XERIC OIL & GAS CORPORATION

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

RECEIVED

February 9, 2004

FEB 1 1 2004

OIL CONSERVATION ENVISION

Will Jones New Mexico Oil Conservation Division 1220 S. St. Francis Dr. Santa Fe, New Mexico 87505

Re: Howse SWD #1 Well Unit L, Sec. 17, 20S, 39E Lea County, New Mexico API #30-025-36226

Dear Mr. Jones:

Please find enclosed (3) copies of a Step-Rate Test on the Howse Salt Water Disposal Well #1. Signal Wireline & Testing Company of Hobbs, New Mexico performed this test. Produced water from the disposal tanks was used during the test.

Xeric is requesting an increase in injection pressure for this disposal well. The current permitted injection pressure is 866 psi as per Administrative Order SWD-903. The Step-Rate Test shows a parting point of 1375 psi. The increase in injection pressure will allow Xeric to meet its disposal requirements for the area.

Thank you for your consideration.

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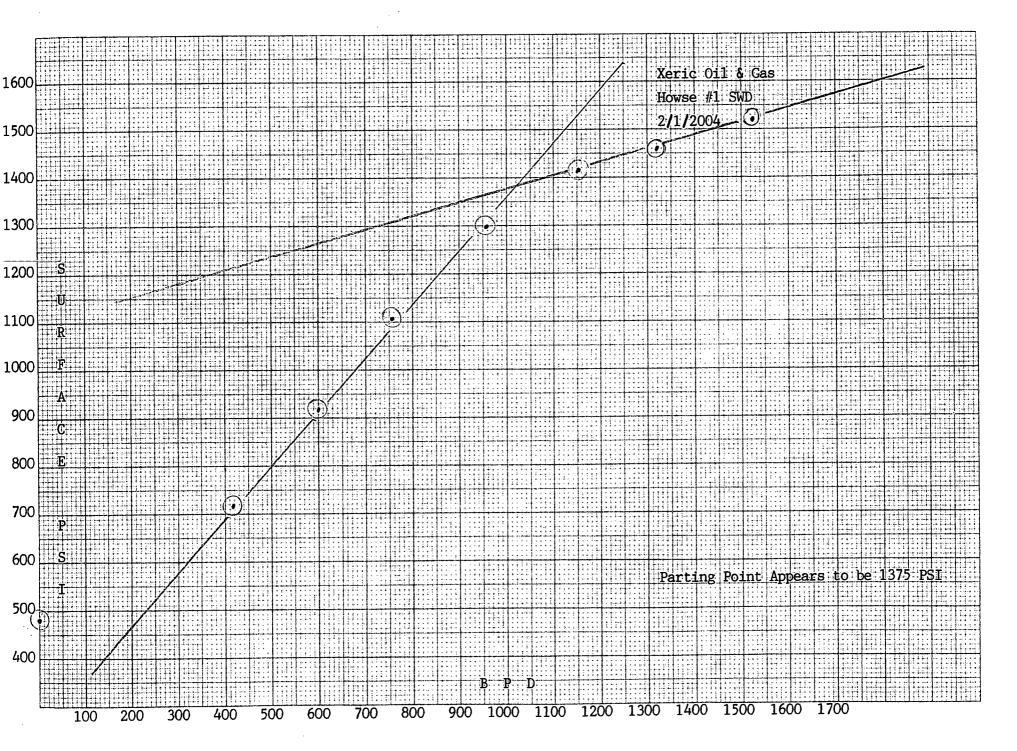
Sincerely,

Ungie Crawford

Angle Crawford Production Analyst

HPI-223 FOR 1325 PSi C2/18/04

AC



Company:	Xeric Oil & Gas		Company Representative:		Mike Mooney
ease:	Howse #1 SWD		Test Date & Time: 2/1/2004		4
State:	New Mexico	County: Lea		Elevation: 3537	
formation: San		Unit: L		Section: 17	
	205		Range: 39E		
Fest Crew:	David Bump			· · · · · · · · · · · · · · · · · · ·	
r D@ 4900'			PBTD@ 4846'	······	·····
	-1 IPC @ 4286'	· · · · · · · · · · · · · · · · · · ·			
Casing Size: 5 1			Casing Wt.: 17		
Casing Dia.: 4 3/4" ID			Casing Set @: 4900'		
Tubing Size: 2 7/8 P.C.			Tubing Wt.: 6.4		
Tubing Dia.: $\hat{y}^n - ID$			Tubing Set @: 4283 '		
Perforations From: 4332' – 4842'			To: 4 332' - 4842'		
		Tubing	Tubing Pressure	4842	Rate
Time	Elapse Time	Pressure	Less Friction	ВНР	BPD
9:30		0 480			Br D
<u>9:30</u> 9:35		60		+	42
<u>9:35</u> 9:40		69			42
9:40		5 720			42
		<u> </u>	<u> </u>		44
9:50		810			<u> </u>
					60
9:55		89			60
10:00		920			60
					<u> </u>
10:05					76
10:10		1020			76
10:15	4	1110	0		76
10:20		1220			96
10:25		1290			96
10:30	E	01300	0		96
		<u> </u>	<u> </u>		<u> </u>
10:35		1360			115
10:40		1400			115
10:45	7	1420	0		115
10:50		1440			132
10:55	·····	1450	0		132
11:00	9	0 1460	0		132
11:05		1500	0		152
11:10		1510	0		152
11:15	10	5 1520	0		152
					······································
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Toli Free 866-766-SWAT