

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
August 1, 2011  
Permit 258820

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

|                                                                                              |  |                               |
|----------------------------------------------------------------------------------------------|--|-------------------------------|
| 1. Operator Name and Address<br>CAZA OPERATING, LLC<br>200 N Loraine St<br>Midland, TX 79701 |  | 2. OGRID Number<br>249099     |
| 4. Property Code<br>320546                                                                   |  | 3. API Number<br>30-015-45365 |
| 5. Property Name<br>FOREHAND RANCH NORTH 22 21 STATE                                         |  | 6. Well No.<br>003H           |

**7. Surface Location**

|          |         |          |       |         |           |          |           |          |        |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| H        | 22      | 23S      | 27E   | H       | 1370      | N        | 250       | E        | Eddy   |

**8. Proposed Bottom Hole Location**

|          |         |          |       |         |           |          |           |          |        |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| D        | 21      | 23S      | 27E   | D       | 345       | N        | 270       | W        | Eddy   |

**9. Pool Information**

|                            |       |
|----------------------------|-------|
| PURPLE SAGE;WOLFCAMP (GAS) | 98220 |
|----------------------------|-------|

**Additional Well Information**

|                           |                             |                                        |                         |                                    |
|---------------------------|-----------------------------|----------------------------------------|-------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>GAS        | 13. Cable/Rotary                       | 14. Lease Type<br>State | 15. Ground Level Elevation<br>3140 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>20044 | 18. Formation<br>Wolfcamp              | 19. Contractor          | 20. Spud Date<br>11/16/2018        |
| Depth to Ground water     |                             | Distance from nearest fresh water well |                         | Distance to nearest surface water  |

☒ We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5      | 13.375      | 54.5             | 2141          | 1850            | 0             |
| Int1 | 12.25     | 9.625       | 40               | 5200          | 470             | 3800          |
| Int1 | 12.25     | 9.625       | 40               | 3800          | 1275            | 0             |
| Int1 | 12.25     | 9.625       | 47               | 7453          | 175             | 7100          |
| Int1 | 12.25     | 9.625       | 40               | 7100          | 550             | 5200          |
| Prod | 8.5       | 5.5         | 20               | 20044         | 4500            | 0             |

**Casing/Cement Program: Additional Comments**

|                                                                                                   |
|---------------------------------------------------------------------------------------------------|
| Conductor will be set at 206'TVD. This is 25' into the Rustler and will protect the ground water. |
|---------------------------------------------------------------------------------------------------|

**22. Proposed Blowout Prevention Program**

| Type       | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Annular    | 5000             | 5000          | Schaffer     |
| Double Ram | 5000             | 5000          | Schaffer     |

|                                                                                                                                                                                                                                                                                                                      |                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.<br><br>Signature: | <b>OIL CONSERVATION DIVISION</b>                           |
| Printed Name: Electronically filed by Steve Morris                                                                                                                                                                                                                                                                   | Approved By: Raymond Podany                                |
| Title:                                                                                                                                                                                                                                                                                                               | Title: Geologist                                           |
| Email Address: steve.morris@mojoenergy.com                                                                                                                                                                                                                                                                           | Approved Date: 10/19/2018      Expiration Date: 10/19/2020 |
| Date: 10/19/2018      Phone: 972-835-3315                                                                                                                                                                                                                                                                            | Conditions of Approval Attached                            |



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**Santa Fe, NM 87505**

Form APD Comments

Permit 258820

**PERMIT COMMENTS**

|                                                                                                     |  |                                                 |
|-----------------------------------------------------------------------------------------------------|--|-------------------------------------------------|
| Operator Name and Address:<br>CAZA OPERATING, LLC [249099]<br>200 N Loraine St<br>Midland, TX 79701 |  | API Number:<br>30-015-45365                     |
|                                                                                                     |  | Well:<br>FOREHAND RANCH NORTH 22 21 STATE #003H |

|            |         |              |
|------------|---------|--------------|
| Created By | Comment | Comment Date |
|------------|---------|--------------|

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Form APD Conditions

Permit 258820

**PERMIT CONDITIONS OF APPROVAL**

|                                                                                                     |                                                 |
|-----------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Operator Name and Address:<br>CAZA OPERATING, LLC [249099]<br>200 N Loraine St<br>Midland, TX 79701 | API Number:<br>30-015-45365                     |
|                                                                                                     | Well:<br>FOREHAND RANCH NORTH 22 21 STATE #003H |

|                 |                                                                                                                                                                                                                                                                      |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OCD<br>Reviewer | Condition                                                                                                                                                                                                                                                            |
| rpodany         | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |
| rpodany         | Will require a directional survey with the C-104                                                                                                                                                                                                                     |
| rpodany         | Cement is required to circulate on both surface and intermediate1 strings of casing                                                                                                                                                                                  |