

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 REQUIRING VERDE GRANDE 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. 13257

CERTIFICATE OF NOTICE

In accordance with Division Rule 1207 (19.15.14.1207 NMAC) I hereby certify that notice of original April 29, 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:


Verde Grande Inc.
P.O. Box 147 Hobbs Highway
Lovington, NM 88260

Roland E. Caudill
Registered Agent for Verde Grande Inc.
822 Birch
Lovington, NM 88260

Ohio Casualty Insurance Company
9450 Seward Road
Fairfield, OH 45014-5456

Copies of the notice with proof of service (where available) are attached as Exhibit "A" to this certificate. No return receipt was received from Verde Grande Inc. A copy of the returned envelope is attached as Exhibit "B."

*State of New Mexico
County of Santa Fe*


Gail MacQuesten

SUBSCRIBED AND SWORN to before me this 4th day of June, 2004.


Notary Public

My Commission Expires:

1-9-08

Case 13257
OCD Ex. 1



NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

April 7, 2004

Verde Grande Inc.
P.O. Box 147 Hobbs Highway
Lovington, NM 88260

Certified Mail #: 7099 3220 0009 7873 1032

Roland E. Caudill
Registered Agent for Verde Grande Inc.
822 Birch
Lovington, NM 88260

Certified Mail #: 7099 3220 0009 7873 1049

Ohio Casualty Insurance Company
9450 Seward Road
Fairfield, OH 45014-5456

Certified Mail #: 7099 3220 0009 7873 1056

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. 13257: Application of the New Mexico Oil Conservation Division, Through the Supervisor of District I, for an Order Requiring Verde Grande 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 Aztec State #1 well, API #30-025-22342 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, April 29, 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.

You posted a single-well surety bond in the amount of \$10,000, number 2-418-413-9, Ohio Casualty Insurance Company, to secure your obligation to plug and abandon the well in compliance with Division rules. That security will be forfeited if an order is entered as requested in the attached application and you fail to comply with that order.

Exhibit A

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:

Ohio Casualty Insurance Company
9450 Seward Road
Fairfield, OH 45014-5456

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

Part House
4-9-04

B. Date of Delivery

C. Signature

X *Paul House*

☐ Agent
☐ AddresseeD. 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 (Copy from service label)

7099 3220 0009 7873 1056

PS Form 3811, July 1999

Domestic Return Receipt

OCD
FD 15257

102595-99-M-1789

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:

Roland E. Caudill
Registered Agent for Verde
Grande Inc.
822 Birch
Lovington, NM 88260

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

X *Kathy Caudill*

☐ Agent
☐ AddresseeD. 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 (Copy from service label)

7099 3220 0009 7873 1049

PS Form 3811, July 1999

Domestic Return Receipt

OCD
FD 13257

102595-99-M-1789

Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)

Article Sent To:

Postage

Certified Fee

Return Receipt Fee

Restricted Delivery Fee

Total Postage & Fees

(Please Print Clearly) (To be completed by mailer)

Self, Apt. No. or PO Box No.

9450 Seward Road

Fairfield, OH 45014-5456

Form 3800, July 1999

See Reverse for Instructions

Postmark
Here

APR 7 - 2004

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

Article Sent To:

Postage

Certified Fee

Return Receipt Fee

Restricted Delivery Fee

Total Postage & Fees

Postmark
Here

APR 7 - 2004

Name (Please Print Clearly) (To be completed by mailer)

Registered Agent for Verde Grande Inc.

822 Birch

Lovington, NM 88260

PS Form 3800, July 1999

See Reverse for Instructions

CERTIFIED MAIL

20 South Saint Francis Drive
J. Box 6429
Santa Fe, New Mexico 87505-5472

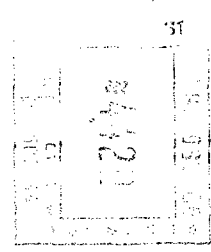
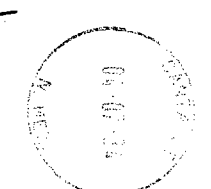
Verde Grande Inc.
P.O. Box 147 Hobbs Highway
Lovington, NM

APR 21 2004

NOT
Delivered
Addressed

Gail

4-29



State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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

Article Sent To:

| | |
|---|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Name (Please Print Clearly) (To be completed by mailer)
Verde Grande Inc.
Street, Apt. No.; or PO Box No.
P.O. Box 147 Hobbs Highway
Lovington, NM 87505

PS Form 3800, July 1999 See Reverse for Instructions

2E0T E282 6000 0220 7099

Exhibit B