10/6/03 10/24/03 DRC LR SWD PLE0328048400

XERIC OIL & GAS CORPORATION

DRC

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

RECEIVED

OCT 06 2003

OIL CONSERVATION DIVISION

September 30, 2003

New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505

903

30-025-36226

Re: Request for Administrative Approval
for Saltwater Disposal, Howse #1 Well
Unit L, Sec. 17, 20S, 39E
Lea County, New Mexico

Gentlemen:

Please find enclosed a Form C-108 requesting approval to convert the Howse #1 to a salt-water disposal well. If all attachments are satisfactory Xeric Oil & Gas Corporation respectfully requests approval be granted administratively. I have sent this C-108 to the District Office in Hobbs.

Xeric Oil & Gas plans to inject water into the San Andres Formation from 4332'-4346', 4356'-4362', 4412'-4428', 4454' 4464', 4558'-4568', 4600'-4608', 4640'-4658', 4716'-4724', 4826'-4832', 4836'-4842'. The 2 7/8" internally plastic coated injection tubing will be set at approximately 4,370' with a Baker Model AD-1 packer.

The maximum anticipated injection rate will be 1200 BWPD with an injection pressure not to exceed 980 psi. If injection pressures need to be increased, a State witnessed step-rate test will be performed.

A copy of the required legal notice is attached. A copy of the certified letter of notice sent to the surface owner, Robert McCasland, and the other lease operator within the area of interest is also enclosed.

We have ordered a water analysis on the two producing fresh water wells and will forward to you as Attachment H upon receipt.

If you have any questions, or I can be of any assistance please do not hesitate to call me at the above-mentioned address or telephone number.

Sincerely,

R. C. Barnett
President

AC

Xeric Oil & Gas Corporation
Application for Authorization to Inject
HOWSE #1

I. Purpose: Produced Water Disposal

II. Operator: Xeric Oil & Gas Corporation, P O Box 352, Midland, TX 79702, Attn: R. C. Barnett (432) 683-3171

III. Well Data: Attachment A

IV. This is not an expansion of an existing project.

V. Map: Attachment B

VI. Wells in Area of Review: Attachment C

VII. Proposed Operations: Attachment D.

VIII. Geological Data: Attachment E.

IX. Proposed Stimulation: None planned at this time.

X. Logs and Test Data: Cement Bond Log Attachment F.

XI. Chemical Analysis of Fresh Water: Will be forwarded as Attachment G when we receive them.

XII. Affirmative statement concerning drinking water: Attachment H.

XIII. Proof of Notice: Attachment I.

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

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

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance __X__ Disposal _____ Storage
Application qualifies for administrative approval? __X__ Yes _____ No

II. OPERATOR: Xeric Oil & Gas Corporation

ADDRESS: P. O. Box 352, Midland, TX 79702

CONTACT PARTY: Angie Crawford PHONE: 432-683-3171

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes __X__ No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Angie Crawford TITLE: Production Analyst

SIGNATURE: Angie Crawford DATE: 9/30/03

E-MAIL ADDRESS: ACrawford@xericoil.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: Logs: DLL & SDL sent w/C-105 9/2/03

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

ATTACHMENT A

Side 1

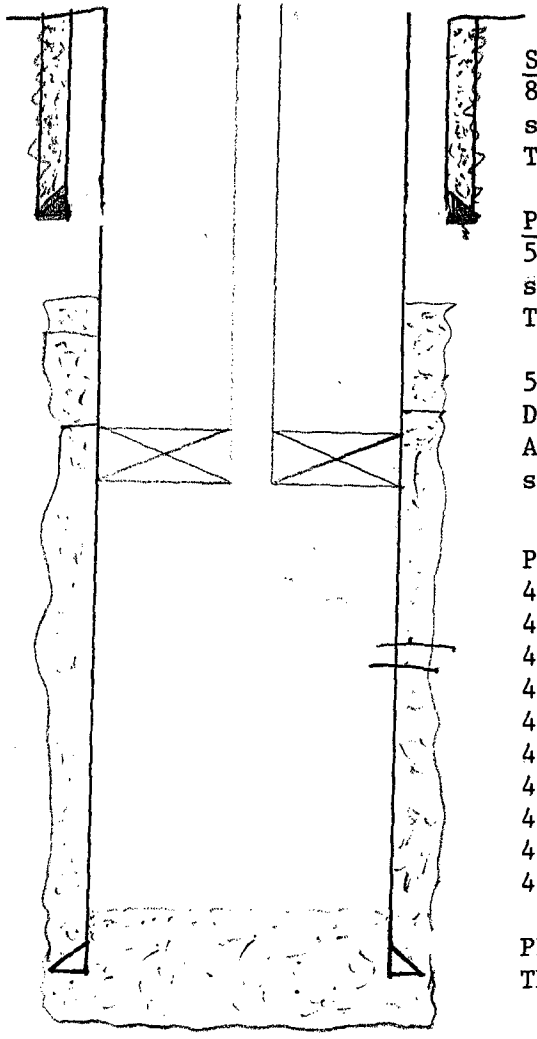
INJECTION WELL DATA SHEET

OPERATOR: Xeric Oil & Gas Corporation

WELL NAME & NUMBER: Howse #1

WELL LOCATION:					
	1980' FSL & 330' FWL	L	17	20S	39E
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC



Surface Csg.
8 5/8" 24# J-55
set @ 1660'
TOC=Surface

Production Csg.
5 1/2" 17# J-55
set @ 4900'
TOC=2750' as per CBL

5 1/2" x 2 3/8"
Double Grip Baker
AD-1 Packer
set @ 4370'

Perfs:
4332'-4346'
4356'-4362'
4412'-4428'
4454'-4464'
4558'-4568'
4600'-4608'
4640'-4658'
4716'-4724'
4826'-4832'
4836'-4842'

PBTD=4846'
TD=4900'

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 12 1/4" Casing Size: 8 5/8"

Cemented with: 850 sx. *or* _____ ft³

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ sx. *or* _____ ft³

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2"

Cemented with: 725 sx. *or* _____ ft³

Top of Cement: 2750' Method Determined: CBL

Total Depth: 4900', PBTD 4846'

Injection Interval

4332' feet to 4842' Perforated

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" 6.5# J-55 Lining Material: IPC

Type of Packer: 5 1/2" X 2 3/8" Double Grip Baker Type AD-1

Packer Setting Depth: 4370'

Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

1. Is this a new well drilled for injection? ____Yes __X__No

   If no, for what purpose was the well originally drilled? Oil & Gas Exploration

2. Name of the Injection Formation: San Andres

3. Name of Field or Pool (if applicable): House San Andres

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Tubb - underlying - Estimate top @ 6600'

   7 Rivers - overlying - 2993'-4306'

ATTACHMENT "C"
AREA OF REVIEW

Xeric Oil & Gas Corporation
Application for Authorization to Inject
Howse #1

Well Name	Well Type	Construction	Cement & Tops		Date Drilled	Location	Depth	Record of Completion
(Allison) Howse #1	Oil	8 5/8" 24# set @ 300' 5 1/2" 14# set @ 4340'	300 sx 175 sx	Surface	10/28/73	UL F Sec. 17, T20S, R39E	4340'	4326'-4336 San Andres
(Penrose) State #1	Oil	8 5/8" 24# set @ 200' 5 1/2" 15.5# set @ 4337'	150 sx 50 sx		11/5/51	SE4/SW4 Sec. 17, T20S, R39E	4435'	Open hole

ATTACHMENT "C"

XERIC OIL & GAS CORPORATION
Application for Authorization to Inject
HOWSE #1

Well Bore Diagram

Well: Penrose State #1

Status: Plugged and Abandon

Location: SE/4/SW/4, Sec. 17, T20S, R39E
Lea County, New Mexico

Elevation: 3553.4' GR

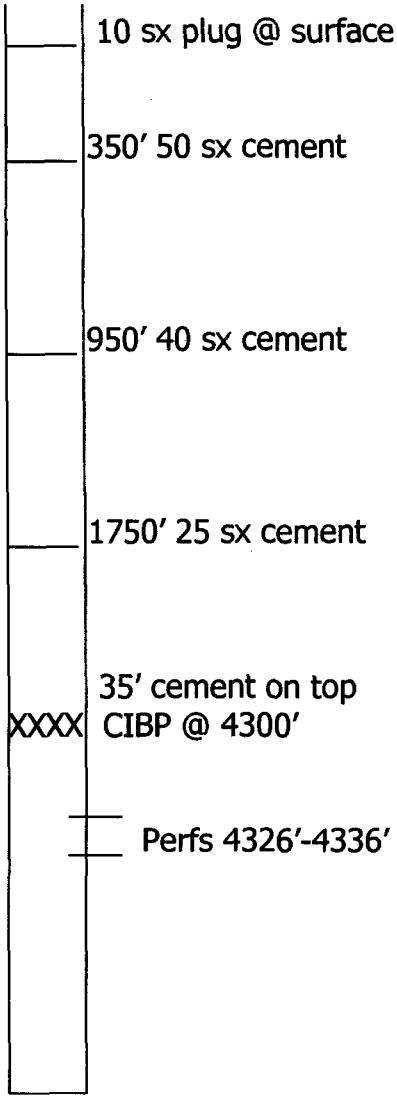
Well History:

Drilled 10/28/73

Casing Record: 8 5/8" 24# Set at 300'
5 ½" 14# Set at 4340'

Perforated 4326'-4336'

Plugging Record:
11/85 Set CIBP at 4300' w/35' cement on top of perfs.
25 sx plug set @ 1750', Pulled 897' of 5 ½" csg.
40 sx plug set @ 950', 50' in & out of stub.
50 sx plug set @ 350, 50' in & out of shoe of 8 5/8" csg.
10 sx plug set at surface.



ATTACHMENT "C"

XERIC OIL & GAS CORPORATION
Application for Authorization to Inject
HOWSE #1

Well Bore Diagram

Well: Allison Howse #1

Status: Plugged and Abandon

Location: Unit F, 2310 FNL & 2310 FwL, Sec. 17, T20S, R39E
Lea County, New Mexico

Elevation: 3553.4' GR

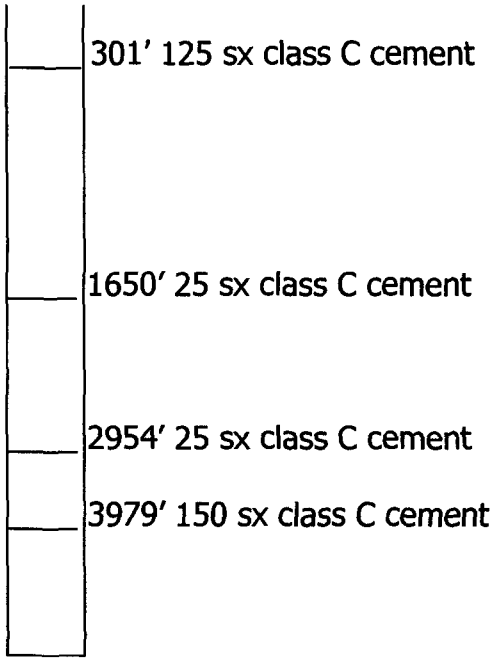
Well History:

Drilled 10/28/73

Casing Record: 8 5/8" 24# Set at 300'
5 ½" 14# Set at 4340'

Perforated 4326'-4336'

Plugging Record:
11/85 Set CIBP at 4300' w/35' cement on top of perfs.
25 sx plug set @ 1750', Pulled 897' of 5 ½" csg.
40 sx plug set @ 950', 50' in & out of stub.
50 sx plug set @ 350, 50' in & out of shoe of 8 5/8" csg.
10 sx plug set at surface.



P. O. Box 352
Midland, TX 79702
Phone (915) 683-3650
Fax (915) 683-6348

XERIC OIL & GAS CORPORATION

To:	David Catanach OCD	**Fax:**	505-476-3462
From:	Angie Crawford	**Date:**	10/30/03
Re:	Howse #3 SWD App.	**Pages:**	2

The wellbore diagrams for the two plugged well are enclosed with this fax. These should replace the ones sent previously. If you need anything else let me know.

ATTACHMENT "C"

XERIC OIL & GAS CORPORATION
Application for Authorization to Inject
HOWSE #1

Well Bore Diagram

Well: Allison Howse #1

Status: Plugged and Abandon 6/22/79

Location: Unit F, 2310 FNL & 2310 FWL, Sec. 17, T20S, R39E
Lea County, New Mexico

Elevation: 3553.4' GR

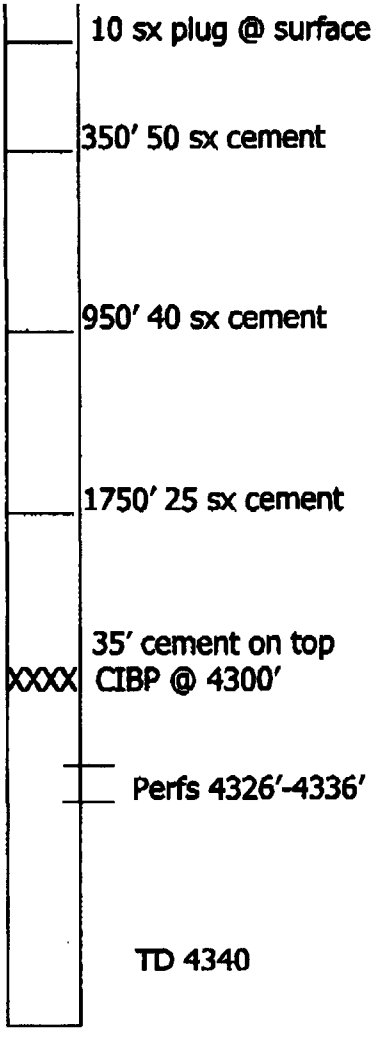
Well History:

Drilled 10/28/73

Casing Record: 8 5/8" 24# Set at 300'
5 ½" 14# Set at 4340'

Perforated 4326'-4336'

Plugging Record:
11/85 Set CIBP at 4300' w/35' cement on top of perfs.
25 sx plug set @ 1750', Pulled 897' of 5 ½" csg.
40 sx plug set @ 950', 50' in & out of stub.
50 sx plug set @ 350, 50' in & out of shoe of 8 5/8" csg.
10 sx plug set at surface.



XERIC OIL & GAS CORPORATION
Application for Authorization to Inject
HOWSE #1

Well Bore Diagram

Well: Penrose State #1

Status: Plugged and Abandon 12/51

Location: Unit N, (SE/4SW/4) 660' FSL & 1980' FWL, Sec. 17, T20S, R39E
Lea County, New Mexico

Elevation: 3537' Gr.

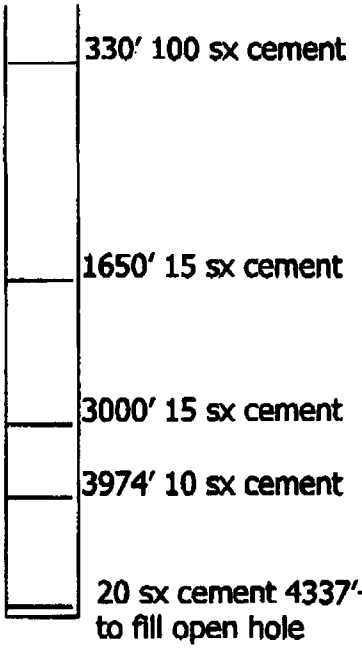
Well History:

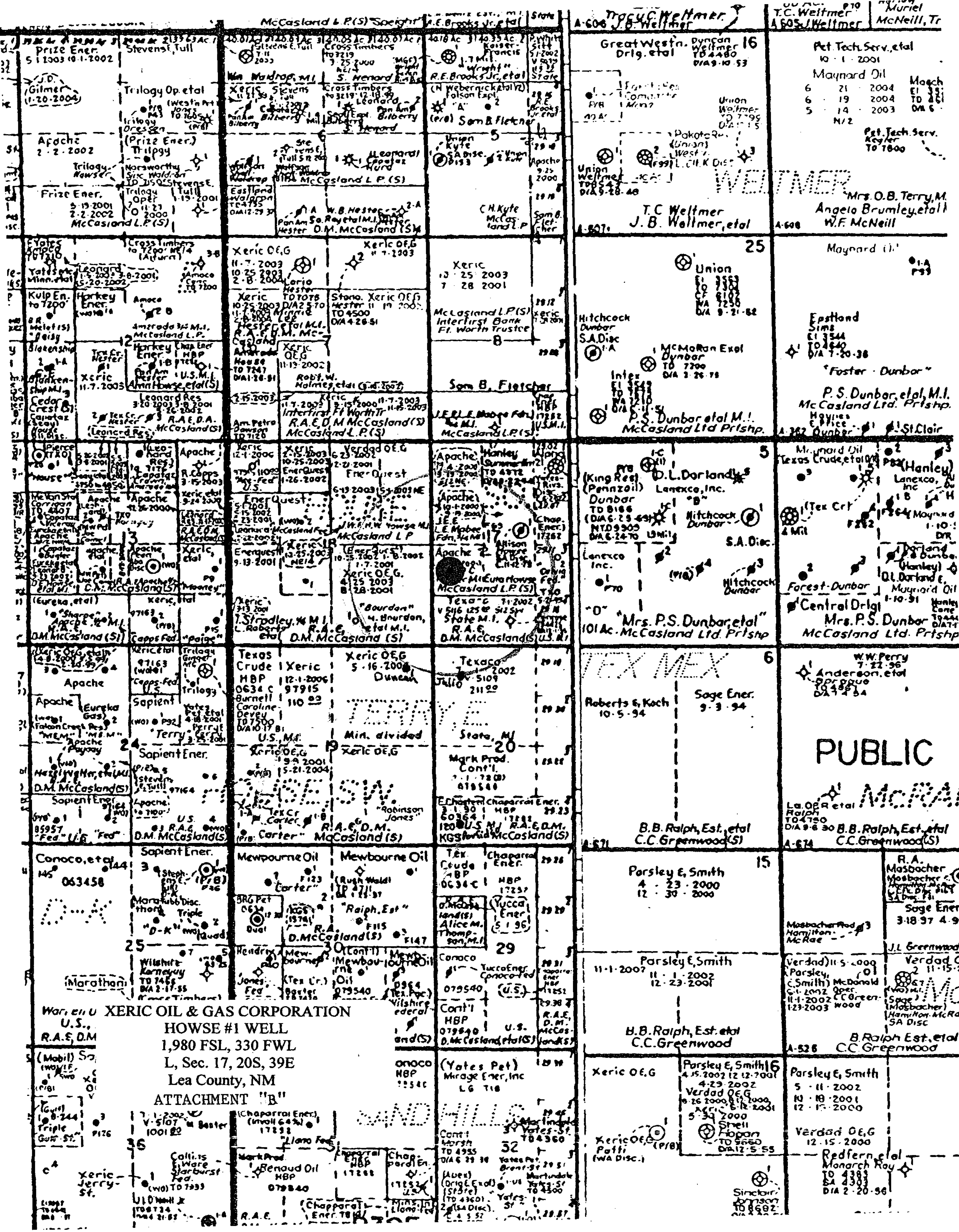
Drilled 11/05/51

Casing Record: 8 5/8" 24# Set at 200'
5 ½" 15.5# Set at 4337'

Open Hole

Plugging Record:
11/28/51 20 sx cement plug on open hole 4337'-4435'.
Shot 5½" csg @ 3974' & Pulled 5½" csg.
10 sx plug set @ 3974'.
15 sx plug set @ 3000'.
15 sx plug @ 1650'.
Squeezed 100 sx @ 330' & filled to surface.





XERIC OIL & GAS CORPORATION
HOWSE #1 WELL
1,980 FSL, 330 FWL
L, Sec. 17, 20S, 39E
Lea County, NM
ATTACHMENT "B"

ATTACHMENT D

Xeric Oil & Gas Corporation
Application for Authorization to Inject
HOWSE #1
Proposed Operations

1. The proposed average volume of fluids to be injected will be 750 bbls/day. The maximum daily rate would be 1200 bbls/day.

2. The system will be a closed system.

3. The proposed average injection pressure is 600 psi. The proposed maximum injection pressure is 980 psi.

4. The proposed injection fluid is produced water from Xeric Oil & Gas offsetting leases. A water analysis from these wells is attached.

5. There is no production from this zone within one mile of the Howse #1. Attached is a water analysis from from the Howse #1 disposal zone (San Andres).

ATTACHMENT D

Champion Technologies, Inc.

Committed To Improvement

Water Analysis Report

9/26/2003

Address: P.O. Box 352
Midland, TX 79702

Customer: Xeric
Attention: Eddie Maddox
CC.

Lease: House
Formation:
Salesman: Jason Ussery

Target Name: House 1
Sample Point: House 1

Sample Date: 06/26/2003 Test Date: 09/05/2003

Water Analysis(mg/L)	
Calcium	2005
Magnesium	1993
Barium	
Strontium	
Sodium(calc.)	19836
Bicarbonate Alkalinity	647
Sulfate	1710
Chloride	38000

Appended Data(mg/L)	
CO2	50
H2S	154
Iron	225
Oxygen	

Physical Properties	
Ionic Strength(calc.	1.27
pH(calc.)	
Temperature(°F)	90
Pressure(psia)	50
Density	8.70

Additional Data			
Specific Gravity	1.04	Dew Poin	
Total Dissolved Solids(Mg/L)	63991	Lead	
Total Hardness(CaCO3 Eq Mg	13181	Zinc	

Calcite Calculation Information

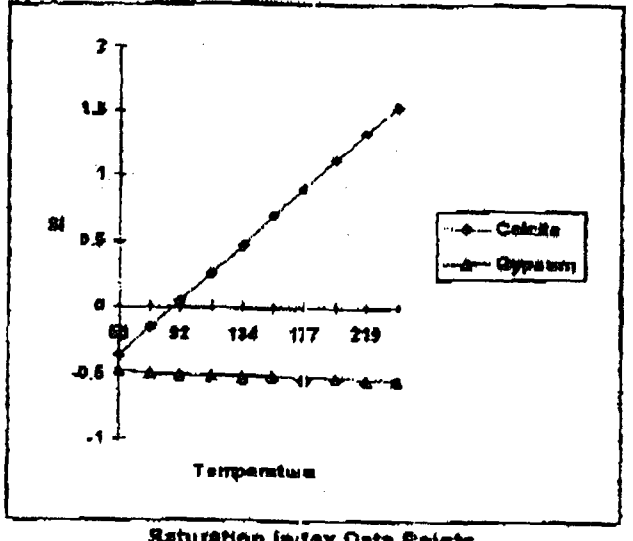
Calculation Method	Value
Known pH	6.85

Remarks

SI & PTB Results

Scale Type	SI	PTB
Calcite (Calcium Carbonate)	0.04	14.50
Gypsum (Calcium Sulfate)	-0.50	
Hemihydrate (Calcium Sulfate)	-0.49	
Anhydrite (Calcium Sulfate)	-0.66	
Barite (Barium Sulfate)		
Celestite (Strontium Sulfate)		

Saturation Indices



Saturation Index Data Points

	50	71	92	113	134	156	177	198	219	240
Calcite	-0.36	-0.15	0.08	0.27	0.48	0.70	0.91	1.12	1.34	1.55
Gypsum	-0.47	-0.49	-0.50	-0.51	-0.52	-0.52	-0.53	-0.53	-0.54	-0.54

Champion Technologies, Inc.

Committed To Improvement

Water Analysis Report

04/18/2002

Address: P.O. Box 352
Midland, TX 79702

Customer: Xeric
Attention: Eddie Maddox
CC:

Lease: Patty
Formation:

Target Name: Patty 1 | Sample Point: Patty 1 | Sample Date: 04/01/2002 | Test Date: 04/17/2002

Water Analysis(mg/L)

Calcium	7940
Magnesium	2867
Barium	
Strontium	
Sodium(calc.)	35315
Bicarbonate Alkalinity	342
Sulfate	2255
Chloride	75000

Appended Data(mg/L)

CO2	20
H2S	17
Iron	6

Physical Properties

Ionic Strength(calc.)	2.51
pH(calc.)	
Temperature(°F)	90
Pressure(psia)	50
Density	9.05

Additional Data

Specific Gravity	1.09
Total Dissolved Solids(Mg/L)	123719
Total Hardness(CaCO3 Eq Mg/L)	31600

Dew Point	
Lead	
Zinc	

Calcite Calculation Information

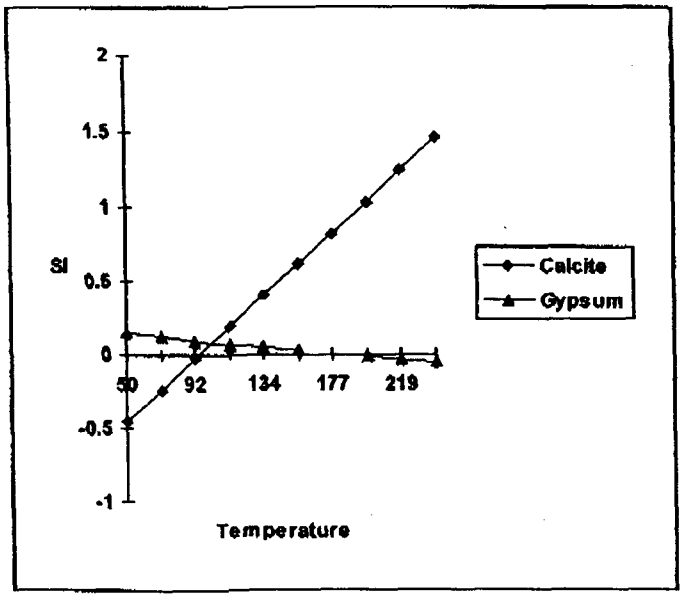
Calculation Method	Value
Known pH	6.56

Remarks:

SI & PTB Results

Scale Type	SI	PTB
Calcite (Calcium Carbonate)	-0.05	
Gypsum (Calcium Sulfate)	0.09	206.30
Hemihydrate (Calcium Sulfate)	0.06	126.50
Anhydrite (Calcium Sulfate)	0.06	118.70
Barite (Barium Sulfate)		
Celestite (Strontium Sulfate)		

Saturation Indices



Saturation Index Data Points

	Calcite	Gypsum
50	-0.45	0.15
71	-0.24	0.12
92	-0.03	0.09
113	0.18	0.06
134	0.40	0.04
156	0.61	0.02
177	0.82	0.00
198	1.03	-0.02
219	1.25	-0.04
240	1.46	-0.05

ATTACHMENT D

Champion Technologies, Inc.

Committed To Improvement

Water Analysis Report

04/18/2002

Address: P.O. Box 352
Midland, TX 79702

Customer: Xeric
Attention: Eddie Maddox
CC:

Lease: Paige
Formation:

Target Name: Paige 1 | Sample Point: Paige 1 | Sample Date: 04/01/2002 | Test Date: 04/17/2002

Water Analysis(mg/L)

Calcium	8742
Magnesium	2722
Barium	
Strontium	
Sodium(calc.)	53843
Bicarbonate Alkalinity	256
Sulfate	1735
Chloride	105000

Appended Data(mg/L)

CO2	20
H2S	0
Iron	149

Physical Properties

Ionic Strength(calc.)	3.35
pH(calc.)	
Temperature(°F)	90
Pressure(psia)	50
Density	9.33

Additional Data

Specific Gravity	1.12
Total Dissolved Solids(Mg/L)	172298
Total Hardness(CaCO3 Eq Mg/L)	33011

Dew Point	
Lead	
Zinc	

Calcite Calculation Information

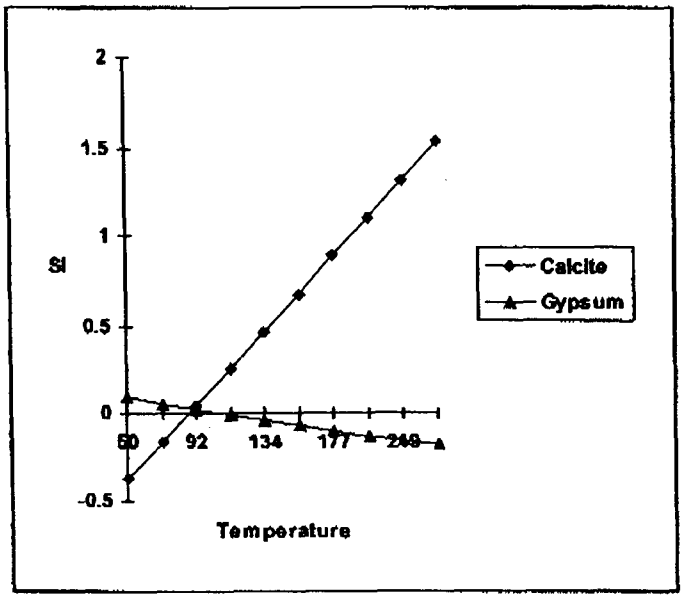
Calculation Method	Value
Known pH	6.65

Remarks:

SI & PTB Results

Scale Type	SI	PTB
Calcite (Calcium Carbonate)	0.03	4.60
Gypsum (Calcium Sulfate)	0.03	59.70
Hemihydrate (Calcium Sulfate)	-0.01	
Anhydrite (Calcium Sulfate)	0.08	118.00
Barite (Barium Sulfate)		
Celestite (Strontium Sulfate)		

Saturation Indices



Saturation Index Data Points

	Calcite	Gypsum
50	-0.37	0.10
71	-0.16	0.06
92	0.05	0.02
113	0.26	-0.01
134	0.47	-0.04
156	0.68	-0.07
177	0.90	-0.10
198	1.11	-0.13
219	1.32	-0.15
240	1.54	-0.17

Champion Technologies, Inc.

Committed To Improvement

Water Analysis Report

04/18/2002

Address: P.O. Box 352
Midland, TX 79702

Customer: Xeric
Attention: Eddie Maddox
CC:

Lease: TCB State
Formation:

Target Name: TCB State 1 | Sample Point: TCB State 1 | Sample Date: 04/01/2002 | Test Date: 04/17/2002

Water Analysis(mg/L)

Calcium	9303
Magnesium	3159
Barium	
Strontium	
Sodium(calc.)	57561
Bicarbonate Alkalinity	256
Sulfate	1735
Chloride	113000

Appended Data(mg/L)

CO2	20
H2S	0
Iron	14

Physical Properties

Ionic Strength(calc.)	3.61
pH(calc.)	
Temperature(°F)	90
Pressure(psia)	50
Density	9.40

Additional Data

Specific Gravity	1.13
Total Dissolved Solids(Mg/L)	185014
Total Hardness(CaCO3 Eq Mg/L)	36204

Dew Point	
Lead	
Zinc	

Calcite Calculation Information

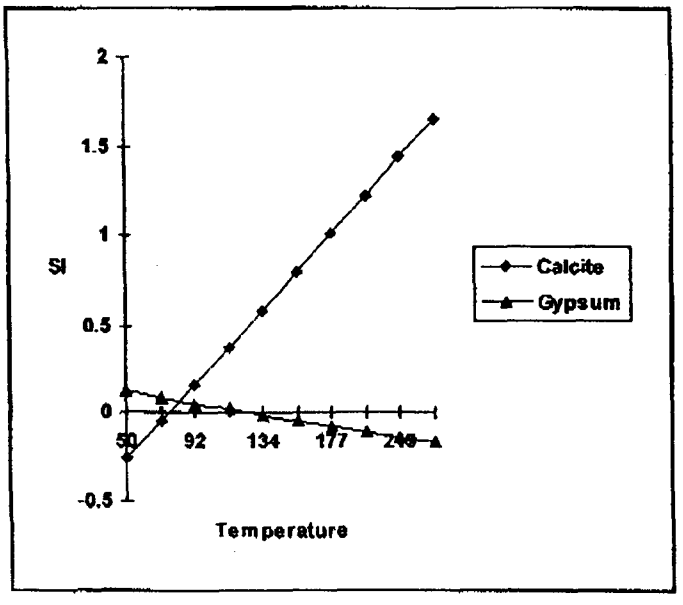
Calculation Method	Value
Known pH	6.70

Remarks:

SI & PTB Results

Scale Type	SI	PTB
Calcite (Calcium Carbonate)	0.14	21.80
Gypsum (Calcium Sulfate)	0.06	118.80
Hemihydrate (Calcium Sulfate)	0.02	37.60
Anhydrite (Calcium Sulfate)	0.14	199.60
Barite (Barium Sulfate)		
Celestite (Strontium Sulfate)		

Saturation Indices



Saturation Index Data Points

	Calcite	Gypsum
50	-0.26	0.13
71	-0.05	0.09
92	0.16	0.05
113	0.37	0.02
134	0.58	-0.02
156	0.80	-0.05
177	1.01	-0.08
198	1.22	-0.11
219	1.44	-0.14
240	1.65	-0.16

ATTACHMENT D

Champion Technologies, Inc.

Committed To Improvement

Water Analysis Report

04/18/2002

Address: P.O. Box 352
Midland, TX 79702

Customer: Xeric
Attention: Eddie Maddox
CC:

Lease: Mooney
Formation:

Target Name: Mooney 1 | Sample Point: Mooney 1 | Sample Date: 04/01/2002 | Test Date: 04/17/2002

Water Analysis(mg/L)

Calcium	8822
Magnesium	2819
Barium	
Strontium	
Sodium(calc.)	56307
Bicarbonate Alkalinity	305
Sulfate	2000
Chloride	109000

Appended Data(mg/L)

CO2	10
H2S	0
Iron	80

Physical Properties

Ionic Strength(calc.)	3.48
pH(calc.)	
Temperature(°F)	90
Pressure(psia)	50
Density	9.37

Additional Data

Specific Gravity	1.12
Total Dissolved Solids(Mg/L)	179253
Total Hardness(CaCO3 Eq Mg/L)	33608

Dew Point	
Lead	
Zinc	

Calcite Calculation Information

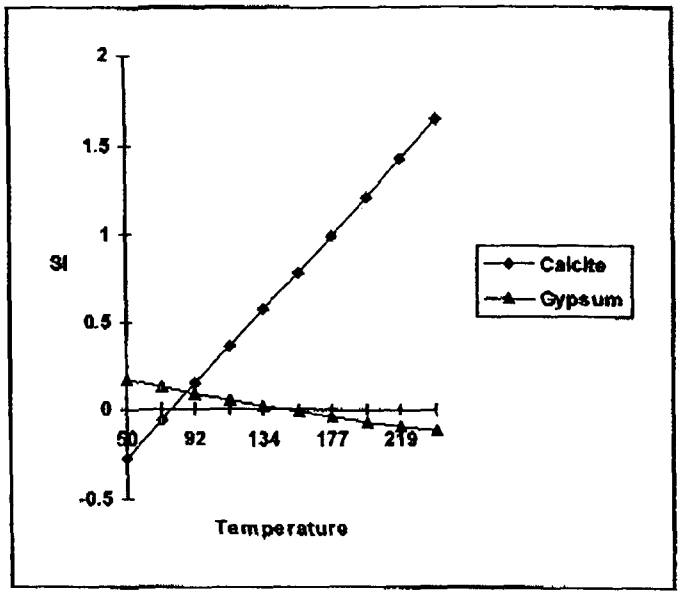
Calculation Method	Value
Known pH	6.65

Remarks:

SI & PTB Results

Scale Type	SI	PTB
Calcite (Calcium Carbonate)	0.12	21.90
Gypsum (Calcium Sulfate)	0.09	189.50
Hemihydrate (Calcium Sulfate)	0.06	116.20
Anhydrite (Calcium Sulfate)	0.16	258.80
Barite (Barium Sulfate)		
Celestite (Strontium Sulfate)		

Saturation Indices



Saturation Index Data Points

	Calcite	Gypsum
50	-0.27	0.17
71	-0.06	0.13
92	0.15	0.09
113	0.36	0.06
134	0.57	0.02
156	0.78	-0.01
177	0.99	-0.04
198	1.21	-0.07
219	1.42	-0.09
240	1.64	-0.11

Champion Technologies, Inc.

Committed To Improvement

Water Analysis Report

04/18/2002

Address: P.O. Box 352
Midland, TX 79702

Customer: Xeric
Attention: Eddie Maddox
CC:

Lease: Jerry State
Formation:

Target Name: Jerry State 1 **Sample Point:** Jerry State 1 **Sample Date:** 04/01/2002 **Test Date:** 04/17/2002

Water Analysis(mg/L)

Calcium	9624
Magnesium	3596
Barium	
Strontium	
Sodium(calc.)	57783
Bicarbonate Alkalinity	281
Sulfate	1965
Chloride	115000

Appended Data(mg/L)

CO2	30
H2S	0
Iron	154

Physical Properties

Ionic Strength(calc.)	3.70
pH(calc.)	
Temperature(°F)	90
Pressure(psia)	50
Density	9.42

Additional Data

Specific Gravity	1.13
Total Dissolved Solids(Mg/L)	188249
Total Hardness(CaCO3 Eq Mg/L)	38798

Dew Point	
Lead	
Zinc	

Calcite Calculation Information

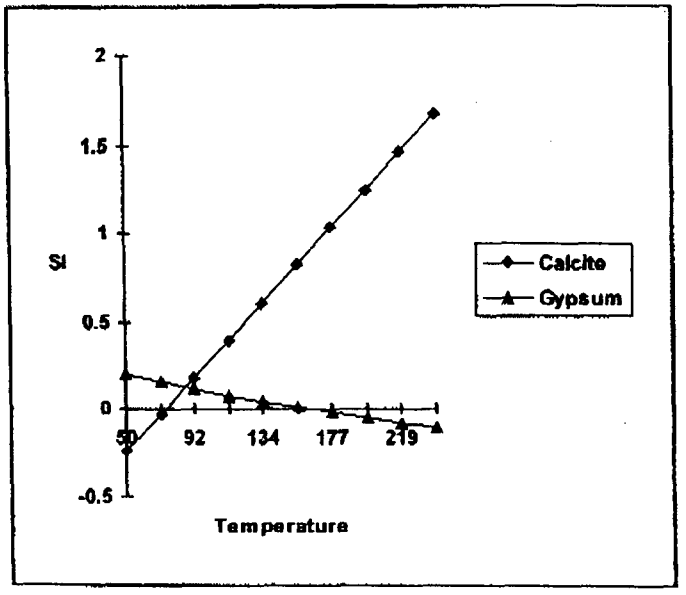
Calculation Method	Value
Known pH	6.65

Remarks:

SI & PTB Results

Scale Type	SI	PTB
Calcite (Calcium Carbonate)	0.16	26.50
Gypsum (Calcium Sulfate)	0.12	250.50
Hemihydrate (Calcium Sulfate)	0.09	154.90
Anhydrite (Calcium Sulfate)	0.22	317.00
Barite (Barium Sulfate)		
Celestite (Strontium Sulfate)		

Saturation Indices



Saturation Index Data Points

	Calcite	Gypsum
50	-0.24	0.20
71	-0.03	0.16
92	0.18	0.12
113	0.39	0.08
134	0.60	0.05
156	0.82	0.01
177	1.03	-0.02
198	1.24	-0.05
219	1.46	-0.08
240	1.67	-0.10

ATTACHMENT D

Champion Technologies, Inc.

Committed To Improvement

Water Analysis Report

04/18/2002

Address: P.O. Box 352
Midland, TX 79702

Customer: Xeric
Attention: Eddie Maddox
CC:

Lease: Capps Fed
Formation:

Target Name: Capps Fed 2 | Sample Point: Capps Fed 2 | Sample Date: 04/01/2002 | Test Date: 04/17/2002

Water Analysis(mg/L)

Calcium	8341
Magnesium	2819
Barium	
Strontium	
Sodium(calc.)	54913
Bicarbonate Alkalinity	305
Sulfate	2000
Chloride	106000

Appended Data(mg/L)

CO2	150
H2S	0
Iron	21

Physical Properties

Ionic Strength(calc.)	3.38
pH(calc.)	
Temperature(°F)	90
Pressure(psia)	50
Density	9.34

Additional Data

Specific Gravity	1.12
Total Dissolved Solids(Mg/L)	174378
Total Hardness(CaCO3 Eq Mg/L)	32406

Dew Point	
Lead	
Zinc	

Calcite Calculation Information

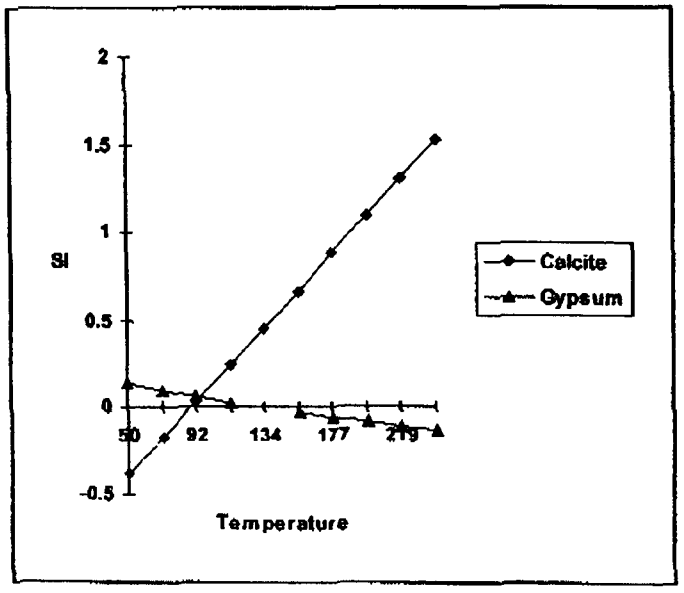
Calculation Method	Value
Known pH	6.58

Remarks:

SI & PTB Results

Scale Type	SI	PTB
Calcite (Calcium Carbonate)	0.02	4.10
Gypsum (Calcium Sulfate)	0.07	155.30
Hemihydrate (Calcium Sulfate)	0.03	58.20
Anhydrite (Calcium Sulfate)	0.13	218.40
Barite (Barium Sulfate)		
Celestite (Strontium Sulfate)		

Saturation Indices



Saturation Index Data Points

	Calcite	Gypsum
50	-0.38	0.14
71	-0.17	0.10
92	0.04	0.07
113	0.25	0.03
134	0.46	0.00
156	0.67	-0.03
177	0.89	-0.06
198	1.10	-0.08
219	1.31	-0.11
240	1.53	-0.13

Champion Technologies, Inc.

Committed To Improvement

Water Analysis Report

04/18/2002

Address: P.O. Box 352
Midland, TX 79702

Customer: Xeric
Attention: Eddie Maddox
CC:

Lease: Carter
Formation:

Target Name: Carter 1 | Sample Point: Carter 1 | Sample Date: 04/01/2002 | Test Date: 04/17/2002

Water Analysis(mg/L)

Calcium	9704
Magnesium	3645
Barium	
Strontium	
Sodium(calc.)	62028
Bicarbonate Alkalinity	378
Sulfate	1660
Chloride	122000

Appended Data(mg/L)

CO2	140
H2S	0
Iron	135

Physical Properties

Ionic Strength(calc.)	3.89
pH(calc.)	
Temperature(°F)	90
Pressure(psia)	50
Density	9.48

Additional Data

Specific Gravity	1.14
Total Dissolved Solids(Mg/L)	199415
Total Hardness(CaCO3 Eq Mg/L)	39199

Dew Point	
Lead	
Zinc	

Calcite Calculation Information

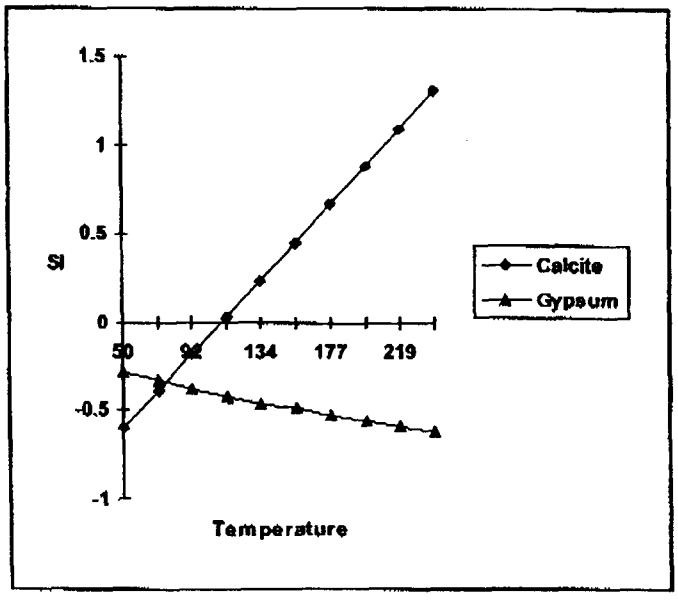
Calculation Method	Value
Known pH	6.53

Remarks:

SI & PTB Results

Scale Type	SI	PTB
Calcite (Calcium Carbonate)	0.20	44.10
Gypsum (Calcium Sulfate)	0.06	113.10
Hemihydrate (Calcium Sulfate)	0.03	47.70
Anhydrite (Calcium Sulfate)	0.18	234.80
Barite (Barium Sulfate)		
Celestite (Strontium Sulfate)		

Saturation Indices



Saturation Index Data Points

	Calcite	Gypsum
50	-0.60	-0.29
71	-0.39	-0.33
92	-0.18	-0.38
113	0.03	-0.42
134	0.24	-0.46
156	0.45	-0.49
177	0.67	-0.53
198	0.88	-0.56
219	1.09	-0.59
240	1.31	-0.62

Champion Technologies, Inc.

Committed To Improvement

Water Analysis Report

04/18/2002

Address: P.O. Box 352
Midland, TX 79702

Customer: Xeric
Attention: Eddie Maddox
CC:

Lease: TCB State
Formation:

Target Name: TCB State 3 | Sample Point: TCB State 3 | Sample Date: 04/01/2002 | Test Date: 04/17/2002

Water Analysis(mg/L)

Calcium	9665
Magnesium	3159
Barium	
Strontium	
Sodium(calc.)	59580
Bicarbonate Alkalinity	256
Sulfate	1880
Chloride	117000

Appended Data(mg/L)

CO2	10
H2S	0
Iron	14

Physical Properties

Ionic Strength(calc.)	3.74
pH(calc.)	
Temperature(°F)	90
Pressure(psia)	50
Density	9.44

Additional Data

Specific Gravity	1.13
Total Dissolved Solids(Mg/L)	191740
Total Hardness(CaCO3 Eq Mg/L)	37609

Dew Point	
Lead	
Zinc	

Calcite Calculation Information

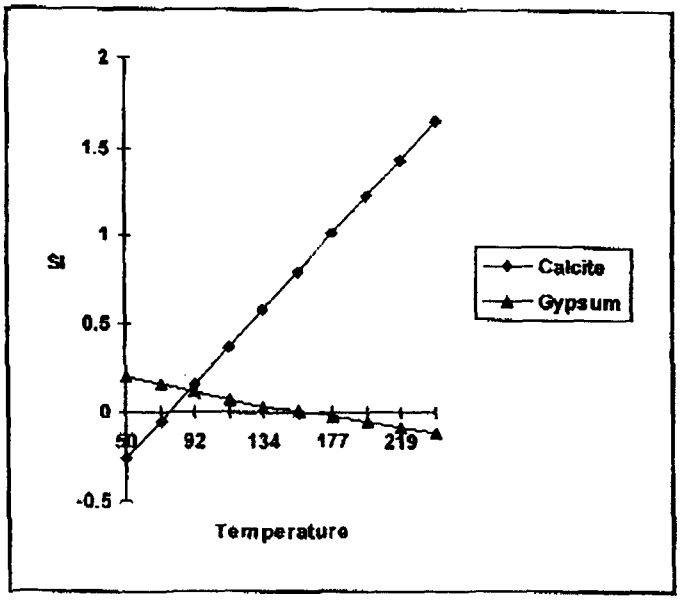
Calculation Method	Value
Known pH	6.65

Remarks:

SI & PTB Results

Scale Type	SI	PTB
Calcite (Calcium Carbonate)	0.14	21.80
Gypsum (Calcium Sulfate)	0.12	240.80
Hemihydrate (Calcium Sulfate)	0.09	148.90
Anhydrite (Calcium Sulfate)	0.22	304.80
Barite (Barium Sulfate)		
Celestite (Strontium Sulfate)		

Saturation Indices



Saturation Index Data Points

	Calcite	Gypsum
50	-0.26	0.20
71	-0.05	0.16
92	0.16	0.12
113	0.37	0.08
134	0.58	0.04
156	0.79	0.01
177	1.01	-0.02
198	1.22	-0.05
219	1.43	-0.08
240	1.65	-0.11

ATTACHMENT "E"
Xeric Oil & Gas Corporation
Application for Authorization to Inject
Howse #1
Geological Data of the Injection Zone

Depth	Lithologic	Geological Name	Thickness
4306'-4900'	Dolomite	San Andres	594'

Perfs:
4332-4346'
4356-4362'
4412-4428'
4454-4464'
4558-4568
4600-4608'
4640-4658'
4716-4724'
4826-4832'
4836-4842'

According to the State of New Mexico Engineering Department there are no known underground sources of drinking water overlying the proposed injection zone as well as known underground sources of drinking water underlying the injection interval.

ATTACHMENT H

XERIC OIL & GAS CORPORATION
APPLICATION FOR AUTHORIZATION TO INJECT
HOWSE #1

I, Randy Hall, of Xeric Oil & Gas Corporation, have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water concerning the Howse #1 located in Unit Letter L, Section 17, Township 20 South, Range 39 East, Lea County, New Mexico.

Randy Hall

Randy Hall, Geologist

9-30-03

Date

AFFIDAVIT OF PUBLICATION

ATTACHMENT I

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1

weeks.

Beginning with the issue dated

September 14 2003

and ending with the issue dated

September 14 2003

Kathi Bearden

Publisher

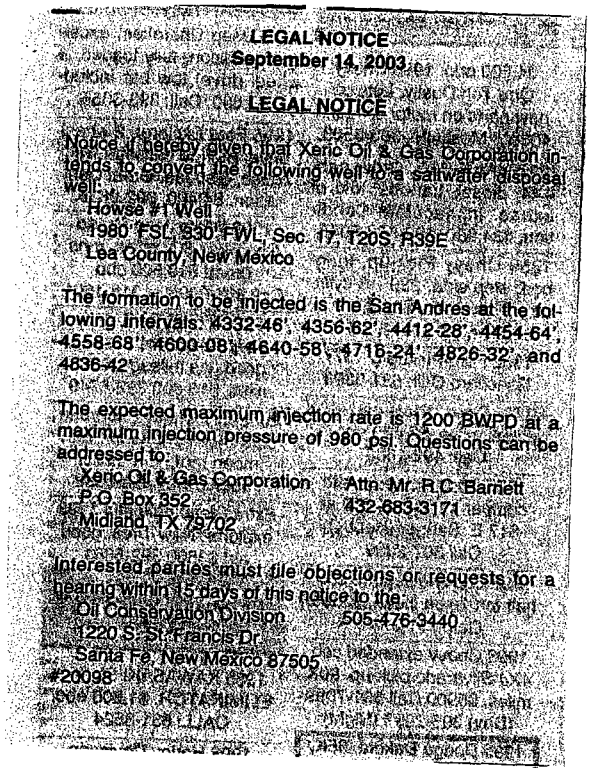
Sworn and subscribed to before me this 15th day of September 2003

Janie Holdridge

Notary Public.

My Commission expires
4-16-04
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.



LEGAL NOTICE
September 14, 2003

LEGAL NOTICE

Notice is hereby given that Xeric Oil & Gas Corporation intends to convert the following well to a saltwater disposal well:

Howse #1 Well
1980' FSL, 330' FWL, Sec. 17, T20S, R39E
Lea County, New Mexico

The formation to be injected is the San Andres at the following intervals: 4332-48', 4356-62', 4412-28', 4454-64', 4558-68', 4600-08', 4640-58', 4716-24', 4826-32', and 4836-42'.

The expected maximum injection rate is 1200 BWPD at a maximum injection pressure of 980 psi. Questions can be addressed to:

Xeric Oil & Gas Corporation Attn: Mr. R.C. Barnett
P.O. Box 352 432-683-3171
Midland, TX 79702

Interested parties must file objections or requests for a hearing within 15 days of this notice to the:

Oil Conservation Division 505-476-3440
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505
#20098

01105518000 67516423

Xeric Oil & Gas
P.O. Box 352
MIDLAND, TX 79702

ATTACHMENT I

XERIC OIL & GAS CORPORATION

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

SENT VIA CERTIFIED MAIL

7002 0460 0002 0065 5494

September 30, 2003

Apache Corporation
Attn: Land Administration
2000 Post Oak Blvd., Ste. 100
Houston, TX 77056-4400

Re: Howse #1 Application for Saltwater Disposal
Unit L, Sec. 17, 20S, 39E
Lea County, New Mexico

Gentlemen:

In accordance with Rules and Regulations of the Oil Conservation Division of the State of New Mexico you are being provided a copy of the Application for Authorization to Inject on the above captioned well.

Objections or requests for hearing must be filed with the Oil Conservation Division within fifteen (15) days from the above date. Objections and requests for hearing should be addressed to: Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico, 87505.

Yours truly,

Angie Crawford

Angie Crawford

AC

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7002 0460 0002 0065 5494

OFFICIAL USE

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

USPS SEP 30 2003 Postmark Here DOWNTOWN STA TX MIDLAND

Sent To: Apache Corporation
Attn: Land Administration
Street, Apt. No.; or PO Box No.: 2000 Post Oak Blvd., Ste. 100
City, State, ZIP+4: Houston, TX 77056-4400

ATTACHMENT I

XERIC OIL & GAS CORPORATION

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

SENT VIA CERTIFIED MAIL
7002 0460 0002 0065 5487

September 30, 2003

Mr. Robert McCasland
P. O. Box 206
Eunice, New Mexico 88231

Re: Howse #1 Application for Saltwater Disposal
Unit L, Sec. 17, 20S, 39E
Lea County, New Mexico

Dear Mr. McCasland:

In accordance with Rules and Regulations of the Oil Conservation Division of the State of New Mexico you are being provided a copy of the Application for Authorization to Inject on the above captioned well.

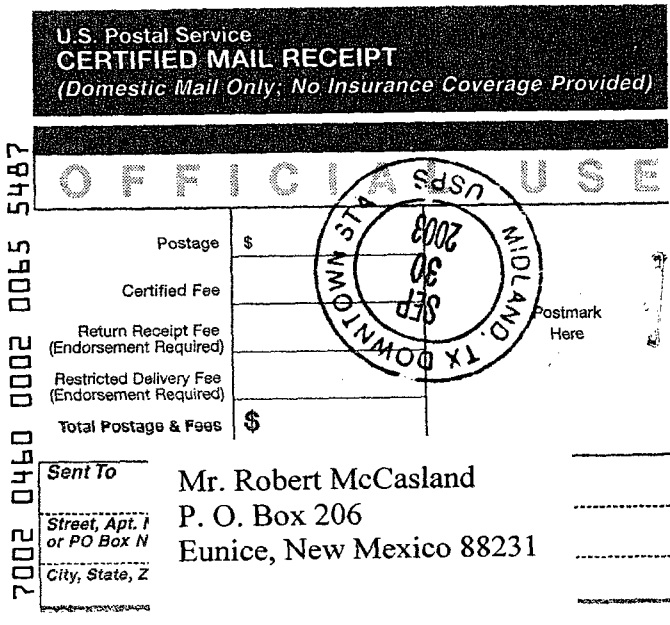
Objections or requests for hearing must be filed with the Oil Conservation Division within fifteen (15) days from the above date. Objections and requests for hearing should be addressed to: Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico, 87505.

Yours truly,

Angie Crawford

Angie Crawford

AC



XERIC OIL & GAS CORPORATION

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

October 17, 2003

RECEIVED

OCT 2 0 2003

OIL CONSERVATION DIVISION

Richard Azanium
New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505

Re: Request for Administrative Approval
for Saltwater Disposal, Howse #1 Well
Unit L, Sec. 17, 20S, 39E
Lea County, New Mexico

Dear Richard:

As per our conversation late yesterday, please find enclosed Attachment G, water analysis for two of the water wells in the area of interest for the above application.

If you have any questions, or I can be of any assistance please do not hesitate to call me at the above-mentioned address or telephone number.

Sincerely,

Angie Crawford

AC

CC: OCD, District I

ATTACHMENT G

BJ SERVICES

Water Analysis

Date: 07-Oct-03

2708 West County Road, Hobbs NM 88240
Phone (505) 392-5556 Fax (505) 392-7307

Analyzed For

Company	Well Name	County	State
Xeric	West Windmil # 1	Lea	New Mexico

Sample Source	**Wellhead**	***Sample #***	**1**
Formation		***Depth***	

Specific Gravity	**1.005**	*SG @ 60 °F*	**1.007**
pH	**6.69**	*Sulfides*	**Absent**
Temperature (°F)	**70**	*Reducing Agents*	

Cations

Sodium (Calc)	*in Mg/L*	**263**	*in PPM*	**261**
Calcium	*in Mg/L*	**80**	*in PPM*	**79**
Magnesium	*in Mg/L*	**24**	*in PPM*	**24**
Soluable Iron (FE2)	*in Mg/L*	**0.0**	*in PPM*	**0**

Anions

Chlorides	*in Mg/L*	**240**	*in PPM*	**238**
Sulfates	*in Mg/L*	**300**	*in PPM*	**298**
Bicarbonates	*in Mg/L*	**268**	*in PPM*	**267**
Total Hardness (as CaCO3)	*in Mg/L*	**300**	*in PPM*	**298**
Total Dissolved Solids (Calc)	*in Mg/L*	**1,176**	*in PPM*	**1,168**
Equivalent NaCl Concentration	*in Mg/L*	**844**	*in PPM*	**838**

Scaling Tendencies

**Calcium Carbonate Index*	**21,472**
Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable	
**Calcium Sulfate (Gyp) Index*	**24,000**
Below 500,000 Remote / 500,000 - 10,000,00 Possible / Above 10,000,000 Probable	

****This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.***

Remarks rw=10@70f

NENW Sec 19

Report # 1406

NENW

ATTACHMENT G

BJ SERVICES

Water Analysis

Date: 07-Oct-03

2708 West County Road, Hobbs NM 88240
Phone (505) 392-5556 Fax (505) 392-7307

Analyzed For

Company	Well Name	County	State
Xeric	South Windmil # 3	Lea	New Mexico

Sample Source	**Wellhead**	***Sample #***	**1**
Formation		***Depth***	

Specific Gravity	**1.005**	*SG @ 60 °F*	**1.007**
pH	**6.53**	*Sulfides*	**Absent**
Temperature (°F)	**70**	*Reducing Agents*	

Cations

Sodium (Calc)	*in Mg/L*	**225**	*in PPM*	**223**
Calcium	*in Mg/L*	**144**	*in PPM*	**143**
Magnesium	*in Mg/L*	**19**	*in PPM*	**19**
Soluable Iron (FE2)	*in Mg/L*	**0.0**	*in PPM*	**0**

Anions

Chlorides	*in Mg/L*	**240**	*in PPM*	**238**
Sulfates	*in Mg/L*	**350**	*in PPM*	**348**
Bicarbonates	*in Mg/L*	**273**	*in PPM*	**271**
Total Hardness (as CaCO3)	*in Mg/L*	**440**	*in PPM*	**437**
Total Dissolved Solids (Calc)	*in Mg/L*	**1,251**	*in PPM*	**1,243**
Equivalent NaCl Concentration	*in Mg/L*	**883**	*in PPM*	**876**

Scaling Tendencies

Calcium Carbonate Index* **39,352

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

Calcium Sulfate (Gyp) Index* **50,400

Below 500,000 Remote / 500,000 - 10,000,00 Possible / Above 10,000,000 Probable

****This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.***

Remarks rw=9@70f

NESE Sec 19

Report # 1408

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Oil Conservation Division
1220 S. Francis Drive
Santa Fe, NM 87505

RE: Proposed:
MC
DHC
NSL
NSP
SWD X
WFX
PMX

Gentlemen:

I have examined the application for the:

Xeric Oil & Gas Corp Howse #1-L-17-20s-39e 30-025-36226
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK KZ

Yours very truly,

Chris Williams
Chris Williams
Supervisor, District 1