

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

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

Form C-103  
Revised May 08, 2003

WELL API NO. 30-025-10319
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Cole (NCT-a)
8. Well Number 6
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 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>B</u> : <u>554</u> feet from the <u>North</u> line and <u>1874</u> feet from the <u>East</u> line Section <u>16</u> Township <u>22S</u> Range <u>37E</u> NMPM <u>Lea</u> County 11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>3407' GR</u>	

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.

4/15/04 Through 5/12/04

MIRU Joe's Well Service workover rig. TOH w/rods and tbgs. RU Baker Atlas WL. Run GR/16. Make up and GIH w/ 7" CIBP. Set CIBP @ 5440'. Dump bail 35' cement on CIBP. Test csg to 500 psi. RIH w/ 7" CIBP and set at 5120'. Cap w/ 35' Cement.

NEW PBTD--5185'.

Test 7" csg to 500 psi--OK. TIH w/ 4" csg guns and perforate San Andres formation from 3824'--3958' overall w/ 14 holes. Make up PPI tools and acidize perfs w/ 2000 gal 15% NEFE acid. Rig up BJ and frac San Andres perfs w/ 10000 gal 10# brine + 2000# 16/30 Lite Prop and screened out. Clean out w/ foam unit to 5000'. Add Additional perfs 3778-82, 3791-3812, 3818-38, 3856-76, & 3890-3914--total of 118 holes. Reacidize w/ 5000 gal 15% NEFE + ball sealers. Swab back load. Put well on production. RIH w/ 2 7/8" prod tbgs. End of 2 7/8" tbgs--4008', SN--3971', 2 7/8 X 7" TAC at 3748'.

NEW PRODUCING RESERVOIR--San Andres.

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 5/22/04

Type or print name Gene Lee Telephone No. (505) 626-4292  
(This space for State use)

APPROVED BY Paul Blin TITLE PETROLEUM ENGINEER DATE OCT 18 2004  
Conditions of approval, if any:

2A Blinbury (Gas)