT A

Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

Abo Petroleum Corporation
MYCO Industries, Inc.
Yates Drilling Company
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

McElvain Oil & Gas Limited Partnership
Suite 1800
1050 17th Street
Denver, Colorado 80265

Elm Ridge Exploration Company, LLC
Suite 950
12225 Greenville Avenue
Dallas, Texas 75243

Dugan Production Corp.
P.O. Box 420
Farmington, New Mexico 87499

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only - No Insurance or Signature Required)

OFFICIAL USE

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

Sent To
 ABC Petroleum Corporation
 MYCO Industries, Inc.
 Yates Drilling Company
 105 South Fourth Street
 Artesia, New Mexico 88210
 City, State, ZIP+4

Signature *[Signature]*
 B. Received by (Printed Name)
 D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

Article Number 7006 3450 0001 4326 6535
 (Transfer from service label)
 PS Form 3811, February 2004

102595-02-M-1540

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only - No Insurance or Signature Required)

OFFICIAL USE

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

Sent To
 Bureau of Land Management
 1235 La Plata Highway
 Farmington, New Mexico 87401
 City, State, ZIP+4

Signature *[Signature]*
 B. Received by (Printed Name)
 D. Is delivery address different from item 1? ☐ Yes ☐ No
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 PS Form 3811, February 2004

102595-02-M-1540

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Signature *[Signature]*
 B. Received by (Printed Name)
 D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

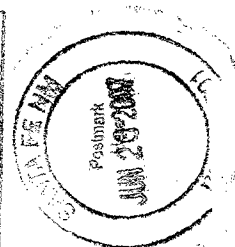
Article Number 7006 3450 0001 4326 6566
 (Transfer from service label)
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102595-02-M-1540

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com
OFFICIAL USE

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

Sent to
 McElvain Oil & Gas Limited Partnership
 Suite 1800
 1050 17th Street
 Denver, Colorado 80265
 City, State, ZIP+4



2459 9264 1000 0546 9002

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:

Dugan Production Corp.
 P.O. Box 420
 Farmington, New Mexico 87499

2. Article Number
 (Transfer from service label)

PS Form 3811, February 2004

102595-02-M-1540

Domestic Return Receipt

7006 3450 0001 4326 6573

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name) *[Signature]* C. Date of Delivery *[Signature]*

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 ☐ 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.

Article Addressed to:

McElvain Oil & Gas Limited Partnership
 Suite 1800
 1050 17th Street
 Denver, Colorado 80265

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

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

7006 3450 0001 4326 6542

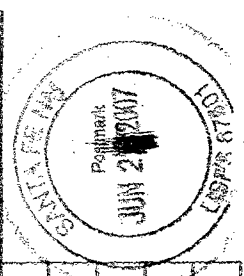
PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com
OFFICIAL USE

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



Sent to
 Dugan Production Corp.
 P.O. Box 420
 Farmington, New Mexico 87499
 Street, Apt. No., or P.O. Box No.
 City, State, ZIP+4

2459 9264 1000 0546 9002

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:

Elm Ridge Exploration Company, LLC
Suite 950
12225 Greenville Avenue
Dallas, Texas 75243

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent
☒ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes
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

2. Article Number (Transfer from service label) 7006 3450 0001 4326 6559

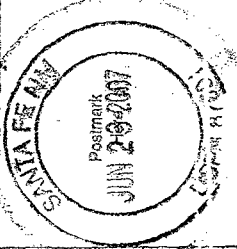
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

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

For delivery information, visit our web site at www.usps.com

OFFICIAL USE

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



Sent To: Elm Ridge Exploration Company, LLC
Suite 950
12225 Greenville Avenue
Dallas, Texas 75243
City, State, ZIP+4

6559 92E4 1000 054E 9002