

OPER. OGRID NO. 25482
PROPERTY NO. 15434
POOL CODE 49780
EFF. DATE 2-13-03
API NO. 30-025-36148

N.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No:
LC-060881

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
South Pearl Queen Unit #29

9. API Well No.
30-025-36148

10. Field and Pool, or Exploratory
Pearl Queen

11. Sec., T., R., M., or Bk. and Survey or Area
Sec 4, T20S, R35E

12. County or Parish.
Lea

13. State
NM

1a. Type of Work: ☒ DRILL

☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other

☒ Single Zone ☐ Multiple Zone

2. Name of Operator
Xeric Oil & Gas Corporation

3a. Address
PO Box 352 Midland, Texas 79720

3b. Phone No. (include area code)
915-683-3171

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 1330' FSL & 90' FEL

At proposed prod. zone 1330' FSL & 90' FEL Unit I

14. Distance in miles and direction from nearest town or post office*
23 miles southeast of Hobbs, NM

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) 2730'

16. No. of Acres in lease
240

17. Spacing Unit dedicated to this well
40

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. 90'

19. Proposed Depth
5200'

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3682' GR

22. Approximate date work will start*
ASAP

23. Estimated duration
30 Days

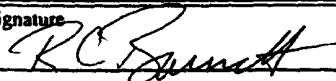
24. Attachments

Lea County Controlled Water Basin

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature


Name (Printed/Typed)
R. C. Barnett

Date
1/2/2003

Title
President

Approved by (Signature)
/s/ LESLIE A. THEISS

Name (Printed/Typed)
/s/ LESLIE A. THEISS

Date
FEB 10 2003

Title
FIELD MANAGER

Office
CARLSBAD FIELD OFFICE

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

DECLARED WATER BASIN
CEMENT BEHIND THE 8 5/8"
CASING MUST BE circled

WITNESS

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED



[Faint, illegible markings]

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

District II
811 South First, Artesia, NM 88210

District III
1000 Rdo Brazos Rd., Aztec NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, N M 87505

Form C-102
Revised March 17, 1999
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36148	Pool Code 49780	Pool Name Pearl Queen
Property Code 025482 15434	Property Name SOUTH PEARL QUEEN UNIT	Well Number 29
OGRID No. 25482	Operation Name XERIC OIL & GAS CORP.	Elevation 3682

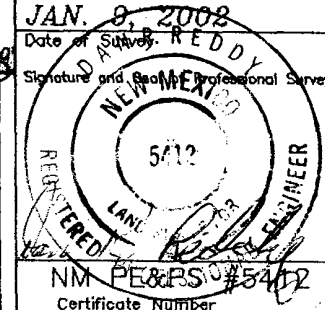
Surface Location

UL or Lot No. I	Section 4	Township 20-S	Range 35-E	Lot Idn.	Feet from the 1330	North/South line SOUTH	Feet from the 90	East/West line EAST	County LEA
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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 I	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
	Signature RC Barnett
	Printed Name R. C. Barnett
	Title President
	Date 2/1/02
	SURVEYOR CERTIFICATION 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 KNOWLEDGE AND BELIEF.
	JAN. 9, 2002 Date of Survey
	Signature and Seal of Professional Surveyor 
	NM PE&RS 5412 Certificate Number

PERTINENT INFORMATION

For

XERIC OIL & GAS CORPORATION

South Pearl Queen Unit #29

1330' FSL & 90' FEL

SECTION 4, T-20-S; R-35-E

LEA COUNTY, NM

LOCATION:

From State Highway 62/180
turn Southeast at mile marker
85. Go 1.5 miles to cattle
guard behind Klein Ranch
House. Go through cattle
guard and turn south on lease
road. Go 1 mile through next
Cattle guard and proceed .5
miles to second lease road on
the right. Proceed .3 miles
to "T" in road. Turn west and
take lease road west .2 mile
and then south 1.4 miles to
lease road north of South
Pearl Queen Unit battery.
Proceed east on lease road .3
miles. Turn South on new
access road 400' to South
Pearl Queen Unit well No. 29.

FEDERAL LEASE NUMBER:

LC - 060881

LEASE ISSUED:

DATE - September 1, 1948

ACRES IN LEASE:

240 Acres

RECORD LESSEE:

Xeric Oil & Gas Corporation

BOND COVERAGE:

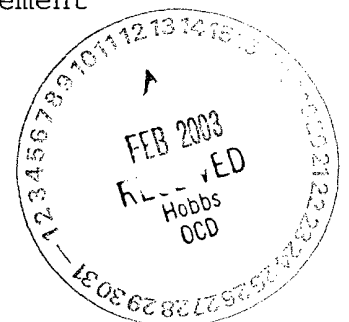
Operators Nation Wide

AUTHORITY TO OPERATE:

Unit Operating Agreement

SURFACE OWNERSHIP:

Faye Klein
PO Box 1503
Hobbs, NM 88240



GRAZING PERMITTEE:

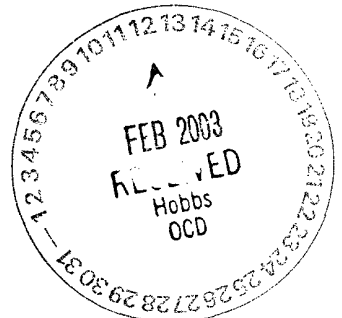
N/A

POOL RULES:

40 Acres (Pearl Queen)

EXHIBITS:

- A. Vicinity, Location & Verification Map
- B. 1 Mile Radius Map with attachment of existing wells
- C. Production facility with roads and pits



SUPPLEMENTAL DRILLING DATA

XERIC OIL & GAS CORPORATION

South Pearl Queen Unit
1330' FSL & 90' FEL
SECTION 4; T-20-S; R-35-E
LEA COUNTY, NM

The following items supplement Form 3160-3 in accordance with instructions contained in Onshore Oil & Gas Order No.1:

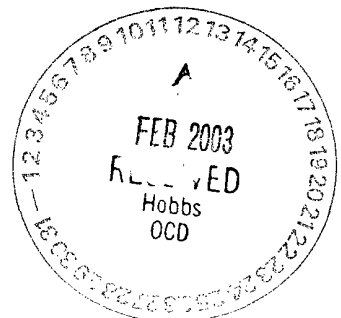
1. SURFACE FORMATION: Permian
2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Rustler	1853'
T. Salt	1980'
B. Salt	3368'
Yates	3353'
Queen	4634'

3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Water - Upper Permian Sands 100'

Oil - Queen 4634'



4. PROPOSED DRILLING, CASING AND CEMENTING PROGRAM:

- A. Spud 12 ¼" hole and drill to 600' or good casing seat
- B. Run 8 5/8" csg to 600', 24#-J55 LT&C-Cement w/145 sx lead class "C" + 4% gel + 190 sx class "C" + 2% Cacl₂-circulate cement to surface
- C. WOC 12 hrs, NU BOP and test to 1500 psi, install H2S equipment
- D. Drill 7 7/8" hole to approximate TD of 5200' w/brine water
- E. Run 5 ½"-15.50#, J-55, LT&C csg to 5200'. Cement w/735 sx pacesetter lite cement for lead and tail w/220 sx class "C". TOC estimated @600'
- F. RDMO drilling rig

5. PRESSURE CONTROL EQUIPMENT:

Pressure control equipment will include a 2000#WP blowout preventer stack, with Series 900 blind and pipe rams. The BOP stack will include a kill line and choke manifold tested to 1500 PSI. BOP hydraulic controls will be operated at least daily. A diagrammatic sketch of the BOP stack is attached.

6. CIRCULATING MEDIUM:

Brine Water

7. AUXILIARY EQUIPMENT:

A full-opening safety valve, to fit the drill string in use, will be kept on the rig floor at all times.

8. TESTING, LOGGING & CORING PROGRAM:

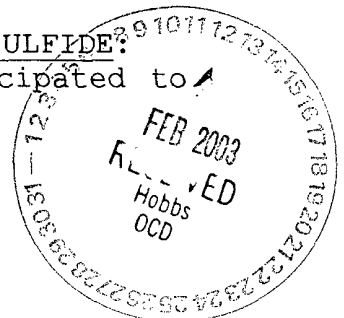
Samples: Samples will be caught at 10' intervals below 3500'.

DST & Cores: At discretion of well site geologist.

Logging: Neutron - Density Log (Surface to TD)

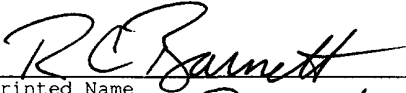
9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:

None anticipated. Bottom-Hole pressure anticipated to be less than 3000 PSI.



10. ANTICIPATED STARTING DATE:

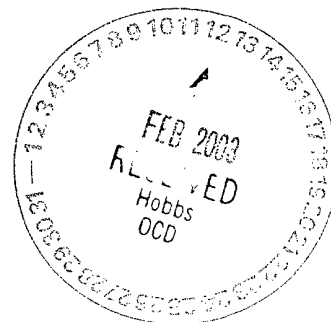
Road and location work will not begin until approval is received from BLM. Anticipated spud date is 30 + days from BLM approval. Drilling and completion operations will require approximately 21 days.


Printed Name RC Barnett

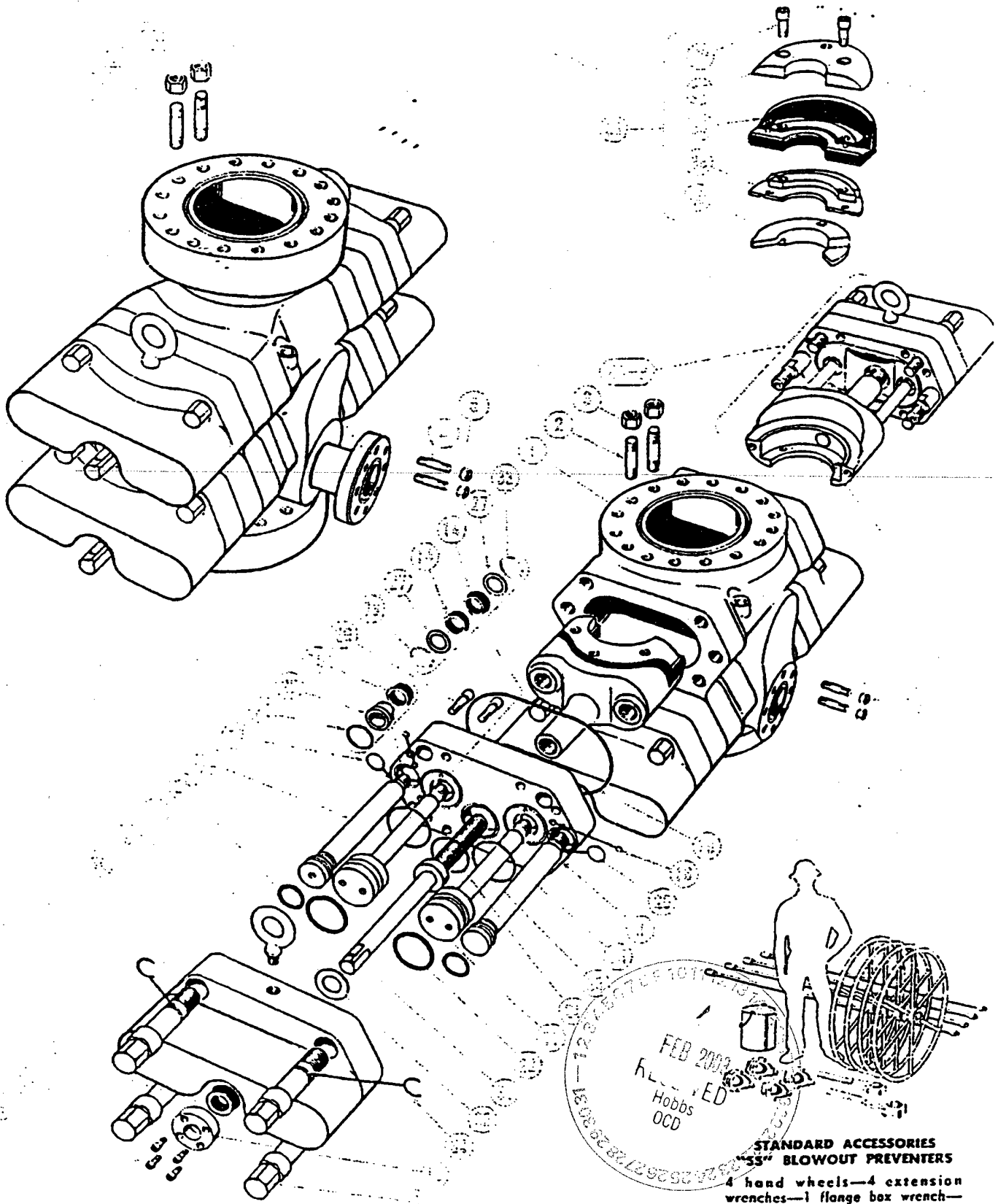
Title President

Printed Name _____

Title _____

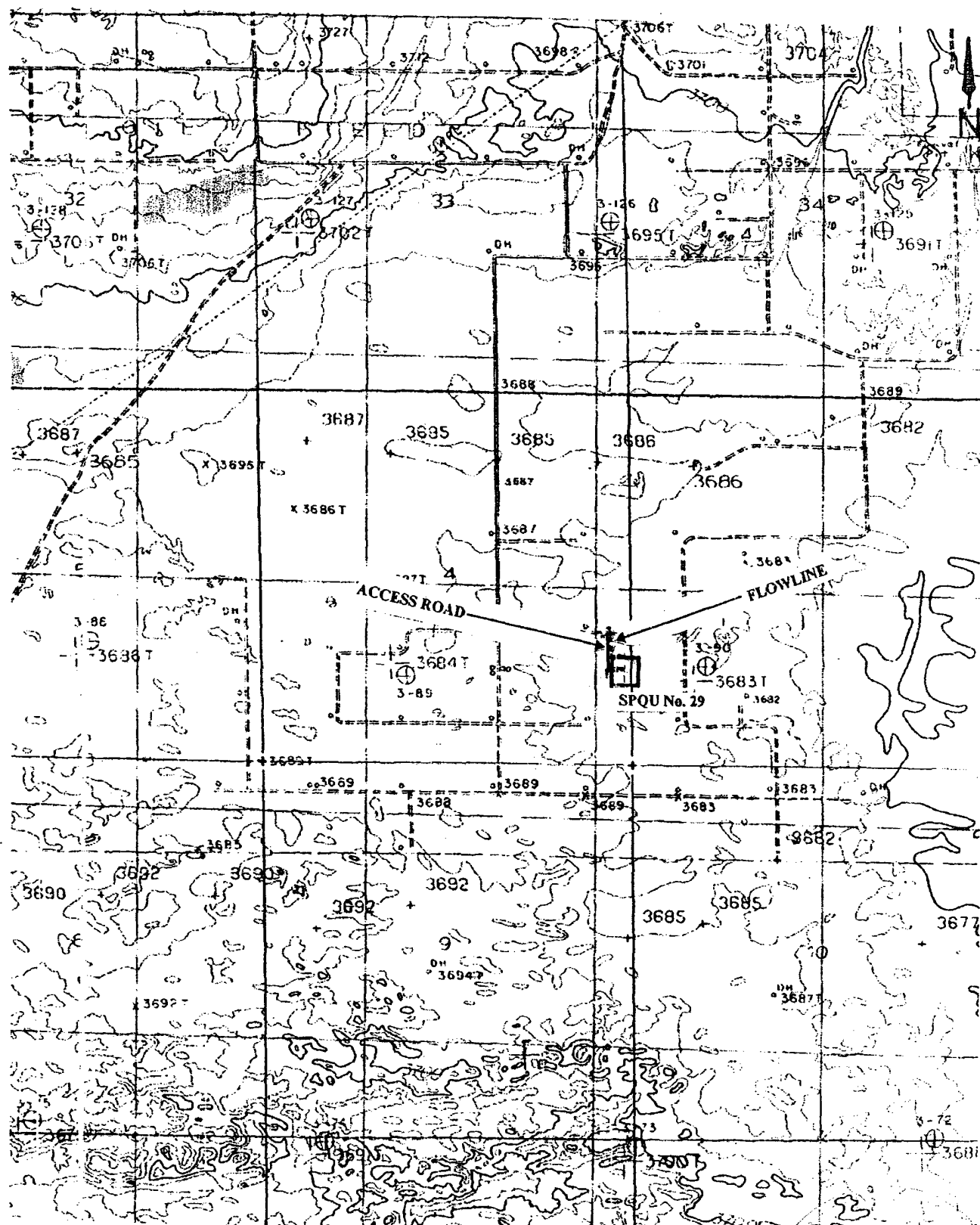


Because of the tremendous improvements offered by the type "A" preventer, "QRC" and "SS" preventers in the future will be made only on special order. We are, of course, continuing to supply parts and rework service.



STANDARD ACCESSORIES
"SS" BLOWOUT PREVENTERS

4 hand wheels—4 extension
wrenches—1 flange box wrench—
1 bonnet box wrench—1 universal
joints—1 can lubricant



Locat on map of a pad for the South Pearl Queen Unit well No. 29 for Xeric Oil & Gas Corporation in Section 4 and 3, access road and flowline in, Section 4. T 20S, R 35E, NMPM, Lea County, New Mexico.

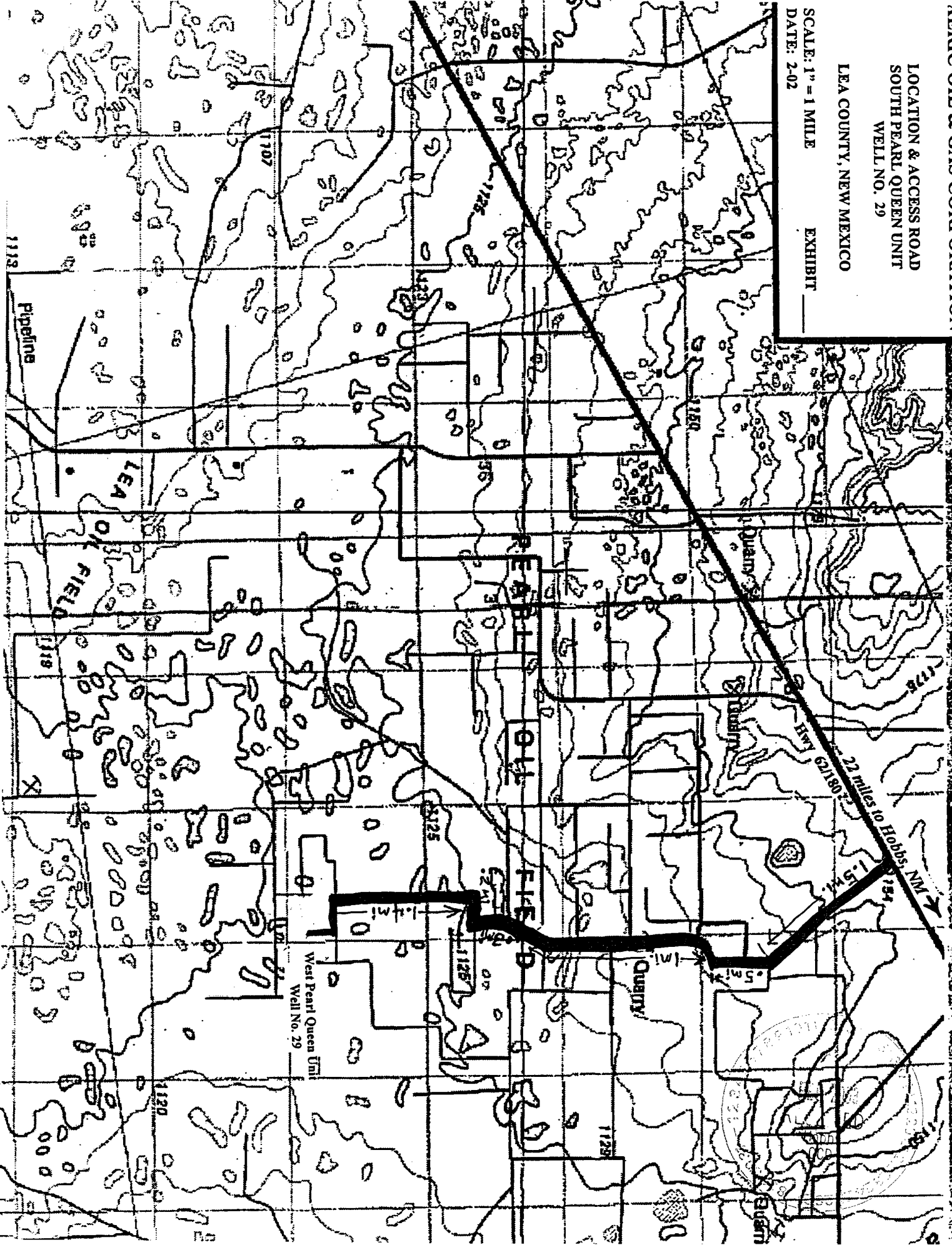
Map Reference: USGS 7.5' Series, MONUMENT SOUTHWEST, NM (Prov. Ed. 1985) 32103-E4

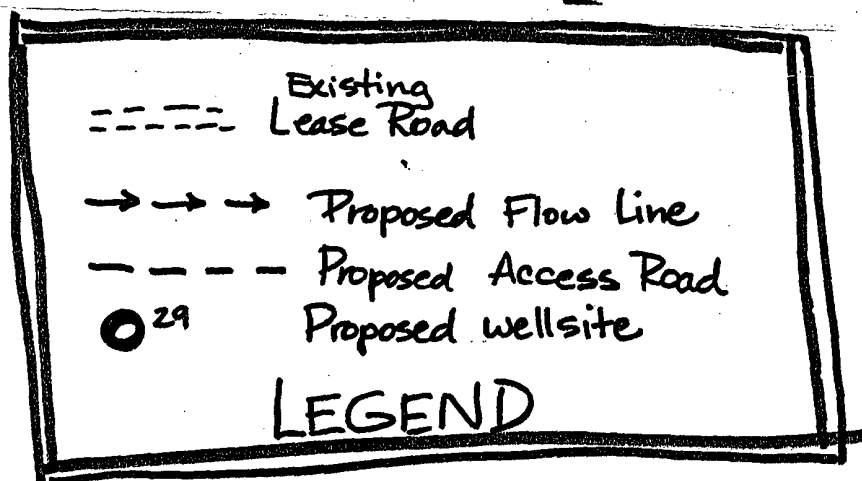
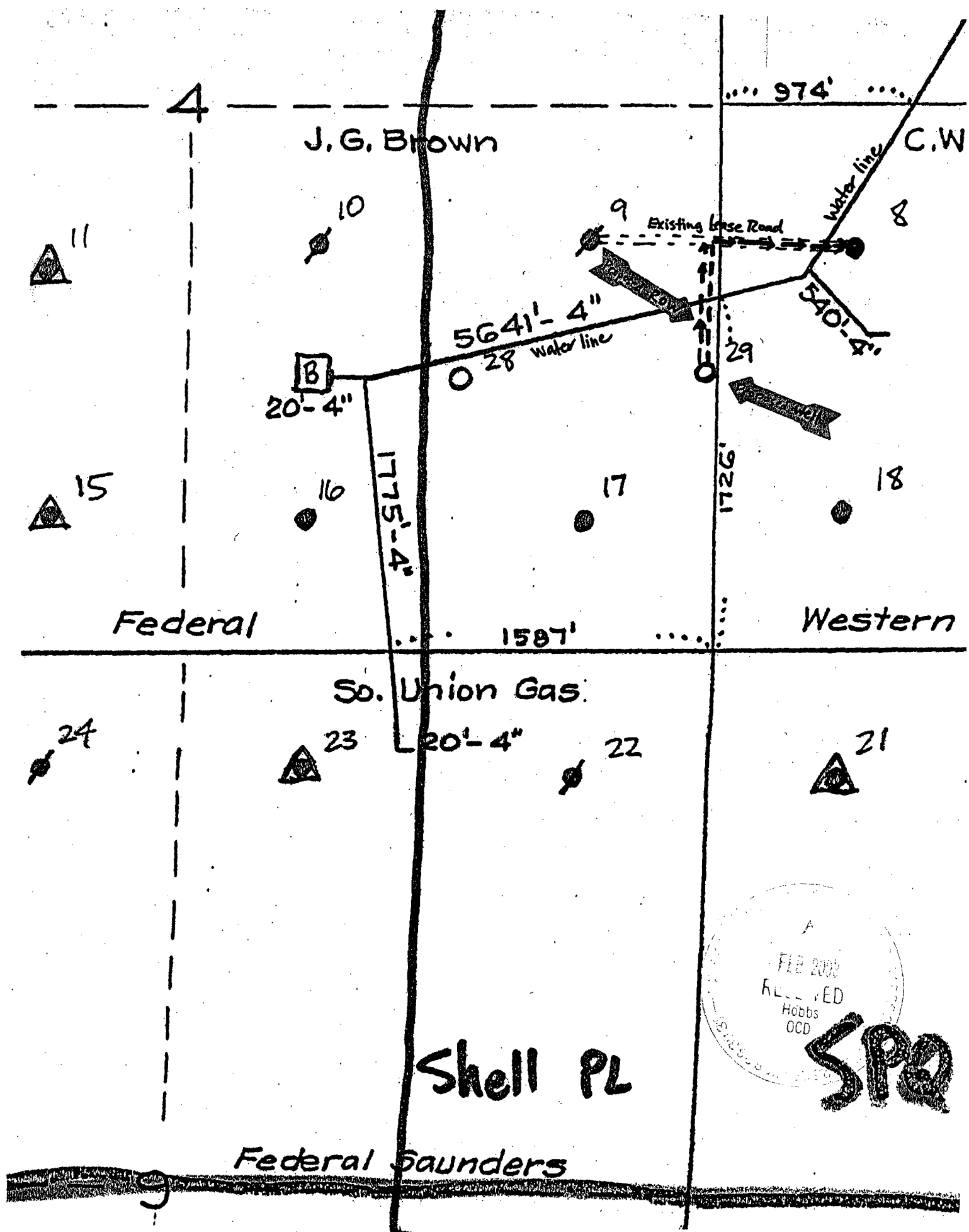
XERIC OIL & GAS CORPORATION

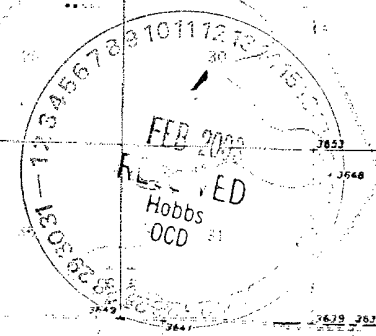
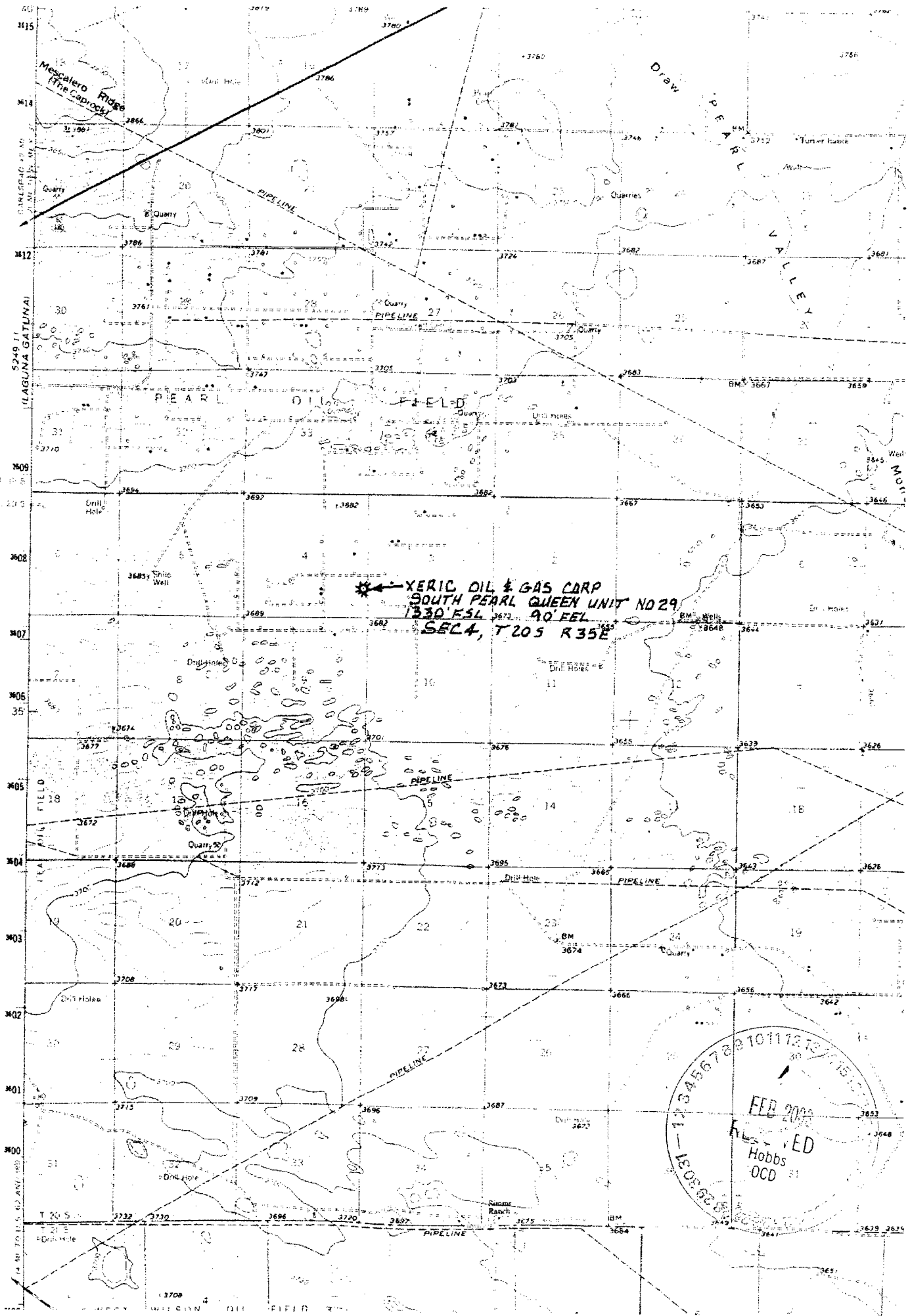
LOCATION & ACCESS ROAD
SOUTH PEARL QUEEN UNIT
WELL NO. 29

LEA COUNTY, NEW MEXICO

SCALE: 1" = 1 MILE
DATE: 2-02 EXHIBIT _____







ATTACHMENT TO ONE MILE RADIUS MAP

STATUS OF WELLS WITHIN ONE MILE RADIUS

SOUTH PEARL QUEEN No. 29
1330' FSL & 90' FEL
SECTION 4, T20S, R35E
LEA COUNTY, NEW MEXICO

SEC 3, T20S, R35E

Xeric Oil & Gas Corp.	SPQU #3	1000' FNL & 990' FWL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #6	2001.7' FNL & 660' FWL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #7	2331.7' FNL & 1650' FWL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #8	1980' FSL & 660' FWL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #19	990' FSL & 1650' FWL	Pearl Queen

SEC 4, T20S, R35E

Xeric Oil & Gas Corp.	SPQU #4	2018' FNL & 1980' FEL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #5	2007' FNL & 660' FEL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #9	1980' FSL & 660' FEL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #10	1980' FSL & 1980' FEL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #11	1650' FSL & 1980' FWL	Pearl Queen
Xeric Oil & Gas Corp.	SQPU #14	660' FSL & 990' FWL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #15	660' FSL & 1980' FWL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #16	660' FSL & 1980' FEL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #17	660' FSL & 660' FEL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #28	1330' FSL & 1330' FEL	Pearl Queen

SEC 5, T20S, R35E

Xeric Oil & Gas Corp.	SPQU #13	990' FSL & 330' FEL	Pearl Queen
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SEC 9, T20S, R35E

Xeric Oil & Gas Corp.	SPQU #22	330' FNL & 660' FEL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #23	330' FNL & 1980' FEL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #24	330' FNL & 1980' FWL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #25	330' FNL & 660' FWL	Pearl Queen

SEC 10, T20S, R35E

Xeric Oil & Gas Corp.	SPQU #20	330' FNL & 1980' FWL	Pearl Queen
Xeric Oil & Gas Corp.	SPQU #21	330' FNL & 660' FWL	Pearl Queen

