

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

May 27, 2004

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. 30-025-09983
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 Brunson
4. Well Location Unit Letter <u>L</u> : <u>2310</u> feet from the <u>South</u> line and <u>990</u> feet from the <u>West</u> line Section <u>3</u> Township <u>22S</u> Range <u>37E</u> NMPM Lea County		8. Well Number <u>2</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3425' GL		9. OGRID Number
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Penrose-Skelly; Grayburg
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

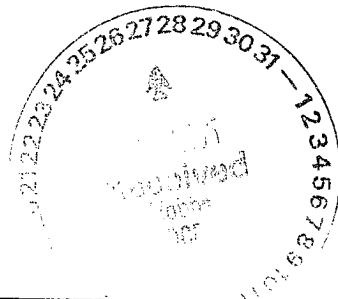
OTHER: ☐ PLUGBACK ☐

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.

03/15/2005 - 03/22/2005:

RIH to 3710'. Set RBP at 3575'. Perforated additional Penrose-Skelly; Grayburg from 3470-3520' at 2 SPF, total of 100 holes. Acidized well with 1500 gallons 7-1/2% acid flush. Bailed out sand to top of RBP at 3575' and TOH with RBP. RIH w/144 jts 2-3/8" tbg, 67 3/4" rods, and 77 7/8" rods. Put well back on production in the Penrose-Skelly; Grayburg formation.

Tubing @ 3699 per HF



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE _____ COO _____ DATE 4/15/2005

Type or print name Donald Dotson E-mail address: ddotson@plantationpetro.com Telephone No. 281-296-7222

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER. DATE MAY 02 2005

Conditions of Approval (if any):