

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address ZIA ENERGY, INC 2203 Timberloch Place Suite 229 The Woodlands, TX 77380		² OGRID Number 025616
		³ API Number 30 - 025-10323
⁴ Property Code 13024	⁵ Property Name Cole State	⁶ Well No. 3

⁷ Surface Location

UL or lot no. C	Section 16	Township 22S	Range 37E	Lot Idn	Feet from the 660'	North/South line North	Feet from the 1980'	East/West line West	County Lea
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⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
⁹ Proposed Pool 1 Eumont; Y, 7Rvrs, Q					¹⁰ Proposed Pool 2				

¹¹ Work Type Code R P	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3414'
¹⁶ Multiple No	¹⁷ Proposed Depth 3525'	¹⁸ Formation Queen	¹⁹ Contractor Mesa Well Service	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	324'	160 sx.	Surface
7 7/8"	5 1/2"	15#	3548'	220 Sx	1800'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.
Describe the blowout prevention program, if any. Use additional sheets if necessary.

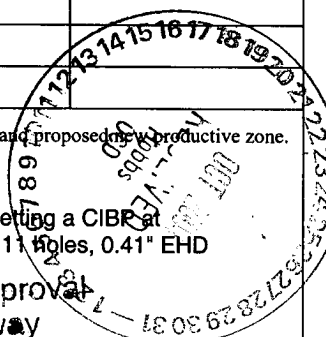
Operator proposes to plug back from the Grayburg (Penrose Skelly Grayburg) open hole formation by setting a CIBR at 3525' and capping w/ 35' cement. Plans include perforating the Queen formation from 3464--3501' w/ 111 holes, 0.41" EHD and stimulating as necessary for commercial production. Hole w/ be loaded w/ 2% KCL water.

BOP Diagram attached.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

No earthen pits will be utilized and all fluids contained in steel tanks.

Plug back



²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Gene Lee</i>		OIL CONSERVATION DIVISION	
Printed name: Gene Lee leeconinc@aol.com		Approved by: <i>Paul J. [Signature]</i>	
Title: Agent		Title:	
Date: 10/21/04	Phone: 505-626-4292	Approval Date: OCT 27 2004	Expiration Date: PETROLEUM ENGINEER
		Conditions of Approval: Attached <input type="checkbox"/>	

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10323		² Pool Code 22800		³ Pool Name Eumont; Y, 7Rvrs, Q	
⁴ Property Code 13024		⁵ Property Name Cole State			⁶ Well Number 3
⁷ OGRID No. 25616		⁸ Operator Name Zia Energy, Inc.			⁹ Elevation 3414' GL

¹⁰ Surface Location

UL or lot no. C	Section 16	Township 22S	Range 37E	Lot Idn	Feet from the 660'	North/South line North	Feet from the 1980'	East/West line West	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

⁵ 	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> <hr/> Signature <hr/> Printed Name Gene Lee <hr/> Title and E-mail Address Agent <hr/> Date 10-15-04			
	¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> <hr/> See Original Survey <hr/> Date of Survey <hr/> Signature and Seal of Professional Surveyor: <hr/> See Original Survey <hr/> Certificate Number			

Zia Energy, Inc
Cole State #3
BOP Diagram
3000 psi WP

