



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

**OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131**

December 21, 1999

Xeric Oil & Gas Corporation  
P.O. Box 352  
Midland, Texas 79702

Attention: Glenda Hunt

RE: C-142 Application for New Well Status  
Lisa State Well No. 2, API No. 30-025-34621

Dear Ms. Hunt:

Pursuant to Division Rule 34.C.(3), the deadline for filing for the New Well Tax Incentive is within sixty (60) days of completion of the well as a producer, therefore your application is hereby denied.

If you have any questions, please contact me at (505) 827-8183.

Sincerely,

A handwritten signature in cursive script that reads "Mark Ashley".

Mark Ashley  
Petroleum Engineering Specialist

District I - (505) 393-6161  
1625 N. French Dr  
Hobbs, NM 88241-1980  
District II - (505) 748-1283  
811 S. First  
Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Road  
Aztec, NM 87410  
District IV - (505) 827-7131

New Mexico  
Energy Minerals and Natural Resources Department  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

SUBMIT ORIGINAL  
PLUS 2 COPIES  
TO THE SANTA FE  
OFFICE

DEC 20 1999

APPLICATION FOR NEW WELL STATUS

I. Operator and Well							OGRID Number	
Operator name & address Xeric Oil & Gas Corporation PO Box 352 Midland, Texas 79702							025482	
Contact Party Glenda Hunt							Phone 915-683-3650	
Property Name Lisa State					Well Number #2		API Number 30-025-34621	
UL B	Section 19	Township 20S	Range 36E	Feet From The 660	North/South Line North	Feet From The 1980	East/West Line East	County Lea

II. Date/Time Information			
Spud Date 06/02/1999	Spud Time 9:30 am	Date Completed 7/15/99	Pool Eumont Seven Rivers Queen

- III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.
- IV. Attach a list of all working interest owners with their percentage interests.
- V. AFFIDAVIT:

State of Texas )  
County of Midland )  
ss.

R.C. Barnett, being first duly sworn, upon oath states:

- 1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- 2. To the best of my knowledge, this application is complete and correct.

Signature R.C. Barnett Title President Date 12/13/99

SUBSCRIBED AND SWORN TO before me this 13<sup>th</sup> day of December, 1999



Patti L. Pullen  
Notary Public

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:  
This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature	Title	Date

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: \_\_\_\_\_

NOTICE: The operator must notify all working interest owners of this New Well certification.

NEW MEXICO TAXATION AND REVENUE DEPARTMENT  
PO BOX 2308 \* SANTA FE \* NM \* 87504-2308 \* (505)827-0806

**APPLICATION FOR TAX REFUND  
ONE-TIME \$15000 JOB CREATION-NEW WELLS**

<b>OPERATOR NAME:</b> Xeric Oil & Gas Corporation	<b>New Mexico OGRID Identification Number</b> 025482
<b>CONTACT NAME:</b> Glenda Hunt	<b>PHONE NUMBER:</b> 915-683-3650
<b>MAILING ADDRESS:</b> PO Box 352	
<b>CITY, STATE, ZIP CODE:</b> Midland, Texas 79702	

I certify that the following well completion(s) has been approved and certified by the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department and qualifies as a newly drilled well under the Laws of 1999, Chapter 218, House Bill 280:

API NUMBER:	POOL NAME:	POOL NUMBER:
30-025-34621	Eumont Seven Rivers Queen	22800

The total refund requested is the sum of  
 \*\*\*\*\*Fifteen Thousand and no/100\*\*\*\*\*  
 dollars (\$ 15,000.00\*\*\*\*\* ) which represents \$15,000.00 for  
 each of the API well completion(s) listed above.

IN ACCORDANCE WITH SECTION 3 OF THE SUBJECT ACT, THIS APPLICATION MUST BE RECEIVED BY  
 NM TAXATION AND REVENUE NOT LATER THEN MAY 25, 2001.

I declare that the information reported on this form and any attached supplements is true and correct as to every material matter.

Type or print name R. C. Barnett	Title President
Signature of Operator or authorized agent <i>R C Barnett</i>	Date 12/13/99

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-025-34621
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No. A-1375-45
Lease Name or Unit Agreement Name Lisa State
Well No. 2
Pool name or Wildcat Eumont Y-SR-Q

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

Type of Well: Oil Well <input checked="" type="checkbox"/> GAS Well <input type="checkbox"/> OTHER <input type="checkbox"/>
Name of Operator Xeric Oil & Gas Corporation
Address of Operator P.O. Box 352, Midland, Texas 79702

Well Location Unit Letter <u>B</u> <u>660</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>East</u> Line
Section <u>19</u> Township <u>20S</u> Range <u>36E</u> NMPM <u>Lea</u> County
Elevation (Show whether DF, RKB, RT, GR, etc.) 3634' GR

11

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: <u>Completion Attempts</u> <input checked="" type="checkbox"/>	

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

8/19/99 - Begin Completion - Perforate Seven Rivers from 4050' - 4070' w/ 2 spf - total 43 holes -0.36" dia. Acidize w/ 2000 gals 7 1/2% NEFE + 20% MEOH - swab dry w/ no shows of oil or gas

6/24/99 - Frac Seven Rivers Formation w/ 8500 gals Xlink gel + 70Q Nitrogen Foam + 50,000# 16/30 Ottawa sand - SWI 4 hrs then flow back

6/28/99 - No shows of oil w/ trace of gas - abandon Seven Rivers Perfs from 4050'-4070' w/ CIBP set @ 4025' - Perforate Upper Seven Rivers from 3965'-3985' w/ 2 spf - total 40 holes - acidize w/ 1000 gals 7 1/2% NEFE + 20% MEOH - swab back w/ trace oil show & good gas show

6/30/99 - Frac well w/ 10,500 gals Xlink gel + 70Q Nitrogen Foam + 58,000# 16/30 Jordan Sand - SWI 4 hrs then flow back - good volume of gas w/ no oil shows - estimate 300 BWPD

7/14/99 - Decide to run rods & pump in an attempt to pump off water - currently testing @ 0 BOPD + 165 BWPD + 45 MCFD

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

SIGNATURE Michael G. Mooney TITLE Consulting Engineer DATE 07-27-99

TYPE OR PRINT NAME Michael G. Mooney TELEPHONE NO. 915/683-3171

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office  
 State Lease - 5 copies  
 Fee Lease - 5 copies  
 DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-105  
 Revised 1-1-89

**OIL CONSERVATION DIVISION**

2040 Pacheco St.  
 Santa Fe, NM 87505

DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
 1000 Rio Brazos Rd, Aztec, NM 87410

WELL API NO  
 30-025-34621

5. Indicate Type of Lease  
 STATE  FEE

6 State Oil & Gas Lease No  
 A-1375-45

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a Type of Well  
 OIL WELL  GAS WELL  DRY  OTHER

b Type of Completion:  
 NEW WELL  WORK OVER  DEEPEN  PLUG BACK  DIFF RESVR  OTHER  Add Perforations

7. Lease Name or Unit Agreement Name  
 Lisa State

2. Name of Operator  
 Xeric Oil & Gas Corporation

8. Well No.  
 2

3. Address of Operator  
 P. O. Box 352, Midland, Texas 79702

9. Pool name or Wildcat  
 Eumont Y-SR-Q

4. Well Location  
 Unit Letter B 660 Feet From The North Line and 1980 Feet From The East Line  
 Section 19 Township 20S Range 36E NMPM Lea County

10. Date Spudded 06/02/99 11. Date T.D. Reached 06/10/99 12. Date Compl. (Ready to Prod.) 07/15/99 13. Elevations (DF & RKB, RT, GR, etc.) 3634 GR 14. Elev. Casinghead 3634

15. Total Depth 4900 16. Plug Back T.D. 4800 17. If Multiple Compl. How Many Zones?  18. Intervals Drilled By  Rotary Tools  Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name  
3965' - 3985' & 4050' - 4070' - Seven Rivers

20. Was Directional Survey Made  
 Yes

21. Type Electric and Other Logs Run  
 Cased Hole - GR / Neutron

22. Was Well Cored  
 No

**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB/FT	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	24	381	12 1/4	250 sx class "c" - circulated	0
5 1/2"	15.50	4900	7 7/8	1225 sx class "c" - circulated	0

**24. LINER RECORD** **25. TUBING RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8	4000	none

26. Perforation record (interval, size, and number)  
3965' - 3985' - 0.42" 4050' - 4070' - 0.42"  
 total 40 holes total 43 holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
4050-4070	8,500 gals gel + 50,000 16/30 sand
3965-3985	10,500 gals gel + 58,000 16/30# sand + 20% MEOH - Foam Frac

**28. PRODUCTION**

Date First Production 10/25/99 Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping - 2" x 1.75" x 14" TBG Pump Well Status (Prod. or Shut-in) Prod

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - BbL.	Gas - MCF	Water - BbL.	Gas - Oil Ratio
<u>11/05/99</u>	<u>24</u>	<u>n/a</u>		<u>3</u>	<u>26</u>	<u>116</u>	<u>8666</u>

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - BbL.	Gas - MCF	Water - BbL.	Oil Gravity - API - (Corr.)
<u>n/a</u>	<u>35</u>		<u>3</u>	<u>26</u>	<u>116</u>	<u>39.4</u>

29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
Sold - Dynegy Midstream Services, LP

Test Witnessed By  
Mike Mooney

30. List Attachments  
Deviation survey, Electric Logs - previously sent

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature [Signature] Printed Name Michael G. Mooney Title Consulting Engineer Date 11/20/99

*mm*



PROPERTY	PROPERTY NAME	EFFECTIVE		OWNER	OWNER NAME	D.D.I.	PREPAYMENT	COST	AFIL
		DECK	DATE				LEASE WELL	CTR.	CODE
021610-002	LISA STATE #2	1	**BASE**	9999803	GERONIMO HOLDING CORPORATION	0.23992035	021610-002	0	Y
Base Deck				BA772	R.C. BARNETT	0.03998673	021610-002	0	N
				BA790	PERRY R BASS	0.18692211	021610-002	0	N
				CH110	MARK A. CHAPMAN	0.04618030	021610-002	0	N
				CO577	MAX W. COLL II	0.00045360	021610-002	0	N
				CO578	JON F. COLL	0.00045360	021610-002	0	N
				CO579	JAMES N. COLL	0.00045360	021610-002	0	N
				CO580	CHARLES H. COLL	0.00045360	021610-002	0	N
				FA575	FALCON CREEK RESOURCES, INC.	0.33618541	021610-002	0	N
				LE968	LEWIS OIL & GAS, INC.	0.01999336	021610-002	0	N
				PH431	PHILLIPS PETROLEUM COMPANY	0.02903052	021610-002	0	N
				PO390	POGAR PETROLEUM, LTD.	0.03998673	021610-002	0	N
				RO232	ROCKY MOUNTAIN RESOURCES	0.05998009	021610-002	0	N
				*** DECK TOTAL	13 OWNERS	1.00000000			