

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. 30-025-36782
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:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input checked="" type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input 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.

9-2-04 through 9-12-04

Drill 7 7/8" hole from 1130' to 5355'. TD 7 7/8" hole at 5355' at 1800 hrs on 9-10-04. Circulate hole clean. TOH and rig up Schlumberger. Run triple combo Platform Express electric logs. Rig down electric line truck. Rig up and run 119 jts 5.5" 17# J55 LT&C Csg. Land 5.5" csg float shoe @ 5345', Float collar at 5300'. Rig up BJ services and cement 5.5" prod csg w/ 600 sx BJ Lite 65:35:6 + 5% Salt, 3# LCM-1, .6% FL62. Yld--2.05 cu ft, Wt--12.5#/gal. Tail w/ 375 sx Class "C" Premium Plus + 1% FL62, 5# LCM-1 + 2% CD32. Yld 1.45 cu/ft, Wt--14.3#/gal. Plug down at 0630 hrs on 9-12-04. ND BOP, Set slips, Rig Released at 0900 hrs on 9-12-04. Test 5.5" csg to 2500 psi.

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 Larry W. Wink TITLE OG FIELD REPRESENTATIVE II/STAFF MANAGER DATE OCT 27 2004
Conditions of approval, if any: