

DOCKET: EXAMINER HEARING - THURSDAY - APRIL 17, 2008

8:15 A.M. - 1220 South St. Francis

Santa Fe, New Mexico

Docket Nos. 14-08 and 15-08 are tentatively set for May 1, 2008 and May 15, 2008. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following Cases will be heard by an Examiner.

Locator Key for Cases

Case 13942 - No.16
 Case 14053 - No.5
 Case 14062 - No.17
 Case 14077 - No.8
 Case 14085 - No.9
 Case 14097 - No.15
 Case 14099 - No.10
 Case 14100 - No.18
 Case 14101 - No.19
 Case 14104 - No.12
 Case 14106 - No.1
 Case 14107 - No.2
 Case 14108 - No.3
 Case 14109 - No.4
 Case 14110 - No.6
 Case 14111 - No.7
 Case 14112 - No.11
 Case 14113 - No.13
 Case 14114 - No.14

1. **CASE 14106:** *Application of the New Mexico Oil Conservation Division for a Compliance Order against Xeric Oil & Gas Corporation ("Xeric").* The Applicant seeks an Order finding that Operator Xeric is in violation of OCD Rule 101 as to 69 wells and Rule 201 &/or 1115 as to 80 wells, that such violations are knowing and willful, assessing an appropriate civil penalty and requiring Xeric to bring all such wells into full compliance with OCD Rules by a date certain. The Division further seeks authority to forfeit any associated financial assurances, and to plug and abandon the subject wells should the Operator fail to meet the deadline established by the Order. The subject wells are all located in Lea County. The Crosby Deep and Gregory Units are located approximately 2 miles South/Southeast of Jal; the Mesa Queen Unit is located approximately 4 miles North of Maljamar and 2 miles East of the Eddy County line; the South Pearl Queen, West Pearl Queen and East Pearl Queen Units are located between 12 and 20 miles Northwest of Eunice and 16 to 20 miles Southwest of Hobbs; and the Mexico U wells are located just Southwest of Hobbs (within 3 miles). The specific wells involved in this matter include the following:

Crosby Deep #001	30-025-23891
Crosby Deep #003	30-025-11870
East Pearl Queen Unit #084	30-025-30869
Gregory A #005	30-025-11884
Gregory A #007	30-025-11867
Gregory C #001	30-025-11865
Gregory El Paso Federal #004	30-025-11871
Mesa Queen Unit #006	30-025-00396
Mesa Queen Unit #015	30-025-20347
Mesa Queen Unit #025	30-025-23483

South Pearl Queen Unit #005	30-025-03328
South Pearl Queen Unit #008	30-025-03317
South Pearl Queen Unit #011	30-025-03325
South Pearl Queen Unit #016	30-025-03321
South Pearl Queen Unit #019	30-025-03319
South Pearl Queen Unit #021	30-025-03342
South Pearl Queen Unit #022	30-025-03341
West Pearl Queen Unit #167	30-025-23313
West Pearl Queen Unit #180	30-025-30868
West Pearl Queen Unit #130	30-025-03250
Crosby Deep #002	30-025-24287
Crosby Deep #004	30-025-25985
East Pearl Queen Unit #001	30-025-03189
East Pearl Queen Unit #004	30-025-03186
East Pearl Queen Unit #007	30-025-03183
East Pearl Queen Unit #008	30-025-03182
East Pearl Queen Unit #009	30-025-03185
East Pearl Queen Unit #011	30-025-03175
East Pearl Queen Unit #012	30-025-03174
East Pearl Queen Unit #014	30-025-03184
East Pearl Queen Unit #015	30-025-03181
East Pearl Queen Unit #016	30-025-03180
East Pearl Queen Unit #018	30-025-03216
East Pearl Queen Unit #021	30-025-03237
East Pearl Queen Unit #022	30-025-03235
East Pearl Queen Unit #023	30-025-03236
East Pearl Queen Unit #026	30-025-03222
East Pearl Queen Unit #028	30-025-03215
East Pearl Queen Unit #029	30-025-03208
East Pearl Queen Unit #030	30-025-03213
East Pearl Queen Unit #036	30-025-03221
East Pearl Queen Unit #037	30-025-03219
East Pearl Queen Unit #039	30-025-03295
East Pearl Queen Unit #042	30-025-03298
East Pearl Queen Unit #046	30-025-03302
East Pearl Queen Unit #056	30-025-23302
East Pearl Queen Unit #057	30-025-23409
East Pearl Queen Unit #059	30-025-23427
East Pearl Queen Unit #077	30-025-31106
Mesa Queen Unit #010	30-025-20340
Mesa Queen Unit #011	30-025-20230
Mesa Queen Unit #018	30-025-20313
Mesa Queen Unit #020	30-025-20269
Mexico U #001	30-025-12512
Mexico U #003	30-025-30954
South Pearl Queen Unit #003	30-025-21772
South Pearl Queen Unit #006	30-025-03315
South Pearl Queen Unit #007	30-025-03316
West Pearl Queen Unit #103	30-025-03247
West Pearl Queen Unit #107	30-025-03231
West Pearl Queen Unit #108	30-025-03234
West Pearl Queen Unit #110	30-025-03254
West Pearl Queen Unit #112	30-025-03244
West Pearl Queen Unit #117	30-025-03241
West Pearl Queen Unit #118	30-025-03248
West Pearl Queen Unit #119	30-025-03240
West Pearl Queen Unit #120	30-025-03224

West Pearl Queen Unit #121	30-025-03225
West Pearl Queen Unit #122	30-025-03228
West Pearl Queen Unit #124	30-025-03229
West Pearl Queen Unit #125	30-025-03227
West Pearl Queen Unit #126	30-025-03226
West Pearl Queen Unit #127	30-025-03242
West Pearl Queen Unit #128	30-025-03249
West Pearl Queen Unit #129	30-025-03243
West Pearl Queen Unit #134	30-025-03262
West Pearl Queen Unit #135	30-025-03261
West Pearl Queen Unit #140	30-025-03283
West Pearl Queen Unit #143	30-025-03286
West Pearl Queen Unit #153	30-025-03265
West Pearl Queen Unit #154	30-025-03266
West Pearl Queen Unit #163	30-025-22870
West Pearl Queen Unit #164	30-025-23083
West Pearl Queen Unit #169	30-025-25365
West Pearl Queen Unit #191	30-025-30861
West Pearl Queen Unit #192	30-025-30867
West Pearl Queen Unit #195	30-025-31021
West Pearl Queen Unit #202	30-025-31125

2. **CASE 14107:** *Application of the New Mexico Oil Conservation Division for a Compliance Order against Xeric Oil & Gas Corporation ("Xeric").* The Applicant seeks an Order finding that Operator Xeric Oil & Gas Corporation ("Xeric") is in violation of Rule 19.15.2.50 NMAC and the terms of APD Permit No. 1237 with regard to the West Pearl Unit #301 well and requiring Operator Xeric to comply with both the terms of the referenced Rule and Permit, or alternatively authorizing the division to plug the well and forfeit any applicable/available security in the event that Xeric fails to comply, and assessing an appropriate civil penalty. The subject well is located approximately 16 miles Southwest of Hobbs in Lea County and is identified as follows:

West Pearl Queen Unit #301	30-025-36791
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3. **CASE 14108:** *Application of the New Mexico Oil Conservation Division for a Compliance Order against Buckeye Disposal, LLC ("Buckeye")* seeking an Order Finding that the Operator is in Violation of 19.15.3.101.B NMAC & 19.15.4.201 NMAC as to Two Wells; that the Operator has Failed to Comply with the Terms of ACO 183; Determining that the Violation of 19.15.3.101.B NMAC & 19.15.4.201 NMAC is Knowing & Willful and Imposing Penalties; Requiring Operator to Post the Required Single-Well Financial Assurances for Both Wells and Plug & Abandon Both Wells by a Date Certain; Enforcing the Penalty Provision of ACO 183 and Requiring Operator to Remit Payment of the Penalty Pursuant to the Terms of ACO 183 by a Date Certain; and in the Event of Non-Compliance, Declaring the Wells Abandoned, Authorizing the Division to Plug the Wells and Forfeit Any Applicable Financial Assurance, Lea County, New Mexico. The subject wells, identified specifically below, are located approximately 15 miles West of Hobbs and 20 miles Southwest of Lovington in Lea County:

State AF#1	30-025-20546
State AF#2	30-025-20979

4. **CASE 14109:** *Application of The New Mexico Oil Conservation Division, through the Enforcement and Compliance Manager, for a Compliance Order against Petro-Mex, LLC.* finding that Operator knowingly and willfully violated Rules 116.D(2) [19.15.2.116(D) NMAC], 50.B(3)(B) [19.15.2.50(B)(3)(B) NMAC], 13.B(2) [19.15.2.13(B) NMAC], 202.B(2) [19.15.2.202.B.(2) NMAC] and 202.B(3) [19.15.2.202.(B)(3) NMAC] as to Six Wells, assessing monetary penalties for those Violations Pursuant to NMSA §70-2-14(B), Ordering Operator to bring all such wells into full compliance with OCD Rules by a date certain, and in the event Petro-Mex fails to comply with the Division's Order, Authorizing the Division to plug the subject wells & forfeit any applicable security. With the exception of the Kirtland #11, the subject wells are all located approximately 12-15 miles West of Farmington, New Mexico, South of State Route 64. Kirtland is located slightly further West