

INFILL DRILLING FINDINGS AND WELL-SPACING WAIVER  
MADE PURSUANT TO SECTION 271.305(b) OF THE  
FEDERAL ENERGY REGULATORY COMMISSION REGULATIONS,  
NATURAL GAS POLICY ACT OF 1978 AND OIL CONSERVATION DIVISION  
ORDER NO. R-6013

I.

Operator Zia Energy, Inc. Well Name and No. Toby Well No. 2  
Location: Unit H Sec. 13 Twp. 24S Rng. 36E Cty. Lea

II.

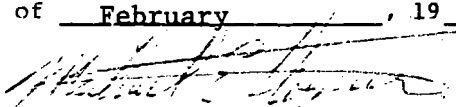
THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.
- (2) That by Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is to be completed in the Langlie Mattix Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a 40-acre proration unit comprising the SE/4 NE/4 of Sec. 13, Twp. 24S, Rng. 36E, is currently dedicated to the applicant's Toby Well No. 1 located in Unit H of said section.
- (5) That this proration unit is (X) standard ( ) nonstandard; if nonstandard, said unit was previously approved by Order No. NA.
- (6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
- (7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 90,000 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013 have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on this 14th day of February, 19 86.

  
DIVISION DIRECTOR EXAMINER ☒

cc: NMOCD Hobbs  
NMO&GEC - Hobbs

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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

ADMINISTRATIVE ORDER  
NFL 125

*Reviewed 5/20/85  
Release Immediately*

INFILL DRILLING FINDINGS AND WELL-SPACING WAIVER  
MADE PURSUANT TO SECTION 271.305(b) OF THE  
FEDERAL ENERGY REGULATORY COMMISSION REGULATIONS,  
NATURAL GAS POLICY ACT OF 1978 AND OIL CONSERVATION DIVISION  
ORDER NO. R-6013

I.

Operator Zia Energy, Inc. Well Name and No. Toby Well No. 2  
Location: Unit H Sec. 13 Twp. 24 South Rng. 36 East Cty. Lea

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) That by Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) That the well for which a finding is sought is to be completed in the Langlie Mattix Pool, and the standard spacing unit in said pool is 40 acres.

(4) That a 40-acre proration unit comprising the SE 1/4 NE 1/4 of Sec. 13, Twp. 24 South, Rng. 36 East, is currently dedicated to the applicant's Toby Well No. 1 located in Unit H of said section.

(5) That this proration unit is (☒ standard (☐ nonstandard; if nonstandard, said unit was previously approved by Order No. NA).

(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 90,000 MCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013 have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

*C.C. - NMOCB Hobbs  
NMOCBEC - 11/11/82*

DIVISION DIRECTOR \_\_\_\_\_ EXAMINER \_\_\_\_\_



# **OIL CONSERVATION COMMISSION**

**STATE OF NEW MEXICO**

**P. O. BOX 2088 - SANTA FE**

**87501**

**GOVERNOR  
BRUCE KING  
CHAIRMAN**

**LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER**

**STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR**

  
ZIA ENERGY, INC.

HOBBS, NEW MEXICO 88240

May 17, 1985

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

Re: Section 103 Price Determination  
For the Zia Energy, Inc. Toby No. 2  
well under Section 271.305 (b) (1)  
of NGPA of 1978 Regulations

Gentlemen:

Enclosed is a complete application for Section 103 Natural Gas Price determination for the Toby No. 2 well located in the SE/4-NE/4, Section 13, T24S, R36E, under NGPA of 1978 regulations Section 271.305 (b) (1) - New Onshore Production Well - an infill well on a proration unit which was in existence at the time the surface drilling of the Toby No. 2 was begun.

All of the attachments have been included as required on the OCD Form C-132 and by OCD Rule 18 along with additional information as required in OCD Order No. R-6013-A. Order No. R-6013-A Rule nos. 1 through 11 requested several items be furnished with the application. A copy of OCD Form Nos. C-101 and C-102 have been included. The name of the pool is the Langlie Mattix Queen, Seven Rivers which has a standard 40 acre spacing unit. Rule No. 8 requires a description of all wells drilled on the proration unit. A copy of the OCD Form C-105 (Well Record) for each of the wells is included. The current rate of production for the Toby No. 1 is 5 BOPD, 305 BWPD and 160 MCF/day. The production rate for the Toby No. 2 is 25 BOPD, 45 BWPD and 50 MCF/day. In order to supply the information requested in Rule 8 (g), a plat of the SE/4 - NE/4 Sec. 13 has been included with this 40 acre tract highlighted in yellow. From this plat you will notice that two injection wells in the Texaco Cooper Jal Unit offset this tract. They are wells nos. 104 and 233. The waterflood sweep pattern from these two wells can only push approximately 25% of this tract into the Toby No. 1. The remaining 75% is on beyond the Toby No. 1 well but much of this 75% can be recovered by the Toby No. 2 well. Because of the location of the Toby No. 1, well, it alone cannot effectively and efficiently drain all of this proration unit, thereby resulting in waste. Toby No. 2 is needed to effectively and efficiently drain this proration unit and to protect correlative rights.

Rule 9 requests geological and engineering information to support a finding as to the necessity for an infill well. From the enclose Borehole Compensated Neutron/ Density Porosity Log you will note that zones in the Queen formation has been perforated with 39' having 10% porosity or greater. Based on this log and a current producing rate of 25 BOPD, it is estimated that an additional 45,000 barrels of oil will be recovered due to the infill Toby No. 2 well. Also, as already noted on the plat, two injection wells will be more effective in sweeping oil in-place on this tract to the Toby No. 2 than to the Toby No. 1. A bottom hole pressure test run on the Toby No. 2 well indicated 689 psi BHP. This is an indication that this reservoir has received an increase in resevoir pressure due to the water injection, but this area could never be drained by the Toby No. 1.

Rule 11 concerns notification of offset operators to this proration unit. The two offset operators are ARCO Oil and Gas Company and Texaco, Inc. Copies of this application have been mailed to each of them by certified mail. A copy of the mailing receipt is enclosed.

From this information it is our opinion that the infill Toby No. 2 well is in fact necessary to effectively and efficiently drain the SE/4 - NE/4 Sec. 13 and protect correlative rights of the royalty owners and working interests in this lease. We have no information or knowledge that is contrary to this opinion.

If you need any additional information, please call on us.

Yours truly,

*Farris Nelson*

Farris Nelson

$$50,000 \text{ CF/day} / 25 \text{ BOPD} \times \frac{45,000}{100} = 90,000 \text{ ACF}$$

# GREAT GUNS LOGGING

## BORE HOLE COMP. NEUTRON / DENSITY POROSITY LOG

FILE NO.	COMPANY <u>ZIA ENERGY INCORPORATED</u>	
API NO.	WELL <u>TOBY NO.2</u>	
	FIELD <u>LANGLIE MATTIX</u>	
	COUNTY <u>LEA</u>	STATE <u>NEW MEXICO</u>
	LOCATION: <u>990' FEL &amp; 1650' FNL</u>	Other Services
	SEC <u>13</u> TWP <u>24-S</u> RGE <u>36-E</u>	

Permanent Datum <u>G.L.</u>	Elev. <u>NA</u>	Elev. <u>NA</u>
Log Measured from <u>K.B.</u>	<u>11</u> Ft. Above Permanent Datum	KB <u>NA</u>
Drilling Measured from <u>K.B.</u>		DF <u>NA</u>
		GL <u>NA</u>

Date	<u>2-11-85</u>				
Run No.	<u>ONE</u>				
Service Order	<u>48796</u>				
Depth—Driller	<u>3800'</u>				
Depth—Logger	<u>3796'</u>				
Bottom Logged Interval	<u>3794'</u>				
Top Logged Interval	<u>SURFACE</u>				
Casing—Driller	<u>8 5/8" @379'</u>	<u>@</u>	<u>@</u>	<u>@</u>	<u>@</u>
Casing—Logger	<u>390'</u>				
Bit Size	<u>7 7/8"</u>				
Type Fluid in Hole	<u>SW GEL/STARCE</u>				
Density and Viscosity	<u>10.2</u>	<u>32</u>			
pH and Fluid Loss	<u>7</u>	<u>18cc</u>	<u>cc</u>	<u>cc</u>	<u>cc</u>
Source of Sample	<u>PIT</u>				
Rm @ Meas. Temp.	<u>.08</u>	<u>@ 57 °F</u>	<u>@ °F</u>	<u>@ °F</u>	<u>@ °F</u>
Rmf @ Meas. Temp.	<u>.079</u>	<u>@ 57 °F</u>	<u>@ °F</u>	<u>@ °F</u>	<u>@ °F</u>
Rmc @ Meas. Temp.	<u>*</u>	<u>@ °F</u>	<u>@ °F</u>	<u>@ °F</u>	<u>@ °F</u>
Source of Rmf and Rmc	<u>MEAS</u>				
Rm @ BHT	<u>.05</u>	<u>@ 91 °F</u>	<u>@ °F</u>	<u>@ °F</u>	<u>@ °F</u>
Time Since Circ.	<u>3 1/2 HRS.</u>				
Max. Rec. Temp. Deg. F.	<u>91</u>	<u>°F</u>	<u>°F</u>	<u>°F</u>	<u>°F</u>
Equip. No. and Location	<u>LO65 S. ANGELO</u>				
Recorded By	<u>D. POULSEN</u>				
Witnessed By	<u>MR. FERRIS NELSON</u>				

NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

## WELL' RECORD

Mail to Oil Conservation Commission, Santa Fe, New Mexico, or its proper agent not more than twenty days after completion of well. Follow instructions in the Rules and Regulations of the Commission. Indicate questionable data by following it with (?). **SUBMIT IN TRIPPLICATE. FORM C-110 WILL NOT BE APPROVED UNTIL FORM C-105 IS PROPERLY FILLED OUT.**

AREA 640 ACRES  
LOCATE WELL CORRECTLY

## Oil Well Remedial Service

P. O. Box 511 - Odessa, Texas

**Company or Operator****Address**

**Toby**

Well No.

1

in SE/4 of NE/4 of Sec

13

**T 243**

## Lease

R. 36 E. N. M. P. M. Langlie Mattix Field, Lea County.

Well is 2310 feet south of the North line and 330 feet west of the East line of Section 13

**If State land the oil and gas lease is No.....Assignment No.....**

If patented land the owner is Fowler Heir (Surface) Address Alb., New Mexico

**If Government land the permittee is..... Address.....**

The Lessee is..... Address.....

Drilling commenced 7-19-50 19..... Drilling was completed 9-21-50 19.....

Name of drilling contractor Oil Well Remedial Service Address Box 511 - Odessa, Texas

Elevation above sea level at top of casing.....3001.....feet.

The information given is to be kept confidential until Not Confidential 19

## OIL SANDS OR ZONES

No. 1, from 3499 to 3502 No. 4, from 3599 to 3604

No. 2, from 3 533 to 3537 No. 5, from 3608 to 3611

No. 3, from 3568 to 3572 No. 6, from to

## IMPORTANT WATER SANDS

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

No. 1, from None to feet.

No. 2, from ..... to ..... feet.

No. 3, from ..... to ..... feet.

No. 4. from ..... to ..... feet.

## CASING RECORD

[illegible]

# **MUDDING AND CEMENTING RECORD**

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. BAGS OF CEMENT	METHODS USED	MUD GRAVITY	AMOUNT OF MUD USED
13"	8 5/8	289	700	Halliburton		
8"	5 1/2	3450	200	Halliburton	100 sac at shoe - 100 sac at 2 stage tool set at 1270	

## **PLUGS AND ADAPTERS**

Heaving plug—Material..... Length..... Depth Set.....  
 Adapters — Material..... Size.....

## **RECORD OF SHOOTING OR CHEMICAL TREATMENT**

SIZE	SHELL USED	EXPLOSIVE OR CHEMICAL USED	QUANTITY	DATE	DEPTH SHOT OR TREATED	DEPTH CLEANED OUT
4"		SNG	312	9-17-50	3490-3615	TD - 3615

Results of shooting or chemical treatment Well cleaned out with reverse circulation - tested 10 days  
flows approximately 15 barrells of oil per 24 hours

## **RECORD OF DRILL-STEM AND SPECIAL TESTS**

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto.  
**DST at 3148 in Yates - Halliburton tool used - gas and no show of oil**

### **TOOLS USED**

Rotary tools were used from -0- feet to TD feet, and from \_\_\_\_\_ feet to \_\_\_\_\_ feet  
 Cable tools were used from \_\_\_\_\_ feet to \_\_\_\_\_ feet, and from \_\_\_\_\_ feet to \_\_\_\_\_ feet

## **PRODUCTION**

Put to producing 10-1-50, 19\_\_\_\_\_  
 The production of the first 24 hours was 15 barrels of fluid of which 100 % was oil; \_\_\_\_\_ %  
 emulsion; \_\_\_\_\_ % water; and \_\_\_\_\_ % sediment. Gravity, Be 37°  
 If gas well, cu. ft. per 24 hours \_\_\_\_\_ Gallons gasoline per 1,000 cu. ft. of gas \_\_\_\_\_  
 Rock pressure, lbs. per sq. in. \_\_\_\_\_

## **EMPLOYEES**

O. W. Blackledge Driller C. L. Brown Driller  
J. D. Elam Driller \_\_\_\_\_ Driller

## **FORMATION RECORD ON OTHER SIDE**

I hereby swear or affirm that the information given herewith is a complete and correct record of the well and all work done on it so far as can be determined from available records.

Subscribed and sworn to before me this 9th

day of October, 19 50

James D. McVill  
 Ector County - Texas Notary Public

My Commission expires 6-1-51

Odessa, Texas

10-2-50

Place Date

Name [Signature]

Position Honoring Partner

Representing Oil Well Remedial Service

Company or Operator

Address Box 511 - Odessa, Texas

# FORMATION RECORD

FROM	TO	THICKNESS IN FEET	FORMATION
0	240	240	Red Bed
240	550	310	Sandy shale
550	1165	615	Red and blue shale with sand and red bed streaks
1165	1272	107	Anhydrite
1272	2765	1493	Salt with anhydrite streaks
2765	2860	95	Anhydrite and gyp
2860	2920	120	Brown lime
2980	3499	519	Lime with sandy lime, anhydrite, shale streaks
3499	3502	3	Sand
3502	3533	31	Lime
3533	3537	4	Sandy lime
3537	3568	31	Lime
3568	3572	4	Sand
3572	3599	27	Lime
3599	3604	5	Sandy lime
3604	3608	4	Lime
3608	3611	3	Sand
3611	3615	4	Lime
3 615 TD			

NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

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**Address**

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In SE/4 of NE/4 of Sec

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**R-36.E**

N. M. P. M. Langlie Mattix

Field,

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County.

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Name of drilling contractor Oil Well Remedial Service Address Box 511 - Odessa, Texas

Elevation above sea level at top of casing.....3001.....feet.

The information given is to be kept confidential until..... **Not Confidential** ..... 19

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No. 2. from 3 533 to 3537 No. 5. from 3608 to 3611

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day of October, 19 50

James D. Merrill  
 Ector County - Texas Notary Public

My Commission expires 6-1-51

Odessa, Texas

10-9-50

Place \_\_\_\_\_ Date \_\_\_\_\_  
 Name [Signature]  
 Position Managing Partner  
 Representing Oil Well Remedial Service  
 Company or Operator \_\_\_\_\_  
 Address Box 511 - Odessa, Texas

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3599	3604	5	Sandy lime
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3611	3615	4	Lime
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**ZIA ENERGY INC.**

HOBBS, NEW MEXICO 88240

May 17, 1985

ARCO Oil and Gas Company  
P.O. Box 1710  
Hobbs, NM 88240

Re: Application for NGPA  
of 1978 Section 103  
Gas Price Determination  
For Toby No. 2 well.

Gentlemen:

Enclosed is a complete copy of our application to the Department of Energy and Minerals, Oil Conservation Division, as jurisdictional agency, requesting that our Toby No. 2 well receive Section 103 price for gas production.

You should note that ARCO has a .10937 overriding royalty on all oil production and .25000 overriding royalty on all gas production.

You are being supplied a copy of this application because you are an offset operator. If you have any questions, please call on us.

Yours truly,

*Farris Nelson*

Farris Nelson



**ZIA ENERGY INC.**

HOBBS, NEW MEXICO 88240

May 17, 1985

Texaco, Inc.  
P.O. Box 730  
Hobbs, NM 88240


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of 1978 Section 103  
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Farris Nelson



May 17, 1985

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

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Enclosed is a complete application for Section 103 Natural Gas Price determination for the Toby No. 2 well located in the SE/4-NE/4, Section 13, T24S, R36E, under NGPA of 1978 regulations Section 271.305 (b) (1) - New Onshore Production Well - an infill well on a proration unit which was in existence at the time the surface drilling of the Toby No. 2 was begun.

All of the attachments have been included as required on the OCD Form C-132 and by OCD Rule 18 along with additional information as required in OCD Order No. R-6013-A. Order No. R-6013-A Rule nos. 1 through 11 requested several items be furnished with the application. A copy of OCD Form Nos. C-101 and C-102 have been included. The name of the pool is the Langlie Mattix Queen, Seven Rivers which has a standard 40 acre spacing unit. Rule No. 8 requires a description of all wells drilled on the proration unit.. A copy of the OCD Form C-105 (Well Record) for each of the wells is included. The current rate of production for the Toby No. 1 is 5 BOPD, 305 BWPD and 160 MCF/day. The production rate for the Toby No. 2 is 25 BOPD, 45 BWPD and 50 MCF/day. In order to supply the information requested in Rule 8 (g), a plat of the SE/4 - NE/4 Sec. 13 has been included with this 40 acre tract highlighted in yellow. From this plat you will notice that two injection wells in the Texaco Cooper Jal Unit offset this tract. They are wells nos. 104 and 233. The waterflood sweep pattern from these two wells can only push approximately 25% of this tract into the Toby No. 1. The remaining 75% is on beyond the Toby No. 1 well but much of this 75% can be recovered by the Toby No. 2 well. Because of the location of the Toby No. 1, well, it alone cannot effectively and efficiently drain all of this proration unit, thereby resulting in waste. Toby No. 2 is needed to effectively and efficiently drain this proration unit and to protect correlative rights.

Rule 9 requests geological and engineering information to support a finding as to the necessity for an infill well. From the enclose Borehole Compensated Neutron/ Density Porosity Log you will note that zones in the Queen formation has been perforated with 39' having 10% porosity or greater. Based on this log and a current producing rate of 25 BOPD, it is estimated that an additional 45,000 barrels of oil will be recovered due to the infill Toby No. 2 well. Also, as already noted on the plat, two injection wells will be more effective in sweeping oil in-place on this tract to the Toby No. 2 than to the Toby No. 1. A bottom hole pressure test run on the Toby No. 2 well indicated 689 psi BHP. This is an indication that this reservoir has received an increase in reservoir pressure due to the water injection, but this area could never be drained by the Toby No. 1.

Rule 11 concerns notification of offset operators to this proration unit. The two offset operators are ARCO Oil and Gas Company and Texaco, Inc. Copies of this application have been mailed to each of them by certified mail. A copy of the mailing receipt is enclosed.

From this information it is our opinion that the infill Toby No. 2 well is in fact necessary to effectively and efficiently drain the SE/4 - NE/4 Sec. 13 and protect correlative rights of the royalty owners and working interests in this lease. We have no information or knowledge that is contrary to this opinion.

If you need any additional information, please call on us.

Yours truly,

A handwritten signature in cursive script that reads "Farris Nelson".

Farris Nelson



May 17, 1985

ARCO Oil and Gas Company  
P.O. Box 1710  
Hobbs, NM 88240

Re: Application for NGPA  
of 1978 Section 103  
Gas Price Determination  
For Toby No. 2 well.

Gentlemen:

Enclosed is a complete copy of our application to the Department of Energy and Minerals, Oil Conservation Division, as jurisdictional agency, requesting that our Toby No. 2 well receive Section 103 price for gas production.

You should note that ARCO has a .10937 overriding royalty on all oil production and .25000 overriding royalty on all gas production.

You are being supplied a copy of this application because you are an offset operator. If you have any questions, please call on us.

Yours truly,

A handwritten signature in cursive script that reads "Farris Nelson".

Farris Nelson



May 17, 1985

Texaco, Inc.  
P.O. Box 730  
Hobbs, NM 88240

Re: Application for NGPA  
of 1978 Section 103  
Gas Price Determination  
For Toby No. 2 well.

Gentlemen:

Enclosed is a complete copy of our application to the Department of Energy and Minerals, Oil Conservation Division, a jurisdictional agency, requesting that our Toby No. 2 well receive Section 103 price for gas production.

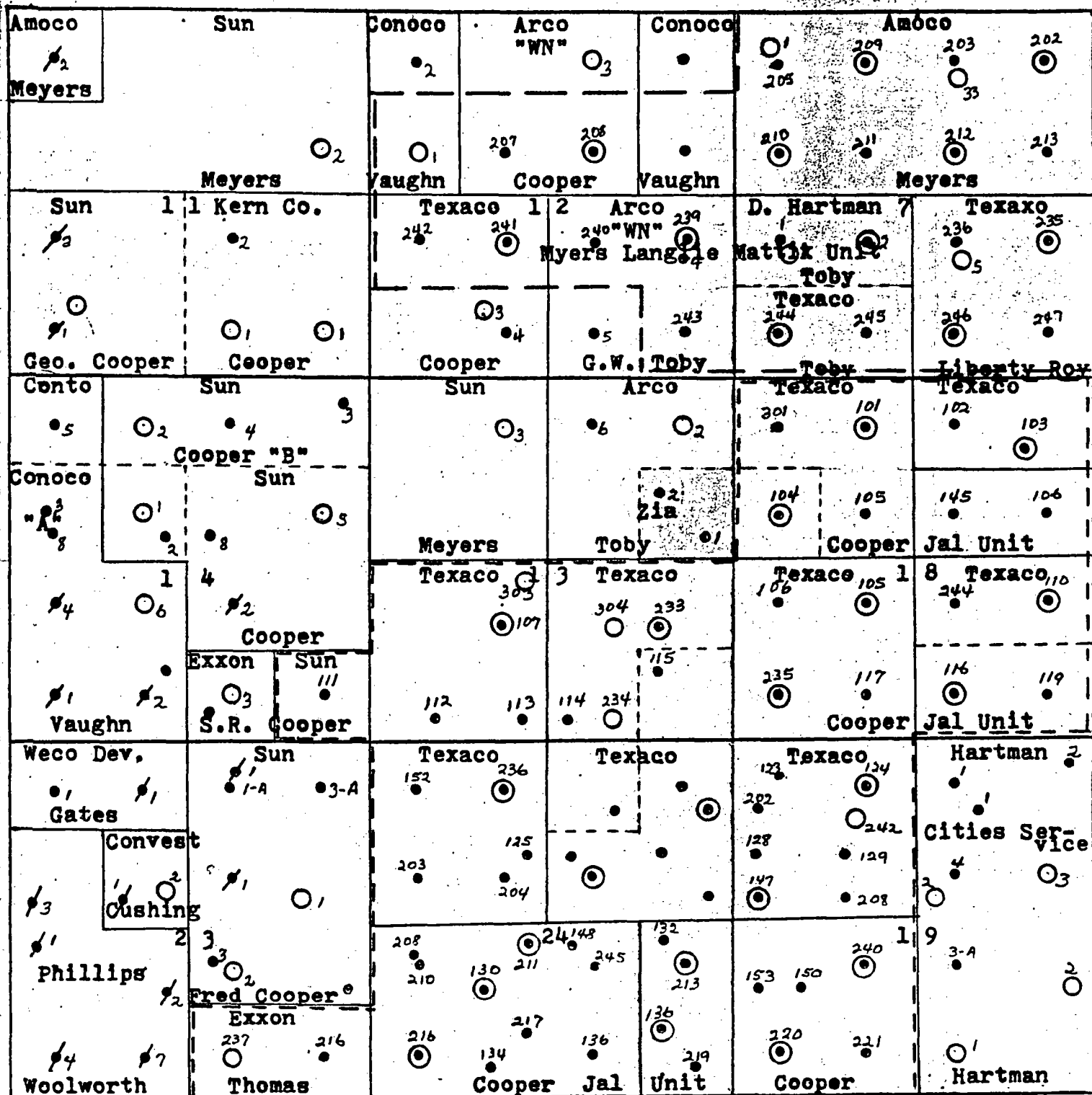
You are being supplied a copy of this application because you are an offset operator. If you have any questions, please call on us.

Yours truly,

A handwritten signature in cursive script that reads "Farris Nelson".

Farris Nelson





- Producing Oil Well
- P & A Well
- Gas Well
- ⊙ Water Injection Well

ZIA ENERGY, INC.  
Application For NGPA Sec. 103  
Toby No. 2

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OPERATOR	

# **NEW MEXICO OIL CONSERVATION COMMISSION** **WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

Form C-105  
Revised 11-1-85

5a. Indicate Type of Lease  
State ☐ Fee ☒

5. State Oil & Gas Lease No.

7. Unit Agreement Name

8. Farm or Lease Name

**Toby**

9. Well No.

**2**

10. Field and Pool, or Wildcat

**Langlie Mattix**

12. County

**Lea**

1a. TYPE OF WELL

OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐

b. TYPE OF COMPLETION

NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER ☐

2. Name of Operator

**Zia Energy, Inc.**

3. Address of Operator

**P.O. Box 2219, Hobbs, NM 88240**

4. Location of Well

UNIT LETTER **H** LOCATED **1650** FEET FROM THE **North** LINE AND **990** FEET FROM

THE **East** LINE OF SEC. **13** TWP. **24S** RGE. **36E** NMPN

15. Date Spudded **2/3/85** 16. Date T.D. Reached **2/11/85** 17. Date Compl. (Ready to Prod.) **3/15/85**

18. Elevations (DF, RKB, RT, GR, etc.) **3315' - RKB** 19. Elev. Casinghead **3304' - GR**

20. Total Depth **3800'** 21. Plug Back T.D. **3775'** 22. If Multiple Compl., How Many

23. Intervals Drilled By Rotary Tools **0-3800'** Cable Tools

24. Producing Interval(s), of this completion - Top, Bottom, Name

**3533' - 3763' Queen**

25. Was Directional Survey Made

**No**

26. Type Electric and Other Logs Run

**GR - CNL, FDL, Cal**

27. Was Well Cored

**No**

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	393'	12 1/2"	350 s x s - circulated	42 s x s to surface
5 1/2"	14#	3800'	7 7/8"	250 s x s Pacemaker Lite plus	300 s x s cl" c" circulated 98 s x s to surface

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN
NONE				

30. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 3/8"	3510'	NONE

31. Perforation Record (Interval, size and number)

3533'-37', 3568'-74', 3587'-90', 3604'-14', 3626'-36', 3641'-45', 3652'-55', 3664'-68', 3680'-84', 3688'-92', 3703'-08', 3730'-34', 3758'-64'

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
3533'-3764'	2500 gal 15% HCL
	Frac using 80,000 gals
	9# gelled brine w/ 160,000 # of sand

33. PRODUCTION

Date First Production **3/15/85** Production Method (Flowing, gas lift, pumping - Size and type pump) **Pumping - 2" X 1 1/2" X 16'** Well Status (Prod. or Shut-in) **Producing**

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
3/17/85	24			19.5	52	98.9	2667

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API (Corr.)
----	20#		19.5	52	98.9	36.3

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

**Sold to El Paso Natural Gas**

Test Witnessed By **M. F. Nelson**

35. List of Attachments

**GR - CNL, FDL, Cal & inclination survey**

36. 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.

SIGNED **M F Nelson** TITLE **Engineer** DATE **3/18/85**

5 copies to Oil Comm. Office 3/18/85

# INSTRUC

This form is to be filled with the appropriate District Office of the Commission 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 30 through 34 shall be reported for each zone. The form is to be filed in quadruplicate 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

### Northwestern New Mexico

T. Anhy <u>1163'</u>	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt <u>1340'</u>	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
T. Salt <u>2840'</u>	T. Alaka	T. Pictured Cliffs	T. Penn. "D"
T. Yates <u>3003'</u>	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers <u>3270'</u>	T. Devonian	T. Menefee	T. Madison
T. Queen <u>3566'</u>	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Qtzite
T. Glorieta	T. McKee	T. Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	
T. Blinberry	T. Gr. Wash	T. Morrison	
T. Tubb	T. Granite	T. Todillo	
T. Drinkard	T. Delaware Sand	T. Entrada	
T. Abo	T. Bone Springs	T. Wingate	
T. Wolfcamp		T. Chinle	
T. Penn.		T. Permian	
T. Cisco (Bough C)		T. Penn. "A"	

## OIL OR GAS SANDS OR ZONES

No. 1, from <u>3553'</u> to <u>3764'</u>	No. 4, from _____ to _____
No. 2, from _____ to _____	No. 5, from _____ to _____
No. 3, from _____ to _____	No. 6, 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
No. 4, from _____ to _____	feet

## FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0'	50'	50'	Surface Soil & Caliche				
50'	1163'	1113'	Red Beds				
1163'	1340'	177'	Anhydrite				
1340'	2840'	1500'	Salt				
2840'	3800'	960'	Anhydrite & dolomite w/ sand stringers				

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-85

All distances must be from the outer boundaries of the Section.

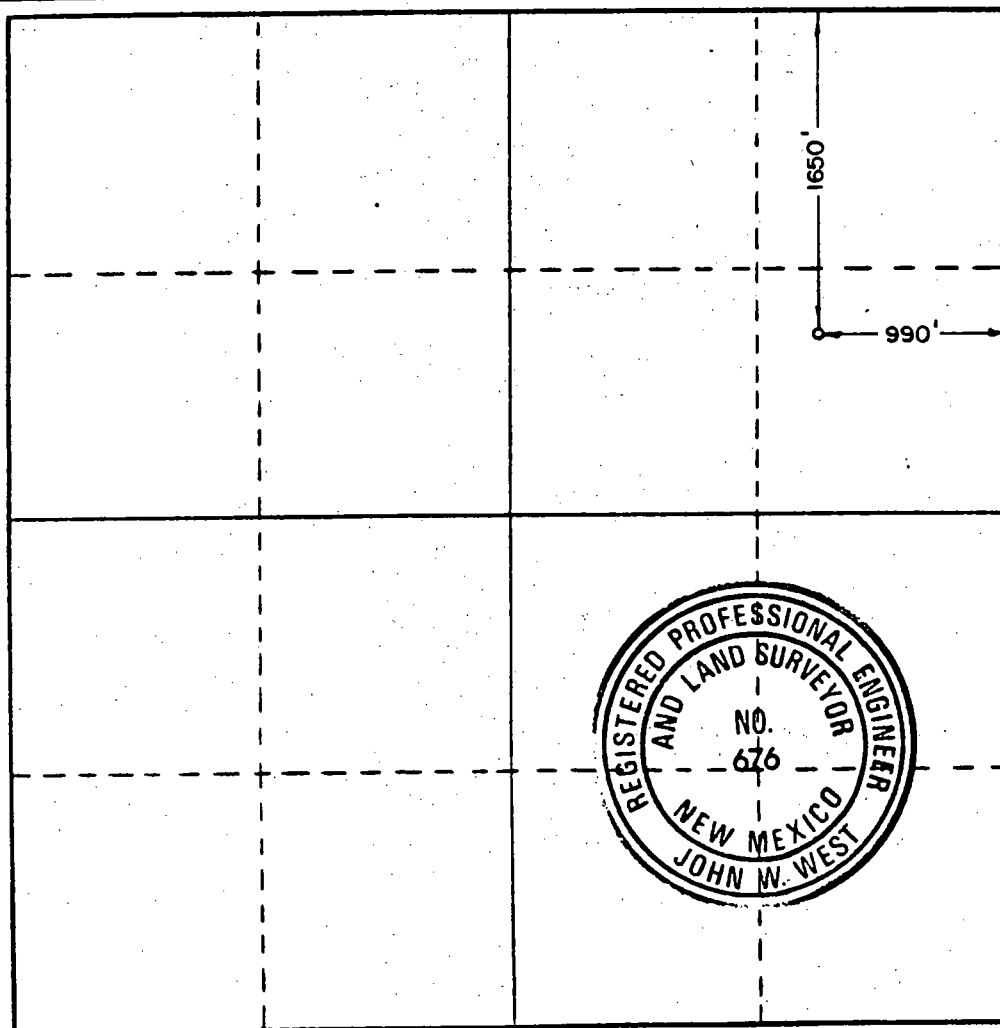
Operator <b>ZIA ENERGY, INC.</b>			Lease <b>TOBY</b>		Well No. <b>2</b>
Unit Letter <b>II</b>	Section <b>13</b>	Township <b>24S</b>	Range <b>36E</b>	County <b>LEA</b>	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> <span>1650 feet from the NORTH line and</span> <span>990 feet from the EAST line</span> </div>					
Ground Level Elev. <b>3304.2</b>	Producing Formation <b>Seven Rivers - Queen</b>		Pool <b>Langlie - Mattix</b>	Dedicated Acreage: <b>40</b> 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.

*John W. West*

Name  
**Engineer**

Position  
**Zia Energy, Inc.**

Company  
**1/31/85**

Date

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  
**1/30/85**

Registered Professional Engineer and/or Land Surveyor

*John W. West*

Certificate No. **JOHN W. WEST, 676**  
**RONALD J. EIDSON, 3239**



30-025-29126

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## NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-85

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

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name <b>Toby</b>	
2. Name of Operator <b>Zia Energy, Inc.</b>		9. Well No. <b>2</b>	
3. Address of Operator <b>P.O. Box 2219, Hobbs, NM 88240</b>		10. Field and Pool, or Wildcat <b>Langlie Mattix</b>	
4. Location of Well UNIT LETTER <b>H</b> LOCATED <b>1650</b> FEET FROM THE <b>North</b> LINE AND <b>990</b> FEET FROM THE <b>East</b> LINE OF T.C. <b>13</b> TWP. <b>24S</b> RGE. <b>36E</b> N.M.P.M.		12. County <b>Lea</b>	
19. Proposed Depth <b>3900'</b>		19A. Formation <b>Queen</b>	
20. Rotary or C.T. <b>Rotary</b>		21. Kind & Status Plug Bond <b>Blanket on file</b>	
21B. Drilling Contractor		22. Approx. Date Work will start	

## PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2"	8 5/8"	24#	350'	250	Circulate
7 7/8"	5 1/2"	14#	3900'	900	Circulate

1. Drill 7 7/8" hole to T. D. at 3900'.
2. Run Gr - CNL & FDL in open hole.
3. Run & cement 5 1/2" csg.
4. Perforate, stimulate & test to establish production from the Seven Rivers - Queen in the Langlie - Mattix field.

Permit Expires 6 Months From Approval  
Date Unless Drilling Underway.

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed M. J. Nelson Title Engineer Date 1/29/85

(This space for State Use)

APPROVED BY Eddie W. Seay TITLE Oil & Gas Inspector DATE JAN 31 1985

CONDITIONS OF APPROVAL, IF ANY: