



JAN 19 1999

XERIC OIL & GAS CORPORATION

P.O. BOX 352
MIDLAND, TEXAS 79702
(915) 683-3171 FAX (915) 683-3152

January 13, 1999

State of Colorado
Oil & Gas Conservation Commission
Attn: Jaime Adkins
1120 Lincoln Street, Suite 801
Denver, CO 80203

Re: Notice of Alleged Violation
Notice Issued January 4, 1999
Wells #1 Lease
Mesa County, Colorado

Dear Mr. Adkins:

This letter is in reply to the above captioned notice regarding non-production of the Wells #1.

It was our intention to work on this well during the lower market demand summer months and bring it back into production in the fall when higher market demand and prices were in effect, however on October 3, 1998 our purchaser, Wildhorse Energy Partners, LLC, notified us that the main pipeline, Northwest Pipeline, could not take the gas until further notice. All wells in this field were shut in on that date, including the Xeric operated Chaffin and Alstatt.

Mr. Adkins I can assure that Xeric is most anxious to get all of the subject wells back into production and further to comply with all rules and regulations of the State of Colorado Oil and Gas Conservation Commission. We are checking with the purchaser, Wildhorse Energy Partners, on a weekly basis and at present they are advising us that it will be May 1999 at the earliest before the Pipeline can take any gas from this field. The contact at Wildhorse is Kim Ward phone # 303-763-3204.

We are making arrangements to place a well sign at the well.

In view of being shut in by the Pipeline we respectfully request a six (6) month continuation of the shut-in status, pending when the pipeline will take the gas and depending on market demand and seasonal gas prices.

Your cooperation and understanding in this matter is most appreciated.

We await your response in due course.

Very truly yours,

A handwritten signature in cursive script that reads "Frank Winn". The signature is written in dark ink and is positioned above the printed name and title.

E.F. (Frank) Winn
Manager of Oil & Gas Marketing

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
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I also wish to receive the following services (for an extra fee):

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XERIC OIL & GAS CORPORATION
PO BOX 352
MIDLAND TX

4a. Article Number

Z 273 291 113

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☒ Return Receipt for Merchandise ☐ COD

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6. Signature (Addressee or Agent)

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8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 273 291 113

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

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MIDLAND TX 79702	
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Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995