

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Zia Energy, Inc. PO Box 2510 Hobbs, NM 88241		² OGRID Number 025616
		³ Reason for Filing Code DHC
⁴ API Number 30-025-26457	⁵ Pool Name Drinkard	⁶ Pool Code 19190
⁷ Property Code 013030	⁸ Property Name Grizzell B	⁹ Well Number 3

II. ¹⁰ Surface Location

UL or lot no. H	Section 8	Township 22s	Range 37e	Lot.Idn	Feet from the 1830	North/South Line North	Feet from the 510	East/West line East	County Lea
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¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot.Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Lse Code P	¹³ Producing Method Code P	¹⁴ Gas Connection Date		¹⁵ C-129 Permit Number		¹⁶ C-129 Effective Date		¹⁷ C-129 Expiration Date	

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
195739	All American Pipeline, L.P. Box 4648, Houston, TX 77210	2802410	O	G-8-22s-37e Grizzell B Battery
020809	Sid Richardson Gasoline Co. 201 Main St., Ft. Worth, Tx 76102	2802430	G	G-8-22s-37e Grizzell B Battery

IV. Produced Water

²³ POD 2802450	²⁴ POD ULSTR Location and Description G-8-22s-37e, Grizzell B Battery
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V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBTD	²⁹ Perforations 6423-6496	³⁰ DHC, DC,MC R-11363
³¹ Hole Size No Change		³² Casing & Tubing Size	³³ Depth Set		³⁴ Sacks Cement

VI. Well Test Data

³⁵ Date New Oil 12/31/02	³⁶ Gas Delivery Date	³⁷ Test Date 12/31/02	³⁸ Test Length 24	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure
⁴¹ Choke Size	⁴² Oil 2/30	⁴³ Water 10	⁴⁴ Gas 47/141	⁴⁵ AOF	⁴⁶ Test Method P

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Scott Nelson</i>		OIL CONSERVATION DIVISION	
Printed name: Scott Nelson		Approved by: ORIGINAL SIGNED BY	
Title: Engineer		Title: PAUL F. KAUTZ PETROLEUM ENGINEER	
Date: 12/31/02		Approval Date: FEB 14 2003	
Phone: 505-393-2937			

⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator			
Previous Operator Signature	Printed Name	Title	Date