STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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Form C-104
Revised 10-01-78
Format 06-01-83
Page 1

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I.

Operator: Zia Energy, Inc.

Address: P. O. Box 2219, Hobbs, NM 88240

Reason(s) for filing *(Check proper box)*

- [ ] New Well
- [ ] Recompletion
- [ ] Change in Ownership

Change in Transporter of:

- [ ] Oil
- [ ] Dry Gas
- [X] Casinghead Gas
- [ ] Condensate

Other *(Please explain)*

If change of ownership give name and address of previous owner _____

II. DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, Including Formation	Kind of Lease	Lease N
New Mexico "M" State	49	Eunice San Andres Southwest	State, Federal or Fee State	B-934

Location

Unit Letter J : 2160 Feet From The South Line and 2310 Feet From The East

Line of Section 18 Township 22 S Range 37 E , NMPM, Lea Count

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil [X] or Condensate [ ]: Permian

Address *(Give address to which approved copy of this form is to be sent)*:

Name of Authorized Transporter of Casinghead Gas [X] or Dry Gas [ ]: Zia Energy, Inc.

Address *(Give address to which approved copy of this form is to be sent)*: P. O. Box 2219, Hobbs, NM 88240

If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When
	P	18	22S	37E	Yes	1/3/89

If this production is commingled with that from any other lease or pool, give commingling order number: _____

NOTE: *Complete Parts IV and V on reverse side if necessary.*

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

M-J Nelson
(Signature)

Engineer
(Title)

1/25/89
(Date)

OIL CONSERVATION DIVISION

APPROVED JAN 26 1989 19

BY ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

TITLE _____

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deeper well, this form must be accompanied by a tabulation of the deviat tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allo able on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of own well name or number, or transporter, or other such change of conditi

Separate Forms C-104 must be filed for each pool in multi; completed wells.

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P. O. BOX 2088
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Operator: Zia Energy, Inc.

Address: P.O. Box 2219, Hobbs, N.M. 88240

Reason(s) for filing (Check proper box)

- [ ] New Well
- [X] Recompletion
- [ ] Change in Ownership

Change in Transporter of:

- [ ] Oil
- [ ] Dry Gas
- [ ] Casinghead Gas
- [ ] Condensate

Other (Please explain)

If change of ownership give name and address of previous owner

THIS WELL HAS BEEN PLACED IN THE POOL DESIGNATED BELOW. IF YOU DO NOT CONCUR NOTIFY THIS OFFICE.

Cancel blanket allow 11/1/88

II. DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, Including Formation	Kind of Lease	Lease No.
New Mexico M State	49	Eunice San Andres Southwest R-8772	State, Federal or Fee State	B-934

Location

Unit Letter J : 2160 Feet From The South Line and 2310 Feet From The East

Line of Section 18 Township 22S Range 37E , NMPM, Lea County

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil [X] or Condensate [ ]	Address (Give address to which approved copy of this form is to be sent)
Permian	P.O. Box 1183, Houston, TX 77001
Name of Authorized Transporter of Casinghead Gas [X] or Dry Gas [ ]	Address (Give address to which approved copy of this form is to be sent)
Texaco Producing Inc.	P.O. Box 1650, Tulsa, OK 74102

If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When
	P	18	22S	37E	Yes	9/01/78

If this production is commingled with that from any other lease or pool, give commingling order number:

NOTE: *Complete Parts IV and V on reverse side if necessary.*

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

D E Britton
(Signature)

Engineer
(Title)

08/19/88
(Date)

OIL CONSERVATION DIVISION

APPROVED _____, 19 ____

BY ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

TITLE

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepe well, this form must be accompanied by a tabulation of the devia tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for all able on new and recompleted wells.

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Separate Forms C-104 must be filed for each pool in multi completed wells.

IV. COMPLETION DATA

Designate Type of Completion – (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
	X					XX		XX

Date Spudded 7-30-78	Date Compl. Ready to Prod. 8-04-88	Total Depth 6730'	P.B.T.D. 5380'
Elevations *(DF, RKB, RT, GR, etc.)* 3427' KB	Name of Producing Formation San Andres	Top Oil/Gas Pay 3804'	Tubing Depth 4101'
Perforations 3806' - 3909'			Depth Casing Shoe 6719'

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
12¼"	8 5/8"	1073 Ft.	620 sx circ
7 7/8"	5½"	6719 Ft.	1260 sx est. top 1200'

V. TEST DATA AND REQUEST FOR ALLOWABLE *(Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)*

OIL WELL

Date First New Oil Run To Tanks 8/07/88	Date of Test 8/11/88	Producing Method *(Flow, pump, gas lift, etc.)* Pump	
Length of Test 24 Hrs.	Tubing Pressure NA	Casing Pressure 92 psi	Choke Size NA
Actual Prod. During Test 755.5	Oil-Bbls. 3.5	Water-Bbls. 752	Gas-MCF 305

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method *(pitot, back pr.)*	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

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OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

5a. Indicate Type of Lease: State [X] Fee [ ]

5. State Oil & Gas Lease No. B-934

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.)

OIL WELL [X] GAS WELL [ ] OTHER-

7. Unit Agreement Name

2. Name of Operator: Zia Energy, Inc.

8. Farm or Lease Name: New Mexico M State

3. Address of Operator: P.O. Box 2219, Hobbs, N.M. 88240

9. Well No. 49

4. Location of Well: UNIT LETTER J, 2160 FEET FROM THE South LINE AND 2310 FEET FROM THE East LINE, SECTION 18 TOWNSHIP 22S RANGE 37E NMPM.

10. Field and Pool, or Wildcat: Eunice San Andres SW

15. Elevation (Show whether DF, RT, GR, etc.): 3427' RKB

12. County: Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK [ ]
- PLUG AND ABANDON [ ]
- TEMPORARILY ABANDON [ ]
- PULL OR ALTER CASING [ ]
- CHANGE PLANS [ ]
- OTHER [ ]

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [X]
- ALTERING CASING [ ]
- COMMENCE DRILLING OPNS. [ ]
- PLUG AND ABANDONMENT [ ]
- CASING TEST AND CEMENT JOB [ ]
- OTHER [ ]

17. 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.

1. RU pulling unit. POH with pump, rods, and tbg. RU wireline. Set CIBP in 5½" csg at 5400' and dump 20' of cmt on plug with bailer. Blinebry abandoned 8/03/88.
2. Perforate san andres from 3806' to 3909'. Treat perfs with 500 gals 15% NEFE acid. Formation broke at 1800 psi and treated at 600 psi at 2½ BPM. ISIP 300 and on vacuum within one minute. Load to recover 138 bbls.
3. RIH with MA, perf sub, 2½ x 20' barrel, tbg anchor, and 2 7/8 tbg. SN at 4101'.
4. Hookup electrical for 640 unit and start pumping on 8/04/88 at 11 - 144" SPM. Fluid level at 900' from surface.
5. Fluid level dropped from 900' to 2900' from surface from 8/04/88 to 8/11/88. Gas increased from zero to 305 MCFPD.
6. Test 8/11/88 showed the well making 305 MCFPD, 752 BWPD, and 3.5 BOPD.

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

SIGNED D.E. Bratton D.E. Bratton TITLE engineer DATE 8/19/88

ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE AUG 2 2 '88

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease: STATE [X] FEE [ ]

5. State Oil & Gas Lease No.: B-934

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL [ ] DEEPEN [ ] PLUG BACK [X]

b. Type of Well: OIL WELL [X] GAS WELL [ ] OTHER SINGLE ZONE [X] MULTIPLE ZONE [ ]

7. Unit Agreement Name:

8. Farm or Lease Name: New Mexico "M" State

2. Name of Operator: Zia Energy, Inc.

9. Well No.: 49

3. Address of Operator: P. O. Box 2219, Hobbs, NM 88240

10. Field and Pool, or Wildcat: Eunice-San Andres sout

4. Location of Well: UNIT LETTER J LOCATED 2160 FEET FROM THE South LINE AND 2310 FEET FROM THE East LINE OF SEC. 18 TWP. 22S RGE. 37E NMPM

12. County: Lea

19. Proposed Depth: PB 5380'

19A. Formation: San Andres

20. Rotary or C.T.:

21. Elevations (Show whether DF, RT, etc.): 3427' RKB

21A. Kind & Status Plug. Bond: Bond on file

21B. Drilling Contractor:

22. Approx. Date Work will start: 8/3/88

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	1073'	620 sx	circulated
7 7/8"	5 1/2"	14# & 15.5#	6719'	1260 sx	1200'

1. Rig up pulling unit. Pull rods & tubing.
2. Run a CIBP on wire line. Set at 5400'. Dump 20' of cement on top of CIBP.
3. Perforate san andres zones from 3806' to 3909'.
4. Run tubing with a packer. Set packer at 3825'.
5. Acidize perforations with 500 gallons of 15% HCL.
6. Pull tubing, remove packer, rerun tubing, set tubing at 4300', run rods & pump.
7. Place well on production to recover load and test.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PROD TIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed M. J. Dickson Title Engineer Date 8/2/88

(This space for State Use) Orig. Signed by Paul Kautz Geologist

AUG 0 3 '88

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: