BEFORE THE OIL CONSERVATION DIVISION NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR COMPULSORY POOLING, CHAVES COUNTY, NEW MEXICO.

CASE NO. 14061

AFFIDAVIT

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

Ocean Munds-Dry, attorney in fact and authorized representative of Yates Petroleum Corporation, the Applicant herein, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

Oceo	m Munds-Dry
Ocean M	unds-Dry
SUBSCRIBED AND SWORN to before me this $\underline{q+k}$ da Munds-Dry.	ay of <u>June 1.1</u> 2008 by Ocean
Notary Pu	ille the
My Commission Expires: $5 - 10.08$	OFFICIAL SEAL
BEFORE THE OIL CONSERVATION DIVISION	Olivia Ita
Santa Fe, New Mexico Case No. <u>14061</u> Exhibit No. 5	STATE OF NEW MEXICO
	commission Expires: 6-10-08

YATES PETROLEUM INCORPORATED Hearing Date: January 10, 2008

EXHIBIT A

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APPLICATION OF YATES PETROLEUM CORPORATION. FOR COMPULSORY POOLING S/2 OF SECTION 2, TOWNSHIP 12 SOUTH, RANGE 31 EAST, N.M.P.M. CHAVES COUNTY, NEW MEXICO.

Occidental Permian, Ltd. c/o OXY USA WTP Limited Partnership 6 Desta Drive, Suite 600 Midland, TX 79705

AFFIDAVIT OF PUBLICATION STATE OF NEW MEXICO

I, Fran Saunders Legals Clerk

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico do solemnly swear that the clipping hereto attached was published in the regular and entire issue of said paper and not in a supplement thereof for a period of:

one time

beginning with the issue dated

December 17th 2007

and ending with the issue dated

December 17th 2007

aunders

Clerk

Sworn and subscribed to before me

this 17th day of December 2007

Notary Public

My Commission expires June 13, 2010

(SEAL)

Publish December 17, 2007

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 January 10, 2008, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, quifiled 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 December 31, 2007. Public documents including the agenda and minutes, can be provided in various accessible form is needed.

> 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 14061:

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the top of the Mississippian formation in the following described spacing and proration units located in the S/2 of Section 2, Township 12 South, Range 31 East, N.M.P.M., Chaves County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing within this vertical extent including the West Caprock-Atoka Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing within this vertical extent including the West Caprock-Atoka Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing within this vertical extent including the Northwest Caprock-Wolfcamp Pool. Said unit is to be dedicated to its Patsy State Unit Well No. 6 to be drilled at a location 990 feet from the South and 1550 feet from the South and 1550 feet from the South and 1550 feet from the County, New Mexico to an approximate depth of 11,300 feet to test any and all formations from the surface to the top of the Mississipian formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost therefor as well as actual operating costs and charges for supervision, designation of Yates Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located 7 miles southwest of Caprock, New Mexico.

Given under the Seal of the State of New Mexico Oll Conservation Commission at Santa Fe, New Mexico on this 12th day December 2007.

> STATE OF NEW MEXICO OIL CONSERVATION DIVISION Mark E. Fesmire, P.E., Director





HOLLAND&HART

Ocean Munds-Dry omundsdry@hollandhart.com

December 11, 2007

<u>CERTIFIED MAIL</u> RETU<u>RN RECIEPT REQUESTED</u>

Re: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Yates Petroleum Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the surface to the base of the Mississippian formation in certain spacing and proration units in the S/2 of Section 2, Township 12 South, Range 31 East, N.M.P.M., Chaves County, New Mexico. Said pooled units are to be dedicated to Yates's Patsy State Unit Well No. 6 to be drilled at a location 990 feet from the South line and 1650 feet from the West line of Section 2, Township 12 South, Range 31 East, NMPM, Chaves County, New Mexico to an approximate depth of 11,300 feet to test any and all formations from the surface to the top of the Mississippian formation.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on January 10, 2008. The hearing will be held in Porter Hall in the Oil Conservation 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 four days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should 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.

Sincerely,

Ocean Munds-Dry ATTORNEYS FOR YATES PETROLEUM CORPORATION

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

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