

ZIA ENERGY, INC.

HOBBS, NEW MEXICO 88240

July 10, 1981

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

Re: Request for Administrative Approval For Non-Standard
Proration Unit Consisting of 40 Acres In The NE/4-NW/4
of Section 34, T-20-S, R-36-E, Lea County, New Mexico

NSP-1259

Gentlemen:

The Zia Energy, Inc. Falk State No.1 well, L-6438-1, located at a standard location of 330' FNL and 1980' FWL of Sec. 34, T20S, R36E, has been completed as a Eumont gas well from perforations in the Queen formation from 3726' to 3766'. The acreage required for a standard proration unit is 640 acres. Therefore, you are requested to approve a 40 acre non-standard proration unit for this well, consisting of the NE/4-NW/4 Section 34, T-20-S, R-36-E, Lea County New Mexico.

A copy of the C-102 is enclosed to show the location of the Zia Energy, Inc. Falk State No.1 well. A plat has been prepared to show the acreage to be dedicated to this well.

Copies of this application, C-102 and plat have been sent by certified mail to all offset operators. These operators include the following:

Warrior, Inc.
P.O. Box 17479
Fort Worth, TX 76102

Southland Royalty Company
1100 Wall Towers West
Midland, TX 79701

Wiser Oil Company
P.O. Box 2467
Hobbs, NM 88240

Gulf Oil Exploration & Production Co.
P.O. Box 670
Hobbs, NM 88240