

PC N/R 988

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

JAN - 4 1999

WELL API NO.

30-025-33904

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.

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)

7. Lease Name or Unit Agreement Name

Carter 19

1. Type of Well:
OIL WELL GAS WELL OTHER

8. Well No.

2. Name of Operator
Xeric Oil & Gas Corporation

9. Pool name or Wildcat

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

4. Well Location
Unit Letter M : 330 Feet From The South Line and 330 Feet From The West Line
Section 19 Township 20 S Range 39 E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:		
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <u>Surface Commingle</u> <input type="checkbox"/>	

12. 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.

We hereby request administrative approval to commingle production from the Blinbery and ABO formations at the surface on the Carter 19-#1 and #2 lease. The gravity of the Blinbery Oil is 37.4 and the ABO is 37.2. We currently receive the same price for both zones, and combined gravity should be 37.3. The lease is currently producing 50 BOPD, 25 BO from the #1 Well (Blinbery) and 25 BOPD from the #2 Well (ABO). A well location plat and schematic diagram of the tank battery is attached. The value of the commingled oil will be the same as it currently is. The use of a single tank battery will be more efficient due to less gas used at lease burning heater treators and fewer tanks that would be needed.

I hereby certify that the information above is true and complete to the best of my knowledge and belief

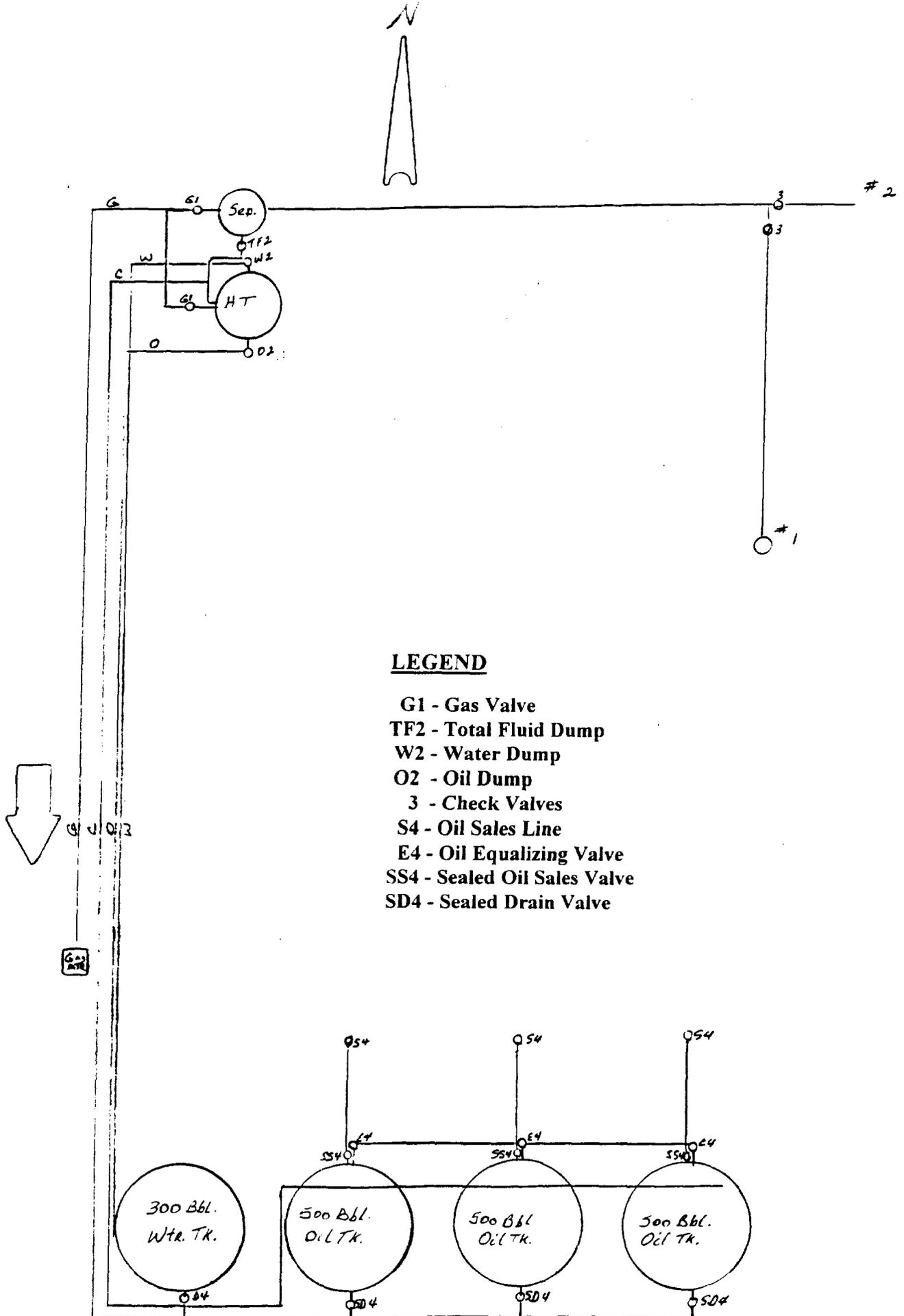
SIGNATURE Eddie Maddux TITLE Production Manager DATE 11/20/98

TYPE OR PRINT NAME Eddie Maddux TELEPHONE NO. 915-683-3650

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:



LEGEND

- G1 - Gas Valve
- TF2 - Total Fluid Dump
- W2 - Water Dump
- O2 - Oil Dump
- 3 - Check Valves
- S4 - Oil Sales Line
- E4 - Oil Equalizing Valve
- SS4 - Sealed Oil Sales Valve
- SD4 - Sealed Drain Valve

XERIC OIL & GAS CORPORATION

CARTER 19-1 & 2 LEASE TANK BATTERY
 UNIT M 330 F' FSL & 330' FWL SEC. 19-T20S-R39E
 LEA COUNTY, NEW MEXICO

LEASE-NM 020660