

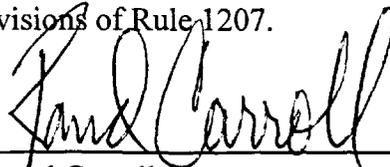
**STATE OF NEW MEXICO ENERGY,
MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
THROUGH THE SUPERVISOR OF DISTRICT III FOR AN ORDER REQUIRING
GEO ENGINEERING INC. TO PROPERLY PLUG FORTY-FIVE WELLS LOCATED
IN TOWNSHIP 20 NORTH, RANGE 9 WEST, MCKINLEY COUNTY, NEW MEXICO, ,
AUTHORIZING THE DIVISION TO PLUG SAID WELLS, AND ORDERING A
FORFEITURE OF THE PLUGGING BOND.**

CASE NO. 11799

AFFIDAVIT REGARDING NOTICE

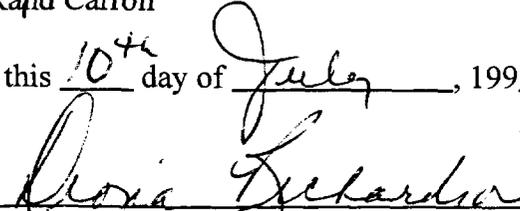
1. I am over the age of eighteen and have personal knowledge of the matters stated herein.
2. I am the attorney of record for Applicant.
3. Applicant has conducted a good faith, diligent effort to find the correct addresses of interest owners entitled to receive notice of the Application herein.
4. Notice 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.



Rand Carroll

SUBSCRIBED AND SWORN TO before me this 10th day of July, 1997,
by Rand Carroll.

My commission expires:
Oct 28, 1997



NOTARY PUBLIC

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
<u>OCD</u> EXHIBIT NO. <u>5</u>
CASE NO. <u>11813</u>

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 this 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.

<p>3. Article Addressed to:</p> <p style="text-align: center;">AMERICAN MANUFACTURERS MUTUAL INSURANCE</p> <p>1 KEMPER DRIVE LONG GROVE, IL 60049-0001</p>	<p>4a. Article Number P 614 928 442</p> <hr/> <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> <hr/> <p>7. Date of Delivery</p>
<p>5. Received By: (Print Name)</p> <p style="text-align: center;"><i>Kemper</i></p>	<p>8. Addressee's Address (Only if requested and fee is paid)</p>
<p>6. Signature: (Addressee or Agent)</p> <p style="text-align: center;">X <i>[Signature]</i></p>	

Thank you for using Return Receipt Service.

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

PS Form 3800, April 1995

P 614 928 441

US Postal Service CASE 11813

Receipt for Certified Mail

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

Sent to	
GEO ENGINEERING INC.	
Street & Number	
PO BOX 2966	
Post Office, State, & ZIP Code	
SANTA FE NM 87504	
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

P 614 928 442

US Postal Service CASE 11813

Receipt for Certified Mail

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

Sent to	
AMERICAN MANUFACTURERS MUTUAL	
Street & Number	
1 KEMPER DRIVE	
Post Office, State, & ZIP Code	
LONG GROVE, IL 60049-0001	
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	

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



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 20, 1997

Certified Mail
Return Receipt Requested

Geo Engineering , Inc.
P.O. Box 2966
Santa Fe, NM 87504

American Manufacturers Mutual Insurance Co.
1 Kemper Drive
Long Grove, IL 60049-0001

RE: Case No. 11813

Application of the New Mexico Oil Conservation Division for a Show Cause Hearing requiring Geo Engineering, Inc. and American Manufacturers Insurance Co. and other interested parties to appear and show cause why forty-five wells located in Sections 20, 21, 22, 28 and 29, Township 20 North, Range 9 West, McKinley County, NM should not be plugged and abandoned

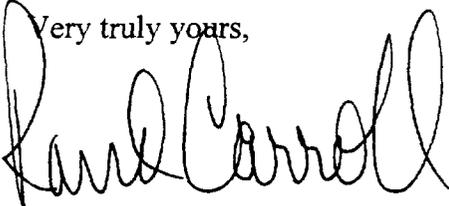
Dear Sir/Madam:

This letter is to advise you that the New Mexico Oil Conservation Division has filed the enclosed application seeking a Show Cause Hearing requiring Geo Engineering, Inc. and American Manufacturers Mutual Insurance Co. and other interested parties to appear and show cause why the above-referenced well should not be ordered plugged and abandoned.

This application has been set for hearing before an Examiner of the Oil Conservation Division on July 10, 1997. You are not required to attend this hearing, but as an 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 have been requested by the Division (Memorandum 2-90--- Enclosed) 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,

A handwritten signature in black ink, appearing to read "Rand Carroll". The signature is fluid and cursive, with the first name "Rand" and last name "Carroll" clearly distinguishable.

RAND CARROLL

ATTORNEY FOR THE NEW MEXICO OIL CONSERVATION DIVISION

Enclosures

cc: Frank Chavez, OCD Aztec
Johnny Robinson, OCD Aztec

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 III FOR AN ORDER REQUIRING GEO ENGINEERING INC. TO PROPERLY PLUG FORTY-FIVE WELLS LOCATED IN TOWNSHIP 20 NORTH, RANGE 9 WEST, MCKINLEY COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO PLUG SAID WELLS, AND ORDERING A FORFEITURE OF THE PLUGGING BOND.

CASE NO. 11813

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Geo Engineering Inc. (the "Operator") is the operator of the forty-five wells located in Township 20 North, Range 9 West, McKinley County, New Mexico, listed on the attached Exhibit "A" to this application.

2. Operator has posted a surety bond in the amount of \$50,000 for said wells in compliance with Section 70-2-14 NMSA 1978 and Rule 101 of the Rules and Regulations of the Oil Conservation Division, which bond is conditioned upon compliance with the statutes of the State of New Mexico and the Rules and Regulations of the Division with respect to the proper plugging and abandonment of the wells operated by Operator. American Manufacturers Mutual Insurance Co. is surety on the bond, Bond No.3SE 438 800 00.

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 and approved by the Division.

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

5. By authority of Section 70-2-14 NMSA 1978, the Rules and Regulations of the Division require wells which 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 to either 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 III of the Oil Conservation Division applies to the Director to enter an order:

A. Determining whether or not the wells should be plugged in accordance with a Division-approved plugging program.

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

C. Further ordering that if Operator fails to plug and abandon said wells as ordered by the Director, that the Division be authorized:

i. to plug said wells;

ii. to declare forfeit on said bond, if any, and to take such action to

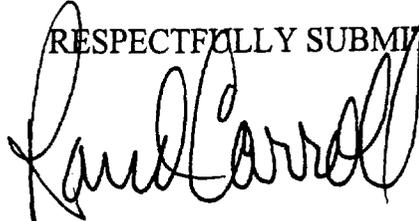
foreclose on said bond, and

iii. to recover from the Operator any costs of plugging said wells in excess

of the amount of the bond, if any.

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

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Rand Carroll". The signature is written in a cursive style with a large initial "R" and "C".

RAND CARROLL

Legal Counsel

New Mexico Oil Conservation Division

2040 South Pacheco

Santa Fe, NM 87505

(505) 827-8156

TRACTOR	ENGINEERING	INC	WELL NAME	WELL NO	UL	SEC	TWN	RGE	FTAGE	NS	FTAGE	EW	API NUMBER	STATUS	POOL
3	ENGINEERING	INC	SANTA FE PACIFIC	113	P	21	20N	09W	165/S		965/E		30-031-20433	TA	CHACO WASH MESAVE
3	ENGINEERING	INC	SANTA FE PACIFIC	110	P	21	20N	09W	360/S		360/E		30-031-20060	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	19	P	21	20N	09W	500/S		660/E		30-031-20861	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	102	P	21	20N	09W	565/S		565/E		30-031-20062	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	101	P	21	20N	09W	565/S		565/E		30-031-20061	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	117	N	22	20N	09W	330/S		1650/W		30-031-20453	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	111	N	22	20N	09W	990/S		1650/W		30-031-20445	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	116	N	22	20N	09W	990/S		1980/W		30-031-20431	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	114	N	22	20N	09W	990/S		990/E		30-031-20484	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	STATE	6	A	28	20N	09W	330/N		330/E		30-031-20901	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	STATE	34	A	28	20N	09W	660/N		660/E		30-031-20644	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	STATE	21	A	28	20N	09W	660/N		660/E		30-031-20644	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	STATE	8	A	28	20N	09W	707/N		1273/E		30-031-20618	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	STATE	1	A	28	20N	09W	970/N		970/E		30-031-20477	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	STATE	9	B	28	20N	09W	330/N		1650/E		30-031-20620	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	STATE	25	B	28	20N	09W	350/N		2260/E		30-031-20765	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	STATE	10	B	28	20N	09W	47/N		1367/E		30-031-20621	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	STATE	26	B	28	20N	09W	620/N		1965/E		30-031-20766	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	STATE	13	B	28	20N	09W	660/N		1650/E		30-031-20623	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	STATE	3	B	28	20N	09W	990/N		1650/E		30-031-20480	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	STATE	3	B	28	20N	09W	990/N		2310/E		30-031-20483	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	STATE	22	B	28	20N	09W	990/N		2635/E		30-031-20645	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	STATE	9	O	20	20N	09W	110/S		1910/E		30-031-05393	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	36	O	20	20N	09W	265/S		2510/E		30-031-20398	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	38	O	20	20N	09W	275/S		1731/E		30-031-20426	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	2	O	20	20N	09W	317/S		1920/E		30-031-60027	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	4	O	20	20N	09W	320/S		2300/E		30-031-05400	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	23	O	20	20N	09W	490/S		1400/E		30-031-20565	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	47	O	20	20N	09W	580/S		1713/E			TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	3	O	20	20N	09W	65/S		860/E		30-031-60028	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	12	P	20	20N	09W	1085/S		1145/E		30-031-05396	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	24	P	20	20N	09W	450/S		1280/E		30-031-05415	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	10	P	20	20N	09W	990/S		1265/E		30-031-05377	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	7	A	29	20N	09W	225/N		1130/E		30-031-05385	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	8	A	29	20N	09W	5/N		1610/E		30-031-20559	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	42	B	29	20N	09W	105/N		2325/E		30-031-05357	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	22	B	29	20N	09W	1115/N		2135/E		30-031-20397	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	35	B	29	20N	09W	160/N		1800/E		30-031-05358	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	20	B	29	20N	09W	300/N		1620/E			TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	1	B	29	20N	09W	330/N		1940/E		30-031-20579	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	43	B	29	20N	09W	420/N		2450/E		30-031-05646	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	33	B	29	20N	09W	600/N		1920/E			TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	5	B	29	20N	09W	615/N		2740/E		30-031-20980	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	13	C	29	20N	09W	452/N		2113/W		30-031-05360	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	21	C	29	20N	09W	834/N		2555/W		30-031-05356	TA	CHACO WASH MESAVE
0	ENGINEERING	INC	SANTA FE PACIFIC	20	F	29	20N	09W	1344/N					TA	CHACO WASH MESAVE

L-111111 11