

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR AN ORDER REQUIRING HEARTLAND ENERGY CORP. TO PLUG TWO WELLS AND ORDERING A FORFEITURE OF APPLICABLE FINANCIAL ASSURANCE IN EVENT OF OPERAOR'S NON-COMPLIANCE; EDDY COUNTY, NEW MEXICO.

CASE NO. 13712

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Heartland Energy Corp. ("Operator") is the operator of the following wells (the subject wells) in Eddy County, New Mexico:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Froelich Federal #1	30-015-23552	1980 FNL, 660 FEL H-24-188-21E
Sun Texas State #1	30-015-23672	1980 FNL, 1980 FEL J-24-188-21E

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2. The Division has no record of any financial assurance applicable to these wells, but nevertheless asks for an order forfeiting "any applicable financial assurance."

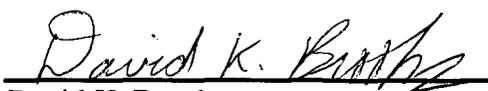
3. The subject wells have been inactive for more than one year plus ninety days, and have not been approved for temporary abandonment.

WHEREFORE, the Supervisor of District II of the Division requests an order:

- A. Determining that the subject wells should be plugged and abandoned in accordance with a Division-approved plugging program.

- B. Directing the Operator to plug the subject wells by a date certain, and thereafter to remediate the sites in accordance with OCD Rules.
- C. Ordering that if the Operator does not plug the subject well within the time provided, the Division be authorized: (i) to plug the subject wells and remediate the sites; (ii) to declare forfeit the any applicable financial assurance; and (iii) to take necessary and appropriate measures to recover from the Operator any costs of plugging the subject wells in excess of the amount of the applicable financial assurance.

RESPECTFULLY SUBMITTED,



David K. Brooks
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505)-476-3450

Attorney for The New Mexico Oil
Conservation Division

Case No. 13712. **Application of the New Mexico Oil Conservation Division for an Order Requiring Heartland Energy Corp. to Plug 2 Wells and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance, Eddy County, New Mexico.** The Applicant seeks an order requiring Heartland Energy Corp. to plug the following wells and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Froelich Federal #1	30-015-23552	1980 FNL, 660 FEL H-24-18S-21E
Sun Texas State #1	30-015-23672	1980 FNL, 1980 FEL J-24-18S-21E

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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 23, 2006

Heartland Energy Corp.
1405 Chesterfield RD
Rockville, MD 20853

Hearland Energy Corp.
155 West 6th St, Suite 22B
New York, NY 10023

Heartland Energy Corp.
c/o Prentice-Hall Corporation System
Attn: Byron D. Geogre
125 Lincoln Av, Suite 223
Santa Fe, NM 87501

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. 13712 : Application of the New Mexico Oil Conservation Division for an Order Heartland Energy Corp. to Plug Twp Wells and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance; Eddy County, New Mexico

Ladies and Gentlemen:

You are hereby notified that the New Mexico Oil Conservation Division has filed the referenced Application (copy enclosed), seeking an Order requiring you to properly plug and abandon two wells in Eddy County, New Mexico, identified in said application.

A hearing on this application will take place before a Division hearing examiner on Thursday, May 11, 2006, at 8:15 a.m., in Porter Hall, First Floor, 1220 South St. Francis Drive in Santa Fe, New Mexico. At that hearing you will have an opportunity to show cause why an order should not be entered as requested in the Application.

Any security that the division holds for your obligation to plug these wells will be forfeited if an order is entered as requested and you fail to comply therewith.

Inquiries concerning this application may be directed to the undersigned in the Santa Fe office of the Division at (505)-476-3450.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Brooks", with a long horizontal flourish extending to the right.

David K. Brooks
Assistant General Counsel

cc: Tim Gum, District Supervisor