

Inactive Well List

Total Well Count: 5 Inactive Well Count: 5
Printed On: Wednesday, February 20 2019

District	API	Well	ULSTR	OCD Unit	Ogrid	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-01414	HASTIE #001	J-18-17S-28E	J	260702	RUTH OIL CO, LLC		O	03/2011	SEVEN RIVERS		
2	30-015-01415	HASTIE #002	I-18-17S-28E	I	260702	RUTH OIL CO, LLC		O	06/2012			
2	30-015-01416	HASTIE #003	P-18-17S-28E	P	260702	RUTH OIL CO, LLC		O	11/2012	SEVEN RIVERS		
1	30-025-22935	KEOHANE #003	K-06-20S-38E	K	260702	RUTH OIL CO, LLC		O	02/2015	INT TO P&A APPVD 4-5-04		
2	30-015-02627	STATE M-AI #002	7-06-18S-28E	M	260702	RUTH OIL CO, LLC		O	10/2014			

WHERE Operator:260702, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

OCD Case # 20197
Exhibit 1: Inactive Well List
Page 1 of 1

Inactive Well Additional Financial Assurance Report

260702 RUTH OIL CO, LLC

Total Well Count: 2

Printed On: Wednesday, February 20 2019

Property	Well Name	Lease Type	ULSTR	OCD Unit Letter	API	Well Type	Last Prod/Inj	Inactive Additional Bond Due	Measured Depth	Required Bond Amount	Bond Required Now	Covered By Blanket TA Bond	Bond In Place	In Violation
305437	KEOHANE #003	P	K-06-20S-38E	K	30-025-22935	O	02/2015	03/01/2017	7500	12500	Y		12,500	
305436	STATE M-AI #002	S	7-06-18S-28E	M	30-015-02627	O	10/2014	11/01/2016	Unknown	Unknown	Y		11,500	Y

WHERE Ogrid:260702

OCD Case # 20197

Exhibit 2: Additional Financial Assurance Report

Page 1 of 1

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



June 21, 2016

RUTH OIL CO, LLC
OGIRD #260702
P.O. Box 1212
Eunice, NM 88231

OCD Case # 20197
Exhibit 3: Notice of Violation
Page 1 of 2

Re: 19.15.5.9 NMAC Compliance

Dear Operator:

The Oil Conservation Division (OCD) is conducting ongoing review of all operators' compliance status with Subsection A of 19.15.5.9 NMAC. According to OCD records, your company is not in compliance with Subsection A of 19.15.5.9 NMAC for the following reasons:

 Financial assurance. Your company is in violation of the financial assurance requirements for well plugging set out in 19.15.8.9 NMAC. Specifically, your company has not posted the required financial assurance required for state or fee wells which have been inactive for more than two years. The wells requiring single-well financial assurances are identified in the attached sheet.

 Corrective action. Order , issued on , found your company to be in violation of an order requiring corrective action.

 X Inactive wells. According to the attached inactive well list, your company has too many wells in violation of 19.15.25.8 NMAC (the inactive well rule) that are not subject to an inactive well agreed compliance order. As an operator of 5 well, your company may have no more than 2 well in violation of the inactive well rule. Your company has 5 well in violation of the inactive well rule.

Non-compliance with 19.15.5.9 NMAC will prevent your company from acquiring any new wells, acquiring approval of exploration and development plans, receiving new allowables, and obtaining drilling, injection, and other OCD issued permits, and potentially expose your company to additional compliance actions including an OCD order requiring compliance, and revocation of injection permits. As the operator of a non 19.15.5.9 NMAC compliant company, you will not be permitted to register any additional companies to operate in New Mexico or have any interest exceeding 25 percent in any other companies in New Mexico.

The OCD is requesting that you review the OCD's online database for your specific Oil and Gas Registration Identification (OGRID) number and notify the OCD how your company plans to return to compliance with 19.15.5.9 NMAC. This is an opportunity for your company to work with the OCD toward achieving its goal of maintaining compliance with the rules of the State of New Mexico. Please respond to the OCD within 30 days of receipt of this letter. If no response is received the OCD may begin formal compliance action.

Respectfully yours,



Daniel Sanchez,
Compliance and Enforcement Manager
(505)476-3493
Daniel.sanchez@state.nm.us

OCD Case # 20197
Exhibit 3: Notice of Violation
Page 2 of 2

Ec: David R. Catanach, Division Director
Maxey Brown, District 1 Supervisor
Charlie Perrin, District 3 Supervisor
Randolph Bayliss, District 2 Supervisor
Will Jones, District 4 Supervisor
Keith Herrmann, Attorney, Santa Fe

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER
AGAINST RUTH OIL, INC., FOR WELLS OPERATED IN EDDY AND LEA
COUNTIES, NEW MEXICO.**

CASE NO. 20197

AFFIDAVIT OF DANIEL SANCHEZ

I, Daniel Sanchez, being first duly sworn on oath, states as follows:

1. I am employed as the Compliance and Enforcement Manager at the Oil Conservation Division ("OCD").

My duties include as the Compliance & Enforcement Manager

Manage the division's four district offices and Environmental Bureau.
Program Director for the EPA's Underground Injection Control program.
Coordinate field inspections between the BLM (Carlsbad, Roswell, and Hobbs District Offices and the OCD (Artesia and Hobbs District Offices).
Conduct quarterly meetings between the BLM and OCD to coordinate various enforcement actions on co-jurisdictional sites and issues.
Manage the use of the State Reclamation Fund for the purpose of plugging abandoned wells, remediation of well sites and the remediation of oil and gas related environmental contamination.
Testify in Hearing Examiner and Commission hearings in support of OCD staff positions on compliance and enforcement issues.
Conduct operator orientation for operators new to the state.
Negotiate Agreed Compliance Orders with operators out of compliance with OCD Rule 5.9.
Simplify and standardize the Oil Conservation Division's business procedures.
Eliminate outdated practices and address current regulatory issues.
Oversee the consistent interpretation and enforcement of division rules.
Ensure compliance with rules and permits on oil and gas facilities and operations.
Assure that inactive wells are tested and plugged in accordance with division rules.
Act as a backup for C-115, production reports, review and approvals.
Act as a backup for data entry of ACOI wells into the divisions Risk Based Data Management System.

2. The OCD's information on production and injection comes from monthly production reports filed by the well operators.

3. In 1993 the OCD began using the ONGARD (Oil and Natural Gas Administration and Revenue Database) to record oil and gas production and injection by well. Since 1993, production and injection data from the monthly production reports filed by operators has been entered into ONGARD.

4. When the OCD began using the ONGARD system in 1993, it converted existing production and injection data into ONGARD for those wells that were not shown as "plugged" according to the OCD records available at that time. The pre-1993 production and injection information for each such well was totaled and appears in ONGARD under the last month of production or injection for that well.

5. Upon information and belief, Ruth Oil, Inc., ("Operator") is a Domestic Limited Liability Company and is operating the wells ("subject wells") in Eddy and Lea Counties, New Mexico identified in *Exhibit 1, Inactive Well List*.

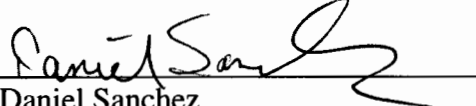
6. Upon information and belief, the New Mexico Secretary of State has Operator registered under entity number 4036018 and identifies Robert Stratton as Registered Agent.

7. Upon information and belief, the subject wells operated by Operator in New Mexico have been inactive for a continuous period exceeding one year plus 90 days, and are neither plugged and abandoned in accord with 19.15.25.9 to -11 NMAC nor on approved temporary abandonment status in accord with 19.15.25.12 NMAC.

8. Upon information and belief, the number of subject wells out of compliance with 19.15.25.8 NMAC (wells to be properly abandoned) exceeds the amount allowed by 19.15.5.9 NMAC. As an operator of 5 wells, Operator may not have more than 2 wells out of compliance with 19.15.25.8 NMAC

9. I personally sent operator a notice of violation at least 60 days prior to the commencement of this hearing. *Exhibit 3* is a copy of the correspondence.

10. Exhibits 1-4 presented in this case are true and accurate reproductions of OCD records and were prepared by me or under my direction.


Daniel Sanchez

SUBSCRIBED AND SWORN before me on this February 20, 2019.


Notary Public

My Commission Expires:

January 3, 2023



OCD Case # 20197
Exhibit 4: Affidavit of Non-
Production and 5.9 Violations
Page 2 of 2

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER
AGAINST RUTH OIL, INC., FOR WELLS OPERATED IN EDDY AND LEA
COUNTIES, NEW MEXICO.**

CASE NO. 20197

AFFIDAVIT OF SERVICE

In accordance with 19.15.4.9 and 19.15.4.12 NMAC, I hereby certify that notice of the February 21, 2019 hearing in the above captioned case was mailed to the following party(ies) by certified mail, return receipt requested, at least 20 days prior to the hearing date, with a copy of the application:

Ruth Oil Co, LLC
P.O. Box 1212
Eunice, NM 88231

Joshua Ruth
1207 9th St.
Eunice, NM 88231

Robert Stratton
4088 N. Grimes #228
Hobbs, NM 88240

Wells Fargo California
One Front St.
21st Floor
San Francisco, CA 94111

A copy of this notice is attached as *Exhibit 5-A* to this affidavit.

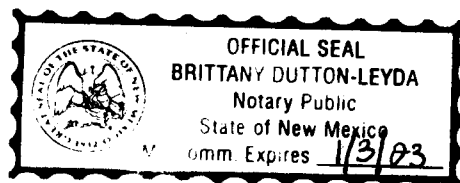

Keith W. Herrmann

SUBSCRIBED AND SWORN before me on this February 20, 2019.


Notary Public

My Commission Expires:

January 3, 2023



OCD Case # 20197
Exhibit 5: Affidavit of Notice
Page 1 of 1

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



December 13, 2018

Ruth Oil Co, LLC
P.O. Box 1212
Eunice, NM 88231

VIA CERTIFIED MAIL, RETURN RECEIPT: 7018 0040 0000 5414 7788

Wells Fargo California
Via New Mexico Superintendent of Insurance

Re: OCD Case No. 20197 for a Compliance Order against Ruth Oil Co, LLC

Dear Operator:

Pursuant to the notice provisions contained in 19.15.4 NMAC, you are hereby notified that at 8:15 AM on January 10, 2019, the New Mexico Oil Conservation Division ("OCD") will hold a hearing in front of a Division Examiner seeking an order determining that Ruth Oil Co. LLC ("Operator") (1) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification and costs as permitted by NMSA 1978, § 70-2-14(E). The hearing will be held in Porter Hall at 1220 South St. Francis Dr., Santa Fe, New Mexico.

Please review 19.15.4 NMAC to see applicable rules for division hearings. A person entitled to notice may enter an appearance at any time by filing a written notice of appearance with the division or the commission clerk, as applicable, or, subject to the provisions in Subsection C of 19.15.4.10 NMAC, by oral appearance on the record at the hearing. A party who has not entered an appearance at least one business day prior to the pre-hearing statement filing date provided in Paragraph (1) of Subsection B of 19.15.4.13 NMAC shall not be allowed to present technical evidence at the hearing unless the Oil Conservation Commission chairman or the OCD examiner, for good cause, otherwise directs.

OCD Case # 20197
Exhibit 5-A: Direct Notice to Operator
Page 1 of 10

December 13, 2018

Page 2

If you have any questions regarding the hearing process, please contact me at (505) 476-3463 or keith.herrmann@state.nm.us.

Sincerely



Keith Herrmann
Attorney for the New Mexico Oil Conservation Division
Compliance and Enforcement Bureau

Encl: OCD Case No. 20197 Compliance and Enforcement Bureau Application for Hearing

Cc: Robert Stratton
4088 N. Grimes #228
Hobbs, NM 88240
VIA CERTIFIED MAIL, RETURN RECEIPT: 7018 0040 0000 5414 7795

Joshua Ruth
1207 9th St.
Eunice, NM 88231
VIA CERTIFIED MAIL, RETURN RECEIPT: 7018 0040 0000 5414 7801

OCD Case # 20197
Exhibit 5-A: Direct Notice to Operator
Page 2 of 10

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



January 3, 2019

Wells Fargo California
One Front St.
21st Floor
San Francisco, CA 94111

VIA CERTIFIED MAIL, RETURN RECEIPT: 7018 0040 0000 5414 7887

Re: OCD Case No. 20197 for a Compliance Order against Ruth Oil Co, LLC

Dear Operator:

Pursuant to the notice provisions contained in 19.15.4 NMAC, you are hereby notified that at 8:15 AM on January 24, 2019, the New Mexico Oil Conservation Division ("OCD") will hold a hearing in front of a Division Examiner seeking an order determining that Ruth Oil Co. LLC ("Operator") (1) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification and costs as permitted by NMSA 1978, § 70-2-14(E). The hearing will be held in Porter Hall at 1220 South St. Francis Dr., Santa Fe, New Mexico.

Please review 19.15.4 NMAC to see applicable rules for division hearings. A person entitled to notice may enter an appearance at any time by filing a written notice of appearance with the division or the commission clerk, as applicable, or, subject to the provisions in Subsection C of 19.15.4.10 NMAC, by oral appearance on the record at the hearing. A party who has not entered an appearance at least one business day prior to the pre-hearing statement filing date provided in Paragraph (1) of Subsection B of 19.15.4.13 NMAC shall not be allowed to present technical evidence at the hearing unless the Oil Conservation Commission chairman or the OCD examiner, for good cause, otherwise directs.

OCD Case # 20197
Exhibit 5-A: Direct Notice to Operator
Page 3 of 10

January 3, 2019

Page 2

If you have any questions regarding the hearing process, please contact me at (505) 476-3463 or keith.herrmann@state.nm.us.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Keith Herrmann', is written over the word 'Sincerely,'.

Keith Herrmann
Attorney for the New Mexico Oil Conservation Division
Compliance and Enforcement Bureau

Encl: OCD Case No. 20197 Compliance and Enforcement Bureau Application for Hearing

OCD Case # 20197
Exhibit 5-A: Direct Notice to Operator
Page 4 of 10

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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:

Wells Fargo California
One Front St., 21st Floor
San Francisco, CA 94111



9590 9402 3720 7335 0616 72

2. Article Number (Transfer from service label)

7018 0040 0000 5414 7887

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

Thane

C. Date of Delivery

4/7/19

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery

/ail

/ail Restricted Delivery

0)

☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☒ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

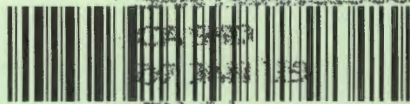
Domestic Return Receipt

OCD Case # 20197

Exhibit 5-A: Direct Notice to Operator

Page 5 of 10

USPS TRACKING #



9590 9402 3720 7335 0616 72

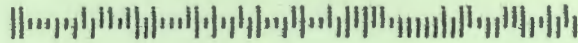
First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•

New Mexico Energy, Minerals and
Natural Resources Department
Office of the General Counsel
1220 South St. Francis Drive
Santa Fe, NM 87505

Attn: Keith Herrmann

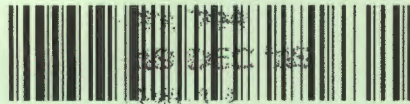


OCD Case # 20197
Exhibit 5-A: Direct Notice to Operator
Page 6 of 10

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature <input checked="" type="checkbox"/> <i>Delvade Ruth</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>Ruth Oil Co, LLC P.O. Box 1212 Junice, NM 88231</p>		<p>B. Received by (Printed Name) <i>Delvade Ruth</i> C. Date of Delivery</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7018 0040 0000 5414 7788</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>9590 9402 3720 7335 0617 33</p>		<p>3. Service type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	

OCD Case # 20197
 Exhibit 5-A: Direct Notice to Operator
 Page 7 of 10

USPS TRACKING #



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

9590 9402 3720 7335 0617 33

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box •

New Mexico Energy, Minerals and
Natural Resources Department
Office of the General Counsel
1220 South St. Francis Drive
Santa Fe, NM 87505

Attn: Keith Herrmann



OCD Case # 20197
Exhibit 5-A: Direct Notice to Operator
Page 8 of 10

Energy, Minerals and
Resources Department
The General Counsel
1000 South St. Francis Drive
Santa Fe, NM 87505

CERTIFIED MAIL



7018 0040 0000 5414 7795

NEOPOST
12/14/2018
US POSTAGE \$004.13
FIRST-CLASS MAIL
ZIP 87505
041M11273712

Robert Stratton
4088 N. Grimes #228
Hobbs, NM 88240

Handwritten: HN 1/17

NIXIE 750 DE 1 0001/07/19
RETURN TO SENDER
UNCLAIMED
UNABLE TO FORWARD
BC: 87505422599 *2934-07256-13-40

9314120125100027 UNC
875054225
8824030903 C027

Energy, Minerals and
Resources Department
The General Counsel
1000 South St. Francis Drive
Santa Fe, NM 87505

CERTIFIED MAIL



7018 0040 0000 5414 7887

NEOPOST
01/04/2019
US POSTAGE \$004.13
FIRST-CLASS MAIL
ZIP 87505
041M11273712

~~Wells Fargo California
One Front St., 21st Floor
San Francisco, CA 94111~~

NIXIE 87101 02/02/2015
RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
ATTEMPTED NOT KNOWN
SORT IN MANUAL ONLY NO AUTOMATION
BC: 56998999955

56998999955

Energy, Minerals and
Resources Department
The General Counsel
1000 South St. Francis Drive
Santa Fe, NM 87505

CERTIFIED MAIL



7018 0040 0000 5414 7801

NEOPOST
12/14/2018
US POSTAGE \$004.13
FIRST-CLASS MAIL
ZIP 87505
041M11273712

Joshua Ruth
1207 9th St.
Eunice, NM 88231

OCD Case # 20197
Exhibit 5-A: Direct Notice to Operator
Page 9 of 10

NIXIE 750 DE 1 0012/23/18
RETURN TO SENDER
NO MAIL RECEPTACLE
UNABLE TO FORWARD

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- 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:

Robert Stratton
4088 N. Grimes #228
Hobbs, NM 88240



9590 9402 3720 7335 0617 26

2. Article Number (Transfer from service label)

7018 0040 0000 5414 7795

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☒ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Restricted Delivery

Domestic Return Receipt

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

OCD Case # 20197

Exhibit 5-A: Direct Notice to Operator

Page 10 of 10

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Joshua Ruth
1207 9th St.
Eunice, NM 88231



9590 9402 3720 7335 0617 19

2. Article Number (Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☒ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



December 13, 2018

Ruth Oil Co, LLC
P.O. Box 1212
Eunice, NM 88231

VIA CERTIFIED MAIL, RETURN RECEIPT: 7018 0040 0000 5414 7788

Wells Fargo California
Via New Mexico Superintendent of Insurance

Re: OCD Case No. 20197 for a Compliance Order against Ruth Oil Co, LLC

Dear Operator:

Pursuant to the notice provisions contained in 19.15.4 NMAC, you are hereby notified that at 8:15 AM on January 10, 2019, the New Mexico Oil Conservation Division ("OCD") will hold a hearing in front of a Division Examiner seeking an order determining that Ruth Oil Co. LLC ("Operator") (1) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification and costs as permitted by NMSA 1978, § 70-2-14(E). The hearing will be held in Porter Hall at 1220 South St. Francis Dr., Santa Fe, New Mexico.

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OCD Case # 20197
Exhibit 5-A: Direct Notice to Operator
Page 1 of 10

December 13, 2018

Page 2

If you have any questions regarding the hearing process, please contact me at (505) 476-3463 or keith.herrmann@state.nm.us.

Sincerely



Keith Herrmann
Attorney for the New Mexico Oil Conservation Division
Compliance and Enforcement Bureau

Encl: OCD Case No. 20197 Compliance and Enforcement Bureau Application for Hearing

Cc: Robert Stratton
4088 N. Grimes #228
Hobbs, NM 88240
VIA CERTIFIED MAIL, RETURN RECEIPT: 7018 0040 0000 5414 7795

Joshua Ruth
1207 9th St.
Eunice, NM 88231
VIA CERTIFIED MAIL, RETURN RECEIPT: 7018 0040 0000 5414 7801

OCD Case # 20197
Exhibit 5-A: Direct Notice to Operator
Page 2 of 10

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



January 3, 2019

Wells Fargo California
One Front St.
21st Floor
San Francisco, CA 94111

VIA CERTIFIED MAIL, RETURN RECEIPT: 7018 0040 0000 5414 7887

Re: OCD Case No. 20197 for a Compliance Order against Ruth Oil Co, LLC

Dear Operator:

Pursuant to the notice provisions contained in 19.15.4 NMAC, you are hereby notified that at 8:15 AM on January 24, 2019, the New Mexico Oil Conservation Division ("OCD") will hold a hearing in front of a Division Examiner seeking an order determining that Ruth Oil Co. LLC ("Operator") (1) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification and costs as permitted by NMSA 1978, § 70-2-14(E). The hearing will be held in Porter Hall at 1220 South St. Francis Dr., Santa Fe, New Mexico.

Please review 19.15.4 NMAC to see applicable rules for division hearings. A person entitled to notice may enter an appearance at any time by filing a written notice of appearance with the division or the commission clerk, as applicable, or, subject to the provisions in Subsection C of 19.15.4.10 NMAC, by oral appearance on the record at the hearing. A party who has not entered an appearance at least one business day prior to the pre-hearing statement filing date provided in Paragraph (1) of Subsection B of 19.15.4.13 NMAC shall not be allowed to present technical evidence at the hearing unless the Oil Conservation Commission chairman or the OCD examiner, for good cause, otherwise directs.

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January 3, 2019

Page 2

If you have any questions regarding the hearing process, please contact me at (505) 476-3463 or keith.herrmann@state.nm.us.

Sincerely,

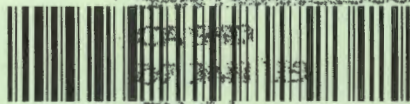
A handwritten signature in blue ink, appearing to read 'Keith Herrmann', is written over the word 'Sincerely,'.

Keith Herrmann
Attorney for the New Mexico Oil Conservation Division
Compliance and Enforcement Bureau

Encl: OCD Case No. 20197 Compliance and Enforcement Bureau Application for Hearing

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Exhibit 5-A: Direct Notice to Operator
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USPS TRACKING #



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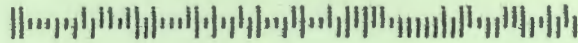
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New Mexico Energy, Minerals and
Natural Resources Department
Office of the General Counsel
1220 South St. Francis Drive
Santa Fe, NM 87505

Attn: Keith Herrmann

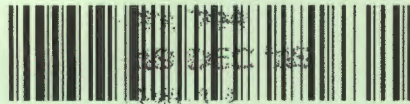


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SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
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<p>1. Article Addressed to:</p> <p>Ruth Oil Co, LLC P.O. Box 1212 Junice, NM 88231</p>		<p>B. Received by (Printed Name) <i>Delvade Ruth</i> C. Date of Delivery</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7018 0040 0000 5414 7788</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>Barcode: 9590 9402 3720 7335 0617 33</p>		<p>3. Service type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	

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Office of the General Counsel
1220 South St. Francis Drive
Santa Fe, NM 87505

Attn: Keith Herrmann



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Exhibit 5-A: Direct Notice to Operator
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Energy, Minerals and
Resources Department
The General Counsel
1000 St. Francis Drive
Santa Fe, NM 87505

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NEOPOST
12/14/2018
US POSTAGE \$004.13
FIRST-CLASS MAIL
ZIP 87505
041M11273712

Robert Stratton
4088 N. Grimes #228
Hobbs, NM 88240

HN
12/17/16

NIXIE 750 DE 1 0001/07/19
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Energy, Minerals and
Resources Department
General Counsel
1000 St. Francis Drive
Santa Fe, NM 87505

CERTIFIED MAIL



7018 0040 0000 5414 7801

NEOPOST
12/14/2018
US POSTAGE \$004.13⁰
FIRST-CLASS MAIL
ZIP 87505
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Joshua Ruth
1207 9th St.
Eunice, NM 88231

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NIXIE 750 DE 1 0012/23/18
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<p>1. Article Addressed to:</p> <p style="text-align: center;">Robert Stratton 4088 N. Grimes #228 Hobbs, NM 88240</p>		<p>B. Received by (Printed Name)</p>	<p>C. Date of Delivery</p>
<p>2. Article Number (Transfer from service label)</p> <p style="text-align: center;">7018 0040 0000 5414 7795</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p>		<p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	

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<p>2. Article Number (Transfer from service label)</p> <p style="text-align: center;">9590 9402 3720 7335 0617 19</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p>		<p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	