



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

05-Mar-09

XERIC OIL & GAS CORP

14781 MEMORIAL DRIVE STE. 1754

HOUSTON TX 77079

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

EAST PEARL QUEEN UNIT No.014

M-22-19S-35E

30-025-03184-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906426380
Violations						
Absent Well Identification Signs (Rule 103)						

Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW

WEST PEARL QUEEN UNIT No.122

J-28-19S-35E

30-025-03228-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906428547
Violations						
Absent Well Identification Signs (Rule 103)						

Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW

WEST PEARL QUEEN UNIT No.119

I-29-19S-35E

30-025-03240-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906429098
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW						

SOUTH PEARL QUEEN UNIT No.007

F-3-20S-35E

30-025-03316-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906424653
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW						

WEST PEARL QUEEN UNIT No.163

D-33-19S-35E

30-025-22870-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906428734
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW						

WEST PEARL QUEEN UNIT No.167

O-29-19S-35E

30-025-23313-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906428952
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW						

WEST PEARL QUEEN UNIT No.169

N-28-19S-35E

30-025-25365-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906428643
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW						

WEST PEARL QUEEN UNIT No.191

M-28-19S-35E

30-025-30861-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906428276
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW						

WEST PEARL QUEEN UNIT No.192

J-28-19S-35E

30-025-30867-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906428803
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW						

WEST PEARL QUEEN UNIT No.180

K-28-19S-35E

30-025-30868-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906428868
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW						

MEXICO U No.003

B-8-19S-38E

30-025-30954-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906425902
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW						

WEST PEARL QUEEN UNIT No.190

I-29-19S-35E

30-025-31020-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906429212
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 2nd notice on non-compliance. MW						

WEST PEARL QUEEN UNIT No.195

O-29-19S-35E

30-025-31021-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906429028
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW						

WEST PEARL QUEEN UNIT No.204

D-33-19S-35E

30-025-31022-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906424257
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW						

WEST PEARL QUEEN UNIT No.205

C-33-19S-35E

30-025-31023-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0905841885

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW

WEST PEARL QUEEN UNIT No.202

B-32-19S-35E

30-025-31125-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2009	Routine/Periodic	Mark Whitaker	Yes	No	6/8/2009	iMAW0906423794

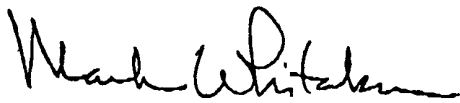
Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: No well sign or sign not legible (Rule 19.15.3.103). NEED TO INSTALL NEW WELL SIGN TO INCLUDE INFO AS CURRENTLY REQUIRED UNDER RULE 103. 1st notice on non-compliance. MW

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,


COMPLIANCE OFFICER

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER
017H15554612
\$0.420
03/05/2009
Mailed From 88240
US POSTAGE

XERIC OIL & GAS CORP
14781 MEMORIAL DRIVE SUITE 1754
HOUSTON, TX 77079