

XERIC OIL & GAS CORPORATION

1801 W. Texas, P. O. Box 352
Midland, Texas 79702
(432)683-3171, Fax: (432)683-6348

March 30, 2004

RECEIVED

APR 01 2004

OIL CONSERVATION
DIVISION

New Mexico Oil Conservation Division
Attn: Will Jones
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Application for DHC
Julio State #1, Unit D, Sec. 20, 20S, 39E,
Amendment to Surface Commingling Order PLC-220
Julio State #1 & Porfidio State #1, Unit M, Sec. 17, 20S, 39 E,
Lea County

Gentlemen:

Xeric Oil & Gas Corporation requests an amendment to the above referenced order to include production from the DK Abo (Oil-15200) on the Julio State #1 Well retroactive to *September 11, 2003*. The order currently allows surface commingling production from both wells from the DK Drinkard (Oil-15390) and from the DK Abo (Oil-15200) for the Porfidio State. The correction of 11/19/02 did not include the DK Abo for the Julio State #1.

Please find enclosed for your review and approval our Application to Downhole Commingle the Julio State Well #1 with an effective date *September 11, 2003*, which would result in surface commingle as follows:

Township 20 South, Range 39 East, NMPM
DK-Abo (Oil 15200)

Unit D, Section 20 (40 acres)
Unit M, Section 17 (40 acres)

DK-Drinkard (Oil 15390)

Unit D, Section 20 (40 acres)
Unit M, Section 17 (40 acres)

As with the original order, production will be allocated back to each well based on periodic well tests.

Ownership and revenue are identical in the two leases and pools. The Commissioner of Public Lands has been notified of commingling plans with a copy of this letter and enclosures.

XERIC OIL & GAS CORPORATION
NMOCD-APPLICATION FOR DHC JULIO STATE #1 & AMDT TO PLC-220

Attachments enclosed with the C-107A are:

1. Copies of the previously submitted C-102's for both pools for the Julio State #1.
2. Production Curve and production history for the DK-Drinkard.
3. Three month production history for the DK-Abo. No curve available.
4. Allocation method.

Your help in this matter will be appreciated. If you have any questions, please contact me at 432-683-3171.

Yours truly,



Angie Crawford

Cc: State of New Mexico
Commissioner of Public Lands
Attn: Ray Powell
P. O. Box 1148
Santa Fe, NM 87504-1148

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-35889	Pool Code 15200	Pool Name DK-ABO
Property Code 29654	Property Name JULIO STATE	Well Number 1
OGRID No. 025482	Operator Name XERIC OIL & GAS CORPORATION	Elevation 3515'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	20-S	39-E		760	NORTH	710	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill No	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	LOT 1	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained hereth is true and complete to the best of my knowledge and belief.</p> <p><i>Glenda Y Hunt</i> Signature</p> <p>Glenda Hunt Printed Name</p> <p>Senior Production Analyst Title</p> <p>4/9/02 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>MARCH 29, 2002 Date Surveyed</p> <p>Signature of Professional Surveyor <i>Ronald J. Eidson</i> 02.11.0235</p> <p>Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641</p>
	29.19 AC LOT 2	
	29.20 AC LOT 3	
	29.22 AC LOT 4	
29.23 AC		

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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Santa Fe, New Mexico 87504-2088

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 15290	Pool Name DK Drinkard
Property Code 29654	Property Name JULIO STATE	Well Number 1
OGRID No. 025482	Operator Name XERIC OIL & GAS CORPORATION	Elevation 3515'

Surface Location

UL or lot No. D	Section 20	Township 20-S	Range 39-E	Lot Idn	Feet from the 760	North/South line NORTH	Feet from the 710	East/West line WEST	County LEA
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill No	Consolidation Code	Order No.						

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	LOT 1	
	29.19 AC LOT 2	
	29.20 AC LOT 3	
	29.22 AC LOT 4	
	29.23 AC	

TEXAS

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Glenda Hunt
Signature

Glenda Hunt
Printed Name

Sr. Production Analyst
Title

4/9/02
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 29 2002

Date Surveyed

Signature & Seal of Professional Surveyor

Ronald J. Edson
02.11.0235

Certificate No. RONALD J. EDSON 3239
ERRY EDSON 12641

**XERIC OIL & GAS CORPORATION APPLICATION FOR DHC
JULIO STATE #1 WELL**

API #30-025-35889

Unit D, Section 20, 20S, 39E, Lea county, NM

PRODUCTION HISTORY

Pool Name: D-K;ABO

Month/Year	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days	BO/Day	MCF/Day	BW/Day
				Produced			
June-02	665	0	468	14	47.50	0.00	33.43
July-02	861	989	509	31	27.77	31.90	16.42
August-02	1042	2707	76	28	37.21	96.68	2.71
September-02	140	73	0	10	14.00	7.30	0.00
Total	2708	3769	1053	83	32.63	45.41	12.69

NO PRODUCTION CURVE AVAILABLE (LESS THAN 1 YEAR PRODUCTION)

XERIC OIL & GAS CORPORATION APPLICATION FOR DHC JULIO STATE #1 WELL

API #30-025-35889

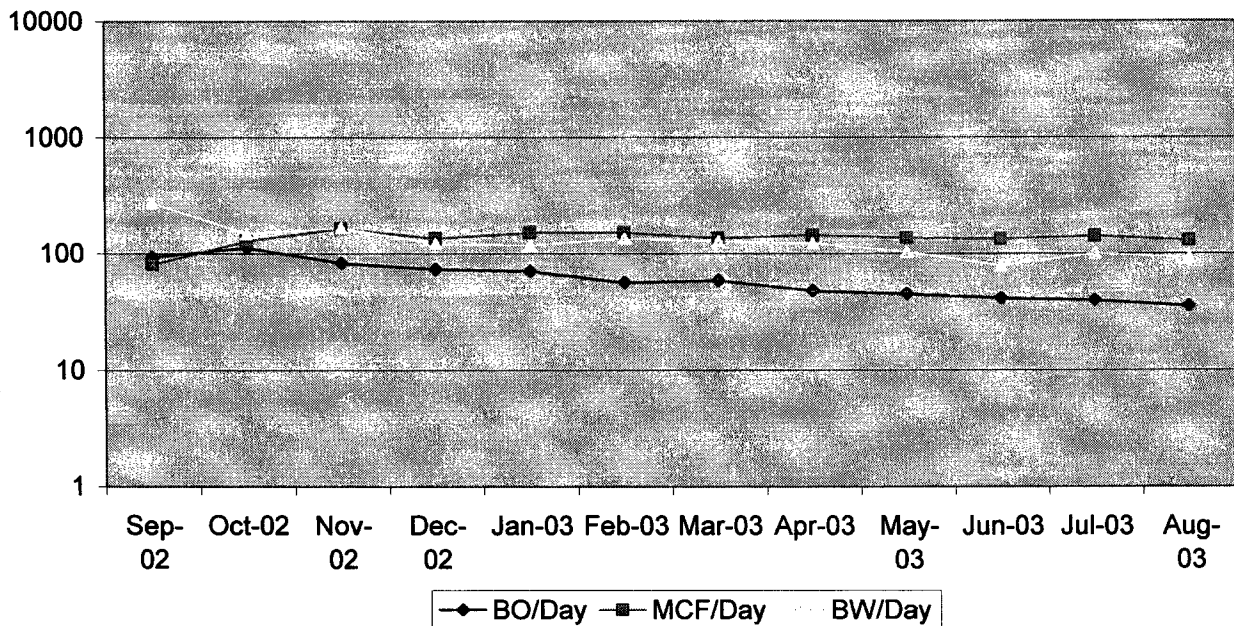
Unit D, Section 20, 20S, 39E, Lea county, NM

PRODUCTION HISTORY

Pool Name: D-K;DRINKARD

Month/Year	BO/Day	MCF/Day	BW/Day	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
September-02	93.33	80.78	276.89	1680	1454	4984	18
October-02	112.35	128.55	149.13	3483	3985	4623	31
November-02	82.97	164.80	166.90	2489	4944	5007	30
December-02	73.42	135.19	122.48	2276	4191	3797	31
January-03	70.90	152.59	118.38	2056	4425	3433	29
February-03	56.21	152.32	135.89	1574	4265	3805	28
March-03	58.86	136.28	128.41	1707	3952	3724	29
April-03	47.77	144.40	123.17	1433	4332	3695	30
May-03	44.77	137.00	103.81	1388	4247	3218	31
June-03	41.33	134.17	78.60	1240	4025	2358	30
July-03	39.52	142.10	100.39	1225	4405	3112	31
August-03	35.45	131.03	91.94	1099	4062	2850	31
Total	62.03	138.36	127.81	21650	48287	44606	349

DK; DRINKARD PRODUCTION CURVE



XERIC OIL & GAS CORPORATION
APPLICATION FOR DOWNHOLE COMMINGLE

JULIO STATE #1
API # 30-025-35889
ALLOCATION OF PRODUCTION

	BBLS OIL	%OF TOTAL	MCF	%OF TOTAL	BBLS WATER	%OF TOTAL	SOURCE
DK; Drinkard	36	67%	70	67%	89	93%	WELL TEST 9/4/03
DK; Abo	18	33%	34	33%	7	7%	WELL TEST 9/9/02
TOTAL	54		104		96		