

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 025616 |
| | | ³ API Number 30 - 025- 36759 |
| ⁴ Property Code 34085 | ⁵ Property Name Greenwood | ⁶ Well No. 19 |

⁷ Surface Location

| | | | | | | | | | |
|--------------------|--------------|-----------------|--------------|---------|------------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no. L | Section 9 | Township 22S | Range 37E | Lot Idn | Feet from the 2310' | North/South line South | Feet from the 430' | East/West line West | County 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 Eunice San Andres Southwest | | | | | ¹⁰ Proposed Pool 2 | | | | |

| | | | | |
|-----------------------------------|---------------------------------------|---------------------------------------|--|---|
| ¹¹ Work Type Code N | ¹² Well Type Code G | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation 3409' |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 5000' | ¹⁸ Formation San Andres | ¹⁹ Contractor To Be Determined | ²⁰ Spud Date ASAP |

²¹ Proposed Casing and Cement Program

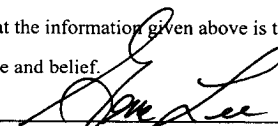
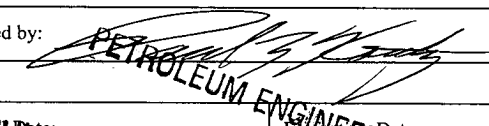
| | | | | | |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
| 12 1/4" | 8 5/8" | 24# | 1200' | 600 Sx | Surface |
| 7 7/8" | 5 1/2" | 17# | 5000' | 400 Sx | 1000 |
| | | | | | |
| | | | | | |
| | | | | | |

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 drill 12 1/4" hole and set 8 5/8" csg into the Rustler Formation. Cement 8 5/8" csg to surface. Drill the 7 7/8" hole to 5000', run electric logs and run 5.5" production casing. Cement 5.5" csg w/ 400 sx cmt to tie into surface csg.

Mud Program: FW/ Native mud to 1200', Brine water to 5000' w/ salt water gel, starch, LCM sweeps.

BOP Program: Double Ram preventers rated to 3000# WP will utilized and nipped up on 8 5/8" csg & tested daily.
See Attached BOP Diagram and Pit Registration Form.

| | | | |
|--|--|---|--|
| 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: 05/01/04 | | OIL CONSERVATION DIVISION Approved by:  Title: PETROLEUM ENGINEER Approval Date: JUL 16 2004 Expiration Date: Conditions of Approval: Attached <input type="checkbox"/> | |
|--|--|---|--|

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

P.O. Box 1960, Hobbs, NM 88241-1960

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III

000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|---------------|------------------|-----------------------------|
| API Number | Pool Code | Pool Name |
| 30.025-36759 | 24180 | Eunice San Andres Southwest |
| Property Code | Property Name | Well Number |
| 34085 | GREENWOOD | 19 |
| OGRID No. | Operator Name | Elevation |
| 25616 | ZIA ENERGY, INC. | 3409' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 9 | 22-S | 37-E | | 2310' | SOUTH | 430' | WEST | LEA |

Bottom Hole Location If Different From Surface

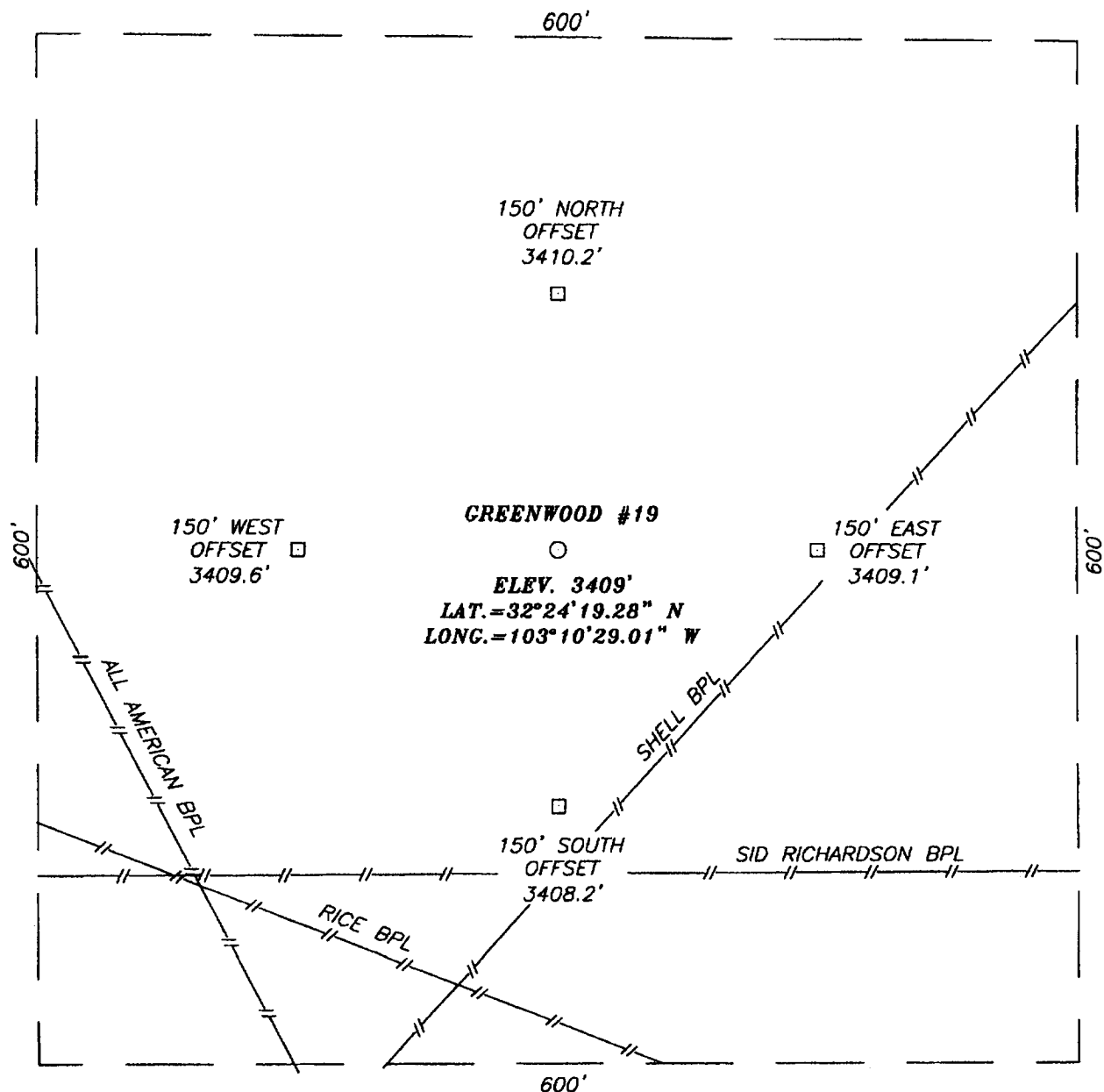
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|---------------|---------|----------|-------|---------|---------------|------------------|-----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

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

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

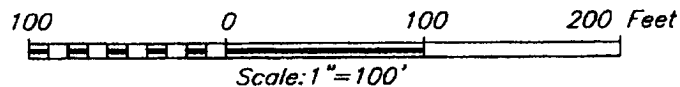
| | |
|--|---|
| | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature</p> <p><i>Gene Lee</i> Printed Name</p> <p><i>Agent</i> Title</p> <p><i>5-104</i> Date</p> |
| | <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>APRIL 27, 2004</p> |
| | <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>[Signature]</i> <i>5/4/04</i></p> <p>04.11.0477</p> |
| | <p>Certificate No. GARY EDSON</p> <p>12641</p> |

SECTION 9, TOWNSHIP 22 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF DELAWARE BASIN ROAD (CO. RD. #21) AND LEGION ROAD (CO. RD. #33) APPROX. 2.5 MILES SOUTH & 1.0 MILE WEST OF EUNICE. GO NORTH ON LEGION ROAD 0.2 MILES AND TURN RIGHT ON TRULL ROAD AND GO 0.2 MILES. TURN LEFT AND GO 0.1 MILES TO THE PROPOSED GREENWOOD #19.



ZIA ENERGY, INC.

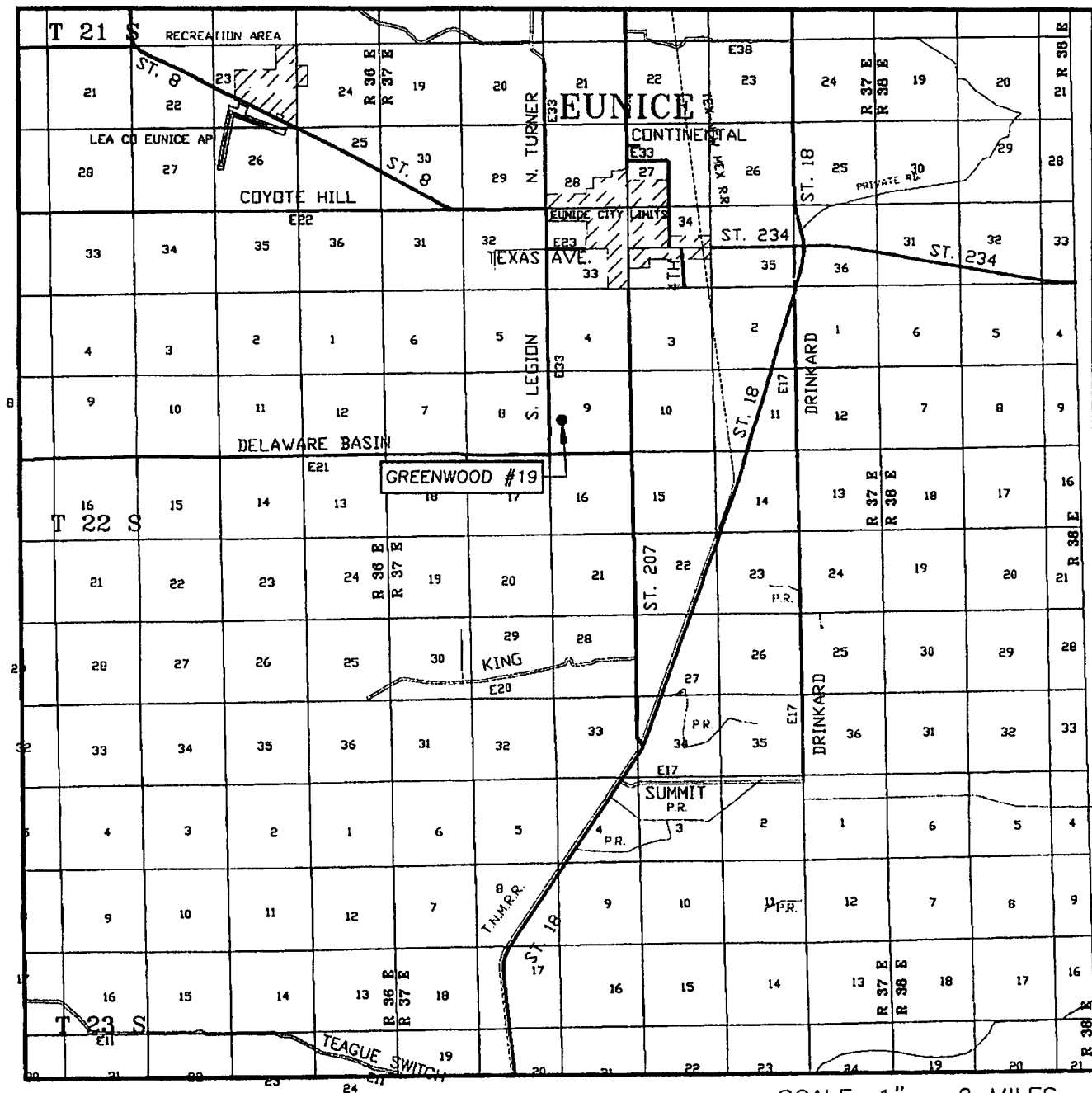
GREENWOOD #19 WELL
LOCATED 2310 FEET FROM THE SOUTH LINE
AND 430 FEET FROM THE WEST LINE OF SECTION 9,
TOWNSHIP 22 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

| | |
|-------------------------|---------------------|
| Survey Date: 4/27/04 | Sheet 1 of 1 Sheets |
| W.O. Number: 04.11.0477 | Dr By: LA |
| Date: 4/30/04 | Disk: CD#3 |
| 04110477 | Scale: 1"=100' |

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 9 TWP. 22-S RGE. 37-E

SURVEY N.M.P.M.

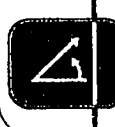
COUNTY LEA

DESCRIPTION 2310' FSL & 430' FWL

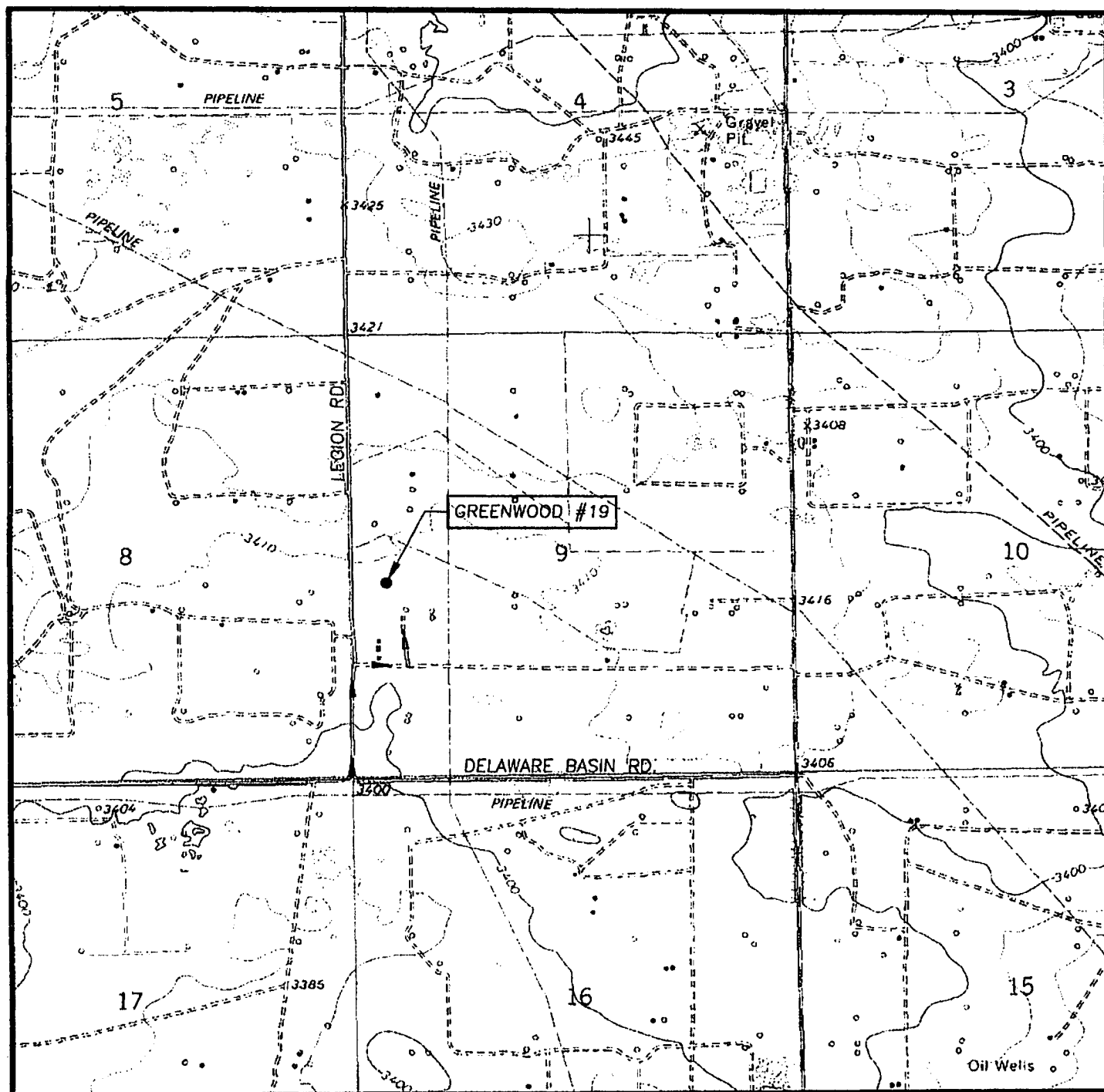
ELEVATION 3409'

OPERATOR ZIA ENERGY, INC.

LEASE GREENWOOD



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
EUNICE, N.M.

SEC. 9 TWP. 22-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

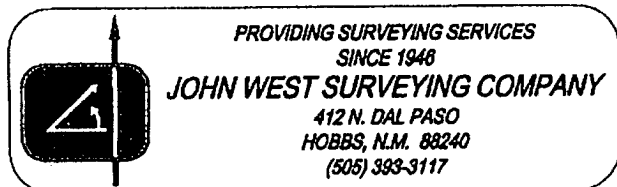
DESCRIPTION 2310' FSL & 430' FWL

ELEVATION 3409'

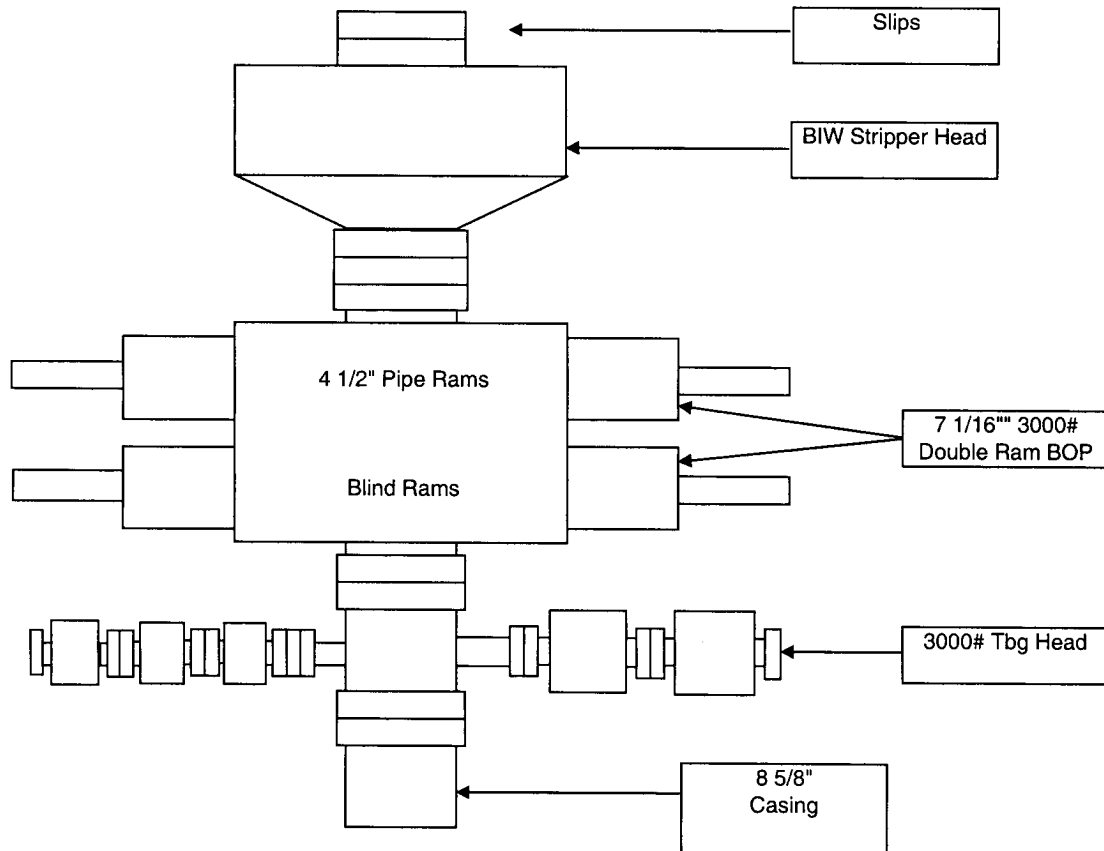
OPERATOR ZIA ENERGY, INC.

LEASE GREENWOOD

USGS TOPOGRAPHIC MAP



Zia Energy, Inc
Greenwood #19
BOP Diagram
3000 psi WP



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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: ZIA ENERGY INC. Telephone: 281-296-7666 e-mail address: Lee@winco AOL.com
Address: 2203 Timberloch Place, Suite 229 THE WOODLANDS, TX 77380
Facility or well name: GREENWOOD #19 API #: 30-025-36759 U/L or Qtr/Qtr 2 Sec 9 T 22S R 32E
County: LEA Latitude 32N Longitude 103W NAD: 1927 ☐ 1983 ☒ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 20 mil Clay ☐ Volume 6500 bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

Double-walled, with leak detection? Yes ☐ If not, explain why not. _____

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

| | |
|---|-------------|
| Less than 50 feet | (20 points) |
| 50 feet or more, but less than 100 feet | (10 points) |
| <u>100 feet or more</u> | (0 points) |

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

| | |
|-----------|-------------|
| Yes | (20 points) |
| <u>No</u> | (0 points) |

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

| | |
|---|-------------|
| Less than 200 feet | (20 points) |
| 200 feet or more, but less than 1000 feet | (10 points) |
| <u>1000 feet or more</u> | (0 points) |

Ranking Score (Total Points)

0

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 5-1-04

Printed Name/Title: GENE LEE - Agent

Signature: Gene Lee

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: 7/15/04

Printed Name/Title: PETROLEUM ENGINEER

Signature: Paul J. [Signature]