

Submit One Copy To Appropriate District Office

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD

APR 19 2013

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

RECEIVED 1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103

Revised November 3, 2011

WELL API NO. 30 025 39404
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-1128
7. Lease Name or Unit Agreement Name Moore Cowbell 27 State
8. Well Number 1H
9. OGRID Number 249099
10. Pool name or Wildcat Caprock Wolfcamp, East

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 ☐ Gas Well ☐ Other

2. Name of Operator  
Caza Operating, LLC

3. Address of Operator  
200 N. Loraine, Suite 1550, Midland, Texas 79701

4. Well Location  
Unit Letter P : 660 feet from the South line and 990 feet from the East line  
Section 27 Township 12 S Range 32 E NMPM \_\_\_\_\_ County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
4335 GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

☒ Location is ready for OCD inspection after P&A

- ☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.  
☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.  
☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

**OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.**

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.  
☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.  
☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.  
☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)  
☒ All other environmental concerns have been addressed as per OCD rules.  
☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.  
☒ If this is a one-well lease or last remaining well on lease: all electrical service poles and lines have been removed from lease and well location, except for utility's distribution infrastructure.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Richard L. Wright TITLE Operations Manager DATE 4-16-2013

TYPE OR PRINT NAME Richard L. Wright E-MAIL: rwright@cazapetro.com PHONE: 432 682 7424

For State Use Only

APPROVED BY: Mary S Brown TITLE Compliance Officer DATE 5/17/2013

MAY 20 2013



more cap 3

HOBBS OCD

MAY 16 2013

April 9, 2013

Good Cattle Company  
P. O. Box 36  
Elida, New Mexico 88116

Re: Surface Release <sup>27</sup>  
Caza-Cow Bell <sup>27</sup> State 1H  
Section <sup>27</sup> 23, T12S-R32E, NMPM  
Lea County, New Mexico

RECEIVED  
Changed to  
27 State 1H.  
23 STATE 1H  
WAS NEVER DRILLED.  
MJB

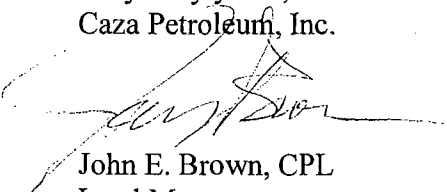
Gentlemen:

Caza Petroleum, Inc., through its subsidiary, Caza Operating, L.L.C. has drilled, produced and permanently abandoned its Cow Bell <sup>27</sup> State No. 1H well. Caza has removed its equipment and restored the surface of the well site. <sup>27</sup>

For consideration of Five Thousand Dollars (\$5,000.00), the receipt and sufficiency of which are hereby acknowledged, you hereby agree that Caza may leave all of the imported caliche in place on the well site, as is and where is. You also acknowledge and agree that the drill site has otherwise been restored and release Caza from any further damages in connection with its operations on the captioned well.

If you are in agreement with the foregoing, please sign and return this letter to me. Thank you.

Very truly yours,  
Caza Petroleum, Inc.

  
John E. Brown, CPL  
Land Manager

Agreed to and Accepted this 15 day of April, 2013.

Good Cattle Company

By: 

Printed Name: CHARLES GOOD

Title: PRES.



NEW MEXICO ENERGY, MINERALS and  
NATURAL RESOURCES DEPARTMENT

SUSANA MARTINEZ  
Governor

David Martin  
Cabinet Secretary-Designate  
Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

Jami Bailey  
Director  
Oil Conservation Division

**\*Response Required – Deadline Enclosed\***  
*Field Inspection Program*  
*"Preserving the Integrity of Our Environment"*

**RECEIVED**  
MAY 16 2013

30-Apr-13

BY: .....

CAZA OPERATING, LLC  
200 N LORAIN STE 1550  
MIDLAND TX 79701

HOBBS OCD

MAY 16 2013

RECEIVED

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

**INSPECTION DETAIL SECTION**

MOORE COWBELL 27 STATE No.001H

P-27-12S-32E

30-025-39404-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/26/2013	Plugged Well Surface Restor	Maxey Brown	Yes	No	7/30/2013	iMGB1311648391

Comments on Inspection: DO NOT RELEASE. RULE 19.15.25.10. NEED TO REMOVE PROPANE TANK, FENCE POST AND WIRE FROM LOCATION. ALSO LOCATION HAS NOT BEEN LEVELLED, BRING STOCKPILED TOP SOIL BACK ONTO LOCATION, SMOOTH OUT PILES OF CALACHI. MARKER IS OK. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.

Mr Brown, The propane tanks will be removed as soon as possible. They were released 3 mos ago. The Fencing material is owned by the surface owner. Mr Good has agreed to let us leave the Caliche in place. He also agreed that leveling was not necessary subject to his inspection which has already occurred. Subject to the propane tank being remove please consider releasing Caza from further liability. Thanks.

*[Signature]*

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,



**COMPLIANCE OFFICER**

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

\*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.