

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

CASE NO. 13354: APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER REQUIRING TAHOE ENERGY INC. AND KENNETH A. FREEMAN DBA TAHOE ENERGY INC. TO BRING ONE WELL INTO COMPLIANCE WITH 19.15.4.201 NMAC, ASSESSING AN APPROPRIATE CIVIL PENALTY IN THE EVENT OF NON-COMPLIANCE, AUTHORIZING THE DIVISION TO PLUG SAID WELL AND ORDERING A FORFEITURE OF THE APPLICABLE PLUGGING BOND; LEA COUNTY, NEW MEXICO.

CASE NO. 13354

CERTIFICATE OF NOTICE

In accordance with Division Rule 1207 (19.15.14.1207 NMAC) I hereby certify that notice of the October 7, 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:

Tahoe Energy Inc.
3909 West Industrial Avenue
Midland, TX 79703
Certified Mail No. 7099 3220 0009 7873 1322

Underwriters Indemnity Company
8 Greenway Plaza Suite 400
Houston, TX 77046
Certified Mail No. 7099 3220 0009 7873 1339

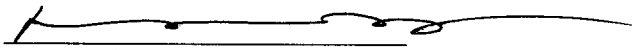
Ken Freeman
Tahoe Energy Inc.
11 Shamrock
Kimberling City, MO 65686
Certified Mail No. 7099 3220 0009 7873 1346

A copy of the notice with proof of receipt by Underwriters Indemnity Company is "Attachment A" to this certificate. No return receipt was received from Tahoe Energy Inc. or Ken Freeman. Copies of the returned envelopes are "Attachment B" to this certificate.

Because we were unable to locate Tahoe Energy Inc. or Ken Freeman after exercising reasonable diligence, notice was provided by publication in a newspaper of general circulation in Lea County, the county in which the property is located. A copy of the affidavit of publication from the Lovington Daily Leader is "Attachment C" to this certificate.


Gail MacQuesten

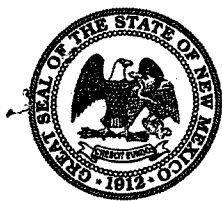
SUBSCRIBED AND SWORN to before me this 27th day of September, 2004.


Notary Public

My Commission Expires:

4/2/07

**Case No 13354
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

September 15, 2004

Tahoe Energy Inc.
3909 West Industrial Avenue
Midland, TX 79703
Certified Mail No. 7099 3220 0009 7873 1322

Underwriters Indemnity Company
8 Greenway Plaza Suite 400
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CASE NO. 13354: APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER REQUIRING TAHOE ENERGY INC. AND KENNETH A. FREEMAN DBA TAHOE ENERGY INC. TO BRING ONE WELL INTO COMPLIANCE WITH 19.15.4.201 NMAC, ASSESSING AN APPROPRIATE CIVIL PENALTY IN THE EVENT OF NON-COMPLIANCE, AUTHORIZING THE DIVISION TO PLUG SAID WELL AND ORDERING A FORFEITURE OF THE APPLICABLE PLUGGING BOND; LEA 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 Brownlee #1 well, API #30-025-04461 into compliance with Division rules by plugging and abandoning the well, securing temporary abandonment status for the well, or returning the well to a Division-approved beneficial use. A copy of the Application is enclosed.

A hearing on this application will take place before a Division hearing officer on Thursday, October 7, 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.

"Kenneth A. Freeman dba Tahoe Energy Inc." posted a \$50,000 blanket plugging bond, number BO2749, through Underwriters Indemnity Company, to secure the operator's obligation to plug and abandon the Brownlee #1 well, API #30-

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:
Underwriters Indemnity Company
8 Gr... Plaza, Suite 400
Houston, TX 77046

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) [Signature] ☐ Date of Delivery SEP 23 2004

C. Is delivery address different from item 1? ☐ Yes ☒ No

SEP 23 2004

OIL CONSERVATION

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 7099 3220 0009 7873 1339
(Transfer from service label)
PS Form 3811, August 2001 Domestic Return Receipt

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

First Name

Second Name

Return

PLACE STICKER AT TOP OF ENVELOPE
TO THE RIGHT OF RETURN ADDRESS.
FOLD AT DOTTED LINE

CERTIFIED MAIL

Tahoe Energy Inc.
3909 West Industrial Avenue
Midland, TX 79703

7099 3220 0009 7873 1322

79703+7970346429

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

PLACE STICKER AT TOP OF ENVELOPE
TO THE RIGHT OF RETURN ADDRESS.
FOLD AT DOTTED LINE

CERTIFIED MAIL

Ken Freeman
Tahoe Energy Inc.
11 Shamrock
Kimberling City, MO 65686

- RETURNED TO SENDER
- ☐ No Such Office in State
 - ☐ Returned for Better Address
 - ☐ Returned to Sender Due to Violation of False Representation Law
 - ☒ Not Deliverable as Addressed, Unable to Forward
 - ☐ Refused
 - ☐ Deceased
 - ☐ Insufficient Address

Attachment B

7099 3220 0009 7873 1346

STATE OF NEW MEXICO

)
) ss.

COUNTY OF LEA

SEP 20 2004

OIL CONSERVATION
DIVISION

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertisting Director of **THE LOVINGTON DAILY LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

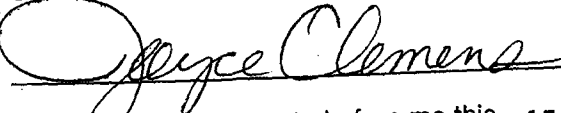
That the notice which is hereto attached, entitled

Legal Notice

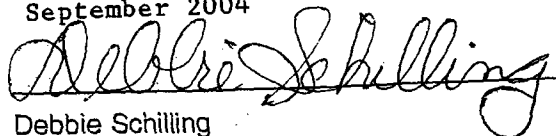
was published in a regular and entire issue of **THE LOVINGTON DAILY LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of September 16, 2004 and ending with the issue of September 16, 2004.

And that the cost of publishing said notice is the sum of \$48.84 which sum has been (Paid) as

Court Costs.



Subscribed and sworn to before me this 17th day of September 2004



Debbie Schilling

Notary Public, Lea County, New Mexico

My Commission Expires June 22, 2006

LEGAL NOTICE
NOTICE OF HEARING
STATE OF NEW MEXICO
ENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on October 7, 2004, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please con-

tact Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by September 28, 2004. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible format is needed.

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 13354

Application of the New Mexico Oil Conservation Division for a Compliance Order, Lea County, New Mexico. The Applicant seeks an order requiring Tahoe Energy Inc. and Kenneth A. Freeman dba Tahoe Energy Inc. to bring

one well into compliance with 19.15.4.201 N.M.S. by a date certain and the event of non-compliance, assessing a penalty, authorizing the Division to plug said well, and the applicant plugging security, and such other relief as the Director deems appropriate. The affected well is the Brownlee #1, AP 30-025-04461, Unit La P. Section 25, Towne 21 South, Range 36 E. in Lea County, New Mexico. The well is located approximately 3 m west of Eunice, New Mexico.

Given under the Seal of the State of New Mexico, the Oil Conservation Commission at Santa Fe, New Mexico on this 1 day of September, 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Mark E. Fesmire, P.
Division Director

SEAL

Published in Lovington Daily Leader September 16, 2004.