

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised March 17, 1999

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. 2203 Timberloch Place Suite 229 The Woodlands, TX 77380		² OGRID Number 125616
		³ API Number 30 - 025-10335
⁴ Property Code 13023	⁵ Property Name Christmas	⁶ Well No. 1

⁷ Surface Location

UL or lot no. 1	Section 17	Township 22S	Range 37E	Lot Idn	Feet from the 2310'	North/South line North	Feet from the 330'	East/West line East	County Lea
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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 Eunice San Andres Southwest						¹⁰ Proposed Pool 2			

¹¹ Work Type Code D	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3272
¹⁶ Multiple No	¹⁷ Proposed Depth 4500	¹⁸ Formation San Andres	¹⁹ Contractor Mesa Well Serv.	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

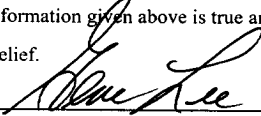

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4	9 5/8	36	1100	300 sx	Surface
8 3/4	5.5	17	3475	475 sx	Surface
4 3/4	4"	10.50	4000	100 sx	TOL@ 2797'

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.

Operator proposes to deepen the open hole section from 3707' to 4000' using KCL water & mud. Run 4" flush joint liner to TD and cement w/ 100 sx Super "C" Modified. TOH w/ liner setting tool and SI. Clean out liner top and perforate and evaluate for commercial production.

Mud Program: Cut Brine, KCL, Starch. Mud WT:--9,0 #/Gal

BOP Diagram Attached..

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature:  Printed name: Gene Lee leeconinc@aol.com Title: Agent Date: 05/10/04 Phone: 505-626-4292		OIL CONSERVATION DIVISION Approved by:  Title: PETROLEUM ENGINEER Approval Date: JUL 01 2004 Expiration Date: Conditions of Approval: Attached <input type="checkbox"/>	
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Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Deepen

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-025-0335	² Pool Code 24180	³ Pool Name Eunice San Andres - SW
⁴ Property Code 13023	⁵ Property Name Christmas	
⁷ OGRID No. 25616	⁸ Operator Name Zia Energy, Inc.	
		⁶ Well Number 1
		⁹ Elevation 3272' GL

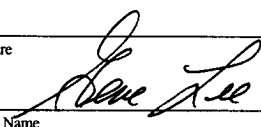
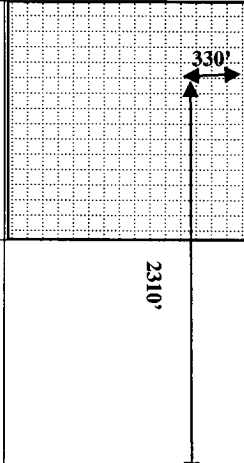
¹⁰ Surface Location

UL or lot no. I	Section 17	Township 22S	Range 37E	Lot Idn	Feet from the 2310'	North/South line South	Feet from the 330'	East/West line East	County Lea
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¹¹ 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
¹² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

5				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature  Printed Name Gene Lee Title and E-mail Address Agent Date 5-14-04
				¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: See Original Survey Certificate Number
				

Well Name: **Christmas #1** Zia Lease Number: **10335** Lease Type: _____
 Location: _____ Sec: _____ Township: _____ Range: **37E**
 County: **Lea** State: **NM** API: **30-025-10335** Formation: _____

Surface Csg

Size: **9 5/8"**
 Wt.&Thrd: **36#**
 Grade: _____
 Set @: **307'**
 Sxs cmt: **150**
 Circ: **Yes**
 TOC: **Surface**
 Hole Size: _____

KB: _____
 DF: _____
 GL: _____
 Spud Date: **6/30/1939**
 Compl. Date: _____

History - Highlights

Production Csg

Size: **5 1/2"**
 Wt.&Thrd: **17#**
 Grade: _____
 Set @: **3475'**
 Sxs Cmt: **400**
 Circ: _____
 TOC: _____
 Hole Size: _____

Perfs Status
3095-3377' Grayburg

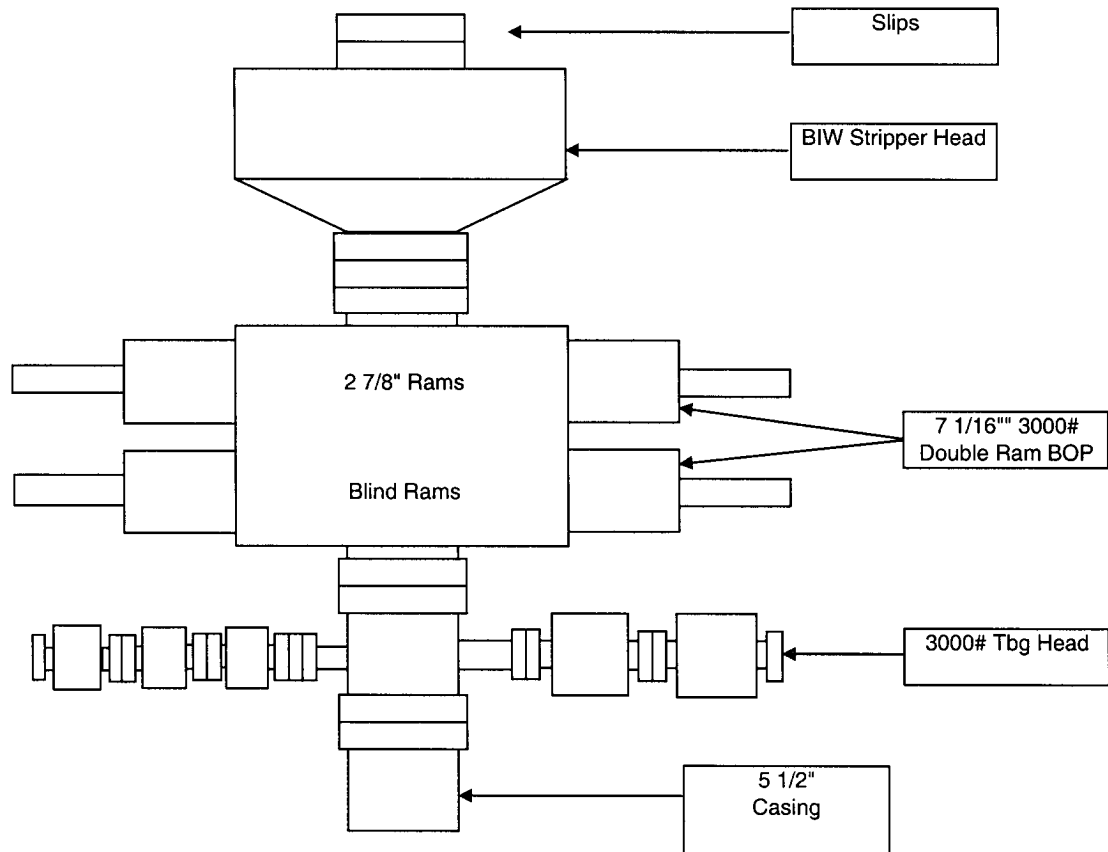
OPEN HOLE
3475-3707' Grayburg

TD 3707'

Tubulars - Capacities and Performance

	bbl/ft	cf/ft	Tensile (lbs)	Burst (psi)	Collapse (psi)	ID(in)	Drift (in)
2-3/8" 4.7# J55 Tubing	0.00387	0.02171	71730	7700	8100	1.995	1.901
7" 23# J55 Casing	0.03930	0.2210	313000	4360	3270	6.366	6.241
Annular 2-3/8"-7"	0.03390	0.1903					

Zia Energy, Inc
Christmas #1
BOP Diagram
3000 psi WP



**LEE CONSULTING, INC
P.O. Box 8280
Roswell, NM 88202
505-626-4292**

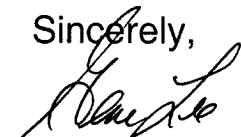
**State of New Mexico
Oil Conservation Division
1625 N. French
Hobbs, NM 88240**

**RE: Christmas #1
API #: 30-025-10335**

Attached is an application for permit to re-enter the above well. No new pits will be utilized in this workover to deepen the well. All cuttings and fluids will be contained within the steel pits and hauled to an authorized disposal site by truck after the deepening operations are completed.

If you have any questions, please call or write. Thank you for your cooperation in this matter.

Sincerely,


Gene Lee

