

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. 30-025-10335
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 Christmas
8. Well Number 1
9. OGRID Number 025616
10. Pool name or Wildcat Eunice San Andres, SW

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> 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 <u>I</u> : <u>2310</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>East</u> line Section <u>17</u> Township <u>22S</u> Range <u>37E</u> NMPM <u>Lea</u> 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: 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 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: Deepening & running liner. <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.

6-2-04 thru 6-15-04

MIRU Mesa Well Service workover rig. TOH & LD rods, pump and tbg. Remove pumping unit. Replace wellhead and test csg. Cement holes in 5.5" csg from 300-634' w/ 138 sx Class "C" + 2% CaCl2. Circ 5 sx. Drill out cement and test csg to 500 psi--OK. Drill down to 3723' w/ milltooth bit. Drill w/ 4.75" insert bit f/ 3723' and deepen down to 4010'. Rig up and run electric logs. Run 4.5" flush joint liner f/ 4000' to surface. Cement w/ 160 sx Super "C" Modified. Yld-1.46, Wt-13.4. Circulated 10 sx cement. Cut off and install 4.5" tbg head. Test head and csg to 1500 psi--OK.

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 7/5/04

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

(This space for State use)

APPROVED BY Harry W. Wink TITLE FIELD REPRESENTATIVE II/STAFF MANAGER
Conditions of approval, if any:

SEP 21 2004