

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised May 08, 2003

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-025-10030
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Brunson
8. Well Number 1
9. OGRID Number 025616
10. Pool name or Wildcat Eunice San Andes

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Zia Energy, Inc.	
3. Address of Operator 2203 Timberloch Place, Suite 229 The Woodlands, TX 77380	
4. Well Location Unit Letter <u>J</u> : <u>2310'</u> feet from the <u>South</u> line and <u>2310</u> feet from the <u>East</u> line Section <u>4</u> Township <u>22S</u> Range <u>37E</u> NMPM Lea County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3453' GR	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input checked="" type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

4-16-04 thru 5-12-04

MIRU Mesa Well Service workover rig. POH w/ rods & tbgs. RU electric line and set composite bridge plug at 3760'. Load and test 5" csg. Had hole at 70'. Rig up BJ and circ cmt down 5" and out 7" csg. Perform braden head squeeze w/ 130 sx Class "C" + 2% CaCl<sub>2</sub>. Change out wellheads. Drill out cement to 100' and fall free. Add additional perforations in the Grayburg Formation from 3632'--3752'. Existing producing perforations are currently 3770--3916'. Dump sand on composite plug. Acidize new perms 3632'--3752' w/ PPI tools and 2500 gal 15% NEFE. Frac perms 3632'--3752' w/ 125000 gal 10# Brine + 12,000# 14/30 Lite Prop. SI and went on vac. Rig up foam unit and clean out sand to composite plug at 3760'. Drill out composite and clean out wellbore to PBTD of 3898'. Run 2 3/8" production tbgs, rods and pump. EOT--3742', SN --3712'. Return well to production.

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

SIGNATURE Gene Lee TITLE Agent DATE 5/18/04

Type or print name Gene Lee Telephone No. (505) 626-4292

(This space for State use)

APPROVED BY Harry W. Wink DATE SEP 21 2004  
Conditions of approval, if any: FIELD REPRESENTATIVE II/STAFF MANAGER