

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

David Catanach, Division Director
Oil Conservation Division



May 28, 2015

William S. Tighe
C/O Corp Creation
1308 Delaware Ave.
Wilmington, DE 19806

FILE COPY

VIA CERTIFIED MAIL, RETURN RECEIPT: 7012 0470 0000 0881 0150

Greg Nibert
Hinkle, Hensley, Shanor and Martin, LLP
400 N. Pennsylvania, STE 700
Roswell, NM 88201

VIA CERTIFIED MAIL, RETURN RECEIPT: 7012 0470 0000 0881 0143

Re: OCD Case No. 15323 for a Compliance Order against Kodiak Petroleum (Montana) Inc.

Dear Mr. Tighe:

You are hereby notified that at 8:15 AM on June 25, 2015, the New Mexico Oil Conservation Division (OCD) will hold a hearing seeking an order against Kodiak Petroleum (Montana) Inc., finding that the operator is in violation of the oil and gas act, NMSA 1978, Sections 70-2-1 et seq. and OCD rules, NMAC 19.15.2 et seq., requiring operator to return to compliance with division rules by a date certain, and in the event of non-compliance, request for additional sanctions. The hearing will be held in Porter Hall at 1220 South St. Francis Dr., Santa Fe, New Mexico.

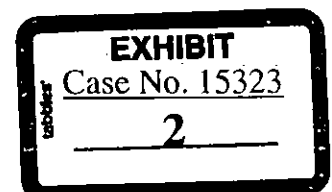
If you have any questions regarding the hearing process, please contact me at (505) 476-3463.

Sincerely

A handwritten signature in black ink, appearing to read "Keith Herrmann", followed by a horizontal line.

Keith Herrmann
Assistant General Counsel
New Mexico Oil Conservation Division

Cc: U.S. Specialty Insurance Company via New Mexico Superintendent of Insurance



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:

Greg Nibert
Hinkle, Hensley, Shanor and Martin, LLP
400 N. Pennsylvania, STE 700
Roswell, NM 88201

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
 B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No
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☐ Registered ☐ Return Receipt for Merchandise
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 4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7012 0470 0000 0881 0143

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

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Sent To Greg Nibert
 Hinkle, Hensley, Shanor and Martin, LLP
 400 N. Pennsylvania, STE 700
 Roswell, NM 88201

PS Form 3811, February 2004

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

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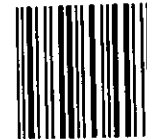
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William S. Tighe
C/O Corp Creation
1308 Delaware Ave.
Wilmington, DE 19806



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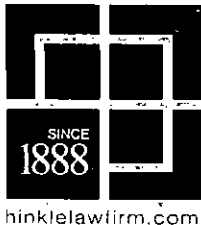
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Restricted Delivery Fee (Endorsement Required)	

Total P

Sent To

Postmark
Here

William S. Tighe
C/O Corp Creation
1308 Delaware Ave



HINKLE SHANOR LLP

ATTORNEYS AT LAW

400 PENN PLAZA, SUITE 610

PO BOX 10

ROSWELL, NEW MEXICO 88202

575-622-6510

(FAX) 575-623-9332

WRITER

Gregory J. Nibert

gnibert@hinklelawfirm.com

June 1, 2015

Keith Herrmann, Assistant General Counsel
New Mexico Oil Conservation Division
1220 South Saint Frances Drive
Santa Fe, New Mexico 87505

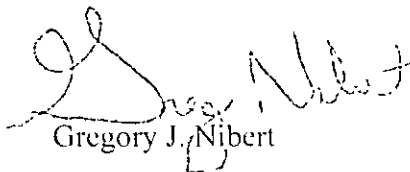
Re: Kodiak Petroleum (Montana) Inc.

Dear Mr. Herrmann:

You sent various materials regarding OCD Case No. 15323 to me as Agent for Service of Process for Kodiak Petroleum (Montana) Inc. I have forward those materials to the last known address that I have for Kodiak and have also submitted them to William S. Tighe at a business address that I believe is current. For your information, I serve as Agent for Process only and we do not have a current engagement letter with Kodiak to perform legal services on its behalf. Unless it specifically hires us and we enter an appearance, the receipt of the enclosed material was simply as Agent for Service of Process. Please advise if you sent this material to us believing that we were more than an Agent for Service of Process.

Very truly yours,

HINKLE SHANOR LLP



Gregory J. Nibert

GJN/dl

PO BOX 10
ROSWELL, NEW MEXICO 88202
575-622-6510
(FAX) 575-623-9332

PO BOX 1720
ARTESIA, NEW MEXICO 88210
575-622-6510
(FAX) 575-746-6316

PO BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554
(FAX) 505-982-8623

cc: Kodiak Petroleum (Montana) Inc.
734 7th Avenue, S.W., Suite 460
Calgary, Alberta, Canada T2P3P8

Kodiak Petroleum (Montana) Inc.
833 4th Ave Sw Ste 1120
Calgary Alberta, MT 59103-0000

William Tighe, North Star Energy, Ltd
2632 24th Street S.W.
Calgary, Alberta, Canada T2T 5H9

**STATE OF NEW MEXICO
OFFICE OF THE SUPERINTENDENT OF INSURANCE**

CERTIFICATE

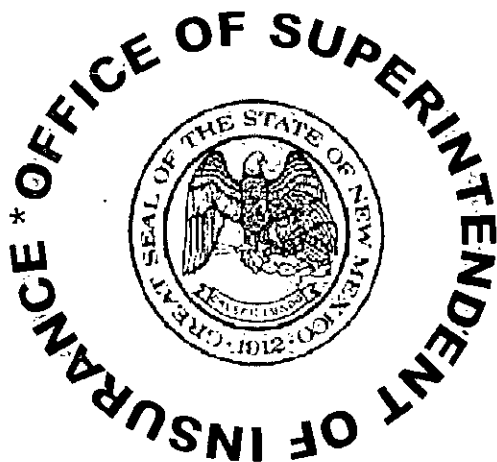
STATE OF NM ENERGY, MINERAL & NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 15323

APPLICATION OF THE NM OIL CONSERVATION DIVISION ("OCD") COMPLIANCE AND ENFORCEMENT MANAGER FOR A COMPLIANCE ORDER AGAINST KODIAK PETROLEUM (MONTANA) INC., FINDING THAT THE OPERATOR IS IN VIOLATION OF THE OIL AND GAS ACT, NMSA 1978, SECTIONS 70-2-1 et seq. AND OCD RULES, NMAC 19.15.2 et seq. REQUIRING OPERATOR TO RETURN TO COMPLIANCE WITH DIVISION RULES BY A DATE CERTAIN AND IN THE EVENT OF NON COMPLIANCE, REQUEST FOR ADDITIONAL SANCTIONS.

ACCEPTANCE OF SERVICE

I, John G. Franchini, Superintendent of Insurance of the State of New Mexico, do hereby certify that a copy of a OCD'S Application for Compliance Order Against Kodiak Petroleum (Montana), Inc., on the above style cause was accepted by me on behalf of U.S. SPECIALTY INSURANCE COMPANY, on June 4, 2015 provided in Section 59A-5-31 and 59A-5-32 NMSA 1978, and was received by said company on June 9, 2015 as shown by return receipt by Postmaster.



In Witness Whereof, I have
hereunto set my official seal
on this 17th of June, 2015

John G. Franchini

Superintendent of Insurance

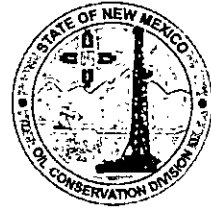
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

David R. Catanach, Division Director
Oil Conservation Division



May 28, 2015

Via email: ucleader@plateautel.net

Union County Leader
P.O. Box 487
Clayton, NM 88415

Attention: Legal Department

Re: Notice of Publication - Case No. 15323

Dear Legal Department:

Please publish the attached notice one time immediately on receipt of this request. Please proofread carefully, as any error in a land description or in a key word or phrase can invalidate the entire notice.

Immediately upon completion of publication, please send the following to this office:

- 1. Publisher's affidavit in duplicate.**
- 2. Statement of cost (also in duplicate).**
- 3. Certified invoices for prompt payment.**

We should have these immediately after publication in order that the legal notice will be available for the hearing which it advertises, and also so that there will be no delay in your receiving payment.

Please publish the notice as soon as possible.

Sincerely,

Marlene Salvidrez

Attachment

**NOTICE OF HEARING
STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO**

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **June 25, 2015**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis Drive, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **June 15, 2015**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed. A party who plans on using projection equipment at a hearing must contact Florene Davidson seven (7) business days prior to the hearing requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. ***Case No. 15323: Application of the New Mexico Oil Conservation Division ("OCD") Compliance and Enforcement Manager for a compliance order against Kodiak Petroleum (Montana), Inc.,*** finding that the operator is in violation of the oil and gas act, NMSA 1978, Sections 70-2-1 *et seq.* and OCD rules, NMAC 19.15.2 *et seq.*, requiring operator to return to compliance with division rules by a date certain, and in the event of non-compliance, request for additional sanctions. Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 28th day of May, 2015.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
David R. Catanach
Director, Oil Conservation Division
S E A L

AFFIDAVIT OF PUBLICATION

State of New Mexico
County of Union

OK
fd

SS.

The undersigned, being first duly sworn according to law, on her oath deposes and says that she is the office manager of the newspaper named the *Union County Leader* and that she has personal knowledge of the facts stated herein: That the said the *Union County Leader* is a weekly newspaper of general paid circulation in Union and Harding Counties published in the County of Union and State of New Mexico; entered under the second class privilege at the U.S. Post Office at Clayton, Union County, New Mexico and having been uninterruptedly and continuously so printed and published during a period of more than six months next to the date of the printing of the first publication concerning which this affidavit is made and a copy of which is hereto attached; that the said publication, a printed copy of which is hereto attached and made part of this affidavit, was published in said newspaper once each week for one successive weeks, and that payment for said publication has been made or assessed as part of the court costs to which it relates: said publications having been made on the following dates, to wit:

1st publication: the 3 day of June, 2015
2nd publication: the _____ day of _____, 20____

3rd publication: the _____ day of _____, 20____
4th publication: the _____ day of _____, 20____

Union County Leader

Publisher's Bill

Terry Martin
Terry Martin, CEO/Publisher/Editor

116 lines, 14 times \$ 173.08
_____ lines, display _____ times \$ _____
Tax \$ 5.76
Total \$ 178.84

Subscribed and sworn to before me this 9 day of June, 2015

Received payment:

Patricia Herrera
Notary Public, Union County, New Mexico
My commission expires 11-5-2018

RECEIVED OGD
JUN 12 P 3:11 PM
2015

NOTICE OF HEARING OF Fe, New Mexico, be- cessible form is, of the oil and gas act, fore, an examiner needed. A party who NMSA 1978, Sec- STATE OF NEW duly appointed, for plans on using pro- tions 70-2-1 et seq; MEXICO the hearing. If you section equipment at and OCD rules; ENERGY, MINER- are an individual a hearing must con- NMAC 1915.2 et AUS AND NATU- with a disability who tact Florene, Da- seq; requiring opera- RAL RESOURCES is in need of a reader, vidson seven (7) tor to return to com- DEPARTMENT amplifier, qualified business days prior pliance with division OIL CONSERVA- sign language inter- to the hearing re- rules by a date cer- TION DIVISION preter, or any other questing, the use of tain, and in the event SANTA FE, NEW form of auxiliary aid the projection of non-compliance, MEXICO or service to attend equipment. Wireless request for addition- or participate in the internet is available; al sanctions. The State of New hearing, please con- however, the party Given under the Seal Mexico through its tact Florene, Da- must provide its own of the State of New Oil Conservation vidson at 505-476, laptop computer Mexico Oil Conserva- Division hereby gives 3458 or through the Case No. 15323- tion Commission at notice pursuant to New Mexico Relay Application of the Santa Fe, New Mexi- law and the Rules Network, 1-800-659- New Mexico Oil co on this 28th day of and Regulations of 1779, by June 15, Conservation Divi- May 2015. the Division of the 2015. Public docu- sion ("OCD") Com- STATE OF NEW following public ments, including the pliance and En- MEXICO hearing to be held at agenda and minutes, forcement Manag- OIL CONSERVA- 8:15 A.M. on June can be provided in er for a compliance TION DIVISION 25, 2015, in the Oil various accessible order against Ko- David R. Catanach, Conservation Divi- forms. Please con- diak Petroleum Director, Oil Conser- sion Hearing Room tact Florene, Da- (Montana), Inc., vation Division. at 1220 South St vidson if a summary finding that the op S E A L 6:3:15 Francis Drive, Santa or other type of ac- erator is in violation



HINKLE SHANOR LLP

ATTORNEYS AT LAW

400 PENN PLAZA, SUITE 640

PO BOX 10

ROSWELL, NEW MEXICO 88202

575-622-6510 (FAX) 575-623-9332

WRITER:

Gregory J. Nibert

gnibert@hinklelawfirm.com

July 8, 2015

Keith Herrmann, Assistant General Counsel
New Mexico Oil Conservation Division
1220 South Saint Frances Drive
Santa Fe, New Mexico 87505

Re: New Mexico OCD Case No. 15323

Dear Mr. Herrmann:

I am still listed as the Agent for Service of Process in the State of New Mexico for Kodiak Petroleum (Montana) Inc. In that capacity I have attempted to forward the New Mexico OCD Case No. 15323 materials to Kodiak for further handling. Specifically, I sent the material to Kodiak's last known addresses as follows:

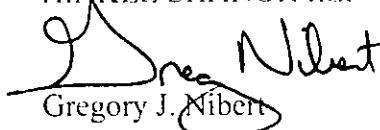
Kodiak Petroleum (Montana) Inc.
734 7th Avenue, S.W., Suite 460
Calgary, Alberta, Canada T2P 3P8

Kodiak Petroleum (Montana) Inc.
508 8 Avenue, S.W. Suite 405
Calgary, Alberta, Canada T2P 3P8

Enclosed are copies of the envelopes reflecting their return to us without delivery. I also sent a copy of the materials to Kodiak's former president, William S. Tighe in care of CEC Northstar Energy Ltd 2632 24th Street S.W., Calgary, Alberta, Canada T2T 5H9 with a request that he forward the material to the appropriate parties for response. I have not heard back from Mr. Tighe, but the envelope was not returned. I have fulfilled my job as Agent for Service of Process in the State of New Mexico for Kodiak Petroleum (Montana) Inc. It is obvious, Kodiak has either moved without my knowledge or is no longer in business.

Very truly yours,

HINKLE SHANOR LLP



Gregory J. Nibert

GJN/dl
Enclosures

PO BOX 10
ROSWELL, NEW MEXICO 88202
575-622-6510
(FAX) 575-623-9332

PO BOX 1720
ARTESIA, NEW MEXICO 88210
575-622-6510
(FAX) 575-746-6316

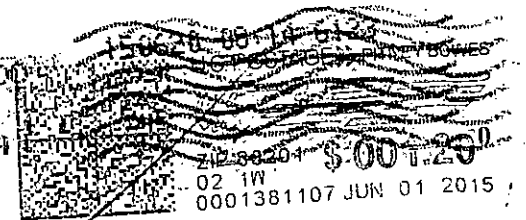
PO BOX 268
SANTA FE, NEW MEXICO 87504
505-982-4554
(FAX) 505-982-8623

HINKLE SHANOR LLP
ATTORNEYS AT LAW
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202

AIR MAIL

LOS ANGELES CA 90011

02 JUN 2015 PM
23 JUN 2015 PM



AIR MAIL

Kodiak Petroleum (Montana) Inc

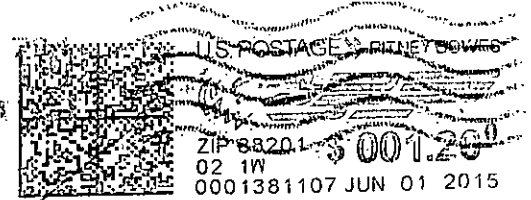
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HINKLE SHANOR LLP
ATTORNEYS AT LAW
POST OFFICE BOX 10
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NM 88202
USA

0001381107 JUN 01 2015

Jones, William V, EMNRD

From: Jones, William V, EMNRD
Sent: Friday, July 17, 2015 9:50 AM
To: 'g.watt@kodiakpetroleum.com'
Cc: Herrmann, Keith, EMNRD
Subject: Sofia CO2 wells located in Union County New Mexico

Hello Mr. Glenn Watt,

I have tried your phone number listed in our records 403-262-8044 and it reports as "disconnected".

Our records show you as the V.P. of Operations for:

Kodiak Petroleum (Montana), Inc. (OGRID 257794)
Suite 460, 737-7th Ave.
Calgary, Alberta, Canada T2P3P8

And the records also show that this company drilled the following three (3) wells in March of 2008.

Sofia Well No. 1 30-059-20485 D(1)-18-25N-30E Union County, New Mexico

Sofia Well No. 2 30-059-20486 K(K)-36-26N-29E Union County, New Mexico

Sofia Well No. 4 30-059-20488 C(C1)-20-26N-30E Union County, New Mexico

We have records that these wells were perforated and tested but show no completion reports on any of them.

And these wells have been inactive for over 5 years and never hooked up to sales.

We have inspected the wells and confirmed they are not completed for sales or plugged.

Please let us know if you are still affiliated with this company and if you know whether this company still exists.

The Division has entered compliance Case No. 15323 before an examiner scheduled for hearing on July 23, 2015 at the location shown below.

Please reply to myself at the contact shown below - or Mr. Keith Herrmann, Esq. at 505-476-3463.

Regards,



William V. Jones, P.E., District IV Supervisor
Oil Conservation Division <http://www.emnrd.state.nm.us/ocd/>
1220 South St. Francis Drive, Santa Fe, NM 87505
P: 505.476.3477 C: 505.419.1995

Jones, William V, EMNRD

From: Mail Delivery System <MAILER-DAEMON@messagelabs.com>
To: g.watt@kodiakpetroleum.com
Sent: Friday, July 17, 2015 9:50 AM
Subject: Undeliverable: Sofia CO2 wells located in Union County New Mexico

Delivery has failed to these recipients or groups:

g.watt@kodiakpetroleum.com

Your message wasn't delivered because the recipient's e-mail provider rejected it.

Diagnostic information for administrators:

Generating server: server-14.bemta-12.messagelabs.com

g.watt@kodiakpetroleum.com

#< #5.7.0 smtp; 551 5.7.0 recipient domain does not exist in DNS> #SMTP#

Original message headers:

Return-Path: <WilliamV.Jones@state.nm.us>
Received: from [216.32.250.51] by server-14.bemta-12.messagelabs.com id 1A/A1-12728-A1429A55; Fri, 17 Jul 2015 15:49:46 +0000
X-Env-Sender: WilliamV.Jones@state.nm.us
X-Msg-Ref: server-13.tower-108.messagelabs.com!1437148185!14083917!2
X-Originating-IP: [164.64.4.99]
X-StarScan-Received:
X-StarScan-Version: 6.13.16; banners=-, -, -
X-VirusChecked: Checked
Received: (qmail 11144 invoked from network); 17 Jul 2015 15:49:46 -0000
Received: from unknown (HELO webmail.state.nm.us) (164.64.4.99)
by server-13.tower-108.messagelabs.com with AES128-SHA encrypted SMTP; 17 Jul 2015 15:49:46 -0000
Received: from CEXMB001.nmes.1cl ([fe80::6cb4:be40:8604:bdc9]) by CEXHUB003.nmes.1cl ([:1]) with mapi id 14.03.0224.002; Fri, 17 Jul 2015 09:49:45 -0600
From: "Jones, William V, EMNRD" <WilliamV.Jones@state.nm.us>
To: "g.watt@kodiakpetroleum.com" <g.watt@kodiakpetroleum.com>
CC: "Herrmann, Keith, EMNRD" <Keith.Herrmann@state.nm.us>
Subject: Sofia CO2 wells located in Union County New Mexico
Thread-Topic: Sofia CO2 wells located in Union County New Mexico
Thread-Index: AddApFCn+e3/OzRaTvi7gCIB0fleFA==
Date: Fri, 17 Jul 2015 15:49:44 +0000
Message-ID: <PB7F42EC476FC145BBE45C6A4F896C6D01071911@CEXMB001.nmes.1cl>
Accept-Language: en-US
Content-Language: en-US
X-MS-Has-Attach: yes
X-MS-TNEF-Correlator: