



4. Despite its good faith efforts, Xeric has been unable to locate the foregoing parties.

5. Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Xeric needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

6. In accordance with Division Rule 1207.A(2) attached are the following exhibits in support of this case:

Exhibit A: map outlining the spacing unit to be pooled which is the SW/4 SW/4 of Section 19, T-20-S, R-39-E;

Exhibit B: a list of the names and last known addresses of all parties to be pooled with the nature and percent of their interest;

Exhibit C: written evidence of attempts to reach voluntary agreement;

Exhibit D: geologic displays of the Abo formation to be tested which forms the basis for the opinion that the maximum 200% risk factor penalty is justified;

Exhibit E: type log for the principal formations. This is expected to be an oil well on 40 acre oil (gas) well spacing but pooling should include all from the surface to the base of the Abo formation and include but are not limited to the DK Abo Pool;

Exhibit F: a copy of Ernest & Young average well costs overhead rates of \$4,000/month drilling and \$400/month producing well rates which we request be authorized for this case;

Exhibit G: copy of Division form C-102 showing the well location;

Exhibit H: copy of the AFE in the amount of \$455,285.00 completed well costs for this well which I conclude is fair reasonable and current for wells of this type in this area.

7. We recommend that a compulsory pooling order be entered which provides that:

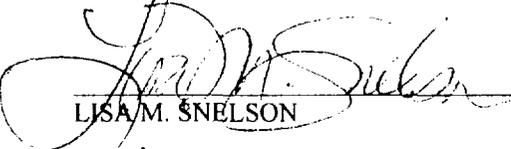
- (a) Xeric Oil & Gas Corporation be named Operator;
- (b) Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (c) In the event a working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200%; and
- (d) Provision for overhead rates of \$4,000 per month drilling and \$400 per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;

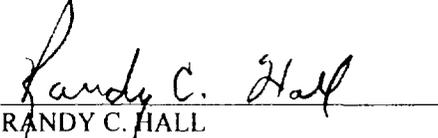
D. We have formed the following opinions based upon our respective expertise and upon the foregoing chronology of events:

- (1) That approval of Xeric Oil & Gas Corporation's application in this Case is necessary in order to consolidate the interest ownership within this spacing unit for the drilling, completing and producing the subject well, will not violate correlative rights and well help prevent waste and promote the conservation of natural resources.
- (2) That the New Mexico Oil Conservation Division should enter an order pooling all mineral interests from the surface to the base of the Delaware formation underlying SW/4 SW/4 of Section 19, T-20-S, R-39-E, NMPM, Lea County, New Mexico, forming a standard 40 acre spacing and proration unit for any and all formations and/or pools developed on 40 acre spacing within said vertical extent, which presently includes but is not necessarily limited to the D-K Abo Pool to dedicate this pooled nit to its Carter "19" well number 1 to be drilled and completed at a standard oil (gas) well location within said spacing unit including the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for

supervision, designation of applicant as the operator of the well and a 200% charge for risk involved in drilling and completing said well.

FURTHER AFFIANTS SAYETH NOT:

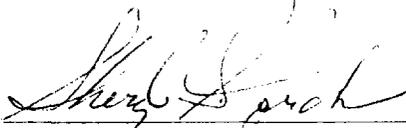
  
LISA M. SNELSON

  
RANDY C. HALL

STATE OF TEXAS            )(

COUNTY OF MIDLAND       )(

SUBSCRIBED AND SWORN TO before me this 20<sup>th</sup> day of June, 1997, by LISA M. SNELSON and RANDY C. HALL.

  
NOTARY PUBLIC in and for the  
STATE OF TEXAS

My Commission Expires:



D.A.  
Tipton  
Crown  
Amerada  
Am. Petro  
Dawson  
07120

R.A.E.  
D.M. McCasland(S)

Penwell Okla. Op.

EXHIBIT "A" to that certain  
AFFIDAVIT dated June 20, 1997  
by Lisa M. Snelson and  
Randy C. Hall re: Compulsory  
Pooling, Lea County, NM

Jno. W. & Ben. W.  
Howse, MI  
M. Deck Est. (S)

Leonard  
Res. base  
4-27-92  
P.E. Ware, Jr.  
I.E.  
island(S)

Leonard  
Res. base  
11-20-93  
to SA base  
M.I.

Pyramid  
Tr.  
10-25-92

Xeric O&G  
5-20-99

XERIC  
O&G  
9-1-2006  
97163  
430  
U.S.

Leonard  
Res.  
11-1-91  
5-29-93

L.M.  
Roberts, et al  
T. Stradley, 1/4 M.I.  
R.A.E.  
D.M. McCasland (S)

H.C. Bourson,  
et al, MI

Xeric  
O&G  
9-1-2006  
97163  
430  
U.S.

Burnett  
Caroline  
Devey  
TD 7500  
QA10-17B1

Texas  
Crude  
HBP  
0634-C

Penwell  
Ener.  
12-1-2006  
97915  
110 00

Xeric O&G  
9-5-99  
6-26-98  
6-13-97

U.S., MI

Min. divided

Stevens & Tull  
9-1-2006  
97164  
858 00

8-27-99  
6-26-98  
6-13-97  
SW/4

Xeric O&G  
5-11-99  
5-28-97  
S/2

7-16-99 SE/4

U.S.  
R.A.E.  
D.M. McCasland(S)

Tex. Cr.  
Carter

R.A.E. D.M.  
McCasland (S)

**EXHIBIT "B"**  
**hereby attached to and made a part of that certain**  
**AFFIDAVIT OF**  
**APPLICATION OF XERIC OIL & GAS CORPORATION**  
**FOR COMPULSORY POOLING**

<b><u>OWNER NAME/ LAST KNOWN ADDRESS</u></b>	<b><u>PERCENTAGE OF INTEREST</u></b>
1) ALICE T. BANNATYNE San Francisco County, California	9/320ths Unleased Mineral Int.
2) HEIRS OF HARALD MULLER AND HELEN MULLER San Francisco County, California	9/320ths Unleased Mineral Int
3) WILLIAM H. FOSTER 6303 Wood Drive Oakland, CA 94611	9/640ths Unleased Mineral Int.
4) MARY C. FOSTER GEDDES 6303 Wood Drive Oakland, CA 94611	9/640ths Unleased Mineral Int.

**EXHIBIT "C"**  
**hereby attached to and made a part of that certain**  
**AFFIDAVIT OF**  
**APPLICATION OF XERIC OIL & GAS CORPORATION**  
**FOR COMPULSORY POOLING**

**WRITTEN ATTEMPTS TO LOCATE MISSING MINERAL OWNERS**

1) **ALICE T. BANNATYNE**

**Premise:** Last document filed of record in Lea County, New Mexico by Alice T. Bannatyne, an "Affidavit of Surviving Spouse" dated November 4, 1960, stated that when her husband, Matthew Bannatyne died, he was a resident of San Francisco County, California. Furthermore, the notary public omitted the portion of the acknowledgment which indicates the county name. Therefore, we have no indication from the document as to Mrs. Bannatyne's address as of the date of this Affidavit.

**Attempts:**

- 1) Checked the local area phone books for Lovington and Hobbs, New Mexico area.
- 2) Researched the records of the office of the County Clerk of Lea County, New Mexico.
- 3) Ran her name on the 1996 Phone Directory called "Select Phone CD" on CD Rom on computer, using the discs for all parts of the U.S;
- 4) Ran her name on CD Rom on computer on program entitled Social Security Death Benefit Records, November 1994 Edition.
- 5) Wrote to the Clerk of the Superior Court in San Francisco on January 23, 1997 requesting a search of their probate records for a copy of the Will and Final Decree for the Estate of Alice T. Bannatyne, a/k/a Mrs. M. S. Bannatyne for the period beginning 1960 (the date of the Affidavit of Surviving Spouse) and ending 1970.

**Results:**

- 1) Located no Alice T. or Matthew Bannatyne in local phone books for Hobbs or Lovington, New Mexico.
- 2) Found no more recent document filed by the Bannatynes than that described in the Premise above.
- 3) Located no one by that name on any of the computer discs for the 1996 Phone Directory;
- 4) Located only one Alice Bannatyne who died in 1985 in Cheboygan, Michigan; I phoned the Cheboygan County Probate Court and requested all probate information available. The Probate Court sent me a copy of the Petition and Order for Assignment, Estate Not Exceeding \$2,500, which indicated that the full name of the deceased was Alice R. Bannatyne and not the Alice T. Bannatyne who signed the Affidavit of Surviving Spouse referenced above. However, I did write a letter of inquiry dated August 27, 1996 to the son of Alice R. Bannatyne, being Terry B. Bannatyne, as indicated in the Petition I received from Cheboygan County Probate Court. In his call in response to my letter, Terry Bannatyne indicated that his parents did not own mineral interest in Lea County, New Mexico and his father was not named Matthew Bannatyne, thereby disclaiming the association to the Alice T. Bannatyne who is the owner we seek.
- 5) The Clerk of the Superior Court in San Francisco, California responded to our request of January 23, 1997 and indicated that they found no record of a will or probate filed in their county for Alice T. Bannatyne for the years 1960 through 1970.

**EXHIBIT "C" to that certain AFFIDAVIT by Lisa M. Snelson and Randy C. Hall dated June 20, 1997 re: Compulsory Pooling - CARTER #19-1 - Lea County, NM**

2) **HEIRS OF HARALD MULLER AND HELEN MULLER, husband and wife**

Premise: The last document signed by Harald Muller found filed of record in Lea County, New Mexico, an Oil and Gas Lease dated November 16, 1983, was notarized in San Francisco County, California.

Attempts:

- 1) Checked the local area phone books for Lovington and Hobbs, New Mexico area.
- 2) Researched the records of the office of the County Clerk of Lea County, New Mexico.
- 3) Ran his and her name on the 1996 Phone Directory called "Select Phone CD" on CD Rom on computer, using the disk for the Pacific Coast of the U.S.;
- 4) Ran his name on CD Rom on computer on program entitled Social Security Death Benefit Records, November 1994 Edition.
- 5) Wrote to the Clerk of the Superior Court in San Francisco on September 17, 1996 requesting a search of their probate records for a copy of the Will and Final Decree for the Estate of Harald Muller, a/k/a Harold Muller, indicating the date of death and the social security number of the deceased as indicated by the Social Security Death Benefit Records report.
- 6) Wrote to the Clerk of the Superior Court in San Francisco on January 23, 1997 requesting a search of their probate records for a copy of the Will and Final Decree for the Estate of Helen Muller, a/k/a Mrs. Harald Muller, for the period of 1983 to the present.

Results:

- 1) Located no Helen or Harald Muller in local phone books for Hobbs or Lovington, New Mexico.
- 2) Found no more recent document filed by the Mullers than that described in the Premise above.
- 3) Located no one by the name of Harald or Helen Muller on any of the computer discs for the 1996 Phone Directory; however, I did locate a Mrs. Harald Muller in San Francisco. Secondly, by inquiry letter dated August 27, 1996 to Mrs. Harald Muller at 124 Saint Charles, San Francisco, California 94132, I requested she contact me in this regard. I received no response to this letter. Therefore, I wrote to her a second time on January 13, 1997 sent by certified return receipt mail. She responded by contacting me by phone and advising me that she was not Helen Muller and that she owned no mineral interest in New Mexico.
- 4) Located only one Harald Muller who died in September of 1985 in San Francisco, California.
- 5) The Clerk of the Superior Court in San Francisco, California responded to our request of September 17, 1996 and indicated that they found no copy of a will or probate filed in their county for Harald Muller for the years beginning 1985 to present.
- 6) The Clerk of the Superior Court in San Francisco, California responded to our request of January 23, 1997 and indicated that they found no copy of a will or probate filed in their county for Helen Muller for the years beginning 1983 to present.

**EXHIBIT "C" to that certain AFFIDAVIT by Lisa M. Snelson and Randy C. Hall dated June 20, 1997 re: Compulsory Pooling - CARTER #19-1 - Lea County, NM**

**3) WILLIAM J. FOSTER**

Premise: The last document found filed of record in Lea County, New Mexico, which was signed by William J. Foster and Mary Foster Geddes was a Quitclaim Deed from the Estate of William H. Foster to themselves as his legal heirs recorded in Book 420, page 36 of the Oil and Gas Records. In the document it lists an address for William J. Foster, being the address listed in Exhibit "B" of this Affidavit, as 6303 Wood Drive, Oakland, California 94611.

Attempts:

- 1) Checked the local area phone books for Lovington and Hobbs, New Mexico area.
- 2) Researched the records of the office of the County Clerk of Lea County, New Mexico.
- 3) Ran his name on the 1996 Phone Directory called "Select Phone CD" on CD Rom on computer, using the disk for the Pacific Coast of the U.S.;
- 4) Sent offer letter dated July 12, 1996 to last known address as indicated in the Premise above.

Results:

- 1) Located no William J. Foster in local phone books for Hobbs or Lovington, New Mexico.
- 2) Found no more recent document filed by the Fosters than that described in the Premise above.
- 3) Located on the Phone Directories a William J. Foster (at 2723 S. Hillrise Drive, Walnut Creek, California 91789) and wrote a letter of inquiry on September 29, 1996, requesting he contact me by phone in this regard. Since I received no response to this letter, I followed up by sending another copy of the letter by certified return receipt mail. I later received a phone call from this William J. Foster, who indicated his father was not named William Hartry Foster and he did not own any mineral interest in Lea County, New Mexico. Therefore, it was determined that he was not the same William J. Foster who inherited this interest from his parents William H. Foster and Hilda C. Foster.
- 4) Received no response to our letter dated July 12, 1996 to the last known address.

**4) MARY C. FOSTER GEDDES**

Premise: The last document found filed of record in Lea County, New Mexico, which was signed by Mary C. Foster Geddes and William J. Foster was a Quitclaim Deed from the Estate of William H. Foster to themselves as his legal heirs recorded in Book 420, page 36 of the Oil and Gas Records. In the document it lists an address for William J. Foster, being the address listed in Exhibit "B" of this Affidavit, as 6303 Wood Drive, Oakland, California 94611.

Attempts:

- 1) Checked the local area phone books for Lovington and Hobbs, New Mexico area.
- 2) Researched the records of the office of the County Clerk of Lea County, New Mexico.
- 3) Ran her name on the 1996 Phone Directory called "Select Phone CD" on CD Rom on computer, using the disk for the Pacific Coast of the U.S.;
- 4) Called each "M. Geddes" listed by the 1996 Phone directory for the Pacific Coast.

**EXHIBIT "C" to that certain AFFIDAVIT by Lisa M. Snelson and Randy C. Hall dated June 20, 1997 re: Compulsory Pooling - CARTER #19-1 - Lea County, NM**

**Results:**

- 1) Located no Mary Geddes or Mary Foster in local phone books for Hobbs or Lovington, New Mexico.
  
- 2) Found no more recent document filed by Mary Geddes than that described in the Premise above.
  
- 1) Found no listing on 1996 Phone Directory for Pacific Coast area for a Mary Geddes. However, found five listings for an "M. Geddes".
  
- 2) Talked to one of the "M. Geddes" listed by the 1996 Phone Directory and left messages on answering machines for the remainder. Received no response to calls.

**PREPARED BY:**

-----  
**LISA M. SNELSON, AFFIANT**  
Signed for Identification Purposes Only





COMPANY NEWBOURNE OIL COMPANY  
 WELL CARTER NO. 3  
 FIELD D K ABO  
 COUNTY LEA STATE NM  
 SECTION 30 TWP 20-S RGE 30-E  
 ELEV 3500 FT ABOVE PERM DATUM  
 ELEV 1114 FT 3570  
 LOG MEASURED FROM K.B. OR 10 FT ABOVE PERM DATUM  
 DEPTH LOG MEASURED FROM K.B.

DEPTH-DRILLER 7700  
 DEPTH-LOSS 7699  
 TOP LOG INTER SURFACE  
 CHANGING DEPTHS 1625  
 CHANGING DEPTHS 1625  
 BIT SIZE 7 8/16  
 TYPE FLUID IN HOLE BRINE  
 DENS. & VISC. 10.3 @ 295  
 PH & FLUID LOSS 9  
 SOURCE OF SAMPLE MUD PIT  
 RHF @ MEAS TEMP 0.35 @ 73  
 RMC @ MEAS TEMP 0.35 @ 73  
 RHC @ MEAS TEMP NA @ NA  
 SOURCE: RHF/RMC CALC.: CALC.  
 RHF @ BHT 0.23 @ 114  
 RMC @ BHT 0.23 @ 114  
 RHC @ BHT NA @ NA

DATE: SAMPLE NO. / /  
 DEPTH-DRILLER / /  
 TYPE LOG / /  
 TYPE FLUID / /  
 IN HOLE / /  
 DENS. & VISC. / /  
 PH & FLUID LOSS / /  
 SOURCE OF SAMPLE / /

RESISTIVITY EQUIPMENT DATA  
 RUN NO. TOOL TYPE & NO. PAD TYPE LOG TYPE  
 RUN NO. MODEL NO. DIAMETER LOG TYPE SOURCE TYPE SERIAL NO. STRENGTH

GAMMA		ACOUSTIC		DENSITY		NEUTRON	
RUN NO.	ONE	RUN NO.	ONE	RUN NO.	ONE	RUN NO.	ONE
SERIAL NO.	108598	SERIAL NO.		SERIAL NO.	6023161	SERIAL NO.	108745
MODEL NO.	432	MODEL NO.		MODEL NO.	465	MODEL NO.	434
DIAMETER	3.625"	NO. OF CENT.		DIAMETER	4.5	DIAMETER	3.625
DETECTOR MODEL NO.	182	SPACING		LOG TYPE	G-G	LOG TYPE	N-N
TYPE	SCINT.	LSR (Y/N)		SOURCE TYPE	CS137	SOURCE TYPE	AM241BF
LENGTH	4'	FWD (Y/N)		SERIAL NO.	SDL-163	SERIAL NO.	DSM-31
DISTANCE TO SOURCE	10'	STRENGTH			1.5 CI		19 CI

LOGGING DATA

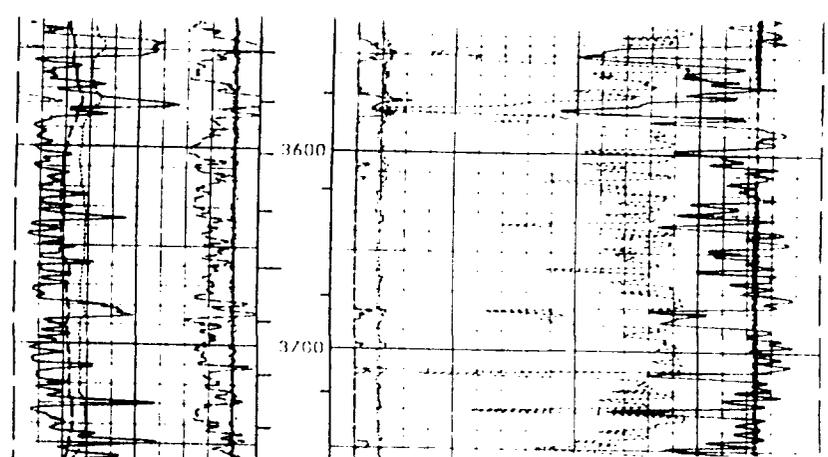
GENERAL		GAMMA		ACOUSTIC		DENSITY		NEUTRON	
RUN NO.	DEPTH	SPEED	SCALE	L	R	L	R	L	R
ONE	7699 SURF.	REC.	0 100			30	-10	2.71	10 10

REMARKS: ANNULAR HOLE VOLUME CALCULATED USING 5.5 INCH CASING.

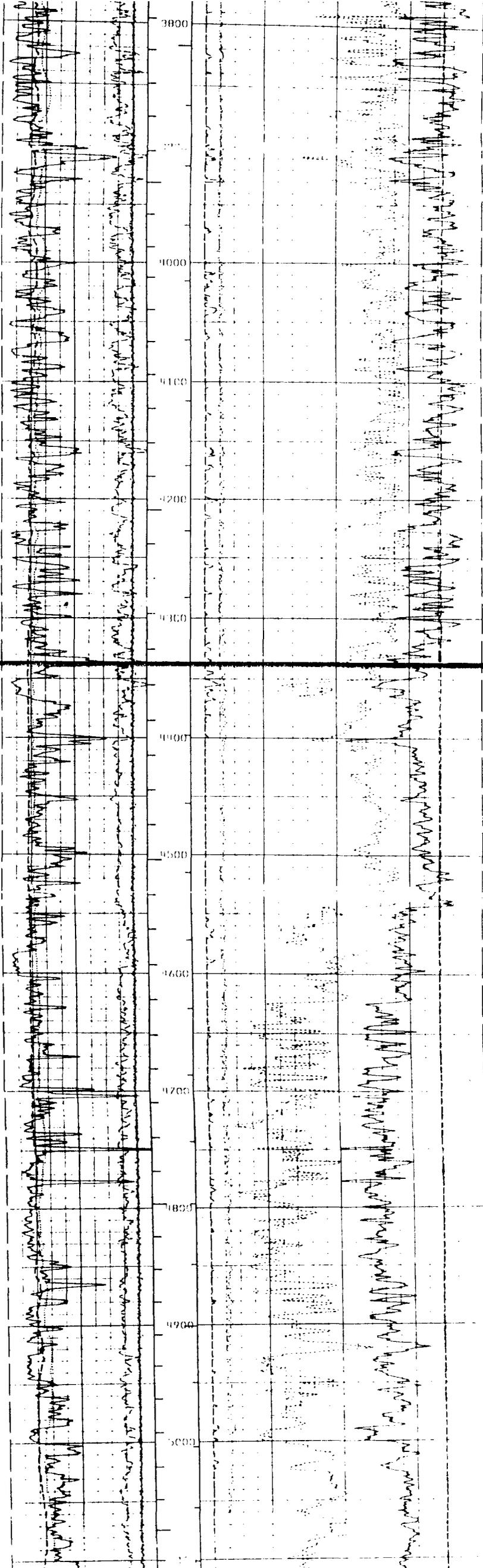
HALLIBURTON  
 SPECTRAL DENSITY  
 DUAL SPACED  
 NEUTRON LOG

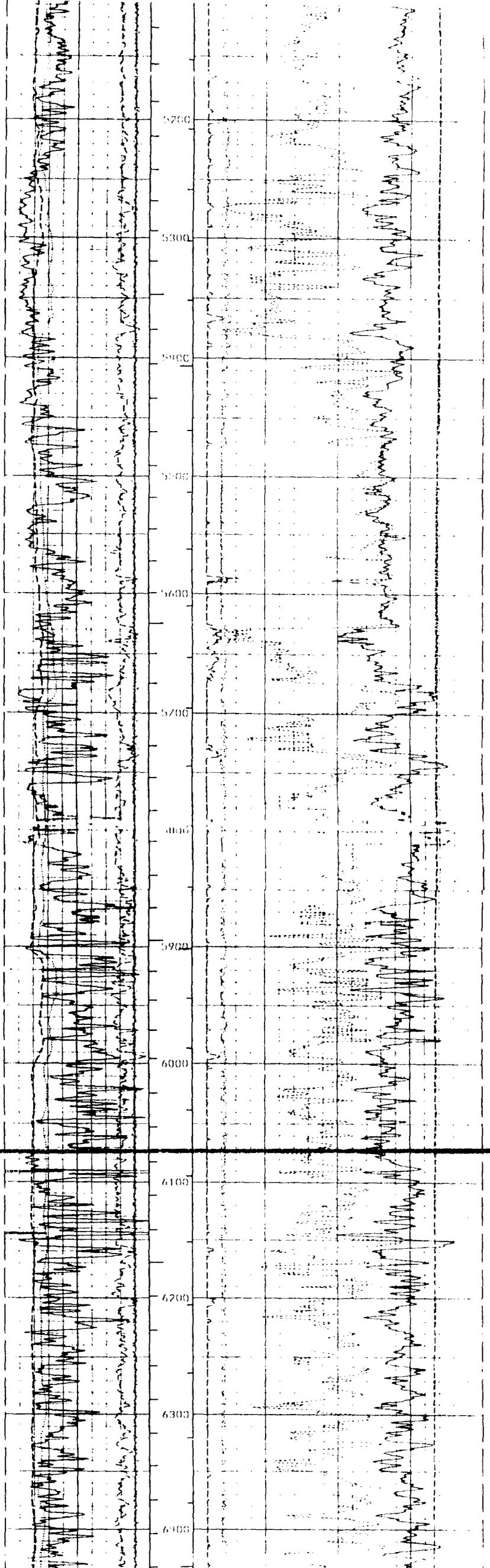
# TYPE LOG

EXHIBIT "E" to that certain  
 AFFIDAVIT dated June 20, 1997  
 by Lisa M. Snelson and  
 Randy C. Hall re: Compulsory  
 Pooling, Lea County, NM



SAN ANDRES



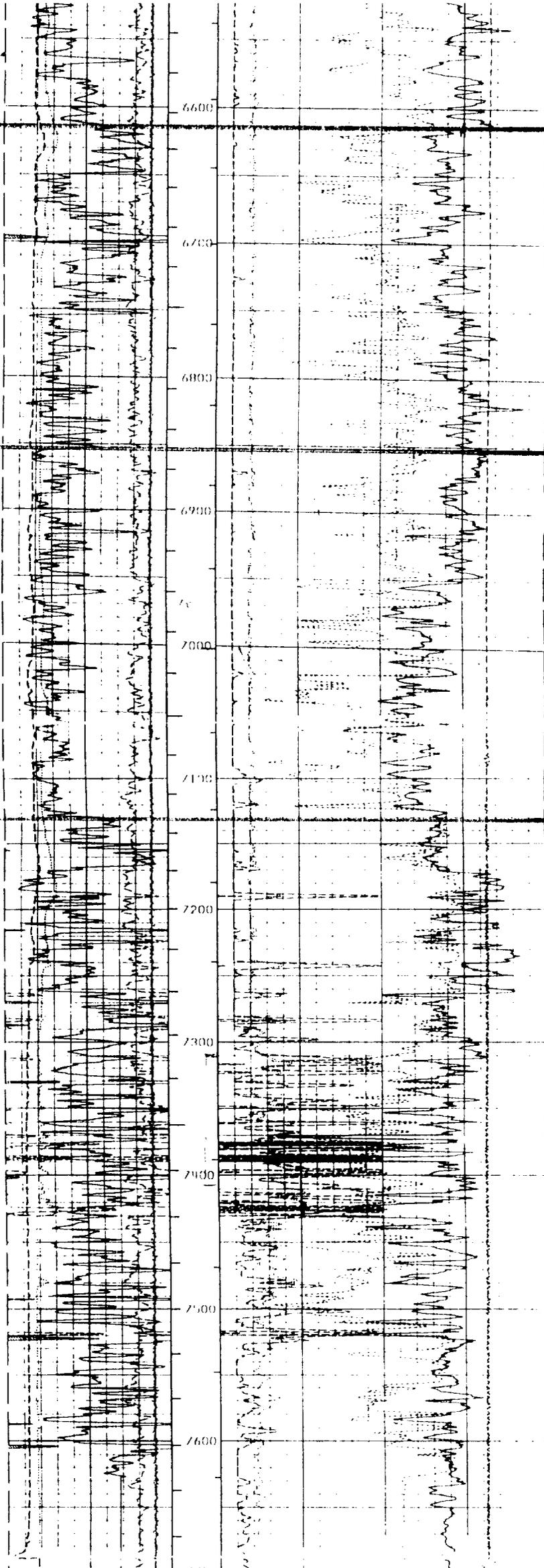


BLINEBRY

TUBB

DRINKARD

ABO



0 LONG	5		
4.5	5		
0 SHORT	5		
4.5	5		
PE QUIL	2		
0	2		
MSFL CALIPER			

EXHIBIT "F" to that certain  
AFFIDAVIT dated June 20, 1997  
by Lisa M. Snelson and  
Randy C. Hall re: Compulsory  
Pooling, Lea County, NM

Oil Wells

Responses  
1995 1994

Depth in Feet

1995	1994	Depth in Feet
5	7	0— 5,000
8	9	5,001—10,000
2	1	10,001—15,000
1	1	15,001—20,000
1	1	20,001+
1		No Depth Limit

Mean	Median	Mean	Median
4,305	4,861	5,884	6,202
7,639	7,639	7,317	7,317
7,639	7,639	7,317	7,317
8,596	8,596	8,234	8,234
7,491	7,491		

Monthly Producing Well Rates  
1995 1994

1995	1994	Mean	Median
472	455	441	418
460	524	441	418
670	730	730	730
762	730	730	730
861	825	825	825
749	749		

Gas Wells

Responses  
1995 1994

Depth in Feet

1995	1994	Depth in Feet
13	11	0— 5,000
7	14	5,001—10,000
3	3	10,001—15,000
1	1	15,001—20,000
1	1	20,001+
1	1	No Depth Limit

Monthly Drilling Well Rates  
1995 1994

Mean	Median	Mean	Median
\$4,956	\$4,708	\$4,966	\$5,000
5,222	4,940	5,610	5,500
4,032	4,032	7,317	7,317
7,639	7,639	7,317	7,317
8,596	8,596	8,234	8,234
7,491	7,491		

Monthly Producing Well Rates  
1995 1994

Mean	Median	Mean	Median
\$421	\$429	\$412	\$450
494	488	500	450
546	577	730	730
762	762	730	730
861	861	825	825
749	749	590	590

Region: Rocky Mountains and Northern Great Plains—4

Oil Wells

Responses  
1995 1994

Depth in Feet

1995	1994	Depth in Feet
19	10	0— 5,000
30	17	5,001—10,000
14	8	10,001—15,000
1		15,001—20,000
1		20,001+
3	4	No Depth Limit

Monthly Drilling Well Rates  
1995 1994

Mean	Median	Mean	Median
\$4,126	\$4,000	\$3,710	\$4,000
5,688	5,546	4,333	4,350
6,935	7,193	5,388	5,450
7,639	7,639		
8,596	8,596		
7,515	7,721	5,852	5,500

Monthly Producing Well Rates  
1995 1994

Mean	Median	Mean	Median
\$447	\$400	\$468	\$466
575	578	504	500
651	613	581	565
762	762		
861	861		
751	772	622	641

Gas Wells

Responses  
1995 1994

Depth in Feet

1995	1994	Depth in Feet
11	8	0— 5,000
10	3	5,001—10,000
7	2	10,001—15,000
2	1	15,001—20,000
2		20,001+
3	2	No Depth Limit

Monthly Drilling Well Rates  
1995 1994

Mean	Median	Mean	Median
\$4,731	\$5,000	\$5,039	\$4,000
5,848	5,620	4,833	4,000
7,262	7,639		
7,595	7,595	5,000	5,000
9,033	9,033		
7,362	7,262	6,956	6,956

Monthly Producing Well Rates  
1995 1994

Mean	Median	Mean	Median
\$462	\$462	\$429	\$442
609	549	602	616
706	762	758	758
870	870	500	500
970	970		
730	708	558	558

Region: West Texas and Eastern New Mexico—5

Oil Wells

Responses  
1995 1994

Depth in Feet

1995	1994	Depth in Feet
118	88	0— 5,000
98	67	5,001—10,000
32	20	10,001—15,000
4	4	15,001—20,000
1	2	20,001+
14	5	No Depth Limit

Monthly Drilling Well Rates  
1995 1994

Mean	Median	Mean	Median
\$3,316	\$3,000	\$3,145	\$3,000
4,178	4,500	4,183	4,000
5,603	5,400	4,299	4,750
6,961	7,639	6,000	6,000
8,536	8,536	8,500	8,500
4,887	5,400	5,317	5,900

Monthly Producing Well Rates  
1995 1994

Mean	Median	Mean	Median
\$347	\$350	\$322	\$300
440	450	419	400
563	545	474	499
684	706	454	377
861	861	675	675
499	520	550	632

Gas Wells

Responses  
1995 1994

Depth in Feet

1995	1994	Depth in Feet
41	47	0— 5,000
48	37	5,001—10,000
20	18	10,001—15,000
3	5	15,001—20,000
2	3	20,001+
12	5	No Depth Limit

Monthly Drilling Well Rates  
1995 1994

Mean	Median	Mean	Median
\$3,261	\$3,000	\$3,515	\$3,000
4,266	4,000	3,982	4,000
5,828	5,819	4,614	5,000
6,046	5,500	6,000	6,000
9,048	9,048	8,500	8,500
5,008	5,209	5,177	5,000

Monthly Producing Well Rates  
1995 1994

Mean	Median	Mean	Median
\$365	\$330	\$330	\$300
452	400	525	400
546	564	507	500
587	500	627	654
806	806	738	738
541	527	555	550

EXHIBIT "G" to that certain AFFIDAVIT dated June 20, 1997 by Lisa M. Snelson and Randy C. Hall re: Compulsory Pooling, Lea County, NM  
□ AMENDED REPORT

DISTRICT II

near DD, Artesia, NM 88211-0719

DISTRICT III

Rio Brazos Rd., Aztec, NM 87410

# OIL CONSERVATION D

P.O. Box 2088

Santa Fe, New Mexico 87504-

DISTRICT IV

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

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-33904</b>	Pool Code <b>15200</b>	Pool Name <b>DK Abo</b>
Property Code <b>20660</b>	Property Name <b>CARTER</b>	Well Number <b>1</b>
OCRID No. <b>25482</b>	Operator Name <b>XERIC OIL AND GAS CORPORATION</b>	Elevation <b>3563</b>

### Surface Location

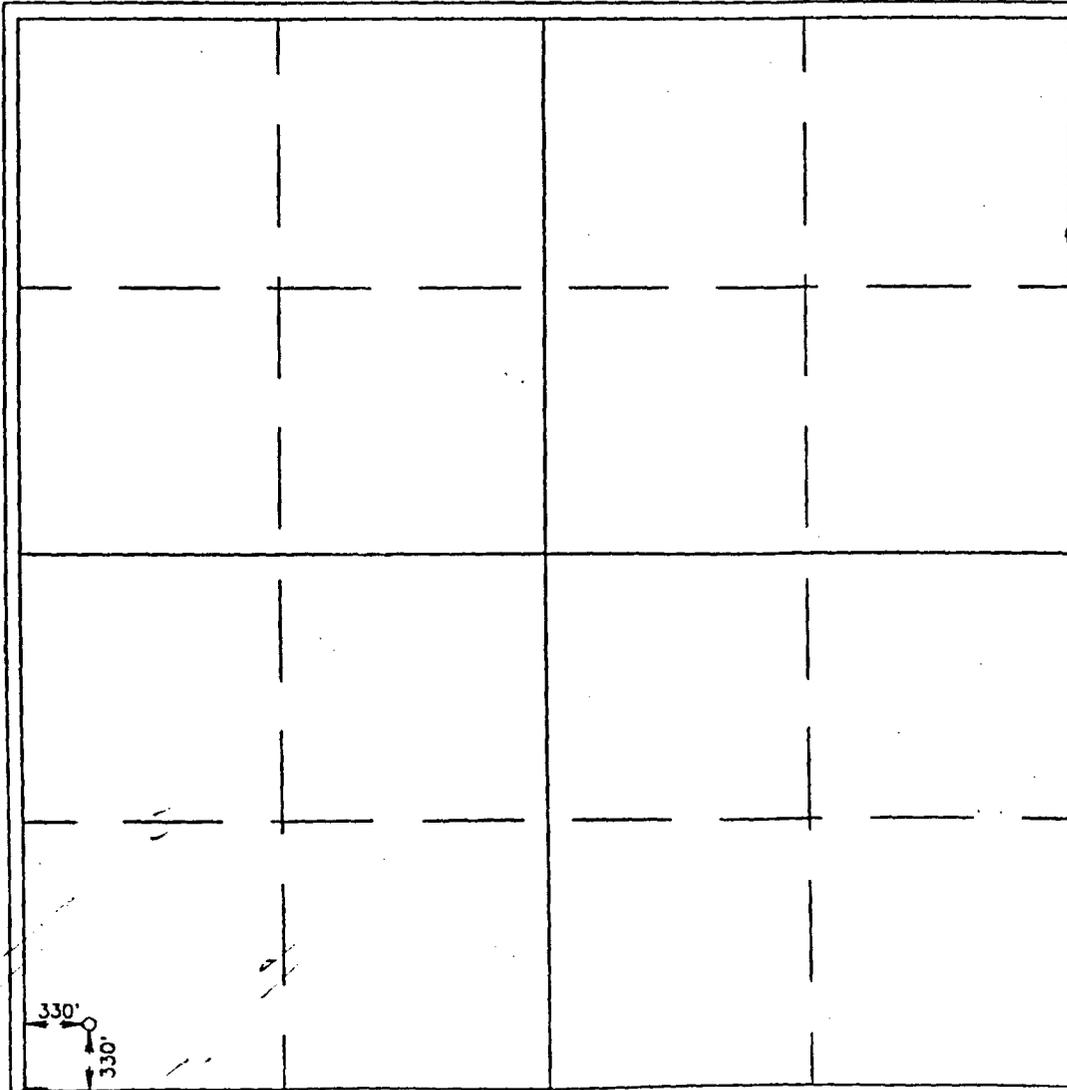
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M<sup>22</sup></b>	<b>19</b>	<b>20 S</b>	<b>39 E</b>		<b>330</b>	<b>SOUTH</b>	<b>330</b>	<b>WEST</b>	<b>LEA</b>

### 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 <b>40</b>	Joint or Infill <b>I</b>	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



**OPERATOR CERTIFICATION**

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

*Michael G. Mooney*  
Signature

**Michael G. Mooney**  
Printed Name

**Consulting Engineer**  
Title

**3/29/97**  
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 20, 1997**  
Date Surveyed

DMCC

Signature & Seal  
Professional Surveyor

*Ronald W. Eidson*  
Professional Surveyor

**3-24-97**  
Date

**97-17-0526**  
Certificate No.

**JOHN W. WEST** 676  
**RONALD W. EIDSON** 3239  
**RONALD W. EIDSON** 12641

**XERIC OIL GAS CORPORATION**  
**AUTHORITY FOR EXPENDITURE**

EXHIBIT "H" to that certain  
AFFIDAVIT dated June 20, 1997  
by Lisa M. Snelson and  
Randy C. Hall re: Compulsory  
Pooling, Lea County, NM

<b>XERIC WI%:</b>	<b>AFE NO:</b>
	<b>DATE:</b> 4/4/97
<b>LEASE NAME:</b> CARTER	<b>SERIAL NO.</b>
<b>WELL NO.:</b> 1	<b>&amp;/or PERMIT:</b> 25-33904
<b>LOCATION:</b> 330' FS&WL of SW/4 SECTION 19, T-20-S, R-39-E	<b>API WELL NO:</b>
<b>FIELD:</b> DK Abo	<b>PROPOSED TD:</b> 8,000
<b>COUNTY:</b> LEA	
<b>STATE:</b> NM	
<b>PROJECT AREA:</b> S. HOUSE	
<b>EXPLORATION:</b> WILDCAT	<b>DEVELOPMENT:</b>
	<b>RECOMPLETION:</b>

DRILLING INTANGIBLES:	DRY HOLE	COMPLETED WELL
LAND DAMAGES	5,000.00	5,000.00
LOCATION, ROADS, PITS CLEANUP	12,000.00	12,000.00
FOOTAGE 8,000 @ 14.25/ft	114,000.00	114,000.00
DAYWORK \$4,200.00 / day x 2 days	8,400.00	8,400.00
SURF. CSG 1,600' of 8/5/8" @ \$8.00/ft	12,800.00	12,800.00
INT. CSG.		
CEMENTING	15,000.00	15,000.00
MUD & CHEMICALS	9,000.00	9,000.00
WATER	10,000.00	10,000.00
LOGGING	15,000.00	15,000.00
TESTING & CORING		
TECHNICAL & LEGAL SERVICES	5,000.00	5,000.00
SUPERVISION & LABOR	4,000.00	4,000.00
EQUIPMENT RENTAL/TRUCKING	2,000.00	2,000.00
DRILLED OVERHEAD	4,000.00	4,000.00
<b>TOTAL DRILLING INTANGIBLES</b>	<b>\$ 216,200.00</b>	<b>\$ 216,200.00</b>

COMPLETION INTANGIBLES:				
COMPLETION UNIT	5 days @ \$1,200.00/day			6,000.00
CEMENTING, PIPE PREPARATION				10,000.00
LOGGING & PERFORATING				11,000.00
ACID				4,000.00
FRACTURE				45,000.00
WATER				3,200.00
TECHNICAL & LEGAL SERVICES				1,500.00
SUPERVISION & LABOR				4,000.00
EQUIPMENT RENTAL/TRUCKING				5,000.00
ELECTRICAL HOOKUP				10,000.00
<b>TOTAL COMPLETION INTANGIBLES</b>				<b>\$ 99,700.00</b>

COMPLETION TANGIBLES:				
PROD. CSG	8,000' of 5 1/2" @ \$5.25/ft			42,000.00
PROD. TBG	7,900' of 2 3/8" @ \$2.00/ft			15,800.00
RODS	7,900' of 3/4" & 7/8" @ \$1.15/ft			9,085.00
WELLHEAD				5,000.00
ELECTRICAL EQUIPMENT				10,000.00
BOTTOM HOLE ASSEMBLY				2,500.00
TANK BATTERY AND TREATER w/CONNECTIONS				30,000.00
PUMPING UNIT w/POWER				25,000.00
<b>TOTAL COMPELTION TANGIBLES</b>				<b>\$ 139,385.00</b>
<b>TOTAL DRY HOLE COST</b>			<b>\$ 216,200.00</b>	
<b>TOTAL ESTIMATED COMPLETED WELL COSTS</b>				<b>\$ 455,285.00</b>

**PARTICIPANTS APPROVAL**

OPERATOR: XERIC OIL & GAS CORPORATION      By: \_\_\_\_\_      Date: \_\_\_\_\_

JOINT INTEREST APPROVALS:

COMPANY: \_\_\_\_\_      By: \_\_\_\_\_      Date: \_\_\_\_\_

COMPANY: \_\_\_\_\_      By: \_\_\_\_\_      Date: \_\_\_\_\_