



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,

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

LC-032573-b

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. LEASE AGREEMENT NAME

8. FARM OR LEASE NAME

Elliott "B"

9. WELL NO.

6

10. FIELD AND POOL, OR WILDCAT

Eumont

11. SEC., T., R., N., OR BLOCK AND SURVEY OR AREA

17-T22S-R37E

12. COUNTY OR PARISH

Lea

13. STATE

NM

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other N.M. Oil Cons. D

b. TYPE OF COMPLETION: NEW WELL ☐ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☒ DIFF. REVR. ☒ Other P.O. Box 1980 Hobbs, NM 88241

2. NAME OF OPERATOR

Zia Energy Inc

3. ADDRESS OF OPERATOR

P.O. Box 2219, Hobbs, NM 88241

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 660' FNL and 660' FEL

At top prod. interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

15. DATE STUDDED

7/2/38

16. DATE T.D. REACHED

7/30/38

17. DATE COMPL. (Ready to prod.)

6/1/97

18. ELEVATIONS (DF, RKB, RT, OR, ETC.)*

3404 GR

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

3700

21. PLUG, BACK T.D., MD & TVD

3490

22. IF MULTIPLE COMPL., HOW MANY*

23. INTERVALS DRILLED BY

ROTARY TOOLS

CABLE TOOLS

24. PRODUCING INTERVAL(S). OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

3439 - 3480 Queen

25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN

27. WAS WELL CORRED

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
No Change in Casing		Program			

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 7/8		

31. PERFORATION RECORD (Interval, size and number)

3438, 40, 42, 44, 46, 48, 56, 58, 60, 74,
76, 78, 80,
26 holes .29"

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3438 - 3480	Frac. 52312 gals 50/50 CO ₂ and 176,000 lbs. 16/30 sand

33.* PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
6/1/97		Pumping - 1½" pump				Producing	
DATE OF TEST	HOURS TESTED	CHOKED SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
6/20/97	4		→	0	133	2	
FLOW. TUBING PRESS.	CASING PRESS.	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
		→					

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Scott Nelson

TITLE

Engineer

DATE 7/2/97

*(See Instructions and Spaces for Additional Data on Reverse Side)