

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐

b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Xeric Oil & Gas Corporation

3. ADDRESS AND TELEPHONE NO.
P.O. Box 352 Midland, Texas 79702 915/683-3171

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 660' FSL & 1980' FEL
At proposed prod. zone 660' FSL & 1980' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
9 miles south of Hobbs

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'

16. NO. OF ACRES IN LEASE 80

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A

19. PROPOSED DEPTH 8000'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3563' GR

22. APPROX. DATE WORK WILL START* 2/15/98

PROPOSED CASING AND CEMENTING DATA
LEA COUNTY CONTROLLED WATER BASIN

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CASING
12 1/4"	8 5/8" - J55	24#	1600'	615 sx - circulate
7 7/8"	5 1/2" - N80	17#	8000'	Stage 1 - 615 sx H - 5000'
				Stage 2 - 670 sx H - circulate

1. Drill 12 1/4" hole to approximately 1600' or hard formation with fresh water
2. Set 8 5/8" - 24# casing w/ 16 centralizers spaced every 100'. Cement w/ 615 sx "C" + 4% gel + 2% Cacl2 - Tail w/ 200 sx "C" + 2% Cacl2 - circulate cement to surface - WOC 12 hrs before drilling out
3. Drill 7 7/8" hole to approximately 8000' with brine and mud. Run open hole Logs
4. Set 5 1/2" - 17# - N80 & J55 casing @ 8000'. Cement stage 1 with 220 sx 35:65:6 poz "H" + 5% salt + 1/4#/sx celloflake + 395 sx "H" + 1/4#/sx celloflake - open DV tool at 5000' and cement stage 2 - 670 sx "C" + 3% salt + fluid loss chemicals - circulate cement to surface

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Michael H. Mooney TITLE Consulting Engineer DATE 12/08/97

(This space for Federal or State office use)

PERMIT NO. 182 APPROVAL DATE 2-2-98

Application approval does not warrant or certify that 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:

APPROVED BY (ORIG. Sgd.) ARMANDO A. LOPEZ TITLE Acting ADM. MINERALS DATE 2-2-98

*See Instructions On Reverse Side

U.S. DEPT. OF LAND MGMT.
ROSWELL OFFICE

DEC 15 11:58 AM '58

RECEIVED

DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34289	Pool Code 15200	Pool Name DK Abo
Property Code 22251	Property Name CAPPS FEDERAL	Well Number 2
OGRID No. 025482	Operator Name XERIC OIL AND GAS CORPORATION	Elevation 3563

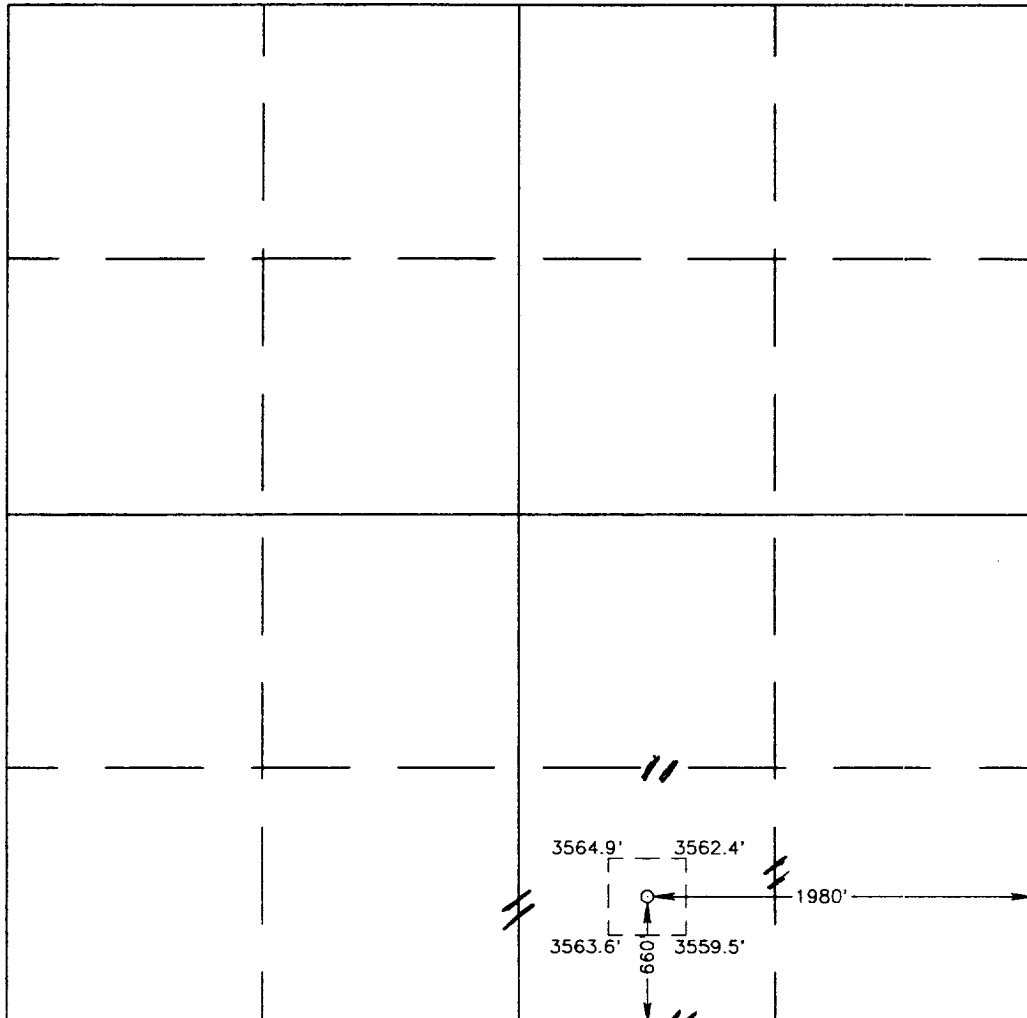
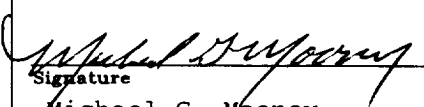
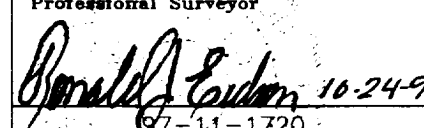
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	13	20 S	38 E		660	SOUTH	1980	EAST	LEA

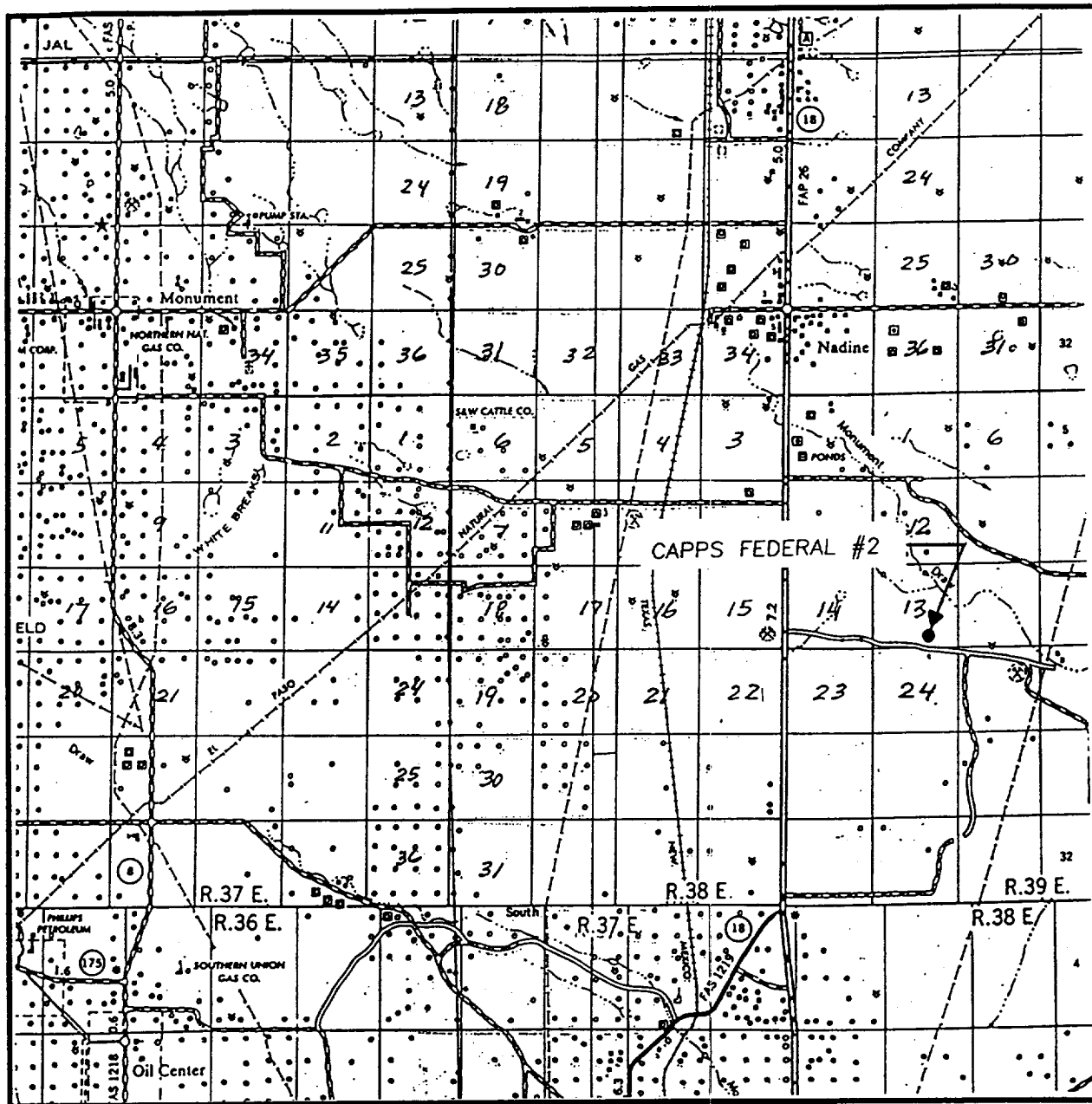
Bottom Hole Location If Different From Surface

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 INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Michael G. Mooney Printed Name Consulting Engineer Title 12/08/97 Date
	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 belief. OCTOBER 24, 1997 Date Surveyed Signature & Seal of Professional Surveyor  10-24-97 67-11-1720 Certificate No. JOHN W. WEST 676 RONALD J. EIDSON 3239 GARY EIDSON 12641

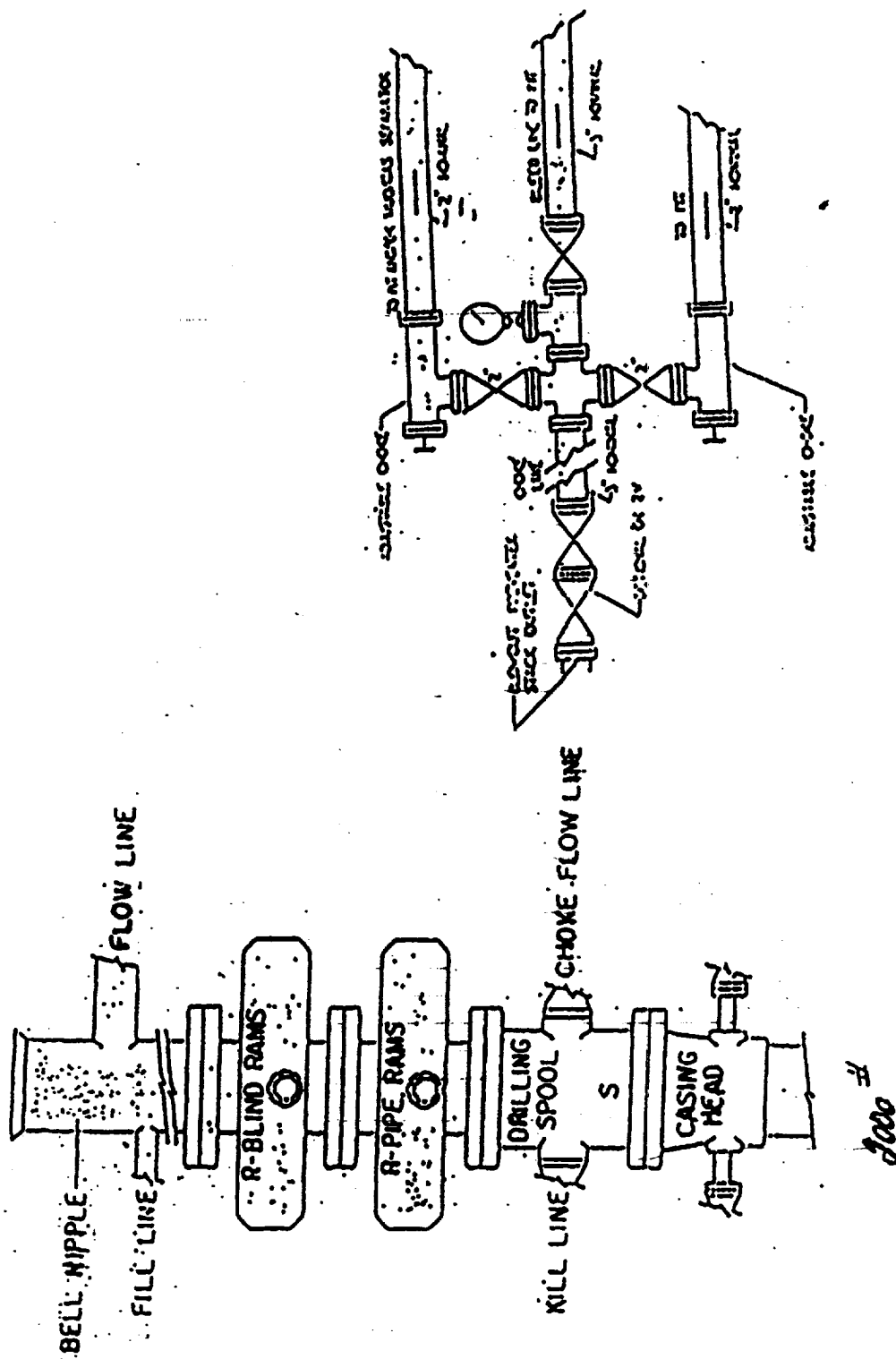
VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 13 TWP. 20-S RGE. 38-E
 SURVEY N.M.P.M.
 COUNTY LEA
 DESCRIPTION 660' FSL & 1980' FEL
 ELEVATION 3563
 OPERATOR XERIC OIL AND GAS CORPORATION
 LEASE CAPPS FEDERAL

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117



PROPOSED BOP' CONFIGUREMENT

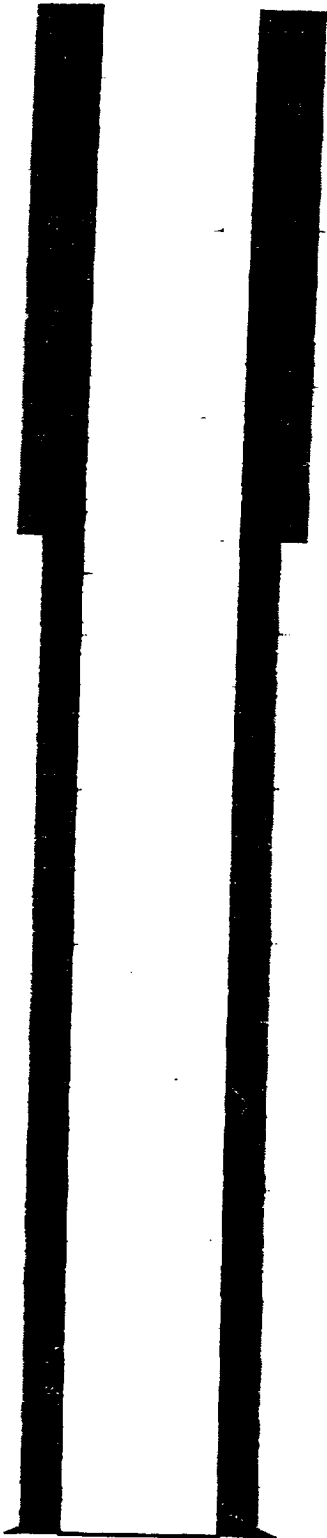
DRILLING, CASING, AND CEMENTING PROGRAM

- 1) Drill 12 1/4" hole to approximately 1600' or to firm formation with fresh water mud, and a viscosity of 32 SPQ and no control over water loss. Maintain pump pressure less than 800 psi to prevent excessive hole enlargement.
- 2) Circulate hole clean with 2 hole volumes of mud
- 3) Run 8 5/8" casing with a centrizer on the first collar and one on each third collar from the bottom. Use a Texas pattern guide shoe with an aluminum baffle float. Land the casing with the collar eighteen inches below the surface.
- 4) Cement the casing in place with 615 sx class "c" + 4% Gel + 2% calcium chloride and 1/4 #/ sx cellophane plus 200 sx class "c" with 2% calcium chloride and 1/4# / sx cellophane. Displace the cement to the float. Shut in.
- 5) Wait on cement 12 hrs before drilling out. Test pressure control equipment to 1000 psi for 30 minutes before drilling through the casing shoe.
- 6) Drill 7 7/8" hole with brine at native conditions to a depth of 7000'.
- 7) At 7000' depth maintain the mud viscosity between 32 - 34 seconds per quart and reduce water loss to 10 cc per 30 seconds
- 8) Drill to TD of 8000'. Estimated BHP = 2500 psi
- 9) Circulate hole for 4 hours with mud at designed conditions.
- 10) Pull out of the hole, lay down drill string
- 11) Run 5 1/2" casing with guide shoe, float collar, latchdown wiper plug baffle and 20 centralizers, one on each collar from the first collar up. Install DV tool @ 5000'
- 12) Cement stage 1 with 220 sx 35:65:6 poz "H" + 5% salt + 1/4#/sx celloflake + 395 sx "H" + 1/4 #/sx celloflake. Open DV tool at 5000' and cement stage 2 with 670 sx "C" + 3% salt + fluid loss chemicals - circulate cement to surface - displace plug with 2% KCL water, release pressure and leave shut in.

Xeric Oil & Gas Corporation

Capps Federal #1

Lea County, New Mexico



1800' 12-1/4" Hole

8-5/8" 24# Casing

Cmt w/515 sks "C" w/4% gel, 2% CaCl₂ @13.51 ppg, 1.74 yld. tail
w/200 sks "C" w/2% CaCl₂ @14.8 ppg, 1.34 yld.

DV Tool @5000'

Cmt 2nd Stage w/670 sks "C" w/0.7% FL-62, 0.3% CD-32, 3% Salt,
0.3% SM @14.77 ppg, 1.36 yld.

8000' 7-7/8" Hole

5-1/2" 17# Casing

Cmt w/220 sks 35:65:6 POZH w/5% Salt, 0.25% CF @12.41 ppg, 2.09 yld
Tail w/395 sks "H" w/0.25% FL-25 @15.61 ppg, 1.18 yld.

PBTD @ 8000'

TD @ 8000'