



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

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

December 10, 1999

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

Attention: Glenda Hunt

RE: C-142 Application for New Well Status
Arco Hall State Well No. 3, API No. 30-025-34622

Dear Ms. Hunt:

Pursuant to Division Rule 34.C.(3), the deadline for filling 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,

A handwritten signature in cursive script, appearing to read "Mark Ashley".

Mark Ashley
Petroleum Engineering Specialist

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

PROPERTY	PROPERTY NAME	EFFECTIVE		OWNER	OWNER NAME	PREPAYMENT		COST	AFIL
		DECK	DATE			D.D.I.	LEASE WELL		
021603-003	ARCO HALL #3	1	**BASE**	9999803	GERONIMO HOLDING CORPORATION	0.42516490	021603-003	0	Y
Base Deck				BA772	R.C. BARNETT	0.07086082	021603-003	0	N
				BA790	PERRY R BASS	0.16209652	021603-003	0	N
				CH270	CHEVRON U.S.A. PRODUCTION CO.	0.04004698	021603-003	0	N
				CO578	JON F. COLL	0.00039335	021603-003	0	N
				CO579	JAMES N. COLL	0.00039336	021603-003	0	N
				CO580	CHARLES H. COLL	0.00039336	021603-003	0	N
				CO591	MAX W COLL II - ARCO-HALL #3	0.00039336	021603-003	0	N
				DM761	D. M. ROYALTIES, LTD.	0.00937473	021603-003	0	N
				LE968	LEWIS OIL & GAS, INC.	0.03543041	021603-003	0	N
				PH431	PHILLIPS PETROLEUM COMPANY	0.02517490	021603-003	0	N
				PO390	POGAR PETROLEUM, LTD.	0.07086082	021603-003	0	N
				RO232	ROCKY MOUNTAIN RESOURCES	0.10629122	021603-003	0	N
				SC439	PATRICIA PENROSE SCHIEFFER	0.05312527	021603-003	0	N
				*** DECK TOTAL	14 OWNERS	1.00000000			

Submit to Appropriate
District Office
State Lease - 6 copies
Free Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-105
Revised 1-1-89

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

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

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 ☐

7. Lease Name or Unit Agreement Name

Arco Hall State

2. Name of Operator
Xeric Oil & Gas Corporation

8. Well No.
3

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 K 1980 Feet From The South Line and 1980 Feet From The West Line
Section 20 Township 20S Range 36E NMPM Lea County

10. Date Spudded 06/12/99 11. Date T.D. Reached 06/18/99 12. Date Compl. (Ready to Prod.) 08/25/99 13. Elevations (DF & RKB, RT, GR, etc.) 3633 GR 14. Elev. Casinghead 3633

15. Total Depth 4250 16. Plug Back T.D. 4210 17. If Multiple Compl. How Many Zones? 1 18. Intervals Drilled By Rotary Tools ☒ Cable Tools ☐

19. Producing Interval(s), of this completion - Top, Bottom, Name
3888 - 3926, 3988 - 3996, 4060 - 4075 - Seven Rivers 20. Was Directional Survey Made
Yes

21. Type Electric and Other Logs Run
Dual Laterolog w/ Micro Laterolog & Compensated Neutron Log 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	413	12 1/4	260 sx class "c" - circulated	0
5 1/2	15.50	4249	7 7/8	950 sx class "c" - circulated	0

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 7/8	4200	n/a

26. Perforation record (interval, size, and number)

3888' - 3926' - 77 holes - 0.42"
3988' - 3996' - 17 holes - 0.42"
4060' - 4075' - 16 holes - 0.42"

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
3988' - 4075'	Frac 39,000# - 70Q Foam
3888' - 3926'	Frac 54,500# - 70 Q Foam

PRODUCTION

28. Date First Production 08/25/99 Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping - 2 1/2" x 2" x 16' RWBC insert pump Well Status (Prod. or Shut-in) Prod

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - BbL.	Gas - MCF	Water - BbL.	Gas - Oil Ratio
08/28/99	24	n/a		0	33	60	
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - BbL.	Gas - MCF	Water - BbL.	Oil Gravity - API - (Corr.)	
n/a	35		0	33	60		

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold - Dynegy Midstream Services, LP

Test Witnessed By
Roy Peugh

30. List Attachments

Deviation Survey, Electric Logs

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 09/03/99

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 triplicate 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	1865.0	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	3650.0	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	3887.0	T. Devonian	T. Menefee	T. Madison
T. Queen		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. Blinebry		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 3887 to 4075
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	1865.0	1865.0	Sand - caliche
1865.0	3650.0	1785.0	salt & anhydrite
3650.0	4250.0	600.0	sand, dolomite, anhydrite

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

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

WELL API NO. 30-025-34622
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name Arco Hall State
Well No. 3
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	
Name of Operator Xeric Oil & Gas Corporation	
Address of Operator P. C. Box 352, Midland, Texas 79702	
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	
Elevation (Show whether DF, RKB, RT, GR, etc.) 3633' GR	

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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: ☐

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

ORIGINAL SIGNED BY CHRIS WILLIAMS
DISTRICT III SUPERVISOR

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

SEP 27 1999

mm