MAY 2 9 2008

UNITED STATES DEPARTMENT OF THE INTERIOR

OCD-I	HOBBS FORM APPROVED OMB No. 1004-0137 Exprires: Morch 21, 200
	Expires: March 31, 200

Expir	es: March 31, 2007				
5 Lease Serial No					
NM LCO	54667				
6 If Indian, Allottee or Tribe Name					
	NA				

10BS SUNDRY	NOTICES AND RISE form for proposals ell. Use Form 3160-3	5 Lease Scrial No NM LCO 54667 6 If Indian, Allottee or Tribe Name N A				
SUBMIT IN TRIPLICATE- Other instructions on reverse side.				7 If Unit or CA/Agreement, Name and/or No		
Type of Well XX Oil Well Gas Well Other				Crosby Deep Fusselman 8. Well Name and No.		
2 Name of Operator Xeric Oil & Gas Corp			Crosby Deep #3			
3a Address P.O. Box 7288 Odessa, Tx79760 4 Location of Well (Footage, Sec., T., R, M., or Survey Description) 3b. Phone No. (include area code) 432-664-0981				30-025-11870 10 Field and Pool, or Exploratory Area Crosby Deep Fusselman		
1980' from S line and 1980 E line Sect 33 TS 25S R 37E Doi: J				11 County or Parish, State Lea Co. NM /		
12. CHECK AI	PPROPRIATE BOX(ES) T	O INDICATE NATUR	E OF NOTICE, RI	EPORT, OR OTHER DATA		
TYPE OF SUBMISSION		TYI	PE OF ACTION			
Notice of Intent Subsequent Report Final Abandonment Notice	Acidize Alter Casing Casing Repair Change Plans Convert to Injection	Deepen Fracture Treat New Construction Plug and Abandon Plug Back	Production (State Reclamation Recomplete Temporarily Aba Water Disposal	Well Integrity Other	back	

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA Required subsequent reports shall be filed within 30 days following completion of the involved operations If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Well # 3 has been evaluated and we can proceed with operation as soon as possible, we are waiting on reply of the call for a work over rig, ok for H2s, we have a zone at 8400' that calculates production, this zone apparently has not been shot in the up dip limit of this fault block. After your OK we would MIRU puling unit, bleed well down, nipple up BOP, unseat packer, trip out hole with string, run a strip log in hole, tag bottom, match up the two logs for perf & collars, then decide to either run a TDT neutron or just load hole and perf, as the results decide as to acidize or return to production. WE also plan on running a slick gun (deep penatration) max perf

14 Thereby certify that the foregoing is true and correct Name (Printed/Typed) Walter E King Title						
Signature THIS SPACE FOR FEE	Date	2///-3		APPROVED		
Approved by Conditions of By 8/24/08, either return well to certify that the which would production or submit plans for	warrant or ject lease	Title Office	Date	MAY 2 4 2008		
Title 18 U.S. States any fail.	or any person knowingly and willfully to make to /matter within its jurisdiction.			JAMES A. AMOS any department of agently of the Elithaged		

(Instructions on page 2)

