

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

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.)		WELL API NO. 30-025-36782
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Zia Energy, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 2203 Timberloch Place, Suite 229, The Woodlands, TX 77380		7. Lease Name or Unit Agreement Name Grizzell
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		8. Well Number #4
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3423' GR		9. OGRID Number 25616
		10. Pool name or Wildcat Paddock

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"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASINGS <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input checked="" type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: Perf, Stim, Complete <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.

8-31-04 Through 9-2-04

Drill 12 1/4" hole to depth of 1130'. TD 12 1/4" hole at 0215 hrs on 9-2-04. TOH and rig up csg crew. Rig up and run 26 jts, 1130', 8 5/8" 24# J55 ST&C csg. Land csg shoe at 1130', Float collar at 1086'. Rig up BJ Services and cement 8 5/8" surface csg w/ 500 sx BJ Lite 65:35:6 + 2% CaCl₂, Yld--1.98 cu/ft, Wt--12.6#/gal. Tail w/ 200 sx Class "C" Premium Plus +2% CaCl₂. Yld--1.34 cu/ft, Wt--14.6#/gal. Plug down at 1330 hrs on 9-2-04. Circulated 117 sx to the surface. Notify Hobbs, NMOC of running csg and cementing.

NU and test BOP & Manifold to 2000 psi for 30 min--OK. Pressure test 8 5/8" csg to 1000 psi for 30 min--OK.

Drill out w/ 7 7/8" bit at 0845 hrs on 9-3-04 w/ brine water.

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 9/10/04

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

APPROVED BY Larry W. Wink FIELD REPRESENTATIVE II/STAFF MANAGER
Conditions of approval, if any:

OCT 27 2004