

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-101  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

|   |                               |                            |
|---|-------------------------------|----------------------------|
| Operator Name and Address.<br>Zia Energy, Inc.<br>P. O. Box 2219<br>Hobbs, N.M. 88241 |                               | OGRID Number<br>025616     |
|   |                               | API Number<br>30-025-06883 |
| Property Code<br>013038   | Property Name<br>H. S. Turner | Well No.<br>1              |

7 Surface Location

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N             | 29      | 21S      | 37E   |         | 330           | South            | 2310          | West           | Lea    |

8 Proposed Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

|   |                 |
|---|-----------------|
| Proposed Pool 1<br>Eunice - San Andres- | Proposed Pool 2 |
|---|-----------------|

|                     |                         |                              |                       |                                 |
|---------------------|-------------------------|------------------------------|-----------------------|---------------------------------|
| Work Type Code<br>D | Well Type Code<br>9     | Cable/Rotary<br>Pulling Unit | Lease Type Code<br>P  | Ground Level Elevation<br>3460' |
| Multiple<br>S       | Proposed Depth<br>4000' | Formation<br>San Andres      | Contractor<br>Unknown | Spud Date<br>10/9/96            |

21 Proposed Casing and Cement Program

| Hole Size | Casing Size         | Casing weight/foot | Setting Depth  | Sacks of Cement | Estimated TOC |
|-----------|---------------------|--------------------|----------------|-----------------|---------------|
| Surface   | same as original    |                    |                |                 |               |
|           | 7" same as original |                    |                |                 |               |
| 6 1/8"    | 4 1/2"              | 11.60              | 3000' to 4000' | liner 100 sxs   | 3000'         |
|           |                     |                    |                |                 |               |
|           |                     |                    |                |                 |               |

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

1. Rig up pulling unit & reverse circulation equipment.
  2. Drill out cement retainer at 3562' & cement to TD at 3800'
  3. Deepen well with a 6 1/8" bit to 4000'.
  4. run & cement a 4 1/2' liner from 3000' to TD at 4000'.
  5. Perforate & stimulate the San Andres as needed.
- Put well on production to test.

Permit valid for 1 Year From Approval  
Date: 10/9/96

|   |                     |  |                                     |
|---|---------------------|--|-------------------------------------|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>Signature: <i>Farris Nelson</i> |                     | OIL CONSERVATION DIVISION                                    |                                     |
| Printed name: Farris Nelson   |                     | Approved by: <i>[Signature]</i>                              |                                     |
| Title: President  |                     | Title: <i>[Signature]</i>                                    |                                     |
| Date: 10/7/96   | Phone: 505-393-2937 | Approval Date: <i>[Signature]</i>                            | Expiration Date: <i>[Signature]</i> |
|   |                     | Conditions of Approval:<br>Attached <input type="checkbox"/> |                                     |