

MILLER STRATVERT

LAW OFFICES

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Stephen M. Williams
Stephan M. Vidmar
Seth V. Bingham
Timothy R. Briggs
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Deborah A. Solove
Gary L. Gordon
Lawrence R. White
Virginia Anderman
Marte D. Lightstone
J. Scott Hall
Thomas R. Mack
Thomas M. Domme

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Jeffrey E. Jones
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Bradley D. Tepper
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James R. Wood
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Ruth Fuess
H. Brook Laskey
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Randall J. McDonald
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Karen E. Wootton
Somer K. Chyz
Joseph L. Romero
Kelly A. Stone

Deron B. Knoner
Patricia A. Bradley
T. Aaron Garrett
Amy P. Hauser
Rebecca M. Alves
Alisa R. Wigley-DeLara

Of Counsel

William K. Stratvert
James B. Collins
Sharon P. Gross
Terri S. Beach
Robert D. Taichert

Reply to Albuquerque

500 Marquette N.W., Suite 1100
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Mailing Address:
P.O. Box 25687
Albuquerque, NM 87125-0687

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(505) 842-1950
(800) 424-7585
Facsimile: (505) 243-4408

June 28, 2006

New Mexico Oil Conservation Division
Attn: Clerk of Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Case No. 13711: Pre-Hearing Statement and Motion to Dismiss

Dear Ms. Davidson:

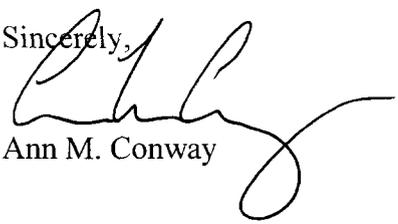
Enclosed please find (2) copies of the following:

1. Travelers Indemnity Company's Pre-Hearing Statement; and
2. Travelers Indemnity Company's Motion to Dismiss.

Please note that the three affidavits submitted on behalf of Frank Pannell, Tom Garber, and Earl Douglas are approved as correct statements by the affiants. The copies are attached as Exhibits E, F, and G of the Pre-Hearing Statement and the Motion to Dismiss. The signed originals will be immediately forwarded upon receipt.

Thank you for your attention to this matter.

Sincerely,


Ann M. Conway

AMC/ag
Enclosures

Cc: Will Jones, Hearing Examiner (w/enclosures)
David K. Brooks, Assistant General Counsel (w/enclosures)

P:\1-999\59\37144\Correspondence\jones^062806affidavit copies.doc

A PROFESSIONAL ASSOCIATION

ALBUQUERQUE
(505) 842-1950

FARMINGTON
(505) 326-4521

LAS CRUCES
(505) 523-2481

SANTA FE
(505) 989-9614

2006 JUN 29 AM 10 51

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

**PRE-HEARING STATEMENT IN RESPONSE TO THE NEW MEXICO OIL
CONSERVATION DIVISION'S NOTICE OF VIOLATION TO PLUG AND ABANDON
SAN SIMON STATE #6 WELL API 30-025-029839**

CASE NO. 13711

2006 JAN 29 AM 10 51

MOTION TO DISMISS

Respondents move for dismissal of New Mexico Oil Conservation Division case number 13711. The Respondents have no claim and have no connection to the well in dispute.

STATEMENT OF FACTS

1. The New Mexico Oil Conservation Division (OCD) sent Travelers Indemnity Company (Travelers), as the surety bond issuer, and Tempo Energy, Inc. (Tempo) a Notice of Violation for not plugging and abandoning San Simon State #6 Well, API 30-025-29839 on March 9, 2004. (Exhibits A and E)
2. The well in dispute is listed under OGRID 22212. (Exhibits A and E)
3. Tempo does not operate any wells under OGRID 22212. (Exhibits A and E)
4. Tempo only operates wells in New Mexico under OGRID 22223. (Exhibits A and E)
5. Tempo never owned, drilled, or operated the san Simon State #6 Well. (Exhibits E, F, and G)
6. Joe Peterson (Peterson) was an independent contractor hired to do drilling consulting for Tempo in New Mexico and Texas. (Exhibits C, F, and G)
7. Tempo never authorized nor gave any indication to Peterson that he could use Tempo's surety bond to drill any well in the San Simon area. (Exhibits F and G)

8. Peterson mistakenly, wrongfully, or fraudulently used Tempo's blanket plugging bond as financial security to drill the San Simon State #6 Well. (Exhibits B and H-N)

9. All correspondence with the OCD concerning the San Simon State #6 Well has a Hobbs, New Mexico return address. (Exhibits E, F, and G)

10. All correspondence with the OCD concerning the San Simon state #6 Well has Peterson Petroleum with Tempo either printed in by hand with no initials or in conjunction with Peterson Petroleum. (Exhibits B and H-N)

11. Neither tempo nor its surety bond issuer, Travelers, ever had any connection to or knowledge of the San Simon State #6 Well prior to receiving the Notice of Violation from the OCD on March 9, 2004. (Exhibits B, E-N)

12. Phillips Petroleum, the designated transporter for the San Simon State #6 Well, has no record of Tempo operating any property under API 30-025-29839. (Exhibits D and L)

13. Tempo has never had an address in New Mexico and all correspondence would have come out and been sent to Midland, Texas. (Exhibits E, F, and G)

POINTS AND AUTHORITIES

I. Dismissal of this matter is proper in this case because Tempo had no knowledge of or connection to the San Simon State #6 Well.

In New Mexico every oil and gas operator is required to maintain a financial guaranty on any well under its jurisdiction. NMSA 1978, § 70-2-14(A) (2005); NMAC 19.15.3.101. The financial guaranty is required to ensure that the well will be properly maintained and plugged and abandoned in an appropriate manner. NMSA 1978, § 70-2-14(A). The OCD is authorized to order the operator, surety, or both to plug and abandon a well that is not properly maintained. NMSA 1978, § 70-2-14(B) (2005). If the operator or issuer does not comply with the OCD order the financial assurance is forfeited. Id.

In addition, the NMAC requires “the operator of any well drilled for oil, gas or injection; for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof.” NMAC 19.15.4.201(A). The NMAC also requires that the OCD notify a well operator on a monthly basis via first class mail if any of its wells have been inactive for the past twelve months. NMAC 19.15.1.40 (B). The notice is sent to the address that the OCD has on file for the individual well. NMAC 19.15.3.100. Any well listed on the OCD’s inactive list for one year plus ninety days “creates a rebuttable presumption that the well is out of compliance.” NMAC 19.15.1.40(F)(2).

Tempo has no connection to the San Simon State #6 Well and denies all claims pertaining to the well. Exhibits E, F, and G. Tempo energy did not drill the San Simon State #6 Well and did not post their \$50,000 Blanket Plugging Bond to drill any well in the San Simon area of Lea County New Mexico. Exhibits E, F, and G. Tempo operates all of its wells in New Mexico under the OGRID 22223, while the well in contention is listed under OGRID 22212. Exhibits A and E. Peterson is the only signature on any correspondence with the OCD concerning the San Simon State #6 Well and Tempo’s name is either added in print, without any initials, or is listed along side Peterson Petroleum. Exhibits B and H-N. The Tempo address is wrong on all correspondence with the OCD over the San Simon State #6 Well; Tempo has only ever had an address in Midland, Texas. Exhibits A, B and E-N. Peterson is solely responsible for plugging and abandoning the well pursuant to NMAC 19.15.4.201(A) because he is the operator of the well. Exhibits A, B and E-N.

Moreover, Tempo was never notified that this well was on the inactive list because it did not drill or operate the well. Exhibits E, F, and G. In addition, Tempo has never had an address in New Mexico and would not have received any OCD notices because its address is and always has been in Midland, Texas. Exhibits E, F, and G.

CONCLUSION

Tempo did not drill the San Simon State #6 Well and denies all connections and claims to the well. The well was drilled after a former Tempo consultant mistakenly, wrongfully, or fraudulently took Tempo's blanket plugging bond information and submitted it as financial security to drill the well. Tempo never authorized Peterson to use its surety bond to drill the well or any other well in the San Simon area. Tempo was never notified of the well until March of 2004 when it received the OCD's Notice of Violation concerning the San Simon State #6 Well. Tempo never even knew of the well's existence and could not have known because it is located in Midland, Texas, and would not have received any correspondence from the OCD concerning the well because the address listed for the well's operator was in Hobbs, New Mexico.

WHEREFORE Travelers and Tempo request that the OCD dismiss with prejudice any action relating to the San Simon State #6 Well API 30-025-29839 because neither have any claim or connection to the well.

Exhibits:

1. Exhibit A: Copy of the Notice of Violation sent to Tempo dated March 9, 2004.
2. Exhibit B: Copy of the OCD Well Location and acreage Dedication Plat form for San Simon State #6 Well dated December 5, 1986.
3. Exhibit C: Copy of the letter sent to Chris Williams, OCD District 1 Supervisor, from Frank Pannell of Tempo dated March 26, 2004.
4. Exhibit D: Copy of a fax sent to Frank Pannell of Tempo from Phillips Petroleum's Title Advisor, David Eubank.
5. Exhibit E: Affidavit of Frank Pannell.
6. Exhibit F: Affidavit of Tom Garber.
7. Exhibit G: Affidavit of Earl Douglas.

8. Exhibit H: OCD Application for Permit to Drill, Deepen, or Plug Back for the San Simon State #6 Well dated January 13, 1987.
9. Exhibit I: Texas Oil and Gas Division Inclination Report for the San Simon State #6 Well dated January 28, 1987.
10. Exhibit J: OCD Sundry Notice for the San Simon State #6 Well dated February 9, 1987.
11. Exhibit K: OCD Well Completion or Recompletion Report and Log for the San Simon State #6 Well dated July 13, 1987.
12. Exhibit L: OCD Request for Allowable and Authorization to Transport Oil and Natural Gas dated October 1, 1987.
13. Exhibit M: OCD Sundry Notice showing Peterson's intent to temporarily abandon the San Simon State #6 Well dated October 16, 1987.
14. Exhibit N: OCD Sundry Notice showing Peterson's intent to plug and abandon the San Simon State #6 Well dated September 24, 1990.

Respectfully submitted,

MILLER STRATVERT P.A.

By


ANN M. CONWAY

Attorney for Travelers Indemnity Company

P.O. Box 25687

Albuquerque, New Mexico 87125

(505) 842-1950

(505) 243-4408 Fax



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

COPY

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

3/9/04

Tempo Energy
POB 1034
Midland, Texas 79701

Ref: San Simon State #6, API 30-025-29839

Notice of Violation

To Whom It May Concern:

It has come to my attention that this well is seriously out of compliance. The well has intent to plug dated 9/24/90 submitted by Tempo Energy. The well has not been plugged. Buddy Hill has made several attempts to reconcile this problem with your company. Tempo Energy has had three letters sent about this well. Tempo Energy has 30 days to plug and abandon this well. If it is not plugged, Tempo Energy will be scheduled for hearing to show cause why Tempo Energy has not completed the work needed. This well is under OGRID 22212, but the bond on this well is under OGRID 22223. It is Tempo Energy responsibility to bring this well into compliance.

Tempo Energy can be subject to penalties up to \$1000.00/day per violation/well from the date of this letter.

Sincerely

Chris Williams
NMOCD District 1 Supervisor

Oil Conservation Division * 1625 N. French Drive * Hobbs, New Mexico 88240
Phone: (505) 393-6161 * Fax (505) 393-0720 * <http://www.emnrd.state.nm.us>

Exhibit A

①

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Supersedes O-
Effective 1-1-66

All distances must be from the outer boundaries of the Section

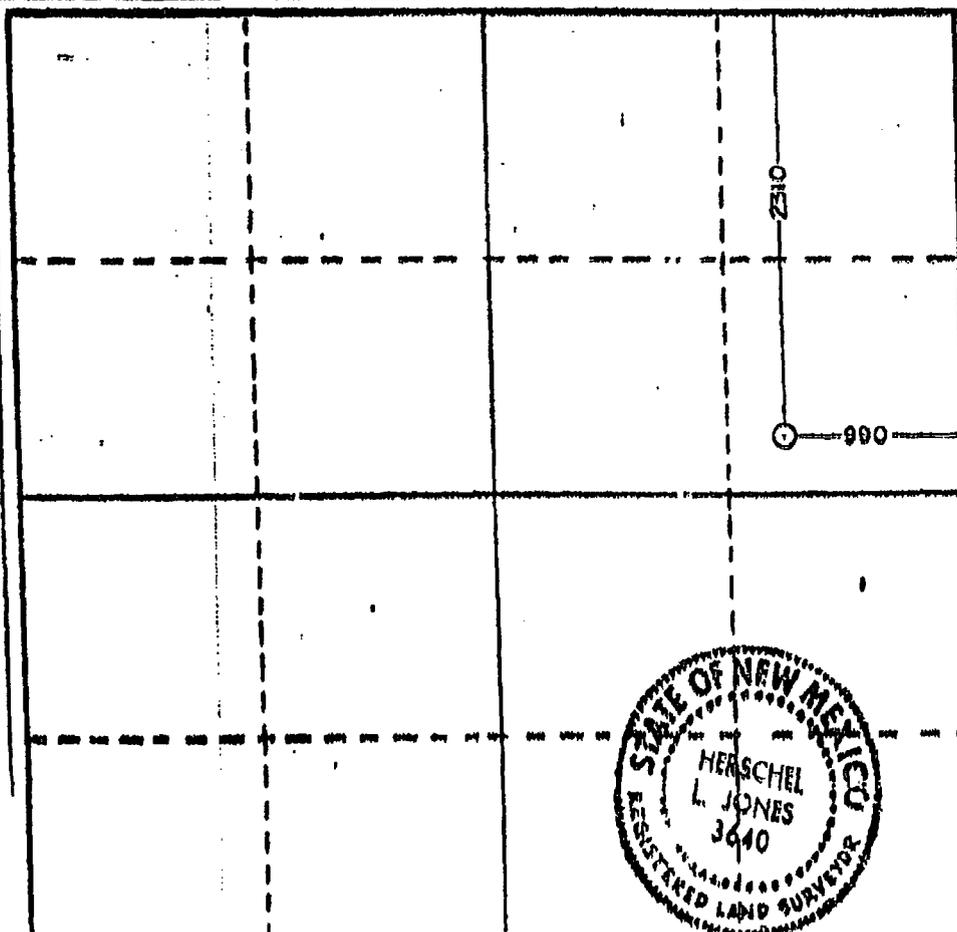
Operator TEMPO ENERGY INC / PETERSON-PETROLEUM		Location SAN SIMON STATE			Well No. 6
Unit Letter HHH	Section 4	Township 22 South	Range 35 East	County Lea	
Actual Footings (Location of Well):					
2310	feet from the North	(line and	990	feet from the East	line
Ground Level Elev. 3610.5	Underlying Formation Yates	Depth	Sun Simon Yates		Dedicated Acreage 1/3 ACR

1. Outline the acreage dedicated to the subject well by colored pencil or hashure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, forced-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side this form if necessary.) _____

No allowable well be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name *Herschel L. Jones*
 Position *Registered Land Surveyor*
 Company *Tempo Energy*
 Date *1-16-87*

I hereby certify that the well location shown on this plat was plotted from the notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my knowledge and belief.

This Surveyed *December 5, 1986*
 Registered Professional Engineer and/or Land Surveyor

Tempo Energy, Inc.

PO Box 1034
Midland TX 79702

(432) 689-2951

March 26, 2004

Chris Williams
NMOCD District I Supervisor
Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

Re: San Simon State # 6
API 30-025-29839

Mr. Williams:

Tempo Energy, Inc. of Midland, Texas does not own, operate, have any interest in, nor did we drill the above mentioned well.

At this time we have concluded that the driller of the well, Joe Peterson dba Peterson Petroleum Company, fraudulently used Tempo Energy, Inc.'s surety bond to drill the above referenced well as evidenced by documents retrieved from your website. Mr. Peterson had access to the bond information due to the fact that he did work as a consultant to Tempo Energy, Inc. on drilling wells in New Mexico and Texas from 1983 until 1986 when he was terminated for cause.

In looking at the documents retrieved from your website we found the following irregularities (each number signifies corresponding document):

- 1) On well location and acreage dedication plot in the name of Peterson Petroleum, a certified document, the typed name of Peterson Petroleum is marked through and Tempo Energy Inc is hand written beside it, no initial of change by anyone.
- 2) On the Application to Drill, filed under Tempo energy, Inc/ Peterson Petroleum Company (with the latter lined out with no initials) the mailing address is listed as PO Box 5509 Hobbs, NM 88241-5509. Tempo energy, Inc. has never had an office in the State of New Mexico, and all correspondence would have originated from the Midland, TX office. This document was submitted by Joe D. Peterson.
- 3) On the Inclination report submitted by James Brazeal dba Capstar Drilling, another notarized document, the operator typed onto the form is Peterson Petroleum Company, which is again lined out and has handwritten Tempo Energy, Inc. This change also is not initialized by anyone on the notarized document.
- 4) The OCD Sundry Notice form is filled out and signed by Joe D. Peterson with a return address of Hobbs, NM.
- 5) The OCD Well Completion Report shows Tempo Energy, Inc./Peterson Petroleum Company, with the latter lined out and the Hobbs, NM mailing address. The form is again signed by Joe D. Peterson.
- 6) WRS Completion report shows Tempo Energy.
- 7) OCD Request for allowable submitted under Tempo Energy, Inc./Peterson Petroleum Company (latter scratched out) with the Hobbs, NM return address.

March 26, 2004

- 8) OCD Sundry Notice form submitted in the name of Tempo Energy/Peterson Petroleum Company (someone failed to scratch out the latter on this one) with the Hobbs, NM return address, signed by Joe D. Peterson.
- 9) OCD Sundry Notice from under the name Tempo Energy (someone penciled in the Inc) filed by Guy Baber of intent to P&A with operator address of Hobbs, NM.
- 10) A fax received from Mr. David Eubank, Title Advisor for Conoco/Phillips showing they have no record of a property under this API number operated by Tempo Energy, Inc.

Tempo Energy, Inc. contacted Mr. Guy Baber, Sr. (80 years old) who stated that he may have filed the paperwork but had no recollection of the document and did not know who Tempo Energy, Inc. was. I described to him the conditions of the well site as told to me by Mr. Buddy Hill about 2 years ago. Mr. Baber stated that someone should prosecute Mr. Peterson for leaving a well in that condition.

Tempo Energy also contacted Mr. James Brazeal, dba Capstar Drilling, who stated that the well was drilled for Joe D. Peterson of Peterson Petroleum Company and that Mr. Peterson had not paid them for their services.

In addition, Tempo Energy also contacted Mr. David Eubank with Conoco/Phillips in Oklahoma and he could find no record of the API number for the well, nor any listing for the well under either Peterson or Tempo per attached copy of fax.

Tempo Energy, Inc. has never had an office in New Mexico, did not drill, operate, or have any financial interest in the referenced well and feel that this was a case of identity theft. Whereas, Joe Peterson used the system to drill a well by taking Tempo Energy, Inc.'s name and bond number and used them to file and get approval to drill this well without Tempo's knowledge or approval. Obviously this fell through the cracks early on as Tempo was not contacted regarding use of the bond or the abnormal use of its name in conjunction with another operator. All the forms that were filed were done so with the Hobbs, NM return address, to which Tempo would have no knowledge of any correspondence sent to that address. Tempo Energy, Inc. has always contacted the OCD by phone and in writing when this matter has arisen. Tempo has always maintained that The San Simon State # 6 was not drilled, operated, or even co-drilled by Tempo. Tempo Energy's name got put on the well fraudulently and the well carries a different OGRID number than the one that Tempo operates every one of our wells under.

In summation, it appears that nearly every document associated with this well has originated in Hobbs, NM with Tempo Energy's name either penciled in or co-listed with Peterson Petroleum Company. Seeing as how Tempo Energy, Inc. has never had an office or even a PO Box in New Mexico, I think it is clear that this is a case of corporate identity theft, in that Joe Peterson illegally obtained and used Tempo Energy's name and surety bond to avoid liability for his own company to drill this well.

Sincerely,

Frank Pannell
VP Operations, Tempo Energy, Inc.

(10)

Frank Pennell Tues 3/23/04
Re: SAN SIMON St Well ~~6111~~
API 30-025-29839
FAX# (432) 689-4811

Frank,

Per our telephone conversation
I checked API 30-025-29839
& ConocoPhillips systems
did not pull up any properties.
Call if I can be of further
assistance. Thanks

David Eubank
ConocoPhillips
RPA
DP
Title Advisor
Phone - 918 661 0986

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

CASE NO. 13711

AFFIDAVIT OF FRANK PANNELL

I, FRANK PANNELL, hereby swear and affirm that:

1. I am over the age of eighteen (18) and competent to give this affidavit.
2. I am a party-in-interest in this matter.
3. I am currently the Vice President of Operations at Tempo Energy, Inc., which is located in Midland, Texas.
4. Tempo has never had an address in New Mexico.
5. All the addresses listed on the forms filed for the San Simon State #6 Well, API 30-025-029839 state a Hobbs, New Mexico return address.
6. Tempo did and does not own, operate, have any interest in, nor did it drill the above mentioned well.
7. The above mentioned well is listed under OGRID 22212 but Tempo only operates wells in New Mexico under OGRID 22223.
8. The New Mexico Oil Conservation Division (OCD) sent Tempo a Notice of Violation dated March 9, 2004.
9. The violation was in reference to the San Simon State #6 Well.
10. I sent a letter dated March 26, 2004 to Chris Williams, OCD District 1 Supervisor, at 1625 N. French Drive Hobbs, New Mexico 88240 disputing Tempo's connection to the well.

11. A true and correct copy of this letter with attachments (10) is attached as exhibit
"A."

Further Affiant sayeth not.

FRANK PANNELL

SUBSCRIBED AND SWORN TO before me this day of June, 2006, by FRANK
PANNELL.

Notary Public

My Commission Expires:

Tempo Energy, Inc.

PO Box 1034
Midland TX 79702

(432) 689-2951

March 26, 2004

Chris Williams
NMOCD District I Supervisor
Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

Re: San Simon State # 6
API 30-025-29839

Mr. Williams:

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COPY

March 26, 2004

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In summation, it appears that nearly every document associated with this well has originated in Hobbs, NM with Tempo Energy's name either penciled in or co-listed with Peterson Petroleum Company. Seeing as how Tempo Energy, Inc. has never had an office or even a PO Box in New Mexico, I think it is clear that this is a case of corporate identity theft, in that Joe Peterson illegally obtained and used Tempo Energy's name and surety bond to avoid liability for his own company to drill this well.

Sincerely,

Frank Pannell
VP Operations, Tempo Energy, Inc.

1

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Supersedes O-
Effective 1-1-6

All distances given by from the outer boundaries of the Section

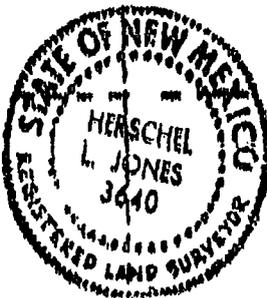
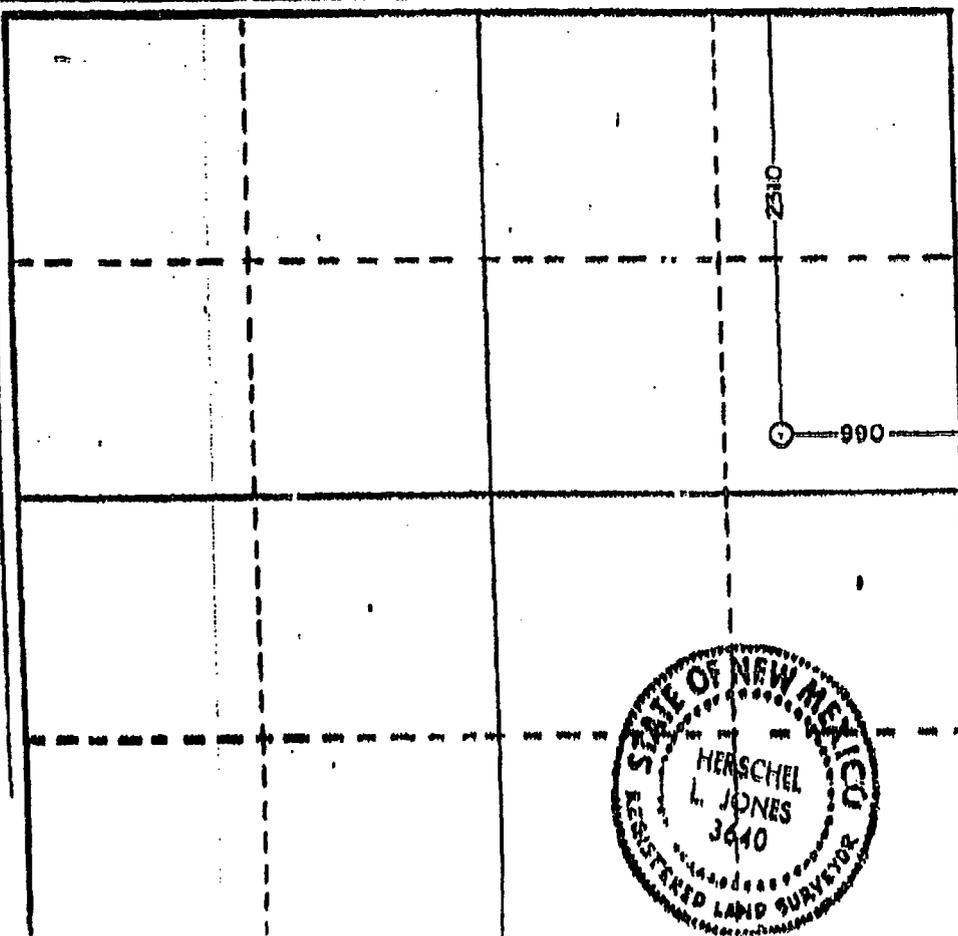
Operator TEMPO ENERGY INC / PETERSON PETROLEUM		Location SAN SIMON STATE		Well No. 6
Unit Letter 1111	Section 4	Township 22 South	Range 35 East	County Lea
Actual Well Location of Well: 2310 feet from the North line and 990 feet from the East line				
Ground Level Elev. 3610.5	Producing Formation Yucca	Depth Sun Simon water	Redeemed Acreage 113	Ac

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to work interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side this form if necessary.) _____

No allowable well be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating each interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name *Carl Peterson*
 Position *Communitization Agent*
 Company *Tempo Energy*
 Date *1-16-87*

I hereby certify that the well location shown on this plat was plotted from the notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed *December 2, 1986*
 Registered Professional Engineer and/or Land Surveyor

STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENT

CONSERVATION DIVISION
P. O. BOX 2068
SANTA FE, NEW MEXICO 87501

30-025-298
Form O-101
Revised 10-1-78

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

(2)

5A. Indicate Type of Lease
STATE FEDERAL

5B. State Oil & Gas Lease No.
LG-4234

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work
Type of Well DRILL DEEPEN PLUG BACK
Oil Well GAS WELL OTHER SINGLE LEG MULTIPLE LEG

7. Unit Agreement Name

Name of Operator
Tempo Energy, Inc. / -Peterson Petroleum Company

8. Firm or Lease Name
San Simon State

Address of Operator
P.O. Box 5509 Hobbs, N.M. 88241-5509

9. Well No.
6

Location of Well
UNIT LETTER "H" LOCATED 2310 FEET FROM THE North LINE
990 FEET FROM THE East LINE OF SEC. 4 TWP. 22-S. REG. 35-E NMPM

10. Field and Pool, or Wildcat
San Simon (Yates)

17. County
Lea

19. Proposed Depth 4200'	19A. Formation Yates	20. Rotary or O.T. Rotary
21. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor CapStar Drilling	22. Approx. Date Work will start 1-15-87

23. Elevations (Show whether DR, RT, etc.)
3610.5 GL

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	BACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	28#/	330'	290	Surface
7 7/8"	5 1/2"	15 1/2#/	4200'		Surface

PROPOSAL

Drill 12 1/4" hole to approx. 330', Run casing to bottom and cement w/290ax of HI-Early II w/2% Ca. Cl.

After 18 hrs. W.O.C. pressure test to 1000 PSI, resume drilling to 4200', log and run casing to T.D.. Cement w/800 ax lite-wt. #3, w/5# salt per ax., tail-in 100ax Class C Neat w/2% Ca. Cl. and 2# salt per sack.

1-BOP Cameron Space Saver 3000# 10"

DO NOT SIGN BELOW PROPOSED PROGRAM! IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW ZONE. GIVE SLOWDOWN PREVENTION PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Paul Kauts This Consulting Agent Date 1-13-87

APPROVED BY Paul Kauts Geologist TITLE DATE JAN 13 1987

REMARKS OR APPROVAL, IF ANY:

STATE OF TEXAS)
COUNTY OF COLLIN)

The attached instrument was acknowledged before me on the
28th day of Jan, 1987 by James L. Brazeal as
President of BRAZEAL, INC. - d/b/a CAPSTAR DRILLING.



PAULA CARLISLE
NOTARY PUBLIC STATE OF TEXAS
COMMISSION EXPIRES 1-11-89

Paula Carlisle
Notary Public

My commission expires:

1-11-89

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2086
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10

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4

10. Indicate Type of Lease
State Fee
11. State Oil & Gas Lease No.
LG-4234

SUNDRY NOTICES AND REPORTS ON WELLS
DO NOT USE THIS FORM FOR NOTICES TO DRILL OR TO CEASE OR PLUG BACK TO A DIFFERENT RESERVOIR.
SEE RULES FOR FILING OF SUCH NOTICES (7-2-81) FOR SUCH PROCEEDINGS.

12. Unit Agreement Name
OIL WELL GAS WELL OTHER

13. Name of Operator
TEMPO ENERGY, INC. / c/o PETERSON PETROLEUM COMPANY

14. Address of Operator
P.O. BOX 5509 HOBBS, N.M. 88241-5509

15. Location of Well
UNIT LETTER "H", 2310 FEET FROM THE North LINE AND 990 FEET FROM

THE East LINE, SECTION 4 TOWNSHIP 22-S RANGE 35-E N.M.P.M.

16. Elevation (Show whether DF, RT, GR, etc.)
3610.5 GL

17. County
Lea

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
FORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPER. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
LOG OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	OTHER <input type="checkbox"/>

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1703.

Spudded 1-19-87, drilled 12 1/4" hole to 352', ran 9 5/8" 40# casing to 352', cemented w/110 sx Class "C" and 2% cacl and circulated 38 sx cement.

Drilled 7 7/8" hole to 4103', ran Spectral Density Dual Spaced Neutron Log with GammaRay & Caliper Log. (attached)

Ran 5 1/4" 17# casing to 4103' w/latch-down plug in guideshoe, cemented w/1000 sx filler and 200 sx Class "C" w/2% cacl.

WOC 18 hrs. on surface, tested 1500#, held for 30 mins. no pressure drop, resume drilling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

JERRY SEXTON
TITLE CONSULTANT/AGENT
DATE 2-9-87

ORIGINAL SIGNED BY JERRY SEXTON

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-105
Revised 10-1-78

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WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Indicate Type of Lease
State Fee

1b. State Oil & Gas Lease No.
LG-4234

1c. TYPE OF WELL
OIL WELL GAS WELL DRY OTHER

1d. TYPE OF COMPLETION
NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RESERV. OTHER

1e. Name of Operator
Tempo Energy, Inc. / ~~Peterson Petroleum Company~~

1f. Address of Operator
P.O. Box 5509 Hobbs, N.M. 88241-5509

1g. Location of Well

7. Well Agreement Name

8. Form or Lease Name
San Simon State

9. Well No.
6

10. Field and Pool, or Wildcat
Yates (Associate)

11. LOCATION LETTER H LOCATED 2310 FEET FROM THE North LINE AND 990 FEET FROM
the East LINE OF SEC. 4 TWP. 22-S R. 35-E

12. County
Lea

13. Date Spudded 1-19-87 14. Date T.D. Reached 1-27-87 17. Date Compl. (Ready to Prod.) 7-13-87 18. Elevations (DF, RKB, RT, GR, etc.) 3615 KB 19. Elev. Casinghead 3612

20. Total Depth 4103 21. Plug Back T.D. 4100 22. If Multiple Compl., How Many XXX 23. Intervals Drilled By: Rotary Tools XXX Cable Tools XXX

24. Producing Interval(s), of this completion - Top, Bottom, Name
Yates 3892-3964 4020-4065 25. Was Directional Run Made yes

26. Type Electric and Other Logs Run
Welex-Spectral Density Dual Spaced Neutron Log (attached) 27. Was Well Cored No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9 5/8"	40#	352'	12 1/4"	100sx	None
5 1/2"	17#	4103'	7 7/8"	1000sx filler 200sx Class C	None

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

30. TUBING RECORD

SIZE	DEPTH SET	PACKER SET

31. Perforation Record (Interval, size and number)

Interval	Size	Number
3892-3906	1 1/2"	15 holes
3928-3931	4"	4 holes
3938-3942	4"	4 holes
3947-3952	5"	5 holes
3958-3964	7"	7 holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
4020-4068	1500 gal 7 1/2% MSR
3892-3964	3000 gal 5% MSR
3892-4068	55,000# 12/20-32000gal fc and N ²

33. PRODUCTION
Date First Production 7-10-87 Production Method (Flowing, gas lift, pumping - Size and type pump) PUMPING Well Status (Prod. or Shut-in) Prod.

Date of Test 7-13-87 Hours Tested 24 Choke Size 8 Oil - Bbl. 8 Gas - MCF 25 Water - Bbl. 80 Gas - Oil Ratio 38

Flow Tubing Press. 100 Casing Pressure 15 Calculated 24-Hour Rate 8 Oil - Bbl. 8 Gas - MCF 25 Water - Bbl. 26 Oil Gravity - API (Corr.) 38

34. Disposition of Gas (sold, used for fuel, vented, etc.) Vented Produced by Peterson

35. List of Attachments
Log

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

6

WELL COMPLETION REPORT
SEC 4 TWP 22S RGE 35E
30-025-29839-0000 PAGE 1

NMEX LEA * 2310FNL 990FEL SEC SE NE
STATE COUNTY FOOTAGE SPOT
TEMPO ENERGY D DO
OPERATOR WELL CLASS INT FIN
6 SAN SIMON STATE
WELL NO. LEASE NAME
3615KB 3604GR SAN SIMON
OPER ELEV FIELD/POOL AREA
API 30-025-29839-0000
LEASE TYPE/NO. PERMIT OR WELL I.D. NO
01/19/1987 07/13/1987 ROTARY OIL
SPUD DATE COMP. DATE TYPE TOOL STATUS
4200 YATES CAPSTAR 2 RIG SUB 10
PROF. DEPTH FORM CONTRACTOR
DTD 4103 PB 4100 FN/TD YATES
DRILLERS T.D. LOG T.D. PLUG BACK TO OLD T.D. FORM T.D.

LOCATION DESCRIPTION

10 MI SW EUNICE, NM

CASING/LINER DATA

CSG 9 5/8 @ 352 W/ 100 SACKS
CSG 5 1/2 @ 4103 W/ 1200 SACKS

TUBING DATA

TBG 2 3/8 AT 3989

INITIAL POTENTIAL

IPF 8BOPD 25 MCFD 80BM 24HRS
YATES PERP W/ 52/IT 3892- 4065 GROSS
PERF 3892- 3906 3928- 3931 3938- 3942 3947- 3952
PERF 3958- 3964 4020- 4022 4034- 4068
ACID 3892- 4068 4500GALS
SPFR 3892- 4068 32000GALS 55000LBS SAND
ADDVTN TGN

12/20
QTY 38.0

GOR (NR)

TYPE	FORMATION	LTH	TOP	DEPTH/SUB	BSK	DEPTH/SUB
LOG	SALT		1800	1815	3620	-5
LOG	YATES		3872	-257		

CONTINUED IC# 300257001187

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Petroleum
Information Corporation

Petroleum Information

PI-WRS
Form W

DBB a subsidiary of
The Donlin-Bradstreet Corporation

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form O-104
Revised 10-01-78
Format 06-01-83
Page 1

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TRANSPORTER	<input type="checkbox"/> OIL <input type="checkbox"/> GAS
OPERATOR	
PRODUCTION OFFICE	

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I. Operator:
Tempo Energy, Inc. / ~~Peterson Petroleum Company~~

Address:
P.O. Box 5509 Hobbs, N.M. 88241-5509

Reason(s) for filing (Check proper box):
 New Well
 Recompletion
 Change in Ownership

Change in Transporter of:
 Oil
 casinghead Gas
 Dry Gas
 Condensate

Other (Please explain):
CASINGHEAD GAS MUST NOT BE FLARED AFTER 10-1-87 UNLESS AN EXCEPTION TO R-407 IS OBTAINED.

THIS WELL HAS BEEN PLACED IN THE POOL DESIGNATED BELOW. IF YOU DO NOT CONCUR NOTIFY THIS OFFICE.

If change of ownership give name and address of previous owner _____

II. DESCRIPTION OF WELL AND LEASE R-8513 10/1/87

Lease Name San Simon State	Well No. 6	Pool Name, including Formation Undesignated (Yates)	Kind of Lease State, Federal or Free State	Lea LG-
--------------------------------------	----------------------	---	---	-------------------

Location:
 Unit Letter **H**, **2310** Feet From The **North** Line and **990** Feet From The **East**
 Line of Section **4** Township **22-S** Range **35-E**, NMPM, Lea **c**

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Phillips Petroleum Company (Trucks)	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> Phillips Natural Gas Company	Address (Give address to which approved copy of this form is to be sent)

If well produces oil or liquids, give location of tanks. Unit **H** Sec. **4** Twp. **22-S** Rge. **35-E** Is gas actually connected? When _____

If this production is commingled with that from any other lease or pool, give commingling order number: _____

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.



 CONSULTANT/AGENT

 AUGUST 4, 1987

 (Date)

OIL CONSERVATION DIVISION

APPROVED 10/2/1987, 19____

BY ORIGINAL SIGNED BY JERRY SEXTON
 TITLE DISTRICT 1 SUPERVISOR

This form is to be filed in compliance with RULE 1104. If this is a request for allowable for a newly drilled or old well, this form must be accompanied by a tabulation of the data taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for able on new and recompleted wells.

Fill out only Sections I, III, and VI for changes of well name or number, or transporter, or other such change of con

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-

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OPERATOR	

8

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator TEMPO ENERGY, INC./PETERSON PETROLEUM COMPANY	8. Form or Lease Name SAN SIMON STATE
3. Address of Operator P.O. BOX 5509 HOBBS, N.M. 88241-5509	9. Well No. 6
4. Location of Well UNIT LETTER "H" 2310 FEET FROM THE North LINE AND 990 FEET FROM THE East LINE, SECTION 4 TOWNSHIP 22-S RANGE 35-E NMPM.	10. Field and Pool, or Wildcat SAN SIMON YATES
15. Elevation (Show whether DF, RT, GR, etc.) 3610.5 GL	12. County Lea

16.

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input checked="" type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1109.

Production is low and not economical at this time.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED

J. Peterson

TITLE

CONSULTING AGENT

DATE

10-16-87

Submit 3 Copies
to Appropriate
District Office

9

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer PD, Artesia, NM 88210

DISTRICT III
1000 Rio Blanco Rd., Artesia, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

SEP 26 '90

O. C. D.

WELL API NO. 30-025-29839
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> PER <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SAN SIMON STATE #
8. Well No. 6
9. Pool name or Wildcat SAN SIMON

SUNDRY NOTICES AND REPORTS ON WELLS ARTESIA, OFFICE
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL GAS WELL OTHER

2. Name of Operator
TEMPO ENERGY Inc

3. Address of Operator
HOBBS, NEW MEXICO 88240

4. Well Location
Unit Letter H : 2310 Feet From The N Line and 990 Feet From The E Line
Section 4 Township 22S Range 35E NMPM LEA County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3660 GL.

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

1. M.I.R.V., Set 5 1/2 B.P. @ 3800'.
2. Run Bailer Dump 5 sk. cement.
3. P.U. 2 3/8 tbg. and circulate hole w/mud @ 3800'.
4. Set 20 sk. plug @ 400'.
5. Set 5 sk. plug @ surface.
6. Install dry hole marker. Rig down.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Guy Baber TITLE AGENT DATE 9-24-90

TYPE OR PRINT NAME GUY BABER TELEPHONE NO. 505-397-35

(This space for State Use)
APPROVED BY _____ TITLE _____ DATE _____

(10)

Frank Pennell Tues 3/23/04
Re: SAN SIMON St Well ~~6711~~
API 30-025-29839
FAX# (432) 689-4811

Frank,

Per our telephone conversation
I checked API 30-025-29839
& ConocoPhillips Systems
did not pull up any properties.
Call if I can be of further
assistance. Thanks

David Eubank
ConocoPhillips
RPA
DD

Title Advisor
Phone - 918 661 0986

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

CASE NO. 13711

AFFIDAVIT OF TOM GARBER

I, TOM GARBER hereby swear and affirm that:

1. I am over the age of eighteen (18) and competent to give this affidavit.
2. I was the former President of Tempo Energy, Inc. (Tempo) from its inception until the early 1990s.
3. Tempo did not own, drill, operate or have any interest in the San Simon State #6 Well, API 30-025-029839 in Hobbs, New Mexico.
4. Tempo never had an address in New Mexico.
5. Joe Peterson (Peterson) was an independent contractor that worked as a drilling consultant. He was never an employee of Tempo's.
6. Peterson was never authorized to drill a well in the San Simon area using any surety bond secured by Tempo.
7. Peterson was never given any indication, implicit or explicit, that he was authorized to use a surety bond secured by Tempo to dig a well in the San Simon area.

Further Affiant sayeth not.

TOM GARBER

SUBSCRIBED AND SWORN TO before me this day of June, 2006, by
TOM GARBER.

Notary Public

My Commission Expires:

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

CASE NO. 13711

AFFIDAVIT OF EARL DOUGLAS

I, EARL DOUGLAS, hereby swear and affirm that:

1. I am over the age of eighteen (18) and competent to give this affidavit.
2. I was the former Vice President and Treasurer of Tempo Energy, Inc. (Tempo) from its inception until the early 1990s.
3. Tempo did not own, drill, operate or have any interest in the San Simon State #6 Well, API 30-025-029839 in Hobbs, New Mexico.
4. Tempo never had an address in New Mexico.
5. All correspondence with Tempo would have originated and been returned to Midland, Texas.
6. Joe Peterson (Peterson) was an independent contractor that worked as a drilling consultant. He was never an employee of Tempo's.
7. Peterson was never authorized to drill a well in the San Simon area using any surety bond secured by Tempo.
8. Peterson was never given any indication, implicit or explicit, that he was authorized to use a surety bond secured by Tempo to dig a well in the San Simon area.
9. Peterson had a history of doing jobs independent of Tempo where he charged materials to Tempo's account(s) with the material suppliers.
10. Peterson was never authorized to purchase materials on Tempo's credit from suppliers when he did jobs independent of Tempo.

Further Affiant sayeth not.

EARL DOUGLAS

SUBSCRIBED AND SWORN TO before me this day of June, 2006, by
EARL DOUGLAS.

Notary Public

My Commission Expires:

STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENT

CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

30-625,298
Form O-101
Revised 10-1-78

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(2)

6A. Indicate Type of Lease
STATE FEDERAL
B. State Oil & Gas Lease No.
LG-4234

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work
Type of Well DRILL DEEPEN PLUG BACK
Oil Well Gas Well OTHER SINGLE ZONE MULTIPLE ZONE
Name of Operator
Tempo Energy, Inc. / -Peterson-Petroleum-Company

7. Unit Agreement Name
8. Firm or Lease Name
San Simon State
9. Well No.
6

Address of Operator
P.O. Box 5509 Hobbs, N.M. 88241-5509

10. Field and Pool, or Wildcat
San Simon (Yates)

Location of Well UNIT LETTER "H" LOCATED 2310 FEET FROM THE North LINE
990 FEET FROM THE East LINE OF SEC. 4 TWP. 22-S. REG. 35-E NMPM

11. County
Lea

10. Proposed Depth 4200'	10A. Formation Yates	10. Rotary or C.T. Rotary
-----------------------------	-------------------------	------------------------------

11. Elevations (show whether DR, RT, etc.) 3610.5 GL	11A. Kind & Status Plug. Bond Blanket	11B. Drilling Contractor CapStar Drilling	11. Approx. Date Work will start 1-15-87
---	--	--	---

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOI
12 1/2"	8 3/8"	28#	330'	290	Surface
7 7/8"	5 1/2"	15 1/2#	4200'		Surface

PROPOSAL

Drill 12 1/2" hole to approx. 330', Run casing to bottom and cement w/290sx of Hi-Early II w/2% Ca. Cl.

After 18 hrs. W.O.C. pressure test to 1000 PSI, resume drilling to 4200', log and run casing to T.D.. Cement w/800 sx lite-wt. #3, w/5# salt per sx., tail-in 100sx Class C Neat w/2% Ca. Cl. and 2# salt per sack.

1-BOP Cameron Space Saver 3000# 10"

LOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW ONE. GIVE BLOWBY PREVENTER PROGRAM, IF ANY.

by certify that the information above is true and complete to the best of my knowledge and belief.

Paul Kauts This Consulting Agent Date 1-13-87

(Title and Signature)
Paul Kauts
Geologist

APPROVED BY _____ TITLE _____ DATE JAN 13 1987

CONDITIONS OF APPROVAL, IF ANY:

STATE OF TEXAS)
COUNTY OF COLLIN)

The attached instrument was acknowledged before me on the
28th day of Jan, 1987 by James L. Brazeal as
President of BRAZEAL, INC. - d/b/a OAPSTAR DRILLING.



PAULA CARLISLE
NOTARY PUBLIC STATE OF TEXAS
COMMISSION EXPIRES 1-11-89

Paula Carlisle
Notary Public

My commission expires:

1-11-89

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10

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5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.
LG-4234

SUNDRY NOTICES AND REPORTS ON WELLS
DO NOT USE THIS FORM FOR NOTICES OR REPORTS ON WELLS IN A DIFFERENT RESERVOIR.
USE THIS FORM FOR NOTICES OR REPORTS ON WELLS IN A DIFFERENT RESERVOIR.

6. Unit Agreement Name

7. Name of Operator
TIMPO ENERGY, INC. / c/o PETERSON PETROLEUM COMPANY

8. Address of Operator
P.O. BOX 5509 HOBBS, N.M. 88241-5509

9. Location of Well
UNIT LETTER "H" 2310 FEET FROM THE North LINE AND 990 FEET FROM
THE East LINE, SECTION 4 TOWNSHIP 22-S RANGE 35-E NMPM.

6. Form or Lease Name
SAN SIMON STATE

7. Well No.
6

8. Field and Pool, or Without
Undersigned

15. Elevation (Show whether DP, RT, GR, etc.)
3610.5 GL

18. County
Lea

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK PLUS AND ABANDON REMEDIAL WORK ALTERING CASING
 TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPER. PLUS AND ABANDONMEN
 LL OR ALTER CASING OTHER CASING TEST AND CEMENT JOB OTHER

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any pro work) SEE RULE 1703.

Spudded 1-19-87, drilled 12 1/4" hole to 352', ran 95/8" 40# casing to 352', cemented w/110 sx Class "C" and 2% cacl and circulated 38 sx cement.

Drilled 7 7/8" hole to 4103', ran Spectral Density Dual Spaced Neutron Log with GammaRay & Caliper Log. (attached)

Ran 5 1/2" 17# casing to 4103' w/latch-down plug in guideshoe, cemented w/1000 sx filler and 200 sx Class "C" w/2% cacl.

WOC 18 hrs. on surface, tested 1500#, held for 30 mins. no pressure drop, resume drilling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed: Jerry Sexton TITLE: CONSULTANT/AGENT DATE: 2-9-87

ORIGINAL SIGNED BY JERRY SEXTON

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

NO. OF COPIES RECEIVED	
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FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.
LG-4234

7. Unit Agreement Name

8. Farm or Lease Name
San Simon State

9. Well No.
6

10. Field and Pool, or Wildcat
Yates (Associate)

12. County
Lea

10. TYPE OF WELL
OIL WELL GAS WELL DRY OTHER

11. TYPE OF COMPLETION
NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. REVR. OTHER

13. Name of Operator
Tempo Energy, Inc. / ~~Peterson Petroleum Company~~

14. Address of Operator
P.O. Box 5509 Hobbs, N.M. 88241-5509

16. Location of Well
NE 1/4 Sec. 4 Twp. 22-S R. 35-E
LOCATED 2310 FEET FROM THE North LINE AND 990 FEET FROM

15. Date Spudded 1-19-87
18. Date P.D. Reached 1-27-87
17. Date Compl. (Ready to Prod.) 7-13-87
18. Elevations (DF, RKB, RT, GR, etc.) 3615 KB
19. Elev. Casinghead 3612

20. Total Depth 4103
21. Plug Back T.D. 4100
22. If Multiple Compl., How Many
23. Intervals Drilled By
Rotary Tools XXX
Cable Tools

16. Producing Interval(s), of this completion -- Top, Bottom, Name
Yates 3892-3964 4020-4065

25. Was Directional Bit Made
yes

26. Type Electric and Other Logs Run
Welex-Spectral Density Dual Spaced Neutron Log (attached)

27. Was Well Cored
No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9 5/8"	40#	352'	12 1/2"	100sx	None
5 1/2"	17#	4103'	7 7/8"	1000sx filler 200sx Class C	None

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

30. TUBING RECORD

SIZE	DEPTH SET	PACKER SET

31. Perforation Record (Interval, size and number)

Interval	Size	Number
3892-3906	1 1/2"	5 holes
3928-3931	4"	"
3938-3942	4"	"
3947-3952	5"	"
3958-3964	7"	"

4020-4022 5 holes
4034-4068 12 holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
4020-4068	1500 gal 7 1/2% MSR
3892-3964	3000 gal 5% MSR
3892-4068	55,000# 12/20-32000gal fc

33. PRODUCTION and N^o

Date First Production 7-10-87
Production Method (Flowing, gas lift, pumping -- Size and type pump) PUMPING
Well Status (Prod. or Shut-in) Prod.

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period	Oil -- Bbl.	Gas -- MCF	Water -- Bbl.	Gas -- Oil Ratio
7-13-87	24			8	25	80	
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil -- Bbl.	Gas -- MCF	Water -- Bbl.	Oil Gravity -- API (Corr.)	
100	15		8	25	26	30	

34. Disposition of Gas (sold, used for fuel, vented, etc.)
Vented

Well Worked By
Peterson

35. List of Attachments
Logs

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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TRANSPORTER	OIL
	GAS
OPERATION	
PRODUCTION OFFICE	

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form O-104
Revised 10-01-78
Format 09-01-83
Page 1

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I. Operator
Tempo Energy, Inc. / Peterson Petroleum Company

Address
P.O. Box 5509 Hobbs, N.M. 88241-5509

Reason(s) for filing (Check proper box)
 New Well
 Recompletion
 Change in Ownership
 Change in Transporter of:
 Oil
 Casingshead Gas
 Dry Gas
 Condensate
 Other (Please explain)
CASINGHEAD GAS MUST NOT BE FLARED AFTER 10-1-87 UNLESS AN EXCEPTION IS OBTAINED.

If change of ownership give name and address of previous owner: _____
 THIS WELL HAS BEEN PLACED IN THE POOL DESIGNATED BELOW. IF YOU DO NOT CONCUR NOTIFY THIS OFFICE.

II. DESCRIPTION OF WELL AND LEASE **R-8513 10/1/87**

Lease Name San Simon State	Well No. 6	Pool Name, including Formation Undesignated (Yates)	Kind of Lease State, Federal or Fee State	Lea LG-
Location Unit Letter H , 2310 Feet From The North Line and 990 Feet From The East Line of Section 4 Township 22-S Range 35-E , NMPM, Lea c				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Phillips Petroleum Company (Trucks)	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casingshead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> Phillips Natural Gas Company	Address (Give address to which approved copy of this form is to be sent)
If well produces oil or liquids, give location of tanks. Unit H , Sec. 4 , Twp. 22-S , Rge. 35-E	Is gas actually connected? _____ When _____

If this production is commingled with that from any other lease or pool, give commingling order number: _____

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

[Signature]

(Signature)
CONSULTANT/AGENT

(Title)
AUGUST 4, 1987

(Date)

OIL CONSERVATION DIVISION

APPROVED **10/2/1987**, 19 _____

BY **ORIGINAL SIGNED BY JERRY SEXTON**

TITLE **DISTRICT 1 SUPERVISOR**

This form is to be filed in compliance with RULE 1104.
If this is a request for Allowable for a newly drilled or do well, this form must be accompanied by a tabulation of the do tests taken on the well in accordance with RULE 111.
All sections of this form must be filled out completely for able on new and recompleted wells.
Fill out only Sections I, III, and VI for changes of well name or number, or transporter, or other such change of con

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

8

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-

NO. COPIES RECEIVED	
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FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5a. Indicate Type of Lease
State Farm

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	7. Unit Agreement Name
2. Name of Operator TEMPO ENERGY, INC./PETERSON PETROLEUM COMPANY	8. Farm or Lease Name SAN SIMON STATE
3. Address of Operator P.O. BOX 5509 HOBBS, N.M. 88241-5509	9. Well No. 6
4. Location of Well UNIT LETTER "H" 2310 FEET FROM THE North LINE AND 990 FEET FROM THE East LINE, SECTION 4 TOWNSHIP 22-S RANGE 35-E NMPM.	10. Field and Pool, or Wildcat SAN SIMON YATES
15. Elevation (Show whether DF, RT, GR, etc.) 3610.5 GL	12. County Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input checked="" type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1102.

Production is low and not economical at this time.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED

Judith...

TITLE

CONSULTING AGENT

DATE

10-16-87

Submit 3 Copies to Appropriate District Office

9

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer PD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Amar, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

SEP 26 '90

C. C. D.

WELL API NO. 30-025-29839
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> PER <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SAN SIMON STATE #
8. Well No. 6
9. Pool name or Wildcat SAN SIMON
10. Elevation (Show whether DP, RKB, RT, GR, etc.) 3660 GL.

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER
2. Name of Operator TEMPO ENERGY Inc
3. Address of Operator HOBBS, NEW MEXICO 88240
4. Well Location Unit Letter H : 2310 Feet From The N Line and 990 Feet From The E Line Section 4 Township 22S Range 35E NMPM LEA County

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- M.I.R.U., Set 5 1/2 B.P. @ 3800'.
- Run Bailer Dump 5 sk. cement.
- P.U. 2 3/8 tbg. and circulate hole w/mud @ 3800'.
- Set 20 sk. plug @ 400'.
- Set 5 sk. plug @ surface.
- Install dry hole marker. Rig down.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Guy Baber TITLE AGENT DATE 9-24-90
 TYPE OR PRINT NAME GUY BABER TELEPHONE NO. 505-397-35

(This space for State Use)

QUICK COPY SERVICE

APPROVED BY _____ TITLE _____ DATE _____