

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

2040 South Pacheco
Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-025-22486 |
| 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. 12 |
| 9. Pool name or Wildcat Eunice San Andres Southwest |

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 PO Box 2510, Hobbs, NM 88241 |
| 4. Well Location Unit Letter <u>D</u> <u>990</u> Feet From The <u>North</u> Line and <u>330</u> Feet From The <u>West</u> Line Section <u>16</u> Township <u>22S</u> Rang. <u>37E</u> NMPM <u>Lea</u> County | | |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) | | |

| | | | |
|---|---|---|---|
| 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data | | | |
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input checked="" 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.

10/1/99 POH with prd equip.
10/4 RIH with 3 1/2" frac string.
10/5 Frac San Andres perfs with 22,000 gals and 42,000 lbs of 16/30.
10/6 Clean out fill.
10/7 Return to production.

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

SIGNATURE Scott Nelson TITLE Petro. Engr. DATE 12/7/99
TYPE OR PRINT NAME Scott Nelson 393-2937 TELEPHONE NO.

(This space for State Use)

APPROVED BY CHRIS WILLIAMS TITLE REG. DIV. SUPERVISOR DATE DEC 10 1999

CONDITIONS OF APPROVAL, IF ANY: