

4/1/04

WVS LR

DHC

PL20409929459

XERIC OIL & GAS CORPORATION

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

April 1, 2004

RECEIVED

APR 07 2004

OIL CONSERVATION
DIVISION

New Mexico Oil Conservation Division
Attn: Will Jones
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Application for DHC, API #30-025-36233
Bourdon #1, Unit O, Sec. 18, 20S, 39E, Lea County

DHC-3260

Gentlemen:

Xeric Oil & Gas Corporation respectfully requests an exemption for the above captioned well to New Mexico Statewide Rule 303 retroactive to *December 12, 2003*. The final single completion is in the East Warren Tubb (Oil-87085) December 11, 2003. The well was previously completed and tested in the DK Abo (Oil-15200) October 2, 2003 and the House Drinkard (Oil-33250) June 13, 2003.

Xeric proposes the following production allocation for the three zones based on the most recent production rates and tests from each zone as follows:

	<u>OIL</u>	<u>GAS</u>	<u>WATER</u>
East Warren Tubb	22%	48%	66%
House; Drinkard	64%	50%	24%
DK; Abo	14%	2%	10%

Please find enclosed for your review and approval our Application to Downhole Commingle with supporting documentation as follows:

1. Copy of the previously submitted C-102's each pool.
2. Four month production history for the House Drinkard, three month for the DK;Abo and well test information for the East Warren Tubb. No production curve is available due to less than 1-year production in each pool.
3. Allocation method.

Ownership and revenue are identical in the three pools.

Thank you for your attention to this matter. Should you have any questions or need additional information, please contact me at the number above.

Yours truly,


Angie Crawford

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

XERIC OIL & GAS CORPORATION

P. O. Box 352, Midland, TX 79702

Operator **Bourdon** Address **1 O, Sec. 18, 20S, 39E** **Lea**

Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 025482 Property Code 25721 API No. 30-025-436233 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Warren; Tubb East	House; Drinkard	DK; Abo
Pool Code	87085	33250	15200
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6764'-6820'	6888'-7008'	7214'-7652'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	N/A	N/A	N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36.6	36.8	35.5
Producing, Shut-In or New Zone	Producing	SI	SI
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 12/14/03 Rates: 5 BO, 94 MCF	Date: 9/24/03 Rates: 14 BO, 97 MCF	Date: 12/6/03 Rates: 3 BO, 3 MCF
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 22 % Gas 48 %	Oil 64 % Gas 50 %	Oil 14 % Gas 2 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes N/A No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes N/A No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Angie Crawford TITLE Production Analyst DATE 4/1/04

TYPE OR PRINT NAME Angie Crawford TELEPHONE NO. (432) 683-3171

E-MAIL ADDRESS Acrawford@xericoil.com

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36233		Pool Code 600487085	Pool Name Warren, Tubbs, East
Property Code 025721	Property Name BOURDON		Well Number 1
OGRID No. 025482	Operator Name XERIC OIL & GAS CORPORATION		Elevation 3538

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	18	20 S	39 E		660	SOUTH	1980	EAST	LEA

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 40		Joint or Infill NO	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

	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Angie Crawford</i> Signature</p> <p>Angie Crawford Printed Name</p> <p>Production Analyst Title</p> <p>3/19/03 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p><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></p> <p>FEBRUARY 10, 1999</p> <p>Date Surveyed DMCC</p> <p>Signature & Seal of Professional Surveyor <i>Ronald J. Edson</i></p> <p>RONALD J. EDSON 2-11-99 99-11-00995</p>
	<p>Certificate No. RONALD J. EDSON 3239 GARY EDSON 12641 MACON McDONALD 12185</p>

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Energy, Minerals and Natural Resources Department

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Santa Fe, New Mexico 87504-2088

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36233		Pool Code 33250	Pool Name Houš; Drinkard
Property Code 025721	Property Name BOURDON		Well Number 1
OGRID No. 025482	Operator Name XERIC OIL & GAS CORPORATION		Elevation 3538

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	18	20 S	39 E		660	SOUTH	1980	EAST	LEA

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	<p>Certificate No. RONALD E. EDSON 3239 GARY EDSON 12641 MAGOM. McDONALD 12185</p>

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Santa Fe, New Mexico 87504-2088

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36233		Pool Code 15200	Pool Name DK Abo
Property Code 25721	Property Name BOURDON		Well Number 1
OGRID No. 025482	Operator Name XERIC OIL & GAS CORPORATION		Elevation 3538

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	18	20 S	39 E		660	SOUTH	1980	EAST	LEA

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 40	Joint or Infill NO	Consolidation Code	Order No.
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**XERIC OIL & GAS CORPORATION APPLICATION FOR DHC
BOURDON #1 WELL**

API #30-025-36233

Unit O, Section 18, 20S, 39E, Lea county, NM

PRODUCTION HISTORY

Pool Name: E. Warren Tubb (87085)

New zone, no production history or curve available.

Production estimate based on test 12/12/03.

**XERIC OIL & GAS CORPORATION APPLICATION FOR DHC
BOURDON #1 WELL**

API #30-025-36233

Unit O, Section 18, 20S, 39E, Lea county, NM

PRODUCTION HISTORY

Pool Name: D-K;ABO (15200)

Month/Year	BO/Day	MCF/Day	BW/Day	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
October 2003	33.95	183.19	55.38	713	3847	1163	21
November 2003	24.03	105.07	14.33	721	3152	430	30
December 2003	14.60	153.60	22.80	73	768	114	5
Total	26.91	138.70	30.48	1507	7767	1707	56

NO PRODUCTION CURVE AVAILABLE (LESS THAN 1 YEAR PRODUCTION)

**XERIC OIL & GAS CORPORATION APPLICATION FOR DHC
BOURDON #1 WELL**

API #30-025-36233

Unit O, Section 18, 20S, 39E, Lea county, NM

PRODUCTION HISTORY

Pool Name: HOUSE; DRINKARD (33250)

Month/Year	BO/Day	MCF/Day	BW/Day	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
June 2003	33.39	155.17	68.00	601	2793	1224	18
July 2003	18.77	123.26	26.45	582	3821	820	31
August 2003	15.23	105.84	21.52	472	3281	667	31
September 2003	16.77	119.00	18.77	369	2618	413	22
Total	19.84	122.68	30.63	2024	12513	3124	102

NO PRODUCTION CURVE AVAILABLE (LESS THAN 1 YEAR PRODUCTION)

XERIC OIL & GAS CORPORATION
APPLICATION FOR DOWNHOLE COMMINGLE
BOURDON #1
API # 30-025-36233
ALLOCATION OF PRODUCTION

	BBLs	%OF		%OF	BBLs	%OF	
	OIL	TOTAL	MCF	TOTAL	WATER	TOTAL	SOURCE
Warren Tubb E.	5	22%	94	48%	38	66%	WELL TEST 12/12/03
House; Drinkard	14	64%	97	50%	14	24%	WELL TEST 9/24/03
DK; Abo	3	14%	3	2%	6	10%	WELL TEST 12/6/03
TOTAL	22		194		58		