

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION ("OCD") COMPLIANCE AND ENFORCEMENT MANAGER FOR A COMPLIANCE ORDER AGAINST BLUE SKY NM, INC., DIRECTORS, AND OFFICERS, JOINTLY AND SEVERALLY, FINDING THAT THE OPERATOR IS IN VIOLATION OF THE OIL AND GAS ACT, NMSA 1978, SECTIONS 70-2-1 *et seq.* AND OCD RULES, 19.15.2 NMAC *et seq.*, REQUIRING OPERATOR TO RETURN TO COMPLIANCE WITH DIVISION RULES BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE, REQUEST FOR ADDITIONAL SANCTIONS.

CASE NO. 15277

AFFIDAVIT OF NOTICE

In accordance with Division Rule 19.15.5.10.D NMAC and Division Rule 19.15.4.12 NMAC I hereby certify:

1. Notice of the April 2, 2015 hearing in the above-captioned case was mailed on March 4, 2015 to the following by certified mail, return receipt requested, at least 20 days prior to the hearing date, with a copy of the application:

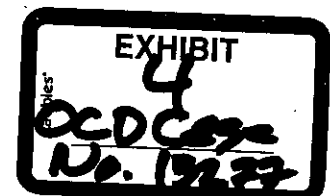
Pete Domenici, Jr.
320 Gold Ave SW
Ste. 1000
Albuquerque, NM 87102
Certified Mail: 7012 0407 0000 0881 0402

2. Attachment A is a copy of the notice and the signed certified return receipt for the notice that was mailed on March 4, 2011.

3. Notice of the April 2, 2015 hearing in the above-captioned case was mailed on March 4, 2015 to U.S. Specialty Insurance Co. via the New Mexico Superintendent of Insurance.

4. Attachment B is a copy of the Certificate of Acceptance of Service executed by John G. Franchini, Superintendent of Insurance of the State of New Mexico.

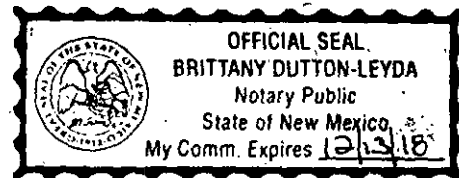

Keith W. Herrmann
NMOCD Assistant General Counsel



SUBSCRIBED AND SWORN to before me this 13 day of May, 2015.

Brittany Dutton-Leyda
Notary Public

My Commission Expires: 12/13/2018



Attachment A: Copy of Notice and Signed Certified Return Receipt

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:

Pete Domenici, Jr.
 320 Gold Ave SW
 Ste. 1000
 Albuquerque, NM 87102

2. Article Number

(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Sylvia Rudy*☐ Agent☐ Addressee

B. Received by (Printed Name)

Sylvia Rudy

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

000200200470000000800402

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-15

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

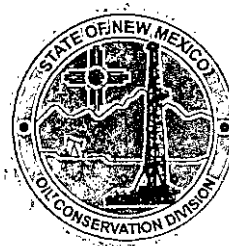
Postage	\$ 1.25
Certified Fee	\$ 2.80
Return Receipt Fee (Endorsement Required)	\$ 2.80
Restricted Delivery Fee (Endorsement Required)	\$ 2.80
Total Postage	\$ 7.65

Sent To: **Pete Domenici, Jr.**
 320 Gold Ave. SW
 Ste. 1000
 Albuquerque, NM 87102

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 Ste. 1000
 Albuquerque, NM 87102

State of New Mexico
 Natural Resources Department

David Catanach, Division Director
 Oil Conservation Division



FILE COPY

VIA CERTIFIED MAIL, RETURN RECEIPT: 7012 0470 0000 0881 0402

Re: OCD Case No. 15277 for a Compliance Order against Blue Sky NM, Inc.

Dear Mr. Domenici:

You are hereby notified that at 8:15 AM on April 2, 2015, the New Mexico Oil Conservation Division (OCD) will hold a hearing seeking an order against Blue Sky NM, Inc., directors, and officers, jointly and severally, finding that the operator is in violation of the oil and gas act, NMSA 1978, Sections 70-2-1 et seq. and OCD rules, NMAC 19.15.2 et seq., requiring operator to return to compliance with division rules by a date certain, and in the event of non-compliance, request for additional sanctions. The hearing will be held in Porter Hall at 1220 South St. Francis Dr., Santa Fe, New Mexico.

If you have any questions regarding the hearing process, please contact me at (505) 476-3463.

Sincerely

Keith Herrmann
 Assistant General Counsel
 New Mexico Oil Conservation Division

Cc: U.S. Specialty Insurance Co. via New Mexico Superintendent of Insurance

Attachment B: Certificate of Acceptance of Service executed by the Superintendent of Insurance of the State of New Mexico.

STATE OF NEW MEXICO
OFFICE OF THE SUPERINTENDENT OF INSURANCE
CERTIFICATE

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

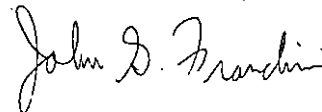
CASE # 15277

APPLICATION OF THE NM OIL CONSERVATION DIVISION ('OCD') COMPLIANCE AND ENFORCEMENT MANAGER FOR A COMPLIANCE ORDER AGAINST BLUE SKY NM, INC., DIRECTORS, AND OFFICERS, JOINTLY AND SEVERALLY, FINDING THAT THE OPERATOR IS IN VIOLATION OF THE OIL AND GAS ACT NMSA 1978, SECTIONS 70-2-1 *et seq.* AND OCD RULES NMAC 19.15.2 *et seq.* REQUIRING OPERATOR TO RETURN TO COMPLIANCE WITH DIVISION RULES BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE, REQUEST FOR ADDITIONAL SANCTIONS.

ACCEPTANCE OF SERVICE

I, John G. Franchini, Superintendent of Insurance of the State of New Mexico, do hereby certify that a copy of an OCD's Application for Compliance Order against Blue Sky NM, Inc. on the above style cause as accepted by me on behalf of U.S. SPECIALTY INSURANCE COMPANY, on March 9, 2015 provided in Section 59A-5-31 and 59A-5-32 NMSA 1978, and was received by said company on March 16, 2015 as shown by return receipt by Postmaster.

In Witness Whereof, I have
hereunto set my official seal
on this 20th of March, 2015



Superintendent of Insurance

