

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

|   |  |   |
|---|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(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.)         |  | WELL API NO.<br>30-025-10067  |
| 1. Type of Well:<br>Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other  |  | 5. Indicate Type of Lease<br>STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 2. Name of Operator<br>Zia Energy, Inc.   |  | 6. State Oil & Gas Lease No.  |
| 3. Address of Operator<br>2203 Timberloch Pl, Ste 229, The Woodlands, TX. 77380   |  | 7. Lease Name or Unit Agreement Name<br>Grizzell  |
| 4. Well Location<br>Unit Letter <u>J</u> : <u>1980</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>East</u> line<br>Section <u>5</u> Township <u>22S</u> Range <u>37E</u> NMPM <u>Lea</u> County |  | 8. Well Number<br>2   |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>3406' GR  |  | 9. OGRID Number<br>25616  |
|   |  | 10. Pool name or Wildcat<br>Penrose Skelly Grayburg/Drinkard  |

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

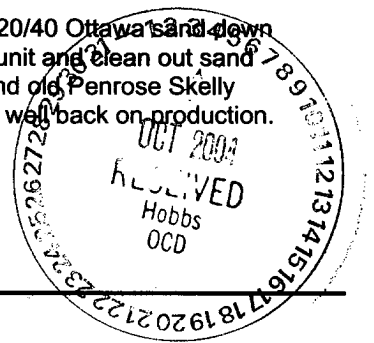
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

8-2-04 thru 8-11-04.

MIRU Mesa Well Service workover rig. POH w/ rods and tubing. Rig up Computalog and set 5" Composite bridge plug at 6460'. Perforate upper Drinkard f/ 6358'-6440' w/ 3 1/8" csg guns w/ .42" EHD. Perf 1 JSPF for total of 58 holes.

Acidize perfs w/ 1500 gal 15% NEFE acid. Swab test zone w/ show of gas.

Frac perfs 6358'-6440' w/ 52,000 gal XLink gel + 2000# 100 mesh sand + 70,000# 20/40 Ottawa sand down 2.875" work string at 20 BPM. Max pressure--5600 psi. Flow back frac. Rig up foam unit and clean out sand and drill composite bridge plug. Commingle open hole Drinkard, new Drinkard perfs and old Penrose Skelly perforations. TOH & LD work string. RIH w/ production tubing, rods and pump. Place well back on 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 8/5/04

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

(This space for State use)

APPROVED BY Ray W. Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE OCT 12 2004  
Conditions of approval, if any: