

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION THROUGH THE SUPERVISOR OF DISTRICT I FOR AN ORDER REQUIRING COM-TEK RESOURCES, INC./NORTH LEA JOINT VENTURE TO PROPERLY PLUG FIVE WELLS IN LEA COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO PLUG SAID WELL, AND ORDERING A FORFEITURE OF THE PLUGGING BOND, IF ANY.

CASE NO. 12475

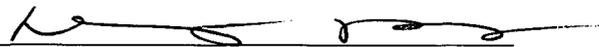
AFFIDAVIT REGARDING NOTICE

1. I am over the age of eighteen and have personal knowledge of the matters stated herein.
2. I am the attorney of record for the Applicant.
3. Applicant has conducted a good faith, diligent effort to find the correct addresses of interest owners entitled to receive notice of the Application herein.
4. Notice of the Application was provided to the interest owners at their correct addresses by mailing them, by certified mail, a copy of the Application. Copies of the notice letter and certified return receipts are attached hereto.
5. Applicant has complied with the notice provisions of Rule 1207.



Marilyn S. Hebert

SUBSCRIBED AND SWORN TO before me this 18th day of August 2000.



NOTARY PUBLIC

My commission expires:

2/18/2003

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 the 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:

Underwriters Indemnity Company
8 Greenway Plaza, Suite 400
Houston, TX 77046

4a. Article Number

Z 559 572 978

4b. Service Type

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

7. Date of Delivery

AUG 8 2000

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

5. Received By (Print Name)

AYLOE

6. Signature: (Addressee or Agent)

[Handwritten Signature]

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

August 1, 2000

Lori Wrotenbery

Director

Oil Conservation Division

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

COM-TEK RESOURCES, INC.
North Lea Joint Venture
1624 Market St.
Suite 209
Denver, CO 80202

Underwriters Indemnity Company
8 Greenway Plaza, #400
Houston, TX 77046

Re: Case No. 12475

Application of the New Mexico Oil Conservation Division for an order requiring Com-Tek Resources, Inc./North Lea Joint Venture to plug five wells in Lea County, New Mexico

Dear Gentlemen:

This letter is to advise you that the New Mexico Oil Conservation Division has filed the enclosed application for a hearing requiring Com-Tek Resources, Inc./North Lea Joint Venture and other interested parties to appear and show cause why certain wells should not be ordered plugged and abandoned.

This application has been set for hearing before an Examiner of the Oil Conservation Division on August 24, 2000. You are not required to attend this hearing, but as owner of an interest that may be affected by an order issued in this case, 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, enclosed, to file a Prehearing Statement three days in advance of the hearing.

Best regards,

Marilyn S. Hebert
Attorney

c: Chris Williams, District Supervisor
Billy Prichard, OCD Hobbs

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

OIL CONSERVATION DIVISION
60 JUL 32 AM 6:04M

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION THROUGH THE SUPERVISOR OF DISTRICT I FOR AN ORDER REQUIRING COM-TEK RESOURCES, INC./ NORTH LEA JOINT VENTURE TO PROPERLY PLUG FIVE WELLS IN LEA COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO PLUG SAID WELLS, AND ORDERING A FORFEITURE OF THE PLUGGING BOND, IF ANY.

CASE NO. 12475

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Com-Tek Resources, Inc./North Lea Joint Venture ("Operator") is the operator of the following five wells:

- a. Pruitt A No. 1 in Unit G of Section 17, Township 9 South, Range 34 East;
- b. Betenbough No. 2 in Unit M, Section 12, Township 9 South, Range 35 East;
- c. Betenbough No. 3 in Unit P, Section 12, Township 9 South, Range 35 East;
- d. Betenbough No. 4 in Unit J, Section 12, Township 9 South, Range 35 East;
- and
- e. Betenbough No. 5 in Unit L, Section 12, Township 9 South, Range 35 East.

2. Operator has posted a blanket surety bond in the amount of \$50,000.00 for wells it operates in New Mexico in compliance with NMSA 1978, § 70-2-14 and Rule 101 of the Rules of the Oil Conservation Division ("Division"), which bond is conditioned upon compliance with the statutes of the State of New Mexico and the Rules of the Division with respect to the proper plugging and abandonment of the well operated by Operator. Underwriters Indemnity Company is the surety.

3. The subject wells have not produced hydrocarbon or carbon dioxide substance or have

otherwise been inactive for more than one year or are no longer usable for beneficial purposes and no permit for temporary abandonment has been requested by the Operator or approved by the Division.

4. By virtue of the failure to use the wells for beneficial purposes or to have approved a current temporary abandonment permit, the wells are presumed to have been abandoned and are required to be plugged.

5. By authority of NMSA 1978, § 70-2-14 the Rules of the Division require wells that are inactive for more than one year or are no longer usable for beneficial purposes to be properly plugged.

6. Demand has been made or attempted to be made upon the Operator either to place the subject wells to beneficial use, obtain approval for temporary abandonment or properly plug and abandon the same, and the Operator has failed to do so.

WHEREFORE, the Supervisor of District I of the Oil Conservation Division applies to the Director to enter an order:

A. Determining whether the wells should be plugged in accordance with a Division-approved plugging program.

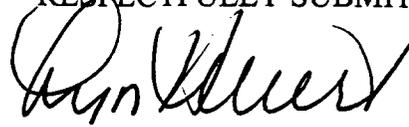
B. Upon a determination that the wells should be plugged, directing Operator to plug the wells.

C. Further ordering that if Operator fails to plug and abandon the wells as ordered by the Director, that the Division be authorized: i. to plug the wells; ii. to declare forfeit on the bond, if any, and to take such action to foreclose on the bond; and iii. to recover from the Operator any costs of plugging the wells in excess of the amount of the bond, if any.

D. For such other and further relief as the Division deems just and proper,

including the assessment of fines.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Marilyn S. Hebert". The signature is written in a cursive style with a large initial "M".

Marilyn S. Hebert, Attorney
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505
(505) 827-8156

(10) This paragraph has been moved and renumbered to 19 NMAC 15.N.1207.A.(7). [1-1-86...2-1-96; A, 7-15-99]

(11) This paragraph has been moved and renumbered to 19 NMAC 15.N.1207.A.(8). [1-1-86...2-1-96; A, 7-15-99]

1207.B. Type and Content of Notice. Any notice required by this rule shall be sent by certified mail, return receipt requested, to the last known address of the person to whom notice is to be given at least 20 days prior to the date of hearing of the application and shall include: a copy of the application; the date, time and place of the hearing; and the means by which protests may be made. [1-1-86...2-1-96; A, 7-15-99]

1207.C. At the hearing, the applicant shall make a record, either by testimony or affidavit signed by the applicant or its authorized representative, that: (a) the notice provisions of this rule have been complied with; (b) the applicant has conducted a good-faith diligent effort to find the correct address of all persons entitled to notice; and (c) pursuant to this rule, notice has been given at that correct address as required by this rule. In addition, the record shall contain the name and address of each person to whom notice was sent and, where proof of receipt is available, a copy of the proof. [1-1-86...2-1-96; A, 7-15-99]

1207.D. Evidence of failure to provide notice as required in this rule may, upon proper showing, be considered cause for reopening the case. [1-1-86...2-1-96; A, 7-15-99]

1207.E. In the case of an administrative application where the required notice was sent and a timely filed protest was made, the Division shall notify the applicant and the protesting party in writing that the case has been set for hearing and the date of the hearing. No further notice is required. [7-15-99]

1208 PLEADINGS: COPIES [9-15-55...2-1-96; A, 7-15-99]

1208.A. For pleadings and correspondence filed in cases pending before a Division Examiner, two copies must be filed with the Division. For pleadings and correspondence filed in cases pending before the Commission, five copies must be filed with the Division. The Division will disseminate copies to the members of the Commission. The party filing the pleading or correspondence shall at the same time either hand deliver or transmit by facsimile or electronic mail to any party who has entered an appearance therein or the attorneys of record, a copy of the pleading or correspondence. An appearance of any interested party shall be made either by letter addressed to the Division or in person at any proceeding before the Commission or before a Division Examiner, with notice of such appearance to the parties of record. [9-15-55...2-1-96; A, 7-15-99]

1208.B. Parties to an adjudicatory proceeding must file a prehearing statement three days in advance of a scheduled hearing before the Division or the Commission. The 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. [7-15-99]

Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sender: **J. Ellerton Com-Tek Resources Inc. North Lea**

Street & Number: **Joint Ventures, 1624 Market St., Ste. 209, Denver, CO 80202**

Post Office, State, & ZIP Code: **Colorado 80202**

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

PS Form 3800, April 1995

Fold at line over top of envelope to the right of the return address

CERTIFIED

Z 559 572 977

MAIL

SOURCES DEPARTMENT

Com-Tek Resources, Inc.
North Lea Joint Ventures
1624 Market St., Suite 209
Denver, CO 80202
Attn: J. Ellerton

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 the form so that we can return this card to you.
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DP

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:

Com-Tek Resources, Inc.
 North Lea Joint Ventures
 1624 Market St., Suite 209
 Denver, CO 80202
 Attn: J. Ellerton

4a. Article Number
 Z 559 572 977

4b. Service Type

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

7. Date of Delivery

5. Received By: (Print Name)

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

6. Signature: (Addressee or Agent)

X

Thank you for using Return Receipt Service.

1. Class postage, certified mail fee, and fee (front).

2. Gummed stub to the right of the return sent the article at a post office service charge.

Stick the gummed stub to the right of the return, retain the receipt, and mail the article.

Print your mail number and your name and address on the front of the article by means of the appropriate spaces on the front of this form. Endorse front of article with your name and address and article number.

Deliver to addressee, or to an authorized agent of the addressee, on the front of the article.

Use appropriate spaces on the front of this form to indicate applicable blocks in item 1 of Form 3811.

For more information, call 1-800-368-5858 or write to: Return Receipt Service, P.O. Box 1000, Denver, CO 80202.

PS Form 3800, April 1995 (Reverse)

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to **Underwriters Indemnity Company**

Street & Number **8 Greenway Plaza, Ste. 400**

Post Office, State, & ZIP Code
Houston, TX 77046

Postage \$

Certified Fee

Special Delivery Fee

Restricted Delivery Fee

Return Receipt Showing to Whom & Date Delivered

Return Receipt Showing to Whom, Date, & Addressee's Address

TOTAL Postage & Fees \$

Postmark or Date

PS Form 3800, April 1995

Fold at line over top of envelope to the right of the return address

CERTIFIED

Z 559 572 978

MAIL

RESOURCES DEPARTMENT

Underwriters Indemnity
 8 Greenway Plaza
 Houston, Texas 77046

Is your RETURN ADDRESS completed on the reverse side?

<p>SENDER:</p> <ul style="list-style-type: none"> ■ 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. ■ With "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. 	<p>I also wish to receive the following services (for an extra fee):</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery <p>Consult postmaster for fee.</p>
<p>3. Article Addressed to:</p> <p>Underwriters Indemnity Company 8 Greenway Plaza, Suite 400 Houston, TX 77046</p>	<p>4a. Article Number Z 559 572 978</p> <p>4b. Service Type</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Insured</p> <p><input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD</p> <p>7. Date of Delivery</p>
<p>5. Received By: (Print Name)</p>	<p>9. Addressee's Address (Only if requested and fee is paid)</p>
<p>6. Signature: (Addressee or Agent)</p> <p style="text-align: center;">X</p>	<p>Thank you for using Return Receipt Services.</p>

PS Form 3800, April 1995 (Reverse)

Class postage, certified mail fee, and return receipt fee (if applicable) are shown in the appropriate blocks in item 1 of Form 3811. See, or to an authorized agent of the post office, for more information. Endorse front of article with return receipt number.