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3. Article Addressed to:  United States Fidelity and Guaranty Co. PO Box 1138 Baltimore, MD 21203	4a. Article Number P 410 431 050	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
5. Received By: (Print Name)  X	7. Date of Delivery FEB 18 1998	
6. Signature: (Addressee or Agent) <i>J Wolf</i>	8. Addressee's Address (Only if requested and fee is paid)	

P 410 431 050

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**Receipt for Certified Mail**  
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Sent to United States Fidelity & Guaranty	
Street & Number & Guaranty	
Post Office, State, & ZIP Code PO Box 1138-Baltimore, MD	
Postage	\$ 21203
Certified Fee	
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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 1995

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State of New Mexico

**ENERGY, MINERALS and NATURAL RESO**

2040 South Pacheco

P.O. Box 6429

Santa Fe, New Mexico 87505-5472



OOD

Rocky Mountain Resources, Inc.  
7409 South Alton Court, Suite 210  
Englewood, CO 80112

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UNABLE TO FORWARD**

**CERTIFIED**

540 TEH 0TH P

**MAIL**



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<b>3. Article Addressed to:</b>  Rocky Mt. Resources Inc. 7409 S. Alton Court, Ste. 210 Englewood, CO 80112		<b>4a. Article Number</b> P 410 431 049	
<b>5. Received By: (Print Name)</b>  X		<b>4b. Service Type</b> <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	
<b>6. Signature: (Addressee or Agent)</b>  PS Form <b>3811</b> , December 1994		<b>7. Date of Delivery</b>  <b>8. Addressee's Address (Only if requested and fee is paid)</b>	

102595-97-B-0179

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NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

February 13, 1998

**Certified Mail**  
**Return Receipt Requested**

✓ Rocky Mountain Resources Inc.  
7409 South Alton Court, Suite 210  
Englewood, CO 80112

United States Fidelity and Guaranty Co.  
P.O. Box 1138  
Baltimore, MD 21203

*Case No. 11942*

RE: Application of the New Mexico Oil Conservation Division for an order requiring Rocky Mountain Resources Inc. to properly plug its Border Hills State Well No. 1 located in Units O in Section 17, Township 11 South, Range 20 East, Lincoln County, NM, authorizing the Division to plug said well, and ordering a forfeiture of any plugging bond

United States Fidelity and Guaranty Co. Bond No: 56-0130-13356-82-9

Dear Sir/Madam:

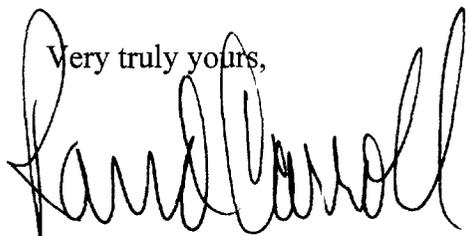
This letter is to advise you that the New Mexico Oil Conservation Division has filed the enclosed application seeking a Show Cause Hearing requiring Rocky Mountain Resources Inc. and other interested parties to appear and show cause why the above-referenced well should not be ordered plugged and abandoned.

This application has been set for hearing before an Examiner of the Oil Conservation Division on March 5, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by an order issued in this case, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90--- Enclosed) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing

statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

A handwritten signature in black ink, appearing to read "Rand Carroll". The signature is fluid and cursive, with a large initial "R" and "C".

RAND CARROLL

ATTORNEY FOR THE NEW MEXICO OIL CONSERVATION DIVISION

Enclosures

c: Ray Smith, OCD Artesia

Tim Gum, OCD Artesia District Supervisor

**RECEIVED**

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

FEB 10 1998  
Oil Conservation Division

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION THROUGH THE SUPERVISOR OF DISTRICT II FOR AN ORDER REQUIRING ROCKY MOUNTAIN RESOURCES, INC. TO PROPERLY PLUG ITS BORDER HILLS STATE WELL NO. 1 LOCATED IN UNIT O OF SECTION 17, TOWNSHIP 11 SOUTH, RANGE 20 EAST, LINCOLN COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO PLUG SAID WELL, AND ORDERING A FORFEITURE OF THE PLUGGING BOND, IF ANY.**

CASE NO. \_\_\_\_\_

**APPLICATION FOR PLUGGING AND FORFEITURE OF BOND**

1. Rocky Mountain Resources, Inc. (the "Operator") is the operator of a well, the Border Hills State Well No. 1, located in Unit O of Section 17, Township 11 South, Range 20 East, Lincoln County, New Mexico.

2. Operator has posted a surety bond in the amount of \$7,500 for said well in compliance with Section 70-2-14 NMSA 1978 and Rule 101 of the Rules and Regulations of the Oil Conservation Division, which bond is conditioned upon compliance with the statutes of the State of New Mexico and the Rules and Regulations of the Division with respect to the proper plugging and abandonment of the wells operated by Operator. United States Fidelity and Guaranty Company is surety on the bond, Bond No. 56-0130-13356-82-9.

3. The subject well has not produced hydrocarbon or carbon dioxide substance or has otherwise been inactive for more than one year or is no longer usable for beneficial purposes and no permit for temporary abandonment has been requested by the Operator and approved by

**the Division.**

**4. By virtue of the failure to use the well for beneficial purposes or to have an approved current temporary abandonment permit, the subject well is presumed to have been abandoned and is required to be plugged.**

**5. By authority of Section 70-2-14 NMSA 1978, the Rules and Regulations of the Division require wells which are inactive for more than one year or are no longer usable for beneficial purposes to be properly plugged.**

**6. Demand has been made or attempted to be made upon the Operator to either place the subject well to beneficial use, obtain approval for temporary abandonment or properly plug and abandon the same and the Operator has failed to do so.**

**WHEREFORE, the Supervisor of District II of the Oil Conservation Division applies to the Director to enter an order:**

**A. Determining whether or not the well should be plugged in accordance with a Division-approved plugging program.**

**B. Upon a determination that said well should be plugged, directing Operator to plug said well.**

**C. Further ordering that if Operator fails to plug and abandon said well as ordered by the Director, that the Division be authorized:**

**i. to plug said well;**

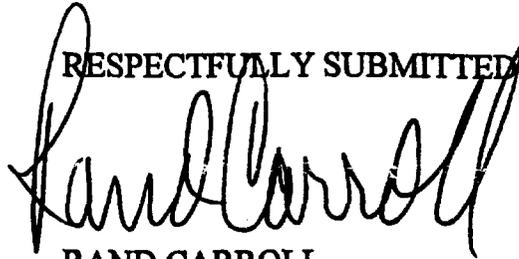
**ii. to declare forfeit on said bond, if any, and to take such action to**

foreclose on said bond, and

iii. to recover from the Operator any costs of plugging said well in excess of the amount of the bond, if any.

D. For such other and further relief as the Division deems just and proper, including the assessment of fines.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Rand Carroll", written over the typed name.

RAND CARROLL

Legal Counsel

New Mexico Oil Conservation Division

2040 South Pacheco

Santa Fe, NM 87505

(505) 827-8156



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

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

2-90

MEMORANDUM

**TO:** All Parties Appearing Before OCD Examiners or the Commission

**FROM:** William J. LeMay, Director *WJL*

**SUBJECT:** Prehearing Statement to be Filed Prior to Hearing

**DATE:** April 30, 1990

In order to improve the management of hearing dockets before Oil Conservation Division examiners and the Oil Conservation Commission, parties appearing in any cases are hereby requested to file a **PREHEARING STATEMENT** substantially in the form attached to this memorandum by 4:00 p.m. on the **Friday before a scheduled hearing** beginning with the Docket set for **May 30, 1990**. The statements should be filed by the attorney who will be representing the party at the hearing. Two copies should be provided for examiner hearings and four copies for Commission hearings with an additional copy provided to the reporter on the day of the hearing. The statement must be served on any party who has entered an appearance pursuant to Rule 1208.

There are several benefits to be derived from the statements. First the examiner or Commission will be able to anticipate the approximate length of a case in order to schedule the court reporter and plan their own schedules. Hopefully it will also enable parties to better determine when they can expect their case to be heard. By identifying the issues and evidence in advance, the examiners and the parties will be better prepared for the hearings. Changes in witnesses and exhibits will normally be allowed.

Parties subject to this memorandum include applicants and any other party planning to appear either in opposition or support of an application. Applicants should include in the notice required under Division Rules a statement that a prehearing statement is required by any person planning to appear and that anyone wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance.

If any party in a case fails to file a prehearing statement the examiner or the Commission reserves the right to make such adjustments to the docket as are appropriate in a given circumstance, such as moving the case to the end of the docket after all cases in which parties have filed their statements. Because this procedure is intended to improve the hearing process, it is hoped that the high level of support and cooperation normally shown in OCD and OCC proceedings will continue.

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

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. \_\_\_\_\_

APPLICATION OF \_\_\_\_\_

PRE-HEARING STATEMENT

This prehearing statement is submitted by \_\_\_\_\_  
as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

APPLICANT

ATTORNEY

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name, address, phone and  
contact person

OPPOSITION OR OTHER PARTY

ATTORNEY

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name, address, phone and  
contact person

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES  
(Name and expertise)

EST. TIME

EXHIBITS

OPPOSITION

WITNESSES  
(Name and expertise)

EST. TIME

EXHIBITS

**PROCEDURAL MATTERS**

(Please identify any procedural matters which  
need to be resolved prior to the hearing)

\_\_\_\_\_  
Signature