



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OFFICE OF THE SECRETARY
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-8980

Jennifer A. Salisbury
CABINET SECRETARY

October 20, 1997

Zia Energy, Inc.
ATT: Farris Nelson
P. O. Box 2219
Hobbs, NM 88241-2219

RE: Reclassification of Well
Cole State, #6-B
Sec. 16-T22S-R37E
Eumont Yates SR-QU Pool

Gentlemen:

According to the recently submitted Gas-Oil-Ratio Test dated 3-26-97, the above-referenced well will be reclassified from a prorated gas well to an oil well in the Eumont Yates Seven Rivers Queen Pool effective January 1, 1998, and the gas allowable cancelled effective that date.

If for some reason you feel this test does not reflect the proper classification of this well, please submit another test for our consideration by November 3, 1997.

If the well is to be reclassified to an oil well in the Eumont Yates Seven Rivers Queen Pool, please submit the following:

- 1.) Revised Form C-102, acreage dedication plat, outlining 40 acres for this oil well completion.
- 2.) Form C-104 showing reclassification from gas to oil effective January 1, 1998, and designating change of transporters to oil and casinghead gas.

If you have questions, concerning the above, please contact Nelda Morgan at (505) 393-6161.

Very truly yours,

OIL CONSERVATION DIVISION

Chris Williams
Supervisor, District I

CW:nm

10-30-97

Remains

Submit 2 copies to Appropriate

District Office.

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

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-116
Revised 1/1/69

CORRECTED REPORT

GAS - OIL RATIO TEST

Operator	P.O. Box 2219, Hobbs, NM 88240		TYPE OF TEST (X)		SCHEDULED		COMPLETION		SPECIAL		COUNTRY				
Address	P.O. Box 2219, Hobbs, NM 88240		TYPE OF TEST (X)		SCHEDULED		COMPLETION		SPECIAL		COUNTRY				
LEASE NAME	WELL NO.	U	S	T	R	DATE OF TEST	CHOKE SIZE	TBG PRESS	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD DURING TEST	GAS MCF	OIL BBL	C	OIL 10 CU.FT/BBL
Cole State B-3480	6	B	16	22S	37E	3/26/97	P -	-	M	24	0	-	.03	133,333	103,333

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

See Rule 301, Rule 1116 & appropriate pool rules.)

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

Signature *James Nelson*

Printed name and title

James Nelson

President

Date

10/27/97

10/27/97

Phone No.

DISTRICT

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Santa Fe, New Mexico 87504-2088

OIL CONSERVATION DIVISION

GAS-OIL RATIO TEST

Operator		Pool		County										
Zia Energy, Inc.		Eumont Yates Seven Rivers Queen - Gas		Lea										
Address		TYPE OF TEST - (X)		Completion										
P.O. Box 2219, Hobbs, NM 88240		Scheduled ☒		Special ☐										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FTL	
		U	S	T						R	WATER BBL.S.	GRAV. OIL		OIL BBL.S.
Elliott Federal Comm. 16-045764 Cole State B-3480 <i>Reclassifying A to B</i>	1	I	26	20S	36E	3/4/97	P	-	-	24	0.1	34.1	0.4	44.4 45 112,500 111,000
	2	J	26	20S	36E	3/19/97	P	-	-	24	0.1	34.1	0.2	24 24 120,000 149,500
	6	B	16	22S	37E	3/26/97	P	-	-	24	0	-	0.3	4 3.1 133,333 103,333

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(See Rule 301, Rule 1116 & appropriate pool rules.)

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

Jarvis Nelson
Signature

Farris Nelson
Printed name and title

Date 4/8/97 Telephone No. 505/393-2937