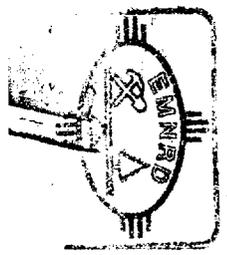


State of New Mexico

ENERGY, MINERALS and NATURAL RESOURCES

2040 South Pacheco
P. O. Box 6429
Santa Fe, New Mexico 87501



UNDELIVERABLE TO ADDRESSEE -
FORMAL RETURN ORDER EXPIRES

Delta U.S. Corporation
3100 C North "A" Street
Midland, TX 79705

Handwritten signature/initials

CERTIFIED

P 410 431 048

MAIL

PS Form **3811**, December 1994 102595-97-B-0179 Domestic Return Receipt

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.

3. Article Addressed to:

Delta U.S. Corporation
3100 C North "A" Street
Midland, TX 79705

4a. Article Number
P 410 431 048

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

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

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
X

1. Addressee's Address
2. Restricted Delivery
Consult postmaster for fee.

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

Thank you for using Return Receipt Service.



Sorry We Missed You!
We **ReDeliver** For You!

Article No. 410 431 048

Today's Date 2-17

Sender's Name ENCKA BINKA

Item Post Office (see reverse)
is at:

We **ReDeliver** or you
can pick up, see back

IF CHECKED, YOU MUST BE PRESENT AT TIME OF DELIVERY TO SIGN FOR ITEM.

- Letter
- Large envelope, magazine, catalog, etc.
- Parcel
- Delivery Restricted to Addressee
- Perishable Item
- _____

- Express Mail (redelivery next delivery day unless you call to hold at post office)
- Certified
- Insured
- Registered
- Return Receipt for Merchandise
- Recorded Delivery (International)
- Special Delivery

Article Requiring Payment:
 Postage Due
 COD Customs
Amount Due: \$ _____

FINAL NOTICE
Article will be returned to sender on: _____

Addressee Name (Print) *RETA US*

Address *31001A (C)*

Received By (Print Name and Sign) **X**

Delivered By _____

Date _____

Customer: Describe any Visible Damage _____



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

Delta U. S. Corporation
3100 C North "A" Street
Midland, TX 79705

RE: *Case No. 11945*
Application of the New Mexico Oil Conservation Division for an order requiring Delta U.S. Corporation to properly plug its Missouri New Mexico Land Co. Com. Well No. 1 located in Units O in Section 6, Township 23 South, Range 27 East, Eddy County, NM, authorizing the Division to plug said well, and ordering a forfeiture of any plugging bond

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 Delta U. S. Corporation 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,

RAND CARROLL
ATTORNEY FOR THE NEW MEXICO OIL CONSERVATION DIVISION
Enclosures

c: Ray Smith, OCD Artesia
Tim Gum, OCD Artesia District Supervisor

~~APP of the OIL - FOR NEW ORDER~~
~~REQUIREMENTS~~

RECEIVED
FEB 10 1998

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION THROUGH THE SUPERVISOR OF DISTRICT II FOR AN ORDER REQUIRING DELTA U.S. CORPORATION TO PROPERLY PLUG ITS MISSOURI NEW MEXICO LAND CO. COM. WELL NO. 1 LOCATED IN UNIT O OF SECTION 6, TOWNSHIP 23 SOUTH, RANGE 27 EAST, EDDY 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. Delta U.S. Corporation (the "Operator") is the operator of a well, the Missouri New Mexico Land Com. Well No. 1 located in Unit O of Section 6, Township 23 South, Range 27 East, Eddy County, New Mexico.
2. The Division could not find any evidence that Operator has posted a plugging bond 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.
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;

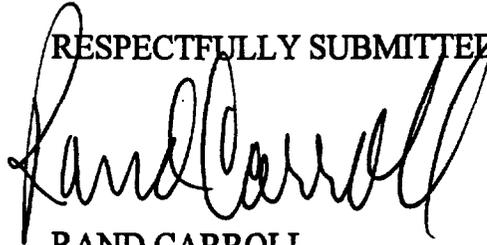
ii. to declare forfeit on said bond, if any, and to take such action to foreclose on said bond, and

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". The signature is written in a cursive style with a large initial "R" and "C".

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

name, address, phone and
contact person

OPPOSITION OR OTHER PARTY

ATTORNEY

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