

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. 30-025-22039
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 Simmons
8. Well No. 2
9. Pool name or Wildcat San Andres SWD
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3424' GR

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 type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER Salt Water Disposal	
2. Name of Operator Zia Energy, Inc.	
3. Address of Operator P.O. Box 2510, Hobbs, NM 88241-2510	
4. Well Location Unit Letter G : 2310 Feet From The North Line and 1980 Feet From The East Line Section 5 Township 22 South Range 37 East NMPM Lea County	

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. Due to an accident, it will be necessary to unset the packer and pull the plastic coated tubing. A hot oil unit backed-up into the tubing above the casing, bending the tubing over at a 30° angle.
2. It is proposed to pull the tubing and packer to replace the damaged joint.
3. In the process an Administrative Order to amend SWD - 431 to extend the injection interval from original 4730' to 4910' to an amended 4730' to 5025'. If approved we will perforate a zone from 4922' to 4944'.
4. Acidize all perforations, rerun plastic coated tubing and packer.
5. Perform a casing integrity test.

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

SIGNATURE Farris Nelson TITLE President DATE 5/9/01
TYPE OR PRINT NAME Farris Nelson TELEPHONE NO. 505/393-2937

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

MAY 18 2001

