

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR EXTENSION OF THE VERTICAL
LIMITS OF THE SAND SPRINGS-ATOKA
GAS POOL AND FOR SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

CASE NO. 12128

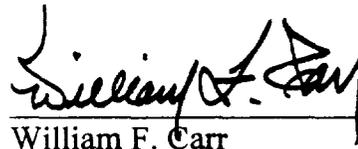
IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR AN UNORTHODOX GAS WELL LOCATION
TO ACCOMMODATE THE REDEDICATION
OF ACREAGE FOR GEOLOGIC REASONS,
LEA COUNTY, NEW MEXICO.

CASE NO. 12130

AFFIDAVIT

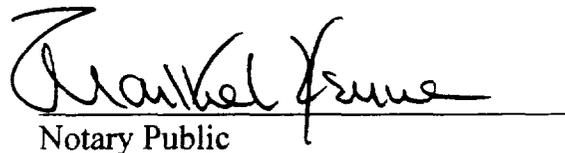
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

William F. Carr, attorney in fact and authorized representative of Yates Petroleum Corporation, the Applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested persons entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit "A" attached hereto.



William F. Carr

SUBSCRIBED AND SWORN to before me this 31st day of March, 1999.



Notary Public

My Commission Expires: August 19, 1999

EXHIBIT A

Manzano Oil Corporation
1801 West Second Street
Roswell, NM 88201

Featherstone Development Corporation
1801 West Second Street
Roswell, NM 88201

Chi Energy, Inc.
Post Office Box 1799
Midland, TX 79702

Bogle Farms Ltd.
Post Office Box 398
Tatum, NM 88267

for Oil Conservation Division Case 12128

Manzano Oil Corporation
1801 West Second Street
Roswell, NM 88201

Featherstone Development Corporation
1801 West Second Street
Roswell, NM 88201

Chi Energy, Inc.
Post Office Box 1799
Midland, TX 79702

for Oil Conservation Division Case 12130

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case Nos. 12128 and 12130 Exhibit No. 2

Submitted by: Yates Petroleum Corporation

Hearing Date: April 1, 1999

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

January 28, 1999

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS

Re: Application of Yates Petroleum Corporation for Extension of the Vertical Limits of the Sand Springs-Atoka Gas Pool and for Special Pool Rules, Lea County, New Mexico

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 expanding the vertical limits of the Sand Springs-Atoka Gas pool to include the Atoka and Morrow formations and promulgating special pool rules and regulations for the expanded pool to provide for a second well on each standard spacing and proration unit.

This application has been set for hearing before a Division Examiner on February 18, 1999. 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 have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR YATES PETROLEUM CORPORATION
WFC:mlh

Enc.

cc: Mr. Randy Patterson
Mr. Dave Pearson

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services
- Complete items 3, 4a and 4b
- Print your name and address on the reverse of this form so that we can return this card to you
- Attach this form to the front of the mailpiece, or on the back if space does not permit
- Write "Return Receipt Requested" on the mailpiece below the article number
- The Return Receipt will show to whom the article was delivered and the date delivered

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Manzano Oil Corporation
1801 West Second Street
Roswell, NM 88201

4a. Article Number
Z 559 572 300

4b. Service type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Insured
- COD

7. Date of Delivery

2-1-

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee, or Agent)

X

PS Form 3811, December 1994

102595-000-0229

Domestic Return Receipt

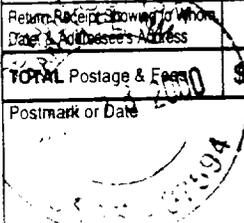
00E 245 555 Z

US Postal Service
Receipt for Certified Mail

Manzano Oil Corporation
1801 West Second Street
Roswell, NM 88201

Postage	\$.33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom Date & Addressee's Address	
TOTAL Postage & Fees	\$ 2.98
Postmark or Date	

PS Form 3800, April 1995



636

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Featherstone Development Corporation
1801 West Second Street
Roswell, NM 88201

4a. Article Number: **Z 559 572 301**

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD

7. Date of Delivery

2-1

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

107595-98-B-0229

Domestic Return Receipt

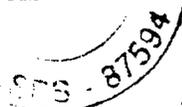
Z 559 572 301

US Postal Service
Receipt for Certified Mail

Featherstone Development Corporation
1801 West Second Street
Roswell, NM 88201

Postage	\$ 33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	2.98
Postmark or Date	

PS Form 3800, April 1995



636

Thank you for using Return Receipt Service.

Z 559 572 302

US Postal Service
Receipt for Certified Mail

Chi Energy, Inc.
 Post Office Box 1799
 Midland, TX 79702

Postage	\$ 1.33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing Whom & Date Delivered	1.25
Return Receipt Showing Whom, Date, & Addressee's Address	2.00
TOTAL Postage & Fees	\$ 2.98
Postmark or Date	MIDLAND TX 1999

PS Form 3800, April 1995

036

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services
- Complete items 3, 4a, and 4b
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- The Return Receipt will show to whom the article was delivered and the date delivered

3. Article Addressed to:
 Chi Energy, Inc.
 Post Office Box 1799
 Midland, TX 79702

4a. Article Number: Z 559 572 302

4b. Service Type:
 Registered
 Express Mail
 Certified
 Insured
 COD

5. Received By: (Print Name)

6. Signature: (Address of Agent)

7. Date of Delivery

8. Addressee's Address (if requested and fees paid)

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

1 also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

Thank you for using Return Receipt Service.

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbapa@ix.netcom.com

February 18, 1999

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Bogle Farms Ltd.
Post Office Box 398
Tatum, NM 88267

Re: Application of Yates Petroleum Corporation for Extension of the Vertical Limits of the Sand Springs-Atoka Gas Pool and for Special Pool Rules, Lea County, New Mexico

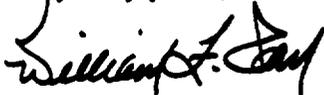
Gentlemen:

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 expanding the vertical limits of the Sand Springs-Atoka Gas pool to include the Atoka and Morrow formations and promulgating special pool rules and regulations for the expanded pool to provide for a second well on each standard spacing and proration unit.

This application had been set for hearing before a Division Examiner for February 18, 1999 but has been continued to March 18, 1999. 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 have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR YATES PETROLEUM CORPORATION
WFC:mlh

Enc.

cc: Mr. Randy Patterson
Mr. Dave Pearson

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- Write "Return Receipt Requested" on the mailpiece below the article number
- The Return Receipt will show to whom the article was delivered and the date delivered

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Bogle Farms Ltd.
Post Office Box 398
Tatum, NM 88267

4a. Article Number
Z 559 572 323

4b. Service type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

2-23-99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)

[Handwritten Signature]

PS Form 3811, December 1994

102595-04-B-0229

Domestic Return Receipt

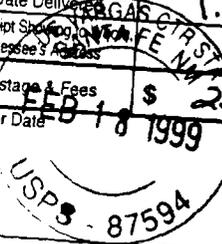
Thank you for using Return Receipt Service.

Z 559 572 323

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
Bogle Farms Ltd.	
Street & Number	
Post Office Box 398	
Post Office, State, & ZIP Code	
Tatum, NM 88267	
Postage	\$.33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	BGAS 1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.98
Postmark or Date	FEB 18 1999

PS Form 3800 April 1995



CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS
JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

February 16, 1999

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS

Re: Amended Application of Yates Petroleum Corporation for an Unorthodox Gas Well Location to Accommodate the Rededication of Acreage for Geologic Reasons, Lea County, New Mexico

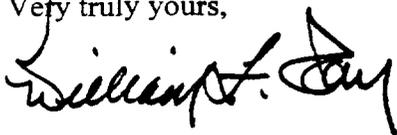
Gentlemen:

This letter is to advise you that Yates Petroleum Corporation has filed the enclosed amended application with the New Mexico Oil Conservation Division seeking an exception to the provisions of General Rule 104.C(2)(b) for an unorthodox gas well location for its Sand Spring State Well No. 1, 330 feet from the North line and 1650 feet from the West line which it has reentered and drilled to a depth of approximately 13,000 feet and recompleted in the Atoka and Morrow formations. The N/2 of said Section 11 has been dedicated to this well and Yates proposes to rededicate the W/2 of Section 11 to the well.

This application has been set for hearing before a Division Examiner on March 18, 1999. You are not required to attend this hearing, but as an owner of an interest that may be affected by the unorthodox well location, 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 have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR YATES PETROLEUM CORPORATION
WFC:mlh

Enc.

cc: Mr. Randy Patterson
Mr. Dave Pearson

Is your **RETURN ADDRESS** completed on the reverse side?

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- The Return Receipt will show to whom the article was delivered and the date delivered.

- I also wish to receive the following services (for an extra fee):
- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Manzano Oil Corporation
1801 West Second Street
Roswell, NM 88201

4a. Article Number
Z 559 572 320

4b. Service type

- Registered
- Express Mail
- Certified
- Insured
- COD

7. Date of Delivery
2/18/99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*
US Form 3811, December 1994

1025915-98-R-0229

Domestic Return Receipt

Z 559 572 320

US Postal Service
Receipt for Certified Mail

Manzano Oil Corporation
1801 West Second Street
Roswell, NM 88201

Postage	\$.33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing Whom & Date Delivered	
Return Receipt Showing Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 1.73
Postmark or Date	FEB 18 1999 USPS - 87594

PS Form 3800, April 1995

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Featherstone Development Corporation
1801 West Second Street
Roswell, NM 88201

4a. Article Number
Z 559 572 321

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery
2/18/99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
[Signature]

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Z 559 572 321

US Postal Service

Receipt for Certified Mail

Featherstone Development Corporation
1801 West Second Street
Roswell, NM 88201

Postage	\$ 1.33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	2/18/99
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.73
Postmark or Date	FEB 16 1999 USPS - 87594

PS Form 3800, April 1995

Thank you for using Return Receipt Service.

Z 559 572 322

US Postal Service
Receipt for Certified Mail

Chi Energy, Inc.
Post Office Box 1799
Midland, TX 79702

Postage	\$ 1.33
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$9.98
Postmark or Date	FEB 18 1995 USPS - 87594

PS Form 3800, April 1995

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

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- Complete items 3, 4a, and 4b
- Print your name and address on the reverse of this form so that we can return this card to you
- Attach this form to the front of the mailpiece, or on the back if space does not permit
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- The Return Receipt will show to whom the article was delivered and the date delivered.

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- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Chi Energy, Inc.
Post Office Box 1799
Midland, TX 79702

4a. Article Number
Z 559 572 322

4b. Service Type

Registered

Express Mail

Return Receipt for Mail Requested

7. Date of Delivery

8. Addressee's Address (on Mailpiece and fee is paid)

TX DD Insured
Certified
FEB 18 1995
USPS

5. Received By: (Print Name)

Signature: (Address of Agent)

PS Form 3811, December 1993

102595 98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.