

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address XERIC OIL & GAS CORP PO BOX 352 MIDLAND , TX 79702		2. OGRID Number 25482
		3. API Number 30-015-34574
4. Property Code 35400	5. Property Name CATCLAW 18	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	18	21S	26E	P	660	S	660	E	EDDY

8. Pool Information

CATCLAW DRAW; MORROW,W.GAS	96528
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3304
14. Multiple N	15. Proposed Depth 11000	16. Formation Morrow	17. Contractor	18. Spud Date 1/5/2005
Depth to Ground water 240		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 miles thick Clay <input type="checkbox"/> Pit Volume: 20000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input checked="" type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	550	350	0
Int1	12.25	8.625	32	2150	850	0
Prod	7.875	5.5	17	11000	1000	0

Casing/Cement Program: Additional Comments

Mud Program Summary: 0-550' Mud Wt. 8.6-9, Viscosity 35-45, Fluid Loss NC, PH NC. 550-2150' Mud Wt. 9.0-9.3, Viscosity 28-29, Fluid Loss NC, PH 9-10. 2150-9300' Mud Wt. 8.4-9.3, Viscosity 28-29, Fluid Loss NC, PH 9-10, 9300-11000 Mud Wt. 9.3-10, Viscosity 34-40, Fluid Loss 10-8, PH 9-10.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydril	3000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Bryan Arrant	
Printed Name: Electronically filed by Angie Crawford	Title: Geologist	
Title: Production Analyst	Approved Date: 1/31/2006	Expiration Date: 1/31/2007
Email Address: acrawford@xericoil.com		
Date: 1/26/2006	Phone: 432-683-3171	Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
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Form C-102
 Permit 18624

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34574	2. Pool Code 96528	3. Pool Name CATCLAW DRAW; MORROW, W.GAS
4. Property Code 35400	5. Property Name CATCLAW 18	6. Well No. 001
7. OGRID No. 25482	8. Operator Name XERIC OIL & GAS CORP	9. Elevation 3304

10. Surface Location

UL - Lot P	Section 18	Township 21S	Range 26E	Lot Idn	Feet From 660	N/S Line S	Feet From 660	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Joint or Infill	14. Consolidation Code	15. 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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> E-Signed By: Angie Crawford Title: Production Analyst Date: 1/26/2006	
	SURVEYOR CERTIFICATION	
	<i>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.</i> Surveyed By: Gary Jones Date of Survey: 4/13/2005 Certificate Number: 7977	

Permit Comments

Operator: XERIC OIL & GAS CORP , 25482

Well: CATCLAW 18 #001

API: 30-015-34574

Created By	Comment	Comment Date
ACRAWFORD	The New Mexico Oil Conservation Division should have a copy of the comprehensive H2S Contingency Plan delivered by Indian Fire and Safety.	12/7/2005
BArrant	Please refer to e-mail dated 6/14/2005 to Sandra@RKFORD.COM representing Xerix Oil and Gas on why the last application submitted and the current one submitted COMPLETELY FAILS to comply w/NMOCD rules and regulations and the additional information that had been asked for. I cannot find a record of your h2s contingency plan. Could it have been submitted under another operator of record?? Will consider having one of your company representatives come to our office and provide a detailed explanation on how Xeric Oil and Gas Corporation plans to protect the Capitan Reef with a out brine fluid.	12/7/2005
ACRAWFORD	Xeric will function test the pipe rams daily and the blind rams when out of the hole. 3-party pressure test when NU BOP.	1/20/2006
BArrant	Denied again. Please, as I have asked before, submit by letter the distance to the closet public dwelling from the well bore. As requested by e-mail, on 6/14/2005 and faxed numerous times to your office answers my questions and requests to Xeric Oil & Gas. In addition, please submit a detailed mud program for each hole size to be drilled. Thanks, BGA	1/20/2006
ACRAWFORD	The nearest public dwelling from the well bore is +/-3500'.	1/26/2006
ACRAWFORD	Original letter with the distance to closest public dwelling and the detailed mud program was mailed out 1/26/2006.	1/26/2006

Permit Conditions of Approval

Operator: XERIC OIL & GAS CORP , 25482

Well: CATCLAW 18 #001

API: 30-015-34574

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	Please notify time of spud & time to witness the cementing to surface of the surface & intermediate casing.
BArrant	Operator is to catch mud samples out from the surface casing down to the setting depth of the intermediate casing from the flow line every 100'. Chloride tests are to be taken and results of this data are to be submitted to the District II OCD office pri
BArrant	As stated in mud program, opearator is to drill surface and intermediate hole sections with fresh water mud.