

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

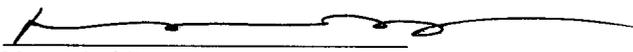
Ken Freeman
Tahoe Energy Inc.
11 Shamrock
Kimberling City, MO 65686
Certified Mail No. 7099 3220 0009 7873 1346

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
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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 Gray Plaza, Suite 400
 Houston, TX 77046

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
[Signature]

B. Restricted by (Print Name) Addressee

C. Date of Delivery Yes No

D. Is delivery address different from item 1? Yes No

SEP 23 2004

OIL CONSERVATION
 DIVISION

3. Service Type
- Certified Mail
 - Registered
 - Insured Mail
 - Express Mail
 - Return Receipt for Merchandise
 - 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

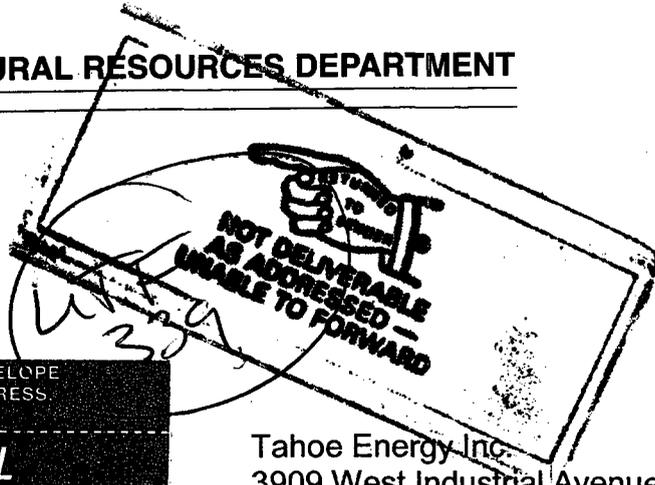
P.O. Box 6429

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+7969246429



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



- 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

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

WTF

AJ
A-18

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

CERTIFIED MAIL

7099 3220 0009 7873 1346

79703+7969246429

