

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. 30-025-10067
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 Grizzell
8. Well Number 2
9. OGRID Number 25616
10. Pool name or Wildcat Penrose Skelly Grayburg/Drinkard

SUNDRY NOTICES AND REPORTS ON WELLS
(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 ☐ Gas Well ☒ Other

2. Name of Operator
Zia Energy, Inc.

3. Address of Operator
2203 Timberloch Pl, Ste 229, The Woodlands, TX. 77380

4. Well Location
Unit Letter **J** : **1980** feet from the **South** line and **1980** feet from the **East** line
Section **5** Township **22S** Range **37E** NMPM **Lea** County
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3406' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	OTHER: <input type="checkbox"/>
OTHER: Frac existing zones & add perfs <input checked="" 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.

Zia Energy, Inc plans to frac the open hole interval of the Drinkard and add Additional Perfs in the Drinkard from 6314'-6440'. A composite plug will be set above the open hole interval after frac'ing and the Upper Drinkard perfs will be stimulated and tested. The composite plug will be drilled out and the two Drinkard zones will be commingled. This well is currently commingled in the Penrose Skelly Grayburg and Drinkard formations and approved on 10/99.

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 5/5/04

Type or print name Gene Lee

Telephone No. (505) 626-4292

(This space for State use)

APPROVED BY Harry W. Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER

Conditions of approval, if any:

SEP 21 2004