

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION  
FOR THE PURPOSE OF CONSIDERING:

CASE NO. \_\_\_\_\_

APPLICATION OF XERIC OIL & GAS CORPORATION  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

AFFIDAVIT OF \_\_\_\_\_

STATE OF TEXAS                    )  
  )  
COUNTY OF MIDLAND            )

Before me, the undersigned authority, personally appeared LISA M. SNELSON  
and RANDY C. HALL, who being duly sworn, stated:

A. Our names and our qualifications as experts are as follows:

LISA M. SNELSON  
Education:     Petroleum Landman  
Experience:    Ten (10) years

RANDY C. HALL  
Education:     Petroleum Geologist  
Experience:    Fourteen (14) years

B. We are over the age of majority and are competent to make this Affidavit.

We have been responsible for and involved in preparing the necessary  
documents for submittal to the New Mexico Oil Conservation Division for this case.

We are each personally knowledgeable and familiar with the facts and  
circumstances of this case and the following factual statements.

C. Our expert opinions are based on the following facts and events:

CHRONOLOGICAL SUMMARY OF SIGNIFICANT EVENTS

1. Xeric Oil & Gas Corporation ("Xeric") has a working interest ownership  
in the oil and gas minerals underlying the SW/4 of Section 19, T-20-S, R-  
39-E, NMPM, Lea County, New Mexico.
2. Xeric proposes to drill and complete its Carter "19" Well No. 1, aka  
Carter Well No. 1, at a standard oil (gas) well location and to test any  
and all formations in the pooled interval from the surface to the base of  
the Abo formation.
3. Based upon an oil & gas title opinion, Xeric believes that the following  
individuals and entities are owners of an unleased mineral interest in the  
subject spacing unit in the following percentages:

NAME	PERCENTAGE
Alice T. Bannatyne	9/320
The Heirs or Devisess of Harold Muller, dec'd and Hellen Muller, dec'd	9/320
William J. Foster	9/640
Mary C. Foster Geddes	9/640

BEFORE EXAMINER STOGNER

OIL CONSERVATION DIVISION

Xeric

EXHIBIT NO. 1

CASE NO. 11802

4. Despite its good faith efforts, Xeric has been unable to locate the foregoing parties.

5. Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Xeric needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

6. In accordance with Division Rule 1207.A(2) attached are the following exhibits in support of this case:

Exhibit A: map outlining the spacing unit to be pooled which is the SW/4 SW/4 of Section 19, T-20-S, R-39-E;

Exhibit B: a list of the names and last known addresses of all parties to be pooled with the nature and percent of their interest;

Exhibit C: written evidence of attempts to reach voluntary agreement;

Exhibit D: geologic displays of the Abo formation to be tested which forms the basis for the opinion that the maximum 200% risk factor penalty is justified;

Exhibit E: type log for the principal formations. This is expected to be an oil well on 40 acre oil (gas) well spacing but pooling should include all from the surface to the base of the Abo formation and include but are not limited to the DK Abo Pool;

Exhibit F: a copy of Ernest & Young average well costs overhead rates of \$4,000/month drilling and \$400/month producing well rates which we request be authorized for this case;

Exhibit G: copy of Division form C-102 showing the well location;

Exhibit H: copy of the AFE in the amount of \$455,285.00 completed well costs for this well which I conclude is fair reasonable and current for wells of this type in this area.

7. We recommend that a compulsory pooling order be entered which provides that:


- (a) Xeric Oil & Gas Corporation be named Operator;
- (b) Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (c) In the event a working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200%; and
- (d) Provision for overhead rates of \$4,000 per month drilling and \$400 per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;

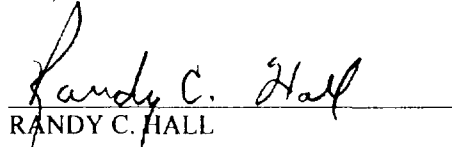
D. We have formed the following opinions based upon our respective expertise and upon the foregoing chronology of events:

- (1) That approval of Xeric Oil & Gas Corporation's application in this Case is necessary in order to consolidate the interest ownership within this spacing unit for the drilling, completing and producing the subject well, will not violate correlative rights and well help prevent waste and promote the conservation of natural resources.
- (2) That the New Mexico Oil Conservation Division should enter an order pooling all mineral interests from the surface to the base of the Delaware formation underlying SW/4 SW/4 of Section 19, T-20-S, R-39-E, NMPM, Lea County, New Mexico, forming a standard 40 acre spacing and proration unit for any and all formations and/or pools developed on 40 acre spacing within said vertical extent, which presently includes but is not necessarily limited to the D-K Abo Pool to dedicate this pooled nit to its Carter "19" well number 1 to be drilled and completed at a standard oil (gas) well location within said spacing unit including the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for

supervision, designation of applicant as the operator of the well and a 200% charge for risk involved in drilling and completing said well.

FURTHER AFFIANTS SAYETH NOT:

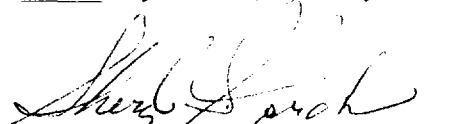
  
LISA M. SNELSON

  
RANDY C. HALL

STATE OF TEXAS )(

COUNTY OF MIDLAND )(

SUBSCRIBED AND SWORN TO before me this 20<sup>th</sup> day of June, 1997, by LISA M. SNELSON and RANDY C. HALL.

  
NOTARY PUBLIC in and for the  
STATE OF TEXAS

My Commission Expires:



D.A.  
Tipton  
Crown  
Amerada  
m. Petro  
Dawson  
07120

R.A.E.  
D.M. McCasland(S)

Leonard  
Res. 11-20-93  
4-27-92  
P.E. Ware, M.I.  
island(S)

Leonard  
Res. 11-20-93  
to SA base  
M.I.

Xeric  
OEG  
9-1-2006  
97163  
430  
U.S.

Leonard  
Res.  
11-1-91  
5-29-93

Xeric  
OEG  
9-1-2006  
97163  
430  
U.S.

Burnett  
Caroline  
Devey  
TD 7500  
Q110-17B1

Stevens & Tull  
9-1-2006  
97164  
858 00

U.S.  
R.A.E.  
D.M. McCasland(S)

Penwell Okla. Op.

EXHIBIT "A" to that certain  
AFFIDAVIT dated June 20, 1997  
by Lisa M. Snelson and  
Randy C. Hall re: Compulsory  
Pooling, Lea County, NM

Pyramid  
Tr. 10-25-92

L.M.  
Roberts, et al  
T. Stradley, M.I.  
R.A.E.  
D.M. McCasland (S)

Texas  
Crude  
HBP  
0634-C  
Penwell  
Ener.  
12-1-2006  
97915  
110 00

U.S., MI

8-27-99  
6-26-98  
6-13-97  
5W/4

Tex. Cr.  
Carter

J.W. & Ben. W.  
Howse, MI  
M. Deck Est. (S)

Xeric OEG  
5-20-99

H.C. Bourson,  
et al, MI  
R.A.E.  
D.M. McCasland (S)

Xeric OEG  
9-5-99  
6-26-98  
6-13-97

Min. divided

Xeric OEG  
7-16-99 SE/4

R.A.E. D.M.  
McCasland (S)

**EXHIBIT "B"**  
**hereby attached to and made a part of that certain**  
**AFFIDAVIT OF**  
**APPLICATION OF XERIC OIL & GAS CORPORATION**  
**FOR COMPULSORY POOLING**

<b>OWNER NAME/ LAST KNOWN ADDRESS</b>	<b>PERCENTAGE OF INTEREST</b>
1) ALICE T. BANNATYNE San Francisco County, California	9/320ths Unleased Mineral Int.
2) HEIRS OF HARALD MULLER AND HELEN MULLER San Francisco County, California	9/320ths Unleased Mineral Int
3) WILLIAM H. FOSTER 6303 Wood Drive Oakland, CA 94611	9/640ths Unleased Mineral Int.
4) MARY C. FOSTER GEDDES 6303 Wood Drive Oakland, CA 94611	9/640ths Unleased Mineral Int.

**EXHIBIT "C"**  
**hereby attached to and made a part of that certain**  
**AFFIDAVIT OF**  
**APPLICATION OF XERIC OIL & GAS CORPORATION**  
**FOR COMPULSORY POOLING**

**WRITTEN ATTEMPTS TO LOCATE MISSING MINERAL OWNERS**

1) **ALICE T. BANNATYNE**

**Premise:** Last document filed of record in Lea County, New Mexico by Alice T. Bannatyne, an "Affidavit of Surviving Spouse" dated November 4, 1960, stated that when her husband, Matthew Bannatyne died, he was a resident of San Francisco County, California. Furthermore, the notary public omitted the portion of the acknowledgment which indicates the county name. Therefore, we have no indication from the document as to Mrs. Bannatyne's address as of the date of this Affidavit.

**Attempts:**

- 1) Checked the local area phone books for Lovington and Hobbs, New Mexico area.
- 2) Researched the records of the office of the County Clerk of Lea County, New Mexico.
- 3) Ran her name on the 1996 Phone Directory called "Select Phone CD" on CD Rom on computer, using the discs for all parts of the U.S;
- 4) Ran her name on CD Rom on computer on program entitled Social Security Death Benefit Records, November 1994 Edition.
- 5) Wrote to the Clerk of the Superior Court in San Francisco on January 23, 1997 requesting a search of their probate records for a copy of the Will and Final Decree for the Estate of Alice T. Bannatyne, a/k/a Mrs. M. S. Bannatyne for the period beginning 1960 (the date of the Affidavit of Surviving Spouse) and ending 1970.

**Results:**

- 1) Located no Alice T. or Matthew Bannatyne in local phone books for Hobbs or Lovington, New Mexico.
- 2) Found no more recent document filed by the Bannatynes than that described in the Premise above.
- 3) Located no one by that name on any of the computer discs for the 1996 Phone Directory;
- 4) Located only one Alice Bannatyne who died in 1985 in Cheboygan, Michigan; I phoned the Cheboygan County Probate Court and requested all probate information available. The Probate Court sent me a copy of the Petition and Order for Assignment, Estate Not Exceeding \$2,500, which indicated that the full name of the deceased was Alice R. Bannatyne and not the Alice T. Bannatyne who signed the Affidavit of Surviving Spouse referenced above. However, I did write a letter of inquiry dated August 27, 1996 to the son of Alice R. Bannatyne, being Terry B. Bannatyne, as indicated in the Petition I received from Cheboygan County Probate Court. In his call in response to my letter, Terry Bannatyne indicated that his parents did not own mineral interest in Lea County, New Mexico and his father was not named Matthew Bannatyne, thereby disclaiming the association to the Alice T. Bannatyne who is the owner we seek.
- 5) The Clerk of the Superior Court in San Francisco, California responded to our request of January 23, 1997 and indicated that they found no record of a will or probate filed in their county for Alice T. Bannatyne for the years 1960 through 1970.

**EXHIBIT "C" to that certain AFFIDAVIT by Lisa M. Snelson and Randy C. Hall dated June 20, 1997 re: Compulsory Pooling - CARTER #19-1 - Lea County, NM**

**2) HEIRS OF HARALD MULLER AND HELEN MULLER, husband and wife**

Premise: The last document signed by Harald Muller found filed of record in Lea County, New Mexico, an Oil and Gas Lease dated November 16, 1983, was notarized in San Francisco County, California.

Attempts:

- 1) Checked the local area phone books for Lovington and Hobbs, New Mexico area.
- 2) Researched the records of the office of the County Clerk of Lea County, New Mexico.
- 3) Ran his and her name on the 1996 Phone Directory called "Select Phone CD" on CD Rom on computer, using the disk for the Pacific Coast of the U.S.;
- 4) Ran his name on CD Rom on computer on program entitled Social Security Death Benefit Records, November 1994 Edition.
- 5) Wrote to the Clerk of the Superior Court in San Francisco on September 17, 1996 requesting a search of their probate records for a copy of the Will and Final Decree for the Estate of Harald Muller, a/k/a Harold Muller, indicating the date of death and the social security number of the deceased as indicated by the Social Security Death Benefit Records report.
- 6) Wrote to the Clerk of the Superior Court in San Francisco on January 23, 1997 requesting a search of their probate records for a copy of the Will and Final Decree for the Estate of Helen Muller, a/k/a Mrs. Harald Muller, for the period of 1983 to the present.

Results:

- 1) Located no Helen or Harald Muller in local phone books for Hobbs or Lovington, New Mexico.
- 2) Found no more recent document filed by the Mullers than that described in the Premise above.
- 3) Located no one by the name of Harald or Helen Muller on any of the computer discs for the 1996 Phone Directory; however, I did locate a Mrs. Harald Muller in San Francisco. Secondly, by inquiry letter dated August 27, 1996 to Mrs. Harald Muller at 124 Saint Charles, San Francisco, California 94132, I requested she contact me in this regard. I received no response to this letter. Therefore, I wrote to her a second time on January 13, 1997 sent by certified return receipt mail. She responded by contacting me by phone and advising me that she was not Helen Muller and that she owned no mineral interest in New Mexico.
- 4) Located only one Harald Muller who died in September of 1985 in San Francisco, California.
- 5) The Clerk of the Superior Court in San Francisco, California responded to our request of September 17, 1996 and indicated that they found no copy of a will or probate filed in their county for Harald Muller for the years beginning 1985 to present.
- 6) The Clerk of the Superior Court in San Francisco, California responded to our request of January 23, 1997 and indicated that they found no copy of a will or probate filed in their county for Helen Muller for the years beginning 1983 to present.

**EXHIBIT "C" to that certain AFFIDAVIT by Lisa M. Snelson and Randy C. Hall dated June 20, 1997 re: Compulsory Pooling - CARTER #19-1 - Lea County, NM**

**3) WILLIAM J. FOSTER**

Premise: The last document found filed of record in Lea County, New Mexico, which was signed by William J. Foster and Mary Foster Geddes was a Quitclaim Deed from the Estate of William H. Foster to themselves as his legal heirs recorded in Book 420, page 36 of the Oil and Gas Records. In the document it lists an address for William J. Foster, being the address listed in Exhibit "B" of this Affidavit, as 6303 Wood Drive, Oakland, California 94611.

Attempts:

- 1) Checked the local area phone books for Lovington and Hobbs, New Mexico area.
- 2) Researched the records of the office of the County Clerk of Lea County, New Mexico.
- 3) Ran his name on the 1996 Phone Directory called "Select Phone CD" on CD Rom on computer, using the disk for the Pacific Coast of the U.S.;
- 4) Sent offer letter dated July 12, 1996 to last known address as indicated in the Premise above.

Results:

- 1) Located no William J. Foster in local phone books for Hobbs or Lovington, New Mexico.
- 2) Found no more recent document filed by the Fosters than that described in the Premise above.
- 3) Located on the Phone Directories a William J. Foster (at 2723 S. Hillrise Drive, Walnut Creek, California 91789) and wrote a letter of inquiry on September 29, 1996, requesting he contact me by phone in this regard. Since I received no response to this letter, I followed up by sending another copy of the letter by certified return receipt mail. I later received a phone call from this William J. Foster, who indicated his father was not named William Hartry Foster and he did not own any mineral interest in Lea County, New Mexico. Therefore, it was determined that he was not the same William J. Foster who inherited this interest from his parents William H. Foster and Hilda C. Foster.
- 4) Received no response to our letter dated July 12, 1996 to the last known address.

**4) MARY C. FOSTER GEDDES**

Premise: The last document found filed of record in Lea County, New Mexico, which was signed by Mary C. Foster Geddes and William J. Foster was a Quitclaim Deed from the Estate of William H. Foster to themselves as his legal heirs recorded in Book 420, page 36 of the Oil and Gas Records. In the document it lists an address for William J. Foster, being the address listed in Exhibit "B" of this Affidavit, as 6303 Wood Drive, Oakland, California 94611.

Attempts:

- 1) Checked the local area phone books for Lovington and Hobbs, New Mexico area.
- 2) Researched the records of the office of the County Clerk of Lea County, New Mexico.
- 3) Ran her name on the 1996 Phone Directory called "Select Phone CD" on CD Rom on computer, using the disk for the Pacific Coast of the U.S.;
- 4) Called each "M. Geddes" listed by the 1996 Phone directory for the Pacific Coast.



**EXHIBIT "C" to that certain AFFIDAVIT by Lisa M. Snelson and Randy C. Hall dated June 20, 1997 re: Compulsory Pooling - CARTER #19-1 - Lea County, NM**

**Results:**

1) Located no Mary Geddes or Mary Foster in local phone books for Hobbs or Lovington, New Mexico.

2) Found no more recent document filed by Mary Geddes than that described in the Premise above.

1) Found no listing on 1996 Phone Directory for Pacific Coast area for a Mary Geddes. However, found five listings for an "M. Geddes".

2) Talked to one of the "M. Geddes" listed by the 1996 Phone Directory and left messages on answering machines for the remainder. Received no response to calls.

**PREPARED BY:**

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**LISA M. SNELSON, AFFIANT**  
Signed for Identification Purposes Only

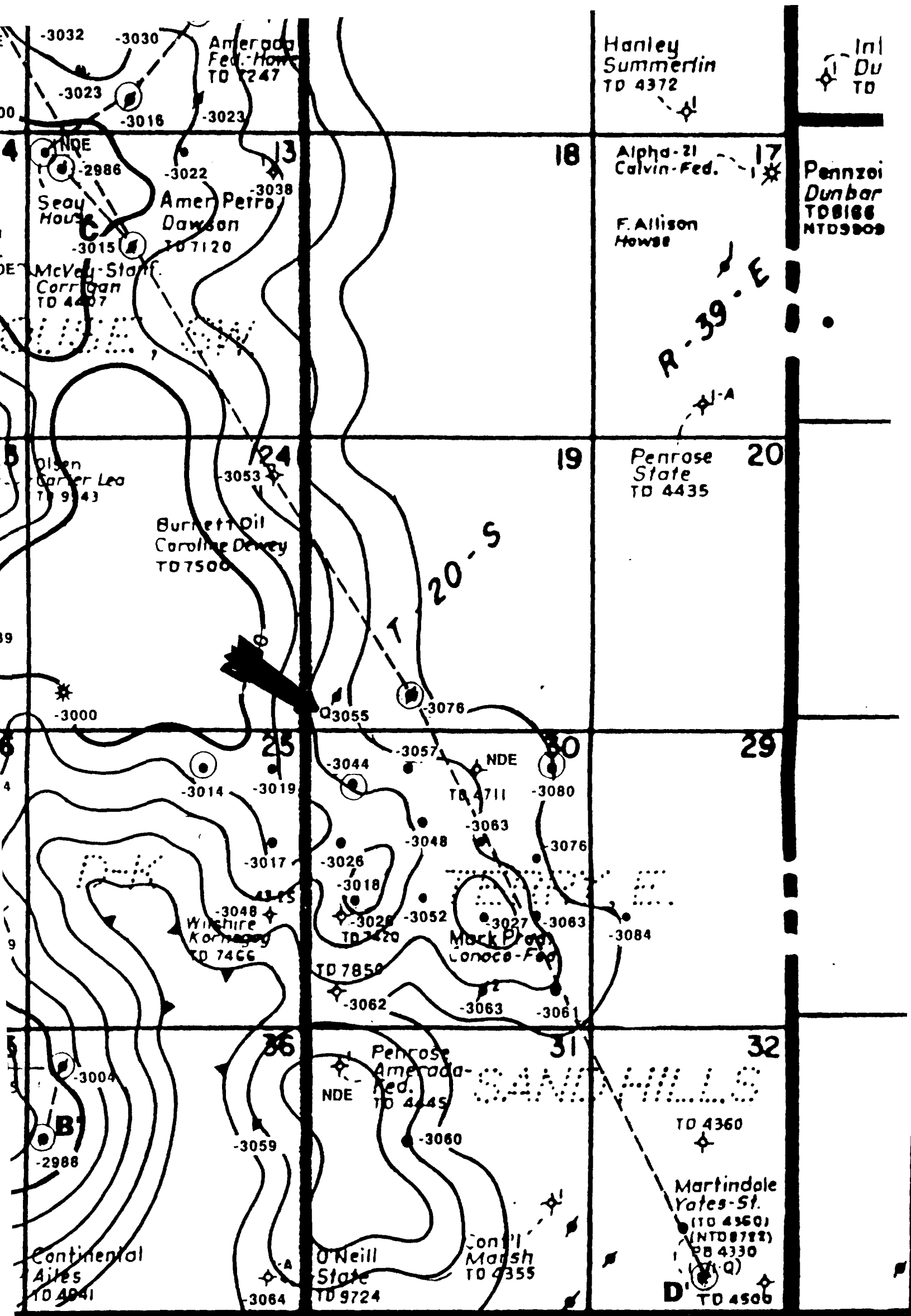


EXHIBIT "D" to that certain  
AFFIDAVIT dated June 20, 1997  
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Randy C. Hall re: Compulsory  
Pooling, Lea County, NM

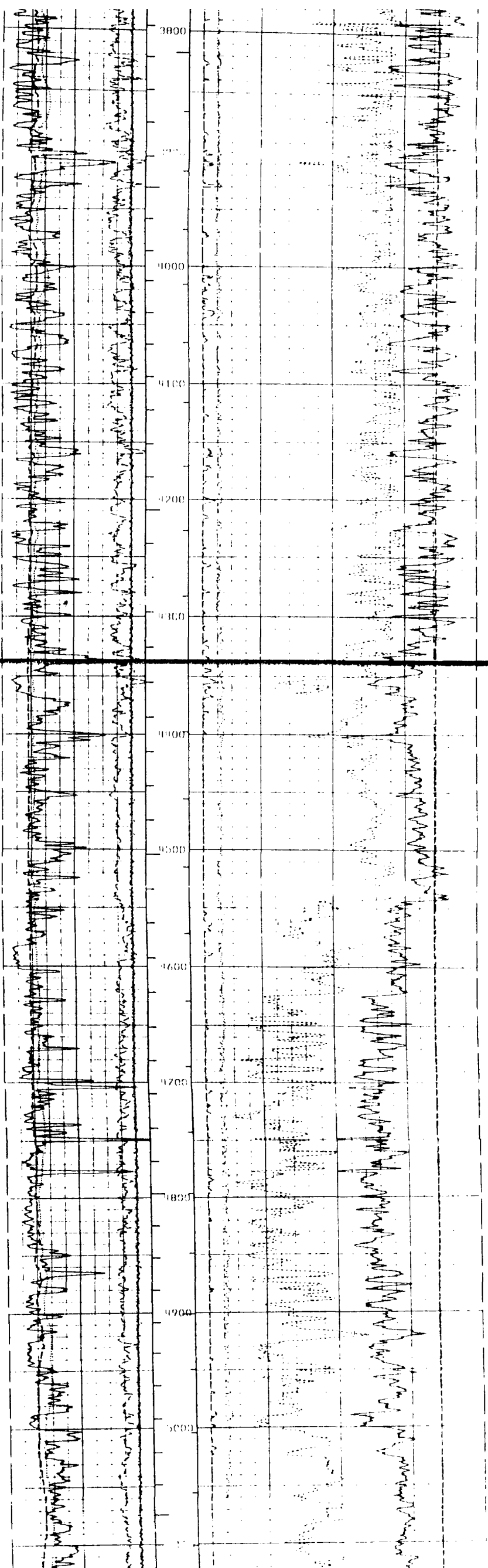
AND

**TOP/TUBB STRUCTURE**

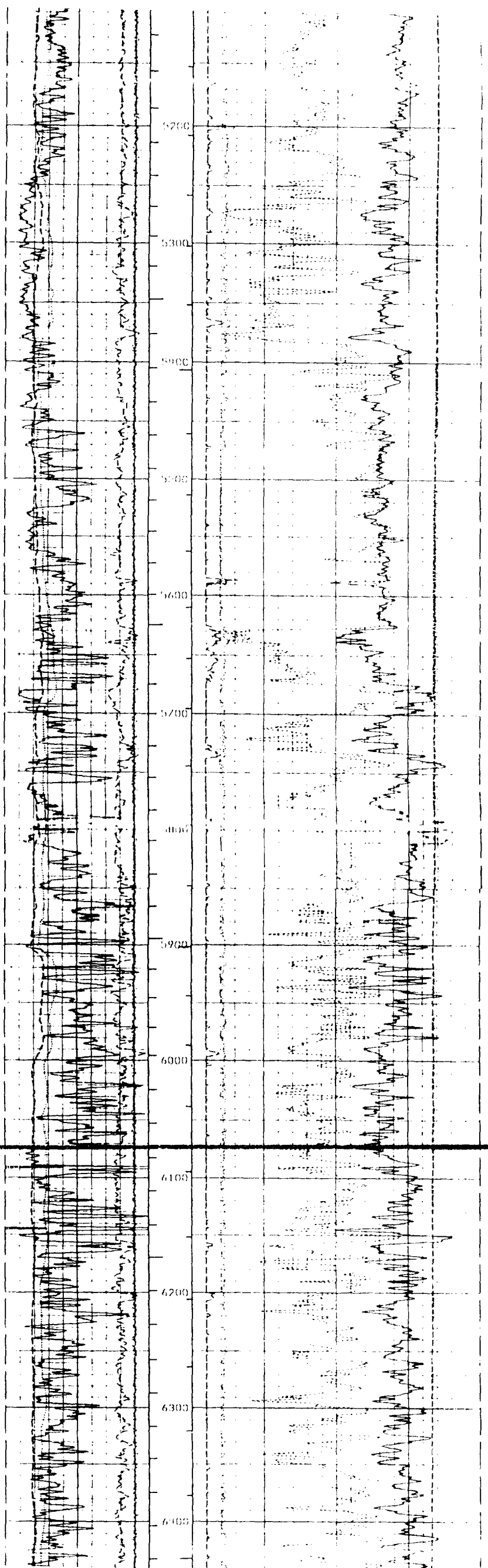
CONTOUR INTERVAL: 20 FT.

SCALE: 1" = 2000'

# TYPE LOG



SAN ANDRES



BLINEBRY

TUBB

DRINKARD

ABO

Q LONG	
4.5	5
Q SHORT	
4.5	5
PE QUIL	
8	2
MSFL CALIPER	

PE QUIL	
8	2
MSFL CALIPER	

TENSION

EXHIBIT "F" to that certain  
AFFIDAVIT dated June 20, 1997  
by Lisa M. Snelson and  
Randy C. Hall re: Compulsory  
Pooling, Lea County, NM

Oil Wells

Responses		Depth in Feet	Monthly Drilling Well Rates				Monthly Producing Well Rates			
1995	1994		1995		1994		1995		1994	
			Mean	Median	Mean	Median	Mean	Median	Mean	Median
5	7	0— 5,000	4,305	4,861	5,884	6,202	472	460	\$455	\$418
8	9	5,001—10,000	7,639	7,639	7,317	7,317	670	670	524	441
2	1	10,001—15,000	7,639	7,639	7,317	7,317	762	762	730	730
1	1	15,001—20,000	8,596	8,596	8,234	8,234	861	861	825	825
1	1	20,001+	7,491	7,491			749	749		
1		No Depth Limit								

Gas Wells

Responses		Depth in Feet	Monthly Drilling Well Rates				Monthly Producing Well Rates			
1995	1994		1995		1994		1995		1994	
			Mean	Median	Mean	Median	Mean	Median	Mean	Median
13	11	0— 5,000	\$4,956	\$4,708	\$4,966	\$5,000	\$421	\$429	\$412	\$450
7	14	5,001—10,000	5,222	4,940	5,610	5,500	494	488	500	450
3	3	10,001—15,000	4,032	4,032	7,317	7,317	546	577	730	730
1	1	15,001—20,000	7,639	7,639	7,317	7,317	762	762	730	730
1	1	20,001+	8,596	8,596	8,234	8,234	861	861	825	825
1	1	No Depth Limit	7,491	7,491			749	749	590	590

Region: Rocky Mountains and Northern Great Plains—4

Oil Wells

Responses		Depth in Feet	Monthly Drilling Well Rates				Monthly Producing Well Rates			
1995	1994		1995		1994		1995		1994	
			Mean	Median	Mean	Median	Mean	Median	Mean	Median
19	10	0— 5,000	\$4,126	\$4,000	\$3,710	\$4,000	\$447	\$400	\$468	\$466
30	17	5,001—10,000	5,688	5,546	4,333	4,350	575	578	504	500
14	8	10,001—15,000	6,935	7,193	5,388	5,450	651	613	581	565
1		15,001—20,000	7,639	7,639			762	762		
1		20,001+	8,596	8,596			861	861		
3	4	No Depth Limit	7,515	7,721	5,852	5,500	751	772	622	641

Gas Wells

Responses		Depth in Feet	Monthly Drilling Well Rates				Monthly Producing Well Rates			
1995	1994		1995		1994		1995		1994	
			Mean	Median	Mean	Median	Mean	Median	Mean	Median
11	8	0— 5,000	\$4,731	\$5,000	\$5,039	\$4,000	\$462	\$462	\$429	\$442
10	3	5,001—10,000	5,848	5,620	4,833	4,000	609	549	602	616
7	2	10,001—15,000	7,262	7,639			706	762	758	758
2	1	15,001—20,000	7,595	7,595	5,000	5,000	870	870	500	500
2		20,001+	9,033	9,033			970	970		
3	2	No Depth Limit	7,362	7,262	6,956	6,956	730	708	558	558

Region: West Texas and Eastern New Mexico—5

Oil Wells

Responses		Depth in Feet	Monthly Drilling Well Rates				Monthly Producing Well Rates			
1995	1994		1995		1994		1995		1994	
			Mean	Median	Mean	Median	Mean	Median	Mean	Median
118	88	0— 5,000	\$3,316	\$3,000	\$3,145	\$3,000	\$347	\$350	\$322	\$300
98	67	5,001—10,000	4,178	4,500	4,183	4,000	440	450	419	400
32	20	10,001—15,000	5,603	5,400	4,299	4,750	563	545	474	499
4	4	15,001—20,000	6,961	7,639	6,000	6,000	684	706	454	377
1	2	20,001+	8,536	8,536	8,500	8,500	861	861	675	675
14	5	No Depth Limit	4,887	5,400	5,317	5,900	499	520	550	632

Gas Wells

Responses		Depth in Feet	Monthly Drilling Well Rates				Monthly Producing Well Rates			
1995	1994		1995		1994		1995		1994	
			Mean	Median	Mean	Median	Mean	Median	Mean	Median
41	47	0— 5,000	\$3,261	\$3,000	\$3,515	\$3,000	\$365	\$330	\$330	\$300
48	37	5,001—10,000	4,266	4,000	3,982	4,000	452	400	525	400
20	18	10,001—15,000	5,828	5,819	4,614	5,000	546	564	507	500
3	5	15,001—20,000	6,046	5,500	6,000	6,000	587	500	627	654
2	3	20,001+	9,048	9,048	8,500	8,500	806	806	738	738
12	5	No Depth Limit	5,008	5,209	5,177	5,000	541	527	555	550

EXHIBIT "G" to that certain  
AFFIDAVIT dated June 20, 1997  
by Lisa M. Snelson and  
Randy C. Hall re: Compulsory  
Pooling, Lea County, NM  
☐ AMENDED REPORT

ACT II

near DD, Artesia, NM 88211-0719

TRICT III

Rio Brazos Rd., Aztec, NM 87410

## OIL CONSERVATION D

P.O. Box 2088

Santa Fe, New Mexico 87504-

DISTRICT IV

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

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-33904</b>	Pool Code <b>15200</b>	Pool Name <b>DK Abo</b>
Property Code <b>20660</b>	Property Name <b>CARTER</b>	Well Number <b>1</b>
OCRID No. <b>25482</b>	Operator Name <b>XERIC OIL AND GAS CORPORATION</b>	Elevation <b>3563</b>

## Surface Location

UL or lot No. <b>M</b>	Section <b>19</b>	Township <b>20 S</b>	Range <b>39 E</b>	Lot Idn	Feet from the <b>330</b>	North/South line <b>SOUTH</b>	Feet from the <b>330</b>	East/West line <b>WEST</b>	County <b>LEA</b>
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## 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
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Dedicated Acres <b>40</b>	Joint or Infill <b>I</b>	Consolidation Code	Order No.
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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.  <i>Michael G. Mooney</i> Signature <b>Michael G. Mooney</b> Printed Name <b>Consulting Engineer</b> Title <b>3/29/97</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>MARCH 20, 1997</b> Date Surveyed Signature & Seal Professional Surveyor 	
					<b>DMCC</b> 3-24-97	
					Certificate No. <b>JOHN W. WEST</b> 676 <b>RONALD L. EIDSON</b> 3239 <b>RONALD L. EIDSON</b> 12641	



XERIC OIL GAS CORPORATION  
AUTHORITY FOR EXPENDITURE

EXHIBIT "H" to that certain  
AFFIDAVIT dated June 20, 1997  
by Lisa M. Snelson and  
Randy C. Hall re: Compulsory  
Pooling, Lea County, NM

XERIC WI%:			AFE NO:	
			DATE: 4/4/97	
			SERIAL NO.	
LEASE NAME: CARTER			WELL NO.: 1	
LOCATION: 330' FS&WL of SW/4 SECTION 19, T-20-S, R-39-E			&/or PERMIT: 25-33904	
FIELD: DK Abo			COUNTY: LEA	STATE: NM
PROJECT AREA: S. HOUSE			API WELL NO:	
EXPLORATION: WILDCAT			DEVELOPMENT: RECOMPLETION:	
			PROPOSED TD: 8,000	

DRILLING INTANGIBLES:	DRY HOLE	COMPLETED WELL
LAND DAMAGES	5,000.00	5,000.00
LOCATION, ROADS, PITS CLEANUP	12,000.00	12,000.00
FOOTAGE 8,000 @ 14.25/ft	114,000.00	114,000.00
DAYWORK \$4,200.00 / day x 2 days	8,400.00	8,400.00
SURF. CSG 1,600' of 8/5/8" @ \$8.00/ft	12,800.00	12,800.00
INT. CSG.		
CEMENTING	15,000.00	15,000.00
MUD & CHEMICALS	9,000.00	9,000.00
WATER	10,000.00	10,000.00
LOGGING	15,000.00	15,000.00
TESTING & CORING		
TECHNICAL & LEGAL SERVICES	5,000.00	5,000.00
SUPERVISION & LABOR	4,000.00	4,000.00
EQUIPMENT RENTAL/TRUCKING	2,000.00	2,000.00
DRILLED OVERHEAD	4,000.00	4,000.00
TOTAL DRILLING INTANGIBLES	\$ 216,200.00	\$ 216,200.00

COMPLETION INTANGIBLES:		
COMPLETION UNIT 5 days @ \$1,200.00/day		6,000.00
CEMENTING, PIPE PREPARATION		10,000.00
LOGGING & PERFORATING		11,000.00
ACID		4,000.00
FRACTURE		45,000.00
WATER		3,200.00
TECHNICAL & LEGAL SERVICES		1,500.00
SUPERVISION & LABOR		4,000.00
EQUIPMENT RENTAL/TRUCKING		5,000.00
ELECTRICAL HOOKUP		10,000.00
TOTAL COMPLETION INTANGIBLES		\$ 99,700.00

COMPLETION TANGIBLES:		
PROD. CSG 8,000' of 5 1/2" @ \$5.25/ft		42,000.00
PROD. TBG 7,900' of 2 3/8" @ \$2.00/ft		15,800.00
RODS 7,900' of 3/4" & 7/8" @ \$1.15/ft		9,085.00
WELLHEAD		5,000.00
ELECTRICAL EQUIPMENT		10,000.00
BOTTOM HOLE ASSEMBLY		2,500.00
TANK BATTERY AND TREATER w/CONNECTIONS		30,000.00
PUMPING UNIT w/POWER		25,000.00
TOTAL COMPELTION TANGIBLES		\$ 139,385.00
TOTAL DRY HOLE COST	\$ 216,200.00	
TOTAL ESTIMATED COMPLETED WELL COSTS		\$ 455,285.00

PARTICIPANTS APPROVAL		
OPERATOR:	XERIC OIL & GAS CORPORATION	By: _____ Date: _____
JOINT INTEREST APPROVALS:		
COMPANY:	By: _____	Date: _____
COMPANY:	By: _____	Date: _____
COMPANY:	By: _____	Date: _____
COMPANY:	By: _____	Date: _____
COMPANY:	By: _____	Date: _____