



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 11, 2007

K.P. Kauffmann Company, Inc.
1675 Broadway Suite 2800
Denver, CO 80202

Fidelity and Deposit Company
1400 American Lane, Tower 1
Schaumburg, IL 60196-1056

VIA CERTIFIED MAIL

Re: Case No. 13709: Application of the New Mexico Oil Conservation Division for an Order Requiring K.P. Kauffman Company, Inc. to Plug One Well and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance; Lea County, New Mexico

Ladies and Gentlemen:

On March 22, 2006, you were notified that OCD had filed an application in the above case for an order requiring you to plug your Mesa Queen State Well No. 1 in Lea County, New Mexico.

On August 16, 2006, you signed an Agreed Compliance Order, agreeing to plug this well not later than December 31, 2006, which you have not done.

Be advised that a hearing on the Division's request for an order directing you to plug this well or forfeit your plugging bond is now set before a Division hearing examiner on Thursday, February 1, 2007, at 8:15 a.m., in Porter Hall at 1220 S. St. Francis Drive, in Santa Fe, New Mexico.

The Agreed Compliance Order also provided that you would pay a penalty of \$1,000 if you failed to plug the subject well within the time provided. This penalty is now owed regardless of the outcome of the February 1 administrative hearing, and even if you now or subsequently plug the well. Demand is hereby made for immediate payment. In event you fail to pay this penalty on or before February 1, 2007, the Division reserves the right to bring suit against K.P. Kauffmann Company, Inc. to collect this penalty.

Case No. 13709
February 1, 2007

OCD Exhibit 7

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.
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1. Article Addressed to:

K.P. Kauffmann Company, Inc.
1675 Broadway, Ste. 2800
Denver, CO 80202

2. Article Number

(Transfer from service lt

7004 2510 0006 6624 3736

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

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A. Signature

☒ Agent
☐ Addressee

B. Received by (Printed Name)

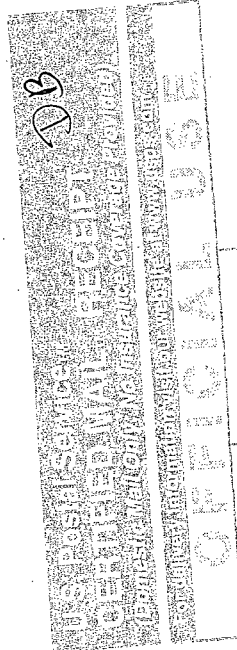
C. Date of Delivery

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

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

4. Restricted Delivery? (Extra Fee) ☐ Yes



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

Postmark Here

Sent to K.P. KAUFFMANN COMPANY, INC.
Street, Apt. No. 1675 Broadway, Ste. 2800
or PO Box No.
City, State, ZIP+4 Denver, CO 80202



962E 4299 9000 0152 4002
962E 4299 9000 0152 4002

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Fidelity and Deposit Company
1400 American Lane, TOWER 1
Schaumburg, IL 60196-1056

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- B. Received by (Printed Name) ☐ Date of Delivery
- C. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type ☒ Certified Mail ☐ Express Mail ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

2. Article Number

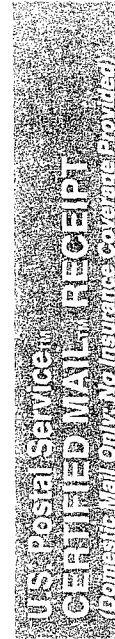
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For delivery information visit our website at www.usps.com

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

Postmark Here

8626 6299 9000 0752 601
21 10 6299 9000 0752 601

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☐ Agent
☐ Addressee

B. Received by (Printed Name)

CLAUDIA CHAVEZ

C. Date of Delivery

JAN 16 2007

☐ Yes
☐ No

D. Is delivery address different from item 1?

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☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

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☐ Yes

2. Article Number

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☐ Addressee

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JAN 16 2007

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☐ No

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