

pwt 50412455907 4/17/04 WJS
XERIC OIL & GAS CORPORATION

1801 W. Texas, P. O. Box 352
Midland, Texas 79702
(432)683-3171, Fax: (432)683-6348

DHC-3268

April 14, 2004

RECEIVED

APR 19 2004

New Mexico Oil Conservation Division
Attn: Will Jones
1220 S. St. Francis Drive
Santa Fe, NM 87505

OIL CONSERVATION
DIVISION

Re: Application for DHC, API #30-025-36385
Bourdon #2, Unit P, Sec. 18, 20S, 39E, Lea County

Gentlemen:

Xeric Oil & Gas Corporation respectfully requests an exemption to New Mexico Statewide Rule 303 for the above captioned well. The final single completion is in the House Drinkard (Oil-33250) December 9, 2003. The well was previously completed and tested in the DK Abo (Oil-15200) November 8, 2003.

Xeric proposes the following production allocation based on the most recent tests from each zone as follows:

	<u>OIL</u>	<u>GAS</u>	<u>WATER</u>
House; Drinkard	94%	91%	70%
DK; Abo	6%	9%	30%

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. Production history for the House Drinkard and DK;Abo with most recent well test for each pool. 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 both 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

DHC-3268

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 **2** **P, Sec. 18, 20S, 39E** **Lea**
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 025482 Property Code 25721 API No. 30-025-36385 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	House; Drinkard ✓		UNDES DK; Abo ✓
Pool Code	33250		15200
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6980'-7030'		7280'-7570'
Method of Production (Flowing or 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
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35.8		37.8
Producing, Shut-In or New Zone	Producing		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: 3/31/04 Rates: 60 BO, 80 MCF	Date: Rates:	Date: 12/7/03 Rates: 3.75 BO, 8 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 94 % 91 %	Oil Gas % %	Oil Gas 6 % 9 %

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 4/14/04
TYPE OR PRINT NAME Angie Crawford TELEPHONE NO. (432) 683-3171
E-MAIL ADDRESS Acrawford@xericoil.com

State of New Mexico

DISTRICT I

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

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 20, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-36385	Pool Code House 33250	Pool Name House; Drinkard
Property Code 25721	Property Name BOURDON	Well Number 2
OGRID No. 025482	Operator Name XERIC OIL & GAS CORPORATION	Elevation 3526'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	20-S	39-E		660'	SOUTH	660'	EAST	LEA

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 40	Joint or Infill	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

<div style="border: 1px solid black; padding: 10px; margin: 10px;"> <p><u>GEODETIC COORDINATE</u></p> <p>NAD 27 NME</p> <p>Y= 572462.7 N</p> <p>X= 886725.9 E</p> <p>LAT. 32°34'03.13"N</p> <p>LONG. 103°04'41.01"W</p> </div>	<p>OPERATOR CERTIFICATION</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></p> <p>Signature</p> <p>Angie Crawford</p> <p>Printed Name</p> <p>Production Analyst</p> <p>Title</p> <p>4/14/04</p> <p>Date</p>	
	<p>SURVEYOR CERTIFICATION</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>August 22, 2003</p> <p>Date Surveyed</p> <p>AWB</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Ronald J. Edson</i></p> <p>RONALD J. EDSON</p> <p>03.11.0895</p> <p>Certificate No. RONALD J. EDSON 3238</p> <p>GARY EDSON 12641</p>	
	<p>660'</p> <p>660'</p>	
	<p>660'</p>	

State of New Mexico

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

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

OIL CONSERVATION DIVISION

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-36385	Pool Code 15200	Pool Name DK; Abo
Property Code 25721	Property Name BOURDON	Well Number 2
OGRID No. 025482	Operator Name XERIC OIL & GAS CORPORATION	Elevation 3526'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	20-S	39-E		660'	SOUTH	660'	EAST	LEA

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 40	Joint or Infill	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

<div style="border: 1px solid black; padding: 10px; margin: 10px;"> <p>GEODETIC COORDINATE NAD 27 NME Y= 572462.7 N X= 886725.9 E LAT. 32°34'03.13"N LONG. 103°04'41.01"W</p> </div>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Angie Crawford</i> Signature Angie Crawford Printed Name Production Analyst Title 4/14/04 Date</p>	
	<p>SURVEYOR CERTIFICATION</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>August 22, 2003 Date Surveyed AWB</p> <p>Signature & Seal of Professional Surveyor <i>Ronald F. Edson</i> RONALD F. EDSON MEXICO 8/25/03 03.11.0895 Certification No. RONALD F. EDSON 3239 GARY EDSON 12641</p>	
	<p>660'</p> <p>660'</p>	

**XERIC OIL & GAS CORPORATION APPLICATION FOR DHC
BOURDON #2 WELL**

API #30-025-36385

Unit P, 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
December 2003	129.35	153.48	19.39	2975	3530	446	23
January 2004	65.32	90.32	21.16	2025	2800	656	31
February 2004	44.21	74.66	15.07	1282	2165	437	29
March 2004	45.35	69.81	14.55	1406	2164	451	31
Total	67.44	93.50	17.46	7688	10659	1990	114

NO PRODUCTION CURVE AVAILABLE (LESS THAN 1 YEAR PRODUCTION)

Test 3/31/04 = 60 BOD, 80 MCFD, 14 BWD

**XERIC OIL & GAS CORPORATION APPLICATION FOR DHC
BOURDON #2 WELL**

API #30-025-36385

Unit P, 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
November 2003	23.00	37.15	0.00	299	483	0	13
December 2003	3.75	7.63	6.00	30	61	48	8
Total	15.67	25.90	2.29	329	544	48	21

NO PRODUCTION CURVE AVAILABLE (LESS THAN 1 YEAR PRODUCTION)

Test 12/7/03 = 3.75 BOD, 8 MCFD, 6 BWD (Last production from Abo)

XERIC OIL & GAS CORPORATION APPLICATION FOR DOWNHOLE COMMINGLE BOURDON #2 API # 30-025-36385 ALLOCATION OF PRODUCTION							
	BBLs OIL	%OF TOTAL	MCF	%OF TOTAL	BBLs WATER	%OF TOTAL	SOURCE
House; Drinkard	60	94%	80	91%	14	70%	WELL TEST 3/31/04
DK; Abo	3.75	6%	8	9%	6	30%	WELL TEST 12/7/03
TOTAL	63.75		88		20		

	BBLS OIL	%OF TOTAL	MCF	%OF TOTAL	BBLS WATER	%OF TOTAL	SOURCE
House; Drinkard	60	94%	80	91%	14	70%	WELL TEST 3/31/04
DK; Abo	3.75	6%	8	9%	6	30%	WELL TEST 12/7/03
TOTAL	63.75		88		20		