

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

**3. Article Addressed to:**

**POLARIS PRODUCTION CORP  
418 WEST WALL ST  
STE 1124  
MIDLAND TX 79702**

**4a. Article Number**

**P 326 937 152**

**4b. Service Type**

- |   |   |
|---|---|
| <input type="checkbox"/> Registered                     | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail                   | <input type="checkbox"/> Insured              |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD                  |

**7. Date of Delivery**

**6-24-97**

**5. Received By: (Print Name)**

**6. Signature: (Addressee or Agent)**

**X**

**8. Addressee's Address (Only if requested and fee is paid)**

PS Form **3811**, December 1994

102595-97-B-0179

**Domestic Return Receipt**

Thank you for using Return Receipt Service.

**P 326 937 152**

**U.S. Postal Service CASE 11812  
Receipt for Certified Mail**

No Insurance Coverage Provided

Do not use for International Mail (See reverse)

Sent to

**POLARIS PRODUCTION CORP**

Street & Number

**418 WEST WALL ST, STE 1124**

City, Office, State, & ZIP Code

**MIDLAND TX 79702**

Postage

**\$**

Certified Fee

Special Delivery Fee

Restricted Delivery Fee

Return Receipt Showing to Whom & Date Delivered

Return Receipt Showing to Whom Date & Addressee's Address

**TOTAL Postage & Fees**

**\$**

Postmark or Date

PS Form 3800, April 1993



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

June 25, 1997

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Polaris Production Corp.  
418 West Wall Street, Suite 1124  
Midland, TX 79702

RE: Plugging of 19 wells in Lea County, New Mexico  
OCD Case No. 11812 set for hearing on July 10, 1997

Dear Sir/Madam:

By now you should have received notice of the above-referenced case to be heard before the New Mexico Oil Conservation Division on July 10, 1997. Enclosed is a copy of the application and notice letter.

At the July 10, 1997 hearing, the Division will request that Polaris be ordered to plug these wells and, if Polaris fails to do so, that the Division be authorized to (i) plug the wells, (ii) foreclose on Polaris' \$50,000 blanket bond; and (iii) pursue Polaris through all available legal means for any costs of plugging in excess of the \$50,000 bond. The Division will also request that it be allowed to assess fines on Polaris for noncompliance with the order issued for every month that Polaris is in noncompliance.

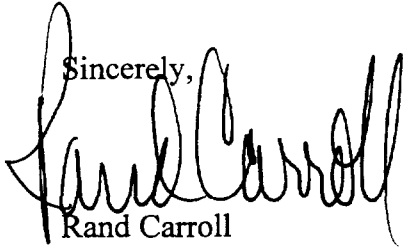
Please note that if the Division is forced to plug these wells and foreclose on the \$50,000 blanket bond, Polaris will no longer have a valid bond in place and will not be allowed to produce. In addition, the bonding company will undoubtedly pursue Polaris for the \$50,000 it will have paid over to the Division.

At this point, you have the following options:

1. Work with the Hobbs District Office regarding a plan for bringing all its wells into compliance with OCD rules. Upon your request, with the Hobbs Office's concurrence, we will then continue the hearing date until the wells are brought into compliance at which time we will dismiss the case; or
2. Proceed to the hearing on July 10, 1997, and attempt to prove to the hearing examiner that these wells are not in need of plugging at this time. You can also show the examiner what Polaris is doing about these wells and why Polaris should not be fined.

Please let me know what your intentions are by July 3, 1997, or the Division will proceed with the hearing if it is not continued. If you have any questions, please feel free to call me at 505/827-8156 or Chris Williams or Gary Wink of our Hobbs office at 505/393-6161.

Sincerely,

A handwritten signature in black ink, appearing to read "Rand Carroll". The signature is fluid and cursive, with the first name "Rand" and last name "Carroll" clearly distinguishable.

Rand Carroll  
Legal Counsel

cc: Chris Williams, OCD Hobbs  
Gary Wink, OCD Hobbs