

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A
COMPLIANCE ORDER AGAINST YESO ENERGY, INC. FINDING THAT THE
OPERATOR IS IN VIOLATION OF 19.15.4.201 NMAC AS TO SIX WELLS,
DETERMINING THAT THE VIOLATION IS KNOWING AND WILLFUL AND
IMPOSING A PENALTY, REQUIRING OPERATOR TO BRING SAID WELLS
INTO COMPLIANCE WITH 19.15.4.201 NMAC BY A DATE CERTAIN, AND IN
THE EVENT OF NON-COMPLIANCE DECLARING THE WELLS
ABANDONED, AUTHORIZING THE DIVISION TO PLUG THE WELLS AND
FORFEIT THE APPLICABLE FINANCIAL ASSURANCE, EDDY, LEA AND
ROOSEVELT COUNTIES, NEW MEXICO.**

CASE NO. 13921

AFFIDAVIT OF NOTICE AND PUBLICATION

In accordance with Division Rule 1227.D [19.15.14.1227.D NMAC] and Rule 1210 [19.15.14.1210-NMAC] I hereby certify:

1. Notice of the original May 24, 2007 hearing setting in the above-captioned case was mailed to the following by certified mail, return receipt requested, at least 20 days prior to the hearing date, with a copy of the application:

Yeso Energy Inc.
P.O. Box 8280
Roswell, NM 88202

Certified Mail No. 7002 2030 0006 2712 9957

Yeso Energy, Inc.
P.O. Box 2248
Roswell, NM 88202

Certified Mail No. 7004 2510 0006 6624 4122

Yeso Energy, Inc.
3103 Yeso
Roswell, NM 88201

Certified Mail No. 7004 2510 0006 6624 4146

U.S. Specialty Insurance Company
13403 Northwest Freeway
Houston, TX 77040

Certified Mail No. 7004 2510 0006 6624 4139

2. The Oil Conservation Division (OCD) received return receipt cards for the letters sent to Yeso Energy Inc. at two of the three addresses. The OCD did not receive a return receipt card for the letter sent to U.S. Specialty Insurance Company. The United States Postal Service web site shows that the letter was delivered on April 30, 2007. Exhibit A to this affidavit is a

Case 13886

Affidavit of Notice and Publication

Page 1 of 2

Yeso Energy, Inc.

Case 13921

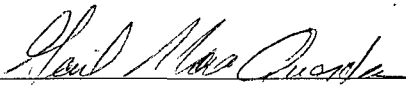
OCD Exhibit No. 1

copy of the notice, with copies of certified mail return receipts and the page from the United States Postal Service web site.


3. Notice of the May 24, 2007 hearing was published in The Lovington Leader, a newspaper of general circulation in Lea County. The OCD discovered an error in the publication, and re-published the notice. The two affidavits of publication from the Lovington Leader are attached as Exhibit B.

4. Notice of the May 24, 2007 hearing was published in the Portales New-Tribune, a newspaper of general circulation in Curry County. The affidavit of publication from the Portales New-Tribune is attached as Exhibit C.

5. Notice of the May 24, 2007 hearing was published in The Artesia Daily Press, a newspaper of general circulation in Eddy County. The affidavit of publication from the Artesia Daily Press is attached as Exhibit D.


Gail MacQuesten

SUBSCRIBED AND SWORN to before me this 5th day of July 2007.


Notary Public

My Commission Expires:
1-9-08



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

April 26, 2007

Yeso Energy Inc.
P.O. Box 8280
Roswell, NM 88202

Certified Mail No. 7002 2030 0006 2712 9957

Yeso Energy, Inc.
P.O. Box 2248
Roswell, NM 88202

Certified Mail No. 7004 2510 0006 6624 4122

Yeso Energy, Inc.
5103 Yeso
Roswell, NM 88201

Certified Mail No. 7004 2510 0006 6624 4146

U.S. Specialty Insurance Company
13403 Northwest Freeway
Houston, TX 77040

Certified Mail No. 7004 2510 0006 6624 4139

CASE 13921: APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST YESO ENERGY, INC. FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.4.201 NMAC AS TO SIX WELLS, DETERMINING THAT THE VIOLATION IS KNOWING AND WILLFUL AND IMPOSING A PENALTY, REQUIRING OPERATOR TO BRING SAID WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE DECLARING THE WELLS ABANDONED, AUTHORIZING THE DIVISION TO PLUG THE WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE, EDDY, LEA AND ROOSEVELT COUNTIES, NEW MEXICO.

Dear Operator and Surety:

You are hereby notified that the New Mexico Oil Conservation Division (OCD) has filed the above-captioned application for a compliance order against Yeso Energy, Inc. A copy of the application is enclosed.

A hearing on this application will take place before a Division hearing officer on **Thursday, May 24, 2007**, at 8:15 a.m., in Porter Hall, First Floor, 1220 South St. Francis Drive in Santa Fe, New Mexico. At that hearing the Operator and the Surety will have an opportunity to oppose the entry of the order. **If you intend to present evidence at the hearing, you should file a pre-hearing statement at least four business days in advance of the hearing, as required by 19.15.14.1211.B NMAC.** A copy of that rule is enclosed. I have also enclosed a copy of 19.15.14.1212, which addresses representation at administrative hearings before the Division.

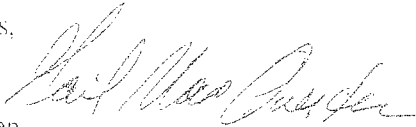
Oil Conservation
Phone: (505) 824-1111

Yeso Energy, Inc.
Case 13921
OCD Exhibit 1-A

Santa Fe, New Mexico 87505
www.emnrd.state.nm.us

If you have questions about the application you may call me at (505) 476-3451.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Gail MacQuesten".

Gail MacQuesten
Assistant General Counsel

Encl: Application in Case 13921
Rule 1211 [19.15.14.1211 NMAC]
Rule 1212 [19.15.14.1212 NMAC]

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

2007 APR 24 AM 9 30

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST YESO ENERGY, INC. FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.4.201 NMAC AS TO SIX WELLS, DETERMINING THAT THE VIOLATION IS KNOWING AND WILLFUL AND IMPOSING A PENALTY, REQUIRING OPERATOR TO BRING SAID WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE DECLARING THE WELLS ABANDONED, AUTHORIZING THE DIVISION TO PLUG THE WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE, EDDY, LEA AND ROOSEVELT COUNTIES, NEW MEXICO.

CASE NO. 13 921

APPLICATION FOR COMPLIANCE ORDER
AGAINST YESO ENERGY, INC.

1. Yeso Energy, Inc. ("Operator") is a corporation operating wells in New Mexico under OGRID 221710.

2. Division rule 19.15.4.201 NMAC requires an operator to plug and abandon or temporarily abandon a well in accordance with Division rules within 90 days after a period of one year of continuous inactivity.

3. The following wells ("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 19.15.4.202 NMAC nor on approved temporary abandonment status in accord with 19.15.4.203 NMAC:

• Connie C State #003	30-015-25587	K-25-19S-28E
• Connie C State #004	30-015-25648	B-25-19S-28E
• Cortland Myers Unit #004	30-025-11198	N-22-24S-37E

- | | | |
|-------------------------|--------------|--------------|
| • Knight #005 | 30-025-20356 | M-22-24S-37E |
| • Las Cruces B #001 | 30-041-00234 | 1-30-08S-37E |
| • Tracy 29 Federal #001 | 30-015-28142 | O-29-17S-31E |

4. OCD personnel contacted the Operator regarding the need to comply with 19.15.4.201 NMAC as to the subject wells, but Operator failed to return the wells to compliance.

5. Operator has posted the following surety bonds with U.S. Specialty Insurance Company pursuant to 19.15.3.101 NMAC to secure the plugging of its wells:

- a. \$50,000 blanket plugging bond #B001414;
- b. \$5,000 single well bond #B001616 for the Connie C State #4;
- c. \$5,000 single well bond #B001615 for the Connie C State #3.

6. NMSA 1978, Section 70-2-14(B) provides:

If any of the requirements of the Oil and Gas Act [70-2-1 NMSA 1978] or the rules promulgated pursuant to that act have not been complied with, the oil conservation division, after notice and hearing, may order any well plugged and abandoned by the operator or surety or both in accordance with division rules. If the order is not complied with in the time period set out in the order, the financial assurance shall be forfeited.

7. NMSA 1978, Section 70-2-31 (A) provides, in relevant part:

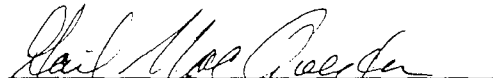
Any person who knowingly and willfully violates any provision of the Oil and Gas Act or any provision of any rule or order issued pursuant to that act shall be subject to a civil penalty of not more than one thousand dollars (\$1,000) for each violation. For purposes of this subsection, in the case of a continuing violation, each day of violation shall constitute a separate violation.

8. NMSA 1978, Section 70-2-33(A) defines "person" as used in the Oil and Gas Act to include corporations.

WHEREFORE, the Enforcement and Compliance Manager of the Division hereby applies to the Director to enter an order:

- A. Determining that the subject wells are not in compliance with 19.15.4.201 NMAC;
- B. Determining that Operator knowingly and willfully violated 19.15.4.201 NMAC;
- C. Imposing a penalty on the Operator for the knowing and willful violation of 19.15.4.201 NMAC as to the subject wells;
- D. Requiring the Operator to plug and abandon or otherwise return each of the subject wells to compliance with 19.15.4.201 NMAC by a date certain;
- E. If the subject wells are not brought into compliance with 19.15.4.201 NMAC by the date set in the order,
 - 1. declaring the wells abandoned;
 - 2. authorizing the OCD to plug the subject wells in accordance with a OCD-approved plugging program and restore and remediate the locations; and
 - 3. authorizing the OCD to forfeit the applicable financial assurance;
- F. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED;
this 24th day of April, 2007 by


Gail MacQuesten
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3451

Attorney for The New Mexico Oil
Conservation Division

- Case No. _____. Application of the New Mexico Oil Conservation Division for a Compliance Order against Yeso Energy, Inc. The Applicant seeks an order finding the operator in violation of 19.15.4.201 NMAC as to six wells, determining that the violation is knowing and willful and imposing a penalty, requiring operator to bring the six wells into compliance with 19.15.4.201 NMAC by a date certain and authorizing the division to plug said wells in the event of non-compliance and forfeit the applicable financial assurance. The affected wells are: Connie C State #003, 30-015-25587, K-25-19S-28E, and Connie C State #004, 30-015-25648, B-25-19S-28E (located approximately 15 miles northeast of Carlsbad in Eddy County, New Mexico); Cortland Myers Unit #004; 30-025-11198, N-22-24S-37E and Knight #005, 30-025-20356, M-22-24S-37E (located approximately 5-10 miles north of Jal in Lea County, New Mexico); Las Cruces B #001, 30-041-00234, 1-30-08S-37E (located within 5 miles of Milnesand in Roosevelt County, New Mexico); and Tracy 29 Federal #001, 30-015-28142, O-29-17S-31E (located within 5 miles of Maljamar in Eddy County, New Mexico).

**19.15.14.1211 PLEADINGS, COPIES, PRE-HEARING STATEMENTS,
EXHIBITS AND MOTIONS FOR CONTINUANCE:**

A. Pleadings. Applicants shall file two sets of pleadings and correspondence in cases pending before a division examiner with the division clerk and six sets of pleadings and correspondence in cases pending before the commission with the commission clerk. For cases pending before the commission, the commission clerk shall disseminate copies of pleadings and correspondence to the commission members. The party filing the pleading or correspondence shall at the same time serve a copy of the pleading or correspondence upon each party who has entered an appearance in the case on or prior to the business day immediately preceding the date when the party files the pleading or correspondence with the division or the commission clerk, as applicable. Parties shall accomplish service by hand delivery or transmission by facsimile or electronic mail to any party who has entered an appearance or, if the party is represented, the party's attorney of record. Service upon a party who has not filed a pleading containing a facsimile number or e-mail address may be made by ordinary first class mail. Parties shall be deemed to have made an appearance when they have either sent a letter regarding the case to the division or commission clerk or made an in person appearance at any hearing before the commission or before a division examiner. A written appearance, however, shall not be complete until the appearing party has provided notice to other parties of record. Any initial pleading or written entry of appearance a party other than the applicant files shall include the party's address or the address of the party's attorney and an e-mail and facsimile number if available.

B. Pre-hearing statements.

(1) Any party to an adjudicatory proceeding who intends to present evidence at the hearing shall file a pre-hearing statement, and serve copies on other parties or, for parties that are represented, their attorneys in the manner Subsection A of 19.15.14.1211 NMAC provides, at least four business days in advance of a scheduled hearing before the division or the commission, but in no event later than 5:00 pm mountain time, on the Thursday preceding the scheduled hearing date. The statement shall include:

- (a) the names of the party and the party's attorney;
- (b) a concise statement of the case;
- (c) the names of witnesses the party will call to testify at the hearing, and in the case of expert witnesses, their fields of expertise;
- (d) the approximate time the party will need to present its case; and
- (e) identification of any procedural matters that are to be resolved prior to the hearing.

(2) Any party other than the applicant shall include in its pre-hearing statement a statement of the extent to which the party supports or opposes the issuance of the order the applicant seeks and the reasons for such support or opposition. In cases to be heard by the commission, each party shall include copies of all exhibits that it proposes to offer in evidence at the hearing with the pre-hearing statement. The commission may exclude witnesses the party did not identify in the pre-hearing statement, or exhibits the party did not file and serve with the pre-hearing statement, unless the party offers such evidence solely for rebuttal or makes a satisfactory showing of good cause for failure to disclose the witness or exhibit.

(3) A pre-hearing statement filed by a corporation or other entity not represented by an attorney shall identify the person who will conduct the party's presentation at the hearing and include a sworn and notarized statement attesting that the corporation's or entity's governing body or chief executive officer authorizes the person to present the corporation or entity in the matter.

(4) For cases pending before the commission, the commission clerk shall disseminate copies of pre-hearing statements and exhibits to the commission members.

C. Motions for continuance. Parties shall file and serve motions for continuance no later than 48 hours prior to time the hearing is set to begin, unless the reasons for requesting a continuance arise after the deadline, in which case the party shall file the motion as expeditiously as possible after becoming aware of the need for a continuance.

[19.15.14.1211 NMAC - Rp, 19.15.14.1208 NMAC, 09/30/05]

19.15.14.1212 CONDUCT OF ADJUDICATORY HEARINGS:

A. Testimony. Hearings before the commission or a division examiner shall be conducted without rigid formality. The division or commission shall take or have someone take a transcript of testimony and preserve the transcript as a part of the division's permanent records. Any person testifying shall do so under oath. The division examiner or commission shall designate whether or not an interested party's un-sworn comments and observations are relevant and, if relevant, include the comments and observations in the record.

B. Pre-filed testimony. The division director may order the parties to file prepared written testimony in advance of the hearing for cases pending before the commission. The witness shall be present at the hearing and shall adopt, under oath, the prepared written testimony, subject to cross-examination and motions to strike unless the witness' presence at hearing is waived upon notice to other parties and without their objection. The parties shall number pages of the prepared written testimony, which shall contain line numbers on the left-hand side.

C. Appearances pro se or through an attorney. Parties may appear and participate in hearings either pro se (on their own behalf) or through an attorney. Corporations, partnerships, governmental entities, political subdivisions, unincorporated associations and other collective entities may appear only through an attorney or through a duly authorized officer or member. Participation in adjudicatory hearings shall be limited to parties, as defined in 19.15.14.1208 NMAC, except that a representative of a federal, state or tribal governmental agency or political subdivision may make a statement on the agency's or political subdivision's behalf. The commission or division examiner shall have the discretion to allow any other person present at the hearing to make a relevant statement, but not to present evidence or cross-examine witnesses. Any person making a statement at an adjudicatory hearing shall be subject to cross-examination by the parties or their attorneys.

[19.15.14.1212 NMAC - Rp, 19.15.14.1210 NMAC, 09/30/05]

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:

Yeso Energy, Inc.
P.O. Box 8280
Roswell, NM 88202

2. Article Number

(Transfer from service label)

7002 2030 0006 2712 9957

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

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**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:

Yeso Energy, Inc.
P.O. Box 2248
Roswell, NM 88202

2. Article Number

(Transfer from service label)

7004 2510 0006 6624 4122

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

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

[Home](#) | [Help](#) | [Sign In](#)[Track & Confirm](#)[FAQs](#)

Track & Confirm

Search Results

Label/Receipt Number: **7004 2510 0006 6624 4139**

Status:

Your item was delivered at 9:04 am on April 30, 2007 in HOUSTON, TX 77040. A proof of delivery record may be available through your local Post Office for a fee.

Additional information for this item is stored in files offline.

[Track & Confirm](#)

Enter Label/Receipt Number.

[Go >](#)[Restore Offline Details >](#)[Return to USPS.com Home >](#)

POSTAL INSPECTORS
Preserving the Trust

[site map](#)[contact us](#)[government services](#)[jobs](#)[National & Premier Accounts](#)

Copyright © 1999-2004 USPS. All Rights Reserved. [Terms of Use](#) [Privacy Policy](#)

Affidavit of Publication

STATE OF NEW MEXICO

)

) ss.

COUNTY OF LEA

)

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

MAY 04 2007

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Legal Notice

was published in a regular and entire issue of **THE LOV-**

INGTON LEADER and not in any supplement thereof, for

one (1) day, beginning with the issue of

April 28, 2007 and ending with the issue

of April 28, 2007.

And that the cost of publishing said notice is the sum of

\$ 77.84 which sum has been (Paid) as

Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 1st day of
May 2007

Debbie Schilling
Debbie Schilling
Notary Public

RECEIVED

public no later than two weeks prior to the meeting. A final agenda will be available no later than 24 hours preceding the meeting. Members of the public may obtain copies of the agenda by contacting Ms. Davidson at the phone number indicated above. Also, the agenda will be posted on the Oil Conservation Division website at www.emnrd.state.nm.us.

STATE OF NEW MEXICO
TO:

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 13921

Application of the New Mexico Oil Conservation Division for a Compliance Order against Yeso Energy, Inc. The Applicant seeks an order finding the operator in violation of 19.15.4.201 NMAC as to six wells; determining that the violation is knowing and willful and imposing a penalty; requiring operator to bring the six wells into compliance with 19.15.4.201 NMAC by a date certain and authorizing the division to plug said wells in the event of non-compliance and forfeit the applicable financial assurance. The affected wells are: Connie C State #003, 30-015-25587, K-25-19S-28E, and Connie C State #004, 30-015-25648, B-25-19S-28E (located approximately 15 miles northeast of Carlsbad in Eddy County, New Mexico); Cortland Myers Unit #004; 30-025-11198, N-22-24S-37E and Knight #005, 30-025-20356, M-22-24S-37E (located approximately 5-10 miles north of Jal in Lea County, New Mexico); Las Cruces B #001, 30-041-00234, 1-30-08S-37E (located within 5 miles of Milnesand in Roosevelt County, New Mexico); and Tracy 29 Federal #001, 30-015-28142, O-29-17S-31E (located within 5 miles of Maljamar in Eddy County, New Mexico).

LEGAL NOTICE
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 Commission hereby gives notice pursuant to law and Commission rules of the following meeting and public hearing to be held at 9:00 A.M. on May 24, 2007, in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico, before the Oil Conservation Commission. 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

Given under the Seal of the State of New Mexico
Oil Conservation

Yeso Energy, Inc.
Case 13921
OCD Exhibit 1-B

LEADER a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Legal Notice

was published in a regular and entire issue of **THE LOVINGTON LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of April 28, 2007 and ending with the issue of April 28, 2007.

And that the cost of publishing said notice is the sum of \$ 77.84 which sum has been (Paid) as Court Costs.

Subscribed and sworn to before me this 1st day of May 2007

Debbie Schilling
Debbie Schilling

Notary Public, Lea County, New Mexico

OK
fd

LEGAL NOTICE
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 Commission hereby gives notice pursuant to law and Commission rules of the following meeting and public hearing to be held at 9:00 A.M. on May 24, 2007, in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico, before the Oil Conservation Commission. 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 Division Administrator Florene Davidson at (505) 476-3458, or through the New Mexico Relay Network (1-800-659-1779) by May 14, 2007. Public documents can be provided in various accessible forms. Please contact Ms. Davidson if a summary or other type of accessible form is needed. A preliminary agenda

Application of the New Mexico Oil Conservation Division for a Compliance Order against Yeso Energy, Inc. The Applicant seeks an order finding the operator in violation of 19.15.4.201 NMAC as to six wells, determining that the violation is knowing and willful and imposing a penalty, requiring operator to bring the six wells into compliance with 19.15.4.201 NMAC by a date certain and authorizing the division to plug said wells in the event of non-compliance and forfeit the applicable financial assurance. The affected wells are: Connie C State #003, 30-015-25587, K-25-19S-28E, and Connie C State #004, 30-015-25648, B-25-19S-28E (located approximately 15 miles northeast of Carlsbad in Eddy County, New Mexico); Cortland Myers Unit #004, 30-025-11198, N-22-24S-37E and Knight #005, 30-025-20356, M-22-24S-37E (located approximately 5-10 miles north of Jal in Lea County, New Mexico); Las Cruces B #001, 30-041-00234, 1-30-08S-37E (located within 5 miles of Milnesand in Roosevelt County, New Mexico); and Tracy 29 Federal #001, 30-015-28142, O-29-17S-31E (located within 5 miles of Maljamar in Eddy County, New Mexico).

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 26th day of April, 2007.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION
Mark E. Fesmire, P. E.
Division Director
S E A L
Published in the
Lovington Leader April 28,
2007.

Affidavit of Publication

STATE OF NEW MEXICO)

) ss.

COUNTY OF LEA)

OK
fd

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico, that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Legal Notice

was published in a regular and entire issue of **THE LOVINGTON LEADER** and not in any supplement thereof, for

one (1) day, beginning with the issue of June 16, 2007 and ending with the issue of June 16, 2007.

And that the cost of publishing said notice is the sum of \$ 71.68 which sum has been (Paid) as Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 20th day of June 2007

Debbie Schilling
Debbie Schilling

Notary Public, Lea County, New Mexico

My Commission Expires June 22, 2010

LEGAL NOTICE NOTICE OF HEARING

STATE OF NEW MEXICO
CO
ENERGY, MINERALS
AND NATURAL
RESOURCES DEPART-
MENT
OIL CONSERVATION
DIVISION
SANTA FE, NEW MEXI-
CO

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 July 12, 2007, 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 July 2, 2007. 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.

STATE OF
NEW MEXICO TO:
All named parties and
persons
having any right, title,
interest
or claim in the following
cases
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 13921: (Continued and Readvertised) ✓

Application of the New Mexico Oil Conservation Division for a Compliance Order against Yeso Energy, Inc. The Applicant seeks an order finding the operator in violation of 19.15.4.201 NMAC as to six wells, determining that the violation is knowing and willful and imposing a penalty, requiring operator to bring the six wells into compliance with 19.15.4.201 NMAC by a date certain and authorizing the division to plug said wells in the event of non-compliance and forfeit the applicable financial assurance. The affected wells are: Connie C State #003, 30-015-25587, K-25-19S-28E, and Connie C State #004, 30-015-25648, B-25-19S-28E (located approximately 15 miles northeast of Carlsbad in

Eddy County, New Mexico); Cortland Myers Unit #004, 30-025-11198, N-22-24S-37E and Knight #005, 30-025-20356, M-22-24S-37E (located approximately 5-10 miles north of Jal in Lea County, New Mexico); Las Cruces B #001, 30-041-00234, I-30-08S-37E (located within 5 miles of Milnesand in Roosevelt County, New Mexico); and Tracy 29 Federal #001, 30-015-28142, O-29-17S-31E (located within 5 miles of Majamar in Eddy County, New Mexico).

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 13th day of June, 2007.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION
Mark E. Fesmire, P. E.
Division Director
S E A L

Published in the Lovington Leader June 16, 2007.

OK
fd

AFFIDAVIT OF LEGAL PUBLICATION

LEGAL # 6458

STATE OF NEW MEXICO
COUNTY OF CURRY:

Terri Ann Gutierrez, being duly sworn, says:
That she is the Legal Clerk of
The Portales New-Tribune, a daily
Newspaper of general circulation,
published in English at Clovis,
said county and state, and that the
hereto attached

NOTICE OF HEARING

was published in said Portales New-Tribune,
a daily newspaper duly
qualified for that purpose within
the meaning of Chapter 167 of the
1937 Session Laws of the State of
New Mexico for 1 consecutive
days/weeks on the same days as follows:

First Publication: April 29, 2007
Second Publication:
Third Publication:
Fourth Publication:

Terri Ann Gutierrez

Subscribed and sworn to before me
April 29, 2007

Cindy L. Cole

Notary Public
My Commission Expires: NOVEMBER 07, 2009



OFFICIAL SEAL
CINDY L. COLE
NOTARY PUBLIC - STATE OF NEW MEXICO

My commission expires _____

Legal 6458
April 29, 2007

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 May 24, 2007, 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
May 14, 2007. 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.

STATE OF NEW
MEXICO TO:

All named parties and
persons
having any right, title,
interest
or claim in the
following cases
and notice to the
public.

(NOTE: All land
descriptions herein

refer to the New Mexico
Principal Meridian
whether or not so
stated.)

CASE 13921

Application of the
New Mexico Oil
Conservation Division
for a Compliance
Order against Yesso
Energy, Inc. The
Applicant seeks an
order finding the
operator in violation of
19.15.4.201 NMAC as
to six wells, determining
that the violation is
knowing and willful and
imposing a penalty,
requiring operator to
bring the six wells into
compliance with
19.15.4.201 NMAC by
a date certain and
authorizing the division
to plug said wells in the
event of non-
compliance and forfeit
the applicable financial
assurance. The
affected wells are:
Connie C State #003,
30-015-25587, K-25-
19S-28E, and Connie C
State #004, 30-015-
25648, B-25-19S-28E
(located approximately
15 miles northeast of
Carlsbad in Eddy
County, New Mexico);
Cortland Myers Unit
#004; 30-025-11198, N-
22-24S-37E and Knight
#005, 30-025-20356,
M-22-24S-37E (located
approximately 5-10
miles north of Jal in Lea
County, New Mexico);
Las Cruces B #001, 30-
041-00234, 1-30-08S-
37E (located within 5
miles of Milnesand in
Roosevelt County, New
Mexico); and Tracy 29
Federal #001, 30-015-
28142, O-29-17S-31E
(located within 5 miles
of Maljamar in Eddy
County, New Mexico).

Given under the Seal of
the State of New
Mexico
Oil
Conservation
Commission at Santa
Fe, New Mexico on this
26th day of April, 2007.

STATE OF NEW
MEXICO
OIL CONSERVATION
DIVISION

Mark E. Fesmire, P. E.
Division Director
S E A L

Yesso Energy, Inc.
Case 13921
OCD Exhibit 1-C

Affidavit of Publication

NO. 19709

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The

Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for

1 Consecutive week/days on the same

day as follows:

First Publication April 29 2007

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

3rd Day May 2007

Amanda K. Lamb

Notary Public, Eddy County, New Mexico

My Commission expires April 5, 2011

Copy of Publication:

NOTICE OF HEARING STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RE- SOURCES 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 **May 24, 2007** 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 **May 14, 2007**. 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.

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 13921: ✓

Application of the New Mexico Oil Conservation Division for a Compliance Order against Yeso Energy, Inc. The Applicant seeks an order finding the operator in violation of 19.15.4.201 NMAC as to six wells, determining that the violation is knowing and willful and imposing a penalty, requiring operator to bring the six wells into compliance with 19.15.4.201 NMAC by a date certain and authorizing the division to plug said wells in the event of non-compliance and forfeit the applicable financial assurance. The affected wells are: Connie C State #003, 30-015-25587, K-25-19S-28E, and Connie C State #004, 30-015-25648, B-25-19S-28E (located approximately 15 miles northeast of Carlsbad in Eddy County, New Mexico); Cortland Myers Unit #004; 30-025-11198, N-22-24S-37E and Knight #005, 30-025-20356, M-22-24S-37E (located approximately 5-10 miles north of Jal in Lea County, New Mexico); Las Cruces B #001, 30-041-00234, 1-30-08S-37E (located within 5 miles of Milnesand in Roosevelt County, New Mexico); and Tracy 29 Federal #001, 30-015-28142, O-29-17S-31E (located within 5 miles of Maljamar in Eddy County, New Mexico). Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 26th day of April, 2007.

STATE OF NEW
MEXICO
OIL CONSERVATION
DIVISION
Mark E. Fesmire, P.E.
Division

Director
S E A L
Published in the Artesia
Daily Press, Artesia,
N.M. April 27, 2007.
Legal 19709

80.15

Yeso Energy, Inc.

Case 13921

OCD Exhibit 1-D