

E-30

U.S. Mexico Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

WELL ID NO. 25482
PROPERTY NO. 15434
POOL CODE 49780
EFF. DATE 4-22-02
API NO. 30-025-35894

Form 3160-3
(August 1999)

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

0396

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
LC - 060881
6. If Indian, Allottee or Tribe Name
N/A

1a. Type of Work: DRILL REENTER
1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

7. If Unit or CA Agreement, Name and No.
Unit # 14-08-0001-8917
8. Lease Name and Well No.
South Pearl Queen Unit #28

2. Name of Operator
Xeric Oil & Gas Corporation

9. API Well No.
New 30-025-35894

3a. Address
PO Box 352 Midland, Texas 79702

3b. Phone No. (include area code)
915-683-3171

10. Field and Pool, or Exploratory
Pearl Queen

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface 1330' FSL & 1330' FEL
At proposed prod. zone 1330' FSL & 1330' FEL

11. Sec., T., R., M., or Blk. and Survey or Area
Sec. 4, T20S, R35E

14. Distance in miles and direction from nearest town or post office*
22 Miles southeast of Hobbs, NM

12. County or Parsh.
Lea
13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1330'

16. No. of Acres in lease
240

17. Spacing Unit dedicated to this well
40

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 3970'

19. Proposed Depth
5,200'

20. BLM/BIA Bond No. on file
BLM Bond # NM 2525

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3681' GR

22. Approximate date work will start*
ASAP

23. Estimated duration
30 Days

24. Attachments **Lea County Controlled Water Basin**

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *R.C. Barnett*
Name (Printed/Typed) R. C. Barnett
Date 2/12/02
Title President

Approved by (Signature) *JOE G. LARA*
Name (Printed/Typed) *JOE G. LARA*
Date APR 18 2002
Title FIELD MANAGER
Office CARLSBAD FIELD OFFICE

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

DECLARED WATER BASIN
CEMENT BEHIND THE 8 7/8"
CASING MUST BE CIRCULATED

JCA

KZ
MB