

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-101
 Revised February 10, 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

| | | |
|---|-----------------------------|----------------------------|
| Operator Name and Address. Zia Energy Inc. P.O. Box 2219 Hobbs, NM 88241 | | OGRID Number 025616 |
| | | API Number 30-025-23828 |
| Property Code 013024 | Property Name Cole State | Well No. 14 |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F | 16 | 22S | 37E | | 2310' | North | 1650' | West | Lea |

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 |
|--|---------|----------|-------|---------|-----------------|------------------|---------------|----------------|--------|
| Proposed Pool 1 Eunice San Andres Southwest | | | | | Proposed Pool 2 | | | | |

| | | | | |
|---------------------|-------------------------|-------------------------|-----------------------------------|------------------------------------|
| Work Type Code P | Well Type Code O | Cable/Rotary WSU | Lease Type Code P | Ground Level Elevation 3396' GL |
| Multiple No | Proposed Depth 4000' | Formation San Andres | Contractor Eunice Well Service | Spud Date 11/27/95 |

Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| Same As | Original | C-105 | | | |
| | | | | | |
| | | | | | |
| | | | | | |

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.

- Rig up well service unit. Install BOP. Pressure test csg.
- Perforate San Andres zones as needed down to 4000'.
- Stimulate San Andres perms. as needed.
- Equip to pump. Place on production to test.

Permit Expires 6 Months From Approval
 Date Unless Drilling Underway.

Plugback

| | | | |
|--|---------------------|---|--|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief. | | OIL CONSERVATION DIVISION | |
| Signature: <i>Farris Nelson</i> | | Approved by: ORIGINAL SIGNED BY JERRY SEXTON DISTRICT I SUPERVISOR | |
| Printed name: Farris Nelson | | Title: | |
| Title: President | | Approval Date: NOV 20 1995 Expiration Date: | |
| Date: 11/17/95 | Phone: 505/393-2937 | Conditions of Approval: Attached <input type="checkbox"/> | |