

DOCKET: EXAMINER HEARING - THURSDAY – JULY 10, 2008

8:15 A.M. - 1220 South St. Francis  
 Santa Fe, New Mexico

Docket Nos. 24-08 and 25-08 are tentatively set for July 24, 2008 and August 7, 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 14024 - No. 8*  
*Case 14106 - No. 2*  
*Case 14107 - No. 3*  
*Case 14117 - No. 1*  
*Case 14132 - No. 12*  
*Case 14137 - No. 4*  
*Case 14138 - No. 13*  
*Case 14142 - No. 9*  
*Case 14146 - No. 5*  
*Case 14147 - No. 6*  
*Case 14148 - No. 7*  
*Case 14149 - No. 10*  
*Case 14150 - No. 11*

1. ***CASE 14117:*** (Continued from the May 15, 2008 Examiner Hearing)  
***Application of the New Mexico Oil Conservation Division, Through the Enforcement and Compliance Manager, for a Compliance Order against STAR ACQUISITION VII, LCC.*** Finding that Operator knowingly and willfully violated Rule 50.A [19.15.2.50.A NMAC] as to one well and Assessing Monetary Penalties for Those Violations Pursuant to NMSA §70-2-14(B), and ordering that Operator Plug and Abandon All Wells that it Operates in New Mexico by a date certain. The well at issue in this Application is identified as follows:

Jicarilla 71 #25: API # 30-039-23416 - Unit Letter A, Section 9, Township 23 North, Range 4 West, Rio Arriba County, NM.

The subject well is located approximately 8 miles northeast of Counselor, NM, about 2 miles north of the Sandoval County line in Rio Arriba County, New Mexico.

2. ***CASE 14106:*** (Continued from the May 29, 2008 Examiner Hearing.)  
***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: