

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. 30-025-10323
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. 3
9. Pool name or Wildcat Penrose Skelly Brayburg

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 C : 660 Feet From The North Line and 1980 Feet From The West Line Section 16 Township 22 South Range 37 East NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3414' 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"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input 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"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <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 a pulling unit. Pull rods and pump. Tag bottom with tubing & tally out.
 2. Clean out to total depth of 3694' if necessary.
 3. Deepen in the Grayburg if necessary.
 4. Run compensated neutron-gamma ray log.
 5. Perforate additional zones as necessary.
 6. Fracture treat as necessary.
 7. Place well back on production.

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

SIGNATURE Farris Nelson TITLE Engineer/ President DATE 1/25/93
TYPE OR PRINT NAME Farris Nelson TELEPHONE NO. 505/ 393-2937

(This space for State Use)

Orig. Signed by
Paul Kanta
Geologist

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

JAN 27 1993