



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 22, 2006

K.P. Kauffman Company, Inc.
1675 Broadway, Suite 2800
Denver, CO 80202

Fidelity and Deposit Company
1400 American Lane, Tower I
Schaumburg, IL 60196-1056

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. 13709: Application of the New Mexico Oil Conservation Division for an Order Requiring K.P. Kauffman Company, Inc. to Plug One Well and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance; Lea 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 one well in Lea 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.

You posted a surety bond, in the amount of \$50,000, No.LPM8756552 issued by Fidelity and Deposit Company of Maryland. That security 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 cursive script that reads "David K. Brooks". The signature is written in black ink and is positioned above the printed name and title.

David K. Brooks
Assistant General Counsel

cc: Chris Williams, District Supervisor

OCD
FD 13709

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7002 3150 0004 4924 1288

Sent To
K. P. Kauffman Company, Inc.
 Street, Apt. No.
 or P.O. **1675 Broadway, Suite 2800**
 City, State, ZIP+4
Denver, CO 80202

See Reverse for Instructions
 PS Form 3800, June 2002

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<p>1. Article Addressed to: K. P. Kauffman Company, Inc. 1675 Broadway, Suite 2800 Denver, CO 80202</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
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<p>PS Form 3811, August 2001 Domestic Return Receipt</p> <p style="text-align: right;">OCD FD 13709</p>	

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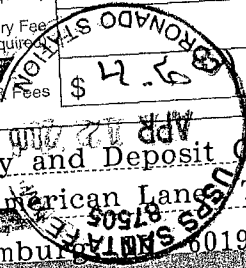
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 City, State, ZIP+4: **Schaumburg, IL 60196-1056**

PS Form 3811, June 2002 See Reverse for Instructions

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<p>1. Article Addressed to:</p> <p>Fidelity and Deposit Company 1400 American Lane, Tower I Schaumburg, IL 60196-1056</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number: (Transfer from service label) 7002 3150 0004 4924 1295</p>	