

XERIC OIL & GAS CORPORATION
PO BOX 352
MIDLAND, TEXAS 79702
(TEL) 915-683-3171
(FAX) 915-683-6348

May 22, 2002

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87504

Attn: Michael Stogner

Re: Herradura #3
I-Sec. 15, T-19-S, R-38-E
1502' FSL & 864' FEL
Lea County, New Mexico

Dear Mr. Stogner:

Xeric Oil & Gas Corporation is proposing permitting the above referenced well in the Nadine Drinkard ABO pool. As Lisa Morriss of our office has previously discussed with you, this is going to be a non-standard location from the unit line not the lease line. We would also like to mention testing in the Tubb and Blinebry pools if necessary. The plats are attached for these additional pools.

Thank you for your attention and consideration in this matter and if you have any questions or need further information please contact me at 915-683-3171.

Sincerely,



Glenda Hunt
Senior Production Analyst

NSL

ELF 10/14/02
ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED