

Office

District I

1625 N. French Dr., Houston, TX 77002

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

87505

Energy, Minerals and Natural Resources

June 19, 2008

RECEIVED

SEP 25 2008

HOBBS (11)

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-36791

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

West Pearl Queen

8. Well Number

West Pearl Queen Unit 301

9. OGRID Number

25482

10. Pool name or Wildcat

Pearl; Queen

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.)

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

2. Name of Operator

Xeric Oil & Gas Corporation

3. Address of Operator

14781 Memorial Drive, Suite 1754 Houston, TX 77079

4. Well Location

Unit Letter H : 2310 feet from the N line and 825 feet from the E lineSection 31 Township 19S Range 35E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3718' GL

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☒ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐

OTHER: Well site clean-up

☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER:

☐

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

In response to recent site compliance issues, Xeric Oil & Gas Corporation will be performing the following:

1 – 55 gallon drum of water and crude oil will be discarded into production tanks, cleaned out, discarded at approved disposal facility, and site will be reclaimed by removing all contaminated soil (see Item 2).

2 – Hydrocarbon-contaminated soil pile will be transferred to an approved land farm. Hydrocarbon-contaminated soil on the Northwest corner of the well pad will be transferred to an approved land farm, or remediated on site upon landowner approval.

3 – The surface owner will be contacted regarding seed mix used to reseed, as well as the procedure used to reseed. An approval letter from the landowner will be submitted to New Mexico Oil Conservation District upon obtainment.

These activities will be completed and evidenced to New Mexico Oil Conservation District on or before 3:00 pm (MST) September 30, 2008.

Spud Date:

Rig Release Date:

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

SIGNATURE

TITLE

president

DATE 9-24-2008

Type or print name

James D. Hill

E-mail address:

OC FIELD REPRESENTATIVE II/STAFF MANAGER

PHONE:

For State Use Only

SEP 25 2008

APPROVED BY:

TITLE:

DATE:

September 25, 2008

RECEIVED

SEP 25 2008

HOBBS OIL

TO: Xeric Oil and Gas Corporation

14781 Memorial Drive Suite 1754

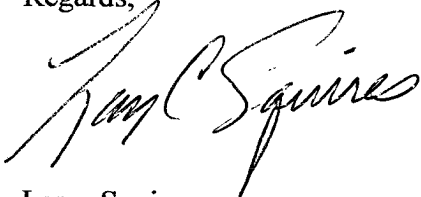
Houston, TX 77079

FROM: Larry Squire

RE: Approval Letter from Land Owner on seed mix used to reseed and procedure used to reseed on West Pearl Queen 301 pit.

Xeric Oil and Gas Corporation the operator of record on the West Pearl Queen Unit in Lea County New Mexico has contacted me in regards to the reseeding and procedure used for reseeding the West Pearl Queen 301 Pit. After reviewing the attached seeding recipe and a site visit of the completed product I approve both the seeding mix and the procedure.

Regards,



Larry Squire

Cc:

Oil Conservation Division District I

1625 N French Drive

Hobbs, NM 88240

Ocean Munds-Dry

Holland & Hart LLP

110 N. Guadalupe Suite 1

Santa Fe, NM 87501

KIND: SAND LOVEGRASS
 VARIETY: BEND
 LOT #: 21052A
 ORIGIN: TX
 NET WT: 50 LBS 17 5
 TESTED: 2/06 91.92%PLS
 PURE SEED: 99.91%
 INERT MATTER: 0.09%
 OTHER CROP: 0.00%
 WEED SEED: 0.00%
 NOXIOUS SEED PER LB: NONE
 GERMINATION: 86% + 6% DORMANT SEED
 TOTAL GERMINATION & DORMANT SEED = 92%
 RICHARDSON SEEDS, INC.
 VEGA, TEXAS 79092

KIND: SAND DROPSEED
 VARIETY: NOT STATED
 LOT #: 514-10
 ORIGIN: NM
 NET WT: 50 LBS 87
 TESTED: 12/05 95.77%PLS
 PURE SEED: 99.76%
 INERT MATTER: 0.24%
 OTHER CROP: 0.00%
 WEED SEED: 0.00%
 NOXIOUS SEED PER LB: NONE
 GERMINATION: 49% + 47% DORMANT SEED
 TOTAL GERMINATION & DORMANT SEED = 96%
 RICHARDSON SEEDS, INC.
 VEGA, TEXAS 79092

KIND: LITTLE BLUESTEM
 VARIETY: NOT STATED
 LOT #: 55-40-BB
 ORIGIN: KS
 NET WT: 50 LBS 88
 TESTED: 6/06 55.07% PLS
 PURE SEED: 57.37%
 INERT MATTER: 40.72%
 OTHER CROP: 1.79%
 WEED SEED: 0.12%
 NOXIOUS SEED PER LB: NONE
 GERMINATION: 52% + 44% DORMANT SEED
 TOTAL GERMINATION & DORMANT SEED = 96%
 RICHARDSON SEEDS, INC.
 VEGA, TEXAS 79092