



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

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

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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 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,

A handwritten signature in cursive script that reads "Mark Ashley".

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 - 9 1999

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address Xeric Oil & Gas Corporation PO Box 352 Midland, Texas 79702							OGRID Number  025482		
Contact Party Glenda Hunt							Phone 915-683-3650		
Property Name Arco Hall State					Well Number #3		API Number 30-025-34622		
UL K	Section 20	Township 20S	Range 36E	Feet From The 1980	North/South Line South	Feet From The 1980	East/West Line West	County Lea	

II. Date/Time Information

Spud Date 6/12/99	Spud Time 8:00PM CST	Date Completed 8/25/99	Pool Eumont Y-SR-Q
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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.

\_\_\_\_\_ 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 RC Burnett Title President Date 12/1/99

Subscribed and sworn to before me this 1st 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.

PROPERTY	PROPERTY NAME	DECK	EFFECTIVE		OWNER NAME	D.D.I.	PREPAYMENT		COST	AFIL
			DATE	OWNER			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? \_\_\_\_\_ 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

**23. 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**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

**25. TUBING RECORD**

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"

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

**28. PRODUCTION**

Date First Production <u>08/25/99</u>	Production Method (Flowing, gas lift, pumping - Size and type pump) <u>Pumping - 2 1/2" x 2" x 16' RWBC insert pump</u>	Well Status (Prod. or Shut-in) <u>Prod</u>					
Date of Test <u>08/28/99</u>	Hours Tested <u>24</u>	Choke Size <u>n/a</u>	Prod'n For Test Period	Oil - BbL. <u>0</u>	Gas - MCF <u>33</u>	Water - BbL. <u>60</u>	Gas - Oil Ratio
Flow Tubing Press. <u>n/a</u>	Casing Pressure <u>35</u>	Calculated 24-Hour Rate	Oil - BbL. <u>0</u>	Gas - MCF <u>33</u>	Water - BbL. <u>60</u>	Oil Gravity - API - (Corr.)	

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  Printed Name Michael G. Mooney Title Consulting Engineer Date 09/03/99



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. 30-025-34622
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  GAS WELL  OTHER

Name of Operator  
Xeric Oil & Gas Corporation

Address of Operator  
P. C. Box 352, Midland, Texas 79702

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

Elevation (Show whether DF, RKB, RT, GR, etc.)  
3633' GR

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 checked="" type="checkbox"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: _____ <input type="checkbox"/>	

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 DAVIS WILLIAMS  
 DISTRICT III SUPERVISOR

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

SEP 27 1999

mm