

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-10321
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-3480
7. Lease Name or Unit Agreement Name Cole State
8. Well No. 1
9. Pool name or Wildcat Penrose-Skelley Grayburg

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 P. O. Box 2219, Hobbs, NM 88241	
4. Well Location Unit Letter <u>A</u> : <u>660</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>16</u> Township <u>22 South</u> Range <u>37 East</u> NMPM <u>Lea</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3405' GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

12. 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.

1. Rig up pulling unit. Pull rods and pump. Tag fill with tubing and pull out of hole.
2. Rig up reverse circulation. Pick up 2 7/8" work string, drill collars and bit.
3. Deepen through the Grayburg to a depth not to exceed 4000'.
4. Log and test as necessary.
5. Possibly set a 5 1/2" liner from 3550' to total depth.
6. Perforate and stimulate as needed.
7. Place on production to test.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE <u>Farris Nelson</u>	TITLE <u>Engineer</u>	DATE <u>10/28/93</u>
TYPE OR PRINT NAME <u>Farris Nelson</u>	<u>505-393-2937</u>	TELEPHONE NO.

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE NOV 01 1993

CONDITIONS OF APPROVAL, IF ANY: