

2/25/05  
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

3/2/05  
State of New Mexico  
Energy, Minerals and Natural Resources Department

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

Form C-107A  
Revised June 10, 2003

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

APPLICATION FOR DOWNHOLE COMMINGLING  
DHC-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	<input checked="" type="checkbox"/> Eumont; Yates, 7 Rivers, Queen <sup>oil</sup>		<input checked="" type="checkbox"/> Penrose-Skelly; Grayburg <sup>oil</sup>
Pool Code	22800 <input checked="" type="checkbox"/>		50350 <input checked="" type="checkbox"/>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3057-3605'		Open Hole 3643-3724'
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
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)	665		735
Oil Gravity or Gas BTU (Degree API or Gas BTU)	33.4 Gravity, 1271 BTU		35 Gravity, 1211 BTU
Producing, Shut-In or New Zone	Producing		Producing
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: 11/1/2004 Rates: 7 BO, 120 MCF, 5 BW	Date: Rates:	Date: 6/15/2004 Rates: 8 BO, 20 MCF, 10 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 46.6 % Gas 85.7 %	Oil % Gas %	Oil 53.4 % Gas 14.3 %

**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.

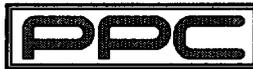
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  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](mailto:kfaldyn@plantationpetro.com). Thank you for your attention to this matter.

Sincerely,

Kimberly Faldyn  
Production Tech

**OPERATOR'S COPY**

Form 3160-4  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. Lease Serial No. <b>LC-032573B</b>		6. If Indian, Allottee or Tribe Name	
1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		7. Unit or CA Agreement Name and No.	
b. Type of Completion: <input type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr., Other <b>DHC</b>		8. Lease Name and Well No. <b>Ellott B-4</b>	
2. Name of Operator <b>Zia Energy, Inc.</b>		9. API Well No. <b>30-025-10090</b>	
3. Address <b>2203 Timberloch, Ste 229, The Woodlands, TX 77380</b>		3a. Phone No. (include area code) <b>281-296-7222</b>	
4. Location of Well (Report location clearly and in accordance with Federal requirements)*  At surface <b>660' FNL &amp; 1980' FEL</b>  At top prod. interval reported below <b>3057'</b>  At total depth <b>3723'</b>		10. Field and Pool, or Exploratory <b>Pen Skly Gray; Eumont 7RvrQu</b>	
14. Date Spudded		15. Date T.D. Reached	
16. Date Completed <input type="checkbox"/> D & A <input type="checkbox"/> Ready to Prod.		17. Elevations (DF, RKB, RT, GL)* <b>DF: 3446'</b>	
18. Total Depth: MD <b>3723'</b> 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? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)		Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report)	
Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> 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 Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (HBL)	Cement Top*	Amount Pulled
	<b>7-5/8 J55</b>	<b>26.4#</b>	<b>Surface</b>	<b>1157'</b>		<b>425 sks</b>			
	<b>5-1/2</b>	<b>17#</b>		<b>3643'</b>		<b>425 sks</b>		<b>2106'</b>	

**24 Tubing Record**

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

**25. Producing Intervals**

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) <b>Penrose Skelly Grayburg</b>	<b>3643'</b>	<b>3724'</b>	<b>Open hole 3643-3724'</b>			<b>30-025-1009000C1</b>
B) <b>Eumont; Queen</b>	<b>3448'</b>	<b>3605'</b>	<b>3448-3605'</b>		<b>52</b>	<b>30-025-1009000C2</b>
C) <b>Eumont; 7 Rivers</b>	<b>3057'</b>	<b>3402'</b>	<b>3057-3402'</b>		<b>122</b>	<b>30-025-1009000C3</b>
D)						

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

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

**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
<b>09/08/2004</b>	<b>06/15/2004</b>	<b>24</b>	<b>→</b>	<b>8</b>	<b>20</b>	<b>10</b>	<b>35.33</b>	<b>1211</b>	<b>Pumping</b>
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	Producing
	<b>40</b>		<b>→</b>	<b>8</b>	<b>20</b>	<b>10</b>	<b>2500</b>		

**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
<b>09/08/2004</b>	<b>07/23/2004</b>	<b>24</b>	<b>→</b>	<b>2</b>	<b>45</b>	<b>2</b>	<b>33.4</b>	<b>1271</b>	<b>Pumping</b>
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	Producing
	<b>40</b>		<b>→</b>	<b>2</b>	<b>45</b>	<b>2</b>	<b>22500</b>		

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

Title COO

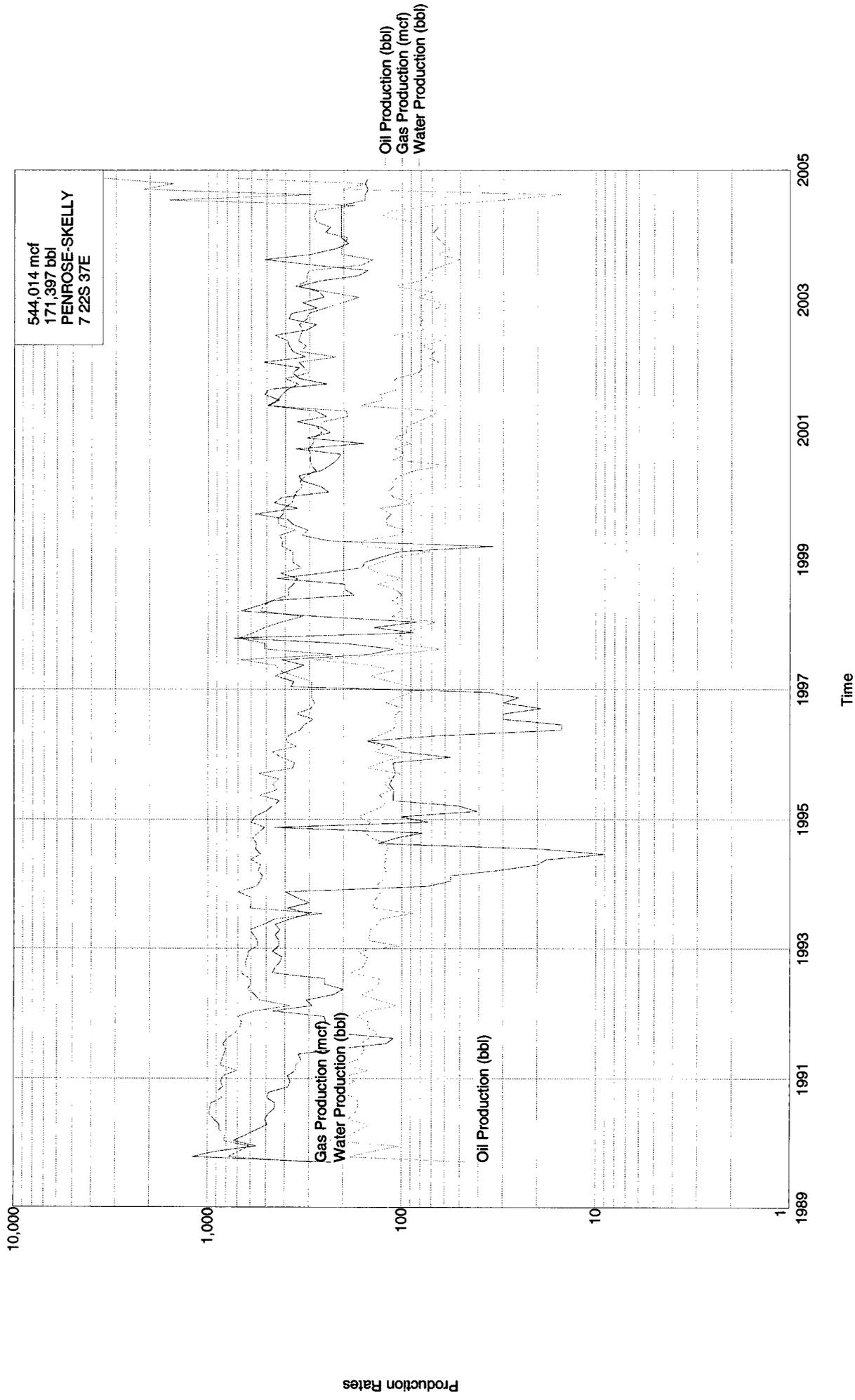
Signature 

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



**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
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 1220 S. St. Francis Dr., Santa Fe, NM 87505

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**

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

<sup>10</sup> 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

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill I	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

5		<p><b><sup>17</sup> OPERATOR CERTIFICATION</b>  <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <hr/> Signature <hr/> Printed Name Gene Lee <hr/> Title and E-mail Address Agent Email: leeconinc@aol.com <hr/> Date 5-2-04
		<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b>  <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> <hr/> Date of Survey Signature and Seal of Professional Surveyor: <hr/> See Original Survey <hr/> Certificate Number

District I  
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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**

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

<sup>10</sup> 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>B</b>	<b>7</b>	<b>22S</b>	<b>37E</b>		<b>660'</b>	<b>North</b>	<b>1980'</b>	<b>East</b>	<b>Lea</b>

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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				<sup>17</sup> <b>OPERATOR CERTIFICATION</b>
				<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>
				Signature
				Printed Name
				<b>Donald P. Dotson, P.E.</b>
				Title and E-mail Address
				<b>COO / ddotson@plantationpetro.com</b>
				Date
				<b>2/24/05</b>
				<sup>18</sup> <b>SURVEYOR CERTIFICATION</b>
				<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>
				Date of Survey
				Signature and Seal of Professional Surveyor:
				Certificate Number