

State of New Mexico
Energy, Minerals &
Natural & Resources Dept.

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Gas
Supplement
No.: SE 1097002
Date: 10/26/97

NOTICE OF ASSIGNMENT OF ALLOWABLE TO A GAS WELL

The operator of the following well has complied with all the requirements of the Oil Conservation Division and the well is hereby assigned an allowable as shown below.

Date of Connection 6/1/97 Date of First Allowable or Allowable Change 6/1/97
Purchaser Sid Richardson Pool Eumont Y. SR
Operator Zig Energy Inc Lease Elliott B
Well No. * 6 Unit Letter A Sec. 12 Twn. 22S Rge. 37E
Dedicated Acreage * 40 Revised Acreage _____ Difference _____
Acreage Factor .25 Revised Acreage Factor _____ Difference _____
Deliverability _____ Revised Deliverability _____ Difference _____
A x D Factor _____ Revised A x D Factor _____ Difference _____

* New Well - PU is by NSP-1777

OCD Dist. No. I

CALCULATION OF SUPPLEMENTAL ALLOWABLE

Previous Status Adjustments.....

MO.	PREV. ALLOW.	REV. ALLOW.	PREV. PROD.	REV. PROD.	REMARKS
Apr					
May					
Jun					
Jul					
Aug					
Sep					
Oct					
Nov					
Dec					
Jan					
Feb					
Mar					
Apr					
May					
Jun					
Jul					
Aug					
Sep					
Oct					
Nov					
Dec					
Jan					
Feb					
Mar					

TOTALS

Allowable Production Difference.....

Schedule O/U Status.....

Revised _____ O/U Status.....

Effective In _____ Schedule
Current Classification _____ To _____

Note: All gas volumes are in MCF@15.025 psia.

William J. LeMay, Division Director

By _____



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

September 17, 1997

Zia Energy, Inc.
P. O. Box 2219
Hobbs, New Mexico 88241
Attention: Scott Nelson

Administrative Order NSP-1777

Dear Mr. Nelson:

Reference is made to your application dated August 19, 1997 for a 40-acre non-standard gas spacing and proration unit consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 17: NE/4 NE/4

It is my understanding that this unit is to be dedicated to the existing Elliott "B" Well No. 6 (API No. 30-025-10333), located at a standard gas well location 660 feet from the North and East lines (Unit A) of said Section 17.

The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division") and Rule 2(d) of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool*", as promulgated by Division Order No. R-8170, as amended. Pursuant to said rules no objection to the subject application has been received within the required 20-day waiting period.

By the authority granted me under the provisions of said rules, Zia Energy, Inc. is hereby authorized to operate the above-described non-standard gas spacing and proration unit, with allowable assigned thereto in accordance with Rule 5 of said special pool rules based upon the unit size of 40 acres.

Sincerely,

Deputy Director

William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs /
U. S. Bureau of Land Management - Carlsbad
New Mexico State Land Office - Santa Fe