

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. 30-025-36761
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 Greenwood
8. Well Number #21
9. OGRID Number 25616
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>K</u> : <u>2310</u> feet from the <u>South</u> line and <u>2310</u> feet from the <u>West</u> line Section <u>9</u> Township <u>22S</u> Range <u>37E</u> NMPM <u>Lea</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3409' 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 type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPERATIONS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <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.

9-17-04 through 9-30-04.

Move in and rig up Mesa Well Service completion rig. Go in hole w/ 2 7/8" tbg. Tag at 4200'. POH and rig up Baker Atlas WL. Run GR/CBL/CCL log. TOC @ 300' by CBL. Perforate San Andres 3958'--4045' w/ 128 holes w/ 3 3/8" csg guns w/ 60 deg phasing & 0.38" EHD. RIH w/ 2 7/8" tbg & Pkr. Set pkr at 3860'. Acidize perms w/ 4500 gal 15% NEFE. ISIP--930 psi, 15 min--26 psi. Swab test w/ show of oil & gas. POH w/ pkr. Rig up WL truck and set CIBP @ 3950'.

Perf San Andres 3811'--3933' in 6 runs w/ 3 3/8" csg guns. Perf w/ 2 JSPF on 60 deg phasing, total of 210 holes, 0.38" EHD. Rig down WL truck. TIH w/ 2 7/8" tbg and pkr. Set pkr at 3734'. Acidize perms w/ 6500 gal 15% NEFE acid + 300 RCN ball sealers. ISIP--700 psi, 5 min--Vaccum. Swab test w/ good show oil & gas. Rig down swab, POH w/ pkr. TIH w/ prod tbg. Run 2 7/8" bull plugged mud joint, perf sub, SN, 6 jts 2 7/8 tbg, TAC and 118 jts. End of tbg @ 3928', SN at 3893'. ND BOP, flange up wellhead. Run in hole w/ 2.5 X 1.75 X 20' RHBC pump. Hang well on. Rig down and release Mesa Well Service. Leave well pumping. Turn over to pumper.

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 10/10/04

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

(This space for State use)

APPROVED BY Gary W. Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE 10/27/2004

Conditions of approval, if any: