State of New Mexico Energy, Minerals and Natural Resources Department

DISTRICT I

OIL CONSERVATION DIVISION

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

WELL API NO. 2040 Pacheco St. 30-025-34621 Santa Fe, NM 87505 sIndicate Type of Lease

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410					sState Oil & Gas Lease A-1375-45	STATE A	FEE
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.)					7-Lease Name or Unit Agreement Name Lisa State		
Type of Well: OIL GAS WELL WELL	(OTHER					
2Name of Operator Xeric Oil & Gas Corporation					⊌Well No.	2	
3Address of Operator P.O. Box 352, Midland, Texas	79702						
4Well Location Unit LetterB :660	Feet From The	North	Line and	1980	Feet From The	East	Line
Section 19	Township	208	Range	36E	NMPM	Lea	County
	toElevation 3634' G	•	DF, RKB, RT, GR, e	tc.)			
Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data							

NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PLUG AND ABANDON ALTERING CASING REMEDIAL WORK PERFORM REMEDIAL WORK PLUG AND ANBANDONMENT **TEMPORARILY ABANDON** CHANGE PLANS COMMENCE DRILLING OPNS. CASING TEST AND CEMENT JOB **PULL OR ALTER CASING** OTHER: OTHER:

12Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

6/2/99 - Spud 12 1/4" hole using fresh water @ 9:30 AM - TD 12 1/4" hole @ 381' Run 9 jts of 8 5/8" -24# - K55 Casing to a setting depth of 381' - cement w/ 250 sx class "c" + 2% Cacl2 circulated 40 sx cement to surface

6/3/99 - WOC 18 hrs before drilling out - test BOP's to 2000 psi - Begin drilling 7 7/8" hole w/ 10 ppg brine

6/10/99 - TD 7 7/8" hole @ 4900' - RU open hole loggers but were unable to get past 1000' due to redbed problems make 2 attempts to clean up redbed and run logs - decide to run casing w/o open hole logs

6/11/99 - Run 122 jts - 5 1/2" - 15.50# - J55 casing (4919') to a setting depth of 4900' - Cement w/ 775 sx lead 65:35:6 + 5% salt + 1/4#/sx celloflake - tail w/ 450 sx class "c" + 5/10% FL-25 + 2/10% CD-32 + 1/10% SMS circulated 62 sx cement to surface

6/12/99 - RDMO drilling rig - ready for completion

I hereby certify that the information above is true and complete to	the best of my knowledge and belief.	
SIGNATURE Muful Hys ace	· -	DATE 06-13-99
TYPE OR PRINT NAME Michael G. Mooney		TELEPHONE NO. 915/683-3171
(This space for Sta ORIGINAL SIGNED BY GARY WINK		JUL 07 1999
APPROVED BY FIELD REP. II	TITLE	DATE
CONDITIONS OF APPROVAL, IF ANY:		