

PDSM 10195 24004

Order Number

HOB-0014A

API Number

30-025-26457

Operator

Zia Energy, Inc.

County

Lea

Order Date

12-16-02

Well Name

Grizzell B

Number

003

Location

H

UL

8

Sec

22

T (+Dir)

37

R (+Dir)

Oil %

53%

Gas %

4%

Pool 1

49210

Paddock

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  
Work cancelled effective  
Supplement

12-16-02

1717N

12-16-02

10-11-02

**DOWNHOLE COMMINGLE CALCULATIONS:**

30-025-26457  
HOB-0014A

OPERATOR: Zia Energy, Inc.

PROPERTY NAME: Grizzell B

WNULSTR: 3-H, 8-22-37

	SECTION I:	ALLOWABLE AMOUNT
49210	POOL NO. 1 <u>Paddock</u>	<u>107</u> <u>642</u> MCF 6000
06660	POOL NO. 2 <u>Blinebry Oil &amp; Gas (Oil)</u>	<u>107</u> <u>428</u> MCF 4000
19190	POOL NO. 3 <u>Drinkard</u>	<u>142</u> <u>852</u> MCF 6000
62700	POOL NO. 4 <u>Wantz Abo</u>	<u>187</u> <u>1122</u> MCF 6000
	POOL TOTALS	<u>543</u> <u>3044</u>

	SECTION II:	OIL	Gas
APAD20000	POOL NO. 1 <u>Paddock</u>	53% X 543 = 287.79	4%
ABLI40000	POOL NO. 2 <u>Blinebry Oil &amp; Gas (Oil)</u>	13%	28%
ADRI 30000	POOL NO. 3 <u>Drinkard</u>	7%	33%
AWAN40000	POOL NO. 4 <u>Wantz Abo</u>	27%	35%

	<u>OIL</u>	<u>GAS</u>
SECTION III:		
	$107 \div 53\% = 201.89 (202)$	

SECTION IV:	
$53\% \times 202 = 107.06 (107)$	
$13\% \times 202 = 26.26 (27)$	
$7\% \times 202 = 14.14 (14)$	
$27\% \times 202 = 54.54 (54)$	

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 1980, Hobbs, NM 88240

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  
Blinbry 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 ☒ GAS ☐  
WELL ☒ 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 Blinbry 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

Paul G. Hargis

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)

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

7. Lease Name or Unit Agreement Name

Grizzell B

8. Well No.  
3

9. Pool name or Wildcat  
Blinbry 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

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: ☐

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.

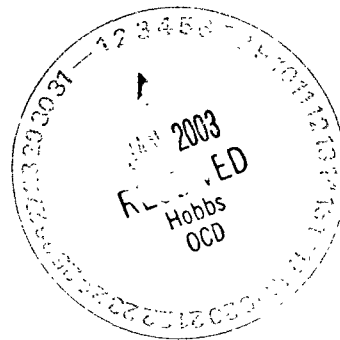
10/10 Acidized Abo with 4500 gals of 15% NEFE.

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			
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 Paddock	
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
					2 7/8"	6949

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

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

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

<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
H	8	22s	37e		1830	North	510	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	<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

<sup>16</sup>						<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature <u>Scott Nelson</u> Scott Nelson Printed Name Engineer Title Date 12/31/02
						<sup>18</sup> 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  Date of Survey Signature and Seal of Professional Surveyer  Certificate Number

FEB 2003  
Hobbs  
OCD

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

1000 Rio Brazes Rd., Aztec NM 87410

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

WELL API NO <b>30-025-26457</b>
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 <b>Grizzell B</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 <b>DHC</b>			
2. Name of Operator <b>Zia Energy, Inc.</b>		8. Well No. <b>3</b>	
3. Address of Operator <b>PO Box 2510, Hobbs, NM 88241</b>		9. Pool name or Wildcat <b>Wantz Abo/Drinkard/Blinebry/Paddock</b>	
4. Well Location Unit Letter <b>H</b>   <b>1830</b> Feet From The <b>North</b> Line and <b>510</b> Feet From The <b>East</b> Line Section <b>8</b> Township <b>22s</b> Rang. <b>37e</b> NMPM <b>Lea</b>			
10. Date Spudded	11. Date T.D. Reached	12. Date Compl. (Ready to Prod.)	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
19. Producing Interval(s), of this completion - Top, Bottom, Name <b>6782-7004, Wantz Abo</b>			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
<b>Change</b>					

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					<b>2 7/8"</b>	<b>6949</b>	

26. Perforation record (interval, size, and number) <b>6782-7004 Abo, 6423-6496 Drinkard 5495-5910 Blinebry O&amp;G, 5106-5200 Paddock</b>				27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.			
				DEPTH INTERVAL		AMOUNT AND KIND MATERIAL USED	
				<b>6782-7004</b>		<b>4500 gals</b>	
				<b>5106-5200</b>		<b>5000 gals</b>	

28. PRODUCTION							
Date First Production <b>10/11/02</b>		Production Method (Flowing, gas lift, pumping . Size and type pump) <b>Pumping</b>				Well Status (Prod. Or Shut-in) <b>Producing</b>	
Date of Test <b>12/31/02</b>	Hours Tested <b>24</b>	Choke Size	Prod'n. For Test Period	Oil - Bbl. <b>30</b>	Gas - MCF <b>141</b>	Water - Bbl. <b>10</b>	Gas - Oil Ratio <b>4700</b>
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	

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

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

<sup>1</sup> API Number 30-025-26457	<sup>2</sup> Pool Code 62700	<sup>3</sup> Pool Name Wantz Abo
<sup>4</sup> Property Code 013030	<sup>5</sup> Property Name Grizzell B	<sup>6</sup> Well Number 3
<sup>7</sup> OGRID No. 025616	<sup>8</sup> Operator Name Zia Energy, Inc.	<sup>9</sup> Elevation 3425'

<sup>10</sup> Surface Location

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

<sup>16</sup>						<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <u>Scott Nelson</u> Scott Nelson Printed Name Engineer Title Date 12/31/02
						<sup>18</sup> 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 Date of Survey Signature and Seal of Professional Surveyer

Certificate Number