

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST NORTHSTAR OIL & GAS FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.4.201 NMAC AS TO TWO WELLS, DETERMINING THAT THE VIOLATION IS KNOWING AND WILLFUL AND IMPOSING A PENALTY, REQUIRING OPERATOR TO BRING SAID WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE DECLARING THE WELLS ABANDONED, AUTHORIZING THE DIVISION TO PLUG THE WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE, SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 13920
(RE-OPENED)

Affidavit of Gail MacQuesten

STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

Gail MacQuesten, being first duly sworn on oath, states as follows:

1. I am employed with the Santa Fe, New Mexico office of the Oil Conservation Division ("OCD") as an attorney.

2. A conservative estimate of the OCD's out-of-pocket expenses to bring Case No. 13920 before the OCD hearing examiner and the Oil Conservation Commission follows. This estimate does not include salary expenses related to the time spent by witnesses, attorneys, hearing examiners or commissioners.

a. Advertisements*
 OCD hearing: \$119.40
 OCC de novo hearing: \$126.43
 OCC re-opened hearing: \$110.41

*Copies of the affidavits of publication showing costs are attached as Exhibit A.

b. Transcripts*
 OCD hearing \$136.00
 OCC de novo hearing \$316.00
 OCC re-opened hearing unknown

*Transcript cost is calculated at \$4 per page, and does not include tax or exhibit preparation and filing materials charges, which are not broken down by case on the invoices. Transcript costs have increased to \$6.50 per page, with an additional fee of \$100 per day (or partial day) for each hearing date. The new costs will apply to transcripts prepared for the re-opened hearing. Invoices and the contract form for the new contractor are attached as Exhibit B.

c. Witness travel*
OCD hearing \$270.00
OCC hearing Not claimed for this case.
Witness attended hearing while
in Santa Fe on other OCD
business.

* Witness travel includes per diem, but does not include gas charges, which do not appear on the itemized schedule of travel expenses. The Itemized schedules are attached as Exhibit C.

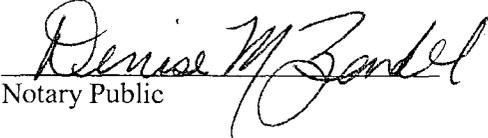
d. Certified mail*
OCD hearing \$24.00
OCC de novo hearing n/a
OCC re-opened hearing \$8.00

*Certified mail costs vary according to weight of the letter, and the OCD does not have all the relevant cost receipts. Current costs average approximately \$5.00 per letter. For purposes of this estimate, however, I calculated costs at \$4.00 per letter.

3. The total estimated out-of-pocket cost to the OCD to conduct the hearings in Case 13920 to date is \$1110.24.


Gail MacQuesten

SUBSCRIBED AND SWORN to before me this 9th day of April 2008.


Notary Public

My Commission Expires:

01-09-2012

AFFIDAVIT OF PUBLICATION

Ad No. 55047

STATE OF NEW MEXICO
County of San Juan:

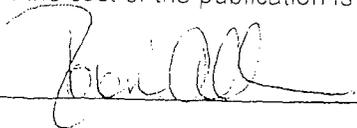
COPY OF PUBLICATION

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

ROBIN ALLISON, being duly sworn says:
That she is the CLASSIFIED MANAGER of
THE DAILY TIMES, a daily newspaper of
general circulation published in English at
Farmington, said county and state, and that
the hereto attached Legal Notice was
published in a regular and entire issue of the
said DAILY TIMES, a daily newspaper duly
qualified for the purpose within the meaning of
Chapter 167 of the 1937 Session Laws of the
State of New Mexico for publication and
appeared in the Internet at The Daily Times
website on the following day(s):

Monday, April 30, 2007

And the cost of the publication is \$119.40



ON 5/1/07 ROBIN ALLISON
appeared before me, whom I know personally
to be the person who signed the above
document.


My Commission Expires November 17, 2008

The State of New Mexico through its Oil Conservation Commission hereby gives notice pursuant to law and Commission rules of the following meeting and public hearing to be held at 9:00 A.M. on May 24, 2007, in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico, before the Oil Conservation Commission. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter or any other form of auxiliary aid or service to attend or participate in the hearing please contact Division Administrator Florene Davidson at (505) 476-3458 or through the New Mexico Relay Network (1-800-659-1779) by May 14, 2007. Public documents can be provided in various accessible forms. Please contact Ms. Davidson if a summary or other type of accessible form is needed. A preliminary agenda will be available to the public no later than two weeks prior to the meeting. A final agenda will be available no later than 24 hours preceding the meeting. Members of the public may obtain copies of the agenda by contacting Ms. Davidson at the phone number indicated above. Also, the agenda will be posted on the Oil Conservation Division website at www.emnrd.state.nm.us.

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following cases
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 13920: Application of the New Mexico Oil Conservation Division for a Compliance Order against Northstar Oil & Gas. The Applicant seeks an order finding that operator is in violation of 19.15.4.201 NMAC as to two wells, determining that the violation is knowing and willful and imposing a penalty of not less than \$2,000, requiring operator to bring the two wells into compliance with 19.15.4.201 NMAC by a date certain and authorizing the division to plug said wells in the event of non-compliance and forfeit the applicable financial assurance. The affected wells are: Barbara #001, 30-045-24263, P-12-29N-15W; Davie #001, 30-045-25092, M-2-29N-15W. The wells are located approximately 15 miles west of Farmington in San Juan County, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 26th day of April, 2007.

SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Mark E. Fesmire, P. E.
Division Director

Legal No. 55047 published in The Daily Times, Farmington, New Mexico on Monday April 30, 2007

Before the OCC
Case 13920
Northstar Oil & Gas
OCD Ex. No. 9-A

Ad No. 59778

**STATE OF NEW MEXICO
County of San Juan:**

BOB WALLER, being duly sworn says: That he is the CLASSIFIED MANAGER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Thursday, February 21, 2008

And the cost of the publication is \$110.41

ON 2/29/08 BOB WALLER appeared before me, whom I know personally to be the person who signed the above document.

Wynell Corey
My Commission Expires Nov. 10, 2008

COPY OF PUBLICATION

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

The State of New Mexico through its Oil Conservation Commission hereby gives notice pursuant to law and Commission rules of the following meeting and public hearing to be held at 9:00 A.M. on **March 13, 2008**, in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico, before the Oil Conservation Commission. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter or any other form of auxiliary aid or service to attend or participate in the hearing please contact Division Administrator Florene Davidson at (505) 476-3458 or through the New Mexico Relay Network (1-800-659-1779) by **March 3, 2008**. Public documents can be provided in various accessible forms. Please contact Ms. Davidson if a summary or other type of accessible form is needed. A preliminary agenda will be available to the public no later than two weeks prior to the meeting. A final agenda will be available no later than 24 hours preceding the meeting. Members of the public may obtain copies of the agenda by contacting Ms. Davidson at the phone number indicated above. Also, the agenda will be posted on the Oil Conservation Division website at www.emnrd.state.nm.us.

**STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following cases
and notice to the public.**

CASE 13920: (re-opened and re-advertised)
Application of the New Mexico Oil Conservation Division for a Compliance Order against Northstar Oil & Gas. The Oil Conservation Commission will hear the Division's motion to re-open Case 13920 to clarify the responsibilities of the Division and Northstar under the terms of Order R-12779-A. The affected wells are: Barbara #001, 30-045-24263, P-12-29N-15W; Davie #001, 30-045-25092, M-2-29N-15W. The wells are located approximately 15 miles west of Farmington in San Juan County, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 18th day of February, 2008.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Mark E. Fesmire, P. E.
Division Director

SEAL

Legal No. 59778 published in The Daily Times, Farmington, New Mexico on Thursday February 21, 2008.

AFFIDAVIT OF PUBLICATION

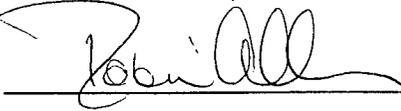
Ad No. 55574

STATE OF NEW MEXICO
County of San Juan:

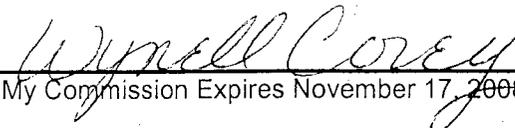
ROBIN ALLISON, being duly sworn says:
That she is the CLASSIFIED MANAGER of
THE DAILY TIMES, a daily newspaper of
general circulation published in English at
Farmington, said county and state, and that
the hereto attached Legal Notice was
published in a regular and entire issue of the
said DAILY TIMES, a daily newspaper duly
qualified for the purpose within the meaning of
Chapter 167 of the 1937 Session Laws of the
State of New Mexico for publication and
appeared in the Internet at The Daily Times
web site on the following day(s):

Wednesday, August 22, 2007

And the cost of the publication is \$126.43



ON 8/23/07 ROBIN ALLISON
appeared before me, whom I know personally
to be the person who signed the above
document.


My Commission Expires November 17, 2008

OK
fd

COPY OF PUBLICATION

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

The State of New Mexico through its Oil Conservation Commission hereby gives notice pursuant to law and Commission rules of the following meeting and public hearing to be held at 9:00 A.M. on **September 13, 2007**, in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico, before the Oil Conservation Commission. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter or any other form of auxiliary aid or service to attend or participate in the hearing please contact Division Administrator Florene Davidson at (505) 476-3458 or through the New Mexico Relay Network (1-800-659-1779) by **September 3, 2007**. Public documents can be provided in various accessible forms. Please contact Ms. Davidson if a summary or other type of accessible form is needed. A preliminary agenda will be available to the public no later than two weeks prior to the meeting. A final agenda will be available no later than 24 hours preceding the meeting. Members of the public may obtain copies of the agenda by contacting Ms. Davidson at the phone number indicated above. Also, the agenda will be posted on the Oil Conservation Division website at www.emnrd.state.nm.us.

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following cases
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 13920: De Novo ✓
Application of the New Mexico Oil Conservation Division for a Compliance Order against Northstar Oil & Gas. The Applicant seeks an order finding that operator is in violation of 19.15.4.201 NMAC as to two wells, determining that the violation is knowing and willful and imposing a penalty of not less than \$2,000, requiring operator to bring the two wells into compliance with 19.15.4.201 NMAC by a date certain and authorizing the division to plug said wells in the event of non-compliance and forfeit the applicable financial assurance. The affected wells are: Barbara #001, 30-045-24263, P-12-29N-15W, Davie #001, 30-045-25092, M-2-29N-15W. The wells are located approximately 15 miles west of Farmington in San Juan County, New Mexico. Upon application of Northstar Oil and Gas Corp., this case will be heard De Novo pursuant to the provisions of Rule 1221.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 14th day of August, 2007.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Mark E. Fesmire, P. E.
Division Director

S E A L

Legal No. 55574 published in The Daily Times, Farmington, New Mexico on Wednesday August 22, 2007

OK to Pay
Florene Davidson

STEVEN T. BRENNER, BA, MA
Certified Court Reporter (NM, CO)
NCRA Certificate of Merit

RECEIVED
2007 OCT 18 PM 2:07

3 Camino Oriente
Santa Fe, New Mexico 87508
(505) 989-9317

DFA Vendor Number: 524564046

October 18th, 2007

To: New Mexico Oil Conservation Division
Energy, Minerals and Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
Att: Florene Davidson

Reference: NMOCC Docket Number 30-07 (October 11th, 2007)

S T A T E M E N T

Transcripts of Commission Hearing: October 11th, 2007

Continued and Dismissed Cases 9 pages
Case No. 13,920 79 pages —

Total 88 pages, Original + 1 copy

88 pages @ \$4.00/page \$352.00
One 3.5" HD disc (MS Word) no charge
Exhibit preparation and filing materials 25.00
Subtotal \$377.00

Tax (6.5625%) 24.74
Total Amount Due \$401.74

T H A N K Y O U

*Before the OCC
Case 13920
Northstar Oil & Gas
OCD Ex. No. 9-B*

Florene Davidson

STEVEN T. BRENNER, BA, MA
Certified Court Reporter (NM, CO)
NCRA Certificate of Merit

RECEIVED

2007 JUN 29 PM 3:31

3 Camino Oriente
Santa Fe, New Mexico 87508
(505) 989-9317

DFA Vendor Number: 524564046

June 29th, 2007

To: New Mexico Oil Conservation Division
Energy, Minerals and Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
Att: Florene Davidson

Reference: NMOCD Docket Number 18-07 (June 21st, 2007)

S T A T E M E N T

Transcripts of Division Hearing: June 21st, 2007

Continued and Dismissed Cases	6 pages
Case No. 13,920	34 pages
Case No. 13,935	59 pages
Case No. 13,939	38 pages
Case No. 13,925	6 pages
Case No. 13,777	6 pages
Case No. 13,936	12 pages
Case No. 13,927	6 pages
Case No. 13,924	7 pages
Case No. 13,908	32 pages
Case No. 13,918	93 pages
Case No. 13,932	20 pages
Case No. 13,933	59 pages

Total 378 pages, Original + 1 copy

378 pages @ \$4.00/page	\$1512.00
One 3.5" HD disc (MS Word)	no charge
Exhibit preparation and filing materials	50.00
Subtotal	\$1562.00

Tax (6.5625%) 102.51
Total Amount Due **\$1664.51**

T H A N K Y O U

To navigate this form, use the tab key. For check boxes, either hit the X key on your keyboard, or click the mouse on the box. Please be detailed in your responses - if you do not know the answer to a question, state that you do not know and explain why.

CONTRACT FORM

Requesting Division: Oil Conservation Division		Contract No.: <i>(To be initially assigned by Contracts Analyst. For amendments, please complete this box.)</i>
Name of Contractor: Flamingo Inc. d/b/a Paul Baca Professional Court Reporters		Amendment No.: <i>(if applicable)</i> Initial SHARE No.:
FY: 08	Dept. #: 0710	Account #: 535200
Amount of Agreement: \$180,000	Type of Funds: General	Contract Expiration Date: 3/31/2012
	Appropriation Period:	Grant Expiration Date: <i>(if applicable)</i>
Does the term of the contract match the appropriation period: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If your answer is no, explain in detail:		
Is this procurement exempt from the Procurement Code: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If answer is yes, please explain: 13-1-98R		
Type of Contract: Professional Services Agreement <input checked="" type="checkbox"/> Governmental Services Agreement <input type="checkbox"/> Joint Powers Agreement <input type="checkbox"/> Intra-Departmental Agreement <input type="checkbox"/> Memorandum of Understanding <input type="checkbox"/> Other <input type="checkbox"/> If other, please describe:		
Describe the services the contractor will perform. <i>(Be specific. Include all details. Write as if you are writing the scope of work paragraph for a contract.)</i> Contractor will perform court reporting services for the Oil Conservation Division and the Oil Conservation Commission hearings.		
Describe how the contractor will be compensated. <i>(Be specific. Will the compensation be a lump sum amount for a specific work product, or a lump sum amount for specific services, or based on time and materials rendered? Write as if you are writing the compensation paragraph for a contract.)</i> The EMNRD-OCD will pay the contractor \$100.00 per day (or partial day) for attendance at hearings and will pay \$6.50 per page for transcripts (original and one copy) 14-day delivery, such compensation not to exceed \$180,000.		
Will the contract include reimbursement for travel for the contractor or subcontractors? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
Will any confidential information be provided to or developed by the contractor? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, what is the basis <i>(statutory, regulatory or otherwise)</i> for the confidentiality of the information?		
Will there be any news releases or other publicity about the project for which the contractor should acknowledge EMNRD? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Is any other acknowledgment necessary? <i>(Such as EMNRD being named as sponsor on a sign)</i> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please describe:		
Are there any contract terms that you believe should be included? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please explain:		
Are there any changes you think should be made to the boilerplate for this contract? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please describe:		

NAME	SOCIAL SECURITY NUMBER	DATE	TIME: SHOW AM OR PM	DEPARTURE	ARRIVAL	CHARACTER OF EXPENDITURES	ODOMETER READINGS	AMOUNTS			TOTALS	
								ENTER START & FINISH	NO. OF MILES	MILEAGE		PER DIEM
Charlie Perrin	121130	6/20/2007	7-12/1-4	10:00 AM	7 AM	Trip to Santa Fe for Northstar Oil and Gas hearing Trip from Santa Fe 2 nights in Santa Fe	1000 Rio Brazos, Aztec NM 87410	270.00			270.00	
		6/22/2007					1000 Rio Brazos Aztec NM					
TOTALS ADVANCE AMOUNT @ 80%: 0.0 ADJUSTED REIMBURSEMENT: 270.00											270.00	


 CHARLIE PERRIN
 7-17-07

I, **Charlie Perrin**

do solemnly swear that the above claim for reimbursement is just and true in all respects, and complies with the DFA Regulations Governing the Per Diem and Mileage Act.

PAYEE SIGN HERE:  DATE: July 16, 2007

AGENCY: 52100
 DISTRIBUTION: DFA COPY
 2 COPIES

Before the OCC
 Case 13920
 Northstar Oil & Gas
 OCD Ex. No. 9-C

