

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

Jami Bailey, Division Director  
Oil Conservation Division



December 12, 2014

Larry Marker  
Larry Marker DBA Marker Oil  
PO Box 3188  
Roswell, NM 88202

**VIA CERTIFIED MAIL, RETURN RECEIPT: 7012 0470 0000 0882 4942**

Kelly Mack Cassels  
Sanders Bruin Coll & Worley PA  
PO Box 550  
Roswell, NM 88202

**VIA CERTIFIED MAIL, RETURN RECEIPT: 7012 0470 0000 0881 0020**

**Re: Case No. 15254. Application of the New Mexico Oil Conservation Division, by and through its attorney for a Compliance Order against Larry Marker DBA Marker Oil, directors, and officers, jointly and severally, finding that the operator is in violation of N.M.S.A. §70-2-14 and OCD Rules 19.15.8.9 and 19.15.7.24 NMAC, requiring sanctions as provided by OCD Rule 19.15.5.10 until compliance with all division rules is achieved by a date certain, and in the event of non-compliance, to assess additional sanctions.**

Dear Mr. Marker:

Per my email to you on November 18, 2012, the New Mexico Oil Conservation Division ("OCD") will hold a hearing at 8:00 AM on January 8, 2015, at our Santa Fe office, located at 1220 South St. Francis Drive, Santa Fe, NM 87505, directing you to comply with OCD Rule 19.15.8.9 requiring financial assurance and as I have since noted OCD Rule 19.15.7.24 NMAC because again, no monthly production reports have been received from you since August, 2014.

In the event of non-compliance, the OCD will seek sanctions against Marker Oil per the attached application for hearing. If you comply with these rules prior to the hearing date, please notify me and we can resolve the issue prior to hearing. If you have any questions regarding the hearing process, please contact me at (505) 476-3463 or Keith.Herrmann@state.nm.us.

Best regards

A handwritten signature in black ink, appearing to read "Keith W. Herrmann", written over a horizontal line.

Keith W. Herrmann  
Assistant General Counsel

**Exhibit B**

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

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

7032 0470 0000 0882 4942

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

Postmark  
Here

Sent To Larry Marker-Marker Dil  
Street, Apt. No.,  
or PO Box No. PO BOX 3188  
City, State, ZIP+4 ROSWELL, NM 88202

## Herrmann, Keith, EMNRD

---

**From:** Herrmann, Keith, EMNRD  
**Sent:** Wednesday, December 31, 2014 12:38 PM  
**To:** 'Larry'  
**Cc:** Kelly Cassels  
**Subject:** OCD Case No. 15254 OCD Seeking Financial Assurance From Marker Oil  
**Attachments:** 2014-12-31 Case No. 15254 Pre Hearing Statement Larry Marker DBA Marker Oil.pdf

Larry,

Attached is the Pre-Hearing statement for the OCD for Case No. 15254 where the OCD will seek an order requiring you to furnish acceptable financial assurance to the OCD. On the original application, we noted that you again fell behind on your reporting, however you are now current through November, and that is noted on the pre-hearing statement.

As of today, no one has filed an appearance on your behalf for this hearing. Failure to appear at hearing will mean that no defenses on your side will be heard or considered by the Examiner for his final order. It is in your interest to appear and state your case. I am still open to a pre hearing conference where we can find a resolution outside of a formal OCD Order, but if no action is taken in this matter, we will have no other option.

Thanks

**Keith Herrmann**

Assistant General Counsel  
New Mexico Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505  
Tel: (505) 476-3463  
Fax: (505) 476-3462  
[Keith.Herrmann@state.nm.us](mailto:Keith.Herrmann@state.nm.us)

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

**REGISTERED MAIL™**

Hasler  
12/12/2014  
**US POSTAGE**



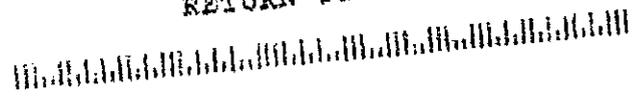
7012 0470 0000 0882 4942

Larry Marker  
Larry Marker DBA Marker Oil

Ro NIXIE 682023087-1N

12-24  
12-30  
01/04/15

RETURN TO SENDER  
UNCLAIMED  
UNABLE TO FORWARD  
RETURN TO SENDER



W

12-15

**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:

Larry Marker  
DBA Marker Oil  
PO Box 3188  
Roswell, NM 88202

**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

- Certified Mail     Express Mail
- Registered         Return Receipt for Merchandise
- Insured Mail       C.O.D.

4. Restricted Delivery? (*Extra Fee*)

Yes

2. Article Number

(*Transfer from service label*)

7012 0470 0000 0882 4942

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input checked="" type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p>
<p>1. Article Addressed to:</p> <p>Kelly Mack Cassels  Sanders Bruin Collg  Worley PA  PO Box 550  Roswell, NM 88202</p>	<p>B. Received by (Printed Name) C. Date of Delivery  Kelly Mack Cassels</p>
<p>2. Article Number  (Transfer from service label)</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  <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>PS Form 3811, February 2004</p>	<p>7012 0470 0000 0881 0020</p> <p>Domestic Return Receipt 102595-02-M-1540</p>

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

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Postage</td> <td style="width: 10%;">\$</td> <td style="width: 50%;"></td> </tr> <tr> <td>Certified Fee</td> <td></td> <td></td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td></td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td></td> <td></td> </tr> <tr> <td><b>Total Postage &amp; Fees</b></td> <td><b>\$</b></td> <td></td> </tr> </table>	Postage	\$		Certified Fee			Return Receipt Fee (Endorsement Required)			Restricted Delivery Fee (Endorsement Required)			<b>Total Postage &amp; Fees</b>	<b>\$</b>		<p>Postmark Here</p>
Postage	\$															
Certified Fee																
Return Receipt Fee (Endorsement Required)																
Restricted Delivery Fee (Endorsement Required)																
<b>Total Postage &amp; Fees</b>	<b>\$</b>															

Sent To Kelly Mack Cassels  
Street, Apt. No., or PO Box No. PO Box 550  
City, State, ZIP+4 Roswell, NM 88202

PS Form 3800, August 2006
See Reverse for Instructions

7012 0470 0000 0881 0020

