

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 I, FOR AN ORDER DETERMINING THAT ORBIT ENERGY INC. KNOWINGLY AND WILLFULLY VIOLATED 19.15.4.201 NMAC; REQUIRING ORBIT ENERGY INC. TO BRING FIVE WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC; ASSESSING APPROPRIATE CIVIL PENALTIES; AND IN THE EVENT OF NON-COMPLIANCE, AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCES; ROOSEVELT COUNTY, NEW MEXICO.

CASE NO. 13373

CERTIFICATE OF NOTICE

In accordance with Division Rule 1207 (19.15.14.1207 NMAC) I hereby certify that notice of the November 18, 2004 hearing setting 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 that hearing date:

Orbit Energy Inc.  
406 S. Ave. C  
Tatum, NM 88267                      Certified Mail No. 7099 3220 0009 7873 1742

Orbit Energy Inc.  
P.O. Box 311  
Tatum, NM 88267                      Certified Mail No. 7079 3220 0009 7873 1759

Orbit Energy Inc.  
100 South McGee Street  
Borger, TX 79001                      Certified Mail No. 7079 3220 0009 7873 1766

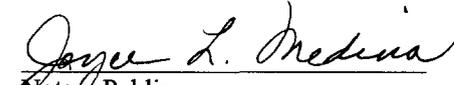
Orbit Energy Inc.  
1625 N. French Drive  
Hobbs, NM 88267                      Certified Mail No. 7079 3220 0009 7873 1773

Orbit Energy Inc.  
350 NM 258  
Milnesand, NM 88125                      Certified Mail No. 7079 3220 0009 7873 1735

A copy of the notice with the certified mail receipt, and proof of receipt (if available) is "Attachment A" to this certificate.

  
Gail MacQuesten

SUBSCRIBED AND SWORN to before me this 18<sup>th</sup> day of November, 2004.

  
Notary Public

My Commission Expires:

12/31/07

Before the OCD  
Case 13373  
OCD Ex. 1



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Mark E. Fesmire, P.E.**  
Director  
Oil Conservation Division

October 20, 2004

**Attachment A**

Orbit Energy Inc.  
406 S. Ave. C  
Tatum, NM 88267

Certified Mail No. 7099 3220 0009 7873 1742

Orbit Energy Inc.  
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Tatum, NM 88267

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350 NM 258  
Milnesand, NM 88125

Certified Mail No. 7099 3220 0009 7873 1735

**CASE 13373: APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER DETERMINING THAT ORBIT ENERGY INC. KNOWINGLY AND WILLFULLY VIOLATED 19.15.4.201 NMAC; REQUIRING ORBIT ENERGY INC. TO BRING FIVE WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC; ASSESSING APPROPRIATE CIVIL PENALTIES; AND IN THE EVENT OF NON-COMPLIANCE, AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCES; ROOSEVELT COUNTY, NEW MEXICO.**

Ladies and Gentlemen:

You are hereby notified that the New Mexico Oil Conservation Division has filed the above-captioned application seeking an order requiring you to bring the following wells into compliance with 19.15.4.201 NMAC by plugging and abandoning the wells, securing temporary abandonment status for the wells, or returning the wells to a Division-approved beneficial use:

Farrell Federal #010, API 30-041-10446, F-28-7S-33E  
James McFarland #004, API 30-041-10567, L-20-7S-33E  
Humble Federal #005, API 30-041-20116, B-26-7S-32E  
State BA #001, API 30-041-10003, A-34-7S-35E  
State BA #002, API 30-041-20048, H-34-7S-35E

The application also seeks assessment of penalties. A copy of the application is enclosed.

A hearing on this application will take place before a Division hearing officer on Thursday, November 18, 2004, 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. If you intend to present evidence at the hearing, you should file a pre-hearing statement at least four days in advance of the hearing as required by 19.15.14.1208.B NMAC.

Orbit Energy Inc. posted a \$50,000 cash blanket plugging bond, number 772, and a \$40,000 cash blanket plugging bond, number 773, to secure its obligation to plug and abandon its wells in compliance with Division rules. That security will be forfeited if an order is entered as requested in the attached application and the inactive wells are not brought into compliance with Division rules by the date set by the order.

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

Ec: Chris Williams and Billy Prichard, District I

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <input checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:  Orbit Energy Inc. 350 NM 258 Milnesand, NM 88125	B. Received by (Printed Name) <i>Brandon Brown</i>	C. Date of Delivery <i>11/1/04</i>
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
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.		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		
2. Article Number 7099 3220 0009 7873 1735 (Transfer from service label)		
PS Form 3811, August 2001	Domestic Return Receipt	102595-02-M-1540

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <input checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:  Orbit Energy Inc. 1625 N. French Drive Hobbs, NM 88267	B. Received by (Printed Name) <i>L. J. Hanson</i>	C. Date of Delivery <i>UM 10/26/04</i>
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
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.		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		
2. Article Number 7099 3220 0009 7873 1773 (Transfer from service label)		
PS Form 3811, Aug		102595-02-M-1540

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1. Article Addressed to:  Orbit Energy Inc. 100 South McGee Street Borger, TX 79001	B. Received by (Printed Name) <i>E. Barnett</i>	C. Date of Delivery <i>11/1/04</i>
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
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.		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		
2. Article Number 7099 3220 0009 7873 1766 (Transfer from service label)		
PS Form 3811, August 2001	Domestic Return Receipt	102595-02-M-1540

**SENDER: COMPLETE THIS SECTION**

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- 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:

Orbit Energy Inc.  
406 S. Avenue C  
Tatum, NM 88267

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

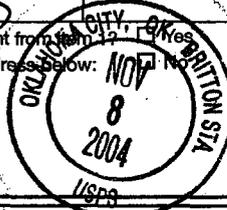
Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

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



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

(Transfer from service label)

7099 3220 0009 7873 1742

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

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1. Article Addressed to:

Orbit Energy Inc.  
P. O. Box 311  
Tatum, NM 88267

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

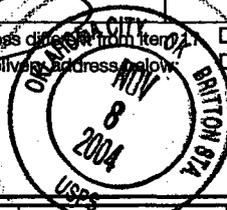
Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

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



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

(Transfer from service label)

7099 3220 0009 7873 1759

PS Form 3811, August 2001

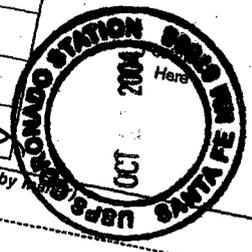
Domestic Return Receipt

102595-02-M-1540

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

Article Sent To:

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
<b>Total Postage &amp; Fees</b>	<b>\$4.42</b>	



Name (Please Print Clearly) (To be completed by mailer)  
**Orbit Energy Inc.**  
 Street, Apt. No.; or PO Box No.  
**1625 F. French Drive**  
 City, State, ZIP+4  
**Hobbs, NM 88267**  
 PS Form 3800, July 1999

See Reverse for Instructions

7099 3220 0009 7873 1757  
 6602

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

Article Sent To:

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
<b>Total Postage &amp; Fees</b>	<b>\$4.42</b>	



Name (Please Print Clearly) (To be completed by mailer)  
**Orbit Energy Inc.**  
 Street, Apt. No.; or PO Box No.  
**P.O. Box 311**  
 City, State, ZIP+4  
**Tatum, NM 88267**  
 PS Form 3800, July 1999

See Reverse for Instructions

7099 3220 0009 7873 1757  
 6602

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

Article Sent To:

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
<b>Total Postage &amp; Fees</b>	<b>\$4.42</b>	

Name (Please Print Clearly) (To be completed by mailer)  
**Orbit Energy Inc.**  
 Street, Apt. No.; or PO Box No.  
**350 NM 258**  
 City, State, ZIP+4  
**Minesand, NM 88125**  
 PS Form 3800, July 1999

See Reverse for Instructions

7099 3220 0009 7873 1757  
 6602

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

Article Sent To:

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
<b>Total Postage &amp; Fees</b>	<b>\$4.42</b>	



Name (Please Print Clearly) (To be completed by mailer)  
**Orbit Energy Inc.**  
 Street, Apt. No.; or PO Box No.  
**100 South McGee Street**  
 City, State, ZIP+4  
**Bojger, Texas 79001**  
 PS Form 3800, July 1999

See Reverse for Instructions

7099 3220 0009 7873 1757  
 6602

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**CERTIFIED MAIL RECEIPT**  
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Article Sent To:

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
<b>Total Postage &amp; Fees</b>	<b>\$4.42</b>	

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**Orbit Energy Inc.**  
 Street, Apt. No.; or PO Box No.  
**406 S. Avenue C**  
 City, State, ZIP+4  
**Tatum, NM 88267**  
 PS Form 3800, July 1999

See Reverse for Instructions

7099 3220 0009 7873 1742  
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