

District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.
 30-025-36215

5. Indicate Type of Lease
 STATE FEE

State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____

b. Type of Completion:
 NEW WORK DEEPEN PLUG DIFF.
 WELL OVER BACK RESVR. OTHER

7. Lease Name or Unit Agreement Name
 Merlot

2. Name of Operator
 Xeric Oil & Gas Corporation

8. Well No.
 1

3. Address of Operator
 PO Box 352 Midland, Texas 79702

9. Pool name or Wildcat
 Nadine Drinkard Abo

4. Well Location
 Unit Letter H : 1980 Feet From The North Line and 330 Feet From The East Line
 Section 23 Township 19S Range 38E NMPM Lea County

10. Date Spudded 3/23/03	11. Date T.D. Reached 4/9/03	12. Date Compl. (Ready to Prod.) 5/13/03	13. Elevations (DF& RKB, RT, GR, etc.) GR 3597	14. Elev. Casinghead
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15. Total Depth 7800	16. Plug Back T.D. 7740	17. If Multiple Compl. How Many Zones? _____	18. Intervals Drilled By _____	Rotary Tools X	Cable Tools _____
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19. Producing Interval(s), of this completion - Top, Bottom, Name
 7018-7076 Drinkard
 7536-7653 Abo

20. Was Directional Survey Made
 Yes Attached

21. Type Electric and Other Logs Run
 Dual Laterolog, Compensated Densilog

22. Was Well Cored

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	1723	12 1/4"	850 Sx Class C	REMOVED
5 1/2"	17# & 20#	7800	7 7/8"	1670 Sx C & H	Hobbs OCD

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 7/8"	6840'	

26. Perforation record (interval, size, and number)
 7018'-7076', 2 SPF, 68 Holes
 7536'-7653', 2 SPF, 58 Holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
7018-7076	2500 gal. Nefe + 112,000# 16/30 Ottawa Sand Frac
7536-7653	3000 gal. Nefe + 10,000 g. acid Frac

28. PRODUCTION

Date First Production: 5/13/03
 Production Method (Flowing, gas lift, pumping - Size and type pump): 2 1/2" x 1 3/4" x 20' RHBC Insert Pump
 Well Status (Prod. or Shut-in): Prod

Date of Test 5/19/03	Hours Tested 24	Choke Size N/A	Prod'n For Test Period	Oil - Bbl 55	Gas - MCF 111	Water - Bbl. 101	Gas - Oil Ratio 2,018
Flow Tubing Press. N/A	Casing Pressure 40	Calculated 24-Hour Rate	Oil - Bbl. 55	Gas - MCF 111	Water - Bbl. 101	Oil Gravity - API - (Corr.) 38.1	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
 Dynege Midstream

Test Witnessed By
 Donny Money

30. List Attachments
 Inclination Survey, DLML & CDCN Logs, Letter of Confidentiality

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature: *Angie Crawford* Printed Name: Angie Crawford Title: Production Analyst Date: 5/29/03

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy _____	T. Canyon _____
T. Salt <u>1672</u>	T. Strawn _____
B. Salt <u>2645</u>	T. Atoka _____
T. Yates <u>2835</u>	T. Miss _____
T. 7 Rivers <u>2935</u>	T. Devonian _____
T. Queen _____	T. Silurian _____
T. Grayburg _____	T. Montoya _____
T. San Andres <u>4305</u>	T. Simpson _____
T. Glorieta <u>5565</u>	T. McKee _____
T. Paddock _____	T. Ellenburger _____
T. Blinebry <u>6050</u>	T. Gr. Wash _____
T. Tubb <u>6615</u>	T. Delaware Sand _____
T. Drinkard <u>6960</u>	T. Bone Springs _____
T. Abo <u>7235</u>	T. _____
T. Wolfcamp _____	T. _____
T. Penn _____	T. _____
T. Cisco (Bough C) _____	T. _____

Northwestern New Mexico

T. Ojo Alamo _____	T. Penn. "B" _____
T. Kirtland-Fruitland _____	T. Penn. "C" _____
T. Pictured Cliffs _____	T. Penn. "D" _____
T. Cliff House _____	T. Leadville _____
T. Menefee _____	T. Madison _____
T. Point Lookout _____	T. Elbert _____
T. Mancos _____	T. McCracken _____
T. Gallup _____	T. Ignacio Otzte _____
Base Greenhorn _____	T. Granite _____
T. Dakota _____	T. _____
T. Morrison _____	T. _____
T. Todilto _____	T. _____
T. Entrada _____	T. _____
T. Wingate _____	T. _____
T. Chinle _____	T. _____
T. Permian _____	T. _____
T. Penn "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
 No. 2, from.....to.....
 No. 3, from.....to.....
 No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.
 No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
2800	3440		Anhydrite & Salt				
3440	4300		Anhydrite & Dolomite				
4300	5560		Dolomite				
5560	6000		Dolomite & Sandstone				
6000	6620		Dolomite				
6620	6750		Dolomite & Siltstone				
6750	7010		Dolomite				
7010	7800		Dolomite & Limestone				