

NEW MEXICO OIL CONSERVATION DIVISION  
2040 SOUTH PACHECO  
SANTA FE, NM 87505

March 29, 1996

**Certified Mail**  
**Return Receipt Requested**

Woosley Oil Co.  
P.O. Drawer 1480  
Cortez, CO 81321

Ken Barker  
Citizen State Bank of Cortez  
P. O. Box T  
Cortez, CO 81321

American Employers Insurance Co.  
One Beacon Street  
Boston, MA 02108

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<u>DCD</u>	EXHIBIT NO. <u>4</u>
CASE NO.	<u>11515</u>

Case No. 11515

Application of the New Mexico Oil Conservation Division for a Show Cause Hearing requiring Woosley Oil Co. and other interested parties to appear and show cause why seven wells in McKinley County, NM should not be plugged and abandoned

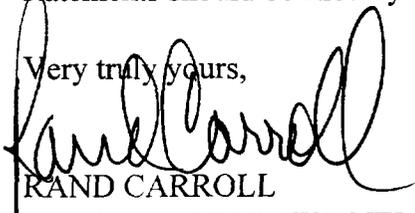
Dear Sir/Madam:

This letter is to advise you that the New Mexico Oil Conservation Division has filed the enclosed application seeking a Show Cause Hearing requiring Woosley Oil Co. and other interested parties to appear and show cause why the above-referenced wells should not be ordered plugged and abandoned.

This application has been set for hearing before an Examiner of the Oil Conservation Division on April 18, 1996. 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", written over the typed name.

RAND CARROLL

ATTORNEY FOR THE NEW MEXICO OIL CONSERVATION DIVISION

Enclosures

cc: Johnny Robinson, OCD Aztec

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

MAR 26 1986  
Oil Conservation Division

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION THROUGH THE SUPERVISOR OF DISTRICT III FOR AN ORDER REQUIRING SEVEN WELLS LOCATED IN UNITS P, A, D, C, A, I, AND J OF SECTIONS 08, 17, 16, 16, 16, 11 AND 11, TOWNSHIPS 19 NORTH, RANGES 06 WEST (THE FIRST FIVE WELLS) AND 05 WEST (THE LAST TWO WELLS), MCKINLEY COUNTY, NEW MEXICO, OPERATED BY WOOSLEY OIL CO., TO BE PROPERLY PLUGGED, AUTHORIZING THE DIVISION TO PLUG SAID WELL, AND ORDERING A FORFEITURE OF THE PLUGGING BOND.

CASE NO. 11515

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Woosley Oil Co. (the "Operator") is the operator of the Santa Fe Energy Well No. 1 (P-08-19N-06W), Santa Fe Energy Well No. 2 (A-17-19N-06W), State Well No. 1 (D-16-19N-06W), State Well No. 2 (C-16-19N-06W), State Well No. 3 (A-16-19N-06W), Ptasynski A Well No. 1 (I-11-19N-05W) and Ptasynski A Well No. 2 (J-11-19N-05W) all located in McKinley County, New Mexico.

2. Operator has posted a surety blanket bond in the amount of \$50,000 from American Employers' Insurance Company, (Bond No. AR-71361-50) 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.

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 an approved current temporary abandonment permit, 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 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:

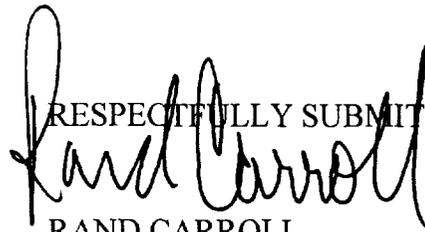
A. Determining whether or not the above-described wells should be plugged in accordance with a Division-approved plugging program.

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 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.

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

RESPECTFULLY SUBMITTED,  


RAND CARROLL  
Legal Counsel  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505  
(505) 827-8156

US Postal Service  
**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

**KEN BARKER - CITIZENS STATE**

**BAK# PO BOX 1**

**CORTEZ, CO 81321**

Post Office, State, & ZIP Code

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

P 326 937 124  
 11515

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

P 326 92E P 123

US Postal Service  
**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to **WOODSLEY OIL CO.**

**PO DRAWER 1480**

**CORTEZ, CO 81321**

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

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

P 326 92E P 125

US Postal Service  
**Receipt for Certified Mail**

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Do not use for International Mail (See reverse)

Sent to **AMERICAN EMPLOYERS' INS**

**ONE BEACON STREET**

**BOSTON, MA 02108**

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

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

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):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

**AMERICAN EMPLOYERS' INSURANCE**  
**ONE BEACON STREET**  
**BOSTON, MA 02108**

4a. Article Number  
**P 326 937 125**

4b. Service Type

Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
**4/6/94**

5. Received By: (Print Name)  
*[Signature]*

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

6. Signature: (Addressee or Agent)  
**X**

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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3. Article Addressed to:

**MR. KEN BARKER**  
**CITIZENS STATE BANK OF CORTEZ**  
**PO BOX T**  
**CORTEZ, CO 81321**

4a. Article Number  
**P 326 937 124**

4b. Service Type

Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

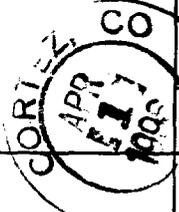
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6. Signature: (Addressee or Agent)  
**X [Signature]**

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**WOOSLEY OIL CO.**  
**PO DRAWER 1480**  
**CORTEZ, CO 81321**

4a. Article Number  
**P 326 937 123**

4b. Service Type

Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
**4/1/94**

5. Received By: (Print Name)

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

6. Signature: (Addressee or Agent)  
**X [Signature]**

PS Form 3811, December 1994 Domestic Return Receipt

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MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

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CASE NO. 11515

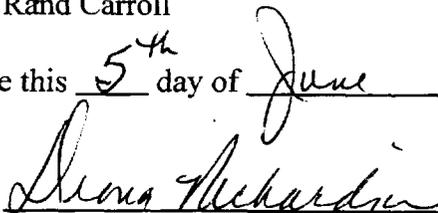
**AFFIDAVIT REGARDING NOTICE**

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 5<sup>th</sup> day of June, 1996,  
by Rand Carroll.

My commission expires:

  
\_\_\_\_\_  
NOTARY PUBLIC

Oct 28, 1997