

P 410 425 226

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided

Do not use for International Mail (See reverse)

Sent to **BK Petroleum, Inc.**

Street & Number  
**501 Airport Dr., Ste. 165**

Post Office, State, & ZIP Code  
**Farmington, NM 87401**

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	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date	

PS Form 3800 April 1995

P 410 425 225

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Sent to **BK Petroleum, Inc.**

Street & Number  
**PO Box 826**

Post Office, State, & ZIP Code  
**Farmington, Nm 87499-0826**

Postage	\$
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PS Form 3800 April 1995

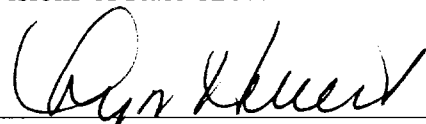
**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION  
THROUGH THE SUPERVISOR OF DISTRICT III FOR AN ORDER  
REQUIRING BK PETROLEUM, INC. TO PROPERLY PLUG SEVEN WELLS  
SAN JUAN COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO  
PLUG SAID WELLS, AND ORDERING A FORFEITURE OF THE PLUGGING  
BOND, IF ANY.**

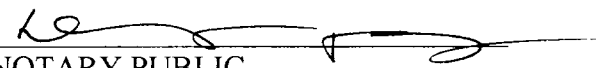
**CASE NO. 12495**

**AFFIDAVIT REGARDING NOTICE**

1. I am over the age of eighteen and have personal knowledge of the matters stated herein.
2. I am the attorney of record for the Applicant.
3. Applicant has conducted a good faith, diligent effort to find the correct addresses of interest owners entitled to receive notice of the Application herein.
4. Notice of the Application was provided to the interest owners at their correct addresses by mailing them, by certified mail, a copy of the Application. Copies of the notice letter and certified return receipts are attached hereto.
5. Applicant has complied with the notice provisions of Rule 1207.

  
\_\_\_\_\_  
Marilyn S. Hebert

SUBSCRIBED AND SWORN TO before me this 18<sup>th</sup> day of September 2000.

  
\_\_\_\_\_  
NOTARY PUBLIC

My commission expires:  
2/18/2003

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
OCD	EXHIBIT NO. <u>2</u>
CASE NO. <u>12495</u>	



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
Governor  
Jennifer A. Salisbury  
Cabinet Secretary

August 30, 2000

Lori Wrotenbery  
Director  
Oil Conservation Division

## **CERTIFIED MAIL RETURN RECEIPT REQUESTED**

BK Petroleum, Inc.  
501 Airport Dr., Suite 165  
Farmington, NM 87401

BK Petroleum, Inc.  
Post Office Box 826  
Farmington, NM 87499-0826

### **Re: Case No. 12495**

Application of the New Mexico Oil Conservation Division for an order requiring  
BK Petroleum, Inc. to plug seven wells in San Juan County, New Mexico

This letter is to advise you that the New Mexico Oil Conservation Division has filed the enclosed application for a hearing requiring BK Properties, Inc. to appear and show cause why certain wells should not be ordered plugged and abandoned.

This application has been set for hearing before an Examiner of the Oil Conservation Division on September 21, 2000. You are not required to attend this hearing, but as 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 are required by Division Rule 1208.B, enclosed, to file a Prehearing Statement three days in advance of the hearing.

Best regards,

Marilyn S. Hebert  
Attorney

c: Frank Chavez, District Supervisor  
Charlie Perrin, OCD Artesia  
Omar C. Bradley, Acting Regional Director, BIA  
BLM, Farmington Field Office

**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 III FOR AN ORDER REQUIRING  
BK PETROLEUM, INC. TO PROPERLY PLUG SEVEN WELLS IN SAN JUAN  
COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO PLUG SAID WELLS,  
AND ORDERING A FORFEITURE OF THE PLUGGING BOND, IF ANY.**

CASE NO. 12495

**APPLICATION FOR PLUGGING AND FORFEITURE OF BOND**

1. BK Petroleum, Inc. ("Operator") is the operator of the following seven wells:
  - a) Many Rocks Gallup Project Well No. 1-W located 2253' from the North line and 1865' from the West line in Unit F of Section 17, Township 31 North, Range 16 West;
  - b) Many Rocks Gallup Project Well No. 16 located 360' from the North line and 855' from the East line in Unit A of Section 18, Township 31 North, Range 16 West;
  - c) Many Rocks Gallup Project Well No. 17 located 990' from the North line and 400' from the West line in Unit D of Section 17, Township 31 North, Range 16 West;
  - d) Many Rocks Gallup Project Well No. 19 located 2073' from the North line and 641' from the West line in Unit E of Section 17, Township 31 North, Range 16 West;
  - e) Many Rocks Gallup Project Well No. 20 located 1973' from the North line and 1941' from the West line in Unit F of Section 17, Township 31 North, Range 16 West;

f) Many Rocks Gallup Project Well No. 23 located 1890' from the South line and 2150' from the East line in Unit J of Section 17, Township 31 North, Range 16 West; and

g) Many Rocks Gallup Project Well No. 26 located 660' from the South line and 660' from the East line in Unit P of Section 17, Township 31 North, Range 16 West.

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

3. By virtue of the failure to use the wells for beneficial purposes or to have approved current temporary abandonment permits, the wells are presumed to have been abandoned and are required to be plugged.

4. By authority of NMSA 1978, § 70-2-14, the Rules of the Division require wells that are inactive for more than one year or are no longer usable for beneficial purposes to be properly plugged.

5. Demand has been made or attempted to be made upon the Operator either to place the subject wells 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 III of the Oil Conservation Division applies to the Director to enter an order:

A. Determining whether the wells should be plugged in accordance with a Division-approved plugging program.

B. Upon a determination that the wells should be plugged, directing Operator to

plug the wells.

C. Further ordering that if Operator fails to plug and abandon the wells as ordered by the Director, that the Division be authorized: i. to plug the wells; ii. to declare forfeit on the bond, if any, and to take such action to foreclose on the bond; and iii. to recover from the Operator any costs of plugging the wells 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 "Marilyn S. Hebert", is written over the typed name.

Marilyn S. Hebert, Attorney  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505  
(505) 827-8156

(10) This paragraph has been moved and renumbered to 19 NMAC 15.N.1207.A.(7). [1-1-86...2-1-96; A, 7-15-99]

(11) This paragraph has been moved and renumbered to 19 NMAC 15.N.1207.A.(8). [1-1-86...2-1-96; A, 7-15-99]

**1207.B. Type and Content of Notice.** Any notice required by this rule shall be sent by certified mail, return receipt requested, to the last known address of the person to whom notice is to be given at least 20 days prior to the date of hearing of the application and shall include: a copy of the application; the date, time and place of the hearing; and the means by which protests may be made. [1-1-86...2-1-96; A, 7-15-99]

**1207.C.** At the hearing, the applicant shall make a record, either by testimony or affidavit signed by the applicant or its authorized representative, that: (a) the notice provisions of this rule have been complied with; (b) the applicant has conducted a good-faith diligent effort to find the correct address of all persons entitled to notice; and (c) pursuant to this rule, notice has been given at that correct address as required by this rule. In addition, the record shall contain the name and address of each person to whom notice was sent and, where proof of receipt is available, a copy of the proof. [1-1-86...2-1-96; A, 7-15-99]

**1207.D.** Evidence of failure to provide notice as required in this rule may, upon proper showing, be considered cause for reopening the case. [1-1-86...2-1-96; A, 7-15-99]

**1207.E.** In the case of an administrative application where the required notice was sent and a timely filed protest was made, the Division shall notify the applicant and the protesting party in writing that the case has been set for hearing and the date of the hearing. No further notice is required. [7-15-99]

## **1208 PLEADINGS: COPIES [9-15-55...2-1-96; A, 7-15-99]**

**1208.A.** For pleadings and correspondence filed in cases pending before a Division Examiner, two copies must be filed with the Division. For pleadings and correspondence filed in cases pending before the Commission, five copies must be filed with the Division. The Division will disseminate copies to the members of the Commission. The party filing the pleading or correspondence shall at the same time either hand deliver or transmit by facsimile or electronic mail to any party who has entered an appearance therein or the attorneys of record, a copy of the pleading or correspondence. An appearance of any interested party shall be made either by letter addressed to the Division or in person at any proceeding before the Commission or before a Division Examiner, with notice of such appearance to the parties of record. [9-15-55...2-1-96; A, 7-15-99]

**1208.B.** Parties to an adjudicatory proceeding must file a prehearing statement three days in advance of a scheduled hearing before the Division or the Commission. The statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing. [7-15-99]

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Post Office, State, & ZIP Code <b>Farmington, NM 87401</b>	
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 1995

Fold at line over top of envelope to the right of the return address

**CERTIFIED**

P 410 425 226

**MAIL**

Is your **RETURN ADDRESS** completed on the reverse side?

<b>3. Article Addressed to:</b> BK Petroleum Inc. 501 Airport Drive, Suite 165 Farmington, NM 87401		<b>4a. Article Number</b> P 410 425 226	
<b>5. Received By: (Print Name)</b>  		<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> X		<b>7. Date of Delivery</b>  	
<b>8. Addressee's Address (Only if requested and fee is paid)</b>  		<b>9. Date of Delivery</b>  	

## 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):

- ☐ Addressee's Address
  - ☐ Restricted Delivery
- Consult postmaster for fee.

Thank you for using Return Receipt Service.

102595-97-8-0179

Domestic Return Receipt



P 410 425 225

US Postal Service

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Post Office, State, & ZIP Code		Farmington, Nm 87499-0826
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 3811 April 0083

Fold at line over top of envelope to the right of the return address

**CERTIFIED**

P 410 425 225

**MAIL**

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- Consult postmaster for fee.

### 3. Article Addressed to:

BK Petroleum, Inc.  
P.O. Box 826  
Farmington, NM 87499-0826

### 4a. Article Number

P 410 425 225

### 4b. Service Type

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

### 7. Date of Delivery

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

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

X

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

Thank you for using Return Receipt Service.