

NEW MEXICO OIL CONSERVATION DIVISION
2040 SOUTH PACHECO
SANTA FE, NM 87505

March 29, 1996

Certified Mail
Return Receipt Requested

Woosley Oil Co.
P.O. Drawer 1480
Cortez, CO 81321

Ken Barker
Citizen State Bank of Cortez
P. O. Box T
Cortez, CO 81321

American Employers Insurance Co.
One Beacon Street
Boston, MA 02108

| | |
|---------------------------|----------------------|
| BEFORE EXAMINER CATANACH | |
| OIL CONSERVATION DIVISION | |
| DCD | EXHIBIT NO. 4 |
| CASE NO. | 11515 |

Case No. 11515

Application of the New Mexico Oil Conservation Division for a Show Cause Hearing requiring Woosley Oil Co. and other interested parties to appear and show cause why seven wells in McKinley County, NM should not be plugged and abandoned

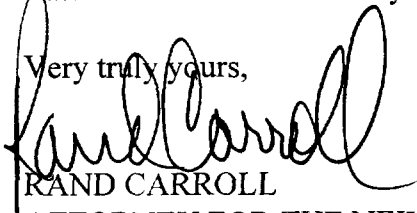
Dear Sir/Madam:

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

This application has been set for hearing before an Examiner of the Oil Conservation Division on April 18, 1996. 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", written over the typed name.

RAND CARROLL

ATTORNEY FOR THE NEW MEXICO OIL CONSERVATION DIVISION

Enclosures

cc: Johnny Robinson, OCD Aztec

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

RECEIVED
MAR 26 1986
Oil Conservation Division

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
THROUGH THE SUPERVISOR OF DISTRICT III FOR AN ORDER REQUIRING
SEVEN WELLS LOCATED IN UNITS P, A, D, C, A, I, AND J OF SECTIONS 08, 17, 16,
16, 16, 11 AND 11, TOWNSHIPS 19 NORTH, RANGES 06 ~~WEST~~ (THE FIRST FIVE
WELLS) AND 05 ~~WEST~~ (THE LAST TWO WELLS), MCKINLEY COUNTY, NEW
MEXICO, OPERATED BY WOOSLEY OIL CO., TO BE PROPERLY PLUGGED,
AUTHORIZING THE DIVISION TO PLUG SAID WELL, AND ORDERING A
FORFEITURE OF THE PLUGGING BOND.**

CASE NO. 11515

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Woosley Oil Co. (the "Operator") is the operator of the Santa Fe Energy Well No. 1 (P-08-19N-06W), Santa Fe Energy Well No. 2 (A-17-19N-06W), State Well No. 1 (D-16-19N-06W), State Well No. 2 (C-16-19N-06W), State Well No. 3 (A-16-19N-06W), Ptasynski A Well No. 1 (I-11-19N-05W) and Ptasynski A Well No. 2 (J-11-19N-05W) all located in McKinley County, New Mexico.

2. Operator has posted a surety blanket bond in the amount of \$50,000 from American Employers' Insurance Company, (Bond No. AR-71361-50) for said wells 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 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 and approved by the Division.

4. By virtue of the failure to use the wells for beneficial purposes or to have an approved current temporary abandonment permit, the subject wells are presumed to have been abandoned and are 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 attempted to be made upon the Operator to either 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:

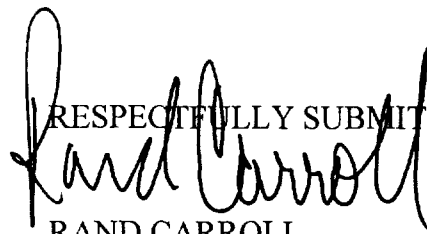
A. Determining whether or not the above-described wells should be plugged in accordance with a Division-approved plugging program.

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

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

- i. to plug said wells;
- ii. to declare forfeit on said bond and to take such action to
foreclose on said bond, and
- iii. to recover from the Operator any costs of plugging said wells in excess
of the amount of the bond.

D. For such other and further relief as the Division seems just and proper.

RESPECTFULLY SUBMITTED,


RAND CARROLL
Legal Counsel
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505
(505) 827-8156

**US Postal Service
Receipt for Certified Mail**

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

SENT BY MAIL - CITIZENS STATE
MAIL NUMBER BOX 1
CORTEZ, CO 81321
Post Office, State, & ZIP Code

| | |
|---|-----------|
| 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 | |

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

P 326 937 124
11515

PS Form 3800, April 1995

**US Postal Service
Receipt for Certified Mail**

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

SENT TO
WOODSLEY OIL CO.
PO DRAWER 1480
CORTEZ, CO 81321
Post Office, State, & ZIP Code

| | |
|---|-----------|
| 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 | |

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

PS Form 3800, April 1995

**US Postal Service
Receipt for Certified Mail**

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

SENT TO
AMERICAN EMPLOYERS' INS
ONE BEACON STREET
BOSTON, MA 02108
Post Office, State, & ZIP Code

| | |
|---|-----------|
| 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 | |

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

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:

AMERICAN EMPLOYERS' INSURANCE
ONE BEACON STREET
BOSTON, MA 02108

4a. Article Number

P 326 937 125

4b. Service Type

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

7. Date of Delivery

4/6/94

5. Received By: (Print Name)

[Signature]

6. Signature: (Addressee or Agent)

X

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

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

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2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

MR. KEN BARKER
CITIZENS STATE BANK OF CORTEZ
PO BOX T
CORTEZ, CO 81321

4a. Article Number

P 326 937 124

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 *[Signature]*

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

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Consult postmaster for fee.

3. Article Addressed to:

WOOSLEY OIL CO.
PO DRAWER 1480
CORTEZ, CO 81321

4a. Article Number

P 326 937 123

4b. Service Type

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

7. Date of Delivery

4/1/94

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]*

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

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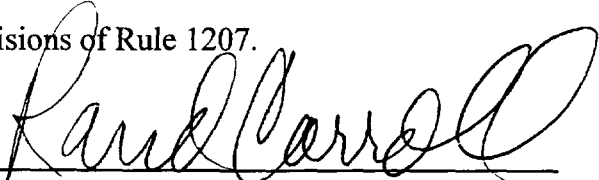
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CASE NO. 11515

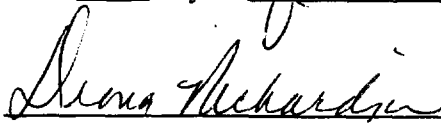
AFFIDAVIT REGARDING NOTICE

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 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.



Rand Carroll

SUBSCRIBED AND SWORN TO before me this 5th day of June, 1996,
by Rand Carroll.



NOTARY PUBLIC

My commission expires:

Oct 28, 1997