

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

WELL API NO.
30-025-26457

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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)

1. Type of Well:
OIL WELL ☒ GAS WELL ☐ OTHER

7. Lease Name or Unit Agreement Name

Grizzell B

2. Name of Operator
Zia Energy, Inc.

8. Well No.
3

3. Address of Operator
PO Box 2510, Hobbs, NM 88241

9. Pool name or Wildcat
Blinebry O&G/Drinkard/Wantz Abo/Paddock

4. Well Location
Unit Letter H 1830 Feet From The North Line and 510 Feet From The East Line
Section 8 Township 22s Rang. 37e NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3425

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: DHC <input type="checkbox"/>	

12. 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.

Application for downhole commingled

(i) Division order establishing pre-approved pool or area R-11363

(ii) Pool Name Blinebry O&G(06660) Drinkard(19190) Wantz Abo(62700) Paddock(49210)

(iii) Perforated Interval 5495-5910 6423-6496 6782-7004 5106-5200

(iv) Allocation Oil 13% 7% 27% 53%

Allocation Gas 28% 33% 35% 4%

(v) The downhole commingling of oil & gas from the above pools will not reduce the value of the total remaining production

(vi) Ownership between all pools is identical

(vii) This lease is a Fee property

DHC Order No. HOB-0014A

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

SIGNATURE Scott Nelson TITLE Engineer DATE 12/31/02

TYPE OR PRINT NAME Scott Nelson 505-393-2937 TELEPHONE NO.

(This space for State Use) ORIGINAL SIGNED BY

PAUL F. KAUTZ

APPROVED BY PETROLEUM ENGINEER TITLE DATE FEB 14 2003

CONDITIONS OF APPROVAL, IF ANY: