

P. O. BOX 2219

ZIA ENERGY, INC.

HOBBS, NEW MEXICO 88241

OIL CONSERVATION DIVISION
RECEIVED

APR 24 1991
PHONE (505) 393-2937

April 18, 1991

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mr. David R. Catanach
Engineer

Re: Request for Administrative Approval
For Downhole Commingling-Rule 303-C
For the Zia Energy, Inc.
Simmons No. 1-G Sec. 5, T22S, R37E
Lea County, New Mexico

Gentlemen:

Zia Energy, Inc. requests administrative approval to downhole commingle production from the above described well for the Blinebry, Tubbs and Drinkard formations. The commingled production will be stored in our surface facility located on the lease.

The following information is supplied as requested by OCD Rule 303-C (Downhole Commingling).

303-C(1)(a)(i), the total combined production of oil from all zones is less than the limit for the 6,000 feet to 6,999 feet depth, which is 40 barrels of oil per day.

303-C(1)(a)(ii), all zones will require artificial lift and a conventional pumping unit with sucker rods and pump will be installed.

303-C(1)(a)(iii), none of the zones will produce water in excess of 40 barrels per day.

303-C(1)(a)(iv), the Blinebry zone swabbed dry on test. Then, water samples from the Tubbs and Drinkard formations were submitted to an independent laboratory for water analysis and compatibility tests. The enclosed analysis indicates that combining the fluids downhole will not result in the formation of precipitates which might damage any of the formations.

303-C(1)(a)(v), the total value of the crude will not be reduced by commingling. The gravity of the Tubbs crude was 36.6 degrees and the Drinkard crude was 36.8 degrees. Both crudes are comparable in quality. Therefore, there should be no change in the price for the crude oil or natural gas.

303-C(1)(a)(vi), all formations have the same ownership, including working interests and royalty interests. There is no overriding royalty interest.

303-C(1)(a)(vii), the commingling will not jeopardize the efficiency of any future secondary recovery operation and there is no present secondary recovery operation that would include this acreage.

The Simmons No. 1 well is a re-entry of a P&A well. Formerly this well was operated by Sohio Petroleum Company as their Grizzell No. 1. It originally produced the Drinkard formation and has a cumulative production of 67,016 barrels of oil and 22,663 MCF of gas. It was plugged back to the Tubbs formation which has a cumulative production of 1,372 barrels of oil and 467,863 MCF of gas. An attempt was made to plug back and produce the Blinebry, but it only produced 47 barrels of oil and 23 MCF of gas. The well was deemed to be uneconomical to produce and was plugged and abandoned on February 19, 1985.

We have re-entered the well and swab tested the well to produce as indicated on the enclosed C-105 and C-116 forms.

A plat has been enclosed which shows the location of the lease and the well. It also shows the ownership of offsetting leases. The three offsetting operators have been notified of our application for downhole commingling. A copy of the letter to each is enclosed.

Since this well is a recent re-entry of a P&A well, we request that the requirement for a decline curve be waived.

The best estimate of bottom hole pressures for the Blinebry, Tubbs and Drinkard formations would be 450 psi. Since artificial lift will keep the well always in a pumped-off condition, there will be no opportunity for cross-flow to occur.

Based on the enclosed C-116 test data, the following formula is suggested for allocating the production of oil, gas and water:

<u>Formation</u>	<u>Percent Oil</u>	<u>Percent Gas</u>	<u>Percent Water</u>
Blinebry	0	0	0
Tubbs	25	28	46
Drinkard	75	72	54

Your favorable consideration of this request for administrative approval for downhole commingling will allow the return to production

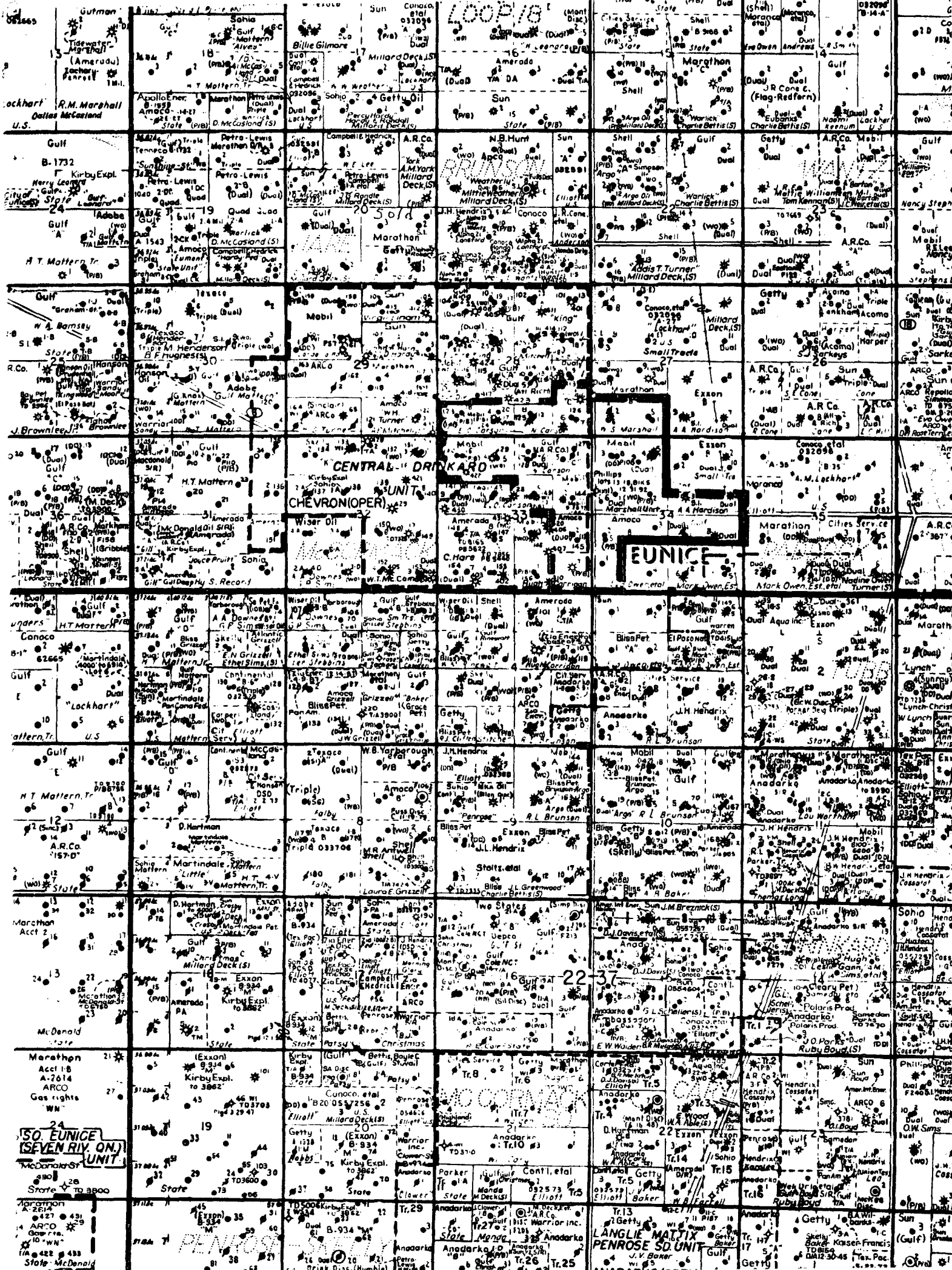
of a well that would otherwise be uneconomical to produce. This will allow the production of reserves that would otherwise be left in the formations. This will protect correlative rights since offsetting wells are being produced from these formations.

If you have any questions or need any additional information, please contact either Farris Nelson or Don Bratton at the above address or telephone number.

Sincerely,

Farris Nelson

Farris Nelson



Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-105
Revised 1-1-89

WELL COMPLETION OR RECOMPLETION REPORT AND LOG					
1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>					
b. Type of Completion: NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESER <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> Re-entry of a P & A Well					
2. Name of Operator Zia Energy, Inc.					
3. Address of Operator P.O. Box 2219, Hobbs, NM 88241					
4. Well Location Unit Letter <u>G</u> : <u>1760</u> Feet From The <u>North</u> Line and <u>1760</u> Feet From The <u>East</u> Line Section <u>5</u> Township <u>22 South</u> Range <u>37 East</u> NMPM <u>Lea</u> County					
10. Date Spudded 2/5/91	11. Date T.D. Reached 2/21/91	12. Date Compl. (Ready to Prod.) 2/24/91	13. Elevations (DF & RKB, RT, GR, etc.) 3424' GR	14. Elev. Casinghead 3424'	
15. Total Depth 6459'	16. Plug Back T.D. 5990'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools 0-6549' Reverse Circula	19. Producing interval(s), of this completion - Top, Bottom, Name 5820' - 5845'	
21. Type Electric and Other Logs Run Gamma Ray - Compensated Neutron			20. Was Directional Survey Made No		
22. Was Well Cored No					
23. CASING RECORD (Report all strings set in well)					
CASING SIZE		WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD
13 - 3/8"		48#	161'	17 - 1/2"	160 sx
8 - 5/8"		28#	2947'	11"	1500 sx
24. LINER RECORD					
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	
5 - 1/2"	2835'	6488'	300	NONE	
25. TUBING RECORD					
SIZE	DEPTH SET	PACKER SET			
2 - 3/8"	5975'	NONE			
26. Perforation record (interval, size, and number) 5820' - 5845' Original Perforations			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL 5820' - 5845' AMOUNT AND KIND MATERIAL USED 5000 gallons of 15% HCL - NEFE acid		
28. PRODUCTION					
Date First Production 2/24/91		Production Method (Flowing, gas lift, pumping - Size and type pump) Swab tested to evaluate formation			Well Status (Prod. or Shut-in) Shut-in
Date of Test 3/1/91	Hours Tested 12	Choke Size -	Prod'n For Test Period Oil - Bbl. 0	Gas - MCF TSTM	Water - Bbl. 0
Flow Tubing Press. -	Casing Pressure 15	Calculated 24-Hour Rate	Oil - Bbl. 0	Gas - MCF TSTM	Water - Bbl. 0
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented pending connection to gas pipeline					Test Witnessed By Farris Nelson
30. List Attachments Gamma Ray - Compensated Neutron					
31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief					
Signature <u>Farris Nelson</u>		Printed Name <u>Farris Nelson</u>		Title <u>Engineer</u>	Date <u>4/17/91</u>

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy	
T. Salt	
B. Salt	
T. Yates	
T. 7 Rivers	
T. Queen	3325'
T. Grayburg	3597'
T. San Andres	3783'
T. Glorieta	5070'
T. Paddock	5221'
T. Blinebry	5520'
T. Tubb	6040'
T. Drinkard	6321'
T. Abo	
T. Wolfcamp	
T. Penn	
T. Cisco (Bough C)	

Northwestern New Mexico

T. Canyon _____
T. Strawn _____
T. Atoka _____
T. Miss _____
T. Devonian _____
T. Silurian _____
T. Montoya _____
T. Simpson _____
T. McKee _____
T. Ellenburger _____
T. Gr. Wash _____
T. Delaware Sand _____
T. Bone Springs _____
T. _____
T. _____
T. _____
T. _____

T. Ojo Alamo _____
T. Kirtland-Fruitland _____
T. Pictured Cliffs _____
T. Cliff House _____
T. Menefee _____
T. Point Lookout _____
T. Mancos _____
T. Gallup _____
Base Greenhorn _____
T. Dakota _____
T. Morrison _____
T. Todilto _____
T. Entrada _____
T. Wingate _____
T. Chinle _____
T. Permian _____
T. Penn "A" _____

T. Penn. "B"
T. Penn. "C"
T. Penn. "D"
T. Leadville
T. Madison
T. Elbert
T. McCracken
T. Ignacio Otzte
T. Granite
T.
T.
T.
T.
T.
T.
T.
T.
T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
No. 2, from.....to.....

No. 3, from.....to.....
No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)[illegible]

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-105
Revised 1-1-89

WELL API NO.
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		7. Lease Name or Unit Agreement Name Simmons	
b. Type of Completion: NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> Re-entry of a P & A Well		8. Well No. 1	
2. Name of Operator Zia Energy, Inc.		9. Pool name or Wildcat Tubbs	
3. Address of Operator P.O. Box 2219, Hobbs, NM 88241			
4. Well Location Unit Letter <u>G</u> : <u>1760</u> Feet From The <u>North</u> Line and <u>1760</u> Feet From The <u>East</u> Line Section <u>5</u> Township <u>22 South</u> Range <u>37 East</u> NMPM <u>Lea</u> County			
10. Date Spudded 2/5/91	11. Date T.D. Reached 2/21/91	12. Date Compl. (Ready to Prod.) 3/6/91	13. Elevations (DF & RKB, RT, GR, etc.) 3424' GR
14. Elev. Casinghead 3424'			
15. Total Depth 6459'	16. Plug Back T.D. 6275'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools Cable Tools 0-6549' Reverse Circula
19. Producing Interval(s), of this completion - Top, Bottom, Name 6062' - 6163'			20. Was Directional Survey Made No
21. Type Electric and Other Logs Run Gamma Ray - Compensated Neutron			22. Was Well Cored No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 - 3/8"	48#	161'	17 - 1/2"	160 sx	NONE
8 - 5/8"	28#	2947'	11"	1500 sx	NONE

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
5 - 1/2"	2835'	6488'	300	NONE	2 - 3/8"	6225'	NONE

26. Perforation record (interval, size, and number) 6062' - 6163' Original Perforations	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	6062' - 6163'	5000 gallons of 15% HCL - NEFE acid

28. PRODUCTION							
Date First Production 3/6/91		Production Method (Flowing, gas lift, pumping - Size and type pump) Swab tested to evaluate formation				Well Status (Prod. or Shut-in) Shut-in	
Date of Test 3/11/91	Hours Tested 12	Choke Size -	Prod'n For Test Period	Oil - Bbl. 0.75	Gas - MCF 5.0	Water - Bbl. 3.0	Gas - Oil Ratio 6.667
Flow Tubing Press. -	Casing Pressure 15	Calculated 24-Hour Rate	Oil - Bbl. 1.5	Gas - MCF 10	Water - Bbl. 6	Oil Gravity - API - (Corr.) 36.6	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented pending connection to gas pipeline	Test Witnessed By Farris Nelson
---	------------------------------------

30. List Attachments Gamma Ray - Compensated Neutron

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Farris Nelson Printed Name Farris Nelson Title Engineer Date 4/17/91

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy	T. Canyon
T. Salt	T. Strawn
B. Salt	T. Atoka
T. Yates	T. Miss
T. 7 Rivers	T. Devonian
T. Queen 3325'	T. Silurian
T. Grayburg 3597'	T. Montoya
T. San Andres 3783'	T. Simpson
T. Glorieta 5070'	T. McKee
T. Paddock 5221'	T. Ellenburger
T. Blinberry 5520'	T. Gr. Wash
T. Tubb 6040'	T. Delaware Sand
T. Drinkard 6321'	T. Bone Springs
T. Abo	T.
T. Wolfcamp	T.
T. Penn	T.
T. Cisco (Bough C)	T.

Northwestern New Mexico

T. Ojo Alamo _____	T. Penn. "B" _____
T. Kirtland-Fruitland _____	T. Penn. "C" _____
T. Pictured Cliffs _____	T. Penn. "D" _____
T. Cliff House _____	T. Leadville _____
T. Menefee _____	T. Madison _____
T. Point Lookout _____	T. Elbert _____
T. Mancos _____	T. McCracken _____
T. Gallup _____	T. Ignacio Otzte _____
Base Greenhorn _____	T. Granite _____
T. Dakota _____	T. _____
T. Morrison _____	T. _____
T. Todilto _____	T. _____
T. Entrada _____	T. _____
T. Wingate _____	T. _____
T. Chinle _____	T. _____
T. Permian _____	T. _____
T. Penn "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
No. 2, from.....to.....
No. 3, from.....to.....
No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
No. 2, from.....to.....feet.....
No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

[illegible]

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-105
Revised 1-1-89

WELL API NO.
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____				7. Lease Name or Unit Agreement Name Simmons	
b. Type of Completion: NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> Re-entry of a P & A Well					
2. Name of Operator Zia Energy, Inc.				8. Well No. 1	
3. Address of Operator P.O. Box 2219, Hobbs, NM 88241				9. Pool name or Wildcat Drinkard	
4. Well Location Unit Letter <u>G</u> : <u>1760</u> Feet From The <u>North</u> Line and <u>1760</u> Feet From The <u>East</u> Line Section <u>5</u> Township <u>22 South</u> Range <u>37 East</u> NMPM <u>Lea</u> County					
10. Date Spudded 2/5/91	11. Date T.D. Reached 2/21/91	12. Date Compl. (Ready to Prod.) 3/20/91	13. Elevations (DF & RKB, RT, GR, etc.) 3424' GR	14. Elev. Casinghead 3424'	
15. Total Depth 6459'	16. Plug Back T.D. 6540'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools 0-6549' Reverse Circula	Cable Tools	
19. Producing Interval(s), of this completion - Top, Bottom, Name 6440' - 6549'				20. Was Directional Survey Made No	
21. Type Electric and Other Logs Run Gamma Ray - Compensated Neutron				22. Was Well Cored No	

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 - 3/8"	48#	161'	17 - 1/2"	160 sx	NONE
8 - 5/8"	28#	2947'	11"	1500 sx	NONE

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SIZE	DEPTH SET	PACKER SET	
5 - 1/2"	2835'	6488'	300	2 - 3/8"	6525'	NONE	

26. Perforation record (interval, size, and number) 6440' - 6478' Original Perforations 6488' - 6549' Open Hole	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	6440' - 6549'	5000 gallons of 15% HCL - NEFE acid

PRODUCTION

28. Date First Production 3/20/91		Production Method (Flowing, gas lift, pumping - Size and type pump) Swab tested to evaluate formation				Well Status (Prod. or Shut-in) Shut-in	
Date of Test 3/22/91	Hours Tested 12	Choke Size -	Prod'n For Test Period	Oil - Bbl. 2.25	Gas - MCF 12.5	Water - Bbl. 3.5	Gas - Oil Ratio 5.556
Flow Tubing Press. -	Casing Pressure 15	Calculated 24-Hour Rate	Oil - Bbl. 4.5	Gas - MCF 25	Water - Bbl. 7	Oil Gravity - API - (Corr.) 36.8	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented pending connection to gas pipeline	Test Witnessed By Farris Nelson
---	------------------------------------

30. List Attachments Gamma Ray - Compensated Neutron

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Farris Nelson Printed Name Farris Nelson Title Engineer Date 4/17/91

8

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Northwestern New Mexico

OIL OR GAS SANDS OR ZONES

IMPORTANT WATER SANDS

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

[illegible]

Submit 5 Copies
Appropriate District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

OIL CONSERVATION DIVISION

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

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

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

REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

I.

Operator Zia Energy, Inc.	Well API No.
Address P.O. Box 2219, Hobbs, NM 88241	
Reason(s) for Filing (Check proper box) <input checked="" type="checkbox"/> Other (Please explain) New Well <input type="checkbox"/> Change in Transporter of: Re-entry of P & A well. Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Formerly Sohio Grizzell #1 Change in Operator <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> P & A 2/19/85.	
If change of operator give name and address of previous operator _____	

II. DESCRIPTION OF WELL AND LEASE

Lease Name Simmons	Well No. 1	Pool Name, Including Formation Blinebry	Kind of Lease State, Federal or Fee	Lease No.
Location Unit Letter G : 1760 Feet From The North Line and 1760 Feet From The East Line Section 5 Township 22 South Range 37 East , NMPM, Lea County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Navajo Refining Company	Address (Give address to which approved copy of this form is to be sent) P.O. Drawer 159, Artesia, NM 88210					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
If well produces oil or liquids, give location of tanks.	Unit G	Sec. 5	Twp. 22S	Rge. 37E	Is gas actually connected? No	When ? As Soon As Possible

If this production is commingled with that from any other lease or pool, give commingling order number: _____

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well <input checked="" type="checkbox"/>	Gas Well	New Well <input type="checkbox"/>	Workover <input type="checkbox"/>	Deepen <input type="checkbox"/>	Plug Back <input type="checkbox"/>	Same Res'v <input type="checkbox"/>	Diff Res'v <input type="checkbox"/>
	X		Re-entry of	P & A	well.			
Date Spudded 2/5/91	Date Compl. Ready to Prod. 2/24/91		Total Depth 6549'		P.B.T.D. 5990'			
Elevations (DF, RKB, RT, GR, etc.) 3424' GR	Name of Producing Formation Blinebry		Top Oil/Gas Pay 5820'		Tubing Depth 5975'			
Perforations 5820' - 5845' Original perforations					Depth Casing Shoe 6488'			
TUBING, CASING AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			
17 - 1 1/2"	13 - 3/8"		161'		160			
11"	8 - 5/8"		2947'		1500			
7 - 7/8"	5 - 1 1/2" liner		2835' - 6488'		300			
	2 - 3/8" tubing		5975'		NONE			

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank 2/24/91	Date of Test 3/1/91	Producing Method (Flow, pump, gas lift, etc.) Swab tested to evaluate formation	
Length of Test 12 hrs.	Tubing Pressure -	Casing Pressure 15	Choke Size -
Actual Prod. During Test 0	Oil - Bbls. 0	Water - Bbls. 0	Gas- MCF TSTM

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Farris Nelson
Signature **Farris Nelson** President
Printed Name **4/17/91** Title **505/393-2937**
Date Telephone No.

OIL CONSERVATION DIVISION

Date Approved _____

By _____

Title _____

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

OIL CONSERVATION DIVISION

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

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

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

REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

Operator Zia Energy, Inc.		Well API No.
Address P.O. Box 2219, Hobbs, NM 88241		
Reason(s) for Filing (Check proper box) New Well <input type="checkbox"/> Recompletion <input type="checkbox"/> Change in Operator <input type="checkbox"/>		<input checked="" type="checkbox"/> Other (Please explain) Re-entry of P & A well. Formerly Sohio Grizzell #1 P & A 2/19/85.
If change of operator give name and address of previous operator		

II. DESCRIPTION OF WELL AND LEASE

Lease Name Simmons	Well No. 1	Pool Name, Including Formation Tubbs	Kind of Lease State, Federal or Fee	Lease No.
Location Unit Letter G : 1760 Feet From The North Line and 1760 Feet From The East Line Section 5 Township 22 South Range 37 East ,NMPM, Lea County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Navajo Refining Company	Address (Give address to which approved copy of this form is to be sent) P.O. Drawer 159, Artesia, NM 88210					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
If well produces oil or liquids, give location of tanks.	Unit G	Sec. 5	Twp. 22S	Rge. 37E	Is gas actually connected? No	When ? As Soon As Possible

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well <input checked="" type="checkbox"/>	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
	X		Re-entry of	P & A	well.			
Date Spudded 2/5/91	Date Compl. Ready to Prod. 3/6/91		Total Depth 6549'		P.B.T.D. 6275'			
Elevations (DF, RKB, RT, GR, etc.) 3424' GR	Name of Producing Formation Tubbs		Top Oil/Gas Pay 6062'		Tubing Depth 6225'			
Perforations 6062' - 6163' Original perforations					Depth Casing Shoes 6488'			
TUBING, CASING AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			
17 - 1 1/2"	13 - 3/8"		161'		160			
11"	8 - 5/8"		2947'		1500			
7 - 7/8"	5 - 1 1/2" liner		2835' - 6488'		300			
	2 - 3/8" tubing		6225'		NONE			

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank 3/6/91	Date of Test 3/11/91	Producing Method (Flow, pump, gas lift, etc.) Swab tested to evaluate formation	
Length of Test 12 hrs.	Tubing Pressure -	Casing Pressure 15	Choke Size -
Actual Prod. During Test 3.75 bbls	Oil - Bbls. 0.75	Water - Bbls. 3.0	Gas- MCF 5.0

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature *Farris Nelson*
Printed Name **Farris Nelson** Title **President**
Date **4/17/91** Telephone No. **505/393-2937**

OIL CONSERVATION DIVISION

Date Approved _____

By _____

Title _____

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

OIL CONSERVATION DIVISION

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

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

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

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Operator Zia Energy, Inc.		Well API No.
Address P.O. Box 2219, Hobbs, NM 88241		
Reason(s) for Filing (Check proper box) <input checked="" type="checkbox"/> Other (Please explain)		
New Well <input type="checkbox"/>	Change in Transporter of: Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>	Re-entry of P & A well. Formerly Sohio Grizzell #1 P & A 2/19/85.
Recompletion <input type="checkbox"/>		
Change in Operator <input type="checkbox"/>		
If change of operator give name and address of previous operator _____		

II. DESCRIPTION OF WELL AND LEASE

Lease Name Simmons	Well No. 1	Pool Name, Including Formation Drinkard	Kind of Lease State, Federal or Fee	Lease No.
Location				
Unit Letter G	1760	Feet From The North Line and 1760	Feet From The East	Line
Section 5	Township 22 South	Range 37 East	NMPM,	Lea County

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
Navajo Refining Company	P.O. Drawer 159, Artesia, NM 88210					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When ?
	G	5	22S	37E	No	As Soon As Possible

If this production is commingled with that from any other lease or pool, give commingling order number: _____

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well <input checked="" type="checkbox"/>	Gas Well	New Well <input type="checkbox"/>	Workover <input type="checkbox"/>	Deepen <input type="checkbox"/>	Plug Back <input type="checkbox"/>	Same Res'v	Diff Res'v
	X		Re-entry of	P & A	well.			
Date Spudded 2/5/91	Date Compl. Ready to Prod. 3/20/91	Total Depth 6549'		P.B.T.D. 6540'				
Elevations (DF, RKB, RT, GR, etc.) 3424'	Name of Producing Formation Drinkard	Top Oil/Gas Pay 6440'		Tubing Depth 6525'				
Perforations 6440' - 6478' (Original perforations) - 6488' - 6549'		Open Hole		Depth Casing Shoe 6488'				
TUBING, CASING AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			
17 - 1/2"	13 - 3/8"		161'		160			
11"	8 - 5/8"		2947'		1500			
7 - 7/8"	5 - 1/2" liner		2835' - 6488'		300			
	2 - 3/8" tubing		6525'		NONE			

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

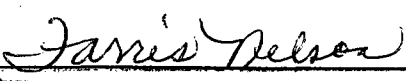
Date First New Oil Run To Tank 3/20/91	Date of Test 3/22/91	Producing Method (Flow, pump, gas lift, etc.) Swab tested to evaluate formation	
Length of Test 12 hrs.	Tubing Pressure -	Casing Pressure 15	Choke Size -
Actual Prod. During Test 5.75	Oil - Bbls. 2.25	Water - Bbls. 3.5	Gas- MCF 12.5

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.


Signature **Farris Nelson** President
Printed Name **4/17/91** Title **505/393-2937**
Date Telephone No.

OIL CONSERVATION DIVISION

Date Approved _____
By _____
Title _____

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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

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

WELL API NO.

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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
Zia Energy, Inc.

3. Address of Operator
P.O. Box 2219, Hobbs, NM 88241

4. Well Location
Unit Letter G : 1760 Feet From The North Line and 1760 Feet From The East Line

Section 5 Township 22 South Range 37 East NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3424' GR

11. 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 ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: Re - entry of P & A Well ☒

12. 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.

- 1/30/91 commenced operations to re-enter P & A Sohio Grizzell #1. Cleared location, dug out cellar, removed dry hole marker and drilled 40' of top plug.
- 2/5/91 MI RU pulling unit and reverse circulation equipment. Continued to drill surface cement plug. Fell out of cmt. at 180'. Tagged 2nd plug @ 906'. Drilled through 2nd plug at 1112'.
- 2/7/91 Circulate down to 3rd plug at 2039'. Drilled cmt. to 2275'. Circulated down to 2852', the top of the 5 1/2" casing. Pressured up on the 8 5/8" csg. - would not hold pressure. Located a hole in the 8 5/8" csg. at 1135'. Squeezed hole using 100 sx cmt. Displaced 75 sx through hole - left 25 sx in csg. Drilled out cmt. using 7 5/8" bit. Pressure tested to 500 psi - held w/o loss of pressure.
- 2/9/91 TIH w/ 4 3/4" hole - circulated to 5491'. Drilled cmt. & CIBP to 5509'. Circulated to 5952'. Drilled cmt. & CIBP to 5964'. Continued

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

SIGNATURE Farris Nelson TITLE Engineer DATE 4/17/91

TYPE OR PRINT NAME Farris Nelson 505/393-2937 TELEPHONE NO.

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

CONTINUED

5. Circulated down to 6234'. Drilled cmt. & CIBP to 6300'. Circulate to 6549' - original TD.
6. Set a guide on top of 5 1/2" csg at 2852' with one joint of 5 1/2" csg. & a swage from 5 1/2" to 8 5/8".
7. Set a BP at 5990' & a pkr. at 5800'. Treated Blinebry perfs. from 5820' - 5845' using 5000 gallons of 15% HCL. Swab tested Blinebry 0 BOPD, 0 BWPD & gas. TSTM.
8. Moved BP to 6275' & pkr at 6000'. Treated Tubbs perfs from 6062' - 6163' using 5000 gallons of 15% HCL. Swab tested. Tubbs to produce 1.5 BOPD, 6.0 BWPD & gas 10 MCF/D.
9. TOH to lay down BP. TIH w/ pkr. - set pkr. at 6410'. Treated Drinkard perfs. from 6440' - 6478' & 6488' - 6549' open hole using 5000 gallons of 15% HCL. Swab tested Drinkard to produce 4.5 BOPD, 7.0 BWPD & gas 25.0 MCF/D.
10. TOH to lay down pkr. & 2 7/8" work string. TIH w/ 6501' 2 3/8" tbg. w/complete assembly to pump, including a tbg. anchor set at 5800'. Picked up 2" X 1 1/2" X 16' rod pump, 3/4" and 7/8" rods. SD w/o pumping unit, electricity & paper work.

Submit 2 copies to Appropriate District Office.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-116
Revised 1/1/89

OIL CONSERVATION DIVISION

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

GAS - OIL RATIO TEST

Operator Zia Energy, Inc.		Pool Blinebry		County Lea								
Address P.O. Box 2219, Hobbs, NM 88241		TYPE OF TEST - (X) <input checked="" type="checkbox"/> TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input checked="" type="checkbox"/> XX		Special <input type="checkbox"/>				
LEASE NAME	WELL NO.	LOCATION U S T R		DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST WATER BBL.S. GRAV. OIL BBL.S. GAS M.C.F. RATIO CU.FT/BBL.			
Simmons	1	G	5	22537E	3/1/91	-	-	24	0	-	0	TSTM
Swab tested to evaluate the Blinebry formation.												

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.
Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F.
Specific gravity base will be 0.60.
Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

Signature

Farris Nelson

Engineer

Printed name and title
04/17/91

505/393-2937

Date

Telephone No.

Submit 2 copies to Appropriate District Office.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-116
Revised 1/1/89

OIL CONSERVATION DIVISION

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

GAS - OIL RATIO TEST

Operator Zia Energy, Inc.		Pool Tubbs		County Lea											
Address P.O. Box 2219, Hobbs, NM 88241		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/> Completion <input checked="" type="checkbox"/> Special <input type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	3 INCH TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU FT/BBL.	
		U	S	T							R	WATER BBL.S.	GRAV. OIL		OIL BBL.S.
Simmons	1	G	5	22S	37E	3/11/91	-	-	-	24	6.0	36.6	1.5	10	6,667
Swab tested to evaluate the Tubbs formation															

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.
Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

Signature

Farris Nelson

Engineer

Printed name and title

4/17/91

505/393-2937

Date

Telephone No.

Submit 2 copies to Appropriate District Office.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-116
Revised 1/1/89

OIL CONSERVATION DIVISION

GAS - OIL RATIO TEST

Operator Zia Energy, Inc.		Pool Drinkard		County Lea												
Address P.O. Box 2219, Hobbs, NM 88241		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/> Completion <input checked="" type="checkbox"/> Special <input type="checkbox"/>												
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	SIZE OF TEST - (X)	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU FT/BBL.	
		U	S	T	R							WATER BBL.S.	GRAV. OIL	OIL BBL.S.		GAS M.C.F.
Simmons	1	G	5	22S	37E	3/22/91	-	-	-	-	24	7.0	36.8	4.5	25.0	5.556

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

Signature

Farrie Nelson

Printed name and title

Engineer

Date

4/17/91

Telephone No.

505/393-2937

P. O. BOX 2219

ZIA ENERGY, INC.

PHONE (505) 393-2937

HOBBS, NEW MEXICO 88241

April 18, 1991

Mr. William B. Yarborough
200 Loraine-Suite 1400
Midland, Texas 79701

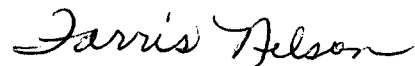
Re: Request for Administrative Approval
for Downhole Commingling-OCD Rule
303-C for the:
Zia Energy, Inc. Simmons No. 1-G
Sec. 5-T22S-R37E, Lea County, NM

Gentlemen:

Zia Energy, Inc. has re-entered the above described P&A well. After testing the Blinbry, Tubbs and Drinkard formations, we have made application to the New Mexico Oil Conservation Division for administrative approval for downhole commingling under OCD Rule 303-C (Downhole Commingling), for these three formations.

This is intended to serve as our notice to you of our application.

Sincerely,



Farris Nelson

CERTIFIED MAIL # P 175 163 199

P. O. BOX 2219

ZIA ENERGY, INC.

PHONE (505) 393-2937

HOBBS, NEW MEXICO 88241

April 18, 1991

Chevron USA Inc.
P. O. Box 688
Eunice, New Mexico 88231

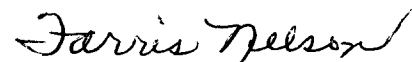
Re: Request for Administrative Approval
for Downhole Commingling-OCD Rule
303-C for the:
Zia Energy, Inc. Simmons No. 1-G
Sec. 5-T22S-R37E, Lea County, NM

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This is intended to serve as our notice to you of our application.

Sincerely,



Farris Nelson

CERTIFIED MAIL # P 175 163 200

P. O. BOX 2219

ZIA ENERGY, INC.

PHONE (505) 393-2937

HOBBS, NEW MEXICO 88241

April 18, 1991

B. E. C. Corporation
P. O. Box 1392
Midland, Texas 79702

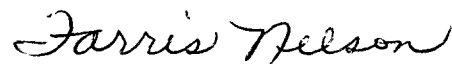
Re: Request for Administrative Approval
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303-C for the:
Zia Energy, Inc. Simmons No. 1-G
Sec. 5-T22S-R37E, Lea County, NM

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This is intended to serve as our notice to you of our application.

Sincerely,



Farris Nelson

CERTIFIED MAIL # P 175 163 202

UNICHEM INTERNATIONAL
P.O. BOX 1499 707 NORTH LEECH STREET
HOBBS, NEW MEXICO 88240

Zia Energy, Inc.
Box 2219
Hobbs, NM 88240

Report Date: April 22, 1991
Lab In Date: April 11, 1991
Sample Date: April 11, 1991

Dear Brian Nelson

Listed below please find our water analysis report from Simmons, #1 Drinkard :

Specific Gravity: 1.102
Total Dissolved Solids: 142825
PH: 7.20
Ionic Strength: 2.782

CATIONS:

		mg/liter
Calcium:	(Ca++)	7360
Magnesium:	(Mg++)	2333
Sodium:	(Na+)	44485
Iron (Total)	(Fe++)	31.00
Barium	(Ba++)	.20
Manganese:	(Mn++)	0.00

ANIONS:

Bicarbonate:	(HCO3-)	146
Carbonate:	(CO3--)	0
Hydroxide:	(OH-)	0
Sulfate:	(SO4--)	501
Chloride:	(Cl-)	88000

GASES:

Carbon Dioxide:	(CO2)	*****
Oxygen:	(O2)	*****
Hydrogen Sulfide:	(H2S)	*****

SCALE INDEX (Positive Value Indicates Scale Tendency) * indicates tests were not run.

Temperature	CaCO3 SI	CaSO4 SI
86F 30.0C	.82	-21.09
104F 40.0C	1.03	-20.90
122F 50.0C	1.30	-20.43
140F 60.0C	1.60	-20.04
168F 70.0C	1.93	-20.03
176F 80.0C	2.31	-20.31

If you have any questions or require further information, please contact us.

Sincerely,


Sharon Wright

Laboratory Technician

cc:

bc: Joe Hay
John Offutt

UNICHEM INTERNATIONAL
P.O. BOX 1499 707 NORTH LEECH STREET
HOBBS, NEW MEXICO 88240

Zia Energy, Inc.
Box 2219
Hobbs, NM 88240

Report Date: April 22, 1991
Lab In Date: April 11, 1991
Sample Date: April 11, 1991

Dear Brian Nelson

Listed below please find our water analysis report from Simmons, #1 Tubb :

Specific Gravity: 1.018
Total Dissolved Solids: 24829
PH: 6.80
Ionic Strength: .498

=====

CATIONS:		mg/liter
Calcium:	(Ca++)	1760
Magnesium:	(Mg++)	437
Sodium:	(Na+)	7106
Iron (Total)	(Fe++)	5.80
Barium	(Ba++)	.80
Manganese:	(Mn++)	0.00
Resistivity:		

=====

ANIONS:		
Bicarbonate:	(HCO3-)	220
Carbonate:	(CO3--)	0
Hydroxide:	(OH-)	0
Sulfate:	(SO4--)	307
Chloride:	(Cl-)	15000

=====

GASES:

Carbon Dioxide:	(CO2)	*****
Oxygen:	(O2)	*****
Hydrogen Sulfide:	(H2S)	*****


=====

SCALE INDEX (Positive Value Indicates Scale Tendency) * indicates tests were not run.

Temperature	CaCO3 SI	CaSO4 SI
86F 30.0C	-.09	-29.65
104F 40.0C	.16	-29.91
122F 50.0C	.41	-30.17
140F 60.0C	.69	-29.65
168F 70.0C	1.02	-28.61
176F 80.0C	1.36	-27.01

If you have any questions or require further information, please contact us.

Sincerely,


Charles Wright
Laboratory Technician

CC:

bc: Joe Hay
John Offutt

UNICHEM INTERNATIONAL
P.O. BOX 1499 707 NORTH LEECH STREET
HOBBS, NEW MEXICO 88240

Zia Energy, Inc.
Box 2219
Hobbs, NM 88240

Report Date: April 22, 1991
Lab In Date: April 11, 1991
Sample Date: April 11, 1991

Dear Brian Nelson

Listed below please find our water analysis report from Simmons, #1 CDH (Tubb & Drk) :

Specific Gravity: 1.039
Total Dissolved Solids: 54383
PH: 6.60
Ionic Strength: 1.110

CATIONS:

		mg/liter
Calcium:	(Ca++)	3680
Magnesium:	(Mg++)	1409
Sodium:	(Na+)	15037
Iron (Total)	(Fe++)	363.00
Barium	(Ba++)	.90
Manganese:	(Mn++)	0.00
Resistivity:		

ANIONS:

Bicarbonate:	(HCO3-)	659
Carbonate:	(CO3--)	0
Hydroxide:	(OH-)	0
Sulfate:	(SO4--)	598
Chloride:	(Cl-)	33000

GASES:

Carbon Dioxide:	(CO2)	*****
Oxygen:	(O2)	*****
Hydrogen Sulfide:	(H2S)	*****

SCALE INDEX (Positive Value Indicates Scale Tendency) * indicates tests were not run.

Temperature		CaCO3 SI	CaSO4 SI
86F	30.0C	.27	-24.89
104F	40.0C	.48	-24.73
122F	50.0C	.74	-24.40
140F	60.0C	1.09	-23.91
168F	70.0C	1.43	-23.25
176F	80.0C	1.78	-21.76

If you have any questions or require further information, please contact us.

Sincerely,


Sharon Wright
Laboratory Technician

cc:

bc: Joe Hay
John Offutt

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: B. E. C. Corporation P. O. Box 1392 Midland, TX 79702		4. Article Number
5. Signature — Addressee X		Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
6. Signature — Agent X <i>Craig Danough</i>		Always obtain signature of addressee or agent and DATE DELIVERED .
7. Date of Delivery APR 19 1991		8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989

*U.S.G.P.O. 1989-239-815

DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985

Sent to B. E. C. Corporation	Postage S
Street and No. P. O. Box 1392	
P.O. State and ZIP Code Midland, TX 79702	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing Date and	
TOTAL (Postage and Fee)	2.29
Postmark (if D.D.)	



P 175 163 202

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Chevron USA, Inc. P. O. Box 688 Eunice, NM 88231	4. Article Number P 175 163 200 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Robert Haas</i>	
7. Date of Delivery 4-18-91	

PS Form 3811, Apr. 1989

U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985

Sent to: Chevron USA, Inc.	
Street and No. P. O. Box 688	
P.O. State and Zip Code Eunice, NM 88231	
Postage 5	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Date and Address of delivery	
TOTAL Postage and Fees 5.00	
Postmark or Date of Delivery APR 18 1991	

P 175 163 200
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Mr. William B. Yarborough 200 Loraine-Suite 1400 Midland, TX 79701	4. Article Number P 175 163 199 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED .
5. Signature — Addressee <i>X [Signature]</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent <i>X</i>	
7. Date of Delivery 4/18/91	

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-816 **DOMESTIC RETURN RECEIPT**

PS Form 3800, June 1985

P 175 163 199

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to Mr. William B. Yarborough	
Street and No. 200 Loraine-Suite 1400	
P.O. State and ZIP Code Midland, TX 79701	
Postage 5	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL POSTAGE AND FEES 2.29	
Postmarked Date APR 18 1991	

U.S. POSTAGE AND FEES COLLECTED



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

RECEIVED

OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE

'91 APR 29 AM 10 24

4-24-91

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC
DHC ☒
NSL
NSP
SWD
WFX
PMX

Gentlemen:

I have examined the application for the:

Zia Energy Inc. Simmons #1-G 5-22-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed

P.S. David - this is well that shows NO production from
Blinbery + instead of showing 0% allocation to
that zone in the order could we just make
mention that Blinbery zone is open but non productive
+ will need to be properly plugged when well is abandoned.
FLP (14)