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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF SEELY OIL COMPANY FOR STATUTORY UNITIZATION, LEA COUNTY, NEW MEXICO.

CASE NO. 10647

APPLICATION OF SEELY OIL COMPANY FOR APPROVAL OF A WATERFLOOD PROJECT AND QUALIFICATION FOR THE RECOVERED OIL TAX RATE, LEA COUNTY, NEW MEXICO.

CASE NO. 10648

AFFIDAVIT OF MAILING

William F. Carr, being duly sworn, states that on November 25, 1992 he provided notice of the above referenced applications by certified mail, return receipt requested, to the persons identified on Exhibit "A" attached hereto in compliance with the provisions of the rules and regulations of the Oil Conservation Division.

Further Affiant sayeth naught.

William F. Carr

SUBSCRIBED AND SWORN to before me this 17th day of March, 1993.

Notary Public

My Commission Expires:

SEELY

7

10647 AND 10648

EXHIBIT A

Ray Westall Box 4 Loco Hills, New Mexico 88255

Amoco Production Company Post Office Box 3092 Houston, TX 77253 Attn: Dan Janik

Meridian Oil, Inc. 801 Cherry Street, Suite 700 Fort Worth, TX 76102

JFG Enterprises Box 100 Artesia, NM 88211-0100

Collins & Ware Box 2443 Roswell, NM 88202-2443

Bass Enterprises Production Co. 201 Main Street, Suite 3100 Fort Worth, TX 76102

Santa Fe Exploration Company Post Office Box 1136 Roswell, NM 88202

Mobil Producing Box 633 Midland, TX 79702 ORYX Energy Company Box 1861 Midland, TX 79703

OXY USA, Inc.
Post Office Box 50250
Midland, TX 79710
Attn: Scott Gengler

Maralo Inc. 223 West Wall, 9th Floor Midland, TX 79702

Chevron USA Inc.
Permian Basin Production
Business Unit
Post Office Box 1150
Midland, TX 79702

Marathon Oil Company P. O. Box 552 Midland, TX 79702 Attn: Tom Hill

Patricia Dean Boswell, Trustee 1320 Lake Street Fort Worth, TX 76102

J. Cleo Thompson & James Cleo Thompson, Jr., a Ptr.325 N. St. Paul, Suite 4500 Dallas, TX 75201-3993

John P. Oil Company 1320 Lake Street Fort Worth, TX 76102

AFFIDAVIT OF MAILING, PAGE 2

C.E.B. Oil Company 1320 Lake Street Fort Worth, TX 76102

E.A.B. Oil Company 1320 Lake Street Fort Worth, TX 76102

P.V.B. Oil Company 1320 Lake Street Fort Worth, TX 76102

Houston & Emma Hill Tr. Est. 500 Throckmorton, Suite 2803 Fort Worth, TX 76102

Wes-Tex Drilling Company P. O. Box 3739 Abilene, TX 79604

Express Air Drilling, Inc. 2 Turtle Creek Village, Suite 1525
Dallas, TX 75219

Northbrook Business Center 506 Fort Worth Club Bldg. Fort Worth, TX 76102

Burnett Oil Company 801 Cherry Street, Suite 1500 Fort Worth, TX 76102

Merlyn W. Dahlin and wife, Ruth G. Dahlin 3220 North Freeway Fort Worth, TX 76111

Charles P. Davis and wife, Shirley A. Davis 1307 8th Ave., Suite 308 Fort Worth, TX 76104

AFFIDAVIT OF MAILING, PAGE 3

David L. Henderson and wife, Dawn Henderson 815 W. 10th Street Fort Worth, TX 76102

Michael J. Havel and wife, Kathleen A. Havel 7607 Chalkstone Dallas, TX 75248

C.W. Stumhoffer and wife, Frieda T. Stumhoffer 1007 Ridglea Bank Bldg. Fort Worth, TX 76116

C. W. Seely and wife,Ina B. Seely815 W. 10th StreetFort Worth, TX 76102

Frances Buckler 1809 Aden Road Fort Worth, TX 76116

Roger W. Moore 8504 Fairway Drive Fort Worth, TX 76116

J. C. Maddux 1012 Ridglea Bank Bldg. Fort Worth, TX 76116

Thomas J. Maddux 1012 Ridglea Bank Bldg. Fort Worth, TX 76116

Bill M. Scales and wife, Mary T. Scales 500 Throckmorton, Suite 2803 Fort Worth, TX 76102

Marc H. Lowrance Jr., and wife Mary Anne Lowrance Post Office Box 9016 Fort Worth, TX 76147 Amoco Production Company Post Office Box 591 Tulsa, Oklahoma 74102

Thomas R. Smith 1505 S. CR 1130 Midland, TX 79701

John Saleh 502 North 1st Street Lamesa, TX 79331

Linda W. Smith Post Office Box 8974 Midland, TX 79701

Windell A. Thomason Post Office Box 411 Midland, TX 79702-0411

David S. Googins, Jr. Post Office Box 2591 Midland, TX 79702-2591

George Weis 3300 "B" Moss Ct. Midland, TX 79707-3644

Bobby Hicks 3306 Andrews Hwy. Midland, TX 79703-5131

Dwight A. Free, Jr. 4356 Edmondson Dallas, TX 75205

John E. Casey Post Office Box 10533 Midland, TX 79702 Bradley A. Pomeroy 7514 East Hinsdale Avenue Englewood, CO 80112

Hamon Operating Company 8411 Preston Rd., Suite 800 LB 33 Dallas, TX 75225

State of New Mexico Commissioner of Public Lands Post Office Box 1148 Santa Fe, NM 87504-1148

Santa Fe Natural Resources, Inc. Post Office Box 4 Loco Hills, New Mexico 88255

Pogo Producing Company Post Office Box 10340 Midland, TX 79702-7340

CAMPBELL, CARR, BERGE 8 SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL

JEFFERSON PLACE
SUITE I - 110 NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELEPHONE: (505) 988-4421

TELECOPIER: (505) 983-6043

November 25, 1992

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL LEASEHOLD OPERATORS WITHIN ONE-HALF MILE OF EACH PROPOSED INJECTION WELL AND THE OWNER OF THE SURFACE ON WHICH EACH PROPOSED INJECTION WELL WILL BE LOCATED IN THE CENTRAL EK QUEEN UNIT AREA

Re: Application of Seely Oil Company for Approval of a Waterflood Project, Lea

County, New Mexico

Gentlemen:

This letter is to advise you that Seely Oil Company has filed an application with the New Mexico Oil Conservation Division seeking authority to institute a waterflood project by injection of water into the Yates, Seven Rivers and Queen formations, EK-Yates Seven Rivers-Queen Unit which is described on Exhibit A hereto.

Attached for your information is a copy of the application filed by Seely Oil Company on OCD Form C-108. All attachments required by this Division Form are attached for your information.

This application has been set for hearing before an Examiner of the Oil Conservation Division on December 17, 1992. As an owner of an interest who may be affected by this application, you may appear at that hearing and present testimony. Failure to appear at that time or otherwise become a party of record will preclude you from challenging this application 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 SEELY OIL COMPANY

Enclosure

Township 18 South, Range 33 East, N.M.P.M.

Section 12: SE/4 NE/4; E/2 SE/4

Township 18 South, Range 34 East, N.M.P.M.

Section 7: S/2, S/2 NW/4, SW/4 NE/4

Section 8: SW/4, S/2 SE/4

Section 9: W/2 SW/4

Section 16: NW/4 NW/4

Section 17: N/2 N/2

Section 18: N/2 NE/4

CAMPBELL, CARR, BERGE 8 SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
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JEFFERSON PLACE

TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

JACK M. CAMPBELL OF COUNSEL November 25, 1992

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL WORKING INTEREST OWNERS AND ROYALTY INTEREST OWNERS IN THE CENTRAL EK QUEEN UNIT AREA

Re: Application of Seely Oil Company for Statutory Unitization, Lea County,

New Mexico

Gentlemen:

This letter is to advise you that Seely Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an order statutorily unitizing for the purpose of establishing a secondary recovery project, all mineral interests in the Yates, Seven Rivers and Queen formations, EK-Yates-Seven Rivers-Queen Pool, underlying 1148.40 acres, more or less, of State lands in portions of Township 18 South, Ranges 33 and 34 East. Said unit is to be designated the Central EK Queen Unit. Among the matters to be considered at the hearing on this application will be the necessity of unit operations; the designation of a unit operator; the determination of the fair reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Attached hereto as Exhibit A is a description of the lands to be included in the proposed unit.

This application has been set for hearing before an Examiner of the Oil Conservation Division on December 17, 1992. 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 at that hearing and present testimony. Failure to appear at that time or otherwise become a party of record will preclude you from challenging this application 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 SEELY OIL COMPANY

Enclosure

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Section 9: W/2 SW/4

Section 16: NW/4 NW/4

Section 17: N/2 N/2

Section 18: N/2 NE/4