

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. 30-025-36782
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 Grizzell
8. Well Number #4
9. OGRID Number 25616
10. Pool name or Wildcat Paddock

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>O</u> : <u>1140</u> feet from the <u>South</u> line and <u>2160</u> feet from the <u>East</u> line Section <u>5</u> Township <u>22S</u> Range <u>37E</u> NMPM <u>Lea</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3423' 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: Perf, Stim, Complete <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.

9-23-04 through 10-4-04

MIRU Mesa Well Service completion rig. NU BOP. RU Computalog WL truck and run GR/CBL/CCL log. TOC at 1125' by CBL. Pick up and GIH w/ 4 3/4" bit, tbg. Tag at 5298'. Drill out cement to 5344'. Circ hole w/ 2% KCL water. TOH. Perf Paddock from 5092'--5293' w/ 2 jspf on 60 Deg phasing w/ 0.38" EHD. Total of 372 holes. TIH w/ Pkr. Set pkr at 4987'. Rig up Key and acidize perms w/ 9000 gal 15% NEFE +550 RCN ball sealers. ISIP--1310 psi, 15 min--760 psi. Swab back with show of oil & gas. TOH w/ pkr.

RIH w/ 2 7/8" prod tbg. 2 7/8" BPMJ, PS, SN, 10 jts, TAC, 160 jts 2 7/8" J55 EUE tbg. End of tbg at 5332', SN at 5297'. ND BOP, Flange up wellhead.

Rig up and RIH w/ 2.5" X 1.5" X 20' RHBC & rods. Seat pump, load tbg. Hang well on and leave pumping. Rig down and release completion rig. 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 9/21/04

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

(This space for State use)

APPROVED BY Harry W. Winters TITLE FIELD REPRESENTATIVE II/STAFF MANAGER DATE 9/21/04

Conditions of approval, if any:

OCT 27 2004