

ADSM 10195 24004

Order Number	API Number	Operator	County
HOB-0014A	30-025-26457	Zia Energy, Inc.	Lea

Order Date	Well Name	Number	Location			
12-16-02	Grizzell B	003	H UL	8 Sec	22 T (+Dir)	37 R (+Dir)

		Oil %	Gas %
Pool 1	49210 Paddock	53%	4%
Pool 2	06660 Blinebry Oil + Gas (Oil)	13%	28%
Pool 3	19190 Drinkard	7%	33%
Pool 4	62700 Wantz Abo	27%	35%

Comments: Work completed effective 12-16-02
Work cancelled effective _____
Supplement 1717N 12-16-02

10-11-02

WC TUBB	142	284
WC DR	142	284
WC ABO	187	374
	<hr/>	<hr/>
	471	942

DISTRICT I
P O Box 1980, Hobbs, NM 88240

DISTRICT II
P O Box 100, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

WELL API NO.
30-025-26457

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
Grizzell B

8. Well No.
3

9. Pool name or Wildcat
Blinebry O&G/Drinkard/Wantz Abo/Paddock

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
PO Box 2510, Hobbs, NM 88241

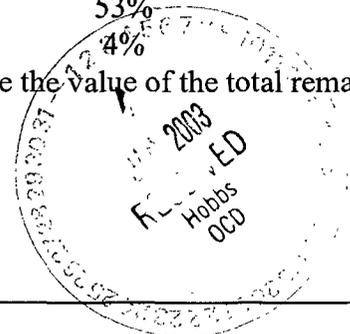
4. Well Location
Unit Letter H | 1830 Feet From The North Line and 510 Feet From The East Line
Section 8 Township 22s Rang. 37e NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3425

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING
TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
PULL OR ALTER CASING CASING TEST AND CEMENT JOB
OTHER: OTHER: DHC

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.

Application for downhole commingled
(i) Division order establishing pre-approved pool or area R-11363
(ii) Pool Name Blinebry O&G(06660) Drinkard(19190) Wantz Abo(62700) Paddock(49210)
(iii) Perforated Interval 5495-5910 6423-6496 6782-7004 5106-5200
(iv) Allocation Oil 13% 7% 27% 53%
Allocation Gas 28% 33% 35% 4%
(v) The downhole commingling of oil & gas from the above pools will not reduce the value of the total remaining production
(vi) Ownership between all pools is identical
(vii) This lease is a Fee property



DHC Order No. HOB-0014A
I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE Scott Nelson TITLE Engineer DATE 12/31/02

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

(This space for State Use)
APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE FEB 14 2003
CONDITIONS OF APPROVAL, IF ANY

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

2040 South Pacheco
Santa Fe, NM 87505

WELL API NO.
30-025-26457

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)

7. Lease Name or Unit Agreement Name
Grizzell B

1. Type of Well:
OIL WELL GAS WELL OTHER

8. Well No.
3

2. Name of Operator
Zia Energy, Inc.

3. Address of Operator
PO Box 2510, Hobbs, NM 88241

9. Pool name or Wildcat
Blinebry O&G/Drinkard/Wantz Abo/Paddock

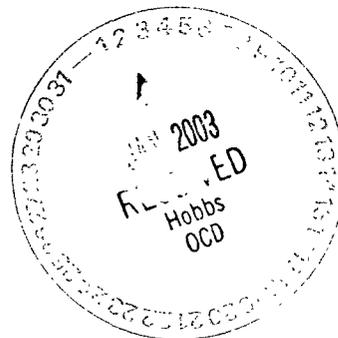
4. Well Location
Unit Letter H | 1830 Feet From The North Line and 510 Feet From The East Line
Section 8 Township 22s Rang. 37e NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3425

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

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.

- 10/8/02 RUPU POH with equipment
- 10/9 Perf'd 6782-6800', 6813-16, 6874-76, 6881-85, 6890-96, 6964-70, 6999-7004.
- 10/10 Acidized Abo with 4500 gals of 15% NEFE.
- 10/11 Put back on production and test for allocation purposes.
- 12/12 RUPU and perf 5106-5130 & 5175-5200'.
- 12/13 Acidize the Paddock with 5000 gals of 15% NEFE.
- 12/16 Run production equipment and test.



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

SIGNATURE Scott Nelson TITLE Engineer DATE 12/31/02

TYPE OR PRINT NAME Scott Nelson 505-393-2937 TELEPHONE NO

(This space for State Use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE FEB 14 2003

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

WELL API NO 30-025-26457
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 Grizzell B	
b. Type of Completion: NEW WORK PLUG DIFF WELL <input type="checkbox"/> OVER <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> BACK <input type="checkbox"/> RESVR <input checked="" type="checkbox"/> OTHER		8. Well No. 3	
2. Name of Operator Zia Energy, Inc.		9. Pool name or Wildcat Paddock	
3. Address of Operator PO Box 2510, Hobbs, NM 88241			
4. Well Location Unit Letter <u>H</u> <u>1830</u> Feet From The <u>North</u> Line and <u>510</u> Feet From The <u>East</u> Line Section <u>8</u> Township <u>22s</u> Rang. <u>37e</u> NMPM <u>Lea</u>			
10. Date Spudded	11. Date T.D. Reached	12. Date Compl. (Ready to Prod.) 12/16/02	13. Elevations (DF& RKB, RT, GR, etc)
14. Elev. Casinghead	15. Total Depth	16. Plug Back T.D.	17. If Multiple Compl. How Many Zones?
18. Intervals Drilled By	Rotary Tools	Cable Tools	
19. Producing Interval(s), of this completion - Top, Bottom, Name 5106-5200, Paddock			20. Was Directional Survey Made
21. Type Electric and Other Logs Run			22. Was Well Cored

23 CASING RECORD (Report all strings set in Well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
Change					

24 LINER RECORD **25 TUBING RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 7/8"	6949	

26. Perforation record (interval, size, and number) 5106-5130 & 5175-5200'		27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED 5106-5200 5000 gals	
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28. PRODUCTION

Date First Production 12/16/02		Production Method (Flowing, gas lift, pumping . Size and type pump) Pumping				Well Status (Prod. Or Shut-in) Prod	
Date of Test 12/31/02	Hours Tested	Choke Size	Prod'n. For Test Period	Oil - Bbl. 30	Gas - MCF 141	Water - Bbl. 10	Gas - Oil Ratio 4700
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil- Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.) 38.2	

29. Disposition of Gas (Sold, used for fuel, vented; etc.) Sold	Test Witnessed By Scott Nelson
--	-----------------------------------

30. List Attachments

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 Scott Nelson Printed Name Scott Nelson Title Engineer Date 12/31/02

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-26457		² Pool Code 49210		³ Pool Name Paddock	
⁴ Property Code 013030		⁵ Property Name Grizzell B			⁶ Well Number 3
⁷ OGRID No. 025616		⁸ Operator Name Zia Energy, Inc.			⁹ Elevation 3425'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	8	22s	37e		1830	North	510	East	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁶ 	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i> Signature <u>Scott Nelson</u> Scott Nelson Printed Name Engineer Title Date 12/31/02
	¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under</i> Date _____ of Survey Signature and Seal of Professional Surveyer:

FEB 2003
 RECEIVED
 Hobbs
 OGD

Certificate Number

Submit to Appropriate
 District Office
 State Lease — 6 copies
 Fee Lease — 5 copies
DISTRICT I
 P O Box 1980, Hobbs, NM 88240
DISTRICT II
 Drawer DD, Artesia, NM 88210
DISTRICT III

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-105
 Revised 1-1-89

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

1000 Rio Brazes Rd., Aztec NM 87410

WELL API NO 30-025-26457
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 Grizzell B
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2 Name of Operator Zia Energy, Inc.	8. Well No. 3
--	------------------

3. Address of Operator PO Box 2510, Hobbs, NM 88241	9. Pool name or Wildcat Wantz Abo/Drinkard/Blinebry/Paddock
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4. Well Location Unit Letter <u>H</u> <u>1830</u> Feet From The <u>North</u> Line and <u>510</u> Feet From The <u>East</u> Line Section <u>8</u> Township <u>22s</u> Rang. <u>37e</u> NMPM <u>Lea</u>

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15. Total Depth	16. Plug Back T.D.	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools	Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name 6782-7004, Wantz Abo				20. Was Directional Survey Made	
21. Type Electric and Other Logs Run				22. Was Well Cored	

23 CASING RECORD (Report all strings set in Well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
Change					

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SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
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⁴ Property Code 013030		⁵ Property Name Grizzell B			⁶ Well Number 3
⁷ OGRID No. 025616		⁸ Operator Name Zia Energy, Inc.			⁹ Elevation 3425'

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¹¹ Bottom Hole Location If Different From Surface

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	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under</i></p> <p>_____ Date</p> <p>of Survey Signature and Seal of Professional Surveyer</p> <p>_____ Certificate Number</p>

FEB 2003
 HOBBS
 860