

2/25/05 3/2/05
District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING
PHC-3409

Operator Zia Energy, Inc. Address 2203 Timberloch Place, Suite 229, The Woodlands, Texas 77380
Lease Elliott B Well No. #4 Unit Letter-Section-Township-Range 7-B, 22S, 37E County Lea
OGRID No. 025616 Property Code 13025 API No. 30-025-10090 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>Eumont; Yates, 7 Rivers, Queen</u>		<u>Penrose-Skelly; Grayburg</u>
Pool Code	<u>22800</u>		<u>50350</u>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<u>3057-3605'</u>		<u>Open Hole 3643-3724'</u>
Method of Production (Flowing or Artificial Lift)	<u>Artificial Lift</u>		<u>Artificial Lift</u>
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	<u>665</u>		<u>735</u>
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<u>33.4 Gravity, 1271 BTU</u>		<u>35 Gravity, 1211 BTU</u>
Producing, Shut-In or New Zone	<u>Producing</u>		<u>Producing</u>
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: <u>11/1/2004</u> Rates: <u>7 BO, 120 MCF, 5 BW</u>	Date: Rates:	Date: <u>6/15/2004</u> Rates: <u>8 BO, 20 MCF, 10 BW</u>
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil <u>46.6 %</u> Gas <u>85.7 %</u>	Oil <u>%</u> Gas <u>%</u>	Oil <u>53.4 %</u> Gas <u>14.3 %</u>

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

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

SIGNATURE [Signature] TITLE COO DATE 2/24/2005
TYPE OR PRINT NAME Donald P. Dotson TELEPHONE NO. (281) 296-7222
E-MAIL ADDRESS ddotson@plantationpetro.com

in 2/25/05



PLANTATION PETROLEUM COMPANIES

PP HOLDINGS II, LLC; PP ACQUISITIONS, LLC; ZIA ENERGY, INC.

Kimberly Faldyn
Production Tech

2203 Timberloch Place, Ste. 229
The Woodlands, TX 77380
Tel: (281) 296-7222
Fax: (281) 298-2333

February 24, 2005

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Attn: Mr. William Jones

RE: Filing C-107A for Zia Energy, Inc.
Elliott B #4

Dear Mr. Jones,

Attached please find C-107A Form for Zia Energy, Inc. A list of the well and all attachments are included below:

<u>Well Name</u>	<u>Attachments</u>
Elliott B #4	C-107A, C-102 for Eumont, C-102 for Penrose, Production Curve for the Penrose and a copy of the approved BLM Form 3160-4 for DHC

Should you have any questions or need additional information, please feel free to call Kim Faldyn at (281) 296-7222 or e-mail at kfaldyn@plantationpetro.com. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly Faldyn".

Kimberly Faldyn
Production Tech

OPERATOR'S COPY

Form 3160-4
(April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other
b. Type of Completion: ☐ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other **DHC**

2. Name of Operator **Zia Energy, Inc.**

3. Address **2203 Timberloch, Ste 229, The Woodlands, TX 77380**

3a. Phone No. (include area code)
281-296-7222

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface **660' FNL & 1980' FEL**

At top prod. interval reported below **3057'**

At total depth **3723'**

14. Date Spudded

15. Date T.D. Reached

16. Date Completed

☐ D & A

☐ Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
DF: 3446'

18. Total Depth: MD **3723'**
TVD

19. Plug Back T.D.: MD
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

22. Was well cored? ☒ No ☐ Yes (Submit analysis)

Was DST run? ☒ No ☐ Yes (Submit report)

Directional Survey? ☒ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
	7-5/8 J55	26.4#	Surface	1157'		425 sks			
	5-1/2	17#		3643'		425 sks		2106'	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	3651'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Penrose Skelly Grayburg	3643'	3724'	Open hole 3643-3724'			
B) Eumont; Queen	3448'	3605'	3448-3605'		52	
C) Eumont; 7 Rivers	3057'	3402'	3057-3402'		122	
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
3448-3605'	Acidized w/1500 gal 15% HCL. Fraced w/50M lbs of 16/30 Brady Sand in 18,350 gals of 20 lb. gel.
3057-3402'	Acidized w/3500 gal 15% anti sludge acid. Frac w/28000 gal Xlink gel and 58000# 16/30 Brady sand.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
09/08/2004	06/15/2004	24	→	8	20	10	35.33	1211	Pumping
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
	40	→	→	8	20	10	2500	Producing	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
09/08/2004	07/23/2004	24	→	2	45	2	33.4	1271	Pumping
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
	40	→	→	2	45	2	22500	Producing	

*(See instructions and spaces for additional data on page 2)

ACCEPTED FOR RECORD

David R. Glass
NOV 10 2004

DAVID R. GLASS
PETROLEUM ENGINEER

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
09/08/2004	09/27/2004	24	→	5	83	3	33.4	1271	Pumping
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
		40	→	5	83	3	16600		Producing

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Grayburg	3583'	> TD			
Queen	3405'	3583'			
7 Rivers	2879'	3405'			

32. Additional remarks (include plugging procedure):

MIRU Mesa Well Service workover rig. TOH w/rods, pump & tbg. Rig up Baker Atlas and run TDK log from 2600'-3620'. Evaluate log. Set 5-1/2" WL, set RBP at 3620'. Perf Queen 3448-3605' w/52 holes, .43" EHD, 1 JSPF. Acidize perfs w/1500 gal 15% NEFE. Swab test slight gas and trace oil. Frac interval w/17500 gal XLink gel + 50,000# 16/30 Brady Sand. Clean out w/foam unit. Place on production and test.

MIRU Mesa Well Service workover rig. TOH w/rods, pump & tbg. RU Computalog. Set RBP and dump sand. Perf 3057-3402' w/122 holes, .42" EHD. Acidize w/3500 gal 15% Anti Sludge Acid. Frac well w/28000 gal XLink gel + 58000# 16/30 Brady Sand. Clean out w/foam unit to 3617'. Latch RBP and POOH. Run prod tbg. Run 2-7/8" tbg w/ EOT @ 3651', SN @ 3615'. Run rods and pump. Put on production.

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ Electrical/Mechanical Logs (1 full set req'd.) ☐ Geologic Report ☐ DST Report ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification ☐ Core Analysis ☐ Other:

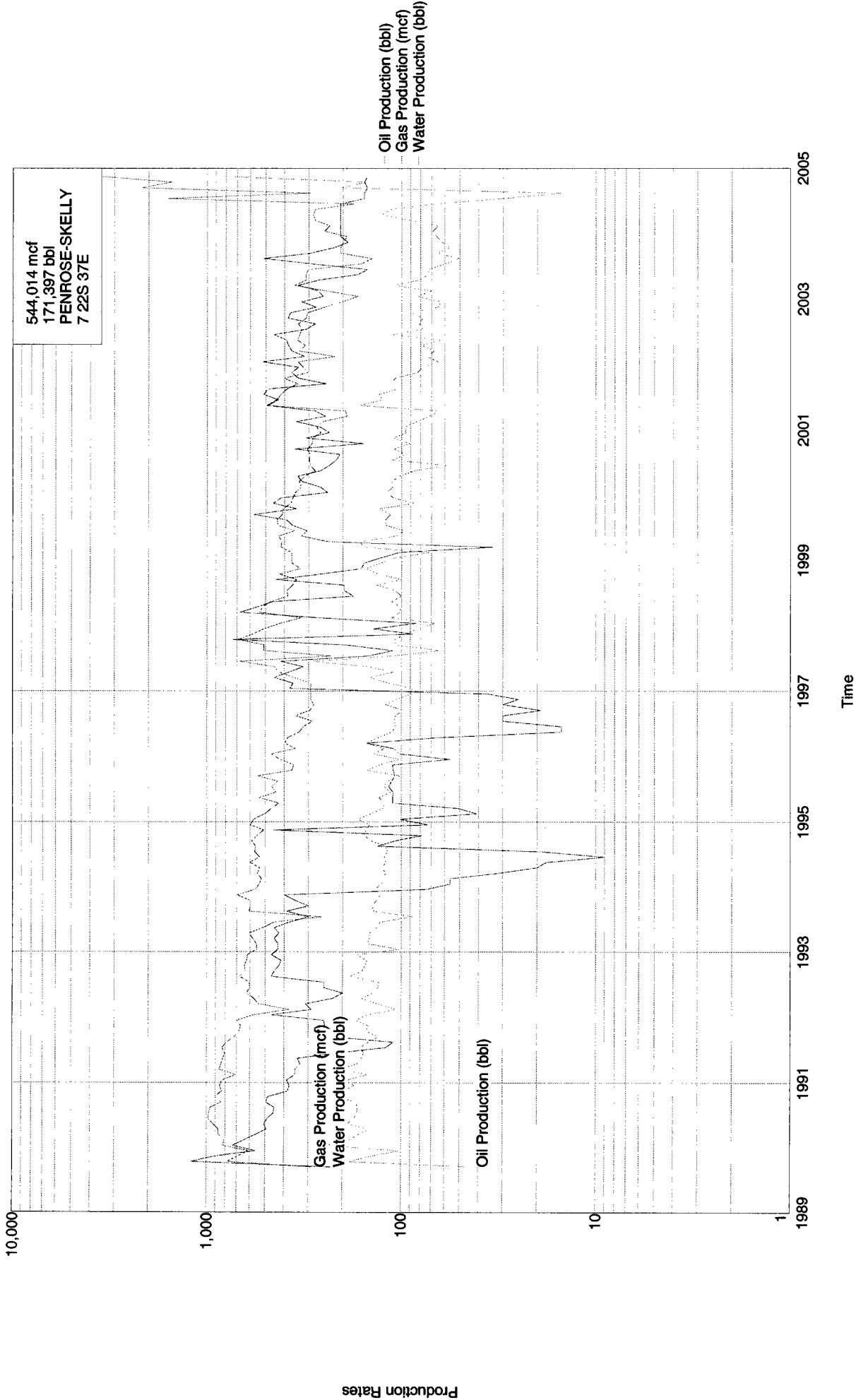
34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Donald P. DotsonTitle COOSignature Date 11/05/2004

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Lease Name: ELLIOTT B
County, State: LEA, NM
Operator: ZIA ENERGY INCORPORATED
Field: PENROSE-SKELLY
Reservoir: GRAYBURG
Location: 7 22S 37E

ELLIOTT B - 4 30025100900000



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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10090		² Pool Code		³ Pool Name Eumont Y, SR, Qn	
⁴ Property Code		⁵ Property Name Elliott "B"			⁶ Well Number 4
⁷ OGRID No. 025616		⁸ Operator Name Zia Energy, Inc.			⁹ Elevation 3436' GR

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
B	7	22S	37E		660'	North	1980	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
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¹² Dedicated Acres 40	¹³ Joint or Infill I	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

<div style="position: relative; width: 100px; height: 100px; border: 1px solid black;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; background: repeating-linear-gradient(45deg, transparent, transparent 2px, black 2px, black 4px);"></div> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%);"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black;"></div> </div> </div>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Printed Name Gene Lee</p> <p>Title and E-mail Address Agent Email: leeconinc@aol.com</p> <p>Date 5-2-04</p>	
	<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 my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>See Original Survey</p> <p>Certificate Number _____</p>	

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Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10090		² Pool Code 50350		³ Pool Name Penrose-Skelly;Grayburg	
⁴ Property Code 13025		⁵ Property Name Elliott B			⁶ Well Number 4
⁷ OGRID No. 25616		⁸ Operator Name Zia Energy Inc.			⁹ Elevation 3436' GR

¹⁰ Surface Location									
UL or lot no. B	Section 7	Township 22S	Range 37E	Lot Idn	Feet from the 660'	North/South line North	Feet from the 1980'	East/West line East	County 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		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
	Signature Donald P. Dotson, P.E. Printed Name COO / ddotson@plantationpetro.com Title and E-mail Address 2/24/05 Date	
	Certificate Number	
¹⁸ 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.		
Date of Survey Signature and Seal of Professional Surveyor:		