

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

2040 South Pacheco
Santa Fe, NM 87505

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.

30-025-10145

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)

7. Lease Name or Unit Agreement Name

Penrose

1. Type of Well:

OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. Name of Operator

Zia Energy, Inc.

8. Well No.

4

3. Address of Operator

PO Box 2510, Hobbs, NM 88241

9. Pool name or Wildcat

Drinkard/Paddock

4. Well Location

Unit Letter E 2310 Feet From The North Line and 330 Feet From The West Line

Section 9 Township 22s Range 37e NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3411' Gr

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: Downhole commingling <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 Names Drinkard <19190> Paddock <49210>

(iii) 6330-6510 5090-5200

(iv) 21% Oil 89% Gas 79% Oil 11% Gas

Based on before & after test.

(v) The downhole commingling of oil & gas from the Drinkard and the Paddock will not reduce the value of the total remaining production

(vi) Ownership between both pools is identical

(vii) This lease is a Federal property

DHC Order No. HOB-0052

9-10-03
For Pool
Paddock added
10-16-03
effective 10-16-03
nm

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

11/15/02

TYPE OR PRINT NAME

Scott Nelson

505-393-2937

TELEPHONE NO.

(This space for State Use)

APPROVED BY

TITLE

ORIGINAL SIGNED BY

DATE

11/15/02

CONDITIONS OF APPROVAL, IF ANY:

PAUL F. KAUTZ

PETROLEUM ENGINEER