

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

than the others, and is located just North of State Route 64. The affected wells are specifically identified as follows:

TRS-EVI #1	30-045-24448
Kirtland 14 #1	30-045-25922
Kirtland 18 #1	30-045-26203
Kirtland 18 #3	30-045-23736
Fruitland #1	30-045-24972
Kirtland #11	30-045-25306

5. **CASE 14053:** (Continued from the February 7, 2008 Examiner Hearing.)

Application of the New Mexico Oil Conservation Division for a Compliance Order against J. Warren Hanson d/b/a Hanson Energy. The Applicant seeks an order finding that operator is in violation of 19.15.4.201 NMAC as to twenty-five wells, requiring operator to return the wells to compliance by a date certain, and in the event of non-compliance assessing penalties and authorizing the division to plug said wells and forfeit the applicable financial assurance. The affected wells are: Berry A #011, 30-015-00498, K-24-17S-27E; Berry A #022, 30-015-00497, K-24-17S-27E; Berry A #026, 30-015-00501, O-24-17S-27E; Berry B #025, 30-015-00578, G-25-17S-27E; Berry Federal #027, 30-015-00483, E-24-17S-27E; Berry Federal #029, 30-015-00472, F-23-17S-27E; Berry Federal #030, 30-015-21510, O-23-17S-27E; Berry Federal #034, 30-015-31113, G-23-17S-27E; Donnelly Kelly State #002, 30-015-02644, O-8-18S-28E; Donnelly Kelly State #003, 30-015-23815, O-8-18S-28E; Saunders A #011, 30-015-24123, B-13-17S-27E; Saunders B #003, 30-015-22725, A-13-17S-27E; Spurck State #009, 30-015-30997, F-24-17S-27E; State AE #001, 30-015-25402, G-4-18S-28E; State AE #002, 30-015-25403, F-4-18S-28E; Vandagriff #003, 30-015-01323, I-5-17S-28E; Vandagriff #005, 30-015-01318, J-5-17S-28E; Vandagriff #007, 30-015-01320, J-5-17S-28E; Vandagriff #008, 30-015-01321, H-5-17S-28E; Vandagriff #009, 30-015-01322, O-5-17S-28E; Vandagriff #010, 30-015-01329, B-8-17S-28E; Vandagriff #011, 30-015-01325, I-5-17S-28E; West Artesia Grayburg Unit #016, 30-015-02641, M-8-18S-28E; West Artesia Grayburg Unit #022, 30-015-23639, L-8-18S-28E; West Artesia Grayburg Unit #024, 30-015-23724, M-8-18S-28E. The wells are located between Artesia and Loco Hills in Eddy County, New Mexico.

6. **CASE 14110:** **Application of the New Mexico Oil Conservation Division for a Compliance Order against Quannah, Inc.** The Applicant seeks an order finding that operator knowingly and willfully violated 19.15.2.52 NMAC by disposing of produced water or other oilfield waste in a registered or permitted surface waste management facility without authority, or in a place or in a manner that may constitute a hazard to safety or the environment, imposing penalties and cancelling or suspending Quannah's authority to transport liquid oilfield wastes. The unauthorized disposal occurred at the State "R" tank battery, Section 27, T14S, R33E. The tank battery is located approximately 15 miles northwest of Lovington in Lea County, New Mexico.

7. **CASE 14111:** **Application of the New Mexico Oil Conservation Division for a Compliance Order.** The Applicant seeks an order finding that Pogo Producing Company is in violation of 19.15.1.40.A(2) NMAC based on its failure to comply with an order requiring corrective action, imposing penalties for the knowing and willful failure to file corrected production reports as required by agreed compliance order 214, and for such other relief as the Director deems appropriate. The affected well is the Resler B #001, 30-025-36573, J 20-23S-R37E, in Lea County, New Mexico. The well is located less than five miles north of Teague.

8. **CASE 14077:** (Continued from the February 21, 2008 Examiner Hearing.)

Application of the New Mexico Oil Conservation Division for a Compliance Order against Southwest Royalties, Inc. Applicant seeks an Order finding that operator is in violation of 19.15.4.201 NMAC as to eleven wells, requiring operator to bring the wells into compliance by a date certain, and authorizing the Division to forfeit the applicable financial assurance and plug the wells in the event of operator's non-compliance. The affected wells are:

• Barr H State No. 001;	30-025-29825;	I-7-16S-33E
• Bell Ramsay NCT D No. 001;	30-025-06214;	G-35-20S-37E
• Eagle No. 001;	30-025-27568;	J-36-25S-36E
• Humphreys No. 001;	30-025-09815;	N-25-25S-36E
• Maralo Sholes B No. 002;	30-025-09806;	P-25-25S-36E