



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

**OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131**

December 21, 1999

Xeric Oil & Gas Corporation
P.O. Box 352
Midland, Texas 79702

Attention: Glenda Hunt

RE: C-142 Application for New Well Status
Lisa State Well No. 2, API No. 30-025-34621

Dear Ms. Hunt:

Pursuant to Division Rule 34.C.(3), the deadline for filing for the New Well Tax Incentive is within sixty (60) days of completion of the well as a producer, therefore your application is hereby denied.

If you have any questions, please contact me at (505) 827-8183.

Sincerely,

Mark Ashley
Petroleum Engineering Specialist

District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

**SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE**

DEC 20 1999

APPLICATION FOR NEW WELL STATUS

I. Operator and Well							OGRID Number	
Operator name & address Xeric Oil & Gas Corporation PO Box 352 Midland, Texas 79702							025482	
Contact Party Glenda Hunt							Phone 915-683-3650	
Property Name Lisa State						Well Number #2	API Number 30-025-34621	
UL B	Section 19	Township 20S	Range 36E	Feet From The 660	North/South Line North	Feet From The 1980	East/West Line East	County Lea

II. Date/Time Information			
Spud Date 06/02/1999	Spud Time 9:30 am	Date Completed 7/15/99	Pool Eumont Seven Rivers Queen

III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

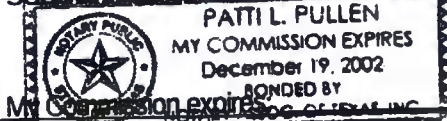
State of Texas)
County of Midland) ss.

R.C. Barnett, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature R.C. Barnett Title President Date 12/13/99

SUBSCRIBED AND SWORN TO before me this 13th day of December, 1999



Patti L. Pullen
Notary Public

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:
This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature	Title	Date
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: _____

NOTICE: The operator must notify all working interest owners of this New Well certification.

NEW MEXICO TAXATION AND REVENUE DEPARTMENT
PO BOX 2308 * SANTA FE * NM * 87504-2308 * (505)827-0806

APPLICATION FOR TAX REFUND
ONE-TIME \$15000 JOB CREATION-NEW WELLS

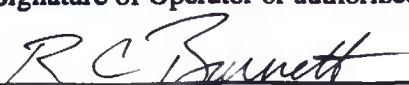
OPERATOR NAME: Xeric Oil & Gas Corporation	New Mexico OGRID Identification Number 025482
CONTACT NAME: Glenda Hunt	PHONE NUMBER: 915-683-3650
MAILING ADDRESS: PO Box 352	
CITY, STATE, ZIP CODE: Midland, Texas 79702	

I certify that the following well completion(s) has been approved and certified by the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department and qualifies as a newly drilled well under the Laws of 1999, Chapter 218, House Bill 280:

API NUMBER:	POOL NAME:	POOL NUMBER:
30-025-34621	Eumont Seven Rivers Queen	22800

The total refund requested is the sum of
*****Fifteen Thousand and no/100*****
dollars (\$ 15,000.00*****) which represents \$15,000.00 for
each of the API well completion(s) listed above.

IN ACCORDANCE WITH SECTION 3 OF THE SUBJECT ACT, THIS APPLICATION MUST BE RECEIVED BY
NM TAXATION AND REVENUE NOT LATER THEN MAY 25, 2001.

I declare that the information reported on this form and any attached supplements is true and correct as to every material matter.	
Type or print name R. C. Barnett	Title President
Signature of Operator or authorized agent 	Date 12/13/99

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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. 30-025-34621
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No. A-1375-45
Lease Name or Unit Agreement Name Lisa State
Well No. 2
Pool name or Wildcat Eumont Y-SR-Q

SUNDRY NOTICES AND REPORTS ON WELLS (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 <input type="checkbox"/>	
Name of Operator Xeric Oil & Gas Corporation	
Address of Operator P.O. Box 352, Midland, Texas 79702	
Well Location Unit Letter <u>B</u> Section <u>660</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>East</u> Line Township <u>19</u> Township <u>20S</u> Range <u>36E</u> NMPM <u>Lea</u> County	
Elevation (Show whether DF, RKB, RT, GR, etc.) 3634' GR	

11

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐
 OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ PLUG AND ANBANDONMENT ☐
 CASING TEST AND CEMENT JOB ☐
 OTHER: Completion Attempts ☒

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.

6/19/99 - Begin Completion - Perforate Seven Rivers from 4050' - 4070' w/ 2 spf - total 43 holes -0.36" dia.
 Acidize w/ 2000 gals 7 1/2% NEFE + 20% MEOH - swab dry w/ no shows of oil or gas

6/24/99 - Frac Seven Rivers Formation w/ 8500 gals Xlink gel + 70Q Nitrogen Foam + 50,000# 16/30
 Ottawa sand - SWI 4 hrs then flow back

6/28/99 - No shows of oil w/ trace of gas - abandon Seven Rivers Perfs from 4050'-4070' w/ CIBP set @
 4025' - Perforate Upper Seven Rivers from 3965'-3985' w/ 2 spf - total 40 holes - acidize w/ 1000
 gals 7 1/2% NEFE + 20% MEOH - swab back w/ trace oil show & good gas show

6/30/99 - Frac well w/ 10,500 gals Xlink gel + 70Q Nitrogen Foam + 58,000# 16/30 Jordan Sand - SWI 4 hrs
 then flow back - good volume of gas w/ no oil shows - estimate 300 BWPD

7/14/99 - Decide to run rods & pump in an attempt to pump off water - currently testing @ 0 BOPD + 165 BWPD
 + 45 MCFD

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 07-27-99
 TYPE OR PRINT NAME Michael G. Mooney TELEPHONE NO. 915/683-3171

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 5 copies
Fee Lease - 5 copies
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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

Form C-105
Revised 1-1-89

WELL API NO
30-025-34621

5. Indicate Type of Lease
STATE ☒ FEE

6 State Oil & Gas Lease No
A-1375-45

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well
OIL WELL ☒ GAS WELL DRY OTHER _____
b. Type of Completion
NEW WELL WORK OVER DEEPEN PLUG BACK DIFF RESVR ☒ OTHER Add Perforations

7. Lease Name or Unit Agreement Name

Lisa State

2. Name of Operator
Xeric Oil & Gas Corporation

8. Well No.
2

3. Address of Operator
P. O. Box 352, Midland, Texas 79702

9. Pool name or Wildcat
Eumont Y-SR-Q

4. Well Location
Unit Letter B 660 Feet From The North Line and 1980 Feet From The East Line
Section 19 Township 20S Range 36E NMPM Lea County

10. Date Spudded 06/02/99 11. Date T.D. Reached 06/10/99 12. Date Compl. (Ready to Prod.) 07/15/99 13. Elevations (DF & RKB, RT, GR, etc.) 3634 GR 14. Elev. Casinghead 3634

15. Total Depth 4900 16. Plug Back T.D. 4800 17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By Rotary Tools ☒ Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name 3965' - 3985' & 4050' - 4070' - Seven Rivers 20. Was Directional Survey Made Yes

21. Type Electric and Other Logs Run Cased Hole - GR / Neutron 22. Was Well Cored No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	24	381	12 1/4	250 sx class "c" - circulated	0
5 1/2"	15.50	4900	7 7/8	1225 sx class "c" - circulated	0

LINER RECORD

TUBING RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8	4000	none

25. Perforation record (interval, size, and number)
3965' - 3985' - 0.42" 4050' - 4070' - 0.42"
total 40 holes total 43 holes
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED
4050-4070 8,500 gals gel + 50,000 16/30 sand
3965-3985 10,500 gals gel + 58,000 16/30# sand
+ 20% MEOH - Foam Frac

PRODUCTION

28. Date First Production 10/25/99 Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping - 2" x 1.75" x 14" TBG Pump Well Status (Prod. or Shut-in) Prod
Date of Test 11/05/99 Hours Tested 24 Choke Size n/a Prod'n For Test Period Oil - BbL 3 Gas - MCF 26 Water - BbL 116 Gas - Oil Ratio 8666
Flow Tubing Press. n/a Casing Pressure 35 Calculated 24-Hour Rate Oil - BbL 3 Gas - MCF 26 Water - BbL 116 Oil Gravity - API - (Corr.) 39.4

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold - Dynegy Midstream Services, LP Test Witnessed By Mike Mooney

30. List Attachments
Deviation survey, Electric Logs - previously sent

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Michael G. Mooney Printed Name Michael G. Mooney Title Consulting Engineer Date 11/20/99

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all specific tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy	1900.0	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt		T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt		T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates	3625.0	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	3862.0	T. Devonian	T. Menefee	T. Madison
T. Queen	4596.0	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg		T. Montoya	T. Mancos	T. McCracken
T. San Andres		T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta		T. McKee	Base Greenhorn	T. Granite
T. Paddock		T. Ellenburger	T. Dakota	T.
T. Blinbry		T. Gr. Wash	T. Morrison	T.
T. Tubb		T. Delaware Sand	T. Todilto	T.
T. Drinkard		T. Bone Springs	T. Entrada	T.
T. Abo		T.	T. Wingate	T.
T. Wolfcamp		T.	T. Chinle	T.
T. Penn		T.	T. Permain	T.
T. Cisco (Bough C)		T.	T. Penn. "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from 3862 to 3985

No. 2, from to

No. 3, from to

No. 4, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to feet

No. 2, from to feet

No. 3, from to feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology
0.0	1900.0	1900.0	Sand - caliche
1900.0	3625.0	1725.0	salt & anhydrite
3625.0	4900.0	1275.0	sand, dolomite, anhydrite

44

PROPERTY	PROPERTY NAME	EFFECTIVE		OWNER	OWNER NAME	D.D.I.	PREPAYMENT	COST	AFIL
		DECK	DATE				LEASE WELL	CTR.	CODE
021610-002	LISA STATE #2	1	**BASE**	9999803	GERONIMO HOLDING CORPORATION	0.23992035	021610-002	0	Y
Base Deck				BA772	R.C. BARNETT	0.03998673	021610-002	0	N
				BA790	PERRY R BASS	0.18692211	021610-002	0	N
				CH110	MARK A. CHAPMAN	0.04618030	021610-002	0	N
				CO577	MAX W. COLL II	0.00045360	021610-002	0	N
				CO578	JON F. COLL	0.00045360	021610-002	0	N
				CO579	JAMES N. COLL	0.00045360	021610-002	0	N
				CO580	CHARLES H. COLL	0.00045360	021610-002	0	N
				FA575	FALCON CREEK RESOURCES, INC.	0.33618541	021610-002	0	N
				LE968	LEWIS OIL & GAS, INC.	0.01999336	021610-002	0	N
				PH431	PHILLIPS PETROLEUM COMPANY	0.02903052	021610-002	0	N
				PO390	POGAR PETROLEUM, LTD.	0.03998673	021610-002	0	N
				RO232	ROCKY MOUNTAIN RESOURCES	0.05998009	021610-002	0	N
				*** DECK TOTAL	13 OWNERS	1.00000000			