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LAND OFFICE		
OPERATOR		

5a. Indicate Type of Lease  
State  Fee

5. State Oil & Gas Lease No.  
V-803

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. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Zia Energy, Inc.	8. Farm or Lease Name State "B"
3. Address of Operator P. O. Box 2219, Hobbs, New Mexico 88240	9. Well No. 1
4. Location of Well UNIT LETTER <u>G</u> <u>1980</u> FEET FROM THE <u>North</u> LINE AND <u>1980</u> FEET FROM THE <u>East</u> LINE, SECTION <u>36</u> TOWNSHIP <u>18 South</u> RANGE <u>38 East</u> NMPM.	10. Field and Pool, or Wildcat Foster San Andres
15. Elevation (Show whether DF, RT, GR, etc.) 3599.3 GR	12. County Lea

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK  PLUG AND ABANDON

TEMPORARILY ABANDON  CHANGE PLANS

PULL OR ALTER CASING

OTHER

SUBSEQUENT REPORT OF:

REMEDIAL WORK  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 propo work) SEE RULE 1703.

1. Rig up pulling unit.
2. Rig up wire line operator. Run gage ring to 6,000' to check casing.
3. Run CIBP on wire line and set at 5,950'. Cap CIBP with 20' of cement.
4. Perforate San Andres from 4480 to 4498'.
5. Run 2-7/8" tubing with a packer. Set Packer at 4400'. Acidize perforations with 2,000 gallons of 15% HCL and ball sealers.
6. Pull tubing and remove packer. Rerun tubing to 4800'. Run rods and 2" bore pump.
7. Install pumping unit and place well on production to test.

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

SIGNED MJ Nelson TITLE Engineer DATE 4/28/88

APPROVED BY Paul Keutz TITLE \_\_\_\_\_ DATE MAY 2 - 1988  
Geologist

CONDITIONS OF APPROVAL, IF ANY