

**GENERAL MINERALS CORPORATION
4133 N. LINCOLN BLVD.
OKLAHOMA CITY, OK 73105
405-524-5227**

02 FEB 11 AM 10:45
GENERAL MINERALS CORPORATION

1/27/2002

**Lori Wrotenbery
Director
State of New Mexico
Oil and Conservation Division
And Assistant General Counsel/ David K. Brooks
Attn: David K. Brooks, Assistant General Counsel
And
Tim Gum, District Supervisor
Oil Conservation Division, 1301 W. Grand Ave.
Artesia, N. M. 88210**

RE: Federal CCC1/OCD Case No. 12733, Request for denovo review of January 15, 2002 order of the Commission.

Dear Sir/Madam:

Pursuant to your letter of January 19, 2002, we are enclosing a copy of page five (5) of the hearing transcript and, .

- 1. We are enclosing record pertaining to item (20) b, (21) and (22) to show that the facts presented before a tribunal to generate findings of facts and conclusion of law to levy fine against us should be vacated, as some one offered false testimony. This record is clear and dispositive against the allegation in 20b as the first purchaser of oil shows production of oil from Federal CCC1 after 1977.**
- 2. Further, attachment of disbursement shows that Navajo Refining should have deposited to the state of N.M. treasury sums in the amount of \$ 311.91 for 1999, and \$242 89 + \$389.46 for the year 2000 as severance taxes.**

We have been awaiting a better market price for crude since the late part of 2001 to sell oil.

- 3. We are also attaching the proof that the Federal Government is listed as an owner of royalty from the subject well. If Navajo is only deducting these revenues and not paying, we do not know.**
- 4. We are then attaching the record to show that the Central Valley Electric Coop has been supplying power to this well. This credit memorandum shows substantial usage of power to run the well in year 2001. We do not have any other well connected to their system.**

In response to other requirements of your letter, we state that the vacation of the Order No. R-11710 would only require the proof that the testimony was wrong; hence the order should not have been entered against us. Now, due to the contumacious conduct of the Division

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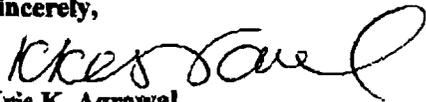
employees, we are being burdened with requirements for which we do not have time or the resources to address- not with the income from the stripper wells.

Further, we have found no correspondence in our file to show that the Division requested some information from us, four times, that went unanswered.

We operate stripper wells that leave no money to hire clerical staff, hence we hire an outside service to file the forms to report production when the oil is hauled.

- 5. Your requirement to report oil produced each month is onerous and extremely burdensome. It serves no purpose except to keep the state employees on payroll entering data in the computer.**
- 6. State of Oklahoma has even returned severance taxes to keep the oil operators in business, but state of N.M. is causing burden to help the strippers to be plugged. Once these wells are plugged, no more wells will be drilled, leaving Oil in ground that will never be recovered.**
- 7. We have requested our reporting service to find prior reports submitted for forwarding to your office.**

Sincerely,



Kris K. Agrawal

- Enc. 1. Page 5 of findings of fact**
2. Navajo refining's log of oil production and deduction of severance taxes
3. Division of Interest pay sheet
4. Electric Utility notice of patronage capital

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(19) ExxonMobil should be ordered to bring these wells into compliance with the reporting requirements of Division Rule 1115.

(20) With respect to General Minerals Corporation, the Division presented testimony that demonstrates:

(a) General Minerals Corporation is the operator of the Federal "CCC" Well No. 1 (API No. 30-015-25477) located in Unit K of Section 4, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico;

(b) the Federal "CCC" Well No. 1 has not produced any hydrocarbons since before 1997; and

(c) General Minerals Corporation was notified by letter dated September 8, 2000, referring to previous correspondence dated May 2000, to bring this well into compliance.

(21) General Minerals Corporation's Federal "CCC" Well No. 1 is not in compliance with Rule 201.B.

(22) General Minerals Corporation knowingly and willfully failed to comply with OCD Rule 201.B for at least one (1) year. Pursuant to NMSA 1978 70-2-31.A, a civil penalty in the amount of one thousand dollars (\$1,000) (\$1,000 for each year of non-compliance) should be assessed against General Minerals Corporation for this knowing and willful violation.

(23) General Minerals Corporation should be ordered to bring this well into compliance with Division Rule 201.B.

(24) With respect to Guadalupe Operating Co., LLC, the Division presented testimony that demonstrates:

(a) Guadalupe Operating Co., LLC is the operator of six (6) wells in Eddy County, New Mexico, identified as follows:

Yates Federal Well No. 2 (API No. 30-015-01176) Unit P, Section 6, T-20S, R-27E
Yates Federal Well No. 4 (API No. 30-015-01037) Unit D, Section 8, T-20S, R-27E
Yates Federal Well No. 10 (API No. 30-015-01024) Unit O, Section 6, T-20S, R-27E
Yates Federal Well No. 14 (API No. 30-015-01036) Unit C, Section 7, T-20S, R-27E
Yates Federal Well No. 17 (API No. 30-015-21097) Unit A, Section 7, T-20S, R-27E
Yates Federal Well No. 7 (API No. 30-015-01023) Unit J, Section 6, T-20S, R-27E



REFINING COMPANY
501 EAST MAIN STREET • P.O. BOX 169
ARTESIA, NEW MEXICO 88211-0169
Phone (505) 748-3311 • Fax (505) 748-5283

DIVISION ORDER AND LEASE RECORD DEPARTMENT

PLEASE DELIVER 5 PAGES, INCLUDING THIS COVER SHEET

TO: KNIS FAX #: (405) 524-5229

COMPANY/DEPARTMENT: General Mineral Corp.

MESSAGE: _____

FROM: Denise DATE: 2/8/02

If you do not receive all pages, please call Denise at
505/748-5 247.

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NAVAJO REFINING COMPANY
 501 E. MAIN
 PO BOX 159
 ARTESIA, NM 88211-0159
 (505) 746-3311

*** Corrected Statement ***

PAGE 1

029791 GENERAL MINERALS CORPORATION
 4133 N LINCOLN BLVD
 OKLAHOMA CITY, OK 73105

TRANSPORTER: NAVAJO REFINING CO.-TRUCK
 STATE: NM
 COUNTY: HOOVER
 PAYMENT METHOD: Basic

PROPERTY: 00017197 FEDERAL CCC #1

-----*
 OPERATOR'S CRUDE OIL STATEMENT

As of 02/08/02
 4:13pm
 -----*

<u>ADJUST</u> <u>CODE</u>	<u>TICKET</u> <u>DATE</u>	<u>TICKET</u> <u>NBR</u>	<u>TANK</u> <u>NBR</u>	<u>GRVY</u>	<u>VOLUME</u>	<u>PRICE</u>	<u>GROSS</u> <u>VALUE</u>
	03/02/99	19101	00013377	36.3	181.95	12.0452	2,191.62
	03/29/99	15824	00013377	34.3	139.59	12.0452	1,681.39
	03/99	PROPERTY TOTALS:			321.54		3,873.01
		CALC WEIGHTED AVG GRVY			35.4		
		TRANSPORTATION CHARGES					0.00
		SEVERANCE TAXES					311.91
		GROSS DEDUCTS					0.00
		NET VALUE					3,561.10

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NAVAJO REFINING COMPANY
 501 E. MAIN
 PO BOX 159
 ARTESIA, NM 88211-0159
 (505) 748-3311

*** Corrected Statement ***

PAGE 1

029791 GENERAL MINERALS CORPORATION
 4133 N LINCOLN BLVD
 OKLAHOMA CITY, OK 73105

TRANSPORTER: NAVAJO REFINING CO.-TRUCK
 STATE: NM
 COUNTY: EDDY
 PAYMENT METHCD: Basic

PROPERTY: 00017197 FEDERAL CCC #1

-----*
 OPERATOR'S CRUDE OIL STATEMENT
 JANUARY, 2000
 -----*

AS of 02/08/02
 4:14pm

<u>ADJUST</u> <u>CODE</u>	<u>TICKET</u> <u>DATE</u>	<u>TICKET</u> <u>NBR</u>	<u>TANK</u> <u>NBR</u>	<u>GVTY</u>	<u>VOLUME</u>	<u>PRICE</u>	<u>GROSS</u> <u>VALUE</u>
	01/31/00	15436	00013377	34.7	120.93	24.9839	3,021.30
	01/00	PROPERTY TOTALS:			120.93		3,021.30
		CALC WEIGHTED AVG GRVTY			34.7		
		TRANSPORTATION CHARGES					0.00
		SEVERANCE TAXES					242.89
		GROSS DEDUCTS					0.00
		NET VALUE					2,778.41

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NAVAJO REFINING COMPANY
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 PO BOX 159
 ARTESIA, NM 88211-0159
 (505) 748-3311

*** Corrected Statement ***

PAGE 1

029791 GENERAL MINERALS CORPORATION
 4133 N LINCOLN BLVD
 OKLAHOMA CITY, OK 73105

TRANSPORTER: NAVAJO REFINING CO.-TRUCK
 STATE: NM
 COUNTY: HADY
 PAYMENT METHOD: Basic

PROPERTY: 00017197 FEDERAL CCC #1

-----							As of 02/08/02	
OPERATOR'S CRUDE OIL STATEMENT							4:14pm	
OCTOBER, 2000							*-----*	
ADJUST	TICKET	TICKET	TANK				GROSS	
CODE	DATE	NBR	NBR	GVTY	VOLUME	PRICE	VALUE	
	10/29/00	21584	00013377	34.3	158.00	30.6532	4,843.21	
	10/00	PROPERTY TOTALS:			158.00		4,843.21	
		CALC WEIGHTED AVG GRVTY			34.3			
		TRANSPORTATION CHARGES					0.00	
		SEVERANCE TAXES					389.46	
		GROSS DEDUCTS					0.00	
		NET VALUE					4,453.75	



REFINING COMPANY
501 EAST MAIN STREET • P.O. BOX 159
ARTESIA, NEW MEXICO 88211-0159
Phone (505) 748-3311 • Fax (505) 746-5285

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FEB 08 2002

DIVISION ORDER AND LEASE RECORD DEPARTMENT

PLEASE DELIVER 2 PAGES, INCLUDING THIS COVER SHEET

TO: Kris FAX #: (405) 524-5229

COMPANY/DEPARTMENT: General Mineral Corp.

MESSAGE: _____

FROM: Denise DATE: 2/8/02

If you do not receive all pages, please call Denise at
505/746-5 247.

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DATE: Fri Feb 08, 2002
TIME: 16:40:26

HOLLY CORPORATION & SUBSIDIARIES
Division of Interest - Exhibit

REPORT: DC3
PAGE: 1 of 1

Lease: 00017197 Sub: Name: FEDERAL CCC #1
G/L Comp: 84 Division: 48 Period: 01-2002 Username: denise
Operator: 029791 Name: GENERAL MINERALS CORPORATION

<u>Owner</u>	<u>Name</u>	<u>Division Of Interest</u>	<u>Type Interest</u>
000002	MINERALS M OF INTERIOR-NMS ROYALTY MANAGEMENT PROGRAM P O BOX 5760 DENVER, CO 80217-5760	0.02900000	RI
019244	FLOOS INC PO BOX 2769 HOBBS, NM 88241-2769	0.13600000	OR
019906	TRIGG FAMILY TRUST PAULINE V TRIGG TRUSTEE PO BOX 520 ROSWELL, NM 88202-0520	0.01000000	OR
029265	GEO ENGINEERING & TESTING CORPORATION A/C GENERAL MINERALS CORPORATION 4133 NORTH LINCOLN BLVD OKLAHOMA CITY, OK 73105	0.82500000	WI

Interest Total: 1.00000000

"THIS INFORMATION IS FURNISHED AS A COURTESY.
NAVAJO REFINING COMPANY ASSUMES NO LIABILITY
FOR ACCURACY OR CORRECTNESS OF THE INFORMATION
HEREIN SET OUT."

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Central Valley Electric Cooperative, Inc.



P.O. Box 230

1505 North Thirteenth Street

Artesia, New Mexico 88211

CHARLES T. PINSON JR.
Executive Vice President
& General Manager

FAX
(505) 746-4219

TELEPHONE
(505) 746-3571 Artesia
(505) 752-3366 Hagerman
(505) 623-1200 Roswell

1/25/02

Dear Patron,

Under the non-profit provision of your cooperatives by-laws, as amended, each patron is entitled to notice of the amount of patronage capital that was furnished by them to the cooperative. Patronage capital is the amount furnished by a patron in connection with their use of electrical energy which is in excess of the cost of this service to them.

It has been determined that during the year of 2001, the patrons furnished patronage capital amounting to \$2,618,653.40. Patronage capital furnished by you or your firm during the year of 2001 amounted to \$77.05.

Patronage capital is used by your cooperative for reducing its indebtedness on RUS loans and for other business related expenses. Patronage capital is, in effect, invested in poles, wire, transformers and other property. The board of trustees review the financial position of the cooperative annually and make the determination as to the retirement of these patronage capital accumulations to the membership. In accordance with the by-laws, patronage capital must be returned in the order in which it was accumulated.

Very Truly Yours,

Central Valley Electric
Cooperative, Inc.

CHARLES T. PINSON JR.
Manager

Please notify your cooperative of all address changes now and in the future. This insures your receipt of all patronage capital credit dividends.

GENERAL MINERALS
4133 N LINCOLN BLVD
OKLAHOMA CITY OK 73105-5208

Member# 8427

//

FAX

Date: 1/8/02

Number of pages including cover sheet: 1

To: Denise

Calvert-Navajo

505-746-5283F

505-748-3311

Phone:

Fax phone: 505-476-3462

CC: Oil & gas conservation Division

From: KRIS K Agrawal

Phone: 405 524-5227

Fax phone: 405 524-5229

REMARKS:

Urgent

For your review

Reply ASAP

Please comment

Please provide me the lease production record for Federal acct in Eddy et al, NM

Thanks

To: Oil conservation Division Kris Agrawal

Five copies of Denise hearing request sent to DAVID K BROOKS, Esq.