

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

CASE 13163: APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER REQUIRING SABA ENERGY OF TEXAS, INC., TO PROPERLY PLUG SIX WELLS, ASSESSING AN APPROPRIATE CIVIL PENALTY IN EVENT OF OPERATOR'S FAILURE TO COMPLY, AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND ORDERING A FORFEITURE OF APPLICABLE PLUGGING BOND; LEA COUNTY, NEW MEXICO.

CERTIFICATE OF NOTICE

In accordance with Division Rule 1207 (19.15.14.1207 NMAC) I hereby certify that notice of November 7, 2003 hearing in the above-captioned case, with a copy of the application, was mailed to the following by certified mail, return receipt requested, at least 20 days prior to the hearing date:

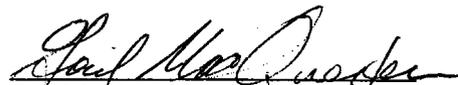
Saba Energy of Texas, Inc.
P.O. Box 6209
Santa Maria CA 93456

Saba Energy of Texas, Inc.
4500 W. Illinois, No. 209
Midland, TX 79703

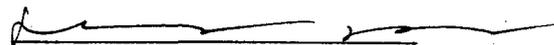
Redland Insurance Company
300 West Broadway
Council Bluffs, IA 51503

Redland Insurance Company
1177 Avenue of the Americas
New York, NY 10036

Copies of the notice with proof of service (where available) are attached as Exhibit "A" to this certificate. No return receipt was received from Saba Energy of Texas, Inc at the Midland, Texas address.


Gail MacQuesten

SUBSCRIBED AND SWORN to before me this 18th day of November, 2003.


Notary Public

My Commission Expires:

4/2/07

BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION
OCD EXHIBIT NO. <u>12</u>
CASE NO. <u>13163</u>



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

October 14, 2003

✓ Saba Energy of Texas, Inc.
P.O. Box 6209
Santa Maria CA 93456

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4500 W. Illinois, No. 209
Midland, TX 79703

Redland Insurance Company
300 West Broadway
Council Bluffs, IA 51503

Redland Insurance Company
1177 Avenue of the Americas
New York, NY 10036

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED 7099 3220 0009 7873 0929

Re: Case No. 13163: Application of the New Mexico Oil Conservation Division for an Order Requiring Saba Energy of Texas, Inc., to Properly Plug Six Wells, Imposing Civil Penalties for Failure to Comply, Authorizing the Division to Plug Said Wells and Ordering a Forfeiture of Applicable Plugging Bond; Lea County, New Mexico

Ladies and Gentlemen:

You are hereby notified that the New Mexico Oil Conservation Division has filed the referenced Application, a copy of which is enclosed herewith, seeking an Order requiring you to properly plug and abandon six wells located in Lea County, New Mexico, specifically identified in said application.

A hearing on this application will take place before a Division hearing officer on **Friday, November 7, 2003 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. RED 1023122 issued by Redland Insurance Company. That security will be forfeited if an order is entered as requested in the attached application 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) 476-3451.

Very truly yours,


Gail MacQuesten
Assistant General Counsel

cc: Chris Williams and Billy Prichard, Hobbs District

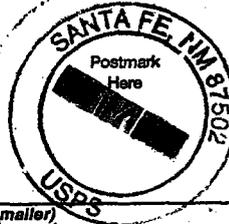
U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

OIL CONSERVATION 10-14-03

7099 3220 0009 7873 0929
 6260 6482 6000 0226 6607

Postage	\$
Certified Fee	\$
Return Receipt Fee (Endorsement Required)	\$
Restricted Delivery Fee (Endorsement Required)	\$
Total Postage & Fees	\$



Name (Please Print Clearly) (To be completed by mailer)
Saba Energy of Texas, Inc.
 Street, Apt. No., or PO Box No.
P. O. Box 6209
 City, State, ZIP+4
Santa Maria, CA 93456
 PS Form 3800, July 1995 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Saba Energy of Texas, Inc.
P. O. Box 6209
Santa Maria, CA 93456

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) *[Signature]* B. Date of Delivery **10/22/03**

C. Signature *[Signature]*
 Agent
 Addressee

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No
6527 Dominion
S. Maria, CA 93456

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)
7099 3220 0009 7873 0929

DCD
13163

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Name (Please Print Clearly) (To be completed by mailer)
Saba Energy of Texas, Inc.
 Street No. or P.O. Box No.
4500 W. Illinois, No. 209

City, State, ZIP
Midland, TX 79703
 PS Form 3800, July 1999

See Reverse for Instructions

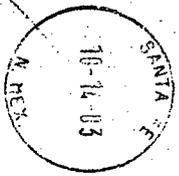
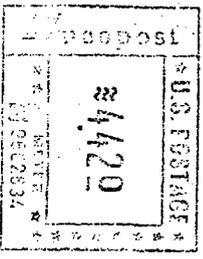
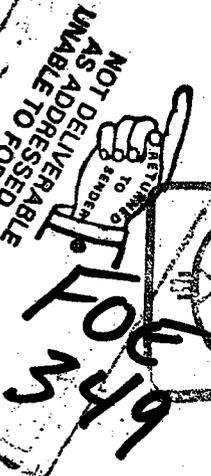
State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

1220 South Saint Francis Drive
 P.O. Box 6429
 Santa Fe, New Mexico 87505-5472

Name _____
 OCT 24 2003
 Notice _____
 Return _____

CERTIFIED MAIL

NOT DELIVERABLE
 AS ADDRESSED
 RETURN TO FORW
 Saba Energy of Texas, Inc.
 4500 W. Illinois, No. 209
 Midland, TX 79703



7099 3220 0009 7873 0905
 79703-5472/6429
 7099 3220 0009 7873 0905



NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
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Oil Conservation Division

October 14, 2003

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Council Bluffs, IA 51503

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New York, NY 10036

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED 7099 3210 0009 7873 0905

Re: Case No. 13163: Application of the New Mexico Oil Conservation Division for an Order Requiring Saba Energy of Texas, Inc., to Properly Plug Six Wells, Imposing Civil Penalties for Failure to Comply, Authorizing the Division to Plug Said Wells and Ordering a Forfeiture of Applicable Plugging Bond; Lea County, New Mexico

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Gail MacQuesten
Assistant General Counsel

cc: Chris Williams and Billy Prichard, Hobbs District



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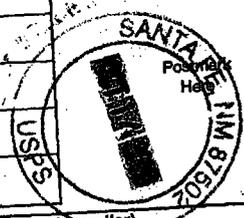
cc: Chris Williams and Billy Prichard, Hobbs District

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

6999 3220 0009 7873 0899
 7099 3220 0009 7873 0899

Article Sent To: 10-14-03

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Name (Please Print Clearly) (To be completed by mailer)
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300 West Broadway
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- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to:
Redland Insurance Company
300 West Broadway
Council Bluffs, LA 51503

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Van Looney B. Date of Delivery 10-17

C. Signature [Signature] Agent Addressee

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)
7099 3220 0009 7873 0899

06D
13163