

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
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 25616
⁴ Property Code 33805		³ API Number 30 - 025- 26474
⁵ Property Name RE Cole (NCT-A)		⁶ Well No. 21

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
B	16	22S	37E		430	North	2310	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 Eunice San Andres					¹⁰ Proposed Pool 2				

¹¹ Work Type Code P	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3407
¹⁶ Multiple No	¹⁷ Proposed Depth 6200'	¹⁸ Formation San Andres	¹⁹ Contractor Mesa Well Service	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
All Casing					
is currently					
in place.					
See original					
APD.					

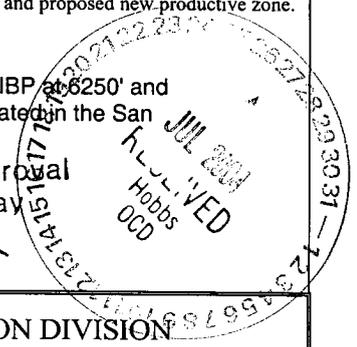
²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Operator proposes to plug back the current well bore from the current perforated interval by setting a CIBP at 6250' and dump bail 50' cement on top of CIBP. New PBTD to be 6200'. The 5 1/2" csg will be tested and perforated in the San Andres formation from 3700'-3779' overall, acidized and evaluated for commercial production.

2% KCL Water will be used weighing 8.4#/gal.
See Attached BOP Diagram.
All fluids will be contained in steel pits and frac tanks.

Permit Expires 1 Year From Approval Date Unless Drilling Underway

Plugback



²³ 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>Gene Lee</i>			
Printed name: Gene Lee		Approved by: <i>Paul J. [Signature]</i>	
Title: Agent		Title: PETROLEUM ENGINEER	
Date: 06/18/04		Approval Date: JUL 27 2004	
Phone: 505-626-4292		Expiration Date:	
		Conditions of Approval:	
		Attached <input type="checkbox"/>	

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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 30-025-26474	² Pool Code 24180	³ Pool Name Eunice San Andres - SW
⁴ Property Code 33805	⁵ Property Name Cole (NCT-A) RE	⁶ Well Number 21
⁷ OGRID No. 25616	⁸ Operator Name Zia Energy, Inc.	⁹ Elevation 3704 GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	16	22S	37E		430'	North	2310'	East	Lea

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.
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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		<p>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></p> <p>Signature _____ Gene Lee</p> <p>Printed Name Gene Lee</p> <p>Title and E-mail Address Agent</p> <p>Date 6-18-04</p>	
			<p>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></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p>
			<p>See Original Survey</p> <p>Certificate Number _____</p>

Zia Energy, Inc
Cole (NCT-A) #21
BOP Diagram
3000 psi WP

