DEPARTMEN BUREAU OF SUNDRY NOTICES Do not use this form for proposals to de Use "APPLICATION FO SUBMIT	TIED STATES NT OF THE INTERIOR LAND MANAGEMENT AND REPORTS ON WELLS rill or to deepen or reentry to a different reservoir. R PERMIT—" for such proposals	FORM APPROVED Budget Bureau No. 1004-0135 Expaire: March 31, 1993 5. Lease Designation and Serial No. LC-060881 6. If Indian, Allottee or Tellor Name 7. If Unit or CA, Agreement Designation 8910089170
X Well Well Other 2. Name of Operator Xeric Oil & Gas Corpora 3. Address and Telephone No.	S. Well Name and No. South Pearl Queen #10 9. API Well No.	
P.O. Box 352 Midland, Texas 79702 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit Letter J, 1980' FSL and 1980' FEL, Section 4, T-20-S, R-35-E, NMPM, Leu County, New Mexico		10. Field and Pool, or Exploratory Area Pearl [Queen] 11. County or Parish, State Lea County, New Mexico
12. CHECK APPROPRIATE BOX(s) TO NDICATE NATURE OF NOTICE, REPO		RT, OR OTHER DATA
TYPE OF SUBMISSION Notice of Intent	TYPE OF ACTION Abendonment	Change of Plans
Subsequent Report Final Abandonment Notice	Recompletion Plugging Back Casing Repair Altering Casing Other	New Construction Non-Routine Fractoring Water Shut-Off Conversion to Injection Dispose Water (Noir: Report results of multiple completion on Well Completion or Recompletion of Log form.)
PROCEDURE: 1. Set 5 1/2" CIBP at 4 2. Cut and pull 5 1/2"	t at surface,	sny proposed work. If well is directionally drilled.

Tide 18 U.S.C. Section 1001, makes 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.

PETROLEUM ENGINEER

Too Vice President

Approved by (ORIG. SCD.) JOEG. LARA THE Conditions of approval, if any: See attached.

BUREAU OF LAND MANAGEMENT CARLSBAD RESOURCE AREA

Conditions of Approval for the Permanent Abandonment of Federal Wells

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

- 1. Plugging operations shall commence within 90 days from the approval date of this Notice of Intent to Abandon.
- 2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Eddy County call (505) 887-6544; for wells in Lea County call (505) 393-3612.
- 3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
- 4. <u>Mud Requirement</u>: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement</u>: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final.
 - Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C", for up to 7,500 feet of depth, mixed at 14.8 lbs./gal. with 6.3 gallons of fresh water per sack or class "H", for deeper than 7,500 feet plugs, mixed at 16.4 lbs./gal. with 4.3 gallons of fresh water per sack.
- 6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).
- 7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

Following the submittal and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.

N.M. OIL CONS. CC AISSION P.O. BOX 1980

HOERS, NEW MEXICO BRZ

Form 3160-5 June 1990)	DEPARTMENT	ED STATES OF THE INTERIOR AND MANAGEMENT	Badget Bureau No. 1004-0135 Expirex: March 31, 1993 5. Lesse Designation and Serial No.
	rm for proposals to drill	ND REPORTS ON WELLS or to deepen or reentry to a different reserv PERMIT—" for such proposals	
	SUBMIT I	N TRIPLICATE	7. If Unk or CA, Agreement Designation
1. Type of Well Oil Gas Well Other 2. Name of Operator XERIC OIL & GAS COMPANY			8. Well Name and No. SOUTH PEARL QUEEN UNIT #10 9. API Well No.
3. Address and Telephone No. P.O. BOX 51311, MIDLAND, TX 79710 915/683-3171			300250332200 10. Field and Pool, or Exploratory Area
	ON 4, T-20-S, 1980 FEL		PEARL QUEEN II. County or Parish, State LEA COUNTY, NM
		TO INDICATE NATURE OF NOTICE, RE	PORT, OR OTHER DATA
	SUBMISSION	TYPE OF ACT	10N
Notice of Subseque:		Abandoument Recompletion Plugging Back Casing Repair Altering Casing Other RETURN TO POW	Change of Pians New Construction Non-Routine Fracturing Water-Shat-Off Conversion to Injection Dispose Water (Noir: Report results of multiple completion on Well Completion or Recompletion or Report.)
12/1/95.	XERIC PLANS T INTERNAL BETW	URN THIS WELL TO A PRODUCI O RE-ENTER THIS WELL AND T EEN 4758'-60' AND 4860'-75	CEST THE QUEEN
Signed	h	Title PRESIDENT	
(This space for Federal of ORIG. Approved by Conditions of approval, is	SGO.) JOE G. LAR	A THE PETROLEUM ENGINE	ER 11/15/94

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