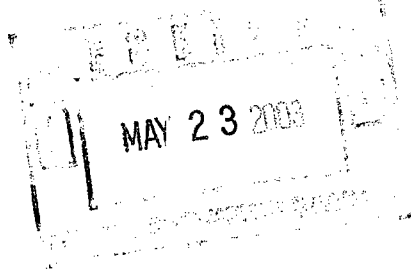


DOYLE HARTMAN
Oil and Natural Gas Operator
500 NORTH MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702

(915) 684-4011
(915) 682-7616 FAX



MS

May 22, 2003

Via Facsimile (432) 683-6348 and Certified Mail, Return Receipt Requested

Xeric Oil and Gas Corporation
1801 W. Texas (79701)
P.O. Box 352
Midland, Texas 79702
Attn: Rob Barnett, President
Frank Winn, Vice-President

Case 13105

Via Facsimile (505) 476-3462 and FedEx

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87504
Attn: Lori Wrotenbery, Director
Michael Stogner, Chief Hearing Officer

**Re: XERIC OIL & GAS CORPORATION'S APPLICATION FOR
AUTHORIZATION TO INJECT**

Gregory "A" No. 5 Well
1980' FSL and 660' FEL (I)
Section 33, T-25-S, R-37-E
Lea County, New Mexico

Gentlemen:

Reference is made to Xeric Oil and Gas Corporation's (Xeric's) water disposal application and notice, corresponding to the Gregory "A" No. 5 well located 1980' FSL and 660' FEL, Section 33, T-25-S, R-37-E, Lea County, New Mexico (I-33-25S-37E), which application was received, by us, today (May 22, 2003).

In regard to the subject application, we hereby remind Xeric of its prior **written agreement**, of September 27, 2000, to **confine** its water disposal operations, as to the Gregory "A" No. 5 well, to the Langlie Mattix Pool interval, **below** 3093' (copy of executed written agreement herein enclosed).

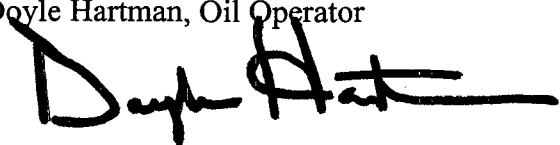
Xeric Oil and Gas Corporation
May 22, 2003
Page 2

Therefore, concerning the above referenced application, we will **expect** Xeric to abide by the terms of its prior **written agreement**, of September 27, 2000, which includes **confining** its water disposal operations to the Langlie Mattix interval **below 3093'**.

We also request that you furnish a copy of the agreed-to bond log, for the Gregory "A" No. 5 well, **as soon as available**.

Very truly yours,

Doyle Hartman, Oil Operator

A handwritten signature in black ink, appearing to read "Doyle Hartman", with a long horizontal stroke extending to the right.

Doyle Hartman

Enclosures

cc: Randy Hall, Geologist
Xeric Oil and Gas Corporation
1801 W. Texas (79701)
P.O. Box 352
Midland, Texas 79702

DOYLE HARTMAN

Oil Operator

500 NORTH MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

(915) 682-7616 FAX

Via Certified Mail, Return Receipt Requested

September 27, 2000

Xeric Oil & Gas Corporation
1801 W. Texas (79701)
P.O. Box 352
Midland, Texas 79702

Attn: Rob Barnett, President ✓
Frank Winn, Vice President

New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Attn: Lori Wrotenbery, Director
Michael Stogner, Chief Hearing Officer

**Re: XERIC OIL & GAS CORPORATION'S APPLICATION FOR AUTHORIZATION
TO INJECT WATER INTO KNOWN GAS STRATA**

Gregory "A" No. 5
1980' FSL and 660' FEL (I)
Section 33, T-25-S, R-37-E
Lea County, New Mexico

Gentlemen:

Reference is made to Xeric Oil & Gas Corporation's (Xeric's) water injection application, dated September 22, 2000, corresponding to the Xeric-operated Gregory "A" No. 5 Langlie Mattix well located 1980' FSL and 660' FEL, Section 33, T-25-S, R-37-E, Lea County, New Mexico (I-33-25-37).

A review of Xeric's application states that the intended injection interval is 2456' to 3093', with a proposed injection packer setting depth of 2406', which would include, as part of the injection interval, the Jalmat Pool gas interval, from 2540' to 3050'.

Please be advised that Doyle Hartman, as an offset Jalmat operator (W/2 Section 34), is opposed to any injection of water into the Jalmat Pool gas interval. In this regard, please find enclosed a *Sundry Notice* dated November 24, 1954, showing that a 5" O.D. liner was previously installed in the subject well, from 2423' to 3093', and cemented with 50 sx of cement, so as to shut off the Jalmat Pool gas interval.

As an offset Jalmat operator, we have no objection to the injection of water into the open-hole Langlie Mattix Pool interval below 3093', providing (1) that a state-of-the-art cement bond log



OCT 05 2000

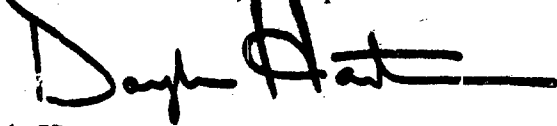
Xeric Oil & Gas Corporation
New Mexico Oil Conservation Division
September 27, 2000
Page 2

documents that the existing 5" O.D. liner possesses proper cement bonding, (2) that Xeric's injection packer is installed inside the 5" O.D. liner, at a depth below 3050', as opposed to the proposed setting depth of 2406', as stated in Xeric's water injection application, and (3) that surface injection pressures conform to pressure limits permitted by NMOCD Memorandum No. 3-77 (copy enclosed). However, Doyle Hartman is strongly opposed to the placement of injection water, by Xeric, into the Jalmat Pool gas interval above 3050'.

If Xeric is agreeable to confining its proposed water injection only to the open-hole interval below 3093', please so indicate, in the space provided below. Otherwise, please consider this letter as notice of Doyle Hartman's objection to Xeric's proposed and unnecessary injection of water into known gas producing strata, which injection constitutes waste of a valuable natural resource.

Very truly yours,

DOYLE HARTMAN, Oil Operator




Doyle Hartman

☒ We ARE in agreement to restricting Xeric's proposed water injection to the open-hole Langlie Mattix Pool interval below 3093', and conforming to NMOCD Memorandum No. 3-77.

☐ We ARE NOT in agreement to restricting Xeric's proposed water injection to the open-hole Langlie Mattix Pool interval below 3093', nor conforming to NMOCD Memorandum No. 3-77.

XERIC OIL & GAS CORPORATION

By: _____



Title: _____

President

Printed Name: _____

R C Barnett

XERIC OIL & GAS CORPORATION

**P.O. Box 352
Midland, Texas 79702
Phone: (915) 683-3171
Fax: (915) 683-3152**

October 3, 2000

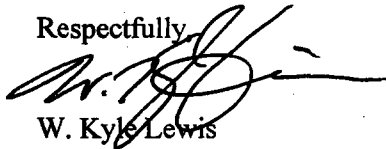
Mr. Doyle Hartman
Doyle Hartman, Oil Operator
P.O. Box 10426
Midland, Texas 79702

Re: Gregory A-5
Lea Co., NM

Dear Mr. Hartman:

Pursuant to your letter of September 27, 2000 regarding our application to convert the subject well to injection, we are agreeable to inject into the Langlie Mattix Pool below 3093'. We are amending our injection application to reflect this change. Enclosed is our acknowledgment to this fact.

Respectfully



W. Kyle Lewis

Enclosure

cc: Mark Ashley
New Mexico Oil Conservation Division
1625 French Drive
Hobbs, NM 88240

RECEIVED
DOYLE HARTMAN
OIL OPERATOR

OCT 05 2000