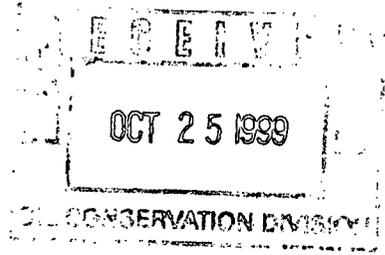


NSP 11/15/99

**Xeric Oil & Gas Corporation**

201 W. Wall, Suite 700 • P.O. Box 352  
Midland, Texas 79702  
(915) 683-3171 • Fax: (915) 683-3152



October 15, 1999

Lori Wrotenberry  
Oil Conservation Division  
2040 Pacheco St.  
Santa Fe, New Mexico 87505

Re: Application for Non-Standard Proration Unit  
ARCO- Hall #3  
1980' FSL & 1980' FWL  
Section 20, T20S, R36E  
Lea County, New Mexico

Gentlemen:

Please accept this letter as an Application for Non-Standard Spacing Unit. As required we enclosed a Form C-102 showing the spacing requested along with a list of affected parties. All offset leasehold owners have been notified of this application by certified mail.

We are requesting a 160 acre spacing unit. This well appears to be a gas well producing from the Seven Rivers formation. Inasmuch as the State of New Mexico has recently granted Falcon Creek Resources, Inc. 160 a acre non-standard gas spacing and proration units in this same section it is our hope the State will also approve our application.

Please advise if you have any questions, or need additional information. Thank you for your prompt attention with this matter.

Sincerely,

R. C. Barnett  
President

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

State of New Mexico  
 Energy, Minerals, and Natural Resources Department

Form C-102  
 Revised 02-10-94  
 Instructions on back

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

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

Submit to the Appropriate  
 District Office  
 State Lease - 4 copies  
 Fee Lease - 3 copies

DISTRICT III  
 1000 Rio Brazos Rd.  
 Aztec, NM 87410

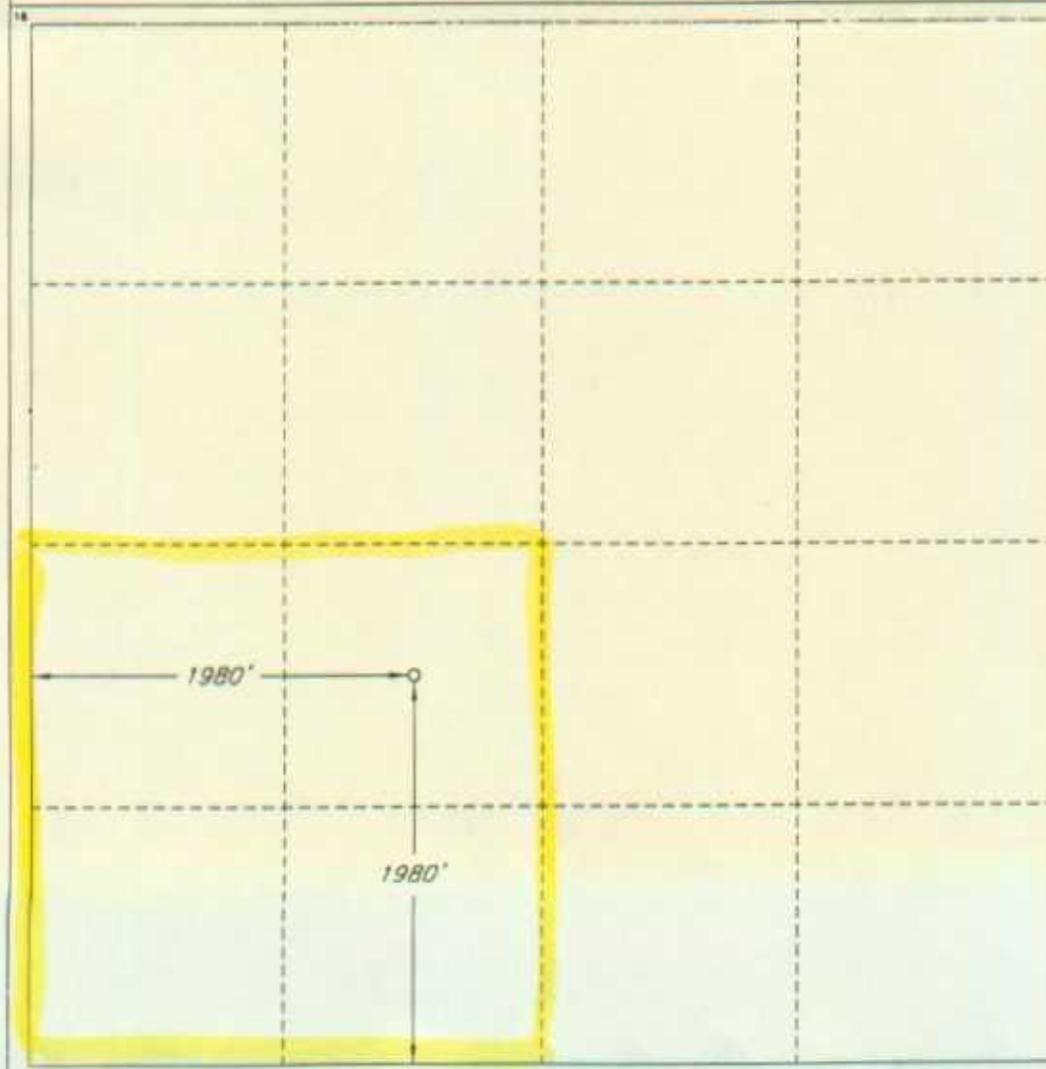
AMENDED REPORT

DISTRICT IV  
 P. O. Box 2088  
 Santa Fe, NM 87507-2088

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-025-34622		2 Pool Code 22800		3 Pool Name Eumont (Yates, Seven Rivers, Queen)					
4 Property Code 23513		5 Property Name ARCO HALL STATE						6 Well Number 3	
7 OGRID No. 025482		8 Operator Name XERIC OIL & GAS CORPORATION						9 Elevation 3633'	
10 SURFACE LOCATION									
UL or lot no. K	Section 20	Township 20 SOUTH	Range 36 EAST, N.M.P.M.	Lot Ida	Feet from the 1980'	North/South line SOUTH	Feet from the 1980'	East/West line WEST	County LEA
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 40		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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



**OPERATOR CERTIFICATION**

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

Signature

Printed Name

R. C. Barnett

Title

President

Date

10/15/99

**SURVEYOR CERTIFICATION**

*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.*

Date of Survey

APRIL 30, 1999

Signature and Seal of  
 Professional Surveyor



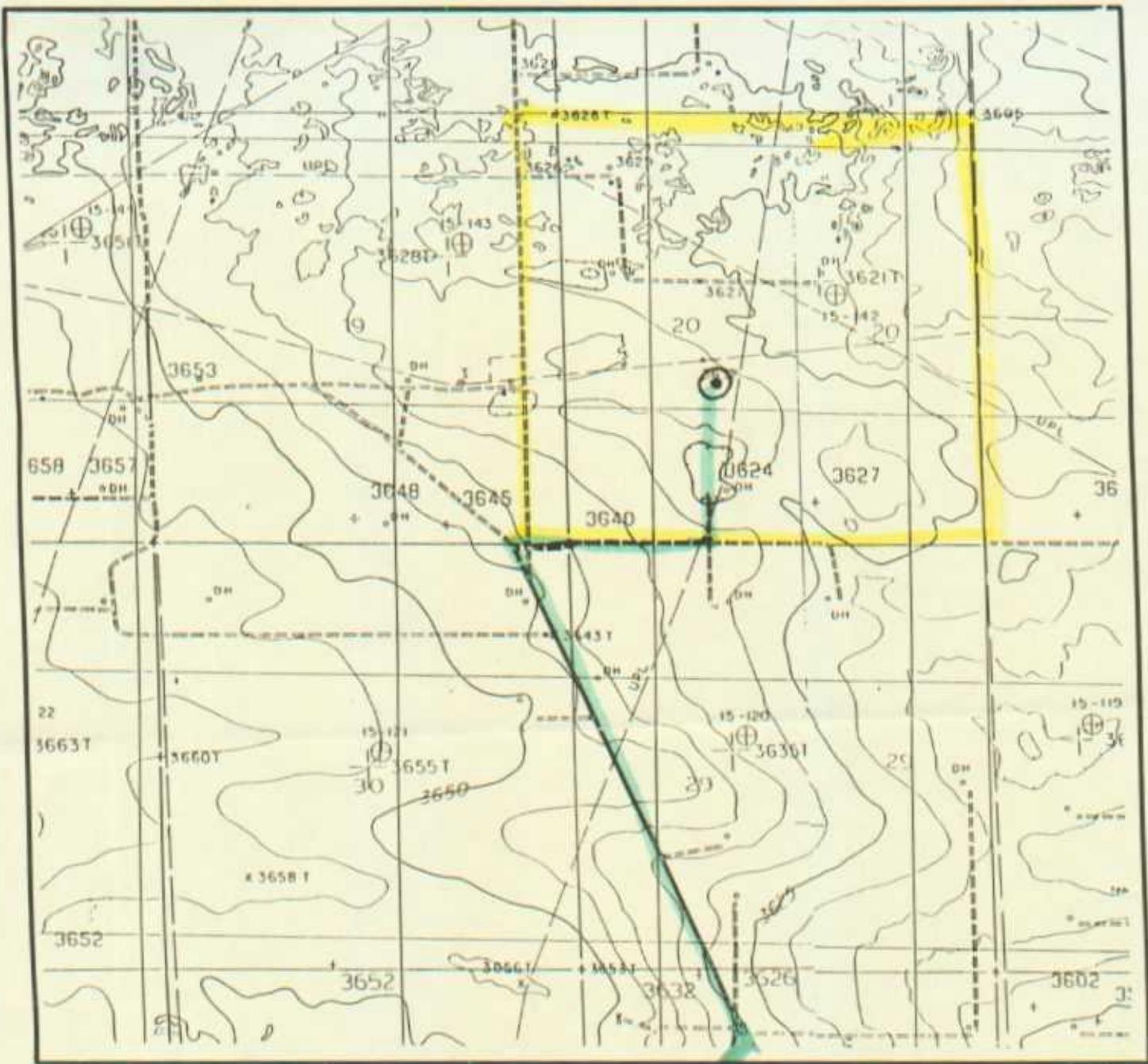
Certificate No.

ROGER M. ROBBINS

#12128

JOB #63433 / 71 SW / V.H.B.

# LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 5'

SECTION 20 TWP 20-S RGE 36-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY LEA STATE NM

DESCRIPTION 1980' FSL & 1980' FWL

ELEVATION 3633'

OPERATOR XERIC OIL & GAS CORPORATION

LEASE ARCO HALL STATE #3

U.S.G.S. TOPOGRAPHIC MAP

MONUMENT SW, NEW MEXICO

SCALED LAT. N 32°33'24"

LONG. W 103°22'42"



This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.  
Review this plot and notify us immediately of any possible discrepancy.

## TOPOGRAPHIC LAND SURVEYORS

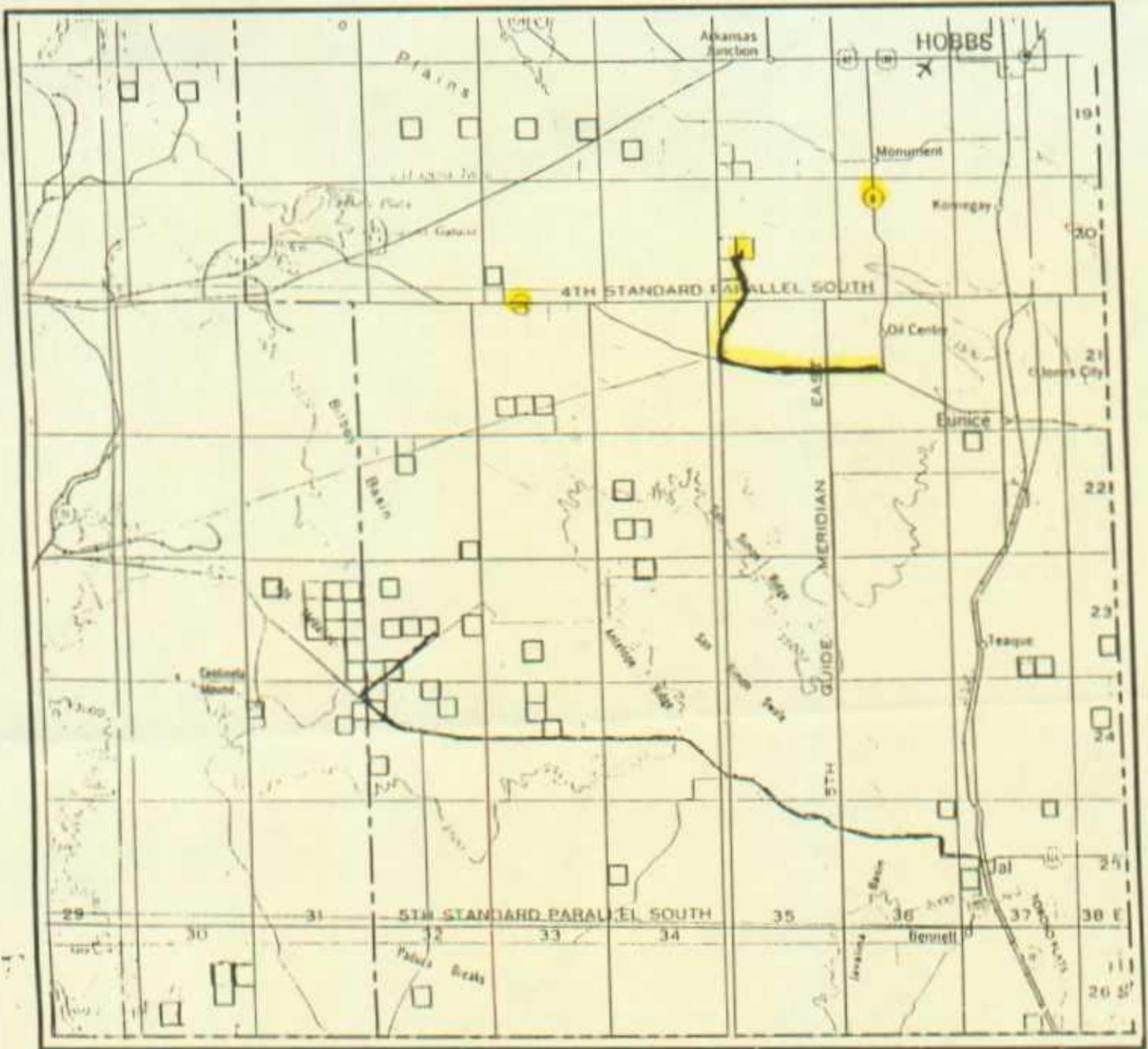
*Surveying & Mapping for the Oil & Gas Industry*

1307 N. HOBART  
PAMPA, TX. 79065  
(800) 658-6382

6709 N. CLASSEN BLVD.  
OKLAHOMA CITY, OK. 73116  
(800) 654-3219

2903 N. BIG SPRING  
MIDLAND, TX. 79705

# VICINITY MAP



SECTION 20 TWP 20-S RGE 36-E  
 SURVEY NEW MEXICO PRINCIPAL MERIDIAN  
 COUNTY LEA STATE NM  
 DESCRIPTION 1980' FSL & 1980' FWL

OPERATOR XERIC OIL & GAS CORPORATION  
 LEASE ARCO HALL STATE #3

DISTANCE & DIRECTION FROM THE JCT. OF STATE HWY.  
B & STATE HWY. 176, GO NORTHEAST 8.9 MILES ON  
STATE HWY. 176, THENCE NORTHERLY 1.2 MILES ON  
PAVED COUNTY ROAD, THENCE NORTHERLY 4.6 MILES ON  
LEASE ROAD, THENCE EAST 0.4 MILE ON LEASE ROAD,  
THENCE NORTH 0.4 MILE ON LEASE ROAD TO A POINT  
±175' WEST OF LOCATION.



This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.  
 Review this plot and notify us immediately of any possible discrepancy.

## TOPOGRAPHIC LAND SURVEYORS

*Surveying & Mapping for the Oil & Gas Industry*

1307 N. HOBART  
 PAMPA, TX. 79065  
 (800) 658-6182

6709 N. CLASSEN BLVD.  
 OKLAHOMA CITY, OK. 73116  
 (800) 654-3315

2903 N. BIG SPRING  
 MIDLAND, TX. 79705

**NOTIFICATION FOR NON-STANDARD PRORATION UNIT  
ARCO-HALL #3**

**TOWNSHIP 20 SOUTH, RANGE 36 EAST**

Section 19: N/2, N/2 SE/4, SW/4

Xeric Oil & Gas Corporation  
PO Box 352  
Midland, Texas 79702

**TOWNSHIP 20 SOUTH, RANGE 36 EAST**

Section 19: S/2SE/4

Nearburg Exploration Company, LLC  
3300 North "A" Street, Bldg #2, Suite 120  
Midland, Texas 79705

**TOWNSHIP 20 SOUTH, RANGE 36 EAST**

Section 20: SW/4

Xeric Oil & Gas Corporation  
PO Box 352  
Midland, Texas 79702

**TOWNSHIP 20 SOUTH, RANGE 36 EAST**

Section 20: N/2, SE/4

Falcon Creek Resources, Inc.  
621 17<sup>th</sup> Street, Suite 1800  
Denver, CO 80293

**TOWNSHIP 20 SOUTH, RANGE 36 EAST**

Section 29: N/2

Marathon Oil Company  
PO Box 522  
Midland, Texas 79702

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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

# OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO. <b>30-025-34622</b>
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		Lease Name or Unit Agreement Name <b>Arco Hall State</b>
Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	Name of Operator <b>Xeric Oil &amp; Gas Corporation</b>	Well No. <b>3</b>
Address of Operator <b>P. O. Box 352, Midland, Texas 79702</b>	Pool name or Wildcat <b>Eumont Y-SR-Q</b>	
Well Location Unit Letter <b>K</b> : <b>1980</b> Feet From The <b>South</b> Line and <b>1980</b> Feet From The <b>West</b> Line Section <b>20</b> Township <b>20S</b> Range <b>36E</b> NMPM <b>Lea</b> County		
Elevation (Show whether DF, RKB, RT, GR, etc.) <b>3633' GR</b>		

11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: <u>Completion Attempt</u> <input checked="" type="checkbox"/>	

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

7/07/99 - MIRU pulling unit - perforate Seven Rivers from 3988' - 3996' - acidize w/ 1000 gals 7 1/2% + 20% MEOH swab test w/ slight shows of gas - no oil or water

7/08/99 - Perforate additional Seven Rivers pay from 4060' - 4075' w/ 1 spf or 16 holes - acidize w/ 1000 gals 7 1/2% NEFE + 20% MEOH - good gas shows - no oil

7/10/99 - Frac down casing using 70Q Linear gel + 39,000# 16/30 Ottawa sand @ 20 bpm - flow back frac

7/13/99 - Recovering good gas volume w/ trace of oil & estimated 200 bpd water after load recovered

7/15/99 - Set CIBP @ 3950' - perforate Seven Rivers sand from 3888' - 3926' w/ 2 spf or 77 holes - acidize w/ 1500 gals 7 1/2% NEFE + 20% MEOH - swab dry w/ oil & gas shows - prepare to frac

7/16/99 - Frac down 5 1/2" csg @ 20 bpm using 70Q Foam + 54,500# 16/30 Ottawa sand - flow back frac

7/28/99 - Drill out CIBP @ 3950' - prepare to potential well - 300 bbls load to be recovered

Perforated Seven Rivers Sands : 3888'-3926', 3988'-3996', 4060'-4075'

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

SIGNATURE *Michael G. Mooney* TITLE Consulting Engineer DATE 08-20-99

TYPE OR PRINT NAME Michael G. Mooney TELEPHONE NO. 915/683-3171

(This space for State Use)

APPROVED BY *Chris Williams* TITLE DISTRICT 1 SUPERVISOR DATE SEP 27 1999

CONDITIONS OF APPROVAL, IF ANY:

**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88210

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

**OIL CONSERVATION DIVISION**  
2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO. <b>30-025-34622</b>
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name <b>Arco Hall State</b>
Well No. <b>3</b>
Pool name or Wildcat <b>Eumont Y-SR-Q</b>

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	
Name of Operator <b>Xeric Oil &amp; Gas Corporation</b>	Well No. <b>3</b>
Address of Operator <b>P. O. Box 352, Midland, Texas 79702</b>	Pool name or Wildcat <b>Eumont Y-SR-Q</b>
Well Location Unit Letter <b>K</b> : <b>1980</b> Feet From The <b>South</b> Line and <b>1980</b> Feet From The <b>West</b> Line Section <b>20</b> Township <b>20S</b> Range <b>36E</b> NMPM <b>Lea</b> County	
Elevation (Show whether DF, RKB, RT, GR, etc.) <b>3633' GR</b>	

11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: _____ <input type="checkbox"/>	

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

6/12/99 - Spud 12 1/4" hole @ 8:00 PM CST with fresh water - TD surface hole @ 413' - Run 9 jts 8 5/8" - 24# - K55 casing to a setting depth of 413' - Cement w/ 260 sx Class "C" + 2% Cacl2 - circulate 15 sx to surface

6/13/99 - WOC 18 hrs before drilling out shoe - Test BOP's to 3000 psi, Install H2S Equipment - begin drilling 7 7/8" hole using brine water

6/18/99 - TD 7 7/8" hole @ 4250' - Run Open Hole Logs - Decide to run casing - RIH w/ 106 jts - 5 1/2" - 15.50# - J55 casing to a setting depth of 4249' - Cement w/ lead 500 sx 65:35:6 Poz C + 5% salt + 1/4#/sx celloflake tail w/ 450 sx "C" + 5/10% FL=25 + 2/10% CD-32 + 1/10% SMS - circulate 172 sx cement to surface

6/24/99 - Move drilling rig off location

6/25/99 - Run Cement Bond Log - PBTD @ 4210' - Ready for completion attempt

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

SIGNATURE Michael G. Mooney TITLE Consulting Engineer DATE 07-21-99

TYPE OR PRINT NAME Michael G. Mooney TELEPHONE NO. 915/683-3171

(This space for State Use)

APPROVED BY Chris Williams TITLE DISTRICT 1 SUPERVISOR DATE SEP 27 1999

CONDITIONS OF APPROVAL, IF ANY:

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION  
2040 Pacheco St.  
Santa Fe, NM 87505

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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

WELL API NO. 30-025-34622
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		Lease Name or Unit Agreement Name Arco Hall State
1 Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	2 Name of Operator Xeric Oil & Gas Corporation	3 Well No. 3
4 Address of Operator P. O. Box 352, Midland, Texas 79702	5 Pool name or Wildcat Eumont Y-SR-Q	
6 Well Location Unit Letter <u>K</u> : <u>1980</u> Feet From The <u>South</u> Line and <u>1980</u> Feet From The <u>West</u> Line Section <u>20</u> Township <u>20S</u> Range <u>36E</u> NMPM <u>Lea</u> County		
7 Elevation (Show whether DF, RKB, RT, GR, etc.) 3633' GR		

11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: _____ <input type="checkbox"/>	

12 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

6/12/99 - Spud 12 1/4" hole @ 8:00 PM CST with fresh water - TD surface hole @ 413' - Run 9 jts 8 5/8" - 24# - K55 casing to a setting depth of 413' - Cement w/ 260 sx Class "C" + 2% CaCl2 - circulate 15 sx to surface

6/13/99 - WOC 18 hrs before drilling out shoe - Test BOP's to 3000 psi, Install H2S Equipment - begin drilling 7 7/8" hole using brine water

6/18/99 - TD 7 7/8" hole @ 4250' - Run Open Hole Logs - Decide to run casing - RIH w/ 106 jts - 5 1/2" - 15.50# - J55 casing to a setting depth of 4249' - Cement w/ lead 500 sx 65:35:6 Poz C + 5% salt + 1/4#/sx celloflake tail w/ 450 sx "C" + 5/10% FL=25 + 2/10% CD-32 + 1/10% SMS - circulate 172 sx cement to surface

6/24/99 - Move drilling rig off location

6/25/99 - Run Cement Bond Log - PBTD @ 4210' - Ready for completion attempt

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

SIGNATURE Michael G. Mooney TITLE Consulting Engineer DATE 07-21-99

TYPE OR PRINT NAME Michael G. Mooney TELEPHONE NO. 915/683-3171

(This space for State Use)

APPROVED BY Chris Williams TITLE DISTRICT 1 SUPERVISOR DATE 8/6/99

CONDITIONS OF APPROVAL, IF ANY:

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C-101  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 6 Copies  
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address. Xeric Oil & Gas Corporation PO Box 352 Midland, Texas 79702		' OGRID Number 025482
		' API Number 30 - 025 - 34622
' Property Code 23513	' Property Name ARCO HALL STATE	' Well No. #3

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	20	20S	36E		1980'	South	1980'	West	Lea

8 Proposed 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
' Proposed Pool 1 Eumont (Yates, Seven Rivers, Queen)					' Proposed Pool 2				

' Work Type Code N	' Well Type Code 0	' Cable/Rotary R	' Lease Type Code P	' Ground Level Elevation 3633'
' Multiple No	' Proposed Depth 5,000	' Formation Seven Rvrs, Qn	' Contractor Key	' Spud Date 6/15/99

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4	8 5/8	24	250 350'	400	Surface
7 7/8	5 1/2	15.5	5000	785	Surface

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

1. Drill 12 1/4" hole to approximately 250' w/fresh water mud
2. Set 250' of 8 5/8" csg-24# J-55 csg cmt w/400 SX Class C + 2% Cacl2
3. WOC-12 hrs after circulation to surface-install H2S equipment
4. Drill 7 7/8" hole to 5000'-run open hole logs-brine water mud
5. Set 5,000' of 5 1/2" -15.5 #J-55 csg cmt w/375 SX 35:65 Class "C" w/4% gel & tail in w/410 sx Class "C" + 2% Cacl2-should cir-100% excess
6. RD drilling rig-ready for completion

Permit Expires 1 Year From Approval  
 Date Unless Drilling Underway

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

Signature: *R C Barnett*  
 Printed name: R. C. Barnett  
 Title: President

OIL CONSERVATION DIVISION

Approved by: *Chris Williams*  
 Title: DISTRICT 1 SUPERVISOR  
 Approval Date: MAY 12 1999 Expiration Date:

\* Condition of approval - surface log must be set @ 350' minimum in district I.

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

State of New Mexico  
Energy, Minerals, and Natural Resources Department

Form C-102  
Revised 02-10-94  
Instructions on back

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

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

Submit to the Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

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

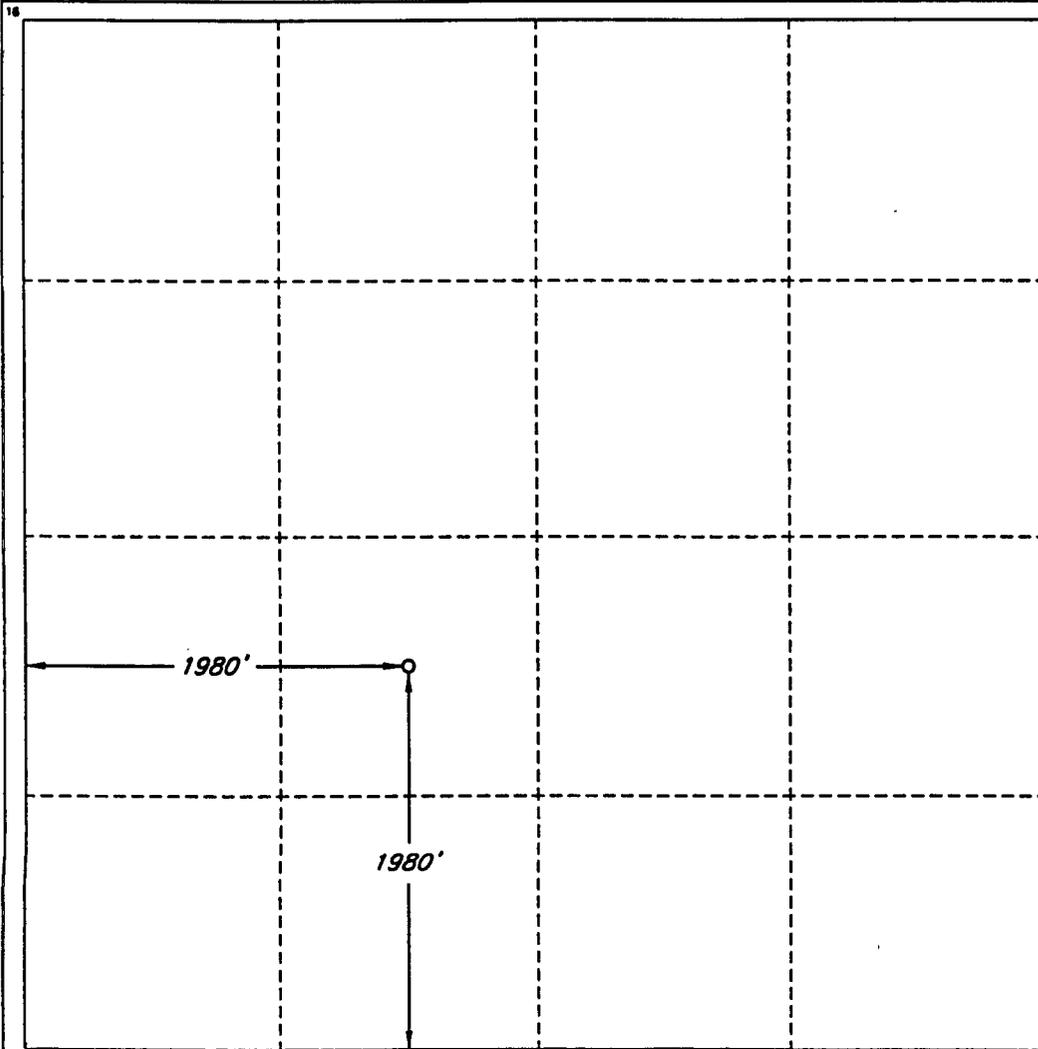
AMENDED REPORT

**DISTRICT IV**  
P. O. Box 2088  
Santa Fe, NM 87507-2088

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number <b>30-025-34622</b>		2 Pool Code <b>22800</b>		3 Pool Name Eumont (Yates, Seven Rivers, Queen)					
4 Property Code 23513		5 Property Name <b>ARCO HALL STATE</b>					6 Well Number <b>3</b>		
7 OGRID No. 025482		8 Operator Name <b>XERIC OIL &amp; GAS CORPORATION</b>					9 Elevation 3633'		
10 SURFACE LOCATION									
UL or lot no. <b>K</b>	Section <b>20</b>	Township <b>20 SOUTH</b>	Range <b>36 EAST, N.M.P.M.</b>	Lot Ida	Feet from the <b>1980'</b>	North/South line <b>SOUTH</b>	Feet from the <b>1980'</b>	East/West line <b>WEST</b>	County <b>LEA</b>
"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres <b>40</b>		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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



**OPERATOR CERTIFICATION**

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

Signature  
  
Printed Name  
**R. C. Barnett**  
Title  
**President**  
Date  
**5/6/99**

**SURVEYOR CERTIFICATION**

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.

Date of Survey  
**APRIL 30, 1999**

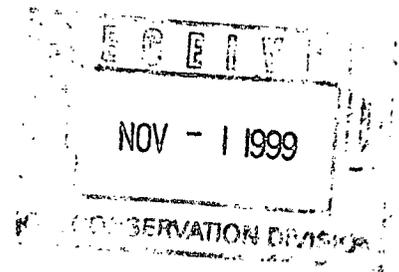
Signature and Seal of Professional Surveyor  
  
Certificate No.  
**ROGER M. ROBBINS #12128**  
JOB # **824** / V.H.B.

**Xeric Oil & Gas Corporation**

201 W. Wall, Suite 700 • P.O. Box 352

Midland, Texas 79702

(915) 683-3171 • Fax: (915) 683-3152



October 15, 1999

Falcon Creek Resources, Inc.  
621 17<sup>th</sup> Street, Suite 1800  
Denver, Co 80293

Re: Application for Non-Standard Proration Unit  
ARCO-Hall #3  
1980' FSL & 1980' FWL  
Section 20, T20S, R36E  
Lea County, New Mexico  
**Certified Letter # Z 470 656 857**

To Whom It May Concern:

Please find enclosed for your review a copy of our Application for Non-Standard Proration Unit for the captioned well. We request that you execute this letter signifying your waiver to any objection for the spacing of said well.

Please route an executed copy of this letter within 20 days to New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico 87505. A pre-addressed envelope is enclosed for this purpose and your convenience. We would also appreciate a copy of this letter be forwarded to us by facsimile at (915) 683-6348.

Thank you for your cooperation and please feel free to contact me should you have any questions concerning this matter.

Sincerely,

A handwritten signature in cursive script that reads "Glenda Hunt".

Glenda Hunt  
Production Analyst

We hereby waive any objection to Xeric Oil & Gas Corporation's Application for Non-Standard Proration Unit for the ARCO-Hall #3 well at the captioned location.

Falcon Creek Resources, Inc.

By: Roger L. Alinger  
Title: President  
Print Name: Roger L. Alinger  
Date: October 25, 1999

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

10/28/99 15:33:13  
OGOMES -TPSQ  
PAGE NO: 1

Sec : 20 Twp : 20S Rng : 36E Section Type : NORMAL

D 40.00 CS V04254 0003 12/98 FALCON CREEK RESO	C 40.00 CS V04254 0003 12/98 FALCON CREEK RESO	B 40.00 CS V04254 0003 12/98 FALCON CREEK RESO	A 40.00 CS V04254 0003 12/98 FALCON CREEK RESO
A	A		
E 40.00 CS V04254 0003 12/98 FALCON CREEK RESO	F 40.00 CS V04254 0003 12/98 FALCON CREEK RESO	G 40.00 CS V04254 0003 12/98 FALCON CREEK RESO	H 40.00 CS V04254 0003 12/98 FALCON CREEK RESO
	A	A	

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD   PF08 FWD       PF09 PRINT   PF10 SDIV     PF11            PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

10/28/99 15:33:18  
OGOMES -TPSC  
PAGE NO: 2

Sec : 20 Twp : 20S Rng : 36E Section Type : NORMAL

<p>L 40.00 CS A01375 0045 12/38 ALTURA ENERGY LTD</p>	<p>K 40.00 CS A01375 0045 12/38 ALTURA ENERGY LTD  A A</p>	<p>J 40.00 CS V04254 0003 12/98 FALCON CREEK RESO</p>	<p>I 40.00 CS V04254 0003 12/98 FALCON CREEK RESC  A</p>
<p>M 40.00 CS B03114 0007 09/44 ATLANTIC RICHFIEL  A</p>	<p>N 40.00 CS A01375 0045 12/38 ALTURA ENERGY LTD</p>	<p>O 40.00 CS VA2025 0000 09/04 DOUG J. SCHUTZ</p>	<p>P 40.00 CS VA2025 0000 09/04 DOUG J. SCHUTZ</p>

PF01 HELP      PF02              PF03 EXIT      PF04 GoTo      PF05              PF06  
PF07 BKWD      PF08 FWD          PF09 PRINT      PF10 SDIV      PF11              PF12

CMD : ONGARD 10/28/99 15:33:40  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPSC

OGRID Idn : 25482 API Well No: 30 25 34622 APD Status(A/C/P): A  
Opr Name, Addr: XERIC OIL & GAS CORP Aprvl/Cncl Date : 05-12-1999  
PO BOX 352  
MIDLAND, TX 79702

Prop Idn: 23513 ARCO-HALL STATE Well No: 3

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: K	20	20S	36E			FTG 1980 F S	FTG 1980 F W
OCD U/L	: K		API County	: 25				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : F  
Lease typ(F/S/P/N/J/U/I): P Ground Level Elevation : 3633

State Lease No: Multiple Comp (Y/N) : S  
Prpsd Depth : 5000 Prpsd Frmtn : 7RQ

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12