



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

May 20, 2003

Xeric Oil & Gas Corporation
P.O. Box 352
Midland, Texas 70702

Case 13105

Attention: Ms. Angie Crawford

Re: Division Form C-108
Gregory "A" No. 5
Unit I, Section 33, T-25 South, R-37 East, NMPM,
Lea County, New Mexico

Dear Ms. Crawford:

The Division received your application to inject into the Gregory "A" Well No. 5 on May 9, 2003. On May 14, 2003, the Division received a letter of objection to the application from George and Joyce M. Willis (copy enclosed). Please be advised that the Division generally sets an application to hearing before a Division examiner if an objection to the application is received. In this situation, it appears that this is a valid objection from the landowner.

Please advise me at your earliest convenience whether you wish to pursue approval of this application, at which time I will place it on the next available hearing docket.

If you have not responded within ten days of this letter, I will return your application to you unprocessed.

If you should have any questions, please contact me at (505) 476-3466.

Sincerely,

David Catanach
Engineer/Examiner

Xc: George and Joyce M. Willis

Willis Ranch
George and Joyce Willis
P.O. Box 307
Jal, NM 88252

Case 13105

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505

05/11/2003

To whom it may concern;

Re: Xeric Oil & Gas Corporation Application for Authorization to Inject

We are the landowners of record on this place: Section 33, Township 25 South, Range 37 East. We would like to go record that we are objecting to this application for the following reasons:

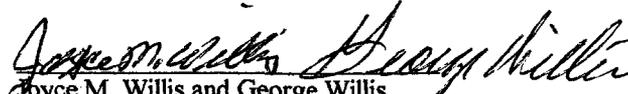
1. Xeric Oil & Gas Corporation has not contacted us for making arrangements for using our land for the purpose of developing a disposal well on the property we own. Disposal wells are not due the consideration that mineral owners are due when drilling or exploring for minerals (in this case oil or gas). Although authorization is required from the proper authority for the development of a disposal well, the landowner has some rights that must be addressed before the issue can be resolved.

2. There is drinking water within one mile of the proposed disposal site. That well has existed since 1956 or thereabouts and is located at the cattle pens of the southeast most corner where section 33 and 34 meet. We have been watering cattle there for quite a while and the water is sometimes used for drinking by people. We have not had cattle in that area in the last year because of the drought but we will have more cattle there after the drought breaks.

3. The water table has also been affected on the adjoining section 32. there is an ongoing program to clean the affected water and reclaim that water for future use by injection back into the water table. We do not know if the Oil Company was aware of this and chose to ignore or whether the people that are doing the paper work did not go to the field or did not look in the proper places for wells and adjoining environmental concerns.

Again, no one has contacted us on this issue. We would have been glad to share this knowledge with them.

Respectfully yours,


Joyce M. Willis and George Willis

P.S. Please see attached papers

**Xeric Oil & Gas Corporation
Application for Authorization to Inject
Gregory A #5**

RECEIVED

MAY 14 2003

OIL CONSERVATION
DIVISION

- I. Purpose: Water Disposal
- II. Operator: Xeric Oil & Gas Corporation, P O Box 352, Midland, TX 79701, Attn: W. Kyle Lewis, (915) 683-3171
- III. Well Data: Attachment A
- IV. This is not an expansion of an existing project.
- V. Map: Attachment B
- VI. Well in Area of Review: Attachment C
- VII. Proposed Operations: Attachment D and Attachment E
- VIII. Geological Data: Attachment F. There are no known sources of Underground drinking water in the area.
- IX. Proposed Stimulation: No stimulation is planned at this time.
- X. Logs and Test Data: Cement Bond Log Attached.
- XI. Chemical Analysis of Water: There are no fresh water wells in the area.
- XII. Affirmative statement concerning drinking water: Attachment G
- XIII. Proof of Notice: Attachment H

*Most definitely there is! a well is located at the
Most SE corner of SE 1/4 of SE 1/4 where Sec 33 & 34 meet.
Well is within 1/2 mile of proposed well for disposal.
Well is used for drinking water for cattle and people -*

05/11/03

Steph Hill