

**CASE 14163: De Novo**

***Application of Merrion Oil and Gas, Corp. for compulsory pooling in San Juan County, New Mexico.***

Merrion Oil and Gas, Corp. seeks an order pooling all unleased and uncommitted mineral interest and all uncommitted working interest owners in the Basin Fruitland Coal Pool in the N/2 of Section 18, Township

29N, Range 13W, NMPM, forming a non-standard 250 acre spacing unit for said Pool. The spacing unit will be dedicated to the drilling of the Westland Park 1 well in the NE/4 and the Westland Park 2 well in the NW/4.

Also to be considered will be the cost of drilling and completing both wells and the allocation of cost thereof, as well as the actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. This spacing unit is located inside the city limits of Farmington, New Mexico. Upon application of Western Refining Southwest, Inc., this case will be heard De Novo pursuant to the provisions of Division Rule 1221.

**CASE 14106: De Novo**

***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

*Commission Meeting – December 11, 2008*

*Docket No. 43-08*

*Page 3 of 6*

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

Upon application of Xeric Oil & Gas Corporation, this case will be heard De Novo pursuant to the provisions of Division Rule 1221.

**CASE 13957: De Novo**

***Amended Application of Energen Resources Corporation to Amend the Cost Recovery Provisions of Compulsory Pooling Order No. R-1960, To Determine Reasonable Costs, and for Authorization To Recover Costs From Production Of Pooled Mineral Interests, Rio Arriba County, New Mexico.*** Applicant seeks an order amending the cost recovery provisions of Order No. R-1960 pooling all interests in the Pictured Cliffs formation, (Tapacito-Pictured Cliffs Gas Pool) underlying the SW/4 of Section 2, Township 25 North, Range 3 West, forming a standard 160-acre spacing and proration unit. Applicant proposes the amendment of the cost recovery provisions under the original version of Order No. R-1960 to reflect the current custom and practice of the industry and the Division which allows well operators to recover the reasonable costs of operations and supervision. Applicant also seeks authorization to sell a portion or all of the pooled working interest share of production of a non-selling mineral interest owner and to obtain reimbursement of costs therefrom. The lands that are the subject of the application are located approximately one mile west of Ojito, New Mexico. Upon application of JAS Oil and Gas Company, LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 1221.

**CASE 14134: De Novo (Continued from the September 11, 2008 Commission Meeting.)**

***Application of the Board of County Commissioners of Rio Arriba County for cancellation or suspension of Applications for Permits to Drill (APDs) filed by Approach Operating, LLC, Rio Arriba County, New Mexico.*** The Board of County Commissioners of Rio Arriba requests a hearing to show that the drilling of the following wells by Approach Operating, LLC will cause waste, violate correlative rights and/or be injurious to human health and the environment:

**API No. 30-039-30342**

Sultemeier Well No. 1

T27N R4E NMPM

Lat. 36°64'26.10227 N

Long. 106.547435219W

**API No. 30-039-30386**

Sena Well No. 1

T28N R4E NMPM

Lat. 36°40'08.61650 N

Long. 106°30'27.29027"W