

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR Initial Report Final Report

Name of Company	Xeric Oil & Gas Corp.	Contact	Nick Hood
Address	P. O. Box 352, Midland, TX 79702	Telephone No.	432-683-3171
Facility Name	Mesa Queen	Facility Type	Battery

Surface Owner	Mineral Owner	Lease No.
---------------	---------------	-----------

Lewis Derrick, Foreman

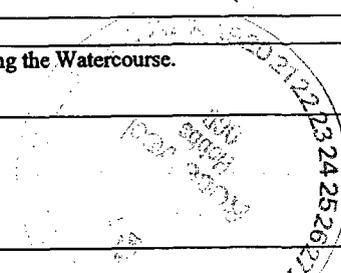
LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	16	16S	32E					Lea

228' Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Oil & Produced Water	Volume of Release	Volume Recovered
Source of Release	Gun Barrel overflow	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?		Date and Hour	
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	



If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Exact date and volume unknown. Estimate 5 bbls spilled in 11/05. Gun barrel plugged causing tank to overflow. Lease SI. No fluids standing at time of notification from our field personnel. Field personnel notified this office 2/13/06.

Describe Area Affected and Cleanup Action Taken.*

Will have soil samples taken to determine depth of saturation and remediate as per NMOCD guidelines and results of soil samples. Approximately a 20' X 30' area NE of the battery.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Nick Hood</i>	OIL CONSERVATION DIVISION		
Printed Name: Nick Hood	Approved by District Supervisor:		
Title: Engineer	Approval Date:	Expiration Date:	
E-mail Address: nhood@xogoperating.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 3/30/06	Phone: 432-683-3171		

* Attach Additional Sheets If Necessary

Xeric - 25482
facility - PAC 0610930673
incident - n PAC 0610932816
application - p PAC 0610933106