

Submit 1 Copy To Appropriate District Office

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

HOBBS OGD

JUN 26 2014

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-41888
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-2294
7. Lease Name or Unit Agreement Name Gramma 27 State
8. Well Number 2H
9. OGRID Number 249099
10. Pool name or Wildcat Grama Ridge; Bone Spring NE 28435

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 North Loraine, Suite 1550, Midland, Texas 79701

4. Well Location
Unit Letter A : 330 feet from the North line and 500 feet from the East line
Section 27 Township 21 S Range 34 E NMPM County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3688 ft 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 ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

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

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6-16-14_Drilling 12-1/4" hole from 1800' to 4119 ft. Lost Full Returns @ 4100 ft. POH. L/D stabilizers & scout tool. TIH

6-17-14_Dry Drilling 12-1/4" hole to 5700 ft.

6-18-14_POH. Run 9-5/8" 40 lb J-55 & HCK-55 LTC casing to 5700 ft. CP & Stg tool @ 3874'-3902'. Cmt'd 1st stage with 365 sks "C" 65:35:6 poz gel +5% salt mixed 12.4 ppg. Tailed w/ 345 sks "C" mixed 14.8 ppg. Inflate pkr. Open tool @ 3874'. Circ 6 hrs. Cmt 2nd stage w/ 775 sks "C" 65:35:6 Poz Gel mixed 12.4 ppg + 5% salt. tailed w/ 200 sks "C" 14.8 ppg. Gray water in returns. Closed tool okay. Temp survey showed Cmt top @ 960 ft.

6-20-14_Finish Testing BOPE. 250 low & 3000 psi high. Annular 2500 psi. Drill out equipment. test csg to 1000 psi for 30 minutes. Total WOC 29 hrs.

Spud Date: June 11th, 2014

Rig Release Date:

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

SIGNATURE Richard L. Wright TITLE Operations Manager DATE 6-24-2014

Type or print name Richard L. Wright E-mail address: rwright@cazapetro.com PHONE: 432 682 7424

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 07/01/14
Conditions of Approval (if any):

JUL 02 2014

m