

4/7/04

WVS LR

DHC

PL20409929459

**XERIC OIL & GAS CORPORATION**

1801 W. Texas, P. O. Box 352

Midland, Texas 79702

(432)683-3171, Fax: (432)683-6348

April 1, 2004

**RECEIVED**

APR 07 2004

**OIL CONSERVATION  
DIVISION**

New Mexico Oil Conservation Division

Attn: Will Jones

1220 S. St. Francis Drive

Santa Fe, NM 87505

Re: Application for DHC, API #30-025-36233  
Bourdon #1, Unit O, Sec. 18, 20S, 39E, Lea County

DHC-3260

Gentlemen:

Xeric Oil & Gas Corporation respectfully requests an exemption for the above captioned well to New Mexico Statewide Rule 303 retroactive to *December 12, 2003*. The final single completion is in the East Warren Tubb (Oil-87085) December 11, 2003. The well was previously completed and tested in the DK Abo (Oil-15200) October 2, 2003 and the House Drinkard (Oil-33250) June 13, 2003.

Xeric proposes the following production allocation for the three zones based on the most recent production rates and tests from each zone as follows:

	<u>OIL</u>	<u>GAS</u>	<u>WATER</u>
East Warren Tubb	22%	48%	66%
House; Drinkard	64%	50%	24%
DK; Abo	14%	2%	10%

Please find enclosed for your review and approval our Application to Downhole Commingle with supporting documentation as follows:

1. Copy of the previously submitted C-102's each pool.
2. Four month production history for the House Drinkard, three month for the DK;Abo and well test information for the East Warren Tubb. No production curve is available due to less than 1-year production in each pool.
3. Allocation method.

Ownership and revenue are identical in the three pools.

Thank you for your attention to this matter. Should you have any questions or need additional information, please contact me at the number above.

Yours truly,

  
Angie Crawford

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

Oil Conservation Division

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

XERIC OIL & GAS CORPORATION

P. O. Box 352, Midland, TX 79702

Operator Address  
**Bourdon** **1** **O, Sec. 18, 20S, 39E** **Lea**

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 025482 Property Code 25721 API No. 30-025-436233 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Warren; Tubb East	House; Drinkard	DK; Abo
Pool Code	87085	33250	15200
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6764'-6820'	6888'-7008'	7214'-7652'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	N/A	N/A	N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36.6	36.8	35.5
Producing, Shut-In or New Zone	Producing	SI	SI
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 12/14/03 Rates: 5 BO, 94 MCF	Date: 9/24/03 Rates: 14 BO, 97 MCF	Date: 12/6/03 Rates: 3 BO, 3 MCF
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 22 % 48 %	Oil Gas 64 % 50 %	Oil Gas 14 % 2 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ N/A ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☐ N/A ☐ No ☐

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Angie Crawford TITLE Production Analyst DATE 4/1/04

TYPE OR PRINT NAME Angie Crawford TELEPHONE NO. ( 432 ) 683-3171

E-MAIL ADDRESS Acrawford@xericoil.com

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-36233</b>	Pool Code <b>600487085</b>	Pool Name <b>Warren, Tubbs, East</b>
Property Code <b>025721</b>	Property Name <b>BOURDON</b>	Well Number <b>1</b>
OGRID No. <b>025482</b>	Operator Name <b>XERIC OIL &amp; GAS CORPORATION</b>	Elevation <b>3538</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>0</b>	<b>18</b>	<b>20 S</b>	<b>39 E</b>		<b>660</b>	<b>SOUTH</b>	<b>1980</b>	<b>EAST</b>	<b>LEA</b>

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <b>40</b>	Joint or Infill <b>NO</b>	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.   Signature Angie Crawford Printed Name Production Analyst Title 3/19/03 Date
	<b>SURVEYOR CERTIFICATION</b>  I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  FEBRUARY 10, 1999 Date Surveyed Signature & Seal of Professional Surveyor  Certificate No. RONALD J. EDISON 3239 GARY EDSON 12641 MACON McDONALD 12185

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

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Energy, Minerals and Natural Resources Department

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OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-36233</b>	Pool Code <b>33250</b>	Pool Name <b>Houssé; Drinkard</b>
Property Code <b>025721</b>	Property Name <b>BOURDON</b>	Well Number <b>1</b>
OGRID No. <b>025482</b>	Operator Name <b>XERIC OIL &amp; GAS CORPORATION</b>	Elevation <b>3538</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>0</b>	<b>18</b>	<b>20 S</b>	<b>39 E</b>		<b>660</b>	<b>SOUTH</b>	<b>1980</b>	<b>EAST</b>	<b>LEA</b>

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <b>40</b>	Joint or Infill <b>NO</b>	Consolidation Code	Order No.						

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.   Signature <b>Angie Crawford</b> Printed Name <b>Production Analyst</b> Title <b>3/19/03</b> Date
	<b>SURVEYOR CERTIFICATION</b>  I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  <b>FEBRUARY 10, 1999</b> Date Surveyed <b>DMCC</b> Signature & Seal of Professional Surveyor  Certificate No. <b>RONALD E. EDSON 3239</b> <b>GARY EDSON 12641</b> <b>MACOM McDONALD 12185</b>

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OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-36233</b>	Pool Code <b>15200</b>	Pool Name <b>BK Abo</b>
Property Code <b>25721</b>	Property Name <b>BOURDON</b>	Well Number <b>1</b>
OGRID No. <b>025482</b>	Operator Name <b>XERIC OIL &amp; GAS CORPORATION</b>	Elevation <b>3538</b>

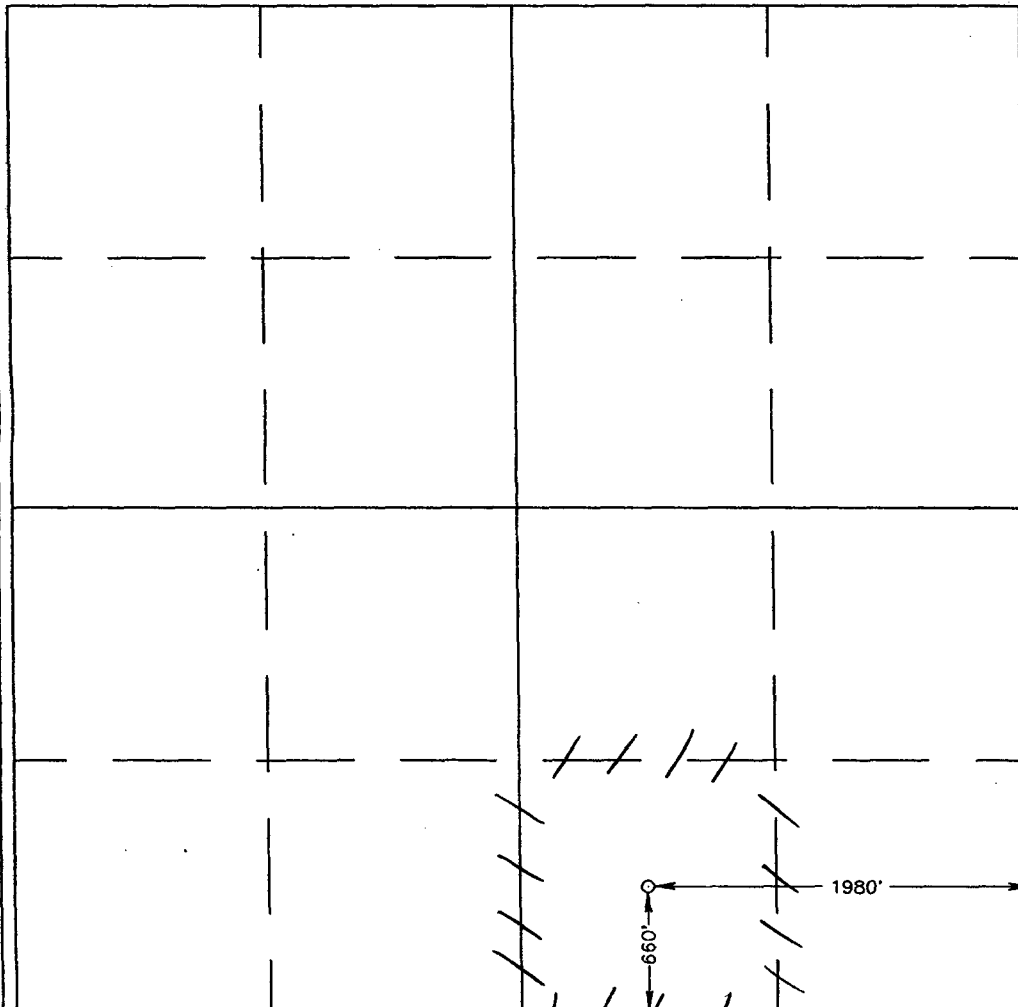
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>0</b>	<b>18</b>	<b>20 S</b>	<b>39 E</b>		<b>660</b>	<b>SOUTH</b>	<b>1980</b>	<b>EAST</b>	<b>LEA</b>

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <b>40</b>	Joint or Infill <b>NO</b>	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Angie Crawford</i> Signature</p> <p>Angie Crawford Printed Name</p> <p>Production Analyst Title</p> <p>3/19/03 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>FEBRUARY 10, 1999</p> <p>Date Surveyed <span style="float: right;">DMCC</span></p> <p>Signature &amp; Seal of Professional Surveyor <i>Ronald V. Eidson</i> 2-11-99 98-11-0089</p> <p>Certificate No. RONALD V. EIDSON 3239 GARY EIDSON 12641 MACON McDONALD 12185</p>

**XERIC OIL & GAS CORPORATION APPLICATION FOR DHC  
BOURDON #1 WELL**

**API #30-025-36233**

**Unit O, Section 18, 20S, 39E, Lea county, NM**

**PRODUCTION HISTORY**

**Pool Name: E. Warren Tubb (87085)**

**New zone, no production history or curve available.**

**Production estimate based on test 12/12/03.**

**XERIC OIL & GAS CORPORATION APPLICATION FOR DHC  
BOURDON #1 WELL**

**API #30-025-36233**

**Unit O, Section 18, 20S, 39E, Lea county, NM**

**PRODUCTION HISTORY**

**Pool Name: D-K;ABO (15200)**

Month/Year	BO/Day	MCF/Day	BW/Day	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
October 2003	33.95	183.19	55.38	713	3847	1163	21
November 2003	24.03	105.07	14.33	721	3152	430	30
December 2003	14.60	153.60	22.80	73	768	114	5
Total	26.91	138.70	30.48	1507	7767	1707	56

**NO PRODUCTION CURVE AVAILABLE (LESS THAN 1 YEAR PRODUCTION)**

**XERIC OIL & GAS CORPORATION APPLICATION FOR DHC  
BOURDON #1 WELL**

**API #30-025-36233**

**Unit O, Section 18, 20S, 39E, Lea county, NM**

**PRODUCTION HISTORY**

**Pool Name: HOUSE; DRINKARD (33250)**

Month/Year	BO/Day	MCF/Day	BW/Day	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
June 2003	33.39	155.17	68.00	601	2793	1224	18
July 2003	18.77	123.26	26.45	582	3821	820	31
August 2003	15.23	105.84	21.52	472	3281	667	31
September 2003	16.77	119.00	18.77	369	2618	413	22
Total	19.84	122.68	30.63	2024	12513	3124	102

**NO PRODUCTION CURVE AVAILABLE (LESS THAN 1 YEAR PRODUCTION)**



<b>XERIC OIL &amp; GAS CORPORATION</b> <b>APPLICATION FOR DOWNHOLE COMMINGLE</b> <b>BOURDON #1</b> <b>API # 30-025-36233</b> <b>ALLOCATION OF PRODUCTION</b>							
	<b>BBLS OIL</b>	<b>%OF TOTAL</b>	<b>MCF</b>	<b>%OF TOTAL</b>	<b>BBLS WATER</b>	<b>%OF TOTAL</b>	<b>SOURCE</b>
Warren Tubb E.	5	22%	94	48%	38	66%	WELL TEST 12/12/03
House; Drinkard	14	64%	97	50%	14	24%	WELL TEST 9/24/03
DK; Abo	3	14%	3	2%	6	10%	WELL TEST 12/6/03
<b>TOTAL</b>	<b>22</b>		<b>194</b>		<b>58</b>		

	BBLS OIL	%OF TOTAL	MCF	%OF TOTAL	BBLS WATER	%OF TOTAL	SOURCE
Warren Tubb E.	5	22%	94	48%	38	66%	WELL TEST 12/12/03
House; Drinkard	14	64%	97	50%	14	24%	WELL TEST 9/24/03
DK; Abo	3	14%	3	2%	6	10%	WELL TEST 12/6/03
TOTAL	22		194		58		