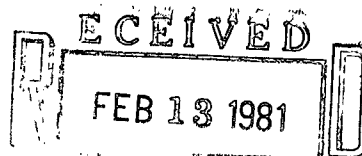


P.O. BOX 608

*Needs letter
to Evans (owner NW/5W)
Call Miller 2-16-81*



PHONE (505) 393-2937

ZIA ENERGY, INC.

HOBBS, NEW MEXICO 88240

OIL CONSERVATION DIVISION
SANTA FE

February 10, 1981

New Mexico Energy and Minerals Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

*NSP - 1240
Rule 5(c) (3) R1676
3-15-81*

Re: Request for Administrative
Approval For Non-Standard
Proration Unit Consisting
Of 40 Acres In The SW/4-
SE/4 Of Sec. 27, T-20-S, R-36-E
Lea County, New Mexico.

Gentlemen:

Zia Energy, Inc. drilled a well on their Elliott "A" State lease which is the No. 1 well located 660' FSL and 1980' FEL of Sec. 27, T-20-S, R-36-E, a standard location. This well has been completed as a Eumont Gas Pool gas well from perforations in the Queen formation from 3612' to 3677'. The acreage required for a standard proration unit is 640 acres in the Eumont Gas Field. Therefore, you are requested to approve a 40 acre non-standard proration unit for this well, consisting of the SW/4-SE/4 of Sec. 27, T-20-S, R-36-E.

A copy of the C-102 (Well Location and Acreage Dedication Plat) is enclosed to show the location of the Elliott "A" State No. 1 and to indicate this acreage dedicated to this well.

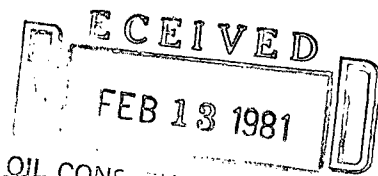
Also enclosed is a section of an oil and gas lease map which shows the offset operators to the Elliott "A" State No. 1. From this map the following list of offset operators was compiled. Each of these operators have been supplied a copy of this application by certified mail.

Carbon Energy, Inc. ✓
P. O. Box 129
Hobbs, New Mexico 88240

Southland Royalty Company
1100 Wall Towers West
Midland, Texas 79701

Warrior, Inc. ✓
P. O. Box 17479
Ft. Worth, Texas 76102

*only
Southland &
Warbrough
waivers needed*



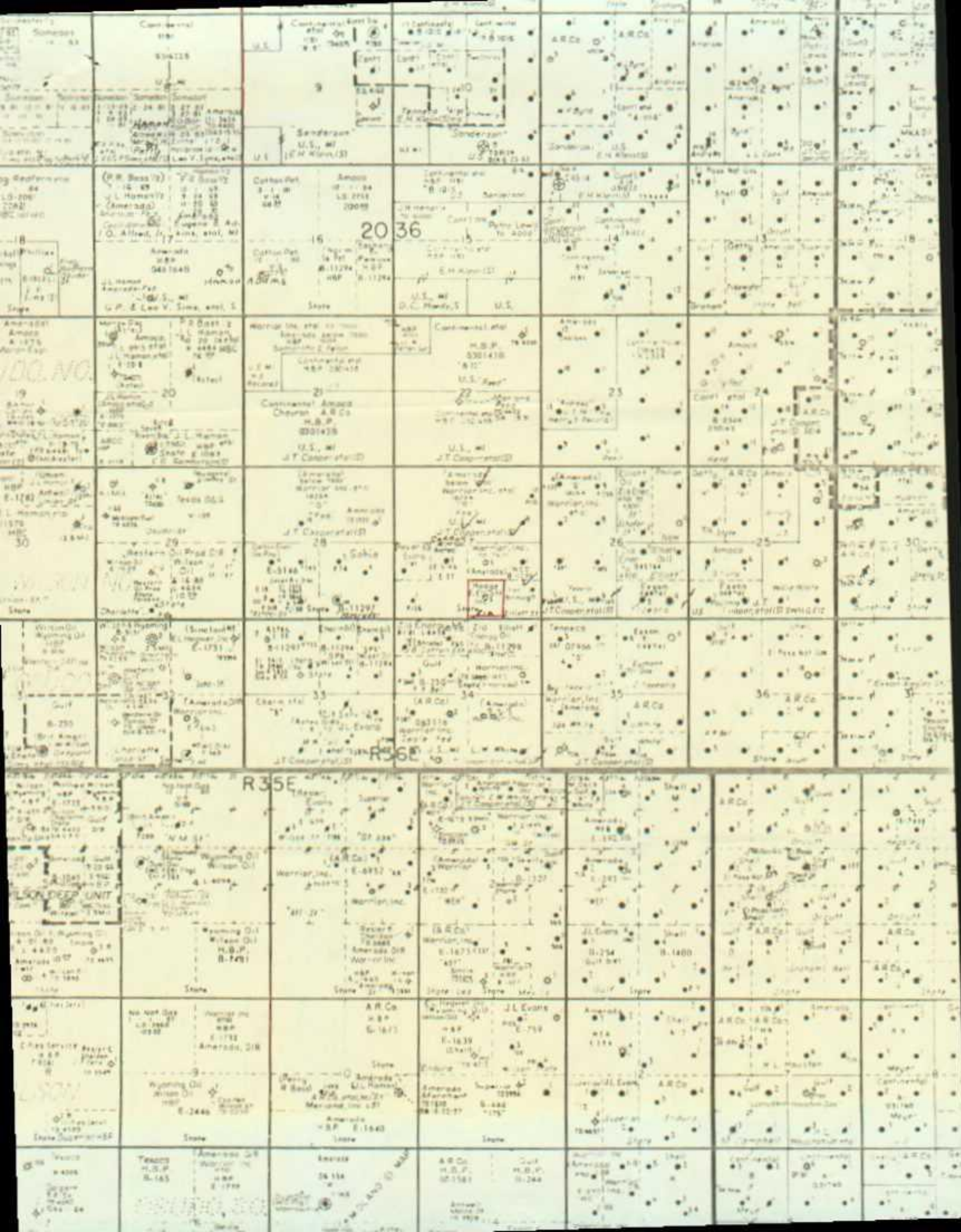
Yarborough Oil Company
P. O. Box 1001
Eunice, New Mexico 88231

Approval of this application will be in the best interest of conservation,
prevent waste and protect correlative rights of all parties.

Yours very truly,

Farris Nelson

Farris Nelson



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

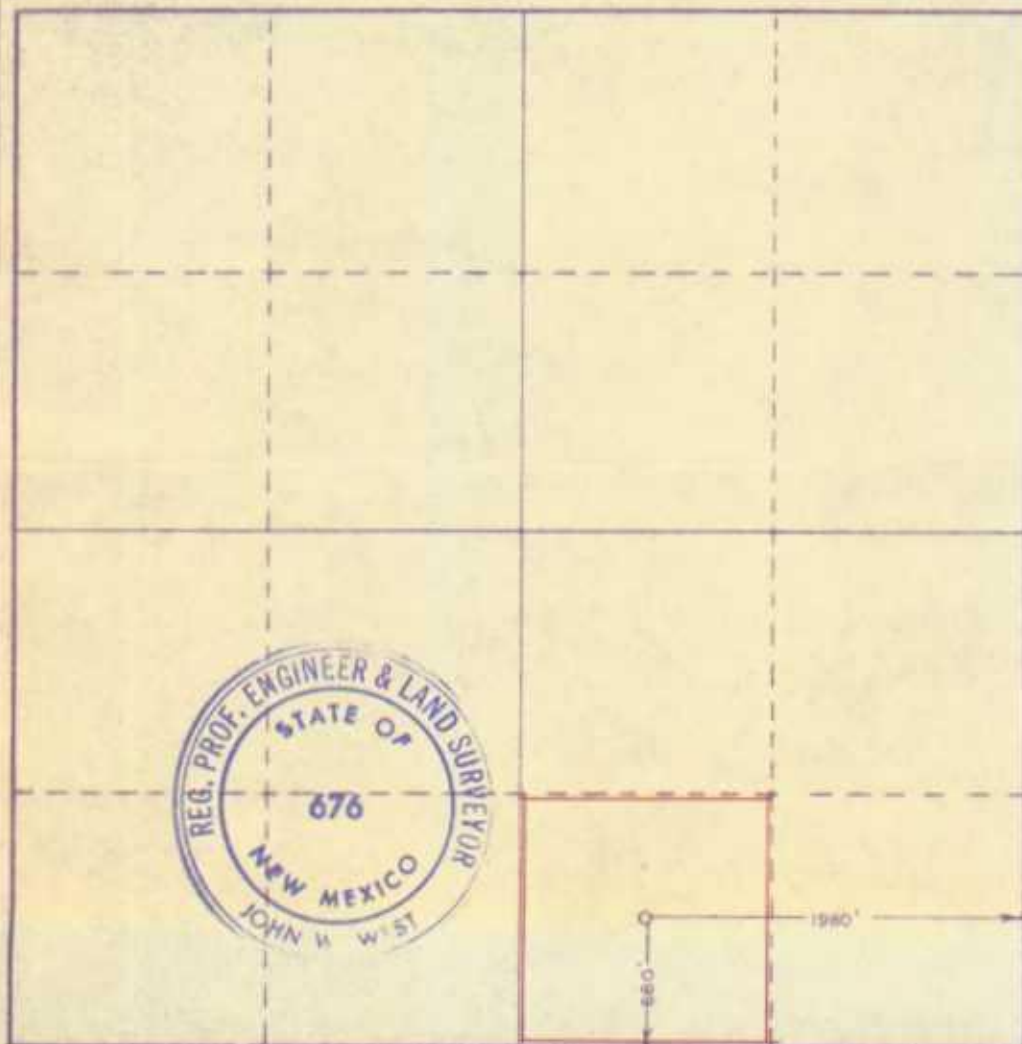
Operator ZIA ENERGY INCORPORATED		Lessee ELLIOTT STATE "A" SANTA FE		Well No. 1
Unit Letter O	Section 27	Township 20 SOUTH	Range 36 EAST	County LEA
Actual Footage Location of Well: 660 feet from the SOUTH line and 1980 feet from the EAST line				
Ground Level Elev. 3583.6	Producing Formation Queen	Pool Yates, Seven Rivers	Dedicated Acreage 40	Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☒ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name
M. E. Nelson

Position
Engineer

Company
Zia Energy, Inc.

Date
August 18, 1980

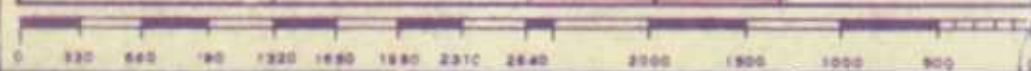
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

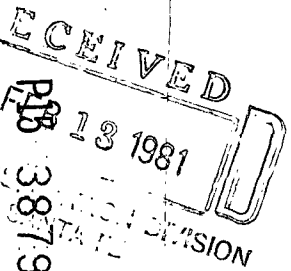
Date Surveyed
August 18, 1980

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6863
Ronald J. Eldon 3239





RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

P15 3879178

PS Form 3800, Apr. 1976

SENT TO		Southland Royalty Co.	
STREET AND NO.		1100 Wall Towers West	
P.O. STATE AND ZIP CODE		Midland, TX 79701	
POSTAGE		\$ 24	
CERTIFIED FEE		80¢	
OPTIONAL SERVICES			
RETURN RECEIPT SERVICE			
SHOW TO WHOM AND DATE DELIVERED		45¢	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		¢	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		¢	
TOTAL POSTAGE AND FEES		\$ 1.03	
POSTMARK OR DATE		FEB 11 1981	

P15 3879179

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, Apr. 1976

SENT TO		Wattson, Inc.	
STREET AND NO.		P.O. Box 17479	
P.O. STATE AND ZIP CODE		Ft. Worth, TX 76102	
POSTAGE		\$ 28	
CERTIFIED FEE		80¢	
OPTIONAL SERVICES			
RETURN RECEIPT SERVICE			
SHOW TO WHOM AND DATE DELIVERED		45¢	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		¢	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		¢	
TOTAL POSTAGE AND FEES		\$ 1.03	
POSTMARK OR DATE		FEB 11 1981	

P15 3879180

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, Apr. 1976

SENT TO		Carban Energy, Inc.	
STREET AND NO.		P.O. Box 129	
P.O. STATE AND ZIP CODE		Hobbs, NM 88240	
POSTAGE		\$ 24	
CERTIFIED FEE		80¢	
OPTIONAL SERVICES			
RETURN RECEIPT SERVICE			
SHOW TO WHOM AND DATE DELIVERED		45¢	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		¢	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		¢	
TOTAL POSTAGE AND FEES		\$ 1.03	
POSTMARK OR DATE		FEB 11 1981	

P15 3879181

RECEIPT FOR CERTIFIED MAIL

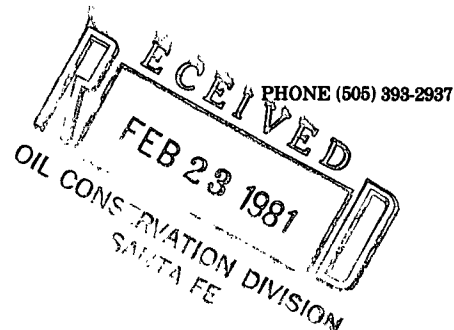
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, Apr. 1976

SENT TO		Yarborough Oil Co.	
STREET AND NO.		P.O. Box 1001	
P.O. STATE AND ZIP CODE		Eunice, NM 88231	
POSTAGE		\$ 24	
CERTIFIED FEE		80¢	
OPTIONAL SERVICES			
RETURN RECEIPT SERVICE			
SHOW TO WHOM AND DATE DELIVERED		45¢	
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		¢	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		¢	
TOTAL POSTAGE AND FEES		\$ 1.03	
POSTMARK OR DATE		FEB 11 1981	

ZIA ENERGY, INC.
HOBBS, NEW MEXICO 88240



February 17, 1981

New Mexico Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Re: Supplement To Request For
Administrative Approval For
Non-Standard Proration Unit
Consisting of 40 Acres In
The SW/4-SE/4 Of Sec. 27,
T-20-S, R-36-E Lea County,
New Mexico

Gentlemen:

Enclosed is evidence that an additional offset operator was notified by certified mail of the Zia Energy, Inc. application for administrative approval of the above described non-standard Eumont gas proration unit. James L. Evans was not included in the original list of offset operators because our interpretation of Rule 104 D II(b) seemed to indicate only direct or diagonally offset operators should be notified.

We hope this will allow our application for administrative approval of a non-standard proration to be approved as soon as possible. We are sorry for any inconvenience this has caused you.

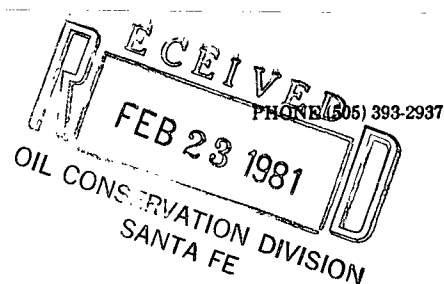
Yours very truly,

Farris Nelson

Farris Nelson

ZIA ENERGY, INC.

HOBBS, NEW MEXICO 88240



February 10, 1981

Warrior, Inc.
P. O. Box 17479
Ft. Worth, Texas 76102

Re: Zia Energy, Inc.
Elliott "A" State No. 1
SW/4-SE Sec. 27, T-20-S, R-36-E
Request For Approval For
Non-Standard Proration Unit.

Gentlemen:

Enclosed is a copy of an application by Zia Energy, Inc. requesting that the Oil Conservation Division approve a 40 acre non-standard gas well proration unit for its Elliott "A" State Well No. 1 in the Eumont Gas Field.

You are requested to indicate your waiver of objection to the approval of this non-standard proration unit.

Please sign one copy of this letter in the appropriate blank below and forward to the Oil Conservation Division in the enclosed envelope.

Yours very truly,

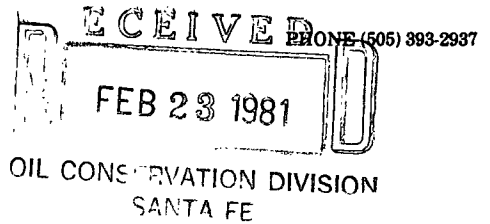
Farris Nelson

Farris Nelson

Waiver Of Objection

[Signature]

Date February 17, 1981



ZIA ENERGY, INC.
HOBBS, NEW MEXICO 88240

February 17, 1981

James L. Evans
1723 Avenue O
Eunice, NM 88231

Re: Zia Energy, Inc.
Elliott "A" State No. 1
SW/4-SE Sec. 27, T-20-S, R-36-E
Request For Approval For
Non-Standard Proration Unit.

Gentlemen:

Enclosed is a copy of an application by Zia Energy, Inc. requesting that the Oil Conservation Division approve a 40 acre non-standard gas well proration unit for its Elliott "A" State Well No. 1 in the Eumont Gas Field.

You are requested to indicate your waiver of objection to the approval of this non-standard proration unit.

Please sign one copy of this letter in the appropriate blank below and forward to the Oil Conservation Division in the enclosed envelope.

Yours very truly,

Farris Nelson

Farris Nelson

Waiver Of Objection

James L. Evans
Date 2/19/81

RECEIVED
FEB 23 1981

OIL CONSERVATION DIVISION

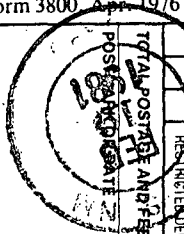
P15 3879182

RECEIPT FOR CERTIFIED MAIL

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

PS Form 3800, Apr. 1976

SENT TO		JAMES L. EVANS	
STREET AND NO.		1723 Ave. O	
P.O. STATE AND ZIP CODE		Lunice, NM 88231	
POSTAGE		\$	
CONSULT POSTMASTER FOR FEES			
OPTIONAL SERVICES			
RETURN RECEIPT SERVICE			
SHOW TO WHOM AND DATE DELIVERED			
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY			
TOTAL POSTAGE AND FEES		\$ 1.50	



ZIA ENERGY, INC.

HOBBS, NEW MEXICO 88240

RECEIVED
FEB 17 1981

OIL CONSERVATION DIVISION
SANTA FE

February 10, 1981

Carbon Energy, Inc.
P. O. Box 129
Hobbs, New Mexico 88240

Re: Zia Energy, Inc.
Elliott "A" State No. 1
SW/4-SE Sec. 27, T-20-S, R-36-E
Request For Approval For
Non-Standard Proration Unit.

Gentlemen:

Enclosed is a copy of an application by Zia Energy, Inc. requesting that the Oil Conservation Division approve a 40 acre non-standard gas well proration unit for its Elliott "A" State Well No. 1 in the Eumont Gas Field.

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Yours very truly,

Farris Nelson

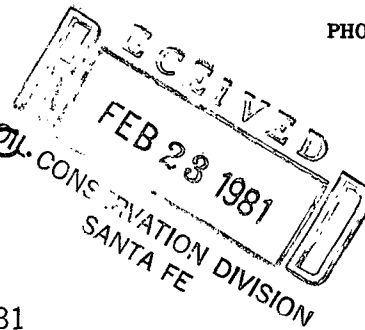
Farris Nelson

Waiver of Objection
CARBON ENERGY, INC.

Laurie G. Buck

Date 2-16-81

ZIA ENERGY, INC.
HOBBS, NEW MEXICO 88240



February 10, 1981

Southland Royalty Company
1100 Wall Towers West
Midland, Texas 79701

Re: Zia Energy, Inc.
Elliott "A" State No. 1
SW/4-SE Sec. 27, T-20-S, R-36-E
Request For Approval For
Non-Standard Proration Unit.

Gentlemen:

Enclosed is a copy of an application by Zia Energy, Inc. requesting that the Oil Conservation Division approve a 40 acre non-standard gas well proration unit for its Elliott "A" State Well No. 1 in the Eumont Gas Field.

You are requested to indicate your waiver of objection to the approval of this non-standard proration unit.

Please sign one copy of this letter in the appropriate blank below and forward to the Oil Conservation Division in the enclosed envelope.

Yours very truly,

Farris Nelson

Waiver Of Objection

Date 2-20-81