

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 JOSEPH P. DRISCOLL d/b/a SOUTHWEST PRODUCTION CO.
TO PROPERLY PLUG TWO WELLS IN SAN JUAN COUNTY, NEW MEXICO,
AUTHORIZING THE DIVISION TO PLUG SAID WELL, AND ORDERING A
FORFEITURE OF THE PLUGGING BOND, IF ANY.

CASE NO. 12496

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 September 2000.

My commission expires:
2/18/2003


NOTARY PUBLIC
BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
OCD EXHIBIT NO. 3
CASE NO. 12496

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:

Southwest Production Co.
P.O. Box 400
Aztec, NM 87410

4a. Article Number

P 410 425 227

4b. Service Type

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

7. Date of Delivery

9-13-2000

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

5. Received By: (Print Name)

Robert E. Polley

6. Signature: (Addressee or Agent)

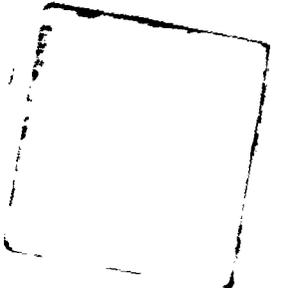
X

PS Form 3811, December 1994

102595-97-8-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.



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1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Joseph P. Driscoll
 d/b/a Southwest Production Co.
 c/o PMCI
 P.O. Box 2596
 Farmington, NM 87499

4a. Article Number

P 410 425 228

4b. Service Type

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

7. Date of Delivery

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

W. J. Felder
 1155 S. 1st St.
 Farmington, MN

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

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

August 30, 2000

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Joseph P. Driscoll
d/b/a Southwest Production Co.
c/o PMCI
Post Office Box 2596
Farmington, NM 87499

Southwest Production Co.
Post Office Box 400
Aztec, NM 87410

Gulf Insurance Co.
Post Office Box 190836
Dallas, TX 75219

Re: Case No. 12475

Application of the New Mexico Oil Conservation Division for an order requiring Joseph P. Driscoll d/b/a Southwest Production Co. to plug two wells in San Juan County, New Mexico

This letter is to advise you that the New Mexico Oil Conservation Division has filed the enclosed application for a hearing requiring Joseph P. Driscoll d/b/a Southwest Production Co. 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 September 21, 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: Frank Chavez, District Supervisor
Charlie Perrin, 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 JOSEPH P. DRISCOLL D/B/A SOUTHWEST PRODUCTION CO. TO PROPERLY PLUG TWO WELLS IN SAN JUAN COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO PLUG SAID WELLS, AND ORDERING A FORFEITURE OF THE PLUGGING BOND, IF ANY.

CASE NO. 12496

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Joseph P. Driscoll d/b/a Southwest Production Co. ("Operator") is the operator of the following two wells in San Juan County, New Mexico:

- a. Wright State Com No. 1 located 790' from the North line and 790' from the East line in Unit A of Section 16, Township 27 North, Range 12 West; and
- b. Fannie Ward No. 1 located 1800' from the South line and 1520' from the West line in Unit K of Section 18, Township 30 North, Range 11 West

2. Operator has posted a surety bond in the amount of \$50,000.00 for said wells 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. Gulf Insurance 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 III of the Oil Conservation Division applies to the Director to enter an order:

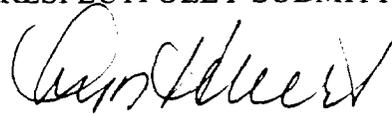
A. Determining whether the wells should be plugged in accordance with a Division-approved plugging program.

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 fluid and cursive, with the first name being the most prominent.

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]

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3. Article Addressed to:
 Joseph P. Driscoll
 d/b/a Southwest Production Co.
 c/o PMCI
 P.O. Box 2596
 Farmington, NM 87499

4a. Article Number
 P 410 425 228

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD
 7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
 X

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

Thank you for using Return Receipt Service.

PS Form 3811, December 1994

102595-97-B-0179 Domestic Return Receipt

US Postal Service	
Receipt for Certified Mail	
No Insurance Coverage Provided.	
Do not use for International Mail (See reverse)	
Sent to Joseph P. Driscoll d/b/a Southwest Production Co.	
Street & Number PO Box 2596	
Post Office, State & ZIP Code Farmington, NM 87499	
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

MAIL

P 410 425 228

P 410 425 228

CERTIFIED

State of New Mexico

ENERGY, MINERALS and NATURAL RESOUR

2040 South Pacheco
P.O. Box 6429
Santa Fe, New Mexico 87505-5472

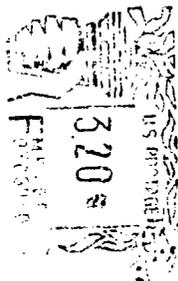
John H.

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

CERTIFIED

P 410 425 227

MAIL



Southwest Production Co.

P.O. Box 400
Aztec, NM 87410

9/2/00

*Sub - 777 J. Certified Engineering
Stg 9-E
Richardson TX 75080 - 9-13
Sub 9-17*

87410-0400

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P410435227

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- Insured

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Ophe Wynn 87410

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6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

102595-98-B-0229

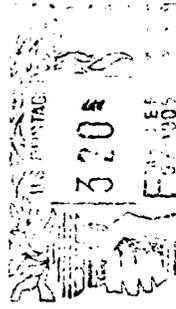
Domestic Return Receipt

Thank you for using Return Receipt Service.

State of New Mexico

ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

1000 South Pacheco
P.O. Box 6429
Santa Fe, New Mexico 87505-5472



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

CERTIFIED

P 410 425 229

MAIL

Handwritten: ATTEMPTED, FROM 79, Gulf Insurance Co., Post Office Box 190836, Dallas, TX 75219

