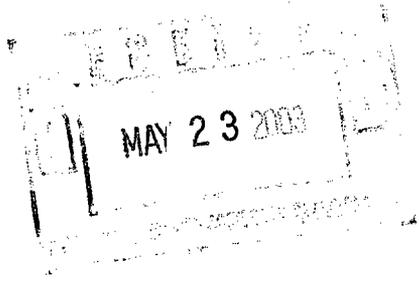


**DOYLE HARTMAN**  
*Oil and Natural Gas Operator*  
500 NORTH MAIN  
P.O. BOX 10426  
MIDLAND, TEXAS 79702

(915) 684-4011  
(915) 682-7616 FAX



May 22, 2003

**Via Facsimile (432) 683-6348 and Certified Mail, Return Receipt Requested**

Xeric Oil and Gas Corporation  
1801 W. Texas (79701)  
P.O. Box 352  
Midland, Texas 79702  
Attn: Rob Barnett, President  
Frank Winn, Vice-President

*Case 13105*

**Via Facsimile (505) 476-3462 and FedEx**

New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87504  
Attn: Lori Wrotenbery, Director  
Michael Stogner, Chief Hearing Officer

**Re: XERIC OIL & GAS CORPORATION'S APPLICATION FOR  
AUTHORIZATION TO INJECT**

Gregory "A" No. 5 Well  
1980' FSL and 660' FEL (I)  
Section 33, T-25-S, R-37-E  
Lea County, New Mexico

Gentlemen:

Reference is made to Xeric Oil and Gas Corporation's (Xeric's) water disposal application and notice, corresponding to the Gregory "A" No. 5 well located 1980' FSL and 660' FEL, Section 33, T-25-S, R-37-E, Lea County, New Mexico (I-33-25S-37E), which application was received, by us, today (May 22, 2003).

In regard to the subject application, we hereby remind Xeric of its prior **written agreement**, of September 27, 2000, to **confine** its water disposal operations, as to the Gregory "A" No. 5 well, to the Langlie Mattix Pool interval, **below** 3093' (copy of executed written agreement herein enclosed).

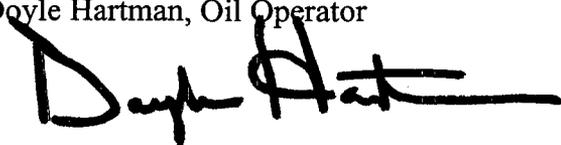
Xeric Oil and Gas Corporation  
May 22, 2003  
Page 2

Therefore, concerning the above referenced application, we will **expect** Xeric to abide by the terms of its prior **written agreement**, of September 27, 2000, which includes **confining** its water disposal operations to the Langlie Mattix interval **below 3093'**.

We also request that you furnish a copy of the agreed-to bond log, for the Gregory "A" No. 5 well, **as soon as available**.

Very truly yours,

Doyle Hartman, Oil Operator

A handwritten signature in black ink, appearing to read "Doyle Hartman", with a long horizontal flourish extending to the right.

Doyle Hartman

Enclosures

cc: Randy Hall, Geologist  
Xeric Oil and Gas Corporation  
1801 W. Texas (79701)  
P.O. Box 352  
Midland, Texas 79702

**DOYLE HARTMAN**

*Oil Operator*

500 NORTH MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

(915) 682-7616 FAX

**Via Certified Mail, Return Receipt Requested**

September 27, 2000

Xeric Oil & Gas Corporation  
1801 W. Texas (79701)  
P.O. Box 352  
Midland, Texas 79702

Attn: Rob Barnett, President ✓  
Frank Winn, Vice President

New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, NM 87505

Attn: Lori Wrotenbery, Director  
Michael Stogner, Chief Hearing Officer

**Re: XERIC OIL & GAS CORPORATION'S APPLICATION FOR AUTHORIZATION  
TO INJECT WATER INTO KNOWN GAS STRATA**

Gregory "A" No. 5  
1980' FSL and 660' FEL (I)  
Section 33, T-25-S, R-37-E  
Lea County, New Mexico

Gentlemen:

Reference is made to Xeric Oil & Gas Corporation's (Xeric's) water injection application, dated September 22, 2000, corresponding to the Xeric-operated Gregory "A" No. 5 Langlie Mattix well located 1980' FSL and 660' FEL, Section 33, T-25-S, R-37-E, Lea County, New Mexico (I-33-25-37).

A review of Xeric's application states that the intended injection interval is 2456' to 3093', with a proposed injection packer setting depth of 2406', which would include, as part of the injection interval, the Jalmat Pool gas interval, from 2540' to 3050'.

Please be advised that Doyle Hartman, as an offset Jalmat operator (W/2 Section 34), is opposed to any injection of water into the Jalmat Pool gas interval. In this regard, please find enclosed a *Sundry Notice* dated November 24, 1954, showing that a 5" O.D. liner was previously installed in the subject well, from 2423' to 3093', and cemented with 50 sx of cement, so as to shut off the Jalmat Pool gas interval.

As an offset Jalmat operator, we have no objection to the injection of water into the open-hole Langlie Mattix Pool interval below 3093', providing (1) that a state-of-the-art cement bond log



OCT 05 2000

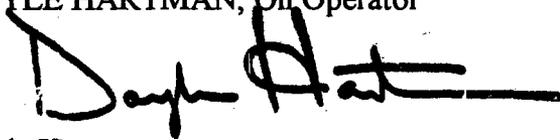
Xeric Oil & Gas Corporation  
New Mexico Oil Conservation Division  
September 27, 2000  
Page 2

documents that the existing 5" O.D. liner possesses proper cement bonding, (2) that Xeric's injection packer is installed inside the 5" O.D. liner, at a depth below 3050', as opposed to the proposed setting depth of 2406', as stated in Xeric's water injection application, and (3) that surface injection pressures conform to pressure limits permitted by NMOCD Memorandum No. 3-77 (copy enclosed). However, Doyle Hartman is strongly opposed to the placement of injection water, by Xeric, into the Jalmat Pool gas interval above 3050'.

If Xeric is agreeable to confining its proposed water injection only to the open-hole interval below 3093', please so indicate, in the space provided below. Otherwise, please consider this letter as notice of Doyle Hartman's objection to Xeric's proposed and unnecessary injection of water into known gas producing strata, which injection constitutes waste of a valuable natural resource.

Very truly yours,

DOYLE HARTMAN, Oil Operator



Doyle Hartman

We ARE in agreement to restricting Xeric's proposed water injection to the open-hole Langlie Mattix Pool interval below 3093', and conforming to NMOCD Memorandum No. 3-77.

We ARE NOT in agreement to restricting Xeric's proposed water injection to the open-hole Langlie Mattix Pool interval below 3093', nor conforming to NMOCD Memorandum No. 3-77.

**XERIC OIL & GAS CORPORATION**

By: RC Barnett

Title: President

Printed Name: RC Barnett

**XERIC OIL & GAS CORPORATION**

**P.O. Box 352  
Midland, Texas 79702  
Phone: (915) 683-3171  
Fax: (915) 683-3152**

October 3, 2000

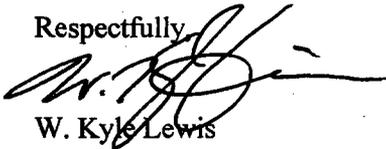
Mr. Doyle Hartman  
Doyle Hartman, Oil Operator  
P.O. Box 10426  
Midland, Texas 79702

Re: Gregory A-5  
Lea Co., NM

Dear Mr. Hartman:

Pursuant to your letter of September 27, 2000 regarding our application to convert the subject well to injection, we are agreeable to inject into the Langlie Mattix Pool below 3093'. We are amending our injection application to reflect this change. Enclosed is our acknowledgment to this fact.

Respectfully



W. Kyle Lewis

Enclosure

cc: Mark Ashley  
New Mexico Oil Conservation Division  
1625 French Drive  
Hobbs, NM 88240

DOYLE HARTMAN  
OIL OPERATOR  
RECEIVED

OCT 05 2000