

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|-----------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------|
| ¹ Operator Name and Address. Zia Energy, Inc. PO Box 2510 Hobbs, NM 88241 | | ² OGRID Number 025616 |
| | | ³ API Number 30 - 025-3 5372 |
| ⁴ Property Code 27166 | ⁵ Property Name Grizzell A | ⁶ Well No. 1 |

| ⁷ Surface Location | | | | | | | | | |
|-------------------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| H | 6 | 21S | 37E | | 1650 | North | 330 | East | Lea |

| ⁸ Proposed Bottom Hole Location If Different From Surface | | | | | | | | | |
|----------------------------------------------------------------------|---------|----------|-------|---------|-------------------------------------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| | | | | | | | | | |
| ⁹ Proposed Pool 1 Wantz Abo | | | | | ¹⁰ Proposed Pool 2 Blinebry | | | | |

| | | | | |
|-----------------------------------|--------------------------------------|---------------------------------|------------------------------------|----------------------------------------------|
| ¹¹ Work Type Code N | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation 3448 |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 7300 | ¹⁸ Formation Abo | ¹⁹ Contractor | ²⁰ Spud Date |

| ²¹ Proposed Casing and Cement Program | | | | | |
|--------------------------------------------------|-------------|--------------------|---------------|-----------------|---------------|
| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
| 12 1/4" | 8 5/8" | 24# | 1200 | 650 | Surface |
| 7 7/8" | 5 1/2" | 15.5 & 17 | 7300 | 1500 | Surface |
| | | | | | |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

1. Prepare location - dig & line pits for drilling.
2. Move in & rig up Drlg Rig. Install BOP.
3. Drill 12 1/4" hole and set 8 5/8" casing at 1200'. Cement to Surface.
4. Drill 7 7/8" hole to 7300', log and set 5 1/2" casing. Cement to surface.
5. Perforate based on porosity logs. Stimulate with acid and if necessary fracture treat.
6. Place on production and test.

| | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------|------------------|
| ²³ I hereby certify 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 APPROVED BY DISTRICT SUPERVISOR | |
| Printed name: Scott Nelson | | Title: | |
| Title: Engineer | | Approval Date: JAN 26 2001 | Expiration Date: |
| Date: 1/22/01 | Phone: 505-393-2937 | Conditions of Approval <input checked="" type="checkbox"/> <input type="checkbox"/> | |

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

MS

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
P.O. Box 1988, Hobbs, NM 88241-1988

DISTRICT II
P.O. Drawer 88, Artesia, NM 88211-0718

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|-----------------------------------|------------------------------------|--------------------------------|
| API Number 30-025-35372 | Pool Code 62100 | Pool Name Wartz; Abo |
| Property Code 27166 | Property Name GRIZZELL A | Well Number 1 |
| OGRID No. 25616 | Operator Name ZIA ENERGY | Elevation 3448 |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| H | 6 | 22-S | 37-E | | 1650 | NORTH | 330 | EAST | LEA |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|------------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 40 | Joint or Infill | Consolidation Code | Order No. |
|------------------------------|-----------------|--------------------|-----------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|
| LOT 4 37.24 AC | LOT 3 40.12 AC | LOT 2 40.21 AC | LOT 1 40.30 AC |
| LOT 5 37.13 AC | | | |
| LOT 6 37.07 AC | | | |
| LOT 7 36.99 AC | | | |

1650'

330'

OPERATOR CERTIFICATION

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

Scott Nelson
Signature

Scott Nelson
Printed Name

Eng.
Title

1/24/01
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

DECEMBER 6, 2000

Date Surveyed: 12/6/00 AWB

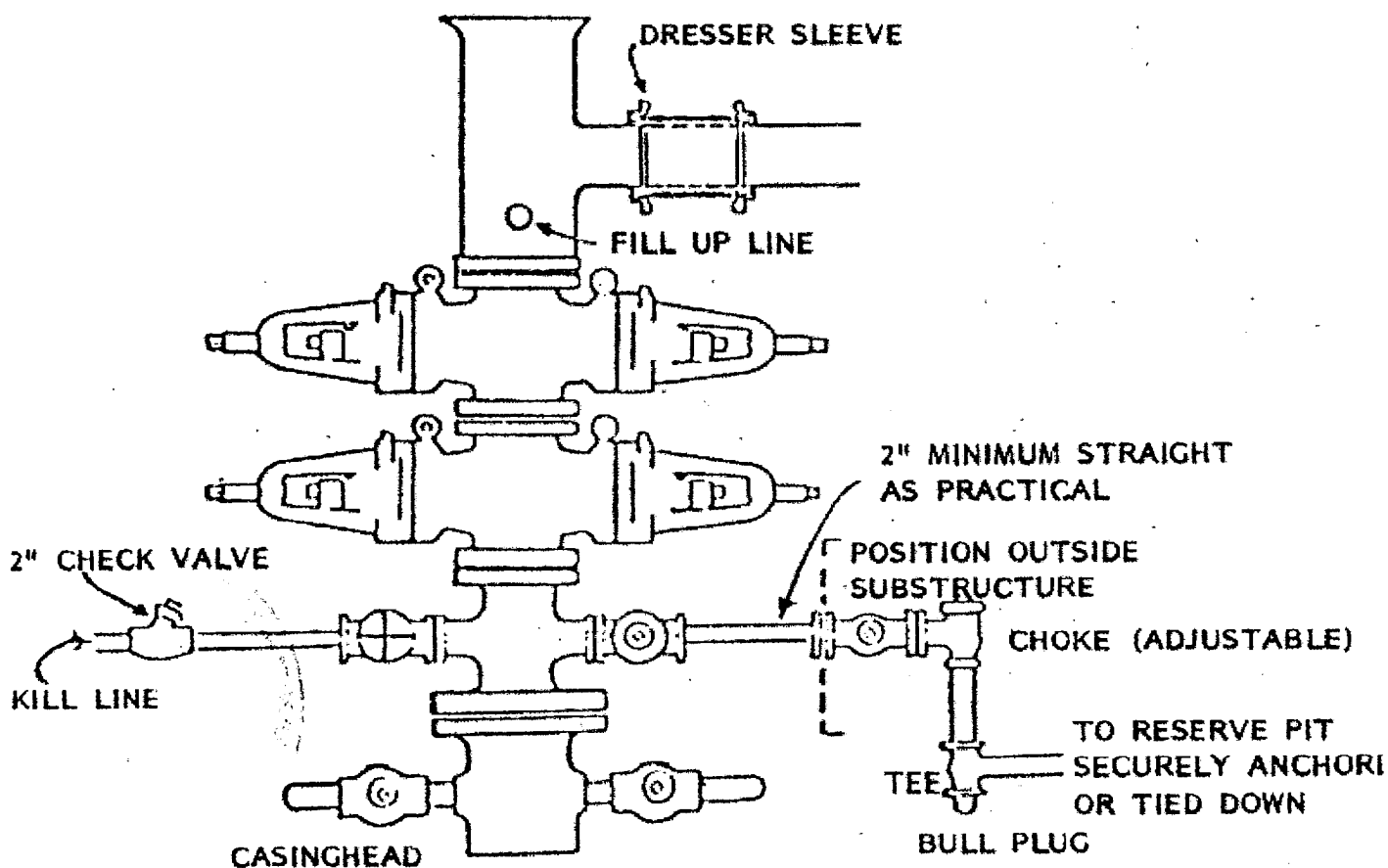
Signature & Seal of Professional Surveyor:
Ronald J. Kidson
Professional Surveyor No. 3239
Certification No. 12641

1. All equipment must be in good condition, 2,000 psi WP (4,000 psi test) minimum.
2. Bell nipple above blowout preventer shall be same size as casing being drilled through.
3. Kelly cock to be installed on kelly.
4. Pull opening safety valve 2,000 psi W.P. (4,000 psi test) minimum must be available on rig floor at all times with proper connection or subs to fit any tool joint in string.
5. Spool or cross may be eliminated if connections are available in the lower part of the blowout preventer body.
6. Double or space saver type preventers may be used in lieu of two single preventers.
7. BOP rams to be installed as follows:

| | | |
|------------------|---|---------------------------|
| Top preventer | - | Drill pipe or casing rams |
| Bottom preventer | - | Blind rams |

*Zia superintendent may reverse location of rams.

8. Extensions and hand wheels to be installed and braced at all times.
9. Manifold valves may be gate or plug metal to metal seal 2" minimum.



ELF

ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED